Securitas AB
Annual Report 1999

Contents

Cover picture: During the past year, Securitas has strengthened its position in the German market – one of the largest in Europe. Potsdamer Platz, in the heart of Berlin, is one of Europe's largest construction sites and is expected to become one of the world's most visited meeting places.

A World Leader in Security

The need for protection and security has existed since time immemorial, as long as man has existed. As time went by, societies grew, and hence the need to organize surveillance to protect citizens and their belongings inside the town wall. The guarding profession was born.

Today's Securitas was founded in 1934 and in 1850, Pinkerton was founded in the United States.

Towards the end of the 1980s, Securitas began to build the European platform, which during 1999 made it possible to take the step across the Atlantic in order to develop the North American security market together with Pinkerton. Securitas and Pinkerton both have extensive experience in advanced security work.

Through internal growth and acquisitions, today's Securitas has grown into the world's largest security company, with annual sales of about SEK 35 billion and operations in more than 30 countries, primarily in Europe and North America. Every day, more than 150,000* employees work in the spirit of our business concept of *protecting homes, work places and community*.

With a sharp focus on security, we refine security services in close cooperation with our customers. In this way, business areas have been added and the service content has been specialized and developed.

Securitas' emblem, with its three red dots, symbolizes our three lead words – *Integrity, Vigilance and Helpfulness*. These lead words are and will remain the basis for our mutual desire of always living up to the expectations of our customers.

* Including acquisitions in 2000.

With two strong trademarks, Securitas' emblem with its three red dots symbolizing *Integrity, Vigilance and Helpfulness*, and Pinkerton's emblem symbolizing *"the Private Eye"*, Securitas is the market leader in the world's two largest security markets, Europe and the United States.

1999 in brief

- Sales increased by 87 percent, to MSEK 25,646 (13,710). Of this increase, 9 percent was due to organic growth and the remainder was due to acquisitions.
- Income before taxes rose by 46 percent to MSEK 1,116 (766).
- Earnings per share after standard taxes increased by 27 percent to SEK 2.32 (1.82).
- Free cash flow improved by 38 percent to MSEK 802 (583).
- The Board of Directors proposes a dividend for 1999 of SEK 1.00 (0.85).
- With the acquisition of Pinkerton in February, Securitas became a world leader in security. The North American platform was further strengthened in December, when APS and First Security were acquired.
- In October, the Securis Group and later, Baron Security in Belgium were acquired. Belgium is a new country of operation for Securitas.
- With the acquisitions of Ausysegur in Spain and Micro-Route in Great Britain, a good base for further development in Cash In Transit Services operations has been created.
- A financial base for continued expansion was created with a new share issue totaling MSEK 3,364.

Key figures

	1999	1998	1997	1996	1995
Sales, MSEK	25,646	13,710	10,763	9,074	7,309
Organic growth, %	*9*	*9*	*7*	*7*	*5*
Operating margin before amortization of goodwill, %	*6.4*	*7.3*	*7.2*	*7.6*	*7.5*
Income before taxes, MSEK	1,116	766	614	550	472
Free cash flow, MSEK	802	583	451	391	308
Operating capital employed as % of sales[1]	*12.0*	*14.5*	*16.3*	*14.1*	*14.9*
Net debt equity ratio	0.23	0.45	0.65	0.36	–0.04

For definitions, see page 59.

[1] Adjusted for full-year sales of acquired units.

Two Platforms in Place

With two platforms in place – the old in Europe and the new in North America – we are ready for continued rapid expansion – organically and through acquisitions – of both top and bottom line performance in the coming years.

1999

Sales grew by 87 percent to MSEK 25,646 (13,710). Of this, 9 percent was organic growth – spread equally over the four quarters. Income before tax rose by 46 percent to MSEK 1,116 (766). Free cash flow increased by 38 percent to MSEK 802 (583). This is equivalent to 68 percent of adjusted income. Earnings per share increased by 27 percent to SEK 2.32 (1.82).

The year started with the huge step over the Atlantic to North America through the acquisition of Pinkerton, the second largest security company in North America. After ten years of building the European platform, we felt ready to establish Securitas in the world's largest security market.

The more we have seen and learned from the North American markets, the more similarities we see with the European operations. A management team was quickly formed of Pinkerton people for the dominant US business and, contrary to the expectations of many, we share the same values. The Securitas Model made sense also for security professionals with American experience.

During the past year, Pinkerton's operations have been changed towards more decentralized responsibility, a stronger focus on the local business and on understanding the regional markets rather than just the aggregate, abstract numbers for the whole continent.

As a result of the rapid and successful development of Pinkerton, we were ready at the end of the year to add two substantial regional acquisitions in the USA – APS on the West Coast and First Security in the North-East. These two acquisitions not only made us market leaders in these two regions – which was the aim – but also made us the number one security company in North America.

In Europe, the integration of the Proteg and Raab Karcher acquisitions in France and Germany respectively, continued successfully. In both countries, the full impact of organizational and administrative synergies is expected in the year 2000. In addition, France has successfully raised prices to compensate for the statutory 35-hour working week. By further developing the skill of applying the Securitas Model in France and Germany, we foresee continued improvements in income and a return to normal organic growth.

Although establishing the North American platform and continuing the integration in France and Germany were the most critical and spectacular events during 1999, a lot of important activities took place in the various countries of operation and divisions; the Securis and Baron acquisitions established Securitas in Belgium. Sonasa Madeira was acquired in Portugal and the integration of TeleLarm was completed in Sweden. The acquisitions of Ausysegur in Spain and Micro-Route in the UK have paved the way for strong improvements in the cash in transit business. Last but not least, Securitas Direct accelerated its growth rate further and added 38,000 new alarm systems.

Focus generates success

In Securitas we strongly believe in focus. When we have failed or been delayed, it has been due to either a lack of detailed knowledge or a lack of management resources in a specific area – both resulting from a lack of focus.

In the first years of Securitas' international expansion, our focus was mainly at the country level and on creating and developing competent and independent national management. That focus remains strong, but over the years we have added a strong focus on the different business areas – on an aggregate level, but also on national and local levels. This in turn has increased the focus on training and development of new managers.

Securitas has tripled in size over the past two years and is foreseen to double again over the next five years, meaning that the importance of strong focus increases even more. Our demand on ourselves is that at all levels of management, we must have detailed operational knowledge of all business areas. The number of business areas will therefore remain limited. Both existing and potential business areas will have to justify their position both in terms of strategic value and growth potential.

Security is a growing market and our industry is highly fragmented. Securitas' task is to gradually help change the content of security service from a single product or service to an entire concept, consisting of several products and services. This is a challenging mission, which is worthy of Securitas' full attention. Over ten years we have become a world leader, but there remains more to do in the future than has been done so far.

By maintaining a sharp focus, we hope to meet our challenges in the year 2000 and beyond. One challenge is to grow the large alarm systems business segment in order to increase our ability to supply combined solutions. Another is to further increase the growth rate in small alarms. A third is to further develop cash in transit concepts. For the Guard Services business area, the ability to also grow organically has to be confirmed in the large markets.

Securitas' growth and increased focus on the different business areas requires more management resources at all levels. We are increasing both national and international training activities. During the past year, we have also strengthened Group Management and now have, in addition to the Country Presidents, a group of four Executive Vice Presidents working full-time, leading and coordinating the Group.

The five-year vision

The five-year vision, which was presented at the time of the Pinkerton acquisition, is a sum of the operational goals for local businesses, set by local management. It will enable a doubling of sales and trebling of income before taxes in the next five years.

The vision is therefore not a financial target. This is an important distinction, as our performance can never be anything other or anything more than the sum of local business activities carried out by local management, who take charge of their local business opportunities. This goal-setting is an important mental process that challenges our own abilities and stretches the limits of what is deemed possible.

When we were building the European platform, the sum of our local operational goals resulted in an annual increase in earnings per share of approximately 20 percent. With the North American platform successfully in place, we now see the sum of our local operational goals resulting in a figure around the 25-percent level.

In order to achieve the five-year vision, the base is to maintain good organic growth and development of earnings performance in the different business areas – again starting at the local level. With sharp focus on each business area, goals can be set at a demanding but attainable level and improvement can be pushed at a high but realistic speed.

Organic development will take us almost half-way to the vision. It also provides a legitimate reason to make further acquisitions which will take us to our goal. The high fragmentation in the security industry means that we do not see a lack of acquisition opportunities. The restriction lies in developing management fast enough.

Year 2000

For the year 2000, we foresee continued good development, both from refining of old businesses and restructuring of newly acquired companies. Earnings per share is expected to grow by at least 25 percent.

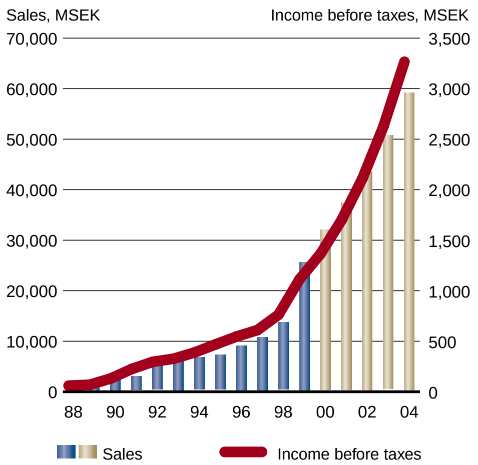
Stockholm, March 10, 2000

Thomas Berglund

Thomas Berglund

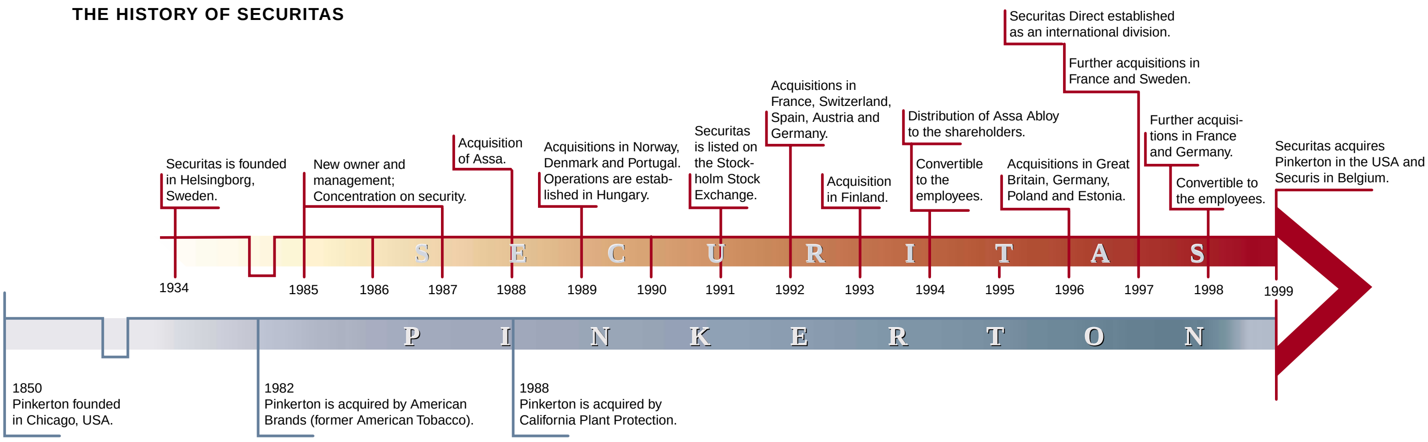
President and CEO

THE FIVE-YEAR VISION



According to the five-year vision, sales are expected to double over the next five years, with more than 40 percent from organic growth and over 50 percent expected to come from acquisitions. Income before taxes is expected to triple over the same period.

THE HISTORY OF SECURITAS



The Securitas Model

More than 150,000 people give Securitas a face around the world. A few, but very powerful values link us together and form the soul of the company. These values have also contributed to the success and trust that have been built up with our customers over the years.

The values

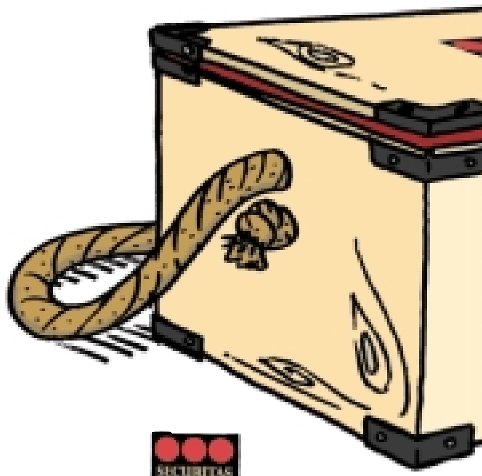
Our common values have been formulated based on our business concept – *Securitas protects homes, work places and community*. With a clear focus on security, we refine security services in close cooperation with our customers.

The values are tied together in our professional ethic, which has been a cornerstone of our daily life since the founding of Securitas more than sixty years ago. Our lead words – *Integrity, Vigilance and Helpfulness* – are, and will always be, the foundation for our joint effort to continuously live up to the trust placed in us by our customers.

People make the difference

Models and structures are tools, but it is people that actually make the difference. Taking pleasure in your work, commitment and dedication are fundamental for Securitas. Our method of developing people and transferring values is based on living as we learn and being good role models.

An understanding of what we are doing, commitment to every detail, simplicity in work and setting a good example are generic characteristics that unite us in the way we work.



Step by step

Securitas acquires companies in order to develop them. Building the business step-by-step has made it possible to develop the acquired companies into growing and profitable units.

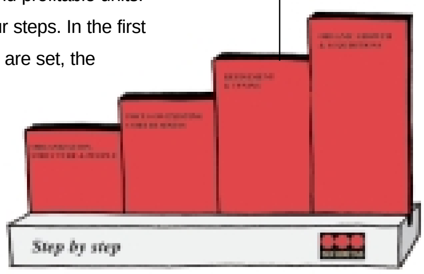
The development occurs in four steps. In the first step, the organization and structure are set, the right employees are recruited for the various tasks and the key figures are implemented. The foundation is laid and the task of improving the existing businesses can begin.

With focus on exisiting operations – step two – detailed knowledge increases, with improved quality of services and increased profitability as a result. The organization builds its self-confidence.

Step three focuses on complementary services and new customer groups, resulting in specialization and refined concepts.

Refinement and development of the service content contributes to the fourth step – organic growth. New customer segments and services accelerate the development further.

At this stage, the organization has reached such strength that it can successfully make complementary acquisitions – and the process begins again from step one.



The industry

By living in harmony with our surroundings – the community at large, the authorities and, not least, our employees and their union organizations – we create conditions for the development of services and the market.

As an important player in the market, we can assume responsibility for raising the standards in the industry and work towards setting common goals in areas such as ethics, training and compensation.

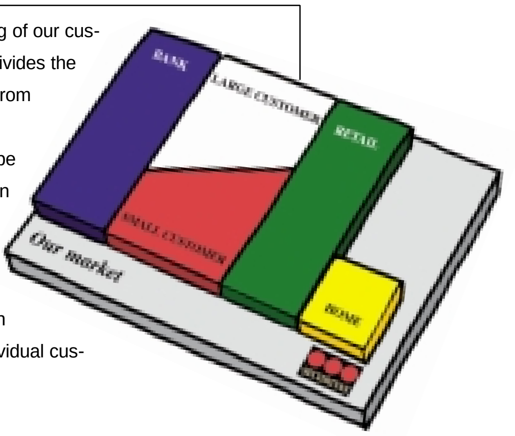
With a common approach to the market, and competition based on quality, confidence grows in a more professional and quality-oriented security industry. This leads to higher customer satisfaction, increased value in the refinement process and the laying of the foundation for further growth and profitability.

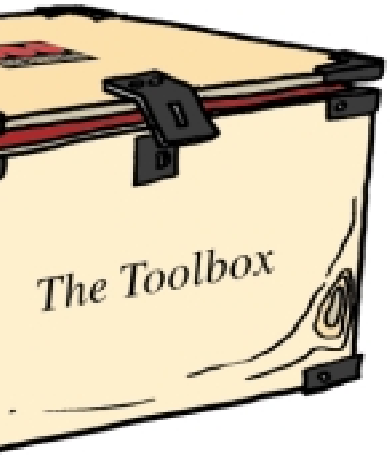
Our way of working together is manifested in the Securitas Model. The model has been proven in small and large countries, in mature and immature markets, and in all our business areas: Guard Services, Alarm Systems and Cash In Transit Services.

The market

The basis for all our endeavors is an understanding of our customers and their needs. Securitas' market matrix divides the security market into different customer segments, from which we develop different security concepts.

By starting with the size of customers, their type of business and degree of security needs, we are in a position to combine specialized services and products into different customized security solutions, as well as standardized, cost-efficient solutions. Details make the difference, and in-depth understanding enables us to better meet each individual customer's needs.





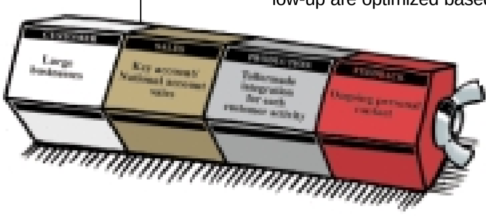
The Toolbox

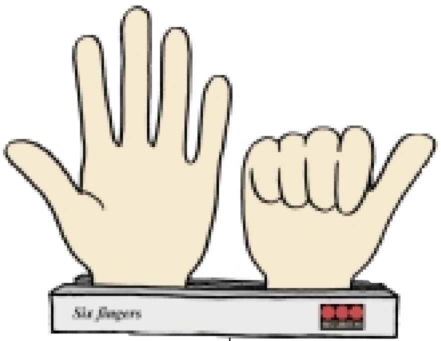
As a means of understanding and describing the way we work, we have developed a few simple symbols – The Toolbox. Each tool symbolizes an important component of the Securitas Model, and together they form an overall picture of the driving forces contributing to profitable growth. The Toolbox is used in all of Securitas' countries of operation.

The value chain

The link between customer needs and how we organize ourselves is a value chain that is put together for each customer group.

A work flow is created, where sales, production and follow-up are optimized based on specific needs. By looking at nuances, and by understanding the different requirements of customers, the organization can offer several flexible solutions.

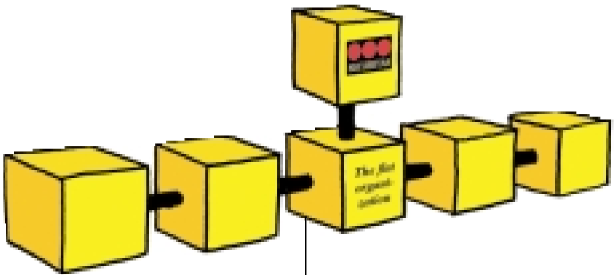




Six Fingers

Securitas uses a common framework for financial follow-up. This framework consists of six key figures – *"Securitas' Six Fingers"* – and is based on the central themes of the Securitas Model – *structuring, refinement and growth*. The model is our tool for following up the earnings performance of each cost center in each country of operation and business area.

Measuring only areas for which a person is responsible increases the commitment of managers, and the follow-up contributes to growth and development.



The organization

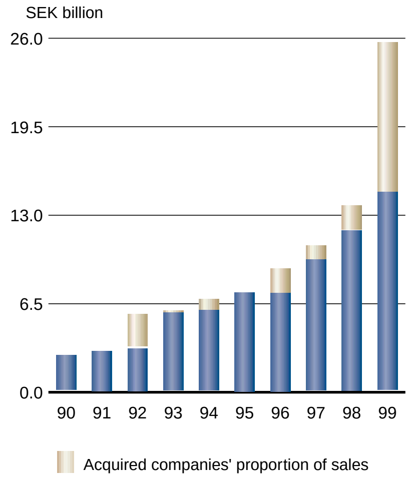
Securitas' organization is flat, simple and clear, with decentralized responsibility resting with competent local managers. The organization is built horizontally, not vertically, so as to create a stable base with many independent local offices.

A flat organization means proximity to customers, a quick and efficient decision-making process, which in turn contributes to satisfying customer needs for quality, flexibility and cost-efficiency. At the same time, this organization creates strong, personal commitment on the part of employees.

The right person in the right place, and a broad contact network with the customer, creates a good basis for the development of services and products.

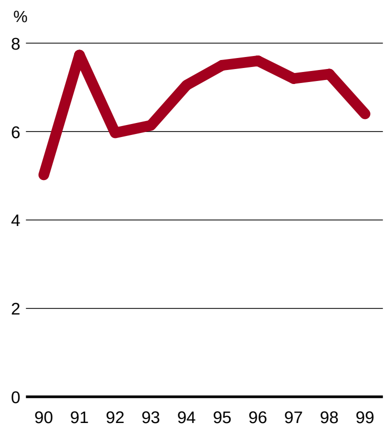
Ten-Year Financial Summary

SALES



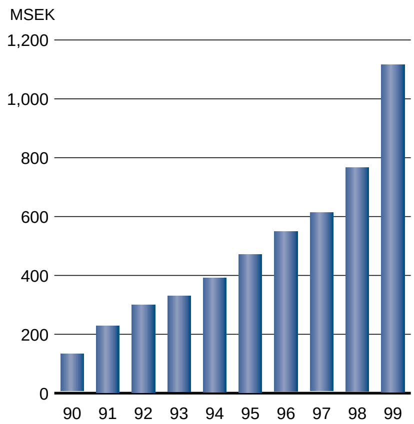
Sales have increased by an average of 28 percent per year over the last ten years. During 1999, the organic growth rate was 9 percent. Acquisitions increased sales by 80 percent.

OPERATING MARGIN



The lower margin compared to 1998 is explained by the acquisition of Proteg, Raab Karcher and Pinkerton. Since the acquisitions, the operating margin has developed positively both in the acquired entities and in the underlying operations.

INCOME BEFORE TAXES



Income before taxes has grown by an average of 27 percent annually over the past ten years. In 1999, income before taxes rose by 46 percent to MSEK 1,116.

Earnings performance in the various business areas is internally monitored on an ongoing basis at Securitas, through focus on a number of key factors – *Six Fingers* – which are relevant to earnings performance in each business area: *new sales of contracts* and *order bookings, changes in the portfolio of contracts* and *invoicing*, i.e. volume-related factors. Other key factors are the *gross margin* and *administrative expenses*, both of which are efficiency-related, and development of *accounts receivable* and *operating capital employed*, which are measures of tied up capital.

Follow-up and verification of the Group's long-term earnings performance focuses on six external key figures, all of which are based on follow-up in the individual business areas. The six external key figures for Securitas are as follows:

Sales, where growth may occur either organically or through acquisitions. *Operating margin*, defined as operating income

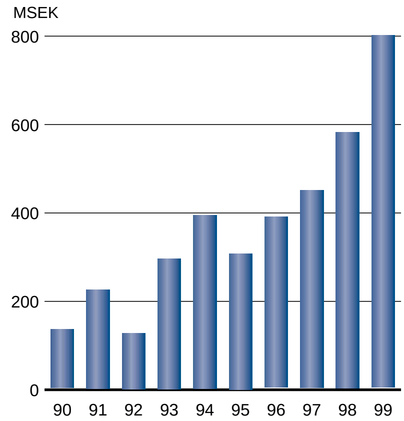
		1990	1991	1992
	INCOME, MSEK			
1	**Sales**	**2,720.7**	**3,030.4**	**5,734.8**
	of which acquisitions	–	–	2,522.0
	Operating income before amortization of goodwill	**136.6**	**234.3**	**342.6**
2	*Operating margin, %*	*5.0*	*7.7*	*6.0*
	Amortization of goodwill	–10.5	–15.0	–26.8
	Net financial items	7.9	8.6	–16.6
3	**Income before taxes**	**134.0**	**227.9**	**299.2**
	Taxes paid	–24.0	–33.3	–52.0
	Deferred taxes	–14.8	–16.0	–20.7
	Minority interest	–0.3	0.0	–0.1
	Net income for the year	**94.9**	**178.6**	**226.4**
	CASH FLOW, MSEK			
	Operating income before amortization of goodwill	**136.6**	**234.3**	**342.6**
	Capital expenditures	–218.7	–209.1	–207.1
	Depreciation and amortization	111.4	132.9	208.9
	Change in working capital	124.0	92.4	–148.2
	Cash flow from operations	**153.3**	**250.5**	**196.2**
	Net financial items	7.9	8.6	–16.6
	Taxes paid	–24.0	–33.3	–52.0
4	**Free cash flow**	**137.2**	**225.8**	**127.6**
	Acquisitions	–155.2	–409.2	–750.6
	Dividend paid	–19.4	–41.1	–70.9
	New issue	–	–	666.6
	Translation differences	–	–	4.4
	Change in net debt	**–37.4**	**–224.5**	**–22.9**
	CAPITAL EMPLOYED AND FINANCING, MSEK			
	Operating capital employed	**239.6**	**380.2**	**910.3**
5	*Operating capital employed as % of sales*	*9.5*	*10.2*	*11.3*
	Return on operating capital employed, %	*52.6*	*75.6*	*53.1*
	Shares in associated companies	74.5	74.3	53.1
	Goodwill	32.5	26.8	322.1
	Capital employed	**346.6**	**481.3**	**1,285.5**
	Return on capital employed, %	*38.9*	*53.0*	*35.7*
	Net debt	–125.1	–131.9	–99.6
6	*Net debt equity ratio, times*	0.57	0.38	0.08
	Shareholders' equity	221.1	349.3	1,173.6
	Return on equity, %	*38.1*	*56.1*	*28.6*
	Total assets	**2,254.4**	**2,414.1**	**4,249.8**

before amortization of goodwill, relative to sales. An increase reflects improvements in efficiency and refinement for higher customer value. *Income before taxes,* which in addition to sales and operating margin is also affected by amortization of goodwill and net financial items. *Free cash flow,* defined as cash flow from operations adjusted for net financial items and taxes paid. Free cash flow verifies earnings performance. *Operating capital employed as percent of sales,* defined as operating fixed assets and working capital in relation to annualized sales. Good control over accounts receivable and capital expenditure generates low operating capital employed. *Net debt equity ratio,* defined as consolidated net debt relative to shareholders' equity. A low need of capital employed makes growth possible without a material increase in net debt.

	1993	1994*	1995	1996	1997	1998	1999
	6,010.6	**6,843.8**	**7,309.1**	**9,074.3**	**10,762.9**	**13,710.1**	**25,646.3**
	160.3	820.9	–	1,784.2	1,002.6	1,834.7	10,964.4
	368.8	**482.5**	**548.7**	**687.9**	**777.8**	**1,002.8**	**1,630.5**
	6.1	*7.0*	*7.5*	*7.6*	*7.2*	*7.3*	*6.4*
	–37.2	–63.9	–65.9	–99.4	–115.5	–171.4	–403.9
	–1.6	–26.6	–11.0	–38.7	–48.2	–65.3	–110.8
	330.0	**392.0**	**471.8**	**549.8**	**614.1**	**766.1**	**1,115.8**
	–81.6	–98.9	–104.6	–127.7	–114.4	–183.7	–334.5
	10.7	–50.2	–19.8	–39.8	–54.7	–60.4	18.0
	–2.1	–0.2	–0.4	–0.2	0.9	–0.5	–1.5
	257.0	**242.7**	**347.0**	**382.1**	**445.9**	**521.5**	**797.8**
	368.8	**482.5**	**548.7**	**687.9**	**777.8**	**1,002.8**	**1,630.5**
	–231.6	–292.7	–339.1	–475.6	–557.4	–699.0	–1,044.3
	246.1	262.2	289.8	354.0	450.5	569.6	754.3
	–3.2	67.9	–75.6	–8.5	–57.3	–41.7	–93.4
	380.1	**519.9**	**423.8**	**557.8**	**613.6**	**831.7**	**1,247.1**
	–1.6	–26.6	–11.0	–38.7	–48.2	–65.3	–110.8
	–81.6	–98.9	–104.6	–127.7	–114.4	–183.7	–334.5
	296.9	**394.4**	**308.2**	**391.4**	**451.0**	**582.7**	**801.8**
	–235.7	–448.3	0.0	–1,114.7	–1,131.7	–3,712.9	–3,700.9
	–83.0	–106.3	–120.6	–144.7	–174.5	–201.3	–276.6
	36.9	115.8	–	31.8	46.4	2,562.2	3,436.7
	99.9	–	10.0	22.6	14.9	–116.8	105.0
	115.0	**–44.4**	**197.6**	**–813.6**	**–793.9**	**–886.1**	**366.0**
	1,030.0	**1,068.7**	**1,103.2**	**1,590.7**	**2,182.1**	**2,948.5**	**3,839.8**
	16.1	*15.3*	*14.9*	*14.1*	*16.3*	*14.5*	*12.0*
	38.0	*46.0*	*50.5*	*51.1*	*41.2*	*39.1*	*48.0*
	–	–	–	–	258.4	261.0	0.9
	440.2	649.5	590.5	1,180.7	1,457.4	4,564.0	7,178.4
	1,470.2	**1,718.2**	**1,693.7**	**2,771.4**	**3,897.9**	**7,773.5**	**11,019.1**
	24.1	*26.3*	*28.3*	*26.4*	*19.9*	*14.2*	*13.1*
	–78.2	–122.6	75.0	–738.6	–1,532.5	–2,418.6	–2,052.6
	0.06	0.08	–0.04	0.36	0.65	0.45	0.23
	1,375.0	1,589.7	1,767.8	2,032.6	2,365.1	5,351.0	8,964.7
	19.7	*15.5*	*19.3*	*19.0*	*19.4*	*14.8*	*9.7*
	4,451.7	**4,532.1**	**5,014.5**	**6,438.1**	**7,911.5**	**15,446.5**	**20,775.2**

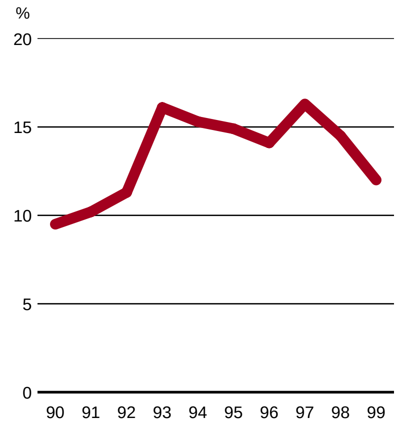
*Pro forma accounting for the full year 1994 is made up of the sum of the two abbreviated financial years during 1994.

FREE CASH FLOW



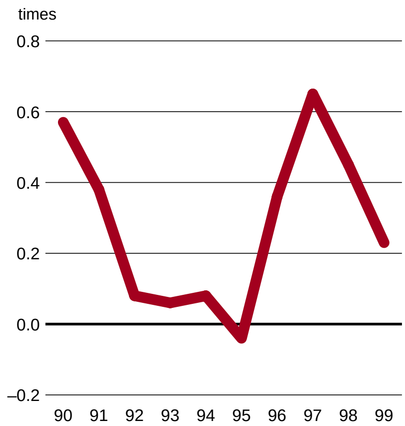
Free cash flow reflects the quality of earnings. On average, free cash flow has totaled 85 percent of adjusted income over the past ten years.

OPERATING CAPITAL EMPLOYED AS % OF SALES



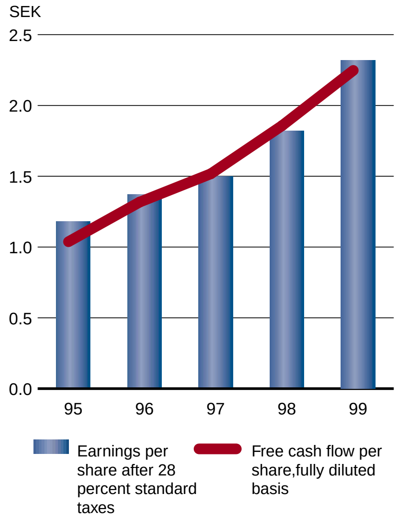
Operating capital employed as percent of sales was 12 percent. The acquisitions of large Guard Services operations have decreased the amount of capital tied up.

NET DEBT EQUITY RATIO



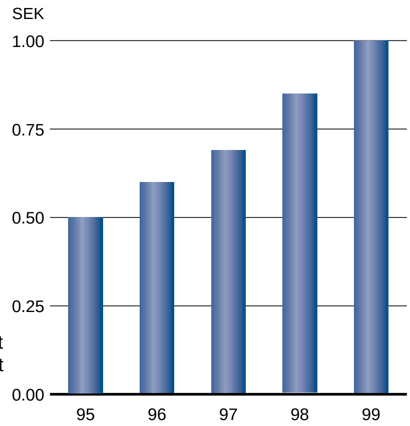
The net debt equity ratio was 0.23. A new share issue was made during 1999 amounting to MSEK 3,364.

EARNINGS AND FREE CASH FLOW PER SHARE



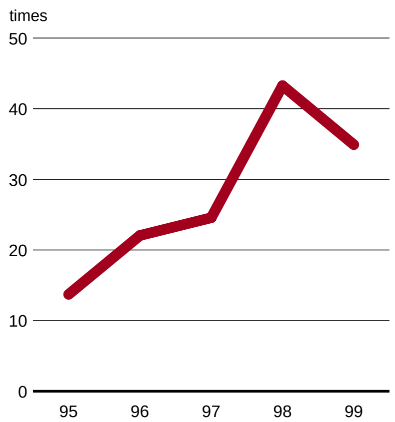
Earnings per share have increased by an average of 18 percent per year over the past five years.

DIVIDEND PER SHARE



The annual dividend has increased by an average of 19 percent per year over the past five years.

EBITA MULTIPLE



Securitas' market capitalization increased by 34 percent during 1999. The market capitalization has increased by an average of 64 percent per year over the past five years.

The Securitas Share

The Securitas share has been listed on the A-list of the OM Stockholm Stock Exchange since 1991. Both the market capitalization and the number of shares traded have increased sharply, and in recent years the Securitas share has been among the most heavily traded in the Stockholm market. From January 2000, the Securitas share is also included in the OMX index, which contains the 30 most traded issues on the exchange. Securitas' weight in the OMX index was 1.98 percent as of January 1, 2000*.

The market price of the Securitas share rose by 22.2 percent during 1999 and the composite index of the Stockholm Stock Exchange rose by 66.4 percent. The lowest paid price was SEK 111.50, and the highest price was SEK 171.00. The market capitalization at year-end amounted to MSEK 54,873 (40,965). A total of 163.6 (111.4) million Securitas shares were traded on the Stockholm Stock Exchange, a 47 percent increase from 1998.*

Dividend

The Board of Directors proposes an 18 percent increase in dividend to SEK 1.00 (0.85) per share. This dividend is equivalent to a dividend yield of 0.6 percent (0.7) on the price of the Series B share on December 30, 1999. Future dividends will depend on consolidated earnings, and are expected to correspond to at least one third of income after net financial items and standard taxes of 28 percent.

Data per share[1)]

SEK/share	1995	1996	1997	1998	**1999**
Income after taxes paid[2)]	1.27	1.45	1.70	1.92	**2.25**
Income after 28% standard taxes[2)]	1.18	1.37	1.50	1.82	**2.32**
Income after full taxes method[2)]	1.21	1.32	1.51	1.73	**2.30**
Dividend	0.50	0.60	0.69	0.85	**1.00**[3)]
Dividend as %[4)]	42%	44%	46%	47%	**43%**
Dividend yield, %[5)]	1.9%	1.2%	1.1%	0.7%	**0.6%**
Free cash flow per share	1.04	1.32	1.52	1.86	**2.25**
Share price, end of period	26.25	49.63	60.00	126.00	**154.00**
Highest share price	26.25	50.75	62.50	130.00	**171.00**
Lowest share price	16.00	23.73	43.50	54.00	**111.50**
Average share price	19.75	36.36	51.96	89.95	**129.48**
P/E ratio	22	38	40	73	**67**
Number of shares outstanding (1,000's)	289,397	290,791	292,825	325,122	**356,318**
Average number of shares outstanding, fully diluted basis (1,000's)	296,975	296,975	296,975	313,616	**355,790**
Number of shares outstanding, fully diluted basis (1,000's)	296,975	296,975	296,975	337,125	**365,123**

1) After full conversion. Data per-share adjusted for 4:1 split in 1998 and 3:1 split in 1996.
2) Adjusted for interest and tax effects attributable to subordinated convertible debenture loan. See note 15 (page 65).
3) Proposed dividend.
4) For 1999, calculated using proposed dividend.
5) Dividend as a percentage of earnings per share calculated for 1999 after 28 percent standard taxes.

DEFINITIONS

Dividend yield: Dividend relative to share price at the end of each respective year. For 1999, the proposed dividend is used.

P/E ratio (price/earnings): The share price at the end of each respective year, relative to earnings per share after full taxes.

EBITA multiple: The Company's market capitalization and liabilities relative to operating income before amortization of goodwill, 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 at year-end.

*Source: OM Stockholm Stock Exchange

Share capital

The share capital amounted to SEK 356,318,317 as of December 31, 1999, divided into a like number of shares (see Note 16, page 65), each with a nominal value of SEK 1.00. 17,142,600 shares are Series A shares and 339,175,717 shares are Series B shares. Each Series A share carries ten votes and each Series B share carries one vote.

New issue

In April 1999, Securitas carried out a new issue of 28 million Series B shares, an increase of about 8 percent. The issue was aimed at institutional investors at a price of SEK 124 per share, which was the then current market price. This issue gave Securitas a financial platform for continued expansion in both Europe and North America.

Major owners*

Owner, December 31, 1999	A-shares	B-shares	Percentage of capital	Percentage of votes
Investment AB Latour		29,900,000	8.4%	5.9%
Janus Funds		27,292,493	7.7%	5.3%
Melker Schörling + companies	3,000,000	14,202,300	4.8%	8.7%
Säkl AB	14,142,600		4.0%	27.7%
Akila S.A.		13,480,256	3.8%	2.6%
SPP		12,390,649	3.5%	2.4%
Alliance Capital		11,000,000	3.1%	2.2%
Comgest		7,307,000	2.1%	1.4%
Row Price Flemming		7,277,809	2.0%	1.4%
AMF Försäkringar		7,220,000	2.0%	1.4%
Total, ten largest owners	17,142,600	130,070,507	41.4%	59.0%

Ownership structure**

Owners with:	Number of owners	Number of shares	Percentage of capital
Up to 1,000 shares	13,517	3,732,131	1.1%
1,001–5,000 shares	2,376	5,388,308	1.5%
5,001–20,000 shares	483	4,971,048	1.4%
20,001–50,000shares	139	4,630,307	1.3%
50,001–100,000 shares	89	6,214,732	1.7%
more than 100,001 shares	230	331,381,791	93.0%
Total	16,834	356,318,317	100.0%

* Source: VPC (The Swedish Securities Register Centre) and changes known to Securitas
** Source: VPC (The Swedish Securities Register Centre)

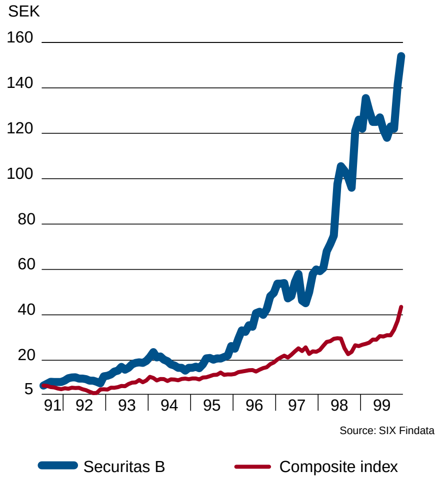
As of December 31, 1999 Securitas had about 17,000 shareholders – an increase of about 55 percent since 1998. Largest owners are Investment AB Latour, which together with Förvaltnings AB Wasatornet and SäkI AB holds 13.8 percent (15.6) of capital and 34.5 percent (37.2) of votes, and Melker Schörling with companies, who own 4.8 percent (5.6) of capital and 8.7 percent (9.4) of votes. Institutional investors account for 95 percent (92) of capital. Investors outside Sweden account for 56 percent (52) of capital.

During the year, Raab Karcher VEBA sold its entire holding of 14,356,056 Series B shares, equivalent to 4.0 percent of capital and 2.8 percent of votes.

Proportion of ownership outside Sweden

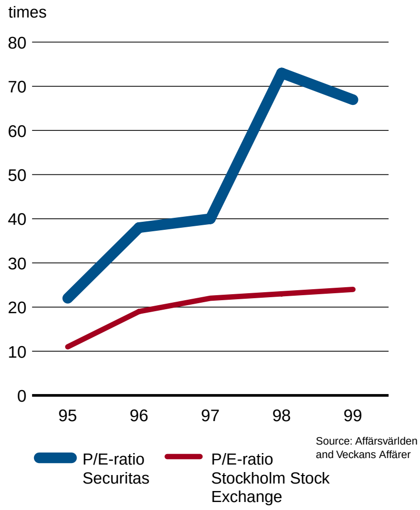
%	1995	1996	1997	1998	1999
	46	50	49	52	56

SHARE PRICE PERFORMANCE



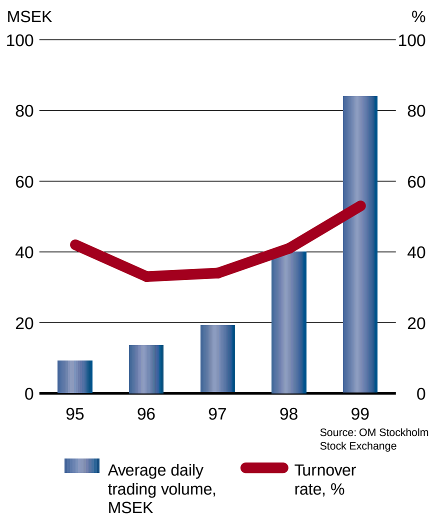
The market price of the Securitas share has increased by an average of 56 percent per year over the past five years.

VALUATION



Securitas' P/E ratio was 67 at year-end 1999.

LIQUIDITY OF THE SECURITAS SHARE



Securitas' share turnover rate has increased to 53 percent, an increase of 12 percentage points compared with 1998.

The Market

Securitas' growth in Europe has been strong, through a combination of increased refinement of security services and acquisitions. During 1999, we took the step over to North America. Securitas' share of the world market is still only about 5 percent.

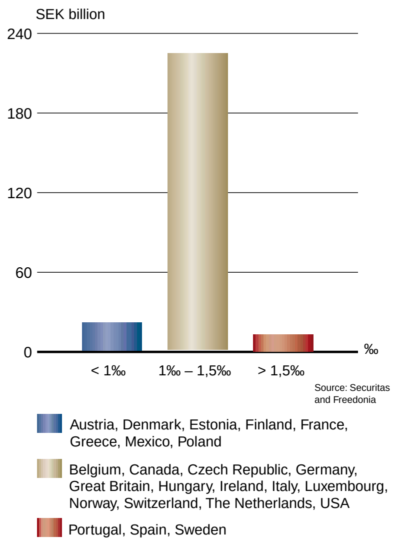
THE SECURITY MARKET IS GROWING

	Market SEK billion	Securitas' share	Annual growth
Europe	220	9%	5–7%
North America	304	4%	6–9%
Japan	39	0%	8–10%
Rest of world	73	0%	8–10%
Total	**636**	**5%**	**7–8%**

Source: Securitas and Freedonia

MARKET PENETRATION

The diagram illustrates various countries' consumption of guard services relative to GDP. The relative size to GDP of the professional guard services markets varies from country to country. Increased focus on core business by companies increases demand for specialized security services. In Europe, the guard services market accounts for SEK 99 billion of the total security market of SEK 220 billion. In North America, the guard services market accounts for SEK 160 billion and the total security market for SEK 304 billion.



Growing market

The total security market in the world is estimated to be worth about SEK 636 billion and the North American and European markets together account for more than 80 percent of this. Overall, the market grows by an average of 7 to 8 percent per year, of which Europe accounts for 5 to 7 percent and North America for 6 to 9 percent.

The European security market is estimated to be worth SEK 220 billion and Securitas' market share is about 9 percent. The North American security market, including Mexico, is estimated to be worth SEK 304 billion and Securitas' market share is about 4 percent. The United States accounts for SEK 280 billion of the North American market, of which guarding accounts for just over SEK 100 billion. Guard services operations are concentrated in the Western, North-Eastern and South-Eastern United States. Securitas market share in the U.S. guard services market is about 10 percent.

Outsourcing has begun – more on the way

The growing technical and financial complexity of society, hence greater vulnerability, as well as high crime rates, drive the growth of the security market. Increasing specialization in various sectors promotes outsourcing of security work. Decisive factors for the rate of outsourcing are the commercial structure in each country and the security industry's own activities.

A simple but distinct measurement that illustrates the differences between various countries is the size of the guard services industry relative to GDP. Penetration in certain countries is as low as 0.5 per thousand, while other countries, such as Portugal, have a penetration rate in excess of 2 per thousand.

The need for security is increasing – and diversifying

In order to successfully exploit growth in the market, an understanding of how security needs evolve for different types of customer is required. The trend is towards increasingly specific requirements within individual industries or sectors. This specialization of security requirements leads to demand for entirely new types of services – airport security is one example of a service that barely existed a couple of decades ago.

The challenge is to first select customer groups, and then to build and deliver the right solutions. This is the basis for continued and accelerated organic growth.

It is also the basis for future acquisitions: if we do not have the ability to create growth in our existing business, then we do not have legitimacy or reason to acquire new volume.

Securitas the market leader – but with a small market share

After the acquisitions in the United States, and with about SEK 35 billion in sales, Securitas is a world-leader in security. But our share of the world market is still only 5 percent.

This shows that the industry, despite a great deal of restructuring, remains highly fragmented. The highest degree of fragmentation is found in guarding and alarm systems, with literally tens of thousands of players in Europe and the United States. The market is not quite as fragmented in cash in transit services, primarily because this business is more capital intensive. In Europe, there are about 500 players in the cash in transit market. In the United States, the level of consolidation is higher, and two players account for two-thirds of the market.

Acquisitions increase the rate of growth

Securitas will continue to acquire companies at the rate which our organization is capable of restructuring and integrating new volume. Acquisitions are not an end in themselves, but a way of strengthening our position in selected geographical markets and business areas.

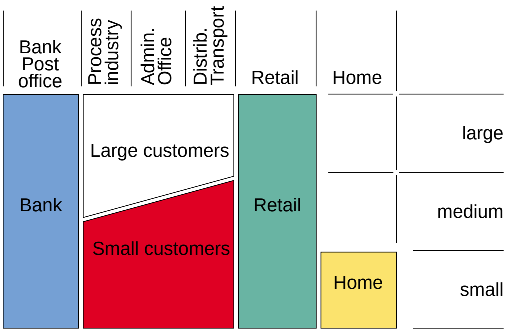
The potential for acquisitions remains enormous.

It's up to us

The market trend is towards growth: outsourcing and a growing requirement for more differentiated services contribute to this growth. Despite a large number of acquisitions, Securitas' share of the world market is only 5 percent.

The conclusion is simple: there is still potential and space in the market for expansive security companies – it's up to us!

SECURITAS' MARKET MATRIX



Proximity to the customer and understanding of his requirements create opportunities for development for both the customer and Securitas. The market matrix divides the security market into different customer segments, from which we develop different security concepts.

MARKET AND MARKET SHARES 1999

	Guard Services		Alarm Systems		Direct		Cash In Transit Services		Total	
	Market SEK billion	Securitas' share	Market SEK billion	Securitas' share	Market SEK billion	Securitas' share	Market SEK billion	Securitas' share	Market SEK billion	Securitas' share
Nordic Region	6	53%	7	23%	1	48%	1	54%	**15**	**39%**
The Big Five*	74	11%	75	1%	3	10%	17	13%	**169**	**7%**
Other Western Europe	13	14%	9	1%	1	1%	3	13%	**26**	**9%**
Eastern Europe	6	3%	2	3%	0	0%	1	7%	**10**	**3%**
Europe	**99**	**14%**	**93**	**3%**	**5**	**12%**	**22**	**14%**	**220**	**9%**
North America	**160**	**7%**	**93**	**1%**	**37**	**0%**	**14**	**0%**	**304**	**4%**

* France, Germany, Great Britain, Italy and Spain. Securitas has no operations in Italy.

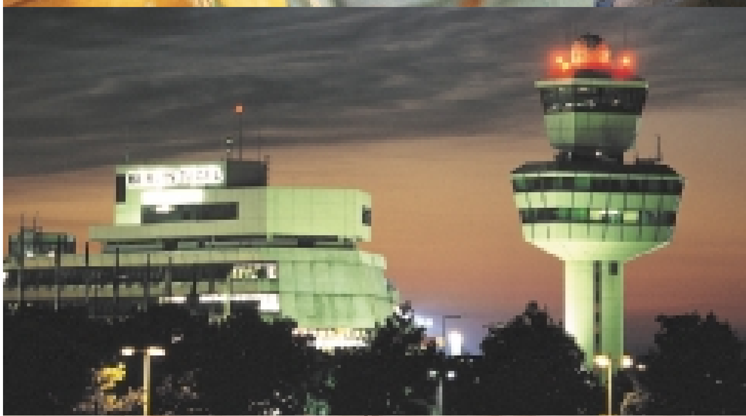
Securitas is the market leader in both the North American security market, with 4 percent, and the European security market, with 9 percent.

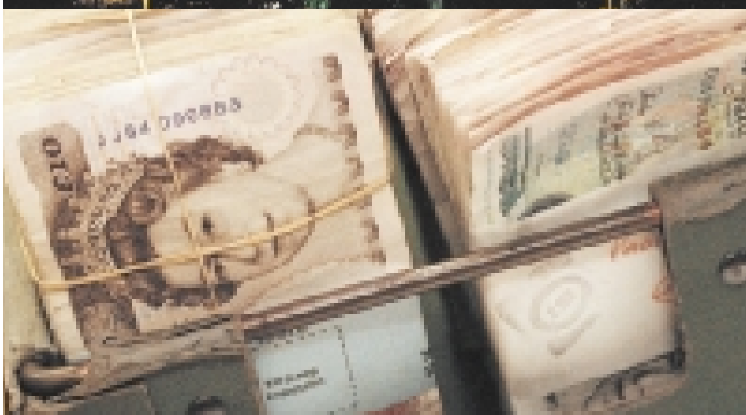
Source: Securitas and Freedonia


VÄKTARE

Business Areas

Securitas has operations in more than 30 countries in Guard Services, Alarm Systems and Cash In Transit Services. Securitas' total sales in 1999 were MSEK 25,646. Guard Services is largest with 72 percent of sales. Alarm Systems accounts for 16 percent and Cash In Transit Services for 12 percent.





Securitas conducts business in three business areas – Guard Services, Alarm Systems and Cash In Transit Services. Operations in each country are divided into these three business areas, and all report to overall country management. Within each business area, operations are organized in many local units whose management is responsible for earnings performance.

This organization creates proximity to the customer, and the strong ability to maintain, adapt and develop the business, both at local and country level. There is a continuous interchange of ideas and experience among the countries in each of the business areas. This activity is led by the member of Group Management responsible for the respective business area.

In one specific area – namely alarm systems for homes and small businesses – demand is more uniform among countries, and work methods in the operation are similar. In this sector, a separate division – Securitas Direct – has been formed, distinct from the other country-based business. In this way, we achieve faster growth through sharper focus.

A large and growing part of Securitas' business consists of combinations of several products and services, often from more than one business area. This development towards functional commitment provides the customer with improved security and Securitas achieves a stronger and more long-term customer base. In such product combinations, a local entity within one business area always assumes overall responsibility towards the customer and units in other business areas become subcontractors.

Guard Services and Alarm Systems

Guard Services and Alarm Systems are the two business areas which most often build complete solutions for customers – both large, tailor-made solutions and smaller, standardized packages – by combining their services and products. In this way, the customer receives a total security solution. From a production point of view however, it is important to keep the respective organizations separate in order to achieve accuracy and efficiency in delivery.

GUARD SERVICES

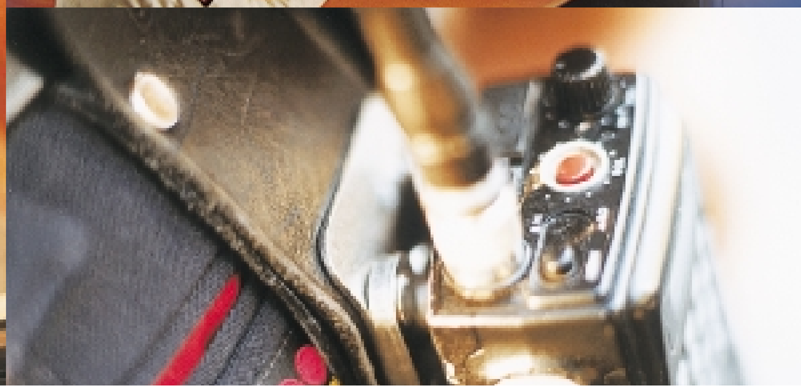
Guard Services can be divided into permanent guarding, where the guards are continuously on location at the customer's premises, and different types of timesharing-services, where several customers share the same resources.

Permanent guarding

Permanent guarding is used by customers with large facilities, e.g. production plants, office complexes, commercial centers and other large facilities, such as airports, nuclear power plants and hospitals.

Securitas strives to specialize its services for each of these customer groups. The skills profile of a guard varies greatly according to the customer's business. For instance, a nuclear power plant has an entirely different profile from a shopping center. As far as is practical, and justifiable from a business point of view, we try to organize ourselves locally according to specialization, rather than along geographical lines. Day-to-day business responsibility is also delegated as far down the organization as possible, and at major customers, there is always a local manager or group leader who assumes day-to-day total responsibility.

An important prerequisite for this specialization and refinement of guard services is our people. Relatively extensive training is required for the different tasks. Another requirement is that pay levels are raised over time to a point where competent people can be recruited. In certain countries, for instance in the Nordic Region, compensation is at an appropriate level, while pay levels in many other countries are still too low. Securitas, as a market leader, has the important task of influencing the industry in this respect.



Once the content of guard services has been specialized and refined, there is sufficient competence in guard operations to increase the use of technical systems in security solutions. Technology is then used to replace simple – and often monotonous – guarding services, to improve the level of security and to keep the total cost of security down. The local managers in Guard Services drive this process of creating functional solutions since they have day-to-day contact with the customer.

Timesharing-services

For smaller companies and businesses, permanent guarding is usually not warranted. For these customers, we offer different types of timesharing-services, meaning that several customers share the same resource. The oldest example of this is the "night watchman" of yesteryear. Patrol guarding is still an important service – even though its content today is very different.

Examples of timesharing-services are day and night patrol guarding, area guarding (of industrial areas with many small companies), residential guarding and daytime patrol guarding in shopping centers and malls. Services to control wastage in the retail trade are also a growing area. Alarm call-outs is yet another fast-growing service.

Timesharing-services using personnel are often combined with simple technical solutions to improve security and to keep costs under control. Standardized alarm systems are an important component of the security solution of these customers.

The market for Guard Services

The total market for guard services in Europe and North America is SEK 259 billion, with SEK 99 billion in Europe and SEK 160 billion in North America.[1)]

The guard services market is expected to grow by between 5 and 7 percent annually.

Securitas accounts for SEK 25 billion of the total market, with just over SEK 13 billion in Europe and SEK 12 billion in North America.

The largest competitors in guard services in North America are Burns and Wackenhut. Falck is a major competitor in the Nordic Region, Prosegur in Southern Europe and Group 4 and Securicor in Central Europe. There are also significant local competitors in each individual market.

The largest markets for Securitas in Europe for Guard Services are "The Big Five": France, Germany, Great Britain, Italy[2)] and Spain. Together, these countries account for about SEK 74 billion, or 75 percent of the European market. As a result of the acquisition of Pinkerton, Securitas has guard services operations in North America. The United States is the largest market in this region, accounting for about SEK 100 billion or about 63 percent of the North American guard services market.[1)]

[1)] Including consulting & investigations market.
[2)] Securitas has no operations in Italy.

FACTS ABOUT BUSINESS AREA GUARD SERVICES

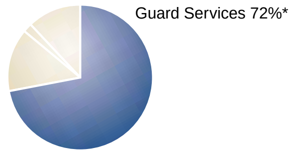
MSEK	1999	1998
Sales	18,515	8,558
Organic growth	*5%*	*10%*
Operating income before amortization of goodwill	1,029	630
Operating margin	*6%*	*7%*
Operating capital employed as % of sales	*7%*	*12%*
Number of employees	112,293	61,277

SALES AND MARKET SHARES FOR GUARD SERVICES

	Sales 1999		Market
Country	MSEK	Local currency	share in % 1999*
Sweden	1,736	1,736	> 50
Norway	853	805	> 50
Denmark	142	120	19
Finland	511	346	> 50
Germany	3,287	732	14
France	3,492	2,609	30
Great Britain[1)]	428	32	3
Spain[1) 4)]	1,548	29,469	17
Switzerland	299	55	13
Austria	135	212	10
Portugal	605	13,821	32
Belgium[1) 2) 5)]	1,045	4,853	40
Hungary	46	1,331	10
Poland	67	32	2
Estonia	30	54	9
Czech Republic	53	222	10
USA[1) 3)]	10,514	1,263	10
Canada[1) 3)]	491	86	8
Mexico[1) 3)]	147	167	8
Consulting & Investigations[1) 3)]	623	75	N/A

[1)] Estimated annual level.
[2)] Included from October 1, 1999.
[3)] Included from April 1, 1999.
[4)] Including Ausysegur, which was acquired in January 2000.
[5)] Including Baron Security, which was acquired in February 2000.
* Source: Securitas and Freedonia

SHARE OF TOTAL SALES 1999 FOR GUARD SERVICES



*Including Consulting & Investigations.

ALARM SYSTEMS

Alarm Systems can be divided into four categories – alarms for banks, customized, large systems, smaller, but still customer-specific systems, as well as complete conceptual solutions for homes and small companies, organised under a separate division.

Alarms for banks

Banks have very high security requirements. However, banking operations are conducted at tens of thousands of branch offices, offering the opportunity to standardize security solutions at a high level, thus enabling economies of scale to be achieved.

In close cooperation with various banks, Securitas designs and standardizes the entire value chain, from installation and service of the alarm system, to surveillance and call-out services. Alarm monitoring is performed at alarm monitoring stations which focus entirely on banks.

Customized large systems

Customers with extensive operations – office or production environments – require large, integrated technical systems, which include burglar alarms, fire alarms, access control systems, CCTV and control systems.

Although technological development allows a greater degree of standardization of individual components and sub-systems than before, large systems remain to a great extent, tailor-made. Precision in overall security analysis and planning, enables well-functioning and cost-efficient systems to be developed. In order to stay within project budgets, and hence maintain reasonable profitability in the projects, it is necessary to have a strong local organization with profit center responsibility.

These large systems are used by guards in their daily work for the customer. We therefore put a great deal of effort into designing these systems to be truly useful and efficient aids. Such systems are increasingly sold in combination with guarding and are then a part of a total functional commitment.

Smaller systems

For customers with smaller business premises, which are too large for totally standardized solutions, we offer simple, planned systems. In this case, the content of standardized sub-systems is large and special adaptations are kept to a minimum.

The customer group in question demands short lead-times between quotation and completed installation. This is achieved through specialization at every stage of the process – sales, installation and start-up.

The market for Alarm Systems

The total market for alarm systems in Europe and North America is SEK 186 billion, with SEK 93 billion in Europe and SEK 93 billion in North America.

The alarm systems market has an annual growth rate of 10 percent.

Securitas accounts for SEK 4 billion of the total market, with SEK 3 billion in Europe and SEK 1 billion in North America.

The largest competitors in alarm systems in Europe are Group 4, Falck and Cerberus. In North America, Tyco is a large player.

The largest markets for Securitas in Europe for Alarm Systems are the Nordic countries, Spain and Portugal. Together, these countries account for just over SEK 9 billion or about 10 percent of the European market. As a result of the acquisition of Pinkerton, Securitas has Alarm Systems operations in North America. The United States is the largest market in this region, accounting for about SEK 83 billion or 89 percent of the total North American market.

FACTS ABOUT BUSINESS AREA ALARM SYSTEMS

MSEK	1999	1998
Sales	3,460	2,092
Organic growth	*16%*	*2%*
Operating income before amortization of goodwill	339	194
Operating margin	*10%*	*9%*
Operating capital employed as % of sales	*21%*	*19%*
Installed base of alarm systems*	198,000	176,000
Number of employees	3,599	2,705

* Of which small alarm systems 74,000 (61,000).

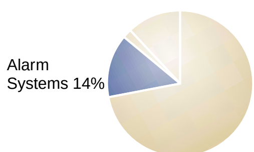
SALES AND MARKET SHARES FOR ALARM SYSTEMS

	Sales 1999		Market
Country	MSEK	Local currency	share in % 1999*
Sweden	1,059	1,059	30
Norway	330	311	36
Denmark	139	118	8
Finland	290	197	16
Germany	31	7	<1
France	708	529	5
Great Britain	–	–	–
Spain	181	3,427	10
Switzerland	7	1	<1
Austria	–	–	–
Portugal	109	2,489	27
Belgium[1) 3) 4)]	28	125	3
Hungary	8	233	5
Poland	22	11	3[4)]
Estonia	16	28	13
Czech Republic	1	2	4
USA[2) 3)]	673	80	1
Canada[2) 3)]	33	6	<1
Mexico	–	–	–

1) Included from October 1, 1999.
2) Included from April 1, 1999.
3) Estimated annual level.
4) Including Baron Security, which was acquired in February 2000.

* Source: Securitas and Freedonia.

SHARE OF TOTAL SALES 1999 FOR ALARM SYSTEMS



Securitas Direct – alarms for homes and small businesses

Total conceptual solutions are the key to Securitas' growth in the home and small businesses customer segment. Differentiation and specialization are combined to produce customer-adapted solutions.

Small alarm systems – a separate product group

The Securitas Direct division, Securitas Response and other similar alarm concepts were merged into one product group during the year. The purpose is to improve dissemination of the common vision and knowledge, to develop common systems, products and sales tools, and to promote the sharing of experience among the various units and countries. The goal is to ensure that all units working with standardized and conceptual security solutions achieve a high rate of growth.

Response a primary concern for smaller customers

This customer group is interested in trouble-free protection for home and business. Response is of prime importance. The customer chooses a solution with an alarm system and surveillance to suit the security requirement in question and pays a recurring subscription fee for connection to an alarm monitoring station, service and potential call-out. The alarm-to-response chain is standardized in order to ensure good operation and uniform quality, even in the event of high volumes.

Differentiation of services

Differentiation of Securitas' offers to different customer groups leads to increased specialization in the value chain. The clearest examples of this are Securitas Response, Securitas Direct Business/Home and Securitas Direct Consumer. Securitas Response has specialized in chain-store customers with stringent requirements for reporting and integration with other security systems, such as access control and CCTV surveillance. Securitas Direct Business/Home concentrates on packaging standardized alarm system installations made by certified alarm system installers who fulfill insurance company requirements and rules. Securitas Direct Consumer is aimed at wireless alarm systems not requiring installation in the traditional sense.

Specialization

The core of the small alarm systems units is the individual customer service center – a specialized alarm monitoring station. The customer service center deals with all issues related to subscribers and handles all administration. The main advantage of this is that a total overview is obtained of the entire value chain, leading to full understanding of customer needs and therefore good quality, constant improvements and a high level of service.

Synergies emerge between the various value chains during various phases of the evolution of the business and this facilitates start-up of new businesses as well as development and implementation of existing concepts in different markets. In the longer term, increased volumes and ever increasing specialization form the foundation for and lead to the need for separate customer service centers.

Market for home and small business alarm systems

The total market for home and small alarm systems connected to alarm monitoring stations in Europe is estimated to be worth about SEK 12 billion and the market is expected to grow by about 20 percent per year in installed volume. The market for home alarms shows fastest growth. During 1999, Securitas Direct installed 38,000 alarm systems, an increase of 39 percent compared to 1998. Sales increased organically by 32 percent. In addition to Securitas Direct, business area Alarm Systems has an additional approximately 74,000 alarm connections to small businesses, which grew by 22 percent during 1999.

The largest market for small alarm systems in terms of sales so far for Securitas is Scandinavia. The highest growth among all countries is currently seen in Spain. The greatest potential for future growth exists in “the big four”, France, Germany, Spain and Great Britain. Operations in Germany are in a build-up phase. France has relatively extensive operations with a large customer base.

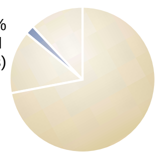
The market for home and small alarm systems in Europe is still relatively fragmented, with many local players in each market. The largest competitors in existing markets are, aside from the local players, Prosegur and ADT/Tyco in Spain, CIPE (ADT/Tyco) and CET (Protection One) in France, Vitera Sicherheit and CIPE (ADT/Tyco) in Germany, and Falck in Scandinavia. Other competitors are banks and insurance companies, such as Crédit Mutuel, AXA and BNP in France. New players in the form of telecommunications companies and electricity suppliers have also become more active in the market place.

FACTS ABOUT SECURITAS DIRECT

MSEK	1999	1998
Sales	544	423
Organic growth	*32%*	*36%*
Operating income before amortization of goodwill	68	59
Operating margin	*13%*	*14%*
Operating capital employed as % of sales	*23%*	*25%*
Number of employees	686	414

	Installations during the year	Number of connected alarms	Growth
Securitas Direct	38,000	134,000	39%
Other small alarms	13,000	74,000	22%
Total	**51,000**	**208,000**	**33%**

SHARE OF TOTAL SALES 1999 FOR SECURITAS DIRECT



Cash In Transit Services

During the 1990s, Securitas' Cash In Transit Services evolved from pure transportation of money into handling of entire monetary flows, involving transportation, cash-processing services and management of cash dispensing machines and night deposit boxes.

Business area Cash In Transit Services has two primary customer categories – the bank and post-office sector, and the retail trade. The countries in which Securitas offers cash in transit services work closely together and transfer new and tested concepts or technical security solutions amongst one-another.

An important issue today is the single European currency, which will be introduced on January 1, 2002, and the business opportunities this may offer. Preparation for the euro is a big challenge for banks as well as for Securitas.

Major efforts will be required to distribute the new notes and coins, at the same time as old currency must be collected. Thanks to careful planning, Securitas expects to be able to handle the large volumes of currency involved in the transition.

Cash is most common

Cash remains the most common form of payment. Investigations reveal that the use of cash increases by 6–11 percent per year in large European countries, such as Great Britain, Germany and Spain. One reason for this is the growing number of cash dispensing machines, which quickly and easily give access to cash. Another reason is that a lot of people prefer the greater integrity offered by cash compared to card payments or electronic commerce over the Internet. For retailers, cash offers the added advantage of avoiding the administrative expenses associated with card purchases.

New concepts for retailer customers

Retail customers account for about half of Securitas' cash in transit Services sales, but major variations exist from country to country. Today, there are 3.3 million smaller shops in Europe, and this is a growing customer category.

One concept that is attracting growing attention is the one-man crew value transportation vehicle – the retail vehicle. Smaller customers do not have the same needs as banks for larger, armored value transportation vehicles, making the retail vehicle a more efficient solution.

Another concept rapidly gaining ground is the handling of cash and safes for smaller retailers. Securitas owns the safe, which is installed at the customer's premises. Cash In Transit guards are responsible for emptying the safe and transporting the money to a Securitas cash-processing center. Similar solutions exist for major shopping centers, where several small stores team-up for a larger safe. The concept is well developed in Sweden and Great Britain and also exists on a smaller scale in other countries.

These services are also advantageous to banks, in that they can devote less time to handling cash receipts from customer stores. As far as Securitas is concerned, opportunities are created for handling entire money flows, including cash-processing services.

Time is money

In most European countries there is a process underway whereby banks outsource cash-handling in order to concentrate on providing expert advisory services. Today in Europe, there are about 8,400 banks with about 80,000 branches. In addition, there is similar number of post offices. In all, this is a market with considerable potential.

A service that is increasingly taken over by Securitas is counting of notes and coins. Fast counting combined with quick and efficient transportation to the central bank is important to avoid loss of interest.

To manage – but also to own and operate – different forms of automated bank services is another growth area. In Sweden and Germany, Securitas conducts so-called automated lobby operations. Bank-neutral withdrawal and deposit machines, are emptied and replenished by Securitas which in addition assumes responsibility for all other services. Growth potential is large since there are about 180,000 cash dispensing machines in Europe.

Technology that protects

When stores and banks transfer their risks to security companies, the transportation of cash becomes an interesting target for criminals.

Securitas protects people and property by incorporating advanced technology in briefcases for carrying valuables, vehicles and buildings. As crime changes, Securitas develops new forms of advanced security equipment. The knowledge and experience that emerges from a robbery attempt is spread throughout the organization, enabling improved security in the transportation of valuables. Securitas also carries extensive liability and casualty insurance.

Security technology is combined with relevant training of all personnel. Securitas expends much effort on training at all levels. Cash In Transit guards receive training in standard practice and have the opportunity to train in how to behave if they are subject to a robbery. If a robbery does occur, the personnel affected receive the correct support. Special crisis-management plans have been created for such occasions.

Security is clearly important to customers. Securitas has developed a special bar code system which gives the customer total control over the exact whereabouts of his cash within the cash in transit chain. This system is in place today in Great Britain, Norway and Poland. Night deposit boxes are another service that contribute to improved security for customers as well as Securitas.

The market for Cash In Transit Services

The total market for cash in transit services in Europe and North America is worth SEK 36 billion, of which Europe accounts for SEK 22 billion and North America for SEK 14 billion.

The market for cash in transit services is estimated to grow by about 10 percent per year.

Securitas accounts for just over SEK 3 billion, and Europe accounts for almost the entire amount. In North America, Securitas performs cash in transit services in Canada.

Major competitors in cash in transit services are a number of regional players, such as Falck in the Nordic Region, Securicor in Great Britain, Brinks in France and Prosegur in Spain.

FACTS ABOUT BUSINESS AREA CASH IN TRANSIT SERVICES

MSEK	1999	1998
Sales	3,127	2,638
Organic growth	*12%*	*5%*
Operating income before amortization of goodwill	194	120
Operating margin	*6%*	*5%*
Operating capital employed as % of sales	*41%*	*50%*
Number of employees	9,207	7,587

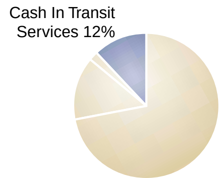
SALES AND MARKET SHARES FOR CASH IN TRANSIT SERVICES

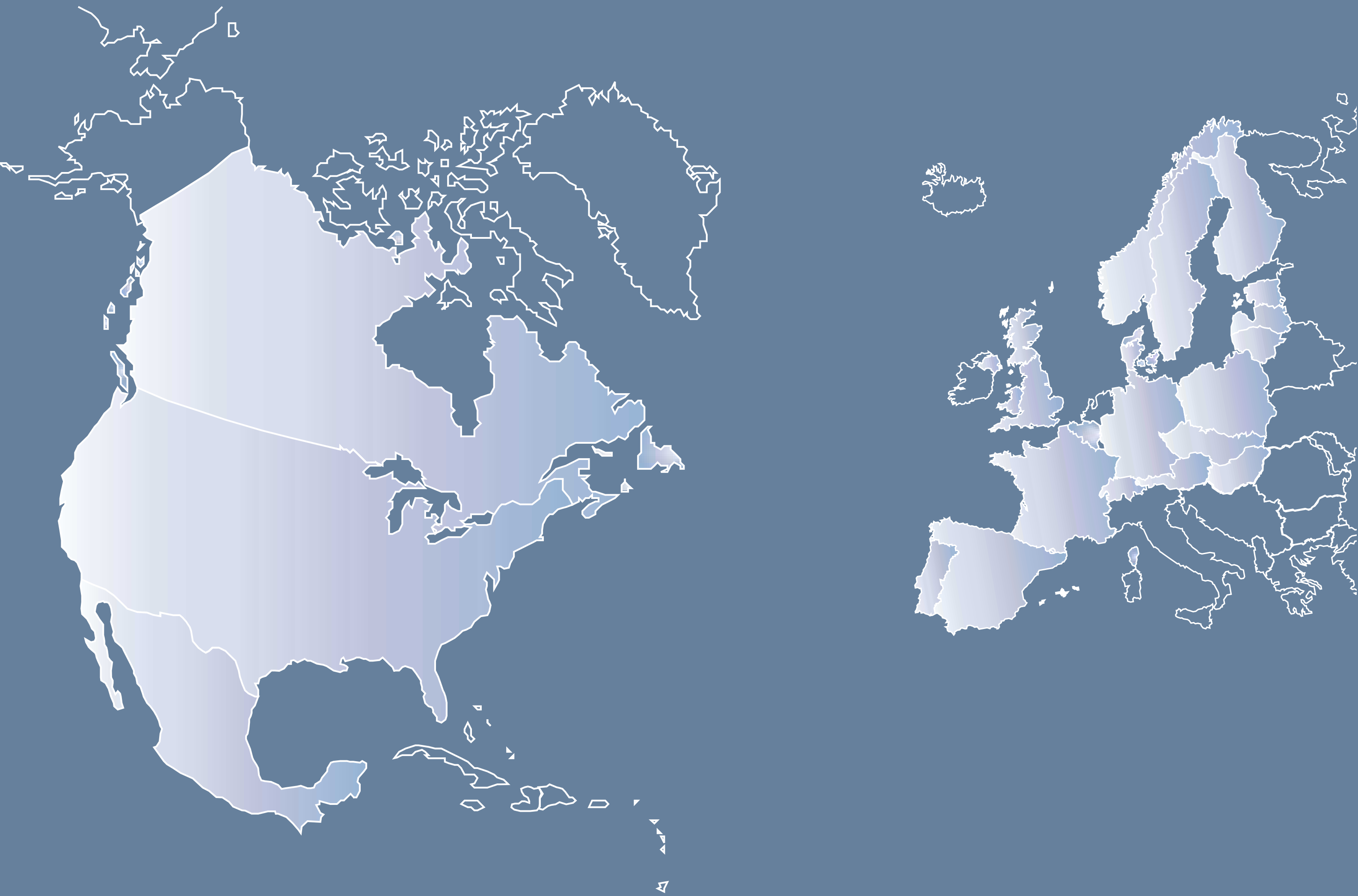
	Sales 1999		Market
Country	MSEK	Local currency	share in % 1999*
Sweden	285	285	> 50
Norway	141	133	> 50
Denmark	78	66	46
Finland	59	40	47
Germany	597	133	20
France	145	108	4
Great Britain[1]	1,296	96	20
Spain[1) 4)]	528	10.143	30
Switzerland	44	8	24
Austria	142	222	> 50
Portugal	171	3,910	> 50
Belgium[2) 5)]	27	119	3
Hungary	45	1,303	21
Poland	13	6	7
Estonia	5	8	18
Czech Republic	1	5	2
USA	–	–	–
Canada[1) 3)]	86	15	2
Mexico	–	–	–

1) Estimated annual level.
2) Included from October 1, 1999.
3) Included from April 1, 1999.
4) Including Ausysegur, which was acquired in January 2000.
5) Including Baron Security which was acquired in February 2000.

* Source: Securitas and Freedonia.

SHARE OF TOTAL SALES 1999 FOR CASH IN TRANSIT SERVICES





Operations by Country and Division

SWEDEN – The Group's base for product development

SALES	MSEK 1999	MSEK 1998
Guard Services	1,736	1,642
Alarm Systems	1,059	1,046
Cash In Transit Services	285	252
TOTAL	**3,080**	**2,940**
Proportion of total sales, %	12	21
Av. number of employees	5,886	5,692

Securitas in Sweden increased sales by 5 percent, to MSEK 3,080 (2,940). Organic growth was 8 percent.

In Guard Services, Sweden continues to be the base for development of the Group's services and products. The refinement work has continued, with increased organic growth as a result. One concept with continued strong development is Area Patrolling, which means that several customers share one guard. The advantages for the customer are local presence and prompt response.

The proportion of functional agreements continues to grow, with both large customers and also with medium-sized customers. This type of agreement means that the customer only has one supplier, which assumes responsibility for all security, through guarding, security technology, technical service, alarm monitoring stations and call-outs.

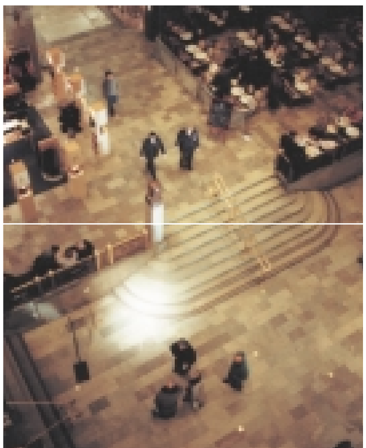
In business area Alarm Systems, the integration of Tele-Larm is now complete, and full focus is on organic growth. Orders have been stable, and the task of securing customer alarm system installations for the turn of the millennium contributed to increased sales. Restructuring of the business has continued through the sale of the fire alarm development operation. The agreement entails that Securitas Alarm Systems has the sole right to the buyer's (Matsushita) fire alarm products in the Swedish market.

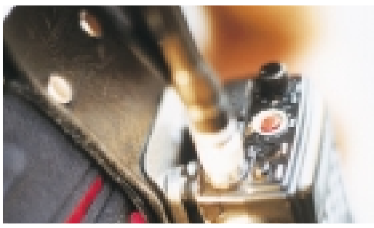
Continued growth is expected for the market for small alarms. The concept of an alarm system and connection to an alarm monitoring station for chain store customers and smaller companies is being well received by the market, resulting in a sharp increase in the number of installed systems, as well as increased sales and improved profits.

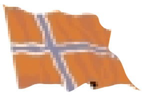
Cash In Transit Services experienced very strong growth during the year. Securitas today assumes greater responsibility for managing money flows, in part by operating cash-processing centers at twelve locations in Sweden. Securitas also provides safe deposit boxes, and change and deposit machines. The business is bank-neutral and Securitas is responsible for management of operations.

In the Securitas Group, Sweden is the fourth largest country in terms of sales. The total Swedish security market is estimated to be worth about MSEK 7,000, of which Securitas' share is approximately 45 percent.

Falck is the largest competitor in all business areas. In alarm systems, Cerberus is also a major competitor.







NORWAY
– Continued strong growth

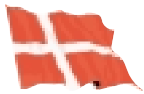
	MSEK		MNOK	
SALES	**1999**	**1998**	**1999**	**1998**
Guard Services	853	822	805	779
Alarm Systems	330	260	312	246
Cash In Transit Services	141	115	133	109
TOTAL	**1,324**	**1,197**	**1,250**	**1,134**
Proportion of total sales, %	5	9	–	–
Av. number of employees	2,620	2,451		

Sales for Securitas in Norway amounted to MSEK 1,324. In local currency terms, sales increased by 10 percent compared to 1998. All of this growth was organic. A combination of rising oil prices and lower interest rates has affected the country's economy positively. This has also contributed to better than expected development for Securitas, and all three business areas posted good growth during 1999.

In the market segment for small and medium-sized customers, growth was very good. Specialization and a reduction of the number of alarm monitoring stations have led to increased efficiency and service to customers has improved. The contract with the Civil Aviation Administration was renegotiated during the year, while many new contracts were concluded in the area of Guard Services. The trend in Norway is that many companies, in order to focus on their core business, choose to make use of specialist competence for, inter alia, security services.

During 1999, the number of robberies in cash in transit operations increased dramatically in Norway. As a consequence, Securitas in Norway made substantial investments in security technology and training to raise security and to reduce the risk of robbery.

The total Norwegian security market is worth about MSEK 2,900, of which Securitas' share is about 45 percent. Securitas is thereby the market leader in Norway. Competition in the security market is still distinguished by the presence of a few large and many small players. Falck is the main competitor in all business areas.



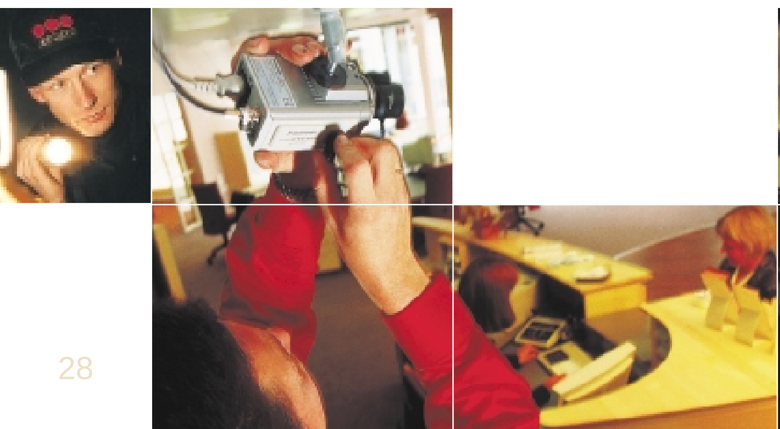
DENMARK
– A clear second in the market

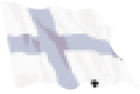
	MSEK		MDDK	
SALES	**1999**	**1998**	**1999**	**1998**
Guard Services	142	75	120	63
Alarm Systems	139	138	118	116
Cash In Transit Services	78	77	66	64
TOTAL	**359**	**290**	**304**	**243**
Proportion of total sales, %	2	2	–	–
Av. number of employees	774	496		

Securitas' Danish subsidiary, Dansikring, generated sales during the year of MSEK 359. In local currency terms, sales increased by 34 percent, of which 18 percent was organic growth.

Three years ago, Dansikring was a relatively small player in the Danish security market. During 1999 Dansikring took the step from being mainly an alarm systems company to becoming a complete security company with a well-balanced and well-developed range of products and services in all areas of operation. A sharp focus on guarding operations during the year resulted in strong growth and Guard Services is now Dansikring's largest business area. In Alarm Systems, operations have been divided into three branches – retail trade, industry and banks – with the aim of sharpening focus on each respective area, whilst maintaining focus on the small alarms market, which has constituted the basis for Alarm Systems operations. In order to sharpen focus on the small alarms market, Dansikring Direct A/S became a separate company as of January 1, 1999, and became part of Securitas Group's Securitas Direct division. In May, Dansikring took over Falck's cash in transit operations, partly contributing to an increase in cash in transit volume of about 25 percent.

Growth in the Danish security market declined slightly in 1999 and the market is estimated to be worth about MSEK 2,800, of which Dansikring has a share of about 14 percent. In Denmark, there are three major and some 400 smaller security companies. The largest competitor is Falck in guard services and alarm systems, and Cerberus in alarm systems. On the cash in transit side, Dansikring competes mainly with Post Danmark and the banks.





FINLAND – Refinement of services increases growth

	MSEK		MFIM	
SALES	**1999**	**1998**	**1999**	**1998**
Guard Services	511	448	346	300
Alarm Systems	290	212	197	141
Cash In Transit Services	59	58	40	39
TOTAL	**860**	**718**	**583**	**480**
Proportion of total sales, %	3	5	–	–
Av. number of employees	2,195	2,001		

Securitas in Finland increased sales in local currency by 21 percent during the year. 13 percent of growth was organic, with the highest growth in Alarm Systems and Cash In Transit Services.

Business area Guard Services has been successful during the year, largely the result of refinement brought about through close cooperation with customers. Increased interest for service has led to more receptionist services, whilst timesharing-services have also increased. Emphasis was also placed during the year on developing basic guard training.

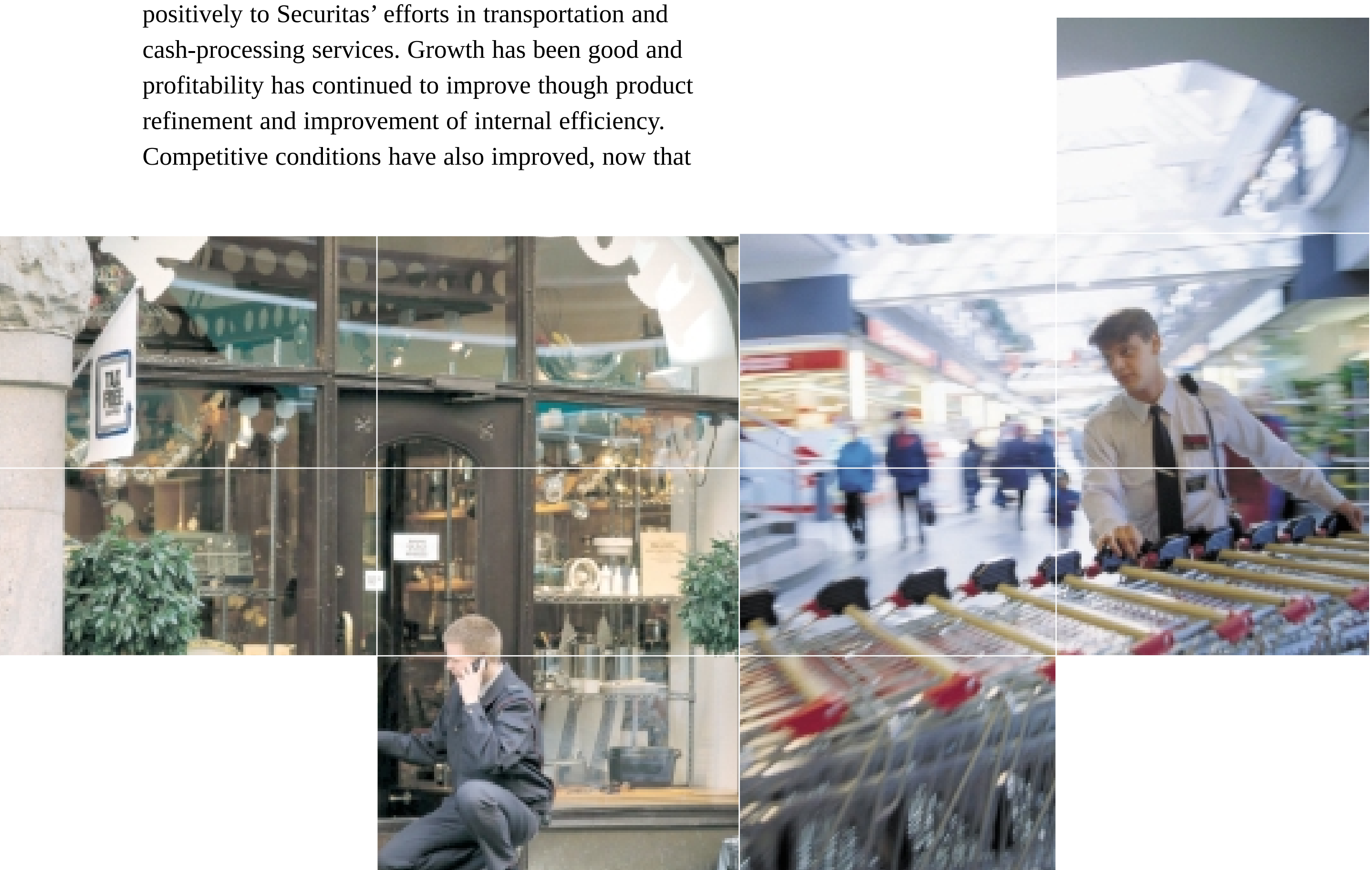
In Alarm Systems operations, the sharp focus on small alarm systems resulted in growth and an improved market position. As an element of the continued effort to focus, Securitas in Finland took over responsibility for the Swedish part of Timetech, which supplies a combined access control system with time attendance.

In Cash In Transit Services, the market has reacted positively to Securitas' efforts in transportation and cash-processing services. Growth has been good and profitability has continued to improve though product refinement and improvement of internal efficiency. Competitive conditions have also improved, now that the postal authority, which previously had a monopoly on cash in transit operations, now competes on the same terms.

In order to live up to the role of market leader, Securitas in Finland has focused during the year on developing combined security solutions for all customer groups.

The Finnish security market is estimated to be worth MSEK 2,600, of which Securitas' share is about 34 percent.

The largest competitors in guard services are Falck and Engel, in alarm systems Esmi and Aldata and in cash in transit Securitas competes mainly with SPAC FP, the former Finnish postal authority.



GERMANY
– Strong base for growth

	MSEK		MDEM	
SALES	**1999**	**1998**	**1999**	**1998**
Guard Services	3,287	1,727	732	374
Alarm Systems	31	22	7	5
Cash In Transit Services	597	558	133	123
TOTAL	**3,915**	**2,307**	**872**	**502**
Proportion of total sales, %	15	17	–	–
Av. number of employees	14,532	13,586		

During 1999, sales of Securitas in Germany amounted to MSEK 3,915. Organic growth was 3 percent.

During 1999, the acquired companies – Raab Karcher and Deutsche Sicherheits AG in 1998, HBI Sicherheitsdienste Offenbach and WKD Pinkerton in 1999 – were integrated into Securitas' existing operations and synergy benefits were achieved.

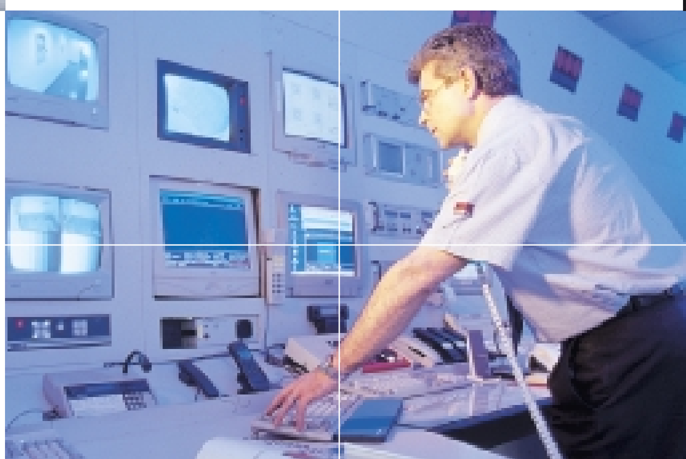
The private security market is under debate in Germany and the government is planning to regulate the market. Securitas in Germany has therefore drafted a proposal for coming legislation, which has been well received by the public.

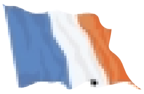
In Guard Services, focus was on continued refinement of services.

In Alarm Systems, Securitas in Germany has concentrated on small alarm systems and a management team has been appointed for this project. Securitas Direct established a presence on the German market in 1999. The official start of the new operation is scheduled for the beginning of 2000.

The cash in transit sector in Germany is being restructured, partly as a result of changes taking place in the German banking industry. The outsourcing trend continues as increasing numbers of banks focus on their core operations. This development creates opportunities for Securitas to develop new services for these customers. Volume as well as profitability in the cash in transit business have improved gradually during the year.

The total German security market is worth SEK 47 billion and Securitas is the market leader with an 8 percent share. In guard services, Securitas competes mainly with Niedersächsische Wach- und Schlißgesellschaft and Kötter Security. Competitors in the cash in transit market are GWU, G&W and Brinks.





FRANCE – Platform created for future growth

	MSEK		MFRP	
SALES	**1999**	**1998**	**1999**	**1998**
Guard Services	3,492	1,825	2,609	1,320
Alarm Systems	708	203	529	142
Cash In Transit Services	145	36	108	26
TOTAL	**4,345**	**2,064**	**3,246**	**1,488**
Proportion of total sales, %	17	15	–	–
Av. number of employees	19,501	19,579		

Securitas in France achieved sales of MSEK 4,345. Expressed in local currency, this is an increase of 118 percent compared to the previous year. All growth was attributable to acquisitions.

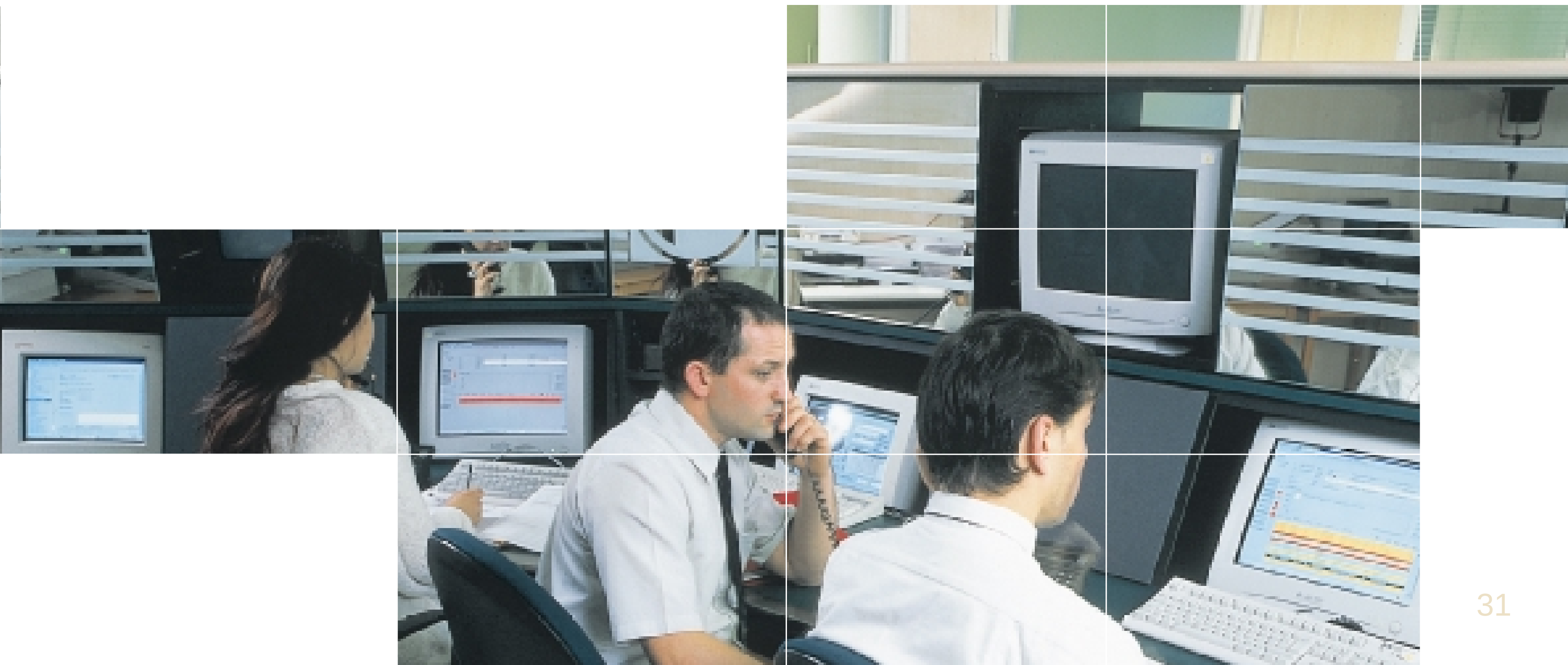
During the year, Proteg, which was acquired in October 1998, was integrated into Securitas' French operations. Work has begun to adapt the company to the new operating environment, after the introduction of the 35-hour working week, which came into force on January 1, 2000. More than 1,000 new guards have been recruited and all operating systems have been modified. Simultaneously, the focus has been on the job of rationalizing the office and surveillance networks.

In Alarm Systems, two new divisions have been set up – one with focus on large and medium-sized customers and the other with focus on small customers. This will assist in meeting customer needs in a more focused way.

On January 1, 2000, Proteg and Protectas were formally merged and renamed Securitas.

Securitas in France is actively participating in the development of the security industry, and during the year the company participated in plans to unite the guard services and alarm systems organizations in the security industry.
A new operative platform has thereby been created for further growth.

The French security market grew overall by 5 percent during 1999 and is estimated to total about MSEK 33,000, of which Securitas' share is about 14 percent. The task of restructuring the French security market continues in all areas. The guard services market is still highly fragmented and Securitas' principal competitors are Eurogard, Onet and Securifrance. In alarm systems, Securitas competes with Tyco/CIPE, Williams, Siemens and Fichet. In the cash in transit market, the main competitors are Brinks and Ardial.



GREAT BRITAIN – Focus on service and product development

	MSEK		MGBP	
SALES	**1999**	**1998**	**1999**	**1998**
Guard Services	321	–	24	–
Cash In Transit Services	1,129	1,017	84	77
TOTAL	**1,450**	**1,017**	**108**	**77**
Proportion of total sales, %	6	7	–	–
Av. number of employees	4,423	2,624		

Securitas in Great Britain has been active in cash in transit services since the acquisition in 1996 of Security Express Armaguard. Sales are divided between retail trade (65 percent) and banks (35 percent). During the year, Securitas developed into one of Britain's largest cash in transit services companies. In 1999, sales were MSEK 1,450, an increase of 41 percent, expressed in local currency. Organic growth was 10 percent.

The British cash in transit services industry has undergone major changes over the last few years. The industry's deliberate focus on service and product development has contributed to raising service quality.

In order to improve security and customer service, Securitas' British business has invested in training, but also in armored vehicles, premises and in IT support systems. This has contributed to refinement of the operations, whilst security and quality have been enhanced.

During 1999, focus has been on the implementation of new IT systems and securing technical equipment in connection with the millennium date change. The company also had its ISO 9002 certification renewed. Overall, a stable platform is now in place for future growth and profitability. The positive development of the industry and improved security have also contributed to better relations with the labor organizations.

In Britain, outsourcing of cash in transit services is already high, but nevertheless there remains great potential for development. During the year, Securitas in Great Britain has focused on refinement of services for, among other things, cash dispensing machine services and one-man crew security vehicles. Securitas' management in Great Britain also has a central role in developing the Cash In Transit Services business throughout the Securitas Group.

As a result of the aquisition of Pinkerton's Inc. during the year, Securitas gained a guard services business in Great Britain. A transformation process in accordance with the Securitas Model has begun. Already by the end of 1999, the improvement in profitability was noteable. This part of Pinkerton's operation changed its name during the year and now operates under the Securitas name.

In February 2000, Securitas UK acquired Micro-Route Ltd., which is active in the cash dispensing machine sector and carries out installation and servicing of cash dispensing machines. The company has annual sales of MSEK 168.

The British security market is estimated to be worth MSEK 47,000, of which Securitas' share is 3 percent. In guard services, the largest competitors are Group 4, Securicor and Reliance. In cash in transit services, Securitas competes mainly with Securicor.

SPAIN – Positive development in the security industry

	MSEK		MESP	
SALES	**1999**	**1998**	**1999**	**1998**
Guard Services	1,320	1,070	25,039	19,993
Alarm Systems	181	140	3,427	2,607
Cash In Transit Services	225	227	4,272	4,252
TOTAL	**1,726**	**1,437**	**32,738**	**26,852**
Proportion of total sales, %	7	11	–	–
Av. number of employees	9,543	8,295		

During the year, Securitas in Spain had sales of MSEK 1,726. The increase in sales was 22 percent expressed in local currency, of which 10 percent was organic growth.

The entire security industry in Spain is now united in raising standards in the industry. In order to recruit and retain personnel, Securitas continues to abide by the five-year salary contract which entails a 5 percent annual pay increase. The contract was signed with the unions in 1997.

Guard Services operations in Spain posted organic growth of just over 8 percent during 1999. Sharp focus on refinement of permanent guarding has contributed to creating a good platform for continued growth. Patrol guarding and the timesharing-concept have been introduced in several cities and the integration of French Proteg's Spanish subsidiary, Asepro, which was acquired in 1998, was successfully completed during the year.

Securitas in Spain shows the strongest growth in the Group in Alarm Systems. Small alarms and banks, which together constitute a very large market in Spain, have been in focus and developments were positive with rapid growth.

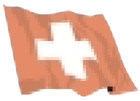
The generally difficult market and competitive scenario which has characterized the Spanish cash in transit services market for several years, has now changed and the need for new thinking and restructuring is evident. Securitas launched new services for the retail trade during the year.

In September, with effect from July 1, Securitas acquired Seguridad 7, a guard services company with business primarily on the Canary Islands. The acquisition is expected to increase sales by about MSEK 170 on an annual basis.

In January 2000, Securitas acquired 75 percent of the security company Ausysegur, with annual sales of MSEK 530, creating a good platform for Cash In Transit Services operations in Spain.

The total Spanish security market is estimated to be worth MSEK 12,000, of which Securitas' share, including Ausysegur, is about 19 percent. The Spanish market is one of the most rapidly growing in Europe. The introduction of a new guard category – *vigilante de seguridad* – will lead to new security solutions in the market, such as timesharing-services and combined solutions incorporating alarm systems and guarding.

The largest competitors in guarding are Prosegur, Prosesa, Seguriberica and Vinsa. In alarm systems, Securitas is now the market leader and in cash in transit services Securitas competes with Prosegur.



SWITZERLAND
– Strong organic growth

	MSEK		MCHF	
SALES	**1999**	**1998**	**1999**	**1998**
Guard Services	299	242	55	44
Alarm Systems	7	6	1	1
Cash In Transit Services	44	32	8	6
TOTAL	**350**	**280**	**64**	**51**
Proportion of total sales, %	1	2	–	–
Av. number of employees	757	600		

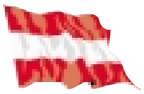
Securitas' Swiss company, Protectas, had sales of MSEK 350 in 1999. Organic growth was 19 percent. The increase in sales is explained primarily by an increase in outsourcing, whilst Protectas focused on growth, especially in Cash In Transit services, and on further refinement of services.

During 1999, the Swiss cash in transit services market grew. The increase is due to the fact that the outsourcing process, which began already last year, has accelerated, especially in the bank sector and in retail trade. Demand for cash-processing services has increased sharply and this is an area where growth is expected to be good going forward. Protectas broadened its range of services during the year, and now also offers coin-handling for bank and retail customers.

The consolidation of French Proteg's Swiss subsidiary, CNC Sécurité, with sales of about MSEK 14, has progressed according to plan. Business is still being conducted under the Protectas name in Switzerland. The name is combined with Securitas' trade mark, the three red dots, to indicate that Protectas is a part of the Securitas Group.

The Swiss security market is estimated to be worth MSEK 4,700, of which Protectas' share is about 7 percent.

In guarding, Protectas competes with the market leader, Securitas AG. In alarm systems, the largest competitors are Cerberus, Securiton CIPE and C.E.T. In cash in transit services, Protectas competes primarily with Mat Securitas Express.



AUSTRIA
– Platform for refinement

	MSEK		MATS	
SALES	**1999**	**1998**	**1999**	**1998**
Guard Services	135	46	212	67
Cash In Transit Services	142	136	222	211
TOTAL	**277**	**182**	**434**	**278**
Proportion of total sales, %	1	1	–	–
Av. number of employees	876	944		

In 1999, Securitas in Austria had sales of MSEK 277. In local currency terms, sales increased by 56 percent compared to the previous year, 5 percent of which was organic growth.

Operations in Austria consist of two independently operating units – Guard Services and Cash In Transit Services. Both changed their names to Securitas during the year.

For Guard Services, 1999 was a year of consolidation and operations were characterized by the integration of the guard services company Raab Karcher Sicherheit, which was acquired in 1998. A new operative management was appointed, whose challenge is to start the process of refining services. Towards the end of the year, the Guard Services operations established its own alarm monitoring station.

The Cash In Transit Services business posted significantly better earnings than the previous year, largely due to a volume increase, primarily in the retail trade segment. In order to increase capacity and efficiency, rebuilding of the office in Vienna was started in connection with the unification of Securitas' Cash In Transit Services business with Raab Karcher's Guard Services operations.

The Austrian security market is worth about MSEK 2,600, of which Securitas' share is about 10 percent.

In guarding, Securitas competes with Group 4 and ÖWD and in cash in transit services the Post Office is the largest competitor.

PORTUGAL – Best in its class

	MSEK		MPTE	
SALES	**1999**	**1998**	**1999**	**1998**
Guard Services	605	561	13,821	12,671
Alarm Systems	109	99	2,489	2,226
Cash In Transit Services	171	126	3,910	2,837
TOTAL	**885**	**786**	**20,220**	**17,734**
Proportion of total sales, %	4	6	–	–
Av. number of employees	6,612	5,912		

1999 was yet another strong year for Securitas in Portugal. Sales amounted to MSEK 885, which in local currency is equivalent to an increase of 14 percent, all growth being organic. Securitas in Portugal continues to be the Group's most profitable unit.

With focus on refinement of services in all business areas – Guard Services, Alarm Systems and Cash In Transit Services – Securitas leads development in the Portuguese security industry.

Sales in Cash In Transit Services were very good, primarily because of the development of cash dispensing machines. Securitas in Portugal currently services a large portion of the country's cash dispensing machines.

Pinkerton's Guard Services operations were integrated during the year with Securitas. In November, Securitas acquired Sonasa Madeira SA, with operations on Madeira and the Azores. The acquired company is active in all of Securitas' business areas and the acquisition had the effect that Securitas is now market leader in all business areas, and is represented in all geographical markets in Portugal.

The total Portuguese security market is estimated to be worth MSEK 2,800, of which Securitas' share is 30 percent.

The largest competitors in guard services are Prosegur and Grupo 8. In alarm systems, Securitas competes with Cerberus and in small alarm systems and cash in transit services, Securitas competes with Prosegur.

BELGIUM – New acquisition with focus on airport security

	MSEK	MBEF
SALES	**1999**	**1999**
Guard Services	196	924
TOTAL	**196**	**924**
Proportion of total sales, %	1	–
Av. number of employees	2,691	

*October 1 – December 31, 1999.

In October, the Securis Group, a national security company in Belgium was acquired. Securitas thus began operations in Belgium. Securis, with its four subsidiaries, is active in three areas, *guard services* – Securis and Securis IGS, *airport security* – Securair, and *training* – Airport Security Training Centre. Securis had sales of MSEK 196 during the fourth quarter 1999.

Much like Securitas, Securis works close to its customers in order to create long-term relationships, with customized security solutions for each customer. Customers include the EU and embassies.

The subsidiaries possess a great deal of valuable know-how and expertise. One example is Securair, which handles security at Brussels international airport. The service includes passenger and carry-on luggage checks, x-ray of checked luggage and assistance for handicapped passengers. Additionally, specific security services are provided to airlines, including searching and guarding of aircraft. Securair will be responsible for development of airport security in the Securitas Group.

In February 2000, Securitas acquired Baron Security S.A., Belgium's fourth largest security company, with annual sales of MSEK 300. Operations are primarily in guard services.

The total Belgian security market is estimated to be worth MSEK 3,600, of which Securis' share is about 30 percent after the acquisition of Baron in February 2000. Securis is the second largest player in the Belgian security market and competes primarily with Group 4 and GMIC (Rentokil).

HUNGARY – Complete solutions for banks

	MSEK		MHUF	
SALES	**1999**	**1998**	**1999**	**1998**
Guard Services	46	34	1,331	917
Alarm Systems	8	12	233	317
Cash In Transit Services	45	45	1,303	1,198
TOTAL	**99**	**91**	**2,867**	**2,432**
Proportion of total sales, %	<1	1	–	–
Av. number of employees	723	1,067		

With total sales of MSEK 99, Securitas in Hungary increased its sales in local currency by 18 percent over the previous year, 13 percent of which was organic growth.

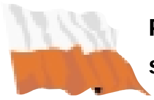
Securitas in Hungary has worked on reducing costs during the year. All three business areas have been brought together into common premises. Coordination of agreements with suppliers has also contributed to lower prices and improved payment terms.

In Cash In Transit Services, Securitas in Hungary has begun to offer complete solutions to banks, that is, handling of entire money flows, instead of just transporting cash. For the retail trade, the new one-man crew retail vehicle has been introduced. The cost of the new vehicle is lower, making it possible to offer competitive prices for Cash In Transit Services to the retail trade.

The integration of Raab Karcher was completed as planned during 1999.

In Hungary, the total security market is worth about MSEK 1,000 and Securitas' share is about 12 percent.

In guard services, Securitas competes with some ten larger companies, of which Bizalom Kft and Group 4 are the largest competitors. In cash in transit services, Securitas is one of the largest companies and competes primarily with Group 4 and Banktech.



POLAND – Cash In Transit in the start-up phase

	MSEK		MPLN	
SALES	**1999**	**1998**	**1999**	**1998**
Guard Services	67	62	32	28
Alarm Systems	22	3	11	1
Cash In Transit Services	13	2	6	1
TOTAL	**102**	**67**	**49**	**30**
Proportion of total sales, %	<1	<1	–	–
Av. number of employees	1,405	1,293		

In Poland, the positive development of the country's economy continues. During 1999, Securitas strengthened its position in the Polish security market. Total sales were MSEK 102, which in local currency constitutes an increase of 67 percent, of which 55 percent was organic growth.

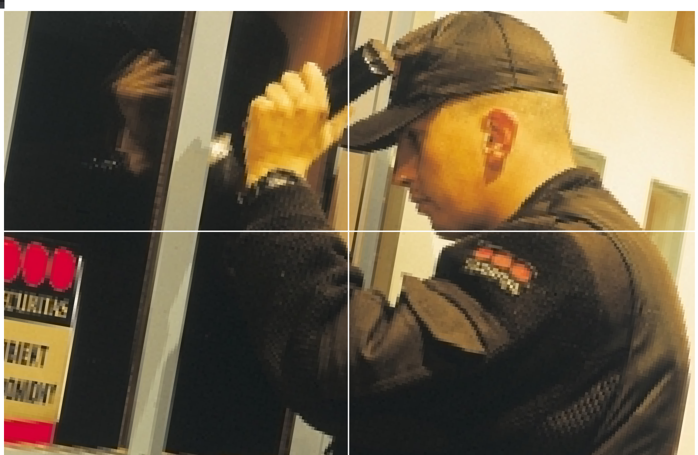
In September, Agema Ltd. was acquired from one of Poland's banks, and Securitas thus took over the bank's security services. Guard Services has increased its range of services by introducing combined solutions. In addition, cooperation has been initiated with the large retail chains Metro and Tesco.

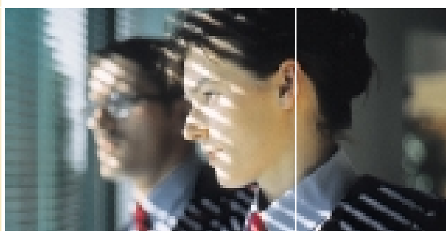
In Alarm Systems, a GSM-system has been installed, making it possible to monitor connections all over Poland from one single alarm monitoring station in Warsaw. The monitoring service is supported by call-out teams.

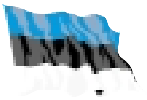
On a relative basis, Cash In Transit Services became the most profitable business area during the year and Securitas Poland opened 5 cash-processing centers in Poland for banks and the retail trade.

During 1999, new legislation was introduced for security operations and this has contributed to creating a good climate for serious security companies in Poland.

The total Polish security market is worth about MSEK 5,600, of which Securitas' share is about 3 percent. Securitas is one of the largest security companies in Poland and competes primarily with Solid Security, Falck Sezam and Group 4.







ESTONIA – Increase in combined contracts

	MSEK		MEEK	
SALES	**1999**	**1998**	**1999**	**1998**
Guard Services	30	7	54	12
Alarm Systems	15	8	28	14
Cash In Transit Services	5	5	8	8
TOTAL	**50**	**20**	**90**	**34**
Proportion of total sales, %	<1	<1	–	–
Av. number of employees	565	529		

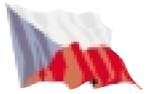
Securitas in Estonia increased its sales in local currency by 162 percent, of which 156 percent was organic growth. Guard Services and Alarm Systems account for the largest part of the gain. As industrial activity in the country grows, the need for security also grows. This has led to increased demand for security services. Securitas in Estonia focused during the year on developing combined security solutions for all customer groups. This has meant that cooperation with several customers has matured and new contracts combining technology with pure guard services have been concluded.

The organic volume development was strongest in Alarm Systems during 1999. The increase here was about 70 percent. The increase is due to increased sale of CCTV surveillance systems and access control.

Despite the growth rate in Estonia, we have not reached the goals set. Estonia therefore reports to Finland as of January 1, 2000. The hope is that this will further increase growth and profitability in the Estonian business.

The total Estonian security market is estimated to be worth about MSEK 400, of which Securitas' share is about 11 percent.

The security market in Estonia is highly fragmented, with about forty registered companies. Securitas is number two after Estonian Security Service, which is owned by Falck.



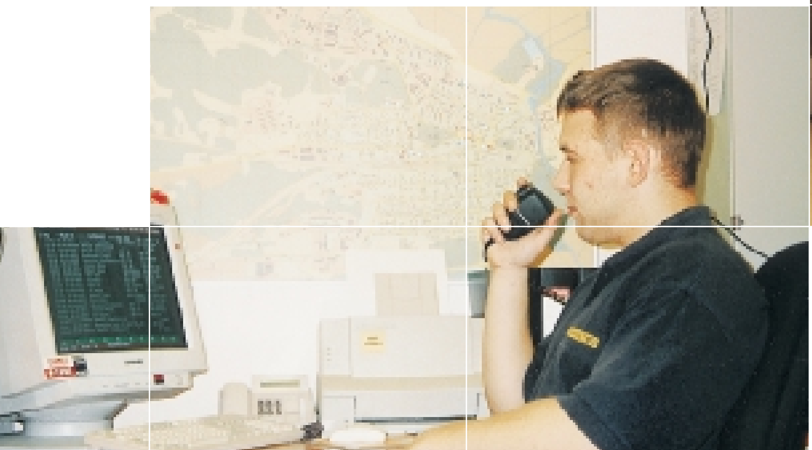
CZECH REPUBLIC – Guard Services operations in focus

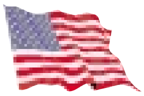
	MSEK		MCZK	
SALES	**1999**	**1998**	**1999**	**1998**
Guard Services	53	14	222	51
Alarm Systems	1	–	2	–
Cash In Transit Services	1	–	5	–
TOTAL	**55**	**14**	**229**	**51**
Proportion of total sales, %	<1	<1	–	–
Av. number of employees	1,230	995		

Securitas' operations in the Czech Republic are the result of the acquisitions of Raab Karcher in 1998 and Pinkerton in 1999. During 1999, Securitas in the Czech Republic had sales of MSEK 55. Organic growth was 39 percent.

Developments during the year were positive. Integration of the two companies was the focus for the newly appointed management. The company has focused on refining and developing services, especially in Guard Services.

The Czech security market is estimated to be worth about MSEK 800 and Securitas' share is about 8 percent. After the acquisition of Pinkerton, Securitas is number four in the Czech security market after Group 4, Fenix and B.O.S.





USA – New acquisitions with good - platform

SALES	MSEK 1999*	MUSD 1999*
Guard Services	4,662	557
Alarm Systems	505	60
Cash In Transit Services	–	–
TOTAL	**5,167**	**617**
Proportion of total sales, %	20	–
Av. number of employees	34,726	

* April 1 – December 31, 1999.

Securitas acquired the American company Pinkerton's Inc. in March 1999. Pinkerton was established in 1850, and at the time of acquisition, was the second largest security company in the United States, with a market share in guard services of about 6 percent.

For the seventh consecutive year, the U.S. economy has posted strong growth with low inflation, improved productivity and low unemployment. The strong U.S. economy provides a good foundation for continued growth in the security market.

During 1999, Pinkerton in the United States worked on restructuring to implement the Securitas Model, to reduce indirect costs and to increase profitability. The internal structure was adapted to achieve a more customer-focused, growth-oriented organization. By moving support functions out to the divisions, head office operations have been restructured.

The need for outsourcing continues to grow in the United States and the guard services operations posted growth of 3 percent with improved operating margins, in part due to lower head office costs. A special training program – Pilot Office Program – focusing on the operational processes within the business, has been developed for sharing ideas on a national basis. The goal is higher standardization, increased efficiency, increased willingness to listen, shorter time cycles and increased profitability.

Pinkerton Government Services was reorganized in order to continue to serve companies having U.S. Government contracts and requiring guards with U.S. Government security clearance. Foreign ownership required a separate organization to be created with its own Board of Directors.

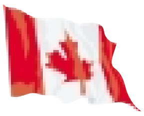
Alarm systems operations were reorganized by moving the head office to Atlanta, Georgia, a location previously only housing a central monitoring station and a regional office. The division's four regions were reduced to two and a new accounting system was implemented to increase efficiency. The alarm systems business has shown growth of over 10 percent during the year and reached break-even during the third quarter, after heavy losses in prior years.

In December, agreements were concluded to acquire American Protective Services (APS) and First Security Corporation (First Security). APS, with sales of MSEK 3,300 mainly on the West Coast of the United States, was established in 1945. First Security, with sales of MSEK 1,130 in the North-Eastern United States, was established in 1972. These acquisitions are elements of the new strategy of growing locally in the United States and establishing regional market leadership. Through these acquisitions, Securitas reached a market share of 14 percent on the West Coast and 19 percent in the North-Eastern United States.

Securitas' annual sales in the United States amount to over SEK 11 billion as a result of these acquisitions.

The annual growth rate of the American market is estimated at about 8 percent. The total security market is estimated to be worth about SEK 280 billion and Pinkerton's share is about 4 percent. Just over SEK 100 billion of this business volume is in guard services and Pinkerton's share is about 10 percent.

Securitas' American operation, Pinkerton, competes mainly with Burns, Wackenhut, Allied-Spectaguard, Barton and Guardsmark Inc. in guard services and The Security Technologies Group in alarm systems.



CANADA – Strong foothold in fragmented market

	MSEK	MCAD
SALES	**1999***	**1999***
Guard Services	318	56
Alarm Systems	25	5
Cash In Transit Services	64	11
TOTAL	**407**	**72**
Proportion of total sales, %	2	–
Av. number of employees	3,203	

* April 1 – December 31, 1999.

As a result of the acquisition of the American company Pinkerton, Securitas has had operations in Canada since April 1999.

The guard services market in Canada is distinguished by extreme fragmentation and price wars. Operating margins in the industry have been unacceptably low for several years. In spite of this, Securitas has gained a strong foothold through the acquisition. Securitas' Canadian business, which operates under the Pinkerton name, has succeeded in increasing margins as well as profitability during 1999 compared to 1998.

In Cash In Transit Services, the operation in Canada is a relatively small player, but has still managed to maintain double digit growth rate. Pinkerton is in fact the only security company in Canada with operations in Guard Services, Alarm Systems, Consulting & Investigations as well as Cash In Transit Services.

The Canadian security market is worth just under MSEK 20,000, of which Pinkerton's share is about 5 percent.

In guarding, Pinkerton competes primarily with the Canadian Corps of Commissionaires, Canadian Veterans' Organization, Burns, Group 4 and Rentokil. On the cash in transit side, the largest competitors are Loomis Canada and Brinks.

MEXICO – Consolidation for future growth

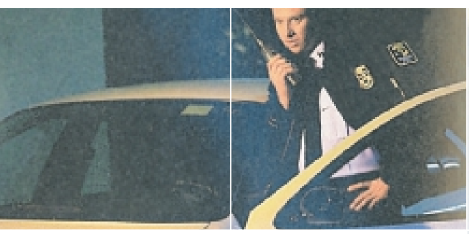
	MSEK	MMXN
SALES	**1999***	**1999***
Guard Services	110	125
TOTAL	**110**	**125**
Proportion of total sales, %	<1	–
Av. number of employees	2,346	

* April 1 – December 31, 1999.

After the acquisition of Pinkerton in April 1999, Securitas is also represented in Mexico. The security market in Mexico is estimated to be worth about MSEK 3,900, of which Pinkerton's share is 4 percent.

Securitas' Mexican company – Pinkerton Servicios de Seguridad Privada, S.A. de C.V. – was established in 1990 in Monterrey, Mexico, and is primarly active in guard services. The business in Mexico serves mainly large international customers. In business area Alarm Systems, Pinkerton in Mexico has a business in its infancy.

In guard services, Pinkerton Mexico competes mainly with the government-owned Policia Bancariay Auxiliar, Intercon and Multisistemas-Burns.



SECURITAS DIRECT – Continued good growth

	MSEK	MSEK
SALES	**1999**	**1998**
Sweden	159	128
Norway	109	86
Denmark	31	19
Finland*	10	16
France	95	82
Spain	117	70
Switzerland	23	22
TOTAL SALES	**544**	**423**
Proportion of total sales, %	2	3
Av. number of employees	580	350

* Refers to only 8 months sales after which the business was transferred from Securitas Direct to the operative unit in Finland.

Securitas Direct sold and installed 38,000 alarm systems in 1999, an increase of 39 percent. All of this growth was organic. The total installed base of alarm systems is now 134,000. Sales amounted to MSEK 544. Home alarms constitute about 80 percent and small companies account for 20 percent.

Most countries show good volume growth, especially Spain. France and Denmark, which previously showed low growth, also posted good results.

Securitas has sharpened its focus on small companies and home alarms, where Securitas Direct primarily develops and sells to the home alarm market.

The trend in the home alarm market is towards wireless solutions. Securitas Direct is already developing sales in this area in Spain, France and Denmark. Approximately 30 percent of total sales are now wireless products.

The general trend in the alarm market away from local stand-alone alarms towards alarms which are linked to an alarm monitoring station continues. Securitas Direct's strategy for increased growth remains to increase market share in the alarm market whilst simultaneously growing the total alarm market. In addition, adaptation to changes in the market continues, with regard to "the intelligent home" and security solutions offering "value-added" services.

The competitive situation is gradually changing. Traditional local alarm installers are decreasing in importance since they do not focus on volume. In their place are new competitors; banks and insurance companies (Crédit Mutuel, AXA and BNP in France), telecom companies (e.g. Belgacom in Belgium) and utility companies (e.g. Vattenfall in Sweden), all of which offer new products and services. Securitas Direct has a positive view of this development of a broader product range, since it leads to increased awareness and interest in home alarms amongst consumers.

CONSULTING & INVESTIGATIONS – New opportunities in a new business segment

	MSEK	MUSD
SALES	**1999***	**1999***
TOTAL SALES	**418**	**50**
Proportion of total sales, %	2	–
Av. number of employees	754	

* April 1 – December 31, 1999.

With the acquisition of Pinkerton, Securitas gained a new business segment – Consulting & Investigations. Pinkerton C&I is the world's second largest firm of its kind and operates globally, like Securitas Direct, as opposed to other operating units in Securitas.

Investigations include services in insurance fraud, due diligence, forgery and protection of intellectual capital.

C&I focuses on protecting assets, by for example making assessments of physical security risk and developing electronic security systems and computer network security.

C&I previously consisted of independent divisions in each country of operation, which drove the business with the support of the guard services organisation. Marketing, IT systems and administrative functions were therefore not adapted to suit C&I.

One of the most important tasks during 1999 was to bring together C&I's operations worldwide and to create a uniform structure. A single world-wide division has now been created in order to provide better customer service and to increase focus on growth. Simultaneously, the unit's headquarters were relocated to Charlotte, North Carolina. In C&I, the major accounting firms, Kroll O'Gara, IGI and DSFX are the main competitors.

Financial Reporting

Report of the Board of Directors

The Board of Directors and the President of Securitas AB (publ), corporate registration number 556302-7241, with its principal office in Stockholm, hereby submit their Annual Accounts and consolidated financial statements for the 1999 financial year.

Ownership structure

The principal owners of Securitas AB are Investment AB Latour, which together with Förvaltnings AB Wasatornet and SäkI AB hold 13.8 percent (15.6) of capital and 34.5 percent (37.2) of votes, and Melker Schörling with companies, who hold 4.8 percent (5.6) of capital and 8.7 percent (9.4) of votes. These owners are represented by Gustaf Douglas and Melker Schörling on the Board of Directors.

At the Annual General Meeting of shareholders held in 1999, Denis R. Brown, former Chief Executive Officer of Pinkerton's Inc., and Carl Douglas were elected to the Board of Directors of Securitas. In connection with Raab Karcher AG VEBA's sale during the summer of 1999 of its holding equivalent to 4.0 percent of capital and 2.8 percent of votes in Securitas AB, Wilhelm Heilmann resigned from the Board of Directors.

The Company's management

The Board of Directors decides on the Group's overall strategy, corporate acquisitions and investments in fixed assets. In addition, the Board of Directors is responsible for the Group's organization and administration in accordance with the Swedish Companies Act. Rules of procedure for the work of the Board of Directors are documented in a written instruction which was adopted during 1998.

The Board of Directors has nine regular members and three employee representatives with two deputy employee representatives. The Board of Directors meets a minimum of four times annually, with at least one meeting in conjunction with a visit to, and in-depth review of, one country of operation. During the year, the Board of Directors held 12 Board meetings.

The Auditors participate in the annual meeting of the Board of Directors in conjunction with the annual closing of the books; no separate audit committee has therefore been appointed.

The nomination committee to elect candidates to membership of the Board of Directors consists of the Chairman of the Board of Directors and the Vice Chairman of the Board of Directors as representatives for the principal owners.

The Securitas Group is organized as a group of companies, owned directly or indirectly by the Swedish publicly quoted parent company, Securitas AB. The organizational structure of the Securitas Group is based on each local market. There is a country manager for each country with overall responsibility for operations in the country in each of the business areas; Guard Services, Alarm Systems and Cash In Transit Services. Divisions Securitas Direct and Consulting & Investigations are headed by two division managers with responsibility for each division's business in all countries of operation.

Group Management together with the country and division managers lead the day-to-day operations of the Group. Group Management has 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.

Group Management consists of 12 executives. Group Management includes Thomas Berglund, President and Chief Executive Officer, Amund Skarholt, Executive Vice President and Chief Operating Officer, Håkan Winberg, Executive Vice President and Chief Financial Officer, Tore K. Nilsen, Executive Vice President and responsible for business area Guard Services and Juan Vallejo, Executive Vice President and responsible for business area Alarm Systems. In addition Group Management includes the country managers for Germany, France, Great Britain, Spain, Belgium, the United States and the division manager of Securitas Direct.

The country managers and the two division managers are responsible for the day-to-day operations in each country and division being conducted according to the law as well as the guidelines and instructions laid down by Group Management. Reporting of operations in each country takes place either through the country manager's direct presence in Group Management or, in the case of countries whose managers are not part of Group Management, through a specially appointed Group Management representative (Parent Company Representative).

The Board of Directors and Group Management set the framework for the operations as part of the annual budget process, whilst the foundation is laid for a high degree of decentralization of the business. A common financial and accounting policy, Securitas Financial Policies and Guidelines, sets the framework for financial control and follow-up.

European Group Council

Since 1996, Securitas has had a European Group Council, formed with the objective of constituting a forum for information and consultation amongst Group Management and the employees in Securitas' countries of operation. The Group Council convened once during the year.

Development in the Group's business areas

In Guard Services, refinement and specialization of services continues. Organic growth was 5 percent (10). The lower rate of growth compared to the previous year is primarily due to a temporarily lower rate of growth in Germany and France after the acquisitions of Proteg and Raab Karcher.

Business area Alarm Systems grew organically by 16 percent (2) with good profitability. There is now a stable and profitable platform in the Nordic Region, which during the year posted good growth and profitability.

In Securitas Direct, volumes and earnings continued to show very positive development. The number of newly installed units during the year was 38,000 (27,000), which is an increase of 39 percent compared to the previous year. The total installed base is now 134,000 units (99,000). Sales grew organically by 32 percent (36).

In addition to Securitas Direct, Securitas has 198,000 (176,000) alarm connections in Alarm Systems, with a growth rate of 13 percent. 74,000 (61,000) of these are alarm connections in small companies, with a growth rate of 22 percent.

Continued outsourcing in the banking sector and in retailing and stable operations in Germany and Spain, have meant good growth for the Cash In Transit Services business, which grew by 12 percent (5) organically, whilst profitability improved.

All business areas increased their operating income before amortization of goodwill compared to the previous year.

BUSINESS AREA OVERVIEW

	Guard Services[1]		Alarm Systems		Direct		Cash In Transit Services		Total	
	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998
Sales, MSEK	18,515	8,558	3,460	2,092	544	423	3,127	2,638	25,646	13,710
Organic growth, %	*5*	*10*	*16*	*2*	*32*	*36*	*12*	*5*	*9*	*9*
Operating income before amortization of goodwill, MSEK	1,029	630	339	194	68	59	194	120	1,630	1,003
Operating margin, %	*6*	*7*	*10*	*9*	*13*	*14*	*6*	*5*	*6*	*7*
Operating capital employed as % of sales[2]	*7*	*12*	*21*	*19*	*23*	*25*	*41*	*50*	*12*	*15*

[1] Includes Consulting & Investigations.
[2] Adjusted for full-year sales of acquired entities.

Development in the countries of operation

Organic growth during 1999 was 9 percent (9). Acquired entities increased sales by MSEK 10,964.

The Nordic countries show good organic growth in all business areas.

In Germany and France, restructuring work following the acquisitions of Raab Karcher and Proteg has been finalized. In France, the statutory shortening of the working week to 35 hours has been fully compensated for through higher prices to customers. Organic growth is expected to improve gradually in France and Germany. In Great Britain, the good development of volumes and earnings continues.

In Spain, Guard Services and Alarm Systems operations continued their very good and profitable growth. Volumes are increasing in the Spanish Cash In Transit Services. Portugal shows good growth, particularly in Cash In Transit Services, and continues to be the Group's most profitable unit.

GROUP SALES BY COUNTRY AND DIVISION

Country	1999 MSEK	Share of total	1999 M(local)	1998 M(local)	Change in % organic	Change in % total
Sweden	3,080	12	3,080	2,940	8	5
Norway	1,324	5	1,250	1,134	10	10
Denmark	359	2	304	243	18	34
Finland	860	3	583	480	13	21
Germany	3,915	15	872	502	3	74
France	4,345	17	3,246	1.488	0	118
Great Britain	1,450	6	108	77	10	41
Spain	1,726	7	32,738	26,852	10	22
Switzerland	350	1	64	51	19	26
Austria	277	1	434	278	5	56
Portugal	885	4	20,220	17,734	14	14
Belgium[1]	196	1	924	–	–	–
Hungary	99	<1	2,867	2,432	13	18
Poland	102	<1	49	30	55	67
Estonia	50	<1	90	34	156	162
Czech Republic	55	<1	229	51	39	346
USA[2]	5,167	20	617	–	–	–
Canada[2]	407	2	72	–	–	–
Mexico[2]	110	<1	125	–	–	–
Securitas Direct	544	2	544	423	32	29
Consulting & Investigations[2]	418	2	50	–	–	–
Elimination	–73	–	–73	–123	–	–
Total (MSEK)	**25,646**	**100**	**25,646**	**13,710**	**9**	**87**

[1] October 1 – December 31, 1999.
[2] April 1 – December 31, 1999.

Acquisitions

Acquisitions increased 1999 sales by MSEK 10,964. The Group's goodwill has increased by MSEK 3,327 and amortization of goodwill by MSEK 104. Completed acquisitions further increase full-year sales by approximately MSEK 8,200, whilst amortization of goodwill increases by about MSEK 169 per year.

United States

On March 31, 1999 Securitas completed the acquisition of Pinkerton's Inc., which was established in 1850 and is the second largest guard services company in the United States, with annual sales of about MSEK 9,200 and 48,000 employees in the United States, Canada, Mexico, Europe and Asia. Pinkerton, which was listed on the New York Stock Exchange, was acquired through a cash tender offer of USD 29 per share, equivalent to a total price of MSEK 3,201. The Group's goodwill increased by MSEK 2,954. The amortization period is 20 years. Pinkerton is consolidated in Securitas as of April 1, 1999 and made a positive contribution to consolidated income during 1999.

Pinkerton's management structure has been altered so that the country managers for the United States, Canada and Mexico, and Consulting & Investigations, report directly to Securitas' Group Management. The European business in Pinkerton has been integrated with that of Securitas. A decentralization process has also been implemented, whereby Pinkerton's head office functions have been allocated to each respective country and business area. This has resulted in significant cost savings.

The American Guard Services operations posted growth during 1999 of about 3 percent and operating margin improved, in part due to lower head office costs. The American Alarm Systems operations reached break-even during the third quarter and now shows positive operating income. The British Guard Services operations reached break-even during the fourth quarter of 1999.

On December 6, 1999 an agreement was reached regarding the acquisition on January 2, 2000, of American Protective Services Inc. (APS) and First Security Corporation (First Security).

APS, with sales of about MSEK 3,300, based in Oakland, California, was established in 1945. At the time of acquisition, the company was the largest privately owned security company in the United States. Most of the business is in guard services. The company is market leader in the Western United States, which accounts for more than 70 percent of the company's sales. The company also has a Canadian operation with annual sales of MSEK 65. The number of employees in APS is 17,000.

First Security, with sales of MSEK 1,130, based in Boston, Massachusetts, was established in 1972 and is market leader in the North-Eastern United States. About 90 percent of the company's business is in guard services, 5 percent in alarm system installations and alarm monitoring and 5 percent is in security consulting services. The number of employees is 5,500.

The total acquisition price, which was paid on January 2, 2000 was MSEK 1,693 and the Group's goodwill will increase by MSEK 1,419. The amortization period is 20 years. APS and First Security are consolidated in the Securitas Group from January 1, 2000 and will make a positive contribution to the Group's income during 2000.

These acquisitions are an element of Securitas' strategy of growing locally in the United States. APS, with its primary business on the West Coast, and First Security with operations in the North-Eastern United States, contribute to Securitas becoming market leader in the Western United States, with a market share of 14 percent, as well as in the North-Eastern United States, with a market share of 19 percent. Overall, Securitas' market share, as the leading Guard Services Company in the United States, is 10 percent of the U.S. guarding services market and 4 percent of the total security market in the United States.

From 2000, Securitas' American operations will have annual sales of MSEK 11,800, with Guard Services accounting for MSEK 10,500, Alarm Systems for MSEK 700 and security consulting operations for MSEK 600.

Great Britain

In February 2000, effective as of January 1, 2000, the British company Micro-Route Ltd. was acquired, with sales of MSEK 168 and 250 employees. The company operates in the cash dispensing machine sector and carries out installation and servicing of cash dispensing machines.

By combining the fast-growing cash dispensing-related activities in Securitas UK with Micro-Route Ltd.'s operations, Securitas will find itself in the unique position of being able to offer a full range of cash dispensing machine services, from cash replenishment to advanced machine servicing. The acquisition will thus enable Securitas in Great Britain to obtain a larger share of the cash dispensing machine service market, which is currently estimated to be worth MSEK 1,900.

The acquisition price was MSEK 109 and gives rise to goodwill of about MSEK 92, which will be amortized over 10 years. The acquisition will make a positive contribution to the Group's income during 2000.

Spain

In September 1999, with effect from July 1, Securitas acquired the Spanish guard services company Seguridad 7. The company conducts a profitable guard services business, which is the mainstay of its operations. Seguridad 7 operates primarily on the Canary Islands. Sales on an annual basis are estimated to be MSEK 170 and the number of employees is approximately 1,000. The acquisition price was MSEK 64 and gave rise to goodwill of MSEK 57 to be amortized over 10 years. The acquisition made a positive contribution to the Group's income for 1999.

On January 20, 2000 Securitas concluded an agreement to acquire Ausysegur, with annual sales of about MSEK 530. The acquisition will be accomplished in three steps whereby Securitas will firstly acquire 75 percent of the shares from Lico Corporation SA, a financial services company owned by 46 savings banks in Spain. In a second step, Securitas in Spain will transfer its Cash In Transit business to Ausysegur, thereby increasing its stake in the company to 85 percent. In a third step, Lico will have an option to sell its remaining stake to Securitas, during the second year after the acquisition at the earliest. Securitas for its part will have an option to purchase the remaining shareholding not later than during the fourth year after the acquisition. The price for 75 percent of the shares will amount to MSEK 251. The total acquisition price for 100 percent of the shares in Ausysegur is estimated at MSEK 335. The second payment will occur when the option is exercised during the second or fourth year after the acquisition. The synergies and long-term effects of this acquisition will strengthen Securitas' Cash In Transit business in Spain significantly and make it possible to achieve good profitability. Ausysegur will be consolidated in the Securitas Group from April 1, 2000. The acquisition is expected to make a positive contribution to the Group's income from 2001.

Portugal

In November, effective as of December 1, 1999, Securitas acquired the Portuguese company Sonasa Madeira S.A. (Sonasa). Sonasa conducts business on Madeira and the Azores. The company has about 500 employees and annual sales of MSEK 59, with Guard Services accounting for most of this volume. The acquisition price amounted to MSEK 25 and gave rise to goodwill of MSEK 24 to be amortized over 5 years. The acquisition is expected to make a positive contribution to the Group's income from 2000.

Belgium

In October, the Belgian Securis Group (Securis) was acquired. Securis is Belgium's second largest security company, with annual sales totaling MSEK 780 and 2,600 employees. Securis started operations in 1985 and the company is mainly a supplier of guard services. The company has a market share of about 23 percent of the Belgian security market. The acquisition price was MSEK 270 and gave rise to goodwill of MSEK 230, to be amortized over 20 years. Securis is consolidated in the Securitas Group from October 1, 1999. The acquisition has not had a significant effect on 1999 income, but is expected to make a positive contribution to consolidated income from 2000.

In February 2000, Securitas acquired Baron Security with annual sales of MSEK 300 and 930 employees. Baron Security is Belgium's fourth largest security company, with operations mainly in guard services. The acquisition price was MSEK 123 and goodwill is estimated at MSEK 86. Baron Security will be included in the Securitas Group after approval is received from the competition authorities, expected in April 2000.

ACQUISITIONS 1996–2000, MSEK

Date	Company	Country	Full year sales	Business
Jan. 96	DSW	Germany	1,000	Guard Services
Jan. 96	Raab Karcher	Germany	180	Cash In Transit Services
Feb. 96	La Ronde de Nuit	France	65	Guard Services
Mar. 96	Sonasa	Portugal	170	Guard Services
Mar 96	Timetech	Sweden	40	Alarm Systems
Apr. 96	Krupp Sicherheit	Germany	40	Guard Services
Jun. 96	Security Express	Great Britain	650	Cash In Transit Services
Jul. 96	Norma & SET	Poland	30	Guard Services
Aug. 96	Network Mgt	Sweden	25	Guard Services
Sep. 96	Domen Sécurité	France	70	Direct
Oct. 96	Inkassaator	Estonia	3	Cash In Transit Services
Dec. 96	Inter Marketing	Finland	18	Alarm Systems
Total 1996			**2,291**	
Jan. 97	JLMT	France	18	Alarm Systems
Apr. 97	SGI Surveillance	France	420	Guard Services
Oct. 97	TeleLarm	Sweden	920	Alarm Systems
Total 1997			**1,358**	
Jan. 98	Kessler	France	120	Guard Services & Alarm Systems
Apr. 98	Segurcat	Spain	45	Alarm Systems
Jun. 98	Deutsche Sicherheit	Germany	290	Guard Services
Oct. 98	Proteg	France	3,800*	Guard Services, Alarm Systems & Cash In Transit Services
Oct. 98	Raab Karcher	Germany	2,000	Guard Services
Total 1998			**6,255**	
Mar. 99	Pinkerton	USA	9,200	Guard Services & Alarm Systems
Sep. 99	Seguridad 7	Spain	170	Guard Services
Oct. 99	Securis	Belgium	780	Guard Services
Nov. 99	Sonasa Madeira	Portugal	59	Guard Services
Total 1999			**10,209**	
Jan. 00	APS	USA	3,300	Guard Services
Jan. 00	First Security	USA	1,130	Guard Services
Jan. 00	Ausysegur	Spain	530	Guard Services & Cash In Transit Services
Feb. 00	Micro-Route	UK	168	Cash In Transit Services
Feb. 00	Baron Security	Belgium	300	Guard Services, Alarm Systems & Cash In Transit Services
Total 2000			**5,428**	

*Including the fire alarm business, about MSEK 600.

Divestitures

TeleLarm Care

The sale of TeleLarm Care to Securitas' shareholders was completed during January 1999, at which time the proceeds of the sale, MSEK 320, were received.

Fire alarm operations in France

The sale of the fire alarm operations in France to the British security company Williams Plc. was completed during February 1999, at which time the proceeds of the sale, MSEK 715, were received.

Network Management Tcpip AB

In January 1999, an agreement was concluded by Securitas for the sale of all shares, equivalent to 100 percent of votes, in Network Management Tcpip AB to Investment AB Bure. The company, with sales of about MSEK 30 and 33 employees, specializes in training for network and data communication security. The proceeds of the sale amounted to MSEK 25, and were received in January 1999.

Scand Park, Svensk Bolagsinkasso AB

On May 18, Securitas concluded an agreement to sell 100 percent of its shares in Scand Park, Svensk Bolagsinkasso AB (Scand Park), to Nordisk Parkering AB. Scand Park, with annual sales of about MSEK 50, has 57 employees. The company is active in parking services and collection services in Sweden. The proceeds of the sale amounted to MSEK 22, and were received in May 1999.

Multicom Security AB

On December 16, Securitas sold all of its shares in Multicom Security AB, equivalent to 45 percent of capital and votes in the company, to Telia. The proceeds of the sale amounted to MSEK 305, and were received in December.

Securitas Latvia SIA

On February 4, 2000, Securitas concluded an agreement to sell its 50-percent stake in Securitas Latvia SIA to Group 4, which after its acquisition owns 100 percent of the company.

New issue

On April 21, 1999 the Board of Directors decided to issue 24,347,826 new Series B shares pursuant to a resolution of the General Meeting of Shareholders held April 15, 1999. The Board of Directors also approved an option to a syndicate of banks led by Deutsche Bank to subscribe for an additional 3,652,174 new Series B shares. This option was exercised on May 12, 1999. A total of 28,000,000 new Series B shares were issued.

The price of the new shares was SEK 124 per share and a total of MSEK 3,364 was raised. The issue was placed with institutional investors in Sweden, the rest of Europe and the United States, broadening the ownership base, whilst securing the capital base for the Group's future expansion.

Move of certain Group Management functions

It was decided during the year to move parts of Group Management from Stockholm to London. The move is an element of the Group's continued expansion and has the effect that Group Management will be able to operate closer to its major areas of operation in mainland Europe and North America, as well as the financial markets. At the turn of the year, Securitas' Group Management and central staff consisted of about 35 persons, five of whom are based in Dublin. About 10 of the 30 persons in Stockholm are affected by the move to London, which is expected to be completed in August 2000.

The Company's principal office and the domicile of its Board of Directors will continue to be Stockholm. Securitas will continue to be listed on the Stockholm Stock Exchange.

Long-term bonus

During 1999, Securitas' Board of Directors and Group Management decided to terminate the long-term bonus program for executive management in such a way that the amount accrued as of June 16, 1999, corresponding to MSEK 251, of which MSEK 22 was charged to 1999 operating income, has been invested in an insurance policy owned by Securitas. The value of the insurance policy follows the market performance of the Securitas share until 2002. Subject to the individuals in the executive management still being in the employment of Securitas on December 31, 2002, the insurance will be transferred to them. The agreement means that Securitas will not be burdened by additional costs for the long-term bonus program and that the desired continuity of management is maintained, the latter being an important consideration when the program was established.

New credit facility

On December 8, Securitas signed a new syndicated loan facility totaling EUR 900 million. The facility is a so-called Multi-Currency Revolving Credit Facility and is divided into two tranches: a 364-day tranche of EUR 300 million with an option for Securitas to extend, and a five-year tranche of EUR 600 million. The credit facility was arranged by Citibank N.A., Deutsche Bank AG and SEB Debt Capital Markets. The facility replaces the syndicated loan facility of DEM 800 million, which was negotiated in December 1997. The larger amount of the facility reflects Securitas' strong growth since 1997 and existing plans for continued international expansion.

The millennium date change

The operations of Securitas were not adversely affected by the turn of the millennium.

Introduction of the euro

The new single European currency, the euro, was introduced in seven of the Group's countries of operation January 1, 1999. The countries in the Securitas Group affected are Finland, Germany, France, Austria, Spain, Portugal and Belgium. These countries account for about 40 percent of the Group's sales, based on full-year sales of companies acquired during 1999. No Group units have so far transferred to the euro as functional or accounting currency. This is expected to occur during the period until the year 2002, when the euro replaces the national currencies in each respective country. However, all units are prepared to invoice and receive payments in euro in the countries affected. A requirement for a unit in the Securitas Group to be permitted to make the switch to the euro as functional or accounting currency is that the rate of exchange between the national currency and the euro has been fixed.

The transition to euro as the Group's accounting currency is likely to take place during the period up to and including 2002, on condition that the necessary amendments to the Swedish Companies Act are carried out.

Securitas anticipates a positive effect on the Group's operation from the introduction of the euro. On the commercial side, especially in Cash In Transit Services, new business opportunities are expected to emerge over time, in part as a consequence of the switch of means of payment in the countries in question, in part due to new monetary flows.

The introduction of the euro is expected to lead to reduced financial risks in the Group. Methods of raising finance will be broadened if Europe's financial markets are integrated, reducing the Group's financing risk. The Group's currency flows are modest, since the businesses in each respective country in principle have all their revenue and costs in local currency, meaning that the effect of the introduction of the euro in this area will be relatively small.

Other matters

Due to over-capitalization, the Swedish pension insurance company SPP has decided to allocate a one-off refund to its customer companies. The amount accruing to the Swedish companies of the Securitas Group is estimated to be about MSEK 155. It is still not clear when and in what way this refund can be put to use. Securitas will therefore defer its decision as to how to account for these funds.

Parent Company operations

The Parent Company of the Group, Securitas AB, conducts no operations. Securitas AB contains only Group Management and support functions.

Development 2000

We expect an increase in earnings per share of at least 25 percent for the year 2000.

Proposed allocation of earnings

The Group's non-restricted shareholders' equity according to the Consolidated Balance Sheet amounts to MSEK 1,393.3. No transfer to restricted shareholders' equity in the Group is required.

Funds at the disposal of the Parent Company:

Net income for the year	SEK 777,332,762
Retained earnings	SEK 1,862,078,907
Total	SEK 2,639,411,669

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

SEK 1.00 per share	SEK 356,318,317
To be carried forward	SEK 2,283,093,352
Total	SEK 2,639,411,669

Consolidated Statement of Income

Consolidated invoiced sales amounted to MSEK 25,646 (13,710). This is an increase of 87 percent compared to 1998. In local currencies, sales increased by 89 percent compared to the previous year, whereof organic growth excluding the acquisitions of Pinkerton, Seguridad 7, Securis and Sonasa accounted for 9 percent. Acquisitions increased sales by MSEK 10,964 (1,835). The distribution of sales by country and business areas is shown in Note 2 to the financial statements.

Gross income amounted to MSEK 4,169 (2,729). This represents an increase of 53 percent from 1998. In local currencies, this is equivalent to an increase of 54 percent. The increase is primarily attributable to acquisitions and organic volume growth. The gross margin was 16.3 percent (19.9).

Operating income before amortization of goodwill amounted to MSEK 1,630 (1,003), which is an increase of 63 percent over 1998. In local currencies, this is an increase of 64 percent. The increase is due to acquisitions and organic volume growth. The operating margin was 6.4 percent (7.3). The decrease compared to 1998 is explained mainly by the acquisitions of Proteg, Raab Karcher and Pinkerton, all of which had a lower operating margin at the time of acquisition than the existing businesses in Securitas. Since the acquisitions, the operating margin has shown a positive development according to plan, both in the underlying operations and in the acquired entities. For the fourth quarter the operating margin reached 7.2 percent.

Goodwill was amortized by MSEK 404 (171). The increase is attributable to acquisitions.

Net financial items were MSEK –111 (–65). The change is explained by the acquisitions completed during the year, plus the full-year effect of 1998's acquisitions, which were paid for in cash. At the same time, free cash flow had a positive effect on net financial items. The interest coverage ratio was 6.9 (5.4).

Income before taxes amounted to MSEK 1,116 (766), which represents an increase of MSEK 350, or 46 percent over 1998. In local currencies the increase is 48 percent. The increase is due to acquisitions and organic growth. The net margin was 4.4 percent (5.6).

BREAKDOWN OF CHANGE:

Income before taxes 1998	766.1
Volume increase and acquisitions	644.6
Increased amortization of goodwill	–232.8
Interest expense related to acquisitions	–50.0
Effects of cash flow	2.7
Currency effects	–14.8
Income before taxes 1999	**1,115.8**

Taxes paid amounted to MSEK –335 (–184), which is equivalent to 30.0 percent (24.0) of income before taxes. The increase in tax percentage is explained by higher amortization of goodwill, which is included as a non-deductible expense in income before taxes.

Deferred taxes amounted to MSEK 18 (–60). The total tax rate for 1999 was 28.4 percent (31.9).

MSEK	Note	1999	1998	1997
Sales, continuing operations		14,681.9	11,875.4	9,760.3
Sales, acquired businesses		10,964.4	1,834.7	1,002.6
Total sales	Note 2	**25,646.3**	**13,710.1**	**10,762.9**
Production expenses	Note 3	–21,477.1	–10,981.5	–8,665.5
Gross income		**4,169.2**	**2,728.6**	**2,097.4**
Selling and administrative expense	Note 3	–2,538.7	–1,725.8	–1,319.6
Operating income before amortization of goodwill		**1,630.5**	**1,002.8**	**777.8**
Amortization of goodwill		–403.9	–171.4	–115.5
Operating income after amortization of goodwill		**1,226.6**	**831.4**	**662.3**
Net financial items	Note 6	–110.8	–65.3	–48.2
Income before taxes		**1,115.8**	**766.1**	**614.1**
Taxes paid		–334.5	–183.7	–114.4
Deferred taxes		18.0	–60.4	–54.7
Minority interest		–1.5	–0.5	0.9
Net income for the year		**797.8**	**521.5**	**445.9**

Consolidated Statement of Cash Flow

MSEK	Note	1999	1998	1997
Operating income before amortization of goodwill		1,630.5	1,002.8	777.8
Capital expenditure on operating assets		–1,044.3	–699.0	–557.4
Depreciation (excluding amortization of goodwill)	Note 5	754.3	569.6	450.5
Changes in working capital		–93.4	–41.7	–57.3
Cash flow from operations		**1,247.1**	**831.7**	**613.6**
Net financial items	Note 6	–110.8	–65.3	–48.2
Taxes paid		–334.5	–183.7	–114.4
Free cash flow		**801.8**	**582.7**	**451.0**
Reversal of capital expenditure on operations		1,044.3	699.0	557.4
Cash flow from current operations		1,846.1	1,281.7	1,008.4
Cash flow from capital expenditure activities				
Goodwill	Note 7	–3,327.2	–3,211.0	–339.6
Other capital employed	Note 7	–1,376.8	–501.9	–792.1
Disposals	Note 7	1,314.6	–	–
Other		–311.5	–	–
Capital expenditure on operations		–1,044.3	–699.0	–557.4
Cash flow from financing activities, not including change in interest-bearing liabilities				
Dividend paid		–276.6	–201.3	–174.5
New issue		3,436.7	2,562.2	46.4
Translation differences				
Liquid funds		–41.2	–13.4	–0.4
Other net debt		146.2	–103.4	15.3
Change in net debt		**366.0**	**–886.1**	**–793.9**
Change in interest-bearing liabilities		–515.4	1,138.6	808.6
Change in cash and liquid funds		–149.4	252.5	14.7

The cash flow effect of changes in working capital amounted to MSEK –93 (–42). Funds tied up in working capital in France increased by MSEK 101, which is explained mainly by higher accounts receivable. Capital expenditure on operating assets amounted to MSEK 1,044 (699). The increase is explained mainly by organic growth and acquisitions.

MSEK	1999	1998
Capital expenditure on operating assets	1,044.3	699.0
Depreciation (excluding amortization of goodwill)	754.3	569.6
Capital expenditure as percent of depreciation	138	123

Free cash flow amounted to MSEK 802 (583), which is equivalent to 68 percent (77) of adjusted income.

Acquisitions completed during 1999 were paid for in cash, which together with the opening net debt of the acquired companies has affected the Group’s net debt. The aggregate negative effect of acquisitions on the Group’s net debt is MSEK 4,439 (1,123).

The dividend paid for the 1998 financial year totaled MSEK 277 (201), or SEK 0.85 (0.69) per share. The new issue floated during the year has affected net debt positively by MSEK 3,364. Conversion of subordinated convertible debentures has affected net debt positively by MSEK 73 (22), increasing shareholders’ equity by a like amount.

When converting the foreign net debt into SEK, the strengthening of the SEK during the period has had a positive effect on the Group’s net debt of MSEK 105 (–116.8).

The total change in net debt was MSEK 366 (–886).

Consolidated Balance Sheet

Capital employed

Accounts receivable totaled MSEK 4,559 (2,879). This represents an increase of MSEK 1,680, which is due to acquisitions, organic growth and an increase in accounts receivable in France. Expressed as a percentage of sales, adjusted for full-year sales of aquisitions, accounts receivable were 16.1 percent (16.3).

The Group's average operating capital employed amounted to MSEK 3,394 (2,565), which is equivalent to 12 percent (15) of sales, adjusted for full-year sales of acquistions. The decrease is explained primarily by the acquisitions made during the year with a large proportion of guard services business with lower capital requirements. Consolidated capital employed increased to MSEK 11,019 (7,774). The year's acquisitions have increased the Group's goodwill by MSEK 3,327.

The return on average operating capital employed was 48.0 percent (39.1).

The return on average capital employed was 13.1 percent (14.2).

MSEK	1999	1998
Non-interest-bearing fixed assets (excluding goodwill and shares in associated companies)	4,753.0	3,470.5
Non-interest-bearing current assets	5,560.3	4,816.5
Non-interest-bearing current liabilities	–5,251.2	–4,772.1
Non-interest-bearing long-term liabilities and provisions	–1,222.3	–566.4
Operating capital employed	**3,839.8**	**2,948.5**
Shares in associated companies	0.9	261.0
Goodwill	7,178.4	4,564.0
Capital employed	**11,019.1**	**7,773.5**

MSEK, as at December 31	Note	1999	1998	1997
ASSETS				
Fixed assets:				
Goodwill	Note 8	**7,178.4**	**4,564.0**	**1,457.4**
Other intangible fixed assets	Note 9			
Intangible rights		201.4	193.1	211.3
Other intangible assets		74.3	53.3	44.7
Total other intangible fixed assets		**275.7**	**246.4**	**256.0**
Tangible fixed assets	Note 10			
Buildings and land		921.0	1,002.0	801.9
Machinery		1,361.0	1,214.6	983.5
Equipment		797.9	431.0	257.0
Total tangible fixed assets		**3,079.9**	**2,647.6**	**2,042.4**
Shares in associated companies		**0.9**	**261.0**	**258.4**
Non-interest-bearing financial fixed assets				
Deferred tax claims		886.1	520.1	408.0
Other fixed assets		511.3	56.4	33.7
Total non-interest-bearing financial fixed assets		**1,397.4**	**576.5**	**441.7**
Interest-bearing financial fixed assets		**37.8**	**145.6**	**53.7**
Total fixed assets		**11,970.1**	**8,441.1**	**4,509.6**
Current assets:				
Non-interest-bearing current assets				
Inventories		263.4	231.2	177.8
Accounts receivable		4,559.4	2,879.2	1,569.6
Other receivables	Note 12	737.5	1,706.1	341.4
Total non-interest-bearing current assets		**5,560.3**	**4,816.5**	**2,088.8**
Interest-bearing current assets	Note 13			
Short-term investments		2,867.6	1,662.3	1,039.0
Cash and bank deposits		377.2	526.6	274.1
Total interest-bearing current assets		**3,244.8**	**2,188.9**	**1,313.1**
Total current assets		**8,805.1**	**7,005.4**	**3,401.9**
TOTAL ASSETS		**20,775.2**	**15,446.5**	**7,911.5**
Pledged assets	Note 14	37.3	25.5	21.9

MSEK, as at December 31	Note	1999	1998	1997
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity:				
Restricted equity				
Share capital		356.3	325.1	146.4
Restricted reserves		7,215.1	3,756.3	1,204.4
Total restricted equity		**7,571.4**	**4,081.4**	**1,350.8**
Non-restricted equity				
Non-restricted reserves		595.5	748.1	568.4
Net income for the year		797.8	521.5	445.9
Total non-restricted equity		**1,393.3**	**1,269.6**	**1,014.3**
Total shareholders' equity	Note 16	**8,964.7**	**5,351.0**	**2,365.1**
Minority interest		**1.8**	**3.9**	**0.3**
Provisions:				
Interest-bearing provisions				
Provision for pensions, PRI		–	–	83.4
Provision for pensions, other		27.3	54.3	11.2
Total interest-bearing provisions		**27.3**	**54.3**	**94.6**
Non-interest-bearing provisions				
Deferred taxes		185.1	341.4	182.1
Other provisions		726.0	186.9	9.9
Total non-interest-bearing provisions		**911.1**	**528.3**	**192.0**
Total provisions		**938.4**	**582.6**	**286.6**
Long-term liabilities:				
Non-interest-bearing long-term liabilities		**311.2**	**38.1**	**13.3**
Interest-bearing long-term liabilities				
Subordinated convertible debenture loan	Note 15	700.0	772.9	94.6
Loan liabilities	Note 17	3,039.0	2,450.2	1,869.8
Total interest-bearing long-term liabilities		**3,739.0**	**3,223.1**	**1,964.4**
Total long-term liabilities	Note 17	**4,050.2**	**3,261.2**	**1,977.7**
Current liabilities:				
Non-interest-bearing current liabilities				
Accounts payable		684.4	654.4	354.9
Other current liabilities	Note 18	4,566.8	4,117.7	2,086.6
Total non-interest-bearing current liabilities		**5,251.2**	**4,772.1**	**2,441.5**
Interest-bearing current liabilities		**1,568.9**	**1,475.7**	**840.3**
Total current liabilities		**6,820.1**	**6,247.8**	**3,281.8**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**20,775.2**	**15,446.5**	**7,911.5**
Contingent liabilities	Note 19	876.8	642.2	413.6

Net debt

The Group's net debt was MSEK –2,053 (–2,419). The net debt equity ratio was 0.23 (0.45). Proceeds received in connection with last year's sales of the fire alarm business in France and TeleLarm Care amount to MSEK 1,044. The year's acquisitions have affected net debt negatively by MSEK 4,439.

The new issue floated during the year had a positive effect on net debt of MSEK 3,364.

During 1999, conversion of subordinated convertible debentures reduced net debt by a total of MSEK 73 (22).

The average period of fixed interest on net debt is 4 months (9). The remaining life of committed long-term credit facilities is about 5 years (6) on average.

Available long-term financing in the form of committed credit facilities and shareholders' equity was 159 percent (130) of the Group's capital employed. Minority interest was MSEK 1.8 (3.9).

MSEK	1999	1998
Interest-bearing fixed assets	37.8	145.6
Interest-bearing current assets	3,244.8	2,188.9
Interest-bearing provisions	–27.3	–54.3
Subordinated convertible debenture loan	–700.0	–772.9
Loan liabilities	–3,039.0	–2,450.2
Interest-bearing current liabilities	–1,568.9	–1,475.7
Net debt	**–2,052.6**	**–2,418.6**

Shareholders' equity

Total shareholders' equity amounted to MSEK 8,965 (5,351), equivalent to SEK 25.20 (17.06) per share. The increase is primarily explained by the new issue totaling MSEK 3,364. The total number of shares outstanding after the new issue and full conversion was 365,123,348. The average number of shares during the period after full conversion was 355,790,015. The year's interest expense for the subordinated convertible debenture loan outstanding was MSEK 29 (28). Dividends were paid to the shareholders in May totaling MSEK 277 (201).

The equity ratio was 43.2 percent (34.6). The return on shareholders' equity was 9.7 percent (14.8).

Changes in shareholders' equity are explained as follows:

MSEK	
Opening shareholders' equity January 1, 1999	5,351.0
Dividend	–276.6
Net income for the year	797.8
Conversion of subordinated convertible debentures	72.9
New issue	3,363.8
Deferred taxes on new issue	30.3
Translation differences	–374.5
Closing shareholders' equity, December 31, 1999	**8,964.7**

Parent Company

STATEMENT OF INCOME

MSEK	1999	1998	1997
Administrative contribution and other revenues	103.8	77.4	71.6
Gross income	**103.8**	**77.4**	**71.6**
Administrative expense	–93.5	–77.3	–65.3
Operating income	**10.3**	**0.1**	**6.3**
Result of financial investments			
Result of sales of shares in subsidiaries	433.0	186.2	254.3
Dividend	459.5	947.6	980.5
Interest income	78.8	59.6	17.4
Interest expense	–248.3	–170.2	–97.8
Other financial items	55.1	–6.1	–3.9
Total financial income and expense	778.1	1,017.1	1,150.5
Income after financial items	**788.4**	**1,017.2**	**1,156.8**
Year-end appropriations			
Reversal of tax equalization reserve	0.3	0.2	0.3
Allocation to timing difference reserve	–5.8	–4.8	–3.8
Accelerated depreciation	–0.1	–0.3	0.3
Total year-end appropriations	–5.6	–4.9	–3.2
Income before taxes	**782.8**	**1,012.3**	**1,153.6**
Taxes paid	–5.5	–5.6	–4.2
Net income for the year	**777.3**	**1,006.7**	**1,149.4**

STATEMENT OF CASH FLOW

MSEK	1999	1998	1997
Operating income	10.3	0.1	6.3
Capital expenditure on operating assets	–1.4	–1.3	–1.2
Depreciation	1.4	2.2	2.0
Changes in working capital	–165.4	283.5	–354.7
Cash flow from operations	**–155.1**	**284.5**	**–347.6**
Net financial items	778.1	1,017.1	1,150.5
Taxes paid	–5.5	–5.6	–4.2
Free cash flow	**617.5**	**1,296.0**	**798.7**
Reversal of capital expenditure on operations	1.4	1.3	1.2
Cash flow from current operations	618.9	1,297.3	799.9
Cash flow from capital expenditure activities			
Shares in subsidiaries	–5,724.4	–5,126.0	–1,428.2
Capital expenditure on operations	–1.4	–1.3	–1.2
Cash flow from financing activities, not including change in interest-bearing liabilities			
Dividend paid	–276.6	–201.3	–174.5
New issue	3,436.7	2,562.2	46.4
Change in net debt	**–1,946.8**	**–1,469.1**	**–757.6**
Change in interest-bearing liabilities	2,173.8	1,073.6	1,609.8
Change in cash and liquid funds	227.0	–395.5	852.2

BALANCE SHEET AS AT DECEMBER 31

ASSETS, MSEK	Note	1999	1998	1997
Fixed assets				
Intangible fixed assets				
Intangible rights	Note 9	17.2	–	1.0
Total intangible fixed assets		**17.2**	**–**	**1.0**
Tangible fixed assets	Note 10			
Buildings and land		9.0	9.2	9.4
Machinery		0.1	0.1	0.1
Equipment		3.1	2.9	2.5
Total tangible fixed assets		**12.2**	**12.2**	**12.0**
Non-interest-bearing financial fixed assets				
Shares in subsidiaries	Note 11	15,197.0	9,472.5	4,346.5
Shares in associated companies		–	–	2.1
Other fixed assets		319.6	–	–
Total non-interest-bearing financial fixed assets		**15,516.6**	**9,472.5**	**4,348.6**
Interest-bearing financial fixed assets		**–**	**61.1**	**3.0**
Total fixed assets		**15,546.0**	**9,545.8**	**4,364.6**
Current assets				
Non-interest-bearing current assets				
Due from subsidiaries		591.5	466.1	379.7
Other receivables		4.6	17.1	29.7
Tax claims		1.3	–	–
Prepaid expenses and accrued income		40.2	340.3	681.1
Total non-interest-bearing current assets		**637.6**	**823.5**	**1,090.5**
Interest-bearing current assets				
Due from subsidiaries		526.4	461.9	737.4
Short-term investments		162.5	–	120.0
Cash and bank deposits		0.0	0.0	0.0
Total interest-bearing current assets	Note 13	**688.9**	**461.9**	**857.4**
Total current assets		**1,326.5**	**1,285.4**	**1,947.9**
TOTAL ASSETS		**16,872.5**	**10,831.2**	**6,312.5**
Pledged assets		None	None	None

SHAREHOLDERS' EQUITY AND LIABILITIES, MSEK	Note	1999	1998	1997
Shareholders' equity				
Restricted equity				
Share capital		356.3	325.1	146.4
Premium reserve and other reserves		6,676.5	3,271.0	887.5
Total restricted equity		**7,032.8**	**3,596.1**	**1,033.9**
Non-restricted equity				
Retained earnings		1,862.1	1,131.9	183.8
Net income for the year		777.3	1,006.7	1,149.4
Total non-restricted equity		**2,639.4**	**2,138.6**	**1,333.2**
Total shareholders' equity	Note 16	**9,672.2**	**5,734.7**	**2,367.1**
Untaxed reserves				
Tax equalization reserve		0.3	0.6	0.8
Timing difference reserve		55.7	49.9	45.1
Accumulated accelerated depreciation		0.6	0.4	0.1
Total untaxed reserves		**56.6**	**50.9**	**46.0**
Long-term liabilities				
Non-interest-bearing long-term liabilities				
Due to subsidiaries		103.6	114.1	112.0
Total non-interest-bearing long-term liabilities		**103.6**	**114.1**	**112.0**
Interest-bearing long-term liabilities				
Subordinated convertible debenture loan	Note 15	700.0	772.9	94.6
Group account bank overdraft		100.2	43.5	94.2
Long-term loans		3,000.0	2,400.0	1,803.0
Total interest-bearing long-term liabilities		**3,800.2**	**3,216.4**	**1,991.8**
Total long-term liabilities	Note 17	**3,903.8**	**3,330.5**	**2,103.8**
Current liabilities				
Non-interest-bearing current liabilities				
Due to subsidiaries		37.1	29.1	37.3
Accounts payable		4.3	5.0	3.1
Tax liability		–	2.2	0.2
Accrued expenses and prepaid income		33.0	41.6	26.1
Other current liabilities		1.2	1.8	0.6
Total non-interest-bearing current liabilities		**75.6**	**79.7**	**67.3**
Interest-bearing current liabilities				
Due to subsidiaries		1,631.0	320.0	970.6
Short-term loans		1,533.3	1,315.4	757.7
Total interest-bearing current liabilities		**3,164.3**	**1,635.4**	**1,728.3**
Total current liabilities		**3,239.9**	**1,715.1**	**1,795.6**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**16,872.5**	**10,831.2**	**6,312.5**
Contingent liabilities	Note 19	1,463.0	965.8	473.7

Accounting Principles

Securitas' consolidated financial statements are prepared in accordance with the recommendations of the Swedish Financial Accounting Standards Council and Generally Accepted Accounting Standards in Sweden. The accounting principles are unchanged since last year.

Consolidation

Principles of consolidation

The consolidated financial statements include the parent company Securitas AB and all companies in which Securitas AB, directly or indirectly, owns more than 50 percent of the voting rights.

The consolidated financial statements are prepared in accordance with the purchase method of accounting, which means that the purchase values of shares in subsidiaries, including estimated shares of untaxed reserves, are eliminated against their equity at the time of acquisition. The estimated tax liability with respect to untaxed reserves in acquired companies is carried in non-interest-bearing provisions in accordance with the percentage applicable in each respective country. Equity in the acquired company is then determined based on a market valuation of the assets and liabilities at the time of acquisition. Following an acquisition analysis, an appropriation may be made to a so-called restructuring reserve. Where the cost of the shares in the subsidiary acquired differs from the market value of the acquired company's net assets, consolidated goodwill exists. The method means that only the portion of equity in subsidiaries created after the time of acquisition is included in consolidated shareholders' equity.

The Consolidated Statement of Income includes companies acquired during the year from the time of acquisition. Companies sold during the year are excluded from the time of sale.

Shares in associated companies

Companies in which the Group's holding exceeds 20 percent, but is a maximum of 49 percent, are accounted for according to the equity accounting method. Share in profits of associated companies is included in the Consolidated Statement of Income after financial items. In cases where the cost of shares in an associated company exceeds equity in the acquired company at the time of acquisition, the difference, after analysis of the nature of the surplus value, is amortized according to the same principles as consolidated goodwill, and has been charged against the share in profit of the associated company. Share in the income taxes of associated companies are included in the Group's tax expense. In the Consolidated Balance Sheet, shareholdings in associated companies are accounted for at cost, adjusted for dividends and share in profits after the date of purchase. In determining the equity value, untaxed reserves have been allocated to shareholders' equity after deduction of estimated taxes.

The proportional method is applied when the share of ownership is 50 percent, so-called joint ventures. This method means that all income statement and balance sheet items are carried in the Consolidated Statement of Income and Balance Sheet in proportion to ownership.

Transfer pricing

Pricing of deliveries among Group companies is set using normal business principles. Internal income resulting from sales between Group companies is eliminated.

Goodwill

In cases where the cost of the shares in the subsidiary acquired exceeds acquired equity as computed above, the difference is allocated to goodwill, which is amortized over a certain period of time. Consolidated goodwill is amortized at a rate of 5 to 20 percent annually, depending on the type of company acquired. Goodwill in companies where customer contracts, systems or specially trained personnel constitute the greatest asset, is amortized at a rate of 20 percent annually. Goodwill in well-established companies, with independent and well-known trade marks, is amortized at a rate of 10 percent annually. Goodwill in companies that also constitute strategic acquisitions, with respect to either products or markets, is amortized at a rate of 5 percent annually. All amortization is on a straight-line basis.

Restatement of foreign subsidiaries

The accounts of foreign subsidiaries have been translated into SEK in accordance with the current rate method.

Statements of income are translated using an average rate of exchange based on the exchange rate prevailing on the last day of each month. This means that income for each individual month is not affected by foreign exchange fluctuations during subsequent periods.

Balance sheet items are converted using the year-end rate of exchange. Restatement differences arising in translation of balance sheets are carried directly to shareholders' equity and thus do not affect the year's income. Restatement differences arising as a result of translating income statements using the average rate of exchange and balance sheets using the year-end rate of exchange, are carried directly to non-restricted shareholders' equity.

Where loans have been raised to reduce the Group's foreign exchange translation exposure in foreign net assets, exchange rate differences on such loans are offset against exchange rate differences arising in the translation of net foreign assets.

Foreign exchange rates

The exchange rates of the currencies used in the Group were as follows:

Country	Currency		Weighted average 1999	Dec. 1999	Weighted average 1998	Dec. 1998
Norway	NOK	100	105.94	106.05	105.52	107.30
Denmark	DKK	100	117.99	115.05	119.37	126.85
Finland	FIM	100	147.48	144.03	149.57	158.85
Germany	DEM	100	448.92	437.84	460.06	482.95
France	FRF	100	133.86	130.55	138.78	144.00
Great Britain	GBP	1	13.41	13.80	13.24	13.52
Spain	ESP	100	5.27	5.15	5.35	5.68
Switzerland	CHF	100	547.93	533.60	550.80	590.10
Austria	ATS	100	63.80	62.23	65.48	68.64
Portugal	PTE	100	4.38	4.27	4.43	4.71
Belgium	BEF	100	21.23	21.23	–	–
Hungary	HUF	100	3.46	3.36	3.73	3.75
Poland	PLN	1	2.07	2.06	2.27	2.31
Estonia	EEK	1	0.56	0.55	0.57	0.60
Czech Republic	CZK	1	0.24	0.24	0.27	0.27
USA	USD	1	8.37	8.53	–	–
Canada	CAD	1	5.67	5.87	–	–
Mexico	MXN	1	0.89	0.90	–	–

Valuation

Receivables and liabilities in foreign currency

In preparing the financial statements of individual companies, receivables and liabilities in foreign currency are translated using the year-end rate of exchange.

Where the payment rate of exchange for commercial receivables and liabilities has been fixed through a forward transaction, the forward rate is used. The premium or discount on the contract, which is the difference between the forward rate and the spot rate at the time of the relative contract, is reported as part of operating income.

Taxes

In accounting for taxes, Securitas adheres to Swedish accounting recommendations.

Provisions are made for all taxes expected to be levied on reported income. These taxes have been calculated in accordance with the tax regulations in the countries concerned, and are reported as taxes paid.

In Sweden and certain other countries, the tax regulations permit deferral of the payment of taxes by making allocations to untaxed reserves. In preparing the Consolidated Balance Sheet, untaxed reserves are divided into a deferred tax liability and shareholders equity among restricted reserves, i.e. reserves not available for payment as dividends. Changes in the untaxed reserves are thus not included in the Consolidated Statement of Income.

The Group also reports deferred taxes on other differences between book values and taxable values of assets and liabilities. Deferred tax claims are reported only to the extent it is probable that they can be utilized within the foreseeable future. Loss deductions arising during the current year are not valued in the Consolidated Balance Sheet. The current nominal tax rate in each country is used for computing estimated deferred taxes.

Accounts receivable

Accounts receivable are reported net after provision for probable bad debts. Payments received in advance are reported under other current liabilities.

Inventories

Inventories are valued at the lower of cost and market according to the FIFO method. A due deduction for obsolescence has been made.

Intangible and tangible fixed assets

Intangible and tangible fixed assets are reported on the asset side of the Balance Sheet at cost less deduction for accumulated amortization and depreciation according to plan.

Depreciation and amortization

Depreciation and amortization is based on the historical cost of the assets, with due consideration to the estimated economic life of the relative assets.

Intangible assets	5–25 percent
Machinery and equipment	10–25 percent
Buildings and land improvements	1.5–4 percent
Land	0 percent
Goodwill	5–20 percent

Leasing contracts

Financial leasing contracts are carried in the balance sheet as fixed assets and liabilities and in the income statement the leasing contracts are split into depreciation and interest. Operational leasing contracts are reported in the income statement as operating expense.

Interest-bearing current assets

Interest-bearing current assets are valued at the lower of cost and market at year-end. Where so-called off-balance-sheet instruments, such as foreign exchange forward contracts, are used to hedge a financial claim or a liability in foreign currency, that asset or liability is valued at the spot rate of the relative foreign exchange forward contract. The premium or discount of the contract is then amortized over the life of the hedged asset/liability and is reported as interest income or interest expense, as appropriate.

Treasury Policy

Background

The financial risks that normally arise in the Group's operations are limited. Operations in the various countries basically operate with income and costs in local currency. There is practically no commercial flow of funds between countries. Low capital requirements in terms of fixed assets as well as working capital are combined with strong cash flow. Therefore, a high degree of self-financing minimizes the need for external financing. Depending on the method of financing chosen, an external financing need may arise in connection with acquisitions.

Capital structure

The Group's strategy is to operate with a low net debt equity ratio. The goal is to keep this ratio below 1.35. The capital structure in each country is adapted to the nature of the business in question – Guard Services, Alarm Systems and/or Cash In Transit Services – and the magnitude and stability of the cash flow.

The goal is to keep the Group's interest coverage ratio above 3.0.

Organization

Securitas' financial organization is aimed at supporting operations by identifying, quantifying and minimizing any financial risks that may arise.

Subsidiaries

Financial operations in subsidiaries are aimed at improving cash flow by focusing on profitability in operations, minimizing accounts receivable and inventories, and by maintaining a balanced capital expenditures program and efficient local cash management.

Countries

In countries with large operations, surpluses and deficits are matched in the local subsidiaries at country level with the help of cash pool solutions. Aggregated surpluses and deficits are invested and financed, respectively, with the Group's internal bank.

Group Treasury Centre

By concentrating internal and external financing with the Group Treasury Centre in Dublin, Ireland, economies of scale are utilized for pricing of investments and loans, and advantage is taken of opportunities to match local surpluses and deficits among the various countries.

Financial risks and risk management

Financing risk

The Group's short-term liquidity is assured by maintaining a liquidity reserve (cash, bank deposits, short-term investments and the unutilized portion of committed credit facilities) which shall be a minimum of 5 percent of the Group's sales.

The long-term financing risk of the Group is minimized by ensuring that long-term financing (equity and long-term committed loan facilities) is at a minimum level matching the Group's capital employed. Our aim is that committed loan facilities should have a maturity structure such that more than 50 percent of the total available loan volume shall have a remaining life of more than 2 years.

In combination with the Group's strong cash flow, this provides liquidity on a short-term and long-term basis, as well as flexibility in financing the Group's expansion.

The Group's current net debt, amounting to SEK 2.1 billion, has arisen as a consequence of acquisitions. The net debt is financed by utilization of the Group's committed credit facilities. During year 2000, the net debt is expected to increase on an overall basis as a consequence of acquisitions already completed. This increase is to a certain degree counteracted by operating cash flow.

Credit/Counterparty risk

Investments of liquid funds may only be made in government paper or banks with a high official credit rating and with creditworthy counterparties. This also applies to situations when derivatives are used as tools to manage financial risks.

Interest rate risk

The Group's income is mostly tied to annual contracts and usually follows the development of each country's economic performance and inflation rate. Interest rate risk can therefore be minimized by maintaining short fixed interest rate periods, on average under one year. A strong cash flow, i.e. the ability to repay quickly any outstanding loans, also implies short periods of interest rate fixing.

The Group utilizes financial instruments, such as interest rate swaps to alter the tenor of net debt in the desired direction in order to minimize the effect of interest rate fluctuations and to limit borrowing costs. Financial instruments are not used for speculative purposes.

CURRENT NET DEBT – MATURITY

MSEK	Total	Euro currencies	SEK
	2.1	0.8	1.3
of which			
Adjustable	1.8	0.5	1.3
Fixed 1 year	0.2	0.2	–
Fixed 1–2 years	0.1	0.1	–

The average fixed interest rate period on net debt is 4 months.

Foreign currency risks

Foreign exchange risks in the form of transaction exposure is very limited and consists of exports and imports of goods and components in the alarm systems operation, and of payment of central insurance premiums. Net foreign exchange flows are only about MSEK -90, i.e. the Group is a net buyer of foreign currency.

The largest single currencies are GBP, JPY and USD.

These flows are hedged on a continuous basis during the year. An average of eight months' flow is hedged.

Foreign exchange risk in the form of translation risk, i.e. the risk that changes in exchange rates affect the value of the Group's foreign net assets in the form of equity or goodwill, is limited because operations have low local working capital requirements, a strategy of financing in local currency, and a goal of maintaining matching loan liabilities in each respective currency. The Group therefore does not engage in hedging of net exposure in foreign net assets.

The fact that foreign subsidiary income statements are translated to SEK has a certain effect on income as reflected in the Consolidated Statement of Income. Since the subsidiaries essentially operate only in local currency, and since their competitive situation is not affected by exchange rate changes, this exposure is not hedged.

Definitions

Definitions – Treasury

Financing risk
The risk that the Group's access to financing is restricted.

Credit/Counterparty risk
The risk that losses are suffered because the borrower or the counterparty is unable to meet its obligations.

Interest risk
The risk that changes in the general interest rate level will affect income.

Foreign exchange risks 1 – transaction risk
The risk that changes in foreign exchange rates will affect income due to changes in the value of commercial flows in foreign currency.

Foreign exchange risks 2 – translation risk
The risk that change in foreign exchange rates will affect the value of the Group's foreign net assets.

Definitions – Ratios

Production expenses
Guard wages and related costs, the cost of equipment used by the guard in performing professional duties, and all other costs directly related to the performance of services invoiced. Operating expense is allocated to production and administration in the Statement of Income. Depreciation and amortization is allocated to production, administration and goodwill. Securitas' value added (gross income) and operating income (operating income before amortization of goodwill) are thus disclosed.
Actual 1999: MSEK 21,477.1

Selling and administrative expenses
All costs of selling, administration and management. The selling expense is insignificant relative to the total administration expenses and is therefore not reported separately.
Actual 1999: MSEK 2,538.7

Adjusted income
Operating income before amortization of goodwill, adjusted for net financial items and taxes paid.
Actual 1999: 1,630.5-110.8-334.5=MSEK 1,185.2

Gross margin
Gross income as a percentage of sales.
Actual 1999: 4,169.2/25,646.3=16.3 percent

Operating margin
Operating income before amortization of goodwill as a percentage of sales.
Actual 1999: 1,630.5/25,646.3=6.4 percent

Net margin
Income before taxes as a percentage of sales.
Actual 1999: 1,115.8/25,646.3=4.4 percent

Interest coverage ratio
Operating income before amortization of goodwill, plus interest income, in relation to interest expense.
Actual 1999: (1,630.5+150.9)/258.9=6.9 times

Capital employed
Non-interest-bearing fixed assets and current assets, less non-interest-bearing long-term and current liabilities and non-interest-bearing provisions.
Actual 1999: 11,970.1-37.8+5,560.3-311.2-5,251.2-911.1=MSEK 11.019.1

Operating capital employed
Capital employed, less goodwill and shares in associated companies.
Actual 1999: 11,019.1-7,178.4-0.9= MSEK 3,839.8

Return on capital employed
Operating income after amortization of goodwill, as a percentage of average capital employed.
Actual 1999: 1,226.6/((11,019.1+7,773.5)/2)= 13.1 percent

Return on operating capital employed
Operating income before amortization of goodwill, as a percentage of average operating capital employed.
Actual 1999: 1,630.5/((3,839.8+2,948.5)/2)=48.0 percent

Adjusted equity
Equity adjusted for outstanding subordinated convertible debentures.
Actual 1999: 8,964.7+700.0=MSEK 9,664.7

Return on equity
Net income for the year, adjusted for interest on subordinated convertible debentures after taxes, as a percentage of average shareholders' equity, weighted for new issues .
Actual 1999: (797.8+28.6x 0.72)/8,455.0=9.7 percent

Net debt
Interest-bearing fixed and current assets, less interest-bearing provisions, subordinated convertible debentures, loan liabilities and interest-bearing current liabilities.
Actual 1999: 37.8+3,244.8-27.3-700.0-3,039.0-1,568.9= MSEK 2,052.6

Net debt equity ratio
Net debt in relation to shareholders' equity.
Actual 1999: 2,052.6/8,964.7=0.23 times

Equity ratio
Shareholders' equity as a percentage of total assets.
Actual 1999: 8,964.7/20,775.2=43.2 percent

Notes to the Financial Statements

NOTE 1 SALES, OPERATING INCOME AND OPERATING CAPITAL EMPLOYED BY BUSINESS AREA

	Sales			Operating income		Operating capital employed as % of sales[1]	
MSEK	1999	1998	1997	1999	1998	1999	1998
Guard Services	18,515.0	8,557.8	6,347.9	1,029.4	629.5	7	12
Alarm Systems	3,460.2	2,091.6	1,629.6	338.8	194.3	21	19
Direct	543.8	422.9	312.2	68.4	59.1	23	25
Cash In Transit Services	3,127.3	2,637.8	2,473.2	193.8	119.9	41	50

[1] Adjusted for full-year sales of acquired units.

NOTE 2 SALES BY COUNTRY AND BUSINESS AREA

	Guard Services			Alarm Systems			Direct			Cash In Transit Services		
MSEK	1999	1998	1997	1999	1998	1997	1999	1998	1997	1999	1998	1997
Sweden	1,735.6	1,641.9	1,548.4	1,059.1	1,046.5	867.7	158.7	127.8	102.4	284.9	252.1	233.7
Norway	853.0	822.2	754.6	329.8	259.5	215.5	108.8	85.7	64.1	140.9	115.3	92.9
Denmark	142.0	74.9	49.4	138.9	119.6	118.1	30.9	18.9	–	78.4	76.7	54.6
Finland	510.3	448.1	400.2	290.3	211.9	199.6	10.1	15.6	10.3	59.1	58.3	33.2
Germany	3,287.0	1,727.4	1,007.7	31.1	22.3	16.5	–	–	–	596.7	557.8	663.6
France	3,492.0	1,824.8	945.2	708.3	203.1	–	95.5	82.3	75.4	145.3	36.5	–
Great Britain	320.9	–	–	–	–	–	–	–	–	1,129.1	1,016.5	865.1
Spain	1,320.0	1,070.3	919.4	180.6	139.6	86.2	117.2	70.0	41.5	225.5	227.3	248.5
Switzerland	299.1	242.1	227.2	7.3	6.2	4.5	22.6	22.6	18.5	43.5	31.7	25.2
Austria	135.1	46.0	–	–	–	–	–	–	–	141.7	136.0	118.4
Portugal	605.0	561.0	521.5	108.8	98.8	84.2	–	–	–	171.1	125.9	108.9
Belgium[1]	196.2	–	–	–	–	–	–	–	–	–	–	–
Hungary	46.1	34.2	35.2	8.1	11.8	3.8	–	–	–	45.2	44.6	45.4
Poland	67.5	62.0	41.2	21.8	2.5	–	–	–	–	12.8	2.3	0.0
Estonia	30.3	6.8	0.1	15.6	8.2	3.9	–	–	–	4.6	4.7	3.5
Czech Republic	52.7	13.8	–	0.6	–	–	–	–	–	1.2	–	–
USA[2, 3]	5,080.4	–	–	505.3	–	–	–	–	–	–	–	–
Canada[2]	318.4	–	–	24.8	–	–	–	–	–	64.2	–	–
Mexico[2]	110.4	–	–	–	–	–	–	–	–	–	–	–
Elimination	–87.0	–17.7	–102.2	29.8	–38.4	29.6	–	–	–	–16.9	–47.9	–19.8
Group	**18,515.0**	**8,557.8**	**6,347.9**	**3,460.2**	**2,091.6**	**1,629.6**	**543.8**	**422.9**	**312.2**	**3,127.3**	**2,637.8**	**2,473.2**

[1] Included only October 1 – December 31.
[2] Included only April 1 – December 31.
[3] Includes Consulting & Investigations.

NOTE 3 OPERATING EXPENSES

Audit fees and reimbursements	Group	Parent Company
Öhrlings PricewaterhouseCoopers		
– audit assignments	10,782.4	1,173.0
– other assignments	6,358.9	1,781.5
Other auditors		
– audit assignments	6,670.0	–

Operating leasing contracts

Leasing fees paid during the year under operating leases for buildings and vehicles amount to MSEK 407.9 (197.0) in the Group.

The nominal value of contractual future leasing fees for contracts with maturity exceeding one year are distributed as follows:

MSEK	Group
Maturity <1 year	410.7
Maturity 1–5 years	847.4
Maturity >5 years	593.3

Financial leasing is on a very limited scale.

NOTE 4 PERSONNEL

Average number of employees; distribution men and women

	Women			Men			Total		
Group	1999	1998	1997	1999	1998	1997	1999	1998	1997
Sweden	1,369	1,287	1,212	4,573	4,452	4,481	5,942	5,739	5,693
Norway	632	582	553	2,047	1,919	1,849	2,679	2,501	2,402
Denmark	154	121	58	635	375	208	789	496	266
Finland	524	369	300	1,671	1,641	1,572	2,195	2,010	1,872
Germany	2,294	1,983	1,069	12,239	11,603	5,026	14,533	13,586	6,095
France	2,584	2,050	693	17,017	17,624	4,615	19,601	19,674	5,308
Great Britain	597	435	712	3,826	2,189	2,157	4,423	2,624	2,869
Spain	2,065	974	769	7,802	7,454	6,622	9,867	8,428	7,391
Switzerland	109	55	50	673	561	528	782	616	578
Austria	184	192	49	692	752	290	876	944	339
Portugal	799	681	647	5,813	5,231	4,859	6,612	5,912	5,506
Belgium	468	–	–	2,223	–	–	2,691	–	–
Hungary	23	55	190	700	1,012	994	723	1,067	1,184
Poland	186	110	54	1,219	1,183	848	1,405	1,293	902
Estonia	63	62	12	502	467	144	565	529	156
Czech Republic	234	103	–	996	892	–	1,230	995	–
USA	9,831	–	–	25,649	–	–	35,480	–	–
Canada	490	–	–	2,713	–	–	3,203	–	–
Mexico	221	–	–	2,125	–	–	2,346	–	–
Ireland	2	4	4	2	2	2	4	6	6
Total	**22,829**	**9,063**	**6,372**	**93,117**	**57,357**	**34,195**	**115,946**	**66,420**	**40,567**
Of which Parent Company:									
Sweden	17	17	12	15	13	11	32	30	23

Compensation; Board of Directors and Presidents

	1999			1998			1997			Of which bonus		
Group, MSEK	Salaries	Soc. benef.	(of which pension)	Salaries	Soc. benef.	(of which pension)	Salaries	Soc. benef.	(of which pension)	1999	1998	1997
Sweden	20.7	10.0	(1.9)	23.2	12.4	(3.9)	18.8	8.9	(2.4)	8.0	4.9	3.4
Norway	1.5	0.3	(0.0)	9.3	1.6	(0.1)	6.5	1.1	(0.1)	0.4	7.2	4.4
Denmark	3.0	0.0	(0.0)	2.6	0.3	(0.0)	5.1	0.0	(0.0)	0.0	0.0	0.0
Finland	1.2	0.3	(0.2)	1.8	0.3	(0.2)	0.7	0.2	(0.1)	0.4	0.5	0.0
Germany	5.4	0.2	(0.2)	4.3	0.2	(0.0)	4.9	5.5	(0.0)	2.8	1.9	1.6
France	14.2	6.5	(0.0)	8.9	3.8	(0.0)	6.7	2.9	(0.0)	3.4	1.4	0.7
Great Britain	11.3	1.8	(0.5)	2.8	0.4	(0.1)	1.7	0.4	(0.2)	5.1	0.0	0.0
Spain	1.7	0.1	(0.0)	2.5	0.2	(0.0)	1.9	0.0	(0.0)	0.5	0.4	0.0
Switzerland	1.8	0.3	(0.2)	1.9	0.3	(0.1)	1.7	0.3	(0.1)	0.0	0.0	0.0
Austria	3.7	1.6	(0.6)	2.1	2.3	(0.6)	0.9	0.7	(0.5)	0.2	0.2	0.0
Portugal	2.5	0.4	(0.0)	2.5	0.3	(0.0)	0.9	0.1	(0.0)	1.0	1.1	0.0
Belgium	0.5	0.3	(0.1)	–	–	–	–	–	–	–	–	–
Hungary	0.3	0.1	(0.0)	0.3	0.1	(0.0)	0.2	0.1	(0.0)	0.0	0.0	0.0
Poland	2.0	0.1	(0.0)	1.4	0.2	(0.2)	1.1	0.2	(0.2)	0.3	0.1	0.0
Estonia	0.9	0.3	(0.0)	1.1	0.3	(0.0)	0.5	0.2	(0.0)	0.0	0.0	0.0
Czech Republic	1.4	0.5	(0.3)	0.2	0.1	(0.1)	–	–	–	0.0	0.0	–
USA	6.7	3.3	(3.3)	–	–	–	–	–	–	0.0	–	–
Canada	1.8	0.1	(0.0)	–	–	–	–	–	–	0.9	–	–
Mexico	0.6	0.0	(0.0)	–	–	–	–	–	–	0.0	–	–
Ireland	0.0	0.0	(0.0)	0.0	0.0	(0.0)	0.0	0.0	(0.0)	0.0	0.0	0.0
Total	**81.2**	**26.2**	**(7.3)**	**64.9**	**22.8**	**(5.3)**	**51.6**	**20.6**	**(3.6)**	**23.0**	**17.4**	**10.2**
Of which Parent Company:												
Sweden	12.8	5.7	(0.8)	9.5	4.3	(0.8)	7.3	3.4	(0.8)	4.7	1.3	0.9

NOTE 4 *continued*

Wages and salaries; other employees

Group, MSEK	1999 Salaries	1999 Soc. benef.	1999 (of which pension)	1998 Salaries	1998 Soc. benef.	1998 (of which pension)	1997 Salaries	1997 Soc. benef.	1997 (of which pension)
Sweden	1,309.0	553.0	(97.9)	1,260.4	507.2	(91.9)	1,229.7	519.3	(81.3)
Norway	722.4	186.5	(17.9)	687.7	144.0	(17.2)	612.8	128.4	(15.4)
Denmark	183.6	6.8	(6.8)	144.3	22.5	(4.3)	86.9	0.0	(0.0)
Finland	401.5	89.5	(52.7)	374.2	80.8	(49.3)	317.2	75.7	(47.5)
Germany	2,645.8	432.5	(2.2)	1,564.1	310.4	(0.9)	1,043.9	213.2	(0.1)
France	2,132.5	1,155.0	(0.1)	1,172.4	654.3	(0.0)	543.5	301.7	(0.6)
Great Britain	877.8	96.2	(24.2)	538.7	64.5	(19.8)	507.4	60.7	(12.6)
Spain	1,098.3	290.8	(0.0)	886.8	360.9	(0.0)	796.8	200.6	(0.0)
Switzerland	231.1	45.2	(7.6)	198.8	34.9	(7.3)	175.9	32.3	(6.6)
Austria	120.1	57.9	(0.2)	106.6	15.9	(0.2)	61.1	12.7	(0.2)
Portugal	478.2	103.5	(0.0)	424.7	93.4	(0.0)	364.8	87.4	(0.0)
Belgium	102.4	66.3	(9.0)	–	–	–	–	–	–
Hungary	16.2	8.1	(0.0)	23.7	10.0	(0.0)	24.6	12.3	(0.0)
Poland	57.2	11.7	(11.7)	35.1	12.6	(12.6)	29.6	8.3	(8.1)
Estonia	25.5	5.8	(0.0)	9.0	2.8	(0.0)	3.2	1.0	(0.0)
Czech Republic	27.5	9.9	(6.9)	29.9	11.3	(10.4)	–	–	–
USA	3,861.9	6.6	(6.6)	–	–	–	–	–	–
Canada	303.8	50.6	(5.3)	–	–	–	–	–	–
Mexico	25.2	5.5	(0.4)	–	–	–	–	–	–
Ireland	2.1	0.5	(0.3)	2.1	0.5	(0.3)	2.6	0.0	(0.0)
Total	**14,622.1**	**3,181.9**	**(249.8)**	**7,458.5**	**2,326.0**	**(214.2)**	**5,800.0**	**1,653.6**	**(172.4)**
Of which Parent Company:									
Sweden	25.6	10.3	(1.5)	16.4	7.5	(1.7)	16.4	7.1	(1.4)

Total compensation; Board of Directors, Presidents and other employees

Group, MSEK	1999 Salaries	1999 Soc. benef.	1999 (of which pension)	1998 Salaries	1998 Soc. benef.	1998 (of which pension)	1997 Salaries	1997 Soc. benef.	1997 (of which pension)
Sweden	1,329.7	563.0	(99.8)	1,283.6	519.6	(95.8)	1,248.5	528.2	(83.7)
Norway	723.9	186.8	(17.9)	697.0	145.6	(17.3)	619.3	129.5	(15.5)
Denmark	186.6	6.8	(6.8)	146.9	22.8	(4.3)	92.0	0.0	(0.0)
Finland	402.7	89.8	(52.9)	376.0	81.1	(49.5)	317.9	75.9	(47.6)
Germany	2,651.2	432.7	(2.4)	1,568.4	310.6	(0.9)	1,048.8	218.7	(0.1)
France	2,146.7	1,161.5	(0.1)	1,181.3	658.1	(0.0)	550.2	304.6	(0.6)
Great Britain	889.1	98.0	(24.7)	541.5	64.9	(19.9)	509.1	61.1	(12.8)
Spain	1,100.0	290.9	(0.0)	889.3	361.1	(0.0)	798.7	200.6	(0.0)
Switzerland	232.9	45.5	(7.8)	200.7	35.2	(7.4)	177.6	32.6	(6.7)
Austria	123.8	59.5	(0.8)	108.7	18.2	(0.8)	62.0	13.4	(0.7)
Portugal	480.7	103.9	(0.0)	427.2	93.7	(0.0)	365.7	87.5	(0.0)
Belgium	102.9	66.6	(9.1)	–	–	–	–	–	–
Hungary	16.5	8.2	(0.0)	24.0	10.1	(0.0)	24.8	12.4	(0.0)
Poland	59.2	11.8	(11.7)	36.5	12.8	(12.8)	30.7	8.5	(8.3)
Estonia	26.4	6.1	(0.0)	10.1	3.1	(0.0)	3.7	1.2	(0.0)
Czech Republic	28.9	10.4	(7.2)	30.1	11.4	(10.5)	–	–	–
USA	3,868.6	9.9	(9.9)	–	–	–	–	–	–
Canada	305.6	50.7	(5.3)	–	–	–	–	–	–
Mexico	25.8	5.5	(0.4)	–	–	–	–	–	–
Ireland	2.1	0.5	(0.3)	2.1	0.5	(0.3)	2.6	0.0	(0.0)
Total	**14,703.3**	**3,208.1**	**(257.1)**	**7,523.4**	**2,348.8**	**(219.5)**	**5,851.6**	**1,674.2**	**(176.0)**
Of which Parent Company:									
Sweden	38.4	16.0	(2.3)	25.9	11.7	(2.5)	23.7	10.5	(2.2)

Benefits of senior management

Chairman of the Board

For the 1999 financial year the Chairman of the Board received a fee of SEK 500 thousand. The Chairman of the Board has no pension benefits or agreement for severance payment.

President

For the 1999 financial year, the President received a salary of SEK 2,893 thousand, and a bonus related to profit for 1999 of SEK 4,097 thousand. The President has also benefited from a long-term bonus related to the market price of the share. On June 16, 1999 the Board of Directors renegotiated this bonus, with the effect that the earned amount, SEK 125,363 thousand, has been invested in an insurance policy owned by Securitas. The value of the insurance will follow the market value of the Securitas share until the end of 2002. On condition that the President is still in the employment of Securitas on December 31, 2002, the insurance policy will be transferred to the President. Securitas will not be charged with additional expenses for the long-term bonus related to the market price of the share.

The President is entitled to a pension benefit in line with the ITP-plan. In addition, he is entitled to pension benefits from the company equivalent to the capital value of 60 percent of salary and bonus, as per the existing contract, to be paid from his 60th birthday. This pension benefit is conditional upon employment until 2003.

Upon termination at the initiative of the Company, the President has the right to a severance payment equivalent to 12 months' salary and earned portion of bonus and pension benefits.

Members of Group Management, other

Other members of Group Management, consisting of 11 persons, received salaries of SEK 19,489 thousand, and bonuses related to profit for 1999 of SEK 12,193 thousand. The Group's four executive Vice Presidents have also benefited from a long-term bonus related to the market price of the share. On June 16, 1999 the Board of Directors renegotiated this bonus, with the effect that the earned amount, SEK 125,363 thousand, has been invested in an insurance policy owned by Securitas. The value of the insurance will follow the market value of the Securitas share until the end of 2002. On condition that these four persons are still in the employment of Securitas on December 31, 2002, the insurance policy will be transferred to them. Securitas will not be charged with additional expenses for the long-term bonus related to the market price of the share.

Group Management is entitled to pension benefits equivalent to the ITP-plan. In addition, the Group's four Exceutive Vice Presidents are entitled to pension benefits from the company equivalent to the total capital value of 60 percent of salary and bonus, as per the existing contract, to be paid from their 60th birthdays. This pension benefit is conditional upon employment until 2003.

Upon termination at the initiative of the Company, members of Group Management have the right to a severance payment equivalent to 12-24 months' salary and earned portion of bonus and pension benefits.

NOTE 5 DEPRECIATION AND AMORTIZATION (EXCLUDING GOODWILL)

Group, MSEK	1999	1998	1997
Intangible rights	23.8	18.7	6.4
Intangible assets	5.5	5.7	4.1
Machinery	444.3	369.6	298.5
Equipment	233.8	124.7	101.6
Buildings	46.9	50.9	39.9
Total depreciation and amortization (excluding goodwill)	**754.3**	**569.6**	**450.5**

NOTE 6 NET FINANCIAL ITEMS

Group, MSEK	1999	1998	1997
Interest income	150.9	129.7	110.5
Interest expense	–258.9	–211.4	–154.4
Net interest income	–108.0	–81.7	–43.9
Dividend paid	8.7	–	–
Other financial income and expense	–11.5	2.7	–7.5
Share in profits of associated companies	–	13.7	3.2
Net financial items	**–110.8**	**–65.3**	**–48.2**

NOTE 7 ACQUISITIONS AND DIVESTITURES

				Of which		
Group, MSEK	Acquisition price	Other effects on net debt	Total	Goodwill	Operating capital employed	Remaining structural reserve
Acquisitions completed during 1997 and 1998	–	–264.9	–264.9	–	–264.9	30.5
Acquisitions completed during 1999						
Pinkerton	–3,311.8	–215.5	–3,527.3	–2,954.0	–573.3	–
Other acquisitions	–893.1	–18.7	–911.8	–373.2	–538.6	8.8
Total acquisitions	–4,204.9	–499.1	–4,704.0	–3,327.2	–1,376.8	39.3
Divestitures completed during 1999	1,314.6	–	1,314.6	7.5	1,307.1	–
Total acquisitions and divestitures	**–2,890.3**	**–499.1**	**–3,389.4**	**–3,319.7**	**–69.7**	**39.3**

NOTE 8 GOODWILL

Group, MSEK	1999	1998	1997
Opening balance	5,198.7	1,896.2	1,504.7
Capital expenditures / divestitures	3,341.8	3,211.0	396.7
Translation difference	–385.1	91.5	–5.2
Closing accumulated balance	8,155.4	5,198.7	1,896.2
Opening amortization	–634.7	–438.8	–324.0
Amortization for the year	–403.9	–171.4	–115.5
Translation difference	61.6	–24.5	0.7
Closing accumulated amortization	–977.0	–634.7	–438.8
Closing residual value	**7,178.4**	**4,564.0**	**1,457.4**

NOTE 9 OTHER INTANGIBLE FIXED ASSETS

	Group						Parent Company		
	Intangible rights			Other intangible assets			Intangible rights		
MSEK	1999	1998	1997	1999	1998	1997	1999	1998	1997
Opening balance	201.5	220.9	16.1	81.6	68.6	65.5	3.1	3.1	3.1
Capital expenditures	34.0	23.7	211.1	24.1	10.0	3.7	17.2	–	–
Sales / disposals	–8.4	–44.1	–6.2	–3.0	–3.7	–0.1	–3.1	–	–
Reclassification	3.5	–0.9	–	7.1	0.4	–	–	–	–
Translation difference	–6.0	1.9	–0.1	–7.3	6.3	–0.5	–	–	–
Closing accumulated balance	224.6	201.5	220.9	102.5	81.6	68.6	17.2	3.1	3.1
Opening amortization	–8.4	–9.6	–7.5	–28.3	–23.9	–20.0	–3.1	–2.1	–1.0
Sales / disposals	5.9	23.5	4.1	2.0	3.7	0.1	3.1	–	–
Reclassification	–1.0	–2.4	–	1.0	–	–	–	–	–
Amortization for the year	–23.8	–18.7	–6.4	–5.5	–5.7	–4.1	–	–1.0	–1.1
Translation difference	4.1	–1.2	0.2	2.6	–2.4	0.1	–	–	–
Closing accumulated amortization	–23.2	–8.4	–9.6	–28.2	–28.3	–23.9	–	–3.1	–2.1
Closing residual value	**201.4**	**193.1**	**211.3**	**74.3**	**53.3**	**44.7**	**17.2**	**0.0**	**1.0**

NOTE 10 TANGIBLE FIXED ASSETS

Group, MSEK	Buildings and land 1999	1998	1997	Machinery 1999	1998	1997	Equipment 1999	1998	1997
Opening balance	1,200.3	1,023.6	948.4	2,340.1	1,901.7	1,640.1	768.2	578.4	521.6
Capital expenditures	163.0	305.8	77.4	694.2	633.2	555.4	602.9	335.3	171.4
Sales / disposals	–95.0	–187.1	–17.1	–208.8	–295.1	–334.2	–182.1	–167.4	–114.6
Reclassification	–44.2	7.2	–	–134.0	–8.0	–	172.3	10.8	–
Translation difference	–89.9	50.8	14.9	–133.1	108.3	40.4	–38.1	11.1	–
Closing accumulated balance	1,134.2	1,200.3	1,023.6	2,558.4	2,340.1	1,901.7	1,323.2	768.2	578.4
Opening depreciation	–198.3	–221.7	–173.0	–1,125.5	–918.2	–882.1	–337.2	–321.4	–303.4
Sales / disposals	6.8	97.3	–3.5	165.9	228.9	291.4	159.7	122.8	83.7
Reclassification	7.0	–10.1	–	124.1	5.5	–	–135.8	–4.8	–
Deprecation for the year	–46.9	–50.9	–39.9	–444.3	–369.6	–298.5	–233.8	–124.7	–101.6
Translation difference	18.2	–12.9	–5.3	82.4	–72.1	–29.0	21.8	–9.1	–0.1
Closing accumulated depreciation	–213.2	–198.3	–221.7	–1,197.4	–1,125.5	–918.2	–525.3	–337.2	–321.4
Closing residual value	**921.0**	**1,002.0**	**801.9**	**1,361.0**	**1,214.6**	**983.5**	**797.9**	**431.0**	**257.0**

Parent Company. MSEK	Buildings and land 1999	1998	1997	Machinery 1999	1998	1997	Equipment 1999	1998	1997
Opening balance	9.8	9.8	9.8	0.6	0.6	0.6	7.2	5.9	4.7
Capital expenditures	–	–	–	–	–	–	1.4	1.5	1.3
Sales / disposals	–	–	–	–	–	–	–0.2	–0.2	–0.1
Closing accumulated balance	9.8	9.8	9.8	0.6	0.6	0.6	8.4	7.2	5.9
Opening depreciation	–0.6	–0.4	–0.3	–0.5	–0.5	–0.4	–4.3	–3.4	–2.7
Sales / disposals	–	–	–	–	–	–	0.2	0.1	0.1
Depreciation for the year	–0.2	–0.2	–0.1	–	–0.0	–0.1	–1.2	–1.0	–0.8
Closing accumulated depreciation	–0.8	–0.6	–0.4	–0.5	–0.5	–0.5	–5.3	–4.3	–3.4
Closing residual value	**9.0**	**9.2**	**9.4**	**0.1**	**0.1**	**0.1**	**3.1**	**2.9**	**2.5**

NOTE 11 SHARES IN SUBSIDIARIES*

Name of subsidiary	Corporate registration number	Domicile	Number of shares	Proportion of Share capital	Proportion of Voting rights	Currency	Book value Parent Company
Securitas Sverige AB	556020-2193	Stockholm	375,000	100	100	MSEK	97.6
Securitas Holding A/S		Oslo	8,000	100	100	MNOK	111.5
Securitas Norge A/S		Oslo	15,000	100	100	MNOK	160.5
Dansikring Holding A/S		Copenhagen	–	100	100	MDKK	279.2
Securitas Oy		Helsinki	131,550	100	100	MFIM	186.8
Securitas Deutschland Holding GmbH		Düsseldorf	–	100	100	MDEM	2,345.2
Securitas France Holding SA		Paris	880,000	100	100	MFRF	1,413.8
Securitas Holding UK Ltd.		London	659,879	100	100	MGBP	85.1
Securitas Services International BV (Securitas Seguridad España SA)		Amsterdam	25,000	100	100	MNLG	327.0
Protectas S A		Lausanne	50,000	100	100	MCHF	36.8
Securitas Werttransporte GmbH		Vienna	–	98	98	MATS	55.3
Securitas Sicherheitsdienstleistungen GmbH		Vienna	–	100	100	MATS	58.3
Securitas Serviços e Tecnologia de Seguranca SA		Lisbon	350,000	100	100	MPTE	79.6
Securis N.V.		Brussels	999	100	100	MBEF	272.6
Securitas Hungária RT		Budapest	47,730	100	100	MHUF	29.7
Securitas Polska Sp.z.o.o.		Warsaw	19,700	95	95	MPLN	10.1
Securitas C.I.T. Sp.z.o.o.		Warsaw	1,472	100	100	MPLN	0.7
Securitas Eesti AS		Tallinn	1,369	100	100	MEEK	15.6
Securitas ĈR s.r.o.		Prague	100	100	100	MCZK	8.8
Securitas Holdings Inc.		Los Angeles, CA	100	100	100	MUSD	1,034.4
Pinkerton's of Canada Ltd	.	Montreal	4,004	100	100	MCAD	85.6
Pinkerton Servicios de Seguridad Privada S.A. de C.V.		Monterrey	4,999	100	100	MMXN	14.5
Securitas Direct International AB	556222-9012	Linköping	109,000	100	100	MSEK	13.1
Securitas Treasury Ireland Ltd.		Dublin	22,500,000	100	100	MSEK	8,462.6
Securitas Rental AB	556376-3829	Stockholm	500	100	100	MSEK	3.6
Other holdings							9.0
Total shares in subsidiaries							**15,197.0**

* A complete list may be obtained from the Parent Company.

NOTE 12 OTHER RECEIVABLES

Group, MSEK	1999	1998	1997
Tax claims	154.1	37.5	37.8
Prepaid expenses and accrued income	283.3	505.1	155.1
Other items	300.1	1,163.5	148.5
Total other receivables	**737.5**	**1,706.1**	**341.4**

For 1998, prepaid expenses and accrued income include a claim arising in the sale of TeleLarm Care totaling MSEK 320.

For 1998, other items include a claim arising in the sale of Proteg's fire alarm business in France totaling MSEK 715.

NOTE 13 INTEREST-BEARING CURRENT ASSETS

The net position in Group country cashpool accounts is reported as Cash and bank deposits in the Consolidated Balance Sheet. Utilized internal credit is reported as Group account bank overdraft in the Parent Company's Balance Sheet.

Short-term investments refer to fixed interest rate bank deposits with a maturity of less than 12 months, valued at cost.

NOTE 14 PLEDGED ASSETS

Group, MSEK	1999	1998	1997
Real estate mortgages	**37.3**	**25.5**	**21.9**

Parent Company, MSEK	1999	1998	1997
Pledged assets	**None**	**None**	**None**

NOTE 15 SUBORDINATED CONVERTIBLE DEBENTURE LOAN

The loan carries a variable interest rate equivalent to 12-month STIBOR less 0.25 percent. The loan runs from April 24, 1998 to February 28, 2003. The loan has burdened the year's result by MSEK 28.5 in the form of interest expense. Conversion may be requested during the period May 30, 2001 to January 31, 2003 into Series B shares. The conversion price is SEK 79.50 per share, which corresponds to a maximum of 8,805,031 Series B shares.

A previous subordinated convertible debenture loan fell due for payment June 30, 1999. This loan has burdened the year's result by MSEK 0.1 in the form of interest expense. During 1999, conversion of the loan totaled MSEK 72.9, which corresponds to 3,196,505 Series B shares, at a conversion price of SEK 22.80 per share.

NOTE 16 CHANGES IN SHAREHOLDERS' EQUITY

Group, MSEK	Share capital	Restricted reserves	Non-restricted reserves	Total
Opening balance	325.1	3,756.3	1,269.6	5,351.0
Dividend paid	–	–	–276.6	–276.6
Net income for the year	–	–	797.8	797.8
New issue	31.2*	3,435.8**	–	3,467.0
Transfer between restricted and non-restricted reserves	–	334.1	–334.1	–
Translation differences	–	–311.1	–63.4	–374.5
Closing balance	**356.3**	**7,215.1**	**1,393.3**	**8,964.7**

Parent Company, MSEK	Share capital	Legal reserve	Premium reserve	Non-restricted equity	Total
Opening balance	325.1	695.2	2,575.8	2,138.6	5,734.7
Dividend paid	–	–	–	–276.6	–276.6
Net income for the year	–	–	–	777.3	777.3
New issue	31.2*	–	3,405.5***	–	3,436.7
Closing balance	**356.3**	**695.2**	**5,981.3**	**2,639.4**	**9,672.2**

* Of which conversion MSEK 3.2.

** Of which conversion MSEK 69.7, deferred taxes MSEK 30.3.

*** Of which conversion MSEK 69.7.

Number of shares outstanding December 31, 1999

Series A	17,142,600	each with a par value of SEK 1.00	17.1
Series B	339,175,717	each with a par value of SEK 1.00	339.2
Total	**356,318,317**	**each with a par value of SEK 1.00**	**356.3**

DEVELOPMENT OF SHARE CAPITAL

Year	Transaction	Number of shares	SEK
1987	Opening capital	200,000	20,000,000
1989	Non-cash issue	285,714	28,571,400
1989	Rights 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	Rights 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	355,926,707	355,926,707
1999	Conversion	356,318,317	356,318,317
2003	Non-converted debentures[3]	365,123,348	365,123,348

[1] A split 3:1 was effected in 1996 and a stock dividend, changing the par value of the share from SEK 5 to SEK 2.

[2] A split 4:1 was effected in 1998 and a stock dividend, changing the par value of the share from SEK 2 to SEK 1.

[3] See note 15.

NOTE 17 LOAN LIABILITIES

The Group's long-term financing is primarily comprised of a syndicated loan, in the form of a Multi-currency Revolving Credit Facility, totaling MEUR 900, equivalent to MSEK 7,707 from a consortium of 23 international banks and dated December 8, 1999. Lead managers were Citibank N.A., Deutsche Bank AG and SEB Debt Capital Markets. The loan matures in 2004.

MSEK 3,000 in loans with interest rates fixed for a short period of time (< 1 year) have been classified as long-term loans in the Parent Company since these loans were drawn under the syndicated loan facility with 5 years remaining to maturity.

Long-term liabilities

Group, MSEK	1999	1998	1997
Maturity < 5 years	1,032.3	843.3	473.2
Maturity > 5 years	3,017.9	2,417.9	1,504.5
Total long-term liabilities	**4,050.2**	**3,261.2**	**1,977.7**

Parent Company, MSEK	1999	1998	1997
Maturity < 5 years	903.8	930.5	703.8
Maturity > 5 years	3,000.0	2,400.0	1,400.0
Total long-term liabilities	**3,903.8**	**3,330.5**	**2,103.8**

NOTE 18 OTHER CURRENT LIABILITIES

Group, MSEK	1999	1998	1997
Employee-related items	2,467.1	1,898.9	1,005.6
Tax liabilities	400.8	290.2	110.5
Accrued expenses and prepaid income	553.4	411.7	352.9
Advance payments from customers	225.4	227.1	169.6
Other current liabilities	920.1	1,289.8	448.0
Total other current liabilities	**4,566.8**	**4,117.7**	**2,086.6**

NOTE 19 CONTINGENT LIABILITIES

	Group			Parent Company*		
MSEK	1999	1998	1997	1999	1998	1997
Sureties	135.6	109.7	71.1	236.8	243.9	176.6
Guaranties	305.2	383.6	336.9	733.0	388.9	296.9
Other	436.0	148.9	5.6	493.2**	333.0**	0.2
Total contingent liabilities	**876.8**	**642.2**	**413.6**	**1,463.0**	**965.8**	**473.7**
Of which pension commitments	39.6	60.8	1.6	312.0	60.8	1.7
(of which on behalf of subsidiaries)	–	–	–	(952.8)	(535.8)	(384.1)

* The Parent Company carries guaranties for loan liabilities at full value even if the underlying facilities in the subsidiaries are not fully utilized.

** This item includes a provision for share-price-related pension and bonus reserve and contingent liability relating to ongoing tax litigation.

STOCKHOLM, MARCH 10, 2000

Melker Schörling
Chairman

Gustaf Douglas
Vice Chairman

Denis R. Brown

Carl Douglas

Philippe Foriel-Destezet

Anders Frick

Berthold Lindqvist

Fredrik Palmstierna

Thomas Lind
Employee Representative

Rune Lindblad
Employee Representative

Lennarth Ädel
Employee Representative

Thomas Berglund
President & CEO

Audit Report

To the 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 1999. These accounts and the administration of the company are the responsibility of the Board of Directors and the President. 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, 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 and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and, thereby, give a true and fair view of the company's and the group's financial position and results of operations in accordance with generally accepted accounting principles in Sweden.

We recommend to the general meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the profit for 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 17, 2000

Öhrlings PricewaterhouseCoopers AB

Göran Tidström
Authorized Public Accountant
Chief Auditor

Anders Lundin
Authorized Public
Accountant

Group Management


Thomas Berglund


Amund Skarholt


Håkan Winberg

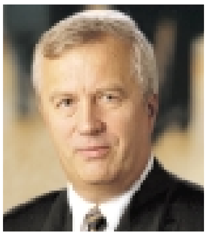

Tore K. Nilsen


Juan Vallejo


Patrick Coutand


Santiago Galaz


Reinhard W. Ottens


Marc Pissens


Melville Scott


Dick Seger


Don Walker

Thomas Berglund b. 1952
President of Securitas AB and CEO of the Securitas Group.
Employed by Securitas since 1984.
Shares in Securitas: 2,985,877 Series B and convertibles equivalent to 62,880 Series B shares.

Amund Skarholt b. 1948
Executive Vice President and Chief Operational Officer of Securitas AB.
Employed by Securitas since 1991.
Shares in Securitas: Convertibles equivalent to 62,880 Series B shares.

Håkan Winberg b. 1956
Executive Vice President and Chief Financial Officer of Securitas AB.
Employed by Securitas since 1985.
Shares in Securitas: 400,442 Series B shares and convertibles equivalent to 62,880 Series B shares.

Tore K. Nilsen b. 1956
Executive Vice President of Securitas AB.
Responsible for business area Guard Services in the Securitas Group.
Employed by Securitas since 1988.
Shares in Securitas: 26,513 Series B shares.

Juan Vallejo b. 1957
Executive Vice President of Securitas AB.
Responsible for business area Alarm Systems in the Securitas Group.
Employed by Securitas since 1990.
Shares in Securitas: 32,400 Series B shares and convertibles equivalent to 62,880 Series B shares.

Patrick Coutand b. 1950
Country Manager France and President of Securitas France Holding S.A.
Employed by Securitas since 1992.
Shares in Securitas: 0.

Santiago Galaz b. 1959
Country Manager Spain and President of Securitas Seguridad España S.A.
Employed by Securitas since 1995.
Shares in Securitas: Convertibles equivalent to 62,880 Series B shares.

Reinhard W. Ottens b. 1944
Country Manager Germany and President of Securitas Deutschland Holding GmbH.
Employed by Securitas since 1973.
Shares in Securitas: 20,000 Series B shares.

Marc Pissens b. 1950
Responsible for Airport Security in the Securitas Group. Country Manager Belgium and President of Securis N.V.
Employed by Securitas since 1999.
Employed by Securis since 1988.
Shares in Securitas: 0.

Melville Scott b. 1961
Responsible for business area Cash In Transit Services in the Securitas Group.
Country Manager Great Britain and President of Securitas UK Limited.
Employed by Securitas since 1997.
Shares in Securitas: 5,000 Series B shares and convertibles equivalent to 62,880 Series B shares.

Dick Seger b. 1953
President of Securitas Direct International AB.
Employed by Securitas since 1988.
Shares in Securitas: 12,326 Series B shares and convertibles equivalent to 62,880 Series B shares.

Don Walker b. 1941
Country Manager USA and President of Pinkerton's Inc.
Employed by Securitas since 1999.
Employed by Pinkerton since 1991.
Shares in Securitas: 10,000 Series B shares.

Data refers to shares held as of February 2000.

Country and Division Management


Thomas Clark


Bill Doran


Antoine Epiney


Artur Grilo


Jorma Hakala


Michał Jeżewski


Michal Kunik


Bjørn Lohne


Emanuel Mensdorff-Pouilly


Jan-Ove Nilsson


Paul R. St. Amour


Péter Szabó


Hardy Vad

Thomas Clark b. 1942
President of Pinkerton Consulting & Investigations.
Employed by Securitas since 1999.
Employed by Pinkerton since 1997.
Shares in Securitas: 0.

Bill Doran b. 1938
Country Manager Mexico and President of Pinkerton Servicios de Seguridad Privada S.A. de C.V.
Employed by Securitas since 1999.
Employed by Pinkerton since 1990.
Shares in Securitas: 0.

Antoine Epiney b. 1950
Country Manager Switzerland and President of Protectas S.A.
Employed by Protectas since 1984.
Shares in Securitas: Convertibles equivalent to 62,880 Series B shares.

Artur Grilo b. 1940
Country Manager Portugal and President of Securitas S.A.
Employed by Securitas since 1975.
Shares in Securitas: Convertibles equivalent to 5,040 Series B shares.

Jorma Hakala b. 1944
Country Manager Finland and President of Securitas Oy.
Employed by Securitas since 1986.
Shares in Securitas: Convertibles equivalent to 13,200 Series B shares.

Michał Jeżewski b. 1960
Country Manger Poland and President of Securitas Polska Sp. z o.o. and Securitas C.I.T. Sp. z o.o.
Employed by Securitas since 1996.
Shares in Securitas: 0.

Michal Kunik b. 1965
Country Manager Czech Republic and President of Securitas ČR s.r.o.
Employed by Securitas since 1992.
Shares in Securitas: 0.

Bjørn Lohne b. 1954
Country Manager Norway and President of Securitas AS.
Employed by Securitas since 1976.
Shares in Securitas: 2,729 Series B shares.

Emanuel Mensdorff-Pouilly b. 1934
Country Manager Austria and President of Securitas Werttransporte GmbH and Securitas Sicherheitsdienstleistungen GmbH.
Employed by Protectas since 1979.
Shares in Securitas: 6,000 Series B shares and convertibles equivalent to 5,040 Series B shares.

Jan-Ove Nilsson b. 1955
Country Manager Sweden and President of Securitas Sverige AB. Employed by Securitas since 1974.
Shares in Securitas: 37,120 Series B shares and convertibles equivalent to 62,880 Series B shares.

Paul R. St. Amour b. 1943
Country Manager Canada and President of Pinkerton's of Canada Limited and Pinkerton du Québec Limitée. Employed by Securitas since 1999. Employed by Pinkerton since 1970.
Shares in Securitas: 0.

Péter Szabó b. 1964
Country Manager Hungary and President of Securitas Hungária RT. Employed by Securitas since 1993.
Shares in Securitas: 0.

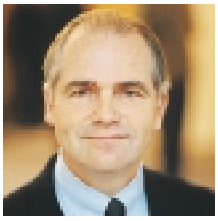
Hardy Vad b. 1944
Country Manager Denmark and President of Dansikring A/S. Employed by Securitas since 1989. Shares in Securitas: 15,399 Series B shares and convertibles equivalent to 12,600 Series B shares.

Country Management also includes Patrick Coutand *(Country Manager France)*, Santiago Galaz *(Country Manager Spain)*, Reinhard W. Ottens *(Country Manager Germany)*, Marc Pissens *(Country Manager Belgium)*, Melville Scott *(Country Manager Great Britain)*, Dick Seger *(President Securitas Direct International)* and Don Walker *(Country Manager USA)*. All are also members of Group Management.

Data refers to shares held as of February 2000.

Board of Directors

Regular members



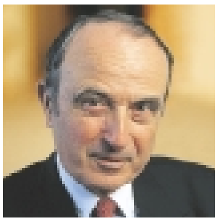
Melker Schörling

Gustaf Douglas

Thomas Berglund

Denis R. Brown

Carl Douglas



Philippe Foriel-Destezet

Anders Frick

Berthold Lindqvist

Fredrik Palmstierna

Melker Schörling *(Chairman)* b. 1947
President of Securitas 1987–1992. Chairman of Hexagon and TeleLarm Care AB. Vice Chairman of Assa Abloy AB. Director of Cardo AB, Hennes & Mauritz AB, Skandia AB and the Federation of Swedish Industries. Director of Securitas AB since 1987 and Chairman since 1993. Shares in Securitas: 3,000,000 Series A, 13,702,300 Series B, privately and through companies.

Gustaf Douglas *(Vice Chairman)* b. 1938
Owns with family Förvaltnings AB Wasatornet (principal owner of Investment AB Latour). Chairman of Investment AB Latour, AB Fagerhult, Stockholm Chamber of Commerce and SäkI AB. Director of Assa Abloy AB, Munksjö AB and Stiftelsen Svenska Dagbladet. Chairman of Securitas AB 1985–1992 and Vice Chairman since 1993. Shares in Securitas: through Investment AB Latour, 28,000,000 Series B, through SäkI AB, 14,142,600 Series A, and through Förvaltnings AB Wasatornet 5,000,000 Series B.

Thomas Berglund b. 1952
President of Securitas AB and Chief Executive Officer of the Securitas Group. Director of Securitas AB since 1993. Shares in Securitas: 2,985,877 Series B and convertibles equivalent to 62,880 Series B shares.

Denis R. Brown b. 1939
Former Chairman of Pinkerton. Director of The Farr Co. Member of the Board of St. Mary's College. Director of Securitas since 1999.
Shares in Securitas: 0.

Carl Douglas b. 1965
Director of PM-Luft AB, Specma AB and SäkI AB. Deputy Director of Securitas AB since 1992. Director of Securitas since 1999. Shares in Securitas: 100,000 Series B.

Philippe Foriel-Destezet b. 1935
Chairman of Adecco S.A., Akila S.A. and Nescofin UK Ltd. Director of Vivendi S.A.,Carrefour S.A. and Akila Finance S.A. Director of Securitas AB since 1998. Shares in Securitas: 17,142 Series B privately, and 13,480,256 Series B through Akila S.A.

Anders Frick b. 1945
Director of AB Fagerhult, Getinge Industrier AB, Lifco AB, Nordbanken – Southern Region and Sweco AB. Director of Securitas AB since 1985. Shares in Securitas: 2,880 Series B.

Berthold Lindqvist b. 1938
Chairman of Munters AB. Director of AB Bure, Pharmacia & Upjohn Inc., Trelleborg AB, Modo Paper AB, Novotek AB and Probi AB. Director of Securitas AB since 1994.
Shares in Securitas: 0.

Fredrik Palmstierna b. 1946
President of SäkI AB. Director of Investment AB Latour, AB Fagerhult, Almedahls AB, Hultafors AB and BPA AB. Deputy Director of Securitas AB since 1985. Regular Director of Securitas AB since 1992. Shares in Securitas: 80,224 Series B.

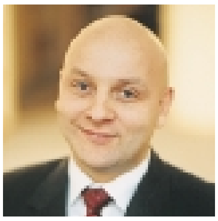
Data refers to shares held as of February 2000.

Employee representatives

Deputies

Thomas Lind

Rune Lindblad



Lennarth Ädel

Björn Drewa

Magnus Thelander

Thomas Lind b. 1966
Local Chairman of Securitas Region Stockholm. Employee Representative, Swedish Transport Workers' Union. Director of Securitas AB since 2000.
Shares in Securitas: 0.

Rune Lindblad b. 1947
Service technician in Securitas Larm AB. Employee Representative, Swedish Electricians' Union. Director of Securitas AB since 1995.
Shares in Securitas: 2,400 Series B and convertibles equivalent to 2,524 Series B shares.

Lennarth Ädel b. 1961
Chief Safety Representative in Securitas. Employee Representative in Swedish Transport Workers' Union. Director of Securitas AB since 2000.
Shares in Securitas: Convertibles equivalent to 2,579 Series B shares.

Björn Drewa b. 1946
Staff Engineer in Securitas. Employee Representative, HTF Local in Stockholm. Deputy Director of Securitas AB since 1996.
Shares in Securitas: 0.

Magnus Thelander b. 1968
Team Leader of Securitas Bevakning AB in Malmö. Employee Representative, Swedish Transport Workers' Union. Deputy Director of Securitas AB since 2000.
Shares in Securitas: 0.

Data refers to shares held as of February 2000.

An account of the operating procedures of the Board of Directors can be found in the Report of the Board of Directors on page 42 under the heading The Company's Management.

Auditors

Göran Tidström b. 1946
Authorized Public Accountant
Öhrlings PricewaterhouseCoopers AB
Auditor of Securitas AB since 1999.

Anders Lundin b. 1956
Authorized Public Accountant
Öhrlings PricewaterhouseCoopers AB
Auditor of Securitas AB since 1991.

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Fax +1 877 576 2563
President, Thomas Clark

Financial Information

Securitas will publish the following financial reports during 2000:

Interim report January–March 2000	**May 2, 2000**
Interim report January–June 2000	**August 3, 2000**
Interim report January–September 2000	**November 2, 2000**

The Annual General Meeting will be held on May 2, 2000.

All financial information is available in Swedish and English and may be requested from:
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Telephone +46 8 657 74 00, Fax +46 8 657 74 85
or via
Securitas AB's home page:
www.securitasgroup.com

Financial analysts who follow Securitas

Company	*Name*
ABG Securities	Ben Wärn
Alfred Berg	Sandra Frimann-Clausen
Aros Securities	Lars Larsen
Carnegie	Carsten J. Leth
Cazenove	Charles Evans Lombe
Cheuvreux De Virieu	Jeff Saul
Commerzbank	David Greenall
Den Danske Bank	Allan Nielsen
Deutsche Bank	Paul Ginocchio
Dresdner Kleinwort Benson	Nick Williamson
Enskilda Securities	Monika Elling
Erik Penser FK	Linus Marmstedt
Goldman Sachs	Boris Bernstein
Handelsbanken	Henrik Sparup
MeritaNordbanken	Mattias Gredmark
Paribas	Christian Diebitsch
Swedbank	Jonas Palmqvist
Warburg Dillon Read	Anna Carnefeldt

Invitation to the Annual General Meeting

Securitas AB's shareholders are invited to attend the Annual General Meeting to be held on Tuesday, May 2, 2000, at 5.30 p.m. in Vinterträdgården, at the Grand Hotel, entry via Royal entré, Stallgatan 6, Stockholm. Registration for the Annual General Meeting begins at 4:45 p.m.

Right to attend

Right to attend the Annual General Meeting of Securitas is held by shareholders who:

1) are recorded in the print-out of the Share Register made on Saturday, April 22, 2000. Due to the intervening Easter week-end, such record must be made by Thursday, April 20, 2000 at the latest.
2) notify Securitas of their intention to participate in the Meeting no later than 4.00 pm on Tuesday, April 25, 2000.

Ownership registration

The Share Register of Securitas is maintained by the Swedish Securities Register Centre (Värdepapperscentralen VPC AB). Only shareholdings registered in the owner's own name are listed in the Share Register. Attendance at the Meeting is reserved for shareholders who are registered under their own name. Share-holders with nominee-registered shares wishing to atttend, should request temporary owner-registration, known as voting-right registration, from their bank or broker not later than a few banking days before April 20, 2000.

Notice

Notice of intent to participate in the Meeting may be provided to the company by mail at address: Securitas AB, P.O. Box 12307, SE-102 28 Stockholm, Sweden, by telephone +46 8 657 74 00 or by fax +46 8 657 74 85. When giving notice, please state your name, personal registration number (or equivalent), address and telephone number.

Dividend

The Board of Directors has proposed a dividend of SEK 1.00 per share. As record date, the Board of Directors proposes Friday, May 5, 2000. If the Annual General Meeting approves these proposals, the dividend is expected to be distributed by VPC on Wednesday, May 10, 2000.

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Integrity Vigilance Helpfulness

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