Group 4 Securicor plc
Interim Results Announcement
January – June 2006

Group 4 Securicor, the international security solutions group, today announces its interim results for the six months to 30 June 2006.

RESULTS HIGHLIGHTS

- Good organic turnover growth of 7.3% (2005: 6.9%)
- Group turnover* up 8.5% to £2,189.8 million (2005: £2,019.0 m)
- PBITA* up 4.7% to £120.1 million (2005: £114.7 m)
- Margin of 5.5% (2005: 5.7%)

  (excluding Germany cash services, margins improved to 5.9% from 5.8%)
- Cash flow generation of £95.7 million, 81% of PBITA (2005: 63%)
- Adjusted earnings per share increased to 4.9p (2005: 4.8p)

  (excluding Germany cash services, adjusted earnings per share is 5.3p)
- Interim dividend up 30% to 1.69 pence per share (DKK 0.186) (2005: 1.30p/DKK 0.143)
- Margin pressure continues in some European security services markets
- Strong performances elsewhere, particularly in New Markets and the US
- Substantive discussions underway for the divestment of Germany cash services

* at constant exchange rates

Nick Buckles, Chief Executive Officer, commented:

"As we indicated at the time of our trading update in June, we have delivered a solid set of results for the first half of the year. However, the performance of our cash services business in Germany has deteriorated further, and we have recently entered into substantive discussions for the divestment of the business.

"Elsewhere, we have seen strong performances from our US and New Markets businesses, demonstrating, once again, the benefits of our unrivalled international reach. Despite the poor performance in Germany cash services and margin pressure in some European security services markets, we have delivered on our expectations for the first half and we are confident of achieving a strong underlying 2006 and future performance."

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Notes to Editors:
Group 4 Securicor is an international security solutions group, operating in over 100 countries throughout the world and employing around 400,000 people. Group 4 Securicor is a market leader in the provision of security services, cash services and justice services in many of the countries in which it operates. For more information on Group 4 Securicor, visit www.g4s.com.

Presentation of Results:
A presentation to investors and analysts is taking place today at 0900 at the London Stock Exchange, 10 Paternoster Square, London, EC4M 7LS. A telephone dial-in facility is available on +44 (0) 20 7162 0125.

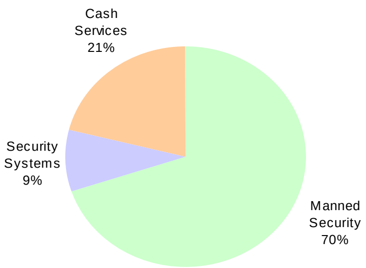
FINANCIAL SUMMARY

Results

The results which follow have been prepared under International Financial Reporting Standards (IFRS), as adopted by the European Union.

Group Turnover

Turnover of Continuing Businesses	H106 £m	H105 £m
Turnover at constant exchange rates	2,189.8	2,019.0
Exchange difference		(47.7)
Total continuing business turnover	2,189.8	1,971.3



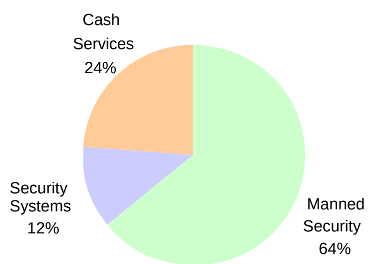
Turnover, at constant exchange rates, increased by 8.5% in the period to £2,190 million. Organic turnover growth was 7.3% (7.7% excluding Germany cash services).

Organic Turnover Growth	Europe	North America	New Markets	Total
Manned Security	4.5%	7.8%	17.4%	7.8%
Security Systems	4.1%	(17.6%)	25.9%	6.5%
Cash Services	4.9%	3.6%	16.6%	6.2%
Total	4.6%	7.4%	17.8%	7.3%

Group Profit

PBITA of Continuing Businesses	H106 £m	H105 £m
PBITA at constant exchange rates	120.1	114.7
Exchange difference		(2.5)
Total continuing business PBITA	120.1	112.2

PBITA at constant exchange rates increased by 4.7% to £120.1 million. The PBITA margin was 5.5% (5.9% excluding Germany cash services).



Cash Flow and Financing

Cash Flow	H106 £m	H105 £m
Operating cash flow (non GAAP measure)	95.7	70.0
Operating cash flow / PBITA	81%	63%

Operating cash flow was £95.7 million in the period, representing 81% of PBITA. Net borrowings at the end of the period were £670 million (June 2005: £653 million, December 2005: £657 million).

Manned Security Division

* At constant exchange rates	Turnover £m		PBITA £m		Margins	
	H106	H105	H106	H105	H106	H105
Europe *	703.7	673.5	33.5	35.3	4.8%	5.2%
North America *	535.9	497.3	28.9	26.5	5.4%	5.3%
New Markets *	295.2	237.1	22.6	18.2	7.7%	7.7%
Total *	1,534.8	1,407.9	85.0	80.0	5.5%	5.7%
Exchange differences		(37.0)		(1.8)		
At actual exchange rates	1534.8	1,370.9	85.0	78.2		

The manned security division achieved overall organic growth of 7.8% and the margin was 5.5%.

Overall organic growth in **Europe** was good at 4.5%, compared to 3.1% for the same period last year.

In the **UK**, growth remained negative for the six months but the business is expected to return to positive organic growth in the second half. Profit improved on 2005 due to excellent control of costs and flow through of synergy benefits. Customer retention improved to levels of over 90% for the period. The security officer licensing project was completed on schedule and we are operating in full compliance with SIA regulations.

In the **Netherlands**, the market continues to improve. We have achieved double-digit organic growth in the period, with margins slightly down due to the renegotiation of our Justice Services contract in the prior year. Growth in **France** has been positive through new contract wins, but margins continue to be impacted negatively through labour cost pressures together with the cost of exiting terminated aviation security contracts.

Elsewhere in Europe, there were good improvements in **Luxembourg**, **Finland**, **Ireland, Austria, Slovakia, Hungary** and **Denmark** whilst **Greece**, **Sweden**, and **Israel** had a difficult start to the year. **Greece** has been affected by material contract reductions without a proportionate reduction in direct labour cost, due to local legislative restrictions. **Sweden** has been adversely affected by contract losses and contract price renegotiations during the latter half of 2005. **Israel** has faced unexpected mandatory increases in labour costs yet to be recovered in increased prices. The results in these three countries, together with **France**, affected the European security services margin negatively by around 0.5%.

In **Justice Services**, overall growth continued to be strong but margins were slightly weaker due to the effect of the changes to electronic monitoring contracts which were redefined and rebid in 2004. We have recently won a three year Immigration Removal Centre contract in Scotland and are bidding for justice opportunities in the Middle East along with further immigration and other government projects in the UK.

Organic growth in **North America** was 7.8%. In the **US**, Wackenhut achieved strong organic growth overall with the Government and Nuclear sectors performing particularly well. We expect a number of new opportunities in the government sector to develop further and Wackenhut is well placed to participate given its strong reputation and extensive experience of working with the US Government.

In **New Markets**, organic growth overall continued strongly at 17.4%, with margins maintained at 7.7%. All New Markets business performed well, with **UAE**, **India**, **Kazakhstan**, **Macau** and **Argentina** achieving excellent organic growth of over 20%. **Africa** has returned to growth after a difficult 2005. Extensive strike action throughout the security industry in **South Africa** has now been resolved and the business is back on track following a very difficult period of operation.

Security Systems Division

* At constant exchange rates	Turnover £m		PBITA £m		Margins	
	H106	H105	H106	H105	H106	H105
Europe *	170.9	164.1	12.7	11.8	7.4%	7.2%
North America *	1.4	1.7	0.0	0.0	0.0%	0.0%
New Markets *	29.3	21.6	3.6	2.0	12.3%	9.3%
Total *	201.6	187.4	16.3	13.8	8.1%	7.4%
Exchange differences		(1.6)		(0.1)		
At actual exchange rates	201.6	185.8	16.3	13.7		

The security systems division achieved overall organic growth of 6.5% and margins improved on the same period last year to 8.1%.

In **Europe** organic growth in the systems division was 4.1% with improved margins of 7.4%. **Denmark**, **Israel** and **UK** systems continued to perform very well due to their impressive technical competencies and strong market positions, whilst **Netherlands**, **France**, **Belgium** and **Germany** have all suffered from a lack of specialisation or critical mass.

In **New Markets** organic growth was strong at 26% as we continue to add this service capability into our strong existing businesses. Security systems development was particularly impressive in **Africa** and the **Middle East**.

As we mentioned in our trading update earlier in the year, we believe there is real benefit to having a security systems capability alongside our manned security businesses, and we have commenced the integration of these businesses in Europe into a security services country reporting-line structure. Our New Markets line management structure was always organised on this basis. This integration should be completed by December 2006 and we expect to see an improved performance in 2007 as a result.

Cash Services Division

* At constant exchange rates	Turnover £m		PBITA £m		Margins	
	H106	**H105**	**H106**	**H105**	**H106**	**H105**
Europe *	352.8	335.0	23.5	24.0	6.7%	7.2%
North America *	44.0	39.2	0.5	2.6	1.1%	6.6%
New Markets *	56.6	49.5	7.8	6.4	13.8%	12.9%
Total *	453.4	423.7	31.8	33.0	7.0%	7.8%
Exchange differences		(9.1)		(0.8)		
At actual exchange rates	453.4	414.6	31.8	32.2		

The cash services division achieved overall organic growth of 6.2% and margins were 7.0%.

Overall organic growth in **Europe** was 4.9% (7.1% excluding Germany).

The cash services business market in **Germany** has still not improved following the sale of the Heros business earlier this year. The pricing environment continues to be difficult and, unless and until this changes, the business will continue to perform poorly. We have won some new business at increased prices, but have lost a major contract to a competitor at prices we believe to be uneconomic. The business continues to operate at a significant loss, affecting our overall cash services divisional results. We have entered into substantive discussions for the divestment of the business, which we expect to be concluded in the second half. It is too early to conclude on the impact of this disposal but it is likely that there will be a write-down of the holding value.

In the **UK**, we maintained our strong margin performance and good growth record. There are a number of new business opportunities in the UK coming from both traditional cash services and new product areas. We have been successful in winning business from the Post Office as they downsize their in-house operations. Service levels remain high and customer satisfaction is good. Attack levels remain high, but support from the police in certain regions is beginning to pay dividends.

In the **Netherlands** we achieved strong margins in the first half. In **Sweden** criminal attacks on the industry continue to be an issue. Our business is performing well and recently won a competitive tender for a major Swedish financial institution at good margins. Elsewhere in Europe, we have had good growth and margin improvements in **France** and solid performances in **Hungary**, **Ireland** and **Belgium**.

In **North America**, although organic growth in **Canada** has slightly improved, profit continues to be negatively affected by increased operating costs following a major robbery in 2005. We have appointed new senior operational management and the business is already benefiting from a focus on direct labour costs and increased pricing of new and rebid contracts.

In **New Markets** there was strong overall organic growth of around 17%, with all businesses performing well across the region, and excellent results in the **Middle East**, **Africa** and **Latin America**.

Growth & Margin Targets

Growth is expected to continue across all product areas towards the group's medium-term targets, with several businesses already hitting their growth targets. New Markets continue to grow strongly overall and, as our cash services businesses in different countries move through the phases of development, there are further opportunities for the businesses to grow.

Our ability to service international accounts is a strong point of differentiation for the group, made possible through our global coverage. In addition, we expect to see further opportunities for our consulting and specialist security business, Global Risks, and we anticipate the on-going development of justice services in existing and new markets.

We have significant product development expertise within the organisation and are constantly developing initiatives in a number of areas such as retail cash solutions, integrated security and a whole range of other security-related outsourcing projects which will contribute to the future growth of the organisation.

Margin progression will be achieved through driving growth in our traditional sectors, through organic growth opportunities and as a result of our usual tight control of costs and effective management of resources. There are a number of businesses which are currently operating below our margin targets and focus will continue to be on bringing these businesses in line with the group's margin targets.

We continue to strive towards our growth and margin targets and are confident that they will be achieved in the medium term.

Acquisitions & Divestments

The group's acquisition strategy remains unchanged and focused on a few key areas. Our businesses are constantly seeking and evaluating bolt-on acquisitions across all services which will add scale or additional expertise to our businesses or continue to consolidate fragmented markets.

We have made a number of small bolt-on acquisitions across a broad range of markets in the first half of 2006 and this is likely to continue. We have also bought out several minority holdings.

Whilst the organisation already operates in more than 100 countries, we will seek to fill any appropriate geographic gaps in the security services businesses, focusing on markets such as Brazil, Spain, Portugal and South Korea as well as carefully selected acquisitions in cash services.

We will make certain that any acquisition opportunities meet our internal criteria, ensuring that they are the right businesses, in the right markets and with the opportunity to deliver the appropriate level of return on investment.

OTHER FINANCIAL ISSUES

Financing

The group's lending banks have exercised their option to extend the term of the £1 billion multicurrency revolving credit facility at a margin of 0.225% to six years from 28 June 2005 and they retain the option to extend maturity for a further year. The group has other available facilities of £320 million.

As of 30 June 2006, net debt was £670 million, representing gearing of 68%.

Taxation

Tax has been provided for at the estimated effective tax rate for the full year of 30.5%. This represents a reduction from 31.4% in 2005. We believe that this level is sustainable into the future.

Pensions

The group's funding shortfall on the valuation basis specified in IAS19 Employee Benefits was £217million before tax or £152 million after tax. This is unchanged from the position at December 2005 as increases in asset values and in the rate at which liabilities are discounted have been offset by increased inflation assumptions.

Dividend

The Board has declared an increased interim dividend for 2006 of 1.69 pence per share (DKK 0.186), payable on 15 December 2006.

REVIEW AND OUTLOOK

During the first half of 2006 we have continued to build on the platform created by the merger and achieved a solid set of results.

Whilst we face challenges in some markets, the businesses are performing well overall and we expect to achieve a strong underlying performance in 2006 and good earnings growth into the future.

11 September 2006

Group 4 Securicor plc

Unaudited interim results announcement

For the six months ended 30 June 2006

Consolidated income statement

For the six months ended 30 June 2006

	Notes	**Six months ended 30.06.06 £m**	Six months ended 30.06.05 £m	Year ended 31.12.05 £m
Continuing operations				
Revenue	2	**2,189.8**	1,971.3	4,129.9
Profit from operations before amortisation of acquisition-related intangible assets, exceptional items and share of profit from associates		**118.6**	110.7	248.7
Share of profit from associates		**1.5**	1.5	5.3
Profit from operations before amortisation of acquisition-related intangible assets and exceptional items (PBITA)	2	**120.1**	112.2	254.0
Amortisation of acquisition-related intangible assets		**(17.3)**	(15.4)	(33.8)
Exceptional items: Restructuring costs consequential upon acquisitions	5	**-**	(19.3)	(22.2)
Profit from operations before interest and taxation	2, 3	**102.8**	77.5	198.0
Investment income	7	**38.6**	37.2	72.8
Finance costs	8	**(61.0)**	(56.6)	(113.3)
Profit from operations before taxation		**80.4**	58.1	157.5
Taxation				
- Before amortisation and exceptional items		**(29.8)**	(30.0)	(67.1)
- On amortisation of acquisition-related intangible assets		**5.2**	4.6	10.0
- On exceptional items		**-**	3.2	(0.9)
	9	**(24.6)**	(22.2)	(58.0)
Profit from continuing operations after taxation		**55.8**	35.9	99.5
Loss from discontinued operations	4	**-**	(4.3)	(8.8)
Profit for the period		**55.8**	31.6	90.7
Attributable to:				
Equity holders of the parent		**49.8**	27.5	80.8
Minority interests		**6.0**	4.1	9.9
Profit for the period		**55.8**	31.6	90.7

	Notes	**Six months ended 30.06.06**	Six months ended 30.06.05	Year ended 31.12.05
Earnings per share attributable to ordinary equity shareholders of the parent	11			
Basic		**3.9p**	2.2p	6.4p
Diluted		**3.9p**	2.2p	6.4p

	Notes	**Six months ended 30.06.06 £m**	Six months ended 30.06.05 £m	Year ended 31.12.05 £m
Dividends declared and proposed in respect of the period	10			
Interim dividend of 1.69p per share (2005: 1.30p per share)		**21.4**	16.4	16.4
Final dividend (2005: 2.24p per share)		-	-	28.3
Total		**21.4**	16.4	44.7

Consolidated balance sheet
As at 30 June 2006

	Notes	As at 30.06.06 £m	As at 30.06.05 £m	As at 31.12.05 £m
ASSETS				
Non-current assets				
Goodwill		**1,175.5**	1,116.1	1,172.7
Other acquisition-related intangible assets		**233.2**	247.0	241.4
Other intangible assets		**26.5**	27.9	27.3
Property, plant and equipment		**346.3**	342.4	355.4
Investment in associates		**3.9**	6.7	3.9
Trade and other receivables		**154.0**	137.4	163.2
		1,939.4	1,877.5	1,963.9
Current assets				
Inventories		**37.9**	35.5	35.3
Trading investments		**64.5**	70.8	61.4
Trade and other receivables		**797.4**	763.7	830.7
Cash and cash equivalents		**255.2**	198.2	263.8
Non-current assets classified as held for sale		**-**	9.0	-
		1,155.0	1,077.2	1,191.2
Total assets		**3,094.4**	2,954.7	3,155.1
LIABILITIES				
Current liabilities				
Bank overdrafts		**(77.9)**	(20.2)	(58.7)
Bank loans		**(69.2)**	(82.4)	(87.7)
Obligations under finance leases		**(10.3)**	(18.9)	(12.1)
Dividends declared		**(28.3)**	(23.5)	-
Trade and other payables		**(686.2)**	(674.9)	(784.1)
Provisions		**(73.3)**	(50.9)	(74.5)
		(945.2)	(870.8)	(1,017.1)
Non-current liabilities				
Bank loans		**(799.7)**	(784.2)	(790.1)
Obligations under finance leases		**(32.3)**	(16.6)	(33.9)
Trade and other payables		**-**	(2.3)	(1.0)
Provisions		**(343.5)**	(366.1)	(343.1)
		(1,175.5)	(1,169.2)	(1,168.1)
Total liabilities		**(2,120.7)**	(2,040.0)	(2,185.2)
Net assets		**973.7**	914.7	969.9
EQUITY				
Share capital		**318.0**	316.6	317.2
Share premium and reserves		**622.3**	566.5	625.0
Equity attributable to equity holders of the parent	12	**940.3**	883.1	942.2
Minority interests		**33.4**	31.6	27.7
Total equity		**973.7**	914.7	969.9

Consolidated cash flow statement

For the six months ended 30 June 2006

	Six months ended 30.06.06 £m	Six months ended 30.06.05 £m	Year ended 31.12.05 £m
Profit from continuing operations before taxation	**80.4**	58.1	157.5
Loss from discontinued operations before taxation	**-**	(1.3)	(1.7)
Adjustments for:			
Investment income	**(38.6)**	(37.2)	(72.8)
Finance costs	**61.0**	56.6	113.3
Depreciation of property, plant and equipment	**41.0**	42.2	75.4
Amortisation of acquisition-related intangible assets	**17.3**	15.4	33.8
Amortisation of other intangible assets	**3.7**	2.6	6.8
Other operating cash flow movements	**(0.3)**	(1.0)	0.2
Operating cash flow before movements in working capital	**164.5**	135.4	312.5
Net working capital movement	**(70.0)**	(64.6)	(85.0)
Cash generated by operations	**94.5**	70.8	227.5
Tax paid	**(38.4)**	(26.9)	(53.0)
Net cash flow from operating activities	**56.1**	43.9	174.5
Investing activities			
Interest received	**5.8**	6.7	9.8
Cash flow from associates	**2.4**	4.9	12.3
Net cash flow from capital expenditure	**(32.8)**	(42.8)	(89.8)
Net cash flow from acquisitions and disposals	**(46.4)**	(21.4)	(24.6)
(Purchase)/disposal of trading investments	**(8.5)**	(6.6)	4.8
Purchase of own shares	**-**	-	(6.1)
Acquisition of minority shareholders of the former Group 4 Falck A/S	**-**	(7.5)	(9.5)
Net cash used in investing activities	**(79.5)**	(66.7)	(103.1)
Financing activities			
Share issues	**3.6**	2.5	4.9
Dividends paid to minority interests	**(2.9)**	(2.5)	(5.1)
Dividends paid to equity shareholders of the parent	**-**	-	(39.9)
Net increase in borrowings	**28.0**	55.2	47.3
Interest paid	**(28.5)**	(30.5)	(47.9)
Net cash inflow from foreign exchange hedging financial instruments	**7.8**	-	-
Repayment of obligations under finance leases	**(6.5)**	(4.8)	(7.6)
Net cash from financing activities	**1.5**	19.9	(48.3)
Net (decrease)/increase in cash and cash equivalents and bank overdrafts	**(21.9)**	(2.9)	23.1
Cash, cash equivalents and bank overdrafts at the beginning of the period	**205.1**	177.7	177.7
Effect of foreign exchange rate fluctuations on cash held	**(5.9)**	3.2	4.3
Cash, cash equivalents and bank overdrafts at the end of the period	**177.3**	178.0	205.1

Reconciliation of net cash flow to movement in net debt – non GAAP measure
For the six months ended 30 June 2006

	Notes	**Six months ended 30.06.06 £m**	Six months ended 30.06.05 £m	Year ended 31.12.05 £m
(Decrease)/increase in cash, cash equivalents and bank overdrafts		**(21.9)**	(2.9)	23.1
Increase/(decrease) in liquid resources		**8.5**	6.6	(4.8)
Increase in debt and lease financing		**(21.5)**	(50.4)	(39.7)
Change in net debt resulting from cash flows		**(34.9)**	(46.7)	(21.4)
Borrowings acquired with subsidiaries		**(0.8)**	(1.2)	(1.3)
New finance leases		**(3.5)**	(3.4)	(20.7)
Revaluation of securities		**-**	(1.0)	-
Movement in net debt in the period		**(39.2)**	(52.3)	(43.4)
Translation adjustments		**26.8**	(14.6)	(27.5)
Net debt at the beginning of the period		**(657.3)**	(586.4)	(586.4)
Net debt at the end of the period	13	**(669.7)**	(653.3)	(657.3)

Consolidated statement of recognised income and expense
For the six months ended 30 June 2006

	Six months ended 30.06.06 £m	Six months ended 30.06.05 £m	Year ended 31.12.05 £m
Exchange differences on translation of foreign operations	**(18.0)**	1.7	36.5
Actuarial losses on defined benefit pension schemes	**(22.7)**	(12.3)	(22.6)
Change in fair value of interest rate hedging financial instruments	**6.3**	-	0.4
Change in fair value of foreign exchange hedging financial instruments	**3.7**	(0.6)	(6.2)
Tax on items taken directly to equity	**1.0**	7.4	12.3
Net (expense)/income recognised directly in equity	**(29.7)**	(3.8)	20.4
Profit for the period	**55.8**	31.6	90.7
Total recognised income	**26.1**	27.8	111.1
Attributable to:			
Equity holders of the parent	**20.1**	23.7	101.2
Minority interests	**6.0**	4.1	9.9
Total recognised income	**26.1**	27.8	111.1

Notes to the interim results announcement

1) Basis of preparation and accounting policies

These primary statements and selected notes comprise the unaudited interim consolidated results of Group 4 Securicor plc ("the group") for the six months ended 30 June 2006. These interim financial results do not comprise statutory accounts within the meaning of Section 240 of the Companies Act 1985.

The comparative figures for the financial year ended 31 December 2005 are not the company's statutory accounts for that year. Those accounts have been reported on by the company's auditor and delivered to the registrar of companies. The report of the auditor was (i) unqualified, (ii) did not contain a reference to any matters to which the auditor drew attention by emphasis of matter without qualifying their report, and (iii) did not contain any statement under Section 237 of the Companies Act 1985.

The unaudited interim consolidated results of the group presented in this interim announcement have been prepared in accordance with International Financial Reporting Standards as adopted by the EU. As permitted, the group has chosen not to adopt IAS 34 Interim Financial Reporting.

Details of the accounting policies applied are the same as those set out in the group's Annual Report and Accounts 2005.

The presentation of a number of items in the financial statements for the full year to 31 December 2005 differed from that given in the interim results announcement for the six months to 30 June 2005, due to the evolving interpretation of IFRS and the development of best practice. The comparative results for the six months to 30 June 2005 included within this announcement have therefore been represented in accordance with the full year presentation. The adjustments are (i) to reclassify £29.0m of provisions from non-current to current liabilities, (ii) to represent the reconciliation of net cash flow from operating activities, (iii) to reclassify £4.9m cash flow from associates as an investing activity rather than an operating activity and, (iv) to reclassify £4.2m of foreign exchange related gains and losses and associated taxation from the reconciliation of equity attributable to equity holders of the parent to the statement of recognised income and expense.

2) Segmental analysis

The group operates in three core product areas: manned security, security systems and cash services. The group operates on a worldwide basis and derives a substantial proportion of its revenue and operating profit from each of the following geographic regions: Europe, North America, and New Markets (comprising Latin America and the Caribbean, Africa, the Middle East and Gulf States, and Asia Pacific).

The current management structure of the group is a combination of product area and geography, within which the larger businesses generally report by product area. The group's primary segmentation is therefore by business segment and its secondary segmentation is by geography. Segment information is presented below.

Segment revenue	**Six months ended 30.06.06 £m**	Six months ended 30.06.05 £m	Year ended 31.12.05 £m
Revenue by business segment			
Manned Security			
Europe	**703.7**	671.2	1,364.5
North America	**535.9**	471.2	1,014.6
New Markets	**295.2**	228.5	495.2
Total Manned Security	**1,534.8**	1,370.9	2,874.3
Security Systems			
Europe	**170.9**	163.3	342.0
North America	**1.4**	1.5	3.1
New Markets	**29.3**	21.0	44.5
Total Security Systems	**201.6**	185.8	389.6
Cash Services			
Europe	**352.8**	333.3	688.6
North America	**44.0**	34.3	76.9
New Markets	**56.6**	47.0	100.5
Total Cash Services	**453.4**	414.6	866.0
Total revenue	**2,189.8**	1,971.3	4,129.9
Revenue by geographical market			
Europe	**1,227.4**	1,167.8	2,395.1
North America	**581.3**	507.0	1,094.6
New Markets	**381.1**	296.5	640.2
Total revenue	**2,189.8**	1,971.3	4,129.9

Notes to the interim results announcement (continued)

2) Segmental analysis (continued)

Segment result	**Six months ended 30.06.06 £m**	Six months ended 30.06.05 £m	Year ended 31.12.05 £m
PBITA by business segment			
Manned Security			
Europe	**33.5**	35.2	73.3
North America	**28.9**	25.3	61.0
New Markets	**22.6**	17.7	35.6
Total Manned Security	**85.0**	78.2	169.9
Security Systems			
Europe	**12.7**	11.7	27.7
North America	**-**	-	0.4
New Markets	**3.6**	2.0	4.0
Total Security Systems	**16.3**	13.7	32.1
Cash Services			
Europe	**23.5**	23.9	58.4
North America	**0.5**	2.5	2.8
New Markets	**7.8**	5.8	15.5
Total Cash Services	**31.8**	32.2	76.7
PBITA before head office costs	**133.1**	124.1	278.7
Head office costs	**(13.0)**	(11.9)	(24.7)
Total PBITA	**120.1**	112.2	254.0
PBITA by geographical market			
Europe	**69.7**	70.8	159.4
North America	**29.4**	27.8	64.2
New Markets	**34.0**	25.5	55.1
PBITA before head office costs	**133.1**	124.1	278.7
Head office costs	**(13.0)**	(11.9)	(24.7)
Total PBITA	**120.1**	112.2	254.0
Total PBITA	**120.1**	112.2	254.0
Amortisation of acquisition-related intangible assets	**(17.3)**	(15.4)	(33.8)
Exceptional items	**-**	(19.3)	(22.2)
Profit from operations before interest and taxation (PBIT)	**102.8**	77.5	198.0
Result by business segment			
Manned Security	**78.3**	64.0	145.9
Security Systems	**15.8**	10.1	27.7
Cash Services	**21.7**	16.7	50.5
Head office costs	**(13.0)**	(13.3)	(26.1)
Total PBIT	**102.8**	77.5	198.0

3) Profit from operations before interest and taxation

The income statement can be analysed as follows:

Continuing operations	**Six months ended 30.06.06 £m**	Six months ended 30.06.05 £m	Year ended 31.12.05 £m
Revenue	**2,189.8**	1,971.3	4,129.9
Cost of sales	**(1,732.6)**	(1,546.7)	(3,232.4)
Gross profit	**457.2**	424.6	897.5
Administration expenses	**(355.9)**	(348.6)	(704.8)
Share of profit from associates	**1.5**	1.5	5.3
Profit from operations before interest and taxation	**102.8**	77.5	198.0

Included within administration expenses are charges for the amortisation of acquisition-related intangible assets and exceptional items.

Notes to the interim results announcement (continued)

4) Discontinued operations

Discontinued operations in the prior year primarily comprise the manned security business of Falck Security Nederland and its subsidiaries (with the exception of aviation security activities), sold on 2 November 2005, Group 4 Falck Cash Services UK, sold on 7 March 2005, and the security operations of Cognisa Security in the US, sold on 31 August 2005.

5) Exceptional items

The exceptional item in 2005 relates to post-acquisition restructuring costs including £4.0m incurred in the reorganisation of the cash services business in Germany.

6) Acquisitions and disposals

The group undertook a number of acquisitions in the period, none of which were individually material. The total fair value of net assets acquired amounted to £14.0m, generating goodwill of £34.2m, satisfied by a total consideration of £48.2m.

Principal acquisitions in subsidiary undertakings include the purchase of a controlling interest in Al Majal Security Services, a security services and cash services business in Saudi Arabia, and an increase in our interests in UAE.

7) Investment income

	Six months ended 30.06.06 £m	Six months ended 30.06.05 £m	Year ended 31.12.05 £m
Interest receivable	**5.9**	6.7	12.0
Expected return on pension plan assets	**32.7**	30.5	60.8
Total investment income	**38.6**	37.2	72.8

8) Finance costs

	Six months ended 30.06.06 £m	Six months ended 30.06.05 £m	Year ended 31.12.05 £m
Total group borrowing costs	**(27.7)**	(24.0)	(47.1)
Finance costs on pension liabilities	**(33.3)**	(31.6)	(65.7)
Decrease in fair value of trading investments	**-**	(0.9)	(0.5)
Decrease in fair value of hedging financial instruments	**-**	(0.1)	-
Total finance costs	**(61.0)**	(56.6)	(113.3)

9) Taxation

	Six months ended 30.06.06 £m	Six months ended 30.06.05 £m	Year ended 31.12.05 £m
Total taxation charge before taxation on amortisation and exceptional items	**(29.8)**	(30.0)	(67.1)
Deferred taxation credit on amortisation of acquisition-related intangible assets	**5.2**	4.6	10.0
Taxation credit/(charge) on exceptional items	**-**	3.2	(0.9)
Total taxation charge	**(24.6)**	(22.2)	(58.0)

The total taxation charge includes amounts attributable to the UK of £2.6m (30 June 2005: £1.7m, 31 December 2005: £5.5m)

Notes to the interim results announcement (continued)

10) Dividends

	Six months ended 30.06.06 £m	Six months ended 30.05.05 £m	Year ended 31.12.05 £m
Amounts recognised as distributions to equity holders of the parent in the period			
Final dividend for the year ended 31 December 2004 of 1.85p (DKK 0.1981) per share	**-**	23.5	23.5
Interim dividend for the six months ended 30 June 2005 of 1.30p (DKK 0.143) per share	**-**	-	16.4
Final dividend for the year ended 31 December 2005 of 2.24p (DKK 0.2435) per share	**28.3**	-	-
Total	**28.3**	23.5	39.9

An interim dividend of 1.69p (DKK 0.1863) per share, amounting to £21.4m, for the six months ended 30 June 2006 will be paid on 15 December 2006 to shareholders on the register on 17 November 2006.

11) Earnings per share attributable to ordinary shareholders of the parent

	Six months ended 30.06.06 £m	Six months ended 30.06.05 £m	Year ended 31.12.05 £m
From continuing and discontinued operations			
Profit for the period attributable to equity holders of the parent	**49.8**	27.5	80.8
Basic			
Weighted average number of ordinary shares (m)	**1,266.3**	1,265.1	1,265.0
Earnings per share (pence)	**3.9p**	2.2p	6.4p
Diluted			
Weighted average number of ordinary shares (m)	**1,272.8**	1,272.1	1,271.0
Earnings per share (pence)	**3.9p**	2.2p	6.4p
From adjusted earnings			
Earnings			
Profit for the period attributable to equity holders of the parent	**49.8**	27.5	80.8
Adjustment to exclude loss from discontinued operations	**-**	4.3	8.8
Adjustment to exclude net pension finance costs and fair value adjustments to hedging financial instruments (net of tax)	**0.4**	1.5	3.8
Adjustment to exclude amortisation of acquisition-related intangible assets (net of tax)	**12.1**	10.8	23.8
Adjustment to exclude exceptional items (net of tax)	**-**	16.1	23.1
Adjusted profit for the period attributable to equity holders of the parent	**62.3**	60.2	140.3
Weighted average number of ordinary shares (m)	**1,266.3**	1,265.1	1,265.0
Adjusted earnings per share (pence)	**4.9p**	4.8p	11.1p

Notes to the interim results announcement (continued)

12) Reconciliation of equity attributable to equity holders of the parent

	Six months ended 30.06.06 £m	Six months ended 30.06.05 £m	Year ended 31.12.05 £m
At beginning of period	**942.2**	879.4	879.4
Total recognised income attributable to equity shareholders of the parent	**20.1**	23.7	101.2
Shares issued	**3.6**	2.6	4.9
Dividends declared	**(28.3)**	(23.5)	(39.9)
Own shares purchased	**-**	-	(6.1)
Equity settled transactions			
Performance share plan	**1.3**	0.5	1.2
Share options	**0.6**	0.4	1.5
Deferred share awards	**0.8**	-	-
At end of period	**940.3**	883.1	942.2

13) Analysis of net debt

A reconciliation of net debt to amounts in the balance sheet is presented below:

	As at 30.06.06 £m	As at 30.06.05 £m	As at 31.12.05 £m
Cash and cash equivalents	**255.2**	198.2	263.8
Trading investments	**64.5**	70.8	61.4
Current liabilities			
Bank overdrafts and loans	**(147.1)**	(102.6)	(146.4)
Obligations under finance leases	**(10.3)**	(18.9)	(12.1)
Non-current liabilities			
Bank loans	**(799.7)**	(784.2)	(790.1)
Obligations under finance leases	**(32.3)**	(16.6)	(33.9)
Total net debt	**(669.7)**	(653.3)	(657.3)

Non GAAP measure – cash flow

The directors consider it is of assistance to shareholders to present an analysis of the group's operating cash flow in accordance with the way in which the group is managed, together with a reconciliation of that cash flow to the net cash flow from operating activities as presented in the consolidated cash flow statement**.**

Operating cash flow

For the six months ended 30 June 2006

	Six months ended 30.06.06 £m	Six months ended 30.06.05 £m	Year ended 31.12.05 £m
Group PBITA	**118.6**	110.7	248.7
Depreciation and amortisation of assets other than acquisition-related intangible assets	**43.2**	44.8	81.4
Increase in working capital and provisions before exceptional items	**(33.3)**	(42.7)	(42.3)
Net cash flow from capital expenditure	**(32.8)**	(42.8)	(89.8)
Operating cash flow	**95.7**	70.0	198.0

Reconciliation of operating cash flows

	Six months ended 30.06.06 £m	Six months ended 30.06.05 £m	Year ended 31.12.05 £m
Net cash flow from operating activities (per consolidated cash flow statement)	**56.1**	43.9	174.5
Net cash flow from capital expenditure	**(32.8)**	(42.8)	(89.8)
Cash outflow on exceptional items and discontinued operations	**9.8**	37.5	39.7
Additional pension contributions	**24.2**	4.5	15.0
Other	**-**	-	5.6
Tax paid	**38.4**	26.9	53.0
Operating cash flow	**95.7**	70.0	198.0