

# Press Release

May 16, 2011



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*This press release has been published in Swedish and English. In the event of any discrepancy in content between the language versions, the Swedish version shall prevail.*

## Securitas launches a public offer to the shareholders and the warrant holders in Niscayah

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**Securitas AB ("Securitas"), a global knowledge leader within specialised guarding and security services, today announces a public offer to acquire all shares and warrants of Niscayah Group AB ("Niscayah"), a global technical security services company (the "Offer").**

### Summary:

- The acquisition of Niscayah is an important strategic step in order for Securitas to improve the abilities to offer its customers comprehensive security programmes in the form of specialised physical security solutions within guarding, technical security solutions as well as consulting and crisis management services.
- Securitas estimates that the acquisition will create cost synergies of approximately SEK 200 million annually, with full effect from 2013. Restructuring costs are estimated to amount to approximately SEK 250 million in 2011 and 2012. The acquisition is expected to be accretive to earnings per share from 2013 when the cost synergies are fully realised.
- The Offer to the shareholders of Niscayah consists of new class A and class B shares in Securitas. For every 4.19 class A and class B shares respectively in Niscayah, each shareholder will receive one (1) class A and class B share in Securitas respectively.
- The Offer represents a premium of approximately 34 percent compared to Niscayah's volume weighted average share price of approximately SEK 11.97 during the last three months up to and including May 13, 2011 being the last day of trading prior to announcement of the Offer.
- Niscayah's largest shareholders, Latour, Säkl and MSAB believe that there is a strong industrial rationale behind the acquisition and have stated that they support the Offer.
- The acceptance period of the Offer is expected to commence on June 20, 2011 and expire on July 18, 2011. An extraordinary general meeting in Securitas will be held on June 13, 2011 to adopt the necessary resolutions to issue the consideration shares.

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"Niscayah complements Securitas through its strategic expertise on how security technologies can be integrated into a comprehensive solution for the highest possible quality, cost efficiency and customer value. The acquisition of Niscayah allows Securitas to, with its own resources, master specialised security services, security technology and qualified security advice, which significantly strengthens Securitas competitiveness." says Alf Göransson, Securitas' President and CEO.

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### **Background and reasons for the Offer**

Securitas has distributed a number of divisions to its shareholders which have been listed as separate companies on NASDAQ OMX Stockholm. These are Assa Abloy (1994), Securitas Direct (2006), Securitas Systems (2006) (now Niscayah) and Loomis (2008).

Niscayah was distributed in order to enhance transparency, specialisation and shareholder value. Today, Securitas believes that there are apparent advantages in combining the operations of Niscayah and Securitas. Particularly when considering that the companies have maintained a strong commercial relationship since the separation, as Securitas is one of Niscayah's largest customers.

The acquisition of Niscayah is an important strategic step in order for Securitas to improve the ability to offer its customers comprehensive security programmes in the form of specialised physical security solutions within guarding, technical security solutions as well as consulting and crisis management services. Securitas estimates that the acquisition will generate cost synergies of approximately SEK 200 million annually, with full effect from 2013.

Securitas values the skills Niscayah's management and staff possess and wishes to maintain a good relationship with Niscayah's management and employees. Securitas currently has no intention to make any significant changes regarding Niscayah's employees, their terms of employment or the locations where the company conducts business.

### **The Offer**

For every 4.19 class A Niscayah shares tendered, each shareholder will receive one (1) new class A share in Securitas and for every 4.19 class B Niscayah shares tendered, each shareholder will receive one (1) new class B share in Securitas. The Offer is equivalent to a value of approximately SEK 16.00 per Niscayah share.<sup>1</sup> The total offer value for all shares in Niscayah amounts to approximately SEK 5.8 billion.<sup>2</sup>

Compared to Niscayah's volume weighted average share price on NASDAQ OMX Stockholm during the last three months up to and including May 13, 2011 of approximately SEK 11.97<sup>3</sup>, the Offer represents a premium of approximately 34 percent.<sup>4</sup> Compared to the last closing price on NASDAQ OMX Stockholm on May 13, 2011 of SEK 12.25 per share, being the last day of trading prior to announcement of the Offer, the Offer represents a premium of approximately 31 percent.

Securitas offers each holder of warrants 2007/2012, SEK 0.05 in cash for each warrant.<sup>5</sup>

Only whole shares in Securitas will be issued to Niscayah shareholders who accept the Offer. Fractions of shares will be combined and sold in the market, and the net proceeds will thereafter be distributed between the Niscayah shareholders concerned with respect to the size of every shareholder's fraction of a Securitas share.

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<sup>1</sup> Based on the latest closing price for Securitas' share on NASDAQ OMX Stockholm on May 13, 2011 of SEK 67.05 per share.

<sup>2</sup> Based on 364,058,897 outstanding Niscayah shares.

<sup>3</sup> Adjusted for dividend in Niscayah of SEK 0.30 per share.

<sup>4</sup> Based on the latest closing price for Securitas' share on NASDAQ OMX Stockholm on May 13, 2011 of SEK 67.05 per share.

<sup>5</sup> Under the terms of the warrants, each warrant entitles the holder to subscribe for one new Niscayah class B share at an exercise price of SEK 30 per share at any time up to and including June 30, 2012. The consideration offered for the warrants represents an equivalent premium as for the shares, namely 34 percent compared to its theoretical value as per the day of this press release. There are 5,000,000 warrants outstanding.



No commission will be charged in connection with the Offer.

Securitas does not currently own any shares or warrants issued by Niscayah.

### Financial effects on Securitas

Set out below is a summary of financial information based on a combination of Securitas' and Niscayah's financial accounts for the full year 2010 and the first quarter of 2011 assuming that 100 percent of the shares are tendered in the Offer. The financial information is derived from each company's public financial reports and has not been adjusted with regard to estimated synergies, restructuring, integration or transaction costs, transactions between the companies or amortisation of any excess value that arises in connection with the acquisition.

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SEKbn	Securitas	Niscayah	Adjustments	The combined group
<b>Full year 2010</b>				
Sales	61.3	6.6		68.0
EBITA <sup>1</sup>	3.7	0.4		4.1
EBIT	3.5	0.2		3.6
Free cash flow	2.0	0.3		2.3
Capital employed <sup>2</sup>	17.1	2.8	4.0	24.0
Net debt	8.2	1.0		9.2
Equity <sup>2</sup>	8.9	1.8	4.0	14.8
EBITA margin	6.1%	6.1%		6.1%
Net debt / Equity	0.92	0.56		0.62
<b>Jan-Mar 2011</b>				
Sales	14.8	1.5		16.3
EBITA	0.7	0.1		0.8
EBIT	0.6	0.1		0.7
Free cash flow	-0.4	0.1		-0.2
Capital employed <sup>2</sup>	17.2	2.8	4.0	24.1
Net debt	8.4	1.0		9.4
Equity <sup>2</sup>	8.8	1.8	4.0	14.7
EBITA margin	4.8%	5.7%		4.9%
Net debt / Equity	0.95	0.58		0.64

<sup>1</sup> Niscayah's EBITA in 2010 excludes restructuring costs of SEK 0.2bn as declared by Niscayah.

<sup>2</sup> The adjustment consists of a share issue of SEK 5.8bn and elimination of Niscayah's equity of SEK 1.8bn as per end of March 2011.

Acquisition related intangible assets, including existing goodwill in Niscayah and recognition of deferred taxes, is expected to amount to approximately SEK 6.5 billion. Purchase price allocation has not yet been established. A preliminary allocation will be announced in the offer document. Restructuring and integration costs are estimated to amount to a total of approximately SEK 250 million during 2011 and 2012. The acquisition is expected to be accretive to earnings per share from 2013 when the cost synergies, which are estimated to approximately SEK 200 million annually, are fully realised.

Further pro forma financial information for the new group under IFRS (International Financial Reporting Standards) will be included in the offer document relating to the Offer.



### Ownership structure

If the Offer is accepted in its entirety, Securitas' current shareholders will hold a total of approximately 81 percent of the capital and approximately 81 percent of the votes in Securitas, and Niscayah's current shareholders will hold a total of approximately 19 percent of the capital and approximately 19 percent of the votes in Securitas, after the completion of the Offer. The number of Securitas shares amounts to 17,142,600 class A shares and 347,916,297 class B shares, corresponding to a total of 365,058,897 outstanding shares. The number of Niscayah shares amounts to 17,142,600 class A shares and 346,916,297 class B shares, corresponding to a total of 364,058,897 outstanding shares.<sup>1</sup> As a result of the Offer, 4,091,312 class A shares and 82,796,252 class B shares, corresponding to a total of 86,887,564 shares will be issued (assuming full acceptance of the Offer). After completion of the Offer, the number of Securitas shares will thus amount to 21,233,912 class A shares and 430,712,549 class B shares, corresponding to a total of 451,946,461 outstanding shares. The table below sets out the largest shareholders in Securitas after completion of the Offer.

Name	No. of		Share of	
	class A shares	class B shares	Capital	Votes
Säkl AB	10,705,273	5,059,069	3.5%	17.4%
Investment AB Latour	4,954,654	29,017,923	7.5%	12.2%
Melker Schörling AB	5,573,985	21,004,804	5.9%	11.9%
Swedbank Robur fonder	-	22,474,683	5.0%	3.5%
Didner & Gerge fonder	-	18,565,040	4.1%	2.9%
SEB fonder	-	16,743,394	3.7%	2.6%
Lannebo fonder	-	13,105,472	2.9%	2.0%
Akila Finance SA	-	9,400,877	2.1%	1.5%
Carnegie fonder (Sverige)	-	8,921,500	2.0%	1.4%
Länsförsäkringar fondförvaltning	-	8,798,955	1.9%	1.4%
Other	-	277,620,832	61.4%	43.2%
<b>Total</b>	<b>21,233,912</b>	<b>430,712,549</b>	<b>100.0%</b>	<b>100.0%</b>

Source: SIS Ägarservice as per March 31, 2011 and thereafter known changes.

### Completion conditions of the Offer

Completion of the Offer is conditional upon:

- 1) the Offer being accepted to such an extent that Securitas becomes the owner of shares representing more than 90 percent of the outstanding shares of Niscayah on a fully diluted basis;
- 2) Securitas' shareholders adopting the resolutions necessary to issue new Securitas shares in connection with the Offer;
- 3) with respect to the Offer and completion of the acquisition of Niscayah, all necessary regulatory, governmental or other similar clearances, approvals and decisions to consummate the Offer, including approvals from competition authorities, being obtained, in each case on terms which, in Securitas opinion, are acceptable;
- 4) no other party announcing an offer to acquire shares in Niscayah on terms that are more favourable to the shareholders of Niscayah than the Offer;
- 5) neither the Offer nor the acquisition of Niscayah being rendered partially or wholly impossible or significantly impeded as a result of legislation or other regulation, any

<sup>1</sup> Excluding 1,000,000 treasury shares.



decision of court or public authority, or any similar circumstance, which is actual or can reasonably be anticipated, and which Securitas could not reasonably have foreseen at the time of announcement of the Offer;

- 6) no circumstances, which Securitas did not have knowledge of at the time of announcement of the Offer, having occurred that have or can be expected to have a material adverse effect upon Niscayah's sales, profit, liquidity, equity or assets;
- 7) no information made public by Niscayah being materially inaccurate, incomplete or misleading, and Niscayah having made public all information which should have been made public by it; and
- 8) Niscayah not taking any measures that are likely to impair the prerequisites for making or implementing the Offer.

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Securitas reserves the right to withdraw the Offer in the event that it is clear that any of the above conditions is not satisfied or cannot be satisfied. However, with regard to conditions 4-8, the Offer may only be withdrawn provided that the non-satisfaction of such condition is of material importance to Securitas' acquisition of Niscayah.

Securitas reserves the right to waive, in whole or in part, one, several or all of the conditions set out above, including, with respect to condition 1, to complete the Offer at a lower level of acceptance.

#### **Statements of intention by major shareholders**

The largest shareholders in Niscayah, Investment AB Latour, Säkl AB and Melker Schörling AB ("the Principal Owners"), together representing 18.3 percent of the capital and 42.6 percent of the votes, have stated that they are supportive of the Offer. The Principal Owners, who also are principal owners in Securitas, believe there is a strong industrial rationale behind the acquisition and support the transaction in its entirety. The Principal Owners have stated that they will accept the Offer under the condition that, before the end of the acceptance period, no competing offer, which they believe is more favourable for the shareholders of Niscayah, has been made. The Principal Owners who in total represent 16.6 percent of the capital and 41.3 percent of the votes in Securitas, have also announced that they will vote in favour of a share issue in connection with a merger with Niscayah at an extraordinary general meeting in Securitas.

#### **Extraordinary general meeting in Securitas**

The Board of Directors of Securitas has decided to convene an extraordinary general meeting to adopt the necessary shareholder resolutions to issue the consideration shares. The meeting will be held on June 13, 2011 and the notice will be published on May 18, 2011.

#### **Certain related party information**

Carl Douglas who is a board member of Securitas as well as of Niscayah has announced that he has not participated in, and will not participate in the evaluation of the Offer within the board of Niscayah. However, Carl Douglas has participated in the board of Securitas and will also continue to be part of any deliberations, decision-making or other measures in relation to the Offer in his capacity as board member in Securitas going forward.

The Board of Directors of Niscayah will commission and publish a fairness opinion no later than two weeks prior to the expiration of the acceptance period.



#### **Indicative timetable**

The offer document regarding the Offer is expected to be published on or around June 14, 2011. The acceptance period of the Offer is expected to commence on June 20, 2011 and expire on July 18, 2011.

Subject to the Offer being declared unconditional no later than on or around July 22, 2011, settlement is expected to commence on or around July 29, 2011. Securitas reserves the right to extend the acceptance period as well as the right to defer the date for settlement.

#### **Compulsory acquisition and de-listing**

In the event that Securitas, whether in connection with the Offer or otherwise, obtains more than 90 percent of the shares in Niscayah, Securitas intends to commence a compulsory acquisition procedure under the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)) to acquire all remaining Niscayah shares. In connection therewith, Securitas intends to promote a de-listing of the Niscayah shares from NASDAQ OMX Stockholm.

#### **Applicable law and disputes**

Swedish law, NASDAQ OMX's rules regarding public offers on the stock market (the "Takeover Rules"), the Swedish Securities Council's rulings regarding interpretation and application of the Takeover Rules, and, where applicable, the Swedish Securities Council's former rulings regarding interpretation and application of the Swedish Industry and Commerce Stock Exchange Committee's rules on public offers, are applicable on the Offer.

In accordance with the Swedish Act on Public Takeovers on the Stock Market (Sw. lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden), Securitas has on May 5, 2011 undertaken towards NASDAQ OMX to comply with the Takeover Rules, the Swedish Securities Council's rulings regarding interpretation and application of the Takeover Rules, and, where applicable, the Swedish Securities Council's former rulings regarding interpretation and application of the Swedish Industry and Commerce Stock Exchange Committee's rules on public offers, and submit to the sanctions that NASDAQ OMX may decide upon in event of infringement of the Takeover Rules. Securitas informed the Swedish Financial Supervisory Authority about the Offer and the above mentioned undertaking on May 16, 2011. Any dispute relating to, or arising in connection with, the Offer shall be settled exclusively by Swedish courts, with the Stockholm City Court as the court of first instance.

#### **Advisers**

SEB Enskilda acts as financial adviser and Roschier Advokatbyrå AB as legal adviser to Securitas.

Stockholm May 16, 2011

Securitas AB

*The Board of Directors*

Securitas AB discloses the information provided herein pursuant to the Securities Market Act and the Takeover Rules. The information was submitted for publication on May 16, 2011 at 08.00 (CET).

**Press conference today at 11.00 (CET) for further information**

In respect of the Offer, Securitas will arrange a press conference today, May 16, at 11.00 (CET), at Securitas' Head Office, Lindhagensplan 70, Stockholm, with President and CEO Alf Göransson. Media and analysts are welcome, no pre announcement is needed.

The press conference can also be followed on the Internet, please go to [www.securitas.com/en/Investor-relations](http://www.securitas.com/en/Investor-relations).

To participate in the press conference, please dial in five minutes before the press conference starts, on:

Sweden: +46 (0)8 505 598 53

UK: +44 (0) 203 043 24 36

A recorded version of the web cast of the press conference will be made available on Securitas' website after the press conference.

**For more information please contact:**

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**Securitas in brief**

Securitas is a global knowledge leader in security. The main service offering categories are specialised guarding, mobile security services, monitoring and consulting and investigation services for homes, workplaces and the society. Securitas employs approximately 280,000 people in 45 countries in North America, Europe, Latin America, the Middle East, Asia and Africa.

In 2010, Securitas' sales amounted to approximately SEK 61 billion and the operating income amounted to approximately SEK 3.7 billion. Securitas has a market capitalisation of approximately SEK 25 billion and is listed on NASDAQ OMX Stockholm, Large Cap.

For more information visit [www.securitas.com](http://www.securitas.com).

**Niscayah in brief**

Niscayah is a leading security company specialised in technical security solutions and system integration. Niscayah offers complete security solutions for customers with high security demands within segments such as bank and post, retail, utilities, transport and logistics and gas stations. Niscayah has approximately 5,300 employees and operates in 14 countries in Europe and in the U.S.

In 2010, Niscayah's sales amounted to approximately SEK 6.6 billion and the operating profit amounted to approximately SEK 0.2 billion. Niscayah has a market capitalisation of approximately SEK 4.5 billion and is listed on NASDAQ OMX Stockholm, Mid Cap.

For more information visit [www.niscayah.com](http://www.niscayah.com).

**Important Information**

The Offer pursuant to the terms and conditions presented in this press release is not being made to persons whose participation in the Offer requires that an additional offer document is prepared or registration effected or that any other measures are taken in addition to those required under Swedish law.

This press release and any related offer documentation are not being distributed and must not be mailed or otherwise distributed or sent in or into any country in which the distribution or offering would require any such additional measures to be taken or would be in conflict with any law or regulation in such country – any such action will not be permitted or sanctioned by Securitas. Any purported acceptance of the Offer resulting directly or indirectly from a violation of these restrictions may be disregarded.

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The Offer is not being made, directly or indirectly, by use of mail or any other means or instrumentality (including, without limitation, facsimile transmission, electronic mail, telex, telephone and the internet) in or into Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the U.S., and the Offer cannot be accepted by any such use, means, instrumentality or facility of, or from within Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the U.S. Accordingly, this press release and any related offer documentation are not being and should not be mailed or otherwise distributed, forwarded or sent in or into Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the U.S.

Securitas will not deliver any consideration from the Offer into Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the U.S.

This press release is not being, and must not be, sent to shareholders with registered addresses in Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the U.S. Banks, brokers, dealers and other nominees holding shares for persons in Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the U.S. must not forward this press release or any other document received in connection with the Offer to such persons.

The shares in Securitas have not been, and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”), and may not be offered or sold in the U.S. unless such registration under the Securities Act is made, or an exemption from such registration is available.