

Growth Drivers in Continental Europe

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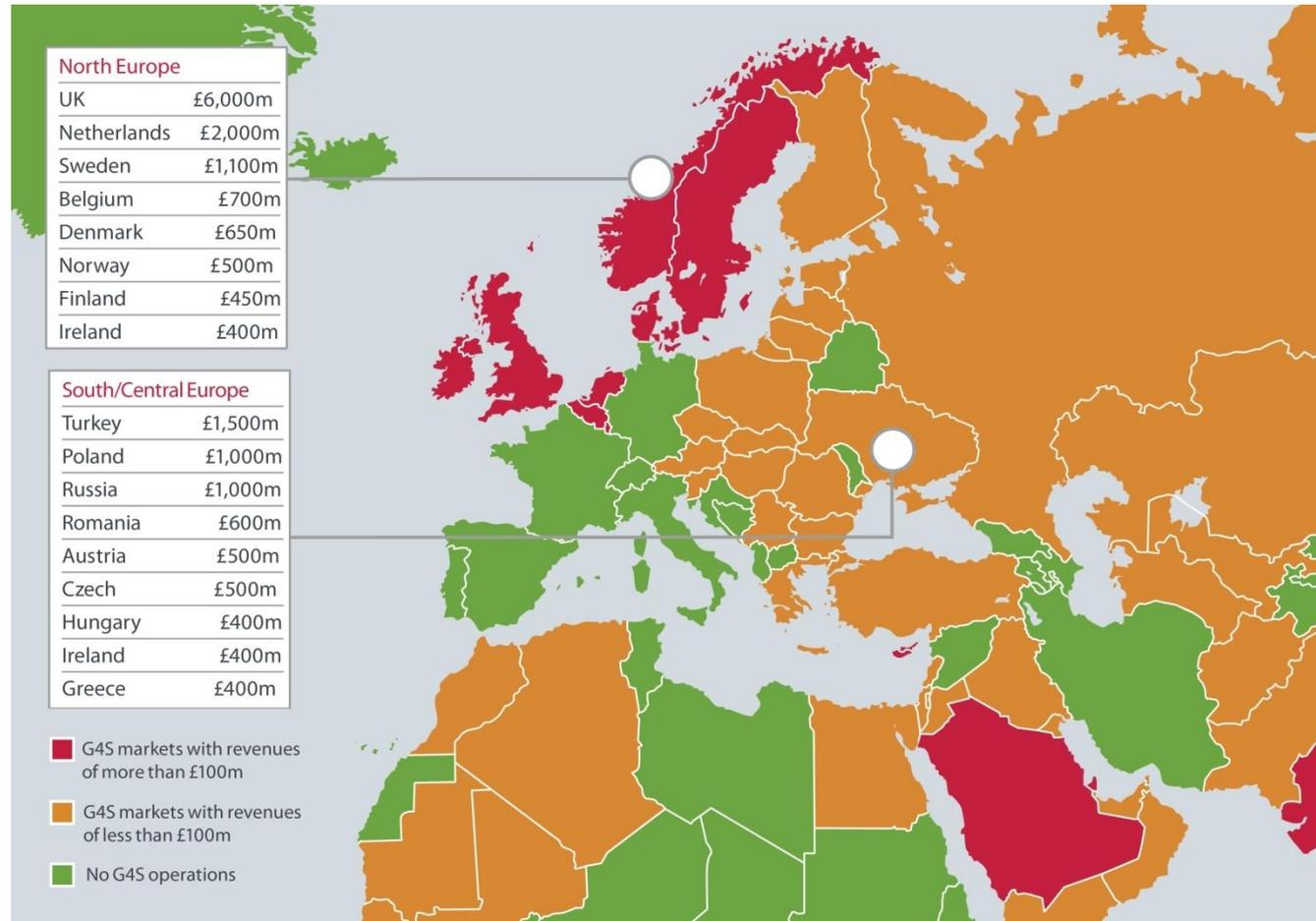
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European security market



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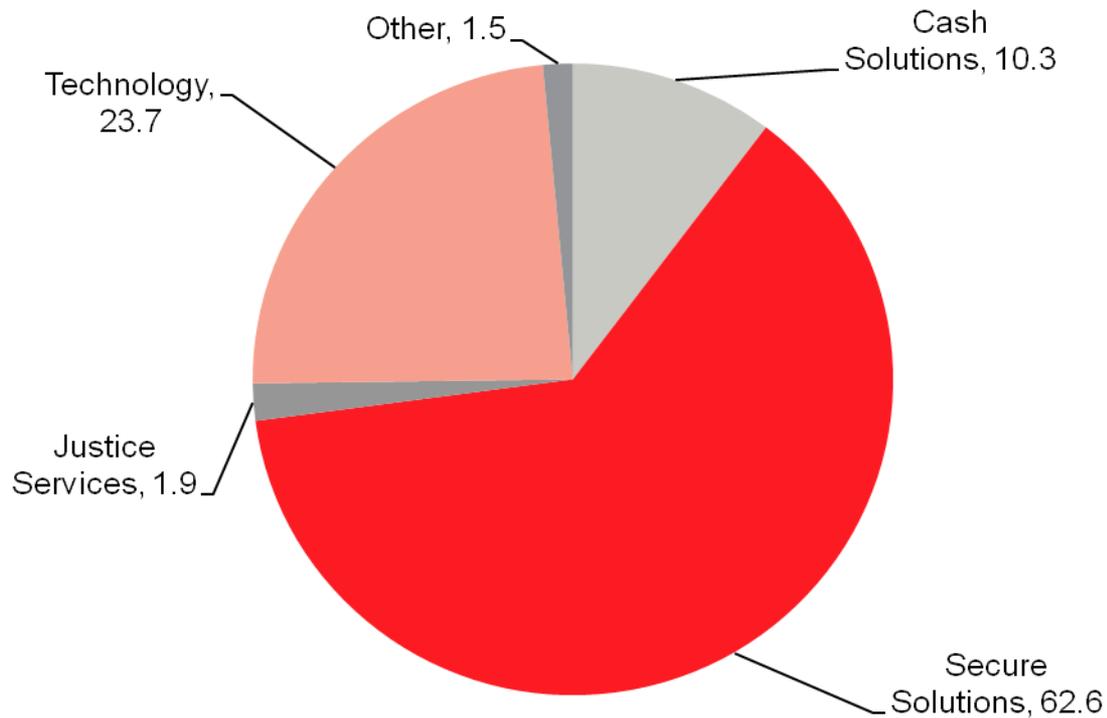
Growth trends 2010-2013

Continental Europe

- Organic growth increasing to over 6% per annum
 - GDP + inflation recovering
 - Some stabilisation in Eastern Europe economies
- Improving margin trend helped by:
 - business mix
 - volume growth
 - cost focus

Solutions mix – G4S Europe

Budget 2011 Turnover %



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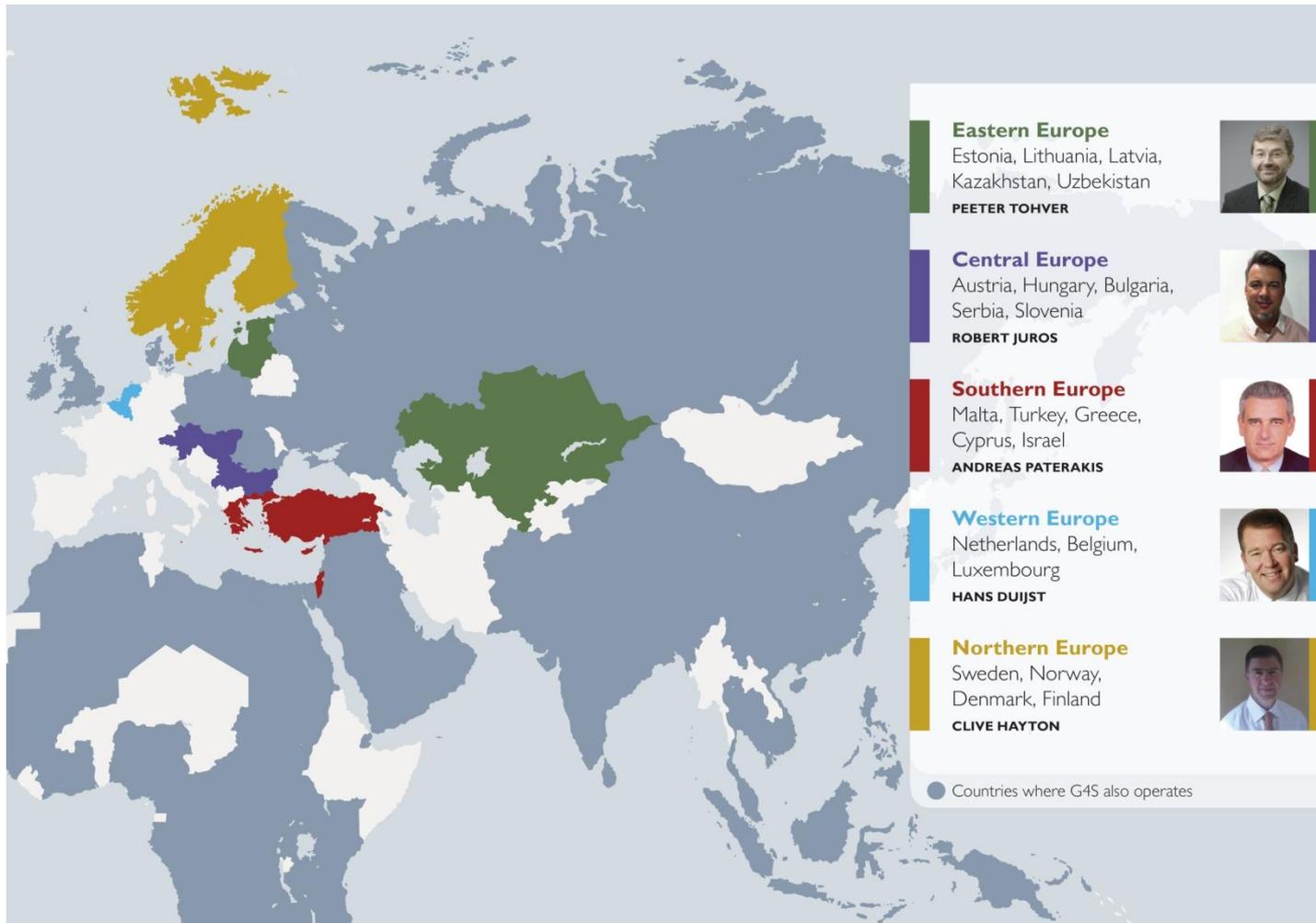


Competitive position in selected markets

G4S European markets

	Manned Security	Cash Solutions	Security Systems
Hungary	#2	#1	#1
Serbia	#1	#1	-
Austria	#1	-	#3
Bulgaria	#2	#2	#2
Slovenia	#1	#1	-
Denmark	#2	-	#1
Sweden	#2	#2*	#4
Finland	#2	#1*	-
Norway	#2	-	#2
Latvia	#1	#1	#1
Estonia	#1	#1	#1
Netherlands	#1	#1*	#1
Belgium	#2	#1*	#1
Greece	#1	#1	#2
Israel	#1	-	#1

G4S Europe Management



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G4S Europe

Summary of keys for success

- New management team
 - “Drive” and capacity
- Growth versus cost reduction
- Price
 - “Lean and mean” organisation
 - Innovative tenders
- Customer retention/implement total solutions
- Focus on core business
- Increase profitability per product line

Example of the new G4S Europe Strategy - Netherlands 5 point plan

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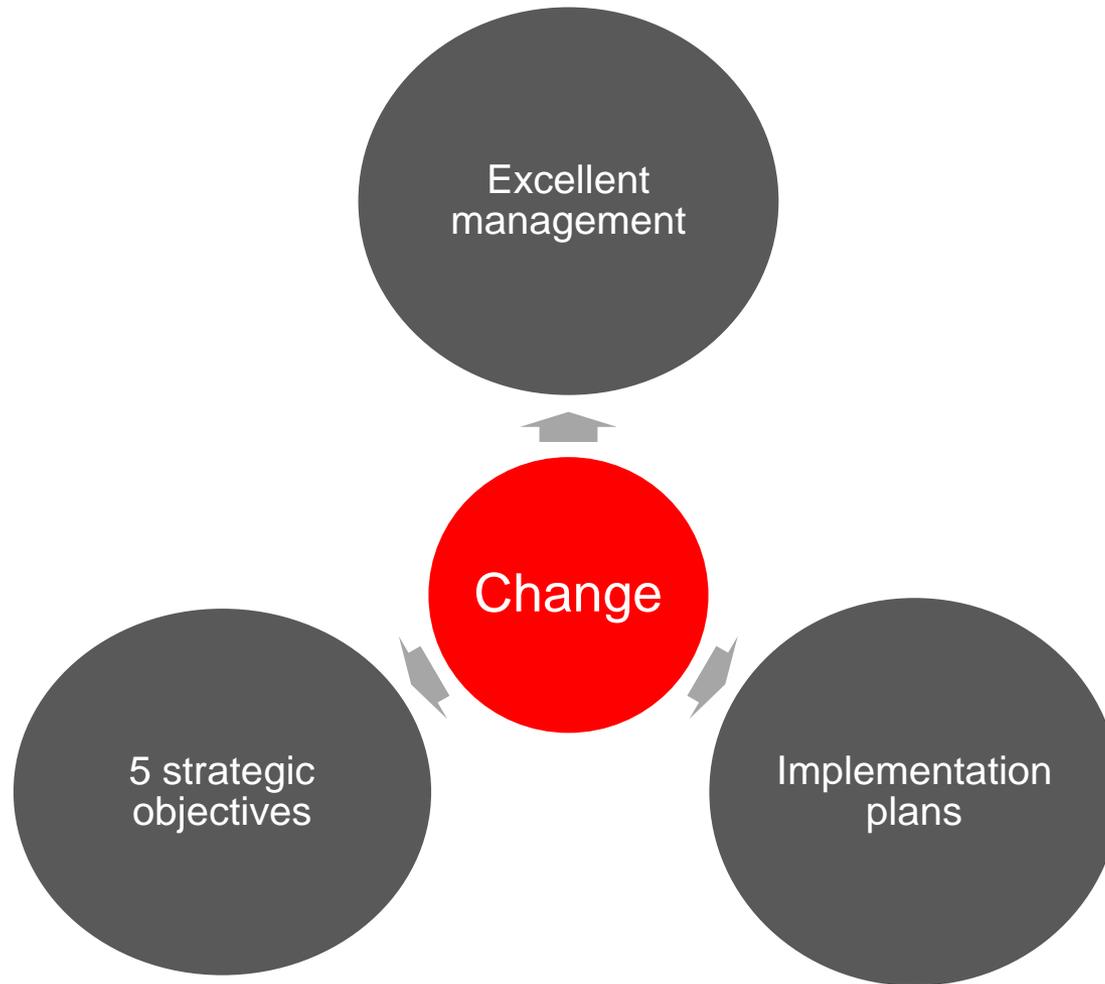
G4S Netherlands

Reasons to change

- Turnover and PBITA under pressure
 - Price competition
 - Low economic growth (inflation = growth)
 - Commoditised shrinking market
- High level of direct and indirect costs
- Customer loss is too high
 - Customer loss/reductions > new sales
- Low number of acquisitions
- Introduction of solutions not quick enough

G4S Netherlands

Road to change

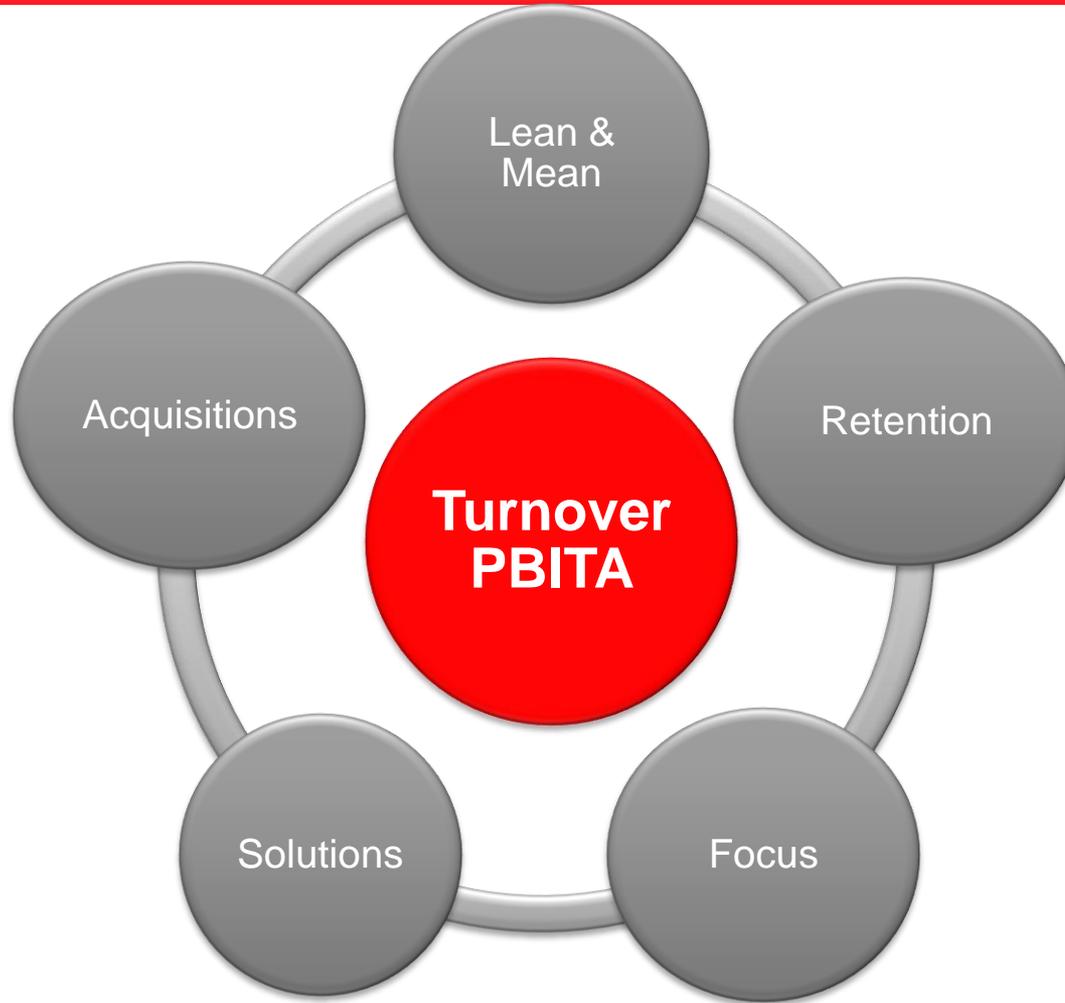


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G4S Netherlands

Strategy



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1. Lean & Mean



- **“To become a lean & mean company in order to remain competitive in our existing markets”**
- Target 1: 100 bps reduction direct costs by 2015
- Target 2: 150 bps reduction indirect costs by 2015

G4S Netherlands

2. Retention



- “To increase our ability to retain customers, thus reducing customer loss and shrinkage”
- Target: reduce customer loss by **25%** by 2015 (increase retention rate: 92% to 94%)

G4S Netherlands

3. Focus



- **“To create focus on our key success drivers across our businesses and processes”**
- Target: Measure every key success driver in our businesses and processes by Q4 2011

G4S Netherlands

4. Solutions



- “To develop solutions with existing customers in target sectors which lead to 5 year+ contracts and better margins”
- Target: **50%** of turnover from output based 5 year+ contracts by 2015

G4S Netherlands

5. Acquisitions



- **“To realise acquisitions to increase our market share in existing markets and to add strategic capabilities to our business”**
- Target: 2015: 1 or 2 capability building acquisitions

Focus on Growth

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Focus on growth

- Organic
- Customer retention/implement total solutions
- Acquisitions
- New countries via international accounts
- Southern & Eastern Europe (= developing market)

Recent contract wins

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Organic growth example

SBBA – collective security

- SBBA: Almere Business Park Security Foundation, Netherlands
- Partners: Municipality of Almere, Police Flevoland and G4S
- Collective security of business parks by G4S - 700 affiliates over 20 sites
- Problems: burglaries, vandalism, unoccupied buildings, lost value



Challenge: how can we reduce costs (per connection) and improve the security at the business parks with a smart solution?

Organic growth example cont'd

G4S SBBA-service

Integrated Security Solution:

- Preventative surveillance & response
- 5 mobile patrol vehicles (50% reduction!)
- 60 camera's at access roads (fibre optic connections)
- Local Camera Surveillance Centre in Almere
- G4S Monitoring Centre as a back-up in Amsterdam
- Investment of €700k

Results

Crime reduced by > 70%

Turnover grown from €221k to €1.3m pa

Gross margin up 500bp

Contract period from 3 to 7 years

Total contract value: from €2.66m to €9.1m

Solutions example

The Brussels Airport Company (TBAC)



- Annual value estimated at €25m
- Contract period 3 + 3 x 1 year(s) (max 6 yr)
- Possibilities to increase with additional services
- New screening platform open in yr 4 (estimated growth 10%+)

Solutions example

The Brussels Airport Company (TBAC)

- Different model than previous provider
 - Dynamic planning model
 - Based on & in co-operation with European knowledge (Schiphol & Oslo)
 - G4S: average 5.5 agents per lane per May 2011 versus previous average 7 agents/lane
- Saving for TBAC : 20%

Secure Solutions Europe

Teamwork and collaboration case study: Brussels Airport

Brussels Airport Video

Strategic tenders example

European Commission



- Most important manned security contract in the Belgian market (70 buildings and 700 security officers)
- 5 years framework contract: started 1/4/2011
- Estimated annual value: €31m
- Four European Institutions in Brussels (European Parliament, European Commission, CES, European Council): G4S is running 3 of the 4 contracts

Exporting G4S expertise

Helsinki Music Centre

- Total annual value of € 1.34m - a variety of services
- Not the cheapest bidder G4S won the public EU tender with outstanding quality points in new certified quality management system
- Global references in Norway, Denmark and Estonia had a significant influence
- Helsinki Music Centre gives G4S Finland remarkable visibility in national and in international media through widely publicized international performers
- This contract will allow us to increase our activities and service offering in the entertainment sector
 - Cultural events
 - Event security (Leisure, sports, entertainment)



- The Helsinki Music Centre has been newly constructed for a total cost of € 160m and houses € 20m in moveable equipment .
- Facilities within the Centre have a combined seating capacity of approximately 3,100
- The concert hall alone seats 1,704

Exporting G4S expertise

FIS Nordic World Ski Championship 2011 in Oslo

- **Contract period:**
 - From August 2010 – April 2011
- **Contract Value:**
 - 680,000 Euros
- **Security Staff:**
 - 135 Security Officers
- **Facts about the WSC 2011:**
 - G4S - Official supplier
 - 570 000 spectators in Holmenkollen
 - 650 00 spectators during the 11 ceremonies in down town Oslo
 - Approx. 580 athletes from 49 nations
 - G4S delivered security solutions, volunteer management and event planning



G4S Europe – other recent wins



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Growth opportunities

- **Care and Justice/Government outsourcing**

Recent wins:

Cyprus asylum accommodation

Israel police training academy

Belgium European Commission

Sweden Parliament Administration building

Slovenia US embassy

- **Cash Solutions**

- **Secure Solutions**

- **Eastern Europe**

- Baltics - Strong GDP growth forecast for 2011 (3% at constant prices) after decline in 2009 and stabilisation in 2010
- Romanian market remains tough
- Kazakhstan

G4S Europe focus on growth

Summary

- Growth to return helped by:
 - Recovery of economies
 - Cost reductions making G4S more competitive
 - Focussed contracting strategy – some early success
- Quality management, capacity, knowledge, expertise, drive and spirit.....

will help us to deliver our goals

Q&A

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