

*Growth opportunities in Asia  
Pacific and the Middle East*

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Securing Your World



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# Agenda

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- G4S overview
- Asia Pacific and Middle East security markets overview
- G4S in Asia Pacific and Middle East
- Key financial metrics and market shares
- Asia Pacific and Middle East key markets and opportunities
- G4S Strategy for growth

# G4S

World's leading security solutions group

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- Specialises in outsourced business processes and facilities where security and safety risks are considered a strategic threat
- Listed on London and Copenhagen Stock Exchanges
- Active in more than 110 countries with over 570,000 employees
- Turnover of £4.5bn\* and PBITA of £312.1m\* in 2007

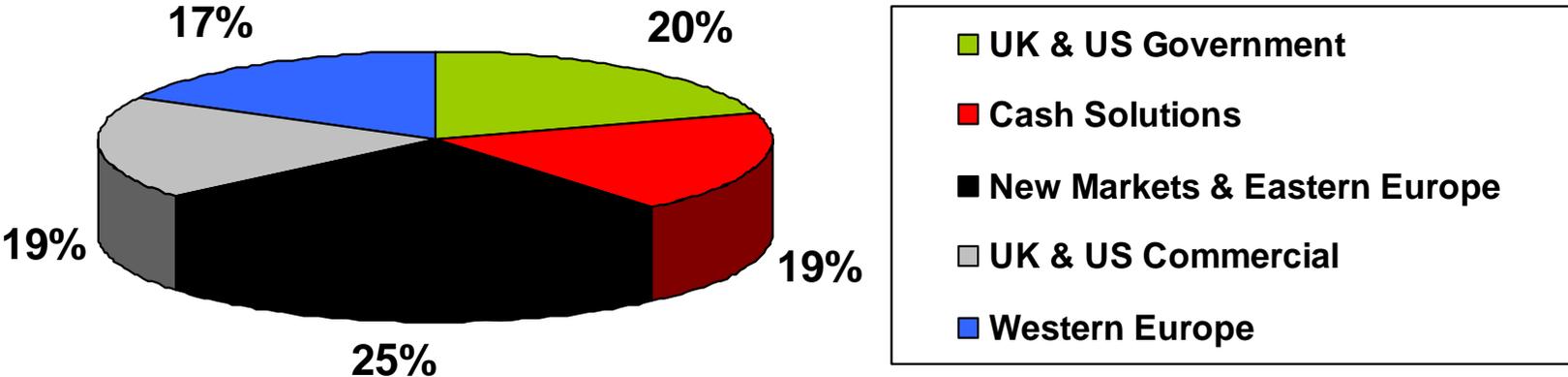
\* From continuing operations

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# Group Turnover by customer

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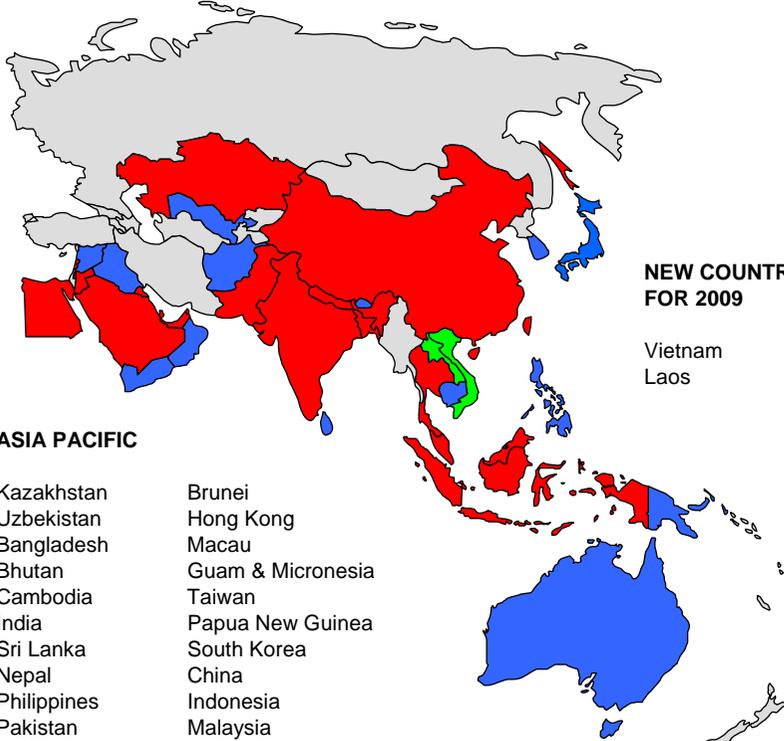


# G4S in Asia Pacific & Middle East

- Unique geographic footprint
- Market leading positions
- Experienced management teams

**MIDDLE EAST**

- United Arab Emirates
- Bahrain
- Egypt
- Jordan
- Kuwait
- Lebanon
- Oman
- Qatar
- Saudi Arabia
- Syria
- Yemen
- Iraq (WSI & Armor)
- Afghanistan (Armor)



**ASIA PACIFIC**

- |             |                   |
|-------------|-------------------|
| Kazakhstan  | Brunei            |
| Uzbekistan  | Hong Kong         |
| Bangladesh  | Macau             |
| Bhutan      | Guam & Micronesia |
| Cambodia    | Taiwan            |
| India       | Papua New Guinea  |
| Sri Lanka   | South Korea       |
| Nepal       | China             |
| Philippines | Indonesia         |
| Pakistan    | Malaysia          |
| Thailand    | Australia         |
| Singapore   | Japan             |

- Security Services Only
- Security Services & Cash Solutions
- New Countries for 2009

**NEW COUNTRIES FOR 2009**  
Vietnam  
Laos



# G4S in Asia Pacific and Middle East

## Market background

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- A number of countries at varying stages of economic development – requires country focus and strategy
- Total private security utilisation far below Western market levels
- Selective opportunities in Government out-sourcing
- G4S is the only multinational security company with activities across these regions – competition tends to be local players
- Asia Pacific is 10% of world security market ex China/Japan\*; Middle East/Africa is 3.7%\*
- Asia Pacific total security market forecast to grow 12.3%\* from 2007 to 2012; Africa/Middle East by 11.2%\*

\* Freedonia research September 2008

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# G4S in Asia Pacific and Middle East

## Key financial metrics

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- Asia Pacific
  - Turnover c £505m\*
  - PBITA £40m\*
  - Margin 8%\*
  - 4 year average organic growth 17.7%
- Middle East
  - Turnover c £340m\*
  - PBITA £25m\*
  - Margin 7.4%\*
  - 4 year average organic growth 38.3%

\* Six months to June 2008 annualised

# G4S in Asia Pacific and Middle East

## Market leading positions

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- India - market leader (c 35% market share) in organised market for security services
- Other Asia
  - Cash – number 1 in Malaysia, Indonesia, Macau and Brunei
  - Secure solutions – number 1 in Hong Kong, Macau, Marianas, PNG and Thailand
- Inner Gulf (UAE, Bahrain, Oman, Qatar & Yemen and Kuwait)
  - Market leaders with c 50-60% shares
- Outer Gulf: Saudi Arabia and Kuwait - 20-35% market share in security solutions; c 70% market share in cash services
- Egypt & Levant: Jordan, Lebanon and Egypt - 10%-20% market share overall

# Key activities in Asia Pacific

## India

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- Active since 1989; 130,000 employees and 180 branch offices – cover all regions and multi-service
- Turnover in 2008 c £130m; Grown average of c 27% p.a. in last 5 years
- Largest customers are Tata, Airtel, IBM, James Laing

### Activities split:

- |                         |     |
|-------------------------|-----|
| ▪ Manned security       | 85% |
| ▪ Facilities management | 10% |
| ▪ Security systems      | 2%  |
| ▪ Cash solutions        | 3%  |



- Opportunities – Indian government investment in updating 25 airports, aviation, shipping ports, infrastructure, tourism and hospitality, retail, 2010 Commonwealth Games

# Key activities in Asia Pacific

## Malaysia

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- Active since 1963; one of the market leaders for cash and security services
- Turnover in 2008 c £45m; 4 year organic growth over 12% per annum
- Regulated market
- Largest customers are financial institutions –
  - Financial services industry has undergone a period of mergers and consolidation
  - Larger and stronger banks requiring more sophisticated cash handling and security solutions

### Activities split:

- Cash solutions 72%
- Manned security 25%
- Security systems 3%

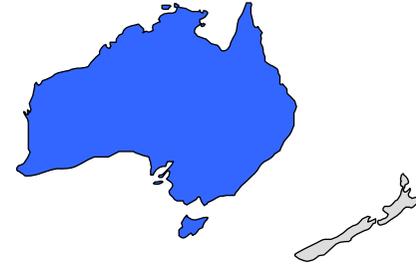


- Opportunities – significantly increased interest from banks to outsource more to save costs – Malaysia, Hong Kong and Indonesia

# Key activities in Asia Pacific

## Australia

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- Market entry via GSL acquisition in 2008
- Turnover in 2008 c£100m (annualised)
- Operate two prisons in Australia and 1 in RSA; three prisoner transport contracts; all the immigration detention centres in 7 locations; two residential housing centres, EMS
- Highest % of adult criminals under private management in the world (c17%)
- Other government secure facilities work limited by competition from public safety forces
- Opportunities from large investment in aviation, upgrading ports and overseas missions + further care and justice opportunities in Australia and New Zealand.
- Care and justice case studies and expertise will drive opportunities through the Asia Pacific region

# Key activities in Asia Pacific

## China

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- Active since 2004
- Turnover in 2008 c £3m
- New rules to allow foreign ownership of security companies
- New labour laws - focus will be on technical activities
- Second line maintenance business for 11,000 multi-vendor ATMs in eastern and central China
- Large government investment in new infrastructure
- Opportunities – security systems; maintenance of other banking equipment and facilities management



# Key activities in the Middle East

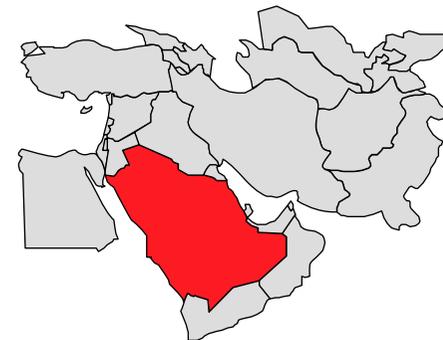
## Saudi Arabia

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- Market leader (2<sup>nd</sup> in manned guarding but competitor has just one main contract; 1<sup>st</sup> in cash solutions)
- Turnover in 2008 c£80m; 4 year organic growth over 18% p.a
- Regulated market – all guards have to be nationals
- Main customers are currently financial institutions; being selected to bid for government contracts
- About 1/3 activities are government or semi-government related

### Activities split:

- |                         |     |
|-------------------------|-----|
| ▪ Manned security       | 15% |
| ▪ Cash solutions        | 25% |
| ▪ Security systems      | 5%  |
| ▪ Facilities management | 55% |



- Opportunities – Government investment in cities and airports, cash services

# Key activities in the Middle East

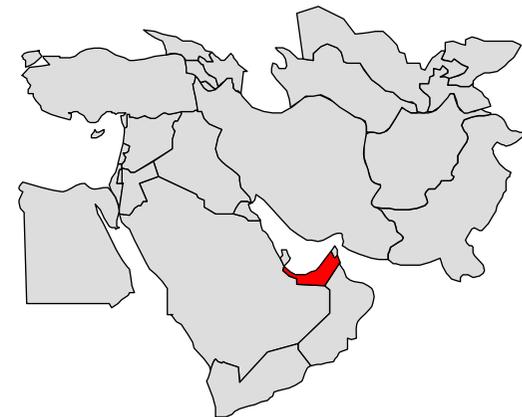
## UAE

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- Active since 1994
- Turnover in 2008 c£40m; 5 year organic growth over 25% p.a
- c 50% market share in security services
  - Only company licensed across the whole (regulated) country; ability to obtain visas for expatriate staff and high staff retention helped growth
- c 75% market share in cash services
  - Significant growth in ATMs and business processing
- Significant growth in facilities services - c40%

### Activities split:

▪ Manned security	42%
▪ Cash solutions	18%
▪ Security systems	13%
▪ Facilities	12%
▪ Recruitment	15%



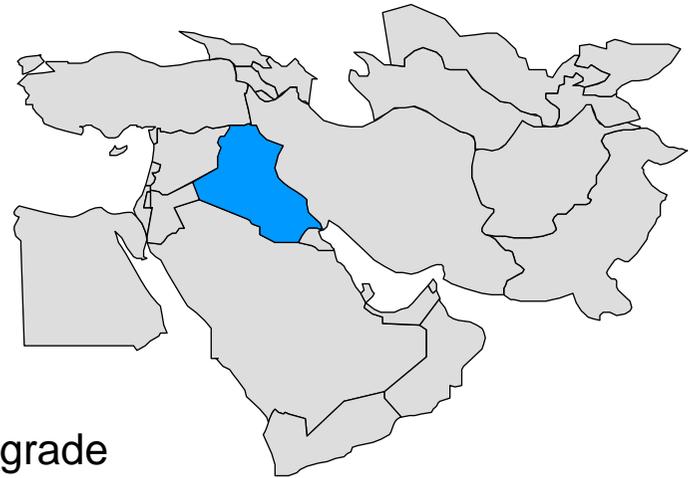
- Main customer base is embassies; hotels; retailers; shopping malls; government agencies; airports; schools and hospitals
- Opportunities – Prison Services, Consultancy Services, Security for Island Management Projects, Escorting of Petrochemicals, etc.

# Key activities in the Middle East

## Iraq

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- Active since 2003
- Turnover in 2008 c£100m
- ArmorGroup acquisition brought new operating capabilities and credibility
- Existing services
  - Close Protection
  - Fire services
  - Supply chain protection - convoys
- Customers:
  - Government agencies
- Growth potential
  - Risk consultancy
  - Premium guarding
  - Mine action
  - Emerging oil and gas market
  - Cash services
  - Supply chain protection - coalition forces retrograde

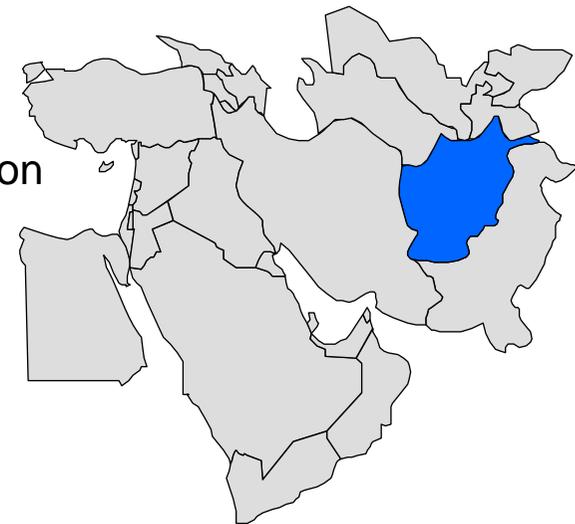


# Key activities in the Middle East

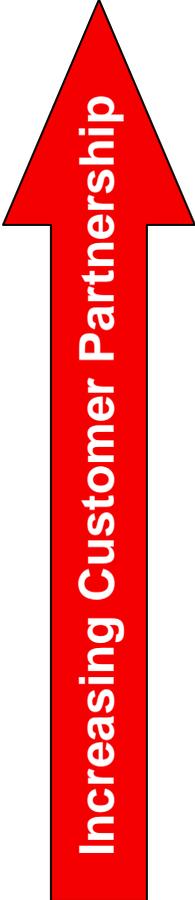
## Afghanistan

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- Active since 2003
- Turnover in 2008 c£50m
- ArmorGroup acquisition brought new operating capabilities and credibility
- Existing services
  - Static guarding of critical facilities
  - Close protection of diplomats
  - Mine action
  - Life support services – catering/secure accommodation
- Growth potential
  - Supply chain protection
  - International donor funded reconstruction
  - Stabilisation consultancy
  - Cash services
- Major contracts:
  - US Embassy
  - UK FCO & agencies
  - Mine Action support to airfield reconstruction



# G4S Strategy for Accelerated Growth & Development



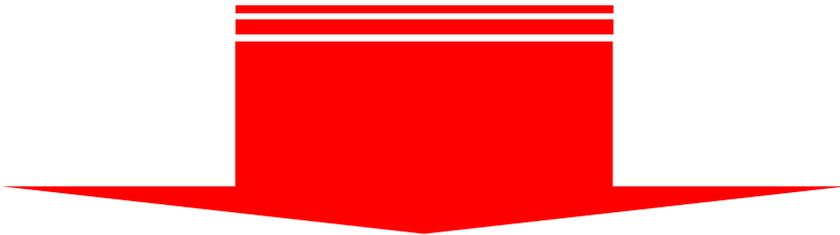
	<b>Strategic Goals</b>
<b>Manage</b>	Deliver fully outsourced solutions: <ul style="list-style-type: none"><li>• Output based contracts</li><li>• Ability to share in gains</li></ul>
<b>Analysis &amp; Design</b>	Provide expertise: <ul style="list-style-type: none"><li>• Market segmentation/specialisation</li><li>• Risk assessment &amp; consultancy</li><li>• Solutions &amp; bid design capability</li></ul>
<b>Operate</b>	Enhancement of core services with supervision & IT: <ul style="list-style-type: none"><li>• Delivery of core services</li></ul>
<b>Deliver across all services according to market need, in a phased and evolutionary implementation</b>	

# Security Solutions Definition

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**Outsourcing business processes in sectors where risk is considered as a strategic threat involving :-**

*“the assessment and management of risk to ensure the safety and security of buildings, infrastructure, materials, valuables, people and society”*



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

- Revenue Growth
- Cost Management
- Asset or Risk Management
- Customer Service (end customer)

# Strategy Implementation

## Priority Sectors

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<b>UK</b>	<b>Police, Defence, Events, Borders, Overseas Government</b>
<b>US</b>	<b>Borders, Chemicals &amp; Petrochemicals, Ports, Overseas Government</b>
<b>Benelux</b>	<b>Health, Local Government, Airports/Ports</b>
<b>Others</b>	<b>Oil &amp; Chemicals, Mining, Ports, Central Government</b>

# Key activities in Major Markets

## Other opportunities

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- New country entry – Vietnam, Laos
- Risk consulting – Indonesia, Papua New Guinea, Philippines
- Records management/Business processing
- Military outsourcing opportunities

# Conclusions

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- Unique geographic footprint in both Asia Pacific and Middle East regions
- Growth driven by economic development and infrastructure investment
- Security and safety remain key concerns in the regions for commercial customers and governments
- Experienced management team
- Broad spread of countries, customers and business segments
- Strong market positions will help strategy for growth opportunities
- Integrated solutions offering