Securitas AB

Interim Report
January–June 2014

APRIL–JUNE 2014

- **Total sales MSEK 17 120 (16 510)**
- **Organic sales growth 3 percent (1)**
- **Operating income before amortization MSEK 788 (809)**
- **Operating margin 4.6 percent (4.9)**
- **Earnings per share SEK 1.23 (1.26)**

JANUARY–JUNE 2014

- **Total sales MSEK 33 231 (32 370)**
- **Organic sales growth 2 percent (1)**
- **Operating income before amortization MSEK 1 526 (1 558)**
- **Operating margin 4.6 percent (4.8)**
- **Earnings per share SEK 2.36 (2.30)**
- **Free cash flow/net debt 0.20 (0.15)**

COMMENTS FROM THE PRESIDENT AND CEO

Organic sales growth continues to show a positive trend and all business segments improved compared to the first half last year. Primarily supported by the US, the organic sales growth reached 3 percent in the second quarter. In France we are showing positive organic sales growth in the second quarter, while organic sales growth in Spain continues to be negative. Latin America continues to show strong organic sales growth.

Net income improved in the first half year

In real terms, the operating result was slightly behind last year, while earnings per share improved with 3 percent. The operating margin in Security Services North America was on the same level as last year and Security Services Europe is 0.1 percent behind. The positive development in Security Solutions and Technology continued in Spain but is not yet sufficient to mitigate the difficult conditions in the guarding business and the labor related charges imposed by the Spanish Government in December last year. Corrective actions are continuously taken to adapt to the reduced guarding sales.

Sales of security solutions and technology gradually increasing

In 2012, sales of security solutions and technology represented approximately 6 percent of Group sales. We have set a target to triple this share of sales by the end of 2015. We continue to invest in resources within security solutions and technology and the share of sales run rate in the second quarter 2014 was 9 percent.

Changing market dynamics creating opportunity for growth

Due to current market dynamics and a gradual increase of the use of technology in security solutions, the security market in mature markets is no longer expected to grow 1 to 2 percent faster than GDP as it has historically, but rather at the same pace as GDP. In the future, this trend could be improved through increased outsourcing of currently insourced guarding activities and by allowing the private security industry to take over services performed by public authorities and governments.

The degree to which technology is being integrated into security solutions varies from country to country in Securitas' markets. However, as the pace accelerates, we are confident that we will be able to gain markets shares by having a stronger and more cost-efficient offering than many traditional guarding companies. We have already seen proof of this in markets where we are well equipped to offer security solutions, where we will be able to grow faster than the security market average.

Alf Göransson
President and Chief Executive Officer

Contents

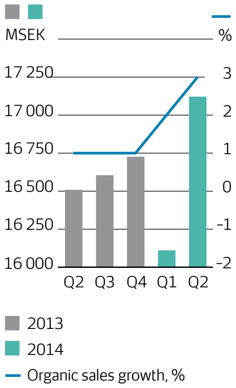
FINANCIAL SUMMARY

	Quarter		Change, %		H1		Change, %		Full year	Change, %
MSEK	**Q2 2014**	**Q2 2013**	*Total*	*Real*	**2014**	**2013**	*Total*	*Real*	**2013**	*Total*
Sales	**17 120**	**16 510**	**4**	**3**	**33 231**	**32 370**	**3**	**3**	**65 700**	**-1**
Organic sales growth, %	*3*	*1*			*2*	*1*			*1*	
Operating income before amortization	**788**	**809**	**-3**	**-2**	**1 526**	**1 558**	**-2**	**-1**	**3 329**	***10***
Operating margin, %	*4.6*	*4.9*			*4.6*	*4.8*			*5.1*	
Amortization of acquisition related intangible assets	-60	-64			-121	-128			-274	
Acquisition related costs	-7	-6			-11	-14			-27	
Operating income after amortization	**721**	**738**	**-2**	**-1**	**1 394**	**1 416**	**-2**	***0***	**3 028**	***34***
Financial income and expenses	-82	-80			-163	-217			-385	
Income before taxes	**639**	**658**	**-3**	**-3**	**1 231**	**1 199**	**3**	**3**	**2 643**	**57**
Net income for the period	**449**	**462**	**-3**	**-3**	**864**	**842**	**3**	**3**	**1 856**	***58***
Earnings per share, SEK	1.23	1.26	-2	-3	2.36	2.30	3	3	5.07	57
EPS, adjusted for IAC and impairment losses, SEK	1.23	1.26	-2	-3	2.36	2.30	3	3	5.07	23
Cash flow from operating activities, %	66	36			38	29			97	
Free cash flow	198	-126			-33	-250			2 088	
Free cash flow to net debt ratio	-	-			*0.20*	*0.15*			*0.22*	

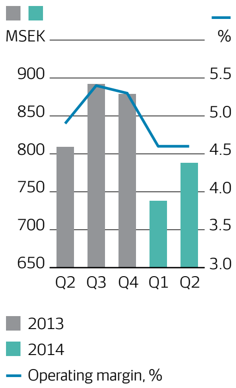
ORGANIC SALES GROWTH AND OPERATING MARGIN DEVELOPMENT PER BUSINESS SEGMENT

	Organic sales growth				Operating margin			
	Q2		H1		Q2		H1	
%	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Security Services North America	3	1	2	1	5.0	5.1	5.0	5.0
Security Services Europe	1	1	1	0	5.4	5.7	5.3	5.4
Security Services Ibero-America	7	5	7	3	4.2	5.3	4.3	5.4
Group	**3**	**1**	**2**	**1**	**4.6**	**4.9**	**4.6**	**4.8**

Group quarterly sales development



Group quarterly operating income development



APRIL–JUNE 2014

Sales development

Sales amounted to MSEK 17 120 (16 510) and organic sales growth was 3 percent (1). Organic sales growth improved in all business segments, driven by Argentina, Norway, Turkey and the US. Real sales growth, including acquisitions and adjusted for changes in exchange rates, was 3 percent (2).

Security solutions and technology sales run rate in the second quarter was 9 percent of Group sales.

Operating income before amortization

Operating income before amortization was MSEK 788 (809) which, adjusted for changes in exchange rates, represented a change of –2 percent. The weakened Argentinian peso impacted the quarter negatively with MSEK –17.

The Group's operating margin was 4.6 percent (4.9), a decline explained mainly by the situation in Spain in Security Services Ibero-America. Security Services Europe had a weaker operating margin compared to last year due to one-off timing differences related to social costs and training expenses in France and a few significant aviation contract renewals.

Operating income after amortization

Amortization of acquisition related intangible assets amounted to MSEK –60 (–64).

Acquisition related costs were MSEK –7 (–6). For further information refer to note 4.

Financial income and expenses

Financial income and expenses amounted to MSEK –82 (–80).

Income before taxes

Income before taxes was MSEK 639 (658).

Taxes, net income and earnings per share

The Group's tax rate was 29.8 percent (29.8).

Net income was MSEK 449 (462). Earnings per share amounted to SEK 1.23 (1.26).

JANUARY–JUNE 2014

Sales development
Sales amounted to MSEK 33 231 (32 370) and organic sales growth was 2 percent (1). All business segments improved organic sales growth and Argentina, Norway, Turkey and the US were the key drivers. Real sales growth, including acquisitions and adjusted for changes in exchange rates, was 3 percent (2).

Operating income before amortization
Operating income before amortization was MSEK 1 526 (1 558) which, adjusted for changes in exchange rates, represented a change of –1 percent. The weakened Argentinian peso impacted the period negatively with MSEK –38.

The Group's operating margin was 4.6 percent (4.8), negatively impacted mainly by Security Services Ibero-America and the challenging situation in Spain. The operating margin in Spain was burdened by the labor related taxes introduced in December 2013 and volume losses in a difficult market. The total price adjustments in the Group were on par with wage cost increases in the first half year.

Operating income after amortization
Amortization of acquisition related intangible assets amounted to MSEK –121 (–128).

Acquisition related costs were MSEK –11 (–14). For further information refer to note 4.

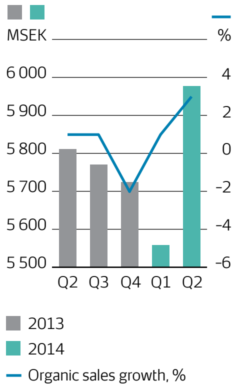
Financial income and expenses
Financial income and expenses amounted to MSEK –163 (–217). The finance net was positively impacted by the repayment of the MEUR 500 bond loan in April 2013.

Income before taxes
Income before taxes was MSEK 1 231 (1 199).

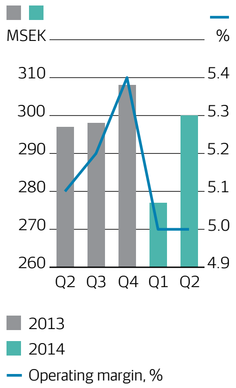
Taxes, net income and earnings per share
The Group's tax rate was 29.8 percent (29.8).

Net income was MSEK 864 (842). Earnings per share amounted to SEK 2.36 (2.30).

Quarterly sales development



Quarterly operating income development



SECURITY SERVICES NORTH AMERICA

Security Services North America provides specialized guarding, security solutions and technology in the USA, Canada and Mexico. The organization comprises 13 business units with in total 104 000 employees and 640 branch managers.

		Quarter	*Change, %*			H1	*Change, %*		Full year
MSEK	**Q2 2014**	**Q2 2013**	***Total***	***Real***	**2014**	**2013**	***Total***	***Real***	**2013**
Total sales	**5 977**	**5 811**	***3***	***3***	**11 536**	**11 346**	***2***	***2***	**22 841**
Organic sales growth, %	*3*	*1*			*2*	*1*			*0*
Share of Group sales, %	*35*	*35*			*35*	*35*			*35*
Operating income before amortization	**300**	**297**	***1***	***1***	**577**	**571**	***1***	***1***	**1 177**
Operating margin, %	*5.0*	*5.1*			*5.0*	*5.0*			*5.2*
Share of Group operating income, %	*38*	*37*			*38*	*37*			*35*

April–June 2014

The organic sales growth was 3 percent (1), mainly supported by the business unit critical infrastructure (includes federal government services and defense and aerospace). The sales activity continued to show a positive trend and is ahead of last year's levels especially within the guarding regions.

The operating margin was 5.0 percent (5.1).

The Swedish krona exchange rate weakened slightly versus the U.S. dollar and thus had an insignificant effect on the operating income in Swedish kronor. The real change was 1 percent in the quarter.

January–June 2014

The organic sales growth was 2 percent (1). The actions taken last year to strengthen the sales organization are supporting the organic sales growth development.

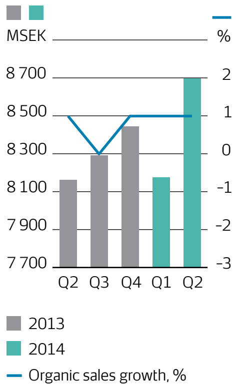
The operating margin was 5.0 percent (5.0).

For approximately 60 percent of the US total portfolio, either agreements have been made effective as of January 1, 2015 or the contracts are already compliant with the US healthcare reform (ACA).

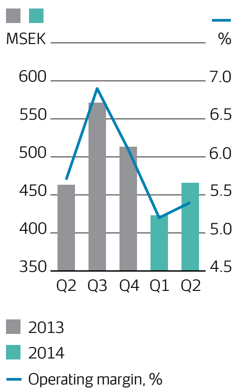
The Swedish krona exchange rate weakened slightly versus the U.S. dollar and thus had an insignificant effect on the operating income in Swedish kronor. The real change was 1 percent in the period.

The client retention rate was 86 percent (90). The employee turnover rate in the business segment was 51 percent (50).

Quarterly sales development



Quarterly operating income development



SECURITY SERVICES EUROPE

Security Services Europe provides specialized guarding, security solutions and technology in 27 countries. The organization has in total more than 117 000 employees and over 800 branch managers.

		Quarter	*Change, %*			H1	*Change, %*		Full year
MSEK	**Q2 2014**	**Q2 2013**	***Total***	***Real***	**2014**	**2013**	***Total***	***Real***	**2013**
Total sales	**8 697**	**8 163**	**7**	**3**	**16 872**	**15 981**	**6**	**2**	**32 716**
Organic sales growth, %	*1*	*1*			*1*	*0*			*0*
Share of Group sales, %	*51*	*49*			*51*	*49*			*50*
Operating income before amortization	**466**	**463**	**1**	**-2**	**889**	**870**	**2**	**-1**	**1 954**
Operating margin, %	*5.4*	*5.7*			*5.3*	*5.4*			*6.0*
Share of Group operating income, %	*59*	*57*			*58*	*56*			*59*

April–June 2014

Organic sales growth was 1 percent (1), driven by Turkey and Norway. France continued to improve organic sales growth and is now positive.

The operating margin was somewhat weak at 5.4 percent (5.7), due to one-off timing differences related to social costs and training expenses in France and a few significant aviation contract renewals, which have been extended for multiple years after retendering.

The Swedish krona exchange rate weakened versus the euro and thus had a positive effect on the operating income in Swedish kronor. The real change was –2 percent in the quarter.

January–June 2014

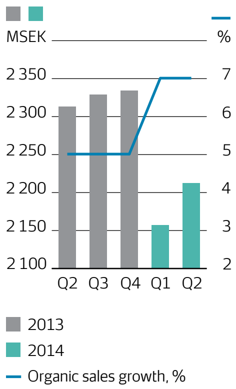
Organic sales growth was 1 percent (0), driven by the development in Turkey and Norway. France and Germany supported organic sales growth while Belgium and the United Kingdom had negative organic sales growth.

The operating margin was 5.3 percent (5.4), slightly negatively impacted for the same reasons as in the quarter.

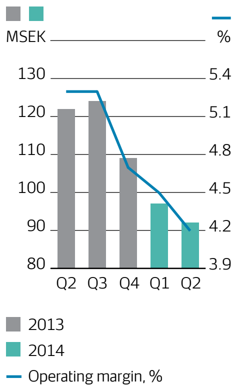
The Swedish krona exchange rate weakened versus the euro and thus had a positive effect on the operating income in Swedish kronor. The real change was –1 percent in the period.

The client retention rate was 92 percent (92). The employee turnover was 26 percent (26).

Quarterly sales development



Quarterly operating income development



SECURITY SERVICES IBERO-AMERICA

Security Services Ibero-America provides specialized guarding, security solutions and technology in seven countries in Latin America, as well as Portugal and Spain in Europe. The organization has in total 57 000 employees and 190 branch managers.

		Quarter	*Change, %*			H1	*Change, %*		Full year
MSEK	**Q2 2014**	**Q2 2013**	***Total***	***Real***	**2014**	**2013**	***Total***	***Real***	**2013**
Total sales	**2 212**	**2 313**	***-4***	***7***	**4 369**	**4 603**	***-5***	***7***	**9 266**
Organic sales growth, %	*7*	*5*			*7*	*3*			*4*
Share of Group sales, %	*13*	*14*			*13*	*14*			*14*
Operating income before amortization	**92**	**122**	***-25***	***-11***	**189**	**247**	***-23***	***-7***	**480**
Operating margin, %	*4.2*	*5.3*			*4.3*	*5.4*			*5.2*
Share of Group operating income, %	*12*	*15*			*12*	*16*			*14*

April–June 2014

Organic sales growth was 7 percent (5). Organic sales growth in Latin America was 20 percent, primarily driven by price increases in Argentina. Spain showed an organic sales growth of –8 percent (–11).

The operating margin was 4.2 percent (5.3). The development related to Spain with negative impact from the labor related charges introduced in December 2013, volume losses and from a lower operating margin after contract renewals in the Aviation customer segment. The operating margin in Latin America declined due to one off costs in Argentina.

The Swedish krona exchange rate weakened against the Euro. The Argentinian Peso weakened and impacted operating income before amortization negatively with MSEK –17. The real change in the segment was –11 percent in the quarter.

January–June 2014

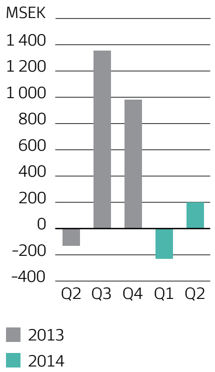
Organic sales growth was 7 percent (3). Organic sales growth in Latin America was 22 percent, primarily driven by price increases in Argentina. Fierce price competition remains in Spain and even though the macro economic conditions improve this is not yet reflected in the security market. The positive development in Security Solutions and Technology continued but is not yet sufficient to mitigate the difficult conditions in the guarding business. Spain showed an organic sales growth of –9 percent (–12).

The operating margin was 4.3 percent (5.4), a development related to Spain. The decline in operating margin is due to the labor related charges introduced in December 2013, volume losses and price concessions as well as the lower profitability in the Aviation customer segment. The collective bargaining agreement that was signed in February stipulated a wage freeze in 2014. The operating margin improved in Latin America.

The Swedish krona exchange rate weakened against the Euro. The Argentinian Peso weakened and impacted operating income before amortization negatively with MSEK –38. The real change in the segment was –7 percent in the period.

The client retention rate was 91 percent (86). The employee turnover was 27 percent (31).

Quarterly free cash flow



April–June 2014

Operating income before amortization amounted to MSEK 788 (809). Net investments in non-current tangible and intangible assets amounted to MSEK –63 (14). The net investments are reflecting our strategy to increase the sales in security solutions and technology.

Changes in accounts receivable were MSEK –188 (–152). Changes in other operating capital employed were MSEK –19 (–377). Last year the operating capital employed was negatively impacted primarily by less prepayments from customers.

Cash flow from operating activities amounted to MSEK 518 (294), equivalent to 66 percent (36) of operating income before amortization.

Financial income and expenses paid amounted to MSEK –36 (–262). Last year financial items paid were significantly impacted by the MEUR 500 Eurobond loan that matured in April 2013. Current taxes paid amounted to MSEK –284 (–158). Payments of final taxes for the previous year and preliminary taxes for the current year were higher than last year.

Free cash flow was MSEK 198 (–126), equivalent to 36 percent (–22) of adjusted income. The free cash flow is affected from the net investments in non-current tangible and intangible assets, reflecting our strategy to increase the sales in security solutions and technology.

Cash flow from investing activities, acquisitions, was MSEK –202 (–84).

Cash flow from items affecting comparability was MSEK –27 (–73), whereof MSEK –25 (–68) was related to the cost savings program, MSEK –1 (–4) was related to overtime compensation in Spain and MSEK –1 (–1) was related to premises in Germany.

Cash flow from financing activities was MSEK –322 (–4 213).

Cash flow for the period was MSEK –353 (–4 496).

January–June 2014

Operating income before amortization amounted to MSEK 1 526 (1 558). Net investments in non-current tangible and intangible assets amounted to MSEK –88 (55). The net investments are reflecting our strategy to increase the sales in security solutions and technology.

Changes in accounts receivable were MSEK –304 (–187), with a slight increase of Days of Sales Outstanding (DSO) compared to December. Changes in other operating capital employed were MSEK –560 (–980). Last year the operating capital employed was negatively impacted primarily by less prepayments from customers.

Cash flow from operating activities amounted to MSEK 574 (446), equivalent to 38 percent (29) of operating income before amortization.

Financial income and expenses paid amounted to MSEK –219 (–421). Last year financial items paid were significantly impacted by the MEUR 500 Eurobond loan that matured in April 2013. Current taxes paid amounted to MSEK –388 (–275). Payments of final taxes for the previous year and preliminary taxes for the current year were higher than last year.

Free cash flow was MSEK –33 (–250), equivalent to –3 percent (–24) of adjusted income. The free cash flow is affected from the net investments in non-current tangible and intangible assets, reflecting our strategy to increase the sales in security solutions and technology.

Cash flow from investing activities, acquisitions, was MSEK –225 (–134).

Cash flow from items affecting comparability was MSEK –46 (–238), whereof MSEK –43 (–141) was related to the cost savings program, MSEK –2 (–8) was related to overtime compensation in Spain, MSEK –1 (–1) was related to premises in Germany and MSEK 0 (–88) was related to payment to Deutsche Bank in Germany.

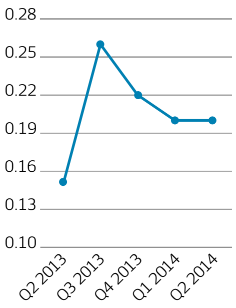
Cash flow from financing activities was MSEK –1 550 (–2 080).

Cash flow for the period was MSEK –1 854 (–2 702).

Net debt development

MSEK	
Jan 1, 2014	**-9 610**
Free cash flow	-33
Acquisitions	-225
IAC payments	-46
Dividend paid	-1 095
Change in net debt	**-1 399**
Translation and revaluation	-311
Jun 30, 2014	**-11 320**

Free cash flow/net debt



Capital employed as of June 30, 2014

The Group's operating capital employed was MSEK 4 259 (3 181 as of December 31, 2013) corresponding to 6 percent of sales (5 as of December 31, 2013) adjusted for the full year sales figures of acquired units.

Acquisitions increased operating capital employed by MSEK 37 during the period.

Acquisitions increased consolidated goodwill by MSEK 6. Adjusted for translation differences of MSEK 433, total goodwill for the Group amounted to MSEK 14 801 (14 362 as of December 31, 2013).

Acquisitions have increased acquisition related intangible assets by MSEK 15. After amortization of MSEK –121 and translation differences of MSEK 24, acquisition related intangible assets amounted to MSEK 1 234 (1 316 as of December 31, 2013).

The Group's total capital employed was MSEK 20 581 (18 991 as of December 31, 2013). The translation of foreign capital employed to Swedish kronor increased the Group's capital employed by MSEK 559.

The return on capital employed was 16 percent (18 as of December 31, 2013).

Financing as of June 30, 2014

The Group's net debt amounted to MSEK 11 320 (9 610 as of December 31, 2013). Acquisitions and acquisition related payments increased the Group's net debt by MSEK 225, of which purchase price payments accounted for MSEK 214 and acquisition related costs paid accounted for MSEK 11. The Group's net debt increased by MSEK 310 due to the translation of net debt in foreign currency to Swedish kronor.

A dividend of MSEK 1 095 (1 095) was paid to the shareholders in May 2014.

The free cash flow to net debt ratio amounted to 0.20 (0.15).

The main capital market instruments drawn as of the end of June 2014 were eleven bonds issued under the Group's Euro Medium Term Note Program, with maturity dates between September 2014 and February 2021. Securitas has access to committed bank financing through a Revolving Credit Facility (RCF), which comprises two respective tranches of MUSD 550 and MEUR 420 (MUSD 1 100 in total). At the end of the quarter there was no drawing, leaving the full amount available. The Group also has access to a MSEK 5 000 Swedish Commercial Paper Program for short-term borrowing needs. Further information regarding financial instruments and credit facilities is provided in note 6.

Securitas has ample liquidity headroom under the committed credit facilities in line with established policies, which combined with the strong free cash flow generation means that the future liquidity requirements for the Company's operations are met.

Standard and Poor's rating for Securitas is BBB with stable outlook. The Group's liquidity position is regarded as strong.

The interest cover ratio amounted to 9.2 (5.8).

Shareholders' equity amounted to MSEK 9 261 (9 381 as of December 31, 2013). The translation of foreign assets and liabilities into Swedish kronor increased shareholders' equity by MSEK 249 after taking into account net investment hedging of MSEK –38 and MSEK 287 before net investment hedging. Refer to the statement of comprehensive income on page 16 for further information.

The total number of outstanding shares amounted to 365 058 897 as of June 30, 2014.

ACQUISITIONS JANUARY–JUNE 2014 (MSEK)

Company	Business segment [1]	Included from	Acquired share [2]	Annual sales [3]	Enter-prise value [4]	Goodwill	Acq. related intangible assets
Opening balance						**14 362**	**1 316**
Iverify, USA [8]	Security Services North America	Jun 1	24	-	148	-	-
Other acquisitions [5] [7]				21	66	6	15
Total acquisitions January–June 2014				**21**	**214**	**6** [6]	**15**
Amortization of acquisition related intangible assets						-	–121
Exchange rate differences						433	24
Closing balance						**14 801**	**1 234**

1) Refers to business segment with main responsibility for the acquisition.

2) Refers to voting rights for acquisitions in the form of share purchase agreements. For asset deals no voting rights are stated.

3) Estimated annual sales.

4) Purchase price paid plus acquired net debt, but excluding any deferred considerations.

5) Related to other acquisitions for the period and updated previous year acquisition calculations for the following entities: Grupo Argos, Mexico, G4S – Alesund (contract portfolio), Norway, Vartiointipalvelu P. Kauppila (contract portfolio), Finland, Ave Lat Sargs, Latvia, EKS Technik, Germany, SEIV, France, Tehnomobil, Croatia, Sensormatic, Turkey, Vigilancias y Seguridad and Consultora Videco, Argentina, Pandyr and Selectron, Uruguay, Ubiq, Peru and Security Alliance Limited, Hong Kong. Related also to deferred considerations paid in Mexico, Latvia, France, Austria, Croatia, Turkey, Argentina, Uruguay, Hong Kong and Indonesia.

6) Goodwill that is expected to be tax deductible amounts to MSEK 1.

7) Deferred considerations have been recognized mainly based on an assessment of the future profitability development in the acquired entities for an agreed period. The net of new deferred considerations, payments made from previously recognized deferred considerations and revaluation of deferred considerations in the Group was MSEK –38. Total deferred considerations, short-term and long-term, in the Group's balance sheet amount to MSEK 502.

8) Accounted for as associated company in the Group's balance sheet.

All acquisition calculations are finalized no later than one year after the acquisition is made. Transactions with non-controlling interests are specified in the statement of changes in shareholders' equity on page 19. Transaction costs and revaluation of deferred considerations can be found in note 4 on page 21.

Iverify, USA

Securitas has acquired 24 percent of the shares in the Remote Video Services Company Iverify in the USA. Simultaneously Iverify has acquired 100 percent of the shares in the technology solutions company TransAlarm. Iverify is one of the leading Remote Video Services companies in the United States and operates a state-of-the-art Remote Video operations monitoring center, one of the largest of its kind and headquartered in Charlotte, North Carolina. TransAlarm is a security technology integrator headquartered in Minnesota, operating a large network of over 400 installers capable of covering the entire United States, Puerto Rico and Canada.

With this acquisition, Securitas has a 24 percent ownership position in the combined operations of Iverify and TransAlarm. Driehaus Private Equity is Securitas´ co-partner in this transaction. Iverify will continue to be headquartered in Charlotte, North Carolina, and the two monitoring centers of the combined operations will serve as back-ups to each other. The joint operation employs 300 people.

Other significant events

For critical estimates and judgments, items affecting comparability, provisions and contingent liabilities refer to the Annual Report 2013. If no significant events have occurred relating to the information in the Annual Report, no further comments are made in the Interim Report for the respective case.

Change in Group Management

Henrik Zetterberg has been appointed Senior Vice President General Counsel and Group Risk Manager. He succeeds Åsa Thunman, who as previously announced will leave Securitas in the end of September 2014.

Risks and uncertainties

Risk management is necessary in order for Securitas to be able to fulfill its strategies and achieve its corporate objectives. Securitas' risks fall into three main categories; contract risk, operational assignment risk and financial risks. Securitas approach to enterprise risk management is described in more detail in the Annual Report for 2013.

In the preparation of financial reports the Board of Directors and Group Management are required to make estimates and judgments. These estimates and judgments impact the statement of income and balance sheet as well as disclosures such as contingent liabilities. Actual outcome may differ from these estimates and judgments under different circumstances and conditions.

For the forthcoming six-month period, the financial impact of certain previously recognized items affecting comparability, provisions and contingent liabilities, as described in the Annual Report for 2013 and if applicable above under the heading "Other significant events", may vary from the current financial estimates and provisions made by management. This could affect the Group's profitability and financial position.

The Group's Parent Company, Securitas AB, is not involved in any operating activities. Securitas AB provides Group Management and support functions for the Group.

January–June 2014

The Parent Company's income amounted to MSEK 431 (442) and mainly relates to license fees and other income from subsidiaries.

Financial income and expenses amounted to MSEK 778 (–202). The increase of financial income and expenses compared to last year is mainly explained by dividends from subsidiaries. Income before taxes amounted to MSEK 980 (66).

As of June 30, 2014

The Parent Company's non-current assets amounted to MSEK 38 326 (38 043 as of December 31, 2013) and mainly comprise shares in subsidiaries of MSEK 37 240 (37 183 as of December 31, 2013). Current assets amounted to MSEK 5 462 (5 675 as of December 31, 2013) of which liquid funds amounted to MSEK 1 502 (2 008 as of December 31, 2013).

Shareholders' equity amounted to MSEK 24 996 (25 052 as of December 31, 2013). A dividend of MSEK 1 095 (1 095) was paid to the shareholders in May 2014.

The Parent Company's liabilities amounted to MSEK 18 792 (18 666 as of December 31, 2013) and mainly consist of interest-bearing debt.

For further information, refer to the Parent Company's condensed financial statements on page 23.

Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

Securitas' consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 1 Supplementary Accounting Rules for Groups. The most important accounting principles under IFRS, which is the basis for the preparation of this interim report, can be found in note 2 on pages 71 to 77 in the Annual Report for 2013. The accounting principles are also available on the Group's website www.securitas.com under the section Investor Relations – Financial data – Accounting Principles.

The Parent Company's financial statements are prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 2 Accounting for Legal Entities. The most important accounting principles used by the Parent Company can be found in note 39 on page 123 in the Annual Report for 2013.

There have been no other changes than the changes described below in the Group's or the Parent Company's accounting principles compared to the accounting principles described in note 2 and note 39 in the Annual Report for 2013.

Effect of amended and revised IFRS that are effective as of 2014
IFRS 10 Consolidated Financial statements, IFRS 11 Joint arrangements and IFRS 12 Disclosures of interests in other entities have been adopted by Securitas as of the financial year 2014. They are assessed to have no material impact on the Group's financial statements.

None of the other published standards and interpretations that are mandatory for the Group's financial year 2014 is assessed to have any impact on the Group's financial statements.

Signatures of the Board of Directors

The Board of Directors and the President and CEO certify that the interim report gives a true and fair overview of the Parent Company's and Group's operations, their financial position and results of operations, and describes significant risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, August 5, 2014

Melker Schörling
Chairman

Carl Douglas
Vice Chairman

Marie Ehrling
Director

Annika Falkengren
Director

Fredrik Cappelen
Director

Fredrik Palmstierna
Director

Sofia Schörling Högberg
Director

Susanne Bergman Israelsson
Employee Representative

Åse Hjelm
Employee Representative

Jan Prang
Employee Representative

Alf Göransson
President and Chief Executive Officer

Review report

Translation of the Swedish original

Review report over Interim Financial Statements (Interim report) prepared in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act.

Introduction

We have reviewed this report for the period January 1, 2014 to June 30, 2014 for Securitas AB. The board of directors and the CEO and President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, August 5, 2014
PricewaterhouseCoopers AB

Peter Nyllinge
Authorised Public Accountant

STATEMENT OF INCOME

MSEK	Apr–Jun 2014	Apr–Jun 2013	Jan–Jun 2014	Jan–Jun 2013	Jan–Dec 2013	Jan–Dec 2012
Sales	17 001.5	16 371.0	32 996.7	32 045.4	65 017.5	64 039.8
Sales, acquired business	118.5	138.6	234.5	324.3	682.6	2 418.4
Total sales	**17 120.0**	**16 509.6**	**33 231.2**	**32 369.7**	**65 700.1**	**66 458.2**
Organic sales growth, % [1]	3	1	2	1	1	0
Production expenses	–14 214.8	–13 649.7	–27 557.7	–26 815.8	–54 276.6	–55 364.5
Gross income	**2 905.2**	**2 859.9**	**5 673.5**	**5 553.9**	**11 423.5**	**11 093.7**
Selling and administrative expenses	–2 122.9	–2 055.3	–4 157.2	–4 004.0	–8 112.4	–8 081.5
Other operating income [2]	3.7	3.1	7.5	6.6	13.5	12.8
Share in income of associated companies [3]	1.9	1.0	2.3	1.7	4.4	2.7
Operating income before amortization	**787.9**	**808.7**	**1 526.1**	**1 558.2**	**3 329.0**	**3 027.7**
Operating margin, %	4.6	4.9	4.6	4.8	5.1	4.6
Amortization and impairment of acquisition related intangible assets	–59.5	–64.3	–121.0	–128.3	–273.7	–297.1
Acquisition related costs [4]	–7.4	–6.0	–11.5	–14.2	–26.8	–49.5
Items affecting comparability [5]	-	-	-	-	-	–424.3
Operating income after amortization	**721.0**	**738.4**	**1 393.6**	**1 415.7**	**3 028.5**	**2 256.8**
Financial income and expenses [6]	–81.7	–80.5	–162.6	–216.3	–385.0	–573.0
Income before taxes	**639.3**	**657.9**	**1 231.0**	**1 199.4**	**2 643.5**	**1 683.8**
Net margin, %	3.7	4.0	3.7	3.7	4.0	2.5
Current taxes	–159.9	–149.4	–307.8	–285.3	–708.6	–526.4
Deferred taxes	–30.6	–46.7	–59.0	–72.2	–79.3	17.2
Net income for the period	**448.8**	**461.8**	**864.2**	**841.9**	**1 855.6**	**1 174.6**
Whereof attributable to:						
Equity holders of the Parent Company	448.0	461.1	862.1	841.0	1 852.5	1 174.2
Non-controlling interests	0.8	0.7	2.1	0.9	3.1	0.4
Earnings per share before dilution (SEK)	1.23	1.26	2.36	2.30	5.07	3.22
Earnings per share after dilution (SEK)	1.23	1.26	2.36	2.30	5.07	3.22

STATEMENT OF COMPREHENSIVE INCOME

MSEK	Apr–Jun 2014	Apr–Jun 2013	Jan–Jun 2014	Jan–Jun 2013	Jan–Dec 2013	Jan–Dec 2012
Net income for the period	**448.8**	**461.8**	**864.2**	**841.9**	**1 855.6**	**1 174.6**
Other comprehensive income for the period						
Items that will not be reclassified to the statement of income						
Remeasurements of defined benefit pension plans net of tax	–40.3	102.7	–71.9	193.1	243.0	–111.7
Total items that will not be reclassified to the statement of income [7]	**–40.3**	**102.7**	**–71.9**	**193.1**	**243.0**	**–111.7**
Items that subsequently may be reclassified to the statement of income						
Cash flow hedges net of tax	–0.2	3.4	-0.8	2.6	4.7	7.1
Net investment hedges net of tax	–5.6	–105.5	–38.0	–59.7	–202.3	–9.7
Translation differences	384.9	377.2	287.3	136.7	–36.1	–550.1
Total items that subsequently may be reclassified to the statement of income [7]	**379.1**	**275.1**	**248.5**	**79.6**	**–233.7**	**–552.7**
Other comprehensive income for the period [7]	**338.8**	**377.8**	**176.6**	**272.7**	**9.3**	**–664.4**
Total comprehensive income for the period	**787.6**	**839.6**	**1 040.8**	**1 114.6**	**1 864.9**	**510.2**
Whereof attributable to:						
Equity holders of the Parent Company	786.1	839.3	1 038.1	1 115.1	1 863.9	510.4
Non-controlling interests	1.5	0.3	2.7	-0.5	1.0	-0.2

Notes 1–7 refer to pages 21–22.

STATEMENT OF CASH FLOW

Operating cash flow MSEK	Apr–Jun 2014	Apr–Jun 2013	Jan–Jun 2014	Jan–Jun 2013	Jan–Dec 2013	Jan–Dec 2012
Operating income before amortization	**787.9**	**808.7**	**1 526.1**	**1 558.2**	**3 329.0**	**3 027.7**
Investments in non-current tangible and intangible assets	–298.4	–226.9	–556.8	–420.8	–804.0	–1 039.2
Reversal of depreciation	235.6	241.1	469.2	475.4	945.6	946.1
Change in accounts receivable	–188.4	–152.1	–304.4	–187.0	1.0	205.4
Change in other operating capital employed	–19.1	–377.3	–560.0	–979.6	–241.5	60.8
Cash flow from operating activities	**517.6**	**293.5**	**574.1**	**446.2**	**3 230.1**	**3 200.8**
Cash flow from operating activities, %	*66*	*36*	*38*	*29*	*97*	*106*
Financial income and expenses paid	–35.5	–261.7	–219.2	–420.6	–532.0	–531.9
Current taxes paid	–283.8	–158.3	–387.7	–275.3	–610.4	–583.3
Free cash flow	**198.3**	**–126.5**	**–32.8**	**–249.7**	**2 087.7**	**2 085.6**
Free cash flow, %	*36*	*–22*	*–3*	*–24*	*93*	*108*
Cash flow from investing activities, acquisitions	–201.6	–83.8	–225.2	–134.0	–294.7	–677.3
Cash flow from items affecting comparability	–26.8	–72.8	–46.2	–238.2	–307.5	–193.8
Cash flow from financing activities	–322.4	–4 212.5	–1 549.7	–2 080.1	–2 270.5	1 222.7
Cash flow for the period	**–352.5**	**–4 495.6**	**–1 853.9**	**–2 702.0**	**–785.0**	**2 437.2**

Cash flow MSEK	Apr–Jun 2014	Apr–Jun 2013	Jan–Jun 2014	Jan–Jun 2013	Jan–Dec 2013	Jan–Dec 2012
Cash flow from operations	462.4	18.0	467.0	–93.3	2 529.0	2 833.4
Cash flow from investing activities	–492.5	–301.1	–771.2	–528.6	–1 043.5	–1 618.9
Cash flow from financing activities	–322.4	–4 212.5	–1 549.7	–2 080.1	–2 270.5	1 222.7
Cash flow for the period	**–352.5**	**–4 495.6**	**–1 853.9**	**–2 702.0**	**–785.0**	**2 437.2**

Change in net debt MSEK	Apr–Jun 2014	Apr–Jun 2013	Jan–Jun 2014	Jan–Jun 2013	Jan–Dec 2013	Jan–Dec 2012
Opening balance	**–9 932.1**	**–10 060.8**	**–9 609.8**	**–9 864.6**	**–9 864.6**	**–10 348.8**
Cash flow for the period	–352.5	–4 495.6	–1 853.9	–2 702.0	–785.0	2 437.2
Change in loans	–772.8	3 117.3	454.5	984.9	1 175.3	–2 317.9
Change in net debt before revaluation and translation differences	**–1 125.3**	**–1 378.3**	**–1 399.4**	**–1 717.1**	**390.3**	**119.3**
Revaluation of financial instruments [6)]	–0.2	5.1	–0.7	7.4	10.9	10.6
Translation differences	–262.1	–336.6	–309.8	–196.3	–146.4	354.3
Change in net debt	**–1 387.6**	**–1 709.8**	**–1 709.9**	**–1 906.0**	**254.8**	**484.2**
Closing balance	**–11 319.7**	**–11 770.6**	**–11 319.7**	**–11 770.6**	**–9 609.8**	**–9 864.6**

Note 6 refers to page 22.

CAPITAL EMPLOYED AND FINANCING

MSEK	Jun 30, 2014	Mar 31, 2014	Dec 31, 2013	Jun 30, 2013	Mar 31, 2013	Dec 31, 2012
Operating capital employed	**4 258.6**	**3 788.9**	**3 180.9**	**4 300.1**	**3 304.6**	**2 581.5**
Operating capital employed as % of sales	*6*	*6*	*5*	*6*	*5*	*4*
Return on operating capital employed, %	*89*	*95*	*116*	*79*	*89*	*91*
Goodwill	14 800.5	14 328.9	14 361.9	14 545.3	14 053.7	14 275.4
Acquisition related intangible assets	1 234.2	1 247.7	1 315.6	1 384.9	1 417.8	1 501.9
Shares in associated companies	287.2	135.5	132.7	107.3	109.2	108.0
Capital employed	**20 580.5**	**19 501.0**	**18 991.1**	**20 337.6**	**18 885.3**	**18 466.8**
Return on capital employed, %	*16*	*17*	*18*	*13*	*14*	*14*
Net debt	**-11 319.7**	**-9 932.1**	**-9 609.8**	**-11 770.6**	**-10 060.8**	**-9 864.6**
Shareholders' equity	**9 260.8**	**9 568.9**	**9 381.3**	**8 567.0**	**8 824.5**	**8 602.2**
Net debt equity ratio, multiple	*1.22*	*1.04*	*1.02*	*1.37*	*1.14*	*1.15*

BALANCE SHEET

MSEK	Jun 30, 2014	Mar 31, 2014	Dec 31, 2013	Jun 30, 2013	Mar 31, 2013	Dec 31, 2012
ASSETS						
Non-current assets						
Goodwill	14 800.5	14 328.9	14 361.9	14 545.3	14 053.7	14 275.4
Acquisition related intangible assets	1 234.2	1 247.7	1 315.6	1 384.9	1 417.8	1 501.9
Other intangible assets	356.0	328.0	325.2	355.9	340.5	368.1
Tangible non-current assets	2 426.2	2 335.3	2 269.4	2 366.1	2 330.6	2 377.7
Shares in associated companies	287.2	135.5	132.7	107.3	109.2	108.0
Non-interest-bearing financial non-current assets	2 030.6	1 963.6	1 996.7	2 083.6	2 088.3	2 170.7
Interest-bearing financial non-current assets	331.1	223.3	150.9	163.0	165.3	224.3
Total non-current assets	**21 465.8**	**20 562.3**	**20 552.4**	**21 006.1**	**20 505.4**	**21 026.1**
Current assets						
Non-interest-bearing current assets	13 716.7	13 199.9	12 575.5	13 409.2	12 901.2	12 434.1
Other interest-bearing current assets	147.1	110.1	59.5	22.3	36.4	116.3
Liquid funds	2 233.6	2 552.0	4 049.8	2 170.1	6 640.0	4 880.7
Total current assets	**16 097.4**	**15 862.0**	**16 684.8**	**15 601.6**	**19 577.6**	**17 431.1**
TOTAL ASSETS	**37 563.2**	**36 424.3**	**37 237.2**	**36 607.7**	**40 083.0**	**38 457.2**

MSEK	Jun 30, 2014	Mar 31, 2014	Dec 31, 2013	Jun 30, 2013	Mar 31, 2013	Dec 31, 2012
SHAREHOLDERS' EQUITY AND LIABILITIES						
Shareholders' equity						
Attributable to equity holders of the Parent Company	9 242.0	9 551.7	9 365.3	8 553.5	8 811.4	8 588.3
Non-controlling interests	18.8	17.2	16.0	13.5	13.1	13.9
Total shareholders' equity	**9 260.8**	**9 568.9**	**9 381.3**	**8 567.0**	**8 824.5**	**8 602.2**
Equity ratio, %	*25*	*26*	*25*	*23*	*22*	*22*
Long-term liabilities						
Non-interest-bearing long-term liabilities	524.0	463.0	487.3	411.3	410.6	409.3
Interest-bearing long-term liabilities	10 628.4	10 246.7	11 509.8	8 823.4	8 504.7	9 099.9
Non-interest-bearing provisions	2 593.1	2 450.2	2 463.8	2 609.9	2 709.8	2 887.0
Total long-term liabilities	**13 745.5**	**13 159.9**	**14 460.9**	**11 844.6**	**11 625.1**	**12 396.2**
Current liabilities						
Non-interest-bearing current liabilities and provisions	11 153.8	11 124.7	11 034.8	10 893.5	11 235.6	11 472.8
Interest-bearing current liabilities	3 403.1	2 570.8	2 360.2	5 302.6	8 397.8	5 986.0
Total current liabilities	**14 556.9**	**13 695.5**	**13 395.0**	**16 196.1**	**19 633.4**	**17 458.8**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**37 563.2**	**36 424.3**	**37 237.2**	**36 607.7**	**40 083.0**	**38 457.2**

CHANGES IN SHAREHOLDERS' EQUITY

	Jun 30, 2014			Dec 31, 2013			Dec 31, 2012		
MSEK	Attributable to equity holders of the Parent Company	Non-controlling interests	Total	Attributable to equity holders of the Parent Company	Non-controlling interests	Total	Attributable to equity holders of the Parent Company	Non-controlling interests	Total
Opening balance January 1, 2014/2013/2012	**9 365.3**	**16.0**	**9 381.3**	**8 588.3**	**13.9**	**8 602.2**	**9 204.1**	**2.6**	**9 206.7**
Total comprehensive income for the period	1 038.1	2.7	1 040.8	1 863.9	1.0	1 864.9	510.4	–0.2	510.2
Transactions with non-controlling interests	–0.6	0.1	–0.5	–2.0	1.1	–0.9	–35.0	11.5	–23.5
Share based incentive scheme	–65.6	-	–65.6[1]	10.3	-	10.3	4.0	-	4.0
Dividend paid to the shareholders of the Parent Company	–1 095.2	-	–1 095.2	–1 095.2	-	–1 095.2	–1 095.2	-	–1 095.2
Closing balance June 30/December 31, 2014/2013/2012	**9 242.0**	**18.8**	**9 260.8**	**9 365.3**	**16.0**	**9 381.3**	**8 588.3**	**13.9**	**8 602.2**

[1] Refers to a swap agreement in Securitas AB shares, hedging the share portion of Securitas share based incentive scheme 2013.

DATA PER SHARE

SEK	Apr–Jun 2014	Apr–Jun 2013	Jan–Jun 2014	Jan–Jun 2013	Jan–Dec 2013	Jan–Dec 2012
Share price, end of period	79.25	58.65	79.25	58.65	68.35	56.70
Earnings per share before dilution [1, 2]	1.23	1.26	2.36	2.30	5.07	3.22
Earnings per share before dilution and before items affecting comparability [1, 2]	1.23	1.26	2.36	2.30	5.07	4.11[4]
Dividend	-	-	-	-	3.00	3.00
P/E-ratio after dilution and before items affecting comparability	-	-	-	-	13	14[4]
Share capital (SEK)	365 058 897	365 058 897	365 058 897	365 058 897	365 058 897	365 058 897
Number of shares outstanding [3]	365 058 897	365 058 897	365 058 897	365 058 897	365 058 897	365 058 897
Average number of shares outstanding [3]	365 058 897	365 058 897	365 058 897	365 058 897	365 058 897	365 058 897

[1] There are no convertible debenture loans. Consequently there is no difference between earnings per share before and after dilution.
[2] Number of shares used for calculation of earnings per share includes shares related to the Group's share based incentive schemes that have been hedged through swap agreements.
[3] There are no convertible debenture loans. Consequently there is no difference between number of shares before and after dilution.
[4] Calculated excluding items affecting comparability as well as impairment of goodwill and other acquisition related intangible assets.

JANUARY–JUNE 2014

MSEK	Security Services North America	Security Services Europe	Security Services Ibero-America	Other	Eliminations	Group
Sales, external	11 533	16 872	4 369	457	-	33 231
Sales, intra-group	3	0	-	0	–3	-
Total sales	**11 536**	**16 872**	**4 369**	**457**	**–3**	**33 231**
Organic sales growth, %	*2*	*1*	*7*	*-*	*-*	*2*
Operating income before amortization	**577**	**889**	**189**	**–129**	**-**	**1 526**
of which share in income of associated companies	*0*	*0*	*-*	*2*	*-*	*2*
Operating margin, %	*5.0*	*5.3*	*4.3*	*-*	*-*	*4.6*
Amortization of acquisition related intangible assets	–13	–70	–31	–7	-	–121
Acquisition related costs	–4	–5	–2	0	-	–11
Items affecting comparability	-	-	-	-	-	-
Operating income after amortization	**560**	**814**	**156**	**–136**	**-**	**1 394**
Financial income and expenses	-	-	-	-	-	–163
Income before taxes	**-**	**-**	**-**	**-**	**-**	**1 231**

JANUARY–JUNE 2013

MSEK	Security Services North America	Security Services Europe	Security Services Ibero-America	Other	Eliminations	Group
Sales, external	11 342	15 981	4 603	444	-	32 370
Sales, intra-group	4	-	-	1	–5	-
Total sales	**11 346**	**15 981**	**4 603**	**445**	**–5**	**32 370**
Organic sales growth, %	*1*	*0*	*3*	*-*	*-*	*1*
Operating income before amortization	**571**	**870**	**247**	**–130**	**-**	**1 558**
of which share in income of associated companies	*-*	*-*	*-*	*2*	*-*	*2*
Operating margin, %	*5.0*	*5.4*	*5.4*	*-*	*-*	*4.8*
Amortization of acquisition related intangible assets	–16	–69	–35	–8	-	–128
Acquisition related costs	0	–10	–4	0	-	–14
Items affecting comparability	-	-	-	-	-	-
Operating income after amortization	**555**	**791**	**208**	**–138**	**-**	**1 416**
Financial income and expenses	-	-	-	-	-	–217
Income before taxes	**-**	**-**	**-**	**-**	**-**	**1 199**

Note 1 Organic sales growth
The calculation of organic sales growth (and the specification of currency changes on operating income and income before taxes) is specified below:

MSEK	Apr–Jun 2014	Apr–Jun 2013	Apr–Jun %	Jan–Jun 2014	Jan–Jun 2013	Jan–Jun %
Total sales	**17 120**	**16 510**	**4**	**33 231**	**32 370**	**3**
Acquisitions/divestitures	–118	–10		–234	–21	
Currency change from 2013	–67	-		34	-	
Organic sales	**16 935**	**16 500**	**3**	**33 031**	**32 349**	**2**
Operating income	**788**	**809**	**–3**	**1 526**	**1 558**	**–2**
Currency change from 2013	2	-		13	-	
Currency adjusted operating income	**790**	**809**	**–2**	**1 539**	**1 558**	**–1**
Income before taxes	**639**	**658**	**–3**	**1 231**	**1 199**	**3**
Currency change from 2013	–2	-		5	-	
Currency adjusted income before taxes	**637**	**658**	**–3**	**1 236**	**1 199**	**3**

Note 2 Other operating income
Other operating income consists in its entirety of trade mark fees from Securitas Direct AB.

Note 3 Share in income of associated companies
Securitas recognizes share in income of associated companies depending on the purpose of the investment.
· Associated companies that have been acquired to contribute to the operations (operational) are included in operating income before amortization.
· Associated companies that have been acquired as part of the financing of the Group (financial investments) are included in income before taxes as a separate line within the finance net. Currently, Securitas has no associated companies recognized as financial investments.

Associated companies classified as operational:

MSEK	Apr–Jun 2014	Apr–Jun 2013	Jan–Jun 2014	Jan–Jun 2013	Jan–Dec 2013	Jan–Dec 2012
Walsons Services PVT Ltd	1.1	0.4	1.6	0.8	1.6	0.2
Long Hai Security	0.6	0.6	1.0	0.9	2.2	2.5
Other associated companies	0.2	-	-0.3	-	0.6	-
Share in income of associated companies included in operating income before amortization	**1.9**	**1.0**	**2.3**	**1.7**	**4.4**	**2.7**

Note 4 Acquisition related costs

MSEK	Apr–Jun 2014	Apr–Jun 2013	Jan–Jun 2014	Jan–Jun 2013	Jan–Dec 2013	Jan–Dec 2012
Restructuring and integration costs	-0.1	-2.1	-0.1	-10.9	-25.8	-62.2
Transaction costs	-4.9	-0.5	-6.0	-2.8	-10.9	-17.2
Revaluation of deferred considerations	-2.4	-3.4	-5.4	-0.5	9.9	29.9
Acquisition related costs	**-7.4**	**-6.0**	**-11.5**	**-14.2**	**-26.8**	**-49.5**

Note 5 Items affecting comparability

MSEK	Apr–Jun 2014	Apr–Jun 2013	Jan–Jun 2014	Jan–Jun 2013	Jan–Dec 2013	Jan–Dec 2012
Recognized in the statement of income						
Restructuring costs	-	-	-	-	-	–458.0
Spain – overtime compensation	-	-	-	-	-	22.7
Germany – discontinued operations	-	-	-	-	-	11.0
Total recognized in the statement of income	**-**	**-**	**-**	**-**	**-**	**–424.3**
Cash flow impact						
Restructuring payments	–24.9	–68.1	–42.7	–140.7	–205.0	–152.4
Spain – overtime compensation	–1.5	–4.2	–2.7	–8.0	–12.0	–37.9
Germany – Deutsche Bank	–	–	–	–88.5	–88.5	-
Germany – premises	–0.4	–0.5	–0.8	–1.0	–2.0	–3.5
Total cash flow impact	**–26.8**	**–72.8**	**–46.2**	**–238.2**	**–307.5**	**–193.8**

Note 6 Financial instruments and credit facilities

Revaluation of financial instruments
Revaluation of financial instruments is recognized in the statement of income on the line financial income and expenses. Revaluation of cash flow hedges (and the subsequent recycling into the statement of income) is recognized in other comprehensive income on the line cash flow hedges. The amount disclosed in the specification of change in net debt is the total revaluation before tax in the table below.

MSEK	Apr–Jun 2014	Apr–Jun 2013	Jan–Jun 2014	Jan–Jun 2013	Jan–Dec 2013	Jan–Dec 2012
Recognized in the statement of income						
Revaluation of financial instruments	0.1	0.8	0.3	-0.3	0.5	1.0
Deferred tax	-0.1	-0.1	-0.1	0.1	-0.1	-0.3
Impact on net income	**0.0**	**0.7**	**0.2**	**-0.2**	**0.4**	**0.7**
Recognized in the statement of comprehensive income						
Cash flow hedges	-0.3	4.3	-1.0	7.7	10.4	9.6
Deferred tax	0.1	-0.9	0.2	-1.6	-2.2	-2.5
Adjustment of opening balance deferred taxes	-	-	-	-3.5	-3.5	-
Cash flow hedges net of tax	**-0.2**	**3.4**	**-0.8**	**2.6**	**4.7**	**7.1**
Total revaluation before tax	-0.2	5.1	-0.7	7.4	10.9	10.6
Total deferred tax	0.0	-1.0	0.1	-5.0	-5.8	-2.8
Total revaluation after tax	**-0.2**	**4.1**	**-0.6**	**2.4**	**5.1**	**7.8**

Fair value hierarchy
The methods and assumptions used by the Group in estimating the fair value of the financial instruments are disclosed in note 6 in the Annual Report 2013. Further information regarding the accounting principles for financial instruments is disclosed in note 2 in the Annual Report 2013.

There have been no transfers between any of the the valuation levels during the period.

MSEK	Quoted market prices	Valuation techniques using observable market data	Valuation techniques using non-observable market data	Total
June 30, 2014				
Financial assets at fair value through profit or loss	-	41.0	-	**41.0**
Financial liabilities at fair value through profit or loss	-	-47.9	-	**-47.9**
Derivatives designated for hedging with positive fair value	-	234.9	-	**234.9**
Derivatives designated for hedging with negative fair value	-	-1.5	-	**-1.5**
December 31, 2013				
Financial assets at fair value through profit or loss	-	59.5	-	**59.5**
Financial liabilities at fair value through profit or loss	-	-50.5	-	**-50.5**
Derivatives designated for hedging with positive fair value	-	41.9	-	**41.9**
Derivatives designated for hedging with negative fair value	-	-7.8	-	**-7.8**

Financial instruments by category – carrying and fair values
For financial assets and liabilities other than those disclosed in the table below, fair value is deemed to approximate the carrying value. A full comparison of fair value and carrying value for all financial assets and liabilities is disclosed in note 6 in the Annual Report 2013.

	Jun 30, 2014		Dec 31, 2013	
MSEK	Carrying value	Fair value	Carrying value	Fair value
Short-term loan liabilities	402.1	403.3	-	-
Long-term loan liabilities	9 363.9	9 566.5	9 284.2	9 376.4
Total financial instruments by category	**9 766.0**	**9 969.8**	**9 284.2**	**9 376.4**

Summary of credit facilities as of June 30, 2014

Type	Currency	Facility amount (million)	Available amount (million)	Maturity
EMTN FRN private placement	SEK	500	0	2014
EMTN FRN private placement	SEK	500	0	2014
EMTN 3.45% fixed	SEK	400	0	2015
EMTN FRN private placement	SEK	600	0	2015
EMTN FRN private placement	USD	62	0	2015
EMTN FRN private placement	USD	40	0	2015
Multi Currency Revolving Credit Facility	USD equivalent	1 100	1 100	2016
EMTN Eurobond, 2.75% fixed	EUR	350	0	2017
EMTN FRN private placement	USD	50	0	2018
EMTN Eurobond, 2.25% fixed	EUR	300	0	2018
EMTN FRN private placement	USD	85	0	2019
EMTN Eurobond, 2.625% fixed	EUR	350	0	2021
Commercial Paper (uncommitted)	SEK	5 000	4 150	n/a

Note 7 Tax effects on other comprehensive income

MSEK	Apr–Jun 2014	Apr–Jun 2013	Jan–Jun 2014	Jan–Jun 2013	Jan–Dec 2013	Jan–Dec 2012
Deferred tax on remeasurements of defined benefit pension plans	19.4	-62.3	33.4	-107.5	-115.2	37.3
Deferred tax on cash flow hedges	0.1	-0.9	0.2	-5.1	-5.7	-2.5
Deferred tax on net investment hedges	1.6	6.8	10.7	-6.1	34.1	3.5
Deferred tax on other comprehensive income	**21.1**	**-56.4**	**44.3**	**-118.7**	**-86.8**	**38.3**

STATEMENT OF INCOME

MSEK	Jan–Jun 2014	Jan–Jun 2013
License fees and other income	431.4	442.1
Gross income	**431.4**	**442.1**
Administrative expenses	–226.5	–199.1
Operating income	**204.9**	**243.0**
Financial income and expenses	777.8	–201.6
Income after financial items	**982.7**	**41.4**
Appropriations	–2.4	24.6
Income before taxes	**980.3**	**66.0**
Taxes	–8.5	–9.1
Net income for the period	**971.8**	**56.9**

BALANCE SHEET

MSEK	Jun 30, 2014	Dec 31, 2013
ASSETS		
Non-current assets		
Shares in subsidiaries	37 240.1	37 183.0
Shares in associated companies	112.1	112.1
Other non-interest-bearing non-current assets	247.3	238.9
Interest-bearing financial non-current assets	726.0	509.4
Total non-current assets	**38 325.5**	**38 043.4**
Current assets		
Non-interest-bearing current assets	388.0	359.9
Other interest-bearing current assets	3 572.6	3 307.6
Liquid funds	1 501.6	2 007.7
Total current assets	**5 462.2**	**5 675.2**
TOTAL ASSETS	**43 787.7**	**43 718.6**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Restricted equity	7 727.7	7 727.7
Non-restricted equity	17 268.2	17 323.9
Total shareholders' equity	**24 995.9**	**25 051.6**
Long-term liabilities		
Non-interest-bearing long-term liabilities/provisions	175.8	160.7
Interest-bearing long-term liabilities	10 526.5	11 405.3
Total long-term liabilities	**10 702.3**	**11 566.0**
Current liabilities		
Non-interest-bearing current liabilities	585.4	310.5
Interest-bearing current liabilities	7 504.1	6 790.5
Total current liabilities	**8 089.5**	**7 101.0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**43 787.7**	**43 718.6**

Definitions

Interest coverage ratio
Operating income before amortization (rolling 12 months) plus interest income (rolling 12 months) in relation to interest expenses (rolling 12 months).

Free cash flow, %
Free cash flow as a percentage of adjusted income (operating income before amortization adjusted for financial income and expenses, excluding revaluation of financial instruments, and current taxes).

Free cash flow in relation to net debt
Free cash flow (rolling 12 months) in relation to closing balance net debt.

Operating capital employed as % of total sales
Operating capital employed as a percentage of total sales adjusted for the full-year sales of acquired entities.

Return on operating capital employed, %
Operating income before amortization (rolling 12 months) plus items affecting comparability (rolling 12 months) as a percentage of the average balance of operating capital employed.

Return on capital employed, %
Operating income before amortization (rolling 12 months) plus items affecting comparability (rolling 12 months) as a percentage of closing balance of capital employed.

Net debt equity ratio, multiple
Net debt in relation to shareholders' equity.

PRESENTATION OF THE INTERIM REPORT

Analysts and media are invited to participate in a telephone conference on August 5, 2014 at **09:30 a.m. (CET)** where Securitas CEO Alf Göransson will present the report and answer questions. The telephone conference will also be audio cast live via Securitas web. No information meeting will take place at Securitas headquarters at Lindhagensplan in Stockholm. To participate in the telephone conference, please dial in five minutes prior to the start of the conference call:

The United States:	+ 1 855 269 2605
Sweden:	+ 46 (0) 8 519 993 55
United Kingdom:	+ 44 (0) 203 194 0550

To follow the audio cast of the telephone conference via the web, please follow the link www.securitas.com/webcasts. A recorded version of the audio cast will be available at www.securitas.com/webcasts after the telephone conference.

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FINANCIAL INFORMATION CALENDAR

November 4, 2014, 08:00 a.m.	Interim Report January–September 2014
February 4, 2015, app. 13.00 p.m.	Full Year Report January–December 2014

For further information regarding Securitas IR activities, refer to www.securitas.com/Investor Relations/Financial Calendar

ABOUT SECURITAS

Securitas is a knowledge leader in security and operates in North America, Europe, Latin America, the Middle East, Asia and Africa. The organization is flat and decentralized with three business segments: Security Services North America, Security Services Europe and Security Services Ibero-America. Securitas serves a wide range of customers in a variety of industries and customer segments, and the customers vary from the shop on the corner to global multibillion industries. The services provided are specialized guarding and mobile services, monitoring, technical solutions and consulting and investigations. Securitas can respond to the unique and specific security challenges facing its customers, and tailor its offering according to their specific industry demands. Securitas employs close to 310 000 people in 52 countries. Securitas is listed in the Large Cap segment at NASDAQ OMX Stockholm.

Group financial targets

Securitas focuses on two financial targets. The first target relates to the statement of income: an average growth of earnings per share of 10 percent annually. The second target relates to the balance sheet: free cash flow in relation to net debt of at least 0.20.

Group strategy

Our strategy is to offer complete security solutions that integrate all of our areas of competence. Together with our customers, we develop optimal and cost-efficient solutions that are suited for the customers' needs. This brings added value to the customers and results in stronger, more long-term customer relationships and improved profitability.

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Securitas AB discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 08.00 a.m. (CET) on Tuesday, August 5, 2014.