Securitas AB

Interim Report
January–September 2015

JULY–SEPTEMBER 2015

- **Total sales MSEK 20 468 (18 003)**
- **Organic sales growth 4 percent (4)**
- **Operating income before amortization MSEK 1 121 (962)**
- **Operating margin 5.5 percent (5.3)**
- **Earnings per share SEK 1.88 (1.57)**

JANUARY–SEPTEMBER 2015

- **Total sales MSEK 59 829 (51 234)**
- **Organic sales growth 5 percent (3)**
- **Operating income before amortization MSEK 2 956 (2 488)**
- **Operating margin 4.9 percent (4.9)**
- **Earnings per share SEK 4.84 (3.93)**
- **Free cash flow/net debt 0.23 (0.16)**

COMMENTS FROM THE PRESIDENT AND CEO

Organic sales growth continued to be strong, supported by good sales momentum in the US as well as in Europe and by continued positive development in Spain. We estimate that we grow faster than the security markets in the US and Europe, mainly supported by our strategy of security solutions and technology. We believe that we can grow the sales of security solutions and technology in at least the same range as last year, i.e. 28 percent or more. This is supported by the development in the first nine months of 2015.

Earnings per share improved with 10 percent in the first nine months, adjusted for changes in exchange rates, and the operating margin improved in the third quarter and was flat year to date.

Our vision 2020

During the past years, Securitas has come far in the effort to become the leading security solutions company. We are at the forefront of the transformation of the security industry. During the third quarter 2015, we have launched the Group Vision 2020 project, to shape our strategy to become even stronger in the years ahead. We have set a clear plan and started the implementation process to reinforce and accelerate our strategy. In our vision 2020 we are the leading international security company specializing in Protective Services based on people, technology and knowledge.

Securitas will continue to invest and lead in combining technology with guarding services and actively pursue organic growth in solutions and technology, and acquisition opportunities within electronic security. In October, Securitas agreed to acquire the commercial contracts and operational assets of Diebold Incorporated's Electronic Security business in North America, which is the third largest commercial electronic security provider in North America. This acquisition is in line with our vision 2020 and enables us to offer completely integrated security solutions to our customers in North America.

It will also be increasingly important in coming years, to coordinate our efforts and investments within IT and Securitas Operation Centers, making us as a Group more consistent from a customer perspective and at the same time improve cost efficiency.

We will also continue to expand our Mobile patrol and response network and density, as we believe that it will be an increasingly important competitive advantage to be able to respond faster than any other security company. To enable this we will explore new channels to generate monitoring and mobile patrol sales growth. In addition, we will expand the scope beyond guarding and electronic security to invest and focus more in fire and safety and in corporate risk management. We see good operational synergies in these areas and at the same time it increases the value we can deliver to our customers as it optimizes the total security and safety spend.

We have already proven that our strategy differentiates us from most competitors which will allow us to generate higher organic sales growth than the market average.

Alf Göransson
President and Chief Executive Officer

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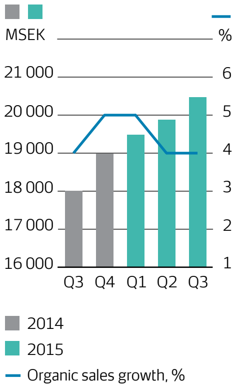
FINANCIAL SUMMARY

MSEK	Quarter Q3 2015	Q3 2014	Change, % Total	Real	9M 2015	2014	Change, % Total	Real	Full year 2014	Change, % Total
Sales	**20 468**	**18 003**	**14**	**5**	**59 829**	**51 234**	**17**	**5**	**70 217**	**7**
Organic sales growth, %	*4*	*4*			*5*	*3*			*3*	
Operating income before amortization	**1 121**	**962**	**17**	**8**	**2 956**	**2 488**	**19**	**7**	**3 505**	**5**
Operating margin, %	*5.5*	*5.3*			*4.9*	*4.9*			*5.0*	
Amortization of acquisition related intangible assets	–68	–61			–202	–182			–251	
Acquisition related costs	–4	–2			–21	–13			–17	
Operating income after amortization	**1 049**	**899**	**17**	**8**	**2 733**	**2 293**	**19**	**7**	**3 237**	**7**
Financial income and expenses	–78	–82			–229	–245			–328	
Income before taxes	**971**	**817**	**19**	**10**	**2 504**	**2 048**	**22**	**9**	**2 909**	**10**
Net income for the period	**687**	**574**	**20**	**11**	**1 773**	**1 438**	**23**	**10**	**2 072**	**12**
Earnings per share, SEK	1.88	1.57	20	11	4.84	3.93	23	10	5.67	12
Cash flow from operating activities, %	*116*	*109*			*77*	*65*			*82*	
Free cash flow	1 030	815			1 356	783			1 855	
Free cash flow to net debt ratio	-	-			*0.23*	*0.16*			*0.18*	

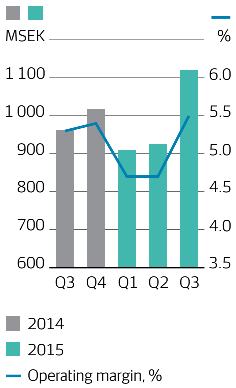
ORGANIC SALES GROWTH AND OPERATING MARGIN DEVELOPMENT PER BUSINESS SEGMENT

	Organic sales growth				Operating margin			
	Q3		9M		Q3		9M	
%	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Security Services North America	3	4	4	3	5.8	5.4	5.4	5.2
Security Services Europe	3	2	3	1	6.4	6.4	5.5	5.7
Security Services Ibero-America	14	9	12	7	4.7	4.4	4.5	4.4
Group	**4**	**4**	**5**	**3**	**5.5**	**5.3**	**4.9**	**4.9**

Group quarterly sales development



Group quarterly operating income development



JULY–SEPTEMBER 2015

Sales development

Sales amounted to MSEK 20 468 (18 003) and organic sales growth was 4 percent (4). All business segments showed strong organic sales growth and the sales momentum was high across the Group. In Security Services North America the organic sales growth was 3 percent (4), with main contribution from the five guarding regions. Organic sales growth in Security Services Europe was 3 percent (2), an improvement primarily driven by Belgium, Germany, Sweden and Turkey. Security Services Ibero-America improved to 14 percent (9) with strong increase in Chile and Colombia but also with positive development in Spain. Argentina continued to be the main contributor to the business segment's total organic sales growth. Real sales growth in the Group, including acquisitions and adjusted for changes in exchange rates, was 5 percent (4).

Operating income before amortization

Operating income before amortization was MSEK 1 121 (962) which, adjusted for changes in exchange rates, represented a real change of 8 percent (4).

The Group's operating margin was 5.5 percent (5.3), an improvement mainly driven by Security Services North America.

Operating income after amortization

Amortization of acquisition related intangible assets amounted to MSEK –68 (–61).

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

Financial income and expenses

Financial income and expenses amounted to MSEK –78 (–82).

Income before taxes

Income before taxes was MSEK 971 (817).

Taxes, net income and earnings per share

The Group's tax rate was 29.2 percent (29.8). The increase in the Group's tax rate compared to the full year tax rate for 2014 of 28.8 percent is due to the strengthening of the USD exchange rate and its impact on the income of the Group.

Net income was MSEK 687 (574). Earnings per share amounted to SEK 1.88 (1.57).

JANUARY–SEPTEMBER 2015

Sales development
Sales amounted to MSEK 59 829 (51 234) and organic sales growth was 5 percent (3). All business segments increased the organic sales growth supported by our strategy of adding value to the customers through security solutions and technology. We estimate that we presently grow faster than the security market in the US as well as in Europe. Real sales growth, including acquisitions and adjusted for changes in exchange rates, was 5 percent (3).

Operating income before amortization
Operating income before amortization was MSEK 2 956 (2 488) which, adjusted for changes in exchange rates, represented a real change of 7 percent (1).

The Group's operating margin was 4.9 percent (4.9). The operating margin in Security Services North America improved, as well as in Security Services Ibero-America, while it declined in Security Services Europe. The total price adjustments in the Group were approximately on par with wage cost increases.

Operating income after amortization
Amortization of acquisition related intangible assets amounted to MSEK –202 (–182).

Acquisition related costs were MSEK –21 (–13). For further information refer to note 4.

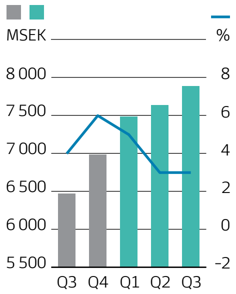
Financial income and expenses
Financial income and expenses amounted to MSEK –229 (–245).

Income before taxes
Income before taxes was MSEK 2 504 (2 048).

Taxes, net income and earnings per share
The Group's tax rate was 29.2 percent (29.8). The increase in the Group's tax rate compared to the full year tax rate for 2014 of 28.8 percent is due to the strengthening of the USD exchange rate and its impact on the income of the Group.

Net income was MSEK 1 773 (1 438). Earnings per share amounted to SEK 4.84 (3.93).

Quarterly sales development



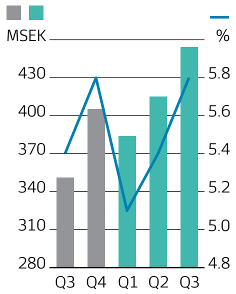
2014
2015
Organic sales growth, %

SECURITY SERVICES NORTH AMERICA

Security Services North America provides security services in the USA, Canada and Mexico, and comprises 13 business units: the national and global accounts organization, five geographical regions and five specialized business units in the USA – critical infrastructure, healthcare, Pinkerton Corporate Risk Management, mobile and technology – plus Canada and Mexico. In total, there are approximately 640 branch managers and 107 000 employees.

		Quarter	Change, %			9M	Change, %		Full year
MSEK	**Q3 2015**	**Q3 2014**	***Total***	***Real***	**2015**	**2014**	***Total***	***Real***	**2014**
Total sales	**7 888**	**6 470**	**22**	**3**	**23 007**	**18 006**	**28**	**4**	**24 989**
Organic sales growth, %	*3*	*4*			*4*	*3*			*3*
Share of Group sales, %	*39*	*36*			*38*	*35*			*36*
Operating income before amortization	**454**	**351**	**29**	**9**	**1 253**	**928**	**35**	**9**	**1 333**
Operating margin, %	*5.8*	*5.4*			*5.4*	*5.2*			*5.3*
Share of Group operating income, %	*40*	*36*			*42*	*37*			*38*

Quarterly operating income development



2014
2015
Operating margin, %

July–September 2015

The organic sales growth was 3 percent (4), reflecting good sales momentum with high activity and proposal levels in the business segment. The five guarding regions were key contributors to organic sales growth with an overall strong development. Pinkerton Corporate Risk Management had good organic sales growth development as did the Mobile patrol operation in USA.

The operating margin was 5.8 percent (5.4). The sales growth continued to give positive leverage. Further, the improvement relates to a positive difference between price adjustments and wage related cost increases. Our strategy of increasing the sales of security solutions and technology also contributed to the operating margin improvement.

The Swedish krona exchange rate weakened significantly versus the US dollar which had a positive effect on the operating income in Swedish kronor. The real change was 9 percent in the quarter.

January–September 2015

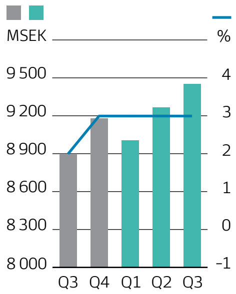
The organic sales growth was 4 percent (3), driven by the overall strong sales development in the five guarding regions. Pinkerton Corporate Risk Management had good organic sales growth development as did the Mobile patrol operation in USA. We estimate that our growth rate is ahead of the US security market growth pace, among others supported by our strategy of increasing the sales of security solutions and technology. We estimate that the Affordable Care Act implementation contributes to organic sales growth in Security Services North America with approximately 1 percent in 2015.

The operating margin was 5.4 percent (5.2), mainly explained by positive leverage from higher organic sales growth but also by positive difference between price adjustments and wage related cost increases.

The Swedish krona exchange rate weakened significantly versus the US dollar which had a positive effect on the operating income in Swedish kronor. The real change was 9 percent in the period.

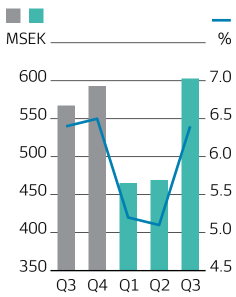
The client retention rate was 90 percent (87). The employee turnover rate in the business segment was 65 percent (53).

Quarterly sales development



2014
2015
Organic sales growth, %

Quarterly operating income development



2014
2015
Operating margin, %

SECURITY SERVICES EUROPE

Security Services Europe provides security services for large and medium-sized customers in 26 countries, and airport security in 15 countries. The service offering also includes mobile security services for small and medium-sized businesses and residential sites, and electronic alarm surveillance services. In total, the organization has 900 branch managers and 117 000 employees.

	Quarter		*Change, %*		9M		*Change, %*		Full year
MSEK	**Q3 2015**	**Q3 2014[1)]**	***Total***	***Real***	**2015**	**2014[1)]**	***Total***	***Real***	**2014[1)]**
Total sales	**9 453**	**8 897**	**6**	**4**	**27 724**	**25 727**	**8**	**4**	**34 908**
Organic sales growth, %	3	2			3	1			2
Share of Group sales, %	46	49			46	50			50
Operating income before amortization	**603**	**567**	**6**	**6**	**1 537**	**1 457**	**5**	**4**	**2 050**
Operating margin, %	6.4	6.4			5.5	5.7			5.9
Share of Group operating income, %	54	59			52	59			58

[1)] Comparatives have been restated. Refer to note 8 for further information.

July–September 2015

Organic sales growth was 3 percent (2). The improvement was primarily driven by Belgium, Germany, Sweden and Turkey. The strong organic sales growth in Turkey was due to many technical installations and good extra sales. A number of countries showed significant extra sales in the quarter in the business segment and extra sales altogether in the business segment were higher than the same quarter last year.

The operating margin was 6.4 percent (6.4), mainly supported by improvements in France, Norway and Turkey, but offset by a decline in Eastern Europe and the Netherlands. The negative effect from the increase in social costs for young employees in Sweden was offset by strong extra sales in the quarter.

The Swedish krona exchange rate weakened slightly versus the euro which had a positive effect on the operating income in Swedish kronor. The real change was 6 percent in the quarter.

January–September 2015

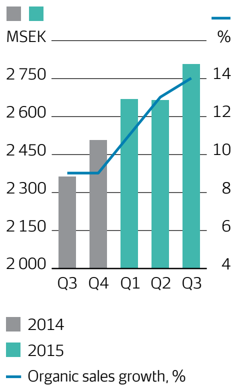
Organic sales growth was 3 percent (1), driven by countries such as Belgium, Germany, Sweden and Turkey. Good development was also seen in countries such as Finland and Czech Republic. The strong organic sales growth in Turkey comes from many technical installations and good extra sales. Our belief is that the sales growth rate is ahead of the European security market growth pace, mainly supported by our strategy of increasing the sales of security solutions and technology.

The operating margin was 5.5 percent (5.7). The decline was mainly explained by increased social costs in Sweden, a difficult market environment in the Netherlands and a few contract losses in Eastern Europe. In Sweden, the social costs for young employees were increased during the summer of 2015. The estimated full year negative impact on operating result for 2015 is MSEK –20, and for 2016 it is estimated to MSEK –50.

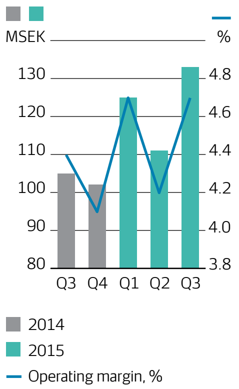
The Swedish krona exchange rate weakened versus the euro which had a positive effect on the operating income in Swedish kronor. The real change was 4 percent in the period.

The client retention rate was 92 percent (92). The employee turnover was 27 percent (26).

Quarterly sales development



Quarterly operating income development



SECURITY SERVICES IBERO-AMERICA

Security Services Ibero-America provides security services for large and medium-sized customers in seven Latin American countries, as well as in Portugal and Spain in Europe. Security Services Ibero-America has a combined total of approximately 190 branch managers and 58 000 employees.

	Quarter		*Change, %*		9M		*Change, %*		Full year
MSEK	**Q3 2015**	**Q3 2014**	***Total***	***Real***	**2015**	**2014**	***Total***	***Real***	**2014**
Total sales	**2 806**	**2 363**	**19**	**14**	**8 140**	**6 732**	**21**	**13**	**9 238**
Organic sales growth, %	*14*	*9*			*12*	*7*			*8*
Share of Group sales, %	*14*	*13*			*14*	*13*			*13*
Operating income before amortization	**133**	**105**	**27**	**22**	**369**	**294**	**26**	**16**	**396**
Operating margin, %	*4.7*	*4.4*			*4.5*	*4.4*			*4.3*
Share of Group operating income, %	*12*	*11*			*12*	*12*			*11*

July–September 2015

Organic sales growth was 14 percent (9) in the business segment, where Latin America showed a strong organic sales growth of 27 percent (24). Argentina continued to be the main contributor to the business segment's organic sales growth, while Chile and Colombia showed the biggest improvement compared to last year. Spain had positive organic sales growth despite the termination of a major non-profitable Aviation contract.

The operating margin was 4.7 percent (4.4), mainly driven by the improvement in Spain but also with good contribution from Argentina.

The Swedish krona exchange rate weakened slightly against the Euro and the Argentinian peso which had a positive effect on the operating income in Swedish kronor. The real change in the segment was 22 percent in the quarter.

January–September 2015

Organic sales growth was 12 percent (7), an improvement mainly driven by Chile, Colombia and Spain. Argentina was the main contributor to the business segment's organic sales growth. Latin America showed a strong organic sales growth of 25 percent (23). The macro economy in Latin America is slowing down considerably, however not yet reflected in our development. Our strategy of specialization, security solutions and technology continued to support the strong organic sales growth.

The operating margin was 4.5 percent (4.4), mainly driven by the improvement in Spain and good contribution from Argentina. The operating margin improvement was hampered by the development in Peru and Portugal.

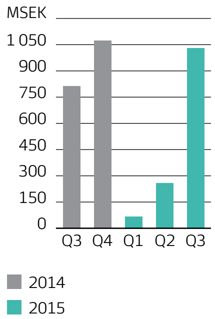
A collective bargaining agreement was reached in Spain during the month of July, fixing the wage increases with effect in January and July at a total of 2.5 percent for 2016, which allows price negotiation to take place well in advance.

The Swedish krona exchange rate weakened slightly against the Euro and more significantly against the Argentinian peso which had a positive effect on the operating income in Swedish kronor. The real change in the segment was 16 percent in the period.

The client retention rate was 91 percent (91). The employee turnover was 30 percent (27).

Cash flow

Quarterly free cash flow



July–September 2015

Cash flow from operating activities amounted to MSEK 1 298 (1 047), equivalent to 116 percent (109) of operating income before amortization.

The impact from changes in accounts receivable was MSEK –187 (–123). Changes in other operating capital employed were MSEK 373 (222).

Free cash flow was MSEK 1 030 (815), equivalent to 129 percent (121) of adjusted income.

Cash flow from financing activities was MSEK –753 (–753) due to a net decrease in borrowings.

Cash flow for the period was MSEK 255 (32).

January–September 2015

Cash flow from operating activities amounted to MSEK 2 289 (1 621), equivalent to 77 percent (65) of operating income before amortization.

Cash flow from operating activities has been impacted from net investments in non-current tangible and intangible assets, amounting to MSEK –204 (–101). 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 contract duration.

The impact from changes in accounts receivable was MSEK –660 (–428), with a negative impact from an increase of Days of Sales Outstanding (DSO) compared to December. Changes in other operating capital employed were MSEK 197 (–338), positively impacted by payroll timing in the US operations in the first quarter.

Free cash flow was MSEK 1 356 (783), equivalent to 65 percent (45) of adjusted income.

Cash flow from investing activities, acquisitions, was MSEK –136 (–240), of which purchase price payments accounted for MSEK –132 (–228), assumed net debt accounted for MSEK 13 (0) and acquisition related costs paid accounted for MSEK –17 (–12).

Cash flow from financing activities was MSEK –1 988 (–2 303) due to dividend paid of MSEK –1 095 (–1 095) and a net decrease in borrowings of MSEK –893 (–1 208).

Cash flow for the period was MSEK –784 (–1 822). The closing balance for liquid funds after translation differences of MSEK –19 was MSEK 2 622 (3 425 as of December 31, 2014).

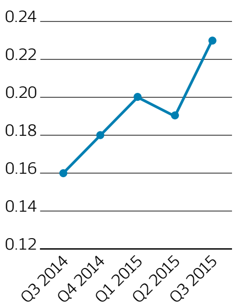
Capital employed and financing

MSEK	Sep 30, 2015
Operating capital employed	4 572
Goodwill	16 688
Acquisition related intangible assets	1 099
Shares in associated companies	363
Capital employed	**22 722**
Net debt	10 718
Shareholders' equity	12 004
Financing	**22 722**

Net debt development

MSEK	
Jan 1, 2015	**-10 422**
Free cash flow	1 356
Acquisitions	-136
IAC payments	-15
Dividend paid	-1 095
Change in net debt	**110**
Translation	-396
Revaluation	-10
Sep 30, 2015	**-10 718**

Free cash flow/net debt



Capital employed as of September 30, 2015

The Group's operating capital employed was MSEK 4 572 (3 924 as of December 31, 2014), corresponding to 6 percent of sales (6 as of December 31, 2014), adjusted for the full year sales figures of acquired units. The translation of foreign operating capital employed to Swedish kronor increased the Group's operating capital employed by MSEK 90.

The annual impairment test of all Cash Generating Units (CGU), which is required under IFRS, took place during the third quarter 2015 in conjunction with the business plan process for 2016. None of the CGUs tested for impairment had a carrying amount that exceeded the recoverable amount. Consequently no impairment losses have been recognized in 2015. No impairment losses were recognized in 2014 either.

The Group's total capital employed was MSEK 22 722 (21 721 as of December 31, 2014). The translation of foreign capital employed to Swedish kronor increased the Group's capital employed by MSEK 546. The return on capital employed was 17 percent (16 as of December 31, 2014).

Financing as of September 30, 2015

The Group's net debt amounted to MSEK 10 718 (10 422 as of December 31, 2014). The free cash flow of MSEK 1 356 has had a positive effect on the net debt during the period while the net debt has been negatively impacted mainly by dividend of MSEK 1 095, paid to the shareholders in May 2015, and the translation of net debt in foreign currency to Swedish kronor of MSEK 396.

The free cash flow to net debt ratio amounted to 0.23 (0.16). The interest cover ratio amounted to 12.6 (9.7).

Securitas has a Revolving Credit Facility with its twelve key relationship banks. This credit facility comprises two respective tranches of MUSD 550 and MEUR 440, maturing in 2020, with the possibility to extend for a further two years. Further information regarding financial instruments and credit facilities is provided in note 6.

Standard and Poor's rating for Securitas is BBB. The outlook was changed from stable to positive during the second quarter of 2015. The Group's liquidity position is regarded as strong.

Shareholders' equity amounted to MSEK 12 004 (11 299 as of December 31, 2014). The translation of foreign assets and liabilities into Swedish kronor increased shareholders' equity by MSEK 150. Refer to the statement of comprehensive income on page 15 for further information.

The total number of outstanding shares amounted to 365 058 897 (365 058 897) as of September 30, 2015.

ACQUISITIONS AND DIVESTITURES JANUARY–SEPTEMBER 2015 (MSEK)

Company	Business segment [1]	Included from	Acquired share [2]	Annual sales [3]	Enter-prise value [4]	Goodwill	Acq. related intangible assets
Opening balance						**16 228**	**1 244**
Other acquisitions and divestitures [5] [7]		-	-	82	119	32	57
Total acquisitions and divestitures January–September 2015				**82**	**119**	**32** [6]	**57**
Amortization of acquisition related intangible assets						-	–202
Exchange rate differences						428	0
Closing balance						**16 688**	**1 099**

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 and divestitures for the period and updated previous year acquisition calculations for the following entities: MH Bevakning (contract portfolio), Sweden, PSS and Vaktco (contract portfolio), Norway, HH Vagt, Denmark, Polar Security (contract portfolio), Finland, Sectrans and SEIV, France, Fire Fighting Technology, Belgium, Data & Archief (divestiture) and Poseidon, the Netherlands, Sensormatic, Turkey, Fuego Red and Trailback, Argentina, Urulac, Uruguay and Pinglin, China. Related also to deferred considerations paid in Sweden, Norway, Finland, Germany, France, Belgium, Croatia, Turkey, Argentina, Uruguay and South Africa.

6) Goodwill that is expected to be tax deductible amounts to MSEK 0.

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 –79. Total deferred considerations, short-term and long-term, in the Group's balance sheet amount to MSEK 453.

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 18. Transaction costs and revaluation of deferred considerations can be found in note 4 on page 21.

ACQUISITIONS AFTER THE THIRD QUARTER

Diebold's Electronic Security – USA

In October, Securitas agreed to acquire the commercial contracts and operational assets of Diebold Incorporated's Electronic Security business in North America, which is the third largest commercial electronic security provider in North America. The 12-month sales of the acquired Diebold Electronic Security operation, from June 30, 2014 through June 30, 2015, are MSEK 2 760 (MUSD 330). The purchase price is approximately MSEK 2 900 (MUSD 350) on a debt-free basis including a normalized working capital, which according to Securitas' calculations equates to approximately 11× estimated EBITDA for 2015, of the acquired operation after it has been separated from Diebold Incorporated. The acquisition will be accretive to Securitas earnings per share as of 2016.

For more than 70 years, Diebold´s North American Electronic Security business has brought together technology innovations, security expertise and quality services to become a leading provider of comprehensive electronic security solutions and services to business customers. Diebold´s North American Electronic Security business has approximately 1 100 employees.

The one-off costs for separating the Diebold Electronic Security operation from Diebold Incorporated together with the transaction costs will amount to approximately MSEK 60 (MUSD 7) and will be recognized in 2016. The acquisition is subject to regulatory approval. Closing of the acquisition is expected during first quarter of 2016, from which point it will be consolidated in Securitas.

Other significant events

For critical estimates and judgments, provisions and contingent liabilities refer to the Annual Report 2014. 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.

Spain – tax audit
As described on page 113 in the Annual Report 2014, the Spanish tax authority has rejected certain deductions. One matter regards a disallowance of interest deductions for the years 2003–2009 where different years currently are in different levels of the Spanish court system. Regarding the years 2006–2007 Securitas has now received a negative judgment from the first level of court TEAC. This judgment contradicts and disregards a judgment in favour of Securitas which was issued by the superior court Audiencia Nacional in 2014, concerning the same matter for the years 2003–2005, which has been appealed by the tax authority to the Supreme Court. Another matter regards a disallowance of an applied tax exemption for a demerger of the Spanish Securitas Systems company in 2006 for which Securitas has now received a negative judgment from TEAC. If finally upheld by the Spanish courts, the amounts disclosed in the Annual Report 2014 would still be relevant. Securitas will now appeal the two judgments to the next level of court, Audiencia Nacional. Securitas believes it has acted in accordance with applicable law and will defend its position in the courts. However, the tax resolutions cause some uncertainty and it may take a long time until a final judgment is made.

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 2014.

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 2014 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 2015

The Parent Company's income amounted to MSEK 653 (650) and mainly relates to license fees and other income from subsidiaries.

Financial income and expenses amounted to MSEK 1 592 (654). The increase of financial income and expenses compared to last year is mainly explained by dividends from subsidiaries. Income before taxes amounted to MSEK 1 596 (746).

As of September 30, 2015

The Parent Company's non-current assets amounted to MSEK 38 517 (38 535 as of December 31, 2014) and mainly comprise shares in subsidiaries of MSEK 37 282 (37 258 as of December 31, 2014). Current assets amounted to MSEK 6 429 (6 199 as of December 31, 2014) of which liquid funds amounted to MSEK 1 909 (2 068 as of December 31, 2014).

Shareholders' equity amounted to MSEK 25 629 (25 027 as of December 31, 2014). A dividend of MSEK 1 095 (1 095) was paid to the shareholders in May 2015.

The Parent Company's liabilities amounted to MSEK 19 317 (19 707 as of December 31, 2014) and mainly consist of interest-bearing debt.

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

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 69 to 75 in the Annual Report for 2014. The accounting principles are also available on the Group's website www.securitas.com under the section Investors – 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 119 in the Annual Report for 2014.

Effect of amended and revised IFRS that are effective as of 2015

None of the published standards and interpretations that are mandatory for the Group's financial year 2015 is assessed to have any impact on the Group's financial statements. Consequently, there have been no changes 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 2014.

Annual General Meeting 2016

Securitas' Annual General Meeting will be held on Wednesday, May 4, 2016 at 16:00 at Hilton Stockholm Slussen, Guldgränd 8 in Stockholm.

Nomination Committee – AGM 2016

At the Annual General Meeting held on May 8, 2015, the following five people were elected members of the Nomination Committee to work until the AGM 2016.

Gustaf Douglas (Chairman) – representing Investment AB Latour and others
Mikael Ekdahl – representing Melker Schörling AB
Jan Andersson – representing Swedbank Robur Funds
Johan Strandberg – representing SEB Investment Management
Johan Sidenmark – representing AMF

On October 23, 2015, the composition of the Nomination Committee was amended whereby Gustaf Douglas was replaced by Carl Douglas. Carl Douglas was appointed Chairman of the Committee.

Stockholm, November 4, 2015

Alf Göransson
President and Chief Executive Officer

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

STATEMENT OF INCOME

MSEK	Jul–Sep 2015	Jul–Sep 2014	Jan–Sep 2015	Jan–Sep 2014	Jan–Dec 2014
Sales	20 390.4	17 966.9	59 617.5	50 963.6	69 863.8
Sales, acquired business	77.5	35.8	211.6	270.3	353.3
Total sales	**20 467.9**	**18 002.7**	**59 829.1**	**51 233.9**	**70 217.1**
Organic sales growth, % [1]	4	4	5	3	3
Production expenses	–16 876.5	–14 877.1	–49 487.5	–42 434.8	–58 010.1
Gross income	**3 591.4**	**3 125.6**	**10 341.6**	**8 799.1**	**12 207.0**
Selling and administrative expenses	–2 478.9	–2 170.8	–7 409.6	–6 328.0	–8 726.6
Other operating income [2]	4.3	4.0	13.2	11.5	15.9
Share in income of associated companies [3]	4.2	2.7	10.9	5.0	8.4
Operating income before amortization	**1 121.0**	**961.5**	**2 956.1**	**2 487.6**	**3 504.7**
Operating margin, %	5.5	5.3	4.9	4.9	5.0
Amortization of acquisition related intangible assets	–67.3	–60.9	–201.5	–181.9	–250.8
Acquisition related costs [4]	–4.8	–1.1	–21.3	–12.6	–17.1
Operating income after amortization	**1 048.9**	**899.5**	**2 733.3**	**2 293.1**	**3 236.8**
Financial income and expenses [6]	–78.0	–82.4	–229.2	–245.0	–327.6
Income before taxes	**970.9**	**817.1**	**2 504.1**	**2 048.1**	**2 909.2**
Net margin, %	4.7	4.5	4.2	4.0	4.1
Current taxes	–242.8	–204.2	–626.1	–512.0	–710.7
Deferred taxes	–40.8	–39.4	–105.2	–98.4	–127.0
Net income for the period	**687.3**	**573.5**	**1 772.8**	**1 437.7**	**2 071.5**
Whereof attributable to:					
Equity holders of the Parent Company	686.5	571.9	1 767.9	1 434.0	2 068.4
Non-controlling interests	0.8	1.6	4.9	3.7	3.1
Earnings per share before and after dilution (SEK)	1.88	1.57	4.84	3.93	5.67

STATEMENT OF COMPREHENSIVE INCOME

MSEK	Jul–Sep 2015	Jul–Sep 2014	Jan–Sep 2015	Jan–Sep 2014	Jan–Dec 2014
Net income for the period	**687.3**	**573.5**	**1 772.8**	**1 437.7**	**2 071.5**
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	–91.6	23.0	–23.1	–48.9	–279.7
Total items that will not be reclassified to the statement of income [7]	**–91.6**	**23.0**	**–23.1**	**–48.9**	**–279.7**
Items that subsequently may be reclassified to the statement of income					
Cash flow hedges net of tax	–6.5	2.2	–7.9	1.4	0.0
Net investment hedges net of tax	–68.0	136.2	–42.6	98.2	138.9
Translation differences	105.1	190.0	192.5	477.3	1 062.9
Total items that subsequently may be reclassified to the statement of income [7]	**30.6**	**328.4**	**142.0**	**576.9**	**1 201.8**
Other comprehensive income for the period [7]	**–61.0**	**351.4**	**118.9**	**528.0**	**922.1**
Total comprehensive income for the period	**626.3**	**924.9**	**1 891.7**	**1 965.7**	**2 993.6**
Whereof attributable to:					
Equity holders of the Parent Company	626.6	923.2	1 888.0	1 961.3	2 988.9
Non-controlling interests	–0.3	1.7	3.7	4.4	4.7

Notes 1–7 refer to pages 21–22.

STATEMENT OF CASH FLOW

Operating cash flow MSEK	Jul–Sep 2015	Jul–Sep 2014	Jan–Sep 2015	Jan–Sep 2014	Jan–Dec 2014
Operating income before amortization	**1 121.0**	**961.5**	**2 956.1**	**2 487.6**	**3 504.7**
Investments in non-current tangible and intangible assets	–276.8	–260.4	–996.1	–817.2	–1 113.2
Reversal of depreciation	266.9	246.8	791.9	716.0	966.9
Change in accounts receivable	–186.8	–123.3	–660.1	–427.7	–114.5
Change in other operating capital employed	373.3	222.4	197.4	–337.6	–381.2
Cash flow from operating activities	**1 297.6**	**1 047.0**	**2 289.2**	**1 621.1**	**2 862.7**
Cash flow from operating activities, %	*116*	*109*	*77*	*65*	*82*
Financial income and expenses paid	–40.3	–53.0	–280.2	–272.2	–311.4
Current taxes paid	–227.0	–178.6	–653.1	–566.3	–696.6
Free cash flow	**1 030.3**	**815.4**	**1 355.9**	**782.6**	**1 854.7**
Free cash flow, %	*129*	*121*	*65*	*45*	*75*
Cash flow from investing activities, acquisitions	–16.5	–14.7	–136.4	–239.9	–385.0
Cash flow from items affecting comparability [5)]	–5.2	–15.2	–14.8	–61.4	–72.8
Cash flow from financing activities	–753.3	–753.4	–1 988.2	–2 303.1	–2 107.8
Cash flow for the period	**255.3**	**32.1**	**–783.5**	**–1 821.8**	**–710.9**

Cash flow MSEK	Jul–Sep 2015	Jul–Sep 2014	Jan–Sep 2015	Jan–Sep 2014	Jan–Dec 2014
Cash flow from operations	1 298.4	1 059.7	2 319.9	1 526.7	2 873.9
Cash flow from investing activities	–289.8	–274.2	–1 115.2	–1 045.4	–1 477.0
Cash flow from financing activities	–753.3	–753.4	–1 988.2	–2 303.1	–2 107.8
Cash flow for the period	**255.3**	**32.1**	**–783.5**	**–1 821.8**	**–710.9**

Change in net debt MSEK	Jul–Sep 2015	Jul–Sep 2014	Jan–Sep 2015	Jan–Sep 2014	Jan–Dec 2014
Opening balance	**–11 557.7**	**–11 319.7**	**–10 421.6**	**–9 609.8**	**–9 609.8**
Cash flow for the period	255.3	32.1	–783.5	–1 821.8	–710.9
Change in loans	753.3	753.4	893.0	1 207.9	1 012.6
Change in net debt before revaluation and translation differences	**1 008.6**	**785.5**	**109.5**	**–613.9**	**301.7**
Revaluation of financial instruments [6)]	–9.1	2.9	–9.4	2.2	–0.4
Translation differences	–159.7	–330.1	–396.4	–639.9	–1 113.1
Change in net debt	**839.8**	**458.3**	**–296.3**	**–1 251.6**	**–811.8**
Closing balance	**–10 717.9**	**–10 861.4**	**–10 717.9**	**–10 861.4**	**–10 421.6**

Notes 5–6 refer to pages 21–22.

CAPITAL EMPLOYED AND FINANCING

MSEK	Sep 30, 2015	Sep 30, 2014	Dec 31, 2014
Operating capital employed	**4 571.9**	**4 220.9**	**3 924.0**
Operating capital employed as % of sales	6	6	6
Return on operating capital employed, %	94	91	99
Goodwill	16 687.6	15 328.2	16 228.1
Acquisition related intangible assets	1 099.1	1 196.3	1 244.2
Shares in associated companies	363.2	301.8	324.5
Capital employed	**22 721.8**	**21 047.2**	**21 720.8**
Return on capital employed, %	17	16	16
Net debt	**–10 717.9**	**–10 861.4**	**–10 421.6**
Shareholders' equity	**12 003.9**	**10 185.8**	**11 299.2**
Net debt equity ratio, multiple	0.89	1.07	0.92

BALANCE SHEET

MSEK	Sep 30, 2015	Sep 30, 2014	Dec 31, 2014
ASSETS			
Non-current assets			
Goodwill	16 687.6	15 328.2	16 228.1
Acquisition related intangible assets	1 099.1	1 196.3	1 244.2
Other intangible assets	406.2	365.7	398.3
Tangible non-current assets	2 757.3	2 458.6	2 557.1
Shares in associated companies	363.2	301.8	324.5
Non-interest-bearing financial non-current assets	2 154.4	2 030.1	2 127.8
Interest-bearing financial non-current assets	346.1	400.6	434.5
Total non-current assets	**23 813.9**	**22 081.3**	**23 314.5**
Current assets			
Non-interest-bearing current assets	15 471.9	14 047.0	14 176.9
Other interest-bearing current assets	276.8	144.2	167.3
Liquid funds	2 622.4	2 290.7	3 425.1
Total current assets	**18 371.1**	**16 481.9**	**17 769.3**
TOTAL ASSETS	**42 185.0**	**38 563.2**	**41 083.8**

MSEK	Sep 30, 2015	Sep 30, 2014	Dec 31, 2014
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Attributable to equity holders of the Parent Company	11 982.1	10 165.2	11 280.3
Non-controlling interests	21.8	20.6	18.9
Total shareholders' equity	**12 003.9**	**10 185.8**	**11 299.2**
Equity ratio, %	28	26	28
Long-term liabilities			
Non-interest-bearing long-term liabilities	355.9	527.1	550.7
Interest-bearing long-term liabilities	12 023.7	10 913.9	11 700.7
Non-interest-bearing provisions	3 166.2	2 650.4	2 981.8
Total long-term liabilities	**15 545.8**	**14 091.4**	**15 233.2**
Current liabilities			
Non-interest-bearing current liabilities and provisions	12 695.8	11 503.0	11 803.6
Interest-bearing current liabilities	1 939.5	2 783.0	2 747.8
Total current liabilities	**14 635.3**	**14 286.0**	**14 551.4**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**42 185.0**	**38 563.2**	**41 083.8**

CHANGES IN SHAREHOLDERS' EQUITY

MSEK	Sep 30, 2015 Attributable to equity holders of the Parent Company	Sep 30, 2015 Non-controlling interests	Sep 30, 2015 Total	Sep 30, 2014 Attributable to equity holders of the Parent Company	Sep 30, 2014 Non-controlling interests	Sep 30, 2014 Total	Dec 31, 2014 Attributable to equity holders of the Parent Company	Dec 31, 2014 Non-controlling interests	Dec 31, 2014 Total
Opening balance January 1, 2015/2014	**11 280.3**	**18.9**	**11 299.2**	**9 365.3**	**16.0**	**9 381.3**	**9 365.3**	**16.0**	**9 381.3**
Total comprehensive income for the period	1 888.0	3.7	1 891.7	1 961.3	4.4	1 965.7	2 988.9	4.7	2 993.6
Transactions with non-controlling interests	-	–0.8	–0.8	–0.6	0.2	–0.4	–0.6	–1.8	–2.4
Share based incentive scheme	–91.0	-	–91.0[1]	–65.6	-	–65.6	21.9	-	21.9
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, 2015/2014	**11 982.1**	**21.8**	**12 003.9**	**10 165.2**	**20.6**	**10 185.8**	**11 280.3**	**18.9**	**11 299.2**

[1] Refers to a swap agreement in Securitas AB shares of MSEK –93.2, hedging the share portion of Securitas share based incentive scheme 2014, and adjustment to grant date value for non-vested shares of MSEK 2.2, related to Securitas share based incentive scheme 2013.

DATA PER SHARE

SEK	Jul–Sep 2015	Jul–Sep 2014	Jan–Sep 2015	Jan–Sep 2014	Jan–Dec 2014
Share price, end of period	102.10	80.15	102.10	80.15	94.45
Earnings per share before and after dilution [1, 2]	1.88	1.57	4.84	3.93	5.67
Dividend	-	-	-	-	3.00
P/E-ratio after dilution	-	-	-	-	17
Share capital (SEK)	365 058 897	365 058 897	365 058 897	365 058 897	365 058 897
Number of shares outstanding [1]	365 058 897	365 058 897	365 058 897	365 058 897	365 058 897
Average number of shares outstanding [1]	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 before and after dilution regarding earnings per share and number of shares.
[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.

JULY–SEPTEMBER 2015

MSEK	Security Services North America	Security Services Europe	Security Services Ibero-America	Other	Eliminations	Group
Sales, external	7 888	9 452	2 806	322	-	20 468
Sales, intra-group	0	1	-	1	–2	-
Total sales	**7 888**	**9 453**	**2 806**	**323**	**–2**	**20 468**
Organic sales growth, %	3	3	14	-	-	4
Operating income before amortization	**454**	**603**	**133**	**–69**	**-**	**1 121**
of which share in income of associated companies	0	0	-	4	-	4
Operating margin, %	5.8	6.4	4.7	-	-	5.5
Amortization of acquisition related intangible assets	–6	–40	–17	–5	-	–68
Acquisition related costs	-	–2	0	–2	-	–4
Operating income after amortization	**448**	**561**	**116**	**–76**	**-**	**1 049**
Financial income and expenses	-	-	-	-	-	–78
Income before taxes	**-**	**-**	**-**	**-**	**-**	**971**

JULY–SEPTEMBER 2014

MSEK	Security Services North America	Security Services Europe[1]	Security Services Ibero-America	Other[1]	Eliminations	Group
Sales, external	6 468	8 896	2 363	276	-	18 003
Sales, intra-group	2	1	-	0	–3	-
Total sales	**6 470**	**8 897**	**2 363**	**276**	**–3**	**18 003**
Organic sales growth, %	4	2	9	-	-	4
Operating income before amortization	**351**	**567**	**105**	**–61**	**-**	**962**
of which share in income of associated companies	0	0	-	3	-	3
Operating margin, %	5.4	6.4	4.4	-	-	5.3
Amortization of acquisition related intangible assets	–6	–35	–17	–3	-	–61
Acquisition related costs	0	–1	0	–1	-	–2
Operating income after amortization	**345**	**531**	**88**	**–65**	**-**	**899**
Financial income and expenses	-	-	-	-	-	–82
Income before taxes	**-**	**-**	**-**	**-**	**-**	**817**

[1] Comparatives have been restated. Refer to note 8 for further information.

JANUARY–SEPTEMBER 2015

MSEK	Security Services North America	Security Services Europe	Security Services Ibero-America	Other	Eliminations	Group
Sales, external	22 995	27 722	8 140	972	-	59 829
Sales, intra-group	12	2	-	1	–15	-
Total sales	**23 007**	**27 724**	**8 140**	**973**	**–15**	**59 829**
Organic sales growth, %	*4*	*3*	*12*	*-*	*-*	*5*
Operating income before amortization	**1 253**	**1 537**	**369**	**–203**	**-**	**2 956**
of which share in income of associated companies	*0*	*1*	*-*	*10*	*-*	*11*
Operating margin, %	*5.4*	*5.5*	*4.5*	*-*	*-*	*4.9*
Amortization of acquisition related intangible assets	–20	–116	–52	–14	-	–202
Acquisition related costs	-	–15	–1	–5	-	–21
Operating income after amortization	**1 233**	**1 406**	**316**	**–222**	**-**	**2 733**
Financial income and expenses	-	-	-	-	-	–229
Income before taxes	**-**	**-**	**-**	**-**	**-**	**2 504**

JANUARY–SEPTEMBER 2014

MSEK	Security Services North America	Security Services Europe[1)]	Security Services Ibero-America	Other[1)]	Eliminations	Group
Sales, external	18 001	25 726	6 732	775	-	51 234
Sales, intra-group	5	1	-	0	–6	-
Total sales	**18 006**	**25 727**	**6 732**	**775**	**–6**	**51 234**
Organic sales growth, %	*3*	*1*	*7*	*-*	*-*	*3*
Operating income before amortization	**928**	**1 457**	**294**	**–191**	**-**	**2 488**
of which share in income of associated companies	*0*	*0*	*-*	*5*	*-*	*5*
Operating margin, %	*5.2*	*5.7*	*4.4*	*-*	*-*	*4.9*
Amortization of acquisition related intangible assets	–19	–105	–48	–10	-	–182
Acquisition related costs	–4	–6	–2	–1	-	–13
Operating income after amortization	**905**	**1 346**	**244**	**–202**	**-**	**2 293**
Financial income and expenses	-	-	-	-	-	–245
Income before taxes	**-**	**-**	**-**	**-**	**-**	**2 048**

[1)] Comparatives have been restated. Refer to note 8 for further information.

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 2015	Jul–Sep 2014	*Jul–Sep %*	Jan–Sep 2015	Jan–Sep 2014	*Jan–Sep %*
Total sales	**20 468**	**18 003**	***14***	**59 829**	**51 234**	***17***
Acquisitions/divestitures	–78	–6		–212	–6	
Currency change from 2014	–1 585	-		–6 042	-	
Organic sales	**18 805**	**17 997**	***4***	**53 575**	**51 228**	***5***
Operating income	**1 121**	**962**	***17***	**2 956**	**2 488**	***19***
Currency change from 2014	–81	-		–298	-	
Currency adjusted operating income	**1 040**	**962**	***8***	**2 658**	**2 488**	***7***
Income before taxes	**971**	**817**	***19***	**2 504**	**2 048**	***22***
Currency change from 2014	–73	-		–264	-	
Currency adjusted income before taxes	**898**	**817**	***10***	**2 240**	**2 048**	***9***

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.

Note 4 Acquisition related costs

MSEK	Jul–Sep 2015	Jul–Sep 2014	Jan–Sep 2015	Jan–Sep 2014	Jan–Dec 2014
Restructuring and integration costs	-3.6	-0.6	-13.4	-0.7	-0.8
Transaction costs	-1.0	0.1	-4.7	-5.9	-11.3
Revaluation of deferred considerations	-0.2	-0.6	-3.2	-6.0	-5.0
Acquisition related costs	**-4.8**	**-1.1**	**-21.3**	**-12.6**	**-17.1**

Note 5 Items affecting comparability

MSEK	Jul–Sep 2015	Jul–Sep 2014	Jan–Sep 2015	Jan–Sep 2014	Jan–Dec 2014
Cash flow impact					
Restructuring payments	-4.4	-13.2	-11.4	-55.9	-65.1
Spain – overtime compensation	0.0	-1.3	-1.2	-4.0	-4.5
Germany – premises	-0.8	-0.7	-2.2	-1.5	-3.2
Total cash flow impact	**-5.2**	**-15.2**	**-14.8**	**-61.4**	**-72.8**

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 2015	Jul–Sep 2014	Jan–Sep 2015	Jan–Sep 2014	Jan–Dec 2014
Recognized in the statement of income					
Revaluation of financial instruments	-0.8	0.1	0.7	0.4	-0.4
Deferred tax	0.1	0.0	-0.2	-0.1	0.1
Impact on net income	**-0.7**	**0.1**	**0.5**	**0.3**	**-0.3**
Recognized in the statement of comprehensive income					
Cash flow hedges	-8.3	2.8	-10.1	1.8	0.0
Deferred tax	1.8	-0.6	2.2	-0.4	0.0
Cash flow hedges net of tax	**-6.5**	**2.2**	**-7.9**	**1.4**	**0.0**
Total revaluation before tax	-9.1	2.9	-9.4	2.2	-0.4
Total deferred tax	1.9	-0.6	2.0	-0.5	0.1
Total revaluation after tax	**-7.2**	**2.3**	**-7.4**	**1.7**	**-0.3**

Note 6, cont.

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 2014. Further information regarding the accounting principles for financial instruments is disclosed in note 2 in the Annual Report 2014.

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, 2015				
Financial assets at fair value through profit or loss	-	29.4	-	**29.4**
Financial liabilities at fair value through profit or loss	-	–34.4	-	**–34.4**
Derivatives designated for hedging with positive fair value	-	270.9	-	**270.9**
Derivatives designated for hedging with negative fair value	-	–23.0	-	**–23.0**
December 31, 2014				
Financial assets at fair value through profit or loss	-	6.2	-	**6.2**
Financial liabilities at fair value through profit or loss	-	–149.2	-	**–149.2**
Derivatives designated for hedging with positive fair value	-	330.1	-	**330.1**
Derivatives designated for hedging with negative fair value	-	–0.6	-	**–0.6**

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 2014.

	Sep 30, 2015		Dec 31, 2014	
MSEK	**Carrying value**	**Fair value**	**Carrying value**	**Fair value**
Short-term loan liabilities	-	-	400.3	400.3
Long-term loan liabilities	9 619.4	9 809.9	9 770.2	10 045.8
Total financial instruments by category	**9 619.4**	**9 809.9**	**10 170.5**	**10 446.1**

Summary of credit facilities as of September 30, 2015

Type	Currency	Facility amount (million)	Available amount (million)	Maturity
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 FRN private placement	USD	40	0	2020
Multi Currency Revolving Credit Facility	USD (or equivalent)	550	520	2020
Multi Currency Revolving Credit Facility	EUR (or equivalent)	440	440	2020
EMTN FRN private placement	USD	40	0	2021
EMTN FRN private placement	USD	60	0	2021
EMTN Eurobond, 2.625% fixed	EUR	350	0	2021
Commercial Paper (uncommitted)	SEK	5 000	3 450	n/a

Note 7 Tax effects on other comprehensive income

MSEK	Jul–Sep 2015	Jul–Sep 2014	Jan–Sep 2015	Jan–Sep 2014	Jan–Dec 2014
Deferred tax on remeasurements of defined benefit pension plans	51.2	–14.1	10.5	19.3	125.6
Deferred tax on cash flow hedges	1.8	–0.6	2.2	–0.4	0.0
Deferred tax on net investment hedges	19.2	–38.4	12.0	–27.7	–39.2
Deferred tax on other comprehensive income	**72.2**	**–53.1**	**24.7**	**–8.8**	**86.4**

Note 8 Restated segment comparatives due to organizational changes
The tables below show restated comparative figures for the segments Security Services Europe and Other. The restatement is done to reflect that operations have been moved from the segment Security Services Europe to the segment Other as of January 1, 2015. This change has had no effect on the total Group level.

MSEK	Q1 2014	Q2 2014	H1 2014	Q3 2014	9M 2014	Q4 2014	FY 2014
Security Services Europe							
Total sales	**8 154**	**8 676**	**16 830**	**8 897**	**25 727**	**9 181**	**34 908**
Organic sales growth, %	1	1	1	2	1	3	2
Operating income before amortization	**423**	**467**	**890**	**567**	**1 457**	**593**	**2 050**
Operating margin, %	5.2	5.4	5.3	6.4	5.7	6.5	5.9
Other							
Total sales	**243**	**256**	**499**	**276**	**775**	**320**	**1 095**
Organic sales growth, %	-	-	-	-	-	-	-
Operating income before amortization	**–59**	**–71**	**–130**	**–61**	**–191**	**–83**	**–274**
Operating margin, %	-	-	-	-	-	-	-

STATEMENT OF INCOME

MSEK	Jan–Sep 2015	Jan–Sep 2014
License fees and other income	652.7	649.6
Gross income	**652.7**	**649.6**
Administrative expenses	–438.9	–332.7
Operating income	**213.8**	**316.9**
Financial income and expenses	1 591.8	654.4
Income after financial items	**1 805.6**	**971.3**
Appropriations	–209.7	–225.5
Income before taxes	**1 595.9**	**745.8**
Taxes	–12.8	–12.8
Net income for the period	**1 583.1**	**733.0**

BALANCE SHEET

MSEK	Sep 30, 2015	Dec 31, 2014
ASSETS		
Non-current assets		
Shares in subsidiaries	37 281.7	37 257.5
Shares in associated companies	112.1	112.1
Other non-interest-bearing non-current assets	274.0	262.3
Interest-bearing financial non-current assets	849.4	902.9
Total non-current assets	**38 517.2**	**38 534.8**
Current assets		
Non-interest-bearing current assets	227.9	130.5
Other interest-bearing current assets	4 292.4	4 000.2
Liquid funds	1 908.8	2 067.8
Total current assets	**6 429.1**	**6 198.5**
TOTAL ASSETS	**44 946.3**	**44 733.3**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Restricted equity	7 727.7	7 727.7
Non-restricted equity	17 901.8	17 298.9
Total shareholders' equity	**25 629.5**	**25 026.6**
Long-term liabilities		
Non-interest-bearing long-term liabilities/provisions	175.1	159.1
Interest-bearing long-term liabilities	11 907.1	11 591.1
Total long-term liabilities	**12 082.2**	**11 750.2**
Current liabilities		
Non-interest-bearing current liabilities	731.4	714.5
Interest-bearing current liabilities	6 503.2	7 242.0
Total current liabilities	**7 234.6**	**7 956.5**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**44 946.3**	**44 733.3**

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, 2015 at **15:00 p.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/investors/webcasts. A recorded version of the audio cast will be available at www.securitas.com/investors/webcasts after the telephone conference.

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FINANCIAL INFORMATION CALENDAR

February 9, 2016, app. 08.00 a.m.	Full Year Report January–December 2015
May 4, 2016, app. 13.00 p.m.	Interim Report January–March 2016
May 4, 2016, 16.00 p.m.	Annual General Meeting 2016
August 4, 2016, app.13.00 p.m.	Interim Report January–June 2016
November 8, 2016, app. 08.00 a.m.	Interim Report January–September 2016

For further information regarding Securitas IR activities, refer to www.securitas.com/investors/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 320 000 people in 53 countries. Securitas is listed in the Large Cap segment at Nasdaq 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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