Loomis Annual Report 2015

Managing **cash** in society.

LOOMIS

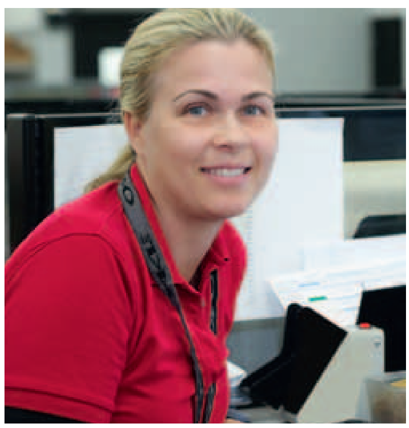
Contents

Annual General Meeting 2016

The Annual General Meeting 2016 will take place at 5 p.m. CET on Monday, May 2, 2016 in Grünewaldsalen, Stockholm Concert Hall. Read more on page 29.

Financial calendar for 2016

Interim Report January – March	**May 2**
Interim Report January – June	**July 29**
Interim Report January – September	**November 4**
Full-Year Report for 2016	**February 1, 2017**

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.

2015 in brief

SEK 7

The Board of Directors is proposing raising the dividend for 2015 to SEK 7.00 per share.

Operating income

(EBITA) amounted to SEK 1,703 million in 2015 and operating margin improved to 10.6 percent.

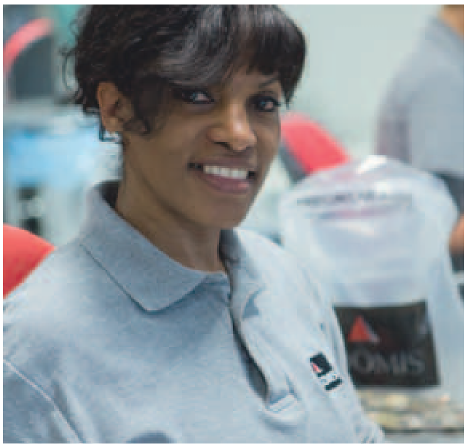
17%

The Loomis Class B share increased in value by 17 percent in 2015.

Patrik Andersson

has been appointed as the new President and CEO of Loomis. He will take up his position by May 9, 2016, at the latest.

Heading towards our **targets**



SEK **17**
billion

SEK 16.1 billion in revenue

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. Loomis' future growth is expected to primarily come from increased outsourcing of cash management services (CMS), increased revenue from SafePoint and International Services, and from acquisitions in both existing and new markets. The Group's revenue amounted to SEK 16.1 billion in 2015.

10-12
percent

Operating margin (EBITA) of 10.6 percent

Ever since Loomis was listed on the stock exchange in 2008, the focus has been on improving operational quality and constantly increasing the operating margin. Today, the Company is maintaining a high quality and has an operating margin for the full year 2015 of 10.6 percent. Loomis has determined that it is possible to achieve additional operating margin improvement. The target of an expected operating margin of 10–12 percent represents a higher growth objective, although the cost of investing in growth activities may in the short term have a negative impact on margin improvement.

3.0

Net debt to EBITDA ratio was 1.6

Loomis' target for the Group's maximum net debt to EBITDA ratio is 3.0. The target ratio allows Loomis to take advantage of opportunities that are aligned with growth objectives and acquisition criteria. Loomis has noted that the operational risk has steadily decreased and that Loomis can therefore permit a higher level of financial risk. Net debt to EBITDA ratio was 1.6 in 2015.

40-60
percent

Dividend of 49 percent of the Group's income after tax

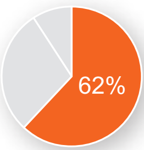
Over the past five years, Loomis' shareholders have received an average annual dividend of 51 percent of net income. Loomis' history shows that the Company has achieved constant improvement in operating income and cash flow, and has maintained a stable investment level. Loomis wants this trend to continue as this will enable the Company to maintain an annual dividend of 40–60 percent of the year's net income. The dividend proposal for the 2016 Annual General Meeting represents 49 percent of the Group's net income.

About Loomis

Loomis is the specialist in cash handling, which includes cash in transit (CIT) and cash management services (CMS). Loomis offers these services nationally as well as internationally through the International Services offering.

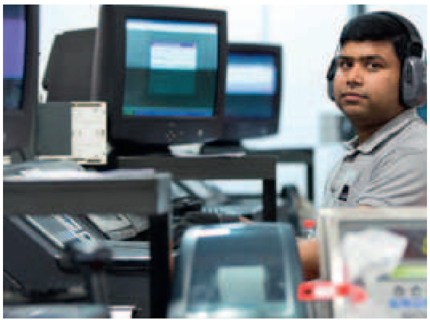
Cash in Transit
(CIT)

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



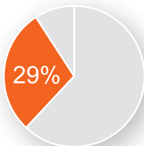
Cash in Transit's share of revenue in 2015

Cash Management Services
(CMS)



Daily receipts and cash from retailers, bank branches 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.

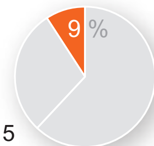
Loomis also provides services for analysis, forecasting and reporting of customer cash flows, as well as customized solutions such as SafePoint for retailers.



Cash Management Services' share of revenue in 2015

International Services

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



International Services' share of revenue in 2015

Loomis in numbers

Employees 22,000

Countries 21

Branches 400

CIT vehicles 6,600

ATMs 109,000

SafePoint units in the USA 14,600

Heading in the right direction **at a steady pace**

2015 was a year in which Loomis once again proved its strength and ability to make steady progress towards the financial targets we have set. We increased our revenue to SEK 16.1 billion and achieved an operating margin of 10.6 percent. These results are well aligned with our 2017 targets. We saw strong organic growth in several countries in 2015, with the USA and Turkey as the brightest stars.

On September 1, 2015 I took up the position as Acting CEO of Loomis. I am very familiar with this role and assignment after spending more than eight years within the Group, six of them as President and CEO. Over the past two years I have served as President of our US operations and I am continuing in that position alongside my role as Acting CEO.

In spring 2016 I will be welcoming my successor Patrik Andersson to his role as the new President and CEO of Loomis. There is a brief presentation of Patrik on page 5 in this Annual Report.

Heading towards our long-term targets

I would describe the past year as a fairly undramatic one for Loomis; a year in which we worked methodically to improve our operations and identify ways to cut costs. Our strategy remains the same; we conducted a number of small acquisitions, but no large ones. 2015 was a year in which we once again demonstrated the Company's ability to move steadily and surely in the right direction towards the long-term targets we set based on a clear and well-established strategy. Loomis is a company with a tradition of reaching its targets – both internal and external ones.

There are some parts of our organization which I am convinced provide the foundation for our stability. Since the market listing in 2008 when, to be honest, Loomis' operational management was not of the highest standard, we have maintained a constant and sharp focus on improving our operations and on ensuring we deserve the increased trust that our customers have placed in us. One of the most important components adopted was a strong decentralized organization in which we delegated considerable responsibility to each branch for its local business. We determined that local responsibility combined with a clearly formulated concept of how the branches should be managed, measured and monitored are the key to our success.

These ideas have subsequently been developed into a clear business model which we call the Loomis Model. This is our formula; our recipe for success for cash handling if you like, for how each branch should run efficient and profitable operations. It is also intended to assist the branches in successfully navigating a decentralized organization like ours, which currently has more than 400 branches in 21 countries.

A new strategy and new financial targets were presented in September 2014 to be achieved by 2017. For the first time we introduced a growth target to achieve revenue of SEK 17 billion by 2017. In 2015 our total revenue was SEK 16.1 billion – representing development that is well aligned with our established strategy and our financial targets.

Strong team with the right attitude

Naturally, it is also extremely important that our employees stand behind our strategy and targets. A feeling of participation is a key factor in maintaining a high energy level and to enable us to reach our targets. I have witnessed great dedication in our organization and, in particular, it is evident that people have the right attitude and a desire to learn from each other. This is a team that plays well together. The desire to always do better exists here and is crucial for a service company like ours. It is also one of the main reasons why Loomis, quarter after quarter, year after year, is moving in the right direction and delivering on its targets.

In this context, I would like to thank all of the managers and employees for this past year. You do a fantastic job every day!

Targeted initiatives result in growth in the USA

Our growth target is based on both organic growth and business acquisitions in both existing and new markets. Our growth in the USA is particularly gratifying. For a number of years we have made targeted investments and have implemented initiatives to strengthen our offering, particularly in cash management services (CMS) for both banks and retailers. We have also focused our efforts on improving quality and service for our customers throughout our offering.

We started to see clear results from these efforts during the year. Organic growth in the USA in 2015 was a full 6 percent. To maintain our profitability we also need to increase the proportion of CMS in relation to cash in transit (CIT). The proportion of CMS in the USA in 2015 was 31 percent, compared to 18 percent in 2008. Behind these numbers are many new contracts with nationwide banks, and with many regional and local banks. The new CMS contracts had a positive impact on profitability in 2015, but I would like to stress that we have not yet achieved full efficiency. It takes time to train new employees and optimize processes for increased CMS volumes.

> **"Our success in Turkey shows that our business model can be efficiently implemented in new markets."**

Our ongoing fruitful discussions with a number of banks in the USA further convince us that the CMS outsourcing trend in the USA will continue. Thanks to the investments we have made in the USA, we are well-equipped to handle increased CMS volumes at our upgraded cash processing centers.

In 2015 we started the rollout of the latest version of SafePoint in the USA. Titan, as we call it, is a comprehensive solution for retail cash management. This investment has yielded results and in 2015 we signed numerous new contracts. As an example, I would like to mention a comprehensive contract with one of the biggest fast-food chains in the USA, Jack in the Box. One of the largest nationwide grocery retail chains in the USA has also signed a contract with us. Titan is smarter than its predecessor and offers customized solutions.

Fast volume growth in the UK

The Group's organic growth received a boost in 2015, mainly from the UK, but also from Turkey and Argentina. As we communicated earlier, we signed an extensive contract at the end of 2014 with Tesco, one of the largest grocery and general merchandise retail chains in the UK. The implementation of the contract continued at the beginning of 2015. The positive effects have not yet been fully realized, but we expect this to happen over time. As is the case with increased CMS volumes in the USA, it is important to understand that contracts that quickly yield increased volumes initially involve considerable costs. In the year ahead our focus will be on improving the efficiency of the UK operations and on realizing the synergy effects from the acquisition of the retail cash handling operations from Cardtronics, which we concluded during the year. Although profitability suffered in 2015 from the very rapid increase in volume, we are expecting it to improve in the future.

> **"We have a proven business model that creates stable revenue streams year after year and a strong team of people who are always ready to roll up their sleeves."**

Great potential in Turkey

In Turkey, which is a very cash-intensive market, we have made strong progress, increased our market share and improved our margins. Turkey is a relatively new market for us, but in just a few years we have gone from being in the middle of the pack to wearing the leader's jersey. Growth in Turkey exceeded 40 percent in 2015 as a result of winning several national contracts with retail customers. In December we acquired the remaining 40 percent of the Turkish operations. We acquired the first 60 percent in 2011. We believe that Turkey – a country with a population of more than 80 million – has huge future potential.

Each market has its own particular climate, but our success in Turkey shows that our business model can be efficiently implemented in new markets. There is a low level of CMS outsourcing in Turkey today. As markets develop we are ready to implement our tried and tested and efficient solutions, as the world's leading specialist in the field.

Organic growth speeds up in southern Europe

During the year we also saw a trend of organic growth speeding up again in southern Europe, particularly in Spain. There are big differences between the European countries, but in general growth remains weak due to the general state of the economy. The Nordic region experienced slightly negative growth.

The integration of Loomis International – based on the acquisition of VIA MAT in 2014 – into the organization and the integration of these services into Loomis' total offering is not yet complete. We believe that there is more to be gained. In 2015 we implemented a training program and new, strategically located branches have been completed in, for example, Louisville in the USA and in Singapore.

Acquisitions add value

To achieve sales of SEK 17 billion by 2017, in line with our target, we also need to grow through acquisitions. Our acquisitions during the year included the acquisition of the Global Logistics operations from US company Dunbar Armored, Inc. which adds new opportunities to transport precious metals, diamonds, jewelry and other valuables within the USA. As I mentioned earlier, we also acquired Cardtronics' retail cash handling operations during the year in the UK.

These are two relatively small acquisitions, but they clearly add value to the Group, and their operations can be integrated relatively quickly. We believe that these types of acquisitions are the most important ones to help us reach our revenue target by 2017. We have put our feelers out to identify new aquisition prospects in both existing and new markets. We believe that the latter will be an important factor in ensuring our long-term growth. Interesting discussions are under way, but the time perspective for these types of processes is always uncertain. We must acquire the right company at the right price, and we need to have a clear concept and plan for how to integrate the new business into ours.

Cash Management Services improve the margin

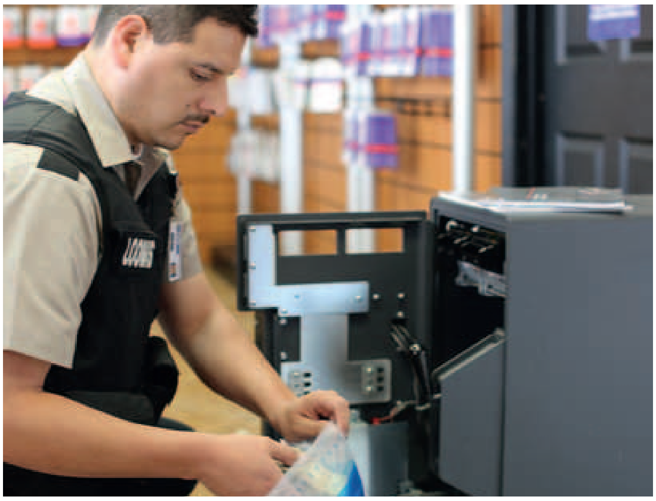
Our target is an operating margin of 10–12 percent. We believe that we can reach the upper end of this range by keeping our focus on constantly improving our operations in line with our business model, by increasing CMS and SafePoint as a percentage of our total business, and by achieving economies of scale in our Loomis International business. The lower end of the range allows us to take advantage of growth opportunities through acquisitions. These can be costly and normally require initial resources, which can have a short-term negative impact on operating margin.

In 2015 we achieved an operating margin of 10.6 percent. This result is well aligned with our 2017 target. In order to improve our margins, one of the most important factors is making sure we are paid for the high quality we deliver, but also, as always, ensuring that we work with a sharp focus on reducing costs and improving operations at the branches, whose performance is below what the underlying conditions indicate they should be.

In summary, 2015 has been another strong year for Loomis. We have a proven business model that creates stable revenue streams year after year and a strong team of people who are always ready to roll up their sleeves. This yields bottom line results and is a good starting point for working with customers, employees and shareholders to seize new opportunities in the years ahead. Our performance in 2015 has shown that we are already well on the way to reaching our 2017 targets.

Lars Blecko
Acting CEO

During the year we began the rollout of our latest version of SafePoint in the USA. Titan, as we call it, is a comprehensive solution for retail cash management. Titan is smarter than its predecessor and offers solutions with a high level of customization.



Patrik Andersson, new **President and CEO**

The Board of Directors of Loomis AB has appointed Patrik Andersson as the new President and CEO of Loomis AB.

The Board of Directors of Loomis AB has appointed Patrik Andersson as the new President and CEO of Loomis AB. He is currently CEO of Orkla Foods Sweden and will take up the position by May 9, 2016, at the latest. Patrik Andersson has a Master of Science in Business Administration and Economics-International Business Program from Lund University and many years of experience in Swedish and international sales. Patrik has worked in a number of senior management positions within the Unilever Group for a period of 12 years, as President for Wasabröd globally within the Barilla Group, and as President and CEO of the Norwegian listed food company Rieber & Son 2008–2012. Patrik is also a member of the board of Spendrups Bryggeri AB.

Vision, targets and strategy

Loomis is dedicated to realizing the Group's established growth priorities: increasing the proportion of cash management services (CMS), more SafePoint units, expanding the service offering through Loomis International, and acquisitions. During the year several initiatives were implemented in line with Loomis' strategy and to achieve the financial targets that have been set.

Loomis is a leading international supplier of cash handling services. By offering banks and retailers secure cash in transit (CIT) and cash management services (CMS), Loomis creates the most efficient flow of cash in society. Based on Loomis' robust business concept, the Group has worked purposefully and consistently to develop the Company's services, improve quality and efficiency and increase profitability. This has given the Group a strong foundation to stand on and has made it possible to prioritize growth.

Quality is a key aspect of Loomis' offering

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

For Loomis, quality means adding value and exceeding customer expectations. 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 able to guarantee that the right amount of cash is at the right place at the right time.

Loomis' growth priorities

Loomis has in the past presented a number of growth priorities for the business, including both organic growth and growth through acquisitions. The Company's strategy is based on a greater focus on growth in Cash Management Services (CMS) and SafePoint, continued expansion of Loomis International, and acquisitions.

Loomis believes that the growth potential for CMS and SafePoint is very good, especially in the USA where Loomis expects the trend to go in the same direction as in Europe, in other words, towards an increasing desire among banks to outsource their cash management processes. Loomis has therefore in recent years made significant investments in new coin processing equipment, IT sys-

2015

Increased proportion of CMS

Investments in cash centers
In 2015 Loomis continued to invest in cash management systems and in modernizing and building new cash centers, particularly in the USA. As a result of these investments, Loomis can guarantee high and stable quality in its cash management processes, making Loomis a CMS leader in the US market.

Contract with Bank of America fully implemented
Loomis' US subsidiary signed a contract in 2014 to provide cash management services to Bank of America. Under the contract, Loomis provides CMS for the bank in more than 30 locations around the USA. In 2015 the contract was fully implemented and the full-year effect of this will be apparent in 2016.

Of the Group's total revenue, 29 percent was from CMS.

More SafePoint units

Launch of SafePoint Titan
Loomis has launched an advanced version of SafePoint called Titan. Through new software, developed by Loomis, Titan offers more secure and efficient cash management for retailers. Loomis has initiated an intense rollout of SafePoint in the USA and as a result, at the end of 2015 there were around 14,600 installed units in the US market. Revenue from these units will be generated gradually over time.

Strategic contract for SafePoint
In 2015 Loomis signed a contract with Jack in the Box's National Franchisee Association for the installation and maintenance of around 1,000 SafePoint units in the USA. The contract will be in effect for five years with estimated combined revenue equivalent to around SEK 150 million. The installation of the units is expected to be completed by the summer of 2016.

In 2015 Loomis also signed a contract for 1,200 SafePoint units with one of the largest retail chains in the USA.

2016

In 2016 Loomis intends to continue to invest in several markets to meet the increased demand for cash management services.

The rollout program for SafePoint Titan, which began in 2015, will continue with increased intensity in 2016. Loomis expects the number of installed SafePoint units to continue to increase in 2016.

tems, cash centers and in professional development for the employees. Offering high and stable quality has proved to be crucial in several of the contracts that Loomis signed in 2015, not least among banks in the USA, which demand very high safety and security standards in CMS, which is a growing service line for Loomis. An increased proportion of CMS results in optimization and greater efficiency as Loomis performs the same service for several customers. This means lower costs for the customer. In the cash management process, Loomis is integrated into the customer's value chain, which also means stability for Loomis.

SafePoint is a comprehensive solution developed by Loomis for retailers. SafePoint means capacity optimization for Loomis and facilitates the planning of cash collections. Loomis' costs are reduced, resulting in higher profitability. In addition, SafePoint contracts are relatively long, which provides stability in Loomis' business relationships with retailers. During the year Loomis further developed the solution and the latest version of SafePoint is called Titan. Titan has more advanced technology than earlier versions and offers customized solutions. Loomis has initiated an extensive rollout of SafePoint in the USA, which will continue over the next few years.

Loomis has also made the assessment that there is significant growth potential for the Group's international offering. Since the acquisition of VIA MAT in 2014, integration work has continued and Loomis has expanded its operations geographically by opening new branches and establishing new logistics hubs. Loomis sees great growth potential for international operations, particularly in Asia, and believes that the increased demand for international services also functions as a springboard for increased demand for CIT and CMS in local markets.

Loomis also sees good potential for growth through acquisitions in both new and existing markets. Loomis expects add-on acquisitions in existing markets to contribute the most to the 2017 revenue target, but that acquisitions in new markets will give the Group the platform it needs to continue to grow in a longer perspective.

Knowledge exchange promotes growth

Loomis possesses valuable knowledge on how to make customers' flows of cash and valuables more efficient. Loomis can benefit from the lessons it has learned in various countries through the Company's international market presence.

Loomis' global presence brings a variety of opportunities in different markets. Socioeconomic conditions, cash volumes and bank markets vary from country to country. Readiness to outsource cash management services also varies from region to region, affecting the maturity of the cash handling market. Loomis' business therefore looks different in the various countries where the Group has operations.

Loomis can benefit from the variation in maturity when, for example, one market enters a new phase in its maturity or when customers demand cash handling solutions that Loomis has already developed in another market. According to the work methods outlined in the Loomis Model, knowledge and experience are shared on best practices and how to provide services based on customer needs while maintaining the highest level of safety and security.
This creates synergies that both Loomis and its customers can benefit from. An exchange of knowledge and experience takes place throughout Loomis' organization, creating the conditions for growth and an increased market share. Loomis also operates a robust business with a focus on the long-term perspective to create value for customers, shareholders, employees and other stakeholders.

Continued growth of Loomis International

Integration and professional development program on selling international services
In 2015 there was good progress in the process of integrating the international operations. During the year Loomis' sales organization attended internal international services courses and coordinated initiatives relating to the international services offering.

New branches
During the year Loomis completed and established a number of new international branches, one in Louisville, USA, one in Denmark, one in Singapore and one in Canada.

Acquisitions in existing and new markets

Acquisition in the UK
In May 2015 Loomis in the UK reached an agreement to acquire retail cash handling operations from Cardtronics UK. The acquired operations' annual revenue is expected to amount to around SEK 176 million and the acquisition will bring retail customers to Loomis.

Acquisition of logistics operations in the USA
In November 2015 Loomis in the USA acquired the Global Logistics operations from Dunbar Armored, Inc. The acquisition enables Loomis to expand its service offering in the USA to include nationwide transportation and storage solutions for precious metals and other valuables for domestic and international customers. The acquired operations have annual sales of around SEK 75 million and around 100 employees.

Acquisition in Slovakia and Czech Republic
During the year Loomis also acquired assets and customer contracts for cash handling operations from the Slovak company ABAS CIT Management s.r.o. as well as from Ceská Pošta Security s.r.o. The acquired operations have annual sales of around SEK 28 million. In connection with this acquisition Loomis took over around 200 employees, 50 CIT vehicles and customers in both the banking and retail sectors.

Integration of the international operations will continue in 2016 and, to meet the demand for handling precious metals in the Asian market, Loomis plans to open an office in Shanghai in 2016.

Loomis is continuing to invest resources in acquisition activities in 2016 – in both new and existing markets.

The Loomis Model results in **profitability**

In order to maintain high and uniform quality in operations, it is very important to have systems, routines and efficient processes in place. Loomis has a decentralized organizational structure with around 400 branches in 21 countries that are responsible for their own results and profitability. An organization with a high level of independence requires a clear and simple business model; a model that provides synergies and facilitates the successful management of the branches.

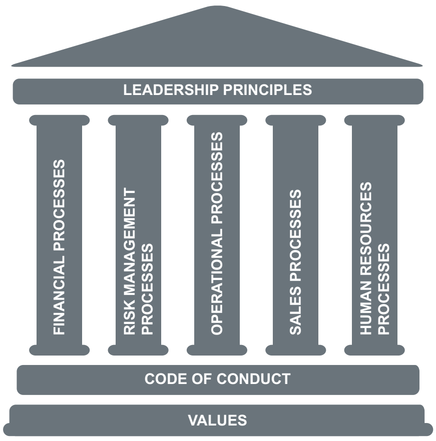
Loomis' formula for how the business is to be run is called the Loomis Model. The model is based on Loomis' core values and Code of Conduct, and describes how Loomis, based on a number of important principles and business processes, organizes and runs the business. The model includes a framework for setting targets and a constant exchange of knowledge and experience, as well as follow-up and benchmarking between branches. The model is constantly being developed and provides the foundation for a healthy organization with high quality services and good profitability.

Each branch, working according the model, has made constant improvements in operating profit and efficiency. Since 2008 Loomis' operating margin has improved from 6.6 percent to 10.6 percent in 2015. Loomis has thus grown into a strong company and has built a stable foundation for growth.

The Loomis Model

The Loomis Model for running a successful business

- The model is based on Loomis' core values and Code of Conduct, and describes how Loomis, based on a number of important principles and business processes, organizes and runs the business.
- Loomis' business processes are financial, risk management, operational, sales and human resources processes.
- The principles include guidelines for leadership and how work is organized and business performance is monitored.



Johannes Bäckman
Head of Growth

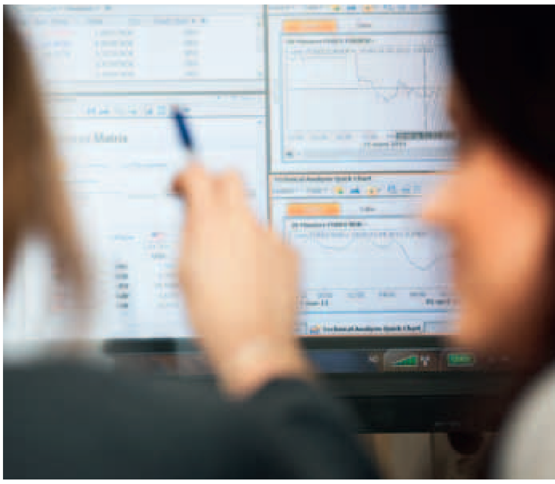
One of Loomis' financial targets is to achieve sales of SEK 17 billion by 2017. How will this be achieved?
To achieve our sales target we have made the assessment that we need to grow both organically and through acquisitions. The Loomis Model provides us with the framework we need to further improve operational efficiency and to learn from successful examples in the Group's various markets. Acquisitions will be made when opportunities arise and where we believe we have the expertise to develop the business in a positive direction.

In which markets is Loomis planning to make acquisitions?
Loomis intends to make acquisitions in both new and existing markets. Add-on acquisitions in existing markets will provide the biggest boost to our profitability in the short term, while acquisitions in new markets – particularly emerging markets – will provide Loomis with the know-how and platform necessary to grow in the longer term.

How will you maintain your operating margin while acquiring businesses?
Business acquisitions often involve a period of higher initial costs, which impedes margin improvement in the short term. However, we look at our business from a long-term perspective and we are convinced that, with the help of the Loomis Model, we will be able to maintain and improve our margins overall.

When we measure, things get done

Claes Grehn is responsible for the branches in Karlstad, Örebro and Falun in Sweden. He works and leads according to the Loomis Model's clear and simple principles.



After the restructuring of Loomis' Swedish operations, Claes Grehn went from being responsible for the branches in Örebro and Karlstad to being the branch manager of the Falun branch as well. His business area was therefore expanded to include a major part of the mid-Sweden region. This presented some leadership and operational challenges.

The branches are the core of the business, and responsibility for operations and performance rests with the branch managers. To facilitate successful operational management, all of Loomis' branch managers have received training in 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 and business processes, organizes and runs the business.

Reporting and follow-up

Responsibility for income and profitability includes setting targets. According to the Loomis Model, the targets are to be clearly defined and reflect Loomis' objective of efficiently managing cash in society. The targets must be measurable and realistic, but challenging as well. Branch managers work with others at the local and national levels to establish targets for their operations.

Loomis measures, evaluates and continuously monitors branch performance. Claes has taken the culture of target follow-up one step further at the Karlstad, Örebro and Falun branches.

"When we measure, things get done. This is our motto and it really is true. In addition to key ratios that are measured at the Group, regional and national levels, we decided to add more parameters which we measure on a daily basis at each of the branches. We probably measure more than anyone in Sweden. We believe that this, in combination with monitoring and acting to fix any deviations, is an important explanation for our continuous efficiency improvement," says Claes.

By measuring on a daily, and hourly, basis any deviations and fluctuations in routes, number of stops, daily receipts, ATMs etc., a clear picture emerges of areas where improvement is needed so that the local branch can be more proactive and quickly make the necessary adjustments. By also comparing the performance of the branches, the employees are incentivized to perform better and, not least, to learn from each other how to work in a smarter and more efficient way.

Investment in quality

Another of the principles in the Loomis Model provides guidelines on cost-awareness and investments. For Loomis this means never investing excessively, but investing in things that will help improve the quality of our operations.

"Over the past few years we have, among other things, remodeled our entire cash center in Örebro at the same as we invested a significant amount in state-of-the-art equipment, vehicles and in staff training. Our objective was both to raise the quality of the offering to our customers, and to improve our operational efficiency as well," says Claes.

By acting in accordance with Loomis' basic values and Code of Conduct, making quality-enhancing investments and always working according to the Loomis Model, Loomis can guarantee its customers the highest quality, while also demonstrating excellence in efficiency and delivering good margins to Loomis' shareholders.

Financial **targets**

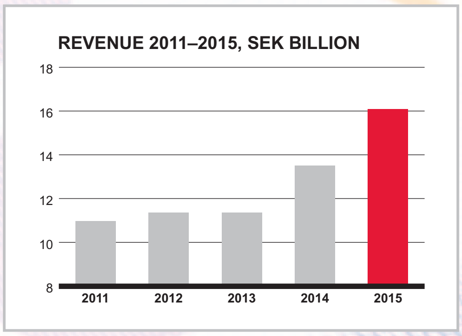
Loomis’ overall target is to create value for shareholders by generating good profitability and sustainable growth. The financial targets that were presented in 2014, in line with Loomis’ strategy and the Group’s growth ambitions up to the end of 2017, remain the top priority. Loomis has a history of reaching its targets and 2015 is no exception – the Group continued to deliver strong financial results.

SEK 17 billion

TARGET

SEK 17 billion in revenue by 2017

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. Future growth is expected to come mainly from increased outsourcing of cash management services (CMS), higher revenue from SafePoint and International Services, and through acquisitions in both existing and new markets. The Group’s revenue amounted to SEK 16.1 billion in 2015.

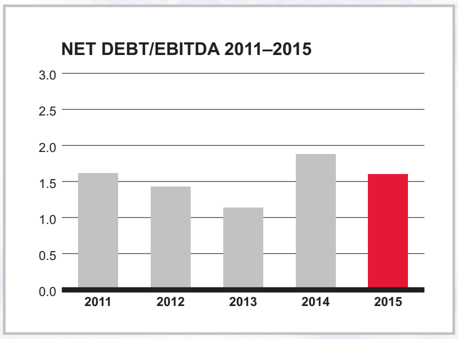


3.0

MAXIMUM

Net debt to EBITDA ratio is not to exceed 3.0

Loomis’ target for the Group’s maximum net debt to EBITDA ratio is 3.0. This target ratio will allow Loomis to take advantage of opportunities that are aligned with the Company’s growth ambition 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. The net debt to EBITDA ratio was 1.6 as of December 31, 2015.

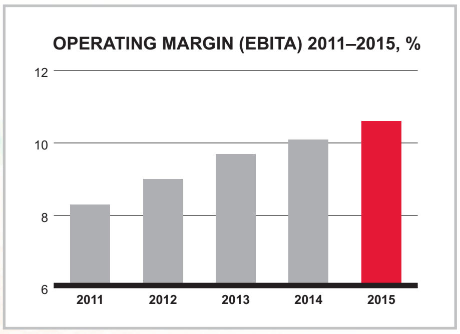


10-12%

TARGET

Operating margin (EBITA) of 10–12 percent

Ever since the market listing in 2008, Loomis has focused on improving operational quality and constantly increasing the operating margin. Today, the Company is maintaining a high quality and has an operating margin of 10.6 percent. Loomis has determined that it is possible to achieve additional operating margin improvement. The target of an expected operating margin of 10–12 percent represents a higher growth objective, where the cost of investing in growth activities may in the short term have a negative impact on margin improvements.

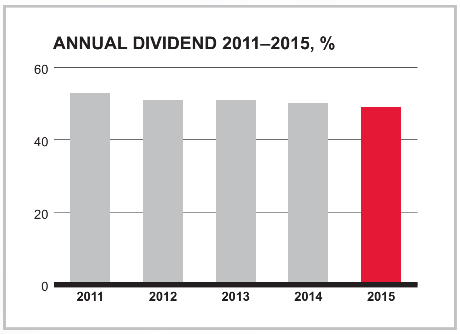


40-60%

TARGET

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 51 percent of net income. Loomis' history shows that the Company has achieved constant improvement in operating income and cash flow, and has maintained a stable investment level. Loomis wants this trend to continue, as this will enable the Company to maintain an annual dividend of 40–60 percent of the year's net income. The dividend proposal for the 2016 Annual General Meeting represents 49 percent of the Group's net income.



Anders Haker
Chief Financial Officer

In 2014 Loomis presented its new financial targets. How do you think the Company has performed in relation to these?
The financial targets will remain in place until the end of 2017. In 2015 we showed that we are well on our way, but we're not there yet. We have two years to reach them.

In 2015 you achieved revenue of SEK 16.1 billion. What needs to be done to make sure you reach the SEK 17 billion revenue target in 2017?
To reach SEK 17 billion in revenue in 2017, revenue growth of 7 percent per year from 2014 to 2017 is needed. In 2015 revenues increased by 19 percent. To reach our target we need a combination of organic growth and growth through acquisitions.

What are your comments on the Group's operating margin?
Loomis' strength lies in the branches. The positive operating margin development is the result of the sustained hard work of the branches according to the Loomis Model, which is constantly helping to improve efficiency in our organization. The positive operating margin development can also be related to a change in the business mix, where CMS and SafePoint have increased their proportion, especially in the USA, both contributing a higher margin than CIT.

It is also gratifying that while delivering strong growth in the USA, we have also managed to improve this segment's operating margin in 2015 from 9.9 percent to 10.8 percent.

The operating margin in Europe improved from 12.3 percent to 12.7 percent thanks to continuing, successful efficiency improvement work, while lower volumes had a negative impact on the International Services segment, which resulted in an operating margin for that segment of 6.1 percent (7.3).

Loomis offers cash handling services
– both locally and globally

Loomis is one of the world's leading cash handling companies. The service offering consists of cash in transit (CIT), cash management services (CMS) and, increasingly, comprehensive solutions where CIT and CMS are integrated. Loomis also offers international services including cross-border transportation, management and storage of foreign currencies and precious metals.

Loomis improves efficiency in the flow of cash in society

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 they need.

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

Loomis collects daily receipts and cash from retail outlets, restaurants, service boxes, deposit boxes and 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 customer' bank accounts. The bills and coins are packaged and re-circulated in the community as quickly as possible.

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.

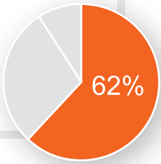
Cash in Transit
(CIT)

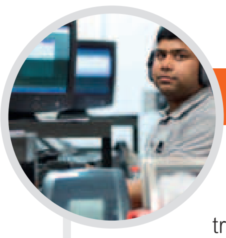
Loomis' 6,600 or so CIT vehicles transport cash to and from stores, banks and ATMs every day. Loomis collects daily receipts, provides retailers and banks with change and foreign currency, replenishes ATMs, and services and performs maintenance on ATMs.

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 2015 CIT accounted for around 62 percent of the Group's revenue, making it the main source of revenue for Loomis.



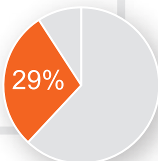


Cash Management Services
(CMS)

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, such as SafePoint, for retailers.

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

CMS accounted for around 29 percent of Loomis' revenue in 2015.



International Services

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

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 authentication of coins and bills.

Loomis has become a highly trusted partner in international cash handling for several customers. The Company 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 companies that trade in precious metals, innovative, global solutions for the transportation of precious metals. Loomis offers daily transportation from mines to refineries, wholesalers and banks. The Company 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 precious metal value chain.

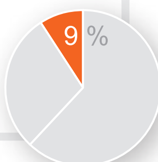
Jewelry and watches

The International Services segment is involved in transporting valuables such as jewelry, watches and credit cards to and from producers, distributors and exhibitions throughout the world. Loomis also offers assistance with customs clearance and storage at trade 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 customs clearance and special transport services, for example for shipping cars.

International Services accounted for around 9 percent of Loomis' revenue in 2015.



Strong outsourcing trend benefitting Loomis

The volume of cash in circulation and the percentage of cash payment transactions taking place vary 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 this to Loomis.

The existence and use of cash as a means of payment varies among the countries where Loomis operates. The economic and political climate, the level of technology use and innovation, as well as the extent of cash handling outsourcing all affect the maturity of a market.

Loomis' definition of the maturity of a cash handling market is based on the extent of outsourcing. In an immature market, readiness to outsource 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 tend to outsource cash management to a greater extent to external parties such as Loomis. There is undeniably a trend towards an increasing degree of outsourcing in most countries, but there are significant differences in the pace at which this is happening.

Positive development in the cash handling market

When the number of cash transactions falls, the cost for banks and retailers of managing 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 make cash management more secure 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

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

In less mature markets and in emerging 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 gradual shift towards more efficient and profitable comprehensive cash handling solutions is therefore visible in these markets as well.

Where Loomis offers customers cash in transit services, this 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 management 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 Loomis has already developed in another market.

KEY RATIOS

EUROPE	2015	2014
Revenue, SEK m	8,332	7,706
Operating income (EBITA), SEK m[1)]	1,055	944
Operating margin, %	*12.7*	*12.3*

USA	2015	2014
Revenue, SEK m	6,428	4,933
Operating income (EBITA), SEK m[1)]	692	488
Operating margin, %	*10.8*	*9.9*

INTERNATIONAL SERVICES	2015	2014
Revenue, SEK m	1,419	918
Operating income (EBITA), SEK m[1)]	87	67
Operating margin, %	*6.1*	*7.3*

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

Factors driving market demand

SEGMENTS' SHARE OF REVENUE IN 2015

51%
Europe's share of revenue in 2015

40%
USA's share of revenue in 2015

9%
International Services' share of revenue in 2015

Stable development and growth potential in Europe

The European cash handling market is characterized by a variation in maturity from country to country. In Northern Europe the level of outsourcing is high and demand for cash management is substantial, while in Southern and Eastern Europe demand for cash in transit services is higher. There is however a clear trend whereby more and more customers are requiring more comprehensive cash handling solutions.

The European cash handling market is dominated by a few large international players and a shrinking number of smaller players. The trend towards an increase in cash management services in relation to cash in transit benefits Loomis with its competitive range of CMS services and integrated 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 14 countries where it operates.

Variable market situation

Cash usage and maturity level, i.e. the readiness of banks and retailers to outsource their cash management to external providers, vary significantly from country to country in Europe

Scandinavia has the lowest level of cash usage in the world. Customers are increasingly opting to use credit cards or other electronic payment solutions. The banks have been driving this trend and many local bank branches no longer provide cash to customers, which has reduced access to cash. Loomis' market is therefore shrinking. The reduced volume of cash and the low level of cash usage is, on the other hand, driving banks to outsource their cash management, creating an increased demand for cash management services. The trend has also resulted in a greater demand for cash in transit services from retailers. The driver of this demand is a desire to minimize 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 are Turkey and Argentina. In these countries cash usage is very high, banks largely manage their cash processing themselves and outsourcing is relatively uncommon although it is increasing. In this context, cash in transit services are in higher demand than cash management services. In these markets Loomis has demonstrated very good growth and, as outsourcing increases, Loomis believes that growth will continue to be very strong in the years ahead, making a positive contribution to Loomis' revenues and operating margins.

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

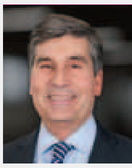
Market trends

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

In 2015 CIT accounted for 68 percent of Loomis' revenue in Europe. CMS, which is often more profitable than CIT, accounted for 32 percent of revenue.

Patrik Högberg
Regional President Nordics

What do you think about market development in the Nordic region?
Because banks are driving development towards reduced cash usage, the cash handling market is contracting in the Nordic region. However, Loomis has managed to compensate for the loss in volume by increasing its market share. For Loomis this trend also means that the customers requiring more cash management to a greater extent than before are in the retail sector. We see future potential in the Nordic market for services such as managing bank service boxes, managing foreign currency, SafePoint and Loomis International.



Kenneth Högman
Regional President Northern Europe

What does Loomis' growth look like in Northern Europe?
In 2015 the UK and Turkey, which in Loomis' organization is part of Northern Europe, were responsible for driving growth in the region. Loomis' growth in the UK market is good and related partly to the contract with Tesco signed towards the end of 2014, and partly to the acquisition of retail operations from Cardtronics. The implementation of new contracts to handle the increasing volumes is often accompanied by a period of initial costs, resulting temporarily in lower margins. We are working in a targeted way to improve profitability in the UK and we are focusing on realizing synergies from the acquisition from Cardtronics, and thereby increase CIT efficiency.

In Turkey we are the largest player in CIT, if we exclude the banks' own companies. Demand for CMS is increasing, but the market is still relatively immature, which means there is still substantial potential for future growth.

Georges López Periago
Regional President Southern Europe

What are the trends in the cash handling market in Southern Europe?
Southern Europe is well on its way to recovery after the financial crisis and we are now seeing growth tendencies in most countries in Southern Europe. Spain, for example, is once again experiencing organic growth and profitability improvement. We have also seen increased demand for CMS in both Spain and Argentina, while demand remains unchanged in France, Portugal, Austria and Switzerland.

TURKEY

The Loomis Model provides results in **emerging markets**

Argentina and Turkey are two of Loomis' main emerging markets. When establishing operations in both of these markets, Loomis successfully implemented the Loomis Model into local operations, which are now enjoying strong growth and improved profitability.

Stable organic growth and future potential in Turkey

Loomis has had operations in Turkey since the acquisition of a local cash handling company in 2011. The Turkish company was restructured in line with the Loomis Model and has had steady growth every year since then. Today Loomis is one of the largest CIT players in the Turkish market, which is entirely due to successful organic growth.

Turkey has a relatively fast-growing economy which is expected to grow substantially over the next few decades. The country frequently has high annual GDP growth, retail sales are increasing and the number of ATMs has grown over the past five years by 25 percent a year. Cash usage in Turkey is very high. Also, the volume of cash in circulation is growing as GDP increases. Altogether this is evidence of a growing cash handling market.

Stable and increasing demand for cash in transit

Loomis transports cash and other valuables and performs maintenance on ATMs for several of the large banks in Turkey. The outsourcing market opened up in 2004 and the potential for increased CIT outsourcing is still very good in the country.

Loomis also transports cash for a large percentage of the retail companies in Turkey. In 2015 Loomis signed several prestigious cash in transit contracts with large nationwide retailers and Loomis believes that demand for CIT services will increase as the economy grows.

Great potential for cash management

The Turkish market for management of cash and other valuables has great development potential because the degree of outsourcing among banks is still low. In 2015 demand for cash management services increased, but the market is still relatively immature, which means there is room for continued growth. Many of the banks have their own cash management departments, but more and more are beginning to outsource this to players such as Loomis. In 2015 Loomis signed a significant contract with a Turkish bank and a smaller contract with one of the biggest banks in the country.

Loomis' specialist expertise in CIT and service and maintenance of ATMs in the

Turkish market mean that the Company is in a very advantageous position when demand for more advanced services, such as cash management, increases. Based on Loomis' experiences in other markets, increased out-sourcing 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 CMS contracts. When demand for cash management increases, Loomis will be ready to grow in line with growth in the Turkish market.

ARGENTINA

Argentina is a platform for continued growth in South America

In 2012 Loomis expanded into South America through the acquisition of a local Argentine cash in transit company. At that time Loomis was the sixth largest player in terms of market share in the Argentine market. Over the past three years, Loomis has grown into the fourth largest player in management of cash and other valuables and has established a new branch, La Plata, outside Buenos Aires.

Investments in cash handling

Loomis has worked actively on transforming the business in Argentina to meet the increasing demand for management of cash and other valuables. The recently established branch therefore has advanced cash management equipment and the Argentine employees have learned from the methods used in several other Loomis countries in order to run operations in Argentina as efficiently as possible. Spain has been particularly important, as the countries have some CMS customers in common and similar business cultures. In the future Loomis also intends to implement Securcash, a spanish IT tool for automation of CIT and CMS processes. Today 12 percent of Loomis' revenue in Argentina comes from CMS.

Promising market development

Loomis has good potential to benefit in the future from the trend towards increased demand for CMS. Although the market situation in Argentina at this time is similar to the one in Europe around 25 years ago, the market for management of cash and other valuables is expected to grow at a faster pace because the banks are beginning to focus more on their own core business and retailers are opting to have direct relationships with cash management players such as Loomis, rather than going through the banks. Loomis' high-quality services and flexibility enable the Company to offer fast and secure circulation of the customers' cash.

Both the market in general and Loomis are growing in Argentina and this is creating a stable platform for future growth in South America.

Loomis is growing in cash handing in the USA

In 2015 Loomis continued to invest in state-of-the-art cash processing centers, vehicles and innovative solutions, such as SafePoint in the US market. This has resulted in good growth and has laid the foundation for future growth potential in cash management.

With 40 percent of the Group's revenue, USA is Loomis' single largest market. Loomis' investments for a number of years in cash centers, vehicles, training, safety and innovation have resulted in a significant improvement in the quality of Loomis' service offering. 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 position as a high-quality market leader.

Market situation

Cash and checks are among the most common forms of payment in the USA, and demand for CIT services is therefore high. Factors such as an 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 which indicates that the USA is very likely heading in the same direction as Europe, i.e. towards increased CMS outsourcing.

CIT accounts for 69 percent of Loomis' revenue in the USA. This means that CIT is Loomis' primary source of revenue. CMS accounts for 31 percent of revenue.

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 solutions. Loomis has determined that there is great growth potential for the Company in the USA and that most of the organic growth is in CMS and SafePoint, which are also two of the Group's prioritized growth areas.

Market trends

Banks that were previously reluctant to outsource their cash management are starting to enlist the help of Loomis to a greater extent as part of a strategy to focus on their core business and to reduce cash management costs. This was the case for Bank of America, which decided in 2014 to outsource much of its cash management to Loomis. In 2015 the rollout of the contract under which Loomis provides cash management services for the bank at more than 30 locations in the USA was fully implemented. Loomis expects the cash management trend to go in a similar direction for more banks in the USA.

In addition to increased cost awareness, there will be more regulation and the banks will be more particular when it comes to quality. This is where Loomis is at the forefront. Due to Loomis' high standards in quality and security, banks can feel confident when handing over responsibility to Loomis, which 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.

Retailers want SafePoint

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 just over 150 banks, which means that Loomis can offer SafePoint with provisional credit to many retail customers. The market penetration today is estimated to be relatively low in terms of solutions like SafePoint, Loomis has therefore made the assessment that there is great potential for SafePoint. In 2015 Loomis further developed and customized the SafePoint solution and initiated an intensive rollout. This resulted in around 5,500 new units being ordered during the year. Loomis believes that demand for SafePoint will continue to grow steadily and will have a positive impact on Loomis' revenue and operating margin over the next few years.

Lars Blecko
Regional President USA

Loomis is experiencing strong organic growth in the USA. What are the reasons for that?
During the year we have had organic growth of 6 percent in the USA. This can mainly be attributed to quality-improvement investments at our cash centers, which are bearing fruit in the form of new contracts with regional banks in the CMS segment. Also during the year we reached the final stage in implementing the contract with Bank of America signed in June 2014, and we are now starting to see the full impact on revenue from the whole contract. Sales of SafePoint have also developed in line with our expectations, and we won several new contracts during the year. One main reason for this was the launch of Titan, a SafePoint with upgraded functionality that is even more user-friendly for our customers. SafePoint revenue increased in 2015 by 23 percent and now accounts for around 10 percent of revenue in Segment USA.

What impact do new contracts have on your operating margin?
The rollout of new CMS contracts often results in a period of initial costs. We invest in staff training, premises and equipment to provide the customers with the quality and service they demand. Efficiency normally improves with time, enabling us to increase CMS volumes at existing branches and achieve economies of scale with positive effects.

What is the future growth potential in the USA in your opinion?
What is particularly gratifying is the feedback we are getting from our customers. This makes us more convinced that the CMS outsourcing trend will continue. We are having fruitful discussions with many local, regional and national big banks about cash management.

We believe that demand among retailers for SafePoint is also going to remain strong.

SafePoint Titan has a positive impact on Loomis' growth

SafePoint Titan is an innovative solution for retailers. It offers customers lower risk, improved cash flow and liquidity, reduced losses and lower costs. For Loomis the solution provides capacity optimization as well as stable and profitable sales – in other words, SafePoint Titan is contributing to Loomis' growth.

SafePoint is a comprehensive solution developed by Loomis for retailers. The customer deposits daily receipts in the secure SafePoint unit where it is registered and safely stored. The cash is stored securely until it is collected by the Loomis CIT team. The customer's bank account is credited no later than the day after the cash is deposited in the SafePoint unit. This improves the customer's liquidity and cash flow.

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

Improved profitability

For Loomis, the SafePoint solution optimizes capacity and facilitates the planning of cash collection. It contributes to better operational efficiency and thereby also improved profitability. Also, SafePoint contracts are relatively long and they offer stability in Loomis' business relationships with retailers.

SafePoint Titan

The SafePoint solution is constantly being developed and adapted to the specific needs of different customer categories – from small retailers to large retail chains. In 2015 Loomis further developed SafePoint. Its unique design and more advanced technology now make it possible to offer more individually adapted solutions. The new version of SafePoint is called Titan.

SafePoint Titan is a smart solution that enables customers to use just one supplier to provide cash handling services as well as installation, service and support. SafePoint Titan is adapted according to individual customer needs and simplifies and improves efficiency in the way customer cash is managed. SafePoint Titan gives the customer diagnostics and guidance directly on the screen, making it more user-friendly.

For Loomis, SafePoint Titan provides benefits such as fewer site visits, because system maintenance and software updates can to some extent be handled remotely or by the customers themselves. This results in cost savings and increased efficiency for Loomis on a long-term basis.

Loomis has started an extensive launch of Titan in the USA and is expecting demand for SafePoint to increase significantly over the next few years and contribute to CMS growth for Loomis.

Increased global presence with International Services

In 2015 International Services became a well-integrated part of Loomis' offering and, with the establishment of new branches, this segment has contributed to an increase in the Group's global presence.

Through a global network of partners, leading suppliers and agents, Loomis International can manage and transport primarily precious metals and foreign currencies throughout the world. Loomis International's branches are located in the world's financial centers and logistics hubs to ensure proximity to customers, business offices and decision-makers.

Loomis International is a leading supplier of global logistics services for valuables and holds a very strong position in Europe and the USA. Loomis also sees good growth potential in the Middle East and Asia, with offices in Dubai and Hong Kong as market hubs. In 2015 Loomis opened four new international offices in Denmark, Canada, Singapore and France. In the USA, Loomis has an office at the airport in Louisville, which is a hub for the distribution of cash and other valuables in the USA.

Stronger service offering through Loomis International

Loomis International complements Loomis' domestic operations, enabling Loomis to increase its global presence. The 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. The integration of Loomis International into Loomis' operations enables Loomis to expand its offering to include the whole value chain. This means that Loomis, without middlemen, can collect cash, precious metals and other valuables, provide cross-border transportation, assist with customs clearance and temporary or long-term storage, before finally delivering the valuables to an end-recipient.

Global solutions adapted to a global market

As globalization increases, business relationships and manufacturing processes become internationalized. One example is precious metals where the raw material is extracted in one place, transported to a refinery on another continent and then reaches the end-customer in a third market. In complex markets like these, high-quality and reliable logistics and storage solutions are essential. Customers are increasingly demanding individually tailored comprehensive solutions for international transportation, with one contact person, one contract and one insurance solution, as well as a guarantee that the goods will be collected from and delivered to the right place at the right time. Loomis International can offer this type of specifically tailored comprehensive solution to its customers.

As globalization increases, so too 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 Loomis International are good. Volatility in metal prices and demand for foreign currency, as well as increased tourism, are all having a positive impact on Loomis International's business.

International cash handling and general cargo

In addition to Loomis International, the International Services segment includes general cargo services. Loomis International accounts for 65 percent of revenue in the International Services segment and General cargo accounts for 35 percent of revenue.

Urs Röösli
President Loomis International

How has the integration of VIA MAT into the Loomis Group progressed in 2015?
The integration has gone very well thanks to coordinated sales activities, marketing and internal training in the expanded international offering. During the year we also established international offices, which are now generating new business for Loomis.

What are the growth expectations for International Services?
We see very good growth potential in precious metals and currency, especially in Asia. To benefit from this trend, Loomis has opened a new international office in Singapore. I would also like to take the opportunity to mention that we are planning to open a new office in Shanghai in 2016, which is an example of our global expansion in International Services.

PRECIOUS METALS

Loomis International transports precious metals from mines to end recipients

Loomis International offers customers in the mining industry, refineries, banks and customers that trade in precious metals innovative and global solutions for the transportation and storage of precious metals. Loomis thus offers services for the entire precious metal value chain.

Transportation and storage solutions for precious metals constitutes a significant portion of Loomis International's offering. Loomis International offers 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' capacity to offer transport solutions encompassing all of the stages – from mine to end recipient – gives the Company a competitive advantage and provides the customer with an attractive option. The precious metals segment has grown by 5–6 percent over the past few years and is an important segment within International Services.

Global solutions

The transportation and storage of precious metals is a highly global process, with mines, refineries and end recipients operating in different parts of the world. Mines are often in Africa and South and North America or Australia, while refineries are mainly in Europe. Further along the value chain are the banks and end-recipients operating throughout the world, often in Asia and the USA. Loomis International offers transportation and storage solutions for all parts of the value chain.

Loomis' global presence is essential in order to offer a service that is so geographically spread out. The Group's more than 100 partners around the world offer a solid network that enables Loomis to provide its customers with an efficient, secure and global comprehensive offering.

Resilience against price volatility

Although volatility in metal prices creates uncertainty about future price levels and demand, it has a positive effect on Loomis International's business. When a decline in metal prices reduces the value of the ingots in storage, it may also increase transport volumes, which offsets the effect of the fall in value. A slump in the economy also results in more investment in physical assets, such as precious metals, which improves business for Loomis International. Loomis International is therefore less sensitive to the economic climate and is able to deliver stable revenue in all market situations.

The ability to turn values into **sustainable customer relationships** is an important quality that Loomis' employees possess

In Loomis' decentralized and risk-exposed operations the ability of the employees to work according to Loomis' values, Code of Conduct and the Loomis Model is critical for sustainable and profitable growth. In 2015 Loomis continued to develop its HR processes and work methods.

Loomis' business model is centered around the branches. The more than 400 branches in 21 countries 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 with customers, the community and the employees.

A highly decentralized organization requires clear group-wide principles and processes for how the business should be run and organized. High ethical and moral standards are critical to guarantee high-quality services and to run a business that is sustainable in the long term.

The Loomis Model shows the way

The Loomis Model unites the entire Group. The Loomis Model is based on clearly-defined, group-wide, fundamental values and the Code of Conduct, and is built around a set of core principles on how Loomis organizes and runs its business, supported by established business processes. Working according to Loomis' values, Code of Conduct and the Loomis Model is therefore a key aspect of the employees' day-to-day work and in their contacts with customers.

People, Service och Integrity

Loomis operates the business based on its core values relating to People, Service and Integrity. For Loomis this means developing talented employees and treating them with respect; striving for exceptional quality, innovation, adding value and exceeding customer satisfaction; and performing with honesty and vigilance while maintaining high ethical and moral standards.

Loomis ensures this through programs for dialogue and exercises in practical ethics, but also through the Group'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. In 2015 the number of incidents reported via the Integrity Line was down by 17 percent.

Loomis' Code of Conduct

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.

To prevent passivity and to ensure continued and constant efforts to work according to the Code of Conduct, a review process for the Code was initiated

Number of full-time employees: 21,665

Gender distribution: 30% women, 70% men

in 2015. All country presidents and heads of HR within Loomis are to have conversations with their employees and then submit feedback on the Code of Conduct. Based on this feedback, a revised version of the Code will be produced. In 2016 all employees within Loomis will use a digital training system to learn to work according to the updated Code of Conduct in their day-to-day contacts with customers.

Implementation of the Loomis Model

At the beginning of 2015 many of Loomis' managers gathered at a conference at which they celebrated the fact that the financial targets set in 2010 had been reached. Also at the conference the new financial targets for the period up to 2017 were presented and a formal version of the Loomis Model was launched. Participants at the conference also exchanged their experiences in best practices and the implementation of the Loomis Model throughout the organization. In 2015 Loomis developed a digital training platform for the Loomis Model. Regional and country presidents as well as local branch managers were all involved in this process. In the first half of 2016 all of the more than 400 branch managers in 21 countries will be required to complete the training using the digital tool and then take the proficiency test in the Loomis Model.

Active efforts to improve HR processes

The professional skills of the employees and their ability to gain the trust of Loomis' customers are crucial factors in Loomis' line of business. Loomis therefore places a high priority on attracting and recruiting the right people, and on developing and retaining them within the Group. To succeed in this, Loomis has established five group-wide HR processes as part of the Loomis model:

1) Recruitment guidelines
2) Individual performance evaluation and follow-up tool
3) Employee survey
4) Leadership development and succession planning program
5) Salary guidelines

In 2015 Loomis' HR department initiated and implemented a program to develop these HR processes.

During the year information and feedback were gathered from all of Loomis' markets, and group-wide and country-specific aspects of the HR processes were defined. As of the beginning of 2016, all of the processes will be assessed on a monthly, quarterly or yearly basis, based on a number of pre-determined key ratios.

Doing business sustainably in the long term

The role as one of the world's leading cash handling companies requires responsible behavior for the long term. Loomis encourages local initiatives that support Loomis' values and that promote the development of key competencies and leadership skills, and ensure that the highest ethical and moral standards are maintained. This is crucial for Loomis' future growth.

Mårten Lundberg
HR Director

From an HR perspective, what do you think is the key to Loomis' success?
Other than the wellbeing and development of our people and our ability to attract, employ and retain the best talent, it's important to ensure that the Group's common values are reflected in all contacts with our customers. The companies that succeed in translating their values in customer relations into the right attitudes, skills and way to treat people are the ones that win the customer's trust. Here at Loomis we have created the best possible conditions for this because HR is an integrated part of the business model. In our risk-exposed business, gaining and maintaining the customers' trust is crucial and we need to show them every day that we deserve it. If we can do that we can maintain our long relationships with customers and ensure the long-term sustainability of our operations.

What were the high points for HR at Loomis in 2015?
We had a number of group-wide projects in progress during the year. For me as HR Director the most important aspect has been to identify and work with project managers within the national organizations. Thanks to their interest, experience and expertise, they have also been excellent project managers for projects in other markets or across the entire Group. This is how we ensure commitment to the organization as a whole; we keep central costs down and we encourage people to think across national boundaries and train them in international cooperation across the Group.

What is the focus for 2016?
For the first time in Loomis' history we have a coordinated and group-wide description of the five general HR processes in place in every country. This will enable us to focus on monitoring and improving these processes in 2016.

Loomis' values

PEOPLE: We are committed to developing quality people and treating everyone with respect.
SERVICE: We strive for exceptional quality, innovation, value and exceeding customer satisfaction.
INTEGRITY: We perform with honesty, vigilance and high ethical and moral standards.

Sustainability – Local initiatives close to customers

In 2015 Loomis Group Management decided to further develop and have a more structured approach to sustainability work. Based on the expectations of Loomis' stakeholders, local activities will be initiated in line with Loomis' values. This will encourage a long-term commitment to sustainability and will create value for customers, employees and owners.

Loomis' role as one of the world's leading cash handling companies requires taking long-term responsibility – today and well into the future. Emphasizing sustainability is becoming more and more important in society. It is important for businesses to help improve sustainable development.

Stakeholders

Loomis works tirelessly to improve its services and meet the expectations that customers and other stakeholders have of a sustainable company. To get a better understanding of these expectations, a number of surveys were conducted during the year.

One of these was a global survey conducted by Loomis in which the customers were asked to state which issues they believe Loomis should focus on to be a sustainable company. The results show that the customers believe Loomis should focus on cost efficiency, dialogue with customers and other stakeholders, and values, ethics and the Code of Conduct.

According to the completed surveys, it is clear that there is an increased trend whereby bidding procedures involve more stipulations in terms of more active sustainability work. In Spain, for example, the ISO 14000 environmental management standard is required in almost all bidding procedures.

In 2015 Loomis' employee surveys were developed to be better adapted to the conditions in the different countries and responsibility for the surveys was delegated to each country. The surveys have general sections in them relating to the Group as a whole as well as country-specific sections. The basic idea has been to promote local commitment and improve local business opportunities. The required and group-wide themes are: *1) The Loomis Model; 2) Employee satisfaction index; 3) Leadership quality and improvements; and 4) Sustainability*. Each country is gathering feedback, conducting follow-up and creating strategy plans relating to the themes.

Loomis' focus areas

Loomis' Group Management has decided to focus on the economic, social and environmental dimensions of sustainability. The governance model is decentralized so that responsibility for sustainability work rests with the national organizations and branches.

Economic responsibility

- **Loomis' shareholders have** over the past five years received an average annual dividend of 51 percent of net income. Loomis has achieved constant improvement in operating income and cash flow, and has maintained a stable investment level. Loomis wants this trend to continue, as this will enable the Company to maintain an annual dividend of 40–60 percent of net income for the year.

- **Loomis invests proactively** in the future. An example is the investments in SafePoint, which are yielding a number of benefits. For Loomis' customers, SafePoint offers faster access to cash and significant cost savings through improved efficiency and lower risk. For Loomis, SafePoint optimizes capacity and facilitates the planning of cash collection. It contributes to increased fuel efficiency, fewer plastic security bags are used, and operational efficiency and thereby also profitability are improved.

- **Fraud and corruption** are threats that Loomis needs to be aware of to protect the Company from risks associated with unethical behavior. Loomis' risk-

What do Loomis' customer think?

A global customer survey was conducted in autumn 2015. The results showed what the customers think are the most important issues for Loomis to focus on to be a sustainable company:

1. Cost efficiency
2. Dialogue with customers and other stakeholders
3. Values, ethics and the Code of Conduct
4. Crime reduction
5. Labor market issues
6. Reducing carbon emissions
7. Using renewable energy
8. Reducing and recycling waste
9. Environment certification
10. Contributing to local community projects
11. Communication about sustainability work
12. Diversity
13. Climate compensation

Economic responsibility

- Maintained dividend level
- Comply with risk and tax rules
- Proactive investment in the future
- UNI agreement
- European Works Council (EWC)

Environmental responsibility

- Fuel consumption
- Upgrade local branches
- Conscious sourcing

Social responsibility

- Values
- Code of Conduct
- Ensure an efficient flow of cash in society
- Health & safety

exposed operations require work duties to be performed with honesty and vigilance, as well has high ethical and moral standards.

• **Loomis has signed a** global agreement with UNI Global Union regarding basic rights for all employees in the Group. Loomis' works proactively in the various countries where it operates to ensure that working conditions are good and healthy for the employees. Loomis supports human and trade union rights, and is committed to improving industry standards with respect to, among other things, employment conditions and health & safety at the workplace. Risk prevention measures are in place to deal with the risk of internal conflicts and strikes, which could have a negative impact on customers.

• **Loomis participates annually** in the European Works Council (EWC), which informs and advises the various countries on supranational issues of interest to the Company's employees. As the Council brings together employees and management, it creates stability and promotes an exchange of ideas and innovation for economic sustainability within the Group.

Social responsibility

• **Loomis runs its business** based on its fundamental values relating to People, Service and Integrity. Responsible behavior towards the employees and the environment is essential for the long-term sustainability of the business. All Loomis employees are to work constantly on creating a corporate culture based on the fundamental values that permeate every part of the business and the organization.

• **Loomis' mission** of ensuring an efficient flow of cash in society involves an ethical responsibility. Loomis meets this responsibility through regular dialogue and through exercises in practical ethics. The Integrity Line is an internal reporting tool that all Group employees can use to anonymously report in the own language any observations and to warn of behavior that they suspect may violate Loomis' values and Code of Conduct.

• **Loomis' Code of Conduct reflects** the fundamental values that support Loomis' objectives of being the most attractive employer in the industry, to reduce the Company's environmental footprint and never to accept unethical behavior.

• **Safety is of** utmost importance in the cash handling industry. Loomis takes its responsibility to its employees seriously and protects them through training and other tools.

Environmental responsibility

• **Loomis' business is transport** intensive, which can have a negative impact on the environment. Loomis therefore works constantly on improving the efficiency of the Company's transport processes; optimizing and shortening routes, and training drivers in environmentally sound driving techniques. This helps improve driver performance to reduce carbon emissions. Emissions of nitric oxide, which affect people's health, are also reduced when fuel consumption is lowered, which also means cost savings. Loomis invests in vehicles that meet strict emissions standards without compromising the ability to protect the customers' cash or the employees' safety.

• **Constant upgrading at the branches** to be more energy-efficient and to create a better work environment for the employees.

• **Loomis is conscious of** its responsibility and ability to have an impact in bidding procedures. Several countries in which Loomis operates, such as Sweden, Switzerland and Spain, have procurement rules with environmental stipulations attached.

Our approach

Sustainability is based on the Loomis Model which is centered on the branches. The more than 400 branches have a high degree of authority. Local initiatives and local responsibility create healthy and long-term relationships with customers, the community and the employees, which is essential for Loomis' continuing sustainability efforts. Loomis is a member of each local community, and this is where the focus of Loomis' sustainability work should be.

Our focus on local activities

All countries have initiated activities relating to the three aspects of sustainability: social, environmental and economic. Commitment at the local level is created in each of the countries. This enables them to inspire each other to expand their sustainability efforts to meet customer expectations. These activities are monitored at the central level within Loomis with the objective of gradually improving them and making sure they are aligned with the Loomis Model's principles of measuring, following up and addressing issues.

Examples of Loomis country activities:

• **Loomis Austria is investing** in SafePoint units. 257 electronic SafePoint units have been installed at many customer facilities since October 2014 and have helped them to cut costs, increase fuel efficiency and reduce the use of plastic security bags.

- **Sweden installed a video conferencing system** at all of its branches in August 2015. This is expected to result in reduced travel costs and lower travel-related emissions. Three months after this investment was made, travel costs were down 8 percent.

- **In Norway** there has been an extensive process to identify and prevent transactions linked to criminal activity or terrorism.

- **Loomis Portugal has** implemented an ergonomic training program at the Lisbon office. This has reduced work-related injuries by 50 percent.

- **In 2015** Loomis Spain employed more people with disabilities. Loomis Spain has established internal Employment Centers at various locations, working closely with the Special Employment Centre (SEC). The objective for SEC companies is to help people with mental or physical disabilities to have a productive paid job and to facilitate their integration into the job market.

- **Loomis Spain is working with** IVECO to develop new vehicle models that run on natural gas and that have a lower environmental impact.

- **Loomis Sweden has** installed ECO Drive software in all of the Gothenburg branch's vehicles. The tool is based on advanced telematics technology to help the driver monitor and adjust his/her driving to save fuel and lower costs. So far fuel consumption has been reduced by 5 percent.

- **Loomis Switzerland and** Loomis International have implemented an occupational health program to monitor and reduce absence by 20 percent.

- **The International Services** General Cargo service line specializes in transport and logistics solutions. It offers customers an opportunity to purchase certificates for carbon-neutral transportation of their products and materials, working closely with SwissClimate, which does the calculations and issues the certificates at the request of customers.

- **In the USA many sustainability initiatives** have been implemented in local communities where Loomis operates. During the year the initiatives supported breast cancer research, collected and distributed food to the homeless at Thanksgiving, and visited and handed out gifts to children in hospital.

Loomis' first global sustainability report

For the first time, Loomis is preparing a global sustainability report, which will be published in 2016. The work involved in preparing the report consists of identifying sustainability initiatives within the Group, gathering the relevant data and proposing further improvements for 2016. The results will create a platform for an expanded sustainability focus in the years ahead. In addition to the global report, several Loomis countries will also write local sustainability reports in 2015.

Mårten Lundberg
HR Director

What does sustainability mean to Loomis?
Loomis' business model is based on our decentralized organizational structure. As we now intensify our sustainability focus within the Group, it has been natural for us to start with various sustainability initiatives at the local level. Two important forces that we want to support in our sustainability work are a focus on constantly trying to exceed customer expectations and also to drive and implement initiatives that make the employees proud.

In 2015 those of us in management have defined our model for sustainability work with a focus on the economic, social and environmental dimensions of sustainability. Each country is given a large measure of local freedom to design its own activities in these three areas.

Which sustainability initiatives were implemented during the year?
In 2015 we revised the way in which we work on sustainability within the Group. We also had a conversation with the management team for each country to identify and support the implementation of all local sustainability initiatives – economic, social and environmental.

Also in 2015, we started building a structure to meet the sustainability reporting requirements, which will be implemented in 2016 and 2017. The structure is based on Loomis' main stakeholders' expectations of a sustainable company. It takes into account Loomis' decentralized organization and allows local initiatives to be taken to create value for, and gain the confidence of, our customers and other stakeholders.

What will you be focusing on in 2016?
Just as in 2015, each country has identified customer and business-related sustainability activities that they will implement in 2016 in the key areas: economic, social and environmental responsibility. Implementation of these will be monitored by Group Management.

Also, the work of building an internal structure to meet future sustainability reporting requirements is continuing.

Risk management has a high priority at Loomis

Loomis' operations involve taking over the customers' risks associated with managing, transporting and storing cash, precious metals and valuables. This is an important task that Loomis is entrusted with. Proactive risk management at all levels and in all aspects of the business is therefore essential for Loomis.

Loomis' service offerings, Cash in Transit, Cash Management Services and International Services, are directly exposed to 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 poor compliance in procedures. Loomis has for a number of years conducted a systematic, comprehensive and continuous process to ensure that risk is managed effectively. Long-term development is heading in the right direction. In 2015 the cost of risk was once again lower than the previous year.

Risks are monitored on an ongoing basis

Given the risk that cash handling involves, an assessment of risk and safety is an obvious aspect in every new assignment. In every contract, risk is weighed against profitability. When an identified risk is accepted, it is monitored continuously because conditions can change over time.

Loomis has established tools and processes to identify, take action and monitor risks. Risks are evaluated based on two criteria: the likelihood that an event will happen and the severity of the consequences for the business if the event should occur.

Central management and 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 local operations have common structures, processes and systems for their risk management work. Loomis is a decentralized organization in which the branches are responsible for their day-to-day operations. This includes control functions and operational responsibility for risk management.

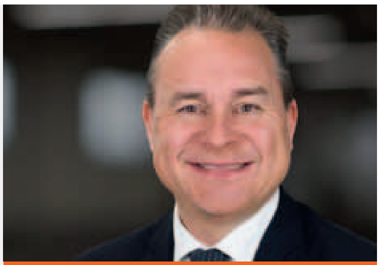
Reporting and follow-up

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 mitigation processes in the various countries are compared to best practices to make improvements and promote a strong risk management culture. Loomis is also assisted on a regular basis by external security experts to improve on the already high level of risk management within the Group.

Proactive risk mitigation 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 strict security routines 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 providing good training programs are other ways in which Loomis can minimize risk.

Loomis is engaged in extensive, proactive risk mitigation work. A focus on ethics and values, as well as well-defined routines 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.



Martti Ojanen
Executive Group Risk Director

Loomis takes over some of the customers' risks. How do you manage this trust?
Loomis has a risk organization of around 150 people working with operational risk management at the Group, regional and national levels. Risk management is controlled centrally to ensure that all of the local organizations and branches have common work structures, processes and tools.

What are the benefits of having a decentralized organization from a risk management perspective?
The branch managers know better than anyone else what risks are associated with their particular operations. They know the staff, customers, buildings, geography and what is happening in their environment. They are therefore aware of, and owners of, the risk in their operations.

Loomis' cost of risk has had a positive downward trend for several years. How will you maintain this trend?
All successful companies face the risk of complacency and feeling satisfied. Thanks to the Loomis Model, we ensure that risk is one of the top priorities for the branch managers and that identifying, assessing, managing and following up risk is not a one-time process, but a continuous effort. An ongoing sharing of knowledge and experience is also part of the Loomis Model. We have frequent reviewing sessions and we organize workshops and other exercises to develop risk mitigation work.

Target

Loomis only accepts controlled risks and makes every effort to prevent personal injury and financial losses, and to minimize the risks that are accepted.

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.

Loomis' history

Loomis' history goes back to the American Gold Rush. The growth into today's international corporation has involved many expansions and acquisitions, each of which has helped lay the foundations for Loomis' 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 express 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.

2015 Loomis grow organically and continues the roll out of major CMS and SafePoint contracts in the USA.

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 Monday, May 2, 2016 in Grünewaldsalen, at 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 Annual General Meeting (AGM)

Shareholders who wish to attend the AGM must be recorded in the share register maintained by Euroclear Sweden AB (previously VPC AB), no later than Tuesday April 26, 2016, and must notify the Company of their intention to participate in the AGM by means of one of the following:

By mail: Loomis AB, "Årstämma" Box 7839, 103 98 Stockholm, Sweden
By telephone: +46 (0)8 402 90 72
On Loomis' website: www.loomis.com

The registration deadline is Tuesday, April 26, 2016 preferably before 4 p.m. CET.

On giving notice of attendance, the shareholder shall state name, personal identity number (corporate identity number), address and telephone number. Proxy forms are held available on the Company's website, www. loomis.com, and will be sent to shareholders who contact the Company and submit their address.

A proxy or representative of a legal person shall submit an authorization document prior to the AGM. The authorization document must not be more than one year old, unless a longer period of validity is stated in the document (maximum five years). As confirmation of the notification, Loomis AB will send an entry card to be presented at registration for the AGM.

In order to participate in the proceedings of the AGM, shareholders holding nominee-registered shares must submit a request to their bank or broker to have their shares temporarily registered in the shareholders's own name with Euroclear Sweden AB. Such registration must be made of Tuesday, April 26, 2016 and the bank or broker should, therefore, be notified well in due time before said date.

REPORTING DATES
Loomis will publish the following financial reports for 2016:

Interim Report January – March
May 2

Interim Report January – June
July 29

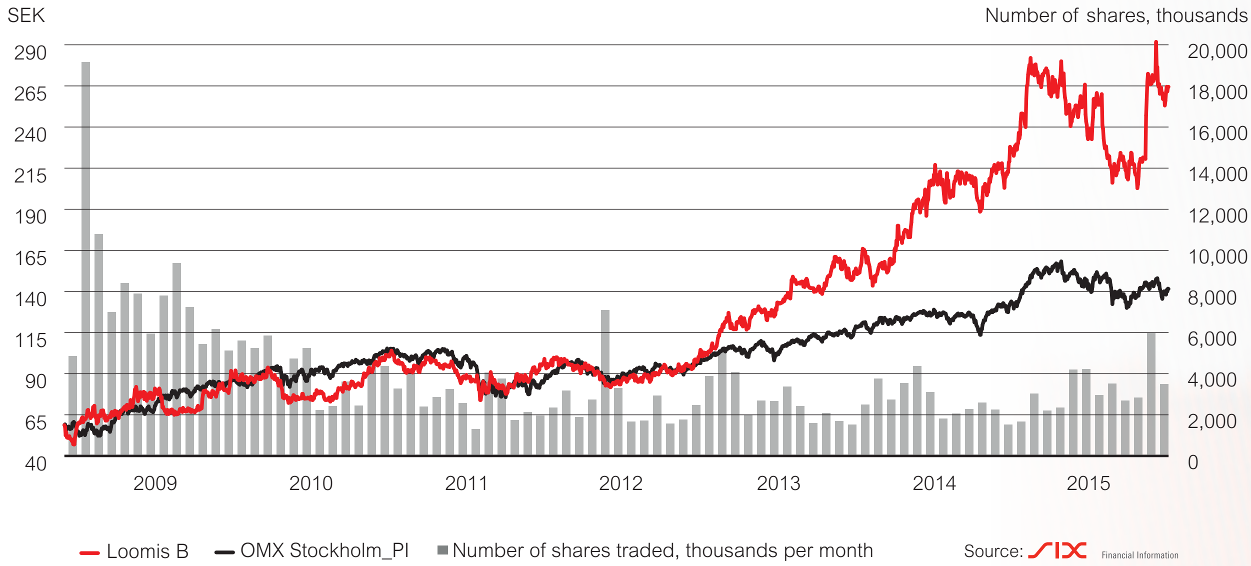
Interim Report January – September
November 4

Full-Year Report for 2016
February 1, 2017

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 2015 the Loomis Class B share increased by 17 percent.

SHARE PRICE PERFORMANCE 2009 – 2015



Share price performance for Loomis and the stock exchange

In 2015 the Loomis share increased in value by 17 percent to SEK 264.50. The lowest closing price was SEK 202.80 on October 19, and the highest closing price was SEK 291.80 on November 30. The market capitalization for all Loomis shares amounted to SEK 19,912 million (17,013) at the end of the year. Nasdaq Stockholm increased by 6.6 percent in 2015.

Loomis' total return, i.e. the share price performance including re-invested dividend of SEK 6.00 (5.00), amounted to 20.0 percent (51.5) in 2015. The Nasdaq Stockholm total return, as reflected by the SIXRX total return index, amounted to 10.25 percent in 2015.

Turnover

In 2015, Nasdaq Stockholm accounted for 34 percent (43) of the Loomis share turnover with the remaining portion being traded on other marketplaces, where BATS accounted for the largest portion.

The total turnover of Loomis shares in 2015 was 79.9 million (72.7) on Nasdaq Stockholm and other marketplaces. The average daily turnover was 335,008 shares per day (291,974). The turnover rate for Class B shares amounted to 111 percent (101) in 2015.

Share capital

At the end of 2015, 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 each Class B share to one vote. The equity per share at the end of the year was SEK 77.67 (65.24).

The total number of treasury shares as of December 31, 2015 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 adjust the dividend level in line with 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 above, the annual dividend should correspond to around 40–60 percent of the Company's earnings after tax. For the 2015 financial year Loomis' Board of Directors has proposed a dividend of SEK 7.00 (6.00) per share. The proposal represents around 49 percent (50) 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, 2015 was 14,400 (15,080). At year-end the ten largest shareholders controlled 47.5 percent (51.1) of the capital and 62.7 percent (65.3) of the votes.

The principle shareholders, Investment AB Latour and Melker Schörling AB, controlled a combined 17.4 percent (18.4) of the capital and 41.4 percent (42.1) of the votes. Swedish shareholders controlled a combined 43.1 percent (43.7) of the capital and 59.6 percent (60.0) of the votes, while foreign ownership amounted to 56.9 percent (56.3) of the capital and 40.4 percent (40.0) of the votes.

Index, ticker symbol 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 19.7 billion. As a result of the development in the Loomis share price, the share has been traded since January 1, 2015 on the Nordic Large Cap list. The share is traded under the ticker symbol LOOMB and the ISIN code is SE0002683557.

OWNERSHIP STRUCTURE, DECEMBER 31, 2015

Number of shares	Number of shareholders	% of total capital	% of total votes
1–1,000	13,650	*2.22*	*1.57*
1,001–5,000	410	*1.22*	*0.86*
5,001–10,000	83	*0.82*	*0.58*
10,001–100,000	160	*7.60*	*5.39*
100,001–	96	*88.14*	*91.59*
TOTAL	**14,400**	***100.0***	***100.0***

KEY RATIOS

	2015	2014
Earnings per share before dilution, SEK	14.21	12.10[1]
Earnings per share after dilution, SEK	14.21	12.10
Dividend, SEK	7.00[2]	6.00
P/E ratio	18.6	18.7
Shareholders' equity per share after dilution SEK	77.67	65.24
Share price, December 31, SEK	264.50	226.00

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 proposed dividend is SEK 7.00 per share. At the end of 2015, the dividend yield – based on the proposed dividend – amounted to 2.7 percent.

LARGEST SHAREHOLDERS, DECEMBER 31, 2015

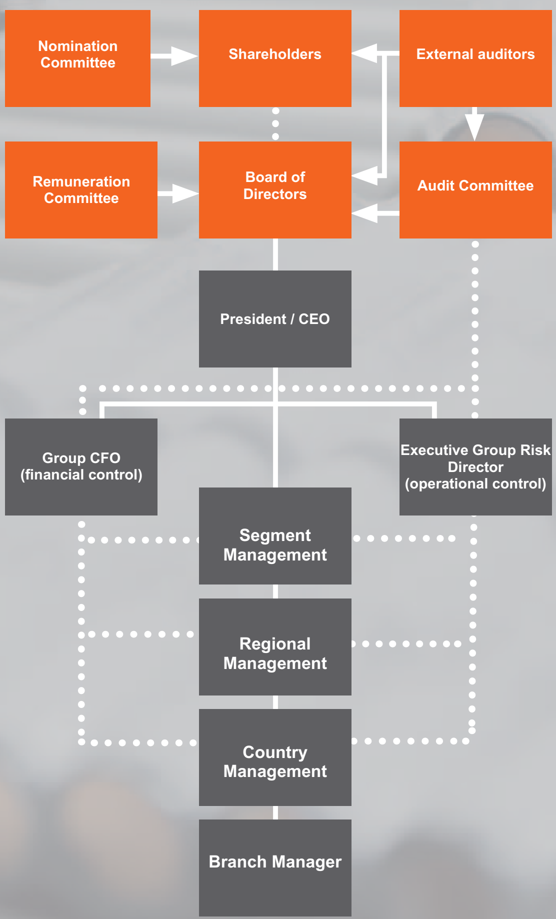
Name	Number of Class A shares	Number of Class B shares	Capital, %	Votes, %
Investment AB Latour[1) 2) 4)]	2,528,520	5,009,808	*10,0*	*28,5*
Melker Schörling AB[1) 4)]	900,000	4,647,887	*7,4*	*12,9*
SSB AND TRUST, BOSTON	–	4,546,583	*6,0*	*4,3*
Didner & Gerge Fonder AB	–	4,180,060	*5,6*	*3,9*
State Street Bank Trust Client, Omnibus	–	3,363,042	*4,5*	*3,2*
State Street Bank & Trust Com., Boston	–	2,654,099	*3,5*	*2,5*
BNY Mellon SA/NV (former BNY), W8IMY	–	2,450,830	*3,3*	*2,3*
Handelsbanken Fonder AB re JPMEL	–	1,991,985	*2,7*	*1,9*
BP2S LUX/FIM/Luxembourg Funds, Client Assets Tax	–	1,727,568	*2,3*	*1,6*
JPM CHASE NA	–	1,684,161	*2,2*	*1,6*
The 10 largest shareholders	**3,428,520**	**32,256,023**	***47,5***	***62,7***
Other foreign shareholders	–	26,444,537	*35,0*	*24,9*
Other Swedish shareholders	–	13,150,749	*17,5*	*12,4*
TOTAL	**3,428,520**	**71,851,309[3)]**	***100,0***	***100,00***

1) The main shareholders in these companies have also, from time to time, held shares through other companies, directly or indirectly.
2) Includes holdings through Investment AB Latour and Latour Förvaltning AB.
3) Includes 53,979 shares held in treasury as of December 31, 2015.
4) After the balance sheet date the holding of Class B shares was sold.

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 delegation of responsibility and control.

Corporate Governance Organization



Compliance with the Swedish Corporate Governance Code

Loomis AB is a Swedish public limited liability company that has been listed on Nasdaq 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 Code, which is available at www.bolagsstyrning.se, follows the principle of "comply or explain," according to which entities applying the Code may deviate from individual rules but must then report the deviation, state the reason for it and describe the alternative solution they have chosen. In 2015 Loomis complied with all parts of the Code with the exception of sections 2.4, 7.2 and 9.7.

According to section 2.4 of the Code, neither the Chairman of the Board nor any of the other board members are to be appointed as chairman of the Nomination Committee. The chairman of Loomis AB's Nomination Committee, Jan Svensson, is a member of the Board, which is a deviation from the Code's stipulation. The reason Jan Svensson was appointed chairman of the Nomination Committee is that it can be considered a natural choice taking into account Loomis AB's ownership structure. Jan Svensson is President and CEO of Investment AB Latour, one of Loomis' two principal owners.

Loomis has decided that the Audit Committee will consist of two members only, instead of three as stipulated in section 7.2 of the Code. 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, because those members have extensive experience in these areas from other listed companies.

The third deviation relates to Code section 9.7, which states that the vesting period for the 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 to the allotment of the shares to be warranted and reasonable in meeting the objective of the incentive scheme.

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

Shareholders exercise their right to vote at the general meeting of shareholders, which is the Company's highest decision-making body and the forum where the shareholders exercise their right to vote on company matters. 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, 2015 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, 2015 are shown in the table below.

Largest shareholders as of December 31, 2015

	Number of Class A shares	Number of Class B shares	SHARE Capital %	SHARE Votes %
Investment AB Latour[1) 2) 4)]	2,528,520	5,009,808	*10.0*	*28.5*
Melker Schörling AB[1) 4)]	900,000	4,647,887	*7.4*	*12.9*
SSB AND TRUST, BOSTON	–	4,546,583	*6.0*	*4.3*
Didner & Gerge Fonder AB	–	4,180,060	*5.6*	*3.9*
State Street Bank Trust Client, Omnibus	–	3,363,042	*4.5*	*3.2*
State Street Bank & Trust Com., Boston	–	2,654,099	*3.5*	*2.5*
BNY Mellon SA/NV (former BNY), W8IMY	–	2,450,830	*3.3*	*2.3*
Handelsbanken Fonder AB re JPMEL	–	1,991,985	*2.7*	*1.9*
BP2S LUX/FIM/ Luxembourg Funds, Client Assets Tax	–	1,727,568	*2.3*	*1.6*
JPM CHASE NA	–	1,684,161	*2.2*	*1.6*
10 largest shareholders	**3,428,520**	**32,256,023**	***47.5***	***62.7***
Other foreign shareholders	–	26,444,537	*35.0*	*24.9*
Other Swedish shareholders	–	13,150,749	*17.5*	*12.4*
Total	**3,428,520**	**71,851,309**[3)]	***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 holdings through Investment AB Latour and Latour Förvaltning AB.
3) Includes 53,797 shares held as treasury shares as of December 31, 2015.
4) After the balance sheet date the holding of Class B shares was sold.

Annual General Meeting

The general meeting of shareholders (Annual General Meeting, AGM) is held once a year to address matters including the following:

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

The 2015 AGM for Loomis AB (publ) was held on May 6, 2015 in Stockholm. Shareholders in attendance, in person or by proxy, represented 69.8 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.

For more information on Loomis' Annual General Meetings and the 2016 AGM, refer to Loomis' website and page 29.

Incentive Scheme

The 2015 Annual General Meeting voted in favor of the Board's proposal to introduce an incentive scheme (Incentive Scheme 2015). The Board has decided to propose that a similar resolution be passed at the 2016 AGM.

Similar to Incentive Scheme 2015, the proposed incentive scheme (Incentive Scheme 2016) 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 to be allotted to the participants at the beginning of 2018. The allotment of shares is contingent upon the employee still being employed by the Loomis Group on the last day of February 2018, 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 measurement and other general principles that already apply to existing incentive schemes will still apply. Loomis AB will not issue any new shares or similar instruments in respect of this group of individuals. 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 will acquire the Loomis shares in its own name and transfer them to the incentive scheme participants. The incentive scheme will enable around 350 key individuals within the Loomis Group to become shareholders in Loomis AB over time. This will increase employee commitment to Loomis' development for the benefit of all shareholders.

For more information on remuneration of the President and other members of Group Management, refer to Note 11.

Nomination Committee's work in preparation for the 2016 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 with 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. At the 2015 AGM the following five individuals were re-elected as members of the 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 2015 AGM decided that in cases where a shareholder represented by a member of the Nomination Committee is no longer a principal shareholder in the Company (based on number of votes), or where a member of the Nomination Committee is no longer employed by a principal shareholder or for any other reason chooses to resign from the Nomination Committee before the 2016 AGM, the Nomination Committee has the right to appoint another representative for the principal shareholder to replace that member. The composition of the Nomination Committee is published on Loomis' website. The duties of the Nomination Committee are established in specific work procedures for Loomis AB's Nomination Committee. Two Nomination Committee meetings were held in 2015.

Auditors

The 2015 AGM voted to appoint PricewaterhouseCoopers AB as the external auditor for one year with Patrik Adolfson as auditor in charge.

The auditors examine the Company's Annual Report, consolidated financial statements and accounts, as well as the administration of the Company by the Board and the President. 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 held in conjunction with the closing of the annual accounts. 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 have a bearing on the independence of the auditors. The auditors also attend the AGM and present their work, findings and conclusions. In 2015 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	**2015**	**2014**	**2015**	**2014**
Audit assignment	11	11	3	2
Auditing activities other than the audit assignment	1	1	1	1
Tax advice	2	2	0	1
Other services	1	3	1	1
Total PwC	**15**	**18**	**5**	**5**
Other auditors – Audit assignment	1	1	–	–
Total	**16**	**19**	**5**	**5**

For more information on audit fees and other fees, refer to Note 10. For a more detailed presentation of the auditor in charge, Patrik Adolfson, refer to page 41.

Board of Directors

The Board of Directors' work procedures and responsibilities

The Board of Directors (The Board) bears ultimate responsibility for the organization and administration of the Company and the Group in compliance with the Swedish Companies Act, and appoints the President and CEO and the Audit and Remuneration Committees. The President and CEO is responsible for the Company's day-to-day operations in accordance with the guidelines issued by the Board. The Board also determines the salary and other remuneration for the President and CEO.

The duties of the Board and the division of responsibilities between the Board and Group Management are stipulated in the work procedures for the Board, which are documented in the form of written instructions and adopted at least once a year. According to the work procedures, the Board is to take decisions on matters such as the Group's general strategy, financial reporting, company acquisitions, major investments and financing, 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 CEO and financial reporting instructions.

The work procedures also prescribe that an annual evaluation of the work of the Board of Directors should be carried out. On a yearly basis, all Board members submit their answers to a questionnaire issued by the Nomination Committee about the quality of the work in the Board. The aim is to obtain a sound basis for the Board's own evaluation work and to provide the Nomination Committee with information for its nomination duties.

The Board is also responsible for ensuring that the Company has good internal control and for an ongoing evaluation of the efficiency of the Company's internal control systems. The Board is to ensure that the Company has formal routines to guarantee compliance with the adopted principles for financial reporting and internal control. This is described in more detail in the Board's Report on Internal Control and Risk Management, starting on page 36.

The Board of Directors has adopted Loomis' Code of Conduct, which contains guidelines for the Company's behavior in the community to guarantee its long-term ability to generate value. The Code of Conduct includes the principle that all Loomis employees are to do their 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. The Code of Conduct also contains two fundamental principles in the Group's risk management strategy:

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

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 monitors operations by being in regular contact with the President and is responsible for ensuring that other board members receive adequate information on which to base decisions. The Chairman also ensures that the above-mentioned annual evaluation takes place of the work of the Board and the President. The Chairman represents the Company in ownership-related matters.

Composition of the Board

The Board consists of five members elected by the AGM with no deputies. The Board also has two employee representatives and two deputies for these members. For information on Loomis board members, refer to pages 40-41.

The Board meets at least five times a year, including the statutory meeting following the Annual General Meeting, and convenes additional meetings if the situation requires this. Each board meeting is also attended by the Group CFO and, in his capacity as Secretary of the Board, Attorney Mikael Ekdahl. If the CEO is not a member of the Board, the CEO also attends every board meeting.The Company's auditors attend the board meeting held in conjunction with the closing of the annual accounts. When reporting is necessary on specific issues, other officials from the Group also attend board meetings.

Independence

All five of the board members elected by the AGM are regarded as independent of the Company and its management. Two of five members are regarded as independent of the Company's major shareholders. Loomis is therefore of the opinion that the

Composition of the Board of Directors

Board member	Elected	Board fees[1] (SEK)	Committee fees[1] (SEK)	ATTENDENCE Board meetings (7 total)[2]	ATTENDENCE Remuneration Committee (2 total)	ATTENDENCE Audit Committee (4 total)	Independent of major shareholders	Independent of the Company
Alf Göransson (Chairman)	2007	600,000	100,000	7	2	–	No	Yes
Ingrid Bonde	2013	300,000	–	7	–	–	Yes	Yes
Cecilia Daun Wennborg	2013	300,000	100,000	7	–	4	Yes	Yes
Jan Svensson	2006	300,000	50,000	7	2	–	No	Yes
Ulrik Svensson	2006	300,000	200,000	5	–	4	No	Yes
Jarl Dahlfors[3]	2014	–	–	4	–	–	Yes	No
Magnus Kinnunen[4]	2015	–	–	4	–	–		
Lars Sjögren[4]	2015	–	–	4	–	–		

1) Fees approved by 2015 AGM. The fees relate to remuneration during the period between the 2015 AGM and the 2016 AGM. For fees expensed in 2015, refer to Note 11.
2) Of which one was held by circulation.
3) Board member Jarl Dahlfors left his position on the Board when he resigned as President and CEO on August 31, 2015.
4) Employee representatives appointed to the Board from the beginning of May, 2015.

current composition of the Board of Loomis AB meets the independence requirements as set out in the Code.

All of the board members elected by the AGM have relevant experience from other listed companies. For more information, refer to pages 40-41.

Work of the Board in 2015

In 2015 the Board convened a total of seven 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 2016, and approval of the 2016 budget
- 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 involves an emphasis on risk management in connection with cash processing and on promoting risk awareness throughout the Group. The Committee work according to instructions and to an appendix to the Board's work procedures stipulating, among other things, the Committee's purpose, responsibility and its composition and reporting responsibilities. The Committee's main duties are:

- Examining the Company's financial reporting
- Following up on issues relating to reporting, risk and insurance
- Examining internal control and corporate governance
- Addressing audit and accounting issues
- Evaluating and verifying the auditors' independence

The Audit Committee is an independent body. The items above are addressed and presented to the Board in preparation for board decisions. The Audit Committee consists of the board members Ulrik Svensson (Chairman) and Cecilia Daun Wennborg, both of whom are regarded as independent of the Company and its management. The Company's auditor, President/CEO, Group CFO and the Head of Financial Control & Treasury also participate. When reporting is required on specific matters, other officials from the Group participate as well. In 2015, 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 Group Management, 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 in preparation for board decisions. The Remuneration Committee consists of board members Alf Göransson (Chairman) and Jan Svensson. In 2015 two meeting were 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, organizational structures and processes are satisfactory. Group Management currently consists of the Regional President USA (who is also the Acting CEO and the Vice President for Loomis AB), Regional President Nordics, Regional President Northern Europe, Regional President Southern Europe, President Loomis International, Group CFO (who is also the Acting President for Loomis AB), HR Director, Executive Group Risk Director and Head of Growth. For more information on Group Management, refer to pages 42–43.

Principles for remuneration and other conditions of employment

Remuneration for the President/CEO and other members of Group Management consists of a fixed salary, variable remuneration, pension benefits and other benefits. Variable remuneration is based on results in relation to performance targets in the individual areas of responsibility (Group, region or subsidiary) and is to be consistent with the interests of the shareholders. Variable remuneration within the scope of the Company's so called AIP (Annual Incentive Plan) amounts to a maximum of 60 percent of fixed annual salary for the President/CEO and a maximum of 80 percent of the fixed annual salary for other members of Group Management. Variable remuneration within the scope of the Company's so called LTIP (Long-Term Incentive Plan) amounts to a maximum of 40 percent of fixed annual salary for the President/CEO and a maximum of 50 percent of fixed annual salary for other members of Group Management. For the Board's proposal on guidelines for remuneration to Group Management based on agreements entered into after the AGM 2016, 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 has overall responsibility for ensuring the Group has an efficient system for internal control and risk management. Loomis' Board of Directors continuously examines the efficiency of internal control of financial reporting and risk management and takes action to promote improved internal control.

Internal control and risk management

Loomis' internal control and risk management relating to financial reporting is designed to ensure that the processes for preparing financial reports are highly reliable and that Loomis as a listed company complies with all relevant accounting standards and other requirements. Internal control is an integrated part of Loomis' corporate governance and also involves operational risk management as this is a key aspect of Loomis operations. Internal control involves the Board, Group Management and other employees at all levels within the organization. Loomis' internal control system is designed to manage rather than eliminate the risk of failing to reach business targets, and can only provide reasonable, but not absolute, assurance that no material errors or shortcomings will arise in 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 Finance function have joint responsibility and are to oversee and verify that the Group has local routines in place to meet the stipulations in both global and local laws and regulations, and to ensure that financial reporting is accurate. Loomis has a regional structure 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 Finance function 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 Company is exposed to.

Understanding the risks is essential in order to assess which business risks should be avoided entirely and which risks can be managed. 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 fundamental principles that are easy for all of the employees to understand:

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

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 evaluates future business opportunities and risks and draws up a strategy for the Group. Group Management and the respective country management team 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. Branch managers and individuals in charge of risk management in each country are responsible for ensuring that the risk management is an integral part of their local operations at all levels in the country's organization. Reviews of business risk and risk assessment are routinely conducted throughout the Group. Group Management, the audit committee and the Board are informed on an ongoing basis of significant risks and any risk control shortcomings. Refer to page 27 for more information on the Group's risk management work.

Internal control system

Loomis has a well-established financial reporting process aimed at ensuring a high level of internal control and risk management. Loomis' framework for internal control includes the following areas: 1. Control environment, 2. Risk assessment 3. Control activities 4. Information and communication, and 5. Monitoring activity.

1. 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 organization's core values 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:

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

The Loomis Group is a decentralized and specialized organization where managers are given clear targets 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.

2. 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 performed throughout the Group.

3. Control activities

Control activities include methods and activities to ensure compliance with adopted guidelines and policies, and the accuracy and reliability of internal and external financial reports. Examples of control activities 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 the Group's general policies and guidelines.
- Supporting Group Management in its decisions and following up on the external auditor's general audit plan and general follow-up of 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 CFOs sign a Letter of Representation in which 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 good health as well as loss that is purely financial. The department consists of three individuals including the Executive Group Risk Director who reports to the President/CEO, and the Audit Committee. Loomis measures, reports and monitors operational risks on a regular basis. The Group's overall risk management is also reinforced by comprehensive insurance coverage.

4. 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 targets.

5. Monitoring activity

Loomis' Board, President and the Group CFO monitor 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 performed.
- Addressing important issues arising from the external audit and other scrutiny/investigations.
- Review of Group Management's monthly reconciliations where an entity's actual results are compared with its budget, analysis of deviations, monitoring of key performance indicators and forecasting activity.
- Appointment of an Audit Committee to provide independent oversight of the effectiveness of the Group's internal control system and financial reporting process. 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 reviews the interim and annual reports before recommending that the Board approve the reports for publication.

Stockholm, March 24, 2016

Board of Directors in Loomis AB

Alf Göransson Chairman	**Ingrid Bonde** Board member	**Cecilia Daun Wennborg** Board member
Jan Svensson Board member	**Ulrik Svensson** Board member	**Magnus Kinnunen** Board member, Employee representative
Lars Sjögren Board member, Employee representative		

Auditor's report on the Corporate Governance Report

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

The Board of Directors is responsible for the Corporate Governance Report for the year 2015 on pages 32–39 and for ensuring that the Report has been prepared in compliance with the Annual Accounts Act.

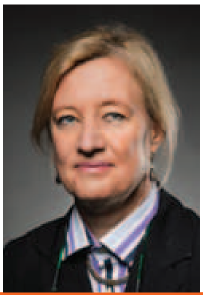
We have read the Corporate Governance Report and, based on that reading and on our knowledge of the Company and the Group, we believe that we have sufficient basis for our opinion. Accordingly, our statutory examination of the Corporate Governance Report is different and substantially less in scope than 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 that its statutory content is consistent with the annual accounts and the consolidated accounts.

Stockholm, March 24, 2016
PricewaterhouseCoopers AB

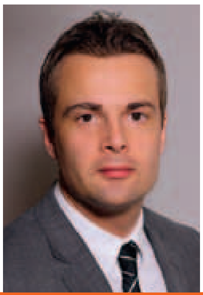
Patrik Adolfson
Authorized Public Accountant

Board of Directors

	ALF GÖRANSSON	INGRID BONDE	CECILIA DAUN WENNBORG	JAN SVENSSON
	Member of the Board of Loomis AB since 2007 and Chairman of the Board since 2009.	Member of the Board of Loomis AB since 2013.	Member of the Board of Loomis AB since 2013.	Member of the Board of Loomis AB since 2006.
Born	1957	1959	1963	1956
Education	International Economics, University of Gothenburg.	Master of Business Administration, Stockholm School of Economics.	Bachelor of Science in Business and Economics, Stockholm University.	Mechanical Engineering and Bachelor of Science in Business and Economics, Stockholm School of Economics.
Experience	President and 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.	President and CEO of AFM Pensionsförsäkring AB 2008-2012, Director General of the Swedish Financial Supervisory Authority 2003–2008, Director General Swedish National Debt Office 1996–2002, Vice President Finance at SAS 1991–1996.	Vice President of Ambea AB, President of Carema Vård och Omsorg AB, CFO of Ambea AB and Carema Vård och Omsorg AB, Acting President at Skandiabanken, Head of Swedish Operations at Skandia and President of Skandia Link.	President of AB Sigfrid Stenberg which was acquired by Latour in 1993.
Other appointments	Board member and President & CEO of Securitas AB. Chairman of the Board of Ligue Internationale des Societes de Surveillance. Member of the Boards of Hexpol AB and Axel Johnson Inc., USA.	Deputy CEO and CFO at Vattenfall. Chairman of the Board of Hoist Finance AB.	Chairman of the Board of Proffice AB. Member of the Boards of ICA Gruppen AB, Getinge AB, Sophiahemmet AB, Atvexa AB, Hotel Diplomat AB, Oxfam in Sweden and CDW Konsult AB.	Board member and President & CEO of Investment AB Latour since January 1, 2003. Chairman of the Boards of Oxeon AB, AB Fagerhult, Nederman Holding AB and Tomra Systems ASA. Member of the Board of Assa Abloy AB.
Shares in Loomis as of December 31, 2015	6,000 (privately held)	1,940 (privately held)	1,400 (privately held)	2,000 (privately held)
Other information	Not independent of major shareholders.	Independent of major shareholders.	Independent of major shareholders.	Not independent of major shareholders.



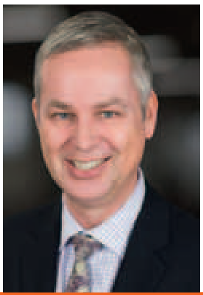

ULRIK SVENSSON	MAGNUS KINNUNEN	LARS SJÖGREN	JONAS KARLSSON	KENT PALMQVIST
Member of the Board of Loomis AB since 2006.	Employee representative, Swedish Transport Workers' Union.	Employee representative, Swedish Transport Workers' Union.	Deputy employee representative, Unionen.	Deputy employee representative, Swedish Transport Workers' Union.
1961	1981	1955	1984	1968
Bachelor of Science in Business and Economics.	Upper secondary education.	Upper secondary education.	Upper secondary education.	Upper secondary education.
CFO Swiss International Airlines 2003–2006, CFO Esselte Group 2000–2003, Controller/CFO for the Stenbeck Group's offshore telecom investments 1992–2000.	–	–	–	–
President of Melker Schörling AB. Member of the Boards of Hexagon AB, Assa Abloy AB, Hexpol AB, AAK AB, Flughafen Zürich AG and Absolent Group AB.	–	–	–	–
1,400 (privately held)	–	–	–	–
Not independent of major shareholders.				

AUDITOR

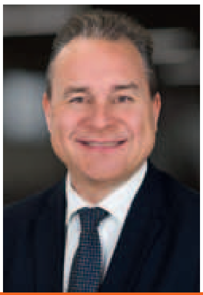
Patrik Adolfson
PricewaterhouseCoopers AB
Born: 1973
Authorized Public Accountant and member of Far.
Auditor in charge from 2011.

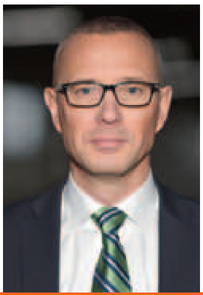
Other auditing assignments: Attendo AB, Catella AB, Nordstjernan Investment AB and Securitas AB.
Shares in Loomis as of Dec. 31, 2015: 0
Address: PricewaterhouseCoopers AB, 113 97 Stockholm, Sweden.

Group Management

	LARS BLECKO	ANDERS HAKER	JOHANNES BÄCKMAN	KENNETH HÖGMAN
	CEO, Regional President USA and Executive Vice President	Chief Financial Officer, President	Head of Growth	Regional President Northern Europe
Born	1957	1961	1964	1957
Employed	2008	2012	2013	1978
Education	Master of Science, Karlstad University.	Bachelor of Science in Business and Economics, Uppsala University.	Master of Science in Business, Stockholm School of Economics, Chinese and Thai studies at Stockholm, Lund and Beijing universities.	Engineer.
Experience	President and CEO of Loomis 2008–2013, CEO of Rottneros AB 1999–2008, Senior Vice President Sales and Marketing Cardo Rail AB, and Managing Director Radiopharmaceuticals within the DuPont Group in Belgium, Switzerland, Germany and UK.	CFO Lundin Mining Corp., CFO Boliden AB, Controller Trelleborg Finans and auditor Pricewaterhouse Coopers.	Corporate Development Director, Managing Director South East Asia and Mergers and Acquisitions Director för Xylem Inc.	Director of Business Development Loomis AB, Regional Manager Securitas CHS Nordic, President Securitas CHS Sweden.
Other appointments	–	–	–	–
Shares in Loomis as of December 31, 2015	33,162 (privately held, including related-party holdings)	7,061 (privately held)	–	20,000 (privately held)
Additional shares in Loomis from Incentive Scheme 2014	5,890	1,416	455	368

PATRIK HÖGBERG	**MARTTI OJANEN**	**URS RÖÖSLI**	**GEORGES LÓPEZ PERIAGO**	**MÅRTEN LUNDBERG**
Regional President Nordics	Executive Group Risk Director	President Loomis International	Regional President Southern Europe	HR Director
1968	1962	1969	1965	1965
2009	2009	2014	1985	2014
Master of Business Administration, Stockholm University.	Master of Science in Business and Economics, Växjö University.	Master of Business Administration, University St. Gallen, Strategic Management Training, University St. Gallen och Advanced Strategic Management, IMD Lausanne.	Master of Science in Business and Economics, various management courses within the Company.	Bachelor of Applied Science in HR from Stockholm University and Executive Master in HRM from Bocconi University, Milan.
President Loomis Sverige AB, President Norstedts Juridik and President Svensk Kassaservice.	Vice President Risk Management Marsh AB.	Managing Director Corporate Supply Management and Quality Haniel Textil Services, Head of Division MSE and VMI of VIA MAT Group.	Country President of Loomis Spain, Regional President, Divisional Manager and Cash Center Manager Securitas CHS.	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.
–	–	–	–	–
3,839 (privately held)	10,289 (privately held)	1,800 (privately held)	3,846 (privately held)	–
812	895	–	3,242	–

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 2015 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, as well as 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. 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 between the segments. In Segment Europe, cash in transit (CIT) accounts for 68 percent (66) of revenue while cash management services (CMS) accounts for 32 percent (34). In Segment USA, CIT accounts for 69 percent (71) of revenue and CMS for 31 percent (29). Segment International Services consists of three types of operations: cross border transportation of cash and precious metals, storage of valuables and general logistics solutions.

Loomis' operations involve taking over the customers' risks associated with managing, transporting and storing cash, precious metals and valuables. In addition to the risk of personal injury, there is also the risk of the loss of cash and valuables due to criminality or to poor compliance in procedures. Managing and controlling these risks is therefore a key aspect of the Company's operations, and a total of 150 individuals work on operational risk management at the Group, regional and national levels. Common risk management structures, processes and systems are established at the Group level and employed by all of the local operations and branches. Tools and processes have been established to identify, take action and monitor risk. The risk management organization works both proactively and reactively. This includes implementing preventive measures, monitoring the external environment and carrying out crisis management. The safety of the employees is always the main focus of risk management and employees at all levels must understand and be able to manage the risks associated with their particular operations. A focus on ethics and values as well as well-defined work routines are key aspects of the employees' professional development. Actively monitoring the external environment also enables Loomis to anticipate possible incidents.

Significant events during the year

Acquisitions

In May 2015 it was announced that the Loomis UK subsidiary had reached an agreement to acquire retail cash handling operations from Cardtronics UK. The purchase price was GBP 18 million, equivalent to around SEK 237 million. The acquisition provided Loomis with retail customers and Loomis took on the majority of the employees and vehicles, while Cardtronics retained some employees and vehicles to continue its ATM operations. The annual revenue is expected to be around GBP 13.5 million, equivalent to around SEK 176 million.

In November 2015 it was announced that Loomis' subsidiary in the USA had acquired the Global Logistics operations from Dunbar Armored Inc. The purchase price was USD 4 million, which corresponds to around SEK 33 million. The acquisition enables Loomis to expand its service offering in the USA to include nationwide transport and storage solutions for precious metals and other valuables for domestic and international customers. The annual revenue is expected to be around USD 9 million, equivalent to around SEK 75 million.

On December 28, 2015 Loomis AB acquired the remaining 40 percent of the shares in the Turkish subsidiary Loomis Güvenlik Hizmetleri A.S. Loomis has had an option to take over the remaining shares since the acquisition in 2011, which Loomis has now exercised. Since the transaction was executed with shareholders of non-controlling interests, it has been recognized in equity. Refer to the accounting principles in Note 2.

During the year Loomis also acquired the cash handling related assets and customer contracts from the Slovak company ABAS CIT Management s.r.o. and from the Czech company Ceská Pošta Security s.r.o. For further information refer to Note 15.

Other significant events during the year

The Annual General Meeting on May 6, 2015 voted in favor of the Board's proposal to introduce a new Incentive Scheme (Incentive Scheme 2015). Like previous Incentive Schemes, Incentive Scheme 2015 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 allotted to participants in the form of Class B shares, 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 for performance measurement and other general principles that already apply to existing Incentive Scheme will still 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 AGM voted in favor of Loomis AB entering into a share swap agreement with a third party under which the third party will acquire the shares in its own name and transfer them to the Incentive Scheme participants. The Incentive Scheme will enable around 350 key individuals within the Loomis Group to become shareholders in Loomis AB over time. This will increase employee commitment to Loomis' development for the benefit of all shareholders.

In June Loomis AB signed a contract for a new bank loan, a multicurrency revolving credit facility. The new facility has an initial five-year maturity with an option to extend for an additional two years and amounts to USD 150 million, SEK 1,000 million and EUR 65 million. The new credit facility has replaced a previous credit facility and bond loan.

In June Jarl Dahlfors, President and CEO, announced that he had decided to retire from his position at Loomis. Jarl Dahlfors left his position on August 31, 2015 and on September 1, 2015 Lars Blecko, Executive Vice President and Regional President USA, took over responsibility as Acting CEO until a new CEO takes up the position. In connection with Lars Blecko assuming the position of Acting CEO, Anders Haker, CFO for the Loomis Group, was appointed Acting President of the Parent Company, Loomis AB.

In October Loomis' US subsidiary announced that a contract had been signed with the Jack in the Box National Franchisee Association in the USA to install and service around 1,000 SafePoint units. Jack in the Box, Inc. has its head office in San Diego, California. The signed contract will be in effect for five years with estimated combined revenue exceeding USD 18 million, equivalent

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

SEK m	2015	2014	2013	2012	2011
Consolidated statement of income					
Total revenue	16,097	13,510	11,364	11,360	10,973
Operating income before amortization (EBITA)[1]	1,703	1,370	1,099	1,019	912
Net income for the year	1,069	910	736	650	513
Consolidated statement of cash flows					
Cash flow from operations	2,118	1,819	1,302	1,239	1,203
Cash flow from investing activities	–1,658	–2,569	–709	–1,003	–1,533
Cash flow from financing activities	–386	946	–641	–261	480
Cash flow for the year	**74**	**196**	**–48**	**–24**	**150**
SEK m	**Dec. 31, 2015**	**Dec. 31, 2014**	**Dec. 31, 2013**	**Dec. 31, 2012**	**Dec. 31, 2011**
Consolidated balance sheet					
Capital employed	10,268	9,127	6,290	6,070	5,943
Net debt	4,425	4,219	2,125	2,475	2,545
Shareholders' equity	5,843	4,907	4,165	3,595	3,397

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

to around SEK 150 million. The installation of the units is expected to start immediately and be completed before summer 2016.

In November the Board of Directors of Loomis AB announced the appointment of Patrik Andersson as the new President and CEO of Loomis. Patrik will take up this position no later than May 9, 2016. Lars Blecko will stay on as Acting CEO for Loomis and Anders Haker will stay on as Acting President for the Parent company Loomis AB until Patrik Andersson takes up this position.

In November it was also announced that Loomis AB had issued bonds of SEK 550 million. The bonds have a two-year maturity and the maturity date is November 27, 2017. The bonds have a floating interest rate of three months' Stibor plus 80 basis points. The proceeds will be used for general corporate purposes. The bond issue of SEK 550 million is within the MTN program launched in 2014. Arranger of the MTN program is Nordea Bank AB and joint book runners for the transaction were Nordea Bank AB and Danske Bank A/S. The bonds have been listed at Nasdaq Stockholm.

Revenue and income

The Group

Revenue for the full year amounted to SEK 16,097 million compared to SEK 13,510 million for the previous year. The organic growth amounted to 2 percent (3) and is mainly explained by revenue from the cash management contract that went into effect in the USA in the latter part of 2014 and in 2015, increased SafePoint revenues in the USA as well as the Tesco contract in the UK that started in the fourth quarter of 2014. The real growth of 7 percent (14) is primarily attributable to the acquisition of VIA MAT implemented in 2014 and the acquisitions in the UK and the USA during the year.

The operating income (EBITA) amounted to SEK 1,703 million (1,370) and the operating margin improved to 10.6 percent (10.1). At comparable exchange rates the income improvement was around SEK 176 million. The improved profitability is mainly explained by strong organic growth within CMS and SafePoint in the USA, and by the ongoing efforts to improve efficiency, which continue to yield results in several countries. The operating income has also been affected by the synergy effects realized within the Swiss transport and cash processing operations as a result of the acquisition of VIA MAT. Start-up costs to handle new volumes in the UK had a negative effect on operating income during the year.

The operating income (EBIT) amounted to SEK 1,575 million (1,306), which includes amortization of acquisition-related intangible assets of SEK –62 million (–46), acquisition-related costs of SEK –79 million (–19) and an item affecting comparability of SEK 12 million (0). The acquisition-related costs are mainly related to restructuring and integration costs as a result of the acquisition of VIA MAT implemented in 2014 and the acquisition in the UK during the year. The positive item affecting comparability of SEK 12 million is a reversal of the remaining part of the provision that was made in 2007 relating to overtime compensation in Spain.

Income before taxes of SEK 1,461 million (1,240) includes a net financial expense of SEK –114 million (–66). The increased net financial expense is mainly explained by an increased debt level resulting from acquisitions made and weak SEK development.

The tax expense for the year amounted to SEK 392 million (330), which represents a tax rate of 27 percent (27).

Earnings per share after dilution amounted to SEK 14.21 (12.10).

The segments

*Europe**

Real growth for the European operations amounted to 4 percent (6) and organic growth was 1 percent (2). The operating margin amounted to 12.7 percent, compared to 12.3 percent the previous year.

USA

Real growth amounted to 7 percent (7) and the organic growth was 6 percent (7). The operating margin amounted to 10.8 percent, compared to 9.9 percent the previous year.

International Services

Revenue from International Services amounted to SEK 1,419 million compared to SEK 918 million for the period May-December 2014. The operating margin amounted to 6.1 percent (7.3)

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

Cash flow

Cash flow from operations amounted to SEK 2,118 million (1,819). Cash flow from investing activities amounted to SEK –1,658 million (–2,569) which includes investments in fixed assets (net) of SEK –1,379 million (–1,033) and acquisitions of SEK –279 million (–1,536). Cash flow from financing activities amounted to SEK –386 million (946) and includes a dividend of SEK –451 million (–376).

Capital employed and financing

Loomis' operating capital employed amounted to SEK 4,352 million (3,729) which is equivalent to 27 percent (28) of revenue. The total capital employed amounted to SEK 10,268 million (9,127). Return on capital employed amounted to 17 percent (15), the net debt was SEK 4,425 million (4,219) and the equity ratio was 41 percent (38).

In the third quarter 2015 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 the recoverable amount and therefore no goodwill impairment has been recorded in 2015.

Shareholders' equity

Shareholders' equity increased during the year by SEK 936 million to SEK 5,843 million (4,907) as of December 31, 2015. Income for the year of SEK 1,069 million, translation differences of SEK 507 million and actuarial gains of SEK 46 million increased shareholders' equity by SEK 1,622 million. Hedging of net investments of SEK –198 million, paid dividend of SEK –451 million and revaluation of option liability with non-controlling interests of SEK –37 million reduced shareholders' equity by SEK 686 million. The return on shareholders' equity was 18 percent (19).

Environmental impact

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

Employees

In 2015 the average number of full-time employees was 21,665 (20,539) in 21 countries (20). The gender distribution was 30 percent (30) women and 70 percent (70) 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.

Parent Company

Loomis AB is a holding company with subsidiaries in Argentina, Austria, Brazil, Canada, Czech Republic, Denmark, Finland, France, Germany, Hong Kong, Ireland, Norway, Portugal, Singapore, Slovakia, 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 (22).Income after financial items amounted to SEK 819 million (617). In the second quarter of 2015, a total of SEK 451 million (376) was distributed to the shareholders, representing a dividend of SEK 6.00 per share (5.00).

Risks and uncertainties

Information on financial risk management and the use of financial instruments in risk management can be found in Note 6.

The economic trends in 2015 negatively affected certain geographical areas, and a similar impact on revenue and income in 2016 cannot be ruled out. Changes in the general economic conditions affected the cash handling services market in a number of ways; impacting, 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.

For further information on uncertainties, refer to Note 4 Critical accounting estimates and assessments.

Information regarding the Loomis share

Shares issued in the Parent Company consist of both Class A and Class B shares. A Class A share carries 10 votes and a Class B share carries 1 vote. The Loomis Class B share was initially listed on the Mid Cap list of Nasdaq OMX Stockholm on December 9, 2008. The Class B share has been listed on Nasdaq Stockholm's Large Cap list since the beginning of 2015. 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 have undertaken 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 transfers and the appointment of the CEO. The shareholder agreement includes a provision on pre-emption rights if either of the parties chooses to sell Class A shares. As of December 31, 2015 there were 53,797 Class B treasury shares. For further information on the number of shares issued, the quota value and breakdown of Class A and Class B shares, refer to Note 27 and Note 51. For information on the major shareholders, refer to the section under the heading "The share" on pages 30–31.

Significant events after the end of the year

The Board has decided to propose that a resolution be passed at the 2016 AGM on an incentive scheme (Incentive Scheme 2016). Similar to Incentive Scheme 2015, 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 2018. The allotment of shares is contingent upon the employee still being employed by the Loomis Group on the last day of February 2018, 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 will enable 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 risk posed to their own personnel is also expected to drive Loomis' business. Loomis is also able to manage the flow of cash more efficiently, resulting in cost savings for customers. No forecast is being provided for 2016.

Proposed distribution of profits

The Board has decided to propose to the AGM a dividend of SEK 526,582,224 and May 4, 2016 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 2, 2016.

The following funds are at the disposal of the AGM (SEK):

Retained earnings	3,836,210,550
Hedging of net investments, net of tax	–198,358,922
Share related renumeration	–10,068,458[1)]
Net income for the year	897,483,763
Total	**4,525,266,933**

The Board proposes that the profits be appropriated as follows:

Dividend to shareholders (SEK 7.00/share)	526,582,224[2)]
To be carried forward	3,998,684,709
Total	**4,525,266,933**

1) The change relates to the share swap in accordance with Loomis' share-related Incentive Schemes 2013 and 2014.
2) Calculated based on the number of outstanding shares on the balance sheet date.

The Board's statement on the proposed dividend

By reason of the proposed dividend according to the above, the Board hereby gives the following statement according to Chapter 18, Section 4 of the Swedish Companies Act (2005:551). As follows from the Board's dividend proposal, funds amounting to SEK 4,525,266,933 are at the disposal of the AGM. Provided that the AGM 2016 resolves in accordance with the Board's proposal, SEK 3,998,684,709 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 11 percent of the equity in the Company and 9 percent of the consolidated equity. Following the dividend, the equity/assets ratio will be 44 percent for the Company and 38 percent for the Group.

The equity has not increased or decreased as a result of valuation of assets or liabilities according to Chapter 4, Section 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 notes.

The Board's proposed guidelines for remuneration to Group Management

The Board of Directors of Loomis AB (publ) proposes that the AGM 2016 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 "Group Management", as long as the guidelines are in force. The present members of the Group Management are Lars Blecko, Johannes Bäckman, 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 the 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 Group 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 management employees. The total remuneration to Group 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 should resolve upon a share or share price-based incentive scheme. The AGM 2015, adopted a resolution on an incentive scheme.

Principles of different types of remuneration

Fixed salary

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

Variable remuneration

In addition to a fixed salary, the Group 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/CEO and a maximum of 80 percent of the fixed annual salary for other individuals of the Group 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/CEO and a maximum of 50 percent of the fixed salary of other individuals of the Group 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 of remuneration mentioned above.

Pensions

The pension rights of the Group Management shall be applicable as from the age of 65, at the earliest, and shall, to the extent the Group Management is not subject to pension benefits pursuant to collective agreement (ITP-plan), be provided pursuant to a defined contribution pension plan equivalent to maximum 30 percent of the fixed annual salary. For members of Group Management who are not subject to collective agreement (ITP-plan), variable remuneration shall not be pension qualifying. Management employees 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 the members of Group 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 management employees holding equivalent positions on the employment market where the management employee 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 Group Management

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

Estimated costs for variable remuneration

The cost of variable remuneration to the Group Management according to the proposal of the Board of Directors is based on the present remuneration rates and may, at a maximum outcome, which presupposes that all targets which the variable remuneration is based on are met, amount to SEK 33 million. This estimate is based on the persons currently being part of the Group Management. The costs may change in case additional persons will become part of the Group Management.

Renumeration resolved upon that is not due for payment

In Note 11, Personnel, the total remuneration to the Group Management during 2015 is reported, including commitments previously entered into, that are not yet due.

Consolidated statement of income

SEK m	Note	2015	2014
Revenue, continuing operations		15,391	12,345
Revenue, acquisitions		706	1,166
Total revenue	8, 9	**16,097**	**13,510**
Production expenses	10,11,12	–12,163	–10,283
Gross income		**3,934**	**3,227**
Selling and administrative expenses	10,11,12	–2,231	–1,857
Operating income (EBITA)[1]		**1,703**	**1,370**
Amortization of acquisition-related intangible assets	10,12,17	–62	–46
Acquisition-related costs	10,15	–79	–19
Items affecting comparability	10	12	–
Operating income (EBIT)		**1,575**	**1,306**
Financial income	13	8	12
Financial expenses	13	–122	–79
Income before taxes		**1,461**	**1,240**
Income tax	14	–392	–330
Net income for the year[2]		**1,069**	**910**

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	2015	2014
Earnings per share, before dilution	3	14.21[3]	12.10[4]
Earnings per share, after dilution	3	14.21	12.10
Dividend[5]		6.00	5.00
Number of outstanding shares (million)		75.2	75.2
Average number of outstanding shares (million)		75.2[3]	75.2[4]

3) The number of outstanding shares, which constitutes the basis for calculation of earnings per share before dilution, is 75,226,032. The number of treasury shares amount to 53,797.
4) 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.
5) Refers to dividends paid in the current financial year.

Consolidated statement of comprehensive income[6]

SEK m	2015	2014
Net income for the year	**1,069**	**910**
Other comprehensive income		
Items that will not be reclassified to the statement of income		
Actuarial gains and losses, net of tax	46	–278
Items that may be reclassified to the statement of income		
Translation differences	507	831
Hedging of net investments, net of tax	–198	–348
Other comprehensive income and expenses for the year, net after tax	**355**	**205**
Total comprehensive income and expenses for the year	**1,424**	**1,115**

6) Comprehensive income is entirely attributable to the owners of the Parent Company.

Refer to Note 27 for further reconciliation of shareholders' equity.

Consolidated balance sheet

SEK m	Note	Dec. 31, 2015	Dec. 31, 2014
ASSETS			
Fixed assets			
Goodwill	15,16	5,437	4,897
Acquisition-related intangible assets	17	349	363
Other intangible assets	18	118	127
Buildings and land	19	589	553
Machinery and equipment	19	3,716	3,260
Deferred tax assets	14	481	506
Interest-bearing financial fixed assets	20	78	67
Other long-term receivables	21	92	95
Total fixed assets		**10,860**	**9,868**
Current assets			
Accounts receivable	22	1,878	1,624
Other current receivables	23	172	181
Current tax assets	14	253	265
Prepaid expenses and accrued income	24	512	497
Interest-bearing financial current assets	25	84	25
Liquid funds	26	654	566
Total current assets		**3,555**	**3,159**
TOTAL ASSETS		**14,415**	**13,027**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	27		
Capital and reserves attributable to the owners of the Parent			
Share capital		376	376
Other capital contributed		4,594	4,594
Other reserves		876	604
Retained earnings including net income for the year		–2	–666
Total shareholders' equity		**5,843**	**4,907**
Long-term liabilities			
Loans payable	28	4,489	3,404
Deferred tax liability	14	502	534
Provisions for claims reserves	29	198	185
Provisions for pensions and similar commitments	30	679	736
Other provisions	31	106	133
Total long-term liabilities		**5,974**	**4,992**
Current liabilities			
Loans payable	28	73	738
Accounts payable		664	613
Provisions for claims reserves	29	148	144
Current tax liabilities	14	141	117
Accrued expenses and prepaid income	32	1,243	1,168
Other provisions	31	14	19
Other current liabilities	33	316	329
Total current liabilities		**2,598**	**3,128**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**14,415**	**13,027**
Memorandum items			
Pledged assets		None	None
Contingent liabilities	34	2,630	2,362

Consolidated statement of cash flows

SEK m	Note	2015	2014
Operations			
Income before taxes		1,461	1,240
Items not affecting cash flow, items affecting comparability and acquisition-related restructuring costs	35	1,119	929
Income tax paid		–341	–298
Change in accounts receivable		–170	–40
Change in other operating capital employed and other items		48	–12
Cash flow from operations		**2,118**	**1,819**
Investing activities			
Investments in fixed assets	18,19	–1,384	–1,072
Disposals of fixed assets		6	39
Acquisition of operations[1]	15	–279	–1,536
Cash flow from investing activities		**–1,658**	**–2,569**
Financing activities			
Dividend paid	27	–451	–376
Repayments of leasing liabilities	28	–31	–40
Change in interest-bearing net debt excluding liquid funds		–227	–293
Issuance of bonds[2]		549	997
Change in commercial papers issued and other long-term borrowing		–225	658[3]
Cash flow from financing activities		**–386**	**946**
Cash flow for the year		**74**	**196**
Liquid funds at beginning of year		566	333
Translation differences on liquid funds		14	37
Liquid funds at end of year		**654**	**566**

1) Acquisition of operations includes the cash flow effect of acquisition-related costs.
2) Bond issue according to Loomis' MTN program.
3) For the period this includes a loan from Nordic Investment Bank.

Consolidated statement of changes in equity

	Attributable to the owners of the Parent				
SEK m	Share capital[1]	Other contributed capital	Other reserves[2]	Retained earnings incl. net income for the year	Total
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
Translation 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[3]	–	–	18	–	18
Share swap agreement[4]	–	–	–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. Each Class A share carries ten votes and each Class B share one vote.

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

3) 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.

4) 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 by the end of February, 2015.

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, 2015	**376**	**4,594**	**604**	**–666**	**4,907**
Comprehensive income					
Net income for the year	–	–	–	1,069	1,069
Other comprehensive income					
Actuarial gains and losses, net of tax	–	–	–	46	46
Translation differences	–	–	507	–	507
Hedging of net investments, net of tax	–	–	–198	–	–198
Total other comprehensive income	**–**	**–**	**309**	**46**	**355**
Total comprehensive income	**–**	**–**	**309**	**1,115**	**1,424**
Transactions with shareholders					
Dividend	–	–	–	–451	–451
Share-related remuneration[5]	–	–	16	–	16
Share swap agreement[6]	–	–	–15	–	–15
Revaluation of option liability with non-controlling interests[7]	–	–	–37	–	–37
Total transactions with shareholders	**–**	**–**	**–37**	**–451**	**–488**
Closing balance, December 31, 2015	**376**	**4,594**	**876**	**–2**	**5,843**

5) Refers to the expensed portion of Loomis share-related incentive schemes in the statement of income, as described in Note 11, of SEK 25 million. During the year 48,107 shares were allotted to the employees under the share-related Incentive Scheme 2013.

6) In accordance with a resolution at the 2014 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 2014. A total of 91,650 shares have been hedged under this swap agreement and they will be allotted to the employees during the period March - June 2016 provided that the criteria under the scheme have been met, including still being employed by the end of February, 2016.

7) Refers to Loomis Turkey.

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, as well as 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 2, 2016.

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 1 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

New and amended accounting principles, as well as improvements that went into force in 2015, have not had any material impact on the Group's financial statements for the financial year. The IFRS Interpretations Committee has issued a number of new interpretations and amendments. These amendments and interpretations have not had any significant impact on the Group's financial statements in 2015.

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 16 "Leases" was issued by IASB in January 2016 and will replace IAS 17 Leases and the related interpretations IFRIC 4, SIC-15 and SIC-27. The standard requires assets and liabilities arising from all leases, with some exceptions, to be recognized on the balance sheet. This model reflects that, at the start of a lease, the lessee obtains the right to use an asset for a period of time and has an obligation to pay for that right. The accounting for lessors will in all material aspects be unchanged. The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted. EU has not yet adopted the standard. The Group has not yet assessed the impact of IFRS 16.

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 expects 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 2016 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. According to IFRS, transactions with non-controlling interests are recognised as a transaction within equity. There is, however, a lack of specific rules concerning revaluation of option liabilities for these holdings. Revaluations of option liabilities for non-controlling interests are recognized as transactions within equity, the accounting is thereby made similarly to other transactions with non-controlling interests As of December 31, 2015, 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 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 discontinued 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, 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 operations. 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 translation differences on such loans are reported in other reserves in shareholders' equity, together with the translation differences arising from the translation of foreign net assets. When a foreign operation or part thereof is sold, such translation 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 allo-

Note 2 cont.

cated on a straight line basis over the period to which the subscription is in effect.

As part of the services offered in Segment International Services 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 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 markup 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. 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 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 segment 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 CEO monitors the 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 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)

Income taxes include current and deferred taxes. Income tax is recognized in income for the year unless the underlying transaction is reported in other comprehensive income, in which case the corresponding tax is reported according to the same principle.

Current tax is measured based on the tax rules that apply in the countries where the Parent Company and subsidiaries are operating.

Deferred tax is measured applying the tax rates and tax laws that have been enacted or announced as of the balance sheet date, and that are expected to apply when the deferred tax asset in question is realized or the deferred tax liability is settled. Deferred tax is recognized using the balance sheet method. Deferred tax is measured based on the differences between the carrying amount reported in the balance sheet and the tax base – so called temporary differences. Temporary differences relating to the following assets and liabilities have been taken into account: initial recognition of goodwill, initial recognition (other than in the case of business acquisitions) of assets and liabilities with no impact on reported or taxable income, and differences attributable to holdings in subsidiaries and associated companies to the extent it is unlikely that they will be reversed in the foreseeable future, and for which the Parent Company can influence the date on which the temporary differences are reversed.

Deferred tax assets are recognized when it is probable that the amounts can be used against future taxable income. Deferred tax assets are measured on the balance sheet date and any 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 used against future taxable income.

Deferred tax assets and deferred tax liabilities are offset when there is a legal right to offset current tax assets against current

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

tax liabilities and when deferred taxes are levied by the same tax authority.

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

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 amortization and are tested annually for impairment. Assets subject to amortization are tested for impairment at least on each balance sheet date or when events or new circumstances indicate that the recoverable amount will not amount to at least the carrying amount. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and its value in use.

Value in use is measured as the present value of expected future cash flows. The measurement of value is based on assumptions and judgements. The primary assumptions relate to organic growth, development of the operating margin, the use 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 level for which

Note 2 cont.

there are separately identifiable cash flows (cash generating units). For assets, other than goodwill, for which impairment losses have previously been recognized, an assessment is made on every balance sheet date to determine whether past impairment losses should be reversed. In such cases, a reversal is carried out to raise the carrying amount of the impaired asset to its recoverable amount. A reversal of a past impairment loss is recognized only when the new carrying amount does not exceed what the previous carrying amount would have been (after amortization) if the impairment loss had not been recognized. Previously recognized impairment losses – with the exception of goodwill impairment losses – are reversed only if there has been a change in the assumptions based on which the recoverable amount was determined when the impairment loss was recognized. Goodwill impairment losses 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 related to changes in actuarial assumptions via Other comprehensive income on the lines Actuarial gains and losses. The actuarial gains and losses refers to changes due to experience, changes in financial assumptions and changes in demographic assumptions. These actuarial gains and losses are reported for all defined benefit plans relating to post-employment benefits in the period in which they occur.

If the recognition of a defined benefit plan results in an asset, this is recognized as an 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 net debt. The interest component relating to defined benefit plans is recognized as financial expense/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 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. The share-related reserve is classified as a part 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

Note 2 cont.

in shareholders' equity. Refer to Note 11 for further information.

Share swaps relating to share-based remuneration
For the purpose of securing the share component in Loomis' share-based incentive scheme, Loomis AB has entered into a swap agreement with a third party. The swap agreement has been classified as an equity instrument and is recognized in equity as a reduction of retained earnings. For further information refer to Note 11.

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 2015: 1,069 / 75,226,032 x 1,000,000 = 14.21
Calculation 2014: 910 / 75,237,915[1] x 1,000,000 = 12.10

1) The average number of outstanding shares included until March 21, 2014, treasury shares for Loomis Incentive Scheme 2012.

Earnings per share, after dilution
Calculation 2015: 1,069 / 75,226,032 x 1,000,000 = 14.21
Calculation 2014: 910 / 75,226,032 x 1,000,000 = 12.10

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.

n/a
Not applicable.

Exchange rates used in the consolidated financial statements

	Currency	Weighted average 2015	Dec. 31, 2015	Weighted average 2014	Dec. 31, 2014
Norway	NOK	1.04	0.96	1.09	1.04
Denmark	DKK	1.25	1.23	1.22	1.26
UK	GBP	12.90	12.52	11.39	12.04
Switzerland	CHF	8.77	8.49	7.62	7.80
USA	USD	8.46	8.44	6.93	7.72
Czech Republic	CZK	0.34	0.34	0.33	0.34
Turkey	TRY	3.07	2.89	3.16	3.32
Argentina	ARS	0.89	0.65	0.85	0.91
Hong Kong	HKD	1.09	1.09	0.93	1.00
United Arab Emirates	AED	2.30	2.30	2.00	2.10
Brazil	BRL	2.53	2.13	3.02	2.91
Canada	CAD	6.60	6.08	n/a	n/a
EUR-countries	EUR	9.33	9.19	9.13	9.38

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, 2015, 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 1,878 million (1,624), 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 –40 million (–36) is subject to critical estimations and assessments. For additional information on credit risk in the accounts receivable refer to 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.

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 5,437 million (4,897), and of Acquisition related intangible assets, which amounts to SEK 349 million (363), 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 measured on temporary differences between the carrying amounts and tax base of assets and liabilities. There are two main types of assumptions and judgements that impact recognized deferred tax. These are assumptions and

Note 4 *cont.*

judgements to establish the carrying amount of various assets and liabilities, and those relating to future taxable profits in cases where future utilization of deferred tax assets is dependent on this. At year-end, deferred tax assets were reported in the amount of SEK 481 million (506) and deferred tax liabilities in the amount of SEK 502 million (534). Significant assumptions and judgements are also made in the recognition of provisions and contingent liabilities relating to tax risk and potential effects of ongoing tax audits. Tax audits are often lengthy processes lasting for several years. It is therefore not possible to provide any detailed information regarding the timeline for tax outflows. For further information on taxes, refer to Notes 14 and 34.

Actuarial calculations regarding employee benefits such as pensions

Employee benefits are normally an area in which estimates and assessments are not critical. However, for defined benefit 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. These assumptions are subject to critical estimates and assessments. As of the balance sheet date there were provisions for pensions and similar commitments totaling SEK 679 million (736) and receivables relating to pensions of SEK 18 million (–19). These are included in the item "Interest-bearing financial fixed assets." For further information on pensions and on sensitivity analysis, refer to Note 30.

Actuarial calculations 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 recognized based on actuarial calculations conducted on an ongoing basis. The actuarial calculations are based on information on open claims and historical data on incurred but not reported (IBNR) claims and on a number of different assumptions. This means that the total claims reserves, which amount to SEK 347 million (329), are subject to critical estimates and judgements. For further information on taxes, please refer to 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 14, 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 2016 Annual General Meeting on an incentive scheme (Incentive Scheme 2016). Similar to Incentive Scheme 2015, 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 2018. The allotment of shares is contingent upon the employee still being employed by the Loomis Group on the last day of February 2018, 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 average fixed interest term as of December 31, 2015 was about 1 year. A permanent change in the interest rate of +1 percent as of December 31, 2015 would have an annual effect on net financial items of SEK –36 million (–41). Loomis' borrowing amounted to SEK 4,562 million (4,142). The average interest rate on the debt during the year was 1.91 percent (1.39), excluding arrangement costs for the existing credit facility. For information regarding the assumptions relating to the defined benefit obligation, see Note 30.

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, 2015 amounted to SEK 10,266 million (9,127). 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 135 million (116). The corresponding figures for GBP would be SEK 30 million (13), for EUR SEK 46 million (47) and for CHF SEK 48 million (48). 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 (265) 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 (90) where the hedged item is the net investment. The ineffectiveness of the hedge during the year was SEK 0 million (0).

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 to a large degree are 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).

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 2015. 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, 2015	Dec 31, 2014
Liquid funds	654	566
Credit facilities	2,326	1,539
Total	**2,980**	**2,105**

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, 2015**	Less than 1 year	Between 1 and 5 years	More than 5 years
External bank loans	7	3,625	764
Accounts payable and other liabilities	1,345	779	–
(of which derivatives)	(59)	–	–
Total	**1,352**	**4,404**	**764**
December 31, 2014			
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**

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 1,917 million (1,661). Any provisions for losses are made following individual assessment and totaled SEK 40 million (36) as of December 31, 2015. 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.

Note 6 cont.

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 98 million (100).

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, 2015	Dec 31, 2014
A -1+	70	93
A -1	471	378
Other holdings	173	142
Total	**714**	**613**

Financing risk
Financing risk is the risk that it will become more difficult or more expensive to finance outstanding loans. By maintaining a balanced 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 and most of the short-term financing in 2015 were handled by Loomis AB's treasury department.

In 2015 Loomis refinanced the five-year facility signed in February 2011. The new facility amounts to USD 150 million, EUR 65 million and SEK 1,000 million. The funds can be withdrawn in USD, EUR, GBP and SEK. The new facility will mature in 2020. In addition, Loomis has signed a syndicated loan in the amount of SEK 500 million maturing in three years. These credit facilities have the usual terms and conditions, one of which relates to a limit 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 2015. On December 31, 2015, Loomis had issued commercial papers amounting to SEK 649 million. The upper limit for the commercial paper program is SEK 1,500 million.

In 2014 Loomis launched an MTN program with an upper limit of SEK 3 billion. In December 2015 Loomis issued an additional SEK 550 million with a maturity of two years. The total issued volume under the MTN program as of December 31, 2015 was SEK 1,550 million.

December 31, 2015	Currency	The facility amount (LOC m)	The facility amount (SEK m)	Utilized amount (SEK m)	Maturity structure[3] 2016	2017	2018	2019	2020	2021+
Syndicated loan facility 1[1]	SEK	1,000	1,000	–	–	–	–	–	1,000	–
Syndicated loan facility 1[1]	EUR	65	597	92	–	–	–	–	597	
Syndicated loan facility1[1]	USD	150	1,267	507	–	–	–	–	1,267	–
Syndicated loan facility 2[1]	USD	100	844	844	–	–	–	844	–	–
Syndicated loan facility 3[1]	SEK	500	500	0	–	–	500	–	–	–
Bilateral loan	CHF	90	764	764	–	–	–	–	–	764
MTN program	SEK	1,550	1,550	1,550	–	550	–	1,000	–	–
Commercial papers[2]	SEK	649	649	649	649	–	–	–	–	–
Local credit facilities	TRY	10	29	6	29	–	–	–	–	–
Credit facility	SEK	210	210	0	210	–	–	–	–	–
Total			**7,400**	**4,412**	**878**	**550**	**500**	**1,844**	**2,864**	**764**

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.

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, 2015:

SEK m	EUR	GBP	USD	CHF	Other currencies	Total foreign currencies	SEK	Total
Capital employed	1,935	1,107	5,017	1,804	223	10,086	180	10,266
Net debt	-1,022	-516	-2,311	-846	-85	-4,780	357	-4,423
Net exposure	**913**	**591**	**2,707**	**958**	**138**	**5,307**	**536**	**5,843**

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**

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 to the largest extent possible.

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 –2,115 million (–2,190) and SEK 22 million (–52) 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 2016, 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, 2015 Book value	Fair value
Financial assets			
Interest-bearing financial fixed assets	1	78	78
Accounts receivable	1	1,878	1,878
Interest-bearing financial current assets	2,4	84	84
Liquid funds	1	654	654
Financial liabilities			
Current loans payable	2,4	59	59
Current loans payable	3	15	15
Long-term loans payable	3	5,168	5,168
Accounts payable	3	664	664

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

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

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	Level 1	Level 2	Level 3	December 31, 2015 Total
Financial assets				
Other financial assets at fair value through profit or loss				
– Derivative instruments held for trading	–	12	–	12
– Derivative instruments used for hedging	–	–	–	–
Financial assets at fair value in other comprehensive income				
– Derivative instruments used for hedging	–	22	–	22
Total assets		**34**		**34**
Financial liabilities				
Financial liabilities valued at fair value through profit or loss				
– Derivative instruments held for trading	–	4	–	4
– Derivative instruments used for hedging	–	–	–	–
Financial liabilities at fair value in other comprehensive income				
– Derivative instruments used for hedging[1]	–	5	–	5
Total liabilities	–	**9**	–	**9**

SEK m	Level 1	Level 2	Level 3	December 31, 2014 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**

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 licence fees 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 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 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 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 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 68 percent (66) of revenues and Cash Management Services for 32 percent (34). For Segment USA, Cash in Transit accounts for 69 percent (71) of total revenue and Cash Management Services for 31 percent (29). 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 2015 and 2014 that is delivered to the executive managers of Europe, the USA and International Services, 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 904 million (941), in the USA to SEK 6,649 million (5,068), and total revenue from external customers in other countries amounts to SEK 8,544 million (7,501). 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 178 million (192), in the USA to SEK 2,108 million (1,615), and the total for the fixed assets located in other countries amounts to SEK 2,019 million (2,006).

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

SEK m	Europe 2015	USA 2015	International Services 2015	Other 2015	Eliminations 2015	Total 2015
Revenue, continuing operations	8,080	6,413	965	–	–66	15,391
Revenue, acquisitions	252	15	454	–	–15	706
Total revenue	**8,332**	**6,428**	**1,419**	**–**	**–82**	**16,097**
Production expenses	–6,229	–4,858	–1,199	–	123	–12,163
Gross income	**2,103**	**1,570**	**221**	**–**	**41**	**3,934**
Selling and administrative expenses	–1,048	–878	–133	–131	–41	–2,231
Operating income (EBITA)	**1,055**	**692**	**87**	**–131**	**–**	**1,703**
Amortization of acquisition-related intangible assets	–24	–15	–20	–1	–	–62
Acquisition-related costs	–72	–2	–	–4	–	–79
Items affecting comparability	12	–	–	–	–	12
Operating income (EBIT)	**970**	**675**	**67**	**–137**	**–**	**1,575**
Financial income	–	–	–	8	–	8
Financial expenses	–	–	–	–122	–	–122
Income before taxes	**970**	**675**	**67**	**251**	**–**	**1,461**
Income tax	–	–	–	–392	–	–392
Net income for the year	**970**	**675**	**67**	**–643**	**–**	**1,069**
Segment assets						
Goodwill	1,531	3,071	914	–78	–	5,437
Other intangible assets	204	71	189	4	–	468
Fixed assets	2,070	2,100	110	26	–	4,305
Accounts receivable	1,201	560	133	13	–29	1,878
Pension assets	–	–	–	18	–	18
Other segment assets	436	316	80	33	–88	776
Undistributed assets						
Deferred tax assets	–	–	–	481	–	481
Current tax assets	–	–	–	253	–	253
Interest-bearing financial fixed assets	–	–	–	60	–	60
Other financial assets valued at fair value via statement ofincome	–	–	–	738	–	738
Total assets	**5,441**	**6,117**	**1,424**	**1,549**	**–116**	**14,415**
Segment liabilities						
Accounts payable	329	234	107	23	–29	664
Accrued expenses and prepaid income	842	340	67	–6	–	1,243
Provision for pensions	533	–	107	39	–	679
Other current liabilities	352	51	30	89	–88	435
Undistributed liabilities						
Current loans payable	–	–	–	73	–	73
Long-term loans payable	–	–	–	4,489	–	4,489
Deferred tax liabilities	–	–	–	502	–	502
Current tax liabilities	–	–	–	141	–	141
Provisions for claims reserves	–	–	–	347	–	347
Shareholders' equity	–	–	–	5,843	–	5,843
Total liabilities and shareholders' equity	**2,055**	**626**	**311**	**11,539**	**–116**	**14,415**
Other information						
Investments, net	497	844	26	11	–	1,379
Depreciation and amortization	564	506	40	13	–	1,123

SEK m	Europe 2014	USA 2014	International 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
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

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	2015	*as % of revenue*	2014	*as % of revenue*
Personnel costs	11	8,704	*54.1*	7,230	*53.5*
Risk, claims and insurance expenses		341	*2.1*	258	*1.9*
Vehicle expenses		1,456	*9.0*	1,338	*9.9*
Costs of premises		751	*4.7*	673	*5.0*
Costs of technical equipment		598	*3.7*	448	*3.3*
Items affecting comparability		–12	*–0.1*	–	–
Other expenses		2,686	*16.7*	2,258	*16.7*
Total expenses by type		**14,523**	***90.2***	**12,204**	***90.3***

Costs of employee benefits

SEK m	Note	2015	2014
Salaries and bonuses	11	7,007	5,705
Social security contributions	11	1,486	1,378
Pension costs – defined benefit plans	11, 30	66	47
Pension costs – defined contribution plans	11, 30	145	100
Total costs of employee benefits		**8,704**	**7,230**

Audit fees and other fees

SEK m	2015	2014
PwC		
– Audit assignments	11	11
– Auditing activities other than audit assignments	1	1
– Tax advice	2	2
– Other assignments	1	3
Total PwC	**15**	**18**
Other auditors		
– Audit assignments	**1**	1
Total	**16**	**19**

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 355 million (379). The nominal value of contractual future minimum leasing fees is distributed as follows:

SEK m	2015	2014
Maturity < 1 year	298	309
Maturity 1–5 years	778	709
Maturity > 5 years	639	512
Total	**1,715**	**1,529**

Operational lease agreements refer primarily to buildings and office premises. The total cost for these in 2015 amounted to SEK 292 million (302), of the total cost of SEK 355 million (379).

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 16 million (24). The statement of income has been charged with SEK 2 million (3) for interest expenses attributable to financial leases. The nominal value of contractual future minimum leasing fees is distributed as follows:

SEK m	2015	2014
Maturity < 1 year	11	45
Maturity 1–5 years	57	64
Maturity > 5 years	2	7
Total	**70**	**117**

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 14 million, of total costs of SEK 16 million. The corresponding costs for 2014 amounted to SEK 19 million. For further information on financial leasing, see Notes 19 and 28. Translation differences included in operating income are immaterial. Translation 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 table below shows amortization of acquisition-related intangible assets, acquisition-related costs and items affecting comparability classified by function. Earnings for 2015 include amortization of acquisition-related intangible assets of SEK –62 million which is included in Production expenses, and acquisition-related costs totaling SEK –79 million which is included in Production expenses of SEK –75 million and Selling and administrative expenses of SEK –4 million respectively. Earnings for 2015 also include an item affecting comparability of SEK 12 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 2015. 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.

SEK m	2015	2014
Revenue, continuing operations	15,391	12,345
Revenue, acquisitions	706	1,166
Total revenue	**16,097**	**13,510**
Production expenses	–12,288	–10,345
Gross income	**3,809**	**3,165**
Selling and administrative expenses	–2,235	–1,859
Operating income (EBIT)	**1,575**	**1,306**
Financial income	8	12
Financial expenses	–122	–79
Income before taxes	**1,461**	**1,240**
Income tax	–392	–330
Net income for the year	**1,069**	**910**

NOTE 11 Personnel

Average number of full-time equivalent employees by gender

	Women		Men		Total	
Number	2015	2014	2015	2014	2015	2014
Europe	3,844	3,799	8,830	8,421	12,674	12,220
USA	2,508	2,149	5,993	5,819	8,501	7,968
International Services	133	119	357	232	490	351
Total	**6,485**	**6,067**	**15,180**	**14,472**	**21,665**	**20,539**

In 2015, the total number of board members and Presidents was 46 (42), of which 4 (4) were women.

Personnel costs: Board of Directors and Presidents

	Salaries		Social security contributions		(of which pensions)		(of which bonuses)	
SEK m	2015	2014	2015	2014	2015	2014	2015	2014
Europe	67	63	10	11	(3)	(4)	(17)	(18)
USA	18	14	0	0	(3)	(2)	(8)	(6)
International Services	10	5	2	1	(1)	(1)	(2)	(3)
Total	**95**	**82**	**12**	**12**	**(7)**	**(7)**	**(27)**	**(27)**

Also see Note 41 regarding the Parent Company.

Personnel costs: Other employees

	Salaries		Social security contributions		(of which pensions)	
SEK m	2015	2014	2015	2014	2015	2014
Europe	3,647	3,183	1,080	1,030	(114)	(100)
USA	2,988	2,242	545	447	(38)	(27)
International Services	277	198	60	36	(52)	(13)
Total	**6,912**	**5,623**	**1,685**	**1,513**	**(204)**	**(140)**

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

	Salaries		Social security contributions		(of which pensions)	
SEK m	2015	2014	2015	2014	2015	2014
Europa	3,714	3,246	1,090	1,041	(117)	(104)
USA	3,006	2,256	545	447	(41)	(29)
International Services	287	203	62	37	(53)	(14)
Summa	**7,007**	**5,705**	**1,697**	**1,525**	**(211)**	**(147)**

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

Remuneration for the President, Board of Directors and Group Management

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

Principles of remuneration for the Board of Directors

Remuneration for Loomis' current Board of Directors was adopted at the Annual General Meeting on May 6, 2015. The board members were appointed for the period until the 2016 Annual General Meeting. The fees outlined on page 71 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 71. The President does not receive a board fee.

Principles of remuneration adopted at the Annual General Meeting for the President/CEO and other members of Group Management

The principles of remuneration described below for Group Management were adopted at the Annual General Meeting on May 6, 2015. The guidelines apply to all agreements entered into after their adoption by the AGM and to any changes in existing agreements after this date. The Board has the right to deviate from the guidelines if there are particular grounds for such deviation in the individual case.

Remuneration for the President/CEO and other members of Group Management consists of a fixed salary, variable remuneration, pension and insurance benefits and a company car. Variable remuneration is based on performance in relation to targets within the individual area of responsibility, determined individually for each executive. Variable remuneration for the President/CEO within the framework of the Company's Annual Incentive Plan (AIP) is maximized at 60 percent of fixed salary. For other members of Group Managements is maximized at 80 percent of fixed salary. Variable remuneration within the framework of the Company's Long-Term Incentive Plan (LTIP) is maximized at 40 percent of fixed annual salary for the President and 50 percent of fixed annual salary for other members of Group Management.

Group Management are entitled to receive a pension from age of 65. Where the executives are not covered by pension benefits according to a collective agreement (ITP-plan), pension is in the form of a defined contribution plan equivalent to maximum 30 percent of fixed annual salary. For members of Group Management who are not covered by a collective agreement (ITP- plan), variable remuneration is not pensionable. Members of Group Management who reside outside Sweden may be offered pension solutions that are competitive in the country where the individuals reside.

If notice of termination is given by the Company the notice period for members of Group Management is a maximum of 12 months with the right to severance pay after the end of the notice period equivalent to a maximum of 100 percent of fixed salary for a period not exceeding 12 months. If the executive resigns, the notice period is a maximum of 6 months.

Other benefits, such as company car, supplementary health insurance or occupational health service are to be provided to the extent this is considered customary for members of Group Management holding equivalent positions on the employment market where the member of Group Management is active. The total value of such other benefits is only to constitue a small portion of the total remuneration received.

Remuneration and employment terms for the President and CEO

Remuneration for the President and CEO is outlined in the table on page 71. Jarl Dahlfors left his position as President and CEO on August 31, 2015. Lars Blecko, also the Regional President for USA and Executive Vice President for Loomis AB, took up the position as Acting CEO as of September 1, 2015 and Anders Haker, also CFO, took up the position as Acting President for Loomis AB.

Jarl Dahlfors was entitled to a choice of defined contribution pension solutions equivalent to 30 percent of fixed salary. Loomis has no other commitments to Jarl Dahlfors with respect to pension or sick pay. Jarl Dahlfors was entitled to a 12-month period of notice if notice of termination was given by the Company and severance pay equivalent to 12 monthly salaries, unless termination was due to a gross breach of contract. Upon notice of resignation by Jarl Dahlfors, a six-month period of notice applied. Jarl Dahlfors was bound by a non-competition clause at the time of termination. During his tenure as Acting CEO, Lars Blecko is receiving a salary supplement of USD 16,000 per month and variable remuneration maximized at 60 percent of the salary supplement. Anders Haker is not receiving any additional remuneration as Acting President.

Other information on other members of Group Management

The Regional President USA, who is also at this time Loomis' Acting CEO, has a separate long-term agreement (LTIP) under which variable remuneration is based on accumulated operating income (EBITA) in the USA for the 2014/2016 financial years. With maximum outcome, the variable remuneration, AIP and LTIP, would be 123 percent of fixed salary during 2014/2016. The President of Loomis International has a separate long-term agreement under which variable remuneration will be based on the segment's operating income (EBITA) in the 2017 financial year. With the maximum outcome, the variable remuneration, AIP and LTIP, would be 210 percent of fixed salary for 2017. The President of Loomis International has no LTIP for the years 2015 and 2016.

Six of the Swedish members of 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 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. While Swede and Group Management member Lars Blecko is posted in the USA, a pension provision is made in line with the US subsidiary's pension plans and a salary supplement is recognized as a pension cost. One member of Group Management is entitled to a pension provision according to the local subsidiary's pension plan for salaried employees, and one member of Group Management has no pension plan entitlement.

The period of notice for other members of 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 Group Management are entitled to receive severance pay if notice is given by the Company equivalent to between 12 and (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.

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, in lieu of 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.

Incentive Scheme

On May 6, 2015, Loomis' Annual General Meeting resolved to introduce an incentive scheme (Incentive Scheme 2015), equivalent to the scheme adopted by the 2014 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, 2017. The allotment of shares is contingent upon the employee still being employed by the Loomis Group on the last day of February, 2017. To enable the allotment of shares in Loomis AB, the 2015 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 in respect of Incentive Scheme 2015. 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 350 of Loomis' employees. In 2015 the cost of the share-related portion of the incentive scheme – the portion for which shares will be acquired – amounted to SEK 25 million. See also Note 27. 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 40–43.

Remuneration for 2015:

SEK thousand	Fixed salary/Remuneration for Board of Directors	Variable remuneration [1]	Other benefits	Pension costs	Other remuneration	Total
Alf Göransson, Chairman [2]	683	–	–	–	–	683
Ulrik Svensson, board member [2]	492	–	–	–	–	492
Cecilia Daun Wennborg, board member [2]	392	–	–	–	–	392
Jan Svensson, board member [2]	342	–	–	–	–	342
Ingrid Bonde, board member [2]	292	–	–	–	–	292
Jarl Dahlfors, President [2] [3] [6]	4,496	1,498	109	1,320	–	7,423
Anders Haker [2] [4] [6]	1,059	377	32	289	–	1,758
Lars Blecko, Executive Vice President [2] [6]	6,447	8,112	1,326	2,537	–	18,422
Other members of Group Management, 8 in total [2] [5]	21,108	8,454	3,106	3,618	–	36,286
Total	**35,311**	**18,442**	**4,573**	**7,764**	**–**	**66,090**

1) Refers to variable remuneration and long-term bonus programs. In 2016 a total of SEK 11,451,000 is to be paid. The remaining amount will be paid in future years.
2) For holdings of shares in Loomis, refer to pages 40/43. For the Incentive Scheme 2014, Lars Blecko will receive 5,890 shares, Anders Haker 1,416 shares, Martti Ojanen 895 shares, Johannes Bäckman 455 shares, Kenneth Högman 368 shares, Patrik Högberg 812 shares and Georges López Periago 3,242 shares in 2016. Other members of Group Management will not receive any shares related to Incentive Scheme 2014.
3) For the period January 1 to August 31.
4) For the period September 1 to December 31.
5) Refers to Kenneth Högman, Anders Haker (for the period January 1 to August 31), Martti Ojanen, Mårten Lundberg, Johannes Bäckman, Patrik Högberg, Georges López Periago and Urs Röösli.
6) On August 31, 2015, Jarl Dahlfors, President and CEO, left his position at Loomis. Lars Blecko became Acting CEO and Anders Haker became Acting President of the Parent Company Loomis AB on September 1, 2015 and will remain in these positions until the new president and CEO takes over. During his tenure as Acting CEO, Lars Blecko is receiving a salary supplement of USD 16,000 per month and variable remuneration maximized at 60 percent of the salary supplement. Anders Haker is not receiving any additional remuneration as Acting President.

Remuneration for 2014:

SEK thousand	Fixed salary/ Remuneration for Board of Directors	Variable remuneration [1]	Other benefits	Pension costs	Other remuneration	Total
Alf Göransson, Chairman [2]	625	–	–	–	–	625
Ulrik Svensson, board member [2]	450	–	–	–	–	450
Jan Svensson, board member [2]	308	–	–	–	–	308
Cecilia Daun Wennborg, board member [2]	358	–	–	–	–	358
Ingrid Bonde, board member [2]	267	–	–	–	–	267
Jarl Dahlfors, President [2]	6,336	6,180	150	1,854	–	14,520
Lars Blecko, Executive Vice President [2]	4,713	6,081	997	2,024	–	13,815
Other members of Group Management, 8 in total [2] [3]	16,668	7,725	3,052	3,031	–	30,476
Total	**29,725**	**19,986**	**4,199**	**6,909**	**–**	**60,819**

1) Refers to variable remuneration and long-term bonus programs. In 2015 a total of SEK 11,701,000 is to be paid. The remaining amount will be paid in future years.

2) For holdings of shares in Loomis, refer to pages 40/43. 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 August 1 to December 31).

NOTE 12 Depreciation, amortization and impairment

SEK m	2015	2014
Acquisition-related intangible assets	62	46
Other intangible assets	35	31
Buildings	28	19
Machinery and equipment	999	825
(of which for machinery and equipment attributable to financial leasing)	(20)	(24)
Total depreciation, amortization and impairment	**1,123**	**921**

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

SEK m	2015	2014
Production expenses	946	767
Selling and administrative expenses	116	108
Acquisition-related intangible assets	62	46
Total depreciation, amortization and impairment	**1,123**	**921**

Impairment testing on Goodwill is reported in Note 15.

NOTE 13 Financial income and expenses, net

SEK m	2015	2014
Interest income	8	8
Translation differences, net [1]	–	4
Other financial income	–	–
Financial income	**8**	**12**
Interest expenses	–102	–64
(of which interest expenses for financial leasing)	(–2)	(–2)
Translation differences, net [1]	–4	–
Bank charges	–14	–14
Other financial expenses	–2	–1
Financial expenses	**–122**	**–79**
Financial income and expenses, net	**–114**	**–66**

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

NOTE 14 Income tax

Statement of income

Tax expense

SEK m	2015	%	2014	%
Tax on income before taxes				
– current taxes	–385	*–26.4*	–287	*–23.1*
– deferred taxes	–7	*–0.5*	–43	*–3.5*
Total tax expense	**–392**	***–26.8***	**–330**	***–26.6***

Total tax rate on income before taxes amounted to –26.8 percent (–26.6). Further details regarding tax expense are shown in the table below.

SEK m	2015	%	2014	%
Tax based on Swedish tax rate	–321	*–22.0*	–273	*–22.0*
Difference between tax rate in Sweden and weighted tax rates for foreign subsidiaries	–26	*–1.8*	–28	*–2.3*
Non-deductible expenses/ non-taxable income, net	–45	*–3.1*	–28	*–2.3*
Total tax expense	**–392**	***–26.8***	**–330**	***–26.6***

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

In 2015, there has, except for in Spain and 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 Spain was lowered by 2.0 percentage point and is 28 percent as from January 1, 2015. The corporate income tax rate in the UK was lowered by 1.0 percentage points and is 20 percent as from April 1, 2015.

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

%	2015	2014
USA [1]	*40*	*40*
Spain	*28*	*30*
France	*33*	*33*
Sweden	*22*	*22*
UK	*20*	*21*
Switzerland [2]	*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, 2015	Dec. 31, 2014
Machinery and equipment	101	99
Pension provisions and employee-related liabilities	285	276
Liability insurance related claims reserves	42	44
Provisions for restructuring	20	21
Loss carryforwards	29	35
Other temporary differences	224	110
Total deferred tax assets	**701**	**584**
Netting	–220	–78
Deferred tax assets, net	**481**	**506**

Deferred tax liabilities, SEK m	Dec. 31, 2015	Dec. 31, 2014
Machinery and equipment	331	281
Pension provisions and employee-related liabilities	4	4
Liability insurance related claims reserves	5	–
Intangible fixed assets	190	172
Other temporary differences	192	156
Total deferred income tax liabilities	**722**	**612**
Netting	–220	–78
Deferred tax liabilities, net	**502**	**534**
Deferred tax assets/tax liabilities, net	**–21**	**–28**

Change analysis

SEK m	Machinery and equipment	Pension provisions and personnel-related liabilities	Liability insurance-related claims reserves	Provision for restructuring	Intangible fixed assets	Loss carry forwards	Other temporary differences	**Total deferred tax**	Total deferred tax
Deferred tax assets								2015	2014
Opening balance	**99**	**276**	**44**	**21**	**–**	**35**	**110**	**584**	**339**
Change reported in statement of income	2	9	–5	–4	–	–15	87	75	**17**
Change due to new-tax rates	0	0	–	–	–	–	0	1	**–7**
Change due to reclassification	–	–	–	–2	–	9	2	9	**–18**
Change due to foreign currency effects	2	10	4	4	–	–1	0	19	**41**
Change reported in shareholders' equity	–1	–11	–	0	–	–	26	13	**181**
Change due to acquisitions	–	–	–	–	–	–	–	–	**31**
Closing balance	**101**	**285**	**42**	**20**	**–**	**29**	**224**	**701**	**584**
Change during the year	**3**	**10**	**–1**	**–2**	**–**	**–6**	**114**	**117**	**245**
Deferred tax liabilities									
Opening balance	**281**	**4**	**–**	**–**	**172**	**–**	**156**	**612**	**429**
Change reported in statement of income	30	–1	5	–	14	–	35	83	**52**
Change due to new tax rates	0	0	–	–	0	–	0	0	**–2**
Change due to reclassification	–	–	–	–	–	–	13	13	**–18**
Change due to foreign currency effects	21	0	–	–	13	–	2	36	**56**
Change reported in shareholders' equity	0	0	–	–	–9	–	–13	–23	**0**
Change due to acquisitions	–	–	–	–	–	–	–	–	**96**
Closing balance	**331**	**4**	**5**	**–**	**190**	**–**	**192**	**722**	**612**
Change during the year	**51**	**0**	**5**	**–**	**18**	**–**	**36**	**110**	**183**

Of deferred tax assets of SEK 701 million, a total of SEK 134 million is expected to be realized within 12 months. Of deferred tax liabilities of SEK 722 million, a total of SEK 19 million is expected to be realized within 12 months.

Current tax assets/tax liabilities	Dec. 31, 2015	Dec. 31, 2014
Current tax assets	253	265
Current tax liabilities	–141	–117
Current tax assets/tax liabilities, net	**113**	**149**

Loss carryforwards

Loomis' subsidiaries in primarily Austria, Denmark, Turkey and USA, as of December 31, 2015, tax loss carryforwards amounting to SEK 196 million, whereof SEK 40 million have time limits. The total tax loss carryforwards as of December 31, 2014, was SEK 286 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, 2015, tax loss carryforwards, for which deferred tax assets have been recognized, amounted to SEK 113 million and deferred tax assets related to those tax losses amounted to SEK 29 million.

NOTE 15 Acquisition and divestment of subsidiaries and impairment testing

Acquisitions undertaken in 2015:

	Consolidated as of	Segment	Acquired share[1)] %	Annual revenue[2)] SEK m	Number of employees	Purchase price[3)] SEK m	Goodwill SEK m	Acquisition-related intangible assets	Other acquired net assets SEK m
Opening balance, January 1, 2015							**4,897**	**363**	
Other acquisitions[4)]	March 3/19	Europe	n/a	28	202	4	1[5)]	1	2
Acquisitions in the UK[4,6)]	July 1	Europe	n/a	176	300	237	143[5)]	52	42
Dunbar Global Logistics[4)]	November 1	USA	n/a	75	100	33	19[8)]	14	0
Total acquisitions January – December 2015							**163**	**67**	**44**
Amortization of acquisition-related intangible assets							–	–62	
Reclassification							4[7)]	–	
Translation differences							373	–19	
Closing balance December 31, 2015							**5,437**	**349**	

1) Refers to share of votes. In acquisitions of assets and liabilities, no share of votes is indicated.
2) Estimated annual revenue translated to SEK million at the acquisition date.
3) The purchase price was translated into SEK million at the acquisition date.
4) The acquisition analyses are subject to final adjustment no later than one year from the acquisition dates.
5) Goodwill arising in connection with the acquisition is primarily attributable to synergy effects. Any impairment is tax deductible.
6) Refers to the acquisition of retail cash handling operations from Cardtronics in the UK.
7) Refers to final adjustment of the acquisition analysis for VIA MAT Holding AG.
8) Goodwill arising in connection with the acquisition is primarily attributable to synergy effects and geographical expansion. Any impairment is tax deductible.

Cardtronics

Loomis UK subsidiary has acquired the retail cash handling operations from Cardtronics UK. The purchase price amounted to SEK 237 million (GBP 18 million). The acquired operations were consolidated by Loomis on July 1, 2015.

Acquisition of Cardtronics, UK

Summarized balance sheet as of the acquisition date, July 1, 2015.

SEK m	Fair value acquisition balance
Operating fixed assets	45
Other liabilities	–3
Total operating capital employed	**42**
Goodwill	143
Other acquisition-related intangible assets	52
Total capital employed	**237**
Net debt	–
Total acquired net assets	**237**
Purchase price paid	237
Total purchase price	**237**
Purchase price paid	–237
Liquid funds in accordance with acquisition analysis	–
Total negative impact on the Group's liquid funds	**–237**

The acquisition provided Loomis with retail customers and Loomis took on the majority of the employees and vehicles, while Cardtronics retained some employees and vehicles to continue its ATM operations. The acquisition has contributed approximately SEK 87 million to total revenue and approximately SEK –13 million to net income for the year. If consolidated as of January 1, 2015, the acquisition would have contributed approximately SEK 173 million to total revenue and approximately SEK –10 million to net income for the year.

The total transaction costs for the acquistion amount to approximatelly SEK 2 million and are recognized on the line "Acquistion-related costs".

Dunbar

Loomis subsidiary in the US has acquired the Global Logistics operations from Dunbar Armored Inc. The purchase price amounted to SEK 33 million (USD 4 million). The acquired operations were consolidated by Loomis on November 1, 2015.

Acquisition of Dunbar Global Logistics, USA

Summarized balance sheet as of the acquisition date, Novemeber 1, 2015.

SEK m	Fair value acquisition balance
Goodwill	19
Other acquisition-related intangible assets	14
Total capital employed	**33**
Net debt	–
Total acquired net assets	**33**
Purchase price paid	33
Total purchase price	**33**
Purchase price paid	–33
Liquid funds in accordance with acquisition analysis	–
Total negative impact on the Group's liquid funds	**–33**

The acquisition of Dunbar Global Logistics enabled Loomis to expand its service offering in the USA to include nationwide transport and storage solutions for precious metals and other valuables for domestic and international customers. The acquisition has contributed approximately SEK 15 million to total revenue and approximately SEK –2 million to net income for the year. If consolidated as of January 1, 2015, the acquisition would have contributed approximately SEK 76 million to total revenue and approximately SEK 3 million to net income for the year.

The total transaction costs for the acquisition amounted to approximately SEK 0 million and are recognized on the line "Acquistion-related costs".

Other acquisitions

On March 3, 2015, Loomis' Slovak subsidiary Loomis Slovensko s.r.o. acquired the CMS-related assets and customer contracts from the Slovak company ABAS CIT Management s.r.o. On March 19, 2015 Loomis' Czech subsidiary, Loomis Czech Republic a.s., acquired cash handling assets and customer contracts from the Czech company Ceská Pošta Security, s.r.o. The purchase price for both acquistions amounted to SEK 4 million. The acquired operations were consolidated by Loomis on March 3, 2015, and March 19, 2015, respectively.

Summarized balance sheet as of the acquisition date March 3, 2015, and March 19, 2015, respecively.

SEK m	Fair value acquisition balance
Operating fixed assets	1
Other assets	1
Total operating capital employed	**2**
Goodwill	1
Other acquisiton-related intangible assets	1
Total capital employed	**4**
Net debt	–
Total acquired net assets	**4**
Purchase price paid	4
Total purchase price paid	**4**
Purchase price paid	–4
Liquid funds in accordance with acquisition analysis	–
Total negative impact on the Group's liquid funds	**–4**

In connection with the acquisition of the Slovak company ABAS CIT Management s.r.o., Loomis took over 107 employees, 50 CIT vehicles and customers in both the banking and retail sectors. This has strengthen Loomis' leading position in the Slovak market. The acquisition has contributed approximately SEK 12 million to total revenue and approximately SEK –2 million to net income for the year. If consolidated as of January 1, 2015, the acquisition would have contributed approximately SEK 15 million to total revenue and approximately SEK –2 million to net income for the year.

In connection with the acquisition from the Czech company Ceská Pošta Security, s.r.o., Loomis took over external customers in both the banking and retail sectors. The acquisition has contributed approximately SEK 3 million to total revenue and approximately SEK –4 million to net income for the year. If consolidated as of January 1, 2015, the acquisition would have contributed approximately SEK 4 million and approximately SEK –4 million to net income for the year.

Other

As of December 31, 2015, the Group as a whole had deferred considerations totaling SEK 36 million. The deferred considerations are due in 2016 and later.

On December 28, 2015 Loomis AB acquired the remaining 40 percent of the shares in the Turkish subsidiary Loomis Güvenlik Hizmetleri A.S. Loomis has had an option to take over the remaining shares since the acquisition in 2011, which Loomis now exercised. Since the transaction was executed with shareholders of non-controlling interests, SEK 37 million has been recognised in equity.

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, 2015	Dec. 31, 2014
France	*7.6 (7.8)*	341	348
UK	*7.4 (7.7)*	327	175
Portugal	*9.2 (10.7)*	1	1
Switzerland	*6.6 (7.8)*	301[1)]	150
Slovakia	*8.9 (9.9)*	2	0
Spain	*8.7 (8.9)*	399	407
Sweden	*6.4 (6.6)*	12	11
Czech Republic	*8.6 (9.2)*	15	15
Turkey	*17.8 (17.1)*	28	33
Argentina	*33.0 (25.0)*	27	37
USA	*7.8 (7.7)*	3,071	2,790
Int. Services	*8.4 (9.0)*	914	929
Total		**5,437**	**4,897**

1) The change refers to final adjustment of the acquisition analysis for VIA MAT.

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 after 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)*	*6.4–33.0*
USA	*2.0 (2.0)*	*7.8*
International Services	*2.0 (2.0)*	*8.4*

1) For all cash generating units, except the Nordic countries, Turkey and Argentina, an annual estimated growth rate of 2.0 percent is used beyond the forecast period. For the Nordic countries a rate of 0% is used and for Turkey and Argentina, as in previous years, a rate of 5 percent is used.

Impairment testing of all cash-generating units was carried out in the third quarter of 2015. 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 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. 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.

NOTE 16 Goodwill

SEK m	Dec. 31, 2015	Dec. 31, 2014
Opening balance	4,897	3,346
Acquisitions	163	1,028
Reclassifications	4	–
Translation differences	373	523
Closing accumulated balance	**5,437**	**4,897**
Opening impairment losses	–	–
Impairment losses for the year	–	–
Closing accumulated impairment losses	**–**	**–**
Closing residual value	**5,437**	**4,897**
Goodwill distributed by operating segment:		
USA	3,071	2,790
Europe	1,531	1,265
International Services	914	929
Other	–78	–87
Total	**5,437**	**4,897**

NOTE 17 Acquisition-related intangible assets

SEK m	Dec. 31, 2015	Dec. 31, 2014
Opening balance	611	301
Acquisitions	67	261
Translation differences	–6	49
Closing accumulated balance	**672**	**611**
Opening amortization	–248	–175
Amortization for the year	–62	–46
Translation differences	–13	–27
Closing accumulated amortization	**–323**	**–248**
Closing residual value	**349**	**363**

Acquisition-related intangible assets primarily consist of contract portfolios.

NOTE 18 Other intangible assets

Dec. 31, 2015	Licenses	Tenancy rights	Other intangible assets	Total
SEK m				
Opening balance	309	0	1	**311**
Acquisitions	–	–	–	**–**
Capital expenditures	23	–	–	**23**
Disposals/write-offs	–10	–	–	**–10**
Reclassifications	1	–	–	**1**
Translation differences	0	0	–	**0**
Closing accumulated balance	**323**	**1**	**1**	**325**
Opening amortization	–183	0	–1	**–184**
Disposals/write-offs	9	–	–	**9**
Amortization for the year	–35	–	–	**–35**
Translation differences	4	0	–	**4**
Closing accumulated amortization	**–205**	**0**	**–1**	**206**
Closing residual value	**118**	**0**	**0**	**118**

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**
Translation 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**
Translation differences	–10	0	0	**–10**
Closing accumulated amortization	**–183**	**0**	**–1**	**–184**
Closing residual value	**127**	**0**	**0**	**127**

NOTE 19 Tangible fixed assets

	Buildings and land	
SEK m	Dec. 31, 2015	Dec. 31, 2014
Opening balance	786	448
Acquisitions	–	249
Capital expenditure	53	59
Disposals/write-offs	–11	–35
Reclassifications	–4	–2
Translation differences	30	67
Closing accumulated balance	**855**	**786**
Opening depreciation	–233	–187
Disposals/write-offs	5	–
Reclassifications	–3	–
Depreciation for the year	–28	–19
Translation differences	–6	–26
Closing accumulated depreciation	**–266**	**–233**
Closing residual value	**589**	**553**

	Machinery and equipment	
SEK m	Dec. 31, 2015	Dec. 31, 2014
Opening balance	10,293	8,395
Acquisitions	46	83
Capital expenditure	1,323	1,000
Disposals/write-offs	–183	–205
Reclassifications	6	–1
Translation differences	384	1,020
Closing accumulated balance	**11,868**	**10,293**
Opening depreciation	–7,033	–5,684
Disposals/write-offs	126	177
Reclassifications	–4	0
Depreciation for the year	–999	–825
Translation differences	–243	–701
Closing accumulated depreciation	**–8,152**	**–7,033**
Closing residual value	**3,716**	**3,260**

The closing residual value of land included in Buildings and land above amounted to SEK 111 million (105).

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, 2015	Dec. 31, 2014
Opening balance	47	45
Translation differences	–1	2
Closing accumulated balance	**46**	**47**
Opening depreciation	–25	–22
Depreciation for the year	–2	–2
Translation differences	1	–1
Closing accumulated depreciation	**–27**	**–25**
Closing residual value	**19**	**22**

Financial lease agreements	Machinery and equipment	
SEK m	Dec. 31, 2015	Dec. 31, 2014
Opening balance	286	273
Acquisitions	–	1
Capital expenditure	21	3
Disposals/write-offs	–83	–3
Translation differences	–1	12
Closing accumulated balance	**222**	**286**
Opening depreciation	–146	–127
Acquisitions	–	–
Disposals/write-offs	48	15
Depreciation for the year	–28	–29
Translation differences	0	–5
Closing accumulated depreciation	**–126**	**–146**
Closing residual value	**96**	**140**

NOTE 20 Interest-bearing financial fixed assets

SEK m	Dec. 31, 2015	Dec. 31, 2014
Long-term external investments	60	48
Defined benefit plans[1]	18	19
Total interest-bearing financial fixed assets	**78**	**67**

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 (38). The amount also consists of pension commitments for which bonds have been provided as security in a total of SEK 7 million (5). For additional information regarding financial instruments, refer to Note 6.

SEK m	Dec. 31, 2015	Dec. 31, 2014
Opening balance	67	61
New investments/disposals	9	6
Translation differences	2	0
Closing balance	**78**	**67**

NOTE 21 Other long-term receivables

SEK m	Dec. 31, 2015	Dec. 31, 2014
Long-term rent deposits	19	21
Other long-term receivables	73	75
Total other long-term receivables	**92**	**95**

SEK m	Dec. 31, 2015	Dec. 31, 2014
Opening balance	95	125
Other changes	–2	–37
Translation differences	–2	7
Closing balance	**92**	**95**

NOTE 22 Accounts receivable

SEK m	Dec. 31, 2015	Dec. 31, 2014
Accounts receivable before deduction of provisions for bad debt losses	1,917	1,661
Provision for bad debt losses, net	–40	–36
Total accounts receivable	**1,878**	**1,624**

Bad debt losses for the year amounted to SEK 7 million (7), net.

Ageing analysis for overdue accounts receivable

SEK m	Dec. 31, 2015	Dec. 31, 2014
Maturity date <30 days	356	301
Maturity date 30–90 days	113	81
Maturity date >90 days	72	55
Total overdue accounts receivable	**541**	**436**

NOTE 23 Other current receivables

SEK m	Dec. 31, 2015	Dec. 31, 2014
Funds within cash processing operations (net)[1)]	92	97
Other current receivables	81	84
Total other current receivables	**172**	**181**

1) Excluding consignment stocks of money.

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 are recognized as production expenses.

Funds within cash processing operations

SEK m	Dec. 31, 2015	Dec. 31, 2014
Stocks of money	1,197	1,001
Prepayments from customers and receivables on customers	504	445
Liabilities related to prepayments from customers and liabilities to customers	–882	–640
Overdraft facility related to cash processing operations	–727	–709
Funds within cash processing operations (net)	**92**	**97**

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, 2015	Dec. 31, 2014
Prepaid expenses for insurance and risk management	63	39
Prepaid rent	40	33
Prepaid leasing fees	0	1
Prepaid suppliers' invoices	5	3
Other prepaid expenses	348	332
Other accrued income	55	88
Total prepaid expenses and accrued income	**512**	**497**

NOTE 25 Interest-bearing financial current assets

SEK m	Dec. 31, 2015	Dec. 31, 2014
External investments	84	25
Total interest-bearing financial current assets	**84**	**25**

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, 2015	Dec. 31, 2014
Cash and bank balances	654	566
Short-term bank investments	–	–
Total liquid funds[1)]	**654**	**566**

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, 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
Translation 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[3]	–	–	18	–	18
Share swap agreement[4]	–	–	–14	–	–14
Total transactions with shareholders	**–**	**–**	**4**	**–376**	**–372**
Opening balance, January 1, 2015	**376**	**4,594**	**604**	**–666**	**4,907**
Comprehensive income					
Net income for the year	–	–	–	1,069	1,069
Other comprehensive income					
Actuarial gains and losses	–	–	–	58	58
Tax effect on actuarial gains and losses	–	–	–	–12	–12
Translation differences	–	–	507	–	507
Hedging of net investments, net of tax	–	–	–198	–	–198
Total other comprehensive income	**–**	**–**	**309**	**46**	**355**
Total comprehensive income	**–**	**–**	**309**	**1,115**	**1,424**
Transactions with shareholders					
Dividend	–	–	–	–451	–451
Share-related remuneration[5]	–	–	16	–	16
Share swap agreement[6]	–	–	–15	–	–15
Revaluation of option liability with non-controlling interests[7]	–	–	–37	–	–37
Total transactions with shareholders	**–**	**–**	**–37**	**–451**	**–488**
Closing balance, December 31, 2015	**376**	**4,594**	**876**	**–2**	**5,843**

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 translation differences, hedging of net investments net of tax, share-related remuneration, revaluation of contingent consieration and share swap agreement.

3) 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.

4) 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 sharerelated 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 by the end of February, 2015.

5) Refers to the expensed portion of Loomis share-related incentive schemes in the statement of income, as described in Note 11, of SEK 25 million. During the year 48,107 shares were allotted to the employees under the share-related Incentive Scheme 2013.

6) In accordance with a resolution at the 2014 Annual General Meeting, a swap agreement was entered into for the purpose of hedging the share component in the Group's sharerelated Incentive Scheme 2014. A total of 91,650 shares have been hedged under this swap agreement and they will be allotted to the employees during the period March - June 2016 provided that the criteria under the scheme have been met, including still being employeed by the end of February, 2016.

7) Refers to Loomis Turkey.

The number of shares issued as of December 31, 2015 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.

NOTE 28 Loans payable and financial leases

SEK m	Dec. 31, 2015	Dec. 31, 2014
Long-term loans payable		
Liabilities, financial leases	65	109
Bank loans	2,190	2,083
MTN program	1,550	1,000
Commercial papers	649	198
Subtotal long-term loans payable	**4,454**	**3,390**
Deferred consideration	34	15
Total long-term loans payable	**4,489**	**3,404**
Current loans payable		
Liabilities, financial leases	5	7
Bond loans	–	610
Bank loans	7	35
Subtotal current loans payable	**12**	**652**
Deferred consideration	2	0
Derivatives	59	86
Total current loans payable	**73**	**738**
Total loans payable	**4,562**	**4,142**

Liabilities, financial leases – minimum lease payments	Dec. 31, 2015	Dec. 31, 2014
Maturity < 1 year	5	7
Maturity 1–5 years	71	117
Maturity >5 years	–	–
Total	**76**	**124**
Future financial expenses for financial leases	–7	–7
Total present value of liabilities for financial leases	**69**	**117**

Present value of liabilities for financial leases	Dec. 31, 2015	Dec. 31, 2014
Maturity < 1 year	11	45
Maturity 1–5 years	56	64
Maturity >5 years	–	–
Total present value of liabilities for financial leases	**67**	**109**

NOTE 29 Provisions for claims reserves

SEK m	Dec. 31, 2015	Dec. 31, 2014
Long-term provisions for claims reserves	198	185
Short-term provision for claims reserves	148	144
Total provisions for claims reserves	**347**	**329**

SEK m	Dec. 31, 2015	Dec. 31, 2014
Opening balance	329	306
New provisions	177	147
Utilized amount and unutilized provisions	–184	–166
Translation difference	25	42
Closing balance	**347**	**329**

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 2015 the cost for defined contribution plans amounted to SEK 145 million (100).

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, 2015				
SEK m	France	Switzer-land	UK	Other countries	Total
Funded plans					
Present value of funded defined benefit obligations	–	1,047	1,663	91	2,800
Fair value of plan assets	–	–753	–1,650	–61	–2,464
Funded plans, net	**–**	**294**	**12**	**30**	**336**
Unfunded plans					
Present value of unfunded benefit obligations	307	–	–	18	325
Total funded and unfunded benefit obligations	**307**	**294**	**12**	**48**	**661**

	Dec. 31, 2014				
SEK m	France	Switzer-land	UK	Other countries	Total
Funded plans					
Present value of funded defined benefit obligations	–	975	1,689	88	2,752
Fair value of plan assets	–	–725	–1,588	–57	–2,371
Funded plans, net	**–**	**250**	**101**	**30**	**381**
Unfunded plans					
Present value of unfunded benefit obligations	317	–	–	19	336
Total funded and unfunded benefit obligations	**317**	**250**	**101**	**50**	**717**

Note 30 cont.

Below is a description of the most material defined benefit pension plans:

UK

The Loomis UK Pension scheme represents approximately 53 percent (55) of the Group's total commitments in respect of Defined benefit obligations as of December 31, 2015. 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 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 33 percent (32) of the Group's total commitments as of December 31, 2015. 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 9 percent (10) of the Group's total commitments in respect of Defined benefit obligations as of December 31, 2015 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 (3) of the Group's total commitments in respect of Defined benefit obligations as of December 31, 2015. There are also unfunded defined benefit plans in Austria that represent approximately 1 percent (1) of the Group's total commitments as of December 31, 2015.

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 2015 amounts to SEK 14 million (14). The cost for 2016 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 2015, Alecta's surplus in the form of the collective consolidation level amounted to 153 percent (143). 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, 2015 the present value of the defined benefit obligation was comprised as follows:

	Dec.31, 2015			
	France	Switzer-land	UK	Other countries
Liability Active members *(% of total obligation)*	*100*	*74*	*–*	*91*
Liability Deferred members *(% of total obligation)*	*–*	*6*	*54*	*–*
Liability Pensioner members *(% of total obligation)*	*–*	*20*	*46*	*9*
Total	***100***	***100***	***100***	***100***
Pension plan duration (years)	12	18	19	22

Financial disclosures

The amounts recognised in the balance sheet are as follows:

Provisions for pensions and similar commitments, net

SEK m	Dec.31, 2015	Dec.31, 2014
Plans included in Interest-bearing financial fixed assets	–18	–19
Plans included in Provisions for pensions and similar commitments	679	736
Total provisions for pensions and similar commitments, net	**661**	**717**

The table below shows the total cost for defined benefit plans in 2014 and 2015.

Pension costs

SEK m	2015	2014
Current service costs	60	38
Administration costs (excluding investment related expenses for funded plans)	7	6
Net interest cost/gain (–)	12	10
Recognized actuarial gains (–)/ losses	–	3
Past service costs/credits (–)	–	–
Total pension costs	**78**	**57**

Note 30 *cont.*

The movement in the net defined benefit obligation during 2013–2015 is as follows:

Change in provisions for pensions and similar commitments, net

	Obliga-tions	Plan assets	Net	Obliga-tions	Plan assets	Net	Obliga-tions	Plan assets	Net
SEK m		2015			2014			2013	
Opening balance	**3,087**	**–2,371**	**717**	**1,658**	**–1,383**	**275**	**1,554**	**–1,239**	**315**
Current service costs	60		60	38	–	38	24	–	24
Administration costs (excluding investment related expenses for funded plans)	7	–	7	6	–	6	6	30	6
Net interest cost/gain (–)	81	–70	12	86	–77	10	66	–56	9
Recognized actuarial gains (–)/losses	–	–	–	3	–	3	–	–	–
Past service costs/credits (–)	–	–	–	–	–	–	–39	–	–39
Total pension costs	**148**	**–**	**78**	**134**	**–77**	**57**	**56**	**–56**	**0**
Actuarial gains (–) and losses due to experience	–38	–	–38	47	–	47	10	–	10
Actuarial gains (–) and losses from changes in financial assumptions	–30	–	–30	330	–	330	88	–	88
Actuarial gains (–) and losses from changes in demographic assumptions	–40	–	–40	10	–	10	4	–	4
Changes in the asset ceiling, excluding amounts included in interest expense/interest income	–	5	5	–	4	4	–	–	–
Return on plan assets, excluding amounts included in Net interest cost / gain (–)	–	44	44	–	–27	–27	–	–91	–91
Total actuarial gains (–) and losses before tax	**–107**	**49**	**–58**	**387**	**–23**	**364**	**101**	**–91**	**11**
Employer contributions	–	–92	–92	–	–68	–68	–	–50	–50
Employee contributions	25	–25	–	16	–16	–	4	–4	–
Benefits paid to participants	–161	161	–	–95	95	–	–63	63	–
Administration costs paid over the year	–7	7	–	–6	–	–6	–6	–	–6
Reclassifications	–	–	–	–	–	–	–6	5	–1
Acquisitions	–	–	–	775	–697	78	–	–	–
Translation differences	140	–123	17	218	–201	17	16	–11	6
Closing balance	**3,125**	**–2,464**	**661**	**3,087**	**–2,371**	**717**	**1,658**	**–1,383**	**275**

The contribution for 2016 is expected to be approximately SEK –97 million.

Assumptions and sensitives

The significant actuarial assumptions used as of balance sheet day were as follows:

Main actuarial assumptions as per December 31, 2015 (%)	UK	Switzer-land	France	Other
Discount rate	*3.90*	*0.40–0.80*	*2.00*	*1.90–2.10*
Salary increases	*n/a*	*1.00–2.00*	*2.30*	*2.50–3.00*
Inflation	*2.20–3.20*	*1.00*	*2.00*	*n/a*
Pension increases	*3.10*	*0.00*	*n/a*	*0.00–1.50*

Main actuarial assumptions as per December 31, 2014 (%)	UK	Switzer-land	France	Other
Discount rate	*3.70*	*0.60–1.05*	*1.60*	*1.60–2.00*
Salary increases	*n/a*	*1.00–2.00*	*2.30*	*2.75–3.00*
Inflation	*2.10–3.10*	*1.00*	*2.00*	*n/a*
Pension increases	*3.00*	*0.00*	*n/a*	*0.00–1.75*

These assumptions are used in the valuation of the obligations of the defined benefit plans at the end of 2015 and 2014 and to determine the pension costs for 2016 and 2015. 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 tables

	2015	2014
France	INSEE 2011–2013	INSEE 2010–2012
Switzerland	LPP 2010	LPP 2010
UK	Club Vita 2014, CMI Core 2015 projections, 1.0% long term improvement 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, 2015
Life expectancy at 65 for a pensioner currently aged 65:	
Men	20.9
Women	23.4
Life expectancy at 65 for a pensioner currently aged 45:	
Men	22.4
Women	25.6

Switzerland	Dec. 31, 2015
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, 2015
0.1% increase in discount rate	–52
0.1% decrease in discount rate	53
0.1% increase in inflation rate	26
0.1% decrease in inflation rate	–26
1 year increase in life expectancy	52

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, 2015					Dec. 31, 2014				
	Quoted	Unquoted	Info. not available	Total	%	Quoted	Unquoted	Info. not available	Total	%
Equities										
UK	33	–	–	33	*1.3*	26	–	–	26	*1.1*
Other European countries	89	3	–	92	*3.8*	116	3	–	119	*5.0*
North America	177	–	–	177	*7.2*	277	–	–	277	*11.7*
Asia	79	–	–	79	*3.2*	60	–	–	60	*2.5*
Emerging markets	–	–	–	–	–	75	–	–	75	*3.2*
Total equities	**379**	**3**	**–**	**382**	***15.5***	**554**	**3**	**–**	**557**	***23.5***
Fixed index government bonds										
UK	164	–	–	164	*6.7*	342	–	–	342	*14.4*
Other European countries	120	–	–	120	*4.9*	14	–	–	14	*0.6*
North America	161	–	–	161	*6.5*	–	–	–	–	–
Other	139	–	–	139	*5.6*	–	–	–	–	–
Total fixed index government bonds	**584**	**–**	**–**	**584**	***23.7***	**356**	**–**	**–**	**356**	***15.0***
Corporate bonds										
UK	330	–	–	330	*13.4*	451	–	–	451	*19.0*
Other European countries	33	–	–	33	*1.3*	29	–	–	29	*1.2*
Total corporate bonds	**363**	**–**	**–**	**363**	***14.7***	**480**	**–**	**–**	**480**	***20.2***
Fastigheter										
Övriga europeiska länder	–	7	–	7	*0.3*	–	7	–	7	*0.3*
Fastigheter, totalt	**–**	**7**	**–**	**7**	***0.3***	**–**	**7**	**–**	**7**	***0.3***
Cash	**–**	**17**	**–**	**17**	***0.7***	**–**	**7**	**–**	**7**	***0.3***
Other[1)]	**359**	**–**	**–**	**359**	***14.6***	**238**	**–**	**–**	**238**	***10.0***
Other[2)]	**–**	**–**	**753[3)]**	**753**	***30.5***	**–**	**–**	**725[3)]**	**725**	***30.6***
Total plan assets	**1,685**	**27**	**753**	**2,465**	***100.0***	**1,628**	**17**	**725**	**2,371**	***100.0***

1) This item consists mainly of investments in 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.

Risker

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, 2015	Dec. 31, 2014
Other long-term provisions	106	133
Other short-term provisions	14	19
Total other provisions	**120**	**152**

SEK m	Dec. 31, 2015	Dec. 31, 2014
Other long-term provisions		
Opening balance	133	92
New provisions	30	52
Provisions utilized	–60	–17
Translation differences	3	6
Closing balance	**106**	**133**
Other short-term provisions		
Opening balance	19	42
New provisions	9	0
Provisions utilized	–14	–26
Translation differences	0	3
Closing balance	**14**	**19**
Total other provisions	**120**	**152**

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, 2015	Dec. 31, 2014
Accrued personnel costs	970	945
Accrued interest expenses	6	10
Accrued rent charges	15	2
Accrued consulting fees	3	18
Other accrued expenses	248	193
Total accrued expenses and prepaid income	**1,243**	**1,168**

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, 2015	Dec. 31, 2014
Advanced payment from customers	26	35
Current liabilities attributable to VAT	192	177
Other current liabilities	98	117
Total other current liabilities	**316**	**329**

NOTE 34 Contingent liabilities

SEK m	Dec. 31, 2015	Dec. 31, 2014
Securities and guarantees	2,617	2,353
Other contingent liabilities	13	9
Total contingent liabilities	**2,630**	**2,362**

The guarantees in 2015 refer to, amongst other things to a guarantee of SEK 626 million (602) related to the defined benefit pension plan in the UK and guarantees for insurance commitments for Loomis in the USA amounting to SEK 390 million (352). There is also a guarantee for the internal reinsurance company, Loomis Reinsurance Ltd, amounting to SEK 150 million (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.

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.

The Spanish tax authorities have denied deductions for certain costs relating to intra-group transactions in the years 2007–2009. Due to a double taxation agreement between the countries, the future outcome is not expected to have any material effect on the Group's tax expense.

NOTE 35 Items not affecting cash flow

SEK m	2015	2014
Depreciation of tangible fixed assets and amortization of intangible assets	1,061	875
Amortization of acquisition-related intangible assets	62	46
Items affecting comparability	–26	–8
Acquisition-related costs and revenue	27	10
Financial income	0	1
Financial expenses	–4	5
Total items not affecting cash flow, items affecting comparability and acquisition-related costs and revenue	**1,119**	**929**

Parent Company statement of income

SEK m	Note	2015	2014
Other revenue	38	367	305
Gross income		**367**	**305**
Administrative expenses	40, 41	–168	–155
Operating income (EBIT)		**199**	**150**
Result from financial investments			
Result from participations in Group companies	42	670	486
Financial income	43	956	740
Financial expenses	43	–1,006	–760
Total result from financial investments		**620**	**466**
Income after financial items		**819**	**617**
Appropriations	44	177	–
Income tax	45	–99	–55
Net income for the year		**897**	**562**

Parent Company statement of comprehensive income

SEK m	2015	2014
Net income for the year	897	562
Other comprehensive income		
Items that may be reclassified to the statement of income		
Hedging of net investments, net of tax	–198	–348
Other comprehensive income for the year, net after taxes	**–198**	**–348**
Total comprehensive income for the year	**699**	**214**

Parent Company balance sheet

SEK m	Note	Dec. 31, 2015	Dec. 31, 2014
ASSETS			
Fixed assets			
Machinery and equipment	46	4	1
Shares in subsidiaries	47	8,157	7,901
Interest-bearing long-term receivables from subsidiaries	38	1,198	1,255
Deferred tax assets	45	106	77
Total fixed assets		**9,464**	**9,234**
Current assets			
Current receivables from subsidiaries	38, 48	117	107
Interest-bearing current receivables from subsidiaries	38	646	334
Other current receivables	49	6	4
Current tax assets	45	–	13
Prepaid expenses and accrued income	50	102	41
Liquid funds		140	57
Total current assets		**1,011**	**556**
TOTAL ASSETS		**10,475**	**9,790**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	51		
Restricted equity			
Share capital		376	376
Total restricted shareholders' equity		**376**	**376**
Non-restricted equity			
Other capital contributed		5,673	5,673
Retained earnings		–2,044	–1,947
Net income for the year		897	562
Total non-restricted shareholders' equity		**4,526**	**4,288**
Total shareholders' equity		**4,902**	**4,664**
Untaxed reserves	52	**114**	**290**
Long-term liabilities			
Loans payable, external	39, 47	4,389	3,280
Other long-term liabilities, external	39	–	14
Current liabilities			
Current liabilities to subsidiaries	38	34	12
Loans payable to subsidiaries	38	910	756
Interest-bearing current liabilities, external	39	–	613
Accounts payable	39	4	3
Current tax liabilities	45	30	–
Other current liabilities	39	59	106
Accrued expenses and prepaid income	39, 53	34	52
Total liabilities		**5,460**	**4,836**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**10,475**	**9,790**
Memorandum items			
Pledged assets		None	None
Contingent liabilities	38	2,369	1,932

Parent Company statement of cash flows

SEK m	Note	2015	2014
Operations			
Income after financial items		819	617
Items not affecting cash flow	54	–620	–466
Financial items received		6	8
Financial items paid		–100	68
Income tax paid		–22	–50
Dividends received		554	379
Change in other operating capital employed		–22	–13
Cash flow from operations		**614**	**543**
Investing activities			
Investments in fixed assets	46	–3	–0
Shares in subsidiaries		–267	–1,651
Cash flow from investing activities		**–270**	**–1,651**
Financing activities			
Other changes in financial fixed assets		57	–83
Decrease/increase in current financial investments		–61	4
Decrease/increase in liabilities		–354	1,491
Change in issued commercial papers		451	–50
Group contributions received		107	123
Dividend paid		–451	–376
Share swap agreement		–10	–14
Cash flow from financing activities		**–262**	**1,095**
Cash flow for the year		**82**	**–13**
Liquid funds at beginning of year		**57**	**70**
Liquid funds at end of year[1]		**140**	**57**

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]	Retained earnings including Net Income for the year[4, 5, 6]	Total
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[5]	–	–	8	8
Dividend	–	–	–376	–376
Share swap agreement[7]	–	–	–14	–14
Total transactions with shareholders	**–**	**–**	**–382**	**–382**
Opening balance, January 1, 2015	**376**	**5,673**	**–1,385**	**4,664**
Comprehensive income				
Net income for the year	–	–	897	897
Other comprehensive income				
Hedging of net investments, net of tax	–	–	–198	–198
Total other comprehensive income	**–**	**–**	**–198**	**–198**
Total comprehensive income	**–**	**–**	**699**	**699**
Total transactions with shareholders				
Dividend	–	–	–451	–451
Share swap agreement[8]	–	–	–10	–10
Total transactions with shareholders	**–**	**–**	**–461**	**–461**
Closing balance, December 31, 2015	**376**	**5,673**	**1,147**	**4,902**

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, 2014, the Company held 53,797 Class B treasury shares.
6) As of December 31, 2015, the Company held 53,797 Class B treasury shares.
7) 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 by the end of February, 2015.
8) Refers to the Group's share-related Incentive Scheme 2014 and the closure of 2013 Incentive Scheme. A total of 91,650 shares have been hedged under this swap agreement and they will be allotted to the employees during the period March-June 2016 provided that the criteria under the scheme have been met, including still being employed by the end of February, 2016.

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 licence fees 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	2015	2014
Licensce Fee	367	305
Interest income	45	34
Group contributions	116	107
Dividend	554	379

Expenses related to other companies within the Loomis Group

SEK m	2015	2014
Interest expenses	2	5

Receivables from other companies within the Loomis Group

SEK m	Dec.31, 2015	Dec.31, 2014
Interest-bearing long-term receivables from subsidiaries	1,198	1,255
Current receivables from subsidiaries	117	107
Interest-bearing current receivables from subsidiaries	646	334

Liabilities to other companies within the Loomis Group

SEK m	Dec.31, 2015	Dec.31, 2014
Current liabilities to subsidiaries	34	12
Interest-bearing current liabilities to subsidiaries	910	756

All transactions with related parties are executed based on market conditions.

Contingent liabilities regarding related parties

SEK m	Dec.31, 2015	Dec.31, 2014
Guarantee commitments banking facilities	1,196	738
Other contingent liabilities	1,173	1,194
Total contingent liabilities	**2,369**	**1,932**

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 –2,115 million (–2,190) and SEK 22 million (–52) 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 (265) 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 (90) where the net investment is the hedged item. The ineffectiveness of the hedge during the year was SEK 0 million (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, 2015	Less than 1 year	Between 1 and 5 years	More than 5 years
External bank loans	–	3,625	764
Accounts payable and other liabilities	63	–	–
Total	**63**	**3,625**	**764**

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**

NOTE 40 Administrative expenses

Distribution of expenses by type

SEK m	Note	2015	2014
Depreciation, amortization and impairment	46	1	0
Personnel expenses	41	57	65
Vehicle expenses		1	1
Costs of premises		3	3
Costs of technical equipment		9	8
Consulting expenses		24	22
Administrative expenses		13	9
Other expenses		62	47
Total expenses by type		**168**	**155**

Personnel expenses

SEK m	Note	2015	2014
Salaries and bonuses	41	34	40
Social security expenses	41	11	14
Pension costs – defined contribution plans	41	11	11
Total personnel expenses		**57**	**65**

Audit fees and other fees

SEK m	2015	2014
PwC		
– Audit assignment	3	2
– Auditing activities other than audit assignment	1	1
– Tax advice	0	1
– Other assignments	1	1
Total PwC	**5**	**5**

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

	2015	2014
Number of employees	22	22
(of whom men)	(13)	(15)

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

	Salaries	Social security contributions	(of which pension)
SEK m		2015	
Board and President[1)]	10	4	(2)
Other employees	24	18	(9)
Total	**34**	**22**	**(11)**

1) The remuneration to President refers to Jarl Dahlfors (for the period January 1 to August 31) and Anders Haker (for the period September 1 to December 31). For further information see also Note 11.

	Salaries	Social security contributions	(of which pension)
SEK m		2014	
Board and President	15	6	(2)
Other employees	26	18	(9)
Total	**40**	**24**	**(11)**

In 2015 the former President/CEO received variable remuneration amounting to SEK 1 million (6).

The remuneration to the former President/CEO 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 former President/CEO'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 former President/CEO is entitled to twelve months' notice and to severance pay corresponding to twelve months' salary.

Anders Haker is not receiving any additional remuneration as Acting President.

Further information on remuneration to members of Group Management is shown in Note 11.

NOTE 42 Result from participations in Group companies

SEK m	2015	2014
Dividends	554	379
Group contributions	116	107
Total result from participations in Group companies	**670**	**486**

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	2015	2014
Interest income	52	40
Translation differences	904	700
Total financial income	**956**	**740**

Financial expenses

SEK m	2015	2014
Interest expenses	–87	–52
Translation differences	–906	–698
Other financial expense	–13	–10
Total financial expenses	**–1,006**	**–760**
Financial income and expenses, net	**–50**	**–20**

NOTE 44 Appropriations

SEK m	2015	2014
Reversal of tax allocation reserve, Tax year 2010	57	–
Reversal of tax allocation reserve, Tax year 2011	50	–
Reversal of tax allocation reserve, Tax year 2012	64	–
Reversal of tax allocation reserve, Tax year 2013	5	–
Total appropriations	**177**	**–**

NOTE 45 Tax on income for the year

Statement of income
Tax expense

SEK m	2015	%	2014	%
Tax on income before taxes				
– current tax expense	–99	*–9.9*	–55	*–8.9*
– tax as a result of changed tax assessment	0	*0.0*	–0	*–0.0*
Total tax expense	**–99**	***–9.9***	**–55**	***–8.9***

The Swedish corporate income tax rate was 22 percent in 2015 (22). The total tax rate on income before taxes amounted to –9.9 percent (–8.9).

Difference between statutory Swedish tax rate and actual tax expense for the Parent Company

SEK m	2015	%	2014	%
Tax based on Swedish tax rate	–219	*–22.0*	–136	*–22.0*
Taxes attributable to previous periods	0	*0.0*	–0	*–0.0*
Non-deductible expenses/ non-taxable income, net	120	*12.1*	81	*13.1*
Total tax expense	**–99**	***–9.9***	**–55**	***–8.9***

Non-deductible expenses/non-taxable income in 2015 and 2014 consist primarily of non-taxable dividends from subsidiaries.

Balance sheet

SEK m	Dec. 31, 2015	Dec. 31, 2014
Deferred tax assets/tax liabilities		
Tax on foreign exchange effects reported directly in shareholders' equity	67	77
Total deferred tax assets/tax liabilities, net	**67**	**77**
Statement of changes in deferred tax assets		
Opening balance	77	–
Change in items reported in shareholders' equity	29	77
Closing balance	**106**	**77**
Changes during the year	**29**	**77**
Statement of changes in deferred tax liabilities		
Opening balance	–	–18
Change in items reported in shareholders' equity	–	18
Closing balance	**–**	**–**
Changes during the year	**–**	**18**
Current tax assets/tax liabilities		
Current tax assets	–	13
Current tax liabilities	–30	–
Current tax assets/tax liabilities, net	**–30**	**13**

NOTE 46 Machinery and equipment

SEK m	Dec. 31, 2015	Dec. 31, 2014
Opening balance	2	2
Investments	3	0
Disposals	–0	–0
Closing accumulated balance	**5**	**2**
Opening depreciation	–1	–1
Depreciation for the year	–0	–0
Disposals	–0	0
Closing accumulated depreciation	**–2**	**–1**
Closing residual value balance	**4**	**1**

NOTE 47 Shares in subsidiaries[1)]

Subsidiary	Corporate Identification number	Countries where Loomis is registered and has operations	Operations	*Share of capital directly owned by the Parent Comapany (%)*	Book value (SEK m)	*Share of capital 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*	49	*100*
Loomis Norge AS	983445381	Norway	CIT and CMS company	–	–	*100*
Loomis Holding UK Ltd	2586369	UK	Holding company	*100*	602	*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 (AT) GmbH	FN320790	Austria	Valuables logistics company	*100*	7	*100*
Loomis Österreich GmbH	FN104649x	Austria	CIT and CMS company	*99*	128	*100*
Loomis Suomi Oy	1773520-6	Finland	CIT and CMS company	*100*	171	*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	*98*	43	*100*
Loomis Holding France SASU	498543222	France	Holding company	*100*	558	*100*
Loomis France SASU	479048597	France	CIT and CMS company	–	–	*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*
Loomis International Corporate AG	CHE-106.825.583	Switzerland	Holding company	–	–	*100*
Bonafide Logistics AG	CHE-103.618.935	Switzerland	Parcel logistics company	–	–	*100*
Loomis Schweiz AG	CHE-109.503.213	Switzerland	CIT and CMS company	–	–	*100*
Mat Transport AG	CHE-105.825.617	Switzerland	General logistics company	–	–	*100*
Via Mat Artcare AG	CHE-114.668.908	Switzerland	Art logistics and storage company	–	–	*100*
Loomis International (CH) AG	CHE-114.058.489	Switzerland	Valuables logistics company	–	–	*100*
Total shares in subsidiaries					**8,157**	

1) A complete detailed specification of subsidiaries can be obtained from the parent Company.

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.

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	2015	2014
Opening balance, January 1	7,900	6,253
Acquisition of shares	3	1,650
Disposal of shares	–	–4
Capital contributions	253	–
Closing balance, December 31	**8,157**	**7,900**

Change in participation in subsidiaries during 2015 is mainly due to a capital contribution to Loomis Holding UK Ltd. Change in participation in subsidiaries during 2014 is primarily a result of the acquisition of the shares in VIA MAT Holding AG.

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, 2015	Dec. 31, 2014
Other current receivables	6	4
Total other current receivables	**6**	**4**

NOTE 50 Prepaid expenses and accrued income

SEK m	Dec. 31, 2015	Dec. 31, 2014
Prepaid insurance premiums	12	10
Accrued interest income	87	28
Other items	3	3
Total prepaid expenses and accrued income	**102**	**41**

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, 2015 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, 2015.

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 7.4 percent of the capital and 12.9 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, 2015	Dec. 31, 2014
Tax allocation reserve, Tax year 2010	–	57
Tax allocation reserve, Tax year 2011	–	50
Tax allocation reserve, Tax year 2012	–	64
Tax allocation reserve, Tax year 2013	41	46
Tax allocation reserve, Tax year 2014	73	73
Total untaxed reserves	**114**	**290**

NOTE 53 Accrued expenses and prepaid income

SEK m	Dec. 31, 2015	Dec. 31, 2014
Accrued personnel costs	20	23
Accrued consultancy fees	2	0
Accrued interest expenses	6	10
Other accrued expenses	6	19
Total accrued expenses and prepaid income	**34**	**52**

NOTE 54 Items not affecting cash-flow

SEK m	2015	2014
Financial income	–956	–740
Financial expenses	1,006	760
Result from participations in Group companies	–670	–486
Amortization and depreciation	0	0
Total items not affecting cash-flow	**–620**	**–466**

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 2, 2016.

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 24, 2016

Alf Göransson *Chairman*	Ingrid Bonde *Board member*	Cecilia Daun Wennborg *Board member*
Jan Svensson *Board member*	Ulrik Svensson *Board member*	Anders Haker *President*
Magnus Kinnunen *Board member, employee representative*	Lars Sjögren *Board member, employee representative*	

Our audit report was presented on March 24, 2016
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 2015. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 44–98.

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 2015 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 2015 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 ofthe company's profit or loss and the administration of the Board of Directors and the President of Loomis AB for the year 2015.

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 Presidents be discharged from liability for the financial year.

Stockholm, March 24, 2016
PricewaterhouseCoopers AB

Patrik Adolfson
Authorized Public Accountant

Five year overview

Revenue and income, summary

SEK m	2015	2014	2013	2012	2011
Revenue, continuing operations	15,391	12,345	11,321	10,983	10,441
Revenue, acquisitions	706	1,166	43	376	532
Total revenue	**16,097**	**13,510**	**11,364**	**11,360**	**10,973**
Real growth, %	*7*	*14*	*2*	*3*	*7*
Organic growth, %	*2*	*3*	*2*	*0*	*1*
Operating income (EBITA)	**1,703**	**1,370**	**1,099**	**1,019**	**912**
Operating margin (EBITA), %	*10.6*	*10.1*	*9.7*	*9.0*	*8.3*
Operating income (EBIT)	**1,575**	**1,306**	**1,085**	**988**	**805**
Operating margin (EBIT), %	*9.8*	*9.7*	*9.5*	*8.7*	*7.3*
Financial income	8	12	13	16	16
Financial expenses	–122	–79	–60	–73	–78
Income before taxes	**1,461**	**1,240**	**1,038**	**932**	**743**
Income tax	–392	–330	–302	–282	–230
Net income for the year	**1,069**	**910**	**736**	**650**	**513**

Statement of cash flows, additional information

SEK m	2015	2014	2013	2012	2011
Operating income (EBITA)	**1,703**	**1,370**	**1,099**	**1,019**	**912**
Depreciation	1,061	875	758	717	658
Change in accounts receivable	–170	–40	6	54	28
Change in other operating capital employed and other items and other items	48	–12	–186	–182	–58
Cash flow from operating activities before investments	**2,642**	**2,194**	**1,677**	**1,607**	**1,540**
Investments in fixed assets, net	–1,379	–1,033	–720	–747	–840
Cash flow from operating activities	**1,264**	**1,161**	**957**	**860**	**700**
Cash flow from operating activities as % of operating income (EBITA)	*74*	*85*	*87*	*84*	*77*
Financial items paid and received	–118	–61	–49	–63	–62
Income tax paid	–341	–298	–319	–252	–274
Free cash flow	**805**	**803**	**590**	**545**	**364**
Cash flow effect of items affecting comparability	–14	–8	–7	–10	–1
Acquisition of operations	–279	–1,536	–29	–289	–667
Acquisition-related costs and revenue, paid and received	–52	–8	40	–10	–26
Dividend paid	–451	–376	–338	–273	–256
Repayments of leasing liabilities	–31	–40	–40	–21	–6
Change in interest-bearing net debt excluding liquid funds	–227	–293	–512	34	741
Issuance of bonds	549	997	–	–	–
Change in commercial papers issued and other long-term borrowing	–225	658	248	–	–
Cash flow for the year	**74**	**196**	**–48**	**–24**	**150**

Financial position and return, summary

SEK m	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Goodwill	5,437	4,897	3,346	3,317	3,281
Tangible fixed assets	4,305	3,813	2,972	2,865	2,887
Interest-bearing fixed assets[1)]	78	67	61	66	65
Other fixed assets[1)]	1,039	1,091	666	660	695
Interest-bearing current assets	84	25	10	10	1
Other current assets	3,470	3,134	2,212	2,069	2,141
TOTAL ASSETS	**14,415**	**13,027**	**9,267**	**8,986**	**9,069**
Shareholders' equity	5,843	4,907	4,165	3,595	3,397
Interest-bearing long-term liabilities[1)]	5,168	4,140	1,849	2,883	2,998
Other long-term liabilities[1)]	806	852	674	663	642
Interest-bearing current liabilities	736	738	680	48	25
Other current liabilities	2,525	2,390	1,899	1,796	2,007
TOTAL SHAREHOLDERS´ EQUITY AND LIABILITIES	**14,415**	**13,027**	**9,267**	**8,986**	**9,069**
Equity ratio, %	*41*	*38*	*45*	*40*	*37*
Interest-bearing net debt, SEK m	4,425	4,219	2,125	2,475	2,545
Capital employed, SEK m	10,268	9,127	6,290	6,070	5,943
Return on capital employed, %	*17*	*15*	*17*	*17*	*15*
Return on shareholders' equity, %	*18*	*19*	*18*	*18*	*15*

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

	2015	2014	2013	2012	2011
Number of outstanding shares, million	75.2[1)]	75.2[2)]	75.3[3)]	73.0[4)]	73.0[5)]
Earnings per share before dilution, SEK	14.21[1)]	12.10[2)]	9.83[3)]	8.90[4)]	7.03[5)]
Earnings per share after dilution, SEK	14.21	12.10	9.78	8.60	6.79
Shareholders' equity per share, SEK	77.67	65.24	55.32	49.24	46.53

1) The number of outstanding shares, which constitutes the basis for calculation of earnings per share before dilution, is 75,226,032. The number of treasury shares amount to 53,797.

2) The average number of outstanding shares, which constitutes the basis for calculation of earnings per share before dilution, is 75,237,915. The number of treasury shares amount to 53,797 as Of December 31, 2014.

3) 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.

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 132,318 shares which, as a result of Loomis' Incentive Scheme 2011, were held as treasury shares as of December 31, 2012.

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 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 2015	Jul–Sep 2015	Apr–Jun 2015	Jan–Mar 2015	Full year 2015	Oct–Dec 2014	Jul–Sep 2014	Apr–Jun 2014	Jan–Mar 2014	Full year 2014
Revenue, continuing operations	4,082	4,118	3,794	3,396	15,391	3,263	3,184	3,033	2,864	12,345
Revenue, acquisitions	62	49	150	446	706	451	416	285	13	1,166
Total revenue	**4,144**	**4,167**	**3,944**	**3,842**	**16,097**	**3,714**	**3,600**	**3,319**	**2,877**	**13,510**
Real growth, %	*5*	*4*	*6*	*17*	*7*	*18*	*18*	*14*	*4*	*14*
Organic growth, %	*3*	*3*	*1*	*2*	*2*	*2*	*3*	*4*	*4*	*3*
Production expenses	–3,077	–3,134	–3,001	–2,952	–12,163	–2,798	–2,708	–2,532	–2,245	–10,283
Gross income	**1,067**	**1,033**	**943**	**891**	**3,934**	**916**	**893**	**787**	**632**	**3,227**
Gross margin, %	*25.7*	*24.8*	*23.9*	*23.2*	*24.4*	*24.7*	*24.8*	*23.7*	*22.0*	*23.9*
Selling and administrative expenses	–588	–550	–547	–546	–2,231	–527	–487	–454	–390	–1,857
Selling & admin, %	*–14.2*	*–13.2*	*–13.9*	*–14.2*	*–13.9*	*–14.2*	*–13.5*	*–13.7*	*–13.6*	*–13.7*
Operating income (EBITA)	**479**	**483**	**397**	**345**	**1,703**	**389**	**406**	**333**	**242**	**1,370**
Operating margin (EBITA), %	*11.6*	*11.6*	*10.1*	*9.0*	*10.6*	*10.5*	*11.3*	*10.0*	*8.4*	*10.1*
Amortization of acquisition-related intangible assets	–16	–17	–14	–14	–62	–13	–13	–13	–7	–46
Acquisition-related costs	–18	–9	–30	–22	–79	4	–9	–2	–12	–19
Items affecting comparability	–	12[1)]	–	–	12	–	–	–	–	–
Operating income (EBIT)	**445**	**469**	**352**	**308**	**1,575**	**380**	**384**	**318**	**223**	**1,306**
Operating margin (EBIT), %	*10.7*	*11.3*	*8.9*	*8.0*	*9.8*	*10.2*	*10.7*	*9.6*	*7.8*	*9.7*
Financial income	3	3	2	1	8	3	4	3	2	12
Financial expenses	–33	–27	–34	–27	–122	–22	–22	–19	–15	–78
Income before taxes	**415**	**445**	**320**	**281**	**1,461**	**361**	**366**	**303**	**210**	**1,240**
Income tax	–116	-116	–84	–76	–392	–102	–88	–81	–59	–330
Net income for the period	**299**	**329**	**236**	**205**	**1,069**	**260**	**278**	**222**	**151**	**910**

1) Items affecting comparability of SEK 12 million refers to a reversal of part of the provision of SEK 59 million, which was made in 2007 attributable to overtime compensation in Spain.

Revenue and operating income by segment, summary

SEK m	Oct–Dec 2015	Jul–Sep 2015	Apr–Jun 2015	Jan–Mar 2015	Full year 2015	Oct–Dec 2014	Jul–Sep 2014	Apr–Jun 2014	Jan–Mar 2014	Full year 2014
Europe										
Revenue	2,113	2,179	2,058	1,983	8,332	2,017	2,022	1,913	1,753	7,706
Real growth, %	*4*	*3*	*3*	*6*	*4*	*6*	*7*	*6*	*4*	*6*
Organic growth, %	*1*	*1*	*1*	*0*	*1*	*0*	*2*	*2*	*3*	*2*
Operating income (EBITA)	295	312	251	198	1,055	264	294	226	160	944
Operating margin (EBITA), %	*14.0*	*14.3*	*12.2*	*10.0*	*12.7*	*13.1*	*14.5*	*11.8*	*9.1*	*12.3*
USA										
Revenue	1,708	1,637	1,566	1,516	6,428	1,349	1,267	1,194	1,124	4,933
Real growth, %	*11*	*7*	*5*	*4*	*7*	*6*	*7*	*8*	*5*	*7*
Organic growth, %	*10*	*7*	*5*	*4*	*6*	*6*	*7*	*8*	*5*	*7*
Operating income (EBITA)	200	175	160	156	692	133	123	125	108	488
Operating margin (EBITA), %	*11.7*	*10.7*	*10.2*	*10.3*	*10.8*	*9.8*	*9.7*	*10.4*	*9.6*	*9.9*
International Services										
Revenue	342	372	340	365	1,418	364	330	224	–	918
Real growth, %	*–12*	*1*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	–	*n/a*
Organic growth, %	*–12*	*1*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	–	*n/a*
Operating income (EBITA)	23	26	16	22	87	35	19	14	–	67
Operating margin (EBITA), %	*6.8*	*6.9*	*4.7*	*6.0*	*6.1*	*9.5*	*5.8*	*6.1*	–	*7.3*

Statement of cash flows, additional information

SEK m	Oct–Dec 2015	Jul–Sep 2015	Apr–Jun 2015	Jan–Mar 2015	Full year 2015	Oct–Dec 2014	Jul–Sep 2014	Apr–Jun 2014	Jan–Mar 2014	Full year 2014
Operating income (EBITA)	479	483	397	345	1,703	389	406	333	242	1,370
Depreciation	264	273	266	259	1,061	231	227	217	201	875
Change in accounts receivable	53	–101	–141	19	–170	61	–30	–26	–45	–40
Change in other operating capital employed and other items	53	70	69	–144	48	128	27	70	–236	–12
Cash flow from operating activities before investments	**850**	**725**	**589**	**479**	**2,642**	**809**	**630**	**594**	**162**	**2,194**
Investments in fixed assets, net	–465	–346	–383	–184	–1,379	–430	–245	–207	–150	–1,033
Cash flow from operating activities	**384**	**379**	**206**	**295**	**1,264**	**379**	**384**	**387**	**11**	**1,161**
Cash flow from operating activities as a % of operating income (EBITA)	*80*	*78*	52	*86*	*74*	*97*	*95*	*116*	*5*	*85*
Financial items paid and received	–39	–22	–26	–30	–118	–15	–20	–9	–17	–61
Income tax paid	–80	–112	–77	–71	–341	–94	–104	–68	–32	–298
Free cash flow	**265**	**245**	**102**	**193**	**805**	**270**	**261**	**309**	**–37**	**803**
Cash flow effect of items affecting comparability	–2	–2	–9	–1	–14	–2	–2	–2	–1	–8
Acquisition of operations	–15	–239	–4	–21	–279	–3	–1	–1,530	–2	–1,536
Acquisition-related costs and revenue, paid and received	–20	–12	–14	–6	–52	–4	–1	–2	–2	–8
Dividend paid	–	–	–451	–	–451	–	–	–376	–	–376
Repayments of leasing liabilities	–5	–8	–9	–9	–31	–10	–8	–11	–11	–40
Change in interest-bearing net debt excluding liquid funds	19	–19	2	–229	–227	–1,786	–40	1,511	22	–293
Issuance of bonds	549	–	–	–	549	997	–	–	–	997
Change in commercial papers issued and other long-term borrowing	–745	–149	519	150	–225	559	–199	298	–	658
Cash flow for the period	**46**	**–185**	**136**	**77**	**74**	**21**	**9**	**196**	**–31**	**196**

Balance sheet, summary

SEK m	Dec. 31, 2015	Sep. 30, 2015	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Sep. 30, 2014	Jun. 30, 2014	Mar. 31, 2014
Goodwill	5,437	5,439	5,232	5,386	4,897	4,679	4,288	3,344
Tangible fixed assets	4,305	4,148	3,995	3,965	3,813	3,494	3,430	2,933
Interest-bearing fixed assets	78	69	69	69	67	94	104	61
Other fixed assets	1,039	1,065	1,088	1,155	1,091	976	1,093	602
Interest-bearing current assets	84	66	78	20	25	2	1	0
Other current assets	3,470	3,583	3,694	3,536	3,134	3,097	3,034	2,364
TOTAL ASSETS	**14,415**	**14,368**	**14,157**	**14,132**	**13,027**	**12,342**	**11,950**	**9,304**
Shareholders' equity	5,843	5,495	5,154	5,485	4,907	4,658	4,273	4,297
Interest-bearing long-term liabilities	5,168	5,519	5,057	4,002	4,140	4,574	2,984	1,858
Other long-term liabilities	806	783	806	810	852	786	794	584
Interest-bearing current liabilities	73	78	709	1,375	738	61	1,636	702
Other current liabilities	2,525	2,494	2,430	2,460	2,390	2,263	2,263	1,863
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**14,415**	**14,368**	**14,157**	**14,132**	**13,027**	**12,342**	**11,950**	**9,304**

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