NISCAYAH

Q2

INTERIM REPORT JANUARY-JUNE 2011

THE SECOND QUARTER 2011

- Revenues amounted to MSEK 1,527 (1,687).
- Organic growth was -3 percent (-6).
- Non-recurring costs amounted to MSEK 10.
- Operating profit before amortization (EBITA) was MSEK 81 (89), corresponding to a margin of 5.3 percent (5.2).
- Profit before tax amounted to MSEK 56 (68).
- Net profit for the period was MSEK 39 (48).
- Earnings per share amounted to SEK 0.11 (0.13).

JANUARY - JUNE 2011

- Revenues amounted to MSEK 3,036 (3,368).
- Organic growth was -3 percent (-7).
- Non-recurring costs amounted to MSEK 10.
- Operating profit before amortization (EBITA) was MSEK 167 (189[1]), corresponding to a margin of 5.5 percent (5.6[1]).
- Profit before tax amounted to MSEK 140 (159[1]).
- Net profit for the period was MSEK 97 (-28).
- Earnings per share amounted to SEK 0.27 (-0.08).

[1] Excluding restructuring costs for 2010 amounting to MSEK 200.

Q2 revenues (MSEK)

1,527

Q2 EBITA (MSEK)

81

Q2 earnings per share (SEK)

0.11

CEO's comments

The market situation during the second quarter has been mixed with challenging conditions in Southern Europe, particularly in Spain, and in the countries within the US/UK/Ireland segment. The markets in the Central and Northern parts of Europe performed well. All in all, our organic growth amounted to -3 percent, of which implementation was 1 percent and services was -3 percent.

The gross margin for the quarter amounted to 33.9 percent (33.0). The improvement was mainly due to the restructuring program which was completed during the preceding quarter.

- In the Mainland Europe segment, earnings (EBITA) improved during the quarter to MSEK 107 (96), and the operating margin strengthened to 8.9 percent (7.6).
- The development in the US/UK/Ireland segment was weak and earnings (EBITA) for the quarter amounted to MSEK 3 (10).

During the quarter, operating profit before amortization (EBITA) amounted to MSEK 81 (89) in total. Earnings were affected by non-recurring costs of MSEK 10. The costs are related to takeover offers to Niscayah's shareholders and costs for personnel changes.

Changes in foreign exchange rates impacted earnings (EBITA) during the quarter by MSEK -6 and net financial items by MSEK -5.

The long-term transformation process for increased competitiveness, lower costs and improved operational efficiency is continuing according to plan.

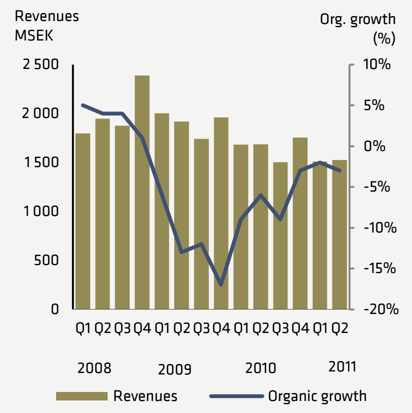
Håkan Kirstein
President and CEO

Group – overview

MSEK	Jan-Jun 2011	Jan-Jun 2010[1]	Apr-Jun 2011	Apr-Jun 2010	Rolling 12 month	Jan-Dec 2010[1]
Revenues	**3,036**	**3,368**	**1,527**	**1,687**	**6,292**	**6,624**
Growth, %	*-10*	*-14*	*-10*	*-12*	*-11*	*-13*
Organic growth, %	*-3*	*-7*	*-3*	*-6*	*-4*	*-7*
Revenues, services	**1,456**	**1,607**	**736**	**814**	**3,034**	**3,186**
Services share of total revenues, %	*48*	*48*	*48*	*48*	*48*	*48*
Growth, services, %	*-9*	*-3*	*-10*	*-1*	*-6*	*-3*
Organic growth, services, %	*-2*	*4*	*-3*	*6*	*0*	*4*
Cost of goods sold	**-1,998**	**-2,236**	**-1,009**	**-1,130**	**4,116**	**-4,354**
Gross profit	**1,039**	**1,132**	**518**	**557**	**2,177**	**2,270**
Gross margin, %	*34.2*	*33.6*	*33.9*	*33.0*	*34.6*	*34.3*
Selling and administrative expenses	**-871**	**-943**	**-436**	**-468**	**-1,793**	**-1,865**
Selling and administrative expenses, margin, %	*28.7*	*28.0*	*28.6*	*27.7*	*28.5*	*28.2*
EBITDA	**229**	**270**	**112**	**128**	**516**	**557**
EBITDA margin, %	*7.5*	*8.0*	*7.3*	*7.6*	*8.2*	*8.4*
Operating profit before amortization (EBITA)	**167**	**189**	**81**	**89**	**383**	**405**
EBITA margin, %	*5.5*	*5.6*	*5.3*	*5.2*	*6.1*	*6.1*
Operating profit (EBIT)	**154**	**174**	**75**	**82**	**357**	**376**
Operating margin (EBIT), %	*5.1*	*5.2*	*4.9*	*4.8*	*5.7*	*5.7*
Net financial items	-15	-15	-19	-13	-5	-4
Profit before tax	**140**	**159**	**56**	**68**	**352**	**372**
Net profit for the period	**97**	**-28**	**39**	**48**	**245**	**120**
Earnings per share, SEK	**0.27**	**-0.08**	**0.11**	**0.13**	**0.68**	**0.33**
Operating cash flow[1]	**80**	**180**	**66**	**57**	**402**	**502**
Operating cash flow as a % of EBITA[1]	*48*	*95*	*81*	*64*	*105*	*124*
Net debt	1,147	1,220	1,147	1,220	1,147	995
Capital employed[1]	2,942	3,239	2,942	3,239	2,942	2,886
Shareholders' equity	1,735	1,812	1,735	1,812	1,735	1,770
Share price, SEK	18.40	10.75	18.40	10.75	18.40	13.80
Return on capital employed, %, (12 months)[1]	*13*	*13*	*13*	*13*	*13*	*14*
Return on equity, %, (12 months)	*14*	*6*	*14*	*6*	*14*	*6*

[1]Excl. restructuring costs for 2010 amounting to MSEK 200 during Q1, apportioned as cost of goods sold of MSEK 120 and selling and administrative expenses of MSEK 80.

Revenues and organic growth



Revenues

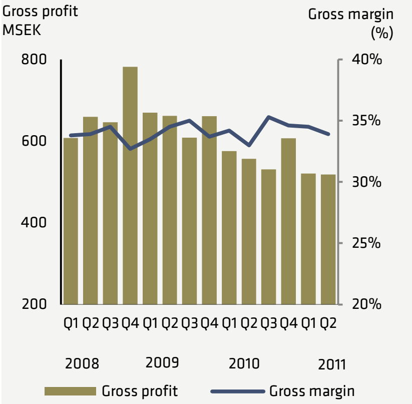
THE SECOND QUARTER

Revenues amounted to MSEK 1,527 (1,687), a decrease of 10 percent, of which organic growth was -3 percent and exchange rate effects was -7 percent. Organic growth within implementation amounted to 1 percent (-18), a significant improvement compared with previous quarters. Organic growth within services was -3 percent. The share of services amounted to 48 percent of revenues. New sales within services developed positively while the result of the contract negotiations carried out at the end of the preceding year had a negative impact.

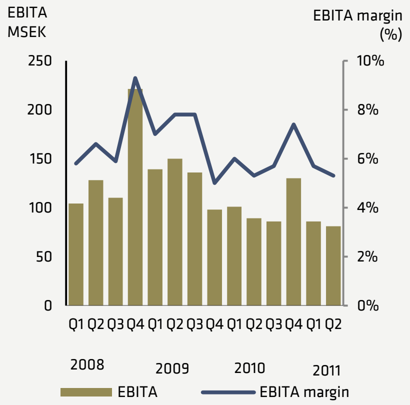
JANUARY - JUNE

Revenues amounted to MSEK 3,036 (3,368), a decrease of 10 percent, of which organic growth was -3 percent and exchange rate effects was -7 percent. Organic growth within services was -2 percent. The organic growth within implementation was -1 percent (-18).

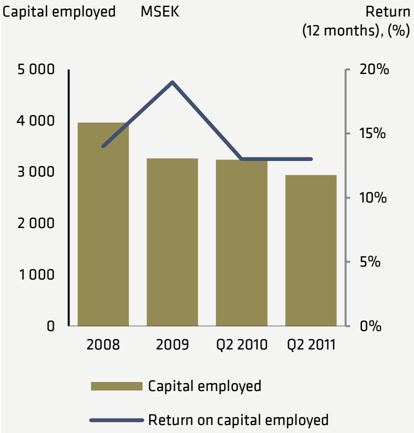
Gross profit and gross margin[1]



EBITA and EBITA margin[1]



Capital employed[1]



[1]Excluding restructuring program

Earnings

THE SECOND QUARTER

Gross profit was MSEK 518 (557), corresponding to a gross margin of 33.9 percent (33.0). The margin was positively affected by implemented cost savings while general cost inflation and negative organic growth had an adverse impact. Selling and administrative expenses were MSEK -436 (-468), corresponding to a margin of 28.6 percent (27.7).

Operating profit before amortization (EBITA) amounted to MSEK 81 (89), corresponding to an EBITA margin of 5.3 percent (5.2). Earnings were affected by non-recurring costs of MSEK 10. The costs are related to takeover offers to Niscayah's shareholders and costs for personnel changes. Changes in foreign exchange rates impacted EBITA by MSEK -6.

Net financial items amounted to MSEK -19 (-13), of which the effect of changes in foreign exchange rates, attributable to the weakening of the Swedish krona in relation to EUR and USD, amounted to MSEK -5. Profit before tax amounted to MSEK 56 (68). Tax amounted to MSEK -17 (-21), based on an annual tax rate of 30.4 percent (30.4), and the net profit for the period was MSEK 39 (48), corresponding to SEK 0.11 (0.13) per share.

JANUARY - JUNE

Gross profit was MSEK 1,039 (1,132[1]) corresponding to a gross margin of 34.2 percent (33.6[1]). Selling and administrative expenses were MSEK -871 (-943[1]) corresponding to a margin of 28.7 percent (28.0[1]).

Operating profit before amortization (EBITA) amounted to MSEK 167 (189[1]), corresponding to an EBITA margin of 5.5 percent (5.6[1]). Earnings were affected by non-recurring costs of MSEK 10. Changes in foreign exchange rates impacted EBITA by MSEK -11.

Net financial items amounted to MSEK -15 (-15), of which the impact of changes in foreign exchange rates was MSEK 0. Profit before tax amounted to MSEK 140 (159[1]). Tax amounted to MSEK -42 (+12), based on an annual tax rate of 30.4 percent (30.4), and the net profit for the period was MSEK 97 (-28), corresponding to SEK 0.27 (-0.08) per share.

[1]Excl. restructuring costs for 2010 amounting to MSEK 200 during Q1, apportioned as cost of goods sold of MSEK 120 and selling and administrative expenses of MSEK 80.

Return on capital employed and shareholders' equity

Capital employed, excluding restructuring programs, amounted to MSEK 2,942 (3,239) at June 30 and return on capital employed amounted to 13 percent (13[1]). Consolidated equity amounted to MSEK 1,735 (1,812) and return on equity was 14 percent (6).

Financial goals

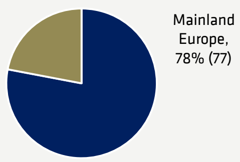
Niscayah has two main financial goals:

- An average yearly growth of more than 10 percent, including acquisitions.
- An average yearly return on capital employed to exceed 20 percent.

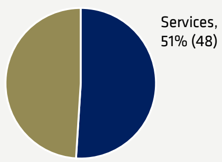
During the past 12 months growth was -11 percent (-13), (currency-adjusted -4 percent) and return on capital employed, excluding restructuring program, was 13 percent (13). The long-term financial goals are target figures over an entire business cycle.

Mainland Europe

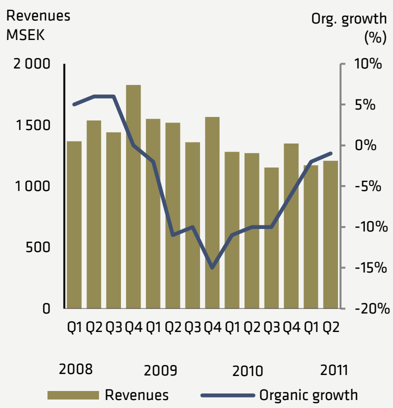
Share of group revenues
12 months



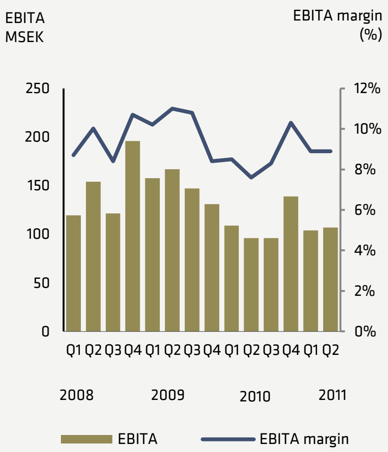
Services share of total revenues
12 months



Revenues and organic growth



EBITA and EBITA margin[1]



[1]Excluding restructuring program

- The market situation is challenging in the Southern parts of Europe, particularly in Spain. Customers are cautious about investments in security solutions.
- The markets in the Central and Northern parts of Europe performed well.

During the second quarter, non-recurring costs amounted to MSEK 2 and are related to takeover offers to Niscayah's shareholders and personnel changes. The average number of employees during the first half year was 3,997 (4,225).

MSEK	Jan-Jun 2011	Jan-Jun 2010[1]	Apr-Jun 2011	Apr-Jun 2010	Jan-Dec 2010[1]
Revenues	**2,378**	**2,551**	**1,207**	**1,269**	**5,054**
Growth, %	*-7*	*-17*	*-5*	*-16*	*-16*
Organic growth, %	*-1*	*-11*	*-1*	*-10*	*-9*
Revenues, services	**1,198**	**1,300**	**611**	**657**	**2,589**
Services share of revenues, %	*50*	*51*	*51*	*52*	*51*
Growth, services, %	*-8*	*-4*	*-7*	*-3*	*-4*
Organic growth, services, %	*-2*	*3*	*-3*	*5*	*3*
Operating profit before amortization (EBITA)	**211**	**205**	**107**	**96**	**440**
EBITA margin, %	*8.9*	*8.0*	*8.9*	*7.6*	*8.7*
Operating profit (EBIT)	**204**	**197**	**103**	**92**	**425**
Operating margin (EBIT), %	*8.6*	*7.7*	*8.6*	*7.3*	*8.4*

[1]Excl. restructuring costs for 2010 amounting to MSEK 170 during Q1.

Revenues

THE SECOND QUARTER

Revenues amounted to MSEK 1,207 (1,269), a decrease of 5 percent. Organic growth represented -1 percent and changes in foreign exchange rates -4 percent. All of the countries in the Central and Northern parts of Europe displayed positive organic growth, whereas growth was negative in the Southern areas of Europe. Revenues within services amounted to MSEK 611 (657), corresponding to a decrease of 7 percent. The share of services amounted to 51 percent of revenues. Organic growth within services was -3 percent. New sales within services developed positively while the result of the contract negotiations carried out at the end of the preceding year had a negative impact. Organic growth within implementation was 4 percent (-22).

JANUARY - JUNE

Revenues amounted to MSEK 2,378 (2,551), a decrease of 7 percent. Organic growth represented -1 percent and changes in foreign exchange rates -6 percent. Revenues within services amounted to MSEK 1,198 (1,300), corresponding to a decrease of 8 percent. Organic growth within services was -2 percent. Organic growth within implementation was 1 percent (-22).

Earnings

THE SECOND QUARTER

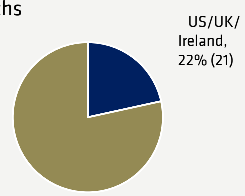
Earnings before amortization (EBITA) amounted to MSEK 107 (96). Cost savings impacted positively, while negative organic growth and general cost inflation had an adverse impact. Earnings were affected by non-recurring costs of MSEK 2. The costs are related to the takeover offers to Niscayah's shareholders and costs for personnel changes. The EBITA margin was 8.9 percent (7.6). Changes in foreign exchange rates impacted the operating profit (EBITA) by MSEK -4.

JANUARY - JUNE

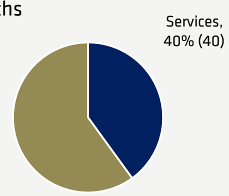
Earnings before amortization (EBITA) amounted to MSEK 211 (205[1]). Earnings were affected by non-recurring costs of MSEK 2. The EBITA margin was 8.9 percent (8.0[1]). Changes in foreign exchange rates impacted the operating profit (EBITA) by MSEK -9.

[1]Excl. restructuring costs for 2010 amounting to MSEK 170 during Q1.

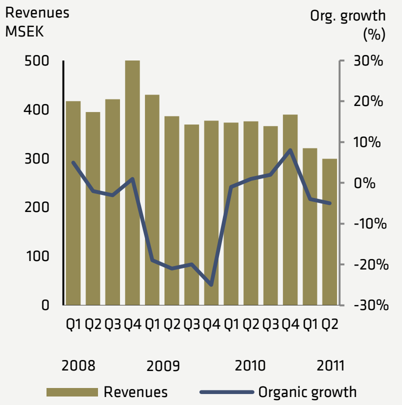
Share of group revenues
12 months



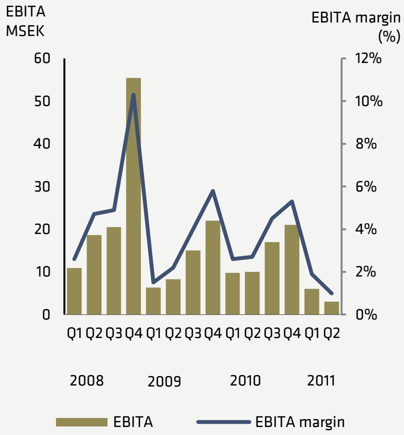
Services share of total revenues
12 months



Revenues and organic growth



EBITA and EBITA margin[1]



[1]Excluding restructuring program

US/UK/Ireland

- The market situation in the countries within the segment is weak.
- Price pressure prevails within implementation as well as services, and customers are deferring security investments.

During the second quarter, non-recurring costs amounted to MSEK 3 and are related to personnel changes. The average number of employees during the first half year was 1,013 (1,096).

MSEK	Jan-Jun 2011	Jan-Jun 2010[1]	Apr-Jun 2011	Apr-Jun 2010	Jan-Dec 2010[1]
Revenues	**620**	**749**	**299**	**376**	**1,505**
Growth, %	*-17*	*-8*	*-20*	*-3*	*-4*
Organic growth, %	*-4*	*0*	*-5*	*1*	*3*
Revenues, services	**258**	**307**	**125**	**157**	**597**
Services share of revenues, %	*42*	*41*	*42*	*42*	*40*
Growth, services, %	*-16*	*2*	*-20*	*8*	*2*
Organic growth, services, %	*-3*	*9*	*-5*	*11*	*6*
Operating profit before amortization (EBITA)	**9**	**20**	**3**	**10**	**57**
EBITA margin, %	*1.4*	*2,6*	*1.0*	*2.7*	*3.8*
Operating profit (EBIT)	**3**	**13**	**0**	**7**	**44**
Operating margin (EBIT), %	*0.5*	*1.7*	*0.0*	*1.8*	*2.9*

[1]Excl. restructuring costs for 2010 amounting to MSEK 30 during Q1.

Revenues

THE SECOND QUARTER

Revenues amounted to MSEK 299 (376), corresponding to a decrease of 20 percent. Organic growth represented -5 percent and changes in foreign exchange rates was -16 percent. Revenues from services amounted to MSEK 125 (157), equivalent to a decrease of 20 percent. The share of services amounted to 42 percent of revenues. Organic growth within services was -5 percent. The result of the contract negotiations carried out at the end of the preceding year had a negative impact. Organic growth within implementation was -5 percent (-5) and was negatively affected by the fact that a few major customers have deferred investments in security solutions.

JANUARY - JUNE

Revenues amounted to MSEK 620 (749), corresponding to a decrease of 17 percent. Organic growth represented -4 percent and changes in foreign exchange rates was -13 percent. Revenues from services amounted to MSEK 258 (307), equivalent to a decrease of 16 percent. Organic growth within services was -3 percent. Organic growth within implementation was -6 percent (-5).

Earnings

THE SECOND QUARTER

Earnings before amortization (EBITA) amounted to MSEK 3 (10). Cost savings impacted earnings positively, while negative organic growth and general cost inflation had an adverse impact on earnings. Earnings were negatively affected by non-recurring costs of MSEK 3. The costs are related to personnel changes. The EBITA margin was 1.0 percent (2.7). Changes in foreign exchange rates impacted the operating profit (EBITA) by MSEK -1.

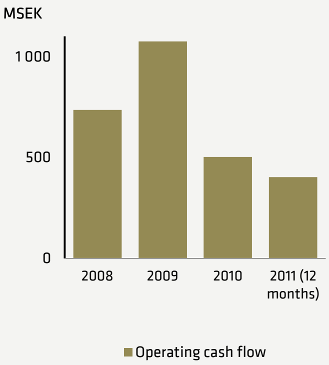
JANUARY - JUNE

Earnings before amortization (EBITA) amounted to MSEK 9 (20[1]). The EBITA margin was 1.4 percent (2.6[1]). Earnings were negatively affected by non-recurring costs of MSEK 3. Changes in foreign exchange rates impacted operating profit (EBITA) by MSEK -2.

[1]Excl. restructuring costs for 2010 amounting to MSEK 30 during Q1.

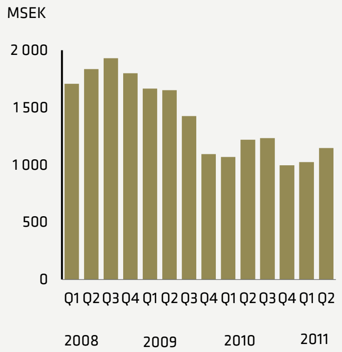
Other financial information

Operating cash flow[1]

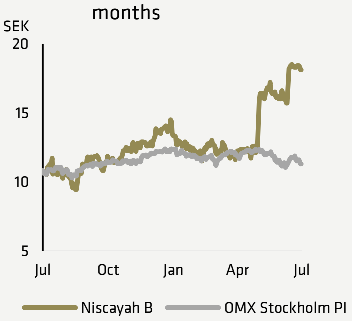


[1]Excluding restructuring program

Group net debt



Share price development 12 months



Operating cash flow (including costs of restructuring programs)

MSEK	Jan-Jun 2011	Jan-Jun 2010	Apr-Jun 2011	Apr-Jun 2010	Jan-Dec 2010
Operating profit before amortization (EBITA)	167	-11	81	89	205
Investments in non-current assets	-44	-45	-26	-19	-82
Reversal of depreciation and amortization	61	80	31	39	152
Change in operating capital employed	-164	99	-52	-94	84
Operating cash flow	**20**	**123**	**34**	**15**	**359**
Operating cash flow as a % of EBITA	*12*	-	*42*	*17*	*175*

Operating cash flow, including restructuring programs, was MSEK 20 (123) during the period January-June. Cash flows for restructuring programs amounted to MSEK -60 (-57), of which MSEK -53 (-35) related to the 2010 program. Excluding restructuring programs, the operating cash flow amounted to MSEK 80 (180), corresponding to 48 percent (95) of EBITA.

Financial position

The group's credit facility amounts to MSEK 3,000 of which MSEK 760 matures during the third quarter 2011 and MSEK 2,240 matures in 2013. Outstanding loans under the credit facility amounted to MSEK 1,226 (1,421) at June 30, 2011 and net debt was MSEK 1,147 (1,220). The debt/equity ratio was SEK 0.66 (0.67). The group's interest exposure is managed by the use of interest rate derivatives whose market valuation effects are included in the group's net interest income. At June 30, 2011, the average fixed interest term was 14.1 months.

Investments

Investments in operating non-current assets amounted to MSEK 44 (45).

Number of employees

The average number of employees during the first half year was 5,095 (5,399).

Niscayah's share

The share price at the end of the period was SEK 18.40, corresponding to a market value of SEK 6.7 billion. 800,000 own shares were repurchased during the second quarter for MSEK 9.8, at an average price of SEK 12.29. At June 30, the company held a total of 1.8 million shares, repurchased at an average price of SEK 12.53, corresponding to 0.49 percent of the total number of registered shares. The purpose of the repurchased shares is to secure the company's costs in connection with the long-term performance-based incentive program (LTIP 2011) which the annual general meeting resolved to introduce on May 3, 2011. The total number of outstanding shares is unchanged since the listing and amounted to 365,058,897 shares at June 30, 2011. The average number of outstanding shares after buyback amounted to 363,816,473 at the end of the period.

The Parent Company

During the first half year, revenues for Niscayah Group AB amounted to MSEK 72 (81) and the profit after net financial items was MSEK 96 (131). Cash and cash equivalents amounted to MSEK 3 (147). Investments in shares in subsidiaries amounted to MSEK 0 (0) and investments in other non-current assets totaled MSEK 6 (8).

Significant risks and uncertainties

Niscayah is exposed to both operational (business-related) risks and financial risks. All risk management is conducted in line with policies and guidelines adopted by the board defining the responsibility and mandate and with the overall objective of establishing risk awareness and preventive measures via effective processes and internal control within all business areas. For additional information about Niscayah's risk exposure and risk management refer to note 3 in the 2010 Annual Report. Apart from the risks described there, no material risks are deemed to have arisen.

Transactions with related parties

No transactions between Niscayah and related parties significantly impacting the company's financial position and results have taken place during the period.

Public offers to the shareholders in Niscayah

On 16 May 2011, Securitas AB announced a public offer to the shareholders and warrant holders in Niscayah. Securitas offers that for each 4.19 shares in Niscayah, one new share in Securitas will be received and for each warrant SEK 0.05 in cash will be received. At 29 June, Securitas announced that the acceptance period for the offer ends at 12 August 2011.

On 27 June, Stanley Black & Decker, Inc. announced a recommended all-cash offer to the shareholders and warrant holders in Niscayah. Stanley offers SEK 18 in cash per share in Niscayah and SEK 0.05 in cash per warrant. The acceptance period for the offer runs from 25 July to 1 September 2011.

Events after the end of the reporting period

Acquisition in the Netherlands

Niscayah has entered into an agreement to acquire Theo Jeuken Security BV, a company active within the field of technical security solutions and which is based in the Netherlands. The company has annual revenues of approximately MSEK 8 and they have 8 employees. The purchase price amounts to MSEK 4.8 on a debt-free basis. The acquisition will be consolidated from August 5, 2011 and is expected to have a marginal impact on Niscayah's earnings per share.

Termination of pension plan in Norway

Niscayah's Norwegian subsidiary, Niscayah AS, has terminated a defined benefit pension plan from July 1, 2011, resulting in a positive impact on earnings of approximately MSEK 35 which will affect earnings during the third quarter. The change implies a lower running pension expense, going forward.

Accounting policies

This interim report was prepared in accordance with IAS 34 and according to the Swedish Financial Reporting Board's recommendation RFR 1 and, for the parent company, according to recommendation RFR2. The accounting policies applied are in accordance with those presented in the 2010 annual report with the exception of a number of amendments to existing standards and new interpretations which became effective on January 1, 2011, which have not had any impact on the consolidated financial statements.

Niscayah's annual reports, interim reports and presentations are available via Niscayah's iPad application. Search for Niscayah in iTunes.

Future reporting dates in 2011

November 2, 2011	Interim report January-September 2011

This interim report has not been examined by the company's auditors.

For further information please contact:

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Niscayah Group AB discloses the information provided herein pursuant to the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication on July 27, 2011 at 08.30 a.m. CET.

CERTIFICATION

The Board of Directors and the CEO certify that the half-year report provides a true and fair overview of the Parent Company Niscayah Group AB's and the Group's operations, their financial position and results of operations as well as describing material risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, July 27, 2011

Niscayah Group AB (publ)

Jan Svensson Chairman of the Board	Carl Douglas Board member	Tomas Franzén Board member
Eva Lindqvist Board member	Anders Böös Board member	Ulrik Svensson Board member
Mikael Thylin Employee representative	Peter Alvhed Employee representative	Håkan Kirstein Board member President and CEO

Condensed Consolidated Income Statement

MSEK	Jan-Jun 2011	Jan-Jun 2010	Apr-Jun 2011	Apr-Jun 2010	Jan-Dec 2010
Revenues	**3,036.2**	**3,368.5**	**1,526.8**	**1,687.5**	**6,624.3**
Cost of goods sold[1]	-1,997.5	-2,356.0	-1,009.3	-1,130.7	-4,474.0
Gross profit	**1,038.7**	**1,012.5**	**517.5**	**556.8**	**2,150.3**
Selling and administrative expenses[1]	-871.4	-1,023.3	-436.1	-468.2	-1,945.2
EBITA	**167.3**	**-10.8**	**81.4**	**88.6**	**205.1**
Amortization and impairment of acquisition related intangible assets	-12.8	-15.1	-6.4	-7.1	-28.7
Operating profit (EBIT)	**154.5**	**-25.9**	**75.0**	**81.5**	**176.4**
Financial income and expenses[2]	-14.8	-14.6	-19.5	-13.2	-4.4
Profit before tax	**139.7**	**-40.5**	**55.5**	**68.3**	**172.0**
Tax	-42.4	12.3	-16.9	-20.8	-52.4
Net profit for the period	**97.3**	**-28.2**	**38.6**	**47.5**	**119.6**
Net profit for the period attributable to;					
The parent company's owners	97.3	-28.9	38.5	46.9	119.3
Non-controlling interests	0.0	0.7	0.1	0.6	0.3
Earnings per share before dilution, SEK[3]	0.27	-0.08	0.11	0.13	0.33
Earnings per share after dilution, SEK[3]	0.27	-0.08	0.11	0.13	0.33

[1]Of which depreciation and amortization;					
Property, plant and equipment	-37.5	-56.1	-18.5	-27.3	-103.8
Intangible assets (excluding amortization of acquisition related intangible assets)	-23.6	-24.3	-12.3	-11.9	-48.3
Total depreciation and amortization (excluding amortization of acquisition related intangible assets)	**-61.1**	**-80.4**	**-30.8**	**-39.2**	**-152.1**
[1]Of which restructuring costs;					
Cost of goods sold	-	-120.0	-	-	-120.0
Selling and administrative expenses	-	-80.0	-	-	-80.0
Total restructuring costs	**-**	**-200.0**	**-**	**-**	**-200.0**
[2]Financial income and expenses					
Interest income and other financial income	11.1	1.2	0.9	0.2	2.9
Interest expenses and other financial expenses	-26.1	-29.0	-15.3	-13.3	-38.6
Exchange gains	48.9	89.4	13.3	37.7	136.4
Exchange losses	-48.7	-76.2	-18.4	-37.8	-105.1
Total financial income and expenses	**-14.8**	**-14.6**	**-19.5**	**-13.2**	**-4.4**

[3] Calculated on the average number of outstanding shares after buyback.

Consolidated statement of comprehensive income

MSEK	Jan-Jun 2011	Jan-Jun 2010	Apr-Jun 2011	Apr-Jun 2010	Jan-Dec 2010
Net profit for the period	97.3	-28.2	38.6	47.5	119.6
Actuarial gains and losses	-0.4	-1.3	-0.4	-1.3	-24.0
Exchange differences	-18.3	-90.7	40.8	40.7	-291.5
Tax attributable to other comprehensive income	6.2	-1.6	-4.3	-11.6	31.7
Other comprehensive income for the period, net after tax	**-12.5**	**-93.6**	**36.1**	**27.8**	**-283.8**
Comprehensive income for the period	**84.8**	**-121.8**	**74.7**	**75.3**	**-164.2**
Comprehensive income for the period attributable to:					
The parent company's owners	84.7	-121.9	74.6	74.9	-163.4
Non-controlling interests	0.1	0.1	0.1	0.4	-0.8

The number of outstanding shares at the end of the reporting period					
before dilution	365,058,897	365,058,897	365,058,897	365,058,897	365,058,897
after dilution	365,058,897	365,058,897	365,058,897	365,058,897	365,058,897
Average number of outstanding shares after buyback					
before dilution	363,816,473	364,855,246	363,574,049	364,651,595	364,457,072
after dilution	363,816,473	364,855,246	363,574,049	364,651.595	364,457,072
The number of own shares at the end of the reporting period	1,800,000	1,000,000	1,800,000	1,000,000	1,000,000
Average number of own shares	1,242,424	203,651	1,484,848	401,302	601,825

Condensed Consolidated Balance Sheet

MSEK	June 30, 2011	June 30, 2010	Dec 31, 2010
ASSETS			
Non-current assets			
Intangible assets	2,376.2	2,580.1	2,415.9
Property, plant and equipment	141.6	222.5	164.1
Deferred tax assets	152.2	139.7	175.1
Financial assets	8.8	8.5	8.5
Other receivables	14.6	19.2	17.3
Total non-current assets	**2,693.4**	**2,970.0**	**2,780.9**
Current assets			
Inventories	201.0	229.2	204.7
Trade receivables and other receivables	2,127.9	2,210.3	2,193.5
Cash and cash equivalents	96.4	275.6	320.5
Total current assets	**2,425.3**	**2,715.1**	**2,718.7**
TOTAL ASSETS	**5,118.7**	**5,685.1**	**5,499.6**

SHAREHOLDERS' EQUITY	June 30, 2011	June 30, 2010	Dec 31, 2010
Capital and reserves attributable to the Parent Company's owners	1,727.7	1,803.6	1,762.1
Non-controlling interests	7.7	7.9	7,6
Total equity	**1,735.4**	**1,811.5**	**1,769.7**
LIABILITIES			
Non-current liabilities			
Borrowing	1,231.9	1,432.4	1,294.4
Deferred tax liabilities	188.3	170.9	205.2
Pension obligations	92.9	80.5	106.2
Other liabilities	2.7	4.3	3.8
Other provisions	29.5	81.4	31.6
Total non-current liabilities	**1,545.3**	**1,769.5**	**1,641.2**
Current liabilities			
Borrowing	9.2	38.1	13.4
Other interest-bearing liabilities	0.7	0.9	0.6
Trade payables and other liabilities	1,765.3	1,883.8	1,947.6
Derivative instruments	10.2	32.6	16.0
Other provisions	52.6	148.7	111.1
Total current liabilities	**1,838.0**	**2,104.1**	**2,088.7**
TOTAL EQUITY AND LIABILITIES	**5,118.7**	**5,685.1**	**5,499.6**

Consolidated statement of changes in equity

MSEK	Share capital	Other paid-in capital	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	EQUITY ATTRIBUTABLE TO THE PARENT COMPANY'S OWNERS						
Opening balance as at January 1, 2010	365.1	0.1	14.1	1,668.4	2,047.7	7.8	2,055.5
Comprehensive income for the period	-	-	-91.6	-30.3	-121.9	0.1	-121.8
Dividend	-	-	-	-109.5	-109.5	-	-109.5
Repurchased shares	-	-	-	-12.7	-12.7	-	-12.7
Closing balance as at June 30, 2010	**365.1**	**0.1**	**-77.5**	**1,515.9**	**1,803.6**	**7.9**	**1,811.5**
Opening balance as at January 1, 2011	365.1	0.1	-251.0	1,647.9	1,762.1	7.6	1,769.7
Comprehensive income for the period	-	-	-12.2	96.9	84.7	0.1	84.8
Dividend	-	-	-	-109.2	-109.2	-	-109.2
Repurchased shares	-	-	-	-9.9	-9.9	-	-9.9
Closing balance as at June 30, 2011	**365.1**	**0.1**	**-263.2**	**1,625.7**	**1,727.7**	**7.7**	**1,735.4**

Condensed Consolidated Cash Flow Statement

MSEK	Jan-Jun 2011	Jan-Jun 2010	Apr-Jun 2011	Apr-Jun 2010	Jan-Dec 2010
Cash flow before changes in working capital	82.9	93.7	52.5	41.1	239.3
Change in working capital	-91.9	-66.0	-38.0	-48.3	17.5
Cash flow from operating activities	**-9.0**	**27.7**	**14.5**	**-7.2**	**256.8**
Cash flow from investing activities	-44.2	-46.1	-26.4	-20.7	-86.8
Of which acquisitions/disposals of subsidiaries /operations[1]	*0.0*	*1.1*	*0.0*	*0.7*	*0.4*
Cash flow from financing activities	-172.4	-203.4	-57.3	-30.1	-326.8
Cash flow for the period	**-225.6**	**-221.8**	**-69.2**	**-58.0**	**-156.8**
Cash and cash equivalents at beginning of period	320.5	511.2	162.3	333.3	511.2
Cash flow for the period	-225.6	-221.8	-69.2	-58.0	-156.8
Exchange rate fluctuation in cash and cash equivalents	1.5	-13.8	3.3	0.3	-33.9
Cash and cash equivalents at end of period	**96.4**	**275.6**	**96.4**	**275.6**	**320.5**

[1]The effect of the divestment of Niscayah Hong Kong Ltd in 2010 has had a marginal impact on the consolidated balance sheet.

Key ratios and other information

	Jan-Jun 2011	Jan-Jun 2010	Apr-Jun 2011	Apr-Jun 2010	Jan-Dec 2010
Growth, %	-10	-14	-10	-12	-13
Organic growth, %	-3	-7	-3	-6	-7
Services share of total revenues, %	48	48	48	48	48
Gross margin, %	34.2	30.1	33.9	33.0	32.5
Gross margin, %[1]	34.2	33.6	33.9	33.0	34.3
Selling and administrative expenses margin, %	28.7	30.4	28.6	27.7	29.4
Selling and administrative expenses margin, %[1]	28.7	28.0	28.6	27.7	28.2
EBITDA margin, %	7.5	2.1	7.3	7.6	5.4
EBITDA margin, %[1]	7.5	8.0	7.3	7.6	8.4
EBITA margin, %	5.5	-0.3	5.3	5.2	3.1
EBITA margin, %[1]	5.5	5.6	5.3	5.2	6.1
Operating margin (EBIT), %	5.1	-0.8	4.9	4.8	2.7
Operating margin (EBIT), %[1]	5.1	5.2	4.9	4.8	5.7
Net margin, %	3.2	-0.8	2.5	2.8	1.8
Share price at the end of the period, SEK	18.4	10.75	18.4	10.75	13.80
Dividend per share, SEK	-	-	-	-	0.30
Earnings per share, SEK[2]	0.27	-0.08	0.11	0.13	0.33
Number of outstanding shares	365,058,897	365,058,897	365,058,897	365,058,897	365,058,897
Average number of outstanding shares after buyback	363,816,473	364,855,246	363,574,049	364,651,595	364,457,072
Restructuring costs, MSEK	-	200	-	-	200

	June 30, 2011	June 30, 2010	Dec 31, 2010
Operating capital employed, MSEK	718.9	645.2	556.5
Goodwill, MSEK	1,985.0	2,156.3	2,012.3
Acquisition related intangible assets, MSEK	178.2	229.8	196.3
Capital employed, MSEK	2,882.1	3,031.3	2,765.1
Capital employed MSEK[1]	2,942.5	3,238.7	2,886.1
Net debt, MSEK	1,146.7	1,219.9	995.4
Shareholders' equity, MSEK	1,735.4	1,811.5	1,769.7
Return on capital employed, %, (12 months)	13	7	7
Return on capital employed, %, (12 months)[1]	13	13	14
Return on equity, %, (12 months)	14	6	6
Net debt/equity ratio, multiple	0.66	0.67	0.56
Equity/assets ratio, %	34	32	32

[1] Excl. restructuring costs for 2010 amounting to MSEK 200 during Q1, apportioned as cost of goods sold of MSEK 120 and selling and administrative expenses of MSEK 80.

[2] Calculated on the average number of outstanding shares after buyback.

For definitions see page 18 and the annual report 2010

The Group's organic growth and changes in foreign exchange rates

The calculation of organic growth and specification of changes in foreign exchange rates on operating profit EBITA and EBIT are presented below:

MSEK	Jan-Jun 2011	Jan-Jun 2010	%
Revenues	3,036.2	3,368.5	-10
Acquisitions/disposals	1.1	-	
Change in foreign exchange rates from 2010	245.4	-	
Organic growth	**3,282.7**	**3,368.5**	**-3**
EBITA excluding restructuring costs			
EBITA excluding restructuring costs	167.3	189.2	-12
Change in foreign exchange rates from 2010	10.9	-	
EBITA excluding restructuring costs	**178.2**	**189.2**	**-6**
Operating profit (EBIT) excluding restructuring costs			
Operating profit (EBIT) excluding restructuring costs	154.5	174.1	-11
Change in foreign exchange rates from 2010	9.6	-	
Operating profit (EBIT) excluding restructuring costs	**164.1**	**174.1**	**-6**

MSEK	Apr-Jun 2011	Apr-Jun 2010	%
Revenues	1,526.8	1,687.5	-10
Acquisitions/disposals	0.6	-	
Change in foreign exchange rates from 2010	116.2	-	
Organic growth	**1,643.6**	**1,687.5**	**-3**
EBITA			
EBITA	81.4	88.6	-8
Change in foreign exchange rates from 2010	5.7	-	
EBITA	**87.1**	**88.6**	**-2**
Operating profit (EBIT)			
Operating profit (EBIT)	75.0	81.5	-8
Change in foreign exchange rates from 2010	5.2	-	
Operating profit (EBIT)	**80.2**	**81.5**	**-1**

The Group’s segments, overview January-June

Niscayah's operations are divided into different segments, Mainland Europe and US/UK/Ireland. Mainland Europe comprises the European market except for the UK and Ireland. The Anglo-Saxon market comprises the US, UK and Ireland. Other, includes Australia, Hong Kong and the parent company’s costs.

	Mainland Europe		US/UK/Ireland		Other		Eliminations		Group	
MSEK	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Revenues, external	2,376.7	2,551.1	619.8	749.1	39.7	68.3	-	-	3,036.2	3,368.5
Revenues, internal	1.5	0.0	0.0	0.1	20.6	3.7	-22.1	-3.8	-	-
Revenues	**2,378.2**	**2,551.1**	**619.8**	**749.2**	**60.3**	**72.0**	**-22.1**	**-3.8**	**3,036.2**	**3,368.5**
Organic growth, %	*-1*	*-11*	*-4*	*0*	-	-	-	-	*-3*	*-7*
EBITA excluding restructuring costs	211.0	205.2	8.9	19.8	-52.6	-35.8	-	-	167.3	189.2
EBITA margin, % excl. restructuring costs	*8.9*	*8.0*	*1.4*	*2.6*	-	-	-	-	*5.5*	*5.6*
Restructuring costs	-	-170.0	-	-30.0	-	-	-	-	-	-200.0
EBITA	211.0	35.2	8.9	-10.2	-52.6	-35.8	-	-	167.3	-10.8
EBITA margin, %	*8.9*	*1.4*	*1.4*	*-1.4*	-	-	-	-	*5.5*	*-0.3*
Amortization of acquisition related intangible assets	-6.9	-8.3	-5.9	-6.8	-	-	-	-	-12.8	-15.1
Operating profit (EBIT)	**204.1**	**26.9**	**3.0**	**-17.0**	**-52.6**	**-35.8**	**-**	**-**	**154.5**	**-25.9**
Operating margin (EBIT), %	*8.6*	*1,1*	*0.5*	*-2.3*	-	-	-	-	*5.1*	*-0.8*
Financial income and expenses	-	-	-	-	-14.8	-14.6	-	-	-14.8	-14.6
Profit before tax	**204.1**	**26.9**	**3.0**	**-17.0**	**-67.4**	**-50.4**	**-**	**-**	**139.7**	**-40.5**
Operating capital employed	350.2	338.3	134.2	139.2	234.5	167.7	-	-	718.9	645.2
Operating capital employed as % of revenues	*7*	*6*	*10*	*9*	-	-	-	-	*11*	*9*
Goodwill	1,369.8	1,416.4	563.9	680.7	51.3	59.2	-	-	1,985.0	2,156.3
Acquisition related intangible assets	62,4	79.3	115.8	150.5	-	-	-	-	178.2	229.8
Capital employed	**1,782.4**	**1,834.0**	**813.9**	**970.4**	**285.8**	**226.9**	**-**	**-**	**2,882.1**	**3,031.3**

Consolidated income statements per quarter 2011

MSEK	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec
Revenues	**1,509.3**	**1,526.8**			
Growth, %	*-10*	*-10*			
Organic growth, %	*-2*	*-3*			
Revenues, services	719.3	736.4			
Growth, services, %	*-9*	*-10*			
Organic growth, services, %	*-2*	*-3*			
Cost of goods sold	-988.1	-1,009.3			
Gross profit	**521.2**	**517.5**			
Gross margin, %	*34.5*	*33.9*			
Selling and administrative expenses	-435.2	-436.1			
Selling and administrative expenses, margin, %	*28.8*	*28.6*			
EBITA	**86.0**	**81.4**			
EBITA margin, %	*5.7*	*5.3*			
Amortization acquisition related intangible assets	-6.5	-6.4			
Operating profit (EBIT)	**79.5**	**75.0**			
EBIT margin, %	*5.3*	*4.9*			
Financial income and expenses	4.7	-19.5			
Profit before tax	**84.2**	**55.5**			
Tax	-25.6	-16.9			
Net profit for the period	**58.6**	**38.6**			

Consolidated income statements per quarter 2010 (excluding restructuring costs)

MSEK	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec
Revenues	**1,681.0**	**1,687.5**	**1,501.6**	**1,754.3**	**6,624.3**
Growth, %	*-16*	*-12*	*-14*	*-11*	*-13*
Organic growth, %	*-9*	*-6*	*-9*	*-3*	*-7*
Revenues, services	793.5	814.0	773.3	804.9	3,185.7
Growth, services, %	*-5*	*-1*	*-4*	*-3*	*-3*
Organic growth, services, %	*3*	*6*	*1*	*5*	*4*
Cost of goods sold	-1,105.3	-1,130.7	-971.0	-1,147.0	-4,354.0
Gross profit	**575.7**	**556.8**	**530.6**	**607.3**	**2,270.3**
Gross margin, %	*34.2*	*33.0*	*35.3*	*34.6*	*34,3*
Selling and administrative expenses	-475.1	-468.2	-444.4	-477.6	-1,865.2
Selling and administrative expenses, margin, %	*28.3*	*27.7*	*29.6*	*27.2*	*28.2*
EBITA	**100.6**	**88.6**	**86.2**	**129.7**	**405.1**
EBITA margin, %	*6.0*	*5.2*	*5.7*	*7.4*	*6.1*
Amortization acquisition related intangible Assets	-8.0	-7.1	-6.9	-6.7	-28.7
Operating profit (EBIT)	**92.6**	**81.5**	**79.3**	**123.0**	**376.4**
EBIT margin, %	*5.5*	*4.8*	*5.3*	*7.0*	*5.7*
Financial income and expenses	-1.4	-13.2	2.5	7.8	-4.4
Profit before tax	**91.2**	**68.3**	**81.8**	**130.8**	**372.0**
Tax	33.1	-20.8	-24.9	-39.8	-52.4
Restructuring costs	-200.0	0.0	0.0	0.0	-200.0
Net profit for the period	**-75.7**	**47.5**	**56.9**	**91.0**	**119.6**

Condensed parent company income statement

MSEK	Jan-Jun 2011	Jan-Jun 2010	Jan-Dec 2010
Revenues	72.1	81.1	154.5
Other operating expenses	-56.5	-43.3	-106.1
Operating income	**15.6**	**37.8**	**48.4**
Profit from financial items, net[1]	80.9	93.1	-158.0
Profit after financial items	**96.5**	**130.9**	**-109.6**
Appropriations	20.1	-28.7	-34.4
Profit before tax	**116.6**	**102.2**	**-144.0**
Tax	-23.8	-21.1	-51.7
Net profit for the period	**92.8**	**81.1**	**-195.7**

[1]Includes write-down of shares in subsidiaries of MSEK -363 as of December 2010.

Condensed parent company balance sheet

MSEK	June 30, 2011	June 30, 2010	Dec 31, 2010
ASSETS			
Non-current assets	8,460.9	8,661.6	8,337.6
Current assets	251.2	654.4	614.0
TOTAL ASSETS	**8,712.1**	**9,316.0**	**8,951.6**
SHAREHOLDERS' EQUITY	**6,580.0**	**6,975.6**	**6,623.5**
Untaxed reserves	254.4	268.8	274.5
LIABILITIES			
Non-current liabilities	1,243.1	1,441.1	1,305.7
Current liabilities	634.6	630.5	747.9
TOTAL EQUITY AND LIABILITIES	**8,712.1**	**9,316.0**	**8,951.6**

Definitions

Return on equity: Profit after tax divided by average equity
EBIT: Operating profit after depreciation, amortization and impairments
EBIT margin: EBIT as a percentage share of revenues
EBITA: Operating profit before amortization of acquisition related intangible assets, but after depreciation and amortization of property, plant and equipment and other intangible assets.
EBITA margin: EBITA as a percentage share of revenues.
EBITDA: Operating profit before depreciation and amortization.
EBITDA margin: EBITDA as a percentage share of revenues.
Selling and administrative expenses, margin: Selling and administrative expenses as a percentage share of revenues.
Earnings per share: Net profit for the period divided by the average number of outstanding shares after buyback.

Other definitions are presented in Niscayah's Annual Report 2010, page 60: www.niscayah.com