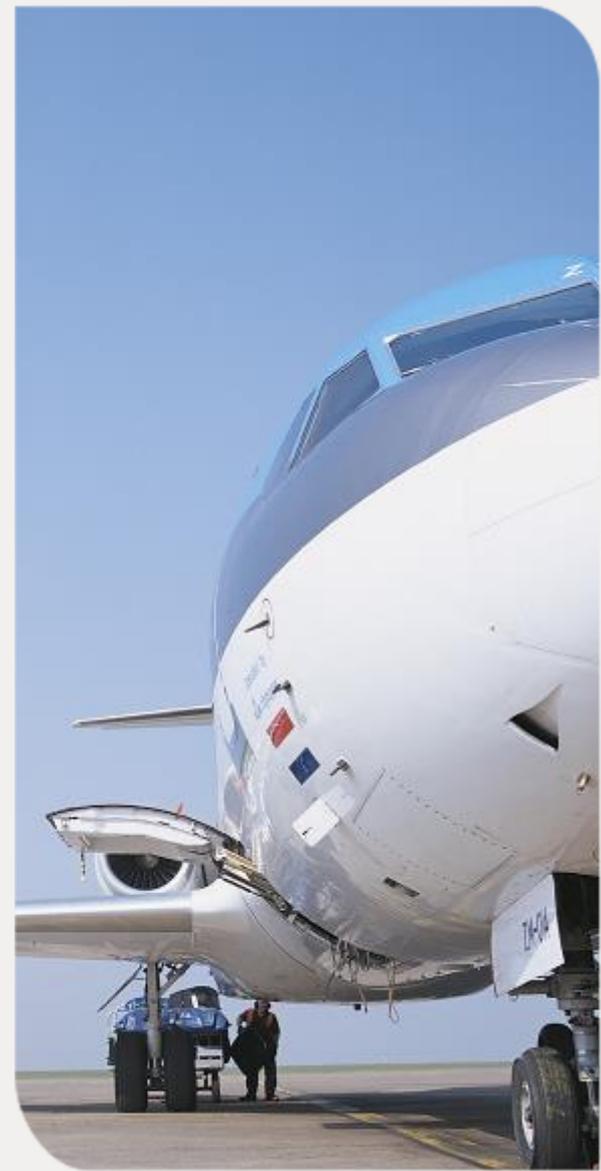




# **G4S Americas**

## **May 2012**

**Grahame Gibson**  
**Group COO &**  
**Regional CEO**  
**Americas**





## Agenda

1. Market Overview
2. G4S Performance
3. Differentiating G4S
4. Brazil Market Opportunity
5. G4S in Brazil
6. Summary & Conclusion



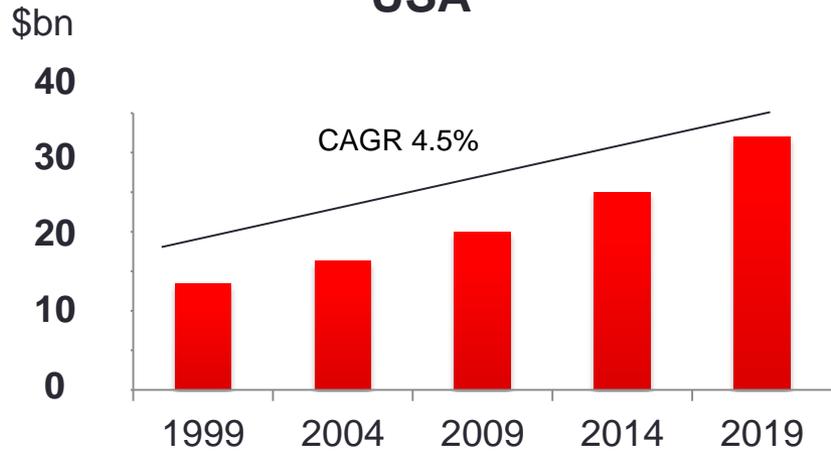
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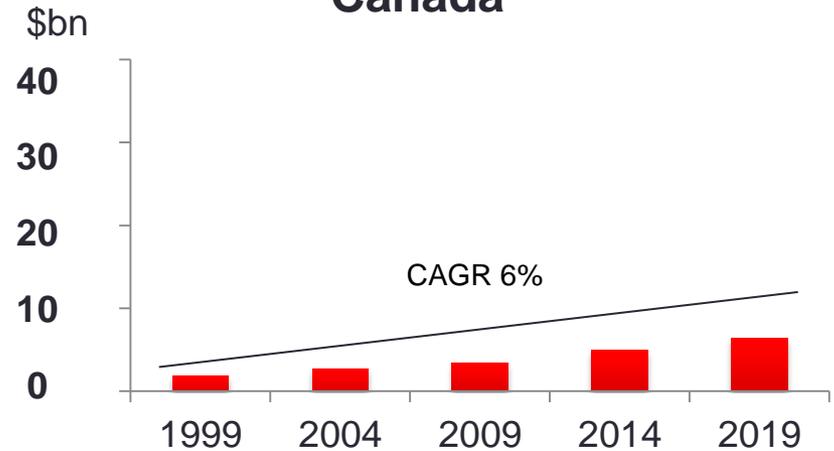
# Americas

## Security Market Trends - \$m

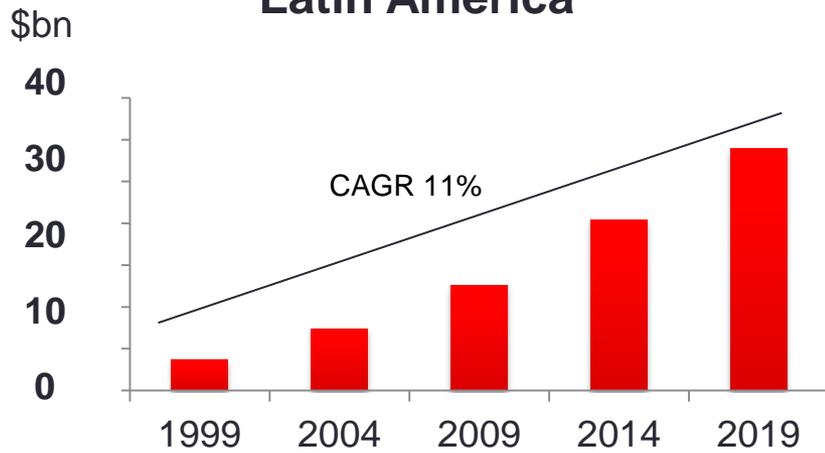
### USA



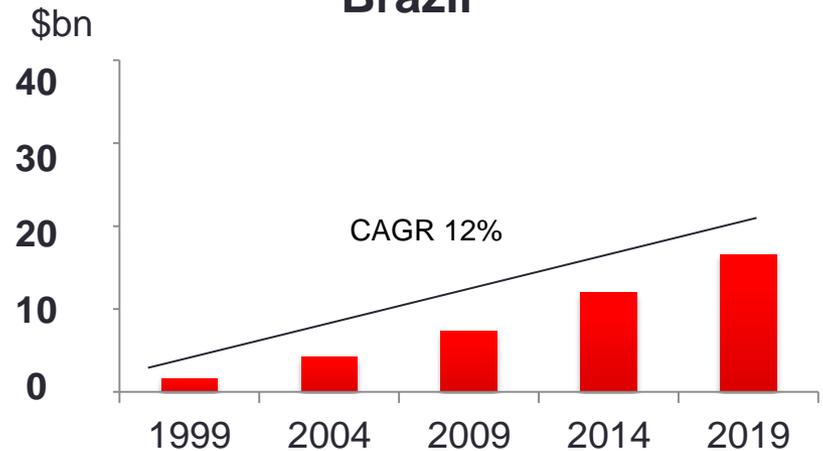
### Canada



### Latin America



### Brazil



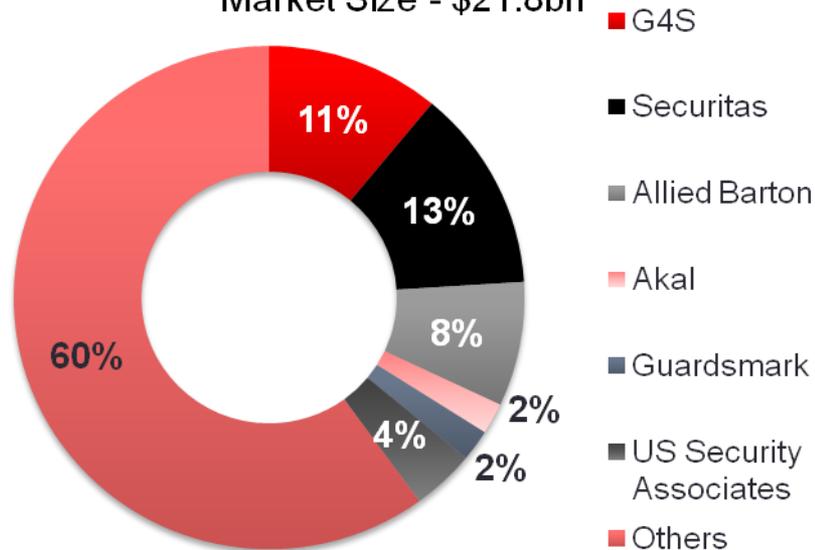
# G4S Americas

## Market Shares

Primary commercial markets remain highly fragmented

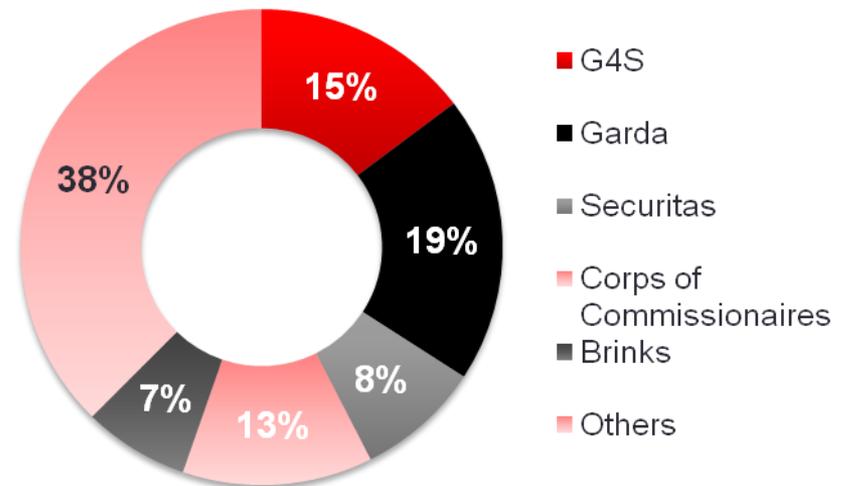
### USA Commercial

Market Size - \$21.8bn



### Canada

Market Size - \$3.1bn



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Source: Freedonia, Company accounts & G4S Estimates

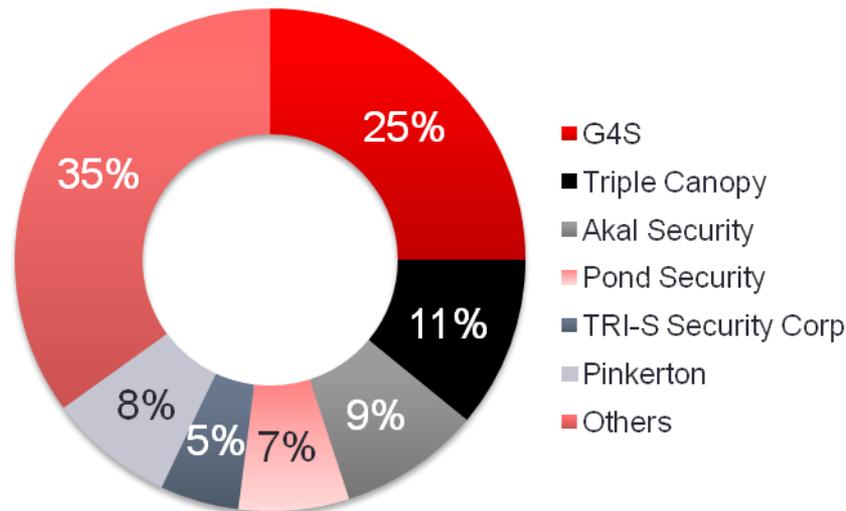


# G4S Americas

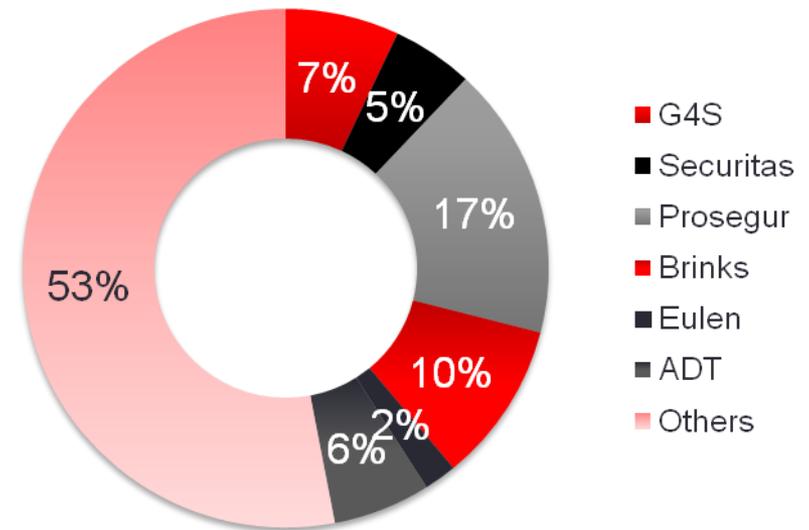
## Market Shares

Primary commercial markets remain highly fragmented

**US Government  
Manned Security**  
Market Size - \$3.3bn



**Latin America**  
Market Size - \$16.7bn



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Source: Freedonia, Company accounts & G4S Estimates

# G4S Americas

## Market Positions

Country	Service Line				
	Manned Security	Security Systems	Cash Solutions	Justice Services	Facilities Management
US	2	10	N/A	2*	tbd**
Canada	2	N/A	2	N/A	N/A
Argentina	3	3	N/A	N/A	N/A
Colombia	3	4	3	N/A	N/A
Chile	1	8	N/A	N/A	N/A
Brazil	N/A	5	N/A	N/A	10

\*Juvenile Justice sector. Law enforcement augmentation too fragmented to assess.

\*\*In FY2011, 41 Federal agencies spent \$24.6bn, a 7.3% increase over prior year, and nearly 8x more than Govt security spend

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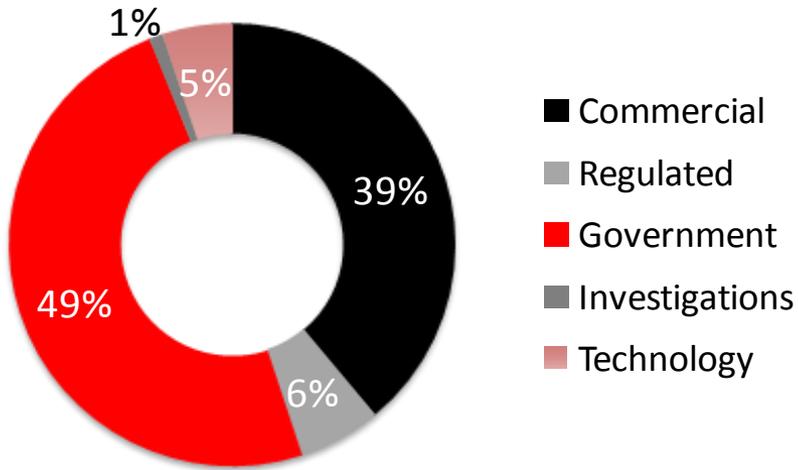
# G4S Americas

## Service and Sector Mix

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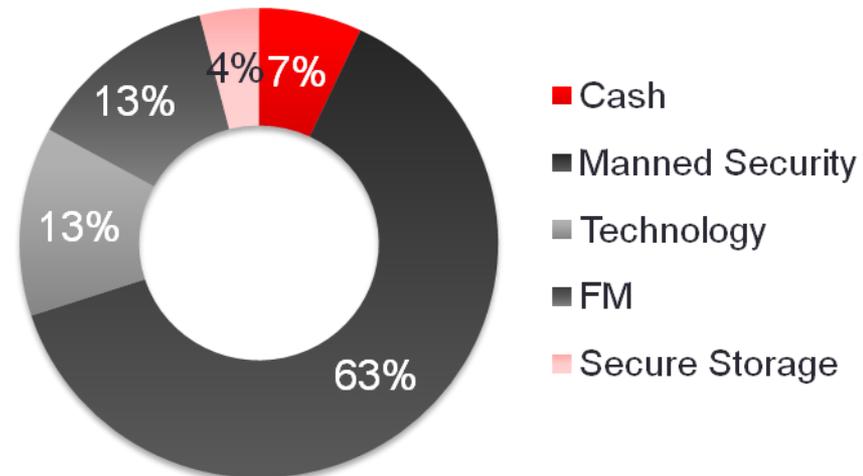
### North America

Total revenue: £1.76bn



### Latin America

Total revenue: £485m



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# G4S Americas

## Large contract implementation capabilities

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- CATSA
  - Successfully transitioned more than 1,600 employees and new process implementation in less than 90 days
- Major Automotive Company
  - Successfully transitioned 1,600 employees in 80 locations across the USA in less than 90 days
- Bank of America
  - Implemented additional security and technology to protect bank assets and employees from increased threat of Occupy movement



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# G4S Americas

## Successfully integrating acquired businesses

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- Leveraging acquired and integrated business
  - Building pipeline of solution oriented prospects
  - Delivered new or grown/retained contracts through integrated sales approach
- Sample customers



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# US Government Prospects

## Spend reduction trends

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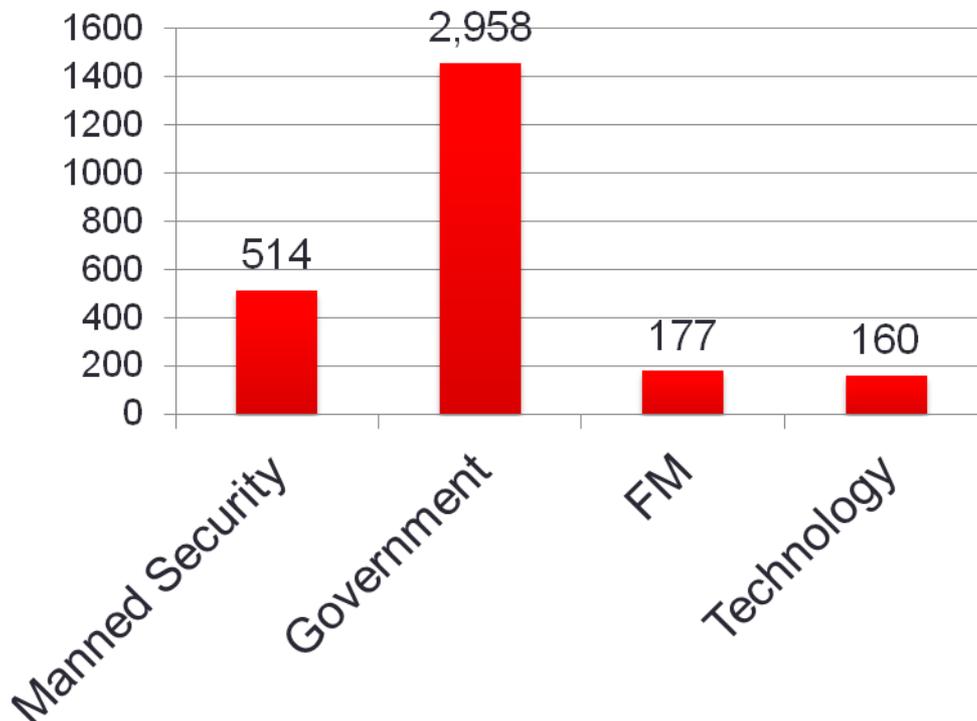
### Opportunity for Integrated Facilities Services (IFS)

- Budgeted spend on protection expected to reduce by nearly 10% by 2017
- Reductions in project scope and post 9/11, post-conflict reconstruction projects
- Significant increases in small/minority business preference
- Enlarged scope for outsourcing opportunity combining security and FM
  - Base Operations Support programs in USA and internationally
  - Awards during 2007-2011 were \$61.67bn TCV
  - Gov't spending increasing at c. 7.3% p.a.
- Increased scope and potential in aviation security screening
  - 16 airports have opted out already
  - Market potential estimated at c. \$2.5bn

# G4S Americas

## Growth opportunities (annual contract value)

\$m – major opportunities



- Size of long-term Government opportunity significantly outweighs commercial opportunities but hugely price-sensitive, competitive and subject to delay. Appropriation trends favoring disadvantaged businesses.
- 98% of sizeable manned security opportunities in North America
- FM pipeline noted is Brazil
- Technology opportunity limited by shorter contract lengths

# RISK360

## Organic Growth Driver

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- Incident capture and case management software
- Crosses functional boundaries ... supporting
  - Risk
  - HR
  - Health & Safety
  - Legal
  - Security
  - Facilities
  - Finance
  - Corporate Communications
- Differentiators
  - Ease of use
  - Functionality
  - Flexibility
  - Affordability
  - RISK360 mobile

### Early Adopters



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# G4S Americas

## Organic Growth Driver - Sector Focus

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### North America

**Oil & Gas**

**Chemical/Petrochem**

**Healthcare**

**Higher Education**

**Financial Institutions**

**Government**

### Latin America

**Mining**

**Oil & Gas**

**Financial Institutions**

**Retail**

**Major Corporates & Industrial**

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# G4S Americas

## Bidding Pipeline

Country	Sector	G4S Services	Bid award date	Estimated start date	Annual Contract Value
USA	Government	Manned Security	Jun 2012	Sep 2012	£120m
USA	Government	IFS	Jul 2012	Oct 2012	£40m
USA	Aviation	Screening	Oct 2012	Jan 2013	£30m
USA	Government	Manned Security	Sep 2012	Dec 2012	£40m
USA	Government	Technology	Aug 2012	Sep 2012	£40m
USA	Government	Technology	Aug 2012	Sep 2012	£40m
USA	Government	IFS	Jun 2012	Dec 2012	£20m
USA	Regulated	Security	Jun 2012	Sep 2012	£60m
USA	Commercial	Manned Security	Jul 2012	Sep 2012	£30m
Argentina	Government	Manned Security	July 2012	Aug 2012	£30m

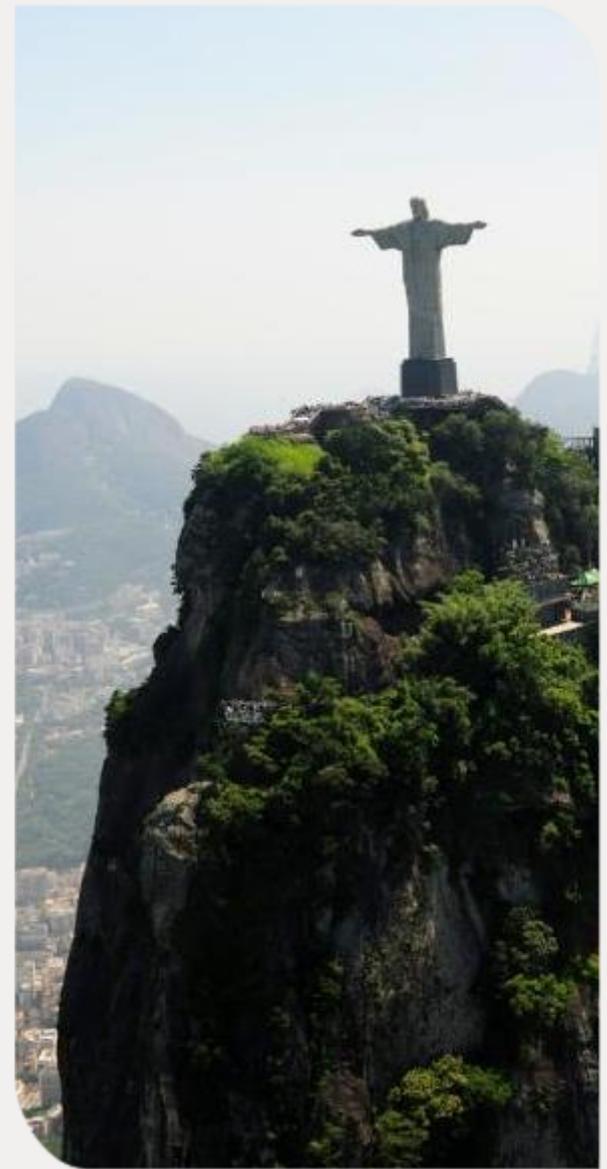
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**Entering the  
largest Latin  
American  
Market**

**Brazil**



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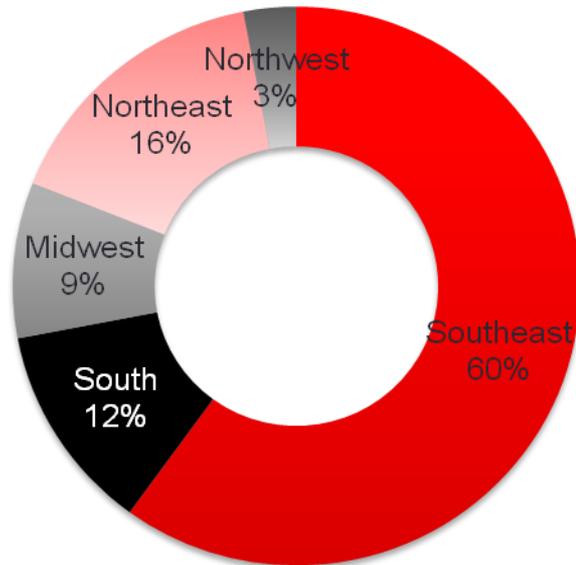


# Brazil

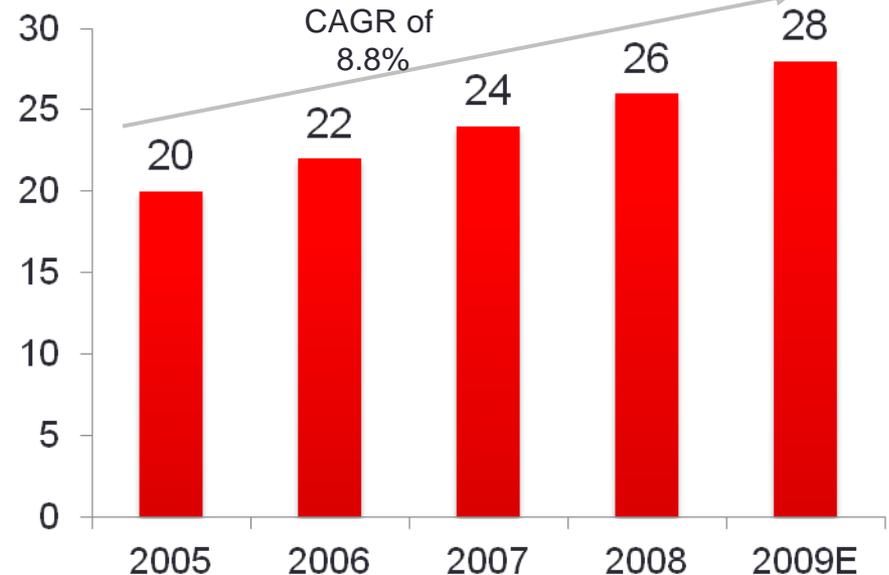
## Facilities Services Market

Large and growing market: Brazil's facilities services market accounts for about 5-6% of the world facilities services

**Brazil Facilities Management Services Market Breakdown by Region (2008)**



**2000-2005 Brazil Facilities Management Services Market Evolution (in R\$ billion)**



**Brazil accounts for 5.6% of the world facilities management services market**

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Source: Site Abralimp and Revista Febrac

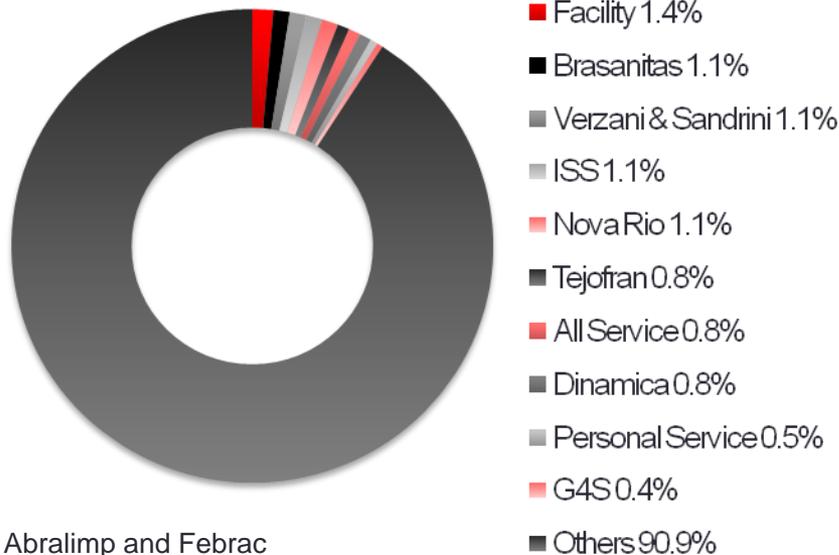


# Brazil

## Security & Facilities Services Market

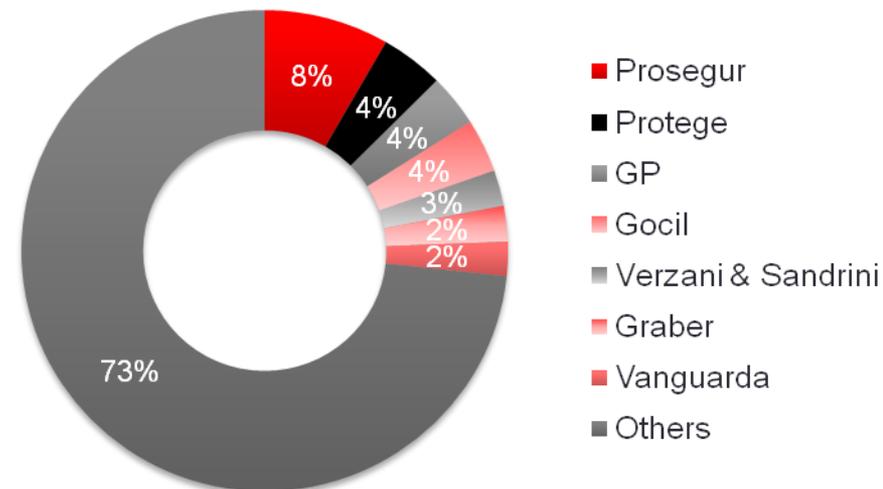
- A highly fragmented market with potential for further consolidation in both Security and Facilities Management.
- More than 1,900 Security companies and 13,000 FM companies.

Major Players in the Facilities Management Services Market  
(number of employees)



Source: Abralimp and Febrac

Major Players in the Security Services Market  
(number of employees)



Source: ESSEG

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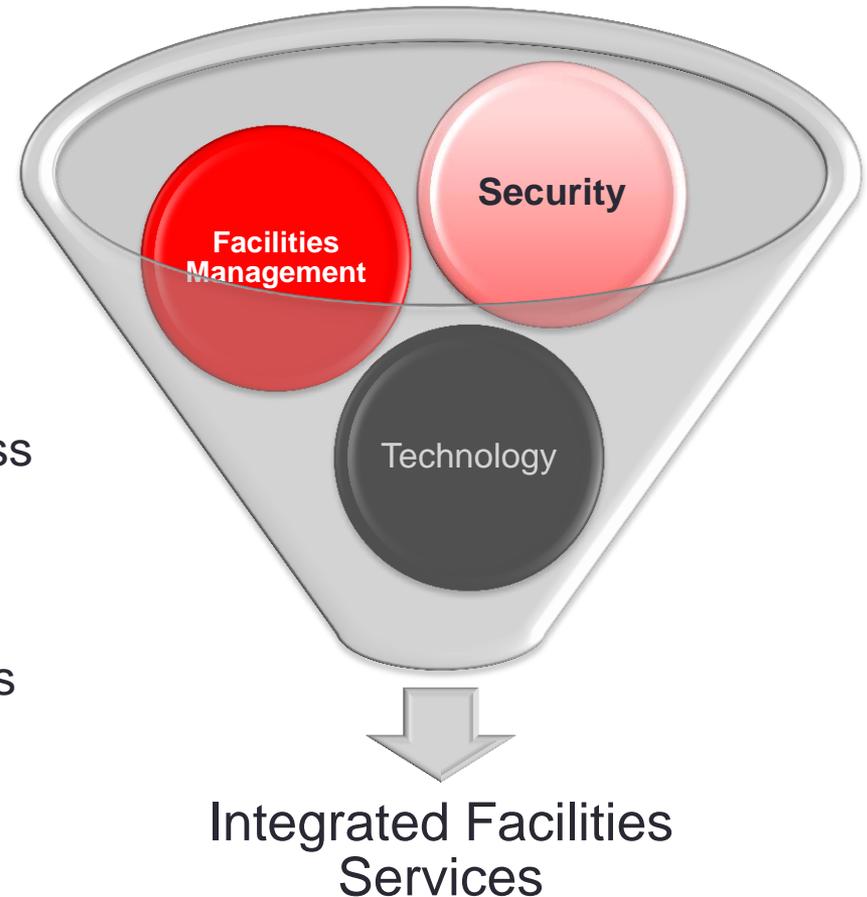


# G4S Strategy in Brazil

## Integrated Facilities Services

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- Meeting a broad range of customer needs driving partnering rather than cost bundling
- Leveraging the combination of technology, security and FM
- Force multiplying the labour force across multiple disciplines
- Targeting major business centers in Brazil and Brazil outbound opportunities
- Uniquely in Latin America, significant focus on Government outsourcing



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# G4S in Brazil

## Some local customers



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**G4S Americas**

**SUMMARY**



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# G4S Americas

## Summary

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- **Drive outsourcing in all markets**
  - Successfully bidding and implementing major contracts in Government and commercial sector
  - Adapting services to meet future spending trends
- **Focus on sectors where security and safety are key**
  - Targeting vertical sectors where returns to G4S are improved
  - Creating technology solutions to move up value chain and meet changing security needs
- **Develop long-term partnerships with large customers**
  - Leveraging acquisition expertise to support broader range of customer needs
  - Building on excellent (95%+ client retention rates)
- **Transfer expertise from more developed markets into key developing markets**
  - Using global bid resources to support contract growth in new sectors (eg Canadian aviation)
  - Transferring technology expertise into key Latin American markets and sectors
- **Acquire businesses to accelerate organic growth potential**
  - Successful integration track record
  - Targeted capability acquisitions in key markets

# G4S Americas

## Outlook

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- Economic recovery slow but improving in USA
- Traction building through large contract implementation track record and integrated security offering
- Exciting IFS opportunities with USG and Brazil
- Growing systems integration and security pipeline
- G4S's intelligent application of technology solutions to complement traditional offerings gaining traction
- Building on developed market opportunities in key verticals
- Latin America continues to be growth engine for Region