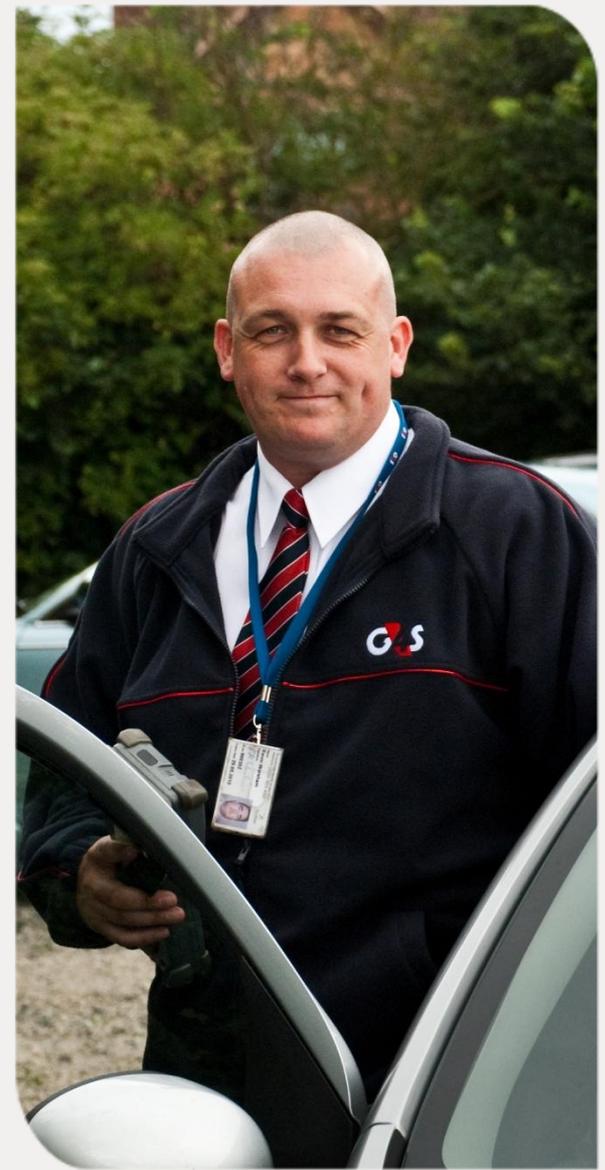




# Finance Strategy

Trevor Dighton  
Group CFO



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# Acquisition Strategy

## Small & mid-size transactions

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- M&A seen as key component to deliver strategic objectives
- Meet relevant acquisition criteria
  - ROIC of 12.5% within 3 years for smaller deals
- Key focus areas for acquisitions to accelerate organic growth – for example:
  - Build market share in manned security and cash solutions
  - Drive outsourcing in key sectors
  - Brazil, India and China are seen as key countries for acquisition
  - Facilities services in markets which are developing towards IFS
  - Building capability or expertise in key target sectors
- Expect to invest around £200m p.a. out of free cash flow

# Acquisitions

## Since 2005

Year	Cost (excluding earn-outs etc)	Including:	Revenue *	Year 1 PBITA *
2005	£52m	OneService (US)	£84m	£10m
2006	£98m	Servicios Generales (Chile)	£112m	£13m
2007	£218m	Fidelity (SA), Al-Majal (Saudi)	£253m	£19m
2008	£370m (+£200m debt)	GSL (UK), ArmorGroup (UK), Touchcom (US), Ronco (US)	£780m	£71m
2009	£153m	Adesta, All Star and NSSC (all US)	£191m	£16m
2010	£65m	Plantech and Instalarme (Brazil)	£58m	£7m
2011	£137m	FM (Brazil), GML and Cotswolds (UK)	£100m	£11m
	<b>£1,293m</b>	<b>Total (8.2% post-tax ROIC)</b>	<b>£1,578m</b>	<b>£146m</b>

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# Acquisitions

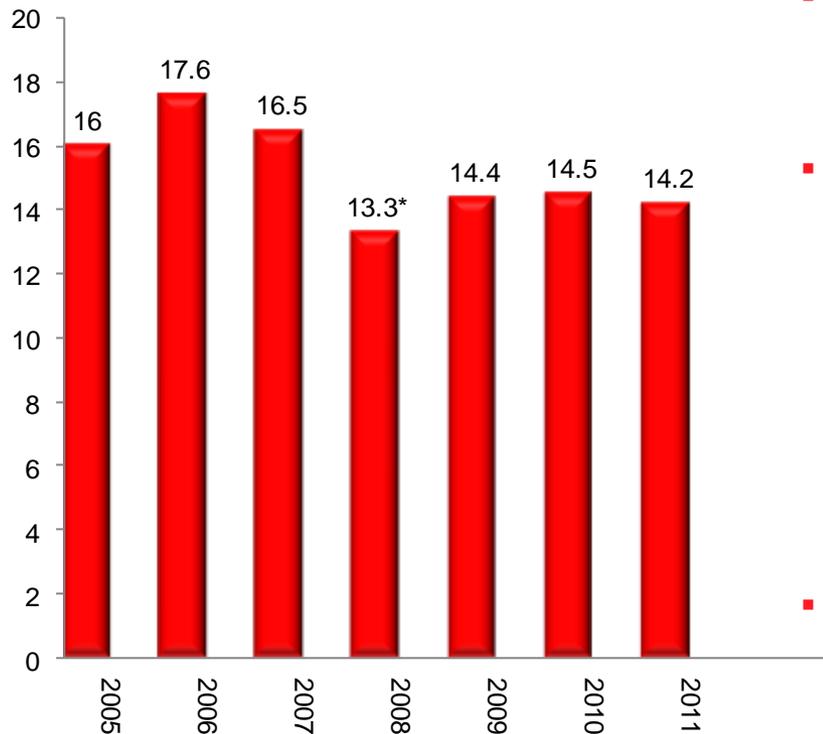
## Additional work won due to acquisitions

Year	Acquisition	Further work won as a result of acquisition
2008	GSL (UK)	Work programme, prisons, MoJ, Compass
2008	Touchcom (US)	Bank of America, Cox (2012)
2009	Adesta, All Star and NSSC (all US)	Key sectors such as Government FM, Ports, IT and nuclear power
2010	Plantech and Instalarme (Brazil)	Exposure to Brazil market
2011	Facilities Management (Brazil)	Exposure to Brazil market
2010	Cotswold (UK)	Aviva

# Building Returns - ROIC

## 2007 - 2011

ROIC%



\* Annualised

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Acquisitions

- Focus on niche M&A opportunities to deliver strategic objectives, with accelerated focus on New Markets
- Acquisition criteria
  - ROIC of 12.5% within 3 years for smaller deals
  - ROIC of 10% within 3 years for capability-building/market entry
  - Achieve ROIC above WACC on larger or strategic acquisitions within 3 years
- Expect to invest around £200m annually

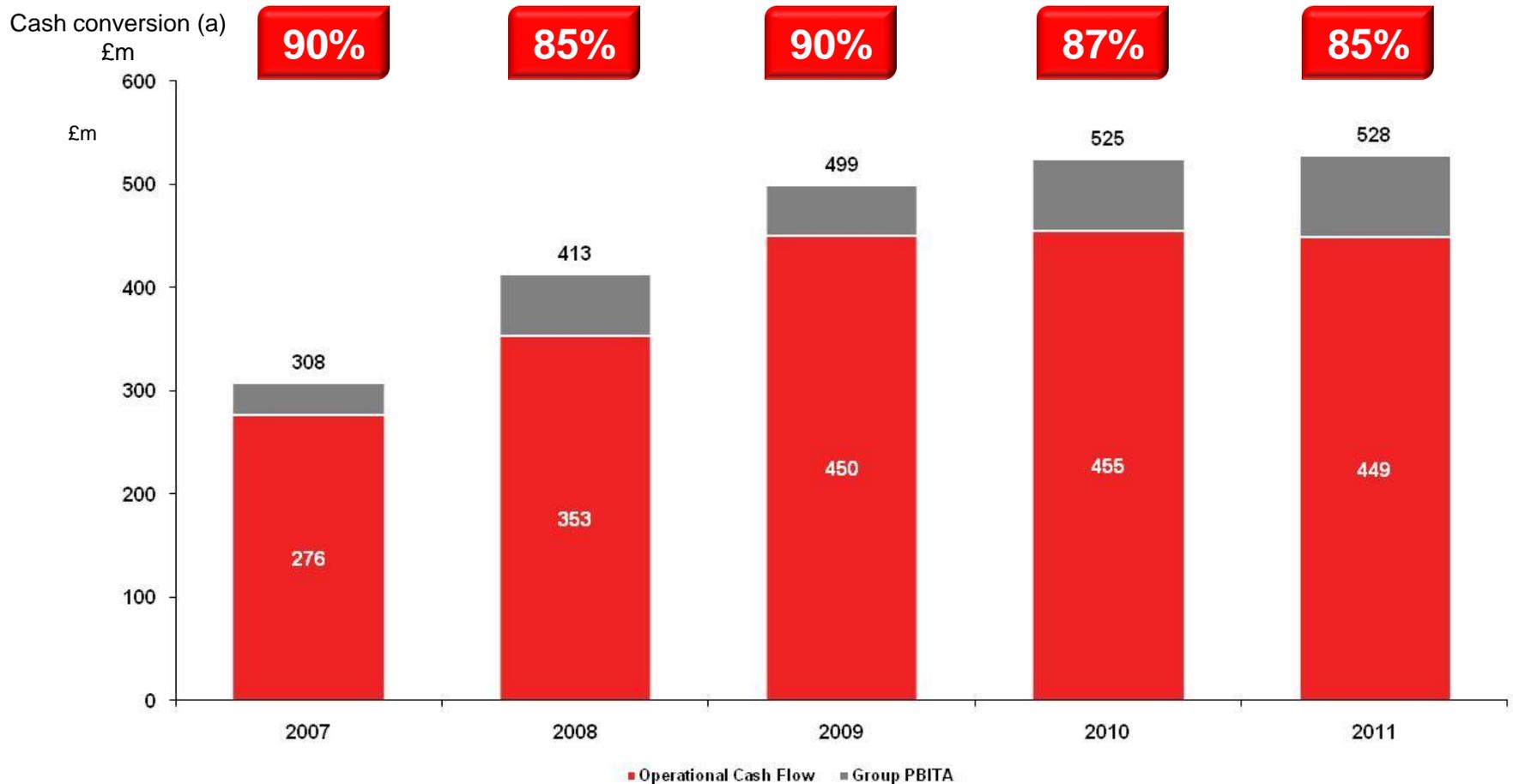


# Key Financial Objectives

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- Target average annual EPS growth of 10% over the economic cycle
- Achieve cash flow generation equivalent to 85% of group PBITA
- Achieve average group organic growth of 2% above lagged nominal GDP over the economic cycle
- Maintain c.7% group PBITA margin
- Maintain credit rating at BBB
- Efficiently broaden range of funding sources and maturity dates
- Maintain an effective tax rate of 22% after 2012
- Increase dividend in line with underlying earnings

# Cash Flow Conversion



- Significant free cash flow generation and targeted cash conversion achieved

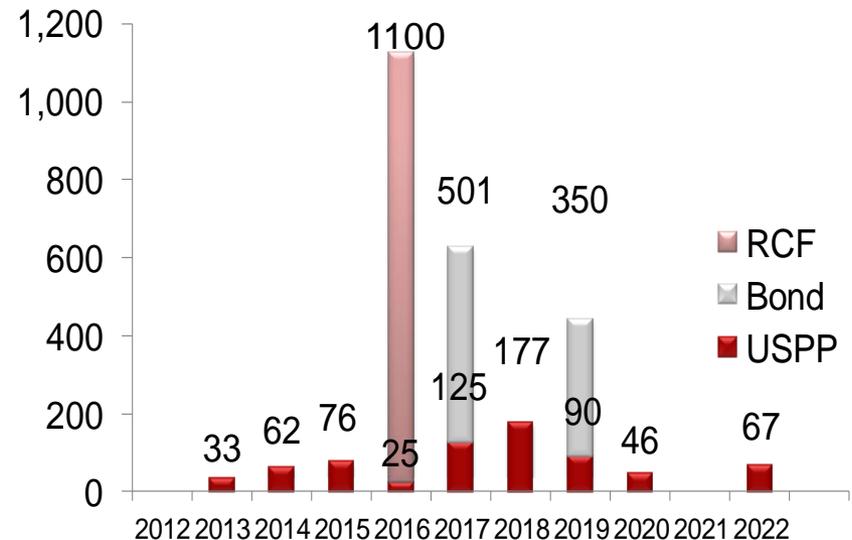
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# G4S Liquidity Position

- Main bank facility is a £1.1bn RCF maturing 10 March 2016
  - Available undrawn, committed headroom of £767m as of 31 December, 2011
- Supported by a strong international group of 17 relationship banks
- Proven access to capital market funding i.e.US private placement, Sterling and Euro public bond markets
- On 02 May 2012 issued a 5 year Euro 600m public bond at 2.875%
- Net debt to EBITDA of 2.4x
- No significant maturities until 2016

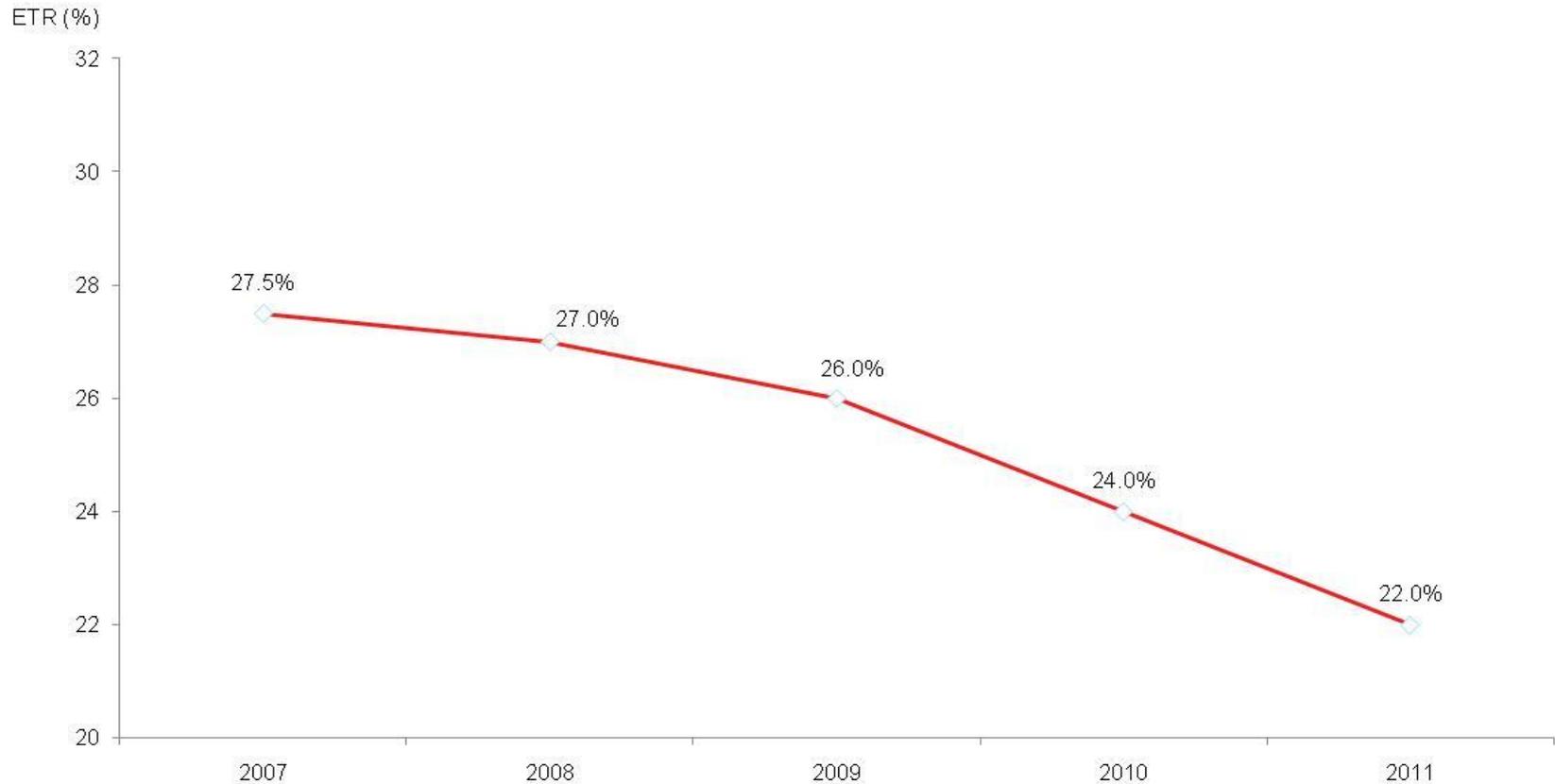
G4S term debt maturity profile (£m)



# Effective Tax Rate

## 2007 – 2011

Continual improvement in effective tax rate since 2007 – aim to maintain at around 22% level

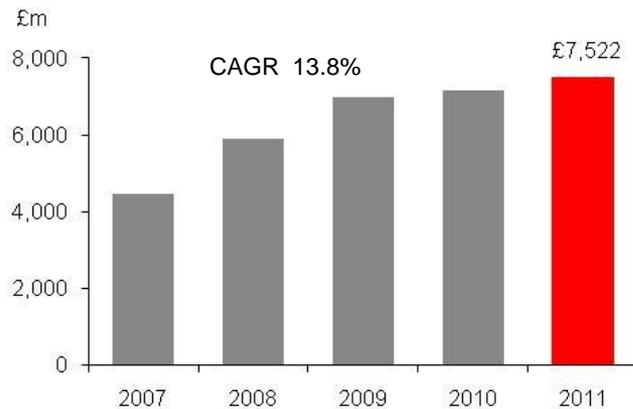


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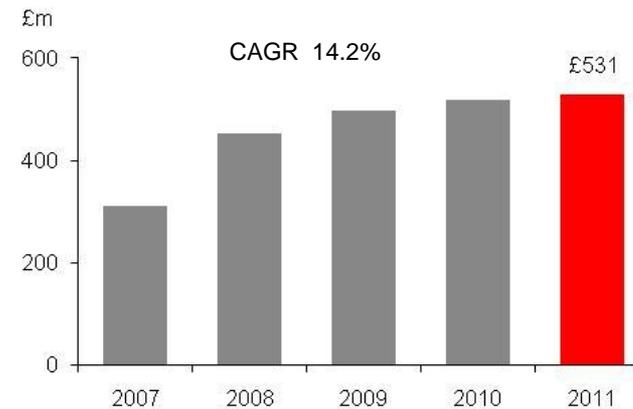


# Delivering Sustainable Growth

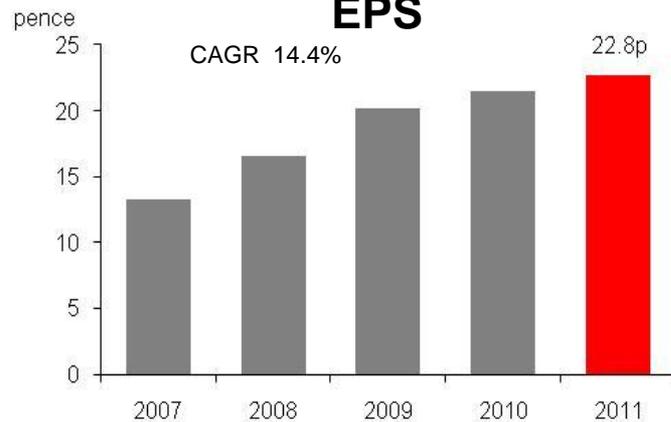
## Turnover



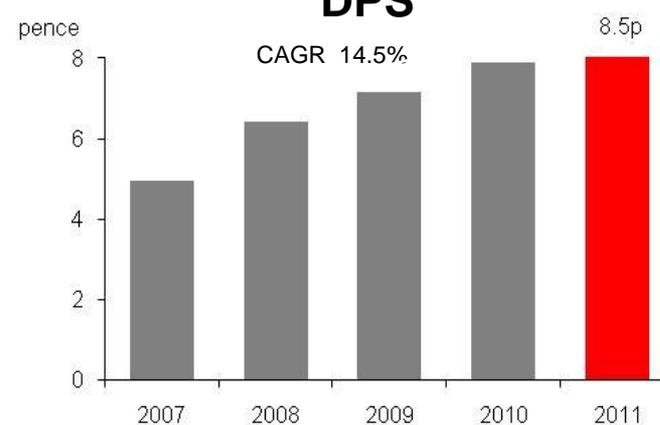
## PBITA



## EPS



## DPS



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2010 and 2011 at 2011 exchange rates. 2007-2009 as reported.

