Group 4 Securicor

Interim Results to 30 June 2005

A World of Security Solutions

Group 4 Securicor

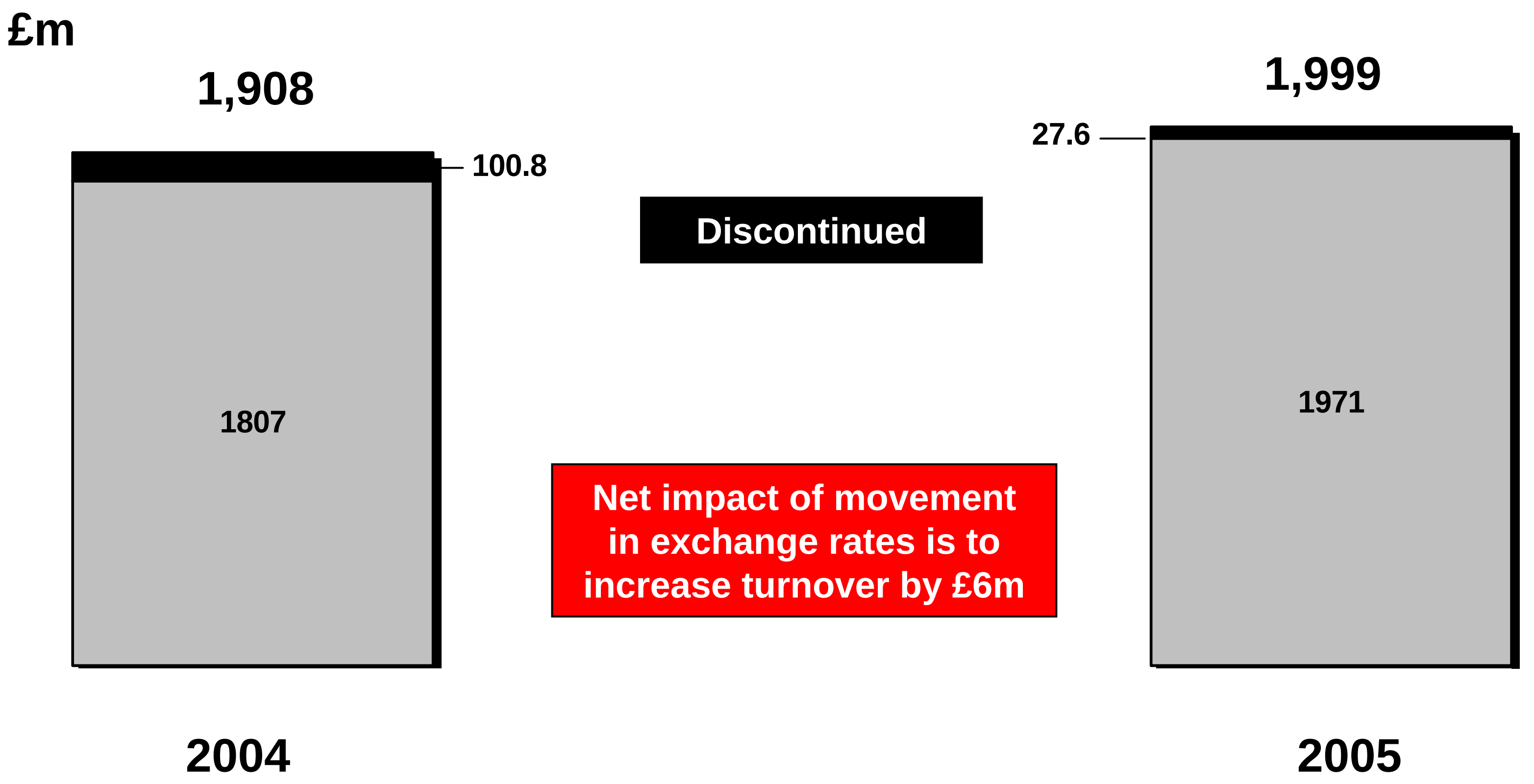
Nick Buckles

Chief Executive Officer

Results Highlights

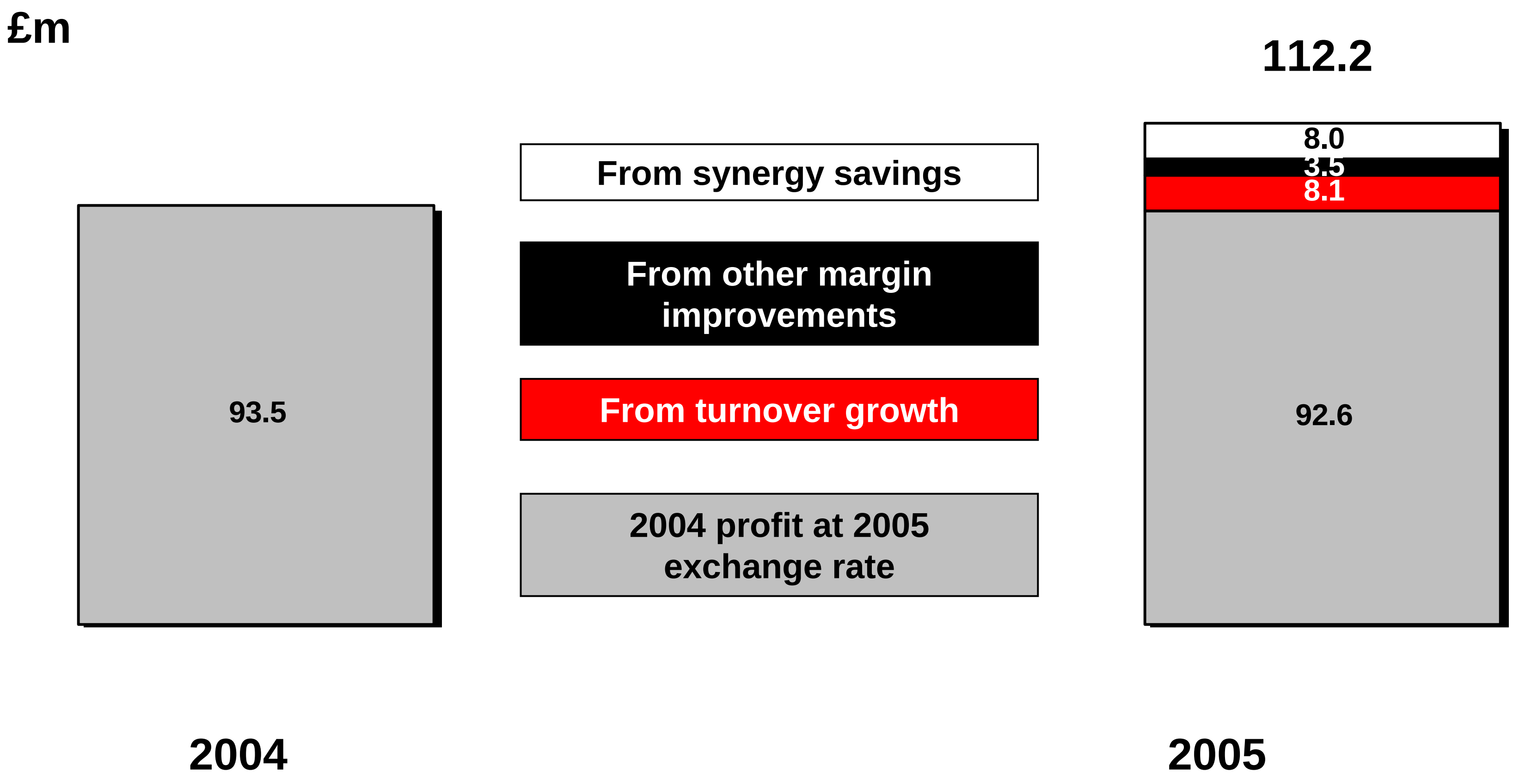
- Merger integration completed
- Expected annual synergy benefits increased to £35 million (associated one off costs increased to £55 million)
- Very strong organic turnover growth of 6.9%
- Group turnover up 9% to £1.97 billion
- PBITA up 20% to £112 million
- Margin improvement of 0.5% to 5.7%
- Cashflow generation of £70 million, 63% of PBITA
- Interim dividend of 1.30p (DKK 0.143) per share
- Strong platform for future development

Turnover
6 months ended 30 June 2005



Note : Prior year comparatives are pro forma for the combined group

Profit (Continuing PBITA)
6 months ended 30 June 2005



Note : Prior year comparatives are pro forma for the combined group

Integration Update

- Overall integration has been extremely successful
- Corporate/Regional office integration completed
- Major business unit integrations completed
  - Germany
  - South Africa
  - UK
- All smaller countries complete except for those with partnership issues
- Financial synergies flowing through ahead of plan
- Synergy improvements and additional associated costs across all regions and services

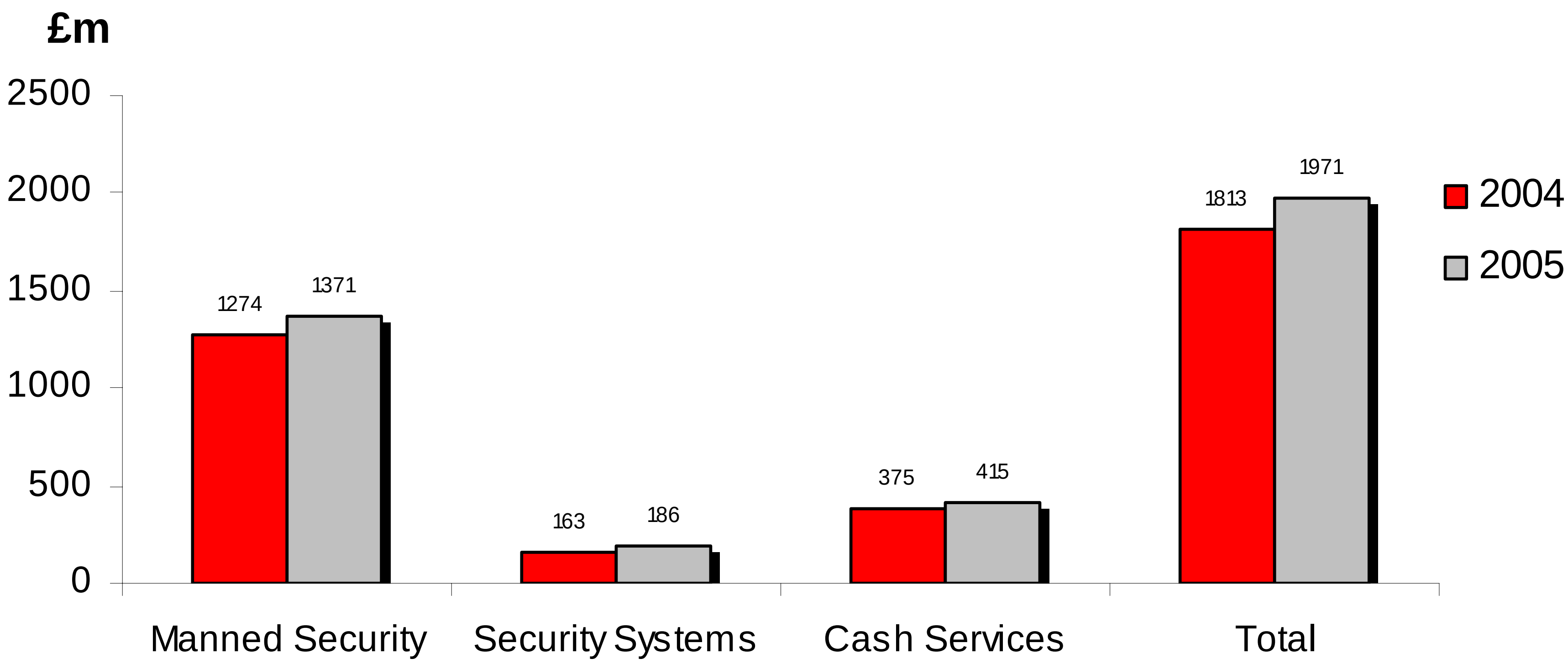
Trevor Dighton

Chief Financial Officer

IFRS Implications

- No significant changes to turnover, PBITA or cash flow
- £1.5 million decrease in PBITA from pension and share option costs
- Presentational changes include proportionate consolidation of JVs and result from discontinued operations shown as one line
- No goodwill amortisation but intangible assets including customer contracts recognised on acquisitions and subsequently amortised
- Pension funding balance recognised on balance sheet
- Dividends accrued when declared rather than when proposed
- Small number of leases reclassified as finance rather than operating

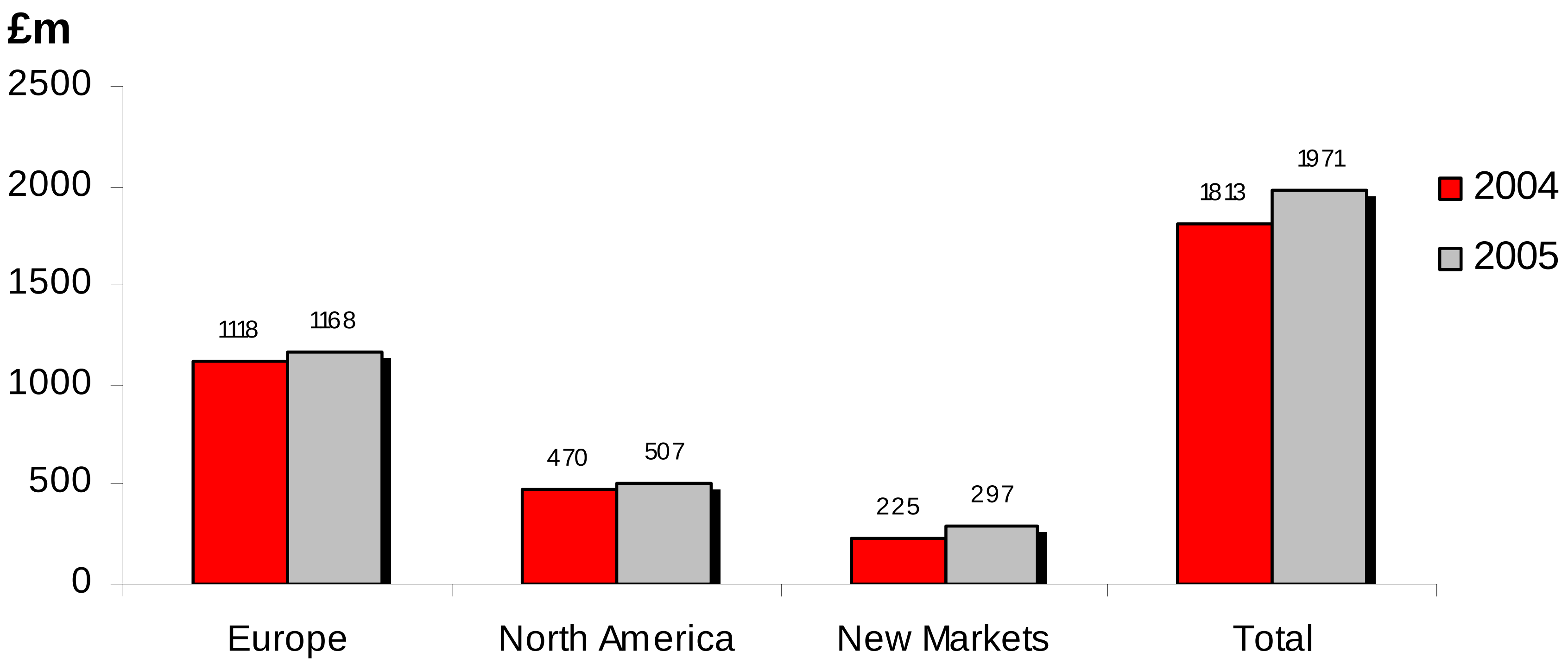
Continuing Turnover by Business Line
6 months ended 30 June 2005



Note : At constant exchange rates and with prior year comparatives being pro forma for the combined business

Continuing Turnover by Geography

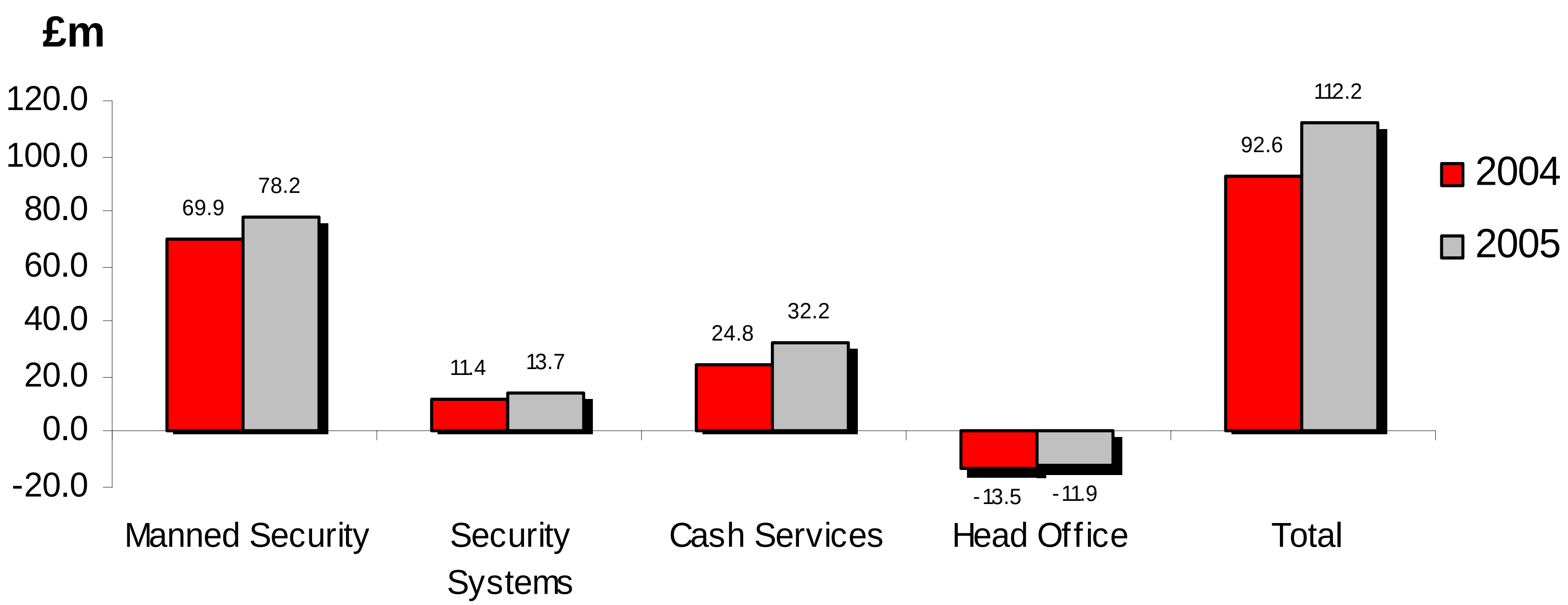
6 months ended 30 June 2005



Note : At constant exchange rates and with prior year comparatives being pro forma for the combined business

Continuing PBITA by Business Line

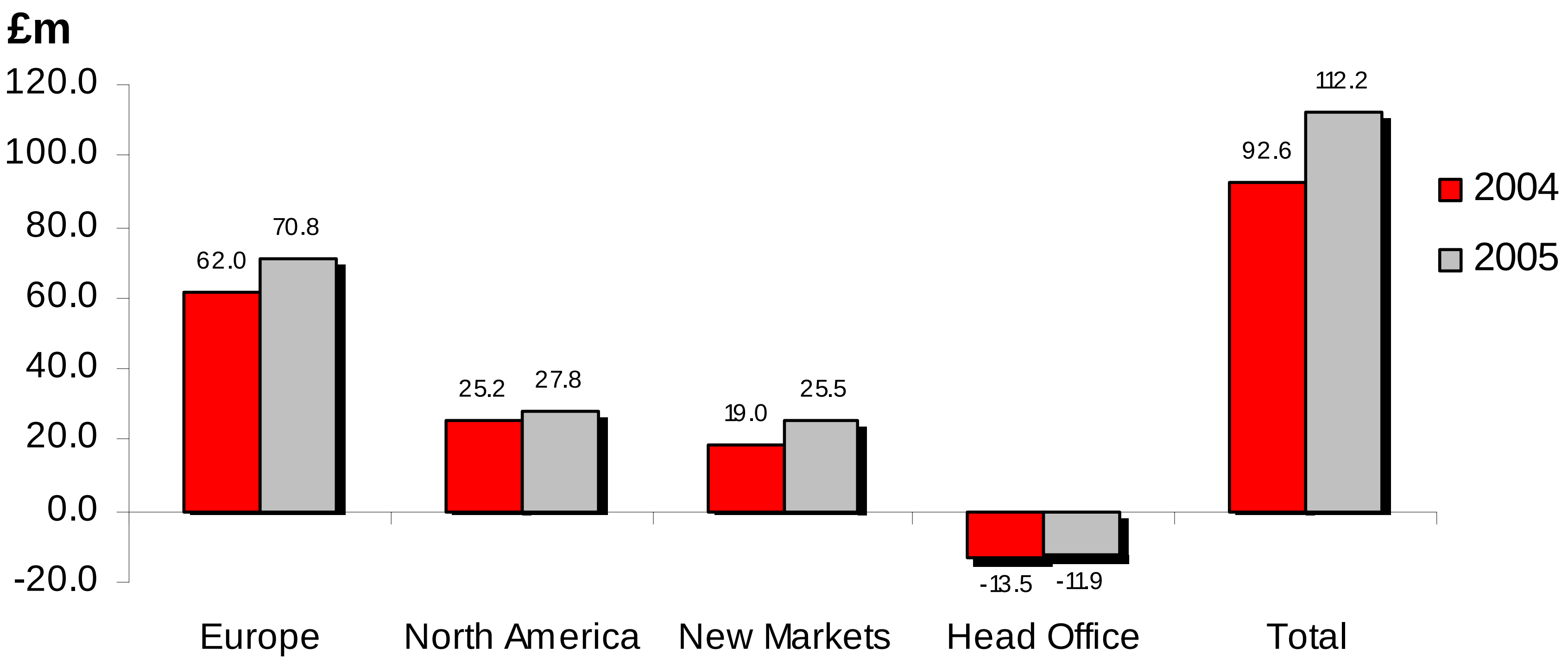
6 months ended 30 June 2005



Note : At constant exchange rates and with prior year comparatives being pro forma for the combined business

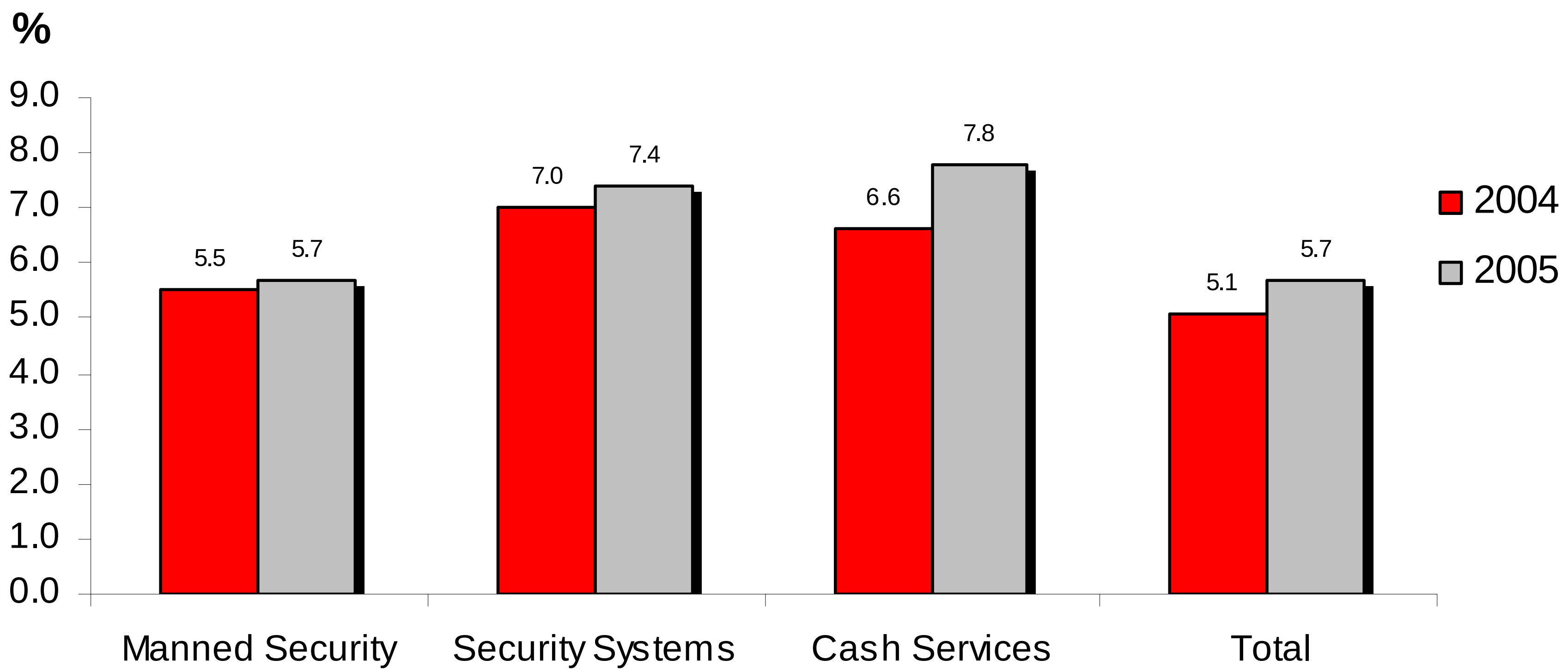
Continuing PBITA by Geography

6 months ended 30 June 2005



Note : At constant exchange rates and with prior year comparatives being pro forma for the combined business

Continuing PBITA Margin by Business Line
6 months ended 30 June 2005



Note : At constant exchange rates and with prior year comparatives being pro forma for the combined business

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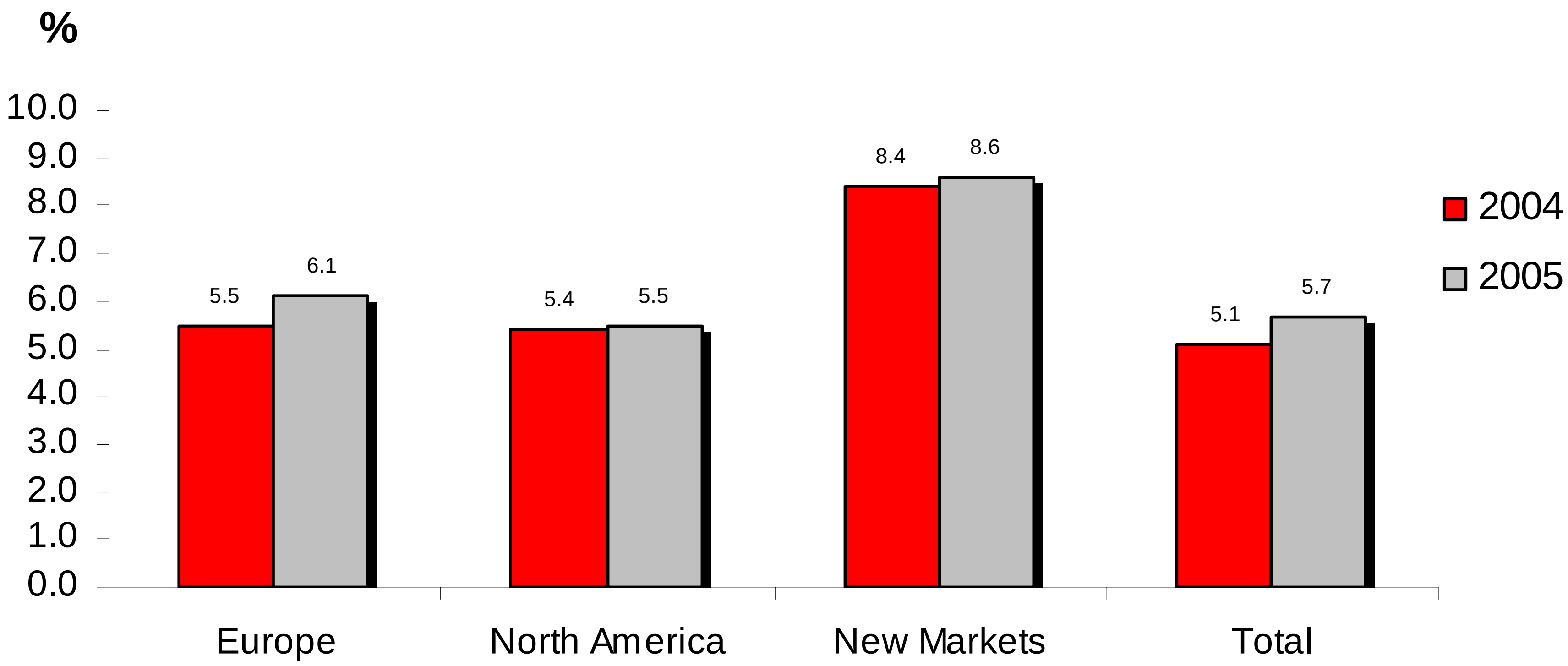
Continuing PBITA Margin by Geography

6 months ended 30 June 2005



Note : At constant exchange rates and with prior year comparatives being pro forma for the combined business

Operating Cash Flow

6 months ended 30 June 2005

£m	2005	2004
PBITA	110.7	92.8
Depreciation	44.8	37.0
Working capital movement	(42.7)	8.0
Cash generated from operations	112.8	137.8
Capital expenditure	(42.8)	(40.0)
Operating cash flow	70.0	97.8
Operating cash flow as % of PBITA	63%	105%

Note : prior year comparatives are pro forma for the combined business

Profit and Loss Account
6 months ended 30 June 2005

£m	2005	2004
PBITA	112.2	51.3
Interest	(19.4)	(9.2)
PBT (pre-amortisation & one-off items)	92.8	42.1
Amortisation	(15.4)	-
One-off items	(19.3)	-
PBT	58.1	42.1
Tax	(22.2)	(15.4)
Discontinued operations	(4.3)	(1.5)
PAT	31.6	28.2

Note : prior year comparative is Group 4 only

One-off & Discontinued Items

6 months ended 30 June 2005

£m	2005	2004
One-off items		
Synergy Implementation Costs	(15.3)	-
Restructuring – Germany Cash Services	(4.0)	-
Total	**(19.3)**	**-**
Discontinued operations		
Impairment of investment in Falck Netherlands	(4.3)	-

Note : prior year comparative is Group 4 only

Taxation

6 months ended 30 June 2005

£m	Continuing Operations	One-off items /Amortisation	Total
Profit / (loss) before tax	92.8	(34.7)	58.1
Tax (charge) / credit	(30.0)	7.8	(22.2)
Tax rate	32.3%		

Earnings per Share

6 months ended 30 June 2005

£m	2005	2004
PBITA from continuing operations	112.2	51.3
Normalised Interest	(17.3)	(8.4)
	94.9	42.9
Tax	(30.6)	(15.6)
Normalised PAT	64.3	27.3
Minorities	(4.1)	(3.8)
Normalised profit attributable to shareholders	60.2	23.5
Average number of shares (m)	1265.1	721.8
Normalised EPS (p)	4.8	3.3

Note : prior year comparative is Group 4 only

Balance Sheet

6 months ended 30 June 2005

£m	June 2005	June 2004	Dec 2004
Goodwill and other intangibles	1391	538	1360
Tangible fixed assets	343	153	340
Other non-current assets	144	45	159
Current assets (excl cash)	798	514	738
Assets held for sale	9	-	30
Current liabilities (excl debt)	(720)	(478)	(720)
Non-current liabilities (excl debt)	(397)	(182)	(411)
Net debt	(653)	(296)	(586)
Net assets	915	294	910

Note : June prior year comparative is Group 4 only

Cash Flow

6 months ended 30 June 2005

£m	2005	2004
Operating cash flow	70.0	83.2
Interest	(23.8)	(8.2)
Taxation	(26.9)	(9.6)
Acquisitions & disposals	(21.4)	(18.7)
Restructuring costs paid + others	(38.2)	(1.0)
Minority squeeze out	(7.5)	-
Pension payment	(4.5)	-
Movement in net debt	(52.3)	45.7
Exchange movement	(14.6)	(1.9)
Opening net borrowing	(586.4)	(339.8)
Closing net borrowings	(653.3)	(296.0)

Note : prior year comparative is Group 4 only

Pensions

6 months ended 30 June 2005

- Measured and disclosed in accordance with IAS19
- Liabilities shown gross, tax asset separate
- Defined benefit schemes deficits
  - June 2005 £229m (£160m after tax)
  - Dec 2004 £216m (£151m after tax)
  - June 2004 (Group 4 only) £70m (£49m after tax)
- Additional cash contributions in 2005 £15m before tax, as previously announced
- No P&L implications

Dividend
6 months ended 30 June 2005

- Interim dividend of 1.30p per share (£16.5m)
- Will be paid in December
- Dividends targeted to increase broadly in line with earnings

Nick Buckles

Chief Executive Officer

Organic Turnover Growth

6 months ended 30 June 2005

	Europe	North America	New Markets	Total
Manned Security	3.1%	8.4%	19.7%	7.3%
Security Systems	1.8%	66.7%	63.8%	5.9%
Cash Services	5.7%	(4.9%)	20.6%	5.9%
Total	3.7%	7.6%	21.8%	6.9%

Manned Security

	Turnover £m		EBITA * £m		Margins	
At H105 exchange rates	H105	H104	H105	H104	H105	H104
Europe	671.2	654.0	35.2	31.8	5.2%	4.9%
North America	471.2	435.7	25.3	23.5	5.4%	5.4%
New Markets	228.5	184.4	17.7	14.6	7.7%	7.9%
Exchange differences		0.9		1.2		
At actual exchange rates	1370.9	1275.0	78.2	71.1	5.7%	5.6%

* Includes share of associates

Manned Security
Europe

UK

- Negative growth during integration and licensing programmes
- Customer retention rates maintained at around 90%
- Integration programme complete
- Licensing implementation plan on schedule
- SIA deadlines expected to remain as announced
- Price increase notified to customers – effective March 2006

Netherlands

- Improved organic growth at 6% due to aviation expansion
- Market unreasonably competitive due to divestment business impact
- Divestment of Falck BV has been difficult - expected to complete in H2

Manned Security
Europe

Germany

- Modest organic growth
- Strong margin improvement due to synergy impact

France

- Market disruption causing price pressure
- Growth to improve in H2 as market stability is restored

Other

- Sweden, Norway & Poland all returned to profitability H1 2005 compared to same period last year

Manned Security
North America

Wackenhut

- Strong overall organic growth of over 10%
- Overall margins maintained at H1 2004 levels
- Growth particularly strong in Government & Nuclear Divisions
- Continued focus on margin improvements in H2 2005
- Only US security company to have achieved SAFETY Act accreditation

Canada

- Overall organic growth negative in H1
- Exiting H1 with slightly positive growth

Other

- Announced sale of Cognisa manned security contracts on 31 August

Manned Security
New Markets

- Overall continued strong performance with 20% organic growth and margins at 7.7%
- **India & the Middle East** particularly strong
- **South Africa** completed a complex integration & BEE structure now agreed and in place
- Growth in Government support services contracts in territories such as **South Korea**, **Middle East**, **Kosovo** and **Sakhalin Island**
- **Latin America & the Caribbean** well above same period of 2004 in growth and margins

Manned Security

Justice Services

Electronic Monitoring

- New contracts commenced April 2005
- Acquisition of ADT Offender Management in June 2005
- Potential expansion to immigration sector
- New technology pilots underway

Detention & Escorting

- Immigration contract commenced May 2005

Custody & Rehabilitation

- Initial start up issues at Secure Training Centre in Milton Keynes, but now stable

Manned Security
Outlook

- European growth expected to improve slightly in H2
- North America growth will be sustained into H2
- Continuing strong growth in developing markets
- Full year margin impact due to changes in Justice Services Electronic Monitoring contracts
- Synergy impact will be ahead of target for the full year

Security Systems

	Turnover £m		EBITA * £m		Margins	
At H105 exchange rates	H105	H104	H105	H104	H105	H104
Europe	163.3	152.6	11.7	10.4	7.2%	6.8%
North America	1.5	0.9	0.0	0.1	0.0%	11.1%
New Markets	21.0	9.9	2.0	0.9	9.5%	9.1%
Exchange differences		(0.9)		(0.1)		
At actual exchange rates	185.8	162.5	13.7	11.3	7.4%	7.0%

* Includes share of associates

Security Systems

- Strong profit improvement in **Denmark**, **Norway**, **Austria**, **Israel**, **Hungary** and the **Baltics**

- Strengthening of management teams will improve second half in **Belgium**, **Sweden**, **France**, **Greece** and the **Netherlands** which generated moderate results uplift

- Excellent organic turnover and profit growth continues in **New Markets** supported by market entries

Security Systems
Outlook

- GDP growth and construction output indicate a slightly improving market situation in Europe
- A strong European order book should improve growth levels in H2
- Supplier consolidation benefits will improve margins in 2006
- A strengthened management team will optimise operations and commercial focus

Cash Services

	Turnover £m		EBITA * £m		Margins	
At H105 exchange rates	H105	H104	H105	H104	H105	H104
Europe	333.3	311.3	23.9	19.7	7.2%	6.3%
North America	34.3	32.9	2.5	1.6	7.3%	4.9%
New Markets	47.0	31.1	5.8	3.5	12.3%	11.3%
Exchange differences		(5.9)		(0.5)		
At actual exchange rates	414.6	369.4	32.2	24.3	7.8%	6.6%

* Includes share of associates

Cash Services
Europe

UK

- Overall strong performance
- Good customer service levels
- Consolidation of London Cash Centre into Harlow (ex-Abbey)
- Gain of ex-Safeway work via Morrisons strategic alliance
- Pay negotiations continuing
- Price increase programme to mitigate wage increases

Germany

- Continued competitive pricing pressure
- Break-even position for the year
- Head office and branch integration complete
- Further CIT and Cash Processing cost reduction initiatives underway

Cash Services
Europe

Benelux

- ABN Amro ATM contract win in **Netherlands** has driven good turnover growth
- Strong profit performance in Netherlands
- **Belgium** returned to profit

Nordics

- Strong growth in **Sweden** and returned to profitability

Cash Services
North America & New Markets

Canada

- Universal ATM acquisition : £12m turnover
- Negative growth due to loss of bank ATM service contract
- Margin improvements achieved through efficiencies

International Valuables

- US jewellery transportation business acquisition : £10m turnover
- Good organic growth, particularly in diamonds & jewellery

New Markets

- Very strong growth overall
- Good margin improvements throughout the region
- Particularly strong businesses in **Colombia**, **Taiwan,** and **Africa**

Cash Services
Outlook

- Overall organic growth continues to improve
- Additional margin improvements from divisional initiatives
  - Management development and expertise
  - Sharing best practice
  - Common IT software
  - Focused security programmes
  - Product development in ATM and retail sectors

Strategic Focus

- New security services divisional structure

- Group & divisional initiatives
  - Sharing best practice
  - Continuously developing our security expertise
  - Management development
  - International account development
  - Global Risks focus

- Acquisition pipeline development

Overall Summary & Outlook

- Very strong organic growth
- Integration completed
- Financial impact of integration ahead of plan
- Good underlying margin improvement
- Dividend increase in line with proforma earnings
- New structure in place to deliver strategy
- Strong base for further organic and acquisitive development

Q & A

Group 4 Securicor

Interim Results to 30 June 2005

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