

INTERIM REPORT JANUARY–SEPTEMBER 2010

- Sales amounted to **MSEK 4,870 (5,660)**, of which the organic growth was **-8 percent (-10)**.
- Sales of services amounted to **MSEK 2,381 (2,459)**, of which the organic growth was **3 percent (1)**.
- Operating profit (EBIT), excluding restructuring costs of MSEK 200 in Q1, amounted to **MSEK 253 (402)**, corresponding to an operating margin (EBIT) of **5.2 percent (7.1)**. Foreign exchange effects impacted operating profit by **MSEK -21 (29)**.
- Profit before tax, excluding restructuring costs of MSEK 200 in Q1, amounted to **MSEK 241 (381)**.
- The operating cash flow, excluding restructuring program, amounted to **MSEK 203 (731)**.
- Net profit amounted to **MSEK 29 (265)** and earnings per share amounted to **SEK 0.08 (0.72)**.

CEO, HÅKAN KIRSTEIN'S COMMENTS

The third quarter was characterized by challenging market conditions, particularly in the southern parts of Europe and in the countries within the US/UK/Ireland segment. Customers in these regions are postponing their security investments. Our sales of services are strengthening and the organic growth within services amounted to 1 percent during the third quarter, and to 3 percent during the period, compared with the preceding year.

We continued to implement the restructuring program during the third quarter with the aim of reducing costs, increasing the centralization within the countries and thereby raising efficiency in the company significantly. The program is expected to deliver annual savings of approximately MSEK 180 from the first quarter 2011. The savings amounted to approximately MSEK 25 during the third quarter.

The execution of the restructuring program is proceeding as planned, but continued to cause productivity disruptions in Sweden, Norway and Germany during the third quarter. This primarily impacted implementation, where the organic growth amounted to -14 percent. These productivity disruptions will gradually cease in line with the completion of the program. We are in a transformation process which will strengthen Niscayah in the long-term.

Financial overview – Group

MSEK	Jan-Sep 2010	Jan-Sep 2009	Jul-Sep 2010	Jul-Sep 2009	Rolling 12 month	Jan-Dec 2009
Sales	4,870	5,660	1,502	1,741	6,831	7,621
Sales growth, %	-14	1	-14	-7	-15	-5
Organic sales growth, %	-8	-10	-9	-12	-11	-12
Sales, services	2,381	2,459	773	806	3,208	3,286
Sales growth, services, %	-3	13	-4	8	-4	7
Organic sales growth, services, %	3	1	1	2	1	-1
Gross profit	1,543	1,941	531	609	2,204	2,602
Gross profit ¹	1,663	1,941	531	609	2,324	2,602
Gross margin, % ¹	34.1	34.3	35.3	35.0	34.0	34.1
Selling and administrative expenses	-1,468	-1,515	-444	-473	-2,031	-2,079
Selling and administrative expenses ¹	-1,388	-1,515	-444	-473	-1,951	-2,079
Selling and administrative expenses, margin, % ¹	28.5	26.8	29.6	27.1	28.6	27.3
EBITDA	193	562	124	179	338	706
EBITDA ¹	393	562	124	179	538	706
EBITDA margin, % ¹	8.1	9.9	8.2	10.3	7.9	9.3
Operating profit before amortization (EBITA)	75	425	86	136	174	523
Operating profit before amortization (EBITA) ¹	275	425	86	136	374	523
EBITA margin, % ¹	5.7	7.5	5.7	7.8	5.5	6.9
Operating profit (EBIT)	53	402	79	129	144	493
Operating profit (EBIT) ¹	253	402	79	129	344	493
Operating margin (EBIT), % ¹	5.2	7.1	5.3	7.4	5.0	6.5
Net financial income/expense	-12	-21	3	-3	-24	-33
Profit before tax	41	381	82	126	120	460
Profit before tax ¹	241	381	82	126	320	460
Net profit	29	265	57	87	83	320
Earnings per share, SEK ²	0.08	0.72	0.16	0.23	0.23	0.87
Return on capital employed, %, (12 months) ³	6	19	6	19	6	17
Return on capital employed, %, (12 months) ^{1 3}	12	19	12	19	12	17
Return on equity, %, (12 months) ³	4	22	4	22	4	16

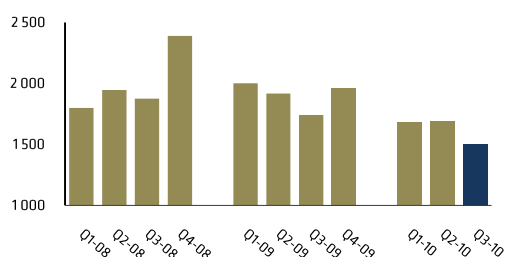
¹Excl. restructuring costs for 2010 amounting to MSEK 200 during Q1, apportioned as cost of goods sold of MSEK 120 and selling and administrative expenses of MSEK 80.

² Calculated on the average number of shares after buyback.

³Excl. restructuring costs for 2008 amounting to MSEK 275.

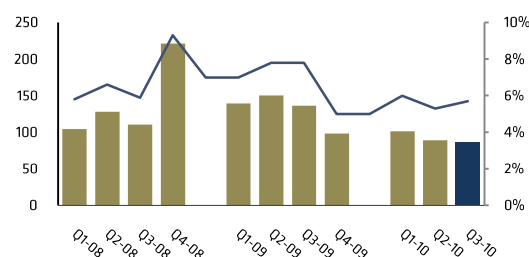
Group, sales per quarter

MSEK



Group, Operating profit before amortization (EBITA) and EBITA margin per quarter¹

MSEK



¹Excluding restructuring costs for 2008 and 2010.

Sales

JANUARY-SEPTEMBER 2010

Sales decreased by 14 percent (1) to MSEK 4,870 (5,660), of which, organic sales growth amounted to -8 percent (-10) during the period. Sales of services decreased by 3 percent (13) to MSEK 2,381 (2,459), of which, the organic sales growth of services amounted to 3 percent (1). Sales of implementation projects decreased by 21 percent (-6), of which the organic sales growth amounted to -17 percent (-17). The mix between sales of implementation projects and services has altered during the period, of which the share of services amounted to 49 percent (43). Changes in foreign exchange rates impacted sales by MSEK-338 (500) during the period.

JULY- SEPTEMBER 2010

Sales decreased by 14 percent (-7) during the third quarter and amounted to MSEK 1,502 (1,741), of which organic sales growth amounted to -9 percent (-12). Sales of services decreased by 4 percent (8) to MSEK 773 (806), of which, the organic sales growth of services amounted to 1 percent (2). Sales of implementation projects decreased by 17 percent (-17), of which the organic sales growth amounted to -14 percent (-22). The mix between sales of implementation projects and services has altered during the third quarter, of which the share of services amounted to 51 percent (46). Changes in foreign exchange rates impacted sales in the third quarter by MSEK -83 (86).

Earnings**JANUARY-SEPTEMBER 2010**

Operating profit before amortization (EBITA), excluding restructuring costs, decreased by 35 percent to MSEK 275 (425) and the EBITA margin decreased to 5.7 percent (7.5) during the period. Operating profit (EBIT), excluding restructuring costs, decreased by 37 percent to MSEK 253 (402) and the operating margin (EBIT) decreased to 5.2 percent (7.1). The restructuring costs were charged to results during the first quarter and amounted to MSEK 200 and are apportioned as cost of goods sold, MSEK 120 and selling and administrative expenses, MSEK 80. Operating profit (EBIT) was impacted by changes in foreign exchange rates amounting to MSEK -21 (29) during the period.

Net financial items amounted to MSEK -12 (-21) during the period and changes in foreign exchange rates impacted net financial items by MSEK 24 (23). Profit before tax, excluding restructuring costs, decreased by 37 percent to MSEK 241 (381). Net profit during the period amounted to MSEK 29 (265).

JULY- SEPTEMBER 2010

Operating profit before amortization (EBITA) decreased by 37 percent and amounted to MSEK 86 (136) during the quarter. The EBITA margin decreased to 5.7 percent (7.8). Operating profit (EBIT) decreased by 38 percent to MSEK 79 (129) during the third quarter and the operating margin (EBIT) decreased to 5.3 percent (7.4). Changes in foreign exchange rates of MSEK -7 (8) impacted operating profit (EBIT) negatively during the third quarter.

Net financial items amounted to MSEK 3 (-3) during the third quarter and changes in foreign exchange rates impacted net financial items by MSEK 11 (10). Profit before tax decreased during the third quarter by 35 percent to MSEK 82 (126). Net profit for the third quarter decreased by 35 percent and amounted to MSEK 57 (87).

Return on capital employed

The Group's return on capital employed, excluding restructuring costs, amounted to 12 percent (19) as at September 30, 2010. The Group's capital employed totaled MSEK 3,126 (3,484) as at September 30, 2010. The return on equity, including restructuring costs, was 4 percent (22). The Group's equity amounted to MSEK 1,727 (1,970) as at September 30, 2010.

Niscayah's share

Earnings per share for the period amounted to SEK 0.08 (0.72). Equity per share on September 30, 2010 was SEK 4.71 (5.38) and the share price was SEK 11.80 (15.80). 1.0 million own shares were bought back during the second quarter 2010 for MSEK 12.7 at an average price of SEK 12.75. At September 30, 2010, the company held 1.0 million own shares in total, corresponding to 0.3 percent of the total number of registered shares. The aim of the share buyback is to make provision for the company's costs in connection with the long-term performance-based incentive program (LTIP 2010) which the annual general meeting resolved to introduce on May 6, 2010. The total number of outstanding shares is unchanged since the listing and amounted to 365,058,897 shares as at September 30, 2010. The average number of outstanding shares after buyback amounted to 364,589,796 at the end of the period.

Financial targets

Niscayah has two main financial goals:

- An average yearly sales growth of more than 10 percent, including acquisitions
- An average yearly return on capital employed to exceed 20 percent

As of September 30, 2010, sales growth amounted to -14 percent (currency adjusted -8 percent) and return on capital employed, excluding restructuring costs, amounted to 12 percent.

The long-term financial goals are target figures over an entire business cycle.

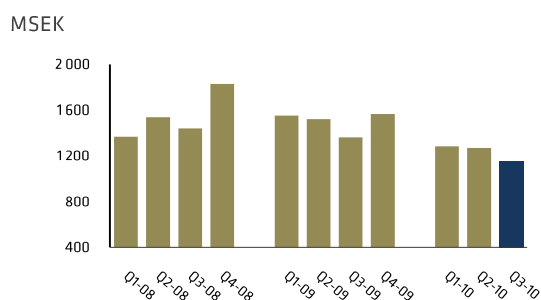
Outlook

The general market climate is expected to continue to be weak during 2010, particularly within implementation. Niscayah is continuing to focus on refinement of the service offering by generating recurring revenue while at the same time prioritizing margins over growth.

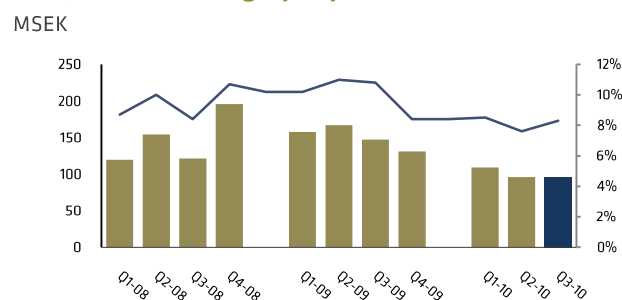
Mainland Europe

The share of services amounted to 54 percent (49) of the segment's total sales during the third quarter. Market conditions in the southern parts of Europe remain challenging and customers in these regions are postponing their security investments. The execution of the restructuring program is proceeding as planned. The program is expected to be fully completed during the first quarter 2011 and deliver annual savings of approximately MSEK 150. The execution of the restructuring program continued to cause productivity disruptions during the third quarter in Sweden, Norway and Germany, which has had a negative impact on sales of implementation projects. These productivity disruptions are expected to cease in line with the completion of the program.

Mainland Europe, sales per quarter



Mainland Europe, Operating profit before amortization (EBITA) and EBITA margin per quarter¹



¹Excluding restructuring costs for 2008 and 2010.

MSEK	Jan-Sep 2010	Jan-Sep 2009	Jul-Sep 2010	Jul-Sep 2009	Jan-Dec 2009
Sales	3,704	4,431	1,153	1,360	5,996
Sales growth, %	-16	2	-15	-5	-3
Organic sales growth, %	-10	-8	-10	-10	-10
Sales, services	1,926	2,015	626	663	2,701
Sales growth, services, %	-4	9	-6	6	4
Organic sales growth, services, %	2	-1	1	1	-2
Operating profit before amortization (EBITA)	131	472	96	147	603
Operating profit before amortization (EBITA) ¹	301	472	96	147	603
EBITA margin, % ¹	8.1	10.7	8.3	10.8	10.1
Operating profit (EBIT)	119	460	92	143	587
Operating profit (EBIT) ¹	289	460	92	143	587
Operating margin (EBIT), % ¹	7.8	10.4	8.0	10.5	9.8

¹Excl. restructuring costs for 2010 amounting to MSEK 170 during Q1.

JANUARY-SEPTEMBER 2010

Sales decreased by 16 percent (2) to MSEK 3,704 (4,431) during the period, of which -10 percent (-8) was organic growth. Sales of services decreased by 4 percent (9) during the period and amounted to MSEK 1,926 (2,015), of which the organic growth was 2 percent (-1). Implementation sales decreased by 26 percent (-5), of which -21 percent (-14) was organic growth. The mix between sales of implementation projects and services has altered during the period, of which the share of services amounted to 52 percent (45).

The EBITA margin, excluding restructuring costs, amounted to 8.1 percent (10.7). Changes in foreign exchange rates impacted sales by MSEK -263 and operating profit (EBIT) by MSEK -18, compared with the same period of the previous year.

JULY- SEPTEMBER 2010

Sales decreased by 15 percent (-5) to MSEK 1,153 (1,360), of which -10 percent (-10) was organic growth. Sales of services decreased by 6 percent (6) during the quarter and amounted to MSEK 626 (663), of which organic growth was 1 percent (1). Implementation sales decreased by 24 percent (-15) during the quarter, of which -19 percent (-19) was organic growth. The mix between sales of implementation projects and services has altered during the period, of which the share of services amounted to 54 percent (49).

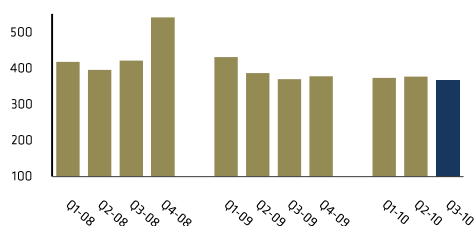
The EBITA margin amounted to 8.3 percent (10.8). Changes in foreign exchange rates impacted sales by MSEK -76 and operating profit (EBIT) by MSEK -7.

US/UK/Ireland

The share of services amounted to 40 percent (39) of the segment's total sales during the third quarter. The markets in the segment continue to be weak, and price pressure prevails within both implementation and services and customers are postponing their security investments. The organic growth amounted to 2 percent during the third quarter. The execution of the restructuring program is proceeding as planned. The program is expected to be fully completed during the first quarter 2011 and deliver annual savings of approximately MSEK 30.

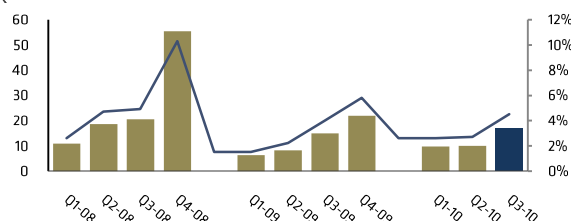
US/UK/Ireland's sales per quarter

MSEK



US/UK/Ireland's Operating profit before amortization (EBITA) and EBITA margin per quarter¹

MSEK



¹Excluding restructuring costs for 2008 and 2010.

MSEK	Jan-Sep 2010	Jan-Sep 2009	Jul-Sep 2010	Jul-Sep 2009	Jan-Dec 2009
Sales	1,115	1,185	366	369	1,562
Sales growth, %	-6	-4	-1	-12	-12
Organic sales growth, %	1	-20	2	-20	-21
Sales, services	455	443	147	143	585
Sales growth, services, %	3	30	3	21	21
Organic sales growth, services, %	7	8	3	9	8
Operating profit before amortization (EBITA)	6	29	17	15	51
Operating profit before amortization (EBITA) ¹	36	29	17	15	51
EBITA margin, % ¹	3.3	2.5	4.5	4.0	3.3
Operating profit (EBIT)	-4	19	13	12	37
Operating profit (EBIT) ¹	26	19	13	12	37
Operating margin (EBIT), % ¹	2.4	1.6	3.6	3.1	2.4

¹Excl. restructuring costs for 2010 amounting to MSEK 30 during Q1.

JANUARY-SEPTEMBER 2010

Sales decreased by 6 percent (-4) to MSEK 1,115 (1,185) during the period, of which 1 percent (-20) was organic growth. Sales of services increased by 3 percent (30) and amounted to MSEK 455 (443), of which the organic growth was 7 percent (8). Implementation sales decreased by 1 percent (-12), of which -4 percent (-26) was organic growth.

The mix between sales of implementation projects and services has altered during the period, of which the share of services amounted to 41 percent (37). The EBITA margin, excluding restructuring costs, amounted to 3.3 percent (2.5). Changes in foreign exchange rates impacted sales by MSEK -79 and operating profit (EBIT) by MSEK -2.

JULY- SEPTEMBER 2010

Sales decreased by 1 percent (-12) to MSEK 366 (369), of which 2 percent (-20) was organic growth. Sales of services increased by 3 percent (21) during the quarter and amounted to MSEK 147 (143), of which, 3 percent (9) was organic growth. Implementation sales increased by 7 percent (-21), of which 0 percent (-27) was organic growth. The sales mix between sales of implementation projects and services has altered during the quarter, of which the share of services amounted to 40 percent (39).

The EBITA margin amounted to 4.5 percent (4.0). Changes in foreign exchange rates impacted sales by MSEK -9 and operating profit (EBIT) by MSEK -1.

Restructuring program

Restructuring program 2010

A restructuring program was initiated during the first quarter 2010 aimed at reducing costs, increasing the centralization within the countries and thereby raising efficiency in the company. The program mainly relates to the operations within Mainland Europe. It is estimated that the program will deliver annual savings of approximately MSEK 180 from the first quarter 2011. The savings are expected to be apportioned as approximately MSEK 150 for Mainland Europe and approximately MSEK 30 for US/UK/Ireland. Savings amounted to approximately MSEK 25 during the third quarter. Restructuring costs related to the program amounted to MSEK 200 and were charged to results in the first quarter 2010. The costs are apportioned as cost of goods sold of MSEK 120 and selling and administrative expenses of MSEK 80. The cash flow has been negatively impacted by expenses related to the restructuring program of MSEK 30 during the third quarter and MSEK 65 during the period. Remaining provision in the balance sheet amounts to MSEK 135 as of September 30, 2010.

The restructuring measures include:

- Reduction of the work force by approximately 350 people.
- Closure of several unprofitable local offices.
- Centralization of the operations within the countries.
- Clearer focus on and segmentation of the customer offer and increased efficiency within the sales force.

Other financial information

Financial position

The Group's principal credit facility, Multicurrency Revolving Facility, aims to secure the Niscayah's ongoing financing needs and strategic growth. The credit facility amounts to MSEK 3,000, of which MSEK 760 has a remaining term of one year and MSEK 2,240 has a remaining term of three years. Outstanding loans under the credit facility amounted to MSEK 1,331 in total as of September 30, 2010 (MSEK 1,479 as of December 31, 2009) and were utilized in Swedish kronor, euro and US dollars. The group's net debt amounted to MSEK 1,234 (1,424) as of September 30, 2010 and equity amounted to MSEK 1,727 (1,970) as of September 30, 2010.

The group's debt/equity ratio was 0.71 (0.72) as of September 30, 2010.

The group's financial net during the period amounted to MSEK -12 (-21), of which effects from changes in foreign exchange rates in relation to the Swedish krona of an amount of SEK 24 (23) impacted the financial net positively. The group's interest rate exposure relating to the group's credit facility is managed by the use of interest rate derivatives whose market valuation effects are included in the group's net interest income. As of September 30, 2010, the average fixed interest term was 18 months.

Operating cash flow (including cost of restructuring programs)

MSEK	Jan-Sep 2010	Jan-Sep 2009	Jul-Sep 2010	Jul-Sep 2009	Jan-Dec 2009
Operating profit before amortization (EBITA)	75	425	86	136	523
Investments in non-current assets	-55	-81	-9	-2	-138
Reversal of depreciation and amortization	118	137	37	43	183
Net investments in non-current assets	63	56	28	41	45
Change in operating capital employed	-35	112	-135	46	344
Operating cash flow	103	593	-21	223	912
Operating cash flow as a % of operating profit before amortization (EBITA)	136	140	-24	164	174

The operating cash flow for the period amounted to MSEK 103 (593), including restructuring programs. Excluding restructuring programs, the operating cash flow amounted to MSEK 203 (731). Cash flow for restructuring programs amounted to MSEK -100 (-138), of which MSEK -65 relates to the 2010 program and MSEK -35 (-138) to the 2008 program.

The group's operating cash flow in relation to EBITA, excluding restructuring programs, amounted to 74 percent (172) for the period. Operating capital employed amounted to MSEK 730 (982) as of September 30, 2010.

Investments, depreciation and amortization

Investments in operational non-current assets decreased during the period and amounted to MSEK 55 (81), of which MSEK 27 (38) were in property, plant and equipment. During the third quarter, investments in operational non-current assets amounted to MSEK 9 (2), of which MSEK 2 (2) were in property, plant and equipment. Depreciation and amortization of operational non-current assets during the period amounted to MSEK 118 (137), of which MSEK 82 (110) were in property, plant and equipment. Depreciation and amortization of operational non-current assets during the third quarter amounted to MSEK 37 (43), of which MSEK 26 (33) were in property, plant and equipment.

Divestments

Niscayah Hong Kong Ltd was divested during the first quarter. The company recorded sales of approximately MSEK 10 in 2009, which represented a loss. The divestment has a marginally positive effect on Niscayah's earnings per share.

Employees

The average number of employees during the period was 5,334 (5,673).

Tax

Income tax for the period amounted to MSEK -13 (-116) based on an annual tax rate of 30.5 percent (30.3).

Parent Company

Net sales for Niscayah Group AB amounted to MSEK 110 (146) during the period. Profit after net financial items for the period amounted to MSEK 177 (255). Cash and cash equivalents amounted to MSEK 12 (MSEK 168 as of December 31, 2009). During the period, the Parent Company invested MSEK 0 (0) in shares in subsidiaries and MSEK 10 (13) in other non-current assets.

Significant risks and uncertainties

Niscayah is exposed to both operational (business-related) risks and financial risks in its capacity as an international group. All risk management is conducted in line with policies and guidelines adopted by the board defining the responsibility and mandate and with the overall objective of establishing risk awareness and preventive measures via effective processes and internal control within all business areas. The goal is to minimize both financial income effects as well as business-related incidents but also to protect customers, employees and other stakeholders.

The group's operational risk exposure is primarily attributable to risks in customer assignments such as delivery commitments and liability risks in connection with the execution of the assignment as well as credit risks. The group's operational risk management is based on Niscayah's established risk analysis model which focuses on important aspects of contract management as well as on processes in the entire operations. Insurance solutions are utilized to limit any negative financial effects that may arise from indemnifications particularly related to liability issues, as well as property damage.

The financial risk exposure mainly consists of foreign exchange risk, interest rate risk, liquidity risk and refinancing risks in connection with the group's financing and current operations. Financial interest and foreign exchange derivative transactions may only be entered into with counterparties where ISDA agreements (netting agreements) are established and against existing underlying risk exposure. During the period, Niscayah had no outstanding financial positions to banks with credit ratings outside the established mandate or significant doubtful debts and bad debts.

Based on Niscayah's general risk exposure and the rate of recovery of the current market situation, uncertainty remains in respect of demand for Niscayah's services, particularly within implementation projects. Otherwise, no further significant risks have arisen since the publication of the 2009 Annual Report. For additional information about Niscayah's risk exposure and risk management refer to note 3 in the 2009 Annual Report.

Transactions with related parties

No transactions between Niscayah and related parties significantly impacting the company's financial position and earnings have taken place during the period.

OTHER INFORMATION

Accounting principles

These financial statements were prepared in accordance with IAS 34 and according to the Swedish Financial Reporting Board's recommendation RFR 1.3, and for the parent company, according to recommendation, RFR 2.3. The accounting principles applied are in accordance with what may be seen in the 2009 annual report apart from as regards a number of amendment of existing standards and new interpretations which became effective on January 1, 2010, which have not had any impact on the consolidated financial statements.

Future reporting dates in 2011

February 11, 2011	Year-end report January-December 2010
May 3, 2011	Interim report January-March 2011
May 3, 2011	Annual General Meeting, Lindhagensplan 70, Stockholm
July 27, 2011	Interim report January-June 2011
November 2, 2011	Interim report January-September 2011

Annual Report 2010

Week 14 Annual report for 2010 available on the Group's homepage

Nomination Committee before Annual General Meeting 2011

At the Annual General Meeting 2010, Gustaf Douglas (Investment AB Latour and others), Mikael Ekdahl (Melker Schörling AB), Marianne Nilsson (Swedbank Robur fonder), Per-Erik Mohlin (SEB Fonder/ SEB Trygg-Liv) and Henrik Didner (Didner & Gerge fonder) were elected as members of the Nomination Committee before the Annual General Meeting 2011. Gustaf Douglas was elected chairman of the nomination committee. Shareholders who wish to contact the nomination committee can send a letter addressed to Niscayah Group AB (publ), "The Nomination Committee", Box 12231, 102 26 Stockholm or send an e-mail to valberedning@niscayah.com

Stockholm, November 4, 2010

Niscayah Group AB (publ)
Håkan Kirstein
President and CEO

For further information please contact:

Håkan Kirstein, President and CEO	+46 10 458 8000
Håkan Gustavson, CFO	+46 10 458 8000
Johan Andersson, Investor Relations	+46 10 458 8023

Press conference

A press conference will be held at Niscayah's head office at Lindhagensplan 70 in Stockholm on November 4, 2010 at 10.30 a.m. CET. To follow the press conference by phone (and ask questions), please call:

Sweden: +46 (0)8 505 598 53

UK: +44 (0)203 043 24 36

US: +1 866 458 40 87

The press conference may also be followed online via the link:

<http://storm.zoomvisionmamato.com/player/niscayah/objects/yw5jmr9t/>

Niscayah Group AB (publ) is a world-leading security partner offering complete security solutions for clients with high security demands within market segments such as banking and finance, industry, defense, healthcare and retail. Niscayah's services are based on modern technology and include access control, video surveillance, intrusion protection and fire alarm systems. www.niscayah.com

Niscayah Group AB discloses the information provided herein pursuant to the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act. This information was submitted for publication on November 4, 2010 at 8.30 a.m. CET.

Review report

We have reviewed this interim report for Niscayah Group AB (publ) for the period January 1 to September 30, 2010. The board of directors and the CEO are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim financial information based on our review.

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

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

Stockholm, November 4, 2010

PricewaterhouseCoopers AB

Bo Lagerström
Authorized Public Accountant

Condensed Consolidated Income Statement

MSEK	Jan-Sep 2010	Jan-Sep 2009	Jul-Sep 2010	Jul-Sep 2009	Jan-Dec 2009
Sales	4,870.1	5,660.0	1,501.6	1,741.4	7,621.0
Cost of goods sold ¹	-3,327.1	-3,719.5	-971.0	-1,132.7	-5,019.1
Gross profit	1,543.0	1,940.5	530.6	608.7	2,601.9
Selling and administrative expenses ¹	-1,467.6	-1,515.4	-444.4	-472.4	-2,078.6
EBITA	75.4	425.1	86.2	136.3	523.3
Amortization and impairment of acquisition related intangible assets	-22.0	-23.1	-6.9	-7.4	-30.6
Operating profit (EBIT)	53.4	402.0	79.3	128.9	492.7
Financial income and expenses ²	-12.2	-21.1	2.5	-3.2	-32.6
Profit before tax	41.2	380.9	81.8	125.7	460.1
Tax	-12.6	-115.5	-24.9	-38.3	-140.4
Net profit for the period	28.6	265.4	56.9	87.4	319.7
Of which attributable to;					
Shareholders in the parent company	27.8	264.6	56.8	87.2	318.9
Minority interests	0.8	0.8	0.1	0.2	0.8
Earnings per share before dilution SEK ³	0.08	0.72	0.16	0.23	0.87
Earnings per share after dilution ³	0.08	0.72	0.16	0.23	0.87

¹ Of which depreciation and amortization;					
Property, plant and equipment	-81.9	-109.6	-25.8	-33.3	-142.4
Intangible assets (excluding amortization of acquisition related intangible assets)	-35.8	-27.4	-11.5	-9.4	-40.7
Total depreciation and amortization (excluding amortization of acquisition related intangible assets)	-117.7	-137.0	-37.3	-42.7	-183.1
¹ Of which restructuring costs;					
Cost of goods sold	-120.0	-	-	-	-
Selling and administrative expenses	-80.0	-	-	-	-
Total restructuring costs	-200.0	-	-	-	-
² Financial income and expenses					
Interest income and other financial income	2.0	2.8	0.8	0.5	21.0
Interest expenses and other financial expenses	-38.5	-47.3	-9.5	-14.1	-78.6
Exchange gains	116.4	110.5	27.1	73.4	150.0
Exchange losses	-92.1	-87.1	-15.9	-63.0	-125.0
Total financial income and expenses	-12.2	-21.1	2.5	-3.2	-32.6

³ Calculated on the average number of shares after buyback.

Consolidated statement of comprehensive income

MSEK	Jan-Sep 2010	Jan-Sep 2009	Jul-Sep 2010	Jul-Sep 2009	Jan-Dec 2009
Net profit	28.6	265.4	56.9	87.4	319.7
Actuarial gains and losses	0.4	14.7	1.7	14.7	14.2
Exchange differences	-235.2	-136.6	-142.9	-194.0	-105.4
Other comprehensive income for the period, net after tax	-234.8	-121.9	-141.2	-179.3	-91.2
Total comprehensive income for the period	-206.2	143.5	-84.3	-91.9	228.5
Total comprehensive income attributable to:					
The parent company's shareholders	-206.7	143.2	-84.7	-91.6	228.1
Minority interest	0.5	0.3	0.4	-0.3	0.4

Condensed Consolidated Balance Sheet

MSEK	Sept. 30, 2010	Sept. 30, 2009	Dec 31, 2009
ASSETS			
Non-current assets			
Intangible assets	2,419.4	2,555.0	2,606.9
Property, plant and equipment	189.5	305.0	300.9
Deferred tax assets	131.3	80.1	77.5
Financial assets	8.5	6.6	7.8
Other receivables	17.7	18.2	16.8
Total non-current assets	2,766.4	2,964.9	3,009.9
Current assets			
Inventories	218.2	274.2	263.6
Trade receivables and other receivables	2,188.9	2,360.0	2,311.2
Cash and cash equivalents	148.4	386.2	511.2
Total current assets	2,555.5	3,020.4	3,086.0
TOTAL ASSETS	5,321.9	5,985.3	6,095.9

SHAREHOLDERS' EQUITY	Sept. 30, 2010	Sept. 30, 2009	Dec 31, 2009
Capital and reserves attributable to the parent company's shareholders	1,718.8	1,962.8	2,047.7
Minority interest	8.3	7.7	7.8
Total equity	1,727.1	1,970.5	2,055.5
LIABILITIES			
Non-current liabilities			
Borrowing	1,339.8	1,699.1	1,498.1
Other interest-bearing liabilities	0.0	4.0	-
Deferred tax liabilities	161.3	157.8	157.7
Provisions for pensions	80.3	75.0	82.4
Other liabilities	4.2	1.9	4.8
Other provisions	63.8	53.9	51.4
Total non-current liabilities	1,649.4	1,991.7	1,794.4
Current liabilities			
Borrowing	22.4	51.3	41.8
Other interest-bearing liabilities	0.7	45.1	45.7
Trade payables and other liabilities	1,772.7	1,845.1	2,089.1
Derivative instruments	28.6	17.5	26.7
Other provisions	121.0	64.1	42.7
Total current liabilities	1,945.4	2,023.1	2,246.0
TOTAL EQUITY AND LIABILITIES	5,321.9	5,985.3	6,095.9

Statement of changes in consolidated equity

Equity attributable to the parent company's shareholders

MSEK	Share capital	Other paid-in capital	Translation reserve	Retained earnings	Total	Minority interest	Total equity
Opening balance as at January 1, 2009	365.1	0.1	119.1	1,444.8	1,929.1	7.4	1,936.5
Total comprehensive income for the period	-	-	-136.1	279.3	143.2	0.3	143.5
Dividend	-	-	-	-109.5	-109.5	-	-109.5
Closing balance as at Sept. 30, 2009	365.1	0.1	-17.0	1,614.6	1,962.8	7.7	1,970.5
Opening balance as at January 1, 2010	365.1	0.1	14.1	1,668.4	2,047.7	7.8	2,055.5
Total comprehensive income for the period	-	-	-234.9	28.2	-206.7	0.5	-206.2
Dividend	-	-	-	-109.5	-109.5	-	-109.5
Repurchased shares	-	-	-	-12.7	-12.7	-	-12.7
Closing balance as at Sept. 30, 2010	365.1	0.1	-220.8	1,574.4	1,718.8	8.3	1,727.1

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MSEK	Jan-Sep 2010	Jan-Sep 2009	Jul-Sep 2010	Jul-Sep 2009	Jan-Dec 2009
Cash flow before changes in working capital	142.5	224.1	48.8	31.2	443.1
Changes in working capital	-185.8	296.1	-119.8	136.5	500.1
Cash flow from operating activities	-43.3	520.2	-71.0	167.7	943.2
Cash flow from investing activities	-57.7	-96.4	-11.6	1.0	-162.5
<i>Of which acquisitions/divestments of subsidiaries /operations¹</i>	0.9	-17.9	-0.2	0.6	-20.0
Cash flow from financing activities	-230.9	-386.6	-27.5	-87.6	-622.3
Cash flow for the period	-331.9	37.2	-110.1	81.1	158.4
Cash and cash equivalents at beginning of period	511.2	356.4	275.6	320.2	356.4
Cash flow for the period	-331.9	37.2	-110.1	81.1	158.4
Exchange rate differences in cash and cash equivalents	-30.9	-7.4	-17.1	-15.1	-3.6
Cash and cash equivalents at end of period	148.4	386.2	148.4	386.2	511.2

¹The effect of the divestment of Niscayah Hong Kong Ltd in 2010 has had a marginal impact on the consolidated balance sheet.

Key ratios and other information

	Jan-Sep 2010	Jan-Sep 2009	Jul-Sep 2010	Jul-Sep 2009	Jan-Dec 2009
Sales growth, %	-14	1	-14	-7	-5
Organic sales growth, %	-8	-10	-9	-12	-12
Gross margin, %	31.7	34.3	35.3	35.0	34.1
Gross margin, % ¹	34.1	34.3	35.3	35.0	34.1
Selling and administrative expenses margin, %	30.1	26.8	29.6	27.1	27.3
Selling and administrative expenses margin, % ¹	28.5	26.8	29.6	27.1	27.3
EBITDA margin, %	4.0	9.9	8.2	10.3	9.3
EBITDA margin, % ¹	8.1	9.9	8.2	10.3	9.3
EBITA margin, %	1.5	7.5	5.7	7.8	6.9
EBITA margin, % ¹	5.7	7.5	5.7	7.8	6.9
Operating margin (EBIT), %	1.1	7.1	5.3	7.4	6.5
Operating margin (EBIT), % ¹	5.2	7.1	5.3	7.4	6.5
Net margin, %	0.6	4.7	3.8	5.0	4.2
Share price at the end of the period, SEK	11.8	15.8	11.8	15.8	14.85
Dividend per share, SEK	-	-	-	-	0.30
Earnings per share, SEK ²	0.08	0.72	0.16	0.23	0.87
Number of outstanding shares	365,058,897	365,058,897	365,058,897	365,058,897	365,058,897
Average number of shares, after buyback	364,589,796	365,058,897	364,058,897	365,058,897	365,058,897
Restructuring costs, MSEK	200	-	-	-	-

	Sept. 30, 2010	Sept. 30, 2009	Dec 31, 2009
Operating capital employed, MSEK	729.7	981.7	706.2
Goodwill, MSEK	2,027.2	2,163.9	2,196.1
Acquisition related intangible assets, MSEK	204.7	249.0	246.4
Capital employed, MSEK	2,961.6	3,394.6	3,148.7
Net debt, MSEK	1,234.5	1,424.2	1,093.2
Shareholders' equity, MSEK	1,727.1	1,970.5	2,055.5
Return on capital employed, %, (12 months) ³	6	19	17
Return on capital employed, %, (12 months) ^{1 3}	12	19	17
Return on equity, %, (12 months) ³	4	22	16
Debt/equity ratio, multiple	0.71	0.72	0.53
Equity/assets ratio, %	32	33	34

¹ Excl. restructuring costs for 2010 amounting to MSEK 200 during Q1, apportioned as cost of goods sold of MSEK 120 and selling and administrative expenses of MSEK 80.

² Calculated on the average number of shares after buyback.

³ Excl. restructuring costs for 2008 amounting to MSEK 275.

For definitions see page 18 and the Annual report

THE GROUP'S ORGANIC SALES GROWTH AND EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES

The calculation of organic sales growth and specification of changes in foreign exchange rates on operating profit EBITA and EBIT are presented below:

MSEK	Jan-Sep 2010	Jan-Sep 2009	%
Sales	4,870.1	5,660.0	-14
Acquisitions/disposals	14.0	-	
Change in foreign exchange rates from 2009	338.4	-	
Organic sales	5,222.5	5,660.0	-8
EBITA excluding restructuring costs			
EBITA excluding restructuring costs	275.4	425.1	-35
Change in foreign exchange rates from 2009	25.2	-	
EBITA excluding restructuring costs	300.6	425.1	-29
Operating profit (EBIT) excluding restructuring costs			
Operating profit (EBIT) excluding restructuring costs	253.4	402.0	-37
Change in foreign exchange rates from 2009	20.8	-	
Operating profit (EBIT) excluding restructuring costs	274.2	402.0	-32

MSEK	Jul-Sep 2010	Jul-Sep 2009	%
Sales	1,501.6	1,741.4	-14
Acquisitions/disposals	3.9	-	
Change in foreign exchange rates from 2009	83.0	-	
Organic sales	1,588.5	1,741.4	-9
EBITA			
EBITA	86.2	136.3	-37
Change in foreign exchange rates from 2009	6.7	-	
EBITA	92.9	136.3	-32
Operating profit (EBIT)			
Operating profit (EBIT)	79.3	128.9	-38
Change in foreign exchange rates from 2009	7.4	-	
Operating profit (EBIT)	86.7	128.9	-33

THE GROUP'S SEGMENTS, OVERVIEW JANUARY-SEPTEMBER

Niscayah's operations are divided into two different segments, Mainland Europe and US/UK/Ireland. Mainland Europe comprises the European market except for the UK and Ireland. The Anglo-Saxon market comprises the US, UK and Ireland. Other, includes Australia, Hong Kong and the parent company's costs.

	Mainland Europe		US/UK/Ireland		Other		Eliminations		Group	
MSEK	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Sales, external	3,703.9	4,430.7	1,114.9	1,185.0	51.3	44.3	-	-	4,870.1	5,660.0
Sales, internal	0.0	0.2	0.1	-	30.5	15.2	-30.6	-15.4	-	-
Sales	3,703.9	4,430.9	1,115.0	1,185.0	81.8	59.5	-30.6	-15.4	4,870.1	5,660.0
<i>Organic sales growth, %</i>	-10	-8	1	-20	-	-	-	-	-8	-10
EBITA excluding restructuring costs	301.2	471.9	36.3	29.5	-62.1	-76.3	-	-	275.4	425.1
<i>EBITA margin, % excl. restructuring costs</i>	8.1	10.7	3.3	2.5	-	-	-	-	5.7	7.5
Restructuring costs	-170.0	-	-30.0	-	-	-	-	-	-200.0	-
EBITA	131.2	471.9	6.3	29.5	-62.1	-76.3	-	-	75.4	425.1
<i>EBITA margin, %</i>	3.5	10.7	0.6	2.5	-	-	-	-	1.5	7.5
Amortization of acquisition related intangible assets	-11.9	-12.4	-10.1	-10.8	-	-	-	-	-22.0	-23.1
Operating profit (EBIT)	119.3	459.6	-3.8	18.7	-62.1	-76.3	-	-	53.4	402.0
<i>Operating margin (EBIT), %</i>	3.2	10.4	-0.3	1.6	-	-	-	-	1.1	7.1
Financial income and expenses	-	-	-	-	-12.2	-21.1	-	-	-12.2	-21.1
Profit before tax	119.3	459.6	-3.8	18.7	-74.3	-97.4	-	-	41.2	380.9
Operating capital employed	414.6	600.0	87.7	133.5	227.4	248.5	-	-	729.7	982.0
<i>Operating capital employed as % of sales</i>	8	10	6	8	-	-	-	-	11	12
Goodwill	1,373.0	1,476.7	600.2	630.2	54.0	56.9	-	-	2,027.2	2,163.8
Acquisition related intangible assets	72.9	97.5	131.8	151.5	-	-	-	-	204.7	249.0
Capital employed	1,860.5	2,174.2	819.7	915.2	281.4	305.4	-	-	2,961.6	3,394.8

CONSOLIDATED INCOME STATEMENTS PER QUARTER 2010 (EXCLUDING RESTRUCTURING COSTS)

MSEK	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec
Sales	1,681.0	1,687.5	1,501.6		
<i>Sales growth, %</i>	-16	-12	-14		
<i>Organic sales growth, %</i>	-9	-6	-9		
Sales, Services	793.5	814.0	773.3		
<i>Sales growth, Services, %</i>	-5	-1	-4		
<i>Organic sales growth, Services, %</i>	3	6	1		
Cost of goods sold	-1,105.3	-1,130.7	-971.0		
Gross profit	575.7	556.8	530.6		
<i>Gross margin, %</i>	34.2	33.0	35.3		
Selling and administrative expenses	-475.1	-468.2	-444.4		
<i>Selling and administrative expenses, margin, %</i>	28.3	27.7	29.6		
EBITA	100.6	88.6	86.2		
<i>EBITA margin, %</i>	6.0	5.2	5.7		
Amortization acquisition related intangible assets	-8.0	-7.1	-6.9		
Operating profit (EBIT)	92.6	81.5	79.3		
<i>EBIT margin, %</i>	5.5	4.8	5.3		
Financial income and expenses	-1.4	-13.2	2.5		
Profit before tax	91.2	68.3	81.8		
Costs for restructuring program 2010	-200.0	0.0	0.0		
Tax	33.1	-20.8	-24.9		
Net profit for the period	-75.7	47.5	56.9		

CONSOLIDATED INCOME STATEMENTS PER QUARTER 2009

MSEK	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec
Sales	2,001.9	1,916.6	1,741.4	1,961.1	7,621.0
<i>Sales growth, %</i>	11	-2	-7	-18	-5
<i>Organic sales growth, %</i>	-6	-13	-12	-17	-12
Sales, Services	833.2	819.6	805.9	827.4	3,286.2
<i>Sales growth, Services, %</i>	19	11	8	-6	7
<i>Organic sales growth, Services, %</i>	1	-2	2	-3	-1
Cost of goods sold	-1,331.9	-1,254.7	-1,132.7	-1,299.8	-5,019.1
Gross profit	670.0	661.9	608.7	661.3	2,601.9
<i>Gross margin, %</i>	33.5	34.5	35.0	33.7	34.1
Selling and administrative expenses	-530.7	-512.3	-472.4	-563.2	-2,078.6
<i>Selling and administrative expenses, margin, %</i>	26.5	26.7	27.1	28.7	27.3
EBITA	139.3	149.6	136.3	98.1	523.3
<i>EBITA margin, %</i>	7.0	7.8	7.8	5.0	6.9
Amortization acquisition related intangible Assets	-8.1	-7.8	-7.4	-7.3	-30.6
Operating profit (EBIT)	131.2	141.8	128.9	90.8	492.7
<i>EBIT margin, %</i>	6.6	7.4	7.4	4.6	6.5
Financial income and expenses	-9.5	-8.3	-3.2	-11.6	-32.6
Profit before tax	121.7	133.5	125.7	79.2	460.1
Tax	-37.5	-39.7	-38.3	-25.0	-140.4
Net profit for the period	84.2	93.8	87.4	54.2	319.7

Parent Company Income Statement Condensed

MSEK	Jan-Sep 2010	Jan-Sep 2009	Jan-Dec 2009
Net sales	109.8	146.0	252.5
Other operating costs	-71.0	-62.7	-108.8
Operating profit	38.8	83.3	143.7
Profit from financial items, net	138.5	171.5	150.7
Profit after financial items	177.3	254.8	294.4
Appropriations	-15.6	-65.7	-93.9
Profit before tax	161.7	189.1	200.5
Tax	-36.7	-49.1	-61.8
Net profit	125.0	140.0	138.7

Parent Company Balance Sheet Condensed

MSEK	Sept. 30, 2010	Sept. 30, 2009	Dec 31, 2009
ASSETS			
Non-current assets	8,540.0	8,645.4	8,645.8
Current assets	579.0	817.8	835.2
TOTAL ASSETS	9,119.0	9,463.2	9,481.0
SHAREHOLDERS' EQUITY	6,946.3	6,988.0	7,012.5
Untaxed reserves	255.7	211.9	240.0
LIABILITIES			
Non-current liabilities	1,348.6	1,699.2	1,529.5
Current liabilities	568.4	564.1	699.0
TOTAL EQUITY AND LIABILITIES	9,119.0	9,463.2	9,481.0

Definitions

Return on equity: Profit after tax divided by average equity

EBIT: Operating profit after depreciation, amortization and impairments of goodwill

EBIT margin: EBIT as a percentage share of sales

EBITA: Operating profit before amortization of acquisition related intangible assets, but after depreciation and amortization of property, plant and equipment and other intangible assets.

EBITA margin: EBITA as a percentage share of sales.

EBITDA: Operating profit before amortization.

EBITDA margin: EBITDA as a percentage share of sales.

Selling and administrative expenses, margin: Selling and administrative expenses as a percentage share of sales.

Earnings per share: Net profit divided by the average number of shares after buyback.

Other definitions are presented in Niscayah's Annual Report 2009, note 4: www.niscayah.com