# Securitas AB

## Interim Report January–March 2011

**JANUARY–MARCH 2011**

- **Total sales MSEK 14,775 (14,870)**
- **Organic sales growth 3 percent (–1)**
- **Operating margin 4.8 percent (5.5)**
- **Earnings per share SEK 1.01 (1.24)**
- **Free cash flow/net debt 0.13 (0.35)**

**COMMENTS FROM THE PRESIDENT AND CEO**

The positive sales trend from the last quarter of 2010 continued in the first quarter of this year, and the organic sales growth amounted to 3 percent, and including acquisitions, the real sales growth was 10 percent. Eight major acquisitions have been completed so far in 2011, adding an annual sales value of approximately MSEK 2,700 and approximately 14,500 employees.

In North America the security market is recovering well. The sales of security solutions, with the added value tools and services that gradually have been introduced to existing and new customers, continued to increase its share of total sales.

In Europe, the growth was good in macro-economically better performing countries, while the organic sales growth was more modest in countries still struggling with their financial situation. In Europe in general, the price pressure remains high and even though winning and losing contracts is the normal course of the business, the losses have been exceptionally high in the first quarter and are consequently causing a negative impact on the operating margin. Actions are taken to improve the situation, short term as well as in longer term.

In the short perspective, focus and attention is paid to labor markets recovering under competitive market conditions, and thus managing the price and wage cost balance. In the longer perspective, we continue to pursue our strategy of specialization and segmentation, strengthening our capabilities in technology and added value tools and services, and to selectively make acquisitions in mature and new markets with the target to be present in approximately 60 countries within three years.

*Alf Göransson*
President and Chief Executive Officer

**Contents**

## FINANCIAL SUMMARY

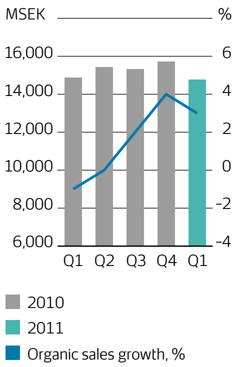
| MSEK | Q1 2011 | Q1 2010 | *Total change, %* | FY 2010 | *Total change, %* |
|---|---|---|---|---|---|
| **Sales** | **14,775** | **14,870** | **–1** | **61,340** | **–2** |
| *Organic sales growth, %* | *3* | *–1* | | *1* | |
| *Real sales growth, including acquisitions, %* | *10* | *1* | | *5* | |
| **Operating income before amortization** | **712** | **818** | **–13** | **3,724** | **–1** |
| *Operating margin, %* | *4.8* | *5.5* | | *6.1* | |
| *Real change, %* | *–3* | *5* | | *6* | |
| **Income before taxes** | **527** | **643** | **–18** | **2,968** | **–2** |
| *Real change, %* | *–9* | *1* | | *5* | |
| **Net income** | **370** | **450** | **–18** | **2,081** | **–2** |
| Earnings per share (SEK) | 1.01 | 1.24 | –19 | 5.71 | –2 |

## ORGANIC SALES GROWTH AND OPERATING MARGIN DEVELOPMENT PER BUSINESS SEGMENT

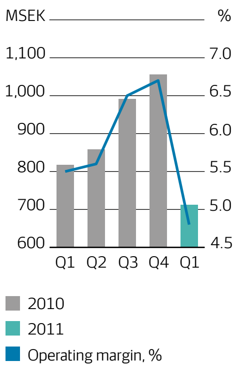
| | **Organic sales growth** | | **Operating margin** | |
|---|---|---|---|---|
| | | **Q1** | | **Q1** |
| **%** | **2011** | **2010** | **2011** | **2010** |
| Security Services North America | 4 | –5 | 5.3 | 5.4 |
| Security Services Europe* | 1 | 1 | 4.2 | 5.2 |
| Mobile and Monitoring* | 2 | 2 | 10.4 | 11.4 |
| **Group** | **3** | **–1** | **4.8** | **5.5** |

* The comparatives have been restated due to operations moved between the segments Security Services Europe and Mobile and Monitoring. Refer to note 7 on page 20 for quarterly information for 2010.

**Group quarterly sales development**




**Group quarterly operating income development**




## JANUARY–MARCH 2011

### *Sales and market development*

Sales amounted to MSEK 14,775 (14,870) and organic sales growth was 3 percent (–1). The development is a result of the positive net change trend in the contract portfolio. However, the organic sales level in the quarter has been burdened by the loss of a few large contracts in Security Services Europe. In Security Services North America, the sales of specialized solutions as percentage of total sales increased in the quarter.

The security market in North America, as well as in most countries in Europe, is recovering from the recession and Securitas organic sales growth is estimated to be on par with the market in North America and below market growth in Europe.

Real sales growth, including acquisitions and adjusted for changes in exchange rates, was 10 percent (1).

### *Operating income before amortization*

Operating income before amortization was MSEK 712 (818) which, adjusted for changes in exchange rates, represented a decrease of –3 percent.

The Group's operating margin was 4.8 percent (5.5). The operating margin was negatively impacted by the margin development in Security Services Europe and Mobile and Monitoring. In Security Services Europe the loss of a few large contracts and the costs related to the terminations as well as price pressure were the main reasons behind the development. In Mobile and Monitoring the operating margin was negatively impacted by fewer call outs, increased fuel costs and restructuring costs. The acquisitions of Reliance in the United Kingdom and Paragon Systems in the USA diluted the operating margin by –0.2 percent.

The price adjustments in the Group were behind the total wage cost increases in the first quarter.

### *Operating income after amortization*

Amortization of acquisition related intangible assets amounted to MSEK –44 (–38).

Acquisition related costs impacted the quarter by MSEK –32 (–5). The majority, MSEK –24, relates to restructuring and integration costs of MSEK –13 for Reliance and transaction costs for the acquisition of Chubb of MSEK –11. Further information is provided in note 4.

### *Financial income and expenses*

Financial income and expenses amounted to MSEK –109 (–132). The decrease for the quarter is explained partly by a lower average interest rate on the net debt as well as a stronger Swedish krona, which had a positive impact on the finance net.

### *Income before taxes*

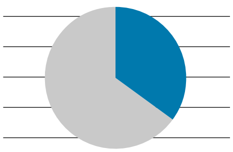
Income before taxes was MSEK 527 (643). The real change was –9 percent.

### *Taxes, net income and earnings per share*

The Group's tax rate was 29.9 percent (29.9).

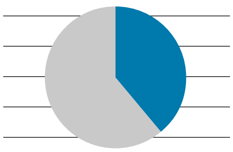
Net income was MSEK 370 (450). Earnings per share amounted to SEK 1.01 (1.24).

Share of Group sales



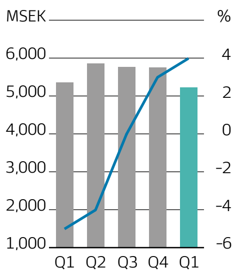
Security Services North America 35%

Share of Group operating income



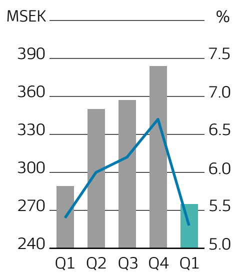
Security Services North America 39%

Quarterly sales development




2010
2011
Organic sales growth, %

Quarterly operating income development




2010
2011
Operating margin, %

## SECURITY SERVICES NORTH AMERICA

**Security Services North America provides specialized security services in the USA, Canada and Mexico and comprises 19 business units: one organization for national and global accounts, ten geographical regions and five specialty customer segments in the USA, plus Canada, Mexico and Pinkerton Consulting & Investigations (C&I). In total, there are 97 geographical areas, about 600 branch managers and approximately 100,000 employees.**

| Security Services North America | January–March | | January–December |
|---|---|---|---|
| **MSEK** | **2011** | **2010** | **2010** |
| **Total sales** | **5,230** | **5,362** | **22,731** |
| *Organic sales growth, %* | 4 | -5 | -2 |
| **Operating income before amortization** | **275** | **289** | **1,380** |
| *Operating margin, %* | 5.3 | 5.4 | 6.1 |
| *Real change, %* | 8 | -3 | 4 |

### *January–March 2011*

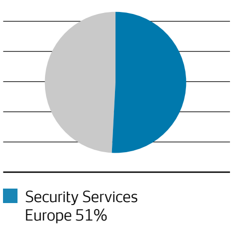
Organic sales growth was 4 percent (-5) in the first quarter, supported by the continued positive net change in the contract portfolio. The sales of specialized security solutions as percentage of total sales increased in the quarter.

The operating margin was 5.3 percent (5.4). The operating margin in the core business was flat, while the acquisition of Paragon Systems in June 2010 diluted the operating margin by –0.1 percent.

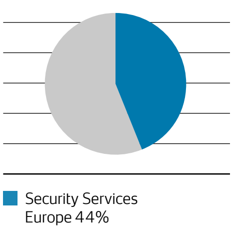
The U.S. dollar exchange rate had a negative effect on the operating result in Swedish kronor. The real change was 8 percent in the first quarter.

The client retention rate was slightly above 90 percent which is an improvement compared to last year. The employee turnover rate in the U.S. was 41 percent (37).

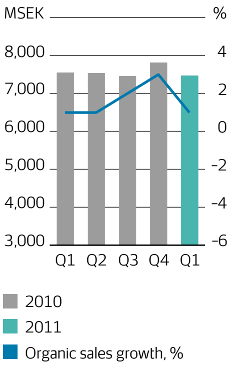
Share of Group sales



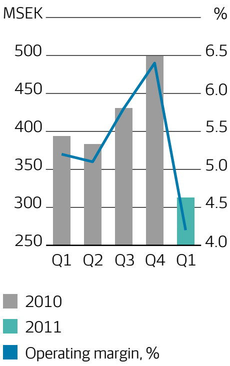

Share of Group operating income




Quarterly sales development




Quarterly operating income development




## SECURITY SERVICES EUROPE

**Security Services Europe provides specialized security services for large and medium-sized customers in 25 countries, while Aviation – part of the Security Services Europe business segment – provides airport security in 14 countries. Security Services Europe has a combined total of over 750 branch managers and more than 120,000 employees.**

| Security Services Europe | January–March | | January–December |
|---|---|---|---|
| **MSEK** | **2011** | **2010*** | **2010*** |
| **Total sales** | **7,462** | **7,540** | **30,332** |
| *Organic sales growth, %* | *1* | *1* | *2* |
| **Operating income before amortization** | **313** | **394** | **1,707** |
| *Operating margin, %* | *4.2* | *5.2* | *5.6* |
| *Real change, %* | *-13* | *6* | *3* |

* The comparatives have been restated due to operations moved between the segments Security Services Europe and Mobile and Monitoring. Refer to note 7 on page 20 for quarterly information for 2010.

### *January–March 2011*

Organic sales growth was 1 percent (1) in the first quarter. Most countries in the European guarding operation had positive organic sales growth in the first quarter.

As previously reported in the third quarter report 2010, Security Services Europe lost a major contract in the United Kingdom and the contract with Brussels Airport in Belgium during the second half of 2010. Both contract losses were effective early in the first quarter 2011 and will have an annual impact on sales of -2 percent in the business segment. In the first quarter 2011, further larger contracts have been lost in a few countries, the largest being the contract with the European Commission in Belgium worth approximately MEUR 36 annually in sales, expiring April 1, 2011. The price pressure in the security market and the price aggressiveness from competition remains difficult in a number of countries in Europe.

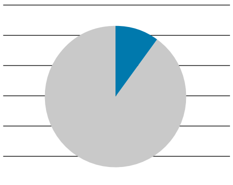
The operating margin was 4.2 percent (5.2). The magnitude of the contract losses in such a short period is exceptional. Most of the lost contracts had a negative effect on the operating margin and together with the transition and reduction of personnel, causing inefficiencies and redundancy costs, the total negative impact on the operating margin was –0.3 percent in the business segment. The acquisition of Reliance Security Services in the United Kingdom diluted the operating margin by -0.3 percent compared to the same period last year. The remaining deviation of -0.4 percent is due to discrepancies between price and wage cost increases in Spain, France and Sweden.

The remedy to manage the development in Europe is to continue with the specialization and added value strategy, to prioritize profitability when managing the price increases in relation to expectations from wage agreements and to reduce overhead costs in countries where major contracts are lost.

The euro exchange rate had a negative impact on the operating income in Swedish kronor. The real change was –13 percent for the quarter.

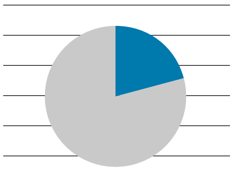
The client retention rate was approximately 90 percent. The employee turnover rate was 27 percent (25).

Share of Group sales



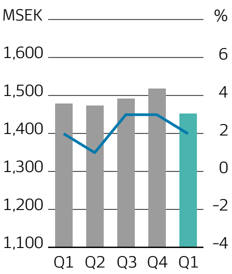
Mobile and Monitoring 10%

Share of Group operating income



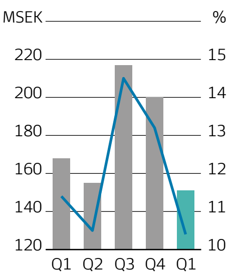
Mobile and Monitoring 21%

Quarterly sales development




2010
2011
Organic sales growth, %

Quarterly operating income development




2010
2011
Operating margin, %

## MOBILE AND MONITORING

**Mobile provides mobile security services for small and medium-sized businesses and residential sites, while Monitoring provides electronic alarm surveillance services. Mobile operates in 11 countries across Europe and has approximately 8,900 employees in 28 areas and about 220 branch managers. Monitoring, with approximately 900 employees, operates in 11 countries in Europe.**

| Mobile and Monitoring | January–March | | January–December |
|---|---|---|---|
| **MSEK** | **2011** | **2010*** | **2010*** |
| **Total sales** | **1,452** | **1,478** | **5,961** |
| *Organic sales growth, %* | *2* | *2* | *2* |
| **Operating income before amortization** | **151** | **168** | **740** |
| *Operating margin, %* | *10.4* | *11.4* | *12.4* |
| *Real change, %* | *-5* | *8* | *6* |

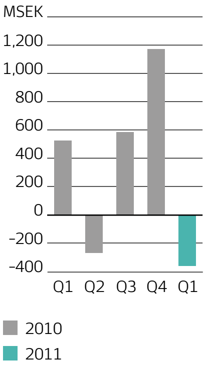
*The comparatives have been restated due to operations moved between the segments Security Services Europe and Mobile and Monitoring. Refer to note 7 on page 20 for quarterly information for 2010.

### *January–March 2011*

Organic sales growth was 2 percent (2). In the Mobile operation, most countries had positive organic sales growth and countries such as Belgium, the Netherlands and Norway were above the business segment average. In the Monitoring operation, all countries except Belgium, France and Spain had positive organic sales growth.

The operating margin was 10.4 percent (11.4). In the Mobile operation, the operating margin was negatively impacted by fewer call outs and increased fuel costs. The operating margin was diluted by -0.1 percent due to the acquisition of Reliance Security Services in the United Kingdom. In the Monitoring operation, the operating margin has been affected by restructuring costs in Belgium and Spain due to the negative organic sales growth. The real change was -5 percent for the quarter.

**Quarterly free cash flow**




***January–March 2011***

Operating income before amortization amounted to MSEK 712 (818). Net investments in non-current tangible and intangible assets amounted to MSEK 2 (7).

Changes in accounts receivable amounted to MSEK –258 (–291). The quarter was negatively impacted by an increase in the days of sales outstanding (DSO). Changes in other operating capital employed amounted to MSEK –647 (185). The quarter was negatively impacted by payroll timing in the Netherlands whereas the quarter last year was positively impacted by payroll timing in the North American operations. The settlement with the U.S. Army, as described in the Annual Report for 2010, impacted the quarter negatively with MSEK –38 (MEUR 4.2).

Cash flow from operating activities amounted to MSEK –191 (719), equivalent to –27 percent (88) of operating income before amortization.

Financial income and expenses paid amounted to MSEK –61 (–86). Current taxes paid amounted to MSEK –109 (–109).

Free cash flow was MSEK –361 (524), equivalent to –78 percent (101) of adjusted income.

Cash flow from investing activities, acquisitions, was MSEK –137 (–102).

Cash flow from items affecting comparability was MSEK –7 (–1).

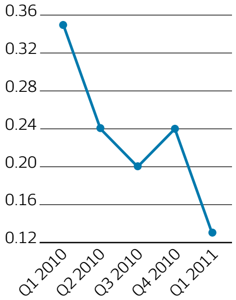
Cash flow from financing activities was MSEK 1,319 (–270).

Cash flow for the period was MSEK 814 (151).

**Net debt development**

| MSEK | |
|---|---|
| **Jan 1, 2011** | **-8,209** |
| Free cash flow | -361 |
| Acquisitions | -137 |
| IAC payments | -7 |
| **Change in net debt** | **-505** |
| Translation and revaluation | 330 |
| **Mar 31, 2011** | **-8,384** |

**Free cash flow/net debt**




***Capital employed as of March 31, 2011***

The Group's operating capital employed was MSEK 3,251 (2,587 as of December 31, 2010) corresponding to 5 percent of sales (4 as of December 31, 2010) adjusted for the full year sales figures of acquired units.

Acquisitions decreased operating capital employed by MSEK -14 during the first quarter 2011.

Acquisitions increased consolidated goodwill by MSEK 79. Adjusted for negative translation differences of MSEK -609, total goodwill for the Group amounted to MSEK 12,809 (13,339 as of December 31, 2010).

Acquisitions have increased acquisition related intangible assets by MSEK 39. After amortization of MSEK -44 and negative translation differences of MSEK -40, acquisition related intangible assets amounted to MSEK 1,051 (1,096 as of December 31, 2010).

The Group's total capital employed was MSEK 17,225 (17,147 as of December 31, 2010). The translation of foreign capital employed to Swedish kronor decreased the Group's capital employed by MSEK -749.

The return on capital employed was 21 percent (22 as of December 31, 2010).

***Financing as of March 31, 2011***

The Group's net debt amounted to MSEK 8,384 (8,209 as of December 31, 2010). Acquisitions and acquisition related payments increased the Group's net debt by MSEK 137, of which purchase price payments accounted for MSEK 113, assumed net debt for MSEK -9 and acquisition related costs paid accounted for MSEK 33. The Group's net debt decreased by MSEK -320 due to the translation of net debt in foreign currency to Swedish kronor.

The free cash flow to net debt ratio amounted to 0.13 (0.35).

The main capital market instruments drawn as of the end of March 2011 were six bonds issued under the Group's Euro Medium Term Note Program. These comprised the 6.50 percent MEUR 500 Eurobond loan maturing in 2013, and five floating rates notes (FRN's). Two of these FRN's are denominated in SEK, and each of these is for MSEK 500 and mature in 2014. Another two FRN's are denominated in USD, one for MUSD 40 and one for MUSD 62. Both of these loans mature in 2015. There is also a MEUR 45 FRN maturing in 2014.

In addition to the above, Securitas has access to committed bank financing through a new Revolving Credit Facility (RCF) which was signed with 12 Swedish and international banks in January 2011. The new RCF comprises two respective tranches of MUSD 550 and MEUR 420 (MUSD 1,100 in total), and matures in 2016. There is also an RCF maturing in 2012 of MUSD 100 for issuance of letters of credit only.

The Group also has access to uncommitted bank borrowings and a MSEK 5,000 Swedish Commercial Paper Program for short-term borrowing needs.

Securitas has ample liquidity headroom under the committed credit facilities in line with established policies, which combined with the strong free cash flow generation means that the future liquidity requirements for the Company's operations are met.

Further information of the credit facilities as of March 31, 2011 is provided in note 8.

The interest cover ratio amounted to 7.2 (6.5).

Shareholders' equity amounted to MSEK 8,841 (8,938 as of December 31, 2010). The translation of foreign assets and liabilities into Swedish kronor decreased shareholders' equity by MSEK -429 after taking into account net investment hedging of MSEK -98 and MSEK -331 before net investment hedging. Refer to the statement of comprehensive income on page 14 for further information.

The total number of outstanding shares amounted to 365,058,897 as of March 31, 2011.

**ACQUISITIONS JANUARY–MARCH 2011 (MSEK)**

| Company | Business segment [1] | Included from | Acquired share [2] | Annual sales [3] | Enter-prise value [4] | Goodwill | Acq. related intangible assets |
|---|---|---|---|---|---|---|---|
| **Opening balance** | | | | | | **13,339** | **1,096** |
| Interseco, the Netherlands [7] | Other | Jan 1 | 100 | 62 | 20 | 39 | - |
| Adria Ipon Security, Bosnia and Herzegovina [7] [8] | Security Services Europe | Jan 1 | 85 | 16 | 14 | 9 | 8 |
| Seguridad y Turismo Segutouring, Ecuador [7] | Other | Feb 1 | 100 | 47 | 7 | 0 | 10 |
| Other acquisitions [5] [7] | | | | 58 | 63 | 31 | 21 |
| **Total acquisitions January–March 2011** | | | | **183** | **104** | **79** [6] | **39** |
| Amortization of acquisition related intangible assets | | | | | | - | –44 |
| Exchange rate differences | | | | | | –609 | –40 |
| **Closing balance** | | | | | | **12,809** | **1,051** |

[1] Refers to business segment with main responsibility for the acquisition.

[2] Refers to voting rights for acquisitions in the form of share purchase agreements. For asset deals no voting rights are stated.

[3] Estimated annual sales.

[4] Purchase price paid plus acquired net debt.

[5] Related to other acquisitions for the period and updated previous year acquisition calculations for the following entities: Security Professionals and Security Management and National Security Protective Services, USA, APSP (contract portfolio) and Apri Bering (contract portfolio), Mobile France, Reliance Security Services, Services UK, WOP Protect, Services Switzerland, Nordserwis.pl, Services Poland, Guardian Security, Montenegro, Alarm West Group, Bosnia and Herzegovina, Securityring, Greece, Socovig, Colombia, Ubiq, Peru, Pedro Valdivia Seguridad, Chile, Claw Protection Services and Piranha Security, South Africa. Related also to deferred considerations paid in the USA, Sweden, Argentina and South Africa.

[6] Goodwill that is expected to be tax deductible amounts to MSEK 0.

[7] Deferred considerations have been recognized mainly based on an assessment of the future profitability development in the acquired entities for an agreed period. The net of new deferred considerations and payments made from previously recognized deferred considerations was MSEK –15. Total deferred considerations, short-term and long-term, in the Group's balance sheet amount to MSEK 277.

[8] No non-controlling interests have been accounted for since Securitas has an option to buy the remaining shares and the seller has an option to sell the remaining shares. Consequently, 100 percent of the company is consolidated.

All acquisition calculations are finalized no later than one year after the acquisition is made. Transactions with non-controlling interests are specified in the statement of changes in shareholders' equity on page 16. Transaction costs and revaluation of deferred considerations can be found in note 4 on page 19.

***Interseco, the Netherlands***

Securitas has acquired all shares in the security consulting company Interseco in the Netherlands. Interseco has approximately 50 employees and focuses on advising and assisting their customers to detect and gain control of crime risks.

***Adria Ipon Security, Bosnia and Herzegovina***

Securitas has acquired 85 percent of the shares in the security services company Adria Ipon Security in Bosnia and Herzegovina. The agreement includes an option of acquiring the remaining 15 percent. Adria Ipon Security has approximately 200 employees.

***Seguridad y Turismo Segutouring, Ecuador***

Securitas has acquired all shares in the security services company Seguridad y Turismo Segutouring in Ecuador. The company has approximately 900 employees and is mainly operating in guarding services.

## ACQUISITIONS AFTER THE FIRST QUARTER

***Chubb Security Personnel, the United Kingdom***

Securitas has acquired the security services company Chubb Security Personnel in the United Kingdom. With 5,000 employees, Chubb Security Personnel is a leading manned guarding security services provider in the United Kingdom. The company has a well diversified contract portfolio with a stable customer portfolio within guarding. The acquisition has been approved by the United Kingdom Office of Fair Trading.

***Seguricorp, Chile***

Securitas has acquired the security services company Seguricorp in Chile. The company has approximately 3,750 employees and has nationwide coverage in guarding services. The company has a strong position in the customer segment mining industry. With this acquisition, Securitas will be the market leader in security services in Chile.

***Consultora Videco, Argentina***

Securitas has acquired the security services company Consultora Videco in Argentina. The company has approximately 2,240 employees and is operating in the area of Buenos Aires.

***Security Consultants Group, the USA***

Paragon Systems, a subsidiary of Pinkerton's Government Services within the Securitas Group, has agreed to acquire the security services company Security Consultants Group in the USA. With this acquisition, Securitas expands in the primary government security services market in the USA. The company has approximately 2,000 employees and specializes in providing high level, armed security officer services to various U.S. Government agencies and facilities.

***Assistance Sécurité Gardiennage, France***

Securitas has acquired the commercial business contracts and assets of the security services company Assistance Sécurité Gardiennage (ASG) in France. ASG, a subsidiary of the French Group Assystem, has approximately 400 employees. The company is specialized in security services to the energy sector.

# Other significant events



For critical estimates and judgments and items affecting comparability and contingent liabilities refer to pages 92–93 and pages 125–126 in the Annual Report 2010. If no significant events have occurred relating to the information in the Annual Report, no further comments are made in the Interim Report for the respective case.

# Change in Group Management

Antonio Villaseca Lòpez has been appointed Senior Vice President Technical Solutions at Securitas and member of Securitas Group Management. With this appointment, Securitas further strengthens its technical knowledge and experience.

Antonio Villaseca Lòpez joined Securitas as Site Manager in Madrid, Spain, in 1995. As of 1997, he has been Country President for Niscayah's Spanish operations. He will start his position at Securitas mid 2011.

# Risks and uncertainties

Risk management is necessary in order for Securitas to be able to fulfill its strategies and achieve its corporate objectives. Securitas' risks fall into three main categories; contract risk, operational assignment risk and financial risks. Securitas approach to enterprise risk management is described in more detail in the Annual Report for 2010.

In the preparation of financial reports the Board of Directors and Group Management are required to make estimates and judgments. These estimates and judgments impact the statement of income and balance sheet as well as disclosures such as contingent liabilities. Actual results may differ from these estimates and judgments under different circumstances and conditions.

For the forthcoming nine-month period, the financial impact of certain items affecting comparability and contingent liabilities, as described in the Annual Report for 2010 and if applicable above under the heading "Other significant events", may vary from the current financial estimates and provisions made by management. This could affect the Groups profitability and financial position.

# Parent Company operations

The Group's Parent Company, Securitas AB, is not involved in any operating activities. Securitas AB provides Group Management and support functions for the Group.

***January–March 2011***
The Parent Company's income amounted to MSEK 244 (250) and mainly relates to administrative contributions and other income from subsidiaries.

Financial income and expenses amounted to MSEK 198 (119). Dividends received from subsidiaries had a positive impact on the finance net, while exchange rate differences had a negative impact on the finance net. Income before taxes amounted to MSEK 346 (287).

***As of March 31, 2011***
The Parent Company's non-current assets amounted to MSEK 40,770 (40,659 as of December 31, 2010) and mainly comprise shares in subsidiaries of MSEK 40,074 (40,027 as of December 31, 2010). Current assets amounted to MSEK 4,135 (4,021 as of December 31, 2010) of which liquid funds amounted to MSEK 3 (2 as of December 31, 2010).

Shareholders' equity amounted to MSEK 22,479 (22,392 as of December 31, 2010).

The Parent Company's liabilities amounted to MSEK 22,426 (22,288 as of December 31, 2010) and mainly consist of interest-bearing debt.

For further information, refer to the Parent Company's condensed financial statements on page 21.

***In general***
This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

Securitas' consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 1 Supplementary Accounting Rules for Groups. The most important accounting principles under IFRS, which is the basis for the preparation of this interim report, can be found in note 2 on pages 83 to 89 in the Annual Report for 2010. The accounting principles are also available on the Group's website www.securitas.com under the section Investor Relations—Financials—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 Accounting for Legal Entities. The most important accounting principles used by the Parent Company can be found in note 39 on page 131 in the Annual Report for 2010.

There have been no changes in the Group's or the Parent Company's accounting principles compared to the accounting principles described in note 2 and note 39 in the Annual Report for 2010.

Stockholm, May 4, 2011

Alf Göransson
President and Chief Executive Officer

This report has not been reviewed by the company's auditors.

## STATEMENT OF INCOME

| MSEK | Jan–Mar 2011 | Jan–Mar 2010 | Jan–Dec 2010 | Jan–Dec 2009 |
|---|---|---|---|---|
| Sales | 13,846.6 | 14,538.3 | 59,097.5 | 61,216.7 |
| Sales, acquired business | 928.3 | 332.2 | 2,242.3 | 1,450.0 |
| **Total sales** | **14,774.9** | **14,870.5** | **61,339.8** | **62,666.7** |
| *Organic sales growth, %* [1] | *3* | *–1* | *1* | *–1* |
| Production expenses | –12,232.5 | –12,176.9 | –50,076.0 | –50,983.9 |
| **Gross income** | **2,542.4** | **2,693.6** | **11,263.8** | **11,682.8** |
| Selling and administrative expenses | –1,832.3 | –1,878.9 | –7,551.3 | –7,933.5 |
| Other operating income [2] | 2.8 | 2.8 | 12.7 | 11.3 |
| Share in income of associated companies [3] | –0.5 | 0.1 | –1.0 | –4.1 |
| **Operating income before amortization** | **712.4** | **817.6** | **3,724.2** | **3,756.5** |
| *Operating margin, %* | 4.8 | 5.5 | 6.1 | 6.0 |
| Amortization of acquisition related intangible assets | –44.3 | –37.9 | –164.3 | –138.3 |
| Acquisition related costs [4] | –31.6 | –4.9 | –89.6 | –5.9 |
| **Operating income after amortization** | **636.5** | **774.8** | **3,470.3** | **3,612.3** |
| Financial income and expenses [5] | –109.3 | –132.3 | –502.3 | –589.8 |
| **Income before taxes** | **527.2** | **642.5** | **2,968.0** | **3,022.5** |
| *Net margin, %* | 3.6 | 4.3 | 4.8 | 4.8 |
| Current taxes | –136.6 | –169.2 | –735.7 | –715.4 |
| Deferred taxes | –21.0 | –22.9 | –151.5 | –189.1 |
| **Net income for the period** | **369.6** | **450.4** | **2,080.8** | **2,118.0** |
| | | | | |
| **Whereof attributable to:** | | | | |
| Equity holders of the Parent Company | 368.6 | 451.5 | 2,083.1 | 2,116.2 |
| Non-controlling interests | 1.0 | –1.1 | –2.3 | 1.8 |
| | | | | |
| Earnings per share before dilution (SEK) | 1.01 | 1.24 | 5.71 | 5.80 |
| Earnings per share after dilution (SEK) | 1.01 | 1.24 | 5.71 | 5.80 |

## STATEMENT OF COMPREHENSIVE INCOME

| MSEK | Jan–Mar 2011 | Jan–Mar 2010 | Jan–Dec 2010 | Jan–Dec 2009 |
|---|---|---|---|---|
| **Net income for the period** | **369.6** | **450.4** | **2,080.8** | **2,118.0** |
| | | | | |
| **Other comprehensive income** | | | | |
| Actuarial gains and losses and effects of minimum funding requirement net of tax | 23.2 | –12.7 | –117.9 | 16.2 |
| Cash flow hedges net of tax | 5.7 | 7.5 | 53.2 | 56.8 |
| Net investment hedges | –97.7 | 157.2 | 361.0 | 254.9 |
| Translation differences | –331.3 | –363.1 | –1,232.2 | –1,073.8 |
| **Other comprehensive income for the period** [6] | **–400.1** | **–211.1** | **–935.9** | **–745.9** |
| **Total comprehensive income for the period** | **–30.5** | **239.3** | **1,144.9** | **1,372.1** |
| | | | | |
| **Whereof attributable to:** | | | | |
| Equity holders of the Parent Company | –31.6 | 240.6 | 1,147.6 | 1,370.8 |
| Non-controlling interests | 1.1 | –1.3 | –2.7 | 1.3 |

Notes 1–6 refer to pages 19–20.

## STATEMENT OF CASH FLOW

| Operating cash flow MSEK | Jan–Mar 2011 | Jan–Mar 2010 | Jan–Dec 2010 | Jan–Dec 2009 |
|---|---|---|---|---|
| **Operating income before amortization** | **712.4** | **817.6** | **3,724.2** | **3,756.5** |
| Investments in non-current tangible and intangible assets | –216.7 | –221.5 | –901.9 | –950.7 |
| Reversal of depreciation | 218.6 | 228.4 | 900.7 | 927.5 |
| Change in accounts receivable | –258.5 | –291.0 | –768.4 | 197.6 |
| Change in other operating capital employed | –647.1 | 185.4 | 312.8 | –556.4 |
| **Cash flow from operating activities** | **–191.3** | **718.9** | **3,267.4** | **3,374.5** |
| *Cash flow from operating activities, %* | *–27* | *88* | *88* | *90* |
| Financial income and expenses paid | –61.3 | –86.2 | –521.7 | –481.6 |
| Current taxes paid | –108.4 | –108.5 | –735.1 | –728.2 |
| **Free cash flow** | **–361.0** | **524.2** | **2,010.6** | **2,164.7** |
| *Free cash flow, %* | *–78* | *101* | *81* | *88* |
| Cash flow from investing activities, acquisitions | –137.2 | –102.6 | –1,359.0 | –757.7 |
| Cash flow from items affecting comparability | –7.3 | –1.1 | –62.5 | –12.0 |
| Cash flow from financing activities | 1,319.9 | –269.9 | –424.5 | –2,775.5 |
| **Cash flow for the period** | **814.4** | **150.6** | **164.6** | **–1,380.5** |

| Cash flow MSEK | Jan–Mar 2011 | Jan–Mar 2010 | Jan–Dec 2010 | Jan–Dec 2009 |
|---|---|---|---|---|
| Cash flow from operations | –184.6 | 737.9 | 2,784.7 | 3,069.3 |
| Cash flow from investing activities | –320.9 | –317.4 | –2,195.6 | –1,674.3 |
| Cash flow from financing activities | 1,319.9 | –269.9 | –424.5 | –2,775.5 |
| **Cash flow for the period** | **814.4** | **150.6** | **164.6** | **–1,380.5** |

| Change in net debt MSEK | Jan–Mar 2011 | Jan–Mar 2010 | Jan–Dec 2010 | Jan–Dec 2009 |
|---|---|---|---|---|
| **Opening balance** | **–8,208.9** | **–8,387.7** | **–8,387.7** | **–9,412.6** |
| Cash flow for the period | 814.4 | 150.6 | 164.6 | –1,380.5 |
| Change in loans | –1,319.9 | 269.9 | –670.7 | 1,716.8 |
| **Change in net debt before revaluation and translation differences** | **–505.5** | **420.5** | **–506.1** | **336.3** |
| Revaluation of financial instruments [5)] | 10.2 | 8.5 | 67.6 | 76.7 |
| Translation differences | 319.8 | 160.0 | 617.3 | 611.9 |
| **Change in net debt** | **–175.5** | **589.0** | **178.8** | **1,024.9** |
| **Closing balance** | **–8,384.4** | **–7,798.7** | **–8,208.9** | **–8,387.7** |

Note 5 refers to page 19.

## CAPITAL EMPLOYED AND FINANCING

| MSEK | Mar 31, 2011 | Dec 31, 2010 | Mar 31, 2010 | Dec 31, 2009 |
|---|---|---|---|---|
| **Operating capital employed** | **3,250.8** | **2,586.5** | **2,511.3** | **2,623.4** |
| *Operating capital employed as % of sales* | *5* | *4* | *4* | *4* |
| *Return on operating capital employed, %* | *124* | *143* | *144* | *135* |
| Goodwill | 12,808.8 | 13,338.8 | 13,352.7 | 13,558.3 |
| Acquisition related intangible assets | 1,051.2 | 1,096.5 | 859.8 | 894.9 |
| Shares in associated companies | 114.5 | 125.6 | 135.2 | 132.1 |
| **Capital employed** | **17,225.3** | **17,147.4** | **16,859.0** | **17,208.7** |
| *Return on capital employed, %* | *21* | *22* | *22* | *22* |
| **Net debt** | **–8,384.4** | **–8,208.9** | **–7,798.7** | **–8,387.7** |
| **Shareholders' equity** | **8,840.9** | **8,938.5** | **9,060.3** | **8,821.0** |
| *Net debt equity ratio/multiple* | *0.95* | *0.92* | *0.86* | *0.95* |

## BALANCE SHEET

| MSEK | Mar 31, 2011 | Dec 31, 2010 | Mar 31, 2010 | Dec 31, 2009 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Goodwill | 12,808.8 | 13,338.8 | 13,352.7 | 13,558.3 |
| Acquisition related intangible assets | 1,051.2 | 1,096.5 | 859.8 | 894.9 |
| Other intangible assets | 273.3 | 272.4 | 267.5 | 278.4 |
| Tangible non-current assets | 2,230.9 | 2,283.9 | 2,319.0 | 2,377.2 |
| Shares in associated companies | 114.5 | 125.6 | 135.2 | 132.1 |
| Non-interest bearing financial non-current assets | 1,666.1 | 1,737.7 | 1,920.8 | 1,995.7 |
| Interest bearing financial non-current assets | 160.5 | 205.7 | 196.0 | 160.8 |
| **Total non-current assets** | **18,305.3** | **19,060.6** | **19,051.0** | **19,397.4** |
| **Current assets** | | | | |
| Non-interest bearing current assets | 11,513.5 | 11,169.5 | 11,295.5 | 10,819.5 |
| Other interest bearing current assets | 49.9 | 68.3 | 47.7 | 81.9 |
| Liquid funds | 3,343.5 | 2,586.9 | 2,634.5 | 2,497.1 |
| **Total current assets** | **14,906.9** | **13,824.7** | **13,977.7** | **13,398.5** |
| **TOTAL ASSETS** | **33,212.2** | **32,885.3** | **33,028.7** | **32,795.9** |

| MSEK | Mar 31, 2011 | Dec 31, 2010 | Mar 31, 2010 | Dec 31, 2009 |
|---|---|---|---|---|
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | | |
| **Shareholders' equity** | | | | |
| Attributable to equity holders of the Parent Company | 8,836.7 | 8,935.4 | 9,053.3 | 8,812.7 |
| Non-controlling interests | 4.2 | 3.1 | 7.0 | 8.3 |
| **Total shareholders' equity** | **8,840.9** | **8,938.5** | **9,060.3** | **8,821.0** |
| *Equity ratio, %* | *27* | *27* | *27* | *27* |
| **Long-term liabilities** | | | | |
| Non-interest bearing long-term liabilities | 312.5 | 282.3 | 222.5 | 193.8 |
| Interest bearing long-term liabilities | 7,046.6 | 7,202.6 | 6,913.7 | 8,357.5 |
| Non-interest bearing provisions | 2,341.2 | 2,564.8 | 2,608.5 | 2,626.2 |
| **Total long-term liabilities** | **9,700.3** | **10,049.7** | **9,744.7** | **11,177.5** |
| **Current liabilities** | | | | |
| Non-interest bearing current liabilities and provisions | 9,779.3 | 10,029.9 | 10,460.5 | 10,027.4 |
| Interest bearing current liabilities | 4,891.7 | 3,867.2 | 3,763.2 | 2,770.0 |
| **Total current liabilities** | **14,671.0** | **13,897.1** | **14,223.7** | **12,797.4** |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | **33,212.2** | **32,885.3** | **33,028.7** | **32,795.9** |

## CHANGES IN SHAREHOLDERS' EQUITY

| | Mar 31, 2011 | | | Dec 31, 2010 | | | Mar 31, 2010 | | |
|---|---|---|---|---|---|---|---|---|---|
| MSEK | Attributable to equity holders of the Parent Company | Non-controlling interests | Total | Attributable to equity holders of the Parent Company | Non-controlling interests | Total | Attributable to equity holders of the Parent Company | Non-controlling interests | Total |
| **Opening balance January 1, 2011/2010** | **8,935.4** | **3.1** | **8,938.5** | **8,812.7** | **8.3** | **8,821.0** | **8,812.7** | **8.3** | **8,821.0** |
| Total comprehensive income for the period | –31.6 | 1.1 | –30.5 | 1,147.6 | –2.7 | 1,144.9 | 240.6 | –1.3 | 239.3 |
| Transactions with non-controlling interests | - | - | - | - | –2.5 | –2.5 | - | - | - |
| Share based incentive scheme | –67.1 | - | –67.1 | 70.3 | - | 70.3 | - | - | - |
| Dividend paid to the shareholders of the Parent Company | - | - | - | –1,095.2 | - | –1,095.2 | - | - | - |
| **Closing balance March 31/December 31, 2011/2010** | **8,836.7** | **4.2** | **8,840.9** | **8,935.4** | **3.1** | **8,938.5** | **9,053.3** | **7.0** | **9,060.3** |

## DATA PER SHARE

| SEK | Jan–Mar 2011 | Jan–Mar 2010 | Jan–Dec 2010 | Jan–Dec 2009 |
|---|---|---|---|---|
| Share price, end of period | 75.15 | 77.00 | 78.65 | 70.05 |
| | | | | |
| Earnings per share before dilution [1] | 1.01 | 1.24 | 5.71 | 5.80 |
| Earnings per share before dilution and before items affecting comparability [1] | 1.01 | 1.24 | 5.71 | 5.80 |
| | | | | |
| Dividend | - | - | 3.00[2] | 3.00 |
| | | | | |
| P/E-ratio after dilution and before items affecting comparability | - | - | 14 | 12 |
| | | | | |
| Number of shares outstanding [3] | 365,058,897 | 365,058,897 | 365,058,897 | 365,058,897 |
| Average number of shares outstanding [3] | 365,058,897 | 365,058,897 | 365,058,897 | 365,058,897 |

[1] There are no convertible debenture loans. Consequently there is no difference between earnings per share before and after dilution.
[2] Proposed dividend.
[3] There are no convertible debenture loans. Consequently there is no difference between number of shares before and after dilution.

### JANUARY–MARCH 2011

| MSEK | Security Services North America | Security Services Europe | Mobile and Monitoring | Other | Eliminations | Group |
|---|---|---|---|---|---|---|
| Sales, external | 5,230 | 7,442 | 1,396 | 707 | - | 14,775 |
| Sales, intra-group | - | 20 | 56 | - | –76 | - |
| **Total sales** | **5,230** | **7,462** | **1,452** | **707** | **–76** | **14,775** |
| *Organic sales growth, %* | 4 | 1 | 2 | - | - | 3 |
| **Operating income before amortization** | **275** | **313** | **151** | **–27** | **-** | **712** |
| *of which share in income of associated companies* | - | - | - | 0 | - | 0 |
| *Operating margin, %* | 5.3 | 4.2 | 10.4 | - | - | 4.8 |
| Amortization of acquisition related intangible assets | –6 | –19 | –11 | –8 | - | –44 |
| Acquisition related costs | –2 | –26 | –2 | –2 | - | –32 |
| **Operating income after amortization** | **267** | **268** | **138** | **–37** | **-** | **636** |
| Financial income and expenses | - | - | - | - | - | –109 |
| **Income before taxes** | **-** | **-** | **-** | **-** | **-** | **527** |

### JANUARY–MARCH 2010

| MSEK | Security Services North America | Security Services Europe [1] | Mobile and Monitoring [1] | Other | Eliminations | Group |
|---|---|---|---|---|---|---|
| Sales, external | 5,362 | 7,520 | 1,416 | 572 | - | 14,870 |
| Sales, intra-group | - | 20 | 62 | - | –82 | - |
| **Total sales** | **5,362** | **7,540** | **1,478** | **572** | **–82** | **14,870** |
| *Organic sales growth, %* | –5 | 1 | 2 | - | - | –1 |
| **Operating income before amortization** | **289** | **394** | **168** | **–33** | **-** | **818** |
| *of which share in income of associated companies* | - | - | - | 0 | - | 0 |
| *Operating margin, %* | 5.4 | 5.2 | 11.4 | - | - | 5.5 |
| Amortization of acquisition related intangible assets | –6 | –14 | –11 | –7 | - | –38 |
| Acquisition related costs | –1 | –1 | 0 | –3 | - | –5 |
| **Operating income after amortization** | **282** | **379** | **157** | **–43** | **-** | **775** |
| Financial income and expenses | - | - | - | - | - | –132 |
| **Income before taxes** | **-** | **-** | **-** | **-** | **-** | **643** |

[1] Comparatives have been restated due to operations moved between the segments Security Services Europe and Mobile and Monitoring. Refer to note 7 for restated segment information per quarter and accumulated 2010.

**Note 1 Organic sales growth**
The calculation of organic sales growth (and the specification of currency changes on operating income and income before taxes) is specified below:

| Sales, MSEK | Jan–Mar 2011 | Jan–Mar 2010 | Jan–Mar % |
|---|---|---|---|
| **Total sales** | **14,775** | **14,870** | **–1** |
| Acquisitions/divestitures | -928 | - | |
| Currency change from 2010 | 1,523 | - | |
| **Organic sales** | **15,370** | **14,870** | **3** |

| Operating income, MSEK | Jan–Mar 2011 | Jan–Mar 2010 | Jan–Mar % |
|---|---|---|---|
| **Operating income** | **712** | **818** | **–13** |
| Currency change from 2010 | 78 | - | |
| **Currency adjusted operating income** | **790** | **818** | **–3** |

| Income before taxes, MSEK | Jan–Mar 2011 | Jan–Mar 2010 | Jan–Mar % |
|---|---|---|---|
| **Income before taxes** | **527** | **643** | **–18** |
| Currency change from 2010 | 58 | - | |
| **Currency adjusted income before taxes** | **585** | **643** | **–9** |

**Note 2 Other operating income**
Other operating income consists in its entirety of trade mark fees from Securitas Direct AB.

**Note 3 Share in income of associated companies**
Securitas recognizes share in income of associated companies depending on the purpose of the investment.
· Associated companies that have been acquired to contribute to the operations (operational) are included in operating income before 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 the finance net. Currently, Securitas has no associated companies recognized as financial investments.

**Associated companies classified as operational:**

| MSEK | Jan–Mar 2011 | Jan–Mar 2010 | Jan–Dec 2010 | Jan–Dec 2009 |
|---|---|---|---|---|
| Walsons Services PVT Ltd | –0.7 | –0.2 | –1.8 | –4.1 |
| Long Hai Security | 0.2 | 0.3 | 0.8 | 0.0 |
| Facility Network A/S [1] | - | - | - | 0.0 |
| **Share in income of associated companies included in operating income before amortization** | **–0.5** | **0.1** | **–1.0** | **–4.1** |

[1] Facility Network A/S was divested during 2009.

**Note 4 Acquisition related costs**

| MSEK | Jan–Mar 2011 | Jan–Mar 2010 | Jan–Dec 2010 | Jan–Dec 2009 |
|---|---|---|---|---|
| Restructuring and integration costs | -15.3 | -3.3 | -48.3 | -5.9 |
| Transaction costs [1] | -17.8 | -1.6 | -41.3 | - |
| Revaluation of deferred considerations [2] | 1.5 | - | - | - |
| **Acquisition related costs** | **-31.6** | **-4.9** | **-89.6** | **-5.9** |

[1] Expensed from 2010 in accordance with IFRS 3 (revised).
[2] Refers to revaluation of deferred considerations and aquisition related option liabilities in accordance with IFRS 3 (revised) from 2010.

**Note 5 Revaluation of financial instruments**

| MSEK | Jan–Mar 2011 | Jan–Mar 2010 | Jan–Dec 2010 | Jan–Dec 2009 |
|---|---|---|---|---|
| **Recognized in the statement of income** | | | | |
| Revaluation of financial instruments | 2.5 | –1.7 | –4.5 | –0.4 |
| Deferred tax | –0.7 | 0.4 | 1.2 | 0.1 |
| **Impact on net income** | **1.8** | **–1.3** | **–3.3** | **–0.3** |
| | | | | |
| **Recognized in the statement of comprehensive income** | | | | |
| Cash flow hedges | 7.7 | 10.2 | 72.1 | 77.1 |
| Deferred tax | –2.0 | –2.7 | –18.9 | –20.3 |
| **Cash flow hedges net of tax** | **5.7** | **7.5** | **53.2** | **56.8** |
| | | | | |
| Total revaluation before tax | 10.2 | 8.5 | 67.6 | 76.7 |
| Total deferred tax | –2.7 | –2.3 | –17.7 | –20.2 |
| **Total revaluation after tax** | **7.5** | **6.2** | **49.9** | **56.5** |

The amount disclosed in the specification of change in net debt is the total revaluation before tax.

**Note 6 Tax effects on other comprehensive income**

| MSEK | Jan–Mar 2011 | Jan–Mar 2010 | Jan–Dec 2010 | Jan–Dec 2009 |
|---|---|---|---|---|
| Deferred tax on actuarial gains and losses | –15.4 | 3.5 | 48.8 | –7.2 |
| Deferred tax on cash flow hedges | –2.0 | –2.7 | –18.9 | –20.3 |
| Deferred tax on net investment hedges | 34.8 | –56.1 | –128.8 | –91.0 |
| **Deferred tax on other comprehensive income** | **17.4** | **–55.3** | **–98.9** | **–118.5** |

**Note 7 Security Services Europe and Mobile and Monitoring per quarter 2010**
The tables below show Security Services Europe and Mobile and Monitoring adjusted for operations moved between the segments per quarter and accumulated 2010.

| Security Services Europe<br>MSEK | Q1 2010 | Q2 2010 | H1 2010 | Q3 2010 | 9M 2010 | Q4 2010 | FY 2010 |
|---|---|---|---|---|---|---|---|
| **Total sales** | **7,540** | **7,528** | **15,068** | **7,456** | **22,524** | **7,808** | **30,332** |
| *Organic sales growth, %* | *1* | *1* | *1* | *2* | *1* | *3* | *2* |
| **Operating income before amortization** | **394** | **383** | **777** | **431** | **1,208** | **499** | **1,707** |
| *Operating margin, %* | *5.2* | *5.1* | *5.2* | *5.8* | *5.4* | *6.4* | *5.6* |

| Mobile and Monitoring<br>MSEK | Q1 2010 | Q2 2010 | H1 2010 | Q3 2010 | 9M 2010 | Q4 2010 | FY 2010 |
|---|---|---|---|---|---|---|---|
| **Total sales** | **1,478** | **1,473** | **2,951** | **1,492** | **4,443** | **1,518** | **5,961** |
| *Organic sales growth, %* | *2* | *1* | *2* | *3* | *2* | *3* | *2* |
| **Operating income before amortization** | **168** | **155** | **323** | **217** | **540** | **200** | **740** |
| *Operating margin, %* | *11.4* | *10.5* | *10.9* | *14.5* | *12.2* | *13.2* | *12.4* |

**Note 8 Summary of credit facilities as of March 31, 2011**

| Type | Currency | Facility amount (million) | Available amount (million) | Maturity |
|---|---|---|---|---|
| Multi Currency Revolving Credit Facility | USD (or equivalent) | 1,100 | 797 | 2016 |
| Multi Currency Revolving Credit Facility | USD (or equivalent) | 100 | 12 | 2012 |
| EMTN Eurobond, 6.50% fixed | EUR | 500 | 0 | 2013 |
| EMTN FRN Private Placement | EUR | 45 | 0 | 2014 |
| EMTN FRN Private Placement | SEK | 500 | 0 | 2014 |
| EMTN FRN Private Placement | SEK | 500 | 0 | 2014 |
| EMTN FRN Private Placement | USD | 62 | 0 | 2015 |
| EMTN FRN Private Placement | USD | 40 | 0 | 2015 |
| Commercial Paper (uncommitted) | SEK | 5,000 | 2,000 | n/a |

# Definitions

**Interest coverage ratio**
Operating income before amortization (rolling 12 months) plus interest income (rolling 12 months) in relation to interest expenses (rolling 12 months).

**Free cash flow, %**
Free cash flow as a percentage of adjusted income (operating income before amortization adjusted for financial income and expenses, excluding revaluation of financial instruments, and current taxes).

**Free cash flow in relation to net debt**
Free cash flow (rolling 12 months) 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 the full-year sales of acquired entities.

**Return on operating capital employed, %**
Operating income before amortization (rolling 12 months) plus items affecting comparability (rolling 12 months) as a percentage of the average balance of operating capital employed.

**Return on capital employed, %**
Operating income before amortization (rolling 12 months) plus items affecting comparability (rolling 12 months) as a percentage of closing balance of capital employed excluding shares in associated companies relating to financial investments.

**Net debt equity ratio, multiple**
Net debt in relation to shareholders' equity.

## STATEMENT OF INCOME

| MSEK | Jan–Mar 2011 | Jan–Mar 2010 |
|---|---|---|
| Administrative contribution and other revenues | 244.4 | 249.6 |
| **Gross income** | **244.4** | **249.6** |
| Administrative expenses | –96.7 | –81.9 |
| **Operating income** | **147.7** | **167.7** |
| Financial income and expenses | 197.8 | 119.0 |
| **Income before taxes** | **345.5** | **286.7** |
| Taxes | –7.5 | –79.6 |
| **Net income for the period** | **338.0** | **207.1** |

## BALANCE SHEET

| MSEK | Mar 31, 2011 | Dec 31, 2010 |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Shares in subsidiaries | 40,073.7 | 40,026.8 |
| Shares in associated companies | 112.1 | 112.1 |
| Other non-interest bearing non-current assets | 250.7 | 189.0 |
| Interest bearing financial non-current assets | 333.3 | 331.3 |
| **Total non-current assets** | **40,769.8** | **40,659.2** |
| **Current assets** | | |
| Non-interest bearing current assets | 891.4 | 929.5 |
| Other interest bearing current assets | 3,241.5 | 3,089.5 |
| Liquid funds | 2.5 | 2.2 |
| **Total current assets** | **4,135.4** | **4,021.2** |
| **TOTAL ASSETS** | **44,905.2** | **44,680.4** |
| | | |
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | |
| **Shareholders' equity** | | |
| Restricted equity | 7,727.7 | 7,727.7 |
| Non-restricted equity | 14,751.5 | 14,664.6 |
| **Total shareholders' equity** | **22,479.2** | **22,392.3** |
| **Long-term liabilities** | | |
| Non-interest bearing long-term liabilities/provisions | 156.4 | 138.5 |
| Interest bearing long-term liabilities | 6,936.9 | 7,155.7 |
| **Total long-term liabilities** | **7,093.3** | **7,294.2** |
| **Current liabilities** | | |
| Non-interest bearing current liabilities | 1,166.9 | 1,118.5 |
| Interest bearing current liabilities | 14,165.8 | 13,875.4 |
| **Total current liabilities** | **15,332.7** | **14,993.9** |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | **44,905.2** | **44,680.4** |

## PRESENTATION OF THE INTERIM REPORT

Analysts and media are invited to participate in a telephone conference on May 4 at **2:15 p.m. (CET)** where Securitas CEO Alf Göransson will present the report and answer questions. The telephone conference will also be audio cast live via Securitas web. Please note! As the date for the Interim report coincides with the Annual General Meeting, no information meeting will take place at Securitas headquarters at Lindhagensplan in Stockholm.

To participate in the telephone conference, please dial in five minutes prior to the start of the conference call:

| | |
|---|---|
| The United States: | + 1 866 458 40 87 |
| Sweden: | + 46 (0) 8 505 598 53 |
| United Kingdom: | + 44 (0) 203 043 24 36 |

To follow the audio cast of the telephone conference via the web, please follow the link www.securitas.com/webcasts.

A recorded version of the webcast will be available at www.securitas.com/webcasts after the telephone conference.

## FOR FURTHER INFORMATION, PLEASE CONTACT:

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Corporate Communications and Public Affairs,
+ 46 10 470 3011

## FINANCIAL INFORMATION CALENDAR

Securitas will release financial information for 2011 as follows:

January–June 2011: August 5, 2011

January–September 2011: November 9, 2011

January–December 2011: February 9, 2012

*Securitas is a knowledge leader in security, focusing on providing security solutions to fit each customer's needs in 45 countries in North America, Europe, Latin America, Asia, Middle East and Africa. Everywhere from small stores to airports, our 280,000 employees are making a difference.*

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