



G4S plc

Investor Relations Presentation

January 2012

Securing Your World



Legal Disclaimer

Certain statements in this document are forward-looking statements. These forward-looking statements speak only as at the date of this document. These statements concern, or may affect, future matters and include matters that are not facts. Such statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause actual results and outcomes to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements. The information and opinions expressed in this document are subject to change without notice and neither the Company nor any other person assumes any responsibility or obligation to update publicly or review any of the forward-looking statements contained within this document, regardless of whether those statements are affected as a result of new information, future events or otherwise.

Contents

- 9 months to September 2011 trading update
- Investor proposition
- Global security market
- Market trends and characteristics
- Economic sensitivities
- Recent contract wins
- Acquisition strategy
- Financials
- Summary

Nine months to September 2011

* At constant exchange rates

- Trends from H1 broadly continued into Q3
- Organic turnover growth of 5%*
- New Markets organic turnover growth of 9%
- Developed markets organic growth of 3%
- Secure solutions growth of 5%
- Cash solutions organic growth of 2% with strong new markets growth offset by developed markets
- Overall margins down slightly due mainly to cash solutions
- On track for 85% cash conversion for FY2011

Examples of recent contract wins

Securing Your World



HMP Birmingham and HMP Oakwood

HMP Birmingham (Cat B)

- 15 year contract
- £24m PA
- 700 staff / 1,450 prisoners
- First publicly run prison to be transferred to a private service provider
- Union/employee issues
- Commences Oct 2011



G4S UK – 6 prisons and 7,109 prisoners

Planning for programme of prison outsourcing of up to 10 prisons each year

HMP Oakwood (Cat C)

- 15 year contract
- £18m PA
- 550 staff / 1,605 prisoners
- Prison under construction
- Commences Apr 2012



Securing Your World



Police and Welfare

Lincolnshire Police

- Selected to provide middle and back office functions for Lincolnshire Police – the first contract of its kind to be let by a British Police Authority
- selected from an original 160 bidders
- from April 2012
- worth at least £200million over the next 10 years
- 10 other police forces on the framework agreement
- represents the widest range of services ever offered in a single contract by a UK Police Authority, from HR to finance, and from custody services to fleet management.



COMPASS

- Preferred bidder to provide services for asylum applicants in:
- Midlands and the East of England; and North East, Yorkshire & the Humber
- Involves over 100 strategic partners drawn from the private, public and voluntary sector



Ministry of Justice

MoJ

- integrated facilities services to the UK's Ministry of Justice (MoJ)
- 5 years
- Starts February 2012
- around £35 million pa plus up to £25 million pa in project work each year
- Under the contract G4S will provide more than 150 maintenance, catering, cleaning, security and energy management services to over 340 court, tribunal and administration buildings across the Midlands, Wales and the North of England



London 2012 Olympic and Paralympic Games

- G4S: Official Provider of Security Services to the London 2012 Olympic and Paralympic Games – exclusive supply contract and sponsorship deal
- Search & screening, patrol & response, CCTV operation, asset protection
- 34 competition venue across the UK
- Significant revenue
- Opportunity to provide services to sponsors, teams and parallel events



Securing Your World

Investor Proposition

Securing Your World



G4S Investor Proposition

Integrated security

- Key differentiator for the group
- Bring together project management, risk consultancy, physical security, intelligent systems and security personnel to solve security challenges for customers

Unrivalled cash solutions expertise

- Cash cycle management is a core competency
- Ability to drive substantial efficiencies for customers
- Achieving maximum financial return for our customers
- Substantial opportunity for continued outsourcing
- Market leading growth and margins for G4S

Government partnerships

- Substantial government contract base
- Public sector spending continuing under pressure
- Strategic partnerships
- Strong, long-term source of future growth

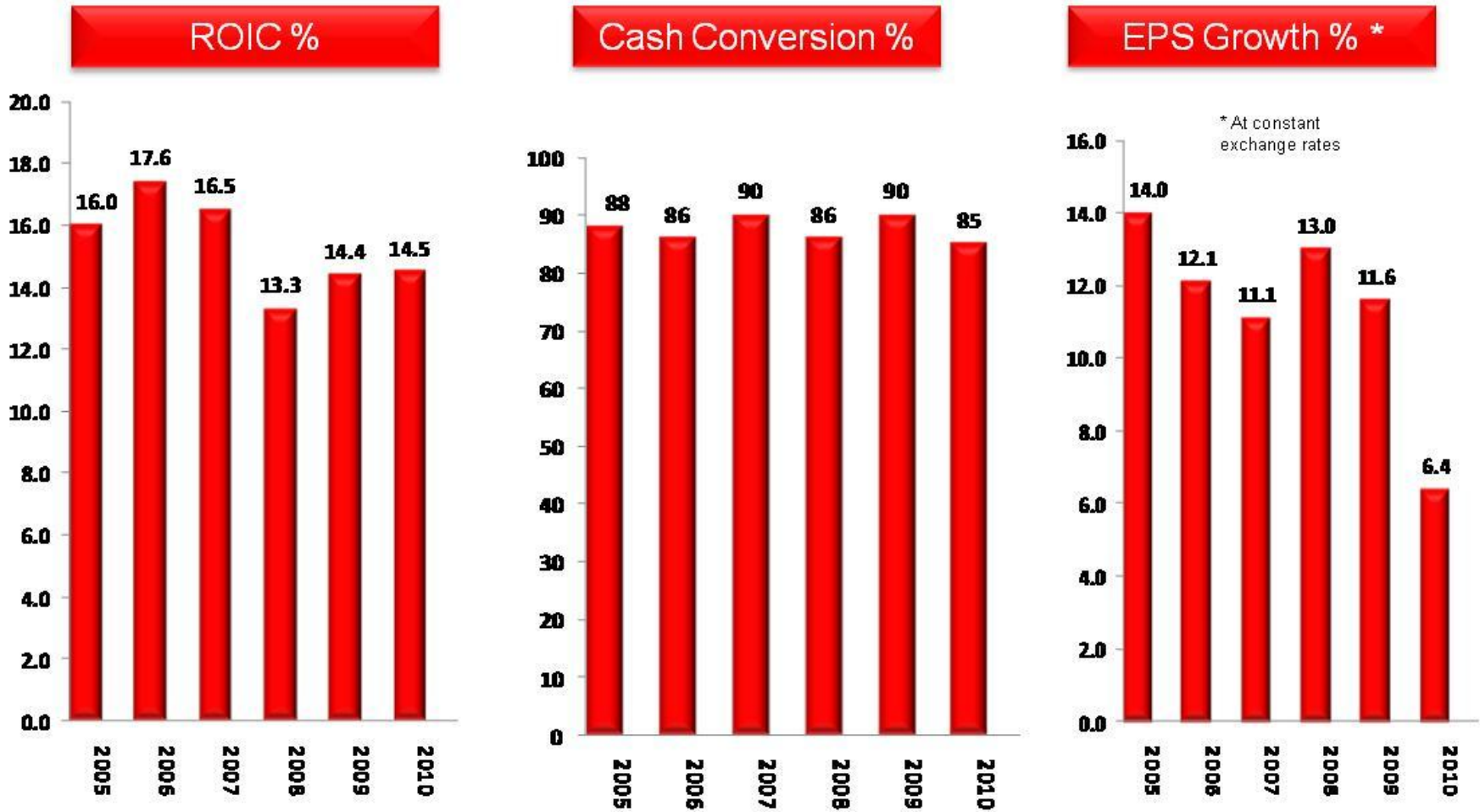
Strong “New Markets” positions

- Unrivalled global presence and experience of less developed markets
- 29% of revenue and 36% of H1 2011 PBITA
- Well positioned for structural growth opportunities
- Ability to drive development forward in industry sectors
- Increasing outsourcing trends

Securing Your World



Delivering Shareholder Value



Securing Your World



Strategy overview

Securing Your World



Business Definition

G4S is the world's leading international security solutions group which specialises in outsourcing of business processes and facilities in sectors where security and safety risks are considered as a strategic threat

B – B Markets

B – G Markets

“the assessment and management of security and safety risks for buildings, infrastructure, materials, valuables, people and society”

Long Term (5+ years) Contracts should be output based around delivery of the one or more of the following Customer's Business Objectives :-

- **Revenue Growth**
- **Cost Management**
- **Critical Asset or Risk Management**
- **Regulatory Compliance**
- **Customer Service (end customer)**

Strategy Model

**The world's leading security solutions group,
specialising in outsourcing of business processes and facilities**

Operate - Single Service Or Service Bundling	Analyse & Design	Manage -Solutions Or Outsourcing
<p>Self delivering excellence in each service line</p> <ul style="list-style-type: none"> • Service Centres of Excellence <ul style="list-style-type: none"> • Security • Justice • Cash • Soft Facility Services • Build wider range of soft facility services in emerging markets and select developed markets • Global Operational Standards 	<p>Delivering Expertise</p> <ul style="list-style-type: none"> • Market sector specialism • Consultancy <ul style="list-style-type: none"> • Problem analysis & solutions design • Risk consultancy • Safety consultancy • Technology integration capability • Solutions & Bid Capability 	<p>Delivering Solutions</p> <ul style="list-style-type: none"> • Solutions designed to suit the specific needs of each sector <ul style="list-style-type: none"> • Reducing Cost • Reducing Complexity • Delivering Right Service • Delivering consistently • Single account management responsible for all services • Output based contracts
<p>Building Developed Market Capability – Driving Emerging Market Expansion</p>		

Increasing Customer Partnership

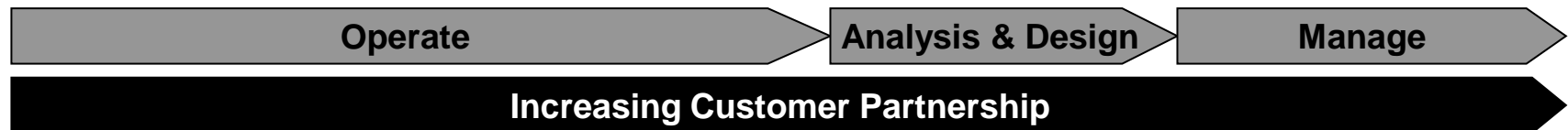
Securing Your World



Transforming Customer Partnerships

Customer Attributes

Specialist Service Buyer	Service Bundler	Solutions Outsourcer
<p>Single Service Buyer</p> <ul style="list-style-type: none"> - Manned security - Security Technology - Facility Services - Cash <p>Specialist service provider requirement</p> <p>Tender driven process</p> <p>1 – 3 year contracts</p> <p>Price & Service key drivers</p> <p>Lowest barriers to change</p>	<p>Buys several services</p> <p>Bundles different services usually under different contracts to gain price volume advantage or to reduce supplier complexity</p> <p>Tender driven with quality of service (inputs) specification from functions</p> <p>1 - 3 term contracts</p> <p>Price, Service, and reducing Suppliers key drivers</p> <p>Low barriers to change</p>	<p>Buys Solution to a strategic problem under a single contract</p> <ul style="list-style-type: none"> - Reduced overall cost - Reduced supplier complexity - Service Quality <p>Senior level relationship</p> <p>Self delivery to the same level as a specialist service company key</p> <p>3 – 10 year contracts</p> <p>Concerned about risk</p> <p>Difficult to change</p>
Level 1	Level 2	Level 3



Global Security Market

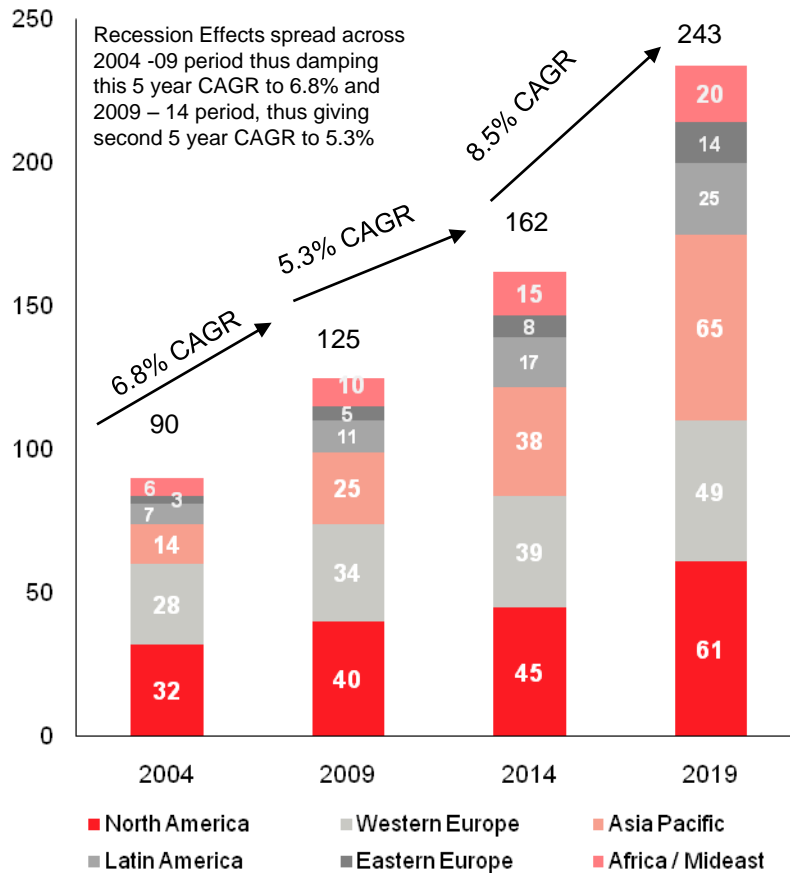
Securing Your World



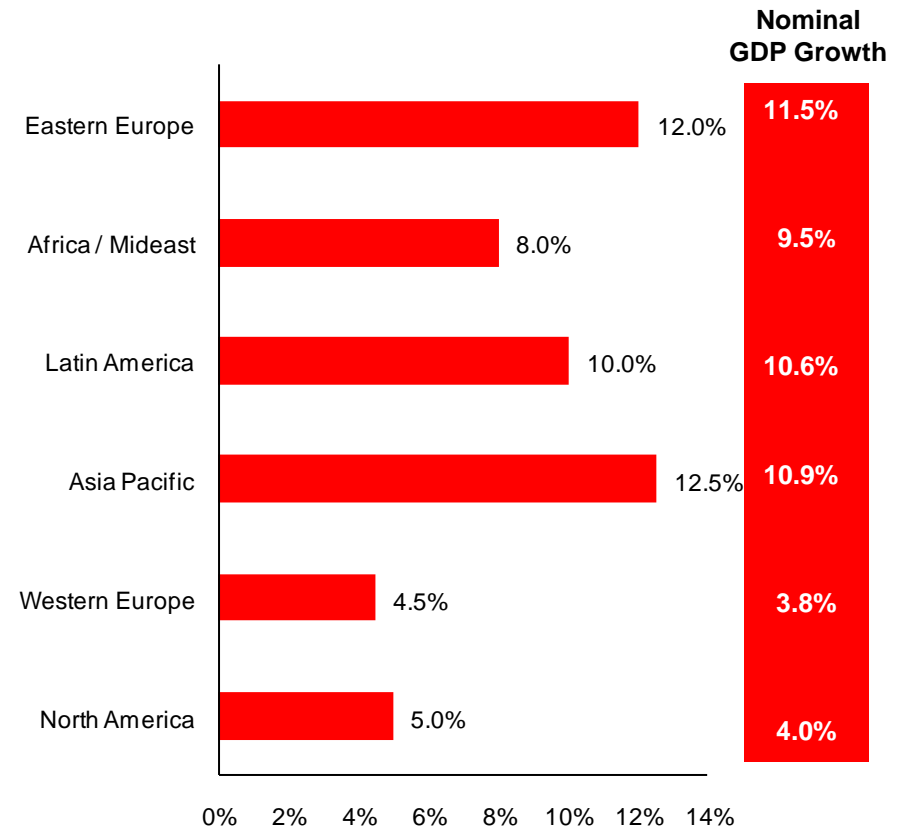
Global Market Size and Growth Rates

Strong structural growth B-B & B-G Markets

Security market revenue by region (US\$ bn)



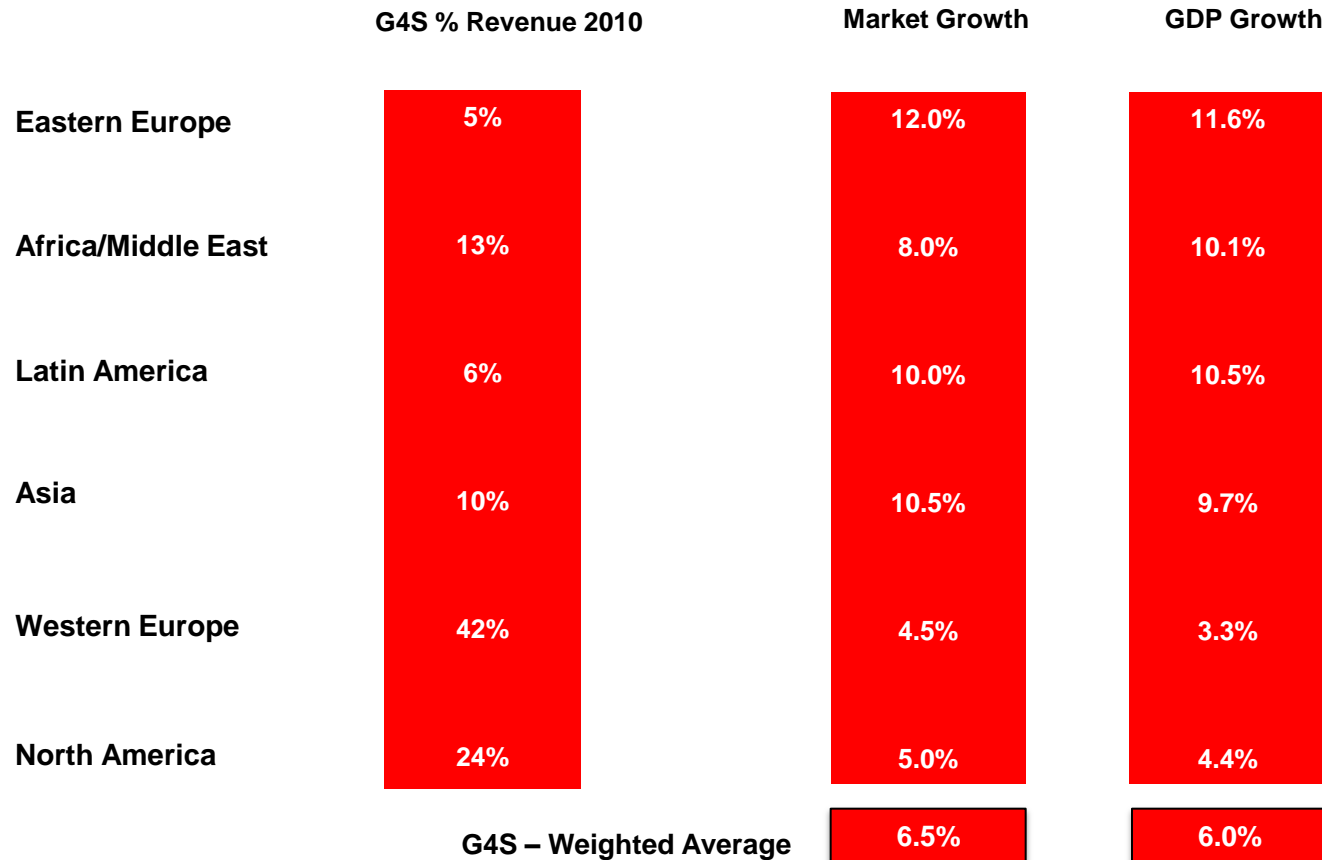
Estimated annual growth 2009 to 2014 by region



Source: Freedonia 2011, Company estimates, IMF September 2011

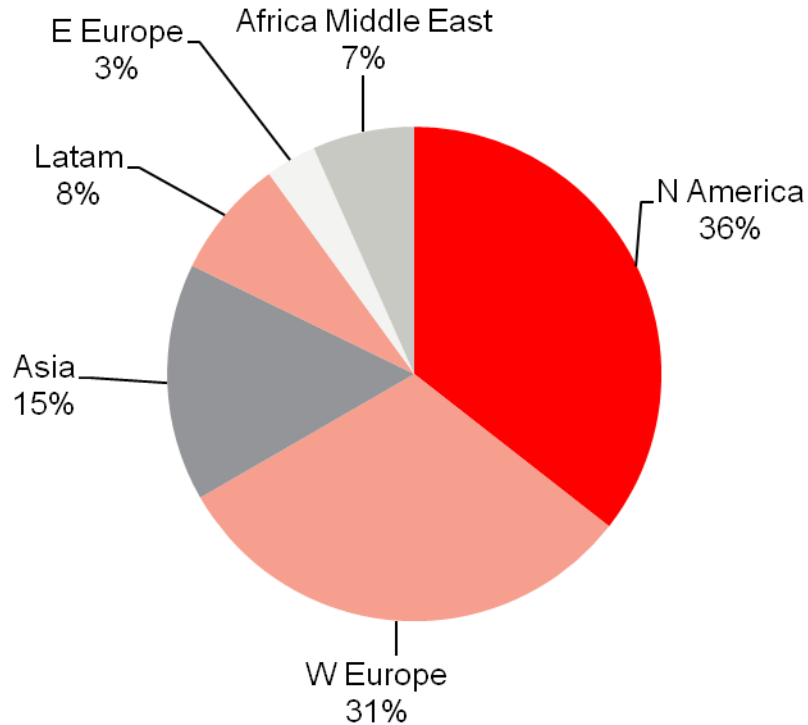
Weighted average growth rates 2009-2014

Strong exposure to high growth developing markets

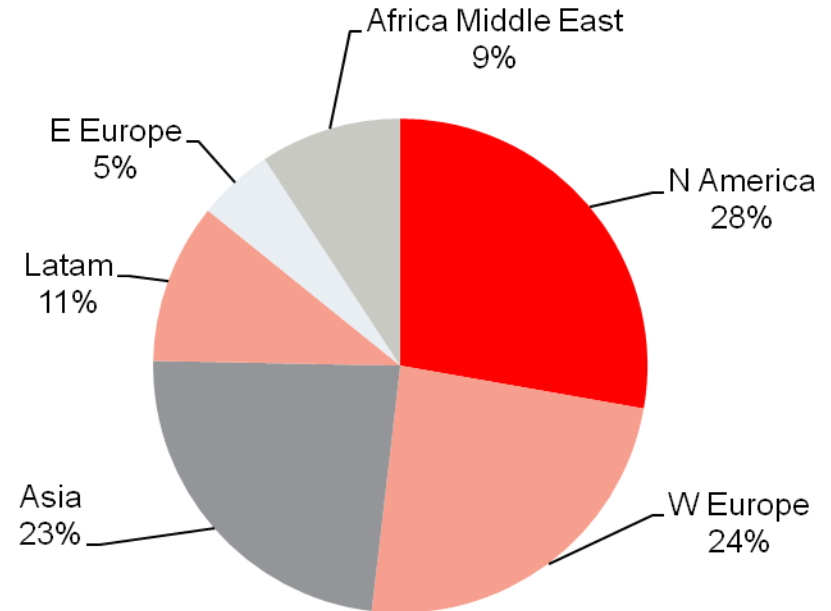


Global Security

Rise of New Markets from 33% to 48% of global market



2004 market size: £57bn



2019 Market Size: £155bn

Source: Freedonia 2011, Frost & Sullivan, Company estimates

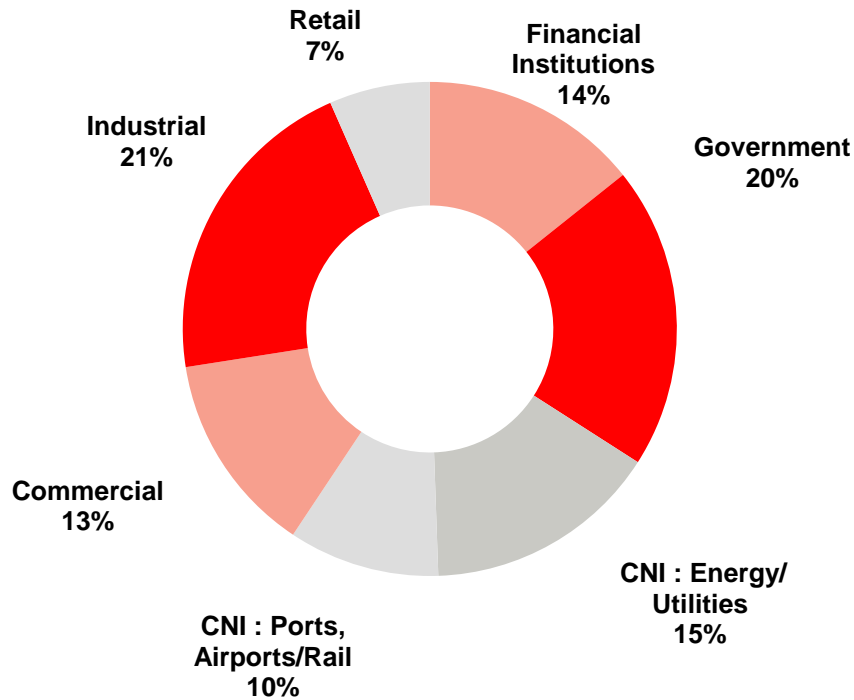
Securing Your World



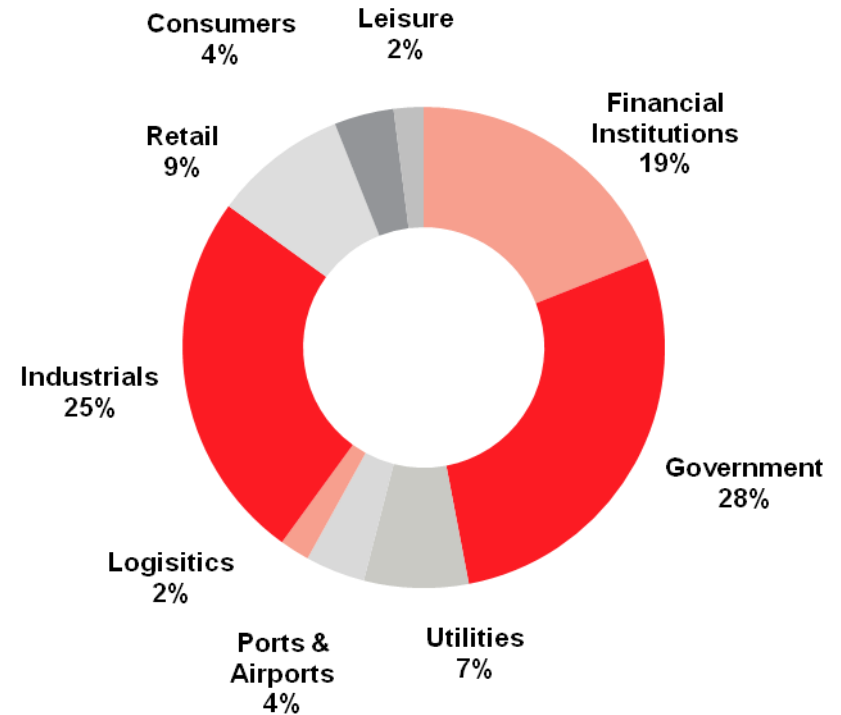
Global Outsourced Security Market v G4S Customer Split

Opportunity in CNI

2010 Market sector split



2010 G4S customer split



Sources : Freedonia, Frost & Sullivan, Turner & Townsend, G4S analysis

Securing Your World

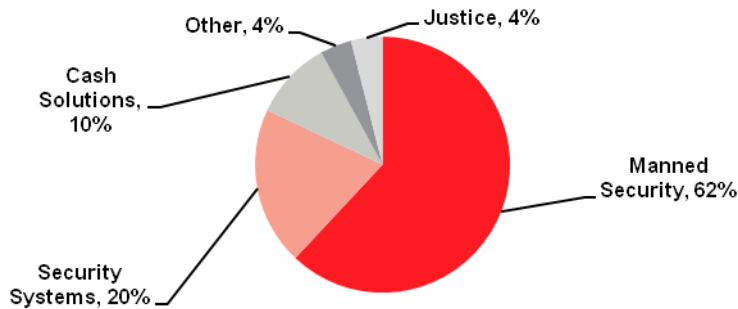


Global Market by Segment & Market Shares

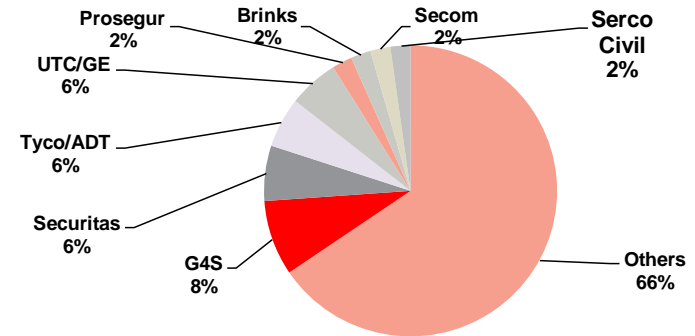
Fragmented markets except Cash Solutions

The £90bn global b2b security market – by segment and market share (2010)

By segment

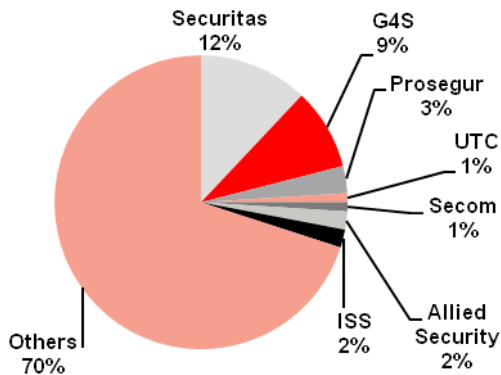


By global market share

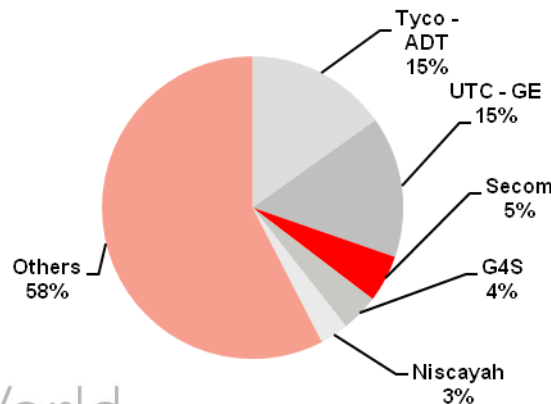


Security market segments – global market shares (2010)

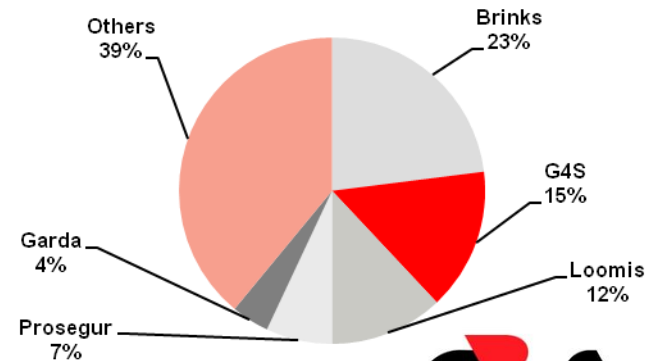
Manned Security



Security Systems



Cash Solutions



Securing Your World

Source: Market data & G4S estimates



G4S Market Overlap

Integrated security solutions - no direct peer



c.10%

c.25%

c.7%

c.10%

c.10%

c.10%*

Cash Solutions:

- UK
- Europe

Secure Solutions:

- UK
- US
- Europe

Cash Solutions:

- Canada
- Far East
- Some of Europe

Government:

- UK
- Australia

Secure Solutions:

- UK
- S. Europe
- Asia

Secure Solutions:

- UK
- * 16% including Government

Source: Market data & G4S estimates

Securing Your World



Market Characteristics

Securing Your World



Market Characteristics



2010 Group turnover by segment (%)



Market Characteristics

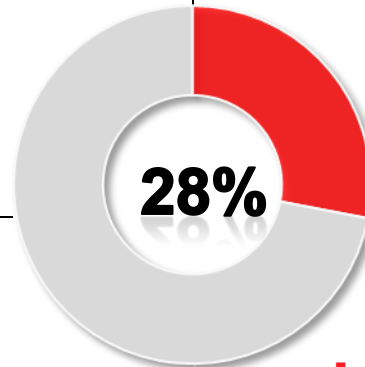
Government

Key Characteristics

- Above group average margins
- Significant G4S expertise - differentiation
- Consolidated markets
- Flexible cost base

Long Term Growth Drivers

- Focus on security
- Propensity to outsource
- Opportunities for variation/extensions
- Contracts for multiple Government agencies
 - Military security outsourcing
 - Care and justice outsourcing
 - Additional services/cross selling
- Double digit market growth



Market Participants

- Serco
- Capita
- VT/Babcock
- Kalyx
- GEO
- Reliance
- AKAL
- CRG
- XE
- Triple Canopy
- Dyncorp
- Olive
- Aegis
- IAP Worldwide Services

Defensive Qualities

- Long term contracts
- Price and cost indexation

Market Characteristics

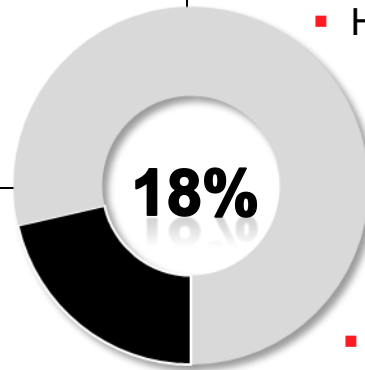
Cash Solutions

Key Characteristics

- Above group average margins
- Consolidated markets
- Very high G4S competitive expertise
- Cost base – fixed in short term

Long Term Growth Drivers

- Development phases of the cash cycle
- Role and strategy of Central Banks
- Increased willingness to outsource
- Product innovation - End to end ATM management, CASH360, etc
- High single digit market growth



Market Participants

- Loomis
- Brinks
- Prosegur
- Garda
- Technology companies

Defensive Qualities

- Cash usage trends in economic downturns
- Long term contracts / relationships
- G4S integral part of customer process

Market Characteristics

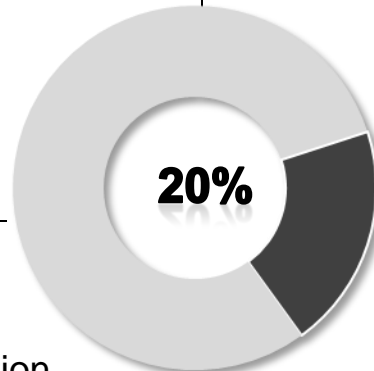
New Markets

Key Characteristics

- Above group average margins
- Very high G4S competitive expertise
- Fully flexible cost base

Long Term Growth Drivers

- Outsourcing in its infancy
- Opportunities from infrastructure growth
- Multi-national customers
- Double digit market growth



Market Participants

- No significant international competition

Defensive Qualities

- G4S brand and reputation
- Multi-service approach

Market Characteristics

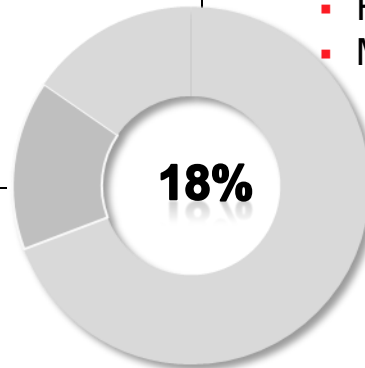
UK & North America Secure Solutions

Key Characteristics

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

Growth Drivers

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



Market Participants

UK

- Reliance
- Mitie
- Securitas
- Small local players

US

- Securitas
- Allied Barton
- Guardsmark
- US Security Associates

Defensive Qualities

- Easing in labour market
- Low exposure to systems
- High customer retention
- Scale and integrated offering

Market Characteristics

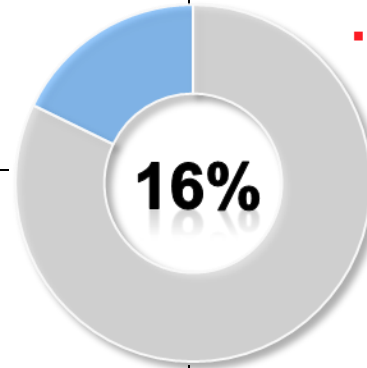
Continental Europe Secure Solutions

Key Characteristics

- Margins below group average
- Neutral G4S competitive expertise
- Cost base flexible
- National collective bargaining
- Security systems business = 30% of revenues
- Very consolidated markets

Long Term Growth Drivers

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



Market Participants

- Securitas
- Tyco
- Niscayah
- Local competitors

Defensive Qualities

- Consolidated markets
- Regulation

Securing Your World



Economic sensitivities

Securing Your World



Economic Sensitivities of G4S

GDP/inflation

- Will deliver growth well above nominal GDP due to trends towards outsourcing and increasing global security requirements
- All business segments benefit from an inflationary environment

Interest Rates

- Base Rates below 2.5% can result in cash services reductions
- Economics of outsourcing improve at higher interest rates

Government

- Short-term margin pressure
- Budget constraints should accelerate long-term outsourcing opportunity

Contract fundamentals

- Majority of contracts include price escalators or discussion clauses
- Wage inflation helps drive organic growth

Financials

Securing Your World



Acquiring capability

A key element of strategy delivery

In the last three years we have invested over £800m in acquisitions which bring c£1bn revenues, c£90m PBITA and support strategy implementation:

Management of critical infrastructure & expansion into new government sectors and geographies

GSL

Security consultancy, design & systems integration

Touchcom

Creating additional cash management expertise focussed on central banks consultancy

SMI

Bringing additional expertise in ports capability, systems integration and project management

Adesta

Risk consulting and mitigation

Hill & Assoc

Leading systems integration business in Brazil

Plantech

Investigations and Compliance

Cotswold Group

Mar '08

May '08

Jan '09

Nov '09

Jan '10

Apr '11

RockSteady

ArmorGroup

RONCO

SecPoint

All Star

NSSC

Instalarme

GML

Expansion of major event security & safety capability

Additional skill in protective security solutions for governments and multinationals. New specialist capabilities – mine action and risk consulting

Expansion of mine action capability

Market leader in security systems in fast-growing Ghana market

Extending secure facilities management expertise in high security government departments and government sectors

Additional consulting & specialist nuclear power expertise

Entry into dynamic Brazil market – leading security systems business

Electronic Monitoring equipment

Securing Your World

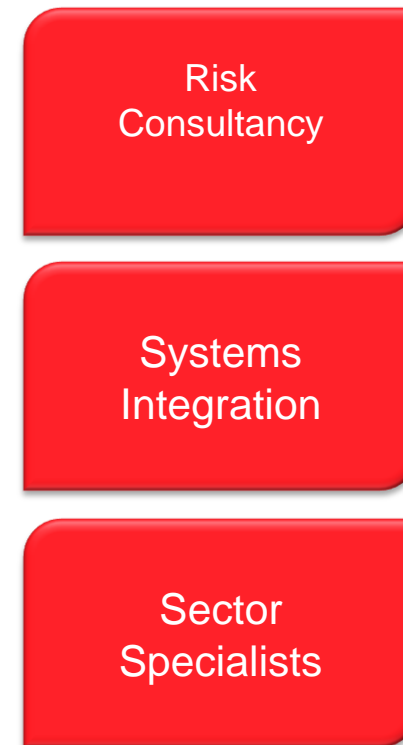


Acquisition Strategy

New Markets Multi-Product Strategy



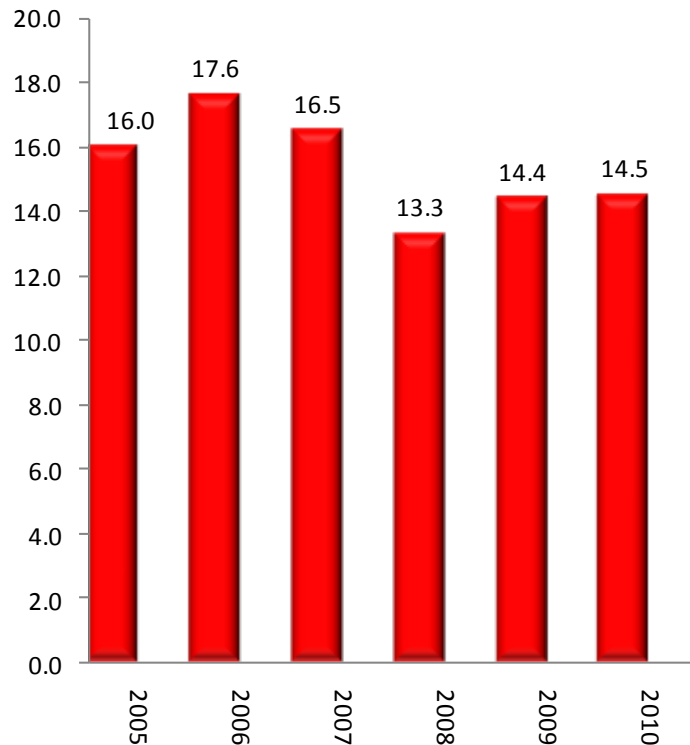
Developed Markets Capability Building



Building Returns - ROIC

2005 - 2010

ROIC %



Acquisitions

- Focus on niche M&A opportunities to deliver strategic objectives, with accelerated focus on New Markets
- Acquisition criteria
 - ROIC of 12.5% within 3 years for smaller deals
 - ROIC of 10% within 3 years for capability-building/market entry
 - Achieve ROIC above WACC on larger or strategic acquisitions within 3 years
- Expect to invest around £200m annually

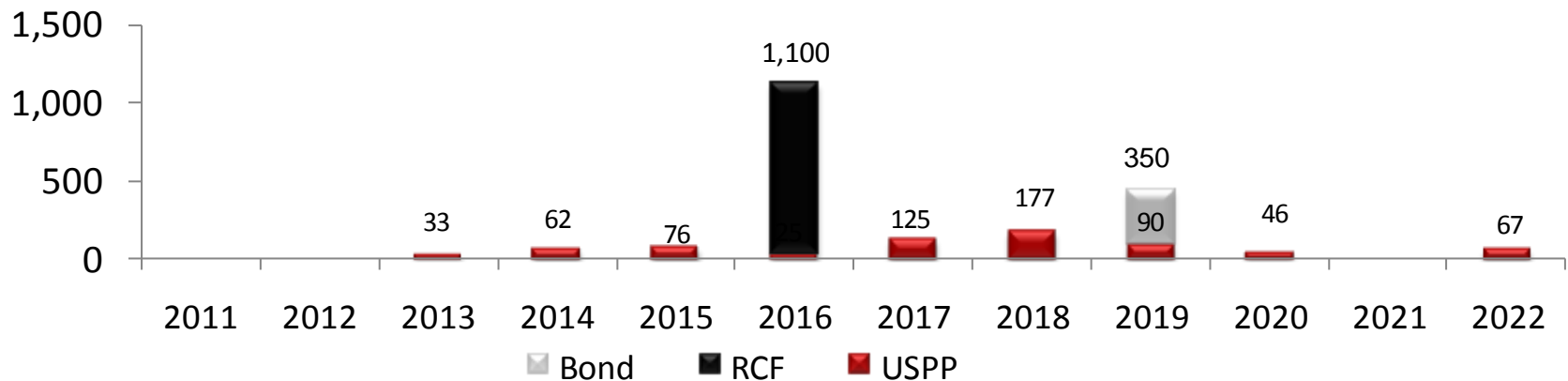
Securing Your World



Financing

At August 2011

Long term funding - maturity profile (£M)



- Effective interest rate of 4.9% (2010: 4.7%)

Pensions

6 months ended 30 June 2011

- Financial assumptions updated as at June
- Calculations subject to short-term volatility
- Deficit decreased to £184m from £191m at December 2010
- Discount rate of 5.6% used for the UK (5.5% at 31 December 2010)
- Additional cash contributions of £19m paid (no P&L implication)
- Cessation of future accruals in the UK

Summary

Securing Your World



Summary

Market

- Economic improvement heading in the right direction but some uncertainty remains
- Positive global security market trends
- G4S uniquely positioned across key growth markets

G4S Strategic Development

- Create global secure solutions group focusing outsourcing of strategic security and risk processes
- Build on strong New Markets positions via acquisition, broadening service offering and structural growth
- Substantial opportunity in China, Brazil, India and Saudi Arabia
- Continue building capability in US and UK markets

Acquisitions - £200m+

- Risk Consulting and technology
- All services (including facilities) in New Markets

Q&A

Securing Your World



Helen Parris
Director of Investor Relations
G4S plc
helen.parris@g4s.com
ph +44(0) 1293 554423

Securing Your World

