Annual Report 2010

The undisputed **Specialist** at managing **cash** in society

LOOMIS

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This is a translation of the original Swedish Annual Report. In the event of differences between the English translation and the Swedish original, the Swedish Annual Report shall prevail.

» It is gratifying that we have achieved the margin target in spite of the reces-sion and low interest rates. «

President's statement Page 4

» The continued work on cost savings and efficiency improvements facilitated the improvement in earnings. «

Europe Page 16

» Assessment and management of operational risks are a central component of Loomis' daily operations. «

Risk Management Page 22

2010

- Revenue for the period was MSEK 11,033 (11,989).
- Organic growth was –1 percent (–3).
- Operating income (EBITA) amounted to MSEK 882 (837), an improvement of MSEK 45 compared to the previous year.
- Operating margin (EBITA) rose to 8.0 percent (7.0).
- Income before taxes amounted to MSEK 759 (706) and net income after taxes was MSEK 496 (500).
- Earnings per share were SEK 6.80 (6.85).
- Cash flow from operating activities amounted to MSEK 938 (789), which is equivalent to 106 percent (94) of the operating income (EBITA).
- The proposed dividend is SEK 3.50 (2.65) per share.

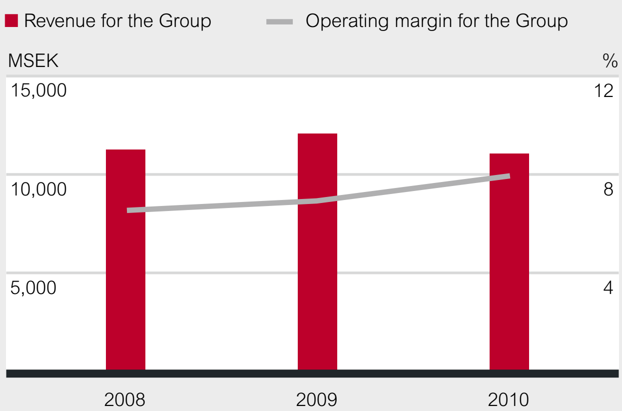
Operating margin (EBITA) rose to

8.0%

KEY RATIOS

	2010	2009	2008
The Group, in brief			
Revenue, MSEK	11,033	11,989	11,258
Revenue, Europe, MSEK	7,024	7,618	7,320
Revenue, USA, MSEK	4,009	4,372	3,938
Operating income (EBIT), MSEK	882	837	748
Operating margin, %	*8.0*	*7.0*	*6.6*
Operating income (EBITA), MSEK	866	821	733
Earnings per share before dilution, SEK	6.80	6.85	5.80
Cash flow from operating activities as % of operating income (EBITA)	*106*	*94*	*59*
Average number of full-time equivalent employees	18,466	18,428	19,361

REVENUE AND OPERATING INCOME (EBITA) FOR THE GROUP, 2008–2010



This is Loomis

Loomis offers comprehensive solutions for cash handling services to financial institutions, retailers, other commercial enterprises and the public sector. Approximately 20,000 employees are active in over 370 branches in 13 countries in Europe and in the USA.

Loomis' service lines include Cash in Transit and Cash Management Services. The aim is to create a safe and effective management of the physical flow of cash in society.

In the European countries in which Loomis operates, the Company's market share amounts to approximately 28 percent. In the USA, the market share is estimated at approximately 20 percent. Loomis' goal is to be one of the two largest providers in the respective geographic markets in which the Group operates, which, in the majority of the cases, has been achieved.

The overall objective is, furthermore, to deliver superior shareholder value based on continued growth through geographic expansion, a clear focus on offering comprehensive solutions, improved internal efficiency, as well as increased profitability with a strong cash flow.

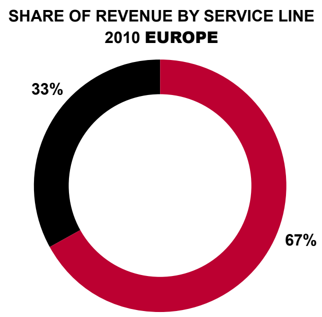
Loomis' service lines

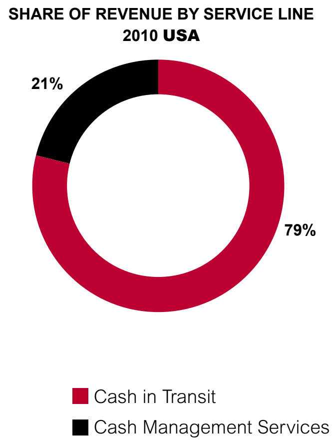
Cash in Transit (CIT)

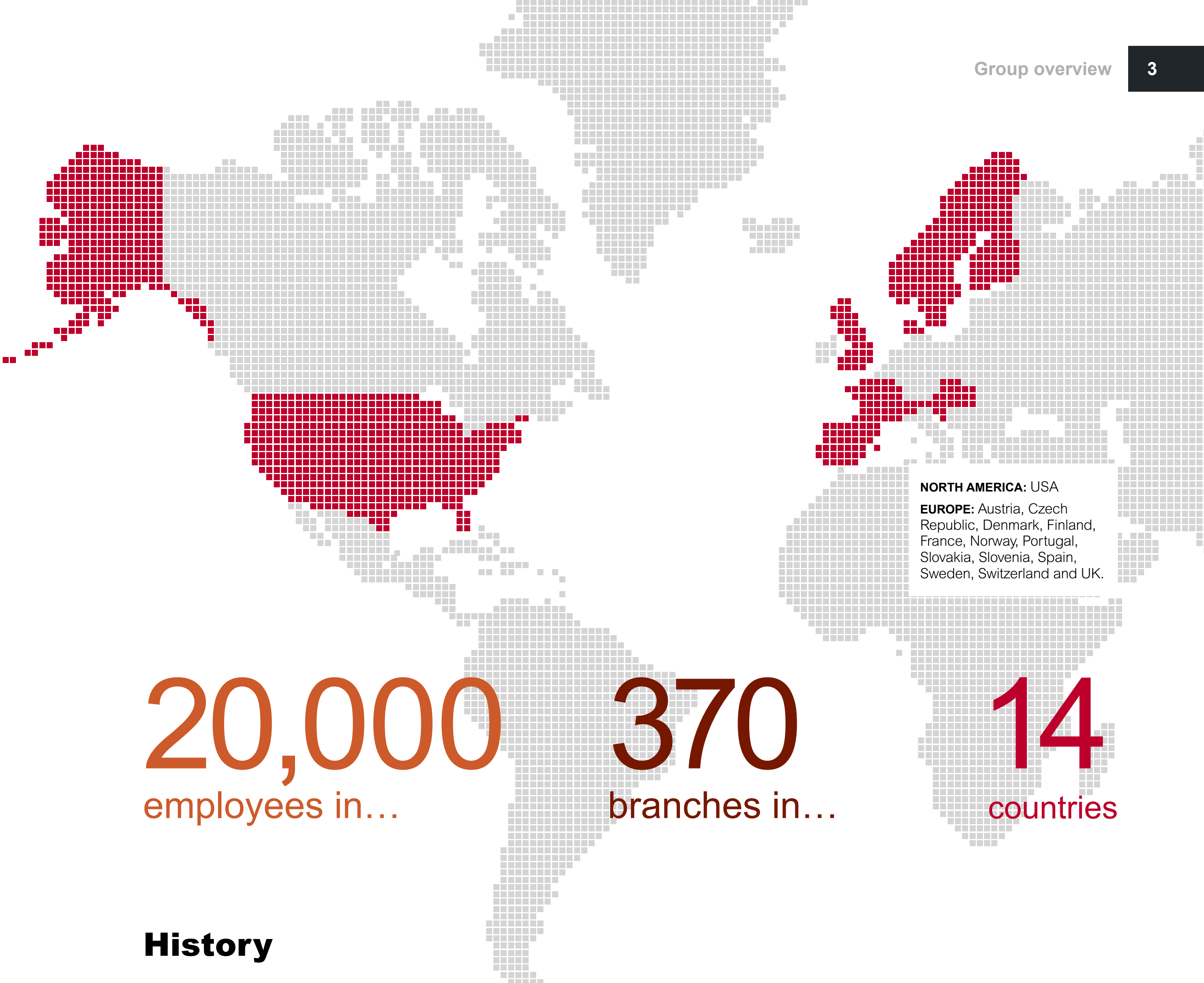
Loomis utilizes a fleet of more than 5,900 vehicles transporting cash to and from retailers and other commercial enterprises, banks and ATMs. In this logistics system, Loomis' task is to ensure that the right amount of cash is in the right place at the right time.

Cash Management Services (CMS)

Cash Management Services consist of the work carried out at Loomis' approximately 220 cash centers. Counting, verification and quality controls are executed using state-of-the-art counting technology. The cash centers also store cash, allowing customers to place orders when needed.







20,000 employees in…

370 branches in…

14 countries

History

1852
Henry Wells and William Fargo establish Wells Fargo & Co during the California gold rush.

1905
Lee Loomis forms the Cleary Creek Commercial Company, which provides miners in Alaska with supplies and returns with gold via dogsled.

1925
Loomis Armored Car Service is founded in Portland, Oregon. The car later named "Old Number One" is built at a cost of $8,000 and put into operation.

1934
Erik Philip-Sörensen establishes Hälsingborgs Nattvakt in Helsingborg, Sweden. Sörensen acquires several other security companies in southern Sweden. The consolidated company is called Förenade Svenska Vakt AB.

1972
All of the companies owned by Erik Philip-Sörensen are grouped under the collective name of Securitas.

1981
Securitas is divided between Sörensen's two sons. The international operations grow to later become today's Group4Securicor, while the Swedish company becomes Securitas.

1985
Investment AB Latour becomes the new owner of Securitas, with focus on security.

1989
Securitas initiates its international expansion under Melker Schörling's management. The expansion begins with acquisitions in Norway, Denmark, and Portugal.

1991
Securitas AB is listed on the Stockholm Stock Exchange.

1992
Securitas acquires Protectas, which operates in northeast France, Switzerland, Austria, and Germany.

1993
Securitas executes the acquisition of Esabe in Spain.

1994
Securitas Värde AB is formed.

1995
Sweden's National Bank, Riksbanken, begins outsourcing of cash handling.

1997
Loomis acquires Wells Fargo Armored, a company double the size of Loomis, and creates Loomis, Fargo & Co. A national service network is established in the USA.

2001
Loomis, Fargo & Co., the market leader in the USA, joins forces with the Securitas Group. Cash Management Services operations are established in the UK. Securitas reorganizes from a country-based structure to an organization with five specialized divisions, one of which is Cash Handling Services.

2004
Securitas acquires Valiance and, in this manner, expands its geographical coverage in France.

2006
Securitas announces the intention to split the business into separate, independent and specialized security companies. Securitas Cash Handling Services takes the name of Loomis and begins to establish a new identity.

2007
Loomis sells its business Loomis Cash Management Ltd. (LCM) in the UK. Loomis acquires Group4Securicor PLC (G4S) cash handling operations in France and Brink's Cash Management Services operations in the UK.

2008
Establishment of a subsidiary in Slovenia. On the 9th of December, Loomis is listed on the Mid-cap list of the NASDAQ OMX Stockholm.

2009
Loomis establishes a subsidiary in Slovakia and acquires the assets of the Slovakian cash handling company, Fenix.

2010
Loomis acquires the cash handling company, Agency of Security Fenix CIT, in the Czech Republic.

President's statement

2010 was an important year for Loomis. We achieved an operating margin of 8.0 percent, which is the goal we established at the beginning of 2008. At that time, the margin was at 5.3 percent with a downward trend. This was a tough challenge but we have succeeded in achieving this goal.

Other financial key ratios have also developed positively. Operating income (EBITA) increased from MSEK 837 to MSEK 882, and cash flow from operating activities improved to MSEK 938 (789). At the end of November 2010, when we felt certain that we would achieve our margin target, we announced our new financial and operational goals, including an operating margin of 10 percent by 2014, at the latest.

It is particularly gratifying to note that we have achieved our margin target and earnings improvement, in spite of a major portion of the year being characterized by recession and low interest rates in several of our markets. This shows that the operations are stable and sustainable, even when external circumstances are far from optimal.

Broad improvement in earnings

The improvement in earnings has occurred on a broad front and is seen in a number of the 14 countries in which we operate. I would particularly like to mention the UK, Sweden, USA and France. The operations in the UK were, after the disposal of LCM at the end of 2007, in crisis, a situation which we have now resolved. In Sweden, we have recovered after problems with certain routines which culminated at the end of 2007 and beginning of 2008, and which implied that we were close to losing our permit to conduct cash handling services. In the USA, we have seen, thanks to intensive work with efficiency improvements, improved results whilst, at the same time, our competitors have lost some ground. In France, the restructuring which we initiated during the spring of 2010 is not finalized, but we are well on the way to achieving satisfactory earnings in that market.

The basic reason for this broad improvement in earnings is that we have continued to invest a large amount of energy in improving efficiency and profitability at our 370 branches, a work which was initiated in 2008. The major difference is the change in culture, which has been an effect of the branches receiving increased responsibility for their operations and earnings. The portion of branches which are non-performing is continuously decreasing and, at the time of the preparation of this report, that portion was approximately 25 percent. However, we have some way to go in reaching our new target, a maximum of 15 percent, by 2014 at the latest.

The work with branches is, in turn, a part of the strategy to achieve our target margin which is based on the cornerstones "Price-Branch-Risk".

- **"Price"** refers to the principle that the price the customer pays compensates us for our costs. For example, price increases are to exceed wage increases. As our brand is a "Premium Brand", which means, amongst other things, that it represents high quality and added value, we are also to charge a "Premium Price.
- **"Branch"** represents our continuous work with increasing efficiency at the branches. A part of this work consists of a more active planning of routes and staffing. However, as mentioned previously, the greater local responsibility for operations and profitability also plays a major role in this context.
- **"Risk"** refers to the fact that we, at all times, strive to avoid our own employees and members of the public being exposed to the risk of personal injury in conjunction with our operations and that the assets for which we are responsible are not lost. Through effectively identifying and managing risks, we will also maintain cost of risk at an acceptable level.

Market recovery

The market was, relatively speaking, stable during 2010, with a certain recovery during the later part of the year. After having, largely, stood still during the recession, the market grew in several of the countries in which we operate, at varying paces, but up to 5 percent in certain cases. This was in spite of the interest rate situation, which negatively impacts the cash handling industry, as the incentive for the customer to quickly deposit cash into interest-bearing accounts is weakened. The trend in the market is that retailers are, to an increased degree, seeking secure and efficient solutions for their Cash Management Services and that the volume of cash in circulation is continuing to increase. In Spain, the UK and the USA, the markets have been somewhat weaker than in the other countries in which we operate.

Renewed strategy

We further developed and supplemented our strategy in 2010. The renewal work, which was launched during 2008, is certainly not completely finished, but we have, at this time, achieved our established goals. All in all, the new strategy comprises a continious work wih efficiency improvements and cost savings, while at the same time, adding growth – both organic and via acquisitions – but with increased margins.

This is expected to lead to further increased margins at Group level, in spite of the fact that we plan to establish operations in new countries which can, in the initial phase, mean that the margins in those markets will be lower than those of the rest of the Group. Our ambition to undertake profitable acquisitions, which strengthen our position in the countries in which we have existing operations, will also contribute to improved margins.

The renewed strategy comprises that we aim to be number one or two in the markets in which we operate and that we shall continue to establish operations in Eastern Europe, as well as also close gaps in Western Europe,

»The new strategy comprises a continious work with efficiency improvement cost savings, while at the same time, adding growth.«

primarily through acquisitions. A result of our Eastern European strategy is that, during the year, we have established operations in the Czech Republic, via the acquisition of one of that country's major providers. A new strategy is that we intend to establish operations in Latin America during the next few years. We have chosen Latin America due to, among other things, the fact that the region is cash intensive, that economic growth is high in a number of countries and, above all, we have deemed there is a need for an additional strong provider in a number of these countries.

In our service offering, we will maintain our volumes of CIT (Cash in Transit), which refers to the transport of cash, but we will, at the same time, increase our focus on CMS (Cash Management Services), which entails that, in addition to transport, we will take care of a larger portion of the customers' cash handling by offering comprehensive solutions comprising of both Cash in Transit and Cash Management Services. This will move us further up the value chain and is reflected in our choice of acquisitions. Both in Europe and in the USA, we are prioritizing CIT operations with the premises for development toward CMS.

New financial goals

At the end of 2010, the Board of Directors adopted a number of financial goals which we are to achieve no later than 2014, and a new dividend policy was also adopted. The new goals comprise, amongst other things, and in addition to the new operating margin target, that the cash flow from operating activities is to be an equivalent of at least 85 percent of operating income (EBITA) and that the net debt/EBITDA ratio is not to exceed 2.5. According to the new dividend policy, dividends are to correspond to 40-60 percent of the Group's net income.

To work towards achieving of these goals during the next few years will comprise a stimulating challenge for the entire Group. As we have a profitable Company with well-adapted organization, structure and scope of operations, and a clear strategy and plan of action, I am convinced that we will reach our goals. To do this, we are reliant on those actually executing the work, our approximately 20,000 employees in 14 countries, being loyal, focused, and well aware of these goals.

In order that we can reach our goals, it is also important that we have a common corporate culture based on all employees sharing our values. These are:

- **People** – We are committed to developing quality people and treating everyone with respect.
- **Service** – We strive for exceptional quality, innovation, value and exceeding customers satisfaction.
- **Integrity** – We perform with honesty, vigilance and high ethics.

The fact that we have an internationally strong brand representing reliability, knowledge, security and a specialist role in the market, further improves our premises for achieving our goals. We have chosen the motto "The undisputed specialist in managing cash in society". This means that we offer a complete logistics solution for the handling of cash through innovative and secure solutions for banks and retailers. Furthermore, we are the only major provider completely specialized in cash handling, which gives us the possibility to focus entirely on providing and further developing our major offering.

I would like to thank all of our emloyees for actively participating, throughout the last few years, in the change work, which is now moving into a new and more offensive phase. Thank you for your great work during 2010, which has led to a very positive starting point for the rest of 2011.

Stockholm, March, 2011

Lars Blecko
President and CEO

Has cash in society decreased or increased over the last few years?

Loomis has the answer

Cash in society has increased. In Europe, the number of Euro denominated notes in circulation has increased by approximately 8 percent per year since the introduction of the Euro. In the USA, the rate of the increase in volume has been approximately 4 percent per year over the last ten years.

The specialist at managing cash in society

As the undisputed specialist in effective cash handling services, Loomis continuously develops its service offering. By taking advantage of the technological development, Loomis offers effective comprehensive solutions.

Vision

Loomis' vision is to be the undisputed specialist at managing cash in society.

Business concept

Loomis' business concept is to create the most efficient flow of cash in society.

Goals and Dividend Policy

Loomis' overriding goal is to create value for shareholders and other stakeholders through sustainable profitable growth. To achieve this goal, Loomis has the following operational and financial goals and dividend policy.

Operational goals

Loomis' strategy for reaching its operational goals includes an increased market presence, a focus on comprehensive solutions, as well as, operational excellence. The operational goals are illustrated below.

Financial goals

Loomis' financial goals are:

- An annual operating margin (EBITA) of 10 percent by 2014, at the latest.
- net debt / EBITDA not exceeding 2.5, and
- that cash flow from operating activities should amount to an equivalent of at least 85 percent of operating income (EBITA).

Dividend policy

Loomis' intention is to grant shareholders a dividend providing a good yield and dividend growth, and to apply a dividend policy in which the dividend level reflects Loomis' strategy, financial position and other financial goals and risks deemed relevant by the Board. The annual dividend should correspond to 40 to 60 percent of the Group's net income.

OPERATIONAL GOALS

STRATEGY	OPERATIONAL GOALS
Market presence	Number 1 or 2 in every market in which we operate Annual expansion into two new countries Establish footprint in Latin America
Comprehensive solutions	At least 30 percent of revenues from Cash Management Services
Operational excellence	**Price** – Price increases to exceed wage increases **Branch** – Less than 15 percent of Branches non-performing **Risk** – Cost of risk <4 percent of revenue

STRATEGY

Market presence	+	Comprehensive solutions	+	Operational excellence	=	Growth
Current markets ■ Number 1 or 2 ■ Add on acquisitions **New markets** ■ Close gap in Europe ■ Footprint in Latin America		**Change of mix** ■ Defend CIT volumes ■ Increase focus on growing CMS		**Price** ■ Value driven ■ Premium branding **Branch** ■ Efficiency ■ Decentralization ■ Accountability **Risk** ■ Technology ■ Procedures		**Top line** **Margin**

Strategies

In order to reach its operational and financial goals, Loomis applies the following strategies:

Market presence

In Europe and in the USA, where Loomis has well-established and strong positions, the increased volumes will be driven by organic growth and acquisitions of local companies. Loomis aims to maintain or reach the position as the largest, or second largest, provider of Cash Handling Services in all of the countries in which the Group operates.

As part of the increased market presence, Loomis plans to establish operations in additional European countries, with a focus on Eastern Europe, and will initiate establishment in Latin America.

Comprehensive solutions

Loomis works actively to continuously develops the services it offers in order to deliver an increasingly greater value to its customers and, thereby, create increased revenues. In order to deliver efficient and safe cash handling services, Loomis develops and offers comprehensive cash handling solutions including both Cash in Transit and Cash Management Services. The initiative allows for economies of scale and increased profitability, while maintaining the volumes within Loomis' Cash in Transit.

Operational excellence

As part of the work for reaching an operating margin of 10 percent by 2014, at the latest, Loomis focuses on the three follwing areas: Price, Branch and Risk.

Price

Loomis' price strategy consists of:

- Being compensated for the value we deliver through efficient, high quality Cash Handling Services.
- Being compensated for the risk that Loomis is exposed to.

Branch

Cost efficiency is a fundamental part of Loomis' offering to customers and of its ambition to increase efficiency in the flow of cash in society. In recent years, Loomis has worked intensively to improve the Group's efficiency and profitability on both central as well as on local levels.

Loomis' organization is characterized by far-reaching decentralization. Notably individualized markets and internationally diverse conditions require knowledge and understanding at local level. The branches benefit from geographical proximity to the customers, focus on customer benefits and tailored solutions. Delegated responsibility for the operational results improves the prospects for profitability. One important factor in maintaining and further improving the efficiency is the decentralized management model, combined with accountability for results, profitability monitoring and exchange of experience between the approximately 370 branches.

> »Good risk management is one of Loomis' most important success factors and security is one of the key customer values that the Group offers.«

Risk

Cash handling is connected with extensive risks for employees as well as for properties. Good risk management is one of Loomis' most important success faxtors and security is one of the key customer values that the Group ofers. Loomis takes only controlled risks and seeks to prevent economic losses and to minimize the risks which it has chosen to assume.

The Group has a well-functioning structure and systematic processes for the identification and management of risks. Within Loomis, more than 150 individuals work with risk management at Group and country level.

Major emphasis is placed on employee training and on the promotion of a corporate culture characterized by high ethics and morals. Additionally, technical aids for minimizing risks are developed on an ongoing basis, for example, through closed end-to-end systems for cash handling.

Growth

Loomis' overall strategies for increased market presence, comprehensive solutions and operational excellence will generate increased revenues and improved margins.

Efficient comprehensive solutions for society’s flow of cash

Extensive experience in Cash Handling Services and a complete service offering makes Loomis the undisputed specialist at managing cash in society.

Loomis’ role in society’s flow of cash

Loomis handles those services necessary for well functioning ATMs, such as the replenishment of ATMs, the quality sorting of bills, reconciliation of amounts, service and reporting to responsible bank office.

ATMs

General public

The general public receive their cash for the most part by way of ATMs and use the cash to make purchases at retailers.

Businesses

Loomis delivers cash to businesses and collects cash receipts which are often further processed at one of the cash centers. Counting, verification and quality controls take place using state-of-the-art counting technology. New technical solutions offer a sealed system from the retailers’ cash desk to Loomis’ vaults.

Central banks

The central banks supply the banking system with cash. By being present throughout all stages of the flow of cash, Loomis is able to streamline cash handling and, thus, reduce the need for cash storage in society. Consolidation into fewer cash centers also means improved efficiency for society’s overall cash handling.

Banks

Loomis runs approximately 220 cash centers with a high degree of automation and can therefore, reduce by way of the advantages of large-scale production, the bank’s expenses, as well as reduce the risks to the customer’s own personnel. An important ambition is to offer comprehensive solutions in which Cash in Transit and Cash Management Services are combined.

Loomis service lines

Loomis is the only major provider completely specialized in cash handling. Loomis' service offering is divided into Cash in Transit and Cash Management Services.

Cash in Transit is the largest source of revenue, even though revenue from Cash Management Services is growing more rapidly. In Europe, there is a good balance between revenue from Cash in Transit and revenue from Cash Management Services. In the USA, revenue from Cash in Transit represents a larger proportion of total revenus compared to the CIT proportion in Europe. The main reason being that banks have not outsourced Cash Management Services to the same extent as in Europe.

Cash in Transit

Loomis' transport services are mainly used by banks and business enterprises, as a part of the customers' complete cash management. Loomis utilizes a fleet of more than 5,900 vehicles, that each day transport cash to and from retailers, banks, safe deposit boxes and ATMs. In this logistics system, Loomis' task is to ensure that the right amount of cash is in the right place at the right time. Loomis also provides customers with petty cash and foreign currencies.

Continuous work on improving efficiency takes place within the transportation operations, and great importance has been placed on upgrading the technical equipment. In doing so, the goal is to further improve the efficiency of security and control. Loomis is also working with systems that optimize the vehicle routes, aiming for the most efficient driving routes. As part of the transport operations, Loomis also performs basic technical servicing of ATMs. Using an internally developed IT system, Loomis can be directly connected with the ATMs and, when service is required, the system generates an automatic service order which is subsequently handled by local service technicians.

Cash Management Services

Cash receipts picked up by Loomis' Cash in Transit operations from retailers, as well as cash from ATMs and banking offices, are further processed, for the large part, at one of the Group's approximately 220 cash centers. Counting, verification and quality controls take place using state-of-the-art counting technology. The Centers also store cash, allowing customers to place orders when needed. By optimizing the flow of cash, the need for customers to store cash is reduced.

Loomis SafePoint®

The use of Loomis SafePoint® deposit units allows transport services to be integrated with in-store safes in retail environments as a complement to the store's own security solutions. Loomis takes responsibility for the cash deposited in the unit, implying less risk for employees and lower insurance responsibility for the customer. Store personnel do not have to participate in emptying the unit and the point in time at which this is performed can vary. The Loomis SafePoint® service has been further developed into several different forms suited to the needs of the various customer categories, from small retailers to major chain stores.

»Loomis is the only major provider completely specialized in cash handling.«

CASH HANDLING SERVICES

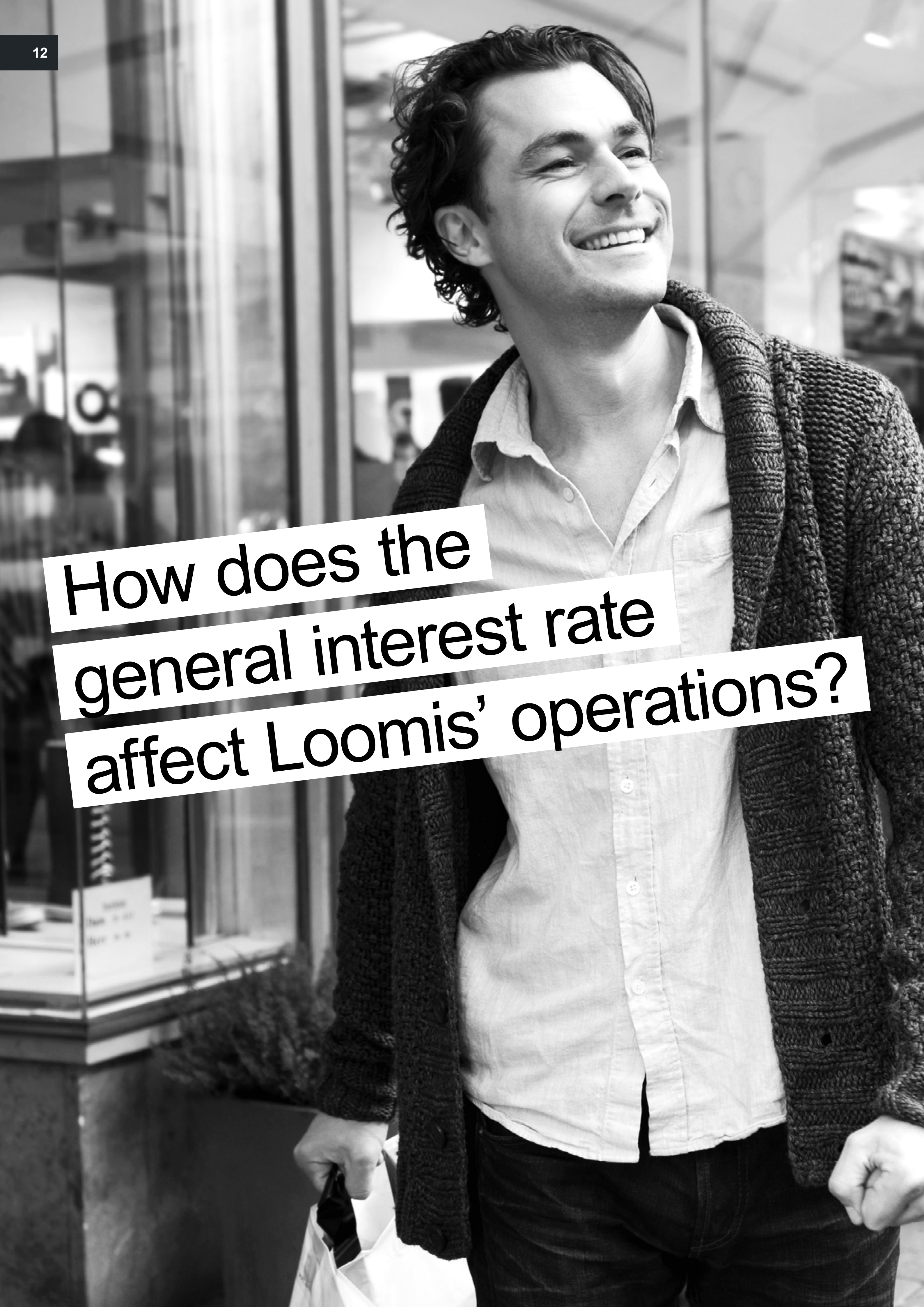
Cash in Transit	Cash Management Services
Transport of cash and related services	Cash centers and related services
Delivery and collection	Counting cash receipts
Emptying of depositories	Electronic transactions
Replenishment of ATMs	Deposit processing /cash stocks
Emptying cash deposit machines	Reconciliation
Basic service and maintenance of ATMs	Forecasting of ATMs

Comprehensive solutions

Loomis operates a large number of cash centers and can, thereby, offer comprehensive solutions whereby efficient Cash Management Services are a complement to Cash in Transit. An efficient flow of cash is, consequently, created.

One important ambition is to also offer comprehensive solutions, in which Cash in Transit and Cash Management Services can be combined according to customer requirements. These solutions can contain, for example, the authentication of banknotes, or online services for ordering services, particularly for retail customers. Increasingly, new technical solutions are offered, with closed systems from the shop's or bank's register to Loomis' vault. Loomis can also manage the entire chain of services required for well- functioning ATMs. Among others, these services include quality sorting of bills, replenishment of ATMs, reconciliation of amounts, service and reporting to responsible bank offices. Loomis has also developed its own cash forecasting system for ATMs. This tool provides forecasts of ATM replenishment requirements and also shows costs for replenishment and storage of bills in ATMs. These forecasts have traditionally been based on time-consuming manual calculations.

Scope and size is necessary in order to deliver secure and effective comprehensive solutions. Loomis is, therefore, one of few operators who can offer secure and efficient comprehensive solutions.



How does the general interest rate affect Loomis' operations?

Loomis has the answer

The interest rate affects the incentive for the customer to deposit cash into interest-bearing accounts. An increase in interest rates will, thus, stimulate demand for Cash Handling Services, partly through more frequent transports and partly through an increased interest in highly technological solutions within the retail sector.

Economic growth and outsourcing drives the market

Loomis offers cash handling services in 13 European countries and in the USA. The market grows at a base rate which is approximately in line with GNP but it is also positively impacted by an increasing degree of outsourcing from banks and commerce.

The available market in the countries in which Loomis conducts operations is estimated at SEK 45 billion, of which Loomis' market share is approximately 25 percent. The potential market for outsourced cash handling services in these countries is estimated at SEK 60 billion – just over 30 percent more than the current market.

Loomis' customers are primarily found in the banking and retail sectors. Services to the banking and financial sectors account for approximately 60 percent of the market, while the remaining 40 percent consists of services to retailers. The distribution between banking and retail varies greatly between countries. These differences can be partly explained by the fact that banks in certain countries traditionally consider cash handling to be part of their core business. The range of Loomis' customers varies, ranging from central banks, major commercial banks and operators of ATMs to major chains and smaller independent stores.

The Market and Market Drivers

The market for cash handling is characterized by stable long-term growth, even though the economic downturn in recent years has entailed that revenue from certain markets has been negatively affected. Generally, the cash handling market grows approximately in line with GNP, and the demand for cash handling services reflects the amount of cash in circulation in society. In the USA, the rate of increase in the cash volume has been approximately four percent per year over the past ten years and, in Europe, approximately eight percent since the introduction of the Euro. In the long term, it is realistic to assume that cash in proportion to GNP is relatively constant in both the USA and the Euro-zone and the volume of cash will, accordingly, increase at the same rate as economic growth.

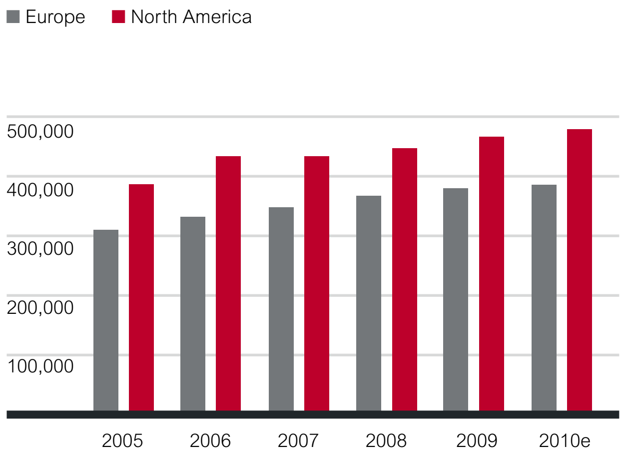
Cash is used in around 80 percent of all transactions in Europe and in around 60 percent of transactions in the USA. In the Europe, six out of every seven payments between private individuals are still made using cash and one in four adults uses only cash when shopping. The high cost for electronic transactions, especially for smaller amounts, is a contributing factor to the continued high level of cash usage. Credit card fraud also contributes to increased skepticism towards the security of card payments.

At the same time, ATM withdrawals are also increasing and the number of machines continues to grow. This trend also implies possibilities for the cash handling industry. In more or less all of Loomis' markets, ATMs account for more than 50 percent of cash distribution to customers. There are approximately 390,000 ATMs in Western Europe and approximately 480,000 in the USA.

Outsourcing

The cash handling market is also growing due to the increasing usage of outsourcing from banks and commerce. Outsourced transportation services are common to all of Loomis' markets, while outsourced Cash Management Services have reached varying levels amongst the countries in which Loomis operates, providing major potential for growth. There are also great opportunities for growth within markets

NUMBER OF INSTALLED ATMS



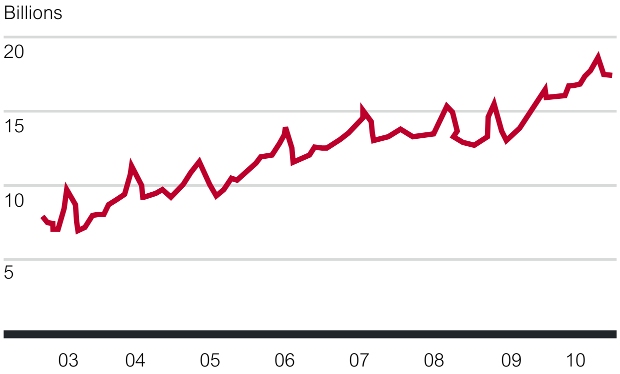
Source: Retail Banking Research Ltd.

MARKET POSITIONS 2010

Country	Market Position
France	1
Sweden	1
Austria	2
Czech Republic	2
Denmark	2
Finland	2
Norway	2
Slovenia	2
Spain	2
Switzerland	2
UK	2
US	2
Portugal	3
Slovakia	3

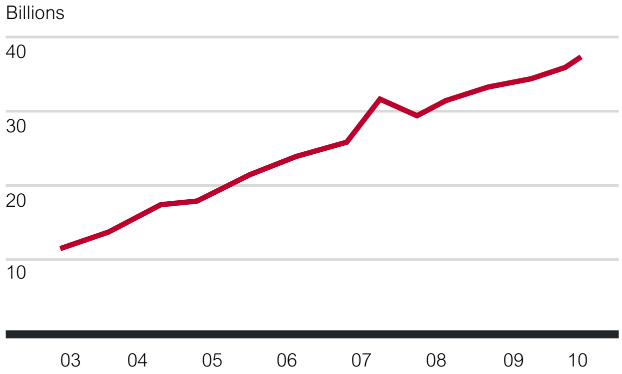
Please note that the information regarding Loomis' market position in relation to its competitors is the result of Loomis' overall assessment based on both internal and external sources. The sources upon which Loomis has based its assessment include, among others, industry statistics, information from an independent industry association, ESTA (European Security Transport Association) and information from subcontractors.

CIRCULATION OF BILLS IN EUR



Source: The European Central Bank

CIRCULATION OF BILLS IN USD



Source: Federal Reserve

in which professional providers have long been managing a major portion of the cash handling services.

The main reasons why outsourcing of cash handling reduces customers' costs is partly economies of scale and partly security. It is simply more efficient for counting and control to take place at a smaller number of large, modernly equipped units with a higher level of automation than at several smaller locations with inferior technical resources. The safety argument for outsourcing is based on the fact that outsourcing decreases the risk to the customers' employees, while insurance premiums also decrease. Additionally, the economies of scale free more resources for investments in safety technology equipment. For society as a whole, consolidation into a smaller number of centers for counting implies increased efficiency for society's total flow of cash.

Comprehensive solutions

Comprehensive solutions are an additional growth factor as customers are increasingly requesting integrated solutions for the entire chain of cash handling. In retail especially, integrating Cash in Transit and Cash Management Services can increase security and efficiency. There is also great interest in simplifying and speeding up cash handling with the purpose of optimizing the cash flow. One example is the growing interest in Loomis' deposit unit, Loomis SafePoint®. This solution increases the safety of store staff, saves work hours, and optimizes cash reporting. As new needs arise on the market, Loomis develops more efficient and qualified comprehensive solutions.

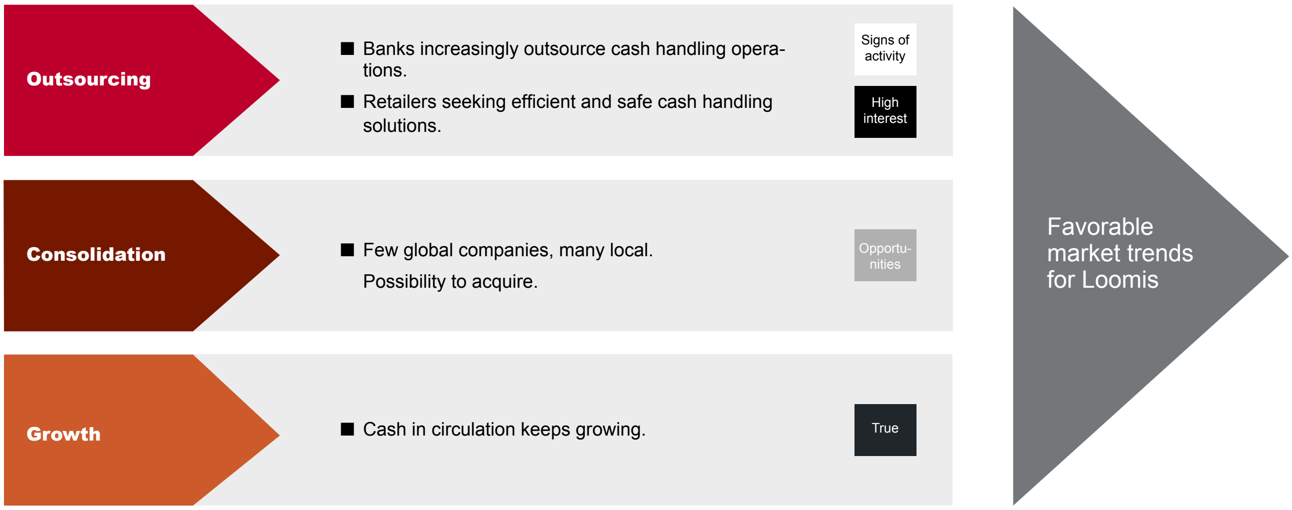
Continued consolidation

The market for cash handling is characterized by intense competition. The markets in which Loomis operates are usually dominated by two major nationwide providers. In addition, there are a number of medium-sized and a large amount of small, local providers. The service offering differs somewhat between the largest providers in each respective market, but Cash in Transit still comprises the largest share of the business operations among all competitors. The current industry structure entails the acquisition of, primarily, smaller companies, and makes further consolidation probable. By virtue of its size and strong position, Loomis is well prepared, when the opportunity arises, to execute acquisitions which strengthen both its strategic and operational position.

Close customer relationships

As outsourcing increases, the customers are becoming increasingly professional purchasers of cash handling services, which means that they place higher demands on providers as regards quality, price, and contract length. Since several of Loomis' customers are multinational, it is beneficial for Loomis being present in both Europe and in the USA. Even though all procurement takes place on a national level, Loomis benefits from its size and experience, as well as being able to develop operations through benchmarking between different markets. Loomis' decentralized structure implies that the responsibility for customer relations lies primarily on a local level, as the best decisions are made where the customers are located.

MARKET TRENDS **CURRENT ACTIVITY**



Europe

Well-positioned for continued growth

With a complete range of comprehensive solutions within cash handling in 13 European countries, Loomis is well-positioned for continued growth.

The Market

Revenue from Cash Handling Services on the European market is estimated at approximately SEK 25 billion in the countries in which Loomis is operative, that is, Austria, the Czech Republic, Denmark, Finland, France, Norway, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland and the UK. Loomis' market share in these countries is approximately 28 percent. Loomis is market leader in France and Sweden and in the majority of the other countries, Loomis is number two on the market (see table page 14). Loomis' revenues in the European segment, as a whole, are evenly distributed between the banking and retail sectors which account for about 50 percent each, although the proportion varies between countries.

In parts of Europe, the commercial banks have already outsourced Cash Management Services. The countries that have developed to the greatest extent are Finland, Norway, Spain, Sweden, and the UK, whereas Austria, France, and Switzerland are in an earlier phase.

In the Czech Republic, Denmark, Portugal, Slovakia and Slovenia, the banks still control large portions of the cash management.

The demand for Cash Handling Services is stimulated by regulations on the recirculation of Euro banknotes by the European Central Bank. The provisions set stricter requirements on processes within cash management and have been developed to improve the quality and authenticity of the banknotes in circulation. The rules, which were gradually introduced over three years, were fully implemented as of 1 January, 2011.

Loomis' main competitors are Group4Securicor (G4S) and also, in a few countries, Prosegur. In France, Brink's is the largest single competitor, but there are also a vast number of smaller providers. These create potential for consolidation through acquisition, as the smaller providers often lack the resources to live up to the increased demands for skills within risk management and technical content in the service offering.

Operations

Loomis offers Cash in Transit and Cash Management Services in all of the European markets in which the Company operates. In Europe, the retail sector's demand for comprehensive solutions for cash handling are increasing, and there is a greater level of demand for customized solutions for ATMs. The ambition is to increasingly deliver these services in the form of comprehensive solutions, thereby enabling Loomis to take market shares from smaller and medium-sized providers.

In Europe, the banks have long since outsourced Cash Management Services, implying an improved competence in purchasing these services. This increased outsourcing benefits Loomis, which is, thereby, granted a larger portion of the companies' cash handling, but also creates a certain pressure on prices, as the customers become more experienced purchasers.

Restructuring in France

During the year, Loomis' French operations were restructured in order to create a more efficient organization. As part of this process, Michel Tresch was appointed operational director while George López Periago, Country President for Loomis Spanish operations, was appointed Interim Country President for Loomis France.

Events during the year

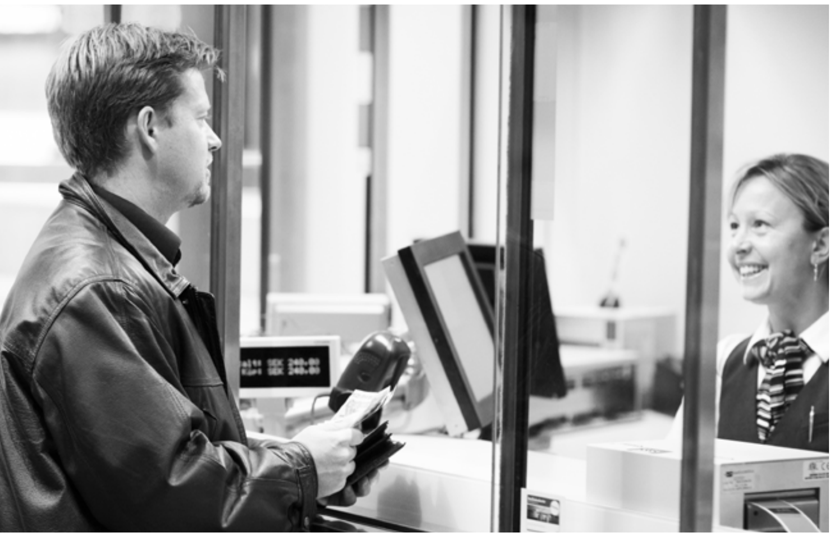
Revenue in Europe amounted to MSEK 7,024 (7,618), which is equivalent to a decrease of 8 percent. Organic growth was 0 percent. The negative organic growth experienced during 2009, which was primarily an effect of the downturn in the economy, has now stabilized at the lower volumes. The majority of European countries demonstrate a positive organic growth, although the markets in the UK and Spain continue to be challenging.

Operating income amounted to MSEK 689 (691) and the operating margin increased to 9.8 percent (9.1). The ongoing work to reduce costs and improve efficiency facilitated the margin improvement, although restructuring costs for the French operations to some extent offset this development.

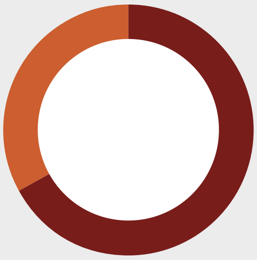
Expansion in Eastern Europe continued during the year through the acquisition of the cash handling company, Fenix, in the Czech Republic. The acquisition, which took place in October, will contribute annual revenue of approximately MSEK 90. Furthermore, there were two minor additional acquisitions in existing markets, one in Austria and one in Sweden. These acquisitions will jointly contribute to annual revenue by approximately MSEK 6.

Priorities 2011

- Expansion in new and existing markets in Europe.
- Increased profitability through a continued focus on Price, Branch, and Risk.



SHARE OF REVENUE BY SERVICE LINE 2010, EUROPE



- Cash in Transit 67%
- Cash Management Services 33%

KEY RATIOS EUROPE

	2010	2009	2008
Revenue, MSEK	7,024	7,618	7,320
Organic growth, %	*0*	*–2*	*2*
Operating income (EBITA), MSEK[1]	689	691	644
Operating margin, %	*9.8*	*9.1*	*8.8*

[1] Earnings before Interest, Taxes and Amortization of acquisition-related intangible assets.

USA

New solutions for the market

A new, flatter organizational structure for Loomis' operations in the USA has increased efficiency and has increased earnings during 2010. Now, the focus is on business development and bringing new solutions to the market.

The Market

The USA market for Cash Handling Services is estimated at approximately SEK 20 billion. The two largest providers, Loomis and Brink's, are the only companies offering nationwide services in USA. An additional three companies, Garda, Dunbar and Pendum, cover large parts of the country. Together, these five companies account for over 80 percent of the market. Loomis' market share is estimated at approximately 25 percent. In addition to these five companies, there are a large number of smaller providers. The customers mainly consist of banks and retailers. Just over two thirds of revenue comes from the banking sector.

The market in the USA was characterized during the year by low-priced competition from small local or medium-sized businesses that accept lower margins than Loomis. The volumes have declined, partly due to the downturn in the economy, but also because of lost contracts as a consequence of Loomis' strategy to prioritize price and profitability over volume. In addition, many banks converted ATMs to new technology, allowing for the electronic scanning and registering of checks, entailing reduced volumes for Loomis through fewer service calls. The majority of these conversions of ATMs have now been finalized.

The consolidation of American cash handling companies continued during 2010. Loomis acquired a pair of small companies and one medium-sized company during the year.

Operations

Loomis' offering to customers in the USA continues to be developed to include an increased degree of comprehensive solutions, encompassing both Cash in Transit and Cash Management Services. The operations are supported by 90 cash centers with the capacity to store, sort and handle deposits, as well as to carry out Cash in Transit to the American Central Bank. Loomis is responsible for a number of the Central Bank cash storage depots.

The potential in the United States for comprehensive solutions, including cash handling services to banks and retailers, is significant. Cash in Transit is outsourced, to a great extent, while the outsourcing of Cash Management Services is significantly lower than in Europe and the increase has been meager in the last few years. Banks still choose to manage large parts of the handling by themselves.

As the USA banking sector consolidates, the banks' interest in Cash Management Services has been increasing. Interest has also increased as a result of new check-reading technology, where checks are electronically scanned, resulting in a sharp decrease in the volume of checks to be handled by banks. This implies that many banks have excess capacity, as their handling, which has historically included both checks and cash, now comprises, primarily, only cash handling. This change is expected to lead to the banks reviewing their internal costs for cash handling and, to a greater extent, considering the benefits of outsourcing.

New organization has contributed to the positive development

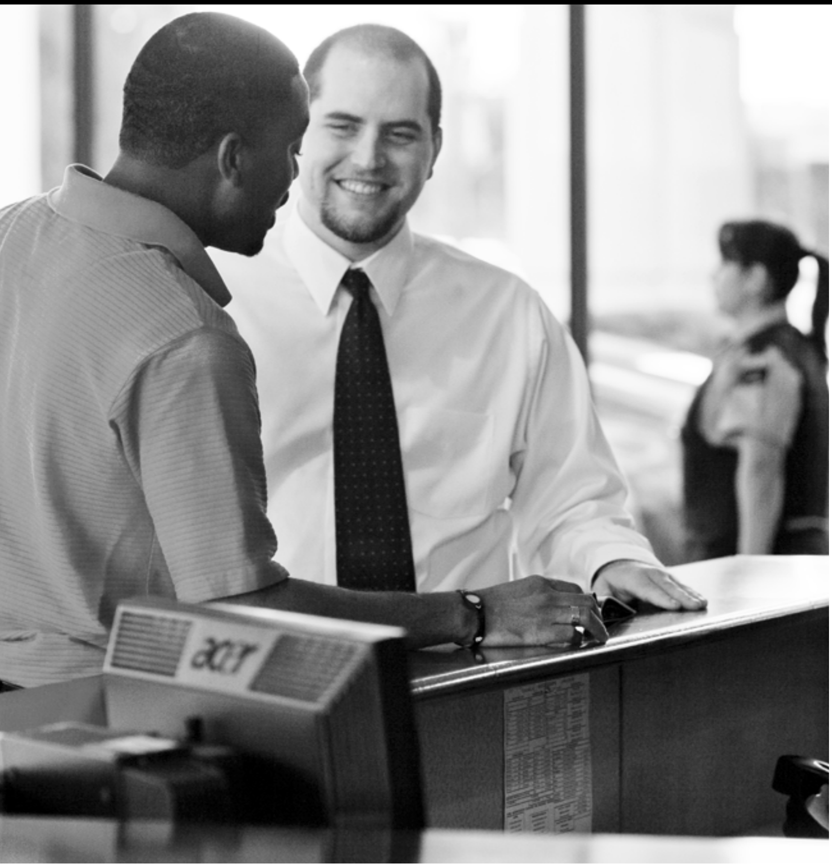
The organizational change that began in 2009 and continued throughout 2010 has contributed to the positive development during the year. The new structure, with only three levels: country, twelve districts and 170 branches, has resulted in a reduction in administrative costs, while intensive work with route planning and other efficiency improvement measures has been intensified. These combined activities have resulted in reduced overtime and lower personnel costs.

Now, branches have a more clearly defined responsibility for results as regards employees, investments and daily operations. The USA head office is responsible for all support functions. The development work is continuing, with the focus primarily on introducing new technology in the operations and the more efficient use of personnel resources.

Events during the year

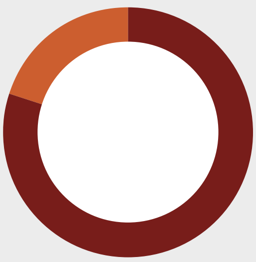
Revenue in the USA amounted to MSEK 4,009 (4,372), which corresponds to a decrease of 8 percent. Organic growth amounted to –3 percent. Changes in fuel prices had no significant impact on organic growth during the year. Operating income (EBITA) amounted to MSEK 296 (251) and the operating margin increased to 7.4 percent (5.7). The significant improvement in the margin is predominantly a result of the cost savings and efficiency improvements, as well as the continued strategy to prioritize price and profitability over volume.

Loomis' subsidiary in the USA, Loomis Armored US, LLC, has acquired the assets of five companies during the year. These were Hammond Services in Idaho (January), 1st Armored, Inc. in Michigan (March), Idaho Armored Services (October) in Idaho, Badger Armor Inc. dba Big Ten Armor in the states of Wisconsin and Minnesota (November), as well as Luzon Security Services in Oregon (December). These acquisitions will jointly contribute annual revenue of approximately MUSD 12.



Priorities for 2011

- Well prepared to participate in a possible future market consolidation.
- Continued focus on the introduction of new technologies and comprehensive solutions in the market, such as Loomis SafePoint®.
- Continued work with cost savings and efficiency improvements.



SHARE OF REVENUE BY SERVICE LINE 2010, USA

- Cash in Transit 79%
- Cash Management Services 21%

KEY RATIOS USA

	2010	2009	2008
Revenue, MSEK	4,009	4,372	3,938
Organic growth, %	*–3*	*–4*	*6*
Operating income (EBITA), MSEK[1]	296	251	197
Operating margin, %	*7.4*	*5.7*	*5.0*

[1] Earnings before Interest, Taxes and Amortization of acquisition-related intangible assets.

Responsibility and values – a part of the culture

For Loomis, responsible behavior as regards employees and Loomis' environment is not only important, it is a prerequisite for the Group's existence. Security, ethics and morals are the foundations of the entire operations and it is the Group's fundamental values that guide the way.

Loomis manages a significant share of the flow of cash in the majority of the countries in which the Company operates. This implies significant responsibility towards employees, customers and the general public. This refers both to the security of the employees, customers and the public, and to the fact that an important function in society is to be conducted in as risk-free and efficient manner as possible.

Loomis handles this responsibility by upholding a high level of risk consciousness throughout the organization, through training and equipping of employees and by constantly developing new, innovative security solutions that provide added value for the customers.

As it is Loomis' employees who meet the Group's customers and the surrounding society on a daily basis, it is of decisive importance for success to have employees with a high level of integrity and a strong feeling for ethics and morality. It is also important to have a solid, common foundation of explicit and consistent values which are based in the whole organization.

The values form the backbone

Loomis' business is based on three basic values: People, Service and Integrity.

During 2009 and 2010, these values were anchored at all levels in the Group. Loomis' values are the basis for the Company's culture and define the way in which the Company and employees treat each other and their surroundings. The values are summarized in three words:

- People – We are committed to developing quality people and treating everyone with respect.
- Service – We strive for exceptional quality, innovation, value and exceeding customer satisfaction.
- Integrity – We perform with honesty, vigilance and high ethics.

The work to keep the values alive is continuous, e.g. through being a natural part in the introduction for new employees, training and leadership development.

Code of Conduct guides the daily operations

The Code of Conduct mirrors Loomis' values and gives guidance to the employees in the daily, practical operations.

The Code of Conduct clarifies Loomis' undertakings towards employees, customers and other stakeholders and the anchoring began during spring 2010.

The Code consists of three main sections, personnel, environment and business ethics, with each area having its set goal.

Commitment and goals

- Personnel – Loomis should be the most attractive employer in the industry.
- Environment – Loomis should minimize the environmental impact of its operations.
- Business ethics – Loomis should not accept unethical conduct.

Personnel

Loomis' approach also defines the Group's personnel guidelines. Loomis' personnel guidelines mirror the employees' very significant importance for the Company's capacity to conduct successful business and the manner in which the Company is experienced by customers and the general public. Loomis' ambition is to be the leader in the industry, in terms of the provision of a good work environment and high security. Personal turnover in the Company remains low.

In addition to guidelines for health and security, the policy emphasizes the employees' right to belong to unions, equal opportunities, and freedom from discrimination, as well as the right to employment contracts in accordance with legislation and local business regulation

Skills development in several stages

Loomis places major importance on cautious recruitment and evaluation of new employees. It is mandatory for all new personnel to undergo basic training, followed by regular sessions of further training. These training programs are adapted to individual countries and regions, as well as to the operations and the role and position of the employee.

In order to develop new services and meet new customer requirements, it is important for staff members working closely with customers to have access to ongoing training. The responsibility for this is delegated to each country organization.

During 2009, a Performance Management Program was introduced throughout the Group. The aim was to create a platform for the establishment of goals for the staff, to determine the means to monitor these goals, and how to best utilize the staff's experience and knowledge. During 2010, this program has been the basis for the methodical management of Succession and Talent Planning within the Group. A pilot scheme was conducted during autumn 2010 and shall, after assessment, include all countries during 2011. The purpose of the introduction of Succession and Talent Planning is to ensure succession planning for key positions, as well as to identify potential candidates for positions which should be filled in pace with the Group's growth.

»As it is Loomis' employees that meet the Group's customers and the surrounding society on a daily basis, it is of decisive importance for success to encourage high integrity as well as ethics and morality.«

During the year, activities also continued in Loomis Works Council, an organization for cooperation between employer and employee, where representatives from all operating countries are included. The aim is to discuss and inform about cross-border questions, with a special focus on employee matters.

A leadership program, including various modules, is in development. One module is completed - Leadership Module – in which mentors have been trained to conduct the training in their respective countries.

Loomis Integrity Line

Within Loomis, all employees have a common responsibility to create a safe and secure environment. If anyone notices or suspects unethical conduct, it is to be immediately reported. This does not need to be something that affects the Company and may just as well be an event or an action impacting a single individual.

As transparency is highly valued at Loomis, all employees are encouraged to speak to the employees concerned and their immediate superior if there is suspicion of something not being right. Certain circumstances can complicate such openness. As a result of this, Loomis introduced the Loomis Integrity Line in autumn 2010.

Environment

The environment has an important role in Loomis' undertaking towards employees, customers and cooperation partners. Environmental aspects are becoming successively more important for the customers, alongside key issues, such as security and cost effectiveness, and the Company's work is characterized by the insight that services and products can always be improved from an environmental standpoint.

Loomis' most substantial environmental impact arises from its transport operations. Consquently, the Company strives to purchase the most energy-efficient vehicles possible, although without compromising on the employees' security or the protection of its customers' property. At the branches, continuous work is in progress in order to optimize the routes of Cash in Transit and in order to shorten the distances covered. This has a positive effect, both on productivity and on the environment. At a number of units within the Group, initiatives are being taken to train the drivers in eco-driving. Loomis will also seek to obtain energy-efficient premises, as well as to consider the environmental impact of waste management and purchases.

Business Ethics

The guidelines for Business Ethics specify the fundamental rules applying to each member of staff in maintaining a high level of service to customers in accordance with Loomis' high standards regarding ethics and integrity. The policy includes guidelines on confidentiality and the protection of customer integrity, bribery and corruption, political contributions, insider regulations and fair competition.

Risk management: A permanent and important process

Well-functioning routines, structures and systematic processes for the identification and management of risks are an integral part of Loomis' strategy. Risk exposure is different between countries, and Loomis' decentralized organization allows the effective assessment and management of risks.

For Loomis, a number of risks are directly related to the core business, Cash in Transit and Cash Management Services. Loomis' operations consist primarily of taking over and managing these functions on behalf of the customers and, thereby, the associated risks. These risks are classified as operational risks and mainly comprise the risk of cash losses due to criminality, fraud and poor handling.

The assessment and management of these operational risks are central components of Loomis' daily operations. Every assignment is evaluated based on profitability and security, whereby the business opportunity is weighed against potential risks. Even when a risk has been assumed, it must be continuously monitored, as conditions may change.

Local conditions determine the exposure to different risks, and also, thereby, the management of risks. In certain countries, crime is a bigger problem from a relative perspective, whilst in other countries, technical progress is not sufficiently advanced. Varying focuses and approaches are required. Before Loomis enters a new country, a thorough security analysis and assessment of the risks involved is carried out, as regards both the operations and the surrounding environment. There are countries where exposure to certain risks is so great that Loomis chooses not to establish operations in those countries.

Goal

Loomis takes only controlled risks and seeks to prevent economic losses and minimize risks, which it has determined it can assume.

Risk Management Strategy

The Group's risk management strategy is based on two fundamental principles:

- No loss of life
- Balance between risk of robbery/theft and profitability.

Improvements as a continuous process

Loomis has a well-functioning structure and systematic processes for the identification and management of risks. Simply expressed, this is about creating good procedures and ensuring that they are followed.

The subsidiaries in the countries in which Loomis has operations are required to prepare an annual risk plan, which both identifies all significant and relevant risks, and describes the strategy and plans for managing these risks. The plans are thoroughly followed up both within the respective local subsidiary, as well as by the Groups' central risk function. Reporting is also made to the Audit Committee.

A risk assessment is undertaken in conjunction with the signing each customer contract, taking into account risks and profitability. In addition, existing contracts are regularly assessed.

Loomis has developed tools for the identification, handling, and follow-up of risks, such as risk matrices. In a matrix, different risks are classified according to two criteria; firstly, the likelihood that an event will take place, and secondly, the degree of negative impact on the business operations. These matrices are conducted at both country and Group level.

Risk management work in the various countries is shared at regular global risk meetings with "best practice", with the purpose of finding areas for improvement and maintaining a strong risk management culture. The Groups' risk management work is also regularly reviewed by external security consultants.

In total, there is a workforce of approximately 150 individuals working with operational risk management at Group and country level.

> »The employees have a determining role in controlling the risks that the Company has assumed.«

Ethics and morals are our driving force

The employees have a determining role in controlling the risks that the Company has assumed. A major focus is, therefore, the training of employees, as well as the promotion of a business culture emphasizing the value of ethics and morals. Training ensures that employees, on all levels, understand and are able to manage the risks associated with the Company.

Parallel to this, ongoing work is undertaken to reduce risks by applying new technologies, for example, increased use of closed systems. The Company has a comprehensive insurance structure covering operational losses.

Corporate Governance

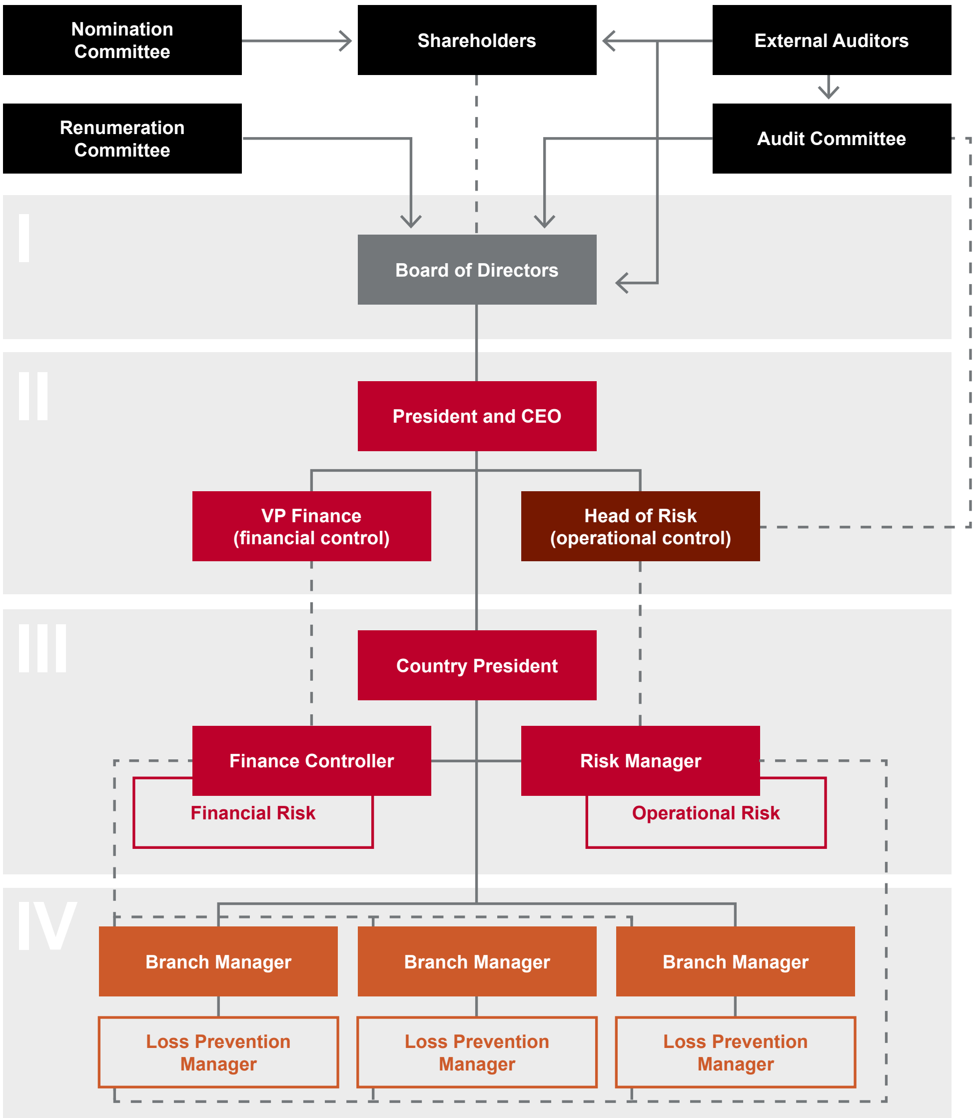
Loomis sets high standards for corporate governance. The primary goal of corporate governance is to create a structure that effectively protects shareholders and other stakeholders by minimizing risk and which, at the same time, provides a good basis for creating value and meeting the required return on investment. To achieve this, Loomis has created a clear and effective structure for the allocation of responsibilities and control.

Compliance with the Swedish Code of Corporate Governance

Loomis AB is a Swedish public limited liability company which has been listed since 2008 on the NASDAQ OMX Stockholm. Loomis complies with the Swedish Code of Corporate Governance ("the Code"). This report has been prepared in accordance with the regulations stipulated in the Annual Accounts Act, Chapter 6 § 6 and Chapter 10 of the Code.

The only deviation from the Code which the Company has chosen to allow is to have only two Board Members in the Company's Audit Committee, instead of three members as stated in Chapter 7.3 of the Code. Loomis' explanation for this is that it deems two members to be sufficient to correctly address the Company's most important areas regarding risk and audit issues, and that the incumbent members have a long and extensive competence within these areas from other listed companies.

ORGANIZATION OF CORPORATE GOVERNANCE



More information can be found on Loomis' website: www.loomis.com

The figure represents Loomis corporate governance structure. Loomis measures, reports and monitors the operations at four levels in the organization.

Annual General Meeting

The Annual General Meeting 2010 of Loomis AB (publ) was held on 29 April 2010 in Stockholm. At the Annual General Meeting, which is the Company's highest governing body, shareholders are given the opportunity to exercise their influence. All of the registered shareholders who notified the Company in time were entitled to attend the meeting and to vote corresponding to their shares. Shareholders who did not have the opportunity to attend were able to be represented by proxy. At the Annual General Meeting, several matters are addressed, including matters relating to amending the Articles of Association, the distribution of the Company's earnings, discharge from liability for the Board of Directors and President, Board fees and principles for remuneration to the President and CEO and other Group managment, and election of auditors.

At the end of 2010, Loomis' share capital comprised of 3,428,520 Class A shares and 69,583,260 Class B shares. Each Class A share entitles the holder to ten (10) votes and each Class B share entitles the holder to one (1) vote. Loomis' largest shareholders and shareholder structure, as of 31 December 2010, are displayed on the table below:

LARGEST SHAREHOLDERS 31 DECEMBER 2010

			SHARE	
	Number of Class A shares	Number of Class B shares	Capital, %	Votes, %
Säkl AB	1,728,520	391,808	2.9	17.0
Melker Schörling AB	900,000	5,400,300	8.6	13.9
Investment AB Latour	800,000	4,618,000	7.4	12.1
Swedbank Robur fonder		3,998,384	5.5	3.8
SEB Investment Management AB		3,666,891	5.0	3.5
UBS AG LND IPB SEGREGATED CLIENT A		3,440,981	4.7	3,3
Didner & Gerge Fonder AB		2,871,154	3.9	2.8
Skandia fonder		1,864,812	2.6	1.8
Afa Försäkring		1,787,543	2.4	1.7
Carlson fonder AB		1,718,798	2.4	1.7
The 10 largest owners	**3,428,520**	**29,758,671**	**45.5**	**61.7**
Other foreign owners		23,345,960	32.0	22.5
Other Swedish owners		16,478,629	22.6	15.9
Total	**3,428,520**	**69,583,260**	**100.0**	**100.0**

Nomination Committee for the Annual General Meeting 2011

The Nomination Committee is a body established by the Annual General Meeting, with the purpose of preparing for the election of members of the Board of Directors and for the election of the Chairman of the Board, proposals regarding remuneration to the Board and other associated matters in conjunction with the forthcoming Annual General Meeting. Furthermore, the Nomination Committee prepares, in consultation with the Board of Directors and the Audit Committee, for the appointment of auditors and the determination of audit fees, and associated matters. The Nomination Committee does not include Board Members. The Annual General Meeting 2010 elected the Nomination Committee displayed on the table below:

NOMINATION COMMITTEE

Nomination Committee Member	Represents	Newly appointed/ re-elected	Independent towards major shareholders
Gustaf Douglas (chairman)	Säkl AB och Investment AB Latour	re-elected	No
Mikael Ekdahl	Melker Schörling AB	re-elected	No
Marianne Nilsson	Swedbank Robur fonder	re-elected	Yes
Per-Erik Mohlin	SEB Fonder/SEB Trygg Liv	re-elected	Yes
Lars Rosén	Länsförsäkringar	re-elected	Yes

The Annual General Meeting 2010 determined that, should a shareholder be represented by a member of the Nomination Committee no longer be a major shareholder of the Company (based on the number of votes), or if a member in the Nomination Committee is no longer employed by such a shareholder, or, for any other reason chooses to leave the Nomination Committee before the 2011 Annual General Meeting, then the Nomination Committee should have the right to appoint another representative of the major shareholders to replace such a member. The Nomination Committee's composition is published on Loomis' web site, www.loomis.com.

The Nomination Committee's work is established in Loomis AB's Work Procedures for the Nomination Committee. One nomination meeting has been held during 2010.

COMPOSITION OF BOARD OF DIRECTORS

				ATTENDANCE				
Board members	Elected	Board Fees (SEK)	Committee Fees (SEK)	Board Meetings (10)	Renumeration Committee (3)	Audit Committee (6)	Independent towards major shareholders	Independent towards the Company
Alf Göransson (Chairman)	2007	400,000	75,000	10	3	-	Yes	Yes
Lars Blecko (CEO)	2008	-	-	10	-	-	Yes	No
Signhild Arnegård Hansen	2010	200,000	-	8[1]	-	-	Yes	Yes
Marie Ehrling	2009	200,000	50,000	10	-	6	Yes	Yes
Jan Svensson	2006	200,000	25,000	10	3	-	No	Yes
Ulrik Svensson	2006	200,000	100,000	10	-	6	No	Yes

[1] Signhild Arengård Hansen replaced Jacob Palmstierna after the Annual General Meeting 2010. Jacob Palmstierna participated in the first two meetings.

Board of Directors

The composition of the Board of Directors

Loomis' six Board members elected by the Annual General Meeting is displayed on the table below. In addition to the Board members, the Company's Executive Vice President Jarl Dahlfors, as well as the lawyer Mikael Ekdahl (Mannheimer Swartling Advokatbyrå), in the capacity of the Secretary of the Board, are present at every Board meeting. In conjunction with specific matters, employees from the Group participate when necessary.

Independence

A majority of the Board Members (5 of 6) chosen by the Annual General Meeting are considered independent in relation to the Company and its management. Four of the six members are regarded as independent in relation to the Company's major shareholders. It is, thus, the assessment of the Nomination Committee that the current composition of the Board in Loomis AB meets the demands of independence set forth in the Code.

All directors have relevant experience from other listed companies. See page 30.

The Board of Directors' work procedures and responsibilities

The Board of Directors assumes responsibility for the Group's organization and administration in accordance with the Swedish Companies Act and appoints a CEO and President, Audit Committee, and Remuneration Committee.

The Board of Directors also decides on salaries and other remuneration for the CEO and President. The Board of Directors meets at least five times per year. The Company's auditors take part in the Board meeting held in conjunction with the closing of the annual accounts.

The Board of Director's operations and the assignment of responsibilities between the Board of Directors and Group management are governed in the Work Procedures for the Board of Director's, which are adopted by the Board of Directors every year. According to these rules, the Board of Directors makes, among other things, decisions on the Group's overall strategy, acquisitions and investments in real property, and sets the framework for the Group's operations by approving the Group's budget. The rules include a work plan for the CEO, as well as an instruction for financial reporting. The work procedures also include an instruction concerning the yearly evaluation of the work performed by the Board of Directors.

Chairman of the Board of Directors

The Chairman leads the work of the Board of Directors and is responsible for ensuring that the work of the Board of Directors takes place in accordance with the Swedish Companies Act and other relevant laws and regulations. This entails that the Chairman monitors the operations and ensures that other Board Members receive all necessary information. The Chairman assumes responsibility for the yearly evaluation of the Board of Director's work and that it is communicated to the Nomination Committee. The Chairman represents the Company in matters of ownership.

The Board of Directors' work during 2010

During the full-year of 2010, the Board of Directors held a total of ten meetings, of which one meeting was per capsulam, two per telephone and one constituent meeting.

Significant matters that have been dealt with during the year include the following:

- business strategy,
- interim reports and annual report,
- presentation of each countries' business plans and budgets for 2011, as well as determination of the budget for 2011,
- investments and acquisitions of operations,
- guidelines for compensation and bonuses, as well as other personnel matters,
- review and establishment of the Company's policies and instructions,
- audit matters,
- financing,
- taxes and
- yearly evaluation of the Board's work.

Audit Committee

The Board of Directors has appointed an Audit Committee consisting of two Board Members, with instruction to review all financial reports that the Group management delivers to the Board of Directors and to give recommendation regarding determination. The Audit Committee's work also includes extensive focus on risk management in conjunction with the cash processing operations and in order to create risk awareness within the Group. The work is governed by an instruction, being an appendix to the Work Procedures of the Board of Directors, in which the Committee's aim, responsibilities, right of decision, composition and reporting are stated, among other information. The Committee's principal tasks are to:

- monitor the Company's financial reporting,
- monitor reporting and questions regarding risk and insurance,
- monitor questions regarding internal control and Corporate Governance,
- monitor audit and accounting matters, and
- evaluate and monitor the independence of the auditors.

The Committee presents its conclusions and proposals to the Board of Directors before a resolution is reached by the Board of Directors. Included in the Audit Committee are the Board Members Ulrik Svensson and Marie Ehrling, who are seen as independent in relation to the Company and its management. Furthermore the Company's auditors, CEO and VP Finance contribute. In conjunction with the reporting of specific issues and when needed, the following persons contribute: Head of Risk, Head of Business Control, Head of Financial Control or Head of Treasury. During 2010, the Committee held a total of six meetings, of which one was per telephone.

Remuneration Committee

The Board of Directors has appointed a Remuneration Committee to manage all issues regarding salaries, variable remuneration, warrants, pensions and other forms of remuneration to the Group management, as well as to other levels of management, if the Board so decides. In addition, it is the task of the Remuneration Committee to monitor and evaluate ongoing programs and programs concluded during the year for variable remuneration for Group management and to monitor and evaluate the application of the guidelines for remuneration to Group management, which, by law, are to be resolved by the Annual General Meeting, as well as existing remuneration structures and remuneration levels in the Company. The Committee presents its proposals to the Board in advance of any decision by the Board of Directors. Included in the Remuneration Committee are the Board Members Alf Göransson (Chairman) and Jan Svensson. During 2010, the Remuneration Committee held a total of three meetings.

Auditors

The 2010 Annual General Meeting appointed PricewaterhouseCoopers AB as external auditing firm for a period of four years, with Anders Lundin as auditor in charge.

The auditors' work is conducted according to an audit plan which is established together with the Audit Committee and the Board of Directors. The auditors participate in all meetings in the Audit Committee and present their conclusions from the audit to the entire Board of Directors at the Board meeting in February. Furthermore, the auditors shall annually, inform the Board of Directors of services carried out in addition to the audit, fees for such services and other circumstances that may affect the assessment of the auditors' independence. The auditors shall also participate in the Annual General Meeting, and present their work, their statements and their conclusions. The Company's auditors have met the Board of Directors without representatives of the Company being present during the year.

The audit is conducted in accordance with the Companies Act and Swedish Auditing Standards which are based on the International Federation of Accountants' (IFAC) international audit standards. Audit fees and other fees to the auditors are displayed on the table below:

AUDIT FEES AND OTHER FEES (PwC)

	GROUP			PARENT COMPANY		
MSEK	2010	2009	2008	2010	2009	2008
Audit assignment	10	12	12	3	3	3
Other assignments	5	7	5	3	4	1

For additional information on audit fees and other fees, see Note 10.

For a more detailed presentation of auditor in charge, Anders Lundin, see page 30.

Loomis' Group management

Group management has the overall responsibilities for the execution of Loomis' business operations in accordance with the strategies and long term goals determined by the Board of Directors of Loomis. In 2010, Group management consisted of the CEO, also President, and four senior executives. For further information concerning Group management, refer to page 31.

Principles for remuneration and other conditions of employment

Resolutions regarding guidelines for salaries and other remuneration to the CEO and other Group management are made by the Annual General Meeting on the basis of proposal by the Board of Directors.

Resolutions regarding such guidelines were made at the Annual General Meeting 2010. Remuneration to the CEO and Group management consists of a fixed salary, variable remuneration, pension and other benefits. The variable remuneration is based on the outcome of the operation in relation to targets within the individual segments of responsibility (Group or subsidiary) and should be consistent with the interests of the shareholders. For the CEO, the variable remuneration within the Company's so called AIP (Annual Incentive Plan) has a maximum level of 60 percent of the fixed salary and for other Group management, the maximum level is 72 percent of fixed salary.

Variable remuneration within the framework of the so-called LTIP (Long-term Incentive Plan) has a maximum level of 40 percent of the fixed annual salary for the CEO, and 50 percent of the fixed annual salary for other Group management.

Incentive Scheme

In accordance with the proposal of the Board of Directors, the Annual General Meeting 2010 resolved to support a further development of the existing performance-based cash bonus scheme to also comprise a share-related component. The Annual General Meeting also resolved to authorize the Board of Directors to make decisions on repurchasing shares at the stock exchange and transferring the repurchased shares to participants of the Incentive Program. The Board of Directors has determined to propose that a similar decision is to be resolved by the Annual General Meeting 2011.

In accordance with the existing incentive scheme, the proposed incentive scheme entails that two thirds of the total amount of variable remuneration are being paid out in cash during the year after the year in which the bonus was earned. For the remaining third, Loomis AB repurchases shares that will be allotted to the employees at June 30, 2013 at the latest. The allotment of shares is conditional on the employee in question being employed by the Loomis Group as at the last day of February 2013. Loomis AB will not issue new shares or similar as a consequence of this incentive scheme. The repurchase of Loomis shares will be made at the NASDAQ OMX Stockholm. The introduction of the propsed incentive scheme will make it possible for top managers within Loomis to become shareholders in the long-term, thereby strengthening employee participation in the success and development of Loomis, to the benefit of all shareholders. Slightly more than 300 employees take part in the incentive scheme.

For information regarding remuneration to the CEO and other Group management, see Note 11.

The Board of Directors' Report on Internal Control and Risk Management

According to the Swedish Companies Act and Swedish Code of Corporate Governance, the Board of Directors is responsible for internal control and risk management. This report has been prepared in accordance with Swedish Code for Corporate Governance and the Annual Accounts Act and is, therefore, limited to internal control of the financial reporting. However, Loomis considers internal control to be a wider matter that also comprises operational risk management, which is the reason this area is commented upon to a certain degree in the report.

Internal Control

Loomis' system for internal control is designed to manage, rather than eliminate, the risk of failing to reach business goals and can only provide a reasonable, but not absolute, assurance against significant errors or deficiencies in the financial reporting.

Financial reporting – The Loomis Group's joint work for internal control regarding financial reporting, which was previously carried out by a separate function for internal control, is now run by the Group's financial function. Group management and the financial function of the Group have a joint responsibility and will monitor and control that the Group has local routines in place to fulfill requirements of global and local laws and regulations. The responsibility for the application of laws and regulations, compliance with the Group's routines and procedures, as well as internal control, lies with the subsidiary and the Country President.

Furthermore, Group management and the Group's financial function are also responsible for planning and follow-up of the work of the external auditors. This means that observations and recommendations from the external auditors are analyzed and discussed with the subsidiaries concerned and any action plans are communicated to those responsible, who take the required measures, which are subsequently followed up.

The financial function's work with internal control is based on an annual work plan approved by the Audit Committee. The result of the financial function's work is reported to the Audit Committee four times per year, or more often if required.

Operational Risk Management – Handling cash in environments with elements of criminality is associated with comprehensive risks to both personnel and property. Good risk management is, therefore, one of Loomis' most important success factors. Based on this, Loomis has, alongside the process for internal control of financial reporting described above, established a risk function which works with operational risk management. This function has developed a good understanding of the risks to which the business is exposed.

The knowledge of risks forms the basis of the assessment as regards the business risks to be entirely avoided and which are possible to manage successfully. Loomis' employees play a decisive role in monitoring and reporting the risks that the Company decides to assume. Loomis' strategy for operational risk management is based on fundamental principles which are easy to understand for all employees:

- No loss of life, and
- Balance between risk of robbery/theft and profitability.

The strategy is formed to find strengths to build on, weaknesses that need to be addressed, as well as possibilities and threats requiring decisive action. It also takes into consideration changes that can arise in Loomis' surrounding environment, such as new technology or changed legal conditions. Each assignment is evaluated based on criteria, such as profitability and security, where the business opportunities must outweigh the possible risks. Even when a risk is assumed, it must be followed up continuously, as the surrounding environment is always changing. All business processes are surveyed and each risk associated with a specific process is identified and defined in a comprehensive Risk register. The global risk management policy adopted by Loomis establishes the manner which the Group and its subsidiaries should actively work with operational risk management in accordance with other established policies and the Company's Code of Conduct.

The Board of Directors evaluates future possibilities and risks, and forms the Group's strategy. The responsibility for managing operational risks lies with Group management and the respective country management. Group management has the day-to-day responsibility for identifying, evaluating and managing risks, as well as for the implementation and maintenance of control systems in accordance with the Board of Director's approved policies. Each country management has the responsibility of ensuring that there is a procedure in each country aiming to create risk awareness. Operative branch managers and the individuals responsible for risk in each country assume responsibility for ensuring that risk management comprises a part of the local operations at all levels within the country's organization.

The Group has an established system for the management of business risks, which is integrated in the Group's processes for business planning and result follow-up. In addition to this, reviews of business risks and risk assessment are routinely conducted throughout the entire Group. There are processes to ensure that the Group management and the Board of Directors are continuously informed about material risks and control deficiencies. During the year, the Group's risk function has been strengthened with a Group Cash Auditor who focuses on monitoring and on controlling the Group's cash processing operations. See page 22 for more information about the Group's risk management work.

Control environment

The control environment creates the basis for internal control by creating the culture and the values on which Loomis works. This part of the internal control structure includes the leadership style of the organization, current values, and how powers and responsibilities are communicated and documented in governing documents such as internal policies and instructions. The Board of Directors has adopted a number of policies central to the Company which are evaluated and updated annually, or as required. Adherence to the respective policies is ensured through the follow –up conducted by Group management and the Group's financial function. The following items describe Loomis' adopted policies and governing documents in brief:

- Code of Conduct: aims to ensure that the Company maintains and promotes business methods of the highest possible ethical standard.
- Financial policy: contains guidelines to achieve transparent, coherent and correct internal and external financial reporting, proactive risk management and continual improvement of the Company's financial processes.
- Internet and IT policy: describes the general principles regarding the manner in which the Group companies' computers, networks, applications and other IT equipment should be managed.
- Information security policy: contains a comprehensive framework aiming to ensure that a reasonable level of information security is adhered to within a number of central areas.
- Insider policy: functions as a complement to current Swedish insider legislation and establishes routines for periods when trade with financial instruments issued by (or attributable to) Loomis AB is forbidden. The policy is applicable to all individuals who have been reported to the Swedish Financial Supervisory Authority as insiders in Loomis AB (including subsidiaries), as well as certain other categories of employees.
- Communication policy: aims to ensure that the Company fulfills the requirements for information disclosure to the stock market.

The Loomis Group constitutes a relatively flat and specialized organisation in which managers are given clear goals and the authority to make their own decisions and develop their businesses in close cooperation with the customers. The delegation of decision-making authority is documented in an authorization arrangement, which provides clear instructions to managers at all levels.

Competence and ability among the Group's employees is emphasized while continuous training, practical experience and development are actively encouraged.

Risk Assessment

The Group's financial function and risk function have the responsibility of ensuring that there is a procedure in each subsidiary aiming to create risk awareness. Country Presidents and the individuals responsible for risk in each country assume responsibility for ensuring that risk management comprises a part of the local operations at all levels within the country's organisation.

The Group has a system for the management of business risks which is integrated in the Group's processes for business planning and result follow-up, regardless of the type of risk in question. The annual risk analysis and the resulting risk register are coordinated on maintained on a Group level. In addition to this, reviews of business risks and risk assessments are routinely conducted throughout the entire Group. There are processes to ensure that Group management and the Board of Directors are continuously informed about material risks and control deficiencies. See page 22 for more information about the Group's operational risk management.

Control Activities

Control activities include methods and activities to ensure adherence to established guidelines and policies and the accuracy and reliability of internal and external financial reports. Examples of control activities within Loomis are:

Self Assessment – Each operative entity within the Group conducts an annual self assessment (Loomis Self Assessment) regarding insight into and adherence to the Group's central policies and guidelines. The Group's external auditors provide a validation of the completed self-assessments. The answers are compiled at country level, as well as Group level, to facilitate comparisons within a specific country or between countries. Deviations from poilicies and guidelines are reported in writing. The report includes planned improvements to eliminate deviations and a deadline for when the planned measures are to be conducted. All reports are made available for each Country management and for the Group management and the Audit Committee.

Internal Control Activities – Loomis has, over the past few years, established a framework and a methodology with the aim of observing and following-up internal control within the Group. Loomis' internal control activities consist primarily of:

- Develop and follow-up the Group's self assessment methodology (Loomis Self Assessment Tool)
- Develop the Group's overall policies and guidelines, and to ensure that these are adhered to by the subsidiaries.
- Support Group management's resolutions regarding, and follow-up of, the external audit's overall audit plan and overall follow-up of country-specific important observations and recommendations.
- Be responsible for the Group's control and compliance matters in the Group and its subsidiaries.
- When needed, undertake specific investigations, and function as project manager for Group management within compliance related areas.

Financial Monitoring – Controllers on all levels within the Group's companies have a key role in creating the environment needed to achieve transparent, relevant and current financial information. Local controllers are responsible for ensuring adherence to approved policies and frameworks and that routines for internal control regarding financial reporting are functioning in the respective countries.

Letter of representation – The Group has a system for the confirmation of the annual financial statements, in which operational Country Presidents and controllers, at the end of the year, sign a certificate, a so-called Letter of Representation, in which they confirm that the Group's policies and guidelines have been followed and that the report package provides a true and fair picture of the financial situation.

Management and follow-up of risk – Within the Loomis Group there is, in addition to the operational risk management in the subsidiaries, an independent, global risk organization responsible for providing Loomis with the possibility of assuming and controlling the risks necessary to realize Loomis' strategies and reach its goals. The risk organization works to prevent losses in the operations, both regarding life and health, as well as purely financial. The organization consists of a total of five individuals, including a risk manager who reports to the CEO and President as well as to the Audit Committee.

Loomis measures, reports and monitors financial and operational risks on a daily basis. The controls are handled by separate functions. In addition, the overall risk management is also reinforced by comprehensive insurance protection.

Information and Communication

Information and communication are necessary for a well-functioning internal control system. There is a communication tool which is continuously developed to ensure that all employees are informed of clear goals and become conscious of the parameters comprising accepted business practice. This results in a clear definition of the Group's aims and goals, level of responsibility, and the limits of allowed activities for the employees. Loomis has also developed routines and information systems to supply the management with essential reports regarding business results in comparison with established goals.

The Group is completely focused on creating added value for the shareholders, which includes supplying investors with financial information of high quality.

Supervision

The Board of Directors, CEO and other Group management in Loomis monitor the internal control of financial reporting.

The process which the Board of Directors uses to review the efficiency in the system for internal control includes:

- Discussions with Group management regarding risk areas which have been identified by the Group management and the conducted risk analyses.
- Review of material issues arising as a result of the external audit and other reviews/investigations.
- An Audit Committee to create an independent oversight of the efficiency in the Group's internal control systems and the financial reporting process.

The Board of Directors evaluates the Group's need to introduce a formal internal audit function on an annual basis. The Board's assessment is that the work conducted by the Group's financial function within the internal control of financial reporting, together with the Group's other components of internal control described in this report, facilitates a well-functioning structure for follow-up and, in practice, functions as an internal audit function.

Group management conducts a follow-up of the result of the operations through a detailed reporting system based on an annual budget, with regular operational reconciliation against actual results, analyses of deviations, follow-up of key factors and customary forecasts. This reporting is also reviewed by the Board of Directors.

The Audit Committee reviews the annual report and the interim reports before it recommends the Board to publish these reports. The Audit Committee discusses particularly important accounting principles and the estimates and assessments that have been made in the preparation of the reports. The Audit Committee also supervises the quality and independence of the external auditors.

Stockholm, March 11, 2011

Alf Göransson *Chairman*	Jan Svensson *Board Member*	Ulrik Svensson *Board Member*
Marie Ehrling *Board Member*	Signhild Arnegård Hansen *Board Member*	Lars Blecko *President and CEO*

Auditor's statement regarding the Corporate Governance Report

(Translation of the Swedish original)

To the Annual General Meeting of Loomis AB (publ.) Corporate Identity Number 556620-8095

It is the Board of Directors who is responsible for the corporate governance statement for the year 2010 on pages 23-29 and that it has been prepared in accordance with the Annual Accounts Act. As a basis for our opinion that the corporate governance statement has been prepared and is consistent with the annual accounts and the consolidated accounts, we have read the corporate governance statement and assessed its statutory content based on our knowledge of the company.

In our opinion, the corporate governance statement has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Stockholm March 11, 2011
PricewaterhouseCoopers AB

Anders Lundin
Authorised Public Accountant

The Board of Directors

Alf Göransson
Board member of Loomis AB since 2007 and Chairman of the Board since 2009.

Born: 1957

Principal education: International Economics at the University of Gothenburg

Experience: CEO of NCC AB 2001–2007, CEO of Svedala Industri AB 2000–2001, Business Area Manager at Cardo Rail 1998–2000, President of Swedish Rail System in the Scancem Group 1993–1998.

Other assignments/positions: Board member and President and CEO of Securitas AB. Member of the Boards of HEXPOL AB and Axel Johnson Inc., USA.

Shareholding in Loomis as per December 31, 2010: 6,000 (privately)

Other information: Independent

Ulrik Svensson
Board member of Loomis AB since 2006.

Born: 1961

Principal education: Master of Science in Business and Economics

Experience: CFO at Swiss International Airlines 2003–2006, CFO at the Esselte Group 2000–2003, Controller/CFO for the offshore telecom investments of the Stenbeck Group 1992–2000.

Other assignments/positions:
President of Melker Schörling AB. Member of the Boards of HEXAGON AB, ASSA ABLOY AB, HEXPOL AB, Niscayah Group AB, AAK AB and Flughafen Zürich AG.

Shareholding in Loomis as per December 31, 2010: 1,400 (privately)

Other information: Not independent in relation to major shareholders

Lars Blecko
Board member of Loomis AB since 2008, President and CEO of Loomis AB since 2008.

Born: 1957

Principal education: Master of Science at Karlstad University

Experience: CEO of Rottneros AB 1999–2008, Senior Vice President Sales and Marketing at Cardo Rail AB, President of Radiopharmaceuticals within the Du Pont Group in Belgium, Switzerland, Germany and the UK.

Shareholding in Loomis as per December 31, 2010: 2,000

Subscription warrants in Loomis as per December 31, 2010: 261,512

Other information: Not independent in relation to the Company

Jan Svensson
Board member of Loomis AB since 2006.

Born: 1956

Principal education: Mechanical Engineering and Master of Science in Business and Economics at Stockholm School of Economics

Experience: President of AB Sigfrid Stenberg which was acquired by Latour in 1993.

Other assignments/positions:
President and CEO of Investment AB Latour since January 1, 2003.
Chairman of the Boards of Fagerhult AB and Nederman Holding AB.
Member of the Board of Oxeon AB.

Shareholding in Loomis as per December 31, 2010: 2,000 (privately)

Other information: Not independent in relation to major shareholders.

Signhild Arnegård Hansen
Board member of Loomis AB since 2010.

Born: 1960

Principal education: BA of Science, Human Resources at the University of Stockholm, Poppius School of Journalism, Stockholm

Experience: Chairman of the Board of Conferation of Swedish Enterprise 2007–2010, CEO of Svenska LantChips AB 1992–2006

Other assignments/positions:
Chairman of the Board of Svenska LantChips AB, Utah Chips Corporation, and The Swedish Free Enterprise Foundation/Timbro. Member of the Boards of SEB AB, Innventia AB, IFN, ESBRI, IFL Stockholm School of Economics Executive Education, Lund University, Magnora AB, King Carl XVI Gustaf's Foundation for Young Leadership, TABD (TransAtlantic Business Dialogue) and Swedish-American Chamber of Commerce New York.

Shareholding in Loomis as per 31 December, 2010: 0

Other information: Independent

Marie Ehrling
Board member of Loomis AB since 2009.

Born: 1955

Principal education: Master of Science in Business and Economics at Stockholm School of Economics

Experience: CEO of Telia Sonera Sverige AB 2003–2006. Deputy CEO of SAS Group and responsible for SAS Airlines. Information Secretary at the Ministry of Finance and the Ministry of Education and Research. Financial analyst at Fjärde AP-fonden.

Other assignments/positions: Deputy Chairman of the Board of Nordea Bank AB. Member of the Boards of Securitas AB, Oriflame Cosmetics SA, Schibsted ASA, Safe Gate AB, Centre for Advanced Studies of Leadership at Stockholm School of Economics, World Childhood Foundation and Business Executives Council IVA.

Shareholding in Loomis as per 31 December, 2010: 800 (privately)

Other information: Independent

Auditor

Anders Lundin
PricewaterhouseCoopers AB
Born: 1956
Authorized Public Accountant and member of FAR SRS. Auditor in charge as of 2006.

Other auditing assignments: AAK AB, AB Elextrolux, AB Industrivärden, Husqvarna AB, Melker Schörling AB and Svenska Cellulosa Aktiebolaget SCA.
Shareholdings in Loomis as per December 31, 2010: 0
Address: PricewaterhouseCoopers AB, SE-113 97 Stockholm, Sweden.

Group Management

Lars Blecko
President and CEO

Born: 1957

Employed since: 2008

Principal education: Master of Science at Karlstad University.

Experience: CEO of Rottneros AB 1999–2008, Senior Vice President Sales and Marketing at Cardo Rail AB, Managing Director Radiopharmaceuticals within the Du Pont Group in Belgium, Switzerland, Germany and the UK.

Other assignments/positions: –

Shareholding in Loomis as per December 31, 2010: 2,000

Subscription warrants in Loomis as per December 31, 2010: 261,512

Georges López Periago
Country President Spain and interim Country President France

Born: 1965

Employed since: 1985

Principal education: Master of Science in Business and Economics, various management training courses within the Company.

Experience: Head of Loomis Spain, Regional Manager, Divisional Manager and Cash Center Manager Securitas CHS.

Other assignments/positions: –

Shareholding in Loomis as per December 31, 2010: 0

Subscription warrants in Loomis as per December 31, 2010: 71,532

Jarl Dahlfors
Executive Vice President and Country President USA

Born: 1964

Employed since: 2007

Principal education: Master of Science in Business and Economics, Stockholm University.

Experience: CFO of Attendo Group AB, CFO of EF Education, Controller at Trygg Hansa Asset Management, Price Waterhouse.

Other assigments/positions:
Member of the Board and owner in Amfitrite Asset Management AB.

Shareholding in Loomis as per December 31, 2010: 150,000 (privately)

Subscription warrants in Loomis as per December 31, 2010: 261,512

Ashley Bailey
Country President UK

Born: 1964

Employed since: 2007

Principal education: ACMA, International Economics.

Experience: External consultant assisting Loomis divest LCM. CFO of DHL Freight UK & Ireland, Managing Director Pitney Bowes Management Services UK & Ireland.

Other assignments/positions: –

Shareholding in Loomis as per December 31, 2010: 0

Subscription warrants in Loomis as per December 31, 2010: 183,059

Kenneth Högman
Executive Vice President for Business Development

Born: 1957

Employed since: 1978

Principal education: Engineer, Various management training courses within the Securitas Group.

Experience: Regional manager for Securitas CHS Nordic, President of Securitas CHS Sverige.

Other assignments/positions: –

Shareholding in Loomis as per December 31, 2010: 5,000 (privately)

Subscription warrants in Loomis as per December 31, 2010: 217,927

The Share

Loomis' Class B share is listed on the NASDAQ, OMX Stockholm, and the MidCap list since December 9, 2008.

Share price performance for Loomis and the Stock Exchange

Loomis' B share rose 29 percent to SEK 101 in 2010. The lowest closing price was SEK 72.25 on May 21; the highest closing price was SEK 101.50 on December 29. The market value for the Class B shares at the end of the fiscal year amounted to MSEK 7,028 (5,445). The OMX Stockholm rose 23 percent in 2010, implying that the Loomis share developed more favorably than the stock market as a whole.

The total yield for Loomis, that is, share price development, including a re-invested dividend of SEK 2.65 (2.25) amounted to 32 percent (65) in 2010. The total yield for the OMX Stockholm, measured as the total yield index SIXRX, amounted to 27 percent in 2010.

Turnover

The introduction of the EU's MiFiD directive has changed the structure of share trading in Europe. As shares are now traded on more markets than only the markets on which they are listed, trading has become more fragmented, at the same time as total share turnover has increased for a large number of shares. The Loomis share is no longer traded only on the NASDAQ OMX Stockholm, but also on various other markets. However, the OMX Stockholm is responsible for the majority of trading activity, with 65 percent (80) of share turnover in 2010 taking place in Stockholm.

Total turnover for shares in Loomis amounted to 75.8 million shares (124.4), which represents an average turnover of 322,443 shares per day (495,702). The turnover rate of the Class B share amounted to 109 percent (179) in 2010.

Share Capital

At the end of 2010, the share capital of Loomis amounted to MSEK 365, distributed into 3.4 million Class A shares and 69.6 million Class B shares. All shares have a quotient value of SEK 5.00 and provide entitlement to the same proportion of the Company's earnings and capital. Each Class A share entitles the holder to ten votes, while each Class B share entitles the holder to one vote. Equity per share at year-end amounted to SEK 42.78 (42.85).

Subscription Warrant Program

At an Extraordinary General Meeting in February 2009, a resolution was adopted to implement a subscription warrant program for senior executives and key employees. A total of 83 key executives take part in the program. The issue price was determined at SEK 72.50. Subscription to these shares will be possible from March 1, 2013 to May 31, 2013.

The subscription warrant program can, at full subscription and full exercise of all warrants, result in an increase in share capital by a maximum of SEK 12,775,000. Overall, the program may yield a maximum, total dilution of approximately 3.38 percent in relation to capital, and approximately 2.40 percent in relation to the number of votes.

Dividends and dividend policy

Loomis intends to distribute a dividend to shareholders representing a good direct yield and dividend growth. Concurrently, the Board of Directors had adjusted the dividend rate to favor the Company's strategy, financial position, and other financial objectives and risks which the Board of Directors deems relevant. The annual dividend will, in the long-term and with regard to the aforementioned considerations, be equivalent to approximately 40-60 percent of the Group's income after tax.

For the 2010 financial year, Loomis' Board of Directors proposes a dividend of SEK 3.50 (2.65) per share. This proposal equates to approximately 51 percent (39) of the earnings per share, and a dividend yield, of approximately 3 percent (3), calculated on the stock market price for the share at year-end.

Ownership

As of December 31, the number of shareholders amounted to 20,170 (22,151). At year end, the ten largest holders controlled 45.5 percent (51.0) of the capital and 61.7 percent (65.6) of the votes. Together, the principal owners (Säkl AB, Melker Schörling AB, and Latour Investment AB) controlled 19.0 percent (19.7) of the capital and 43.0 percent (43.6) of the votes. Swedish owners controlled 63.3 percent (69.3) of the capital and 74.2 percent (78.4) of the votes. Meanwhile, foreign ownership increased to 36.7 percent (30.7) of the capital and 25.8 percent (21.6) of the votes.

Index, abbreviation, and ISIN code

The Loomis Class B share is listed on the NASDAQ OMX Stockholm, on the Nordic MidCap list in the sector Industrial Goods and Services. The share is traded under the abbreviation LOOMB and the ISIN code is SE0002683557.

LARGEST OWNERS, DECEMBER 31, 2010

	Number of Class A shares	Number of Class B shares	Capital, %	Votes, %
Säkl AB	1,728,520	391,808	2.9	17.0
Melker Schörling AB	900,000	5,400 300	8.6	13.9
Investment AB Latour	800,000	4,618,000	7.4	12.1
Swedbank Robur fonder		3,998,384	5.5	3.8
SEB Investment Management AB		3,666,891	5.0	3.5
UBS AG LND IPB Segretated client A		3,440,981	4.7	3.3
Didner & Gerge Fonder AB		2,871,154	3.9	2.8
Skandia fonder AB		1,864,812	2.6	1.8
Afa Försäkring		1,787,543	2.4	1.7
Carlson Fonder AB		1,718,798	2.4	1.7
10 largest owners	**3,428,520**	**29,758,671**	**45.5**	**61.7**
Other foreign owners		23,345,960	32.0	22.5
Other Swedish owners		16,478,629	22.6	15.9
TOTAL	**3,428,520**	**69,583,260**	**100.0**	**100.0**

Source: Euroclear Sweden AB

OWNERSHIP STRUCTURE, DECEMBER 31, 2010

Number of shares	Number of shareholders	Share of total capital, %	Share of total votes, %
1–1,000	19,176	3.3	2.3
1,001–5,000	632	2.0	1.4
5,001–10,000	87	0.9	0.6
10,001–100,000	177	8.6	6.0
100,001–	98	85.3	89.7
TOTAL	**20,170**	**100.0**	**100.0**

Source: Euroclear Sweden AB

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KEY RATIOS

	2010	2009	2008
Earnings per share, SEK[1]	6.80	6.85	5.80
Dividend, SEK	3.50[2]	2.65	2.25
P/E ratio	14.9	11.4	11.4
Equity per share, SEK	42.78	42.85	40.76
Share price, December 9, 2008, SEK	e/t	e/t	58.75
Share price, December 31, SEK	101.00	78.25	49.00

[1] Number of outstanding shares amount to 73,011,780.
[2] Proposed dividend is SEK 3.50 per share. At the end of 2010, the dividend yield, based on the proposed dividend, amounted to 3.5 percent.

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Administration Report Loomis AB

The Board and the President of Loomis AB (publ), Corporate Identity Number 556620-8095, with registered offices in Stockholm, hereby present the Annual financial statements and consolidated accounts for the financial year 2010.

The Group's operations

Loomis offers a comprehensive solutions for cash handling with a strong presence in the USA and Western Europe. Services are primarily directed towards central banks, commercial banks, retailers, other commercial enterprises and the public sector. Loomis assists its customers with secure and efficient management of all physical flow of cash in society. Loomis' services provide customers with high quality, cost efficient solutions and significantly decrease the risks to customers' personnel.

Loomis has more than 150 years of experience in Cash in Transit and has gradually expanded its services to include comprehensive solutions for cash handling. Cash in Transit remains the largest source of revenue for Loomis, although revenue from Cash Management Services is growing faster than revenue from Cash in Transit.

Loomis offers a comprehensive range of services in the USA and Europe, but the combination of products and demand differs somewhat between the segments. In Europe, Cash in Transit constitutes 67 percent (68) of the revenue, while Cash Management Services constitutes 33 percent (32). In the USA, Cash in Transit constitutes 79 percent (81) of revenue and Cash Management Services 21 percent (19).

Risk management is a fundamental component in all of Loomis' services. Risk management for customers with varying requirements and the protection of personnel and property is a significant part of the customer value offered by Loomis. Understanding and evaluation of all risks existing in a society's flow of cash, as well as management and control of these risks has, consequently, a central role in the business. Safety is one of the most important success factors for Loomis.

Loomis undertakes significant operational investments in risk management systems but even more important is the maintenance of a strong risk management culture. Loomis' strategy for risk management is communicated to all employees. Loomis has over 150 personnel working in risk management at Group level and local level. The risk management organization is both proactive and reactive including, among other things, preventative work, external environment monitoring and crisis management. For further information about risk management, refer to the Risk Management section on page 22.

Loomis AB, the Group's Parent Company, has subsidiaries in Austria, Czech Republic, Denmark, Finland, France, Ireland, Norway, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, UK, and in the USA.

Significant events during the year

Acquisitions

In January 2010, Loomis' subsidiary in the USA, Loomis Armored US, LLC, acquired the assets and customer contracts of Hammond Services in the state of Idaho. Customer contracts refer to customers based in Idaho and Montana and the acquisition will provide annual revenue amounting to approximately TUSD 750. Loomis also took on a limited number of employees.

In January 2010, Loomis' subsidiary in Austria, Loomis Österreich GmbH, acquired the assets and liabilities of the cash handling division of Siwacht Bewachungsdienst Gesellschaft m.b.H. This acquisition will contribute annual revenue of approximately MEUR 0.2.

In March 2010, Loomis' subsidiary in the USA, Loomis Armored US, LLC, acquired the assets and customer contracts of 1st Armored Inc. in the state of Michigan. The customer contracts refer to customers based in Michigan and the acquisition will provide annual revenue of approximately MUSD 1. Loomis also took on 1st Armored's employees.

In September 2010, Loomis' subsidiary in the USA, Loomis Armored US, LLC, acquired the assets and customer contracts of Idaho Armored Services in the state of Idaho. The customer contracts are comprised of customers based in Idaho, and the acquisition will provide annual revenue of approximately TUSD 340. Loomis also took on a limited number of employees.

In October 2010, Loomis' Parent Company, Loomis AB, acquired the Czech cash handling company Fenix. The acquired company, which is the Czech Republic's second largest cash handling company, with a market share of 30 percent, will provide annual revenue of approximately MSEK 90. Loomis also took on the company's nearly 500 employees.

In October 2010, Loomis' subsidiary in Sweden, Loomis Sverige AB, acquired the assets and customer contracts from Visira AB. The customer contracts refer to clients in the Gothenburg region and the acquisition will provide annual revenue of approximately MSEK 4. Loomis took on a limited number of employees.

In November 2010, Loomis' subsidiary in the USA, Loomis Armored US, LLC, acquired the assets and customer contracts from Badger Armor Inc., dba Big Ten Armor. The customer contracts refer to clients in the states of Wisconsin and Minnesota and the acquisition will provide annual revenue of approximately MUSD 9.5. Loomis also took on Big Ten Armor's 160 employees.

In December 2010, Loomis' subsidiary in the USA, Loomis Armored US, LLC, acquired the assets and customer contracts from Luzon Security Services. The customer contracts refer to clients based in Oregon and the acquisition will provide annual revenue of approximately MUSD 0.2. Loomis also took on a limited number of employees.

Other Significant events during the year

At the Annual General Meeting on April 29, 2010, Signhild Arnegård Hansen was elected as a new Board member.

In accordance with the proposal of the Board of Directors, the Annual General Meeting resolved to support a further development of the existing performance-based cash bonus scheme to also comprise a share-related component. The new incentive scheme, for those taking part, involves two thirds of the total amount of bonus being paid out in cash during the year after the bonus was earned. For the remaining third, Loomis will repurchase shares that will be allotted to the employees at June 30, 2012 at the latest. The allotment of shares is conditional on the employee in question being employed by the Loomis Group as at the last day of February 2012. Loomis will not issue new shares or similar as a consequence of this incentive scheme.

The repurchase of Loomis shares will be made at the NASDAQ OMX Stockholm. This procedure will not lead to any costs in excess of the earned bonus cost other than changes in social security contributions. The introduction of the new incentive scheme will make it possible for top managers within Loomis to become shareholders in the long-term, thereby strengthening employee participation in the success and development of Loomis, to the benefit of all shareholders. Slightly more than 300 employees take part in the incentive scheme.

The Group's new financial and operational goals were announced at Loomis' Capital Market Day on November 17, 2010. The financial goals include Loomis achieving an operating margin of 10 percent by 2014, at latest, that the net debt/EBITDA ratio shall not exceed 2.5 and that the cash flow from operating activities shall be equivalent to at least 85 percent of operating income (EBITA).

Consolidated statement of income	2010	2009	2008	2007
Total revenue	11,033	11,989	11,258	11,397
Operating income before amortization (EBITA)	882	837	748	259
Net income for the year	496	500	424	–881
Consolidated statement of cash flow	**Dec 31, 2010**	**Dec 31, 2009**	**Dec 31, 2008**	**Dec 31, 2007**
Cash flows from operations	1,271	1,333	640	–174
Cash flows from investing activities	–790	–813	–879	–761
Cash flows from financing activities	–586	–747	641	1,020
Cash flow for the year	–104	–226	402	85
Consolidated Balance Sheet	**Dec 31, 2010**	**Dec 31, 2009**	**Dec 31, 2008**	**Dec 31, 2007**
Capital employed	4,555	5,028	5,351	3,855
Net debt	1,432	1,899	2,375	2,350
Shareholders' equity	3,123	3,129	2,976	1,505

Revenues and Income

The Group

Revenue decreased by 8 percent during the year to MSEK 11,033 (11,989). Organic growth in revenue (adjusted for currency effects, acquisitions and disposals) amounted to –1 percent. Lower fuel surcharges have had a marginal impact on the organic growth. The negative organic growth is primarily attributable to lost contracts and recession effects on the market in the USA.

Lost contracts are, to a great extent, a consequence of Loomis' strategy to prioritize price and profitability over volume. The weaker economic climate and lost contracts have been partially compensated for by general price increases in line with expected wage increases.

Operating income (EBITA) increased to MSEK 882 (837). The increase included exchange rate effects of MSEK –80. The cost savings and efficiency improvement efforts which have been undertaken and are continuing, as well as the prioritization of price and profitability over volume of customer contracts, have facilitated an improvement of the operating margin, which increased to 8.0 percent (7.0).

Operating income (EBIT) increased to MSEK 866 (821).

Financial net improved to MSEK –107 (–115) although expensed up-front fees of approximately MSEK 10, relating to voluntary cancellation of the loan facility which falls due during 2011, negatively impacted the financial net. The improvement is primarily a result of a lower average net debt and lower interest rates.

Income before taxes amounted to MSEK 759 (706) whilst net income after taxes was MSEK 496 (500). The tax rate for the period was 35 percent (29). The positive earnings development in the USA has resulted in a larger proportion of the Group's earnings having been generated in the USA, which negatively impacts the Group's tax rate, as the tax rate in the USA is higher than the Group's overall tax rate. Furthermore, the overall tax rate was negatively impacted by new tax legislation in France, and by provisions for tax audits.

Segments

Europe

Organic growth in the European operations was 0 percent (–2). The operating margin amounted to 9.8 percent, which is an improvement compared to 2009, when the operating margin was 9.1 percent.

USA

Organic growth in the USA operations was –3 percent (–4). Profitability improved and the operating margin was 7.4 percent, compared to 5.7 percent in 2009.

Cash flow

The Group's cash flow from operations amounted to MSEK 1,271 (1,333). Investments in fixed assets amounted to MSEK 715 (827). Sales of fixed assets amounted to MSEK 7 (23). Acquisitions of subsidiaries amounted to MSEK 82 (9). Cash flow from financing activities amounted to MSEK –586 (–747). Cash flow for the year includes a shareholder dividend of MSEK –193 (–164). Furthermore, the cash flow has been used to reduce debt, which has decreased by MSEK –375 (–545).

Capital employed and Financing

Loomis' operating capital employed amounted to MSEK 1,929 (2,231), which corresponds to 17 percent (19) of revenue. Total capital employed amounted to MSEK 4,555 (5,028).

Return on capital employed amounted to 19 percent (17).

Net debt amounted to MSEK 1,432 (1,899). The equity ratio improved to 41 percent (38).

During the third quarter of 2010, the annual testing of impairment attributable to all cash generating units was carried out. No cash generating unit had a book value exceeding its recoverable amount, which is the reason why no write-downs have been reported during 2010.

Shareholders' Equity

Shareholders' equity amounted to MSEK 3,123 (3,129) and decreased during the year by MSEK 6. Income for the year, MSEK 496, and share-related remuneration, MSEK 11, increased shareholders' equity by MSEK 507. Exchange rate effects, MSEK –224, effects from revaluation according to IAS 19 regarding pensions, MSEK –94, dividend paid, MSEK –193, and cash flow hedges after tax, MSEK –1, decreased shareholders' equity by MSEK –513.

The return on shareholders' equity amounted to 16 percent (16).

Environmental impact

The Group and Parent Company do not undertake any operations requiring a permit according to the Environmental Code.

Personnel

During 2010, the average number of employees amounted to 18,466 (18,428) in fourteen countries (thirteen). The gender distribution is 29 percent (31) women and 71 percent (69) men. With consideration of the nature of the operations undertaken by Loomis, the Group's employees assume a significant amount of responsibility each day. Based on the requirements of its activities, Loomis places major emphasis on recruiting the right employees and ensuring that these employees receive the necessary training. All employees undergo basic training and regular additional training thereafter. The training programs have been adapted to each country and region in which Loomis operates. Management at different levels is offered leadership training as an aid in executing their responsibilities. Loomis also greatly emphasizes compliance by all employees with the Group's core values.

Research and development

Loomis is a service company and does not carry out any research as defined in IAS 38, Intangible assets. Work to refine and develop the Group's service offering is undertaken on a continuous basis, not least as an integrated part of the services carried out for customers. Capitalized development costs in the Group amounted to MSEK 11 (11) as at December 31, 2010.

Parent Company

Loomis AB is a holding company with subsidiaries in Austria, Czech Republic, Denmark, Finland, France, Ireland, Norway, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, the UK, and the USA. Loomis AB does not engage in any operating activities as it consists only of Group management and support functions.

At year-end, the number of employees at the head office amounted to 15 (14).

Income before appropriations and tax amounted to MSEK 427 (490). The change is primarily attributable to a lower financial net.

During the second quarter of 2010, a total of MSEK 193 was paid to shareholders, which corresponds to a dividend of SEK 2.65 per share.

Investments in fixed assets amounted to MSEK 0 (0).

Uncertainties

Specific factors of uncertainty for 2011 are the effects of the efficiency improvement work, which continues in the French operations.

The economic trend during the year has impacted certain countries and geographic markets negatively, and it cannot be ruled out that revenue and operating income during 2011 may be further impacted.

An economic slowdown may have both positive and negative effects on the market for cash handling services. Positive effects include an increase in the proportion of cash purchases compared with credit card purchases and lower employee turnover rates. Negative effects include the increased risk of robbery, reduced consumption and the increased risk of loss of customers. Among the negative effects, an increased risk of robbery and reduced consumption have been most visible.

A continued low interest level negatively affects the cash handling industry, as the incentive for the customer to deposit cash into interest-bearing accounts is reduced.

Other

Information regarding financial risk management and the use of financial instruments for risk management is found in Note 6.

Issued shares in the Parent Company include both A-and B-shares. One A share entitles the holder to 10 votes and one B share entitles the holder to 1 vote. As of December 9, 2008, Loomis' B shares are listed on the NASDAQ OMX Stockholm Mid Cap list. The principal owners are essentially Säkl AB, Melker Schörling AB and Investment AB Latour. These principal owners have entered into a shareholder agreement, according to which the parties intend to coordinate their actions regarding the composition of the Board, dividend policy, resolutions regarding amendments to the Articles of Association or share capital, significant acquisitions or divestments and appointment of the CEO, and which also includes a pre emption right if any of these parties chooses to sell Class A shares. For further information regarding the largest owners, refer to the section The Share on page 32.

The Annual General Meeting 2010 resolved on authorization for the Board of Directors to resolve on repurchase of shares on the stock exchange and to allott the shares to the participants of the incentive scheme, which was resolved on by the Meeting.

Of the total number of outstanding warrants of 2,555,000, the number of acquired warrants, as of December 31, 2010, amounted to 49,836.

Significant events after the end of the year

The Board of Loomis has decided to propose at the Annual General Meeting of Shareholders to resolve on a share and cash bonus incentive scheme in Loomis, based on the existing share and cash incentive scheme approved at the Annual General Meeting of Shareholders in 2010. The approximately 300 top managers currently taking part in the existing share and cash incentive shceme would be included in this incentive program. Participants would be entitled to receive an annual bonus in the form of shares in Loomis AB, provided that certain pre-defined and measurable performance criteria, which are currently applied in the existing share and cash incentive shceme, are met. The principles of performance measurement and other general principles that are already in place will continue to apply. For the Board's complete proposal regarding the incentive scheme, refer to the Notice of Annual General Meeting of Shareholders.

In February 2011, Loomis AB signed a new five year loan agreement. The new loan matures in 2016 and amounts to MUSD 150 and MSEK 1,000. This loan will be utilised partly to repay the current facility which matures in November 2011 and partly for the Group's ongoing operations.

Prospects for the future

The Company will not provide forecast information for 2011.

Proposed appropriation of profits

The Board has decided to propose a dividend of SEK 255,541,230 to the Annual General Meeting of Shareholders. It is the Board's assessment that the proposed dividend does not jeopardize the Group from fulfilling its obligations and making investments that have been deemed necessary.

The Parent Company and the Group's income statements and balance sheets are subject to adoption by the Annual General Meeting of Shareholders on May 11, 2011.

The following funds are at the disposal of the Annual General Meeting:

	SEK
Retained earnings	4,050,107,384
Translation differences	– 66,408,000
Revaluation of cash flow hedges	–1,064,055
Group contribution, net after tax	49,009,763
Net income for the year	321,240,321
	4,352,885,413

The Board of Directors proposes that the profits be appropriated as follows:

	SEK
Dividend to shareholders	255,541,230
To be carried forward	4,097,344,183
	4,352,885,413

Provided that the 2011 Annual General Meeting resolves in accordance with the Board's proposal on the appropriation of profits, SEK 4,097,344,183 will be brought forward. Complete coverage exists for the Company's restricted equity after the proposed appropriation of profits.

The Board has taken the Company's and the Group's consolidation needs into consideration through a comprehensive evaluation of the financial position of the Company and its ability to meet its commitments. The proposed dividend does not jeopardize the Company's ability to carry out necessary investments. The Company's financial position does not give rise to any other assessment other than that the Company can continue its operations and that the Company is expected to fulfill its obligations in both the short and long-term. The Board has taken into consideration all known relationships that may be of significance to the Company's financial position and that have not been accounted for within the framework for evaluation of the Company's consolidation requirements and liquidity.

With reference to the above, it is the opinion of the Board that the dividend is justifiable, considering the demands, which the nature of the Company's operations, their extent, and the risks pose on the size of the Company's and Group's shareholders' equity, and on the Company's and Group's need to strengthen the balance sheet, liquidity and overall financial position.

Regarding all other aspects of the Company's and Group's results and financial position, refer to the income statements and balance sheets, cash flow statements and commentary to the accounts and notes.

The Board's proposed guidelines for remuneration to Group managment

The Board of Loomis AB (publ) proposes that the Annual General Meeting 2011 resolves on guidelines for remuneration to management in accordance with the following.

Scope of the guidelines

These guidelines concern remuneration and other employment benefits to persons that are part of the Loomis Group management team, below referred to as the "management", during the time period for which the guidelines are in force.

The present members of the Group management are Lars Blecko, Jarl Dahlfors, Kenneth Högman, Georges López Periago and Ashley Bailey.

The guidelines shall apply to all agreements entered into after the adoption by the Annual General Meeting and to any changes in existing agreements after this date. The Board shall have the right to deviate from the guidelines if there are particular grounds for such deviation in the individual case. The guidelines shall be subject to a yearly review.

Basic principles and the forms for remuneration

The fundamental principle is that remuneration and other terms of employment for the management shall be competitive and in accordance with market conditions in order to ensure that the Loomis Group will be able to attract and keep competent management employees.

The total remuneration to management shall consist of a fixed basic salary, variable remuneration, pensions and other benefits.

The Board shall each year consider whether to propose that the general meeting resolves upon a share or share price based incentive program. At the Annual General Meeting 2010, a resolution was reached regarding an incentive scheme.

Principles regarding different types of remuneration

Fixed basic salary

The fixed basic salary for the management within the Loomis Group shall be competitive and in accordance with market conditions and based on the individual executive's area of responsibility, powers, competence and experience.

Variable remuneration

In addition to a fixed basic annual salary, the management may also receive variable remuneration, which shall be based on the outcome in relation to financial goals and growth targets within the individual area of responsibility (Group or subsidiary) and in line with the interests of the shareholders. The variable remuneration within the scope of the Company's so called AIP (Annual Incentive Plan) shall amount to a maximum of 60 percent of the fixed basic annual salary for the President/CEO and a maximum of 72 percent of the fixed basic annual salary for other individuals of the management. The variable remuneration within the scope of the Company's so called LTIP (Long-Term Incentive Plan) shall amount to a maximum of 40 percent of the fixed basic salary for the President/CEO and a maximum of 50 percent of the fixed basic annual salary for other individuals of the management.

In addition to the variable remuneration above, there may be long term incentive programs resolved upon from time to time in accordance with the Basic principles and the forms for remuneration mentioned above.

Pensions

The pension rights of the management shall be applicable as from the age of 65, at the earliest, and the entire management shall be subject to fee-based pension plans equivalent to maximum 30 percent of the fixed basic annual salary. The variable remuneration shall not be pension qualifying. Management employees resident outside Sweden may be offered pension programs which are competitive in the country where the employees are resident.

Terms at dismissal/resignation

At dismissal, the notice period for the management shall amount to a maximum of 12 months with a right to redundancy payment after the end of the notice period, equivalent to a maximum of 100 percent of the fixed basic salary for a period not exceeding 12 months. At resignation, the notice period shall amount to a maximum of 6 months.

Other benefits

Other benefits, such as company car, special health insurance or occupational health service shall be provided to the extent this is considered customary for management employees holding equivalent positions on the employment market where the management employee is active. The total value of such other benefits shall, however, constitute a minor part of the total remuneration received.

Preparation by the Board and decision-making in connection with matters regarding salaries and other benefits for the management

The Remuneration Committee appointed among the members of the Board prepares matters regarding salaries and other terms of employment for the management. The Committee has no authority to decide but merely presents its proposal to the Board for adoption. Resolution on remuneration to the President / CEO is made by the entire Board. For other management employees, the decision is made by the President / CEO after consultation with the Remuneration Committee.

Estimated costs for variable remuneration

The cost for variable remuneration to the management according to the proposal of the Board, taking into account existing agreements and based on the present remuneration rates, may, at maximum outcome, which presupposes that all targets on which the variable remuneration is based are reached, amount to maximum MSEK 18. The estimate is based on the persons currently being part of the management. The costs may change in case additional persons will become part of the management.

Previously determined remuneration which has not fallen due for payment

Loomis AB has, at the date of the annual general meeting on 11 May 2011, no remuneration commitments which have not fallen due for payment other than the ongoing commitments to Group management, including previous commitments in accordance with the Company's LTIP (Long-Term Incentive Plan) and incentive programs.

Consolidated statement of income

MSEK	Note	2010	2009	2008
Revenue, continuing operations		10,990	11,934	10,899
Revenue, acquisitions		43	55	360
Total revenue	**8, 9**	**11,033**	**11,989**	**11,258**
Production expenses	10,11,12	–8,516	–9,374	–8,800
Gross income		**2,516**	**2,615**	**2,459**
Selling and administrative expenses	10,11,12	–1,634	–1,778	–1,711
Operating income before amortization (EBITA)		**882**	**837**	**748**
Amortization of acquisition-related intangible assets	10,12,17	–17	–17	–15
Operating income after amortization (EBIT)		**866**	**821**	**733**
Financial income	13	3	15	35
Financial expenses	13	–110	–130	–199
Income before taxes		**759**	**706**	**569**
Income tax	14	–262	–206	–145
Net income for the year [1]		**496**	**500**	**424**

1) Net income for the year is entirely attributable to the Parent Company's shareholders.

Data per share

SEK	Note	2010	2009	2008
Earnings per share, before dilution	3	6.80	6.85	5.80
Earnings per share, after dilution[2]	3	6.57	6.85	n/a
Earnings per share, fully diluted[3]	3	6.57	6.62	n/a
Dividend		2.65	2.25	n/a
Number of outstanding shares (million)		73.0	73.0	73.0
Average number of outstanding shares (million)		73.0	73.0	73.0

2) The average share price amounted to SEK 83.62 for the full-year 2010.
3) Earnings per share, fully diluted, shows earnings per share if all outstanding warrants had been converted into shares. At full dilution, the number of outstanding shares would amount to 75.6 million.

Consolidated statement of comprehensive income[4]

MSEK	2010	2009	2008
Actuarial gains and losses after tax	–94	–49	44
Exchange rate differences	–224	–150	348
Cash flow hedges after tax	–1	–6	-
Other comprehensive income and expenses for the year, net after tax	**–320**	**–205**	**392**
Net income for the year	496	500	424
Total comprehensive income for the year	**177**	**295**	**816**

4) Shareholders' equity is entirely attributable to the Parent Company's shareholders.

See Note 27 for further reconciliation of shareholders' equity

Consolidated balance sheet

MSEK	Note	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
ASSETS				
Fixed assets				
Goodwill	15,16	2,582	2,760	2,965
Acquisition-related intangible assets	17	87	65	79
Other intangible assets	18	66	41	49
Buildings and land	19	250	287	328
Machinery and equipment	19	2,360	2,591	2,640
Deferred tax assets	14	317	316	268
Interest-bearing financial fixed assets	20	29	46	60
Other long-term receivables	21	28	28	51
Total fixed assets		**5,719**	**6,132**	**6,439**
Current assets				
Accounts receivable	22	1,243	1,336	1,490
Other current receivables	23	48	67	75
Current tax assets	14	80	66	109
Prepaid expenses and accrued income	24	214	163	177
Interest-bearing financial current assets	25	19	3	355
Liquid funds	26	259	387	268
Total current assets		**1,863**	**2,020**	**2,474**
TOTAL ASSETS		**7,582**	**8,153**	**8,913**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity	27			
Capital and reserves attributable to the Parent Company's shareholders				
Share capital		365	365	365
Other capital contributed		4,441	4,441	4,419
Other reserves		206	419	569
Retained earnings including net income for the year		–1,888	–2,095	–2,377
Total shareholders' equity		**3,123**	**3,129**	**2,976**
Long-term liabilities				
Loans payable	28	629	1,480	72
Deferred tax liability	14	235	223	182
Provisions for claims reserves	29	203	205	239
Provisions for pensions and similar commitments	30	316	264	262
Other provisions	31	125	127	126
Total long-term liabilities		**1,507**	**2,299**	**880**
Current liabilities				
Loans payable	28	1,110	855	2,987
Accounts payable		340	307	462
Provisions for claims reserves	29	93	123	126
Current tax liabilities	14	166	171	209
Accrued expenses and prepaid income	32	937	914	866
Other provisions	31	35	50	88
Other current liabilities	33	271	306	318
Total current liabilities		**2,951**	**2,725**	**5,057**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**7,582**	**8,153**	**8,913**
Memorandum items				
Pledged assets		none	none	none
Contingent liabilities	34	855	992	758

Consolidated statement of changes in equity

	Attributable to the Parent Company's shareholders[1]				
MSEK	Share capital[2]	Other contributed capital	Other reserves[3]	Retained earnings incl. net income for the year	Total
Opening balance January 1, 2008	**365**	**3,519**	**221**	**–2,600**	**1,505**
Comprehensive income					
Net income for the year	-	-	-	424	424
Other comprehensive income					
Actuarial gains and losses, net of tax	-	-	-	44	44
Exchange rate differences	-	-	348	-	348
Total other comprehensive income	*-*	*-*	*348*	*44*	*392*
Total comprehensive income	**-**	**-**	**348**	**468**	**816**
Transactions with shareholders					
Shareholders' contribution received	-	900	-	-	900
Dividend attributable to 2007	-	-	-	–245	–245
Total transactions with shareholders	**-**	**900**	**-**	**–245**	**655**
Opening balance January 1, 2009	**365**	**4,419**	**569**	**–2,377**	**2,976**
Comprehensive income					
Net income for the year	-	-	-	500	500
Other comprehensive income					
Actuarial gains and losses, net of tax	-	-	-	–49	–49
Cash flow hedges, net of tax	-	-	-	–6	–6
Exchange rate differences	-	-	–150	-	–150
Total other comprehensive income	*-*	*-*	*–150*	*–55*	*–205*
Total comprehensive income	**-**	**-**	**–150**	**446**	**295**
Transactions with shareholders					
Issued of warrants	-	22	-	-	22
Dividend attributable to 2008	-	-	-	–164	–164
Total transactions with shareholders	**-**	**22**		**–164**	**–143**
Opening balance January 1, 2010	**365**	**4,441**	**419**	**–2,095**	**3,129**
Comprehensive income					
Net income for the year	-	-	-	496	496
Other comprehensive income					
Actuarial gains and losses, net of tax	-	-	-	–94	–94
Cash flow hedges, net of tax	-	-	-	–1	–1
Exchange rate differences	-	-	–224	-	–224
Total other comprehensive income	*-*	*-*	*–224*	*–95*	*–320*
Total comprehensive income	**-**	**-**	**–224**	**401**	**177**
Transactions with shareholders					
Dividend attributable to 2009	-	-	-	–193	–193
Share-related remuneration	-	-	11	-	11
Total transactions with shareholders	**-**	**-**	**11**	**–193**	**–182**
Closing balance December 31, 2010	**365**	**4,441**	**206**	**-1,888**	**3,123**

1) Shareholders' equity is entirely attributable to the Parent Company's shareholders.
2) Shares issued in the Parent Company consist of both Class A and Class B Shares. Each Class A share carries ten votes and each Class B share one vote.
3) Other reserves refer to exchange rate differences and share-related remuneration.

Consolidated statement of cash flows

MSEK	Note	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Operations				
Income before taxes		759	706	569
Items not affecting cash flow, items affecting comparability and acquisition-related restructuring costs	35	805	880	397
Financial items received		3	3	36
Financial items paid		–110	–112	–204
Income tax paid		–261	–147	–6
Change in accounts receivable		–39	85	79
Change in other operating capital employed		115	–82	–231
Cash flows from operations		**1,271**	**1,333**	**640**
Investing activities				
Investments in fixed assets	18,19	–715	–827	–879
Sales of fixed assets		7	23	50
Disposals of subsidiaries		-	-	1
Acquisition of subsidiaries	15	–82	–9	–52
Cash flows from investing activities		**–790**	**–813**	**–879**
Financing activities				
Dividend paid	27	–193	–164	–245
Shareholders´ contributions received	27	-	-	900
Group contributions paid		-	-	–182
Repayment of financial leasing liabilities	28	–17	–38	–44
Change in interest-bearing net debt excluding liquid funds		–375	–545	210
Cash flows from financing activities		**–586**	**–747**	**641**
Cash flow for the year		**–104**	**–226**	**402**
Liquid funds at beginning of year		387	624	203
Translation differences on liquid funds		–23	–10	19
Liquid funds at end of year		**259**	**387**	**624**

Notes

NOTE 1 General information

Loomis AB (Parent Company Corporate Identity Number 556620-8095) and its subsidiary companies (referred to collectively as the Group) offer comprehensive solutions for cash handling in the US and large parts of Europe.

The Parent Company is a limited liability company with its registered offices in Sweden. The address of the head office is Vallgatan 11, 170 67 Solna. The Parent Company is a holding company with the primary purpose of holding and administrating shares in a number of subsidiaries, whilst managing and administrating the Group as a whole.

These consolidated financial statements are subject to adoption by the Annual General Meeting on May 11, 2011.

NOTE 2 Summary of important accounting principles

The primary accounting principles applied in the preparation of this annual report are stated below. These principles have been applied consistently for all the years presented, unless stated otherwise. The same principles are, in general, applied in both the Parent Company and the Group. In certain cases, the Parent Company applies different principles than the Group. These are stated in Note 36.

Basis of preparation of reports

The Group applies International Financial Reporting Standards, IFRS (formerly IAS), as adopted by the European Union (EU), effective from January 1, 2010, the Swedish Financial Reporting Board 1 Supplementary accounting rules for groups, and the Swedish Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the cost method, with the exception of available-for-sale financial assets and financial assets or financial liabilities valued at fair value via the statement of income (including derivatives). For information on critical estimates and assessments refer to Note 4.

New and revised standards adopted by the Group

The Group has adopted the following new and revised IFRS from January 1, 2010:

- IFRS 3 (revised) "Business Combinations" (effective from July 1, 2009). The acquisition method is applied for business combinations. All payments made in the acquisition of an operation are reported at fair value at acquisition date, while subsequent payments are classified as a liability and subsequently revalued via the statement of income. Holdings without controlling influence in the acquired operations can, for each acquisition, either be valued at fair value, or at the proportional share of the acquired operations' net assets, held without a controlling interest. All acquisition-related transaction costs are expensed. These costs are reported as selling and administrative expenses in the statement of income.
- IAS 38 (amendment) "Intangible Assets". The amendment clarifies the valuation at fair value of an intangible asset acquired in a business combination. In accordance with the amendment, intangible assets may be grouped and treated as one asset if the assets have similar useful lifetimes. The amendment has had no material impact on the consolidated financial statements.
- IAS 27 (amendment) "Consolidated Financial Statements" (effective from July 1, 2009). Transactions with minority shareholders are to be reported in shareholders' equity if they do not imply any change in the controlling influence and if these transactions do not result in any goodwill or gains or losses. Should a Parent Company lose controlling influence, any remaining interest should be revalued at fair value and a gain or loss should be reported in the statement of income.

Standards, amendments and interpretations to existing standards that are not yet effective and that have not been adopted in advance by the Group

IFRS 9 "Financial Instruments" (published in November 2009). This standard is the first step in the process to replace IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 introduces two new requirements for recognition and measurement of financial assets and will probably affect the Group's reporting of financial assets. The standard applies to financial years beginning January 1, 2013 but is available for early adoption. However, the standard has not yet been adopted by the EU. The Group has yet to assess the full impact of IFRS 9 on the financial statements.

None of the other changes to standards or new interpretation notifications which have been adopted for application from the financial year 2011 or later are deemed to have any material effect on the consolidated financial statements.

Scope of the consolidated financial statements (IFRS 3)

The consolidated financial statements include the Parent Company, Loomis AB, and all subsidiaries. Subsidiaries are companies in which the Group has the right to establish financial and operating strategies with the aim of securing financial benefits, in a manner typically associated with a shareholding of more than 50 percent of the voting rights. Subsidiaries are included in the consolidated financial statements as of the date on which the Group gains controlling interest over the subsidiary. A subsidiary is excluded from the consolidated financial statements as of the date on which the Group no longer exerts a controlling interest over the subsidiary.

Acquisition method (IFRS 3)

The Group applies the acquisition method for acquisitions. All payments made in the acquisition of an operation are reported at fair value on acquisition date. Revaluation of any contingent consideration beyond that which was estimated on the acquisition date is reported in the statement of income. Holdings without controlling interest in the acquired operations can, for each acquisition, either be valued at fair value, or at the proportional share of the acquired operations' net assets, held without a controlling interest. As of December 31, 2010 there are no non-controlling interests in the Group. All acquisition-related transaction costs are expensed and are reported in the consolidated statement of income as selling and administrative expenses. The surplus arising from the difference between the acquisition value and the fair value of the Group's share of identifiable acquired assets, liabilities and contingent liabilities is reported as goodwill.

Translation of foreign subsidiaries (IAS 21)

The functional currency of each of the Group's subsidiaries, that is, the currency in which the company normally conducts incoming and outgoing payments, is normally determined by the primary economic environment in which the company operates. The functional currency of the Parent Company and the presentation currency of the Group, that is the currency in which the financial statements are presented, is the Swedish

Note 2, cont.

Krona (SEK). The financial statements of each foreign subsidiary are translated according to the following: each month's statement of income is translated applying the exchange rate prevailing on the last day of that month. This implies that income for each month is not affected by foreign exchange fluctuations during subsequent periods.

Balance sheets are translated using the exchange rates prevailing at each balance sheet date. The translation difference arising as a result of statements of income being translated applying average rates, while the balance sheets are translated applying the exchange rates prevailing at each balance sheet date, is reported in other comprehensive income. In cases in which loans have been raised to reduce the Group's foreign exchange/translation exposure in foreign net assets, and where these satisfy the hedge accounting requirements, the exchange rate differences on such loans are reported in the translation reserve in shareholders' equity, together with the exchange rate differences arising from the translation of foreign net assets. When a foreign operation or part thereof is sold, such exchange rate differences that have been reported in shareholders´equity are reported in the statement of income as part of the capital gain or loss on the sale.

Receivables and liabilities in foreign currency (IAS 21)
Foreign currency transactions are translated to the functional currency using the exchange rates prevailing at each transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are reported in the statement of income. Exceptions relate to transactions in which gains or losses are reported in sother comprehensive income as qualifying cash flow hedges or qualifying net investment hedges.

Translation differences on non-monetary financial assets and liabilities are reported as part of fair value gains/losses. Translation differences on non-monetary financial assets and liabilities, such as shares reported at fair value via the statement of income, are reported in the statement of income as part of fair value gains/losses. Translation differences on non-monetary financial assets, such as shares classified as available for sale, are included in the reserve for available-for-sale assets, which is included in the item Other reserves under shareholders' equity.

Intra-Group transactions (IAS 24 and IFRS 3)
Pricing of intra-Group transactions is based on normal business principles. Intra-Group receivables and liabilities, as well as transactions between companies in the Group, and any related gains/losses, are eliminated. Unrealized losses are also eliminated, but any losses are regarded as an indication of an impairment requirement for the transferred asset. All subsidiaries report to the Group in accordance with the Group's accounting principles.

Group companies are all companies owned or controlled by Loomis AB, according to the definition provided under the scope of the consolidated financial statements above.

Revenue recognition (IAS 18)
Revenue comprises the fair value of the amount received or the amount expected to be received for services sold in the Group's operations. Revenue is reported exclusive of value-added tax and discounts and after elimination of intra-Group sales. The Group recognizes revenue when the amount of revenue can be measured in a reliable manner and when it is likely that future economic benefits will flow to the Group.

The Group's revenue is generated from Cash in Transit and Cash Management Services. Revenue is recognized in the period in which it is earned, on a straight-line basis over the contract period, and when the Group assesses that the criteria for revenue recognition have been met. Subscription income is allocated on a straight line basis over the period to which the subscription refers.

Other revenue earned is recognized according to the following:

- Interest income is reported in the statement of income in the period to which it is attributable, according to the effective interest method.
- Received dividends are reported in the statement of income when the right to receive the dividend has been established.

Segment reporting (IFRS 8)
Operating segments are reported in accordance with the internal reporting submitted to the executive management. The executive management is the function responsible for allocation of resources and for assessing the performance of the operating segment. Within the Loomis Group, the CEO has been identified as the most senior executive manager, who for reason of his thorough monitoring of the segments' financial performance, has the authority to undertake decisions concerning the allocation of resources, budget targets and financial planning.

The respective executive managements of the USA and European business segments are responsible for following-up the segments' financial performance before amortisation and items affecting comparability, according to the manner in which Loomis reports its consolidated statement of income. The Group has chosen this split of segments for its reporting in Europe and the USA on the basis of similarities between European countries, with regards to important areas within, for example, operating margins, currencies and monetary policy, and laws and regulations involving cash handling, as well as customers and products. Operations in the USA are affected, to a significant degree, by various currency risks and monetary policies, as well as by laws and regulations impacting Loomis' operations, even if the actual customers and products can be considered to be similar.

'Other' consists of head office and the Parent Company, the risk management function and other functions managed at Group level and related to the Group as a whole.

Government grants and assistance (IAS 20)
Similar to other employers, Loomis is eligible for a variety of government grants relating to employees. These grants refer to training, incentives for hiring new personnel, reduction of working hours, etc. All grants are reported in the statement of income as a cost reduction in the same period in which the related underlying cost is reported.

Income taxes (IAS 12)
Deferred income tax is to be reported in its entirety, applying the balance sheet method on all temporary differences arising between the fiscal value of assets and liabilities and their reported amounts in the consolidated financial statements. However, deferred income tax is not reported, if it occurs in conjunction with a transaction constituting the first reporting of an asset or liability which is not a business combination and which, at the time of the transaction, affects neither the reported nor the tax-related income. Deferred income tax is determined using tax rates and tax legislation that have been established or announced on balance sheet date, and which are expected to apply when the deferred income tax asset in question is realized or the deferred income tax liability is settled.

Deferred income tax assets are reported to the extent that it is probable that future taxable profit, against which the deferred tax asset can be offset, will arise. Deferred tax assets are valued on balance sheet date, and any potential previously non-valued deferred tax assets are reported when they are expected to be able to be utilized, and correspondingly, reduced when it is expected that these amounts, in their entirety or partly, will not be able to be utilized against future taxable income.

Deferred income tax is calculated on temporary differences arising on participations in subsidiaries and associated companies, except when the timing of the reversal of the temporary difference is controlled by the Group and it is likely that the temporary difference will not be reversed in the foreseeable future.

Current income tax expenses are calculated on the basis of tax legislation that has been established, or substantively established, at balance sheet date in the countries in which the Parent Company´s subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Taxes are reported in the statement of income, except when the tax refers to items reported in other comprehensive income or directly as equity. In such cases, taxes are also reported in other comprehensive income, respective shareholders' equity.

Current and deferred taxes are reported directly against comprehensive income if the relevant underlying transaction or event is reported directly against comprehensive income in the period or in a previous period, if it pertains to an adjustment of an opening balance of retained earnings as the result of a change in accounting principle, or if it relates to exchange rate differences in the translation of the balance sheets of foreign subsidiaries that are reported directly against other comprehensive income.

Provisions are established for estimated taxes on dividends from subsidiaries to the Parent Company in the following year.

Statement of cash flows (IAS 7)

The statement of cash flows has been prepared in accordance with the indirect method. Liquid funds include cash and bank deposits, as well as current investments, with a maximum duration of 90 days.

Goodwill and Other Acquisition-related intangible assets (IFRS 3, IAS 36 and IAS 38)

Goodwill represents the positive difference between the purchase price and the fair value of the Group's share of identifiable net assets of the acquired subsidiary/operation at the date of acquisition. As goodwill has an indefinite useful life, it is tested annually for impairment and reported at acquisition cost less accumulated impairment losses. Gains and losses on the disposal of companies include the book value of goodwill relating to the sold company. Impairment losses on goodwill are not reversed.

Other acquisition-related intangible assets arising from acquisitions can include various types of intangible assets, such as market-related, customer-related, contract-related and technology-based intangible assets. Other acquisition-related intangible assets have a definite useful life. These assets are reported at acquisition value, less accumulated amortization and any accumulated impairment losses.

Amortization takes place on a straight-line basis over the estimated useful life of the asset. Loomis' acquisition-related intangible assets primarily refer to customer contract portfolios and the related customer relationships. The valuation of the customer contract portfolios is based on the so-called "Multiple Excess Earnings Method" (MEEM) which is a valuation model based on discounted cash flows. The valuation is based on the turnover rates and returns on the acquired portfolio at the time of the acquisition. In the model, a specific cost or required return in the form of a so-called "contributory asset charge" is applied for the assets utilized in order for the intangible asset to generate returns. Cash flows are discounted using the Weighted Average Cost of Capital (WACC), adjusted for local interest rate levels in the countries in which acquisition takes place. The useful life of customer contract portfolios and the related customer relationships are based on the turnover rate of the acquired portfolio and are normally between 3 and 5 years corresponding to an annual amortization of between 20 percent and 33.3 percent.

The Group has reviewed the useful life of its intangible assets in accordance with the provisions of IAS 38.

A deferred tax liability is calculated at the local tax rate on the difference between the book value and fiscal value of intangible assets with definite useful lives (accordingly, goodwill does not give rise to any deferred tax liability). The deferred tax liability is dissolved over the same period as the intangible asset is amortized, which entails that it neutralizes the impact of the amortization of the intangible asset on the full tax rate percentage on income after tax. This deferred tax liability is initially reported through a corresponding increase in goodwill.

Goodwill and other acquisition-related intangible assets are allocated to cash-generating units (CGU). A cash-generating unit is the smallest unit for which there are identifiable cash flows. The allocation is made to those cash generating units or groups of cash generating units, determined according to the operating segments of the Group, that are expected to profit from the acquisition generating the goodwill. This allocation is the basis for the yearly impairment testing.

The amortization of acquisition-related intangible assets is reported in the entry Amortization of acquisition-related intangible assets in the statement of income.

Other intangible assets (IAS 36 and IAS 38)

Other intangible assets, that is, intangible assets other than goodwill and acquisition-related assets, are reported if it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that the cost of the asset can be reliably measured.

Other intangible assets have a definite useful life. These assets are reported at acquisition cost and are, subsequently, reported at acquisition cost less accumulated amortization and any accumulated impairment losses.

Straight-line amortization over the estimated useful life is applied for all classes of assets, as follows:

Software licenses	12.5–33.3 percent
Other intangible assets	20–33.3 percent

Tenancy rights and similar rights are amortized over the same period as the underlying contract. The useful life of assets are reviewed annually and adjusted, if appropriate.

Tangible fixed assets (IAS 16 and IAS 36)

Tangible fixed assets are reported at the acquisition cost, less accumulated depreciation and any accumulated impairment losses. Acquisition cost includes expenses directly attributable to the acquisition of the asset. Additional expenses are added to the reported value of the asset or are reported as a separate

Note 2, cont.

asset, as appropriate, only if it is likely that the Group will benefit from the future financial benefits associated with the asset, and if the acquisition cost of the asset can be reliably calculated. The reported value of the replaced portion is eliminated from the balance sheet. All other types of repairs and maintenance are reported as costs in the statement of income in the period in which they arise. Depreciation is based on historical acquisition cost and the expected useful life of the asset. The residual values and useful life of the assets are reviewed on each balance sheet date and adjusted as appropriate. An asset's reported value is written-down immediately to its recoverable amount if the asset's book value is greater than its estimated recoverable amount.

The straight-line method of depreciation, over the estimated useful life, is applied to all classes of assets, as follows:

Machinery and equipment	10–25 percent
Buildings and land improvements	1.5–4 percent

Land is not depreciated.

Gains and losses on disposals are determined by comparing proceeds from the sales with the asset's reported value, and are reported as production expenses or selling and administrative expenses, depending on the type of asset sold.

Impairment (IAS 36)

Assets having an indefinite useful life are not subject to depreciation/ amortization and are tested annually for impairment. Assets subject to depreciation/amortization are reviewed for impairment, as a minimum, on each balance sheet date or whenever events or new circumstances indicate that the recoverable amount does not amount to at least book value. An impairment loss is reported in the amount by which the asset's book value exceeds its recoverable amount. The recoverable amount is the higher of an asset's net realizable value and its value in use.

Value in use is measured as the present value of expected future cash flows. The calculation of value in use is based on assumptions and assessments. The primary assumptions concern organic growth, development of the operating margin, utilization of operating capital employed and the relevant WACC rate used to discount future cash flows. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Previously reported impairment losses, with the exception of impairment losses related to goodwill, are reversed only if a change has occurred regarding the assumptions forming the basis of the determination of recoverable value when the impairment loss was reported. In such cases, a reversal of the impairment loss is carried out in order to increase the book value of the impaired asset to its recoverable amount. The possible reversal of earlier impairment losses is reviewed in the case of assets other than goodwill. This review is performed at each balance sheet date. A reversal of a previous impairment losses is reported only to the extent that the new book value does not exceed the previous book value (after depreciation and amortization) if the impairment loss had not been reported. Impairment losses related to goodwill are never reversed.

Lease agreements (IAS 17)

Where lease agreements entail that the Group as lessee receives, in all material aspects, the economic benefits and bears the economic risks attributable to the leasing object, the lease agreement is classified as financial leasing. This implies that the object is reported in the consolidated balance sheet as a fixed asset. The net present value of the corresponding commitment to pay leasing charges in the future is reported as a liability. The financially leased asset and the associated liability are reported at the lower of fair value and the present value of the minimum leasing payments. In the consolidated statement of income, leasing payments are divided into depreciation and interest on a straight-line basis over the useful life.

Operational lease agreements in which the Group is the lessee are reported in the statement of income as operating expenses on a straight-line basis over the period of the lease. In cases in which the Group is the lessor, revenue is reported as sales in the period to which the lease relates. Depreciation is reported within operating income.

Accounts receivable (IAS 39)

Accounts receivable are initially reported at fair value and, thereafter, at accrued acquisition value, using the effective interest method, less provisions for bad debt. A bad debt for impairment is established when there is objective evidence that the Group will not receive the amounts due according to the original terms of the receivables. The amount of the provision is equivalent to the difference between the asset's reported value and the present value of estimated future cash flows, discounted by the original effective interest rate. Expected and determined bad debt losses are included in the line Production expenses in the statement of income. Payments received in advance are accounted as Other current liabilities.

Financial Instruments: Recognition and measurement (IAS 39)

A financial instrument is any contract giving rise to a financial asset in one entity and a financial liability or equity instrument in another entity. The definition of financial instruments, thus, includes equity instruments of another entity, but also, for example, contractual rights to receive cash, such as accounts receivable.

The Group classifies its financial instruments in the following categories:

1) Loan receivables and other receivables.
2) Financial assets or financial liabilities valued at fair value through statement of income (including derivatives not designated as hedges).
3) Other financial liabilities.
4) Available-for-sale financial assets and liabilities (including derivatives designated as hedges).

The classification is determined on the basis of the purpose for which the financial assets were acquired. Management determines the classification of its financial assets upon initial recognition and reevaluates this classification at each reporting date.

1) Accounting for items designated as "Loans receivable and other receivables"

Operating receivables, including Accounts receivable, are classified as "Loans receivable and other receivables" and are valued at accrued acquisition value. In the balance sheet they are shown as accounts receivable or liquid funds with the exception of items due more than 12 months after the balance sheet date, which are shown as financial fixed assets.

2) Accounting for items designated as "Financial assets at fair value through statement of income"

When assets in this category are held, changes in fair value are reported in statement of income as they arise. The revaluation of derivatives held for the purpose of minimising operating transaction risks is accounted for in operating profit or loss and derivaties held for the purpose of minimising transaction risks in financial income and expenses is accounted for in the financial net. A financial asset is classified in this category if it is held for trading, i.e. has been acquired with the main intention that it be disposed of in the short term or if management has determined that it be classified in this category. The assets held by Loomis in this category are financial current assets in the balance sheet.

2) Accounting for items designated as "Financial liabilities at fair value through statement of income"
Any liabilities classified in this category are accounted for as "financial assets at fair value through statement of income. As liabilities in this category are not considered material they are accounted for as current loans payable in the balance sheet.

3) Accounting for items designated as "Other financial liabilities"
This category includes loans payable and accounts payable. Liabilities in this category are initially valued at fair value and, thereafter, at accrued acquisition cost, applying the effective interest rate method.

Loans payable are initially reported at the net amount received, less transaction expenses. If the fair value differs from that which is to be repaid on maturity date, loans payable are subsequently reported at accrued acquisition value, which implies that the difference is allocated to periods as an interest expense using the effective interest rate method. Loomis applies IAS 23, Borrowing costs. According to this standard, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Loomis has currently no loans relating to such investments why borrowing costs are reported in the statement of income. Loans payable, investments and liquid funds are reported according to the transaction date principle. Borrowing is classified under current liabilities, unless the Group has an unconditional right to defer payment of the debt for at least 12 months after the balance sheet date.

4) Accounting for items designated as "Available-for-sale assets"
Any assets in this category are accounted for at fair value, but the revaluation is included in other comprehensive income when there is a quoted price in an active market or fair value can be determined in a reliable manner. If the fair value cannot be determined in a reliable manner, the asset will be valued at acquisition value. However, when there is objective evidence of impairment, the asset will be written down. When assets are disposed of the transaction is accounted for in the statement of income, including revaluations previously made against other comprehensive income. This classification includes derivatives which have been designated as cash flow hedges and which meet the requirements for hedge accounting. As assets in this category are not considered material, they are accounted for as current financial assets in the balance sheet.

4) Accounting for items designated as "Available-for-sale liabilities"
Any liabilities in this category are accounted for in the same way as "available-for-sale assets". As the liabilities in this category are not considered material, they are accounted for as current loans payable in the balance sheet.

Derivatives and hedging transactions
Derivatives are recognized in the balance sheet on the transaction date and are accounted for at fair value both initially and at subsequent revaluations. The method by which the profit or loss resulting from a revaluation is accounted for depends on whether the derivative has been designated as a hedging instrument, and, if so, the character of the item being hedged. Loomis holds derivatives that meet the criteria for hedge accounting for cash flow hedges.

Employee benefits (IAS 19)
The Group operates, or otherwise participates in, a number of defined benefit and defined contribution pension plans. A defined contribution plan is a pension plan under which the Company pays fixed contributions to a separate legal entity and to which it has no legal or informal obligations to pay further contributions. Defined benefit plans are pensions plan providing benefits after termination of service other than those provided by defined contribution plans. Calculations regarding the defined benefit plans are carried out by independent actuaries on an annual basis. Costs for defined benefit plans are estimated using the Projected Unit Credit method resulting in a cost distributed over the individuals period of employment. Obligations are valued at the present value of expected future cash flows using a discount rate corresponding to the interest rate on first-class corporate bonds or government bonds with a duration that is approximately the same as that of the obligations. Plan assets are reported at fair value.

Loomis has adopted the amendment to IAS 19 regarding the principle for recognizing gains and losses resulting from changes in actuarial assumptions, plan experience and investment performance differing from that which has been previously estimated. These actuarial gains and losses are reported for all defined benefit plans relating to post-employment benefits in the period in which they occur. Accounting takes place via other comprehensive income on the line Actuarial gains and losses.

If accounting for a defined benefit plan results in an asset, this is reported as a net asset in the consolidated balance sheet under Other long-term receivables. If the net result is a liability, it is reported as a provision under Provisions for pensions and similar commitments. Costs related to defined benefit plans, including the interest element, are reported in operating income. Provisions for pensions and similar commitments are not included in calculated net debt.

Expenses relating to earlier periods of service are reported directly in the statement of income unless the changes in the pension plan are conditional upon the employees remaining in employment for a specified period (earnings period). In such cases, the expenses relating to earlier periods of service are distributed on a straight-line basis over the earnings period.

Severance pay is paid when the Group terminates an employee's employment before pensionable age or when an employee accepts voluntary redundancy in return for such benefits. Severance pay is reported as an expense when the Group is demonstrably obliged to terminate an employment as a result of a detailed formal plan or to pay compensation in cases of voluntary redundancy.

Incentive Scheme
The Group has introduced a new incentive program which involves, for those taking part, two thirds of the total amount of bonus being paid out in cash during the year after the bonus was earned, and the remaining third being used to purchase shares at market price, which are, subsequently, allotted to

Note 2, cont.

employees one year after such purchase, if the employees in question remain employed by the Group. The cost for Loomis is reported in the year during which the bonus is earned via the statement of income. However, the share-related reserve is classified as a portion of equity and not as a liability. At the conclusion of the program, any deviations from the original estimates, for example, as a result an employee leaving the company without receiving their allocated shares, are reported in the statement of income and corresponding adjustments are made in shareholders' equity.

Provisions (IAS 37)
Provisions are reported when the Group has a present legal or constructive obligation as a result of past events, it is likely that an outflow of resources will be required to settle the obligation, and when a reliable estimation of this amount can be made.

Provisions regarding restructuring are made when a detailed, formal plan of measures exists and valid expectations have been raised among those who will be affected. No provisions are made for future operating losses.

Claims reserves are calculated on the basis of a combination of claims reported, and IBNR (incurred but not reported) reserves. Actuarial calculations are performed on a quarterly basis to assess the adequacy of the reserves based on open claims, estimates based on experience and historical data regarding IBNR.

Accountable funds, consignment stocks and other stocks of money
Within its cash management business, Loomis handles consignment stocks of money. Consignment stocks of money are reported by the respective counterparty, not by Loomis. Other stocks of money are financed by borrowing in the form of overdraft facilities. These overdraft facilities are reported net against stocks of money.

Other
Amounts in tables and combined amounts have been rounded off individually. Minor differences due to this rounding-off may therefore appear in the totals.

NOTE 3 Definitions, calculation of key ratios and exchange rates

Definitions, Statement of Income

Production Expenses
Salaries and related costs for direct personnel, the cost of equipment used in the performance of services, and all other costs directly related to the performance of invoiced services.

Selling and administrative expenses
All expenses related to sales, administration and management, including branch office expenses. The branches provide the production function with administrative support and serve as a sales channel.

Operating income before amortization (EBITA)
Earnings before interest, taxes and amortization of acquisition-related intangible assets.

Operating margin before amortization
Earnings before interest, taxes and amortization of acquisition-related intangible assets, as a percentage of total revenue.

Operating income after amortization (EBIT)
Earnings before interest and taxes.

Definitions of key ratios

Organic growth
Change in revenue for the period adjusted for acquisitions/divestitures and changes in exchange rates as a percentage of the previous year's total revenue adjusted for divestitures.

Total growth
Change in revenue for the period as a percentage of revenue for the previous year.

Operating margin before amortization
Operating income before amortization as a percentage of total revenue.

Earnings per share, before dilution
Net income for the period in relation to the number of outstanding shares at the end of the period.
Calculation 2010: 496 / 73,011,780 x 1,000,000 = 6.80
Calculation 2009: 500 / 73,011,780 x 1,000,000 = 6.85
Calculation 2008: 424 / 73,011,780 x 1,000,000 = 5.80

Earnings per share, after dilution
Calculation 2010: 496 / 75,556,681 x 1,000,000 = 6.57
Calculation 2009: 500 / 73,011,780 x 1,000,000 = 6.85
Calculation 2008: n/a

Earnings per share, fully diluted
Calculation 2010: 496 / 75,556,780 x 1,000,000 = 6.57
Calculation 2009: 500 / 75,566,780 x 1,000,000 = 6.62
Calculation 2008: n/a

Cash flow from operating activities as a percentage of operating income before amortization (EBITA)
Cash flow for the period, before financial items, income tax, items affecting comparability, acquisitions/divestitures and financing activities, as a percentage of operating income before amortization (EBITA).

Return on capital employed
Operating income before amortization (EBITA) (rolling 12 months) as a percentage of the closing balance of capital employed.

Return on shareholders' equity
Net income for the period (rolling 12 months) as a percentage of the closing balance of shareholders' equity.

Net margin
Net income for the period after taxes as a percentage of total revenue.

Exchange rates used in the consolidated financial statements

	Currency	Weighted average 2010	Dec 2010	Weighted average 2009	Dec 2009	Weighted average 2008	Dec 2008
Norway	NOK	1.18	1.15	1.22	1.24	1.17	1.11
Denmark	DKK	1.27	1.20	1.42	1.38	1.29	1.46
UK	GBP	11.09	10.41	11.89	11.55	12.05	11.19
Switzerland	CHF	6.94	7.17	7.02	6.91	6.16	7.32
USA	USD	7.20	6.70	7.61	7.12	6.62	7.74
Czech Republic	CZK	0.37	0.36	n/a	n/a	n/a	n/a
Other countries	EUR	9.49	8.97	10.59	10.25	9.69	10.91

NOTE 4 Critical accounting estimates and assessments

The preparation of financial statements and the application of various accounting standards is often based on assessments made by management or on estimates and assumptions that are deemed reasonable under the prevailing circumstances. These estimates and assumptions are generally based on historical experience and other factors, including expectations of future events. With different estimates and assumptions, the result could vary and by definition, the estimates will seldom equal actual outcomes.

The estimates and assumptions that Loomis deems, at December 31, 2010, to have greatest impact on its results, assets and liabilities are discussed below. Information on items affecting comparability can be found in the annual reports for 2009 and 2008.

Note 4, cont.

Valuation of accounts receivable and provision for bad debt losses

Accounts receivable total MSEK 1,243 (1,336 and 1,490), and, thereby, constitutes one of the largest items on the balance sheet. Accounts receivable is reported at net value, after provision for bad debt losses. The provision for bad debt losses of MSEK –26 (–35 and –53) is subject to critical estimations and assessments. Additional information on credit risk in accounts receivable can be found in Note 6 and Note 22.

Valuation of identifiable assets and liabilities in connection with the acquisition of subsidiaries/operations

The valuation of identifiable assets and liabilities in conjunction with the acquisition of subsidiaries or operations, as part of the purchase price allocation, requires that items in the acquired company's balance sheet, as well as items that have not been reported in the acquired company's balance sheet, such as customer relations, should be valued at fair value. Under normal circumstances, as listed market prices are not available for the assets and liabilities to be valued, different valuation methods must be applied. These valuation methods are based on a number of assumptions. Other items that may be difficult, both to identify and value, are contingent liabilities that may have arisen in the acquired company, such as disputes. All balance sheet items are, thus, subject to estimates and assessments. Further information regarding acquisitions is provided in Note 15.

Impairment testing of goodwill and other acquisition-related intangible assets

In connection with the impairment testing of goodwill and other acquisition-related intangible assets, the book value is compared with the recoverable value. The recoverable value is determined by the higher of either an asset's net realizable value or its value in use. As under normal circumstances, no listed market prices are available to assess an asset's net realizable value, the book value is normally compared with the value in use. The calculation of the value in use is based on assumptions and assessments. The most important assumptions are organic growth, development of the operating margin, the utilization of operating capital employed and the relevant WACC rate used to discount future cash flows. All in all, this implies that the valuation of the balance sheet items Goodwill, which amounts to MSEK 2,582 (2,760 and 2,965), and of Acquisition-related intangible assets, which amounts to MSEK 87 (65 and 79), is subject to critical estimates and assessments. A sensitivity analysis regarding organic growth, operating margin and WACC is provided in Note 15.

Reporting of income tax, VAT and other taxes

Reporting of income tax, VAT and other taxes is based on the applicable regulations in the countries in which the Group operates. Due to the overall complexity of all rules concerning taxation and reporting of taxes, the implementation and reporting is based on interpretations and assessments of possible outcomes.

Deferred tax is calculated on temporary differences arising between the reported amounts and the fiscal values of assets and liabilities. There are, primarily, two types of assumptions and assessments impacting reported deferred tax. These are assumptions and assessments to establish the reported value of various assets and liabilities, as well as those relating to future taxable profits, to the extent that future utilization of reported and non-reported deferred tax assets are dependent on such profits, in addition to existing deferred tax liabilities. At December 31, 2010, deferred tax assets amounted to MSEK 317 (316 and 268), based on the assumptions of possible future tax deductions. Significant assessments and assumptions are also undertaken in respect of the reporting of provisions and contingent liabilities relating to tax risks. Further information on taxes is provided in Note 14.

Actuarial assessments regarding employee benefits such as pensions

Employee benefits are normally an area in which estimates and assessments are not critical. However, for defined benefit plans relating to benefits, particularly for pensions, where the payment to the employee is several years into the future, actuarial assessments are required. These calculations are based on assumptions concerning economic variables, such as the discount rate, the expected return on plan assets, salary increases, inflation rates, pension increases, but also on demographic variables, such as expected life span. All in all, this implies that the balance sheet item Provisions for pensions and similar commitments, which amounts to MSEK 316 (264 and 262), and the item Other long-term receivables, amounting to MSEK 28 (28 and 51), are subject to critical estimates and assessments. Further information on pensions and a sensitivity analysis are provided in Note 30.

Actuarial assessments regarding claims reserves

The Group is exposed to various types of risks in the day-to-day operation of the business. These operational risks can result in the need to report provisions for damages resulting from property claims and personal injuries claims from the Cash handling operations, and workers' compensation claims relating to the Group's employees. Claims reserves are calculated based on a combination of reported claims and incurred but not reported claims. Acturarial calculations are performed on a quarterly basis to assess the adequacy of the reserves based on open claims and historical data for incurred but not reported claims. Actuarial calculations are based on several assumptions. All in all, this implies that the total claims reserves, which amount to MSEK 296 (328 and 365), are subject to critical estimates and assessments. Further information is provided in Note 29.

The impact on the Group's financial position of ongoing disputes and the valuation of contingent liabilities

Over the years, the Group has made a number of acquisitions in different countries. As a result of such acquisitions, certain contingent liabilities of the acquired businesses have been assumed. Companies within the Group are also involved in a number of other legal proceedings and tax audits arising from ordinary operating activities. Further information is provided in Note 31 and Note 34.

NOTE 5 Events after the balance sheet date

The Board of Loomis has decided to propose at the Annual General Meeting of Shareholders to resolve on a share and cash incentive scheme Loomis, based on the existing share and cash incentive scheme. The approximately 300 top managers currently taking part in the existing incentive scheme would be included in this incentive scheme. Similar to the current incentive program, the proposed incentive program entails two thirds of the total amount of bonus being paid out in cash during the year after the bonus was earned. For the remaining third, Loomis AB repurchases shares that will be allotted to the employees at June 30, 2013 at the latest. The principles for performance measurement and other general basic principles in the existing share and cash incentive scheme will continue to apply. For the Board's complete proposal for the incentive scheme, see the notice of the Annual General Meeting.

In February 2011, Loomis AB signed a new five year loan agreement. The new loan matures in 2016 and amounts to MUSD 150 and MSEK 1,000. This loan will be utilised partly to repay the current facility which matures in November 2011 and partly for the Group's ongoing operations.

NOTE 6 Financial risk management

Financial risk management

Loomis is exposed to risk associated with financial instruments, such as liquid funds, accounts receivable, accounts payable and loans. The risks related to these instruments are, primarily, the following:

- Interest rate risks associated with liquid funds and loans
- Exchange rate risks associated with transactions and recalculation of shareholder's equity
- Financing risks relating to the Company's capital requirements
- Liquidity risks associated with short-term solvency
- Credit risks attributable to financial and commercial activities
- Capital risks attributable to the capital structure
- Price risks associated with changes in raw material prices

Loomis' financial risk management is coordinated centrally by Loomis AB Treasury. By concentrating the risk management as well as internal and external financing, economies of scale can be used to obtain the best possible interest rate for both investments and borrowings, currency fluctuations, and management of fixed interest rate lending.

The aim of Loomis AB Treasury is to support the operating activities, optimizing the level of the financial risks, manage the net debt effectively and ensure compliance with the terms of loan agreements.

The Financial Policy, established by the Board of Directors, comprises a framework for the overall risk management. As a complement to the Financial Policy, the CEO of Loomis establishes instructions for Loomis AB Treasury, which more specifically govern the manner in which the financial risks to which Loomis is exposed are to be managed and controlled. This instruction handles the principles and limits regarding foreign exchange risks, interest rate risks, credit risks, use of derivative instruments and investment of excess liquidity. Derivative instruments are not used for speculative purposes.

Financial risk factors

Interest rate risk

Interest rate risk is the risk that Loomis' earnings will be affected by changes in market interest rates.

Subsidiaries of Loomis generally hedge their exposure to these risks by lending from Loomis AB Treasury on one-year terms or shorter, when permitted. The interest rates on the external loans have 3 to 6 month maturities, but a certain portion of these are hedged for longer maturities. This is achieved by entering into interest rate swaps in the currencies EUR, GBP, USD and SEK, which are reported as cash flow hedges. During 2010, there was no inefficiency in these hedges and, thus, the results of the hedges have been recognized in shareholder's equity. The directive for the time being is not to enter into any new interest rate hedges, but this decision may be reconsidered if the borrowing requirement increases. The average fixed interest term per December 31, 2010 was approximately 1 year. As of December 31, 2010, a permanent interest rate change of +/– 1 percent would have an annual effect on net income after tax of MSEK 2 (8 and 22). Loomis' borrowings amounted to MSEK 1,739 (2,335 and 3,059).

The average net debt interest rate is influenced by additional amortization of arrangement costs for the loan facility and amounted to 5.7 percent (5.2 and 5.4) for the year. Adjusted for these items, the net debt interest rate amounted to 5.2 percent.

Exchange rate risk – Translation risk

Translation risk is the risk that the SEK value of shareholders' equity in foreign currency will fluctuate due to changes in foreign exchange rates.

As a large number of subsidiaries operate abroad, the Group's balance sheet and statement of income are affected by the translation of foreign currencies to SEK. This exposure gives rise to a translation risk and, consequently, unfavourable changes in exchange rates could have a negative impact on the Group's foreign net assets when translated into SEK. If SEK was to increase/decrease by 5 percent in value in comparison to USD, with all other variables held constant, Loomis shareholders' equity would have been affected by MSEK 75 (77 and 85). The corresponding figures for GBP and EUR would be MSEK 17 (23 and 26) and MSEK 40 (47 and 51), respectively.

In 2010, no financial transactions were entered to adjust the translation risk but follow-up of this risk is made continuously, so that measures can be taken if deemed necessary. Revenue in foreign currency is not hedged.

Exchange rate risk – Transaction risk

Transaction risk is the risk that changes in exchange rates affect the Group's earnings in a negative way.

As the majority of Loomis' subsidiaries are active outside of Sweden, there are certain risks related to financial transactions in different currencies. This risk is limited by generating both costs and revenue in local currency on each respective market. This is also the case for loans taken in foreign currencies where the risk of adverse fluctuations in interest payments on the basis of currency fluctuations is limited by income in the same currencies. As the operations of Loomis are local in nature the transaction risk is not considered material.

Loomis has a policy to hedge transaction risks on larger payments, such as dividends and insurance premiums, etc. This is done by employing forward exchange agreements.

Financing risk

Financing risk is the risk of refinancing of outstanding loans is becoming more difficult or more expensive.

By keeping an even profile as regards due dates on loans,

Note 6, cont.

financing risk can be minimized. The Group's goal is to maintain a maximum of 25 percent of the total Group amount of external loans and credit obligations due within 12 months at all times.

All long-term financing and most of the short-term funding during 2010 has been provided through Loomis AB Treasury.

Loomis' loan facility at year-end amounted to MSEK 2,105 and had a duration of approximately 1 year. The loan facility is nominated in the currencies USD, EUR and SEK. MSEK 220 was amortized at the end of 2009 and an additional MSEK 900 was amortized In September 2010. The terms of the loan facility include financial covenants. The most important covenant in the loan facility relates to the Group's net debt in relation to its earnings before interest, taxes, depreciation and amortization (EBITDA). For the full year of 2010 Loomis has met the covenant terms by a good margin. In addition to this loan facility, Loomis took in 2010 up a bond loan from Swedish Export Credit Corporation (SEK). The bond loan is nominated in EUR and the conditions of the loan follow the existing loan facility. Converted to SEK this bond amounted to MSEK 583 and had at the time of signing a term of 5 years. At year-end, Loomis had borrowing in USD, GBP, EUR and SEK distributed as follows:

	December 31, 2010
Currency	Amount utilized (MLOC)
SEK	200
USD	79
GBP	20
EUR	80

The total loan facility amounted to MSEK 2,688.

Liquidity risk

Liquidity risk is the risk that Loomis cannot meet its payment obligations.

The liquidity risk in Loomis is managed by maintaining sufficient liquidity reserves (cash and bank balances, short-term investments and the unutilized portion of confirmed loan facilities) corresponding to a minimum of 5 percent of the Group's annual revenues. Follow up and monitoring is undertaken by Loomis AB Treasury. Loomis held liquidity reserves well above the minimum limit of 5 percent during 2010, and these reserves are expected to remain satisfactory during 2011. In accordance with the Finance Policy, investments of liquid funds consist primarily of deposits in banks with a short-term credit rating of at least A-1 according to Standard and Poor's or similar rating institutes. The funds managed by Loomis represent excess liquidity. The objective of the management is to ensure that Loomis has adequate liquid funds.

The table below shows Loomis' liquidity reserve (cash and bank balances, short-term investments and the unused portion of granted credit facilities).

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Liquid funds	259	387	268
Credit facilities	1,042	939	579
	1,301	**1,326**	**847**

The table below presents an analysis of the Group's financial liabilities and net-settled derivative instruments comprising financial liabilities specified according to the time remaining from balance sheet date to the contractual maturity date. The amounts stated in the table are the contractual undiscounted cash flows.

MSEK **December 31, 2010**	Less than 1 year	Between 1 and 5 years	More than 5 years
External Bank loans	1,095	584	-
Accounts payable and other liabilities	1,563	45	-
(of which derivatives)	(8)	-	-
	2,658	**629**	-
December 31, 2009			
External Bank loans	823	1,430	**-**
Accounts payable and other liabilities	1,558	50	2
(of which derivatives)	(13)	-	-
	2,381	**1,480**	**2**
Per 31 december 2008			
External Bank loans	-	2,953	-
Accounts payable and other liabilities	1,681	64	8
	1,681	**3,017**	**8**

Credit Risk
Credit risk is the risk of loss if a counterparty is unable to fulfill their commitments. Credit risk is divided into credit risk in accounts receivable and financial credit risk.

Credit risks in accounts receivable
The value of the outstanding accounts receivable was MSEK 1,243 (1,336 and 1,490). Any provisions for losses are made following individual assessment and totaled MSEK 26 (35 and 53) as of December 31, 2010. Accounts receivable do not include any significant concentrations of credit risks. The Group's Contract Policy includes rules designed to ensure that customer credit management includes credit assessment, credit limits, decision levels and management of doubtful receivables to ensure that sales are made to customers with an appropriate creditworthiness. Further information about doubtful accounts receivables can be found in Note 22.

Financial credit risk
The Group has policies in place limiting the amount of credit exposure to any one financial institution or other counterparty. To limit credit risks, transactions take place primarily with financial institutions with a high official credit rating and with whom Loomis has a long-term customer relationship. The largest weighted exposure for all financial instruments to a single bank on the balance sheet date was MSEK 89.

The table below shows the credit quality of interest bearing financial assets according to Standard & Poor´s or similar rating institutes on the balance sheet date:

MSEK	December 31, 2010
A -1+	32
A -1	200
Other minor holdings	56
Total	**288**

Capital risk
The goal of the Group's capital structure is to continue to generate high return on investments to shareholders, benefits for other stakeholders and to maintain an optimal capital structure in order to keep the cost of capital at a minimum. The capital structure can be adjusted according to the needs arising through changes in dividends to shareholders, repurchase of shares, new share issues,or by selling off assets to decrease liabilities. Evaluations regarding capital are made based on relevant key figures, such as the proportions of net debt and shareholders' equity.

The table below shows how the Group's capital employed is distributed by currency (nominated in MSEK) and its financing, as of December 31, 2010:

MSEK	EUR	GBP	USD[1)]	Other currencies	Total foreign currencies	SEK	Total
Capital employed	1,321	612	2,559	146	4,638	–83	4,555
Net debt	–512	–268	–1,067	–104	–1,951	520	–1,431
Net exposure	**809**	**344**	**1,492**	**42**	**2,687**	**437**	**3,124**

The table below shows the manner in which the Group's capital employed is distributed by currency (nominated in MSEK) and its financing, as of December 31, 2009:

MSEK	EUR	GBP	USD[1)]	Other currencies	Total foreign currencies	SEK	Total
Capital employed	1,639	710	2,629	112	5,090	–62	5,028
Net debt	–693	–241	–1,094	–103	–2,131	232	–1,899
Net exposure	**946**	**469**	**1,535**	**9**	**2,959**	**170**	**3,129**

The table below shows the manner in which the Group's capital employed is distributed by currency (nominated in MSEK) and its financing, as of December 31, 2008:

MSEK	EUR	GBP	USD[1)]	Other currencies	Total foreign currencies	SEK	Total
Capital employed	1,684	682	2,852	107	5,325	26	5,351
Net debt	–674	–167	–1,156	–87	–2,084	–292	–2,375
Net exposure	**1,010**	**515**	**1,696**	**20**	**3,241**	**–266**	**2,976**

1) Loomis applies rules making it possible to treat long-term internal loans as investments in its subsidiaries, which affects the net debt in USD with 160 million (equivalent to MSEK 1,072 (1,139, 1,238)).

Note 6, cont.

Price risk
The Group is exposed to price risks related to the purchase of certain raw materials (mainly diesel). The Group limits these risks through customer contracts containing fuel surcharges or annual general price adjustments.

Fair value of assets and liabilities

There is no difference between the book values and estimated fair values of assets and liabilities in Loomis' balance sheet.

Financial instruments

Financial derivative instruments, such as forward exchange agreements and interest rate swaps, are aimed at minimizing the financial risks to which Loomis is exposed and are also used to facilitate the management of the liability portfolio. These types of instruments are never used for speculation purposes. For accounting purposes, financial instruments are classified based on the categories of valuation stipulated in IAS 39. The table below shows Loomis' financial assets and liabilities, categories of valuation and the fair value for each item. During 2011, Loomis will continue to utilize derivative instruments to limit exposure to the financial risks mentioned in this Note.

Financial Instruments; reported values by category of valuation:

MSEK	IAS 39 Category	December 31, 2010 Book value	Fair value
Financial assets			
Interest-bearing financial fixed assets	1	29	29
Accounts receivable	1	1,243	1,243
Interest-bearing financial current assets	2,4	19	19
Liquid funds	1	259	259
Financial liabilities			
Current loans payable	2,3,4	1,110	1,110
Long-term loans payable	3	629	629
Accounts payable	3	340	340

MSEK	IAS 39 Category	December 31, 2009 Book value	Fair value
Financial assets			
Interest-bearing financial fixed assets	1	46	46
Accounts receivable	1	1,336	1,336
Interest-bearing financial current assets	2,4	3	3
Liquid funds	1	387	387
Financial liabilities			
Current loans payable	2,3,4	855	855
Long-term loans payable	3	1,480	1,480
Accounts payable	3	307	307

Categories
1: Loans receivable and other receivables, including accounts receivable
2: Financial assets valued at fair value via statement of income
3: Other financial liabilities
4: Available-for-sale assets and liabilities

The average yield on financial current assets during 2010 was 0.9 percent.

Loomis' financial instruments are valued in accordance with the following levels:

- Unadjusted listed prices on active markets for identical assets or liabilities (level1).
- Observed data for the asset or liability other than the listed prices included in level 1, either directly in accordance with listed prices or indirectly derived from listed prices (level 2).
- Data for the asset or liability that are not based on observable market data (level 3).

MSEK	December 31, 2010 Level 1	Level 2	Level 3	Total
Financial assets				
Other financial assets at fair value via profit or loss				
– Derivative instruments held for trading	-	18	-	18
Available-for-sale financial assets				
– Derivative instruments used for hedging	-	1	-	1
Total assets	**-**	**19**	**-**	**19**
Financial liabilities				
Financial liabilities valued at fair value via profit or loss				
– Derivative instruments held for trading	-	0	-	0
Available-for-sale financial liabilities				
– Derivative instruments used for hedging	-	8	-	8
Total liabilities	**-**	**8**	**-**	**8**

MSEK	December 31, 2009 Level 1	Level 2	Level 3	Total
Financial assets				
Other financial assets at fair value via profit or loss				
– Derivative instruments held for trading	–	3	–	3
Available-for-sale financial assets				
– Derivative instruments used for hedging	–	0	–	0
Total assets	**–**	**3**	**–**	**3**
Financial liabilities				
Financial liabilities valued at fair value via profit or loss				
– Derivative instruments held for trading	–	5	–	5
Available-for-sale financial liabilities				
– Derivative instruments used for hedging	–	8	–	8
Total liabilities	**–**	**13**	**–**	**13**

NOTE 7 Transactions with related parties

Related parties are considered to include members of the Parent Company's Board of Directors, Group management and family members of these individuals. Related parties are also companies in which a significant portion of the votes are directly or indirectly controlled by these individuals, or companies in which these individuals can exercise a significant influence. Up until the separation from Securitas AB on December 9, 2008, when Securitas was a related party, refer to previous annual reports.

Transactions with related parties refer to administrative contributions and other revenue from subsidiaries, dividends from subsidiaries, interest income and interest expenses to and from subsidiaries, as well as receivables and payables to and from subsidiaries.

For information on the Parent Company's transactions with related parties refer to Note 38. For information on personnel costs in the Group refer to Note 11.

NOTE 8 Segment Reporting

According to IFRS 8.32, Segment information is to be reported for the revenues for each service or each group of similar services. For the segment Europe, revenues from Cash in Transit account for 67% of total revenues and Cash Management Services account for 33%. For the segment USA, Cash in Transit accounts for 79% of total revenues and Cash Management Services for 21%. Loomis actually has a service offering that is packaged in different manners so that the offer to the customer becomes most advantageous. For this reason, no additional information has been provided where it is considered to be covered by the geographical reporting.

The most senior executive decision maker within Loomis has been identified as the CEO. It is the CEO who is responsible for the allocation of resources and the final assessment of the operating segments' income. Below CEO level, there are two functions following up the results, as well as following up the development of assets and liabilities regarding the operating segments of Loomis, Europe and the USA. The outcome from this assessment is, then, reported to the CEO. 'Other' consists of the head office and the Parent Company, the risk management function and other functions managed at Group level and related to the Group as a whole. The results of these operations as well as assets and liabilities are included in the column 'Other'.

No sales take place between segments. The internal monitoring of earnings and financial position is reported in accordance with the same accounting principles as applied in Loomis' external reporting.

The assessment of the earnings of the operating segments is based on operating income before amortization of acquisition related intangible assets, acquisition related restructuring costs and items affecting comparability, according to the manner in which Loomis reports its consolidated statement of income. Interest income and interest expenses are not allocated amongst the segments, but are transferred to 'Other' as these items are affected by measures taken by the Group´s Treasury function. The same applies to taxes and tax-related items, as these are handled by a group-wide function.

The operating segments' assets and liabilities are allocated according to the segment's activities and the physical location of the assets and liabilities. Shares (classified as financial assets which can be sold or financial assets assessed at fair value via the statement of income) held by the Group are not considered to comprise segment assets, but are, rather, attributable to Treasury, and have, therefore been included in 'Other' in the table below. The Group's interest-bearing liabilities are not considered to be segment liabilities, but are, rather, attributable to Treasury and have, therefore, been included in 'Other' in the table below.

Segment information for the financial years 2010, 2009 and 2008, which is delivered to the executive managers for Europe and the USA, concerning those segments for which information is to be provided, can be found in the table below. This table also includes disclosures regarding selected earnings measures, as well as regarding assets and liabilities for the segments.

Revenue from external customers in Sweden amounts to MSEK 782 (759 and 781), in the USA to MSEK 4,009 (4,372 and 3,938), and total revenue from external customers in other countries amounts to MSEK 6,242 (6,858 and 6,539). The distribution of revenue is based on the customer's country of residence.

Total fixed assets, apart from financial instruments and deferred tax assets (there are no assets in relation to the benefits arising in conjunction with terminated employment or rights conveyed by an insurance contract), which are located in Sweden, amount to MSEK 181 (207 and 235), in the USA to MSEK 870 (864 and 860), and the total for the fixed assets located in other countries amounts to MSEK 1,558 (1,807 and 1,872).

No single customer represents more than 5 percent of the total revenue.

Note 8, cont.

	Europe			USA			Other			Eliminations			Total		
MSEK	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010	2009	2008
Revenue, continuing operations	7,001	7,570	7,003	3,989	4,364	3,895	-	-	-	-	-	-	10,990	11,934	10,899
Revenue, acquisitions	23	47	317	19	8	43	-	-	-	-	-	-	43	55	360
Total revenue	**7,024**	**7,618**	**7,320**	**4,009**	**4,372**	**3,938**	**-**	**-**	**-**	**-**	**-**	**-**	**11,033**	**11,989**	**11,258**
Production expenses	–5,435	–5,992	–5,744	–3,075	–3,386	–3,056	–6	4	1	-	-	-	–8,516	–9,374	–8,800
Gross income	**1,588**	**1,626**	**1,576**	**934**	**986**	**882**	**–6**	**4**	**1**	**-**	**-**	**-**	**2,516**	**2,615**	**2,459**
Selling and administrative expenses	–899	–935	–932	–638	–735	–685	–96	–108	–94	-	-	-	–1,634	–1,778	–1,711
Operating income before amortization (EBITA)	**689**	**691**	**644**	**296**	**251**	**197**	**–102**	**–104**	**–93**	**-**	**-**	**-**	**882**	**837**	**748**
Amortization of acquisition-related intangible assets	–10	–8	–7	–7	–9	–8	-	-	-	-	-	-	–17	–17	–15
Operating income after amortization	**680**	**683**	**637**	**289**	**242**	**189**	**–102**	**–104**	**–93**	**-**	**-**	**-**	**866**	**821**	**733**
Net financial income/-expenses	-	-	-	-	-	-	–107	–115	–164	-	-	-	–107	–115	–164
Income before taxes	**680**	**683**	**637**	**289**	**242**	**189**	**–209**	**–219**	**–257**	**-**	**-**	**-**	**759**	**706**	**569**
Income tax	-	-	-	-	-	-	–262	–206	–145	-	-	-	–262	–206	–145
Net income for the year	**680**	**683**	**637**	**289**	**242**	**189**	**–472**	**–425**	**–402**	**-**	**-**	**-**	**496**	**500**	**424**
Segment assets															
Goodwill	877	979	1,036	1,800	1,893	2,058	–94	–112	–130	-	-	-	2,582	2,760	2,964
Other intangible assets	126	93	97	24	9	18	3	4	12	-	-	-	153	106	127
Fixed assets	1,728	1,999	2,091	870	864	860	12	15	16	-	-	-	2,610	2,878	2,967
Accounts receivable	951	1,061	1,155	298	287	345	0	-	0	–5	–13	–10	1,243	1,336	1,490
Other segment assets	198	225	259	79	72	83	355	388	458	–342	–428	–496	290	257	304
Undistributed assets															
Deferred tax	-	-	-	-	-	-	317	316	268	-	-	-	317	316	268
Current tax assets	-	-	-	-	-	-	80	66	109	-	-	-	80	66	109
Available-for-sale financial assets	-	-	-	-	-	-	29	46	60	-	-	-	29	46	60
Other financial assets valued at fair value via statement of income	-	-	-	-	-	-	278	389	624	-	-	-	278	389	624
Total assets	**3,879**	**4,357**	**4,638**	**3,072**	**3,125**	**3,364**	**979**	**1,112**	**1,417**	**–347**	**–441**	**–506**	**7,582**	**8,153**	**8,913**
Segment liabilities															
Accounts payable	227	209	319	108	106	149	10	5	4	–5	–13	–10	340	307	462
Accrued expenses and deferred income	734	723	706	181	158	141	21	33	19	-	-	-	937	914	866
Other current liabilities	242	298	327	363	402	475	42	83	100	–342	–428	–496	306	355	406
Undistributed liabilities															
Current loans payable	-	-	-	-	-	-	1,110	855	2,987	-	-	-	1,110	855	2,987
Long-term loans payable	-	-	-	-	-	-	629	1,480	72	-	-	-	629	1,480	72
Deferred tax liabilities	-	-	-	-	-	-	235	223	182	-	-	-	235	223	182
Current tax	-	-	-	-	-	-	166	171	209	-	-	-	166	171	209
Provisions for claims reserves	-	-	-	-	-	-	296	328	365	-	-	-	296	328	365
Provision for pensions	-	-	-	-	-	-	316	264	262	-	-	-	316	264	262
Other provisions and long-term liabilities	-	-	-	-	-	-	125	127	126	-	-	-	125	127	126
Shareholders' equity	-	-	-	-	-	-	3,123	3,129	2,976	-	-	-	3,123	3,129	2,976
Total liabilities and shareholders' equity	**1,204**	**1,230**	**1,352**	**653**	**666**	**765**	**6,073**	**6,698**	**7,302**	**–347**	**–441**	**–506**	**7,582**	**8,153**	**8,913**
Other information															
Investments, net	465	537	612	242	266	216	1	0	1	-	-	-	708	803	829
Depreciation and Amortization	494	564	533	207	201	153	3	4	4	-	-	-	704	769	690

NOTE 9 Allocation of revenue

Revenue

The Group's revenue is generated from a range of Cash Handling Services. These include Cash in Transit and Cash Management Services. Revenue from Cash Management Services is reported in the period in which it is earned, as the service is reported on a straight-line basis over the contract period.

Financial income and expenses

Interest income and borrowing costs are reported in the statement of income to which period they refer. Financial income and expenses are specified in Note 13.

NOTE 10 Operating expenses

Distribution of operating expenses by type

MSEK	Note	2010	2009	2008
Personnel costs	11	6,573	7,236	6,571
Risk, claims and insurance expenses		339	448	423
Vehicle expenses		1,120	1,171	1,242
Costs of premises		561	578	488
Costs of technical equipment		281	300	195
Other expenses		1,294	1,435	1,606
Total expenses by type		**10,167**	**11,169**	**10,525**

Costs of employee benefits

MSEK	Note	2010	2009	2008
Salaries and bonuses	11	5,124	5,641	5,140
Social security contributions	11	1,342	1,492	1,323
Pension costs – defined benefit plans	11, 30	26	41	43
Pension costs – defined contribution plans	11, 30	81	61	64
Total costs of employee benefits		**6,573**	**7,236**	**6,571**

Audit fees and reimbursements

MSEK	2010	2009	2008
PwC			
– Audit assignments	9	11	11
– Auditing activities other than audit assignments	1	2	2
– Tax Advice	3	4	2
– Other assignments	2	3	2
Total PwC	**15**	**19**	**17**

Audit assignments refers to fees for the statutory audit, that is, such work that has been necessary to issue the audit report, and the so-called audit advice provided in conjunction with the audit assignment.

Operational leases and rental agreements

Lease expenses relating to operational lease agreements for buildings, vehicles and machinery and equipment during the year amounted to MSEK 219 (312 and 329). The nominal value of contractual future minimum leasing fees is distributed as follows:

MSEK	2010	2009	2008
Maturity < 1 year	215	278	283
Maturity 1–5 years	497	647	632
Maturity > 5 years	231	391	413
Total	**942**	**1,315**	**1,327**

Operational lease agreements refer primarily to buildings and office premises. The cost for these was MSEK 194 (264 and 282), out of a total cost of MSEK 219 during 2010.

Note 10, cont.

Financial leases and rental contracts

Paid leasing fees during the year regarding financial lease agreements for buildings, vehicles and machinery and equipment amounted to MSEK 21 (39 and 57). The statement of income has been charged with MSEK 2 (4 and 8) for interest expenses attributable to financial leases. The nominal value of contractual future minimum leasing fees is distributed as follows:

MSEK	2010	2009	2008
Maturity < 1 year	10	18	39
Maturity 1–5 years	41	48	57
Maturity > 5 years	-	2	10
Total	**51**	**69**	**106**

Financial leasing agreements refer primarily to buildings, vehicles (primarily vehicles used for cash transport), and technical equipment. Costs for these three categories amounted to MSEK 17, of total costs of MSEK 21. The corresponding costs for 2009 amounted to MSEK 35 and in 2008 to MSEK 53. For further information on financial leasing, see Notes 19 and 28. Exchange rate differences included in operating income are immaterial. Exchange rate differences in net financial income/expenses are reported in Note 13.

NOTE 11 Personnel

Average number of full time equivalent employees: distributed by gender

	Women			Men			Total		
MSEK	2010	2009	2008	2010	2009	2008	2010	2009	2008
Europe	3,843	3,946	4,161	7,791	7,432	7,489	11,634	11,378	11,650
USA	1,571	1,692	1,851	5,261	5,358	5,860	6,832	7,050	7,711
Total	**5,414**	**5,638**	**6,012**	**13,052**	**12,790**	**13,349**	**18,466**	**18,428**	**19,361**

In 2010, the number of Board Members and Presidents was 40 (37 and 33), of which 4 (2 and 0) were women.

Personnel costs: Board of Directors and Presidents

	Salaries	Social security contri-butions	(of which pensions)	Salaries	Social security contri-butions	(of which pensions)	Salaries	Social security contri-butions	(of which pensions)	(of which bonuses)		
MSEK	2010			2009			2008			2010	2009	2008
Europe	32	10	(3)	30	8	(3)	23	8	(2)	(6)	(8)	(3)
USA	10	0	(0)	13	0	(0)	3	0	(0)	(6)	(5)	(0)
Total	**42**	**10**	**(3)**	**43**	**8**	**(3)**	**26**	**8**	**(2)**	**(12)**	**(13)**	**(3)**

Also see Note 41 regarding the Parent Company.

Personnel costs: Other employees

	Salaries	Social security contri-butions	(of which pensions)	Salaries	Social security contri-butions	(of which pensions)	Salaries	Social security contri-butions	(of which pensions)
MSEK	2010			2009			2008		
Europe	3,144	1,007	(68)	3,412	1,120	(79)	3,255	1,071	(90)
USA	1,938	433	(36)	2,186	467	(20)	1,859	353	(15)
Total	**5,082**	**1,440**	**(104)**	**5,598**	**1,587**	**(99)**	**5,114**	**1,423**	**(105)**

Total personnel costs: Board of Directors, Presidents, and other employees

	Salaries	Social security contri-butions	(of which pensions)	Salaries	Social security contri-butions	(of which pensions)	Salaries	Social security contri-butions	(of which pensions)
MSEK		2010			2009			2008	
Europe	3,176	1,016	(71)	3,442	1,128	(83)	3,278	1,078	(92)
USA	1,948	433	(36)	2,200	467	(20)	1,862	353	(15)
Summa	**5,124**	**1,449**	**(107)**	**5,641**	**1,595**	**(102)**	**5,140**	**1,431**	**(108)**

See Note 30 for further information on the Group's pensions and other long-term employee benefits.

Remuneration to President, Board of Directors, and senior executives

The fees to the Chairman and Members of the Board are resolved upon by the Annual General Meeting. Decisions regarding guidelines for salaries and remuneration to the President and other senior executives shall be resolved upon by the Annual General Meeting following a proposal by the Board of Directors.

General principles for remuneration to the Board of Directors

The fees to Loomis' current Board of Directors were resolved upon at the Annual General Meeting on April 29, 2010. Board members have been appointed for the period up to the 2011 Annual General Meeting, and the fees are applicable until this time. For information on the fees and the distribution among the Members of the Board, refer to the table on page 59. The President receives no Board fees.

General principles for remuneration to the President and the Group management

The remuneration paid to the President and other Group management comprises basic salary, variable remuneration, pension and insurance benefits, and company car.

The variable remuneration is based on outcomes in relation to earnings targets within the individual area of responsibility, to be determined individually for each executive. For the President, the variable remuneration within the framework for the Company's so-called AIP (Annual Incentive Plan) is maximized to 60 percent of the fixed salary and for the other members of the Group management to a maximum of 72 percent of the fixed salary. Variable remuneration within the framework for the Company's so-called LTIP (Long-Term Incentive Plan) should be equal to a maximum of 40 percent of the fixed annual remuneration for the CEO and maximum 50 percent of the fixed annual salary for the other members of the Group management. For the country President in the USA, there is a separate long term agreement where the variable remuneration is based on the country´s Operating income before amortization (EBITA) for the financial year 2012. The maximum variable remuneration would amount to 130 percent of the fixed salary.

Loomis is required to provide the President with 12 months' notice of termination of employment. If employment is terminated by Loomis for reasons other than gross breach of contract by the President, the President shall be entitled to severance pay corresponding to 12 months' salary calculated from the end of the notice period. The President is required to provide Loomis with six months notice of termination of employment. The notice period for other members of the Group management varies between 3 and 18 months if employment is terminated by Loomis, and between 3 and 12 months if employment is terminated by the executive concerned.

All executives are entitled to severance pay if their employment is terminated by the Company. The amount of severance pay varies from three weeks' salary to (in one case), currently, 36 months', which might increase to a maximum of 42 months' salary depending on the number of years in service, in accordance with local laws. As a general rule, severance pay is not payable if employment is terminated by the employee, except when the termination of employment is due to gross breach of contract by Loomis. One member of the Group management has a "change of control" provision in the employment contract granting the right to terminate employment and receive at least two years severance pay in conjunction with certain changes in ownership.

During the notice period, the President is bound by a competition clause. However, this shall not apply in the event that termination is due to gross breach of contract by Loomis. The four other members of Group management are covered by a competition clause for one or two years, respectively, after termination of employment. In the case of termination of employment by the employee, himself or herself, compensation shall be paid, not in the form of severance pay, but shall correspond to the difference between the fixed monthly salary on termination of employment and the lower level of monthly income which is subsequently earned. This is, however, capped at 60 percent of the monthly salary effective on termination, and shall be paid only if the prohibition on competition is applicable and complied with.

The President is entitled to a choice of premium-based pension insurance solutions equivalent to 30 percent of the fixed salary. Other than the payment of premiums as stated, Loomis has no commitments to the President for pensions or pay during absence due to illness.

One of the Swedish members of the Group management are entitled to pension benefits in accordance with the ITP plan, which also includes alternative ITP for that portion of pensionable salary exceeding 7.5 base amounts. This executive is also entitled to a defined contribution pension in which the premium shall amount to 15 percent of the pensionable fixed salary in excess of 20 base amounts. One other member of the Group management has a defined-benefit pension providing a pension equal to 1/40 of the pensionable final salary. For executives in the USA, pension benefits are paid according to the pension plans of the US subsidiary.

The other members of the Group management have no entitlement to any pension solutions.

Incentive Scheme

On April 29, 2010, Loomis' Annual General Meeting resolved that on further development of the existing performance-based cash bonus program to also include a share based portion. The new incentive program entails two thirds of the total amount of variable remuneration being paid out in cash during the year after the year in which the bonus was earned. For the remaining third, Loomis repurchases shares that will be allotted to the employees at June 30, 2012 at the latest. The allotment of shares is conditional on the employee in question being employed by the Loomis Group as at the last day of February 2012. Loomis will not issue new shares or similar as a consequence of this

Note 11, cont.

incentive scheme. The repurchase of Loomis shares will be made at the NASDAQ OMX Stockholm during spring 2011. This procedure involves no additional costs beyond the allotted bonus cost, other than changes in social security contributions. The introduction of the new incentive scheme has made it possible for top managers within Loomis to become shareholders in the long-term, thereby strengthening employee participation in the success and development of Loomis, to the benefit of all shareholders. Slightly more than 300 employees take part in the incentive scheme. During 2010, the cost for the share related portion, the portion for which shares will be acquired, of the incentive program amounted to MSEK 11. See Note 27.

Remuneration for 2010:

SEK	Basic salary/ Remuneration to Board of Directors	Variable remuneration 3)	Other benefits	Pension costs	Other remuneration	Total
Alf Göransson, Chairman 4)	475,000	-	-	-	-	475,000
Ulrik Svensson, Board Member 4)	300,000	-	-	-	-	300,000
Marie Ehrling, Board Member 4)	250,000	-	-	-	-	250,000
Jan Svensson, Board Member 4)	225,000	-	-	-	-	225,000
Signhild Arnegård Hansen, Board Member 1) 4)	133,333	-	-	-	-	133,333
Jacob Palmstierna, Board Member 1)	66,667	-	-	-	-	66,667
Lars Blecko, President 4)	5,405,992	-	121,001	1,596,591	-	7,123,584
Jarl Dahlfors, Executive Vice President 4) 5)	4,320,000	5,909,537	1,094,422	113,299	-	11,437,258
Other senior executives, 3 in total 2) 4)	6,910,571	4,341,931	672,077	1,158,192	-	13,082,771
Total	**18,086,563**	**10,251,468**	**1,887,500**	**2,868,082**	**-**	**33,093,613**

1) Signhild Arnegård Hansen was appointed new Board member at the Annual General Meeting on April 29, 2010. At the same time, Jacob Palmstierna resigned from the Board.
2) Refers to Kenneth Högman, Georges López Periago and Ashley Bailey. Christian Lerognon left the Group Management during 2010 and his remuneration is excluded from senior executives.
3) Refers to variable remuneration and long-term bonus programs.
4) For holdings of shares and warrants, refer to pages 30 and 31.
5) Jarl Dahlfors has an LTIP based on the USA's operating income EBITA for the financial year 2012. A provision has been made for the year's portion based on the expected outcome, and is included in the column Variable remuneration.

Remuneration for 2009:

SEK	Basic salary/ Remuneration to Board of Directors	Variable remuneration 3)	Other benefits	Pension costs	Other remuneration	Total
Alf Göransson, Chairman	316,667	-	-	-	-	316,667
Jacob Palmstierna, Board Member	266,667	-	-	-	-	266,667
Jan Svensson, Board Member	216,667	-	-	-	-	216,667
Ulrik Svensson, Board Member	266,667	-	-	-	-	266,667
Marie Ehrling, Board Member 1)	166,667	-	-	-	-	166,667
Håkan Winberg, Board Member 1)	66,667	-	-	-	-	66,667
Lars Blecko, President	5,394,725	3,763,000	147,106	1,618,417	-	10,923,248
Jarl Dahlfors, Executive Vice President 4)	712,000	949,226	603,185	71,200	-	2,335,611
Other senior executives, 6 in total 2) 5)	17,342,332	7,880,098	1,293,638	1,682,884	-	28,198,952
Total	**24,749,059**	**12,592,324**	**2,043,929**	**3,372,501**	**-**	**42,757,813**

1) Marie Ehrling was appointed new Board Member at the Annual General Meeting on April 21, 2009. At the same time, Håkan Winberg resigned from the Board.
2) Refers to Jarl Dahlfors (for the period of January 1 to October 31, 2009), Kenneth Högman, Christian Lerognon, Georges López Periago, Calvin Murri, and Ashley Bailey. For Calvin Murri, who retired as Country President of the USA during 2009, an insurance premium for 2010 remainded of TUSD 2, which was paid in July 2010.
3) Refers to variable remuneration and long-term bonus programs.
4) Jarl Dahlfors was appointed Executive Vice President on November 1, 2009. Remuneration up until November 1, 2009 is accounted for under "Other senior executives."
5) During 2009, the retiring Country President of the USA received severance pay of TSEK 4,368.

Remuneration for 2008:

SEK	Basic salary/ Remuneration to Board of Directors	Variable remuneration 3)	Other benefits	Pension costs	Other remuneration	Total
Jacob Palmstierna, Chairman	400,000	-	-	-	-	400,000
Alf Göransson, Board Member	-	-	-	-	-	-
Jan Svensson, Board Member	200,000	-	-	-	-	200,000
Ulrik Svensson, Board Member	200,000	-	-	-	-	200,000
Håkan Winberg, Board Member	200,000	-	-	-	-	200,000
Lars Blecko, President 1)	4,645,416	–	100,495	1,247,819	-	5,993,730
Other senior executives, 6 in total 2)	14,388,565	2,329,463	1,521,732	1,905,557	-	20,145,317
Total	**20,033,981**	**2,329,463**	**1,622,227**	**3,153,376**	**-**	**27,139,047**

1) Lars Blecko assumed the position of President of Loomis on February 1, 2008.
2) Refers to Jarl Dahlfors, Kenneth Högman, Christian Lerognon, Georges López Periago, Calvin Murri, and Ashley Bailey (employed in August 2007 and appointed Country President of the UK in February 2008).
3) Refers to variable remuneration and long-term bonus programs.

For information on share and warrant holdings, other Board assignments, etc., please refer to the section on the Board and Group Management, page 30.

Subscription warrants

At an Extraordinary General Meeting held on February 16, 2009, a decision was made to implement a subscription warrant program for approximately 90 senior executives and key employees, through the issue and transfer of subscription warrants entitling subscription for a maximum of 2,555,000 new Class B shares in Loomis AB.

In February 2009, 2,347,050 subscription warrants were issued. The rate of subscription of shares based on these warrants was set, in connection with their allotment, at SEK 72.50. The rate is based on a market valuation of the subscription warrant, including the rate of issue (SEK 8.50), and has been fixed by an independent valuation institution, applying a generally accepted model for valuation (Black & Scholes).

In December 2009, 207,950 subscription warrants were issued. The rate for subscription to shares based on these warrants was set, in connection with their allotment, at SEK 72.50. The rate is based on a market valuation of the subscription warrant, including the rate of issue (SEK 14), and has been fixed by an independent valuation institution, applying a generally accepted model for valuation (Black & Scholes).

In 2010, Loomis exercised the right in accordance with the existing warrant clause to redeem 172,086 subscription warrants, as warrant holders left the Loomis Group. Valuation of redemption amounts for the subscription warrants have been made using the Black & Scholes valuation model. Of the redeemed subscription warrants, 122,250 have been allotted at the rate 18.25.

Subscription to shares on the basis of these warrants can be made during March 1–May 31, 2013.

Outstanding warrants

Opening balance as of January 1, 2010	2,555,000
Return of unused warrants	–172,086
Issuing of warrants	122,250
Warrants in own custody	49,836
Closing balance as of December 31, 2010	**2,555,000**

NOTE 12 Depreciation, amortization and impairment

MSEK	2010	2009	2008
Acquisition-related intangible assets	17	17	15
Other intangible assets	17	19	17
Buildings	15	18	17
Machinery and equipment	655	715	641
(of which for machinery and equipment attributable to financial leasing)	(36)	(41)	(57)
Total amortization, depreciation and impairment	**704**	**769**	**690**

Amortization, depreciation and impairment for the year are reported in the statement of income as follows:

MSEK	2010	2009	2008
Production expenses	604	649	585
Selling and administrative expenses	83	103	91
Acquisition-related intangible assets	17	17	15
Total amortization, depreciation and impairment	**704**	**769**	**690**

Impairment testing on Goodwill is reported in Note 15.

NOTE 13 Financial income and expenses, net

MSEK	2010	2009	2008
Interest income	3	4	35
Exchange rate differences, net[1]	-	10	0
Other financial income	-	1	0
Financial income	3	15	35
Interest expenses	–104	–125	–186
(of which interest expenses for financial leasing)	(–3)	(–4)	(–7)
Bank charges	–5	–5	–4
Exchange rate differences, net[1]	–1	0	–9
Other financial expenses	0	0	0
Financial expenses	**–110**	**–130**	**–199**
Financial income and expenses, net	**–107**	**–115**	**–164**

1) Exchange rate differences included in operating income are reported in Note 10.

NOTE 14 Income tax

Statement of income

Tax expenses

MSEK	2010	%	2009	%	2008	%
Tax on income before taxes						
– current taxes	–194	*–25.6*	–151	*–21.3*	–128	*–22.5*
– deferred taxes	–68	*–9.0*	–55	*–7.8*	–17	*–3.0*
Total tax expenses	**–262**	***–34.6***	**–206**	***–29.1***	**–145**	***–25.5***

The Swedish corporate tax rate was 26.3 percent during 2010 and 2009 and 28 percent during 2008. The total tax rate on income before taxes amounted to –34.6 percent (–29.1 and –25.5 respectively). The difference in tax expenses is shown in the table below.

MSEK	2010	%	2009	%	2008	%
Tax based on Swedish tax rates	–200	*–26.3*	–186	*–26.3*	–159	*–28.0*
Difference between tax rates in Sweden and weighted tax rates for foreign subsidiaries	–81	*–10.7*	–31	*–4.4*	–37	*–6.5*
Non-deductible expenses/non-taxable income, net	18	*2.4*	11	*1.6*	51	*9.0*
Total tax expenses	**–262**	***–34.6***	**–206**	***–29.1***	**–145**	***–25.5***

Non-deductible expenses/non-taxable income, net for 2008 consists mainly of a positive adjustment for LCM regarding taxes attributable to previous years.

In 2010, there has been no major change in tax rates in the countries in which Loomis conducts the majority of its business. However, the tax rate was negatively impacted by a new tax legislation, which was introduced in France at the the beginning of the year. A tax in France, previously recognized in operating income, has been replaced by a new tax that consists of two components. Loomis has determined, in accordance with IAS 12, that one of these components should be classified as a tax in order to achieve comparability with similar taxes in other countries in the Group. Furthermore, the tax rate was negatively impacted by a completed tax audit.

The corporate tax rates in the countries in which Loomis has significant operations are as follows:

%	2010	2009	2008
USA	*40*	*40*	*40*
Spain	*30*	*30*	*30*
France	*33*	*33*	*33*
Sweden	*26*	*26*	*28*
UK	*28*	*28*	*28*

Balance sheet

Deferred tax assets and deferred tax liabilities were attributable to:

Deferred tax assets, MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Machinery and equipment	99	107	57
Pension provisions and personnel related liabilities	157	151	157
Liability insurance related claims reserves	35	41	36
Provisions for restructuring	6	7	5
Loss carry forward	12	6	25
Other temporary differences	34	32	27
Total deferred tax assets	**343**	**344**	**308**
Netting	–26	–28	–40
Net deferred tax assets	**317**	**316**	**268**

Deferred tax liabilities, MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Pension provisions and personnel related liabilities	0	1	9
Machinery and equipment	140	121	107
Other temporary differences	108	112	86
Intangible fixed assets	13	17	20
Total deferred income tax liabilities	**261**	**251**	**221**
Netting	–26	–28	–40
Net deferred tax liabilities	**235**	**223**	**182**
Deferred tax assets/tax liabilities, net	**82**	**93**	**87**

Change analysis

MSEK	Machinery and equipment	Pension provisions and personnel related liabilities	Liability insurance related claims reserves	Provision for restructuring	Intangible fixed assets	Loss carry forward	Other temporary differences	Total deferred tax	Total deferred tax
Deferred tax assets								2010	2009
Opening balance	107	151	41	7	-	6	32	**344**	308
Change reported in statement of income	3	15	–4	–1	-	6	6	**25**	65
Change due to foreign currency effects	–11	–14	–2	0	-	–1	–2	**–29**	–12
Change reported in shareholders' equity	-	5	-	-	-	-	–1	**4**	–10
Change due to acquisitions	-	-	-	-	-	-	-	**-**	–9
Closing balance	**99**	**157**	**35**	**6**	**-**	**12**	**34**	**343**	**344**
Change during the year	**–8**	**6**	**–6**	**–1**	**-**	**6**	**3**	**–1**	**36**
Deferred tax liabilities									
Opening balance	**121**	**1**	**-**	**-**	**17**	**-**	**112**	**281**	**221**
Change reported in statement of income	27	–1	-	-	–2	-	4	**2**	76
Change due to foreign currency effects	–8	0	-	-	–2	-	–6	**–20**	–45
Change reported in shareholders' equity	0	–	-	-	-	-	–2	**–2**	–2
Closing balance	**140**	**0**	**-**	**-**	**13**	**-**	**108**	**261**	**251**
Change during the year	**19**	**–1**	**-**	**-**	**–4**	**-**	**–4**	**–20**	**29**

Of deferred tax assets of MSEK 343, a total of MSEK 251 are expected to be realized within 12 months. Of deferred tax liabilities of MSEK 261, a total of MSEK 26 is expected to be realized within 12 months.

Current tax assets/tax liabilities	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Current tax assets	80	66	109
Current tax liabilities	–166	–171	–209
Current tax assets/tax liabilities, net	**–86**	**–105**	**–101**

Loss carry forward

Loomis' subsidiaries in Denmark, Portugal, the UK, USA and Austria had, as of December 31, 2010, tax loss carry forwards amounting to MSEK 575. The total loss carry forward as at December 31, 2009, amounted to MSEK 623 and as at December 31, 2008 to MSEK 1,068.

The Group has made the assessment that the loss carry forwards in Austria, Portugal, USA and some of the loss carry forwards in the UK can be reclaimed as the earnings trend is positive and the carry forwards have, therefore, been capitalized in the balance sheet. Capitalized loss carry forwards total MSEK 12. Loss carry forwards for Denmark have not been included in the balance sheet. Loomis' loss carry forwards have no time limit. Certain loss carry forwards have not, to date, been established in the Company's' tax returns.

NOTE 15 Acquisition and divestment of subsidiaries and impairment testing

Acquisitions made in 2010:

MSEK	Enterprise value	Goodwill	Acquisition related intangible assets	Operating capital employed	Total capital employed
Agency of Security Fenix CIT, Czech Republic	25	17[1)]	2	5	25
Badger Armor Inc. dba Big Ten Armor, USA	38	18[2)]	14	6	38
Other acquisitions	35	-	31	5	35
Total acquisitions	**98**	**35**	**47**	**17**	**98**
Deferred consideration	–9				
Deductions for acquired net debt	–8				
Total negative impact on the Group's liquid funds	**82**				

1) The acquisition was made as a stage in the strategy of expansion in Eastern Europe. Goodwill is attributable to the acquisition of shares. The value is tested annually for impairment. Any impairment losses are not deductible for tax purposes.

2) The acquisition was made to strengthen geographic coverage. Goodwill is attributable to the acquisition of assets. Amortization is deductible for tax purposes.

Agency of Security Fenix CIT, Czech Republic

Loomis has acquired the cash handling company, Agency of Security Fenix CIT. The purchase price amounted to MSEK 17 (MCZK 46). The acquired operations were consolidated by Loomis as of October 1, 2010.

Acquisition of Agency of Security Fenix CIT, Czech Republic

Summary balance sheet as of acquisition date October 1, 2010.

MSEK	Book value of acquisition balance	Acquisition balance and Acquisition analysis	Fair value acquisition balance
Operating fixed assets	1	-	1
Accounts receivable	11	-	11
Other assets	5	–2	4
Other liabilities	–7	–3	–10
Total operating capital employed	**10**	**–5**	**5**
Goodwill	-	17	17
Other acquisition-related intangible assets	-	2	2
Total capital employed	**10**	**15**	**25**
Net debt	–5	–3	–8
Total acquired net assets	**5**	**12**	**17**
Purchase price	-	-	17
Total negative impact on The Group's liquid funds	**-**	**-**	**17**

The acquisition of Agency of Security Fenix CIT in the Czech Republic refers to all shares in the company. A portion of the purchase price which, among others, depends on the final settlement of the acquired net debt in accordance with the local accounting principles in the Czech Republic, is not yet determined. This portion will be received / paid out during 2011 when net debt is established and agreed upon by the seller. The acquisition has contributed to total revenues by approximately MSEK 21 and to net income for the year by MSEK 0. The acquisition would, if it had been consolidated from January 1, 2010, have contributed to total revenue by approximately MSEK 95 and to net income for the year by MSEK 2.

Total transaction costs for the acquisition amount to MSEK 1 and are reported in Selling and administrative expenses.

Badger Armor Inc. dba Big Ten Armor, USA

Loomis has acquired assets and liabilities of the American cash handling company Badger Armor Inc. dba Big Ten Armor. The purchase price amounted to MSEK 38 (MUSD 5.7). The acquired operations were consolidated by Loomis as of November 1, 2010.

Acquisition of operations in Badger Armor Inc. dba Big Ten Armor, USA

Summary balance sheet as of acquisition date November 1, 2010.

MSEK	Book value of acquisition balance	Acquisition balance and Acquisition analysis	Fair value acquisition balance
Operating fixed assets	9	-	9
Other liabilities	–2	-	–2
Total operating capital employed	**6**	**-**	**6**
Goodwill	-	18	18
Other acquisition-related intangible assets	-	14	14
Total capital employed	**6**	**32**	**38**
Net debt	-	-	-
Total acquired net assets	**6**	**32**	**38**
Purchase price	-	-	38
Total negative impact on The Group's liquid funds	**-**	**-**	**38**

The acquisition of operations in Badger Armor Inc. dba Big Ten Armor, USA refers to assets in the Company. The acquisition has contributed to total revenue by approximately MSEK 10 and to net income for the year by approximately MSEK 0. The acquisition would, if consolidated from January 1, 2010 have contributed to total revenue by approximately MSEK 68 and to net income for the year by MSEK 0.

Total transaction costs for the acquisition amount to MSEK 1 and are reported in Selling and administrative expenses.

Other completed acquisitions

Summary balance sheet as of acquisition dates during 2010.

MSEK	Book value of acquisition balance	Acquisition balance and Acquisition analysis	Fair value acquisition balance
Operating fixed assets	5	-	5
Total operating capital employed	**5**	**-**	**5**
Other acquisition-related intangible assets	-	31	31
Total capital employed	**5**	**31**	**35**
Total acquired net assets	**5**	**31**	**35**
Purchase price	-	-	35
Deferred purchase price	-	-	–9
Total negative impact on The Group's liquid funds	**-**	**-**	**26**

Impairment testing

For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash-flows (cash generating units); that is, by country. Goodwill as of December 31, 2010 is allocated to the cash-generating units as follows:

		Goodwill, MSEK		
	WACC, %	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Denmark	*7.7 (7.8, 8.4)*	-	-	-
Finland	*7.6 (7.7, 8.2)*	-	-	-
France	*7.6 (7.7, 8.2)*	333	380	405
UK	*8.2 (7.9, 8.5)*	151	168	163
Norway	*8.1 (8.2, 8.5)*	-	-	-
Portugal	*7.6 (7.7, 8.2)*	1	1	2
Switzerland	*6.8 (7.1, 7.3)*	4	4	4
Spain	*7.6 (7.7, 8.2)*	265	302	322
Sweden	*7.7 (7.7, 8.1)*	11	11	11
Czech Republic	*n/a (n/a, n/a)*	17	-	-
USA	*7.9 (7.8, 7.7)*	1,800	1,893	2,058
Austria	*7.6 (7.7, 8.2)*	-	-	-
Total	***7.7 (7.7, 8.1)***	**2,582**	**2,760**	**2,965**

Goodwill is tested on an annual basis for impairment. When an impairment requirement has been determined, the value is reduced by an amount equal to the amount by which the asset's book value exceeds its recoverable amount. The recoverable amount is the higher of an asset's net realizable value and its value in use. The value in use is equal to the present value of expected future cash-flows. The cash-flows are based on the financial plans proposed by Group management and adopted by the Board of Directors, and normally cover a period of five years. Cash-flows extending beyond this period have been extrapolated applying an estimated growth rate. Where possible, Loomis uses external sources of information (e.g. Freedonia); however, previous experience is also an important element, as there are no official indexes or similar information that can be directly applied as a basis for the assumptions and assessments on which the impairment testing is based.

The calculation of value in use is based on assumptions and assessments. The major assumptions concern organic sales growth, the development of the operating margin, utilization of operating capital employed, as well as the relevant WACC rate used to discount future cash-flows.

The assumptions and assessments forming the basis of the impairment testing are summarized below (by Loomis' operating segments):

%	Estimated growth rate beyond forecasted period	WACC
Europe	*2.0 (2.0, 2.0)*	*6.8–8.2*
USA	*2.0 (2.0, 2.0)*	*7.85*

Impairment testing of all cash-generating units, except for the Czech Republic, took place during the third quarter of 2010. The results of the impairment testing showed that no impairment of goodwill is necessary. The Czech Republic's value was assessed in conjunction with the acquisition of the unit on October 1, 2010.

Sensitivity analyses have been undertaken of the estimates of value in use in conjunction with impairment testing in the form of a general reduction, by 0.5 percentage points, in the forecast period as regards the organic growth and operating margin, as well as a general increase in the WACC by 0.5 percentage points. The sensitivity analysis generated no need for impairment.

NOTE 16 Goodwill

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Opening balance	2,760	3,005	2,573
Acquisitions	35	-	-
Eliminated in conjunction with liquidation	-	–40	-
Translation differences	–213	–205	431
Closing accumulated acquisition cost	**2,582**	**2,760**	**3,005**
Opening write-downs	-	–40	–40
Eliminated in conjunction with liquidation	-	40	-
Closing accumulated impairment losses	**-**	**-**	**–40**
Closing residual value	**2,582**	**2,760**	**2,965**
Breakdown of goodwill by operating segments:			
USA	1,800	1,893	2,058
Europe	782	867	906
Total	**2,582**	**2,760**	**2,965**

NOTE 17 Acquisition-related intangible assets

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Opening balance	154	159	126
Acquisitions	45	7	8
Disposals/write-offs	-	-	–0
Translation differences	–15	–12	26
Closing accumulated acquisition cost	**184**	**154**	**159**
Opening amortization	–89	–81	–51
Amortization for the year	–17	–17	–15
Disposals/write-offs	-	-	0
Translation differences	9	8	–15
Closing accumulated Amortization	**–97**	**–89**	**–81**
Closing residual value	**87**	**65**	**79**

Acquisition-related intangible assets consist of contract portfolios.

NOTE 18 Other intangible assets

	Licenses	Tenancy rights	Other intangible assets	Total
MSEK	Dec 31, 2010			
Opening acquisition cost	120	1	2	123
Capital expenditures	18	-	-	18
Disposals/write-offs	0	0	-	0
Reclassifications	30	-	-	30
Translation differences	–18	0	0	–18
Closing accumulated acquisition cost	**150**	**0**	**2**	**152**
Opening amortisation	–80	0	–2	–82
Disposals/write-offs	0	-	-	0
Amortization for the year	–17	-	-	–17
Reclassifications	–1	-	-	–1
Translation differences	13	0	0	14
Closing accumulated amortization	**–84**	**0**	**–2**	**–86**
Closing residual value	**66**	**0**	**0**	**66**

	Licenses	Tenancy rights	Other intangible assets	Total
MSEK	Dec 31, 2009			
Opening acquisition cost	115	1	2	118
Capital expenditures	20	-	-	20
Disposals/write-offs	–8	-	-	–8
Reclassifications	0	-	-	0
Translation differences	–8	0	–0	–8
Closing accumulated acquisition cost	**120**	**1**	**2**	**123**
Opening amortisation	–67	–0	–2	–69
Disposals/write-offs	2	-	-	2
Amortization for the year	–19	-	-	–19
Reclassifications	–2	-	-	–2
Translation differences	6	0	0	6
Closing accumulated amortization	**–80**	**–0**	**–2**	**–82**
Closing residual value	**40**	**1**	**0**	**41**

	Licenses	Tenancy rights	Other intangible assets	Total
MSEK	Dec 31, 2008			
Opening acquisition cost	78	1	2	80
Capital expenditures	25	-	-	25
Disposals/write-offs	–3	-	-	–3
Reclassifications	–0	-	-	–0
Translation differences	15	0	0	15
Closing accumulated acquisition cost	**115**	**1**	**2**	**118**
Opening amortisation	–39	–0	–2	–40
Disposals/write-offs	3	-	-	3
Amortization for the year	–17	-	-	–17
Reclassifications	–2	-	-	–2
Translation differences	–12	0	–0	–13
Closing accumulated amortization	**–67**	**–0**	**–2**	**–69**
Closing residual value	**48**	**1**	**0**	**49**

NOTE 19 Tangible fixed assets

	Buildings and land		
MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Opening acquisition costs	441	478	436
Acquisitions	3	-	-
Captial expenditure	7	9	13
Disposals/write-offs	–2	–13	–34
Reclassifications	–6	0	–14
Translation differences	–51	–34	78
Closing accumulated acquisition cost	**391**	**441**	**478**
Opening depreciation	–154	–151	–120
Disposals/write-offs	1	1	15
Reclassifications	4	-	-
Depreciation for the year	–15	–18	–17
Translation differences	22	13	–29
Closing accumulated depreciation	**–141**	**–154**	**–151**
Closing residual value	**250**	**287**	**328**

	Machinery and equipment		
MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Opening acquisition costs	6,900	6,763	5,714
Acquisitions	11	2	58
Captial expenditure	690	798	841
Disposals/write-offs	–284	–355	–506
Reclassifications	–23	7	14
Translation differences	–646	–315	642
Closing accumulated acquisition cost	**6,648**	**6,900**	**6,763**
Opening depreciation	–4,310	–4,123	–3,511
Disposals/write-offs	252	312	464
Reclassifications	–3	1	1
Depreciation for the year	–655	–715	–641
Translation differences	428	216	–436
Closing accumulated depreciation	**–4,288**	**–4,310**	**–4,123**
Closing residual value	**2,360**	**2,591**	**2,640**

The closing residual value of land included in Buildings and land above amounted to MSEK 61 (66 and 71).

Machinery and equipment comprises vehicles, equipment, security equipment (including alarm systems) and IT and telecom equipment. No write-downs have been applied. Tangible fixed assets above include assets made available under financial lease agreements as specified below.

There are limits on the right of disposal for assets held by Loomis through financial leases. See Note 28 for further information regarding financial lease agreements.

	Buildings		
MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Opening acquisition cost	51	55	47
Translation differences	–6	–3	8
Closing accumulated acquisition cost	**45**	**51**	**55**
Opening depreciation	–15	–14	–10
Depreciation for the year	–3	–3	–2
Translation differences	2	1	–2
Closing accumulated depreciation	**–16**	**–15**	**–14**
Closing residual value	**29**	**36**	**41**

Financial Lease agreements	Machines and equipment		
MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Opening acquisition cost	238	286	233
Acquisitions	1	-	-
Capital expenditure	16	11	14
Disposals/write-offs	–6	–43	–32
Translation differences	–24	–15	71
Closing accumulated acquisition cost	**225**	**238**	**286**
Opening depreciation	–191	–206	–111
Acquisitions	–1	-	-
Disposals/write-offs	4	42	15
Depreciation for the year	–24	–38	–56
Translation differences	21	12	–55
Closing accumulated depreciation	**–190**	**–191**	**–206**
Closing residual value	**35**	**48**	**80**

NOTE 20 Interest-bearing financial fixed assets

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Long-term external investments	29	46	60
Total interest-bearing financial fixed assets	**29**	**46**	**60**

The amount consists of pension commitments (see Note 30) for which bonds have been provided as security in a total of MSEK 7 (8 and 4), and also refers to the fact that the insurance company in Ireland has deposited a portion of its assets with an external counterparty, according to a directive of authorities of MSEK 25 (38 and 56). For additional information regarding financial instruments, refer to Note 6.

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Opening balance	46	60	152
New investments/disposals	–16	–15	–93
Translation differences	–1	0	1
Closing balance	**29**	**46**	**60**

NOTE 21 Other long-term receivables

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Long-term rent deposits	23	20	17
Other long-term receivables	5	8	34
Total other long-term receivables	**28**	**28**	**51**

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Opening balance	28	51	18
Other changes	4	–23	31
Translation differences	–4	–0	2
Closing balance	**28**	**28**	**51**

NOTE 22 Accounts receivable

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Accounts receivable before deduction of provisions for bad debt losses	1,269	1,371	1,543
Provision for bad debt losses, net	–26	–35	–53
Total Accounts receivable	**1,243**	**1,336**	**1,490**

Bad debt losses for the year amounted to MSEK 12 (3 and 10), net.

Note 22, cont.

Age analysis for overdue accounts receivable

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Maturity date <30 days	250	236	290
Maturity date 30-90 days	66	70	109
Maturity date >90 days	47	57	88
Total overdue accounts receivable	**363**	**363**	**487**

NOTE 23 Other current receivables

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Accountable funds[1]	14	17	17
Other current receivables	34	49	58
Total other current receivables	**48**	**67**	**75**

Other current receivables, as per above, refer, for the main part, to current receivables regarding VAT.

Within its cash processing operations, Loomis stocks consignment stocks of money for third parties. Consignment stocks of money are reported by the respective counterparty, not by Loomis. In order to finance certain aspects of the operations, loan financing is utilized in the form of overdraft facilities. These overdraft facilities are reported net against stocks of money. Financing expenses for loan financing, amounting to MSEK 7 (6 and 3), are reported as production expenses.

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Accountable fund assets and vault holdings[1]	370	445	479
Accountable fund liabilities and overdraft facilities[1]	–356	–427	–462
Accountable funds	**14**	**17**	**17**

1) Excluding consignment stocks of money.

A description of the Group's risk exposure relating to financial instruments can be found in Note 6.

NOTE 24 Prepaid expenses and accrued income

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Prepaid expenses for insurance and risk management	46	28	40
Prepaid rent	21	28	25
Prepaid leasing fees	1	1	1
Prepaid suppliers' invoices	7	6	9
Other prepaid expenses	127	98	93
Other accrued income	12	3	9
Total prepaid expenses and accrued income	**214**	**163**	**177**

NOTE 25 Interest-bearing financial current assets

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
External investments	19	3	355
Total interest-bearing financial current assets	**19**	**3**	**355**

A description of the Group's risk exposure relating to financial instruments can be found in Note 6.

NOTE 26 Liquid Funds

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Cash and bank balances	203	176	268
Short-term bank investments	57	211	-
Total liquid funds[1]	**259**	**387**	**268**

1) Included in liquid funds is interest-bearing current assets with a term of less than 90 days.

NOTE 27 Shareholder's equity and comprehensive income

	Shareholders' equity attributable to the shareholders of the Parent Company [1]				
MSEK	Share capital [2]	Other capital contributed	Other reserves [3]	Retained earnings including net income for the year	Total
Opening balance January 1, 2008	**365**	**3,519**	**221**	**–2,600**	**1,505**
Comprehensive income					
Net income for the year	-	-	-	424	424
Other comprehensive income					
Actuarial gains and losses	-	-	-	59	59
Tax effect on actuarial gains and losses	-	-	-	–14	–14
Exchange rate differences	-	-	348	-	348
Total other comprehensive income	**-**	**-**	**348**	**44**	**392**
Total comprehensive income	**-**	**-**	**348**	**468**	**816**
Transactions with shareholders					
Shareholders' contribution received	-	900	-	-	900
Dividend attributable to 2007	-	-	-	–245	–245
Total transactions with shareholders	**-**	**900**	**-**	**–245**	**655**
Opening balance January 1, 2009	**365**	**4,419**	**569**	**–2,377**	**2,976**
Comprehensive income					
Net income for the year	-	-	-	500	500
Other total comprehensive income					
Actuarial gains and losses	-	-	-	–69	–69
Tax effect on actuarial gains and losses	-	-	-	20	20
Cash flow hedges [4]	-	-	-	–8	–8
Tax effect cash flow hedges	-	-	-	2	2
Exchange rate differences	-	-	–150	–	–150
Total other comprehensive income	**-**	**-**	**–150**	**–55**	**–205**
Total comprehensive income	**-**	**-**	**–150**	**446**	**295**
Transactions with shareholders					
Issue of warrants	-	22	-	-	22
Dividend attributable to 2008	-	–	-	–164	–164
Total transactions with shareholders	**-**	**22**	**-**	**–164**	**–143**
Opening balance January 1, 2010	**365**	**4,441**	**419**	**–2,095**	**3,129**
Comprehensive income					
Net income for the year	-	-	-	496	496
Other comprehensive income					
Actuarial gains and losses	-	-	-	–132	–132
Tax effect on actuarial gains and losses	-	-	-	38	38
Cash flow hedges [4]	-	-	-	–1	–1
Tax effect cash flow hedges	-	-	-	0	0
Exchange rate differences	-	-	–224	-	–224
Total other comprehensive income	**-**	**-**	**–224**	**–95**	**–320**
Total comprehensive income	**-**	**-**	**–224**	**401**	**177**
Transactions with shareholders					
Dividend attributable to 2009	-	-	-	–193	–193
Share-related remuneration [5]	-	-	11	-	11
Total transactions with shareholders	**-**	**-**	**11**	**–193**	**–182**
Closing balance December 31, 2010	**365**	**4,441**	**206**	**–1,888**	**3,123**

1) Equity is entirely attributable to the Parent Company´s shareholders.
2) Shares issued in the Parent Company consist of both Class A and Class B Shares. Each Class A share carries ten votes and each Class B share one vote.
3) Other reserves refer to translation differences and share-related remuneration.
4) The cash flow hedges and the loan facility mature at the same time.
5) Refers to the expense part of the income statement of Loomis' equity remuneration plans as described in Note 11.

As of December 31, 2010 the total number of issued shares was 73,011,780, each with a quotient value of SEK 5.
For further information on changes in the number of shares issued and their distribution to Class A and Class B, refer to Note 51.
As at December 31, 2010 Loomis had 49,836 warrants in own custody.

NOTE 28 Loans payable

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Long-term loans payable			
Liabilities, financial leases	45	50	72
Bank loans	1	1,430	-
Bond loans	583	-	-
Total long-term loans payable	**629**	**1,480**	**72**
Current loans payable			
Liabilities, financial leases	7	18	34
Derivatives	8	13	-
Bank loans	1,095	823	2,953
Total current loans payable	**1,110**	**855**	**2,987**
Total loans payable	**1,738**	**2,335**	**3,059**

Liabilities, financial leases – minimum lease payments	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Maturity < 1 year	7	20	36
Maturity 1–5 years	51	58	75
Maturity >5 years	-	3	10
Total	**58**	**80**	**121**
Future financial expenses for financial leases	–7	–12	–15
Total present value of liabilities for financial leases	**51**	**69**	**106**

Present value of liabilities for financial leases	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Maturity < 1 year	7	18	34
Maturity 1–5 years	45	48	64
Maturity >5 years	-	2	8
Total present value of liabilities for financial leases	**51**	**69**	**106**

NOTE 29 Provisions for claims reserves

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Long-term provisions for claims reserves	203	205	239
Short-term provision for claims reserves	93	123	126
Total provisions for claims reserves	**296**	**328**	**365**

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Opening balance	328	365	306
New provisions	144	219	202
Utilized amount and unutilized provisions	–161	–238	–179
Translation difference	–15	–18	35
Closing balance	**296**	**328**	**365**

NOTE 30 Provisions for pensions and similar commitments

The Group operates, or participates in other ways, in a number of defined benefit and defined contribution pension plans and other long-term employee benefit plans throughout the world. The plans are structured in accordance with local rules and practices. The overall cost of these plans for the Group is reported in Note 10.

UK

There is a funded defined benefit plan in the UK in which assets are held separately from those of the employer. The plan provides benefits linked to members' service and final salary. Further to changes in 2010, pension benefits provided from the defined benefit plan will be revalued before retirement in line with the Consumer Price Index rather than the Retail Price Index going forward. The impact of this change, a liability reduction of approximately MSEK 24, is accounted for as an actuarial gain in other comprehensive income.

The companies in the UK also participate in various defined contribution solutions.

Sweden

Blue-collar employees are covered by the SAF-LO collective pension plan, an industry-wide, multi-employer defined contribution arrangement. Professional employees are covered by the ITP plan, which is also an industry-wide, multi-employer plan based on a collective agreement. According to a statement (UFR 3) issued by the Council for Financial Reporting, the ITP plan is a multi-employer defined benefit plan. Alecta, the insurance company operating the ITP plan, has been unable to provide Loomis, or other Swedish companies, with sufficient information with which to determine its share of the total assets and liabilities of this arrangement. Consequently, this arrangement is reported as a defined contribution plan. The cost for 2010 amounts to MSEK 9 (8 and 5). The surplus in Alecta can be allocated to the insured employer and/or the insured employees. Alecta's level of consolidation was, as per December 31, 2010, a total of 146.0 percent (141.0 and 112.0). The level of consolidation is calculated as the fair value of plan assets as a percentage of the commitments calculated according to Alecta's actuarial assumptions. This estimation is not in line with IAS 19.

Norway

The majority of employees are covered by a defined contribution plan. For the remainder, three defined benefit plans have, historically, been in place. Two of these plans (AFP plans) have been unfunded solutions, in which one provides a bridging pension on early retirement and the other individual pension commitments as agreed with the Company. The AFP plan providing bridging pension on early retirement was closed in 2010 following changes in legislation. Employees will from January 1, 2011, be eligible to join a new funded multi-employer AFP plan to which the Company will pay premiums. Since it will not be possible to separately identify the Company's share of the plans total assets and liabilites of this arrangement, the new AFP plan will be reported as a defined contribution plan in line with guidance from the Norwegian Accounting Standards Board (NRS). The funded plan, in progress, is closed to new members.

Other countries

In addition to the plans mentioned above, there are defined benefit plans of a material size primarily in Austria and France.

Allocation of plan assets

The fair value of plan assets as per December 31, 2010, amounted to MSEK 1,045 (1,037 and 841). As per December 31, 2010, a total of 64 percent (64 and 63) of the plan assets where invested in equities, 35 percent (34 and 36) in interest-bearing assets, and 2 percent (2 and 1) in other assets.

Accumulated actuarial losses

The actuarial loss for 2010 which is reported directly as part of other comprehensive income amounts to MSEK 94. For 2009, an actuarial loss of MSEK 49, and for 2008 an actuarial gain of MSEK 44, were reported in other comprehensive income. The accumulated actuarial losses reported in this manner amount, consequently, to MSEK 113. For 2009 accumulated losses of MSEK 19 and for 2008 accumulated gains of MSEK 30 were reported.

Provisions for pensions and similar commitments, net

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Plans included in Other long-term receivables	–0	–4	–31
Plans included in Provisions for pensions and similar commitments	316	264	262
Total provisions for Pensions and similar commitments, net	**316**	**260**	**232**

Pension costs

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Current service cost	29	32	38
Interest cost	63	65	70
Expected return on plan assets	–65	–56	–65
Recognized actuarial gains/losses	-	-	1
Settlements and curtailments	–1	-	-
Total pension costs	**26**	**41**	**43**

The table shows the total cost for defined benefit plans in 2010. The total cost for defined benefit plans in 2011 is expected to amount to approximately MSEK 35. The costs for defined contribution plans amounted to MSEK 81 (61 and 64).

Note 30, cont.

Change of provisions for pensions and similar commitments, Net

	Obligations	Plan assets	Net	Obligations	Plan assets	Net	Obligations	Plan assets	Net	Obligations	Plan assets	Net
MSEK	2010			2009			2008			2007		
Opening balance	1,297	–1,037	260	1,073	–841	232	1,415	–1,096	319	1,440	–1,039	400
Current service costs	29	-	29	32	-	32	38	-	38	61	-	61
Interest cost	63	-	63	65	-	65	70	-	70	70	-	70
Expected return	-	–65	–65	-	–56	–56	-	–65	–65	-	–65	–65
Recognized actuarial gains/losses	-	-	-	-	-	-	1	-	1	–7	-	–7
Settlements and curtailments	–1	-	–1	-	-	-	-	-	-	–22	-	–22
Total pension costs	**91**	**–65**	**26**	**97**	**–56**	**41**	**109**	**–65**	**43**	**102**	**–65**	**37**
Actuarial gains/losses – obligations	148	-	148	157	-	157	–268	-	–268	–51	-	–51
Actuarial gains/losses – plan assets	-	–17	–17	-	–89	–89	-	209	209	-	2	2
Total actuarial gains and losses before tax	**148**	**–17**	**132**	**157**	**–89**	**69**	**–268**	**209**	**–59**	**–51**	**2**	**–49**
Employer contributions	-	–72	–72		–72	–72	-	–69	–69	-	–80	–80
Employee contributions	4	–4	-	5	–5	-	6	–6	-	8	–8	-
Benefits paid to participants	–48	48	-	–56	56	-	–48	48	-	–49	49	-
Acquisitions	-	-	-	-	-	-	-	-	-	18	-	18
Translation differences	–131	101	–30	21	–29	–9	–141	138	–3	–52	45	–8
Closing balance	**1,361**	**–1,045**	**316**	**1,297**	**–1,037**	**260**	**1,073**	**–841**	**232**	**1,415**	**–1,096**	**319**

The actual return on the plan assets for 2010 amounted to MSEK 81 (145, –143 and 63). The expected return on the plan assets has been determined based on the assumption that the return on bonds will be equal to the interest on a ten-year government bond and that the return on equities will be equal to a return on the basis of the same interest rate plus an additional risk premium. The stipulated interest rate for each country is weighted based on the composition of the assets. Actuarial gains and losses regarding obligations include adjustments based on experience, totalling MSEK 1 (16, –41 and 52).

Funded and unfunded defined benefit obligations

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008	Dec 31, 2007
Funded plans				
Present value of funded defined benefit obligations	1,170	1,109	878	1,281
Fair value of plan assets	–1,045	–1,037	–841	–1,096
Funded plans, net	**126**	**72**	**37**	**184**
Unfunded plans				
Present value of unfunded defined benefit obligations	190	188	195	135
Total funded and unfunded defined benefit obligations	**316**	**260**	**232**	**319**

The table shows the relationship between the value of funded plans and the value of provisions at year-end and at the beginning of the year.

Main actuarial assumptions as per December 31, 2010

%, per annum	UK	Eurozone	Norway
Discount rate	*5.50 (5.70, 6.30 and 5.60)*	*4.75 (5.00, 5.50 and 5.50)*	*4.00 (4.50, 3.80 and 4.70)*
Expected return on plan assets	*6.68 (6.92, 6.40 and 6.80)*	*n/a (n/a, n/a and n/a)*	*5.40 (5.70, 5.80 and 5.70)*
Salary increases	*3.50 (2.50, 3.50 and 4.30–4.80)*	*2.00–2.50 (2.00–2.25, 2.00–2.50 and 2.50–3.00)*	*4.00 (4.50, 4.00 and 3.50)*
Inflation	*3.00–3.50 (3.10, 2.80 and 3.30)*	*2.00 (1.75–2.00, 2.00 and 2.00)*	*3.75 (4.00, 3.75 and 4.25)*
Pension increases	*3.50 (3.10, 2.80 and 3.30)*	*n/a (n/a, n/a and n/a)*	*3.75 (4.25, 3.75 and 4.25)*

The table shows the major actuarial assumptions as per December 31, 2010, 2009, 2008, and 2007. These assumptions are used in the valuation of the obligations of the defined benefit plans at the end of 2010, 2009, 2008 and 2007 and to determine the pension costs for 2011, 2010, 2009 and 2008.

In the UK, the discount rate is based on iBoxx UK AA 15 years +. In the Eurozone, the discount rate is based on iBoxx Euro 10 years +, with consideration given to the duration of the liabilities. In Norway, the discount rate is based on government bonds, with the addition of the adjustment for the duration of the liabilities.

As per December 31, 2010, the following assumptions were used for the primary plans within Loomis concerning mortality: UK – “PA 92 series of tables with allowance for future improvements, and the medium cohort effect on current pensioners”.

Norway – tables in series “K 63”. These tables have been established for use in consultation with the Company’s actuaries and reflect Loomis’ view of future mortality considering future expected increases in life expectancy.

Sensitivity analysis

A reduction in the discount rate by 0.1 percentage points would increase the pension provisions and similar commitments by approximately MSEK 27. An increase in the inflation rate by 0.1 percentage points would increase the pension provisions and similar commitments by approximately MSEK 25. An increase in the average life expectancy by 1 year would increase the pension provision and similar commitments by approximately MSEK 25. Changes in the discount rate and average life expectancy are accounted for as actuarial gains or losses, whereby such changes are reported directly in other comprehensive income and, therefore, do not affect the net income for the year.

NOTE 31 Other provisions

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Other long-term provisions	125	127	126
Other short-term provisions	35	50	88
Total other provisions	**160**	**177**	**214**

MSEK	Overtime Spain	Other	Total
Other long-term provisions			
Opening balance	70	57	127
New provisions	6	18	23
Provisions utilized	-	–11	–11
Translation differences	–9	–5	–14
Closing balance	**67**	**58**	**125**
Other short-term provisions			
Opening balance	-	50	50
New provisions	-	10	10
Provisions utilized	-	–22	–22
Translation differences	-	–3	–3
Closing balance	**-**	**35**	**35**
Total other provisions	**67**	**93**	**160**

The dispute regarding overtime pay in Spain is described in Note 34.

NOTE 32 Accrued expenses and prepaid income

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Accrued personnel costs	719	729	750
Accrued interest expenses	15	15	7
Accrued rent charges	1	2	9
Accrued consulting fees	48	29	16
Other accrued expenses	154	139	84
Total accrued expenses and prepaid income	**937**	**914**	**866**

Other accrued expenses, as per the above, refer to, amongst other things, accrued insurance expenses, accrued suppliers’ invoices and accrued lease expenses.

NOTE 33 Other current liabilities

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Advanced payment from customers	22	23	38
Current liabilites attributable to VAT	160	183	180
Other current liabilities	89	100	100
Total other current liabilities	**271**	**306**	**318**

NOTE 34 Contingent liabilities

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Securities and guarantees	837	967	747
Other contingent liabilities	18	24	11
Total contingent liabilities	**855**	**992**	**758**

Guarantees in 2010 refer to guarantees for insurance commitments for Loomis in the USA amounting to MSEK 258 (280 and 303). The guarantees also refer to a guarantee for the internal insurance company, Loomis Reinsurance Ltd, amounting to MSEK 150 (150 and 125) and to a guarantee to the Bank of England amounting to MSEK 0 (81 and 78). It is difficult to assess whether these contingent liabilities will result in any financial outflow.

Loomis AB has also acted as guarantor for Loomis Suomi Oy, Norge AS and Loomis Sverige AB regarding bank credits referring to the cash management operations. For further information refer to Note 23.

Loomis Cash Management UK (LCM)

On November 24, 2007, Loomis Cash Management Ltd sold its fixed assets and its operations to Vaultex UK Ltd, a company jointly owned by HSBC Bank plc and Barclays Bank PLC. On the same day, LCM became a wholly-owned subsidiary of Loomis when the banks, as a part of the transaction, sold their shares in LCM to Loomis.

The sale of LCM's assets and operations resulted in a loss of MSEK 160 during the fourth quarter of 2007 as the purchase price was lower than book value and a provision for contracted guarantees was established. The provision was established to cover demands from bank customers who might claim the existence of reconciliation errors or inadequacies in their dealings with LCM during the period from June 1, 2007 until November 24, 2007, or the existence of claims that had arisen and been communicated to LCM before June 1, 2007 but were not settled at the time of transfer. According to the agreement, such claims should be submitted to LCM for investigation by LCM before August 31, 2008. No further claims were reported at such date and this obligation has, consequently, expired. The banks have also received a limited standard guarantee regarding LCM's assets, conditional on the information provided. In June, a final agreement was entered into between Securitas AB, Loomis AB, LCM and the Bank of England regarding LCM's declarations that did not comply with the Bank of England's Note Circulation Scheme (NCS).

The financial agreement was covered by previously established provisions. As part of the agreement, Loomis committed itself to assume responsibility during the period up to June 17, 2010 for any further damages affecting the Bank of England as a result of LCM's conduct, covered by a bank guarantee of MGBP 7. No further claims have been presented and the bank guarantee is now concluded.

Overtime compensation

All of the larger security companies in Spain have paid overtime compensation to their employees in accordance with the labour agreement which was valid during the period 2005 to 2008. In February 2007, the Supreme Court in Spain ruled that the calculation of overtime compensation according to the existing labour agreement was not in compliance with Spanish law. The risk that overtime compensation must be paid to employees has increased in the security companies located in Spain, as the security companies and local labour unions have not come to an agreement regarding overtime compensation. An application has been submitted to a lower court in Spain for the issue of specific guidelines regarding the method of calculating overtime compensation. The court's ruling was made public in January 2008 and provided guidelines for the calculation of overtime compensation. The ruling was mainly in line with the Companies' view of the manner in which compensation should be calculated. The local labour unions lodged an appeal against this ruling. In December 2009, the Supreme Court in Spain overturned the court's ruling of January 2008 and confirmed the ruling made in February 2007, implying that each claim was to be assessed on an individual basis. The Supreme Court, thereby, altered the basis for the calculation of overtime compensation. The Supreme Court's ruling cannot be appealed.

In the absence of final guidelines for the manner in which overtime compensation is to be calculated, Loomis has made the decision to apply the guidelines provided by the court in January 2008 for salary payments from 2008. As regards historic overtime compensation, Loomis has been awaiting the final ruling of the Supreme Court. The court's ruling entails that Loomis must prepare itself for several legal claims from employees, both past and present, in relation to retroactive overtime compensation.

During 2008, a trade association has initiated legal proceedings in an effort to invalidate the existing labour agreement by asserting that the previous Supreme Court ruling in relation to overtime compensation generated an imbalance in the labour agreement. A ruling was made on the matter in November 2009. However, the verdict did not provide a final solution, as it referred back to the original verdict. In practice, this means that resolutions regarding overtime pay must be made on an individual basis and that the Court must co-ordinate the assessment of all appeals if there are differences in the individual appeals. The final verdict is expected to be reached in 2012, but Loomis will be liable to pay the difference between the original remuneration and the amount determined by the Court in each individual case. The outcome will be dependent on whether the judge agrees with Loomis' standpoint or that of the trade association.

Several claims relating to labor laws have been made against Loomis in Spain by several individual claimants, and it is expected that it may be several years before these are concluded. A legal opinion, requested by the industry association in Spain of which Loomis is a member, proclaims that the timeframe for addressing legal claims for matters before 2010, as a result of current limitation regulations, expired in December 2010. Company management currently estimate that further compensation, amounting to a total of MSEK 67, may be subject to claims and have established a provision for this amount as per December 31, 2010.

Loomis Denmark

A Danish customer made a claim against Loomis Denmark, as the Company had terminated its agreement with the customer. This claim was made during the third quarter of 2008, and originally amounted to MDKK 26. During 2009, the customer extended the claim, which now totals MDKK 40. An investigation concerning the claim is in progress. Loomis has made an estimation of the likely result of this dispute as at December 31, 2010.

Other legal proceedings

Loomis has, during the years, made a number of acquisitions in different countries. As a result of these acquisitions, certain contingent liabilities attributable to the acquired operations have been taken over by Loomis. Risks attributable to such contingent liabilities are covered by contractual guarantee liabilities, insurances or necessary provisions.

Companies within the Loomis Group are involved in tax audits and other legal proceedings that have arisen in the operating activities. Any liability to pay damages in conjunction with legal proceedings is not deemed to have an impact on the Group's business operations or its financial position.

NOTE 35 Items not affecting cash flow

MSEK	2010	2009	2008
Depreciation of tangible fixed assets and amortization of intangible assets	687	752	675
Amortisation of acquisition-related intangible assets	17	17	15
Other provisions	–6	–3	–457
Financial items	107	115	164
Total items not affecting cash flow	**805**	**880**	**397**

Parent Company statement of income

MSEK	Note	2010	2009	2008
Other income	38	222	215	179
Gross income		**222**	**215**	**179**
Administrative expenses	40, 41	–84	–67	–141
Items affecting comparability	40	-	-	–332
Operating income after amortization		**138**	**148**	**–294**
Result from financial investments				
Result from participations in Group companies	42	230	224	171
Financial income	43	852	908	606
Finance expenses	43	–793	–789	–606
Total result from financial investments		**289**	**342**	**172**
Income after financial items		**427**	**490**	**–122**
Appropriations	44	–50	–82	-
Income tax	45	–56	–50	–31
Net income for the year		**321**	**358**	**–153**

Parent Company statement of comprehensive income

MSEK	2010	2009	2008
Exchange rate differences	–66	–76	156
Group contribution	66	74	–4
Tax effect on Group contribution	–17	–20	1
Cash flow hedges after tax	–1	–6	-
Other comprehensive income for the year, net after tax	**–18**	**–28**	**153**
Net income for the year	321	358	–153
Total comprehensive income for the year	**303**	**330**	**0**

Parent Company balance sheet

MSEK	Note	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
ASSETS				
Fixed assets				
Machinery and equipment	46	1	1	1
Shares in subsidiaries	47	3,446	3,420	3,420
Interest-bearing long-term receivables from subsidiaries	38	2,987	3,400	3,619
Deferred tax assets		-	2	1
Other fixed assets		4	-	-
Total fixed assets		**6,438**	**6,823**	**7,042**
Current assets				
Current receivables from subsidiaries	38, 48	297	296	246
Interest-bearing current receivables from subsidiaries	38	513	464	-
Other current receivables	49	6	4	7
Current tax assets	45	9	1	1
Prepaid expenses and accrued income	50	47	31	20
Interest-bearing financial current assets		56	177	156
Liquid funds		35	26	67
Total current assets		**963**	**1,000**	**496**
TOTAL ASSETS		**7,401**	**7,823**	**7,538**
SHAREHOLDERS´ EQUITY AND LIABILITIES				
Shareholders´ Equity	51			
Restricted equity				
Share capital		365	365	365
Total restricted shareholders’ equity		**365**	**365**	**365**
Non-restricted equity				
Other capital contributed		5,521	5,521	5,499
Retained earnings		–1,489	–1,635	–1,291
Net Income for the year		321	358	–153
Total non-restricted shareholders’ equity		**4,353**	**4,244**	**4,055**
Total shareholders´ equity		**4,718**	**4,609**	**4,420**
Untaxed reserves	52	132	82	-
Long-term liabilities				
Interest-bearing long-term liabilities, external	39	583	1,430	-
Deferred tax liabilities		-	-	37
Current liabilities				
Current liabilities to subsidiaries	38	8	55	54
Interest-bearing current liabilities to subsidiaries	38	576	666	–
Interest-bearing current liabilities, external	39	1,186	823	2,953
Accounts payable		9	4	3
Current tax liabilities	45	127	88	16
Accrued expenses and prepaid income	53	54	54	53
Other current liabilities		8	13	1
Total liabilities		**2,551**	**3,132**	**3,117**
TOTAL SHAREHOLDERS´ EQUITY AND LIABILITIES		**7,401**	**7,823**	**7,538**
Memorandum items				
Pledged assets		*None*	*None*	*None*
Contingent liabilities	54	705	847	650

Parent Company statement of cash flows

MSEK	Note	2010	2009	2008
Operations				
Income after financial items		427	490	–122
Items not affecting cash flow	55	–289	–342	–171
Financial items received		686	746	596
Financial items paid		–620	–623	–604
Income tax paid		–41	–1	–10
Dividends received		212	251	243
Change in other operating capital employed		–285	104	–17
Cash flows from operations		**91**	**626**	**–85**
Investing activities				
Investments in fixed assets	46	–0	–0	–0
Acquisitions of subsidiary	47	–17	–0	–53
Cash flow from investing activities		**–17**	**–1**	**–54**
Financing activities				
Investments in other financial fixed assets		413	219	–1,847
Decrease/increase in current financial investments		120	–21	1,736
Repayment of debt		–597	–700	–2
Group contributions received		74	-	-
Group contributions paid		-	-	–182
Shareholders´ contributions received		-	-	900
Payments received for warrants		-	22	-
Dividend paid		–193	–164	–245
Cash flows from financing activities		**–183**	**–645**	**361**
Cash flow for the year		**–112**	**–19**	**223**
Liquid funds at beginning of year		**203**	**223**	**-**
Liquid funds at end of year[1)]		**91**	**203**	**223**

1) Liquid funds include interest-bearing financial current assets with maturity shorter then 90 days

Parent Company statement of changes in equity

MSEK	Share capital[1, 3]	Other contributed capital[2, 4]	Retained earnings including Net Income for the year[4]	Total
Opening balance January 1, 2008	**365**	**4,599**	**–1,200**	**3,764**
Comprehensive income				
Net profit/loss for the year	-	-	–153	–153
Other comprehensive income				
Exchange rate differences	-	-	156	156
Group contribution	-	-	–4	–4
Tax effect on Group contribution	-	-	1	1
Total other comprehensive income	**-**	**-**	**153**	**153**
Total comprehensive income	**-**	**-**	**0**	**0**
Transactions with shareholders				
Shareholder contributions received	-	900	-	900
Dividend attributable to 2007	-	-	–245	–245
Total transactions with shareholders	**-**	**900**	**–245**	**655**
Opening balance January 1, 2009	**365**	**5,499**	**–1,444**	**4,420**
Comprehensive income				
Net income for the year	-	-	358	358
Other comprehensive income				
Exchange rate differences	-	-	–76	–76
Group contributions	-	-	74	74
Tax effect on Group contribution	-	-	–20	–20
Cash flow hedges, net of tax	-	-	–6	–6
Total other comprehensive income	**-**	**-**	**–28**	**–28**
Total comprehensive income	**-**	**-**	**330**	**330**
Transactions with shareholders				
Issue of warrants	-	22	-	22
Dividend attributable to 2008	-	-	–164	–164
Total transactions with shareholders	**-**	**22**	**–164**	**–142**
Opening balance January 1, 2010	**365**	**5,521**	**–1,277**	**4,609**
Comprehensive income				
Net income for the year	-	-	321	321
Other comprehensive income				
Exchange rate differences	-	-	–66	–66
Group contributions	-	-	66	66
Tax effect on Group contribution	-	-	–17	–17
Cash flow hedges, net of tax	-	-	–1	–1
Total other comprehensive income	**-**	**-**	**–18**	**–18**
Total comprehensive income	**-**	**-**	**303**	**303**
Transactions with shareholders				
Dividend attributable to 2009	-	-	–193	–193
Total transactions with shareholders	**-**	**-**	**–193**	**–193**
Closing balance December 31, 2010	**365**	**5,521**	**–1,168**	**4,718**

1) For information on the number of issued shares refer to Note 51.

2) Includes statutory reserves amounting to TSEK 20.

3) Shares issued in the Parent Company consist of both Class A and Class B shares. Each Class A share carries 10 votes and each Class B share carries 1 vote. For information on distribution refer to Note 51.

4) Retained earnings are comprised of Other capital contributed and Retained earnings including net income for the year.

NOTE 36 Summary of important accounting principles

The Parent Company's financial statements are prepared in accordance with the Swedish Annual Accounts Act and the Swedish Final Reporting Board (RFR) 2 Accounting for Legal Entities. The Parent Company thereby applies the same accounting principles as the Group, where relevant, except in the cases stipulated below. Differences between the Parent Company's and the Group's accounting principles arise as a result of the limited applicability of IFRS for the Parent Company, due to the regulations of the Swedish Annual Accounts Act, the Swedish Act on the Safeguarding of Pension Commitments, etc., and due to the alternatives stipulated in RFR 2.

IAS 17 Leases
Financial leases cannot be accounted for at legal entity level, as specific rules on taxation are not available or are not complete. At legal entity level, therefore, financial leases can be reported according to the requirements for operational lease agreements.

IAS 19 Employee Benefits
According to the Swedish Act on the Safeguarding on Pension Commitments, etc., the Parent Company cannot report any defined contribution plans as defined benefit plans at legal entity level. Pension solutions either fall within the framework of the ITP plan insured via Alecta, which is described in the Group's accounting principles, or, in all material aspects, consist of other defined contribution plans.

Anticipated dividend
An anticipated dividend from a subsidiary is reported as income in the Parent Company if the Parent Company has the sole right to decide on the amount of the dividend and if the Parent Company determined the level of the dividend prior to publication of its financial statements, and has ensured that the dividend does not exceed the subsidiary's dividend capacity.

Financial instruments
The Parent Company applies the exception in RFR 2 Accounting for legal entities, paragraph 71, which implies that the Parent Company, primarily, with the exception of the financial instruments described below, assesses all financial instruments based on their acquisition value according to the Swedish Annual Accounts Act. The Parent Company also applies the exception in RFR 2 paragraph 11, which implies that no information is provided in accordance with IFRS 7 or IAS 1 paragraph 124 A-124 C. In accordance with the Swedish Annual Accounts Act, chapter 4, 14a§, the Parent Company reports derivative instruments at fair value. Fair value is equivalent to the market value, calculated based on current market listings on the balance sheet date. In addition, the Parent Company applies the exception in RFR 2 paragraph 72. This implies that the Parent Company does not apply the rules on assessment and recognition regarding any indemnity agreements benefiting subsidiaries. In accordance with RFR 2, the Parent Company, instead, applies IAS 37, Provisions, contingent liabilities and contingent assets.

Receivables with maturities greater than 12 months after the balance sheet date are reported as fixed assets, and other receivables as current assets. Receivables are reported in the amounts at which they are expected to be received, on the basis of individual assessment.

IAS 21 Effects of changes in foreign exchange rates
Paragraph 32 in IAS 21 states that exchange rate differences constituting a portion of a reporting entity's net investments in a foreign operation shall be reported via the statement of income in the separate financial statements of the reporting company. RFR 2 p. 43 states that such exchange rate differences should, instead, be reported directly in shareholders' equity in accordance with the Swedish Annual Accounts Act, Chapter 4, Section 14. Loomis follows this paragraph in RFR 2 and reports exchange rate differences that fulfil the criteria for net investments, that is, loans for which settlement is neither planned nor likely to occur, via the translation reserve in shareholders' equity.

Receivables and liabilities in foreign currencies
Receivables and liabilities in foreign currencies have been translated to SEK at the rate prevailing on the balance sheet date and the difference between the acquisition value and the value on the balance sheet date has been taken up as income. Receivables in foreign currencies constituting a portion of the Company's net investments in foreign subsidiaries are also assessed using the rate prevailing on balance sheet date. Exchange rate differences on these receivables are eliminated from the statement of income and are reported directly in shareholders' equity in the balance sheet.

UFR 7 Group contributions and shareholders' contributions
Group contributions received or provided by the Parent Company are reported via shareholders' equity in the Parent Company. The Company applies the same principles as in the previous year.

Items affecting comparability
Items afecting comparability include events and transactions, whose effects on earnings require attention when the result for the period is compared with earlier periods, such as

- Capital gains and capital losses from disposal of material cash-generating units.
- Material impairment losses
- Material itemsof a non-recurring nature.

Provisions, impairment losses, bad debts or other significant non-recurring items, which are reported as items affecting comparability in one period, are, consequently, reported in subsequent periods through any reversed provisions, impairment losses, bad debts or other significant non-recurring items also being reported under the heading Items affecting comparability.

NOTE 37 Events after the balance sheet date

See information about the Group in Note 5.

NOTE 38 Transactions with related parties

Subsidiaries in the Group, Board members in the Company's Board of Directors, the Group's senior executives as well as close family members to these individuals are regarded as related parties. Companies in which a significant number of the votes are directly or indirectly held by the above-mentioned individuals or companies in which individuals have a significant influence are also regarded as related parties.

Transactions with related parties refer to administration contributions and other revenue from subsidiaries, dividends from subsidiaries, interest income and interest expenses from and to subsidiaries, as well as receivables and liabilities to and from subsidiaries.

Until the separation from Securitas AB on December 9, 2008, other companies within the Securitas Group have been reported as related parties. For further information regarding transactions with other companies within the Securitas Group up until the separation on December 9, 2008, refer to previous annual reports.

Transactions with other companies within the Loomis Group are listed in the tables below:

Income from other companies within the Loomis Group

MSEK	2010	2009	2008
Administration contributions	222	215	179
Interest income	164	236	171

Expenses related to other companies within the Loomis Group

MSEK	2010	2009	2008
Administrative expenses	-	-	179
Interest expenses	4	4	18

Receivables from other companies within the Loomis Group

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Interest-bearing long-term receivables from subsidiaries	2,987	3,400	3,619
Current receivables from subsidiaries	297	296	246
Interest-bearing current receivables from subsidiaries	513	464	-
Prepaid expenses and accrued income	-	18	-

Liabilities to other companies within the Loomis Group

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Current liabilities to subsidiaries	8	55	54
Interest-bearing current liabilities to subsidiaries	576	666	-

All transactions with related parties are executed based on market conditions.

NOTE 39 Financial risk management

The table below presents an analysis of the Parent Company's financial liabilities classified according to the time remaining from the balance sheet date until the contractual maturity date. The amounts shown in the table refer to contractual discounted cash-flows.

For further information regarding the Parent Company's financial risk management refer to Note 6.

December 31, 2010	Less then 1 year	Between 1 and 5 years	More then 5 years
External bank loans	1,186	583	-
Accounts payable and other liabilities	72	-	-
	1,258	**583**	**-**

December 31, 2009	Less then 1 year	Between 1 and 5 years	More then 5 years
External bank loans	823	1,430	-
Accounts payable and other liabilities	72	-	-
	895	**1,430**	**-**

December 31, 2008	Less then 1 year	Between 1 and 5 years	More then 5 years
External bank loans	-	2,953	-
Accounts payable and other liabilities	58	-	-
	58	**2,953**	**-**

NOTE 40 Administrative expenses and Items affecting comparability

Distribution of expenses by type

MSEK	Note	2010	2009	2008
Depreciation, amortization and impairment	46	0	0	1
Personnel expenses	41	33	43	36
Vehicle expenses		1	1	1
Costs of premises		3	4	4
Costs of technical equipment		6	7	3
Consulting expenses		22	5	68
Administrative expenses		9	6	15
Other expenses		10	2	14
Total expenses by type		**84**	**67**	**141**

Personnel expenses

MSEK	Note	2010	2009	2008
Salaries and bonuses	41	21	29	23
Social security expenses	41	7	9	7
Pension costs – defined contribution plans	41	5	5	6
Total personnel expenses		**33**	**43**	**36**

Audit fees and reimbursements

MSEK	2010	2009	2008
PwC			
– Audit assignments	3	3	3
– Auditing activities other than audit assignments	1	-	-
– Tax Advice	1	2	-
– Other assignments	1	2	1
Total PwC	**6**	**7**	**4**

Auditing assignments refer to fees for the statutory audit, that is, such work that has been necessary to issue the audit report. Also included are so-called audit advice provided in conjunction with audit assignment.

Items Affecting Comparability

A final agreement was entered into in June 2008 with the Bank of England, regarding Loomis Cash Management Limited's (LCM) declarations which were not in accordance with Bank of England's Note Circulations Scheme. The agreement resulted in a payment of MSEK 332 (MGBP 28) to the Bank of England. This cost was borne by Loomis AB in 2008, but was reflected in the Group's earnings in 2007.

NOTE 41 Personnel

Average number of full time equivalent employees: distribution by gender

	2010	2009	2008
Sweden	15	13	16
(of whom men)	(9)	(9)	(10)

Total salary expenses: Board, President and Other employees

	Salaries	Social security contributions	(of which pension)	Salaries	Social security contributions	(of which pension)	Salaries	Social security contributions	(of which pension)
MSEK	2010			2009			2008		
Board and President	7	5	(2)	10	5	(2)	6	3	(1)
Other employees	15	6	(3)	19	9	(3)	17	10	(5)
Total	**22**	**11**	**(5)**	**29**	**14**	**(5)**	**23**	**13**	**(6)**

The President did not receive any variable remuneration in 2010. The President received variable remuneration in 2009 amounting to MSEK 4.

The remuneration to the current President constitutes basic salary, variable remuneration, pension and insurance benefits, and a company car. The variable remuneration is capped at 100 percent of the basic salary. The President's pension and absence due to illness benefits correspond to 30 percent of the basic salary. In the event of termination of the employment agreement on the part of the Company, the President is entitled to twelve months' notice and to severance pay corresponding to twelve months' salary. Further information on remuneration to senior executives is shown in Note 11.

Absence due to illness, %	2010	2009	2008
Total absence due to illness	*0.3*	*0.1*	*0.1*
– long-term absence due to illness	*0.0*	*0.0*	*0.0*
– absence due to illness for men	*0.0*	*0.0*	*0.1*
– absence due to illness for women	*0.0*	*0.0*	*0.0*
– employees up to the age of 29 years	*0.0*	*0.0*	*0.0*
– employees between 30 and 49 years of age	*0.3*	*0.1*	*0.1*
– employees age 50 years and over	*0.0*	*0.0*	*0.0*

NOTE 42 Result from participations in Group companies

MSEK	2010	2009	2008
Dividends	230	224	245
Impairment losses on shares in subsidiaries	-	-	–74
Total result from participations in Group companies	**230**	**224**	**171**

Impairment losses on shares in subsidiaries in 2008 relate to Denmark. Pricing of transactions between the Parent Company and subsidiaries is based on consideration of commercial principles. These transactions have Loomis AB, Corporate Identification Number 556620-8095, as Parent Company.

NOTE 43 Result from other financial investments

Financial income

MSEK	2010	2009	2008
Interest income	167	238	193
Exchange rate differences	685	669	413
Total financial income	**852**	**908**	**606**

Financial expenses

MSEK	2010	2009	2008
Interest expenses	–82	–110	–189
Exchange rate differences	–687	–664	–417
Other financial expense	–24	–14	-
Total financial expenses	**–793**	**–789**	**–606**
Financial income and expenses, net	**59**	**119**	**0**

NOTE 44 Appropriations

MSEK	2010	2009	2008
Allocation to tax allocation reserve Tax 2010	-	–82	-
Allocation to tax allocation reserve Tax 2011	–75	-	-
Reversal of tax allocation reserve Tax 2010	25	-	-
Total appropriations	**–50**	**–82**	**-**

NOTE 45 Tax on Income for the year

Statement of income

Tax expenses

MSEK	2010	%	2009	%	2008	%
Tax on income before taxes						
– current tax expense	–68	*–18.1*	–65	*–15.9*	–28	*–22.7*
– tax as a result of changed tax assessment	–5	*–0.2*	–3	*–0.7*	-	-
– deferred tax expenses	17	*4.6*	18	*4.4*	–3	*–2.7*
Total tax expenses	**–56**	***–13.7***	**–50**	***–12.2***	**–31**	***–25.4***

The Swedish corporate tax rate was 26.3 percent in 2010 and 2009 and was 28 percent in 2008. The total tax rate on income before taxes was –13.7 percent (–12.2 and –25.4).

The Swedish Tax Agency has refused allowances for expenses in conjunction with the liquidation of LCM. This decision was appealed in the Administrative Court which, in January 2011, rejected the appeal. The Administrative Court's verdict will be appealed. A possible negative outcome of the case will influence the scale of the eventual loss carry-forward and will only affect Parent Company's and Group's cash-flow and not the Statement of income.

Difference between statutory Swedish tax rate and actual tax expenses for the Parent Company

MSEK	2010	%	2009	%	2008	%
Tax based on Swedish tax rate	–99	*–26.3*	–107	*–26 3*	34	*28.0*
Taxes attributable to previous periods	–5	*–1.6*	–3	*–0.7*	–3	*–2.5*
Foreign taxes	-	-	-	-	–1	*–0.5*
Non-deductible expenses/non-taxable income, net	48	*14.2*	61	*14.8*	–61	*–50.4*
Total tax expenses	**–56**	***–13.7***	**–50**	***–12.2***	**–31**	***–25.4***

Non-deductible expenses/non-taxable income in 2010 and 2009 consists mainly of anticipated dividends. The main items in 2008 were damages to the Bank of England, impairment losses on shares in subsidiaries, and anticipated dividends.

Balance Sheet

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Deferred tax assets/ tax liabilities			
Tax on foreign exchange effects reported directly in shareholders' equity	-	2	–37
Tax on reserve for severance pay	-	-	1
Total deferred tax assets/ tax liabilities, Net	**-**	**2**	**–35**
Statement of changes in deferred tax assets			
Opening balance	2	1	26
Change in items reported in the statement of income	-	–1	–3
Change in items reported in shareholders' equity	–2	2	–21
Closing balance	**0**	**2**	**1**
Changes during the year	**–2**	**1**	**–24**
Statement of changes in deferred tax liabilities			
Opening balance	-	–37	-
Reclassification to current tax liabilities	-	37	-
Change in items reported in shareholders' equity	-	-	–37
Closing balance	**-**	**-**	**–37**
Changes during the year	**-**	**37**	**–37**
Current tax assets/ tax liabilities			
Current tax assets	9	1	1
Current tax liabilities	–127	–88	–16
Current tax asstes/ tax liabilities, Net*	**–118**	**–86**	**–16**

* For 2009, the reclassification from deferred tax liabilities to current tax liabilities amounts to MSEK –37.

NOTE 46 Machinery and equipment

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Opening acquisition cost	2	2	2
Investments	0	0	0
Disposals	–0	-	-
Closing accumulated acquisition cost	**2**	**2**	**2**
Opening depreciation	–1	–1	–1
Depreciation for the year	–0	–0	–1
Disposals	0	-	-
Closing accumulated depreciation	**–1**	**–1**	**–1**
Closing residual value according to plan	**1**	**1**	**1**

NOTE 47 Shares in subsidiaries

Subsidary	Corporate Identification Number	Registered offices	Share of equity%	Book value (MSEK)
Loomis Norge Holding AS	984912277	Norway	*100*	34
Loomis Sverige AB	556191-0679	Sweden	*100*	69
Loomis Schweiz SA	539636	Switzerland	*100*	4
Loomis Holding UK Ltd	2586369	England	*100*	832
Loomis Österreich GmbH	FN 104649x	Austria	*99*	57
Loomis Holder Spain SL	B-83379685	Spain	*100*	870
Loomis Suomi Oy	1773520-6	Finland	*100*	171
Loomis France SAS	497048597	France	*100*	421
Loomis Holding France	498543222	France	*100*	77
Loomis Holding US, Inc.	47-0946103	USA	*100*	689
Loomis Danmark A/S	10082366	Denmark	*100*	86
Loomis Reinsurance Ireland Ltd	152439	Ireland	*100*	110
Loomis International Services GmbH	FN 320790	Austria	*100*	0
Loomis Slovensko, s.r.o.	44 557 302	Slovakia	*100*	5
Agency of Security FENIX CIT a.s.	26110709	Czech Republic	*100*	21
Total shares in subisidiaries				**3,446**

Shares in subsidiaries

MSEK	
Opening balance, Jan 1, 2010	3,420
Acquisition of Agency of Security FENIX CIT a.s.	18
Shareholder's contribution to Agency of Security FENIX CIT a.s.	3
Shareholder's contribution to Loomis Slovensko, s.r.o.	5
Closing balance Dec 31, 2010	**3,446**

NOTE 48 Current receivables from subsidiaries

This amount consists of anticipated dividends for 2010 and Group contribution from Loomis Sverige AB.

NOTE 49 Other current receivables

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Other current receivables	6	4	7
Total other current receivables	**6**	**4**	**7**

NOTE 50 Prepaid expenses and accrued income

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Prepaid licence fees	-	-	1
Prepaid insurance premiums	15	8	2
Accrued interest income	31	21	16
Other items	1	1	1
Total prepaid expenses and accrued income	**47**	**31**	**20**

NOTE 51 Changes in shareholders' equity

Year	Event	Number of shares	Increase in share capital
2004	Number of shares 1 January 2004	100,000	100,000
2006	Bonus issue	364,958,897	364,958,897
2008	Bonus issue	3	3
2008	Reverse Split 1:5	–292,047,120	-
Total		**73,011,780**	**365,058,900**

Shares issued in the Parent Company consist of both Class A and Class B shares. Each Class A share carries ten votes and each Class B share one vote. The distribution between the A and B shares as of December 31, 2010 is as follows:

Class of shares	Voting rights	Number of shares outstanding
A	10	3,428,520
B	1	69,583,260
Total shares outstanding		**73,011,780**

The Parent Company holds receivables from subsidiaries representing a permament portion of thee financing of subsidiaries in the USA.

Shareholders with more than 10 percent of the votes

The major shareholders are Säkl AB which, together with Investment AB Latour, holds 10.3 percent of the capital and 29.2 percent of the votes, and Melker Schörling AB, which holds 8.6 percent of the capital and 13.9 percent of the votes. The major shareholders also hold, from time to time, an indirect ownership through other companies.

These shareholders have entered into a shareholders' agreement, according to which the parties aim to coordinate their actions with respect to the composition of the Board, the dividend policy, resolutions concerning changes in the articles of association or share capital, significant acquisitions or transfers, and the appointment of the CEO, and which also contains an agreement concerning pre-emptive rights should either party dispose of Class A shares. Apart from this, the Board of Loomis is not aware of any other shareholders' agreements, or any other agreements between shareholders in the Company aimed at exercising collective influence over the Company.

NOTE 52 Untaxed reserves

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Tax allocation reserve 2010	57	82	-
Tax allocation reserve 2011	75	-	-
Total untaxed reserves	**132**	**82**	**-**

NOTE 53 Accrued expenses and prepaid income

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Accrued personnel costs	5	5	3
Accrued consultancy fees	4	1	0
Accrued interest expenses	15	15	7
Other accrued expenses	30	34	43
Total accrued expenses and prepaid income	**54**	**54**	**53**

NOTE 54 Contingent liabilities

MSEK	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Guarranties for bank credit	629	804	529
Rental guarranties	0	0	2
Other contingent liabilities	76	43	120
Total contingent liabilities	**705**	**847**	**650**

Contingent liabilities consist mainly of payment and capital adequacy guarantees for subsidiaries. It is difficult to assess whether these contingent liabilities will result in any financial outflow.

Loomis AB has a policy to support subsidiaries when necessary. For further information refer to Note 6.

NOTE 55 Items not affecting cash-flow

MSEK	2010	2009	2008
Interest income	–852	–907	–606
Interest expenses	793	789	606
Result from participations in Group companies	–230	–224	–171
Amortization and depreciation	0	0	0
Total items not affecting cash-flow	**–289**	**–342**	**–171**

The Parent Company and consolidated income statements and balance sheets are subject to adoption at the Annual General Meeting on May 11, 2011.

The Board and the President certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and provide a true and fair view of the financial position and performance of the Group. The annual report has been prepared in accordance with generally accepted accounting principles, and provides a true and fair view of the financial position and performance of the Parent Company.

The administration report for the Group and Parent Company provides a true and fair view of the development of the activities, financial position, and performance of the Group and Parent Company, and describes the significant risks and uncertainties faced by the Parent Company and companies which form part of the Group.

Stockholm, March 11, 2011

Alf Göransson
Chairman

Jan Svensson
Board Member

Ulrik Svensson
Board Member

Marie Ehrling
Board Member

Signhild Arnegård Hansen
Board Member

Lars Blecko
President and CEO

Our audit report was presented on March 11, 2011
PricewaterhouseCoopers AB Stockholm

Anders Lundin
Authorized Public Accountant

Audit Report (translation of the Swedish original)

To the annual meeting of the shareholders of Loomis AB (publ)
Corporate Identity Number 556620-8095

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the President of Loomis AB for the year 2010. The company's annual accounts and the consolidated accounts are included in the printed version on pages 35-89. The Board of Directors and the President are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the president and significant estimates made by the board of directors and the president when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the president. We also examined whether any board member or the president has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group's financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the president be discharged from liability for the financial year.

Stockholm March 11, 2011

PricewaterhouseCoopers AB

Anders Lundin
Authorized Public Accountant

Four year overview

Revenues and income, summary

MSEK	2010	2009	2008	2007
Revenue, continuing operations	10,990	11,934	10,899	11,107
Revenues, acquisitions	43	55	360	290
Total revenue	**11,033**	**11,989**	**11,258**	**11,397**
Organic growth, %	*–1*	*–3*	*3*	*1*
Operating income before amortization (EBITA)	**882**	**837**	**748**	**259**
Operating margin before amortization, (EBITA), %	*8.0*	*7.0*	*6.6*	*2.3*
Operating income (EBIT)	**866**	**821**	**733**	**-437**
Operating margin (EBIT), %	*7.8*	*6.8*	*6.6*	*-3.8*
Financial income	3	15	35	50
Financial expenses	–110	–130	–199	–178
Income before tax	**759**	**706**	**569**	**–565**
Taxes	–262	–206	–145	–316
NET INCOME FOR THE YEAR	**496**	**500**	**424**	**–881**

Statement of cash flows, additional information

MSEK	2010	2009	2008	2007
Income before amortization (EBITA)	**882**	**837**	**748**	**259**
Depreciation	687	752	675	672
Change in accounts receivable	–39	85	79	–52
Change in other operating capital employed	115	–82	–231	168
Cash flow from operating activities before investments	**1,645**	**1,592**	**1,271**	**1,046**
Investments in fixed assets, net	–708	–803	–829	–737
Cash flow from operating activities	**938**	**789**	**442**	**309**
Cash flow from operating activities as % of operating income before amortization	*106*	*94*	*59*	*120*
Financial items received/paid	–107	–109	–168	–125
Income tax paid	–261	–147	–6	–207
Free cash flow	**569**	**533**	**268**	**–22**
Cash flow effect of items affecting comparability and acquisition-related restructuring costs	–6	–3	–457	–888
Sales of fixed assets (LCM)	-	-	-	257
Divestiture of operations	-	-	1	-
Acquisition of operations	–82	–9	–52	–281
Dividend paid	–193	–164	–245	–250
Group contributions paid	-	-	–182	-
Group contributions received	-	-	-	9
Shareholders' contribution received	-	-	900	-
Repayments of leasing liabilities	–17	–38	-43	–27
Change in interest-bearing net debt, excl. liquid funds	375	–545	210	1,289
Cash flow for the period	**–104**	**–226**	**402**	**85**

Financial position and return, summary

MSEK	2010	2009	2008	2007
Goodwill	2,582	2,760	2,965	2,533
Tangible fixed assets	2,610	2,878	2,967	2,519
Interest-bearing fixed assets	29	46	60	152
Other fixed assets	498	449	447	376
Interest-bearing current assets	19	3	355	698
Other current assets	1,844	2,018	2,119	2,082
TOTAL ASSETS	**7,582**	**8,153**	**8,913**	**8,360**
Shareholders' equity	3,123	3,129	2,976	1,505
Interest-bearing long-term liabilities	629	1,480	72	113
Other long-term liabilities	879	820	808	726
Interest-bearing current liabilities	1,110	855	2,987	3,291
Other current liabilities	1,841	1,870	2,070	2,725
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**7,582**	**8,153**	**8,913**	**8,360**
Equity ratio, %	*41*	*38*	*33*	*18*
Interest-bearing net debt, MSEK	1,432	1,899	2,375	2,350
Capital employed, MSEK	4,555	5,028	5,351	3,855
Return on capital employed, %	*19*	*17*	*14*	*7*
Return on shareholders' equity, %	*16*	*16*	*14*	*59*

Share data

	2010	2009	2008	2007
Number of outstanding shares, (million)	73.0	73.0	73.0	73.0
Earnings per share before items affecting comparability, SEK	6.80	6.85	5.80	0.09
Earnings per share before dilution, SEK	6.80	6.85	5.80	–12.06
Shareholders' equity per share, SEK	42.77	42.85	40.76	20.61

Quarterly data

Statement of income

MSEK	Q4/10	Q3/10	Q2/10	Q1/10	Full year 2010	Q4/09	Q3/09	Q2/09	Q1/09	Full year 2009
Revenue, continuing operations	2,656	2,759	2,804	2,771	10,990	2,879	2,901	2,994	3,160	11,934
Revenue, acquisitions	35	6	2	0	43	1	3	23	28	55
Total revenue	**2,691**	**2,765**	**2,806**	**2,771**	**11,033**	**2,880**	**2,904**	**3,018**	**3,187**	**11,989**
Organic Growth, %	*0*	*0*	*–1*	*–3*	*–1*	*–3*	*–4*	*–4*	*–1*	*–3*
Production Expenses	–2,060	–2,120	–2,186	–2,150	–8,516	–2,237	–2,256	–2,375	–2,507	–9,374
Gross Income	**631**	**644**	**620**	**621**	**2,516**	**643**	**648**	**643**	**681**	**2,615**
Gross margin, %	*23.5*	*23.3*	*22.1*	*22.4*	*22.8*	*22.3*	*22.3*	*21.3*	*21.4*	*21.8*
Selling and administrative expenses	–399	–373	–422	–440	–1,634	–407	–415	–460	–495	–1,778
Selling & Admin, %	*–14.8*	*–13.5*	*–15.0*	*–15.9*	*–14.8*	*–14.1*	*–14.3*	*–15.3*	*–15.5*	*–14.8*
Operating income before amortization (EBITA)	**232**	**271**	**198**	**181**	**882**	**237**	**233**	**183**	**185**	**837**
Operating margin before amortization, (EBITA), %	*8.6*	*9.8*	*7.0*	*6.5*	*8.0*	*8.2*	*8.0*	*6.1*	*5.8*	*7.0*
Amortization of acquisition-related intangible assets	–4	–4	–5	–4	–17	–4	–4	–4	–4	–17
Operating income (EBIT)	**229**	**267**	**193**	**177**	**866**	**233**	**229**	**179**	**181**	**821**
Operating margin (EBIT), %	*8.5*	*9.7*	*6.9*	*6.4*	*7.8*	*8.1*	*7.9*	*5.9*	*5.7*	*6.8*
Financial income	2	1	1	0	3	3	4	3	5	15
Financial expenses	–32	–24	–27	–28	–110	–29	–30	–34	–36	–130
Income before tax	**199**	**244**	**167**	**149**	**759**	**206**	**202**	**148**	**150**	**706**
Income tax	–66	–87	–64	–45	–262	–56	–61	–44	–45	–206
NET INCOME FOR THE PERIOD	**133**	**157**	**103**	**104**	**496**	**150**	**142**	**103**	**105**	**500**

Revenues and income by segment, summary

MSEK	Q4/10	Q3/10	Q2/10	Q1/10	Full year 2010	Q4/09	Q3/09	Q2/09	Q1/09	Full year 2009
Loomis Europe										
Revenue	1,733	1,777	1,749	1,765	7,024	1,892	1,891	1,902	1,932	7,618
Organic growth, %	*0*	*1*	*0*	*–1*	*0*	*–1*	*–2*	*–4*	*–2*	*–2*
Operating income before amortization (EBITA)	198	215	142	135	689	186	203	154	147	691
Operating margin before amortization, (EBITA), %	*11.4*	*12.1*	*8.1*	*7.6*	*9.8*	*9.8*	*10.7*	*8.1*	*7.6*	*9.1*
Loomis USA										
Revenue	958	987	1,057	1,006	4,009	988	1,013	1,115	1,255	4,372
Organic growth, %	*–1*	*–3*	*–3*	*–6*	*–3*	*–6*	*–7*	*–4*	*2*	*–4*
Operating income before amortization (EBITA)	67	78	80	70	296	71	55	58	67	251
Operating margin before amortization, (EBITA), %	*7.0*	*7.9*	*7.6*	*7.0*	*7.4*	*7.1*	*5.4*	*5.2*	*5.3*	*5.7*

Statement of cash flows, additional information

MSEK	Q4/10	Q3/10	Q2/10	Q1/10	Full year 2010	Q4/09	Q3/09	Q2/09	Q1/09	Full year 2009
Operating income before amortization (EBITA)	232	271	198	181	882	237	233	183	185	837
Depreciation	163	169	177	178	687	175	184	196	198	752
Change in accounts receivable	21	–48	52	–63	–39	132	–62	–0	15	85
Change in other operating capital employed	44	27	65	–21	115	15	13	24	–135	–82
Cash flow from operating activities before investments	**460**	**420**	**490**	**275**	**1,645**	**559**	**368**	**402**	**263**	**1,592**
Investments in fixed assets, net	–263	–161	–168	–116	–708	–274	–153	–209	–168	–803
Cash flow from operating activities	**198**	**259**	**323**	**159**	**938**	**286**	**215**	**193**	**95**	**789**
Cash flow from operating activities as a % of operating income before amortization (EBITA)	*85*	*95*	*163*	*88*	*106*	*121*	*93*	*106*	*51*	*94*
Financial items received/paid	–25	–28	–23	–31	–107	–25	–31	–15	–38	–109
Income tax paid	–107	–68	–58	–27	–261	3	–31	–81	–39	–147
Free cash flow	**66**	**162**	**241**	**100**	**569**	**264**	**154**	**98**	**18**	**533**
Cash flow effect of items affecting comparability and acquisition-related restructuring costs	–0	–0	–1	–4	–6	–0	–0	–1	–2	–3
Acquisition of operations	–61	–2	–10	–10	–82	-	-	–9	-	–9
Dividend paid	-	-	–193	-	–193	-	-	–164	-	–164
Repayment of leasing liabilities	–2	–8	–5	–2	–17	–6	–12	–12	–8	–38
Change in interest-bearing net debt excl. liquid funds	–119	–64	–232	39	–375	–290	8	–80	–183	–545
CASH FLOW FOR THE PERIOD	**–116**	**89**	**–200**	**123**	**–104**	**–32**	**149**	**–169**	**–174**	**–226**

Balance sheet, summary

MSEK	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q1/09
Goodwill	2,582	2,565	2,883	2,739	2,760	2,713	2,959	3,100
Tangible fixed assets	2,610	2,550	2,768	2,738	2,878	2,754	2,995	3,026
Interest-bearing fixed assets	29	28	53	45	46	86	83	51
Other fixed assets	498	558	552	476	449	430	495	462
Interest-bearing current assets	19	7	3	3	3	1	11	112
Other current assets	1,844	1,991	2,169	2,430	2,018	2,257	2,335	2,491
TOTAL ASSETS	**7,582**	**7,699**	**8,428**	**8,432**	**8,153**	**8,242**	**8,878**	**9,241**
Shareholders' equity	3,123	2,970	3,089	3,140	3,129	2,970	2,992	3,159
Interest-bearing long-term liabilities	629	1,307	1,349	1,276	1,480	1,450	1,563	64
Other long-term liabilities	879	981	988	857	820	720	864	864
Interest-bearing current liabilities	1,110	562	844	1,048	855	1,183	1,283	2,899
Other current liabilities	1,841	1,879	2,158	2,111	1,870	1,919	2,176	2,255
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**7,582**	**7,699**	**8,428**	**8,432**	**8,153**	**8,242**	**8,878**	**9,241**

Notice of Annual General Meeting

The shareholders of Loomis AB are hereby invited to attend the Annual General Meeting ("AGM") to be held at 5 p.m. CET on Wednesday May 11, 2011 at Scandic Sergel Plaza, Brunkebergstorg 9, Stockholm. Registration for the AGM begins at 4 p.m. CET.

Notice of attendance
Shareholders who wish to attend the AGM must be recorded in the share register maintained by Euroclear Sweden AB (previously VPC AB), made as of Thursday, May 5, 2011, and notify the Company of their intent to participate in accordance with one of the following alternatives:

via postal mail: Loomis AB, "Årsstämma", Box 7839, 103 98 Stockholm, Sweden
via telephone: +46-8-402 90 72
via Loomis website www.loomis.com

Registration shall take place by, Thursday May 5, 2011, at the latest, preferably before 4 p.m.

On giving notice of attendance, the shareholder shall state name, personal identity number (registration number), address and telephone number. Proxy forms are held available on the Company website www.loomis.com and will be sent to shareholders who contact the company and submit their address. Proxy and representative of a legal person shall submit papers of authorization prior to the AGM. As confirmation of the notification, Loomis AB will send an entry card to be presented at registration for the AGM.

In order to participate in the proceedings of the AGM, owners with nominee-registered shares must request their bank or broker to have their shares temporarily owner-registered with Euroclear Sweden AB. Such registration must be made as of Thursday 5 May and the banker or broker should therefore be notified in due time before said date.

REPORTING DATES FOR INTERIM REPORTS 2011

January–March	May 11, 2011
January–June	July 29, 2011
January–September	November 8, 2011
January–December	February 2, 2012


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