G4S plc
Preliminary Results Announcement
January – December 2008

G4S, the international security solutions group, today announces its preliminary results for the twelve months to 31 December 2008

RESULTS HIGHLIGHTS

- Strong organic turnover growth* of 9.5% (2007: 9.1%)
- Group turnover* up 22% to £ 5,942.9 million (2007: £4,868.4m)
- PBITA* up 23% to £416.4 million (2007: £338.7m)
- Margin* maintained at 7.0% (2007: 7.0%)
- Cash flow generation up 28% to £353.2 million, 86% of PBITA (2007: 90%)
- Adjusted earnings per share increased by 26% to 16.7p (2007:13.3p)
- Recommended final dividend up 29% to 3.68 pence per share DKK 0.3052 (2007: 2.85p/DKK 0.279)
  Recommended total dividend up 30% to 6.43 pence per share DKK 0.5624 (2007: 4.96p/DKK 0.511)
- Completed a number of capability-building acquisitions including GSL, ArmorGroup and RONCO
- Total spend of £599 million on acquisitions less disposals
- Raised £276.8 million of new equity
- Strategy implementation progressing well
- Continued strong all-round performance, particularly in new markets

* at constant (2008) exchange rates

Nick Buckles, Chief Executive Officer, commented:

“The group has delivered another great set of results and made significant progress in its strategy implementation, supplemented with some key capability-building acquisitions which have been integrated successfully. Against the backdrop of ongoing economic uncertainty in 2009 we continue to focus on building customer relationships, retaining and growing existing business, winning new business, improving productivity, controlling costs and differentiating G4S with new service lines.

Our strong and experienced senior management team across the group combined with our broad geographic and market sector exposure - with no over-reliance on a single economy or particular industry group - allows us to remain confident that we can deliver a strong performance in 2009.”

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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 world's leading international security solutions group, which specialises in outsourced business processes in sectors where security and safety risks are considered a strategic threat.

G4S is the largest employer quoted on the London Stock Exchange and has a secondary stock exchange listing in Copenhagen. G4S has operations in over 110 countries and over 585,000 employees. For more information on G4S, visit www.g4s.com.

Presentation of Results:

A presentation to investors and analysts is taking place today at 0900hrs at the Deutsche Bank Auditorium, London. The event will be webcast at:

http://www.thomson-webcast.net/uk/dispatching/?event_id=884abf09c2a86b7eeecaa6a914bf7071&portal_id=3adf8181e9c843ad319a58b9bb471277

A telephone dial-in facility will be available on:-
UK Local/International: +44 203 003 2666
UK Freephone: 0808 1090 700
US Toll Free: 1 866 966 5335
Danish Toll Free: 8088 8649

A replay is available for seven days after the announcement by dialling:

UK Local/International: +44 208 196 1998
UK Freephone: 0800 633 8453
US Toll Free: 1 866 583 1035
Access code for replay: 1224070#

Danish Toll Free: 8088 7109
Access code: 1224070#

Capital Markets Day

G4S will hold a Capital Markets Day in London on 19 May 2009.

Annual General Meeting

The company's annual general meeting will be held in London on 26 May 2009.

Results

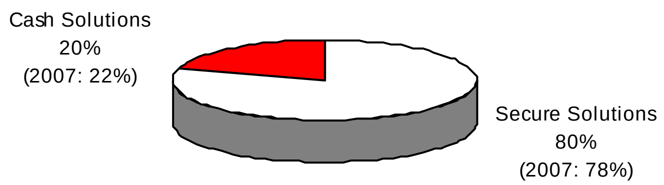
The results which follow have been prepared under International Financial Reporting Standards, as adopted by the European Union (adopted IFRSs).

Group Turnover

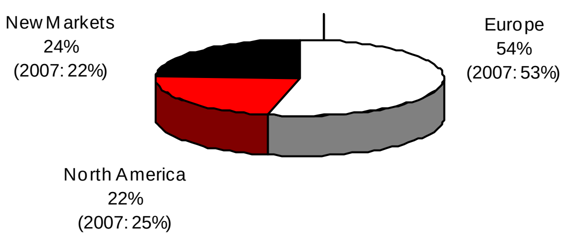
Turnover of Continuing Businesses	2008 £m	2007 £m
Turnover at constant exchange rates	5,942.9	4,868.4
Exchange difference	-	(384.9)
Total continuing business turnover	5,942.9	4,483.5

Turnover increased by 33% to £5,942.9 million or by 22% at constant exchange rates. Organic turnover growth was 9.5%.

2008 Turnover by Service



2008 Turnover by Region



Organic Turnover Growth *	Europe	North America	Developed Markets	New Markets	Total
Secure Solutions	8.3%	3.6%	6.5%	16.1%	8.6%
Cash Solutions	12.0%	1.9%	11.0%	18.6%	12.5%
Total	9.4%	3.5%	7.5%	16.6%	9.5%

Excluding North America commercial nuclear security, the organic growth rate for the group was 10.4%.

** Calculated to exclude acquisitions and disposals, and at constant exchange rates*

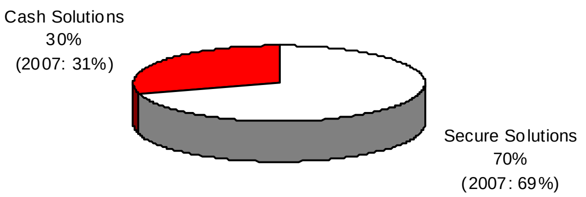
Group Profit

PBITA * of Continuing Businesses	2008 £m	2007 £m
PBITA at constant exchange rates	416.4	338.7
Exchange difference	-	(27.3)
Total continuing business PBITA	416.4	311.4
PBITA margin at constant exchange rates	7.0%	7.0%

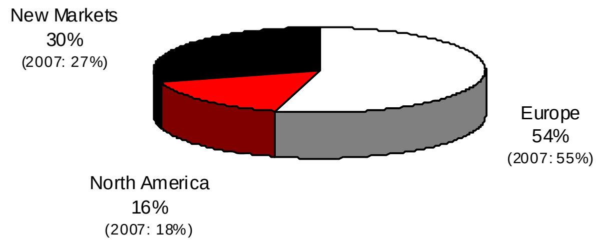
** PBITA is defined as profit before interest, taxation and amortisation of acquisition-related intangible assets*

PBITA increased by 34% to £416.4 million or by 23% at constant exchange rates. The PBITA margin was 7.0%.

2008 PBITA by Service



2008 PBITA by Region



Cash Flow and Financing

Cash Flow	2008 £m	2007 £m
Operating cash flow	353.2	276.4
Operating cash flow / PBITA	86%	90%

Operating cash flow, as analysed on page 22, was up 28% to £353.2 million in the period, representing 86% of PBITA. Net cash invested in acquistions was £598.6 million. Net debt at the end of the period, as analysed on page 21, was £1,347.7 million (December 2007: £804.9 million).

Adjusted earnings per share

Adjusted earnings per share	2008 £m	2007 at constant exchange rates £m	2007 £m
PBITA from continuing operations	416.4	338.7	311.4
Interest (before pensions)	(88.1)	(63.7)	(58.7)
Tax	(88.3)	(75.6)	(69.5)
Minorities	(13.7)	(13.4)	(13.4)
Adjusted profit attributable to shareholders	226.3	186.0	169.8
Average number of shares (m)	1,357.7	1,275.2	1,275.2
Adjusted EPS (p)	16.7p	14.6p	13.3p

Adjusted earnings per share, reconciled to basic earnings per share on page 20, increased by 26%, or by 14% at constant exchange rates.

Secure Solutions

* At constant exchange rates	Turnover £m		PBITA £m		Margins		Organic Growth
	2008	2007	2008	2007	2008	2007	2008
Europe *	2,319.5	1,849.6	151.7	120.2	6.5%	6.5%	8.3%
North America *	1,222.3	1,125.1	70.6	66.3	5.8%	5.9%	3.6%
New Markets *	1,200.1	842.1	96.2	68.0	8.0%	8.1%	16.1%
Total secure solutions *	4,741.9	3,816.8	318.5	254.5	6.7%	6.7%	8.6%
Exchange differences	-	(313.0)	-	(19.7)			
At actual exchange rates	4,741.9	3,503.8	318.5	234.8			

The secure solutions business continued its strong performance with good organic growth of 8.6% and margins maintained at 6.7%.

Europe

* At constant exchange rates	Turnover £m		PBITA £m		Margins		Organic Growth
	2008	2007	2008	2007	2008	2007	2008
UK & Ireland *	929.9	598.2	76.8	48.7	8.3%	8.1%	7.6%
Continental Europe *	1,389.6	1,251.4	74.9	71.5	5.4%	5.7%	8.6%
Total Europe *	2,319.5	1,849.6	151.7	120.2	6.5%	6.5%	8.3%

Organic growth in **Europe** was 8.3% compared to 6.5% in 2007. Margins were unchanged at 6.5%.

There was good organic growth of 7.6% in the **UK & Ireland** compared to 6.0% in the same period last year. Margins strengthened further to 8.3%. Customer retention rates in the security business were high at around 95%. The care and justice, events, defence training and secure facilities management businesses all recorded strong growth and good margins. A number of new services were launched in the year including Gurkha services, lone worker protection and a vacant property protection service.

A number of acquisitions were made in the region aimed at increasing the expertise of the group in key sectors in line with the group strategy. The acquisition and integration of GSL, ArmorGroup and Rock Steady have all progressed well adding additional expertise and delivering synergies ahead of expectations. Key contract wins include Brook House immigration detention centre, facilities management services for South Warwickshire and North West London Primary Care Trusts, the Olympic Delivery Authority, the Ministry of Defence and the first offender monitoring contract in Northern Ireland.

In **Continental Europe**, organic growth was 8.6% and margins were slightly below the prior year at 5.4% due mainly to a challenging environment in aviation security as a result of lower passenger numbers, the start up of the Oslo airport contract and lower installation growth in the smaller Security Systems businesses. Cost reduction measures are being implemented in these markets. Security Systems is a relatively small part of the G4S portfolio and contracts are concentrated in Continental Europe. Overall contract retention in the region was high at over 95% with key contracts such as those for the European Parliament (Belgium and Luxembourg) and Schiphol airport being renewed in 2008.

Lithuania and **Luxembourg** had a strong year in all customer segments and **Austria** delivered good results assisted by completion of some systems projects, the Euro 2008 football championships and other major events. In **Greece**, the business won four new regional airports contracts and the Athens Metro contract in 2008, which contributed to excellent growth and helped improve margins.

In **Romania** the business achieved excellent growth and margins, largely as a result of the outsourcing of a wide range of security-related services by the Romanian post office and the critical mass that this has created across the country. In the **Baltics**, growth slowed but margins were robust.

Norway achieved excellent organic growth of over 40% assisted by the Oslo airport contract which began early in the year. **Finland** had a good year and in **Sweden**, the business is now trading profitably under the new management team and following some good contract wins in 2007. There was good growth and solid margins in **Denmark**, aided by security systems growth across all segments and strong growth in manned security.

North America

* At constant exchange rates	Turnover £m		PBITA £m		Margins		Organic Growth
	2008	2007	2008	2007	2008	2007	2008
North America *	1,222.3	1,125.1	70.6	66.3	5.8%	5.9%	3.6%

Organic growth in **North America** was 3.6% and excluding the US commercial nuclear sector which lost a large contract, organic growth was 7.0%. Margins were slightly lower at 5.8% as expected due to start up costs on some new contracts and contract renewals.

In the **United States** the commercial business was broadly flat however excluding the commercial nuclear business, organic growth was 5%.The government business achieved organic growth of 11%, with the immigration and border control contract performing strongly.

New contract awards included those for the Department of Energy at its Hanford Site and commercial nuclear power sites for companies such as FPL and an international contract with Agilent. Contract renewals and extensions included Chrysler and Bank of America.

In **Canada** there was good organic growth and margins improved as a result of a programme to exit low yielding contracts and focus on higher margin businesses.

New Markets

* At constant exchange rates	Turnover £m		PBITA £m		Margins		Organic Growth
	2008	2007	2008	2007	2008	2007	2008
Asia *	412.0	285.8	32.6	24.1	7.9%	8.4%	15.6%
Middle East *	315.6	191.2	26.4	15.3	8.4%	8.0%	21.6%
Africa *	248.6	191.8	22.4	17.0	9.0%	8.9%	10.8%
Latin America & Caribbean *	223.9	173.3	14.8	11.6	6.6%	6.7%	16.5%
Total New Markets *	1,200.1	842.1	96.2	68.0	8.0 %	8.1%	16.1%

In **New Markets**, organic growth was excellent at 16.1% and margins were maintained at around 8.0%.

Organic growth in **Asia** was 15.6% and margins were 7.9%. Margins in Asia were slightly down due to the lower margin Australian prison contracts which were acquired with GSL. **India** continued to deliver excellent growth of over 20% and strong margin improvement.

Thailand also performed well with organic growth of over 20% with improved margins and won a major contract with SCB at the end of 2008. In **Malaysia**, organic growth was 10% due to improved operational performance and a significant increase in the number of ATMs and CDMs serviced.

In **Hong Kong** the business grew slightly despite a challenging competitive environment and margins were maintained. In **Macau,** growth slowed but was still above 15% and margins remained strong. The **Papua New Guinea** business performed very well in its first year of operation.

In the **Middle East** organic growth was impressive at 21.6% and margins were at 8.4%, driven by good performance in facilities management and improvement in the margins achieved in **Iraq**.

In **UAE** organic growth was 18% and G4S has been granted contracts for a secure training centre and rehabilitation services in Abu Dhabi. **Qatar** achieved organic growth of 80% from mainly the education, military and energy sectors.

In **Africa** organic growth was 10.8% and margins improved to 9.0%. **Kenya** performed very well with growth of 14% and continued strong profitability. **Morocco** reported strong growth assisted by new contracts in the oil and banking sectors. In **South Africa,** growth continued but margins were lower due to a number of underperforming contracts and new management has been installed.

Elsewhere in Africa, **DRC**, **Malawi**, **Mozambique, Nigeria, Namibia** and **Zambia** all performed well with healthy organic growth and a significant increase in scale from the ArmorGroup acquisition in many of these markets.

In the **Latin America & Caribbean** region organic growth was 16.5% and margins were 6.6%. The region has experienced a slight slow-down in economic growth and some smaller competitors in countries such as Peru and Ecuador have exited the market, which is currently providing an opportunity for the group as the labour market tightness has reduced.

Argentina continued to perform well with organic growth over 30% and improved margins helped by an improved business mix.

In **Chile** improving margins were assisted by the acquisition of the country's largest marine security solution company and some higher margin mining contracts. **Peru** grew more than 20% helped by new regulation which favours professional security companies and margins improved due to new technology related contracts

The various businesses within **Colombia** performed well in comparison to 2007 but overall results were impacted by the renegotiated tolls contract which was expected in 2008.

Cash Solutions

* At constant exchange rates	Turnover £m		PBITA £m		Margins		Organic Growth
	2008	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**
Europe *	859.1	759.9	94.0	83.4	10.9%	11.0%	12.0%
North America *	87.0	85.4	0.8	0.6	0.9%	0.7%	1.9%
New Markets *	254.9	206.3	38.6	31.2	15.1%	15.1%	18.6%
Total Cash Solutions *	1,201.0	1,051.6	133.4	115.2	11.1%	11.0%	12.5%
Exchange differences	-	(71.9)	-	(8.2)			
At actual exchange rates	1,201.0	979.7	133.4	107.0			

The cash solutions business continued its very strong first half performance with organic growth of 12.5% and margins of 11.1%. Organic growth in **Europe** was excellent at 12% with margins maintained at around 10.9%, despite investment in Cash Retail 360 retail solution.

In the **UK & Ireland,** the cash solutions business performed well with good organic growth and firm margins. The fifth "super branch" cash management centre in the UK was opened in London in January 2009.

There was slower growth but solid margins in the **Netherlands** as a result of excellent operational controls. The implementation of the Swedbank ATM management contract contributed to substantial revenue growth and improved margins in **Sweden**.

In **Belgium** there was good growth in ATMs and cash management, largely from expanding existing customer contracts. In **Hungary** and the **Baltics** there was high revenue growth and excellent margins.

The implementation of the post office outsourcing contract in **Romania** has continued to drive extremely high growth and margin improvements as expected.

In **North America** the business in **Canada** stabilised under the new management team and experienced positive growth for the first time since 2006. We expect continued improvement in 2009.

Organic growth in **New Markets** was excellent at 18.6% with margins remaining at 15.1%. There were very good results across **Asia**, **Middle East** and **Africa**. In **Latin America**, results were affected by the renegotiated

Colombia tolls contract as expected. Margins in Colombia remain strong and the other cash solutions businesses in the region performed well.

Cash outsourcing opportunities are beginning to develop in **Malaysia, Indonesia** and the **Philippines** as financial institutions and central banks are focusing on their core services and seeking to drive efficiencies in the cash cycle. At the end of 2008, a banking hardware, maintenance and software interface business was acquired to support services in the **Hong Kong** and **China** markets.

In the **UAE**, the business has extended its cash management offer into credit card management and distribution services. **India** was awarded the pilot distribution contract for the new national ID cards. In **Thailand**, new state-of-the-art cash centres have allowed the business to expand rapidly.

In **South Africa** the business is performing well with good growth, particularly in the ATM sector, and very strong margins.

There was high organic growth in **Kenya** as a result of further outsourcing in the financial services sector. The introduction of new technology has provided the business with a unique competitive advantage in the market.

STRATEGIC DEVELOPMENT

G4S has developed greatly over the last five years from a well respected security company into a secure outsourcing partner to customers in key segments.

The implementation of the group strategy has continued well in 2008 with a number of capability-building acquisitions which have added significant expertise to the business:-

- cash cycle management and consultancy
- care and justice services
- government outsourcing
- risk management consultancy
- mine clearance
- compliance and investigations
- secure event management
- security and IT convergence technology

This has enabled the business to increase customer partnerships, lengthen the average contract term and deliver significant benefits to customers. It also means that we have been able to attract high quality experts in particular customer segments or service lines to join the organisation.

This strategy will continue throughout 2009 and in the future. We will seek further capability-building acquisitions and customer segment experts to assist in driving the strategy forward.

OTHER FINANCIAL ISSUES

Acquisitions and divestments

The group completed a number of acquisitions during 2008 which have added new capabilities to the group and supported the implementation of the group's strategy. Acquisitions included ArmorGroup, one of the world's leading protective security companies, on 7 May and GSL, an international leader in the provision of government support services, on 12 May. The group has been running detailed worldwide integration programmes since completion of the acquisitions and we expect them to be fully integrated by the end of March 2009, ensuring a strong business performance.

The GSL businesses have been integrated into the G4S UK & Ireland region to create a significantly stronger UK Care and Justice business as well as providing additional secure outsourcing capability in the UK government sector. At the time of the GSL acquisition we announced that we expected to achieve cost synergies of around £7m and we expect the full effect of these benefits to come through in 2009.

The majority of ArmorGroup's 27 country operations have now been merged into the relevant G4S regions. The UK elements of ArmorGroup have been merged with G4S Risk Management Solutions to create a business which focuses on government contracts in Afghanistan, Iraq and Kosovo as well as the provision of mine clearance, training and risk management consultancy.

The group's acquisition strategy going forward will be to focus on niche opportunities which will both help to deliver its strategic objectives and meet its financial performance criteria. Areas of particular interest could include risk consulting, complementary technologies and segmental specialists and G4S expects to invest between £50m to £100m in acquisitions in 2009.

At the end of 2007, we signalled our intention to divest of our remaining businesses in France and Germany. The majority of these businesses were divested during 2008 and the final one in February 2009.

Share capital

On 13 May 2008 the group completed a placing of 127 million ordinary shares of 25p at a price of 222p per share. Gross proceeds were £281.9 million and issue costs £5.1 million.

Financing & Interest

The group has a prudent approach to its balance sheet whilst maintaining the flexibility to pursue acquisitions when appropriate. The group is currently well capitalised with no significant maturities until 2012. Borrowings are at attractive rates and liabilities broadly match the business mix by currency.

The group's primary sources of finance are:

(i) A £1.1bn multicurrency revolving credit facility provided by a consortium of lending banks at a margin of 0.225% over LIBOR and maturing on 28 June 2012.

(ii) A $550m private placement of notes on 1 March 2007, which mature at various dates between 2014 and 2022 and bear interest at rates between 5.77% and 6.06%.

(iii) A $514m and £69m private placement of notes on 15 July 2008, which mature at various dates between 2013 and 2020 and bear interest at rates between 6.09% and 7.56%.

At 31 December 2008 the group had other short-term committed facilities of £45m and uncommitted facilities of £578m.

As of 31 December 2008, net debt was £1,347.7m representing a gearing of 92%. The group headroom was £350m at the year end. The group has sufficient borrowing capacity to finance its current investment plans.

Net interest payable on net debt was £81.2m. This is an increase of 53% over the 2007 cost of £57.4m, due principally to the increase in the group's average gross debt.

The group's average cost of gross borrowings during 2008 was 5.5% compared to 5.7% in 2007.

Also included within financing is other interest costs of £6.9m (2007: £1.3m) and net income of £3.7m (2007: £5.0m) in respect of movements in the group's retirement benefit obligations.

Taxation

The effective tax rate for the year on adjusted earnings was 26.9%, compared to 27.5% for 2007. The group believes that the rate is sustainable going forward as a result of the ongoing rationalisation of the post-merger group legal structure and the elimination of fiscal inefficiencies.

Retirement benefit obligations

The group's funding shortfall on funded defined retirement benefit schemes, on the valuation basis specified in IAS19 Employee Benefits, was £288m before tax or £207m after tax (31 December 2007: £138m and £99m respectively). The main schemes are in the UK. The latest full actuarial valuations were undertaken at 5 April 2006 in respect of the Securicor scheme, 31 March 2007 in respect of the Group 4 scheme and 31 March 2005 in respect of the GSL scheme acquired in May 2008. However, all actuarial assumptions were reviewed as at 31 December 2008.

The valuation of gross liabilities has decreased since 31 December 2007 due to an increase in the appropriate AA corporate bond rate from 5.8% to 6.3%, offset to a degree by changes in longevity assumptions. However, the value of the assets held in the funds (adjusted for acquired pension funds and additional contributions) decreased by £247m during the period. Additional company contributions were £26m.

The group believes that, over the very long term in which retirement benefits become payable, investment returns should eliminate the deficit reported in the schemes in respect of past service liabilities. However, in recognition of the regulatory obligations upon pension fund trustees to address reported deficits, the group anticipates that, in the medium term, additional cash contributions will continue to be made at least at a level similar to that in 2008.

Dividend

The board recommends a final dividend of 3.68p per share (DKK 0.3052). This represents an increase of 29% on the final dividend for 2007. The interim dividend was 2.75p per share (DKK 0.2572) and the total dividend, if approved, will be 6.43p per share (DKK 0.5624), representing an increase of 30% on the total dividend for 2007.

The proposed dividend cover is 2.5 times on adjusted earnings in line with the group's previously declared intention. In the future, the group expects to increase dividends broadly in line with normalised adjusted earnings.

REVIEW AND OUTLOOK

The business performed very well in 2008 across all markets, service lines and customer segments.

Whilst G4S and its customers are not immune to a severe economic slowdown, the business is resilient to economic pressure for a number of reasons:-

- large proportion of complex long term outsourcing contracts, particularly in the government sector and cash management contracts
- increased need for outsourced solutions to enable customers to improve efficiencies and manage costs in difficult times
- expertise in the cash management cycle to cater for increased demand from consumers for access to their funds and efficient management of cash for the financial institutions
- broad geographic and market sector exposure with no over-reliance on a single economy or particular industry group and a good proportion of revenue in developing markets which have inherent structural growth
- customer demand for continuity and sustainability of the supply chain and the backing of a global organisation with strong track record of delivery
- easing of global employment markets enabling recruitment of good quality staff and increased retention rates of existing employees
- strong, very experienced senior management across the group

Whilst there are some challenges for the business in recessionary times, our history and current experience suggest that our business model, international presence and the nature of our contract base means that we are more resilient than most and therefore we expect to perform strongly in 2009.

10 March 2009

G4S plc
Unaudited preliminary results announcement
For the year ended 31 December 2008

Consolidated income statement
For the year ended 31 December 2008

	Notes	2008 £m	2007 £m
Continuing operations			
Revenue	2	**5,942.9**	4,483.5
Profit from operations before amortisation of acquisition-related intangible assets and share of profit from associates		**413.0**	308.4
Share of profit from associates		**3.4**	3.0
Profit from operations before amortisation of acquisition-related intangible assets (PBITA)	2	**416.4**	311.4
Amortisation of acquisition-related intangible assets		**(67.8)**	(41.6)
Profit from operations before interest and taxation (PBIT)	2, 3	**348.6**	269.8
Finance income	6	**104.9**	92.6
Finance costs	7	**(189.3)**	(146.3)
Profit before taxation (PBT)		**264.2**	216.1
Taxation:			
- Before amortisation of acquisition-related intangible assets		**(89.3)**	(70.9)
- On amortisation of acquisition-related intangible assets		**19.1**	14.9
	8	**(70.2)**	(56.0)
Profit after taxation		**194.0**	160.1
(Loss)/profit from discontinued operations	4	**(29.1)**	0.5
Profit for the year		**164.9**	160.6
Attributable to:			
Equity holders of the parent		**151.2**	147.2
Minority interests		**13.7**	13.4
Profit for the year		**164.9**	160.6
Earnings per share attributable to equity shareholders of the parent	10		
For profit from continuing operations:			
Basic		**13.3p**	11.5p
Diluted		**13.3p**	11.5p
For profit from continuing and discontinued operations:			
Basic		**11.1p**	11.5p
Diluted		**11.1p**	11.5p

	Notes	2008 £m	2007 £m
Dividends declared and proposed in respect of the year	9		
Interim dividend of 2.75p per share (2007: 2.11p)		**38.7**	27.3
Final dividend of 3.68p per share (2007: 2.85p)		**51.8**	36.3
Total dividend of 6.43p per share (2007: 4.96p)		**90.5**	63.6

Consolidated balance sheet
At 31 December 2008

	Notes	2008 £m	2007 £m
ASSETS			
Non-current assets			
Goodwill		**2,098.1**	1,331.3
Other acquisition-related intangible assets		**339.9**	224.2
Other intangible assets		**61.0**	31.3
Property, plant and equipment		**528.6**	403.2
Investment in associates		**7.4**	10.2
Trade and other receivables		**198.0**	69.4
Deferred tax assets		**155.0**	84.5
		3,388.0	2,154.1
Current assets			
Inventories		**85.5**	58.2
Investments		**92.7**	73.2
Trade and other receivables		**1,362.8**	887.1
Cash and cash equivalents		**562.1**	382.1
Assets classified as held for sale	11	**71.0**	130.9
		2,174.1	1,531.5
Total assets		**5,562.1**	3,685.6
LIABILITIES			
Current liabilities			
Bank overdrafts		**(195.1)**	(110.7)
Bank loans		**(87.9)**	(80.6)
Obligations under finance leases		**(22.1)**	(16.2)
Trade and other payables		**(1,216.1)**	(852.1)
Current tax liabilities		**(16.2)**	(18.4)
Retirement benefit obligations		**(48.9)**	(47.3)
Provisions		**(33.9)**	(23.6)
Liabilities associated with assets classified as held for sale	11	**(74.1)**	(78.3)
		(1,694.3)	(1,227.2)
Non-current liabilities			
Bank loans		**(877.8)**	(729.1)
Loan notes		**(901.9)**	(290.4)
Obligations under finance leases		**(63.6)**	(46.0)
Trade and other payables		**(63.5)**	(38.7)
Retirement benefit obligations		**(278.6)**	(120.1)
Provisions		**(91.3)**	(38.2)
Deferred tax liabilities		**(120.4)**	(75.9)
		(2,397.1)	(1,338.4)
Total liabilities		**(4,091.4)**	(2,565.6)
Net assets		**1,470.7**	1,120.0
EQUITY			
Share capital		**352.1**	320.2
Share premium and reserves		**1,074.9**	766.9
Equity attributable to equity holders of the parent	12	**1,427.0**	1,087.1
Minority interests		**43.7**	32.9
Total equity		**1,470.7**	1,120.0

Consolidated cash flow statement
For the year ended 31 December 2008

	Notes	2008 £m	2007 £m
Profit before taxation		**264.2**	216.1
(Loss)/profit before taxation from discontinued operations		**(29.1)**	0.4
Adjustments for:			
Finance income		**(104.9)**	(92.6)
Finance costs		**189.3**	146.3
Finance costs attributable to discontinued operations		**1.4**	3.3
Depreciation of property, plant and equipment		**105.0**	91.1
Amortisation of acquisition-related intangible assets		**67.8**	41.6
Amortisation of other intangible assets		**11.1**	8.5
Loss/(profit) on disposal of property, plant and equipment and intangible assets other than acquisition-related		**2.1**	(14.4)
Loss/(profit) on disposal of discontinued operations		**10.5**	(12.0)
Share of profit from associates		**(3.4)**	(3.0)
Equity-settled transactions		**5.0**	4.1
Operating cash flow before movements in working capital		**519.0**	389.4
Decrease/(increase) in inventories		**(7.4)**	(9.6)
Increase in receivables		**(38.0)**	(69.7)
Increase in payables		**32.3**	84.1
Decrease in provisions		**(50.9)**	(36.7)
Cash generated by operations		**455.0**	357.5
Tax paid		**(82.0)**	(66.2)
Net cash flow from operating activities		**373.0**	291.3
Investing activities			
Interest received		**17.2**	24.9
Cash flow from associates		**12.2**	1.0
Purchases of property, plant and equipment and intangible assets other than acquisition-related		**(174.5)**	(134.5)
Proceeds on disposal of property, plant and equipment and intangible assets other than acquisition-related		**13.2**	25.5
Acquisition of subsidiaries		**(419.4)**	(151.6)
Net cash balances acquired		**19.7**	11.6
Disposal of subsidiaries		**31.1**	7.9
Sale/(purchase) of investments		**5.6**	(0.3)
Own shares purchased		**(8.8)**	(3.1)
Net cash used in investing activities		**(503.7)**	(218.6)
Financing activities			
Share issues		**276.8**	0.9
Dividends paid to minority interests		**(11.9)**	(3.8)
Loan to minority interests		**-**	(13.3)
Dividends paid to equity shareholders of the parent		**(75.0)**	(59.3)
Proceeds on issue of loan notes		**327.0**	280.6
Repayment of revolving credit facilities with proceeds from issue of loan notes		**(327.0)**	(280.6)
Other net movement in borrowings		**173.7**	140.4
Interest paid		**(97.2)**	(79.9)
Net cash flow from hedging financial instruments		**(65.9)**	(4.3)
Repayment of obligations under finance leases		**(13.5)**	(4.6)
Net cash flow from financing activities		**187.0**	(23.9)
Net increase in cash, cash equivalents and bank overdrafts	13	**56.3**	48.8
Cash, cash equivalents and bank overdrafts at the beginning of the year		**270.7**	210.0
Effect of foreign exchange rate fluctuations on cash held		**33.7**	11.9
Cash, cash equivalents and bank overdrafts at the end of the year		**360.7**	270.7

Consolidated statement of recognised income and expense

For the year ended 31 December 2008

	2008 £m	2007 £m
Exchange differences on translation of foreign operations	**182.0**	37.4
Change in fair value of net investment hedging financial instruments	**(81.1)**	(19.0)
Change in fair value of cash flow hedging financial instruments	**36.4**	(7.0)
Actuarial (losses)/gains on defined retirement benefit schemes	**(196.9)**	64.7
Tax on items taken directly to equity	**50.3**	(14.0)
Net (expense)/income recognised directly in equity	**(9.3)**	62.1
Profit for the year	**164.9**	160.6
Net recognised income	**155.6**	222.7
Attributable to:		
Equity holders of the parent	**141.9**	209.3
Minority interests	**13.7**	13.4
Net recognised income	**155.6**	222.7

Notes to the preliminary results announcement

1) Basis of preparation and accounting policies

The primary statements and selected notes in this preliminary results announcement do not constitute the company's financial statements within the meaning of Section 240 of the Companies Act 1985 for the years ending 31 December 2008 or 2007. The notes included in this announcement are in some cases summaries of those included in the statutory accounts. Statutory accounts for the year ended 31 December 2007 have been filed with the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain any statement under Section 237 of the Companies Act 1985.

The preliminary results announcement for the year ended 31 December 2008 has been prepared by the directors, based upon the result and position which they expect will be reflected in the statutory accounts. The statutory accounts will be prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("Adopted IFRS"). Details of the accounting policies that will be applied in the statutory accounts are set out in the 2007 Annual Report and Accounts. The statutory accounts, once finalised, will be delivered to the Registrar of Companies in due course. IFRIC 14 *IAS19 – The limit on a defined benefit asset, minimum funding requirements and their interaction* has been endorsed during the year and is effective for accounting periods commencing 1 January 2009. This has not resulted in a material impact to the financial statements.

The comparative income statement for the year ended 31 December 2007 has been re-presented for operations qualifying as discontinued during the current year. Revenue from continuing operations has been reduced by £6.9m and PBT has been reduced by £0.9m compared to the figures published previously. In addition, the comparative balance sheet as at 31 December 2007 has been restated to reflect the completion during 2008 of the initial accounting in respect of acquisitions made during 2007. Adjustments made to the provisional calculation of the fair values of assets and liabilities acquired amount to £1.1m, with an equivalent increase in the reported value of goodwill.

2) Segmental analysis

The group operates in two core product areas: secure solutions and cash solutions. The group operates on a worldwide basis and derives a substantial proportion of its revenue and PBIT from each of the following geographical regions: Europe (comprising the United Kingdom and Ireland, and Continental Europe), North America, and New Markets (comprising the Middle East and Gulf States, Latin America and the Caribbean, Africa, 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 for continuing operations is presented below:

Segment revenue

Revenue by business segment	**2008 £m**	2007 £m
Secure Solutions		
UK and Ireland	**929.9**	593.0
Continental Europe	**1,389.6**	1,078.3
Europe	**2,319.5**	1,671.3
North America	**1,222.3**	1,043.8
Middle East and Gulf States	**315.6**	177.9
Latin America and the Caribbean	**223.9**	158.0
Africa	**248.6**	183.9
Asia Pacific	**412.0**	268.9
New Markets	**1,200.1**	788.7
Total Secure Solutions	**4,741.9**	3,503.8
Cash Solutions		
Europe	**859.1**	706.3
North America	**87.0**	78.0
New Markets	**254.9**	195.4
Total Cash Solutions	**1,201.0**	979.7
Total revenue	**5,942.9**	4,483.5

Notes to the preliminary results announcement (continued)

2) Segmental analysis (continued)

Revenue by geographical market	**2008 £m**	2007 £m
Europe	**3,178.6**	2,377.6
North America	**1,309.3**	1,121.8
New Markets	**1,455.0**	984.1
Total revenue	**5,942.9**	4,483.5

PBITA by business segment	**2008 £m**	2007 £m
Secure Solutions		
UK and Ireland	**76.8**	48.4
Continental Europe	**74.9**	61.5
Europe	**151.7**	109.9
North America	**70.6**	61.5
Middle East and Gulf States	**26.4**	14.2
Latin America and the Caribbean	**14.8**	10.3
Africa	**22.4**	16.0
Asia Pacific	**32.6**	22.9
New Markets	**96.2**	63.4
Total Secure Solutions	**318.5**	234.8
Cash Solutions		
Europe	**94.0**	77.4
North America	**0.8**	0.6
New Markets	**38.6**	29.0
Total Cash Solutions	**133.4**	107.0
Total PBITA before head office costs	**451.9**	341.8
Head office costs	**(35.5)**	(30.4)
Total PBITA	**416.4**	311.4
PBITA by geographical market		
Europe	**245.7**	187.3
North America	**71.4**	62.1
New Markets	**134.8**	92.4
Total PBITA before head office costs	**451.9**	341.8
Head office costs	**(35.5)**	(30.4)
Total PBITA	**416.4**	311.4

Result by business segment	**2008 £m**	2007 £m
Total PBITA	**416.4**	311.4
Amortisation of acquisition-related intangible assets	**(67.8)**	(41.6)
Total PBIT	**348.6**	269.8
Secure Solutions	**271.5**	215.4
Cash Solutions	**112.6**	84.8
Head office costs	**(35.5)**	(30.4)
Total PBIT	**348.6**	269.8

3) Profit from operations before interest and taxation (PBIT)

The income statement can be analysed as follows:

Continuing operations	**2008 £m**	2007 £m
Revenue	**5,942.9**	4,483.5
Cost of sales	**(4,627.9)**	(3,479.2)
Gross profit	**1,315.0**	1,004.3
Administration expenses	**(969.8)**	(737.5)
Share of profit from associates	**3.4**	3.0
PBIT	**348.6**	269.8

Included within administration expenses is the amortisation charge for acquisition-related intangible assets.

4) Discontinued operations

Operations qualifying as discontinued in the current year primarily comprise the secure solutions businesses in France, which principally includes Group 4 Securicor SAS, disposed of on 28 February 2009; and the secure solutions businesses in Germany, which principally include G4S Sicherheitsdienste GmbH and G4S Sicherheitssysteme GmbH, Berlin, disposed of on 15 May 2008.

Operations qualifying as discontinued in the prior year primarily comprise: G4S Cash Services (France) SAS, disposed of on 2 July 2007; as well as the secure solutions businesses in France, which principally include Group 4 Securicor SAS; and the secure solutions businesses in Germany, which principally include G4S Sicherheitsdienste GmbH and G4S Sicherheitssysteme GmbH, Berlin, which were in the process of being disposed of as at 31 December 2007.

5) Acquisitions

The group undertook a number of acquisitions in the year. The total fair value of net liabilities acquired amounted to £76.4m which included the recognition of £151.6m of acquisition-related intangible assets, generating goodwill of £446.2m, satisfied by a total consideration of £369.8m, of which £358.2m has been paid in the year.

Principal acquisitions in subsidiary undertakings include the purchase of controlling interests in: Defacto 1119 Limited, the holding company of the Global Solutions group (GSL), an international leader in the provision of support services for governments, companies and public authorities; ArmorGroup International plc, an international provider of defensive, protective secure solutions, head-quartered in the UK; RONCO Consulting Corporation, an international provider of humanitarian mine action and ordnance services, specialised security and training head-quartered in the US; MJM Investigations, Inc., a provider of insurance fraud mitigation and claims services in the US; the Rock Steady group of companies, providing event security in the UK; Touchcom, Inc., a security consultant and design business in the US; and Travel Logistics Limited, a provider of passport and visa services in the UK.

In addition the group increased its interests in Macau and the Baltics.

6) Finance income

	2008 £m	2007 £m
Interest income on cash, cash equivalents and investments	**17.8**	12.4
Other interest income	**0.6**	2.9
Expected return on defined retirement benefit scheme assets	**86.5**	77.3
Total finance income	**104.9**	92.6

7) Finance costs

	2008 £m	2007 £m
Interest on bank overdrafts, loans and loan notes	**95.1**	66.5
Interest on obligations under finance leases	**3.9**	3.3
Other interest charges	**7.5**	4.2
Total group borrowing costs	**106.5**	74.0
Finance costs on defined retirement benefit obligations	**82.8**	72.3
Total finance costs	**189.3**	146.3

8) Taxation

	2008 £m	2007 £m
Current taxation expense	**(75.6)**	(59.8)
Deferred taxation credit	**5.4**	3.8
Total income tax expense for the year	**(70.2)**	(56.0)

The total income tax expense for the year includes amounts attributable to the UK of £7.6m (2007: £8.4m).

9) Dividends

	Pence per share	DKK per share	2008 £m	2007 £m
Amounts recognised as distributions to equity holders of the parent in the year				
Final dividend for the year ended 31 December 2006	2.52	0.2766	**-**	32.0
Interim dividend for the six months ended 30 June 2007	2.11	0.2319	**-**	27.3
Final dividend for the year ended 31 December 2007	2.85	0.2786	**36.4**	-
Interim dividend for the six months ended 30 June 2008	2.75	0.2572	**38.6**	-
			75.0	59.3
Proposed final dividend for the year ended 31 December 2008	3.68	0.3052	**51.8**	

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting. If so approved, it will be paid on 5 June 2009 to shareholders who are on the register on 1 May 2009. The exchange rate used to translate it into Danish kroner is that at 9 March 2009.

10) Earnings/(loss) per share attributable to equity shareholders of the parent

	2008 £m	2007 £m
From continuing and discontinued operations		
Earnings		
Profit for the year attributable to equity holders of the parent	**151.2**	147.2
Effect of dilutive potential ordinary shares (net of tax)	**0.2**	0.2
Profit for the purposes of diluted earnings per share	**151.4**	147.4
Number of shares (m)		
Weighted average number of ordinary shares	**1,357.7**	1,275.2
Effect of dilutive potential ordinary shares	**1.3**	1.5
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**1,359.0**	1,276.7
Earnings per share from continuing and discontinued operations (pence)		
Basic	**11.1p**	11.5p
Diluted	**11.1p**	11.5p
From continuing operations		
Earnings		
Profit for the year attributable to equity holders of the parent	**151.2**	147.2
Adjustment to exclude loss/(profit) for the year from discontinued operations (net of tax)	**29.1**	(0.5)
Profit from continuing operations	**180.3**	146.7
Effect of dilutive potential ordinary shares (net of tax)	**0.2**	0.2
Profit from continuing operations for the purpose of diluted earnings per share	**180.5**	146.9
Earnings per share from continuing operations (pence)		
Basic	**13.3p**	11.5p
Diluted	**13.3p**	11.5p
From discontinued operations		
Loss per share from discontinued operations (pence)		
Basic	**(2.2)p**	-
Diluted	**(2.2)p**	-
From adjusted earnings		
Earnings		
Profit from continuing operations	**180.3**	146.7
Adjustment to exclude net retirement benefit finance income (net of tax)	**(2.7)**	(3.6)
Adjustment to exclude amortisation of acquisition-related intangible assets (net of tax)	**48.7**	26.7
Adjusted profit for the year attributable to equity holders of the parent	**226.3**	169.8
Weighted average number of ordinary shares (m)	**1,357.7**	1,275.2
Adjusted earnings per share (pence)	**16.7p**	13.3p

In the opinion of the directors the earnings per share figure of most use to shareholders is that which is adjusted. This figure better allows the assessment of operational performance, the analysis of trends over time, the comparison of different businesses and the projection of future earnings.

11) Disposal groups classified as held for sale

Disposal groups classified as held for sale as at 31 December 2008 primarily comprise the assets and liabilities associated with the manned guarding business in France, which principally includes Group 4 Securicor SAS. This sale was completed on 28 February 2009.

12) Summary reconciliation of equity attributable to equity holders of the parent

	Share Capital 2008 £m	**Reserves 2008 £m**	**Total 2008 £m**	Share capital 2007 £m	Reserves 2007 £m	Total 2007 £m
At beginning of year	**320.2**	**766.9**	**1,087.1**	320.0	615.2	935.2
Net recognised income attributable to equity shareholders of the parent	**-**	**141.9**	**141.9**	-	209.3	209.3
Shares issued	**31.9**	**244.9**	**276.8**	0.2	0.7	0.9
Dividends declared	**-**	**(75.0)**	**(75.0)**	-	(59.3)	(59.3)
Own shares purchased	**-**	**(8.8)**	**(8.8)**	-	(3.1)	(3.1)
Equity-settled transactions	**-**	**5.0**	**5.0**	-	4.1	4.1
At end of year	**352.1**	**1,074.9**	**1,427.0**	320.2	766.9	1,087.1

13) Analysis of net debt

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

	2008 £m	2007 £m
Cash and cash equivalents	**562.1**	382.1
Investments	**92.7**	73.2
Net cash and overdrafts included within disposal groups classified as held for sale	**(6.4)**	(0.7)
Net debt (excluding cash and overdrafts) included within disposal groups classified as held for sale	**(0.9)**	(0.8)
Bank overdrafts	**(195.1)**	(110.7)
Bank loans	**(965.7)**	(809.7)
Loan notes	**(901.9)**	(290.4)
Fair value of loan note derivative financial instruments	**153.2**	14.3
Obligations under finance leases	**(85.7)**	(62.2)
Total net debt	**(1,347.7)**	(804.9)

An analysis of movements in net debt in the year is presented below:

	2008 £m	2007 £m
Increase in cash, cash equivalents and bank overdrafts per consolidated cash flow statement	**56.3**	48.8
Sale/(purchase) of investments	**(5.6)**	0.3
Increase in debt and lease financing	**(160.2)**	(135.8)
Change in net debt resulting from cash flows	**(109.5)**	(86.7)
Borrowings acquired with subsidiaries	**(230.0)**	(22.9)
Net additions to finance leases	**(17.1)**	(10.3)
Movement in net debt in the year	**(356.6)**	(119.9)
Translation adjustments	**(186.2)**	(12.2)
Net debt at the beginning of the year	**(804.9)**	(672.8)
Net debt at the end of the year	**(1,347.7)**	(804.9)

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 year ended 31 December 2008

	2008 £m	2007 £m
PBITA before share of profit from associates (group PBITA)	**413.0**	308.4
Depreciation and amortisation of intangible assets other than acquisition-related	**116.1**	99.6
Profit on disposal of property, plant and equipment and intangible assets other than acquisition-related	**2.1**	(14.4)
Movement in working capital and provisions	**(16.7)**	(8.2)
Net cash flow from capital expenditure	**(161.3)**	(109.0)
Operating cash flow	**353.2**	276.4

Reconciliation of operating cash flows	**2008 £m**	2007 £m
Net cash flow from operating activities per consolidated cash flow statement	**373.0**	291.3
Net cash flow from capital expenditure	**(161.3)**	(109.0)
Add-back cash flow from exceptional items and discontinued operations	**27.2**	1.8
Add-back additional pension contributions	**32.3**	26.1
Add-back tax paid	**82.0**	66.2
Operating cash flow	**353.2**	276.4