Securing Your World

12 August 2015

G4S plc
Half-yearly results announcement for the six months ended 30 June 2015
Investing in sustainable, profitable growth

G4S Chief Executive Officer Ashley Almanza said, "We continue to make good progress with our strategic plans, investing in growth and productivity programmes which underpinned strong growth in our pipeline and a 10.5% increase in underlying earnings. We won new contracts with a total value of £1.4 billion and sales, new contract mobilisation and on-going productivity programmes provided increasingly good momentum through the first half. This is expected to deliver further improvements in the group's performance in the second half."

Financial highlights on an underlying basis:

- New contract sales achieved a total value of £1.4 billion (annual value £0.7 billion) with contract retention rates maintained at approximately 90%. Sales pipeline replenished to stand at £6 billion annual contract value

- Revenue from continuing operations of £3,285 million, up 2.8%; up 4.2% excluding completion of three large contracts in Q1 2014
  - Emerging markets revenues up 5.7% to £1,183 million; up 8.7% excluding the Manus Island contract; with strong underlying growth in Asia Middle East and Latin America
  - North America up 5.4%; UK down 3.2%; Europe up 2%

- PBITA[a] increased by 4.9% to £193 million (2014: £184 million)
  - Emerging markets maintained at £87 million
  - Developed markets up 3.2% to £129 million
  - Corporate costs of £23 million, down £5 million

- Specific items included net £17 million charge from review and re-measurement of assets, liabilities and legacy contracts. Restructuring charges for the period were £16 million

- Cash from operating businesses was £195 million (2014: £185 million), up 5%.

- Underlying earnings[a] of £95 million (2014: £86 million), up 10.5%

- Interim dividend up 5% to 3.59p per share

- Net debt at June 2015 was £1,677 million (2014: £1,680 million)

6 months ended 30 June 2015

	Underlying[a] Results Constant Rates		Total Results Actual Rates	
	2015	**2014[b,c]**	**2015**	**2014[c]**
Revenue	**£3,285m**	£3,196m	**£3,409m**	£3,376m
PBITA	**£193m**	£184m	**£185m**	£181m
Earnings	**£95m**	£86m	**£35m**	£78m
EPS	**6.1p**	5.6p	**2.3p**	5.0p

[a] To clearly present underlying performance, certain items have been disclosed separately. For basis of preparation and an analysis of those items see page 9.
[b] To aid comparability 2014 underlying results are shown at constant exchange rates.
[c] 2014 results have been restated for businesses classified subsequently as discontinued or identified as part of the portfolio management programme – see page 28 for details.

Ashley Almanza, Group Chief Executive Officer, commented:

“We continue to make good progress with our strategic plans, investing in growth and productivity programmes which underpinned strong growth in our pipeline and a 10.5% increase in underlying earnings. We won new contracts with a total value of £1.4 billion and sales, new contract mobilisation and on-going productivity programmes provided increasingly good momentum through the first half. This is expected to deliver further improvements in the group’s performance in the second half.”

Demand for our services was robust, particularly in North America, Latin America and Asia Middle East. As anticipated, revenues were lower in UK & Ireland (-3.2%) and Europe returned to growth (+2.0%). Revenue growth was 4.2% excluding the Manus Island, Dutch justice and UK Electronic Monitoring contracts which ended in Q1 2014.

Profit before interest, tax and amortisation of £193[a] million was 4.9% higher than the same period in 2014, which reflects the combined impact of revenue growth and productivity gains which are underpinned by our “Accelerated Best Practice” programmes.

We have made further progress with implementing our “cash matters” programmes and cash flow from operating businesses was £195 million, a 5% improvement on the same period last year.

We continued to make progress with the execution of the strategic priorities identified in November 2013:

Portfolio and performance management: Since 2013, we have divested 16 businesses for total gross proceeds of £263 million and we are disposing of or discontinuing a further 30 businesses. These 46 businesses have combined revenues of c.£1 billion and profit (PBITA) of £3 million on an annualised basis. Portfolio management remains important for strategic focus and capital discipline.

Revenue growth: Since January, we have won new work with an annual contract value of over £680 million (2014: £600 million), and a total contract value of £1.4 billion (2014: £1.2 billion). In addition there is £2.2 billion of new work in the bidding or negotiation stage that provides good support for future sales.

Productivity and Accelerated Best Practice programmes: We made progress with our investment in sales and business development capability, business restructuring, organisational and overhead efficiency, operational systems (e.g. telematics), procurement efficiency, IT systems (e.g. shared services) and property rationalisation. As set out in November 2013, we are reinvesting efficiency gains into further revenue and productivity initiatives. The net benefit of the gains over investment is slightly ahead of our initial plans.

People and values: Since June 2013 we have strengthened our global leadership team with 135 senior appointments of which 60 were internal promotions and 75 were external hires. We are pursuing a concerted, group-wide safety programme against a backdrop of increased levels of serious road traffic incidents and attacks on employees. We continue to invest in improving customer service and satisfaction as well as contract and risk management.

Dividend

The board has declared a 5% increase in the interim dividend.

Outlook

Our sales, new contract mobilisation and on-going productivity programmes provided increasingly good momentum through the first half and this is expected to deliver further improvements in the group’s performance in the second half. We made good progress with our plans and there remains significant opportunity to realise the full potential of our strategy.

[a] To clearly present underlying performance, certain items have been excluded and disclosed separately – see page 3.

Summary financials

For the six months ended June 2015

Income Statement:

	Revenue 2015 £m	Revenue 2014[a] £m	PBITA 2015 £m	PBITA 2014[a] £m	Earnings 2015 £m	Earnings 2014[a] £m
Total results	**3,409**	**3,376**	**185**	**181**	**35**	**78**
Portfolio businesses identified for sale or closure	(124)	(157)	8	5	11	8
Specific items	-	-	-	-	17	(2)
Restructuring costs	-	-	-	-	16	9
Profit on disposal of subsidiaries	-	-	-	-	(12)	-
Acquisition related amortisation and expenses	-	-	-	-	19	33
Goodwill impairment	-	-	-	-	21	-
Tax effect of: Specific items, restructuring and amortisation	-	-	-	-	(8)	(8)
Profit from discontinued operations	-	-	-	-	(4)	(30)
Impact of current exchange rates	-	(23)	-	(2)	-	(2)
Underlying results[b]	**3,285**	**3,196**	**193**	**184**	**95**	**86**

[a] Results have been represented to exclude businesses subsequently classified as discontinued or identified as part of the portfolio management programme – see page 28 for details.
[b] To aid comparability 2014 underlying results are shown at constant exchange rates.

The group announced in November 2013 a strategic objective to actively manage its portfolio of businesses. To date, this programme has resulted in 46 businesses of which 16 have been divested and 30 are being sold or ceased, with annualised revenues of c.£1 billion and PBITA of £3 million, based on the last full year when each of these businesses formed part of the group. The remaining 30 portfolio businesses comprised revenues of £124 million and PBITA of (£8 million). The regional breakdown is provided on page 28. Portfolio businesses identified for sale or closure represent the trading results of smaller businesses that do not meet the requirements for classification as discontinued operations and are excluded from the group's underlying results.

Underlying results are presented excluding specific items, which are those that in management's judgement need to be disclosed separately by virtue of their size, nature or incidence. Specific items include the review and re-measurement of certain assets and liabilities and provisions for onerous contracts and include the continued impact of the 2013 review of the carrying value of assets and liabilities and any changes in estimates relating to those assets and liabilities since that review. The group also discloses separately restructuring costs, the profits and losses on disposal of subsidiaries, acquisition-related amortisation and expenses and goodwill impairment as well as profit and losses from smaller portfolio businesses identified for sale or closure and discontinued operations, together with any related impact on tax and non-controlling interests.

Restructuring costs reflect the multi-year organisational efficiency programmes which are being carried out by the group. These programmes are of a strategic nature and, as such, are monitored and approved by the group's executive committee. During 2014 and 2015, these programmes have focused primarily on transforming the operating model in the regions of UK & Ireland and Europe.

Operating Cash flow

Reconciliation of operating cash flow from continuing operations to cash flow from operating businesses	2015 £m	2014 £m
Net cash flow from operating activities of continuing operations (page 18)	**156**	55
Adjustments for:		
Restructuring spend	**17**	20
EM settlement[a]	**-**	89
Pension deficit repair payments	**22**	21
Cash flow from operating businesses (page 26)	**195**	185

[a] Net settlement of the Electronic Monitoring contract with the UK Government

UNDERLYING REGIONAL AND GROUP PERFORMANCE FOR THE FIRST SIX MONTHS OF 2015 VERSUS 2014

G4S is managed through a regional and functional structure. Our structure enables us to deliver our strategic objectives, develop integrated solutions, target key regional markets, build customer relationships and maintain a strong governance framework.

Underlying group and regional segmental analysis is presented at constant exchange and excludes the results of portfolio business which have been identified for sale or closure in line with the group's portfolio rationalisation strategy. 2014 results have been restated for businesses subsequently classified as discontinued or identified as part of the portfolio management programme.

At constant exchange rates	**Revenue 2015 £m**	Revenue 2014 £m	YoY %	**PBITA 2015 £m**	PBITA 2014 £m	YoY %	**Organic growth**
Africa	**241**	232	3.9%	**17**	22	(22.7%)	**4.9%**
Asia Middle East	**657**	632	4.0%	**56**	51	9.8%	**1.5%**
Latin America	**285**	255	11.8%	**14**	14	0.0%	**11.4%**
Emerging Markets	**1,183**	1,119	5.7%	**87**	87	0.0%	**4.4%**
Europe	**602**	590	2.0%	**32**	34	(5.9%)	**1.3%**
North America	**740**	702	5.4%	**41**	36	13.9%	**5.4%**
UK & Ireland	**760**	785	(3.2%)	**56**	55	1.8%	**(3.2%)**
Developed Markets	**2,102**	2,077	1.2%	**129**	125	3.2%	**1.0%**
Total Group before corporate costs	**3,285**	3,196	2.8%	**216**	212	1.9%	**2.2%**
Corporate costs				**(23)**	(28)	(17.9%)	
Total Group	**3,285**	3,196	2.8%	**193**	184	4.9%	**2.2%**

UNDERLYING OPERATING PERFORMANCE BY REGION

AFRICA

Continuing to invest through the cycle.

	Revenue 2015 £m	Revenue 2014 £m	YoY %	**PBITA 2015 £m**	PBITA 2014 £m	YoY %
Underlying performance	**241**	232	3.9%	**17**	22	(22.7)%

In **Africa** revenue growth was 3.9% with slower growth in some mining and energy related economies. Towards the end of the period we saw some early signs of mining and oil and gas customers beginning to award work once more. There was broad based growth in other parts of the region and contracts won included a large US embassy contract in South Africa.

The long term prospects in Africa remain attractive and we continued to invest in sales and business development resource through the cycle. PBITA was 22.7% lower than the same period last year.

That investment and key customer retention programmes are starting to show benefits in the bidding pipeline, with a broader array of opportunities at a bidding and negotiation stage compared to six months ago, including opportunities in sectors such as financial services, education, technology and aviation. This provides good support for revenue in the second half of 2015.

ASIA MIDDLE EAST

Good revenue and profit growth after absorbing Manus Island contract impact.

	Revenue 2015 £m	Revenue 2014 £m	YoY %	**PBITA 2015 £m**	PBITA 2014 £m	YoY %
Underlying performance	**657**	632	4.0%	**56**	51	9.8%

Revenue in **Asia Middle East** rose by 4% after absorbing the impact of the prior year cessation of the Manus Island contract at the end of March 2014. Revenue growth was 9% excluding the Manus Island contract, with good performances in India, the Middle East, Hong Kong, Taiwan and Thailand.

PBITA increased 9.8%, reflecting the combination of profitable growth and improved productivity. We had large contract wins in aviation services, risk management and electronic security systems. Our pipeline is diversified and growing with opportunities in care & justice services, risk management, mobile security, aviation services and security systems.

LATIN AMERICA

Strong revenue growth as we invest through the cycle and continue to build a diversified pipeline.

	Revenue 2015 £m	Revenue 2014 £m	YoY %	**PBITA 2015 £m**	PBITA 2014 £m	YoY %
Underlying performance	**285**	255	11.8%	**14**	14	0.0%

Revenue growth in **Latin America** was 11.8% despite the economic slowdown in Brazil and other commodity-based economies. Our businesses delivered strong growth across the region with contract wins in the ports, automotive, transportation, financial services and telecommunications sectors.

The long term prospects in Latin America remain strong and we continued to invest in customer service, our people and systems. The cost of this investment saw PBITA remained unchanged.

Our sales pipeline for the Latin America region has nearly doubled in size and is developing well, with opportunities ranging from local to regional and multi-national accounts, across a broad spread of sectors.

EUROPE

Modest return to revenue growth accompanied by investment in business development & sales resource.

	Revenue 2015 £m	Revenue 2014 £m	YoY %	**PBITA 2015 £m**	PBITA 2014 £m	YoY %
Underlying performance	**602**	590	2.0%	**32**	34	(5.9)%

In **Europe** revenue grew 2.0% including a small contribution from the acquisition of a patrol and response business in the **Netherlands**. We mobilised the Geld Service Nederland contract successfully and we have seen growing demand for our cash-recycling technology (CASH360). Total systems and technology revenues account for approximately 19% of our European revenues.

Our business in **Greece** responded well to the recent economic pressures in the market and played a key role in ensuring cash was available across the country.

PBITA was 5.9% lower compared to the same period last year principally due to lower volumes in the cash services business in **Belgium**.

Recent new contract wins include Helsinki airport in **Finland** (from Q4 2015), expansion towards the end of 2015 of a major contract in **Belgium** with a pharmaceutical company, an integrated cash solutions contract including CASH360 for the Dutch police force and additional work for global accounts in the banking and energy sectors. We continue to invest in sales and business development capacity to strengthen the sales pipeline.

NORTH AMERICA

Strong revenue growth and a growing pipeline.

	Revenue 2015 £m	Revenue 2014 £m	YoY %	**PBITA 2015 £m**	PBITA 2014 £m	YoY %
Underlying performance	**740**	702	5.4%	**41**	36	13.9%

Revenue grew by 5.4% in **North America** reflecting double digit growth in commercial security, offset partly by the loss of a nuclear power contract which was insourced by the client in the regulated businesses. The pipeline for security provision for nuclear energy customers has grown strongly in recent months and a new long-dated nuclear contract was won recently.

We grew our business in the wholesale retail sector, and established significant momentum in our cash recycling and management technology (CASH360). We also had large contract wins in the energy, technology and financial sectors.

PBITA for the region was 13.9% higher, reflecting the combination of top line growth and improved productivity. Our productivity programmes are expected to deliver further benefits in the second half of 2015.

The North American contract pipeline has grown strongly with opportunities at a bidding and negotiation stage across diverse sectors including banking, energy, commerce, industry and government.

UK & IRELAND

Improved profitability as productivity programmes more than offset anticipated lower revenue.

	Revenue 2015 £m	Revenue 2014 £m	YoY %	**PBITA 2015 £m**	PBITA 2014 £m	YoY %
Underlying performance	**760**	785	(3.2)%	**56**	55	1.8%

Revenue was 3.2% lower due to the completion of the UK Electronic Monitoring contract in Q1 2014 and the loss of a large retail contract in Q4 2014, as previously reported.

PBITA was 1.8% higher with improved productivity underpinned by successful restructuring programmes in UK cash solutions, Ireland cash solutions and UK and Ireland secure solutions businesses.

UK contracts won during 2015 include facilities management (FM) for utilities, healthcare and police sectors, security for Hinkley Point C (£80m, 10 year contract) for a leading FM company and care & justice services for local authorities and custodial services for police constabularies including East Anglia, Devon and Cornwall, Northamptonshire and Cumbria.

UNDERLYING SERVICE LINE OPERATING REVIEW

Secure Solutions At constant exchange rates	**Revenue 2015 £m**	Revenue 2014 £m	YoY %	**PBITA 2015 £m**	PBITA 2014 £m	YoY %
Emerging markets	**960**	907	5.8%	**59**	64	(7.8)%
Developed markets	**1,833**	1,798	1.9%	**105**	102	2.9%
Total	**2,793**	2,705	3.3%	**164**	166	(1.2)%

Global revenues were 3.3% higher and PIBTA was 1.2% lower, principally reflecting our ongoing investment in Africa and Latin America. Emerging markets PBITA was 7.8% lower, more than offsetting a 2.9% increase in developed market PBITA.

In developed markets, there was strong growth in North America, with double digit growth in US commercial security and a return to growth in Europe partly offset by a decline in the UK as expected.

Cash Solutions At constant exchange rates	**Revenue 2015 £m**	Revenue 2014 £m	YoY %	**PBITA 2015 £m**	PBITA 2014 £m	YoY %
Emerging markets	**223**	212	5.2%	**28**	23	21.7%
Developed markets	**269**	279	(3.6)%	**24**	23	4.3%
Total	**492**	491	0.2%	**52**	46	13.0%

Cash solutions revenue grew slightly at 0.2% and PBITA increased 13%, reflecting significant productivity improvements made over the past 12 months.

Emerging markets revenue growth was 5.2% and PBITA was £5 million higher, due mainly to strong performances in the Latin America and AME regions. Developed markets' revenue declined 3.6% with strong growth in the Netherlands offset by contract losses in the UK and Belgian cash solutions businesses but this was more than offset by productivity gains and PBITA rose by 4.3%.

GROUP COMMENTARY – CONTINUING OPERATIONS

Basis of preparation

To clearly present the underlying performance of the group, the group's total results are adjusted for certain items that are not considered to be reflective of the group's continuing operations. Underlying PBITA represents the underlying continuing profit before interest, tax and amortisation, excluding specific items, restructuring, and the interest and tax from joint ventures.

Specific items are those that in management's judgement need to be disclosed separately by virtue of their size, nature or incidence. Specific items include the review and re-measurement of certain assets and liabilities and provisions for onerous contracts. The group also separately discloses restructuring costs, the profits or losses on disposal of subsidiaries, acquisition related amortisation and expenses, goodwill impairment as well as profit and losses from portfolio businesses identified for sale or closure and discontinued operations, together with any related impact on tax and non-controlling interests.

Restructuring costs reflect the multi-year organisational efficiency programme which is being carried out by the group. These programmes are of a strategic nature and, as such, are monitored and approved by the group's executive committee. During 2014 and 2015 these programmes have focused primarily in transforming the operating model in the regions of UK & Ireland and Europe.

The prior period income statement comparative information is shown at constant exchange rates in pages 9 to 11, unless otherwise stated. The statutory results of the group at actual exchange rates are set out on pages 14 to 25.

The group has reviewed its definition of discontinued operations and this has resulted in certain small businesses being reclassified from discontinued operations to portfolio businesses identified for sale or closure (see page 28). This reclassification has been reflected in the H1 2014 and FY 2014 total results for purposes of comparability. This, in addition to businesses reclassified from continuing operations to discontinued operations, has resulted in total revenue increasing by £5 million and £13 million for June 2014 and December 2014 respectively; with total PBITA reducing by £4 million and £7 million for June 2014 and December 2014 respectively.

Revenue and PBITA

	2015 £m	2014 £m
Revenue	**3,285**	3,196
PBITA	**193**	184
PBITA margin (%)	***5.9%***	*5.8%*

Revenue was £3,285 million, an increase of 2.8% on 2014. Organic growth of 2.2% reflects the effect of the loss of three significant contracts in H1 2014 in the UK, Netherlands and Australia.

Emerging markets grew 5.7% year on year and, with revenues of £1.2 billion, and now represent 36% of group revenue (2014: 35%). Developed markets revenues were 1.2% higher than the prior period with growth in North America of 5.4% and growth in Europe of 2%. As expected, UK & Ireland revenues declined by 3.2% as the UK Electronic Monitoring contract ended in Q1 2014.

PBITA of £193 million up 4.9% (2014: £184 million) represents the ongoing operations of the group. PBITA margin increased to 5.9% (2014: 5.8%) benefitting from the progress on our productivity and Accelerated Best Practice programmes on direct labour efficiency, route planning, telematics and a focus on organisational efficiency. These more than offset the investment of £20 million annualised we made in sales and business development capability and our investments in IT procurement operations and risk management.

Corporate costs of £23 million are £5 million lower than for the six months to 30 June 2014, and benefit from cost and organisational efficiency offset by the investment in financial control risk management, procurement and IT capability which will flow through for the full year.

Group PBITA also excludes interest and tax relating to joint ventures, which are presented within specific items in the group income statement.

Specific items and restructuring

Specific items have been disclosed separately from the underlying results to provide a clear understanding of the underlying trading performance of the group.

- A net £17 million specific items charge (2014: gain of £2 million) comprised a £8 million charge relating to a review of assets and liabilities and £9 million re-measurement in respect of legacy contracts.

- The group invested £16 million in restructuring programmes during the period (2014: £8 million), relating to one-off or transformational group programmes. During 2014 and 2015 these programmes have focused primarily on transforming the operating model in the regions of UK & Ireland and Europe.

Profit on disposal of subsidiaries and goodwill impairment
A net £9 million charge comprising goodwill impairment of £21 million in relation to portfolio businesses offset by profit on disposal of £12 million mainly relating to the disposal of the group's International Parcel Service business in Asia Middle East.

Interest and tax
Net underlying interest payable on net debt was £45 million (2014: £48 million); benefiting from lower interest rates and a decrease in 2015 average net debt. The pension interest charge was £6 million (2014: £10 million), resulting in total underlying interest cost of £51 million (2014: £58 million).

The effective tax rate for the period on underlying earnings was 25% (2014: 25%).

Discontinued operations
The group recognised a profit on discontinued operations of £4 million in the six months to 30 June 2015 relating mainly to the collection of previously unrecognised receivables related to the sale of the US Government Solutions business in November 2014 offset by trading losses in other discontinued operations.

The US Government Solutions business was sold in November 2014. A further $55 million relating to this disposal was due to be received over the 18 months following disposal, of which $27 million has been received during the first half of 2015.

In 2014 the profit of £26 million (£30 million at actual exchange rates) included a profit on disposal of £30 million relating to the sale of the cash solutions business in Canada and the businesses in Sweden and Norway and trading losses of £4 million.

Profit for the period
The group made a total underlying profit attributable to equity holders ('earnings') of £95 million (2014: £86 million), an increase of 10% for the six months ended 30 June 2015.

Underlying earnings per share
Underlying earnings per share[a] increased to 6.1p (2014: 5.6p). Total earnings per share[b] was 2.3p (2014: 4.8p). These are based on the weighted average number of shares in issue of 1,545 million (2014: 1,545 million). A reconciliation of the total and underlying EPS is provided below.

	Earnings per share[a]					
	Underlying[b]			Total		
	2015	2014 at constant exchange rates	2014 at actual exchange rates	**2015**	2014 at constant exchange rates	2014 at actual exchange rates
	£m	£m	£m	**£m**	£m	£m
Profit for the period	**106**	94	96	**45**	82	85
Non-controlling interests	**11**	8	7	**10**	8	7
Adjusted profit attributable to shareholders (earnings)	**95**	86	89	**35**	74	78
Average number of shares (m)	**1,545**	1,545	1,545	**1,545**	1,545	1,545
Earnings per share	**6.1p**	5.6p	5.8p	**2.3p**	4.8p	5.0p

[a] 2014 results have been restated for businesses subsequently classified as discontinued or identified for sale or closure – see page 28 for details.
[b] To clearly present underlying performance, specific items have been disclosed separately. For basis of preparation and an analysis of specific items see page 9.

Cash flow, capital expenditure and portfolio management
Cash flow from operating businesses was £195 million (2014: £185 million) before corporate items in 2014 of £27 million relating to the Electronic Monitoring contract settlement with the UK Government. Cash generated from continuing operations was £195 million (2014: £212 million). The group invested £40 million in capex in the first six months (2014: £54 million) and received proceeds of £15 million (2014: £79 million) from the disposal of businesses.

The net cash flow after investing in the business and proceeds from portfolio rationalisation was £152 million (2014: £204 million).

Net debt
The net debt position as at 30 June 2015 was £1,677 million (2014: £1,680 million). The group's net debt to underlying EBITDA ratio is 3.0 (2014: 3.1). The detailed operating profit to net debt reconciliation is provided on page 26 and is reconciled to the statutory cash flow on page 27.

Pensions
The group's main defined benefit scheme is in the UK which accounts for over 78% (2014: 87%) of the total defined benefit schemes operated by the group and was closed to future accrual in 2011. The group's total IAS 19 Revised (2011) Employee Benefits net pension deficit at 30 June 2015 was £308 million net of tax (31 December 2014: £255 million). The group has made additional pension contributions of £22 million (2014: £21 million) during the first half of the year. The increase in the defined benefit pension deficit is predominantly due to a small reduction in the discount rate and an increase in the inflation rate used.

Credit facilities
In April 2015, the group's credit rating was confirmed by Standard & Poor's as BBB- (Stable).

As of 30 June 2015 the company had access to unutilised and committed facilities of £782 million. The group has sufficient borrowing capacity to finance its current and medium term investment plans.

The group has no material debt maturities until May 2017 and has a diverse range of finance providers. Borrowings are principally in pounds sterling, US dollars and euros reflecting the geographies of significant operational assets and profits.

The group's main sources of finance and their applicable rates as of 30 June 2015 are set out below:

(i) A £1 billion multicurrency revolving credit facility provided by a consortium of lending banks at a drawn margin of 0.7% over LIBOR. The facility matures in January 2020, with the option of two one year extensions which if exercised gives the group facilities through January 2021 and January 2022 respectively. As at 30 June 2015 the drawings were US$225 million, €20 million and £60 million.

(ii) A US$450 million private placement of notes issued on 1 March 2007, which mature at various dates between 2017 and 2022, and bear interest at rates between 5.86% and 6.06%.

(iii) On 15 July 2015 the Group re-paid $150 million of the US$449 million and £69 million private placement notes issued on 15 July 2008. The note repaid bore an interest rate of 6.43% and the remaining notes bear interest at rates between 6.78% and 7.56%.

(iv) A £350 million Public Note issued on 13 May 2009 bearing an interest rate of 7.75%, maturing 13 May 2019.

(v) A €600 million Public Note issued on 2 May 2012 bearing an interest rate of 2.875%, maturing 2 May 2017.

(vi) A €500 million Public Note issued on 6 December 2012 bearing an interest rate of 2.625%, maturing 6 December 2018.

Significant exchange rates applicable to the group
The group derives a significant portion of its revenue and profits in the following currencies. Closing and average rates for these currencies are shown below:

	As at 30 June 2015	At 2015 average rates	At Full Year 2014 average rates
£/US$	1.5725	1.5261	1.651
£/€	1.4100	1.3669	1.244
£/South Africa Rand	19.1059	18.1627	17.863
£/India Rupee	99.9690	95.7941	100.761
£/Israel Shekel	5.9704	5.9701	5.896
£/Brazil Real	4.8850	4.5288	3.872

If June 2015 closing rates were applied to the restated results for the full year to 31 December 2014, underlying PBITA would have decreased from £416 million as reported at June 2015 average rates (see page 28) to £402 million at June 2015 closing rates.

Dividend
The board has declared an interim dividend of 3.59p per share (DKK 0.3793), an increase of 5% compared with the interim dividend paid in 2014.

Copenhagen Nasdaq OMX listing
The board is considering de-listing from the Copenhagen Nasdaq OMX. G4S has maintained a Danish listing since the merger in 2004 but, since that time, there has been a significant reduction in the shareholding on the Danish register such that it now accounts for just c4% of the issued share capital. The cost of maintaining the Copenhagen Nasdaq OMX listing is similar to the cost of listing the remaining c96% on the London Stock Exchange. A decision will be communicated in due course.

Risk and uncertainties
A discussion of the group's risk assessment and control process and the principal risk and uncertainties that could affect the business activities or financial results is detailed on pages 42 to 50 of the company's Annual Report and Accounts for the financial year ended 31 December 2014, 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 & safety, people, brand/reputation, major contracts and information security. The business risks and uncertainties are expected to remain materially the same as outlined in the 2014 Annual Report and Accounts during the remaining six months of the financial year.

Directors' responsibility statement in respect of the half-yearly results announcement

We confirm that to the best of our knowledge:

- this 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 by:

Himanshu Raja
Group Chief Financial Officer
12 August 2015

Independent review report to G4S plc

For the six months ended 30 June 2015

Report on the condensed consolidated *interim financial statements*

Our conclusion

We have reviewed the condensed consolidated *interim financial statements*, defined below, in the Half-yearly Results Announcement of G4S plc for the six months ended 30 June 2015. Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated *interim financial statements* are not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority. This conclusion is to be read in the context of what we say in the remainder of this report.

What we have reviewed

The condensed consolidated *interim financial statements*, which are prepared by G4S plc, comprise:

- The consolidated statement of financial position as at 30 June 2015;
- The consolidated income statement and consolidated statement of comprehensive income for the period then ended;
- The consolidated statement of cash flows for the period then ended;
- The consolidated statement of changes in equity for the period then ended; and
- The explanatory notes to the condensed consolidated *interim financial statements*.

As disclosed in note 1, 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.

The condensed consolidated *interim financial statements* included in the Half-yearly Results Announcement have been prepared in accordance with International Accounting Standard 34, '*Interim Financial Reporting'*, as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

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 Ireland) 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 Half-yearly Results Announcement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated *interim financial statements*.

Responsibilities for the condensed consolidated *interim financial statements* and the review

Our responsibilities and those of the directors

The Half-yearly Results Announcement, including the condensed consolidated *interim financial statements*, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Half-yearly Results Announcement in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express to the company a conclusion on the condensed consolidated *interim financial statements* in the Half-yearly Results Announcement 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 and Transparency Rules of the 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.

PricewaterhouseCoopers LLP
Chartered Accountants
1 Embankment Place, London
12 August 2015

Consolidated income statement

For the six months ended June 2015

Continuing operations	Notes	**Six months ended June 2015 £m**	Six months ended June 2014 £m	Year ended Dec 2014 £m
Revenue	2	**3,409**	3,376	6,861
Operating profit before joint ventures, specific items and restructuring		**179**	177	399
Share of post-tax profit from joint ventures		**6**	4	8
Profit before interest, tax and amortisation (PBITA)	*2*	**185**	181	407
Specific items	*3*	**(17)**	2	(56)
Restructuring costs	*3*	**(16)**	(9)	(29)
Profit on disposal of subsidiaries	*3*	**12**	-	-
Acquisition-related amortisation and expenses		**(19)**	(33)	(59)
Goodwill impairment	*3*	**(21)**	-	-
Operating profit	*3*	**124**	141	263
Net finance expense	*6*	**(54)**	(61)	(122)
Profit before tax		**70**	80	141
Tax	*7*	**(29)**	(25)	(44)
Profit from continuing operations after tax		**41**	55	97
Profit from discontinued operations	*4*	**4**	30	72
Profit for the period		**45**	85	169
Attributable to:				
Equity holders of the parent		**35**	78	152
Non-controlling interests		**10**	7	17
Profit for the period		**45**	85	169
Earnings per share attributable to equity shareholders of the parent	*9*			
Basic and diluted - continuing operations		**2.0p**	3.1p	5.2p
Basic and diluted - total group operations		**2.3p**	5.0p	9.8p
Dividends declared in respect of the period				
Interim dividend		**3.6p**	3.4p	3.4p
Final dividend		**-**	-	5.8p
Total dividend	*8*	**3.6p**	3.4p	9.2p

Consolidated statement of comprehensive income

For the six months ended June 2015

	Six months ended June 2015 £m	Six months ended June 2014 £m	Year ended Dec 2014 £m
Profit for the period	**45**	85	169
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurements on defined retirement benefit schemes	**(78)**	(1)	155
Tax on items that will not be reclassified to profit or loss	**10**	-	(36)
	(68)	(1)	119
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	**(41)**	(24)	(4)
Change in fair value relating to cash flow and net investment hedging financial instruments	**(44)**	(16)	(38)
Tax on items that are or may be reclassified subsequently to profit or loss	**(3)**	(1)	6
	(88)	(41)	(36)
Other comprehensive (loss)/income, net of tax	**(156)**	(42)	83
Total comprehensive (loss)/income for the period	**(111)**	43	252
Attributable to:			
Equity holders of the parent	**(120)**	37	236
Non-controlling interests	**9**	6	16
Total comprehensive (loss)/income for the period	**(111)**	43	252

Consolidated statement of changes in equity
For the six months ended June 2015

	Attributable to equity holders of the parent						
	Share capital 2015 £m	**Share premium 2015 £m**	**Retained earnings 2015 £m**	**Other reserves 2015 £m**	**Total 2015 £m**	**NCI reserve 2015 £m**	**Total Equity 2015 £m**
At 1 January 2015	**388**	**258**	**23**	**279**	**948**	**22**	**970**
Total comprehensive income	**-**	**-**	**(61)**	**(59)**	**(120)**	**9**	**(111)**
Dividends declared	**-**	**-**	**(90)**	**-**	**(90)**	**(8)**	**(98)**
Transfer of net investment hedge	**-**	**-**	**(5)**	**5**	**-**	**-**	**-**
Transactions with non-controlling interests	**-**	**-**	**-**	**-**	**-**	**1**	**1**
Share-based payments	**-**	**-**	**3**	**-**	**3**	**-**	**3**
At 30 June 2015	**388**	**258**	**(130)**	**225**	**741**	**24**	**765**

	Attributable to equity holders of the parent						
	Share capital 2014 £m	Share premium 2014 £m	Retained earnings 2014 £m	Other reserves 2014 £m	Total 2014 £m	NCI reserve 2014 £m	Total 2014 £m
At 1 January 2014	388	258	(418)	636	864	20	884
Total comprehensive income	-	-	78	(41)	37	6	43
Dividends declared	-	-	(85)	-	(85)	(5)	(90)
Share-based payments	-	-	1	-	1	-	1
At 30 June 2014	388	258	(424)	595	817	21	838

	Attributable to equity holders of the parent						
	Share capital 2014 £m	Share premium 2014 £m	Retained earnings 2014 £m	Other reserves 2014 £m	Total 2014 £m	NCI reserve 2014 £m	Total - £m
At 1 January 2014	388	258	(418)	636	864	20	884
Total comprehensive income	-	-	272	(36)	236	16	252
Dividends declared	-	-	(138)	-	(138)	(11)	(149)
Transfer to retained earnings	-	-	308	(308)	-	-	-
Recycling of translation reserves on disposal	-	-	-	(13)	(13)	-	(13)
Transactions with non-controlling interests	-	-	(6)	-	(6)	(3)	(9)
Share-based payments	-	-	5	-	5	-	5
At 31 December 2014	388	258	23	279	948	22	970

Consolidated statement of financial position

At June 2015

	Notes	As at June 2015 £m	As at June 2014 £m	As at Dec 2014 £m
ASSETS				
Non-current assets				
Goodwill		**1,877**	1,908	1,939
Other acquisition-related intangible assets		**62**	109	83
Other intangible assets		**76**	78	82
Property, plant and equipment		**408**	449	450
Trade and other receivables		**64**	91	97
Investment in joint ventures		**21**	36	41
Deferred tax assets		**183**	174	176
		2,691	2,845	2,868
Current assets				
Inventories		**107**	117	108
Investments		**53**	57	60
Trade and other receivables		**1,365**	1,298	1,371
Cash and cash equivalents		**460**	360	409
Assets classified as held for sale	*10*	**19**	152	6
		2,004	1,984	1,954
Total assets		**4,695**	4,829	4,822
LIABILITIES				
Current liabilities				
Bank overdrafts		**(86)**	(21)	(18)
Bank loans		**(40)**	(24)	(60)
Loan notes		**(95)**	(115)	(96)
Obligations under finance leases		**(10)**	(15)	(14)
Trade and other payables		**(1,025)**	(1,041)	(1,103)
Current tax liabilities		**(36)**	(13)	(69)
Provisions	*12*	**(80)**	(65)	(90)
Liabilities associated with assets classified as held for sale	*10*	**(11)**	(87)	(4)
		(1,383)	(1,381)	(1,454)
Non-current liabilities				
Bank loans		**(221)**	(214)	(105)
Loan notes		**(1,718)**	(1,754)	(1,803)
Obligations under finance leases		**(19)**	(29)	(26)
Trade and other payables		**(69)**	(14)	(23)
Retirement benefit obligations	*11*	**(383)**	(500)	(319)
Provisions	*12*	**(121)**	(66)	(105)
Deferred tax liabilities		**(16)**	(33)	(17)
		(2,547)	(2,610)	(2,398)
Total liabilities		**(3,930)**	(3,991)	(3,852)
Net assets		**765**	838	970
EQUITY				
Share capital		**388**	388	388
Share premium		**258**	258	258
Reserves		**95**	171	302
Equity attributable to equity holders of the parent		**741**	817	948
Non-controlling interests		**24**	21	22
Total equity		**765**	838	970

Consolidated statement of cash flows

For the six months ended June 2015

	Six months ended June 2015 £m	Six months ended June 2014 £m	Year ended Dec 2014 £m
Operating profit	**124**	141	263
Adjustments for non-cash and other items:			
Goodwill impairment	**21**	-	-
Acquisition-related amortisation and expenses	**19**	33	59
Profit on disposal of subsidiaries	**(12)**	-	-
Pension settlement gain	**-**	-	(21)
Depreciation and amortisation	**64**	66	133
Impairment of other assets	**-**	-	4
Share-based payments	**3**	1	5
Share of profit from joint ventures	**(6)**	(4)	(8)
Profit on disposal of assets and subsidiaries	**-**	-	(3)
Increase/(decrease) in provisions	**19**	(121)	(68)
Additional pension contributions	**(22)**	(21)	(42)
Operating cash flow before movements in working capital	**210**	95	322
Net working capital movement	**(54)**	(40)	19
Net cash flow from operating activities of continuing operations	**156**	55	341
Net cash flow from operating activities of discontinued operations	**14**	(10)	(5)
Cash generated by operations	**170**	45	336
Tax paid	**(76)**	(39)	(81)
Net cash flow from operating activities	**94**	6	255
Investing activities			
Purchases of non-current assets	**(47)**	(59)	(138)
Proceeds on disposal of property, plant and equipment and intangible assets other than acquisition-related	**7**	5	16
Disposal of subsidiaries	**15**	79	159
Acquisition of subsidiaries	**(8)**	(2)	(3)
Cash, cash equivalents and bank overdrafts in disposed/acquired entities	**(4)**	(8)	(12)
Interest received	**14**	15	12
Sale/(purchase) of investments	**7**	(20)	(17)
Cash flow from equity accounted investments	**5**	6	9
Net cash (used in)/generated by investing activities	**(11)**	16	26
Financing activities			
Dividends paid to equity shareholders of the parent	**(90)**	(85)	(138)
Dividends paid to non-controlling interests	**(8)**	(5)	(11)
Other net movement in borrowings	**102**	7	(91)
Interest paid	**(64)**	(81)	(126)
Repayment of obligations under finance leases	**(9)**	(8)	(19)
Movement in customer cash balances	**-**	(22)	(22)
Transactions with non-controlling interests	**-**	-	(10)
Net cash flow from financing activities	**(69)**	(194)	(417)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts	**14**	(172)	(136)
Cash, cash equivalents and bank overdrafts at the beginning of the period	**391**	538	538
Effect of foreign exchange rate fluctuations on cash held	**(29)**	(22)	(11)
Cash, cash equivalents and bank overdrafts at the end of the period	**376**	344	391

For a reconciliation of net cash flow from operating activities of continuing operations to net debt see page 26.

Notes to the preliminary results announcement

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 2015. These half-yearly financial results do not comprise statutory accounts and should be read in conjunction with the Annual Report and Accounts 2014, which are available at www.G4S.com.

The comparative figures for the financial year ended 31 December 2014 are not the company’s statutory accounts for that year. Those accounts have been reported on by the company’s predecessor 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 2015 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 Annual Report and Accounts 2014.

The group has considered its principal risks and assessed its latest approved budgets which indicate sufficient resources to allow for the half yearly financial statements to be prepared on a going concern basis.

The group has reviewed its definition of discontinued operations and this has resulted in certain small businesses being reclassified from discontinued operations to portfolio businesses identified for sale or closure and presented within continuing operations. This reclassification has been reflected in the comparative results for both the six months to 30 June 2014 and the year to 31 December 2014 for purposes of comparability. For the six months ended 30 June 2014, revenue has been increased by £5m and profit before tax has reduced by £5m compared to the figures published previously. For the year ended 31 December 2014, revenue has been increased by £13m and profit before tax has been reduced by £7m compared to the figures published previously.

Basis of preparation of the income statement

The group’s 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 by virtue of their size, nature or incidence. 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.

Specific items are those that in management’s judgement need to be disclosed separately by virtue of their size, nature or incidence. Specific items include the review and re-measurement of certain assets and liabilities and provisions for onerous contracts and include the continued impact of the 2013 review of the carrying value of assets and liabilities and any changes in estimates relating to those assets and liabilities since that review. The group also separately discloses restructuring costs, profits or losses on disposal of subsidiaries, acquisition related amortisation and expenses, goodwill impairment as well as profit and losses from portfolio businesses identified for sale of closure and discontinued operations, together with any related impact on tax and non-controlling interests.

Restructuring costs reflect the multi-year efficiency programme which is being carried out by the group. These programmes are of a strategic nature and, as such, are monitored and approved by the group’s executive committee. During 2014 and 2015 these programmes have focused primarily in transforming the operating model in the regions of UK & Ireland and Europe.

Adoption of new and revised accounting standards and interpretations

The accounting policies adopted are consistent with those disclosed in the annual report and accounts 2014. Amendments to IFRSs effective for the financial year ending 31 December 2015 are not expected to have a material impact on the group.

Notes to the preliminary results announcement (continued)

2) 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 six geographic regions: Africa, Asia Middle East, Latin America, 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 June 2015 £m**	Six months ended June 2014 £m	Year ended Dec 2014 £m
Africa	**241**	239	485
Asia Middle East	**702**	657	1,331
Latin America	**317**	318	663
Emerging markets	**1,260**	1,214	2,479
Europe	**649**	720	1,430
North America	**740**	652	1,365
UK & Ireland	**760**	790	1,587
Developed markets	**2,149**	2,162	4,382
Total revenue	**3,409**	**3,376**	**6,861**

Operating profit by reportable segment	**Six months ended June 2015 £m**	Six months ended June 2014 £m	Year ended Dec 2014 £m
Africa	**17**	22	46
Asia Middle East	**54**	44	95
Latin America	**10**	16	38
Emerging markets	**81**	82	179
Europe	**30**	40	83
North America	**41**	33	75
UK & Ireland	**56**	54	130
Developed markets	**127**	127	288
Operating profit before corporate costs	**208**	**209**	**467**
Corporate costs	**(23)**	(28)	(60)
Profit before interest, tax and amortisation (PBITA)	**185**	**181**	**407**
Specific items	**(17)**	2	(56)
Restructuring costs	**(16)**	(9)	(29)
Profit on disposal of subsidiaries	**12**	-	-
Goodwill impairment	**(21)**	-	-
Acquisition-related amortisation and expenses	**(19)**	(33)	(59)
Operating profit	**124**	**141**	**263**

Notes to the preliminary results announcement (continued)

3) Operating profit

The income statement can be analysed as follows, reflecting the allocation of specific items to cost of sales and administration expenses:

Continuing operations	**Six months ended June 2015 £m**	Six months ended June 2014 £m	Year ended Dec 2014 £m
Revenue	**3,409**	3,376	6,861
Cost of sales	**(2,781)**	(2,719)	(5,557)
Gross profit	**628**	657	1,304
Administration expenses	**(489)**	(520)	(1,049)
Goodwill impairment	**(21)**	-	-
Share of post-tax profit from joint ventures	**6**	4	8
Operating profit	**124**	141	263

Operating profit includes items that are separately disclosed for the six months to 30 June 2015 related to:

- A net £17m charge (2014: £2m gain) relating to a review of assets and liabilities and legacy contracts;
- The group invested £16m in restructuring programmes during the period (2014: £9m), mainly relating to programmes in the UK & Ireland cash businesses to reorganise the business into a more effective operating model; and
- A net £9m charge comprising goodwill impairment of £21m in relation to portfolio businesses offset by profit on disposal of £12m mainly relating to the disposal of the group's International Parcel Service business in Asia Middle East.

4) Discontinued operations

Operations qualifying as discontinued in 2015 mainly comprise the group's business in Costa Rica.

Operations qualifying as discontinued as at both 31 December 2014 and 30 June 2014 mainly comprised the US Government solutions business, sold in December 2014, the group's cash solutions business in Canada and Norway, sold in January 2014, the group's business in Sweden, sold in September 2014 and the group's business in Costa Rica.

	Six months ended June 2015 £m	Six months ended June 2014 £m	Year ended Dec 2014 £m
Revenue	**11**	231	378
Operating (loss)/profit before specific items	**(3)**	3	3
Specific items	**7**	-	(3)
Acquisition-related amortisation and expenses	**-**	(1)	(1)
Profit on disposal of discontinued operations	**-**	30	71
Operating profit	**4**	32	70
Net finance income/(expense)	**1**	(1)	-
Profit before tax	**5**	31	70
Tax	**(1)**	(1)	2
Profit for the period	**4**	30	72

The £7m specific item in the period relates to the collection of receivables relating to the US Government Solutions business that was sold in December 2014. These receivables had not been recognised on the group's statement of financial position prior to collection.

The group has re-assessed its definition of discontinued operations in the period, please refer to note 1.

Notes to the preliminary results announcement (continued)

Cash flows from discontinued operations included in the consolidated cash flow statement are as follows:

	Six months ended June 2015 £m	Six months ended June 2014 £m	Year ended Dec 2014 £m
Net cash flows from operating activities (after tax)	**14**	(10)	(5)
Net cash flows from investing activities	**-**	72	152
Net cash flows from financing activities	**-**	(11)	(17)
	14	51	130

5) Acquisitions

The group has invested £8m (2014: £2m) in the period on acquisitions mainly relating to small businesses acquired in the Netherlands, Greece and Colombia.

6) Net finance expense

	Six months ended June 2015 £m	Six months ended June 2014 £m	Year ended Dec 2014 £m
Interest receivable	**6**	5	11
Total group borrowing costs	**(54)**	(56)	(111)
Net finance expense excluding defined retirement benefit obligations	**(48)**	(51)	(100)
Finance costs on defined retirement benefit obligations	**(6)**	(10)	(22)
Net finance expense	**(54)**	(61)	(122)

7) Taxation

	Six months ended June 2015 £m	Six months ended June 2014 £m	Year ended Dec 2014 £m
Current taxation expense	**(34)**	(34)	(92)
Deferred taxation credit	**5**	9	48
Total income tax expense for the period	**(29)**	(25)	(44)

The total income tax expense for the period includes a tax charge attributable to the UK of £2m (2014: £2m credit).

8) Dividends

	Pence per share	DKK per share	**Six months ended June 2015 £m**	Six months ended June 2014 £m	Year ended Dec 2014 £m
Amounts recognised as distributions to equity holders of the parent in the period					
Final dividend for the year ended 31 December 2013	5.54	0.4954	**-**	85	85
Interim dividend for the six months ended 30 June 2014	3.42	0.3198	**-**	-	53
Final dividend for the year ended 31 December 2014	5.82	0.6041	**90**	-	-
			90	85	138
Proposed interim dividend for the six months ended 30 June 2015	3.59	0.3793	**55**		

An interim dividend of 3.59p (DKK 0.3793) per share for the six months ended 30 June 2015 will be paid on 16 October 2015 to shareholders on the register on 4 September 2015.

Notes to the preliminary results announcement (continued)

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

	Six months ended June 2015 £m	Six months ended June 2014 £m	Year ended Dec 2014 £m
(a) From continuing and discontinued operations			
Earnings			
Profit for the period attributable to equity shareholders of the parent	**35**	78	152
Weighted average number of ordinary shares (m)	**1,545**	1,545	1,545
Earnings per share from continuing and discontinued operations (pence)			
Basic and diluted	**2.3p**	5.0p	9.8p
(b) From continuing operations			
Earnings			
Profit for the period attributable to equity shareholders of the parent	**35**	78	152
Adjustment to exclude profit for period from discontinued operations (net of tax)	**(4)**	(30)	(72)
Profit from continuing operations	**31**	48	80
Earnings per share from continuing operations (pence)			
Basic and diluted	**2.0p**	3.1p	5.2p
From discontinued operations			
Profit per share from discontinued operations (pence)			
Basic and diluted	**0.3p**	1.9p	4.6p
(c) From adjusted earnings			
Earnings			
Profit from continuing operations	**31**	48	80
Specific items	**17**	(2)	56
Acquisition-related amortisation and expenses	**19**	33	59
Goodwill impairment	**21**	-	-
Profit on disposal of subsidiaries	**(12)**	-	-
Restructuring costs	**16**	9	29
Tax on amortisation and specific items	**(4)**	(5)	(33)
Non-controlling interests' share of specific items	**(1)**	-	(1)
Adjusted profit for the period attributable to equity holders of the parent	**87**	83	190
Weighted average number of ordinary shares (m)	**1,545**	1,545	1,545
Adjusted earnings per share (pence)	**5.6p**	5.4p	12.3p

10) Disposal groups classified as held for sale

As at 30 June 2015 and 31 December 2014, disposal groups classified as held for sale included the assets and liabilities associated with operations in Costa Rica.

At 30 June 2014, disposal groups held for sale mainly comprised the assets and liabilities associated with the US Government Solutions business.

Notes to the preliminary results announcement (continued)

11) Retirement benefit obligation

Pensions
The group's main defined benefit scheme is in the UK which accounts for over 78% (2014: 87%) of the total defined benefit schemes operated by the group and was closed to future accrual in 2011. The group's total IAS 19 Revised (2011) Employee Benefits net pension deficit at 30 June 2015 was £308 million net of tax (31 December 2014: £255 million). The group has made additional pension contributions of £22 million (2014: £21 million) during the first half of the year. The increase in the defined benefit pension deficit is predominantly due to a small reduction in the discount rate and an increase in the inflation rate used.

12) Provisions

	Employee benefits £m	Restructuring £m	Claims £m	Contract provisions £m	Total £m
At 1 January 2015	**23**	**17**	**91**	**64**	**195**
Additional provisions in the period	**2**	**16**	**18**	**9**	**45**
On acquisition of subsidiary	**5**	**-**	**-**	**-**	**5**
Utilisation of provision	**(1)**	**(19)**	**(11)**	**(8)**	**(39)**
Transfer and reclassification	**1**	**1**	**(1)**	**(1)**	**-**
Translation adjustments	**(1)**	**(1)**	**(3)**	**-**	**(5)**
At 30 June 2015	**29**	**14**	**94**	**64**	**201**
Included in current liabilities					**80**
Included in non-current liabilities					**121**
					201

13) Related party transactions

No related party transactions have taken place in the first six months of the current financial year which have materially affected the financial position or the performance of the group during that period. The nature and amounts of related party transactions in the first six months of the current financial year are consistent with those reported in the group's Annual Report and Accounts 2014.

14) Analysis of net debt

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

	Six months ended June 2015 £m	Six months ended June 2014 £m	Year ended Dec 2014 £m
Cash and cash equivalents	**460**	360	409
Investments	**53**	57	60
Net cash and overdrafts included within assets held for sale	**2**	5	-
Net debt included within assets held for sale	**(7)**	4	(1)
Bank overdrafts	**(86)**	(21)	(18)
Bank loans	**(261)**	(238)	(165)
Loan notes	**(1,813)**	(1,869)	(1,899)
Obligations under finance leases	**(29)**	(44)	(40)
Fair value of loan note derivative financial instruments	**4**	66	76
Total net debt	**(1,677)**	(1,680)	(1,578)

15) Fair value of financial instruments

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

	Category	Level	**June 2015 Carrying amount £m**	**June 2015 Fair value £m**	June 2014 Carrying amount £m	June 2014 Fair value £m	Dec 2014 Carrying amount £m	Dec 2014 Fair value £m
Financial assets								
Investments	FVTPL	1	**53**	**53**	57	57	60	60
Interest rate swaps	FVTPL	2	**42**	**42**	41	41	49	49
Foreign exchange forwards	FVTPL	2	**-**	**-**	-	-	1	1
Cross currency swaps	CFH	2	**26**	**26**	25	25	28	28
Financial liabilities								
Loan notes	FVH	2	**(675)**	**(675)**	(701)	(701)	(684)	(684)
Interest rate swaps	FVH	2	**-**	**-**	(2)	(2)	-	-
Interest rate swaps	CFH	2	**(1)**	**(1)**	(2)	(2)	(1)	(1)
Commodity swaps	CFH	2	**(3)**	**(3)**	(1)	(1)	(5)	(5)
Cross currency swaps	CFH	2	**(65)**	**(65)**	(2)	(2)	(19)	(19)
Loan notes*	AC	2	**(1,138)**	**(1,177)**	(1,168)	(1,220)	(1,215)	(1,262)

*Of the loan notes liabilities shown, £44m of July 2008, €90m (£64m) of May 2012 loan notes and €120m (£85m) of December 2012 loan notes are designated in fair value hedge relationships.

Category key:

FVTPL	Fair value through profit or loss
CFH	Cash flow hedges
FVH	Fair value hedge
AC	Amortised cost

Valuation techniques used to value these financial instruments are consistent with those used for the year ended 31 December 2014 as disclosed in note 3(i) of the 2014 Annual Report and Accounts.

Non GAAP measures

1) Reconciliation of operating profit to movements in net debt

For the six months ended June 2015

	Six months ended June 2015 £m	Six months ended June 2014 £m
Operating profit	**124**	141
Goodwill impairment	**21**	-
Acquisition-related amortisation and expenses	**19**	33
Profit on disposal of subsidiaries	**(12)**	-
Depreciation and amortisation	**64**	66
Share-based payments	**3**	1
Share of profit from joint ventures	**(6)**	(4)
Increase in provisions	**36**	8
Working capital	**(54)**	(60)
Cash flow from operating businesses	**195**	185
Electronic Monitoring contracts receivable	**-**	27
Cash flow from continuing operations	**195**	212
Cash from discontinued operations	**14**	(10)
Net cash generated by operations	**209**	202
Investment in the business		
Purchase of fixed assets, net of disposals	**(40)**	(54)
Restructuring investment	**(17)**	(20)
Disposal proceeds	**15**	79
Acquisition of businesses	**(8)**	(2)
Net debt in disposed/acquired entities	**(4)**	2
Net movement in finance leases	**(3)**	(3)
Net investment in the business	**(57)**	2
Net cash flow after investing in the business	**152**	204
Other (uses)/sources of funds		
Net interest paid	**(50)**	(66)
Tax paid	**(76)**	(39)
Pension deficit payment	**(22)**	(21)
Dividends paid	**(98)**	(90)
Electronic monitoring (including fees)	**-**	(116)
Other	**5**	(16)
Net other uses of funds	**(241)**	(348)
Net cash flow after investment, financing and tax, dividends and pensions	**(89)**	(144)
Net debt at beginning of period	**(1,578)**	(1,552)
FX	**(10)**	16
Net debt at end of period	**(1,677)**	(1,680)

Non GAAP measures

2) Reconciliation of changes in cash and cash equivalents to movement of net debt

	Six months ended June 2015 £m	Six months ended June 2014 £m
Net cash flow movement (page 18)	**14**	(172)
Adjustments for items included in cash flow excluded from net debt:		
(Sale)/purchase of securities	**(7)**	20
Net movement in borrowings	**(102)**	(7)
Repayment of finance leases	**9**	8
Items included in net debt but excluded from cash flow:		
New finance leases	**(3)**	7
Net movement in net debt (page 26)	**(89)**	(144)

3) Reconciliation of PBITA to movements in net debt

The group's calculation of net debt to EBITDA using its own definition is presented below:

	Six months ended June 2014 £m	Year ended Dec 2014 £m	Six months ended June 2015 £m	**Rolling 12 months to June 2015 £m**
Profit before interest, tax and amortisation (page 14)	181	407	185	**411**
Portfolio businesses and joint ventures	5	15	8	**18**
PBITA	186	422	193	**429**
Add back:				
Depreciation	54	108	52	**106**
Amortisation of non-acquisition related intangible assets	12	25	12	**25**
EBITDA	252	555	257	**560**
Net debt per note 14		1,578		**1,677**
Group's definition of Net debt:EBITDA ratio		2.8		**3.0**

Non GAAP measures

4) Reconciliation of consolidated income statement to summary income statement

The table below reconciles underlying revenue and PBITA as originally presented in prior periods consolidated income statements to the results presented in the current period consolidated and summary income statements.

	June 2014		December 2014	
	Revenue £m	PBITA £m	Revenue £m	PBITA £m
Statutory results as reported	**3,371**	**185**	**6,848**	**414**
Re-classification of continuing operations to discontinued operations				
Latin America	**(11)**	**-**	**-**	**-**
Total	**(11)**	**-**	**-**	**-**
Restatement of discontinued operations to portfolio businesses				
Asia Middle East	**6**	**(4)**	**4**	**(6)**
Latin America	**5**	**-**	**-**	**-**
Europe	**5**	**-**	**9**	**(1)**
Total	**16**	**(4)**	**13**	**(7)**
Restated results as reported in consolidated income statement	**3,376**	**181**	**6,861**	**407**
Portfolio businesses and joint ventures				
Asia Middle East	**(52)**	**5**	**(111)**	**15**
Latin America	**(41)**	**-**	**(80)**	**1**
Europe	**(64)**	**(1)**	**(121)**	**(2)**
UK & Ireland	**-**	**1**	**-**	**1**
Total	**(157)**	**5**	**(312)**	**15**
Exchange differences				
Africa	**(7)**	**-**	**(12)**	**(1)**
Asia Middle East	**27**	**2**	**54**	**2**
Latin America	**(23)**	**(2)**	**(47)**	**(5)**
Europe	**(66)**	**(5)**	**(116)**	**(7)**
North America	**51**	**3**	**86**	**5**
UK & Ireland	**(5)**	**-**	**(9)**	**-**
Total	**(23)**	**(2)**	**(44)**	**(6)**
Restated results at constant exchange rates as reported in the summary income statement	**3,196**	**184**	**6,505**	**416**

5) Restated underlying income statement

The table below shows the underlying results of the current period and prior periods at constant exchange rates.

Underlying results	**Six months ended June 2015 £m**	Six months ended June 2014 £m	Year ended Dec 2014 £m
Revenue	**3,285**	3,196	6,505
PBITA	**193**	184	416
Interest	**(51)**	(58)	(116)
PBT	**142**	126	300
Tax	**(36)**	(32)	(75)
PAT	**106**	94	225
Non-controlling interests	**(11)**	(8)	(18)
Profit attributable to equity holders of the parent	**95**	86	207

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High resolution images are available for the media to view and download free of charge from www.vismedia.co.uk.

Notes to Editors:
G4S is the leading global, integrated security company, specialising in the provision of security services and solutions to customers. Our mission is to create material, sustainable value for our customers and shareholders by being the supply partner of choice in all our markets.

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 611,000 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/707-803-15715/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
Denmark Toll Free: 8088 8649
USA Toll Free: 1 866 966 5335

Password: G4S

Dividend payment information
2015 interim dividend:

Ex-date – Thursday 3 September 2015
Last day to elect for DKK – Thursday 3 September 2015
Record date – Friday 4 September 2015
Last day for DRIP elections – Monday 21 September 2015
Pay date – Friday 16 October 2015

Following changes to the rules applicable to UK listed companies to bring them in line with the EU Transparency Directive the company will not be making an Interim Management Statement in November 2015.