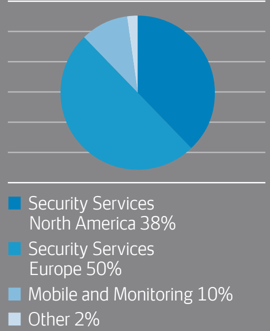
Annual Report 2009

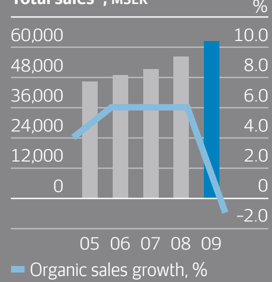
SECURITAS

Markets in which Securitas conducts operations: Argentina, Austria, Belgium, Canada, Chile, China, Colombia, the Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Hong Kong, Hungary, India, Ireland, Luxembourg, Morocco, the Netherlands, Norway, Peru, Poland, Portugal, Romania, Saudi Arabia, Serbia, Slovakia, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, the USA, the United Arab Emirates, the United Kingdom, Uruguay and Vietnam.

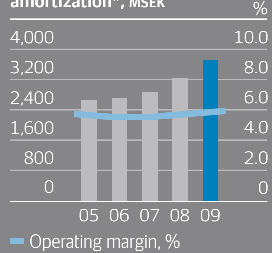
Sales by business segment, %



Total sales*, MSEK



Operating income before amortization*, MSEK



* Continuing operations

Offering

Securitas services a wide range of customers in a variety of industries and customer segments, ranging from governments, airports, infrastructure, office buildings, banks, shopping centers, hotels, manufacturing industries, mines, hospitals and residential areas to high-tech and IT companies. The size of the customers varies from the 'shop on the corner' to global multi-billion industries.

The services provided are specialized guarding and mobile services, monitoring, and consulting and investigations. Securitas can respond to unique and specific security challenges facing our customers, tailoring its offering according to their specific industry demands. Knowing how each customer segment works before we get to know our customer makes for a better result – for the customer, as well as for us.

Read more about our offering on pages 10–11

Size

Securitas employs more than 260,000 people in 40 countries. In 2009, total sales amounted to MSEK 62,667 and operating income amounted to MSEK 3,756.

Read more about our business on pages 12–27

Markets and organization

Securitas operates in North America, Europe, Latin America, the Middle East, Asia and Africa. We have a flat and decentralized organization with three business segments: Security Services North America, Security Services Europe and Mobile and Monitoring.

Security Services North America provides security services in the USA, Canada and Mexico, with over 600 branch offices and approximately 100,000 employees. Securitas' market share is 18 percent in the USA.

Security Services Europe provides security services in 24 countries with over 800 branch offices and more than 110,000 employees. Securitas' market share is 18 percent in this region for these types of services.

Mobile offers mobile security services, such as beat patrol and call-out services for small and medium-sized companies, and operates in 11 countries with approximately 8,900 employees and 327 branch offices. Monitoring, also called Securitas Alert Services, offers electronic alarm surveillance to both homes and businesses. Securitas Alert Services operates control rooms in 11 countries in Europe and has approximately 900 employees. Together, Mobile and Monitoring's market share is 16 percent in this region and for these types of services.

Read more about the market on pages 28–31 and our management and organization on pages 32–35

History

The founder of Securitas, Erik Philip-Sørensen, established the company in southern Sweden in 1934 when he bought Hälsingborgs Nattvakt, a small guarding company with three guards and a contract portfolio of SEK 534 per month. The company quickly grew organically and through acquisitions of smaller, regional companies. In 1972, the Group adopted the name Securitas and established its logotype with the three red dots.

After almost 50 years in the hands of the Philip-Sørensen family, the company was sold, and in 1991, Securitas was listed on the Stockholm Stock Exchange (NASDAQ OMX Stockholm).

International expansion started cautiously in the late 1980s, and increased rapidly from the mid-1990s, with Europe as the primary market. In 1999, the company entered North America, followed by Latin America in 2000, and in 2007, the first steps were taken in Asia.

As part of the increased specialization and refinement of its business, Securitas distributed Securitas Systems (today Niscayah Group) and Securitas Direct to its shareholders in 2006, followed by Loomis in 2008.

Read more about our history on our website at www.securitas.com/history

Financial targets

Securitas focuses on two financial targets. One target relates to the statement of income: an average growth of earnings per share of 10 percent annually. The second target relates to the balance sheet: free cash flow in relation to net debt of at least 0.20. In 2009, earnings per share amounted to SEK 5.80, which represented 11 percent growth compared to 2008. The relation between free cash flow and net debt was 0.26 at year-end.

Read more about our financial targets and their definitions on pages 34–35 and 69–70

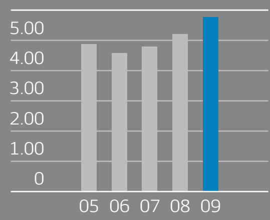
The share

The Securitas share has been listed on the Stockholm Stock Exchange, now known as NASDAQ OMX Stockholm, since 1991. The share price increased by 9 percent during the year. The number of shareholders in Securitas was 31,527. Institutional investors accounted for 95 percent of the total share capital. Shareholders outside Sweden accounted for 29 percent (42) of the capital and 20 percent (29) of the votes.

The principal shareholders in Securitas are Gustaf Douglas and Melker Schörling, who through companies and families hold 11.6 percent and 5.6 percent of the capital, respectively.

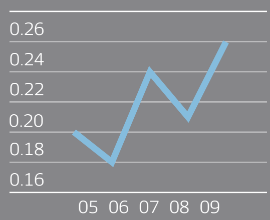
Read more about our share and owners on pages 42–44

Earnings per share after dilution*, SEK



* Continuing operations

Free cash flow to net debt ratio



This is a translation of the original Swedish Annual Report. In the event of differences between the English translation and the Swedish original, the Swedish Annual Report shall prevail.

◀ João Cruz at Securitas in Portugal, patrols the harbor of Porto de Setúbal.

Mobile alarm response at a car dealership in Germany. ▶

"Business relationships are local, but knowledge is global."

A Challenging but Successful Year

We are convinced that our focus on long-term profitability is driving the development of security services and increasing shareholder value. This focus was reflected in the work carried out during 2009 and contributed to the results we achieved.

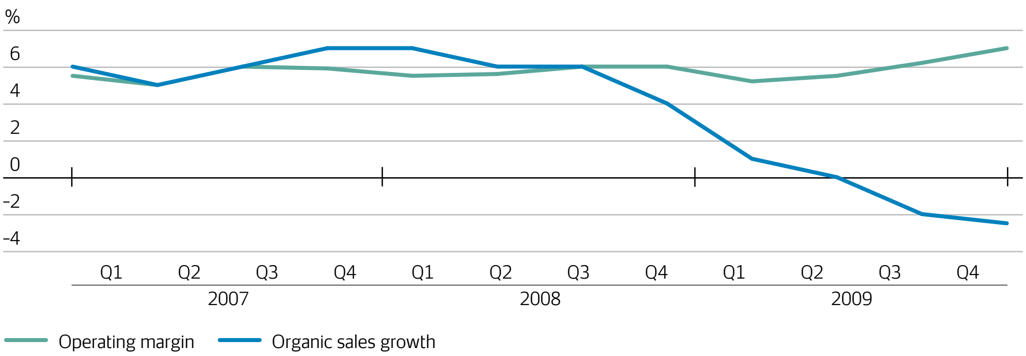
Alf Göransson, President and CEO.

As the market leader in Europe and the USA, we have chosen to focus our efforts on defending and improving our operating margin by offering more services that create added value for our customers. This is how we are able to differentiate ourselves from our competitors. In 2009, we reported an improved operating margin of 6.0 percent (5.8). To a great extent, this was possible thanks to our clear strategy and the long-term direction that we have chosen to follow. During tough times, there is a risk of making hasty decisions. To avoid this, it is necessary to establish the direction of the company from the very start and make sure that everyone is aware of it, understands it and knows what needs to be done. The organic sales growth was –1 percent (6), largely characterized by the various effects of the recession in different industries.

Developing security services

During the course of the ongoing recession, we see an emerging trend in the market: many of our customers' purchasing departments are being assigned greater significance and gaining increasing influence over procurement processes. Simultaneously, the influence exerted by individuals who are in charge of security issues has declined. In 2009, we saw several examples of this. There are significant risks associated with disassembling a comprehensive security solution in order to procure the various parts separately and make price comparisons based on hours and subcomponents. We do not believe that this trend will result in a holistic approach to safety issues; nor will it develop ideas and solutions that provide customers with more security for their money in the long run or help to establish creative

ORGANIC SALES GROWTH VS. OPERATING MARGIN, PER QUARTER



Important figures and events during 2009

Sales, income and organic sales growth

- Total sales MSEK 62,667 (56,572)
- Income before taxes MSEK 3,022 (2,617)
- Net income, continuing operations MSEK 2,118 (1,890)
- Organic sales growth –1 percent (6)
- Operating margin 6.0 percent (5.8)
- Proposed dividend SEK 3.00 (2.90)

Financial targets

- Earnings per share, continuing operations, SEK 5.80 (5.18)
- Free cash flow to net debt ratio 0.26 (0.21)

Acquisitions

- 15 acquisitions in mature and new markets, with approximately 14,000 employees and annual sales equivalent to MSEK 1,300:

  Akal Security Hawaii (USA), Moore Security (USA), World Wide Security (Chile), MKB Tactical (South Africa), Interlabora (Spain), Vigilan (Argentina), Socovig (Colombia), Guardforce (Hong Kong), Ferssa Group (France), GMCE Gardiennage (Morocco), Dora Security (Czech Republic), Grupo Argos (Mexico), Gordon (Serbia), Long Hai Security (Vietnam), Tecniserv (Spain)

security solutions within the limitations of existing budgets. In a tough economic climate in which short-term cost savings during the year often take priority over more long-term improvements, the trend is understandable and indeed a reality for many of our clients. On the other hand, based on market surveys, we know that security issues are increasingly being dealt with by senior management, since knowledge and advice are becoming more significant when choosing a supplier.

We strive daily to develop security services. We believe that security services should not be broken down into hours and technical components so that efficiency and productivity become the only way for a company to defend its margins. In the long term, greater leverage is achieved by patiently and gradually improving the operating margin and achieving growth that is consistent with the market and thereby improving earnings per share. This is preferred over chasing market shares using price as our main weapon. Additionally, many opportunities arise to continually carry out new acquisitions, both acquisitions that generate synergies in mature markets where we already have a strong position and acquisitions in new markets that offer favorable growth and better margins.

Investing in profitable knowledge

One of the most important and critical challenges is to maintain the balance between wage increases and price increases in the customer portfolio. We succeeded in doing this in both 2008 and 2009. During 2010, we will face the difficult challenge of continuing to maintain this balance, especially since our customers have little understanding or acceptance of price increases in a low inflation environment. Furthermore, to the extent that demand for security services is cyclical, it is late cyclical. A slow, uneven recovery of the global economy would thus probably not be particularly noticeable in the security market in 2010. Therefore, an important defensive measure during 2010 will be to eliminate or at least minimize all increases in fixed wages and salaries.

In 2009, we achieved significant cost reductions, particularly in larger markets like the USA, Spain and France, where we have had negative growth for some time. We can never fully offset the costs

> *"Specialized services generate increased benefits…*

...for our customers and have a positive effect on our business."

associated with a decline in volume. However, we will hopefully be able to restrain ourselves when it comes to redeploying resources when growth recovers. By doing so, we will be able to benefit from the cost-cutting measures that were implemented.

Despite the recession, we continued to pursue our long-term strategy during 2009. At present, approximately one-third of Security Services Europe's sales volume is generated by specialized branch offices that focus on one or very few customer segments. Moreover, approximately one-third of the sales in our U.S. operations are segmented in one way or another. We are convinced that this work will gradually result in improved margins, higher growth and more long-term and improved customer relations. It will also enable our branch managers to find solutions that increase the value of our services. This process of transformation will take time and it will require patience. But we have already seen many concrete examples that demonstrate how well this is working (see cases on pages 16, 20 and 22).

We believe that increased customer segmentation and specialization will result in increased knowledge. We believe that knowledge can be transferred from one market to another and that our customers expect us to give them advice based on global knowledge. At the same time, our structure and culture ensure that business and customer relations remain at the local level. We have chosen to continue to lead the professionalization of the security industry. Customers should always feel that Securitas' employees are the best advisors when it comes to optimizing the balance between risks, security and costs.

Securitas has extensive knowledge of the security industry and we are now investing more in training and knowledge sharing than other players. We have a great opportunity to take advantage of this know-how and use it to develop new solutions and ideas to support our customers in difficult times. This requires a fighting spirit, a lot of work and a grain of courage, all of which we have at Securitas.

Increased profitability

In 2009, the Group's operating margin increased to 6.0 percent (5.8). In Security Services North America, the significant improvement of the operating margin continued, growing from 5.2 percent in 2007 and 5.7 percent in 2008 to 5.9 percent in 2009. This improvement was primarily the result of the systematic optimization of the contract portfolio's composition along with the positive effects of a lower employee turnover rate, which fell from 55 percent to 39 percent in 2009. In Security Services Europe, the operating margin remained unchanged from 2008 at 5.7 percent, despite higher bad debt losses and provisions for bad debt, as well as lower extra sales in the wake of the recession. In Mobile and Monitoring, investments in increased sales resources from prior years were optimized at the same time as efforts to reduce the number of terminations were intensified. This led to an improved operating margin of 11.8 percent (11.7).

Growth comparable to the market

In the markets where Securitas is active, our assessment is that we have grown at a rate comparable to that of the security market. However, Security Services North America probably experienced slightly weaker organic sales growth than the market average since we are more exposed to the energy and automotive sectors, both of which have been affected by significant cutbacks in outsourced security services. Despite the recession, new sales

The cornerstones of our strategy		
Higher degree of specialization	Expansion of Mobile and Monitoring	Increased global presence

and contract cancellations were in line with the preceding year in both North America and Europe. However, there were significant reductions to the scope of existing customer contracts and fewer extra sales due to the pressure on our customers to reduce their costs. We will strive to actively assist customers in finding the most cost-effective security solutions and adjust our services and their scope to the current situation.

In 2009, Securitas achieved organic sales growth of –1 percent (6). Security Services North America reported organic sales growth of –4 percent (3), while there were significant differences between countries in Security Services Europe due to the economic climate. On the whole, organic sales growth, including Aviation, amounted to 0 percent (7). Aviation reported double-digit organic sales growth and growing market shares in Europe. Mobile and Monitoring's organic sales growth amounted to 3 percent (8). The growth was primarily driven by the Nordic countries, Belgium and Germany.

Despite a challenging business climate during 2009 with volume cutbacks and pressure on prices, we nevertheless were successful in several areas. For example, we established a segment within healthcare in the USA, which we believe will be a growth area in the coming years. Furthermore, we achieved success in Sweden within Mobile and Monitoring with Securitas Home Alert Services. During 2010, we will expand these efforts to other markets. Our presence in Eastern Europe and Latin America has also grown satisfactorily.

Increased opportunities for acquisitions

During 2009, we carried out 15 acquisitions (wholly or partly owned companies), with a total of approximately 14,000 employees and annual sales equivalent to about MSEK 1,300. We intend to remain active in the area of acquisitions during 2010 and selectively take advantage of the opportunities brought about by the recession. We have an acquisition capacity that is equivalent to approximately half of the free cash flow generated by the Group, which typically entails a sales growth rate of 3 to 5 percent per year through acquisitions made by the Group. We do not have any geographical limitations. Instead, we prioritize the best transactions (and returns). This is achieved in mature markets that offer favorable synergies and where we can complement or strengthen our market position, as well as in new markets where we are primarily able to strengthen our position when it comes to global procurement.

New creative solutions

During 2009, we experienced negative organic sales growth in many areas, which is something that Securitas has hardly ever experienced before. This has been quite challenging and it is easy to fall into the trap of expending all of our energy on describing the problems rather than trying to solve them. Some maintain that you think quicker and become more creative when you are under pressure and facing threats. In 2009, the Securitas organization has done an excellent job of responding quickly to the various challenges associated with the ongoing recession. Furthermore, there has been no end to the new creative ideas and solutions that we have come up with. This has helped us to achieve success during the past year and will give us the strength to face exciting new challenges in the coming year.

Stockholm, March 11, 2010

Alf Göransson
President and CEO Securitas AB

Business Development Happens Everyday

Securitas protects homes, workplaces and society. Our core business is guarding services and the main service offering categories are specialized guarding, mobile services, monitoring and consulting and investigation services. Securitas is a global company and most of the business comes from North America and Europe. Our security knowledge grows as we learn from assignments and customer situations globally, but the business itself develops through the everyday actions of our local branch offices.

We deliver specialized security
When it comes to guarding, Securitas provides a wide range of services, from mobile patrols, access control, fire prevention, receptionist/concierge, monitoring and call-out services to specialized, site-specific duties. From this broad range of services Securitas customizes offerings that are suited to the individual customer's needs, in order to deliver the most effective security solutions. A security solution always includes deployment of qualified security officers, and the following components are often used in combination to create an optimal solution:

- Electronic systems: intrusion alarms, access control and surveillance cameras
- Physical security: fences, turnstiles and gates
- Software: reporting, communication, logging and verification systems

As an independent security services provider, Securitas partners with various systems, hardware and software subcontractors.

Securitas also delivers mobile services, providing cost-effective solutions for small and medium-sized businesses that do not require a 24-hour security service. A single security officer typically attends to the needs of 20–30 customers within a limited geographical area during one shift, performing regular external and internal patrols, alarm activations, opening and closing of premises and even turning off the lights. Through their local presence, the security officers also serve as a crime deterrent and are close at hand for alarm response calls. In metropolitan areas, Mobile also provides city patrols and special alarm response units.

Monitoring, also called Securitas Alert Services, provides monitoring services to businesses, homes and private individuals. The services include alarm monitoring, verification and alarm response. In addition, Securitas provides Track and Trace services for cars and trucks, for example, using the latest GPS and cell phone technology.

The wholly owned subsidiary Pinkerton Consulting & Investigations provides a range of specialized services, such as due diligence, background checks, security assessments, brand protection, intellectual property protection, executive protection, investigations, cyber surveillance, computer forensics, social compliance and IT security.

Our customers – global reach, local relations
Securitas serves customers in 40 countries and nearly all industries and segments, ranging from governments, airports, infrastructure, office buildings, banks, shopping centers, hotels, manufacturing industries, mines, hospitals and residential areas to high-tech and IT companies. The size of the customers varies from the 'local shop on the corner' to global multi-billion industries.

In the USA, Securitas offers security solutions to customers in such sectors as the automotive industry, high-rise buildings, the petrochemical industry, seaports, healthcare and gated communities. Nationwide customers are also offered specialist expertise in such areas as high-tech security services, telecommunications and retail security.

Securitas security officers greet a customer in Bangkok, Thailand.

In Europe, Securitas provides customized services for such segments as the retail industry, public transportation and logistics. In addition, there are specialized aviation security solutions that service airports, airlines and airport-related businesses. These include such services as security screening of passengers and baggage, cargo security, document screening and aircraft search and guarding.

A cornerstone of Securitas' strategy is to grow in new geographical markets in order to serve our international customers in these regions. Securitas currently has operations in Latin America, the Middle East, Asia, and Africa.

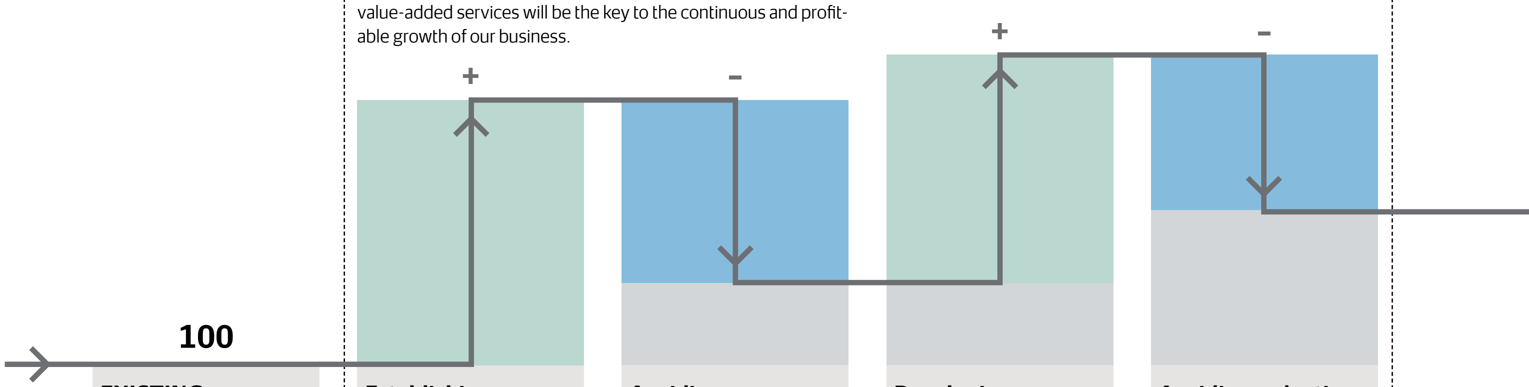
How we develop our business

Decentralization of decisions and responsibility is fundamental for Securitas; it is in the approximately 1,800 branch offices that the company's daily operations are conducted. The Group's customer offerings and relations improve when decisions are made in close proximity to customers and the employees who perform the services. Accordingly, business development occurs in every part of the organization on a continuous basis, since security companies work around the clock.

To provide an overview of how we develop our business, our work has been divided into three

GROWING BUSINESS

Growing our business is mainly achieved through the day-to-day activities conducted in our local branch offices. As a security partner, establishing close, active and long-term relationships with our customers is crucial. To achieve new sales, sales activities and targeting of desired customers are important aspects. In the long term, our strategy to specialize our security offering by developing value-added services will be the key to the continuous and profitable growth of our business.



EXISTING BUSINESS

Establishing new contracts

Success factors:

- A strong brand positioning as the knowledge leader, technology independent, large scale, global yet flexible
- Systematic sales and marketing efforts
- Specialization and segmentation
- Competitive solutions based on qualified risk assessments

Avoiding terminations

Success factors:

- Establishing close, active and long-term customer relations
- Offering solutions to suit changing needs
- Flexible when changes happen, ability to find new solutions within existing contracts

Developing existing contracts

Success factors:

- Continuous customer contacts and dialog
- Actively working on developing existing contracts with value-added services
- Segmentation and sharing of knowledge and solutions

Avoiding reductions in existing contracts

Success factors:

- Continuous customer contacts and dialog
- Using technology and specialized concepts as an alternative to decreases

steps: growing our business, securing profitability and realizing opportunities. This is illustrated in the example below.

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Securing profitability is about balancing price and costs, being as adaptable as possible. Our strategy is also to avoid competing on price to win contracts. In the long term we aim to develop more specialized value-added services and concepts, thereby enabling increased price levels.

Realizing opportunities entails being active when changes occur in and around our customers' businesses. The extra sales that these changes generate are highly valuable. We also see acquisitions as opportunities, for example, when our customers grow into new regions or when an attractive company that can support our existing business is for sale.

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REALIZING OPPORTUNITIES

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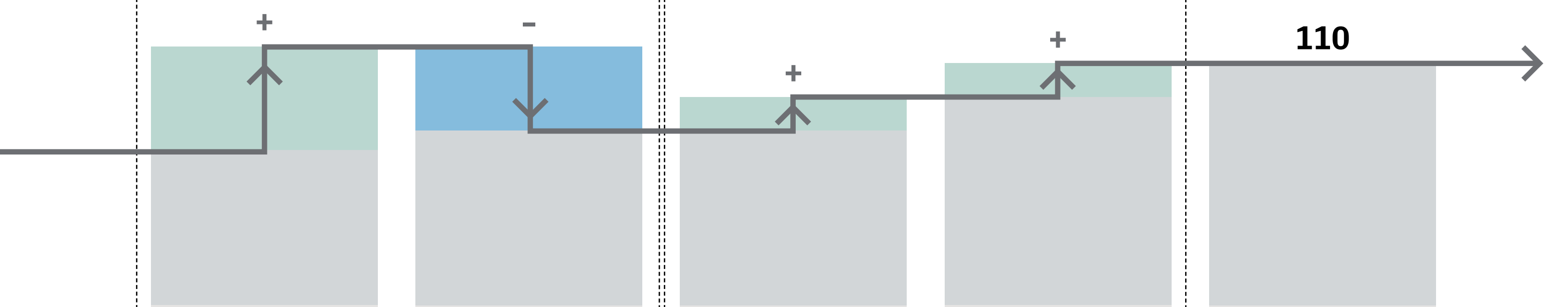


Improving price levels

Success factors:
- Position as knowledge leader and premium brand
- Developing specialized value-added services
- Ability to instate short-term price adjustments to avert cost level increases
- Not competing on price

Optimizing the cost level

Success factors:
- Flexible cost base, easily adaptable
- Reducing employee turnover
- Wage cost control
- Sales and marketing efficiency
- Close control over days of sales outstanding
- Active risk management, minimizing losses and avoidable costs

Extra sales

Success factors:
- Close, active and long-term customer relations
- Targeted and event-driven marketing
- Pro-active approach to sudden customer needs
- Large scale and resources

Contributions from acquisitions

Success factors:
- Identifying and selecting suitable acquisition targets
- Expertise in acquisition analysis and transactions
- Properly restructuring and integrating acquired company
- Realizing synergies, for example cost, geographical and marketing synergies
- Ability to develop the acquired company by using the Securitas management model

FUTURE BUSINESS

Specialized Services a Competitive Advantage

Every industry has its own specific security challenges and Securitas has its own specialized security offerings to match each one. The ability to understand these challenges and translate them into an offering of specialized security services is what gives Securitas its competitive advantage.

Understanding our customers' needs

Securitas services a wide range of customers in nearly all industries, ranging from governments, airports, shopping centers, hospitals and residential areas to IT companies. Our customers face different risk situations, depending on the environment of their particular industry and therefore have different security needs.

Years of experience in servicing customers in various customer segments, and in several similar industries within these segments, have led us to conclude that the need for more customized security solutions is strong. The benefits of specialization, both for the customer and for us, are also evident. These conclusions have resulted in our strategy towards specialization.

We recognize the differences between customer segments and industries in terms of risks, needs and solutions. We also take advantage of the similarities within each industry in order to reap the benefits of duplicating good solutions, no matter the location. For example, an airport in Sweden has similar security needs to one in Spain and a manufacturing company in the USA has similar needs to one in the United Kingdom.

In short, our deep understanding of our customers' needs and specific industry-related requirements gives us a competitive advantage.

Degree of specialization depending on market

Securitas is present in 40 countries and the Group's security service offerings differ from country to country, depending on the market and the level of market maturity. In some countries, we are specialized in certain customer segments that are predominant in that particular country, with a dedicated organization servicing those industries. At present, we service 20 main customer segments in most countries in which we have a presence.

Read more about our customer segments and security services, including cases, on www.securitas.com.

Construction Securitas' customers in this segment include building contractors and entrepreneurs, as well as consultants, architects and subcontractors in the construction industry.

Cultural Many museums, theaters, opera houses and large libraries have considerable assets to protect, and because they are open to the public, they have substantial security needs.

Education Schools and universities have both tangible and intangible assets to protect, but above all, students, teachers and visitors need to be secure.

Energy Securitas' customers in the energy sector include nuclear power plants, electricity suppliers, wind and hydroelectric power stations and oil and gas companies. They all have high risk factors and need advanced security solutions.

Entertainment The entertainment segment consists of broadcasting companies, the motion picture industry, amusement parks, casinos and other companies in the industry.

Events The common denominator in this segment is that we provide security solutions for a defined and limited period of time. This could involve security services for a sporting event, such as the soccer World Cup, a music concert or a week-long food festival.

Financial All of the businesses in this segment run some form of financial operations. In addition to banks, this includes other financial institutions and insurance companies.

Healthcare Within the healthcare sector, security needs vary depending on whether the facility is a hospital, a primary care facility or a retirement home. Hospitals may also vary; some are emergency treatment centers while others are specialist clinics. The security services need to be customized accordingly.

Hotels and tourism Our customers in this segment are hotels, travel agencies, tour operators and various companies in the leisure industry, such as golf courses and ski resorts.

Industry and manufacturing
This segment includes all heavy industry extraction, production, manufacturing and processing, for example, in the steel, mining and pulp and paper industries, as well as companies in the chemical, pharmaceutical, food and automotive industries.

Logistics Many players are involved in a logistics chain: distribution and cargo centers, logistics companies and shipping agents, as well as warehouses and courier firms.

Maritime In a seaport, there are many areas where security is needed and where strict regulations are in place. The seaport itself is often our customer, but our customers also include shipping companies and supply chain companies.

Public All public agencies, such as municipalities, city councils, national government authorities and international bodies, require security, and this need may vary between nations and regions.

Public transportation All countries have some form of public transportation, such as trains, buses, a subway system or trams, and they all have the same types of risks. But above all, they are public environments and require a high level of security.

Residential Many people want to protect their residence, be it a house, an apartment in a high-rise or an entire neighborhood. Some residential communities are gated and have advanced security systems with round-the-clock guarding.

Retail Our customers in the retail segment are for example department stores, shopping malls, retail chains, restaurants and after-hours supermarkets.

Small and medium-sized enterprises We provide customized security solutions to small and medium-sized businesses, for example, in retail and office premises and the service sector. This may include the office of an optician, architect or dentist.

High-tech – Case #1 page 16

Our customers in this segment range from telecom companies, IT companies and network providers to fine electronics companies.

Offices – Case #2 page 20

This segment consists of property management or facility management companies, as well as companies that require security for their head offices.

Aviation – Case #3 page 22

In the aviation segment, security solutions naturally center around airports and their various security needs. Our customers are aviation companies or privately operated airports, as well as airlines, freight forwarders and other airport-related businesses.

Most of Our Business is in North America and Europe

Securitas' operations are organized in a flat, decentralized structure with three business segments: Security Services North America, Security Services Europe and Mobile and Monitoring.

Security Services North America and Security Services Europe represent 88 percent of our total business, accounting for MSEK 55,084 of the Group's total sales of MSEK 62,667 and over 80 percent of our total number of employees, which corresponds to more than 210,000 of 260,000 employees.

Mobile and Monitoring operates in Europe and accounts for 10 percent of our total sales, 19 percent of total operating income and 4 percent of our total number of employees.

In addition to these business segments, the Group conducts guarding operations in Latin America, the Middle East, Asia and Africa (included under the heading Other in our segment reporting). Since one of the cornerstones of Securitas' strategy is to grow in new markets and this effort is important to the future standing of Securitas, we have chosen to present our business in new markets in this section.

Our guarding services are offered in basically all geographical areas where we operate, to both large and small customers. In Europe, the specialization process has advanced furthest in specific customer segments, while our North American operations are more geographically organized. Mobile and Monitoring focuses on servicing smaller companies, homes and individuals in Europe. With its base in North America, Pinkerton Consulting & Investigations offers its services to customers worldwide. In Latin America, we provide our customers with a variety of security services, while our businesses in other new markets have only recently started, or are currently starting, offering more basic guarding services.

Security Services North America – Page 14

Security Services Europe – Page 18

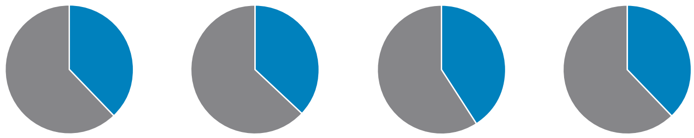
Mobile and Monitoring – Page 24

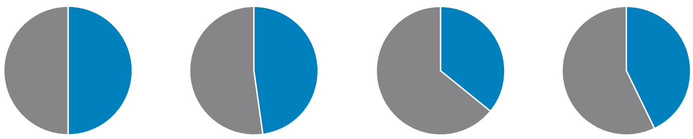
New markets – Page 27

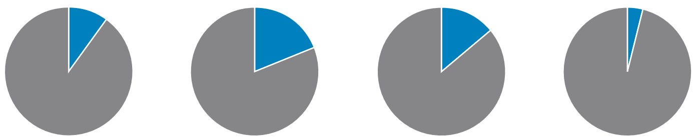
Group*

* Includes Other and eliminations.

	Sales	Operating income	Total capital employed	Number of employees
	MSEK 23,530	MSEK 1,400	MSEK 7,115	100,000
Security Services North America provides specialized guarding services in the USA, Canada and Mexico and consists of 18 business units: one organization for national and global accounts, ten geographical regions and four specialty customer segments – global enterprise solutions (formerly automotive/manufacturing), government services, energy and healthcare – in the USA, plus Canada, Mexico and Pinkerton Consulting & Investigations (C&I). In total, there are 97 geographical areas, over 600 branch offices and approximately 100,000 employees.	38%	37%	41%	38%
	MSEK 31,554	MSEK 1,814	MSEK 6,152	113,600
Securitas' European operations consist of Security Services Europe, providing specialized security and safety services for large and medium-sized customers in 24 countries, and Aviation, providing airport security in 13 countries. The organization has a combined total of over 800 branch offices and more than 110,000 employees.	50%	48%	36%	43%
	MSEK 6,131	MSEK 726	MSEK 2,353	9,800
Mobile provides mobile security services for small and medium-sized businesses, while Monitoring provides electronic alarm surveillance services. Mobile operates in 11 countries across Europe and has approximately 8,900 employees in 28 areas and 327 branches. Monitoring, also called Securitas Alert Services, operates in 11 countries across Europe and has approximately 900 employees.	10%	19%	14%	4%
Securitas provides security services in Latin America, the Middle East, Asia and Africa. Some of these markets are relatively new for Securitas. These operations are included under the heading Other in our segment reporting. See Note 9 on pages 81–84.				
	MSEK 62,667	MSEK 3,756	MSEK 17,209	261,700







Value-added Services in North America

Organization

Security Services North America provides specialized guarding services in the USA, Canada and Mexico and comprises 18 business units: one organization for national and global accounts, ten geographical regions and four specialty customer segments – global enterprise solutions (formerly automotive/manufacturing), government services, energy and healthcare – in the USA plus Canada, Mexico and Pinkerton Consulting & Investigations (C&I). In total, there are 97 geographical areas, over 600 branch offices and approximately 100,000 employees.

Strategy and objectives

The overall, long-term financial objective for Security Services North America is to grow in line with the market for private security while improving year-on-year profitability. By analyzing our customers' security requirements and understanding their needs, Securitas works actively to develop the optimal security solution for each customer. This includes increasing the level of specialization and introducing value-added services and solutions. By maintaining our strong leadership and raising industry standards, we also constantly strive to keep a high customer retention rate. The strategy is supported by selective acquisitions.

Market and competition

The U.S. market for outsourced security is 57 percent, while in Canada and Mexico, most of the market is outsourced – almost 80 percent in Canada and nearly 90 percent in Mexico. The Securitas market share remains stable at 18 percent in the USA, 12 percent in Canada and 11 percent in Mexico. The main competitors in the USA are G4S through Wackenhut and Allied Barton. In the U.S. security market, seven major players hold a market share of 52 percent, while the rest of the market is very fragmented. The top four companies in Canada hold 70 percent of the market, while the Mexican security market is highly fragmented.

Service offering and customers

Securitas provides a wide range of services with different levels of specialization, covering most parts of North America. The service offering spans from receptionist services to customized complete security solutions, and our customers are found in a variety industries and segments. The national accounts team has a high level of specialization in such customer segments as high-tech, telecom and banking. During 2009, a new customer segment for healthcare was established.

Pinkerton Consulting & Investigations provides security consulting and investigative services, including fraud investigations, due diligence, computer forensics and intellectual property and brand protection services. It operates from 32 branch offices worldwide.

Our employees

Securitas' security officers and branch managers are the cornerstone of our operations. We constantly strive to develop our employees to be able to provide high-quality services, and learning plans are developed based on customer needs and expectations. For the security officers, continuous training is provided through an online academy and the Excellence in Service Program, which aims to promote and maintain a high and consistent service quality. The primary purpose of the Branch Manager Training Program is to ensure a consistent level in our quality services throughout the country. Our branch manager network focuses on customers and employees, while back office responsibilities are handled through our shared service departments.

Development 2009

Organic sales growth was –4 percent (3) in 2009. Pressure was exerted on organic sales growth due to reductions in existing customer contracts, primarily in the global enterprise solutions segment (formerly automotive/manufacturing), and the insourcing of guarding services in the energy sector. Lower extra sales compared with 2008 also had a negative impact on organic sales growth.

The new sales rate was higher in 2009 than in 2008, mainly due to successful growth in the new healthcare customer segment.

The operating margin was 5.9 percent (5.7). The improvement in the operating margin was primarily attributable to the systematic refinement of the contract portfolio and operational efficiency improvements. The clear trend of a lower employee turnover rate contributed positively to the business segment's operating margin performance. The employee turnover rate improved substantially to 39 percent (55).

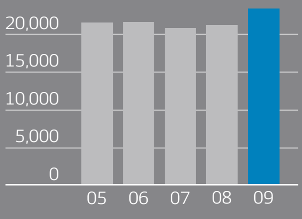
Operating income showed a real change of 2 percent in 2009.

The client retention rate declined slightly compared to 2008, due to the loss of some large contracts. In the fourth quarter of 2009, the client retention rate improved somewhat, compared to the third quarter of 2009.

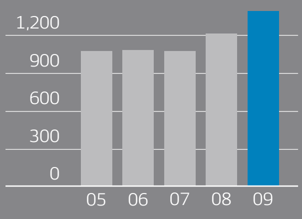
Securitas contributes to a safe public environment.

FINANCIAL KEY RATIOS MSEK	2009	2008
Total sales	23,530	21,327
Organic sales growth, %	*-4*	*3*
Operating income before amortization	1,400	1,218
Operating margin, %	*5.9*	*5.7*
Real change, %	*2*	*13*
Cash flow from operating activities	1,171	1,104
Cash flow from operating activities, %	*84*	*91*
Operating capital employed	896	734
Operating capital employed as % of sales	*4*	*3*
Total capital employed	7,115	7,454
Return on capital employed, %	*20*	*16*

SALES
MSEK



OPERATING INCOME
MSEK



Santiago Galaz,
Divisional President,
Security Services
North America

High-tech

Protecting Sensitive Information

"I consider Securitas to be our partner in providing a safe and secure environment for Verizon employees. There is no artificial divide with 'them' on one side and 'us' on the other. It is a genuine partnership in every sense of the word," says Chief Security Officer Mike Mason at the telecommunications giant Verizon, a leader in delivering broadband and other communication innovations to wireline and wireless customers.

Verizon and Securitas have a long history together. First contracted in 1992, Securitas is now on duty at 80 percent of Verizon's U.S. locations, which means that at any given time, 800 to 1,200 Securitas officers are helping to protect over 200 Verizon sites in 26 U.S. states, as well as in other parts of the world. This partnership has flourished in large part due to Securitas' ability to understand and execute one of Verizon's core security requirements: the need for consistent and excellent service at each and every site, regardless of country, geographical location or cultural norms.

Securitas delivers a variety of services to Verizon, such as interior and exterior patrolling, alarm monitoring services, parking lot surveillance, reception services and security consulting. "In many of our facilities, our security guards represent our first line of defense," says Mason. "But more importantly, for the vast majority of our employees, the guards represent their only routine contact with any element of the Security Department. We only know an organization from the manner in which it touches us. If you receive sub-standard service, you'll change providers." Instead, Mason insists on top-notch service that creates a positive impression. He praises the Securitas officers for being smart, flexible and possessing the ability to think on their feet.

One of Mason's directives is that all officers across the corporation provide the same level of service. "I don't know any company where the security guards at their headquarters are not among the best; but I expect the same service and caliber of guard no matter where they are assigned. And that's critically important to me."

Regardless of location, Verizon depends on Securitas officers to provide vigilance against external threats and internal complacency. Verizon measures its guard service using a number of metrics, including internal and external feedback, as well as post inspections – regular yet random undercover reviews of security procedures performed by both Verizon and Securitas staff. "Security is not a revenue generator. It is something we do with a lot of care and consideration," says Mike Mason.

Alarm monitoring services / Console services
Monitoring services include alarm monitoring, verification and response.

Mobile patrolling
Security officers posted at the facilities of our high-tech segment customers perform continuous external and internal patrolling on foot or by vehicle. Duties include access control, ensuring that all entrances and exits are locked during off-hours, alarm management and keeping all evacuation routes clear.

Screening
On instructions from our customers, security officers manning gates and entrances screen visitors, vehicles and incoming mail to prevent prohibited items, such as cameras, cell phones and computers, from being brought on to the site.

Security consulting and investigation
Consulting and investigation services for the high-tech segment include comprehensive services ranging from background investigations, security system standards and design, security assessment, computer forensics and fraud investigations to business interruption/disaster recovery planning and intellectual property protection.

Executive protection
Securitas provides protection for corporate leaders and their workforce based on advance preparations and planning, timely information, liaison work with local authorities and the use of highly trained professionals. We can also provide travel security to determine the level of risk for employees traveling to high-risk countries and executive driving services.

Security technology
Securitas provides specialty services for customers in the high-tech segment to manage enterprise access control systems and digital video systems. Video-based patrols and employee badge administration are performed by specifically trained professionals.

Securitas delivers a variety of security services to Verizon, such as interior patrolling.

Leading the Security Industry in Europe

Organization
Security Services Europe provides specialized security and safety services for large and medium-sized customers in 24 countries, while Aviation, part of the Security Services Europe business segment, provides airport security services in 13 countries. Security Services Europe has a combined total of over 800 branch offices and more than 110,000 employees.

Strategy and objectives
The overall objective of Security Services Europe is to grow in line with the market average and to make yearly profitability improvements. This is to be achieved by specializing in specific customer segments and offering customized security solutions. The growth strategy is supported by selective acquisitions. The ongoing specialization process, with competence centers for Public Transportation, Retail and Maritime and logistics, aims to strengthen the cross-border development of these customer segments. Our Global and European accounts team works proactively with coordinating our services for customers with a European or global security need.

Market and competition
The market for outsourced security services (excluding mobile and monitoring services) in the countries where Security Services Europe operates grew by 1 percent in 2009. Securitas has a strong position in the European market and is the market leader in 11 countries and second or third in another seven. In 2009, Security Services Europe's market share increased to 18 percent (17). The security market in Europe is still fragmented and most of the companies are local players, competing mainly on price. The primary competitors are G4S and Prosegur, but Securitas has an unrivaled footprint in Europe. Securitas is the only true pan-European provider, servicing customers from Finland to Portugal and from Ireland to Turkey.

Service offering and customers
In Europe, Securitas services a wide range of customers in a variety of industries and customer segments. Our organization is capable of providing service for customers with pan-European service needs, as well as customers with very specific requirements.

Through a deep understanding of each customer segment and the ability to provide customized solutions, Securitas can accommodate customers' increasingly specialized needs related to the specifics of their industries. Securitas' solutions are developed in close cooperation with customers locally and often include elements of technology, in addition to specialized guarding.

Aviation provides specialized services for airports, airport-related businesses and airlines. The services range from security screening of hand and checked baggage to cargo security, document profiling and aircraft guarding and search.

The integration of the G4S business in Germany is now completed according to the plan.

Our employees
During the past two years, we have focused more on key human resources matters throughout Europe, such as developing and sharing best practices in relation to strategic resourcing, employee engagement and talent management. We continually strive to improve and develop our employees, since employee competence is of considerable importance to us. We have training centers in several countries to provide our security officers with specialized training. A number of managers are trained every year through the Securitas Management Training Program, which aims to strengthen local leadership and firmly establish Securitas' culture and business model.

As of 2008, Security Services Europe conducts employee surveys.

Every year, Aviation organizes a management training program for branch and area managers to exchange best practices and increase their aviation security know-how.

Development 2009

Organic sales growth amounted to 0 percent (7). The main reasons for the decline were reductions in existing customer contracts and lower extra sales. The economic climate affected the European countries differently; positive organic sales growth was seen in such countries as Denmark, Finland, Sweden, and Turkey, while France, Norway and Spain experienced negative organic sales growth. Overall, the new sales rate was slightly lower in 2009 than in 2008.

Aviation continued to report double-digit organic sales growth.

In 2009, price adjustments approximately corresponded to the total wage cost increases.

The operating margin was 5.7 percent (5.7). The focus on optimizing the portfolio mix and a reduction in employee turnover had a positive effect on profitability, while lower extra sales, bad debt losses and investments in training and security solutions partly offset this improvement. Aviation showed an improved operating margin compared to 2008.

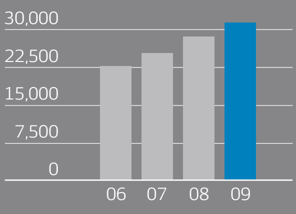
Operating income showed a real change of 4 percent in 2009.

The client retention rate was stable at approximately 90 percent. The employee turnover rate improved significantly to 26 percent (33).

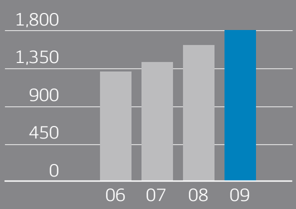
Securitas delivers security solutions to seaports, shipping companies and supply chain companies.

FINANCIAL KEY RATIOS MSEK	**2009**	**2008**
Total sales	31,554	28,737
Organic sales growth, %	*0*	*7*
Operating income before amortization	1,814	1,635
Operating margin, %	*5.7*	*5.7*
Real change, %	*4*	*9*
Cash flow from operating activities	1,846	1,935
Cash flow from operating activities, %	*102*	*118*
Operating capital employed	883	880
Operating capital employed as % of sales	*3*	*3*
Total capital employed	6,152	6,193
Return on capital employed, %	*29*	*26*

SALES
MSEK



OPERATING INCOME
MSEK



Due to the new segment structure implemented on January 1, 2007, historical data is limited to four years.

Bart Adam,
Divisional President,
Security Services Europe

Marc Pissens,
Divisional President, Aviation

Offices

Securing Extraordinary Office Environment

The Hanseatic Trade Center in Hamburg, Germany, is part of a premium office facility, requiring high-level premium services. Here, real estate tenants are offered an extraordinary environment for their business development. The environment also includes a constantly advancing security services concept, professionally planned and executed by Securitas in close partnership with the customer.

Since its opening in 2005, Securitas has been the exclusive security partner for the Hanseatic Trade Center in the former Old Warehouse District at Hamburg Harbor in Germany. Four of the five building complexes, covering a total of approximately 70,000 square meters, consist of modern office areas, which are rented out to companies.

Securitas' specialized solution is cost competitive and constantly measured in terms of performance. The solution is based on an individual need analysis and, in the case of the Hanseatic Trade Center, also includes services that go beyond the traditional core competence of any security services provider. In addition to reception security services, mobile services patrols and inspections, the operations also include the installation of a state-of-the-art surveillance system at the premises, parking surveillance and comprehensive concierge services.

By using innovative technology, such as a portable risk management control system, Securitas' employees can choose and access all technical security systems while conducting their mobile services patrols and inspections and, if necessary, personally intervene on the spot at any time.

This customized combination of technology and a single point of contact enable Securitas to react quickly to new situations and to offer the customer a continuously improved security concept.

Interior patrolling

At night, security officers make sure that doors and windows are properly locked, alarms are switched on, lights and other energy-consuming equipment, such as copy machines, computer screens and air-conditioning systems, are switched off and that all remaining staff in the building are authorized to be there. During the day, security officers patrol the premises to make sure all emergency exits are clear.

Exterior patrolling

Securitas performs exterior night patrols to ensure that no trespassers are on the premises and all entrances to the facility are locked. Exterior patrolling often includes adjacent parking lots, where the security officers check that no cars are vandalized, the lighting is satisfactory and that any person present in the lot is authorized to be there.

Alarm monitoring services

Our monitoring centers provide such services as alarm monitoring, verification and response according to instructions. For offices and properties, common alarm monitoring services include intrusion alarms, fire alarms or perimeter motion detection alarms.

Call-out services

Facilities are equipped with intrusion alarms or motion detection alarms that are connected to a Securitas Monitoring Center. If an alarm goes off, a mobile security officer is dispatched to the facility to verify the alarm and/or perform duties according to instructions from the customer.

Receptionist and concierge services

Securitas provides reception and visitor management services as an integrated part of the customer's security concept. A specially trained security officer manages incoming vendors and visitors to the premises to keep track of the exact number of people in the buildings.

Fire prevention

At regular intervals, the fire-detection system and equipment is monitored and checked by the security officer. Should a fire occur, security officers also play an instrumental role in alerting and cooperating with the local fire brigades, and evacuating people off the premises.

The offering of specialized security services is customized according to the customer's needs.

Aviation

Security with a High Service Level

"We are a demanding customer. The behavior of the security officers is extremely important to our customers, the airlines. Planes must leave on schedule and operators want to be able to empty, fill and dispatch the planes in as little time as possible, sometimes facing time limits as tight as 25 minutes," says Xavier Mary, Deputy Managing Director and Head of Operations at Aéroports de Lyon in France.

Combining an intense and rapid flow of people, friendly service and a high level of specialized security is the main challenge faced by the Securitas security staff at Lyon-St Exupéry, the third-largest airport in France. "Securitas specializes in airports, which is important to us, since our reputation is on the line," says Xavier Mary.

Aéroports de Lyon consists of two airports, Lyon-St Exupéry and Lyon-Bron. In 2008, 7.9 million passengers passed through the two terminals and the number is growing by about 8.4 percent per year. Lyon airports have been working with Securitas for more than ten years. "We have held two calls for tenders since then and both times we have chosen Securitas, because they have a solid offering and a strong quality-price ratio," says Mary.

Securitas employs 420 security officers at Lyon-St Exupéry. Securitas is responsible for the screening of passengers, checked baggage and hand baggage, as well as the control of airport personnel and vehicles entering restricted areas. A little over half of the security officers are women, which provides a strong ratio for handling all passengers in compliance with EU and local mandatory regulations.

A newly recruited airport security officer receives 85 hours of training. For staff responsible for screening hand luggage, another 56 hours of training are required. All operators must receive six hours of recurrent training per quarter. From January 2010, threat image projection (TIP) is part of all x-ray machines, which will reduce the duration of training sessions to three hours per quarter based on performance criteria obtained by each operator.

This training is put to the test by the police every single day, when anonymous police officers try to pass through security controls with prohibited items, like invalid badges or bomb-like objects. So far, Securitas has passed the tests with excellent results and high remarks from the border police.

In order to continuously develop the quality of aviation security, Securitas looks for best practices at airports around the world, often finding ways to work smarter without adding staff. "Today, we have a very strong result, but we must keep up this development. We are keen to try new methods and Securitas has ideas," Mary says.

Access control

An airport is a restricted area with explicit rules of access. Securitas mans the existing gates and entrances to the airport, checking and verifying passing suppliers, vendors and visitors to the airport. Access control services are often combined with perimeter control and mobile patrols of the airport, both around the tarmac and runways and in cargo buildings and terminals.

Passenger and baggage screening

Specially trained security officers provide screening of passengers, hand and checked baggage, cargo, catering and mail in compliance with EU, Transportation Security Administration (TSA) and international regulations. The screening officers have to rotate according to a tight schedule to maintain a high alert level and focus.

Passenger profiling and ID verification

Some airlines require ID verification of passengers. Specialized security officers check the validity and authenticity of travel documents, ID and visas. For certain destinations, this ID verification is combined with a profiling procedure, asking questions to the passengers according to a pre-defined questionnaire.

Searching and guarding of aircraft

As an airplane is parked on the tarmac, some airlines require that it be searched for potentially hazardous items and then guarded. As long as the aircraft is parked, at least one dedicated security officer is on site to make sure no unauthorized individuals or supplies go onboard. This includes checking the cleaning and catering staff, ground control service and crew.

Canine services

Security officers who are trained dog handlers perform guarding services with specially trained dogs. This may typically include property protection, access control and explosive material and odor detection, both for screening and cargo.

Securitas provides airport security services in 13 countries, for example, at Schiphol Airport in Amsterdam in the Netherlands.

High-quality Mobile and Monitoring Services

Organization

Mobile provides mobile security services for small and medium-sized businesses, while Monitoring provides electronic alarm surveillance services. Mobile operates in 11 countries across Europe and has approximately 8,900 employees in 28 areas and 327 branches. Monitoring (Securitas Alert Services) operates in 11 countries across Europe and has approximately 900 employees.

Strategy and objectives

Mobile and Monitoring have a clear focus on continuously improving the efficiency of their sales force and optimizing the balance between growth and margin improvement. Securitas' mobile services are an alternative for customers who do not require round-the-clock security services, but still need high-quality security services and a reliable supplier. Our monitoring services are focused on providing high-quality solutions for electronic surveillance to all types of customers through close partnerships with independent installers and other business partners.

Market and competition

The market for mobile services is highly fragmented and difficult to measure, since most companies providing mobile services offer them as an integrated part of their security operations and not as a specialized service in a separate organization. Securitas' market share in the Nordic countries is over 50 percent and varies between 5 percent and 15 percent in the rest of the European countries where Mobile operates.

Monitoring offers both local and cross-border services in most countries in Europe. Its market share in Sweden, Finland and the Benelux countries ranges between 16 percent and 25 percent. The customer base of approximately 370,000 customers spans from residential, small and medium-sized enterprises to large corporations. For these customers, Securitas provides remote monitoring and alarm response for premises and property. In the market segment for the Track and Trace service of mobile objects, Securitas is at the forefront of development.

Service offering and customers

Mobile provides mobile security services, such as beat patrol, call-out services, city patrol and keyholding services. A large part of the customer base consists of firms that cannot have or do not need a full-time security service. Since the sales process for mobile services is fast and based on volume, Mobile has built a dedicated sales organization, separate from its operations. Mobile's customer base of approximately 110,000 customers ranges from small family enterprises in manufacturing, retail and administrative services to hotel chains, gas stations and city councils.

Monitoring is a provider of electronic alarm surveillance and its core business is to provide independent alarm, security and safety monitoring services for homes and businesses. In these main market segments, Monitoring works with independent installers and sales partners, and focuses on providing a flexible service concept that integrates technical alarm monitoring, verification processes and response solutions. Track and Trace are services for vehicles and other mobile objects.

Securitas Home Alert Services for the residential market was launched in Europe during the year.

Our employees

In 2009, Mobile focused on further improving the efficiency of its sales force and reducing terminations of contracts. Sales specialists are now in place in most European countries and the long-term objective is to have dedicated sales people in every country of operation. The number of sales people is approximately 180 in Europe.

For Monitoring, continuous investments in up-to-date monitoring platforms and training of our experienced operators are key to ensuring quality of service. Monitoring's business partners also receive frequent training. During 2009, a large number of the key managers were trained through the Securitas Management Training program and at the Alert Marketing Academy.

Development 2009

Organic sales growth amounted to 3 percent (8). The decline was mainly due to the economic downturn affecting many smaller customers, with increased contract terminations and lower extra sales as a consequence.

In the Mobile operation, the Nordic countries, Belgium and Germany reported strong organic sales growth, while organic sales growth was negative in France and Spain. In Monitoring, good organic sales growth was experienced in Sweden.

The operating margin was 11.8 percent (11.7). Improved operational efficiency, such as optimized route planning in Mobile and lower recruitment costs, were the driving forces behind the increase, although it was partly offset by increased bad debt provisions and losses.

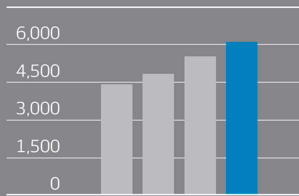
Operating income showed a real change of 7 percent in 2009.

In December 2009, Securitas entered the Spanish alarm monitoring market through the acquisition of the monitoring company Tecniserv.

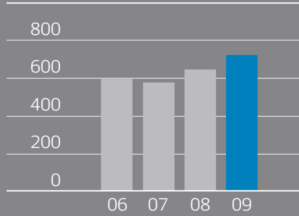
Through their local presence, Securitas' security officers are close at hand for alarm response calls.

FINANCIAL KEY RATIOS MSEK	**2009**	**2008**
Total sales	6,131	5,546
Organic sales growth, %	*3*	*8*
Operating income before amortization	726	647
Operating margin, %	*11.8*	*11.7*
Real change, %	*7*	*9*
Cash flow from operating activities	717	601
Cash flow from operating activities, %	*99*	*93*
Operating capital employed	162	168
Operating capital employed as % of sales	*3*	*3*
Total capital employed	2,353	2,456
Return on capital employed, %	*31*	*26*

SALES
MSEK



OPERATING INCOME
MSEK



Due to the new segment structure implemented on January 1, 2007, historical data is limited to four years.


Morten Rønning,
Divisional President, Mobile


Lucien Meeus,
Divisional President, Monitoring

Example of our offering – specialized mobile services

Mobile services are a cost-effective solution for small and medium-sized businesses. A single security officer serves several customers during one shift, some larger and some smaller, within a limited geographical area. The assignments vary and include carrying out internal or external beat patrols, checking alarm systems and opening and closing business premises. Value-added services, such as crime prevention measures and checking equipment, can also be added.

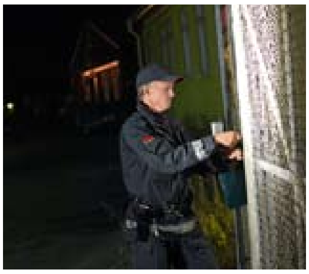
Securitas is a leading developer of customized concepts for small and medium-sized customers. One example is Securitas' environmental service concept, wherein a security officer helps to reduce a customer's energy consumption by turning off energy-consuming equipment while on night patrol. For the customer, the security service is complemented by saving money and the environment.

20.00 Shift meeting

21.03 Open door found at customer site

22.18 External and internal inspection at customer site

23.09 Alarm activation at office building



00.12 Fire inspection at a construction area

01.26 Checking suspected break-in in a residential area

02.28 Alarm response at a car dealership

03.47 Elevator alarm in a residential building

04.16 Fire inspection at a school

05.32 Internal beat patrol at an after-hours pharmacy

06.00 Back to Securitas to write reports

Expanding in New Markets

A cornerstone of Securitas' strategy is to grow in new geographical markets outside North America and Europe, serving our global customers in these regions. During 2009, six acquisitions were carried out in new markets. New markets are included under the heading Other in our segment reporting.

Latin America
Securitas is present in Argentina, Chile, Colombia, Peru and Uruguay, with approximately 23,000 employees. In Argentina and Uruguay, Securitas is the market leader. The security market in Latin America is extremely fragmented and to a large extent non-regulated. Of the Group's global competitors, G4S operates in most Latin American countries except Brazil, while Prosegur is present in seven countries in Latin America.

Securitas' customers in Latin America operate in a variety of customer segments, from manufacturing, offices, retail and education to special events. Some of our largest customers in Argentina operate airport-related businesses or in the telecommunications industry, while the mining, seaport and telecommunications industries are big in Peru.

Security solutions are developed in close cooperation with customers locally, and in many cases include technology in addition to specialized guarding. We have established our own training centers for security officers in all of the Latin American countries in which we operate, which is a competitive advantage. The investment guarantees that basic training for security officers is in line with our own high standards and customer requirements. Furthermore, it gives us the opportunity to provide specialized training according to specific customer needs.

The overall objective of Securitas' operations in Latin America is to grow at a faster rate than the market average. This will be achieved by specializing in specific customer segments and offering high-quality security solutions. Securitas' growth strategy is also supported by selective acquisitions in this region.

India
Securitas' operations in India is a partnership between Securitas and Walsons Services. As one of India's leading security services provider, the company has more than 10,000 employees in over 150 cities. The customized services offered are specialized guarding, corporate training, executive protection, transports and event security. The company focuses on developing knowledge and providing expertise through round-the-clock control centers, matrices for crisis management, contingency planning and security audits pertaining to risk management and loss prevention.

The growing need for specialized security solutions across industry segments and geographical areas has evolved the security market in India. The largest competitors are G4S, Tops Security, SDB CISCO and SIS.

China and South East Asia
During 2008 and 2009, Securitas established an organization in China designed to serve as a platform from which to grow as the commercial security services industry is opened up to foreign investments. The total commercial security services market in China is estimated to be worth approximately MSEK 10,000 annually.

In Taiwan, Securitas mainly provides specialized guarding services to high-end residential buildings. Securitas has 1,200 employees in Hong Kong, where the Group conducts operations in a variety of key customer segments, such as residential, transport and logistics, finance and education.

In 2009, Securitas commenced operations in Thailand, where the Group now has 400 security officers in place, operating mainly in the hotel and tourism segment. In December 2009, Securitas entered into a partnership with Long Hai Security in Vietnam. The total number of employees in Vietnam is 2,500.

Middle East and Africa
During 2008 and 2009, Securitas established a presence in the Middle East and Africa and began conducting security services operations in Egypt, Saudi Arabia, South Africa and the United Arab Emirates. Market entry was carried out through start-ups with local partners and small acquisitions.

The recent introduction of stricter laws in many territories in the Middle East has resulted in an emerging requirement for more specialized guarding services.

Customer Demands Drive Specialization

Guarding services is a growth market driven by many factors. The relative strengths of the factors spurring the growth depend on the maturity of markets and market conditions. There are three driving forces of special interest: growing demand for customized service, greater interest in security issues among senior management and increased use of technology.

Strong driving forces shape markets
The global outsourced markets for guarding services and alarm monitoring are anticipated to show long-term annual growth of about 7 percent, according to industry analysts such as Freedonia. The guarding market covers all major private and public sectors, geographical markets and industries. Therefore, the guarding market benefits from strong underlying long-term global trends, such as industrialization, increased wealth and infrastructure, increased trade and privatization. On top of these general trends, there are more current driving forces specifically influencing the growth of security services. The most important of these forces are highlighted in this section.

Growing demand for customized services
Each industry, company and operation has specific needs and requirements in the security area. Customers expect suppliers to be able to identify and respond to their specific challenges, providing specialist know-how and dedicated resources, such as global control centers. The more security suppliers manage to meet these challenges, the greater the responsibility they will secure from companies. The cases on pages 16, 20 and 22 illustrate three customer segments and challenges, as well as the specialized services we provide.

Customers are also prepared to pay more for a service with greater content, higher quality and relevant specialist skills. There is also a willingness to pay to gain better control and more effective administration of security services, with one contact person in charge of the entire solution.

Greater interest in security issues among senior management
We have noticed a trend that senior management is devoting greater attention to security issues and that security issues are now being discussed and decided among more senior executives. Below are some examples of factors contributing to greater attention being devoted to security issues:

- A higher level of insecurity in society as a whole and thus a greater need for companies to address security issues and show that risks are under control
- The cost of disruptions to businesses is high, since production is becoming more streamlined, trading is centralized and the values of transports are increasing
- Greater direct demands imposed by customers and insurers
- Stringent security requirements for certain types of certifications
- Security has become a significant investment, and the benefits of increased security levels are evaluated along with their cost
- Increased awareness of the consequences of poor security, which results in negative attention from the media, the public and customers and ultimately leads to brand damage

Companies usually opt to outsource security when enhancing it, since security activities are not considered part of most companies' core business. The basic reasons behind the outsourcing of security do not differ from those that warrant the outsourcing of other activities.

The cost factor is the primary reason, since it is more cost-effective to permit a specialist security supplier to manage a company's security operations. Customers in more mature markets also take expertise and specialist know-how into consideration as key factors when transferring responsibility for security to an external supplier. A specialist security supplier offers a superior solution.

Increased use of technology

New technology permits security companies to offer customers high efficiency and quality in security solutions. The higher the labor costs in a country, the more attractive it becomes to raise the technology level in the security solution. But even in countries with low labor costs, there is an interest in raising the technology content in security solutions. Combined solutions increase the reliability of the service, for example by providing constant coverage and ability to record incidents.
Customers view technological progress as positive for the development of effective security solutions, and the most effective security solutions are created through an optimum combination of technology and manned guarding.

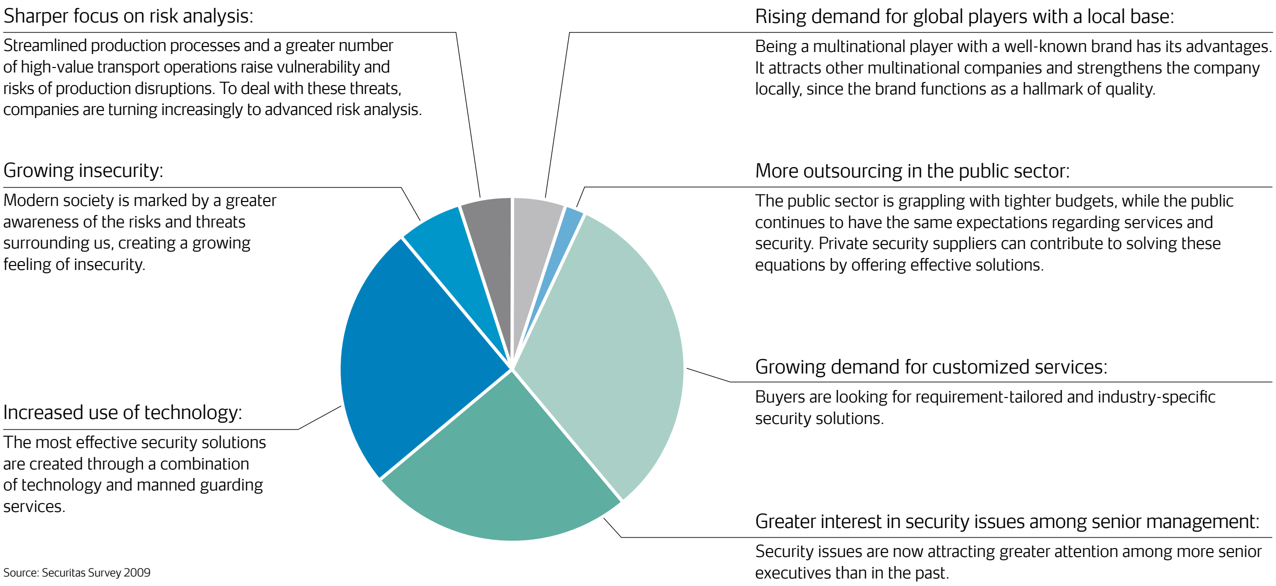
Growing insecurity

Customers have an increasing awareness and perception of the risks and threats to operations, assets and individuals. The reasons for this include greater openness and transparency, such as higher media interest in crime and new types of criminality, and a very high pace of social change, which can be perceived as creating uncertainty and risk.

We spend a greater share of our time outside the home and workplace. We travel more in our day-to-day lives and during vacations. We seek out places and social contexts – such as shopping malls, major events, cafés and restaurants – that attract many people.

These changes in behavior lead to greater demand on security services, since both public and private sector customers are aware of the increased vulnerability entailed by our changing lifestyles.

Relative strength of driving forces



Source: Securitas Survey 2009

Sharper focus on risk analysis

Streamlined production processes, fewer but larger trading places, and more high-value transport activities are some of the factors that raise vulnerability and the risk of production disruptions in business and industry. To address these threats, companies rely on more wide-ranging, advanced and extensive risk analysis, leading in turn to greater demand for security services.

Advanced risk analysis is often incident-driven, comparing the probability and costs of interruptions and stoppages with the costs of preventive measures that can reduce the likelihood and potential damage. Either a customer or some neighboring company has experienced an event that draws attention, and this becomes the initiating factor for advanced analysis. Risk analysis has also increasingly become an integral component in running a business operation.

Moreover, for public companies, disclosure and audit requirements for risk management are increasing, driven in part by new regulations in capital markets, as well as best practices when it comes to transparency. Another factor that comes into play is that insurers are imposing more stringent demands on security solutions in order for companies to qualify for insurance or less expensive coverage.

Increased demand for global players with a local base

Large customers often prefer a multinational supplier of security solutions rather than a local supplier. Multinational suppliers have a good understanding of global companies' needs in various markets and "speak the same language." Larger global security companies have the resources to offer technology and a level of specialization that is difficult for small companies to match.

On the other hand, customers often consider national suppliers since they offer ample local know-how.

Local knowledge in combination with global resources is the key to being able to satisfy the need for a security partner that understands local conditions, yet can contribute a specialist security offering with modern technology.

More outsourcing in the public sector

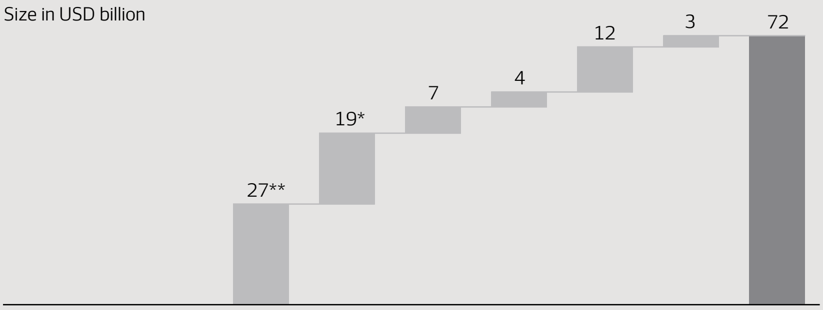
In an increasing number of countries, the public sector is being forced to cope with budgets that cover less and less. The public, however, continues to have at least the same – and sometimes higher – expectations regarding service and security. Private security suppliers can help to solve these tricky equations by offering efficient security solutions.

However, in many countries, it is still uncommon for the public sector to outsource operations to the private sector. The extent of outsourcing depends on a number of factors. There must be social acceptance of shifting tasks from the police, for example, to private companies. There could also be strong trade union opposition to the transfer of police duties to other occupational categories. Occasionally, there are laws and regulations that prevent private suppliers from carrying out certain tasks.

The prevailing trend and conclusion is that this form of outsourcing is increasing in pace with global development and with the growing confidence in security suppliers among politicians and the public.

Market size

SECURITY MARKET (GUARDING AND MOBILE) 2009



	Europe**	North America*	Latin America	Africa/ Middle East	Asia	Japan	Total
Securitas, market share, %	18	16	3	0	0	0	11
Security market, long-term growth, %	4–6	4–6	10–12	10–12	13–15	6	7

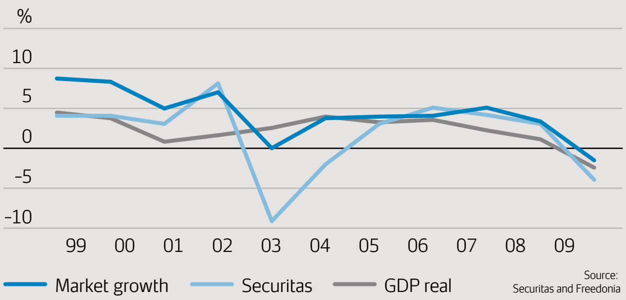
Source: Securitas and Freedonia

North America* and Europe** together account for 64 percent of the guarding services market. Long-term growth in these more mature markets is estimated to be between 4 and 6 percent, and demand for specialized services is generally higher. Japan, which represents about 4 percent of the total, is also a relatively mature market with similar expected growth rates. In the rest of the world, the guarding market is expected to achieve long-term growth of between 10 and 15 percent and will rapidly increase the share of the total global guarding services market.

* North America includes USA, Canada and Mexico.
** Including Turkey

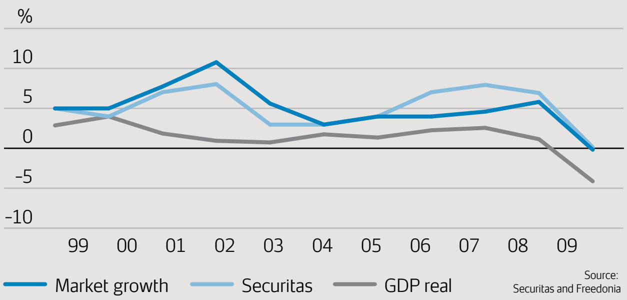
Market growth

SECURITY MARKET GROWTH, USA (GUARDING AND MOBILE)



Adjusted for effects of hurricanes in 2005 and 2006.

SECURITY MARKET GROWTH, EUROPE** (GUARDING AND MOBILE)



The markets for guarding services in the USA and Europe** have generally grown a few percentage points faster than GDP over the past decade. This was also the case during the recession in 2009. The correlation between GDP growth and guarding market growth is slightly stronger in the USA, which indicates a more homogenous and adaptable market.

The dip in U.S. growth affected both Securitas and the market in 2003 was mainly the result of legislation imposed following the terrorist attacks on September 11, 2001, which led to insourcing of security services. Industry analysts such as Freedonia forecast that the global guarding market will continue to grow at a faster rate than GDP.

** Including Turkey

Main competitors

	G4S	Prosegur	Allied Barton	Andrews International
Country	United Kingdom	Spain	USA	USA
Ownership	Listed	Listed	Private	Private
Employees	585,000	85,000	50,000	10,500
Primary markets	North America, Latin America, Nordic region, United Kingdom, Eastern Europe and New Markets	Spain, Portugal, France, Italy, Latin America	USA	USA, Mexico
Primary services	Guarding, Montoring, Systems, Secure Facilities Outsourcing, Consulting, and Cash Solutions	Guarding, Monitoring, Systems, Alarms and Cash Handling	Guarding and Background Screening	Guarding, Consulting and Investigations, Special Events Security and Disaster Response

Well-established Management and Financial Model

Securitas promotes management based on local responsibility in close proximity to customers and employees. The company's management model, known as the Toolbox, assists line managers in all areas of their daily operations and ensures that Securitas' values, work methods, management philosophy and customer perspective are shared throughout the organization.

Securitas' Toolbox management model has a methodical structure comprising several well-defined areas or "Tools" that provide guidance for the company's managers. Each area of the model describes how Securitas' managers are to conduct themselves in various aspects and stages of the company's operations. The model also describes the approach we are expected to take with regard to the market, our customers and employees.

The Toolbox offers practical support for managers by acting as a guide at all levels and is maintained through continuous training and discussion forums.

A key function of the Toolbox is to convey our corporate culture and create a shared platform, which is primarily symbolized by a focus on Securitas' values: Integrity, Vigilance and Helpfulness.

Decentralized organization and responsibility promote entrepreneurship

Securitas has a decentralized organizational model that focuses on some 1,800 branch offices where the company's daily operations are carried out. The company's customer offering improves when decisions are made in close proximity to customers and

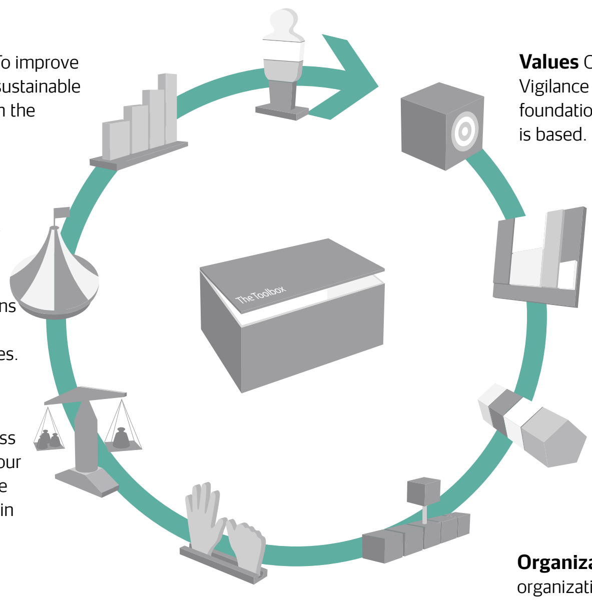
People People make the difference. All managers are role models and act as a helping hand for their employees. This is how people create value by working together.

Step-by-step approach To improve our operations and achieve sustainable growth, we must do things in the right order.

Values Our values – Integrity, Vigilance and Helpfulness – are the foundation upon which Securitas is based.

Industry By cooperating with customers and industry organizations, trade unions and public authorities, we help to improve the conditions in the industry and create opportunities for new services.

Market There is no general solution that suits all customers in the market.



Value chain The value chain helps us to ensure that we provide the right service for the right customer in the right way.

Risk management Business risk evaluation ensures that our risks are balanced against the long-term benefits of a certain contract and that they are in line with our business ethics standards.

Financial control Securitas' model for financial key figures, known as Six Fingers, plays an important role in the company's comprehensive financial model.

Organization Securitas has a flat organization in which the company's managers are close to their customers and are familiar with their needs.

the employees who perform the services. Our customers are entitled to be demanding and to work with independent and strong local managers with the right expertise. The branch offices are run by qualified managers with considerable freedom to develop and conduct operations based on their own statements of income, for which they are fully responsible. Incentive programs are used to further encourage personal dedication to the operating and financial performance of the company. Securitas' extensive decentralization promotes a high degree of personal entrepreneurship.

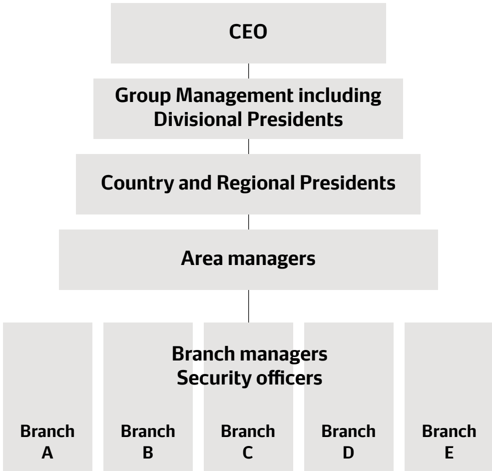
However, freedom also entails responsibility. All Securitas employees are expected to assume responsibility for their customers and operations and our shared values. Responsibility is always about "here and now," and not "there and then." Responsibility is clarified through the measurement and systematic evaluation of results.

As a part of our decentralized management, we are required to set strict financial targets and follow up on these targets by continuously measuring and monitoring the Group's performance. Financial control is not simply about implementing controls; it also functions as an incentive for those employees who are in a position to personally influence Securitas' financial results.

A financial model easy to understand

To ensure that the company is able to implement its strategies and to guide Securitas' employees and organization in their efforts to achieve their objectives, the Group has established a financial framework that continuously measures the Group's performance, from the branch offices to Group level.

This financial model makes it possible to monitor a number of simple and clear key figures that can be understood by all managers. The model helps the managers to better understand the connection between risks and opportunities and how various factors impact their areas of responsibility. The model also helps us to understand how we can monitor and control these factors and see the direct link between income and expenses in the statement of income, capital employed in the balance sheet and the generation of free cash flow (refer to the fact box on page 34 for further information). The goal is to achieve average annual profitability growth of 10 percent, measured as earnings per share, and to



generate a minimum free cash flow of 0.20 in relation to net debt. Transparent and accurate financial reporting is also the basis of sound management. The aim of the Group's financial reporting is to produce the most accurate information possible to enable managers and employees to make the necessary decisions to achieve profitable growth in line with Securitas' strategies and to control risks to ensure that the company's objectives are achieved. Financial reporting also forms the basis for sound internal control.

Securitas' financial reporting is based on the following foundations:

- Group policies and guidelines, which is the Board of Directors' policies and guidelines for financial planning and reporting, long-term financing and treasury, risks and insurance, communications, branding, legal issues and IT
- Guidelines in Securitas' financial model, which create the framework for a simple and clear internal reporting method, including timely and accurate follow-up of financial key figures (Securitas Six Fingers)
- Securitas' reporting manual, which provides all managers and financial staff with detailed instructions and definitions for financial reporting
- The controller, who is responsible for continuously ensuring that the financial information provided is accurate, transparent, relevant and up to date

Securitas' financial model

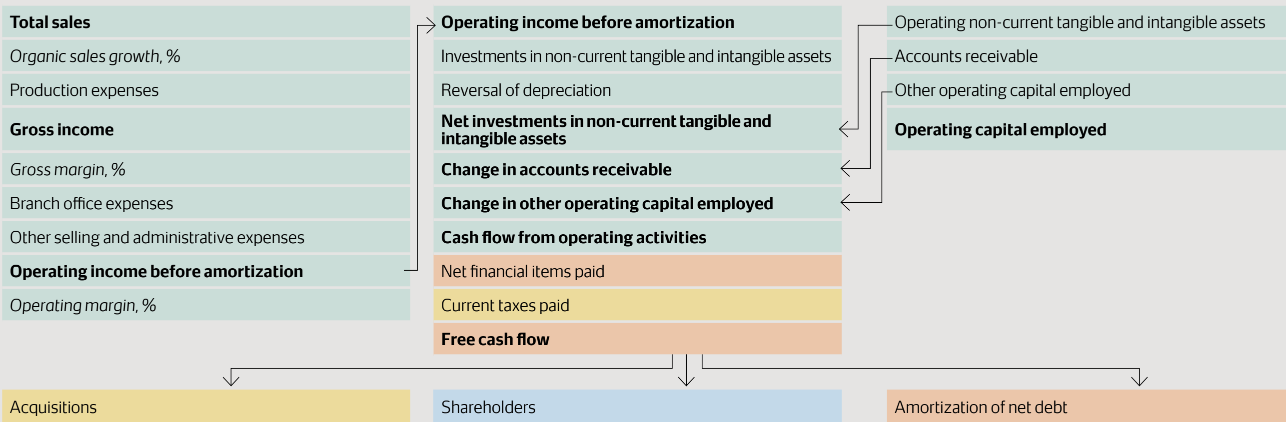
RELATIONSHIPS BETWEEN INCOME, CASH FLOW AND BALANCE SHEET

Statement of income
The statement of income is broken down according to function, making responsibility for each profit level clear. Managers with operational responsibility can easily see what is expected of them and concentrate on the factors they can affect. Gross margin and operating margin are key indicators used in reviewing operations at both the division and Group level. Amortization of acquisition-related intangible assets, financial items and taxes are monitored separately.

Statement of cash flow
In principle, operating income should generate the same amount of cash flow from operating activities. The cash flow is affected by investments in, and depreciation of, non-current tangible and intangible assets used in operations and by changes in working capital. Cash flow from operating activities is an important indicator at the operational level. It is defined as operating income less investments in non-current tangible and intangible assets plus depreciation, the change in accounts receivable and the change in other operating capital employed.

Free cash flow is cash flow from operating activities less net financial items paid and current taxes paid. Cash flow for the year is arrived at when cash flow relating to acquisitions and shareholders' equity is deducted from free cash flow. The consolidation of net debt in foreign currencies usually generates a translation difference that is reported separately. In addition, accounting standards require that certain elements of the net debt are revalued to market value after the initial recognition and this revaluation is also reported separately. The change in net debt corresponds to cash flow for the year plus the change in loans, translation differences and also the revaluation of financial instruments.

Balance sheet
Securitas uses the terms "capital employed" and "financing of capital employed" to describe the balance sheet and financial position. Capital employed consists of operating capital employed plus goodwill, acquisition-related intangible assets and shares in associated companies. Operating capital employed, which consists of operating non-current tangible and intangible assets and working capital, is continuously monitored at the operating level to avoid unnecessary tied-up capital. Capital employed is financed by net debt and shareholders' equity.



This picture shows the connection between the statement of income, the statement of cash flow and the balance sheet. Different colors are used for the sake of clarity.
Operating items | Net-debt-related items | Goodwill, taxes and non-operating Items | Items related to shareholders' equity

FINANCIAL KEY FIGURES AND HOW WE USE THEM

Securitas' model focuses on the factors that impact profit, and are clearly linked to operations. Factors are grouped into categories: volume-related factors, efficiency-related factors and capital-usage-related factors. These factors are then assigned key figures that are measured continuously, allowing managers to make decisions based on fact and enabling them to make quick adjustments if needed. The model is also used when analyzing acquisition targets.

The factors and key figures are used throughout our operations from branch level up to Group level. Six key figures represent the backbone of the model (highlighted in the text and table), but there are complementary key figures used by all divisions, such as organic sales growth and operating margin. There are also complementary key figures tailored to the needs of measuring a particular division. In Security Services North America and Security Services Europe, which offer specialized guarding services to large and medium-sized customers, gross margin on new sales and wage cost increase are particularly important key figures. For Mobile and Monitoring, new/cancelled connections, prospects visited, cost per sale/order, average contract size and payback/duration are key figures that are monitored closely.

Volume-related factors
The first two key figures, **New sales** (of contracts) and **Net change** (of contract portfolio), relate to the development of the customer contract portfolio. **New sales** are new signed contracts that will increase the monthly fixed sales. **Net change** in the customer contract portfolio refers to new starts (a new signed contract that has started) plus increased sales in existing contracts, less terminated customer contracts and reduced sales in existing contracts. Price changes are measured separately and added to **Net change** to determine the period's closing balance of the contract portfolio. The closing balance is the total value of monthly invoicing on our monthly fixed contracts at the closing date for the current period.

The table below is an example illustrating the details of the contract portfolio:

	Value	*% change in opening portfolio*
Opening balance	**100**	
+ New starts	15	
+ Increases	5	
– Terminations	–12	
– Reductions	–4	
Net change	**4**	***4***
Price change	**3**	***3***
Closing balance	**107**	***7***

The third key figure, taken from the statement of income, is **Total sales**, which in addition to contract-based sales, includes short-term assignments.

Efficiency-related factors
The efficiency-related key figures provide managers with tools to monitor service efficiency and cost trends. The fourth and fifth key figures are: **Gross margin**, which is defined as total sales less direct expenses as a percentage of total sales, and **Indirect expenses**, which pertain to the organization and include administrative expenses (costs of branch, area and regional/country offices). Gross income less **indirect expenses** equals operating income before amortization of acquisition-related intangible assets. When this is expressed as a percentage of total sales, it indicates the Group's operating margin, which in Securitas' financial model, comes before acquisition-related items.

Capital-usage-related factors
In general, Securitas' operations are not capital-intensive. Accounts receivable tie up the most capital. The sixth key figure is **Days of sales outstanding** (DSO). Payment terms and effective collection procedures are decisive in determining how much capital is tied up in accounts receivable. These figures are followed up on an ongoing basis at all levels in the organization.

SECURITAS MODEL FOR FINANCIAL KEY FIGURES

	GROUP	SECURITY SERVICES	MOBILE AND MONITORING
Volume-related factors			
		New sales	**New sales/New starts**
		Gross margin on new sales	
		Terminations	Terminations
			New/cancelled connections (Monitoring)
		Net change	**Net change**
		Price change	Price change
	Organic sales growth	Organic sales growth	Organic sales growth
	Acquired sales growth		
	Total sales	**Total sales**	**Total sales**
Efficiency-related factors			
		Employee turnover	Employee turnover
		Wage cost increase	Prospects visited (Mobile)
			Cost per sale/order
			Average contract size (Mobile)
			Pay back time/duration
		Gross margin	**Gross margin**
		Indirect expenses	**Indirect expenses**
	Operating margin	Operating margin	Operating margin
	Income before tax		
	Earnings per share		
Capital-usage-related factors			
		Days of sales outstanding	**Days of sales outstanding**
	Operating capital employed as % of sales	Operating capital employed as % of sales	Operating capital employed as % of sales
	Cash flow from operating activities as % of operating income before amortization	Cash flow from operating activities as % of operating income before amortization	Cash flow from operating activities as % of operating income before amortization
	Free cash flow		
	Return on capital employed	Return on capital employed	Return on capital employed
	Free cash flow in relation to net debt		

Risk Management – an Integral Part of our Work

Managing risk is necessary for Securitas to be able to fulfill its strategies and achieve its corporate objectives. Enterprise risk management (ERM) is an integral part of Securitas' operations, and risk awareness a part of the company culture.

The cornerstones of ERM are the Group policies and guidelines that establish the framework for all policies and compliance monitoring in the Group. The ultimate responsibility for risk management lies with the Board of Directors, but the work to minimize risks takes place through a structured process of assigning responsibility to all levels of the organization.

Since operational assignment risks and contract risks arise in local operations, they are best managed using a decentralized approach. Customer contract management and loss prevention measures are essential to minimizing such risks. To be successful, all of Securitas' branch managers must understand the risks associated with providing services and be able to assess and control them. This is why we work actively with risk management seminars to increase awareness and knowledge.

The divisional presidents are responsible for all aspects of operations in their divisions, including operational risk management and risk minimization. As part of the annual budget process a risk business plan is prepared at each level of the organization that sets the main focus and priorities for operational risk management within countries, divisions and Group for the coming year. Mobile and Monitoring as well as the new market organizations use shared risk management resources. Security Services North America and Security Services Europe, including Aviation, have their own risk committees that meet on a regular basis to monitor and follow up risk exposure.

At Group level, Group Management sets the risk management policies for the entire Group. Ultimately, the responsibility for claims settlement and for purchasing strategic insurance programs also lies at Group level. In addition, the Group conducts at least one business risk evaluation seminar each year for all divisions, with participants from the divisions, countries or regions. The purpose of these seminars is to increase awareness and understanding of the risks to which the company is exposed and to monitor compliance, for example, by reviewing certain contracts and/or processes.

RISK RESPONSIBILITIES

Activities	Branch/ area	Country/ division	Group
Risk assessment	■	■	■
Contract management	■	■	
Loss prevention	■	■	
Claims settlement		■	■
Insurance purchasing			■

Risks and how they are handled

Securitas is exposed to various types of risks in its daily business. When providing security services, Securitas manages not only its own risks, but also risks on behalf of its customers. Minimizing the risk of a loss occurring, and thereby protecting our customers and employees, is the most important objective. We evaluate operational risks in new and existing businesses using a business risk evaluation model (see pages 38–39).

Securitas' risks fall into three main categories: contract risks, operational assignment risks and financial risks. Similar risk categories are also relevant when evaluating acquisitions, but are then classified as acquisition risks, operational integration risks and financial integration risks. All of these types of risks can impact the Group's financial performance and position if they are not managed in a structured way.

When we enter into a contract with a customer, contract risks arise. Securitas needs to ensure that the obligations and risks undertaken in the contract are reasonable and balanced for the type of assignment in question.

Operational assignment risks are risks associated with daily operations and the services we provide to our customers, for example, when services do not meet the required standards and result in loss of property, damage to property or bodily injury. Proper recruitment, training and supervision of guards are important to mitigate these risks.

To manage contract risks and operational assignment risks in a structured way in the operations, we use the business risk evaluation model described below. Additionally, operations are protected by a customized Securitas insurance program, should unforeseen events occur.

Financial risks are mainly managed through continuous measurement and follow-up of financial performance, with the help of Securitas' financial model (read more on pages 32–35). This model identifies certain key figures that are vital to the profitability of the operations, and facilitates the detection and handling of risks. In addition, financial risks arise because the Group has external financing needs and operates in a number of foreign currencies. To allow the business segments, countries and regions to focus fully on their operations, management of financial risks is centralized to the greatest extent possible to the Group Treasury Centre.

Insurance as a risk management tool

A significant part of Securitas' risk management work involves detecting and analyzing frequent and large losses with the aim of indentifying the underlying driving forces.

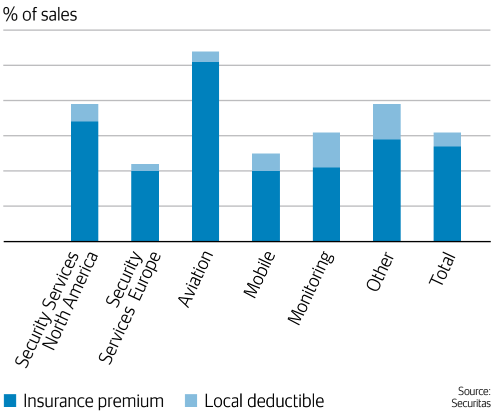
We work proactively and implement claims management processes in order to monitor and review trends and developments. Claim reports with updated information on claims and reserves are sent to all local risk managers and controllers on a monthly basis and claims are analyzed. In addition, regular meetings are held with insurance companies.

Throughout Securitas, we set up loss prevention and loss limiting measures as if we were uninsured. The insurance premium allocation seeks to reflect historical loss levels; all divisions are measured on their cost of risk (insurance cost plus cost of retained losses).

The Group's external insurance premiums are partly determined by the historic loss record. Consequently a favorable loss record will contribute to lower premiums and a lower cost of risk. The insurance programs are procured with the objective of creating a balanced and cost-efficient protection against negative financial impact. Securitas seeks to achieve economies of scale through coordinated insurance programs and the optimal utilization of the Group's insurance captives. The use of our insurance captives offers a wide range of risk financing possibilities, which provides management with an option to establish some independence from the cyclical nature of the commercial insurance markets.

All insurance programs are designed and purchased based on the risk exposure analyzed in the business risk evaluation model. The following types of insurance are strategically important to the Securitas Group and are the subject of central purchasing: liability insurance, including aviation liability and aviation war liability, crime insurance, directors' and officers' liability insurance, fiduciary insurance and employment practice liability insurance. Catastrophe exposure is protected by insurance companies with a minimum rating of A (Standard & Poors').

COST OF RISK – PROPORTIONS



Cost of risk varies between the different divisions depending on risk exposure and retained cost for frequency losses.

Business risk evaluation model

Securitas uses a business risk evaluation model to evaluate the operational risks in new and existing businesses. The model, which can be broken down into four stages, focuses on the important dimensions of the assignment and the relationship with the customer. In each of these stages, risks and opportunities are weighed and managed in a balanced manner, hence the symbol of the scale. Loss prevention is integrated into all stages of the business risk evaluation model.

Assignment

This is the first stage of the process. The key points are the size of the project, its duration and whether it involves a new or existing service. Specific training, supervision requirements and specific start-up costs are also considered.

The first step when evaluating a potential contract with a logistics center was to look at how well defined the assignment was. Had we performed this type of service before and were there specific requirements that incurred start-up costs? The customer was planning to expand its operations during the next three years and it was unclear how the different sites were to be serviced. Using our experience, we presented the customer with a well-structured agreement and defined procedures regarding start-up costs and how to provide access control to new sites. A profitable contract was signed and the risk for Securitas was minimized.

Financials

This stage involves careful calculation of the profitability of the business. Managers have to assess the investment required and whether the contract involves any off-balance sheet exposure. Payment terms also have to be considered, and a decision made as to whether the assignment will generate sufficient profit in relation to the risks.

A hotel chain was planning to open a new type of hotel at a ski resort on the border between two countries. The area was currently sparsely populated, but had huge future potential. We concluded it to be a small contract with substantial start-up costs, but after considering the market value of being visible in this growing market and agreeing on a favorable price/wage adjustment clause, we decided to sign the contract.

Risk

The type of customer under consideration is of importance in terms of the level of operational risk and financial status. High-risk customers and large loss potential must be identified, and checks must be performed to ensure that the necessary insurance is in place for the risk involved. The creditworthiness of the customer must also be assessed.

A new contract with a shopping center was under negotiation. The shopping center had a large adjacent parking area where frequent thefts from cars had occurred. Apart from guarding the shopping center, the customer also wanted us to handle parking fees, issue parking tickets and patrol the parking area. A CCTV system was installed to reduce the risk of theft from cars, and special high-visibility safety vests were used to ensure the safety of our security officers. As a result of these measures, the risk level was deemed to be acceptable for us and the cost for the customer was reasonable.

Contract

A fair division of responsibilities and risks between Securitas and the customer is essential in every contract. Standardized contracts are the norm. Reasonable caps on potential liability and indemnification for third-party claims are important.

A customer at a production plant wanted to expand the facility's security services to also include internal firefighting services. The consequences of a fire would be substantial if one occurred. It was important that the contract excluded indirect and consequential loss in case of a fire. The suggested contract had a well-defined scope of services and a fair distribution of liability, risk and responsibilities. Since the customer assumed all liability for third-party claims, the contract was signed.

Our Business is Your Safety

Securitas' business is built on trust and we assume responsibility for a number of social, economic and environmental issues. In our work, we prioritize issues that are close to our operations, that have the largest impact and where we have the power to make a change. Our measures to improve our handling of environmental and social aspects are taken in a step-by-step manner.

Responsible business is good business
To explain our approach to responsible business, we go back to the very basics of security services: they provide tangible social and economic benefits – not only for our customers, but for a larger group of people and even whole communities.

We provide the basic security that enables companies and communities to operate and grow. We provide safety to people who make purchases from, work for and interact with our customers. Furthermore, we develop specialized services that make customers more efficient and aim to minimize their environmental impact.

Improving our services by making them accessible and affordable is our number one responsibility. Our service delivery enables us to make a positive contribution to society. It is what we do best, what we master and what our stakeholders will benefit most from.

Apart from improving our service delivery, we are also involved in numerous activities and initiatives, such as minimizing emissions from transports, controlling purchases and, in some cases, contributing to communities through sponsorships. Although these activities and initiatives are our secondary focus, they are nevertheless important.

In summary, we see many positive effects of conducting our business responsibly. For us, responsible business is good business.

Effective, realistic and profitable
There are a few basic notions that help us establish our priorities when building a responsible business:

- Effective – only spending resources on activities that are likely to succeed and/or can make a considerable difference
- Realistic – about our ability to manage the activities and initiatives that we pursue. In Securitas' management model, decentralization of decisions and responsibility is fundamental. As a result, we need to keep our efforts simple and local
- Profitable – like all other work in Securitas, the work relating to responsible business must contribute to profitability. We prioritize activities according to how direct and visible their gains are

Responsible management
We manage and govern a responsible business by handling corporate responsibility in the same way as any other important issue. We have values and guiding documents that direct our efforts and enable us to decentralize responsibility and decision-making.

Securitas focuses on its branch offices, where the company's daily operations are carried out. We believe that local initiative is the best way to assume corporate responsibility. Group Management is responsible for managing Securitas in a manner that promotes good corporate citizenship. Ultimately, it is the President and CEO who is accountable.

Further information regarding responsible business is available on Securitas' website at www.securitas.com/responsibility. You will find information about: priorities, management, benefits, activities and results from an environmental, social and economical perspective. You will also find key figures relating to sustainability, the Code of Conduct and the environmental policy.

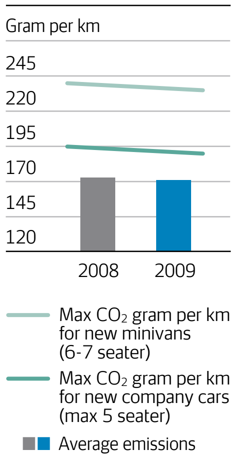
Many benefits of responsible business
Responsible business provides tangible benefits, such as decreased risks and making it easier to acquire licenses to operate in markets undergoing deregulation. Also, our work relating to responsible business is an advantage when acquiring public contracts, licenses and companies, and starting offices. Other advantages are that we build customer preference and spur the development of new services.

Our responsibilities and results
Socially, our number one responsibility is to be a solid, trustworthy and stable employer to our over a quarter of a million employees, providing them with favorable terms and possibilities for further development and careers. Securitas believes in building relationships based on mutual respect and the dignity of all employees, by far our most important resource. Securing the basic rights of employees is fundamental. Improving the status of security officers, safeguarding employees and assisting in handling threatening situations are other important aspects. We also focus on responsible purchasing, measure our impact to improve our performance, facilitate dialogs with employees and unions and participate in local social projects.

Economically, our number one responsibility is to be efficient in offering services that protect businesses and societies, by making the services accessible and affordable. Our services provide tangible social and economic benefits, not only for our customers, but for a larger group of people, even whole communities. We provide the basic security that enables companies and communities to operate and prosper. We also provide specialized services that make customers more efficient and promote a minimized environmental impact. The most immediate economic impact is through paying wages to employees who live and work in the same local communities that we serve to protect. As a result of our success, we pay taxes that benefit communities and we generate profits for our shareholders.

Environmentally, our most important responsibility is to minimize emissions from transports. We also purchase products, thereby creating an environmental impact from a lifecycle perspective. One large category of products we purchase is security uniforms. On the whole, Securitas is a service company with a relatively low environmental impact compared with a manufacturing company. The operations of the Group do not require a permit under the Swedish Environmental Code.

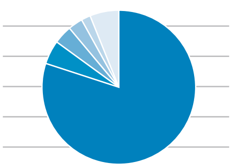
AVERAGE CO_2 EMISSIONS FROM TRANSPORTS



Stable Development Throughout the Recession

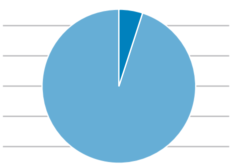
At year-end, the price of the Securitas share had increased by 9 percent and market capitalization amounted to MSEK 24,372. Earnings per share increased to SEK 5.80 (5.18) and a dividend to the shareholders of SEK 3.00 (2.90) per share was proposed.

SHAREHOLDERS PER COUNTRY, VOTES



- Sweden 80%
- United Kingdom 5%
- USA 4%
- France 3%
- Luxembourg 2%
- Rest of world 6%

SHAREHOLDERS PER CATEGORY, VOTES



- Private individuals 3%
- Institutions 97%

Performance of the share in 2009

At year-end, the closing price of the Securitas share was SEK 70.05 (64.25). The share price increased by 9 percent during the year, compared with the OMX Stockholm All Share Index, which increased by 47 percent. The highest price paid in 2009 was SEK 72.75 and the lowest price paid for a Securitas share was SEK 58.25.

At the end of 2009, Securitas' weight was 0.71 percent (1.00) in the OMX Stockholm All Share Index and 1.02 percent (1.41) in the OMX Stockholm 30 Index. Securitas' weight in the OMX Stockholm Benchmark Cap Index was 0.92 percent (1.27). During the year, the OMX Stockholm All Share Index increased by 47 percent, the OMX Stockholm 30 Index by 44 percent and the OMX Stockholm Benchmark Cap Index by 45 percent.

Market capitalization

Market capitalization for Securitas at year-end was MSEK 24,372 (22,354), making Securitas the 32nd largest company on NASDAQ OMX Stockholm.

Turnover

The turnover of Securitas shares decreased in 2009. A total of 528 million (661) Securitas shares were traded on NASDAQ OMX Stockholm, representing a value of MSEK 34,694 (50,207*). The turnover velocity in 2009 was 151 percent (189), compared with a turnover rate of 120 percent (152) for the entire NASDAQ OMX Stockholm. An average of 2.1 million Securitas shares were traded each day.

Share capital and shareholder structure

The share capital amounted to SEK 365,058,897 at December 31, 2009, distributed among an equal number of shares, each with a quota value of SEK 1.00. Of these shares, 17,142,600 are Series A shares and 347,916,297 are Series B shares. Each Series A share carries ten votes and each Series B share carries one vote. The free float of the Securitas share is 87 percent.

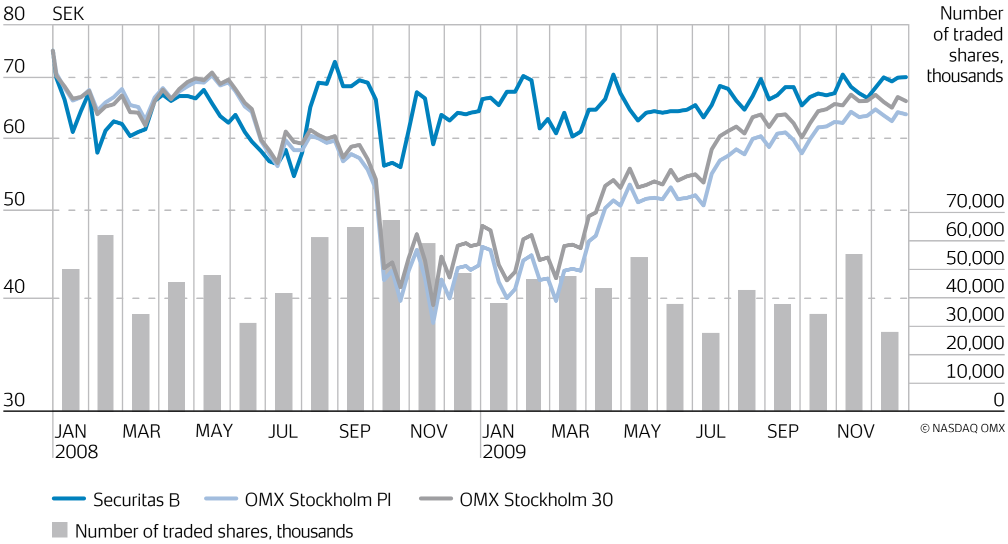
At December 31, 2009, Securitas had 31,527 shareholders (27,616), up 14 percent since 2008. In terms of numbers, private individuals make up the largest shareholder category with 26,097 shareholders, corresponding to 83 percent of the total number of shareholders. In terms of capital, institutional investors dominate with 95 percent of the shares.

The principal shareholders in Securitas on December 31, 2009 were Gustaf Douglas, who through family and the companies Investment AB Latour, Säkl AB, Förvaltnings AB Wasatornet and Karpalunds Ångbryggeri AB holds 11.6 percent (11.6) of the capital and 30.1 percent (30.0) of the votes, and Melker Schörling, who through family and Melker Schörling AB holds 5.6 percent (5.6) of the capital and 11.8 percent (11.8) of the votes. These shareholders are represented on the Board of Directors by Carl Douglas, Fredrik Palmstierna, Melker Schörling and Sofia Schörling Högberg.

The majority of Securitas' shareholders, 92 percent (92), are Swedish. The Swedish shareholders hold 71 percent (58) of the capital and 80 percent (71) of the votes. Compared with 2008, the proportion of foreign shareholders in the shareholder base has decreased. At December 31, 2009, the shareholders outside Sweden owned 29 percent (42) of the capital and 20 percent (29) of the votes. The largest shareholdings held by foreign shareholders are in the United Kingdom and the USA, with 7 percent of the capital and 5 percent of the votes in the United Kingdom and 5 percent of the capital and 4 percent of the votes in the USA.

* Including Loomis until December 8, 2008.

SHARE PRICES FOR SECURITAS, JANUARY 1 – DECEMBER 31, 2008–2009



Cash dividend and dividend policy

The Board of Directors proposes a dividend of SEK 3.00 (2.90) per share, corresponding to a total of MSEK 1,095 (1,059). With a free cash flow averaging 75 to 80 percent of adjusted income and a balanced growth strategy comprising both organic and acquisition-driven growth, Securitas should be able to sustain a dividend level of 40 to 50 percent of the annual free cash flow. The proposed dividend is in line with this objective at 51 percent, which should enable the Securitas share to generate a yield of 4.3 percent (4.5).

Securitas share in brief

Series B Securitas shares are traded on NASDAQ OMX Stockholm, which is part of NASDAQ OMX Nordic. Securitas is listed on the Large Cap List for companies, which includes large companies with a market capitalization of more than MEUR 1,000, and is included in the sector Industrials, Security and Alarm Services. The ISIN code for the Securitas share on NASDAQ OMX Nordic is SE0000163594. The ticker code for the Securitas share is SECU B on NASDAQ OMX Stockholm, SECUB:SS on Bloomberg and SECUb.ST on Reuters. Securitas has been listed on the stock exchange since 1991.

LARGEST SHAREHOLDERS AT DECEMBER 31, 2009

Shareholder	Series A shares	Series B shares	*% of capital*	*% of votes*
Gustaf Douglas, companies and family*	12,642,600	29,770,000	*11.6*	*30.1*
Melker Schörling, companies and family**	4,500,000	16,008,700	*5.6*	*11.8*
Swedbank Robur Funds	0	15,989,208	*4.4*	*3.1*
SEB Investment Management	0	12,587,138	*3.5*	*2.4*
Länsförsäkringar Fondförvaltning AB	0	11,103,414	*3.0*	*2.1*
HQ Funds	0	8,646,700	*2.4*	*1.7*
Alecta Pension Fund	0	8,610,000	*2.4*	*1.7*
JP Morgan Chase Bank	0	8,578,594	*2.4*	*1.7*
Lannebo Funds	0	8,522,600	*2.3*	*1.6*
Caceis Bank	0	8,000,000	*2.2*	*1.5*
Total, ten largest shareholders	**17,142,600**	**127,816,354**	***39.7***	***57.6***

Source: Euroclear Sweden
* Includes the holdings of family members, Investment AB Latour, Säki AB, Förvaltnings AB Wasatornet and Karpalunds Ångbryggeri AB.
** Includes the holdings of family members and Melker Schörling AB.

SHAREHOLDER STRUCTURE AT DECEMBER 31, 2009

Number of shares	Number of shareholders	Number of Series A shares	Number of Series B shares	*% of capital*	*% of votes*
1–500	21,119	0	3,796,508	*1.04*	*0.73*
501–1,000	4,623	0	3,925,807	*1.08*	*0.76*
1,001–5,000	4,159	0	9,823,802	*2.69*	*1.89*
5,001–10,000	611	0	4,655,192	*1.28*	*0.90*
10,001–15,000	210	0	2,727,141	*0.75*	*0.53*
15,001–20,000	126	0	2,312,912	*0.63*	*0.45*
20,001–	678	17,142,600	320,736,979	*92.55*	*94.77*
Total	**31,527[1]**	**17,142,600**	**347,916,297[1]**	***100***	***100***

Source: Euroclear Sweden
1 Does not sum up due to data differences in the reports from Euroclear Sweden.

DATA PER SHARE

SEK/share	2009	2008	2007	2006	2005
Earnings per share before dilution	5.80[1]	5.24[1]	4.82[1]	4.60[1]	4.93[1]
Earnings per share after dilution	5.80[1]	5.24[1]	4.82[1]	4.60[1]	4.90[1]
Dividend	3.00[2]	2.90	3.10[3]	3.10[3]	3.50[3]
Dividend as % of earnings per share	*52*	*55*	*64*	*67*	*71*
Yield, %	*4.3[4]*	*4.5*	*3.4*	*2.9*	*3.9*
Free cash flow per share	5.93	5.51[5]	6.19[5]	4.11[5]	4.08[5]
Share price at end of period	70.05	64[5]	75[5]	88[5]	78[5]
Highest share price	72.75	76[5]	95[5]	95[5]	81[5]
Lowest share price	58.25	51[5]	63[5]	68[5]	62[5]
Average share price	65.74	64[5]	81[5]	81[5]	71[5]
P/E ratio	12	12[5]	16[5]	19[5]	16[5]
Number of shares outstanding (000s)	365,059	365,059	365,059	365,059	365,059
Average number of shares outstanding after dilution (000s)	365,059	365,059	369,366	376,165	378,712
Number of shares outstanding after dilution (000s)	365,059[6]	365,059[6]	365,059[6]	379,615	375,015

1 Calculated before items affecting comparability and for continuing operations.
2 Proposed dividend.
3 Including Loomis and, for 2005, Niscayah Group and Securitas Direct.
4 Calculated on proposed dividend.
5 Excluding Loomis and, for 2005, Niscayah Group and Securitas Direct.
6 Convertible debenture loan 2002/2007 matured in May 2007 and there is currently no potential dilution.

DEFINITIONS

Yield: Dividend relative to the share price at the end of each year. For 2009, the proposed dividend is used.
Free cash flow per share: Free cash flow in relation to the number of shares outstanding before dilution.
P/E ratio (Price/Earnings): The share price at the end of each year relative to earnings per share after taxes.
EBITA multiple: The company's market capitalization and liabilities relative to operating income before amortization, net financial items and taxes.
Turnover rate: Turnover during the year relative to the average market capitalization during the same period.
Market capitalization: The number of shares outstanding times the market price of the share price at year-end.
Enterprise value: Market capitalization plus net debt.

DEVELOPMENT OF SHARE CAPITAL

Year	Transaction	Number of shares	SEK
1989	Non-cash issue	285,714	28,571,400
1989	New issue	342,856	34,285,600
1989	Split 50:1	17,142,800	34,285,600
1989	Stock dividend	17,142,800	85,714,000
1992	New issue	22,142,800	110,714,000
1993	Conversion	23,633,450	118,167,250
1994	Non-cash issue (Spain)	24,116,450	120,582,250
1996	Split 3:1[1]	72,349,350	120,582,250
1996	Stock dividend[1]	72,349,350	144,698,700
1996	Conversion	72,697,739	145,395,478
1997	Conversion	73,206,315	146,412,630
1998	Conversion	73,439,693	146,879,386
1998	Stock dividend[2]	73,439,693	293,758,772
1998	Split 4:1[2]	293,758,772	293,758,772
1998	New issue Raab Karcher	308,114,828	308,114,828
1998	New issue Proteg	325,104,472	325,104,472
1998	Conversion	325,121,812	325,121,812
1999	Conversion	327,926,707	327,926,707
1999	New issue Pinkerton	355,926,707	355,926,707
1999	Conversion	356,318,317	356,318,317
2001	Conversion[3]	361,081,321	361,081,321
2002	Conversion	363,055,906	363,055,906
2003	Conversion[4]	365,058,897	365,058,897
2004	n/a	365,058,897	365,058,897
2005	n/a	365,058,897	365,058,897
2006	n/a	365,058,897	365,058,897
2007	n/a	365,058,897	365,058,897
2008	n/a	365,058,897	365,058,897
2009	n/a	365,058,897	365,058,897

1 A 3:1 split was executed in 1996, as was a stock dividend, changing the par value of the share from SEK 5 to SEK 2.
2 A 4:1 split was executed in 1998, as was a stock dividend, changing the par value of the share from SEK 2 to SEK 1.
3 148,200 refers to interim shares registered with the Swedish Companies Registration Office on January 11, 2002.
4 The 1998/2003 convertible debenture loan was converted on March 31, 2003 except for MSEK 5 that was not converted.


7J18

The formal annual accounts and the consolidated accounts comprise pages 45-117

Report of the Board of Directors – Financial overview

The Board of Directors and the President of Securitas AB (publ.), corporate registration number 556302-7241, with its registered office in Stockholm, hereby submit the Annual Report and consolidated financial statements for the 2009 financial year.

Securitas provides security services protecting homes, workplaces and society. Our core business is guarding services and the main service offering categories are specialized guarding, mobile services, monitoring and consulting and investigation services. Securitas is present in 40 countries in North America, Europe, Latin America, the Middle East, Asia and Africa, with more than 260,000 employees.

The Securitas Group consists of the business segments Security Services North America, Security Services Europe and Mobile and Monitoring, and in addition the guarding operations in Latin America, the Middle East, Asia and Africa are included under the heading Other in the segment overview in note 9.

Sales

Sales amounted to MSEK 62,667 (56,572). Organic sales growth was –1 percent (6), which we estimate to be in line with the security market development. Across the Group, the harsh economic climate has had a negative impact on organic sales growth in 2009. The low inflation and the negative portfolio net change are major factors behind the development. Mobile and Monitoring experienced a decline in organic sales growth compared to last year, but it remained on a good level in 2009. The decline in organic sales growth must also be viewed in the light of the strategic decision in the Group to prioritize profitability before volume.

SALES JANUARY–DECEMBER

MSEK	2009	2008	%
Total sales	**62,667**	**56,572**	***11***
Acquisitions/Divestitures	–1,450	–	
Currency change from 2008	–5,220	–	
Organic sales	**55,997**	**56,572**	***–1***

Operating income before amortization

Operating income before amortization was MSEK 3,756 (3,271) which, adjusted for changes in exchange rates, represents an increase of 6 percent.

INCOME JANUARY–DECEMBER

MSEK	2009	2008	%
Operating income before amortization	**3,756**	**3,271**	***15***
Currency change from 2008	–302	–	
Currency adjusted operating income before amortization	**3,454**	**3,271**	***6***

The operating margin was 6.0 percent (5.8). Throughout the Group, the positive effects from the lower employee turnover in 2009 have supported the improvement of the operating margin. In Security Services North America the systematic refinement of the contract portfolio and cost savings contributed to the positive development. The operating margin in Security Services Europe was flat compared to last year, in spite of a negative impact from lower extra sales and bad debts. In the Group, bad debt losses and provisions for bad debt losses negatively affected the operating margin by approximately –0.2 percentage points (–0.1).

The price adjustments approximately corresponded to the total wage cost increases in all business segments in 2009.

Operating income after amortization

Amortization of acquisition related intangible assets amounted to MSEK –138 (–102).

Acquisition related restructuring costs impacted the period by MSEK –6 (–53). The acquisition related restructuring costs in 2008 mainly related to the operations acquired from G4S in Germany.

Items affecting comparability was MSEK 0 (–29). In 2008 items affecting comparability consisted of listing costs for Loomis AB.

Operating income after amortization was MSEK 3,612 (3,087).

Financial income and expenses

Financial income and expenses amounted to MSEK –590 (–472). The increase in the finance net is explained partly by the weaker Swedish Krona, as the main part of the Group's financing cost is in foreign currency, and partly by the issuance of the MEUR 500 Eurobond in April 2009 which carries a higher interest cost than the loans it is refinancing.

Revaluation of financial instruments amounted to MSEK 0 (2).

Income before taxes

Income before taxes was MSEK 3,022 (2,617). The real change was 4 percent.

Taxes

The Group's tax rate was 29.9 percent (27.8). The Spanish tax authorities have, in a tax resolution in June 2009, challenged certain interest expense deductions made by the Group in Spain. To avoid future challenges, the Group has adjusted the capitalization in Securitas Spain. Because of this, the tax rate was increased in the full year by 0.6 percentage points.

Net income and earnings per share

Net income from continuing operations was MSEK 2,118 (1,890).

Earnings per share from continuing operations were SEK 5.80 (5.18). Earnings per share before items affecting comparability from continuing operations were SEK 5.80 (5.24).

CONDENSED STATEMENT OF INCOME
ACCORDING TO SECURITAS' FINANCIAL MODEL

MSEK	2009	2008
Total sales	**62,666.7**	**56,571.6**
Organic sales growth, %	*-1*	*6*
Production expenses	-50,983.9	-46,122.9
Gross income	**11,682.8**	**10,448.7**
Selling and administrative expenses	-7,933.5	-7,196.3
Other operating income	11.3	18.7
Share in income of associated companies	-4.1	-0.4
Operating income before amortization	**3,756.5**	**3,270.7**
Operating margin, %	*6.0*	*5.8*
Amortization of acquisition related intangible assets	-138.3	-102.2
Acquisition related restructuring costs	-5.9	-52.6
Items affecting comparability	–	-29.3
Operating income after amortization	**3,612.3**	**3,086.6**
Financial income and expenses	-589.4	-472.3
Revaluation of financial instruments	-0.4	2.7
Share in income of associated companies	–	–
Income before taxes	**3,022.5**	**2,617.0**
Taxes	-904.5	-727.1
Net income for the year, continuing operations	**2,118.0**	**1,889.9**
Net income for the year, discontinued operations	–	431.8
Net income for the year, all operations	**2,118.0**	**2,321.7**

Securitas' financial model is described on pages 34–35.

Operating items. Net debt-related items.
Goodwill, taxes and non-operating items. Items related to shareholders' equity.

Development in the Group's business segments

Security Services North America

SALES AND INCOME

MSEK	2009	2008
Total sales	**23,530**	**21,327**
Organic sales growth, %	*-4*	*3*
Operating income before amortization	**1,400**	**1,218**
Operating margin, %	*5.9*	*5.7*
Real change, %	*2*	*13*

Futher information regarding the statement of income, cash flow and capital employed is provided in note 9.

The organic sales growth was –4 percent (3) in 2009. The organic sales growth was under pressure due to negative net change in the contract portfolio. Of importance are effects from reductions in existing customer contracts, primarily in the Automotive customer segment and the insourcing of guarding services in the energy sector. In addition, the decline in extra sales impacted organic sales growth negatively compared to last year.

The new sales rate for 2009 was higher compared to last year, primarily due to successful growth in the Healthcare customer segment. The gross margin on new sales was below the portfolio average gross margin.

The operating margin was 5.9 percent (5.7). The improved profitability was primarily related to the systematic refinement of the contract portfolio, cost saving initiatives and a lower employee turnover rate in 2009.

The US dollar had a positive effect on the operating result in Swedish kronor. The real change was 2 percent in 2009.

The client retention rate was slightly below last year, carrying the impact from some large terminations in the third quarter 2009. However, the client retention rate improved slightly in the fourth quarter 2009 compared to the third quarter 2009. The employee turnover rate[1] was 39 percent (55).

1) This measurement is adjusted for turnover due to terminated contracts.

Security Services Europe

SALES AND INCOME

MSEK	2009	2008
Total sales	**31,554**	**28,737**
Organic sales growth, %	*0*	*7*
Operating income before amortization	**1,814**	**1,635**
Operating margin, %	*5.7*	*5.7*
Real change, %	*4*	*9*

Futher information regarding the statement of income, cash flow and capital employed is provided in note 9.

The organic sales growth was 0 percent (7) in 2009. The economic climate affected the European countries differently in terms of organic sales growth although a development seen in most countries is the decline in extra sales. Reductions in existing customer contracts is another consequence of the economic climate and puts further pressure on the organic sales growth. Countries such as Denmark, Finland, Sweden and Turkey had positive organic sales growth, while countries such as Estonia, France, Norway and Spain had negative organic sales growth. Aviation showed double-digit organic sales growth in 2009.

The new sales rate was slightly lower in 2009 compared to 2008. The gross margin on new sales was below the portfolio average gross margin.

The operating margin was 5.7 percent (5.7). The focus on optimizing the portfolio mix and lower employee turnover has resulted in profitability improvements in 2009. However, the positive effect has been outweighed by lower extra sales, bad debt provisions and losses and investments in security training, expertise and security solution capabilities. The consolidation of the acquired G4S operation in Germany had a slight positive impact on the operating margin, mainly due to cost synergies. Aviation's operating margin improved in 2009 compared to 2008.

The strengthening of the euro positively impacted the operating income in Swedish kronor. The real change was 4 percent in 2009.

The client retention rate was approximately 90 percent. For the full year, the employee turnover rate[1] was about 26 percent (33).

1 This measurement is adjusted for turnover due to terminated contracts.

Mobile and Monitoring

SALES AND INCOME

MSEK	2009	2008
Total sales	**6,131**	**5,546**
Organic sales growth, %	*3*	*8*
Operating income before amortization	**726**	**647**
Operating margin, %	*11.8*	*11.7*
Real change, %	*7*	*9*

Further information regarding the statement of income, cash flow and capital employed is provided in note 9.

The organic sales growth was 3 percent (8) driven by the countries in the Nordic region, Belgium and Germany. France and Spain showed negative organic sales growth in the Mobile operation. The decline in organic sales growth compared to last year is mainly explained by increased contract terminations and lower extra sales as a consequence of the tougher economic climate for many small customers.

The operating margin was 11.8 percent (11.7). The improvement in the operating margin is explained by improved operational efficiency, such as optimizing route planning and lower costs related to recruitment. Increased bad debt provisions and losses partly offset the improvement. Up until the third quarter 2008, investments were made in the sales force affecting the operating margin negatively. The real change was 7 percent in 2009.

Cash flow

Operating income before amortization amounted to MSEK 3,756 (3,271). Net investments in non-current tangible and intangible assets amounted to MSEK –23 (–137).

Changes in accounts receivable amounted to MSEK 198 (8). Changes in other operating capital employed amounted to MSEK –556 (107).

Cash flow from operating activities amounted to MSEK 3,375 (3,249), equivalent to 90 percent (99) of operating income before amortization.

Financial income and expenses paid amounted to MSEK –482 (–433). Current taxes paid amounted to MSEK –728 (–804). A tax payment in Spain relating to the Esabe acquisition impacted 2008 by MSEK –144.

Free cash flow was MSEK 2,165 (2,012), equivalent to 88 percent (94) of adjusted income.

Cash flow from investing activities, acquisitions, was MSEK –758 (–1,022).

Cash flow from items affecting comparability was MSEK –12 (–111).

Cash flow from financing activities was MSEK –2,775 (–199).

Cash flow for the period, continuing operations, was MSEK –1,380 (680).

CONDENSED STATEMENT OF CASH FLOW ACCORDING TO SECURITAS' FINANCIAL MODEL

MSEK	2009	2008
Operating income before amortization	**3,756.5**	**3,270.7**
Investments in non-current tangible and intangible assets	–950.7	–977.0
Reversal of depreciation	927.5	839.9
Net investments in non-current tangible and intangible assets	**–23.2**	**–137.1**
Change in accounts receivable	197.6	7.8
Change in other operating capital employed	–556.4	107.3
Cash flow from operating activities	**3,374.5**	**3,248.7**
Cash flow from operating activities, %	*90*	*99*
Financial income and expenses paid	–481.6	–433.4
Current taxes paid	–728.2	–803.5
Free cash flow	**2,164.7**	**2,011.8**
Free cash flow, %	*88*	*94*
Cash flow from investing activities, acquisitions	–757.7	–1,021.5
Cash flow from items affecting comparability	–12.0	–110.8
Cash flow from financing activities	–2,775.5	–199.3
Cash flow for the year, continuing operations	**–1,380.5**	**680.2**
Cash flow for the year, discontinued operations	–	–790.5
Cash flow for the year, all operations	**–1,380.5**	**–110.3**

Securitas' financial model is described on pages 34–35.

Operating items. Net debt-related items. Goodwill, taxes and non-operating items.

Capital employed and financing

Capital employed

The Group's operating capital employed was MSEK 2,623 (2,959) corresponding to 4 percent of sales (5) adjusted for full year sales of acquired units.

Acquisitions have decreased operating capital employed by MSEK –99 during the year.

Acquisitions have increased consolidated goodwill by MSEK 459. Adjusted for negative translation differences of MSEK –1,005, total goodwill for the Group amounted to MSEK 13,558 (14,104).

The annual impairment test of all Cash Generating Units (CGU), which is required under IFRS, took place during the third quarter 2009 in conjunction with the business plan process for 2010. None of the CGUs tested for impairment had a carrying amount that exceeded the recoverable amount. Consequently no impairment losses have been recognized in 2009. No impairment losses were recognized in 2008 either.

Acquisitions have increased acquisition related intangible assets by MSEK 328. After amortization of MSEK –138 and negative translation differences of MSEK –46, acquisition related intangible assets amounted to MSEK 895 (751).

The Group's total capital employed was MSEK 17,209 (17,920). The translation of foreign capital employed to Swedish kronor decreased the Group's capital employed by MSEK –1,686.

The return on capital employed was 22 percent (18).

Financing

The Group's net debt amounted to MSEK 8,388 (9,413). Acquisitions and acquisition related payments increased the Group's net debt by MSEK 758, of which purchase price payments accounted for MSEK 731, assumed net debt for MSEK –7 and acquisition related restructuring costs paid for MSEK 34. The Group's net debt decreased by MSEK 612 due to the translation of net debt in foreign currency to Swedish kronor.

Dividend to the shareholders of MSEK 1,059 (1,132) was paid in May 2009.

Effective April 8, 2009 Securitas AB issued a four year MEUR 500 bond loan in the Eurobond market under its MEUR 1,500 Euro Medium Term Note Program. The coupon rate was set at 6.50 percent. The proceeds from the bond loan have been used to refinance existing drawn credit facilities coming up for maturity in 2010. The bond loan has lengthened the maturity profile of the Group's borrowings and also provides diversification in funding sources. It is listed on the Luxembourg Stock Exchange.

In addition to the above, Securitas has access to committed financing through the MUSD 1,100 Revolving Credit Facility maturing in 2012, through a MEUR 550 Term Loan Facility maturing in 2010, which was amortized by MEUR 414 during 2009 from the Eurobond loan proceeds and through a MSEK 3,000 club deal also maturing in 2010. The MSEK 1,500 bilateral Revolving Credit Facility maturing in September 2009 was cancelled by Securitas during the second quarter. Securitas also has access to uncommitted bank borrowings and a MSEK 5,000 Swedish Commercial Paper Program for short-term borrowing needs. In July 2008 Securitas issued MEUR 45 Floating Rate Note with a five year maturity under its MEUR 1,500 Euro Medium Term Note Program. On February 5, 2009 Securitas issued a further MEUR 45 Floating Rate Notes under the same program. Both notes had a five-year bullet maturity. In February 2010 the first of these FRN's (MEUR 45) was repaid and replaced with a MUSD 62 Floating Rate Note maturing in February 2015.

Securitas has ample liquidity headroom under the committed credit facilities in line with established policies, which together with the strong free cash flow generation makes it possible to meet upcoming liquidity needs in the operations.

The interest cover ratio amounted to 6.1 (3.9). The free cash flow to net debt ratio amounted to 0.26 (0.21).

Shareholders' equity amounted to MSEK 8,821 (8,507). The translation of foreign assets and liabilities to Swedish kronor decreased shareholders' equity by MSEK –819 after taking into account net investment hedging of MSEK 255 and MSEK –1,074 before net investment hedging. Refer to page 56, Consolidated statement of comprehensive income, for further information.

The total number of outstanding shares amounted to 365,058,897 as of December 31, 2009.

CONDENSED CAPITAL EMPLOYED AND FINANCING ACCORDING TO SECURITAS' FINANCIAL MODEL

MSEK	2009	2008
Operating capital employed	2,623.4	2,959.4
Operating capital employed as % of sales	*4*	*5*
Goodwill	13,558.3	14,104.3
Acquisition related intangible assets	894.9	751.3
Shares in associated companies	132.1	104.9
Total capital employed	**17,208.7**	**17,919.9**
Return on capital employed, %	*22*	*18*
Net debt	8,387.7	9,412.6
Shareholders' equity	8,821.0	8,507.3
Total financing	**17,208.7**	**17,919.9**

Securitas' financial model is described on pages 34–35.

Operating items. Net debt-related items.
Goodwill, taxes and non-operating items. Items related to shareholders' equity.

NET DEBT DEVELOPMENT

MSEK	2009	2008
Opening balance January 1	**–9,412.6**	**–9,878.0**
Cash flow from operating activities	3,374.5	3,248.7
Financial income and expenses paid	–481.6	–433.4
Current taxes paid	–728.2	–803.5
Free cash flow	**2,164.7**	**2,011.8**
Cash flow from investing activities, acquisitions	–757.7	–1,021.5
Cash flow from items affecting comparability	–12.0	–110.8
Dividend paid	–1,058.7	–1,131.7
Cash flow from discontinued operations[1]	–	–327.7
Change in net debt before revaluation and translation	**336.3**	**–579.9**
Revaluation of financial instruments	76.7	–178.2
Translation differences	611.9	–1,313.0
Impact from dividend of discontinued operations	–	2,536.5
Change in net debt	**1,024.9**	**465.4**
Closing balance December 31	**–8,387.7**	**–9,412.6**

1 Excluding change in loans.

Acquisitions

All acquisition calculations are finalized no later than one year after the acquisition is made.

ACQUISITIONS JANUARY – DECEMBER 2009 (MSEK)

Company	Business segment[1]	Included from	Annual sales[2]	Enterprise value[3]	Goodwill	Acq. related intangible assets
Opening balance					**14,104**	**751**
Akal Security Hawaii, USA	Security Services North America	Feb 26	64	13	–	14
Moore Security, USA	Security Services North America	Mar 12	112	39	–	39
World Wide Security, Chile	Other	Jul 1	134	81	42	27
MKB Tactical, South Africa	Other	Jul 1	11	4	6	–
Interlabora, Spain	Security Services Europe	Jul 8	64	71	67	64
Vigilan, Argentina	Other	Sep 1	104	42	86	35
Socovig, Colombia	Other	Oct 1	67	40	22	10
Guardforce, Hong Kong	Other	Dec 1	116	18	9	9
Ferssa Group, France	Security Services Europe	Dec 1	246	35	14	42
GMCE Gardiennage, Morocco	Security Services Europe	Dec 1	12	13	15	8
Dora Security, Czech Republic	Security Services Europe	Dec 1	143	84	53	25
Grupo Argos, Mexico	Security Services North America	Dec 1	46	18	19	4
Gordon, Serbia	Security Services Europe	Dec 9	50	32	21	10
Long Hai Security, Vietnam[4]	Other	Dec 28	–	29	–	–
Tecniserv, Spain	Mobile and Monitoring	Dec 30	48	38	58	25
Other acquisitions and adjustments[5]			62	167	47	16
Total acquisitions January – December 2009			**–**	**724**	**459**	**328**
Amortization of acquisition related intangible assets					–	–138
Exchange rate differences					–1,005	–46
Closing balance					**13,558**	**895**

1 Refers to business segment with main responsibility for the acquisition.
2 Estimated annual sales.
3 Purchase price paid plus acquired net debt.
4 Acquired share 49 percent. Consequently, the acquisition is consolidated as shares in associated companies.
5 Guardias Blancas, Mexico, AVS Bevakning (contract portfolio) and Dalslands Bevakning (contract portfolio), Mobile Sweden, G4S, BEWAB and S.O.B. Objektschutz, Services Germany, Securiveil, Mobile France, SH Safe Home, Services Switzerland, Eureca/Luxtracing, Alert Services Belgium, Eureca, Alert Services Netherlands, Agency of Security Fenix, Czech Republic, CPI Security Group, Romania, SCP International, Serbia, DAK Güvenlik, Services Turkey, El Guardian, Patagua, Seguridad Argentina, Vigilancias y Seguridad and Lubiseg (contract portfolio), Argentina, SATS, Servicios de Seguridad, Trancilo and Gadonal, Uruguay, Burns de Colombia, Colombia, Macroresguardos (contract portfolio), Peru, FM Seguridad, Chile, Polic Secuforce, Hong Kong and Globe Partner Services, Egypt.

For further information regarding acquisitions in 2009, refer to note 16.

Acquisitions after December 31, 2009

Seccredo, Sweden

Securitas has acquired 51 percent of the shares in Seccredo, a consulting company performing crisis management and risk- and security services in Sweden.

Seccredo, with annual sales of approximately MSEK 25 and approximately 20 employees, is a leading Swedish consulting firm in the field of highly qualified risk, crises and security investigations and services. Seccredo is represented in several offices in Sweden and abroad.

The acquisition is consolidated in Securitas as of January 1, 2010.

Claw Protection Services, South Africa

Following the strategy to increase its global presence, Securitas has acquired the security services company Claw Protection Services in South Africa. Enterprise value is estimated to MSEK 12.

Claw Protection Services has annual sales of approximately MSEK 38 and approximately 800 employees. The company is specialized in guarding, mainly in the areas of Johannesburg and Pretoria. Claw Protection Services has also an in-house training center for guards.

The acquisition is consolidated in Securitas as of March 1, 2010.

Other significant events

Brazil – Estrela Azul

In connection with the efforts of Securitas to expand its activities in Latin America, Securitas entered into an agreement in 2005 with respect to the possible acquisition of a security guarding company in Brazil. In order to support this company while required governmental approvals were sought, Securitas provided a bank guarantee for the benefit of the subject company. The governmental approvals took much longer than anticipated to obtain and during such period the financial condition of the target company substantially deteriorated. Given the decline in the financial condition of the company, in December 2006 Securitas exercised its right not to complete the acquisition. The government approval had then been received. In view of the decision not to complete the subject transaction, a provision in the amount of the bank guarantee was recognized as of December 31, 2006.

The company filed for protection from its creditors under Brazilian legislation providing for a judicial restructuring process. Securitas, being a creditor in the insolvency matter, objected to the company's restructuring plan proposed in the judicial restructuring process. The insolvency judge decided against Securitas objections and this decision was appealed by Securitas in 2008. The Court of Appeal upheld the lower courts' decision. The company has thereafter, on November 9, 2009, been declared bankrupt and the restructuring process has been replaced by bankruptcy proceedings.

In connection with the judicial restructuring process, the company (now in bankruptcy) asserted a claim of MUSD 140 against Securitas, alleging that Securitas is responsible for the company's financial failure. Securitas denies all responsibility for such claim. The defense of these cases has been entrusted to one of the leading law firms in Brazil. In a decision by the first instance court in Brazil the claim was fully rejected. The judgment has been appealed by the company and now the bankruptcy estate.

In addition, several employees of Estrela Azul who claim to be owed inter alia wages have named Securitas in addition to other parties in pending labor suits. The number of labor law cases involving Securitas has continued to increase in 2009. The claimed amounts are in average low. The defense of these labor cases has been entrusted to one of the leading law firms in Brazil. Securitas denies all responsibility for such claims.

Germany – Heros

The German cash handling operations were divested in November 2005 to the German Heros Group. In February 2006, the Heros Group of companies filed for insolvency under German law. In connection with the foregoing, the insolvency trustee has been examining all relevant prior transactions of the insolvent companies, including the German cash handling companies, which Securitas sold to the Heros Group. Following his investigation, the insolvency trustee has raised questions relating to pre-acquisition transactions in the divested companies, alleging possible material future claims.

On April 7, 2008 the insolvency trustee advised Securitas in a letter that according to the insolvency trustee, the Heros companies (in bankruptcy) may have substantial monetary claims on Securitas Germany and that in the absence of a mutual understanding and agreement on the questioned transactions, the bankruptcy estate will commence legal action against Securitas Germany.

The claims of the Heros companies (in bankruptcy) are based on the insolvency trustee's understanding of the subject pre-acquisition transactions, resulting in the allegation that certain intercompany transactions (set-offs) performed by Securitas Germany prior to the sale of the companies were not in compliance with German law. Heros' aggregated claims on Securitas Germany amounts to approximately MEUR 108. Heros is in addition requesting Securitas Germany to re-assign a claim against the insurance company If which was kept by Securitas in the divestiture.

On January 8, 2009 and on March 4, 2009 the insolvency trustee, in a draft statement of claim, reiterated his allegations and claim. On April 9, 2009 Securitas responded to the insolvency trustee and denied the claims. Based on local legal expertise and a legal opinion from a renown law professor, Securitas has and will continue to object to the claims raised by the insolvency trustee. Settlement negotiations were initiated by the insolvency trustee in the end of 2009 and has continued in 2010.

As of December 31, 2006 a minor provision was recognized to cover the known exposure in the Heros claim at that time. This provision remains unchanged.

Germany – U.S. Army

Securitas Germany has filed a law suit against the U.S. Army for unpaid services under a now expired contract for guarding services. Securitas' original claim was approximately MEUR 4.4. The U.S. Army filed a counterclaim of originally MEUR 10.5 plus penalties (requesting also treble damages under U.S. law) alleging overbillings of 550,000 hours by Securitas. Based on information provided to the U.S. Army this amount has been reduced by the U.S. Army to MEUR 4.4. An independent auditing firm has been engaged to assist in the investigation of the claim.

Based on Securitas' U.S. counsel's current evaluation of Securitas' claim and the conclusions of the auditing firm, Group Management view a settlement solution as a possible option for Securitas. Settlement discussions are therefore agreed with the U.S. Army and has been held in 2009 and will continue during 2010.

Spain – Overtime compensation

All major security companies in Spain have been compensating their employees in respect of overtime work in accordance with a labor agreement covering the period 2005 to 2008. In February 2007, the Spanish Supreme Court ruled that the overtime compensation under the then existing labor agreement was not in compliance with Spanish law.

The potential exposure in respect of overtime compensation payable to employees of the security services and guarding companies in Spain has increased due to the failure of the major security companies and the local unions to negotiate a settlement agreement on the overtime compensation. A petition was lodged with a lower court in Spain seeking specific guidance as to how overtime compensation shall be calculated. A judgment was rendered in January 2008 giving guidelines on calculation of overtime pay, which substantially accepted the views of the employers. This judgment was appealed by the local unions. In December 2009 the Spanish Supreme Court overruled the court decision from January 2008. The Supreme Court confirmed its decision from February 2007 which means that each claim for overtime pay shall be tried on a case by case basis. The Supreme Court thereby changed the basis for the computation of overtime compensation. The Supreme Court judgment cannot be appealed.

In the absence of final guidance on overtime compensation, Securitas has chosen to apply the guidelines given by the court in January 2008 for salary payments paid in 2008 and 2009. For historic overtime compensation, the company has awaited the outcome of the appeal and the decision now rendered by the Supreme Court. The Court's decision that each claim for overtime pay shall be tried on a case by case basis means that Securitas will have to prepare for several suits from employees and former employees in respect of historic overtime compensation.

Securitas Spain is already the target of several labor claims and the number of claims is increasing. Based on this fact the management estimates the additional compensation for the historic overtime claims to amount to approximately MSEK 128 and a provision of this amount was recognized as of December 31, 2007.

Simultaneously, one industry association commenced legal proceedings in an attempt to invalidate the subject collective bargaining agreement due to an alleged imbalance created by the earlier decision on overtime pay by the Supreme Court. In a judgment rendered in January 2008 the court ruled – on procedural grounds – against the industry association. It has now appealed the court decision. Judgment in the appeal is expected in 2010.

Spain – Tax audit

The Spanish tax authority has in connection with an audit of Securitas Spain challenged certain interest deductions and in a tax resolution in June 2009 decided to reject interest payments made for the years 2003–2005. If finally upheld by Spanish courts, the resolution by the Spanish tax authorities would result in a tax of MEUR 9 including interest. Securitas has appealed the resolution by the Spanish tax authorities to the national tax court Tribunal Económico Administrativo Central.

Securitas believe it has acted in accordance with applicable law and will defend its position in court. However, the tax resolution causes some uncertainty and it may take long time until a final judgment is made. To avoid future challenges, of interest deductions the Group has adjusted the capitalization of Securitas Spain.

USA – the events of September 11, 2001

A detailed account of the developments surrounding the events of September 11, 2001 has been presented in press releases and interim and annual reports for 2001 to 2008, and is described in note 37.

Globe and other Securitas companies are, together with the relevant airline and other parties, defendants in 22 lawsuits pertaining to the events of September 11, 2001. The reduction of outstanding cases is due to the settlement of the fatility cases. Two of the remaining suits pertain to persons who died and 20 relate to damage to property and businesses owing to the events of September 11, 2001. All bodily injury cases involving Globe have been settled. Certain of the property claims are substantial and the aggregate estimated value of the claims filed can exceed the insurance coverage estimated to exist as a potential source of recovery. The potential exposure has been reduced due to a court decision which declares that in the property cases the Fair Market Value rather than the Replacement Value shall be applied when computing possible property damages. The potential exposure has been further reduced by the Court's decision that Securitas is not responsible for any damages related to the destruction of World Trade Center Tower 1. Due to the statutory liability cap in relation to the events of September 11, 2001, any such liability is limited to the amount of liability coverage maintained at the time of the incident.

Globe and the other companies in the Group named as defendants are challenging these suits. All coverage disputes with the relevant September 11, 2001 insurers have been resolved. The proceedings against the Securitas companies other than Globe have, with the consent of the Court and the plaintiffs, been temporarily stayed. In all the suits, a number of persons other than Globe and Securitas companies are co-defendants.

Any liabilities arising out of the September 11, 2001 litigation are not expected to materially impact Securitas' business operation or financial position.

Securitas bonus and shares scheme

Securitas Board of Directors has decided to propose that the Annual General Meeting of Securitas resolves on the implementation of a cash bonus and shares scheme in Securitas, built on the existing performance-based cash bonus schemes. Approximately 2,500 managers now participating in the existing cash bonus schemes would participate in the incentive scheme. The participants would be entitled to receive a part of the yearly bonus in the form of shares in Securitas AB, provided that certain predetermined and measurable performance criteria, which currently apply under the cash bonus scheme, are met. The principles of performance measurement and other general principles already applicable under the existing bonus schemes will continue to apply.

Risks and uncertainties

Managing risk is necessary for Securitas to be able to fulfill its strategies and achieve its corporate objectives. Securitas approach to Enterprise risk management is described in more detail on pages 36–39.

Securitas' risks fall into three main categories; contract risk, operational assignment risks and financial risks.

Contract risks

When we enter into a contract with a customer, contract risk arise. A fair division of responsibilities and risks between Securitas and the customer is essential in every contract. Standardized contracts are the norm. Reasonable caps on potential liability and indemnification for third-party claims are important. Significant focus is devoted to contract risk and the management of contract risk. Each segment has developed polices and procedures tailored to the specific needs. These policies are all based on the contract policies approved by the Board of Directors in the Group policies and guidelines.

In addition to organic growth resulting from new and/or increased customer contracts the Group has grown by a significant number of acquisitions over the years and will, as part of the Group's strategy, continue to acquire security companies. The integration of new companies always carries certain risks. To a higher degree than previously, such acquisitions are also taking place in new markets such as Latin America, the Middle East, Asia and Africa. The profitability of the acquired company may be lower than expected and/or certain costs in connection with the acquisition may be higher than expected.

The acquisitions made during 2009 are described under the heading Acquisitions on page 49 and in note 16.

Operational assignment risks

Operational assignment risks are risks associated with daily operations and the services we provide to our customers, for example, when services do not meet the required standards and result in loss of property, damage to property or bodily injury. Proper recruitment, training and supervision of guards are important to mitigate these risks. Another type of operational assignment risk which may impact profitability is the risk that Securitas will not be able to increase prices to be paid by customers in order to compensate fully for increases in wages and related costs.

Financial risks

Financial risks are mainly managed trough continuous measurement and follow-up of financial performance, with the help of Securitas financial model. This model identifies certain key figures that are vital to the profitability of the operations, and facilitates the detection and handling of risks. The financial model is described in more detail on pages 32–35. In addition financial risks arise because the Group has external financing needs and operates in a number of foreign currencies. The risks are mainly: interest rate risk, foreign currency risk, financing and liquidity risk and credit/counterparty risk.

The customer credit risk, that is the risk of Securitas' customers not being able to fulfill their obligation of paying invoices for services being provided, increased during the current recession. The risk is reduced by the fact that the numerous customers are spread over many business sectors and geographies, and by established routines for monitoring and collecting of accounts receivable within Group companies. Further information regarding financial risk management is provided above under Capital employed and financing – Financing and in note 6.

The preparation of financial reports requires the Board of Directors and Group Management to make estimates and judgments. Estimates and judgments will impact both, the statement of income and the balance sheet as well as disclosures such as contingent liabilities. Actual results may differ from these estimates and judgments under different circumstances and conditions. Further information regarding critical estimates and judgments is provided in note 4.

For the forthcoming twelve month period, the financial impact of certain items affecting comparability and contingent liabilities, as described above under Other significant events and in note 4 and 37 respectively, may vary from the current financial estimates and provisions made by management. This could affect the profitability and the financial position of the Group.

Personnel

With more than 260,000 employees in 40 countries, Securitas number one responsibility is to be a solid, trustworthy and stable employer to our more than a quarter of a million employees, providing them with favorable terms and possibilities for further development and careers. Our basic requirement is to act within the framework of laws and international conventions. This means that we respect and comply with labor market laws, agreements and safety requirements and other provisions that set the parameters for our operations.

The foundation for Securitas work with responsibility issues is our Code of Conduct, which upholds and promotes high ethical business standards. The Code of Conduct is based on our three fundamental values: Integrity, Vigilance and Helpfulness. Integrity means being honest and thus earning trust to work unsupervised on the customers' premises and with valuables. Vigilance entails noticing things that others do not by seeing, hearing, and evaluating. Helpfulness is about our employees lending assistance, even if it is not directly related to his or her job.

Taking responsibility as an employer starts with the very basics: Securitas will not use forced, involuntary or underage labor and will respect the right of all employees to form and join trade unions. Securitas is also an equal-opportunity employer and does not tolerate bullying or harassment. We believe in building relationships based on mutual respect and the dignity of all employees, by far our most important resource. Securing the basic rights of the employees is fundamental. Securitas has for a long time been a driving force in raising the standards and level of professionalism in the security industry improving the status of the security officer profession as well as wage levels. Improved status makes it easier to recruit and retain qualified employees with experience and launch training.

There are numerous opportunities for career advancement at Securitas, either by specializing in a particular discipline at the local, regional, or national level or applying for an international scholarship. There are several training programs in place. In some areas of Europe and the USA there are specialized training programs geared towards particular sectors, such as gated communities or retail. In some countries, Securitas even run local training centers. On a senior management level, Securitas has for many years offered a one-year training program, tailored to the exchange of knowledge of business best practice and refinement of operations. In addition to our social responsibility as an employer, we work with social projects in some regions where we see a pressing need of strengthening the local community.

Research and development

Securitas is a service company and does not carry out any research activities as defined in IAS 38 Intangible assets. The service offering of the Group is continuously being developed, not least as an integrated item when carrying out the service delivery to the customers. As of December 31, 2009 the Group had no capitalized research expenditures.

Environment

Environmentally, our most important responsibility is to minimize emissions from transports. We also purchase products, thereby creating an environmental impact from a lifecycle perspective. One large category of products we purchase is security uniforms. On the whole Securitas is a service company with relatively low environmental impact compared with a manufacturing or utility company. The operations of the Group do not require a permit under the Swedish Environmental Code.

In May 2008, a decision was taken by the Group to adopt and implement an Environmental Policy. The policy stated in short that no new company cars (aimed to transport maximum five people) and no new minivans (aimed for six or seven people) as of May 2008 may exhaust more than 195 and 240 gram CO_2 per kilometer respectively. During 2009 these limits were reduced to 190 and 235 gram CO_2 per kilometer respectively. Trucks, buses and specialist vehicles are not defined as company cars or minivans. The environmental target is set to decrease exhaust emissions year by year. Securitas emitted on an average approximately 171 CO_2 gram per kilometer (173) in 2009 for the 10,000 company cars and minivans that Securitas owns or leases worldwide.

Information regarding the Securitas share

Information about the Securitas share regarding the number of shares of Series A and Series B, differences between shares in Series A and Series B as well as information on major shareholders can be found in note 29. Further information regarding the Securitas share can also be found under the heading The Securitas share on pages 42–44.

There are currently no authorizations by the General Meeting to the Board of Directors to issue new shares or to repurchase any Securitas shares. A shareholders' agreement that among other items comprises preemption rights for the sale of Series A shares by any part exists among Gustaf Douglas, Melker Schörling and companies closely related to them. Apart from this, the Board of Directors of Securitas AB is not aware of any shareholders' agreements or other arrangements between shareholders of Securitas AB.

Group development

The Group will during 2010 continue to focus on specialization rather than diversification. The three cornerstones of Securitas' strategy are a higher degree of specialization, expansion of the Mobile and Monitoring business and an improved global presence. The higher degree of specialization is implemented by customer segmentation of the operations while maintaining the decentralized and functional organization, extensive security training, sharing of best practices, increased technical knowledge and by selective acquisitions.

Parent Company operations

The Parent Company of the Group, Securitas AB, conducts no operating activities. Securitas AB provides Group Management and support functions.

The Parent Company's income amounted to MSEK 974 (537) and mainly relates to administrative contributions and other income from subsidiaries.

Income after financial items amounted to MSEK 1,938 (2,559).

Income after financial items includes gains from the sale of shares in subsidiaries of MSEK 86 (0), dividends from subsidiaries of MSEK 4,646 (21,228), interest income of MSEK 228 (1,104), interest expense of MSEK –782 (–1,977) and other financial income and expenses, net, of MSEK –2,814 (–17,956). Included in other financial income and expenses, net are impairment losses relating to shares in subsidiaries of MSEK –3,251 (–17,167). Impairment losses in 2009 and 2008 were recognized in conjunction with the Parent Company having received dividend from the subsidiary.

Net income for the year amounted to MSEK 1,957 (2,700).

Cash flow for the year amounted to MSEK –1,313 (–1,873).

The Parent Company's non-current assets amounted to MSEK 40,604 (36,592) and mainly comprise shares in subsidiaries of MSEK 40,074 (36,335). Current assets amounted to MSEK 4,527 (13,299) of which liquid funds amounted to MSEK 2 (1,315).

Shareholders' equity amounted to MSEK 21,855 (20,949).

The Parent Company's liabilities amounted to MSEK 23,276 (28,942), and mainly consist of interest-bearing debt.

For further information refer to the Parent Company's financial statements and the accompanying notes and comments.

Proposed guidelines for remuneration to senior management in Securitas for 2010

The Board of Directors of Securitas AB (publ.) proposes that the Annual General Meeting on May 4, 2010 adopts guidelines for remuneration to senior management in accordance with the following;

The fundamental principle is that remuneration and other terms of employment for management shall be competitive and in accordance with market conditions, in order to ensure that the Securitas Group will be able to attract and keep competent management employees.

The total remuneration to management shall consist of a fixed basic salary, variable remuneration, pensions and other benefits. In addition to a fixed annual salary the Group Management may also receive variable remuneration, based on the outcome in relation to financial goals and growth targets within the individual area of responsibility (Group or division) and agree with the interest of the shareholders. The variable remuneration shall amount to a maximum of 60 percent of the fixed annual salary for the President and CEO and a maximum of 42 to 200 percent of the fixed annual salary for other individuals of the Group Management. If cash payment of variable remuneration has been effected on grounds later proven to be obviously inaccurate, the company shall have the possibility to reclaim such paid remuneration.

The increased limits compared to previous years are conditioned upon the Annual General Meeting approving the proposed Incentive Scheme. Should this proposal not be carried, the variable remuneration limits shall remain at a maximum of 50 percent of the fixed annual salary for the President and CEO and a maximum of 35 to 200 percent of the fixed annual salary for other individuals of the Group Management.

The undertakings of the company as regards variable remuneration may, at maximal outcome during 2010, amount to a maximum of MSEK 58.

The pension rights of senior management employees shall be applicable as from the age of 65 at the earliest and the entire Group Management shall be subject to defined contribution pension plans for which insurance premiums are transferred from the individual's total remuneration and paid by the company during the term of employment. Variable compensation shall not qualify for pension purposes unless local regulation provide otherwise.

Other benefits, such as company car, special health insurance or occupational health service shall be provided to the extent this is considered customary for management employees holding equivalent positions on the employment market where the management employee is active.

At dismissal, the notice period for all management employees shall amount to a maximum of 12 months with a right to redundancy payment after the end of the notice period, equivalent to a maximum of 100 percent of the fixed salary for a period not exceeding 12 months. At resignation by a management employee, the notice period shall amount to a maximum of six months.

These guidelines shall apply to individuals who are included in the Group Management during the term of application of these guidelines. The guidelines shall apply to agreements entered into after the adoption by the Annual General Meeting, and to changes made in existing agreements after this date. The Board shall be entitled to deviate from the guidelines in individual cases if there are particular grounds for such deviation.

Proposed allocation of earnings

The statements of income and the balance sheets of the Parent Company and the Group are subject to adoption by the Annual General Meeting on May 4, 2010.

Funds in the Parent Company available for distribution:

SEK	
Hedging reserve	–68,565,526
Translation reserve	780,498,567
Retained earnings	11,457,619,326
Net income for the year	1,957,438,512
Total	**14,126,990,879**

The Board of Directors propose a dividend to the shareholders of:

SEK	
SEK 3.00 per share	1,095,176,691
To be carried forward	13,031,814,188
Total	**14,126,990,879**

The Board's statement on the proposed dividend

With reference to the Board's dividend proposal, the Board of Directors hereby makes the following statement pursuant to Chapter 18, section 4 of the Swedish Companies Act.

The Company's unappropriated earnings as per December 31, 2009 amount to SEK 12,169,552,367. The net income for the year amounts to SEK 1,957,438,512, of which SEK 245,904 is the result of financial instruments being valued pursuant to Chapter 4, section 14 a of the Swedish Annual Accounts Act.

The Company's equity would not have been impacted as per December 31, 2009 if financial instruments, having been valued at actual value pursuant to Chapter 4, section 14 a of the Swedish Annual Accounts Act, had instead been valued at the lower of cost or market as there is no difference as of this date.

Unappropriated earnings of SEK 14,126,990,879 are therefore at the Annual General Meeting's disposal.

Provided that the 2010 Annual General Meeting resolves to allocate the results in accordance with the Board's proposal, SEK 13,031,814,188 will be carried forward. After distribution of the proposed dividend, there will be full coverage for the Company's restricted equity.

The Board has considered the Company's and the Group's consolidation requirements and liquidity through a comprehensive assessment of the financial position of the Company and the Group, as well as the possibilities of the Company and the Group to discharge at sight its obligations. The proposed dividend does not jeopardize the Company's ability to make the investments that have been deemed necessary. The Company's financial position does not give rise to any other assessment than that the Company can continue its operations and that the Company is expected to comply with its obligations in a short as well as long term perspective. In addition to the assessment of the Company's consolidation requirements and liquidity, the Board has also taken into consideration all other known circumstances that may impact the Company's financial position.

With reference to the above, the Board makes the assessment that the dividend is justifiable considering the requirements that the nature, scope and risks of the operations pose on the size of the Company's and the Group's equity as well as the Company's and the Group's consolidation requirements, liquidity and position in general.

As regards the Company's and the Group's result and position in general, please refer to the statements of income, statements of other comprehensive income, balance sheets and statements of cash flow as well as comments and notes.

Proposal on record date for dividend

As record date for dividend, the Board proposes May 7, 2010. If the Annual General Meeting so resolves, the dividend is expected to be distributed by Euroclear Sweden AB starting May 12, 2010.

Consolidated statement of income

MSEK	Note	2009	2008	2007
Continuing operations				
Sales		61,216.7	55,247.9	50,470.5
Sales, acquired business		1,450.0	1,323.7	1,065.6
Total sales	9, 10	**62,666.7**	**56,571.6**	**51,536.1**
Production expenses	11, 12, 13	–50,983.9	–46,122.9	–42,212.8
Gross income		**11,682.8**	**10,448.7**	**9,323.3**
Selling and administrative expenses	11, 12, 13	–7,933.5	–7,196.3	–6,453.0
Other operating income	10	11.3	18.7	18.2
Share in income of associated companies	21	–4.1	–0.4	0.3
Amortization and impairment of acquisition related intangible assets	17, 18	–138.3	–102.2	–439.8
Acquisition related restructuring costs	11	–5.9	–52.6	–2.1
Items affecting comparability	4, 11	–	–29.3	–78.1
Operating income		**3,612.3**	**3,086.6**	**2,368.8**
Financial income	14	75.8	540.6	466.7
Financial expenses	14	–665.6	–1,010.2	–948.6
Share in income of associated companies	14, 21	–	–	2.2
Income before taxes		**3,022.5**	**2,617.0**	**1,889.1**
Taxes	15	–904.5	–727.1	–535.1
Net income for the year, continuing operations		**2,118.0**	**1,889.9**	**1,354.0**
Net income for the year, discontinued operations	38	–	431.8	–828.0
Net income for the year, all operations		**2,118.0**	**2,321.7**	**526.0**
Whereof attributable to:				
Equity holders of the Parent Company		2,116.2	2,323.6	524.4
Minority interests		1.8	–1.9	1.6
Average number of shares before dilution		365,058,897	365,058,897	365,058,897
Average number of shares after dilution		365,058,897	365,058,897	369,365,776
Earnings per share before dilution, continuing operations (SEK)		5.80	5.18	3.70
Earnings per share before dilution, discontinued operations (SEK)		–	1.18	–2.26
Earnings per share before dilution, all operations (SEK)	3	**5.80**	**6.36**	**1.44**
Earnings per share after dilution, continuing operations (SEK)		5.80	5.18	3.70
Earnings per share after dilution, discontinued operations (SEK)		–	1.18	–2.26
Earnings per share after dilution, all operations (SEK)	3	**5.80**	**6.36**	**1.44**
Earnings per share before dilution and before items affecting comparability, continuing operations (SEK)	3	5.80	5.24	4.82
Earnings per share after dilution and before items affecting comparability, continuing operations (SEK)	3	5.80	5.24	4.82

Consolidated statement of comprehensive income

MSEK	Note	2009	2008	2007
Net income for the year, all operations		**2,118.0**	**2,321.7**	**526.0**
Other comprehensive income				
Actuarial gains and losses net of tax, all operations		16.2	–464.6	44.5
Cash flow hedges net of tax, all operations		56.8	–130.2	–20.5
Net investment hedges, all operations		254.9	–232.8	74.8
Translation differences, all operations		–1,073.8	2,188.1	–282.2
Other comprehensive income, all operations	15, 29	**–745.9**	**1,360.5**	**–183.4**
Total comprehensive income for the year, all operations		**1,372.1**	**3,682.2**	**342.6**
Whereof attributable to:				
Equity holders of the Parent Company		1,370.8	3,683.0	341.1
Minority interests		1.3	–0.8	1.5

Securitas' financial model – consolidated statement of income

Supplementary information

MSEK	2009	2008	2007
Continuing operations			
Sales	61,216.7	55,247.9	50,470.5
Sales, acquired business	1,450.0	1,323.7	1,065.6
Total sales	**62,666.7**	**56,571.6**	**51,536.1**
Organic sales growth, %	*-1*	*6*	*6*
Production expenses	-50,983.9	-46,122.9	-42,212.8
Gross income	**11,682.8**	**10,448.7**	**9,323.3**
Gross margin, %	*18.6*	*18.5*	*18.1*
Expenses for branch offices	-3,822.2	-3,414.4	-3,111.8
Other selling and administrative expenses	-4,111.3	-3,781.9	-3,341.2
Total expenses	**-7,933.5**	**-7,196.3**	**-6,453.0**
Other operating income	11.3	18.7	18.2
Share in income of associated companies	-4.1	-0.4	0.3
Operating income before amortization	**3,756.5**	**3,270.7**	**2,888.8**
Operating margin, %	*6.0*	*5.8*	*5.6*
Amortization and impairment of acquisition related intangible assets	-138.3	-102.2	-439.8
Acquisition related restructuring costs	-5.9	-52.6	-2.1
Items affecting comparability	–	-29.3	-78.1
Operating income after amortization	**3,612.3**	**3,086.6**	**2,368.8**
Financial income and expenses	-589.4	-472.3	-475.2
Revaluation of financial instruments	-0.4	2.7	-6.7
Share in income of associated companies	–	–	2.2
Income before taxes	**3,022.5**	**2,617.0**	**1,889.1**
Net margin, %	*4.8*	*4.6*	*3.7*
Taxes	-904.5	-727.1	-535.1
Net income for the year, continuing operations	**2,118.0**	**1,889.9**	**1,354.0**
Net income for the year, discontinued operations	–	431.8	-828.0
Net income for the year, all operations	**2,118.0**	**2,321.7**	**526.0**

Operating items. Net debt-related items. Goodwill, taxes and non-operating items. Items related to shareholders' equity.

Securitas' financial model is described on pages 34–35.

Consolidated statement of cash flow

MSEK	Note	2009	2008	2007
Operations				
Operating income		3,612.3	3,086.6	2,368.8
Adjustment for effect on cash flow from items affecting comparability	11	–12.0	–81.5	63.0
Adjustment for effect on cash flow from acquisition related restructuring costs		–28.2	32.7	–
Reversal of depreciation and impairment losses	17, 18, 19, 20	1,065.8	942.1	1,215.4
Financial items received		115.9	794.6	448.4
Financial items paid		–597.5	–1,228.0	–844.6
Current taxes paid		–728.2	–803.5	–457.6
Change in accounts receivable		197.6	7.8	–780.6
Change in other operating capital employed		–556.4	107.3	1,069.1
Cash flow from operations, continuing operations		**3,069.3**	**2,858.1**	**3,081.9**
Cash flow from operations, discontinued operations	38	–	436.8	302.3
Cash flow from operations, all operations		**3,069.3**	**3,294.9**	**3,384.2**
Investing activities				
Investments in non-current tangible and intangible assets		–950.7	–977.0	–838.1
Acquisition of subsidiaries	16	–723.6	–1,001.6	–582.3
Cash flow from investing activities, continuing operations		**–1,674.3**	**–1,978.6**	**–1,420.4**
Cash flow from investing activities, discontinued operations	38	–	–764.5	–1,017.2
Cash flow from investing activities, all operations		**–1,674.3**	**–2,743.1**	**–2,437.6**
Financing activities				
Dividend paid to shareholders of the Parent Company		–1,058.7	–1,131.7	–1,131.7
Redemption of convertible debenture loans		–	–	–2,363.1
Proceeds from bond loans		5,962.5	425.8	–
Redemption of bond loans		–	–4,694.6	–
Proceeds from other long-term borrowings	30	2,288.3	828.0	7,181.7
Repayment of other long-term borrowings	30	–4,524.2	–	–
Change in other interest-bearing net debt excluding liquid funds		–5,443.4	4,373.2	–3,314.8
Cash flow from financing activities, continuing operations		**–2,775.5**	**–199.3**	**372.1**
Cash flow from financing activities, discontinued operations	38	–	–462.8	1,373.8
Cash flow from financing activities, all operations		**–2,775.5**	**–662.1**	**1,745.9**
Cash flow for the year		**–1,380.5**	**–110.3**	**2,692.5**
Liquid funds at beginning of year		3,951.5	4,350.7	1,668.0
Translation differences on liquid funds		–73.9	165.0	–9.8
Effect on liquid funds of discontinued operations	38	–	–453.9	–
Liquid funds at year-end	28	**2,497.1**	**3,951.5**	**4,350.7**

Supplementary information – Change in interest-bearing net debt in 2009

	Opening balance 2009	Cash Flow for the year, all operations	Changes in loans[1], all operations	Revaluation of financial instruments, all operations	Translation differences, all operations	Closing balance 2009
Liquid funds	3,951.5	–1,380.5	–	–	–73.9	2,497.1
Other net debt	–13,364.1	–	1,716.8	76.7	685.8	–10,884.8
Interest-bearing net debt	**–9,412.6**	**–1,380.5**	**1,716.8**	**76.7**	**611.9**	**–8,387.7**

1 Refers to the net effect of the proceeds from bond loans MSEK –5,962.5, proceeds from other long-term borrowings MSEK –2,288.3, repayment of other long-term borrowings MSEK 4,524.2 and change in other interest-bearing net debt excluding liquid funds MSEK 5,443.4.

Securitas' financial model – consolidated statement of cash flow

Supplementary information

MSEK	2009	2008	2007
Continuing operations			
Operating income before amortization	**3,756.5**	**3,270.7**	**2,888.8**
Investments in non-current tangible and intangible assets	-950.7	-977.0	-838.1
Reversal of depreciation	927.5	839.9	775.6
Net investments in non-current assets	**-23.2**	**-137.1**	**-62.5**
Change in accounts receivable	197.6	7.8	-780.6
Change in other operating capital employed	-556.4	107.3	1,069.1
Cash flow from operating activities	**3,374.5**	**3,248.7**	**3,114.8**
Cash flow from operating activities as % of operating income before amortization	*90*	*99*	*108*
Financial income and expenses paid	-481.6	-433.4	-396.2
Current taxes paid	-728.2	-803.5	-457.6
Free cash flow	**2,164.7**	**2,011.8**	**2,261.0**
Free cash flow as % of adjusted income	*88*	*94*	*114*
Acquisition of subsidiaries	-723.6	-1,001.6	-582.3
Acquisition related restructuring costs paid	-34.1	-19.9	-2.1
Cash flow from items affecting comparability	-12.0	-110.8	-15.1
Cash flow from financing activities	-2,775.5	-199.3	372.1
Cash flow for the year, continuing operations	**-1,380.5**	**680.2**	**2,033.6**
Cash flow for the year, discontinued operations	–	-790.5	658.9
Cash flow for the year, all operations	**-1,380.5**	**-110.3**	**2,692.5**

Operating items. Net debt-related items. Goodwill, taxes and non-operating items.

Securitas' financial model is described on pages 34–35.

Consolidated balance sheet

MSEK	Note	2009	2008	2007
ASSETS				
Non-current assets				
Goodwill	17	13,558.3	14,104.3	13,793.5
Acquisition related intangible assets	18	894.9	751.3	624.0
Other intangible assets	19	278.4	255.2	234.4
Buildings and land	20	395.5	424.6	706.1
Machinery and equipment	20	1,981.7	2,035.5	3,945.4
Shares in associated companies	21	132.1	104.9	103.5
Deferred tax assets	15	1,586.9	1,964.8	1,633.4
Interest-bearing financial non-current assets	22	160.8	150.6	286.3
Other long-term receivables	23	408.8	401.6	379.5
Total non-current assets		**19,397.4**	**20,192.8**	**21,706.1**
Current assets				
Inventories	24	34.3	39.9	39.5
Accounts receivable	25	9,363.3	9,962.6	9,889.4
Current tax assets	15	304.5	505.6	378.6
Other current receivables	26	1,117.4	1,024.1	1,372.0
Other interest-bearing current assets	27	81.9	42.4	1,448.9
Liquid funds	28	2,497.1	3,951.5	4,350.7
Total current assets		**13,398.5**	**15,526.1**	**17,479.1**
TOTAL ASSETS		**32,795.9**	**35,718.9**	**39,185.2**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital		365.1	365.1	365.1
Other capital contributed		7,362.6	7,362.6	7,362.6
Other reserves		81.3	842.9	–479.9
Retained earnings		1,003.7	–70.0	1,564.3
Shareholders' equity attributable to equity holders of the Parent Company		**8,812.7**	**8,500.6**	**8,812.1**
Minority interests		**8.3**	**6.7**	**1.9**
Total Shareholders' equity	29	**8,821.0**	**8,507.3**	**8,814.0**
Long-term liabilities				
Other long-term loan liabilities	30	8,357.5	7,148.4	7,349.0
Other long-term liabilities	30	193.8	201.6	145.5
Provisions for pensions and similar commitments	31	1,186.3	1,250.1	946.1
Deferred tax liabilities	15	279.5	209.8	243.1
Other long-term provisions	32	1,160.4	1,352.0	1,651.4
Total long-term liabilities		**11,177.5**	**10,161.9**	**10,335.1**
Current liabilities				
Other short-term loan liabilities	33	2,770.0	6,408.7	8,614.9
Accounts payable		797.7	977.0	1,247.2
Current tax liabilities	15	338.0	487.4	392.6
Other current liabilities	34	8,202.5	8,367.8	8,445.4
Other short-term provisions	35	689.2	808.8	1,336.0
Total current liabilities		**12,797.4**	**17,049.7**	**20,036.1**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**32,795.9**	**35,718.9**	**39,185.2**

Consolidated statement of changes in shareholders' equity[1]

MSEK	Share capital	Other capital contributed	Other reserves	Retained earnings	Total	Minority interests	Total
Opening balance 2009	**365.1**	**7,362.6**	**842.9**	**–70.0**	**8,500.6**	**6.7**	**8,507.3**
Total comprehensive income for the year	–	–	–761.6	2,132.4	1,370.8	1.3	1,372.1
Transactions with minority interests	–	–	–	–	–	0.3	0.3
Dividend paid to shareholders of the Parent Company	–	–	–	–1,058.7	–1,058.7	–	–1,058.7
Closing balance 2009	**365.1**	**7,362.6**	**81.3**	**1,003.7**	**8,812.7**	**8.3**	**8,821.0**

1 Further explanation of changes in shareholders' equity is provided in note 29.

Securitas' financial model – consolidated capital employed and financing[1]

Supplementary information

MSEK	2009	2008	2007
Operating capital employed, all operations			
Other intangible assets	278.4	255.2	234.4
Buildings and land	395.5	424.6	706.1
Machinery and equipment	1,981.7	2,035.5	3,945.4
Deferred tax assets	1,586.9	1,964.8	1,633.4
Other long-term receivables	408.8	401.6	379.5
Inventories	34.3	39.9	39.5
Accounts receivable	9,363.3	9,962.6	9,889.4
Current tax assets	304.5	505.6	378.6
Other current receivables	1,117.4	1,024.1	1,372.0
Total assets, all operations	**15,470.8**	**16,613.9**	**18,578.3**
Other long-term liabilities	193.8	201.6	145.5
Provisions for pensions and similar commitments	1,186.3	1,250.1	946.1
Deferred tax liabilities	279.5	209.8	243.1
Other long-term provisions	1,160.4	1,352.0	1,651.4
Accounts payable	797.7	977.0	1,247.2
Current tax liabilities	338.0	487.4	392.6
Other current liabilities	8,202.5	8,367.8	8,445.4
Other short-term provisions	689.2	808.8	1,336.0
Total liabilities, all operations	**12,847.4**	**13,654.5**	**14,407.3**
Total operating capital employed, all operations	**2,623.4**	**2,959.4**	**4,171.0**
Of which total operating capital employed, continuing operations	***2,623.4***	***2,959.4***	***3,061.9***
Of which total operating capital employed, discontinued operations	–	–	***1,109.1***
Goodwill, all operations	13,558.3	14,104.3	13,793.5
Of which goodwill, continuing operations	*13,558.3*	*14,104.3*	*11,260.4*
Of which goodwill, discontinued operations	–	–	*2,533.1*
Acquisition related intangible assets, all operations	894.9	751.3	624.0
Of which acquisition related intangible assets, continuing operations	*894.9*	*751.3*	*548.7*
Of which acquisition related intangible assets, discontinued operations	–	–	*75.3*
Shares in associated companies, all operations	132.1	104.9	103.5
Of which shares in associated companies, continuing operations	*132.1*	*104.9*	*103.5*
Of which shares in associated companies, discontinued operations	–	–	–
Total capital employed, all operations	**17,208.7**	**17,919.9**	**18,692.0**
Of which total capital employed, continuing operations	***17,208.7***	***17,919.9***	***14,974.5***
Of which total capital employed, discontinued operations	–	–	***3,717.5***
Operating capital employed as % of sales, continuing operations	*4*	*5*	*6*
Return on capital employed, continuing operations, %	*22*	*18*	*19*
Net debt, all operations			
Interest-bearing financial non-current assets	160.8	150.6	286.3
Other interest-bearing current assets	81.9	42.4	1,448.9
Liquid funds	2,497.1	3,951.5	4,350.7
Total interest-bearing assets, all operations	**2,739.8**	**4,144.5**	**6,085.9**
Other long-term loan liabilities	8,357.5	7,148.4	7,349.0
Other short-term loan liabilities	2,770.0	6,408.7	8,614.9
Total interest-bearing liabilities, all operations	**11,127.5**	**13,557.1**	**15,963.9**
Total net debt, all operations	**8,387.7**	**9,412.6**	**9,878.0**
Net debt equity ratio, multiple	*0.95*	*1.11*	*1.12*
Shareholders' equity, all operations			
Share capital	365.1	365.1	365.1
Other capital contributed	7,362.6	7,362.6	7,362.6
Other reserves	81.3	842.9	–479.9
Retained earnings	1,003.7	–70.0	1,564.3
Minority interests	8.3	6.7	1.9
Total shareholders' equity, all operations	**8,821.0**	**8,507.3**	**8,814.0**
Total financing, all operations	**17,208.7**	**17,919.9**	**18,692.0**

1 In accordance with IFRS 5, the comparative figures for the consolidated balance sheet have not been adjusted. The comparative figures for 2007 thus include Loomis. In Securitas' financial model – consolidated capital employed and financing, total operating capital employed, goodwill, acquisition related intangible assets, shares in associated companies and total capital employed have, however, been divided into continuing operations and discontinued operations. This split has been made to allow for comparisons also for the balance sheet and to serve as a basis for calculating the key ratios operating capital employed as a percentage of sales and the return on capital employed for continuing operations.

Operating items. Net debt-related items. Goodwill, taxes and non-operating items. Items related to shareholders' equity.

Securitas' financial model is described on pages 34–35.

Notes

Note 1. General corporate information

Operations

Securitas provides security services protecting homes, workplaces and society. Our core business is guarding services and the main service offering categories are specialized guarding, mobile services, monitoring and consulting and investigation services. Securitas is present in 40 countries in North America, Europe, Latin America, the Middle East, Asia and Africa, with more than 260,000 employees.

Information regarding Securitas AB

Securitas AB, corporate registration number 556302-7241, is a Swedish public company and has its registered office in Sweden.
The address of the head office is:
Securitas AB
Lindhagensplan 70
SE-102 28 Stockholm
Securitas AB is listed on the NASDAQ OMX Stockholm and has been listed on the stock exchange since 1991. The Securitas share is included in the OMX Stockholm All Share, OMX Stockholm 30 and OMX Stockholm Benchmark Cap indexes.

Information regarding the annual report and the consolidated financial statements

This Annual Report including the consolidated financial statements was signed by the Board of Directors of Securitas AB and also approved for publication on March 11, 2010.

The statements of income and balance sheets for the Parent Company and the Group included in the Annual Report and the consolidated financial statements are subject to adoption by the Annual General Meeting on May 4, 2010.

Note 2. Accounting principles

Basis of preparation

Securitas' consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU), the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 1.2 Supplementary Accounting Rules for Groups. The consolidated financial statements have been prepared in accordance with the historical cost convention method with the exception of some financial assets and liabilities that have been measured at fair value; for example financial assets or financial liabilities at fair value through profit or loss (including derivatives) as well as plan assets related to defined benefit pension plans.

Estimates and judgments

The preparation of financial reports requires the Board of Directors and Group Management to make estimates and judgments. Estimates and judgments will impact both the statement of income and the balance sheet as well as disclosures such as contingent liabilities. Actual results may differ from these judgments under different assumptions or conditions. For further information regarding estimates and judgments refer to note 4.

Adoption and impact of new and revised IFRS for 2009

Securitas has adopted the following new and revised IFRS as of January 1, 2009:

IFRS 7 (amendment) Financial instruments: Disclosures
The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the amendment only results in additional disclosures, there is no impact on earnings per share.

IAS 1 (revised) Presentation of financial statements
The revised standard affects the Group's financial statements retrospectively from December 31, 2007. All non-owner changes in equity, that were previously disclosed in the statement of recognized income and expense as well as in changes in shareholders' equity, are now presented in the statement of comprehensive income. As the changes only impact presentation aspects, there is no impact on earnings per share.

IFRS 8 Operating segments
This standard has replaced IAS 14 Segment reporting. For further information on how the Group applies this standard, refer to the section Operating segments (IFRS 8) below. There is no impact on the Group's disclosures from this standard.

Other standards
In addition, the following standards have been implemented during 2009 with no effect on the Group's financial statements: IFRS 2 (amendment) Share-based payments, IAS 23 (amendment) Borrowing costs and IAS 39 (amendment) Financial instruments: Recognition and measurement.

Introduction and effect of new and revised IFRS that are not yet effective and have not been early adopted by Securitas

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning January 1, 2010 or later, but have not been early adopted by the Group:

IFRS 3 (revised) Business combinations
The revised standard, effective from July 1, 2009, continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to acquire a business are to be recorded at fair value at the acquisition date, with contingent considerations classified as debt subsequently re-measured through the statement of income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest (previously minority interest) in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition related transaction costs will be expensed. These costs will in the Group be accounted for on a line in the statement of income named acquisition related costs. Costs accounted for on this line will be transaction costs, revaluation of contingent considerations, revaluation to fair value of previously acquired shares in step acquisitions and, as previously, acquisition related restructuring costs. The Group will apply IFRS 3 (revised) prospectively to all business combinations from January 1, 2010.

IAS 27 (revised) Consolidated and separate financial statements
The revised standard is effective from July 1, 2009. It requires the effects of all transactions with non-controlling interests (previously minority interest) to be recorded in equity if there is no change in control. These transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost by the Parent Company. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in the statement of income. The Group will apply IAS 27 (revised) prospectively to transactions with non-controlling interests from January 1, 2010.

Other standards and interpretations
IFRS 9 Financial instruments applies to financial years beginning January 1, 2013 or later. It is not adopted by the EU. IFRS 9, which is not yet completed, addresses measurement and classification of financial instruments. When the standard has been completed, its impact on the Group's financial reports will be assessed.

In addition to the standards above, the following standards and interpretations have also been published that are mandatory for the Group's accounting periods beginning January 1, 2010 or later. These standards and interpretations are assessed to have no material impact on the Group's financial statements.

- IFRS 2 (amendment): Share-based payments regarding group cash-settled and share-based payment transactions (effective on or after January 1, 2010)*
- IAS 24 (amendment): Related party transactions (effective on or after January 1, 2011)*
- IAS 32 (amendment): Financial instruments: Disclosure and presentation, amendment regarding classification of rights issues (effective on or after February 1, 2010)*
- IAS 38 (amendment): The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination (effective on or after January 1, 2010)
- IFRIC 14 (amendment): The limit on a defined benefit asset, minimum funding requirements and their interaction (effective on or after January 1, 2011)*
- IFRIC 15: Agreements for the construction of real estate (effective on or after January 1, 2010)
- IFRIC 16: Hedges of a net investment in a foreign operation (effective on or after July 1, 2009)
- IFRIC 17: Distribution of non-cash assets to owners (effective on or after July 1, 2009)
- IFRIC 18: Transfers of assets from customers (effective on or after July 1, 2009)
- IFRIC 19: Extinguishing financial liabilities with equity instruments (effective on or after July 1, 2010)*

* Not yet adopted by EU

Scope of the consolidated financial statements (IFRS 3)
The consolidated financial statements relate to the Parent Company Securitas AB and all subsidiaries. Subsidiaries are all companies where the Group has the right to govern the financial and operational policies in order to achieve economic benefits, in a way that normally follows a shareholding of more than one half of the voting rights.

Purchase method of accounting (IFRS 3)
The purchase method of accounting is used to account for the acquisitions of subsidiaries and operations by the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statement of income.

The consolidated financial statements include companies acquired with effect from the date of the acquisition. Companies divested are excluded with effect from the divestment date.

Pricing of deliveries among Group companies is based on normal business principles. Inter-company transactions, balances and unrealized gains between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Minority interests (IFRS 3)
The Group has adopted the principle of treating transactions with minority interests as transactions with parties outside the Group. Disposals of minority interests result in gains and losses for the Group and are recognized via the statement of income. Acquisitions of minority interests give rise to goodwill that is determined as the difference between the purchase price paid and the acquired share of the book value of the subsidiaries' net assets.

Investments in associates (IAS 28)
The equity method is used to account for shareholdings that are neither subsidiaries nor joint ventures, but where Securitas can exert a significant influence, generally accompanying a shareholding of between 20 percent and 50 percent of the voting rights. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed as a result of the acquisition are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is attributed to goodwill. If the cost of acquisition is less than the fair value of the net assets of the associated company acquired, the difference is recognized directly in the consolidated statement of income.

The consolidated financial statements include associated companies with effect from the date of the acquisition. Associated companies divested are excluded with effect from the divestment date. Inter-company transactions, balances and unrealized gains between the Group and its associated companies are eliminated to the extent of the Group's interest in the associate. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Share in income of associated companies are recognized in the consolidated statement of income depending on the purpose of the investment. Associated companies that have been acquired to contribute to the operations (operational) are included in operating income after amortization. Associated companies that have been acquired as part of the financing of the Group (financial investments) are included in income before taxes as a separate line within net financial items. In both cases the share in income of associated companies are net of tax. The classification of associated companies has been applied as follows in 2009: the associated companies Long Hai Security Services Joint Stock Company (acquired 2009) and Walsons Services Pvt Ltd (acquired 2007) have been classified as operational associates. Facility Network A/S, which is classified as an operational associate in the comparatives, has been divested in 2009. The associated company Securitas Employee Convertible 2002 Holding S.A., has up until its liquidation in 2007, been classified as a financial investment. In the consolidated balance sheet, investments in associated companies are stated at cost including the cost of the acquisition that is attributed to goodwill, adjusted for dividends and the share of income after the acquisition date.

Joint ventures (IAS 31)

The proportional method is applied to joint ventures in which there is a shared controlling interest. According to this method, all statement of income and balance sheet items are stated in the consolidated statement of income, the consolidated statement of cash flow and the consolidated balance sheet in proportion to ownership. The proportional method of consolidation is used with effect from the date when a shared controlling interest is achieved and up until a shared controlling interest ceases to exist.

Translation of foreign subsidiaries (IAS 21)

The functional currency of each Group company is determined by the primary economic environment in which the company operates, that is the currency in which the company primarily generates and expends cash. The functional currency of the Parent Company and the presentation currency of the Group, that is the currency in which the financial statements are presented, is the Swedish krona (SEK).

The financial statements of each foreign subsidiary are translated according to the following method: Each month's statement of income is translated using the exchange rate prevailing on the last day of the month, which means that income for each month is not affected by foreign exchange fluctuations during subsequent periods. Balance sheets are translated using exchange rates prevailing at each balance sheet date. Translation differences arising in the conversion of balance sheets are posted directly to other comprehensive income and thus do not affect net income for the year. The translation difference arising because statements of income are translated using average rates, while balance sheets are translated using exchange rates prevailing at each balance sheet date, is posted directly to other comprehensive income. Where loans have been raised to reduce the Group's foreign exchange/translation exposure in foreign net assets, and qualify for the hedge accounting criteria, exchange rate differences on such loans are recognized together with the exchange rate differences arising from the translation of foreign net assets in other comprehensive income. The accumulated translation differences are accounted for in translation reserve in equity. When a foreign operation or part thereof is sold, such exchange differences are recognized in the statement of income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated using exchange rates prevailing at each balance sheet date.

Transactions, receivables and liabilities in foreign currency (IAS 21)

Transactions in foreign currency are translated into the functional currency in accordance with the exchange rates prevailing at the date of the transaction. Exchange differences on monetary items are recognized in the statement of income when they arise, with the exception of net investment hedges recognized via other comprehensive income (see above under the section Translation of foreign subsidiaries). Exchange differences from operating items are recognized as either production expenses or selling and administrative expenses, while exchange differences from financial items are recognized as financial income or financial expenses.

When preparing the financial statements of individual companies, foreign currency denominated receivables and liabilities are translated to the functional currency of the individual company using the exchange rates prevailing at each balance sheet date.

Revenue recognition (IAS 11 and IAS 18)

The Group's revenue is generated mainly from various types of security services. There is also, to a limited extent, revenue from the sale of alarm products and cash handling services. Revenue from services is recognized in the period in which it is earned. Alarm installations are recognized in revenue as they are completed, in accordance with the percentage of completion method. According to this method, revenue, expenses, and thus, income are recognized in the period in which the work was undertaken. The determination of the percentage of alarm installations that can be recognized as revenue is based on the time spent in relation to the total estimated time.

Trademark fees from the former subsidiary Securitas Direct AB, relating to the use of the Securitas trademark, are recognized on an accrual basis in accordance with the substance of the agreement, and are based on the sales recognized by Securitas Direct AB. Trademark fees from the former subsidiary Niscayah Group AB (former Securitas Systems AB) have been recognized up until November 2008, based on the sales recognized by Niscayah Group AB.

Interest income is recognized in the statement of income in the period to which it is attributable.

Operating segments (IFRS 8)

Operating segments are business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker, the President and CEO, and for which discrete financial information is available. Operating segments constitutes the operational structure for governance, monitoring and reporting. A combination of factors have been used in order to identify the Group's segments. Most important is the characteristics of the services provided and the geographical split. For information regarding the segments operations, refer to note 9.

According to the conditions in IFRS 8, certain of the Group's operating segments have been aggregated in the financial reporting. The Group's operations are consequently divided into three reportable segments:

- Security Services North America,
- Security Services Europe (consisting of an aggregation of the two operating segments Security Services Europe and Aviation),
- Mobile and Monitoring (consisting of an aggregation of the operating segment Mobile and the operating segment Monitoring) and
- Other (consisting of an aggregation of all other operating segments).

These segments are also referred to as business segments in the Group's financial reports.

Other includes all other operating segments as well as general administrative expenses, expenses for head offices and other central expenses. All other operating segments comprise the Group's joint venture Securitas Direct S.A. (Switzerland) as well as the guarding operations in Latin America, the Middle East, Asia and Africa. Moreover, the assets and liabilities of each segment include only those items that have been utilized or arisen in ongoing operations. Non-operational balance sheet items, primarily current tax, deferred tax, and provisions for taxes, are accounted for under the Other heading in the table Capital employed and financing in note 9. In the table Assets and liabilities in the same note, these items are accounted for as unallocated non-interest bearing assets and unallocated non-interest bearing liabilities. A reconciliation between total segments and the Group is disclosed in note 9.

The previous segment Loomis is included in the Securitas Group up to December 8, 2008 and reported as discontinued operations.

Geographical information related to sales and non-current assets is disclosed in note 9 for Sweden (which is Securitas' country of domicile) and for all individual countries where the sales or non-current assets exceed 10 percent of the total amount for the Group.

The geographical split of sales are based on the location of the sales. The location of the sales corresponds in all material aspects to the location of the customers. There are no sales to any individual customer that are deemed to represent a significant portion of the Group's total sales.

Accounting for government grants and disclosure of government assistance (IAS 20)

Securitas, like other employers, is eligible for a variety of grants relating to employees. These grants relate to training, incentives for hiring new staff, reduction of working hours, etc. All grants are accounted for in the statement of income as a cost reduction in the same period as the related underlying cost.

Taxes (IAS 12)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

A deferred tax asset is recognized when it is probable that sufficient taxable income will arise that the deferred tax asset can be offset against. Deferred tax assets are valued as of the balance sheet date, and any potential previously unvalued deferred tax asset is recognized when it is expected to be usable, or correspondingly, reduced when it is expected to be wholly or partly unusable against future taxable income.

Current and deferred taxes are posted directly to other comprehensive income if the relevant underlying transaction or event is posted directly to other comprehensive income in the period, or previous period if it pertains to an adjustment of an opening balance of retained earnings as the result of a change in accounting principle. Changes in current and deferred taxes that relates to exchange rate differences in the translation of the balance sheets of foreign subsidiaries are posted to translation differences in other comprehensive income.

Provisions are allocated for estimated taxes on dividends from subsidiaries to the Parent Company in the following year.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

Non-current assets held for sale and discontinued operations (IFRS 5)

The Group applies IFRS 5 Non-current assets held for sale and discontinued operations, which sets out requirements for the classification, measurement and presentation of non-current assets held for sale and discontinued operations.

According to IFRS 5 a non-current asset classified as held for sale or disposal group shall be measured at the lower of its carrying amount and fair value less cost to sell, if the carrying amount will be recovered through a sales transaction rather than through its continuous use in the operations. Measurement is carried out in two steps. First, all assets and liabilities are measured in accordance with the relevant standard. For disposal groups a second step also involves a re-measurement to the lower of the carrying amount and the fair value less cost to sell. A re-measurement should be carried out at each balance sheet date subsequent to the initial recognition. No depreciation or amortization should be recognized for these assets from the date of reclassification up until the disposal has been completed. As of July 1, 2007 the Group recognized certain assets and liabilities as belonging to a so-called disposal group. The disposal group related to the sale of the operations of Loomis Cash Management Ltd in the United Kingdom and was de-recognized from the balance sheet upon completion of the sale of the non-current assets and operations on November 24, 2007. The initial recognition of the disposal group was in the interim report for the third quarter 2007 and consequently no subsequent re-measurement took place before the completion of the sale on November 24, 2007. The result from the sale of the non-current assets and operations of Loomis Cash Management Ltd is included in net income for the year, discontinued operations.

A discontinued operation is a component of a group that represents a major line of business or geographical area of operations. The net income (after tax) relating to discontinued operations is included on a separate line, net income for the year, discontinued operations. Notes relating to the statement of income have consequently been adjusted to exclude discontinued operations.

The extraordinary General Meeting in Securitas held on December 3, 2008, resolved in accordance with the Board of Directors' proposal on a dividend to the effect that all shares in the wholly-owned subsidiary Loomis AB would be distributed to the shareholders. The dividend date was December 9, 2008. From this date Loomis AB is no longer part of the Securitas Group. The operations, which in the Securitas Group previously comprised the segment Loomis, consequently qualify as discontinued operations according to IFRS 5 and are treated according to this standard. Further information on the application of IFRS 5 regarding Loomis is provided in note 38.

Statement of cash flow (IAS 7)

The statement of cash flow has been prepared in accordance with the indirect method. Liquid funds include cash and bank deposits and short-term investments with a maximum duration of 90 days at the time of initial recognition.

Goodwill and other acquisition related intangible assets (IFRS 3, IAS 36 and IAS 38)

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary/operations at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity or operations sold.

Other acquisition related intangible assets arising from acquisitions can include various types of intangible assets such as marketing-related, customer-related, contract-related and technology-based. Other acquisition related intangible assets have a definite useful life. These assets are recognized at fair value on the date of acquisition and subsequently carried at cost less accumulated amortization and any accumulated impairment losses. Amortization is calculated using the linear method to allocate the cost of assets over their estimated useful lives. Securitas' acquisition related intangible assets mainly relate to customer contract portfolios and the related customer relationships. The valuation of the customer contract portfolios and the related customer relationships is based on the Multiple Excess Earnings Method (MEEM) which is a valuation model based on discounted cash flows. The valuation is based on the churn rates and profitability of the acquired portfolio at the time of the acquisition. In the model a specific charge – a contributory asset charge – is applied as a cost or return requirement for the assets supporting the intangible asset. Cash flows are discounted using the Weighted Average Cost of Capital (WACC) adjusted for local interest rate levels in the countries of acquisition. The useful life of customer contract portfolios and the related customer relationships are based on the churn rate of the acquired portfolio and are normally between 3 and 20 years corresponding to a yearly amortization of between 5 percent and 33.3 percent.

A deferred tax liability is calculated at the local tax rate on the difference between the book value and tax value of the intangible asset. The deferred tax liability is reversed over the same period as the intangible asset is amortized, which means that it neutralizes the impact of the amortization of the intangible asset on the full tax rate percentage on the income after tax. The initial recognition of this deferred tax liability increases the amount of goodwill.

Goodwill and other acquisition related intangible assets are allocated to cash-generating units (CGU) per country in a segment. This allocation is also the basis for the yearly impairment testing.

The amortization of acquisition related intangible assets is shown on the line amortization and impairment of acquisition related intangible assets in the statement of income.

Acquisition related restructuring costs

Acquisition related restructuring cost are costs relating to the restructuring and/or integration of acquired operations into the Group. Restructuring costs are costs that are recognized based on the specific criteria for restructuring provisions in IAS 37 (see further under the section Provisions below). Restructuring costs can cover several activities that are necessary to prepare acquired operations for integration into the Group such as redundancy payments, provisions for rented premises that will not be utilized or sublet below cost or other non-cancellable leasing contracts that will not be utilized. Integration costs normally cover activities that do not qualify to be recognized as provisions. Such activities could be re-branding (changing logotypes on buildings, vehicles, uniforms etc) but could also cover personnel costs for example training, recruitment, relocation and travel, certain customer related costs and other incremental costs to transform the acquired operation into the acquirers format. Classifying expenses as costs relating to integration of acquired operations must also fulfil the criteria below:

- The cost would not have been incurred had the acquisition not take place
- The cost relate to a project identified and controlled by management as part of a integration programme set up at the time of acquisition or as a direct consequence of an immediate post-acquisition review

Items affecting comparability

This item includes events and transactions with significant effects, which are relevant for understanding the financial performance when comparing income for the current period with previous periods. They include:

- Capital gains and losses arising from the disposal of material cash generating units
- Material impairment losses and bad debt losses
- Material litigations and insurance claims
- Other material income and expense items of a non-recurring nature

Provisions, impairment losses, bad debt losses or other material non-recurring items that are classified as items affecting comparability in a period are accounted for consistently in future periods by treating any reversal of provisions, impairment losses, bad debt losses or other non-recurring items as items affecting comparability.

For further information regarding the items included in items affecting comparability, refer to note 4 and to note 11.

Other intangible assets (IAS 36 and IAS 38)

Other intangible assets are recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and that the cost of the asset can be measured reliably. Other intangible assets have a definite useful life. These assets are recognized at cost and subsequently carried at cost less accumulated amortization and any accumulated impairment losses.

Linear depreciation is used for all asset classes, as follows:

Software licenses	12.5–33.3 percent
Other intangible assets	20–33.3 percent

Rental rights and similar rights are amortized over the same period as the underlying contractual period.

Tangible non-current assets (IAS 16 and IAS 36)

Tangible non-current assets are recognized at cost and subsequently carried at cost less accumulated depreciation according to plan and any accumulated impairment losses. Depreciation according to plan is based on historical cost and the useful life of the asset.

Linear depreciation is used for all asset classes, as follows:

Machinery and equipment	10–25 percent
Buildings and land improvements	1.5–4 percent
Land	0 percent

Impairment (IAS 36)

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is measured as expected future discounted cash flows. The calculation of value in use necessitates that a number of assumptions and estimates are made. The main assumptions concern the organic sales growth, the development of the operating margin and the necessary operating capital employed requirement as well as the relevant WACC (Weighted Average Cost of Capital) rate used to discount future cash flows. For the purposes of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGU).

Previously recognized impairment losses, with the exception of impairment losses related to goodwill, are reversed only if a change has occurred regarding the assumptions that formed the basis for determining the recoverable value when the impairment loss was recognized. If this is the case a reversal of the impairment loss is carried out in order to increase the book value of the impaired asset to its recoverable value. A reversal of a previous impairment loss is only recognized to the extent that the new book value does not exceed what should have been the book value (after depreciation and amortization) if the impairment loss had not been recognized in the first place. Impairment losses related to goodwill are never reversed.

Leasing contracts (IAS 17)

When a leasing contract means that the Group, as the lessee, essentially receives the economic benefits and bears the economic risk associated with the leased asset – termed finance leases – the asset is recognized as a non-current asset in the consolidated balance sheet. The net present value of the corresponding obligation to pay leasing fees in the future is recognized as a liability. In the consolidated statement of income, leasing payments are divided into depreciation and interest. The Group has no significant finance leases where it is the lessor.

Operational leases, where the Group is the lessee, are recognized as an operating expense on a linear basis over the period of the lease in the statement of income. In cases where the Group is the lessor, revenue is recognized as sales on a linear basis. Depreciation is recognized under operating income.

Accounts receivable

Accounts receivable are accounted for at nominal value net after provisions for probable bad debt. Probable and recognized bad debt losses are included in the line production expenses in the statement of income. Payments received in advance are accounted under other current liabilities.

Inventories (IAS 2)

Inventories are valued at the lower of cost and net realizable value. Cost is determined according to the first-in, first-out principle. The cost of finished goods and work in progress comprises material, direct labor and other direct costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. The necessary deductions for obsolescence are made.

Financial instruments (IFRS 7/IAS 32/IAS 39)

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The definition of financial instruments thus includes equity instruments of another entity but also for example contractual rights to receive cash such as accounts receivable.

Financial instruments are recorded initially at fair value with the subsequent measurement depending on the designation of the instrument.

The Group designates its financial instruments in the following categories:

- Financial assets or financial liabilities at fair value through profit or loss (including derivatives not designated as hedging instruments)
- Loans and receivables
- Held-to-maturity investments
- Available-for-sale financial assets
- Financial liabilities designated as hedged item in a fair value hedge
- Other financial liabilities
- Derivatives designated for hedging

The designation depends on the purpose for which the financial instrument is acquired. Management determines the designation of its financial instruments at initial recognition and re-evaluates this designation at each reporting date.

Most of the Group's current assets are loans and receivables (including accounts receivable and most other current receivables). Financial assets or financial liabilities at fair value through profit or loss (with exception for derivatives), held-to-maturity investments and available-for-sale financial assets are normally categories in which the Group has no or very limited positions. Financial liabilities designated as the hedged item in a fair value hedge include both long-term and short-term loans designated as hedged items that are hedged effectively via derivatives designated for hedge accounting. Other financial liabilities comprise all other financial liabilities including such items as accounts payable and other current liabilities and also any long-term and short-term loans not included in the category financial liabilities designated for hedging.

Further information regarding carrying and fair values is provided in the table Financial instruments by category – carrying and fair values in note 6 as well as in the definitions of the categories below.

Financial assets or financial liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss have two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. Fair value derivative assets are also categorized as held for trading unless they qualify for hedge accounting. Assets in this category are classified as current assets if they are either held for trading or are expected to be realized within 12 months of the balance sheet date. Financial liabilities at fair value are trading securities with negative fair value; normally derivative liabilities unless they qualify for hedge accounting.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for loans and receivables with maturities later than 12 months after the balance sheet date.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Financial liabilities designated as hedged item in a fair value hedge

This category includes financial liabilities designated as hedged item in a fair value hedge. The hedging instruments are included in the category derivatives designated for hedging. Financial liabilities designated as hedged item in a fair value hedge are included in non-current liabilities except for liabilities with maturities later than 12 months from the balance sheet date.

Other financial liabilities

Other financial liabilities are any financial liabilities that are not included in either of the categories financial liabilities designated as hedged item in a fair value hedge or financial liabilities at fair value through profit or loss. They are included in current liabilities except for liabilities with maturities later than 12 months from the balance sheet date.

Derivatives designated for hedging

The Group normally only enters into derivative contracts when they either qualify for hedge accounting or when there is a natural off-set in the accounting. This category includes the first type of derivatives. They are included in current assets or current liabilities, except for derivatives where the hedged item has a maturity later than 12 months after the balance sheet date.

Recognition and subsequent measurement

Purchases and sales of financial instruments are recognized on the trade date – the date on which the Group commits to purchase or sell the instrument.

Financial assets and liabilities are initially recognized at fair value plus transaction costs for all financial assets or financial liabilities not carried at fair value through profit or loss. Financial assets or liabilities at fair value through profit or loss are recognized at fair value. Any transaction costs are charged to the statement of income.

Financial assets are derecognized when the rights to receive cash flows from the instruments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are removed when the obligation is discharged, cancelled or has expired.

Financial assets or financial liabilities at fair value through profit or loss and available-for-sale financial assets are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest method. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets or liabilities at fair value through profit or loss category are included in financial income or financial expenses in the statement of income in the period in which they arise.

Financial liabilities with the exception of financial liabilities at fair value through profit or loss and financial liabilities designated for hedging are subsequently carried at amortized cost.

Financial liabilities designated as the hedged item in a fair value hedge are carried at amortised cost but are adjusted for changes in the fair value due to the hedged risk. Changes in the fair value are included in financial income or financial expenses in the statement of income in the period in which they arise. The corresponding gain or loss from re-measuring the hedging instrument at fair value is also included in financial income or financial expenses in the statement of income in the same period as that in which the gain or loss on the hedged item arises.

Cash flow hedging instruments are carried at fair value in the balance sheet and the gains or losses from re-measuring the hedging instruments at fair value are recognized in the hedging reserve in other comprehensive income with a reversal from the hedging reserve to the statement of income in the period of which the cash flow of the hedged item impacts the statement of income. Exchange rate gains and losses on derivatives that are part of a net investment hedge relationship are recognized in other comprehensive income. Any ineffectiveness is recognized in the statement of income.

Actual cash flows (accruals) that arise from interest-rate derivative contracts are recognized as interest income and/or interest expense in the period to which they relate. Changes in fair value (after accruals) for both the hedged item and the hedging instrument (derivative) are recognized separately as revaluation of financial instruments. The line revaluation of financial instruments is included within financial income and/or financial expense.

The fair values of quoted financial instruments are based on current bid prices. If the market for a financial instrument is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Impairment of financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Employee benefits (IAS 19)

The Group operates or participates in a number of defined benefit and defined contribution pension and other long-term employee benefit plans. Other plans primarily relate to healthcare benefits. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions are recognized as expenses when they fall due for payment. Other pension plans are defined benefit plans.

Calculations for the defined benefit plans that exist within Securitas are carried out by independent actuaries. Costs for defined benefit plans are estimated using the projected unit credit method in a way that distributes the cost over the employee's working life. Obligations are valued at the present value of the expected future cash flows using a discount rate corresponding to the interest rate on high quality corporate bonds or government bonds with a remaining term that is approximately the same as the obligations. Further information regarding the determination of the discount rate is provided in note 31. Plan assets are measured at fair value. The expected return on plan assets is determined as a weighted average of the expected long-term return for each of the asset categories in each plan. The return on equity related instruments is determined by adding a risk premium to a risk free return based on the yield of government bonds. The return on bonds is based on the yield of government and corporate bonds in accordance with each plan's holding of these instruments.

The Group has adopted the amendment to IAS 19 Employee Benefits regarding the principle for recognizing gains and losses resulting from changes in actuarial assumptions, plan experience and investment performance differing from that assumed. Actuarial gains and losses relating to post-employment benefit plans are recognized in other comprehensive income in the period which they occur on the line actuarial gains and losses net of tax. Actuarial gains and losses relating to other long-term employee benefit plans are recognized immediately in the statement of income.

If accounting for a defined benefit plan results in a balance sheet asset, this is reported as a net asset in the consolidated balance sheet under other long-term receivables. Otherwise it is reported as a provision under provisions for pensions and similar commitments. Costs related to defined benefit plans, including the interest element, are recognized in operating income. Provisions for pensions and similar commitments are not included in net debt.

Share-based payments (IFRS 2)

IFRS 2 requires that the fair value of the equity settled schemes should be accounted for as an expense in the statement of income with the corresponding entry accounted for as equity. The expense should be accrued on a linear basis over the vesting period. For cash settled schemes IFRS 2 also requires that the fair value of the scheme should be recognized as an expense in the statement of income on a linear basis over the vesting period, but with the corresponding entry recognized as a liability rather than as equity. Furthermore if the incentive scheme lapses without settlement this will result in a reversal of the accrued cost for cash settled schemes only. For equity settled schemes no reversal will occur since no adjustment to the net assets is required.

Securitas currently has no equity settled or cash settled schemes that would fall within the scope of this standard.

Provisions (IAS 37)

Provisions are recognized when the Group has a present obligation as a result of a past event and it is more probable than not that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions for restructuring are recognized when a detailed, formal plan for measures has been established and valid expectations have been raised by those affected by the measures. No provisions are recognized for future operating losses.

Claims reserves are calculated on the basis of a combination of case reserves, which represent claims reported, and IBNR (incurred but not reported) reserves. Actuarial calculations are performed quarterly to assess the adequacy of the reserves based on open claims and historical IBNR.

Note 3. Definitions, calculation of key ratios and exchange rates

DEFINITIONS

Statement of income according to Securitas' financial model

Production expenses[1]
Guard wages and related costs, the cost of equipment used by the guards when performing professional duties, and all other costs directly related to the performance of services invoiced.

Selling and administrative expenses[1]
All costs of selling, administration and management including branch office expenses. The primary function of the branch offices is to provide the production with administrative support as well as to serve as a sales channel.

Gross margin
Gross income as a percentage of total sales.

Operating income before amortization
Operating income before amortization of acquisition related intangible assets, acquisition related restructuring costs and items affecting comparability, but including amortization and depreciation of other intangible assets, buildings and land and machinery and equipment.

Operating margin
Operating income before amortization as a percentage of total sales.

Operating income after amortization
Operating income after amortization of acquisition related intangible assets, acquisition related restructuring costs, items affecting comparability and including amortization and depreciation of other intangible assets, buildings and land and machinery and equipment.

Adjusted income
Operating income before amortization, adjusted for financial income and expenses (excluding revaluation of financial instruments according to IAS 39) and current taxes.

Net margin
Income before taxes as a percentage of total sales.

Statement of cash flow according to Securitas' financial model

Cash flow from operating activities
Operating income before amortization adjusted for depreciation/amortization less capital expenditures in non-current tangible and intangible assets (excluding acquisitions of subsidiaries), change in accounts receivable and changes in other operating capital employed.

Free cash flow
Cash flow from operating activities adjusted for financial income and expenses paid and current taxes paid.

Cash flow for the year[1]
Free cash flow adjusted for acquisitions of subsidiaries, restructuring costs paid, cash flow from items affecting comparability, dividends, share issues and change in interest-bearing net debt excluding liquid funds.

Balance sheet according to Securitas' financial model

Operating capital employed
Capital employed less goodwill, acquisition related intangible assets and shares in associated companies.

Capital employed
Non interest-bearing non-current and current assets less non interest-bearing long-term and current liabilities.

Net debt
Interest-bearing non-current and current assets less long-term and short-term convertible debenture loans, and long-term and short-term interest-bearing loan liabilities.

Adjusted shareholders' equity
Equity adjusted for outstanding convertible debenture loans.

CALCULATION OF KEY RATIOS[2]

Organic sales growth, actual 2009: –1%
Total sales for the year adjusted for acquisitions and changes in exchange rates as a percentage of the previous year's total sales adjusted for divestitures.
Calculation 2009: (62,666.7–1,450.0–5,220.1)/(56,571.6)–1 = –1%

Operating margin, actual 2009: 6.0%
Operating income before amortization as a percentage of total sales.
Calculation 2009: 3,756.5/62,666.7 = 6.0%

Earnings per share before dilution[3], all operations, actual 2009: SEK 5.80
Net income for the year less the net income attributable to the minority, in relation to the average number of shares before dilution.
Calculation 2009: ((2,118.0–1.8)/365,058,897) x 1,000,000 = SEK 5.80

Earnings per share before dilution[3], continuing operations, actual 2009: SEK 5.80
Net income for the year less the net income attributable to the minority, in relation to the average number of shares before dilution.
Calculation 2009: ((2,118.0–1.8)/365,058,897) x 1,000,000 = SEK 5.80

Earnings per share before dilution[3] and before items affecting comparability, continuing operations, actual 2009: SEK 5.80
Net income for the year before items affecting comparability (after tax) less the net income attributable to the minority in relation to the average number of shares before dilution.
Calculation 2009: ((2,118.0+0.0–1.8)/365,058,897) x 1,000,000 = SEK 5.80

Cash flow from operating activities as % of operating income before amortization, actual 2009: 90%
Cash flow from operating activities as a percentage of operating income before amortization.
Calculation 2009: 3,374.5/3,756.5 = 90%

Free cash flow as % of adjusted income, actual 2009: 88%
Free cash flow as a percentage of adjusted income.
Calculation 2009: 2,164.7/(3,756.5–589.4–715.4) = 88%

1 The definition is also valid for the formal primary statements – statement of income and the statement of cash flow.
2 All calculations are made for continuing operations, with the exception of earnings per share, all operations.
3 The convertible debenture loans matured in 2007 and no conversion took place. Consequently there is no difference between earnings per share before and after dilution.

Free cash flow in relation to net debt, actual 2009: 0.26
Free cash flow in relation to closing balance net debt.
Calculation 2009: 2,164.7/8,387.7 = 0.26

Operating capital employed as % of total sales, actual 2009: 4%
Operating capital employed as a percentage of total sales adjusted for full year sales of acquisitions.
Calculation 2009: 2,623.4/(62,666.7+866.6) = 4%

Return on capital employed, actual 2009: 22%
Operating income before amortization plus items affecting comparability as a percentage of the closing balance of capital employed excluding shares in associated companies relating to financial investments.
Calculation 2009: (3,756.5+0.0)/(17,208.7–0.0) = 22%

Net debt equity ratio, actual 2009: 0.95
Net debt in relation to shareholders' equity.
Calculation 2009: 8,387.7/8,821.0 = 0.95

Interest coverage ratio, actual 2009: 6.1
Operating income before amortization plus interest income in relation to interest expense.
Calculation 2009: (3,756.5+67.8)/632.0 = 6.1

Return on equity, actual 2009: 24%
Net income for the year adjusted for interest on convertible debenture loans after taxes as a percentage of average adjusted shareholders' equity weighted for new issues.
Calculation 2009: (2,118.0+0.0)/((8,507.3+8,821.0)/2) = 24%

Equity ratio, actual 2009: 27%
Shareholders' equity as a percentage of total assets.
Calculation 2009: 8,821.0/32,795.9 = 27%

EXCHANGE RATES USED IN THE CONSOLIDATED FINANCIAL STATEMENTS 2007–2009

			2009		2008		2007	
			Weighted average	End-rate December	Weighted average	End-rate December	Weighted average	End-rate December
Argentina	ARS	1	2.02	1.87	2.10	2.28	2.13	2.03
Canada	CAD	1	6.69	6.79	6.19	6.37	6.34	6.53
Chile	CLP	100	1.36	1.40	1.21	1.24	–	–
China	CNY	1	1.10	1.04	1.13	1.15	–	–
Colombia	COP	100	0.35	0.35	0.34	0.35	0.33	0.32
Czech Republic	CZK	1	0.40	0.39	0.39	0.41	0.34	0.35
Denmark	DKK	1	1.42	1.38	1.30	1.47	1.24	1.26
Egypt	EGP	1	1.36	1.30	1.42	1.42	–	–
EMU Countries	EUR	1	10.59	10.26	9.69	10.92	9.26	9.43
Estonia	EEK	1	0.68	0.66	0.62	0.70	0.59	0.60
Hong Kong	HKD	1	0.96	0.92	1.01	1.01	–	–
Hungary	HUF	100	3.77	3.79	3.87	4.12	3.69	3.73
India	INR	1	0.16	0.15	0.16	0.16	0.16	0.16
Morocco	MAD	1	0.91	0.91	–	–	–	–
Mexico	MXN	1	0.56	0.54	0.59	0.56	0.61	0.59
Norway	NOK	1	1.22	1.24	1.17	1.12	1.16	1.18
Peru	PEN	1	2.53	2.46	2.25	2.48	2.14	2.14
Poland	PLN	1	2.44	2.50	2.75	2.61	2.46	2.63
Romania	RON	1	2.50	2.42	2.64	2.73	2.80	2.64
Saudi Arabia	SAR	1	1.90	1.90	–	–	–	–
Serbia	RSD	1	0.11	0.11	0.12	0.12	–	–
South Africa	ZAR	1	0.94	0.96	–	–	–	–
Switzerland	CHF	1	7.02	6.91	6.15	7.34	5.63	5.69
Taiwan	TWD	1	0.23	0.22	0.24	0.24	–	–
Thailand	THB	1	0.21	0.21	0.23	0.23	–	–
Turkey	TRY	1	4.87	4.76	5.07	5.08	5.23	5.49
United Arab Emirates	AED	1	1.97	1.94	2.15	2.15	–	–
United Kingdom	GBP	1	11.90	11.53	12.06	11.37	13.49	12.83
Uruguay	UYU	1	0.34	0.36	0.32	0.32	0.29	0.30
USA	USD	1	7.61	7.12	6.63	7.81	6.71	6.40
Vietnam	VND	100	0.04	0.04	–	–	–	–

Note 4. Critical estimates and judgments and items affecting comparability

The preparation of financial reports requires the Board of Directors and Group Management to make estimates and judgments using certain assumptions. Estimates and judgments will impact both the statement of income and the balance sheet as well as disclosures such as contingent liabilities. Actual results may differ from these estimates and judgments under different assumptions and conditions.

Valuation of identifiable assets and liabilities in connection with the acquisition of subsidiaries/operations

The valuation of identifiable assets and liabilities in connection with the acquisition of subsidiaries or operations, as part of the purchase price allocation, involves that items in the acquired company's balance sheet as well as items that have not been recognized in the acquired company's balance sheet such as customer relations should be valued at fair value. In normal circumstances, as quoted market prices are not available for the assets and liabilities that are to be valued, different valuation methods have to be used. These valuation methods are based on a number of assumptions. Other items that can be difficult both to identify as well as to value are contingent liabilities that could have arisen in the acquired company such as litigation related items. All balance sheet items are thus subject to estimates and judgments. Further information is provided in note 16.

Impairment testing of goodwill, other acquisition related intangible assets and shares in associated companies

In connection with the impairment testing of goodwill, other acquisition related intangible assets and shares in associated companies, the book value is compared with the recoverable value. The recoverable value is determined by the higher of an asset's net realizable value and its value in use. Since under normal circumstances no quoted market prices are available to assess an asset's net realizable value, the book value is normally compared with the value in use. The calculation of the value in use is based on assumptions and judgments. The most important assumptions are the organic sales growth, the development of the operating margin, the operating working capital requirements and the relevant WACC, which is used to discount future cash flows. All in all, this means that the valuation of the balance sheet items goodwill, which amounts to MSEK 13,558.3 (14,104.3 and 13,793.5), acquisition related intangible assets, which amounts to MSEK 894.9 (751.3 and 624.0) and shares in associated companies, which amounts to MSEK 132.1 (104.9 and 103.5) are subject to critical estimates and judgments. A sensitivity analysis regarding the organic sales growth, the operating margin and the WACC is provided in note 16.

Valuation of accounts receivable and the provision for bad debt losses

Accounts receivable, which amounts to MSEK 9,363.3 (9,962.6 and 9,889.4), is one of the most significant balance sheet items. Accounts receivable are accounted for at nominal value net after provisions for probable bad debt. The provision for bad debt losses, which amounts to MSEK –377.9 (–354.4 and –324.3), is thus subject to critical estimates and judgments. Further information regarding the credit risk in accounts receivable is provided in note 6. Information regarding the development of the provision for bad debt losses during the year is provided in note 25.

Actuarial calculations regarding employee benefits such as pensions and medical benefits

Employee benefits are normally an area where estimates and judgments are not critical. However for defined benefit plans relating to benefits particularly for pensions and medical benefits and where the payment to the employee is several years into the future, actuarial calculations are required. These calculations are based on assumptions regarding economic variables such as the discount rate, the expected return on plan assets, salary increases, inflation rate, pension increases and the inflation rate for medical benefits, but also on demographic variables such as the expected life span. All in all, the balance sheet item pension balances for defined benefit plans, which amounts to MSEK 36.2 (8.4 and 17.9) and which is stated under other long-term receivables (note 23), and the balance sheet item provisions for pensions and similar commitments, which amounts to MSEK 1,186.3 (1,250.1 and 946.1), are subject to critical estimates and judgments. The Group's opinion is that the most important assumptions are the discount rate, the inflation rate and the expected life span. A sensitivity analysis regarding these three variables is provided in note 31.

Actuarial calculations regarding claims reserves

The Group is exposed to various types of risks in the day-to-day running of the business. The operational risks can result in the need to recognize reserves for damages resulting from property claims, personal injuries as well as workers' compensation claims relating to the Group's employees. Claims reserves are calculated based on a combination of case reserves and incurred but not reported reserves. Actuarial calculations are performed on a quarterly basis to assess the adequacy of the reserves based on open claims and historical data for incurred but not reported claims. Actuarial calculations are based on several assumptions. All in all, this means that the balance sheet items short-term liability insurance-related claims reserves, which amounts to MSEK 503.6 (652.5 and 694.6) and is included in other short-term provisions (note 35) and liability insurance-related claims reserves, which amounts to MSEK 526.5 (603.3 and 724.3) and is included in other long-term provisions (note 32), are subject to critical estimates and judgments.

Taxes

Deferred tax is calculated on temporary differences between the carrying amounts and the tax values of assets and liabilities. Assumptions and assessments affects recognized deferred tax, partly to determine the carrying amounts of the different assets and liabilities, and partly related to forecasts regarding future taxable profits, where future utilization of deferred tax assets depends on this. Significant assessments and assumptions are also made regarding recognition of provisions and contingent liabilities relating to tax risks. The balance sheet includes deferred tax assets which amounts to MSEK 1,586.9 (1,964.8 and 1,633.4), deferred tax liabilities which amounts to MSEK 279.5 (209.8 and 243.1) and provisions for taxes which amounts to MSEK 172.5 (176.4 and 251.5) included in other long-term provisions (note 32), which are all are subject to critical estimates and judgments. Further information regarding taxes is provided in note 15 and note 37.

The impact on the Group's financial position of ongoing litigation and the valuation of contingent liabilities

Over the years the Group has made a number of acquisitions in different countries. As a result of such acquisitions certain contingent liabilities of the businesses acquired have been assumed. Companies within the Group are also involved in a number of other legal proceedings and tax audits arising out of the operations. Further information is provided in note 37.

Items affecting comparability

Items affecting comparability amounted to MSEK 0 (–29.3 and –78.1).

The items affecting comparability and the development of the matters that are described below constitute the most material individual transactions that demand that the management make judgments that can be deemed reasonable under the prevailing circumstances, taking into consideration the information that is available on the balance sheet date. The items that involve the largest elements of judgment are:

USA – Globe/Federal Aviation Admininstration
Prior to the Aviation and Transportation Security Act (Aviation Security Act), which was passed in November 2001, the air carriers were responsible under federal law for providing pre-board screening of passengers. In most cases, the air carriers contracted with private security companies for these services. Under the Aviation Security Act, pre-board screening services were federalized in two steps. The first step consisted of a transition period where the Federal Aviation Administration (FAA) became the party responsible for pre-board screening and contracted with private security companies for these services (the FAA's responsibilities were later transitioned to the Transportation Security Administration (TSA)). The second step, which occurred in November 2002, consisted of the TSA directly providing these services by federal government employees. Globe had been requested to provide pre-board screening services during the initial transition period and, following extended negotiations, Globe entered into an agreement with the FAA in February 2002 to provide such services during the transition period. Based on the performance of Globe during this transition period, in April 2002 Globe contracted with the FAA/TSA to service additional airports. During the transition period, the FAA/TSA compensated Globe based on the governing contract and the invoices submitted.

After the services had been substantially completed, the TSA indicated that it wished to renegotiate the pricing under the contract and stopped making payments under the contract. Following unsuccessful negotiations attempting to resolve the amounts in dispute, Globe commenced formal legal proceedings during 2004 to recover the amounts due under the contract.

A trial in this matter was scheduled for February 2007. As of December 31, 2006 a bad debt provision was recognized in the amount of the net account receivable which remained uncollected at that time. This dispute was subsequently settled in the first quarter 2007, and impacted items affecting comparability in 2007 by MSEK 50.

Germany – Heros
The German cash handling operations were divested in November 2005 to the German Heros Group. In February 2006, the Heros Group of companies filed for insolvency under German law. In connection with the foregoing, the insolvency trustee has been examining all relevant prior transactions of the insolvent companies, including the German cash handling companies, which Securitas sold to the Heros Group. Following his investigation, the insolvency trustee has raised questions relating to pre-acquisition transactions in the divested companies, alleging possible material future claims.

On April 7, 2008 the insolvency trustee advised Securitas in a letter that according to the insolvency trustee, the Heros companies (in bankruptcy) may have substantial monetary claims on Securitas Germany and that in the absence of a mutual understanding and agreement on the questioned transactions, the bankruptcy estate will commence legal action against Securitas Germany.

The claims of the Heros companies (in bankruptcy) are based on the insolvency trustee's understanding of the subject pre-acquisition transactions, resulting in the allegation that certain inter-company transactions (set-offs) performed by Securitas Germany prior to the sale of the companies were not in compliance with German law. Heros' aggregated claims on Securitas Germany amounts to approximately MEUR 108. Heros is in addition requesting Securitas Germany to re-assign a claim against the insurance company If which was kept by Securitas in the divestiture.

On January 8, 2009 and on March 4, 2009 the insolvency trustee, in a draft statement of claim, reiterated his allegations and claim. On April 9, 2009 Securitas responded to the insolvency trustee and denied the claim. Based on local legal expertise and a legal opinion from a renown law professor, Securitas has and will continue to object to the claims raised by the insolvency trustee. Settlement negotiations were initiated by the insolvency trustee in the end of 2009 and has continued in 2010.

As of December 31, 2006 a minor provision was recognized to cover the known exposure in the Heros claim at that time. This provision remains unchanged.

Spain – Overtime compensation
All major security companies in Spain have been compensating their employees in respect of overtime work in accordance with a labor agreement covering the period 2005 to 2008. In February 2007, the Spanish Supreme Court ruled that the overtime compensation under the existing labor agreement was not in compliance with Spanish law.

The potential exposure in respect of overtime compensation payable to employees of the security services and guarding companies in Spain has increased due to the failure of the major security companies and the local unions to negotiate a settlement agreement on the overtime compensation. A petition was lodged with a lower court in Spain seeking specific guidance as to how overtime compensation shall be calculated. A judgment was rendered in January 2008 giving guidelines on calculation of overtime pay, which substantially accepted the views of the employers. This judgment was appealed by the local unions. In December 2009 the Spanish Supreme Court overruled the court decision from January 2008. The Supreme Court confirmed its decision from February 2007 which means that each claim for overtime pay shall be tried on a case by case basis. The Supreme Court thereby changed the basis for the computation of overtime compensation. The Supreme Court judgment cannot be appealed.

In the absence of final guidance on overtime compensation, Securitas has chosen to apply the guidelines given by the court in January 2008 for salary payments paid in 2008 and 2009. For historic overtime compensation, the company has awaited the outcome of the appeal and the decision now rendered by the Supreme Court. The Court's decision that each claim for overtime pay shall be tried on a case by case basis means that Securitas will have to prepare for several suits from employees and former employees in respect of historic overtime compensation.

Securitas Spain is already the target of several labor claims and the number of claims is increasing. Based on this fact the management estimates the additional compensation for the historic overtime claims to amount to approximately MSEK 128 and a provision of this amount was recognized as of December 31, 2007.

Simultaneously, one industry association commenced legal proceedings in an attempt to invalidate the subject collective bargaining agreement due to an alleged imbalance created by the earlier decision on overtime pay by the Supreme Court. In a judgment rendered in January 2008 the court ruled – on procedural grounds – against the industry association. It has now appealed the court decision. Judgment in the appeal is expected in 2010.

Information regarding items affecting comparability per function/line in the consolidated statement of income, per segment as well as the cash flow impact is provided in note 11.

Note 5. Events after the balance sheet date

Approval of the Annual Report and Consolidated Financial Statements for 2009
This Annual Report including the Consolidated Financial Statements was signed by the Board of Directors of Securitas AB on March 11, 2010.

Acquisitions
The following acquisitions have been completed after the balance sheet date but before the approval of the Annual Report:
- Claw Protection Services, South Africa. Included in business segment Other.
- Seccredo, Sweden. Included in business segment Other.

Other signficant events after the balance sheet date
There have been no significant events after the balance sheet date except the acquisitions listed above.

Note 6. Financial risk management

Financial risk factors

The Group's business activities create exposure to financial risks, such as interest rate risk, foreign currency risk, financing and liquidity risk and credit/counterparty risk, as detailed in the sections below. The Group's overall financial risk management program focuses on the unpredictability of the financial markets and aims to minimize potential adverse effects on the financial performance of the Group.

Treasury organization and activities

The aim of the treasury organization in Securitas is to support business operations by identifying, quantifying and minimizing financial risks and to the extent possible, to take advantage of economies of scale in the treasury operations.

Business segments

Treasury operations in the business segments concentrate on improving cash flow by focusing on profitability in the business operations, reducing capital tied-up in accounts receivable, and in the most efficient way handling both investments and local cash management.

Countries

In countries with extensive operations, liquidity surpluses and liquidity deficits in local subsidiaries are matched at country level with the help of local cash-pooling solutions. In addition, Securitas operates an overall euro cash-pooling structure for countries in the eurozone and an overall cash-pooling structure in USD for subsidiaries in the USA, in which local liquidity surpluses are invested or from which local liquidity deficits are financed. All local long-term financial requirements are financed directly from the Group's internal bank, Group Treasury Centre (GTC), in Dublin.

Group Treasury Centre

By concentrating the financial risk management in a single location, the Group can readily monitor and control these risks and benefit from the expertise of dedicated treasury personnel. Also, by concentrating internal and external financing through GTC, economies of scale can be used to obtain the best possible pricing of investments and loans. GTC also has responsibility for matching local liquidity surpluses and deficits between countries and cash-pools. GTC identifies, evaluates and hedges financial risks in co-operation with the operating units. The Board of Directors of Securitas AB establishes written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risks, interest rate risk, credit risk, use of derivative financial instruments and investing excess liquidity.

Derivatives are used for the following main purposes: hedging the interest rate element of external debt and changing its currency profile, gearing ratio hedging and hedging of internal borrowings and investments.

Interest rate risk

Interest rate risk is the risk that the Group's net income will be affected by changes in market interest rates. The Group has raised funds in mainly USD and EUR with both fixed and floating interest rates. Detailed information on long-term borrowings is provided in note 30. The Group uses interest rate derivatives in designated fair value and cash flow hedges to hedge changes in the risk free rate, converting the interest rate profile of this debt. Since income is tied to customer contracts with an annual price review and this impact usually follows each country's economic development and inflation rate, interest rate risks are most effectively minimized through short interest rate periods. Strong cash flows from operations reduce the Group's dependency on external financing and thereby also minimize interest rate risk. Other external financing requirements may arise from time to time in connection with acquisitions. The interest rate exposure on this acquisition financing is managed on a case by case basis. Information on the Group's debt profile is provided in the table below together with information on interest rate fixings.

The target for the free cash flow to net debt ratio is always to exceed 0.20. Free cash flow to net debt as of December 31, 2009 was 0.26 (0.21 and 0.24). The Group's interest coverage ratio, a measure of its ability to pay interest costs, was 6.1 as of December 31, 2009 (3.9 and 3.6).

THE GROUP'S INTEREST BEARING LIABILITIES AND ASSETS PER CURRENCY AS PER DECEMBER 31, 2009

Currency	Amount, MSEK	Duration (days)	*Current book cost (incl. credit margin)*	*Interest rates, +1%*	Net impact on income statement due to 1% increase[1]	*Interest rates, –1%*	Net impact on income statement due to 1% decrease[1]
USD liabilities	–3,973	147	*2.56%*	*2.94%*	–11	*2.19%*	11
EUR liabilities	–5,215	730	*5.54%*	*5.73%*	–7	*5.34%*	8
GBP liabilities	–89	1	*2.83%*	*3.83%*	–1	*1.83%*	1
SEK liabilities	–1,675	2	*1.82%*	*2.82%*	–12	*0.78%*	13
Other currencies liabilities	–131	1	*4.88%*	*5.88%*	–1	*3.88%*	1
Total liabilities[2]	**–11,083**	**397**	***3.88%***	***4.27%***	**–32**	***3.48%***	**34**
USD assets	333	7	*0.20%*	*1.20%*	2	*0.00%*	0
EUR assets	1,478	13	*0.35%*	*1.35%*	11	*0.00%*	0
GBP assets	63	1	*0.25%*	*0.69%*	0	*0.00%*	0
SEK assets	522	6	*0.19%*	*1.19%*	4	*0.00%*	0
Other currencies assets	299	7	*4.88%*	*5.88%*	2	*3.88%*	–2
Total assets[2]	**2,695**	**10**	***0.80%***	***1.79%***	**19**	***0.43%***	**–2**
Total	**–8,388**	**–**	***4.87%***	**–**	**–13**	**–**	**32**

1 The 1 percent increase/decrease in interest rates is calculated by adjusting the floating rate accordingly and applying this rate to the liability to establish the impact on net financial items in the income statement. This is further adjusted by the effective corporation tax rate.
2 Including the nominal amounts of derivatives.

Interest rate fixing

It is the policy of Securitas to use interest rate derivatives if required to manage its interest rate risk and as a consequence the Group's financing costs. The duration for these derivatives does not normally exceed four years. Group policy allows for the use of both options-based and fixed-rate products.

INTEREST FIXING PER CURRENCY[1]

	Dec. 31, 2009			Dec. 31, 2010			Dec. 31, 2011			
Currency	Amount MSEK	Amount MLOC	*Rate[2] %*	Amount MSEK	Amount MLOC	*Rate[2] %*	Amount MSEK	Amount MLOC	*Rate[2] %*	Final maturity
USD	2,136	300	*3.16*	1,068	150	*2.24*	534	75	*2.51*	June 2012
EUR	4,217	411	*5.94*	2,821	275	*6.59*	2,821	275	*6.59*	April 2013
Total	**6,353**	**–**	**–**	**3,889**	**–**	**–**	**3,355**	**–**	**–**	

1 Refers to interest rate fixing with a maturity in excess of three months.
2 Average rate including credit margin.

Foreign currency risks

Financing of foreign assets – translation risk

Translation risk is the risk that the SEK value of foreign currency equity will fluctuate due to changes in foreign exchange rates.

Securitas' foreign currency capital employed as of December 31, 2009 was MSEK 16,579 (17,182 and 18,453). Capital employed is financed by loans in local currency and shareholders' equity. This means that Securitas, from a Group perspective, has shareholders' equity in foreign currency that is exposed to changes in exchange rates. This exposure gives rise to a translation risk and consequently unfavourable changes in exchange rates could have a negative effect on the Group's foreign net assets when translated into SEK. With the object of minimizing the impact of changes in exchange rates on the Group's net debt to equity ratio, Securitas aims to maintain a long-term debt to equity ratio in USD and EUR that is close to the Group's total debt to equity ratio.

The tables below show how the Group's capital employed is distributed by currency, and its financing. They also show the sensitivity of the net debt and capital employed to changes in the SEK exchange rate.

The consolidated statement of income is affected by the translation to SEK of the statements of income of foreign subsidiaries. As these subsidiaries essentially operate only in local currency, their competitive situation is not affected by changes in exchange rates and since the Group as a whole is geographically diversified, this exposure is not hedged. Group internal currency flows between holding companies and subsidiaries in respect of dividends are normally hedged to SEK immediately the amount is agreed between the internal parties.

CAPITAL EMPLOYED AND FINANCING PER CURRENCY, DECEMBER 31, 2007–2009

MSEK	EUR	USD	GBP	Other currencies	Total foreign currencies	SEK	Total Group	Total Group +10%[1]	Total Group –10%[1]
December 31, 2009									
Capital employed	7,466	7,125	319	1,669	16,579	630	17,209	18,867	15,551
Net debt	–3,743	–3,637	–26	173	–7,233	–1,155	–8,388	–9,111	–7,665
Minority interests	5	–	–	3	8	–	8	9	7
Net exposure	3,718	3,488	293	1,839	9,338	–525	8,813	9,747	7,879
Net debt to equity ratio	*1.01*	*1.04*	*0.09*	*–0.09*	*0.77*	*–2.20*	*0.95*	*0.93*	*0.97*
December 31, 2008									
Capital employed	8,138	7,499	307	1,238	17,182	738	17,920	19,638	16,202
Net debt	–4,109	–3,974	–96	56	–8,123	–1,290	–9,413	–10,225	–8,601
Minority interests	4	1	–	1	6	–	6	7	5
Net exposure	4,025	3,524	211	1,293	9,053	–552	8,501	9,406	7,596
Net debt to equity ratio	*1.02*	*1.13*	*0.45*	*–0.04*	*0.90*	*–2.34*	*1.11*	*1.09*	*1.13*
December 31, 2007									
Capital employed	8,111	8,543	902	897	18,453	239	18,692	20,537	16,847
Net debt	–4,629	–4,468	–363	–150	–9,610	–268	–9,878	–10,839	–8,917
Minority interests	2	–	–	–	2	–	2	2	2
Net exposure	3,480	4,075	539	747	8,841	–29	8,812	9,696	7,928
Net debt to equity ratio	*1.33*	*1.10*	*0.67*	*0.20*	*1.09*	*–9.23*	*1.12*	*1.12*	*1.12*

1 Changes in capital employed due to changes in foreign exchange rates are accounted for in other comprehensive income. Consequently, they do not impact net income.

Transaction risk

Transaction risk is the risk that the Group's net income will be affected by changes in the value of commercial flows in foreign currencies due to fluctuating exchange rates. The nature of the business is domestic rather than cross-border and consequently foreign currency transaction risk is not significant.

Financing and liquidity risk

The Group's short-term liquidity is ensured by maintaining a liquidity reserve (cash and bank deposits, short-term investments and the unutilized portion of committed credit facilities), which should correspond to a minimum of 5 percent of consolidated annual sales. As of December 31, 2009 the short-term liquidity reserve corresponded to 13 percent (15) of the Group's annual sales.

The Group's long-term financing risk is minimized by ensuring that the level of long-term financing (shareholders' equity, long-term committed loan facilities and long-term bond loans) at least matches the Group's capital employed. Per December 31, 2009 long-term financing corresponded to 132 percent (157) of the Group's capital employed.

Long-term financing of the Group should be well balanced among different sources. The aim is that long-term committed loan facilities and long-term bond loans should have an average maturity of more than three years. As per December 31, 2009 the average maturity was two years and nine months. The following tables summarize the Group's liquidity risk at end 2009, 2008 and 2007 respectively.

LIQUIDITY REPORT AS PER DECEMBER 31, 2007–2009

MSEK	Total	< 1 year	Between 1 year and 5 years	> 5 years
December 31, 2009				
Borrowings	–12,158	–2,575	–9,583	–
Derivatives outflows	–6,147	–6,064	–83	–
Accounts payable	–798	–798	–	–
Total outflows[2]	**–19,103**	**–9,437**	**–9,666**	**–**
Investments	1,403	1,403	–	–
Derivatives receipts	6,224	6,051	173	–
Accounts receivable	9,363	9,363	–	–
Total inflows[2]	**16,990**	**16,817**	**173**	**–**
Net cash flows, total[1]	**–2,113**	**7,380**	**–9,493**	**–**
December 31, 2008				
Borrowings	–13,522	–2,315	–11,207	–
Derivatives outflows	–5,309	–5,242	–67	–
Accounts payable	–977	–977	–	–
Total outflows[2]	**–19,808**	**–8,534**	**–11,274**	**–**
Investments	3,978	3,978	–	–
Derivatives receipts	5,241	5,175	66	–
Accounts receivable	9,963	9,963	–	–
Total inflows[2]	**19,182**	**19,116**	**66**	**–**
Net cash flows, total[1]	**–626**	**10,582**	**–11,208**	**–**
December 31, 2007				
Borrowings	–17,206	–9,306	–7,900	–
Derivatives outflows	–8,304	–8,157	–147	–
Accounts payable	–1,247	–1,247	–	–
Total outflows[2]	**–26,757**	**–18,710**	**–8,047**	**–**
Investments	4,541	4,541	–	–
Derivatives receipts	9,937	9,792	145	–
Accounts receivable	9,889	9,889	–	–
Total inflows[2]	**24,367**	**24,222**	**145**	**–**
Net cash flows, total[1]	**–2,390**	**5,512**	**–7,902**	**–**

1 Variable rate cash flows have been estimated using the relevant yield curve.
2 Refers to gross cash flows.

Long-term committed loan facilities consist of a MUSD 1,100 Multi Currency Revolving Credit Facility that was arranged in June 2005 with a syndicate of international banks and that matures in June 2012. Drawings under this facility are priced at the relevant prevailing market interest rate for the term selected.

Securitas also has a Euro Medium Term Note Program (EMTN) with a limit of MEUR 1,500 under which public and private funding can be raised on international capital markets. As of December 31, 2009 there were two outstanding bond loans of MEUR 45 Floating Rate Notes, both with 5 year bullet maturities maturing in July 2013 and February 2014. In February 2010 the first of these FRN's was repaid and replaced with a MUSD 62 Floating Rate Note maturing in February 2015. In April 2009 the company issued a MEUR 500 Eurobond under the EMTN programme. The coupon is 6.50 percent and the margin over 4-year mid-swaps was 4.20 percent. The maturity is in April 2013. The issue was lead managed by BNP Paribas, RBS and Nordea. The Eurobond was used primarily to re-finance the MEUR 550 Term Loan maturing in 2010 .

In May 2007 Securitas arranged a three year syndicated term loan facility for MEUR 550. This was partially repaid in 2009 and the balance as at December 31, 2009 was MEUR 136. This is repayable in May 2010.

In addition to the above, Securitas had access to committed financing through a MSEK 3,000 club deal which matured in January 2010 and through a MSEK 1,500 bilateral Revolving Credit Facility which matured in June 2009. Neither facility was renewed.

In January 2002, Securitas established a short-term Swedish commercial paper program in the amount of MSEK 5,000. The objective was to obtain access to short-term financing at competitive prices. Pricing is based on the prevailing market rates at time of issuance.

In combination with Securitas' strong cash flow, these sources of financing provide liquidity on a short and long-term basis as well as flexibility to finance the Group's expansion.

Credit/counterparty risk

Counterparty risk – accounts receivable

Securitas has generally low risk in the accounts receivables for a number of reasons. A large proportion of sales are based on contracts with well known large and medium sized customers with an established and long term relationship. This provides for transparent and safe collection of invoices. New customers are duly reviewed in terms of credit worthiness.

The contract portfolio sales are also diversified in several ways, of which the most important is that there are few/no clients that represent a significant portion of total sales. Default by a single customer then has little overall effect. In addition, Securitas provides its services to geographically dispersed customers in a large number of sectors including governments, utilities, financial sector, travel, logistics and industrial. Hence, the exposure to financial distress in any particular sector or region is relatively limited.

Securitas' services are also, although vital in many aspects, mostly ancillary to the business of the customers. This means that the cost of security services represents a small fraction of total costs of running clients' business, making Securitas less exposed to payment defaults than suppliers of services or goods more directly involved in the value chain.

All of this provides for secure collection of the sales generated, which is evidenced by low bad debt losses averaging below 0.2 percent of sales over the past three years, despite an increase during the current recession.

ACCOUNTS RECEIVABLE AND AGEING ANALYSIS

MSEK	2009	%	2008	%	2007	%
Accounts receivable before deduction of provison for bad debt losses	9,741.2	*100*	10,317.0	*100*	10,213.7	*100*
Provision for bad debt losses	–377.9	*–4*	–354.4	*–3*	–324.3	*–3*
Total accounts receivable	**9,363.3**	***96***	**9,962.6**	***97***	**9,889.4**	***97***
Ageing of accounts receivable before deduction of provision for bad debt losses						
Overdue 1–30 days	1,435.3	*15*	1,584.9	*16*	1,460.9	*14*
Overdue 31–90 days	631.7	*7*	726.8	*7*	692.9	*7*
Overdue >90 days	567.0	*6*	488.3	*5*	560.6	*6*
Total overdue	**2,634.0**	***28***	**2,800.0**	***28***	**2,714.4**	***27***

The following details the credit quality of interest-bearing receivables.

COUNTERPARTIES WITH EXTERNAL CREDIT RATINGS

MSEK	2009	2008	2007
Credit quality interest-bearing receivables			
A1/P1	2,335	2,921	4,894

The Group has policies in place that limit the amount of credit exposure to any one financial institution. Investments of liquid funds may only be made in government paper or with financial institutions with a high credit rating. As of December 31, 2009 the weighted average credit rating of these institutions was short-term A1/P1. The largest total exposure for all instrument types to any one institution was MSEK 848 (1,292 and 1,400). Derivative contracts are only entered into with financial institutions with a credit rating of at least A1/P1, and with whom Securitas has an established customer relationship.

Rating

In order to access international debt capital markets in an effective manner, Securitas has obtained long-term and short-term credit ratings from Standard & Poor's. The long term rating is BBB+ with "Stable Outlook" and the short-term rating is A-2. The Nordic short-term rating is K-1.

Fair value of financial instruments

The methods and assumptions used by the Group in estimating the fair value of the financial instruments are:

- Cash and bank deposits and Short-term investments: carrying amounts approximate fair values.
- Derivative and other financial instruments: fair values are estimated based on quoted market prices, on prices provided by independent brokers, or are calculated on best market prices. The prices used are clean prices, that is the fair values stated excluding accrued interest.
- Debt: fair values of fixed rate debt are based on either quoted prices or are estimated using discounted cash flow calculations based upon the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debt being valued. The fair value of floating rate debt is assumed to equal the carrying value of the debt.

REVALUATION OF FINANCIAL INSTRUMENTS

MSEK	2009	2008	2007
Recognized in the statement of income			
Financial income[1]	0.1	2.7	–
Financial expenses[1]	-0.5	–	-6.7
Deferred tax	0.1	–0.8	1.9
Impact on net income for the year	**–0.3**	**1.9**	**–4.8**
Recognized in other comprehensive income			
Transfer to hedging reserve before tax	–107.1	–183.3	4.6
Deferred tax on transfer to hedging reserve	28.1	51.3	–1.3
Transfer to hedging reserve net of tax	**–79.0**	**–132.0**	**3.3**
Transfer to statement of income before tax	184.2	2.4	–33.1
Deferred tax on transfer to statement of income	–48.4	–0.6	9.3
Transfer to statement of income net of tax	**135.8**	**1.8**	**–23.8**
Total change of hedging reserve before tax[2]	77.1	–180.9	–28.5
Deferred tax on total change of hedging reserve before tax[2]	–20.3	50.7	8.0
Total change of hedging reserve net of tax	**56.8**	**–130.2**	**–20.5**
Total impact on shareholders' equity as specified above			
Total revaluation before tax[3]	76.7	–178.2	–35.2
Deferred tax on total revaluation[3]	–20.2	49.9	9.9
Total revaluation after tax	**56.5**	**–128.3**	**–25.3**

1 Related to financial assets and financial liabilities at fair value through profit or loss. There was no ineffectiveness in the fair value hedge or in the cash flow hedge.
2 Total of transfer to hedging reserve and transfer from hedging reserve to statement of income.
3 Total revaluation and deferred tax recognized via statement of income and via other comprehensive income.

FAIR VALUE – HIERARCHY AS PER DECEMBER 31, 2009

MSEK	Quoted market prices	Valuation techniques using observable market data	Valuation techniques using non observable market data	Total
Financial assets at fair value through profit or loss	–	81.9	–	81.9
Financial liabilities at fair value through profit or loss	–	–14.9	–	–14.9
Derivatives designated for hedging with positive fair value	–	12.1	–	12.1
Derivatives designated for hedging with negative fair value	–	–97.1	–	–97.1

The table below discloses carrying values and fair values of financial instruments according to the categories in note 2.

FINANCIAL INSTRUMENTS BY CATEGORY – CARRYING AND FAIR VALUES

	2009		2008		2007	
MSEK	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Assets						
Financial assets at fair value through profit or loss						
Other interest-bearing current assets (note 27)	81.9	81.9	41.5	41.5	19.5	19.5
Total	**81.9**	**81.9**	**41.5**	**41.5**	**19.5**	**19.5**
Loans and receivables						
Interest-bearing financial non-current assets (note 22)	148.7	148.7	150.6	150.6	273.2	273.2
Other long-term receivables (note 23)[1]	307.8	307.8	338.0	338.0	303.3	303.3
Accounts receivable	9,363.3	9,363.3	9,962.6	9,962.6	9,889.4	9,889.4
Other current receivables[2]	659.4	659.4	553.0	553.0	721.7	721.7
Liquid funds	2,497.1	2,497.1	3,951.5	3,951.5	4,350.7	4,350.7
Total	**12,976.3**	**12,976.3**	**14,955.7**	**14,955.7**	**15,538.3**	**15,538.3**
Liabilities						
Financial liabilities at fair value through profit or loss						
Other short-term loan liabilities (note 33)	14.9	14.9	134.2	134.2	39.0	39.0
Total	**14.9**	**14.9**	**134.2**	**134.2**	**39.0**	**39.0**
Financial liabilities designated as hedged item in a fair value hedge						
Other long-term loan liabilities (note 30)[5]	7,251.7	7,770.8	3,295.4	3,295.4	3,928.4	3,928.4
Other short-term loan liabilities (note 33)	1,751.2	1,751.2	2,341.7	2,341.7	5,212.6	5,212.6
Total	**9,002.9**	**9,522.0**	**5,637.1**	**5,637.1**	**9,141.0**	**9,141.0**
Other financial liabilities						
Other long-term loan liabilities (note 30)	1,026.4	1,026.4	3,730.5	3,730.5	3,406.0	3,406.0
Other long-term liabilities (note 30)[3]	129.0	129.0	133.9	133.9	87.2	87.2
Other short-term loan liabilities (note 33)	986.2	986.2	3,932.8	3,932.8	3,363.3	3,363.3
Accounts payable	797.6	797.6	977.0	977.0	1,247.2	1,247.2
Other current liabilities[4]	2,697.4	2,697.4	2,585.7	2,585.7	2,834.6	2,834.6
Total	**5,636.6**	**5,636.6**	**11,359.9**	**11,359.9**	**10,938.3**	**10,938.3**
Derivatives designated for hedging						
Interest-bearing financial non-current assets (note 22)	12.1	12.1	–	–	13.1	13.1
Other interest-bearing current assets (note 27)	–	–	0.9	0.9	1,429.4	1,429.4
Total assets	**12.1**	**12.1**	**0.9**	**0.9**	**1,442.5**	**1,442.5**
Other short-term loan liabilities (note 33)	17.7	17.7	–	–	–	–
Other long-term loan liabilities (note 30)	79.4	79.4	122.5	122.5	14.6	14.6
Total liabilities	**97.1**	**97.1**	**122.5**	**122.5**	**14.6**	**14.6**
Net total	**–85.0**	**–85.0**	**–121.6**	**–121.6**	**1,427.9**	**1,427.9**
1 Excluding all pension balances (note 23)	*101.0*	*101.0*	*63.6*	*63.6*	*76.2*	*76.2*
2 Excluding prepaid expenses	*458.0*	*458.0*	*471.1*	*471.1*	*650.3*	*650.3*
3 Excluding pension balances (note 30)	*64.8*	*64.8*	*67.7*	*67.7*	*58.3*	*58.3*
4 Excluding staff-related accrued expenses	*5,505.1*	*5,505.1*	*5,782.1*	*5,782.1*	*5,610.8*	*5,610.8*

5 The difference between the carrying value and fair value of other long-term loan liabilities is due to the reduction in the margin on the MEUR 500 bond loan from 4.20 percent at issue to 0.90 percent at December 31, 2009.

Note 7. Transactions with related parties

Joint ventures

The Securitas Group includes only one company, Securitas Direct S.A. (Switzerland), in which its share of the voting rights is 50 percent. Due to the negligible impact of this company on the Group's earnings and financial position, it is not reported separately in the consolidated statement of income or balance sheet. The company is included under Other in the Group's segment reporting as per below:

MSEK	2009	2008	2007
Total sales	**59**	**52**	**45**
Operating income before amortization	**9**	**8**	**6**
Operating income after amortization	**9**	**8**	**6**
Operating non-current assets	11	12	9
Accounts receivable	5	4	4
Other assets	11	12	5
Other liabilities	17	18	9
Total operating capital employed	**10**	**10**	**9**
Goodwill	9	9	8
Total capital employed	**19**	**19**	**17**

Other

Information on the remuneration to the Board of Directors and Senior Management is provided in note 8. Information on total payroll expenses for the Board of Directors and the Presidents of the Group is provided in note 12.

For information on the Parent Company's transactions with related parties, refer to note 40 and note 43.

Note 8. Remuneration to the Board of Directors and senior management

General

Principles

The Chairman of the Board and the Directors receive fees in accordance with the decision of the Annual General Meeting. Separate fees are paid for committee work. Neither the President and CEO nor the employee representatives receive directors' fees.

The Annual General Meeting on May 7, 2009 decided upon guidelines for remuneration to senior management regarding 2009 in accordance with the following:

The fundamental principle is that remuneration and other terms of employment for management shall be competitive and in accordance with market conditions, in order to ensure that the Securitas Group will be able to attract and keep competent management employees.

The total remuneration to management shall consist of a fixed basic salary, variable remuneration, pensions and other benefits.

In addition to a fixed annual salary, the Group Management may also receive variable remuneration, based on the outcome in relation to financial goals and growth targets within the individual area of responsibility (Group or division) and agree with the interests of the shareholders. The variable remuneration shall amount to a maximum of 50 percent of the fixed annual salary for the President and CEO and a maximum of 35 to 200 percent of the fixed annual salary for other individuals of the Group Management.

The undertakings of the company as regards variable remuneration to the concerned individuals may, at maximal outcome within all divisions during 2009, amount to a maximum of MSEK 53.

The pension rights of management employees shall be applicable as from the age of 65 at the earliest and the entire Group Management shall be subject to defined contribution pension plans for which insurance premiums are transferred from the individual's total remuneration and paid by the company during the term of employment. Variable remuneration shall in principle not be pension qualifying income.

Other benefits, such as company car, special health insurance or occupational health service shall be provided to the extent this is considered customary for management employees holding equivalent positions on the employment market where the management employee is active.

At dismissal, the notice period for all management employees shall amount to a maximum of 12 months with a right to redundancy payment after the end of the notice period, equivalent to a maximum of 100 percent of the fixed salary for a period not exceeding 12 months. At resignation by a management employee, the notice period shall amount to a maximum of six months.

These guidelines shall apply to individuals who are included in the Group Management during the term of application of these guidelines. The guidelines shall apply to agreements entered into after the adoption by the Annual General Meeting, and to changes made in existing agreements after this date. The Board shall be entitled to deviate from the guidelines in individual cases if there are particular grounds for such deviation.

The Board of Directors proposal to the Annual General Meeting in May 2010 on guidelines for remuneration to senior management regarding 2010, is presented in the Report of the Board of Directors – Financial overview, in this Annual Report.

Planning and decision-making process
The Board's remuneration committee deals with all the above matters regarding the President and CEO and other members of Group Management, as well as other management levels if the committee so decides. The committee presents its proposals to the Board of Directors, which takes all decisions. The members of the remuneration committee are Melker Schörling (chairman) and until December 2009 Berthold Lindqvist. The committee held four meetings in 2009.

Board of Directors
For the 2009 financial year, the Chairman Melker Schörling received a director's fee, including committee work fee of MSEK 1.1. The other Directors received an aggregate director's fee, including committee work fee of MSEK 4.3. The remuneration for each member of the Board of Directors is disclosed in the tables below. The Board of Directors is otherwise not entitled to any other compensation except for travel and lodging expenses.

President and Chief Executive Officer
The President and CEO Alf Göransson, received in the financial year 2009, a fixed salary amounting to MSEK 11.0 and salary benefits of MSEK 0.1. The variable compensation relating to the 2009 performance amounted to MSEK 2.0 and will be paid in 2010.

The President and CEO has a defined contribution pension plan up to 30 percent of his annual fixed salary. The retirement age for the President and CEO is 65. In 2009 the pension costs for the President and CEO amounted to MSEK 3.2. No pension benefit is conditioned by future employment.

Upon dismissal, the notice period for the President and CEO amount to 12 months with a right to a severance pay after the end of the notice period, equivalent to 12 months fixed salary.

Other members of Group Management
The other 11 members of Group Management are; the Divisional Presidents Santiago Galaz (Security Services North America), Bart Adam (Security Services Europe), Morten Rønning (Mobile), Lucien Meeus (Monitoring), William Barthelemy (COO Security Services North America), Erik-Jan Jansen (COO Security Services Europe), Marc Pissens (Divisional President Aviation, from May 7, 2009), Olof Bengtsson (Senior Vice President Corporate Finance until December 31, 2009), Bengt Gustafson (Senior Vice President Chief Legal Counsel), Gisela Lindstrand (Senior Vice President Corporate Communications and Public Affairs) and Jan Lindström (Senior Vice President Finance).

In the 2009 financial year their aggregate fixed salaries amounted to MSEK 43.4 and other salary benefits to MSEK 1.8. The aggregate short-term variable compensation relating to the 2009 performance amounted to MSEK 13.1. This will be paid in 2010.

For Marc Pissens, who joined the Group Management on May 7, 2009, the compensation refer to as from this date.

These 11 members of Group Management have individual pension plans. The retirement age varies from country to country and pension plan. The retirement age is 65 to 67 years for seven members and for four members, no retirement age is specified.

As described under Principles above, members can allocate part of their remuneration to a defined contribution pension plan. All members have defined contribution pension plans for which pension premiums are allocated from the member's total remuneration and paid by the company during the term of employment. These premiums may vary but are limited to amounts deductible for tax purposes by the company. In 2009 the pension costs for these members of Group Management amounted to MSEK 6.1. No pension benefits are conditioned by future employment.

Three members have a Swedish defined benefit pension plan (ITP), but can also allocate part of their remuneration to a defined contribution plan. The Swedish defined benefit plan guarantees a lifetime pension from the age of 65. The pension compensation corresponds to a certain percentage of the final salary, the maximum pensionable income is MSEK 1.5 per employee. This pension benefit is funded through annual premiums paid by the company during the term of employment, and the pension cost for these three members in 2009 was MSEK 1.0 (included in the above stated total pension cost for the Group Management).

One member has a Norwegian defined benefit pension plan, but may also allocate part of the remuneration to a defined contribution plan. The Norwegian defined benefit plan guarantees a lifetime pension from the age of 67. The pension compensation corresponds to a certain percentage of the final salary, and the maximum pensionable income is MSEK 1.1. This pension benefit is funded through annual premiums paid by the company during the term of employment, and the pension cost in 2009 was MSEK 0.1 (included in the above stated total pension cost for the Group Management). The provision for the defined benefit plan for the member was net MSEK 0.8 as per December 31, 2009.

One member has a Dutch defined benefit pension plan. The Dutch defined benefit plan guarantees a lifetime pension from the age of 65. The pension compensation corresponds to a certain percentage of the final salary, and the maximum pensionable income corresponds to MSEK 2.1. This pension benefit is funded through annual premiums paid by the company during the term of employment, and the pension cost in 2009 was MSEK 0.3 (included in the above stated total pension cost for the Group Management). The provision for the defined benefit plan for the member was net MSEK 1.8 as per December 31, 2009.

Upon dismissal, the notice period and a right to a severance pay after the end of the notice period, is equivalent to a maximum of 24 months fixed salary, for the other members of Group Management.

Long-term incentive
There is no long-term incentive program in place for the President and CEO or for six other members of the Group Management.

For five other members of the Group Management long-term incentive plans exist in which the maximum bonus is limited to 50 to 100 percent of the fixed base salary. The bonus is based on the earnings development in the divisions for which the members are responsible. The long-term bonus plans are provided for during the performance year and paid out over the three following years. At resignation by a management employee, any unpaid long-term bonus will stay with the company. The 2009 provision for long-term bonus plans amounted to MSEK 0.0. The accumulated provision for these plans amounted to MSEK 7.1 as per December 31, 2009.

REMUNERATION TO THE BOARD OF DIRECTORS AND GROUP MANAGEMENT

REMUNERATION RELATED TO 2009:

KSEK	Base Salary/Fee	Other benefits	Short-term bonus	Long-term bonus[2]	Pension	Total remuneration
Melker Schörling, Chairman of the Board[1]	1,100	–	–	–	–	1,100
Carl Douglas, vice Chairman	725	–	–	–	–	725
Fredrik Cappelen[1]	550	–	–	–	–	550
Marie Ehrling[1]	650	–	–	–	–	650
Annika Falkengren	450	–	–	–	–	450
Stuart E. Graham	450	–	–	–	–	450
Berthold Lindqvist[1]	600	–	–	–	–	600
Fredrik Palmstierna	450	–	–	–	–	450
Sofia Schörling Högberg	450	–	–	–	–	450
Subtotal Board of Directors	**5,425**	**–**	**–**	**–**	**–**	**5,425**
President and CEO	10,994	92	2,020	–	3,240	16,346
Other members of Group Management (11 persons)[3]	43,380	1,856	13,116	0	6,085	64,437
Subtotal President and CEO and Group Management	**54,374**	**1,948**	**15,136**	**0**	**9,325**	**80,783**
Total	**59,799**	**1,948**	**15,136**	**0**	**9,325**	**86,208**

Above information refers to full year remuneration for the current Group Management, unless stated otherwise.
Other benefits include customary expatriate benefits. The Board of Directors have no pension benefits.

1 Including remuneration for committee work.
2 Refer to the cost for 2009, please find further reference under the section long-term incentive.
3 The compensation for one member who joined the Group Management on May 7, 2009 relates as from this date.

REMUNERATION RELATED TO 2008:

KSEK	Base Salary/Fee	Other benefits	Short-term bonus	Long-term bonus[2]	Pension	Total remuneration
Melker Schörling, Chairman of the Board[1]	1,100	–	–	–	–	1,100
Carl Douglas, vice Chairman	725	–	–	–	–	725
Fredrik Cappelen[1]	550	–	–	–	–	550
Marie Ehrling[1]	650	–	–	–	–	650
Annika Falkengren	450	–	–	–	–	450
Stuart E. Graham	450	–	–	–	–	450
Berthold Lindqvist[1]	600	–	–	–	–	600
Fredrik Palmstierna	450	–	–	–	–	450
Sofia Schörling Högberg	450	–	–	–	–	450
Subtotal Board of Directors	**5,425**	**–**	**–**	**–**	**–**	**5,425**
President and CEO	10,763	90	5,250	–	3,152	19,255
Other members of Group Management (10 persons)[3]	34,458	2,155	18,712	8,223	4,809	68,357
Subtotal President and CEO and Group Management	**45,221**	**2,245**	**23,962**	**8,223**	**7,961**	**87,612**
Total	**50,646**	**2,245**	**23,962**	**8,223**	**7,961**	**93,037**

Above information refers to full year remuneration for the current Group Management, unless stated otherwise.
Other benefits include customary expatriate benefits. The Board of Directors have no pension benefits.

1 Including remuneration for committee work.
2 Refer to the cost for 2008, please find further reference under the section long-term incentive.
3 The compensation for one member who joined the Group Management on May 1, 2008 relates as from this date.

Shareholdings

The Board of Director's and the Group Management's shareholdings through acquisitions on the stock market are detailed in the table below.

BOARD OF DIRECTORS' AND GROUP MANAGEMENT'S HOLDINGS OF SECURITAS SERIES A AND B SHARES[1]

	A shares	A shares	B shares	B shares
	2009	2008	2009	2008
Melker Schörling, Chairman of the Board[2]	4,500,000	4,500,000	16,001,500	16,001,500
Carl Douglas, vice Chairman[3]	12,642,600	12,642,600	29,770,000	29,509,080
Fredrik Cappelen	–	–	0	0
Marie Ehrling	–	–	4,000	4,000
Annika Falkengren	–	–	7,500	7,500
Stuart E. Graham	–	–	5,000	5,000
Berthold Lindqvist[4]	–	–	–	10,000
Fredrik Palmstierna	–	–	17,200	17,200
Sofia Schörling Högberg	–	–	2,400	2,400
Alf Göransson, President and CEO	–	–	30,000	30,000
Santiago Galaz	–	–	60,000	58,000
William Barthelemy	–	–	17,000	17,000
Bart Adam	–	–	4,500	4,500
Erik-Jan Jansen	–	–	0	0
Morten Rønning	–	–	152,337	152,337
Lucien Meeus	–	–	5,500	5,500
Marc Pissens[5]	–	–	0	–
Olof Bengtsson	–	–	26,756	26,756
Bengt Gustafson	–	–	0	0
Gisela Lindstrand	–	–	1,000	1,000
Jan Lindström	–	–	3,500	2,500
Total holdings	**17,142,600**	**17,142,600**	**46,108,193**	**45,854,273**

1 Information refers to shareholdings as of December 31, 2009 and 2008.
2 Holdings through Melker Schörling AB.
3 Holdings private and through Investment AB Latour, SÄKI AB, Förvaltnings AB Wasatornet and Karpalunds Ångbryggeri AB.
4 Berthold Lindqvist passed away in December 2009 and is not included in the Board of Directors as of December 31, 2009.
5 Marc Pissens has joined the Group Management during 2009 why earlier holdings is not stated.

Note 9. Segment reporting

Segment structure

The Group's operations are divided into three reportable segments, Security Services North America, Security Services Europe and Mobile and Monitoring, that provide the operational structure for governance, monitoring and reporting.

The previous segment Loomis is included in the Securitas Group up to December 8, 2008 and reported as discontinued operations. Further information is found in note 38.

All segments apply the accounting principles explained in note 2. Segment reporting follows the format of the Securitas' financial model, which provides a foundation for financial planning and reporting from branch office level up to the Board of Directors. Acquisitions of subsidiaries are therefore excluded from the operating cash flow. All material acquisitions are stated at business segment level in the financial overview under acquisitions.

Security Services North America

Security Services North America provides specialized guarding services in the USA, Canada and Mexico and consists of 18 business units; one organization for national and global accounts, ten geographical regions and four specialty customer segments (global enterprise solutions, government services, energy and healthcare) in the USA as well as Canada, Mexico and Pinkerton Consulting & Investigations (C&I). In total, there are 97 geographical areas, over 600 branch offices and approximately 100,000 employees. Security Services North America's service offering covers all segments in most industries.

Security Services Europe

Securitas' European guarding operation consists of Security Services Europe, providing specialized security and safety services for large and medium-sized customers in 24 countries, and Aviation, providing airport security services in 13 countries. The organization has over 800 branch offices and more than 110,000 employees. The customers' operations and businesses range from financial services, retail, energy, healthcare and the public sector to special events. Aviation provides specialized services for airports, airport-related businesses and airlines.

Mobile and Monitoring

Mobile provides mobile security services for small and medium-sized businesses, such as beat patrol and call-out services, while Monitoring provides electronic alarm surveillance services. Mobile operates in 11 countries across Europe and has approximately 8,900 employees in 28 areas and 327 branches. Monitoring, also called Securitas Alert Services, operates in 11 countries across Europe and has approximately 900 employees.

Other

Other includes all other operating segments as well as general administrative expenses, expenses for head offices and other central expenses. All other operating segments comprise the Group's joint venture Securitas Direct S.A. (Switzerland) as well as the guarding operations in Latin America, the Middle East, Asia and Africa.

JANUARY – DECEMBER 2009

MSEK	Security Services North America	Security Services Europe	Mobile and Monitoring	Other	Total segments	Eliminations	**Group**
Income							
Sales, external	23,530	31,471	5,860	1,806	62,667	–	62,667
Sales, intra-group	–	83	271	–	354	-354	–
Total sales	**23,530**	**31,554**	**6,131**	**1,806**	**63,021**	**-354**	**62,667**
Organic sales growth, %	*-4*	*0*	*3*	–	–	–	*-1*
Operating income before amortization	**1,400**	**1,814**	**726**	**-184**	**3,756**	**–**	**3,756**
of which share in income of associated companies	–	*0*	–	*-4*	*-4*	–	*-4*
Operating margin, %	*5.9*	*5.7*	*11.8*	–	–	–	*6.0*
Amortization of acquisition related intangible assets	-20	-51	-47	-20	-138	–	-138
Acquisition related restructuring costs	–	–	–	-6	-6	–	-6
Items affecting comparability	–	–	–	–	–	–	–
Operating income after amortization	**1,380**	**1,763**	**679**	**-210**	**3,612**	**–**	**3,612**
Financial income and expenses	–	–	–	–	–	–	-590
Revaluation of financial instruments	–	–	–	–	–	–	0
Income before taxes	**–**	**–**	**–**	**–**	**–**	**–**	**3,022**
Taxes	–	–	–	–	–	–	-904
Net income for the year, continuing operations	**–**	**–**	**–**	**–**	**–**	**–**	**2,118**
Net income for the year, discontinued operations	–	–	–	–	–	–	–
Net income for the year, all operations	**–**	**–**	**–**	**–**	**–**	**–**	**2,118**
Operating cash flow							
Operating income before amortization	**1,400**	**1,814**	**726**	**-184**	**3,756**	**–**	**3,756**
Investments in non-current tangible and intangible assets	-162	-379	-349	-61	-951	–	-951
Reversal of depreciation	158	432	309	29	928	–	928
Change in operating capital employed	-225	-21	31	-143	-358	–	-358
Cash flow from operating activities	**1,171**	**1,846**	**717**	**-359**	**3,375**	**–**	**3,375**
Cash flow from operating activities, %	*84*	*102*	*99*	–	–	–	*90*
Capital employed and financing							
Operating non-current assets	597	1,432	840	196	3,065	–	3,065
Accounts receivable	3,096	5,366	582	402	9,446	-83	9,363
Other assets	242	741	215	1,897	3,095	-53	3,042
Other liabilities	-3,039	-6,656	-1,475	-1,813	-12,983	136	-12,847
Total operating capital employed	**896**	**883**	**162**	**682**	**2,623**	**–**	**2,623**
Operating capital employed as % of sales	*4*	*3*	*3*	–	–	–	*4*
Goodwill	6,145	4,870	1,985	559	13,559	–	13,559
Acquisition related intangible assets	74	399	206	216	895	–	895
Shares in associated companies	–	–	–	132	132	–	132
Total capital employed	**7,115**	**6,152**	**2,353**	**1,589**	**17,209**	**–**	**17,209**
Return on capital employed, %	*20*	*29*	*31*	–	–	–	*22*
Net debt	–	–	–	–	–	–	-8,388
Shareholders' equity	–	–	–	–	–	–	8,821
Total financing	**–**	**–**	**–**	**–**	**–**	**–**	**17,209**
Net debt equity ratio/multiple	–	–	–	–	–	–	*0.95*
Assets and liabilities							
Non-interest bearing assets	10,154	12,808	3,828	1,510	28,300	-136	28,164
Unallocated non-interest bearing assets[1]	–	–	–	–	–	–	1,892
Unallocated interest-bearing assets	–	–	–	–	–	–	2,740
Total assets	**–**	**–**	**–**	**–**	**–**	**–**	**32,796**
Shareholders' equity	**–**	**–**	**–**	**–**	**–**	**–**	**8,821**
Non-interest bearing liabilities	3,039	6,656	1,475	780	11,950	-136	11,814
Unallocated non-interest-bearing liabilities[1]	–	–	–	–	–	–	1,033
Unallocated interest-bearing liabilities	–	–	–	–	–	–	11,128
Total liabilities	**–**	**–**	**–**	**–**	**–**	**–**	**23,975**
Total shareholders' equity and liabilities	**–**	**–**	**–**	**–**	**–**	**–**	**32,796**

1 Included in Other in the table Capital employed and financing.

JANUARY – DECEMBER 2008

MSEK	Security Services North America	Security Services Europe	Mobile and Monitoring	Other	Total segments	Eliminations	Group
Income							
Sales, external	21,327	28,627	5,320	1,298	56,572	–	56,572
Sales, intra-group	–	110	226	–	336	-336	–
Total sales	**21,327**	**28,737**	**5,546**	**1,298**	**56,908**	**-336**	**56,572**
Organic sales growth, %	*3*	*7*	*8*	–	–	–	*6*
Operating income before amortization	**1,218**	**1,635**	**647**	**–229**	**3,271**	**–**	**3,271**
of which share in income of associated companies	–	*0*	–	*0*	*0*	–	*0*
Operating margin, %	*5.7*	*5.7*	*11.7*	–	–	–	*5.8*
Amortization of acquisition related intangible assets	–10	–38	–41	–13	–102	–	–102
Acquisition related restructuring costs	–	–36	–14	–3	–53	–	–53
Items affecting comparability	–	–	–	–29	–29	–	–29
Operating income after amortization	**1,208**	**1,561**	**592**	**–274**	**3,087**	**–**	**3,087**
Financial income and expenses	–	–	–	–	–	–	–473
Revaluation of financial instruments	–	–	–	–	–	–	3
Income before taxes	**–**	**–**	**–**	**–**	**–**	**–**	**2,617**
Taxes	–	–	–	–	–	–	–727
Net income for the year, continuing operations	**–**	**–**	**–**	**–**	**–**	**–**	**1,890**
Net income for the year, discontinued operations	–	–	–	–	–	–	432
Net income for the year, all operations	**–**	**–**	**–**	**–**	**–**	**–**	**2,322**
Operating cash flow							
Operating income before amortization	**1,218**	**1,635**	**647**	**–229**	**3,271**	**–**	**3,271**
Investments in non-current tangible and intangible assets	–132	–460	–325	–60	–977	–	–977
Reversal of depreciation	144	390	278	28	840	–	840
Change in operating capital employed	–126	370	1	–130	115	–	115
Cash flow from operating activities	**1,104**	**1,935**	**601**	**-391**	**3,249**	**–**	**3,249**
Cash flow from operating activities, %	*91*	*118*	*93*	–	–	–	*99*
Capital employed and financing							
Operating non-current assets	588	1,550	804	175	3,117	–	3,117
Accounts receivable	3,523	5,590	641	295	10,049	-86	9,963
Other assets	250	647	188	2,596	3,681	-146	3,535
Other liabilities	-3,627	-6,907	-1,465	-1,888	-13,887	232	-13,655
Total operating capital employed	**734**	**880**	**168**	**1,178**	**2,960**	**–**	**2,960**
Operating capital employed as % of sales	*3*	*3*	*3*	–	–	–	*5*
Goodwill	6,680	4,995	2,049	380	14,104	–	14,104
Acquisition related intangible assets	40	318	239	154	751	–	751
Shares in associated companies	–	0	–	105	105	–	105
Total capital employed	**7,454**	**6,193**	**2,456**	**1,817**	**17,920**	**–**	**17,920**
Return on capital employed, %	*16*	*26*	*26*	–	–	–	*18*
Net debt	–	–	–	–	–	–	-9,413
Shareholders' equity	–	–	–	–	–	–	8,507
Total financing	**–**	**–**	**–**	**–**	**–**	**–**	**17,920**
Net debt equity ratio/multiple	–	–	–	–	–	–	*1.11*
Assets and liabilities							
Non-interest bearing assets	11,081	13,100	3,921	1,193	29,295	-232	29,063
Unallocated non-interest bearing assets[1]	–	–	–	–	–	–	2,511
Unallocated interest-bearing assets	–	–	–	–	–	–	4,145
Total assets	**–**	**–**	**–**	**–**	**–**	**–**	**35,719**
Shareholders' equity, all operations	**–**	**–**	**–**	**–**	**–**	**–**	**8,507**
Non-interest bearing liabilities	3,627	6,907	1,465	840	12,839	-232	12,607
Unallocated non-interest-bearing liabilities[1]	–	–	–	–	–	–	1,048
Unallocated interest-bearing liabilities	–	–	–	–	–	–	13,557
Total liabilities	**–**	**–**	**–**	**–**	**–**	**–**	**27,212**
Total shareholders' equity and liabilities	**–**	**–**	**–**	**–**	**–**	**–**	**35,719**

1 Included in Other in the table Capital employed and financing.

GEOGRAPHICAL INFORMATION

	Total sales from external customers[1]		Non-current assets[2]	
MSEK	2009	2008	2009	2008
USA	21,536	19,467	6,522	7,095
France	6,572	5,930	2,166	2,222
Spain	6,122	6,023	–[3]	–[3]
Sweden[4]	3,814	3,615	873	877
Germany	–[3]	–[3]	2,164	2,290
Netherlands	–[3]	–[3]	2,019	2,185
All other countries[5]	24,623	21,537	3,804	3,345
Total countries	**62,667**	**56,572**	**17,548**	**18,014**
Non-current assets not listed by country[2]	–	–	1,849	2,179
Total non-current assets	**–**	**–**	**19,397**	**20,193**

1 Based on the location of sales offices and corresponds in all material aspects to the geographical location of the customers.
2 Financial instruments, deferred tax assets and post-employment benefit assets are not specified by country. These are instead reported on the line Non-current assets not listed by country.
3 Not disclosed as amount is less than 10 percent of sales or non-current assets.
4 Disclosed as Sweden is the company's country of domicile.
5 Including elimination of intra-group sales.

Note 10. Allocation of revenue

Sales

The Group's revenue is generated from a range of guarding services. The sale of alarm products is limited in extent. After the dividend of Loomis on December 8, 2008, revenue from cash handling services is also limited in extent. In the comparatives, revenue related to Loomis is included on the line net income for the year, discontinued operations. This revenue is thus not included in the Group's total sales. The breakdown of sales by segment is provided in note 9.

Other operating income

Other operating income consists 2009 in its entirety of trade mark fees from Securitas Direct AB, while the comparatives also include trade mark fees from Niscayah Group AB (former Securitas Systems AB). Trade mark fees from Niscayah Group AB ceased in November 2008.

Financial income

Interest income is accounted for in the statement of income in the period to which it is attributable. Financial income and expenses are specified in note 14.

Note 11. Operating expenses

STATEMENT OF INCOME CLASSIFIED ACCORDING TO TYPE OF COST IN SUMMARY

MSEK	2009	2008	2007
Total sales	**62,666.7**	**56,571.6**	**51,536.1**
Other operating income	11.3	18.7	18.2
Salaries (note 12)	–41,435.0	–37,436.8	–34,490.0
Social benefits (note 12)	–9,283.2	–8,409.3	–7,718.9
Depreciation and amortization (notes 13, 18, 19, 20)	–1,065.8	–942.1	–865.5
Impairment losses (notes 17, 18, 19, 20)	–	–	–349.9
Bad debt losses (note 25)	–141.2	–69.4	–13.0
Other operating expenses	–7,140.5	–6,646.1	–5,748.2
Total operating expenses	**–59,065.7**	**–53,503.7**	**–49,185.5**
Operating income	**3,612.3**	**3,086.6**	**2,368.8**

ITEMS AFFECTING COMPARABILITY

MSEK	2009	2008	2007
Bad debt losses	–	–	50.1[1]
Provisions	–	–	–128.2[2]
Other items	–	–29.3[3]	–
Total items affecting comparability	**–**	**–29.3**	**–78.1**

1 Globe/Federal Aviation Administration.
2 Overtime compensation in Spain.
3 Listing costs for Loomis AB.

ITEMS AFFECTING COMPARABILITY ALLOCATED PER FUNCTION[1]

MSEK	2009	2008	2007
Production expenses	–	–	–78.1
Selling and administrative expenses	–	–29.3	–
Total items affecting comparability allocated per function	**–**	**–29.3**	**–78.1**

1 Illustrates how items affecting comparability would have been classified per function in the statement of income if the items had not been disclosed separately on the face of the statement of income.

ITEMS AFFECTING COMPARABILITY ALLOCATED PER SEGMENT

MSEK	2009	2008	2007
Security Services North America	–	–	50.1
Security Services Europe	–	–	–124.4
Mobile and Monitoring	–	–	–3.8
Other	–	–29.3	–
Total items affecting comparability allocated per segment	**–**	**–29.3**	**–78.1**

CASH FLOW IMPACT FROM ITEMS AFFECTING COMPARABILITY

MSEK	2009	2008	2007
Items affecting comparability according to the statement of income	–	–29.3	–78.1
Cash flow[1]	–12.0	–110.8	–15.1
Adjustment for effect on cash flow from items affecting comparability	**–12.0**	**–81.5**	**63.0**

1 For the 2009 cash flow MSEK –9.3 relates to premises in Germany and –2.7 to other items affecting comparability. For the 2008 cash flow MSEK –78.5 relates to the cash settlement with the bankruptcy estate of Esabe in Spain, MSEK –29.1 to listing costs for Loomis and MSEK –3.2 to other items affecting comparability. For the 2007 cash flow MSEK 50.1 relates to Globe/FAA, MSEK –58.7 to the listing of Securitas Direct and Systems project and the re-location of the head office and MSEK –6.5 to other items affecting comparability.

ACQUISITION RELATED RESTRUCTURING COSTS ALLOCATED PER FUNCTION[1]

MSEK	2009	2008	2007
Production expenses	–1.2	–19.6	–0.9
Selling and administrative expenses	–4.7	–33.0	–1.2
Total acquisition related restructuring costs allocated per function	**–5.9**	**–52.6**	**–2.1**

1 Illustrates how acquisition related restructuring costs would have been classified per function in the statement of income if the items had not been disclosed separately on the face of the statement of income.

ACQUISITION RELATED RESTRUCTURING COSTS ALLOCATED PER SEGMENT

MSEK	2009	2008	2007
Security Services North America	–	–	–
Security Services Europe	0.1	–36.0	–0.4
Mobile and Monitoring	–	–13.4	–1.2
Other	–6.0	–3.2	–0.5
Total acquisition related restructuring costs allocated per segment	**–5.9**	**–52.6**	**–2.1**

AUDIT FEES AND REIMBURSEMENTS

MSEK	2009	2008	2007
PricewaterhouseCoopers			
– audit assignments	28.4	29.0	30.9
– other assignments[1]	23.9[2]	23.4[2]	23.7[2]
Total PricewaterhouseCoopers	**52.3**	**52.4**	**54.6**
Other auditors			
– audit assignments	1.1	0.8	5.2
Total	**53.4**	**53.2**	**59.8**

1 Fees for other assignments performed by PricewaterhouseCoopers include fees for audit related advisory services relating to accounting including IFRS, IT, tax, acquisitions, divestments and matters relating to the Group's internal bank.
2 In addition MSEK 1.5 (9.7 and 0.0) in other assignments to PricewaterhouseCoopers has been capitalized, making the total MSEK 25.4 (33.1 and 23.7) on page 123.

Operating leasing contracts and rental contracts

Fees expensed during the year for operating leases for buildings, vehicles and machinery and equipment amounted to MSEK 819.4 (813.8 and 625.4). The nominal value of contractual future minimum lease payments are distributed as follows:

MSEK	2009	2008	2007
Maturity < 1 year	652.6	651.8	539.5
Maturity 1–5 years	1,465.4	1,478.3	1,222.8
Maturity > 5 years	604.3	577.4	733.1

EXCHANGE RATE DIFFERENCES, NET[1]

MSEK	2009	2008	2007
Exchange rate differences included in operating income amounted to:	–3.6	–1.3	–1.2

1 Exchange rate differences included in net financial items are stated in note 14.

Note 12. Personnel

AVERAGE NUMBER OF YEARLY EMPLOYEES; DISTRIBUTION BETWEEN WOMEN AND MEN

	Women			Men			Total		
	2009	2008	2007	2009	2008	2007	2009	2008	2007
Nordic region	3,662	3,779	3,238	9,917	10,030	9,241	13,579	13,809	12,479
Europe excluding Nordic region	18,450	17,345	16,953	76,842	75,826	71,560	95,292	93,171	88,513
North America	22,631	25,068	26,479	70,115	72,322	73,804	92,746	97,390	100,283
Rest of world	1,832	1,146	3,419	20,205	15,959	6,765	22,037	17,105	10,184
Total	**46,575**	**47,338**	**50,089**	**177,079**	**174,137**	**161,370**	**223,654**	**221,475**	**211,459**

In 2009, the number of Board members and Presidents was 113 (105, 140), of whom 7 (6, 12) were women.

STAFF COSTS FOR BOARDS OF DIRECTORS AND PRESIDENTS

	2009			2008			2007			Of which bonuses		
MSEK	Salaries	Social benefits	(of which pensions)	Salaries	Social benefits	(of which pensions)	Salaries	Social benefits	(of which pensions)	2009	2008	2007
Nordic region	61.7	28.6	(9.4)	70.9	29.4	(5.3)	58.9	20.0	(3.2)	15.8	24.6	14.4
Europe excluding Nordic region	114.0	25.6	(5.9)	107.1	25.4	(4.7)	76.8	21.3	(2.6)	36.9	39.4	23.3
North America	63.9	20.6	(11.4)	82.5	17.1	(10.3)	90.3	14.6	(8.7)	14.2	37.5	47.5
Rest of world	12.0	2.4	(0.1)	3.8	0.4	(0.0)	3.9	–	(–)	1.5	0.5	0.8
Total	**251.6**	**77.2**	**(26.8)**	**264.3**	**72.3**	**(20.3)**	**229.9**	**55.9**	**(14.5)**	**68.4**	**102.0**	**86.0**

STAFF COSTS FOR OTHER EMPLOYEES

	2009			2008			2007		
MSEK	Salaries	Social benefits	(of which pensions)	Salaries	Social benefits	(of which pensions)	Salaries	Social benefits	(of which pensions)
Nordic region	4,487.5	1,296.0	(290.2)	4,142.5	1,231.7	(252.3)	3,712.5	1,204.9	(233.9)
Europe excluding Nordic region	18,248.4	4,942.2	(171.9)	16,504.7	4,511.6	(139.4)	14,589.5	4,040.0	(104.0)
North America	17,319.0	2,750.6	(15.4)	15,771.7	2,390.5	(–7.4)	15,627.8	2,313.6	(–9.3)
Rest of world	1,128.5	217.2	(12.5)	753.6	203.2	(9.9)	330.3	104.5	(1.6)
Total	**41,183.4**	**9,206.0**	**(490.0)**	**37,172.5**	**8,337.0**	**(394.2)**	**34,260.1**	**7,663.0**	**(330.2)**

TOTAL STAFF COSTS: BOARDS OF DIRECTORS, PRESIDENTS AND OTHER EMPLOYEES

	2009			2008			2007		
MSEK	Salaries	Social benefits	(of which pensions)	Salaries	Social benefits	(of which pensions)	Salaries	Social benefits	(of which pensions)
Nordic region	4,549.2	1,324.6	(299.6)	4,213.4	1,261.1	(257.6)	3,771.4	1,224.9	(237.1)
Europe excluding Nordic region	18,362.4	4,967.8	(177.8)	16,611.8	4,537.0	(144.1)	14,666.3	4,061.3	(106.6)
North America	17,382.9	2,771.2	(26.8)	15,854.2	2,407.6	(2.9)	15,718.1	2,328.2	(–0.6)
Rest of world	1,140.5	219.6	(12.6)	757.4	203.6	(9.9)	334.2	104.5	(1.6)
Total	**41,435.0**	**9,283.2**	**(516.8)**	**37,436.8**	**8,409.3**	**(414.5)**	**34,490.0**	**7,718.9**	**(344.7)**

A complete specification of the average number of yearly employees and salary costs by country is provided in the annual report submitted to the Swedish Companies Registration Office. Further information regarding the Group's pensions and other long-term employee benefits is provided in note 31.

Note 13. Depreciation and amortization

MSEK	2009	2008	2007
Software licences	55.8	50.1	45.4
Other intangible assets	20.5	18.1	11.3
Buildings	21.0	16.0	16.2
Machinery and equipment	830.2	755.7	702.7
Total depreciation and amortization	**927.5**	**839.9**	**775.6**

DEPRECIATION AND AMORTIZATION FOR THE YEAR IS DISTRIBUTED IN THE STATEMENT OF INCOME AS BELOW:

MSEK	2009	2008	2007
Depreciation of tangible non-current assets			
Production expenses	596.0	543.8	491.3
Selling and administrative expenses	255.2	227.9	227.6
Total depreciation of tangible non-current assets	**851.2**	**771.7**	**718.9**
Amortization of intangible assets			
Production expenses	27.2	27.4	14.8
Selling and administrative expenses	49.1	40.8	41.9
Total amortization of intangible assets	**76.3**	**68.2**	**56.7**
Total depreciation and amortization	**927.5**	**839.9**	**775.6**

Note 14. Net financial items

MSEK	2009	2008	2007
Interest income from financial assets at fair value through profit or loss	9.9	22.0	21.1
Interest income from loans and receivables	57.0	297.0	284.0
Interest income from derivatives designated for hedging	0.9	205.7	161.6
Total interest income	**67.8**	**524.7**	**466.7**
Revaluation of financial instruments	0.1	2.7	–
Other financial income	5.5	11.2	–
Exchange rate differences, net[1]	2.4	2.0	–
Total financial income	**75.8**	**540.6**	**466.7**
Interest expenses from financial liabilities at fair value through profit or loss	–14.3	–27.3	–10.2
Interest expenses from financial liabilities designated as hedged item in a fair value hedge	–261.5	–336.3	–493.0
Interest expenses from derivatives designated for hedging	–116.9	–186.8	–71.0
Interest expenses from other financial liabilities	–239.3	–433.9	–346.4
Total interest expenses	**–632.0**	**–984.3**	**–920.6**
Revaluation of financial instruments	–0.5	–	–6.7
Other financial expenses	–33.1	–25.9	–20.3
Exchange rate differences, net[1]	–	–	–1.0
Total financial expenses	**–665.6**	**–1,010.2**	**–948.6**
Share in income of associated companies	**–**	**–**	**2.2**
Net financial items	**–589.8**	**–469.6**	**–479.7**
Of which revaluations estimated with the use of valuation methods	–0.4	1.1	–3.9

1 Exchange rate differences included in operating income are reported in note 11.

Note 15. Taxes

Statement of income

TAX EXPENSE

MSEK	2009	%	2008	%	2007	%
Tax on income before taxes						
– current taxes	–715.4	*–23.7*	–651.8	*–24.9*	–425.2	*–22.5*
– deferred taxes	–189.1	*–6.2*	–75.3	*–2.9*	–109.9	*–5.8*
Total tax expense	**–904.5**	***–29.9***	**–727.1**	***–27.8***	**–535.1**	***–28.3***

The Swedish corporate tax rate was 26.3 percent in 2009 and 28 percent in 2008 and 2007.

The 2009 tax rate amounted to 29.9 percent. The Spanish tax authorities have, in a tax resolution in June 2009, challenged certain interest expense deductions made by the Group in Spain. To avoid future challenges, the Group has adjusted the capitalization in Securitas Spain. Because of this, the tax rate was increased in the full year by 0.6 percentage points. For further information refer to note 37.

The 2008 tax rate was 27.8 percent, similar to the tax rate adjusted for tax on items affecting comparability.

The 2007 tax rate was 28.3 percent. Adjusted for non-deductible impairment of goodwill and tax on items affecting comparability the tax rate was 23.9 percent. Adjusted also for a revaluation charge of deferred tax assets pertaining to tax losses due to German tax reform the underlying rate, which is the relevant rate for comparison, was 21.5 percent in 2007.

DIFFERENCE BETWEEN STATUTORY SWEDISH TAX RATE AND ACTUAL TAX EXPENSE FOR THE GROUP

MSEK	2009	%	2008	%	2007	%
Tax based on Swedish tax rate	–795	*–26.3*	–733	*–28.0*	–529	*–28.0*
Difference between tax rate in Sweden and weighted tax rates for foreign subsidiaries	–72	*–2.4*	118	*4.5*	219	*11.6*
Tax related to previous years	–3	*–0.1*	–87	*–3.3*	43	*2.3*
Non-deductible impairment losses of goodwill	–	–	–	–	–98	*–5.2*
Write down of tax losses in Germany	–	–	–	–	–107	*–5.7*
Valuation of previously unvalued tax losses	11	*0.4*	43	*1.6*	–	–
Revaluation of deferred tax following a change in tax rate[1]	–1	*0.0*	–38	*–1.4*	–55	*–2.9*
Other non-deductible items	–49	*–1.6*	–36	*–1.4*	–12	*–0.6*
Other tax exempt items	5	*0.1*	6	*0.2*	4	*0.2*
Actual tax expense	**–904**	***–29.9***	**–727**	***–27.8***	**–535**	***–28.3***

1 2008 concerns losses in Sweden and 2007 concerns losses in Germany.

Provisions have been made for taxes from anticipated dividends coming from the subsidiaries to the Parent Company next year. Tax expense that may arise from dividends out of the remaining distributable earnings have not been provided for. If distributed the tax expense arising would amount to MSEK 13.

Balance sheet

CURRENT TAX ASSETS/LIABILITIES

MSEK	2009	2008	2007
Current tax assets	304.5	505.6	378.6
Current tax liabilities	338.0	487.4	392.6
Current tax assets/liabilities, net	**–33.5**	**18.2**	**–14.0**

DEFERRED TAX ASSETS WERE ATTRIBUTABLE TO:

MSEK	2009	2008	2007
Pension provisions and employee-related liabilities	641.1	695.1	605.8
Liability insurance-related claims reserves	37.8	16.1	32.9
Tax loss carryforwards	603.3	810.0	525.8
Tax-deductible goodwill	176.0	215.4	212.8
Machinery and equipment	88.9	88.0	116.4
Other temporary differences	157.4	250.7	323.8
Total deferred tax assets	**1,704.5**	**2,075.3**	**1,817.5**
Whereof deferred tax assets expected to be used within twelve months	486.4	289.4	–
Net accounting[1]	–117.6	–110.5	–184.1
Total deferred tax assets according to balance sheet	**1,586.9**	**1,964.8**	**1,633.4**

1 Deferred tax assets and liabilities are reported in the balance sheet partly on a net basis after considering the set-off possibilities.

DEFERRED TAX ASSETS CHANGE ANALYSIS

MSEK	2009	2008	2007
Opening balance deferred tax assets	**2,075.3**	**1,817.5**	**2,241.6**
Change due to:			
Deferred tax recognized in the income statement	–265.5	147.0	–338.1
Changed tax rate	–0.7	–37.6	–59.2
Acquisitions	1.9	192.0	–10.6
Recognized in other comprehensive income	–12.9	300.1	–21.7
Discontinued operations	–	–346.9	–
Translation differences	–93.6	3.2	5.5
Closing balance deferred tax assets	**1,704.5**	**2,075.3**	**1,817.5**
Change during year	**–370.8**	**257.8**	**–424.1**

DEFERRED TAX ASSETS CHANGE ANALYSIS PER CATEGORY IN 2009

MSEK	Opening balance	Deferred tax recognized in the income statement	Changed tax rate	Acquisitions	Recognized in other comprehensive income	Translation differences	Closing balance
Pension provisions and employee-related liabilities	695.1	–20.1	–0.7	0.5	–7.3	–26.4	641.1
Liability insurance-related claims reserves	16.1	22.5	0.0	–	–	–0.8	37.8
Tax loss carryforwards	810.0	–180.2	–	1.2	–	–27.7	603.3
Tax-deductible goodwill	215.4	–13.3	–	–	–	–26.1	176.0
Machinery and equipment	88.0	–5.1	–	–	–	6.0	88.9
Other temporary differences	250.7	–69.3	–	0.2	–5.6	–18.6	157.4
Total deferred tax assets	**2,075.3**						**1,704.5**
Change during year		**–265.5**	**–0.7**	**1.9**	**–12.9**	**–93.6**	**–370.8**

DEFERRED TAX LIABILITIES WERE ATTRIBUTABLE TO:

MSEK	2009	2008	2007
Pension provisions and employee-related liabilities	8.6	10.4	8.7
Acquisition related intangible assets	235.4	221.1	194.5
Machinery and equipment	28.0	28.0	113.0
Other temporary differences	125.1	60.8	111.0
Total deferred tax liabilities	**397.1**	**320.3**	**427.2**
Whereof deferred tax liabilities expected to be used within twelve months	140.2	120.7	–
Net accounting[1]	–117.6	–110.5	–184.1
Total deferred tax liabilities according to balance sheet	**279.5**	**209.8**	**243.1**
Deferred tax assets/liabilities, net	**1,307.4**	**1,755.0**	**1,390.3**

1 Deferred tax assets and liabilities are reported in the balance sheet partly on a net basis after considering the set-off possibilities.

DEFERRED TAX LIABILITIES CHANGE ANALYSIS

MSEK	2009	2008	2007
Opening balance deferred tax liabilities	**320.3**	**427.2**	**459.1**
Change due to:			
Deferred tax recognized in the income statement	19.2	29.9	–42.4
Changed tax rate	0.0	0.0	1.2
Acquisitions	57.5	20.7	–8.0
Divestitures	–	5.1	–14.7
Recognized in other comprehensive income	–	28.4	32.5
Translation differences	0.1	–	–0.5
Discontinued operations	–	–191.0	–
Closing balance deferred tax liabilities	**397.1**	**320.3**	**427.2**
Change during year	**76.8**	**–106.9**	**–31.9**

DEFERRED TAX LIABILITIES CHANGE ANALYSIS PER CATEGORY IN 2009

MSEK	Opening balance	Deferred tax recognized in the income statement	Changed tax rate	Acquisitions	Translation differences	Closing balance
Pension provisions and employee-related liabilities	10.4	–1.3	–	0.1	–0.6	8.6
Acquisition related intangible assets	221.1	–35.7	–	57.4	–7.4	235.4
Machinery and equipment	28.0	–1.0	0.0	0.0	1.0	28.0
Other temporary differences	60.8	57.2	–	–	7.1	125.1
Total deferred tax liabilities	**320.3**					**397.1**
Change during year		**19.2**	**0.0**	**57.5**	**0.1**	**76.8**

Changes in deferred taxes between 2008 and 2009 are mainly explained by use of losses in Sweden. Changes in deferred taxes between 2007 and 2008 are mainly explained by an increase in losses in Sweden. There are no unrecognized temporary differences related to subsidiaries, associated companies or joint ventures. Provisions for taxes are reported in note 32.

Tax loss carryforwards

On December 31, 2009 subsidiaries in primarily Sweden and Germany had tax loss carryforwards of MSEK 2,852 (3,665 and 3,324). These tax loss carryforwards expire as follows:

TAX LOSS CARRYFORWARDS

2011	0
2012–	18
Unlimited duration	2,834
Total tax loss carryforwards	**2,852**

Deferred tax assets related to tax losses are accounted for when it is probable that they can be utilised by future profits. As of December 31, 2009, tax loss carryforwards for which deferred tax assets had been recognised amounted to MSEK 2,198 (2,936 and 1,754) and deferred tax assets related to the tax losses amounted to MSEK 603 (810 and 526). Tax losses can be used to reduce future taxable income. Their future utilization does not mean a lower tax expense for the Group.

TAX EFFECTS ON OTHER COMPREHENSIVE INCOME

MSEK	2009	2008	2007
Deferred tax on actuarial gains and losses	–7.2	250.2	–14.3
Deferred tax on cash flow hedges	–20.3	50.7	8.0
Deferred tax on net investment hedges	–91.0	90.5	–29.1
Deferred tax on other comprehensive income	**–118.5**	**391.4**	**–35.4**

Note 16. Acquisition and divestment of subsidiaries and impairment testing

Acquisition and divestment of subsidiaries

Acquisition calculations are subject to final adjustment up to one year after the date of acquisition. Acquisition related intangible assets (excluding goodwill) can include various types of intangible assets, such as marketing-related, customer-related, contract-related and technology-based intangible assets.

MSEK	Purchase price[1]	Acquired net debt	Enterprise value[2]	Goodwill	Acquisition related intangible assets	Operating capital employed	Shares in associated companies	Total capital employed
Akal Security Hawaii, USA	–13.1	–	–13.1	–	13.8	–0.7	–	13.1
Moore Security, USA	–38.6	–	–38.6	–	38.7	–0.1	–	38.6
World Wide Security, Chile	–70.1	–10.4	–80.5	42.0	26.9	11.6	–	80.5
MKB Tactical, South Africa	–4.2	0.1	–4.1	5.8	–	–1.7	–	4.1
Interlabora, Spain	–75.1	4.3	–70.8	66.6	63.9	–59.7	–	70.8
Vigilan, Argentina	–39.2	–3.1	–42.3	85.7	35.3	–78.7	–	42.3
Socovig, Colombia	–32.5	–7.1	–39.6	22.1	10.0	7.5	–	39.6
Guardforce, Hong Kong	–18.4	–	–18.4	9.4	8.9	0.1	–	18.4
Ferssa Group, France	–34.1	–1.0	–35.1	14.2	41.8	–20.9	–	35.1
GMCE Gardiennage, Morocco	–13.3	0.7	–12.6	14.6	8.2	–10.2	–	12.6
Dora Security, Czech Republic	–90.3	6.4	–83.9	53.4	25.1	5.4	–	83.9
Grupo Argos, Mexico	–18.2	–	–18.2	19.1	3.8	–4.7	–	18.2
Gordon, Serbia	–34.1	1.7	–32.4	20.7	10.1	1.6	–	32.4
Long Hai Security, Vietnam	–29.1	–	–29.1	–	–	–6.6	35.7	29.1
Tecniserv, Spain	–50.7	13.0	–37.7	58.2	25.4	–45.9	–	37.7
Other acquisitions and adjustments[3]	–170.3	3.1	–167.2	46.9	16.0	104.3	–	167.2
Total acquisitions	**–731.3**	**7.7**	**–723.6**	**458.7**	**327.9**	**–98.7**	**35.7**	**723.6**
Liquid funds according to acquisition analyses	39.7							
Total effect on Group's liquid funds	**–691.6**							

1 Price paid to seller.
2 Purchase price paid plus acquired net debt.
3 Guardias Blancas, Mexico, AVS Bevakning (contract portfolio) and Dalslands Bevakning (contract portfolio), Mobile Sweden, G4S, BEWAB and S.O.B. Objektschutz, Services Germany, Securiveil, Mobile France, SH Safe Home, Services Switzerland, Eureca/Luxtracing, Alert Services Belgium, Eureca, Alert Services Netherlands, Agency of Security Fenix, Czech Republic, CPI Security Group, Romania, SCP International, Serbia, DAK Güvenlik, Services Turkey, El Guardian, Patagua, Seguridad Argentina, Vigilancias y Seguridad and Lubiseg (contract portfolio), Argentina, SATS, Servicios de Seguridad, Trancilo and Gadonal, Uruguay, Burns de Colombia, Colombia, Macroresguardos (contract portfolio), Peru, FM Seguridad, Chile, Polic Secuforce, Hong Kong and Globe Partner Services, Egypt.

Acquisitions

Akal Security Hawaii, USA
Securitas has acquired the Hawaiian commercial business contracts and assets of the security services company Akal Security. The acquisition of these contracts and the addition of over 300 security officers will strengthen Securitas position as the market leader in security services in the State of Hawaii. The company had at the time of acquisition projected annual sales of approximately MSEK 64.

ACQUISITION OF THE BUSINESS IN AKAL SECURITY HAWAII
SUMMARY BALANCE SHEET AS OF ACQUISITION DATE FEBRUARY 26, 2009

MSEK	Book value of acquisition balance	Fair value adjustment and purchase price alloc.	Fair value acquisition balance
Operating non-current assets	–	–	–
Accounts receivable	–	–	–
Other assets	0.4	–	0.4
Other liabilities	–	–1.1	–1.1
Total operating capital employed	**0.4**	**–1.1**	**–0.7**
Goodwill from the acquisition	–	–	–
Acquisition related intangible assets	–	13.8	13.8
Total capital employed	**0.4**	**12.7**	**13.1**
Net debt	–	–	–
Total acquired net assets	**0.4**	**12.7**	**13.1**
Purchase price[1]	–	–	–13.1
Liquid funds in accordance with acquisition analysis	–	–	–
Total impact on the Group's liquid funds	**–**	**–**	**–13.1**

1 Whereof acquisition costs MSEK 0.6.

The assets in Akal Security Hawaii were acquired.
The acquisition has contributed to total sales with MSEK 51.5 and to net income for the year with MSEK 3.9. The acquisition would, if it had been consolidated from January 1, 2009, have contributed to total sales with MSEK 66.2 and to net income for the year with MSEK 4.5.

Moore Security, USA
Securitas has acquired the commercial contracts and operational assets of the security services company Moore Security in Indiana, USA. Moore Security, with 650 employees, has a balanced and diversified customer portfolio in terms of size and vertical markets in Indiana and Kentucky. The acquisition will strengthen Securitas position as the market leader in security services in this area. The company had at the time of acquisition projected annual sales of approximately MSEK 112.

ACQUISITION OF THE BUSINESS IN MOORE SECURITY
SUMMARY BALANCE SHEET AS OF ACQUISITION DATE MARCH 12, 2009

MSEK	Book value of acquisition balance	Fair value adjustment and purchase price alloc.	Fair value acquisition balance
Operating non-current assets	–	–	–
Accounts receivable	–	–	–
Other assets	1.1	–	1.1
Other liabilities	–	–1.2	–1.2
Total operating capital employed	**1.1**	**–1.2**	**–0.1**
Goodwill from the acquisition	–	–	–
Acquisition related intangible assets	–	38.7	38.7
Total capital employed	**1.1**	**37.5**	**38.6**
Net debt	–	–	–
Total acquired net assets	**1.1**	**37.5**	**38.6**
Purchase price[1]	–	–	–38.6
Liquid funds in accordance with acquisition analysis	–	–	–
Total impact on the Group's liquid funds	**–**	**–**	**–38.6**

1 Whereof acquisition costs MSEK 1.3.

The assets in Moore Security were acquired.
The acquisition has contributed to total sales with MSEK 82.6 and to net income for the year with MSEK 4.9. The acquisition would, if it had been consolidated from January 1, 2009, have contributed to total sales with MSEK 115.6 and to net income for the year with MSEK 6.3.

World Wide Security, Chile
Securitas has acquired the security services company World Wide Security in Chile. World Wide Security, with approximately 1,800 employees, is the fifth largest security services company in Chile and is operating mainly in guarding, but has also alarm monitoring operations. The acquisition will increase business coverage especially in the southern part of Chile. The company had at the time of acquisition projected annual sales of approximately MSEK 134. Goodwill, which amounts to MSEK 42.0, is mainly related to geographical coverage and human capital.

ACQUISITION OF THE BUSINESS IN WORLD WIDE SECURITY
SUMMARY BALANCE SHEET AS OF ACQUISITION DATE JULY 1, 2009

MSEK	Book value of acquisition balance	Fair value adjustment and purchase price alloc.	Fair value acquisition balance
Operating non-current assets	1.6	–	1.6
Accounts receivable	26.5	–	26.5
Other assets	2.0	–	2.0
Other liabilities	–13.9	–4.6	–18.5
Total operating capital employed	**16.2**	**–4.6**	**11.6**
Goodwill from the acquisition	–	42.0	42.0
Acquisition related intangible assets	–	26.9	26.9
Total capital employed	**16.2**	**64.3**	**80.5**
Net debt	–10.4	–	–10.4
Total acquired net assets	**5.8**	**64.3**	**70.1**
Purchase price[1]	–	–	–70.1
Liquid funds in accordance with acquisition analysis	–	–	1.8
Total impact on the Group's liquid funds	**–**	**–**	**–68.3**

1 Whereof acquisition costs MSEK 1.0.

All the shares in World Wide Security were acquired.
The acquisition has contributed to total sales with MSEK 79.9 and to net income for the year with MSEK 2.0. The acquisition would, if it had been consolidated from January 1, 2009, have contributed to total sales with MSEK 141.1 and to net income for the year with MSEK 9.3.

MKB Tactical, South Africa

Securitas has acquired the security services company MKB Tactical in South Africa. MKB Tactical has 250 employees. The company is mainly operating in mobile, alarm monitoring and guarding services in residential areas in Johannesburg. The company had at the time of acquisition projected annual sales of approximately MSEK 11. Goodwill, which amounts to MSEK 5.8, is mainly related to geographical expansion.

ACQUISITION OF THE BUSINESS IN MKB TACTICAL

SUMMARY BALANCE SHEET AS OF ACQUISITION DATE JULY 1, 2009

MSEK	Book value of acquisition balance	Fair value adjustment and purchase price alloc.	Fair value acquisition balance
Operating non-current assets	1.7	–	1.7
Accounts receivable	0.5	–	0.5
Other assets	0.1	–	0.1
Other liabilities	–1.8	–2.2	–4.0
Total operating capital employed	**0.5**	**–2.2**	**–1.7**
Goodwill from the acquisition	–	5.8	5.8
Acquisition related intangible assets	–	–	–
Total capital employed	**0.5**	**3.6**	**4.1**
Net debt	0.1	–	0.1
Total acquired net assets	**0.6**	**3.6**	**4.2**
Purchase price[1]	–	–	–4.2
Liquid funds in accordance with acquisition analysis	–	–	0.1
Total impact on the Group's liquid funds	**–**	**–**	**–4.1**

1 Whereof acquisition costs MSEK 0.3.

All the shares in MKB Tactical were acquired.
The acquisition has contributed to total sales with MSEK 8.2 and to net income for the year with MSEK –2.6. The acquisition would, if it had been consolidated from January 1, 2009, have contributed to total sales with MSEK 12.2 and to net income for the year with MSEK –3.4.

Interlabora, Spain

Securitas has acquired the security services company Interlabora in Spain. Interlabora has approximately 390 employees. The company is operating mainly in the retail sector. The company had at the time of acquisition projected annual sales of approximately MSEK 64. Goodwill, which amounts to MSEK 66.6, is mainly related to operational expansion and human resources.

ACQUISITION OF THE BUSINESS IN INTERLABORA

SUMMARY BALANCE SHEET AS OF ACQUISITION DATE JULY 8, 2009

MSEK	Book value of acquisition balance	Fair value adjustment and purchase price alloc.	Fair value acquisition balance
Operating non-current assets	2.4	–	2.4
Accounts receivable	14.1	–	14.1
Other assets	12.5	–	12.5
Other liabilities	–20.5	–68.2	–88.7
Total operating capital employed	**8.5**	**–68.2**	**–59.7**
Goodwill from the acquisition	–	66.6	66.6
Acquisition related intangible assets	–	63.9	63.9
Total capital employed	**8.5**	**62.3**	**70.8**
Net debt	4.3	–	4.3
Total acquired net assets	**12.8**	**62.3**	**75.1**
Purchase price[1]	–	–	–75.1
Liquid funds in accordance with acquisition analysis	–	–	4.3
Total impact on the Group's liquid funds	**–**	**–**	**–70.8**

1 Whereof acquisition costs MSEK 1.6.

All the shares in Interlabora were acquired.
The acquisition has contributed to total sales with MSEK 32.8 and to net income for the year with MSEK 7.9. The acquisition would, if it had been consolidated from January 1, 2009, have contributed to total sales with MSEK 67.0 and to net income for the year with MSEK 15.7.

Vigilan, Argentina

Securitas has acquired the security services company Vigilan in Argentina. Vigilan has approximately 1,060 employees. The company is operating in guarding services and alarm monitoring in the south of Argentina. With this acquisition Securitas expands its business in the southern region of Argentina and is now able to service the entire country. The company had at the time of acquisition projected annual sales of approximately MSEK 104. Goodwill, which amounts to MSEK 85.7, is mainly related to geographical coverage.

ACQUISITION OF THE BUSINESS IN VIGILAN

SUMMARY BALANCE SHEET AS OF ACQUISITION DATE SEPTEMBER 1, 2009

MSEK	Book value of acquisition balance	Fair value adjustment and purchase price alloc.	Fair value acquisition balance
Operating non-current assets	0.8	–	0.8
Accounts receivable	17.2	–	17.2
Other assets	6.8	–	6.8
Other liabilities	–19.6	–83.9	–103.5
Total operating capital employed	**5.2**	**–83.9**	**–78.7**
Goodwill from the acquisition	–	85.7	85.7
Acquisition related intangible assets	–	35.3	35.3
Total capital employed	**5.2**	**37.1**	**42.3**
Net debt	–3.1	–	–3.1
Total acquired net assets	**2.1**	**37.1**	**39.2**
Purchase price[1]	–	–	–39.2
Liquid funds in accordance with acquisition analysis	–	–	0.0
Total impact on the Group's liquid funds	**–**	**–**	**–39.2**

1 Whereof acquisition costs MSEK 2.3.

All the shares in Vigilan were acquired.
The acquisition has contributed to total sales with MSEK 38.9 and to net income for the year with MSEK 3.3. The acquisition would, if it had been consolidated from January 1, 2009, have contributed to total sales with MSEK 118.7 and to net income for the year with MSEK 10.0.

Socovig, Colombia

Securitas has merged its operation in Colombia with the Colombian security services company Socovig. Socovig has approximately 1,100 employees. The company is mainly operating in guarding, but has also mobile and monitoring operations. The company had at the time of the merger projected annual sales of approximately MSEK 67. Goodwill, which amounts to MSEK 22.1, is mainly related to geographical coverage and operational expertise.

MERGER OF THE BUSINESS IN SOCOVIG
SUMMARY BALANCE SHEET AS OF OCTOBER 1, 2009

MSEK	Book value	Fair value adjustment and purchase price alloc.	Fair value
Operating non-current assets	4.5	–	4.5
Accounts receivable	15.2	–	15.2
Other assets	4.6	–	4.6
Other liabilities	–11.8	–5.0	–16.8
Total operating capital employed	**12.5**	**–5.0**	**7.5**
Goodwill from the acquisition	–	22.1	22.1
Acquisition related intangible assets	–	10.0	10.0
Total capital employed	**12.5**	**27.1**	**39.6**
Net debt	–7.1	–	–7.1
Total acquired net assets	**5.4**	**27.1**	**32.5**
Purchase price[1]	–	–	–32.5
Liquid funds	–	–	0.0
Total impact on the Group's liquid funds	**–**	**–**	**–32.5**

1 Whereof transaction costs of MSEK 1.1.

Socovig has contributed to total sales with MSEK 14.9 and to net income for the year with MSEK 0.4. Socovig would, if it had been consolidated from January 1, 2009, have contributed to total sales with MSEK 67.2 and to net income for the year with MSEK 2.3.

Guardforce, Hong Kong

Securitas has acquired the operations and assets relating to the guarding service operations of Guardforce in Hong Kong from UTC Fire and Security, a unit of United Technologies Corporation (NYSE:UTX). Guardforce, a leader in the Hong Kong guarding services market, has approximately 1,000 employees. The company has sales in many key customer segments, but most notably in the residential, transport, logistics and finance sector. The company had at the time of acquisition projected annual sales of approximately MSEK 116. Goodwill, which amounts to MSEK 9.4, is mainly related to geographical expansion.

ACQUISITION OF THE BUSINESS IN GUARDFORCE
SUMMARY BALANCE SHEET AS OF ACQUISITION DATE DECEMBER 1, 2009

MSEK	Book value of acquisition balance	Fair value adjustment and purchase price alloc.	Fair value acquisition balance
Operating non-current assets	0.1	–	0.1
Accounts receivable	–	–	–
Other assets	–	–	–
Other liabilities	–	–	–
Total operating capital employed	**0.1**	**–**	**0.1**
Goodwill from the acquisition	–	9.4	9.4
Acquisition related intangible assets	–	8.9	8.9
Total capital employed	**0.1**	**18.3**	**18.4**
Net debt	–	–	–
Total acquired net assets	**0.1**	**18.3**	**18.4**
Purchase price[1]	–	–	–18.4
Liquid funds in accordance with acquisition analysis	–	–	–
Total impact on the Group's liquid funds	**–**	**–**	**–18.4**

1 Whereof acquisition costs MSEK 0.7.

The assets in Guardforce were acquired.
The acquisition has contributed to total sales with MSEK 11.2 and to net income for the year with MSEK 1.1. The acquisition would, if it had been consolidated from January 1, 2009, have contributed to total sales with MSEK 120.9 and to net income for the year with MSEK 7.7.

Ferssa Group, France

Securitas has acquired the security services company Ferssa Group in France. Ferssa Group has approximately 900 employees. The customers are mainly in the retail and industry segments, mostly in the area of Paris and in the Bordeaux and Lyon areas. The company had at the time of acquisition projected annual sales of approximately MSEK 246. Goodwill, which amounts to MSEK 14.2, is mainly related to synergies in the customer contract portfolio and geographical coverage.

ACQUISITION OF THE BUSINESS IN FERSSA GROUP
SUMMARY BALANCE SHEET AS OF ACQUISITION DATE DECEMBER 1, 2009

MSEK	Book value of acquisition balance	Fair value adjustment and purchase price alloc.	Fair value acquisition balance
Operating non-current assets	3.4	–	3.4
Accounts receivable	54.4	–	54.4
Other assets	6.9	–	6.9
Other liabilities	–67.4	–18.2	–85.6
Total operating capital employed	**–2.7**	**–18.2**	**–20.9**
Goodwill from the acquisition	–	14.2	14.2
Acquisition related intangible assets	–	41.8	41.8
Total capital employed	**–2.7**	**37.8**	**35.1**
Net debt	–1.0	–	–1.0
Total acquired net assets	**–3.7**	**37.8**	**34.1**
Purchase price[1]	–	–	–34.1
Liquid funds in accordance with acquisition analysis	–	–	7.5
Total impact on the Group's liquid funds	**–**	**–**	**–26.6**

1 Whereof acquisition costs MSEK 2.2.

All the shares in Ferssa Group were acquired.
The acquisition has contributed to total sales with MSEK 25.9 and to net income for the year with MSEK 0.1. The acquisition would, if it had been consolidated from January 1, 2009, have contributed to total sales with MSEK 253.8 and to net income for the year with MSEK –0.1.

GMCE Gardiennage, Morocco

Securitas has acquired 75 percent of the shares in the security services company GMCE Gardiennage in Morocco. The purchase of the remaining 25 percent of the shares is agreed to take place in 2013. GMCE Gardiennage has approximately 400 employees. The company is providing security services throughout Morocco, with half of the operations in the cities Casablanca and Rabat. The company had at the time of acquisition projected annual sales of approximately MSEK 12. Goodwill, which amounts to MSEK 14.6, is mainly related to geographical expansion.

ACQUISITION OF THE BUSINESS IN GMCE GARDIENNAGE

SUMMARY BALANCE SHEET AS OF ACQUISITION DATE DECEMBER 1, 2009

MSEK	Book value of acquisition balance	Fair value adjustment and purchase price alloc.	Fair value acquisition balance
Operating non-current assets	0.1	–	0.1
Accounts receivable	3.8	–	3.8
Other assets	0.1	–	0.1
Other liabilities	–3.3	–10.9	–14.2
Total operating capital employed	**0.7**	**–10.9**	**–10.2**
Goodwill from the acquisition	–	14.6	14.6
Acquisition related intangible assets	–	8.2	8.2
Total capital employed	**0.7**	**11.9**	**12.6**
Net debt	0.7	–	0.7
Total acquired net assets	**1.4**	**11.9**	**13.3**
Purchase price[1]	–	–	–13.3
Liquid funds in accordance with acquisition analysis	–	–	1.0
Total impact on the Group's liquid funds	**–**	**–**	**–12.3**

1 Whereof acquisition costs MSEK 1.2.

75 percent of the shares in GMCE Gardiennage were acquired.
The acquisition has contributed to total sales with MSEK 1.0 and to net income for the year with MSEK 0.1. The acquisition would, if it had been consolidated from January 1, 2009, have contributed to total sales with MSEK 11.6 and to net income for the year with MSEK 1.5.

Dora Security, Czech Republic

Securitas has acquired the security services company Dora Security in the Czech Republic. Dora Security has approximately 1,400 employees. The company has a strong presence in Northern and Eastern Bohemia. Its main operation is in guarding, but the company also has operations in monitoring and mobile services. With this acquisition, Securitas will strengthen its position in the customer segments industry, office buildings and government contracts. Securitas is the market leader in security services in the Czech Republic. The company had at the time of acquisition projected annual sales of approximately MSEK 143. Goodwill, which amounts to MSEK 53.4, is mainly related to geographical coverage and operational expansion.

ACQUISITION OF THE BUSINESS IN DORA SECURITY

SUMMARY BALANCE SHEET AS OF ACQUISITION DATE DECEMBER 1, 2009

MSEK	Book value of acquisition balance	Fair value adjustment and purchase price alloc.	Fair value acquisition balance
Operating non-current assets	0.4	–	0.4
Accounts receivable	25.2	–	25.2
Other assets	25.1	–	25.1
Other liabilities	–17.1	–28.2	–45.3
Total operating capital employed	**33.6**	**–28.2**	**5.4**
Goodwill from the acquisition	–	53.4	53.4
Acquisition related intangible assets	–	25.1	25.1
Total capital employed	**33.6**	**50.3**	**83.9**
Net debt	6.4	–	6.4
Total acquired net assets	**40.0**	**50.3**	**90.3**
Purchase price[1]	–	–	–90.3
Liquid funds in accordance with acquisition analysis	–	–	6.4
Total impact on the Group's liquid funds	**–**	**–**	**–83.9**

1 Whereof acquisition costs MSEK 1.7.

All the shares in Dora Security were acquired.
The acquisition has contributed to total sales with MSEK 12.4 and to net income for the year with MSEK 1.4. The acquisition would, if it had been consolidated from January 1, 2009, have contributed to total sales with MSEK 147.7 and to net income for the year with MSEK 8.3.

Grupo Argos, Mexico

Securitas has acquired the commercial contracts and operational assets of the security services company Grupo Argos in Mexico. Grupo Argos has approximately 900 employees. The majority of the operations are guarding services. Securitas is currently the second largest private security services company in Mexico. The company had at the time of acquisition projected annual sales of approximately MSEK 46. Goodwill, which amounts to MSEK 19.1, is mainly related to operational expansion and synergies.

ACQUISITION OF THE BUSINESS IN GRUPO ARGOS

SUMMARY BALANCE SHEET AS OF ACQUISITION DATE DECEMBER 1, 2009

MSEK	Book value of acquisition balance	Fair value adjustment and purchase price alloc.	Fair value acquisition balance
Operating non-current assets	0.9	–	0.9
Accounts receivable	–	–	–
Other assets	–	–	–
Other liabilities	–	–5.6	–5.6
Total operating capital employed	**0.9**	**–5.6**	**–4.7**
Goodwill from the acquisition	–	19.1	19.1
Acquisition related intangible assets	–	3.8	3.8
Total capital employed	**0.9**	**17.3**	**18.2**
Net debt	–	–	–
Total acquired net assets	**0.9**	**17.3**	**18.2**
Purchase price[1]	–	–	–18.2
Liquid funds in accordance with acquisition analysis	–	–	–
Total impact on the Group's liquid funds	**–**	**–**	**–18.2**

1 Whereof acquisition costs MSEK 0.8.

The assets in Grupo Argos were acquired.
The acquisition has contributed to total sales with MSEK 3.9 and to net income for the year with MSEK 0.0. The acquisition would, if it had been consolidated from January 1, 2009, have contributed to total sales with MSEK 47.1 and to net income for the year with MSEK 0.6.

Gordon, Serbia

Securitas has acquired the security services company Gordon in Serbia. Gordon has approximately 1,100 employees. The majority of Gordon's sales are in guarding services. The company also has operations in technical security, monitoring and fire prevention. Securitas will with this acquisition strengthen its position in Serbia and become the second largest in the Serbian security market. The company had at the time of acquisition projected annual sales of approximately MSEK 50. Goodwill, which amounts to MSEK 20.7, is mainly related geographical coverage and human capital.

ACQUISITION OF THE BUSINESS IN GORDON

SUMMARY BALANCE SHEET AS OF ACQUISITION DATE DECEMBER 9, 2009

MSEK	Book value of acquisition balance	Fair value adjustment and purchase price alloc.	Fair value acquisition balance
Operating non-current assets	2.8	–	2.8
Accounts receivable	5.1	–	5.1
Other assets	0.3	–	0.3
Other liabilities	–5.6	–1.0	–6.6
Total operating capital employed	**2.6**	**–1.0**	**1.6**
Goodwill from the acquisition	–	20.7	20.7
Acquisition related intangible assets	–	10.1	10.1
Total capital employed	**2.6**	**29.8**	**32.4**
Net debt	1.7	–	1.7
Total acquired net assets	**4.3**	**29.8**	**34.1**
Purchase price[1]	–	–	–34.1
Liquid funds in accordance with acquisition analysis	–	–	3.0
Total impact on the Group's liquid funds	**–**	**–**	**–31.1**

1 Whereof acquisition costs MSEK 1.3.

All the shares in Gordon were acquired.
The acquisition has contributed to total sales with MSEK 3.7 and to net income for the year with MSEK 0.2. The acquisition would, if it had been consolidated from January 1, 2009, have contributed to total sales with MSEK 52.2 and to net income for the year with MSEK 3.4.

Long Hai Security, Vietnam

Securitas has acquired 49 percent of the security services company Long Hai Security in Vietnam. Long Hai Security has approximately 2,500 employees. The company is the market leader in the Vietnamese security market and operates throughout Vietnam, with its largest branches being in Ho Chi Minh City and Hanoi. Long Hai Security provides mainly guarding services, but has also operations protecting customers' property in secure cash transportation, executive protection and alarm monitoring services. The company had at the time of acquisition projected annual sales of approximately MSEK 53. Goodwill, which amounts to MSEK 28.7, is mainly related to geographical expansion.

ACQUISITION OF 49 PERCENT OF THE BUSINESS IN LONG HAI SECURITY

SUMMARY BALANCE SHEET AS OF ACQUISITION DATE DECEMBER 28, 2009

MSEK	Book value of acquisition balance	Fair value adjustment and purchase price alloc.	Fair value acquisition balance
Operating non-current assets	0.6	–	0.6
Accounts receivable	1.9	–	1.9
Other assets	0.5	–	0.5
Other liabilities	–0.6	–7.4	–8.0
Goodwill from the acquisition	–	28.7	28.7
Acquisition related intangible assets	–	3.2	3.2
Net debt	2.2	–	2.2
Total net assets acquired included under shares in associated companies	**4.6**	**24.5**	**29.1**
Purchase price[1]	–	–	–29.1

1 Whereof acquisition costs MSEK 2.6.

49 percent of the shares in Long Hai Security were acquired.
The acquisition has contributed to net income for the year with MSEK 0.0. The acquisition would, if it had been consolidated from January 1, 2009, have contributed to net income for the year with MSEK 1.4.

Tecniserv, Spain

Securitas has acquired the monitoring company Tecniserv in Spain. With this acquisition, Securitas enters the alarm monitoring market in Spain. Tecniserv has approximately 60 employees. The company operates in three areas: service of own connections portfolio, installation of new alarm systems and monitoring of third party connections. The majority of the customers are located in the Madrid area. The acquisition will strengthen Securitas monitoring services in Europe. The company had at the time of acquisition projected annual sales of approximately MSEK 48. Goodwill, which amounts to MSEK 58.2, is mainly related to geographical expansion in the Monitoring segment.

ACQUISITION OF THE BUSINESS IN TECNISERV

SUMMARY BALANCE SHEET AS OF ACQUISITION DATE DECEMBER 30, 2009

MSEK	Book value of acquisition balance	Fair value adjustment and purchase price alloc.	Fair value acquisition balance
Operating non-current assets	0.7	–	0.7
Accounts receivable	5.7	–	5.7
Other assets	3.9	–	3.9
Other liabilities	–25.9	–30.3	–56.2
Total operating capital employed	**–15.6**	**–30.3**	**–45.9**
Goodwill from the acquisition	–	58.2	58.2
Acquisition related intangible assets	–	25.4	25.4
Total capital employed	**–15.6**	**53.3**	**37.7**
Net debt	13.0	–	13.0
Total acquired net assets	**–2.6**	**53.3**	**50.7**
Purchase price[1]	–	–	–50.7
Liquid funds in accordance with acquisition analysis	–	–	13.0
Total impact on the Group's liquid funds	**–**	**–**	**–37.7**

1 Whereof acquisition costs MSEK 4.2.

All the shares in Tecniserv were acquired.
The acquisition has contributed to total sales with MSEK 0.0 and to net income for the year with MSEK 0.0. The acquisition would, if it had been consolidated from January 1, 2009, have contributed to total sales with MSEK 49.9 and to net income for the year with MSEK 1.7.

OTHER ACQUISITIONS AND ADJUSTMENTS

SUMMARY BALANCE SHEET

MSEK	Book value of acquisition balance	Fair value adjustment and purchase price alloc.	Fair value acquisition balance
Operating non-current assets	-0.2	–	-0.2
Accounts receivable	5.8	–	5.8
Other assets	1.5	–	1.5
Other liabilities	-27.0	124.2[3]	97.2
Total operating capital employed	**-19.9**	**124.2**	**104.3**
Goodwill from the acquisition[1]	–	46.9	46.9
Acquisition related intangible assets[2]	–	16.0	16.0
Total capital employed	**-19.9**	**187.1**	**167.2**
Net debt	3.1	–	3.1
Total acquired net assets	**-16.8**	**187.1**	**170.3**
Purchase price	–	–	-170.3
Liquid funds in accordance with acquisition analysis	–	–	2.6
Total impact on the Group's liquid funds	**–**	**–**	**-167.7**

1 Mainly related to update of the acquisition calculations for Guardias Blancas, Mexico, Agency of Security Fenix, Czech Republic, El Guardian and Seguridad Argentina, Argentina and the acquisition of BEWAB, Germany.
2 Mainly related to the update of the acquisition calculation for Guardias Blancas, Mexico, and acquisition of contract portfolios in Lubiseg, Argentina and Macroresguardos, Peru.
3 Includes the impact of revaluation of deferred considerations.

Impairment testing

For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash Generating Unit), that is, per country in a segment.

GOODWILL IS DISTRIBUTED PER SEGMENT AS FOLLOWS:

MSEK	2009	2008	2007
Security Services North America	6,145.0	6,680.4	5,514.5
Security Services Europe	4,869.8	4,995.0	3,980,1
Mobile and Monitoring	1,985.4	2,049.2	1,595.1
Other	558.1	379.7	170.7
Discontinued operations	–	–	2,533.1
Total goodwill	**13,558.3**	**14,104.3**	**13,793.5**

Goodwill is tested on an annual basis for possible impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is measured as expected future discounted cash flows. The cash flows have been based on financial plans developed in each country and business segment. The plans have been ascertained by Group Management and have been approved by the Board of Directors. These plans normally cover a forecasted period of five years. Cash flows beyond the five year forecast have been extrapolated using an estimated growth rate of 2 percent for all countries and business segments. A growth rate of 2 percent after the five year forecast is estimated to be compatible with the underlying long-term growth rates in those countries in which the Group operates.

A long-term growth rate of 2 percent for Security Services is at present regarded as being a cautious estimate in view of this business area's historical organic growth rate and also taking into consideration external estimates of the future; Freedonia for example, estimates that the market for guarding services in Europe will grow at an average rate of some 6 percent per annum during the period 2012 to 2017. The corresponding figure for the North America market is around 5 percent. The market for mobile and monitoring in Europe is estimated to grow faster than traditional guarding.

The estimate for the value in use is based on assumptions and estimates in addition to the estimated growth after the forecasted period. The most significant of these relate to the organic sales growth, the development of the operating margin, the change in operating capital employed, as well as the relevant WACC (Weighted Average Cost of Capital) rate used to discount the future cash flows.

THE ASSUMPTIONS AND ESTIMATES THAT HAVE FORMED THE BASE FOR THE IMPAIRMENT TESTING ARE SHOWN IN SUMMARY AND BY SEGMENT ACCORDING TO THE FOLLOWING:

	Estimated growth rate beyond forecasted period, %	*WACC, %*
2009		
Security Services North America	*2.0*	*6.8–10.2*
Security Services Europe	*2.0*	*6.1–14.9*
Mobile and Monitoring	*2.0*	*6.8–8.9*
Other[1]	*2.0*	*8.0–16.5*
2008		
Security Services North America	*2.0*	*7.6–11.4*
Security Services Europe	*2.0*	*7.3–11.1*
Mobile and Monitoring	*2.0*	*8.1–9.6*
Other[1]	*2.0*	*9.5–15.2*
2007		
Security Services North America	*2.0*	*8.3–10.8*
Security Services Europe	*2.0*	*7.3–10.0*
Mobile and Monitoring	*2.0*	*8.1–9.2*
Other[1]	*2.0*	*9.4–12.6*

1 The operations in Latin America, the Middle East, Asia and Africa are included in Other.

The annual impairment test of all Cash Generating Units (CGU), which is required under IFRS, took place during the third quarter 2009 in conjunction with the business plan process for 2010. None of the CGUs tested for impairment had a carrying amount that exceeded the recoverable amount.

Consequently no impairment losses have been recognized in 2009. No impairment losses were recognized in 2008 either. In 2007, impairment losses of goodwill amounted to MSEK –350 in Security Services Europe and Mobile and Monitoring.

The following sensitivity analyses have been made of the estimates of value in use in connection with impairment testing: general reduction of 1 percentage point in the organic sales growth rate during the forecasting period; general reduction of 0.5 percentage points in the operating margin; general increase of 0.5 percentage points in the WACC; general decrease of the estimated growth after the forecasted period by 0.5 percentage points. The sensitivity analyses showed that none of the adjustments stand alone would result in an impairment loss in any Cash Generating Unit.

Note 17. Goodwill

MSEK	2009	2008	2007
Opening balance	14,519.3	14,151.7	14,072.8
Capital expenditures, continuing operations	458.7	800.3	376.1
Divestitures	–	–	-39.3
Discontinued operations	–	-3,024.0	–
Translation difference	-1,029.9	2,591.3	-257.9
Closing accumulated balance	**13,948.1**	**14,519.3**	**14,151.7**
Opening impairment losses	-415.0	-358.2	-41.2
Impairment losses, continuing operations[1]	–	–	-349.9
Divestitures	–	–	39.3
Translation difference	25.2	-56.8	-6.4
Closing accumulated impairment losses	**-389.8**	**-415.0**	**-358.2**
Closing residual value	**13,558.3**	**14,104.3**	**13,793.5**

1 Further informaton is provided in note 16 under impairment testing.

Note 18. Acquisition related intangible assets[1]

MSEK	2009	2008	2007
Opening balance	1,030.8	872.3	687.8
Capital expenditures, continuing operations	327.9	231.3	307.9
Capital expenditures, discontinued operations	–	7.0	–
Derecognition of fully amortized assets[2]	–22.5	–55.3	–78.3
Reclassification	–	–	–24.3
Discontinued operations	–	–173.8	–
Translation difference	–70.9	149.3	–20.8
Closing accumulated balance	**1,265.3**	**1,030.8**	**872.3**
Opening amortization	–279.5	–247.7	–223.6
Reversal of amortization on derecognized assets[2]	22.5	55.3	78.3
Reclassification	–	–	1.9
Amortization for the year, continuing operations	–138.3	–102.2	–89.9
Amortization for the year, discontinued operations	–	–13.8	–17.7
Discontinued operations	–	96.5	–
Translation difference	24.9	–67.6	3.3
Closing accumulated amortization	**–370.4**	**–279.5**	**–247.7**
Opening impairment losses	–	–0.6	–
Impairment losses, discontinued operations	–	–	–0.6
Discontinued operations	–	0.6	–
Translation difference	–	–	0.0
Closing accumulated impairment losses	**–**	**–**	**–0.6**
Closing residual value	**894.9**	**751.3**	**624.0**

1 The balance consists mainly of contract portfolios and related customer relations.
2 The Group derecognizes fully amortized acquisition related intangible assets if a reliable estimate of future cash flows cannot be established. The net impact of such derecognition on the closing residual value is nil.

Note 19. Other intangible assets

	Software licences			Other intangible assets[1]		
MSEK	2009	2008	2007	2009	2008	2007
Opening balance	608.4	553.4	441.1	106.8	84.9	78.3
Acquisition/divestment of operations	0.8	27.9	16.9	1.7	19.5	–16.5
Capital expenditures	85.2	95.6	74.2	26.4	–	21.7
Disposals/write-offs	–11.6	–19.4	–31.4	–2.3	–5.3	–2.1
Reclassification	0.1	17.4	35.5	–2.3	0.8	0.3
Discontinued operations	–	–132.8	–	–	–2.5	–
Translation difference	–29.4	66.3	17.1	–4.9	9.4	3.2
Closing accumulated balance	**653.5**	**608.4**	**553.4**	**125.4**	**106.8**	**84.9**
Opening amortization	–401.0	–361.2	–291.8	–59.0	–42.7	–44.3
Acquisition/divestment of operations	–0.8	–25.2	–12.7	–1.7	–	6.1
Disposals/write-offs	10.8	14.8	19.5	1.7	5.3	1.5
Reclassification	–	–1.1	–9.1	0.2	–0.7	7.3
Amortization for the year, continuing operations	–55.8	–50.1	–45.4	–20.5	–18.1	–11.3
Amortization for the year, discontinued operations	–	–14.8	–9.5	–	–	–0.2
Discontinued operations	–	89.2	–	–	1.9	–
Translation difference	23.1	–52.6	–12.2	2.5	–4.7	–1.8
Closing accumulated amortization	**–423.7**	**–401.0**	**–361.2**	**–76.8**	**–59.0**	**–42.7**
Opening impairment losses	–	–	–10.6	–	–	–
Write-offs	–	–	10.6	–	–	–
Closing accumulated impairment losses	**–**	**–**	**–**	**–**	**–**	**–**
Closing residual value	**229.8**	**207.4**	**192.2**	**48.6**	**47.8**	**42.2**

1 Mainly related to individual customer contracts within Mobile and Monitoring.

Note 20. Tangible non-current assets

	Buildings and land [1,3]			Machinery and equipment [2,3]		
MSEK	2009	2008	2007	2009	2008	2007
Opening balance	776.9	1,195.0	1,283.5	6,675.4	11,537.8	11,188.1
Acquisition/divestment of operations	4.1	2.9	67.5	26.9	125.2	229.6
Capital expenditures	18.3	12.4	22.7	880.8	1,748.9	1,634.8
Disposals/write-offs	-7.6	-47.9	-233.1	-353.4	-720.3	-1,494.2
Reclassification	-21.7	-10.8	40.9	3.8	24.0	-20.3
Discontinued operations	–	-547.9	–	–	-7,194.3	–
Translation difference	-43.3	173.2	13.5	-267.2	1,154.1	-0.2
Closing accumulated balance	**726.7**	**776.9**	**1,195.0**	**6,966.3**	**6,675.4**	**11,537.8**
Opening depreciation	-330.5	-436.6	-412.8	-4,639.9	-7,592.4	-7,286.3
Acquisition/divestment of operations	–	-0.3	-13.5	-14.1	-33.3	-110.3
Disposals/write-offs	2.7	20.2	56.9	294.1	630.6	1,143.3
Reclassification	21,2	-3.0	-20.8	-1.3	-15.9	2.9
Depreciation for the year, continuing operations	-21.0	-16.0	-16.2	-830.2	-755.7	-702.7
Depreciation for the year, discontinued operations	–	-15.5	-24.4	–	-579.8	-637.6
Discontinued operations	–	186.6	–	–	4,595.9	–
Translation difference	16.9	-65.9	-5.8	206.8	-889.3	-1.7
Closing accumulated depreciation	**-310.7**	**-330.5**	**-436.6**	**-4,984.6**	**-4,639.9**	**-7,592.4**
Opening impairment losses	-21.8	-52.3	-21.9	–	–	-4.1
Impairment losses, continuing operations	–	–	–	–	–	–
Impairment losses, discontinued operations	–	–	-30.4	–	–	–
Discontinued operations	–	33.4	–	–	–	–
Translation difference	1.3	-7.5	–	–	–	–
Divestitures	–	4.6	–	–	–	4.1
Closing accumulated impairment losses	**-20.5**	**-21.8**	**-52.3**	**–**	**–**	**–**
Closing residual value	**395.5**	**424.6**	**706.1**	**1,981.7**	**2,035.5**	**3,945.4**
Tax assessment value of properties in Sweden	–	–	–	–	–	–

1 The closing residual value of land included in buildings and land above was MSEK 57.2 (59.4 and 114.0). The decrease from 2007 relates to discontinued operations.
2 Machinery and equipment comprises vehicles, equipment, security equipment (including alarm systems) and IT and telecom equipment.
3 Of which closing residual value under finance leases in 2009 for buildings and land MSEK 0.0 (0.0 and 36.6) and for machinery and equipment MSEK 190.4 (230.8 and 306.4). The decrease from 2007 relates to discontinued operations.

Note 21. Shares in associated companies

MSEK	2009	2008	2007
Opening balance	104.9	103.5	172.7
Purchase price[1]	35.7	2.0	102.9
Divestment[2]	-0.4	–	–
Liquidation[2]	–	–	-181.1
Share in income of associated companies	-4.1	-0.4	2.5
Translation differences	-4.0	-0.2	6.5
Closing balance[3]	**132.1**	**104.9**	**103.5**

1 Long Hai Security Services Joint Stock Company MSEK 35.7 (0.0 and 0.0), Walsons Services Pvt Ltd MSEK 0.0 (2.0 and 102.8) and Facility Network A/S MSEK 0.0 (0.0 and 0.1).
2 Divestment in 2009 refers to Facility Network A/S. Liquidation in 2007 refers to Securitas Employee Convertible 2002 Holding S.A.
3 Of which goodwill MSEK 121.0 (99.7 and 98.1) and acquisition related intangible assets MSEK 8.9 (6.9 and 7.4).

HOLDINGS 2007–2009

			Attributable to the Group			
Name	Domicile	*Share of capital, %*	Assets	Liabilities	Sales	Net income
2009						
Long Hai Security Services Joint Stock Company	Ho Chi Minh City	*49*	3.0	0.6	0.0	0.0
Walsons Services Pvt Ltd	Delhi	*49*	*24.3*	*25.5*	*51.2*	*-4.1*
2008						
Walsons Services Pvt Ltd	Delhi	*49*	16.6	14.1	39.4	-0.4
Facility Network A/S	Copenhagen	*20*	0.6	0.4	0.8	0.0
2007						
Walsons Services Pvt Ltd	Delhi	*49*	12.9	10.5	5.3	0.3
Facility Network A/S	Copenhagen	*20*	0.7	0.3	0.2	0.0

Note 22. Interest-bearing financial non-current assets[1]

MSEK	2009	2008	2007
Fair value hedges[2]			
Derivatives with positive fair value, long-term	12.1	–	–
Cash flow hedges[2]			
Derivatives with positive fair value, long-term	–	–	13.1
Other items[3]	148.7	150.6	273.2
Total interest-bearing financial non-current assets	**160.8**	**150.6**	**286.3**

1 Further information regarding financial instruments is provided in note 6.
2 Related to derivatives designated for hedging.
3 Related to loans and receivables.

Note 23. Other long-term receivables

MSEK	2009	2008	2007
Pension balances, defined benefit plans[1]	36.2	8.4	17.9
Pension balances, defined contribution plans[2]	64.8	55.2	58.3
Other long-term receivables	307.8	338.0	303.3
Total other long-term receivables	**408.8**	**401.6**	**379.5**

1 Pension balances refer to assets related to pensions and other long-term employee benefit plans. Further information is provided in note 31.
2 Refers to assets relating to insured pension plans excluding social benefits.

Note 24. Inventories

MSEK	2009	2008	2007
Material and consumables	26.9	21.5	15.1
Work in progress	1.9	1.4	2.1
Advance payments to suppliers	5.5	17.0	22.3
Total inventories	**34.3**	**39.9**	**39.5**

Note 25. Accounts receivable

MSEK	2009	2008	2007
Accounts receivable before deduction of provisions for bad debt losses	9,741.2	10,317.0	10,213.7
Provisions for bad debt losses	–377.9	–354.4	–324.3
Total accounts receivable	**9,363.3**	**9,962.6**	**9,889.4**

Opening balance provision for bad debt losses	–354.4	–324.3
Provision for expected losses	–181.8	–162.5
Actual losses	89.8	61.9
Reversed provisions	59.5	73.0
Increases due to acquisitions	–8.1	–13.5
Decreases due to disposals	3.1	1.0
Discontinued operations	–	57.6
Translation differences	14.0	–47.6
Closing balance provision for bad debt losses	**–377.9**	**–354.4**

Expenses for bad debt losses for the year amounted to MSEK 141.2 (69.4 and 14.5). Expenses for bad debt losses for 2007 includes recovered bad debt losses in respect of Globe/Federal Aviation Administration of MSEK 50.1, stated under items affecting comparability.

Note 26. Other current receivables

MSEK	2009	2008	2007
Prepaid expenses and accrued income	675.9	732.3	795.0
Accrued interest income and prepaid financial expenses	0.9	40.9	297.9
Insurance-related receivables	15.9	16.5	63.2
Value added tax	82.6	77.3	54.7
Other items	342.1	157.1	161.2
Total other current receivables	**1,117.4**	**1,024.1**	**1,372.0**

Note 27. Other interest-bearing current assets[1]

MSEK	2009	2008	2007
Fair value hedges[2]			
Derivatives with positive fair value, short-term	–	–	1,421.2
Cash flow hedges[2]			
Derivatives with positive fair value, short-term	–	0.9	8.2
Other derivative positions[3]			
Derivatives with positive fair value, short-term	81.9	41.5	19.5
Total other interest-bearing current assets	**81.9**	**42.4**	**1,448.9**

1 Further information regarding financial instruments is provided in note 6.
2 Related to derivatives designated for hedging.
3 Related to financial assets at fair value through profit or loss.

Note 28. Liquid funds[1]

MSEK	2009	2008	2007
Short-term investments[2]	1,648.1	3,076.2	3,453.7
Cash and bank deposits[3]	849.0	875.3	897.0
Total liquid funds	**2,497.1**	**3,951.5**	**4,350.7**

1 Liquid funds include short-term investments with a maximum duration of 90 days and cash and bank deposits.
2 Short-term investments refer to fixed interest rate bank deposits.
3 The net position in Group country cash-pool accounts is reported as cash and bank deposit where netting reflects the legal structure of the arrangement.

Note 29. Changes in shareholders' equity

	Shareholders' equity attributable to equity holders of the Parent Company							
MSEK	Share capital	Other capital contributed	Hedging reserve	Translation reserve	Retained earnings	Total	Minority interests	Total
Opening balance 2007	**365.1**	**7,362.6**	**25.3**	**–277.4**	**2,127.1**	**9,602.7**	**0.4**	**9.603.1**
Net income for the year, all operations	**–**	**–**	**–**	**–**	**524.4**	**524.4**	**1.6**	**526.0**
Other comprehensive income								
Actuarial gains and losses net of tax	–	–	–	–	44.5	44.5	–	44.5
Cash flow hedges								
Transfer to hedging reserve before tax	–	–	4.6	–	–	4.6	–	4.6
Deferred tax on transfer to hedging reserve	–	–	–1.3	–	–	–1.3	–	–1.3
Transfer to interest income in the statement of income before tax	–	–	180.0	–	–	180.0	–	180.0
Transfer to interest expense in the statement of income before tax	–	–	–213.1	–	–	–213.1	–	–213.1
Deferred tax on transfer to statement of income	–	–	9.3	–	–	9.3	–	9.3
Net investment hedges	–	–	–	74.8	–	74.8	–	74.8
Translation differences	–	–	–	–282.1	–	–282.1	–0.1	–282.2
Other comprehensive income, all operations	**–**	**–**	**–20.5**	**–207.3**	**44.5**	**–183.3**	**–0.1**	**–183.4**
Total comprehensive income for the year, all operations	**–**	**–**	**–20.5**	**–207.3**	**568.9**	**341.1**	**1.5**	**342.6**
Dividend paid to shareholders of the Parent Company	–	–	–	–	–1,131.7	–1,131.7	–	–1,131.7
Opening balance 2008	**365.1**	**7,362.6**	**4.8**	**–484.7**	**1,564.3**	**8,812.1**	**1.9**	**8,814.0**
Net income for the year, all operations	**–**	**–**	**–**	**–**	**2,323.6**	**2,323.6**	**–1.9**	**2,321.7**
Other comprehensive income								
Actuarial gains and losses net of tax	–	–	–	–	–464.6	–464.6	–	–464.6
Cash flow hedges								
Transfer to hedging reserve before tax	–	–	–183.3	–	–	–183.3	–	–183.3
Deferred tax on transfer to hedging reserve	–	–	51.3	–	–	51.3	–	51.3
Transfer to interest income in the statement of income before tax	–	–	–285.6	–	–	–285.6	–	–285.6
Transfer to interest expense in the statement of income before tax	–	–	288.0	–	–	288.0	–	288.0
Deferred tax on transfer to statement of income	–	–	–0.6	–	–	–0.6	–	–0.6
Net investment hedges	–	–	–	–232.8	–	–232.8	–	–232.8
Translation differences	–	–	–	2,187.0	–	2,187.0	1.1	2,188.1
Other comprehensive income, all operations	**–**	**–**	**–130.2**	**1,954.2**	**–464.6**	**1,359.4**	**1.1**	**1,360.5**
Total comprehensive income for the year, all operations	**–**	**–**	**–130.2**	**1,954.2**	**1,859.0**	**3,683.0**	**–0.8**	**3,682.2**
Transactions with minority interests	–	–	–	–	–	–	5.6	5.6
Dividend paid to shareholders of the Parent Company	–	–	–	–	–1,131.7	–1,131.7	–	–1,131.7
Dividend of net assets in Loomis (note 38)	–	–	–	–501.2	–2,361.6	–2,862.8	–	–2,862.8
Opening balance 2009	**365.1**	**7,362.6**	**–125.4**	**968.3**	**–70.0**	**8,500.6**	**6.7**	**8,507.3**
Net income for the year	**–**	**–**	**–**	**–**	**2,116.2**	**2,116.2**	**1.8**	**2,118.0**
Other comprehensive income								
Actuarial gains and losses net of tax	–	–	–	–	16.2	16.2	–	16.2
Cash flow hedges								
Transfer to hedging reserve before tax	–	–	–107.1	–	–	–107.1	–	–107.1
Deferred tax on transfer to hedging reserve	–	–	28.1	–	–	28.1	–	28.1
Transfer to interest income in the statement of income before tax	–	–	–1.1	–	–	–1.1	–	–1.1
Transfer to interest expense in the statement of income before tax	–	–	185.3	–	–	185.3	–	185.3
Deferred tax on transfer to statement of income	–	–	–48.4	–	–	–48.4	–	–48.4
Net investment hedges	–	–	–	254.9	–	254.9	–	254.9
Translation differences	–	–	–	–1,073.3	–	–1,073.3	–0.5	–1,073.8
Other comprehensive income	**–**	**–**	**56.8**	**–818.4**	**16.2**	**–745.4**	**–0.5**	**–745.9**
Total comprehensive income for the year	**–**	**–**	**56.8**	**–818.4**	**2,132.4**	**1,370.8**	**1.3**	**1,372.1**
Transactions with minority interests	–	–	–	–	–	–	0.3	0.3
Dividend paid to shareholders of the Parent Company	–	–	–	–	–1,058.7	–1,058.7	–	–1,058.7
Closing balance 2009	**365.1**	**7,362.6**	**–68.6**	**149.9**	**1,003.7**	**8,812.7**	**8.3**	**8,821.0**

Number of shares outstanding December 31, 2009			MSEK
Series A	17,142,600	each share with a quota value of SEK 1.00	17.1
Series B	347,916,297	each share with a quota value of SEK 1.00	348.0
Total	**365,058,897**		**365.1**

The number of Series A and Series B shares is unchanged in relation to December 31, 2008. As of December 31, 2009 there where no outstanding convertible debenture loans that could result in any dilution of the share capital.

Each Series A share carried ten votes and each Series B share one vote. This is the only difference between the two series of shares.

Shareholders with more than 10 percent of the votes

The principal shareholders are Investment AB Latour, which together with Säkl AB, Förvaltnings AB Wasatornet and Karpalunds Ångbryggeri AB holds 11.6 percent of the capital and 30.1 percent of the votes, and Melker Schörling AB, which holds 5.6 percent of the capital and 11.8 percent of the votes.

Dividend

The Board of Directors and the President propose a dividend to the shareholders of the Parent Company of SEK 3.00 per share, or a total of MSEK 1,095.2. The dividend to the shareholders for the previous year 2008, which was paid out in 2009, was SEK 2.90 per share, or a total of MSEK 1,058.7. The dividend to the shareholders for 2007, which was paid in 2008, was SEK 3.10 per share, or a total of MSEK 1,131.7.

Presentation of Shareholders' Equity

According to IAS 1 a company should as a minimum present issued capital and other reserves in balance sheet. Securitas AB has chosen to specify Shareholders' equity into further components in accordance with the table above;

- Share capital
- Other capital contributed
- Other reserves
- Retained earnings

Share capital shows the registered share capital of the Parent Company. There were no changes in the share capital in 2009.

In other capital contributed, the total amount of all transactions Securitas AB has had with its shareholders is included. Transactions that have taken place with shareholders are issued capital to premium. The amount presented in this sub-component corresponds to capital received (reduced by commission costs) in excess of par value of issued capital. There were no changes in other capital contributed in 2009.

Other reserves show income and expense items that according to certain standards should be recognized in other comprehensive income. In the case of Securitas, other reserves consist of translation differences attributable to the translation of foreign subsidiaries according to IAS 21, and of the hedging reserve of cash flow hedges. The amount in the hedging reserve will be transferred to the statement of income over the following three year period.

Retained earnings corresponds to the accumulated profits earned and losses incurred in total for the Group. Retained earnings also include actuarial gains and losses on post-employment benefits posted in other comprehensive income. Retained earnings are further reduced by dividend paid to shareholders of the Parent Company.

Note 30. Long-term liabilities excluding provisions[1]

MSEK	2009	2008	2007
EMTN Nom MEUR 45, 2008/2013, FRN Semi Annual[2]	461.7	491.5	–
EMTN Nom MEUR 45, 2008/2014, FRN Quarterly[2]	461.7	–	–
EMTN Nom MEUR 500, 2009/2013, Annual 6.50% Fixed[2]	5,116.0	–	–
Finance leases	93.4	127.9	218.4
Other long-term loans[3]	2,145.3	6,406.5	7,116.0
Total other long-term loan liabilities excluding derivatives	**8,278.1**	**7,025.9**	**7,334.4**
Cash flow hedges[4]			
Derivatives with negative fair value, long-term	79.4	122.5	14.6
Total derivatives	**79.4**	**122.5**	**14.6**
Total other long-term loan liabilities	**8,357.5**	**7,148.4**	**7,349.0**
Pensions balances, defined contribution plans[5]	64.8	67.7	58.3
Other long-term liabilities	129.0	133.9	87.2
Total other long-term liabilities	**193.8**	**201.6**	**145.5**
Total long-term liabilities	**8,551.3**	**7,350.0**	**7,494.5**

1 For further information regarding financial instruments, refer to note 6.
2 Issued by the Parent Company.
3 Includes long-term drawdowns of loans raised within the MUSD 1,100 Multi Currency Revolving Credit Facility.
4 Related to derivatives designated for hedging.
5 Refers to liability for insured pension plan excluding social costs.

LONG-TERM LIABILITIES FALL DUE FOR PAYMENT AS FOLLOWS:

MSEK	2009	2008	2007
Maturity < 5 years	8,469.3	7,282.3	7,425.7
Maturity > 5 years	82.0	67.7	68.8
Total long-term liabilities	**8,551.3**	**7,350.0**	**7,494.5**

Note 31. Provisions for pensions and similar commitments

The Group operates or participates in a number of defined benefit and defined contribution pension and other long-term employee benefit plans throughout the world. These plans are structured in accordance with local rules and practices. The overall cost of these plans for the Group is provided in note 12.

USA

The majority of the Group's U.S. employees are eligible to join their respective employer's defined contribution retirement arrangements under which the employer matches employee contributions up to certain limits, although enrollment rates are low. The Group's U.S. operations also operate two defined benefit pension plans which are closed to new entrants and future benefit accruals. One of these plans is funded with assets held separately from those of the employer.

Sweden

Blue-collar workers are covered by the SAF-LO collective pension plan, an industrywide multi-employer defined contribution arrangement. White-collar workers are covered by the industry-wide ITP plan, which is a defined benefit plan based on a collective agreement and operated on a multi-employer basis. According to a statement (URA 42) issued by the Swedish Emerging Issues Task Force this is a multi-employer defined benefit plan. Alecta, the insurance company that operates this plan, has been unable to provide Securitas, or other Swedish companies, with sufficient information to determine its share of the total assets and liabilities for this arrangement. Consequently this arrangement is accounted for on a defined contribution basis. The cost for continuing operations during 2009 amounts to MSEK 19.9 (11.2 and 13.6). The surplus in Alecta can be allocated to the insured employer and/or the insured employees. Alecta's level of consolidation was 141 percent (112 and 152) as of December 31, 2009. The level of consolidation is calculated as the fair value of Alecta's plan assets as a percentage of the obligations calculated according to Alecta's actuarial assumptions. This calculation is not in line with IAS 19.

Norway

The defined benefit arrangements are closed to new entrants and currently cover about 15 percent of the employees. New employees are instead covered by defined contribution plans. The defined benefit plans comprise both funded and unfunded arrangements.

Other countries

There are also defined benefit arrangements in countries other than those mentioned above. The countries with material plans are Canada, France, Germany, the Netherlands and the U.K. The Group's defined benefit plans in the U.K. have decreased substantially after the dividend of Loomis in 2008.

Sensitivity analysis

A reduction of the discount rate by 0.1 percentage points would increase the provision for pensions and similar commitments by approximately MSEK 31. An increase in the inflation rate by 0.1 percentage points would increase the provisions for pensions and similar commitments by approximately MSEK 3. An increase in the average expected life span by 1 year would increase the provision for pensions and similar commitments by approximately MSEK 65.

An increase of one percentage point in the assumed medical cost trend rate would increase the provision for post-retirement medical plans in Canada by approximately MSEK 19 and increase the aggregate of the service cost and interest cost components by approximately MSEK 2. A decrease of one percentage point in the assumed medical cost trend rate would decrease the provision for post-retirement medical plans in Canada by approximately MSEK 15 and decrease the aggregate of the service cost and interest cost components by approximately MSEK 1.

Changes in the discount rate, the inflation rate and the average expected life span are accounted for as actuarial gains and losses whereby the change with the exception of the impact on other long-term employee benefits would be recognized in the statement of comprehensive income and thus would not burden the net income for the year. Changes in assumptions will impact the pension cost, and consequently the net income, for the following year.

Pension costs

The table below shows the total costs for defined benefit plans. The settlements, curtailments and terminations during 2009 and 2008 are mainly related to minor settlements and terminations in Germany and Austria. The settlements, curtailments and terminations during 2007 are mainly related to a gain relating to the pension plan for Loomis Cash Management Ltd in the United Kingdom as well as settlements of plans in the Netherlands and Germany.

Included in the table below are pension costs for non-material defined benefit plans for continuing operations of MSEK 1.1 (0.4 and 0.3).

The costs for defined contribution plans for continuing operations were MSEK 405.5 (344.4 and 286.0). The actual return on plan assets for all operations 2009 was MSEK 159.3 (–252.5 and 138.1).

PENSION COSTS FOR DEFINED BENEFIT PLANS

			2009			2008			2007
MSEK	Continuing operations	Discontinued operations	All operations	Continuing operations	Discontinued operations	All operations	Continuing operations	Discontinued operations	All operations
Current service costs	63.7	–	63.7	60.5	36.8	97.3	55.0	60.5	115.5
Interest costs	135.0	–	135.0	131.9	69.6	201.5	106.6	69.8	176.4
Expected return on assets	-87.3	–	-87.3	–122.2	–66.1	–188.3	–102.9	–65.3	–168.2
Recognized actuarial gain/loss[1]	0.9	–	0.9	0.4	–	0.4	4.4	–6.5	–2.1
Recognized past service costs	-0.6	–	-0.6	0.2	–	0.2	–	–	–
Settlements, curtailments and terminations	-0.4	–	-0.4	–0.7	–	–0.7	–4.4	–21.8	–26.2
Total pension costs	**111.3**	**–**	**111.3**	**70.1**	**40.3**	**110.4**	**58.7**	**36.7**	**95.4**

1 Relates to other long-term employee benefits.

PENSION COSTS FOR DEFINED BENEFIT PLANS ALLOCATED PER FUNCTION

MSEK	2009
Production expenses	57.5
Selling and administrative expenses	53.8
Total pension costs allocated per function	**111.3**

MOVEMENTS IN PROVISIONS FOR PENSIONS AND SIMILAR COMMITMENTS, NET

			2009			2008			2007
MSEK	Obligations	Plan assets	Net	Obligations	Plan assets	Net	Obligations	Plan assets	Net
Opening balance	**2,528.8**	**–1,287.1**	**1,241.7**	**3,490.0**	**–2,561.8**	**928.2**	**3,547.4**	**–2,498.5**	**1,048.9**
Current service costs	63.7	–	63.7	97.3	–	97.3	115.5	–	115.5
Interest costs	135.0	–	135.0	201.5	–	201.5	176.4	–	176.4
Expected return on assets	–	–87.3	–87.3	–	–188.3	–188.3	–	–168.2	–168.2
Recognized actuarial gain/loss[1]	0.9	–	0.9	0.4	–	0.4	–2.1	–	–2.1
Recognized past service costs	–0.6	–	–0.6	0.2	–	0.2	–	–	–
Settlements/curtailments/terminations	–0.4	–	–0.4	–0.7	–	–0.7	–32.4	6.2	–26.2
Total pension cost recognized in the statement of income	**198.6**	**–87.3**	**111.3**	**298.7**	**–188.3**	**110.4**	**257.4**	**–162.0**	**95.4**
Actuarial gains and losses – obligations[2, 3]	48.6	–	48.6	274.0	–	274.0	–88.9	–	–88.9
Actuarial gains and losses – plan assets[2]	–	–72.0	–72.0	–	440.8	440.8	–	30.1	30.1
Total actuarial gains and losses before tax recognized in other comprehensive income[2]	**48.6**	**–72.0**	**–23.4**	**274.0**	**440.8**	**714.8**	**–88.9**	**30.1**	**–58.8**
Employer contributions[4]	–	–136.1	–136.1	–	–167.9	–167.9	–	–167.8	–167.8
Employee contributions	1.9	–1.9	–	2.0	–2.0	–	9.4	–9.4	–
Benefits paid to participants	–143.3	143.3	–	–161.3	161.3	–	–172.6	172.6	–
Acquisitions/divestitures/reclassifications	22.0	–7.2	14.8	2.4	–	2.4	19.1	–	19.1
Discontinued operations[5]	–	–	–	–1,622.3	1,178.2	–444.1	–	–	–
Translation difference	–89.1	30.9	–58.2	245.3	–147.4	97.9	–81.8	73.2	–8.6
Closing balance	**2,567.5**	**–1,417.4**	**1,150.1**	**2,528.8**	**–1,287.1**	**1,241.7**	**3,490.0**	**–2,561.8**	**928.2**

1 Relates to other long-term employee benefits.
2 Relates to post-employment benefits.
3 Actuarial losses for 2009 relate to changes in assumptions (losses) of MSEK 20.7 (losses of 125.7 and gains of –131.5) and changes in plan experience (losses) of MSEK 27.9 (losses of 148.3 and losses of 42.6).
4 Employer contributions expected to be paid in 2010 are estimated to increase compared to the employer contributions paid in 2009, due to the deficit in the Group's funded pension plans.
5 Discontinued operations relate to the obligations and plan assets that as of December 8, 2008 were included in Loomis.

ALLOCATION OF PLAN ASSETS

Percent	2009	2008	2007
Equity investments	39	42	55
Interest bearing assets	47	48	39
Other assets	14	10	6
Total allocation of plan assets	**100**	**100**	**100**

The table above presents a breakdown of the various types of investments in which the assets of the Group's funded benefit arrangements are invested. Further information on the principles for determining the return on assets can be found in note 2.

PROVISIONS FOR PENSIONS AND SIMILAR COMMITMENTS, NET

MSEK	2009	2008	2007
Plans reported under other long-term receivables (note 23)	–36.2	–8.4	–17.9
Plans reported under provisions for pensions and similar commitments	1,186.3	1,250.1	946.1
Total provisions for pensions and similar commitments, net	**1,150.1**	**1,241.7**	**928.2**

The table above shows the distribution in the balance sheet after taking into consideration plan assets and obligations for defined benefit plans. Plans with net assets are reported under other long-term receivables and plans with a net provision are reported under provisions for pensions and similar commitments.

FUNDED STATUS AND EXPERIENCE ADJUSTMENTS

MSEK	2009	2008	2007	2006	2005
Fair value of plan assets	–1,417.4	–1,287.1	–2,561.8	–2,498.5	–2,572.1
Defined benefit obligations funded plans	1,907.6	1,897.1	2,886.3	2,941.1	3,067.8
Defined benefit obligations unfunded plans	659.9	631.7	603.7	606.3	695.4
Funded status, net	**1,150.1**	**1,241.7**	**928.2**	**1,048.9**	**1,191.1**
Experience adjustments on plan assets[1]	–72.0	440.8	30.1	–51.0	–84.4
Experience adjustments on defined benefit obligations[1]	27.9	148.3	42.6	70.6	–5.5

1 Gains (–) and losses (+).

The table above presents the funded status for funded defined benefit plans as well as the obligations for unfunded defined benefit plans which together form the funded status, net. It also presents the history of actuarial gains and losses due to experience on plan assets and defined benefit obligations.

ACTUARIAL GAINS (–) AND LOSSES (+) RECOGNIZED IN OTHER COMPREHENSIVE INCOME

MSEK	2009	2008	2007
Actuarial gains and losses before taxes, continuing operations[1]	–23.4	566.5	–16.9
Taxes, continuing operations	7.2	–206.2	6.2
Total actuarial gains and losses after taxes, continuing operations	**–16.2**	**360.3**	**–10.7**
Actuarial gains and losses after taxes, discontinued operations	–	104.3	–33.8
Total actuarial gains and losses after taxes, all operations[2]	**–16.2**	**464.6**	**–44.5**

1 Per December 31, 2009 accumulated actuarial gains and losses before taxes, continuing operations, amounted to MSEK 893.8 (917.2 and 350.7).
2 Refers to actuarial gains and losses after taxes recognized in other comprehensive income.

MAIN ACTUARIAL ASSUMPTIONS

	2009			2008			2007		
Percent (per annum)	USA	Eurozone	Other countries	USA	Eurozone	Other countries	USA	Eurozone	Other countries
Discount rate[1]	5.75	4.50–5.25	4.50–7.00	6.20	5.50–5.75	3.80–7.00	6.00	5.50–5.75	4.70–5.70
Expected return on plan assets	8.50	3.80	5.70–6.50	8.50	5.00	5.70–7.00	8.50	5.25	5.70–6.80
General salary increases[2]	n/a	2.00–2.75	3.75–4.60	n/a	2.00–3.50	3.75–4.00	n/a	2.00–3.50	3.50–4.80
Inflation[2]	n/a	1.75–2.00	2.50–3.60	n/a	1.75–2.25	2.00–3.00	n/a	1.75–2.00	2.50–3.30
Pension increases[2]	n/a	1.75	1.40–4.25	n/a	0.75–1.75	1.50–3.75	n/a	1.00–1.75	2.00–4.25
Healthcare cost inflation[3]	n/a	n/a	2.00–9.60	n/a	n/a	2.00–10.00	n/a	n/a	2.50–8.00

1 In the USA, the discount rate is derived from the full Citigroup yield curve, using a cash flow matching approach. In the Eurozone, the discount rate is based on Iboxx Euro AA indices of appropriate term and adjusted for the duration of the obligations. The material plans in the category Other countries are Norway (government bonds adjusted for the duration of the obligations), the U.K. (Iboxx £ AA 15 year +) and Canada (single discount rate derived from the Mercer Canada Yield Curve for high quality corporate bonds).
2 Plans in the USA are non-inflation-linked cash balance plans which are closed for future benefit accrual.
3 Related to healthcare plans in Canada. The assumption represents the range of current expected healthcare cost inflation for the different benefits. This range is expected to fall to 2.00–4.50 percent (depending on benefit type) by 2024.

The table above shows the main actuarial assumptions as of December 31, 2009, 2008 and 2007 used to value the defined benefit obligations at the end of 2009, 2008 and 2007 as well as in determining the pension cost for 2010, 2009 and 2008.

As of December 31, 2009 the following assumptions were used for the major plans in Securitas concerning mortality: USA – "RP-2000 mortality tables projected to 2009". Norway – tables in series "K2005". Canada – "UP-1994 mortality table with generational improvements". These tables have been established for use after consultation with the company's actuaries and reflect Securitas' view concerning future mortality experience.

Note 32. Other long-term provisions

The movement in the balance sheet for provisions for pensions and similar commitments is provided in note 31. The movement in the balance sheet for deferred tax liabilities is provided in note 15.

DECEMBER 31, 2009

MSEK	Liability insurance-related claims reserves[1]	Provisions for taxes	Other provisions	Total
Opening balance	603.3	176.4	728.6[2]	1,508.3[2]
Reclassification	4.7	–0.8	–5.1	–1.2
New/increased provisions	19.7	12.2	55.5	87.4
Provisions utilized	–0.6	–	–93.9	–94.5
Reversal of unutilized provisions	–47.5	–	–1.3	–48.8
Translation differences	–53.1	–15.3	–36.8	–105.2
Loss short-term items	–	–	–185.6	–185.6
Closing balance	**526.5**	**172.5**	**461.4**	**1,160.4**

1 Liability insurance-related claims reserves primarily consist of provisions for the portion of claims payable by the Group, that is its self-retention.
2 Includes short-term provisions of MSEK 156.3 (note 35).

Note 33. Short-term loan liabilities[1]

MSEK	2009	2008	2007
EMTN Nom MEUR 500, 2001/2008, 6.125 %[2]	–	–	4,717.1
Commercial paper issued[3]	822.1	1,974.6	2,023.4
Finance leases	97.0	102.9	114.6
Other short-term loans[4]	1,818.3	4,197.0	1,720.8
Total other short-term loan liabilities excluding derivatives	**2,737.4**	**6,274.5**	**8,575.9**
Cash flow hedges[5]			
Derivatives with negative fair value, short-term	17.7	–	–
Other derivative positions[6]			
Derivatives with negative fair value, short-term	14.9	134.2	39.0
Total other short-term loan liabilities	**2,770.0**	**6,408.7**	**8,614.9**

1 For further information regarding financial instruments refer to note 6.
2 The bond loan EMTN Nom MEUR 500, 2001/2008 matured on March 14, 2008.
3 Commercial paper is issued by the Parent Company within the framework of a MSEK 5,000 Swedish commercial paper program.
4 Other short-term loans include loans raised within the framework of a MUSD 1,100 Multi Currency Revolving Credit Facility maturing in June 2012 and the remainder of the MEUR 550 term loan maturing in May 2010. The amounts in relation to the term loan are in the comparatives included in long-term liabilities. The 2007 comparatives also include loans raised within the framework of a MUSD 250 securitization programme, which matured in June 2008.
5 Related to derivatives designated for hedging.
6 Related to financial liabilities at fair value through profit or loss.

Note 34. Other current liabilities

MSEK	2009	2008	2007
Employee-related items	5,412.9	5,701.2	5,462.3
Accrued interest and financial expenses	242.7	174.9	354.7
Other accrued expenses and deferred income	582.1	799.0	795.7
Advance payments from customers	250.1	196.4	215.9
Value added tax	1,002.6	938.3	947.2
Other items	712.1	558.0	669.6
Total other current liabilities	**8,202.5**	**8,367.8**	**8,445.4**

Note 35. Other short-term provisions[1]

MSEK	2009	2008	2007
Liability insurance-related claims reserves[2]	503.6	652.5	694.6
Provisions related to Loomis Cash Management Ltd	–	–	483.5
Other items	185.6	156.3	157.9
Total other short-term provisions	**689.2**	**808.8**	**1,336.0**

1 Further information is provided in note 32.
2 Liability insurance-related claims reserves primarily consist of provisions for the portion of claims payable by the Group, that is its self-retention.

Note 36. Pledged assets

MSEK	2009	2008	2007
Pension balances defined contribution plans	64.8	55.2	58.3
Total pledged assets	**64.8**	**55.2**	**58.3**

Note 37. Contingent liabilities

MSEK	2009	2008	2007
Sureties and guarantees	35.6	23.4	17.3
Other contingent liabilities	36.9	48.0	–
Total contingent liabilities	**72.5**	**71.4**	**17.3**

In addition to the contingent liabilities accounted for in the table above, the following contingent liabilities, for which no amount can be determined, also exist:

Brazil – Estrela Azul

In connection with the efforts of Securitas to expand its activities in Latin America, Securitas entered into an agreement in 2005 with respect to the possible acquisition of a security guarding company in Brazil. In order to support this company while required governmental approvals were sought, Securitas provided a bank guarantee for the benefit of the subject company. The governmental approvals took much longer than anticipated to obtain and during such period the financial condition of the target company substantially deteriorated. Given the decline in the financial condition of the company, in December 2006 Securitas exercised its right not to complete the acquisition. The government approval had then been received. In view of the decision not to complete the subject transaction, a provision in the amount of the bank guarantee was recognized as of December 31, 2006.

The company filed for protection from its creditors under Brazilian legislation providing for a judicial restructuring process. Securitas, being a creditor in the insolvency matter, objected to the company's restructuring plan proposed in the judicial restructuring process. The insolvency judge decided against Securitas objections and this decision was appealed by Securitas in 2008. The Court of Appeal upheld the lower courts' decision. The company has thereafter, on November 9, 2009, been declared bankrupt and the restructuring process has been replaced by bankruptcy proceedings.

In connection with the judicial restructuring process, the company (now in bankruptcy) asserted a claim of MUSD 140 against Securitas, alleging that Securitas is responsible for the company's financial failure. Securitas denies all responsibility for such claim. The defense of these cases has been entrusted to one of the leading law firms in Brazil. In a decision by the first instance court in Brazil the claim was fully rejected. The judgment has been appealed by the company and now the bankruptcy estate.

In addition, several employees of Estrela Azul who claim to be owed inter alia wages have named Securitas in addition to other parties in pending labor suits. The number of labor law cases involving Securitas has continued to increase in 2009. The claimed amounts are in average low. The defense of these labor cases has been entrusted to one of the leading law firms in Brazil. Securitas denies all responsibility for such claims.

Germany – Heros

The German cash handling operations were divested in November 2005 to the German Heros Group. In February 2006, the Heros Group of companies filed for insolvency under German law. In connection with the foregoing, the insolvency trustee has been examining all relevant prior transactions of the insolvent companies, including the German cash handling companies which Securitas sold to the Heros Group. Following his investigation, the insolvency trustee has raised questions relating to pre-acquisition transactions in the divested companies, alleging possible material future claims.

On April 7, 2008 the insolvency trustee advised Securitas in a letter that according to the insolvency trustee, the Heros companies (in bankruptcy) may have substantial monetary claims on Securitas Germany and that in the absence of a mutual understanding and agreement on the questioned transactions, the bankruptcy estate will commence legal action against Securitas Germany.

The claims of the Heros companies (in bankruptcy) are based on the insolvency trustee's understanding of the subject pre-acquisition transactions, resulting in the allegation that certain inter-company transactions (set-offs) performed by Securitas Germany prior to the sale of the companies were not in compliance with German law. Heros' aggregated claims on Securitas Germany amounts to approximately MEUR 108. Heros is in addition requesting Securitas Germany to re-assign a claim against the insurance company If which was kept by Securitas in the divestiture.

On January 8, 2009 and on March 4, 2009 the insolvency trustee, in a draft statement of claim, reiterated his allegations and claim. On April 9, 2009 Securitas responded to the insolvency trustee and denied the claims. Based on local legal expertise and a legal opinion from a renown law professor, Securitas has and will continue to object to the claims raised by the insolvency trustee. Settlement negotiations were initiated by the insolvency trustee in the end of 2009 and has continued in 2010.

As of December 31, 2006 a minor provision was recognized to cover the known exposure in the Heros claim at that time. This provision remains unchanged.

Germany – U.S. Army

Securitas Germany has filed a law suit against the U.S. Army for unpaid services under a now expired contract for guarding services. Securitas' original claim was approximately MEUR 4.4. The U.S. Army filed a counter-claim of originally MEUR 10.5 plus penalties (requesting also treble damages under U.S. law) alleging over-billings of 550,000 hours by Securitas. Based on information provided to the U.S. Army this amount has been reduced by the U.S. Army to MEUR 4.4. An independent auditing firm has been engaged to assist in the investigation of the claim.

Based on Securitas' U.S. counsel's current evaluation of Securitas' claim and the conclusions of the auditing firm, Group Management view a settlement solution as a possible option for Securitas. Settlement discussions are therefore agreed with the U.S. Army and has been held in 2009 and will continue during 2010.

Spain – Tax Audit

The Spanish tax authority has in connection with an audit of Securitas Spain challenged certain interest deductions and in a tax resolution in June 2009 decided to reject interest payments made for the years 2003–2005. If finally upheld by Spanish courts, the resolution by the Spanish tax authorities would result in a tax of MEUR 9 including interest. Securitas has appealed the resolution by the Spanish tax authorities to the national tax court Tribunal Económico Administrativo Central.

Securitas believe it has acted in accordance with applicable law and will defend its position in court. However, the tax resolution causes some uncertainty and it may take long time until a final judgment is made. To avoid future challenges, of interest deductions the Group has adjusted the capitalization of Securitas Spain.

USA – the events of September 11, 2001

A detailed account of the developments surrounding the events of September 11, 2001 has been presented in press releases and interim and annual reports for 2001 to 2008.

Globe Aviation Services Corporation (Globe), a subsidiary corporation within the Securitas Group, had a contract for the provision of passenger checks and screening with American Airlines. One of the American Airlines planes that were hijacked was screened by Globe at Logan Airport, Boston.

All investigations of the events of September 11, 2001 continue to indicate that Globe in no way has been negligent in its actions or is otherwise at fault for the events. This was confirmed through the release of previously confidential Congressional testimony by the Director of the FBI. The customer contract gives Globe the right to tender claims for damages to the customer. Globe is a separate operation and a separate legal entity. Any liability for claims thus is limited to Globe's own ability to pay and the insurance protection available to it. In November 2002, the U.S. Congress restored the liability cap for eligible screening companies such as Globe. Under this legislation, any potential liability arising out of the terrorist events of September 11, 2001 would be limited to the amount of liability insurance coverage maintained.

As previously disclosed, a special fund has been established by the U.S. Government to compensate victims of the September 11, 2001 tragedy. Over 98 percent of persons claiming on behalf of World Trade Center deceased victims has elected to obtain compensation from the victim's compensation fund rather than pursue litigation. Claimants under the fund waive their right to seek compensation through litigation. The deadlines for filing wrongful death, bodily injury and property damage claims have now all expired. Cross claims may still be filed by existing parties to the already filed claims.

Globe and other Securitas companies are, together with the relevant airline and other parties, defendants in 22 lawsuits pertaining to the events of September 11, 2001. The reduction of outstanding cases is due to the settlement of the fatality cases. Two of the remaining suits pertain to persons who died and 20 relate to damage to property and businesses owing to the events of September 11, 2001. All bodily injury cases involving Globe have been settled. Certain of the property claims are substantial and the aggregate estimated value of the claims filed can exceed the insurance coverage estimated to exist as a potential source of recovery. The potential exposure has been reduced due to a court decision which declares that in the property cases the Fair Market Value rather than the Replacement Value shall be applied when computing possible property damages. The potential exposure has been further reduced by the court's decision that Securitas is not responsible for any damages related to the destruction of World Trade Center Tower 1. Due to the statutory liability cap in relation to the events of September 11, 2001, any such liability is limited to the amount of liability insurance coverage maintained at the time of the incident.

Globe and the other companies in the Group named as defendants are challenging these suits. All coverage disputes with the relevant September 11, 2001 insurers have been resolved. The proceedings against the Securitas companies other than Globe have, with the consent of the Court and the plaintiffs, been temporarily stayed. In all the suits, a number of persons other than Globe and Securitas companies are co-defendants.

Any liabilities arising out of the September 11, 2001 litigation are not expected to materially impact Securitas' business operation or financial position.

Other Proceedings

Over the years, Securitas has made a number of acquisitions in different countries. As a result of such acquisitions, certain contingent liabilities of the businesses acquired have been assumed. The risks relating to such contingent liabilities are covered by contractual indemnification, insurance or adequate reserves.

Companies within the Securitas Group are also involved in a number of other legal proceedings and tax audits arising out of the business. Any liabilities arising out of such proceedings are not expected to be material to the business operations or the financial position of the Group.

Note 38. Discontinued operations

Discontinued operations are defined as the previous segment Loomis as it was presented in the Securitas Group. The previous segment Loomis as included in the Securitas Group will differ from the stand alone company Loomis AB. As a previous primary segment, Loomis was accounted for under IAS 14 Segment reporting. Under IFRS 8 Operating segments, Loomis would have been treated as a reportable segment. The adoption of IFRS 8 has however not changed how discontinued operations are accounted for in the comparatives.

Reporting for segments within Securitas differs from reporting on a stand alone basis in that:

- The segment reporting is limited to operating income and exclude certain intra-group transactions that are not of an operating nature.
- The segment reporting consequently excludes financial items and tax.
- When adjustments have been made to the consolidated financial statements of the Securitas Group, these adjustments are based on historical segment data already published and in addition to this, adjustments for finance net and tax attributable to the segments. These items were previously recognized under the heading Other.
- Total sales have been adjusted for intra-group sales to and from Loomis. This adjustment impacts the intra-group sales previously recognized in Loomis, but also in the continuing operations as well as the elimination of intra-group sales included under the heading Eliminations.

In summary the restatement according to IFRS 5 has been applied as follows:

- The statement of income for the Securitas Group includes the net income in Loomis up to December 8, 2008.
- The net income in Loomis up to December 8, 2008 is included on the line net income, discontinued operations in the consolidated statement of income. This means that the impact from Loomis on each line in the consolidated statement of income has been adjusted and is recognized as a net total on the line net income, discontinued operations. A specification of the net income in discontinued operations is given below.
- This adjustment has also been carried out for all comparatives in the consolidated statement of income.
- The cash flow impact from Loomis up to December 8, 2008 is included on the line cash flow for the period, discontinued operations in the cash flow statement according to Securitas' financial model. This means that the impact from Loomis on each line has been adjusted and is recognized as a net total on the line cash flow for the period, discontinued operations.
- The formal consolidated statement of cash flow is however not restated and the impact from discontinued operations is shown line by line for cash flow from operations, discontinued operations, cash flow from investing activities, discontinued operations and cash flow from financing activities, discontinued operations.
- This adjustment has also been carried out for all comparatives in the cash flow statement according to Securitas' financial model and the formal consolidated statement of cash flow.

- In accordance with IFRS 5, the comparatives for the balance sheet are not adjusted. However the table for capital employed and financing according to Securitas' financial model separates the segment capital employed in discontinued operations also for comparatives. The net assets (operating capital employed and capital employed) previously included under the segment Loomis are shown as capital employed, discontinued operations.
- Key ratios have been restated where applicable.
- Information of the balances relating to discontinued operations (Loomis) as of December 8, 2008 are included below. The corresponding impact on shareholders' equity of the Securitas Group is included in note 29, on the line dividend of net assets in Loomis. The dividend amount is measured as the carrying amount of net assets as of the dividend date.

In the tables below the following information is provided:
- Condensed statement of income for discontinued operations
- Condensed statement of cash flow for discontinued operations
- Assets and liabilities in discontinued operations as of December 8, 2008
- Capital employed and financing in discontinued operations as of December 8, 2008

CONDENSED STATEMENT OF INCOME

MSEK	2009	2008	2007
Sales, external and intra-group	–	10,467.6	11,396.9
Elimination of intra-group sales	–	–19.0	–25.4
Total sales	**–**	**10,448.6**	**11,371.5**
Operating income before amortization	**–**	**672.1**	**293.5**
Amortization and impairment of acquisition related intangible assets	–	–13.8	–18.2
Acquisition related restructuring costs	–	–	–36.9
Items affecting comparability	–	–	–640.0
Operating income after amortization	**–**	**658.3**	**–401.6**
Financial income and expenses	–	–115.4	–90.0
Income before taxes	**–**	**542.9**	**–491.6**
Taxes	–	–111.1	–336.4
Net income for the year	**–**	**431.8**	**–828.0**

CONDENSED STATEMENT OF CASH FLOW

MSEK	2009	2008	2007
Cash flow from operations	–	436.8	302.3
Cash flow from investing activities	–	–764.5	–1,017.2
Cash flow from financing activities	–	–462.8	1,373.8
Cash flow for the year	**–**	**–790.5**	**658.9**

ASSETS AND LIABILITIES

MSEK	Loomis Dec. 8, 2008
Goodwill	3,024.0
Acquisition related intangible assets	77.3
Other intangible assets	44.2
Tangible non-current assets	2,926.3
Non-interest bearing financial non-current assets	364.7
Interest bearing financial non-current assets	60.1
Non-interest bearing current assets	2,975.2
Liquid funds	453.9
Total assets	**9,925.7**
Interest bearing long-term liabilities	69.1
Non-interest bearing provisions	999.2
Non-interest bearing current liabilities	3,013.2
Interest bearing current liabilities	2,981.4
Total liabilities	**7,062.9**
Net assets in discontinued operations	**2,862.8**

CAPITAL EMPLOYED AND FINANCING

MSEK	Loomis Dec. 8, 2008
Operating capital employed	**2,298.0**
Goodwill	3,024.0
Acquisition related intangible assets	77.3
Capital employed	**5,399.3**
Net debt	**–2,536.5**
Net assets in discontinued operations	**2,862.8**

Statement of income

MSEK	Note	2009	2008	2007
Administrative contribution and other revenues	40	973.7	536.8	378.2
Gross income		**973.7**	**536.8**	**378.2**
Administrative expenses	42, 43	–400.3	–376.7	–290.9
Operating income		**573.4**	**160.1**	**87.3**
Result of financial investments				
Result of sale of shares in subsidiaries and associates	40	85.9	–	15.1
Dividend	40	4,645.5	21,228.1	2,434.2
Interest income	40	228.2	1,104.5	1,207.9
Interest expenses	40	–781.6	–1,977.3	–2,160.2
Other financial income and expenses, net	44	–2,813.6	–17,956.1	–971.9
Total financial income and expenses		**1,364.4**	**2,399.2**	**525.1**
Income after financial items		**1,937.8**	**2,559.3**	**612.4**
Appropriations				
Difference between book depreciation and depreciation according to plan		–	–	0.1
Total appropriations		**–**	**–**	**0.1**
Income before taxes		**1,937.8**	**2,559.3**	**612.5**
Current taxes	45	–21.9	–40.1	–13.6
Deferred taxes	45	41.5	181.0	–10.5
Net income for the year		**1,957.4**	**2,700.2**	**588.4**

Statement of comprehensive income

MSEK	Note	2009	2008	2007
Net income for the year		**1,957.4**	**2,700.2**	**588.4**
Other comprehensive income				
Cash flow hedges net of tax		56.8	–130.2	–20.5
Net investment hedges		–49.7	892.5	93.6
Other comprehensive income	45	**7.1**	**762.3**	**73.1**
Total comprehensive income for the year		**1,964.5**	**3,462.5**	**661.5**

Statement of cash flow

MSEK	Note	2009	2008	2007
Operations				
Operating income		573.4	160.1	87.3
Reversal of depreciation		5.5	3.9	3.8
Financial items received		4,957.6	22,574.1	3,605.0
Financial items paid		–739.8	–2,190.4	–2,114.4
Current taxes paid		–25.4	–26.7	–11.2
Change in other operating capital employed		2,399.4	–304.3	–500.8
Cash flow from operations		**7,170.7**	**20,216.7**	**1,069.7**
Investing activities				
Investments in non-current tangible and intangible assets		–12.9	–49.7	–24.0
Shares in subsidiaries		–6,989.2	–8,317.4	–108.5
Cash flow from investing activities		**–7,002.1**	**–8,367.1**	**–132.5**
Financing activities				
Dividend paid		–1,058.7	–1,131.7	–1,131.7
Redemption of convertible debenture loans		–	–	–2,363.1
Proceeds from bond loans		5,962.5	425.8	–
Redemption of bond loans		–	–4,694.6	–
Proceeds from other long-term borrowings		2,288.3	828.0	7,181.7
Repayment of other long-term borrowings		–4,524.2	–	–
Change in other interest-bearing net debt excluding liquid funds		–4,149.6	–9,149.6	–2,250.1
Cash flow from financing activities		**–1,481.7**	**–13,722.1**	**1,436.8**
Cash flow for the year		**–1,313.1**	**–1,872.5**	**2,374.0**
Liquid funds at beginning of year		1,314.8	3,187.3	813.3
Liquid funds at year-end	51	**1.7**	**1,314.8**	**3,187.3**

Balance sheet

MSEK	Note	2009	2008	2007
ASSETS				
Non-current assets				
Other intangible assets	46	82.7	74.4	29.1
Machinery and equipment	47	3.2	4.1	3.7
Shares in subsidiaries	48	40,073.7	36,335.1	51,050.1
Shares in associated companies	49	112.1	112.1	110.0
Interest-bearing financial non-current assets	41	217.2	–	13.1
Deferred tax assets		39.0	–	–
Other long-term receivables		75.8	66.7	58.2
Total non-current assets		**40,603.7**	**36,592.4**	**51,264.2**
Current assets				
Current receivables from subsidiaries		1,188.5	2,604.3	2,027.1
Interest-bearing current receivables from subsidiaries	41	3,247.0	9,284.6	12,415.5
Other current receivables		15.7	2.7	14.8
Current tax assets		3.2	–	3.3
Prepaid expenses and accrued income	50	23.2	61.7	371.8
Other interest-bearing current receivables	41	47.5	30.5	1,433.5
Short-term investments	51	–	1,314.3	3,187.2
Cash and bank deposits	51	1.7	0.5	0.1
Total current assets		**4,526.8**	**13,298.6**	**19,453.3**
TOTAL ASSETS		**45,130.5**	**49,891.0**	**70,717.5**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Restricted equity				
Share capital		365.1	365.1	365.1
Legal reserve		7,362.6	7,362.6	7,362.6
Total restricted equity		**7,727.7**	**7,727.7**	**7,727.7**
Non-restricted equity				
Hedging reserve		–68.6	–125.4	4.8
Translation reserve		780.4	830.1	266.5
Retained earnings		11,457.7	9,816.2	15,896.0
Net income for the year		1,957.4	2,700.2	588.4
Total non-restricted equity		**14,126.9**	**13,221.1**	**16,755.7**
Total shareholders' equity	52	**21,854.6**	**20,948.8**	**24,483.4**
Long-term liabilities				
Other long-term loan liabilities	41	8,259.1	7,011.1	7,119.6
Other long-term liabilities		77.7	67.7	58.8
Total long-term liabilities	53	**8,336.8**	**7,078.8**	**7,178.4**
Current liabilities				
Current liabilities to subsidiaries		570.4	66.9	59.9
Interest-bearing current liabilities to subsidiaries	41	9,448.4	14,915.3	31,009.6
Group account bank overdraft		1,950.8	472.5	731.4
Other short-term loan liabilities	41	2,597.7	6,083.6	6,759.3
Accounts payable		42.6	34.8	32.8
Accrued expenses and prepaid income	54	300.7	269.7	448.8
Other current liabilities		28.5	20.6	13.9
Total current liabilities		**14,939.1**	**21,863.4**	**39,055.7**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**45,130.5**	**49,891.0**	**70,717.5**
Pledged assets	55	64.8	55.2	58.3
Contingent liabilities	56	1,669.1	1,893.7	2,311.4

Changes in shareholders' equity

MSEK	Share capital[1]	Legal reserve	Hedging reserve	Translation reserve	Retained earnings and net income for the year	Total
Opening balance 2007	**365.1**	**7,362.6**	**25.3**	**172.9**	**17,027.7**	**24,953.6**
Net income for the year	**–**	**–**	**–**	**–**	**588.4**	**588.4**
Other comprehensive income						
Cash flow hedges						
Transfer to hedging reserve before tax	–	–	4.6	–	–	4.6
Deferred tax on transfer to hedging reserve	–	–	–1.3	–	–	–1.3
Transfer to interest income in the statement of income before tax	–	–	180.0	–	–	180.0
Transfer to interest expense in the statement of income before tax	–	–	–213.1	–	–	–213.1
Deferred tax on transfer to statement of income	–	–	9.3	–	–	9.3
Net investment hedges	–	–	–	93.6	–	93.6
Other comprehensive income	**–**	**–**	**–20.5**	**93.6**	**–**	**73.1**
Total comprehensive income for the year	**–**	**–**	**–20.5**	**93.6**	**588.4**	**661.5**
Dividend paid to shareholders of the Parent Company	–	–	–	–	–1,131.7	–1,131.7
Opening balance 2008	**365.1**	**7,362.6**	**4.8**	**266.5**	**16,484.4**	**24,483.4**
Net income for the year	**–**	**–**	**–**	**–**	**2,700.2**	**2,700.2**
Other comprehensive income						
Cash flow hedges						
Transfer to hedging reserve before tax	–	–	–183.3	–	–	–183.3
Deferred tax on transfer to hedging reserve	–	–	51.3	–	–	51.3
Transfer to interest income in the statement of income before tax	–	–	–285.6	–	–	–285.6
Transfer to interest expense in the statement of income before tax	–	–	288.0	–	–	288.0
Deferred tax on transfer to statement of income	–	–	–0.6	–	–	–0.6
Net investment hedges	–	–	–	892.5	–	892.5
Other comprehensive income	**–**	**–**	**–130.2**	**892.5**	**–**	**762.3**
Total comprehensive income for the year	**–**	**–**	**–130.2**	**892.5**	**2,700.2**	**3,462.5**
Dividend paid to shareholders of the Parent Company	–	–	–	–	–1,131.7	–1,131.7
Dividend of shares in Loomis AB (note 48)	–	–	–	–328.9	–5,536.5	–5,865.4
Opening balance 2009	**365.1**	**7,362.6**	**–125.4**	**830.1**	**12,516.4**	**20,948.8**
Net income for the year	**–**	**–**	**–**	**–**	**1,957.4**	**1,957.4**
Other comprehensive income						
Cash flow hedges						
Transfer to hedging reserve before tax	–	–	–107.1	–	–	–107.1
Deferred tax on transfer to hedging reserve	–	–	28.1	–	–	28.1
Transfer to interest income in the statement of income before tax	–	–	–1.1	–	–	–1.1
Transfer to interest expense in the statement of income before tax	–	–	185.3	–	–	185.3
Deferred tax on transfer to statement of income	–	–	–48.4	–	–	–48.4
Net investment hedges	–	–	–	–49.7	–	–49.7
Other comprehensive income	**–**	**–**	**56.8**	**–49.7**	**–**	**7.1**
Total comprehensive income for the year	**–**	**–**	**56.8**	**–49.7**	**1,957.4**	**1,964.5**
Dividend paid to shareholders of the Parent Company	–	–	–	–	–1,058.7	–1,058.7
Closing balance 2009	**365.1**	**7,362.6**	**–68.6**	**780.4**	**13,415.1**	**21,854.6**

1 For information regarding the numbers of shares outstanding refer to note 52.

Note 39. Accounting principles

The Parent Company's financial statements are prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 2:2 Accounting for Legal Entities. The Parent Company thus follows the same accounting principles as the Group when relevant and except in the cases stated below. The differences that exist between the Parent Company's and the Group's accounting principles are a result of the restrictions that the Swedish Annual Accounts Act, the Swedish Act on Safeguarding of Pension Commitments and the options that RFR 2:2 allow for IFRS in the Parent Company.

IAS 17 Leasing

Finance leases cannot be accounted for on legal entity level since specific ordinances for the taxation are not available or are not complete. Finance leases can therefore on legal entity level be accounted for according to the requirements for operational leases. This limitation lacks practical implications since the Parent Company has not entered into any leasing agreements that could be classified as finance leases.

IAS 19 Employee benefits

According to the Swedish Act on Safeguarding of Pension Commitments, the Parent Company cannot recognize defined benefit plans on legal entity level. This limitation has no material impact on the employee benefits relating to the employees of the Parent Company. Pension solutions either fall within the framework of the ITP–plan that is insured via Alecta, which is described under the Group's accounting principles, or in all material aspects consist of other defined contribution plans.

IAS 39 Financial instruments: Recognition and measurement

The Parent Company follows IAS 39 with the exception of financial guarantees in relation to subsidiaries. For further information refer to the accounting principles adopted by the Group for recognition and measurement of financial instruments in note 2.

IAS 21 Effects of changes in foreign exchange rates

Paragraph 32 in IAS 21 states that exchange differences that form part of a reporting entity's net investments in a foreign operation shall be recognized via the statement of income in the separate financial statements of the reporting entity. Paragraph 43 in RFR 2:2 states that such exchange differences instead should be recognized directly in shareholders' equity in accordance with paragraph 14 d in chapter 4 of the Swedish Annual Accounts Act. Securitas AB follows paragraph 43 in RFR 2:2 and recognizes exchange differences that fulfills the criteria for net investment hedges, that is for which settlement is neither planned nor likely to occur in the foreseeable future, via the translation reserve in equity.

URA 7 Group contributions and capital contributions

Group contributions received by the Parent Company are deemed to be dividends and are thus recognized as a financial income in the Parent Company.

Anticipated dividends

An anticipated dividend from a subsidiary is recognized as income in the Parent Company if the Parent Company has the right to both decide and approve the amount of the dividend from the subsidiary. The Parent Company must furthermore ensure that the dividend is in line with the subsidiary's dividend capacity.

Note 40. Transactions with related parties

Transactions between the Parent Company and subsidiaries are priced in accordance with business principles.

PARENT COMPANY'S TRANSACTIONS WITH SUBSIDIARIES COMPRISE

MSEK	2009	2008	2007
Administrative contributions and other revenues from subsidiaries	962.4	518.1	360.0
– of which discontinued operations	–	7.0	26.1
Result of sale of shares in subsidiaries[1]	85.9	–	15.1
– of which discontinued operations	–	–	–
Dividends from subsidiaries	4,645.5	21,228.1	2,434.2
– of which discontinued operations	–	–	244.7
Interest income from subsidiaries	214.4	701.4	643.1
– of which discontinued operations	–	113.4	96.0
Interest expenses to subsidiaries	–199.0	–1,043.5	–1.150.8
– of which discontinued operations	–	–21.0	–34.7

1 For 2007 the result from liquidation of associated company.

Receivables and liabilities from/to subsidiaries and their distribution between interest-bearing and non-interest-bearing items are reported in the balance sheet.

For information regarding benefits provided to senior management, refer to the Group information in notes 8 and 12 to the consolidated financial statements and note 43.

For pledged assets and contingent liabilities on behalf of subsidiaries, refer to the information on pledged assets and contingent liabilities in connection with the balance sheet and in notes 55 and 56.

Note 41. Financial risk management

The Parent Company follows, as stated in note 39, IAS 39 Financial instruments: Recognition and measurement. Refer to note 2 and note 6 for further information about financial risks that are applicable also for the Parent Company.

LIQUIDITY REPORT AS PER DECEMBER 31, 2009

MSEK	Total	< 1 year	Between 1 year and 5 years	> 5 years
Borrowings	–20,417	–10,834	–9,583	–
Derivatives outflows	–6,992	–6,909	–83	–
Accounts payable	–43	–43	–	–
Total outflows	**–27,452**	**–17,786**	**–9,666**	**–**
Investments	3,305	3,286	19	–
Derivatives receipts	7,093	6,920	173	–
Accounts receivable	–	–	–	–
Total inflows	**10,398**	**10,206**	**192**	**–**
Net cash flows, total[1]	**–17,054**	**–7,580**	**–9,474**	**–**

1 Variable rate cash flows have been estimated using the relevant yield curve.

REVALUATION OF FINANCIAL INSTRUMENTS

MSEK	2009	2008	2007
Recognized in the statement of income			
Financial income and expenses	0.3	0.9	–4.1
Deferred tax	–0.1	–0.3	1.1
Impact on net income for the year	**0.2**	**0.6**	**–3.0**
Recognized via hedging reserve in other comprehensive income			
Transfer to hedging reserve before tax	–107.1	–183.3	4.6
Deferred tax on transfer to hedging reserve	28.1	51.3	–1.3
Transfer to hedging reserve net of tax	**–79.0**	**–132.0**	**3.3**
Transfer to statement of income before tax	184.2	2.4	–33.1
Deferred tax on transfer to statement of income	–48.4	–0.6	9.3
Transfer to statement of income net of tax	**135.8**	**1.8**	**–23.8**
Total change of hedging reserve before tax[1]	77.1	–180.9	–28.5
Deferred tax on total change of hedging reserve before tax[1]	–20.3	50.7	8.0
Total change of hedging reserve net of tax	**56.8**	**–130.2**	**–20.5**
Total impact on shareholders' equity as specified above			
Total revaluation before tax[2]	77.4	–180.0	–32.6
Deferred tax on total revaluation[2]	–20.4	50.4	9.1
Total revaluation after tax	**57.0**	**–129.6**	**–23.5**

1 Total of transfer to hedging reserve and transfer from hedging reserve to statement of income.
2 Total revaluation and deferred tax recognized via statement of income and via other comperhensive income.

DERIVATIVES IN THE BALANCE SHEET

MSEK	2009	2008	2007
Interest-bearing financial non-current assets			
Fair value hedges	12.1	–	–
Cash flow hedges	–	–	13.1
Other derivative positions	–	–	–
Total derivatives included in interest-bearing financial non-current assets	**12.1**	**–**	**13.1**
Interest-bearing current receivables from subsidiaries			
Fair value hedges	–	–	–
Cash flow hedges	–	–	–
Other derivative positions	52.7	22.3	10.2
Total derivatives included in interest-bearing current receivables from subsidiaries	**52.7**	**22.3**	**10.2**
Other interest-bearing current assets			
Fair value hedges	–	–	1,421.2
Cash flow hedges	–	0.9	8.2
Other derivative positions	47.5	29.6	4.1
Total derivatives included in other interest-bearing current assets	**47.5**	**30.5**	**1,433.5**
Other long-term loan liabilities			
Fair value hedges	–	–	–
Cash flow hedges	79.4	122.5	14.6
Other derivative positions	–	–	–
Total derivatives included in other long-term loan liabilities	**79.4**	**122.5**	**14.6**
Interest-bearing current liabilities to subsidiaries			
Fair value hedges	–	–	–
Cash flow hedges	–	–	–
Other derivative positions	–	44.3	7.3
Total derivatives included in interest-bearing current liabilities to subsidiaries	**–**	**44.3**	**7.3**
Other short-term loan liabilities			
Fair value hedges	–	–	–
Cash flow hedges	17.7	52.5	–
Other derivative positions	10.8	10.7	17.3
Total derivatives included in other short-term loan liabilities	**28.5**	**63.2**	**17.3**

FAIR VALUE – HIERARCHY AS PER DECEMBER 31, 2009

MSEK	Quoted market prices	Valuation techniques using observable market data	Valuation techniques using non observable market data	Total
Financial assets at fair value through profit or loss	–	100.2	–	100.2
Financial liabilities at fair value through profit or loss	–	–10.8	–	–10.8
Financial liabilities designated as hedged item in a fair value hedge	–	–	–	–
Derivatives designated for hedging	–	–85.0	–	–85.0

Note 42. Operating expenses

AUDIT FEES AND REIMBURSEMENTS

MSEK	2009	2008	2007
PricewaterhouseCoopers			
– audit assignments	5.5	5.3	7.7
– other assignments[1]	8.3	10.5	3.1
Total PricewaterhouseCoopers	**13.8**	**15.8**	**10.8**
Other auditors			
– audit assignments	–	–	–
Total	**13.8**	**15.8**	**10.8**

1 The cost of other assignments carried out by PricewaterhouseCoopers includes fees for audit-related advisory services relating to accounting, including IFRS, IT, acquisitions, divestments and matters concerning the Group's internal bank.

Note 43. Personnel

AVERAGE NUMBER OF YEARLY EMPLOYEES; DISTRIBUTION BETWEEN WOMEN AND MEN

	Women			Men			Total		
	2009	2008	2007	2009	2008	2007	2009	2008	2007
Board of Directors	3	3	3	6	6	6	9	9	9
Presidents	–	–	–	1	1	1	1	1	1
Other employees, Sweden	25	24	20	24	17	12	49	41	32

STAFF COSTS

	2009			2008			2007			Of which bonuses		
MSEK	Salaries	Social benefits	(of which pensions)	Salaries	Social benefits	(of which pensions)	Salaries	Social benefits	(of which pensions)	2009	2008	2007
Board of Directors and Presidents[1]	18.6	10.5	(3.2)	21.4	10.8	(3.9)	16.1	8.3	(2.6)	2.0	5.3	2.0
Other employees	61.6	30.6	(11.2)	56.6	32.6	(14.1)	40.0	22.7	(9.7)	6.7	14.4	0.0
Total	**80.2**	**41.1**	**(14.4)**	**78.0**	**43.4**	**(18.0)**	**56.1**	**31.0**	**(12.3)**	**8.7**	**19.7**	**2.0**

1 Refer to note 8 for further information regarding remuneration to the Board of Directors and Presidents.

SICK LEAVE

	2009	2008	2007
Total number of hours reported as sick leave among employees	**872.6**	**770.4**	**1,493.2**
Men, by age:	127.5	71.3	54.4
<30 years	–	–	–
30–49 years	127.5	71.3	54.4
>49 years	–	–	–
Women, by age:	745.1	699.1	1,438.8
<30 years	–	–	–
30–49 years	745.1	616.6	362.5
>49 years	–	82.5	1,076.3
Employees' total normal annual working hours per person	**95,550**	**81,900**	**61,350**
Men	46,800	35,100	25,350
Women	48,750	46,800	36,000
Sick leave as % of normal annual working hours			
Men	0.27	0.20	0.21
Women	1.53	1.49	3.69

Note 44. Other financial income and expenses, net

MSEK	2009	2008	2007
Impairment losses, shares in subsidiaries[1]	–3,250.6	–17,167.0	–638.9
Exchange rate differences, net	453.4	–783.0	–314.5
Bank costs and similar income/expense items	–16.6	–17.1	–12.5
Revaluation of financial instruments (IAS 39)	0.3	0.9	–4.1
Other items, net	–0.1	10.1	–1.9
Total other financial income and expenses, net	**–2,813.6**	**–17,956.1**	**–971.9**

1 The value of shares in subsidiaries was written down 2009, 2008 and 2007 in connection with the receipt by the Parent Company of dividends from a subsidiary. The impairment loss in 2007 is also related to recognition of impairment losses of goodwill in the Netherlands, where an impairment was also recognized for shares in subsidiaries.

Note 45. Taxes

STATEMENT OF INCOME TAX EXPENSE

MSEK	2009	2008	2007
Tax on income before taxes			
– current taxes	–21.9	–40.1	–13.6
– deferred taxes	41.5	181.0	–10.5
Total taxes	**19.6**	**140.9**	**–24.1**

The Swedish Corporate tax rate was 26.3 percent in 2009 and 28 percent in 2008 and 2007.

DIFFERENCE BETWEEN STATUTORY SWEDISH TAX RATE AND ACTUAL TAX EXPENSE FOR THE PARENT COMPANY

MSEK	2009	2008	2007
Tax based on the Swedish tax rate	–509	–717	–172
Tax from prior years	39	–30	0
Tax effect related to non-taxable income	1,350	895	371
Tax effect related to non-deductible expenses	–860	–7	–223
Actual tax charge	**20**	**141**	**–24**

Tax effect of non-taxable income mainly relates to dividends from subsidiaries. Tax effect of non-deductible expenses mainly relates to write-down of shares in subsidiaries.

Deferred tax assets for 2009 are attributable to tax losses and employee related debt.

Tax loss carryforwards

The tax loss carryforwards for the Parent Company amounted to MSEK 0 (0 and 0) as of December 31, 2009.

TAX EFFECTS ON OTHER COMPREHENSIVE INCOME

MSEK	2009	2008	2007
Deferred tax on cash flow hedges	–20.3	50.7	8.0
Deferred tax on net investment hedges	17.7	–347.1	–35.7
Deferred tax on other comprehensive income	**–2.6**	**–296.4**	**–27.7**

Note 46. Other intangible assets

MSEK	2009	2008	2007
Opening balance	123.5	75.4	63.0
Capital expenditures	12.7	37.2	23.0
Reclassification	–	10.9	–
Disposals/write-off	–	–	–10.6
Closing accumulated balance	**136.2**	**123.5**	**75.4**
Opening amortization	–49.1	–46.3	–43.5
Amortization for the year	–4.4	–2.8	–2.8
Closing accumulated amortization	**–53.5**	**–49.1**	**–46.3**
Opening impairment losses	–	–	–10.6
Write-off	–	–	10.6
Closing accumulated impairment losses	**–**	**–**	**–**
Closing residual value	**82.7**	**74.4**	**29.1**

Note 47. Machinery and equipment

MSEK	2009	2008	2007
Opening balance	14.0	12.5	11.8
Capital expenditures	0.2	1.5	1.1
Disposals/write-off	–	–	-0.4
Closing accumulated balance	**14.2**	**14.0**	**12.5**
Opening depreciation	-9.9	-8.8	-8.2
Disposals/write-off	–	–	0.4
Depreciation for the year	-1.1	-1.1	-1.0
Closing accumulated depreciation	**-11.0**	**-9.9**	**-8.8**
Closing residual value	**3.2**	**4.1**	**3.7**

Note 48. Shares in subsidiaries[1]

Subsidiary name	Corporate registration no.	Domicile	Number of shares	*% of share capital/ voting rights*	Book value Parent Company
Securitas Holdings Inc.	95-4754543	Parsippany	100	*100*	2,208.0
Securitas Canada Ltd	036580-6	Montreal	4,004	*100*	85.6
Grupo Securitas Mexico, S A de C V[2]	GSM930817U48	Monterrey	5,000	*99.98*	14.5
Securitas Nordic Holding AB	556248-3627	Stockholm	1,000,000	*100*	5,130.5
Securitas Eesti AS	10188743	Tallinn	1,371	*100*	32.1
Securitas Deutschland Finanz Holding GmbH	HRB 33348	Düsseldorf	–	*100*	2,572.3
SL Sicherheit GmbH	HRB 53995	Düsseldorf	–	*100*	0.4
Securitas Services Holding U.K. Ltd	5759961	London	14,000,000	*100*	278.4
Securitas Seguridad Holding SL	B83446831	Madrid	301	*100*	8,042.7
Protectas S.A.	CH-550-0084385-3	Lausanne	25,000	*100*	32.8
Securitas Sicherheitsdienstleistungen GmbH	FN148202w	Vienna	100	*100*	58.2
Securitas N V[2]	0427.388.334	Brussels	1,000	*99.9*	272.8
Securitas Services International BV	33287487	Amsterdam	25,000	*100*	3,733.3
Securitas KFT	Cg.01-09-721946	Budapest	–	*100*	0.9
Securitas Polska Sp. z o. o.	36743	Warsaw	29,700	*100*	22.8
Securitas CR s r o	CZ43872026	Prague	100	*100*	162.0
Securitas Services Romania SRL	13740159	Bukarest	21,980	*100*	49.5
Securitas Services DOO	17487809	Belgrade	–	*100*	41.5
Securitas Transport Aviation Security AB	556691-8917	Stockholm	1,000	*100*	231.6
Alert Services Holding NV[2]	RPR617707	Brussels	3,311,669	*53.01*	576.3
Securitas Alert Services Polska Sp.z o.o.	KRS 0000289244	Warsaw	2,000	*100*	2.5
Securitas Argentina S.A.[2]	1587929	Buenos Aires	282,400	*20*	13.5
Securitas Asia Holding AB	556691-8800	Stockholm	100,000	*100*	51.6
Securitas UAE LLC[3]	617030	Dubai	5,725	*49/51*	5.1
Securitas Egypt LLC	175560	Cairo	5,000	*80*	1.4
Securitas Direct S.A.	272139	Bern	500	*50*	2.1
Securitas Treasury Ireland Ltd	152440	Dublin	21,075,470	*100*	11,300.0
Securitas Invest AB	556630-3995	Stockholm	1,000	*100*	4,552.7
Securitas Group Reinsurance Ltd	317030	Dublin	50,000,000	*100*	576.5
Securitas Rental AB	556376-3829	Stockholm	1,000	*100*	3.6
AB Jourmontör	556087-1468	Stockholm	1,000	*100*	0.1
Securitas Toolbox Ltd	316907	Badhoevedorp	100	*100*	0.0
Securitas SA Holdings Pty Ltd	2008-028411-07	Johannesburg	1,000	*100*	3.2
Securitas Middle East and Africa Holding AB	556771-4406	Stockholm	100,000	*100*	15.2
Total shares in subsidiaries					**40,073.7**

1 A complete specification of subsidiaries can be obtained from the Parent Company.
2 The remaining 0.02 percent of Grupo Securitas Mexico S.A. de CV and 0.1 percent of Securitas NV are held by Securitas Rental AB.
Also the remaing 46.99 percent of Alert Services Holding NV and 80 percent of Securitas Argentina S.A., are held by Securitas Seguridad Holding SL.
3 Securitas controls 51 percent of the votes due to a management agreement.

CHANGE ANALYSIS OF SHARES IN SUBSIDIARIES

MSEK	2009	2008	2007
Opening balance	36,335.1	51,050.1	51,580.5
Acquisitions	56.7	34.8	8.2
Divestments	-97.9	–	–
Capital contributions	6,946.4	8,282.6	100.3
Impairment losses[1]	–3,250.6	–17,167.0	–638.9
Dividend of shares[2]	–	–5,865.4	–
Received de-merger[3]	84.0	–	–
Closing balance	**40,073.7**	**36,335.1**	**51,050.1**

1 Impairment losses 2009, 2008 and 2007 have been recognized in connection with the receiving by the Parent Company dividend from a subsidiary.
2 Dividend of shares in 2008 is related to Loomis AB.
3 Received de-merger is related to Securitas Aviation Holding SL.

Note 49. Shares in associated companies

HOLDINGS 2007–2009

Company	Domicile	*Share in equity, %*	*Voting rights, %*	Book Value
Walsons Services Pvt Ltd	Delhi	*49.0*	*49.0*	112.1
Holdings 2009				**112.1**
Walsons Services Pvt Ltd	Delhi	*49.0*	*49.0*	112.1
Holdings 2008				**112.1**
Walsons Services Pvt Ltd	Delhi	*49.0*	*49.0*	110.0
Holdings 2007				**110.0**

Note 50. Prepaid expenses and accrued income

MSEK	2009	2008	2007
Prepaid rent	1.4	6.0	53.0
Prepaid financial expenses	–	0.5	22.4
Other prepaid expenses	21.8	16.1	21.6
Accrued interest income	–	39.1	274.8
Total prepaid expenses and accrued income	**23.2**	**61.7**	**371.8**

Note 51. Liquid funds

Liquid funds include cash and bank deposits and short-term investments with a maximum duration of 90 days. In the Parent Company's balance sheet, utilized internal credits in the Swedish cash-pool account are reported under the Group account bank overdraft. Short-term investments refer to fixed interest rate bank deposits.

Note 52. Changes in shareholders' equity

Number of shares outstanding 31 December 2009			MSEK
Series A	17,142,600	each share with a quota value of SEK 1.00	17.1
Series B	347,916,297	each share with a quota value of SEK 1.00	348.0
Total	**365,058,897**		**365.1**

The number of Series A and Series B shares is unchanged in relation to December 31, 2008. As of December 31, 2009 there where no outstanding convertible debenture loans that could result in any dilution of the share capital.

Each Series A share carried ten votes and each Series B share one vote. This is the only difference between the two series of shares.

Shareholders with more than 10 percent of the votes

The principal shareholders are Investment AB Latour, which together with Säkl AB, Förvaltnings AB Wasatornet and Karpalunds Ångbryggeri AB holds 11.6 percent of the capital and 30.1 percent of the votes, and Melker Schörling AB, which holds 5.6 percent of the capital and 11.8 percent of the votes.

Dividend

The Board of Directors and the President propose a dividend to the shareholders of the Parent Company of SEK 3.00 per share, or a total of MSEK 1,095.2. The dividend to the shareholders for the previous year 2008, which was paid out in 2009, was SEK 2.90 per share, or a total of MSEK 1,058.7. The dividend to the shareholders for the year 2007, which was paid out in 2008, was SEK 3.10 per share, or a total of MSEK 1,131.7.

Note 53. Long-term liabilities

LONG-TERM LIABILITIES FALL DUE FOR PAYMENT AS FOLLOWS

MSEK	2009	2008	2007
Maturity < 5 years	8,261.2	7,011.1	7,119.6
Maturity > 5 years	75.6	67.7	58.8
Total long-term liabilities	**8,336.8**	**7,078.8**	**7,178.4**

Note 54. Accrued expenses and prepaid income

MSEK	2009	2008	2007
Employee-related items	32.8	45.2	22.1
Accrued interest expenses	242.4	174.8	354.6
Other accrued expenses	25.5	49.7	72.1
Total accrued expenses and prepaid income	**300.7**	**269.7**	**448.8**

Note 55. Pledged assets

MSEK	2009	2008	2007
Pension balances, defined contribution plans	64.8	55.2	58.3
Total pledged assets	**64.8**	**55.2**	**58.3**

Note 56. Contingent liabilities

MSEK	2009	2008	2007
Sureties and guarantees[1]	1,632.2	1,845.7	2,217.5
Other contingent liabilities	36.9	48.0	93.9
Total contingent liabilities	**1,669.1**	**1,893.7**	**2,311.4**
(Of which on behalf of subsidiaries)	(1,632.2)	(1,845.7)	(2,311.4)

1 The Parent Company carries guarantees for loan liabilities at full value even if the underlying facilities have not been fully utilized by the subsidiaries.

In addition to the contingent liabilities accounted for in the table above, Letters of Comfort are issued on behalf of subsidiaries in the Group.

The Board of Directors and the President declare that the consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU and give a true and fair view of the Group's financial position and results of operations. The financial statements of the Parent Company have been prepared in accordance with generally accepted accounting principles in Sweden and give a true and fair view of the Parent Company's financial position and results of operations.

The statutory administration report of the Group and the Parent Company provides a fair review of the development of the Group's and the Parent Company's operations, financial position and results of operations and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

The statements of income and balance sheets of the Parent Company and the Group are subject to adoption by the Annual General Meeting on May 4, 2010.

Stockholm, March 11, 2010

Melker Schörling
Chairman

Carl Douglas
Vice Chairman

Fredrik Cappelen
Director

Marie Ehrling
Director

Annika Falkengren
Director

Stuart E. Graham
Director

Sofia Schörling Högberg
Director

Fredrik Palmstierna
Director

Susanne Bergman Israelsson
Director
Employee Representative

Åse Hjelm
Director
Employee Representative

Jan Prang
Director
Employee Representative

Alf Göransson
President and Chief Executive Officer, Director

Our audit report has been submitted on March 12, 2010
PricewaterhouseCoopers AB

Peter Nyllinge
Authorized Public Accountant
Auditor in charge

Patrik Adolfson
Authorized Public Accountant

(Translation of the Swedish original)

To the Annual General Meeting of the shareholders of Securitas AB (publ.)

Corporate identity number 556302-7241

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the President of Securitas AB for the year 2009. The Company's annual accounts and the consolidated accounts are included in the printed version on pages 45–116. The Board of Directors and the President are responsible for these accounts and the administration of the Company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the President and significant estimates made by the Board of Directors and the President when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the Company in order to be able to determine the liability, if any, to the Company of any board member or the President. We also examined whether any board member or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the Company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the Group's financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the Annual General Meeting of shareholders that the income statements and balance sheets of the Parent Company and the Group be adopted, that the profit of the Parent Company be dealt with in accordance with the proposal in the administration report and that the members of the Board of Directors and the President be discharged from liability for the financial year.

Stockholm, March 12, 2010

PricewaterhouseCoopers AB

Peter Nyllinge
Authorized Public Accountant
Auditor in charge

Patrik Adolfson
Authorized Public Accountant

Corporate Governance – Our Approach

Securitas is committed to meeting high standards of corporate governance. The ultimate aim of the corporate governance is to protect the interests of shareholders' and other stakeholders. In order to achieve this Securitas has created a clear and effective structure for responsibility and governance.

Compliance to Swedish Code of Corporate Governance

Securitas AB is a Swedish public company listed since 1991 on the NASDAQ OMX Stockholm. Securitas applies the Swedish Code of Corporate Governance (the Code) and has published principles for corporate governance in previous Annual Reports and has a separate section on the Group website.

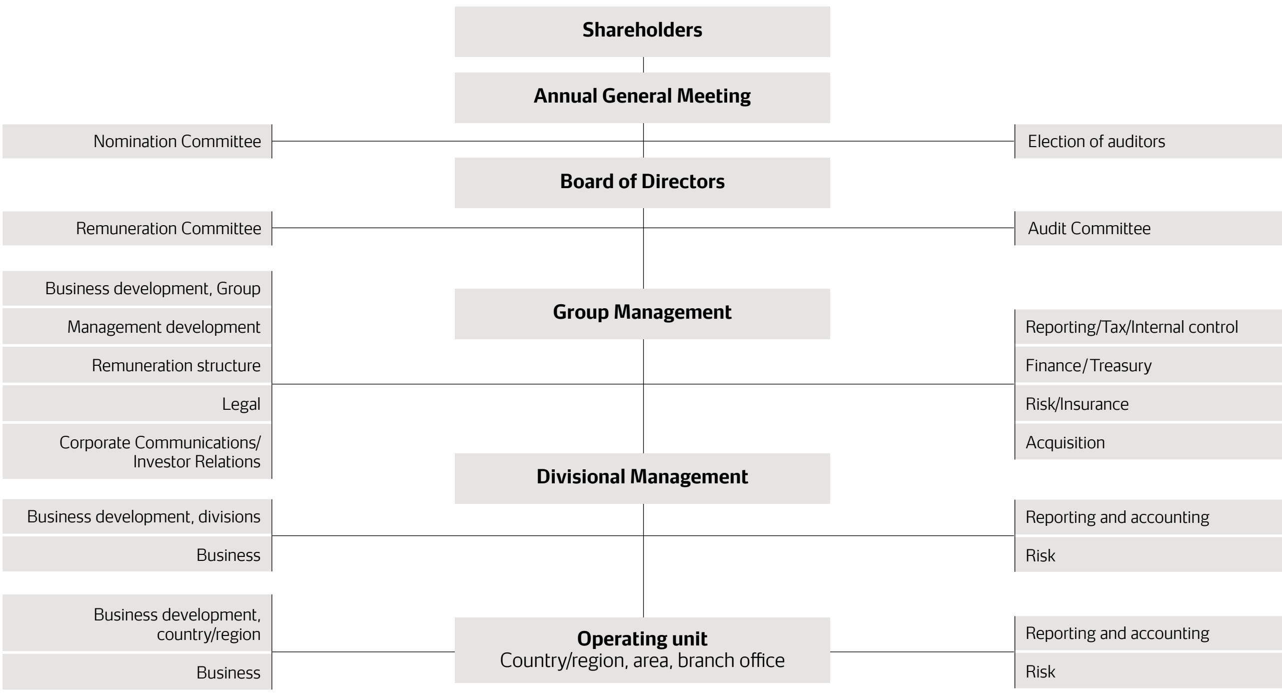
Securitas complies with the Swedish Code of Corporate Governance principle of "comply or explain" and follow up during 2009 has resulted in Securitas not having any deviations to report. This report does not form a part of the Annual Report and has not been audited.

Corporate Governance information on website

- Swedish Code of Corporate Governance: framework and compliance
- Corporate governance organization: internal control organization and Nomination Committee
- General Meetings: information from Securitas' General Meetings since 2007 including such information as minutes, presentations, guidelines for remuneration, etc.
- Board of Directors: responsibilities and work procedures, independence, committees, remuneration, etc.
- Group Management
- Auditors
- Corporate governance report and internal controls report
- Articles of Association

This information is available at www.securitas.com

Organization of corporate governance



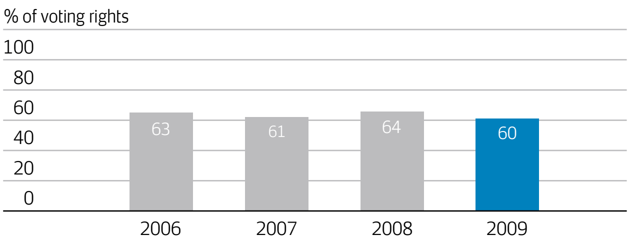
Significant shareholders

The principal shareholders in Securitas on December 31, 2009 were Gustaf Douglas, who through family and the companies Investment AB Latour, Säkl AB, Förvaltnings AB Wasatornet and Karpalunds Ångbryggeri AB holds 11.6 percent (11.6) of the capital and 30.1 percent (30.0) of the votes, and Melker Schörling who through family and Melker Schörling AB holds 5.6 percent (5.6) of the capital and 11.8 percent (11.8) of the votes. These shareholders are represented on the Board of Directors by Carl Douglas, Fredrik Palmstierna, Melker Schörling and Sofia Schörling Högberg. For more detailed information on shareholders please see the table on page 43. The company's share capital consisted of 17,142,600 Series A shares and 347,916,297 Series B shares as of December 31, 2009. Each Series A share carries ten votes and each Series B share one vote. In the event that the company issues new Series A and B shares, current shareholders have the preferential right to subscribe for new shares of the same series in proportion to their existing holdings.

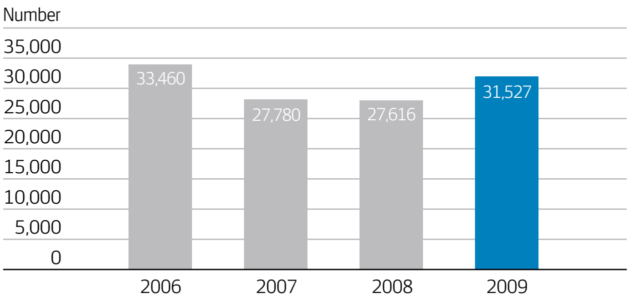
Annual General Meeting

All shareholders are able to exercise their influence at the Annual General Meeting, which is the company's highest decision-making body. The Annual General Meeting of Securitas AB (publ.) was held on May 7, 2009 and the minutes are available on Securitas' webpage where all resolutions passed can be found. For election and remuneration of Board members see page 120. At the meeting, shareholders representing 60.4 percent of the votes attended either personally or by proxy.

ANNUAL GENERAL MEETING ATTENDANCE 2006–2009



NUMBER OF SHAREHOLDERS 2006–2009



Nomination Committee

The Nomination Committee is a body established by the Annual General Meeting with the task of preparing the election of Board members, the Chairman of the Board, and remunerations to Board members and Board committees. Before such Annual General Meeting where election of auditors takes place the Nomination Committee also prepares the election of auditors and decision about fees to auditors and other related matters, after consultation with the Board of Directors and the Audit Committee.

At the Annual General Meeting held on May 7, 2009 the following five people were elected members of the Nomination Committee to work before the Annual General Meeting 2010:

Name	Representing	Re-election	*Share of Votes*[1]
Gustaf Douglas	Major shareholders	YES	*30.1 %*
Mikael Ekdahl	Melker Schörling AB (major shareholder)	YES	*11.8 %*
Magnus Landare	Alecta	NEW	*3.2 %*
Marianne Nilsson	Swedbank Robur	YES	*1.7 %*
Mats Tunér[2]	SEB Funds	YES	*2.3 %*

1 As of May 7, 2009.
2 As of November 2009 Per-Erik Mohlin has replaced Mats Tunér as representative of SEB Funds.

Gustaf Douglas was re-elected Chairman of the Nomination Committee. The Nomination Committee shall be entitled to appoint one additional member of the Nomination Committee. The Annual General Meeting resolved that in case a shareholder, whom a member of the Nomination Committee represents, is no longer one of the major shareholders of Securitas (based on votes), or if a member of the Nomination Committee is no longer employed by such shareholder or any other reason leaves the committee before the Annual General Meeting 2010, the committee shall have the right to appoint another representative of the major shareholders to replace such member.

The committee's work is established in the Procedure and instructions for the Nomination Committee of Securitas AB. The committee shall hold meetings as often as necessary in order for the committee to fulfill its duties. However, the committee shall hold at least one meeting annually. During 2009 the committee has met twice.

The members of the Board of Directors

Securitas has ten members elected by the Annual General Meeting, three employee representatives and one deputy employee representatives.

The Annual General Meeting 2009 re-elected Fredrik Cappelen, Carl Douglas, Marie Ehrling, Annika Falkengren, Stuart E. Graham, Alf Göransson, Berthold Lindqvist, Fredrik Palmstierna, Melker Schörling and Sofia Schörling Högberg. The Annual General Meeting re-elected Melker Schörling as Chairman of the Board. Mikael Ekdahl, Attorney at law, is the secretary of the Board. For further information on the members of the Board of Directors and President and CEO, please see pages 128–129. It was resolved that the fees to the Board should amount to SEK 4,875,000 in total (excluding fees of SEK 550,000 for committee work) to be distributed among the Board members as follows; Chairman of the Board: SEK 1,000,000, deputy Chairman of the Board: SEK 725,000 and each of the other Board members (except the President and CEO and employee representatives) SEK 450,000.

The responsibilities of the Board of Directors

The Board of Directors is responsible for the Group's organization and administration in accordance with the Swedish Companies Act and appoints the President and CEO, the Audit Committee and the Remuneration Committee. In addition, the Board of Directors decides on the President and CEO's salary and other remuneration. The Board meets a minimum of six times annually. The Group's auditors participate in the meeting of the Board of Directors in conjunction with the yearly closing of the books.

Board Member	Independence in relation to the company	Independence in relation to shareholders
Melker Schörling	Yes	No
Carl Douglas	Yes	No
Fredrik Cappelen	Yes	Yes
Marie Ehrling	Yes	Yes
Annika Falkengren	Yes	Yes
Stuart E. Graham	Yes	Yes
Alf Göransson (President and CEO)	No	Yes
Berthold Lindqvist[1]	Yes	Yes
Fredrik Palmstierna	Yes	No
Sofia Schörling Högberg	Yes	No
Total	**9**	**6**

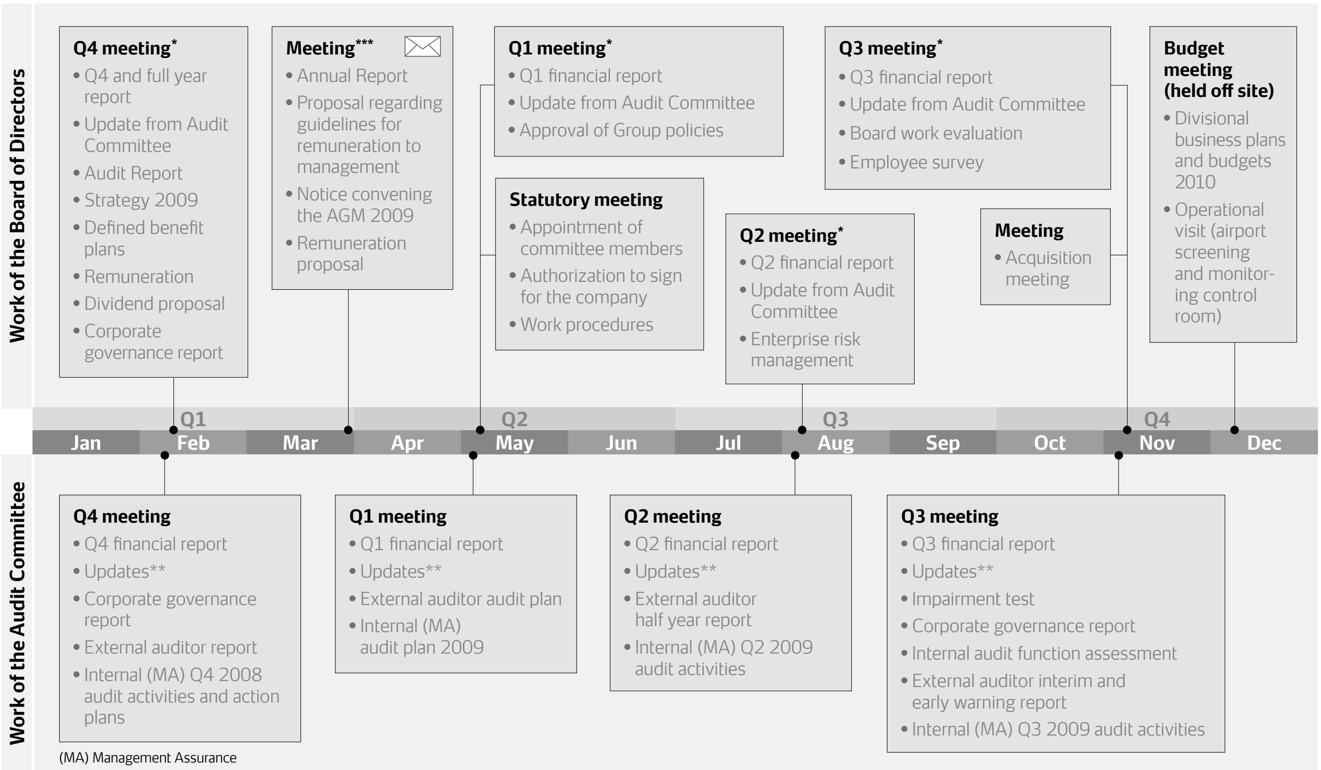
1 Berthold Lindqvist passed away in December 2009 and is not included in the Board of Directors as of December 31, 2009.

The procedure of the Board of Directors

The activities of the Board of Directors and the division of responsibility between the Board and Group Management are governed by formal procedures documented in a written instruction, which are adopted by the Board each year after the Annual General Meeting. According to these rules, the Board shall decide on, among other things, the Group's overall strategy, corporate acquisitions and property investments, in addition to establishing a framework for the Group's operations by approving the Group's budget. The procedures include a work instruction for the President and CEO as well as instruction for the financial reporting. The procedures also prescribe that an annual evaluation of the work of the Board of Directors shall be carried out.

Board Member	Elected	Position	Audit Committee	Remuneration Committee	Attendance: Board meetings (8 total)	Attendance: Audit Committee meetings (4 total)	Attendance: Remuneration Committee meetings (4 total)	Total Fee, SEK[3]
Melker Schörling	1987	Chairman	–	Chairman	8		4	1,100,000
Carl Douglas	1992	Vice Chairman	–	–	8			725,000
Fredrik Cappelen	2008	Member	Member	–	8	4		550,000
Marie Ehrling	2006	Member	Chairman	–	8	4		650,000
Annika Falkengren	2003	Member	–	–	8			450,000
Stuart E. Graham	2005	Member	–	–	8			450,000
Alf Göransson (President and CEO)	2007	Member	–	–	8			0
Berthold Lindqvist[1]	1994	Member	Member	Member	6	3	4	600,000
Fredrik Palmstierna	1985	Member	–	–	8			450,000
Sofia Schörling Högberg	2005	Member	–	–	8			450,000
Susanne Bergman Israelsson[2]	2004	Member			8			0
Åse Hjelm[2]	2008	Member			8			0
Jan Prang[2]	2008	Member			8			0

1 Berthold Lindqvist passed away in December 2009 and is not included in the Board of Directors as of December 31, 2009.
2 Employee representatives, appointed member of Board of Directors at Annual General Meeting. Deputy Employee representative is Thomas Fanberg.
3 Total fee includes fees for committee work. In total SEK 550,000 was paid out for committee work, whereof SEK 150,000 for Remuneration Committee and SEK 400,000 for Audit Committee work. For more details refer to the minutes of AGM 2009 on Securitas website www.securitas.com



* Apart from topics specifically listed there are other areas that continously are discussed such as; operational performance, strategy, market and competition, acquisitons, insurance, credit risk, tax matters, legal matters, funding and refinancing, etc.

** Includes a standing agenda with updates on; accounting, treasury, aquisitions, risk/insurance, legal, tax, internal control, audit/consultancy cost and auditor independence. Another recurring theme this year has been ERM project updates.

*** Held per capsulam.

The work of the Board of Directors

In 2009, the Board held eight meetings, of which one was held per capsulam. The auditors participated and presented the audit at the Board meeting in February 2009. Topics that have been discussed are listed above.

Audit Committee

The Board of Directors has established an Audit Committee, operating under the "Instructions for the Audit Committee appointed by the Board of Directors", that meets with Securitas' auditors at least four times per year. The committee supports the work of the Board in terms of quality control of financial reports and internal control over financial reporting.

Specifically the committee monitor the financial reporting, the effectiveness of internal control, internal audit activities and risk management system. The committee also keeps informed about the annual statutory audits. It assesses the external auditor's independence and approves non-audit services to be performed. The committee presents its findings and proposals to the Board, before the Board's decision-making. For members, independence and attendance refer to previous tables. The committee met four times in 2009. Major topics that have been discussed are listed above.

Remuneration Committee

The Board has also formed a Remuneration Committee to deal with all issues regarding salaries, bonuses, options and other forms of compensation for Group Management, as well as other management levels if the Board of Directors so decides. The committee presents its proposals to the Board, before the Board's decision-making. The committee held four meetings during 2009. For members and attendance refer to previous tables.

Guidelines for remuneration to Management

The Annual General Meeting 2009 resolved on guidelines for remuneration to management principally entailing that remuneration and other terms of employment for management shall be competitive and in accordance with market conditions, in order to ensure that Securitas will be able attract and keep competent management employees.

The total remuneration to management shall consist of a fixed basic salary, variable remuneration, pensions and other benefits. In addition to a fixed annual salary the Group Management may also receive variable remuneration, based on the outcome in relation to financial goals and growth targets within the individual area of responsibility (Group or division) and agree with the interest of the shareholders. The variable remuneration shall amount to a maximum of 50 percent of the fixed annual salary for the President and CEO and a maximum of 35 to 200 percent of the fixed annual salary for other individuals of the Group Management.

The undertakings of the company as regards variable remuneration may, at maximal outcome within all divisions during 2009, amount to a maximum of MSEK 53.

The pension rights of senior management employees shall be applicable as from the age of 65 at the earliest and the entire Group Management shall be subject to defined contribution pension plans for which insurance premiums are transferred from the individual's total remuneration and paid by the company during the term of employment. Variable compensation shall in principle not qualify for pension purposes.

Other benefits, such as company car, special health insurance or occupational health service shall be provided to the extent this is considered customary for management employees holding equivalent positions on the employment market where the management employee is active.

At dismissal, the notice period for all management employees shall amount to a maximum of 12 months with a right to redundancy payment after the end of the notice period, equivalent to a maximum of 100 per cent of the fixed salary for a period not exceeding 12 months. At resignation by a management employee, the notice period shall amount to a maximum of 6 months.

These guidelines shall apply to individuals who are included in the Group Management during the term of application of these guidelines. The guidelines shall apply to agreements entered into after the adoption by the Annual General Meeting, and to changes made in existing agreements after this date. The Board shall be entitled to deviate from the guidelines in individual cases if there are particular grounds for such deviation.

Additional information on remuneration to the Board of Directors and senior management is disclosed in the Notes and Comments to the Consolidated Financial Statements 2009. See note 8 pages 78–81.

Group Management

Group Management is charged with overall responsibility for conducting the business of the Securitas Group in line with the strategy and long-term goals adopted by the Board of Directors of Securitas AB. The primary tool used by Group Management to measure accomplishment of strategies and to guide the employees and organization toward achieving its objectives is the financial framework and model further described on pages 34–35. Group Management 2009 comprised the President and CEO and 11 executives. For further information on the members of the Group Management, please see pages 130–131.

Financial reporting

The Board ensures the quality of financial reporting through a series of Group policies, procedures and frameworks, clear structures with defined responsibilities and through documented delegation of authority which is further described in the Internal control report. The Board has also set up an Audit Committee that is instructed to review and recommend all financial reports delivered by the Group to the Board. Financial reporting, including valuation issues, judgments and potential changes in estimates and accounting policies where necessary, is continually considered by the Audit Committee and presented to the Board. The Audit Committee also covers the quarterly internal report regarding legal matters and litigations. All interim and full year reports are approved by the Board.

The company's auditors submit a report to the Board of Directors annually stating that they have audited the company and the results thereof. This report shall be presented orally by the auditors at the Board meeting that deals with the year-end report. During this meeting, the members of the Board shall be given the opportunity to ask questions of the auditors. It is expected that the statement of the auditors shall, inter alia, indicate whether the company is organized in a way that makes it possible to supervise, in a safe manner, accounting, management of assets and the financial relations of the company. The auditors also issue a review report on the half year interim report. In addition the auditors take part in the Audit Committee meetings where the contents are reported back to the Board.

Immediately before signing the Annual Report and half year interim report The Board of Directors and the President and CEO certify that the reports give a true and fair overview of the Parent Company's and the Group's operations, financial position and results of operations, and describes significant risks and uncertainties facing the Parent Company and other companies in the Group.

Auditors

The Annual General Meeting 2008 elected PricewaterhouseCoopers AB (PwC) as audit firm, with authorized public accountant Peter Nyllinge as auditor in charge, for a period of four years.

The auditors' work is performed based on an audit plan, which is determined in agreement with the Audit Committee and Board of Directors. The auditors participate in all meetings with the Audit Committee and present their findings from the audit at the Board meeting in February. In addition, the auditors shall annually inform the Audit Committee of services rendered other than audit, auditing fees received for such services and other circumstances that might effect the evaluation of the auditors' independence. The auditors shall also participate in the Annual General

Meeting, presenting their performed audit work and conclusions.

The audit is performed in compliance with the Swedish Companies Act and generally accepted auditing standards in Sweden, which is based on International Standards on Auditing (ISA). The auditors have, upon instruction from the Board of Directors, conducted a general examination of the interim report for the period January 1 until June 30, 2009.

Peter Nyllinge has been auditor in-charge of Securitas AB since 2008. In addition to the Securitas assignment, in 2009 he acted as auditor of ASSA ABLOY AB, Bonnier AB, SEB and Säkl AB, among other companies.

Audit fees and reimbursement

The following fees and reimbursements to auditors have been paid for audit and other review in accordance with existing laws, as well as for advice and assistance in connection with reviews undertaken. Fees have also been paid for independent advice. The advice is mainly audit-related consultations in accounting and tax matters in relation to restructuring work.

AUDIT FEES AND REIMBURSEMENT (PwC)[1]

	Group			Parent Company		
MSEK	2009	2008	2007	2009	2008	2007
Audit assignment	28.4	29.0	30.9	5.5	5.3	7.7
Other assignments	25.4	33.1	23.7	8.3	10.5	3.1

1 Audit fees and reimbursement to PwC relates to continuing operations (excluding Loomis). Comparatives have been restated.

Communication policy

Securitas has adopted a communication policy, approved by the Board of Directors, in accordance with the stock market's requirements for information with the aim of ensuring that the company fulfills these requirements. The policy covers both written information and verbal statements and applies to the Board of Directors, Group and divisional management as well as country and regional management.

The policy states that communication shall be used in a comprehensive manner in order to create an understanding and knowledge of Securitas' strategy, business operations and financial position. Securitas' financial and other communication shall at all times comply with the Stock Exchange Rules and other relevant rules and legal obligations that might apply to Securitas, as well as with general stock market practice.

The Group is fully focused on creating shareholder value, which includes providing the investment community with high-quality financial information. The policy includes routines for the year-end report, interim reports, Annual Report, Annual General Meeting, the company website, etc. Crisis communication and information leakage are also included in the policy.

Insider policy and records

The Board of Directors of Securitas has adopted an insider policy as a complement to the insider legislation in force in Sweden. This policy is applicable to all persons reported to the Swedish Financial Supervisory Board (Finansinspektionen) as holding insider positions in Securitas AB (subsidiaries included), as well as certain other categories of employees. Each person covered by the insider policy is individually notified thereof. The list of persons holding an insider position in Securitas AB, which is kept by Finansinspektionen, is reviewed regularly.

The insider policy sets the routine for closed periods, during which trading in financial instruments issued by (or related to shares in) Securitas is prohibited.

Securitas also maintains an internal insider register in accordance with the instructions from time to time issued by the President and CEO. Such register shall include, inter alia, information about all persons having access to inside information, the type of registered inside information and the date when the register was updated.

A report covering all insider trading activities in Securitas is presented every calendar quarter to the Board of Directors, the auditors and the Group Management.

Code of Conduct

Securitas has adopted a Code of Conduct to ensure that the company upholds and promotes the highest ethical business standards. Our basic requirement is to act within the framework of laws and international conventions. This means that we respect and comply with competition rules, environmental legislation, labor market laws, agreements and safety requirements and other provisions that set the parameters of our operations.

Securitas supports and respects basic human rights and recognizes the responsibility to observe those rights wherever Securitas operates. The company also believes in building relationships based on mutual respect and dignity with all employees. Securitas will not use forced, involuntary or underage labor and will respect the right of all employees to form and join trade unions. Securitas is an equal-opportunity employer and does not tolerate bullying or harassment.

Securitas also recognizes the importance of open communication with everyone who is in contact with the operations, including customers, workforce, investors and the general public.

For further information on Securitas responsibility with regard to social, economical and environmental issues refer to pages 40–41.

Internal control

Description of internal control and risk management

According to the Swedish Companies Act and the Swedish Code of Corporate Governance, the Board of Directors is responsible for the internal control and risk management. This report has been prepared in accordance with the Swedish Code of Corporate Governance, and is therefore limited to internal controls over financial reporting. This description does not form a part of the Annual Report.

Securitas' system of internal control is designed to manage rather than eliminate risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material financial reporting misstatement or loss.

Control environment

The Group has established a governance framework. The key features of the control environment within the framework include: the clear terms of reference for the Board and each of its committees, a clear organizational structure, with documented delegation of authority from the Board to Group Management, the competence of employees and a series of Group policies, procedures and frameworks.

Overall the Group operates in a flat and specialized organization whereby managers are given clear objectives and are authorized to make their own decisions and develop their operations close to the customers. For more information on the management model refer to pages 32–35. Delegation of authority is documented in an approval matrix that provides a clear direction for managers at all levels.

Emphasis is placed on the competence and abilities of the Group's employees with continuing education, training and development actively encouraged through a wide variety of schemes and programs. The Group has adopted a set of values to act as a framework for its people to exercise judgment and make decisions on a consistent basis.

The Group's major financial policies, procedures and frameworks include a comprehensive manual, Group policies and guidelines, a reporting manual, Securitas' model for financial control (for more detailed information on the model refer to pages 34–35), a Group treasury manual and the IT security manual. These are all periodically reviewed and updated.

Risk assessment

At the highest level, the Board considers where future strategic opportunities and risks lie and helps shape the corporate strategy going forward. Accountabilities for managing risks are clearly assigned to the Group, divisional and local management. Group Management has the day-to-day responsibility for the identification, evaluation and management of risks and for the implementation and maintenance of control systems in accordance with the Board's policies. Specifically divisional management and established functional committees have the responsibility to ensure that there is a process throughout the division to create risk awareness. Operating unit managers and country risk managers are responsible for ensuring that risk management is part of the local corporate culture at all levels within a country.

The Group has an established, but evolving, system of enterprise risk management, which is integrated into the Group's business planning and performance monitoring processes regardless of risk category concerned. The yearly risk assessment process is coordinated by the Group Risk Committee who is also responsible for the maintenance of the risk register. See illustration below.

Additionally, business risk reviews and risk reviews are conducted routinely throughout the Group. Procedures exist to ensure that significant risks and control failures are escalated to Group Management and the Board, as necessary, on a periodic basis.

For more information on risk management refer to pages 36–39.

Enterprise risk management process

Audit Committee reporting
Results from monitoring activities will be reported at the November Audit Committee meeting.

Monitoring: self assessment, diagnostics, audit, etc
Key risks to be monitored (through self assessment, diagnostics or other means) and/or subject to risk management activities during August–October timeframe.

Risk business plan and yearly assessment and key risks *Group Risk Committee (GRC) perform yearly assessment of key risks based on available input from business plan, risk business plan and other sources at their December meeting.*

Key risk determination *Key risks assessed by GRC will be approved by Group Management at their meeting held in March or April timeframe.*

Approval of revision of policies, risk management activities and monitoring plan *Key risks and plan for risk management activities and monitoring will be reviewed by AC and recommended for decision by the Board together with yearly approval of Group policies and guidelines at their May meeting.*

Control activities
Internal control covers all divisions and subsidiaries in the Group and includes methods and activities for securing assets, controlling the accuracy and reliability of internal and external financial reports and ensuring compliance with defined guidelines.

1. Self assessment
Every major operating unit throughout the Group annually performs a control self assessment of the compliance with Group policies and guidelines and the reporting manual. An extensive questionnaire is used to measure to what extent defined requirements are fulfilled. The control self assessment is signed off by the president and the controller within each entity. As a part of the process, the external auditor and/or another internal or external resource performs a validation of the answers given in the questionnaire for questions deemed as risk areas, for selected reporting units. Answers are compiled at divisional level as well as at a Group level in order to support benchmarking within a division or between divisions. Reported deviations include written comments on planned improvements to address deviations and a deadline for when planned actions will be in place. All reports are made available to Divisional Management, Group Management and the Audit Committee.

2. Risk and control diagnostics
The Group performs risk and control diagnostics in functional areas which by nature have high inherent risk. The diagnostics are done in addition to the recurring areas of the self assessment questionnaire.

For 2009 specific focus has continuously been placed on new countries in the Group, since this has been assessed as a risk area in terms of integration from a financial reporting and control standpoint due to recent acquisition activities. The diagnostic entails a kit covering IFRS reporting compliance as well as key controls within financial processes and IT security.

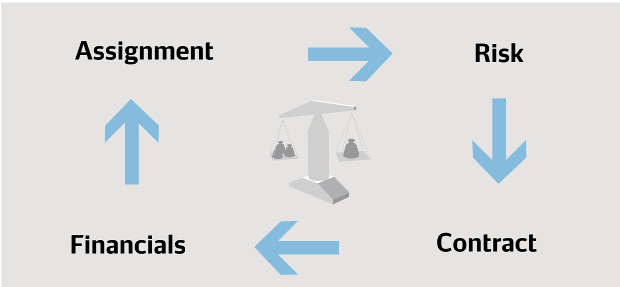
Another area of focus in 2009 has been contract management and compliance to Group policies within this area which has been subject to specific diagnostics since this is assessed as one of the key risk areas (see further below section 6). The findings from these diagnostic reviews are presented to Group Management and the Audit Committee.

3. Financial reporting
Controllers at all levels have a key role in terms of integrity, professionalism and the ability to work in teams in order to create the environment that is needed to achieve transparent, relevant and timely financial information. Local divisional controllers are responsible for ensuring compliance with the approved set of policies and frameworks and for ensuring that internal control procedures in relating to financial reporting are implemented. The controller is also responsible for reporting financial information that is correct, complete and on time. Controllers receive continuous feedback on reporting quality from Group which is an effective tool used to enhance reporting. In addition each division has a divisional controller with corresponding responsibilities at an aggregated level.

4. Letter of representation
The Group has a representation process in which operating unit presidents and controllers sign a letter of representation in connection with year-end, stating their opinion on whether or not the internal control over financial reporting and the report packages give a true and fair view of the financial position.

5. Acquisition routines
The Group has specific policies and procedures to ensure that all business acquisitions are appropriately approved and rigorously analyzed for the financial and operational implications of the acquisition. The Group also conducts post acquisition appraisals on a periodic basis.

6. Contract management
Customer contract management and loss prevention are key to Securitas' business. The Group has specific policies and procedures related to contract management described in more detail on pages 36–39.



Described in more detail on pages 38–39.

Information and communication
A program of communication exists and is constantly being developed to ensure that all staff are given clear objectives and are made aware of the parameters that constitute acceptable business practice and the expectation of the Board in managing risks. This provides a clear definition of the Group's purpose and goals, accountabilities and the scope of permitted activities of employees.

Systems and procedures have been implemented to provide the management with the necessary reports on business performance relative to established objectives. Information systems exist to ensure that reliable and timely information is made available to management, enabling them to carry out their responsibilities adequately and efficiently.

Monitoring
Monitoring is performed at different levels and by different functions in the organization. The key ones; Board of Directors, Audit Committee, Group Management, functional committees, management assurance, Group legal function and Group risk organization are further elaborated on the following page.

Group Management

Group Management reviews performance through a comprehensive system of reporting based on an annual budget, with regular business reviews against actual results, analysis of variances, key performance indicators (Securitas' model for financial control, refer to pages 34-35, adapted by division) and regular forecasting. This reporting is also reviewed by the Board.

Functional committees

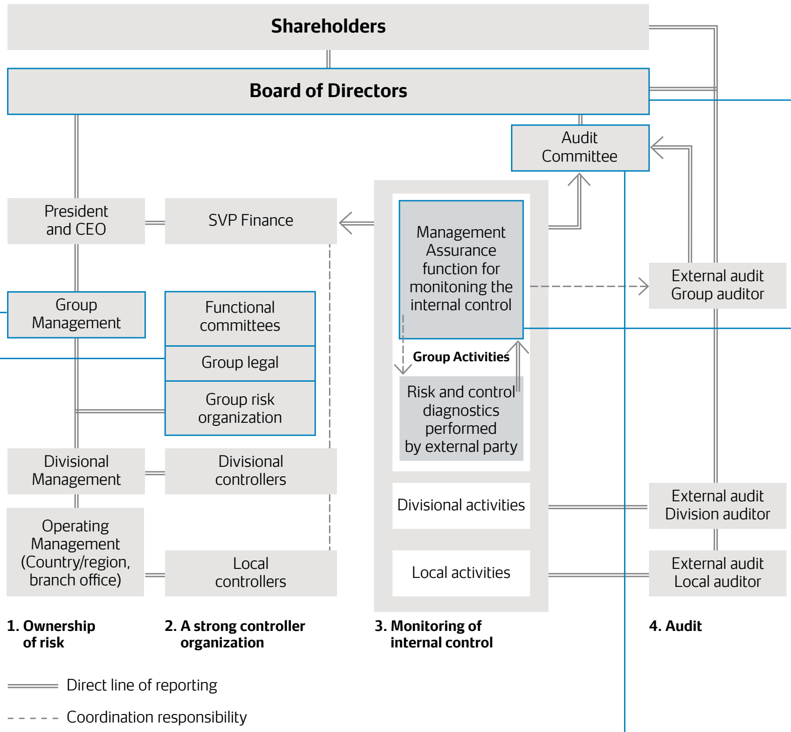
The Group has established a number of functional committees and working groups including for the functions Reporting, Finance/Treasury, Insurance/Risk, Legal, Tax, and Internal Control. These committees include the Senior Vice President Finance and/or Senior Vice President Corporate Finance and the appropriate functional area experts.

The main purposes of these functional committees are to determine appropriate policies, communicate these policies, and ensure local understanding (including training) of policies and to monitor key issues within each area of responsibility. Quarterly meetings are held with the President and CEO where topics subject to reporting to the Audit Committee are discussed.

Group legal function

The legal function is responsible for maintaining an adequate infrastructure to ensure that legal matters are appropriately and in a timely manner brought to the attention of the Group management. The function is headed by the Senior Vice President Chief Legal Counsel – a member of the Group Management. The legal function further monitors and manages legal risk exposures identified by the operating units. A report on outstanding legal disputes is provided to Group Management monthly. A comprehensive report on major legal matters is provided by the legal function to the Audit Committee on a quarterly basis.

Organization of internal control



Group risk organization

The Group risk organization is responsible for providing Securitas with opportunities to take and manage the risks that are necessary in order to ultimately achieve Securitas' strategies and goals. Risk management is an integral part of the Securitas culture. The risk management process continuously evolves as a process. The risk management of the Group is further described on pages 36-39.

Audit Committee

The Audit Committee reviews all annual and quarterly financial reports before recommending their publication on behalf of the Board. In particular the Audit Committee discusses significant accounting policies, estimates and judgments that have been applied in preparing the reports. The Audit Committee supervises the quality and independence of the external auditors.

Board of Directors

The activities of the Board of Directors and division of responsibility between the Board and the Group Management are governed by formal procedures. The Board considers risk assessment and control to be fundamental to achieving its corporate objectives with an acceptable risk/reward profile and plays a part in the ongoing process for identifying and evaluating significant risks faced by the Group and the effectiveness of related controls. The processes used by the Board in order to review the effectiveness of system of internal control include:

- Discussion with Group Management on risk areas identified by the Group Management and the performed risk assessment procedures
- Review of significant issues arising from external audits and other reviews/investigations

The Board of Directors has established an Audit Committee in order to provide oversight of the effectiveness of the Group's internal control systems and financial reporting process

Management Assurance – function for monitoring the internal control

The Group has a coordinating and monitoring function in relation to certain internal control activities at Group level. The Management Assurance staff function operates as the Group's internal audit function and report directly to the Senior Vice President Finance with an open line of communication to the Audit Committee.

The function prepares an annual plan for its work which is approved by the Audit Committee. The results of the function's work, which includes execution and coordination of internal audit related activities during the year, are presented at the Audit Committee meetings. The Management Assurance Director participated in all Audit Committee meetings during 2009.

In line with one of the Group's fundamental principles, this function has continued to develop step-by-step to improve the Group internal control through different activities during the year with fine-tuning of follow up procedures and reporting as well as identification of risk related to financial reporting and the examination of the effectiveness of internal controls related thereto. Specific focus during 2009 has been put on further development and improvement of the enterprise risk management process and related tools. Experiential exchange through the different activities is also a key part of improvement of control environment. The function works with a combination of internal resources and resources in form of external auditors, consultants and experts depending on the specific situation/area. This enables greater flexibility and responsiveness to the risks the Group is facing, which fits Securitas' business model.

The current responsibilities include:

- Assistance in the control self-assessment process specifically ensuring follow-up where required
- Monitoring the results of the risk and control diagnostics undertaken during the year and ensuring appropriate follow-up of agreed actions
- Assistance in risk management development, implementation and coordination processes
- Determine and plan for areas of specific focus and/or control diagnostics based on risk assessments made, discussions with divisional management and audit findings
- Participate in and/or perform certain audit/review activities such as risk and control diagnostics
- Monitoring communication from the external auditors and ensuring prompt follow-up and implementation of any recommendations impacting the internal controls of the company
- Support Group Management in reviewing and discussing audit plans with external auditors in order to internally coordinate and communicate matters such as; scoping, timing, documentation requirements, etc
- Coordinating the process of updating and renewing the Group policies and guidelines and contributing with feedback on the reporting manual

The function is subject to an annual assessment by the Board to ensure that the activities undertaken enable a well-functioning monitoring structure, together with the other components of the Group's internal control described within this report.

Stockholm, March 11, 2010

The Board of Directors of Securitas AB

Board of Directors

Melker Schörling (Chairman) b. 1947
Director of Securitas AB since 1987 and Chairman since 1993.
Other board assignments: Chairman of Melker Schörling AB, Hexagon AB, AAK AB and Hexpol AB. Director of Hennes & Mauritz AB.
Principal education: BSc in Economics and Business Administration.
Previously: President and CEO of Skanska AB 1993–1997. President and CEO of Securitas AB 1987–1992.
Shares in Securitas: 4,500,000 Series A shares and 16,001,500 Series B shares through Melker Schörling AB.

Carl Douglas (Vice Chairman) b. 1965
Deputy Director of Securitas AB since 1992 and Director since 1999. Vice Chairman since 2008.
Other board assignments: Director of ASSA ABLOY AB, Niscayah Group AB, Swegon AB, Investment AB Latour and Säkl AB.
Principal education: Bachelor of Arts.
Shares in Securitas: 12,642,600 Series A shares and 29,770,000 Series B shares via private holdings, Investment AB Latour, Säkl AB, Förvaltnings AB Wasatornet and Karpalunds Ångbryggeri AB.

Alf Göransson b. 1957
Director of Securitas AB since 2007.
President and CEO of Securitas AB since 2007.
Other board assignments: Chairman of Loomis AB, Director of Hexpol AB and Axel Johnson Inc., USA.
Principal education: International BSc in Economics and Business Administration.
Previously: President and CEO of NCC AB, 2001–2007, CEO of Svedala Industri AB, 2000–2001, Business Area Manager at Cardo Rail, 1998–2000, and President of Swedish Rail Systems AB in the Scancem Group, 1993–1998.
Shares in Securitas: 30,000 Series B shares.

Fredrik Cappelen b. 1957
Director of Securitas AB since 2008.
Other board assignments: Chairman of Byggmax Group AB, Svedbergs AB and Munksjö AB. Vice Chairman of ICC Sweden. Director of Cramo Oy, Carnegie Investment Bank AB and Granngården AB.
Principal education: BSc in Business Administration.
Previously: 1995–2008 President and Group Chief Executive of Nobia. Marketing Director of Stora Finepaper, President of Kaukomarkkinat International Sweden and Norway and Managing Director of Kaukomarkkinat GmbH, Germany.
Shares in Securitas: –

Marie Ehrling b. 1955
Director of Securitas AB since 2006.
Other board assignments: Director of Nordea AB, Oriflame Cosmetic SA, Schibsted ASA, Safegate AB and Loomis AB, Center for Advanced Studies in Leadership at Stockholm School of Economics, World Childhood Foundation and Business Executives Council IVA.
Principal education: BSc in Economics and Business Administration.
Previously: CEO of Telia Sonera Sverige 2003–2006, deputy CEO of SAS AB, responsible for SAS Airlines and other executive positions at SAS, Information Secretary at the Ministry of Finance and Ministry of Education and Research and financial analyst at Fjärde AP-fonden.
Shares in Securitas: 4,000 Series B shares.

Annika Falkengren b. 1962
Director of Securitas AB since 2003.
President and CEO of SEB.
Other board assignments: Director of Ruter Dam, IMD Foundation, Mentor Foundation and the Swedish-American Chamber of Commerce, Inc., New York.
Principal education: BSc in Economics.
Previously: Several executive positions at SEB.
Shares in Securitas: 7,500 Series B shares.

Stuart E. Graham b. 1946
Director of Securitas AB since 2005.
Other board assignments: Director of Skanska AB, PPL Corporation and Harsco Corporation.
Principal education: BSc in Economics.
Previously: 40 years in the construction industry including President and CEO of Skanska AB until 2008.
Shares in Securitas: 5,000 Series B shares.

Sofia Schörling Högberg b. 1978
Director of Securitas AB since 2005.
Other board assignments: Director of Melker Schörling AB and EM Holding AB.
Principal education: BSc in Economics and Business Administration.
Shares in Securitas: 2,400 Series B shares.

Fredrik Palmstierna b. 1946
Director of Securitas AB since 1985.
CEO of Säkl AB.
Other board assignments: Chairman of Investment AB Latour, Director of Säkl AB, AB Fagerhult, Hultafors AB, Nobia AB and Academic Work AB.
Principal education: BSc in Economics and Business Administration, MBA.
Shares in Securitas: 17,200 Series B shares.

Employee representatives

Susanne Bergman Israelsson b. 1958
Director of Securitas AB since 2004.
Employee Representative, Chairman of Swedish Transport Workers' Union local branch 19 in Norra Mälardalen.
Shares in Securitas: –

Åse Hjelm b. 1962
Director of Securitas AB since 2008. Deputy Director of Securitas AB since 2007. Employee Representative, Chairman of Salaried Employees' Union local branch of Securitas Stockholm.
Shares in Securitas: 120 Series B shares.

Jan Prang b. 1959
Director of Securitas AB since 2008.
Employee Representative, Chairman of Swedish Transport Workers' Union local branch Securitas Göteborg.
Shares in Securitas: –

Berthold Lindqvist
passed away in December 2009 and is not included in the Board of Directors as of December 31, 2009.

All figures refer to holdings on December 31, 2009.
For information about independence of the Board members, please see the section The members of the Board of Directors on page 120.
For information about remuneration to the Board of Directors and senior management, please see note 8 on pages 78–81.


Melker Schörling


Carl Douglas


Alf Göransson


Fredrik Cappelen


Marie Ehrling


Annika Falkengren


Stuart E. Graham


Sofia Schörling Högberg


Fredrik Palmstierna


Susanne Bergman Israelsson


Åse Hjelm


Jan Prang

Deputy

Thomas Fanberg b. 1961
Deputy Director of Securitas AB since 2008.
Employee Representative, Chairman of Salaried Employee's Union local branch Securitas Norrland.
Shares in Securitas:
120 Series B shares.

Auditors

Peter Nyllinge b. 1966
Authorized Public Accountant, Auditor in charge, Pricewater-houseCoopers AB.
Auditor in charge of Securitas AB since 2008.
Other audit assignments: ASSA ABLOY AB, Bonnier AB, SEB and Säkl AB.

Patrik Adolfson b. 1973
Authorized Public Accountant, PricewaterhouseCoopers AB.
Auditor of Securitas AB since 2009.
Other audit assignment: Catella Capital AB, Modul 1 Data AB, Nordstjernan AB.

Erik-Jan Jansen Alf Göransson

Santiago Galaz

Bart Adam

Jan Lindström Bengt Gustafson

Kim Svensson Gisela Lindstrand

Marc Pissens Morten Rønning

Lucien Meeus William Barthelemy

Group Management

Erik-Jan Jansen b. 1965. Chief Operating Officer, Security Services Europe. Shares in Securitas: –
Erik-Jan Jansen joined Securitas in 1996 and has held several management positions, previously Country President of Securitas Services Netherlands. In 2008 he was appointed Chief Operating Officer, Security Services Europe. Erik-Jan holds a Bachelor degree in Business Administration from the Hotel Management School in Maastricht, the Netherlands. Earlier he held several international assignments in the hotel industry.

Alf Göransson b. 1957. President and CEO of Securitas AB.
Shares in Securitas: 30,000 Series B shares.
Alf Göransson's previous experience include President and CEO of NCC AB, CEO of Svedala Industri AB, Business Area Manager at Cardo Rail, and President of Swedish Rail Systems AB in the Scancem Group. Alf holds an international BSc in Economics and Business Administration from the School of Business, Economics and Law, Göteborg University, Sweden.
Other assignments: Chairman of the Board of Loomis AB, Director of Hexpol AB and Axel Johnson Inc., USA.

Santiago Galaz b. 1959. Divisional President, Security Services North America. Shares in Securitas: 60,000 Series B shares.
Santiago Galaz joined Securitas in 1995 as the Managing Director of Security Services Spain after twelve years at the Eulen Group. In 1997 he was appointed the Spanish Country President for Security Services, Systems and Cash Handling Services and later became Divisional President of Cash Handling Services Europe. Santiago was appointed Divisional President of Security Services North America in 2003.

Bart Adam b. 1965. Divisional President, Security Services Europe.
Shares in Securitas: 4,500 Series B shares.
Bart Adam brings over 15 years of security industry experience to Securitas. He joined the Group of Securis in Belgium (AviaPartner) in 1988 as a financial controller and after Securitas acquired Securis in 1999, Bart became the Financial Manager for Securitas in Belgium in 2000. Two years later he was appointed Divisional Controller for Security Services Europe and in 2007 he became the division's Chief Operating Officer. In 2008, Bart was appointed Divisional President for Security Services Europe. Bart holds a Commercial Engineering degree from the University of Leuven, Belgium.

Jan Lindström b. 1966. Senior Vice President Finance.
Shares in Securitas: 3,500 Series B shares.
Jan Lindström joined Securitas in 1999 as controller for the Group's treasury in Dublin. In 2003 he was appointed head of the Group's reporting function at the head office in Stockholm. Jan holds a B.Sc. in Economics and Business Administration from Uppsala University in Sweden and previously he worked as an Authorized Public Accountant in PricewaterhouseCoopers.

Bengt Gustafson b. 1949. Senior Vice President Chief Legal Counsel.
Shares in Securitas: –
Bengt Gustafson's previous experience includes positions as Chief Legal Officer of Metso Minerals and Chief Legal Counsel of Svedala Industri AB. He has also worked as Chief Legal Counsel in France. In addition to his Swedish law degree Bengt Gustafson has earned a Masters of Law degree from University of California, Berkeley, USA.
Other assignments: Bengt was the President of European Company Lawyers Association, between 2004 and 2007.

Olof Bengtsson resigned from his position as Senior Vice President Corporate Finance on December 31, 2009.

Kim Svensson b. 1966. Senior Vice President Corporate Finance.
Shares in Securitas: 300 Series B shares.
Kim Svensson was employed at Securitas in 1993 and has broad experiences of the security service industry. He has held several positions in Securitas, both operational and staff positions. The past years, Kim has been Divisional Controller of Securitas Latin America. Kim holds an International MSc in Economics and Business Administration from Växjö University in Sweden.

Gisela Lindstrand b. 1962. Senior Vice President Corporate Communications and Public Affairs.
Shares in Securitas: 1,000 Series B shares.
Gisela Lindstrand has a degree in Political science from Uppsala University, Sweden. She came to Securitas AB in 2007 from the pharmaceutical company Pfizer AB, where she was the Government Affairs Director. Previous positions include Press Relations Manager at NCC AB, Information Director at SABO AB and Press Relations Manager and Political Advisor to the former Swedish Prime Minister Ingvar Carlsson. Gisela has also worked as a journalist.

Marc Pissens b. 1950. Divisional President, Aviation.
Shares in Securitas: –
Marc Pissens has over 20 years of security industry experience. Within Securitas he has been President for the Benelux organization, Managing Director of Securitas Netherlands and Securis/Securair Belgium and President of Globe Aviation (USA). Marc Pissens is the President of the CoESS (Conferederation of European Security Services) and the founder and President of ASSA-I (Aviation Security Services Association – International). Marc holds an engineering degree from the Engineering Institute of Brussels, Belgium.

Morten Rønning b. 1960. Divisional President, Mobile.
Shares in Securitas: 152,337 Series B-shares.
Morten Rønning joined Securitas 1985 as a supervisor for Security Services in Stavanger, Norway. In 2001 he was appointed Managing Director for Securitas AS in Norway and in 2004, Morten became the Vice President of Security Services Europe after having worked as the Managing Director for Security Services United Kingdom/Ireland for two years. He became Divisional President of Mobile in 2006.

Lucien Meeus b. 1947. Divisional President, Monitoring.
Shares in Securitas: 5,500 Series B shares.
Lucien Meeus previously worked in the telecom and pipeline industries, for Raychem Corporation and TD Williamson. In 1997, Lucien started Belgacom Alert Services. He led this company, specializing in the alarm monitoring, into becoming a subsidiary of Securitas AB in 2005. Lucien graduated as a Technical Engineer in Mechelen, Belgium, and holds a Post Graduate Business Administration from UAMS, Antwerp, Belgium and a Post Graduate Partnerships Program from IMD, Lausanne, Switzerland.

William Barthelemy b. 1954. Chief Operating Officer, Security Services North America. Shares in Securitas: 17,000 Series B shares.
William Barthelemy brings over 30 years of industry experience to the organization. With a Criminology Degree from Indiana University of Pennsylvania, USA, Bill began his career as an Investigator and has later worked in many field capacities, including Regional Operations Director and Region President. Bill is an active member of the American Society of Industrial Security, as well as the National Association of Chiefs of Police.

Financial Five Year Overview

MSEK	2005	2006	2007	2008	2009
INCOME					
• **Total sales**	**46,655.1**	**49,084.5**	**51,536.1**	**56,571.6**	**62,666.7**
of which acquired business	107.1	970.5	1,065.6	1,323.7	1,450.0
• ***Acquired sales growth, %***[1]	***0***	***2***	***2***	***3***	***3***
• ***Organic sales growth, %***	***4***	***6***	***6***	***6***	***–1***
Operating income before amortization	**2,694.5**	**2,753.4**	**2,888.8**	**3,270.7**	**3,756.5**
• ***Operating margin, %***	***5.8***	***5.6***	***5.6***	***5.8***	***6.0***
Amortization and impairment of acquisition related intangible assets	–72.8	–80.5	–439.8	–102.2	–138.3
Acquisition related restructuring costs	–1.0	–0.4	–2.1	–52.6	–5.9
Items affecting comparability	–	–549.1	–78.1	–29.3	–
Financial income and expenses	–374.7	–428.4	–475.2	–472.3	–589.4
Revaluation of financial instruments	36.2	–35.8	–6.7	2.7	–0.4
Share in income of associated companies	11.8	1.2	2.2	–	–
• **Income before taxes**	**2,294.0**	**1,660.4**	**1,889.1**	**2,617.0**	**3,022.5**
Taxes	–494.5	–440.2	–535.1	–727.1	–904.5
Net income for the year, continuing operations	**1,799.5**	**1,220.2**	**1,354.0**	**1,889.9**	**2,118.0**
Net income for the year, discontinued operations	914.2	–368.2	–828.0	431.8	–
Net income for the year, all operations	**2,713.7**	**852.0**	**526.0**	**2,321.7**	**2,118.0**
Minority share in net income, continuing operations	0.7	0.3	1.6	–1.9	1.8
Average number of shares after dilution ('000)	378,712	376,165	369,366	365,059	365,059
• **Earnings per share after dilution, continuing operations (SEK)**	**4.90**	**3.34**	**3.70**	**5.18**	**5.80**
CASH FLOW					
Operating income before amortization	**2,694.5**	**2,753.4**	**2,888.8**	**3,270.7**	**3,756.5**
Investments in non-current tangible and intangible assets	–821.6	–666.7	–838.1	–977.0	–950.7
Reversal of depreciation	776.6	776.0	775.6	839.9	927.5
Change in accounts receivable	–287.2	–627.0	–780.6	7.8	197.6
Changes in other operating capital employed	359.4	114.7	1,069.1	107.3	–556.4
Cash flow from operating activities	**2,721.7**	**2,350.4**	**3,114.8**	**3,248.7**	**3,374.5**
as % of operating income before amortization	***101***	***85***	***108***	***99***	***90***
Financial income and expenses paid	–403.7	–338.7	–396.2	–433.4	–481.6
Current taxes paid	–827.6	–509.8	–457.6	–803.5	–728.2
• **Free cash flow, continuing operations**	**1,490.4**	**1,501.9**	**2,261.0**	**2,011.8**	**2,164.7**
as % of adjusted income	***87***	***80***	***114***	***94***	***88***
Acquisition of subsidiaries including acquisition related restructuring costs paid	–970.4	–361.2	–584.4	–1,021.5	–757.7
Cash flow from items affecting comparability	–	–129.3	–15.1	–110.8	–12.0
Cash flow from financing activities	–2,855.2	204.0	372.1	–199.3	–2,775.5
Cash flow for the year, continuing operations	**–2,335.2**	**1,215.4**	**2,033.6**	**680.2**	**–1,380.5**
Cash flow for the year, discontinued operations	2,590.5	–2,283.2	658.9	–790.5	–
Cash flow for the year, all operations	**255.3**	**–1,067.8**	**2,692.5**	**–110.3**	**–1,380.5**
Interest-bearing net debt at beginning of year	–10,636.9	–11,944.8	–9,734.6	–9,878.0	–9,412.6
Change in loans	97.4	966.6	–2,877.6	–469.6	1,716.8
Revaluation of financial instruments	51.8	–16.2	–35.2	–178.2	76.7
Translation differences on interest-bearing net debt	–1,712.4	695.2	76.9	–1,313.1	611.9
Impact from dividend of discontinued operations	–	1,632.4	–	2,536.6	–
Interest-bearing net debt at year-end	**–11,944.8**	**–9,734.6**	**–9,878.0**	**–9,412.6**	**–8,387.7**

MSEK	2005	2006	2007	2008	2009
CAPITAL EMPLOYED AND FINANCING					
Non-current assets excluding acquisition related items	4,551.0	4,627.5	4,321.8	5,081.7	4,651.3
Accounts receivable	7,696.5	7,554.0	8,471.1	9,962.6	9,363.3
Other operating capital employed	–8,692.0	–8,670.0	–9,731.0	–12,084.9	–11,391.2
Operating capital employed, continuing operations	**3,555.5**	**3,511.5**	**3,061.9**	**2,959.4**	**2,623.4**
• ***as % of total sales***	***8***	***7***	***6***	***5***	***4***
Goodwill, continuing operations	12,469.2	11,529.5	11,260.4	14,104.3	13,558.3
Acquisition related intangible assets, continuing operations	328.8	449.9	548.7	751.3	894.9
Shares in associated companies, continuing operations	178.6	172.7	103.5	104.9	132.1
Capital employed, continuing operations	**16,532.1**	**15,663.6**	**14,974.5**	**17,919.9**	**17,208.7**
• ***Return on capital employed, %***	***16***	***14***	***19***	***18***	***22***
Capital employed, discontinued operations	9,985.6	3,674.1	3,717.5	–	–
Capital employed, all operations	**26,517.7**	**19,337.7**	**18,692.0**	**17,919.9**	**17,208.7**
Net debt	**11,944.8**	**9,734.6**	**9,878.0**	**9,412.6**	**8,387.7**
Net debt equity ratio, multiple, all operations	***0.82***	***1.01***	***1.12***	***1.11***	***0.95***
Interest coverage ratio, multiple, continuing operations	***4.4***	***3.6***	***3.6***	***3.9***	***6.1***
• ***Free cash flow in relation to net debt, all operations***[2]	***0.20***	***0.18***	***0.24***	***0.21***	***0.26***
Minority interests	1.5	0.4	1.9	6.7	8.3
Shareholders' equity attributable to equity holders of the Parent Company	**14,571.4**	**9,602.7**	**8,812.1**	**8,500.6**	**8,812.7**
Return on equity, %	***14***	***6***	***5***	***27***	***24***
Equity ratio, %	***31***	***27***	***22***	***24***	***27***
Financing of capital employed	**26,517.7**	**19,337.7**	**18,692.0**	**17,919.9**	**17,208.7**

1 Acquired sales growth is calculated as the year's acquisitions as a percentage of the previous year's total sales.
2 Free cash flow includes free cash flow from continuing and discontinued operations in relation to the total net debt. Free cash flow generated by discontinued operations is included on the line Cash flow for the year, discontinued operations in the Statement of cash flow above.
• Group key ratios.

DEFINITIONS OF KEY RATIOS

For calculations of key ratios refer to note 3, pages 69–70.

Organic sales growth
Total sales for the year adjusted for acquisitions and changes in exchange rates as a percentage of the previous year's total sales adjusted for divestitures.

Operating margin
Operating income before amortization as a percentage of total sales.

Earnings per share after dilution
Net income for the year less the net income attributable to the minority and adjusted for interest on convertible debenture loans after tax, in relation to the average number of shares after dilution.

Cash flow from operating activities as % of operating income before amortization
Cash flow from operating activities as a percentage of operating income before amortization.

Free cash flow as % of adjusted income
Free cash flow as a percentage of adjusted income.

Free cash flow in relation to net debt
Free cash flow in relation to closing balance net debt.

Operating capital employed as % of total sales
Operating capital employed as a percentage of total sales adjusted for full-year sales of acquisitions.

Return on capital employed
Operating income before amortization plus items affecting comparability as a percentage of the closing balance of capital employed excluding shares in associated companies relating to financial investments.

Net debt equity ratio
Net debt in relation to shareholders' equity.

Interest coverage ratio
Operating income before amortization plus interest income in relation to interest expense.

Return on equity
Net income for the year adjusted for interest on convertible debenture loans after taxes as a percentage of average adjusted shareholders' equity weighted for new issues.

Equity ratio
Shareholders' equity as a percentage of total assets.

Statement of income 2009

MSEK	Q1 2009	Q2 2009	Q3 2009	Q4 2009
Continuing operations				
Sales	15,951.3	15,434.0	14,858.1	14,973.3
Sales, acquired business	473.9	472.7	243.3	260.1
Total sales	**16,425.2**	**15,906.7**	**15,101.4**	**15,233.4**
Organic sales growth, %	*1*	*0*	*–2*	*–2*
Production expenses	–13,464.3	–13,011.0	–12,280.4	–12,228.2
Gross income	**2,960.9**	**2,895.7**	**2,821.0**	**3,005.2**
Selling and administrative expenses	–2,091.3	–2,017.9	–1,878.7	–1,945.6
Other operating income	3.2	2.8	2.8	2.5
Share in income of associated companies	–0.8	–0.8	–1.3	–1.2
Operating income before amortization	**872.0**	**879.8**	**943.8**	**1,060.9**
Operating margin, %	*5.3*	*5.5*	*6.2*	*7.0*
Amortization of acquisition related intangible assets	–34.1	–34.0	–34.6	–35.6
Acquisition related restructuring costs	–1.9	–	–1.8	–2.2
Items affecting comparability	–	–	–	–
Operating income after amortization	**836.0**	**845.8**	**907.4**	**1,023.1**
Financial income and expenses	–120.7	–165.5	–154.4	–148.8
Revaluation of financial instruments	–0.8	–0.9	1.2	0.1
Income before taxes	**714.5**	**679.4**	**754.2**	**874.4**
Net margin, %	*4.4*	*4.3*	*5.0*	*5.7*
Current taxes	–172.6	–180.1	–200.2	–162.5
Deferred taxes	–32.6	–31.1	–23.9	–101.5
Net income for the period, continuing operations	**509.3**	**468.2**	**530.1**	**610.4**
Net income for the period, discontinued operations	–	–	–	–
Net income for the period, all operations	**509.3**	**468.2**	**530.1**	**610.4**
Whereof attributable to:				
Equity holders of the Parent Company	510.2	467.6	528.4	610.0
Minority interests	–0.9	0.6	1.7	0.4
Earnings per share before dilution, continuing operations (SEK)	1.40	1.28	1.45	1.67
Earnings per share before dilution, discontinued operations (SEK)	–	–	–	–
Earnings per share before dilution, all operations (SEK)	**1.40**	**1.28**	**1.45**	**1.67**
Earnings per share after dilution, continuing operations (SEK)	1.40	1.28	1.45	1.67
Earnings per share after dilution, discontinued operations (SEK)	–	–	–	–
Earnings per share after dilution, all operations (SEK)	**1.40**	**1.28**	**1.45**	**1.67**

Statement of cash flow 2009

MSEK	Q1 2009	Q2 2009	Q3 2009	Q4 2009
Continuing operations				
Operating income before amortization	**872.0**	**879.8**	**943.8**	**1,060.9**
Investments in non-current tangible and intangible assets	–234.6	–255.7	–205.9	–254.5
Reversal of depreciation	234.8	232.1	222.9	237.7
Change in accounts receivable	–289.8	–31.0	19.0	499.4
Change in other operating capital employed	–345.3	–280.3	395.8	–326.6
Cash flow from operating activities	**237.1**	**544.9**	**1,375.6**	**1,216.9**
Cash flow from operating activities, %	*27*	*62*	*146*	*115*
Financial income and expenses paid	–185.9	–111.7	–75.2	–108.8
Current taxes paid	–124.7	–237.0	–181.6	–184.9
Free cash flow	**–73.5**	**196.2**	**1,118.8**	**923.2**
Free cash flow, %	*–13*	*37*	*190*	*123*
Cash flow from investing activities, acquisitions	–139.8	–52.6	–178.8	–386.5
Cash flow from items affecting comparability	–0.8	–2.3	–3.1	–5.8
Cash flow from financing activities	–1,187.7	–76.5	–447.5	–1,063.8
Cash flow for the period, continuing operations	**–1,401.8**	**64.8**	**489.4**	**–532.9**
Cash flow for the period, discontinued operations	–	–	–	–
Cash flow for the period, all operations	**–1,401.8**	**64.8**	**489.4**	**–532.9**

Capital employed and financing 2009

MSEK	March 31. 2009	June 30. 2009	September 30. 2009	December 31. 2009
Operating capital employed, continuing operations	**3,693.5**	**3,880.6**	**2,790.4**	**2,623.4**
Operating capital employed as % of sales, continuing operations	*6*	*6*	*4*	*4*
Return on operating capital employed, continuing operations, %	*103*	*104*	*127*	*135*
Goodwill, continuing operations	14,513.9	13,964.0	13,121.2	13,558.3
Acquisition related intangible assets, continuing operations	783.8	736.5	785.6	894.9
Shares in associated companies, continuing operations	104.5	102.3	91.0	132.1
Capital employed, continuing operations	**19,095.7**	**18,683.4**	**16,788.2**	**17,208.7**
Return on capital employed, continuing operations, %	*18*	*19*	*22*	*22*
Capital employed, discontinued operations	–	–	–	–
Capital employed, all operations	**19,095.7**	**18,683.4**	**16,788.2**	**17,208.7**
Net debt, all operations	**–9,915.3**	**–10,406.0**	**–8,775.4**	**–8,387.7**
Shareholders' equity, all operations	**9,180.4**	**8,277.4**	**8,012.8**	**8,821.0**
Net debt equity ratio/multiple, all operations	*1.08*	*1.26*	*1.10*	*0.95*

Statement of income 2008

MSEK	Q1 2008	Q2 2008	Q3 2008	Q4 2008
Continuing operations				
Sales	12,777.6	13,078.3	13,839.0	15,553.0
Sales, acquired business	244.9	174.9	417.1	486.8
Total sales	**13,022.5**	**13,253.2**	**14,256.1**	**16,039.8**
Organic sales growth, %	*7*	*6*	*6*	*4*
Production expenses	–10,730.8	–10,848.5	–11,638.7	–12,904.9
Gross income	**2,291.7**	**2,404.7**	**2,617.4**	**3,134.9**
Selling and administrative expenses	–1,601.3	–1,676.9	–1,755.3	–2,162.8
Other operating income	6.1	4.6	5.8	2.2
Share in income of associated companies	0.3	0.3	–0.3	–0.7
Operating income before amortization	**696.8**	**732.7**	**867.6**	**973.6**
Operating margin, %	*5.4*	*5.5*	*6.1*	*6.1*
Amortization of acquisition related intangible assets	–22.5	–22.3	–25.9	–31.5
Acquisition related restructuring costs	–	–0.8	–9.4	–42.4
Items affecting comparability	–	–	–	–29.3
Operating income after amortization	**674.3**	**709.6**	**832.3**	**870.4**
Financial income and expenses	–119.7	–103.6	–115.4	–133.6
Revaluation of financial instruments	0.7	1.4	–	0.6
Income before taxes	**555.3**	**607.4**	**716.9**	**737.4**
Net margin, %	*4.3*	*4.6*	*5.0*	*4.6*
Current taxes	–125.0	–136.7	–161.4	–228.7
Deferred taxes	–29.0	–31.7	–37.4	22.8
Net income for the period, continuing operations	**401.3**	**439.0**	**518.1**	**531.5**
Net income for the period, discontinued operations	92.3	107.6	136.0	95.9
Net income for the period, all operations	**493.6**	**546.6**	**654.1**	**627.4**
Whereof attributable to:				
Equity holders of the Parent Company	493.3	546.4	653.1	630.8
Minority interests	0.3	0.2	1.0	–3.4
Earnings per share before dilution, continuing operations (SEK)	1.10	1.20	1.42	1.47
Earnings per share before dilution, discontinued operations (SEK)	0.25	0.30	0.37	0.26
Earnings per share before dilution, all operations (SEK)	**1.35**	**1.50**	**1.79**	**1.73**
Earnings per share after dilution, continuing operations (SEK)	1.10	1.20	1.42	1.47
Earnings per share after dilution, discontinued operations (SEK)	0.25	0.30	0.37	0.26
Earnings per share after dilution, all operations (SEK)	**1.35**	**1.50**	**1.79**	**1.73**

Statement of cash flow 2008

MSEK	Q1 2008	Q2 2008	Q3 2008	Q4 2008
Continuing operations				
Operating income before amortization	**696.8**	**732.7**	**867.6**	**973.6**
Investments in non-current tangible and intangible assets	–218.4	–214.0	–179.1	–365.5
Reversal of depreciation	190.7	192.0	192.1	265.1
Change in accounts receivable	–310.9	–153.1	17.5	454.3
Change in other operating capital employed	–155.1	97.1	100.1	65.2
Cash flow from operating activities	**203.1**	**654.7**	**998.2**	**1,392.7**
Cash flow from operating activities, %	*29*	*89*	*115*	*143*
Financial income and expenses paid	–114.1	–56.5	–91.6	–171.2
Current taxes paid	–222.6	–196.8	–159.1	–225.0
Free cash flow	**–133.6**	**401.4**	**747.5**	**996.5**
Free cash flow, %	*–30*	*82*	*127*	*163*
Cash flow from investing activities, acquisitions	–118.7	–453.2	–169.6	–280.0
Cash flow from items affecting comparability	–0.6	–79.0	–0.8	–30.4
Cash flow from financing activities	–1,027.1	–759.8	1,518.2	69.4
Cash flow for the period, continuing operations	**–1,280.0**	**–890.6**	**2,095.3**	**755.5**
Cash flow for the period, discontinued operations	402.1	–13.6	–640.0	–539.0
Cash flow for the period, all operations	**–877.9**	**–904.2**	**1,455.3**	**216.5**

Capital employed and financing 2008

MSEK	March 31, 2008	June 30, 2008	September 30, 2008	December 31, 2008
Operating capital employed, continuing operations	**3,552.7**	**3,781.3**	**3,422.8**	**2,959.4**
Operating capital employed as % of sales, continuing operations	*7*	*7*	*6*	*5*
Return on operating capital employed, continuing operations, %	*84*	*84*	*91*	*108*
Goodwill, continuing operations	10,801.1	11,299.5	12,376.4	14,104.3
Acquisition related intangible assets, continuing operations	516.0	563.5	624.4	751.3
Shares in associated companies, continuing operations	94.6	91.6	95.3	104.9
Capital employed, continuing operations	**14,964.4**	**15,735.9**	**16,518.9**	**17,919.9**
Return on capital employed, continuing operations, %	*19*	*18*	*18*	*18*
Capital employed, discontinued operations	3,945.6	4,328.9	4,761.1	–
Capital employed, all operations	**18,910.0**	**20,064.8**	**21,280.0**	**17,919.9**
Net debt, all operations	**–10,046.1**	**–11,721.3**	**–11,513.4**	**–9,412.6**
Shareholders' equity, all operations	**8,863.9**	**8,343.5**	**9,766.6**	**8,507.3**
Net debt equity ratio/multiple, all operations	*1.13*	*1.40*	*1.18*	*1.11*

Financial Information and Invitation to the Annual General Meeting

Reporting dates

Securitas will publish the following financial reports during 2010:

Interim Reports 2010	
January – March	May 4, 2010
January – June	August 6, 2010
January – September	November 15, 2010

Financial information

All financial information is available both in English and in Swedish and may be requested from:

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Investor Relations
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Sweden

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Fax: +46 10 470 31 22
E-mail: info@securitas.com
www.securitas.com

Investor Relations activities conducted in 2009

Securitas arranged an Investor Day in London on September 1, 2009. Other shareholder and investor meetings were held in Stockholm, London, New York, Frankfurt, Paris, Amsterdam, Brussels and Zurich throughout the year. Securitas also participated in several shareholders' meetings arranged by the Swedish Shareholders' Association.

Financial analysts who cover Securitas

Company name	*Name*
ABG Securities	Henrik Vikström/Jesper Wilgodt
Cheuvreux	Niklas Kristoffersson
Carnegie	Mikael Löfdahl
JP Morgan Cazenove	Robert Plant
Cenkos	Andrew Brooke
Credit Suisse	Andrew Grobler
Danske Equities	Peter Trigarszky
Deutsche Bank	Andy C-Chu
Enskilda Securities	Stefan Andersson
Erik Penser Bank	Lars Norrby
Goldman Sachs	Charles Wilson
Handelsbanken	Lars Hallström
HQ Bank	Daniel Ek
Merrill Lynch	Andrew Ripper
Morgan Stanley	David Hancock/Jessica Flounders
Nomura	Ed Steele
Nordea	Johan Grabe
Standard & Poor's	Marco Troiano
Swedbank	Henrik Fröjd
UBS	Jaime Brandwood
Ålandsbanken	Mikael Laséen

Annual General Meeting of shareholders in Securitas AB

The shareholders in Securitas AB are hereby invited to attend the Annual General Meeting ("AGM") to be held at 4 pm. CET on Thursday May 4, 2010 in "Vinterträdgården" at the Grand Hotel, Stockholm, entry via the Royal entré, Stallgatan 6. Registration for the AGM begins at 3 pm CET.

Notice of attendance

Shareholders who wish to attend the AGM must:
(i) be recorded in the share register maintained by Euroclear Sweden AB (Euroclear), made as of Tuesday April 27, 2010;
and
(ii) notify Securitas AB of their intent to participate in the AGM at the address:

Securitas AB, "AGM"
P.O. Box 7842, SE-103 98 Stockholm, Sweden
or
by telephone +46 10 470 31 30
by telefax +46 10 470 31 31 marked "Securitas AGM"
or via the company website www.securitas.com/agm2010 ,
by Tuesday, April 27, 2010, at the latest, preferably before 4 pm.

On giving notice of attendance, the shareholder shall state name, personal registration number or equivalent (corporate identity number), address and telephone number. Proxy and representative of a legal person shall submit papers of authorisation prior to the AGM. As confirmation of the notification, Securitas AB will send an entry card, which should be presented at registration for the AGM.

In order to participate in the proceedings of the AGM, owners with nominee-registered shares must request their bank or broker to have their shares temporarily owner-registered with the Euroclear. Such registration must be made as of Tuesday, April 27, 2010 and the banker or broker should therefore be notified in due time before said date.

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