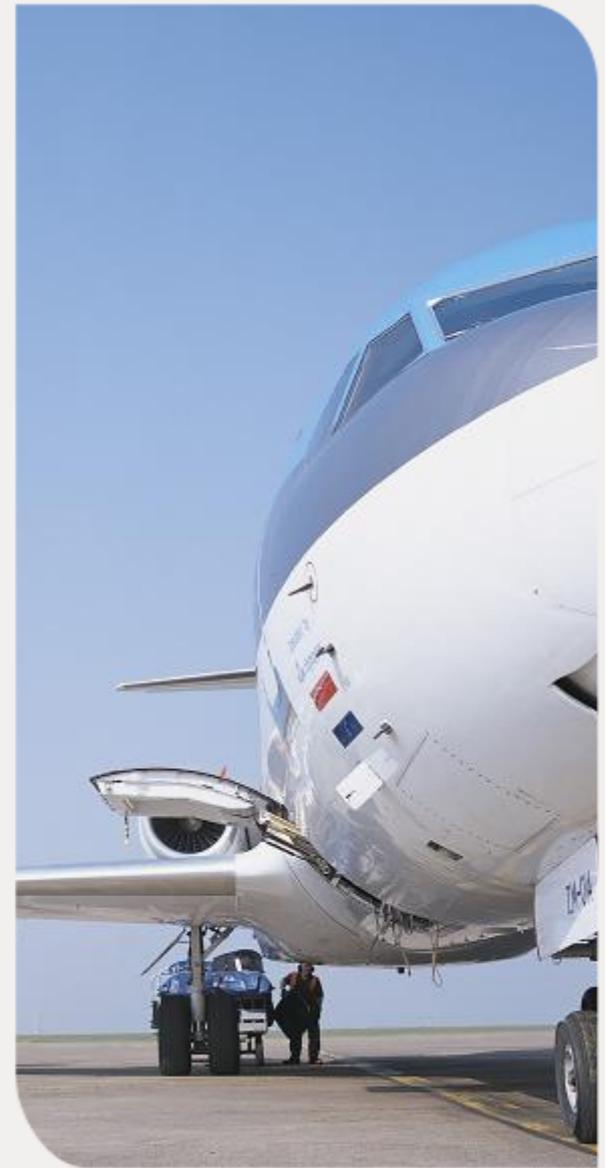




# Capital Markets Day

## Strategy

Nick Buckles  
Group CEO



Securing Your World



# Agenda

**0830 - 1030**

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<b>Strategy &amp; The G4S Way</b>	<b>Nick Buckles</b>
<b>“The G4S Way”</b> <ul style="list-style-type: none"><li>▪ Service Excellence Centres</li><li>▪ Business Development</li></ul>	<b>David Taylor-Smith Graham Levinsohn</b>
<b>Q&amp;A</b>	
<b>UK &amp; Africa Regional Focus</b> <ul style="list-style-type: none"><li>▪ Introduction</li><li>▪ Government &amp; Outsourcing Services</li><li>▪ Care &amp; Justice Services</li><li>▪ London 2012 Olympic &amp; Paralympic Games</li></ul>	<b>David Taylor-Smith Kim Challis Richard Morris Ian Horseman Sewell</b>
<b>Q&amp;A</b>	<b>All</b>
<b>Coffee</b>	

# Agenda

## 1100 - 1300

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<b>Africa Regional Focus</b>	<b>Andy Baker</b>
<b>Americas Regional Focus</b> <ul style="list-style-type: none"><li>▪ Introduction</li><li>▪ Brazil Strategy</li></ul>	<b>Grahame Gibson</b>
<b>Asia Middle East Regional Focus</b> <ul style="list-style-type: none"><li>▪ Introduction</li><li>▪ Middle East Strategy</li></ul>	<b>Dan Ryan</b> <b>Chris Fergus</b>
<b>Group Finance Strategy</b>	<b>Trevor Dighton</b>
<b>Summary &amp; Outlook</b>	<b>Nick Buckles</b>
<b>Q&amp;A</b>	<b>All</b>
<b>Lunch</b>	



**Strategy**



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# G4S Vision

## Leading the security market

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To be **recognised** as the **global leader** in providing **secure outsourcing solutions**

### Recognition:

The voice of the industry - demonstrating thought leadership in key sectors

### Global Leader:

- £10bn revenues by 2014
- 50% of revenues in developing markets by 2019

### Secure Outsourcing Solutions:

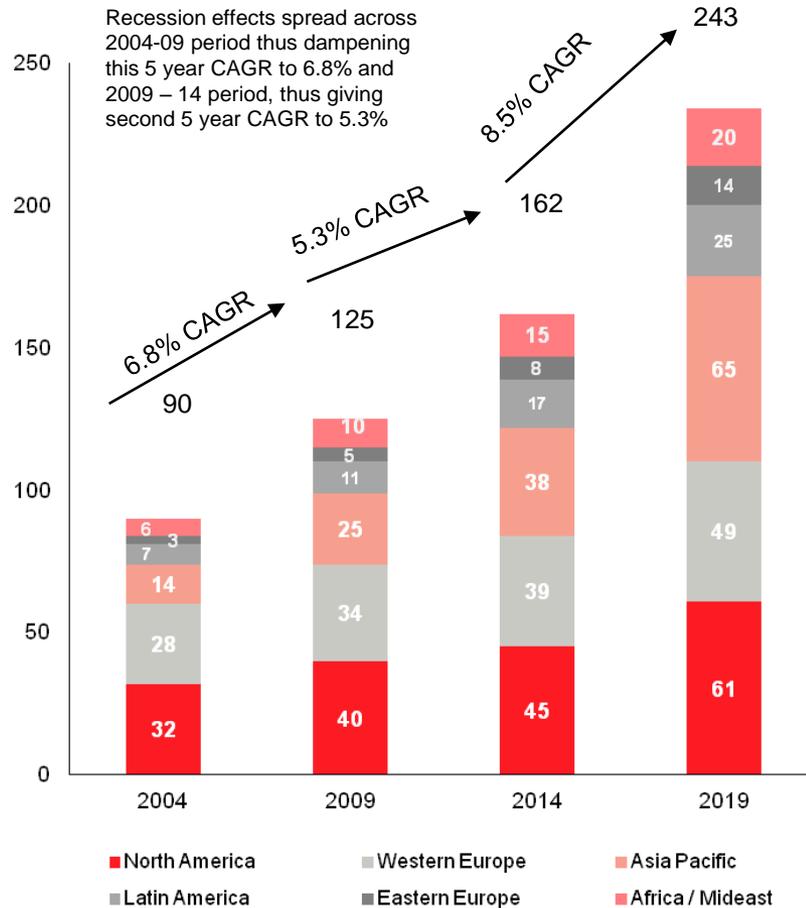
Increase the proportion of group revenues derived from “solutions” type contracts

**Through this, we help customers achieve their own strategic goals, deliver sustainable growth for G4S and long-term value for our shareholders**

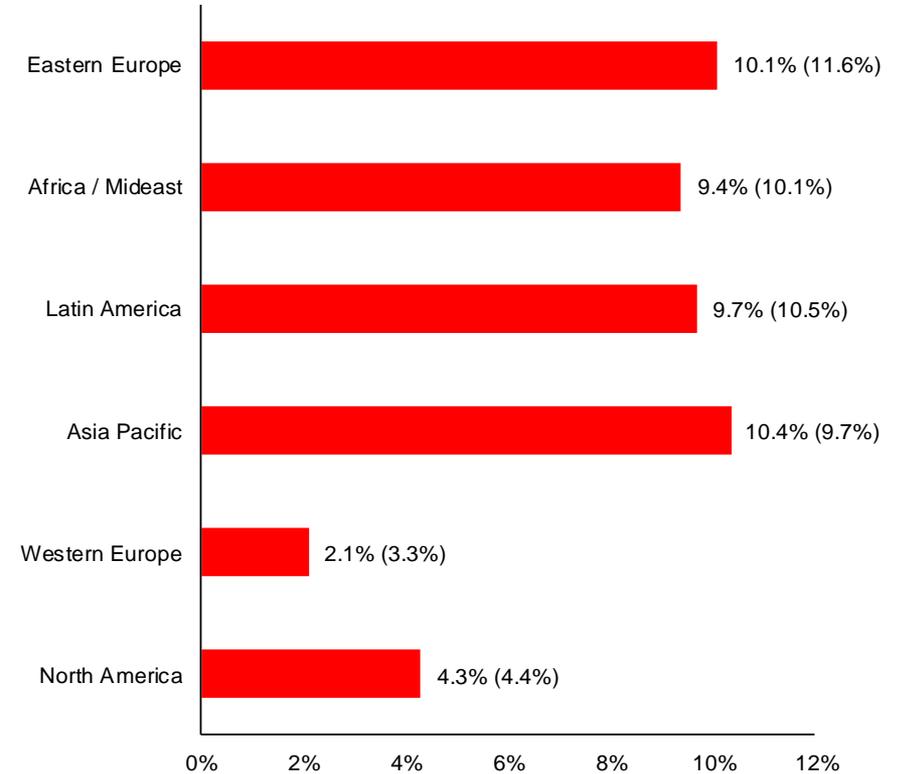
# Global Market Size and Growth Rates

## Strong structural growth B-B & B-G Markets

Security market revenue by region (US\$ bn)



Estimated nominal GDP annual growth 2009 to 2014 by region



Source: Freedonia 2011, Company estimates, IMF April 2012 (Apr 2011)

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# Strategy implications of Integrated Facilities Management

## Focus on security, with IFM to be provided in selective markets

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- 90% of market still single service but % declining slowly
- For IFM, self-delivery is key for cost-savings
- UK is the only major G4S market where we need to provide IFM, especially Government
- FM in developing markets (particularly Brazil, India and China) are attractive
- Continued focus on sectors where security, safety and compliance are key
- Global security market has strong structural growth and G4S has proven track record of success
- Integration and/ or bundling of security solutions still fundamental for cost savings

# Business Definition

## Security at the core

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**G4S is the world's leading international secure outsourcing solutions group which specialises in outsourcing of business processes and facilities in sectors where security and safety risks are considered as a strategic threat**

**B – B Markets**



**B – G Markets**

**The assessment and management of security and safety risks for buildings, infrastructure, materials, valuables, people and society**

**Long Term (5+ years) Contracts should be output based around delivery of one or more of the following Customer's Business Objectives :-**

- **Revenue Growth**
- **Cost Management**
- **Critical Asset or Risk Management**
- **Regulatory Compliance**
- **Customer Service (end customer)**

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# Strategy

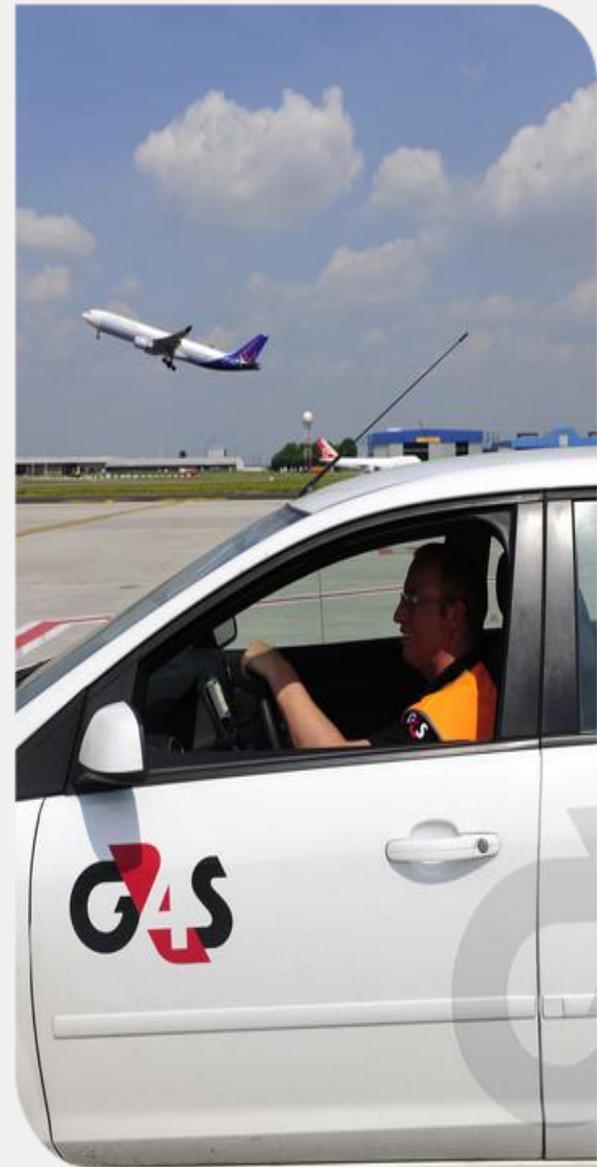
## Delivering enhanced growth

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- 1** Drive outsourcing in all markets
- 2** Focus on sectors where security and safety are key
- 3** Develop long-term partnerships with large customers
- 4** Transfer expertise from more developed markets into key developing markets
- 5** Acquire businesses to accelerate organic growth potential



## Key Objectives



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# Key Business Objectives

## Continued focus on business improvement

### Organic growth

- Further investment in Sectors and International Accounts
- Global service delivery frameworks for service consistency
- Roll-out of pipeline monitoring through salesforce.com
- Increased focus on large bids
- Acquisitions to accelerate organic growth potential

### Margin improvement

- Undertaking review of procurement
- Overhead review to ensure appropriate to economic conditions
- Service excellence centres to focus on product gross margin improvement
- Divestment strategy for non-core or long term underperforming activities
- Growth in higher margin businesses

### Organisational design

- Integration of cash solutions division into regional structure
- Organisational design review to ensure appropriate to current strategy
- Targeting requisite business unit design and overhead levels

### Cash generation

# Active Divestment Strategy

## Assessment criteria

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- Not core to group strategy
- Long term inability to meet internal group minimum targets
- Alternative parent willing to pay a premium
- Lack market share in consolidated cash solutions markets

For example since 2006 G4S has divested:

- France ( all services)
- Germany (all services)
- Sweden Cash solutions
- Poland (all services)
- Norway home alarms
- TLCS, UK
- Taiwan Cash solutions



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# Key Strengths

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## Integrated security

- Key differentiator for the group
- Bring together project management, risk consultancy, physical security, intelligent systems and security personnel to solve security challenges for customers

## Unrivalled cash solutions expertise

- Cash cycle management is a core competency
- Ability to drive substantial efficiencies for customers
- Achieving maximum financial return for our customers
- Substantial opportunity for continued outsourcing
- Market leading growth and margins for G4S

## Government partnerships

- Significant government sector experience – Justice, Police, Immigration and Welfare
- Ability to win and mobilise large contracts
- Knowledge of transferring public sector staff and assets
- Ability to export skills and knowledge to less developed markets

## Strong developing markets positions

- Unrivalled global presence and experience of less developed markets
- Well positioned for structural growth opportunities
- Ability to drive development forward in high growth industry sectors
- Increasing outsourcing trends

# Core Values

## A culture of high standards of delivery

---

### Customer Focus

We have close, open relationships with our customers that generate trust and we work in partnership for the mutual benefit of our organisations

### Expertise

We develop and demonstrate our expertise through our innovative and leading edge approach to creating and delivering the right solution

### Best People

We always take care to employ the best people, develop their competence, provide opportunity and inspire them to live our values

### Teamwork & Collaboration

We collaborate for the benefit of G4S as a whole

### Integrity

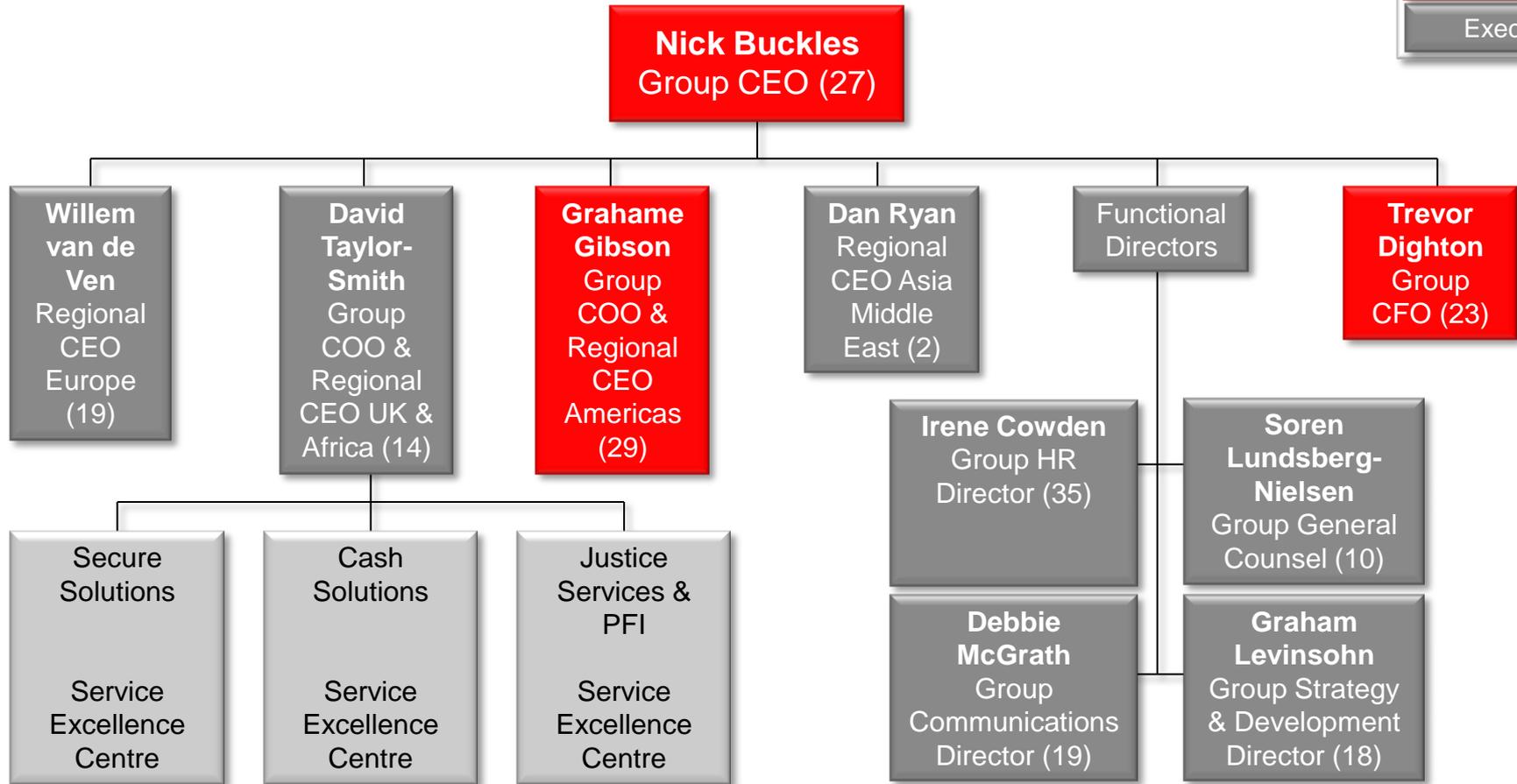
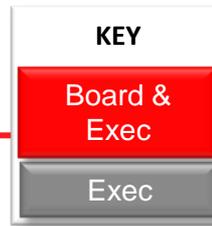
We can always be trusted to do the right thing

### Performance

We challenge ourselves to improve performance year-on-year to create long term sustainability

# Experienced Management

## With track record of delivery



Around 200 years service in the security industry

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Note: numbers in brackets represent years of service in the security industry

# Investment Attributes

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## Growth

- Organic revenue growth
- Developing markets exposure
- Major position in UK Government outsourcing
- A GDP ++ growth business
- Disciplined M&A

+

## Resilience

- Well diversified business
- Defensive services
- Structural growth through the cycle
- High customer retention & visibility of earnings

+

## Strong Financial Disciplines

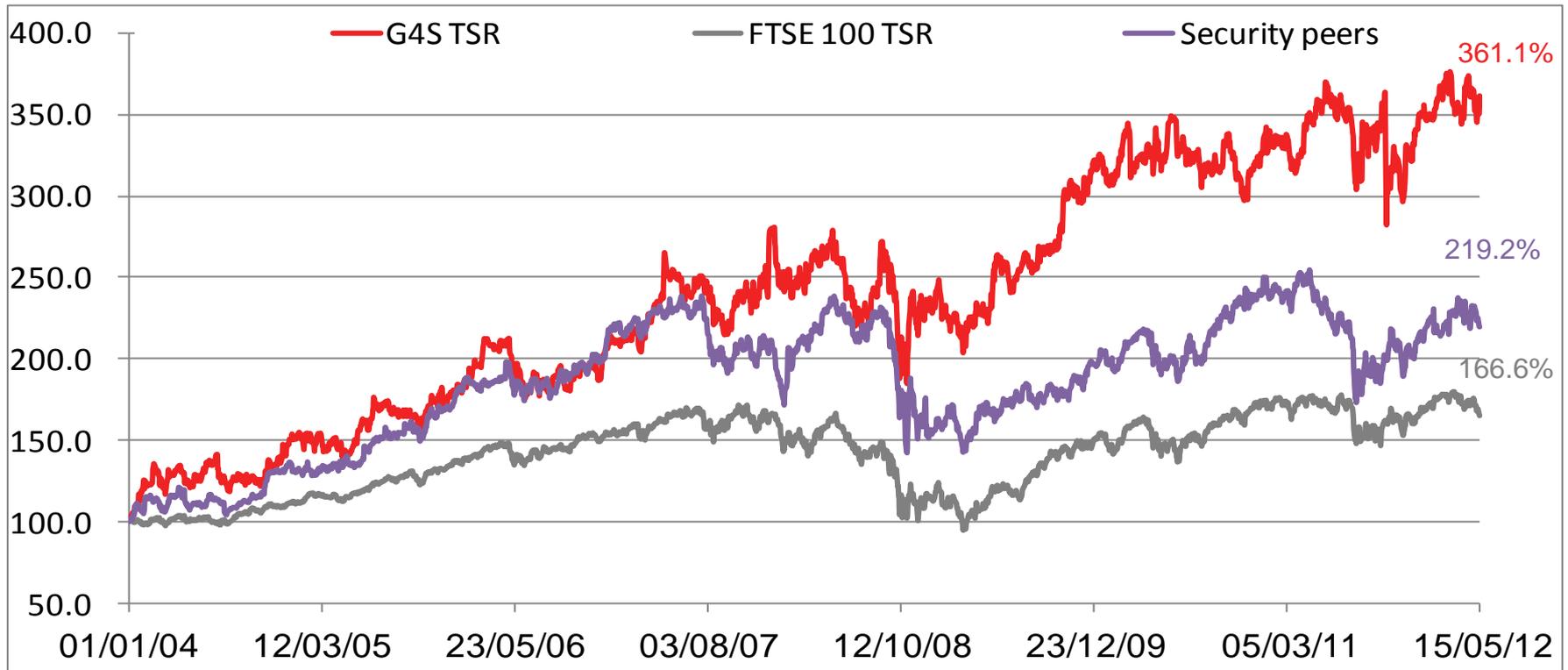
- Operational efficiency and margin expansion
- Free cash flow generation / cash conversion
- Disciplined and coherent M&A / progressive dividend policy

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# Creating Shareholder Value (TSR)

G4S has generated significantly more value than the FTSE 100 and peers since the merger



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# Strategy Summary

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## Strong overall underlying trading platform

### Focus on accelerating growth:

- Higher growth markets
- Large bids & outsourcing potential
- Acquired expertise
- Investment in business development

### Margin improvement opportunities:

- Overhead and procurement focus
- Service excellence centres
- Divestments where appropriate
- Growth in higher margin businesses



## Introduction to the G4S Way



# The G4S Way

## Regional structure with strategic corporate overlay



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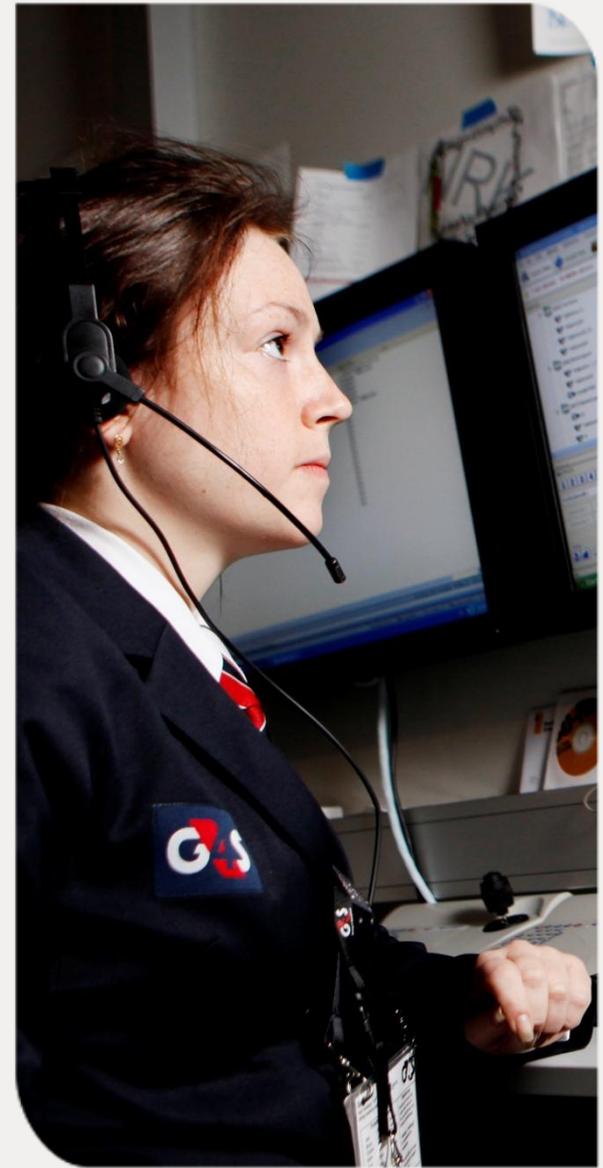




## The G4S Way

### Service Excellence

David Taylor-Smith  
Group COO and  
Regional CEO  
UK & Africa



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# Role of Service Excellence Centres

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1. Support the turnaround of under-performing businesses
2. Helping to improve operational efficiency
3. Lower cash losses
4. Avoid escapes and reduce fatalities
5. Improve Service Delivery
6. Be the global hub for service line development and sharing best practice
7. Support the rollout of optimum operational structures



**Increase gross margin & profits**

# Group Targets

**Targets designed to measure against key strategy targets**

---

Sector	Minimum Target Margin
<b>UK, Europe &amp; North America, SA, Aus &amp; NZ</b>	
Commercial & Government Manned Security	5%
Security Systems	10%
Cash Solutions	10%
Justice Services	10%
Consultancy	10%

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# Group Targets

**Targets designed to measure against key strategy targets**

---

Sector	Minimum Target Margin
<b>Developing Markets Secure Solutions</b>	
Commercial & Government Manned Security	8%
Security Systems	12.5%
Cash Solutions	12.5%
Justice Services	12.5%
Consultancy	10%
Facilities Management	8%

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# Service Excellence Centre

## Benefits

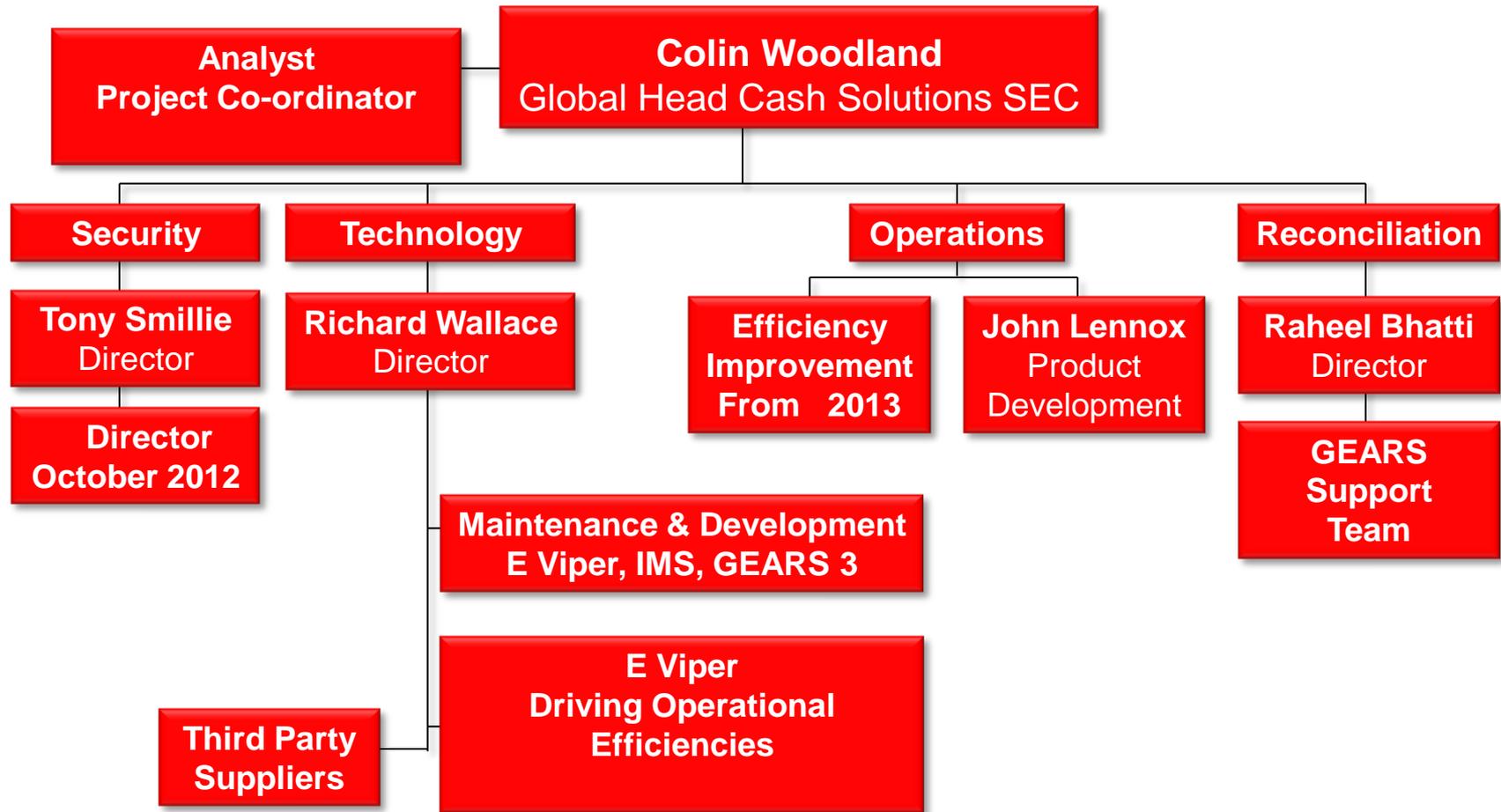
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- Turnaround under-performing businesses
- Improve gross margin via roll-out of best practice:
  - Operational IT and systems
  - Competitive pay rates and effective terms and conditions
  - Efficient labour deployment
  - Cash loss prevention
  - Price increases



**Target £50m**

# Cash Solutions SEC Organisation



# Secure Solutions SEC Organisation

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# Service Excellence Centres

## Implementation

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- Roll out service excellence elements of the G4S Way during 2012 and 2013
- The teams will work in conjunction with other G4S Way group owners to maximise collective impact
- Each Service Excellence Centre team has an annual plan and works closely with countries and regions
- Global Boards have been established for Cash Solutions and Secure Solutions to help implement strategy

# Service Excellence Centres

## Implementation

---

- Performance is reviewed each month with the Group Exec, regions and G4S countries
- The Service Excellence Teams are resourced and budgeted at a Group level to ensure global impact
- The teams have responsibility for the specification and implementation of operational systems
- They co-ordinate best practice sharing across the group through forums, events and other methods of communication and engagement

# The Cash Solutions **G4S WAY**

## Business Unit Level

**Market:** Be the market leader, or number two in a consolidated market

**Organisation:** The business is structured and performance managed to deliver the G4S Way

Best People	Service Excellence		Customers	Business Controls	Reputation
	Cash Losses	Operations			
Recruitment	Loss Prevention	Service delivery	Retention	Financial controls	Living the G4S values
Training	Insurance	Vehicles	Sales	Getting paid	Protecting G4S's reputation
	Reconciliation	Price increase monitoring Equipment Technology	Account growth Pricing	Health & Safety	

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# The Secure Solutions **G4S WAY**

## Business Unit Level

<b>Market:</b>		Operate in markets where Group minimum margins are achievable on a sustained basis			
<b>Organisation:</b>		The business is structured and performance managed to deliver the G4S Way			
<b>Best People</b>	<b>Service Excellence</b>		<b>Customers</b>	<b>Business Controls</b>	<b>Reputation</b>
	<b>Direct Labour Management</b>	<b>Operations</b>			
Recruitment	Competitive cost of labour	Service delivery	Retention	Financial controls	Living the G4S values
Training	Rostering/scheduling	Equipment	Sales	Getting paid	Protecting G4S's reputation
	Payroll management	Technology	Account growth	Health & Safety	
		Price increases	Pricing to win		

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# Summary

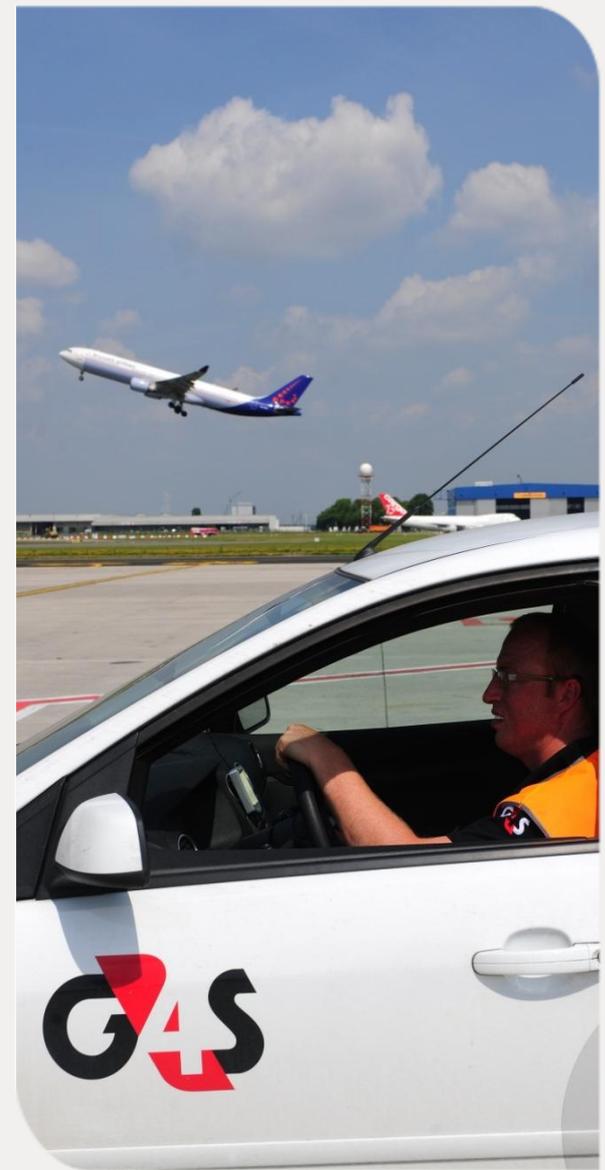
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- Our initial focus will be on basics. We will then move to service excellence
- The turn around of under-performing businesses will deliver significant profit upside
- We will implement the service excellence portion of the **G4S Way** in Cash Solutions and Secure Solutions businesses by end 2013



# The G4S Way Business Development

Graham Levinsohn  
Strategy &  
Business  
Development  
Director



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# Organic Growth Challenge 2010

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- Q1 2010 – Q1 2011 : Big bids losses approximately equal to big bid gains
  - 2010 Organic Growth 2%

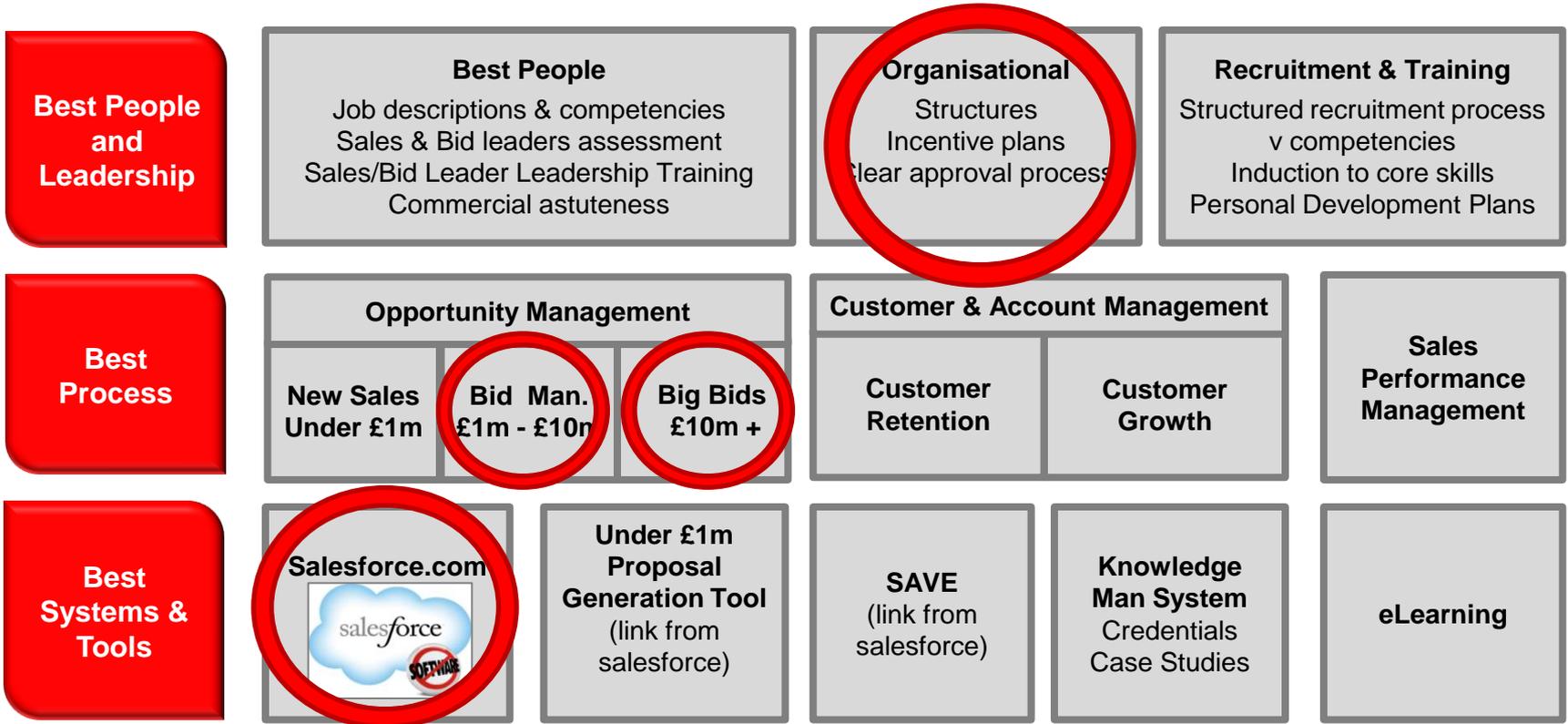
<b>Growth required</b>	<b>6%</b>	<b>10%</b>
Retention	95%	90%
Price increase	£0.2bn	£0.2bn
New sales required	£0.7bn	£1.3 bn

- To return to 6-10% organic growth required new or additional sales of around £1bn

Note : Wins/Losses measured as date notified of award

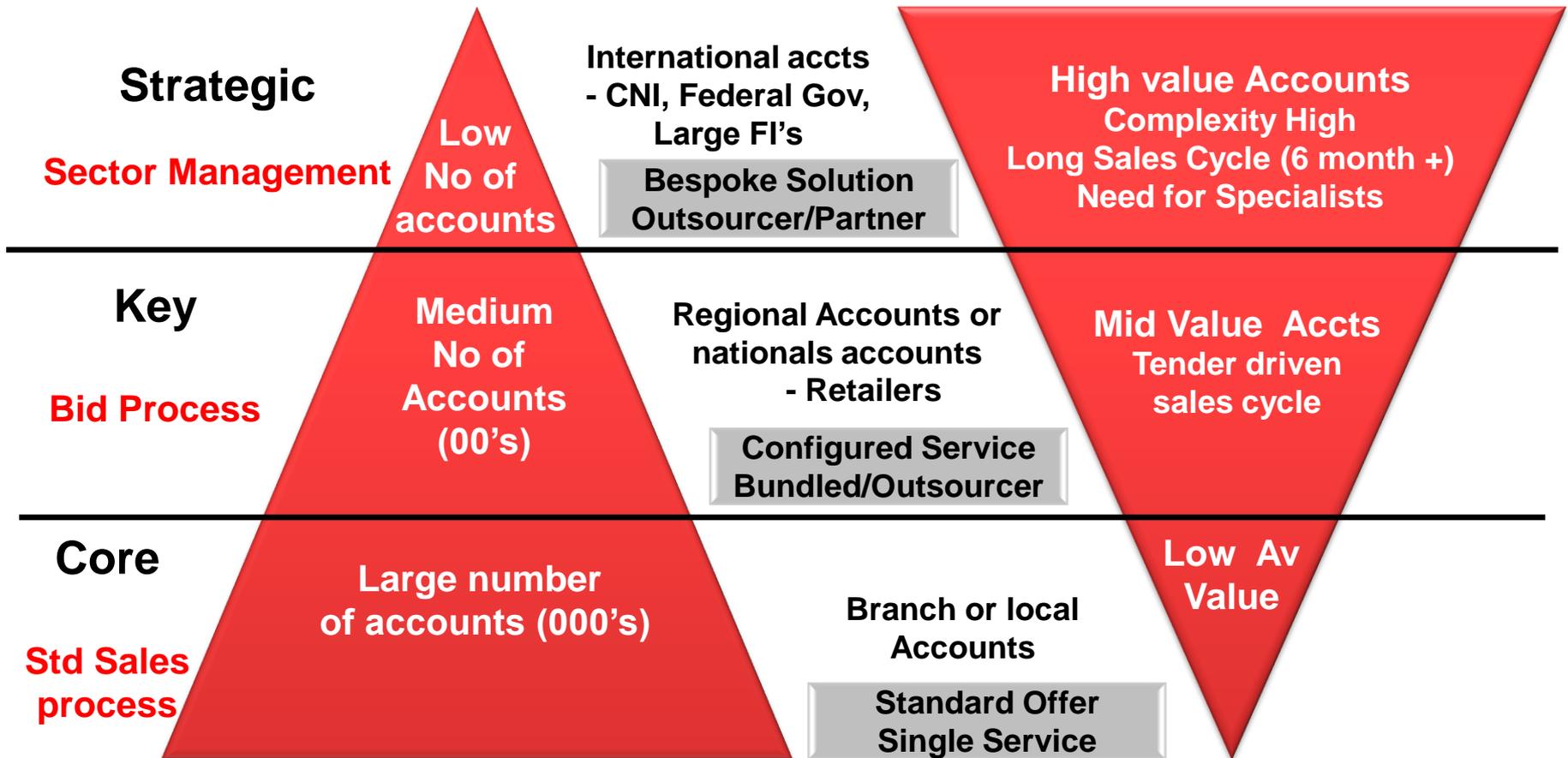
# Driving Quality of Sales Leaders and Sales Processes

**“The G4S Way” Themes - Winning More Often & Bigger  
- Keeping & Developing Customers**



# Organisation: G4S Business Development Model

## Sales Structure To Target All 3 layers



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# Process: Big Bidding Capability

## Building Winning Bid Teams

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### Customer – Facing Sector Specialists

- High level customer contacts
- Knowledge of industry, regulatory and compliance requirements
- Consultancy style selling of propositions
- Competitor Intelligence

### Bid Engine Capability

- Response to large opportunities
- Commercial input into propositions
- Financial Modelling & Pricing
- Legal & Risk
- Bid Writing/Production

### Customer Relationship Owner

### Technical Experts

- Risk assessment/ consultancy
- Safety assessment/consultancy
- System Integration
- Partnerships, associates, subsidiaries

### Operational Delivery Experts

- Product focus
- Transitioning/mobilisation
- Project management
- KPI & MI Reporting
- HR

# Tools : Salesforce.com Vision & Objectives

## Embedding & Enabling G4S Way – Sales & Business Development

---

- Embedding best practice “G4S Way” processes to improve how we sell and manage our customers
- Provide sales teams with the right tools and processes to manage deals and relationships whilst enabling management with real time information

**Collaborate globally,  
act locally**

One view of key accounts and the pipeline to allow better collaboration

**Satisfy & retain more  
customers**

Improving customer retention by **embedding G4S Way best processes**

**Pipeline visibility**

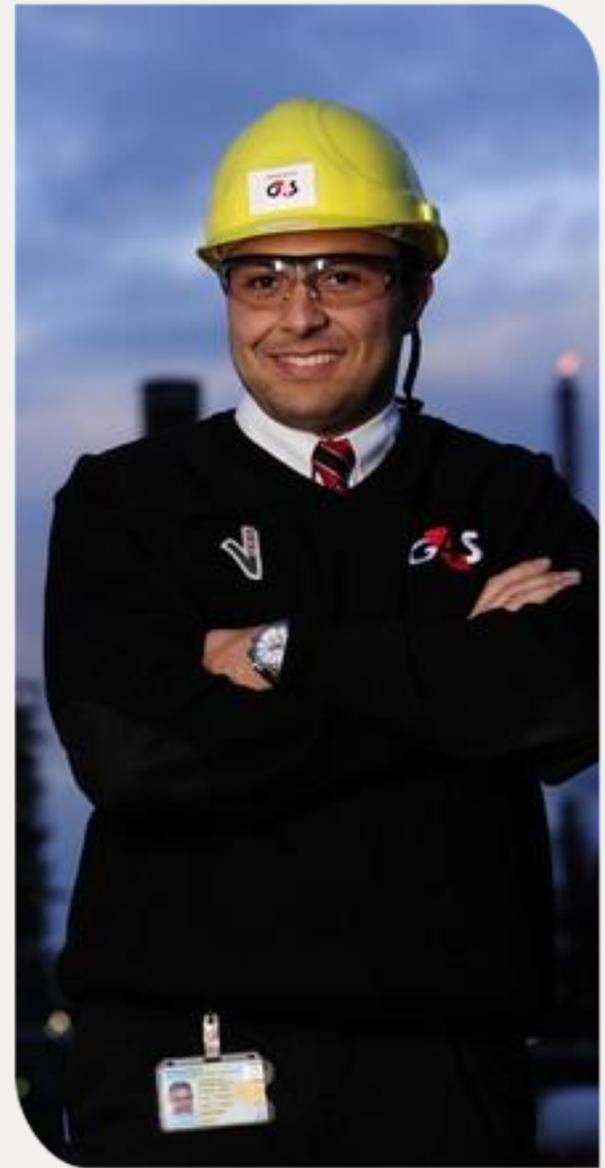
Targeting resource at biggest opportunities where the win rate is high

**Improve productivity**

Improve sales team productivity to sell more and sell more effectively



**Focusing on  
Key Sectors**

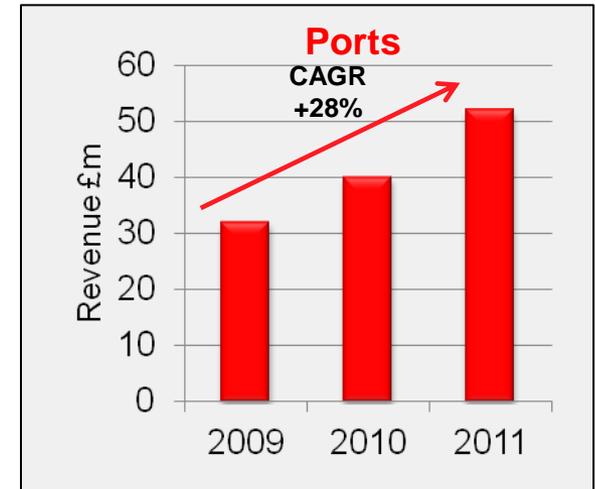
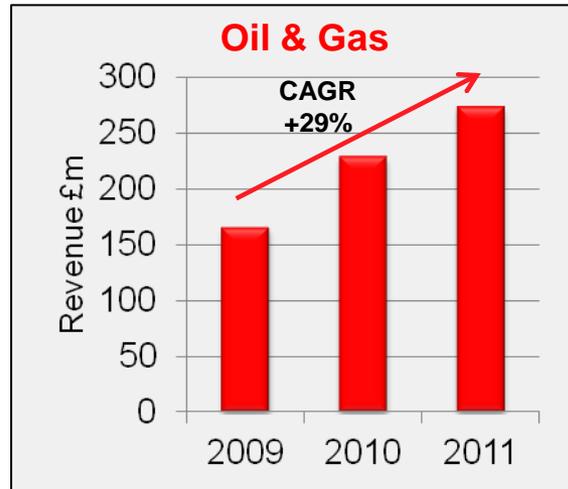
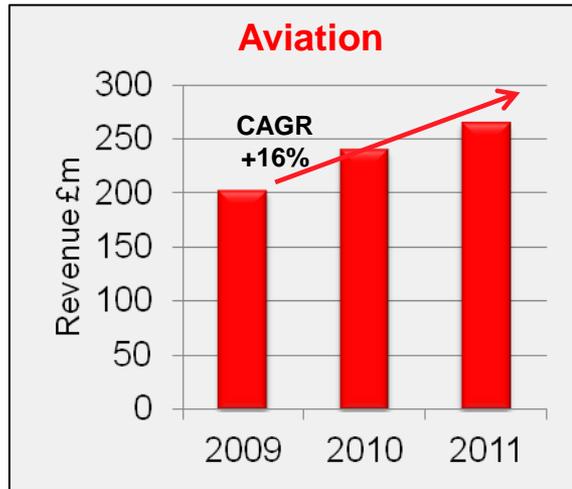


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# Key Sector Strategy

## Revenue Development



2009 Total Sector Revenues : £400m  
2010 Total Sector Revenues : £505m  
2011 Total Sector Revenues : £605m

Note : 2011 Mining turnover £75m

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# Mining Sector

## Key Statistics

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3,000 stock-exchange listed exploration and mining companies

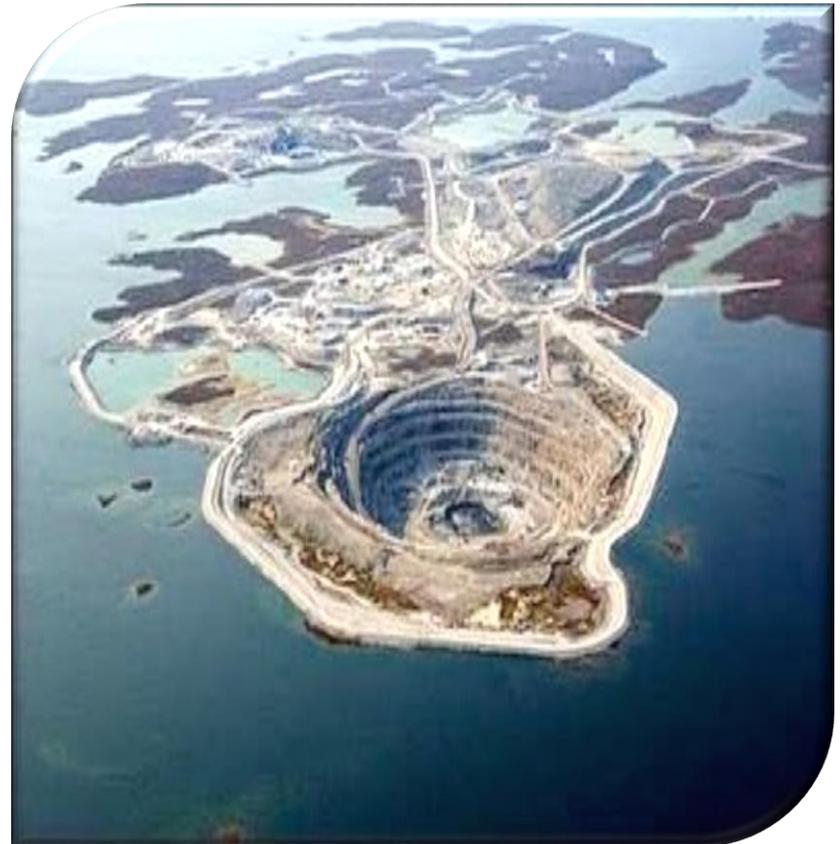
90% of the world's metals and coal production is produced by only 2,000 mines

Top ten companies = one-third mined production

100,000 exploration licences per year

Surface / underground ratio = 60:40

Exploration = £8bn in 2012 on non-ferrous metals



# Mining Sector

## Opportunities

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# Mining Sector

## Geographical Spread

**49 Countries**

**255 Contracts**

**77 in the Americas**

**62 in LATAM**

Africa	Americas	AME	Europe
<b>20</b>	<b>13</b>	<b>10</b>	<b>6</b>
Botswana	Canada	Australia	Armenia
Burkina Faso	USA	Fiji	Finland
DRC	Argentina	India	Greenland
Eritrea	Bolivia	Indonesia	Kazakhstan
Ghana	Chile	Malaysia	Turkey
Guinea	Colombia	Mongolia	Ukraine
Ivory Coast	Ecuador	Papua New Guinea	
Kenya	Guatemala	Philippines	
Lesotho	Mexico	Solomon Islands	
Madagascar	Nicaragua	Thailand	
Malawi	Panama		
Mali	Peru		
Mauritania	Suriname		
Namibia			
Senegal			
Sierra Leone			
South Africa			
Tanzania			
Zambia			
Zimbabwe			

# Aviation Sector

## Market Leading Services

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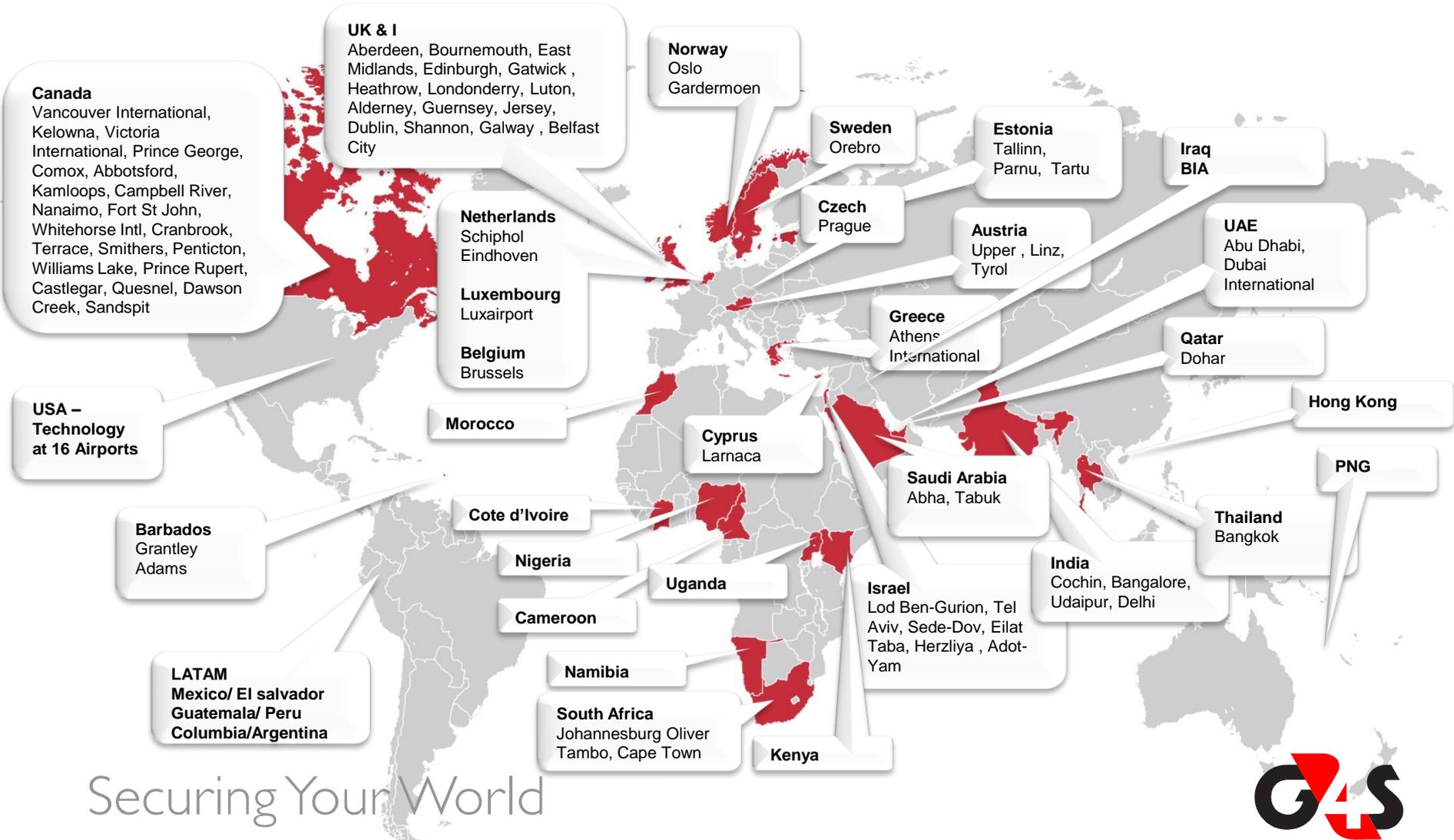
- Key sector for G4S
- Aviation operations in 45 countries
- Serving over 85 airlines and 120 airports
- Focus on integrated solutions
- Working to ICAO and IATA standards
- In-country resources and procedures to deliver solutions



# Aviation Sector

## G4S Footprint

120 Airports  
85 Airlines



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# Maritime (Port) Sector

## Security Market Forecast

Global Maritime Security Market Outlook 2008 – 2018 (€bn)

	2008	2009	2010	2012	2014	2016	2018	2008-2018	
								Total	CAGR
Global Maritime Security market	6.7	6.6	7.4	8.3	9.4	10.3	11.5	98.2	4.8%
Maritime market as % of global Homeland Security	14.9%	12.9%	13.7%	13.7%	13.7%	13.3%	13.2%	N/A	N/A

Source: Homeland Security Research Corporation (HSRC)

Global Maritime Security Market Outlook 2008 – 2018 (€bn)

	Global market value (€bn)		Global market share (%)		2008 – 2018 CAGR
	2008	2018	2008	2018	
North America	2.5	3.6	37.8%	31.0%	2.7%
Latin America	0.3	0.4	4.4%	4.1%	4.1%
European Union	1.5	2.5	21.7%	21.8%	4.8%
Middle East	0.6	1.2	8.2%	9.9%	6.8%
East Asia (CN+IN)	1.2	2.6	17.7%	22.8%	7.4%
Pacific Region (JP+AU)	0.3	0.6	5.2%	4.9%	4.2%
Other countries	0.3	0.6	5.0%	5.6%	6.0%
<b>TOTAL</b>	<b>6.7</b>	<b>11.5</b>	<b>100%</b>	<b>100%</b>	<b>4.8%</b>

Source: Homeland Security Research Corporation (HSRC)

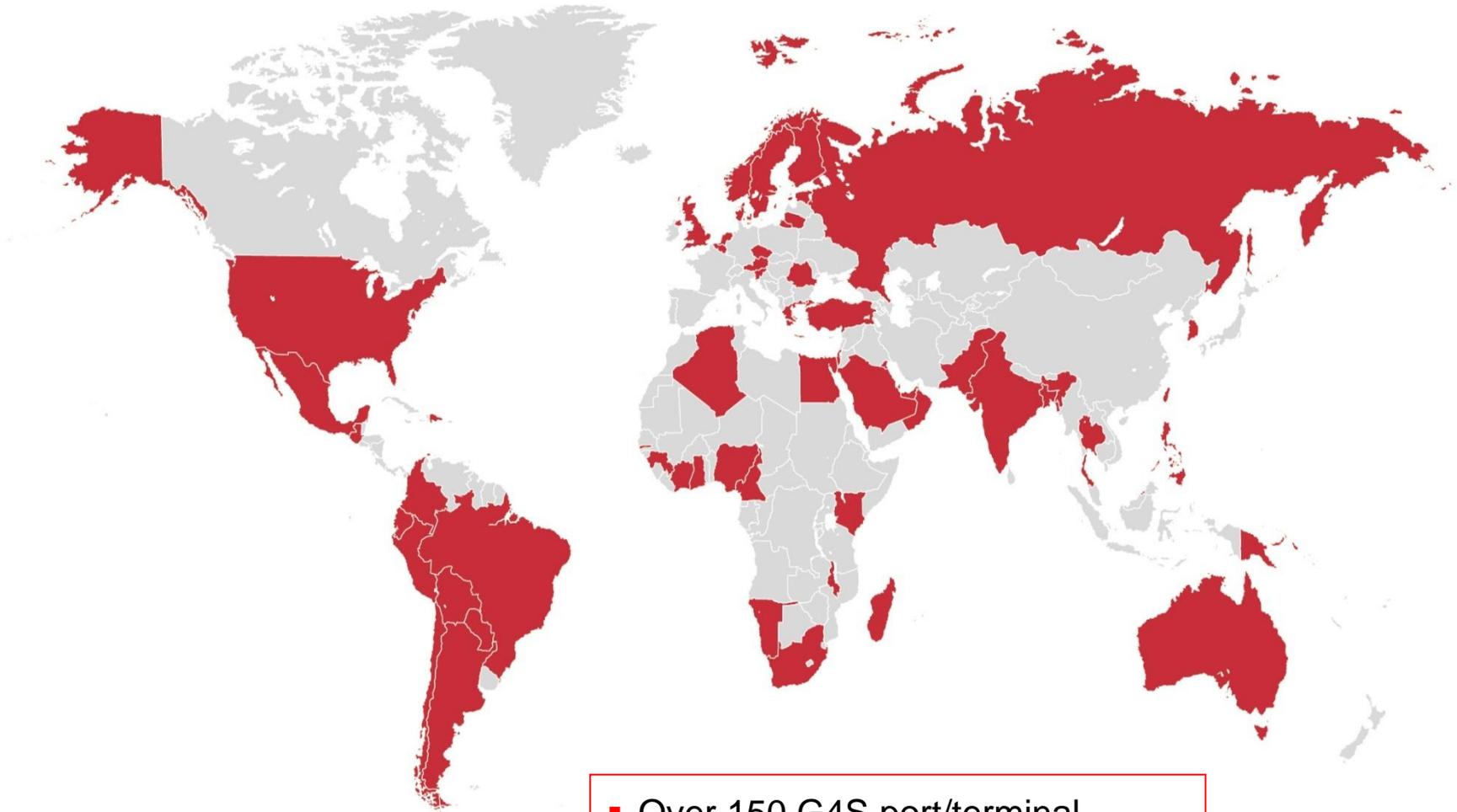
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# Port Sector

## G4S Footprint

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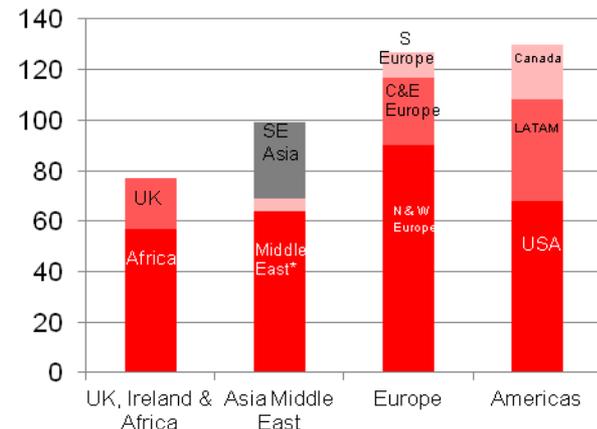
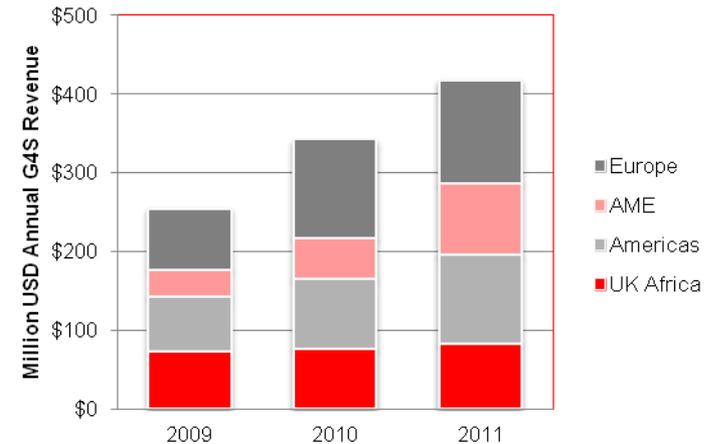
- Over 150 G4S port/terminal operations in 70 countries
- 34% Increase 2009 - 2012



# Oil & Gas Sector

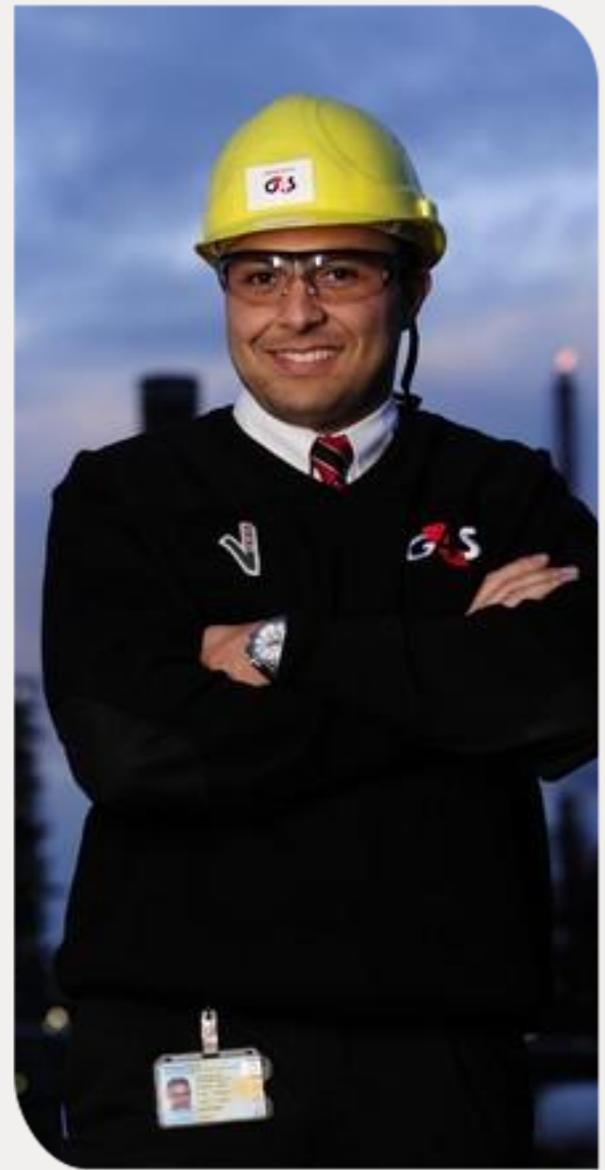
## G4S Footprint

- Consistent revenue growth
  - Driven by Americas, Middle East and international client contracts
- Opportunities
  - Extend our international client base to drive revenues across geographies
    - Proposals in negotiation with multinational oil operators and service companies. Total potential value >\$100mm annually
  - Target major capital projects to drive specific revenue targets.
    - Each major gas project yields >£5m per year for G4S in construction phase
    - Focus on projects in Africa (3) and Australia





# Summary

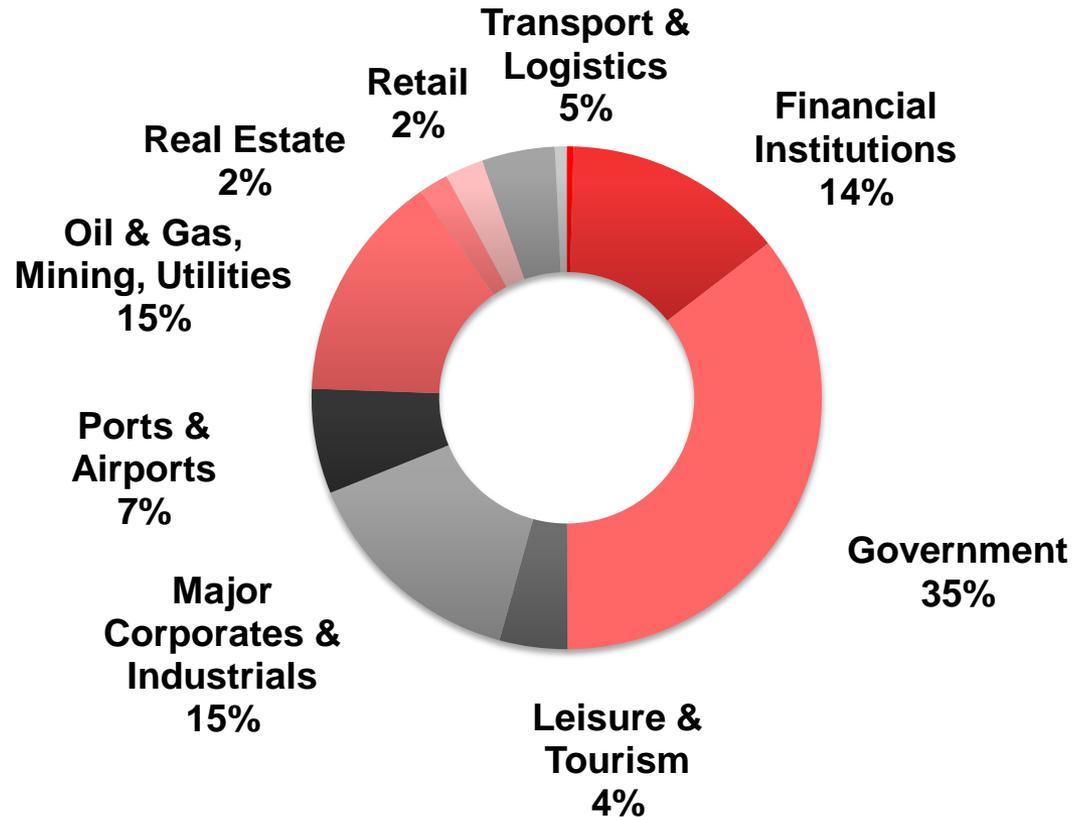


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# Sales Pipeline

75% group bid pipeline by value £2m +



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# Summary & Outlook

## 2011 Big Wins/Losses

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### 2011

- Big bids losses halved – customer retention improving
- Big bid wins more than doubled
- Organic Growth Rate 2011 : 4.5%

### 2012 Q1

- Trend of losses and wins continuing
- Organic Growth Rate 2012 : Increased to 6% excl. Olympics

### 2012

- Continuing journey of implementing “G4S Way” Business Development

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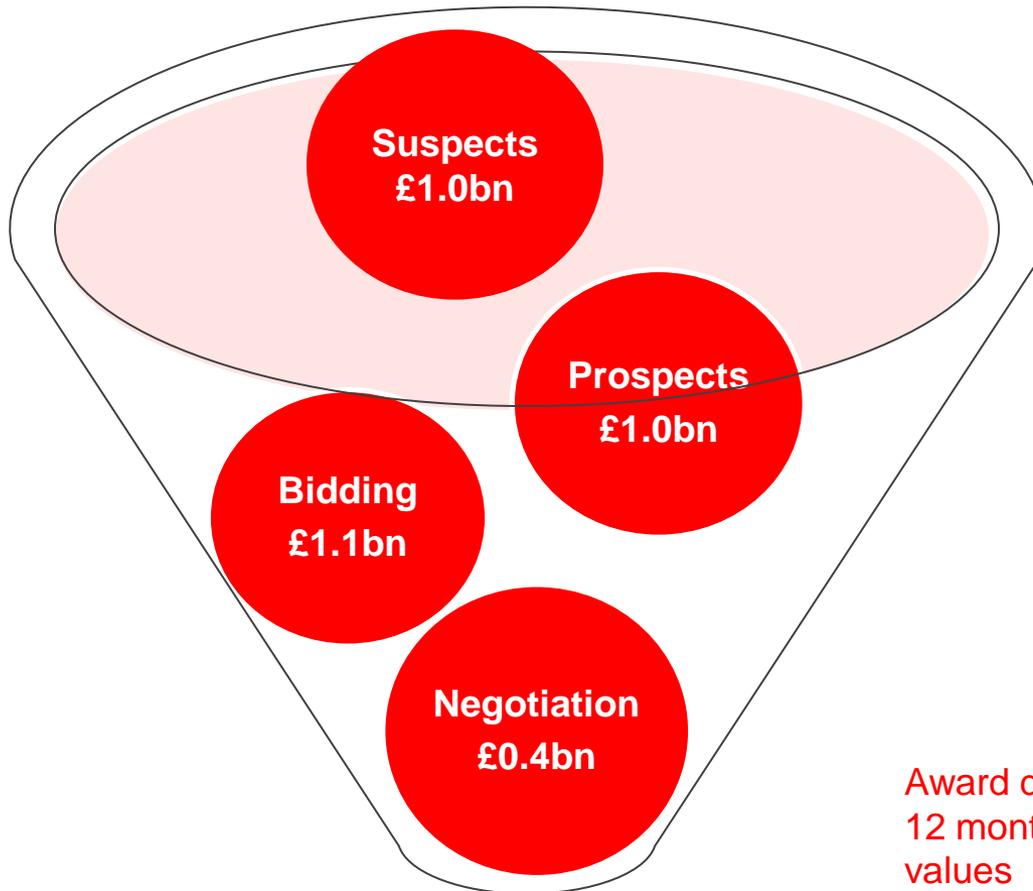
Note : Wins/Losses measured as date notified of award



# Summary & Outlook

## Global Bid Pipeline - Organic Growth

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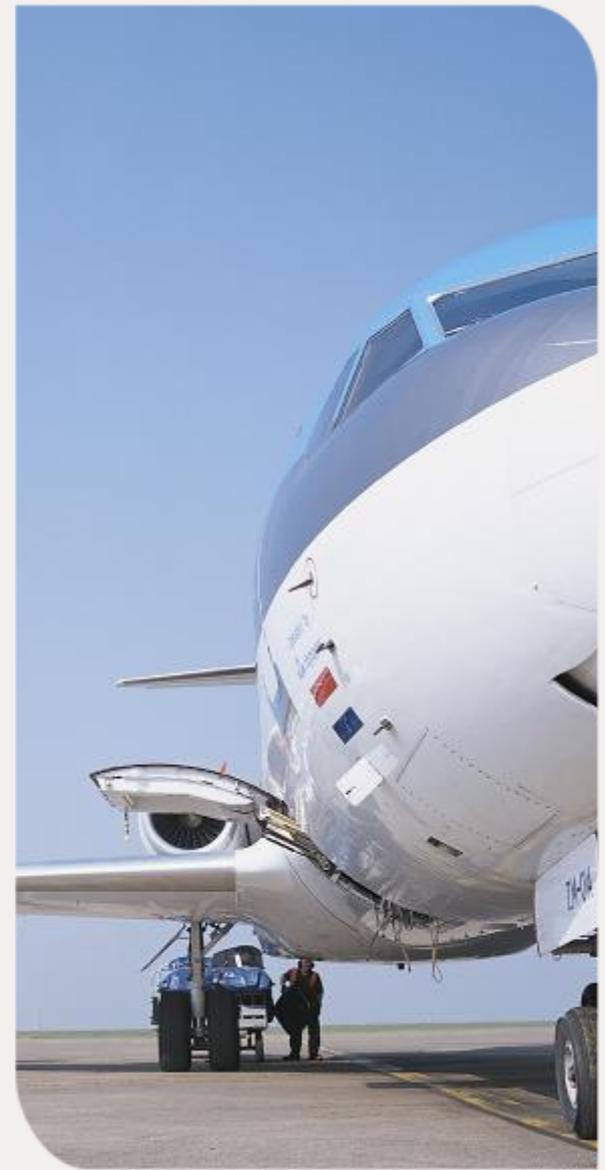
- Total pipeline : £3.5bn
  - As at 30<sup>th</sup> April 2012
- 300 + opportunities
  - £2m+ annual value
- 60 opportunities
  - £10m+ annual value

Award dates expected within next 12 months and at annual contract values



# Capital Markets Day

## Q&A



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