Preliminary Results to 31 December 2004

Lars Nørby Johansen

Chief Executive Officer

Agenda

- **Results Highlights**
- **Detailed Financials**
- **Operational Review**
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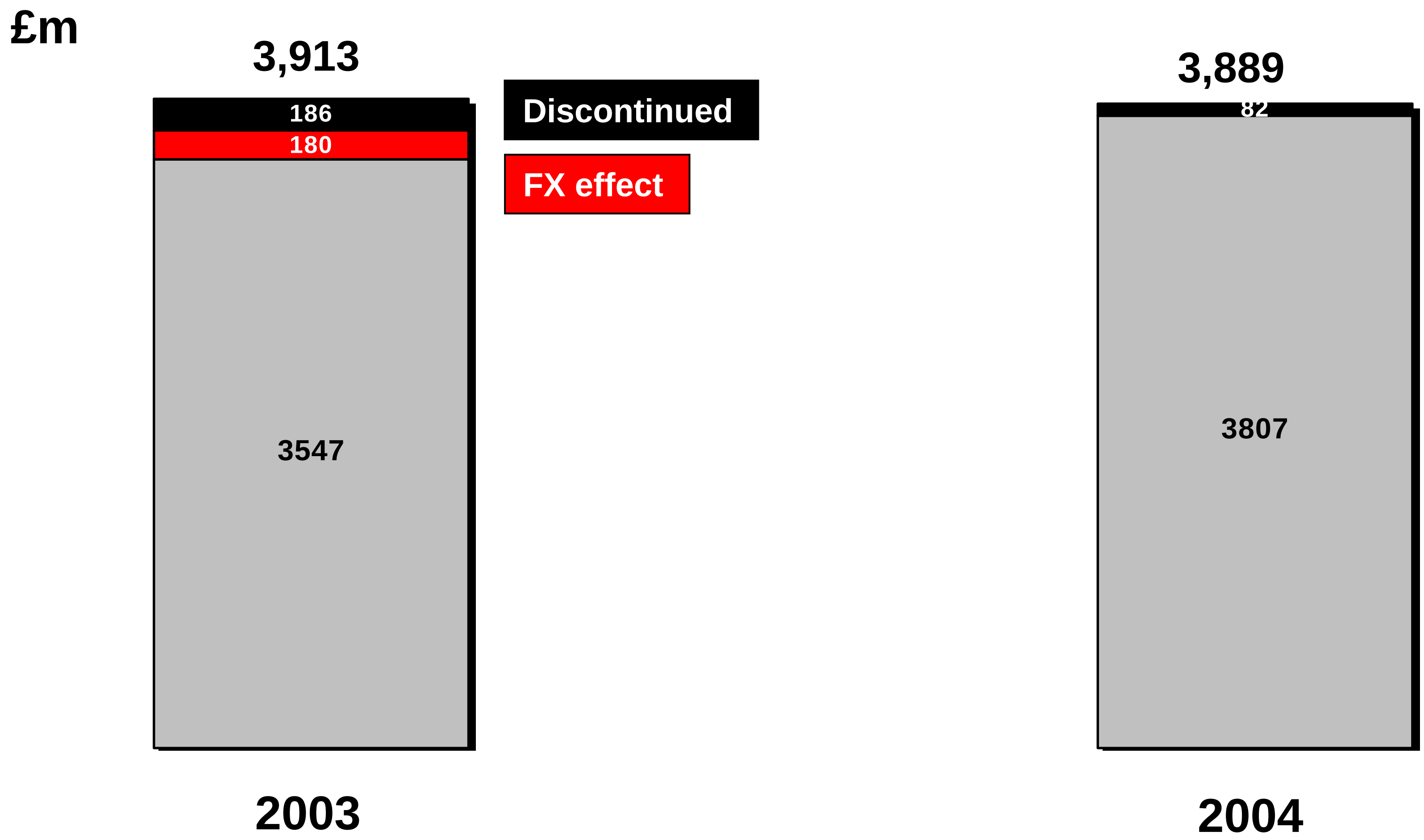
  - Security Systems
  - Cash Services
- **Issues Update**
  - Integration
  - Divestments
  - Acquisitions
- **Summary & Close**
- **Q & A**

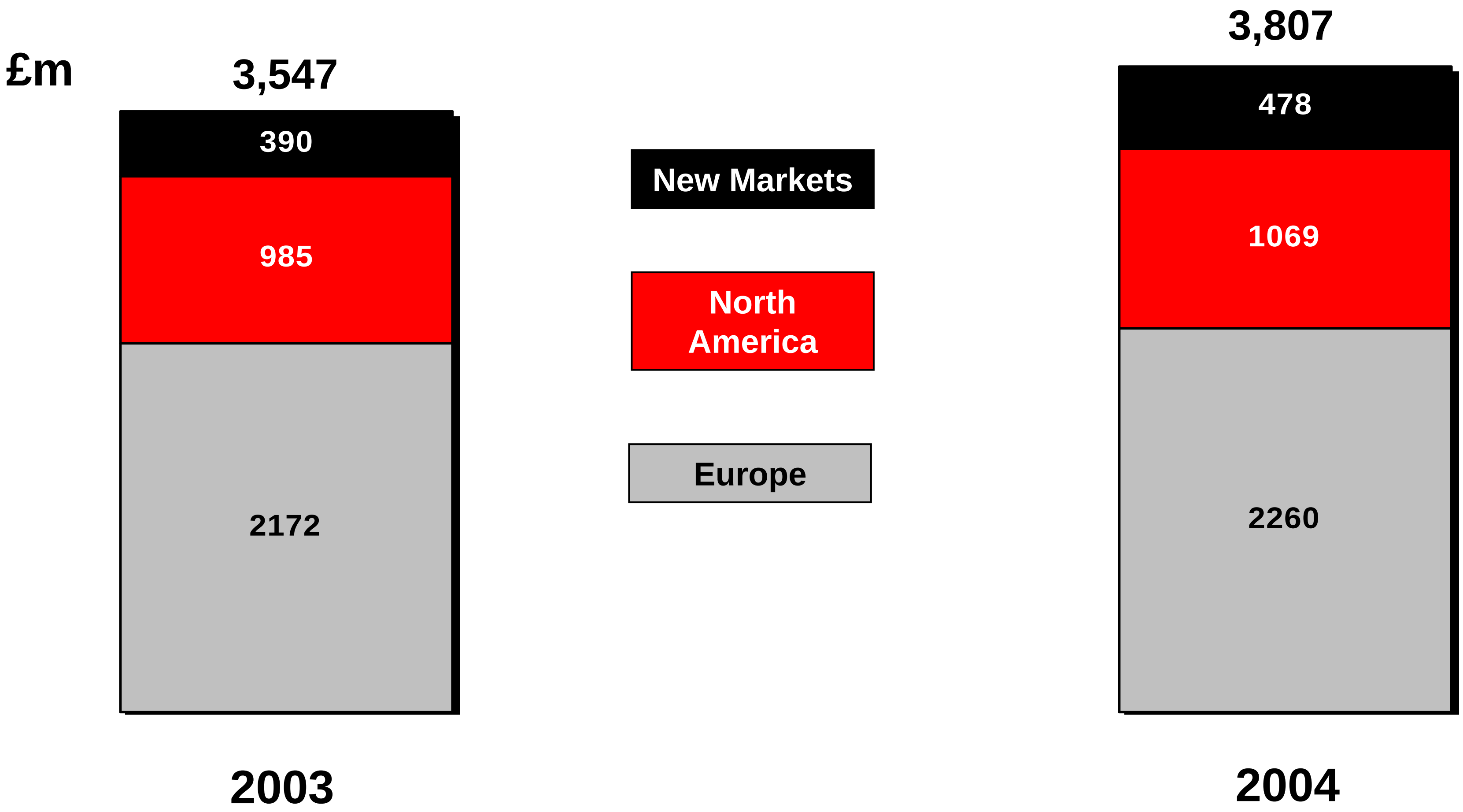
Results Highlights

- Organic turnover growth of 6.2%
- Group turnover of continuing businesses up 2% to £3.80bn
  - (7% at constant exchange rates)
- EBITA up 10% to £216.5m
  - (16% at constant exchange rates)
- Margin improvement of 0.4% to 5.7%
- Strong cash flow generation of 102% of EBITA
- Strong dividend growth
- Merger integration proceeding well
- Two EC required divestments concluded
- Strong performance in 2004 and good base for 2005

Pro forma Group Turnover
12 months ended 31 December 2004

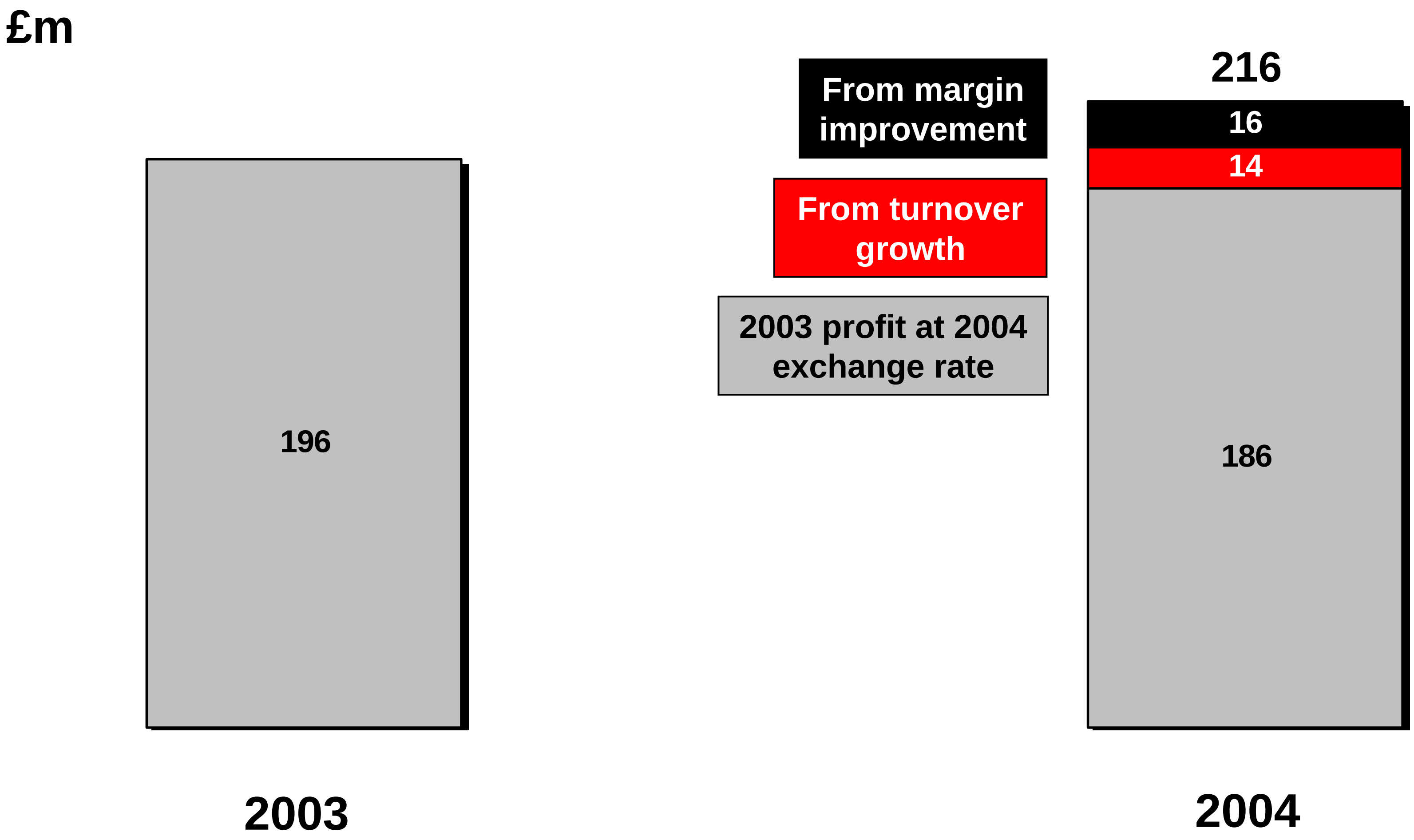


Pro forma Continuing Turnover by Geography
12 months ended 31 December 2004

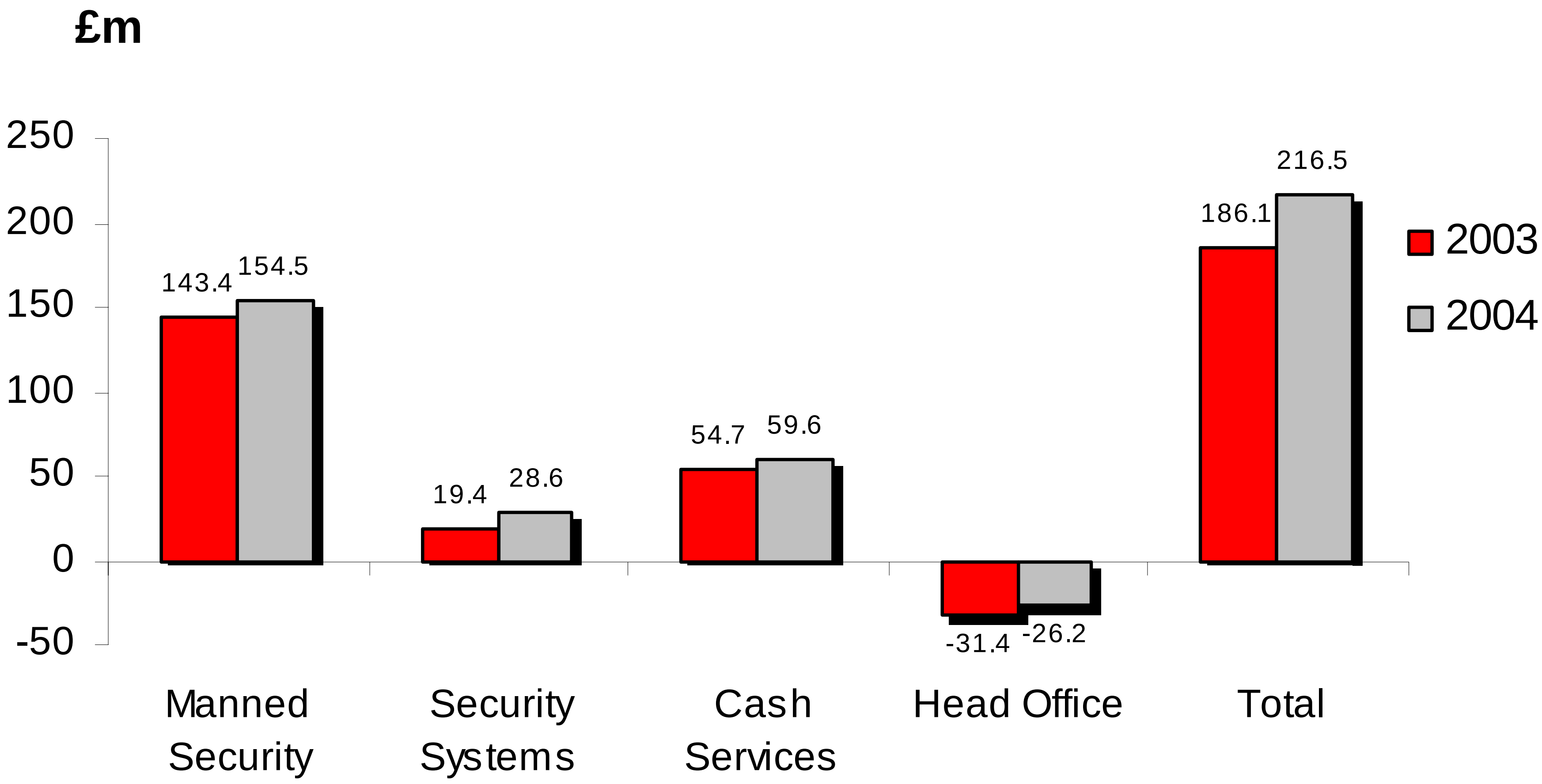


Note: At constant exchange rates

Pro forma Group Profit
12 months ended 31 December 2004

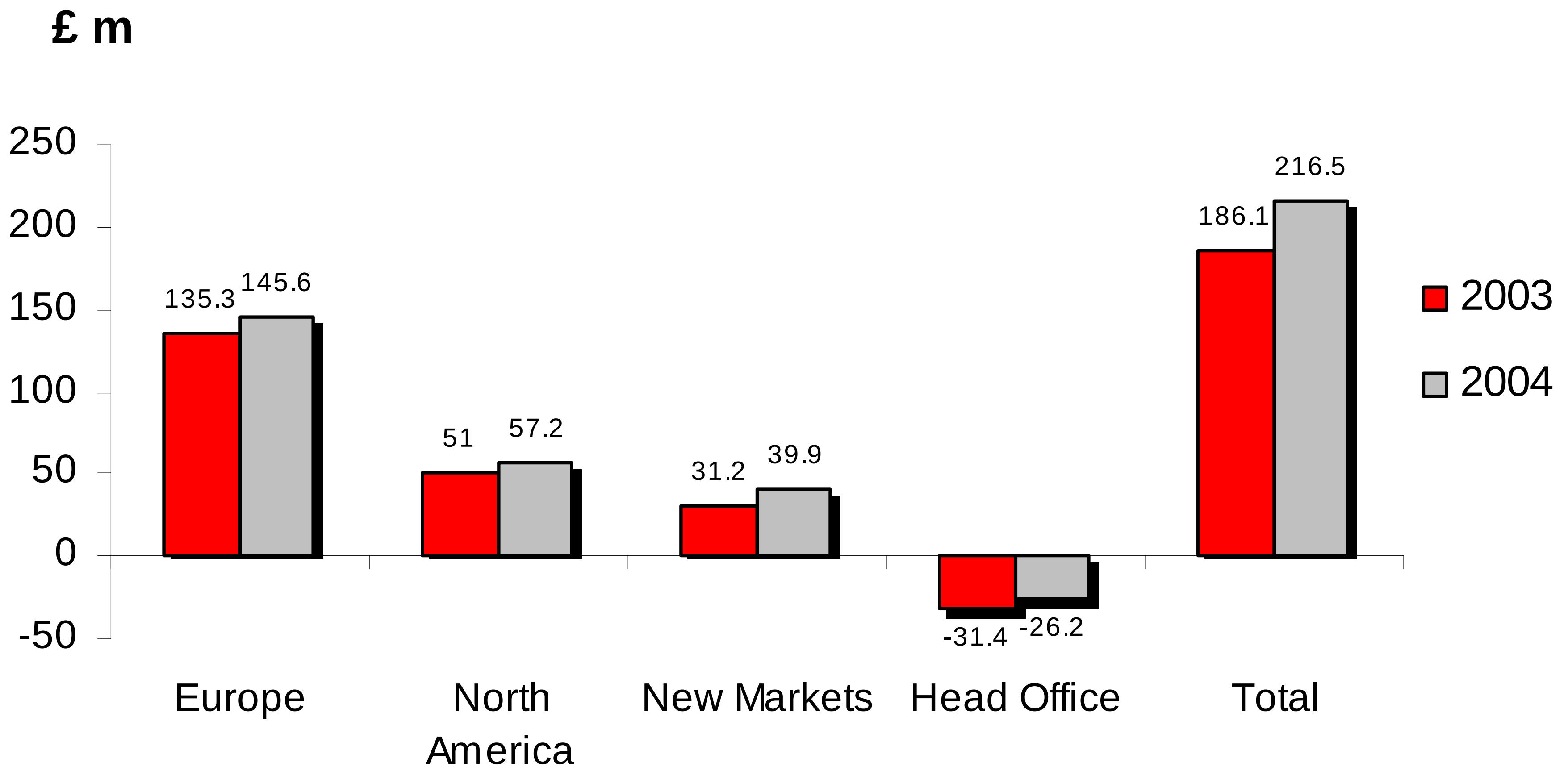


Pro forma Continuing EBITA by Business Line
12 months ended 31 December 2004



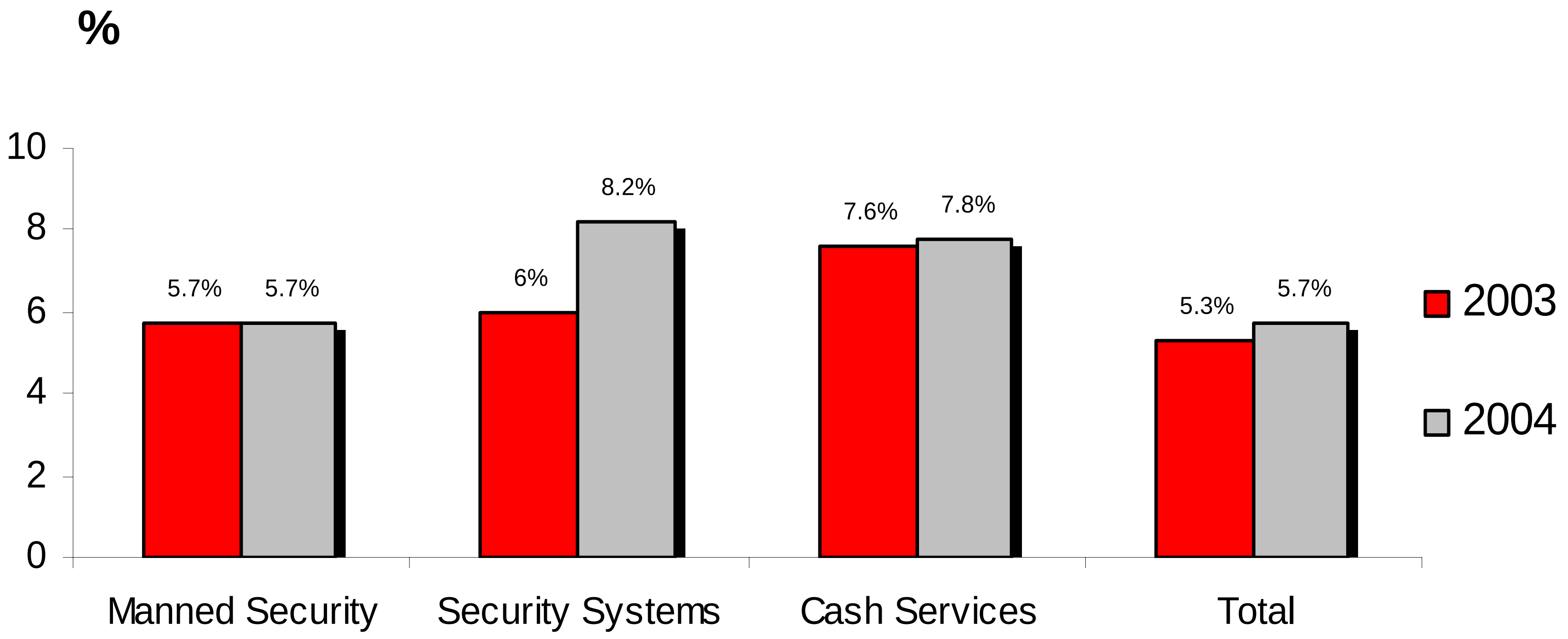
Note: At constant exchange rates

Pro forma Continuing EBITA by Geography
12 months ended 31 December 2004



Note: At constant exchange rates

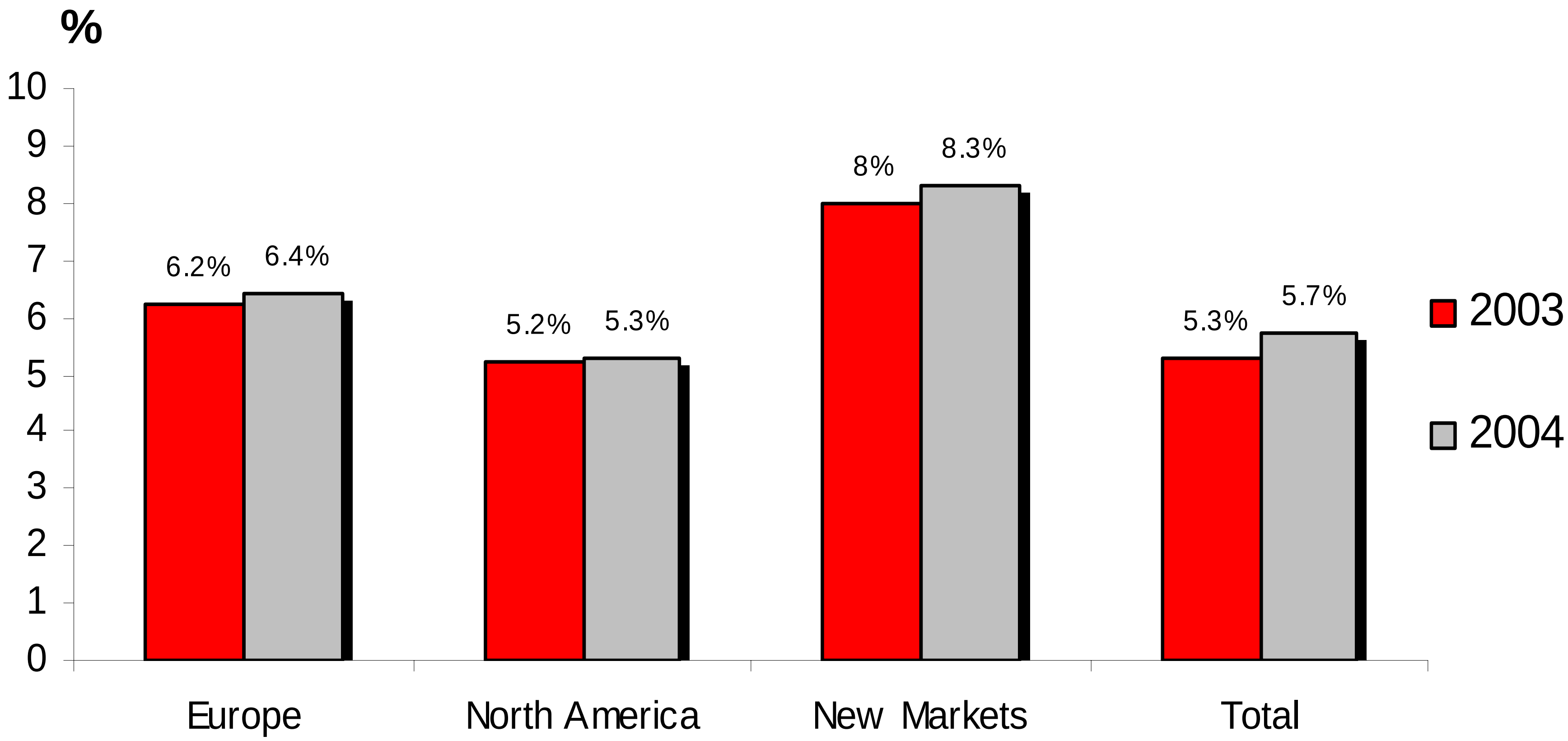
Pro forma EBITA Margin by Business Line
12 months ended 31 December 2004



Note: At constant exchange rates

Pro forma EBITA Margin by Geography

12 months ended 31 December 2004



Note: At constant exchange rates

Detailed Financials

Trevor Dighton
Group Finance Director

Accounting

- For statutory accounting, Group 4 acquired Securicor
  – P&L is 12 months of Group 4 and 5½ months of Securicor
  – Comparatives are Group 4 only, converted from DKK into £ Sterling
- Proforma operating information is for combined business for whole year
- Closing balance sheet the same on both statutory and proforma basis
- IFRS impact will be presented later in H1 2005

Pro forma Operating Cash Flow
12 months ended 31 December 2004

£m	2004	2003
Group EBITA	209.7	190.3
Depreciation	78.6	74.3
Working capital movement	12.7	(12.2)
Cash generated from operations	301.0	252.4
Capital expenditure	(87.9)	(101.2)
Operating cash flow	213.1	151.2
Operating cash flow as % of EBITA	102%	79%

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Statutory P&L
12 months ended 31 December 2004

£m	2004*	2003**
EBITA	168.7	118.4
Interest	(17.4)	(20.2)
PBT (pre-goodwill & exceptionals)	151.3	98.2
Goodwill amortisation	(49.8)	(34.6)
Exceptional items	(183.6)	(20.4)
PBT	(82.1)	43.2
Tax	(12.8)	(46.4)
PAT	(94.9)	(3.2)

* Includes full year Group 4 & 5½ months Securicor
** Includes full year Group 4 only

Exceptional Items
12 months ended 31 December 2004

£m	2004	2003
Operating items		
Impairment of goodwill	(51.2)	-
Harmonisation of accounting estimates, procedures & measurement methods adopted by the combined group	(57.9)	-
Other items	-	(15.3)
	(109.1)	(15.3)
Non-operating items		
Restructuring – integration of Securicor	(37.2)	
Impairment of investment in Falck Netherlands	(34.5)	-
Other items	(2.8)	2.2
	(74.5)	2.2
Interest rate swap loss	-	(7.3)
TOTAL	(183.6)	(20.4)

Taxation
12 months ended 31 December 2004

£m	Continuing Operations	Discontinued Operations	Exceptionals / Goodwill	Total
Profit / (loss) before tax	150.0	1.3	(233.4)	(82.1)
Tax (charge) / credit	(48.9)	(0.4)	36.5	(12.8)
Tax rate	32.6%			

Statutory Cash Flow
12 months ended 31 December 2004

£m	2004*	2003**
Operating cash flow	75	83
Interest	(21)	(19)
Taxation	(30)	(45)
Dividends paid	(3)	(3)
Acquisitions & disposals	(203)	43
Transactions with demerged Falck businesses	(49)	22
Other	17	24
Movement in net debt	(214)	105
Opening net borrowings	(382)	(487)
Closing net borrowings	(596)	(382)

* Includes full year Group 4 & 5½ months Securicor
** Includes full year Group 4 only

Balance Sheet
12 months ended 31 December 2004

£m	2004	2003
Goodwill	1118	531
Tangible fixed assets	342	160
Investments	27	3
Net working capital	27	12
Net debt	(596)	(382)
Net assets	918	324

Pensions
12 months ended 31 December 2004

- FRS 17 deficit
  - Dec 2004 £193m (£135m after tax)
  - Dec 2003 (G4) £47m (£33m after tax)
  - Sept 2003 (Securicor) £135m (£94m after tax)
- SSAP 24 balance
  - Dec 2004 surplus £2m
  - Dec 2003 (G4) deficit £4m (£3m after tax)
  - Sept 2003 (Securicor) deficit £21m (£15m after tax)
- Additional cash contributions in 2005 £15m before tax
- No P&L implications

Dividend

- Proposed final dividend of 1.85p per share (£23.5m)
- To a former Securicor shareholder, total dividend for year of 2.71p per share
- Future dividends targeted to increase broadly in line with earnings

Pro forma normalised EPS

£m	2003 at 2003 fx	2003 at 2004 fx	2004
PBITA from continuing operations	196.3	186.3	216.5
Interest	(40.0)	(40.0)	(40.0)
	156.3	146.3	176.5
Tax at 32.5%	(50.8)	(47.5)	(57.4)
Normalised PAT	105.5	98.8	119.1
Minorities	(7.0)	(7.0)	(7.0)
Normalised profit attributable to shareholders	98.5	91.8	112.1
Average number of shares (m)	1264.0	1264.0	1264.0
Normalised EPS (p)	7.8	7.3	8.9

Increase at 2003 fx	14.1%
Increase at 2004 fx	21.9%

Operational Review

Nick Buckles
Deputy CEO and COO

Organic Growth & Margin Targets

	Organic Growth Targets	Margin Targets
Manned Security Developed Markets	5%+	6%+
Manned Security Developing Markets	10%+	
Security Systems	8%+	10%+
Cash Services	8%+	10%+
Justice Services	15%+	10%+

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Organic Turnover Growth
12 months ended 31 December 2004

	Europe	North America	New Markets	Total
Manned Security	3.7%	7.2%	9.9%	5.8%
Security Systems	3.7%	50.8%	92.3%	7.8%
Cash Services	5.1%	1.5%	32.1%	6.5%
Total	4.1%	6.9%	15.5%	6.2%

Manned Security

12 months ended 31 December 2004

	Turnover £m		EBITA * £m		Margins	
At constant exchange rates	**2004**	**2003**	**2004**	**2003**	**2004**	**2003**
Europe	1307.7	1261.0	75.4	70.6	5.8%	5.6%
North America	1002.6	920.7	53.1	48.8	5.3%	5.3%
New Markets	380.1	330.9	26.0	24.0	6.8%	7.4%
Exchange differences		154.7		8.9		
At actual exchange rates	2690.4	2667.3	154.5	152.3	5.7%	5.7%

- Organic turnover growth of 5.8%
- Margins maintained at 5.7%

* Includes share of associates

Manned Security
Europe

- **Overall**
  - Some improvements in overall market conditions in H2
- **UK**
  - Organic growth of around 4%
  - Excellent progress on integration
  - Preparations for licensing well underway
  - Systems integration progressing well
  - Continuing strong customer and employee retention
  - Good growth in existing contracts and some new business
  - Some competitive pressure on price, but little impact
  - Expect slow growth in 2005
- **Netherlands**
  - Planned merger integration cancelled
  - Tight market throughout 2004
  - Turnover down on 2003
  - Margins maintained
  - Retained justice contract under re-bid

Manned Security
Europe

- **Germany**
  - Growth and profits slightly ahead of 2003
  - Focus on price increasing and further cost controls
- **France**
  - Strong growth in 2004 expected to continue
  - Good contract wins
  - Margins also improving
- **Justice Services**
  - Very strong margin performance from existing monitoring contracts
  - New immigration contracts underway and growing
  - Reduced margins across wider electronic monitoring base in 2005
- **Other**
  - New management in Sweden will improve performance
  - Strong growth in Ireland, Luxembourg, Greece and Baltic States
  - Good growth and margin improvement in Belgium

Manned Security
North America

- **USA**
  - Strong growth at **Wackenhut** of around 11%
  - Margins held in competitive market
  - Expanding contracts within existing national accounts
  - Significant new contract wins
  - SUI & Healthcare costs continue to be high, but manageable
  - Growth expected to continue in 2005
  - Growth in transportation contracts at **Cognisa**
  - Cognisa operating at a slight loss
- **Canada**
  - Loss of aviation contract affected overall 2004 performance
  - Good growth in non-aviation business

Manned Security
New Markets

- Overall organic growth of 10%
- Margin pressure in **South Africa**
  - Loss of some high margin contracts
  - Delay in passing on higher than expected wage increase
- Very strong growth in **India, Kuwait**, **UAE** and **Kazakhstan**
- Strong growth throughout smaller businesses
- Positive growth and margin improvements throughout **Asia**

Manned Security Outlook

- Economic conditions improving
- Overall growth on target or ahead
- Synergies on plan
- Some margin improvements from divisional initiatives
- Margin reduction from electronic monitoring rebid

Security Systems
12 months ended 31 December 2004

	Turnover £m		EBITA * £m		Margins	
At constant exchange rates	2004	2003	2004	2003	2004	2003
Europe	317.9	306.5	25.5	18.3	8.0%	6.0%
North America	1.8	1.2	0.2	0.1	9.3%	11.7%
New Markets	29.5	14.4	2.9	1.0	9.7%	7.2%
Exchange differences		10.0		0.4		
At actual exchange rates	349.2	332.1	28.6	19.8	8.2%	6.0%

- Organic turnover growth of 7.8%
- Margins increased by 2.2% to 8.2%

* Includes share of associates

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Security Systems

- Market segmentation and business model now in place throughout division
- Strong growth from **UK**, **Norway**, **Germany** and **Netherlands** businesses
- Growth in **Sweden** and **Denmark** is flat
- Strong margin improvement overall
  - Focus on contract profitability
  - Introduction of productivity measures

Security Systems Outlook

- Overall growth on target of ahead
- Further margin improvement from divisional initiatives

Cash Services

12 months ended 31 December 2004

	Turnover £m		EBITA * £m		Margins	
At constant exchange rates	**2004**	**2003**	**2004**	**2003**	**2004**	**2003**
Europe	635.1	604.3	44.7	46.4	7.0%	7.7%
North America	64.3	63.3	3.9	2.1	6.1%	3.4%
New Markets	68.5	44.8	11.0	6.2	16.0%	13.9%
Exchange differences		15.0		0.9		
At actual exchange rates	767.9	727.4	59.6	55.6	7.8%	7.6%

- Organic turnover growth of 6.5%
- Margins increased by 0.2% to 7.8%

* Includes share of associates

Cash Services
Europe

- **UK**
  - Overall strong performance
  - Excellent customer service levels
  - Integration of Cash Centres & Cash Services completed
  - Abbey cash centre and other financial institution contract wins
  - Pay negotiations continuing well
  - Further implementation of productivity improvement and cost saving measures
- **Germany**
  - Flat growth and remains loss-making
  - Major turnaround initiatives well underway
  - On target for break even in 2005
- **Netherlands**
  - Solid performance in 2004
  - Good start to 2005 with major contract win
- **Other**
  - Strong growth in France and Sweden

Cash Services

North America & New Markets

- **Canada**
  - Low organic growth due to financial institution consolidation
  - Margin improvements achieved through efficiencies
  - Bolt-on acquisition opportunities

- **New Markets**
  - Very strong growth overall
  - Good margin improvements throughout the region
  - Particularly strong in **Morocco**, **Malaysia**, **Hong Kong**, **Botswana** and **Kenya**

Cash Services Outlook

- Overall growth slightly behind target
- Strong margin improvements from synergies and turnarounds
- Further improvement from divisional initiatives

Operational Summary

- Three largest businesses performing well (40% of Group turnover)
- Strong improvements in Systems division
- Developing markets overall performing well
- Plans to improve Germany, Sweden and South Africa
- Solid platform for 2005

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Issues Update

Lars Nørby Johansen
Chief Executive Officer

Integration Progress

- Excellent integration progress during 2004
- Successful cultural combination of two organisations
- New HQ opened in September 2004
- Financial systems consolidation completed
- Copenhagen office closed in February 2005
- Major business units integrating well
- Customer and employee retention remains high
- Business as usual focus continues in non-integrating businesses
- Ongoing monitoring of major milestones
- Ahead of target for 60% of synergies within 12 months of completion

Acquisition Strategy

- **Existing Markets:**
  - Cash Services: Northern Europe, Canada and South Africa
  - Manned Security: Northern Europe and Canada
  - Security Systems: across existing geographies
  - Justice Services: International expansion and electronic monitoring

- **Major Markets where we do not currently have a presence:**
  - Australia, Iberia, Latin America
  - Systems acquisitions in major markets

- Growth in new markets through modest acquisitions and organic growth

Divestment Progress

- **Luxembourg & Scotland**
  - Combined sale of both businesses to Brink's
  - Proceeds of €29.5 million
  - Sale completed on 4 March

- **Netherlands**
  - Complex segregation has extended divestment timeline
  - Expect to complete in April/May
  - Subject to EC approval
  - Profitability weakened during sales processes

Summary & Outlook

Summary & Outlook

- Strong organic turnover growth
- Good margin improvements
- Integration & synergy benefits ahead of plan
- Very strong cash flow
- Solid base for future development
- Expect progress to continue in 2005

Board Changes

- CEO succession planned for “appropriate time”
- Board have determined that CEO succession will take place in summer 2005
  - Integration well on track
  - Cultural integration has been very successful
  - Strong business performance
  - Management team working well together
  - Strategy developed and agreed
- Lars Norby Johansen to step down after AGM on 30 June
- Nick Buckles to take over as CEO at that time
- Lord Sharman (Deputy Chairman and Senior Independent Director) to retire from the Board later this year
- Jorgen Philip Sorensen to remain as Chairman until June 2006 and then succeeded by Alf Duch Pedersen
- Replacement Senior Independent Director to be nominated in due course
- Grahame Gibson to join the Board as an Executive Director

Q & A

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