



Securitas AB

Interim Report
January-March 2000

Sales increased by 92 percent in local currencies to MSEK 8,395, of which 8 percent is organic growth and 84 percent is growth through acquisitions

Operating income increased by 63 percent in local currencies to MSEK 464

Income before taxes increased by 30 percent in local currencies to MSEK 257

8 percent (9). The acquisitions of Pinkerton, Seguridad 7, Securis, Sonasa, APS, First Security and Micro-Route increased sales by MSEK 3,750, equivalent to 84 percent.

Operating income before amortization of goodwill amounted to MSEK 464 (292), which is an increase of 59 percent. This increase corresponds to 63 percent in local currencies. The operating margin was 5.5 percent (6.6). The lower margin is explained by the acquisitions of predominantly guard services businesses, all of which had lower operating margins at the time of acquisition than existing businesses in Securitas. Since the time of acquisition, the operating margin has developed positively according to plan, in the underlying business as well as in acquired entities.

Income before taxes amounted to MSEK 257 (202). This is an increase of 27 percent. In local currencies, the increase is 30 percent. Income for the first quarter 2000 has not been influenced by synergies from acquisitions completed during the last six months. Such synergies will have a positive effect on the development of the Group's income as from the second quarter.

Earnings per share after 28 percent standard taxes amounted to SEK 0.53 (0.45), an increase of 18 percent. Earnings per share after full taxes amounted to SEK 0.48 (0.43).

Development in the Group's business areas

Organic growth in business area *Guard Services* was 4 percent (6). The pace of growth was affected negatively by the acquisitions in Germany and France, which are now reported as organic growth in their entirety for the first time. Operating margin was 5 percent (6). The lower margin compared to last year is entirely due to the acquired Guard Services businesses. The operating margin is expected to improve gradually as the synergies planned in connection with the acquisitions are realized.

Organic growth in business area *Alarm Systems* was 12 percent (16). The operating margin was 7 percent (10). The

In the Securitas Direct division, volumes and operating income continued to show positive development. About 11,200 units (7,900) were installed during the first quarter, an increase of about 42 percent over the same period last year. The total installed base is now about 144,000 units (106,000). Sales increased organically by 35 percent (30), and profitability continued to be good.

In addition to Securitas Direct, Securitas had 203,000 (184,000) alarm connections in business area Alarm Systems, with growth of 10 percent. 78,000 (63,000) of these are alarm connections to small companies, with growth of 24 percent.

Organic growth in business area *Cash In Transit* was 16 percent (7). The operating margin was 7 percent (5). The Cash In Transit business continues to develop positively.

Development in the Group's countries of operation

The *Nordic Countries* showed good organic growth for all business areas.

Following the past two years' multiple acquisitions in *Germany*, a new organization model similar to that in the Nordic Countries is being implemented during 2000. Changes are being made to ensure continued good development of sales and income.

France has successfully implemented price increases to offset the effects of the 35-hour working week and now shows organic growth of 4 percent. The operating margin is improving according to plan.

In *Great Britain*, the positive development of volumes and earnings performance continues.

In *Spain*, the Guard Services and Alarm Systems businesses recorded very good and profitable growth. The integration work with Ausysegur has now begun. In time, the acquisition will lead to good growth and profitability in the Cash In Transit business.

Business Area Overview										
	<u>Guarding</u> ¹⁾		<u>Alarm</u>		<u>Direct</u>		<u>Cash In Transit</u>		<u>Total</u>	
	March	March	March	March	March	March	March	March	March	March
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
Sales, MSEK	6,479	2,957	919	669	157	121	841	702	8,395	4,449
<i>Organic growth %</i>	4	6	12	16	35	30	16	7	8	0

Acquisitions

USA

On December 6, 1999, Securitas concluded an agreement to acquire, effective as of January 2, 2000, *American Protective Services Inc. (APS)* and *First Security Corporation (First Security)*, with combined annual sales of about MSEK 4,430 and 22,500 employees. The acquisition price was MSEK 1,693 and was paid on January 2. The Group's goodwill increased by MSEK 1,637. This goodwill will be amortized over 20 years. APS and First Security are consolidated in the Securitas Group from January 1, 2000.

The task of integrating APS's and First Security's business with Pinkerton was begun during the first quarter and now continues according to plan.

Great Britain

On February 8, effective as of February 1, 2000, Securitas acquired the British company *Micro-Route Ltd.*, with sales of MSEK 168 and 250 employees. The company carries out installation and servicing of cash dispensing machines.

The acquisition price was MSEK 109. Goodwill is estimated at MSEK 92 and will be amortized over 10 years. Micro-

Spain

On January 20, 2000, Securitas concluded an agreement to acquire the Spanish security company *Ausysegur*, with sales of about MSEK 530. The company is active in cash in transit services (48 percent of sales), guard services (43 percent of sales) and courier operations (9 percent of sales). The company is the second largest player in the cash in transit market in Spain, with a market share of 16 percent.

The acquisition, which is being completed in three steps, was approved by the Spanish competition authorities during February 2000. In March, Securitas paid MSEK 245 (MESP 4,875) for 75 percent of the shares. In a second step, Securitas will transfer its Cash In Transit Services business to Ausysegur, thereby increasing its stake in the company to 85 percent. In a third step, the seller, LICO Corporation SA, will have an option to sell the remaining shares outstanding to Securitas, no earlier than during the second year after the acquisition. Securitas will have an option to acquire the remaining outstanding shares not later than during the fourth year after the acquisition. Payment for the remaining shares is scheduled to take place when the options are exercised, either during the second or fourth year after the acquisition. The total acquisition price is estimated at MSEK 335 (MESP 6,500).

The synergies and long-term effects of the merger will strengthen Securitas' Cash In Transit Services business in Spain significantly, making 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.

Belgium

On February 25, 2000, Securitas concluded an agreement to acquire the Belgian security company *Baron Security S.A.*, with sales of about MSEK 300 and 930 employees. The acquisition price, which according to the agreement amounts to MSEK 123, gives rise to goodwill of MSEK 86. The company is active mainly in guard services and will complement Securitas' existing business in Securitas, thus also strengthening Securitas' platform in Belgium.

The acquisition remains subject to approval by the Belgian competition authorities, and will be consolidated in the Securitas Group from the date of such approval. A decision is expected during the first week of May 2000.

Group sales by country and division

Country	Jan-Mar	Share of total	Jan-Mar	Jan-Mar	Change in %	
	2000 MSEK		2000 M(local)	1999 M(local)	organic	total
Sweden	784	9	784	729	10	8
Norway	326	4	312	292	7	7
Denmark	88	1	78	70	5	11
Finland	212	3	149	126	15	19
Germany	933	11	216	200	0	8
France	1,034	12	805	776	4	4
Great Britain	427	5	31	20	9	54
Spain	463	6	9,132	7,384	13	24
Switzerland	89	1	17	14	20	20
Austria	64	1	105	103	2	2
Portugal	243	3	5,801	4,645	18	25
Belgium ¹⁾	179	2	870	-	-	-
Hungary	25	<1	754	661	14	14
Poland	39	<1	19	10	61	98
Estonia	13	<1	24	19	31	31
Czech Republic	17	<1	71	47	41	52
USA ²⁾	2,975	35	341	-	-	-
Canada ²⁾	145	2	24	-	-	-
Mexico ²⁾	46	1	50	-	-	-
Securitas Direct	157	2	157	121	35	29

acquisitions.

Free cash flow amounted to MSEK 73 (-135) For the full year, free cash flow as a percentage of adjusted income is expected to be on a par with previous years.

Capital employed, net debt and shareholders' equity

The Group's operating capital employed amounted to MSEK 4,696 (3,840 as of December 31, 1999), which is equivalent to 12 percent (12) of sales, adjusted for full-year sales of acquired entities.

The Group's capital employed amounted to MSEK 13,471 (11,019). Acquisitions during the year have increased the Group's goodwill by MSEK 1,756.

The Group's net debt amounted to MSEK 4,422 (2,053 as of December 31, 1999). The acquisitions made during the first quarter of 2000 had a negative effect on net debt of MSEK 2,488.

Shareholders' equity amounted to MSEK 9,047 (8,965 as of December 31, 1999). Interest expense for the first quarter on the outstanding subordinated convertible debenture loan amounted to MSEK 7 (7).

The net debt equity ratio was 0.49 (0.27).

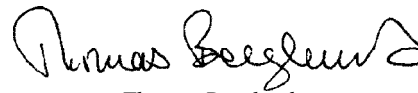
Management and Board of Directors

Juan Vallejo, former Country Manager for Sweden, has been appointed Executive Vice President of Securitas AB, thus strengthening Group Management.

Development in 2000

As synergies progressively increase earnings in recently acquired entities, these entities will have a positive effect on Group earnings performance as from the second quarter. For the year 2000, the previous forecast of an increase in earnings per share of at least 25 percent remains unchanged.

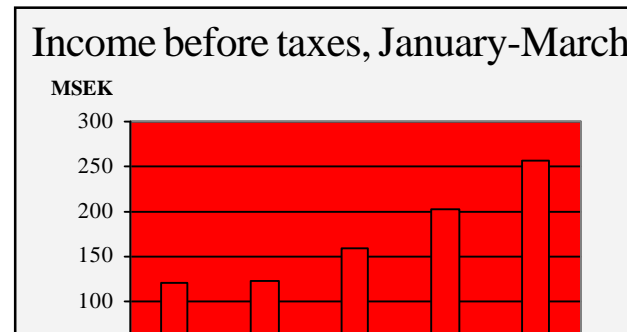
STOCKHOLM, MAY 2, 2000



Thomas Berglund

President and Chief Executive Officer

This report has not been examined by the Group's auditors



Operating margin, %	0.0	0.0	0.7	1.3
Amortization of goodwill	-136.4	-68.8	-403.9	-171.4
Operating income after amortization of goodwill	327.1	222.8	1,226.6	831.4
Net financial items	-70.0	-21.0	-110.8	-65.3
Income before taxes	257.1	201.8	1,115.8	766.1
Net margin, %	3.1	4.5	4.4	5.6
Taxes paid	-70.3	-55.8	-334.5	-183.7
Deferred taxes	-17.1	-6.3	18.0	-60.4
Minority interests	0.0	-0.2	-1.5	-0.5
Income for the period	169.7	139.5	797.8	521.5

Cash Flow

MSEK	Jan-Mar 2000	Jan-Mar 1999	Jan-Dec 1999	Jan-Dec 1998
Operating income before amortization of goodwill	463.5	291.6	1,630.5	1,002.8
Capital expenditures	-302.1	-217.7	-1,044.3	-699.0
Depreciation	216.5	160.7	754.3	569.6
Change in working capital	-164.3	-292.6	-93.4	-41.7
Operating cash flow	213.6	-58.0	1,247.1	831.7
Net financial items	-70.0	-21.0	-110.8	-65.3
Taxes paid	-70.3	-55.8	-334.5	-183.7
Free cash flow	73.3	-134.8	801.8	582.7
Reversal of capital expenditures	302.1	217.7	1,044.3	699.0
Cash flow from operating activities	375.4	82.9	1,846.1	1,281.7
Cash flow from investing activities incl. acquisitions	-2,790.2	826.7	-4,745.2	-4,411.9
Cash flow from financing activities excl. change in interest-bearing debt	-	5.4	3,160.1	2,630.9
Foreign exchange differences	45.4	110.3	105.0	-116.8
Change in net debt	-2,369.4	1,025.3	366.0	-886.1
Change in interest-bearing debt	2,258.1	-1,172.4	-515.4	1,138.6
Change in liquid funds	-111.3	-147.1	-149.4	252.5

Balance

MSEK	Mar 2000	Dec 1999	Mar 1999	Dec 1998
Operating capital employed	4,696.3	3,839.8	2,100.2	2,948.5
Return on operating capital employed, %	49	51	41	39
Operating capital employed as % of sales ¹⁾	12	12	12	15
Shares in associated companies	0.8	0.9	263.4	261.0
Goodwill	8,773.9	7,178.4	4,282.1	4,564.0
Net debt	-4,422.0	-2,052.6	-1,393.2	-2,418.6
Minority interests	1.8	1.8	4.1	3.9
Shareholders' equity	9,047.2	8,964.7	5,248.4	5,351.0
Equity ratio, %	41.7	43.2	38.0	34.6

Data per Share

SEK	Mar 2000	Dec 1999	Mar 1999	Dec 1998
Share price, end of period	209.00	154.00	130.00	126.00

in Guard Services, Alarm Systems and Cash In Transit Services.
The Group has more than 150,000 employees.

Financial information from Securitas

The Annual General Meeting will be held on May 2, 2000, at 5.30 pm., at the Grand Hotel in Stockholm.

The Interim Report for January-June will be published on August 3, 2000.

The Interim Report for January-September will be published on November 2, 2000.

Press releases can be obtained from Securitas AB's website: www.securitasgroup.com

