Securitas AB

Interim Report
January–September 2014

JULY–SEPTEMBER 2014

- **Total sales MSEK 18 003 (16 605)**
- **Organic sales growth 4 percent (1)**
- **Operating income before amortization MSEK 962 (892)**
- **Operating margin 5.3 percent (5.4)**
- **Earnings per share SEK 1.57 (1.42)**

JANUARY–SEPTEMBER 2014

- **Total sales MSEK 51 234 (48 975)**
- **Organic sales growth 3 percent (1)**
- **Operating income before amortization MSEK 2 488 (2 450)**
- **Operating margin 4.9 percent (5.0)**
- **Earnings per share SEK 3.93 (3.72)**
- **Free cash flow/net debt 0.16 (0.26)**

COMMENTS FROM THE PRESIDENT AND CEO

Organic sales growth continued to show a positive trend driven by successful sales efforts and by our strategy of security solutions and technology offerings to our customers. All business segments improved compared to last year and the organic sales growth reached 4 percent in the third quarter.

Earnings per share improved

In real terms earnings per share improved with 4 percent in the first nine months. The operating income improved in the quarter as well as in the first nine months compared to last year, even though burdened by difficult market conditions in Spain. A re-organization will be implemented in Spain during the fourth quarter, reallocating resources from traditional guarding operations to security solutions and technology sales efforts and also adapting the structure to the reduced volumes. These actions will likely require a one-off restructuring cost not exceeding MEUR 2, which will be recognized in the fourth quarter.

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 third quarter 2014 was 9.5 percent.

Affordable Care Act (ACA)

The ACA will come into full force as of January 1, 2015. By mid-October, for approximately 80 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). For the remaining portfolio, the final months of the year will be crucial to determine to what extent the customers will accept the price increase or decide for a security solution and technology alternative.

We estimate that the previously expected cost increase of 8–10 percent for the non-compliant contracts will be more in the range of 4–5 percent because of lower wage compensation, which will result in lower guard participation rate than anticipated. Consequently, by mid-October more customers than expected have opted for the price increase rather than security solutions and technology alternatives. We estimate the net organic sales growth effect in Security Services North America coming from the ACA implementation to be approximately 1 percent in 2015.

Alf Göransson
President and Chief Executive Officer

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FINANCIAL SUMMARY

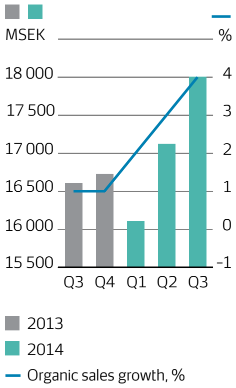
MSEK	Quarter Q3 2014	Q3 2013	Change, % Total	Real	9M 2014	2013	Change, % Total	Real	Full year 2013	Change, % Total
Sales	**18 003**	**16 605**	**8**	**4**	**51 234**	**48 975**	**5**	**3**	**65 700**	**-1**
Organic sales growth, %	*4*	*1*			*3*	*1*			*1*	
Operating income before amortization	**962**	**892**	**8**	**4**	**2 488**	**2 450**	**2**	**1**	**3 329**	**10**
Operating margin, %	*5.3*	*5.4*			*4.9*	*5.0*			*5.1*	
Amortization of acquisition related intangible assets	-61	-65			-182	-193			-274	
Acquisition related costs	-2	-5			-13	-19			-27	
Operating income after amortization	**899**	**822**	**9**	**4**	**2 293**	**2 238**	**2**	**2**	**3 028**	**34**
Financial income and expenses	-82	-83			-245	-300			-385	
Income before taxes	**817**	**739**	**11**	**6**	**2 048**	**1 938**	**6**	**4**	**2 643**	**57**
Net income for the period	**574**	**519**	**11**	**6**	**1 438**	**1 361**	**6**	**4**	**1 856**	**58**
Earnings per share, SEK	1.57	1.42	11	6	3.93	3.72	6	4	5.07	57
EPS, adjusted for IAC and impairment losses, SEK	1.57	1.42	11	6	3.93	3.72	6	4	5.07	23
Cash flow from operating activities, %	*109*	*174*			*65*	*81*			*97*	
Free cash flow	815	1 355			783	1 105			2 088	
Free cash flow to net debt ratio	*-*	*-*			*0.16*	*0.26*			*0.22*	

ORGANIC SALES GROWTH AND OPERATING MARGIN DEVELOPMENT PER BUSINESS SEGMENT

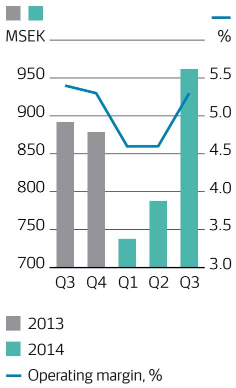
	Organic sales growth				Operating margin			
	Q3		9M		Q3		9M	
%	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Security Services North America	4	1	3	1	5.4	5.2	5.2	5.1
Security Services Europe	2	0	1	0	6.3	6.9	5.6	5.9
Security Services Ibero-America	9	5	7	4	4.4	5.3	4.4	5.4
Group	**4**	**1**	**3**	**1**	**5.3**	**5.4**	**4.9**	**5.0**

JULY–SEPTEMBER 2014

Group quarterly sales development



Group quarterly operating income development



Sales development

Sales amounted to MSEK 18 003 (16 605) and organic sales growth was 4 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 4 percent (2).

Security solutions and technology sales run rate in the third quarter was 9.5 percent of Group sales.

Operating income before amortization

Operating income before amortization was MSEK 962 (892) which, adjusted for changes in exchange rates, represented a change of 4 percent. The weakened Argentinian peso impacted the quarter negatively with MSEK -15.

The Group's operating margin was 5.3 percent (5.4) and slightly behind last year due to the situation in Spain.

Operating income after amortization

Amortization of acquisition related intangible assets amounted to MSEK -61 (-65).

Acquisition related costs were MSEK -2 (-5). For further information refer to note 4.

Financial income and expenses

Financial income and expenses amounted to MSEK -82 (-83).

Income before taxes

Income before taxes was MSEK 817 (739).

Taxes, net income and earnings per share

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

Net income was MSEK 574 (519). Earnings per share amounted to SEK 1.57 (1.42).

JANUARY–SEPTEMBER 2014

Sales development
Sales amounted to MSEK 51 234 (48 975) and organic sales growth was 3 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 2 488 (2 450) which, adjusted for changes in exchange rates, represented a change of 1 percent. The weakened Argentinian peso impacted the period negatively with MSEK –53.

The Group's operating margin was 4.9 percent (5.0), negatively impacted mainly by Spain in Security Services Ibero-America. 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 lower than the wage cost increases in the first nine months, primarily explained by the labor related taxes in Spain.

Operating income after amortization
Amortization of acquisition related intangible assets amounted to MSEK –182 (–193).

Acquisition related costs were MSEK –13 (–19). For further information refer to note 4.

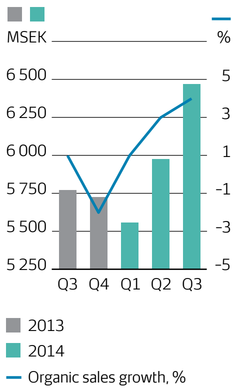
Financial income and expenses
Financial income and expenses amounted to MSEK –245 (–300). The finance net was positively impacted by the repayment of the MEUR 500 bond loan in April 2013.

Income before taxes
Income before taxes was MSEK 2 048 (1 938).

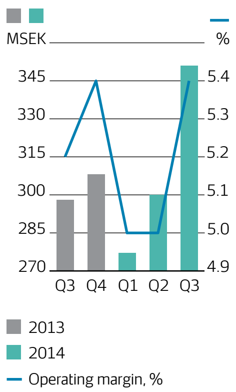
Taxes, net income and earnings per share
The Group's tax rate was 29.8 percent (29.8).

Net income was MSEK 1 438 (1 361). Earnings per share amounted to SEK 3.93 (3.72).

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, %*			9M	*Change, %*		Full year
MSEK	**Q3 2014**	**Q3 2013**	***Total***	***Real***	**2014**	**2013**	***Total***	***Real***	**2013**
Total sales	**6 470**	**5 771**	**12**	**4**	**18 006**	**17 117**	**5**	**3**	**22 841**
Organic sales growth, %	*4*	*1*			*3*	*1*			*0*
Share of Group sales, %	*36*	*35*			*35*	*35*			*35*
Operating income before amortization	**351**	**298**	**18**	**9**	**928**	**869**	**7**	**4**	**1 177**
Operating margin, %	*5.4*	*5.2*			*5.2*	*5.1*			*5.2*
Share of Group operating income, %	*36*	*33*			*37*	*35*			*35*

July–September 2014

The organic sales growth was 4 percent (1). The five guarding regions showed a continued strong development and contributed equally to the organic sales growth in the quarter as did the business unit critical infrastructure (includes federal government services and defense and aerospace).

The operating margin was 5.4 percent (5.2), an improvement mainly related to leverage from good organic sales growth and stable costs.

The Swedish krona exchange rate weakened versus the U.S. dollar and thus had a positive effect on the operating income in Swedish kronor. The real change was 9 percent in the quarter.

January–September 2014

The organic sales growth was 3 percent (1), mainly driven by the business unit critical infrastructure (includes federal government services and defense and aerospace). The five guarding regions contributed to the organic sales growth, resulting from a strengthened sales organization.

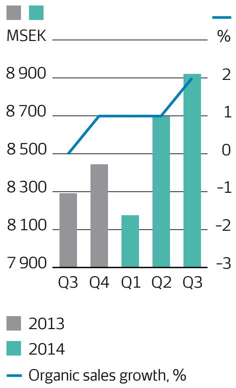
The operating margin was 5.2 percent (5.1), mainly related to the development in the business unit critical infrastructure.

For approximately 80 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).

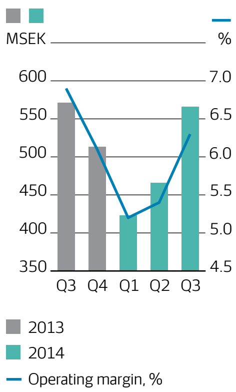
The Swedish krona exchange rate weakened versus the U.S. dollar and thus had a positive effect on the operating income in Swedish kronor. The real change was 4 percent in the period.

The client retention rate was 87 percent (89), due to a few major contract losses in the fourth quarter last year. The employee turnover rate in the business segment was 53 percent (48).

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, %		9M		Change, %		Full year
MSEK	**Q3 2014**	**Q3 2013**	*Total*	*Real*	**2014**	**2013**	*Total*	*Real*	**2013**
Total sales	**8 920**	**8 292**	**8**	**2**	**25 792**	**24 273**	**6**	**2**	**32 716**
Organic sales growth, %	*2*	*0*			*1*	*0*			*0*
Share of Group sales, %	*50*	*50*			*50*	*50*			*50*
Operating income before amortization	**566**	**571**	**-1**	**-5**	**1 455**	**1 441**	**1**	**-2**	**1 954**
Operating margin, %	*6.3*	*6.9*			*5.6*	*5.9*			*6.0*
Share of Group operating income, %	*59*	*64*			*58*	*59*			*59*

July–September 2014

Organic sales growth was 2 percent (0), driven mainly by successful sales development in France, Norway and Turkey, however many other countries also showed a good level of sales activities.

The operating margin was 6.3 percent (6.9). Last year the operating margin was positively impacted by one-off items of 0.3 percent. A few renegotiated aviation contracts earlier in the year had a negative impact on the operating margin in the third quarter. A delay in a few technical installation contracts caused a negative impact in the quarter, however the sale of these contracts is expected in the fourth 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 –5 percent in the quarter.

January–September 2014

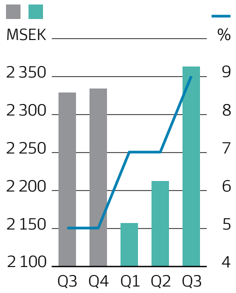
Organic sales growth was 1 percent (0), driven by the development in Turkey and Norway. France and Germany supported organic sales growth while Belgium and the United Kingdom had negative organic sales growth.

The operating margin was 5.6 percent (5.9). A few renegotiated aviation contracts in the period had a negative impact on the operating margin. A delay in a few technical installation contracts caused a negative impact in the period, however this effect is expected to be offset in the full year.

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 period.

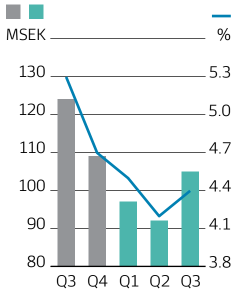
The client retention rate was 92 percent (91). The employee turnover was 26 percent (26).

Quarterly sales development



2013
2014
Organic sales growth, %

Quarterly operating income development



2013
2014
Operating margin, %

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, %*		9M		*Change, %*		Full year
MSEK	**Q3 2014**	**Q3 2013**	***Total***	***Real***	**2014**	**2013**	***Total***	***Real***	**2013**
Total sales	**2 363**	**2 329**	**1**	**9**	**6 732**	**6 932**	**-3**	**8**	**9 266**
Organic sales growth, %	*9*	*5*			*7*	*4*			*4*
Share of Group sales, %	*13*	*14*			*13*	*14*			*14*
Operating income before amortization	**105**	**124**	**-15**	**-4**	**294**	**371**	**-21**	**-6**	**480**
Operating margin, %	*4.4*	*5.3*			*4.4*	*5.4*			*5.2*
Share of Group operating income, %	*11*	*14*			*12*	*15*			*14*

July–September 2014

Organic sales growth was 9 percent (5). Organic sales growth in Latin America was 24 percent, mainly driven by price increases in Argentina but also by volume growth in Chile and Uruguay. The negative organic sales growth in Spain continued to reduce and showed –6 percent (–11), with a positive trend during the last two quarters.

The operating margin was 4.4 percent (5.3) due to the development in Spain. The operating margin in Latin America improved.

Already now the industry has been able to conclude a new collective bargaining agreement in Spain, effective as of January 1, 2015 that stipulates a wage increase of 0.5 percent allowing to start a price increase campaign now.

The Swedish krona exchange rate weakened against the Euro. The Argentinian Peso also weakened and impacted operating income before amortization negatively with MSEK –15. The real change in the segment was –4 percent in the quarter.

January–September 2014

Organic sales growth was 7 percent (4). Organic sales growth in Latin America was 23 percent, primarily driven by price increases in Argentina but also by volume growth in Chile and Uruguay. The macro economic situation in Spain is slowly improving. Security Solutions and Technology sales continued to grow but not yet enough to compensate for the highly price competitive guarding business. Spain showed an organic sales growth of –8 percent (–12).

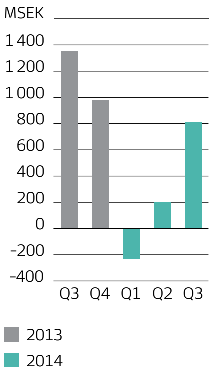
The operating margin was 4.4 percent (5.4), a development related to Spain. As previously communicated, the main reasons were the labor related charges introduced in December 2013, volume losses and a lower operating margin after contract renewals in the aviation customer segment. The operating margin improved in Latin America.

The Swedish krona exchange rate weakened against the Euro. The Argentinian Peso also weakened and impacted operating income before amortization negatively with MSEK –53. The real change in the segment was –6 percent in the period.

The client retention rate was 91 percent (87). The employee turnover was 27 percent (29**).

** The employee retention rate comparative has been restated.

Quarterly free cash flow



July–September 2014

Operating income before amortization amounted to MSEK 962 (892). Net investments in non-current tangible and intangible assets amounted to MSEK -14 (79). The net investments primarily relate to capital expenditures in equipment for solution contracts reflecting our strategy to increase the sales in security solutions and technology. Such investments affect the free cash flow and are depreciated over the original contract duration.

Changes in accounts receivable were MSEK -123 (45), driven by the increased organic sales growth. Changes in other operating capital employed were MSEK 222 (533).

Cash flow from operating activities amounted to MSEK 1 047 (1 549), equivalent to 109 percent (174) of operating income before amortization.

Financial income and expenses paid amounted to MSEK -53 (-63). Current taxes paid amounted to MSEK -179 (-131).

Free cash flow was MSEK 815 (1 355), equivalent to 121 percent (217) of adjusted income.

Cash flow from investing activities, acquisitions, was MSEK -15 (-65).

Cash flow from items affecting comparability was MSEK -15 (-32), whereof MSEK -13 (-29) was related to the cost savings program, MSEK -1 (-2) was related to overtime compensation in Spain and MSEK -1 (-1) was related to premises in Germany.

Cash flow from financing activities was MSEK -753 (-654).

Cash flow for the period was MSEK 32 (604).

January–September 2014

Operating income before amortization amounted to MSEK 2 488 (2 450). Net investments in non-current tangible and intangible assets amounted to MSEK -101 (133). The net investments primarily relate to capital expenditures in equipment for solution contracts reflecting our strategy to increase the sales in security solutions and technology. Such investments affect the free cash flow and are depreciated over the original contract duration.

Changes in accounts receivable were MSEK -428 (-142), with a slight increase of Days of Sales Outstanding (DSO) compared to December but also driven by the increased organic sales growth. Changes in other operating capital employed were MSEK -338 (-446).

Cash flow from operating activities amounted to MSEK 1 621 (1 995), equivalent to 65 percent (81) of operating income before amortization.

Financial income and expenses paid amounted to MSEK -272 (-483). 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 -566 (-407). 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 783 (1 105), equivalent to 45 percent (66) 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 -240 (-198).

Cash flow from items affecting comparability was MSEK -62 (-270), whereof MSEK -56 (-170) was related to the cost savings program, MSEK -4 (-10) was related to overtime compensation in Spain, MSEK -2 (-2) was related to premises in Germany and MSEK 0 (-88) was related to payment to Deutsche Bank in Germany.

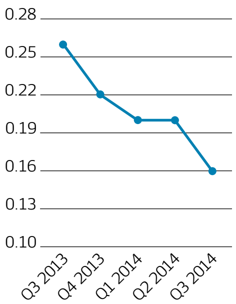
Cash flow from financing activities was MSEK -2 303 (-2 735).

Cash flow for the period was MSEK -1 822 (-2 098).

Net debt development

MSEK	
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
Sep 30, 2014	**-10 861**

Free cash flow/net debt



Capital employed as of September 30, 2014

The Group's operating capital employed was MSEK 4 221 (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 47 during the period.

The annual impairment test of all Cash Generating Units (CGU), which is required under IFRS, took place during the third quarter 2014 in conjunction with the business plan process for 2015. None of the CGUs tested for impairment had a carrying amount that exceeded the recoverable amount. Consequently no impairment losses have been recognized in 2014. No impairment losses were recognized in 2013 either.

Acquisitions increased consolidated goodwill by MSEK 6. Adjusted for translation differences of MSEK 960, total goodwill for the Group amounted to MSEK 15 328 (14 362 as of December 31, 2013).

Acquisitions have increased acquisition related intangible assets by MSEK 18. After amortization of MSEK –182 and translation differences of MSEK 44, acquisition related intangible assets amounted to MSEK 1 196 (1 316 as of December 31, 2013).

The Group's total capital employed was MSEK 21 047 (18 991 as of December 31, 2013). The translation of foreign capital employed to Swedish kronor increased the Group's capital employed by MSEK 1 215.

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

Financing as of September 30, 2014

The Group's net debt amounted to MSEK 10 861 (9 610 as of December 31, 2013). Acquisitions and acquisition related payments increased the Group's net debt by MSEK 240, of which purchase price payments accounted for MSEK 228 and acquisition related costs paid accounted for MSEK 12. The Group's net debt increased by MSEK 640 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 0.16 (0.26).

The main capital market instruments drawn as of the end of September 2014 were ten bonds issued under the Group's Euro Medium Term Note Program, with maturity dates between January 2015 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 9.7 (6.6).

Shareholders' equity amounted to MSEK 10 186 (9 381 as of December 31, 2013). The translation of foreign assets and liabilities into Swedish kronor increased shareholders' equity by MSEK 575 after taking into account net investment hedging of MSEK 98 and MSEK 477 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 September 30, 2014.

ACQUISITIONS JANUARY–SEPTEMBER 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)				23	80	6	18
Total acquisitions January–September 2014				**23**	**228**	**6** 6)	**18**
Amortization of acquisition related intangible assets						-	–182
Exchange rate differences						960	44
Closing balance						**15 328**	**1 196**

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, TS Alarm (contract portfolio), Denmark, Vartiointipalvelu P. Kauppila (contract portfolio), Finland, Ave Lat Sargs, Latvia, EKS Technik, Germany, SEIV, France, Tehnomobil, Croatia, Sensormatic, Turkey, Vigilancias y Seguridad, Fuego Red and Consultora Videco, Argentina, Pandyr and Selectron, Uruguay, Ubiq, Peru, Security Alliance Limited, Hong Kong and Security Standard Group, Cambodia. 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 –48. Total deferred considerations, short-term and long-term, in the Group's balance sheet amount to MSEK 493.

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.

ACQUISITIONS AFTER THE THIRD QUARTER

SAIT, Belgium

Securitas has acquired the security and critical communications systems integrator SAIT in Belgium. The seller is the investment company Crescent. Enterprise value is estimated to MSEK 126 (MEUR 13.8). SAIT is operating in the areas of wireless networks, physical security solutions and data integrity. The company is focusing on delivering advanced technological security solutions supported by critical and secure networks in customer segments such as industry, public transport, government, police, defense, maritime, telecom and cities. SAIT has 80 employees and annual sales of approximately MSEK 228 (MEUR 25). With this acquisition, Securitas will strengthen its technology offering in Belgium and the position as the leading security solutions company. The acquisition creates a possibility to enter new customer segments markets, e.g. police, defense and cities, and to develop new security service offerings. The acquisition is consolidated in Securitas as of November 1, 2014.

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.

New market – South Korea

Securitas has started operations in South Korea since August and is now servicing the first customer with approximately 50 security officers. The South Korean market has a large potential with many of Securitas global customers operating in the country.

Spain – tax audit

The Spanish tax authority has in 2009 and 2012 rejected certain interest deductions for the years 2003–2005 respectively 2006–2007, which have been appealed to the Spanish courts. If finally upheld by the courts the resolutions would result in a tax of MEUR 27 including interest (as described on page 117 in the Annual Report 2013).

Similar to the rejected interest deductions for the years 2003–2005 and 2006–2007 the Spanish tax authority has now, in connection with an ongoing audit of Securitas Spain, challenged interest payments for the years 2008–2009. The tax for these years amounts to MEUR 14, including interest up to September 2014. There exists no further exposure for similar rejected interest deductions after 2009. The tax authority has also challenged a deduction for a currency related liquidation loss in the year 2010, relating to a company that was acquired in 2004. The tax amounts to MEUR 16, including interest up to September 2014.

Securitas has recently won in the Spanish national court Audiencia Nacional the case concerning interest deductions for the years 2003–2005, due to that the years 2003 and 2004 were judged to be time-barred. The tax for these years amounts to MEUR 11 (which is part of the MEUR 27 exposure described above), including interest up to September 2014. Further, in its judgment the court referred to a recent judgment by the Supreme Court, meaning that interest or any other expenses as a result of a transaction in a time-barred year cannot be disallowed in later years. Provided that the Supreme Court will decide in Securitas case in accordance with their recent judgment, referred to by the Audiencia Nacional, then all exposure for interest 2003–2005, 2006–2007 and 2008–2009 and for the currency related liquidation loss 2010, should cease.

The Spanish tax authority has in September decided to appeal the Audiencia Nacional's judgment regarding 2003–2005 to the Supreme Court.

Securitas believes it has acted in accordance with applicable law and will defend its position in the courts. However, the tax resolution causes some uncertainty and it may take a long time until a final judgment is made.

USA – tax audit

The US tax authority has in 2010 rejected certain insurance premium deductions for the years 2003–2004 (as described on page 117 in the Annual Report 2013). Securitas has now won the case in US Tax Court. The tax authority can appeal against the judgment.

Change in Group Management

Aimé Lyagre, Chief Technology Officer and Chief Operating Officer in Security Services Europe, is as of November 4, 2014 a member of Securitas Group Management.

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 three-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–September 2014

The Parent Company's income amounted to MSEK 650 (666) and mainly relates to license fees and other income from subsidiaries.

Financial income and expenses amounted to MSEK 654 (–158). The increase of financial income and expenses compared to last year is mainly explained by dividends from subsidiaries. Income before taxes amounted to MSEK 746 (265).

As of September 30, 2014

The Parent Company's non-current assets amounted to MSEK 38 408 (38 043 as of December 31, 2013) and mainly comprise shares in subsidiaries of MSEK 37 241 (37 183 as of December 31, 2013). Current assets amounted to MSEK 5 464 (5 675 as of December 31, 2013) of which liquid funds amounted to MSEK 1 657 (2 008 as of December 31, 2013).

Shareholders' equity amounted to MSEK 24 951 (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 18 921 (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.

Annual General Meeting 2015

Securitas' Annual General Meeting will be held on Friday, May 8, 2015 at 15:00 at Hilton Stockholm Slussen, Guldgränd 8 in Stockholm.

Stockholm, November 4, 2014

Alf Göransson
President and Chief Executive Officer

This report has not been reviewed by the company's auditors.

STATEMENT OF INCOME

MSEK	Jul–Sep 2014	Jul–Sep 2013	Jan–Sep 2014	Jan–Sep 2013	Jan–Dec 2013	Jan–Dec 2012
Sales	17 966.9	16 418.2	50 963.6	48 463.6	65 017.5	64 039.8
Sales, acquired business	35.8	186.9	270.3	511.2	682.6	2 418.4
Total sales	**18 002.7**	**16 605.1**	**51 233.9**	**48 974.8**	**65 700.1**	**66 458.2**
Organic sales growth, % [1]	4	1	3	1	1	0
Production expenses	–14 877.1	–13 720.7	–42 434.8	–40 536.5	–54 276.6	–55 364.5
Gross income	**3 125.6**	**2 884.4**	**8 799.1**	**8 438.3**	**11 423.5**	**11 093.7**
Selling and administrative expenses	–2 170.8	–1 997.6	–6 328.0	–6 001.6	–8 112.4	–8 081.5
Other operating income [2]	4.0	3.6	11.5	10.2	13.5	12.8
Share in income of associated companies [3]	2.7	1.1	5.0	2.8	4.4	2.7
Operating income before amortization	**961.5**	**891.5**	**2 487.6**	**2 449.7**	**3 329.0**	**3 027.7**
Operating margin, %	5.3	5.4	4.9	5.0	5.1	4.6
Amortization and impairment of acquisition related intangible assets	–60.9	–64.5	–181.9	–192.8	–273.7	–297.1
Acquisition related costs [4]	–1.1	–5.0	–12.6	–19.2	–26.8	–49.5
Items affecting comparability [5]	-	-	-	-	-	–424.3
Operating income after amortization	**899.5**	**822.0**	**2 293.1**	**2 237.7**	**3 028.5**	**2 256.8**
Financial income and expenses [6]	–82.4	–83.1	–245.0	–299.4	–385.0	–573.0
Income before taxes	**817.1**	**738.9**	**2 048.1**	**1 938.3**	**2 643.5**	**1 683.8**
Net margin, %	4.5	4.4	4.0	4.0	4.0	2.5
Current taxes	–204.2	–184.6	–512.0	–469.9	–708.6	–526.4
Deferred taxes	–39.4	–35.6	–98.4	–107.8	–79.3	17.2
Net income for the period	**573.5**	**518.7**	**1 437.7**	**1 360.6**	**1 855.6**	**1 174.6**
Whereof attributable to:						
Equity holders of the Parent Company	571.9	517.6	1 434.0	1 358.6	1 852.5	1 174.2
Non-controlling interests	1.6	1.1	3.7	2.0	3.1	0.4
Earnings per share before dilution (SEK)	1.57	1.42	3.93	3.72	5.07	3.22
Earnings per share after dilution (SEK)	1.57	1.42	3.93	3.72	5.07	3.22

STATEMENT OF COMPREHENSIVE INCOME

MSEK	Jul–Sep 2014	Jul–Sep 2013	Jan–Sep 2014	Jan–Sep 2013	Jan–Dec 2013	Jan–Dec 2012
Net income for the period	**573.5**	**518.7**	**1 437.7**	**1 360.6**	**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	23.0	1.8	–48.9	194.9	243.0	–111.7
Total items that will not be reclassified to the statement of income [7]	**23.0**	**1.8**	**–48.9**	**194.9**	**243.0**	**–111.7**
Items that subsequently may be reclassified to the statement of income						
Cash flow hedges net of tax	2.2	1.1	1.4	3.7	4.7	7.1
Net investment hedges net of tax	136.2	–60.5	98.2	–120.2	–202.3	–9.7
Translation differences	190.0	–334.7	477.3	–198.0	–36.1	–550.1
Total items that subsequently may be reclassified to the statement of income [7]	**328.4**	**–394.1**	**576.9**	**–314.5**	**–233.7**	**–552.7**
Other comprehensive income for the period [7]	**351.4**	**–392.3**	**528.0**	**–119.6**	**9.3**	**–664.4**
Total comprehensive income for the period	**924.9**	**126.4**	**1 965.7**	**1 241.0**	**1 864.9**	**510.2**
Whereof attributable to:						
Equity holders of the Parent Company	923.2	125.9	1 961.3	1 241.0	1 863.9	510.4
Non-controlling interests	1.7	0.5	4.4	0.0	1.0	–0.2

Notes 1–7 refer to pages 21–22.

STATEMENT OF CASH FLOW

Operating cash flow MSEK	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Jan-Dec 2013	Jan-Dec 2012
Operating income before amortization	**961.5**	**891.5**	**2 487.6**	**2 449.7**	**3 329.0**	**3 027.7**
Investments in non-current tangible and intangible assets	-260.4	-152.3	-817.2	-573.1	-804.0	-1 039.2
Reversal of depreciation	246.8	231.5	716.0	706.9	945.6	946.1
Change in accounts receivable	-123.3	44.7	-427.7	-142.3	1.0	205.4
Change in other operating capital employed	222.4	533.5	-337.6	-446.1	-241.5	60.8
Cash flow from operating activities	**1 047.0**	**1 548.9**	**1 621.1**	**1 995.1**	**3 230.1**	**3 200.8**
Cash flow from operating activities, %	*109*	*174*	*65*	*81*	*97*	*106*
Financial income and expenses paid	-53.0	-63.0	-272.2	-483.6	-532.0	-531.9
Current taxes paid	-178.6	-131.3	-566.3	-406.6	-610.4	-583.3
Free cash flow	**815.4**	**1 354.6**	**782.6**	**1 104.9**	**2 087.7**	**2 085.6**
Free cash flow, %	*121*	*217*	*45*	*66*	*93*	*108*
Cash flow from investing activities, acquisitions	-14.7	-64.2	-239.9	-198.2	-294.7	-677.3
Cash flow from items affecting comparability	-15.2	-32.1	-61.4	-270.3	-307.5	-193.8
Cash flow from financing activities	-753.4	-654.0	-2 303.1	-2 734.1	-2 270.5	1 222.7
Cash flow for the period	**32.1**	**604.3**	**-1 821.8**	**-2 097.7**	**-785.0**	**2 437.2**

Cash flow MSEK	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Jan-Dec 2013	Jan-Dec 2012
Cash flow from operations	1 059.7	1 469.8	1 526.7	1 376.5	2 529.0	2 833.4
Cash flow from investing activities	-274.2	-211.5	-1 045.4	-740.1	-1 043.5	-1 618.9
Cash flow from financing activities	-753.4	-654.0	-2 303.1	-2 734.1	-2 270.5	1 222.7
Cash flow for the period	**32.1**	**604.3**	**-1 821.8**	**-2 097.7**	**-785.0**	**2 437.2**

Change in net debt MSEK	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Jan-Dec 2013	Jan-Dec 2012
Opening balance	**-11 319.7**	**-11 770.6**	**-9 609.8**	**-9 864.6**	**-9 864.6**	**-10 348.8**
Cash flow for the period	32.1	604.3	-1 821.8	-2 097.7	-785.0	2 437.2
Change in loans	753.4	654.0	1 207.9	1 638.9	1 175.3	-2 317.9
Change in net debt before revaluation and translation differences	**785.5**	**1 258.3**	**-613.9**	**-458.8**	**390.3**	**119.3**
Revaluation of financial instruments [6)]	2.9	1.3	2.2	8.7	10.9	10.6
Translation differences	-330.1	217.9	-639.9	21.6	-146.4	354.3
Change in net debt	**458.3**	**1 477.5**	**-1 251.6**	**-428.5**	**254.8**	**484.2**
Closing balance	**-10 861.4**	**-10 293.1**	**-10 861.4**	**-10 293.1**	**-9 609.8**	**-9 864.6**

Note 6 refers to page 22.

CAPITAL EMPLOYED AND FINANCING

MSEK	Sep 30, 2014	Jun 30, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Dec 31, 2012
Operating capital employed	**4 220.9**	**4 258.6**	**3 180.9**	**3 469.4**	**4 300.1**	**2 581.5**
Operating capital employed as % of sales	*6*	*6*	*5*	*5*	*6*	*4*
Return on operating capital employed, %	*91*	*89*	*116*	*91*	*79*	*91*
Goodwill	15 328.2	14 800.5	14 361.9	14 087.6	14 545.3	14 275.4
Acquisition related intangible assets	1 196.3	1 234.2	1 315.6	1 335.3	1 384.9	1 501.9
Shares in associated companies	301.8	287.2	132.7	97.2	107.3	108.0
Capital employed	**21 047.2**	**20 580.5**	**18 991.1**	**18 989.5**	**20 337.6**	**18 466.8**
Return on capital employed, %	*16*	*16*	*18*	*15*	*13*	*14*
Net debt	**–10 861.4**	**–11 319.7**	**–9 609.8**	**–10 293.1**	**–11 770.6**	**–9 864.6**
Shareholders' equity	**10 185.8**	**9 260.8**	**9 381.3**	**8 696.4**	**8 567.0**	**8 602.2**
Net debt equity ratio, multiple	*1.07*	*1.22*	*1.02*	*1.18*	*1.37*	*1.15*

BALANCE SHEET

MSEK	Sep 30, 2014	Jun 30, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Dec 31, 2012
ASSETS						
Non-current assets						
Goodwill	15 328.2	14 800.5	14 361.9	14 087.6	14 545.3	14 275.4
Acquisition related intangible assets	1 196.3	1 234.2	1 315.6	1 335.3	1 384.9	1 501.9
Other intangible assets	365.7	356.0	325.2	313.7	355.9	368.1
Tangible non-current assets	2 458.6	2 426.2	2 269.4	2 253.7	2 366.1	2 377.7
Shares in associated companies	301.8	287.2	132.7	97.2	107.3	108.0
Non-interest-bearing financial non-current assets	2 030.1	2 030.6	1 996.7	2 030.5	2 083.6	2 170.7
Interest-bearing financial non-current assets	400.6	331.1	150.9	146.2	163.0	224.3
Total non-current assets	**22 081.3**	**21 465.8**	**20 552.4**	**20 264.2**	**21 006.1**	**21 026.1**
Current assets						
Non-interest-bearing current assets	14 047.0	13 716.7	12 575.5	12 837.0	13 409.2	12 434.1
Other interest-bearing current assets	144.2	147.1	59.5	17.6	22.3	116.3
Liquid funds	2 290.7	2 233.6	4 049.8	2 731.6	2 170.1	4 880.7
Total current assets	**16 481.9**	**16 097.4**	**16 684.8**	**15 586.2**	**15 601.6**	**17 431.1**
TOTAL ASSETS	**38 563.2**	**37 563.2**	**37 237.2**	**35 850.4**	**36 607.7**	**38 457.2**

MSEK	Sep 30, 2014	Jun 30, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Dec 31, 2012
SHAREHOLDERS' EQUITY AND LIABILITIES						
Shareholders' equity						
Attributable to equity holders of the Parent Company	10 165.2	9 242.0	9 365.3	8 679.4	8 553.5	8 588.3
Non-controlling interests	20.6	18.8	16.0	17.0	13.5	13.9
Total shareholders' equity	**10 185.8**	**9 260.8**	**9 381.3**	**8 696.4**	**8 567.0**	**8 602.2**
Equity ratio, %	*26*	*25*	*25*	*24*	*23*	*22*
Long-term liabilities						
Non-interest-bearing long-term liabilities	527.1	524.0	487.3	392.9	411.3	409.3
Interest-bearing long-term liabilities	10 913.9	10 628.4	11 509.8	7 692.0	8 823.4	9 099.9
Non-interest-bearing provisions	2 650.4	2 593.1	2 463.8	2 523.8	2 609.9	2 887.0
Total long-term liabilities	**14 091.4**	**13 745.5**	**14 460.9**	**10 608.7**	**11 844.6**	**12 396.2**
Current liabilities						
Non-interest-bearing current liabilities and provisions	11 503.0	11 153.8	11 034.8	11 048.8	10 893.5	11 472.8
Interest-bearing current liabilities	2 783.0	3 403.1	2 360.2	5 496.5	5 302.6	5 986.0
Total current liabilities	**14 286.0**	**14 556.9**	**13 395.0**	**16 545.3**	**16 196.1**	**17 458.8**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**38 563.2**	**37 563.2**	**37 237.2**	**35 850.4**	**36 607.7**	**38 457.2**

CHANGES IN SHAREHOLDERS' EQUITY

MSEK	Sep 30, 2014 Attributable to equity holders of the Parent Company	Sep 30, 2014 Non-controlling interests	Sep 30, 2014 Total	Dec 31, 2013 Attributable to equity holders of the Parent Company	Dec 31, 2013 Non-controlling interests	Dec 31, 2013 Total	Dec 31, 2012 Attributable to equity holders of the Parent Company	Dec 31, 2012 Non-controlling interests	Dec 31, 2012 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	1 961.3	4.4	1 965.7	1 863.9	1.0	1 864.9	510.4	–0.2	510.2
Transactions with non-controlling interests	–0.6	0.2	–0.4	–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 September 30/December 31, 2014/2013/2012	**10 165.2**	**20.6**	**10 185.8**	**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	Jul–Sep 2014	Jul–Sep 2013	Jan–Sep 2014	Jan–Sep 2013	Jan–Dec 2013	Jan–Dec 2012
Share price, end of period	80.15	73.40	80.15	73.40	68.35	56.70
Earnings per share before dilution [1, 2]	1.57	1.42	3.93	3.72	5.07	3.22
Earnings per share before dilution and before items affecting comparability [1, 2]	1.57	1.42	3.93	3.72	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–SEPTEMBER 2014

MSEK	Security Services North America	Security Services Europe	Security Services Ibero-America	Other	Eliminations	Group
Sales, external	18 001	25 791	6 732	710	-	51 234
Sales, intra-group	5	1	-	0	–6	-
Total sales	**18 006**	**25 792**	**6 732**	**710**	**–6**	**51 234**
Organic sales growth, %	*3*	*1*	*7*	-	-	*3*
Operating income before amortization	**928**	**1 455**	**294**	**–189**	**-**	**2 488**
of which share in income of associated companies	*0*	*0*	-	*5*	-	*5*
Operating margin, %	*5.2*	*5.6*	*4.4*	-	-	*4.9*
Amortization of acquisition related intangible assets	–19	–106	–48	–9	-	–182
Acquisition related costs	–4	–6	–2	–1	-	–13
Items affecting comparability	-	-	-	-	-	-
Operating income after amortization	**905**	**1 343**	**244**	**–199**	**-**	**2 293**
Financial income and expenses	-	-	-	-	-	–245
Income before taxes	**-**	**-**	**-**	**-**	**-**	**2 048**

JANUARY–SEPTEMBER 2013

MSEK	Security Services North America	Security Services Europe	Security Services Ibero-America	Other	Eliminations	Group
Sales, external	17 111	24 273	6 932	659	-	48 975
Sales, intra-group	6	-	-	1	–7	-
Total sales	**17 117**	**24 273**	**6 932**	**660**	**–7**	**48 975**
Organic sales growth, %	*1*	*0*	*4*	-	-	*1*
Operating income before amortization	**869**	**1 441**	**371**	**–231**	**-**	**2 450**
of which share in income of associated companies	-	-	-	*3*	-	*3*
Operating margin, %	*5.1*	*5.9*	*5.4*	-	-	*5.0*
Amortization of acquisition related intangible assets	–25	–105	–53	–10	-	–193
Acquisition related costs	0	–12	–7	0	-	–19
Items affecting comparability	-	-	-	-	-	-
Operating income after amortization	**844**	**1 324**	**311**	**–241**	**-**	**2 238**
Financial income and expenses	-	-	-	-	-	–300
Income before taxes	**-**	**-**	**-**	**-**	**-**	**1 938**

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	Jul–Sep 2014	Jul–Sep 2013	*Jul–Sep %*	Jan–Sep 2014	Jan–Sep 2013	*Jan–Sep %*
Total sales	**18 003**	**16 605**	**8**	**51 234**	**48 975**	**5**
Acquisitions/divestitures	–36	–12		–270	–33	
Currency change from 2013	–724	-		–690	-	
Organic sales	**17 243**	**16 593**	**4**	**50 274**	**48 942**	**3**
Operating income	**962**	**892**	**8**	**2 488**	**2 450**	**2**
Currency change from 2013	–35	-		–22	-	
Currency adjusted operating income	**927**	**892**	**4**	**2 466**	**2 450**	**1**
Income before taxes	**817**	**739**	**11**	**2 048**	**1 938**	**6**
Currency change from 2013	–31	-		–26	-	
Currency adjusted income before taxes	**786**	**739**	**6**	**2 022**	**1 938**	**4**

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	Jul–Sep 2014	Jul–Sep 2013	Jan–Sep 2014	Jan–Sep 2013	Jan–Dec 2013	Jan–Dec 2012
Walsons Services PVT Ltd	1.5	0.3	3.1	1.1	1.6	0.2
Long Hai Security	1.0	0.8	2.0	1.7	2.2	2.5
Other associated companies	0.2	-	-0.1	-	0.6	-
Share in income of associated companies included in operating income before amortization	**2.7**	**1.1**	**5.0**	**2.8**	**4.4**	**2.7**

Note 4 Acquisition related costs

MSEK	Jul–Sep 2014	Jul–Sep 2013	Jan–Sep 2014	Jan–Sep 2013	Jan–Dec 2013	Jan–Dec 2012
Restructuring and integration costs	–0.6	–1.4	–0.7	–12.3	–25.8	–62.2
Transaction costs	0.1	–0.8	–5.9	–3.6	–10.9	–17.2
Revaluation of deferred considerations	–0.6	–2.8	–6.0	–3.3	9.9	29.9
Acquisition related costs	**–1.1**	**–5.0**	**–12.6**	**–19.2**	**–26.8**	**–49.5**

Note 5 Items affecting comparability

MSEK	Jul–Sep 2014	Jul–Sep 2013	Jan–Sep 2014	Jan–Sep 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	–13.2	–29.6	–55.9	–170.3	–205.0	–152.4
Spain – overtime compensation	–1.3	–2.0	–4.0	–10.0	–12.0	–37.9
Germany – Deutsche Bank	-	-	-	–88.5	–88.5	-
Germany – premises	–0.7	–0.5	–1.5	–1.5	–2.0	–3.5
Total cash flow impact	**–15.2**	**–32.1**	**–61.4**	**–270.3**	**–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	Jul–Sep 2014	Jul–Sep 2013	Jan–Sep 2014	Jan–Sep 2013	Jan–Dec 2013	Jan–Dec 2012
Recognized in the statement of income						
Revaluation of financial instruments	0.1	-0.1	0.4	-0.4	0.5	1.0
Deferred tax	0.0	0.0	-0.1	0.1	-0.1	-0.3
Impact on net income	**0.1**	**-0.1**	**0.3**	**-0.3**	**0.4**	**0.7**
Recognized in the statement of comprehensive income						
Cash flow hedges	2.8	1.4	1.8	9.1	10.4	9.6
Deferred tax	-0.6	-0.3	-0.4	–1.9	–2.2	–2.5
Adjustment of opening balance deferred taxes	-	-	-	-3.5	-3.5	-
Cash flow hedges net of tax	**2.2**	**1.1**	**1.4**	**3.7**	**4.7**	**7.1**
Total revaluation before tax	2.9	1.3	2.2	8.7	10.9	10.6
Total deferred tax	–0.6	-0.3	-0.5	–5.3	–5.8	–2.8
Total revaluation after tax	**2.3**	**1.0**	**1.7**	**3.4**	**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
September 30, 2014				
Financial assets at fair value through profit or loss	–	3.4	–	**3.4**
Financial liabilities at fair value through profit or loss	–	–101.6	–	**–101.6**
Derivatives designated for hedging with positive fair value	–	300.3	–	**300.3**
Derivatives designated for hedging with negative fair value	–	-0.8	–	**-0.8**
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.

	Sep 30, 2014		Dec 31, 2013	
MSEK	Carrying value	Fair value	Carrying value	Fair value
Short-term loan liabilities	401.5	401.9	-	-
Long-term loan liabilities	9 402.1	9 662.4	9 284.2	9 376.4
Total financial instruments by category	**9 803.6**	**10 064.3**	**9 284.2**	**9 376.4**

Summary of credit facilities as of September 30, 2014

Type	Currency	Facility amount (million)	Available amount (million)	Maturity
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 FRN private placement	USD	60	0	2017
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	Jul–Sep 2014	Jul–Sep 2013	Jan–Sep 2014	Jan–Sep 2013	Jan–Dec 2013	Jan–Dec 2012
Deferred tax on remeasurements of defined benefit pension plans	–14.1	6.1	19.3	–101.4	–115.2	37.3
Deferred tax on cash flow hedges	-0.6	-0.3	-0.4	–5.4	–5.7	–2.5
Deferred tax on net investment hedges	–38.4	17.0	–27.7	10.9	34.1	3.5
Deferred tax on other comprehensive income	**–53.1**	**22.8**	**-8.8**	**–95.9**	**–86.8**	**38.3**

STATEMENT OF INCOME

MSEK	Jan–Sep 2014	Jan–Sep 2013
License fees and other income	649.6	665.8
Gross income	**649.6**	**665.8**
Administrative expenses	–332.7	–355.3
Operating income	**316.9**	**310.5**
Financial income and expenses	654.4	–157.8
Income after financial items	**971.3**	**152.7**
Appropriations	–225.5	112.5
Income before taxes	**745.8**	**265.2**
Taxes	–12.8	–8.5
Net income for the period	**733.0**	**256.7**

BALANCE SHEET

MSEK	Sep 30, 2014	Dec 31, 2013
ASSETS		
Non-current assets		
Shares in subsidiaries	37 240.9	37 183.0
Shares in associated companies	112.1	112.1
Other non-interest-bearing non-current assets	249.9	238.9
Interest-bearing financial non-current assets	805.5	509.4
Total non-current assets	**38 408.4**	**38 043.4**
Current assets		
Non-interest-bearing current assets	234.0	359.9
Other interest-bearing current assets	3 573.6	3 307.6
Liquid funds	1 656.5	2 007.7
Total current assets	**5 464.1**	**5 675.2**
TOTAL ASSETS	**43 872.5**	**43 718.6**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Restricted equity	7 727.7	7 727.7
Non-restricted equity	17 223.4	17 323.9
Total shareholders' equity	**24 951.1**	**25 051.6**
Long-term liabilities		
Non-interest-bearing long-term liabilities/provisions	230.6	160.7
Interest-bearing long-term liabilities	10 807.7	11 405.3
Total long-term liabilities	**11 038.3**	**11 566.0**
Current liabilities		
Non-interest-bearing current liabilities	688.6	310.5
Interest-bearing current liabilities	7 194.5	6 790.5
Total current liabilities	**7 883.1**	**7 101.0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**43 872.5**	**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 November 4, 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

February 4, 2015, app. 13.00 p.m.	Full Year Report January–December 2014
May 8, 2015, app. 13.00 p.m.	Interim Report January–March 2015
May 8, 2015, 15:00 p.m.	Annual General Meeting 2015
August 5, 2015, app. 13.00 p.m.	Interim Report January–June 2015
November 4, 2015, app. 13.00 p.m.	Interim Report January–September 2015

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, November 4, 2014.