



JULY–SEPTEMBER 2016

- Total sales MSEK 22 316 (20 468)
- Organic sales growth 7 percent (4)
- Operating income before amortization MSEK 1 230 (1 121)
- Operating margin 5.5 percent (5.5)
- Earnings per share SEK 2.00 (1.88)

JANUARY–SEPTEMBER 2016

- Total sales MSEK 64 447 (59 829)
- Organic sales growth 8 percent (5)
- Operating income before amortization MSEK 3 313 (2 956)
- Operating margin 5.1 percent (4.9)
- Earnings per share SEK 5.32 (4.84)
- Free cash flow/net debt 0.12 (0.23)

COMMENTS FROM THE PRESIDENT AND CEO

Strong organic sales growth

Organic sales growth continued to be strong also in the third quarter, driven by good portfolio development and extra sales still at relatively high levels. Market dynamics in the US remain favorable while most of the extra security needs in Europe are short term in its nature and will reduce in the coming quarters. This fact, in combination with a few major contract losses and historically high comparatives, will reverse the positive organic sales growth trend in Security Services Europe in the coming quarters, but we expect it to recover during the second half of 2017.

Our investments in protective services during recent years also resonate very well in the market, and our efforts to optimize the customers' security spend allows us to presently grow faster than the security markets in the US and Europe as well as in many of the Ibero-American countries.

Earnings per share and operating margin improved

Earnings per share improved by 7 percent in the third quarter and by 13 percent in the period January to September 2016, adjusted for changes in exchange rates. The operating income during January to September improved by 16 percent compared to the same period last year, adjusted for changes in exchange rates. The operating margin was 5.5 percent (5.5) in the quarter and improved to 5.1 percent (4.9) for the first nine months.

Continued strong development of security solutions and electronic security

Security solutions and electronic security continued to increase in line with our expectations.

We believe that we can continue to increase our sales of security solutions and electronic security at a high pace in the coming years and make this a substantial part of the Group's total sales.

The completed acquisition of Diebold's North American Electronic Security business on February 1, 2016 also makes an important contribution in accelerating our transformation.

Contents

January–September summary	2
Group development	3
Development in the Group's business segments	5
Cash flow	8
Capital employed and financing	9
Acquisitions and divestitures	10
Other significant events	12
Risks and uncertainties	12
Parent Company operations	13
Annual General Meeting 2017	14
Consolidated financial statements	15
Segment overview	19
Notes	21
Parent Company	25
Financial information	26

Alf Göransson

President and Chief Executive Officer

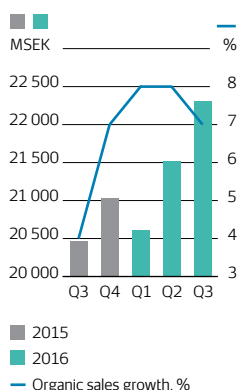
FINANCIAL SUMMARY

MSEK	Quarter		Change, %		9M		Change, %		Full year	Change, %
	Q3 2016	Q3 2015	Total	Real	2016	2015	Total	Real	2015	Total
Sales	22 316	20 468	9	11	64 447	59 829	8	11	80 860	15
Organic sales growth, %	7	4			8	5			5	
Operating income before amortization	1 230	1 121	10	12	3 313	2 956	12	16	4 089	17
Operating margin, %	5.5	5.5			5.1	4.9			5.1	
Amortization of acquisition related intangible assets	-66	-68			-201	-202			-275	
Acquisition related costs	-25	-4			-66	-21			-29	
Operating income after amortization	1 139	1 049	9	10	3 046	2 733	11	15	3 785	17
Financial income and expenses	-103	-78			-284	-229			-309	
Income before taxes	1 036	971	7	8	2 762	2 504	10	13	3 476	19
Net income for the period	729	687	6	7	1 942	1 773	10	13	2 444	18
Earnings per share, SEK	2.00	1.88	6	7	5.32	4.84	10	13	6.67	18
Cash flow from operating activities, %	92	116			57	77			83	
Free cash flow	869	1 030			857	1 356			2 163	
Free cash flow to net debt ratio	-	-			0.12	0.23			0.22	

ORGANIC SALES GROWTH AND OPERATING MARGIN DEVELOPMENT PER BUSINESS SEGMENT

	Organic sales growth				Operating margin			
	Q3		9M		Q3		9M	
	2016	2015	2016	2015	2016	2015	2016	2015
Security Services North America	6	3	6	4	6.0	5.7*	5.7	5.4
Security Services Europe	5	3	7	3	6.4	6.4	5.7	5.5
Security Services Ibero-America	14	14	13	12	4.2	4.7	4.4	4.5
Group	7	4	8	5	5.5	5.5	5.1	4.9

* Comparatives have been restated. Refer to note 12 for further information.

Group quarterly sales development**JULY-SEPTEMBER 2016****Sales development**

Sales amounted to MSEK 22 316 (20 468) and organic sales growth was 7 percent (4). The good sales momentum remained in the quarter and all business segments showed strong organic sales growth. Organic sales growth in Security Services North America was driven by good portfolio growth due to strong new sales and low terminations. The real sales growth in the business segment was positively impacted by the inclusion of the acquired commercial contracts and operational assets of Diebold Incorporated's Electronic Security business in North America (Securitas Electronic Security). The organic sales growth in Security Services Europe was supported by good portfolio growth and by extra sales related to the higher level of security needs in a number of countries. Organic sales growth in Security Services Ibero-America was strong with positive development in Spain. The total sales volume in Swedish kronor in the business segment was negatively impacted by the large devaluation of the Argentinian peso. The sales within security solutions and electronic security increased as percent of total sales in the Group.

Real sales growth, including acquisitions and adjusted for changes in exchange rates, was 11 percent (5).

Operating income before amortization

Operating income before amortization was MSEK 1 230 (1 121) which, adjusted for changes in exchange rates, represented a real change of 12 percent (8).

The Group's operating margin was 5.5 percent (5.5), supported by Security Services North America and hampered by Security Services Ibero-America.

Operating income after amortization

Amortization of acquisition related intangible assets amounted to MSEK -66 (-68).

Acquisition related costs were MSEK -25 (-4). For further information refer to note 6.

Financial income and expenses

Financial income and expenses amounted to MSEK -103 (-78). The main reason for the increase compared to last year is due to the majority of the MEUR 350 bond at a coupon of 1.25 percent, which was issued in March 2016, was swapped into fixed USD at 3.35 percent in order to finance the Diebold Electronic Security acquisition.

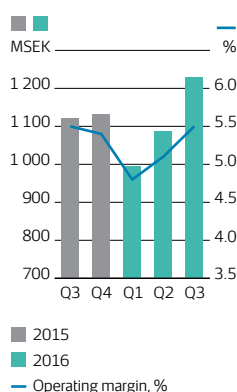
Income before taxes

Income before taxes was MSEK 1 036 (971).

Taxes, net income and earnings per share

The Group's tax rate was 29.7 percent (29.2), in line with the full year tax rate of 2015.

Net income was MSEK 729 (687). Earnings per share amounted to SEK 2.00 (1.88).

Group quarterly operating income development

JANUARY-SEPTEMBER 2016**Sales development**

Sales amounted to MSEK 64 447 (59 829) and organic sales growth was 8 percent (5). The organic sales growth remained strong due to a combination of continued portfolio growth and higher extra sales. The higher extra sales was to a large extent driven by Security Services Europe, where the higher level of security needs in a number of countries continued throughout the period, however at a lower level in the third quarter compared to the second quarter. The organic sales growth in Security Services North America was driven by good portfolio development based on strong new sales and low terminations. The real sales growth was positively impacted by the inclusion of the acquired commercial contracts and operational assets of Diebold Incorporated's Electronic Security business in North America (Securitas Electronic Security) as of February 1, 2016. Organic sales growth in Security Services Ibero-America was strong. The total sales volume in Swedish kronor in Security Services Ibero-America was negatively impacted by the large devaluation of the Argentinian peso. The sales within security solutions and electronic security increased and supported organic sales growth in the Group in the first nine months.

Real sales growth, including acquisitions and adjusted for changes in exchange rates, was 11 percent (5).

Operating income before amortization

Operating income before amortization was MSEK 3 313 (2 956) which, adjusted for changes in exchange rates, represented a real change of 16 percent (7).

The Group's operating margin was 5.1 percent (4.9). The operating margin improved in Security Services North America and in Security Services Europe and declined slightly in Security Services Ibero-America. High organic sales growth and high margin extra sales were important factors behind, as was the inclusion of Securitas Electronic Security in Security Services North America. Across all business segments the increase of higher margin sales of security solutions and electronic security had a positive impact on the operating margin. The total price adjustments in the Group were on par with the wage cost increases, with the exception of that the wage increase in Spain effective from July 2016 was only partially recovered through price increases.

Operating income after amortization

Amortization of acquisition related intangible assets amounted to MSEK -201 (-202).

Acquisition related costs were MSEK -66 (-21). For further information refer to note 6.

Financial income and expenses

Financial income and expenses amounted to MSEK -284 (-229). The main reason for the increase compared to last year is due to the majority of the MEUR 350 bond at a coupon of 1.25 percent, which was issued in March 2016, was swapped into fixed USD at 3.35 percent in order to finance the Diebold Electronic Security acquisition.

Income before taxes

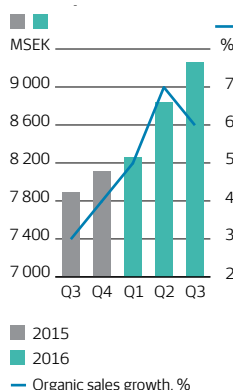
Income before taxes was MSEK 2 762 (2 504).

Taxes, net income and earnings per share

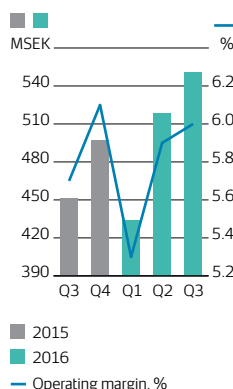
The Group's tax rate was 29.7 percent (29.2), in line with the full year rate of 2015.

Net income was MSEK 1 942 (1 773). Earnings per share amounted to SEK 5.32 (4.84).

Quarterly sales development



Quarterly operating income development



SECURITY SERVICES NORTH AMERICA

Security Services North America provides protective services, including on-site, mobile and remote guarding, electronic security, fire and safety services and corporate risk management in the US, Canada and Mexico and comprises 13 business units: the national and global accounts organization, five geographical regions and five specialized business units in the US - critical infrastructure services, healthcare, Pinkerton Corporate Risk Management, mobile and Securitas Electronic Security - plus Canada and Mexico. In total, there are approximately 640 branch managers and 108 000 employees.

MSEK	Quarter		Change, %		9M		Change, %		Full year
	Q3 2016	Q3 2015*	Total	Real	2016	2015*	Total	Real	2015*
Total sales	9 260	7 894	17	16	26 358	23 032	14	15	31 145
Organic sales growth, %	6	3			6	4			4
Share of Group sales, %	41	39			41	38			39
Operating income before amortization	551	451	22	21	1 503	1 248	20	21	1 745
Operating margin, %	6.0	5.7			5.7	5.4			5.6
Share of Group operating income, %	45	40			45	42			43

* Comparatives have been restated. Refer to note 12 for further information.

July-September 2016

The organic sales growth was 6 percent (3). Main contribution to organic sales growth derived from the five geographical regions and the business unit critical infrastructure services due to good portfolio growth and strong new sales. The sales within security solutions and electronic security increased and was mainly supported by the consolidation of the acquired commercial contracts and operational assets of Diebold Incorporated's Electronic Security business in North America (Securitas Electronic Security).

The operating margin was 6.0 percent (5.7). The improvement was driven by the strong top line giving leverage of the cost base and the inclusion of Securitas Electronic Security.

The Swedish krona exchange rate weakened versus the US dollar which had a small positive effect on the operating income in Swedish kronor. The real change was 21 percent in the third quarter.

January-September 2016

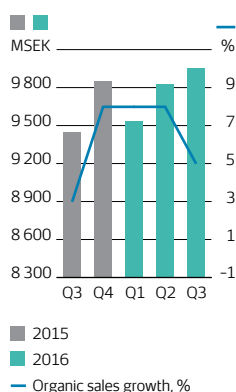
The organic sales growth was 6 percent (4), with good portfolio growth, increased new sales and extra sales as key components behind the positive development. Main contribution to organic sales growth in the period came from the five geographical regions and the specialized business unit critical infrastructure services. Good client retention in combination with strong new sales, resulted in organic sales growth higher than the growth of the US security market. The sales within security solutions and electronic security increased and supported organic sales growth. The consolidation of the acquired commercial contracts and operational assets of Diebold Incorporated's Electronic Security business in North America (Securitas Electronic Security) on February 1, 2016, had a positive impact on total sales growth.

The operating margin was 5.7 percent (5.4). The inclusion of Securitas Electronic Security had a positive impact on the operating margin in the period, as did the strong top line growth leveraging the cost base.

The Swedish krona exchange rate strengthened versus the US dollar which had a slight negative effect on the operating income in Swedish kronor. The real change was 21 percent in the period.

The client retention rate was 94 percent (90). The employee turnover rate in the business segment was 71 percent (65).

Quarterly sales development

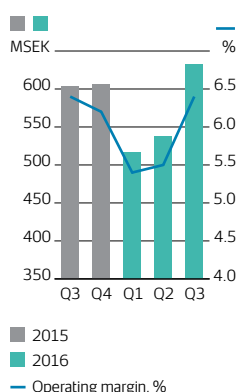


SECURITY SERVICES EUROPE

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 approximately 900 branch managers and 118 000 employees.

MSEK	Quarter		Change, %		9M		Change, %		Full year
	Q3 2016	Q3 2015	Total	Real	2016	2015	Total	Real	2015
Total sales	9 952	9 453	5	6	29 316	27 724	6	7	37 573
Organic sales growth, %	5	3			7	3			4
Share of Group sales, %	45	46			45	46			47
Operating income before amortization	632	603	5	5	1 685	1 537	10	10	2 143
Operating margin, %	6.4	6.4			5.7	5.5			5.7
Share of Group operating income, %	51	54			51	52			52

Quarterly operating income development



July-September 2016

Organic sales growth was 5 percent (3). The improvement was to a large extent driven by higher extra sales connected to the refugee situation mainly in the Nordic countries and Germany, and the terror threats mainly in Belgium and France and represented about half of the organic sales growth. Compared to the second quarter there was a decline in refugee and terror related extra sales.

In the coming quarters, the comparatives include the sharp rise in security needs from the previous year, where Securitas proved to be well positioned to manage those challenging security requirements. The high levels of demand for security services related to the refugee crisis are reducing significantly. This fact in combination with a few major contract losses in Aviation in Sweden as of February 2017, the termination of a low margin MSEK 400 retail contract in the UK as from November 2016 and the postponement of projects in Turkey, will likely result in that organic sales growth in Security Services Europe at security market growth rate is not expected until the second half of 2017.

The operating margin was 6.4 percent (6.4), primarily supported by strong organic sales growth giving leverage of the cost base but offset by weaker performance in the electronic security project related business in Turkey, where many projects are either cancelled or delayed.

The Swedish krona exchange rate remained unchanged versus the foreign currencies. The real change was 5 percent in the third quarter.

January-September 2016

Organic sales growth was 7 percent (3), driven by positive portfolio development and higher extra sales. Main contribution to organic sales growth came from Germany and Sweden, while countries such as Belgium, Denmark and France also had good development. The security services demand due to the refugee situation and the terror threats has started to decline, but still represented about half of the organic sales growth in the period. Sales within security solutions and electronic security increased as percent of total sales in the business segment.

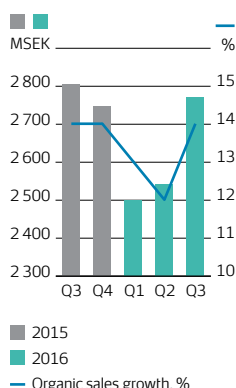
The operating margin was 5.7 percent (5.5), an improvement driven by Germany and the Nordic countries. The high organic sales growth impacted the operating margin positively through leverage of the cost base.

The full year negative impact on operating result for 2016 due to the increased social costs in Sweden is estimated to MSEK -26 compared to full year 2015.

The Swedish krona exchange rate remained unchanged versus the foreign currencies. The real change was 10 percent in the period.

The client retention rate was 92 percent (92). The employee turnover was 28 percent (27).

Quarterly sales 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 60 000 employees.

MSEK	Quarter		Change, %		9M		Change, %		Full year
	Q3 2016	Q3 2015	Total	Real	2016	2015	Total	Real	2015
Total sales	2 770	2 806	-1	14	7 812	8 140	-4	13	10 886
Organic sales growth, %	14	14			13	12			13
Share of Group sales, %	12	14			12	14			13
Operating income before amortization	117	133	-12	9	342	369	-7	17	491
Operating margin, %	4.2	4.7			4.4	4.5			4.5
Share of Group operating income, %	10	12			10	12			12

July-September 2016

Organic sales growth was 14 percent (14), with good improvements in Portugal and Spain. In Latin America, Colombia and Uruguay had double digit organic sales growth, while Argentina remained as the main contributor to the business segment's organic sales growth. Due to the devaluation of the Argentinian peso the sales volume in Argentina declined when translated to Swedish kronor. Latin America showed organic sales growth of 20 percent (27). Sales within security solutions and electronic security increased and supported organic sales growth in the business segment in the third quarter.

The operating margin was 4.2 percent (4.7). The decline mainly related to the wage increase in Spain effective from July 2016, which was only partially recovered through price increases. The devaluation of the Argentinian peso also impacted negatively, as Argentina has a higher than average operating margin in the segment and the Argentinian peso devalued substantially with impact from the beginning of 2016.

The Swedish krona exchange rate strengthened against the Argentinian peso due to the devaluation of the Argentinian peso which had a significant negative impact on the operating income in Swedish kronor. The real change in the segment was 9 percent in the third quarter.

January-September 2016

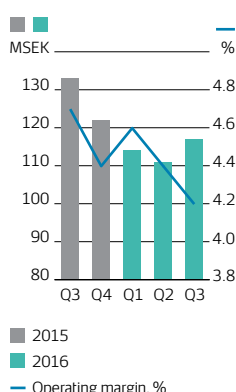
Organic sales growth was 13 percent (12), with positive development in Colombia, Portugal and Spain. Argentina was the main contributor to the business segment's organic sales growth, however due to the devaluation of the Argentinian peso the sales volume declined when translated to Swedish kronor. Latin America showed organic sales growth of 21 percent (25). The sales within security solutions and electronic security increased and supported organic sales growth in the business segment.

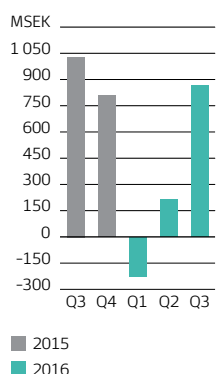
The operating margin was 4.4 percent (4.5). The devaluation of the Argentinian peso had the main negative impact as Argentina has a higher than average operating margin in the segment and the Argentinian peso devaluated substantially. The wage increase in Spain effective from July 2016 also had a minor negative impact.

The Swedish krona exchange rate remained almost unchanged against the euro. The devaluation of the Argentinian peso by itself had a significant negative impact on the operating income in Swedish kronor, where the negative impact from the Argentinian peso amounted to MSEK -79. The real change in the segment was 17 percent in the period.

The client retention rate was 93 percent (91). The employee turnover was 31 percent (30).

Quarterly operating income development



Quarterly free cash flow**July–September 2016**

Cash flow from operating activities amounted to MSEK 1 134 (1 298), equivalent to 92 percent (116) of operating income before amortization.

The impact from changes in accounts receivable was MSEK -199 (-187). Changes in other operating capital employed were MSEK 160 (373).

Free cash flow was MSEK 869 (1 030), equivalent to 99 percent (129) of adjusted income.

Cash flow from financing activities was MSEK -600 (-753) due to a net decrease in borrowings.

Cash flow for the period was MSEK 182 (255).

January–September 2016

Cash flow from operating activities amounted to MSEK 1 882 (2 289), equivalent to 57 percent (77) 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 -358 (-204). The net investments include capital expenditures in equipment for solution contracts reflecting our strategy to increase the sales of security solutions and electronic security. Such investments affect the free cash flow and are depreciated over the contract duration.

The impact from changes in accounts receivable was MSEK -742 (-660), with a negative impact from an increase of Days of Sales Outstanding (DSO) compared to December and also affected negatively by the increased organic sales growth. Changes in other operating capital employed were MSEK -331 (197). Last year was positively impacted by payroll timing in the US operations in the first quarter.

Free cash flow was MSEK 857 (1 356), equivalent to 36 percent (65) of adjusted income.

Cash flow from investing activities, acquisitions, was MSEK -3 461 (-136), of which purchase price payments accounted for MSEK -3 368 (-132), assumed net debt accounted for MSEK -27 (13) and acquisition related costs paid accounted for MSEK -66 (-17). The main part of the cash flow from investing activities relates to the acquisition of the commercial contracts and operational assets of Diebold Incorporated's Electronic Security business in North America.

Cash flow from financing activities was MSEK 2 883 (-1 988) due to dividend paid of MSEK -1 278 (-1 095) and a net increase in borrowings of MSEK 4 161 (-893).

Cash flow for the period was MSEK 263 (-784). The closing balance for liquid funds after translation differences of MSEK 58 was MSEK 2 392 (2 071 as of December 31, 2015).

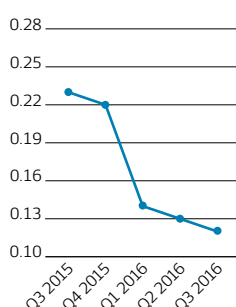
Capital employed and financing

MSEK	Sep 30, 2016
Operating capital employed	6 487
Goodwill	18 959
Acquisition related intangible assets	1 399
Shares in associated companies	396
Capital employed	27 241
Net debt	13 946
Shareholders' equity	13 295
Financing	27 241

Net debt development

MSEK	
Jan 1, 2016	-9 863
Free cash flow	857
Acquisitions	-3 461
IAC payments	-15
Dividend paid	-1 278
Change in net debt	-3 897
Revaluation	19
Translation	-205
Sep 30, 2016	-13 946

Free cash flow/net debt



Capital employed as of September 30, 2016

The Group's operating capital employed was MSEK 6 487 (4 609 as of December 31, 2015), corresponding to 7 percent of sales (6 as of December 31, 2015), 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 20.

The annual impairment test of all Cash Generating Units (CGU), which is required under IFRS, took place during the third quarter 2016 in conjunction with the business plan process for 2017. None of the CGUs tested for impairment had a carrying amount that exceeded the recoverable amount. Consequently no impairment losses have been recognized in 2016. No impairment losses were recognized in 2015 either.

The Group's total capital employed was MSEK 27 241 (22 393 as of December 31, 2015). The increase of total capital employed is primarily related to the acquisition of the commercial contracts and operational assets of Diebold Incorporated's Electronic Security business in North America. The translation of foreign capital employed to Swedish kronor increased the Group's capital employed by MSEK 539. The return on capital employed was 16 percent (18 as of December 31, 2015).

Financing as of September 30, 2016

The Group's net debt amounted to MSEK 13 946 (9 863 as of December 31, 2015). The free cash flow of MSEK 857 has had a positive effect on the net debt during the period while the net debt has been negatively impacted mainly by cash flow from investing activities of MSEK -3 461 and dividend of MSEK -1 278, paid to the shareholders in May 2016. The translation of net debt in foreign currency to Swedish kronor has affected the net debt negatively by MSEK 205.

The free cash flow to net debt ratio amounted to 0.12 (0.23). The interest cover ratio amounted to 11.8 (12.6).

Securitas has a Revolving Credit Facility with its 12 key relationship banks. This credit facility comprises two respective tranches of MUSD 550 and MEUR 440, maturing in 2021. There is a possibility to extend for another year in January 2017. At the end of the third quarter, MUSD 65 was drawn, leaving MUSD 485 and MEUR 440 undrawn. Further information regarding financial instruments and credit facilities is provided in note 7.

Standard and Poor's rating for Securitas is BBB with stable outlook. The Group's liquidity position was changed from "strong" to "exceptional" during the second quarter.

Shareholders' equity amounted to MSEK 13 295 (12 530 as of December 31, 2015). The translation of foreign assets and liabilities into Swedish kronor increased shareholders' equity by MSEK 334. 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, 2016.

ACQUISITIONS AND DIVESTITURES JANUARY-SEPTEMBER 2016 (MSEK)

Company	Business segment ¹⁾	Included from	Acquired share ²⁾	Annual sales ³⁾	Enter-price value ⁴⁾	Goodwill	Acq. related intangible assets
Opening balance						16 428	987
Diebold's Electronic Security, North America ⁶⁾	Security Services North America	Feb 1	-	2 820	3 110	1 961	550
Draht+Schutz, Germany ⁶⁾	Security Services Europe	May 2	100	175	109	76	27
Infratek Security Solutions, Norway	Security Services Europe	Aug 24	100	200	32	1	-
Other acquisitions and divestitures ^{5) 6)}		-	-	39	144	9	9
Total acquisitions and divestitures January-September 2016				3 234	3 395	2 047	586
Amortization of acquisition related intangible assets						-	-201
Exchange rate differences						484	27
Closing balance						18 959	1 399

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: Baysecur and BahnBauService, Germany, Sérénitis, France, Waterland Security Services (contract portfolio), LB Security and ESS, the Netherlands, Sensormatic, Turkey, Fuego Red, Argentina, Pinglin, China, divestiture of ancillary business, South Africa and SKL, South Korea. Related also to deferred considerations paid in Sweden, Germany, France, the Netherlands, Croatia, Turkey, Argentina, Uruguay, China and South Africa.

⁶⁾ 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 -119. Total deferred considerations, short-term and long-term, in the Group's balance sheet amount to MSEK 190.

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 6 on page 22.

Diebold's Electronic Security - North America

As disclosed in earlier press releases, interim reports and the annual report, Securitas in October 2015 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. 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. In the beginning of 2016, the Regulatory authorities approved Securitas' acquisition of Diebold's North American Electronic Security business. The acquisition was finalized on February 1, 2016, from which date it was consolidated in Securitas.

Draht+Schutz, Germany

Securitas has acquired the electronic security company Draht+Schutz in Germany. Draht+Schutz Unternehmengruppe is a full-service provider in the electronic security industry. It offers a full spectrum of consulting, design, installation and maintenance of anti-burglary and fire control systems, CCTV, access control and perimeter security systems. Draht+Schutz has national coverage in Germany and is mainly operating in the small and medium sized enterprise segment. The company has a strong focus on multi-location chain accounts and petrol stations, where they offer standardized solutions and a high degree of process automation. Draht+Schutz has 160 employees. Regulatory authorities approved the acquisition on May 2, 2016, from which date it was consolidated in Securitas.

Infratek Security Solutions, Norway

Securitas has acquired the electronic security company Infratek Security Solutions in Norway. Infratek Security Solutions is delivering technical security solutions to corporations in Norway and a minor part in Sweden. Among the deliveries are electronic solutions for the retail business, access control, alarm systems and camera surveillance. The company has 102 employees. With this acquisition, Securitas strengthens its technology offering in Norway and the position as the leading security solutions provider. The acquisition was approved by regulatory authorities on August 24, 2016, from which point it was consolidated in Securitas.

ACQUISITIONS AFTER THE THIRD QUARTER

JC Ingeniería, Chile

Securitas strengthens its operations in Chile by acquiring the electronic security company JC Ingeniería. Enterprise value is estimated to MSEK 26 (MCLP 2 049). JC Ingeniería is operating in the fire alarm and surveillance systems area, including design, surveillance and maintenance. The company is focusing on designing, engineering and installing integrated security systems. The company, with 56 employees and annual sales of approximately MSEK 22 (MCLP 1 750), has national coverage but with focus on the area of Santiago de Chile. Securitas has a strong position in Chile, being one of the two leading security services companies in the country. With the acquisition of JC Ingeniería, Securitas Chile will expand in the electronic security area and become a strong actor also in fire surveillance. The acquisition was consolidated in Securitas on October 3, 2016.

For critical estimates and judgments, provisions and contingent liabilities refer to the Annual Report 2015. 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 109 in the Annual Report 2015, the Spanish tax authority has rejected certain deductions. Different matters are in different stages of being handled by the tax authority and competent courts. The Supreme Court has during the first quarter of 2016 issued its sentence regarding the years 2003-2005, some of it contradictory and some of it in line with the opinion of the lower courts. Securitas will now have to wait for the tax authority to execute a final assessment for these years based on the sentence in order to fully understand the impact. We believe any exposure to be within the amounts as disclosed in the 2015 Annual Report.

Spain - Mutua

Securitas in Spain has received a claim of MEUR 6.3 from the social security authorities relating to services allegedly received from Mutua Universal in the period 1998 to 2007. The authorities are questioning whether such services, in such case, were allowed to be provided under applicable regulations. This is a consequence of a lawsuit against some of Mutua Universal's former employees. Securitas is affected, as 2 300 other companies, as an indirect beneficiary of the services rendered. Securitas is convinced that it has acted in accordance with applicable law.

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 2015.

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 2015 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 2016

The Parent Company's income amounted to MSEK 651 (653) and mainly relates to license fees and other income from subsidiaries.

Financial income and expenses amounted to MSEK 1 790 (1 777*). Income before taxes amounted to MSEK 2 219 (1 781*).

As of September 30, 2016

The Parent Company's non-current assets amounted to MSEK 41 744 (38 504 as of December 31, 2015) and mainly comprise shares in subsidiaries of MSEK 40 329 (37 282 as of December 31, 2015). Current assets amounted to MSEK 7 140 (5 079 as of December 31, 2015) of which liquid funds amounted to MSEK 1 357 (401 as of December 31, 2015). The increase in liquid funds is due to the net receipt of dividends and funding.

Shareholders' equity amounted to MSEK 26 541 (25 689 as of December 31, 2015). Dividend of MSEK 1 278 (1 095) was paid to the shareholders in May 2016.

The Parent Company's liabilities and untaxed reserves amounted to MSEK 22 343 (17 894 as of December 31, 2015) and mainly consist of interest-bearing debt.

For further information, refer to the Parent Company's condensed financial statements on page 25.

Securitas' Annual General Meeting will be held on Wednesday, May 3, 2017 at 16:00 at Hilton Stockholm Slussen, Guldgränd 8 in Stockholm.

Stockholm, November 8, 2016

Alf Göransson
President and Chief Executive Officer

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

STATEMENT OF INCOME

MSEK	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Sales	21 461.9	20 390.4	62 304.2	59 617.5	80 590.2
Sales, acquired business	853.5	77.5	2 142.5	211.6	269.9
Total sales	22 315.4	20 467.9	64 446.7	59 829.1	80 860.1
Organic sales growth, % ²⁾	7	4	8	5	5
Production expenses	-18 376.0	-16 876.5	-53 210.3	-49 487.5	-66 743.2
Gross income	3 939.4	3 591.4	11 236.4	10 341.6	14 116.9
Selling and administrative expenses	-2 723.9	-2 478.9	-7 959.0	-7 409.6	-10 063.2
Other operating income ⁴⁾	5.2	4.3	14.9	13.2	17.7
Share in income of associated companies ⁵⁾	9.4	4.2	20.7	10.9	17.3
Operating income before amortization	1 230.1	1 121.0	3 313.0	2 956.1	4 088.7
Operating margin, %	5.5	5.5	5.1	4.9	5.1
Amortization of acquisition related intangible assets	-65.9	-67.3	-200.9	-201.5	-274.5
Acquisition related costs ⁶⁾	-25.6	-4.8	-66.3	-21.3	-29.5
Operating income after amortization	1 138.6	1 048.9	3 045.8	2 733.3	3 784.7
Financial income and expenses ⁷⁾	-101.9	-78.0	-283.5	-229.2	-308.3
Income before taxes	1 036.7	970.9	2 762.3	2 504.1	3 476.4
Net margin, %	4.6	4.7	4.3	4.2	4.3
Current taxes	-248.8	-242.8	-662.9	-626.1	-993.0
Deferred taxes	-59.2	-40.8	-157.5	-105.2	-39.5
Net income for the period	728.7	687.3	1 941.9	1 772.8	2 443.9
Whereof attributable to:					
Equity holders of the Parent Company	729.1	686.5	1 940.9	1 767.9	2 436.5
Non-controlling interests	-0.4	0.8	1.0	4.9	7.4
Earnings per share before and after dilution (SEK)	2.00	1.88	5.32	4.84	6.67

STATEMENT OF COMPREHENSIVE INCOME

MSEK	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Net income for the period	728.7	687.3	1 941.9	1 772.8	2 443.9
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	38.0	-91.6	-109.6	-23.1	80.3
Total items that will not be reclassified to the statement of income⁸⁾	38.0	-91.6	-109.6	-23.1	80.3
Items that subsequently may be reclassified to the statement of income					
Cash flow hedges net of tax	-5.7	-6.5	14.3	-7.9	0.8
Net investment hedges net of tax	-65.9	-68.0	-214.0	-42.6	19.1
Translation differences	335.5	105.1	548.0	192.5	-242.4
Total items that subsequently may be reclassified to the statement of income⁸⁾	263.9	30.6	348.3	142.0	-222.5
Other comprehensive income for the period⁸⁾	301.9	-61.0	238.7	118.9	-142.2
Total comprehensive income for the period	1 030.6	626.3	2 180.6	1 891.7	2 301.7
Whereof attributable to:					
Equity holders of the Parent Company	1 030.1	626.6	2 177.9	1 888.0	2 296.8
Non-controlling interests	0.5	-0.3	2.7	3.7	4.9

Notes 2-8 refer to pages 21-24.

STATEMENT OF CASH FLOW

Operating cash flow MSEK	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Operating income before amortization	1 230.1	1 121.0	3 313.0	2 956.1	4 088.7
Investments in non-current tangible and intangible assets	-382.5	-276.8	-1 249.7	-996.1	-1 328.6
Reversal of depreciation	325.8	266.9	892.1	791.9	1 072.3
Change in accounts receivable	-199.2	-186.8	-742.4	-660.1	-707.0
Change in other operating capital employed	160.2	373.3	-331.1	197.4	273.8
Cash flow from operating activities	1 134.4	1 297.6	1 881.9	2 289.2	3 399.2
Cash flow from operating activities, %	92	116	57	77	83
Financial income and expenses paid	-38.0	-40.3	-268.0	-280.2	-322.0
Current taxes paid	-227.6	-227.0	-757.3	-653.1	-914.0
Free cash flow	868.8	1 030.3	856.6	1 355.9	2 163.2
Free cash flow, %	99	129	36	65	78
Cash flow from investing activities, acquisitions and divestitures	-80.7	-16.5	-3 461.3	-136.4	-147.4
Cash flow from items affecting comparability ⁹⁾	-6.5	-5.2	-15.3	-14.8	-26.9
Cash flow from financing activities	-599.8	-753.3	2 882.7	-1 988.2	-3 302.5
Cash flow for the period	181.8	255.3	262.7	-783.5	-1 313.6
Cash flow MSEK	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Cash flow from operations	1 217.2	1 298.4	2 024.8	2 319.9	3 430.9
Cash flow from investing activities	-435.6	-289.8	-4 644.8	-1 115.2	-1 442.0
Cash flow from financing activities	-599.8	-753.3	2 882.7	-1 988.2	-3 302.5
Cash flow for the period	181.8	255.3	262.7	-783.5	-1 313.6
Change in net debt MSEK	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Opening balance	-14 578.3	-11 557.7	-9 862.7	-10 421.6	-10 421.6
Cash flow for the period	181.8	255.3	262.7	-783.5	-1 313.6
Change in loans	599.8	753.3	-4 160.4	893.0	2 207.3
Change in net debt before revaluation and translation differences	781.6	1 008.6	-3 897.7	109.5	893.7
Revaluation of financial instruments ⁷⁾	-6.3	-9.1	18.9	-9.4	0.9
Translation differences	-142.8	-159.7	-204.3	-396.4	-335.7
Change in net debt	632.5	839.8	-4 083.1	-296.3	558.9
Closing balance	-13 945.8	-10 717.9	-13 945.8	-10 717.9	-9 862.7

Notes 7 and 9 refer to pages 23-24.

CAPITAL EMPLOYED AND FINANCING

MSEK	Sep 30, 2016	Sep 30, 2015	Dec 31, 2015
Operating capital employed	6 487.5	4 571.9	4 608.4
Operating capital employed as % of sales	7	6	6
Return on operating capital employed, %	80	94	96
Goodwill	18 959.0	16 687.6	16 428.4
Acquisition related intangible assets	1 398.8	1 099.1	987.3
Shares in associated companies	396.0	363.2	369.0
Capital employed	27 241.3	22 721.8	22 393.1
Return on capital employed, %	16	17	18
Net debt	-13 945.8	-10 717.9	-9 862.7
Shareholders' equity	13 295.5	12 003.9	12 530.4
Net debt equity ratio, multiple	1.05	0.89	0.79

BALANCE SHEET

MSEK	Sep 30, 2016	Sep 30, 2015	Dec 31, 2015
ASSETS			
Non-current assets			
Goodwill	18 959.0	16 687.6	16 428.4
Acquisition related intangible assets	1 398.8	1 099.1	987.3
Other intangible assets	489.0	406.2	455.5
Tangible non-current assets	3 250.3	2 757.3	2 721.1
Shares in associated companies	396.0	363.2	369.0
Non-interest-bearing financial non-current assets	2 159.2	2 154.4	2 072.9
Interest-bearing financial non-current assets	429.8	346.1	343.8
Total non-current assets	27 082.1	23 813.9	23 378.0
Current assets			
Non-interest-bearing current assets	17 653.4	15 471.9	14 924.6
Other interest-bearing current assets	108.2	276.8	287.6
Liquid funds	2 391.7	2 622.4	2 071.2
Total current assets	20 153.3	18 371.1	17 283.4
TOTAL ASSETS	47 235.4	42 185.0	40 661.4
MSEK	Sep 30, 2016	Sep 30, 2015	Dec 31, 2015
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Attributable to equity holders of the Parent Company	13 274.8	11 982.1	12 510.1
Non-controlling interests	20.7	21.8	20.3
Total shareholders' equity	13 295.5	12 003.9	12 530.4
Equity ratio, %	28	28	31
Long-term liabilities			
Non-interest-bearing long-term liabilities	260.7	355.9	311.9
Interest-bearing long-term liabilities	12 738.6	12 023.7	12 129.0
Non-interest-bearing provisions	3 240.5	3 166.2	3 028.6
Total long-term liabilities	16 239.8	15 545.8	15 469.5
Current liabilities			
Non-interest-bearing current liabilities and provisions	13 563.2	12 695.8	12 225.2
Interest-bearing current liabilities	4 136.9	1 939.5	436.3
Total current liabilities	17 700.1	14 635.3	12 661.5
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	47 235.4	42 185.0	40 661.4

CHANGES IN SHAREHOLDERS' EQUITY

MSEK	Sep 30, 2016			Sep 30, 2015			Dec 31, 2015		
	Attributable to equity holders of the Parent Company	Non-controlling interests	Total	Attributable to equity holders of the Parent Company	Non-controlling interests	Total	Attributable to equity holders of the Parent Company	Non-controlling interests	Total
Opening balance January 1, 2016/2015	12 510.1	20.3	12 530.4	11 280.3	18.9	11 299.2	11 280.3	18.9	11 299.2
Total comprehensive income for the period	2 177.9	2.7	2 180.6	1 888.0	3.7	1 891.7	2 296.8	4.9	2 301.7
Transactions with non-controlling interests	-18.8	-2.3	-21.1	-	-0.8	-0.8	-	-3.5	-3.5
Share based incentive scheme	-116.7	-	-116.7 ¹⁾	-91.0	-	-91.0	28.2	-	28.2
Dividend paid to the shareholders of the Parent Company	-1 277.7	-	-1 277.7	-1 095.2	-	-1 095.2	-1 095.2	-	-1 095.2
Closing balance September 30/December 31, 2016/2015	13 274.8	20.7	13 295.5	11 982.1	21.8	12 003.9	12 510.1	20.3	12 530.4

¹⁾ Refers to a swap agreement in Securitas AB shares of MSEK -117.7, hedging the share portion of Securitas share based incentive scheme 2015, and adjustment to grant date value of non-vested shares of MSEK 1.0, related to Securitas share based incentive scheme 2014.

DATA PER SHARE

SEK	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Share price, end of period	143.80	102.10	143.80	102.10	130.00
Earnings per share before and after dilution ^{1, 2)}	2.00	1.88	5.32	4.84	6.67
Dividend	-	-	-	-	3.50
P/E-ratio after dilution	-	-	-	-	19
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 2016

MSEK	Security Services North America ¹⁾	Security Services Europe	Security Services Ibero-America	Other ¹⁾	Eliminations	Group
Sales, external	9 260	9 952	2 770	334	-	22 316
Sales, intra-group	0	0	-	0	0	-
Total sales	9 260	9 952	2 770	334	0	22 316
Organic sales growth, %	6	5	14	-	-	7
Operating income before amortization	551	632	117	-70	-	1 230
of which share in income of associated companies	4	-	-	6	-	10
Operating margin, %	6.0	6.4	4.2	-	-	5.5
Amortization of acquisition related intangible assets	-14	-36	-11	-5	-	-66
Acquisition related costs	-23	-1	0	-1	-	-25
Operating income after amortization	514	595	106	-76	-	1 139
Financial income and expenses	-	-	-	-	-	-103
Income before taxes	-	-	-	-	-	1 036

JULY–SEPTEMBER 2015

MSEK	Security Services North America ¹⁾	Security Services Europe	Security Services Ibero-America	Other ¹⁾	Eliminations	Group
Sales, external	7 893	9 452	2 806	317	-	20 468
Sales, intra-group	1	1	-	0	-2	-
Total sales	7 894	9 453	2 806	317	-2	20 468
Organic sales growth, %	3	3	14	-	-	4
Operating income before amortization	451	603	133	-66	-	1 121
of which share in income of associated companies	0	0	-	4	-	4
Operating margin, %	5.7	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	445	561	116	-73	-	1 049
Financial income and expenses	-	-	-	-	-	-78
Income before taxes	-	-	-	-	-	971

¹⁾ Comparatives and previous periods 2016 have been restated. Refer to note 12 for further information.

JANUARY–SEPTEMBER 2016

MSEK	Security Services North America¹⁾	Security Services Europe	Security Services Ibero-America	Other¹⁾	Eliminations	Group
Sales, external	26 357	29 316	7 812	962	-	64 447
Sales, intra-group	1	0	-	0	-1	-
Total sales	26 358	29 316	7 812	962	-1	64 447
Organic sales growth, %	6	7	13	-	-	8
Operating income before amortization	1 503	1 685	342	-217	-	3 313
<i>of which share in income of associated companies</i>	7	-	-	14	-	21
Operating margin, %	5.7	5.7	4.4	-	-	5.1
Amortization of acquisition related intangible assets	-38	-109	-41	-13	-	-201
Acquisition related costs	-52	-13	0	-1	-	-66
Operating income after amortization	1 413	1 563	301	-231	-	3 046
Financial income and expenses	-	-	-	-	-	-284
Income before taxes	-	-	-	-	-	2 762

JANUARY–SEPTEMBER 2015

MSEK	Security Services North America¹⁾	Security Services Europe	Security Services Ibero-America	Other¹⁾	Eliminations	Group
Sales, external	23 019	27 722	8 140	948	-	59 829
Sales, intra-group	13	2	-	0	-15	-
Total sales	23 032	27 724	8 140	948	-15	59 829
Organic sales growth, %	4	3	12	-	-	5
Operating income before amortization	1 248	1 537	369	-198	-	2 956
<i>of which share in income of associated companies</i>	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	1 228	1 406	316	-217	-	2 733
Financial income and expenses	-	-	-	-	-	-229
Income before taxes	-	-	-	-	-	2 504

¹⁾ Comparatives and previous periods 2016 have been restated. Refer to note 12 for further information.

Note 1 Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The interim report comprises pages 1-26 and pages 1-14 are thus an integrated part of this financial report.

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 65 to 71 in the Annual Report for 2015. 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 115 in the Annual Report for 2015.

Effect of amended and revised IFRS that are effective as of 2016

None of the published standards and interpretations that are mandatory for the Group's financial year 2016 are assessed to have any impact on the Group's financial statements.

Usage of key ratios not defined in IFRS

Securitas accounting is prepared in accordance with IFRS. See above for further information regarding accounting principles. IFRS defines only a few key ratios. As of the second quarter 2016, Securitas has applied ESMA's (European Securities and Markets Authority) new guidelines for Alternative Performance Measures (APM). An APM is a financial measure of historical or future financial performance, financial position or cash flow that has not been defined in IFRS. In order to facilitate the analysis of the Group's development made by Group Management and other interested parties, Securitas accounts for certain APMs. The APMs are additional information and do not replace key ratios according to IFRS. Securitas definitions of APMs may be different from the definitions in other companies. The definitions and calculations can be found in note 2 and 3 in this interim report as well as in note 3 in the Annual Report 2015.

Amendment of RFR 2:IAS 21 as of 2016

The Swedish Financial Reporting Board has amended the standard RFR 2 Accounting for Legal Entities. The amendment is related to IAS 21 and states that exchange rate differences arising on a monetary item that forms part of the Parent Company's net investment in a foreign subsidiary should be accounted for in the Parent Company's statement of income. Before the amendment came into force, RFR 2 stated that these exchange rate differences should be accounted for in other comprehensive income, which was not in line with IAS 21 paragraph 32. The amendment applies to financial years beginning on or after January 1, 2016.

The amendment affects financial income and expenses in the Parent Company's statement of income. It also affects translation reserve in the Parent Company's equity, as the exchange rate differences no longer will be accounted for on this line. The comparative year 2015 in the Parent Company's financial statements has been restated to reflect this amendment.

The amendment has no effect on the Group's financial statements where these exchange rate differences, as previously, are recorded in the translation reserve in equity.

Note 2 Organic sales growth and currency changes

The calculation of real and organic sales growth and the specification of currency changes on operating income before and after amortization, income before taxes, net income and earnings per share are specified below.

MSEK	Jul-Sep 2016	Jul-Sep 2015	Jul-Sep %	Jan-Sep 2016	Jan-Sep 2015	Jan-Sep %
Total sales	22 316	20 468	9	64 447	59 829	8
Currency change from 2015	397	-		1 998	-	
Currency adjusted sales growth	22 713	20 468	11	66 445	59 829	11
Acquisitions/divestitures	-853	-22		-2 142	-72	
Organic sales growth	21 860	20 446	7	64 303	59 757	8
Operating income before amortization	1 230	1 121	10	3 313	2 956	12
Currency change from 2015	20	-		109	-	
Currency adjusted operating income before amortization	1 250	1 121	12	3 422	2 956	16
Operating income after amortization	1 139	1 049	9	3 046	2 733	11
Currency change from 2015	19	-		104	-	
Currency adjusted operating income after amortization	1 158	1 049	10	3 150	2 733	15
Income before taxes	1 036	971	7	2 762	2 504	10
Currency change from 2015	12	-		79	-	
Currency adjusted income before taxes	1 048	971	8	2 841	2 504	13
Net income for the period	729	687	6	1 942	1 773	10
Currency change from 2015	9	-		56	-	
Currency adjusted net income for the period	738	687	7	1 998	1 773	13
Net income attributable to equity holders of the Parent Company	729	687	6	1 941	1 768	10
Currency change from 2015	9	-		56	-	
Currency adjusted net income attributable to equity holders of the Parent Company	738	687	7	1 997	1 768	13
Number of shares	365 058 897	365 058 897		365 058 897	365 058 897	
Currency adjusted earnings per share	2.02	1.88	7	5.47	4.84	13

Note 3 Definitions and calculation of key ratios

The calculations below relate to the period January-September 2016.

Interest coverage ratio

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

Calculation: $(3\,313.0 + 4\,088.7 - 2\,956.1 + 26.8 + 28.0 - 19.3) / (298.1 + 314.2 - 233.2) = 11.8$

Free cash flow as % of adjusted income

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).

Calculation: $856.6 / (3\,313.0 - 283.5 - 0.5 - 662.9) = 36\%$

Free cash flow in relation to net debt

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

Calculation: $(856.6 + 2\,163.2 - 1\,355.9) / 13\,945.8 = 0.12$

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.

Calculation: $6\,487.5 / 87\,199.3 = 7\%$

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.

Calculation: $(3\,313.0 + 4\,088.7 - 2\,956.1 + 0.0) / ((6\,487.5 + 4\,608.4) / 2) = 80\%$

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.

Calculation: $(3\,313.0 + 4\,088.7 - 2\,956.1 + 0.0) / 27\,241.3 = 16\%$

Net debt equity ratio

Net debt in relation to shareholders' equity.

Calculation: $13\,945.8 / 13\,295.5 = 1.05$

Note 4 Other operating income

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

Note 5 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 6 Acquisition related costs

MSEK	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Restructuring and integration costs	-21.5	-3.6	-29.6	-13.4	-17.7
Transaction costs	-3.1	-1.0	-33.4	-4.7	-16.4
Revaluation of deferred considerations	-1.0	-0.2	-3.3	-3.2	4.6
Total acquisition related costs	-25.6	-4.8	-66.3	-21.3	-29.5

For further information regarding the Group's acquisitions, refer to the section Acquisitions and divestitures.

Note 7 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 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Recognized in the statement of income					
Revaluation of financial instruments	0.9	-0.8	0.5	0.7	-0.1
Deferred tax	-0.2	0.1	-0.1	-0.2	0.0
Impact on net income	0.7	-0.7	0.4	0.5	-0.1
Recognized in the statement of comprehensive income					
Cash flow hedges	-7.2	-8.3	18.4	-10.1	1.0
Deferred tax	1.5	1.8	-4.1	2.2	-0.2
Cash flow hedges net of tax	-5.7	-6.5	14.3	-7.9	0.8
Total revaluation before tax	-6.3	-9.1	18.9	-9.4	0.9
Total deferred tax	1.3	1.9	-4.2	2.0	-0.2
Total revaluation after tax	-5.0	-7.2	14.7	-7.4	0.7

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 2015. Further information regarding the accounting principles for financial instruments is disclosed in note 2 in the Annual Report 2015.

There have been no transfers between any of 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, 2016				
Financial assets at fair value through profit or loss	-	3.5	-	3.5
Financial liabilities at fair value through profit or loss	-	-43.4	-	-43.4
Derivatives designated for hedging with positive fair value	-	373.1	-	373.1
Derivatives designated for hedging with negative fair value	-	-4.2	-	-4.2
December 31, 2015				
Financial assets at fair value through profit or loss	-	45.7	-	45.7
Financial liabilities at fair value through profit or loss	-	-3.3	-	-3.3
Derivatives designated for hedging with positive fair value	-	254.9	-	254.9
Derivatives designated for hedging with negative fair value	-	-61.5	-	-61.5

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 2015.

MSEK	Sep 30, 2016		Dec 31, 2015	
	Carrying value	Fair value	Carrying value	Fair value
Short-term loan liabilities	3 370.9	3 405.3	-	-
Long-term loan liabilities	9 893.7	10 194.3	9 395.3	9 565.2
Total financial instruments by category	13 264.6	13 599.6	9 395.3	9 565.2

Summary of credit facilities as of September 30, 2016

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	485	2021
Multi Currency Revolving Credit Facility	EUR (or equivalent)	440	440	2021
EMTN FRN private placement	USD	40	0	2021
EMTN FRN private placement	USD	60	0	2021
EMTN FRN private placement	USD	40	0	2021
EMTN Eurobond, 2.625% fixed	EUR	350	0	2021
EMTN Eurobond, 1.25% fixed	EUR	350	0	2022
Commercial Paper (uncommitted)	SEK	5 000	5 000	n/a

Note 8 Tax effects on other comprehensive income

MSEK	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Deferred tax on remeasurements of defined benefit pension plans	-21.4	51.2	40.9	10.5	-29.3
Deferred tax on cash flow hedges	1.5	1.8	-4.1	2.2	-0.2
Deferred tax on net investment hedges	18.5	19.2	60.3	12.0	-5.4
Total deferred tax on other comprehensive income	-1.4	72.2	97.1	24.7	-34.9

Note 9 Cash flow from items affecting comparability

MSEK	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Restructuring payments	-0.2	-4.4	-5.3	-11.4	-14.7
Spain – overtime compensation	0.0	0.0	-0.2	-1.2	-1.4
Germany – premises	-6.3	-0.8	-9.8	-2.2	-10.8
Total cash flow from items affecting comparability	-6.5	-5.2	-15.3	-14.8	-26.9

Note 10 Pledged assets

MSEK	Sep 30, 2016	Sep 30, 2015	Dec 31, 2015
Pension balances, defined contribution plans	115.4	104.4	110.7
Finance leases	204.0	106.7	126.6
Total pledged assets	319.4	211.1	237.3

Note 11 Contingent liabilities

MSEK	Sep 30, 2016	Sep 30, 2015	Dec 31, 2015
Guarantees	21.6	23.5	23.5
Guarantees related to discontinued operations	15.7	18.3	17.7
Total contingent liabilities	37.3	41.8	41.2

For critical estimates and judgments, provisions and contingent liabilities, refer to note 4 and note 37 in the Annual Report 2015 as well as to the section Other significant events in this report.

Note 12 Restated segment comparatives due to organizational changes

The tables below show restated comparative figures for the segments Security Services North America and Other. The restatement is done to reflect that operations have been moved from the segment Other to the segment Security Services North America as of September 1, 2016. This change has had no effect on the total Group level.

The segment Other now comprises the operations in Africa, the Middle East and Asia as well as general administrative expenses, expenses for head offices and other central expenses.

Security Services North America

MSEK	Q1 2015	Q2 2015	H1 2015	Q3 2015	9M 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	H2 2016
Total sales	7 495	7 643	15 138	7 894	23 032	8 113	31 145	8 263	8 835	17 098
Organic sales growth, %	5	3	4	3	4	4	4	5	7	6
Operating income before amortization	384	413	797	451	1 248	497	1 745	434	518	952
Operating margin, %	5.1	5.4	5.3	5.7	5.4	6.1	5.6	5.3	5.9	5.6

Other

MSEK	Q1 2015	Q2 2015	H1 2015	Q3 2015	9M 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	H2 2016
Total sales	318	313	631	317	948	325	1 273	319	309	628
Organic sales growth, %	-	-	-	-	-	-	-	-	-	-
Operating income before amortization	-65	-67	-132	-66	-198	-92	-290	-68	-79	-147
Operating margin, %	-	-	-	-	-	-	-	-	-	-

STATEMENT OF INCOME

MSEK	Jan-Sep 2016	Jan-Sep 2015
License fees and other income	650.6	652.7
Gross income	650.6	652.7
Administrative expenses	-449.4	-438.9
Operating income	201.2	213.8
Financial income and expenses ¹⁾	1 790.4	1 777.2
Income after financial items ¹⁾	1 991.6	1 991.0
Appropriations	226.9	-209.7
Income before taxes ¹⁾	2 218.5	1 781.3
Taxes	-79.7	-12.8
Net income for the period ¹⁾	2 138.8	1 768.5

¹⁾ Comparatives have been restated as an effect of a change in accounting principle RFR 2:IAS 21. The effect from the restatement on net income for the period Jan-Sep 2015 is MSEK 185.4.
The restatement has no effect on the condensed balance sheet below, as the restatement entails a transfer from translation reserve to retained earnings within non-restricted equity.
For further information refer to note 1, Accounting principles.

BALANCE SHEET

MSEK	Sep 30, 2016	Dec 31, 2015
ASSETS		
Non-current assets		
Shares in subsidiaries	40 329.1	37 282.1
Shares in associated companies	112.1	112.1
Other non-interest-bearing non-current assets	312.5	310.5
Interest-bearing financial non-current assets	990.0	799.9
Total non-current assets	41 743.7	38 504.6
Current assets		
Non-interest-bearing current assets	475.1	121.9
Other interest-bearing current assets	5 307.7	4 556.0
Liquid funds	1 357.2	400.8
Total current assets	7 140.0	5 078.7
TOTAL ASSETS	48 883.7	43 583.3
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Restricted equity	7 727.7	7 727.7
Non-restricted equity	18 813.6	17 961.6
Total shareholders' equity	26 541.3	25 689.3
Untaxed reserves	10.9	10.9
Long-term liabilities		
Non-interest-bearing long-term liabilities/provisions	182.8	143.1
Interest-bearing long-term liabilities	12 584.7	12 015.9
Total long-term liabilities	12 767.5	12 159.0
Current liabilities		
Non-interest-bearing current liabilities	637.6	723.4
Interest-bearing current liabilities	8 926.4	5 000.7
Total current liabilities	9 564.0	5 724.1
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	48 883.7	43 583.3

PRESENTATION OF THE INTERIM REPORT

Analysts and media are invited to participate in a telephone conference on November 8, 2016 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. 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.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Micaela Sjökvist, Head of Investor Relations,
 + 46 10 470 3013

Gisela Lindstrand, Senior Vice President
 Corporate Communications and Public Affairs,
 + 46 10 470 3011

FINANCIAL INFORMATION CALENDAR

February 7, 2017, app. 13.00 p.m.	Full Year Report January–December 2016
May 3, 2017, app. 13.00 p.m.	Interim Report January–March 2017
May 3, 2017, 16.00 p.m.	Annual General Meeting 2017
July 28, 2017, 08.00 a.m.	Interim Report January–June 2017
October 27, 2017, app. 13.00 p.m.	Interim Report January–September 2017

For further information regarding Securitas IR activities, refer to www.securitas.com/investors/financialcalendar

ABOUT SECURITAS

Securitas is a knowledge leader in security and offers protective services 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 of all sizes in a variety of industries and customer segments. Security solutions based on customer-specific needs are built through different combinations of on-site, mobile and remote guarding, electronic security, fire and safety and corporate risk management. 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 330 000 people in 53 countries. Securitas is listed in the Large Cap segment at Nasdaq Stockholm.

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.

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.

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 (CET) on Tuesday, November 8, 2016.

Securitas AB

P.O. Box 12307
 SE-102 28 Stockholm
 Sweden
 Tel +46 10 470 3000
 Fax +46 10 470 3122
www.securitas.com
 Visiting address:
 Lindhagensplan 70

Corporate registration
 number 556302-7241