

SECURITY BEYOND EXPECTATION

Niscayah Year-end Report

January–December 2008

President and CEO

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CFO

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OVERVIEW



Niscayah

- Sales: >MSEK 8,009
- Employees: 6,270
- Countries: 17
- Niscayah; is a world leading security partner offering complete security solutions for clients with high security demands within market segments such as banking and finance, industry, defense, healthcare and retail.
- Niscayah's services are based on modern technology and include access control, video surveillance, intrusion protection and fire alarm systems.



Highlights Group Q4, 2008

- Growth; 14 percent
- Strong cash flow
- Restructuring program amounting to MSEK 275
- Market conditions declining affecting margins negatively, especially within implementation.
- Our focus
 - Increasing sales on our customer base
 - Service sales on new customers
- 38 percent of total sales is attributable to service

Mainland Europe

Generally weak market conditions

Restructuring program

- Focus on sales of services and profitable growth
- Meet decreased demand

Organization

- Strengthening customer service
- Strengthening financial control

Integration of G4S in Germany

- According to plan
- National service coverage

Mainland Europe, continued

Service

- Growth in sales of service offering
- Service share; 42 percent

Fragmented market

- Low market share on a fragmented market gives Niscayah possibility to drive profitable growth

Netherlands

- Acquisition of Secuvision after the end of the reporting period

US/UK/Ireland

US

- Operations developing according to plan
- Strengthening customer service
- Focus on increased service revenue

UK

- New management in place
- Focus on increased service revenue

Service

- Service share 27 percent

Strengthening the business model

Restructuring program to refine Niscayah's strategy

- Strong customer focus
- Increase sales of services
- Decrease selling and administrative expenses
- Prepare for a decreasing demand (particularly within implementation)

Drive profitable growth



FINANCIALS

Financial highlights Q4, 2008

Sales growth

- Sales growth: Q4, 2008:14 percent, Q4, 2007: 13 percent

Impacting items affecting the quarter

- Costs related to restructuring program MSEK 275
- Rebranding 10 MSEK

Weakened margins

- EBITA margin exclusive restructuring program: Q4, 2008: 9.3 percent and Q4, 2007: 11.8 percent

Cash flow

- Operational cash flow: Q4, 2008: MSEK 326 and Q4, 2007: MSEK 228
- Percent of operating income in Q4 2008: 148% and Q4, 2007: 92%

Restructuring program

Restructuring program affecting;

- Costs of goods sold MSEK 87
- Selling and administrative expenses MSEK 188
- Cash flow MSEK-48

Cost related to restructuring program per geographical segment:

- Mainland Europe MSEK 217
- US/UK/Ireland MSEK 32

Yearly estimated savings per segment

- Mainland Europe MSEK 246
- US/UK/Ireland MSEK 81

Estimated full-year savings

- MSEK 340

Income statement for the Group (excluding restructuring program and impairment losses of goodwill)

MSEK	Jan-Dec 2008	Jan-Dec 2007	Oct-Dec 2008	Oct-Dec 2007
Sales	8,009	7,260	2,389	2,097
Cost of goods sold	-5,314	-4,735	-1,607	-1,377
Gross Income	2,695	2,525	782	720
Selling and administrative expenses	-2,132	-1,847	-561	-473
Operating income before amortization (EBITA)	563	678	221	248
Amortization and impairment of acquisition related intangible assets	-26	-20	-9	-5
Operating income (EBIT)	537	658	213	242
Financial income and expenses	-138	-68	-52	-37
Income before tax	399	590	160	205
Tax	-74	-167	-1	-50
Net income for the period	326	423	160	155

The Group, January – December 2008

Total sales

- MSEK 8,009 (7,260)
- Growth 10 %
- Currency effects MSEK 108

Operating income before amortization (EBITA) exclusive restructuring program

- MSEK 563 (678)
- Operating margin 7.0% (9.3)

Operating margin adjusted for branding, project write-down in Norway and restructuring in Germany

- Adjusted operating margin: 8.1% (9.3)

The Group, January – December 2008, continued

Selling and administrative expenses exclusive restructuring program

- MSEK -2,132 (-1,847)
- Margin 27 % (25)

Tax

- Tax expenses for the period amounted to MSEK 74 (168). The tax expense for 2008 includes adjustments of previous years' tax expense of MSEK 18 and other non-deductable costs of MSEK 13. Adjusted for these items, the tax rate for the year will be 34.4 percent. For the fourth quarter, tax expenses amounted to MSEK 1 (50).

Acquisition

- Acquisitions during the period have contributed MSEK 268 in sales and MSEK 8 in operating income (EBIT) excluding costs of the restructuring program.

Financial net

- Financial net during the period amounted to -138 (-68), whereof -12 (0) related to changes in foreign exchange rates.
- During the fourth quarter, the Group's financial net amounted to MSEK -52 (-37) and was impacted by MSEK -6 (-7). The foreign exchange rate effects are primarily related to the Group's internal lending which is made in the subsidiaries local currency.
- The Group's interest exposure, because of the Group's credit facility, which runs on the basis of variable rates of interest, is managed by deploying interest rate derivatives, whose valuation effects are included in the Group's net interest income.
- As of December 31, 2008, the average fixed-interest term was 14.2 months.

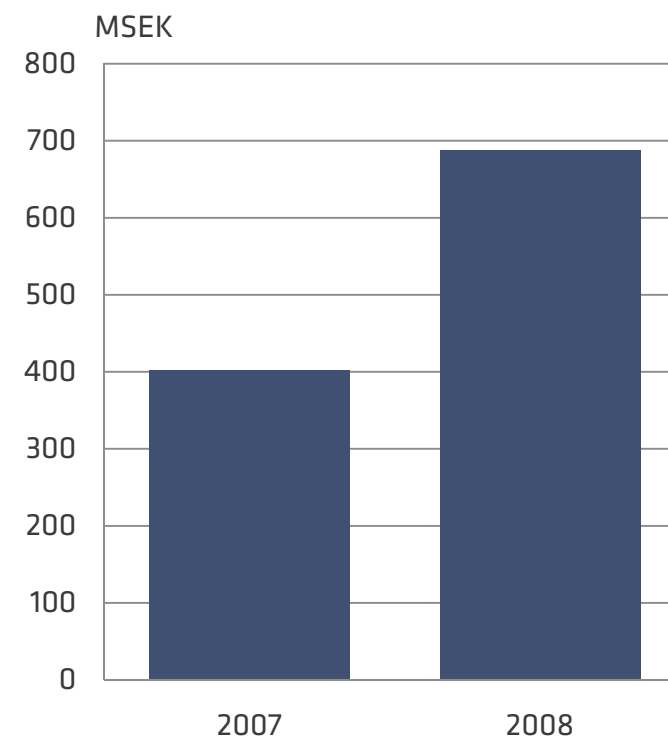
Cash flow

Cash conversion

- Jan-Dec 2008 = 122% of operating income*
- Jan-Dec 2007 = 59% of operating income
- Operating cash flow MSEK 687 (403)
- Increased cash flow due to a lower level of working capital
- Impacted by restructuring costs with MSEK -48

*before amortization and restructuring program
EBITA

JAN-DEC OPERATING CASH FLOW



Return on capital employed (ROCE) (excluding restructuring program)

Impact of recent acquisitions

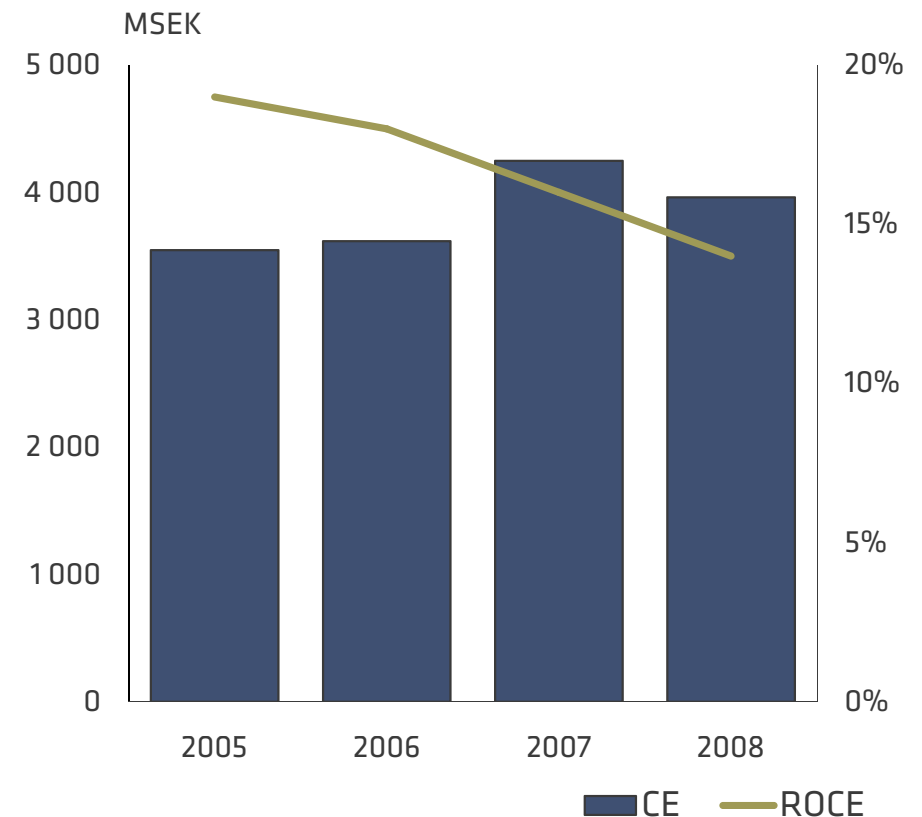
- G4S, Germany (2008)
- CIS Spa, Italy (2007)
- PEI, USA (2007)
- National Commercial, USA (2008)
- Other minor acquisitions

Financing

- Equity = 52 %
- Net debt = 48 %

ROCE adjusted for restructuring program

- MSEK 3,962
- 14 %



Mainland Europe

MSEK	Jan-Dec 2008	Jan-Dec 2007	Oct-Dec 2008	Oct-Dec 2007
Sales	6,172	5,468	1,828	1,623
Sales growth, %	13	18	13	22
Operating income before amortization (EBITA)	591	692	196	234
EBITA margin, %	9.6	12.7	10.7	14.0
Operating income (EBIT)	576	681	192	230
Operating margin (EBIT), %	9.3	12.5	10.5	14.2
Operating capital employed	798	1,112	-	-
Operating capital employed as % of sales	14	20	-	-
Capital employed	2,439	2,553	-	-

Mainland Europe, January – December 2008

Total sales

- MSEK 6,172(5,468)
- Growth 13 %
- Currency effects MSEK 180

Restructuring program

- Costs related to restructuring program MSEK 217
- Estimated savings MSEK 246

Operating income before amortization (EBITA) exclusive restructuring program

- MSEK 591 (692)
- Operating margin 9.6% (12.7)

Mainland Europe, continued

Operating margin (EBITA) adjusted for project write-down in Norway and restructuring in Germany

- Adjusted operating margin 10.3% (12.7)

Acquisition of G4S in Germany

- Integration according to plan

Organization

- New Finance Director in Denmark

The Netherlands

- Acquisition of Secuvision after end of reporting period.
- Sales during 2008 approximately MSEK 15.
- 9 Employees

US/UK/Ireland

MSEK	Jan-Dec 2008	Jan-Dec 2007	Oct-Dec 2008	Oct-Dec 2007
Sales	1,774	1,740	540	457
Sales growth, %	2	2	18	-10
Operating income before amortization (EBITA)	105	77	55	40
EBITA margin, %	5.9	4.5	10.3	8.8
Operating income (EBIT)	93	68	51	38
Operating margin (EBIT), %	5.3	3.9	9.4	8.3
Operating capital employed	221	345	-	-
Operating capital employed as % of sales	13	19	-	-
Capital employed	1,053	1,752	-	-

US/UK/Ireland, January – December 2008

Total sales for the period

- MSEK 1,774 (1,740)
- Growth 2 %
- Currency effects MSEK -69

Restructuring program

- Costs related to restructuring program MSEK 32
- Savings estimated to amount to 81 MSEK

Operating income before amortization (EBITA) exclusive restructuring program

- MSEK 105 (77)
- Operating margin 5.9 % (4.5)

US/UK/Ireland, continued

US

- Acquisition of National Commercial integrating according to plan. Contribution to sales during the fourth quarter MSEK 14, and contribution to result MSEK 0.

OUTLOOK



Outlook 2009

- Outlook for 2009:
- During 2009, Niscayah will prioritize margins over growth. The market is expected to be characterized by weak growth 2009.

Summary

- Total growth of 10 percent
- Strong cash flow
- Weakened market conditions
- Impairment losses of goodwill, during Q3 mainly attributable to business in UK
- Costs negatively impacting the period:
 - Restructuring program
 - Branding
 - Norway
 - Restructuring cost in Germany
- Prioritization of service offerings and profitable growth
- Focus on cost control and cash flow

Main focus area – increase service share and make the business, especially the implementation part, more efficient

Q & A





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