G4S

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QUESTIONS FROM

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Results Highlights

Nick Buckles, Chief Executive Officer

Good morning everybody, welcome to the presentation of our Full Year Results for 2012. I will begin in a few moments with a summary of the key trading highlights and Trevor will then follow with an overview of the financials. Then as usual I'll return to discuss the performance of the regions and service lines and a little bit on strategy. Then we'll take questions, first of all from here, and then from the lines.

Up front I think it's important to acknowledge that 2012 was a tough year for us, due to the challenges we faced with the Olympic Games security contract. We're very pleased to have concluded the negotiated settlement with Locog, as we announced last month, this resulted in us recording an overall exceptional loss on the contract of around £88m.

As Trevor will explain in more detail later, we have excluded the Olympic Games impact from our underlying trading results in order to provide clarity on the underlying trading position and outlook for the Group.

We took the opportunity also during 2012 to conduct a review of the business both from a strategic and operational point of view, which has resulted in two key actions. The first was an overhead reduction exercise, which we talked about at the half year; and resulted in us identifying annual cost savings of around £35m.

We incurred £45m of costs in order to achieve these savings and actually now have reinvested around £10m a year in service excellence centre and upgrading our business development and bidding resources across the Group, so some momentum going forward in terms of margin improvement. The £45m has been taken as an exceptional item in the 2012 results and Trevor will talk that through.

As we've previously described, as well as investing in acquisitions to support growth and margins, we also have an active divestment policy, which focuses on businesses which we believe are unable to meet the Group's long term targets; where we are unable to obtain the appropriate scale or market position, or where we think an alternative parent would be able to add or extract better value than us. And as you saw from our announcement last week, we have made the decision to divest of our US Government Solutions business as part of this ongoing strategic review.

As we described in the announcement last week, there are numerous challenges in turning round this business as we're a non-US parent. We really don't get access to operational information and so clearly a divestment to a US parent will make sense.

We expect the business to be sold within the next six months and to use the proceeds to further invest in higher growth markets. It's classified as held for sale and therefore the financial impact is excluded from the results.

So just turning to the underlying trading performance, despite the challenges and distractions of last year the overall business has performed very well, with acceleration in underlying organic turnover growth to around 7%. This was largely due to a number of North American commercial contracts, UK Government contracts, and of course developing markets; and also against the backdrop of very challenging economics in Europe.

Developing Markets, as I mentioned strong growth - 15% overall, 10% organic and still targeting 50% of our business to be in Developing Markets by 2019. Underlying profits up 6% and maintain margins over 7%, despite the touch economic environment. Great news on the cash flow, 95%, one of our best ever against our target of 85% and adjusted EPS up 3%.

So despite the challenges, underlying trading remains strong, our market leading business, broad customer base, strong contract pipeline give us good confidence in the outlook and that confidence is reflected in our second half dividend recommended to go up 8%, 5% for the year.

I'd just like to make one further comment before I hand over to Trevor. As you will have seen we have announced this morning that Trevor will be stepping down from the Board and as CFO later this year. And will be succeeded by a new CFO, Ashley Almanza. Trevor has informed the Board that he would like to retire in the near future, so we began a search for his successor.

Trev's been with the Group for 18 years and over that time has had a number of senior line management and finance positions across the Group. He's staying with the Group for a while yet in order to make the handover as smooth as possible and also to work on some strategic projects.

Ashley who is the former CFO of BG Group, the FTSE 15 gas company, will succeed Trevor on the 1st of May 2013. I'm delighted that Ashley will be joining us, his experience of working across a complex group of companies in a large number of countries, with many cultural differences, will certainly hold him in good stead for working with us.

So without further ado I'd now like to hand you over to Trevor to go through the financials.

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Financial Summary

Trevor Dighton, Chief Financial Officer
Thanks Nick and good morning everybody. There's a lot of complexity in the numbers this year and we want to give you both full information on the reported numbers, but also visibility of the underlying numbers, which form the base of the businesses going forward. So I'll try to explain what's in and what's out in each of these slides.

The turnover slides show a five year history of the Group, excluding the Olympic Games contract for both 2011 and 2012. With 2011 restated for all 2012 discontinued businesses and at current exchange rates. 2008 to 2010 are as reported at historic exchange rates, but as Nick has already discussed the US Government business is in the process of disposal and owing to its materiality to the Group its results have been excluded from the historical numbers as well.

As you saw on the highlights slide, our total turnover in 2012 went up by over 8%, to £7.3bn, with almost all of this being organic growth. Turnover growth in the Secure Solutions part of the business was 9.3%. Growth in Cash Solutions was 3%, a significant improvement on the 1% in 2011, driven by the performance of Developing Markets.

The economic environment in Cash Solutions continues to be challenging in Developed Markets. Over the past five years turnover growth was 32% in total, with 39% in Secure Solutions and only 8% in Cash Solutions. All of our acquisitions in this time period have been in the Secure Solutions side of the business.

Looking at total turnover geographically, Developing Markets continue to show strong top line growth at 14%, including the impact from our acquisition in Brazil in both Facilities Management at the end of 2011 and Security in 2012. Growth in Europe is 3.5% and Growth in North America is very good at nearly 11%, primarily driven by the US Commercial Security business.

Over five years Developing Markets has grown 64% and now comprises 33% of Group turnover. Growth in North America was 58% including the impact of the acquisition of technology businesses, and growth in Europe has been lower at 10%.

We're showing two organic growth slides, both exclude acquisitions, are adjusted for current year disposals and discontinued businesses and are calculated at constant exchange rates. But the first includes the Olympic Games contract and shows growth of 9%, including 11% in European Secure Solutions. And the second excluding the Olympics shows Group organic growth of 7%.

Developing Markets growth is in double digits across both product areas, Secure Solutions growth is 8% in total with 11% in North America, due to the performance of the US Commercial Security business and a respectable 5% in Europe, helped by UK Government contract start-ups.

Cash Solutions organic growth was flat in Developed Markets, but 3% in total.

PBITA history shown in the same way was turnover, in the year PBITA has increased by 6% to £516m, on margin that's 0.1% lower than last year. This reflects the two tenths reduction in Secure Solutions margins, mainly as a result of the phasing of the new UK Government work.

Margins in Cash Solutions have been maintained at 10.5%, with declines in Europe offset by improvements in both North America and Developing Markets.

The impending disposal of our US Government Solutions business increases our average margin for the Group above the 7% level and the margin has been over 7% throughout the last five years and PBITA has grown by 32% over this period.

By geography PBITA in 2012 increased by 14% in Developing Markets and 8% in North America, but declined by 2.5% in Europe, due to the margin pressures in Cash Solutions business in Europe, particularly in the UK and Ireland.

Again, what's very noticeable on the longer term view is that Developing Markets has increased by 52% since 2008 and now contributes 37% of Group profits.

Our only significant acquisition in 2012 as you can see from this slide was the security business of Vanguarda in Brazil, which added to the Facilities Management business of Interativa that we acquired at the end of 2011, giving us a full range of capabilities in that exciting developing market.

As we announced at the half year, we're undertaking a major programme to improve the efficiency of the way we do things in order to maintain margins. We've invested £45m this year in organisational redesign to achieve ongoing overhead savings of around £35m a year. But efficiency is not only about overhead costs and we're reinvesting £10m of those annualised savings into business development and into service excellence centres. These will identify best operational practice on a product specific basis and ensure that it is applied across the Group.

During the next three years we'll also be running a Group wide procurement initiative and developing and implementing best practice models for back office operations.

I'll come back to the detailed analysis of cash flow in 2012 a bit later, but here we summarise the five year history of operational cash generation. If you recall our target cash generation is 85% of PBITA, we've consistently exceeded this target from 2008 onwards and this is through differing global economic circumstances, from growth to recession. In 2012 we achieved 95% which is a very strong result.

To return to the financial detail the P&L in total looks like this, in this slide the prior year is at 2011 exchange rates and includes last year's Olympics related PBITA, so that it agrees to what is published in our announcement. PBITA in 2012 is £516m, as we've already seen and interest of £104m is slightly higher than last year, we're expecting a similar level of interest cost in 2013. Amortisation of acquisition related intangibles and acquisition expenses total £93m.

Next we see the losses on the Olympic Games contract, these comprise the losses on the settlement of our negotiations with Locog of £70m, together with associated legal costs, sponsorship costs and the additional costs incurred in ensuring that we delivered as much of the contract as we could. There was also a £3m interest cost arising from the delayed payment by Locog.

I discussed the restructuring programme a little bit earlier and we're showing the £45m cost here as an exceptional item.

Finally there's a net pension interest of £8m, which is a bookkeeping entry, rather than a real cash cost. The IASB is changing the way this number is calculated from 2013 and the new calculations would have meant a £6m higher charge in 2012. But we've always excluded pension interest from any of our performance measures and it's never been included in PBITA and we'll continue to treat it in this way. Discontinued operations I'll cover in a minute.

The tax charge is analysed at the bottom and you can see that the effective tax rate, on the real numbers, has stayed at 22%. The total tax charge is £42m and profit after tax is £70m.

As I said I will return to discontinued businesses, as we said last year we're continuously reviewing our portfolio quite aggressively and businesses that are non-core, that we can't minimum performance standards, or that present permanent serious operational difficulties, or offer greater potential to more relevant owners will be exited. Part of our continuing initiatives to improve the quality of the underlying business.

We've taken the major decision to dispose of our Government Solutions business in the US. As you know this has been impacted over the last two or three years by reduced government spending in many areas, but perhaps particularly in the de-mining area and by contract losses and reductions. As a non-US parent we've got limited access to classified operational data and we've found that we have limited ability to manage the business through a period of change.

There remains very good opportunities in the medium term in the US Government sector, but we believe that a US parent would be much better able to take advantage of these and have therefore commenced a disposal process and we hope to complete this within the next six months.

During 2012 we completed the disposal of businesses in Sweden and Poland that started last year. We sold our Electronic Monitoring business in the US and completed a number of smaller disposals.

The profit and loss impact of discontinued operations is presented here, the net cash impact of the discontinued line was actually a net outflow of only £1m, and I'll cover this with the cash flow slides.

The EPS calculation shows the impact of currency exchange rate movements from 2011 to 2012. At actual foreign exchange rates we're very slightly behind the prior year, but at constant FX rates, the EPS of 21.2 pence per share represents a 3.4% increase on the prior year.

On the balance sheet net assets have decreased by a little over £300m including a £95m FX impact and £175m from the actuarial pension calculation, they are both booked through reserves.

Goodwill still dominates the balance sheet at £2.4bn.

One of our key financial ratios is the net debt to EBITDA, I said before that we are comfortable with up to about 2.5 times, it's increased in 2012 to 2.6 times, but we anticipate that it will return to our target range within 2013.

Here's the operating cash flow detail, it shows capex in continuing operations of £137m, this is only 98% of depreciation for 2012, as tight control on spend continues.

The working capital outflow was only £27m, £46m better than last year, this is a very small outflow when the top line is growing by half a billion pounds, and it reflects very strong debtor control and debtor days have decreased slightly in a very difficult cash collecting environment.

Overall operating cash generation was 95% of PBITA, significantly above our target level of 85%.

We then show the reconciliation of operating cash back to the IFRS statutory presentation. The main adjustments relate to exceptionals and discontinued, which are excluded from both PBITA and operating cash flow. The other items in the discontinued operations, outflow of £220m, that includes the Olympics outflow of £174m, this is the total loss of £88m, plus £86m of cash collected since the year end. That's the final Locog payment, plus the VAT recoverable that we've got back now.

There's £45m of reorganisation cash cost and the impact of the discontinued line in cash flow terms in only £1m outflow. This is because the US Government Solutions business generated cash at round the same level as the outflow of the other discontinued businesses trading.

The large items in the £63m P&L discontinued figure are the non-cash write down of goodwill of £35m and the non-cash loss on disposal of Poland and Pakistan, etc, of £20m. The tax paid was slightly above 2011 and the additional pension payment of £37m was in respect of the UK schemes.

This is the rest of the reconciliation back to statutory with all of the normal items, net interest cost was higher than last year, in line with the increased cost, net acquisition cash spend includes the £101m detailed in the acquisition slide earlier, less £19m received from disposals and £15m cash acquired.

The other line, showing £22m is dividends to minorities and a small amount of purchase of our own shares.

All pension valuations have been negatively impacted by the extraordinary financial conditions, currently applicable in most developed economies. Quantitative easing has driven down bond yields, which are used to discount pension liabilities under IAS 19 and the rates applicable to our UK schemes at December 2012 was 4.5%, as compared to an already low 5% from last year. The deficit calculation at 31st of December 2012 was therefore increased by £140m to £436m before tax, or approximately £335m after tax.

The UK scheme has been closed from future accruals in order to limit the Group's exposure to possible future growth in pension liabilities. The deficit repair payment in 2013 will be broadly similar to 2012 and we are in detailed discussions with the trustees over the triennial valuation as at the 5th of April 2012 and the possible impact on future deficit repair payments. We should be in a position to report on the results of these discussions with the half year results.

We do anticipate that in the long term more normal financial conditions will return and the reported position will improve.

The Group's funding profile looks like this, with headroom of £856m, we put an additional euro bond in place towards the end of last year of €500m and the main revolving credit is in place until 2016, with no significant bond repayments prior to that.

And finally dividends, as you've heard from Nick, we've got a policy of increasing dividends, broadly in line with earnings which allows some flexibility, we're recommending a final dividend of 5.54 pence per share, which would take our total dividend to 8.96 pence per share. This would be an increase of 5% for the year and represents a compound average growth rate of 9% per annum since 2008. Dividend cover will be 2.4 times.

So before I hand back to Nick, as he said before, the announcement this morning - as the oldest CFO in the FTSE 100 I've decided to retire. And we've been lucky enough to find Ashley to take over from me and he's going to be great for the organisation, I'm really pleased that he's coming and you'll all love him if you don't already know him.

I've been on the Plc. Board for 11 years now and a few of you have been around for almost all of that time, I can see certainly one in the front row there. I just want to say it's been an absolute pleasure to work with all of you. It's been a fantastic time for me and I'd really love to buy you all a beer before I finally disappear in a few months' time. Okay, back to Nick for the operational review.

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Business Review

Nick Buckles, Chief Executive Officer
Thanks very much Trev. So first of all Secure Solutions and remember all these numbers are ex Olympics. So Secure Solutions, excellent organic growth 8%, industry leading I would say, and as we've mentioned driven by UK Government, North America Manned Security and Developing Markets.

Margins down slightly and it's mainly due to the £200m of start-up in the UK of Government business, where we wouldn't expect significant margins early on and also some reductions in the US Technology business. But great organic growth, really pleased with that.

Moving on to Europe and first of all the UK and Ireland, really good organic growth, it came in at around 8%. The UK Government was actually 13% in the year, so excellent performance there. And Utility Services around 15%.

Six major Government contracts mobilised during the year, that's the £200m we talked about and they're pretty low margin, so hence the hit on the margin in the year.

Commercial was pretty steady, 2% growth, which when you think of the distraction that the business went through in the year, I think that's pretty good and we've renewed a number of new contracts, all the Events business has been renewed for this year as well. And Electronic Monitoring, moving really week by week, we now expect that contract to be extended through to February next year. And actually we'll probably hear about the decision, we haven't put in the final bid yet, we'll probably hear about the decision late June / early July. But clearly next year it will have an impact on margin, but good for this year.

Moving through to Continental Europe, still very, very tough economic conditions throughout the region, organic growth has slowed slightly. Margins underlying have suffered, certainly at gross margin level we're probably about 1% off prior year, but actually with the cost reduction plans we've put in place we've managed to maintain the margin and expect that to be the case in 2013.

The high growth spots - Finland, Norway, and Turkey. Eastern Europe stabilised, but actually some pretty vicious economies in places like Romania and Hungary were we've seen double digit declines but overall pretty stable, but probably more of the same really next year.

Moving on to North America, a stellar performance here, 11% organic growth, actually Manned Security across North America up 14% in the year, due to the mobilisation of some large national contracts in the US and also the CATSA contract where we started up aviation in 21 airports in November last year in Canada.

Margins held up very well actually on Manned Security, but have been impacted to the tune of about 3.5% on Technology where we've declined about 6% as well. So some of that margin downturn is down to the pure margin hit in Technology, still strong margins, but they were double digit last year. But some of it is down to the mixed benefit of Manned Security growing at 14% at margins around 5, 5.5%.

We mentioned US Government to be divested and we've got a pretty healthy pipeline of interested parties there. And plans in place for PPACA, that's otherwise known as Obamacare, we don't expect a material impact on our business, we've got a lot of good health plans in place anyway, but plans are in place to mitigate the effect of that.

Moving on to Asia, improving organic growth to 9%, India actually was probably at its lowest year in terms of organic growth at around 11, 12% inflation there is running at about 9% plus. But we spent a lot of time and effort refocusing the business on larger commercial accounts, away from domestic, and we certainly expect that growth to pick up this year and margin has improved off the back of that refocusing.

Great performances in terms of growth in Thailand, China, Indonesia, Kazakhstan, all very good, and the good news is where we've had a bit of a drain on organic growth in prior years Australia is improving strongly, we expect 25% plus growth from Australia this year. We signed a good contract on the Australian immigration on Manus Island, that's about a £20m a year contract that we started about November time and we expect that to give us strong growth as I said in '13 across Asia.

Moving on to the Middle East, slightly disappointing growth, really driven by Afghanistan being flat, we really only have the UK Government contract now in Afghanistan, that's about £30m a year. And also some systems issues across the UAE where we didn't have quite as good a performance.

US Embassy is finished, but that's now in discontinued and we had some great growth as usual in places like Qatar, Egypt, Jordan, Lebanon. Margins are up predominantly because we had a hit last year in Saudi from the Royal Decree around one off bonuses. But certainly we've got some really good momentum in the Middle East for this year, we expect strong double digit growth, the UAE has bounced back very strongly. So a good performance expected there.

Moving on to Africa, good growth, not quite the 10%, but we're getting there, great performances from Kenya and Morocco. The biggest issue is in Nigeria, you can see quite a big margin decline in Africa, that's down to two major contract losses in Nigeria, we had to do some restructuring there to get the cost base right. We expect that will pick up again next year, maybe not to the 9.5%, but certainly pick up; and certainly organic growth is heading strongly into double digit territory for this year.

The strongest pipeline we've had for a long time, we've got a lot of sector focus, a lot of investment gone into development and as I mentioned it's a very unique platform, Africa, expect a good performance this year.

Latin America continues to grow strongly, 14%. Good all round really, as you know we're not overly exposed to one country there, we're in about 25 plus countries. Brazil is now clearly the biggest business, but prior to that all sub £100m. Good wins, good momentum, we're very pleased with the way Vanguarda has started, our Security business in Brazil and over a positive outlook continuing for LatAm.

Moving on to Cash Solutions, overall organic growth as Trev mentioned about 3%. It is a tough economic environment for that business but the good news margins are holding up, strong barriers to change, good cost control, margins sticking at 10.5%. But actually the low interest rate environment clearly continues and actually more and more pressure from retailers, they really are having a tough time in Developed Markets, it really is dampening our growth expectation on Developed Markets.

Specifically into Europe, the UK as Trevor mentioned had a tough year, the first half we lost business, the second half we won business, both of which had a negative margin impact as we started up the three major contracts on FIs. But certainly the organic growth is improving, but there is underlying service reductions from retailers undoubtedly and banks in the very tough outlook in the UK business.

Benelux overall very strong, strong double digit margins, reasonable growth. As Trevor mentioned we exited Sweden, we exited in February mainly due to the structure of the market, we've struggled to make money there for two or three years, three months later the number three player went into administration, so clearly a much better market, so not great timing for us, but it was the right decision at the time. As you know we only stay in markets which are duopolies, this one wasn't, but it became one after we exited unfortunately. But growth is definitely limited due to the current economic environment; we still expect it to be positive this year.

In terms of America on Cash Solutions, North America, interesting for the first time I'm going to talk about a strong pipeline for CASH 360 in the US. CASH 360 is our integrated hardware and software for running retailer back offices. There's a big difference in the US market in that cash can get on balance sheet value as long as it's notified to the bank when it's in the machine basically. So more equipment that can give same day value is a big difference in the US market. We're also working strongly with Bank of America as our partner to sell this into retailers and we've got a very strong pipeline. You know we don't operate CIT there but we've got a good pipeline for this product.

Canada, starting to improve, organic growth 8%, margins increasing a pretty good outlook for this business in the short term.

Moving to Developing Markets Cash, always a top performer, organic growth 10%, Hong Kong has improved, the price war has come to an end and prices have started to improve and margins are now back to double digit. And also Middle East, where we've had problems with internal losses and robberies over the past couple of years, we've managed to stem those, hence a better margin improvement.

And the big opportunities really in the short term are in Africa, there are a number of pan African contracts we're bidding on, including a great outsourcing opportunity with Absa Bank, we think that could be around £40m a year in South Africa. And with the acquisition of Deposita which is another CASH 360 product, mainly for small retailers, a robust product for the Developing Markets, a really good opportunity to expand our Cash business throughout Africa.

So that's a roundup of the trading. If we move into the strategy roundup, I won't spend too long on this, but I thought it would be good to bring you up to speed to where we are.

In terms of our business objectives, they're really grouped into five key categories. They are around organic growth, improving that continuously; delivering margin improvement, getting the organisation right and building and protecting our reputation. So those are the four big groups of objectives. And then underlying throughout has always been improving our cash generation.

First of all organic growth - in terms of progress, organic growth now has moved above nominal global GDP. You've seen this chart many times before, on a lagged basis, we crossed the line back end of last year in terms of organic growth against the weighted average, and you can see there running at around 7% now going forward. Slightly down in the fourth quarter because of the relativity of CATSA, etc, last year. But you can see moving a couple of percent ahead of nominal GDP, so good news. We've been looking at this chart now for a couple of years and we hoped that was the synopsis and it's turned out that way, which is good news.

We have been implementing saleforce.com throughout the organisation, that's now fully implemented, it's a global system. We've got much better visibility of our pipeline. And we've also, as Trevor mentioned, invested some of the savings in overhead in stronger sector focus, more business development resource in the key businesses and regions and also bid teams in a number of areas.

And then in terms of sectors, we've talked about our sectors in the past, they've delivered very good results, you can see the four sectors, the Mining one being the latest have delivered 19% compound organic growth for the last four or five years. And actually Mining, our newest one, we focused on about two years ago, 51%. All from relatively low bases, but you can see the sector focus is really working.

Moving on to actual wins, contract wins over £2m a year, a fantastic performance here. We have £450m of wins in the year and only £76m of losses. So a pretty good performance, don't expect quite such a strong performance this year; but certainly very, very good; and good visibility going forward.

Pipeline is still £3.5bn, it changes around a bit with UK Government particularly, but still positive and strong, that's annualised contracts. And another real focus, particularly of the service excellence centres, which Trevor mentioned, is making sure our pricing policies are very firmly embedded. That's the quickest way to improve margins and making sure we've got detailed and delivered price increase plans throughout the Group.

In terms of margin improvement, we talked about the £35m savings, but we're reinvesting £10m in development. Procurement, Trevor mentioned, £25m target for this year, we hope to deliver - it usually gets dissipated into the businesses, but certainly we expect to deliver that.

Again, to improve margin - we've had this focus now for a number of years on divesting non-core, or non-value creating businesses. Any business that doesn't look like it's going to meet our minimum margin targets, which broadly is 5% on Manned Security, 10% on Cash, we will look to divest. We've always said that, but we're going to be much more active in making sure that happens.

We won't spend a lot of time on this but the G4S Way through the service excellence centres, we were a little bit distracted last year during the Olympics, but came back into the business with a vengeance in October and certainly we're starting to get some really good traction around improving gross margins in a number of businesses, or at least holding them firm where we haven't been in the past.

In terms of organisational development, the next stage of organisation review is around getting the same sort of structures in place throughout our organisation. We don't necessarily expect that to save significant cost, but makes sure we've got best practice operating, we certainly don't expect any one offs, associated with it.

The collaboration is working very well throughout the Group; the CATSA contract was a prime example of that. And in its own strange way the Olympics was a prime example of that. We drafted in a very strong parachute team of about 20 people from around the Group to actually make that work and deliver 80% of the contract.

Interestingly at our top 120 managers we haven't had anybody resign over the last six months, so a very strong performance in terms of senior management retention. And in terms of - succession planning, we filled the UK and Ireland role internally and the UK Government role, they've bedded in extremely well, we're very pleased with how that's going. We announced the CFO today and the COO recruitment going well as well, we're shortlisting and I expect to announce that in the next couple of months. And interestingly, probably the highest ever level of interest in people joining the Group at a senior level, we really are having great success in that respect.

In terms of reputation, clearly important, we're establishing a Board level risk committee as we speak, and clearly the COO will be a key player in that, the Chairman will chair that committee.

On contract start-up particularly we've got a lot of diligence now on managing the risk with contract start-ups and we have started, as I mentioned, £200m of business in the UK successfully this year and a number of major contracts in North America as I mentioned.

Ethics continues to be incredibly important, everybody has been trained on anticorruption and bribery and audited against and that's gone well. Clearly we've been testing our crisis management over the last 12 months and certainly that's well embedded in the organisation now. And actually, importantly for our organisation, our human rights guidelines, we obviously had them in place previously, but updated and re-launched in April this year. And of course continuing engagement with all our key stakeholder groups, it's becoming increasingly important from an investor perspective to get all this right.

In terms of acquisitions, no big changes here, we expect to spend our £200m a year of free cash flow on acquisitions, that continues. And we also expect to raise, you know a good sum from divestments, we've talked about the US, there will be others to follow and that re-investment will go particularly into Developing Markets, we have this goal of getting to 50% - that does imply we're going to put a significant amount of our acquisition firepower into Developing Markets.

But if you move to Developed we need to build out technology capability, we'd like to get more sector expertise. And actually particularly in the UK we need some stronger FM capability, the market is definitely moving that way. We've got some great capability; it's our fastest growing Developed Markets business by far, so we need to focus more investment into that. And continuously we need to look at security consulting capability across all businesses, but that's not going to be significant, but it's a large number of smaller investments.

In terms of divestment, you've seen this before it's been on most of our presentations in the last three years, obviously anything non-core, there's not really anything in that category particularly. Minimum margin targets I talked about, particularly alongside someone else being willing to pay a premium, because as a parent they can add better value than we can.

We'll get out of unconsolidated Cash markets, and always had this reputational risk issue as well, which is partially the US business as well, US Government, some reputational risk could be associated with that. And you can see there the list of divestments we've made and that list will continue to grow over the next 12, 18 months.

So in summary, we have had exceptional costs this year, clearly the Olympics was a major blow, but hopefully we've drawn a line in the sand and we can move on. The other exceptionals really are part of our ongoing strategy to at least hold margins, if not improve them and get the business fit for the future and there is a tough economic environment out there.

The strategy review led us to divest the US Government business, there could be more in the future.

Underlying results were good I would say, organic growth of 7% is pretty much best in class in our sector I would say and we have maintained margins around the 7% and that clearly is our goal over the next three years, to at least maintain margins at 7%.

In terms of the outlook, Europe is still very challenging, but we're holding our own, we've done our self-help measures around cost. Without sounding negative we had an exceptionally good year on North America Commercial and UK Government this year, strong double digit growth, we don't expect that to continue this year, but we expect well above nominal GDP growth. But on the other hand I do expect Developing Markets to pick up more than 10% this year. We've got some really good momentum as I mentioned earlier. So really organic growth would be disappointing if it was less than 6%, hopefully nearer 7%, that's the sort of level that we are expecting.

Continued focus on costs, always. But we have reinvested in this service line expertise to make sure that we can at least hold gross margins if not improve them. And we do expect this positive momentum, we have ended the year in pretty good underlying shape, continued due to our market leadership, particularly in Developing Markets, the outsourcing trends particularly in the UK. And what we've seen I think in the last 12 months, despite some pretty strong headwinds that we have got a pretty durable base, good geographic breadth, good service line breadth, good contract pipeline, so expect that good solid, underlying growth to continue.

Just before I wrap up really I've got to say a big thank you to Trevor. He's been a fantastic CFO for us, he's worked with me closely in the last ten years, been a vital part of what's been I think a great success story over the period of time. So I'd just like to thank Trevor, personally and from the Group.

We're now happy to take Q&A, first of all from the floor. I'll sit down if you don't mind.

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Questions and Answers

Rob Plant, JP Morgan
The 6.9% organic growth for the full year is better than the 5.5% for the first nine months, but presumably the first nine months did include the US which has now been stripped out. Could you tell us how organic growth progressed across the year on that 6.9% basis, excluding the US, and at what rate did you exit? Thanks.

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Nick Buckles, Chief Executive Officer
Yeah, you saw from the graph I put up it's relatively accurate and so the first half would have been roughly 6.5%, the second half just over 7% and the fourth quarter slightly down on the third quarter. And unfortunately a lot of the comparables, you know big contract start-ups in December and January last year in North America particularly, UK Government a lot of start-ups between October and April/May time.

So you would expect quite a big drop off in the first half, but actually we don't expect that. I think Developing Markets and other contracts we've started up - you know I'll be surprised if we don't start at least 6% plus. But you know we've still got some understanding to get with some of these big contract changes.

You know to keep the UK growth up, it would have been nice to have had some start-ups in the second half, particularly on UK Government, but really there's nothing that's going to start up, as we see now, of any significant size in the second half. But you know good news that the EM contract is going to be extended for the rest of the year at least - on the UK Government piece.

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Kean Marden, Jefferies
Good morning, can I squeeze in three. I appreciate it moves around a lot but if you can possibly run through some of the main swing factors in the bid pipeline since you last updated us, that would be quite helpful?

Secondly, obviously the results are quite complex, but if you can maybe Trevor, just run through the main elements again of the discontinued line in terms of cash contribution. So is think it's the £220m number on slide 21, just the main breakdown of that would be really helpful?

And then thirdly I'm wondering what skill set the Board was looking for particularly from the new Finance Director?

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Nick Buckles, Chief Executive Officer
Yeah, the bid pipeline, I mean it is very biased towards the UK Government and clearly the big change in outlook has been MoJ UK Prisons; where previously we'd expected, you know upwards of ten prisons a year to come to market, so that's come out of the pipeline now.

Going into the pipeline to replace it has been elements like the MoJ Prison FM outsourcing and hence my comment about FM in the UK, there is definitely a big growing trend, if you're not going to go full outsourcing on prisons to put the back offices and the facilities management out. And that will, I think, rollout across a number of government departments. And that's really to come in the future.

The other real sort of - so that is really is the fundamental change, but in terms of Commercial work not a huge difference. Absa I mentioned has really come into the frame, that's actually out for bid now, we were expecting that a few months ago, but that's tangibly in the pipeline. To come in the UK things like Courts, Fines, Probation, but really we haven't got a number, a tangible number in for those. But outside UK Government is pretty much the same as it's always been, there's not a big change.

I'll do the CFO and then I'll pass to Trev. In terms of the CFO, clearly an experienced CFO was important for us, I think if they're available you would certainly hire them. We had an extremely good shortlist, I'm very pleased about that, but what we were looking for was some international capability, multi-country. But really track record was really the big differentiator. And clearly, you know we mentioned in the announcement we've got to build succession resource as well, within our organisation and from externally. CFO and COO are two roles that are clearly roles that you would tend to try and fill with succession potential as well as the four regional COOs we have in place, so that had to be part of the thinking as well. Trevor on the £220m?

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Trevor Dighton, Chief Financial Officer
Yeah, if I can just add to that as well because it's something very close to my heart, the cultural fit was extremely important as well. And we think Ashley really fits our culture, which is a great addition.

On the £220m, it's pretty straightforward actually, the Olympics - £174m was all cash, I told you the two elements of that, that's the loss plus the amount that they were holding onto at the end of the year and a little bit of VAT associated with that. So that's £174m the outflow. And then all the reorganisation costs were cash costs, so that's £45m.

And on the trading there was a positive contribution on the trading from, the US business and negative from the others that netted out to about £10m of trading profits. But of that the cash position was better than that because the US Government business collected actually more cash then they created profit, they had a good year of cash generation as well. So the net impact was practically zero, it was only a £1m impact on the cash line.

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Andrew Ripper, Merrill Lynch
Couple from me if I may. First of all on the US can you just give us the split now between the manned business and the electronic business please on revenue? And then following on from that what’s your current experience on prices and wage growth?

And in your comments about Obamacare you sounded pretty relaxed about the potential impact on your business. Obviously Securitas have been quite vocal in preparing the market for quite big cost and price increases, I'm just wondering as far as you’re concerned where the differences lie, and I appreciate you may have perhaps a larger number of guards that are billed at higher rates with the sort of custom protection officer programme but is there more to it than that? Are you in general basically a better employer in terms of benefits for the guards or what?

Nick Buckles, CEO
First question on North America. We've got about £1.2bn remaining and I think Technology - I mean there's Manned Security, there's Compliance Investigation, there's Care & Justice and Technology. Technology on its own is about £150m, the balance is non-technical of which Manned Security is probably around 900, 950. Then you've got Compliance Investigations, Care & Justice etc.

And the Technology businesses, there's two main businesses. One that there's large scale installations and the other is a sort of distribution and international access control business basically. But the installations business, you know volumes move around quite a bit and margins move around quite a bit because it's a non-recurring revenue business model and that's about £110m.

Second one was? Obamacare. Yeah obviously the US government piece that we're divesting has got extremely strong healthcare plans in place so there's no impact on that business at all. Within the commercial piece that remains we've got about £120m of commercial nuclear business which has got very strong health plans in place, that's unique to us.

Then within the Manned Security business which is about £800m probably about 35, 40% is CPO program, which you mention, where we've got very strong healthcare benefits again. And the balance, the scheme we have in place is pretty much up to spec when it comes to the new legislation. Now it's not to say there aren't some tweaks we've got to make to it to actually make sure the cost remains the same but we don't envisage currently at all going for a major price increase with our customers. You might be talking a couple of percent but nothing significant.

I mean it's fair to say, you know all our US growth at the moment and has been for the last three years is all organic volume growth. If anything probably the average prices have fallen over that period of time so we haven't had a formal price increase with any of our accounts really for two or three years. So it is a volume growth that we're getting there typically.

Andrew Ripper, Merrill Lynch
Thank you and then a second question from me just regarding the divestments sort of thesis. Could you just remind us why you see the cash business overall as being a core part of the group and what's the logic for attaining that? And then in terms of tidying up the portfolio from here presumably WSI was the sort of the biggest potential offload. Where would you sort of move onto next? Is it around the edges of the portfolio?

Nick Buckles, CEO
Our cash business is a high performer despite the current economic environment. 2009 I think our organic growth was 11%, 12% overall and it's still double digit in developing

markets and that will pick up this year I'm sure. Where we've got cash businesses in developed markets they're in duopolies most of the time, high barriers to change and we run them pretty well I would say. Our expertise around cash solutions, we're the number two player globally, and our expertise does give us differentiation when it comes to winning new outsourcing business. So I do think we're a very strong parent for the cash business per se.

And the UK market, you know wherever we look around the world is at least five years ahead in terms of outsourcing trends and other markets will follow in time.

Then when you move into developing markets which we've got probably 55, 60 cash solutions businesses there are huge dis-synergies of it not being part of the group. You know if you take Africa where we probably do cash in 20 countries, you just wouldn't be able to afford an infrastructure to support 10, 20 vehicles here, there and everywhere. And you know dis-synergies alone could amount to tens of millions of pounds.

And actually whenever you look at acquisitions in developing markets, the way the market develops, they're all multiservice businesses basically because that's the way the markets operate, that you do manned security, security systems, cash solutions and some facilities. So you know they really are not discreet businesses operationally when you - well they are operationally but not in terms of market and management structure. So it's an easier thing to look like it's divestible but in practise it really - from our perspective wouldn't make sense. In some ways it's a business we should build more over time through acquisition but at the moment our funds are going into developing markets and that's how it should be.

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Andrew Ripper, Merrill Lynch
Are there any bits of the portfolio - you would look to where you can open today?

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Nick Buckles, CEO
Yeah I mean if you're looking at developed markets business, and as I said it's highly unlikely we'd divest developing markets, a substantial business there. In developed markets on Manned Security we have a number of businesses that still aren't getting to 5%. We don't have to stay in Manned Security in markets, you know we've got global accounts that we quite happily operate without being in France, Germany, Spain, Portugal, Italy. So you know that's not an incumbent to growth. Although global accounts are becoming increasingly important they're only sort of 3% to 5%, depending on how we define it, of revenue. So we can make those decisions.

The issue really is, comes back to one of value and parenting advantage. It's hard to find somebody that's willing to pay a premium if we were looking to divest. So anything really under 5%, manned security, low growth, I think will be something that we'll look closely at over the next sort of six months or so.

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Andy Chu, Deutsche Bank
Few questions if I may. Would it be possible to update us in terms of attack losses year on year please, how that's developed. Secondly on the EM contract, if I'm not wrong that's I think a triple digit million revenue contract but obviously at high margins given the technology part which will obviously change. Can you maybe help us in terms of how far those margins might step down?

Small question on pensions. I know it's sort of non-cash but would we pencil in an incremental £6m for '13 due to IS19? I know you're in the middle of your review.

And then just on divestments again, probably a bit of an unfair question but is it possible to sort of give us a scale of what's at risk on the divestment front either by revenues and by profits?

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Nick Buckles, CEO
Blimey. Attack losses, we never like talking about them without touching the table. We had a pretty good year in 2012. Year on year improvement probably from mid 20s to late teens in terms of - that's sort of millions. An ongoing challenge but the disappointment for me is, for example in the UK it was a huge issue a number - in the last three or four years. It's got down to - it's been a really excellent project to bring down the level of robberies. A lot of that improvement has come in the UK but a lot of it has been passed on in lower prices to customers basically. So we haven't seen the profit improvement we should have expected from that approach. In fact I think the robberies at their high point in the UK were probably running at about £8m to £10m a year. And now they're down to a couple of million, something like that. So big improvement there.

We don't know whether the big robbery in Brussels recently is going to impact our premium for international valuables but just for your information that sits in a separate policy. That's a different underwriter to our core cash solutions business and our international valuables business premium is only about £3m or £4m so it's not a huge issue in there.

In terms of the EM contract, complex story. Actually the overall revenue at the moment probably is around £100m for the market but we only have half of it. It's a high margin contract. Split it into four lots as you know, it's been delayed a couple of times in terms of final bids. We haven't put the final bid in yet but clearly next year we expect the new contract to be in place. It's a completely different contract but I think the revenues, it's difficult to gauge the revenues but I would guess they'll probably be nearer say £60m in the market, 60 to £70m rather than 100. Depending on, you know, the different elements of contract. But it's a complex area and we're working through it. I think we've worked very hard with the customer to make sure we're in good shape and fully understand the rollout implications of the new contract.

In terms of pension interest over to you Trev.

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Trevor Dighton, CFO

Yeah this is this daft standard IS19 where the increase in the liabilities that comes out of that standard goes to the P&L, whereas the increase in the assets which is the positive goes straight to reserve. So it's a pretty daft standard.

The impact on this year it makes about a £5m impact on this year so the £8m would have been £13m and next year it will probably be £20m. So if you do want to build those into your calculations you're quite - do it by all means but it mean absolutely nothing. And in terms of our discussion with the trustees this hasn't got anything to do with our discussions with the trustees, they work on sort of the proper evaluation of the assets and liabilities and this is just a peculiarity that just sits at the bottom of the P&L and we don't take any notice of.

I know some organisations actually used to take the adjustment into their PBITA and they're the ones that have a bit of an issue with this, but we've never taken it into the PBITA line so we haven't got that same issue.

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Nick Buckles, CEO
And then on the divestments I can - we've probably got £500m to £600m of manned security revenue that falls into the category of being below expectation. Don't really know how much converts in the next 12, 18 months in terms of divestment but it's that sort of scale that we'd be talking about.

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Charles Wilson, Goldman Sachs
Just on the US divestment, how much have you spent putting that business together just so we get a feel what you might be able to sell it for? And secondly with your margin guidance I think it seems pretty similar to what you said last year and I guess underlying if you include the US business it would have been down 30 bps or so. So is your margin guidance you're giving, does that include the impact of divestments?

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Nick Buckles, CEO
Actually I mean it is improved by 30 basis points through it not being in the results but actually the business made a lot more money last year as well, the US business. I think within the adjustment it's about £20m.

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Trevor Dighton, CFO
£20m yeah.

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Nick Buckles, CEO

So I mean it's not exactly like for like. You know that business we sold - one of the reasons we sold it is because its margins have come down significantly. We don't need to see them improving basically.

In terms of the forward guidance, we expect to stay above 7% without portfolio change and if portfolio change leads to margin improvement that should be incremental.

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Charles Wilson, Goldman Sachs
And in terms of what - it looks like that US government solutions business you acquired various businesses to get to it.

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Nick Buckles, CEO
It's predominantly the acquisition actually of Wackenhut by Group 4 Falck in 2002. And you know that was part of a much bigger acquisition at the time. And since then the acquisitions we've made really are part of Armor Group went into their portfolio and All Star which is a FM business went into their portfolio. But they're not really a good guidance for what we might achieve on disposal. We also took a £35m write down on one of those businesses.

So it's probably running at about £350m at the moment with Diego Garcia coming on in April. It's low margin as you know, and it really depends on what a new parent thinks it can do in terms of improving its performance A, and secondly if they want to integrate it with another business then clearly there'll be even better returns.

You know it's really - you can make your own judgement on a low margin £350m business that actually gives a unique platform to do US government business and you know we've got 15 companies interested, a lot of private equity. That will clearly come down significantly but we think it's quite a unique platform that an American owner could do something significantly more with than we can currently.

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Trevor Dighton, CFO
It obviously wouldn't be a sensible thing for us to commercially put a price out there in that environment.

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Paul Checketts, Barclays Capital
I've got three as well. On the UK first, I think it was the one country Nick that you didn't give us a sense of why you would expect organic growth. And I guess after such a strong 2012 that will come down, but maybe you'd give us a number. And also after the phasing of contracts in 2012 do you expect the margin to improve here?

And in a broader sense perhaps you'd give us your thoughts on the UK governmental space, start of 2012 is a very exciting arena for G4S and given some of the stuff that has fell away perhaps less so now. And the other two are quickly on US.

Nick Buckles, CEO
Oh that was one was it?

Paul Checketts, Barclays Capital
That was one.

Laughter

Nick Buckles, CEO
A, B, C. Yeah.

Paul Checketts, Barclays Capital
And the other two, US airports, perhaps you'd give us an update on opportunities and how you think the contracts might be structured. And lastly on cash solutions in the developed world, people have talked about it for a long time the reduction in cash being a risk in the terms of were people paying? Is it now actually leading to some of this retailer pressure that you're talking about?

Nick Buckles, CEO
Blimey. So first of all UK. I would guess UK organic growth; it's difficult to call in terms of phasing etc. first half will be better than second I'm sure unless we pick up some commercial security start-ups this year. Having said that utility service is growing extremely quickly around smart metering. It's not a big business but it's going very well. So nominal GDP plus two or three is a reasonable expectation. I'd be disappointed if it wasn't five, I'd be pleased if it was six or seven. I guess it's that sort of figure. But we need to win some business in the second half to really deliver on that.

Margin is difficult to call. I would say it would be pretty similar this year to last although we've got some start-ups. There's not really start-up costs in that £200m start-up, it's just low margin. It will get a little bit better but there will be other things that aren't so I think a reasonable expectation is a margin similar to this year.

The UK government space, I think it's still very exciting. But not very short term now for us. In the next six to nine months it's hard to envisage some big chunks of business coming on that we haven't already got. There'll be some, 10s and 20s of millions but nothing significant. But then probably 2014 we're much more excited about Probation, MOJ, FM, Courts Fines. So I still think the outlook is very positive but not in the very short term.

In terms of US airports one of the challenges has got to be that we're going to have to rebuild another proxy structure which will be different clearly from the proxy structure we have. You've got to have a proxy structure to do US airports which does bring its challenges. But it will be a different structure, not quite as limiting as the current one we hope. But I think that's a longer term game. There's a lot of union opposition to it happening. So again we've got some in the pipeline but I don't think there'll be big numbers coming through this year. But once it starts I think it could gain momentum.

Cash Solutions, Developed Markets, I don't believe that cash in circulation or cash per se is the issue. We've got some more work to do on that. I think it's much more about retailers just having such a tough time. You know it's really difficult out there, there's no time value of money whatsoever and so you know accounts which five years ago were spending £3m to £4m a year on services are now spending £1m to £1.5m. That's the level of reduction in some of the major retail accounts. We had a couple go into receivership, not huge but we had a couple drop out in the first quarter this year. So it's much more the economic issue I think than the cash in circulation or cash processing. That doesn't concern us too much at the moment.

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William Vanderpump, UBS
Just a couple left from me. In terms of the US divestments, obviously you know a troubled business in some way and low margin, but did that have any sort of strategic benefits in terms of feed across to your commercial business and is there a potential dis-synergy there from prestige contracts that you can no longer show off?

I suppose secondly on cost savings, £35m this year; you've obviously done quite a lot of internal soul searching. It sounds like you're now talking about divestments as the best way to now optimise your portfolio. Are you basically all done with cost savings as a result of what you've been through this year?

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Nick Buckles, CEO
The UK government, part of the rationale for divestment was that we couldn't add value to it and it couldn't add value to us. So basically we couldn't transfer best practise out of that business because we couldn't know what it was doing. So basically it was almost like a business we didn't talk about. So in the US space we wouldn't have said we'd do the security at Kennedy Space Station or the fire services because it's not really relevant and we can't really show people or tell people what we do anyway. So there's definitely no expertise transfer.

I think it's very important for our US business and we had to position it very much that we're not getting out of the US; we're getting out of classified business in the US. We're not even getting out of US government business. So within our commercial business we've got probably $100m to $200m revenue with government either local or federal.

So that's the only risk that, you know, people think we're not doing US government, we are we're just not doing classified US government.

In terms of cost saving, we continually look at efficiency in our organisation, we have to. Gross margins have been under pressure for ten years and never more so that now. But as I said earlier we don't expect to do a major restructure programme, it will be very much operational improvements around gross margin and productivity. Some getting best practise in place on the overhead structure but we certainly don't envisage a restructuring charge at all. But it never stops, cost management in our business, you know we've got 90% of our costs are people related so we've got to be on top of it day in and day out.

Any more from the floor? Okay we've got two from the phone lines if we could switch to them please.

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Telephone Operator
Thank you. The first question comes from the line of Daniel Patterson from SEB. Please go ahead.

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Daniel Patterson, SEB
Hello gentlemen. I have two questions both regarding the secure solutions in Europe. Firstly could you comment a little bit on the market dynamics? Are you still sort of seeing the underlying gross margin pressure here in '13 or is there some sort of stabilisation at the end of the tunnel?

And then also the 7% margin in the business that you're delivering in '12, are you pretty happy with that in Europe or what would sort of make you or need you to do more on the reorganisation in Europe on secure? Thanks.

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Nick Buckles, CEO
Yeah I mean Europe to us is sort of two regions. We've got Scandinavia and Benelux which are very much developed markets and we've got eastern European and southern Europe which are I guess developing but unfortunately not developing much at the moment. But you know I think in the medium term we expect those to be - have the same attributes as developing markets. And some of the margins we're experiencing in those developing markets are still good, particularly on cash solutions. And so they're quite different.

So if we come back to the northern Europe piece on Manned Security the average margin last year was probably around 3 to 3.5% in those northern European, Scandinavian businesses. That's despite the fact that most of the markets are three player markets with 70, 80% market share. But the big problem there has been the ability to pass on wage awards and it's not through want of trying, it's the fact that a lot of contracts the business signs, the market signs, are two and three year contracts.

Some years there's not price increase clauses, some there are. And the gross margin pressure really just sort of comes from the fact that the market isn't growing.

So there's not new outsourcing coming onto these northern Europe markets, the governments aren't looking to outsource and customers are willing to move on relatively small differentials in annual cost. And so hence the restructure has meant that we've kept margins at net level going but gross margins are still under pressure. I don't see that changing in the next 12 months. We need a different economic environment in northern Europe, particularly because they have been good markets in the past, they are good markets when the economies are growing because the whole market grows and people can pass on price increases and everything goes pretty well.

Currently it's just tough on Manned Security but our Technology businesses are holding their own, the margins are good. They were flat year on year but still pretty stable. But it's the pure Manned Security businesses that are the challenge and I don't think that will change in the next 12, 18 months.

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Daniel Patterson, SEB
Okay thank you. My other questions have been answered.

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Nick Buckles, CEO
Okay thank you. Another one on the line?

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Telephone Operator
Next question comes from the line of Laurent Brunelle from BNP Paribas. Please go ahead.

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Laurent Brunelle, BNP Paribas
Yes good morning. Two questions left for me. First regarding your sales target of 36% in 2013, could you maybe split it between volume and price? And what kind of retention rate assumption do you afford 2013 please?

Second on margins, given the expected savings from restructuring programmes and procurement do you expect margins to improve this year, it was not clear to me, or should it be offset by price pressure and start-up costs?

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Nick Buckles, CEO
Organic growth in developing markets, it will be strongly double digit I'm sure. We'll probably be about half and half between indexation and volume. The developed markets

growth I think is nearly all entirely volume at the moment, if not more than. I think there's more price reduction than price increasing going on typically.

In terms of the margin going forward, I mean the best guidance we can give is 7% plus, you know that's what we expect to continue to deliver and it's our expectation for this year.

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Laurent Brunelle, BNP Paribas
Okay and regarding retention rates at the group level please.

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Nick Buckles, CEO
Yeah I mean we've got varying methods of recording retention at the moment across the 120 businesses. And some range at 95%, some are low as 80% but it really depends on the way that they're measuring. And one of our objectives for this year throughout the group is putting a more consistent measure of customer retention. And we think it is across the group around 90% but we're working hard on making sure through the financial systems we can get a true measure that's consistent across the group. So it is always around that sort of level but we want to be more scientific about it going forward.

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Laurent Brunelle, BNP Paribas
Okay thank you very much.

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Nick Buckles, CEO
Thanks. Just wrap up again by saying thanks very much to Trev, much indebted to his support over the last ten years or so and look forward to seeing you all again soon. Thank you.

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