Securing Your World

9 August 2017

G4S plc
Results for the six months ended 30 June 2017

G4S Chief Executive Officer Ashley Almanza said,

"In the first half of 2017 our continuing businesses[a] delivered revenue growth of 6.2% and earnings growth of 7.6%. We continue to invest in strengthening our sales operations and in new products and services for our customers and these investments have materially improved our sales pipeline which supports our medium term aim of growing revenues by an average of around 4-6% per annum. Our well established productivity programme provides increased confidence in the Group's ability to deliver recurring operating and financing efficiencies of £90 million to £100 million by 2020. We believe that this combination of investment, growth and productivity will deliver strong growth in the Group's earnings[a] and operating cash flow."

Operational and financial highlights:

- Sales pipeline: £7.0 billion annual contract value
- Revenue +6.2%[a] with growth across all regions except Middle East & India
- Operating cash flow[a,c] £192 million (2016: £277 million); weighted to H2 2017 in line with guidance
- Net debt to EBITDA improved to 2.7x (30 June 2016: 3.3x); expect 2.5x or lower by year end
- Continuing EPS 8.3p +7.8% (2016: 7.7p); statutory EPS 9.7p +115.6% (2016: 4.5p)
- Interim dividend 3.59p (2016: 3.59p)

Group results

	Continuing Businesses[a] Constant Rates			**Statutory Results[b] Actual Rates**		
	2017	2016	%	**2017**	2016	%
Revenue	**£3,715m**	£3,497m	+6.2	**£3,972m**	£3,532m	+12.5
PBITA	**£235m**	£222m	+5.9	**£237m**	£203m	+16.7
Earnings	**£128m**	£119m	+7.6	**£150m**	£69m	+117.4
Earnings Per Share	**8.3p**	7.7p	+7.8	**9.7p**	4.5p	+115.6
Operating Cash Flow[c]	**£192m**	£277m	-30.7	**£170m**	£273m	-37.7

[a] Results from continuing businesses, presented at constant exchange rates other than for operating cash flow, exclude results from businesses identified for sale or closure and onerous contracts. The basis of preparation of results of continuing businesses and an explanation of Alternative Performance Measures is on page 3.

[b] See page 19 for the basis of preparation of statutory results. Statutory earnings represent profit attributable to equity shareholders of G4S plc. Statutory operating cash flow is net cash flow from operating activities of continuing operations.

[c] Operating cash flow is stated after pension deficit contributions of £20 million (2016: £24 million) and 2016 amounts are presented at actual 2016 exchange rates. Operating cash flow from continuing businesses is reconciled to the Group movements in net debt on page 30.

G4S STRATEGY AND INVESTMENT PROPOSITION

G4S is the world's leading, global integrated security company, providing security and related services across six continents.

Our strategy addresses the positive, global demand outlook for security services and our enduring strategic aim is to demonstrate the values and performance that make G4S the company of choice for customers, employees and shareholders. We aim to do this by designing innovative solutions, by delivering outstanding service to our customers, by providing engaging and rewarding work for employees and by generating sustainable growth in returns for our shareholders. These aims are underpinned by the key programmes in our strategic plan:

- People and Values
- Growth and Innovation
- Customer Service Excellence
- Productivity and Operational Excellence
- Financial and Commercial Discipline

The Group has two business segments: Secure Solutions and Cash Solutions. Security and safety are critical to our success in both segments.

Secure Solutions: we design, market and deliver a wide range of security and related services and our global business provides valuable access to a highly diversified customer base in markets around the world. Our security services range from static manned security to highly sophisticated, integrated solutions. Our scale and focus on productivity supports our cost competitiveness and our sustained investment in professional staff, technology, software and systems enables us to provide valuable and integrated solutions for our customers.

Cash Solutions: we transport, process, recycle, securely store and manage cash and we provide secure international logistics for cash and valuables. We invest in technology and know-how and develop and sell proprietary cash management systems which combine skilled professionals with software, hardware and operational support in an integrated managed service. We operate around the globe, focussing on markets where we are able to build and sustain a material market share in our key service offerings.

G4S's investment proposition is to deliver sustainable growth in earnings, cash flows and dividends.

OUTLOOK

G4S Group Chief Executive Officer, Ashley Almanza, commented:

"We continued to make substantial progress with G4S's transformation and this provides increased confidence in the Group's prospects.

The scale and quality of our pipeline is materially improved and this, together with our on-going investment in sales operations and new products and services, provides stronger support for our organic growth plans. During the second half of 2017, our growth programme will focus on consolidating contract wins made over the past year and on converting attractive opportunities in our pipeline. We expect full year revenue growth in 2017 to be broadly in line with our medium term aim of 4-6% and we anticipate continued growth in 2018.

We have a well-established productivity programme which we believe will deliver recurring operating and financing efficiencies of £90 million to £100 million by 2020. Depending on the scale and quality of new organic growth opportunities, a portion of the productivity gains will be re-invested in growth.

We have a stronger balance sheet and with a continued focus on cash flow we are on track to reach net debt/EBITDA of 2.5x or lower by the year end.

We believe that the combination of investment, growth and productivity that underpins our plans will deliver strong growth in the Group's earnings[a] and operating cash flow."

BASIS OF PREPARATION

The Group applies the basis of preparation for its statutory results shown on page 19. As explained below, the Group makes use of Alternative Performance Measures (APMs) in the management of its operations and as a key component of its internal and external reporting.

G4S uses profit before interest, tax and amortisation ("PBITA") as a consistent measure of the Group's performance, excluding amortisation of acquisition-related intangible assets and specific and other separately disclosed items which the company believes should be disclosed separately by virtue of their size, nature or incidence. Further details regarding these items can be found in note 6 on page 22. Revenue, PBITA, operating cash flow[d], EPS for continuing (core) businesses and net debt to EBITDA are the financial Key Performance Indicators used by the Group in measuring progress against strategic objectives. PBITA, operating cash flow and EPS also form a significant element of performance measurement used in the determination of performance-related employee incentives. These APMs are not necessarily comparable with those used by other companies.

Since 2016, the Group has reported its results across three distinct components, in line with its strategy for managing the business:

- Continuing (core) businesses, which comprise the Group's on-going activities "Continuing businesses";
- Onerous contracts, which are being managed effectively to completion; and
- Portfolio businesses, which are being managed for sale or closure, as part of the portfolio rationalisation programme announced by the Group in November 2013.

Taken together, these three components constitute "continuing operations" under IFRS, as distinct from discontinued operations which, in accordance with IFRS 5, represent areas of the business which are being managed for sale or closure but which represent material business segments or entities. The Group now has minimal operations that meet the IFRS 5 definition of discontinued operations. The main APMs used by the Group for each component are reconciled with the Group's statutory results below.

Six months ended 30 June 2017 (at 2017 average exchange rates)

£m	Continuing businesses	Onerous contracts	Portfolio businesses[a]	Restructuring	Acquisition-related amortisation and other[e]	Statutory
Revenue	**3,715**	57	200			**3,972**
PBITA	**235**	-	2	-	-	**237**
Earnings	**128**	(4)	(1)	(11)	38	**150**
Operating cash flow[d]	**192**	(6)	(3)	(13)	-	**170**

Six months ended 30 June 2016 (at 2017 average exchange rates)

£m	Continuing businesses	Onerous contracts	Portfolio businesses[a]	Restructuring	Acquisition-related amortisation and other[e]	Adjusted statutory[c]
Revenue	**3,497**	55	338			**3,890**
PBITA	**222**	-	2	-	-	**224**
Earnings	**119**	1	(6)	(2)	(35)	**77**
Operating cash flow[b,d]	**277**	(3)	8	(9)	-	**273**

Six months ended 30 June 2016 (at 2016 average exchange rates)

£m	Continuing businesses	Onerous contracts	Portfolio businesses	Restructuring	Acquisition-related amortisation and other[e]	Statutory
Revenue	**3,177**	53	302			**3,532**
PBITA	**201**	-	2	-	-	**203**
Earnings	**104**	-	(4)	(2)	(29)	**69**
Operating cash flow[b,d]	**277**	(3)	8	(9)	-	**273**

[a] Portfolio businesses that remain part of the Group and have not yet been sold or closed contributed £85 million revenue (2016: £93 million) and £(4) million PBITA (2016: £(12) million).

[b] Operating cash flow for the six months ended 30 June 2016 is presented at 2016 actual exchange rates.

[c] The 'adjusted statutory' figures represent the comparative 2016 half year statutory results translated at 2017 average exchange rates (other than for operating cash flow) but should not be considered as or used in place of the Group's statutory results.

[d] Operating cash flow is stated after pension deficit contributions of £20 million (2016: £24 million). Operating cash flow from continuing businesses is reconciled to the Group movements in net debt on page 30.

[e] Other includes net specific items (excluding those presented within onerous contracts), net profit on disposal/closure of subsidiaries, the results of discontinued operations and, for June 2016, includes goodwill impairment. These amounts are presented net of any associated tax impacts, see page 8 for details.

BUSINESS REVIEW
RESULTS OF CONTINUING BUSINESSES BY REGION AND BUSINESS SERVICE

The following Business Review focuses primarily on the Group's continuing businesses, as these represent the Group's long-term operations, whereas onerous contracts and portfolio businesses do not form part of the Group's long-term plans. In addition, throughout the Business Review, to aid comparability, 2016 prior period results are presented on a constant currency basis by applying 2017 average exchange rates, unless otherwise stated.

Six months ended 30 June At 2017 average exchange rates	**Revenue 2017 £m**	Revenue 2016 £m	HoH %	Organic growth[a] %	**PBITA 2017 £m**	PBITA 2016 £m	HoH %
Africa	**228**	215	6.0%	6.0%	**24**	22	9.1%
Asia Pacific	**367**	357	2.8%	2.8%	**30**	26	15.4%
Latin America	**350**	335	4.5%	4.5%	**15**	13	15.4%
Middle East & India	**427**	463	(7.8)%	(7.8)%	**34**	45	(24.4)%
Emerging markets	**1,372**	1,370	0.1%	0.1%	**103**	106	(2.8)%
Europe	**654**	628	4.1%	4.1%	**48**	38	26.3%
North America	**1,040**	862	20.6%	20.5%	**57**	48	18.8%
UK & Ireland	**649**	637	1.9%	1.9%	**53**	51	3.9%
Developed markets	**2,343**	2,127	10.2%	10.1%	**158**	137	15.3%
Total Group before corporate costs	**3,715**	3,497	6.2%	6.2%	**261**	243	7.4%
Corporate costs					**(26)**	(21)	23.8%
Total Group	**3,715**	3,497	6.2%	6.2%	**235**	222	5.9%

[a]Organic growth is calculated based on revenue growth at 2017 average exchange rates, adjusted to exclude the impact of any acquisitions or disposals during the current or prior period.

AFRICA

Revenue growth across the Africa region was 6.0%, with growth in both secure solutions and cash solutions. Cash solutions revenue growth benefited from strong growth in retail solutions (Deposita, which uses technology and software to service the retail and banking sectors) and growth in cash volumes across the region.

PBITA increased by 9.1% reflecting the benefit of our service innovation and operational productivity programmes and our focus on turning around unprofitable and low margin contracts. New and renewed contracts won across the region include security, systems, manned security and risk management services work for multi-lateral agencies, financial institutions, technology companies and multinational customers.

The sales pipeline in Africa has diverse contract opportunities in sectors such as aviation, banking, government and oil and gas.

ASIA PACIFIC

Revenue growth in Asia Pacific was 2.8% and PBITA increased 15.4%, reflecting the benefits of our productivity programmes and a favourable revenue mix.

We secured new and renewed contracts across a broad range of sectors including financial services, retail cash solutions, consumer products and government services.

Our Asia Pacific sales pipeline is diversified by geographic market and customer segment focussed on cash management and care and justice services.

LATIN AMERICA

Our revenue growth across Latin America markets was 4.5%, with good revenue growth in Brazil, Argentina and Colombia.

We improved productivity across the region and increased the proportion of commercial market revenue (relative to government based revenue) and PBITA increased by 15.4%.

During the first six months, we won new contracts in manned security and cash solutions for the banking, retail, embassy and mining sectors.

Our sales pipeline for the Latin America region continues to develop well, with a number of multi-year manned security and facilities management opportunities for mining, aviation and financial services sectors.

MIDDLE EAST & INDIA

Revenue in the Middle East and India region was 7.8% down on the prior period as sustained lower oil prices weighed on the trading environment in the Gulf, whilst our business in India was adversely impacted by demonetisation and changes to regulatory institutions and processes. During the first six months the region renewed contracts for facilities management, manned security and cash solutions in the banking, commercial and government sectors.

PBITA was 24.4% lower across the region reflecting the decline in revenue. We expect market conditions to remain challenging through 2017 and we have accelerated our productivity programme whilst continuing to invest in sales and business development to convert our pipeline of attractive opportunities across a diverse range of sectors.

EUROPE

In Europe, our sustained investment in sales and business development and new solutions continued to produce results and revenues rose by 4.1% supported by growth in cash solutions, manned security, security systems and integrated solutions. PBITA rose by 26.3%, reflecting the compound benefits of revenue growth and productivity programmes.

We succeeded in winning new security contracts for aviation and retail customers, electronic monitoring equipment in France, systems security for infrastructure and cash management.

Our European pipeline has a large number of opportunities across a diversified range of customer segments.

NORTH AMERICA

In North America, our revenues grew by 20.6%, with both our cash solutions and secure solutions businesses producing good growth.

In cash solutions, our customer value proposition for retail and banking continues to attract strong interest and our pipeline provides an exciting opportunity for further growth. We have therefore continued to invest in solutions development and commercial and operational capacity to support this growth.

Our secure solutions business produced revenue growth of around 5% as our integrated security solutions continued to find traction in the market place. This rate of revenue growth was constrained as we continued to apply commercial discipline in those market locations facing tight labour conditions.

PBITA increased by 18.8%, helped by a favourable revenue mix and efficiency gains, partially offset by the cost of investing in capacity to support our growing integrated secure solutions and retail solutions businesses.

Key contract wins include a new retail cash solutions contract for over 640 stores for a major US retailer, the renewal of an aviation contract in Canada for a further five years, renewal of a major utility contract and a new contract for a large social media network.

We have a strong contract pipeline with opportunities across diverse sectors including energy, retail, finance, healthcare and data centres.

UK & IRELAND

Revenue in the UK & Ireland grew by 1.9% with growth in security systems and new cash solutions contracts. PBITA was 3.9% higher reflecting the benefit of our on-going productivity programmes and growth in our facilities management, security and secure transportation services.

New contracts won include electronic monitoring equipment, facilities management and integrated security solutions contracts in healthcare and the utilities sector. We renewed the Group's largest cash solutions contract with a major financial institution. The UK & Ireland bidding pipeline is broad-based and has been growing in specific Government segments, manned security and security systems.

CORPORATE COSTS

Corporate costs comprise the costs of the G4S plc Board and the central costs of running the Group including executive, governance and central support functions and have increased compared with the prior period primarily due to increased insurance costs and a higher charge for share-based payments as a result of the increase in the Group's share price.

RESULTS OF CONTINUING BUSINESSES BY SERVICE LINE

Secure Solutions At 2017 average exchange rates	**Revenue 2017 £m**	Revenue 2016 £m	HoH %	**PBITA 2017 £m**	PBITA 2016 £m	HoH %
Emerging markets	**1,174**	1,156	1.6%	**74**	77	(3.9)%
Developed markets	**1,904**	1,834	3.8%	**107**	101	5.9%
Total	**3,078**	2,990	2.9%	**181**	178	1.7%

Our services range from entry level offerings to highly sophisticated, integrated systems and solutions. We have increased our investment in resources which enable us to innovate and apply technology in the design and delivery of integrated solutions for our customers and this is reflected in the increasing share of revenue from these solutions.

Overall, the secure solutions businesses delivered 2.9% growth in revenue and 1.7% growth in PBITA.

PBITA growth in developed markets reflected on-going delivery of the benefits of earlier restructuring programmes. These productivity initiatives are at a later stage of implementation than in our emerging markets.

Cash Solutions At 2017 average exchange rates	**Revenue 2017 £m**	Revenue 2016 £m	HoH %	**PBITA 2017 £m**	PBITA 2016 £m	HoH %
Emerging markets	**198**	214	(7.5)%	**29**	29	0.0%
Developed markets	**439**	293	49.8%	**51**	36	41.7%
Total	**637**	507	25.6%	**80**	65	23.1%

Overall cash solutions grew 25.6% in revenues and PBITA rose by 23.1%.

The overall growth in revenue and profit was driven by increased volume particularly in North America with a strong performance from retail solutions and solid growth across the other developed cash solutions markets. The strong growth in PBITA in our developed markets reflects improvements in productivity and the systematic restructuring and productivity programmes which have been implemented over the past three years, partially offset by investment in sales and business development for retail solutions.

In our emerging markets, revenues decreased by 7.5% as a result of the impact of adverse macro-economic, market and trading conditions in the Middle East and India. The new services and productivity programmes which are delivering positive results in developed markets are now being rolled out in our emerging markets and we have started to see the benefit of them in Africa and Latin America.

Summary results of continuing businesses

At June 2017 average exchange rates	**June 2017 £m**	June 2016 £m	HoH
Revenue	**3,715**	3,497	6.2%
Profit before interest, tax and amortisation (PBITA)	**235**	222	5.9%
Interest	**(54)**	(49)	10.2%
Profit before tax[a]	**181**	173	4.6%
Tax	**(43)**	(42)	2.4%
Profit after tax[a]	**138**	131	5.3%
Non-controlling interests	**(10)**	(12)	(16.7)%
Earnings (profit attributable to equity holders of the parent)	**128**	119	7.6%
EPS	**8.3p**	7.7p	7.8%
Operating cash flow[b]	**192**	277	(30.7)%

[a] A reconciliation of profit before tax, profit after tax and the main APMs for continuing businesses with the Group's statutory results is included on page 3.
[b] Operating cash flow for 2016 is shown at actual 2016 exchange rates.

Revenue
At £1.4 billion, emerging markets revenue was in line with the same period last year, with growth in Africa, Asia Pacific and Latin America offset by declines in the Middle East and India. Emerging markets represent 37% of Group revenue (2016: 39%). Developed markets revenues were 10.2% higher than the prior period with 20.6% growth in North America, 4.1% in Europe and 1.9% in UK & Ireland.

PBITA
PBITA of continuing businesses of £235 million (2016: £222 million) was up 5.9%. This growth reflects the strong performance of the Group in developed markets, improved product mix and the results of our on-going productivity programmes, partially offset by the weakness in the Middle East and India.

Interest
Net interest payable on net debt from continuing businesses was £48 million (2016: £44 million). The increase in costs was primarily due to a temporary increase in gross borrowings (matched by an increase in cash balances) following the issuance of a €500m bond in November 2016 that was mainly used to re-finance the March and May 2017 debt maturities. The pension interest charge was £6 million (2016: £5 million), resulting in a total interest cost of £54 million (2016: £49 million).

Tax
A tax charge of £43 million (2016: £42 million) was incurred on the profits of continuing businesses of £181 million (2016: £173 million) which represents an effective tax rate of 24% (2016: 24%). The Group recognised a statutory tax charge of £54 million (2016: £34 million) on the Group's statutory profit before tax of £218 million (2016: £115 million) which represents an effective rate of 25% (2016: 30%).

The difference between the effective rate on the Group's statutory profit and on the profits of continuing businesses is due primarily to profits on business disposals being taxed at rates higher than in the UK and relief for losses on businesses which are in the process of being sold or wound down.

The Group's effective tax rate relating to continuing businesses is a function of the geographic mix of its taxable profits and the respective country tax rates. The geographic mix of profits can, in turn, be impacted by fluctuations in foreign exchange rates.

In December 2016, as part of its response to the OECD's Base Erosion and Profit Shifting recommendations, the UK Government released draft legislation in respect of new rules to: (i) restrict the deductibility of net interest costs to a percentage of EBITDA and (ii) restrict the amount of taxable profits available to offset against carried forward tax losses to 50% of the available profits. As at 30 June 2017, these legislative changes have not been substantively enacted. Management is monitoring the progress of this legislation and assessing its possible impact on the Group, which may result in a modest increase in the future effective tax rate on profits of continuing businesses.

Profit for the period – continuing businesses
The Group generated profit from continuing businesses attributable to equity holders ('continuing earnings') of £128 million (2016: £119 million), an increase of 7.6% for the six months ended 30 June 2017.

Earnings per share – continuing businesses
Earnings per share from continuing businesses increased to 8.3p (2016: 7.7p), based on the weighted average of 1,548 million (2016: 1,545 million) shares in issue. A reconciliation of profit for the period from continuing businesses to EPS is provided below:

Earnings per share – continuing businesses

	2017 £m	2016 at constant exchange rates £m	2016 at actual exchange rates £m
Profit for the period	**138**	131	115
Non-controlling interests	**(10)**	(12)	(11)
Profit attributable to shareholders (earnings)	**128**	119	104
Average number of shares (m)	**1,548**	1,545	1,545
Earnings per share – continuing businesses	**8.3p**	7.7p	6.7p

Onerous contracts
The Group's onerous contracts generated revenues of £57 million (2016: £55 million) for the six months ended 30 June 2017. The Group recognised additional provisions of £5 million related to the anticipated increase of delivery costs in respect of one of its contracts.

Portfolio businesses
The Group made further progress with its portfolio management programme. This programme has greatly improved the Group's strategic focus and has also realised £503 million in disposal proceeds in relation to the 35 businesses sold to date. This includes the disposal of the Group's businesses in Israel and Bulgaria, the Group's cash business in Peru, the US Youth Services business and the UK children's homes business since January 2017, generating gross proceeds of £158 million.

Restructuring
The Group invested £14 million (2016: £3 million) in restructuring programmes in the first six months of the year, as part of the multi-year strategic productivity programme which is being implemented across the Group. In addition, the Group incurred non-strategic severance costs of £4 million (2016: £3 million) which are included within PBITA of continuing businesses.

Acquisition-related amortisation and other items

	2017 £m	2016 at constant exchange rates £m	2016 at actual exchange rates £m
Acquisition-related amortisation	**6**	19	18
Goodwill impairment	**-**	9	9
Net specific items	**6**	4	2
Net (profit)/loss on disposal/closure of subsidiaries	**(68)**	4	3
Tax effect of above	**14**	(3)	(4)
Loss from discontinued operations	**4**	2	1
Total acquisition-related amortisation and other items	**(38)**	35	29

Acquisition-related amortisation
Acquisition-related amortisation of £6 million (2016: £19 million) is lower than the prior period as certain intangible assets recognised on a number of legacy acquisitions became fully amortised in 2016.

Net specific items
Specific items charge of £6 million (2016: net charge of £4 million), related to the estimated cost of settlement of subcontractor claims from commercial disputes in relation to prior years.

Profit on disposal/closure of subsidiaries
As part of the on-going portfolio programme, the Group realised a net profit on disposal of subsidiaries of £68 million (2016: £4 million loss) relating to the disposal of a number of the Group's operations including the Group's businesses in Israel and Bulgaria, the US Youth Services business, the UK children's homes business and the Group's cash business in Peru.

Profit for the period – statutory at actual historical exchange rates
The Group reported statutory earnings of £150 million (2016: £69 million) which includes the benefits of improved operating profit and the profit on disposal of subsidiaries.

Earnings per share – statutory at actual historical exchange rates
Statutory earnings per share[a] increased to 9.7p (2016: 4.5p), based on the weighted average number of shares in issue of 1,548 million (2016: 1,545 million). A reconciliation of the Group's statutory profit for the period to EPS is provided below:

	Earnings per share		
	2017	2016 at constant exchange rates	2016 at actual exchange rates
	£m	£m	£m
Profit for the period	**160**	89	80
Non-controlling interests	**(10)**	(12)	(11)
Profit attributable to shareholders (earnings)	**150**	77	69
Average number of shares (m)	**1,548**	1,545	1,545
Statutory earnings per share	**9.7p**	5.0p	4.5p

[a] Basis of preparation of statutory results is shown on page 19.

Cash flow, capital expenditure and portfolio management
Operating cash flow from continuing businesses decreased to £192 million (2016: £277 million). Operating cash flow in the first half of 2016 was particularly strong reflecting the beneficial impact of better terms and conditions negotiated with a large number of suppliers and the recovery of weak cash flow performance at the end of 2015. In line with previous guidance, the Group has now reverted to its customary cash flow seasonality with an anticipated weighting of operating cash generation to the second half of the year.

The Group invested a net £43 million (2016: £46 million) in capital expenditure and received net proceeds of £151 million (2016: £32 million) from the disposal of businesses. The Group made no significant acquisitions in the period.

Net cash inflow after investing in the business and proceeds from portfolio rationalisation was £266 million (2016: £246 million). The Group's net cash flow after investing in the business, financing, tax, dividends and pensions was £58 million (2016: £59 million).

Net debt
Net debt as at 30 June 2017 was £1,607 million (30 June 2016: £1,782 million). The Group's net debt to EBITDA ratio was 2.7x (30 June 2016: 3.3x).

The detailed reconciliation of movements in net debt is provided on page 30 and is reconciled to the statutory cash flow on page 31. The Group continues to be strongly focussed on cash generation and expects the full year cash conversion rate to be within the normal range of 100-125%. The Group's current business plan and performance supports a net debt/EBITDA, as calculated on page 31, of 2.5x or lower by the end of 2017.

Pension deficit
The Group's net defined benefit pension deficit for accounting purposes at 30 June 2017 recognised in the consolidated statement of financial position was £486 million (31 December 2016: £437 million), or £410 million (2016: £368 million) net of applicable tax in the relevant jurisdictions. The increase in the net deficit is predominantly a result of the decrease in the scheme's asset values only being partially offset by a decrease in scheme obligations arising from a reduction in the inflation rate assumptions.

Credit facilities

In May 2017, the Group's credit rating was re-affirmed by Standard & Poor's as BBB- (negative). As at 30 June 2017 the Group had liquidity of £1,479 million including cash, cash equivalents and bank overdrafts of £549 million and unutilised but committed facilities of £930 million. The Group issued a €500 million Eurobond in June 2017 which matures in June 2024 and pays an annual coupon of 1.5%.

The next debt maturities are £44 million and $224 million US Private Placement notes due in July 2018 and a €500 million Eurobond due in December 2018. The Group has good access to capital markets and a diverse range of finance providers. Borrowings are principally in pounds sterling, US dollars and euros reflecting the geographies of significant operational assets and earnings.

The Group's main sources of finance and their applicable rates as of 30 June 2017 are set out below:

Debt instrument/ Year of issue	Nominal amount[a]	Issued interest rate	Post hedging avg interest rate	Year of redemption and amounts (£m)[b]							
				2018	2019	2020	2021	2022	2023	2024	Total
US PP 2008	£44m	7.56%	6.49%	44							**44**
US PP 2007	US$250m	5.96% - 6.06%	2.02%		111			81			**192**
US PP 2008	US$298.5m	6.78% - 6.88%	6.90%	159		57					**216**
Public Bond 2012	€500m	2.63%	2.63%	415							**415**
Public Bond 2009	£350m	7.75%	7.75%		350						**350**
Public Bond 2016	€500m	1.5%	2.24%						445		**445**
Public Bond 2017	€500m	1.5%	3.23%							433	**433**
Revolving Credit Facility 2015	£1bn (multi-currency)	0.95%	0.95%				3	67			**70**
				618	**461**	**57**	**3**	**148**	**445**	**433**	**2,165**

[a] Nominal debt amount, for fair value carrying amount see note 19.
[b] Exchange rates at 30 June 2017 or hedged exchange rates where applicable.

£964 million of the original £1 billion multi-currency revolving credit facility matures in January 2022 with the remainder maturing in January 2021. As at 30 June 2017 there were £70 million of drawings from the facility.

The Group's average cost of gross borrowings in the first six months of 2017, net of interest hedging, was 3.7% (2016: 4.1%).

Significant exchange rates applicable to the Group

The Group derives a significant proportion of its revenue and profits in the following currencies. Closing and average rates for these currencies are shown below:

	30 June 2017 Closing rates	Six months to 30 June 2017 Average rates	Year to 31 December 2016 Average rates
£/US$	**1.3008**	**1.2674**	**1.3558**
£/€	**1.1397**	**1.1664**	**1.2265**
£/South Africa Rand	**16.9832**	**16.8856**	**19.8742**
£/India Rupee	**84.0547**	**83.2264**	**91.0371**
£/Israel Shekel	**4.5379**	**4.6181**	**5.1912**
£/Brazil Real	**4.3010**	**4.0370**	**4.7252**

If June 2017 closing rates were applied to the results for the six months to 30 June 2017, revenue from continuing businesses would have decreased by 1.1% to £3,675 million (for six months ended 30 June 2016: increased by 9.0% to £3,462 million) and PBITA from continuing businesses would have decreased by 0.9% to £233 million (for six months ended 30 June 2016: increased by 9.5% to £220 million).

Dividend

The Board has declared an interim dividend of 3.59p per share (DKK 0.2948) in line with the prior period.

Risk and uncertainties

A discussion of the Group's risk assessment and control processes and the principal risks and uncertainties that could affect the business activities or financial results is detailed on pages 50 to 55 of the company's Integrated Report and Accounts for the financial year ended 31 December 2016, a copy of which is available on the Group's website at www.g4s.com.

These risks and uncertainties include, but are not limited to, culture and values, health and safety, people, major contracts, laws and regulations, growth strategy, geo-political, cash losses and information security. The business risks and uncertainties are expected to remain materially the same as outlined in the 2016 Integrated Report and Accounts during the remaining six months of the financial year.

The Group operates mainly within national boundaries and is typically subject to security-licensing regulations in each territory, and is relatively well positioned with around 80% of revenues outside the UK and minimal cross-border trading.

Depending on the nature of the terms of the UK's exit from the EU around the free movement of capital and labour, this could result in a shortage of skills or workforce availability in the UK market. In addition, it is not yet clear if or how key employment laws would change once the UK is no longer a member of the EU. The terms of the UK's exit from the EU remain uncertain and could also affect a range of business factors and conditions including regulation and taxation.

It is also possible that the continuing period of uncertainty lowers economic growth in both the UK and Europe which could affect both our customers and our competitors. The Group will continue to monitor closely developments on the decision to exit the EU as part of its risk management and governance framework.

Directors' responsibility statement in respect of the results for the six months ended 30 June 2017

We confirm that to the best of our knowledge:

- the condensed consolidated set of interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* as adopted by the European Union;
- the half-yearly report includes a fair review of the information required by:

  (a) DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  (b) DTR 4.2.8R of the *Disclosure and Transparency* Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

A list of the directors is available on the company's website www.g4s.com.

The responsibility statement is signed on behalf of the Board by:

Tim Weller
Group Chief Financial Officer
9 August 2017

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed G4S plc's condensed consolidated interim financial statements for the six month period ended 30 June 2017 (the "interim financial statements") in the results for the six months ended 30 June 2017 ("2017 half-yearly results") of G4S plc. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the consolidated statement of financial position at 30 June 2017;
- the consolidated income statement for the period then ended;
- the consolidated statement of comprehensive income for the period then ended;
- the consolidated statement of changes in equity for the period then ended;
- the consolidated statement of cash flows for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the 2017 half-yearly results have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the condensed consolidated interim financial statements and the review

Our responsibilities and those of the directors

The 2017 half-yearly results, including the interim financial statements, are the responsibility of, and have been approved by, the directors. The directors are responsible for preparing the 2017 half-yearly results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the 2017 half-yearly results based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of condensed consolidated financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the 2017 half-yearly results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London
9 August 2017

Consolidated income statement (unaudited)

Continuing operations	Notes	Six months ended 30 June 2017 £m	Six months ended 30 June 2016 £m	Year ended 31 Dec 2016 £m
Revenue	5	**3,972**	3,532	7,590
Operating profit before joint ventures, specific items and other separately disclosed items		**233**	198	452
Share of post-tax profit from joint ventures		**4**	5	9
Profit before interest, tax and amortisation (PBITA)	*5*	**237**	203	461
Specific items – charges	*6*	**(11)**	(5)	(21)
Specific items – credits	*6*	**-**	3	8
Restructuring costs	*6*	**(14)**	(3)	(12)
Profit/(loss) on disposal/closure of subsidiaries	*6*	**68**	(3)	7
Goodwill impairment	*6*	**-**	(9)	(9)
Acquisition-related amortisation	*6*	**(6)**	(18)	(32)
Operating profit	*6*	**274**	168	402
Finance income	*9*	**10**	13	33
Finance expense	*9*	**(66)**	(66)	(139)
Profit before tax		**218**	115	296
Tax	*10*	**(54)**	(34)	(76)
Profit from continuing operations after tax		**164**	81	220
Loss from discontinued operations		**(4)**	(1)	(3)
Profit for the period		**160**	80	217
Attributable to:				
Equity holders of the parent		**150**	69	198
Non-controlling interests		**10**	11	19
Profit for the period		**160**	80	217
Earnings per share attributable to equity shareholders of the parent	*12*			
Basic and diluted – from continuing operations		**9.9p**	4.5p	13.0p
Basic and diluted – from continuing and discontinued operations		**9.7p**	4.5p	12.8p
Dividends declared and proposed in respect of the period				
Interim dividend		**55**	55	55
Final dividend		**-**	-	90
Total dividend	*11*	**55**	55	145

Consolidated statement of comprehensive income (unaudited)

	Six months ended 30 June 2017 £m	Six months ended 30 June 2016 £m	Year ended 31 Dec 2016 £m
Profit for the period	**160**	80	217
Other comprehensive income			
Items that will not be re-classified to profit or loss:			
Re-measurements on defined retirement benefit schemes	**(67)**	(98)	(169)
Tax on items that will not be re-classified to profit or loss	**11**	17	28
	(56)	(81)	(141)
Items that are or may be re-classified subsequently to profit or loss:			
Exchange differences on translation of foreign operations and changes in fair value of cash flow hedging financial instruments	**(44)**	160	228
Tax on items that are or may be re-classified subsequently to profit or loss	**-**	(4)	22
	(44)	156	250
Other comprehensive (loss)/income, net of tax	**(100)**	75	109
Total comprehensive income for the period	**60**	155	326
Attributable to:			
Equity holders of the parent	**51**	141	305
Non-controlling interests	**9**	14	21
Total comprehensive income for the period	**60**	155	326

Consolidated statement of changes in equity (unaudited)

	Attributable to equity holders of the parent						
	Share capital 2017 £m	**Share premium 2017 £m**	**Retained earnings 2017 £m**	**Other reserves 2017 £m**	**Total 2017 £m**	**NCI reserve 2017 £m**	**Total Equity 2017 £m**
At 1 January 2017	**388**	**258**	**(260)**	**456**	**842**	**21**	**863**
Total comprehensive income/(loss)	**-**	**-**	**95**	**(44)**	**51**	**9**	**60**
Dividends paid	**-**	**-**	**(90)**	**-**	**(90)**	**(13)**	**(103)**
Transactions with non-controlling interests	**-**	**-**	**(15)**	**-**	**(15)**	**2**	**(13)**
Recycling of net investment hedge	**-**	**-**	**-**	**24**	**24**	**-**	**24**
Recycling of cumulative translation adjustments	**-**	**-**	**-**	**(42)**	**(42)**	**-**	**(42)**
Own shares awarded	**-**	**-**	**(11)**	**11**	**-**	**-**	**-**
Own shares purchased	**-**	**-**	**-**	**(7)**	**(7)**	**-**	**(7)**
Share-based payments	**-**	**-**	**4**	**-**	**4**	**-**	**4**
At 30 June 2017	**388**	**258**	**(277)**	**398**	**767**	**19**	**786**

	Attributable to equity holders of the parent						
	Share capital 2016 £m	Share premium 2016 £m	Retained earnings 2016 £m	Other reserves 2016 £m	Total 2016 £m	NCI reserve 2016 £m	Total Equity 2016 £m
At 1 January 2016	388	258	(174)	201	673	18	691
Total comprehensive (loss)/income	-	-	(15)	156	141	14	155
Dividends paid	-	-	(90)	-	(90)	(9)	(99)
Transactions with non-controlling interests	-	-	1	-	1	(2)	(1)
Share-based payments	-	-	4	-	4	-	4
At 30 June 2016	388	258	(274)	357	729	21	750

	Attributable to equity holders of the parent						
	Share capital 2016 £m	Share premium 2016 £m	Retained earnings 2016 £m	Other reserves 2016 £m	Total 2016 £m	NCI reserve 2016 £m	Total Equity 2016 £m
At 1 January 2016	388	258	(174)	201	673	18	691
Total comprehensive income	-	-	55	250	305	21	326
Dividends paid	-	-	(145)	-	(145)	(17)	(162)
Transactions with non-controlling interests	-	-	(1)	-	(1)	(1)	(2)
Own shares awarded	-	-	(5)	5	-	-	-
Share-based payments	-	-	10	-	10	-	10
At 31 December 2016	388	258	(260)	456	842	21	863

Consolidated statement of financial position (unaudited)

	Notes	**As at 30 June 2017 £m**	As at 30 June 2016* £m	As at 31 Dec 2016* £m
ASSETS				
Non-current assets				
Goodwill		**1,952**	1,913	1,990
Other acquisition-related intangible assets		**12**	32	18
Other intangible assets		**84**	80	86
Property, plant and equipment		**412**	432	437
Trade and other receivables		**122**	86	101
Investment in joint ventures and other investments		**22**	19	19
Retirement benefit surplus	*15*	**60**	87	75
Deferred tax assets	*10*	**274**	201	285
		2,938	2,850	3,011
Current assets				
Inventories		**102**	97	112
Investments	*17*	**78**	59	64
Trade and other receivables		**1,428**	1,408	1,442
Cash and cash equivalents	*14,17*	**827**	893	831
Assets of disposal groups classified as held for sale	*13*	**15**	206	151
		2,450	2,663	2,600
Total assets		**5,388**	5,513	5,611
LIABILITIES				
Current liabilities				
Bank overdrafts	*14,17*	**(216)**	(62)	(93)
Bank loans	*17*	**(14)**	(15)	(16)
Loan notes	*17*	**-**	(677)	(677)
Obligations under finance leases	*17*	**(15)**	(16)	(20)
Trade and other payables		**(1,203)**	(1,155)	(1,260)
Current tax liabilities	*10*	**(73)**	(35)	(64)
Provisions	*16*	**(91)**	(90)	(116)
Liabilities of disposal groups classified as held for sale	*13*	**(11)**	(95)	(58)
		(1,623)	(2,145)	(2,304)
Non-current liabilities				
Bank loans	*17*	**(74)**	(666)	(4)
Loan notes	*17*	**(2,144)**	(1,256)	(1,715)
Obligations under finance leases	*17*	**(33)**	(43)	(37)
Trade and other payables		**(29)**	(58)	(30)
Retirement benefit obligations	*15*	**(546)**	(459)	(512)
Provisions	*16*	**(143)**	(128)	(132)
Deferred tax liabilities	*10*	**(10)**	(8)	(14)
		(2,979)	(2,618)	(2,444)
Total liabilities		**(4,602)**	(4,763)	(4,748)
Net assets		**786**	750	863
EQUITY				
Share capital		**388**	388	388
Share premium		**258**	258	258
Reserves		**121**	83	196
Equity attributable to equity holders of the parent		**767**	729	842
Non-controlling interests		**19**	21	21
Total equity		**786**	750	863

***The consolidated statements of financial position as at 30 June 2016 and 31 December 2016 have been re-presented – see note 1.**

Consolidated statement of cash flows (unaudited)

	Six months ended 30 June 2017 £m	Six months ended 30 June 2016 £m	Year ended 31 Dec 2016 £m
Operating profit	**274**	168	402
Adjustments for non-cash and other items (see note 18)	**(21)**	52	126
Decrease/(increase) in inventory	**7**	2	(5)
Increase in accounts receivable	**(52)**	(5)	(9)
(Decrease)/increase in accounts payable	**(38)**	56	101
Net cash flow from operating activities of continuing operations (see note 18)	**170**	273	615
Net cash flow from operating activities of discontinued operations	**-**	(6)	(9)
Cash generated by operations	**170**	267	606
Tax paid	**(41)**	(36)	(84)
Net cash flow from operating activities	**129**	231	522
Investing activities			
Purchases of non-current assets	**(44)**	(47)	(116)
Proceeds on disposal of property, plant and equipment	**1**	1	9
Disposal of subsidiaries	**151**	32	82
Cash, cash equivalents and bank overdrafts in disposed entities	**(8)**	(13)	(20)
Acquisition of subsidiaries	**-**	-	(1)
Interest received	**7**	4	14
(Purchase)/sale of investments	**(17)**	13	6
Cash flow from equity accounted investments	**4**	4	8
Net cash generated by/(used in) investing activities	**94**	(6)	(18)
Financing activities			
Dividends paid to equity shareholders of the parent	**(90)**	(90)	(145)
Dividends paid to non-controlling interests	**(13)**	(9)	(17)
Purchase of own shares	**(7)**	-	-
Net (decrease)/increase in borrowings	**(161)**	327	(11)
Net interest received relating to derivative financial instruments	**22**	21	22
Interest paid	**(77)**	(73)	(132)
Repayment of obligations under finance leases	**(10)**	(13)	(22)
Transactions with non-controlling interests	**(13)**	(2)	(2)
Net cash flow from financing activities	**(349)**	161	(307)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	**(126)**	386	197
Cash, cash equivalents and bank overdrafts at the beginning of the period	**672**	388	388
Effect of foreign exchange rate fluctuations on net cash held	**3**	(12)	87
Cash, cash equivalents and bank overdrafts at the end of the period	**549**	762	672

Notes to the half-yearly results announcement (continued)

1) Basis of preparation and accounting policies

These condensed interim financial statements comprise the unaudited consolidated results of G4S plc ("the Group") for the six months ended 30 June 2017. These results and the comparatives for the six months ended 30 June 2016 and for the year ended 31 December 2016 do not comprise statutory accounts and should be read in conjunction with the Integrated Report and Accounts 2016, which is available at www.g4s.com. The Integrated Report and Accounts 2016 was reported on by the company's auditor and delivered to the Registrar of Companies. The report of the auditor was (i) unqualified, (ii) did not contain a reference to any matters to which the auditor drew attention by emphasis of matter without qualifying their report, and (iii) did not contain any statement under section 498 (2) or (3) of the Companies Act 2006.

The financial information in these condensed financial statements for the half year to 30 June 2017 has been reviewed but not audited by PricewaterhouseCoopers LLP, the company's auditor.

The condensed consolidated financial statements of the Group presented in this half-yearly results announcement have been prepared in accordance with IAS 34 – Interim Financial Reporting, as adopted by the European Union, and with the Disclosure and Transparency Rules of the Financial Services Authority.

The accounting policies applied are the same as those set out in the Group's Integrated Report and Accounts 2016.

The consolidated statement of financial position at 30 June 2016 has been re-presented to show (i) the impact of the inclusion of cash and cash equivalents and overdrafts, of £94m and £12m respectively, in respect of customer cash processing (see note 14) and (ii) the re-classification of certain items within cash and cash equivalents of £19m as trading investments. As a consequence of the above changes in presentation, cash and cash equivalents at 30 June 2016 have increased from £818m to £893m, overdrafts have increased from £50m to £62m and trading investments have increased from £40m to £59m.

The consolidated statement of financial position at 30 June 2016 has also been re-presented to show the re-classification of £652m of loan notes from non-current to current liabilities to reflect more appropriately the maturity of those liabilities.

The consolidated statement of financial position at 31 December 2016 has been re-presented to show the re-classification of certain items within cash and cash equivalents of £20m as trading investments. As a consequence of this change in presentation, cash and cash equivalents at 31 December 2016 have decreased from £851m to £831m, and trading investments have increased from £44m to £64m.

The Group has prepared the half-yearly financial statements on a going concern basis.

2) Specific items and other separately disclosed items

The Group's consolidated income statement and segmental analysis note separately identify results before specific items. Specific items are those that in management's judgement need to be disclosed separately in arriving at operating profit by virtue of their size, nature or incidence. The associated tax impact of specific items is recorded within the tax charge. In determining whether an event or transaction is specific, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence.

Contract losses included within specific items arise from the recognition of material future losses, net of the release of any surplus provisions. In general, provisions recognised for future losses are charged to the consolidated income statement within PBITA. Where onerous contract provisions are material by virtue of their size, they are separately charged within specific items. Such losses are distinct from "in-year" losses, which are utilised against provisions for onerous contract losses.

Specific items may not be comparable to similarly-titled measures used by other companies.

In order to provide further clarity in the consolidated income statement, the Group also discloses separately restructuring costs, profits or losses on disposal or closure of subsidiaries, acquisition-related amortisation and expenses and goodwill impairment.

Restructuring costs that are separately disclosed reflect the multi-year efficiency programme which is being implemented by the Group. This programme is of a strategic nature and, as such, is monitored and approved by the Group's executive committee. During 2016 and 2017 activities under the programme have focused primarily on transforming the operating model in the regions of UK & Ireland and Europe. Restructuring costs that are incurred in the normal course of business are recorded within PBITA.

3) Adoption of new and revised accounting standards and interpretations

The Group has not early-adopted any standard, amendment or interpretation. A number of new standards, amendments to standards and interpretations have been announced but are subject to EU endorsement and are not yet effective for the six months ended 30 June 2017. The directors are currently evaluating the impact of these new standards on the Group accounts:

- Amendments to IFRS10, IFRS 12 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IFRS10 and IAS 28 – Investment entities applying the consolidation exemption
- IFRS 2 amendments – Clarifying share-based payment transactions
- IAS 7 amendments – Disclosure initiative
- IAS 12 amendments – Recognition of deferred tax assets for unrealised losses
- IFRS 9 – Financial Instruments

The Group continues to assess the potential impact of IFRS 15 – Revenue from Contracts with Customers on its consolidated financial statements and will adopt the standard from its effective date for the year ended 31 December 2018. IFRS 15 is likely to impact the timing of recognition of income in respect of certain long-term Facilities Management contracts and likewise in respect of certain large, complex alarm and other technology-related contracts.

In addition, the Group continues to assess the impact of adopting IFRS 16 – Leases, which will be effective for the Group's financial year ended 31 December 2019. IFRS 16 is expected to increase property, plant and equipment capitalised in the consolidated statement of financial position by approximately £400m, together with a broadly similar increase in obligations under finance leases. Whilst IFRS 16 is not expected to change materially the Group's profit before tax, it will increase PBITA due to re-classification of the interest element of lease payments as finance costs.

4) Accounting estimates, judgements and assumptions

The preparation of interim financial statements in conformity with adopted IFRSs requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies with respect to the carrying amounts of assets and liabilities at the date of the financial statements, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. These judgements, estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, including current and expected economic conditions, and, in some cases, actuarial techniques. Although these judgements, estimates and associated assumptions are based on management's best knowledge of current events and circumstances, the actual results may differ.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The judgements, estimates and assumptions which are of most significance in preparing the Group's 2017 interim financial statements were the same as those that applied to the consolidated financial statements for the year ended 31 December 2016.

5) Operating segments

The Group operates on a worldwide basis and derives a substantial proportion of its revenue and operating profit from each of the following seven geographic regions: Africa, Asia Pacific, Latin America, Middle East and India, Europe, North America and UK & Ireland. For each of the reportable segments, the Group executive committee (the chief operating decision maker) reviews internal management reports on a regular basis.

Segment information for continuing operations is presented below:

Revenue by reportable segment	**Six months ended 30 June 2017 £m**	Six months ended 30 June 2016 £m	Year ended 31 Dec 2016 £m
Africa	**274**	235	501
Asia Pacific	**380**	335	714
Latin America	**370**	307	660
Middle East and India	**431**	420	859
Emerging markets	**1,455**	1,297	2,734
Europe	**764**	681	1,441
North America	**1,063**	808	1,904
UK & Ireland	**690**	746	1,511
Developed markets	**2,517**	2,235	4,856
Total revenue	**3,972**	3,532	7,590

Operating profit by reportable segment	**Six months ended 30 June 2017 £m**	Six months ended 30 June 2016 £m	Year ended 31 Dec 2016 £m
Africa	**21**	17	35
Asia Pacific	**31**	22	56
Latin America	**14**	7	15
Middle East and India	**33**	41	76
Emerging markets	**99**	87	182
Europe	**55**	39	95
North America	**58**	44	115
UK & Ireland	**51**	54	119
Developed markets	**164**	137	329
Operating profit before corporate costs	**263**	224	511
Corporate costs	**(26)**	(21)	(50)
Profit before interest, tax and amortisation (PBITA)	**237**	203	461
Net specific items	**(11)**	(2)	(13)
Restructuring costs	**(14)**	(3)	(12)
Net profit/(loss) on disposal/closure of subsidiaries	**68**	(3)	7
Goodwill impairment	**-**	(9)	(9)
Acquisition-related amortisation and expenses	**(6)**	(18)	(32)
Operating profit	**274**	168	402

Notes to the half-yearly results announcement (continued)

6) Operating profit

The income statement can be analysed as follows:

Continuing operations	**Six months ended 30 June 2017 £m**	Six months ended 30 June 2016 £m	Year ended 31 Dec 2016 £m
Revenue	**3,972**	3,532	7,590
Cost of sales	**(3,271)**	(2,892)	(6,212)
Gross profit	**701**	640	1,378
Administration expenses	**(431)**	(468)	(976)
Goodwill impairment	**-**	(9)	(9)
Share of profit after tax from joint ventures	**4**	5	9
Operating profit	**274**	168	402

Operating profit includes items that are separately disclosed for the six months ended 30 June 2017 related to:

- Specific items charge of £11m (2016: net charge of £2m), of which £5m relates to an increase in expected delivery costs in respect of a contract and £6m relates to the estimated cost of settlement of subcontractor claims from commercial disputes in relation to prior years;
- Costs of £14m (2016: £3m) arising from restructuring activities during the period, relating mainly to the multi-year strategic efficiency programme across the Group, primarily in respect of the UK&I and Europe regions. In addition, the Group incurred non-strategic severance costs of £4m (2016: £3m) which are included within cost of sales and administration expenses as appropriate;
- Acquisition-related amortisation costs of £6m (2016: £18m) relating to legacy acquisitions; and
- A net profit on disposal of £68m (2016: loss of £3m) mainly relating to the disposal of six businesses in the six months ended 30 June 2017, including the Group's Youth Services businesses in North America, its children's homes business in the UK, its cash business in Peru and its businesses in Israel and Bulgaria.

7) Acquisitions

The Group has not made any material acquisitions in the period.

8) Disposals and closures

As part of the on-going portfolio programme, in the first six months of 2017 the Group sold six businesses, including the Youth Services business in North America, the children's homes business in the UK, the Group's cash business in Peru and the Group's businesses in Israel and Bulgaria, realising net cash consideration of £151m. A further five businesses were closed during the period.

In the first six months of 2016 the Group sold a number of businesses, including the Cash Solutions business in Thailand and the businesses in Finland, Brunei and Kazakhstan, realising net cash consideration of £32m.

In the year ended 31 December 2016 the Group sold 12 businesses, including the Cash Solutions business in Thailand, the businesses in Finland, Brunei and Kazakhstan, and the Utilities Services and ATM engineering businesses in the UK, realising net cash consideration of £82m. A further four businesses were closed during that year, and in addition the Group recognised a loss of £16m in relation to a systems business in Latin America which was in the process of being closed down.

The net assets and net profit on disposal/closure of operations disposed of or closed were as follows:

	Six months ended 30 June 2017 £m	Six months ended 30 June 2016 £m	Year ended 31 Dec 2016 £m
Goodwill	**50**	7	9
Other acquisition-related intangible assets	**1**	-	1
Other intangible assets	**-**	1	3
Property, plant and equipment	**13**	12	18
Other non-current assets	**17**	5	2
Current assets	**78**	32	86
Liabilities	**(58)**	(22)	(44)
Net assets of operations disposed	**101**	35	75
Less: recycling from currency translation reserve and related net investment hedge reserve	**(17)**	-	-
Net impact on consolidated statement of financial position due to disposals	**84**	35	75
Fair value of retained investment in former joint venture	**(3)**	-	-
Profit/(loss) on disposal/closure of businesses	**68**	(4)	7
Total consideration	**149**	31	82
Satisfied by:			
Cash received	**158**	35	90
Disposal costs paid	**(5)**	(2)	(8)
Additional net consideration paid relating to disposals completed in prior years	**(2)**	(1)	-
Net cash consideration received in the period	**151**	32	82
Deferred consideration receivable	**4**	-	-
Accrued disposal and other costs	**(6)**	(1)	-
Total consideration	**149**	31	82

9) Net finance expense

	Six months ended 30 June 2017 £m	Six months ended 30 June 2016 £m	Year ended 31 Dec 2016 £m
Interest and other income on cash, cash equivalents and investments	**6**	4	15
Interest receivable on loan note related derivatives	**4**	9	18
Gain/(loss) arising from fair value adjustment to the hedged loan note items	**9**	(4)	11
(Loss)/gain arising from change in fair value of derivative financial instruments hedging loan notes	**(9)**	4	(11)
Finance income	**10**	13	33
Interest on bank overdrafts and loans	**(10)**	(10)	(21)
Interest on loan notes	**(45)**	(47)	(97)
Interest on obligations under finance leases	**(1)**	(2)	(5)
Other interest charges	**(4)**	(2)	(6)
Total Group borrowing costs	**(60)**	(61)	(129)
Finance costs on defined retirement benefit obligations	**(6)**	(5)	(10)
Finance expense	**(66)**	(66)	(139)
Net finance expense	**(56)**	(53)	(106)

10) Tax

	Six months ended 30 June 2017 £m	Six months ended 30 June 2016 £m	Year ended 31 Dec 2016 £m
Current taxation expense	**(44)**	(30)	(110)
Deferred taxation (expense)/credit	**(10)**	(4)	34
Total income tax expense for the period	**(54)**	(34)	(76)

The effective tax rate is 25% (2016: 30%) which is driven primarily by the impact of tax rates on non-UK operations being in excess of the UK corporation tax rate and losses for which deferred tax assets cannot be recognised in full. The income tax expense is based upon management’s estimate of the effective rate derived from the weighted average annual income tax rate expected for the full year, incorporating non-recurring items as required.

The Group operates in a complex global tax environment and is subject to a broad range of tax issues during the normal course of business, including transactional and transfer pricing matters. Where the amount of tax payable is uncertain, the Group establishes provisions based on management’s judgement of the probable amount of the future liability.

The Group has recognised substantial deferred tax assets, predominantly on UK tax losses and deficits on defined benefit pension schemes. Recognition of deferred tax assets is dependent upon the availability of future taxable profits in the relevant legal entities based upon future business plans. As at 30 June 2017, the Group had recognised deferred tax assets of £274m (30 June 2016: £205m including £4m in disposal groups classified as held for sale).

Notes to the half-yearly results announcement (continued)

11) Dividends

	Pence per share	DKK per share	**2017 £m**	2016 £m
Amounts recognised as distributions to equity holders of the parent in the period				
Final dividend for the year ended 31 December 2015	5.82	0.5615	**-**	90
Interim dividend for the six months ended 30 June 2016	3.59	0.3143	**-**	55
Final dividend for the year ended 31 December 2016	5.82	0.5029	**90**	-
			90	145
Proposed interim dividend for the six months ended 30 June 2017	3.59	0.2948	**55**	

An interim dividend of 3.59p (DKK 0.2948) per share for the six months ended 30 June 2017 will be paid on 13 October 2017 to shareholders on the register on 1 September 2017.

12) Earnings per share attributable to equity shareholders of the parent

	Six months ended 30 June 2017 £m	Six months ended 30 June 2016 £m	Year ended 31 Dec 2016 £m
(a) From continuing and discontinued operations			
Earnings			
Profit for the period attributable to equity shareholders of the parent	**150**	69	198
Weighted average number of ordinary shares (m)	**1,548**	1,545	1,546
Earnings per share from continuing and discontinued operations (pence)			
Basic and diluted	**9.7p**	4.5p	12.8p
(b) From continuing operations			
Earnings			
Profit for the period attributable to equity shareholders of the parent	**150**	69	198
Adjustment to exclude loss for the period from discontinued operations (net of tax)	**4**	1	3
Profit from continuing operations	**154**	70	201
Earnings per share from continuing operations (pence)			
Basic and diluted	**9.9p**	4.5p	13.0p
(c) From discontinued operations			
Loss for the period from discontinued operations (net of tax)	**(4)**	(1)	(3)
Loss per share from discontinued operations (pence)			
Basic and diluted	**(0.3)p**	(0.1)p	(0.2)p

Notes to the half-yearly results announcement (continued)

13) Disposal groups classified as held for sale

As at 30 June 2017, disposal groups classified as held for sale included the assets and liabilities associated with minor operations in the Group's Middle East and India and Latin America regions.

At 30 June 2016 and 31 December 2016, disposal groups held for sale mainly comprised the assets and liabilities associated with the Group's business in Israel, its Youth Service business in North America and the children's homes businesses in the UK. These three businesses were sold during the six months ended 30 June 2017.

14) Cash and cash equivalents, overdrafts and customer cash processing balances

The Group's Cash Solutions businesses provide a range of cash handling and processing services on behalf of customers. Certain of those services comprise collection, segregated storage and delivery of customer cash, with title to the cash handled remaining with the customer throughout the process. Such cash is never recorded in the Group's balance sheet.

A number of other cash processing services are provided to customers, such as the sale and purchase of physical cash balances, and the replenishment of ATMs and similar machines from customer funds held in Group bank accounts. Such funds, which are generally settled within two working days, are classified as "funds within cash processing operations", along with the related balances due to and from customers in respect of unsettled transactions, and are included gross within the relevant balance sheet classifications.

Consistent with the treatment adopted at 30 June 2017 and at 31 December 2016, the consolidated statement of financial position as at 30 June 2016 has been re-presented in respect of such "funds within cash processing operations" (see note 1), as follows:

	As at 30 June 2017	As at 30 June 2016	As at 31 Dec 2016
Funds within cash processing operations	**£m**	£m	£m
Stocks of money, included within cash and cash equivalents	**70**	94	95
Overdraft facilities related to cash processing operations, included within bank overdrafts	**(7)**	(12)	(22)
Liabilities to customers in respect of cash processing operations, included within trade and other payables	**(66)**	(93)	(83)
Receivables from customers in respect of cash processing operations, included within trade and other receivables	**3**	11	10
Funds within cash processing operations (net)	**-**	-	-

Whilst such cash and bank balances are not formally restricted by legal title, they are restricted by the Group's own internal policies such that they cannot be used for the purposes of the Group's own operations. For the purposes of the Group's consolidated statement of cash flow, funds within cash processing operations are therefore recorded net of the related balances due to and from customers in respect of unsettled transactions, within cash, cash equivalents and bank overdrafts, and hence have no impact on the Group's statutory cash flow.

A reconciliation of cash, cash equivalents and bank overdrafts at the end of the period per the consolidated statement of financial position to the corresponding balances included within the consolidated statement of cash flow is as follows:

	As at 30 June 2017	As at 30 June 2016	As at 31 Dec 2016
	£m	£m	£m
Cash and cash equivalents in the consolidated statement of financial position	**827**	893	831
Bank overdrafts in the consolidated statement of financial position	**(216)**	(62)	(93)
Cash, cash equivalents and bank overdrafts included within disposal groups classified as held for sale	**1**	13	7
Total cash, cash equivalents and bank overdrafts	**612**	844	745
Add:			
Liabilities to customers in respect of cash processing operations, included within trade and other payables	**(66)**	(93)	(83)
Receivables from customers in respect of cash processing operations, included within trade and other receivables	**3**	11	10
Cash, cash equivalents and bank overdrafts at the end of the period in the consolidated statement of cash flow	**549**	762	672

15) Retirement benefit obligations

The Group’s main defined benefit scheme is in the UK which accounts for over 80% (31 December 2016: over 70%) of the total defined benefit schemes operated by the Group. The majority of the scheme was closed to future accrual in 2011. The Group’s IAS 19 Revised (2011) Employee Benefits net pension deficit at 30 June 2017 recognised in the consolidated statement of financial position was £486m (31 December 2016: £437m) or £410m (31 December 2016: £368m) net of applicable tax in the relevant jurisdictions. The Group has made additional pension contributions of £20m (six months ended 30 June 2016: £24m) in respect of the deficit in the UK schemes during the period. The increase in the pension deficit is predominantly a result of the decrease in the scheme’s asset values only being partially offset by a decrease in scheme obligations arising from a reduction in the inflation rate assumptions.

16) Provisions and contingent liabilities

	Employee benefits £m	Restructuring £m	Claims £m	Onerous customer contracts £m	Property and other* £m	Total £m
At 1 January 2017	**19**	**5**	**96**	**69**	**59**	**248**
Additional provisions in the period	**2**	**14**	**25**	**5**	**3**	**49**
Utilisation of provisions	**(2)**	**(13)**	**(20)**	**(9)**	**(11)**	**(55)**
Transfers and reclassifications	**-**	**-**	**2**	**(4)**	**1**	**(1)**
Unused amounts reversed	**-**	**-**	**-**	**(1)**	**(1)**	**(2)**
Exchange differences	**-**	**-**	**(4)**	**-**	**(1)**	**(5)**
At 30 June 2017	**19**	**6**	**99**	**60**	**50**	**234**
Included in current liabilities						**91**
Included in non-current liabilities						**143**
						234

*Property and other includes £14m (31 December 2016: £16m) of onerous property lease provisions.

The Group recognised additional onerous contract provisions of £5m primarily related to an increase in expected delivery costs in respect of one of its contracts. In addition, the Group recognised additional claims provisions of £6m related to the estimated cost of settlement of subcontractor claims from commercial disputes in relation to prior years. Both of these amounts have been presented within specific items in the consolidated income statement.

The Group is involved in disputes in a number of countries, mainly related to activities incidental to its operations. Currently there are a number of such disputes open in relation to the application of local labour law, commercial agreements with customers and subcontractors and claims and compliance matters, in some cases in the course of litigation. Where, based on the advice of legal counsel, the Group estimates that it is probable that the dispute will result in an outflow of economic resources, provision is made based on the best estimate of the likely financial outcome. Where a reliable estimate cannot be made, or where the Group, based on the advice of legal counsel, considers that it is not probable that there will be an outflow of economic resources, no provision is recognised.

In this regard, the Group is party to a number of on-going litigation processes in relation to interpretation of local labour law and regulations in a number of countries, where it is expected that these matters will not be resolved in the near future. At this stage, the Group's view is that these cases will either be resolved in a manner favourable to the interests of the Group or, due to the nature and complexity of the cases, it is not possible to estimate the potential economic exposure. In addition, in the ordinary course of business, other contingent liabilities exist where the Group is subject to commercial claims and litigation from a range of parties in respect of contracts, agreements, regulatory and compliance matters, none of which are expected to have a material impact on the Group.

Judgement is required in quantifying the Group's provisions, especially in connection with claims and onerous contracts, which are based on a number of assumptions and estimates where the ultimate outcome may be different from the amount provided. Each of these provisions reflects the Group's best estimate of the probable exposure at 30 June 2017 and this assessment has been made having considered the sensitivity of each provision to reasonably possible changes in key assumptions. The Group is satisfied that it is unlikely that changes in these key assumptions will have a material impact on the Group's overall provisioning position in the next 12 months.

17) Analysis of net debt

A reconciliation of net debt to amounts in the consolidated statement of financial position is presented below:

	As at 30 June 2017 £m	As at 30 June 2016 £m	As at 31 Dec 2016 £m
Cash and cash equivalents[a]	**827**	893	831
Receivables from customers in respect of cash processing operations[b]	**3**	11	10
Net cash and overdrafts included within assets held for sale	**1**	13	7
Bank overdrafts	**(216)**	(62)	(93)
Liabilities to customers in respect of cash processing operations[c]	**(66)**	(93)	(83)
Total Group cash, cash equivalents and bank overdrafts	**549**	762	672
Investments[a]	**78**	59	64
Net debt (excluding cash and overdrafts) included within assets held for sale	**(1)**	(4)	6
Bank loans	**(88)**	(681)	(20)
Loan notes	**(2,144)**	(1,933)	(2,392)
Obligations under finance leases	**(48)**	(59)	(57)
Fair value of loan note derivative financial instruments	**47**	74	57
Total net debt	**(1,607)**	(1,782)	(1,670)

[a] Cash and cash equivalents and investments as at 30 June 2016 have been re-presented – see note 1.
[b] Included within trade and other receivables
[c] Included within trade and other payables

18) Reconciliation of operating profit to net cash flow from operating activities of continuing operations

	Six months ended 30 June 2017 £m	Six months ended 30 June 2016 £m	Year ended 31 Dec 2016 £m
Operating profit	**274**	168	402
Adjustments for non-cash and other items:			
Goodwill impairment	**-**	9	9
Amortisation of acquisition-related intangible assets	**6**	18	32
Net (profit)/loss on disposal/closure of subsidiaries	**(68)**	3	(7)
Depreciation of property, plant and equipment	**52**	54	106
Amortisation of other intangible assets	**11**	13	25
Share of profit from joint ventures	**(4)**	(5)	(9)
Equity-settled transactions	**4**	4	10
Decrease in provisions	**(2)**	(20)	(1)
Additional pension contributions	**(20)**	(24)	(39)
Operating cash flow before movements in working capital	**253**	220	528
Decrease/(increase) in inventories	**7**	2	(5)
Increase in receivables	**(52)**	(5)	(9)
(Decrease)/increase in payables	**(38)**	56	101
Net cash flow from operating activities of continuing operations	**170**	273	615

19) Fair value of financial instruments

The carrying amounts, fair value and fair-value hierarchy relating to those financial instruments, including those that have been recorded at amortised cost, where the carrying amount differs from fair value, based on expectations at the reporting date, are shown below:

	Category	Level	**30 June 2017 Carrying amount £m**	**30 June 2017 Fair value £m**	30 June 2016 Carrying amount £m	30 June 2016 Fair value £m	31 Dec 2016 Carrying amount £m	31 Dec 2016 Fair value £m
Financial assets								
Other non-current investments	FVTPL	3	**3**	**3**	-	-	-	-
Current investments	FVTPL	1	**78**	**78**	59	59	64	64
Interest-rate swaps	FVH	2	**20**	**20**	43	43	27	27
Foreign-exchange forwards	FVTPL	2	**-**	**-**	-	-	1	1
Cross-currency swaps	CFH	2	**47**	**47**	31	31	48	48
Financial liabilities								
Loan notes*	FVH	2	**(211)**	**(205)**	(725)	(764)	(740)	(779)
Interest-rate swaps	CFH	2	**-**	**-**	(2)	(2)	(1)	(1)
Interest-rate swaps	FVH	2	**(1)**	**(1)**	-	-	-	-
Interest-rate swaps	FVTPL	2	**(1)**	**(1)**	-	-	-	-
Foreign-exchange forwards	CFH/FVTPL	2	**-**	**-**	(1)	(1)	(1)	(1)
Commodity swaps	CFH	2	**-**	**-**	(1)	(1)	-	-
Cross-currency swaps	CFH/NIH	2	**(18)**	**(18)**	-	-	(17)	(17)
Loan notes*	AC	2	**(1,933)**	**(2,015)**	(1,208)	(1,266)	(1,652)	(1,699)

*Of the loan note liabilities shown, £44m of July 2008 loan notes, €120m (£105m) of December 2012 loan notes and €100m (£88m) of June 2017 loan notes are designated in fair-value hedge relationships.

Category key:

FVTPL	Fair value through profit or loss
CFH	Cash-flow hedge
NIH	Net-investment hedge
FVH	Fair-value hedge
AC	Amortised cost

Non GAAP measures

A. Reconciliation of operating profit to movements in net debt

The definition of cash flow from continuing operations, as presented below, was revised in December 2016 to include the Group's pension deficit repair payments, which were previously added back and treated as other uses of funds, in order to align more closely the reconciliation with the consolidated statement of cash flows presented within the statutory accounts.

	Six months ended 30 June 2017 £m	Six months ended 30 June 2016 £m	Year ended 31 Dec 2016 £m
Operating profit	**274**	168	402
Adjustments for non-cash and other items (see note 18)	**(21)**	52	126
Net working capital movement (see note 18)	**(83)**	53	87
Net cash flow from operating activities of continuing operations (page 28)	**170**	273	615
Adjustments for:			
Restructuring spend	**13**	9	18
Cash flow from continuing operations	**183**	282	633
Analysed between:			
Continuing businesses	**192**	277	634
Portfolio businesses	**(3)**	8	9
Onerous contracts	**(6)**	(3)	(10)
Investment in the business			
Purchase of fixed assets, net of disposals	**(43)**	(46)	(107)
Restructuring spend	**(13)**	(9)	(18)
Disposal of subsidiaries	**151**	32	82
Acquisition of subsidiaries	**-**	-	(1)
Net debt in disposed/acquired entities	**(11)**	(9)	(15)
New finance leases	**(1)**	(4)	(7)
Net investment in the business	**83**	(36)	(66)
Net cash flow after investing in the business	**266**	246	567
Other (uses)/sources of funds			
Net interest paid	**(48)**	(48)	(96)
Tax paid	**(41)**	(36)	(84)
Dividends paid	**(103)**	(99)	(162)
Purchase of own shares	**(7)**	-	-
Cash used by discontinued operations	**-**	(6)	(9)
Transactions with non-controlling interests	**(13)**	(2)	(2)
Other	**4**	4	8
Net other uses of funds	**(208)**	(187)	(345)
Net cash flow after investment, financing, tax and dividends	**58**	59	222
Net debt at the beginning of the period	**(1,670)**	(1,782)	(1,782)
Effect of foreign exchange rate fluctuations	**5**	(59)	(110)
Net debt at the end of the period	**(1,607)**	(1,782)	(1,670)

Non GAAP measures

B. Reconciliation of changes in cash and cash equivalents to movement in net debt

	Six months ended 30 June 2017 £m	Six months ended 30 June 2016 £m	Year ended 31 Dec 2016 £m
Net (decrease)/increase in cash, cash equivalents and bank overdrafts (page 18)	**(126)**	386	197
Adjustments for items included in cash flow excluded from net debt:			
Purchase/(sale) of investments	**17**	(13)	(6)
Net movement in borrowings	**161**	(327)	11
Repayment of finance leases	**10**	13	22
Items included in net debt but excluded from cash flow:			
Net debt (excluding cash, cash equivalents and bank overdrafts) of disposed entities	**(3)**	4	5
New finance leases	**(1)**	(4)	(7)
Net decrease in net debt before foreign exchange movements	**58**	**59**	**222**

C. Group net debt: EBITDA ratio

	Six months ended 30 June 2016 £m	Year ended 31 Dec 2016 £m	Six months ended 30 June 2017 £m	**Rolling 12 months to 30 June 2017 £m**	Rolling 12 months to 30 June 2016 £m
Profit before interest, tax and amortisation (PBITA - page 14)	203	461	237	**495**	409
Add back:					
Depreciation	54	106	52	**104**	109
Amortisation of non-acquisition related intangible assets	13	25	11	**23**	26
EBITDA	270	592	300	**622**	544
Exclude EBITDA relating to businesses sold in the period/year*	(14)	(28)	(8)	**(22)**	(1)
EBITDA excluding businesses sold in the period/year	256	564	292	**600**	543
Net debt per note 17				**1,607**	1,782
Group's definition of Net debt:EBITDA ratio				**2.7**	3.3

* For the purposes of the rolling 12 months to 30 June 2017 calculation only, the prior period and prior year results have been re-presented to exclude EBITDA in respect of operations sold in 2017.

The basis of calculation of the Net debt:EBITDA ratio was changed in December 2016 compared with that used in prior periods, in order to better align with the statutory accounts. EBITDA can now be derived from the consolidated income statement, after adjustment to exclude depreciation and the amortisation of non-acquisition related intangible assets, and the EBITDA of businesses sold during the period.

Non GAAP measures

D. Reconciliation between results from continuing businesses and statutory results

Six months ended 30 June 2017 (at 2017 average exchange rates)

£m	Conti-nuing busin-esses	Onerous contracts	Portfolio businesses	Restr-ucturing	Acquisition-related amortisation and other[d]	Statutory
Revenue	**3,715**	57	200	-	-	**3,972**
PBITA	**235**	-	2	-	-	**237**
Profit before tax	**181**	(5)	1	(14)	55	**218**
Profit after tax	**138**	(4)	(1)	(11)	42	**164**
Earnings	**128**	(4)	(1)	(11)	38	**150**
Operating cash flow[c]	**192**	(6)	(3)	(13)	-	**170**

Six months ended 30 June 2016 (at 2017 average exchange rates)

£m	Conti-nuing busin-esses	Onerous contracts	Portfolio businesses	Restr-ucturing	Acquisition-related amortisation and other[d]	Adjusted statutory[b]
Revenue	**3,497**	55	338	-	-	**3,890**
PBITA	**222**	-	2	-	-	**224**
Profit before tax	**173**	-	(2)	(3)	(36)	**132**
Profit after tax	**131**	1	(6)	(2)	(33)	**91**
Earnings	**119**	1	(6)	(2)	(35)	**77**
Operating cash flow[a,c]	**277**	(3)	8	(9)	-	**273**

Six months ended 30 June 2016 (at 2016 average exchange rates)

£m	Conti-nuing busin-esses	Onerous contracts	Portfolio businesses	Restr-ucturing	Acquisition-related amortisation and other[d]	Statutory
Revenue	**3,177**	53	302	-	-	**3,532**
PBITA	**201**	-	2	-	-	**203**
Profit before tax	**151**	-	(1)	(3)	(32)	**115**
Profit after tax	**115**	-	(4)	(2)	(28)	**81**
Earnings	**104**	-	(4)	(2)	(29)	**69**
Operating cash flow[a,c]	**277**	(3)	8	(9)	-	**273**

[a] Operating cash flow for the six months ended 30 June 2016 is presented at 2016 actual exchange rates.

[b] The ‘adjusted statutory’ figures represent the comparative 2016 half year statutory amounts had they been translated at 2017 average rates (other than for operating cash flow) but should not be considered as or used in place of the Group’s statutory results.

[c] Operating cash flow is stated after pension deficit contributions of £20m (2016: £24m).

[d] Other includes net specific items (excluding those presented within onerous contracts), net profit on disposal/closure of subsidiaries, the results of discontinued operations and, for June 2016, includes goodwill impairment. These amounts are presented net of any associated tax impacts, see page 8 for details.

Non GAAP measures

E. Re-presentation of prior period results from continuing businesses[(a)]
The table below reconciles revenue and PBITA from continuing businesses as previously reported to the re-presented prior period revenue and PBITA from continuing businesses.

For the six months ended 30 June 2016	Continuing businesses as previously reported £m	Re-classified from onerous contracts[b] £m	Businesses re-classified to portfolio [c] £m	Businesses re-classified from £m	Continuing businesses at 2016 £m	Exchange rate movements £m	Continuing businesses at 2017 exchange £m
Revenue							
Africa	**203**	-	(4)	-	**199**	16	**215**
Asia Pacific	**307**	-	-	9	**316**	41	**357**
Latin America	**278**	-	(3)	9	**284**	51	**335**
Middle East & India	**405**	-	-	3	**408**	55	**463**
Emerging markets	**1,193**	-	(7)	21	**1,207**	163	**1,370**
Europe	**563**	-	-	9	**572**	56	**628**
North America	**767**	-	-	-	**767**	95	**862**
UK & Ireland	**563**	61	-	7	**631**	6	**637**
Developed markets	**1,893**	61	-	16	**1,970**	157	**2,127**
Total revenue	**3,086**	61	(7)	37	**3,177**	320	**3,497**
PBITA							
Africa	**20**	-	-	-	**20**	2	**22**
Asia Pacific	**23**	-	-	-	**23**	3	**26**
Latin America	**11**	-	-	-	**11**	2	**13**
Middle East & India	**40**	-	-	-	**40**	5	**45**
Emerging markets	**94**	-	-	-	**94**	12	**106**
Europe	**35**	-	-	-	**35**	3	**38**
North America	**43**	-	-	-	**43**	5	**48**
UK & Ireland	**48**	-	-	2	**50**	1	**51**
Developed markets	**126**	-	-	2	**128**	9	**137**
Total PBITA before corporate costs	**220**	-	-	2	**222**	21	**243**
Corporate costs	**(21)**	-	-	-	**(21)**	-	**(21)**
Total PBITA	**199**	-	-	2	**201**	21	**222**
Earnings	**102**	1		1	**104**	15	**119**
Operating cash flow[e]	**269**	7	-	1	**277**	-	**277**

[a] See basis of preparation on page 3.
[b] Since 30 June 2016 the performance of five UK & Ireland contracts previously categorised as onerous has improved such that they are no longer onerous. We have therefore reported the results of these contracts in continuing businesses in 2017 and have restated the 2016 results accordingly.
[c] Since 30 June 2016 we determined that we would exit two minor operations in Africa and Latin America and we have therefore reported the results of these businesses in portfolio businesses in 2017 and have restated the 2016 results accordingly.
[d] Since 30 June 2016, for seven of the businesses previously reported as portfolio businesses, management focus and changing market conditions have resulted in improved performance and we have formally concluded that we will retain these businesses. We have therefore reported the results of these businesses in continuing businesses in 2017 and have restated the 2016 results accordingly.
[e] Operating cash flow is stated after pension deficit contributions of £24m and is shown at actual 2016 exchange rates.

Supplementary information

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High resolution images and b-roll are available to download from the G4S media library, available through the results centre at www.g4s.com.

Notes to Editors:
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G4S is quoted on the London Stock Exchange and has a secondary stock exchange listing in Copenhagen. G4S is active in around 100 countries and has over 570,000 employees. For more information on G4S, visit www.g4s.com.

Presentation of Results:

A presentation to investors and analysts is taking place today at 09.00 hrs at the London Stock Exchange.

The presentation can also be viewed by webcast using the following link:
http://view-w.tv/707-803-18618/en

Please note there will be a telephone dial-in facility for this event, the call details are below:

Standard International Access: +44 (0) 20 3003 2666
UK Toll Free: 0808 109 0700
Copenhagen: +45 3272 9273
Denmark Toll Free: 8088 8649
New York: +1 212 999 6659
USA Toll Free: 1 866 966 5335

Password: G4S

Dividend payment information
2017 interim dividend:

Ex-dividend date – 31 August 2017
Last day to elect for DKK – 31 August 2017
Record date – 1 September 2017
Last day for DRIP elections – 18 September 2017
Pay date – 13 October 2017

Financial Calendar

November 2017 - Q3 2017 Trading update