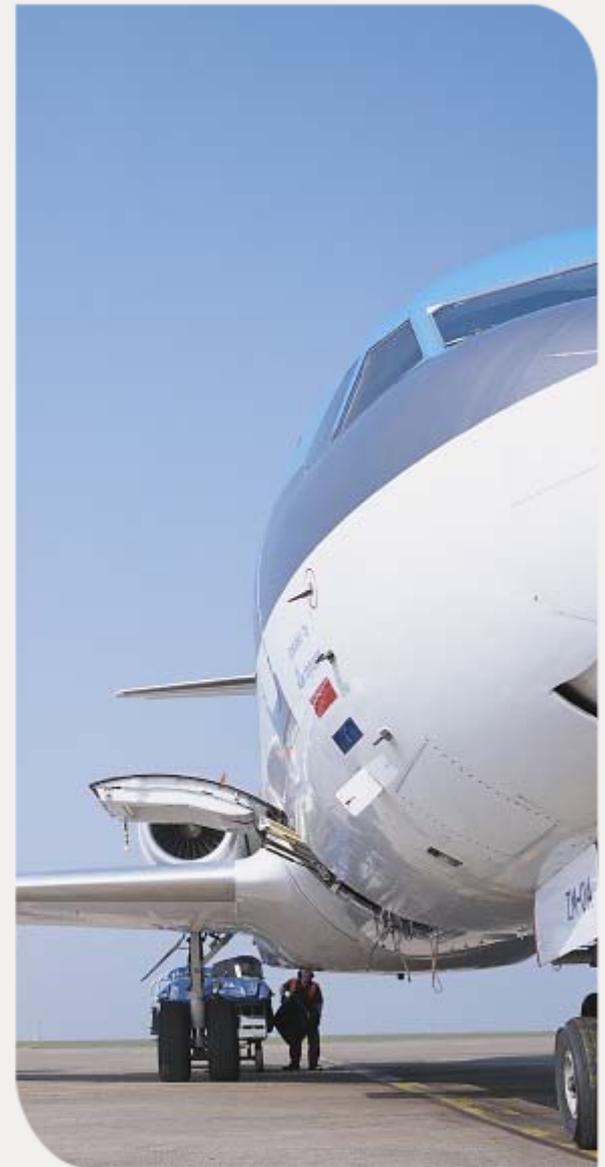




G4S plc
Half Year Results

28 August 2012

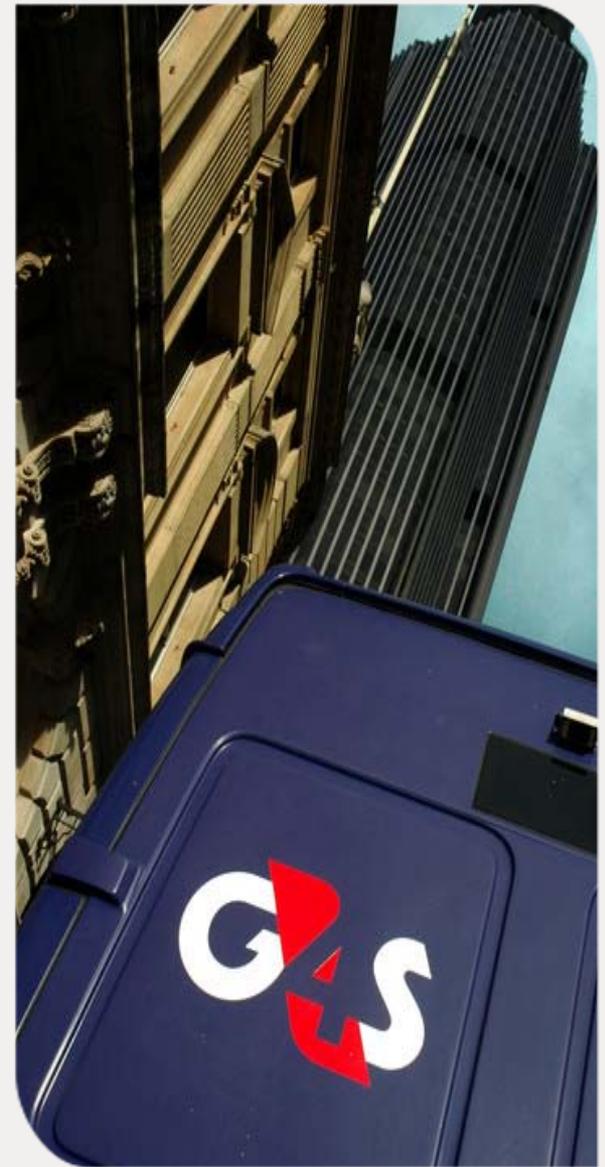


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Nick Buckles
**Chief Executive
Officer**



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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.

Agenda

Results Highlights	Nick Buckles
Financial Summary	Trevor Dighton
Business Review & Olympic Update	Nick Buckles
Q&A	

Results Highlights

- Good organic turnover growth of 5% excl Olympics
- Underlying Group turnover* growth of 6%
- Continued strong performance in developing markets
- PBITA* maintained at £236 million
- Margin* lower at 6.2% excl Olympic Games contract
- Operating cash flow generation 83% of PBITA
- £50m provision for Olympic Games contract loss
- £24m (c£30m for FY) restructuring charge to deliver similar annual cost savings
- Adjusted EPS* maintained at 9.8 pence
- Interim dividend in line with prior year at 3.42 (DKK 0.322) pence per share

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* at constant exchange rates





Trevor Dighton
Chief Financial
Officer

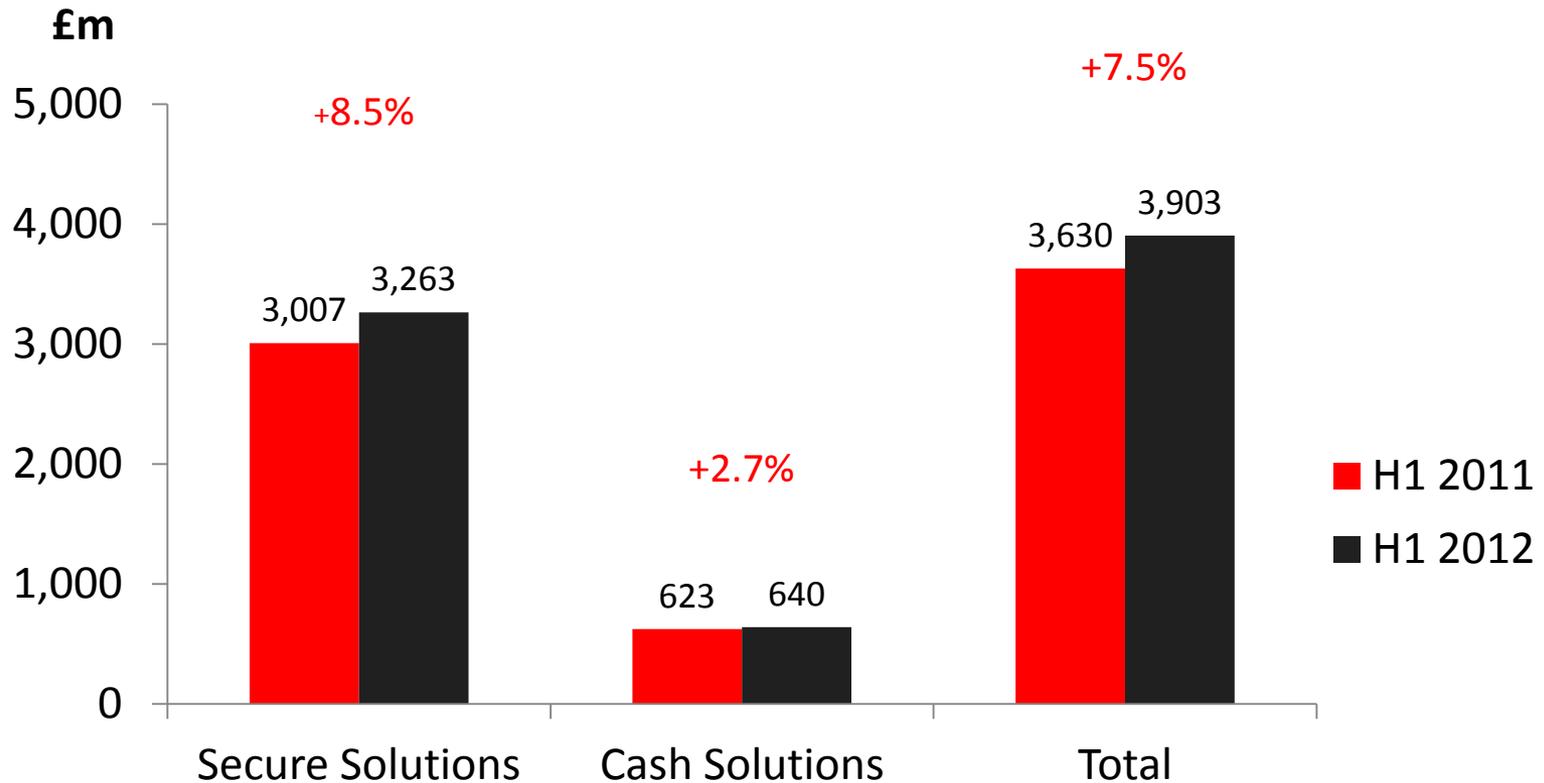


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Continuing Turnover by Business Line

6 months ended 30 June 2012



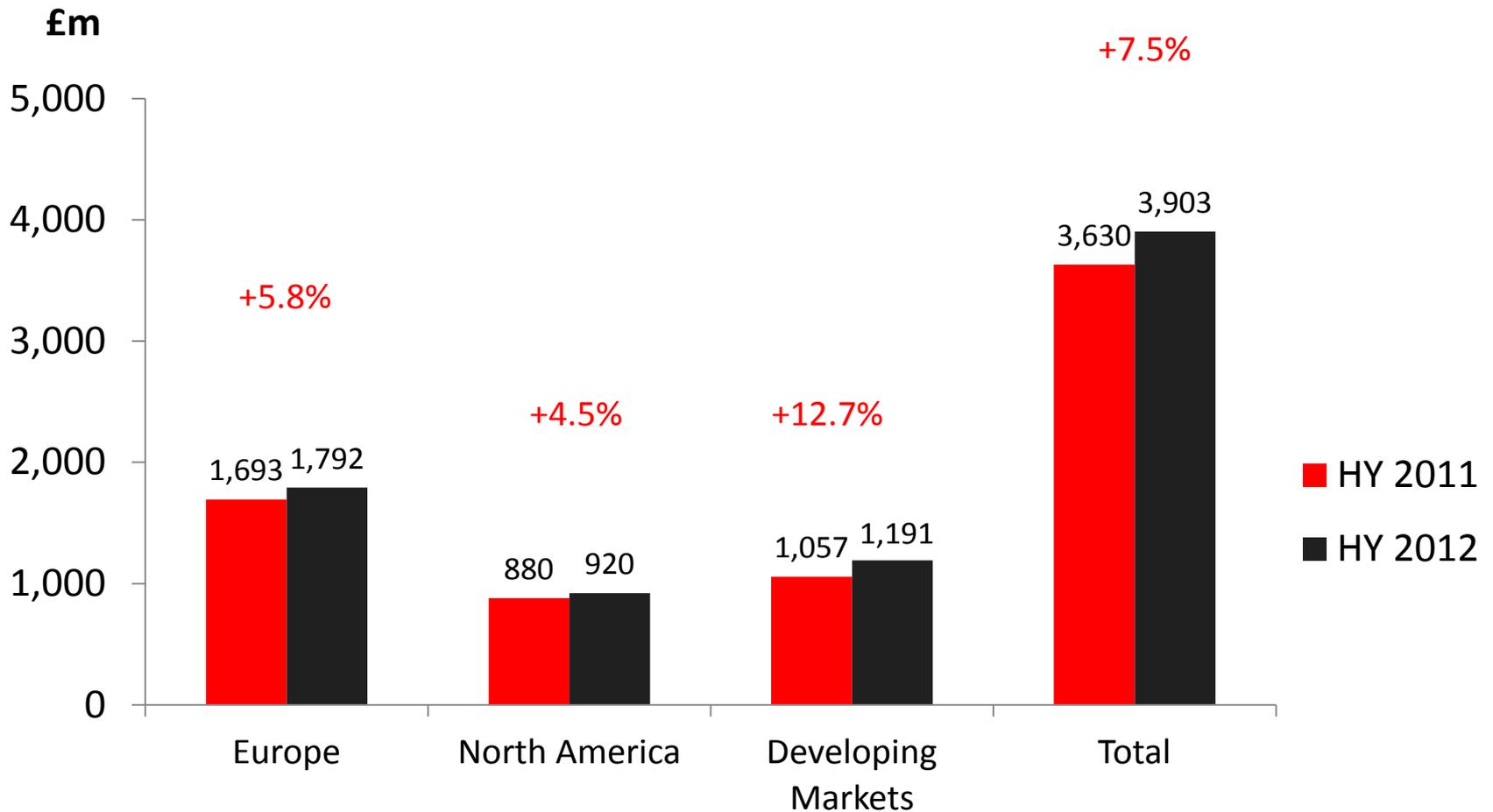
Note: At 2012 exchange rates

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Continuing Turnover by Geography

6 months ended 30 June 2012



Note: At 2012 exchange rates

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Organic Turnover Growth incl Olympic Games

Six months ended 30 June 2012

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

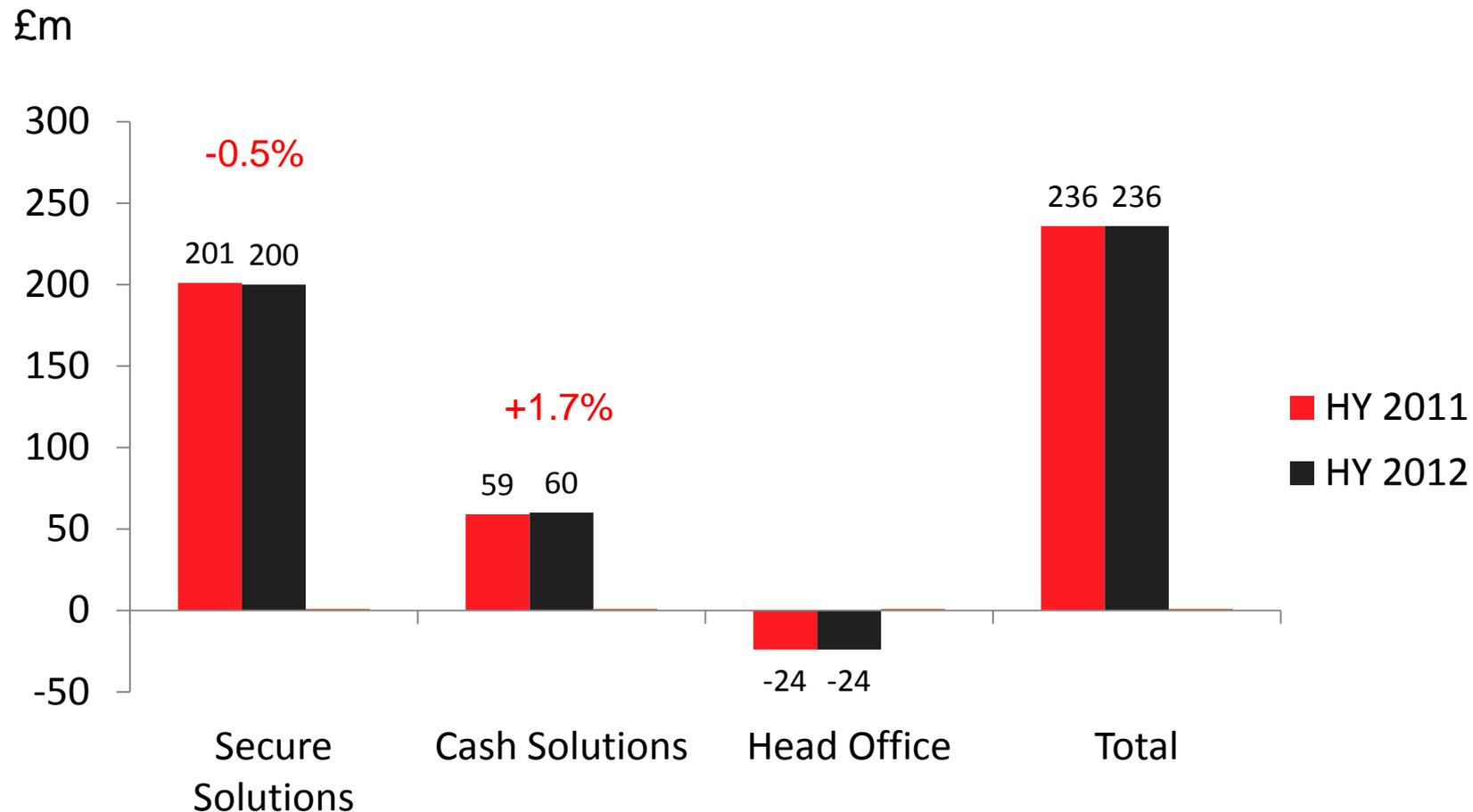
Organic Turnover Growth excl Olympic Games

Six months ended 30 June 2012

	Europe	North America	Developed Markets	Developing Markets	Total
Secure Solutions	3%	4%	4%	10%	6%
Cash Solutions	-1%	7%	-1%	11%	3%
Total	2%	5%	3%	10%	5%

Continuing PBITA by Business Line

6 months ended 30 June 2012



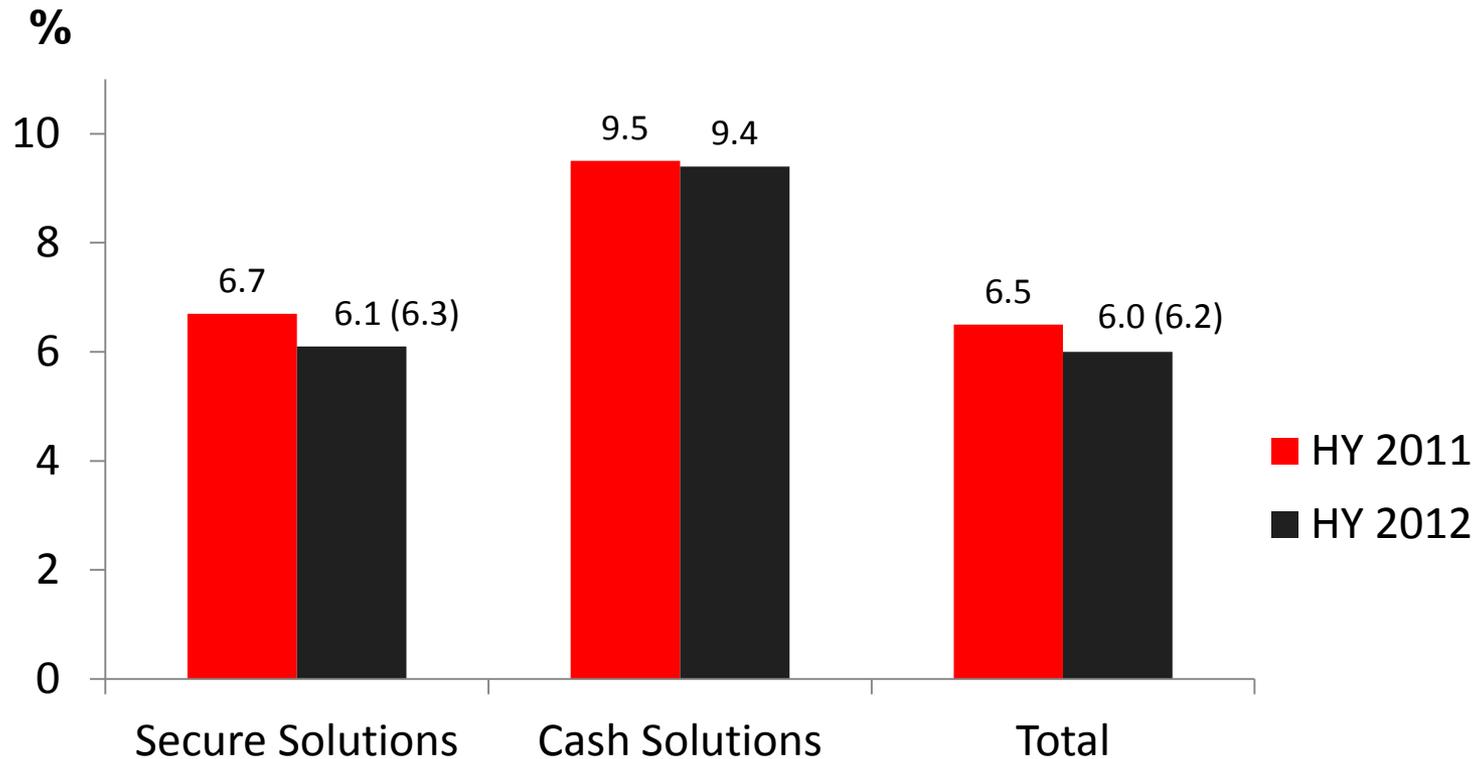
Note: At 2012 exchange rates

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Continuing PBITA Margin by Business Line

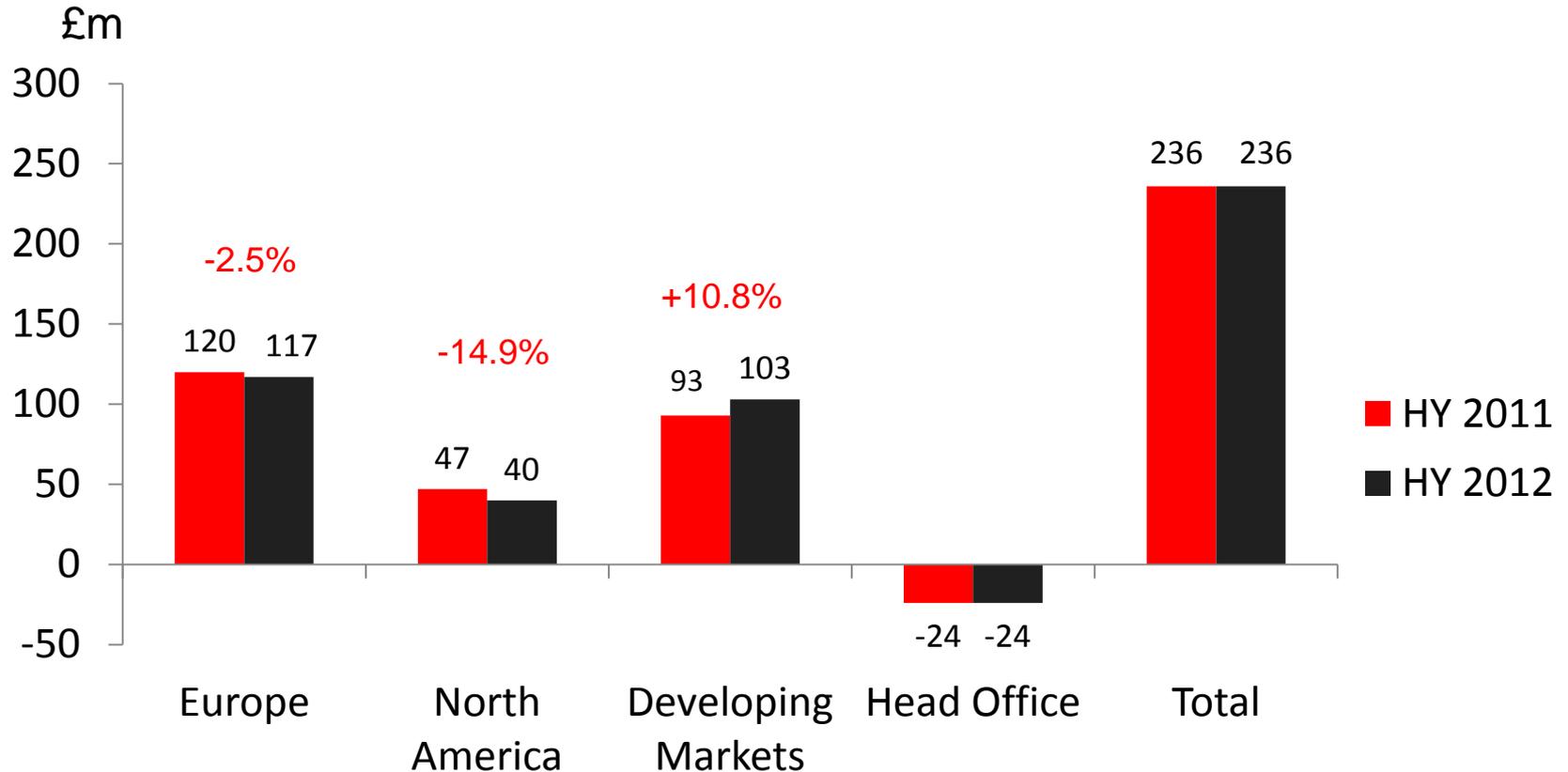
6 months ended 30 June 2012



Note: At 2012 exchange rates. Margin excluding the Olympics contract is shown in brackets

Continuing PBITA by Geography

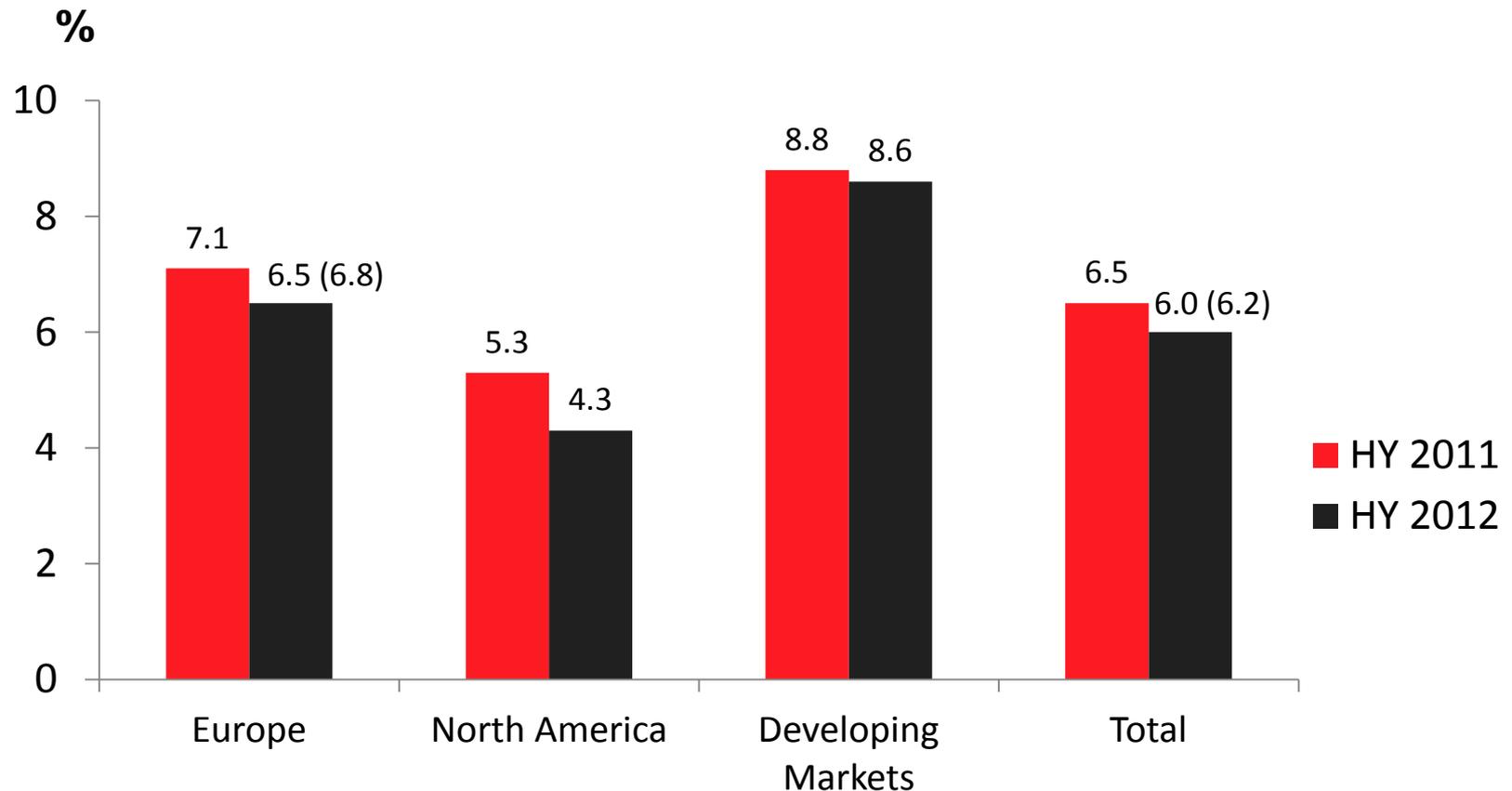
6 months ended 30 June 2012



Note: At 2012 exchange rates

Continuing PBITA Margin by Geography

6 months ended 30 June 2012



Note: At 2012 exchange rates. Margin excluding the Olympics contract is shown in brackets

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Overhead Cost Savings

	Headcount reduction	People costs £m	Other costs £m	Total costs £m
UK	58	2.0	0.2	2.2
Continental Europe	257	7.2	1.0	8.2
North America	132	3.6	0	3.6
Developing markets	605	5.1	2.5	7.6
Head office/Cash Division	48	2.6	0	2.6
Total	1,100	20.5	3.7	24.2

- Restructuring overhead leading to 1,100 headcount reduction and £30m annualised cost savings mainly in 2013
- Related costs of £24m in H1, with up to another £10m in H2
- Savings of £5m have been reinvested in Service Excellence Centres

Profit and Loss Account

Six months ended 30 June 2012

£m	2012	2011 at actual FX
PBITA	236	240
Interest (before pensions)	(50)	(46)
<hr/>		
PBT (before amortisation and pensions interest)	186	194
Amortisation & acquisition expenses	(47)	(44)
Loss on Olympic contract	(50)	-
Restructuring costs	(24)	-
Pensions interest	(4)	1
<hr/>		
PBT	61	151
Tax	(14)	(31)
Discontinued operations	(9)	(2)
<hr/>		
PAT	38	118

£m	Pre amortisation and pensions interest	Amortisation and pensions costs	Total
Profit/(loss) before tax	186	(125)	61
Tax (charge)/credit	(40)	26	(14)

Tax rate 22%

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Earnings per Share

Six months ended 30 June 2012

£m	2012	2011 at constant FX	2011 at actual FX
PBITA from continuing operations	236	236	240
Interest (before pensions)	(50)	(46)	(46)
PBTA from continuing operations	186	190	194
Tax	(40)	(42)	(43)
Tax rate	22%	22%	22%
Adjusted PAT	146	148	151
Non-controlling interests	(9)	(10)	(10)
Adjusted profit attributable to shareholders	137	138	141
Average number of shares (m)	1,404	1,405	1,405
Adjusted EPS (p)	9.8p	9.8p	10.0p
DPS (p)	3.42p	3.42p	3.42p

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Balance Sheet

30 June 2012

£m	June 2012	June 2011	December 2011
Goodwill and other intangibles	2,481	2,501	2,560
Tangible fixed assets	516	559	532
Other non-current assets	244	228	221
Current assets (excl cash)	1,716	1,653	1,696
Current liabilities (excl debt)	(1,406)	(1,266)	(1,359)
Non-current liabilities (excl debt)	(456)	(450)	(490)
Net debt	(1,683)	(1,576)	(1,616)
Net assets	1,412	1,649	1,544

Operating Cash Flow

Six months ended 30 June 2012

G4S definition	£m	2012	2011 at actual FX
	Group PBITA		236
Depreciation & profit on disposal		75	73
Working capital movement		(54)	(116)
Cash generated from operations		257	196
Capital expenditure		(60)	(53)
Operating cash flow		197	143
Operating cash flow as % of PBITA		83%	60%

IFRS	£m	2012	2011
	Operating cash flow (G4S definition)		197
Other items and discontinued operations		(26)	(4)
Add back capital expenditure		60	53
Additional pension contributions		(19)	(19)
Tax paid		(42)	(42)
Cash from operating activities (statutory definition)		170	131

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Cash Flow

Six months ended 30 June 2012

£m	2012	2011 at actual FX
Cash from operating activities (statutory definition)	170	131
Interest	(65)	(64)
Net capital expenditure	(60)	(53)
Group dividend	(72)	(66)
Acquisitions and disposals	2	(57)
New finance leases	(11)	(9)
Other	(20)	(14)
Movement in net debt	(56)	(132)
Exchange movement	(11)	(18)
Opening net debt	(1,616)	(1,426)
Closing net debt	(1,683)	(1,576)

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Pensions

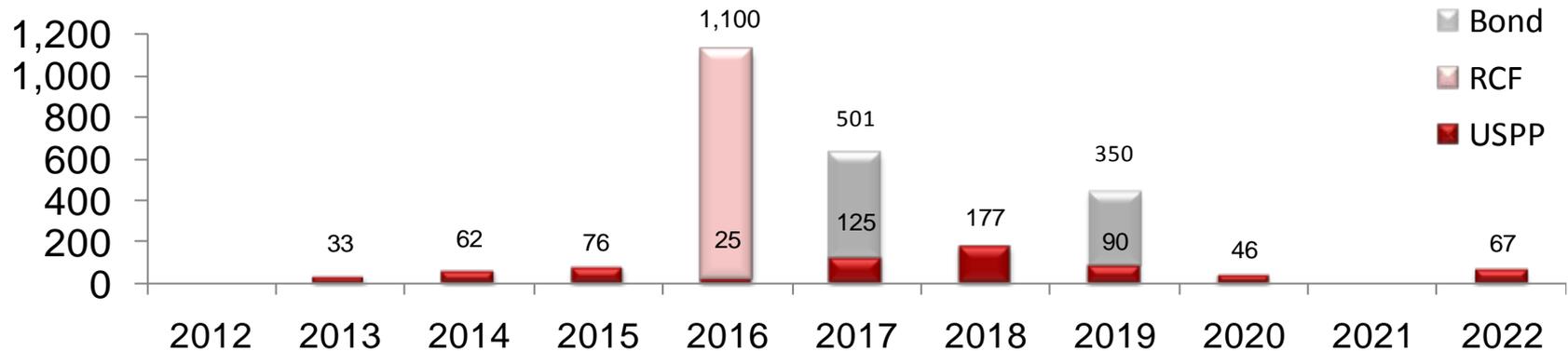
Six months ended 30 June 2012

- **Financial and actuarial assumptions updated as at June**
- **Calculations subject to short-term volatility**
- **Discount rate of 5.0% used for the UK**
- **Deficit increased slightly to £298m from £295m at December 2011**
- **Additional cash contributions of £19m paid (no P&L implication)**
- **Cessation of future accruals in the UK**
- **Tri-annual evaluation commenced**

Financing

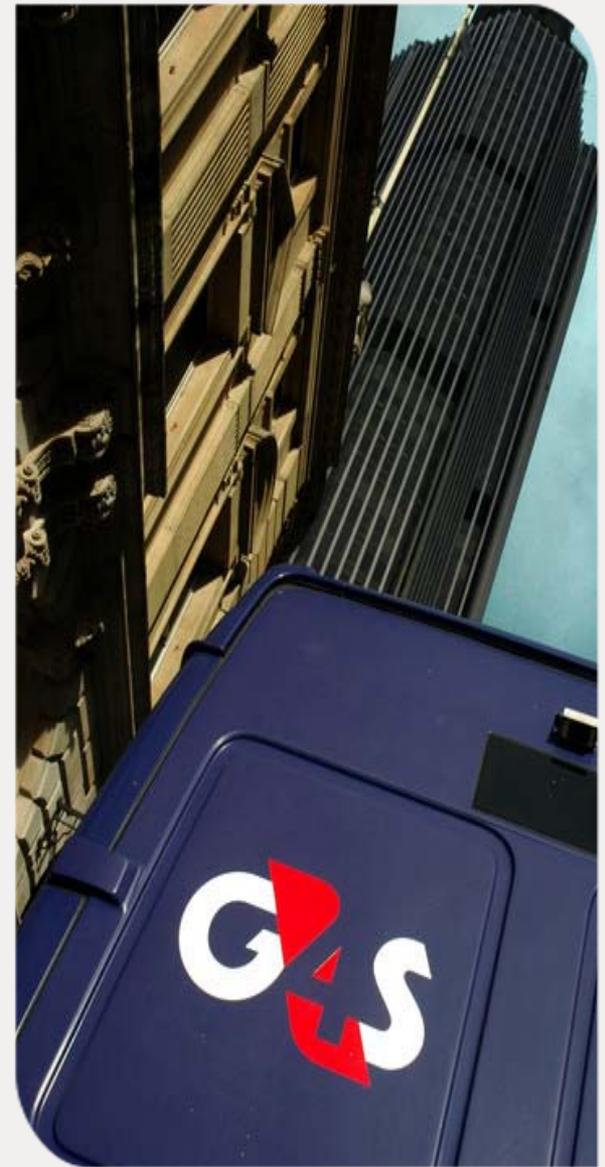
- **Headroom of £713m**
- **Average interest rate for first six months of 2012 was 4.4%**
- **Net debt to EBITDA of 2.5x**
- **Completed refinance of multi-currency revolving credit facility at 10 March 2011**

Available funding – maturity profile (£m)





Nick Buckles
**Chief Executive
Officer**



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Secure Solutions

£m	Turnover		PBITA		Margins		Organic Growth
	H1 12	H1 11	H1 12	H1 11	H1 12	H1 11	H1 12
* At 2012 exchange rates							
Europe*	1,405	1,300	83	83	5.9%	6.4%	8%
North America*	864	828	39	47	4.5%	5.7%	4%
Developing Markets*	994	879	78	71	7.8%	8.1%	10%
Exchange differences	-	38	-	2			
At actual exchange rates	3,263	3,045	200	203	6.1%	6.7%	8%

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Secure Solutions

Europe

£m	Turnover		PBITA		Margins		Organic Growth
	H1 12	H1 11	H1 12	H1 11	H1 12	H1 11	H1 12 (excl Olympics)
* At constant exchange rates							
UK & Ireland*	711	610	54	50	7.6%	8.2%	14% (4%)
Continental Europe *	694	690	29	33	4.2%	4.8%	3%
Total Europe *	1,405	1,300	83	83	5.9%	6.4%	8% (3%)

UK & Ireland

- Good organic growth (excluding Olympics Contract) in both the commercial and Government sectors
- Successful mobilisation of contracts in key Government sectors - prisons, police, Ministry of Justice and UKBA
- Continued strong performance in Integrated Services, Utility Services and Compliance and Investigations

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Secure Solutions

Europe

£m	Turnover		PBITA		Margins		Organic Growth
	H1 12	H1 11	H1 12	H1 11	H1 12	H1 11	H1 12 (ex Olympics)
* At constant exchange rates							
UK & Ireland*	711	610	54	50	7.6%	8.2%	14% (4%)
Continental Europe *	694	690	29	33	4.2%	4.8%	3%
Total Europe *	1,405	1,300	83	83	5.9%	6.4%	8% (3%)

Continental Europe

- Slowing organic growth due to contract phasing and more difficult market conditions
- Margins impacted by economic environment and wage recovery issues in **Netherlands**
- Lost European Parliament contract (**Belgium**); contract wins incl European Parliament contract (**Luxembourg**) and AB Volvo (**Sweden**)
- Eastern Europe stabilising but margins still challenged

Secure Solutions

North America

£m	Turnover		PBITA		Margins		Organic Growth
	H1 12	H1 11	H1 12	H1 11	H1 12	H1 11	H1 12
* At constant exchange rates							
North America *	864	828	39	47	4.5%	5.7%	4%

United States

- Good performance in commercial sector (including nuclear) from recent contract wins and excellent pipeline
- Revenue declined 14% in government business and margins significantly lower with lower federal funding impacting domestic work and landmine clearance
- Instigated cost saving plans in US domestic government business and merging US/UK landmine clearance businesses in H2
- Diego Garcia contract win of \$55m per annum for 10 years
- Federal government outsourcing growth muted in short term but local and state government budget constraints should result in increased demand for more efficient services

Canada

- Organic growth of 30% helped by the start-up of the CATSA aviation contract

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Secure Solutions

Developing Markets

£m	Turnover		PBITA		Margins		Organic Growth
	H1 12	H1 11	H1 12	H1 11	H1 12	H1 11	H1 12
* At constant exchange rates							
Asia *	339	313	23	20	6.8%	6.4%	8%
Middle East *	213	208	18	17	8.5%	8.2%	4%
Africa *	179	163	15	17	8.4%	10.4%	10%
Latin America & Caribbean *	263	195	22	17	8.4%	8.7%	17%
Total Developing Markets *	994	879	78	71	7.8%	8.1%	10%

Asia

- Organic growth of 8% and margins helped by improved business performance especially in **Hong Kong**
- Strong organic revenue growth in **Thailand, China, S. Korea, Japan, Indonesia, Kazakhstan** and **India**
- Recent wins include United Nations (**PNG**), DP World and Bechtel (**both Australia**)
- Good growth momentum in most countries, re-focussed business in **Australia**

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Developing Markets

£m * At constant exchange rates	Turnover		PBITA		Margins		Organic Growth
	H1 12	H1 11	H1 12	H1 11	H1 12	H1 11	H1 12
Asia *	339	313	23	20	6.8%	6.4%	8%
Middle East *	213	208	18	17	8.5%	8.2%	4%
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Latin America & Caribbean *	263	195	22	17	8.4%	8.7%	17%
Total Developing Markets *	994	879	78	71	7.8%	8.1%	10%

Middle East

- Organic growth impacted by lower activity in **Iraq**
- Exiting from the US Embassy contract in **Afghanistan**
- Recent contract wins in **Qatar** include Qatar Airways and Qatar National Bank
- Strong performances in **Egypt, Jordan** and **Lebanon**
- Margins helped by non-recurrence of **Saudi Arabia** bonus payment

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Secure Solutions

Developing Markets

£m	Turnover		PBITA		Margins		Organic Growth
	H1 12	H1 11	H1 12	H1 11	H1 12	H1 11	H1 12
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Asia *	339	313	23	20	6.8%	6.4%	8%
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Latin America & Caribbean *	263	195	22	17	8.4%	8.7%	17%
Total Developing Markets *	994	879	78	71	7.8%	8.1%	10%

Africa

- Strong organic growth helped by excellent performance in **Kenya** and **Morocco**
- Margins impacted by contract losses in **Nigeria**
- New contracts won in key strategic sectors
- Strongest pipeline in company history – growing trend for pan-Africa/larger bids

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Developing Markets

£m	Turnover		PBITA		Margins		Organic Growth
	H1 12	H1 11	H1 12	H1 11	H1 12	H1 11	H1 12
* At constant exchange rates							
Asia *	339	313	23	20	6.8%	6.4%	8%
Middle East *	213	208	18	17	8.5%	8.2%	4%
Africa *	179	163	15	17	8.4%	10.4%	10%
Latin America & Caribbean *	263	195	22	17	8.4%	8.7%	17%
Total Developing Markets *	994	879	78	71	7.8%	8.1%	10%

Latin America & Caribbean

- Excellent organic growth with strong performances across most countries particularly in **Argentina, Brazil** and **Peru**
- Number of contract wins in strategic sectors such as financial services, Government and extractive industries
- Legislation reviewed in **Brazil** should help extend our presence into manned security in the near future

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Cash Solutions

£m	Turnover		PBITA		Margins		Organic Growth
	H1 12	H1 11	H1 12	H1 11	H1 12	H1 11	H1 12
* At 2012 exchange rates							
Europe*	387	393	34	37	8.8%	9.4%	-1%
North America*	56	52	1	-	1.8%	0.0%	7%
Developing Markets*	197	178	25	22	12.7%	12.4%	11%
Exchange differences		18		2			
At actual exchange rates	640	641	60	61	9.4%	9.5%	3%

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Cash Solutions

Europe

£m * At constant exchange rates	Turnover		PBITA		Margins		Organic Growth
	H1 12	H1 11	H1 12	H1 11	H1 12	H1 11	H1 12
Europe *	387	393	34	37	8.8%	9.4%	-1%
North America *	56	52	1	-	1.8%	0.0%	7%
Developing Markets *	197	178	25	22	12.7%	12.4%	11%
Total Cash Solutions*	640	623	60	59	9.4%	9.5%	7%

- **In the UK**, contract phasing impacted H1 – should improve in H2 as new contracts start up with three major financial institutions for cash processing, ATM replenishment and engineering.
- Solid pipeline of outsourcing contracts into 2013

Cash Solutions

Europe

£m * At constant exchange rates	Turnover		PBITA		Margins		Organic Growth
	H1 12	H1 11	H1 12	H1 11	H1 12	H1 11	H1 12
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Developing Markets *	197	178	25	22	12.7%	12.4%	11%
Total Cash Solutions *	640	623	60	59	9.4%	9.5%	7%

- Strong performance in **Belgium** in ATMs, CASH360 and cash processing
- Product development helping drive growth in **Finland** and the **Netherlands**
- Another strong performance from **G4Si**, the international transportation business helped by an increase in commodity shipments, bank notes, credit cards and pharmaceuticals

Cash Solutions

North America

£m	Turnover		PBITA		Margins		Organic Growth
	H1 12	H1 11	H1 12	H1 11	H1 12	H1 11	H1 12
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Europe *	387	393	34	37	8.8%	9.4%	-1%
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Developing Markets *	197	178	25	22	12.7%	12.4%	11%
Total Cash Solutions *	640	623	60	59	9.4%	9.5%	7%

Canada

- Management integration with Secure Solutions business
- Improved margin - still targeting 5% margin for FY2012
- Contract awards and extensions in key sectors such as retail and financial services has helped organic growth

Cash Solutions

Developing Markets

£m	Turnover		PBITA		Margins		Organic Growth
	H1 12	H1 11	H1 12	H1 11	H1 12	H1 11	H1 12
* At constant exchange rates							
Europe *	387	393	34	37	8.8%	9.4%	-1%
North America *	56	52	1	-	1.8%	0.0%	7%
Developing Markets *	197	178	25	22	12.7%	12.4%	11%
Total Cash Solutions *	640	623	60	59	9.4%	9.5%	7%

Developing markets

- Organic growth helped by price increases in **Hong Kong**
- Improved business performance in **Saudi Arabia**



London 2012 Contract



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London 2012 Contract

Contract Timeline

Dec 2010

G4S awarded contract to supply & manage 2,000 security personnel & manage a further 8,000 staff supplied by Bridging the Gap (BtG)

Jul/Aug 2011

G4S asked how many additional staff it could provide (above 2000) if needed

Dec 2011

Contract signed for G4S to supply 10,400 staff from a population of 15,000 alongside 7,500 military

July 2012

G4S identified unforeseen workforce deployment issues as contract ramp up commenced – requiring up to 4,700 additional military

Significant additional senior resource assembled by G4S to resolve issues

Aug 2012

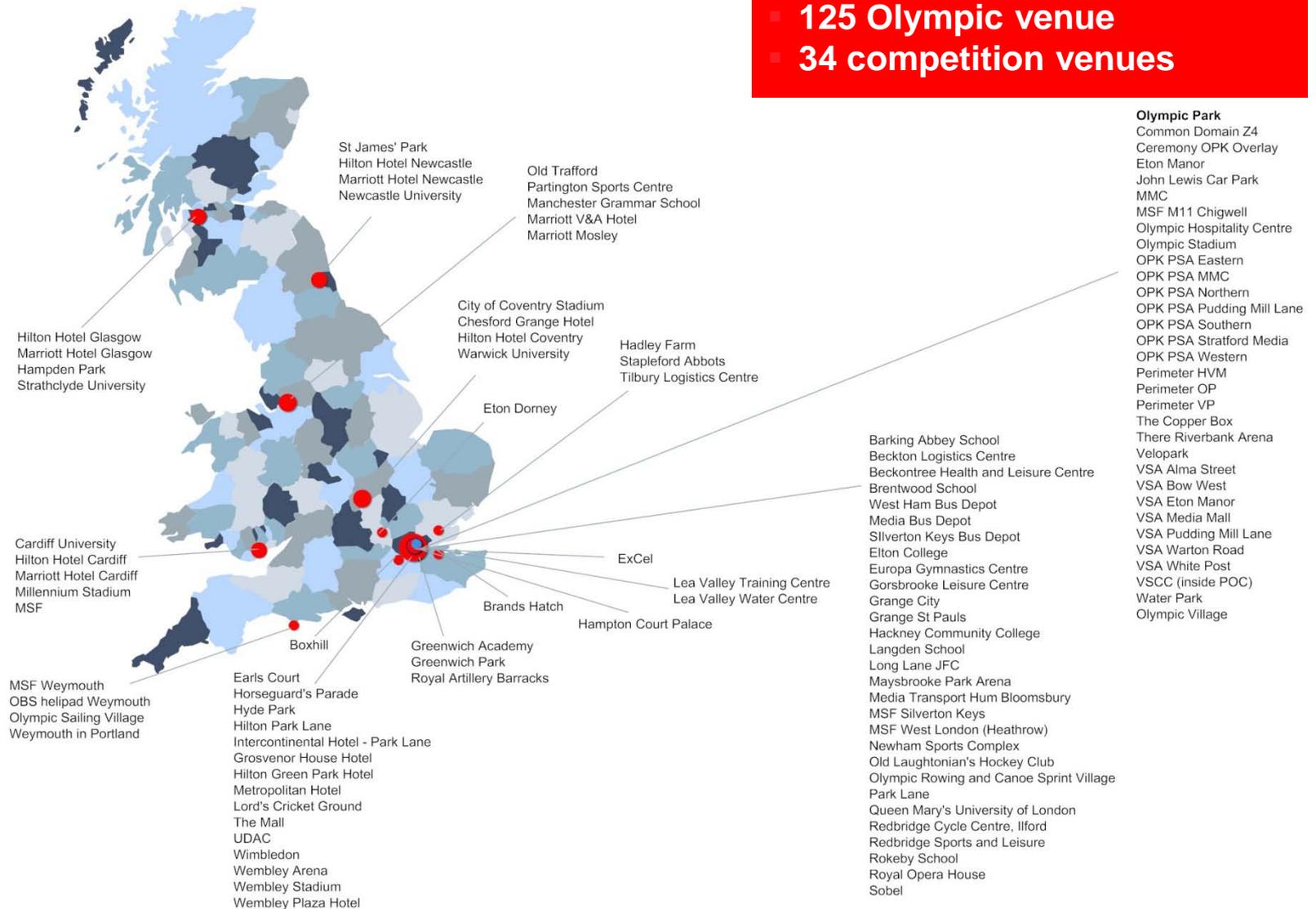
Worked closely with the military to deliver a safe and secure Olympic Games with around 7,800 G4S staff on the ground during the peak period

Plans in place to fully resource the Paralympic Games

London 2012 Contract

Olympic Venues

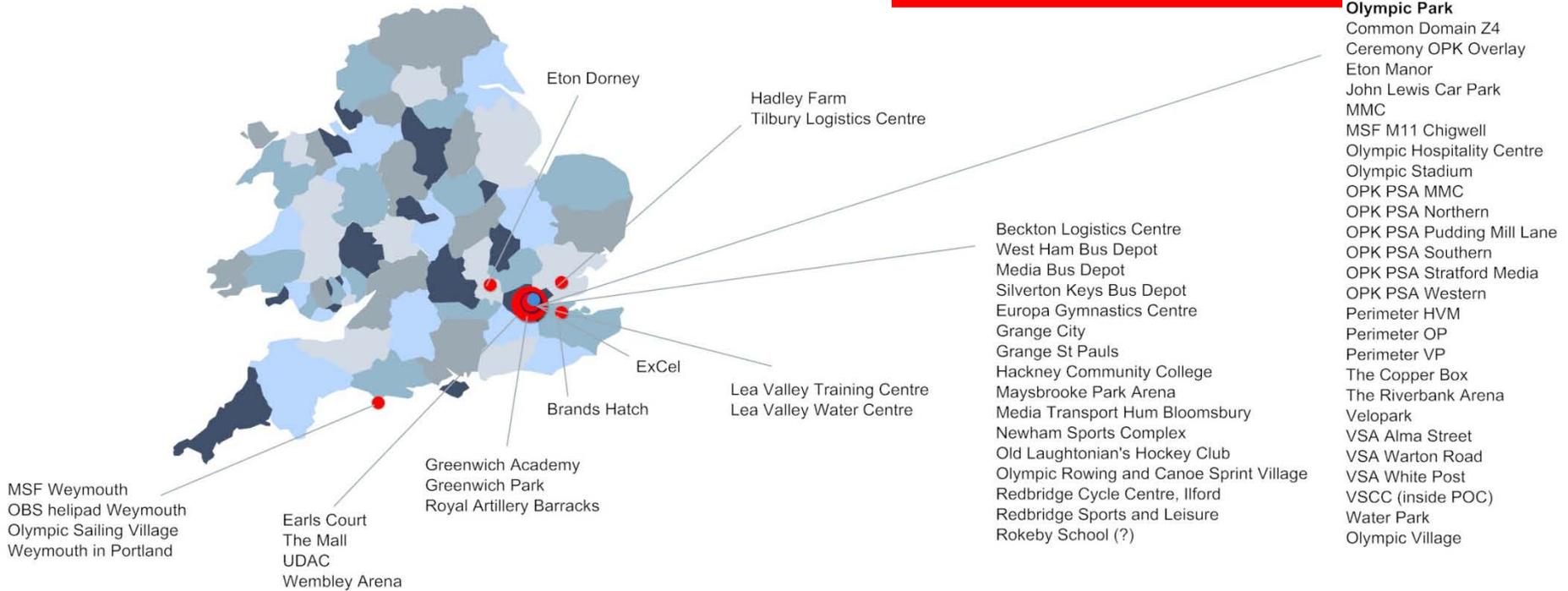
■ 125 Olympic venue
 ■ 34 competition venues



London 2012 Contract

Paralympic Venues

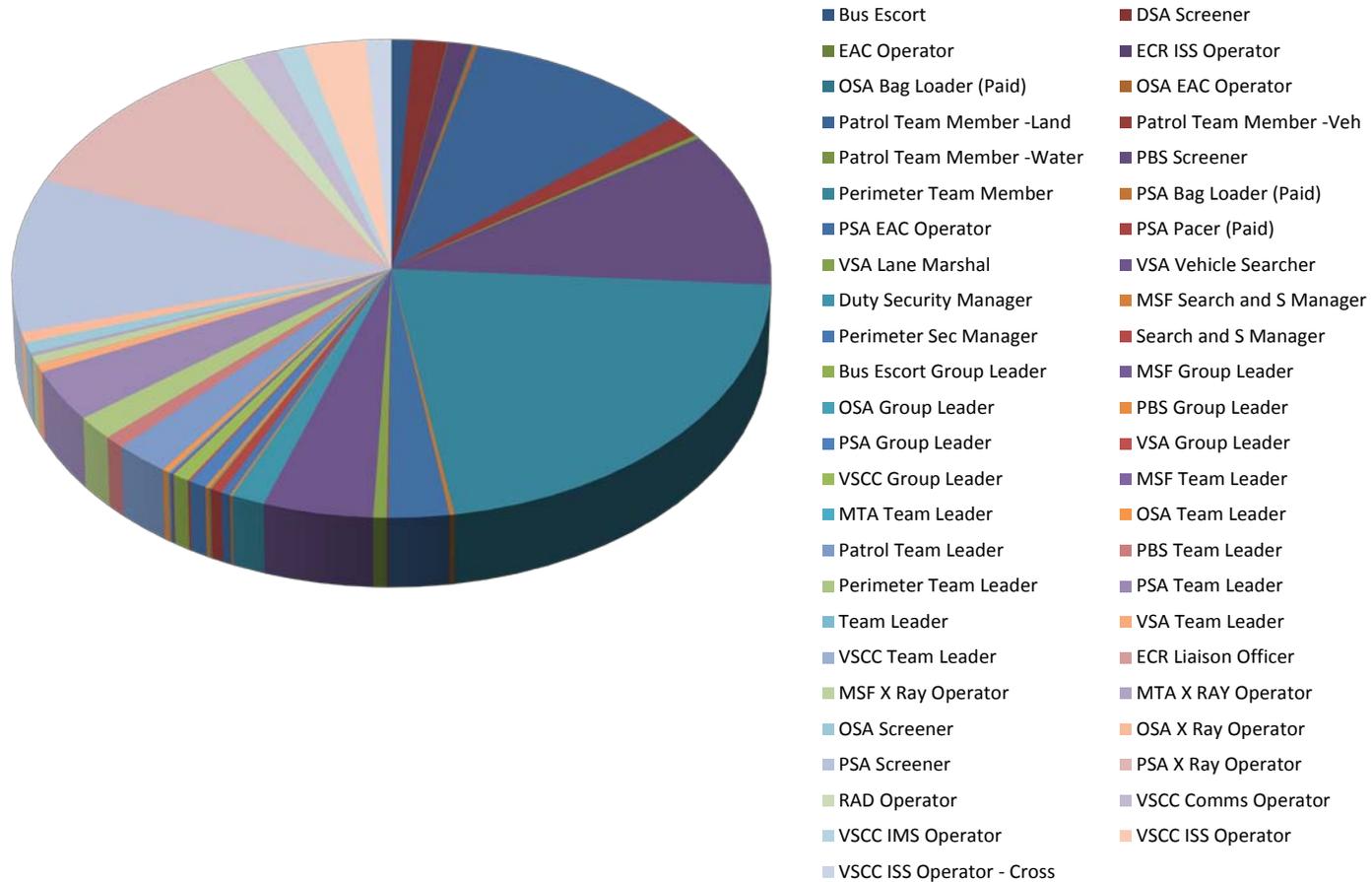
- 72 Paralympic venues
- 9 competition venues



London 2012 Contract Delivery

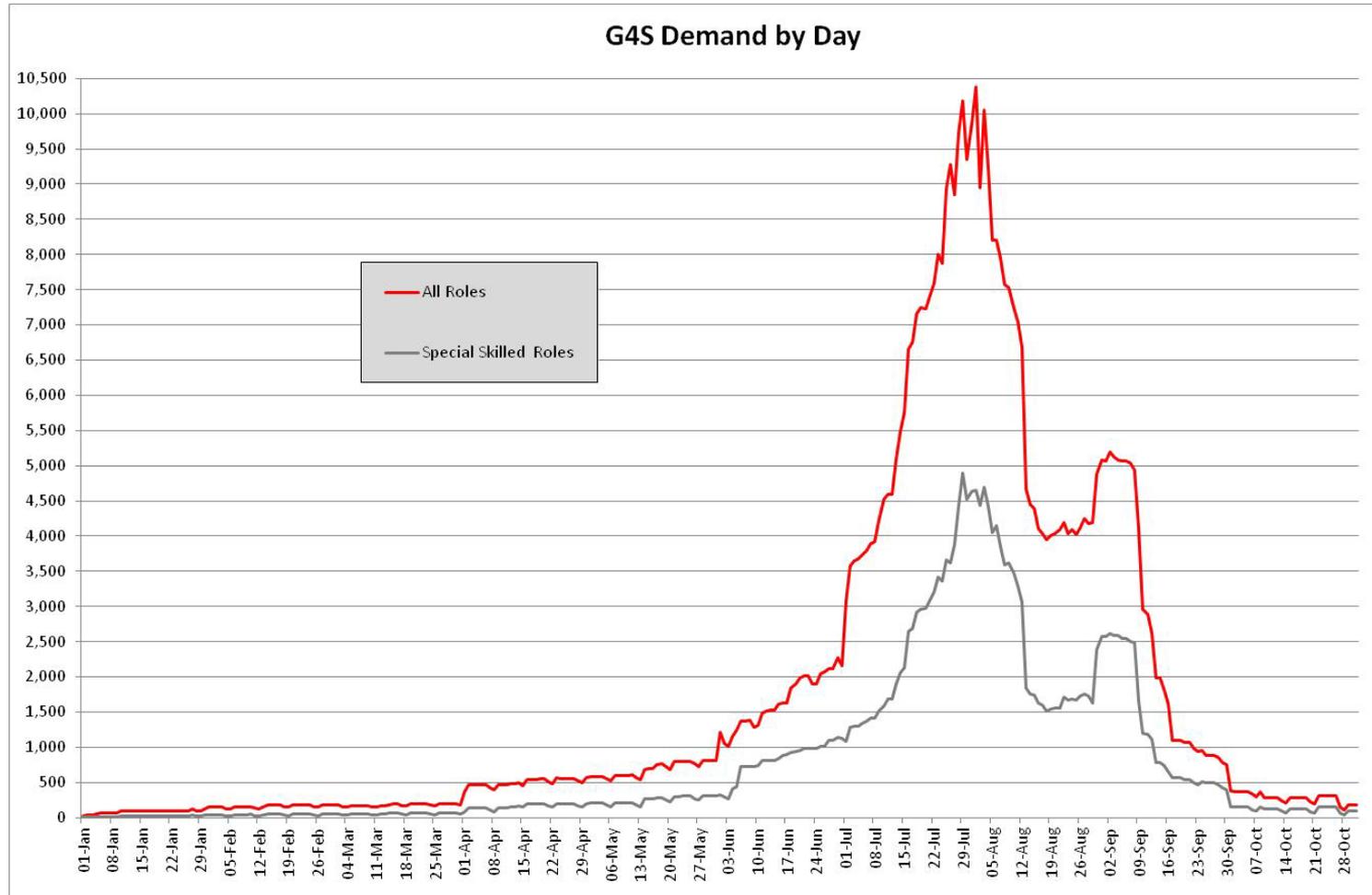
49 Skills of which 33 Specialist (40% of workforce)

Job Roles on 1st Aug 2012



London 2012 Contract Delivery

Security Workforce Demand

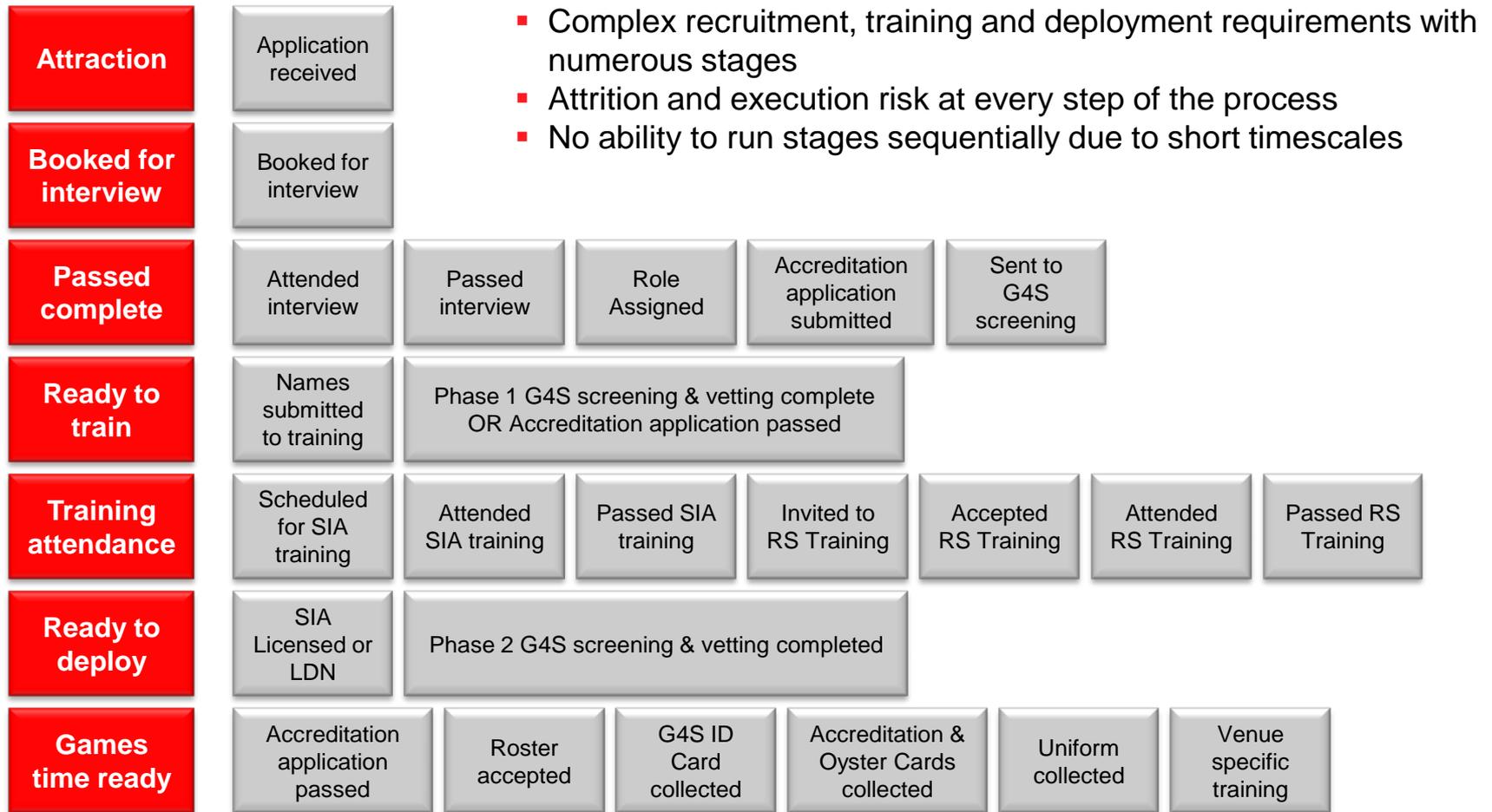


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London 2012 Contract Delivery

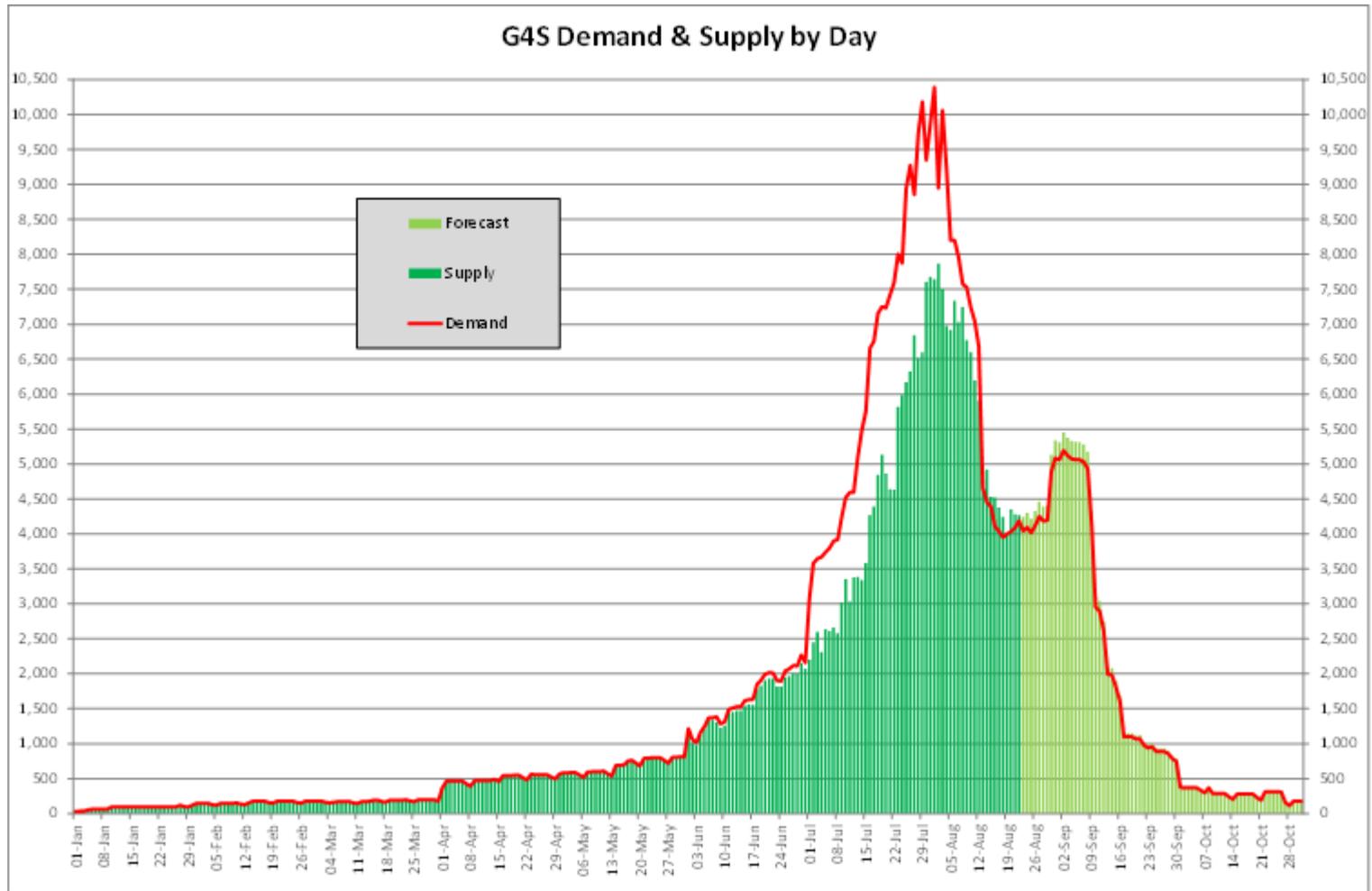
Recruitment & Deployment Process



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London 2012 Contract Delivery Security Workforce Demand vs Supply



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Shortfall more than covered by Military and Police during Games period

London 2012 Contract

Summary

- A unique and complex contract and operational model
- Disappointed that we were unable to deliver fully the contracted security workforce numbers for the Olympic Games
- Worked very closely with the military, Police, Government and LOCOG to ensure the Games was safe and secure
- Grateful to the military and the police for stepping in to assist
- Agreed to cover additional cost of providing increased military and Police deployment
- G4S performance:
 - More than 14,000 G4S staff recruited, trained and deployed
 - 7,866 G4S staff deployed during the peak demand period
 - Delivered 83% of contracted shifts to date
- Expect to over-deliver throughout the Paralympic Games

London 2012 Contract

Contract Loss Provision

- Expect losses on the contract to be in the region of £50m
- Estimate based on:
 - Additional costs relating to the increased military and police deployment
 - Estimate of contract liabilities or penalties
 - Additional internal costs incurred in delivering the contract
- Provided for £50m in H12012 as an exceptional item

London 2012 Contract

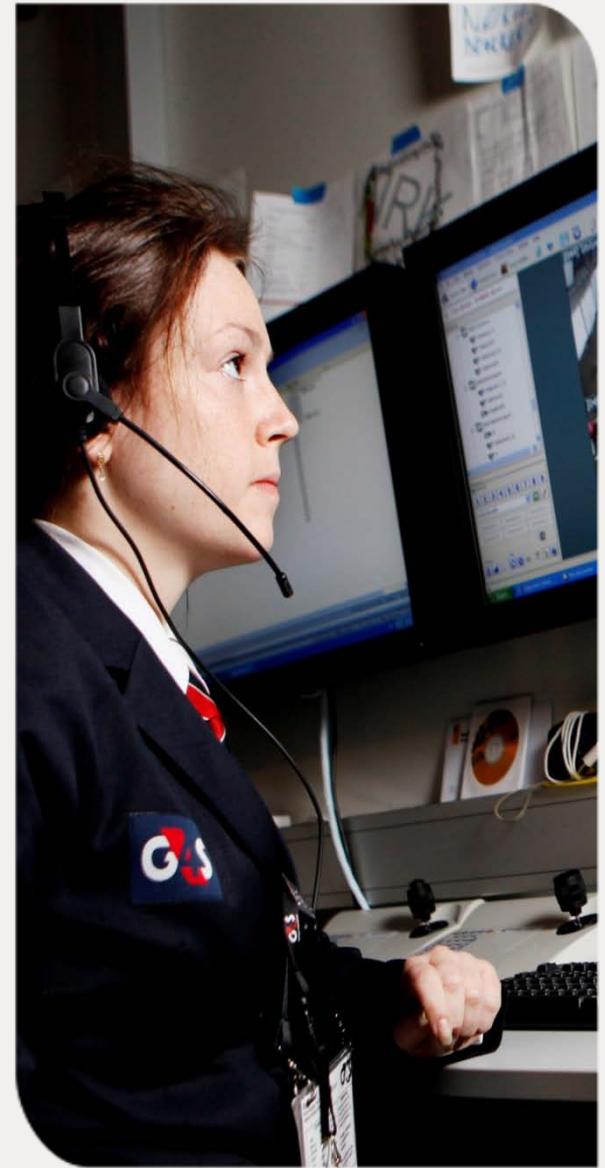
Board Review

Board Review underway

- Terms of reference:
 - Key deliverables
 - Shortfalls against deliverables
 - Execution issues and timings
 - Why failures were not identified in a more timely manner
 - Lessons learned
- Expect Board review of conclusions in second half of September



Strategy



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Key Business Objectives

Continued focus on business improvement

1) Focus on organic growth

- Further investment in Sectors and International Accounts
- Global product delivery frameworks for service consistency
- Roll-out of pipeline monitoring through salesforce.com

2) Focus on margins

- Undertaking review of procurement
- Overhead review to ensure appropriate to economic conditions
- Service excellence centres to focus on product gross margin improvement

3) Focus on organisational design

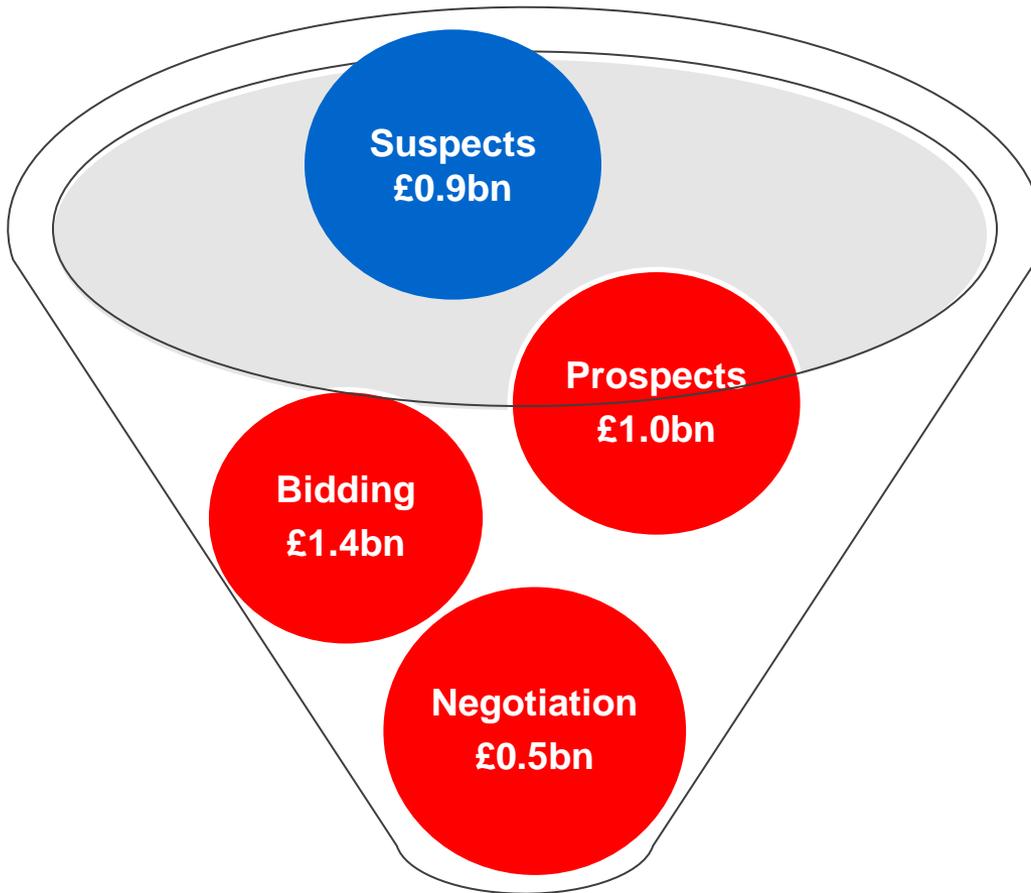
- Integration of cash solutions division into regional structure
- Organisational design review to ensure appropriate to current strategy
- Targeting requisite business unit design and overhead levels

4) Continued focus on cash generation

- Strong debtor control
- Capex to depreciation gap to narrow

Global Bidding Pipeline

Annual Contract Values



- **Total pipeline : £3.8bn per annum at 30 July 2012**
- Growth in pipeline outside of UK government – both underlying and via roll-out of salesforce.com
- UK Govt pipeline £565m v £760m at the Capital Markets Day:
 - Gov Pipeline H2 2012 - decisions expected on £275m (includes prison bids, monitoring and BCH police).
 - Gov Pipeline H1 2013 - £290m (includes another round of prisons)
 - Key differences are PIP (withdrew) and delays to Surrey/ West Mids Police

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Summary

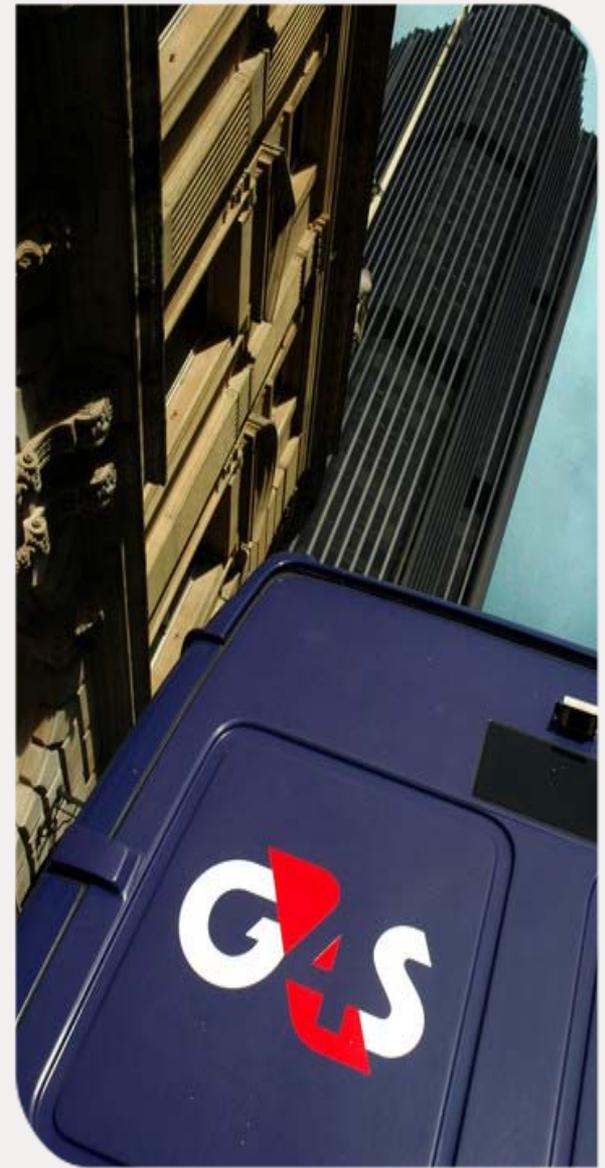
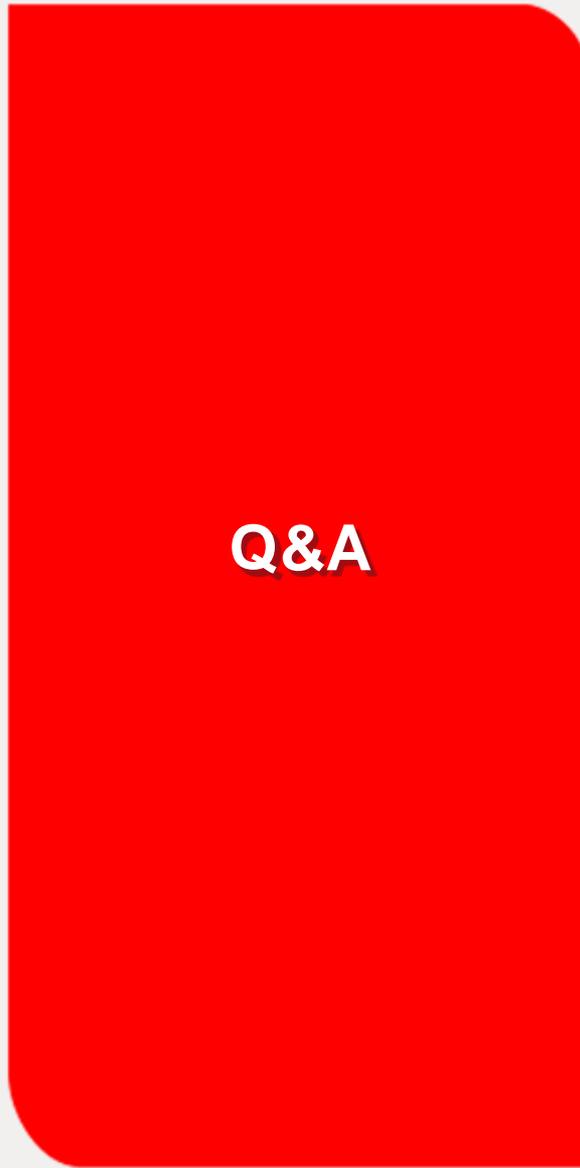


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Summary & Conclusions

- H1 results represent a good performance overall
- Disappointed not to be able to fully deliver on the Olympics contract
 - Provision of £50m in H1 2012
 - Full review is underway
- Expect to fully resource the Paralympics
- Organisation and overhead review will deliver significant cost savings in 2013 and investment in service line and sector expertise will help maintain margins and drive growth
- Continued strong performance from developing markets businesses
- Outsourcing trends continues to be key growth driver
- Expect positive momentum to continue due to market leadership, broad customer base and strong contract pipeline



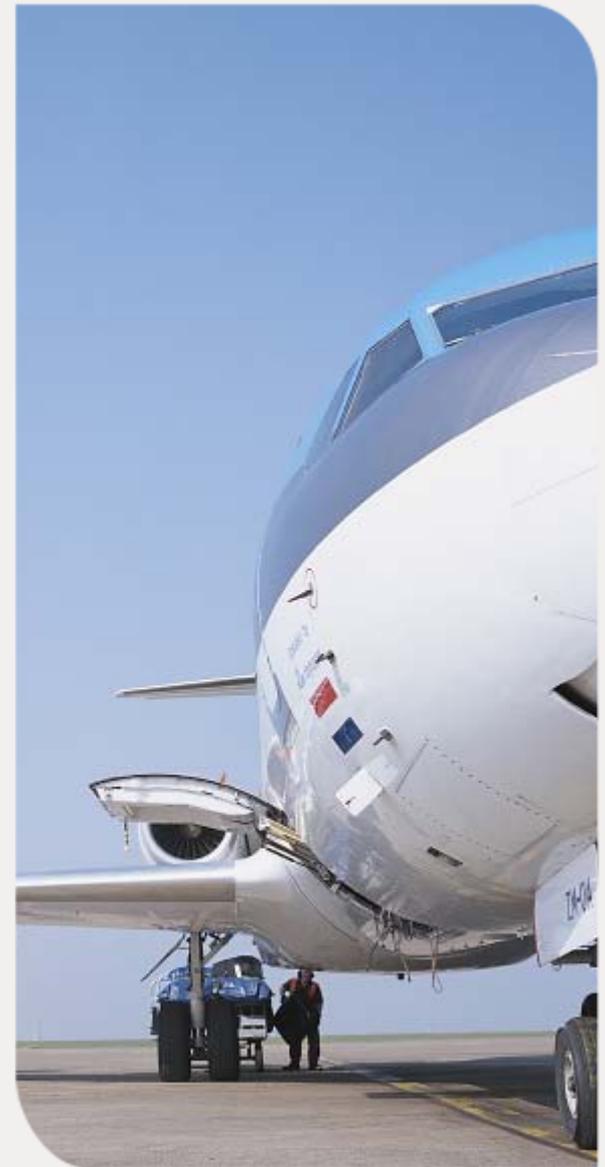
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G4S plc
Half Year Results

28 August 2012



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