Annual Report 2014

Loomis is the specialist in cash handling – locally and globally

LOOMIS

Contents

Annual General Meeting 2015

The Annual General Meeting 2015 will take place at 5 p.m. CET on Wednesday, May 6, 2015 in Grünewaldsalen, Stockholm Concert Hall. Read more on page 29.

Financial calendar for 2015

Interim Report January – March	**May 6**
Interim Report January – June	**July 31**
Interim Report January – September	**November 6**
Year-End Report for 2015	**February 4, 2016**

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

2014 in brief

Acquisition of VIA MAT

On May 5, 2014 Loomis acquired all of the shares in the Swiss company, VIA MAT Holding AG. The acquisition enables Loomis to expand its service offering beyond the existing service lines, Cash in Transit and Cash Management Services, to include International Services. The acquisition increases Loomis' geographical presence to include a number of additional countries. The purchase price adjusted for acquired net liquid funds amounted to around CHF 200 million.

The operating income (EBITA) for 2014 amounted to SEK 1,370 million (1,099).

The Board of Directors is proposing raising the dividend for 2014 to SEK 6.00 (5.00) per share.

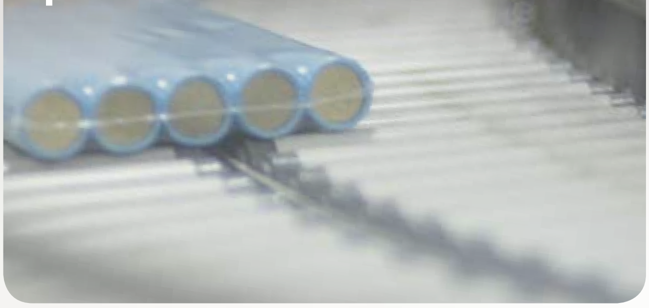
Growth for Loomis' cash management services (CMS) in the USA

In June 2014 it was announced that Loomis' US subsidiary had signed a contract with Bank of America to take over the bank's cash processing services at around 30 locations in the USA. Once fully integrated, the new contract is expected to generate annual revenue of around USD 20 million. Revenue from CMS in the USA will then account for around one third of Loomis' total revenue in the USA. The contract is the single largest CMS contract that Loomis has signed in the USA.

The largest contract since Loomis entered the stock exchange

In October it was announced that Loomis' subsidiary in the UK had signed a contract with Tesco. Under the contract Loomis will provide replenishment and maintenance services for all of Tesco's 3,700 ATMs throughout the UK. The contract is the single largest new contract that Loomis has signed since the stock exchange listing in 2008. Once fully integrated the annual revenue is expected to exceed GBP 20 million.

Loomis' Class B shares rose by 48 percent in 2014.



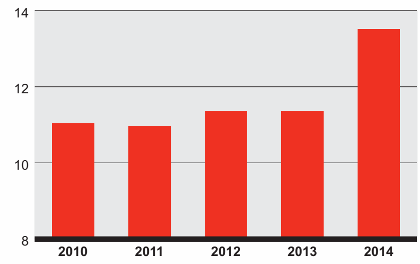
New financial targets

SEK 17 billion in revenue by 2017

Loomis has not defined a revenue target in the past. Since 2010 revenue has grown by around 5 percent a year. The Group's revenue amounted to SEK 13.5 billion in 2014.

Loomis has a revenue target of at least SEK 17 billion by 2017. Loomis is in a strong position and is focusing on increased growth. Looms' future growth is expected to primarily come from increased outsourcing of cash management services (CMS), Loomis SafePoint®, International Services and value-enhancing add-on services, as well as acquisitions in both existing and new markets.

REVENUE 2010–2014, SEK BILLION

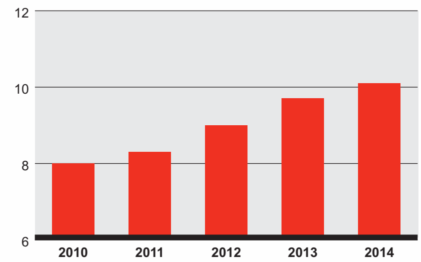


Operating margin (EBITA) of 10–12 percent

Loomis' operating margin was 10.1 percent in 2014.

Loomis will continue to focus on constant margin improvement and has identified opportunities to further improve the operating margin. The new target is an expected operating margin of 10–12 percent. The target represents a higher growth objective, where the cost of investing in growth activities may offset short-term margin improvements.

OPERATING MARGIN (EBITA) 2010–2014, %

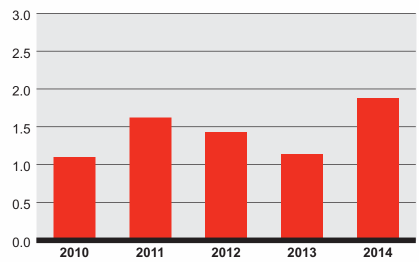


Net debt in relation to EBITDA not to exceed 3.0

Net debt/EBITDA amounted to 1.9 at year-end 2014.

Loomis' target for the Group's maximum net debt/EBITDA ratio was previously 2.5. The new target is a maximum net debt/EBITDA ratio of 3.0. The higher target allows Loomis to take advantage of opportunities that are aligned with the Company's growth objectives and acquisition criteria. Loomis has determined that the operational risk has steadily decreased and that Loomis can therefore permit a higher level of financial risk.

NET DEBT/EBITDA 2010–2014

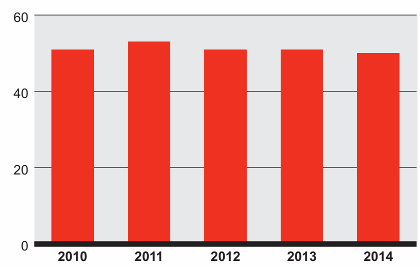


Annual dividend of 40–60 percent of the Group's income after tax

The dividend proposed to the 2015 Annual General Meeting represents 50 percent of the Group's income after tax. Over the past five years, Loomis shareholders have received an average annual dividend of 49 percent of net income. Historically, Loomis has achieved constant improvement in operating income and cash flow, and has maintained a stable capex level.

Loomis wants this trend to continue as this will enable the Company to maintain an average dividend of 40–60 percent of net income for the year.

ANNUAL DIVIDEND 2010–2014, %



About **Loomis**

Loomis is the specialist in cash handling. Cash handling includes cash in transit and cash management services. Loomis offers these services nationally as well as internationally through its International Services offering.

Cash in Transit (CIT)

Loomis transports cash to and from stores, banks and automatic teller machines (ATMs). Loomis collects daily receipts, supplies retail customers and banks with cash and foreign currency, and replenishes ATMs.

Cash Management Services (CMS)

Daily receipts and cash from retailers, bank offices and ATMs are normally transported to one of Loomis' cash centers where Loomis, using efficient processes and state-of-the-art equipment, counts, quality assures and packages bills and coins.

Loomis also provides services for analyzing, forecasting and reporting customer cash flows, as well as customized solutions for retailers, such as Loomis SafePoint®.

International Services

International Services includes cross-border transportation, management and storage of cash, precious metals and other valuables, as well as general cargo services.

Loomis in numbers

Employees	**21,000**
Countries	**20**
Branches	**400**
CIT vehicles	**6,500**
ATMs	**100,000**
Loomis SafePoint® (USA)	**13,000**

Growth on the agenda

2014 was a successful year for Loomis. We reached the financial targets we set in 2010 and we have set ambitious new ones for the future. Our successes during the year include winning several new contracts and implementing a substantial and strategically important acquisition. Our many years of hard work building up a company that delivers high-quality services while maintaining good profitability has delivered the desired results and has created a stable financial foundation for the Company. Now we are aiming even higher with our sights on growth while maintaining our focus on developing our margins in a positive direction.

Ever since Loomis was listed on the stock exchange in 2008, when I was serving as the Company's CFO, we have had a robust business concept as a foundation from which to purposefully and consistently develop our services, improve quality and efficiency, and increase profitability. This has yielded results.

Delivering on targets

As I now summarize my first full year as President and CEO of Loomis, I am proud to say that the financial targets we set for our business in 2010 have been reached. We have achieved our most important target – an operating margin of 10 percent by 2014. Our operating margin for the full year 2014 was 10.1 percent. Our cash flow has remained stable and in 2014, cash flow from operating activities was 85 percent of operating income.

We categorize our branches according to a very simple principle: performing or underperforming. Underperforming means that the branch is not contributing to the Group's earnings when all costs have been allocated. In 2009 when 30 percent of our branches were underperforming, we believed we could reduce that number to 15 percent. We reached this target in 2014 as well.

Another target was to distribute 40–60 percent of our net profits as dividends every year. The average since 2010 has been 49 percent. Over the past five years we have increased our earnings per share by an average of 16 percent per year. Earnings per share will remain an important key ratio for us in the future because it gives a clear indication of how we are improving the business and creating value for our shareholders.

A focus on the Loomis Model pays off

The single most important explanation for our success in continuously improving performance and income is our focus on what we call the Loomis Model. We have a highly decentralized organizational structure and our 400 plus branches are given extensive responsibility for their own operations.

The Loomis Model unites our organization through a number of common values, our Code of Conduct, processes and principles outlining how we operate, how we work and, not least, how we evaluate our operations. It provides us with a solid foundation, and promotes a highly result-oriented culture and an organization that emphasizes learning, where constant improvement is a natural aspect of operations at every branch.

The model has helped us improve quality and operating margins quarter by quarter in essentially all of the past 20 quarters. The vast majority of our branches have improved their margins every year, and since 2010 we have raised the percentage of branches contributing to our earnings from 74 percent to 85 percent. We are constantly working on the model, laying the foundations for a sound organization with high quality services and good profitability.

Another key reason for our steadily improving margins is our focus on increasing the proportion of cash management services (CMS), as this area provides higher margins than cash in transit (CIT). At our important US market, the proportion of CMS revenue in relation to total CIT and CMS revenue has increased from 22 percent in 2010 to 29 percent in 2014. For the Group as a whole, the proportion of CMS revenue in relation to total CIT and CMS revenue has grown from 30 to 32 percent.

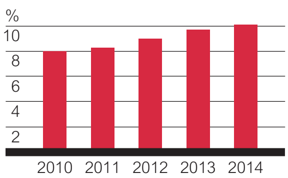
Loomis' culture of objectives

We were already convinced a year ago that we would reach our financial targets in 2014. At that time we started identifying new targets to reach by the end of 2017.

For us the process of setting new targets is a key aspect of how we run the Company. The first step is to allow our 400 plus branches to determine for themselves which profitability and volume growth targets are achievable but also challenging. We then work together,

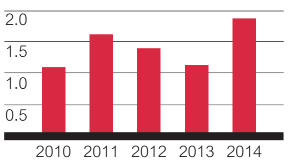
Loomis' targets 2010–2014

OPERATING MARGIN (EBITA)



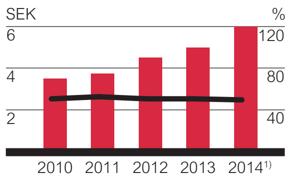
An operating margin (EBITA) of 10 percent by 2014, at the latest.

NET DEBT/EBITDA



Net debt/EBITDA maximum 2.5.

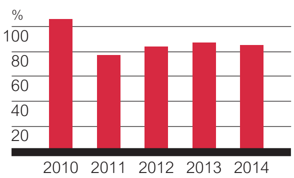
ANNUAL DIVIDEND



Annual dividend equivalent to 40–60 percent of the Group's income after tax.

1) Dividend proposed to the 2015 Annual General Meeting.

CASH FLOW FROM OPERATING ACTIVITIES AS A % OF EBITA



Cash flow from operating activities should amount to at least 85 percent of operating income.

through a number of different steps, to assess goals and agree on realistic and stimulating targets. These targets are then followed up and evaluated on a monthly, quarterly and yearly basis. The process is detailed and time-consuming, but it also promotes strong engagement and commitment at the branch level among those responsible for ensuring that the necessary measures are implemented so that the Group as a whole can reach its targets. Combined, the individual branch targets become overall Group targets for growth, operating margin, debt level and dividend. The process has proven to be a big success over time. To date we have always delivered on our targets.

We think this is worth celebrating. In 2011 all of the branch managers and national, regional and Group management met in Barcelona to celebrate the fact that we had achieved the targets set for 2010 and to discuss the way forward towards the next milestone. In March 2015 the destination will be Orlando and the purpose will be the same.

Today Loomis is a stable company. We have demonstrated our capacity by constantly reaching our targets. This gives us a strong foundation to stand on and enables us to maintain our focus on profitability while also prioritizing growth.

It is time for the next phase in Loomis' development!

New financial targets

On September 25 we held a Capital Markets Day in London at which we announced our new financial targets. For the first time we introduced a growth target to achieve revenue of SEK 17 billion in 2017. Our revenue in 2014 was SEK 13.5 billion.

Growth will take place both organically and through acquisitions. The main component in the growth process will be an increased focus on CMS in the USA, where we expect development to go in the same direction as in Europe and where we will see an increasing desire among banks to outsource their cash management processes. We also believe there is strong growth potential in the USA for our Loomis SafePoint® concept – our cash management system for retailers – and, not least, growth in our new international offering to our customers.

We also see substantial opportunities for growth through acquisitions and potential for acquisitions in both new and existing markets. We expect additional acquisitions in existing markets to make the biggest contribution to our revenue target for 2017, but we also expect

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the small acquisitions we intend to make in new markets to provide us with knowledge and the platform we need in order to grow in the longer term.

Depending on how the ratio between future organic growth and acquisitions develops, the effect on our operating margin will vary. It always takes time to integrate an acquisition into the organization and achieve positive effects. Investment in various types of growth activities costs money and we have therefore set a target of an operating margin of 10–12 percent. If we make no acquisitions at all, we can achieve 12 percent by maintaining our focus on working according to the Loomis Model, implementing continuous improvements, developing our branches and continuing to reduce the number of underperforming branches. At the same time we will maintain our efforts to increase the proportion of CMS of our total business, which will provide higher margins. We have also identified significant potential for economies of scale through our new International Services segment.

To allow us to take advantage of growth opportunities on the acquisition side, we have increased our net debt/EBITDA ratio to a level we consider acceptable. The goal is for our net debt not to exceed three times our operating income before amortization and depreciation. We believe that our strong cash flow, a predictable and stable capital expenditure rate, combined with a reasonable net debt/EBITDA ratio, all put us in a strong position to achieve our growth objective. We will continue to monitor our cash flow carefully and we will in the future allocate a proportionately larger amount of our resources to projects with higher margins, such as expanded CMS operations in the USA and Loomis SafePoint®.

Loomis has a history of a shareholder-friendly dividend policy. It is our ambition to continue on this path and we expect our income and cash flow to support a dividend remaining at 40–60 percent of net income.

New contracts and acquisitions

2014 was an exciting and successful year from a business perspective as well. We won several new contracts for important customers in both the USA and Europe. For example, we secured an assignment in the UK with Tesco – one of the country's biggest retail chains – and with Bank of America in the USA. The Tesco contract is the largest one since Loomis was listed on the stock exchange in 2008 and is expected to generate revenue of more than GBP 20 million a year. Annual revenue from the Bank of America contract amounts to around USD 20 million and this is our most extensive CMS contract ever in the USA. It is important because it involves Loomis taking over a large portion of the bank's cash processing services. We see this as a result of our efforts to improve quality and develop our services, as well as our investment in modern cash processing centers. This progress boosts our confidence in our ability to attract new customers and more assignments of this type in the future. Our model, where a focus on quality leads to profitability and growth, really works.

During the year we implemented our largest acquisition ever when we purchased the Swiss company VIA MAT, one of the leading companies in international cash and valuables handling. Through this acquisition we added another segment to our product portfolio. This increases our global presence significantly and complements our already strong offering in Switzerland. Now we can customize comprehensive solutions to our customers' needs for transportation, storage and management of cash, precious metals and other valuables – both nationally and internationally. The integration process is progressing according to plan and we expect to see the full effect of the acquisition over the next few years.

Long-term sustainable development

For Loomis it is important to develop a company that is sustainably prosperous and efficiently run to create value for our stakeholders. The shareholders must be able to feel confident that our strategy and our development will result in profitable growth over the long term. To ensure this happens, it is important for our employees to know that we are creating a safe working environment and exciting challenges for them, and for our customers to know that we are here for them for the long term, delivering high-quality services in a responsible way. Being a cash handling company naturally requires us to maintain high standards with respect to the safety of our employees, customers and the general public, but also in terms of integrity and compliance with rules and regulations.

Being a specialist in cash handling also involves a significant amount of transportation, which impacts our environment. We are working on improving the efficiency of our transport processes – to cut costs as well as to reduce environmental impact – without risking the safety or health of our employees, or our customers' assets and security. We are also working proactively to reduce the safety risks that exist in our line of business. A focus on ethics and values as well as clear routines are key aspects of this work.

We have introduced three clear and prioritized focus areas to meet these challenges. We aim to be the most attractive employer in our industry, offering good job security and terms of employment, while reducing our environmental and climate impact, and never accepting unethical behavior. To ensure our progress in these areas, we measure our development on an ongoing basis using the key performance indicators we have established.

To the Nordic Large Cap list

One exciting sign of the Company's positive development in 2014 is that from January 1, 2015 the Loomis share is being traded on the Large Cap list at NASDAQ OMX Stockholm. This is a result of the strong share price development in 2014 which has enabled us to meet the criteria for being listed as a Large Cap company. Since 2008 we have increased our market capitalization from SEK 4 billion to SEK 17 billion.

In conclusion, I am proud of the fact that in 2014 we have reached our targets and generated sustainable value for our stakeholders. Also, I am enthusiastic about working with all of our fantastic employees to take on the challenge of reaching the new targets we have set and to lead Loomis into the future. I am convinced that the future for our company will be at least as exciting and value-generating as in the past.

Stockholm, March 2015

Jarl Dahlfors
President and CEO

Vision, goals and **strategy**

Loomis' tried and tested business model has laid the foundations for offering services of an increasingly high quality and improving profitability. With the new financial targets and the Loomis Model as a foundation, Loomis is ready to increase the focus on growth – both organically and through acquisitions – in a developing cash handling market.

Loomis is a leading international supplier of cash handing services. By offering banks and retailers secure cash in transit (CIT) and cash management services (CMS), Loomis is creating the most efficient flow of cash in society.

Growing cash handling market

Cash is the most common payment method and is the foundation for the world's flow of payments, regardless of where in the world we are and what the state of the economy is. Although the amount of cash in circulation varies from country to country, people in all income brackets and age ranges use cash, particularly for small value transactions.

In most parts of the world the volume of cash is increasing as economies grow. But as new payment alternatives are being developed it is reasonable to assume that the percentage of cash transactions will fall over time in most of Loomis' markets. This trend will lead to a situation where banks in particular, but also retail companies, will want to outsource their cash management to companies like Loomis. This in turn will lead to growth in the cash handling market – the market Loomis is focusing on.

High quality through improved efficiency and innovation

Loomis' service offering involves assuming the customer's risks associated with managing, transporting and storing valuable assets. High quality is therefore crucial in order to earn the confidence of the customers.

For Loomis, quality means adding value and exceeding customer expecta-

Loomis' vision:

- To be the undisputed specialist in managing cash in society.

Loomis' business concept:

- To create the most efficient flow of cash in society.

tions. Over the years, by improving the efficiency of processes and methods and through a strong capacity for innovation, high ethics and moral behavior, Loomis has succeeded in providing more efficient and secure cash management services. Loomis is also able to guarantee that the right amount of cash is at the right place at the right time.

Model for quality and profitability lays the foundation for growth

Loomis has a decentralized organizational structure with around 400 branches in 20 countries with responsibility for their own performance and profitability. A high level of independence requires a clear and simple business model; a model that provides synergies and facilitates successful operational management of the branches.

Loomis' formula for how the Company is to be run is called the Loomis Model. The model is based on Loomis' core values and Code of Conduct, and describes how Loomis, based on a number of important principles, organizes and runs the business with the support of Loomis' business processes. The model includes a framework for setting targets and an opportunity for a constant exchange of experiences, follow-up and benchmarking between branches.

Loomis' high quality service execution, in combination with the Loomis Model for operational management has, over the years, enabled the Company to set and achieve high objectives in terms of improved margins, and an increasing number of and more profitable branches. Since 2008 Loomis' operating margin has developed from 6.6 percent to 10.1 percent in 2014. Loomis has thus grown into a strong company and built a stable foundation for a new strategic focus phase: Growth.

Strategy for long-term growth

The willingness of various players to outsource cash management services is a central and key aspect of Loomis' development. Similarly, Loomis' capacity for innovation and economies of scale, which come from holding a leading market position, impact the Company's future growth.

Loomis has therefore identified five strategic focus areas for growth: organic growth through an increased proportion of cash management services and more Loomis SafePoint® units – primarily in the USA, but over time in other countries where Loomis operates, an expansion of the service offering in the form of Loomis International Services, value-enhancing add-on services and growth through acquisitions.

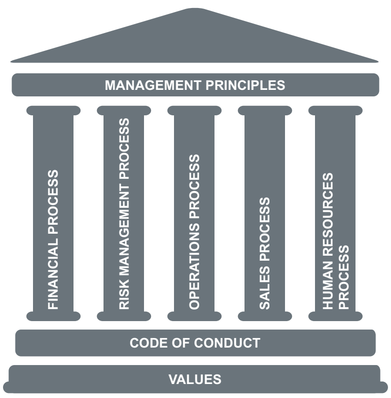
Organic growth will be achieved by offering a more complete offering in all markets, i.e. using Loomis' existing expertise to develop the services that are close to Loomis core business and thus offer more comprehensive and customized solutions. Acquisitions, on the other hand, lead to growth when Loomis enters new or expands in existing markets, or adds new services to the offering.

Conditions vary from market to market

A global presence brings a variety of opportunities in different markets. Socio-economic conditions, cash volumes and bank markets vary from country to coun-

The Loomis Model

Our formula for running a successful business



- The Loomis Model is based on Loomis' core values and Code of Conduct, and describes how Loomis, based on a number of principles and business processes, organizes and runs the business.
- Loomis' business processes are the financial process, risk management process, operations process, sales process and human resources process.
- The principles include guidelines for leadership, work organization and monitoring business performance.

try. The propensity to outsource cash management services also varies from region to region, which affects the maturity of the cash handling market. Loomis' business therefore looks very different in the 20 countries where the Company operates.

In growth markets and markets with high cash usage, demand for cash in transit is great and often growing. In immature markets the ratio of cash in transit to cash management services is high, but the trend is clear: there is a strong and growing demand for cash management services. Banks that previously engaged in limited cash management outsourcing are now beginning to use Loomis as part of their strategy to focus on their own core business. Loomis predicts strong organic growth in cash management services, and towards value-enhancing services and innovative solutions such as Loomis SafePoint®. In mature markets with low cash volumes and a high ratio of outsourcing, there is a demand for increasingly sophisticated and comprehensive cash management solutions. The main growth opportunities for Loomis are therefore in mature markets in value-enhancing services, such as management of foreign currency and valuables.

New financial targets reflect growth ambitions

New financial targets were presented in 2014 in line with Loomis' strategy of achieving increased growth. The targets reflect, among other things, Loomis' growth ambitions up to the end of 2017. With the new financial targets in place and continued implementation of the Loomis Model, Loomis is taking advantage of the opportunities in both cash-intensive markets and markets where cash usage is not as prevalent. In addition to strategic acquisitions, Loomis intends to grow through increased outsourcing of cash management services, Loomis SafePoint®, International Services and value-enhancing add-on services. Loomis is thereby focusing on long-term, sustainable operations that create value for customers, shareholders, employees and other stakeholders.

Loomis aims to grow as outsourcing of cash handling services increases, through Loomis SafePoint®, International Services, value-enhancing add-on services, and through acquisitions.

The Loomis Model is yielding results in the UK

The UK cash handling market has not been free from challenges in recent years. Due to a highly competitive market, profitability has been weak. Loomis has made intense efforts to restructure the business in line with the Loomis Model's simple and clear principles. Solid proof that these efforts have paid off is that, in addition to improved service quality, efficiency and profitability, Loomis in the UK in 2014 signed its biggest contract since the stock exchange listing in 2008.

The UK cash handling market has been called challenging by many. The country was hit hard by the financial crisis which, in combination with the existence of many players and tough competition, led to low margins in the UK cash handling market. Within Loomis it was assumed that these market conditions were a major factor in the increase in the number of underperforming branches. Loomis' management was not satisfied with this explanation and therefore launched a process to improve the UK operations. This involved applying the Loomis Model to ensure quality, followed by profitability and ultimately to deliver growth.

Branches are the heart of our business

Loomis has built a new internal structure and restructured parts of the support functions and management levels that were created. Branch managers were given clear responsibility for performance and profitability. The branches are at the heart of Loomis and responsibility for operations and performance rests on the shoulders of the branch managers.

The branch managers have assumed a leadership role in which they are close and visible to the customers and their teams, and have a clear vision for their business and results. Responsibility for income and profitability includes the task of setting targets. According to the Loomis Model, the targets are to be clearly specified and reflect Loomis' ambition to efficiently manage cash in society. They must be measurable and realistic, but challenging as well. This is also the reason that Loomis is constantly measuring, monitoring and managing the development.

Reaching targets

The targets and KPIs were updated at all 25 branches in the UK, and they have been monitored on a constant basis ever since. When KPIs are measured it becomes clear where improvement is needed; for example, faster turnaround times, more efficient routes and increased quality in all operations. Performance is compared between the various branches in order to incentivize employees to perform even better and, not least, to learn from each other on how to work in a smarter, more efficient way.

One of the measures implemented in the UK was a review of country management and a requirement for all new contracts to be approved to ensure that price levels are correct in relation to Loomis' service offering. Investments and upgrades were made. The staff were provided with further training and given clearly-defined areas of responsibility. Altogether, these measures have helped bring about significant quality and profitability improvements at most of the branches in the UK, where budgets, forecasts and actuals are now better aligned.

Record contract with Tesco

The quality improvements resulted in several new assignments for Loomis. In 2014 Loomis signed a contract with Tesco, one of the UK's largest supermarket chains. Under the contract Loomis will provide replenishment and maintenance services for all of Tesco's 3,700 ATMs throughout the UK. Once fully integrated the annual revenue is expected to exceed GBP 20 million, which is equivalent to around SEK 230 million. The contract is the single largest new contract that Loomis has signed since the stock exchange listing in 2008 and is expected to lead to around 200–250 new jobs.

Methodical work according to the Loomis Model has thus resulted in increased dedication among employees, higher quality in Loomis' services, fewer underperforming branches and improved profitability.

Loomis in the UK:

- Market position: 2
- Number of employees: Just over 2,000
- Number of branches: 25

Financial **targets**

Loomis' overall goal is to create value for shareholders by generating good profitability and sustainable growth. With a history of success in reaching targets, Loomis continued to present strong financial results in 2014. During the year new financial targets were presented. They are in line with Loomis' strategy and reflect the Group's growth ambitions up to the end of 2017.

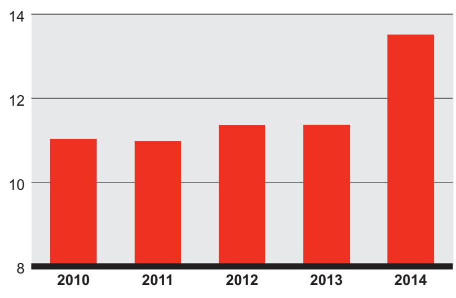
REVENUE

SEK 17 billion in revenue by 2017

Loomis has not defined revenue targets in the past. Since 2010 revenue has grown by around 5 percent a year. In 2014 the Group's revenue amounted to SEK 13.5 billion.

Loomis now has a revenue target of at least SEK 17 billion by 2017. Loomis is in a strong position and is focusing on increased growth. Loomis' future growth is expected to primarily come from increased outsourcing of cash management services (CMS), Loomis SafePoint®, International Services and value-enhancing add-on services, as well as acquisitions in both existing and new markets.

REVENUE 2010–2014, SEK BILLION



TARGET

SEK 17 billion

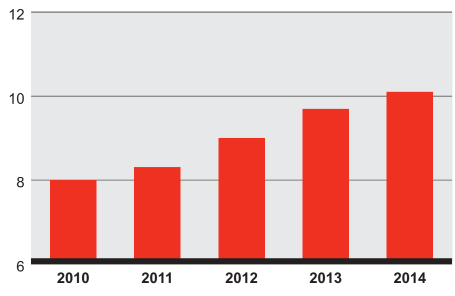
OPERATING MARGIN (EBITA)

An operating margin (EBITA) of 10–12 percent

Since the stock exchange listing in 2008, Loomis has focused on improving operational quality and increasing operating margins. Today, the Company is maintaining high quality and an operating margin of around 10 percent.

Loomis will continue to focus on constant margin improvements and has identified opportunities to further improve the operating margin. The new target is an expected operating margin of 10–12 percent. This target represents a higher growth objective, where the cost of investing in growth activities may offset short-term margin improvements.

OPERATING MARGIN (EBITA) 2010–2014, %



TARGET

10–12%

Loomis' tried and tested business model has laid the foundations for high-quality services and good profitability. Loomis is now ready for to raise its growth ambitions. The market conditions for organic growth are considered good as outsourcing of cash management services (CMS) is increasing. Loomis also sees opportunities for growth through Loomis SafePoint®, International Services and value-enhancing add-on services, as well as through acquisitions in existing markets to strengthen the Company's market position or by entering new markets. This will enable Loomis to reach its financial targets and contribute to long-term sustainable business that creates value for Loomis' shareholders.

GROWTH

- Cash Management Services (CMS)
- Loomis Safe Point®
- International Services
- Value-enhancing add-on services
- Acquisitions

PROFITABILITY ✔

Continuous margin improvements through comparisons and exchanging experiences to increase the percentage of performing branches.

Continuous margin improvements through comparisons and exchanging experiences to increase the percentage of performing branches.

QUALITY ✔

The Loomis Model

The Loomis Model

The Loomis Model

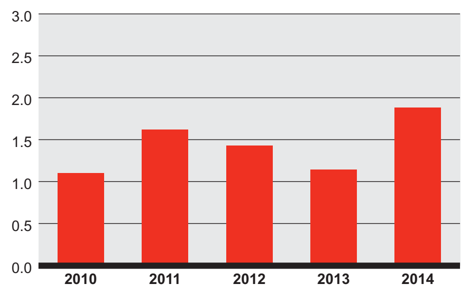
NET DEBT/EBITDA

Net debt in relation to EBITDA is not to exceed 3.0

Loomis' target for the Group's maximum debt/EBITDA was previously 2.5.

The new target is a maximum net debt/EBITDA of 3.0. The higher target will allow Loomis to take advantage of opportunities that are aligned with the Company's growth ambition and acquisition criteria. Loomis has concluded that the operating risk has steadily decreased and that Loomis can therefore permit a higher level of financial risk. Net debt/EBITDA amounted to 1.9 at year-end 2014.

NET DEBT/EBITDA 2010–2014



TARGET

Not exceeding 3.0

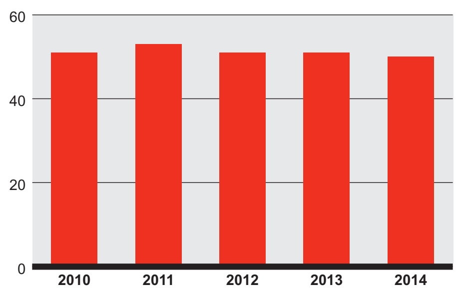
DIVIDEND

Annual dividend of 40–60 percent of the Group's income after tax

Over the past five years, Loomis' shareholders have received an average annual dividend of 49 percent of net income. Historically, Loomis has achieved constant improvement in operating income and cash flow, and has maintained a stable capital expenditure level.

Loomis wants this trend to continue as this will enable the Company to maintain an average dividend of 40–60 percent of net income for the year. The dividend proposed to the 2015 Annual General Meeting represents 50 percent of the Group's net income after tax.

ANNUAL DIVIDEND 2010–2014, %



TARGET

40–60%

Loomis creates the most **efficient flow of cash**

Cash is the most common payment method in the world. Bills and coins circulate among banks, consumers and retailers every day. With skilled employees, secure CIT vehicles and technically advanced equipment, Loomis ensures that cash circulates quickly and securely – both in the local community and internationally.

Loomis' mission is to secure the supply of cash in society. CIT teams make sure that ATMs are replenished and that bank branches and retail outlets have the amount of cash that they need.

The general public withdraws cash from ATMs and bank branches to spend in retail outlets and restaurants.

Loomis collects daily receipts and cash from retail outlets, restaurants, service boxes, deposit boxes and Loomis SafePoint® units and …

... transports them to cash centers. There, Loomis employees use modern equipment to count and quality-assure bills and coins with industrial efficiency.

The funds are then deposited in the customers' bank accounts. The bills and coins are packaged and re-circulated in society as quickly as possible.

INTERNATIONAL SERVICES

Through the International Services segment, Loomis offers cross-border transportation and management of cash and valuables. This enables Loomis to ensure the safe flow of cash and valuables over national borders and between continents.

Loomis offers cash handling services both **locally and globally**

Loomis is one of the world's leading cash handling companies. The service offering encompasses cash in transit (CIT), cash management services (CMS) and an increasing number of complete solutions where CIT and CMS are integrated. Loomis also offers international services including international transport, management and storage of foreign currencies and precious metals.

Cash in Transit (CIT)

Loomis' approximately 6,500 CIT vehicles transport cash to and from stores, banks and ATMs every day. Loomis collects daily receipts, provides retailers and banks with change and foreign currency, replenishes ATMs, and services and performs maintenance on ATMs.

Based on customer needs, Loomis finds the optimal route to minimize risk and environmental impact, and maximize the number of stops along the route. Loomis' CIT teams work according to carefully prepared routines and have vehicles and equipment that provide maximum safety and security.

In markets with a low degree of outsourcing, in other words, where banks and retailers are still handling most of their cash management processes themselves, CIT accounts for the majority of Loomis' revenue.

In 2014 CIT accounted for around 63 percent of the Group's revenue, making it the biggest source of income for Loomis.

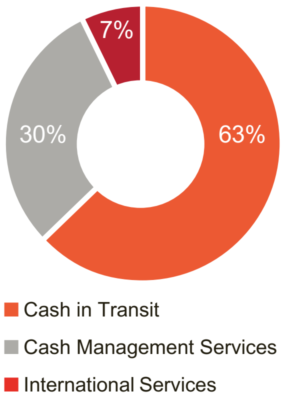
Cash Management Services (CMS)

Daily receipts and cash from retailers, bank branches and ATMs are normally transported to one of the more than 200 cash centers where Loomis employees, using efficient processes and state-of-the art equipment, count, quality assure and package bills and coins. Loomis also provides services for analysis, forecasting and reporting of customer cash flows, as well as customized solutions for retailers, such as Loomis SafePoint®.

As banks and retailers decide to increase the focus on their core business, Loomis is seeing a growing demand for CMS. The economies of scale and efficient processes offered by Loomis are resulting in more CMS customers.

CMS accounted for around 30 percent of Loomis' revenue in 2014.

SERVICE LINES' PERCENTAGE OF REVENUE IN 2014



Did you know that ...

Loomis offers transportation and storage of works of art?

When transporting and storing works of art, Loomis uses custom-made and precision-built boxes so that the pieces can be stored and transported with utmost safety and in the best possible conditions with respect to optimal temperature and humidity etc. Art work is generally transported to and from galleries, exhibitions and museums around the world.

International Services

On May 5, 2014 Loomis acquired VIA MAT Holding AG. This gave the Group a third segment – International Services, while also helping to boost Loomis' operations in Switzerland within CIT and CMS.

International Services encompasses management, storage and transportation of cash, precious metals and valuables, such as watches, jewelry, art and credit cards, between two or more countries.

International Services accounted for around 7 percent of Loomis' revenue in 2014.

Foreign currency

As part of the International Services offering, Loomis provides customers with international cash handling, i.e. CIT and CMS for foreign currency. This includes collection and delivery as well as counting and authenticating of coins and bills.

Loomis has become a highly trusted partner in international cash handling for several customers. Loomis is, for example, working with several central banks, including the US Federal Reserve, on the distribution and return of currency. This includes storage, management and transportation of US dollars to and from the USA, South America, Europe, Asia and the rest of the world. Loomis also transports currency paper for euros not yet printed into bills, as well as newly produced cash in a variety of currencies to various countries around the world.

Precious metals

Loomis offers customers in the mining industry, refineries, banks and customers that purchase and sell precious metals, innovative, global solutions for the transportation of precious metals. Loomis offers daily transportation from mines to refineries, wholesalers and banks. Loomis also assists customers with storage and order management as well as pick and pack processes for precious metals. Loomis thus offers services for the entire value chain for precious metals.

Jewelry and watches

International Services also includes transporting valuables such as jewelry, watches and credit cards to and from producers, retailers and exhibitions throughout the world. Loomis also offers assistance with customs clearance and storage, and deploys guards at fairs and exhibitions.

General Cargo

International Services includes general cargo services. Loomis offers international cargo services by air, sea, road and rail. The general cargo service offering includes handling customs clearance and special transport services for cars and film production equipment etc.

Growing market for **cash handling services**

The percentage of cash payment transactions varies from market to market. Historically, banks and retail companies have been responsible for managing their cash themselves, but more and more of them are now outsourcing cash handling processes to external parties, resulting in a growing market for cash handling services.

The volume of cash in circulation and the percentage of cash payment transactions taking place vary from country to country. Socioeconomic conditions, technology usage and the prevalence of outsourcing of cash management services all affect the maturity of a market.

Loomis' definition of the maturity of a cash management market is based on the extent of outsourcing. In an immature market, the propensity for outsourcing of these types of services is low; in other words, banks and retailers handle most of their cash management themselves.

In a mature market, on the other hand, banks are more likely to outsource cash management to external parties such as Loomis. There is undeniably a trend towards a high degree of outsourcing in most countries, but there are significant differences in the pace at which this is happening.

Market development provides positive effects for Loomis

When the number of cash transactions falls, the cost for banks and retailers to manage their cash themselves goes up. Cash management by banks and retailers is often on a small scale and not as efficient as it would be if Loomis' methods and equipment were used. Loomis' services reduce costs and improve the security of cash management for customers. More and more customers are therefore looking to add Loomis' cash management services to CIT in order to focus on their own core business. The market trend towards an increase in outsourcing is working in Loomis' favor.

From cash in transit to cash handling

The propensity for outsourcing of cash management services varies from region to region and among the countries where Loomis operates. In mature markets like those in Scandinavia, cash usage is relatively low and the level of outsourcing is relatively high. Here, in addition to traditional cash in transit, there is a demand for sophisticated and comprehensive cash handling services as well as value-enhancing and innovative solutions.

In less mature markets and in growth markets, cash usage is widespread. Typical markets of this type are the USA, Turkey and Argentina, where demand for cash in transit services is high in relation to demand for cash management services. Cash in transit is therefore Loomis' core business in these markets, but Loomis is driving development so that more and more banks and retail companies will outsource their cash management. A shift towards more efficient and profitable comprehensive cash handling solutions is therefore evident in these markets as well.

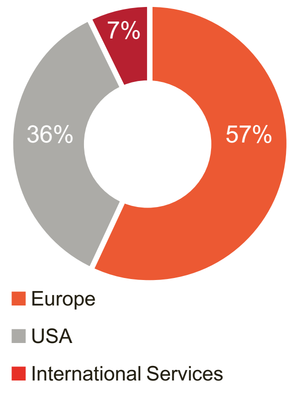
The fact that Loomis offers customers cash in transit services often leads to Loomis taking over their cash management processes as well. Loomis' many years of experience and customer confidence in the Company are often crucial factors in a customer's decision to request more comprehensive cash handling solutions. Loomis' CIT infrastructure, in the form of equipment, vehicles, premises and personnel, is an essential factor in the Company's ability to also offer more advanced cash handling services.

Three segments – Europe, USA and International Services

Loomis groups its cash handling markets into three segments: Europe, USA and International Services. The segments and their market conditions vary. There are also differences within each segment. Loomis can benefit from this when, for example, one market enters a new phase in its maturity or when customers demand cash management solutions that have already been developed in another market.

Loomis is the only company that is specialized in cash handling and thus has a greater opportunity to benefit from the lessons learned in different countries. According to the work processes outlined in the Loomis Model, there is an exchange of knowledge and experiences of how to best run operations and how to perform services based on customer needs, while offering the highest level of security. This creates synergies that benefit both Loomis and its customers. The exchange of knowledge and experiences happens throughout the Loomis organization, promoting growth and an increased market share.

PERCENTAGE OF REVENUE BY SEGMENT IN 2014



A leading market position provides economies of scale. Loomis is therefore aiming to be number one or two in each of its geographical markets.

Market position 1
Austria, Norway, Slovakia, Sweden, Switzerland and USA.

Market position 2
Czech Republic, Denmark, Finland, France, Spain and UK

Loomis is a world leader in International Services.

USA accounts for around 36 percent of Loomis' revenue.

Loomis International Services
has offices in 14 countries, and agents and partners in more than 100 countries.

Growing demand for cash handling in Europe

The cash handling market varies from country to country in Europe. In Northern Europe the level of outsourcing is high and demand for cash handling is substantial. In Southern and Eastern Europe, many banks are still managing their cash internally, but there is a clear trend whereby more and more are outsourcing cash management to specialized cash handling companies like Loomis.

Loomis' position in Europe

The European cash handling market is dominated by a few large international players, while the number of smaller players is shrinking. The trend towards an increase in cash management services (CMS) in relation to cash in transit (CIT) benefits Loomis which has a competitive range of CMS services and comprehensive solutions that combine CMS and CIT. Loomis holds a strong position in Europe where the Company is number one or two in the market in most of the 15 countries where it operates.

Variations in maturity and cash usage

Cash usage and the maturity level, i.e. the propensity of banks and retails to outsource their cash management to external players, vary significantly from country to country.

Scandinavia has the lowest level of cash usage in the world. Increasingly, customers are choosing to use credit cards or other electronic payment solutions. The banks have been drivers of this trend, and the closure of numerous local bank offices has reduced access to cash. The shrinking volume of cash and the low level of cash usage are driving banks to outsource their cash management, and this is creating a significant demand for cash management services. A reduction in the number of bank offices has also resulted in an increased demand for cash in transit services from retailers. Fewer bank offices means longer distances between offices and, as a result, retailers would rather outsource cash in transit to external parties than allow their own employees to transport daily receipts over long distances. The driver of demand is a desire to reduce risks for their own staff, reduce losses, and improve liquidity and control over daily receipts, all of which is made possible by Loomis' cash management services and analysis tools.

At the other end of the market maturity spectrum is Turkey. There, cash usage is very high, banks largely manage their cash processing themselves and outsourcing is relatively uncommon. In this context, cash in transit services are in higher demand than cash management services.

In between these two extremes in terms of maturity, are the majority of countries in Europe. Some have low cash usage and a higher degree of outsourcing, while others have extensive cash usage and a lower outsourcing tendency.

Profitability focus drives outsourcing

Loomis has concluded that banks and retailers in countries with low maturity will over time outsource their cash management as risk and cost awareness increases along with the focus on the core business. When this happens, Loomis, as the market leader in most countries and after recent investments in modern cash centers, will be well prepared to handle increased volumes and ready to adapt its offering for a shift from CIT to CMS, as well as comprehensive cash handling services.

In 2014 CIT accounted for 66 percent of Loomis' revenue in Europe. CMS, which is usually more profitable than CIT, accounted for 34 percent of revenue, on a par with 2013. In 2010 the corresponding figures were 67 percent and 33 percent respectively.

Retail accounted for around 50 percent of Loomis' revenue in Europe and the bank sector for around 50 percent of revenue.

KEY RATIOS EUROPE

	2014	2013	2012	2011	2010
Revenue, SEK m	7,706	7,005	6,955	6,934	7,024
Real growth, %	*6*	*2*	*2*	*3*	*0*
Organic growth, %	*2*	*2*	*0*	*2*	*0*
Operating income (EBITA), SEK m[1)]	944	794	736	714	689
Operating margin, %	*12.3*	*11.3*	*10.6*	*10.3*	*9.8*

1) Earnings Before Interest, Taxes and Amortization of acquisition-related intangible fixed assets, acquisition-related costs and revenue, and items affecting comparability.

Great potential in growth market **Turkey**

Turkey is one of Loomis' main growth markets. A relatively fast-growing economy, high cash usage and very good outsourcing potential over time, have prompted Loomis to plan to grow there in both CIT and CMS.

Loomis has had operations in Turkey since 2011 when the Company acquired the cash handling company Erk Armored, which was restructured in line with the Loomis Model and has since grown steadily every year. Today Loomis is number three out of five large players in the Turkish market.

Growing cash handling market

Turkey, with a population of 76 million, is a growing market from many perspectives. With an average age of 29, the population is young and is expected to grow significantly over the next few decades. In many of the years since the turn of the century the country's GDP has grown by 6–8 percent, and in some years has equaled growth statistics in China. Retail sales are increasing and the number of ATMs over the past five years has increased by 25 percent a year. Over the next two years the number is expected to increase from 45,000 to 60,000. Altogether this is evidence of a growing cash handling market.

Stable and increasing demand for cash in transit

Cash usage in Turkey is very high. In addition to this, the volume of cash in circulation is growing as GDP increases. In a market with a high level of cash usage and large volumes of cash and other valuables, CIT constitutes a significant majority of Loomis' revenue.

Since the market for outsourcing opened up in 2004, around 50 percent of the CIT market has been outsourced. Loomis transports cash and other valuables and replenishes ATMs for several of the large banks in Turkey. Loomis has determined that demand for these services will increase as the economy grows.

In the past, retailers went via the banks for cash in transit services. Now retailers are working directly with cash handling services suppliers. Loomis has therefore been increasing its focus during the year on large, national retail players.

The high level of cash usage and the numerous ATMs, in combination with growth in the retail market and the economy, have led Loomis to conclude that the growth potential for CIT is very promising. Maintaining market share in this fast-growing market alone would result in substantial organic growth.

Great development potential

The Turkish market for management of cash and other valuables (CMS) has great development potential because the degree of outsourcing among banks is still low. Most of the banks have their own cash management departments, but more and more are beginning to outsource this to players such as Loomis.

Loomis' specialist expertise in CIT as well as service and maintenance of ATMs in the Turkish market, will place the Company in a very advantageous position when demand for more advanced services, such as cash management, increases. Based on Loomis' experiences in other markets, increased outsourcing is a process that is hard to determine and one which takes time, but with a well-established presence and a high-quality CIT offering, Loomis is in a very strong position to secure more cash management contracts. When demand for cash management grows, Loomis will be ready and as the Turkish market grows, so will Loomis' business.

Loomis in Turkey:

- Presence in the country: Since 2011
- Market position: 3
- Number of employees: 435
- Number of branches: 18

High quality is driving growth in cash management services in **the USA**

For a number of years Loomis has been making substantial investments in state-of-the art cash centers, vehicles and innovative solutions in the USA, the single largest market for Loomis. This has taken Loomis to a position as a high-quality market player and laid the foundation for very strong growth potential for cash management services and Loomis SafePoint®.

Loomis' position in the USA

Investments for a number of years by Loomis in cash centers, vehicles, training, safety and innovation have resulted in a significant improvement in the quality of Loomis' service offering in the USA. As the US banks and retailers demand an ever higher level of security and quality in the execution of cash handling services, Loomis has taken a market-leading position.

Great potential when USA follows the path of Europe

Cash and checks are among the most common forms of payment in the USA and demand for cash in transit (CIT) services is therefore high. Factors such as the increase in the use of credit cards and other electronic payment solutions, combined with growing cost-awareness among banks and retailers are, however, signaling a new trend. Signs in the business environment indicate that the USA is very likely to following the path of Europe, i.e. towards increased outsourcing of cash management services (CMS).

CIT accounts for 71 percent of Loomis' revenue in the USA, which is a higher percentage than in Europe, where CIT accounts for 66 percent. This means that CIT is Loomis' primary source of revenue. CMS accounts for 29 percent of revenue. In 2010 CMS accounted for 21 percent of revenue in the USA, representing an increase of 8 percent over five years.

Loomis' many years of experience of offering advanced cash management solutions in more mature European markets will be a strong competitive advantage when the US market matures and customers start demanding more comprehensive services. Loomis has determined that there is great potential for the Company in the USA and that most of the organic growth is in CMS and Loomis SafePoint®.

Banks are starting to outsource cash management

Banks that in the past had limited cash management outsourcing are now starting to turn to Loomis as part of their emphasis on their own core business and to reduce cash management costs. Bank of America is one of the main banks that has, over the past few years, decided to outsource large parts of its cash processing services to Loomis. Loomis expects this trend to be driven in a similar direction for more banks.

In addition to increased cost awareness, there will be more regulation and the banks will be more particular when it comes to quality. Here, Loomis is at the forefront. Due to Loomis' high standards for quality and security, banks can feel confident when handing over responsibility to Loomis. Loomis is estimated to have around one third of the outsourced CMS market in the USA. The overall market is, however, expected to grow and when that happens, Loomis believes that the growth opportunities and potential to take a greater market share will be very good.

The bank sector accounts for 62 percent of Loomis' revenue in the USA.

Demand for Loomis SafePoint® among retailers

Loomis' good relationships with US banks is a competitive advantage in terms of what the Company can offer retailers as well. Loomis has SafePoint® contracts with close to 150 banks, which means that Loomis can offer Loomis SafePoint® with provisional credit to a large portion of retail customers. Loomis SafePoint® is a safe cash management unit that secures the cash deposited by the customer in the unit and credits the customer's bank account no later than the following day, thus helping to improve security and provide better cash flow and liquidity for the customer.

In the retail sector Loomis is seeing a trend whereby individual retail outlets are reluctant to deal with cash – both due to the risk of robbery and loss, and because of a need for better control over their cash flows and to be able to focus on their core business. The number of installed Loomis SafePoint® units, which give customers a closed, secure system for cash management and CIT, is growing steadily and is currently up to around 13,000 in the USA.

The market penetration today is estimated at 4 percent for solutions like Loomis SafePoint® and Loomis has an estimated 25 percent of these. Over the next few years Loomis intends to implement a broader and more expansive roll-out of Loomis SafePoint® which is expected to have a positive effect on organic growth.

The retail sector accounts for around 38 percent of Loomis' revenue in the USA.

KEY RATIOS USA

	2014	2013	2012	2011	2010
Revenue, SEK m	4,933	4,359	4,405	4,039	4,009
Real growth, %	*7*	*2*	*5*	*12*	*–3*
Organic growth, %	*7*	*2*	*0*	*0*	*–3*
Operating income (EBITA), SEK m[1)]	488	414	400	295	296
Operating margin, %	*9.9*	*9.5*	*9.1*	*7.3*	*7.4*

1) Earnings Before Interest, Taxes and Amortization of acquisition-related intangible fixed assets, acquisition-related costs and revenue, and items affecting comparability.

Loomis SafePoint® offers many benefits

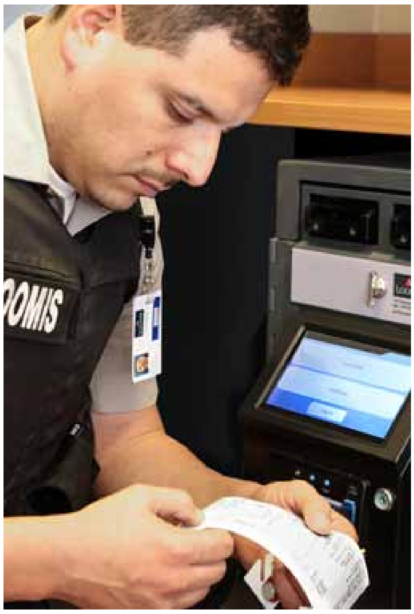
Loomis SafePoint® is an innovative solution for the retail sector. It provides lower risk, improved cash flow and liquidity, reduced losses and lower costs for customers. For Loomis, the Loomis SafePoint® solution means capacity optimization as well as stable and profitable business. The benefits are many – for the customer as well as for Loomis.

Loomis SafePoint® is a closed system for retailers developed by Loomis. The customer deposits daily receipts in the closed Loomis SafePoint® unit for registration and safe storage. This means that the customer does not need to store more than a cash float. The daily receipts cash is stored securely until a Loomis CIT team collects it. Because the system contains a device that reads the denomination and counts the number of bills, the customer's bank account can be credited no later than the day after the cash is deposited in Loomis SafePoint®. This improves liquidity and cash flow.

Over and above faster access to funds, Loomis SafePoint® offers significant cost savings through improved efficiency and lower risk in connection with cash management. Loomis SafePoint® improves safety for the employees, reduces the amount of work hours spent as employees no longer need to count and manage cash, reduces losses and provides customers with ongoing and detailed cash reports.

For Loomis, the Loomis SafePoint® solution optimizes capacity and facilitates the planning of cash collections. Loomis' costs are reduced, resulting in higher profitability. In addition, Loomis SafePoint® contracts are relatively long, which provides stability in Loomis' business relationships with retailers.

This comprehensive solution is constantly being developed and adapted to the specific needs of various customer categories – from small retailers to large retail chains. Loomis is planning to develop both hardware and service concepts, and an expansive roll-out of Loomis SafePoint® in the USA over the next few years.



THIS IS HOW LOOMIS SAFEPOINT® WORKS

1. At the end of the work day, the store employee deposits the daily cash into Loomis SafePoint®.
2. Loomis SafePoint® counts and validates the deposited cash. False bills and coins are identified and rejected. The deposited cash is now protected and guaranteed by Loomis.
3. The store employee receives a deposit report detailing the total amount broken down by denomination.

4. The store employee gives the report to his/her manager who can at any time pull up an updated cash report online – for a single store or several stores – to obtain a fast, accurate and easy-to-read summary.
5. Thanks to Loomis' broad network of banks, the deposited amount is visible on the customer's bank account the following day in the form of a provisional credit, even though the cash has not yet been delivered to the bank.
6. Loomis cash in transit teams empty the Loomis SafePoint® unit and transport the cash quickly and securely to the customer's bank. The customer receives a deposit report.

International Services strengthens Loomis' product portfolio and increases the Group's global presence

In May, 2014 Loomis acquired VIA MAT Holding AG. This resulted in a new segment for Loomis – International Services. This segment is helping to strengthen Loomis' product portfolio and increase the Group's global presence.

Through a worldwide network of partners, leading suppliers and agents, Loomis can, after the acquisition of VIA MAT, store, manage and transport primarily precious metals and foreign currency anywhere in the world. Loomis' branches are located in the world's financial centers and logistics hubs to ensure proximity to decision-makers, customers and business offices.

Loomis is a world leader in International Services. Loomis now holds a very strong position in Europe and the USA and has identified good growth potential in the Middle East and Asia, with offices in Dubai and Hong Kong as market hubs.

International Services strengthens the business model

International Services complements Loomis' domestic operations, enabling Loomis to increase its global presence from 16 to 20 countries and to include a network of agents and partners in 100 countries.

The added segment allows Loomis to go beyond collecting and delivering cash in a limited national area, to offer comprehensive and value-adding solutions for international customers. This means that Loomis, without middlemen, can collect cash, precious metals and other valuables, execute cross-border transportation, assist with customs clearance and temporary or long-term storage, before finally delivering the valuables to an end-recipient.

Integrating International Services into Loomis' operations also enables Loomis to retain a larger percentage of revenue without the need to share profits with partners. International Services is therefore expected to have a positive impact on Loomis' profitability.

A global market requires global logistics solutions

As globalization increases, business relationships and manufacturing processes are becoming internationalized. One example is precious metals where the raw material is extracted in one place, transported to a refinery on another continent and reaches the end-customer in a third market. In complex markets like these, high-quality and reliable logistics and storage solutions are essential. Loomis has noticed an increased demand for individually customized, comprehensive international transport solutions. Customers want to have one contact, one insurance solution as well as a guarantee that the products will be collected from and delivered to the right place at the right time. Loomis can offer this to its customers.

As globalization increases so does the use of foreign currency. For Loomis as a player that manages and transports foreign currencies, to and from banks and central banks, this means more international assignments.

Regardless of the financial situation in the markets, the prospects for International Services are good. Volatility in metal prices and demand for foreign currency, as well as increased tourism, are all having a positive impact on Loomis' business.

International cash handling and general cargo

In addition to international cash handling, the International Services segment includes general cargo services.

International cash handling accounts for 55 percent of revenue in the International Services segment. General cargo accounts for 45 percent of revenue.

KEY RATIOS INTERNATIONAL SERVICES

	2014
Revenue, SEK m	918
Operating income (EBITA), SEK m[1)]	67
Operating margin, %	*7.3*

1) Earnings Before Interest, Taxes and Amortization of acquisition-related intangible fixed assets, acquisition-related costs and revenue, and items affecting comparability.

Loomis provides **secure international circulation of** US dollars

To ensure the availability of US dollar bills overseas, the US Federal Reserve has an Extended Custodial Inventory program. Loomis is an important cog in the program's wheel by providing cross-border transportation and cash management services for US dollars outside the USA.

It is estimated that half of all US dollars, in terms of value, are circulated outside the USA. For the USA it is important to ensure that US dollars are available around the world. To maintain confidence in the US currency, the US Federal Reserve introduced an Extended Custodial Inventory (ECI) program in 1996. The program is intended to ensure access to US dollar bills outside the USA, to repatriate old bills back to the USA, to distribute new bills internationally, to monitor the authenticity of bills in circulation and to gather statistics on the use of the US currency overseas.

A cash center overseas

The ECI program facilitates the international distribution of the US currency through the storage of Federal Reserve bills in strategically located distribution sites in the world's financial centers. One of the most important hubs for the purchase and sale of physical dollar bills is Zurich. The ECI facility in Zurich functions as an external US cash center run by a bank that stores bills on behalf of the Federal Reserve.

Over the past fifteen years the bank has outsourced the management of ECI in Zurich to VIA MAT, which is now Loomis. Loomis transports US dollars on a daily basis between the USA and Zurich, provides cash handling services, including counting, quality assurance and authentication of the cash. The bills are stored in a separate vault designated for the US Federal Reserve's assets.

Loomis meets the Federal Reserve's stringent requirements

The US Federal Reserve has set high standards for the parties participating in the ECI program. Loomis' high-quality services, safety routines and combination of cash handling and international services were determining factors in the customer's decision to choose Loomis to deliver these services. Loomis is proud of being entrusted with this assignment and having the opportunity to play a role in securing an efficient circulation of US dollars outside the USA.

Loomis' **history**

Loomis' 160-year history goes back to the American Gold Rush. The growth into to-day's international corporation has involved many expansions and acquisitions, each of which has helped lay the foundation for the Company's growth and development.

1852
Wells Fargo & Co is established during the California Gold Rush. Later the company becomes co-owner of the legendary Pony Express – the first ex-press mail service in North America.

1905
Lee Loomis starts a company that uses dogsleds to provide Alaska's miners with supplies.

1925
The Loomis Armored Car Service is formed and is the first to use an armored vehicle to transport cash. The company expands for many years in Western USA and Canada.

1979
The Loomis Corporation is sold and the Loomis family's control of the company ends.

1997
After a number of years of acquisitions and takeovers, Loomis acquires the company Wells Fargo Armored and the new company takes the name Loomis, Fargo & Co.

2001
Loomis, Fargo & Co is acquired by Securitas and integrated into the Securitas Cash Handling Services division. When Securitas is divided up into four security companies in 2006, Securitas Cash Handling Services changes its name to Loomis.

2008
On December 9 Loomis is listed on NASDAQ OMX Stockholm.

2011
Loomis acquires Pendum in the USA, thereby becoming the US market leader.

2012
Loomis expands into South America through the acquisition of the Argentine company Vigencia.

2014
Loomis acquires VIA MAT Holding AG and expands its service offering by creating a new segment, International Services. The acquisition also makes Loomis the market leader in cash handling in the Swiss market.

Loomis is a **values-driven organization** where local initiatives are encouraged

Loomis has a decentralized organization with a foundation in clear, group-wide core values, a Code of Conduct and a number of principles, processes and tools. This formula for how the Company is to be run is called the Loomis Model.

Loomis' business and organizational model is centered on the Company's branches. The 400 plus branches have a high degree of authority, and the branch managers and employees are responsible for customer relations, quality and profitability. It is at the branches that the daily operations are run and developed.

Experience has taught Loomis that a decentralized organization leads to lower costs and promotes entrepreneurship, dedication and a focus on delivering added value for customers. It fosters local initiatives and local responsibility, and creates sound and long-term relationships between customers, the community and the employees.

The Loomis Model provides clear guidance

A highly decentralized organization requires clear group-wide principles and processes for how the business should be run and organized, and what unites Loomis' 400 plus local branches is the Loomis Model. During the year Loomis documented and further developed the model, which is based on Loomis' core values and Code of Conduct. Development work during the year involved gathering knowledge and experiences from all of Loomis' markets.

The Loomis Model is built around a number of core principles on how Loomis organizes and runs its business, supported by established business processes. In 2015 Loomis is planning to continue the process of implementing the model, gathering best practices and sharing expertise.

Values are the starting point

Loomis operates the business based on the core values: People, Service and Integrity. For Loomis this means developing knowledgeable and talented employees and treating them with respect; striving for exceptional quality, a capacity for innovation, increasing value and exceeding customer expectations; and performing with honesty and vigilance while maintaining high ethics.

These values are closely linked to the Loomis Code of Conduct which includes the principle that every Loomis employee is to do his or her part to ensure that Loomis is the most attractive employer in the industry, help to reduce the Company's environmental impact and never accept unethical behavior.

Group-wide tools and programs

The professional skills of the employees and their ability to build confidence among Loomis' customers are crucial in Loomis' line of business. Loomis therefore places a high priority on attracting and recruiting the right employees, and on developing and retaining employees within the Group.

To succeed in this Loomis has produced a number of group-wide tools and programs, such as recruiting guidelines, tools to evaluate and follow-up individual performance, employee surveys, and programs for leadership development and succession planning. In 2014, as part of the process of developing the model, Loomis documented processes and principles related to the HR processes within the Company.

Focus on low climate impact

Loomis efforts to ensure the superior quality of the service offering, as well as good profitability, include initiatives to reduce the Group's climate impact. One priority is optimizing transport routes to shorten journeys and thereby reduce carbon dioxide emissions. Loomis also invests in vehicles that meet stringent emissions standards, without compromising on protecting the customers' cash and valuables or the employees' safety. In addition, the drivers are trained in environmentally sound driving techniques. In a number of countries Loomis also uses reusable security bags rather than disposable ones when transporting cash to and from ATMs and in cash management processes. This has enabled Loomis to significantly reduce the use of plastic in the Company's operations.

Integrity Line ensures high ethics

Loomis' mission of securing the supply of cash in society includes taking responsibility for ethics and safety. Loomis' operations are exposed to risk which requires work duties to be performed with honesty and vigilance, while maintaining high ethical standards. Loomis ensures this through constant dialogue and exercises in practical ethics, but also through the Company's Integrity Line. The Integrity Line is an internal reporting tool which all Group employees can use to anonymously report observations and warn of behavior that they suspect may violate Loomis' values and Code of Conduct.

Doing business responsibly in the long term

The role as one of the world's leading cash handling companies involves doing business responsibly in the long term. Loomis encourages local initiatives that support Loomis' values and that promote the development of key competencies and leadership skills, reduce climate impact and ensure the highest ethical standards. This is crucial for Loomis' future growth.

People: Loomis is committted to developing quality people and treating everyone with respect.

Service: Loomis strives for exceptional quality, innovation, value and exceeding customer satisfaction.

Integrity: Loomis' employees perform their duties with honesty, vigilance and high ethics.

UK
In 2014 all of the branch managers in the UK were trained in how to prevent and handle bullying and harassment. The training included discussions on integrity and respect, and encouraged the branch managers to be role models for the other employees by demonstrating desirable behavior.

Denmark
Loomis in Denmark is running a pilot project to test electric vehicles. The project will be evaluated at the end of the test period in 2015.

Finland
In 2014 Loomis Finland organized a full-day course on the theme of "Your Health." The course covered health and safety-related questions such as stress and strain on the body, mental performance and wellbeing, and healthy eating.

Argentina
In Argentina Loomis is subsidizing tuition fees for employees who did not complete their secondary schooling.

Sustained **positive development** for Loomis' risk management

A central aspect of Loomis' operations is assuming the customers' risks associated with managing, transporting and storing cash, precious metals and valuables. Thus the customers place a lot of trust in Loomis. Intelligent risk management at all levels and in all aspects of the business is therefore essential for Loomis.

Loomis' service lines, Cash in Transit, Cash Management Services and International Services are directly associated with a number of risks. In addition to the risk of personal injury, there is also the risk of the loss of cash and valuables due to criminality or failures in procedures. Loomis has been implementing a systematic, comprehensive and continuous process for a number of years to ensure that risk is managed effectively. This long-term process is going in the right direction. In 2014 the cost of risk management was once again lower than the previous year.

Risks are monitored on an ongoing basis

Bearing in mind the risk that cash handling involves, the process of assessing risk and safety is an important aspect in every new assignment. For every assignment, risk is weighed against profitability. When an identified risk is accepted, it is monitored continuously because conditions can vary over time.

Loomis has established tools and processes to identify, take action and monitor risks. Risks are evaluated based on two criteria: how likely it is that an event will happen and how serious the consequences will be for the business if the event should occur.

Central management with local responsibility

Loomis has around 150 people working on operational risk management at the Group, regional and national levels. Risk management is controlled centrally from the Group level and all of the branches have common structures, processes and systems for their work. Loomis is a decentralized organization in which the branches are responsible for their daily operations. This includes control functions and operational responsibility for risk management.

Reporting and follow-up

The task of identifying risks and ensuring they are managed takes place at the national level based on guidelines from the Group. Plans are followed up systematically in each region and country. At regular global risk meetings the risk management processes in the various countries are compared to best practices to make improvements and promote a strong risk management culture. The Group's risk management is also reviewed regularly by external security experts.

Proactive risk work for a safer workplace

The safety of our employees is always the main focus of risk management. Employees who handle cash, precious metals and valuables work according to meticulous security routines so as to minimize the risks to which they are exposed. Employees at all levels must understand and be able to manage the risks associated with their particular operations. A focus on recruiting the right employees and having good training programs are other ways in which Loomis can minimize risk.

Loomis is engaged in extensive, proactive risk management. A focus on ethics and values, as well as clear routines for performing duties are key aspects of the employees' professional development. Actively monitoring the external environment also enables Loomis to anticipate possible incidents. This ensures a safer workplace for Loomis' employees and greater security for the customers.

Goal

Loomis only accepts controlled risks and makes every effort to prevent personal injury and financial losses, and to minimize identified risks.

Risk strategy

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

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

Notice of Annual General Meeting

The shareholders of Loomis AB (publ) are hereby invited to attend the Annual General Meeting (AGM) to be held at 5 p.m. CET on Wednesday, May 6, 2015 at Grünewaldsalen, Stockholm Concert Hall, entrance at Kungsgatan 43, Stockholm. Registration for the AGM begins at 4 p.m. CET.

Stockholm Concert Hall

Right to participate in the AGM

Shareholders wishing to attend the AGM must be recorded in the share register maintained by Euroclear Sweden AB (previously VPC AB), no later than Wednesday, April 29, 2015, and must notify the Company of their intention to attend according to one of the following alternatives:

By mail: Loomis AB, "Årsstämma,"
Box 7839, 103 98 Stockholm, Sweden
By telephone: +46-8-402 90 72
At the Loomis website: www.loomis.com

The registration deadline is Wednesday, April 29, 2015 before 4 p.m. CET.

When registering to attend, the shareholder must provide the following details: name, personal identity number (company registration number), address and telephone number.

Proxy forms are available on the Company's website, www. loomis.com, and will be sent to shareholders who contact the Company and provide their address.

Any proxy or representative must submit an authorization document prior to the AGM. As confirmation of registration, Loomis AB will send an entry card to be presented when signing in at the AGM.

In order to participate in the proceedings of the AGM, shareholders holding nominee-registered shares must have their bank's trust department or broker temporarily register the shares in the shareholder's own name with Euroclear Sweden AB. Such registration must be completed by Wednesday, April 29, 2015 and the bank or broker should, therefore, be notified well in advance of this date.

Reporting dates

Loomis will publish the following financial reports for 2015:

Interim Report January – March
May 6

Interim Report January – June
July 31

Interim Report January – September
November 6

Year-End Report for 2015
February 4, 2016

The share

The Loomis Class B share was listed on NASDAQ OMX Stockholm on December 9, 2008. The share has been traded since January 1, 2015 on the Nordic Large Cap list. In 2014 the Loomis Class B share increased by 48 percent.

Share price performance for Loomis and the stock exchange

In 2014 the Loomis share increased in value by 48 percent to SEK 226. The lowest closing price was SEK 143.50 on February 7 and the highest closing price was SEK 228 on December 22. The market capitalization for all Loomis shares amounted to SEK 17,013 million (11,480) at the end of the year. OMX Stockholm increased by 11.9 percent in 2014.

Loomis' total return, i.e. the share price performance including re-invested dividend of SEK 5.00 (4.50), amounted to 51.5 percent (50.2) in 2014. The NASDAQ OMX Stockholm total return, as reflected by the SIXRX total return index, amounted to 16.4 percent in 2014.

Turnover

In 2014, NASDAQ OMX Stockholm accounted for 43 percent (50) of the Loomis share turnover with the remaining portion on other marketplaces, where BATS accounted for the largest portion.

The total turnover of Loomis shares in 2014 was 72.7 million (64.1) on NASDAQ OMX Stockholm and other marketplaces. The average daily turnover was 291,974 shares per day (258,364). The turnover rate for the Class B shares amounted to 101 percent (89) in 2014.

Share capital

At the end of 2014, Loomis' share capital amounted to SEK 376 million, broken down as 3.4 million Class A shares and 71.8 million Class B shares. All of the shares have a quota value of SEK 5 and an equal share of the Company's earnings and capital. Each Class A share entitles the holder to ten votes and Class B shares to one vote. The equity per share at the end of the year was SEK 65.24 (55.32).

The total number of treasury shares as of December 31, 2014 was 53,797.

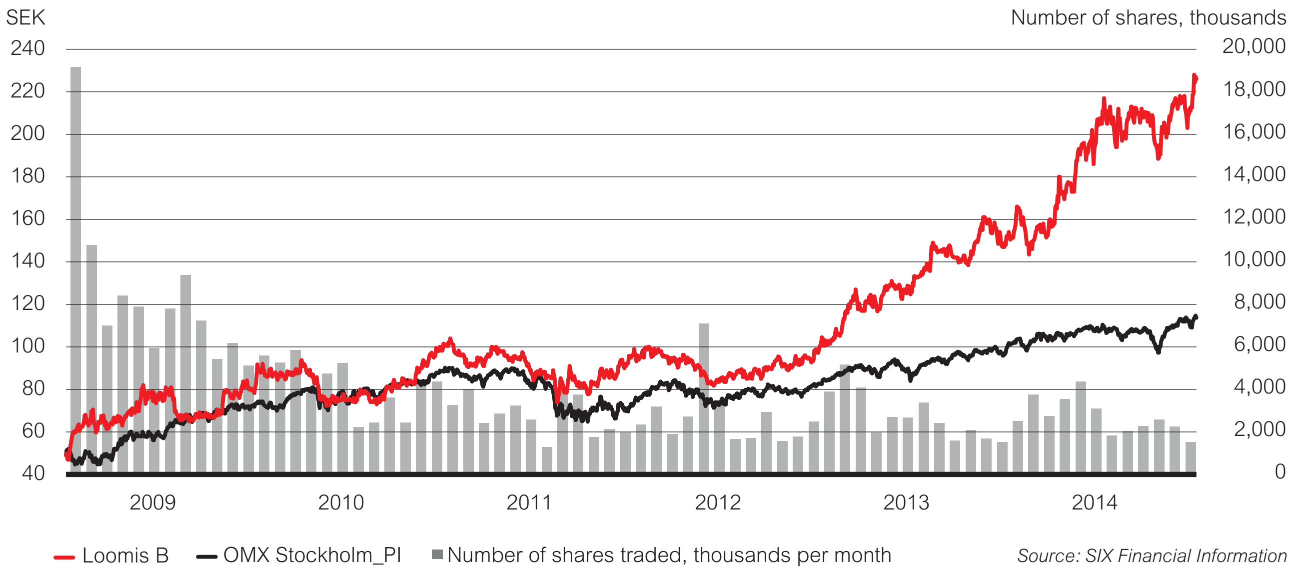
Dividend and dividend policy

It is Loomis' intention to distribute a dividend to shareholders that represents a good return on investment and dividend growth. At the same time the Board of Directors must adapt the dividend level to the Company's strategy, financial position, other financial targets and risks that the Board deems relevant. Over the long term and taking into account the aforementioned, the annual dividend should correspond to around 40–60 percent of the Company's earnings after tax. For the 2014 financial year Loomis' Board of Directors has proposed a dividend of SEK 6.00 (5.00) per share. The proposal represents around 50 percent (51) of earnings per share and a dividend yield based on the share price at the end of the year of around 3 percent (3).

Ownership structure

The number of shareholders as of December 31, 2014 was 15,080 (16,003). At the end of the year the ten largest shareholders controlled 51.13 percent (53.6) of the capital and 65.33 percent (67.1) of the votes. The principle shareholders, Investment AB Latour and Melker Schörling AB, controlled a combined 18.4 percent (18.4) of the capital and 42.1 percent (42.1) of the votes. Swedish shareholders controlled a combined 43.65 percent (49.2) of the capital and 60.04 percent (64) of the votes, while foreign ownership amounted to 56.35 percent (50.8) of the capital and 39.96 percent (36) of the votes.

SHARE PRICE DEVELOPMENT 2009 – 2014



Source: SIX Financial Information

Index, abbreviation and ISIN code

On December 9, 2008 the Loomis Class B share was listed on NASDAQ OMX Stockholm on the Nordic Mid Cap list in the Industrial Goods and Services sector. Since 2008 Loomis' market capitalization has increased from SEK 4 billion to SEK 17 billion. As a result of the Loomis' share price development, the share has been traded since January 1, 2015 on the Nordic Large Cap list. The share is traded under the abbreviation LOOMB and ISIN code SE0002683557.

OWNERSHIP STRUCTURE, DECEMBER 31, 2014

Number of shares	Number of shareholders	% of total capital	% of total votes
1–1,000	14,313	*2.4*	*1.7*
1,001–5,000	421	*1.2*	*0.9*
5,001–10,000	93	*0.9*	*0.6*
10,001–100,000	151	*7.3*	*5.2*
100,001–	101	*88.2*	*91.6*
TOTAL	**15,080**	***100.0***	***100.0***

KEY RATIOS

	2014	2013	2012
Earnings per share before dilution, SEK	12.10[1)]	9.83[2)]	8.90[3)]
Earnings per share after dilution, SEK	12.10	9.78	8.60
Dividend, SEK	6.00[4)]	5.00	4.50
P/E ratio	18.7	15.5	11.7
Earnings per share after dilution, SEK	65.24	55.32	47.57
Share price, December 31, SEK	226.00	152.50	104.50

1) The average number of outstanding shares, which constitutes the basis for calculation of earnings per share before dilution, is 75,237,915. Until March 21, 2014, the average number of outstanding shares included treasury shares for Loomis Incentive Scheme 2012.

2) The average number of outstanding shares, which constitutes the basis for calculation of earnings per share before dilution, is 74,838,476, which includes 121,863 shares held as treasury shares as of December 31, 2013. The treasury shares were for Loomis' Incentive Scheme 2012 and have been allotted to employees in accordance with agreements.

3) The average number of outstanding shares, which constitutes the basis for calculation of earnings per share before dilution, is 73,011,780, which includes 132,318 shares held as treasury shares as of December 31, 2012. The treasury shares were for Loomis' Incentive Scheme 2011 and have, in accordance with agreements, been allotted to employees.

4) The proposed dividend is SEK 6.00 per share. At the end of 2014, the dividend yield – based on the proposed dividend – amounted to 2.7 percent.

LARGEST SHAREHOLDERS, DECEMBER 31, 2014

Name	Number of Class A shares	Number of Class B shares	Capital, %	Votes, %
Investment AB Latour	2,528,520	5,009,808	*10.02*	*28.54*
Melker Schörling AB	900,000	5,400,300	*8.37*	*13.57*
SSB Client Omnibus AC OM07 (15 pct)	–	5,440,085	*7.23*	*5.13*
Didner & Gerge Fonder Aktiebolag	–	5,418,715	*7.20*	*5.11*
Swedbank Robur Fonder	–	2,530,135	*3.36*	*2.38*
BNY Mellon SA/NV (former BNY), W-8IMY	–	2,463,688	*3.27*	*2.32*
Handelsbanken Fonder AB re JPMEL	–	2,326,747	*3.09*	*2.19*
State Street Bank & Trust Com., Boston	–	2,287,423	*3.04*	*2.16*
SEB Investment Management	–	2,265,744	*3.01*	*2.13*
Citibank NA New York	–	1,909,963	*2.54*	*1.80*
The 10 largest shareholders	**3,428,520**	**35,052,608**	***51.13***	***65.33***
Other foreign shareholders	–	28,249,309	*40.27*	*28.55*
Other Swedish shareholders	–	6,475,500	*8.60*	*6.12*
TOTAL	**3,428,520**	**71,851,309**	***100.00***	***100.00***

Corporate governance

The primary goal of Loomis' corporate governance is to create clear goals, strategies and values that effectively protect shareholders and other stakeholders by minimizing risk and that also form a solid foundation from which to generate value and meet the requirement of a good return on invested capital. To achieve this, Loomis has developed a clear and efficient structure for the allocation of responsibilities and control.

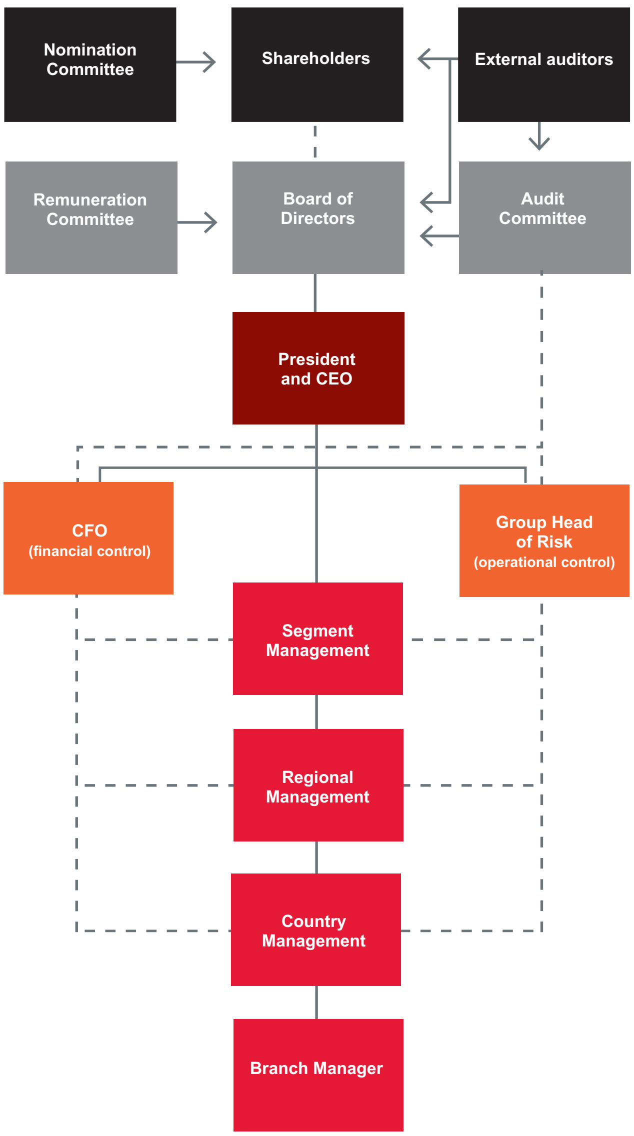
Compliance with the Swedish Corporate Governance Code

Loomis AB is a Swedish public limited liability company that has been listed on NASDAQ OMX Stockholm since 2008. In addition to the legal or other statutory requirements, Loomis applies the Swedish Corporate Governance Code (the Code). This Corporate Governance Report has been prepared in accordance with the stipulations in the Annual Accounts Act, chapter 6, § 6 and chapter 10 of the Code.

The Loomis Board of Directors (the Board) consists of six members. Loomis has decided that the Audit Committee will consist of two members only, instead of three as stipulated in section 7.3 of the Code. This is one of two deviations from the Code that Loomis has decided to make. Loomis' explanation for this deviation is that it considers two members to be sufficient to manage the Company's financial reporting, risk and internal control matters because those members have extensive experience in these areas from other listed companies. The other deviation relates to section 9.8 in the Code which states that the vesting period for share-related incentive programs or the period from the commencement of an agreement to the date a share may be acquired is to be no less than three years. Loomis' incentive scheme, which is described on page 33, allows shares to be acquired at the market price for a portion of the allocated bonus. These shares are allotted to employees the following year as long as they are still employed by the Group. The scheme replaces a cash-based system with immediate disbursement and is not approved as additional remuneration over and above existing incentive schemes. As such, the Board regards a two-year period from the start of the scheme and the allotment of the shares to be well-motivated and reasonable in meeting the goal of the incentive scheme.

Additional information is available on the Loomis website: www.loomis.com

CORPORATE GOVERNANCE ORGANIZATION



Shareholders

Shareholders exercise their right to vote at the general meeting of shareholders, the Company's highest decision-making body. All registered shareholders who have notified Loomis by the deadline of their intention to attend, have the right to attend the general meeting and cast votes corresponding to the number of shares they hold. Shareholders who are unable to attend in person may be represented by proxy.

Loomis AB's share capital as of December 31, 2014 consisted of 3,428,520 Class A shares and 71,851,309 Class B shares. Each Class A share entitles the holder to ten votes and each Class B share to one vote. Loomis AB's largest shareholders and ownership structure as of December 31, 2014 are shown in the table below.

LARGEST SHAREHOLDERS AS OF DECEMBER 31, 2014

			SHARE	
	Number of Class A shares	Number of Class B shares	Capital %	Votes %
Investment AB Latour[1)]	2,528,520	5,009,808	*10.0*	*28.5*
Melker Schörling AB[1)]	900,000	5,400,300	*8.4*	*13.6*
SSB CLIENT OMNIBUS AC OM07 (15 PCT)	–	5,440,085	*7.2*	*5.1*
Didner & Gerge Fonder AB	–	5,418,715	*7.2*	*5.1*
Swedbank Robur Fonder	–	2,530,135	*3.3*	*2.4*
BNY Mellon SA/NV (former BNY), W-8IMY	–	2,463,688	*3.3*	*2.3*
Handelsbanken Fonder AB re JPMEL	–	2,326,747	*3.1*	*2.2*
State Street Bank & Trust Com., Boston	–	2,287,423	*3.0*	*2.2*
SEB Investment Management	–	2,265,744	*3.0*	*2.1*
Citibank NA New York	–	1,909,963	*2.5*	*1.8*
10 largest shareholders	**3,428,520**	**35,052,608**	***51.1***	***65.3***
Other foreign shareholders	–	28,249,309	*40.3*	*28.6*
Other Swedish shareholders	–	6,475,500	*8.6*	*6.1*
Total	**3,428,520**	**71,851,309**[2)]	***100.0***	***100.0***

1) The main shareholders in these companies have also, from time to time, held shares through other companies directly or indirectly.
2) Includes 53,797 shares held as treasury shares as of December 31, 2014.

Annual General Meeting

Resolution items for the Annual General Meeting (AGM) include:

- Amendments to the Articles of Association
- Election of board members and board fees
- Discharging the board members and the President from liability
- Election of auditors
- Adoption of the income statement and the balance sheet
- Appropriation of the Company's profit or loss
- Decisions on guidelines for remuneration of the President and other members of Group management

The 2014 AGM of Loomis AB (publ) was held on May 6, 2014 in Stockholm. Shareholders in attendance, in person or by proxy, represented 67.8 percent of the votes in the Company. The AGM was also attended by members of the Board and Group management, as well as the auditor in charge. The AGM resolutions included guidelines for salary and other remuneration for the President and other members of Group management as outlined below.

Incentive Scheme

In accordance with the proposal from the Board, the 2014 AGM voted in favor of an incentive scheme in line with the incentive scheme adopted at the 2013 AGM. The 2014 AGM also resolved that Loomis AB will enter into a share swap agreement with a third party under which the third party acquires Loomis shares in its own name and transfers them to the incentive scheme participants.

The Board has decided to propose that a similar resolution be passed at the 2015 AGM. Similar to Incentive Scheme 2014, the proposed incentive scheme (Incentive Scheme 2015) will involve two thirds of the variable remuneration being paid out in cash the year after it is earned. The remaining one third will be in the form of Class B shares in Loomis AB which will be allotted to the participants at the beginning of 2017. The allotment of shares is contingent upon the employee still being employed by the Loomis Group on the last day of February 2017, other than in cases where the employee has left his/her position due to retirement, death or a long-term illness, in which case the employee will retain the right to receive bonus shares. The principle of performance measurement and other general principles that are already being applied for the existing incentive scheme will continue to apply. Loomis AB will not issue any new shares or similar instruments as a result of this incentive scheme. To enable Loomis to allot these shares, it is proposed that Loomis AB enters into a share swap agreement with a third party under which the third party acquires the Loomis shares in its own name and transfers them to the incentive scheme participants. The incentive scheme enables around 350 of Loomis' key employees to become shareholders in Loomis AB over time and will thereby increase employee participation in Loomis' development, which will benefit all of the shareholders.

For more information on remuneration of the President and other members of Group management, see Note 11.

Nomination Committee's work in preparation for the 2015 AGM

The Nomination Committee is a body established by the AGM and tasked with preparing for the election of members of the Board and the election of the Chairman of the Board, and presenting proposals regarding remuneration of board members and other related matters to be addressed at the upcoming AGM. In addition, ahead of AGMs where auditors will be elected, the Nomination Committee is to consult with the Board and the Audit Committee to prepare for the election of auditors and decisions on auditors' fees and related matters. The 2014 AGM elected the following Nomination Committee:

NOMINATION COMMITTEE

Nomination Committee member	Representing	Newly elected/ re-elected	Independent of major shareholders
Jan Svensson (Chairman)	Investment AB Latour	Re-elected	No
Mikael Ekdahl	Melker Schörling AB	Re-elected	No
Marianne Nilsson	Swedbank Robur fonder	Re-elected	Yes
Johan Strandberg	SEB Fonder	Re-elected	Yes
Henrik Didner	Didner & Gerge fonder	Re-elected	Yes

The 2014 AGM decided that in cases where a shareholder represented by a member of the Nomination Committee is no longer a major shareholder in the Company (based on number of votes), or where a member of the Nomination Committee is no longer employed by a major shareholder, or for any other reason chooses to resign from the Nomination Committee before the 2015 AGM, the Nomination Committee has the right to appoint another representative for the major shareholders to replace that member. The composition of the Nomination Committee is published on Loomis' website: www.loomis.com.

The duties of the Nomination Committee are established in specific Work Procedures for Loomis AB's Nomination Committee. Three Nomination Committee meetings were held in 2014.

Auditors

The 2010 AGM voted to appoint PricewaterhouseCoopers AB as the external auditor for one year with Patrik Adolfson as auditor in charge.

The auditors perform their duties in accordance with an audit plan established in consultation with the Audit Committee and the Board. The auditors attend all Audit Committee meetings and present their audit conclusions to the entire Board at the board meeting in February. The auditors also inform the Board on an annual basis about services they have provided over and above the audit, about fees for such services and about other circumstances that may call into question the independence of the auditors. The auditors also attend the AGM and present their work, findings and conclusions. In 2014 the auditors met with the Audit Committee when no members of Group management were present.

The audit is performed in accordance with the Swedish Companies Act, the International Standards on Auditing and generally accepted auditing standards in Sweden which are based on the international auditing standards issued by the International Federation of Accountants (IFAC). The fees paid to the auditors were as follows:

	GROUP			PARENT COMPANY		
SEK m	2014	2013	2012	2014	2013	2012
Audit assignment	11	11	10	2	2	3
Auditing activities other than the audit assignment	1	1	3	1	1	2
Tax advice	2	4	5	1	1	2
Other services	3	2	3	1	1	1
Total PwC	**18**	**18**	**21**	**5**	**5**	**8**
Other auditors						
– Audit assignment	1	–	–	–	–	–
Total	**19**	**18**	**21**	**5**	**5**	**8**

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

For a detailed presentation of the auditor in charge Patrik Adolfson, see page 39.

The Board

The Board's work procedures and responsibilities

In accordance with the Swedish Companies Act, the Board is responsible for the Group's organization and administration and appoints the President and CEO, the Audit Committee and the Nomination Committee.

The Board also determines the salary and other remuneration for the President and CEO. The Board convenes at least five times a year. The Company's auditors attend the board meeting held in conjunction with the closing of the annual accounts.

The duties of the Board and division of responsibilities between board members and Group management are stipulated in the Work Procedures for the Board, a set of rules adopted by the Board every year. According to this document the Board is to take decisions on such matters as the Group's overall strategy, company acquisitions and investments in real property, and is to establish a framework for the Group's operations by approving the Group's budget. The rules include a work plan for the President and financial reporting instructions. The Rules of Procedure also contain instructions regarding an annual evaluation of the work of the Board.

Chairman of the Board

The Chairman is responsible for ensuring that the Board performs its duties in accordance with the Swedish Companies Act and other relevant laws and regulations. This includes monitoring operating activities and ensuring that all of the board members receive the information they require. The Chairman is responsible for the annual evaluation of the work of the Board and for communicating it to the Nomination Committee. The Chairman represents the Company in ownership-related matters.

Composition of the Board

Loomis' six board members elected by the AGM are listed in the table on page 35. Each board meeting is also normally attended by the President, the Group's CFO and, in his capacity as Secretary of the Board, Attorney Mikael Ekdahl (Mannheimer Swartling Advokatbyrå). When reporting is necessary on specific issues, other officials from the Group also attend board meetings.

Independence

Five of six of the board members elected by the AGM are regarded as independent of the Company and its management. Three of five members are regarded as independent of the Company's major shareholders. Loomis is therefore of the opinion that the current composition of the Board of Loomis AB meets the independence requirements as set out in the Code.

COMPOSITION OF THE BOARD OF DIRECTORS

Board member	Elected	Board fees[1] (SEK)	Committee fees[1] (SEK)	ATTENDANCE Board meetings (9)[2]	ATTENDANCE Remuneration Committee meetings (1)	ATTENDANCE Audit Committee meetings (4)	Independent of major shareholders	Independent of the Company
Alf Göransson (Chairman)	2007	550 000	100 000	9	1	–	No	Yes
Jarl Dahlfors[3]	2014	–	–	5	–	–	Yes	No
Ingrid Bonde	2013	275 000	–	9	–	–	Yes	Yes
Jan Svensson	2006	275 000	50 000	8	1	–	No	Yes
Ulrik Svensson	2006	275 000	200 000	9	–	4	No	Yes
Cecilia Daun Wennborg	2013	275 000	100 000	9	–	4	Yes	Yes

1) Fees approved by 2014 AGM. The fees relate to remuneration during the period between the 2014 AGM and the 2015 AGM. For fees expensed in 2014, see Note 11.
2) Of which one was held by circulation.
3) Information regarding Jarl Dahlfors relates to his time as a board member.

All of the board members have relevant experience from other listed companies. See more on page 39.

Work of the Board in 2014
In 2014 the Board convened a total of nine meetings, one of which was a statutory meeting.

Matters of importance dealt with during the year include:

- Business strategy,
- Interim reports and annual report,
- Presentation of each country's business plan and budget for 2015 and approval of the budget for 2015,
- Investments and acquisitions of operations,
- Guidelines for remuneration and bonuses and other HR-related issues,
- Matters relating to internal control,
- Audit-related matters,
- Financing, and
- Annual evaluation of the Board's work.

Audit Committee

The Board has appointed an Audit Committee which consists of two board members and is instructed to review all of the financial reports submitted to the Board by Group management and to submit recommendations regarding their adoption. The Audit Committee's work also includes a strong emphasis on risk management in connection with cash processing and promoting risk awareness throughout the Group. The Committee's work is governed by instructions and an appendix to the Board's Work Procedures stipulating, among other things, the Committee's purpose, responsibility, decisions it is authorized to make, composition and reporting responsibilities. The Committee's primary duties are to monitor:

- The Company's financial reporting,
- Reporting procedures and issues relating to risk and insurance,
- Matters relating to internal control and corporate governance,
- Audit and accounting issues, and
- The independence of the auditors.

The Audit Committee is an independent body. The items above have been addressed and presented to the Board ahead of board decisions. The Audit Committee consists of board members Ulrik Svensson (Chairman) and Cecilia Daun Wennborg, both of whom are regarded as independent of the Company and its management. At the Audit Committee the company's auditor, President, CFO and the Head of Financial Control & Treasury participate. When reporting is required on specific matters, other officials from the Group participate. In 2014, the Committee held a total of four meetings.

Remuneration Committee

The Board has appointed a Remuneration Committee tasked with addressing all issues relating to salaries, variable salary components, warrants, pension benefits and other forms of compensation for Group management and, if the Board so decides, other levels of management as well. The Remuneration Committee is also tasked with monitoring and evaluating variable remuneration programs that are ongoing or were concluded during the year for senior executives, and monitoring and evaluating the application of the guidelines for remuneration of Group management which, by law, are to be determined by the AGM, as well as current compensation structures and compensation levels within the Company. The Committee presents its proposals to the Board ahead of board decisions. The Remuneration Committee consists of board members Alf Göransson (Chairman) and Jan Svensson. In 2014 one meeting was held by the Remuneration Committee.

Loomis' Group management

Group management has overall responsibility for ensuring that Loomis' ongoing operating activities are in accordance with the strategies and long-term goals established by the Board of Loomis AB, and that risk management, governance, the organizational structure and processes are adequate. Group management currently consists of the President and CEO and nine senior executives: Executive Vice President and Regional President USA, Regional President Nordics, Regional President Northern Europe, Regional President Southern Europe, Head of Loomis International Services, Group CFO, Group HR Director, Group Head of Risk and Head of Growth. For more information on Group management, please refer to pages 40-41.

Principles for remuneration and other conditions of employment
Remuneration for the President and other members of Group management consists of a fixed salary, a variable remuneration, pension benefits and other benefits. The variable remuneration is based on results in relation to performance targets in the individual areas of responsibility (Group, region or subsidiary) and should be consistent with the interests of the shareholders. The variable remuneration for the President is within the framework of the Company's Annual Incentive Plan (AIP) maximized at 60 percent of the fixed salary. For other members of Group management it is maximized at 104 percent of the fixed salary. The agreement for the person entitled to a bonus potential for 2014 of 104 percent, was signed prior to the company, in which he is employed, was acquired by Loomis. Variable remuneration in the framework of the Company's Long-Term Incentive Plan (LTIP) are not to exceed 40 percent of the fixed annual salary for the President and 50 percent for other members of Group management.
For the proposal of the Board on guidelines for remuneration to Group management with regards to agreements entered into after the AGM 2015, please refer to page 46.

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

According to the Swedish Companies Act and the Swedish Corporate Governance Code, the Board of Directors is responsible for internal control and risk management. This report has been prepared in accordance with the Swedish Corporate Governance Code and with the Swedish Annual Accounts Act which addresses internal control of financial reporting. Loomis, however, considers internal control to be a broader issue and this report therefore describes some aspects of operational risk management as well.

Internal control

Loomis' internal control system is designed to manage, rather than eliminate, the risk of failing to reach business-related goals, and can only provide reasonable, not absolute, assurance that no material errors or shortcomings will arise in the Company's financial reporting.

Financial reporting – Loomis' group-wide internal control of financial reporting is managed by the financial departments of the Group and the regions. Group management and the Group's financial department have joint responsibility and are to oversee and verify that the Group has local routines in place to meet the provisions in both global and local laws and regulations, and to ensure that the financial reporting is accurate. Loomis has a regional structure which is responsible for monitoring and guiding the countries in each region. However, responsibility for compliance with laws and regulations, adherence to the Group's routines and procedures, internal control and accurate financial reporting are the responsibility of each subsidiary and country management team.

Group management and the Group's financial department are also responsible for following up on the work of external auditors. Any observations and recommendations from the external auditors are analyzed and discussed with the subsidiary in question and any action plans are communicated to the persons responsible who then take the necessary steps which are then followed up. The results of internal control work are reported to the Audit Committee upon request.

Operational risk management – Handling cash and other valuables in environments where there are criminal elements is associated with significant risk to both personnel and property. Sound operational risk management is therefore one of Loomis' most important success factors. For this reason, in addition to the process described above for internal control of financial reporting, Loomis has established a risk department to focus on operational risk management. This department has developed a strong understanding of the risks the operations are exposed to.

Understanding the risks is essential in order to assess which business risks should be avoided entirely and which risks can be managed successfully. Loomis' employees play a crucial role in controlling and reporting on the operational risks that the Company has decided are acceptable. Loomis' operational risk management strategy is based on two fundamental principles that are easy for all of the employees to understand:

- No loss of life
- A balance between the risk of robbery or theft and profitability.

The strategy is designed to identify strengths to build upon, weaknesses that need to be addressed, and opportunities and threats that require action to be taken. It also takes into account the changes that may take place in Loomis' external environment, such as new technology or changes to laws. Each assignment is assessed using criteria such as profitability and security where commercial opportunities must be weighed against possible risks. Even if a risk is accepted, it must be monitored continuously because the external environment changes all the time. Significant business processes are documented and every risk associated with a specific process is identified and defined in a comprehensive risk register. The global risk management policy adopted by Loomis stipulates how the Group is to work actively with operational risk management in accordance with other established policies and the Company's Code of Conduct.

The Board of Directors (the Board) evaluates future business opportunities and risks and draws up a strategy for the Group. Group management and the respective country management are responsible for managing operational risk. Group management has responsibility for identifying, evaluating and managing risk, and for implementing and maintaining risk control systems in line with the policies adopted by the Board. Each country management team is responsible for ensuring that there is a process in their country aimed at promoting risk awareness. Operational branch managers and the individuals in charge of risk management in each country are responsible for ensuring that risk management is an integral part of their local operation at all levels in the country's organization. The Group has an established system to manage business risk which is integrated into the Group's business planning and result follow-up processes. In addition, reviews of business risk and risk assessment are routinely conducted throughout the Group. There are processes in place to ensure that Group management, the Audit Committee, and the Board are informed on an ongoing basis of significant risks and any risk control shortcomings. See page 28 for more information on the Group's risk management work.

Control environment

The control environment forms the foundation for internal control by creating the culture and the values based upon which Loomis operates. This part of the internal control structure includes the prevailing core values that exist, and how authority and responsibility structures are communicated and documented in governing documents such as internal policies and instructions. The Board has adopted a number of policies for areas of key importance for Loomis and these are evaluated and updated annually or as needed. The policies and governing documents adopted by Loomis are briefly described below:

- **Code of Conduct** which aims to ensure that the companies in the Group maintain and promote business processes that maintain the highest possible ethical standards.
- **Financial Policy** which contains guidelines to ensure transparent, cohesive and accurate financial reporting, proactive risk management and constant improvement of the Company's financial processes.
- **Purchase procedures** which provides a general framework to achieve efficient routines for significant fixed asset purchases.
- **Guidelines for Relationships** which outlines how relationships between employees are to be handled.
- **Customer Contract Policy** which specifies criteria for the content of contracts and when customer contracts must be approved by the Board.
- **Risk Management Policy** which provides a framework for the general structure for organizing, controlling and following up operational risks such as guidelines for the operational cash processing.
- **Internet and IT Policy** which contains general principles for how Group company computers, networks, software and other IT equipment are to be handled.
- **Information Security Policy** which provides a general framework aimed at ensuring that a reasonable level of information security is maintained in a number of key areas.
- **Insider Policy** which complements the current Swedish insider legislation and establishes routines for periods when trading in financial instruments issued by (or attributable to) Loomis AB is prohibited. The policy applies to all individuals who have been reported to the Swedish Financial Supervisory Authority as insiders within Loomis AB (including subsidiaries) as well as certain other categories of employees.
- **Communication Policy** which aims to ensure that the Company meets the requirements relating to the disclosure of information to the stock market.
- **Internal Control Requirements** which stipulates the important routines and control measures not stipulated in other governing documents.

The Loomis Group is a decentralized and specialized organization where managers are given clear goals and the authority to make their own decisions and develop their operations close to their customers. The delegation of decision-making authority is documented in an authorization matrix.

Risk assessment

The Group's financial and risk departments are responsible for ensuring that every subsidiary has routines aimed at promoting risk awareness. Country Presidents and individuals responsible for risk management in each country are to ensure that risk management is an integral part of the local operations at all levels in the country.

The Group has a system for managing group-wide risks. The system is constantly being developed and is integrated in the Group's business planning and performance follow-up processes, regardless of the type of risk in question. The annual risk analysis and the resulting risk register are coordinated and maintained at the Group level. In addition to this, business risk reviews and risk assessment are routinely carried out throughout the Group.

Control activities

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

Self assessment – Each operating entity within the Group regularly conducts a self assessment of insight into and adherence to the Group's requirements on internal control. The Group's external auditors validate the completed self assessment.

In order for comparisons to be made between countries and for changes to be made in specific countries, the results are compiled at the Group, regional and country levels. All reports are made available to each country management team, regional management, Group management and the Audit Committee.

Internal control activities – Over the past few years Loomis has developed methods for scrutinizing and monitoring internal control within the Group. Loomis' internal control activities consist primarily of:

- Developing and monitoring the Group's self-evaluation methods.
- Developing the Group's general policies and guidelines.
- Supporting Group management in its decisions and following up on of the external auditor's general audit plan and on important country-specific observations and recommendations.
- Being responsible for control and compliance issues for the Group and the subsidiaries.
- If necessary, conducting specific investigations and acting as project manager on behalf of Group management in compliance-related areas.
- Visiting Loomis' operations in different countries to monitor financial reporting as well as significant routines and control processes.

Financial monitoring – Local CFOs in the Group companies play a key role in creating the environment required to ensure that financial information is transparent, relevant and current. Local Country Presidents and CFOs are responsible for ensuring that the adopted policies and guidelines are complied with and that routines for internal control of financial reporting are working efficiently in each country.

Letter of Representation – The Group has a system for the ratification of the annual financial statements whereby, at the end of the year, Country Presidents and controllers sign a Letter of Representation where they confirm that the Group's policies and guidelines have been followed and that the report package provides a true and fair representation of the financial position.

Managing and monitoring risk – In addition to operational risk management carried out by the subsidiaries and regions, the Loomis Group has a global risk department. The risk department works to prevent operational losses, such as loss of life and health as well as loss that is purely financial. The department consists of three individuals including the Group Head of Risk who reports to the President and CEO and the Audit Committee. Loomis measures, reports and monitors operational risks on a regularly basis. The Group's overall risk management is also reinforced by comprehensive insurance coverage.

Information and communication
Information and communication are essential for an internal control system to be efficient. Loomis has developed routines and an information system to provide Group management and the Board with reliable reports on the Company's performance in relation to established goals.

Monitoring activity
Loomis' Board, President and the Group's CFO monitor the internal control of financial reporting. The procedures used by the Board to scrutinize the efficiency of the internal control system include:
- Discussions with Group management on risk areas identified by Group management and the risk analysis carried out.
- Addressing important issues arising from the external audit and other scrutiny/investigations.
- An Audit Committee to provide independent oversight of the effectiveness of the Group's internal control system and the financial reporting process.

Each operating entity within the Group is responsible for preparing an annual budget. Through a detailed reporting system, Group management performs a monthly follow-up of the actual results against budget, analysis of deviations, monitoring key performance indicators and forecasting activity. The reporting is also presented to the Board.

The Audit Committee reviews the annual report and interim reports before recommending the Board to publish these reports. The Audit Committee discusses specific and significant accounting principles as well as the estimates and assessments made when the reports are compiled. The Audit Committee also monitors the independence of the external auditors.

Board of Directors

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

Born: 1957

Education: International Economics, University of Gothenburg.

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

Other appointments: Board member and President & CEO of Securitas AB. Chairman of Ligue Internationale des Societes de Surveillance. Member of the Boards of HEXPOL AB and Axel Johnson Inc., USA.

Shares in Loomis as of Dec. 31, 2014: 6,000 (privately held)

Other information: Not independent of major shareholders.

Jarl Dahlfors
Member of the Board of Loomis AB since 2014. President and CEO of Loomis AB since 2013.

Born: 1964

Employed: 2007

Education: Bachelor of Science in Business and Economics, Stockholm University.

Experience: Regional President Loomis USA 2009–2013, CFO Loomis AB, CFO Attendo Group AB, CFO EF Education, Controller Trygg Hansa Asset Management and Auditor Price Waterhouse.

Other appointments: Chairman of the Board of ESTA, the European Security Transport Association.

Shares in Loomis as of Dec. 31, 2014: 102,091 (privately held)

Additional shares in Loomis from Incentive Scheme 2013: 2,983

Other information: Independent of major shareholders.

Ingrid Bonde
Member of the Board of Loomis AB since 2013.

Born: 1959

Education: Master of Business Administration, Stockholm School of Economics.

Experience: President and CEO of AFM Pensionsförsäkring AB 2008-2012, Director-General of the Swedish Financial Supervisory Authority 2003–2008, worked at the Swedish National Debt Office 1996-2002, Vice President Finance at SAS 1991–1996.

Other appointments: Deputy CEO and CFO at Vattenfall. Chairman of the Board of Hoist Finance AB.

Shares in Loomis as of Dec. 31, 2014: 1,940 (privately held)

Other information: Independent of major shareholders.

Ulrik Svensson
Member of the Board of Loomis AB since 2006.

Born: 1961

Education: Bachelor of Science in Business and Economics.

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

Other appointments: President of Melker Schörling AB. Member of the Boards of Hexagon AB, Assa Abloy AB, Hexpol AB, AAK AB and Flughafen Zürich AG.

Shares in Loomis as of Dec. 31, 2014: 1,400 (privately held)

Other information: Not independent of major shareholders.

Cecilia Daun Wennborg
Member of the Board of Loomis AB since 2013.

Born: 1963

Education: Bachelor of Science in Business and Economics, Stockholm University.

Experience: Deputy CEO of Ambea AB, CEO of Carema Vård och Omsorg AB, CFO of Ambea AB and Carema Vård och Omsorg AB, Deputy CEO at Skandiabanken, Head of Swedish Operations at Skandia and CEO of Skandia Link.

Other appointments: Chairman of the Board of Proffice AB. Board member in ICA Gruppen AB, Getinge AB, Eniro AB, Sophiahemmet AB, AB Svensk Bilprovning, Atvexa AB, Hotel Diplomat AB and CDW Konsult AB.

Shares in Loomis as of Dec. 31, 2014: 1,400 (privately held)

Other information: Independent of major shareholders.

Jan Svensson
Member of the Board of Loomis AB since 2006.

Born: 1956

Education: Mechanical Engineering and Bachelor of Science in Business and Economics, Stockholm School of Economics.

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

Other appointments: Board member and President & CEO of Investment AB Latour since January 1, 2003. Chairman of the Boards of Oxeon AB, AB Fagerhult and Nederman Holding AB. Member of the Boards of Assa Abloy AB and Tomra Systems ASA.

Shares in Loomis as of Dec. 31, 2014: 2,000 (privately held)

Other information: Not independent of major shareholders.

All of the board members except Jarl Dahlfors are regarded as independent of the Company and its management.

Auditor

Patrik Adolfson

PricewaterhouseCoopers AB

Born: 1973

Authorized Public Accountant and member of Far.

Auditor in charge from 2011.

Other auditing assignments: Attendo AB, Catella AB and Nordstjernan Investment AB.

Shares in Loomis as of Dec. 31, 2014: 0

Address: PricewaterhouseCoopers AB, 113 97 Stockholm, Sweden.

Group management

Jarl Dahlfors
President and CEO

Born: 1964

Employed: 2007

Education: Bachelor of Science in Business and Economics, Stockholm University.

Experience: Regional President Loomis USA 2009–2013, CFO Loomis AB, CFO Attendo Group AB, CFO EF Education, Controller Trygg Hansa Asset Management and Auditor Price Waterhouse.

Other appointments: Chairman of the Board of ESTA, the European Security Transport Association.

Shares in Loomis as of Dec. 31, 2014: 102,091 (privately held)

Additional shares in Loomis from Incentive Scheme 2013: 2,983

Johannes Bäckman
Head of Growth

Born: 1964

Employed: 2013

Education: Master of Science in Business, Stockholm School of Economics, Chinese and Thai from Universities in Stockholm, Lund and Beijing.

Experience: Corporate Development Director, Managing Director South East Asia and Director of Mergers and Acquisitions, Xylem Inc.

Other appointments: –

Shares in Loomis as of Dec. 31, 2014: 0

Additional shares in Loomis from Incentive Scheme 2013: 0

Lars Blecko
Executive Vice President and Regional President USA

Born: 1957

Employed: 2008

Education: Master of Science, Karlstad University.

Experience: President and CEO of Loomis 2008–2013,CEO of Rottneros AB 1999–2008, Senior Vice President Sales and Marketing Cardo Rail AB, President Radiopharmaceuticals whithin DuPont Group in Belgium, Switzerland, Germany and UK.

Other appointments: –

Shares in Loomis as of Dec. 31, 2014: 27,939 (privately held including shares held by related parties)

Additional shares in Loomis from Incentive Scheme 2013: 6,983

Kenneth Högman

Regional President Northern Europe

Born: 1957

Employed: 1978

Education: Engineer, various management training courses within the Securitas Group.

Experience: Regional Manager Securitas CHS Nordic, CEO Securitas CHS Sweden.

Other appointments: –

Shares in Loomis as of Dec. 31, 2014: 56,975 (privately held)

Additional shares in Loomis from Incentive Scheme 2013: 0

Anders Haker
Chief Financial Officer

Born: 1961

Employed: 2012

Education: Bachelor of Science in Business and Economics, Uppsala University.

Experience: CFO Lundin Mining Corp., CFO Boliden AB, Controller Trelleborg Finans and Auditor Price Waterhouse.

Other appointments: –

Shares in Loomis as of Dec. 31, 2014: 6,290 (privately held)

Additional shares in Loomis from Incentive Scheme 2013: 1,834

Georges López Periago
Regional President Southern Europe

Born: 1965

Employed: 1985

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

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

Other appointments: –

Shares in Loomis as of Dec. 31, 2014: 17,694 (privately held)

Additional shares in Loomis from Incentive Scheme 2013: 1,281

Martti Ojanen
Group Head of Risk

Born: 1962

Employed: 2009

Education: Master of Science in Business and Economics, Växjö University.

Experience: Vice President Risk Management Marsh AB.

Other appointments: –

Shares in Loomis as of Dec. 31, 2014: 20,738 (privately held)

Additional shares in Loomis from Incentive Scheme 2013: 1,311

Patrik Högberg
Regional President Nordics

Born: 1968

Employed: 2009

Education: Master of Business Administration, Stockholm University.

Experience: President Norstedts Juridik and President Svensk Kassaservice.

Other appointments: –

Shares in Loomis as of Dec. 31, 2014: 3,228 (privately held)

Additional shares in Loomis from Incentive Scheme 2013: 1,454

Urs Röösli
Head of Loomis International Services (LIS)
Born: 1969
Employed: 2014
Education: Master of Business Administration, University St. Gallen, Strategic Management Training, University St. Gallen och Advanced Strategic Management, IMD Lausanne.
Experience: Managing Director Corporate Supply Management and Quality Haniel Textil Services, Head of Division MSE and VMI of VIA MAT Group.
Other appointments: –
Shares in Loomis as of Dec. 31, 2014: 1 800 (privately held)
Additional shares in Loomis from Incentive Scheme 2013: 0

Mårten Lundberg
HR Director
Born: 1965
Employed: 2014
Education: Bachelor of Applied Science in HR from Stockholm University and Executive Master in HRM from Bocconi University, Milan.
Experience: HR Manager Market Units at Eniro AB, HR Director Skandia Nordic, HR Manager Swedbank International, Head of Compensation & benefits Swedbank, HR If P/C Insurance and Sales and marketing Skandia.
Other appointments: –
Shares in Loomis as of Dec. 31, 2014: 0
Additional shares in Loomis from Incentive Scheme 2013: 0

Stockholm, March 20, 2015

Alf Göransson *Chairman*	Ingrid Bonde *Board member*	Cecilia Daun Wennborg *Board member*
Jan Svensson *Board member*	Ulrik Svensson *Board member*	Jarl Dahlfors *Board member, President and CEO*

Auditor's report on the Corporate Governance Report

(Translation of the Swedish original)

To the Annual General Meeting of shareholders of Loomis AB (publ.), corporate identity number 556620-8095

It is the Board of Directors who is responsible for the Corporate Governance Report for the year 2014 on pages 32–41 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the Corporate Governance Report and, based on that reading and on our knowledge of the Company and the Group, we believe that we have sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Report is different and substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and generally accepted auditing standards in Sweden.

In our opinion, the Corporate Governance Report has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Stockholm, March 20, 2015

PricewaterhouseCoopers AB

Patrik Adolfson
Authorized Public Accountant

Administration Report Loomis AB

The Board of Directors (the Board) and the President of Loomis AB (publ) corporate identity number 556620-8095, registered office in Stockholm, hereby present the annual financial statements and consolidated financial statements for the 2014 financial year.

The Group's operations

Loomis offers a complete range of comprehensive solutions for cash handling in the USA, in major parts of Europe and in Argentina and cross border transportation of cash and precious metals, storage of valuables and general logistics solutions. The services are mainly aimed at central banks, commercial banks, retailers, other commercial enterprises and the public sector. The objective is to offer safe and efficient handling of the physical flow of cash in society. Loomis' services give the customers high-quality, cost-effective solutions and significantly reduce risk for the customers' employees.

Loomis has 160 years of experience in cash in transit and has gradually expanded its service offering to include comprehensive solutions. The Cash in Transit (CIT) service line is still the largest source of revenue for Loomis, although revenue from Cash Management Services (CMS) is growing more rapidly than revenue from CIT.

Loomis offers a comprehensive range of services in Europe* and in the USA, although the product mix and demand structure in the different markets vary to some extent. In Europe, CIT accounts for 66 percent (66) of revenue while CMS accounts for 34 percent (34). In the segmetn USA, CIT accounts for 71 percent (73) of revenue and CMS for 29 percent (27). The segment International Services consist of three types of operations; cross border transportation of cash and precious metals, storage of valuables and general logistics solutions.

Risk management is a fundamental component of all of Loomis' services. Managing risk on behalf of customers with varying requirements and protecting employees and property are key aspects of the value offered to customers. Understanding and assessing all of the risks associated with the flow of cash in society, and managing and controlling these risks are therefore key priorities for the Company. Safety is one of Loomis' most important success factors. Loomis makes significant investments in risk management systems, but even more important is maintaining a strong risk management culture. Loomis' risk management strategy is communicated to all employees. Loomis has also more than 150 people working with risk management at the Group and locally. They work both proactively and reactively including implementing preventive measures, monitoring the external environment and carrying out crisis management. For more information on risk management, see the Risk management section on page 28.

Significant events during the year

Acquisitions

On May 5, 2014 Loomis acquired all of the shares in the Swiss group VIA MAT Holding AG. The acquisition enables Loomis to expand its service offering beyond the existing service lines, Cash In Transit and Cash Management Services, to include International Services. The acquisition also makes Loomis the market leader in cash handling in the Swiss market. The VIA MAT group has approximately 1,000 employees and operations in Asia, Europe, the Middle East, South America and the USA. The acquisition allows Loomis to expand its operations to include a number of new geographies and provides the company's existing operations with new growth opportunities.

* Argentina is included in the European segment because the operations there are reported and followed up as part of the European segment.

Other significant events during the year

In May 2014 Loomis AB signed a five-year loan agreement, a Multi-Currency Revolving Credit Facility, of USD 100 million. The loan has been used to refinance an existing loan facility.

In connection with the acquisition of VIA MAT, Urs Röösli was appointed head of International Services. Urs Röösli became a member of Loomis' Group management team on August 1, 2014.

At the Annual General Meeting on May 6, 2014, President and CEO Jarl Dahlfors was elected as a new board member. The 2014 Annual General Meeting also voted in favor of the Board's proposal to introduce an incentive scheme (Incentive Scheme 2014). Similar to previous incentive schemes, Incentive Scheme 2014 will involve two thirds of the participants' variable remuneration being paid out in cash in the year after it is earned. The remaining one third will be in the form of Class B shares in Loomis AB which will be allotted at the beginning of 2016. The allotment of shares is contingent upon the employee still being employed by the Loomis Group on the last day of February 2016, other than in cases where the employee has left his/her position due to retirement, death or a long-term illness, in which case the employee will retain the right to receive bonus shares. The principles for performance measuring and other general principles that already apply to existing incentive schemes will continue to apply. Loomis AB will not issue any new shares or similar instruments in connection with this incentive scheme. To enable Loomis to allot these shares, the Annual General Meeting resolved that Loomis AB will enter into a share swap agreement with a third party under which the third party will acquire the Loomis shares in its own name and transfer them to the incentive scheme participants. The Incentive Scheme will enable around 300 key individuals within the Group to be shareholders in Loomis AB over time, which will increase employee commitment to Loomis' development for the benefit of all shareholders.

In June 2014 it was announced that Loomis' US subsidiary had entered into an agreement with Bank of America to take over the bank's cash processing services at approximately 30 locations in the USA. The assignment involves Loomis managing a portion of the bank's notes and coins at existing Loomis branches. The contract started in the third quarter of 2014 and is expected to be fully integrated by the end of 2015. Once fully integrated, the new contract is expected to generate annual revenue of approximately USD 20 million. Revenue from CMS will then account for around one third of Loomis total revenue in the USA. The contract is the single largest CMS contract that Loomis has signed in the USA.

In September 2014 Loomis published its new financial targets.

The new targets for 2014 – 2017 are:

- Revenue of SEK 17 billion by 2017
- Operating margin of 10–12 percent
- Net debt/EBITDA max 3.0
- Dividend of 40–60 percent of net income.

In October 2014 it was announced that Loomis' subsidiary in the UK had signed a contract with Tesco. Under the contract Loomis will provide replenishment and maintenance services for all of Tesco's 3,700 ATMs throughout the UK. The assignment, which began immediately, is expected to be fully rolled out by the second quarter of 2015. Once fully rolled out the annual revenue is expected to exceed GBP 20 million, corresponding to approximately SEK 230 million. The maintenance services will be performed by a technical service partner. The contract is the single largest new contract that Loomis has signed since the company was listed on the stock exchange in 2008.

SEK m	2014	2013	2012	2011	2010
Consolidated statement of income					
Total revenue	13,510	11,364	11,360	10,973	11,033
Operating income before amortization (EBITA)[1)]	1,370	1,099	1,019	912	882
Net income for the year	910	736	650	513	496
Consolidated statement of cash flows					
Cash flows from operations	1,819	1,302	1,239	1,203	1,271
Cash flows from investing activities	–2,569	–709	–1,003	–1,533	–790
Cash flows from financing activities	946	–641	–261	480	–586
Cash flow for the year	**196**	**–48**	**–24**	**150**	**–104**

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Consolidated balance sheet					
Capital employed	9,127	6,290	6,070	5,943	4,871
Net debt	4,219	2,125	2,475	2,545	1,748
Shareholders' equity	4,907	4,165	3,595	3,397	3,123

1) Earnings before interest, taxes, amortization of acquisitionrelated intangible fixed assets, acquisition-related costs and revenue, and Items affecting comparability.

In December 2014 it was announced that Loomis expands the Group management team with Mårten Lundberg, HR Director.

In December it was announced that Loomis had issued bonds worth SEK 1 billion and signed a loan agreement for CHF 90 million with Nordic Investment Bank. The funds were used to refinance the bridge loan raised in conjunction with Loomis' acquisition of VIA MAT in Switzerland in May 2014. The bond issue of SEK 1 billion was oversubscribed and was executed within the framework of a recently established MTN program. The program enables Loomis to issue bonds in the Swedish market up to a total amount of SEK 3 billion. The bonds have a maturity of 5 years, maturing on December 18, 2019, and are split into two tranches, one of SEK 250 million with fixed coupon rate of 1.875 percent and one of SEK 750 million with a floating interest rate of 3 months STIBOR plus 125 basis points. The bonds are listed on NASDAQ OMX Stockholm. The loan agreement with Nordic Investment Bank of CHF 90 million has a maturity of eight years and matures on December 16, 2022. The loan has a four-year amortization exemption and will thereafter be amortized on a linear basis.

Revenue and income

The Group

Revenue for the full year amounted to SEK 13,510 million (11,364). The organic growth, which was 3 percent (2), is mainly attributable to the contracts that went into effect in Europe and the USA in the latter part of 2013 and in 2014. The growth is mainly attributable to the contracts with DNB in Norway, Bank of America in the USA and Tesco in the UK. The real growth of 14 percent (2) includes revenue attributable to the acquisition of VIA MAT and the acquisition in Slovakia in 2013.

The operating income (EBITA) amounted to SEK 1,370 million (1,099). At comparable exchange rates the income improvement was SEK 212 million. An increased percentage of revenue from cash management services (CMS), organic growth and the fact that the continuous group-wide efforts to cut costs and improve efficiency are continuing to yield results, are the main explanations for the improvement in the operating margin to 10.1 percent (9.7).

The operating income (EBIT) amounted to SEK 1,306 million (1,085) and includes amortization of acquisition-related intangible assets of SEK –46 million (–28) and acquisition-related costs of SEK –19 million (28). The increased amortization of acquisition-related intangible assets is, like the acquisitionrelated costs, mainly attributable to the acquisition of VIA MAT. The acquisition-related net revenue reported in the corresponding period the previous year included a repayment installment of SEK 41 million of the purchase consideration for Pendum's cash handling operations which were acquired in 2011.

Income before taxes of SEK 1,240 million (1,038) includes a net financial expense of SEK –66 million (–47).

The tax expense for the period amounted to SEK 330 million (302), which represents a tax rate of 27 percent (29).

Earnings per share after dilution amounted to SEK 12.10 (9.78).

The segments

*Europe**

Real growth for the European operations amounted to 6 percent (2) and organic growth was 2 percent (2). The operating margin amounted to 12.3 percent, compared to 11.3 percent the previous year.

USA

Both real growth and organic growth amounted to 7 percent (2). The operating margin amounted to 9.9 percent, compared to 9.5 percent the previous year.

International Services

Revenue from International Services since the acquisition amounted to SEK 918 million. The operating income (EBITA) amounted to SEK 67 million and the operating margin was 7.3 percent.

Cash flow

Cash flow from operations amounted to SEK 1,819 million (1,302). Cash flow from investing activities amounted to SEK –2,569 million (–709) which includes investments in fixed assets (net) of SEK –1,033 million (–720) and acquisitions of SEK –1,536 million (–12). Cash flow from financing activities amounted to SEK 946 million (–641) and includes a dividend of SEK –376 million (–338).

Capital employed and financing

Loomis' operating capital employed amounted to SEK 3,729 million (2,834) which is equivalent to 28 percent (25) of revenue. The total capital employed amounted to SEK 9,127 million (6,290). The change in capital employed is mainly related to the acquisition of VIA MAT. Return on capital employed amounted to 15 percent (17), the net debt was SEK 4,219 million (2,125) and the equity ratio was 38 percent (45).

In the third quarter 2014 Loomis long-term business plans were prepared and in connection with this process, impairment testing was undertaken on all of the Group's cash-generating units. None of the cash generating units had a book value exceeding its recoverable amount and therefore no goodwill impairment has been recorded in 2014.

* Argentina is included in the European segment because the operations there are reported and followed up as part of the European segment.

Shareholders' equity

Shareholders' equity increased during the year by SEK 742 million to SEK 4,907 million (4,165). Income for the year of SEK 910 million, exchange rate differences of SEK 831 million and change in share related remuneration of SEK 4 million increased shareholders' equity by SEK 1,745 million. Actuarial losses of SEK –278 million, hedging of net investments of SEK –348 million and paid dividend of SEK –376 million reduced the amount of share capital by SEK –1,002 million. The return on shareholders' equity was 19 percent (18).

Environmental impact

The Group and the Parent Company are not engaged in any operations requiring a permit under the Environmental Code.

Employees

In 2014 the average number of full time employees was 20,539 (19,442) in 20 countries (16). The gender distribution was 30 percent (29) women and 70 percent (71) men. Due to the nature of Loomis' operations, the Group's employees assume a considerable amount of responsibility every day. Based on the demands of the Company's operations, Loomis places great emphasis on recruiting the right employees and ensuring that they receive the necessary training. All employees undergo basic training as well as subsequent, regular additional training. The training programs have been adapted to each country and region where Loomis operates. Managers at various levels are offered leadership training to support them in their roles. Loomis also places great emphasis on all employees complying with the Group's core values.

Research and development

Loomis is a service company and does not conduct any research as defined in IAS 38, Intangible assets. Work on refining and developing the Group's service offering is carried out on a continuous basis, not least as an integrated part of providing services at the customers' locations. Capitalized development costs in the Group amounted to SEK 2 million (1) as of December 31, 2014.

Parent Company

Loomis AB is a holding company with subsidiaries in Argentinas, Austria, Brazil, Czech Republic, Denmark, Finland, France, Germany, Hong Kong, Ireland, Norway, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, the UK, United Arab Emirates and the USA. Loomis AB does not engage in any operating activities as it is only involved in providing Group management and support functions. The average number of full–time employees at the head office during the year was 22 (18).

Income after financial items amounted to SEK 617 million (609).

In the second quarter of 2014, a total of SEK 376 million (338) was distributed to the shareholders, representing a dividend of SEK 5.00 per share (4.50).

Uncertainties

The economic trends in 2014 negatively affected certain geographical areas, and a similar impact on revenue and income in 2015 cannot be ruled out.

Changes in the general economic conditions affected the cash handling services market in a number of ways; affecting, for example, consumption levels and the proportion of cash purchases relative to credit card purchases, the risk of robbery and bad debt losses and staff turnover rates.

Additional factors of uncertainty for 2015 are risks associated with the integration of VIA MAT. For more information on uncertainties, see Note 4 Critical accounting estimates and assessments.

Other

Information regarding financial risk management and the use of financial instruments in risk management can be found in Note 6. The Parent Company shares issued consist of both Class A and Class B shares. One Class A share entitles the holder to 10 votes and one Class B share to one vote. Loomis' Class B shares have been listed on the NASDAQ OMX Stockholm's Mid Cap list since December 9, 2008. As of December 31, 2014, 53,797 Class B-shares were kept as treasury shares. As from 2015, Loomis' Class B shares are listed on NASDAQ OMX Stockholm, Large-Cap list. The main principal owners are Investment AB Latour and Melker Schörling AB. These principal owners have entered into a shareholder agreement under which the parties intend to coordinate their actions in matters concerning the composition of the Board, dividend policy, resolutions on amendments to the Articles of Association or share capital, significant acquisitions or divestments and the appointment of the CEO. The shareholder agreement also includes a provision on pre-emption rights if either of the parties chooses to sell Class A shares. For further information on the major shareholders, refer to the section under the heading "The share" on pages 30–31.

The 2014 Annual General Meeting voted in favor of the Board's proposal to introduce an incentive scheme, similar to the incentive scheme adopted by the 2013 AGM. Similar to the 2013 AGM, the Annual General Meeting 2014 resolved that Loomis AB will enter into a share swap agreement with a third party. Under the agreement, the third party will acquire Loomis AB shares in its own name and transfer them to the incentive scheme participants. Loomis AB will thus not issue any new shares or similar instruments as a result of Incentive Schemes 2013 or 2014.

Significant events after the end of the year

The Board has decided to propose that a resolution be passed at the 2015 AGM on an incentive scheme (Incentive Scheme 2015). Similar to Incentive Scheme 2014, the proposed incentive scheme will involve two thirds of the variable remuneration being paid out in cash the year after it is earned. The remaining one third will be in the form of Class B shares in Loomis AB which will be allotted to the participants at the beginning of 2017. The allotment of shares is contingent upon the employee still being employed by the Loomis Group on the last day of February 2017, other than in cases where the employee has left his/her position due to retirement, death or a long-term illness, in which case the employee will retain the right to receive bonus shares. The principles of performance measurement and other general principles that are already being applied for the existing incentive scheme will continue to apply. Loomis AB will not issue any new shares or similar instruments as a result of this incentive scheme. To enable Loomis to allot these shares, it is proposed that Loomis AB enters into a share swap agreement with a third party under which the third party acquires the Loomis shares in its own name and transfers them to the incentive scheme participants. The incentive scheme enables around 350 of Loomis' key employees to become shareholders in Loomis AB over time and will thereby increase employee participation in Loomis' development, which will benefit all of the shareholders. To read the Board's full incentive scheme proposal, see the notice of the AGM.

Outlook

The market for cash handling services continues to grow and in by far the majority of markets where Loomis operates, the volume of cash is growing in line with the economy. Increased interest among customers in reviewing the risks to their own personnel is also expected to drive Loomis' business, while at the same time Loomis is able to manage the flow of cash more efficiently, resulting in cost savings for customers. The Company does not provide forecast information for 2015.

Proposed appropriation of profits

The Board has decided to propose to the AGM a dividend of SEK 451,356,192[1)] and Friday, May 8, 2015 is proposed as the record day for the dividend. It is the Board's assessment that the proposed dividend will allow the Group to fulfill its obligations and make the necessary investments.

The Parent Company's and the Group's statements of income and balance sheets are subject to adoption by the AGM on May 6, 2015.

The following funds are at the disposal of the AGM:

	SEK
Retained earnings	4,079,642,286
Exchange rate differences	–347,555,698
Change in treasury shares	–6,095,513[1)]
Net income for the year	561,575,668
Total	**4,287,566,742**

The Board proposes that the profits be appropriated as follows:

	SEK
Dividend to shareholders (SEK 6.00/share)	451,356,192[2)]
To be carried forward	3,836,210,550
Total	**4,287,566,742**

1) The change relates to shares allotted under Loomis' share-related Incentive Scheme 2012 and share swap related to share-related Incentive Scheme 2013.

2) Calculated based on the number of outstanding shares on the balance sheet date.

The Board's statement on the proposed dividend

In view of the Board's above proposal regarding the dividend, the Board hereby gives the following statement according to Chapter 18, § 4 of the Companies Act (2005:551). As follows from the Board's proposal regarding the appropriation of profits, profits amounting to SEK 4,287,556,742 are at the disposal of the AGM. Provided that the 2015 AGM resolves in accordance with the Board's proposal on the appropriation of profits, SEK 3,836,210,550 will be carried forward. After distribution of the proposed dividend, there will be full coverage for the Company's restricted equity. The proposed dividend constitutes a total of 10 percent of the equity in the Company and 9 percent of Group's consolidated equity. Following the dividend, the equity/assets ratio will be 45 percent for the Company and 35 percent for the Group.

Shareholders' equity has not increased or decreased as a result of valuation of assets or liabilities according to Chapter 4, § 14a of the Annual Accounts Act.

The Board has considered the Company's and the Group's consolidation requirements and liquidity through a comprehensive assessment of the financial position of the Company and the Group, as well as the possibilities of the Company and the Group to discharge at sight its obligations. The proposed dividend does not jeopardize the Company's ability to make the investments that have been deemed necessary. The Company's financial position does not give rise to any other assessment other than that the Company can continue its operations and that the Company is expected to comply with its obligations in a short as well as a long term perspective. In addition to the assessment of the Company's and the Group's consolidation requirements and liquidity, the Board has also taken into consideration all other known circumstances that may have an impact on the Company's and the Group's financial position.

With reference to the above, the Board makes the assessment that the dividend is justifiable, considering the requirements that the nature, scope and risks of the operations pose on the size of the Company's and the Group's equity and equity/assets ratio as well as the Company's and the Group's consolidation requirements, liquidity and position in general.

As regards the Company's and the Group's results and position in general, please refer to the statement of income, balance sheets and statements of cash flow as well as comments and notes.

The Board's proposed guidelines for remuneration to Group management

The Board of Loomis AB (publ) proposes that the AGM 2015 resolves on guidelines for remuneration to Group management in accordance with the following.

Scope of the guidelines

These guidelines concern remuneration and other employment benefits to persons that are part of the Loomis Group management team, referred to below as the "management", during the time period for which the guidelines are in force. Present members of the management are Lars Blecko, Johannes Bäckman, Jarl Dahlfors, Anders Haker, Patrik Högberg, Kenneth Högman, Mårten Lundberg, Georges López Periago, Martti Ojanen and Urs Röösli.

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

Basic principles and the forms for remuneration

The fundamental principle is that remuneration and other terms of employment for the management shall be competitive and in accordance with market conditions in order to ensure that the Loomis Group will be able to attract and keep competent members of management. The total remuneration to management shall consist of a fixed salary, variable remuneration, pensions and other benefits.

The Board shall, each year, consider whether to propose that the general meeting resolves upon a share or share price-based incentive scheme. The AGM 2014, adopted a resolution on an incentive scheme.

Principles regarding different types of remuneration

Fixed salary

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

Variable remuneration

In addition to a fixed salary, the management may also receive variable remuneration, which shall be based on the outcome in relation to financial goals and growth targets within the individual area of responsibility (Group, region or subsidiary) and in line with the interests of the shareholders. The variable remuneration within the scope of the Company's so called AIP (Annual Incentive Plan) shall amount to a maximum of 60 percent of the fixed annual salary for the President and CEO and a maximum of 80 percent of the fixed annual salary for other members of management. The variable remuneration within the scope of the Company's so called LTIP (Long-Term Incentive Plan) shall amount to a maximum of 40 percent of the fixed salary for the President and CEO and a maximum of 50 percent of the fixed annual salary for other members of management.

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

Pensions

The pension rights of the management shall be applicable as from the age of 65, at the earliest, and shall, to the extent management is not subject to pension benefits pursuant to collective agreement (ITP-plan), be provided pursuant to a fee-determined pension plan equivalent to maximum 30 percent of the fixed annual salary. For management that is not subject to collective agreement (ITP-plan), variable remuneration shall not be pension qualifying. Members of management resident outside Sweden may be offered pension programs which are competitive in the country where the employees are resident.

Terms at dismissal/resignation

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

Other benefits

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

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

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

Estimated costs for variable remuneration

The cost of variable remuneration to the management according to the proposal of the Board, taking into account existing agreements and based on the present remuneration rates, may, at a maximum outcome, which presupposes that all targets which the variable remuneration is based on are met, amount to maximum SEK 38 million. This estimate is based on those individuals currently being part of the management. The costs may change in case additional persons will become part of the management.

Previously determined remuneration which has not fallen due for payment

In Note 11, Personnel, the total remuneration to the management in 2014 is reported, including previous commitments which have not yet fallen due for payment.

Consolidated statement of income

SEK m	Note	2014	2013	2012
Revenue, continuing operations		12,345	11,321	10,983
Revenue, acquisitions		1,166	43	376
Total revenue	8, 9	**13,510**	**11,364**	**11,360**
Production expenses	10,11,12	–10,283	–8,730	–8,781
Gross income		**3,227**	**2,634**	**2,579**
Selling and administrative expenses	10,11,12	–1,857	–1,534	–1,560
Operating income (EBITA)[1)]		**1,370**	**1,099**	**1,019**
Amortization of acquisition-related intangible assets	10,12,17	–46	–28	–28
Acquisition-related costs	10,15	–19	28	–18
Items affecting comparability	10	–	–14	16
Operating income (EBIT)		**1,306**	**1,085**	**988**
Financial income	13	12	13	16
Financial expenses	13	–79	–60	–73
Income before taxes		**1,240**	**1,038**	**932**
Income tax	14	–330	–302	–282
Net income for the year[2)]		**910**	**736**	**650**

1) Earnings Before Interest, Taxes, Amortization of acquisition-related intangible fixed assets, Acquisition-related costs and revenue and Items affecting comparability.
2) Net income for the year is entirely attributable to the owners of the Parent Company.

Data per share

SEK	Note	2014	2013	2012
Earnings per share, before dilution	3	12.10[3)]	9.83[4)]	8.90[5)]
Earnings per share, after dilution	3	12.10	9.78	8.60
Dividend[6)]		5.00	4.50	3.75
Number of outstanding shares (million)		75.2	75.3	73.0
Average number of outstanding shares (million)		75.2[3)]	74.8[4)]	73.0[5)]

3) The average number of outstanding shares, which constitutes the basis for calculation of earnings per share before dilution, is 75,237,915. The average number of outstanding shares included until March 21 2014, treasury shares for Loomis Incentive Scheme 2012.
4) The average number of outstanding shares, which constitutes the basis for calculation of earnings per share before dilution, is 74,838,476, which includes 121,863 shares that were held as treasury shares as of December 31, 2013. The treasury shares were for Loomis' Incentive Scheme 2012 and have, in accordance with agreements, been allotted to employees.
5) The average number of outstanding shares, which constitutes the basis for calculation of earnings per share before dilution, is 73,011,780, which includes 132,318 shares that were held as treasury shares as of December 31, 2012. The treasury shares were for Loomis' Incentive Scheme 2011 and have, in accordance with agreements, been allotted to employees.
6) Refers to dividends paid in the current financial year.

Consolidated statement of comprehensive income[7)]

SEK m	2014	2013	2012
Net income for the year	**910**	**736**	**650**
Other comprehensive income			
Items that will not be reclassified to the statement of income			
Actuarial gains and losses, net of tax	–278	–9	–34
Items that may be reclassified to the statement of income			
Exchange rate differences	831	9	–234
Hedging of net investments, net of tax	–348	8	90
Cash flow hedges, net of tax	–	–	3
Other revaluation, net of tax[8)]	–	–	–
Other comprehensive income and expenses for the year, net after tax	**205**	**8**	**–175**
Total comprehensive income and expenses for the year	**1,115**	**744**	**475**

7) Comprehensive income is entirely attributable to the owners of the Parent Company.
8) Relates to revaluation of a contingent consideration for the acquisition of Pendum's cash handling operations. A repayment installment of SEK 33 million was received in 2012 and has been recycled to the statement of income, and an additional repayment installment of SEK 41 million was received in 2013 and has been recycled to the statement of income, which is why the impact on other comprehensive income is nil. Negotiations have been concluded and no further repayments will be received. For further information see Note 15 and Note 27.

See Note 27 for further reconciliation of shareholders' equity.

Consolidated balance sheet

SEK m	Note	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
ASSETS				
Fixed assets				
Goodwill	15,16	4,897	3,346	3,317
Acquisition-related intangible assets	17	363	126	153
Other intangible assets	18	127	93	93
Buildings and land	19	553	261	253
Machinery and equipment	19	3,260	2,711	2,612
Deferred tax assets	14	506	322	379
Interest-bearing financial fixed assets[1)]	20	67	61	66
Other long-term receivables[1)]	21	95	125	34
Total fixed assets		**9,868**	**7,045**	**6,907**
Current assets				
Accounts receivable	22	1,624	1,315	1,299
Other current receivables	23	181	116	90
Current tax assets	14	265	153	100
Prepaid expenses and accrued income	24	497	296	201
Interest-bearing financial current assets	25	25	10	10
Liquid funds	26	566	333	380
Total current assets		**3,159**	**2,222**	**2,079**
TOTAL ASSETS		**13,027**	**9,267**	**8,986**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity	27			
Capital and reserves attributable to the owners of the Parent				
Share capital		376	376	365
Other capital contributed		4,594	4,594	4,441
Other reserves		604	117	100
Retained earnings including net income for the year		–666	–922	–1,311
Total shareholders' equity		**4,907**	**4,165**	**3,595**
Long-term liabilities				
Loans payable	28	3,404	1,574	2,566
Deferred tax liability	14	534	412	396
Provisions for claims reserves	29	185	171	170
Provisions for pensions and similar commitments	30	736	275	318
Other provisions	31	133	92	97
Total long-term liabilities		**4,992**	**2,523**	**3,547**
Current liabilities				
Loans payable	28	738	680	48
Accounts payable		613	404	393
Provisions for claims reserves	29	144	135	123
Current tax liabilities	14	117	80	74
Accrued expenses and prepaid income	32	1,168	929	911
Other provisions	31	19	42	9
Other current liabilities	33	329	309	287
Total current liabilities		**3,128**	**2,579**	**1,845**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**13,027**	**9,267**	**8,986**
Memorandum items				
Pledged assets		None	None	None
Contingent liabilities	34	2,362	1,953	1,348

1) As of the beginning of the 2013 financial year the defined benefit pension obligation is included in net debt. To reflect this change the comparative figures have been adjusted.

Consolidated statement of cash flows

SEK m	Note	2014	2013	2012
Operations				
Income before taxes		1,240	1,038	932
Items not affecting cash flow, items affecting comparability and acquisition-related restructuring costs	35	929	762	687
Income tax paid		–298	–319	–252
Change in accounts receivable		–40	6	54
Change in other operating capital employed and other items		–12	–186	–182
Cash flow from operations		**1,819**	**1,302**	**1,239**
Investing activities				
Investments in fixed assets	18,19	–1,072	–748	–793
Disposals of fixed assets		39	28	46
Acquisition of operations[1)]	15	–1,536	–12	–256
Cash flow from investing activities		**–2,569**	**–709**	**–1,003**
Financing activities				
Dividend paid	27	–376	–338	–273
Repayments of leasing liabilities	28	–40	–40	–21
Change in interest-bearing net debt excluding liquid funds		–293	–512	34
Change in issued commercial papers, bonds and other long-term borrowing		1,655[2)]	248	–
Cash flow from financing activities		**946**	**–641**	**–261**
Cash flow for the year		**196**	**–48**	**–24**
Liquid funds at beginning of year		**333**	**380**	**413**
Exchange rate differences on liquid funds		37	1	–8
Liquid funds at end of year		**566**	**333**	**380**

1) Acquisition of operations includes the cash flow effect of acquisition-related costs.
1) For the period this includes a bond issue based on Loomis MTN program and a loan from Nordic Investment Bank.

Consolidated statement of changes in equity

SEK m	Attributable to the owners of the Parent				
	Share capital[1)]	Other contributed capital	Other reserves[2)]	Retained earnings incl. net income for the year	Total
Opening balance, January 1, 2012	**365**	**4,441**	**248**	**–1,657**	**3,397**
Comprehensive income					
Net income for the year	–	–	–	650	650
Other comprehensive income					
Actuarial gains and losses, net of tax	–	–	–	–34	–34
Cash flow hedges, net of tax	–	–	–	3	3
Exchange rate differences	–	–	–234	–	–234
Hedging of net investments, net of tax	–	–	90	–	90
Other revaluation, net of tax[3)]	–	–	–	–	–
Total other comprehensive income	**–**	**–**	**–144**	**–31**	**–175**
Total comprehensive income	**–**	**–**	**–144**	**619**	**475**
Transactions with shareholders					
Dividend	–	–	–	–273	–273
Share-related remuneration[4)]	–	–	–4	–	–4
Total transactions with shareholders	**–**	**–**	**–4**	**–273**	**–277**
Opening balance, January 1, 2013	**365**	**4,441**	**100**	**–1,311**	**3,595**
Comprehensive income					
Net income for the year	–	–	–	736	736
Other comprehensive income					
Actuarial gains and losses, net of tax	–	–	–	–9	–9
Exchange rate differences	–	–	9	–	9
Hedging of net investments, net of tax	–	–	8	–	8
Other revaluation, net of tax[3)]	–	–	–	–	–
Total other comprehensive income	**–**	**–**	**17**	**–9**	**8**
Total comprehensive income	**–**	**–**	**17**	**727**	**744**
Transactions with shareholders					
New share issue through exercise of warrants	11	153	–	–	164
Dividend	–	–	–	–338	–338
Share-related remuneration[7)]	–	–	0	–	0
Total transactions with shareholders	**11**	**153**	**0**	**–338**	**–174**
Opening balance, January 1, 2014	**376**	**4,594**	**117**	**–922**	**4,165**

1) Parent Company shares issued consist of both Class A and Class B shares. Each Class A share carries ten votes and each Class B share one vote.

2) "Other reserves" refers to exchange rate differences, hedging of net investments net of tax, share-related remuneration, revaluation of contingent consideration and share swap agreement.

3) Relates to revaluation of a contingent consideration for the acquisition of Pendum's cash handling operations. A repayment installment of SEK 33 million was received in 2012 and has been recycled to the statement of income, and an additional repayment installment of SEK 41 million was received in 2013 and has been recycled to the statement of income, which is why the impact on other comprehensive income is nil. Negotiations have been concluded and no further repayments will be received. For further information see Note 15 and Note 27.

4) Refers to the expensed portion of Loomis share-related incentive schemes in the statement of income, as described in Note 11, of SEK 14 million. During the year 70,872 shares were allotted to the employees under the share-related Incentive Scheme 2010, and 79,081 shares were repurchased for Incentive Scheme 2011. The shares repurchased in 2012 were repurchased for an average price of SEK 93.35/share. The total holding of repurchased shares as of December 31, 2012 was 132,318.

5) Refers to the expensed portion of Loomis share-related incentive schemes in the statement of income, as described in Note 11, of SEK 14 million. During the year 82,324 shares were allotted to the employees under the share-related Incentive Scheme 2011, and 71,869 shares were repurchased for Incentive Scheme 2012. Of the repurchased shares, 10,000 shares were repurchased for an average price of SEK 117.45/share, 35,000 shares were repurchased for an average price of SEK 117.30/share, 22,819 shares were repurchased for an average price of SEK 119.19/share and the remaining 4,050 shares were repurchased for an average price of SEK 130.34/share. The total holding of repurchased shares as of December 31, 2013 was 121,863.

SEK m	Share capital[1]	Other contributed capital	Other reserves[2]	Retained earnings incl. net income for the year	Total
	Attributable to the owners of the Parent				
Opening balance, January 1, 2014	**376**	**4,594**	**117**	**–922**	**4,165**
Comprehensive income					
Net income for the year	–	–	–	910	910
Other comprehensive income					
Actuarial gains and losses, net of tax	–	–	–	–278	–278
Exchange rate differences	–	–	831	–	831
Hedging of net investments, net of tax	–	–	–348	–	–348
Total other comprehensive income	**–**	**–**	**483**	**–278**	**205**
Total comprehensive income	**–**	**–**	**483**	**632**	**1,115**
Transactions with shareholders					
Dividend	–	–	–	–376	–376
Share-related remuneration[6]	–	–	18	–	18
Share swap agreement[7]	–	–	–14	–	–14
Total transactions with shareholders	–	–	**4**	**–376**	**–372**
Closing balance, December 31, 2014	**376**	**4,594**	**604**	**–666**	**4,907**

6) Refers to the expensed portion of Loomis share-related incentive schemes in the statement of income, as described in Note 11, of SEK 23 million. During the year 68,066 shares were allotted to the employees under the share-related Incentive Scheme 2012.

7) In accordance with a resolution at the 2013 Annual General Meeting, a swap agreement was entered into for the purpose of hedging the share component in the Group's share-related Incentive Scheme 2013. A total of 80,959 shares have been hedged under this swap agreement and they will be allotted to the employees during the period March - June 2015 provided that the criteria under the scheme have been met, including still being employed on February 28, 2015.

Notes

NOTE 1 General information

Loomis AB (Parent Company Corporate Identity Number 556620-8095) and its subsidiary companies (referred to collectively as the Group) offer comprehensive solutions for cash handling in the US, large parts of Europe and in Argentina, and cross-border transportation of cash and precious metals, storage of valuables and general logistics solutions.

The Parent Company is a limited liability company with its registered office in Stockholm. The address of the head office is Gamla Brogatan 36–38, 111 20 Stockholm. The Parent Company is a holding company with the primary purpose of holding and administrating shares in a number of subsidiaries, whilst managing and administrating the Group as a whole.

These consolidated financial statements are subject to adoption by the Annual General Meeting on May 6, 2015.

NOTE 2 Summary of important accounting principles

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

Basis of preparation of reports

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

New and revised standards adopted by the Group

Below are the standards that the Group is applying for the first time of the financial year beginning on January 1, 2014 and which may have a significant impact on the Group's financial reporting.

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosures of Interests in Other Entities
- IAS 27 Separate Financial Statements
- IAS 28 Investments in Associates and Joint Ventures

In addition to other information provided in the Annual Report, primarily regarding IFRS 12 Disclosures of Interests in Other Entities, these standards have not had any significant effect on the Group's or the Parent Company's results or financial position.

Standards, amendments and interpretations of existing standards which have not yet entered into force and which have not been early adopted by the Group

IFRS 9 Financial Instruments addresses the classification, measurement and recognition of financial assets and liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial assets. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income. There will thus be no reclassification to profit or loss upon the sale of the instrument. IFRS 9 also introduces a new model for calculation of credit loss reserves based on expected credit losses. The classification and measurement of financial liabilities is not changed other than in cases where a liability is reported at fair value through profit or loss based on the fair value alternative. Changes in value relating to changes in the entity's own credit risk are to be reported in other comprehensive income. IFRS 9 relaxes the requirements for hedge accounting by replacing the 80–125 criteria with a requirement for an economic relationship between the hedging instrument and the hedged item and that the hedge ratio is to be the same as the one management actually use for risk management purposes. The hedging documentation requirement is slightly different to what was required under IAS 39. The standard is to be applied for the financial year starting on January 1, 2018. Early adoption is permitted. The Group is yet to assess IFRS 9's full impact.

IFRS 15 Revenue from contracts with customers deals with revenue recognition. The principles upon which IFRS 15 is based provide users of financial statements with more useable information on the entity's revenue. With the expanded disclosure requirements, information is to be provided on the nature, timing of settlement and uncertainty associated with revenue recognition as well as cash flows relating to the entity's contracts with customers. According to IFRS 15 revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction contracts as well as the associated SIC and IFRIC. IFRS 15 is effective for financial years starting on January 1, 2017. Early adoption is permitted. The Group has not yet fully evaluated the effects of the introduction of the standard but has determined that they will be limited except for the new disclosure requirements.

None of the other changes to standards or new interpretation notifications that have been adopted for application from the beginning of the 2015 financial year or later are expected to have any material effect on the consolidated financial statements.

Scope of the consolidated financial statements

The consolidated financial statements cover the Parent Company Loomis AB and all of the subsidiaries. Subsidiaries are all companies over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the company. Subsidiaries are fully consolidatated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Acquisition method (IFRS 3)

The Group applies the acquisition method to account for business combinations. All considerations transferred for the acquisition of an operation are reported at fair value on the acquisition date. Revaluation of any deferred considerations and contingent considerations over and above that which was assessed at the time of the acquisition are recognized through the statement of income/statement of other comprehensive income. When the final outcome is available, any effect of contingent consideration/repayment of consideration is recycled to the statement of income. Holdings without a controlling interest in the acquired operations can, for each acquisition, either be valued at fair value, or at the proportional share of the acquired operations' net assets, held without a controlling interest. As of December 31, 2014, there were no non-controlling interests within the Group. The surplus arising from the difference between the acquisition price and the fair value of the Group's share of identifiable acquired assets, liabilities and contingent liabilities is reported as goodwill.

Acquisition-related costs

Loomis AB recognizes acquisition-related costs attributable to transaction costs, revaluation of deferred considerations, final effects of contingent considerations/repayments, restructuring and/or integration of acquired operations in the Group as a separate item in the statement of income. The item includes acquisition-related costs attributable to ongoing, completed and incomplete acquisitions. 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 into 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 that 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 costs would not have been applicable if the acquisition had not taken place, and ii) the cost is attributable to a project that management has 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.

Translation of foreign subsidiaries (IAS 21)

The functional currency of each of the Group's subsidiaries, that is, the currency in which the company normally has incoming and outgoing payments, is normally determined by the primary economic environment in which the company operates. The functional currency of the Parent Company and the presentation currency of the Group, that is, the currency in which the financial statements are presented, is the Swedish Krona (SEK). The financial statements of each foreign subsidiary are translated according to the following: each month's statement of income is translated applying the exchange rate in effect on the last day of that month. Thus the the income for each month is not affected by foreign exchange fluctuations during subsequent periods.

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

Receivables and liabilities in foreign currency (IAS 21)

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

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

Intra-Group transactions (IAS 24 and IFRS 3)

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

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

Revenue recognition (IAS 18)

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

The Group's revenue is generated from Cash in Transit, Cash Management Services and International Services comprising international transportation of precious metals, storage of valuables and general logistics. Revenue is recognized in the period in which it is earned, on a straight-line basis over the contract period, and when the Group assesses that the criteria for revenue recognition have been met. Subscription revenue is allocated on a straight line basis over the period to which the subscription is in effect.

The International Services segment has several types of operations and revenue streams which have historically not existed within Loomis. Some of the services offered in this segment involve so-called pass-through transactions. Pass-through transactions are transactions executed on behalf of a customer or other third party which are common in international logistics solutions. The consignee has to pay import taxes (VAT and duties) for the imported goods. Orders from Loomis' foreign

Note 2 cont.

customers usually include obtaining customs clearance and the declaration of custom duties and other applicable taxes. Loomis executes these transactions on behalf of the customers but the transactions do not generate any economic benefits for Loomis. The payment of import taxes by Loomis on behalf of customers is therefore regarded as a pass-through transaction. Custom duties and other applicable taxes as well as charges passed on to the customers are therefore accounted for in the balance sheet only and do not affect the statement of income. If a mark-up is charged to the customer for handling of custom duties and import taxes, this fee is recognized as revenue. Other revenue earned is recognized according to the following:

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

Items affecting comparability

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

- Capital gains and losses arising from the disposal of material cash-generating units.
- Material impairment losses.
- Material items of a non-recurring nature.

Provisions, impairment losses, bad debt losses or other material non-recurring items, which are reported as items affecting comparability during a certain period, are consistently accounted for in future periods through any reversals of provisions, impairment losses, bad debt losses or other material non-recurring items also reported under items affecting comparability. During the year no items affecting comparabilty has been reported. Items affecting comparability are reported by function in Note 10.

Segment reporting (IFRS 8)

Operating segments are reported in accordance with the internal Loomis reporting, submitted to the President and CEO who has been identified as the most senior executive decision maker within Loomis. As a consequence of the acquisition of VIA MAT, Loomis have the following segments as of the second quarter 2014: Europe*, USA, International Services and Other. The regional presidents of Europe, USA and International Services are responsible for following up the segments' operating income before amortization of acquisition-related intangible assets, acquisition-related costs and items affecting comparability (EBITA), according to the manner in which Loomis reports its consolidated statement of income. This then forms the basis for how the President and CEO monitors development and allocates resources etc. Loomis has therefore chosen this structure for its segment reporting.

Cash handling services (Cash in Transit and Cash Management Services) are split between the segments Europe and USA. The split is based on the similarities between European countries in important areas relating to, for example, market conditions, political circumstances, laws and regulations that affect Loomis' operations. Operations in the USA are affected to a significant degree by other market conditions and political circumstances, as well as by laws and regulations relevant to Loomis' operations, even if the services provided can be considered similar to those provided in segment Europe.

International Services is not included in the operating segments Europe or the USA based on a geographical split, but is instead reported as a separate segment. This is because International Services operations differ from the other segments as they include cross-border transportation of cash and precious metals, storage of valuables and general logistic solutions, as well as the fact that the President and CEO separately monitors the segments' financial performance and allocates resources. Loomis has, in the past, had extremely limited operations of a similar nature to international services. These operations have historically been included in segment Europe, but from May 5, 2014 they are included in the International Services segment. Comparatives have not been restated for the segments due to the limited extent of international services provided prior to the VIA MAT acquisition.

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

Government grants and assistance (IAS 20)

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

Income taxes (IAS 12)

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

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

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

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

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

* Argentina is included in the European segment because the operations there are reported and followed up as part of the European segment.

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

Statement of cash flows (IAS 7)

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

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

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

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

Amortization takes place on a straight-line basis over the estimated useful life of the asset. Loomis' acquisition-related intangible assets primarily refer to customer contract portfolios and the related customer relationships. The valuation of the customer contract portfolios is based on the so-called "Multiple Excess Earnings Method" (MEEM) which is a valuation model based on discounted cash flows. The valuation is based on the turnover rates and returns on the acquired portfolio at the time of the acquisition. In the model, a specific cost or required return in the form of a so-called "contributory asset charge" is applied for the assets utilized in order for the intangible asset to generate returns. Cash flows are discounted using the Weighted Average Cost of Capital (WACC), adjusted for local interest rate levels in the countries in which the acquisition takes place. The useful life of customer contract portfolios and the related customer relationships are based on the turnover rate of the acquired portfolio and are between 3 and 10 years corresponding to an annual amortization of between 10 percent and 33.3 percent.

The Group has reviewed the useful life of its intangible assets in accordance with the provisions of IAS 38. This review did not give rise to any adjustments.

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

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

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

Other intangible assets (IAS 36 and IAS 38)

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

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

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

Software licenses	12.5–33.3 percent
Other intangible assets	0[1)]–33.3 percent

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

Tangible fixed assets (IAS 16 and IAS 36)

Tangible fixed assets are reported at cost, less accumulated depreciation and any accumulated impairment losses. Cost includes expenses directly attributable to the acquisition of the asset. Additional expenses are added to the reported value of the asset or are reported as a separate asset, as appropriate, only if it is likely that the Group will benefit from the future financial benefits associated with the asset, and if the cost of the asset can be reliably calculated. The reported value of the replaced part of the asset is eliminated from the balance sheet. All other types of repairs and maintenance are reported as costs in the statement of income in the period in which they arise. Depreciation is based on historical cost and the expected useful life of the asset. The residual values and useful lives of the assets are reviewed on each balance sheet date and adjusted as needed. An asset's reported value is written-down immediately to its recoverable amount if the asset's book value is greater than its estimated recoverable amount.

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

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

Land is not depreciated.

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

Impairment (IAS 36)

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

1) Refers to assets with indefinite life

Note 2 cont.

value exceeds its recoverable amount. The recoverable amount is the higher of an asset's net realizable value and its value in use.

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

Previously reported impairment losses, with the exception of impairment losses related to goodwill, are reversed only if a change has occurred regarding the assumptions forming the basis for the determination of recoverable value when the impairment loss was reported. In such cases, a reversal of the impairment loss is carried out in order to increase the book value of the impaired asset to its recoverable amount. The possible reversal of earlier impairment losses is reviewed in the case of assets other than goodwill. This review is performed at each balance sheet date. A reversal of a previous impairment loss is reported only to the extent that the new book value does not exceed what would have comprised the previous book value (after depreciation and amortization) if the impairment loss had not been reported. Impairment losses related to goodwill are not reversed.

Lease agreements (IAS 17)

Leases are classified as finance leases when the Group as the lessee, in all material respects, receives the economic benefits and bears the economic risk associated with the object of the lease. Accordingly, the object is recognized as a fixed asset in the consolidated balance sheet. The discounted present value of the corresponding future lease payment obligation is recognized as a liability. The asset leased under the finance lease and the associated liability is recognized at the lower of the fair value of the asset and the present value of the minimum lease payments. In the consolidated statement of income the lease payments are to be apportioned between depreciation and interest on a straight-line basis over the period of use.

Operating leases where the Group is the lessee are recognized in the consolidated statement of income as operating expenses on a straight-line basis over the lease period.

In cases where the Group is the lessor, revenue is recognized as a sale in the period the object is leased. Depreciation is recognized in operating income. The economic substance of the contract does not, as a whole or in part, cause the lease to be classified as a finance lease.

Accounts receivable (IAS 39)

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

Financial Instruments: Recognition and measurement (IAS 39)

A financial instrument is a contract creating a financial asset in one entity and a financial liability or equity instrument in another entity. The definition of financial instruments, thus, includes equity instruments in another entity, but also, for example, contractual rights to receive cash, such as accounts receivable. The Group classifies its financial instruments into the following categories:

1) Loan receivables and other receivables.
2) Financial assets or financial liabilities valued at fair value through the statement of income (including derivatives not designated as hedge instruments).
3) Other financial liabilities.
4) Financial assets and liabilities at fair value through other comprehensive income

The classification is determined on the basis of the purpose for which the financial assets were acquired. Management determines the classification of its financial assets upon initial recognition and reevaluates this classification at each reporting date. Loans payable, investments and liquid funds are recognized according to the trade date accounting principle.

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

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

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

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

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

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

3) Accounting for items designated as "Other financial liabilities"

This category includes loans payable and accounts payable. Liabilities in this category are initially valued at fair value and, thereafter, at accrued acquisition value, applying the effective interest rate method.

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

4) Accounting for items classified as "Financial assets and liabilities at fair value through other comprehensive income"
When assets and liabilities in this category are held the assets/liabilities are measured at fair value. However, revaluation is recognized directly in other comprehensive income when the asset/liability has a quoted price in an active market or its fair value can be determined in a reliable manner. If the fair value cannot be reliably determined, the asset/liability is measured at cost. However, when there is objective evidence of impairment, an impairment loss is recognized for the asset/liability. When assets/liabilities are disposed of, the transaction is recognized, including previous revaluations, directly in other comprehensive income. This classification includes derivatives that have been identified as cash flow hedges, as well as currency swaps used to hedge net investments and which meet the requirements for hedge accounting. Hedge accounting for derivatives is described in the paragraph below. As assets in this category are not considered tangible, they are recognized as current financial assets or current liabilities in the balance sheet.

Derivative instruments and hedging transactions
Derivatives are recognized in the balance sheet on the transaction date and are measured at fair value, both initially and when subsequently revalued. The method used to recognize the gain or loss arising from revaluation depends on whether the derivative has been identified as a hedging instrument, and, if so, the nature of the item being hedged. As of the end of the year, Loomis was holding currency swaps and loans used to hedge net investments and these meet the criteria for hedge accounting.

When transactions are entered into, the Group documents the relationship between the hedging instrument and the hedged item, the risk management objective and the risk strategy. At the inception of a hedge as well as subsequently, the effectiveness of the derivative instruments is documented. Information on the fair value of various derivative instruments used for hedging can be found in Note 6. Changes in the hedge reserve in equity are described in Note 27. The entire fair value of a derivative that is a hedging instrument is classified as a fixed asset or long-term liability when the hedged item has a term to maturity of more than 12 months, and as a current asset or current liability when the hedged item has a term to maturity of less than12 months. Derivative instruments held for trading are always classified as current assets or current liabilities.

(a) Fair value hedges
Fair value hedges that meet the criteria for hedge accounting are revalued through the statement of income to match the revaluation of the hedged asset or liability.

(b) Cash flow hedging
The effective portion of changes in fair value of a derivative instrument that is identified as a cash flow hedge and that meets the criteria for hedge accounting, is recognized in other comprehensive income. The ineffective portion is recognized directly through the statement of income and is included in operating income. Accumulated amounts in equity are reversed through the statement of income in the periods the hedged item affects the earnings. When a hedging instrument matures or is sold, or when the hedge no longer meets the criteria for hedge accounting, any remaining gains/losses remain in equity and are recognized as profit or loss at the same time as the forecast transaction is finally recognized through the statement of income (if this is not expected to be the case, the cumulative gain or loss is recognized directly through statement of income). As of the balance sheet date the Group had no cash flow hedges.

(c) Hedging net investments
A hedge of a net investment in a foreign operation is recognized in a similar way as a cash flow hedge; effective hedges are recognized in other comprehensive income and ineffective portions are recognized through the statement of income. Cumulative gains or losses in equity are recognized through the statement of income when the foreign operation is disposed of wholly or in part.

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

Similar to previous years, Loomis recognizes gains and losses resulting from changes in actuarial assumptions, experience of the plan's historical development and investment performance differing from that which has been previously estimated. These actuarial gains and losses are reported for all defined benefit plans relating to post-employment benefits in the period in which they occur. Accounting takes place via Other comprehensive income on the lines related to Actuarial gains and losses.

If accounting for a defined benefit plan results in an asset, this is reported as a net asset in the consolidated balance sheet under Interest-bearing financial fixed assets. If the net result is a liability, it is reported as a provision under Provisions for pensions and similar commitments. Provisions for pensions and similar commitments are included in the calculated net debt and costs related to defined benefit plans, including the interest element, are reported in financial expenses/income.

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

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

Share-based Remuneration (IFRS2)
Incentive scheme
The Group has introduced an incentive scheme in which those taking part receive a bonus, of which two thirds of the total amount is paid out in cash during the year after the bonus was earned, and the remaining third being used to purchase shares at the market rate, which are, subsequently, allotted to the

Note 2 cont.

employees one year after their purchase, on condition that the employee in question remains employed by the Group.

The cost for Loomis is reported in the statement of income in the year during which the bonus is earned. However, the share-related reserve is classified as a portion of equity and not as a liability. At the conclusion of the program, any deviations from the original estimates, for example, as a result of an employee leaving the Group without receiving their allotted shares, are reported in the statement of income and corresponding adjustments are made in shareholders' equity. See Note 11 for further information.

Repurchase of own shares
Share-based remuneration plans in which the remuneration is in the form of shares, as is the case of the incentive scheme described above, are reported as follows: Repurchase of the Company's own shares reduces (net after any directly attributable transaction costs and tax effects) retained earnings. If these shares are sold at a later date, the amount received (net after any directly attributable transaction costs and tax effects) is reported in retained earnings. See Note 11 for further information.

Subscription warrant program
In 2013 the Group's subscription warrant program was concluded. The program offered senior executives and key employees the opportunity to subscribe for warrants on market terms. Payment for these warrants was reported in shareholders' equity in other contributed capital. If, at the end of any period, subscription warrants were held by any Group companies, these have been remeasured at the lower of acquisition value and market value. Revaluation effects were reported in other contributed capital. If these warrants were exercised, new shares were issued. Payments received, after deduction for any directly attributable transaction costs, have been credited to share capital (quotient value) and other contributed capital. See Note 11 for further information.

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

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

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

Accountable funds, consignment stocks and other stocks of money
In Loomis' operations cash and other valuable items are transported according to contracts entered into with customers. Some of the transported cash, if so stipulated in the customer contract, is counted at Loomis' cash centers. The cash that is received by Loomis is on consignment unless otherwise agreed with the customer. Consignment stocks of money are reported by the other parties and not by Loomis. In cases where Loomis, according to the customer contract, assumes ownership of the cash received, it is reported as stocks of money. These stocks are financed by specific overdraft facilities. These overdraft facilities are used solely for this purpose and are recognized net in the stocks of money they are intended to finance. The interest cost associated with these overdraft facilities is recognized as Production expenses and not in net financial items as they are intended to finance operating activities/stocks of money.

Any cash remaining in Loomis' stocks of money of which Loomis has assumed ownership represents the funds that Loomis' has physically transported to the vault from its own liquid funds. These stocks of money are reported as Other current receivables in the balance sheet as they are not available to Loomis according to internal guidelines, but are instead used solely to finance customer transactions. Consignment stocks of money, stocks of money and overdraft facilities are separated from Loomis' own liquid funds and cash flow and are not used in Loomis' other operations. For further information see Note 23.

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

NOTE 3 Definitions, calculation of key ratios and exchange rates

Definitions, Statement of income

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

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

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

Operating income (EBIT)
Earnings before interest and tax.

Definitions of key ratios

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 acquisitions/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.

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

Earnings per share, before dilution
Net income for the period in relation to the average number of outstanding shares at the end of the period. The average number of outstanding shares included until March 21, 2014, treasury shares for Loomis Incentive Scheme, which have, in accordance with agreements, been allotted to employees.
Calculation 2014: 910 / 75,237,915 x 1,000,000 = 12.10
Calculation 2013: 736 / 74,838,476[1)] x 1,000,000 = 9.83
Calculation 2012: 650 / 73,011,780[2)] x 1,000,000 = 8.90

1) Includes 121,863 shares which, as a result of the Loomis Incentive Scheme 2012, are held as treasury shares as of December 31, 2013.
2) Includes 132,318 shares which, as a result of the Loomis Incentive Scheme 2011, are held as treasury shares as of December 31, 2012.

Earnings per share, after dilution
Calculation 2014: 910 / 75,226,032 x 1,000,000 = 12.10
Calculation 2013: 736 / 75,279,829 x 1,000,000 = 9.78
Calculation 2012: 650 / 75,566,780 x 1,000,000 = 8.60

Cash flow from operating activities as a percentage of operating income (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 (EBITA).

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

Return on shareholders' 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.

Net debt
Interest-bearing liabilities less interest-bearing assets and liquid funds.

Exchange rates used in the consolidated financial statements

	Currency	Weighted average 2014	Dec. 31, 2014	Weighted average 2013	Dec. 31, 2013	Weighted average 2012	Dec. 31, 2012
Norway	NOK	1.09	1.04	1.10	1.06	1.16	1.17
Denmark	DKK	1.22	1.26	1.17	1.20	1.17	1.15
UK	GBP	11.39	12.04	10.21	10.67	10.70	10.53
Switzerland	CHF	7.62	7.80	7.06	7.27	7.21	7.12
USA	USD	6.93	7.72	6.52	6.48	6.72	6.51
Czech Republic	CZK	0.33	0.34	0.33	0.33	0.35	0.34
Turkey	TRY	3.16	3.32	3.38	3.04	3.75	3.64
Argentina	ARS	0.85	0.91	1.17	0.99	1.45	1.32
Hong Kong	HKD	0.93	1.00	n/a	n/a	n/a	n/a
United Arab Emirates	AED	2.00	2.10	n/a	n/a	n/a	n/a
Brazil	BRL	3.02	2.91	n/a	n/a	n/a	n/a
EUR-countries	EUR	9.13	9.38	8.68	8.92	8.68	8.59

NOTE 4 Critical accounting estimates and assessments

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

The estimates and assumptions that Loomis deems, at December 31, 2014, to have greatest impact on its results, assets and liabilities are discussed below.

Valuation of accounts receivable and provision for bad debt losses

Accounts receivable total SEK 1,624 million (1,315 and 1,299), and thereby, constitutes one of the largest items on the balance sheet. Accounts receivable is reported at net value, after provision for bad debt losses. The provision for bad debt losses of SEK –36 million (–33 and –37) is subject to critical estimations and assessments. Additional information on credit risk in the accounts receivable can be found in Note 6 and Note 22.

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

The valuation of identifiable assets and liabilities in conjunction with the acquisition of subsidiaries or operations, as part of the purchase price allocation, requires that items in the acquired company's balance sheet, as well as items that have not been reported in the acquired company's balance sheet, such as customer relations, should be valued at fair value. Under normal circumstances, as listed market prices are not available for the valuation of the assets and liabilities to be valued, different valuation methods must be applied. These valuation methods are based on a number of assumptions. Other items that may be difficult, both to identify and value, are contingent liabilities that may have arisen in the acquired company, such as disputes. The valuation of identifiable assets and liabilities also depends on the accounting environment in which the acquired company/operations were operational. This relates to, for example, the accounting norms according to which the financial reporting was previously prepared and, thereby, the scale of the adaptations which must be made to the Group's accounting principles, the regularity with which financial statements were prepared, as well as data of various types which may be necessary for the valuation of identifiable assets and liabilities. All balance sheet items are, in such cases, subject to certain estimates and assumptions. This also implies that a preliminary valuation may be required which is adjusted at a later date. All acquisition calculations are subject to final adjustment one year after the acquisition date, at the latest. In light of the factors stated above, Loomis has chosen, on the condition that the adjustment in question is not considered significant, neither to provide separately, for each individual acquisition, the reasons why the first reporting of the business combination is preliminary, nor to state the assets and liabilities for which the first reporting is preliminary.

Deferred considerations and contingent considerations that mature in the future are reported as part of the purchase price and is recorded based on an assessment assuming that the appropriate terms and conditions agreed upon in connection with the acquisition will be complied with. Deferred considerations and contingent considerations are reported at present value and the valuation is subject to assessment on each reporting occasion. For further information regarding acquisitions refer to Note 15. All balance sheet items are, thus, subject to estimates and assessments.

Impairment testing of goodwill and other acquisition-related intangible assets

In connection with the impairment testing of goodwill and other acquisition-related intangible assets, the book value is compared with the recoverable value. The recoverable value is determined by the greater of either an asset's net realizable value or its value in use. As under normal circumstances, no listed market prices are available to assess an asset's net realizable value, the book value is normally compared with the value in use. The calculation of the value in use is based on assumptions and assessments. The most important assumptions are organic growth, development of the operating margin, the utilization of operating capital employed and the relevant WACC rate used to discount future cash flows. All in all, this implies that the valuation of the balance sheet item Goodwill, which amounts to SEK 4,897 million (3,346 and 3,317), and of Acquisition related intangible assets, which amounts to SEK 363 million (126 and 153), is subject to critical estimates and assessments. A sensitivity analysis regarding organic growth, operating margin and WACC is provided in Note 15.

Reporting of income tax, VAT and other taxes

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

Deferred tax is calculated on temporary differences arising between the reported amounts and the fiscal values of assets and liabilities. There are primarily two types of assumptions and assessments impacting reported deferred tax. These are assumptions and assessments to establish the reported value of various assets and liabilities, as well as those relating to future taxable profits, to the extent that future utilization of reported and non-reported deferred tax assets are dependent on such profits, in addition to existing deferred tax liabilities. At December 31, 2014, deferred tax assets amounted to SEK 506 million (322 and 379), based on the assumptions of possible future tax deductions. Significant assessments and assumptions are also undertaken in respect of the reporting of provisions and contingent liabilities referring to tax risk. Further information on taxes is provided in Note 14.

Actuarial assessments regarding employee benefits such as pensions

Employee benefits are normally an area in which estimates and assessments are not critical. However, for defined plans, particularly as regards pension benefits, and where the payments to the employee is several years into the future, actuarial assessments are required. These calculations are based on assumptions concerning economic variables, such as the discount rate, salary increases, inflation rates, pension increases, but also on demographic variables, such as expected life span. The balance sheet item Provisions for pensions and similar commitments, amounts to SEK 736 million (275 and 318), and the item Interest-bearing financial fixed assets includes recievables related to pensions amounting to SEK –19 million (0 and –3). Further information on pensions and a sensitivity analysis are provided in Note 30.

Actuarial assessments regarding claims reserves

The Group is exposed to various types of risks in the day-to-day operation of its business. These operational risks can result in the need to report provisions for damages resulting from property claims and personal injuries claims from the Cash handling operations, and workers' compensation claims relating to the Group's employees. Claims reserves are calculated based on a combination of reported claims and incurred but not reported claims. Actuarial calculations are performed on a continuous basis to assess the adequacy of the reserves based on open claims and historical data for incurred but not reported claims. Actuarial calculations are based on several assumptions. All in all, this implies that the total claims reserves, which amount to SEK 329 million (306 and 293), are subject to critical estimates and assessments. Further information is provided in Note 29.

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

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

NOTE 5 Events after the balance sheet date

The Board of Directors has decided to propose that a resolution be passed at the 2015 Annual General Meeting on an incentive scheme (Incentive Scheme 2015). Similar to Incentive Scheme 2014, the proposed incentive scheme will involve two thirds of the variable remuneration being paid out in cash the year after it is earned. The remaining one third will be in the form of Class B shares in Loomis AB which will be allotted to the participants at the beginning of 2017. The allotment of shares is contingent upon the employee still being employed by the Loomis Group on the last day of February 2017, other than in cases where the employee has left his/her position due to retirement, death or a long-term illness, in which case the employee will retain the right to receive bonus shares. The principles of performance measurement and other general principles that are already being applied for the existing incentive scheme will continue to apply. Loomis AB will not issue any new shares or similar instruments as a result of this incentive scheme. To enable Loomis to allot these shares, it is proposed that Loomis AB enters into a share swap agreement with a third party under which the third party acquires the shares in its own name and transfers them to the participants. The incentive scheme enables around 350 of Loomis' key employees to become shareholders in Loomis AB over time and will thereby increase employee participation in Loomis' development, which will benefit all of the shareholders. To read the Board of Directors' full incentive scheme proposal, see the notice of the Annual General Meeting.

NOTE 6 Financial risk management

Financial risk management

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

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

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

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

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

Financial risk factors

Interest rate risk

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

Loomis subsidiaries normally hedge their interest rate exposure by lending from Loomis AB's Treasury function on the basis of loans with one-year maturity or less, where permitted. The interest rates on the external loans have a maturity of three to six months. The average fixed interest term as of December 31, 2014 was about three months. To achieve a variable interest on the portion of the MTN program that has fixed interest, Loomis decided in 2014 to enter into interest swaps for a value of SEK 250 million, where Loomis pays variable and receives fixed interest. Interest swaps have been reported as fair value hedges to reduce the uncertainty in fair value for liabilities with fixed interest in the event of changes in market interest rates. The hedge has been effective during 2014. A permanent change in the interest rate of +1 percent as of December 31, 2014 would have an annual effect on net financial items of SEK –41 million (–23 and –26). Loomis' borrowing amounted to SEK 4,142 million (2,253 and 2,614). The average interest rate on the debt during the year was 1.39 percent (1.53 and 2.18), excluding arrangement costs for the existing credit facility. For information regarding the assumptions relating to the defined benefit obligation, see Note 30.

Note 6 *cont.*

Exchange rate risk – Translation risk

Translation risk is the risk that the SEK value of assets and liabilities in foreign currencies will fluctuate due to changes in foreign exchange rates.

As a large number of subsidiaries operate in other countries, the Group's balance sheet and statement of income are affected by the translation of foreign currencies to SEK. This exposure gives rise to a translation risk which means that unfavorable changes in exchange rates could have a negative impact on the Group's foreign net assets when translated into SEK. Loomis' capital employed as of December 31, 2014 amounted to SEK 9,127 million (6,290 and 6,070). If the SEK had strengthened/weakened by 5 percent compared to the USD, with all other variables being the same, Loomis' shareholders' equity would have been affected in the amount of SEK 116 million (87 and 81). The corresponding figures for GBP would be SEK 13 million (15 and 16), for EUR SEK 47 million (45 and 38) and for CHF SEK 48 million (0 and 0). Loomis uses hedge accounting according to the principle of hedging net investments to limit translation risk . Loomis has two hedges, one amounting to USD 265 million (280 and 280) where the shares in subsidiaries are the hedged items. In connection with the acquisition of VIA MAT, Loomis entered into a hedge amounting to CHF 90 million where the hedged item is the net investment. The ineffectiveness of the hedge during the year was SEK 0 million.

The table under the capital risk section shows the amounts of the exposure to various currencies hedged with loans and currency swaps. For other currencies, loans and currency swaps constitute hedges of corresponding receivables where hedge accounting is not applied.

Exchange rate risk – Transaction risk

Transaction risk is the risk that changes in exchange rates will negatively affect the Group's earnings. The majority of Loomis' subsidiaries operate outside Sweden and there are certain risks associated with financial transactions in different currencies. These risks are limited by the fact that both costs and revenues are generated in the local currency in each market. This is also the case for loans taken in foreign currencies where the risk of adverse fluctuations in interest payments due to currency fluctuations is limited by income being generated in the same currencies. Since Loomis' operations have historically largely been local, the transaction risk has not been considered material. Following the acquisition of VIA MAT the Group is exposed to transaction risks in its international operations due to the nature of the operations. From the Group's perspective, Loomis has limited operations that involve trading in foreign currencies in cash. When currencies are traded based on purchase orders from customers, the exchange rate risk may be hedged using a forward exchange agreement. Loomis does not apply hedge accounting for these contracts and the operating income is revalued. As of the balance sheet date, the fair value of these hedges amounted to SEK 0 million (0 and 0).

Liquidity risk

Liquidity risk is the risk that Loomis will not be able to meet its payment obligations. Loomis' liquidity risk is managed by maintaining sufficient liquidity reserves (cash and bank balances, short-term investments and the unutilized portion of granted loan facilities) equivalent to a minimum of 5 percent of the Group's annual revenue. Loomis AB's Treasury function follows up and monitors liquidity risk. Loomis held a liquidity reserve that was above the minimum limit in 2014. In accordance with directives, liquid fund investments consist primarily of deposits made in banks that have a short-term credit rating of at least A-1 according to Standard & Poor's or with an equivalent credit rating according to a similar rating institute. The assets managed by Loomis represent excess liquidity. The asset management objective is to ensure that Loomis has an appropriate amount of liquid funds. To aid this process, the subsidiaries prepare regular liquidity forecasts.

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

SEK m	Dec 31, 2014	Dec 31, 2013	Dec 31, 2012
Liquid funds	566	333	380
Credit facilities	1,539	1,317	874
Total	**2,105**	**1,650**	**1,254**

The table below presents an analysis of the Group's financial liabilities and net-settled derivative instruments comprising financial liabilities specified according to the time remaining from balance sheet date to the contractual maturity date. The amounts stated in the table are the contractual discounted cash flows which are the same as nominal liabilities, as the bank loans have variable interest rates and credit margins are assessed to be the same as would be obtained with a re-financing on closing date. The commercial papers issued are classified as long-term liabilities since the commercial paper program requires a long-term back-up facility.

SEK m **December 31, 2014**	Less than 1 year	Between 1 and 5 years	More than 5 years
External bank loans	644	2,578	702
Accounts payable and other liabilities	1,322	860	–
(of which derivatives)	(86)	–	–
Total	**1,966**	**3,438**	**702**
December 31, 2013			
External bank loans	668	1,438	–
Accounts payable and other liabilities	918	411	–
(of which derivatives)	(0)	–	–
Total	**1,585**	**1,849**	–
December 31, 2012			
External bank loans	35	2,488	–
Accounts payable and other liabilities	868	77	–
(of which derivatives)	(1)	–	–
Total	**904**	**2,566**	**–**

Financing risk
Financing risk is the risk that it will become more difficult or more expensive to finance outstanding loans. By keeping a steady maturity profile for the Group's loans, the financing risk can be reduced. The Group's goal is for no more than 25 percent of its total external loans and credit obligations to mature within the coming 12-month period.

All long-term financing as well as the majority of short-term financing in 2013 was done through Loomis' AB's Treasury function.

In February 2011 Loomis AB signed a five-year credit facility which will mature in 2016 and amounts to USD 150 million and SEK 1,000 million. The funds can be withdrawn in USD, EUR, GBP and SEK. In 2014 Loomis also refinanced the credit facility of USD 100 million which was taken in connection with the acquisition of Pendum. The new facility will mature in 2019. In addition to this Loomis has taken a credit facility with Nordic Investment Bank of CHF 90 million with a maturity of eight years. These credit facilities have the usual terms and conditions, one of which relates to restrictions on the Group's net debt in relation to operating income before interest, tax, depreciation and amortization (EBITDA). Loomis met this condition with a good margin throughout 2014.

In addition to these facilities, Loomis AB also has a bond loan which was granted by the Swedish Export credit Corporation (SEK) in 2010. The bond loan amount is EUR 65 million and had a maturity of five years when it was signed. As of December 31, 2014, Loomis had also issued SEK 198 million in the form of commercial papers. The limit for the commercial paper program is SEK 1,500 million.

In 2014 Loomis launched an MTN program with a limit of SEK 3 billion. In December Loomis issued SEK 1 million in the bond market under the MTN program with a maturity of five years.

December 31, 2014	Currency	The facility amount (LOC m)	The facility amount (SEK m)	Utilized amount (SEK m)	Maturity structure[3] 2015	2016	2017	2018	2019	2020+
Syndicated loan facility 1[1]	SEK	1,000	1,000	–	–	1,000	–	–	–	–
Syndicated loan facility 1[1]	USD	150	1,158	618	–	1,158	–	–	–	–
Syndicated loan facility 2[1]	USD	100	772	772	–	–	–	–	772	–
Bilateral loan	CHF	90	702	702	–	–	–	–	–	702
Bond loan	EUR	65	610	610	610	–	–	–	–	–
MTN program	SEK	1,000	1,000	1,000	–	–	–	–	1,000	–
Commercial papers[2]	SEK	198	198	198	198	–	–	–	–	–
Local credit facilities	TRY	10	32	32	32	–	–	–	–	–
Credit facility	SEK	200	200	3	3	–	–	–	–	–
Total			**5,672**	**3,935**	**843**	**2,158**	**–**	**–**	**1,772**	**702**

1) Revolving credit facility "RCF"
2) The commercial paper program has long-term credit facilities as a back-up and is therefore classified as long-term in the balance sheet.
3) The maturity analysis presents the total facility in SEK million.

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

Credit risks in accounts receivable
The value of the outstanding accounts receivable was SEK 1,661 million (1,349 and 1,336). Any provisions for losses are made following individual assessment and totaled SEK 36 million (33 and 37) as of December 31, 2014. Accounts receivable do not include any significant concentrations of credit risks. The Group's Contract Policy includes rules designed to ensure that customer credit management includes credit assessment, credit limits, decision levels and management of doubtful receivables to ensure that sales are made to customers with an appropriate creditworthiness. Further information about doubtful accounts receivables can be found in Note 22.

Financial credit risk
The Group has policies in place limiting the amount of credit exposure allowed to exist with any one financial institution or other counterparty. To limit credit risks, transactions take place primarily with financial institutions with a high official credit rating and with whom Loomis has a long-term customer relationship. The largest weighted exposure for all financial instruments to a single bank on the balance sheet date was SEK 100 million (111 and 138).

The table below shows the credit values of financial assets on the balance sheet date according to Standard & Poor's or according to a similar rating institute with equivalent credit ratings:

SEK m	Dec 31, 2014	Dec 31, 2013	Dec 31, 2012
A -1+	93	26	32
A -1	378	277	292
Other holdings	142	90	120
Total	**613**	**393**	**444**

Note 6 cont.

Capital risk

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

The table below shows how the Group's capital employed is distributed per currency (nominated in SEK m) and its financing, as of December 31, 2014:

SEK m	EUR	GBP	USD	CHF	Other currencies	Total foreign currencies	SEK	Total
Capital employed	1,970	819	4,283	1,788	272	9,092	–5	9,127
Net debt	–1,031	–557	–1,966	–797	–132	–4,482	263	–4,219
Net exposure	**940**	**263**	**2,316**	**991**	**140**	**4,610**	**258**	**4,907**

The table below shows how the Group's capital employed is distributed per currency (nominated in SEK m) and its financing, as of December 31, 2013:

SEK m	EUR	GBP	USD	Other currencies	Total foreign currencies	SEK	Total
Capital employed	1,838	715	3,415	330	6,298	–8	6,290
Net debt	–937	–415	–1,684	–260	–3,297	1,171	–2,125
Net exposure	**901**	**300**	**1,731**	**69**	**3,002**	**1,163**	**4,165**

The table below shows how the Group's capital employed is distributed per currency (nominated in SEK m) and its financing, as of December 31, 2012:

SEK m	EUR	GBP	USD	Other currencies	Total foreign currencies	SEK	Total
Capital employed	1,657	763	3,370	230	6,020	49	6,070
Net debt	–889	–440	–1,753	–180	–3,261	786	–2,475
Net exposure	**768**	**323**	**1,618**	**50**	**2,759**	**836**	**3,595**

Price risk

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

Fair value of assets and liabilities

The book value of the assets and liabilities in Loomis' balance sheet are deemed to be a good approximation of the fair values. The fair value of liabilities and currency swaps that are included as hedging instruments in the hedging of net investments amounts to SEK –2,190 million (–1,263 and –1,596) and SEK –52 million (4 and 4) respectively.

Financial instruments

Financial derivative instruments, such as forward exchange agreements and interest rate swaps, are aimed at minimizing the financial risks to which Loomis is exposed and are also used to facilitate the management of the liability portfolio. These types of instruments are never used for speculation purposes. For accounting purposes, financial instruments are classified based on the categories of valuation stipulated in IAS 39. The table below shows Loomis' financial assets and liabilities, categories of valuation and the fair value for each item. In 2015, Loomis will continue to utilize derivative instruments to limit exposure to the financial risks mentioned in this Note.

Financial Instruments; reported values by category of valuation:

SEK m	IAS 39 Category	December 31, 2014 Book value	Fair value
Financial assets			
Interest-bearing financial fixed assets	1	67	67
Accounts receivable	1	1,624	1,624
Interest-bearing financial current assets	2,4	25	25
Liquid funds	1	566	566
Financial liabilities			
Current loans payable	2,4	86	86
Current loans payable	3	652	652
Long-term loans payable	3	3,404	3,404
Accounts payable	3	613	613

SEK m	IAS 39 Category	December 31, 2013 Book value	Fair value
Financial assets			
Interest-bearing financial fixed assets	1	61	61
Accounts receivable	1	1,315	1,315
Interest-bearing financial current assets	2,4	10	10
Liquid funds	1	333	333
Financial liabilities			
Current loans payable	2,4	0	0
Current loans payable	3	680	680
Long-term loans payable	3	1,574	1,574
Accounts payable	3	404	404

SEK m	IAS 39 Category	December 31, 2012 Book value	Fair value
Financial assets			
Interest-bearing financial fixed assets	1	66	66
Accounts receivable	1	1,299	1,299
Interest-bearing financial current assets	2,4	10	10
Liquid funds	1	380	380
Financial liabilities			
Current loans payable	2,4	1	1
Current loans payable	3	47	47
Long-term loans payable	3	2,566	2,566
Accounts payable	3	393	393

Categories

1: Loans receivable and other receivables, including accounts receivable

2: Financial assets valued at fair value via statement of income

3: Other financial liabilities

4: Financial assets and liabilities at fair value through other comprehensive income

Note 6 cont.

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

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

SEK m	December 31, 2014 Level 1	Level 2	Level 3	Total
Financial assets				
Other financial assets at fair value through profit or loss				
– Derivative instruments held for trading	–	2	–	2
– Derivative instruments used for hedging[1]	–	–	–	–
Financial assets at fair value in other comprehensive income				
– Derivative instruments used for hedging	–	–	–	–
Total assets	**–**	**2**	**–**	**2**
Financial liabilities				
Financial liabilities valued at fair value through profit or loss				
– Derivative instruments held for trading	–	11	–	11
– Derivative instruments used for hedging[1]	–	0	–	0
Financial liabilities at fair value in other comprehensive income				
– Derivative instruments used for hedging	–	52	–	52
Total liabilities	**–**	**63**	**–**	**63**

SEK m	December 31, 2013 Level 1	Level 2	Level 3	Total
Financial assets				
Other financial assets at fair value through profit or loss				
– Derivative instruments held for trading	–	5	–	5
Financial assets at fair value in other comprehensive income				
– Derivative instruments used for hedging	–	4	–	4
Total assets	**–**	**10**	**–**	**10**
Financial liabilities				
Financial liabilities valued at fair value through profit or loss				
– Derivative instruments held for trading	–	0	–	0
Financial liabilities at fair value in other comprehensive income				
– Derivative instruments used for hedging	–	–	–	–
Total liabilities	**–**	**0**	**–**	**0**

SEK m	December 31, 2012 Level 1	Level 2	Level 3	Total
Financial assets				
Other financial assets at fair value through profit or loss				
– Derivative instruments held for trading	–	5	–	5
Financial assets at fair value in other comprehensive income				
– Derivative instruments used for hedging	–	4	–	4
Total assets	**–**	**10**	**–**	**10**
Financial liabilities				
Financial liabilities valued at fair value through profit or loss				
– Derivative instruments held for trading	–	1	–	1
Financial liabilities at fair value in other comprehensive income				
– Derivative instruments used for hedging	–	–	–	–
Total liabilities	**–**	**1**	**–**	**1**

1) In the table above the market value of the interest swaps is net.

For further information regarding funds within cash operations, see Note 2 and 23.

NOTE 7 Transactions with related parties

Related parties are considered to include members of the Parent Company's Board of Directors, Group management and family members of these individuals. Related parties are also companies in which a significant portion of the votes are directly or indirectly controlled by these individuals, or companies in which these individuals can exercise a significant influence.

Transactions with related parties refer to administrative contributions and other revenue from subsidiaries, dividends from subsidiaries, interest income and interest expenses to and from subsidiaries, as well as receivables and payables to and from subsidiaries. In accordance with IFRS, transactions with pension funds that have links to the Group are also to be regarded as related party transactions. There are pension funds for Loomis' defined benefit pension plans. For more information on Loomis' defined benefit pension plans, refer to Note 30.

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

NOTE 8 Segment reporting

Loomis has operations in a number of countries, with country presidents being responsible for each country. Regional presidents supervise operations in a number of countries and also support the respective country president. Regional presidents within Europe report to the head of the European segment (for the time being the President and CEO), and regional presidents in the USA report to the head of the USA segment. Operating segments are reported in accordance with the internal Loomis reporting, submitted to the President and CEO who has been identified as the most senior executive decision-maker within Loomis. As a consequence of the acquisition of VIA MAT, Loomis has the following segments as of the second quarter 2014: Europe*, USA, International Services and Other. Presidents for the segments Europe, USA and International Services are responsible for following up the segments' operating income before amortization of acquisition-related intangible assets, acquisition-related costs and items affecting comparability (EBITA), according to the manner in which Loomis reports its consolidated statement of income. This then forms the basis for how the President and CEO monitors development, allocates resources etc. Loomis has therefore chosen this structure for its segment reporting.

Cash handling services (Cash in Transit and Cash Management Services) are split between the segments Europe and USA. The split is based on the similarities between European countries in important areas relating to, for example, market conditions, political circumstances, laws and regulations that affect Loomis' operations. Operations in the USA are affected to a significant degree by other market conditions and political circumstances, as well as by laws and regulations relevant to Loomis' operations, even if the services provided can be considered similar to those provided in segment Europe.

International Services is not included in the operating segments Europe or the USA based on a geographical split, but is instead reported as a separate segment. This is because International Services operations differ from the other segments as they include cross-border transportation of cash and precious metals, storage of valuables and general logistic solutions, as well as the fact that the President and CEO separately monitors the segments' financial performance and allocates resources.

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

According to IFRS 8.32, segment information is to be reported for the revenues from each service or each group of similar services. For segment Europe Cash in Transit accounts for 66 percent (66 and 66) of revenues and Cash Management Services for 34 percent (34 and 34). For the segment USA, Cash in Transit accounts for 71 percent (73 and 76) of total revenue and Cash Management Services for 29 percent (27 and 24). International Services consists of three different business areas: international transportation of cash and precious metals, storage of valuables and general logistics solutions. Since revenues from International Services do not make up a significant portion of the Group's total revenues, no further information is reported on the different business areas of within International Services.

The Internal monitoring of earnings and financial position is reported in accordance with the same accounting principles as applied in Loomis' external reporting. Interest income and interest expense are not allocated amongst the segments, but are transferred to Other as these items are affected by measures taken by the Group's Treasury function. The same principle is applied to taxes and tax-related items, as these are handled by a group-wide function. The operating segments' assets and liabilities are allocated according to the segment's operations and the physical location of the assets and liabilities. The Group's interest-bearing liabilities are not considered to be segment liabilities and have therefore been included in Other in the table below.

Segment information for the financial years 2014, 2013 and 2012 that is delivered to the executive managers of Europe and the USA, concerning those segments for which information is to be provided, can be found in the table below. This table also includes disclosures concerning selected earnings measures, and also assets and liabilities for the segments.

Revenue from external customers in Sweden amounts to SEK 941 million (967 and 799), in the USA to SEK 5,068 million (4,359 and 4,405), and total revenue from external customers in other countries amounts to SEK 7,501 million (6,038 and 6,156). No single customer represents more than 5 percent of the total revenue. Total fixed assets located in Sweden, apart from financial instruments and deferred tax assets, amount to SEK 192 million (187 and 181), in the USA to SEK 1,615 million (1,176 and 1,148), and the total for the fixed assets located in other countries amounts to SEK 2,006 million (1,609 and 1,536).

* Argentina is included in the European segment because the operations there are reported and followed up as part of the European segment.

Note 8 *cont.*

SEK m	Europe 2014	USA 2014	Int. Services 2014	Other 2014	Eliminations 2014	Total 2014
Revenue, continuing operations	7,408	4,933	51	–	–47	12,345
Revenue, acquisitions	298	–	867	–	–	1,166
Total revenue	**7,706**	**4,933**	**918**	**–**	**–47**	**13,510**
Production expenses	–5,791	–3,805	–754	1	66	–10,283
Gross income	**1,915**	**1,128**	**164**	**1**	**19**	**3,227**
Selling and administrative expenses	–971	–640	–97	–130	–19	–1,857
Operating income (EBITA)	**944**	**488**	**67**	**–129**	**–**	**1,370**
Amortization of acquisition-related intangible assets	–18	–14	–12	–2	–	–46
Acquisition-related costs	–1	–1	–6	–11	–	–19
Items affecting comparability	–	–	–	–	–	–
Operating income (EBIT)	**925**	**473**	**50**	**–142**	**–**	**1,306**
Financial income	–	–	–	12	–	12
Financial expenses	–	–	–	–79	–	–79
Income before taxes	**925**	**473**	**50**	**–208**	**–**	**1,240**
Income tax	–	–	–	–330	–	–330
Net income for the year	**925**	**473**	**50**	**–538**	**–**	**910**
Segment assets						
Goodwill	1,265	2,790	929	–87	–	4,897
Other intangible assets	184	66	236	4	–	490
Fixed assets	2,082	1,606	100	25	–	3,813
Accounts receivable	1,084	436	136	21	–52	1,624
Pension assets	–	–	–	19	–	19
Other segment assets	424	220	111	131	–114	773
Undistributed assets						
Deferred tax assets	–	–	–	506	–	506
Current tax assets	–	–	–	265	–	265
Interest-bearing financial fixed assets	–	–	–	48	–	48
Other financial assets valued at fair value via statement ofincome	–	–	–	591	–	591
Total assets	**5,039**	**5,118**	**1,513**	**1,523**	**–166**	**13,027**
Segment liabilities						
Accounts payable	328	176	129	32	–52	613
Accrued expenses and prepaid income	791	256	79	42	–	1,168
Provision for pensions	607	–	86	42	–	736
Other current liabilities	378	134	49	11	–114	458
Undistributed liabilities						
Current loans payable	–	–	–	738	–	738
Long-term loans payable	–	–	–	3,404	–	3,404
Deferred tax liabilities	–	–	–	534	–	534
Current tax liabilities	–	–	–	117	–	117
Provisions for claims reserves	–	–	–	329	–	329
Other provisions and long-term liabilities	–	–	–	23	–	23
Shareholders' equity	–	–	–	4,907	–	4,907
Total liabilities and shareholders' equity	**2,105**	**566**	**343**	**10,179**	**–166**	**13,027**
Other information						
Investments, net	498	537	–10	8	–	1,033
Depreciation and amortization	534	352	25	10	–	921

	Europe		USA		Other		Eliminations		Total	
SEK m	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenue, continuing operations	6,962	6,783	4,359	4,201	–	–	–	–	11,321	10,983
Revenue, acquisitions	43	172	–	204	–	–	–	–	43	376
Total revenue	**7,005**	**6,955**	**4,359**	**4,405**	**–**	**–**	**–**	**–**	**11,364**	**11,360**
Production expenses	–5,345	–5,326	–3,385	–3,454	0	–1	–	–	–8,730	–8,781
Gross income	**1,660**	**1,629**	**974**	**950**	**0**	**–1**	**–**	**–**	**2,634**	**2,579**
Selling and administrative expenses	–866	–893	–560	–551	–109	–116	–	–	–1,534	–1,560
Operating income (EBITA)	**794**	**736**	**414**	**400**	**–109**	**–117**	**–**	**–**	**1,099**	**1,019**
Amortization of acquisition-related intangible assets	–15	–15	–13	–14	–	–	–	–	–28	–28
Acquisition-related costs	–11	–42	37	28	1	–4	–	–	28	–18
Items affecting comparability	–14	16	–	–	–	–	–	–	–14	16
Operating income (EBIT)	**755**	**695**	**437**	**414**	**–107**	**–121**	**–**	**–**	**1,085**	**988**
Financial income	–	–	–	–	13	16	–	–	13	16
Financial expenses	–	–	–	–	–60	–73	–	–	–60	–73
Income before taxes	**755**	**695**	**437**	**414**	**–154**	**–177**	**–**	**–**	**1,038**	**932**
Income tax	–	–	–	–	–302	–282	–	–	–302	–282
Net income for the year	**755**	**695**	**437**	**414**	**–456**	**–460**	**–**	**–**	**736**	**650**
Segment assets										
Goodwill	1,096	1,048	2,341	2,354	–91	–85	–	–	3,346	3,317
Other intangible assets	151	163	68	82	–	–	–	–	219	245
Fixed assets	1,785	1,704	1,176	1,148	12	13	–	–	2,972	2,865
Accounts receivable	983	966	343	350	4	3	–15	–20	1,315	1,299
Other segment assets	384	224	161	118	172	231	–180	–246	537	328
Undistributed assets										
Deferred tax assets	–	–	–	–	322	379	–	–	322	379
Current tax assets	–	–	–	–	153	100	–	–	153	100
Interest-bearing financial fixed assets	–	–	–	–	61	63	–	–	61	63
Other financial assets valued at fair value via statement ofincome	–	–	–	–	343	390	–	–	343	390
Total assets	**4,399**	**4,107**	**4,089**	**4,052**	**974**	**1,094**	**–195**	**–267**	**9,267**	**8,986**
Segment liabilities										
Accounts payable	247	257	164	141	8	15	–15	–20	404	393
Accrued expenses and prepaid income	754	708	168	193	7	10	–	–	929	911
Provision for pensions	275	318	–	–	–	–	–	–	275	318
Other current liabilities	312	270	195	262	34	22	–180	–246	361	308
Undistributed liabilities										
Current loans payable	–	–	–	–	680	48	–	–	680	48
Long-term loans payable	–	–	–	–	1,574	2,566	–	–	1,574	2,566
Deferred tax liabilities	–	–	–	–	412	396	–	–	412	396
Current tax liabilities	–	–	–	–	80	74	–	–	80	74
Provisions for claims reserves	–	–	–	–	306	293	–	–	306	293
Other provisions and long-term liabilities	–	–	–	–	81	85	–	–	81	85
Shareholders' equity	–	–	–	–	4,165	3,595	–	–	4,165	3,595
Total liabilities and shareholders' equity	**1,588**	**1,553**	**527**	**596**	**7,347**	**7,104**	**–195**	**–267**	**9,267**	**8,986**
Other information										
Investments, net	411	392	309	352	0	3	–	–	720	747
Depreciation and amortization	489	477	295	265	2	3	–	–	786	745

NOTE 9 Allocation of revenue

Revenue

The Group's revenue is generated from a range of cash handling services. These include Cash in Transit and Cash Management Services and cross border transportation of cash and precious metals, storage of valuables and general logistics solutions. Revenue is reported in the period in which it is earned, as the service is executed on a straight-line basis over the contract period. See Note 8 for further details.

Financial income and expenses

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

NOTE 10 Operating expenses

Distribution of operating expenses by type

SEK m	Note	2014	as % of revenue	2013	as % of revenue	2012	as % of revenue
Personnel costs	11	7,230	*53.5*	6,386	*56.5*	6,638	*58.4*
Risk, claims and insurance expenses		258	*1.9*	302	*2.7*	272	*2.4*
Vehicle expenses		1,338	*9.9*	1,214	*10.7*	1,239	*10.9*
Costs of premises		673	*5.0*	567	*5.0*	559	*4.9*
Costs of technical equipment		448	*3.3*	339	*3.0*	307	*2.7*
Items affecting comparability		–	–	14	*0.1*	–16	*–0.1*
Other expenses		2,258	*16.7*	1,457	*12.5*	1,372	*12.1*
Total expenses by type		**12,204**	***90.3***	**10,279**	***90.5***	**10,371**	***91.3***

Costs of employee benefits

SEK m	Note	2014	2013	2012
Salaries and bonuses	11	5,705	5,030	5,188
Social security contributions	11	1,378	1,287	1,339
Pension costs – defined benefit plans	11, 30	57	–9	23
Pension costs – defined contribution plans	11, 30	90	78	88
Total costs of employee benefits		**7,230**	**6,386**	**6,638**

Audit fees and other fees

SEK m	2014	2013	2012
PwC			
– Audit assignments	11	11	10
– Auditing activities other than audit assignments	1	1	3
– Tax advice	2	4	5
– Other assignments	3	2	3
Total PwC	**18**	**18**	**21**
Other auditors			
– Audit assignments	1	–	–
Total	**19**	**18**	**21**

Audit assignments refers to fees for the statutory audit, that is, such work that has been necessary to undertake in order to issue the audit report, and the advisory services provided in conjunction with the audit assignment.

Operational leases and rental agreements

Lease expenses relating to operational lease agreements for buildings, vehicles and machinery and equipment during the year amounted to SEK 379 million (336 and 327). The nominal value of contractual future minimum leasing fees is distributed as follows:

SEK m	2014	2013	2012
Maturity < 1 year	309	303	285
Maturity 1–5 years	709	622	661
Maturity > 5 years	512	410	476
Total	**1,529**	**1,335**	**1,422**

Operational lease agreements refer primarily to buildings and office premises. The total cost for these in 2014 amounted to SEK 302 million (272 and 259), of the total cost of SEK 379 million (336 and 327).

Financial leases and rental contracts

Paid leasing fees during the year regarding financial lease agreements for buildings, vehicles and machinery and equipment amounted to SEK 24 million (40 and 30). The statement of income has been charged with SEK 3 million (3 and 4) for interest expenses attributable to financial leases. The nominal value of contractual future minimum leasing fees is distributed as follows:

SEK m	2014	2013	2012
Maturity < 1 year	45	39	25
Maturity 1–5 years	64	82	52
Maturity > 5 years	7	12	–
Total	**117**	**133**	**78**

Financial leasing agreements refer primarily to buildings, vehicles (primarily vehicles used for cash transport), and technical equipment. Costs for these three categories amounted to SEK 19 million, of total costs of SEK 24 million. The corresponding costs for 2013 amounted to SEK 35 million and in 2012 to SEK 28 million. For further information on financial leasing, see Notes 19 and 28. Exchange rate differences included in operating income are immaterial. Exchange rate differences in net financial income/expenses are reported in Note 13.

Amortization of acquisition-related intangible assets, acquisition-related costs and items affecting comparability classified by function

The adjacent table shows amortization of acquisition-related intangible assets, acquisition-related costs and items affecting comparability classified by function. Earnings for 2014 include amortization of acquisition-related intangible assets of SEK –46 million which is included in Production expenses, and acquisition-related costs totaling SEK –18 million which is included in Production expenses of SEK –16 million and Selling and administrative expenses of SEK –2 million respectively. Earnings for 2013 include amortization of acquisition-related intangible assets of SEK –28 million which is included in Production expenses, and acquisition-related costs totaling SEK 28 million which is included in Production expenses of SEK –7 million and Selling and administrative expenses of SEK 35 million respectively. Earnings for 2013 also include an item affecting comparability of SEK –14 million to a large extent attributable to a write-down of book values in an operation within the European segment. This item affecting comparability is included in Production expenses in 2013. Earnings for 2012 include amortization of acquisition-related intangible assets of SEK –28 million which is included in Production expenses, and acquisition-related costs totaling SEK –18 million, which is included in Production expenses of SEK –42 million and Selling and administrative expenses of SEK 24 million respectively. Earnings for 2012 also include an item affecting comparability of SEK 16 million relating to the reversal of part of the provision of SEK 59 million made in 2007 pertaining to overtime compensation paid in Spain. This item affecting comparability is included in Production expenses in 2012.

SEK m	2014	2013	2012
Revenue, continuing operations	12,345	11,321	10,983
Revenue, acquisitions	1,166	43	376
Total revenue	**13,510**	**11,364**	**11,360**
Production expenses	–10,345	–8,779	–8,835
Gross income	**3,165**	**2,585**	**2,525**
Selling and administrative expenses	–1,859	–1,499	–1,536
Operating income (EBIT)	**1,306**	**1,085**	**988**
Financial income	12	13	16
Financial expenses	–79	–60	–73
Income before taxes	**1,240**	**1,038**	**932**
Income tax	–330	–302	–282
Net income for the year	**910**	**736**	**650**

NOTE 11 Personnel

Average number of full time equivalent employees distributed by gender

	Women			Men			Total		
Number	2014	2013	2012	2014	2013	2012	2014	2013	2012
Europe	3,799	3,710	3,777	8,421	8,091	8,098	12,220	11,801	11,875
USA	2,149	1,987	1,814	5,819	5,654	5,759	7,968	7,641	7,573
International Services	119	–	–	232	–	–	351	–	–
Total	**6,067**	**5,697**	**5,591**	**14,472**	**13,745**	**13,857**	**20,539**	**19,442**	**19,448**

In 2014, the total number of board members and Presidents was 42 (44 and 44), of which 4 (4 and 5) were women.

Personnel costs: Board of Directors and Presidents

	Salaries	Social security contributions	(of which pensions)	Salaries	Social security contributions	(of which pensions)	Salaries	Social security contributions	(of which pensions)	(of which bonuses)		
SEK m		2014			2013			2012		2014	2013	2012
Europe	63	11	(4)	51	12	(3)	51	15	(2)	(18)	(11)	(10)
USA	14	0	(0)	8	0	(0)	7	0	(0)	(6)	(1)	(1)
International Services	5	1	(1)	–	–	(–)	–	–	(–)	(3)	(–)	(–)
Total	**82**	**12**	**(5)**	**59**	**12**	**(3)**	**58**	**15**	**(2)**	**(27)**	**(12)**	**(11)**

Also see Note 41 regarding the Parent Company.

Personnel costs: Other employees

	Salaries	Social security contributions	(of which pensions)	Salaries	Social security contributions	(of which pensions)	Salaries	Social security contributions	(of which pensions)
SEK m		2014			2013			2012	
Europe	3,183	1,030	(100)	2,984	969	(81)	3,053	1,004	(82)
USA	2,242	447	(29)	1,987	414	(24)	2,077	431	(27)
International Services	198	36	(13)	–	–	(–)	–	–	(–)
Total	**5,623**	**1,513**	**(142)**	**4,971**	**1,383**	**(105)**	**5,130**	**1,435**	**(109)**

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

	Salaries	Social security contributions	(of which pensions)	Salaries	Social security contributions	(of which pensions)	Salaries	Social security contributions	(of which pensions)
SEK m		2014			2013			2012	
Europe	3,246	1,041	(104)	3,035	981	(84)	3,104	1,019	(84)
USA	2,256	447	(29)	1,995	414	(24)	2,084	431	(27)
International Services	203	37	(14)	–	–	(–)	–	–	(–)
Total	**5,705**	**1,525**	**(147)**	**5,030**	**1,395**	**(108)**	**5,188**	**1,450**	**(111)**

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

Remuneration to the President, Board of Directors, and Group management

The Chairman of the Board and board members receive remuneration as determined by the Annual General Meeting. Decisions on guidelines for salaries and other remuneration for the President and other members of Group management are taken by the Annual General Meeting based on proposals from the Board of Directors.

General principles for remuneration to the Board of Directors

Remuneration for Loomis' current board members was determined by the Annual General Meeting on May 6, 2014. The board members are appointed for the period until the 2015 Annual General Meeting. The fees outlined on page 73 represent remuneration reported for the financial year. For information on fees and how they are distributed between the board members, see the table on page 73. The President does not receive any board fee.

General principles for remuneration to the President and the Group management

Remuneration for the President and the other members of Group management consists of a fixed salary, variable remuneration, pension and insurance benefits and a company car.

The variable remuneration is based on performance in relation to earnings targets within the individual area of responsibility and is individually determined for each member of the Group management. The President's variable remuneration, within the framework of the Company's Annual Incentive Plan (AIP), is maximized at 60 percent of the fixed salary and maximized at 104 percent of the fixed salary for other members of Group management. The agreement for the person who in 2014 was eligible for a potential bonus of 104 percent was signed before Loomis acquired the company the person was employed by. For other individuals in Group management, AIP is maximized at 80 percent of fixed salary. Variable remuneration within the framework of the Company's Long-Term Incentive Plan (LTIP) is not to exceed 40 percent of the fixed annual salary for the President and 50 percent of the fixed annual salary for other members of the Group management. The Regional President of USA have a separate long-term agreement whereby the variable remuneration is based on Loomis' operating income (EBITA) in the USA for the 2014-2016 financial years. With the maximum outcome, the variable remuneration would be 129 percent of fixed salary. For past long-term bonus outcomes for the former Regional President in the USA based on the country's operating income (EBITA) for the 2012 financial year, please refer to the 2013 Annual report.

If notice of termination is given by the Company, the President has the right to a period of notice of twelve months and severance pay equivalent to twelve monthly salaries, provided that the termination is not due to a gross breach of contract. If the President resigns, the period of notice is six months. The period of notice for the members of the Group management varies between zero and twelve months if notice is given by Loomis and between three and six months if the member resigns.

Six of the members of the Group management have the right to receive severance pay if notice is given by the Company equivalent to between twelve monthly salaries up to (in one case) 42 monthly salaries, according to local laws. As a general rule, severance pay is not payable if the member terminates his/her employment, unless the termination is due to a gross breach of contract on the part of Loomis.

During the notice period, the President is bound by a non-competition clause, unless termination is due to a gross breach of contract on the part of Loomis. Six of the other members of Group management are bound by a non-competition clause for one or two years after termination of employment. If the member resigns, instead of receiving severance pay, the member will be compensated for the difference between the fixed monthly salary at the time of termination and the lower level of income subsequently earned by the member. Compensation in the case of resignation is only payable if the member complies with the non-competition clause.

The President is entitled to a choice of defined contribution pension plans equivalent to 30 percent of fixed salary. Loomis has no other commitments to the President with respect to pension or sick pay.

Six of the Swedish members of the Group management are entitled to pension benefits in accordance with the ITP plan which includes alternative ITP for the portion of pensionable salary exceeding 7.5 base amounts. One of these members of the Group management is covered by ITP 2 and is therefore entitled to a defined contribution pension plan where the contribution amounts to 15 percent of the pensionable fixed salary exceeding 20 base amounts. When Swedish members of Group management are posted in the USA a pension provision is made in line with the US subsidiary's pension plans together with an addition to salary recognized as pension cost.

One member of Group management is entitled to a pension provision according to the local subsidiary's pension scheme for professional employees, and one member of Group management has no pension plan entitlement.

Incentive Scheme

On May 6, 2014, Loomis' Annual General Meeting resolved to introduce an incentive scheme (Incentive Scheme 2014), equivalent to the scheme adopted by the 2013 Annual General Meeting. Similar to the existing incentive scheme, the proposed incentive scheme involves two thirds of the variable remuneration being paid out in cash after the year it was earned. The remaining one third will be in the form of shares in Loomis AB, which will be allotted to the employees no later than June 30, 2016. The allotment of shares is contingent upon the employee still being employed by the Loomis Group on the last day of February, 2016. To enable the allotment of shares in Loomis AB, the 2014 Annual General Meeting resolved that Loomis AB will enter into a share swap agreement with a third party. Under the agreement, the third party will acquire Loomis AB shares in its own name and transfer them to the incentive scheme participants. Loomis AB will thus not issue any new shares or similar instruments as a result of Incentive Scheme 2014. The introduction of the incentive scheme enables Loomis' key employees to become shareholders in Loomis AB over time and will thereby increase employee participation in Loomis' development, which will benefit all of the shareholders. The incentive scheme covers around 300 of Loomis' employees. In 2014 the cost of the share-related portion of the incentive scheme – the portion for which shares will be acquired – amounted to SEK 14 million. See also Note 27.

Remuneration for 2014:

SEK	Fixed salary/ Remuneration to Board of Directors	Variable remuneration 1)	Other benefits	Pension costs	Other remuneration	Total
Alf Göransson, Chairman 2)	625,000	–	–	–	–	625,000
Ulrik Svensson, board member 2)	450,000	–	–	–	–	450,000
Jan Svensson, board member 2)	308,333	–	–	–	–	308,333
Cecilia Daun Wennborg, board member 2)	358,333	–	–	–	–	358,333
Ingrid Bonde, board member 2)	266,667	–	–	–	–	266,667
Jarl Dahlfors, President 2)	6,336,200	6,180,000	150,206	1,854,000	–	14,520,406
Lars Blecko, Executive Vice President 2)	4,713,467	6,081,321	997,430	2,023,819	–	13,816,037
Other members of management, 8 in total 2) 3)	16,667,596	7,724,827	3,052,091	3,030,818	–	30,475,332
Total	**29,725,596**	**19,986,148**	**4,199,727**	**6,908,637**	**–**	**60,820,108**

1) Refers to variable remuneration and long-term bonus programs. In 2015 a total of SEK 11,701 thousand is to be paid. The remaining amount will be paid in future years.

2) For holdings of shares in Loomis, refer to pages 39-41. For the Incentive Scheme 2013, Jarl Dahlfors will receive 2,983 shares, Lars Blecko 6,983 shares, Anders Haker 1,834 shares, Martti Ojanen 1,311 shares, Patrik Högberg 1,454 shares and Georges López Periago 1,281 shares in 2015. Other members of Group management will not receive any shares related to Incentive Scheme 2013.

3) Refers to Kenneth Högman, Anders Haker, Martti Ojanen, Mårten Lundberg (for the period December 1 to December 31), Johannes Bäckman, Patrik Högberg, Georges López Periago and Urs Röösli (for the period Augusti 1 to December 31).

Note 11 cont.

Remuneration for 2013:

SEK	Fixed salary/ Remuneration to Board of Directors	Variable remuneration [1]	Other benefits	Pension costs	Other remuneration	Total
Alf Göransson, Chairman [2]	575,000	–	–	–	–	575,000
Ulrik Svensson, board member [2]	400,000	–	–	–	–	400,000
Jan Svensson, board member [2]	275,000	–	–	–	–	275,000
Cecilia Daun Wennborg, board member [2]	216,667	–	–	–	–	216,667
Ingrid Bonde, board member [2]	166,667	–	–	–	–	166,667
Marie Ehrling, board member [2]	108,333	–	–	–	–	108,333
Signhild Arnegård Hansen, board member [2]	83,333	–	–	–	–	83,333
Jarl Dahlfors, President [2] [3]	4,965,432	1,560,960	1,413,753	694,160	–	8,634,305
Lars Blecko, Executive Vice President [2] [3]	5,942,432	3,980,160	1,039,974	1,171,749	–	12,134,315
Other members of management, 6 in total [2] [4]	11,505,413	2,623,097	2,407,423	2,246,987	–	18,782,920
Total	**24,238,277**	**8,164,217**	**4,861,150**	**4,112,896**	**–**	**41,376,540**

1) Refers to variable remuneration and long-term bonus programs. In 2014, a total of SEK 5,298 thousand is to be paid. The remaining amount will be paid in future years.
2) For holdings of shares and warrants in Loomis, refer to pages 39-41. For the Incentive Scheme 2012, Jarl Dahlfors will receive 3,104 shares, Lars Blecko 10,000 shares, Kenneth Högman 3,407 shares, Anders Haker 1,644 shares, Martti Ojanen 1,374 shares and Georges López Periago 5,508 shares in 2014.
3) Lars Blecko held the position as President during the period January 1 to August 31. Jarl Dahlfors took over the position as President as of September 1.
4) Refers to Kenneth Högman, Anders Haker, Martti Ojanen, Johannes Bäckman (for the period November 4 to December 31) Patrik Högberg (for the period November 1 to December 31) and Georges López Periago.

Remuneration for 2012:

SEK	Fixed salary/ Remuneration to Board of Directors	Variable remuneration [1]	Other benefits	Pension costs	Other remuneration	Total
Alf Göransson, Chairman [2]	575,000	–	–	–	–	575,000
Ulrik Svensson, board member [2]	383,333	–	–	–	–	383,333
Marie Ehrling, board member [2]	316,667	–	–	–	–	316,667
Jan Svensson, board member [2]	275,000	–	–	–	–	275,000
Signhild Arnegård Hansen, board member [2]	250,000	–	–	–	–	250,000
Lars Blecko, President [2]	5,789,361	3,678,586	66,966	1,703,999	–	11,238,912
Jarl Dahlfors, Executive Vice President [2] [3]	4,337,780	1,086,879	1,336,722	91,365	–	6,852,746
Other members of management, 5 in total [2] [4]	9,264,284	4,822,792	491,834	1,854,689	–	16,433,599
Total	**21,191,425**	**9,588,257**	**1,895,522**	**3,650,053**	**–**	**36,325,257**

1) Refers to variable remuneration and long-term bonus programs. In 2013, a total of SEK 13,912 thousand is to be paid whereof SEK 7,685 thousand has been earned and expensed in prior years. The remaining amount will be paid in future years.
2) For holdings of shares and warrants in Loomis, refer to pages 39-41. For the Incentive Scheme 2011, Lars Blecko will receive 2,831 shares, Jarl Dahlfors 0 shares, Kenneth Högman 1,295 shares, Marcus Hagegård 446 shares, Martti Ojanen 383 shares and Georges López Periago 5,151 shares in 2013.
3) Jarl Dahlfors had an LTIP based on operating income (EBITA) in the USA for the 2012 financial year. The outcome was lower than the previous year's provision and accordingly no LTIP compensation was charged to the 2012 earnings and an adjustment has been recorded in the table below for 2011. The accumulated recognized cost for the period 2009 – 2012 thus shows the actual outcome.
4) Refers to Kenneth Högman, Marcus Hagegård (for the period January 1 to May 31), Anders Haker (for the period June 1 to December 31), Martti Ojanen and Georges López Periago.

For information on share and warrant holdings, other board assignments, etc., please refer to the section on the Board of Directors and Group management, pages 39–41.

Subscription warrants

At an Extraordinary General Meeting held on February 16, 2009, a decision was made to implement a subscription warrant program for approximately 90 senior executives and key employees, through the issue and transfer of subscription warrants entitling subscription to a maximum of 2,555,000 new Class B shares in Loomis AB. Subscription to shares on the basis of these warrants could take place between March 1 – May 31, 2013.

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

During 2013 the 2009/2013 warrant subscription program was concluded, resulting in the issue of 2,268,049 new Class B shares at a subscription price of SEK 72.50 per share and an additional SEK 164 million for Loomis AB. The current Group management exercised 283,736 warrants to subscribe for an equal number of Loomis Class B shares and sold 677,300 warrants to a financial institution. For transactions relating to the years 2009 to 2012 for redemption based on pre-emption clauses etc. please refer to past annual reports.

All transactions have been executed on market terms.

NOTE 12 Depreciation, amortization and impairment

SEK m	2014	2013	2012
Acquisition-related intangible assets	46	28	28
Other intangible assets	31	21	19
Buildings	19	15	17
Machinery and equipment	825	721	681
(of which for machinery and equipment attributable to financial leasing)	(24)	(22)	(17)
Total depreciation, amortization and impairment	**921**	**786**	**745**

Depreciation, amortization and impairment for the year are reported in the statement of income as follows:

SEK m	2014	2013	2012
Production expenses	767	675	635
Selling and administrative expenses	108	82	82
Acquisition-related intangible assets	46	28	28
Total depreciation, amortization and impairment	**921**	**786**	**745**

Impairment testing on Goodwill is reported in Note 15.

NOTE 13 Financial income and expenses, net

SEK m	2014	2013	2012
Interest income	8	11	13
Exchange rate differences, net[1]	4	2	3
Other financial income	–	–	0
Financial income	**12**	**13**	**16**
Interest expenses	–64	–50	–66
(of which interest expenses for financial leasing)	(–2)	(–3)	(–4)
Bank charges	–14	–10	–7
Other financial expenses	–1	0	–
Financial expenses	**–79**	**–60**	**–73**
Financial income and expenses, net	**–66**	**–47**	**–56**

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

NOTE 14 Income tax

Statement of income

Tax expense

SEK m	2014	%	2013	%	2012	%
Tax on income before taxes						
– current taxes	–287	*–23.1*	–192	*–18.4*	–198	*–21.3*
– deferred taxes	–43	*–3.5*	–111	*–10.7*	–84	*–9.0*
Total tax expense	**–330**	***–26.6***	**–302**	***–29.1***	**–282**	***–30.3***

Total tax rate on income before taxes amounted to –26.6 percent (–29.1 and –30.3 respectively). Further details regarding tax expense are shown in the table below.

SEK m	2014	%	2013	%	2012	%
Tax based on Swedish tax rate	–273	*–22.0*	–228	*–22.0*	–245	*–26.3*
Difference between tax rate in Sweden and weighted tax rates for foreign subsidiaries	–28	*–2.3*	–81	*–7.8*	–16	*–1.7*
Non-deductible expenses/non-taxable income, net	–28	*–2.3*	7	*0.6*	–22	*–2.3*
Total tax expense	**–330**	***–26.6***	**–302**	***–29.1***	**–282**	***–30.3***

In 2014, there has, except for in the UK, been no major change in corporate income tax rates in the countries in which Loomis conducts the majority of its business operations. The corporate income tax rate in the UK was lowered by 2.0 percentage points and is 21 percent as from April 1, 2014.

Provisions have been made for estimated tax charges that may arise as a result of tax audits.

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

%	2014	2013	2012
USA[1]	*40*	*40*	*40*
Spain	*30*	*30*	*30*
France	*33*	*33*	*33*
Sweden	*22*	*22*	*26*
UK	*21*	*23*	*25*
Switzerland[2]	*20–22.5*	*20–22.5*	*20–22.5*

1) The corporate income tax rate includes federal as well as state tax. The federal tax rate is 35 percent. The state tax rates vary between states.
2) The Swiss corporate income tax rates comprise federal, cantonal and communal taxes. Federal tax is levied at a flat rate of 8.5 percent. Cantonal and communal tax rates vary.

Balance sheet

Deferred tax assets and deferred tax liabilities were attributable to:

Deferred tax assets, SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Machinery and equipment	99	91	95
Pension provisions and employee-related liabilities	276	149	170
Liability insurance related claims reserves	44	33	34
Provisions for restructuring	21	6	6
Loss carryforwards	35	27	60
Other temporary differences	110	33	34
Total deferred tax assets	**584**	**339**	**398**
Netting	–78	–17	–19
Deferred tax assets, net	**506**	**322**	**379**

Deferred tax liabilities, SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Machinery and equipment	281	192	215
Pension provisions and employee-related liabilities	4	–	1
Intangible fixed assets	172	72	55
Other temporary differences	156	165	144
Total deferred income tax liabilities	**612**	**429**	**415**
Netting	–78	–17	–19
Deferred tax liabilities, net	**534**	**412**	**396**
Deferred tax assets/tax liabilities, net	**–28**	**–90**	**–17**

Change analysis

SEK m	Machinery and equipment	Pension provisions and personnel-related liabilities	Liability insurance-related claims reserves	Provision for restruc-turing	Intangible fixed assets	Loss carry forward	Other temporary differences	**Total deferred tax**	Total deferred tax
Deferred tax assets								2014	2013
Opening balance	**91**	**149**	**33**	**6**	–	**27**	**33**	**339**	**398**
Change reported in statement of income	4	3	4	14	–	3	–12	**17**	**–53**
Change due to new-tax rates	–7	0	–	0	–	–	0	**–7**	**–12**
Change due to reclassification	–	–	–	–	–	–	–18	**–18**	**–**
Change due to foreign currency effects	10	17	6	1	–	2	5	**41**	**–5**
Change reported in shareholders' equity	–	84	–	–	–	–	96	**181**	**1**
Change due to acquisitions	0	22	–	–	–	3	6	**31**	**8**
Closing balance	**99**	**276**	**44**	**21**	**–**	**35**	**110**	**584**	**339**
Change during the year	**7**	**127**	**11**	**15**	**–**	**8**	**76**	**245**	**–59**
Deferred tax liabilities									
Opening balance	**192**	–	–	–	**72**	–	**165**	**429**	**415**
Change reported in statement of income	31	0	–	–	19	–	2	**52**	**47**
Change due to new tax rates	–2	–	–	–	0	–	0	**–2**	**0**
Change due to reclassification	–3	–	–	–	3	–	–18	**–18**	**–**
Change due to foreign currency effects	34	0	–	–	16	–	5	**56**	**–9**
Change reported in shareholders' equity	0	0	–	–	–	–	0	**0**	**–24**
Change due to acquisitions	28	4	–	–	62	–	1	**96**	**1**
Closing balance	**281**	**4**	**–**	**–**	**172**	**–**	**156**	**612**	**429**
Change during the year	**89**	**4**	**–**	**–**	**99**	**–**	**–9**	**183**	**14**

Of deferred tax assets of SEK 584 million, a total of SEK 141 million is expected to be realized within 12 months. Of deferred tax liabilities of SEK 612 million, a total of SEK 18 million is expected to be realized within 12 months.

Current tax assets/tax liabilities	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Current tax assets	265	153	100
Current tax liabilities	–117	–80	–74
Current tax assets/tax liabilities, net	**149**	**72**	**25**

Loss carryforwards

Loomis' subsidiaries in primarily Austria, Denmark, Slovenia, Switzerland, Turkey and USA had, as of December 31, 2014, tax loss carryforwards amounting to SEK 286 million, whereof SEK 86 million have time limits. The total tax loss carryforwards as of December 31, 2013, was SEK 264 million and as of December 31, 2012, SEK 363 million.

Deferred tax assets related to tax losses are recognized to the extent it is probable that they will be utilized against taxable income. As of December 31, 2014, tax loss carryforwards, for which deferred tax assets had been recognized, amounted to SEK 155 million and deferred tax assets related to those tax losses amounted to SEK 35 million.

NOTE 15 Acquisition and divestment of subsidiaries and impairment testing

Acquisitions undertaken in 2014:

SEK m	Purchase price	Goodwill	Acquisition-related intangible assets	Operating capital employed	Total capital employed
VIA MAT Holding AG[1)]	1,641[2)]	1,028[3)]	261	352	1,641

1) The acquisition analysis is subject to final adjustment up to one year after the acquisition date.
2) The purchase price translated to SEK million at the acquisition date.
3) The reported goodwill is primarily attributable to achieving synergy effects and geographic expansion. Any impairment losses are not tax deductible.

VIA MAT Holding AG

Loomis acquired all of the shares in the Swiss group VIA MAT Holding AG ("VIA MAT"). The purchase price amounted to SEK 1 641 million (CHF 220 million). The acquired operations were consolidated by Loomis on May 5, 2014.

Acquisition of VIA MAT Holding AG, Switzerland

Summarized balance sheet as of the acquisition date, May 5, 2014.

SEK m	Fair value acquisition balance
Operating fixed assets	358
Accounts receivable	137
Other assets	318
Other liabilities	–510
Total operating capital employed	**303**
Goodwill	1,028
Other acquisition-related intangible assets	261
Other capital employed	–71
Total capital employed	**1,521**
Net debt	120
Total acquired net assets	**1,641**
Purchase price paid	1,641
Total purchase price	**1,641**
Purchase price paid	–1,641
Liquid funds in accordance with acquisition analysis	120
Total negative impact on the Group's liquid funds	**–1,521**

The acquisition of VIA MAT Holding AG enables Loomis to expand its service offering beyond the existing service lines, Cash in Transit and Cash Management Services, to include International Services. The acquisition also makes Loomis the market leader in cash handling in the Swiss market. The acquisition has contributed approximately SEK 1,118 million to total revenue and approximately SEK 73 million to net income for the year. If consolidated as of January 1, 2014, the acquisition would have contributed approximately SEK 1,661 million to total revenue and approximately SEK 91 million to net income for the year.

Larger receivable values are expected to be consistent with the actual values.

The total transaction costs for the acquisition amount to SEK 9 million and are recognized on the line "Acquisition-related costs".

Other

As of December 31, 2014, the Group as a whole had deferred payments totaling SEK 6 million and deferred considerations totaling SEK 32 million. The deferred payments are due in 2015 while the deferred considerations are due in 2015 and later.

Impairment testing

For the purpose of impairment testing, assets are allocated to the lowest levels for which there are identifiable cash flows (cash generating units), i.e. by country or several countries where there are integrated operations under joint management. Goodwill divided between the cash generating units breaks down as follows:

		Goodwill, SEK m		
	WACC, %	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
France	*7.8 (8.7, 7.4)*	348	331	319
UK	*7.7 (7.0, 7.6)*	175	155	153
Portugal	*10.7 (8.8, 10.1)*	1	1	1
Switzerland	*7.8 (8.0, 8.2)*	150	4	4
Slovakia	*9.9 (9.0, n/a)*	0	0	–
Spain	*8.9 (8.7, 9.3)*	407	387	373
Sweden	*6.6 (6.4, 6.7)*	11	11	11
Czech Republic	*9.2 (9.5, 11.2)*	15	17	17
Turkey	*17.1 (15.6, 18.0)*	33	37	26
Argentina	*25.0 (26.7, n/a)*	37	63	60
USA	*7.7 (7.2, 7.6)*	2,790	2,341	2,354
Int. Services	*9.0 (n/a, n/a)*	929	–	–
Total		**4,897**	**3,346**	**3,317**

Goodwill is tested on an annual basis for impairment. When impairment is indicated, the impairment loss to be recognized is the amount by which the book value exceeds the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and value in use. The value in use is the present value of the estimated future cash flows. The cash flows are based on financial plans established by Group management and approved by the Board of Directors that normally cover a period of five years. Cash flows beyond this period have been extrapolated using an estimated growth rate. Wherever possible, Loomis uses external sources of information, however, past experience is also important as there are no official indexes or similar information that can be used directly as a basis for assumptions and assessments made in connection with impairment testing.

The calculation of value in use is based on assumptions and assessments. The most important assumptions relate to organic growth, development of the operating margin, utilization of operating capital employed and the relevant WACC (weighted average cost of capital) rate used to discount future cash flows. The discount rates used are stated before tax and reflect specific risks that apply to the various cash generating units.
The assumptions and assessments on which impairment testing is based are summarized below (broken down by Loomis' operating segments):

%	Estimated growth rate beyond forecasted period	WACC
Europe	*2.0[1] (2.0, 2.0)*	*6.6–25.0*
USA	*2.0 (2.0, 2.0)*	*7.7*
International Services	*2.0 (n/a, n/a)*	*9.0*

1) For all cash generating units, except Turkey and Argentina, an annual estimated growth rate of 2.0 percent is used beyond the forecast period. For Turkey and Argentina a rate of 5 percent is used, as in previous year.

Impairment testing of all cash-generating units was carried out in the third quarter of 2014. The results of the impairment testing showed that there are no goodwill impairment losses to be recognized.

As of the balance sheet date, a sensitivity analysis of the estimated value in use was carried out[2] in the form of a general reduction of 0.5 percentage points of the organic growth and operating margin for the forecast period, and a general increase in the WACC of 0.5 percentage points. A reduction of 0.5 percentage points in the operating margin would give rise to goodwill impairment of SEK 9 million in total for a cash generating unit in the Europe segment. A reduction of 0.5 percentage points of the organic growth would give rise to goodwill impairment of SEK 1 million in total for the same cash generating unit in the Europe segment. Other than this, the sensitivity analysis indicated that none of the adjustments individually generates a need for an impairment loss to be recognized in any cash generating unit.

2) For all cash generating units, except the during the year acquired company VIA MAT, whose value was assessed in connection with the acquisition on May 5, 2014.

NOTE 16 Goodwill

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Opening balance	3,346	3,317	3,281
Acquisitions	1,028	0	217
Exchange rate differences	523	29	–181
Closing accumulated balance	**4,897**	**3,346**	**3,317**
Opening impairment losses	–	–	–
Impairment losses for the year	–	–	–
Closing accumulated impairment losses	**–**	**–**	**–**
Closing residual value	**4,897**	**3,346**	**3,317**
Goodwill distributed by operating segment:			
USA	2,790	2,341	2,354
Europe	1,177	1,006	963
International Services	929	–	–
Total	**4,897**	**3,346**	**3,317**

NOTE 17 Acquisition-related intangible assets

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Opening balance	301	298	276
Acquisitions	261	–	29
Exchange rate differences	49	3	–7
Closing accumulated balance	**611**	**301**	**298**
Opening amortization	–175	–145	–121
Amortization for the year	–46	–28	–28
Exchange rate differences	–27	–2	4
Closing accumulated amortization	**–248**	**–175**	**–145**
Closing residual value	**363**	**126**	**153**

Acquisition-related intangible assets consist of contract portfolios.

NOTE 18 Other intangible assets

Dec. 31, 2014	Licenses	Tenancy rights	Other intangible assets	Total
SEK m				
Opening balance	241	0	1	**243**
Acquisitions	26	–	–	**26**
Capital expenditures	30	–	–	**30**
Disposals/write-offs	–7	–	–	**–7**
Reclassifications	1	–	–	**1**
Exchange rate differences	18	0	0	**18**
Closing accumulated balance	**309**	**0**	**1**	**311**
Opening amortization	–148	0	–1	**–149**
Disposals/write-offs	6	–	–	**6**
Amortization for the year	–31	–	–	**–31**
Exchange rate differences	–10	0	0	**–10**
Closing accumulated amortization	**–183**	**0**	**–1**	**–184**
Closing residual value	**127**	**0**	**0**	**127**

Dec. 31, 2013	Licenses	Tenancy rights	Other intangible assets	Total
SEK m				
Opening balance	216	0	1	**218**
Acquisitions	0	–	–	**0**
Capital expenditures	21	–	–	**21**
Disposals/write-offs	–1	–	–	**–1**
Exchange rate differences	5	0	0	**5**
Closing accumulated balance	**241**	**0**	**1**	**243**
Opening amortization	–123	0	–1	**–125**
Disposals/write-offs	1	–	–	**1**
Amortization for the year	–21	–	–	**–21**
Exchange rate differences	–5	0	0	**–5**
Closing accumulated amortization	**–148**	**0**	**–1**	**–149**
Closing residual value	**93**	**0**	**0**	**93**

Dec. 31, 2012	Licenses	Tenancy rights	Other intangible assets	Total
SEK m				
Opening balance	192	0	2	**194**
Acquisitions	3	–	–	**3**
Capital expenditures	29	–	–	**29**
Disposals/write-offs	–1	–	–	**–1**
Reclassifications	–1	–	–	**–1**
Exchange rate differences	–6	0	–0	**–6**
Closing accumulated balance	**216**	**0**	**1**	**218**
Opening amortization	–110	0	–2	**–112**
Disposals/write-offs	1	–	–	**1**
Amortization for the year	–19	–	–	**–19**
Reclassifications	0	–	–	**0**
Exchange rate differences	5	0	0	**5**
Closing accumulated amortization	**–123**	**0**	**–1**	**–125**
Closing residual value	**93**	**0**	**0**	**93**

NOTE 19 Tangible fixed assets

	Buildings and land		
SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Opening balance	448	420	415
Acquisitions	249	4	18
Capital expenditure	59	20	12
Disposals/write-offs	–35	–5	–16
Reclassifications	–2	–1	10
Exchange rate differences	67	11	–19
Closing accumulated balance	**786**	**448**	**420**
Opening depreciation	–187	–167	–158
Disposals/write-offs	–	1	0
Reclassifications	–	–	–1
Depreciation for the year	–19	–15	–17
Exchange rate differences	–26	–5	9
Closing accumulated depreciation	**–233**	**–187**	**–167**
Closing residual value	**553**	**261**	**253**

	Machinery and equipment		
SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Opening balance	8,395	7,715	7,359
Acquisitions	83	26	46
Capital expenditure	1,000	800	752
Disposals/write-offs	–205	–229	–146
Reclassifications	–1	2	–13
Exchange rate differences	1,020	81	–283
Closing accumulated balance	**10,293**	**8,395**	**7,715**
Opening depreciation	–5,684	–5,103	–4,729
Disposals/write-offs	177	204	117
Reclassifications	0	0	1
Depreciation for the year	–825	–721	–681
Exchange rate differences	–701	–64	189
Closing accumulated depreciation	**–7,033**	**–5,684**	**–5,103**
Closing residual value	**3,260**	**2,711**	**2,612**

The closing residual value of land included in Buildings and land above amounted to SEK 105 million (62 and 60).

Machinery and equipment comprises vehicles, equipment, security equipment (including alarm systems) and IT and telecom equipment. No impairment has been undertaken.

The tangible fixed assets reported above include assets made available under financial lease agreements as specified below. There are limits on the right of disposal for assets held by Loomis through financial leases. See Note 28 for further information regarding financial lease agreements.

Financial lease agreements	Buildings		
SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Opening balance	45	43	45
Exchange rate differences	2	2	–2
Closing accumulated balance	**47**	**45**	**43**
Opening depreciation	–22	–19	–18
Depreciation for the year	–2	–2	–2
Exchange rate differences	–1	–1	1
Closing accumulated depreciation	**–25**	**–22**	**–19**
Closing residual value	**22**	**23**	**24**

Note 19 cont.

Financial lease agreements	Machinery and equipment		
SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Opening balance	273	162	141
Acquisitions	1	1	31
Capital expenditure	3	130	14
Disposals/write-offs	–3	–21	–20
Exchange rate differences	12	1	–4
Closing accumulated balance	**286**	**273**	**162**
Opening depreciation	–127	–77	–55
Acquisitions	–	0	0
Disposals/write-offs	15	16	17
Depreciation for the year	–29	–65	–40
Exchange rate differences	–5	–1	1
Closing accumulated depreciation	**–146**	**–127**	**–77**
Closing residual value	**140**	**146**	**85**

NOTE 20 Interest-bearing financial fixed assets

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Long-term external investments	48	61	63
Defined benefit plans[1)]	19	–	3
Total interest-bearing financial fixed assets	**67**	**61**	**66**

1) For more information regarding defined benefit plans, refer to note 30.

Long-term external investments refers to the fact that the insurance company in Ireland has deposited a portion of its assets with an external counterparty, according to an authority directive, of SEK 38 million (57 and 57). The amount also consists of pension commitments for which bonds have been provided as security in a total of SEK 5 million (4 and 6). For additional information regarding financial instruments, refer to Note 6.

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Opening balance	61	66	65
New investments/disposals	6	–5	1
Exchange rate differences	0	0	0
Closing balance	**67**	**61**	**66**

NOTE 21 Other long-term receivables

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Long-term rent deposits	21	28	25
Other long-term receivables	75	98	9
Total other long-term receivables	**95**	**125**	**34**

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Opening balance	125	34	35
Other changes	–37	90	0
Translation differences	7	1	–1
Closing balance	**95**	**125**	**34**

Other changes 2013 include a deposit of SEK 65 million in respect of an ongoing tax audit in Spain.

NOTE 22 Accounts receivable

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Accounts receivable before deduction of provisions for bad debt losses	1,661	1,349	1,336
Provision for bad debt losses, net	–36	–33	–37
Total accounts receivable	**1,624**	**1,315**	**1,299**

Bad debt losses for the year amounted to SEK 6 million (8 and 5), net.

Ageing analysis for overdue accounts receivable

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Maturity date <30 days	301	237	249
Maturity date 30–90 days	81	67	64
Maturity date >90 days	55	68	61
Total overdue accounts receivable	**436**	**372**	**374**

NOTE 23 Other current receivables

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Funds within cash processing operations (net)[1]	97	42	37
Other current receivables	84	74	53
Total other current receivables	**181**	**116**	**90**

1) Excluding consignment stocks of money.

The item "Other current receivables" above refers to a large extent to current receivables relating to VAT.

As part of its cash processing operations, Loomis stores consignment stocks of money for third parties. Consignment stocks of money are reported by the other parties and not by Loomis, furthermore they are separated from Loomis' own liquid funds and cash flow and are not used in Loomis' other operations or activities. To finance certain parts of its operations, Loomis uses loan financing in the form of overdraft facilities. These overdraft facilities are recognized net against stocks of money. Financing costs relating to this loan financing amount to SEK 13 million (13 and 7) and are recognized as production expenses.

Funds within cash processing operations

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Stocks of money	1,001	1,206	822
Prepayments from customers and receivables on customers	445	745	560
Liabilities related to prepayments from customers and liabilities to customers	–640	–1,134	–1,084
Overdraft facility related to cash processing operations	–709	–776	–261
Funds within cash processing operations (net)	**97**	**42**	**37**

To read a description of the Group's risk exposure relating to financial instruments, refer to Note 6.

NOTE 24 Prepaid expenses and accrued income

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Prepaid expenses for insurance and risk management	39	48	15
Prepaid rent	33	25	21
Prepaid leasing fees	1	2	1
Prepaid suppliers' invoices	3	2	1
Other prepaid expenses	332	213	156
Other accrued income	88	7	7
Total prepaid expenses and accrued income	**497**	**296**	**201**

NOTE 25 Interest-bearing financial current assets

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
External investments	25	10	10
Total interest-bearing financial current assets	**25**	**10**	**10**

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

NOTE 26 Liquid funds

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Cash and bank balances	566	333	380
Short-term bank investments	–	–	0
Total liquid funds[1]	**566**	**333**	**380**

1) Liquid funds include interest-bearing current assets with a term of less than 90 days.

NOTE 27 Shareholder's equity and comprehensive income

	Shareholders' equity attributable to the owners of the Parent Company				
SEK m	Share capital[1]	Other capital contributed	Other reserves[2]	Retained earnings including net income for the year	Total
Opening balance, January 1, 2012	**365**	**4,441**	**248**	**–1,657**	**3,397**
Comprehensive income					
Net income for the year	–	–	–	650	650
Other comprehensive income					
Actuarial gains and losses	–	–	–	–50	–50
Tax effect on actuarial gains and losses	–	–	–	16	16
Cash flow hedges	–	–	–	3	3
Exchange rate differences	–	–	–234	–	–234
Hedging of net investments, net of tax	–	–	90	–	90
Revaluation contingent consideration[3]	–	–	33	–	33
Tax effect on revalued contingent consideration[3]	–	–	–13	–	–13
Contingent consideration (net) recycled to the statement of income[3]	–	–	–20	–	–20
Total other comprehensive income	**–**	**–**	**–144**	**–31**	**–175**
Total comprehensive income	**–**	**–**	**–144**	**619**	**475**
Transactions with shareholders					
Dividend	–	–	–	–273	–273
Share-related remuneration[4]	–	–	–4	–	–4
Total transactions with shareholders	**–**	**–**	**–4**	**–273**	**–277**
Closing balance, December 31, 2012	**365**	**4,441**	**100**	**–1,311**	**3,595**

SEK m	Share capital 1)	Other capital contributed	Other reserves 2)	Retained earnings including net income for the year	Total
	Shareholders' equity attributable to the owners of the Parent Company				
Opening balance, January 1, 2013	**365**	**4,441**	**100**	**–1,311**	**3,595**
Comprehensive income					
Net income for the year	–	–	–	736	736
Other comprehensive income					
Actuarial gains and losses	–	–	–	–11	–11
Tax effect on actuarial gains and losses	–	–	–	1	1
Exchange rate differences	–	–	9	–	9
Hedging of net investments, net of tax	–	–	8	–	8
Revaluation contingent consideration3)	–	–	41	–	41
Tax effect on revalued contingent consideration3)	–	–	–17	–	–17
Contingent consideration (net) recycled to the statement of income3)	–	–	–24	–	–24
Total other comprehensive income	**–**	**–**	**17**	**–9**	**8**
Total comprehensive income	**–**	**–**	**17**	**727**	**744**
Transactions with shareholders					
New share issue through exercise of warrants	11	153	–	–	164
Dividend	–	–	–	–338	–338
Share-related remuneration5)	–	–	0	–	0
Total transactions with shareholders	**11**	**153**	**0**	**–338**	**–174**
Opening balance, January 1, 2014	**376**	**4,594**	**117**	**–922**	**4,165**
Comprehensive income					
Net income for the year	–	–	–	910	910
Other comprehensive income					
Actuarial gains and losses	–	–	–	–364	–364
Tax effect on actuarial gains and losses	–	–	–	86	86
Exchange rate differences	–	–	831	–	831
Hedging of net investments, net of tax	–	–	–348	–	–348
Total other comprehensive income	**–**	**–**	**483**	**–278**	**205**
Total comprehensive income	**–**	**–**	**483**	**632**	**1,115**
Transactions with shareholders					
Dividend	–	–	–	–376	–376
Share-related remuneration6)	–	–	18	–	18
Share swap agreement7)	–	–	–14	–	–14
Total transactions with shareholders			**4**	**–376**	**–372**
Closing balance, December 31, 2014	**376**	**4,594**	**604**	**–666**	**4,907**

1) Parent Company shares issued consist of both Class A and Class B shares. One Class A share carries ten votes and one Class B share one vote.

2) Other reserves refers to exchange rate differences, hedging of net investments net of tax, share-related remuneration, revaluation of contingent consieration and share swap agreement.

3) Relates to revaluation of a contingent consideration for the acquisition of Pendum's cash handling operations. A repayment installment of SEK 33 million was received in 2012 and has been recycled to the statement of income, and an additional repayment installment of SEK 41 million was received in 2013 and has been recycled to the statement of income, which is why the impact on other comprehensive income is nil. Negotiations have been concluded and no further repayments will be received.

4) Refers to the expensed portion of Loomis share-related incentive schemes in the statement of income, as described in Note 11, of SEK 14 million. Duing the year 70,872 shares were allotted to the employees under the share-related Incentive Scheme 2010, and 79,081 shares were repurchased for Incentive Scheme 2011. The shares repurchased in 2012 were repurchased for an average price of SEK 93.35/share. The total holding of repurchased shares as of December 31, 2012 was 132,318.

5) Refers to the expensed portion of Loomis share-related incentive schemes in the statement of income, as described in Note 11, of SEK 14 million. During the year 82,324 shares were allotted to the employees under the share-related Incentive Scheme 2011, and 71,869 shares were repurchased for Incentive Scheme 2012. Of the repurchased shares, 10,000 shares were repurchased for an average price of SEK 117.45/share, 35,000 shares were repurchased for an average price of SEK 117.30/share, 22,819 shares were repurchased for an average price of SEK 119.19/share and the remaining 4,050 shares were repurchased for an average price of SEK 130.34/share. The total holding of repurchased shares as of December 31, 2013 was 121,863.

6) Refers to the expensed portion of Loomis share-related incentive schemes in the statement of income, as described in Note 11, of SEK 23 million. During the year 68,066 shares were allotted to the employees under the share-related Incentive Scheme 2012.

7) In accordance with a resolution at the 2013 Annual General Meeting, a swap agreement was entered into for the purpose of hedging the share component in the Group's share-related Incentive Scheme 2013. A total of 80,959 shares have been hedged under this swap agreement and they will be allotted to the employees during the period March - June 2015 provided that the criteria under the scheme have been met, including still being employeed on February 28, 2015.

The number of shares issued as of December 31, 2014 was 75,279,829 with a quotient value of 5. For more information on changes in the number of issued shares and distribution between Class A and Class B shares, see Note 51. As of December 31, 2014 Loomis had no own warrants.

NOTE 28 Loans payable and financial leases

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Long-term loans payable			
Liabilities, financial leases	109	121	66
Bank loans	2,083	625	1,941
Bond loans	–	580	558
MTN program	1,000		
Commercial papers	198	248	–
Subtotal long-term loans payable	**3,390**	**1,574**	**2,566**
Deferred consideration	15	–	–
Total long-term loans payable	**3,404**	**1,574**	**2,566**
Current loans payable			
Liabilities, financial leases	7	12	11
Bond loans	610	–	–
Bank loans	35	668	35
Subtotal current loans payable	**652**	**680**	**48**
Deferred consideration	0	–	–
Derivatives	86	0	1
Total current loans payable	**738**	**680**	**48**
Total loans payable	**4,142**	**2,253**	**2,614**

Liabilities, financial leases – minimum lease payments	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Maturity < 1 year	7	12	12
Maturity 1–5 years	117	113	76
Maturity >5 years	–	18	–
Total	**124**	**143**	**88**
Future financial expenses for financial leases	–7	–10	–10
Total present value of liabilities for financial leases	**117**	**133**	**78**

Present value of liabilities for financial leases	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Maturity < 1 year	45	39	25
Maturity 1–5 years	64	82	52
Maturity >5 years	–	12	–
Total present value of liabilities for financial leases	**109**	**133**	**78**

NOTE 29 Provisions for claims reserves

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Long-term provisions for claims reserves	185	171	170
Short-term provision for claims reserves	144	135	123
Total provisions for claims reserves	**329**	**306**	**293**

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Opening balance	306	293	349
New provisions	147	159	163
Utilized amount and unutilized provisions	–166	–145	–204
Translation difference	42	–1	–15
Closing balance	**329**	**306**	**293**

Claims reserves are calculated based on a combination of reported claims and incurred but not reported claims. Actuarial calculations are performed on a continuous basis to assess the adequacy of the reserves.

There is a certain degree of uncertainty regarding dates for future payments. Considering this uncertainty, it is not possible to specify any detailed information regarding the date for future payments from Claims reserves. See Note 2 and Note 4 for further information.

NOTE 30 Provisions for pensions and similar commitments

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

Defined contribution pension plans

A defined contribution plan is a pension plan under which the Company pays fixed contributions to a separate legal entity and to which it has no legal or informal obligations to pay further contributions.

In 2014 the cost for defined contribution plans amounted to SEK 90 million (78 and 88).

Defined benefit pension plans

Defined benefit plans are pension plans providing benefits after termination of service other than those benefits provided by defined contribution plans. Calculations for the defined benefit plans are carried out by independent actuaries on a continuous basis. Costs for defined benefit plans are estimated using the Projected Unit Credit method resulting in a cost distributed over the individual's period of employment.

Summary of defined benefit plans

The defined benefit obligation and plan assets are composed by country as follows:

Funded and unfunded benefit obligations

	Dec. 31, 2014					Dec. 31, 2013				Dec. 31, 2012			
	France	Switzer-land	UK	Other countries	Total	France	UK	Other countries	Total	France	UK	Other countries	Total
Funded plans													
Present value of funded defined benefit obligations	–	975	1,689	88	2,752	–	1,308	116	1,424	–	1,198	129	1,327
Fair value of plan assets	–	–725	–1,588	–57	–2,371	–	–1,299	–84	–1,383	–	–1,152	–87	–1,239
Funded plans, net	**–**	**250**	**101**	**30**	**381**	**–**	**9**	**32**	**41**	**–**	**46**	**42**	**88**
Unfunded plans													
Present value of unfunded benefit obligations	317	–	–	19	336	217	–	16	234	209	–	18	227
Total funded and unfunded benefit obligations	**317**	**250**	**101**	**50**	**717**	**217**	**9**	**49**	**275**	**209**	**46**	**60**	**315**

Below is a description of the most material defined benefit pension plans:

UK

The Loomis UK Pension scheme represents approximately 55 percent of the Group's total commitments in respect of Defined benefit obligations as of December 31, 2014. The plan is a funded defined benefit plan in which the assets are held separately from those of the employer. Under the Loomis UK pension scheme, employees are entitled to annual pensions paid directly from the scheme on retirement which are calculated as a percentage of the member's final pensionable salary multiplied by number of years of service. In payment, the pension is increased annually with increases typically being linked to inflation capped at a certain level. Benefits are also payable on death and following other events such as withdrawing from the scheme.

The scheme is administrated by a board of Trustees which is legally separated from the Company. The board of Trustees are composed of representatives both from the employer and employees and is chaired by an Independent Trustee. The board of Trustees are required by law to:

- Act in the best interest of all beneficiaries of the scheme
- Ensure the scheme is operated in accordance with its Rules and statutory requirements i.e the general law of trusts and specific UK law applying to pension schemes, including Acts of Parliament and regulations.
- Be responsible for the investment strategy of the scheme's assets and
- Be responsible for the day-to-day administration of the benefits.

The board of Trustees rely on professional advice to help them meet the requirements stated above.

Under UK Regulations, the company and the board of Trustees must agree what contributions should be paid into the scheme after receiving advice from an actuary.

The UK pension scheme is required to perform a funding valuation every third year. The latest funding valuation of the scheme was carried out by a qualified actuary as at April 5, 2011 and showed a deficit of GBP 10 million (assets of GBP 98 million and liabilities of GBP 108 million). To help plug this deficit, the Company agreed to pay the following contributions:

- GBP 258 thousand per month from April 5, 2010 to December 31, 2011
- GBP 265 thousand per month from January 1, 2012 to December 31, 2012
- GBP 150 thousand per month from January 1, 2013 to December 31, 2015 increasing on each January 1, by 3 percent.

The scheme has, since March 3, 2013 been closed for future accrual.

The Company and the board of Trustees are working together to help ensure the UK scheme's investment risk are reduced as and when appropriate. This includes holding a diversified asset portfolio to ensure there is no concentrated risk in one market, asset class or region.

Loomis AB has also provided a guarantee of GBP 50 million to the pension scheme to further show its commitment to meet any obligations that the scheme provides to its members.

Loomis UK also participates in various defined contribution pension plans.

Switzerland

In Switzerland there are three funded pension schemes which, combined, constituted around 32 percent of the Group's total

Note 30 *cont.*

commitments as of December 31, 2014. The Swiss pension schemes are funded so that the assets in the schemes consist of assets in pension funds that are separate from the other assets of the entities. The Swiss pension schemes are open to new employees and benefits are accrued in the schemes. There are no previous employees as members with vesting rights in the schemes because the pension liability goes to the new employer when employment ends.
Two of the pension schemes include pension benefits, disability pension, and benefits in the event of death in service for surviving spouses and children. The pension benefits in these schemes are based on earned capital multiplied by a conversion rate that is different for men and women. The disability pension benefits amount to a percentage of the pensionable salary. The death benefits and benefits for surviving spouses are calculated on the pensionable salary while the survival coverage for children for one of the plans is based on a percentage of the anticipated pension capital and for the other plan, based on the pensionable salary. Premiums increase with age and are shared equally between the employer and the employee.

One of the Swiss pension plans, aimed at senior executives, covers benefits for pensions, disability pension and death in service. The pension benefits in this plan are based on earned capital. The disability pension benefits amount to a percentage of pensionable remuneration, while the death benefits are based on earned capital. The percentage of the premiums does not change as the individual ages and the full premiums are paid by the employer.

All of the pension plans in Switzerland are controlled by boards that consist of an equal number of representatives from the company and the employees. All of Loomis' pension plans in Switzerland are reinsured with an external party. This means that all of the risks associated with the pension liability, including the investment risk, are covered by an insurance contract. Under this insurance contract the third party guarantees the funding level, which is calculated based on local laws, at a rate of 100 percent. The third party activity is regulated by federal Swiss legislation and all risk management activities are covered by the Swiss Solvency Test.

France

In France there are two unfunded plans, a Retirement indemnity plan that represents approximately 10 percent of the Group's total commitments in respect of Defined benefit obligations as of December 31, 2014 and a Jubilee award plan that represents approximately 1 percent (1) of the total commitments. The retirement indemnity plan provides a one-off lump sum retirement benefit to employees who retire from Loomis with five or more years' service. The size of the benefit is based on an employee's years of service, their salary at retirement and their role at the company.

The requirement for a one-off retirement indemnity is a legal obligation. The benefit from the plan is fixed by a collective bargaining agreement governed by industry representatives. A Council tribunal deals with any disputes between the employer and employees over the benefit payments. Benefits are paid directly by the company as and when they arise. The plan is open to future accrual and new members.

The Jubilee award plan is an unfunded arrangement and is paid to employees upon completion of a certain number of years of service.

Other countries

In addition to the plans mentioned above, there is a funded defined benefit plan in Norway that represent approximately 3 percent of the Group's total commitments in respect of Defined benefit obligations as of December 31, 2014. There are also unfunded defined benefit plans in Austria and Norway that represent approximately 1 percent of the Group's total commitments as of December 31, 2014.

Sweden

Blue-collar employees of the Group in Sweden are covered by the SAF-LO collective pension plan, which was negotiated by the parties in the labor market for persons employed in the private sector under collective agreements. The plan is a multi-employer defined contribution arrangement. Professional employees of the Group are instead covered by the ITP plan, which is a collectively agreed plan for professional employees within the private sector. A number of years back ITP was split into ITP1 and ITP2. ITP1 is a multi-employer defined contribution plan. ITP2 is a defined benefit plan which, according to a statement (UFR 3) issued by the Swedish Financial Reporting Board, is a multi-employer defined benefit plan. Alecta, a mutual insurance company that manages the pension plan's benefits, is unable to provide Loomis, or other Swedish companies, with sufficient information with which to determine an individual company's share of the total commitment and its plan assets. Consequently, the ITP pension plan that is secured by insurance with Alecta is reported as a defined contribution plan. The cost for 2014 amounts to SEK 14 million (11 and 13). The cost for 2015 is expected to be at a similar level. Alecta's surplus may be distributed to the policy holders and/or the insured. At the end of 2014, Alecta's surplus in the form of the collective consolidation level amounted to 143 percent (148 and 129). The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance commitments calculated in accordance with Alecta's actuarial assumptions, which do not accord with IAS 19 IAS 19.

Membership Summary

As of December 31, 2014 the present value of the defined benefit obligation was comprised as follows:

	Dec.31, 2014			
	France	Switzer-land	UK	Other countries
Liability Active members *(% of total obligation)*	*100*	*77*	*–*	*84*
Liability Deferred members *(% of total obligation)*	*–*	*–*	*54*	*–*
Liability Pensioner members *(% of total obligation)*	*–*	*23*	*46*	*16*
	100	***100***	***100***	***100***
Pension plan duration (years)	13	16	19	20

Financial disclosures

The amounts recognised in the balance sheet are as follows:

Provisions for pensions and similar commitments, net

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Plans included in Interest-bearing financial fixed assets	–19	–	–3
Plans included in Provisions for pensions and similar commitments	736	275	318
Total provisions for pensions and similar commitments, net	**717**	**275**	**315**

The table below shows the total cost for defined benefit plans in 2012–2014.

Pension costs

SEK m	2014	2013	2012
Current service costs	38	24	34
Administration costs (excluding investment related expenses for funded plans)	6	6	3
Net interest cost/gain (–)	10	9	2
Recognized actuarial gains (–)/ losses	3	0	–7
Past service costs/credits (–)	–	–39	–9
Total pension costs	**57**	**0**	**23**

Income related to past service that is recognized in 2013 relates to a curtailment gain of SEK 39 million resulting from the fact that the UK scheme was closed for future accrual. Income relating to past service that was recognized in 2012 relates mainly to a reversal of a historic provision for social security contributions related to the French Jubilee Award pension plan.

The movement in the net defined benefit obligation during 2012–2014 is as follows:

Change in provisions for pensions and similar commitments, net

	Obligations	Plan assets	Net	Obligations	Plan assets	Net	Obligations	Plan assets	Net
SEK m	2014			2013			2012		
Opening balance	**1,658**	**–1,383**	**275**	**1,554**	**–1,239**	**315**	**1,467**	**–1,141**	**326**
Current service costs	38	–	38	24	0	24	34	0	34
Administration costs (excluding investment related expenses for funded plans)	6	–	6	6	0	6	3	0	3
Net interest cost/gain (–)	86	–77	10	66	–56	9	65	–62	2
Recognized actuarial gains (–)/losses	3	–	3	0	0	0	–7	0	–7
Past service costs/credits (–)	–	–	–	–39	0	–39	–9	0	–9
Total pension costs	**134**	**–77**	**57**	**56**	**–56**	**0**	**85**	**–62**	**23**
Actuarial gains (–) and losses due to experience	47	–	47	10	0	10	–3	0	–3
Actuarial gains (–) and losses from changes in financial assumptions	330	–	330	88	0	88	67	0	67
Actuarial gains (–) and losses from changes in demographic assumptions	10	–	10	4	0	4	33	0	33
Changes in the asset ceiling, excluding amounts included in interest expense/interest income	–	4	4	–	–	–	–	–	–
Return on plan assets, excluding amounts included in Net interest cost / gain (–)	–	–27	–27	0	–91	–91	0	–46	–46
Total actuarial gains (–) and losses before tax	**387**	**–23**	**364**	**101**	**–91**	**11**	**97**	**–46**	**50**
Employer contributions	–	–68	–68	0	–50	–50	0	–77	–77
Employee contributions	16	–16	–	4	–4	0	7	–7	0
Benefits paid to participants	–95	95	–	–63	63	0	–76	76	0
Administration costs paid over the year	–6	–	–6	–6	0	–6	–5	4	0
Reclassifications	–	–	–	–6	5	–1	0	0	0
Acquisitions	775	–697	78						
Translation differences	218	–201	17	16	–11	6	–20	14	–6
Closing balance	**3,087**	**–2,371**	**717**	**1,658**	**–1,383**	**275**	**1,554**	**–1,239**	**315**

The contribution for 2015 is expected to be approximately SEK –89 million.

Note 30 *cont.*

Assumptions and sensitives

The significant actuarial assumptions used as of balance sheet day were as follows:

Main actuarial assumptions as per December 31 (%)	Dec. 31, 2014 UK	Switzer-land	France	Other	Dec. 31, 2013 UK	France	Other	Dec. 31, 2012 UK	France	Other
Discount rate	*3.70*	*0.60–1.05*	*1.60*	*1.60–2.00*	*4.50*	*3.50*	*2.10–3.30*	*4.60*	*3.00*	*1.65–3.00*
Salary increases	*n/a*	*1.00–2.00*	*2.30*	*2.75–3.00*	*n/a*	*2.00*	*2.00–3.75*	*3.00*	*2.00*	*2.00–3.50*
Inflation	*2.10–3.10*	*1.00*	*2.00*	*n/a*	*2.50–3.50*	*2.00*	*1.00*[1]	*2.20–3.00*	*2.00*	*1.00*[1]
Pension increases	*3.00*	*0.00*	*n/a*	*0.00–1.75*	*3.30*	*n/a*	*0.00–2.75*[2]	*2.90*	*n/a*	*0.00–2.50*[2]

1) The Inflation assumption only applies to some of the "Other" countries. In Austria and Norway this assumption is not applicable and no assumption is disclosed.

2) The pension increases assumption only applies to some of the "Other" countries. In Austria this assumption is not applicable and no assumption is disclosed.

These assumptions are used in the valuation of the obligations of the defined benefit plans at the end of 2014, 2013 and 2012 and to determine the pension costs for 2015, 2014 and 2013. In the UK, the discount rate is based on iBoxx UK AA 15 years +. In Switzerland, the discount rate is based on discount rates published by Chamber of Pensions Actuaries, with consideration given to the duration of the liabilities. In the Eurozone, the discount rate is based on iBoxx Euro 10 years +, with consideration given to the duration of the liabilities.

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. The mortality tables used in France, Switzerland and UK as follows:

Mortality table

	2014	2013	2012
France	INSEE 2010–2012	INSEE 2009–2011	INSEE 2008–2010
Switzerland	LPP 2010	LPP 2010	LPP 2010
UK	S1 All pensioners table, YOB (+1), CMI Core 2009 projections, 1.0% long term improvment rate	S1 All pensioners table, YOB (+1), CMI Core 2009 projections, 1.0% long term improvment rate	S1 All pensioners table, YOB (+1), CMI Core 2009 projections, 1.0% long term improvment rate

For Switzerland and the UK, the above assumptions mean the following average remaining life expectancy for a person retiring at the age of 65:

UK	Dec. 31, 2014
Life expectancy at 65 for a pensioner currently aged 65:	
Men	21.1
Women	23.4
Life expectancy at 65 for a pensioner currently aged 45:	
Men	22.5
Women	24.9

Switzerland	Dec. 31, 2014
Life expectancy at 65 for a pensioner currently aged 65:	
Men	21.3
Women	23.8
Life expectancy at 65 for a pensioner currently aged 45:	
Men	23.1
Women	25.5

No average life expectancy in years are given for France as this is not a key assumption due to the nature of the plan (lump sum arrangement).

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is shown in the table below. The table shows the impact on the Defined benefit obligation in SEK millions. The Defined benefit obligation is decreasing when showing a negative (–) sign, whereas a positive (+) sign increases the obligation.

Sensitivity analysis

SEK m	Dec. 31, 2014
0.1% increase in discount rate	–52
0.1% decrease in discount rate	52
0.1% increase in inflation rate	34
0.1% decrease in inflation rate	–34
1 year increase in life expectancy	53

The above sensitivity analyses are based on a change in one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to changes in significant actuarial assumptions the same method, the Projected Unit Credit method, has been applied as when calculating the pension liability recognised in the balance sheet. The method and types of assumptions used in preparing the sensitivity analysis have not been changed compared to previous year. The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change.

Plan assets

Plan assets are comprised as follows:

	Dec. 31, 2014					Dec. 31, 2013				Dec. 31, 2012			
	Quoted	Unquoted	Info. not availa-ble	Total	%	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%
Equities													
UK	26	–	–	26	*1.1*	240	–	240	*17.3*	203	–	203	*16.4*
Other European countries	116	3	–	119	*5.0*	69	2	71	*5.2*	75	2	77	*6.2*
North America	277	–	–	277	*11.7*	259	–	259	*18.7*	211	–	211	*17.0*
Asia	60	–	–	60	*2.5*	60	–	60	*4.3*	45	–	45	*3.6*
Emerging markets	75	–	–	75	*3.2*	36	–	36	*2.6*	29	–	29	*2.4*
Other	–	–	–	–	–	36	–	36	*2.6*	45	–	45	*3.6*
Total equities	**554**	**3**	**–**	**557**	***23.5***	**701**	**2**	**702**	***50.8***	**609**	**2**	**611**	***49.3***
Fixed index government bonds													
UK	342	–	–	342	*14.4*	262	–	262	*18.9*	227	–	227	*18.3*
Other European countries	14	–	–	14	*0.6*	12	–	12	*0.9*	13	–	13	*1.0*
North America	–	–	–	–	–	0	–	0	*0.0*	0	–	0	*0.0*
Other	–	–	–	–	–	0	–	0	*0.0*	0	–	0	*0.0*
Total fixed index government bonds	**356**	**–**	**–**	**356**	***15.0***	**275**	**–**	**275**	***19.9***	**240**	**–**	**240**	***19.4***
Corporate bonds													
UK	451	–	–	451	*19.0*	168	–	168	*12.1*	166	–	166	*13.4*
Other European countries	29	–	–	29	*1.2*	30	–	30	*2.1*	31	–	31	*2.5*
North America	–	–	–	–	–	0	–	0	*0.0*	0	–	0	*0.0*
Other	–	–	–	–	–	5	–	5	*0.4*	7	–	7	*0.5*
Total corporate bonds	**480**	**–**	**–**	**480**	***20.2***	**203**	**–**	**203**	***14.7***	**203**	**–**	**203**	***16.4***
Property													
Other European countries	–	7	–	7	*0.3*	7	8	15	*1.1*	3	13	17	*1.3*
Other	–	–	–	–	–	0	–	0	*0.0*	0	–	0	*0.0*
Total property	**–**	**7**	**–**	**7**	***0.3***	**8**	**8**	**16**	***1.1***	**4**	**13**	**17**	***1.4***
Cash	**–**	**7**	**–**	**7**	***0.3***	**3**	**6**	**9**	***0.6***	**5**	**0**	**6**	***0.5***
Other[1)]	**238**	**–**	**–**	**238**	***10.0***	**178**	**0**	**178**	***12.9***	**163**	**0**	**163**	***13.2***
Other[2)]	**–**	**–**	**725[3)]**	**725**	***30.6***								
Total plan assets	**1,628**	**17**	**725**	**2,371**	***100.0***	**1,366**	**16**	**1,383**	***100.0***	**1,223**	**16**	**1,239**	***100.0***

1) Up to December 31, 2013 this item mainly pertained to the Standard Life GARS fund, a multistrategy fund that invests in both shares and derivatives. The fund has in previous annual reports been categorized as an equity instrument since the return is similar to that which is expected from an equity fund. As of December 31, 2014 this item consists mainly of Russell Investments Multi-Asset Growth Strategy Fund (MAGS), a multi-strategy fund that invests in various classes of assets in many different markets.

2) Refers to the assets in the three Swiss pension schemes where insurance contracts exists. The assets in these plans are managed by an external party and the return that these assets generates are used to pay the employees' benefits.

3) The distribution of these assets, geographically or by asset class, as well as information on whether the holding was listed or not, was not available at the date of the publication of this Annual report.

Note 30 cont.

Risks

Through its defined benefit pension plans the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility (Relevant to funded plans in UK and Norway)	The majority of the scheme liabilities are calculated using a discount rate set with reference to investment grade bond yield curves. If return on scheme assets underperform the discount rate this will create a deficit. Equity instruments are expected to outperform liability matching bonds. Returns on equities are expected to be volatile relative to liability matching bonds thus introducing volatility and risk into the funding position.
Changes in yields (Relevant to UK and France)	A decrease in the discount rate will increase the scheme liabilities, although this will for funded plans, be partially offset by an increase in the value of the scheme's bond holdings.
Inflation risk (Relevant to UK)	The majority of the pension obligations are linked to inflation, and higher inflation in insolation will lead to higher liabilities although, in most cases, caps on the level of inflationary increases are in place to protect the scheme against inflation. A majority of the assets are equity based where valuations have little predictable sensitivity to inflation meaning that an increase in inflation will be expected to increase the deficit.
Life expectancy (Relevant to UK and Norway)	The obligations in some countries provide benefits for the life of the Member and/or their dependants, so increases in life expectancy will result in an increase in the scheme liabilities. In some countries, the benefit provided at retirement is a lump sum payment and therefore increases in life expectancy do not impact liabilities in these countries.
Legislative risk	Governments may consult on certain aspects on benefits. If changes are implemented by the Governments, the Company will reflect its impact on the accounting liabilities at the appropriate time.

NOTE 31 Other provisions

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Other long-term provisions	133	92	97
Other short-term provisions	19	42	9
Total other provisions	**152**	**134**	**106**

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Other long-term provisions			
Opening balance	92	97	108
New provisions	52	9	21
Provisions utilized	–17	–16	–28
Translation differences	6	2	–4
Closing balance	**133**	**92**	**97**
Other short-term provisions			
Opening balance	42	9	30
New provisions	0	33	–
Provisions utilized	–26	0	–20
Translation differences	3	0	–1
Closing balance	**19**	**42**	**9**
Total other provisions	**152**	**134**	**106**

The dispute regarding overtime compensation in Spain is described in Note 34. Other provisions refer primarily to provisions related to disputes. Disputes are often lengthy processes which extend over several years. It is, therefore, not possible to give any detailed information regarding the timeline for outflows from other provisions.

NOTE 32 Accrued expenses and prepaid income

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Accrued personnel costs	945	781	785
Accrued interest expenses	10	5	6
Accrued rent charges	2	2	2
Accrued consulting fees	18	25	24
Other accrued expenses	193	116	93
Total accrued expenses and prepaid income	**1,168**	**929**	**911**

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

NOTE 33 Other current liabilities

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Advanced payment from customers	35	32	34
Current liabilities attributable to VAT	177	166	167
Other current liabilities	117	110	86
Total other current liabilities	**329**	**309**	**287**

NOTE 34 Contingent liabilities

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Securities and guarantees	2,353	1,943	1,328
Other contingent liabilities	9	9	20
Total contingent liabilities	**2,362**	**1,953**	**1,348**

The guarantees in 2014 refer to, amongst other things to a guarantee of SEK 602 million (533 and 527) related to the defined benefit pension plan in the UK and guarantees for insurance commitments for Loomis in the USA amounting to SEK 352 million (295 and 300). There is also a guarantee for the internal reinsurance company, Loomis Reinsurance Ltd, amounting to SEK 150 million (150 and 150). It is difficult to assess whether these contingent liabilities will result in any financial outflow.

Loomis AB has also issued guarantees to Loomis Suomi Oy, Loomis Norge AS and Loomis Sverige AB relating to bank loans for cash management operations. For further information, see Note 23.

Overtime compensation

Loomis and several other security companies in Spain paid overtime compensation to their employees in accordance with a labor agreement in effect from 2005 to 2008. In February 2007, the Supreme Court in Spain ruled that the calculation of overtime compensation according to that labor agreement was not in compliance with Spanish law. The risk that overtime compensation may be payable to security company employees in Spain has increased, as the security companies and local labor unions have not come to an agreement regarding overtime compensation. An application was submitted to a lower court in Spain to obtain specific guidelines regarding the method of calculating overtime compensation. The court's ruling, which was published in January 2008, provided guidelines for the calculation of overtime compensation. The ruling was mainly in line with the employers' view of the manner in which compensation should be calculated. The local labor unions filed an appeal against this ruling. In December 2009, the Supreme Court in Spain overturned the court's January 2008 ruling and confirmed the February 2007 ruling, and accordingly each claim was to be assessed on an individual basis. The Supreme Court, thereby, altered the basis for the calculation of overtime compensation. The Supreme Court's ruling cannot be appealed.

In the absence of final guidelines for the manner in which overtime compensation is to be calculated, Loomis decided to apply the guidelines provided by the court in January 2008 for salary payments from 2008. As regards past overtime compensation, Loomis has been awaiting the final ruling of the Supreme Court.

In 2008, an industry association initiated legal proceedings in an effort to invalidate the existing labor agreement by asserting that the previous Supreme Court ruling relating to overtime compensation created an imbalance in the labor agreement. A ruling was made in the case in November 2009. However, the ruling did not provide a final solution as it referred back to the original ruling. In reality this means that decisions on overtime compensation must be made on an individual basis and that the court must reconcile all of the appeals if there are differences in the individual appeals.

A legal opinion, requested by the industry association in Spain of which Loomis is a member, proclaims that the timeframe for addressing legal claims for matters before 2010 expired in December 2010 due to the statute of limitations. Accordingly, no additional claims are anticipated.

The final ruling was made in March 2012 and was in line with Loomis' standpoint. Loomis will, however, be required to pay the difference between the original compensation and the amounts determined by the court in each individual case. All of the individual cases are expected to be concluded at the end of 2015.

Note 34 *cont.*

In total, SEK 25 million,of the original provision of SEK 59 million has been reversed through the statement of income in 2011 and 2012.

Other legal proceedings

Some companies within the Loomis Group are involved in tax audits and other legal proceedings that have arisen in the course of operations. Any liability to pay damages in conjunction with legal proceedings is not expected to have a significant impact on the Group's business operations or financial position.

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

NOTE 35 Items not affecting cash flow

SEK m	2014	2013	2012
Depreciation of tangible fixed assets and amortization of intangible assets	875	758	717
Amortization of acquisition-related intangible assets	46	28	28
Items affecting comparability	–8	7	–26
Acquisition-related costs and revenue	10	–28	–25
Financial income	1	0	1
Financial expenses	5	–2	–8
Total items not affecting cash flow, items affecting comparability and acquisition-related costs and revenue	**929**	**762**	**687**

Parent Company statement of income

SEK m	Note	2014	2013	2012
Other revenue	38	305	292	199
Gross income		**305**	**292**	**199**
Administrative expenses	40, 41	–155	–138	–126
Operating income (EBIT)		**150**	**154**	**73**
Result from financial investments				
Result from participations in Group companies	42	486	460	12
Financial income	43	740	374	225
Financial expenses	43	–760	–379	–237
Total result from financial investments		**466**	**455**	**0**
Income after financial items		**617**	**609**	**73**
Appropriations	44	–	–73	–21
Income tax	45	–55	–42	–36
Net income for the year		**562**	**494**	**16**

Parent Company statement of comprehensive income

SEK m	2014	2013	2012
Net income for the year	562	494	16
Other comprehensive income			
Items that may be reclassified to the statement of income			
Hedging of net investments, net of tax	–348	8	108
Cash flow hedges	–	–	3
Other comprehensive income for the year, net after taxes	**–348**	**8**	**111**
Total comprehensive income for the year	**214**	**502**	**127**

Parent Company balance sheet

SEK m	Note	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
ASSETS				
Fixed assets				
Machinery and equipment	46	1	1	1
Shares in subsidiaries	47	7,901	6,253	6,209
Interest-bearing long-term receivables from subsidiaries	38	1,255	1,172	1,145
Deferred tax assets	45	77	0	0
Total fixed assets		**9,234**	**7,426**	**7,355**
Current assets				
Current receivables from subsidiaries	38, 48	107	123	122
Interest-bearing current receivables from subsidiaries	38	334	306	215
Other current receivables	49	4	2	2
Current tax assets	45	13	18	24
Prepaid expenses and accrued income	50	41	21	16
Liquid funds		57	70	96
Total current assets		**556**	**541**	**475**
TOTAL ASSETS		**9,790**	**7,967**	**7,830**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity	51			
Restricted equity				
Share capital		376	376	365
Total restricted shareholders' equity		**376**	**376**	**365**
Non-restricted equity				
Other capital contributed		5,673	5,673	5,521
Retained earnings		–1,947	–1,711	–1,395
Net income for the year		562	494	16
Total non-restricted shareholders' equity		**4,288**	**4,456**	**4,142**
Total shareholders' equity		**4,664**	**4,832**	**4,507**
Untaxed reserves	52	**290**	**290**	**217**
Long-term liabilities				
Loans payable, external	39, 47	3,280	2,086	2,488
Other long-term liabilities, external	39	14	14	9
Deferred tax liabilities	45	–	18	16
Current liabilities				
Current liabilities to subsidiaries	38	12	11	28
Loans payable to subsidiaries	38	756	640	499
Interest-bearing current liabilities, external	39	613	1	28
Accounts payable	39	3	5	3
Other current liabilities	39	106	33	1
Accrued expenses and prepaid income	39, 53	52	37	34
Total liabilities		**4,836**	**2,844**	**3,106**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**9,790**	**7,967**	**7,830**
Memorandum items				
Pledged assets		None	None	None
Contingent liabilities	38	1,932	1,810	1,189

Parent Company statement of cash flows

SEK m	Note	2014	2013	2012
Operations				
Income after financial items		617	609	73
Items not affecting cash flow	54	–466	–455	0
Financial items received		8	1	22
Financial items paid		68	–3	–143
Income tax paid		–50	–38	30
Dividends received		379	337	370
Change in other operating capital employed		–13	60	20
Cash flow from operations		**543**	**511**	**372**
Investing activities				
Investments in fixed assets	46	–0	–	–1
Shares in subsidiaries		–1,651	–32	–78
Cash flow from investing activities		**–1,651**	**–32**	**–79**
Financing activities				
Other changes in financial fixed assets		–83	–27	–243
Decrease/increase in current financial investments		4	5	0
Decrease/increase in liabilities		1,491	–669	–34
Change in issued commercial papers		–50	248	–
Group contributions received		123	122	124
Dividend paid		–376	–338	–273
Own shares		–	–9	0
Share swap agreement		–14	–	–
New share issue		–	163	0
Cash flow from financing activities		**1,095**	**–505**	**–426**
Cash flow for the year		**–13**	**–26**	**–133**
Liquid funds at beginning of year		**70**	**96**	**229**
Liquid funds at end of year[1)]		**57**	**70**	**96**

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

Parent Company statement of changes in equity

SEK m	Share capital[1, 3]	Other contributed capital[2, 4]	Retained earnings including Net Income for the year[4, 5, 6, 7]	Total
Opening balance, January 1, 2012	**365**	**5,521**	**–1,233**	**4,654**
Comprehensive income				
Net income for the year	–	–	16	16
Other comprehensive income				
Hedging of net investments, net of tax	–	–	108	108
Cash flow hedges	–	–	3	3
Total other comprehensive income	**–**	**–**	**111**	**111**
Total comprehensive income	**–**	**–**	**127**	**127**
Transactions with shareholders				
Change in treasury shares[5]	–	–	0	0
Dividend	–	–	–273	–273
Total transactions with shareholders	**–**	**–**	**–273**	**–273**
Opening balance, January 1, 2013	**365**	**5,521**	**–1,379**	**4,507**
Comprehensive income				
Net income for the year	–	–	494	494
Other comprehensive income				
Hedging of net investments, net of tax	–	–	8	8
Total other comprehensive income	**–**	**–**	**8**	**8**
Total comprehensive income	**–**	**–**	**502**	**502**
Transactions with shareholders				
Change in treasury shares[6]	–	–	–2	–2
Dividend	–	–	–338	–338
New share issue through the exercise of warrants	11	152	–	163
Total transactions with shareholders	**11**	**152**	**–340**	**–177**
Opening balance, January 1, 2014	**376**	**5,673**	**–1,217**	**4,832**
Comprehensive income				
Net income for the year	–	–	562	562
Other comprehensive income				
Hedging of net investments, net of tax	–	–	–348	–348
Total other comprehensive income	**–**	**–**	**–348**	**–348**
Total comprehensive income			**214**	**214**
Transactions with shareholders				
Change in treasury shares[7]	–	–	8	8
Dividend	–	–	–376	–376
Share swap agreement[8]	–	–	–14	–14
Total transactions with shareholders	**–**	**–**	**–382**	**–382**
Closing balance, December 31, 2014	**376**	**5,673**	**–1,385**	**4,664**

1) For information on the number of issued shares refer to Note 51.
2) Includes statutory reserves amounting to SEK 20 thousand.
3) Parent Company shares issued consist of both Class A and Class B shares. Each Class A share carries 10 votes and each Class B share carries 1 vote. For information on distribution refer to Note 51.
4) Retained earnings are comprised of Other capital contributed and Retained earnings including net income for the year.
5) As of December 31, 2012, the Company held 132,318 Class B treasury shares, intended for later distribution to employees in accordance with the Incentive Scheme 2011. Of these shares, 79,081 were repurchased for an average price of SEK 93.35/share.
6) As of December 31, 2013, the Company held 121,863 Class B treasury shares, intended for later distribution to employees in accordance with the Incentive Scheme 2012. Of these shares, 71,869 were repurchased for an average price of SEK 118,66/share.
7) As of December 31, 2014, the Company held 53,797 Class B treasury shares.
8) Refers to the Group's share-related Incentive Scheme 2013. A total of 80,959 shares have been hedged under this swap agreement and they will be allotted to the employees during the period March-June 2015 provided that the criteria under the scheme have been met, including still being employed on February 28, 2015.

NOTE 36 Summary of important accounting principles

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

IAS 17 Leases

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

IAS 19 Employee Benefits

The Parent Company are not, according to the Swedish Act on the Safeguarding on Pension Commitments, etc, able to report any defined contribution plans as defined benefit plans at legal entity level. Pension solutions either fall within the framework of the ITP plan insured via Alecta, which is described in the Group's accounting principles, or, in all material aspects, comprise other defined contribution plans.

IAS 39 and IFRS 7 Financial instruments

The Parent Company applies the exception in RFR 2 regarding IFRS 7, paragraph 1, which means that no information is provided in accordance with IFRS 7 or IAS 1 paragraph 124 A–124 C. In accordance with the Swedish Annual Accounts Act, Chapter 4, paragraph 14a, the Parent Company reports derivative instruments at fair value. Fair value is equivalent to the market value, calculated on the basis of current market listings as at balance sheet date. In addition, the Parent Company applies the exception in RFR 2 regarding IAS 39 paragraph 2. This means that the Parent Company does not apply the rules on assessment and recognition regarding any indemnity agreements benefiting subsidiaries. In accordance with RFR 2, the Parent Company, instead, applies IAS 37, Provisions, contingent liabilities and contingent assets.

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

Hedge accounting

The Parent Company hedges some net investments in subsidiaries through external loans and currency swaps. The liabilities and other items used for the purpose of hedging are revalued at every the year-end closing and the translation effect is recognized in other comprehensive income. If a hedge is discontinued or if the hedging relationship is fully or partly discontinued, the translation of the hedging instrument is recognized in equity until such time as the subsidiary is divested, while translation after the hedge is discontinued is revalued through the statement of income. In accordance with IAS 12, the related deferred tax is recognized directly in other comprehensive income. Current tax is only recognized when the translation reserve is realized, which is assumed to be when the subsidiary is divested.

IAS 21 Effects of changes in foreign exchange rates

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

Receivables and liabilities in foreign currencies

Receivables and liabilities in foreign currencies have been translated to SEK at the rate prevailing on the balance sheet date and the difference between the acquisition cost and the value on the balance sheet date has been recognized in the statement of income. For receivables in foreign currencies constituting a portion of the Company's net investments in foreign subsidiaries, refer to section Hedge Accounting.

Group contributions

The Parent Company applies the general rule in RFR 2 IAS 27 concerning Group contributions, which means that Group contributions the Parent Company receives from subsidiaries are accounted for as financial revenue. Group contributions submitted from the Parent Company to subsidiaries are reported as an increase in participations in subsidiaries.

NOTE 37 Events after the balance sheet date

See information about the Group in Note 5.

NOTE 38 Transactions with related parties

Subsidiaries in the Group, board members in the Company's Board of Directors, the Group management, as well as close family members to these individuals are regarded as related parties. Related parties are also companies in which a significant portion of votes are directly or indirectly controlled by these individuals, or companies in which these individuals can exercise a significant influence.

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

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

Income from other companies within the Loomis Group

SEK m	2014	2013	2012
Administration contributions	305	292	199
Interest income	34	32	43
Group contributions	107	123	122

Expenses related to other companies within the Loomis Group

SEK m	2014	2013	2012
Interest expenses	5	7	8

Receivables from other companies within the Loomis Group

SEK m	Dec.31, 2014	Dec.31, 2013	Dec.31, 2012
Interest-bearing long-term receivables from subsidiaries	1,255	1,172	1,145
Current receivables from subsidiaries	107	–	122
Interest-bearing current receivables from subsidiaries	334	306	215
Prepaid expenses and accrued income	–	–	–

Liabilities to other companies within the Loomis Group

SEK m	Dec.31, 2014	Dec.31, 2013	Dec.31, 2012
Current liabilities to subsidiaries	12	11	28
Interest-bearing current liabilities to subsidiaries	756	640	499

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

Contingent liabilities regarding related parties

SEK m	Dec.31, 2014	Dec.31, 2013	Dec.31, 2012
Guarantee commitments banking facilities	738	714	607
Other contingent liabilities	1,194	1,096	582
Total contingent liabilities	**1,932**	**1,810**	**1,189**

Contingent liabilities mainly relate to payment and adequacy guarantees to subsidiaries. It is difficult to assess whether these contingent liabilities will result in any financial outflow.

Loomis AB has a policy to support subsidiaries, if circumstances require such support. For further information, refer to Note 6.

In addition to the guarantee commitments reported in the table above, Letters of Comfort have been issued on behalf of subsidiaries within the Group.

NOTE 39 Financial risk management

There is no difference between the book values and estimated fair values of assets and liabilities in Loomis AB's balance sheet. The fair value of liabilities and currency swaps that are included as hedging instruments in the hedging of net investments amounts to SEK –2,190 million (–1,263 and –1,596) and SEK –52 million (4 and 4) respectively.

Loomis AB uses hedge accounting according to the principle of hedging net investments to limit translation risk. Loomis has two hedges, one with a value of MUSD 265 (280 and 280) where the shares in subsidiaries is the hedged item. Loomis has in connection with the acquisition of VIA MAT entered into a hedge in the amount of MCHF 90 (0 and 0) where the net investment is the hedged item. The ineffectiveness of the hedge during the year was SEK 0 million (0 and 0).

For other currencies, loans and currency swaps constitute hedges of corresponding receivables where hedge accounting is not applied

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

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

December 31, 2014	Less than 1 year	Between 1 and 5 years	More than 5 years
External bank loans	613	2,578	702
Other external liabilities, deferred consideration	0	14	–
Accounts payable and other liabilities	109	–	–
Total	**722**	**2,592**	**702**

December 31, 2013	Less than 1 year	Between 1 and 5 years	More than 5 years
External bank loans	648	1,438	–
Other external liabilities, deferred consideration	–	14	–
Accounts payable and other liabilities	38	–	–
Total	**686**	**1,452**	–

December 31, 2012	Less than 1 year	Between 1 and 5 years	More than 5 years
External bank loans	28	2,488	–
Other external liabilities, deferred consideration	–	9	–
Accounts payable and other liabilities	38	–	–
Total	**66**	**2,497**	–

NOTE 40 Administrative expenses

Distribution of expenses by type

SEK m	Note	2014	2013	2012
Depreciation, amortization and impairment	46	0	0	0
Personnel expenses	41	65	56	54
Vehicle expenses		1	1	1
Costs of premises		3	3	4
Costs of technical equipment		8	8	6
Consulting expenses		22	16	28
Administrative expenses		9	8	12
Other expenses		47	46	22
Total expenses by type		**155**	**138**	**126**

Personnel expenses

SEK m	Note	2014	2013	2012
Salaries and bonuses	41	40	35	36
Social security expenses	41	14	12	12
Pension costs – defined contribution plans	41	11	9	6
Total personnel expenses		**65**	**56**	**54**

Audit fees and other fees

SEK m	2014	2013	2012
PwC			
– Audit assignment	2	2	3
– Auditing activities other than audit assignment	1	1	2
– Tax advice	1	1	2
– Other assignments	1	1	1
Total PwC	**5**	**5**	**8**

Audit assignment refers to fees for the statutory audit, that is, such work that has been necessary to issue the audit report. Also included is audit advice provided in conjunction with the audit assignment.

NOTE 41 Personnel

Average number of full time equivalent employees: distribution by gender

	2014	2013	2012
Number of employees	22	18	17
(of whom men)	(15)	(11)	(11)

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

	Salaries	Social security contributions	(of which pension)	Salaries	Social security contributions	(of which pension)	Salaries	Social security contributions	(of which pension)
SEK m		2014			2013			2012	
Board and President	15	6	(2)	12	6	(2)	11	5	(2)
Other employees	26	18	(9)	23	14	(6)	25	13	(4)
Total	**40**	**24**	**(11)**	**35**	**21**	**(9)**	**36**	**18**	**(6)**

In 2014 the President received variable remuneration amounting to SEK 6 million. The variable remuneration to the President amounted to SEK 2 respectively 4 million in 2013 and in 2012.

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

NOTE 42 Result from participations in Group companies

SEK m	2014	2013	2012
Dividends	379	337	370
Write-down of shares in subsidiaries	–	–	–480
Group contributions	107	123	122
Total result from participations in Group companies	**486**	**460**	**12**

In 2012 a write-down of shares in the UK subsidiary was made.

Pricing of transactions between Parent Company and subsidiaries are undertaken according to business principles. These transactions have Loomis AB, registration number 556620-8095, as a parent company.

NOTE 43 Result from other financial investments

Financial income

SEK m	2014	2013	2012
Interest income	40	42	53
Exchange rate differences	700	332	172
Total financial income	**740**	**374**	**225**

Financial expenses

SEK m	2014	2013	2012
Interest expenses	–52	–44	–64
Exchange rate differences	–698	–330	–169
Other financial expense	–10	–5	–4
Total financial expenses	**–760**	**–379**	**–237**
Financial income and expenses, net	**–20**	**–5**	**–11**

NOTE 44 Appropriations

SEK m	2014	2013	2012
Reversal of tax allocation reserve, Tax 2011	–	–	25
Allocation to tax allocation reserve, Tax 2012	–	–	–
Allocation to tax allocation reserve, Tax 2013	–	–	–46
Allocation to tax allocation reserve, Tax 2014	–	–73	–
Total appropriations	**–**	**–73**	**–21**

NOTE 45 Tax on income for the year

Statement of income

Tax expense

SEK m	2014	%	2013	%	2012	%
Tax on income before taxes						
– current tax expense	–55	*–8.9*	–49	*–9.1*	–44	*–45.1*
– tax as a result of changed tax assessment	–0	*–0.0*	6	*1.2*	8	*8.8*
Total tax expense	**–55**	***–8.9***	**–42**	***–7.9***	**–36**	***–36.3***

The Swedish corporate income tax rate was 22 percent in 2014 and 2013 and 26.3 percent in 2012. The total tax rate on income before taxes amounted to –8.9 percent (–7.9 and –36.3).

Difference between statutory Swedish tax rate and actual tax expense for the Parent Company

SEK m	2014	%	2013	%	2012	
Tax based on Swedish tax rate	–136	*–22.0*	–118	*–22.0*	–26	*–26.3*
Taxes attributable to previous periods	–0	*–0.0*	6	*1.2*	8	*8.8*
Non-deductible expenses/non-taxable income, net	81	*13.1*	69	*12.9*	–18	*–18.8*
Total tax expense	**–55**	***–8.9***	**–42**	***–7.9***	**–36**	***–36.3***

Non-deductible expenses/non-taxable income in 2014 and 2013 consist primarily of non-taxable dividends from subsidiaries. In 2012, non-deductible expenses primarily consisted of a write-down of shares in subsidiaries, whilst non-taxable income primarily consisted of dividends from subsidiaries.

Balance sheet

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Deferred tax assets/tax liabilities			
Tax on foreign exchange effects reported directly in shareholders' equity	77	–18	–16
Total deferred tax assets/tax liabilities, net	**77**	**–18**	**–16**
Statement of changes in deferred tax assets			
Opening balance	–	–	–
Change in items reported in shareholders' equity	77	–	–
Closing balance	**77**	**–**	**–**
Changes during the year	**77**	**–**	**–**
Statement of changes in deferred tax liabilities			
Opening balance	–18	–16	–
Change in items reported in shareholders' equity	18	–2	–16
Closing balance	**0**	**–18**	**–16**
Changes during the year	**18**	**–2**	**–16**
Current tax assets/tax liabilities			
Current tax assets	13	18	24
Current tax liabilities	0	0	0
Current tax assets/tax liabilities, net	**13**	**18**	**24**

NOTE 46 Machinery and equipment

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Opening balance	2	2	1
Investments	0	–	1
Disposals	–0	–	0
Closing accumulated balance	**2**	**2**	**2**
Opening depreciation	–1	–1	–0
Depreciation for the year	–0	–0	–0
Disposals	0	–	0
Closing accumulated depreciation	**–1**	**–1**	**–1**
Closing residual value balance	**1**	**1**	**1**

NOTE 47 Shares in subsidiaries[1)]

Subsidiary	Corporate Identification number	Countries where Loomis is registered and has operations	Operations	*Share of equity directly owned by the Parent Comapany (%)*	Book value (SEK m)	*Share of equity owned by the Group (%)*
Loomis Holder Spain SL	B83379685	Spain	Holding company	*100*	870	*100*
Loomis Spain SA	A79493219	Spain	CIT and CMS company	–	–	*100*
Loomis Portugal SA	506632768	Portugal	CIT and CMS company	–	–	*100*
Transportadora de Caudales Vigencia Duque SA	30-68901181-7	Argentina	CIT and CMS company	–	–	*100*
Loomis Holding Norge AS	984912277	Norway	Holding company	*100*	34	*100*
Loomis Norge AS	983445381	Norway	CIT and CMS company	–	–	*100*
Loomis Holding UK Ltd	2586369	UK	Holding company	*100*	364	*100*
Loomis UK Ltd	3200432	UK	CIT and CMS company	–	–	*100*
Loomis Holding US Inc	47-0946103	USA	Holding company	*100*	689	*100*
Loomis Armored US LLC	75-0117200	USA	CIT and CMS company	–	–	*100*
Loomis International Services GmbH	FN320790	Austria	Valuables logistics company	*100*	7	*100*
Loomis Österreich GmbH	FN104649x	Austria	CIT and CMS company	*99*	127	*100*
Loomis Suomi Oy	1773520-6	Finland	Holding company	*100*	171	*100*
Loomis Services Suomi Oy	2002457-9	Finland	CIT and CMS company	–	–	*100*
Loomis Sverige AB	556191-0679	Sweden	CIT and CMS company	*100*	69	*100*
Loomis Czech Republic a.s.	26110709	Czech Republic	CIT and CMS company	*100*	30	*100*
Loomis Danmark A/S	10082366	Denmark	CIT and CMS company	*100*	86	*100*
Loomis Güvenlik Hizmetleri A.S.	539774	Turkey	CIT and CMS company	*58*	40	*60*[2)]
Loomis Holding France SASU	498543222	France	Holding company	*100*	558	*100*
Loomis France SASU	479048597	France	CIT and CMS company	–	–	*100*
Loomis International Services Ltd	8834289	UK	Valuables logistics company	*100*	0	*100*
Loomis Reinsurance Ltd	152439	Ireland	Reinsurance company	*100*	110	*100*
Loomis SK a.s.	36 394 238	Slovakia	CIT and CMS company	*100*	35	*100*
Loomis UK Finance Company Ltd	7834722	UK	Investment company	*100*	3,060	*100*
Via Mat Holding AG	CHE-103.445.244	Switzerland	Holding company	*100*	1,650	*100*
Via Mat Management AG	CHE-106.825.583	Switzerland	Holding company	–	–	*100*
Bonafide Logistics AG	CHE-103.618.935	Switzerland	Parcel logistics company	–	–	*100*
Loomis Schweiz SA	CHE-109.503.213	Switzerland	CIT and CMS company	–	–	*100*
Mat Securitas Express AG	CHE-105.841.875	Switzerland	CIT and CMS company	–	–	*100*
Mat Transport AG	CHE-105.825.617	Switzerland	General logistics company	–	–	*100*
Via Mat Anlagen AG	CHE-102.672.292	Switzerland	Real estate company	–	–	*100*
Via Mat Artcare AG	CHE-114.668.908	Switzerland	Art logistics and storage company	–	–	*100*
Via Mat International AG	CHE-114.058.489	Switzerland	Valuables logistics company	–	–	*100*
Total shares in subsidiaries					**7,900**	

1) A complete detailed description of subsidiaries can be obtained from the parent Company.
2) Share of capital owned by holders of non-controlling interests amounts to 40 percent.

All subsidiaries are consolidated into the Group. The percentage of voting rights in the subsidiaries owned directly by the Parent Company is the same as the percentage of shares held. There is no subsidiary that has a holder of non-controlling interests and that is of significance to the Group. Loomis Güvenlik Hizmetleri A.S. is consolidated to 100 percent since there is an option to acquire the remaining 40 percent. The liability for acquiring the remaining 40 percent has been fully provided for.

Due to local rules on currency control in Argentina, there are limitations on taking capital out of the country. Other than this there are no limitations on the Group's ability to access or use assets and settle the Group's liabilities.

Shares in subsidiaries

SEK m	2014	2013	2012
Opening balance, January 1	6,253	6,209	6,676
Acquisition of shares	1,650	20	–
Disposal of shares	–4	–	–
Capital contribution	–	24	12
Write-downs	–	–	–480
Closing balance, December 31	**7,900**	**6,253**	**6,209**

Change in participation in subsidiaries during 2014 is mainly due to the acquisition of the shares in VIA MAT Holding AG. Change in participation in subsidiaries during 2012 is primarily a result of a write-down of the book value of shares in the UK subsidiary.

NOTE 48 Current receivables from subsidiaries

The amount consists primarily of group contributions from Loomis Sverige AB.

NOTE 49 Other current receivables

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Other current receivables	4	2	2
Total other current receivables	**4**	**2**	**2**

NOTE 50 Prepaid expenses and accrued income

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Prepaid insurance premiums	10	5	0
Accrued interest income	28	13	13
Other items	3	3	3
Total prepaid expenses and accrued income	**41**	**21**	**16**

NOTE 51 Changes in shareholders' equity

Year	Event	Number of shares	Increase in share capital
2004	Number of shares , January 1, 2004	100,000	100,000
2006	Bonus issue	364,958,897	364,958,897
2008	Bonus issue	3	3
2008	Reverse split 1:5	–292,047,120	–
2013	New share issue	2,268,049	11,340,245
Total		**75,279,829**	**376,399,145**

Parent Company shares issued consists of both Class A and Class B shares. Each Class A share carries ten votes and each Class B share one vote. The distribution between the A and B shares as of December 31, 2014 is as follows:

Class of shares	Voting rights	Number of shares outstanding
A	10	3,428,520
B	1	71,851,309[1)]
Total shares outstanding		**75,279,829**

1) Includes 53,797 shares which, as a result of Loomis' Incentive scheme, are held as treasury shares as of December 31, 2014.

Shareholders with more than 10 percent of the votes

The major shareholders are Investment AB Latour, which holds 10.0 percent of the capital and 28.5 percent of the votes, and Melker Schörling AB, which holds 8.4 percent of the capital and 13.6 percent of the votes. The major shareholders also hold, from time to time, an indirect ownership through other companies.

These shareholders have entered into a shareholders' agreement, according to which the parties aim to coordinate their actions with respect to the composition of the Board of Directors, the dividend policy, resolutions concerning changes in the articles of association or share capital, significant acquisitions or transfers, and the appointment of the CEO, and which also contains an agreement concerning pre-emptive rights should either party dispose of Class A shares. Apart from this, the Board of Loomis is not aware of any other shareholders' agreements, or any other agreements between shareholders in the Company aimed at exercising collective influence over the Company.

NOTE 52 Untaxed reserves

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Tax allocation reserve, 2010	57	57	57
Tax allocation reserve, 2011	50	50	50
Tax allocation reserve, 2012	64	64	64
Tax allocation reserve, 2013	46	46	46
Tax allocation reserve, 2014	73	73	–
Total untaxed reserves	**290**	**290**	**217**

NOTE 53 Accrued expenses and prepaid income

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Accrued personnel costs	23	22	18
Accrued consultancy fees	0	0	3
Accrued interest expenses	10	5	7
Other accrued expenses	19	10	6
Total accrued expenses and prepaid income	**52**	**37**	**34**

NOTE 54 Items not affecting cash-flow

SEK m	2014	2013	2012
Financial income	–740	–374	–225
Financial expenses	760	379	237
Result from participations in Group companies	–486	–460	–12
Amortization and depreciation	0	0	0
Total items not affecting cash-flow	**–466**	**–455**	**0**

The Parent Company's and the Group's statements of income and balance sheets are subject to adoption at the Annual General Meeting on May 6, 2015.

The Board of Directors and the President certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and provide a true and fair view of the financial position and performance of the Group. The annual report has been prepared in accordance with generally accepted accounting principles, and provides a true and fair view of the financial position and performance of the Parent Company.

The administration report for the Group and Parent Company provides a true and fair view of the development of the activities, financial position, and performance of the Group and Parent Company, and describes the significant risks and uncertainties faced by the Parent Company and companies which form part of the Group.

Stockholm, March 20, 2015

Alf Göransson
Chairman

Ingrid Bonde
Board member

Cecilia Daun Wennborg
Board member

Jan Svensson
Board member

Ulrik Svensson
Board member

Jarl Dahlfors
Board member
President and CEO

Our audit report was presented on March 20, 2015
PricewaterhouseCoopers AB

Patrik Adolfson
Authorized Public Accountant

Auditor's Report (translation of the Swedish original)

To the Annual General Meeting of the shareholders of Loomis AB (publ), corporate identity number 556620-8095

Report on the annual accounts and consolidated accounts
We have audited the annual accounts and consolidated accounts of Loomis AB for the year 2014. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 42–106.

Responsibilities of the Board of Directors and the CEO and President ("President") for the annual accounts and consolidated accounts
The Board of Directors and the President are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the President determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the President, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions
In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the Parent Company and the Group.

Report on other legal and regulatory requirements
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the President of Loomis AB for the year 2014.

Responsibilities of the Board of Directors and the President
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the President are responsible for administration under the Companies Act.

Auditor's responsibility
Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the President is liable to the company. We also examined whether any member of the Board of Directors or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions
We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the President be discharged from liability for the financial year.

Stockholm, March 20, 2015
PricewaterhouseCoopers AB

Patrik Adolfson
Authorized Public Accountant

Five year overview

Revenue and income, summary

SEK m	2014	2013	2012	2011	2010
Revenue, continuing operations	12,345	11,321	10,983	10,441	10,990
Revenue, acquisitions	1,166	43	376	532	43
Total revenue	**13,510**	**11,364**	**11,360**	**10,973**	**11,033**
Real growth, %	*14*	*2*	*3*	*7*	*–1*
Organic growth, %	*3*	*2*	*0*	*1*	*–1*
Operating income (EBITA)	**1,370**	**1,099**	**1,019**	**912**	**882**
Operating margin (EBITA), %	*10.1*	*9.7*	*9.0*	*8.3*	*8.0*
Operating income (EBIT)	**1,306**	**1,085**	**988**	**805**	**866**
Operating margin (EBIT), %	*9.7*	*9.5*	*8.7*	*7.3*	*7.8*
Financial income	12	13	16	16	3
Financial expenses	–79	–60	–73	–78	–110
Income before taxes	**1,240**	**1,038**	**932**	**743**	**759**
Income tax	–330	–302	–282	–230	–262
Net income for the year	**910**	**736**	**650**	**513**	**496**

Statement of cash flows, additional information

SEK m	2014	2013	2012	2011	2010
Operating income (EBITA)	**1,370**	**1,099**	**1,019**	**912**	**882**
Depreciation	875	758	717	658	687
Change in accounts receivable	–40	6	54	28	–39
Change in other operating working capital and other items	–12	–186	–182	–58	115
Cash flow from operating activities before investments	**2,194**	**1,677**	**1,607**	**1,540**	**1,645**
Investments in fixed assets, net	–1,033	–720	–747	–840	–708
Cash flow from operating activities	**1,161**	**957**	**860**	**700**	**938**
Cash flow from operating activities as % of operating income (EBITA)	*85*	*87*	*84*	*77*	*106*
Financial items paid and received	–61	–49	–63	–62	–107
Income tax paid	–298	–319	–252	–274	–261
Free cash flow	**803**	**590**	**545**	**364**	**569**
Cash flow effect of items affecting comparability	–8	–7	–10	–1	–6
Acquisition of operations	–1,536	–29	–289	–667	–82
Acquisition-related costs, paid and received	–8	40	–10	–26	–
Dividend paid	–376	–338	–273	–256	–193
Repayments of leasing liabilities	–40	–40	–21	–6	–17
Change in interest-bearing net debt excluding liquid funds	–293	–512	34	741	375
Change in issued commercial papers, bonds and other long-term borrowing	1,655	248	–	–	–
Cash flow for the year	**196**	**–48**	**–24**	**150**	**–104**

Financial position and return, summary

SEK m	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Goodwill	4,897	3,346	3,317	3,281	2,582
Tangible fixed assets	3,813	2,972	2,865	2,887	2,610
Interest-bearing fixed assets[1]	67	61	66	65	29
Other fixed assets[1]	1,091	666	660	695	498
Interest-bearing current assets	25	10	10	1	19
Other current assets	3,134	2,212	2,069	2,141	1,844
TOTAL ASSETS	**13,027**	**9,267**	**8,986**	**9,069**	**7,582**
Shareholders' equity	4,907	4,165	3,595	3,397	3,123
Interest-bearing long-term liabilities[1]	4,140	1,849	2,883	2,998	945
Other long-term liabilities[1]	852	674	663	642	563
Interest-bearing current liabilities	738	680	48	25	1,110
Other current liabilities	2,390	1,899	1,796	2,007	1,841
TOTAL SHAREHOLDERS´ EQUITY AND LIABILITIES	**13,027**	**9,267**	**8,986**	**9,069**	**7,582**
Equity ratio, %	*38*	*45*	*40*	*37*	*41*
Interest-bearing net debt, SEK m	4,219	2,125	2,475	2,545	1,748
Capital employed, SEK m	9,127	6,290	6,070	5,943	4,871
Return on capital employed, %	*15*	*17*	*17*	*15*	*18*
Return on shareholders' equity, %	*19*	*18*	*18*	*15*	*16*

1) As of the beginning of the 2013 financial year the defined benefit pension obligation is included in net debt. To reflect this change the comparative figures have been adjusted.

Share Data

	2014	2013	2012	2011	2010
Number of outstanding shares, million	75.2[1]	75.3[2]	73.0[3]	73.0[4]	73.0
Earnings per share before dilution, SEK	12.10[1]	9.83[2]	8.90[3]	7.03[4]	6.80
Earnings per share after dilution, SEK	12.10	9.78	8.60	6.79	6.57
Shareholders' equity per share, SEK	65.24	55.32	49.24	46.53	42.78

1) The average number of outstanding shares, which constitutes the basis for calculation of earnings per share before dilution is 75,237,915. The average number of outstanding shares included until March 21, 2014, treasury shares for Loomis' Incentive scheme 2012.

2) The average number of outstanding shares, which constitutes the basis for calculation of earnings per share before dilution, is 74,838,476, which includes 121,863 shares which, as a result of Loomis' Incentive Scheme 2012, were held as treasury shares as of December 31, 2013.

3) The average number of outstanding shares, which constitutes the basis for calculation of earnings per share before dilution, is 73,011,780, which includes 132,318 shares which, as a result of Loomis' Incentive Scheme 2011, were held as treasury shares as of December 31, 2012.

4) The average number of outstanding shares, which constitutes the basis for calculation of earnings per share before dilution, is 73,011,780, which includes 124,109 shares which, as a result of Loomis' Incentive Scheme 2010, were held as treasury shares as of December 31, 2011.

Quarterly Data

Statement of Income

SEK m	Oct–Dec 2014	Jul–Sep 2014	Apr–Jun 2014	Jan–Mar 2014	Full year 2014	Oct–Dec 2013	Jul–Sep 2013	Apr–Jun 2013	Jan–Mar 2013	Full year 2013
Revenue, continuing operations	3,263	3,184	3,033	2,864	12,345	2,923	2,897	2,832	2,668	11,321
Revenue, acquisitions	451	416	285	13	1,166	5	–	–	38	43
Total revenue	**3,714**	**3,600**	**3,319**	**2,877**	**13,510**	**2,928**	**2,897**	**2,832**	**2,706**	**11,364**
Real growth, %	*18*	*18*	*14*	*4*	*14*	*3*	*4*	*2*	*–1*	*2*
Organic growth, %	*2*	*3*	*4*	*4*	*3*	*3*	*4*	*2*	*–2*	*2*
Production expenses	–2,798	–2,708	–2,532	–2,245	–10,283	–2,238	–2,209	–2,172	–2,111	–8,730
Gross income	**916**	**893**	**787**	**632**	**3,227**	**690**	**688**	**660**	**595**	**2,634**
Gross margin, %	*24.7*	*24.8*	*23.7*	*22.0*	*23.9*	*23.6*	*23.8*	*23.3*	*22.0*	*23.2*
Selling and administrative expenses	–527	–487	–454	–390	–1,857	–395	–378	–384	–378	–1,534
Selling & admin, %	*–14.2*	*–13.5*	*–13.7*	*–13.6*	*–13.7*	*–13.5*	*–13.0*	*–13.5*	*–14.0*	*–13.5*
Operating income (EBITA)	**389**	**406**	**333**	**242**	**1,370**	**295**	**311**	**276**	**218**	**1,099**
Operating margin (EBITA), %	*10.5*	*11.3*	*10.0*	*8.4*	*10.1*	*10.1*	*10.7*	*9.8*	*8.0*	*9.7*
Amortization of acquisition-related intangible assets	–13	–13	–13	–7	–46	–7	–7	–7	–7	–28
Acquisition-related costs	4	–9	–2	–12	–19	–2	–0	–7	36	28
Items affecting comparability	–	–	–	–	–	–	–	–14	–	–14
Operating income (EBIT)	**380**	**384**	**318**	**223**	**1,306**	**286**	**303**	**248**	**247**	**1,085**
Operating margin (EBIT), %	*10.2*	*10.7*	*9.6*	*7.8*	*9.7*	*9.8*	*10.5*	*8.8*	*9.1*	*9.5*
Financial income	3	4	3	2	12	4	4	4	2	13
Financial expenses	–22	–22	–19	–15	–78	–16	–13	–17	–15	–60
Income before taxes	**361**	**366**	**303**	**210**	**1,240**	**274**	**294**	**236**	**234**	**1,038**
Income tax	–102	–88	–81	–59	–330	–77	–87	–69	–69	–302
Net income for the period	**260**	**278**	**222**	**151**	**910**	**197**	**207**	**166**	**165**	**736**

Revenue and operating income by segment, summary

SEK m	Oct–Dec 2014	Jul–Sep 2014	Apr–Jun 2014	Jan–Mar 2014	Full year 2014	Oct–Dec 2013	Jul–Sep 2013	Apr–Jun 2013	Jan–Mar 2013	Full year 2013
Loomis Europe										
Revenue	2,017	2,022	1,913	1,753	7,706	1,831	1,800	1,733	1,641	7,005
Real growth, %	*6*	*7*	*6*	*4*	*6*	*3*	*4*	*2*	*–1*	*2*
Organic growth, %	*0*	*2*	*2*	*3*	*2*	*3*	*4*	*2*	*–3*	*2*
Operating income (EBITA)	264	294	226	160	944	219	246	181	148	794
Operating margin (EBITA), %	*13.1*	*14.5*	*11.8*	*9.1*	*12.3*	*12.0*	*13.7*	*10.4*	*9.0*	*11.3*
Loomis USA										
Revenue	1,349	1,267	1,194	1,124	4,933	1,097	1,098	1,099	1,065	4,359
Real growth, %	*6*	*7*	*8*	*5*	*7*	*2*	*4*	*2*	*0*	*2*
Organic growth, %	*6*	*7*	*8*	*5*	*7*	*2*	*4*	*2*	*0*	*2*
Operating income (EBITA)	133	123	125	108	488	107	87	127	93	414
Operating margin (EBITA), %	*9.8*	*9.7*	*10.4*	*9.6*	*9.9*	*9.8*	*7.9*	*11.6*	*8.7*	*9.5*
International Services										
Revenue	364	330	224	–	918	–	–	–	–	–
Operating income (EBITA)	35	19	14	–	67	–	–	–	–	–
Operating margin (EBITA), %	*9.5*	*5.8*	*6.1*	–	*7.3*	–	–	–	–	–

Statement of cash flows, additional information

SEK m	Oct–Dec 2014	Jul–Sep 2014	Apr–Jun 2014	Jan–Mar 2014	Full year 2014	Oct–Dec 2013	Jul–Sep 2013	Apr–Jun 2013	Jan–Mar 2013	Full year 2013
Operating income (EBITA)	389	406	333	242	1,370	295	311	276	218	1,099
Depreciation	231	227	217	201	875	195	190	187	186	758
Change in accounts receivable	61	–30	–26	–45	–40	42	32	–63	–5	6
Change in other operating working capital and other items	128	27	70	–236	–12	51	17	3	–256	–186
Cash flow from operating activities before investments	**809**	**630**	**594**	**162**	**2,194**	**582**	**549**	**403**	**143**	**1,677**
Investments in fixed assets, net	–430	–245	–207	–150	–1,033	–262	–181	–192	–86	–720
Cash flow from operating activities	**379**	**384**	**387**	**11**	**1,161**	**321**	**368**	**211**	**57**	**957**
Cash flow from operating activities as a % of operating income (EBITA)	*97*	*95*	*116*	*5*	*85*	*109*	*119*	*76*	*26*	*87*
Financial items paid and received	–15	–20	–9	–17	–61	–12	–11	–10	–15	–49
Income tax paid	–94	–104	–68	–32	–298	–69	–131	–88	–31	–319
Free cash flow	**270**	**261**	**309**	**–37**	**803**	**239**	**227**	**112**	**11**	**590**
Cash flow effect of items affecting comparability	–2	–2	–2	–1	–8	–4	–1	–1	–0	–7
Acquisition of operations	–3	–1	–1,530	–2	–1,536	–19	–3	–5	–2	–29
Acquisition-related costs, paid and received	–4	–1	–2	–2	–8	–	–0	–1	41	40
Dividend paid	–	–	–376	–	–376	–	–	–338	–	–338
Repayments of leasing liabilities	–10	–8	–11	–11	–40	–16	–6	–9	–9	–40
Change in interest-bearing net debt excluding liquid funds	–1,786	–40	1,511	22	–293	–11	–12	–392	–96	–512
Change in issued commercial papers, bonds and other long-term borrowing	1,556	–199	298	–	1,655	–248	–51	250	297	248
Cash flow for the period	**21**	**9**	**196**	**–31**	**196**	**–60**	**154**	**–385**	**242**	**–48**

Balance sheet, summary

SEK m	Dec. 31, 2014	Sep. 30, 2014	Jun. 30, 2014	Mar. 31, 2014	Dec. 31, 2013	Sep. 30, 2013	Jun. 30, 2013	Mar. 31, 2013
Goodwill	4,897	4,679	4,288	3,344	3,346	3,296	3,414	3,291
Tangible fixed assets	3,813	3,494	3,430	2,933	2,972	2,779	2,807	2,711
Interest-bearing fixed assets[1)]	67	94	104	61	61	71	86	67
Other fixed assets[1)]	1,091	976	1,093	602	666	620	585	606
Interest-bearing current assets	25	2	1	0	10	19	3	1
Other current assets	3,134	3,097	3,034	2,364	2,212	2,234	2,132	2,385
TOTAL ASSETS	**13,027**	**12,342**	**11,950**	**9,304**	**9,267**	**9,020**	**9,027**	**9,060**
Shareholders' equity	4,907	4,658	4,273	4,297	4,165	3,914	3,837	3,880
Interest-bearing long-term liabilities[1)]	4,140	4,574	2,984	1,858	1,849	2,042	2,088	2,457
Other long-term liabilities[1)]	852	786	794	584	674	590	598	639
Interest-bearing current liabilities	738	61	1,636	702	680	677	719	383
Other current liabilities	2,390	2,263	2,263	1,863	1,899	1,796	1,785	1,701
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**13,027**	**12,342**	**11,950**	**9,304**	**9,267**	**9,020**	**9,027**	**9,060**

1) As of the beginning of the 2013 financial year the defined benefit pension obligation is included in net debt. To reflect this change the comparative figures have been adjusted.

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