# YEAR-END REPORT

**January – December 2011**

Managing **cash** in society.

LOOMIS

*This is a translation of the original Swedish Year-end Report. In the event of differences between the English translation and the Swedish original, the Swedish Year-end Report shall prevail.*

# Organic growth and improved margin

## January – December 2011

- Revenue during the period amounted to MSEK 10,973 (MSEK 11,033). Real growth amounted to 7 percent (–1) and organic growth was 1 percent (–1).
- Operating Income (EBITA)[1)] amounted to MSEK 912 (882), of which exchange rate effects comprised MSEK –59, and the operating margin was 8.3 percent (8.0)
- Income before taxes amounted to MSEK 743 (759) and net income after taxes was MSEK 513 (496).
- Earnings per share before dilution were SEK 7.03 (6.80), and Earnings per share after dilution were SEK 6.79 (6.57).
- Cash flow from operating activities amounted to MSEK 700 (938), which is equivalent to 77 percent (106) of operating income (EBITA).
- The proposed dividend is SEK 3.75 (3.50) per share.

[1)] Earnings Before Interest, Taxes and Amortization of acquisition-related intangible fixed assets, Acquisition-related costs and Items affecting comparability.

Loomis offers safe and effective comprehensive solutions for the distribution, handling and recycling of cash for banks, retailers and other commercial companies via an international network of more than 390 centers of operation in 14 European countries and in the USA. The Group has approximately 20,000 employees and annual revenues of SEK 11 billion. Loomis is a Mid-Cap listed Company on the NASDAQ OMX Stockholm.

# Comments by the President and CEO

»During the year, we have followed our strategy and achieved an improved operating margin, while at the same time increased top line growth.«

Operating income, EBITA, for the full year 2011 amounted to MSEK 912 (882), including exchange rate effects of MSEK –59. The operating margin increased to 8.3 percent (8.0). We also experienced positive development in both real growth, amounting to 7 percent (–1), and organic growth, which was 1 percent (–1). In addition to increased volumes and improved margin, an improved financial net contributed to a positive development of Earnings per share, which amounted to SEK 7.03 (6.80).

The significant real growth is a result of that we have, in line with our strategy, made acquisitions at the end of 2010 and during 2011. During the spring, we acquired Pendum's cash handling operations in the USA, comprising the replenishment and management of 43,000 ATMs and annual revenue of approximately MUSD 100. During the summer, we acquired 60 percent of the Turkish cash handling company, Erk Armored, thereby establishing operations on a new market.

The organic growth is, primarily, the result of improved market shares as well as an improved pricing of our services in several important countries.

The margin improvement of 0.3 percentage points is mainly attributable to efficiency improvements and that we have, among other things, reduced the proportion of the non-performing branches.

During the year, we have followed our strategy and achieved an improved operating margin, while at the same time increased both top line growth and market share. Cash flow from operating activities remained strong and amounted to 77 percent (106), which can be compared to the target of 85 percent over time. Cash flow for the year was affected by investments related to new contracts and upgrades of fixed assets in existing and in acquired operations.

The fourth quarter was also positive for us, demonstrating both real and organic growth, an improved operating margin and a strong cash flow. Real growth was 8 percent (0) and organic growth, which was positive for the third consecutive quarter, was 2 percent (0). The growth in revenue is an effect of the acquisition of Pendum's cash handling operations and of the fact that our market has improved in parts of Europe. The exceptions were Spain, where the ongoing structural changes within the banking sector had a negative impact, and the Nordic countries, where we were affected by weak retail trade during the latter part of the year.

Operating income, EBITA, amounted to MSEK 266 (232), including exchange rate effects of MSEK –4. The operating margin increased by 0.6 percentage points to 9.2 percent, compared to 8.6 percent in the corresponding period in 2010. The improved margin is mainly a result of that the integration of the operations acquired from Pendum has provided positive results during the quarter. The increased margin strengthens the possibilities of reaching our financial goal of an operating margin of 10 percent by 2014, at the latest.

Cash flow from operating activities remained strong and amounted to 88 percent (85) during the quarter.

In December, we announced two additional acquisitions, the Spanish cash handling company, Efectivox, which will entail that we can to offer cash handling services throughout the whole of the Spanish mainland, and Oregon Armored Service Inc. in the USA. The acquisitions are an expression of our belief of continuing consolidation on the market, where we will selectively participate to strengthen our position on existing market, or to reach new markets, in line with our strategy.

At the end of the quarter, we have, however, noticed increased price pressure on some of the larger European markets, where there has been a significant price competition on several large contracts. To avoid reducing our margins, we might, as we have previously done in the USA, refrain certain contracts. Positively for both the USA and most of Europe is that the amount of cash in society is continuing to increase.

2011 was a year with strong growth, improved profitability and positive development of the financial key ratios, resulting in the Board of Directors proposing an increased dividend to the Annual General Meeting of SEK 3.75 (3.50) per share . I can state that we have a strong position in a growing market, we have further potential to improve and that we have been able to create strong cash flows. Overall, we are a stronger company, with good foundations for continued value creation.

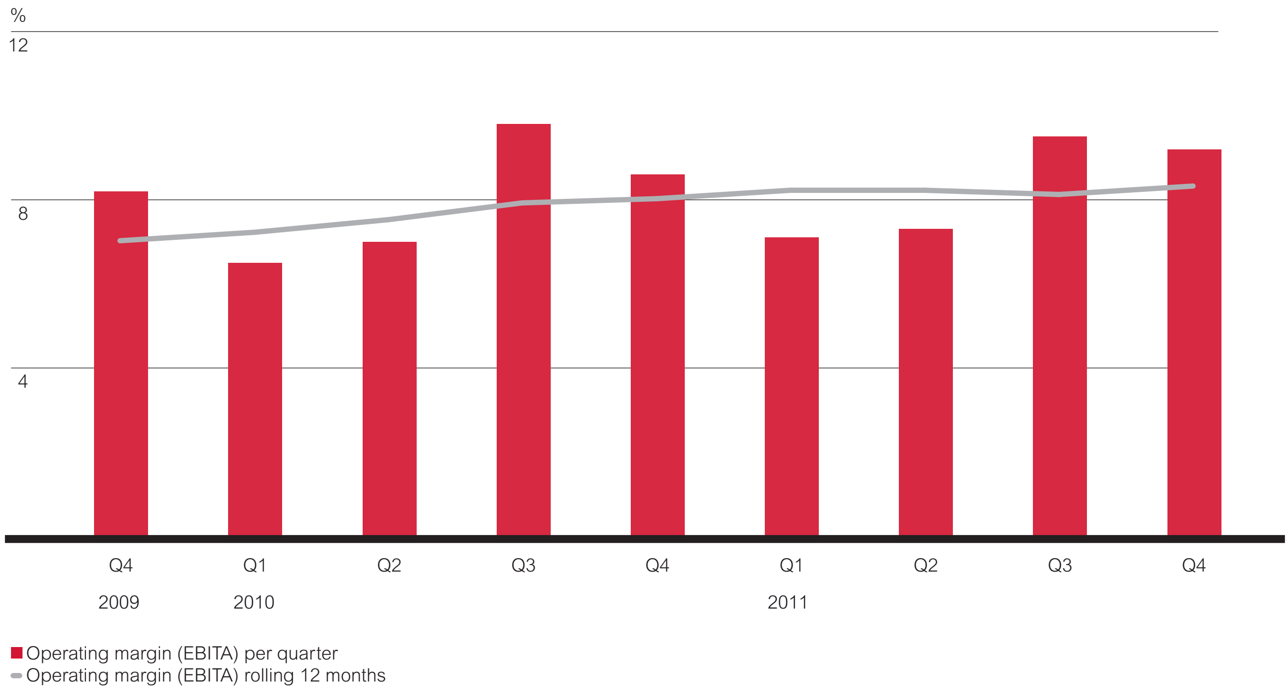
**Lars Blecko**
President and CEO

# The Group in brief

| | 2011 | 2010 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|
| **MSEK** | **Oct–Dec** | **Oct–Dec** | **Full year** | **Full year** | **Full year** |
| Revenue | 2,881 | 2,691 | 10,973 | 11,033 | 11,989 |
| Operating Income (EBITA)[1)] | 266 | 232 | 912 | 882 | 837 |
| Earnings per share before dilution, SEK | 2.47 | 1.82 | 7.03 | 6.80 | 6.85 |
| Earnings per share after dilution, SEK | 2.38 | 1.75 | 6.79 | 6.57 | 6.85 |
| **Key ratios** | | | | | |
| *Real growth, %* | *8* | *0* | *7* | *–1* | *–2* |
| *Organic growth, %* | *2* | *0* | *1* | *–1* | *–3* |
| *Operating margin, %* | *9.2* | *8.6* | *8.3* | *8.0* | *7.0* |
| *Cash flow from operating activities as % of operating income (EBITA)* | *88* | *85* | *77* | *106* | *94* |

[1)] Earnings Before Interest, Taxes and Amortization of acquisition-related intangible fixed assets, Acquisition-related costs and Items affecting comparability.

## Operating margin (EBITA)



# Revenue and income

### October – December 2011

Revenue in the fourth quarter amounted to MSEK 2,881 (2,691). Real growth (adjusted for exchange rate effects) amounted to 8 percent (0) and is mainly attributable to the acquisitions in the USA and in Turkey. Organic growth (adjusted for exchange rate effects, acquisitions and divestitures) amounted to 2 percent. The majority of European countries demonstrated positive organic growth during the quarter and organic growth for the European segment as a whole amounted to 3 percent. Organic growth on the European market was, however, negatively affected by the ongoing structural changes within the Spanish banking sector and weak retail trade in the Nordic countries during the latter part of the year. In the USA, organic growth amounted to 1 percent, which includes a positive effect of 1 percent arising from changes in fuel surcharges. There is still no real recovery on the U.S. market, but volumes have stabilized.

Operating income (EBITA) amounted to MSEK 266 compared to MSEK 232 during the corresponding period in the previous year. The deviation includes exchange rate effects of MSEK –4. The operating margin for the quarter increased to 9.2 percent, compared to 8.6 percent during the corresponding period in the previous year. The improvement to the margin is mainly attributable to the U.S. segment, where the integration of the operations acquired from Pendum has started to provide positive results.

Operating income (EBIT) amounted to MSEK 262 (229), including acquisition-related costs of MSEK –6 and an item affecting comparability of MSEK 9. The item affecting comparability of MSEK 9 derives from a reversal of a part of the provision of MSEK 59, made in 2007, attributable to overtime compensation in Spain which was, at the time of the provision, reported as an item affecting comparability.

Financial net for the quarter amounted to MSEK –15, compared to MSEK –30 during the fourth quarter of 2010. The change is partly due to the more beneficial conditions of the new loan facilities that were signed during the first half of 2011, and partly due the comparative figure being negatively affected by expensed up-front fees of MSEK 10 related to voluntary cancellation of the loan facility that was replaced during 2011.

Income before taxes amounted to MSEK 247 (199), whilst net income after taxes was MSEK 180 (133). The tax rate for the fourth quarter was impacted by full year effects and amounted to 27 percent, compared to 33 percent during the corresponding period in the previous year.

### January – December 2011

Revenue for the full year amounted to MSEK 10,973 (11,033). Real growth (adjusted for exchange rate effects) amounted to 7 percent (–1) and is mainly attributable to the acquisitions in the USA, in the Czech Republic and in Turkey. Organic growth (adjusted for exchange rate effects, acquisitions and divestitures) amounted to 1 percent. The organic growth in the majority of the European countries was, however, partly offset by a negative organic growth in the Spanish market, attributable to the ongoing structural changes within the banking sector. For the European segment as a whole, organic growth amounted to 2 percent. In the USA, organic growth amounted to 0 percent, which includes a positive effect of 1 percent arising from changes in fuel surcharges. The development on the US marketis primarily attributable to the effect of previously lost contracts which have now been terminated. Changes in fuel surcharges which Loomis passes on to its customers had no significant effect on the organic growth of the Group. During the year, price increases as a percentage of revenue exceeded wage increases in percent.

Operating income (EBITA) amounted to MSEK 912 (882), of which exchange rate effects comprised MSEK –59. The operating margin improved compared with the previous year and amounted to 8.3 percent (8.0). The improvement is a result of the continuous work to reduce costs and improve efficiency within the Group and that the restructuring work in France, initiated during 2010, continuing to provide results.

Staff turnover during the period remained at an acceptable level and amounted to approximately 22 percent (18).

Operating income (EBIT) amounted to MSEK 805 (866), including acquisition-related costs of MSEK –42 and two items affecting comparability of a total of MSEK –44. One of the items affecting comparability of MSEK –53 derives from previous periods and is related to incorrect valuation of assets and liabilities in the Austrian subsidiary. For further information see page 7. The other item affecting comparability of MSEK 9 derives from a reversal of a part of the provision of MSEK 59 made in 2007 attributable to overtime compensation in Spain.

Financial net amounted to MSEK –62, compared to MSEK –107 for the full year 2010. The improvement is mainly a result of the more beneficial conditions of the new loan facilities that were signed during the first half of 2011.

Income before taxes amounted to MSEK 743 (759), whilst net income after tax was MSEK 513 (496). The tax rate for the period was 31 percent (35).

# Cash flow

**October – December 2011**
Cash flow from operating activities of MSEK 234 (198) corresponded to 88 percent (85) of operating income (EBITA).

Cash flow from operations amounted to MSEK 504 (328) and from investing activities amounted to MSEK –337 (–323). The cash flow effect from financing activities amounted to MSEK –68 (–121).

The cash flow effect from items affecting comparability amounted to MSEK –0 (–0).

Net investments in fixed assets for the period amounted to MSEK 323 (263), which can be compared with the depreciation of fixed assets of MSEK 169 (163). The increased level of investments is due to, among other things, the organic growth and to upgrades of fixed assets in existing and in acquired operations. Investments in vehicles and security equipment, which comprise the two major categories of recurring maintenance investments, amounted to MSEK 178 (145). In addition to the above categories, investments have been made for the expansion of Loomis SafePoint.

**January – December 2011**
Cash flow from operating activities of MSEK 700 (938) corresponded to 77 percent (106) of operating income (EBITA). Cash flow for the period has been affected by the settlement of a VAT liability attributable to the operations of LCM, which were discontinued during 2008. For further information regarding this matter, see below.

Cash flow from operations amounted to MSEK 1,203 (1,271) and from investing activities to MSEK –1,533 (–790). Cash flow from financing activities amounted to MSEK 480 (–586).

The cash flow has been negatively impacted by the settlement of the VAT and income tax liabilities, amounting to MSEK 18 and MSEK 55 respectively, attributable to the liquidation of the operations of LCM, in accordance with the ruling of the County Administrative Court. Provisions had previously been made for the amounts paid to the Swedish Tax Agency and, therefore, the payment has not impacted earnings for the period. These cases are described in the Annual Report for 2010.

The cash flow effect from items affecting comparability amounted to MSEK –1 (–6).

Net investments in fixed assets for the period amounted to MSEK 840 (708), which can be compared with the depreciation of fixed assets of MSEK 658 (687). The organic growth experienced during the year and upgrades of fixed assets in existing and in acquired operations are the main reasons for the increase in investments. Investments in vehicles and security equipment, which comprise the two major categories of recurring maintenance investments, amounted to MSEK 404 (398).

# Capital employed

Capital employed amounted to MSEK 5,617 (4,555 per December 31, 2010). The change is, primarily, attributable to an increase in goodwill and in other acquisition-related assets arising as a result of the acquisitions of Pendum's cash handling operations and Erk Armored. The return on capital employed amounted to 16 percent (19 per December 31, 2010).

# Shareholders' equity and financing

Shareholders' equity amounted to MSEK 3,397 (3,123 per December 31, 2010). The return on shareholders' equity was 15 percent (16 per December 31, 2010). The equity ratio was 37 percent (41 per December 31, 2010). Net debt amounted to MSEK 2,220 (1,432 per December 31, 2010). The change in net debt is primarily a result of further borrowing raised as a consequence of the current expansion strategy.

# Acquisitions

## January–December 2011

| Company | Country | Segment | Date of consoli-dation | Acquired share (%)[1] | Annual revenue (LOC) | Number of em-ployees | Purchase price | Goodwill | Acquisition related intangible assets | Other capital employed |
|---|---|---|---|---|---|---|---|---|---|---|
| **Opening balance** | | | | | | | | **2,582** | **87** | |
| Pendum[7] | USA | USA | 1 May | e/t | 100[2] | 1,500 | 623[3] | 530[4] | 72 | 21 |
| Erk Armored[6] [7] | Turkey | Europe | 1 July | 60 | 15[2] | 220 | 19[3] | 39[5] | 7 | –27 |
| **Total acquisitions January–December** | | | | | | | | **569** | **79** | **–6** |
| Amortization of acquisition related intangible assets | | | | | | | | – | –22 | |
| Exchange rate differences | | | | | | | | 130 | 11 | |
| **Closing balance** | | | | | | | | **3,281** | **155** | |

1) Refers to voting rights. For asset deals, no voting rights are stated.
2) Estimated annual revenue translated to SEK as per acquisition date amounted to MSEK 599 for Pendum and to MSEK 60 for Erk Armored.
3) Acquisition cost paid, translated to SEK as per acquisition date. Contingent consideration for Erk Armored is not included in the stated amount.
4) Goodwill is primarily attributable to achieving synergies.
5) Goodwill is primarily attributable to strengthening geografic coverage.
6) No non-controlling interest has been reported, as Loomis has an option to acquire the remaining shares and the seller has an option to sell the remaining shares. Consequently, 100 percent of the company is consolidated. The contingent consideration, which is not limited in amount, has been recognized based mainly on an assessment of the future profitability development in the acquired entity for an agreed period. The total long-term contingent consideration in the consolidated balance sheet amounts to MSEK 19.
7) The acquisition analyses are subject to final adjustment up to one year after the acquisition date. The acquisition analyses for Pendum was adjusted by MUSD 2 during the fourth quarter 2011.The adjustment increased goodwil.

### Acquisitions during January – December 2011

In March 2011, Loomis' subsidiary in the USA, Loomis Armored US, LLC, acquired the assets and customer contracts attributable to the cash handling operations of the American company, Pendum LCC. The acquired operations comprise of the replenishment and management of approximately 43,000 ATMs across the USA. The operations were taken over on April 30, 2011, and were consolidated as of May 1, 2011.

In May 2011, Loomis AB reached an agreement to acquire 60 percent of the shares in the Turkish cash handling company, Erk Armored. As part of the acquisition, Loomis has in the future, the possibility to acquire the remaining 40 percent of the company. Erk Armored's operations cover large parts of Turkey. The acquired operations were consolidated by Loomis from July 1, 2011.

In December 2011 Loomis' subsidiary in the USA reached an agreement regarding the acquisition of the shares in Oregon Armored Service Inc. The annual revenue for 2010 for Oregon Armored Service Inc. amounted to approximately MUSD 6 during and the company has around 75 employees. The acquisition will further strengthen the market presence in Oregon. The operations were taken over on December 31, 2011, and were consolidated as of January 1, 2012. The preparation of the acquisition analysis is in progress.

### Ongoing acquistions

In December 2011, Loomis' Spanish subsidiary, Loomis Spain SA, signed an agreement regarding the acquisition of the Spanish cash handling company, Efectivox. The acquisition requires the approval of the Spanish Competition Authority. The annual revenue for 2010 for Efectivox amounted to approximately MEUR 13 and the company has around 500 employees. The acquisition will allow Loomis to offer cash handling services throughout the whole of the Spanish mainland. As a result of the structural changes within the Spanish banking sector in recent years, more stringent requirements have been put in place stipulating that cash handling companies and banks must be able to operate on a nationwide basis.

# Other significant events during the period

In February 2011, Loomis AB signed a new five-year loan facility, which matures in 2016 and amounts to MUSD 150 and MSEK 1,000. The new facility replaced the previous facility which was raised in conjunction with the listing on the stock market in 2008.

As a part of Loomis' environmental work, Loomis' Danish subsidiary, Loomis Danmark A/S, has started to use electrically powered Cash in Transit vehicles in a pilot project. Loomis' ambition is for all Cash in Transit to retailers in the Copenhagen region to be carried out with electrically powered vehicles. If the project proves to be a success, Loomis intends to purchase more electrically powered vehicles, for operations both in Denmark and in other countries in which the Group operates. By using electric vehicles, Loomis is one of the world's first Cash Handling Services companies to make full scale use of electric vehicles for Cash in Transit.

In April, the Board of Directors of Loomis AB determined, on the basis of the authorization resolved upon by the Annual General Meeting in 2010, to purchase the Company's own Class B shares on the NASDAQ OMX Stockholm. This authorization refers to the incentive scheme adopted by the Annual General Meeting on April 29, 2010 (Incentive Scheme 2010) and comprises the number of the Company's own Class B shares which might be transferred to participants in the Incentive Scheme 2010. During the period April 18, 2011 to April 21, 2011, Loomis AB repurchased 119,464 Class B shares.

In accordance with the Board of Directors' proposal, the Annual General Meeting resolved to introduce an incentive scheme (Incentive Scheme 2011), which corresponds to the scheme adopted by the Annual General Meeting in 2010. In accordance with the existing incentive scheme, the proposed incentive scheme entails that two thirds of the variable remuneration are 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 on June 30, 2013 at the latest.

In May, Loomis AB signed a new three-year loan facility. The new facility, which matures in 2014 and amounts to MUSD 100, will be used for general corporate purposes.

The result for the second quarter included an item affecting comparability amounting to MSEK –53, which related to previous periods' incorrect valuation of assets and liabilities. The item was related to mismanagement of the Austrian subsidiary. The mismanagement had been ongoing and the incorrect valuation had been accumulated for many years. The incorrect valuation was not related to the operational handling of the customers' money but involved the financial reporting. As a result of the discovery of the incorrect valuation, the entire management team in Austria was replaced.

In November Loomis has decided to file a criminal complaint against two members of the former management team including a claim for damages.

In July, Loomis' subsidiary in the UK signed an agreement with the British bank HSBC for the management of the Bank's remote ATMs across the UK. The contract, which came into effect from August 1, 2011, is the largest since Loomis' market listing in December 2008. When fully implemented, HSBC will be the largest customer of Loomis in the UK.

In July, the Board of Directors of Loomis AB determined, on the basis of authorization resolved upon by the Annual General Meeting in 2011, to repurchase the Company's own Class B shares on the NASDAQ OMX Stockholm. This authorization refers to the incentive scheme adopted by the Annual General Meeting on May 11, 2011 (Incentive Scheme 2011) and comprise the number of the Company's own Class B shares which might be transferred to the participants in the Incentive Scheme 2011. The repurchase of Class B shares shall take place prior to the Annual General Meeting 2012 and comprise a maximum of 325,000 shares.

In August, Loomis AB repurchased 4,645 Class B shares which will, at a later date, be transferred to participants in the Incentive Program 2010. After the repurchase, the Company's holding of Class B shares amounted to 124,109.

In September, Loomis' subsidiary in Sweden signed a strategically important four-year agreement with BAB, Bankernas Automatbolag. Under the terms of the agreement, which came into effect on September 30, 2011, Loomis will provide approximately 50 percent of BAB's ATMs with cash. The assignment also includes the counting of cash and certain emergency servicing of the ATMs. BAB has the option of extending the agreement by a period of two years.

# Number of full-time employees

The average number of full-time employees during 2011 was 19,511 (18,466). Completed acquisitions in the USA, in the Czech Republic and in Turkey have increased the average number of full-time employees, while ongoing cost saving programs have, primarily, reduced the number of overtime hours and extra employees, but have also included a reduction in the number of regular employees.

# Segment – Europe

**LOOMIS EUROPE**

| | 2011 | 2010 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|
| **MSEK** | **Oct–Dec** | **Oct–Dec** | **Full year** | **Full year** | **Full year** |
| Revenue | 1,778 | 1,733 | 6,934 | 7,024 | 7,618 |
| *Real growth, %* | *4* | *1* | 3 | *0* | *–2* |
| *Organic growth, %* | *3* | *0* | *2* | *0* | *–2* |
| Operating income (EBITA)[1)] | 204 | 198 | 714 | 689 | 691 |
| *Operating margin, %* | *11.5* | *11.4* | *10.3* | *9.8* | *9.1* |

[1)] Earnings before Interest, Taxes, Amortization of acquisition-related intangible assets, Acquisition-related costs and Items affecting comparability.

## Revenue and operating income

*October–December*

Revenue during the fourth quarter amounted to MSEK 1,778, compared to MSEK 1,733 during the corresponding period for the previous year. Organic growth (adjusted for exchange rate effects, acquisitions and divestitures) during the quarter amounted to 3 percent (0). The contract entered into with HSBC in the UK had a positive impact on growth during the quarter, while the ongoing structural changes within the Spanish banking sector and weak retail trade in the Nordic countries in the latter part of the year had a negative impact on organic growth. The structural changes in the Spanish market have entailed that a large number of bank offices which were previously customers of Loomis were closed during 2010 and the beginning of 2011, which has resulted in decreased revenue due to the number of stops being reduced.

Operating income (EBITA) amounted to MSEK 204 (198) and the operating margin was 11.5 percent (11.4). The margin was positively affected by efficiency improvements on the majority of markets. The restructuring of the French operations, which has been ongoing since the spring of 2010, has continued to provide positive effects. However, operating income was negatively affected by costs attributable to improving the efficiency of the French operations.

*January–December*

Revenue amounted to MSEK 6,934, compared to MSEK 7,024 for the previous year and organic growth (adjusted for exchange rate effects, acquisitions and divestitures) amounted to 2 percent (0). The majority of the European countries showed a positive organic growth for the full year of 2011 due to increased market shares and better pricing of our services. Growth during the second half of the year was affected positively by the HSBC contract entered into in the UK. The positive growth was partly offset by a negative organic growth in the Spanish market, which is a result of the ongoing structural changes within the banking sector. A large number of bank offices which were previously customers of Loomis were closed during 2010 and the beginning of 2011, which resulted in decreased revenue due to the number of stops being reduced. For the European segment as a whole, price increases as a percentage of revenue exceeded wage increases in percent during the year.

Operating income (EBITA) amounted to MSEK 714 (689) and the operating margin increased by 0.5 percentage points to 10.3 percent (9.8). Efficiency improvements within the majority of the segment´s larger markets facilitated the margin improvement. Furthermore, the restructuring work in France, initiated during the first quarter of 2010 and continuing, has contributed to the positive earnings development. However, with the aim of increasing synergy effects and reducing risks, a number of branches in France have been closed during the year. Operating income has also been negatively affected by costs attributable to efficiency measures undertaken in the Spanish operations, as a result of the ongoing structural changes in the Spanish market.

# Segment – USA

**LOOMIS USA**

| | 2011 | 2010 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|
| **MSEK** | **Oct–Dec** | **Oct–Dec** | **Full year** | **Full year** | **Full year** |
| Revenue | 1,104 | 958 | 4,039 | 4,009 | 4,372 |
| *Real growth, %* | *17* | *0* | *12* | *–3* | *–4* |
| *Organic growth, %* | *1* | *–1* | *0* | *–3* | *–4* |
| Operating income (EBITA)[1)] | 89 | 67 | 295 | 296 | 251 |
| *Operating margin, %* | *8.1* | 7.0 | *7.3* | *7.4* | *5.7* |

[1)] Earnings before Interest, Taxes, Amortization of acquisition-related intangible assets, Acquisition-related costs and Items affecting comparability.

## Revenue and operating income

*October–December*

Revenue during the fourth quarter amounted to MSEK 1,104 compared to MSEK 958 during the corresponding period for the previous year. Real growth (adjusted for exchange rate effects) amounted to 17 percent, primarily as a result of the acquisition of the cash handling operations from Pendum. Organic growth (adjusted for exchange rate effects, acquisitions and divestitures) amounted to 1 percent (–1). Changes in fuel surcharges, which Loomis passes on to its customers, had a positive impact on organic growth of 1 percent during the quarter. The volumes have stabilized, but no real recovery of the market as a whole has taken place.

Operating income (EBITA) amounted to MSEK 89 (67) and the operating margin for the period was 8.1 percent (7.0). The improvement in the margin is primarily a result of the integration of the acquired operations from Pendum, which have started to provide positive results during the quarter.

*January–December*

Revenue amounted to MSEK 4,039, compared to MSEK 4,009 for the previous year. Real growth (adjusted for exchange rate effects) amounted to 12 percent, primarily as a result of the acquisition of the cash handling operations from Pendum, but also due to other, smaller acquisitions made during 2010, such as Big Ten Armor. Organic growth (adjusted for exchange rate effects, acquisitions and divestitures) amounted to 0 percent (–3). Changes in fuel surcharges had a positive impact on organic growth of 1 percent during the year. The underlying organic growth is, primarily, attributable to the effect of previously lost contracts, which have now been terminated. The negative effects have partly been offset by price increases implemented during the period and a better outlook for the market in general. Price increases as a percentage of revenue exceeded wage increases in percent during the year.

Operating income (EBITA) amounted to MSEK 295 (296) and the operating margin for the period was 7.3 percent (7.4). For a large part of the year, operations in the USA have been affected by the work involved in integrating the cash handling operations acquired from Pendum. Initially, operating income was negatively affected as a result of the integration work, but the positive effects of the acquisition began to be seen during the final quarter of the year.

# Risks and uncertainties

## Operational risks

Operational risks are risks associated with the day-to-day operations and the services offered by the Company to its customers. These risks can result in negative consequences when the services performed do not meet the established requirements and result in damage to property or personal injury. Loomis' strategy for operational risk management is based on two fundamental principles:

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

Although the risk of robbery is unavoidable in cash handling, Loomis continually endeavors to minimize this risk. The most vulnerable situations are at the roadside, in the vehicles and during counting.

Loomis' operations are insured, implying that the maximum cost of each theft or robbery incident is limited to the deductible amount, as stipulated in the insurance cover.

The Parent Company, Loomis AB, is deemed not to have any significant operational risks, as the Company does not engage in operations, other than the conventional control of subsidiaries and the management of certain Group matters. The major risks deemed to apply to the Parent Company refer to fluctuations in exchange rates, particularly as regards USD and EUR, increased interest rates and the risk of possible write-down requirements.

## Factors of uncertainty

Specific factors of uncertainty for 2012 are the continued integration of the cash handling operations acquired in the USA and in Turkey during the year, as well as the structural changes within the Spanish banking sector.

The economic trend during 2011 impacted certain countries and geographic markets negatively, and it cannot be ruled out that revenue and income may be impacted during 2012.

Changes in general economic conditions can have various effects on the market for cash handling services, such as changes in the consumption level, the proportion of cash purchases compared with credit card purchases, the risk of robbery and bad debt losses, as well as the rate of staff turnover.

## Seasonal variations

The Company's earnings fluctuate across the seasons, which should be taken into consideration when making assessments on the basis of interim financial information. The primary reason for these seasonal variations is that the need for cash handling services increases during the vacation period, July – August, and during holidays at the end of the year, i.e. in November – December.

# Parent Company

### SUMMARY STATEMENT OF INCOME

| | 2011 | 2010 | 2009 |
|---|---|---|---|
| **MSEK** | **Full year** | **Full year** | **Full year** |
| Gross income | 195 | 222 | 215 |
| Operating income (EBIT) | 107 | 138 | 148 |
| Income after financial items | 208 | 427 | 490 |
| Net income for the year | 211 | 321 | 358 |

### SUMMARY BALANCE SHEET

| | 2011 | 2010 | 2009 |
|---|---|---|---|
| **MSEK** | **Dec 31** | **Dec 31** | **Dec 31** |
| Fixed assets | 7,592 | 6,438 | 6,823 |
| Current assets | 692 | 963 | 1,000 |
| **Total assets** | **8,284** | **7,401** | **7,823** |
| Shareholders' equity[1)] | 4,654 | 4,718 | 4,609 |
| Liabilities | 3,631 | 2,683 | 3,215 |
| **Total shareholders' equity and liabilities** | **8,284** | **7,401** | **7,823** |

[1)] As at December 31, 2011, the Company had 124,109 class B shares in own custody. The shares are to be allotted to the employees in accordance with the Incentive Scheme 2010.

The Parent Company of the Group does not conduct operating activities, but is comprised of the Group management and central functions. The number of employees at the head office during the year was 17.

The Parent Company's revenue refers, primarily, to franchise fees and other revenues from subsidiaries. The change in results refers, primarily, to the fact that anticipated dividends from the subsidiaries for 2011 have not been accounted for, as well as to a capital gain on an intra-Group sale of a subsidiary and a reduction in net financial items.

The Parent Company's fixed assets are comprised primarily of shares in subsidiaries and loan receivables with subsidiaries. Liabilities are primarily comprised of interest-bearing liabilities.

The Swedish Tax Agency has rejected a number of deductions related to Loomis AB's costs for the LCM operations. The Tax Agency's decision was appealed at the County Administrative Court, which, in January 2011, rejected the appeal. This ruling by the County Administrative Court was appealed during the first quarter. The appeal to the Administrative Court of Appeals was rejected during the fourth quarter. These cases are described in the Annual Report for 2010. The negative outcome in these matters has not impacted earnings during the year but has had a cash flow effect on the Parent Company and the Group, as the extension period for the payment of the additional tax expired in conjunction with the ruling of the County Administrative Court.

# Other significant events

For critical estimates and assessments and contingent liabilities, refer to pages 49 and 76 in the annual report for 2010. As no other material changes have taken place compared with the information presented in the Annual Report, other than the change in provision for overtime compensation in Spain explained on page 4, no further comments regarding such matters have been presented in this year-end report.

# Accounting principles

The Group's financial reports are prepared in accordance with International Financial Reporting Standards (IAS/IFRS, as adopted by the European Union), issued by the International Accounting Standards Board and statements issued by the International Financial Reporting Interpretations Committee (IFRIC).

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The main accounting principles according to IFRS, which comprise the accounting standards for the preparation of this interim report, can be found in Note 2 on pages 43 – 48 of the Annual Report for 2010.

As from January 1, 2011, Loomis AB reports acquisition related costs attributable to transaction expenses, revaluation of contingent consideration, restructuring and/or integration of acquired operations in the Group as a separate item in the income statement. Restructuring costs are expenses reported in accordance with the specific criteria for provisions for restructuring. Provisions for restructuring are made when a detailed formal plan of action is in place and a well founded expectation has been created by the parties concerned. No provisions are made for future operating losses.

Restructuring costs may be expenses for various activities necessary in the preparation for the integration of the acquired operations within the Group, for example, severance pay, provisions for leased premises which will not be utilized or leased at a loss, as well as other lease agreements which cannot be cancelled and will not be utilized. Integration costs normally consist of activities which cannot be reported as provisions. Such activities may include a change of brand name (new logo on buildings, vehicles, uniforms, etc.) but may also be personnel costs related to, for example, training, recruitment, relocation and travel, certain customer related costs and other costs related to the adaptation of the acquired operations to Loomis' format. The following criteria must also be fulfilled for costs to be classified as integration costs: i) The cost must not have been applicable had the acquisition not taken place, and ii) The cost is attributable to a project which Company management have identified and monitored, either as a stage in the integration program implemented in conjunction with the acquisition or as a direct result of an immediate review after the acquisition.

The Parent Company's financial reports have been prepared in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 Accounting for Legal Entities. The main accounting principles for the Parent Company can be found in Note 36 on page 82 of the Annual Report for 2010.

### Dividend

The Board of Directors proposes a dividend of SEK 3.75 per share for 2011. The total dividend amounts to 53 percent of net income for the year, which is in line with the dividend levels established in Loomis' policy. The proposed record day for the dividend is Friday, May 11, 2012.

### Outlook for 2012

The Company does not provide forecast information for 2012.

Stockholm, February 2, 2012

Lars Blecko
*President and CEO*

# Review report

***Introduction***
We have reviewed this report for the period 1 January 2011 to 31 December 2011 for Loomis AB. The Board of Directors and the President and CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

***Scope of Review***
We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report 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 is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

***Conclusion***
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, 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, February 2, 2012

PricewaterhouseCoopers AB

Patrik Adolfson
*Authorized Public Accountant*

# Financial reports in brief

## STATEMENT OF INCOME

| MSEK | 2011 Oct–Dec | 2010 Oct–Dec | 2011 Full year | 2010 Full year | 2009 Full year |
|---|---|---|---|---|---|
| Revenue, continuing operations | 2,723 | 2,656 | 10,441 | 10,990 | 11,934 |
| Revenue, acquisitions | 158 | 35 | 532 | 43 | 55 |
| **Total revenue** | **2,881** | **2,691** | **10,973** | **11,033** | **11,989** |
| Production expenses | –2,223 | –2,060 | –8,556 | –8,516 | –9,374 |
| **Gross income** | **659** | **631** | **2,417** | **2,516** | **2,615** |
| Selling and administration expenses | –393 | –399 | –1,506 | –1,634 | –1,778 |
| **Operating income before amortization (EBITA)**[1] | **266** | **232** | **912** | **882** | **837** |
| Amortization of acquisition-related intangible assets | –7 | –4 | –21 | –17 | –17 |
| Acquisition-related costs[2] | –6 | 0 | –42 | 0 | e/t |
| Items affecting comparability[3] | 9 | – | –44 | – | – |
| **Operating income (EBIT)** | **262** | **229** | **805** | **866** | **821** |
| Net financial items | –15 | –30 | –62 | –107 | –115 |
| **Income before taxes** | **247** | **199** | **743** | **759** | **706** |
| Income tax | –67 | –66 | –230 | –262 | –206 |
| **Net income for the period**[4] | **180** | **133** | **513** | **496** | **500** |
| **Key ratios** | | | | | |
| *Real growth, %* | *8* | *0* | *7* | *–1* | *–2* |
| *Organic growth, %* | *2* | *0* | *1* | *–1* | *–3* |
| *Gross margin, %* | *22.9* | *23.5* | *22.0* | *22.8* | *21.8* |
| *Selling and administration expenses as % of total revenue* | *–13.6* | *–14.8* | *–13.7* | *–14.8* | *–14.8* |
| *Operating margin before amortization, %* | *9.2* | *8.6* | *8.3* | *8.0* | *7.0* |
| *Net margin, %* | *6.3* | *4.9* | *4.7* | *4.5* | *4.2* |

[1] Earnings Before Interest, Tax, Amortization of acquisition-related intangible fixed assets, Acquisition-related costs and Items affecting comparability.
[2] Acquisition-related costs are reported as a separate item as from 2011 and, for the period January – December 2011, refer to transaction costs of MSEK 16 (0), restructuring costs of MSEK 1 (0) and integration costs of MSEK 25 (0). Transaction costs for the period January – December 2011 amount to MSEK 0 for acquisitions in progress, to MSEK 16 for completed acquisitions and to MSEK 0 for discontinued acquisitions.
[3] Of the items affecting comparability, MSEK –53 (0) refers to incorrect valuation of assets and liabilities in the Austrian subsidiary (see page 7 for further details), and MSEK 9 (0) refers to a reversal of part of the provision of MSEK 59 which was made in 2007, attributable to overtime compensation in Spain.
[4] Net income for the period is entirely attributable to the Parent Company's shareholders.

## STATEMENT OF COMPREHENSIVE INCOME

| MSEK | 2011 Full year | 2010 Full year | 2009 Full year |
|---|---|---|---|
| **Net income for the period** | **513** | **496** | **500** |
| Actuarial gains and losses after tax | –30 | –94 | –49 |
| Exchange rate differences | 43 | –224 | –150 |
| Cash flow hedges | 4 | –1 | –6 |
| **Other comprehensive income and expenses for the period, net after tax** | **17** | **–320** | **–205** |
| **Total comprehensive income for the period**[1] | **530** | **177** | **295** |

[1] Comprehensive income for the period is entirely attributable to the Parent Company's shareholders.

## DATA PER SHARE

| SEK | 2011 Oct–Dec | 2010 Oct–Dec | 2011 Full year | 2010 Full year | 2009 Full year |
|---|---|---|---|---|---|
| Earnings per share before dilution | 2.47 | 1.82 | 7.03 | 6.80 | 6.85 |
| Earnings per share after dilution[1] | 2.38 | 1.75 | 6.79 | 6.57 | 6.85 |
| Earnings per share, fully diluted[2] | 2.38 | 1.75 | 6.79 | 6.57 | 6.62 |
| Dividend | – | – | 3.50 | 2.65 | 2.25 |
| Number of outstanding shares (millions) | 73.0 | 73.0 | 73.0 | 73.0 | 73.0 |
| Average number of outstanding shares (millions) | 73.0 | 73.0 | 73.0 | 73.0 | 73.0 |

[1] The average price per share during the fourth quarter 2011 amounted to SEK 87.83. For the whole year of 2011 the corresponding figure was SEK 90.31.
[2] Earnings per share, fully diluted, show the earnings per share as if all outstanding warrants had been converted into shares. At full dilution, the number of outstanding shares would amount to 75.6 millions.

## Financial reports in brief

**BALANCE SHEET**

| | 2011 | 2010 | 2009 |
|---|---|---|---|
| **MSEK** | **Dec 31** | **Dec 31** | **Dec 31** |
| **ASSETS** | | | |
| **Fixed assets** | | | |
| Goodwill | 3,281 | 2,582 | 2,760 |
| Acquisition-related intangible assets | 155 | 87 | 65 |
| Other intangible assets | 82 | 66 | 41 |
| Tangible fixed assets | 2,887 | 2,610 | 2,878 |
| Non-interest-bearing financial fixed assets | 459 | 345 | 343 |
| Interest-bearing financial fixed assets | 63 | 29 | 46 |
| **Total fixed assets** | **6,927** | **5,719** | **6,132** |
| **Current assets** | | | |
| Non-interest-bearing current assets | 1,728 | 1,585 | 1,631 |
| Interest-bearing financial current assets | 1 | 19 | 3 |
| Liquid funds | 413 | 259 | 387 |
| **Total current assets** | **2,142** | **1,863** | **2,020** |
| **TOTAL ASSETS** | **9,069** | **7,582** | **8,153** |
| | | | |
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | |
| **Shareholders' equity**[1)] | **3,397** | **3,123** | **3,129** |
| **Long-term liabilities** | | | |
| Interest-bearing long-term liabilities | 2,671 | 629 | 1,480 |
| Non-interest-bearing provisions | 969 | 879 | 820 |
| **Total long-term liabilities** | **3,640** | **1,507** | **2,299** |
| **Current liabilities** | | | |
| Tax liabilities | 169 | 166 | 171 |
| Non-interest-bearing current liabilities | 1,837 | 1,675 | 1,699 |
| Interest-bearing current liabilities | 25 | 1,110 | 855 |
| **Total current liabilities** | **2,032** | **2,951** | **2,725** |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | **9,069** | **7,582** | **8,153** |
| | | | |
| **KEY RATIOS** | | | |
| *Equity ratio, %* | *37* | *41* | *38* |

[1)] Shareholders' equity is entirely attributable to the Company's shareholders.

## Financial reports in brief

### ADDITIONAL INFORMATION INTANGIBLE ASSETS

| | Dec 31, 2011 | | | Dec 31, 2010 | | | Dec 31, 2009 | | |
|---|---|---|---|---|---|---|---|---|---|
| MSEK | Goodwill | Acquisition-related | Other | Goodwill | Acquisition-related | Other | Goodwill | Acquisition-related | Other |
| **Opening balance** | **2,582** | **87** | **66** | **2,760** | **65** | **41** | **2,965** | **79** | **49** |
| Acquisitions/Investments | 569 | 79 | 23 | 35 | 45 | 18 | – | 7 | 20 |
| Amortization/Impairment | – | –22 | –16 | – | –17 | –17 | – | –17 | –24 |
| Divestitures | – | – | – | – | – | –0 | – | – | –0 |
| Exchange rate differences | 130 | 11 | 1 | –213 | –6 | –4 | –205 | –4 | –2 |
| Reclassifications | – | – | 8 | – | – | 29 | – | – | –2 |
| **Closing balance** | **3,281** | **155** | **82** | **2,582** | **87** | **66** | **2,760** | **65** | **41** |

### CHANGE IN SHAREHOLDERS' EQUITY

| | 2011 | 2010 | 2009 |
|---|---|---|---|
| MSEK | Full year | Full year | Full year |
| Opening balance | 3,123 | 3,129 | 2,976 |
| Actuarial gains and losses after tax | –30 | –94 | –49 |
| Exchange rate differences | 43 | –224 | –150 |
| Cash flow hedges | 4 | –1 | –6 |
| **Total other comprehensive income** | **17** | **–320** | **–205** |
| Net income for the period | 513 | 496 | 500 |
| **Total comprehensive income** | **530** | **177** | **295** |
| Dividend paid to Parent Company's shareholders | –256 | –193 | –164 |
| Issue of warrants | – | – | 22 |
| Share-related remuneration[1)] | –1 | 11 | – |
| **Closing balance** | **3,397** | **3,123** | **3,129** |

[1)] Including re-purchase of warrants. As at December 31, 2011 Loomis had 28,915 warrants in own custody.

## Financial reports in brief

### STATEMENT OF CASH FLOWS

| MSEK | 2011 Oct–Dec | 2010 Oct–Dec | 2011 Full year | 2010 Full year | 2009 Full year |
|---|---|---|---|---|---|
| Income before taxes | 247 | 199 | 743 | 759 | 706 |
| Items not affecting cash flow, items affecting comparability and acquisition-related costs | 187 | 196 | 825 | 805 | 880 |
| Financial items paid and received | –8 | –25 | –62 | –107 | –109 |
| Income tax paid | –45 | –107 | –274 | –261 | –147 |
| Change in accounts receivable | 54 | 21 | 28 | –39 | 85 |
| Change in other operating capital employed | 69 | 44 | –58 | 115 | –82 |
| **Cash flow from operations** | **504** | **328** | **1,203** | **1,271** | **1,333** |
| **Cash flow from investment activities** | **–337** | **–323** | **–1,533** | **–790** | **–813** |
| **Cash flow from financing activities** | **–68** | **–121** | **480** | **–586** | **–747** |
| **Cash flow for the period** | **100** | **–116** | **150** | **–104** | **–226** |
| | | | | | |
| Liquid funds at beginning of the period | 317 | 379 | 259 | 387 | 623 |
| Translation differences in liquid funds | –4 | –3 | 3 | –23 | –10 |
| Liquid funds at end of period | 413 | 259 | 413 | 259 | 387 |

### STATEMENT OF CASH FLOWS, ADDITIONAL INFORMATION

| MSEK | 2011 Oct–Dec | 2010 Oct–Dec | 2011 Full year | 2010 Full year | 2009 Full year |
|---|---|---|---|---|---|
| Operating income before amortization (EBITA)[1] | 266 | 232 | 912 | 882 | 837 |
| Depreciation | 169 | 163 | 658 | 687 | 752 |
| Change in accounts receivable | 54 | 21 | 28 | –39 | 85 |
| Change in other operating capital employed | 69 | 44 | –58 | 115 | –82 |
| **Cash flow from operating activities before investments** | **557** | **460** | **1,540** | **1,645** | **1,592** |
| Investments in fixed assets, net | –323 | –263 | –840 | –708 | –803 |
| **Cash flow from operating activities** | **234** | **198** | **700** | **938** | **789** |
| Financial items paid and received | –8 | –25 | –62 | –107 | –109 |
| Income tax paid | –45 | –107 | –274 | –261 | –147 |
| **Free cash flow** | **181** | **66** | **364** | **569** | **533** |
| Cash flow effect of items affecting comparability | –0 | –0 | –1 | –6 | –3 |
| Acquisition of operations[2] | –14 | –61 | –693 | –82 | –9 |
| Dividend paid | – | – | –256 | –193 | –164 |
| Repayments of leasing liabilities | –3 | –2 | –6 | –17 | –38 |
| Change in interest-bearing net debt excluding liquid funds | –65 | –119 | 741 | –375 | –545 |
| **Cash flow for the period** | **100** | **–116** | **150** | **–104** | **–226** |
| | | | | | |
| **KEY RATIOS** | | | | | |
| *Cash flow from operating activities as % of operating income before amortization (EBITA)* | *88* | *85* | *77* | *106* | *94* |
| Investments in relation to depreciation | 1.9 | 1.6 | 1.3 | 1.0 | 1.1 |
| *Investments in % of total revenue* | *11.2* | *9.8* | *7.7* | *6.4* | *6.7* |

[1] Earnings Before Interest, Tax, Amortization of acquisition-related intangible fixed assets, Acquisition-related costs and Items affecting comparability.
[2] As from January 1, 2011, Acquisition of operations include the cash flow effect of acquisiton-related costs.

## Financial reports in brief

### SEGMENT OVERVIEW

| | 2011 | 2010 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|
| MSEK | Oct–Dec | Oct–Dec | Full year | Full year | Full year |
| **Europe** | | | | | |
| Revenue | 1,778 | 1,733 | 6,934 | 7,024 | 7,618 |
| *Real growth, %* | *4* | *1* | *3* | *0* | *–2* |
| *Organic growth, %* | *3* | *0* | *2* | *0* | *–2* |
| Operating income before amortization (EBITA)[1] | 204 | 198 | 714 | 689 | 691 |
| *Operating margin before amortization, %* | *11.5* | *11.4* | *10.3* | *9.8* | *9.1* |
| **USA** | | | | | |
| Revenue | 1,104 | 958 | 4,039 | 4,009 | 4,372 |
| *Real growth, %* | *17* | *0* | *12* | *–3* | *–4* |
| *Organic growth, %* | *1* | *–1* | *0* | *–3* | *–4* |
| Operating income before amortization (EBITA)[1] | 89 | 67 | 295 | 296 | 251 |
| *Operating margin before amortization, %* | *8.1* | *7.0* | *7.3* | *7.4* | *5.7* |
| **Other**[2] | | | | | |
| Revenue | – | – | – | – | – |
| Operating income before amortization (EBITA)[1] | –28 | –33 | –97 | –102 | –104 |
| **Group total** | | | | | |
| Revenue | 2,881 | 2,691 | 10,973 | 11,033 | 11,989 |
| *Real growth, %* | *8* | *0* | *7* | *–1* | *–2* |
| *Organic growth, %* | *2* | *0* | *1* | *–1* | *–3* |
| Operating income before amortization (EBITA)[1] | 266 | 232 | 912 | 882 | 837 |
| *Operating margin before amortization, %* | *9.2* | *8.6* | *8.3* | *8.0* | *7.0* |

### SEGMENT OVERVIEW – BY QUARTER

| | 2011 | | | | 2010 | | | | 2009 |
|---|---|---|---|---|---|---|---|---|---|
| MSEK | Oct–Dec | Jul–Sep | Apr–Jun | Jan–Mar | Oct–Dec | Jul–Sep | Apr–Jun | Jan–Mar | Oct–Dec |
| **Europe** | | | | | | | | | |
| Revenue | 1,778 | 1,813 | 1,713 | 1,630 | 1,733 | 1,777 | 1,749 | 1,765 | 1,892 |
| *Real growth, %* | *4* | *4* | *4* | *1* | *1* | *1* | *0* | *–1* | *–1* |
| *Organic growth, %* | *3* | *2* | *3* | *0* | *0* | *1* | *0* | *–1* | *–1* |
| Operating income before amortization (EBITA)[1] | 204 | 218 | 151 | 141 | 198 | 215 | 142 | 135 | 186 |
| *Operating margin before amortization, %* | *11.5* | *12.0* | *8.8* | *8.7* | *11.4* | *12.1* | *8.1* | *7.6* | *9.8* |
| **USA** | | | | | | | | | |
| Revenue | 1,104 | 1,069 | 971 | 896 | 958 | 987 | 1,057 | 1,006 | 988 |
| *Real growth, %* | *17* | *18* | *13* | *1* | *0* | *–2* | *–3* | *–6* | *–6* |
| *Organic growth, %* | *1* | *0* | *0* | *–1* | *–1* | *–3* | *–3* | *–6* | *–6* |
| Operating income before amortization (EBITA)[1] | 89 | 75 | 67 | 63 | 67 | 78 | 80 | 70 | 71 |
| *Operating margin before amortization, %* | *8.1* | *7.0* | *6.9* | *7.1* | *7.0* | *7.9* | *7.6* | *7.0* | *7.1* |
| **Other**[2] | | | | | | | | | |
| Revenue | – | – | – | – | – | – | – | – | – |
| Operating income before amortization (EBITA)[1] | –28 | –20 | –23 | –26 | –33 | –21 | –24 | –24 | –20 |
| **Group total** | | | | | | | | | |
| Revenue | 2,881 | 2,882 | 2,683 | 2,526 | 2,691 | 2,765 | 2,806 | 2,771 | 2,880 |
| *Real growth, %* | *8* | *9* | *7* | *1* | *0* | *0* | *–1* | *–3* | *–3* |
| *Organic growth, %* | *2* | *1* | *2* | *0* | *0* | *0* | *–1* | *–3* | *–3* |
| Operating income before amortization (EBITA)[1] | 266 | 273 | 195 | 179 | 232 | 271 | 198 | 181 | 237 |
| *Operating margin before amortization, %* | *9.2* | *9.5* | *7.3* | *7.1* | *8.6* | *9.8* | *7.0* | *6.5* | *8.2* |

[1] Earnings Before Interest, Tax, Amortization of acquisitions-related intangible fixed assets, Acquisition-related costs and Items affecting comparability.
[2] Segment Other consists of the Parent Company's costs and certain other Group items.

## Financial reports in brief

**QUARTERLY DATA**

| | 2011 | | | | 2010 | | | | 2009 |
|---|---|---|---|---|---|---|---|---|---|
| **MSEK** | **Oct – Dec** | **Jul – Sep** | **Apr – Jun** | **Jan – Mar** | **Oct – Dec** | **Jul – Sep** | **Apr – Jun** | **Jan – Mar** | **Oct – Dec** |
| **Statement of Income** | | | | | | | | | |
| Revenue | 2,881 | 2,882 | 2,683 | 2,526 | 2,691 | 2,765 | 2,806 | 2,771 | 2,880 |
| Gross income | 659 | 639 | 584 | 535 | 631 | 644 | 620 | 621 | 643 |
| Operating income before amortization (EBITA)[1)] | 266 | 273 | 195 | 179 | 232 | 271 | 198 | 181 | 237 |
| Operating income (EBIT) | 262 | 262 | 114 | 168 | 229 | 267 | 193 | 177 | 233 |
| | | | | | | | | | |
| **Key ratios** | | | | | | | | | |
| *Operating margin before amortization, %* | *9.2* | *9.5* | *7.3* | *7.1* | *8.6* | *9.8* | *7.0* | *6.5* | *8.2* |
| | | | | | | | | | |
| **Cash flow** | | | | | | | | | |
| Current activities | 504 | 418 | 221 | 60 | 328 | 323 | 407 | 212 | 537 |
| Investment activities | –337 | –217 | –856 | – 123 | –323 | –163 | –177 | –126 | –274 |
| Financing activities | –68 | –64 | 567 | 45 | –121 | –71 | –430 | 37 | –296 |
| **Cash flow for the period** | **100** | **137** | **–68** | **–19** | **–116** | **89** | **–200** | **123** | **–32** |
| | | | | | | | | | |
| **Capital employed and financing** | | | | | | | | | |
| Operating capital employed | 2,168 | 2,059 | 2,049 | 1,975 | 1,929 | 1,829 | 2,026 | 2,150 | 2,231 |
| Goodwill | 3,281 | 3,276 | 3,041 | 2,465 | 2,582 | 2,565 | 2,883 | 2,739 | 2,760 |
| Acquisition-related intangible assets | 155 | 163 | 154 | 81 | 87 | 70 | 69 | 73 | 65 |
| Other operating capital | 14 | 38 | 71 | 46 | –43 | –40 | –63 | –46 | –27 |
| **Operating capital** | **5,617** | **5,536** | **5,314** | **4,567** | **4,555** | **4,424** | **4,915** | **4,916** | **5,028** |
| | | | | | | | | | |
| **Key ratios** | | | | | | | | | |
| *Operating capital employed as % of revenue* | *20* | *19* | *19* | *18* | *17* | *16* | *18* | *19* | *19* |
| *Capital employed as % of revenue* | *51* | *51* | *50* | *42* | *41* | *39* | *43* | *42* | *42* |
| | | | | | | | | | |
| **Net debt** | **2,220** | **2,322** | **2,337** | **1,418** | **1,432** | **1,454** | **1,826** | **1,776** | **1,899** |
| **Shareholders' equity** | **3,397** | **3,214** | **2,977** | **3,149** | **3,123** | **2,970** | **3,089** | **3,140** | **3,129** |

[1)] Earnings Before Interest, Tax, Amortization of acquisitions-related intangible fixed assets, Acquisition-related costs and Items affecting comparability.

## Financial reports in brief

### STATEMENT OF INCOME – BY QUARTER

| | 2011 | | | | 2010 | | | | 2009 |
|---|---|---|---|---|---|---|---|---|---|
| **MSEK** | **Oct–Dec** | **Jul–Sep** | **Apr–Jun** | **Jan–Mar** | **Oct–Dec** | **Jul–Sep** | **Apr–Jun** | **Jan–Mar** | **Oct–Dec** |
| Revenue, continuing operations | 2,723 | 2,681 | 2,548 | 2,489 | 2,656 | 2,759 | 2,804 | 2,771 | 2,879 |
| Revenue, acquisitions | 158 | 201 | 135 | 37 | 35 | 6 | 2 | 0 | 1 |
| **Total revenue** | **2,881** | **2,882** | **2,683** | **2,526** | **2,691** | **2,765** | **2,806** | **2,771** | **2,880** |
| Production expenses | –2,223 | –2,243 | –2,100 | –1,991 | –2,060 | –2,120 | –2,186 | –2,150 | –2,237 |
| **Gross income** | **659** | **639** | **584** | **535** | **631** | **644** | **620** | **621** | **643** |
| Selling and administration expenses | –393 | –367 | –389 | –357 | –399 | –373 | –422 | –440 | –407 |
| **Operating income before amortization (EBITA)[1]** | **266** | **273** | **195** | **179** | **232** | **271** | **198** | **181** | **237** |
| Amortization of acquisition-related intangible assets | –7 | –6 | –5 | –4 | –4 | –4 | –5 | –4 | –4 |
| Acquisition-related costs[2] | –6 | –5 | –23 | –7 | 0 | 0 | 0 | 0 | e/t |
| Items affecting comparability[3] | 9 | – | –53 | – | – | – | – | – | – |
| **Operating income (EBIT)** | **262** | **262** | **114** | **168** | **229** | **267** | **193** | **177** | **233** |
| Net financial items | –15 | –15 | –16 | –16 | –30 | –23 | –26 | –27 | –26 |
| **Income before taxes** | **247** | **247** | **98** | **152** | **199** | **244** | **167** | **149** | **206** |
| Income tax | –67 | –82 | –32 | –49 | –66 | –87 | –64 | –45 | –56 |
| **Net income for the period[4]** | **180** | **165** | **65** | **103** | **133** | **157** | **103** | **104** | **150** |
| **KEY RATIOS** | | | | | | | | | |
| *Real growth, %* | *8* | *9* | *7* | *1* | *0* | *0* | *–1* | *–3* | *–3* |
| *Organic growth, %* | *2* | *1* | *2* | *0* | *0* | *0* | *–1* | *–3* | *–3* |
| *Gross margin, %* | *22.9* | *22.2* | *21.8* | *21.2* | *23.5* | *23.3* | *22.1* | *22.4* | *22.3* |
| *Selling and administration expenses as % of total revenue* | *–13.6* | *–12.7* | *–14.5* | *–14.1* | *–14.8* | *–13.5* | *–15.0* | *–15.9* | *–14.1* |
| *Operating margin before amortization, %* | *9.2* | *9.5* | *7.3* | *7.1* | *8.6* | *9.8* | *7.0* | *6.5* | *8.2* |
| *Net margin, %* | *6.3* | *5.7* | *2.4* | *4.1* | *4.9* | *5.7* | *3.7* | *3.8* | *5.2* |
| Earnings per share before dilution (SEK) | 2.47 | 2.26 | 0.89 | 1.41 | 1.82 | 2.14 | 1.41 | 1.43 | 2.06 |

[1] Earnings Before Interest, Tax, Amortization of acquisition-related intangible fixed assets, Acquisition-related costs and Items affecting comparability.

[2] Acquisition-related costs are reported as a separate item as from 2011 and, for the period January – December 2011, refer to transaction costs of MSEK 16 (0), restructuring costs of MSEK 1 (0) and integration costs of MSEK 25 (0). Transaction costs for the period January – December 2011 amount to MSEK 0 for acquisitions in progress, to MSEK 16 for completed acquisitions and to MSEK 0 for discontinued acquisitions.

[3] Of the items affecting comparability, MSEK –53 (0) refers to incorrect valuation of assets and liabilities in the Austrian subsidiary (see page 7 for further details), and MSEK 9 (0) refers to a reversal of part of the provision of MSEK 59 which was made in 2007, attributable to overtime compensation in Spain.

[4] Net income for the period is entirely attributable to the Parent Company's shareholders.

## Financial reports in brief

### BALANCE SHEET – BY QUARTER

| | 2011 | | | | 2010 | | | | 2009 |
|---|---|---|---|---|---|---|---|---|---|
| **MSEK** | **Dec 31** | **Sep 30** | **Jun 30** | **Mar 31** | **Dec 31** | **Sep 30** | **Jun 30** | **Mar 31** | **Dec 31** |
| **ASSETS** | | | | | | | | | |
| **Fixed assets** | | | | | | | | | |
| Goodwill | 3,281 | 3,276 | 3,041 | 2,465 | 2,582 | 2,565 | 2,883 | 2,739 | 2,760 |
| Acquisition-related intangible assets | 155 | 163 | 154 | 81 | 87 | 70 | 69 | 73 | 65 |
| Other intangible assets | 82 | 75 | 70 | 68 | 66 | 60 | 67 | 36 | 41 |
| Tangible fixed assets | 2,887 | 2,789 | 2,646 | 2,490 | 2,610 | 2,550 | 2,768 | 2,738 | 2,878 |
| Non interest-bearing financial fixed assets | 459 | 407 | 371 | 342 | 345 | 428 | 416 | 367 | 343 |
| Interest-bearing financial fixed assets | 63 | 60 | 59 | 78 | 29 | 28 | 53 | 45 | 46 |
| **Total fixed assets** | **6,927** | **6,768** | **6,340** | **5,525** | **5,719** | **5,701** | **6,256** | **5,999** | **6,132** |
| **Current assets** | | | | | | | | | |
| Non interest-bearing current assets | 1,728 | 1,831 | 1,858 | 1,677 | 1,585 | 1,613 | 1,858 | 1,931 | 1,631 |
| Interest-bearing financial current assets | 1 | 1 | 2 | 9 | 19 | 7 | 3 | 3 | 3 |
| Liquid funds | 413 | 317 | 170 | 234 | 259 | 379 | 311 | 500 | 387 |
| **Total current assets** | **2,142** | **2,149** | **2,031** | **1,920** | **1,863** | **1,998** | **2,171** | **2,433** | **2,020** |
| **TOTAL ASSETS** | **9,069** | **8,917** | **8,371** | **7,444** | **7,582** | **7,699** | **8,428** | **8,432** | **8,153** |
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | | | | | | | |
| **Shareholders' equity**[1)] | **3,397** | **3,214** | **2,977** | **3,149** | **3,123** | **2,970** | **3,089** | **3,140** | **3,129** |
| **Long-term liabilities** | | | | | | | | | |
| Interest-bearing long-term liabilities | 2,671 | 2,642 | 2,496 | 1,644 | 629 | 1,307 | 1,349 | 1,276 | 1,480 |
| Non interest-bearing provisions | 969 | 953 | 864 | 799 | 879 | 981 | 988 | 857 | 820 |
| **Total long-term liabilities** | **3,640** | **3,595** | **3,360** | **2,444** | **1,507** | **2,288** | **2,337** | **2,133** | **2,299** |
| **Current liabilities** | | | | | | | | | |
| Tax liabilities | 169 | 150 | 114 | 89 | 166 | 213 | 248 | 191 | 171 |
| Non interest-bearing current liabilities | 1,837 | 1,901 | 1,848 | 1,668 | 1,675 | 1,666 | 1,910 | 1,920 | 1,699 |
| Interest-bearing current liabilities | 25 | 58 | 72 | 95 | 1,110 | 562 | 844 | 1,048 | 855 |
| **Total current liabilities** | **2,032** | **2,108** | **2,033** | **1,851** | **2,951** | **2,441** | **3,002** | **3,159** | **2,724** |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | **9,069** | **8,917** | **8,371** | **7,444** | **7,582** | **7,699** | **8,428** | **8,432** | **8,153** |
| **KEY RATIOS** | | | | | | | | | |
| *Equity ratio, %* | *37* | *36* | *36* | *42* | *41* | *39* | *37* | *37* | *38* |

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

## Financial reports in brief

### CASH FLOW – BY QUARTER

| | 2011 | | | | 2010 | | | | 2009 |
|---|---|---|---|---|---|---|---|---|---|
| **MSEK** | **Oct – Dec** | **Jul – Sep** | **Apr – Jun** | **Jan – Mar** | **Oct – Dec** | **Jul – Sep** | **Apr – Jun** | **Jan – Mar** | **Oct – Dec** |
| **Additional information** | | | | | | | | | |
| Operating income before amortization (EBITA)[1] | 266 | 273 | 195 | 179 | 232 | 271 | 198 | 181 | 237 |
| Depreciation | 169 | 169 | 159 | 162 | 163 | 169 | 177 | 178 | 175 |
| Change in accounts receivable | 54 | –28 | 22 | –20 | 21 | –48 | 52 | –63 | 132 |
| Change in other operating capital employed | 69 | 68 | –67 | –128 | 44 | 27 | 65 | –21 | 15 |
| **Cash flow from operating activities before investments** | **557** | **482** | **308** | **193** | **460** | **420** | **490** | **275** | **559** |
| Investments in fixed assets, net | –323 | –205 | –195 | –116 | –263 | –161 | –168 | –116 | –274 |
| **Cash flow from operating activities** | **234** | **277** | **113** | **77** | **198** | **259** | **323** | **159** | **286** |
| Financial items paid and received | –8 | –21 | –9 | –25 | –25 | –28 | –23 | –31 | –25 |
| Income tax paid | –45 | –43 | –79 | –108 | –107 | –68 | –58 | –27 | 3 |
| **Free cash flow** | **181** | **213** | **26** | **–56** | **66** | **162** | **241** | **100** | **264** |
| Cash flow effect of items affecting comparability | –0 | –0 | –0 | –0 | –0 | –0 | –1 | –4 | –0 |
| Acquisition of operations[2] | –14 | –12 | –660 | –7 | –61 | –2 | –10 | –10 | – |
| Dividend paid | – | – | –256 | – | – | – | –193 | – | – |
| Repayments of leasing liabilities | –3 | –4 | 4 | –4 | –2 | –8 | –5 | –2 | –6 |
| Change in interest-bearing net debt excl liquid funds | –65 | –60 | 818 | 49 | –119 | –64 | –232 | 39 | –290 |
| **Cash flow for the period** | **100** | **137** | **–68** | **–19** | **–116** | **89** | **–200** | **123** | **–32** |
| | | | | | | | | | |
| **KEY RATIOS** | | | | | | | | | |
| *Cash flow from operating activities as % of operating income before amortization (EBITA)* | *88* | *102* | *58* | *43* | *85* | *95* | *163* | *88* | *121* |

[1] Earnings Before Interest, Tax, Amortization of acquisition-related intangible fixed assets, Acquisition-related costs and Items affecting comparability.
[2] As from January 1, 2011, Acquisition of operations include the cash flow effect of acquisiton-related costs.

## Financial reports in brief

**KEY RATIOS**

| | 2011 | 2010 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|
| | Oct–Dec | Oct–Dec | Full year | Full year | Full year |
| *Operating margin before amortization, %* | 9.2 | 8.6 | 8.3 | 8.0 | 7.0 |
| *Cash flow from operating activities as % of operating income before amortization (EBITA)* | 88 | 85 | 77 | 106 | 94 |
| *Return on capital employed, %* | 16 | 19 | 16 | 19 | 17 |
| *Real growth, %* | 8 | 0 | 7 | –1 | –2 |
| *Organic growth, %* | 2 | 0 | 1 | –1 | –3 |
| *Total growth, %* | 7 | –7 | –1 | –8 | 6 |
| Earnings per share before dilution, SEK | 2.47 | 1.82 | 7.03 | 6.80 | 6.85 |
| *Equity ratio, %* | 37 | 41 | 37 | 41 | 38 |
| Net debt, MSEK | 2,220 | 1,432 | 2,220 | 1,432 | 1,899 |

# Definitions

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

### Return on capital employed, %
Operating income before amortization (EBITA) as a percentage of the closing balance of capital employed.

### Real growth, %
Increase in revenue for the period, adjusted for changes in exchange rates, as a percentage of the previous year's revenue.

### Organic growth, %
Increase in revenue for the period, adjusted for acquisition/divestitures and changes in exchange rates, as a percentage of the previous year's revenue adjusted for divestitures.

### Total growth, %
Increase in revenue for the period as a percentage of the previous year's revenue.

### Earnings per share before dilution
Net income for the period in relation to the number of shares outstanding at the end of the period.
Calculation for:
Oct–Dec 2011: 180/73,011,780 x 1,000,000 = 2.47
Jan–Dec 2011: 513/73,011,780 x 1,000,000 = 7.03

### Earnings per share after dilution
Calculation for:
Oct–Dec 2011: 180/75,566,780 x 1,000,000 = 2.38
Jan–Dec 2011: 513/75,566,780 x 1,000,000 = 6.79

### Earnings per share fully dilutied
Calculation for:
Oct–Dec 2011: 180/75,566,780 x 1,000,000 = 2.38
Jan–Dec 2011: 513/75,566,780 x 1,000,000 =6.79

### Operating income before amortization (EBITA)
Earnings before interest, taxes, amortization of acquisition-related intangible fixed assets, acquisition-related costs and items affecting comparability.

### Operating margin before amortization, %
Earnings before interest, taxes, amortization of acquisition-related intangible fixed assets, acquisition-related costs and items affecting comparability, as a percentage of revenue.

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

### Return on equity
Net income for the period as a percentage of the closing balance of shareholders' equity.

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

### Other
Amounts in tables and other combined amounts have been rounded off on an individual basis. Minor differences due to this rounding-off, may, therefore, appear in the totals.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## Information meeting

An information meeting will be held on February 2, 2012 (09:30 a.m. CET).
This meeting will be held at Hallvarsson & Halvarsson, Sveavägen 20, Stockholm.

To listen to the meeting proceedings by telephone (and to participate in the question and answer session), please register in advance by using the following link:
https://eventreg2.conferencing.com/webportal3/reg.html?Acc=007175&Conf=207220
and follow the instructions, or by calling +46 (0)8 505 201 14 or +44 (0)207 1620 177.

The meeting can also be viewed online at www.loomis.com/investors/reports&presentations

A recording of the webcast will be available at www.loomis.com/investors/reports&presentations after the information meeting, and a telephone recording of the meeting will be available until midnight February 16, 2012 on telephone number +46(0)8 505 203 33 and +44 (0)20 7031 4064, code 910231.

## Future reporting and meetings

| | | |
|---|---|---|
| Interim report | January – March | May 8, 2012 |
| Interim report | January – June | August 1, 2012 |
| Interim report | January – September | November 9, 2012 |

Loomis´ Annual General Meeting will be held on Tuesday, May 8, 2012 in Stockholm. The Annual Report for 2011 will be available at www.loomis.com in April 2012.

## For further information

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Questions can also be sent to: ir@loomis.com. Refer also to the Loomis website: www.loomis.com

Loomis AB discloses information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. This information was submitted for publication on Thursday, February 2, 2012 at 8:00 a.m (CET).

Managing **cash** in society.

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