

November 7, 2012



January – September 2012



Alf Göransson, President and CEO

Highlights January - September



- Organic sales growth declined from 4% to 0%, whereof -2,0% is due to France, Portugal and Spain (representing 17% of Group sales YTD)
- The price/wage balance on par YTD and is expected to stay on par FY 2012
- Operating margin 4.7% (5.1) – main reasons are North America and Spain
- Re-organization and cost-savings programs initiated for better alignment and increase of investment pace in technology



Financial Highlights



MSEK	Q3 2012	Q3 2011	Total change %	9M 2012	9M 2011	Total change %
Sales	16 474	16 628	-1	49 707	47 031	6
<i>Organic sales growth, %</i>	0	4		0	4	
<i>Real sales growth, incl. acq. %</i>	3	13		5	12	
Operating income before amortization	864	947	-9	2 330	2 407	-3
<i>Operating margin, %</i>	5.2	5.7		4.7	5.1	
<i>Real change, %</i>	-5	-1		-4	-2	
Income before taxes, IAC and impairment losses*	666	740	-10	1 654	1 793	-8
<i>Real change, %</i>	-7	-6		-9	-9	
Income before taxes	640	740	-14	1 628	1 793	-9
<i>Real change, %</i>	-10	-6		-10	-9	
Net income	442	519	-15	1 136	1 257	-10
Earnings per share (SEK), before IAC and impairment losses*	1.28	1.42	-10	3.18	3.44	-8
Earnings per share (SEK)	1.21	1.42	-15	3.11	3.44	-10

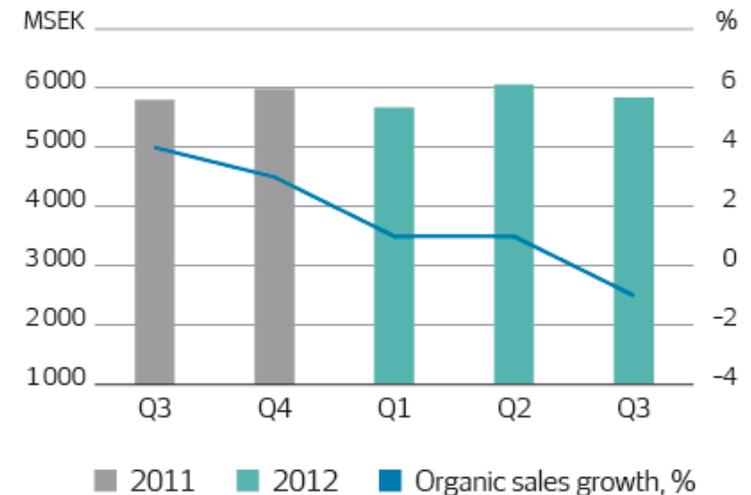
* Impairment losses of goodwill and other acquisition related intangible assets.

Security Services North America

– Sales Development 9M



- Organic sales growth 0% (4), hampered by the development in the customer segments defense and aerospace, federal government services and Pinkerton C&I
- Last year, extra sales were strong in the third quarter
- The sales of specialized security solutions as part of total sales was 11 percent (6) in the period

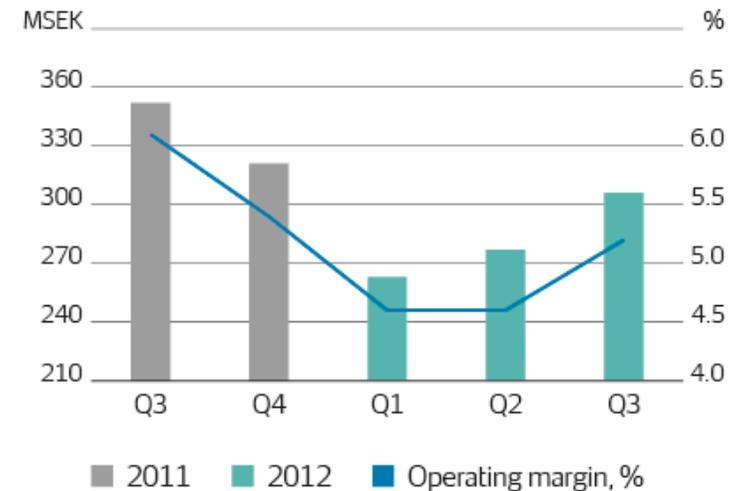


Security Services North America

– Income Development 9M



- The operating margin was 4.8% (5.8), due to
 - Federal government services with lower extra sales and difficulties in the integration process
 - Weak development in Pinkerton C&I
 - Lower extra sales in some U.S. regions
- Last year, the operating margin was positively impacted by 0.2 percent through a settlement in a client dispute

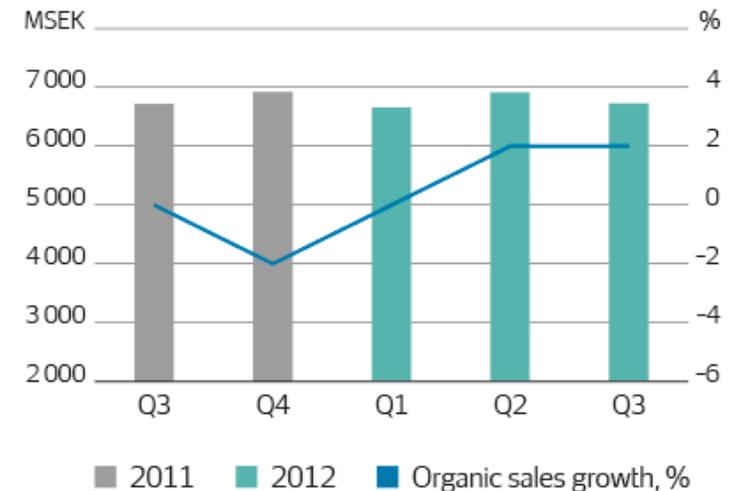


Security Services Europe

– Sales Development 9M



- Organic sales growth 1% (0), supported by Germany and the Nordic countries
- France was negative with -9 percent in the quarter and -6 percent YTD, due to volume losses following the price campaigns

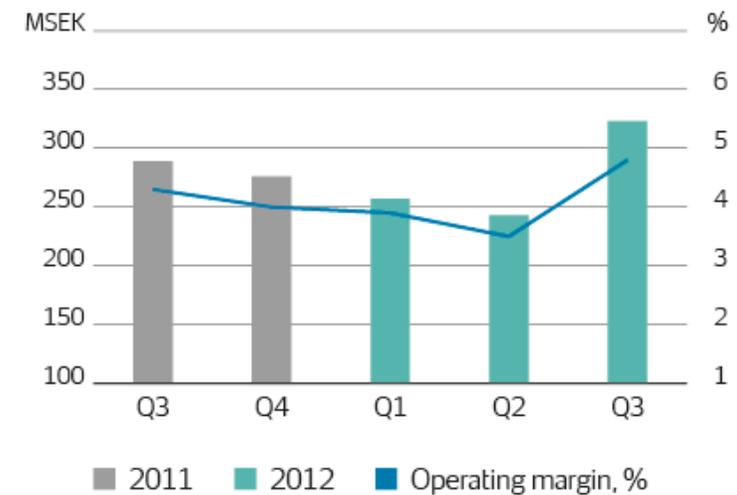


Security Services Europe

– Income Development 9M



- Operating margin 4.1% (3.8*) and with a positive trend
- Main contributors to the development were Belgium, France, Germany and the United Kingdom



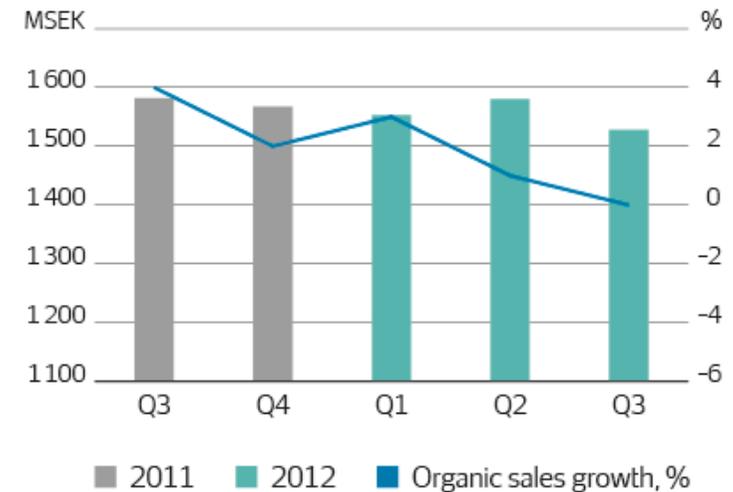
** Restated due to operations moved between the segments Security Services Europe, Mobile and Monitoring and Security Services Ibero-America.*



Mobile and Monitoring – Sales Development 9M



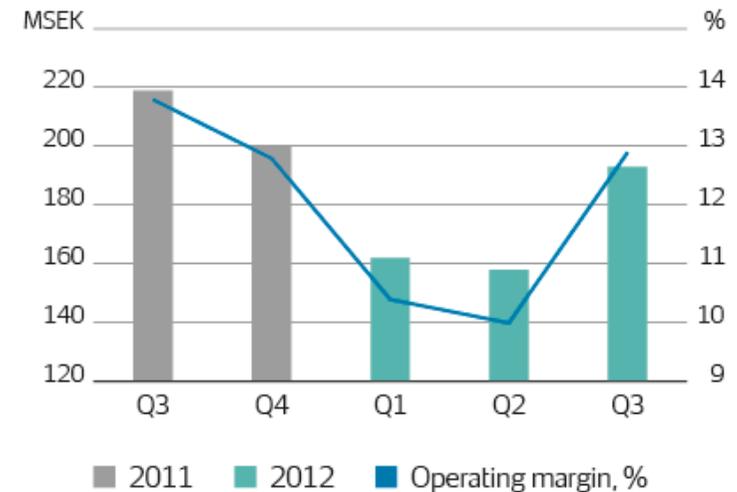
- Organic sales growth 1% (4), showing a mixed picture among the countries
- The decline is mainly due to negative impact from lower new sales and lower extra sales in a tough macroeconomic environment



Mobile and Monitoring – Income Development 9M



- Operating margin 11.0% (11.7*)
- Delayed synergies from acquisitions impacted negatively as well as lower extra sales
- Contract losses in a few countries also had a negative impact



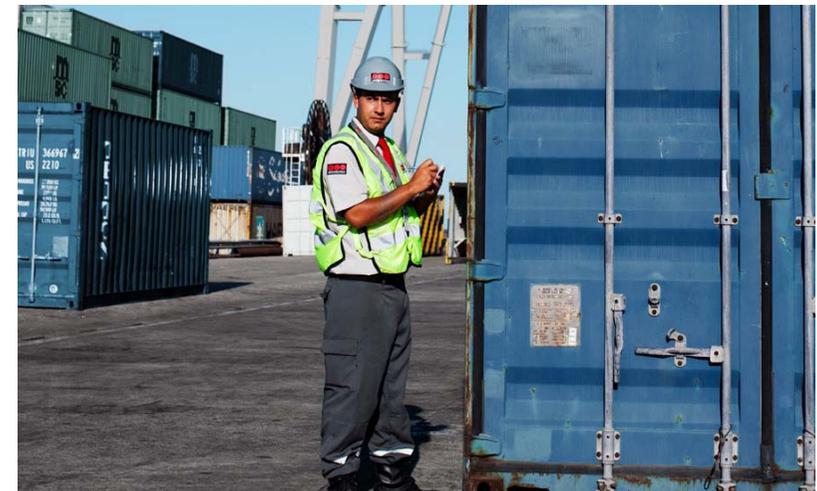
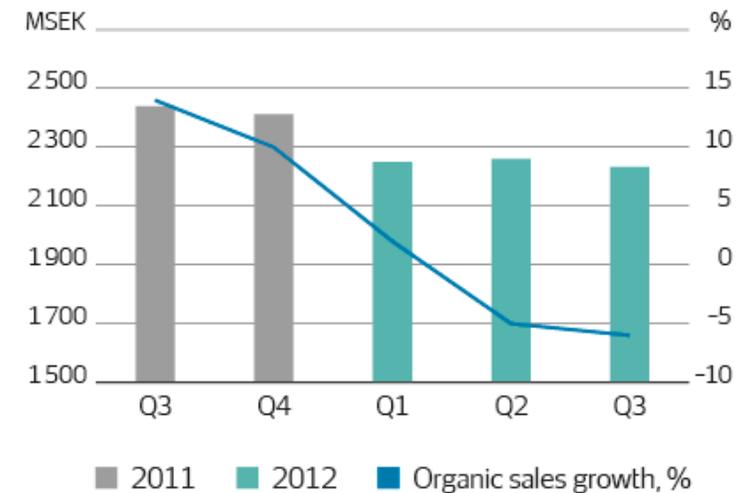
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Security Services Ibero-America – Sales Development 9M



- Organic sales growth -3% (11)
- Organic sales growth in Spain -16% in the first nine months, and -21% in Q3, due to:
 - terminations of low margin contracts or customers with high credit risk
 - contract losses, reductions and lower extra sales
- In Latin America the organic sales growth was 21 percent, driven by price increases and good portfolio development in Argentina, Uruguay and Peru

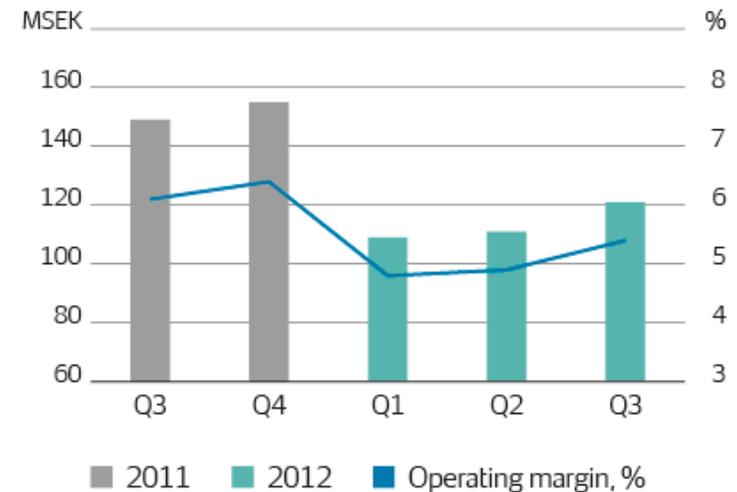


Security Services Ibero-America

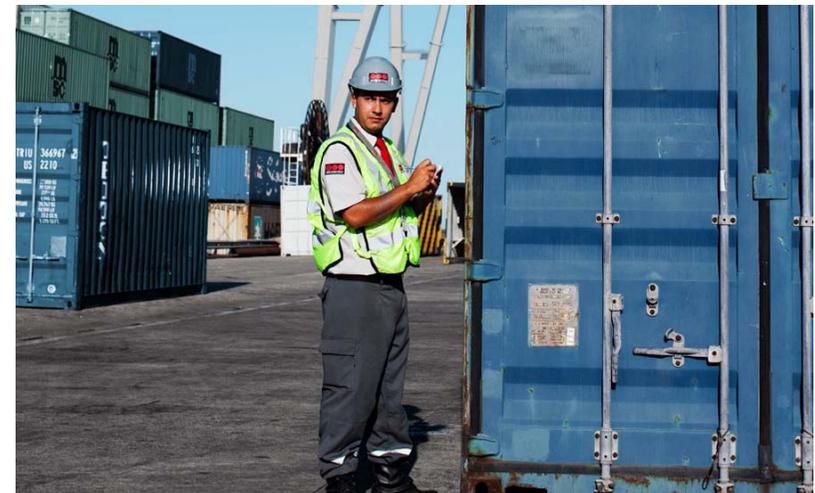
– Income Development 9M



- Operating margin 5.1% (5.9*), and declined in Portugal and Spain due to much lower sales (negative leverage and excess guards), a tough price competitive market and increased payroll taxes
- Investments in the technology platform in Spain continues and is differentiating Securitas from competition
- Operating margin declined slightly in Latin America due to wage cost increases not yet fully recovered



** Restated due to operations moved between the segments Security Services Europe, Mobile and Monitoring and Security Services Ibero-America.*



Cash flow



MSEK	Q3 2012	Q3 2011	9M 2012	9M 2011
Operating income before amortization	864	947	2 330	2 407
Investments in non-current tangible and intangible assets	-254	-209	-775	-690
Reversal of depreciation	231	222	708	669
Change in accounts receivable	-410	-53	-299	-795
Change in other operating capital employed	220	166	-476	-589
Cash flow from operating activities	651	1 073	1 488	1 002
<i>Cash flow from operating activities, %</i>	<i>75</i>	<i>113</i>	<i>64</i>	<i>42</i>
Financial income and expenses paid	-88	-81	-474	-416
Current taxes paid	-102	-104	-467	-545
Free cash flow	461	888	547	41
<i>As % of adjusted income</i>	<i>83</i>	<i>143</i>	<i>37</i>	<i>3</i>
<i>Free cash flow to net debt</i>	<i>-</i>	<i>-</i>	<i>0.12</i>	<i>0.11</i>

Net Debt Development



MSEK

Net debt January 1, 2012	-10 349
Free cash flow	547
Acquisitions	-596
IAC payments	-30
Dividend paid	-1 095
Change in net debt	-1 174
Translation and revaluation	412
Net debt Sep 30, 2012	-11 111



Time for actions – three clear goals



- Improve profit
- Improve internal efficiency and interaction in Europe
- Most importantly, advance our technology at a much higher speed



Actions



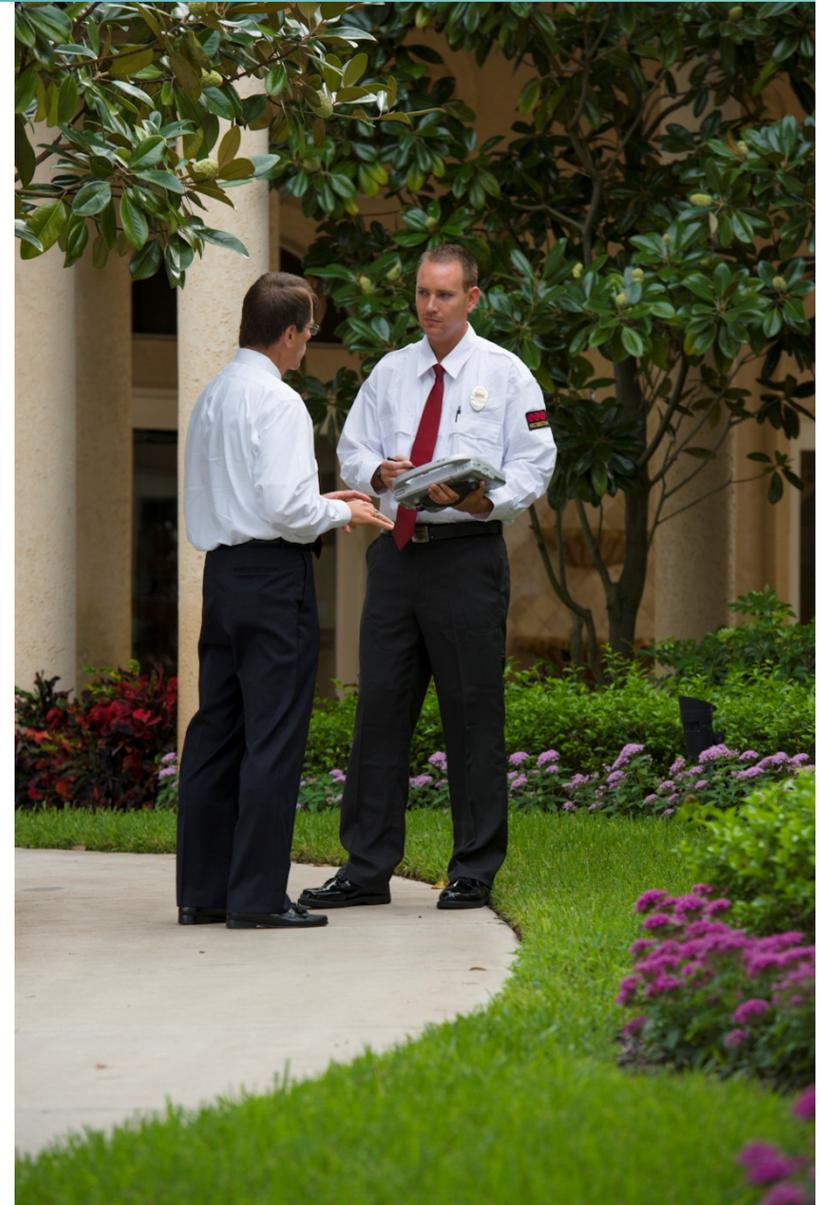
- Creation of one European Division, including guarding, mobile, monitoring and technology solutions
- In Security Services North America, reduction of the number of geographical regions in the US
- Cost-savings program in Spain
- CTOs to be appointed in all major countries
- A Group Center of Excellence in Remote Video Solutions has been established in Malmö, Sweden



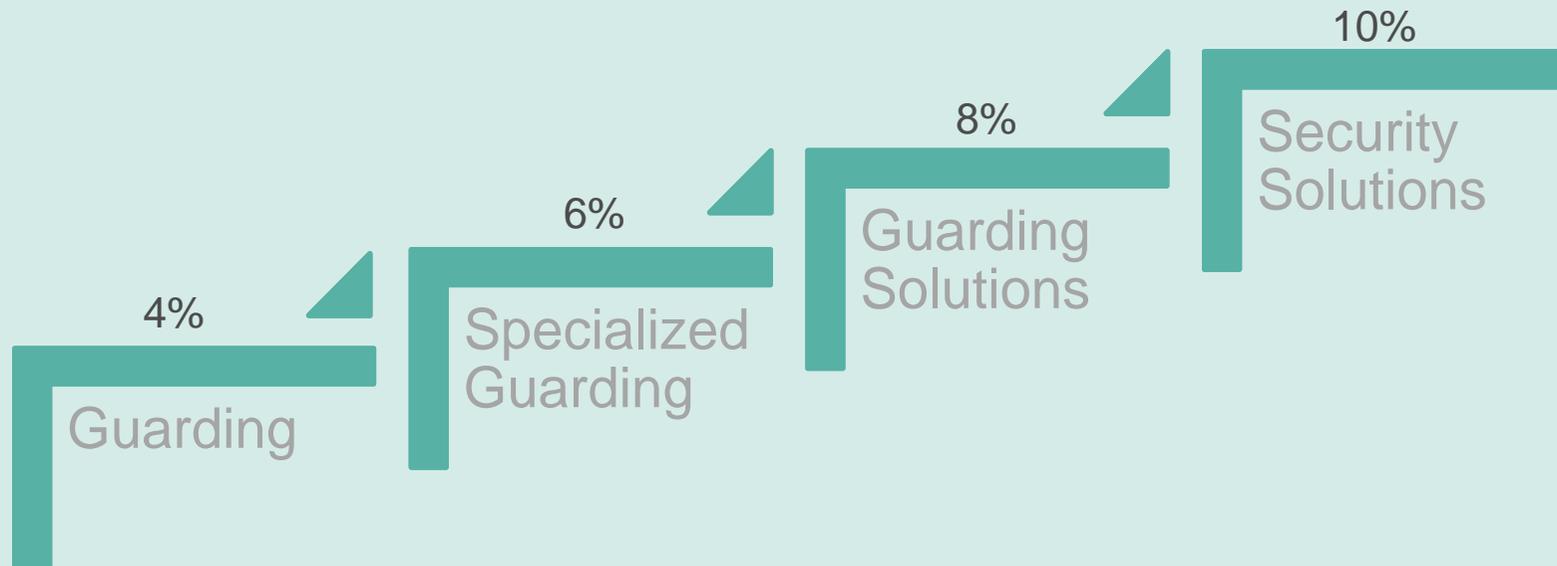
Time plan and savings



- Execution of the changes started on October 17, 2012, to be finalized during the fourth quarter of 2012
- Total net savings are estimated to approx. MSEK 370 annually, effective as of January 1, 2013
- Total restructuring costs will be approx. MSEK -430, to be recognized in Q4 2012

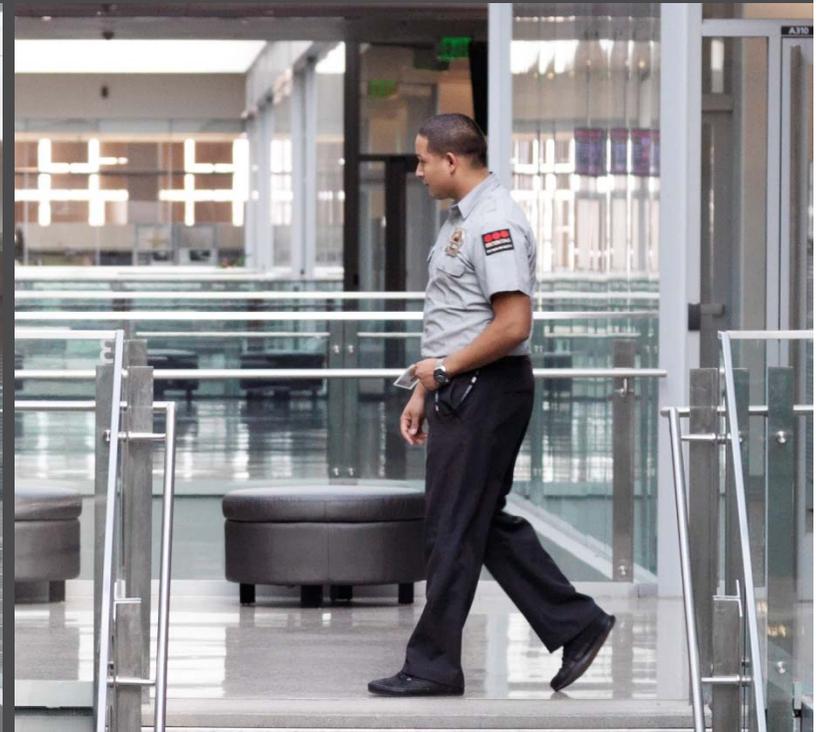
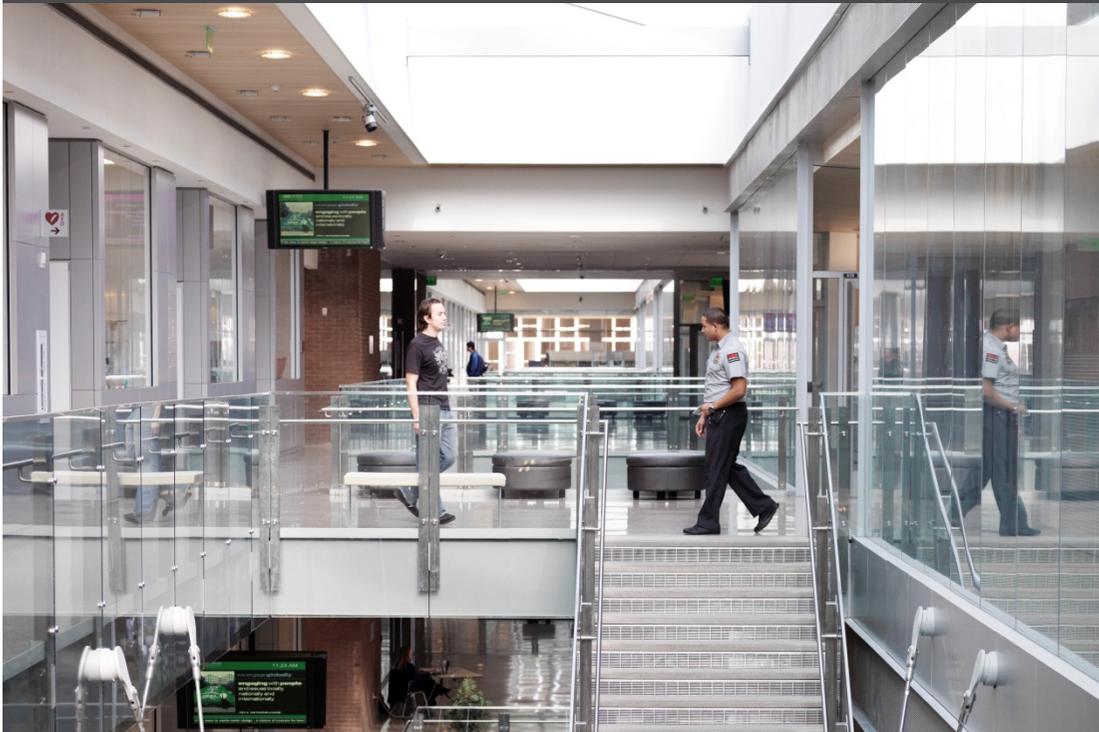


Strategic direction





Questions and Answers





Integrity | Vigilance | Helpfulness

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