

**G4S plc**  
**Capital Markets Day**  
**25 May 2011**

Securing Your World



# Legal Disclaimer

---

Certain statements in this document are forward-looking statements. These forward-looking statements speak only as at the date of this document. These statements concern, or may affect, future matters and include matters that are not facts. Such statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause actual results and outcomes to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements. The information and opinions expressed in this document are subject to change without notice and neither the Company nor any other person assumes any responsibility or obligation to update publicly or review any of the forward-looking statements contained within this document, regardless of whether those statements are affected as a result of new information, future events or otherwise.

**Nick Buckles**  
**Group CEO**

Securing Your World



# Agenda

## Session One

---

Presentation Title	Presenter
Introduction	Alf Duch-Pedersen Chairman
Market overview	Nick Buckles Group CEO
Strategy implementation	Graham Levinsohn Group Strategy and Development Director
Q&A	All
UK & Africa	David Taylor-Smith Regional CEO, UK & Africa
Europe	Willem van de Ven Regional CEO, Europe
Q&A	All
Coffee Break	

# Agenda

## Session Two

---

Presentation Title	Presenter
Asia Middle East	Dan Ryan Regional CEO, Asia Middle East
Americas	Grahame Gibson Regional CEO, Americas
Q&A	All
Financials	Trevor Dighton Group CFO
Closing Remarks	Nick Buckles Group CEO
Q&A	All
Lunch	

**Alf Duch-Pedersen**  
**Chairman**

Securing Your World



# G4S Overview

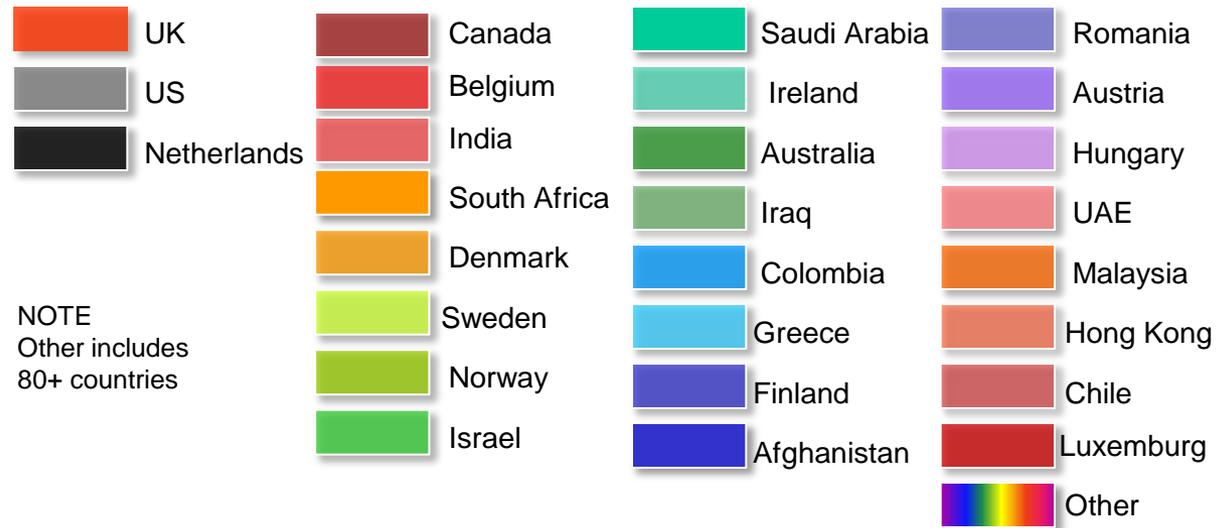
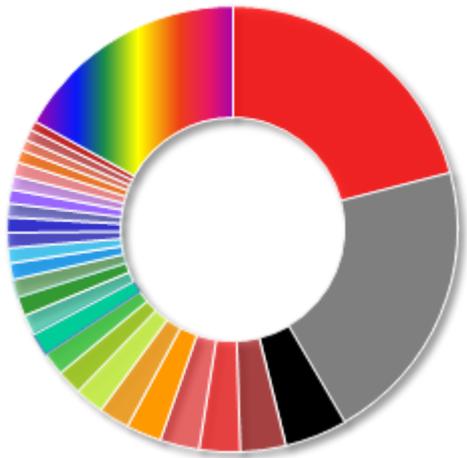
## Since 2004 merger

---

- Grown from 385,000 employees to 625,000 today
- Revenues more than doubled to £7.4 billion in 2010
- PBITA growth of 21% per annum
- Retained and extended multi-service strategy
- Acquired extensive capabilities in key sectors
- Generated excellent shareholder returns
- Continued to invest in high quality management to deliver the strategy
- Strategy will drive continued growth and development

# Diversified Geographic Footprint

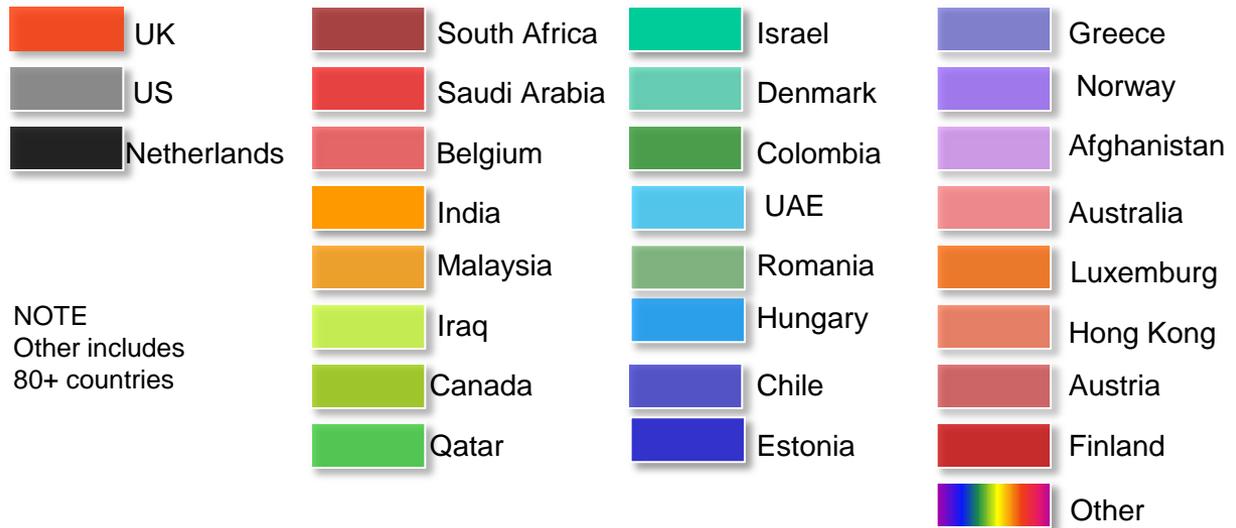
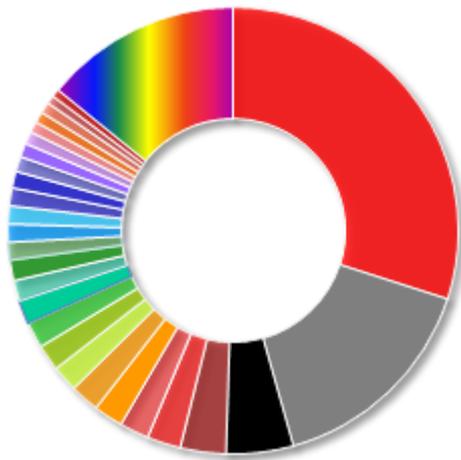
2010 Turnover by country (%)



NOTE  
Other includes  
80+ countries

# Diversified Geographic Footprint

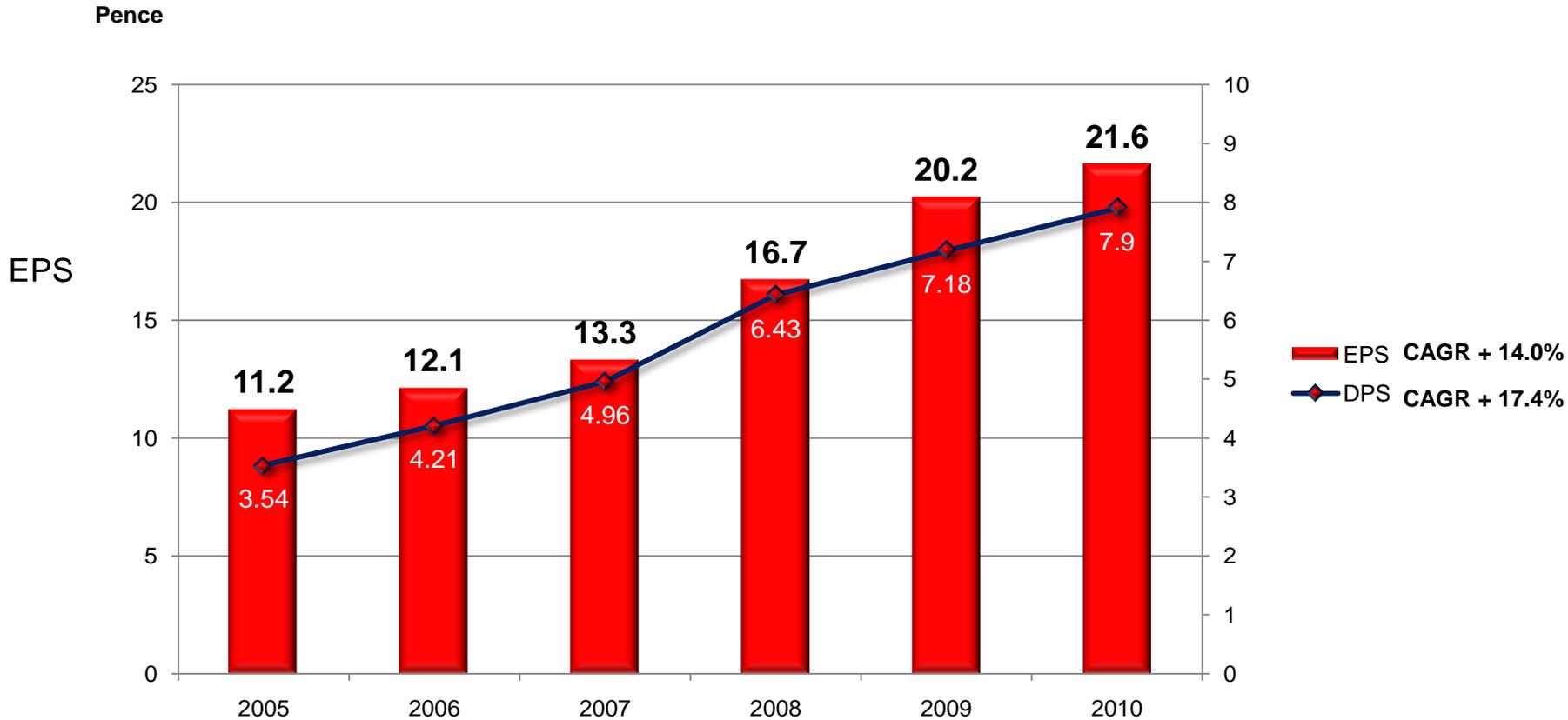
2010 PBITA by country (%)



NOTE  
Other includes  
80+ countries

# Adjusted EPS and Dividend

## 2005 - 2010



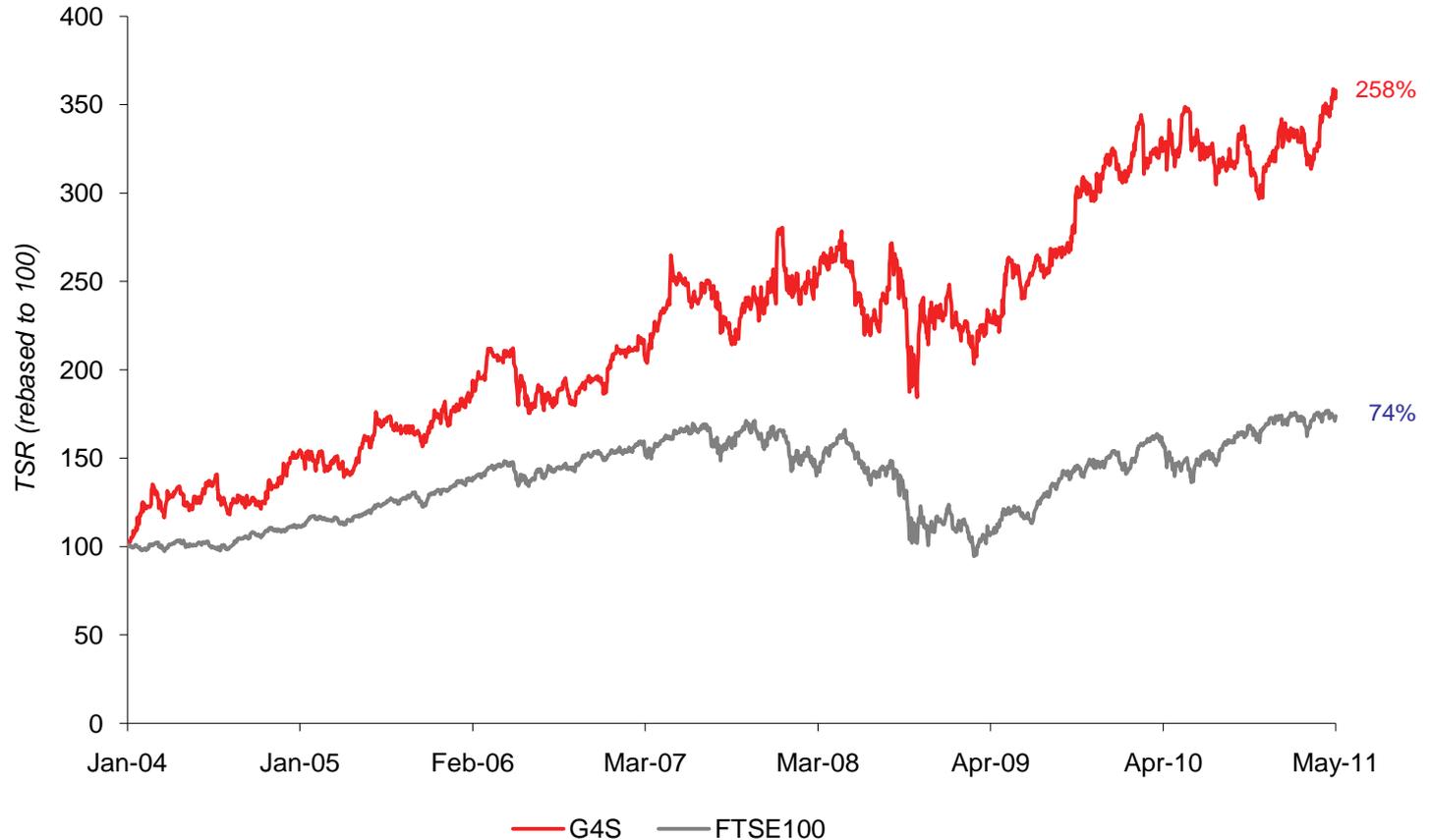
Securing Your World



# TSR Development

G4S has significantly outperformed the FTSE100 in terms of shareholder returns

### G4S versus FTSE 100 total shareholder return comparison (Jan-04 – May-11)



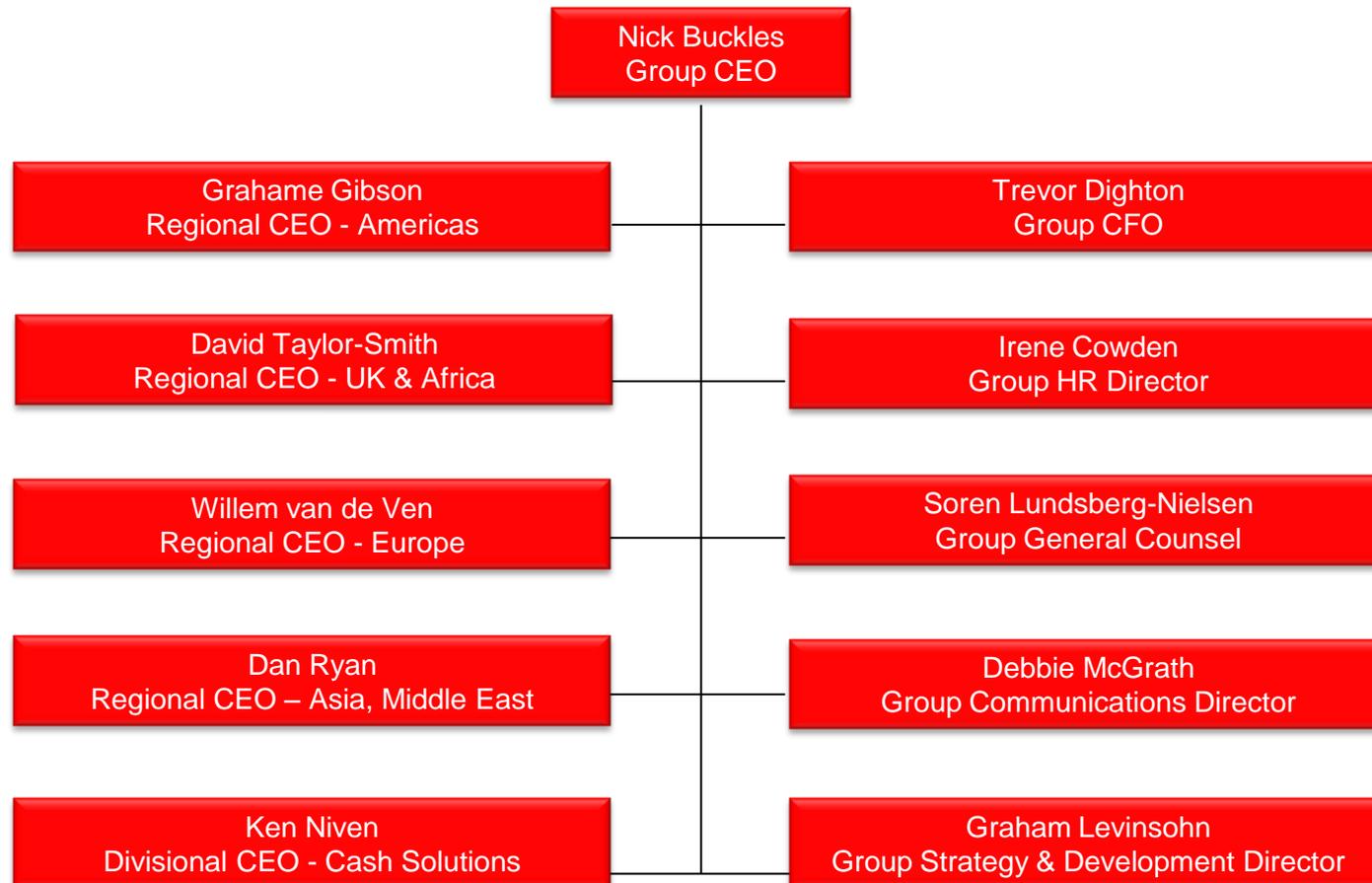
Source: Datastream (as at 19 May 2011)

Securing Your World



# Group Executive Structure

---



# **Nick Buckles**

**CEO**

Securing Your World



# Contents

---

- Global security market
- Economic sensitivities
- G4S Values
- Key business objectives
- Acquisitions
- Summary

# Global Security Market

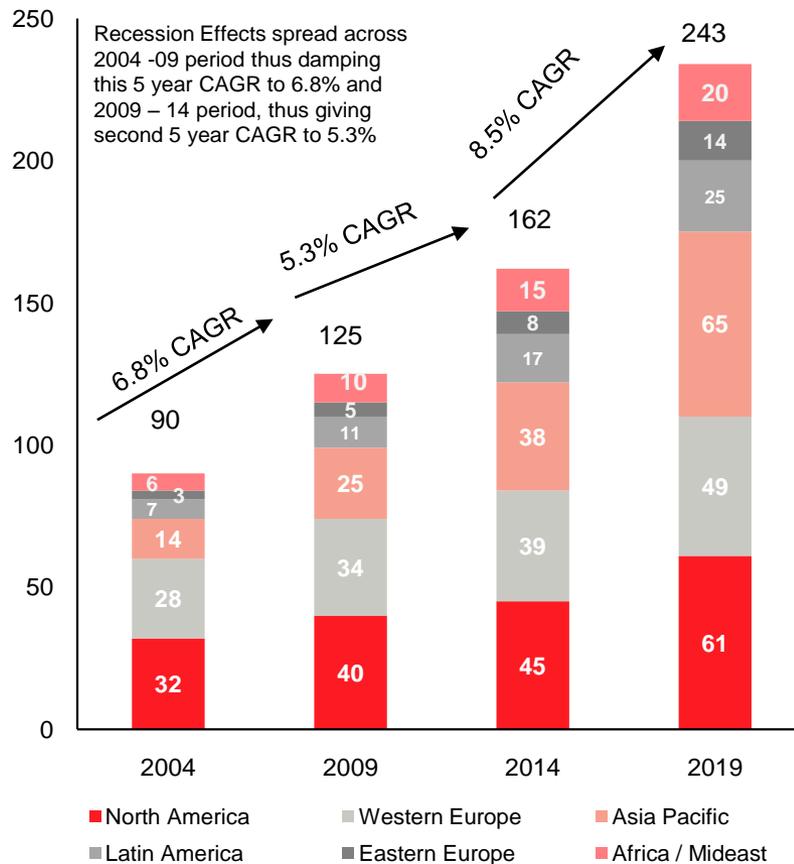
Securing Your World



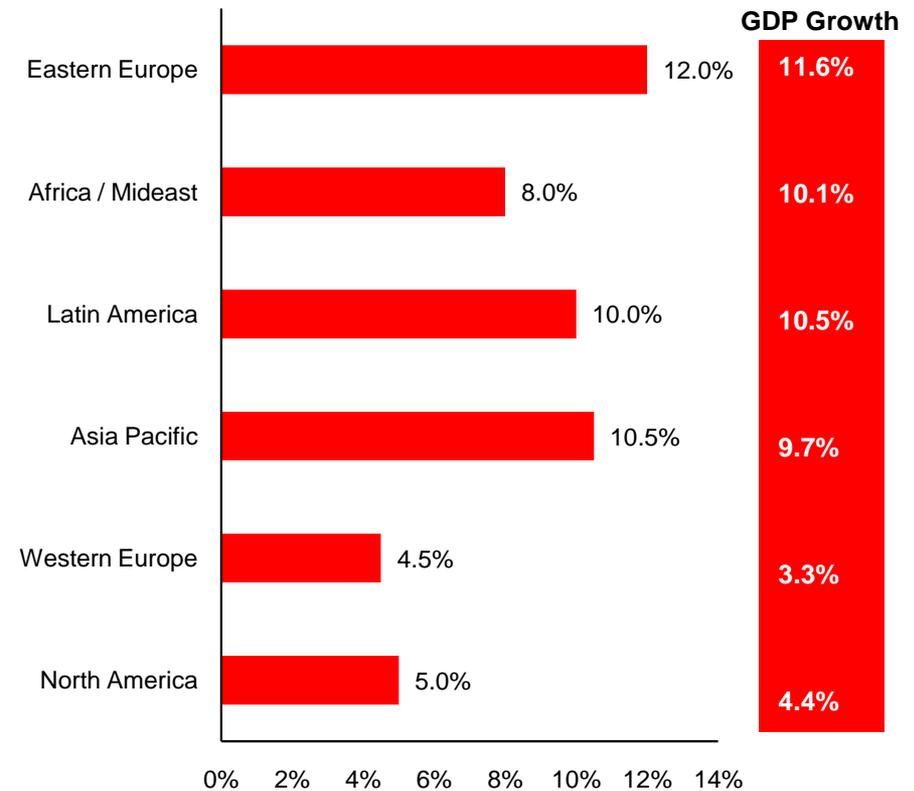
# Global Market Size and Growth Rates

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

Security market revenue by region (US\$ bn)



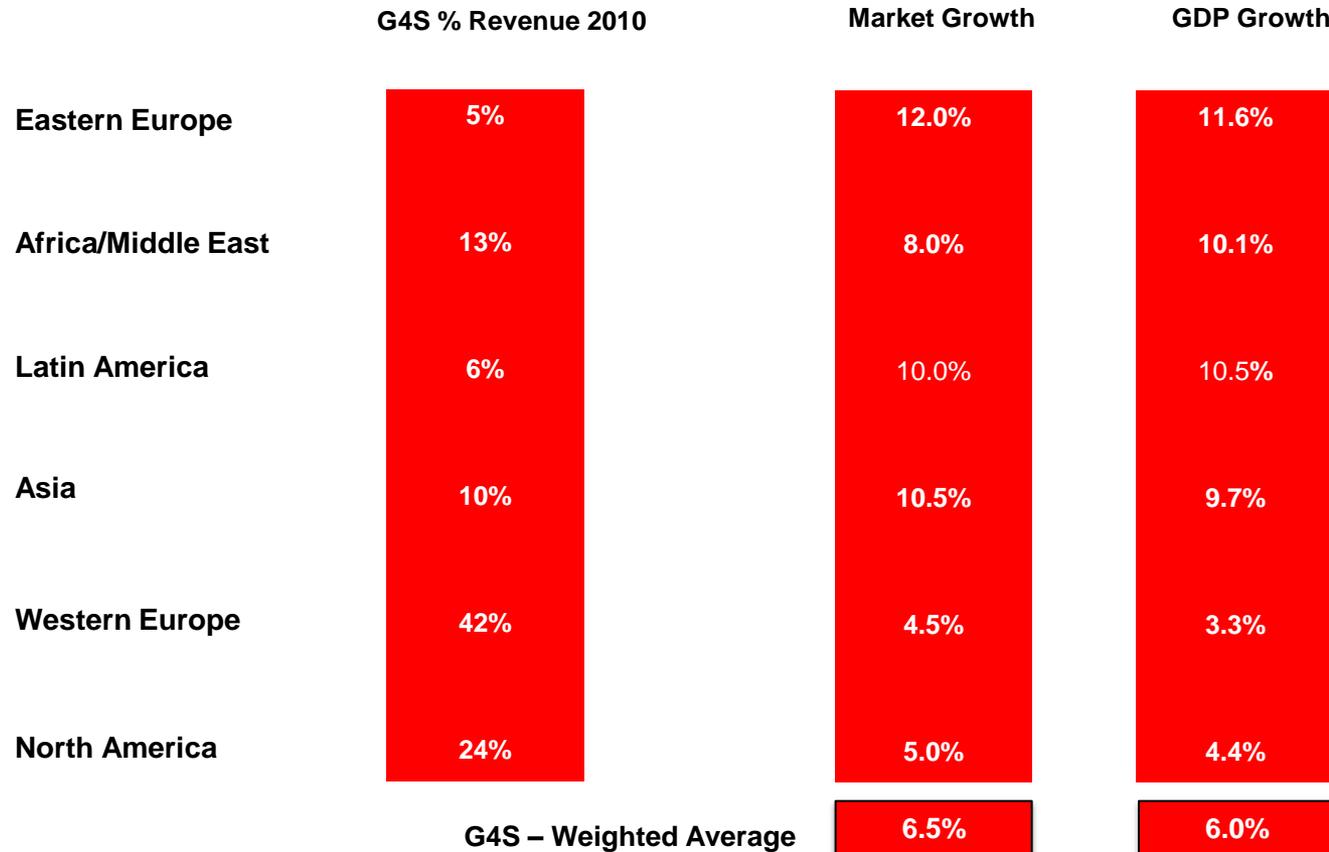
Estimated annual growth 2009 to 2014 by region



Source: Freedonia 2011, Company estimates, IMF April 2011

# Weighted average growth rates 2009-2014

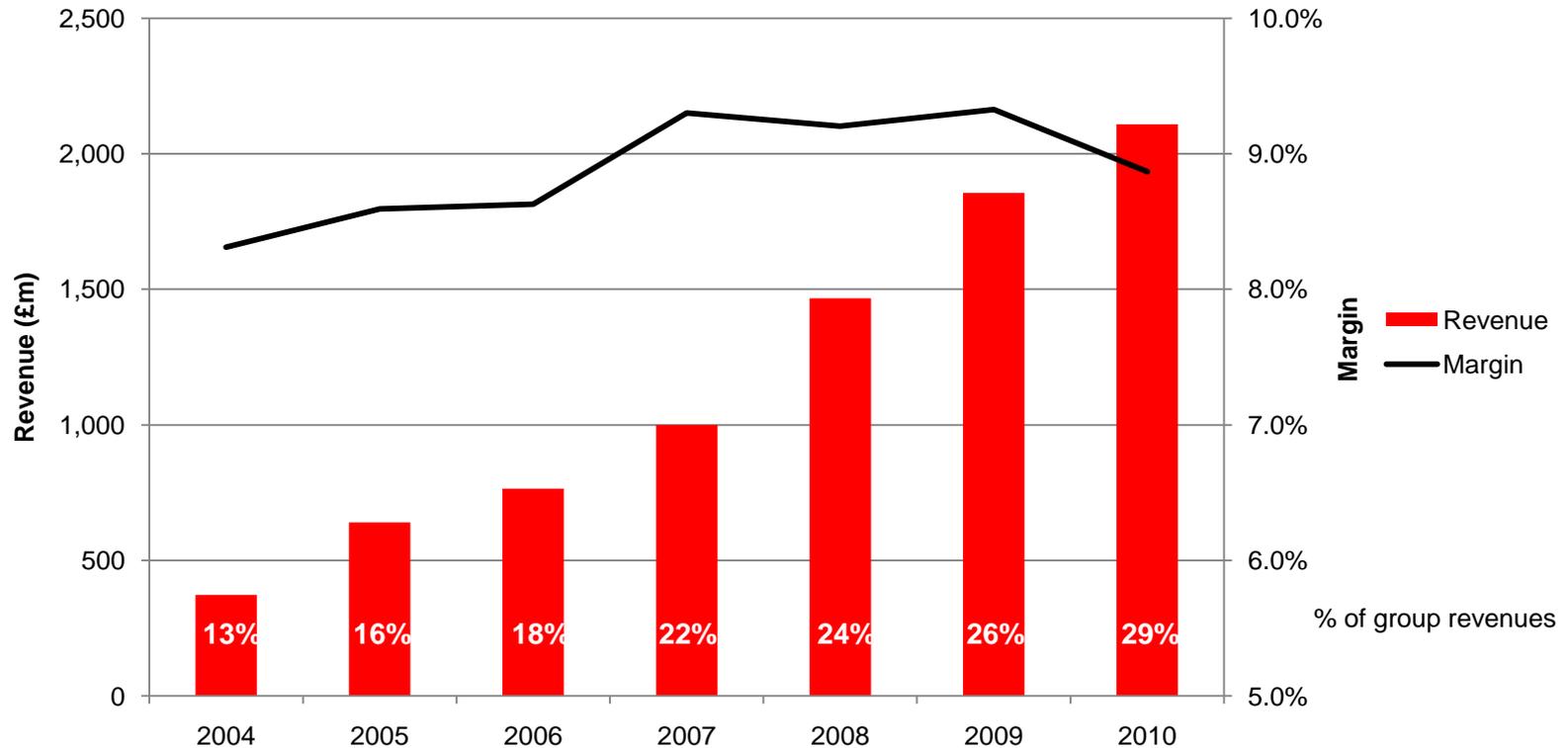
## Strong exposure to high growth developing markets



# G4S Revenue from New Markets

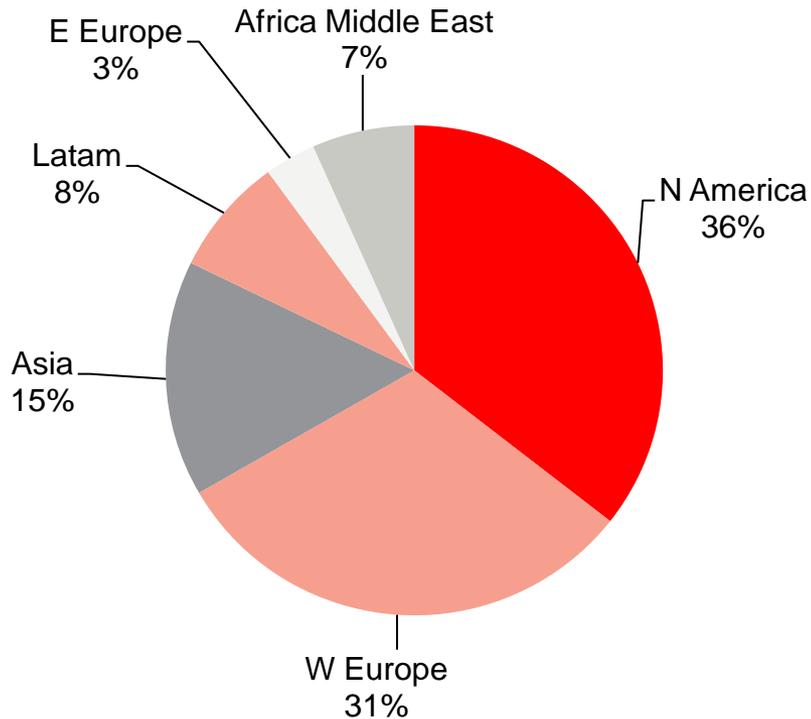
**Proportion of revenues more than doubled to 29%**

## New Markets Revenues/Margin 2004-2010

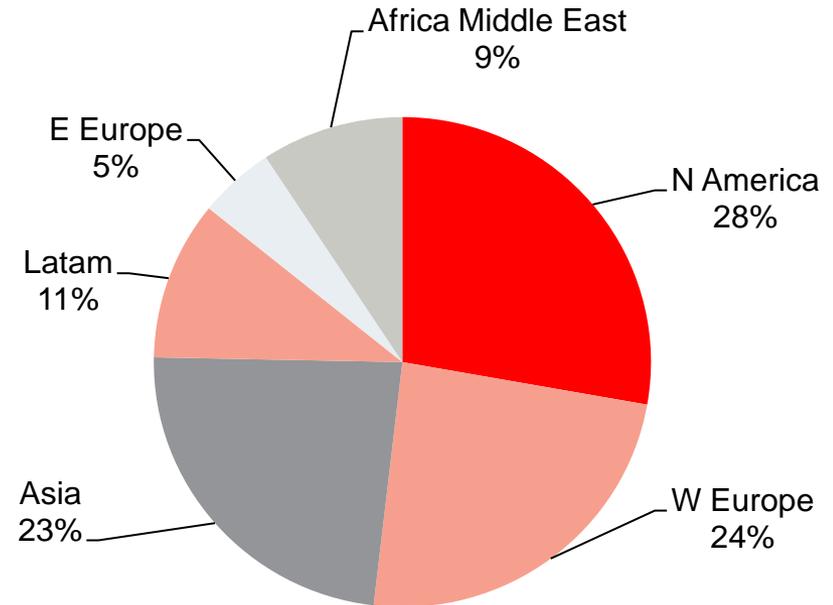


# Global Security

## Rise of New Markets from 33% to 48% of global market



2004 market size: £57bn



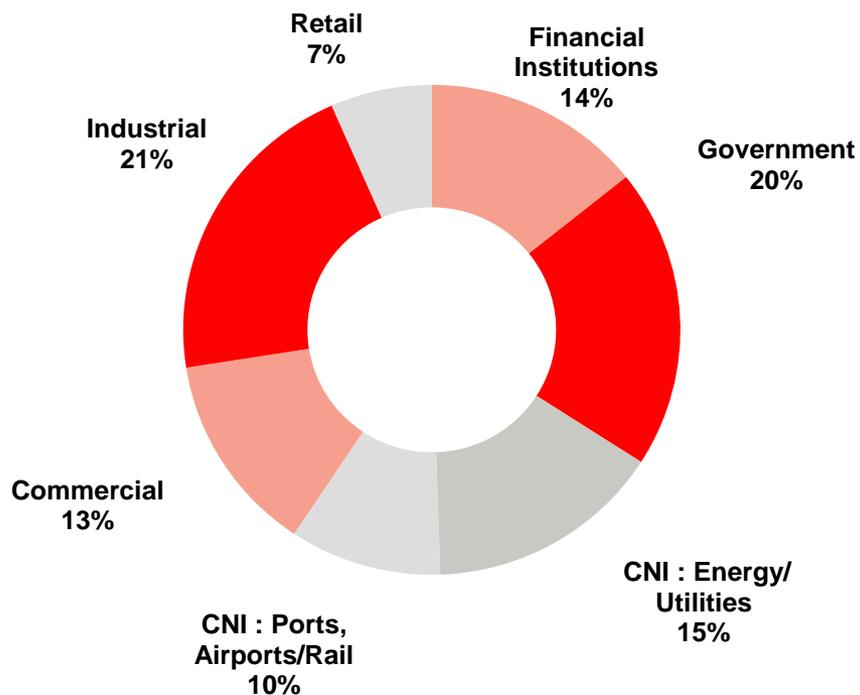
2019 Market Size: £155bn

Source: Freedonia 2011, Frost & Sullivan, Company estimates

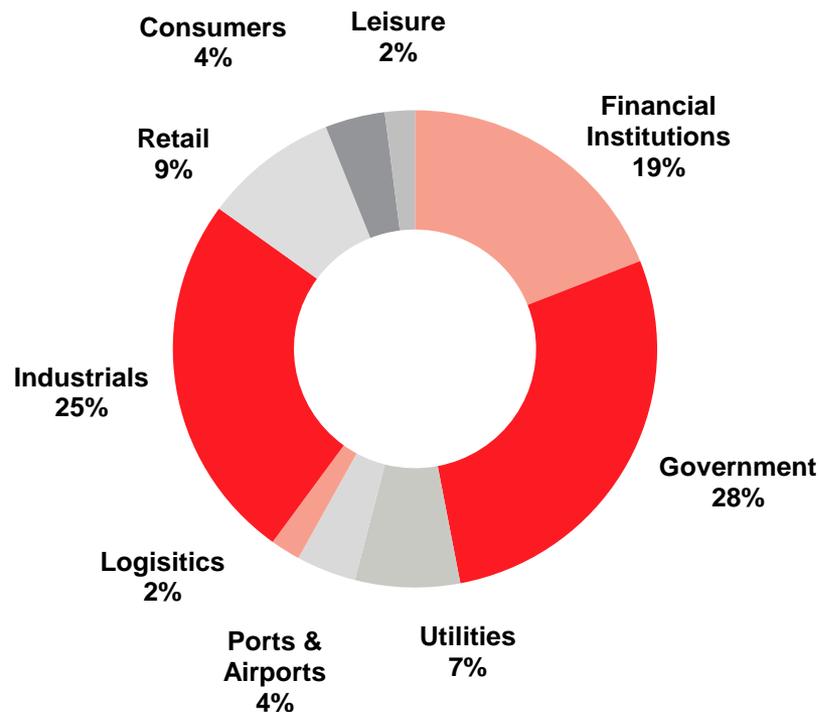
# Global Outsourced Security Market v G4S Customer Split

## Opportunity in CNI

2010 Market sector split



2010 G4S customer split



Sources : Freedonia, Frost & Sullivan, Turner & Townsend, G4S analysis

Securing Your World

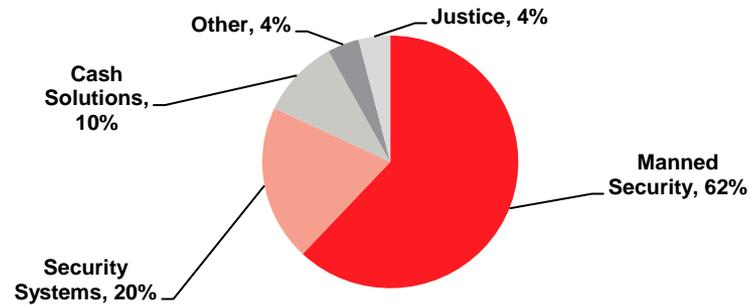


# Global Market by Segment & Market Shares

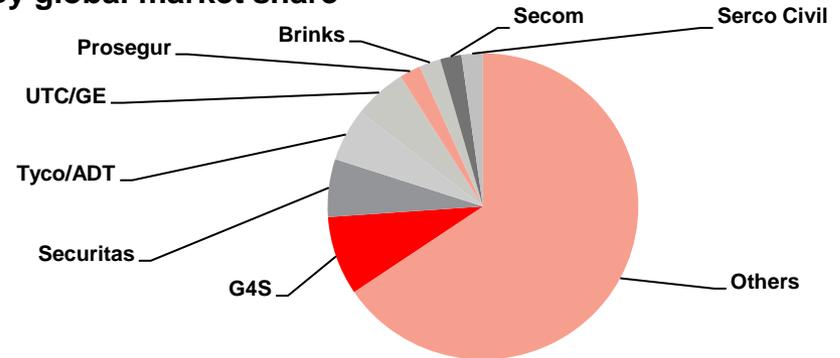
## Fragmented markets except Cash Solutions

The £90bn global b2b security market – by segment and market share (2010)

By segment

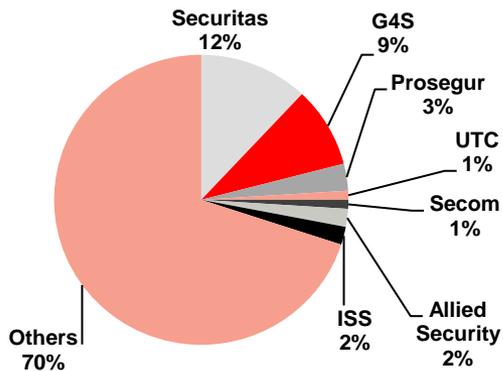


By global market share

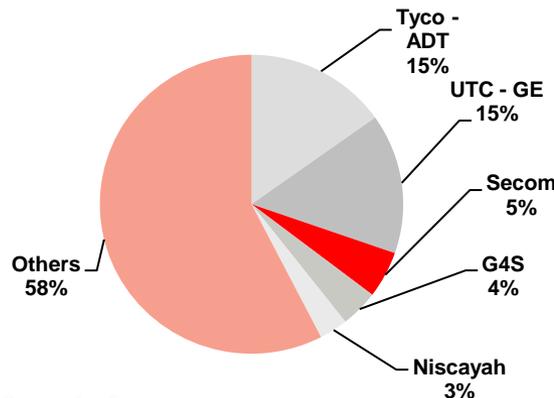


## Security market segments – global market shares (2010)

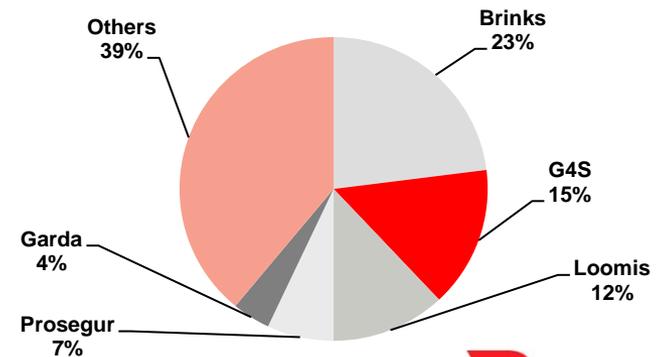
Manned Security



Security Systems



Cash Solutions



Securing Your World

Source: Market data & G4S estimates



# G4S Market Overlap

## Integrated security solutions - no direct peer



c.10%

c.35%

c.7%

c.10%

c.10%

c.10%\*

Cash Solutions:

- UK
- Europe

Secure Solutions:

- UK
- US
- Europe

Cash Solutions:

- Canada
- Far East
- Some of Europe

Government:

- UK
- Australia

Secure Solutions:

- UK
- S. Europe
- Asia

Secure Solutions:

- UK

\* 16% including Government

Source: Market data & G4S estimates

Securing Your World



# Key Market Trends

---

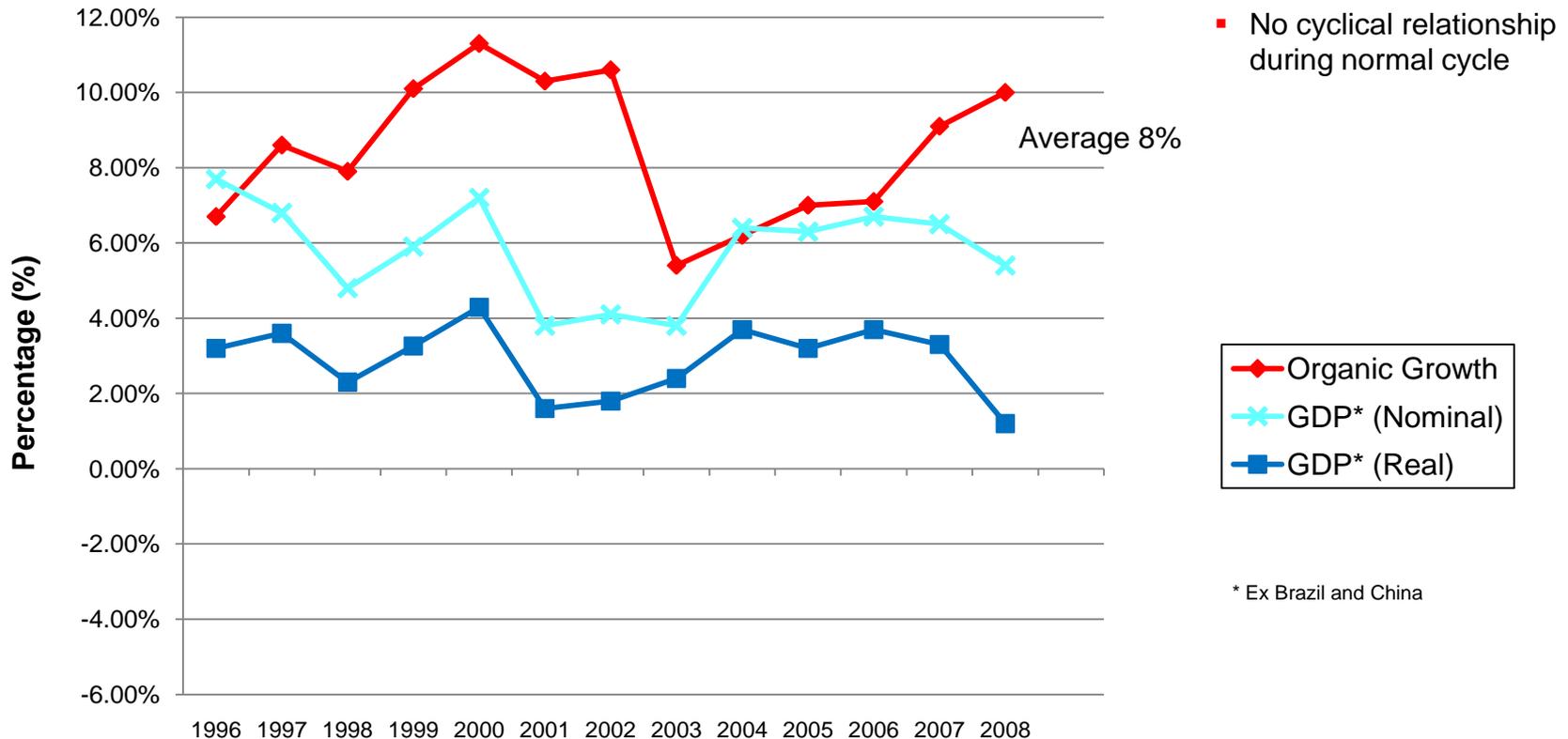
Market	Customer	Product/Service
Industry Consolidation	Facilities Management (some markets)	Innovative Technology – differentiator
Rise of New Markets to c.50% of market	Balancing customer economic and security needs	Risk Management and Consultancy a differentiator
Regulation improves standards and benefits high quality providers	Growth of internationally let contracts	Global Consistency important
Government Outsourcing		

# **Economic sensitivities**

# Historic Organic Growth

## During a “normal” economic cycle

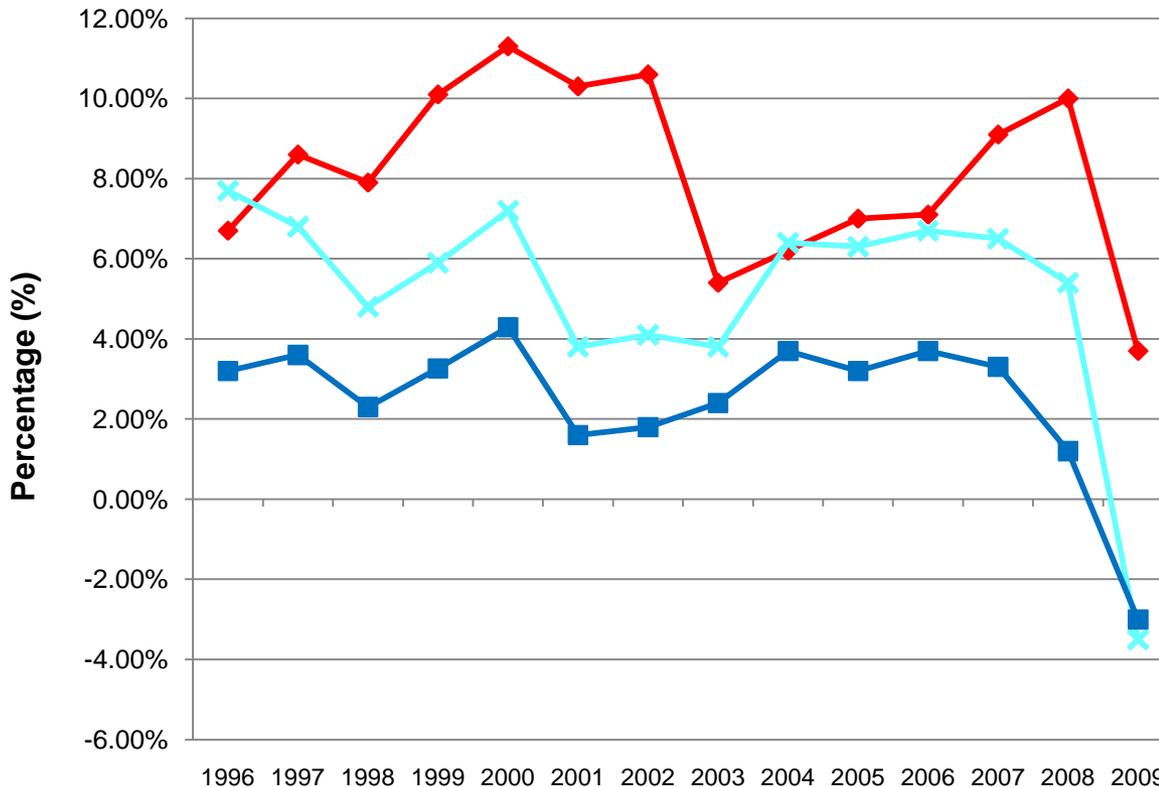
G4S Organic Growth 1996 to 2008 (%) vs GDP



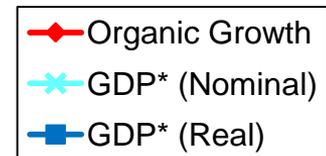
Source: Global Insight, G4S analysis

# Historic Organic Growth

G4S Organic Growth 1996 to 2009 (%) vs GDP



- No cyclical relationship during normal cycle
- Defensive but not immune in a severe downturn



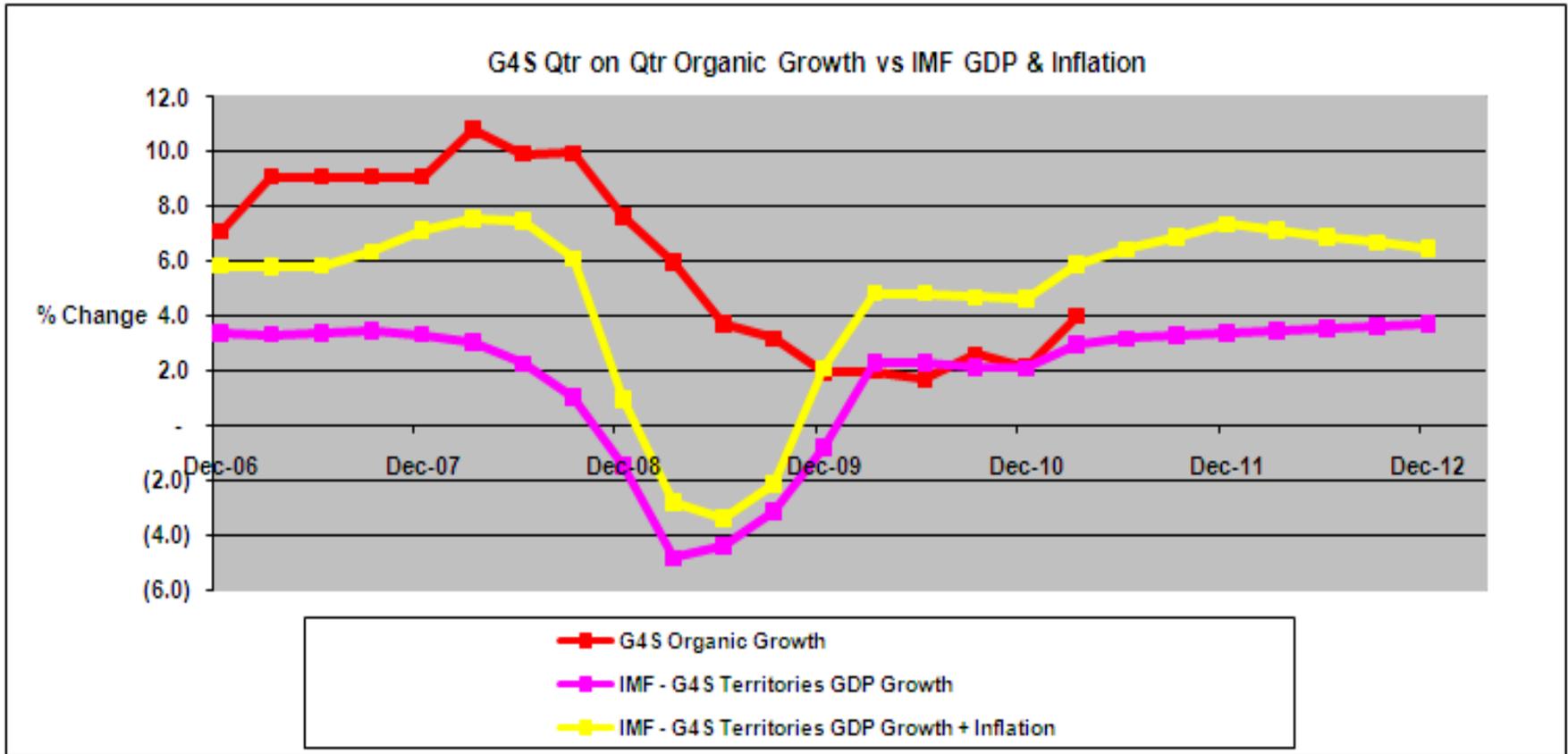
\* Ex Brazil and China

Source: Global Insight, G4S analysis

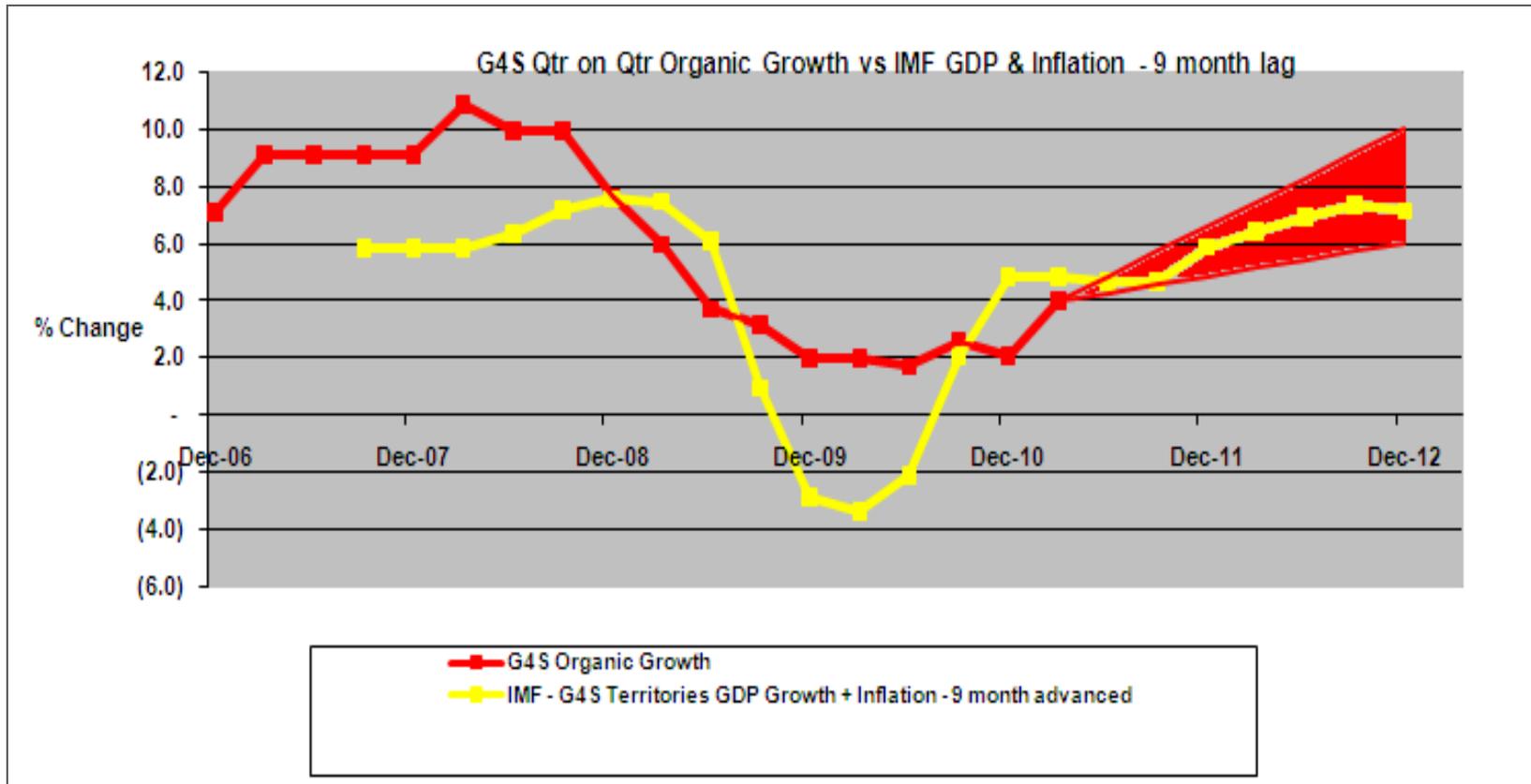
Securing Your World



# Analysis of G4S organic growth vs. IMF GDP

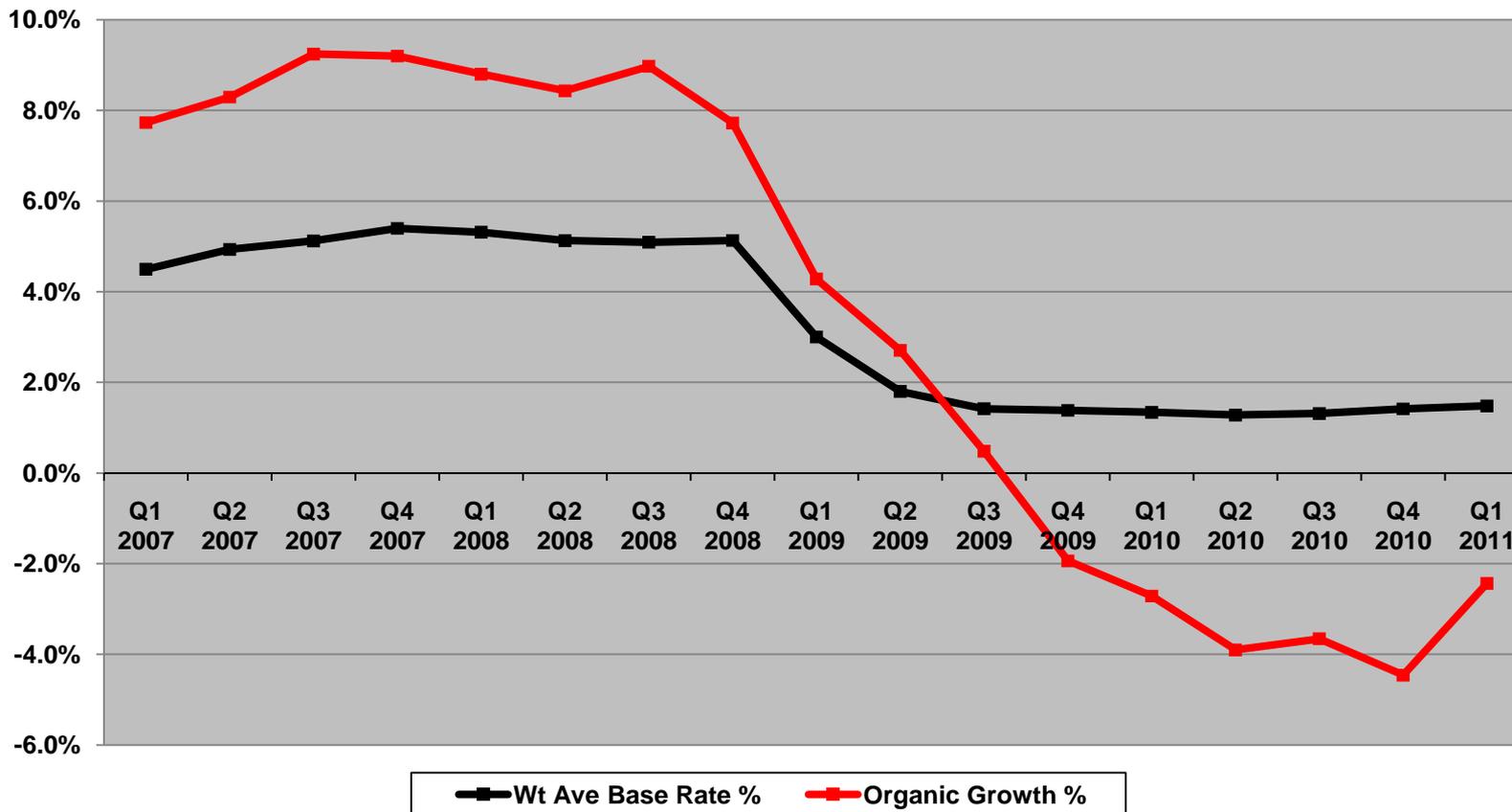


# Analysis of G4S Qtr on Qtr Organic Growth vs. IMF GDP Growth + 9 months



# Cash Solutions - Developed Markets

## Organic Growth vs. Weighted Average Base Rate %



# Economic Sensitivities of G4S

---

## GDP/inflation

- Will deliver growth well above nominal GDP due to trends towards outsourcing and increasing global security requirements
- All business segments benefit from an inflationary environment

## Interest Rates

- Base Rates below 2.5% can result in cash services reductions
- Economics of outsourcing improve at higher interest rates

## Government

- Short-term margin pressure
- Budget constraints should accelerate long-term outsourcing opportunity

## Contract fundamentals

- Majority of contracts include price escalators or discussion clauses
- Wage inflation helps drive organic growth

# **G4S Core Values**

Securing Your World



# Core Values

## What G4S stands for

---

### 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

# Objectives

Securing Your World



# Business Strategy

G4S is the world's leading international security 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 the one or more of the following Customer's Business Objectives :-

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

# Key Business Objectives

## Teamwork and Collaboration

### Integrity

Recognised as global leader in outsourced solutions

Strong reputation for integrity & positive contribution to society

### Best People

Continuously improve employee satisfaction & retention

Build talent pools to meet future business requirements

### Growth

Continue organic and acquisitive growth in New Markets multi-service business

Build significant presence in China, India, Saudi Arabia & Brazil

### Customer Focus

Embed customer satisfaction monitoring and focus on customer service

### Expertise

Acquire significant additional capability in risk consulting and systems integration

## Performance

Securing Your World



# Integrity

## CSR Achievements & Focus for 2011

---



### 2010 Achievements

- Implemented a CSR Checklist for assessing acquisitions and major investments
- Became a founder signatory to an in new International Code of Conduct for private security providers
- Introduced a group-wide simplified ethics code which can be easily understood by all employees
- CSR benchmarking exercise carried out in April 2010 – evaluation versus peers and best practice
- Commissioned independent customer survey amongst top 200 customers

### 2011 Focus

- Became a signatory to the UN Global Compact
- Implementing requirements of the Bribery Act
- Developing and implementing approach to Human Rights

# Key Business Objectives

## Teamwork and Collaboration

### Integrity

Recognised as global leader in outsourced solutions

Strong reputation for integrity & positive contribution to society

### Best People

Continuously improve employee satisfaction & retention

Build talent pools to meet future business requirements

### Growth

Continue organic and acquisitive growth in New Markets multi-service business

Build significant presence in China, India, Saudi Arabia & Brazil

### Customer Focus

Embed customer satisfaction monitoring and focus on customer service

### Expertise

Acquire significant additional capability in risk consulting and systems integration

## Performance

Securing Your World



# Acquisition Strategy

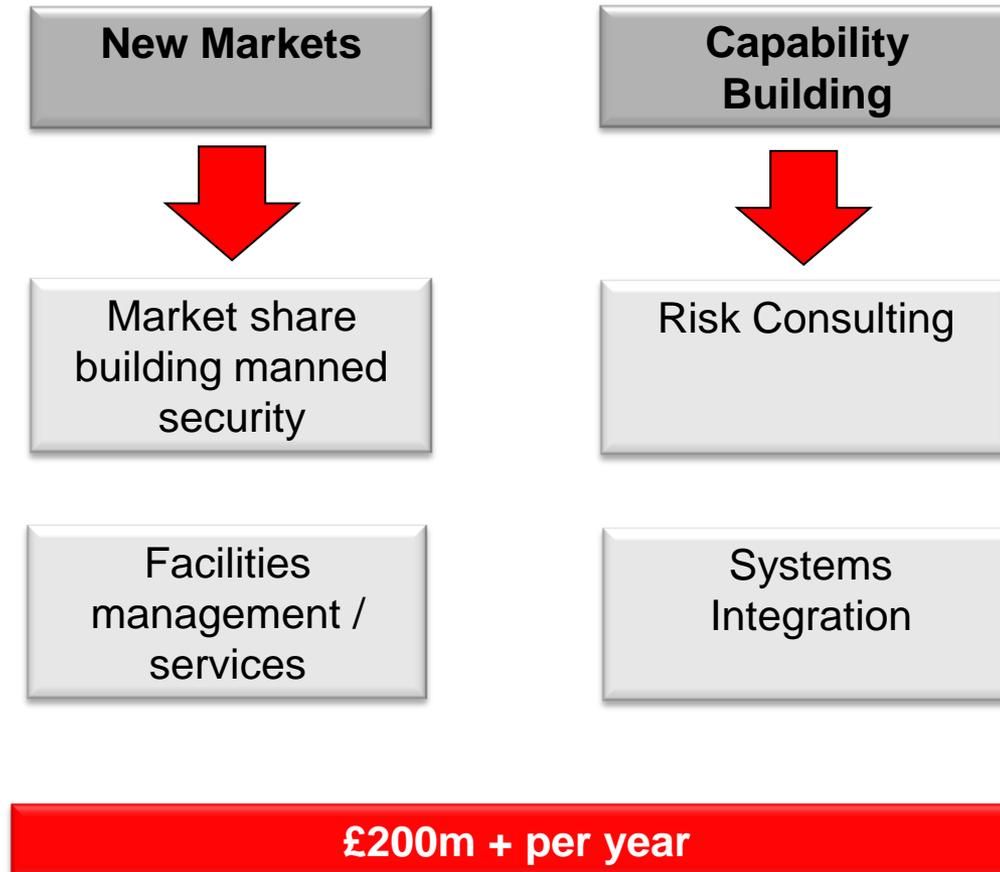
Securing Your World



# Acquisitions

## Key areas of focus

---



# Summary

Securing Your World



# Summary

---

## Market

- Economic improvement heading in the right direction
- Positive global security market trends
- G4S uniquely positioned across key growth markets

## G4S Strategic Development

- Create global secure solutions group focusing outsourcing of strategic security and risk processes
- Build on strong New Markets positions via acquisition and organic growth
- Substantial opportunity in China, Brazil, India and Saudi Arabia
- Continue building capability in US and UK markets

## Acquisitions - £200m+

- Risk Consulting
- All services (including facilities) in New Markets

## Performance

- Reaffirmed key financial objectives to deliver increased organic and EPS growth