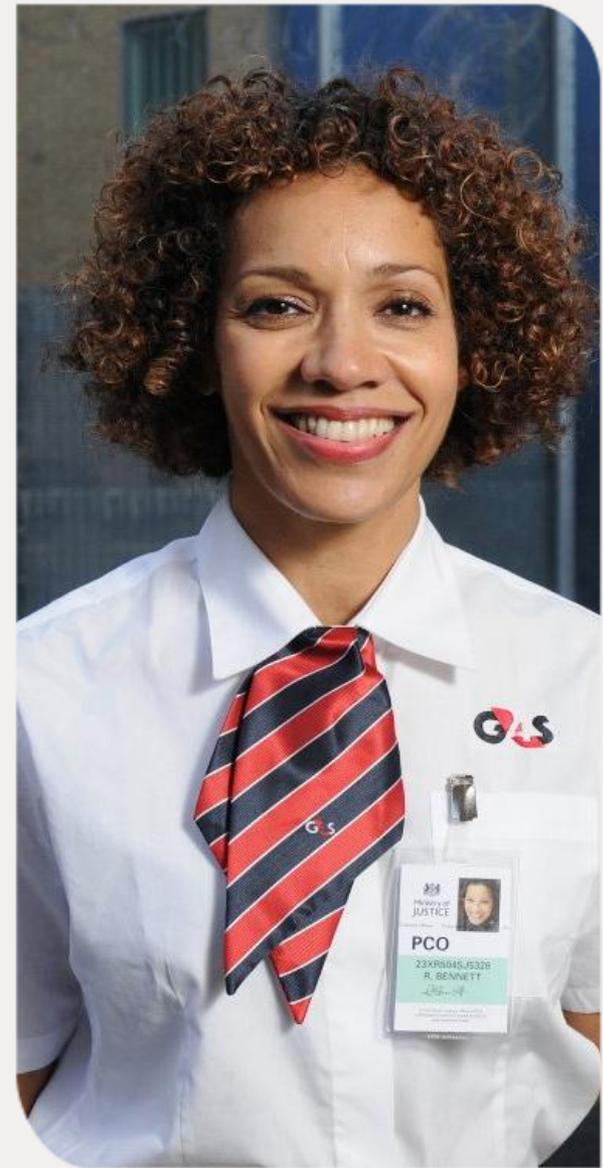




G4S plc
Investor Relations
Presentation

April 2013



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.

2012 Results Highlights

- 2012 was a difficult year due to the challenges of the Olympic Games:
 - Loss on Olympic security contract of £88m
- Reshaping the business for the future:
 - Overhead reduction programme to deliver £35m per year – exceptional charge of £45m in 2012
 - Announced sale of US Government Solutions business – classified as discontinued in 2012 results
- Strong underlying trading:
 - Excellent organic growth of 7% overall
 - 10% organic growth in developing markets (33% of group revenues)
 - PBITA up 6% to £516m – representing PBITA margin of 7.1%
 - Excellent operating cashflow generation of 95%
 - Adjusted EPS up 3% to 21.2 pence per share
- Confidence in the trading outlook:
 - Full year dividend increased 5% to 8.96 pence (DKK 0.7950) per share

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Organic Turnover Growth incl Olympic Games*

Twelve months ended 31 December 2012

	Europe	North America	Developed Markets	Developing Markets	Total
Secure Solutions	11%	11%	11%	10%	10%
Cash Solutions	-1%	8%	0%	10%	3%
Total	8%	11%	9%	10%	9%

* Calculated to exclude acquisitions and disposals and at constant exchange rates

Organic Turnover Growth excl Olympic Games*

Twelve months ended 31 December 2012

	Europe	North America	Developed Markets	Developing Markets	Total
Secure Solutions	5%	11%	7%	10%	8%
Cash Solutions	-1%	8%	0%	10%	3%
Total	4%	11%	6%	10%	7%

* Calculated to exclude acquisitions and disposals and at constant exchange rates

Profit and Loss Account

Twelve months ended 31 December 2012

£m	2012	2011 at actual FX
PBITA	516	502
Interest (before pensions and Olympics)	(104)	(95)
PBT (before amortisation, exceptionals and pensions interest)	412	407
Amortisation & acquisition expenses	(93)	(98)
Loss on Olympics contract	(88)	-
Interest on unpaid Olympics receivable	(3)	-
Restructuring costs	(45)	-
Aborted acquisition and legal settlement	-	(55)
Pensions interest	(8)	3
PBT	175	257
Tax	(42)	(53)
Discontinued operations	(63)	(6)
PAT	70	198

£m	Pre amortisation, exceptionals and pensions interest	Amortisation, exceptionals and pensions costs	Total
Profit/(loss) before tax	412	(237)	175
Tax (charge)/credit	(92)	50	(42)
Tax rate	22%		

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Discontinued operations

12 months ended 31 December 2012

- **US Government Solutions business (held for sale)**
 - Proxy structure
 - To be sold in 2013
 - Impairment charge in 2012
- **Cash Solutions in Sweden (sold in February)**
 - Loss-making and unfavourable market conditions
- **Electronic Monitoring business in the US (sold in April)**
 - Loss-making and sub-scale
- **Business in Pakistan (sold in October)**
 - Difficult market with high reputational risk
- **Businesses in Poland (sold in September)**
 - Low margin, low growth business in a very fragmented market

Discontinued Operations

12 months ended 31 December 2012

	2012	2011
	£m	£m
Revenue	538	682
Expenses	(548)	(675)
Impairment of assets	(35)	(6)
Operating loss before interest and taxation (PBIT)	(45)	1
Net finance costs	(4)	(5)
Attributable tax credit/(charge)	6	(2)
Total operating loss for the year	(43)	(6)
Loss on disposal of discontinued operations	(20)	-
Net loss attributable to discontinued operations	(63)	(6)

Overhead Cost Savings

	Headcount reduction	People costs £m	Other Costs £m	Total Costs £m
UK	58	3	-	3
Continental Europe	257	12	8	20
North America	132	4	-	4
Developing Markets	1,019	10	3	13
Head Office	48	2	3	5
Total	1,514	31	14	45

- Restructuring overhead leading to £35m annualised cost savings
- Related costs of £45m
- Savings of £10m have been reinvested in Service Excellence Centres and sales and marketing

Acquisitions

12 months ended 31 December 2012

	2012
	£m
Businesses acquired:	
Vanguarda, Brazil	81
DMI Fire, Ireland	5
Inzetbaar, Netherlands	4
Antwerp Safety, Belgium	3
Total consideration relating to current year acquisitions	93
Consideration relating to prior year acquisitions	1
Acquisition-related expenses (income statement)	7
Total investment in acquisitions in 2012 per cash flow	101
Transactions with non-controlling interests (reserves)	(6)
Total investment in acquisitions in 2012	95

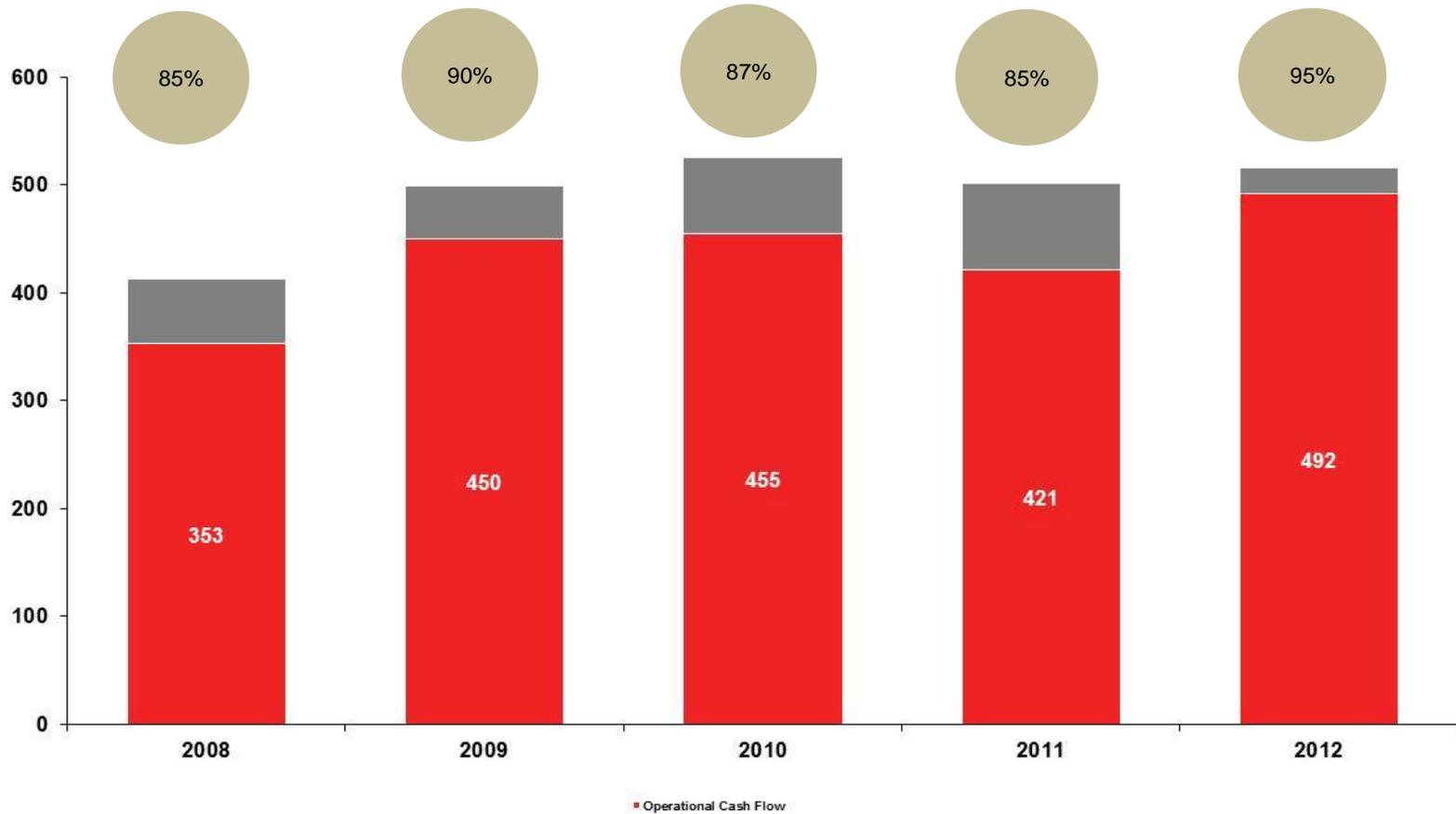
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Cash Flow Conversion

Excellent free cash flow generation

Cash conversion (a)



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2011 and 2012 at 2012 exchange rates. 2008-2010 as reported

(a) Based on G4S cashflow definition



Balance Sheet

31 December 2012

£m	December 2012	December 2011
Goodwill and other intangibles	2,414	2,561
Tangible fixed assets	512	531
Other non-current assets	231	221
Current assets (excl cash)	1,800	1,700
Current liabilities (excl debt)	(1,322)	(1,358)
Non-current liabilities (excl debt)	(602)	(495)
Net debt	(1,802)	(1,616)
Net assets	1,231	1,544

Operating Cash Flow

Twelve months ended 31 December 2012

G4S definition	£m	2012	2011 at actual FX
	Group PBITA	516	502
	Depreciation & profit on disposal	140	126
	Working capital movement	(27)	(73)
	Cash generated from operations	629	555
	Capital expenditure	(137)	(134)
	Operating cash flow	492	421
	Operating cash flow as % of PBITA	95%	84%

IFRS	£m	2012	2011
	Operating cash flow (G4S definition)	492	421
	Other items and discontinued operations	(220)	(66)
	Add back capital expenditure	137	134
	Additional pension contributions	(37)	(40)
	Tax paid	(85)	(77)
	Cash from operating activities (statutory definition)	287	372

Cash Flow

Twelve months ended 31 December 2012

£m	2012	2011 at actual FX
Cash from operating activities (statutory definition)	287	372
Interest	(111)	(102)
Net capital expenditure	(137)	(142)
Group dividend	(120)	(114)
Acquisitions and disposals	(62)	(145)
New finance leases	(21)	(11)
Other	(22)	(19)
Movement in net debt	(186)	(161)
Exchange movement	-	(29)
Opening net debt	(1,616)	(1,426)
Closing net debt	(1,802)	(1,616)

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Pensions

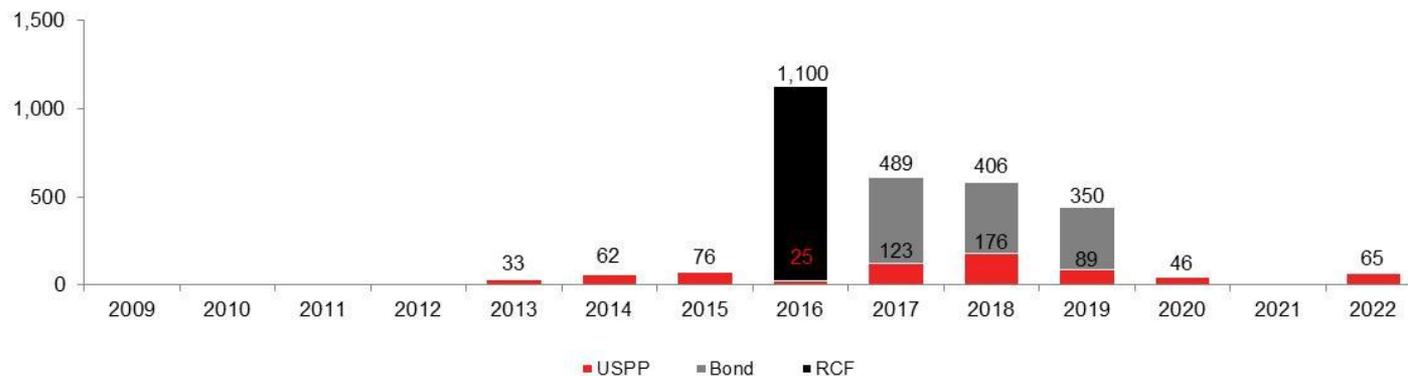
Twelve months ended 31 December 2012

- Financial and actuarial assumptions updated as at December
- Calculations subject to short-term volatility
- Discount rate of 4.5% used for the UK
- Deficit increased to £436m from £295m at December 2011
- Additional cash contributions of £37m paid (no P&L implication)
- Cessation of future accruals in the UK
- Expect to pay £38m in 2013
- Tri-annual evaluation commenced
- IASB 19 would add £6m to net 2012 pension interest cost

Financing

- Headroom of £856m at December 31st 2012
- Average interest rate of 4.3% on gross borrowings in 2012
- Net debt to EBITDA of 2.6x
- Strong and diversified bank group of 17 international banks
- Flexible access to long-term capital markets remains key to financing strategy

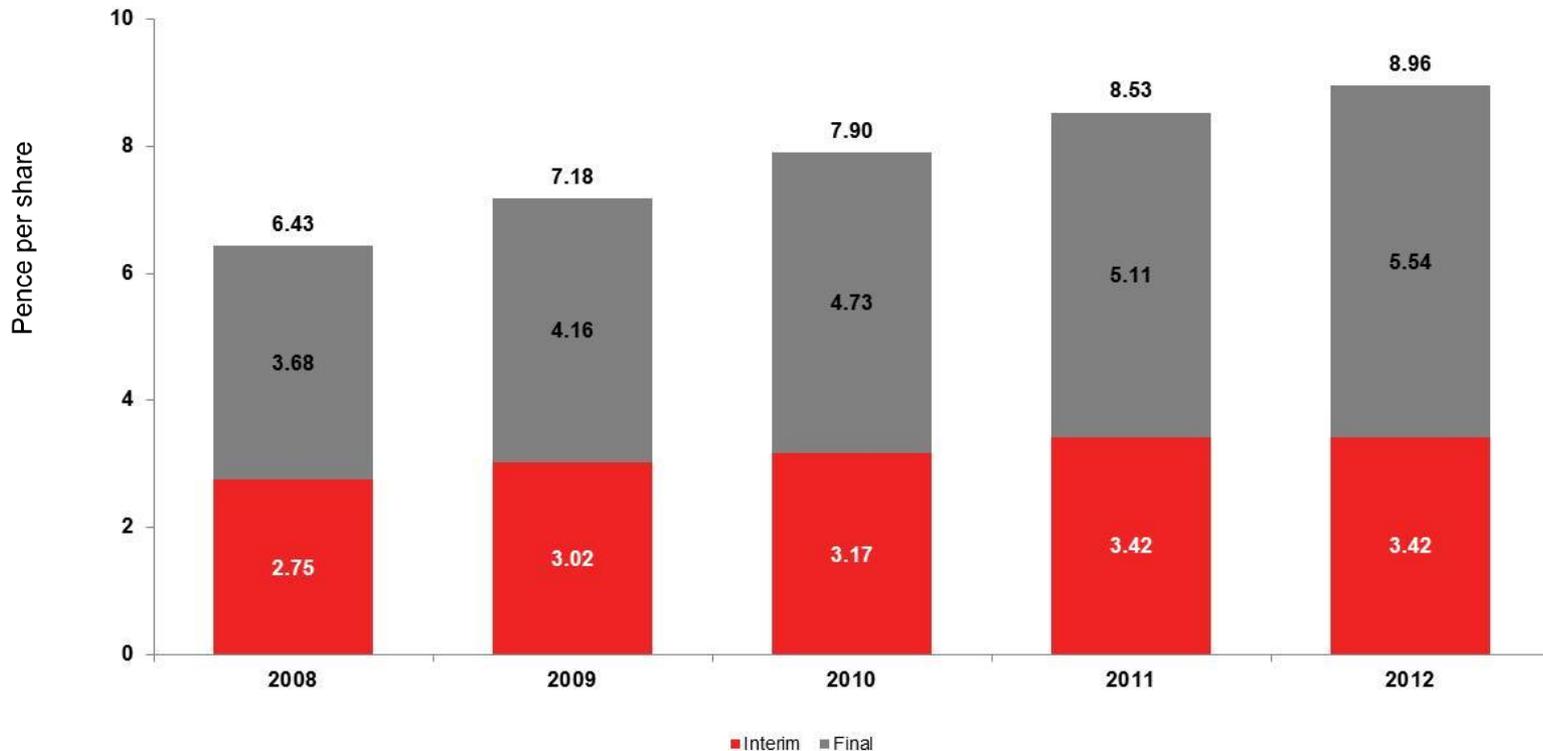
Available funding – maturity profile (£m) *



Dividend

Dividend growth based on strong earnings growth

- Final dividend of 5.54p per share
- Total dividend for 2012 of 8.96p
- Policy remains to increase dividends broadly in line with underlying earnings growth
- CAGR of 9%





Key business objectives



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Key Business Objectives

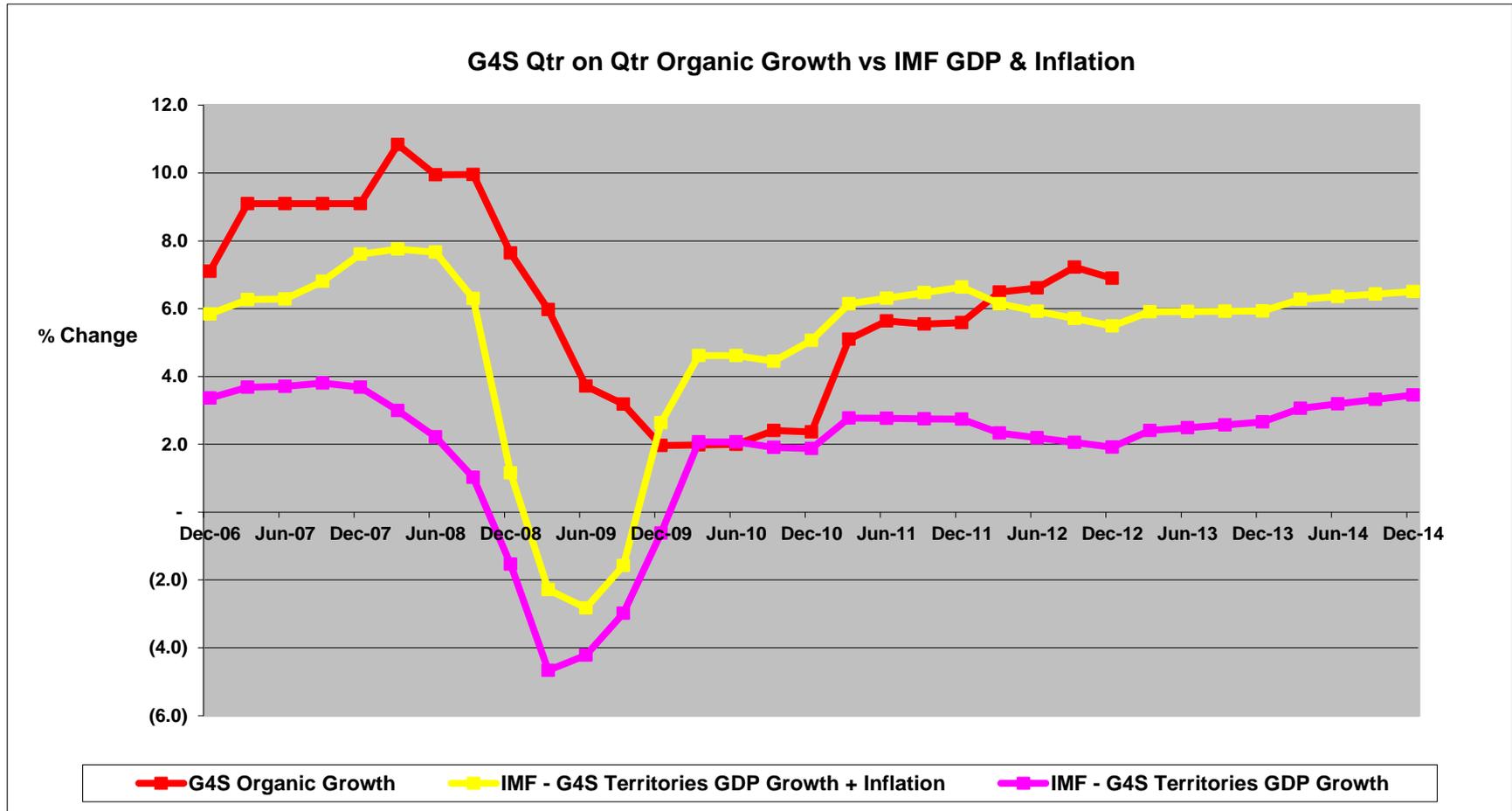


Drive organic growth

Progress

- Organic growth now above global GDP

Organic Growth* vs GDP growth



* Excluding Olympic Games contract and discontinued operations. IMF forecasts as at September 2012

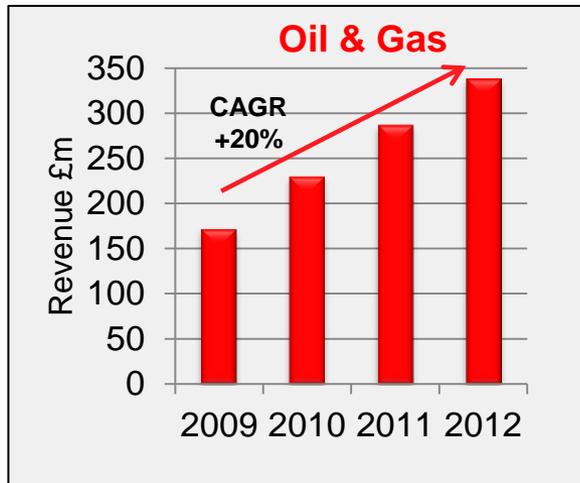
Drive organic growth

Progress

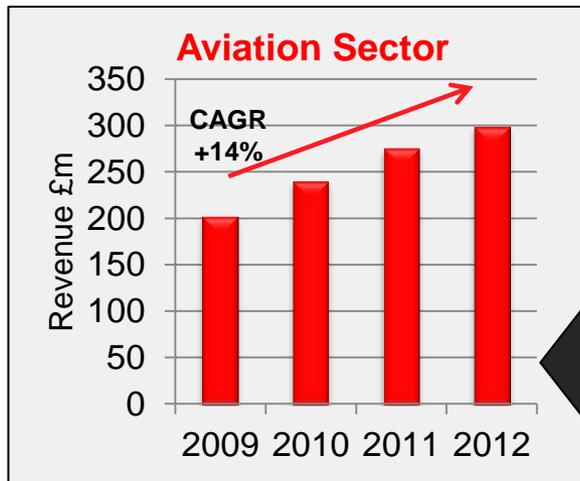
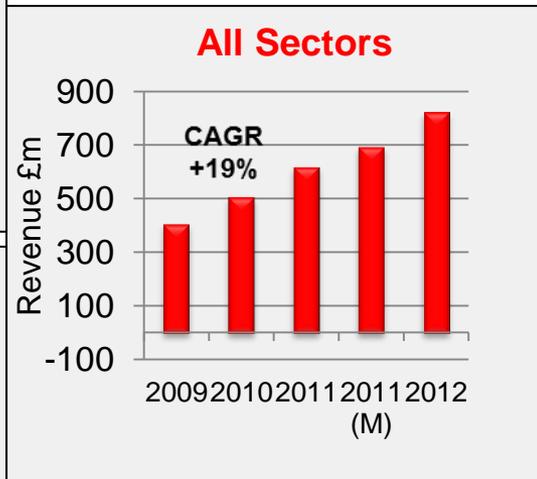
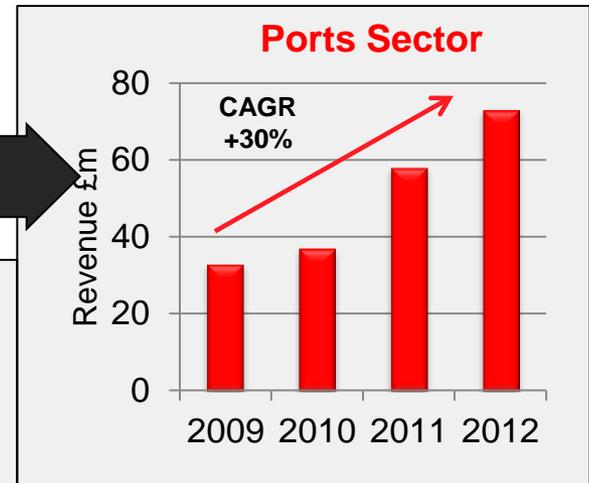
- Organic growth now above global GDP
- Salesforce.com fully implemented across the group
- Invested in regional business development resource
- Focus on key sectors delivering good results

Key sector strategy

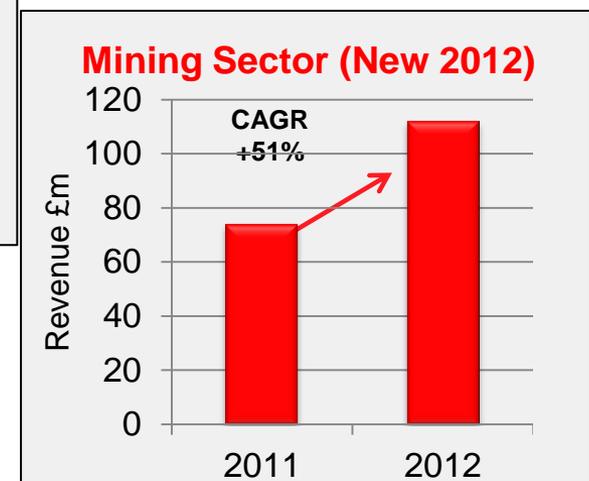
Revenue grown from 5.8% of group in 2009 to 10.5% in 2012



Up from 62 terminals in 2009 to 152 in 2012 DP World



Note : 2011 (M) has Mining Sector in CATSA (£45m), Brussels (£25m), Bagdad (£18m), and Dubai (£6m)



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Drive organic growth

Progress

- Organic growth now above global GDP
- Salesforce.com fully implemented across the group
- Invested in regional business development resource for bidding and key account management
- Focus on key sectors delivering good results
- Strong customer retention
- New major contracts of £450m per year against losses of £76m
- £3.5bn annualised contract value pipeline as at end January 2013
- Further focus on pricing policies and implementation plans

Deliver margin improvement

Progress

- Overhead restructuring programme to deliver £35m annualised savings
- Group procurement exercise well under way to achieve further savings
- Active divestment strategy for non core or non value-creating businesses
- Implementation of G4S Way on service excellence showing early results:
 - Tested service excellence models in various businesses
 - Use of technology to drive internal efficiencies
 - Sharing of best practice to optimise operational delivery
 - Ongoing development of processes and technology to reduce cash losses
 - Tracking of key performance metrics to monitor progress

Optimise organisational development

Progress

- Determined optimum overhead structures through organisational design review
- Collaborative culture across the regions and group
- Senior management recruitment and retention very strong
- Good talent management and succession planning programme underway
 - UK & Ireland CEO role filled through internal appointment
 - Appointment of new CFO completed
 - COO recruitment progressing well
- Highest ever level of interest in roles within the group at all levels

Build & protect reputation

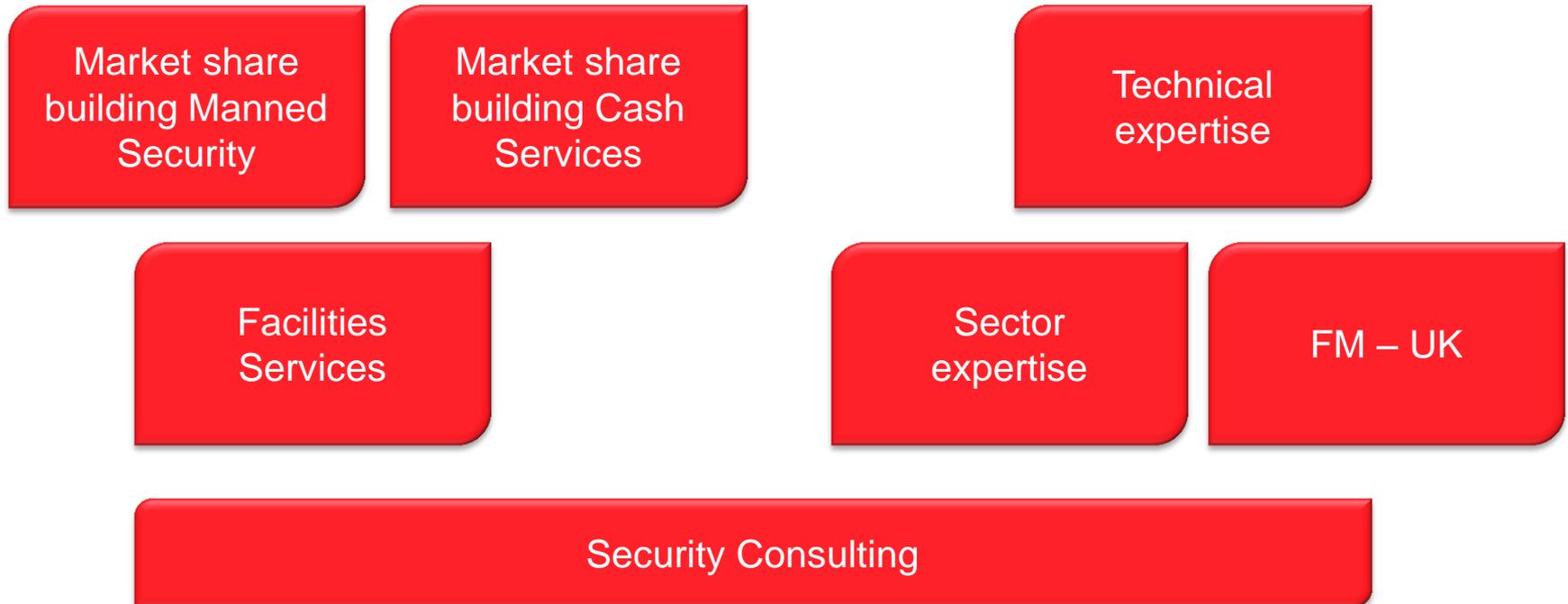
Progress

- Board-level risk committee established
- Increased focus on risk management at all levels
- Business ethics and anti-corruption policies well-embedded across the group
- Robust crisis management and communications processes in place
- New comprehensive Human Rights Guidelines to be launched in April 2013
- Continuing engagement with all key stakeholder groups

Acquisition Strategy

Developing markets Multi-Product Strategy

Developed Markets Capability Building



Active Divestment Strategy

Assessment criteria

- Not core to group strategy
- Long term inability to meet internal group minimum targets
- Alternative parent able to create additional value
- Lack market share in consolidated cash solutions markets
- Potential high reputational risk

For example since 2006 G4S has divested:

- France (all services)
- Germany (all services)
- Sweden Cash solutions
- Poland (all services)
- Pakistan (all services)
- Norway home alarms
- TLCS, UK
- Taiwan Cash solutions
- US Government Solutions



Summary



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Summary

- Significant exceptional costs associated with the Olympic contract
- Costs related to overhead reduction programme
- Strategic review to lead to divestment of US Government Solutions business
- 2012 results represent a good performance overall with an acceleration in organic growth to 7%
- Margins maintained around the 7% level

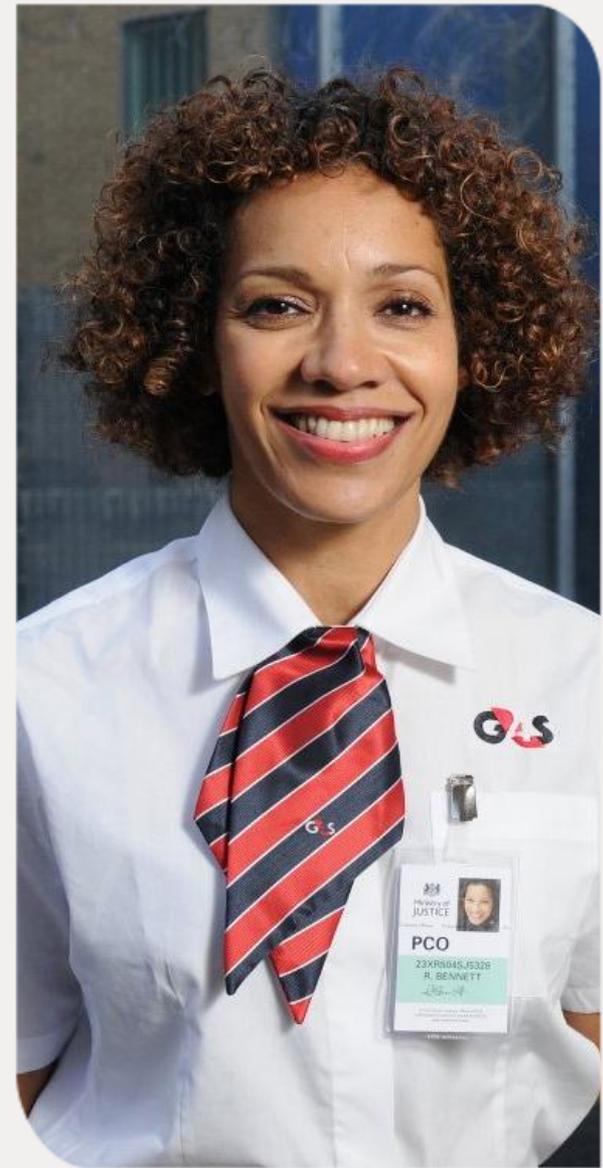
Outlook

- European economic environment expected to remain challenging
- North American commercial and UK government businesses performed exceptionally strongly in 2012 – outlook very positive but lower growth in 2013
- Continued excellent performance from developing markets businesses – expect strong double digit growth in 2013
- Continued cost focus and investment in service line and sector expertise will help maintain margins and drive growth
- Expect positive momentum to continue due to market leadership, outsourcing trends, broad customer and geographic base and strong contract pipeline



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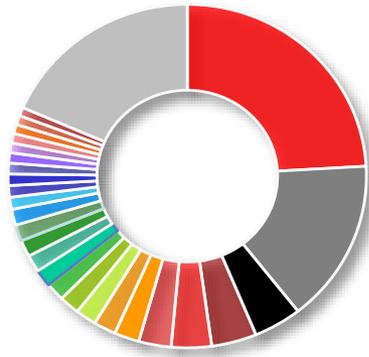
Appendix



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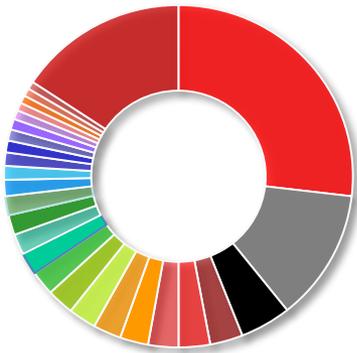
Diversified Geographic Footprint



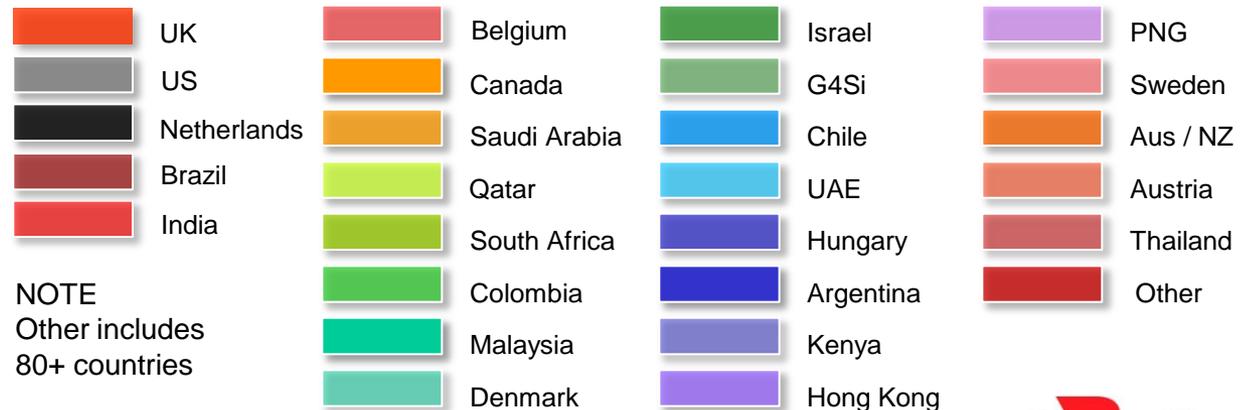
2012 Turnover by country (%)



NOTE
Other includes
80+ countries



2012 PBITA by country (%)



NOTE
Other includes
80+ countries

Market Characteristics

Government Solutions

Key Characteristics

	UK	US	ROW
▪ Above group average margins	✓		✓
▪ Significant G4S expertise – differentiation	✓	✓	✓
▪ Consolidated markets	✓		✓
▪ Flexible cost base	✓	✓	✓
▪ Long term contracts	✓		✓
▪ Cost reduction driven	✓	✓	✓

Long Term Growth Drivers

- Focus on security
- Propensity to outsource
- Opportunities for variation/extensions
- Contracts for multiple Government agencies
 - Military security outsourcing
 - Care and justice outsourcing
 - Benefits payment management
 - Additional services/cross selling
 - Double digit market growth UK & ROW



Market Participants

UK	US	ROI
▪ Serco	▪ Dyncorp	▪ CRG
▪ Capita	▪ IAP	▪ XE
▪ VT/Babcock	▪ Akal	▪ Triple Canopy
▪ Kalyx	▪ Locals	▪ Olive
▪ GEO		▪ Aegis
▪ Reliance		▪ Garda
▪ Mitie		

Defensive Qualities

- High barriers to change
- Long term contracts
- Price and cost indexation
- Essential services

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Market Characteristics

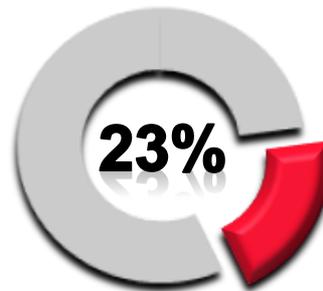
Secure Solutions - Developing Markets

Key Characteristics

- Above group average margins
- Very high G4S competitive expertise
- Fully flexible cost base

Long Term Growth Drivers

- Outsourcing in its infancy
- Opportunities from infrastructure growth
- Multi-national customers double digit growth



Market Participants

- No significant international competition

Defensive Qualities

- G4S brand and reputation
- Multi-service approach

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Market Characteristics

Secure Solutions - UK & North America

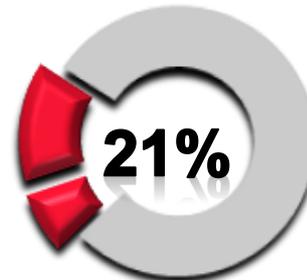
Key Characteristics

- Margins below group average
- Fragmented market
- High G4S competitive expertise
- Fully flexible cost base

Long Term Growth Drivers

- National let contracts
- Outsourcing potential
- Above 95% customer retention rates
- Annual contracts – some retained 20yrs+
- Integrated security
- Focus on high growth segments
- Technology supported compliance
- Market growth – mid single digit

North America 14%



UK 7%

Market Participants

UK

- Mitie
- Securitas
- Small local players

US

- Securitas
- Allied Barton
- Guardsmark
- US Security Associates

Defensive Qualities

- Easing in labour market
- Low exposure to systems
- High customer retention
- Scale and integrated offering

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Market Characteristics

Secure Solutions - Continental Europe

Key Characteristics

- Margins below group average
- Neutral G4S competitive expertise
- Cost base flexible
- National collective bargaining
- Security systems business = 30% of revenues
- Very consolidated markets

Long Term Growth Drivers

- National let contracts
- Outsourcing potential
- Above 90% customer retention rates
- Annual contracts – some retained 20yrs+
- Integrated security
- Focus on high growth segments
- Low single digit market growth



Market Participants

- Securitas
- Tyco / ADT
- Stanley
- Local competitors

Defensive Qualities

- Consolidated markets
- Regulation

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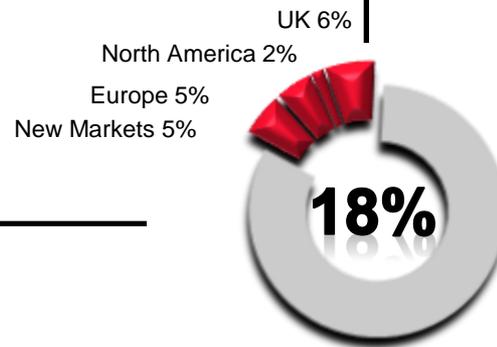


Market Characteristics

Cash Solutions

Key Characteristics

- Above group average margins
- Consolidated markets
- Very high G4S competitive expertise
- Cost base – fixed in short term
- Customers are retailers and banks



Long Term Growth Drivers

- National let contracts
- Outsourcing potential
- Above 90% customer retention rates
- Annual contracts – some retained 20yrs+
- Integrated security
- Focus on high growth segments
- Low single digit market growth

Market Participants

- Loomis
- Brinks
- Prosegur
- Garda
- Technology companies

Defensive Qualities

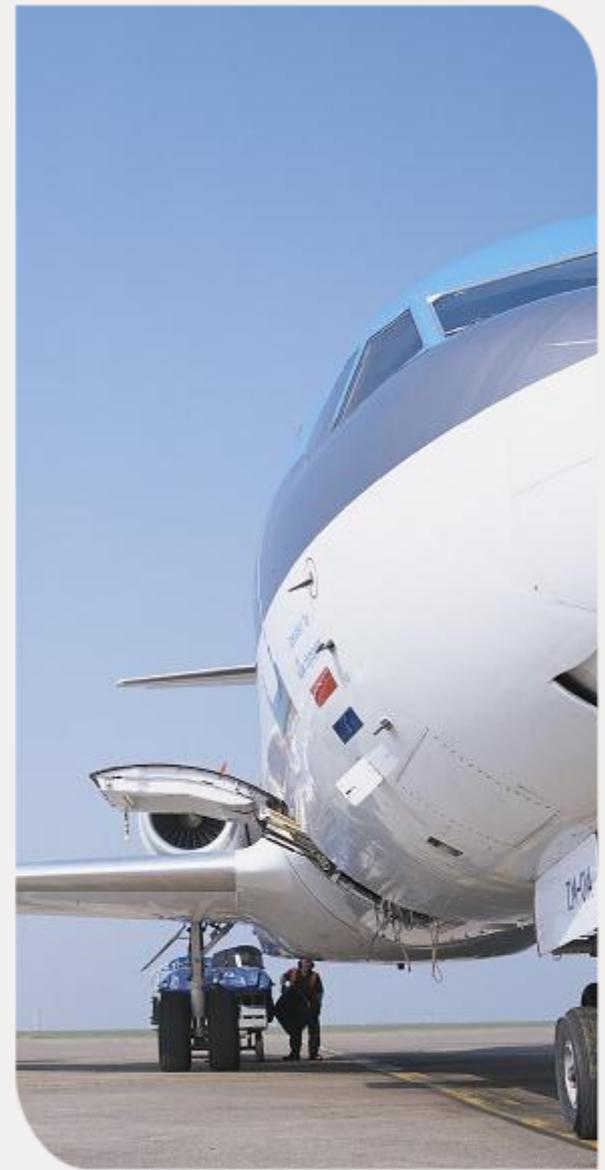
- Cash usage trends in economic downturns
- Long term contracts / relationships
- G4S integral part of customer process



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