

# Market Characteristics

## UK & North America Secure Solutions

### Key Characteristics

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

### Growth Drivers

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



17%

### Market Participants

#### UK

- Reliance
- Mitie
- Chubb
- 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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# **Solutions Strategy US Commercial**

**Grahame Gibson**  
**Chief Operating Officer & Divisional President**

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# Agenda

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- History
- Solutions Strategy
  - Focus on key regulated sectors
  - From capability gaps to acquisition priorities
  - G4S Technology in the US
  - From Manned Security to Secure Solutions
- Messaging and US organisation development
- Secure Solutions - Strategy Validation

# History

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- Strategy of “My guard is better than your guard” replaced by “Secure Solutions” to drive accelerated growth and support margins
- 2008 strategic analysis defined list of key regulated sectors
- To have full solutions offering in key sectors capability gaps recognised and M&A opportunities identified and acquired
- Ambition to use US expertise and contacts to build International Sales

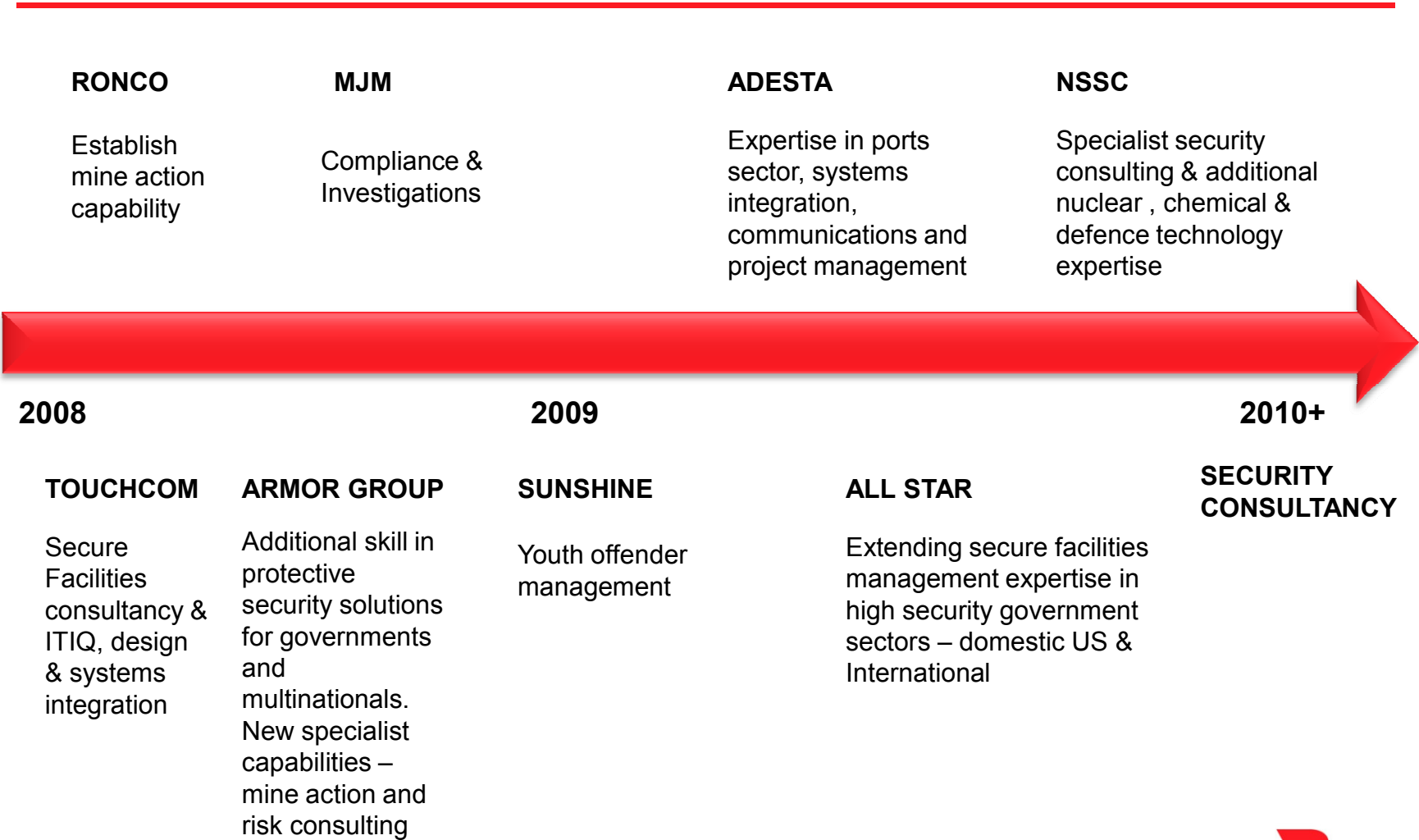
# G4S US Strategy

## Capability Gaps → Acquisition Priorities

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- Systems Integration
- Secure Facility Management
- Intelligence (ITIQ)
- Consultancy
- Sectors
- Security Technology Capacity

# US capability acquisitions



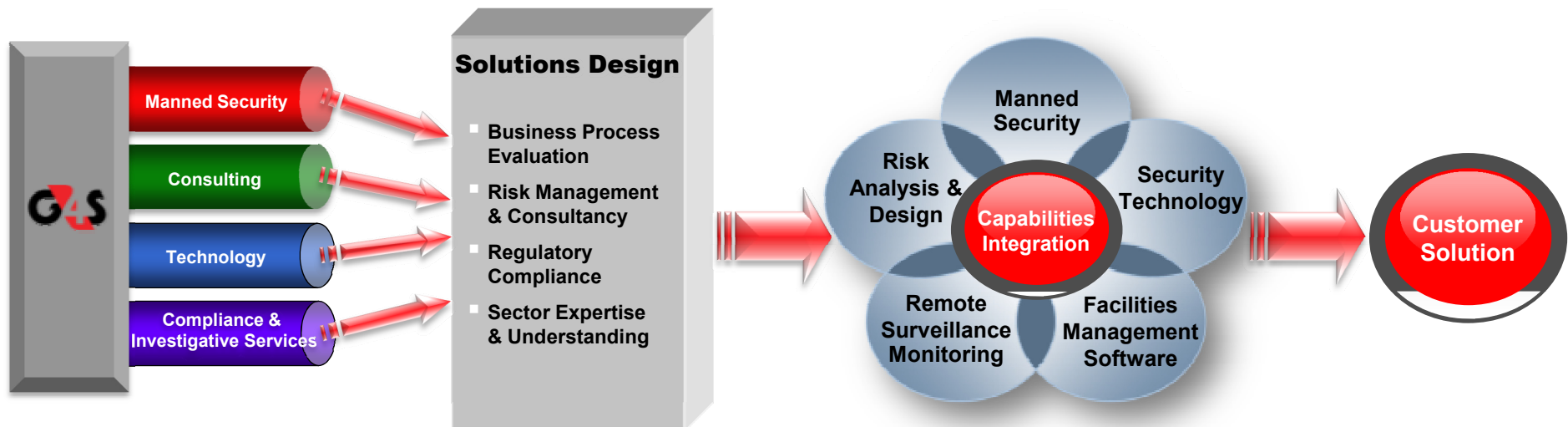
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# Differentiating G4S USA

## Our Strategic Operating Model

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- Focus on customised solutions to meet client needs
- Extensive collaboration and cross selling between business units
- Embedding G4S into client organisations leading to long-term partnerships
- Overall margins increase as a result of higher margin components combined with manned security

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# **G4S Technology in the US**

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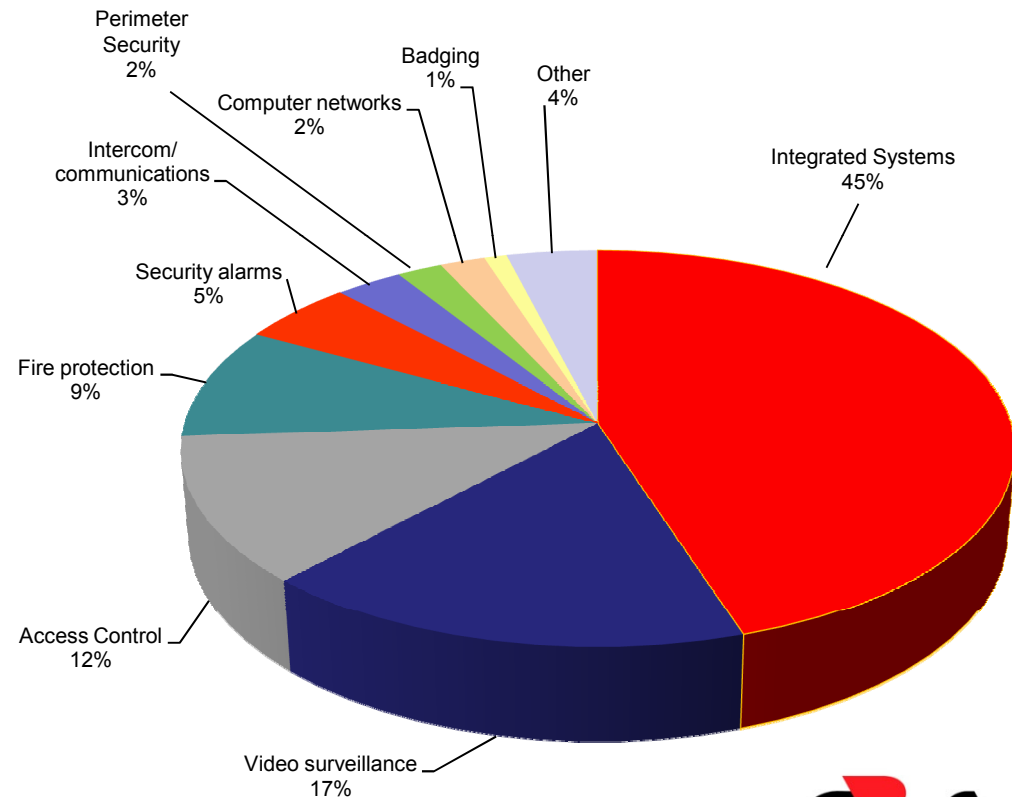


# Security Integration

**A \$7.8 bn highly fragmented sector**

## Integrator's Revenue by Product Category

Combined, integrated security systems, video surveillance and access control accounted for approximately 75 % of Top Systems Integrators\* sales revenue in 2008 (as opposed to individual product sales)



Source: SDM Top Systems Integrators Report, July 2009

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# US Market Landscape

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- An IT solutions revolution is underway in the security integration sector
- Customer solutions are becoming increasingly sophisticated and technologically complex
- Product companies are increasingly driving customer expectations associated with IT IP connectivity
- Internet connectivity is allowing multi-location government agencies and businesses to centralise administration, reduce costs and enhance overall security through greater compliance
- Customers are increasingly allowing systems to be deployed on their networks to achieve cost savings

# IT IQ

## An increasing differentiator

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- Accelerating technological innovation and sophistication is disrupting the systems integration sector
- As the need for IT competence in systems design and implementation increases sales channels are moving towards larger/niche mid-sized companies
- In future years IT IQ will be an **increasingly important differentiator**
- The greater the IT IQ competence the greater the differentiation

G4S Technology US Strategy – Consult, design, deliver and support **safe and secure solutions** enabling customers to achieve **ever greater compliance and risk mitigation at a reduced total cost**

# G4S Technology - US

## Products

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- **Symmetry** is a world leading scalable client server security management solution incorporating access control, IP/analogue video and intrusion management
- **OneFacility** provides software applications to automate business processes, from managing maintenance schedules to incident management
- **Combination of OneFacility and Symmetry** provides the foundation for a next generation solutions gateway
- **Video Monitoring Centre (VMC)** delivers a new era of IT convergent managed security services
- **Secure Trax™** is an enterprise level software platform that delivers real-time event monitoring & situational management plus security & safety risk management business intelligence

# Touchcom

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- Has the high level of IT IQ competence needed for tomorrow's solutions
- Proven success as a "Symmetry" integrator
- Already creating innovative solutions using IT to join up Electronic Security, Manned Security and Business Systems
- Proven capability to adapt from an IT background into security integration sector
- Operated with a consultative approach to understanding customer problems and challenges
- Highly skilled and consultative R&D capability
- Proven SaaS - RMR model supported by high customer dependency

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# Adesta

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- Quality company offering good financial return
- Excellent fit with Touchcom
  - Touchcom **B to B**
  - Adesta **B to G**
  - Touchcom - IT IQ and fusion R&D
  - Adesta - System design, bidding & project management (systems integrator)
- Provides market expertise supporting wider G4S strategy in ports and petro-chemical sectors
- Brings critical mass to Touchcom's sub-scale field operation and creates national capability
- Provides sector expertise & additional markets for *OneFacility* Safe & Secure Fusion Solutions

# Adesta

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- In Homeland Security stimulus “sweet spot”
  - CEO led SIA lobby to get local matching requirement dropped and well respected in the ports sector
- Design, bidding and turnkey contract and project management skills well suited to ports, petro-chemical sectors and infrastructure projects
- Compliments Touchcom “IT IQ” competences
- Safety Act Certified – protection from lawsuits as a result of terrorist activity
- Strong credentials,
  - Ports of: Houston, Corpus Christie, Alabama, Baltimore, Maryland, Long Beach, Los Angeles, San Francisco
  - Infrastructure – Hoover Dam
  - Pasadena Texas Oil Refinery
  - Washington Dulles Airport
  - Apple

# Secure Trax™ - Product Evolution

2006

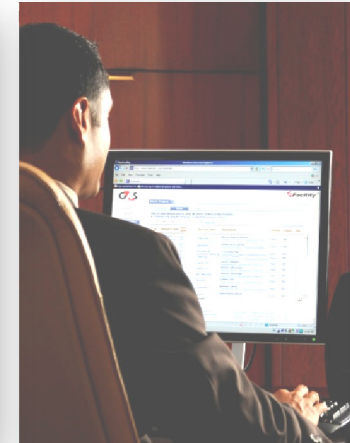


PDA-Centric Software

Product:

- Real Time Incident Notifications
- GPS Tracking

2009



Enterprise-Level Software Platform  
that Delivers:

- Real Time Event Monitoring and Situational Management
- Security Risk Management-Based
- Business Intelligence

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# Secure Trax™ - Enterprise Architecture

## Command Centre System

## Business Intelligence System

**Locations / Devices**

ID	Name	Address
0046202	Location 1	123 Main St.
0051026	Location 2	14 Elm St.
0054666		
0056028		
0057141		
0052117		
0069721		
0069723		
0069724		
0069720		

**Categories**

- FALSE ALARM
- VAGRANT REMOVAL
- ROTATION ALARM
- VANDALISM
- POWER OUTAGE

**Alerts**

Subject	Text	Crit
Suspicious Vehicle	Be on the lookout for this vehicle, possibly responsible for vandalism in area. Contact Center if seen.	CRITICAL
Suspicious Vehicle	Be on the lookout for this vehicle, possibly responsible for vandalism in area. Contact Center if seen.	CRITICAL
Amber Alert 2	Alert	CRITICAL
Suspicious Vehicle	Suspicious Car	CRITICAL

**Incident Summary %**

Company	State	Location	Count
Weingarten	CO		30
	FL		388
	GA	Atlanta	8
	NM		88
	NV		264
	TN		10
	TX	Corpus Christi	68
		Fort Worth	76

**Incident Category %**

Category	Percentage
PROPERTY MANAGEMENT	29%
TEST	23%
FALSE ALARM	6%
VANDALISM	8%
EQUIPMENT FAILURE	5%
EQUIPMENT TEST	3%

**Category Legend**

- VANDALISM
- EQUIPMENT FAILURE
- EQUIPMENT TEST
- PROPERTY MANAGEMENT
- SITE INSPECTION
- TEST

**Time Legend**

- 2009
- Q1
- Jan
- Feb
- Mar
- Q2
- Apr
- May

**% Incidents**  
2% to 100%

▪ Real Time Situational Management

▪ Analytics and Reporting

**Customer Software Systems**

- Incident Management
- Guard Tour / Facility Inspections
- Fare Evasion / Parking Enforcement
- Government Applications

**Post Compliance Systems**

- GPS Tracking
- Time & Attendance
- Post Inspections
- Break Management

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# Secure Trax™ - Strategic Objectives

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- Enhance, optimise and expand the services provided by our security officers to support key security, safety, and facility-centric business processes
  - Multiple stakeholders
- Drive Contract Compliance
  - Accountability and Transparency
- Deliver an “open” Framework that allows Secure Trax to be integrated into a customer’s existing technology framework
  - Create Partnership => Increase Retention

# 2010 Roadmap – Strategic Deliverables

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Description	Benefit
Enhanced Incident Management Module	<ul style="list-style-type: none"> <li>▪ Workflow feature for Review &amp; Approval Process</li> <li>▪ Ability to integrate with 3<sup>rd</sup> Party Case Management Systems</li> <li>▪ PPM 2000 Interface</li> <li>▪ Ability to Store Video</li> </ul>
Standalone Version of Secure Trax™	<ul style="list-style-type: none"> <li>▪ Allow for international expansion</li> </ul>
Sector – Specific Versions of Secure Trax™	<ul style="list-style-type: none"> <li>▪ Secure Trax™ for Healthcare</li> <li>▪ SecureTrax™ for Residential</li> <li>▪ SecureTrax™ for Financial (consumer) Services</li> <li>▪ SecureTrax™ for Petro-Chemical</li> </ul>

# G4S Technology

## Future

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Essential components in place to drive forward  
Technological element of Solutions Strategy:

- Technology Solutions Consulting and IT IQ
- Expertise in key sectors
- Systems integration
- Big bid capability
- High skill national implementation and support capability
- Advanced Internet based Remote Video Monitoring, Storage and Patrol

# From **Manned Security** to **Secure Solutions**

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- The contract is there to be improved
- The security officer is part of the solution delivery mechanism
- Less not more manpower
- More security technology
- More IT IQ
- More communications
- International solutions
- Dynamic account relationships

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# Solutions Strategy

## Key Initiatives

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- Messaging
- Organisational re-alignment
- Field tools & resources
- Solutions strategy validation
  - Case Studies
- Our future



# Messaging

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- Focus on communication of core messages
  - New Corporate Video
  - National Trade Show (ASIS – September 2009)
  - Strategic Advertising & New Brochures/Collateral Material
  - Website Re-design
  - Comprehensive Public Relations Campaign

# Organisational Development

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- Dedicated marketing & communications function
- Sector experts in Strategic Account Sales Team
- Dedicated Field Solutions position to drive strategy to the Field Office level
- Resources shifted to support solutions development
- Re-organisation and increased resource of International Accounts



# Overview

## Solutions Strategy Execution

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- A 'solutions' approach is pursued during all customer and prospect engagements
  - Capability overview with prospects
  - Core component of RFP/RFI responses
  - Proactively seek out solution up-sell opportunities
  - Strategic element in re-bid processes
  - Local accounts are a strategic barometer of traction

# Overview

## Solutions Strategy Execution cont'd

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- Significant corporate resources allocated to achieving strategic objectives
  - Campaigns to increase marketplace awareness
  - Communicate and train sales teams on our evolving capabilities
  - Refine cross-business sales and operation processes
  - Pursue “One Face” strategy to our customers
  - Create and publish case studies

# **Secure Solutions Strategy Validation**

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# Secure Solutions in Progress

Company	Status	Solutions Mix	Solutions Strategy
<b>Customer 1</b> Retail (REIT) (up to \$13m per annum)	Customer – Bid Underway	Secure Trax™, Remote Video Monitoring	Ensure Compliance, Incident Management to support Risk Management Program, Remote Video Monitoring to Expand Coverage & Reduce Cost
<b>Customer 2</b> Tobacco (up to \$3m per annum)	Customer	Secure Trax™, One Facility	Use Facility Inspections to Support Safety Program,  Visitor Management to add Security Controls, Incident Management Opportunity,  Expand Presence and Build Strategic Partnership
<b>Customer 3</b> Transit Authority  (up to \$5m per annum)	Customer	Remote Video Monitoring, Secure Trax™	Expand Coverage at Platforms during Off-Hours (DHS Grant), Support Fare Validation and Revenue Collection Process, Incident Management to Assist with Security Risk Mitigation Customer Service Component to Support Increased Ridership Goals

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# Secure Solutions in Progress

Company	Status	Solutions Mix	Solutions Strategy
<b>Customer 4</b> Dept. of DHS (circa \$80m per annum)	Customer 2011 Bid	Secure Trax™ (Customised Programs)	Delivered Transportation and Medical Guarding Services Systems,  Analytical Reporting System to Support Compliance and Operational Optimization Objectives,  Incident Management,  Framework to Deliver Additional Systems
<b>Customer 5</b> Automotive (up to \$4m per annum)	Customer – Bid Underway	Secure Trax™  Command and Control Center	Facility Inspections and Incident Management to Support Safety Initiatives,  Potential Command and Control Center, Gate Access Control System

# Secure Solutions in Progress

Company	Status	Solutions Mix	Solutions Strategy
<b>Customer 6</b> Financial (up to \$180m per annum)	Customer	One Facility, Secure Trax™	Further integration of One Facility into core Business Processes,  Card Access Control, International Expansion,  Secure Trax™ Command Center Implementation,  Fire and Life Safety Opportunity
<b>Customer 7</b> Pharmaceuticals (up to \$30m per annum)	New Customer	Access Control,  Secure Trax™ Pilot Remote Video Monitoring  Pilot	Phase I Focused on Manned Security and Access Control, Significant Interest in Leveraging Technology Capabilities
<b>Customer 8</b> Health (up to \$3m per annum)	New Customer	Secure Trax™  Remote Video Monitoring	Leveraged Technology and CPO Capabilities to Win Contract,  Incident Management, Command Center, Facility Inspections included in Award

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# Secure Solutions in Progress

Company	Status	Solutions Mix	Solutions Strategy
<b>Customer 9</b> Port (up to \$7m per annum)	Prospect	Access Control,  Command and Control Center,  CCTV Secure Trax™	Technology Lead into a Solutions Opportunity, Open to a Command and Control Option that includes Technology and Manpower,  Use Secure Trax™ as a "Conduit" Between Command Center and Security Officers,
<b>Customer 10</b> Defense Industries (very large !)	Prospect - RFP Forthcoming	Technology CPO WSI for Cleared Sites Canine	Provided a Capabilities Overview focused on a Solution Strategy to Qualify for RFP Inclusion
<b>Customer 11</b> Retail (REIT) (up to \$3m per annum)	Customer - Puerto Rico	Symmetry / CCTV Secure Trax™	Pursuing a Pilot in Long Beach,  Repeatable Model for their Portfolio of Properties

# Secure Solutions in Progress

Company	Status	Solutions Mix	Solutions Strategy
<b>Customer 12</b> Heath (up to \$70m per annum)	Prospect	Secure Trax™  Remote Video Monitoring	Service Issues with incumbent / Inability to Leverage Technology Investments,  Integration of Secure Trax with PPM2000, Remote Video Monitoring for Unmanned Facilities, Command Center for Infant Abduction Alarms, Facility Inspections
<b>Customer 13</b> Financial Services (up to \$12m per annum)	Customer	Secure Trax™  Integration Capabilities	Interested in Global Secure Trax Deployment for Facility Inspections and Command Center - Pilot Underway  Request for Information on Systems Integration Capabilities



# Summary

## **From Manned Security to Secure Solutions**

- Target sectors & sector capability
- Secure Trax™ capability
- Video Monitoring capability
- *OneFacility* capability
- Security Technology capability
- Information Technology capability (ITIQ)
- Communications capability
- Systems Integration capability
- Big bid capability
- Consulting capability (Security, Technology, IT, Communications)
- Re-align organisation
- From Domestic Solutions to International Solutions

# Q&A

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