



Securitas AB

Year-End Report January - December 2000

*Sales in local currencies increased by 58 percent to MSEK 40,807 (25,646),
of which 6 percent is organic growth*

*Income before taxes in local currencies increased by 23 percent
to MSEK 1,364 (1,116)*

Free cash flow increased by 36 percent to MSEK 1,088 (802)

Securitas is now established as market leader in the American market

*Earnings per share after standard taxes increased by
19 percent to SEK 2.75 (2.32)*

The Board of Directors proposes a dividend for 2000 of SEK 1.20 (1.00)

Year-End Report January - December 2000

Sales and Income

Consolidated sales amounted to MSEK 40,807 (25,646), an increase of 59 percent. In local currencies, the corresponding increase is 58 percent. Organic growth was 6 percent (9). Acquisitions made during the year have increased sales by MSEK 13,361, equivalent to 52 percent. With the exception of the three countries that are affected by substantial changes (USA, France and Germany), organic growth during the year has been 10 percent.

Operating income before amortization of goodwill was MSEK 2,560 (1,630), an increase of 57 percent. Operating margin was 6.3 percent (6.4).

The refund from SPP of MSEK 129 was set off by new pension contributions and for one-off restructuring charges in the American operations.

Income before taxes amounted to MSEK 1,364 MSEK (1,116), an increase of 22 percent. In local currencies, the corresponding increase is 23 percent.

Earnings per share after 28 percent standard taxes amounted to SEK 2.75 (2.32), an increase of 19 percent. In local currencies, the corresponding increase is 20 percent. Earnings per share after taxes paid amounted to SEK 2.81 (2.25). Earnings per share after full taxes amounted to SEK 2.39 (2.30).

Development in the Group's business areas

Organic growth in business area *Guard Services* was 4 percent (5). The operating margin, including all acquisitions completed, was 6 percent (6).

The American guarding operations excluding Burns showed organic growth of 4 percent (3) and an operating margin of 5 percent (4) and are also developing in all other aspects according to plan.

Organic growth in business area *Alarm Systems* was 5 percent (16). The lower growth rate is explained mainly by last years' increased sales as a result of the turn of the Millennium. The operating margin was 7 percent (10).

The lower operating margin compared to last year is explained mainly by the fact that the acquired alarm business in Pinkerton has not followed plan. In total, the loss in the American alarm business reached about MUSD 11. In the USA, new management for Alarm Systems was introduced in June. The operations have now been organized in independent entities with managers who have responsibility for profitability. The continuing operations have stabilized and had positive cash flow during the fourth quarter. Break-even is still expected to be achieved during the first quarter of 2001.

In Europe, development of technical maintenance and alarm monitoring has continued to be stable with good profitability, while installation volumes for larger systems have been lower than originally expected. As previously reported, costs have been adjusted in line with the lower growth rate. The product range is being changed in the direction of more standardized sub-systems, which leads to a decrease of overhead costs for product development and support. These costs have been reduced by about MSEK 25 on an annual basis.

In the Securitas Direct division, volumes and profitability continue to show positive development. The number of newly installed units during the year was 52,900 (37,600), corresponding to an increase of 41 percent compared to the previous year. The total installed base is now about 184,000 (134,000).

Sales increased organically by 31 percent (32) and the operating margin was 12 percent (13).

In addition to Securitas Direct, Securitas had 214,000 (198,000) alarm connections in business area Alarm Systems. The number of newly installed units during the year was 29,000 (22,000), of which about 15,200 (13,000) are alarm connections to small companies with growth of 17 percent.

Organic growth in business area *Cash in Transit* was 14 percent (12). The operating margin was 8 percent (6). The Cash in Transit business continues to develop positively and the rate of outsourcing from banks is expected to further increase in 2001.

Development in the Group's countries of operation

The *Nordic Countries* continue to show good organic growth with increased profitability.

The reorganization in *Germany* is now complete. The Guard Services business now consists of about 110 profit centers compared to the previous level of 30. A similar process has taken place in the German Cash in Transit business. These organizational changes give the German business better opportunities to increase both organic growth and profitability.

Operations in *France* have developed beyond expectations. France has successfully implemented price increases which fully offset the effects of the 35-hour working week. During the fourth quarter, France showed organic growth of 6 percent compared to the previous year.

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

In *Spain*, the Guard Services and Alarm Systems businesses recorded very good and profitable growth. The merger in cash in transit with Ausysegur is now complete.

Portugal continues to display good growth in all business areas, and continues to be the Group's most profitable unit.

In connection with the acquisition of Burns, the cash in transit operations in Canada were divested. The Canadian operation, including Burns but excluding the divested cash in transit operations, now has sales of about MSEK 970 on an annual basis.

Acquisitions

USA

On September 2, *Burns International Services Corporation Inc* in the USA was acquired, with annual sales of about MSEK 13,300 (MUSD 1,475) and 58,000 employees. Burns, which was listed on the New York Stock Exchange, was acquired through a cash bid of USD 21.50 per share, or a total consideration of MUSD 446.

Burns, which was founded in 1909 is the second largest guarding company in the USA. The company provides permanent and mobile guarding services, alarm monitoring, and security consulting and investigation services, and has operations in Canada (MUSD 82), Great Britain and Ireland (MUSD 50) as well as in the USA. In addition, operations in staffing and facility

Business Area Overview

	Guarding ¹⁾		Alarm		Direct		Cash in Transit		Total	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
Sales, MSEK	32,440	18,515	3,753	3,460	706	544	3,908	3,127	40,807	25,646
Organic growth, %	4	5	5	16	31	32	14	12	6	9
Operating income before amortization of goodwill, MSEK	1,932	1,029	252	339	82	68	294	194	2,560	1,630
Operating margin, %	6	6	7	10	12	13	8	6	6	6
Operating capital employed as % of sales ²⁾	10	7	23	21	28	23	41	41	13	12

1) Including Consulting & Investigations

2) Adjusted for full-year sales of acquired entities

management were included (MUSD 120). Securitas now also owns, through the acquisition of Burns, 49 percent of the shares in Loomis Fargo Inc, the second largest cash in transit company in the USA with sales of MUSD 384 during 2000.

Income from synergies is expected in the short term in the form of lower head office costs through the combination of functions with Pinkerton. The operations in Great Britain and Canada have been combined with existing operations within Securitas.

Burns is included in the Securitas Group from September and has not notably affected the Group's income before taxes. The Group's goodwill in connection with the acquisition amounts to MSEK 5,225 (MUSD 548) which will be amortized over 20 years.

In addition, Securitas has completed five regional acquisitions in the USA during the year: *American Protective Services Inc. (APS)*, *First Security Corporation*, *Smith Security Inc.*, *Doyle Protective Service Inc.*, and *APG Security Inc.* In total, the sales of these companies amount to MSEK 5,080 and the number of employees is 26,300. In total, the Group's goodwill in connection with the US acquisitions increased by MSEK 7,460.

Through the acquisition of Pinkerton in 1999 and Burns, as well as the regional acquisitions completed in 2000, Securitas has established itself as a market leader in the American guarding market with a market share of 19 percent, and has built a platform for continued profitable growth. The operations have annualized sales of about MSEK 27,000 and as such presently account for about half of the Group.

Great Britain

The task of integrating *Micro-Route*, which is consolidated in Securitas from February 1, 2000, is now complete. The total acquisition price was MSEK 109 and gave rise to goodwill of about MSEK 107 which will be amortized over 10 years.

Spain

The task of integrating *Ausysegur*, which is consolidated in Securitas from April 1, 2000, is now complete. Synergies have been achieved during the second half of 2000 and the Spanish cash in transit operations are expected to

achieve good profitability in 2001. The acquisition price to date, equivalent to 85 percent of shares is MSEK 256 and gives rise to goodwill of about MSEK 291 which will be amortized over 20 years.

Belgium

On May 8, 2000, Securitas received approval from the Belgian competition authorities for the acquisition of *Baron Security S.A.* The acquisition is included in the Securitas Group from May 1, 2000. The task of integrating Baron's operations with the existing operations in Securitas was completed during the fourth quarter, 2000. The total acquisition price was MSEK 123 and gave rise to goodwill of MSEK 105 which will be amortized over 20 years.

The Netherlands

On July 7, 2000, Securitas signed an agreement to acquire *B & M Beveiliging & Alarmering B.V.* based in Amsterdam, the Netherlands, a country in which Securitas has not previously had operations. The company has guarding and alarm monitoring operations, has sales of about MSEK 116 and has 430 employees. The acquisition price was MSEK 66, and gave rise to goodwill of about MSEK 49, which will be amortized over 20 years.

Cash flow

Adjusted income, defined as operating income before amortization of goodwill, adjusted for financial items and taxes paid, amounted to MSEK 1,712 (1,185). The cash flow effect of changes in working capital amounted to MSEK -314 (-93). The temporary increase in customer receivables in the USA has been reduced by 7 days from 53 to 46 days billing. The goal is to return to the original level of about 40 days billing during the first half of 2001.

Investment in operating assets amounted to MSEK 1,202 (1,044). The increase is in relation to organic growth and acquisitions.

Free cash flow increased by 36 percent to MSEK 1,088 (802), equivalent to 64 (68) percent of adjusted income.

Capital employed, net debt and shareholders' equity

The Group's operating capital employed was MSEK 6,639 (3,840), corresponding to 13 percent (12) of sales, adjusted for full year sales of acquired entities.

The Group's capital employed increased to MSEK 22,375 (11,019). Acquisitions made during the year have increased the Group's goodwill by MSEK 8,038.

The Group's net debt amounted to MSEK 12,419 (2,053). Acquisitions made during 2000 have had a negative effect on net debt of MSEK 10,722.

Dividend payments totaling MSEK 356 were made to shareholders during the second quarter.

When converting the Group's net debt denominated in foreign currencies to Swedish Kronor, the weakening of the Swedish Krona during the quarter has had a negative effect of MSEK 154 on the Group's net debt.

In connection with the acquisition of Burns, Securitas obtained a syndicated credit facility of which MUSD 489 was outstanding at year-end. In December, a five year bond of MEUR 350 was issued.

Shareholders' equity amounted to MSEK 9,955 (8,965). Interest expense for the period on the outstanding subordinated convertible debenture loan amounted to MSEK 29 (29).

The net debt equity ratio was 1.25 (0.23).

New organization

Against the background of the Group's strong growth and with the aim of further increasing focus on all of the business areas in every country, a new organization structure is being implemented. The new organization is based on the Group's five business areas that are divided into six divisions.

The new organization will ensure that all of the business areas receive the level of attention required in order to attain the goal of achieving a world leader position in each business area.

Group sales per country and division

Country	2000	Share	2000	1999	Change in %	
	MSEK	of total	M(local)	M(local)	organic	total
Sweden	3,267	8	3,267	3,080	6	6
Norway	1,337	3	1,279	1,250	2	2
Denmark	377	1	332	304	9	9
Finland	923	2	647	583	7	11
Germany	4,035	10	931	872	5	7
France	4,238	10	3,278	3,246	1	1
Great Britain	1,960	5	140	108	2	30
Spain	2,373	6	46,534	32,738	13	42
Switzerland	388	1	71	64	11	11
Austria	264	1	429	434	-1	-1
Portugal	1,052	3	24,893	20,220	18	23
Belgium	924	2	4,396	924	0	376
Netherlands ¹⁾	55	<1	14	-	-	-
Hungary	98	<1	3,016	2,867	5	5
Poland	178	<1	84	49	49	70
Estonia	54	<1	100	90	11	11
Czech Republic	69	<1	289	229	19	26
USA	16,928	41	1,801	617	4	192
Canada	779	2	125	72	3	74
Mexico	194	<1	199	125	-15	59
Securitas Direct	706	2	706	544	31	30
Consulting & Investigations	692	2	75	50	8	50
Elimination	-84	-	-84	-73	-	-
Total (MSEK)	40,807	100	40,807	25,646	6	59

1) Acquired July 2000

From 2001, each country/region has a Country/Regional President for each business area as opposed to previously, where all of the business areas in the Group's countries of operation were managed by one Country President. The Country/Regional President for each business area will report to a Divisional President. Each business area hereby has its own focused management both at individual country level and at Group level. The business areas are Security Services, Security Systems, Securitas Direct, Cash Handling Services and Consulting & Investigations. The six divisions are Security Services USA (including Consulting & Investigations), Security Services Europe, Security Systems USA, Security Systems Europe, Securitas Direct Europe and Cash Handling Services Europe.

The Group's reporting will reflect the new organization from the first quarter of 2001.

Rating

In October, Securitas obtained the rating BBB+ with Stable Outlook from Standard & Poor's and Baa1 with Stable Outlook from Moody's. The ratings enable Securitas to access the international capital markets in an effective manner.

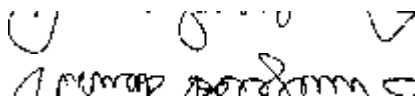
Annual General Meeting and Dividend

The Board of Directors of Securitas AB proposes a dividend for 2000 of SEK 1.20 (1.00) per share. The Annual General Meeting will be held at the Grand Hotel in Stockholm on April 18, 2001 at 4.30 p.m.

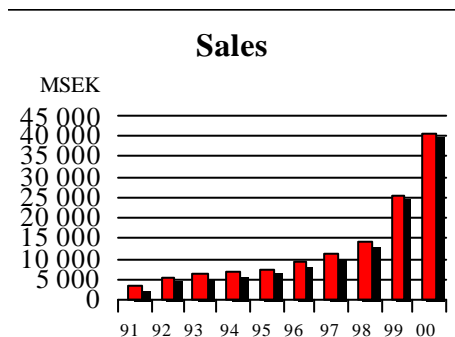
Development in 2001

For 2001, continued good development of income is expected, through both refinement of the existing business and restructuring of acquired companies, in accordance with the previously presented Five Year Vision.

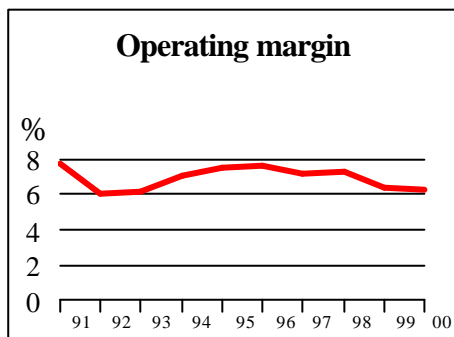
STOCKHOLM, 6 FEBRUARY 2001



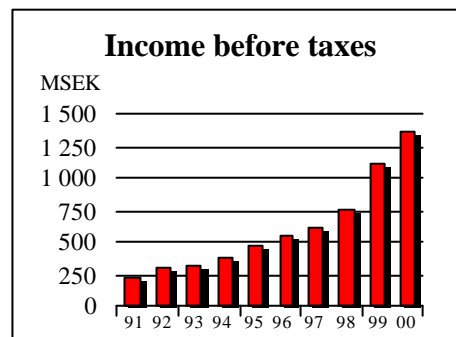
Thomas Berglund
President and Chief Executive Officer



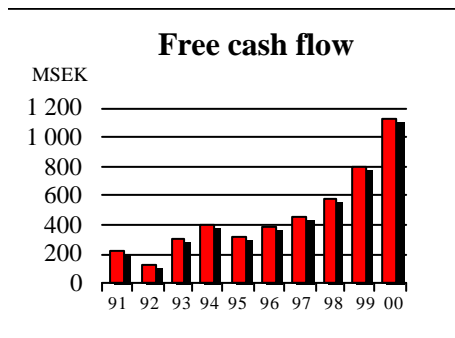
Sales have increased by an average of 33 percent per year over the past ten years.



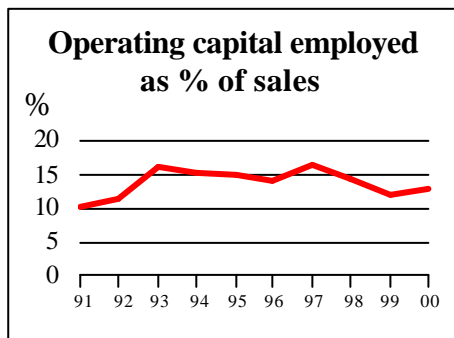
The operating margin was 6.3 percent and includes large acquisitions with lower operating margins.



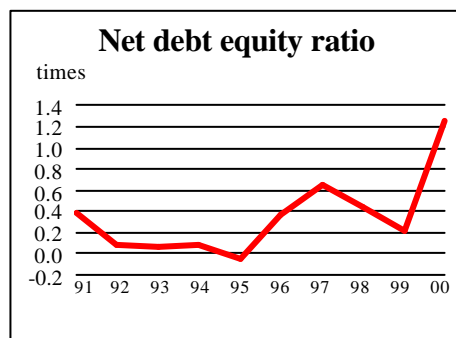
Income before taxes has increased by an average of 22 percent per year over the last ten years.



Free cash flow increased by 36 percent during 2000.



Operating capital employed was 13 percent of sales, adjusted for full-year sales of acquired entities.



The net debt equity ratio was 1.25

For further information please contact President and CEO Thomas Berglund, Deputy CEO Amund Skarholt, Executive Vice President and CFO Håkan Winberg or Manager Investor Relations Camilla Weiner telephone +46 8 657 74 00.

Income

MSEK	2000	1999	1998	1997	1996
Sales, continuing operations	27,445.5	14,681.9	11,875.4	9,760.3	7,290.1
Sales, acquired businesses	13,361.0	10,964.4	1,834.7	1,002.6	1,784.2
Total sales	40,806.5	25,646.3	13,710.1	10,762.9	9,074.3
Production expenses	-35,118.7	-21,477.1	-10,981.5	-8,665.5	-7,252.9
Gross income	5,687.8	4,169.2	2,728.6	2,097.4	1,821.4
Administration expenses	-3,127.5	-2,538.7	-1,725.8	-1,319.6	-1,133.5
Operating income before amortization of goodwill	2,560.3	1,630.5	1,002.8	777.8	687.9
<i>Operating margin, %</i>	6.3	6.4	7.3	7.2	7.6
Amortization of goodwill	-707.4	-403.9	-171.4	-115.5	-99.4
Operating income after amortization of goodwill	1,852.9	1,226.6	831.4	662.3	588.5
Net financial items	-489.4	-110.8	-65.3	-48.2	-38.7
Income before taxes	1,363.5	1,115.8	766.1	614.1	549.8
<i>Net margin, %</i>	3.3	4.4	5.6	5.7	6.1
Taxes paid	-359.0	-334.5	-183.7	-114.4	-127.7
Deferred taxes	-153.0	18.0	-60.4	-54.7	-39.8
Minority interests	-0.2	-1.5	-0.5	0.9	-0.2
Income for the period	851.3	797.8	521.5	445.9	382.1

Cash flow

MSEK	2000	1999	1998	1997	1996
Operating income before amortization of goodwill	2,560.3	1,630.5	1,002.8	777.8	687.9
Capital expenditure	-1,202.3	-1,044.3	-699.0	-557.4	-475.6
Depreciation	942.2	754.3	569.6	450.5	354.0
Change in working capital	-363.3	-93.4	-41.7	-57.3	-8.5
Operating cash flow	1,936.9	1,247.1	831.7	613.6	557.8
Net financial items	-489.4	-110.8	-65.3	-48.2	-38.7
Taxes paid	-359.0	-334.5	-183.7	-114.4	-127.7
Free cash flow	1,088.5	801.8	582.7	451.0	391.4
Reversal of capital expenditure	1,202.3	1,044.3	699.0	557.4	475.6
Cash flow from operating activities	2,290.8	1,846.1	1,281.7	1,008.4	867.0
Cash flow from investing activities, incl. acquisitions	-12,103.5	-4,745.2	-4,411.9	-1,689.1	-1,590.3
Cash flow from financing activities, excl. change in interest-bearing debt	-399.4	3,160.1	2,360.9	-128.1	-112.9
Foreign exchange differences	-154.1	105.0	-116.8	14.9	22.6
Change in net debt	-10,366.2	366.0	-886.1	-793.9	-813.6
Change in interest-bearing debt	10,530.9	-515.4	1,138.6	808.6	921.9
Change in liquid funds	164.7	-149.4	252.5	14.7	108.3

Balance Sheet

MSEK	2000	1999	1998	1997	1996
Operating capital employed	6,639.0	3,839.8	2,948.5	2,182.1	1,590.7
<i>Return on operating capital employed</i>	49	48	39	41	51
<i>Operating capital employed as % of sales¹⁾</i>	13	12	15	16	14
Shares in associated companies	602.6	0.9	261.0	258.4	-
Goodwill	15,133.7	7,178.4	4,564.0	1,457.4	1,180.7
Net debt	-12,418.8	-2,052.6	-2,418.6	-1,532.5	-738.6
Minority interests	1.5	1.8	3.9	0.3	0.2
Shareholders' equity	9,955.2	8,964.7	5,351.0	2,365.1	2,032.6
<i>Equity ratio, %</i>	28.6	43.2	34.6	29.9	31.6

Data per share

SEK	2000	1999	1998 ²⁾	1997 ²⁾	1996 ²⁾
Share price, end of period	175.00	154.00	126.00	60.00	49.60
Earnings after taxes paid ³⁾	2.81	2.25	1.92	1.70	1.45
Earnings after 28% standard taxes ³⁾	2.75	2.32	1.82	1.50	1.37
Earnings after full taxes ³⁾	2.39	2.30	1.73	1.51	1.32
Dividend	1.20 ⁴⁾	1.00	0.85	0.69	0.60
P/E ratio ³⁾	73	67	73	40	38
Number of shares outstanding	356,318,317	356,318,317	325,121,812	292,825,260	290,790,956
Average number of shares ³⁾	365,123,348	355,790,015	313,616,039	296,974,583	296,974,583
Number of shares ³⁾	365,123,348	365,123,348	337,125,314	296,974,583	296,974,583

1) Adjusted for full-year sales of acquired entities

2) Adjusted for 4:1 split

3) After full conversion

4) Proposed dividend

Securitas – a World Leader in Security

Securitas is a world leader in security with operations in more than 30 countries
in Guard Services, Alarm Systems and Cash In Transit Services.
The Group has about 210,000 employees.

Financial information from Securitas

The annual report for 2000 will be published in March 2001
The Annual General Meeting will be held on April 18, 2001
The Interim Report for January - March 2001 will be published on May 8, 2001
The Interim Report for January - June 2001 will be published on August 9, 2001
The Interim Report for January - September 2001 will be published on November 7, 2001

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

Information Meeting and Telephone Conference

On account of the publication of the Year-End Report of Securitas AB, an Information Meeting
and Telephone Conference will be held

Time: Tuesday, February 6, 2001, at 3 p.m. CET.

Place: Securitas building, Lindhagensplan 70, Stockholm

The telephone number to the telephone conference is +44 20 8240 8241.



Integrity Vigilance Helpfulness

Securitas AB, P.O. Box 12307, SE-102 28 Stockholm
Tel+46 8 657 74 00, Fax +46 8 657 70 72
www.securitasgroup.com
Visiting address Lindhagensplan 70