

November 4, 2014



January – September 2014



Alf Göransson, President and CEO

Highlights January - September



- Organic sales growth 4% (1) in Q3, 3% (1) in the period
- Good speed in all business segments. Spain is still negative but with a positive trend
- Sales of security solutions and technology 9.5% of Group sales (run rate in Q3)
- Operating margin 4.9% (5.0) – improved margin in SSNA and SSIA burdened due to Spain
- Negative FX from Argentina of MSEK -53
- Improved net income and real EPS growth of 4 percent
- Free Cash Flow to net debt ratio 0.16 (0.26)
- Positive outcome in two tax disputes



Financial Highlights



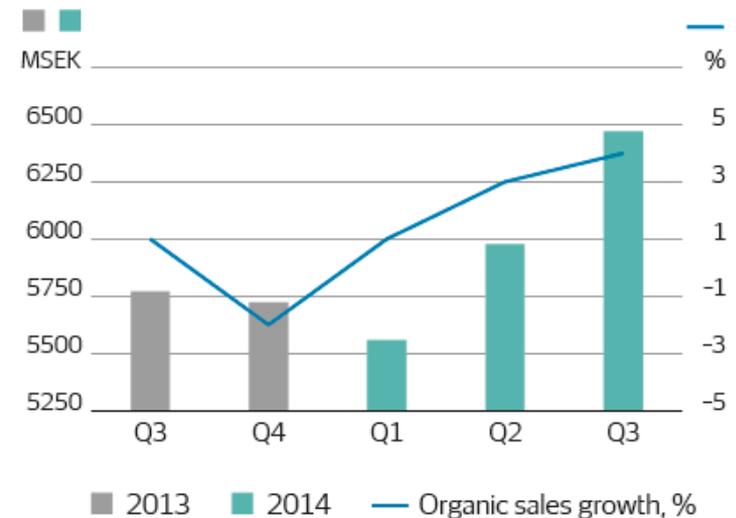
MSEK	Q3 2014	Q3 2013	Total change %	Real change %	9M 2014	9M 2013	Total change %	Real change %
Sales	18 003	16 605	8	4	51 234	48 975	5	3
<i>Organic sales growth, %</i>	4	1			3	1		
Operating income before amortization	962	892	8	4	2 488	2 450	2	1
<i>Operating margin, %</i>	5.3	5.4			4.9	5.0		
Amortization and impairment of acquisition related assets	-61	-65			-182	-193		
Acquisition related costs	-2	-5			-13	-19		
Operating income after amortization	899	822	9	4	2 293	2 238	2	2
Financial income and expenses	-82	-83			-245	-300		
Income before taxes	817	739	11	6	2 048	1 938	6	4
Net income for the period	574	519	11	6	1 438	1 361	6	4
Earnings per share (SEK)	1.57	1.42	11	6	3.93	3.72	6	4

Security Services North America

– Sales Development 9M 2014



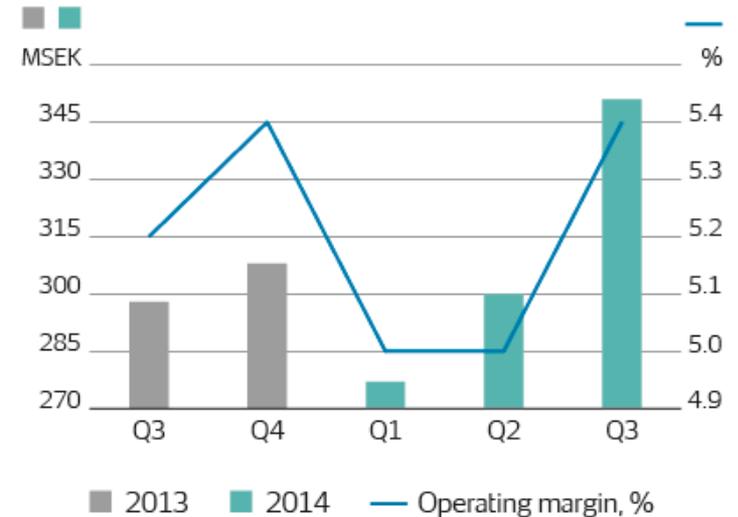
- Organic sales growth 4% (1) in Q3 and 3% (1) in 9M, primarily supported by the business unit critical infrastructure
- The five guarding regions contributed to organic sales growth, resulting from a strengthened sales organization
- 80% of the US portfolio is compliant with the US healthcare reform (ACA)
- The expected cost increase from ACA to recover from customers is more in the range of 4-5 percent (initial estimate 8-10 percent)
- Net impact on organic sales growth 2015 due to ACA is estimated to app. 1%



Security Services North America – Income Development 9M 2014



- The operating margin 5.2% (5.1), mainly related to the development in the business unit critical infrastructure
- The margin improvement in Q3 relates to the leverage effect from good organic sales growth and stable costs

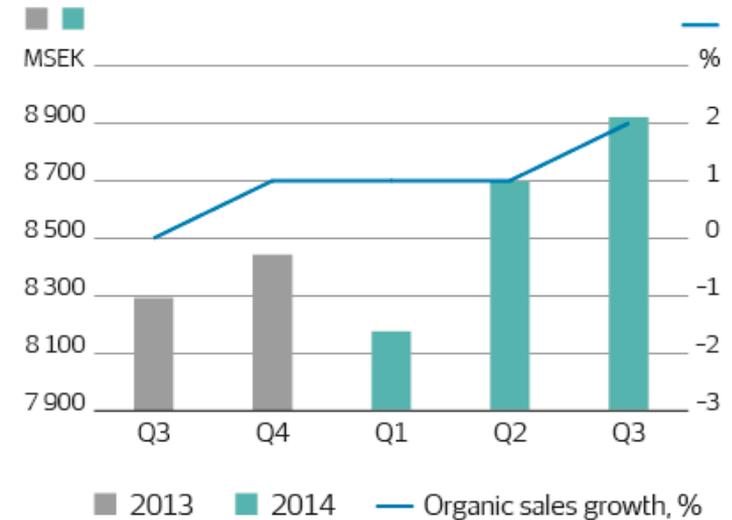


Security Services Europe

– Sales Development 9M 2014



- Organic sales growth 1% (0)
- Turkey had a very good development, as did Norway
- France and Germany supported organic sales growth
- Many countries showed a good level of sales activity in the quarter





Mobile



Specialized Guarding



Monitoring



Security Solutions



Implementation Capacity

Connectivity



**ICT
Data integrity**



Data storage

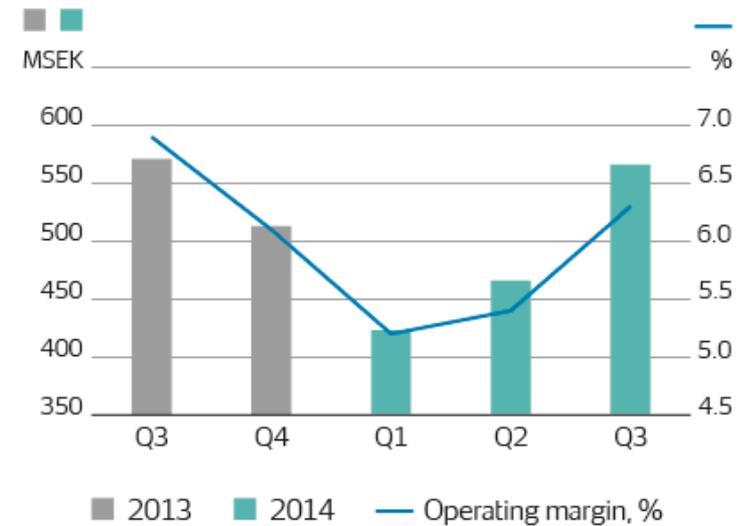


Security Services Europe

– Income Development 9M 2014



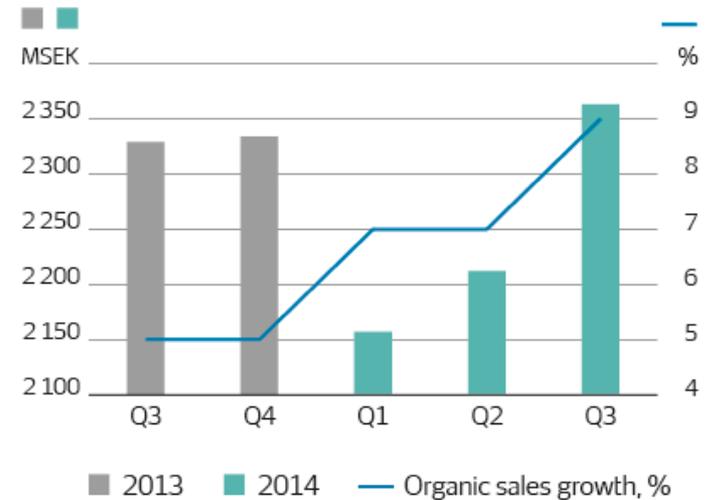
- Operating margin 5.6% (5.9), where the renewed aviation contracts during the period had a negative impact on the operating margin
- Also, a delay in a few technical installation contracts caused a negative impact. This effect is expected to be offset in the full year
- Last year the operating margin in Q3 was positively impacted by one-off items of 0.3 percent



Security Services Ibero-America – Sales Development 9M 2014



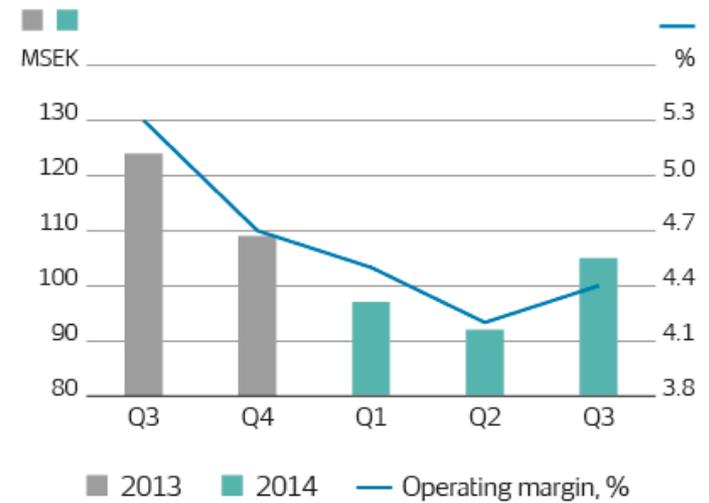
- Organic sales growth 7% (4)
- In Latin America the organic sales growth was 23%, mainly driven by price increases in Argentina but also by volume growth in Chile and Uruguay
- Organic sales growth in Spain in Q3 was -8% (-12), with a positive trend during the two last quarters
- Macro economic conditions are slowly improving in Spain



Security Services Ibero-America – Income Development 9M 2014



- Operating margin 4.4% (5.4), a decline related due to Spain
- The operating margin in Latin America improved
- The operating margin in Spain was negatively impacted by the labor related taxes that were introduced in December 2013, by tough market conditions and aviation contract renewals
- Negative FX from Argentina of MSEK -53
- New collective bargaining agreement signed in Spain stipulating 0.5% wage increase for 2015



Cash flow



MSEK	Q3 2014	Q3 2013	9M 2014	9M 2013
Operating income before amortization	962	892	2 488	2 450
Investments in non-current tangible and intangible assets	-261	-152	-817	-573
Reversal of depreciation	247	231	716	706
Net investments in non-current assets	-14	79	-101	133
Change in accounts receivable	-123	45	-428	-142
Change in other operating capital employed	222	533	-338	-446
Cash flow from operating activities	1 047	1 549	1 621	1 995
<i>Cash flow from operating activities, %</i>	<i>109</i>	<i>174</i>	<i>65</i>	<i>81</i>
Financial income and expenses paid	-53	-63	-272	-483
Current taxes paid	-179	-131	-566	-407
Free cash flow	815	1 355	783	1 105
<i>As % of adjusted income</i>	<i>121</i>	<i>217</i>	<i>45</i>	<i>66</i>
<i>Free cash flow to net debt</i>	<i>-</i>	<i>-</i>	<i>0.16</i>	<i>0.26</i>

The net investments primarily relate to capex in security solution contracts, reflecting our strategy to increase sales of security solutions and technology

The net investments affect free cash flow and are depreciated over the contract period

Net Debt Development



MSEK

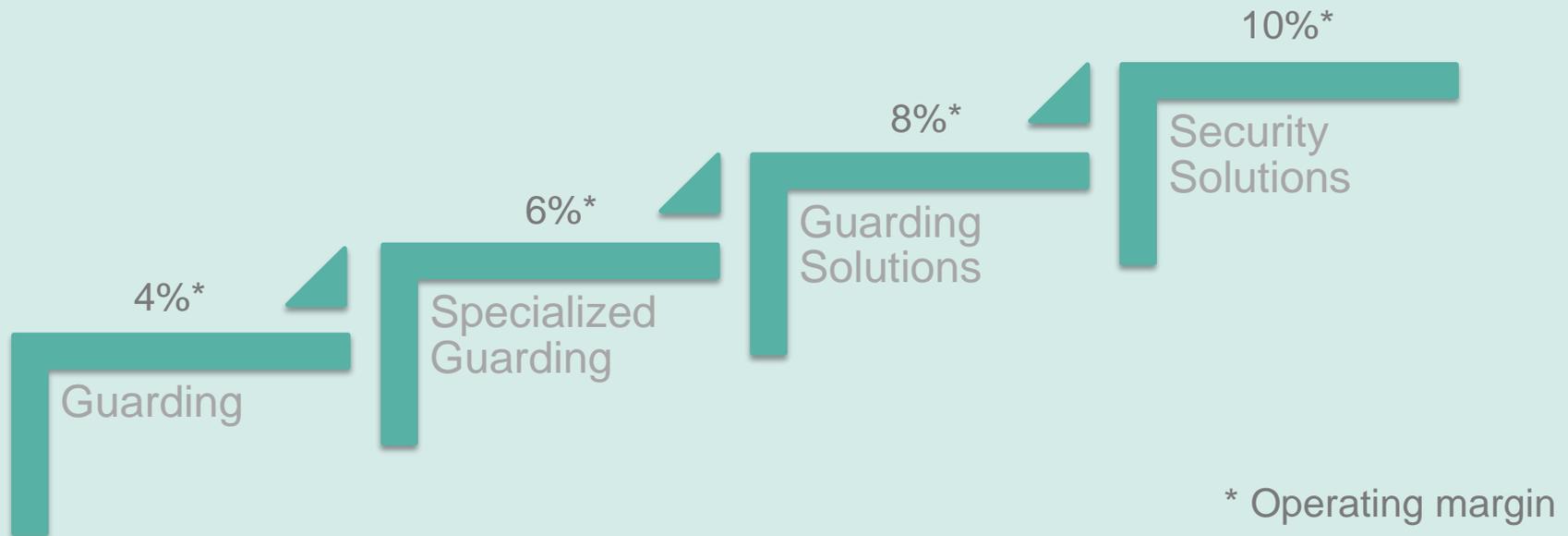
Net debt Jan 1, 2014	-9 610
Free cash flow	783
Acquisitions	-240
IAC payments	-62
Dividend paid	-1 095
Change in net debt	-614
Translation and revaluation	-637
Net debt Sep 30, 2014	-10 861



Focus areas in 2014 – increase sales of security solutions and technology



- Sales of security solutions and technology 6% of Group sales in 2012 and 9.5% in Q3 2014 – target to triple share by end of 2015
- We will continue to selectively acquire technology operations to build and strengthen our technology platform



Questions and Answers





Integrity | Vigilance | Helpfulness

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