13 March 2012

G4S plc
Preliminary results for the year ended 31 December 2011

Developing markets and outsourcing trends continuing to drive growth

	2011	2010	Change
Turnover	£7,522m	£7,181m*	+4.7%
Organic growth	+4.5%	+2.1%	-
PBITA	£531m	£520m*	+2.1%
Operating margin	7.1%	7.2%*	-
Adjusted EPS	22.8p	21.6p*	+6%
Recommended total dividend per share	8.53p	7.90p	+8%

* at constant exchange rates and adjusted for discontinued businesses

Sales up 4.7% (with 4.5% organic growth) to £7,522 million. Adjusted EPS up 6% to 22.8p

- Developing markets revenue of £2.2bn (30% of group total and targeting 50% by 2019) with organic growth of 9%
- Achieved cash conversion target of 85%

Security remains core to our global strategy and continues to provide growth opportunities

- G4S has a proven track record in delivering strong performances in security across a number of customer sectors, particularly where security and safety risks are a strategic threat
- Increasing trend from government and commercial customers to outsource, reshape and embrace innovative, cost reducing, integrated security solutions
- Will take advantage of trends for integrated facilities services in suitable markets – for example the UK government sector
- In large developing markets we will expand beyond security where the market opportunity is large and there is significant growth potential – for example, Brazil, India and China

Small/medium sized acquisitions a key component to deliver strategic objectives

- Expected acquisition spend of around £200m in 2012 with focus on developing markets

Continued focus on business improvement

- Establishment of service excellence centres for all core services – manned security, cash solutions and care & justice services
- Continued investment in sales and business development processes to continue to drive growth
- Cash solutions division (comprising seven cash solutions businesses) now integrated into the regional structure
- More active divestment planned of non-core or under-performing businesses
- Overhead review to ensure organisational design is aligned to strategy and economic environment

Nick Buckles, Chief Executive Officer, commented:

"Today we have announced our seventh consecutive year of underlying revenue, PBITA and dividend growth since G4S was formed in 2004. The business has performed well despite continued global economic uncertainty and has good trading momentum. We have delivered further strong organic growth of 9% in developing markets (30% of revenue and 34% of PBITA).

Looking forward, we are encouraged by the performance and outlook for our US commercial and the UK government and commercial businesses. However, the outlook for our developed markets cash solutions and Continental European secure solutions businesses remains muted and we continue to focus on cost base control. More generally, we won and mobilised a number of significant contracts in 2011 and expect outsourcing trends to continue. Overall, we are confident about the outlook for 2012 when we expect to deliver organic revenue growth higher than 2011 together with the additional contribution from the London 2012 Olympic and Paralympic Games contract. This confidence is underlined by the 8% increase in our dividend."

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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 more than 125 countries and 657,000 employees. For more information on G4S, visit www.g4s.com.

Presentation of Results:

A presentation to investors and analysts is taking place today at 0830hrs at the London Stock Exchange.

Webcast
http://view-w.tv/p/707-803-10460/en

Telephone Dial-in Facility

The details for the telephone dial-in facility are as follows:-

Standard International Access: +44 (0) 20 3003 2666
UK Toll Free: 0808 109 0700
USA Toll Free: 1 866 966 5335
DK Toll Free: 8088 8649
Password: G4S

Replay Details

To listen to a replay of the presentation which will be available for 7 days after the event, here are the details:

Standard International Access: +44 (0) 20 8196 1998
UK Toll Free: 0800 633 8453
USA Toll Free: 1 866 583 1035
DK Toll Free: 8088 7109

Access PIN: 6212562

Annual Report & Accounts

The company's annual report and accounts is due to be published week commencing 16 April 2012

Capital Markets Day

G4S will hold a Capital Markets Day in London on 22 May 2012

Annual General Meeting

The company's annual general meeting will be held in London on 7 June 2012

FINANCIAL SUMMARY

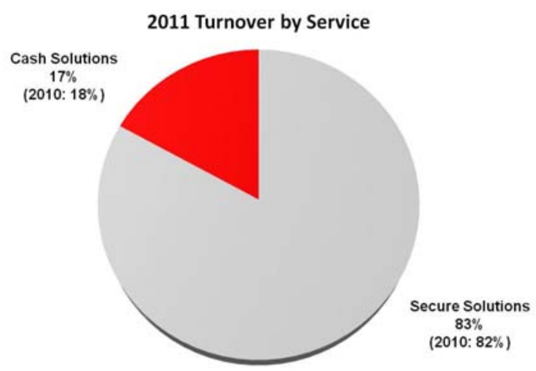
Results

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	2011 £m	2010 £m
Turnover at constant exchange rates	7,522	7,181
Exchange difference	-	77
Total continuing business turnover	7,522	7,258

Turnover increased by 3.6% to £7,522 million or by 4.7% at constant exchange rates. Organic turnover growth was 4.5%.



Organic Turnover Growth *	Europe	North America	Developed Markets	Developing Markets	Total
Secure solutions	4%	3%	4%	9%	5%
Cash solutions	-1%	-1%	-1%	9%	2%
Total	3%	2%	3%	9%	5%

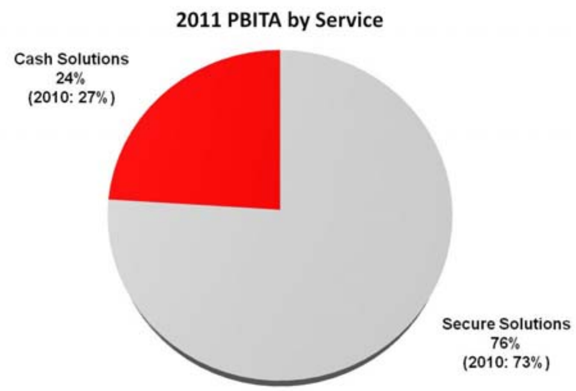
** Calculated to exclude acquisitions and disposals, and at constant exchange rates*

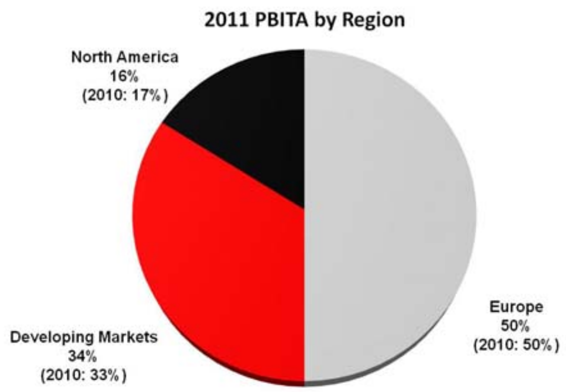
Group Profit

PBITA * of Continuing Businesses	2011 £m	2010 £m
PBITA at constant exchange rates	531	520
Exchange difference	-	10
Total continuing business PBITA	531	530
PBITA margin at constant exchange rates	7.1%	7.2%

** PBITA is defined as profit before interest, taxation, amortisation and impairment of acquisition-related intangible assets, acquisition-related costs and aborted acquisition and legal settlement costs*

PBITA increased by £11million to £531million or by 2.1% at constant exchange rates. The PBITA margin was 7.1%.





Cash Flow and Financing

Cash Flow	2011 £m	2010 £m
Operating cash flow	449	455
Operating cash flow / PBITA (excluding associates)	85%	87%

Operating cash flow, as analysed on page 25, was £449 million in the period, representing 85% of PBITA. Net cash invested in current year acquistions was £130 million. Net debt at the end of the period, as analysed on page 24, was £1,616 million (December 2010: £1,426m).

Adjusted earnings per share

Adjusted earnings per share	**2011** **£m**	**2010 at constant exchange rates** **£m**	**2010** **£m**
PBITA from continuing operations	531	520	530
Interest (before pensions)	(99)	(96)	(97)
Tax	(94)	(99)	(103)
Minorities	(17)	(22)	(22)
Adjusted profit attributable to shareholders	321	303	308
Average number of shares (m)	1,405	1,406	1,406
Adjusted EPS (p)	22.8p	21.6p	21.9p

Adjusted earnings per share, reconciled to basic earnings per share on page 23, increased by 4%, or by 6% at constant exchange rates.

Secure solutions

* At constant exchange rates	Turnover £m		PBITA £m		Margins		Organic Growth
	2011	2010	2011	2010	2011	2010	2011
Europe *	2,727	2,608	200	179	7.3%	6.9%	4%
North America *	1,652	1,613	89	92	5.4%	5.7%	3%
Developing Markets *	1,842	1,671	148	139	8.0%	8.3%	9%
Total secure solutions *	6,221	5,892	437	410	7.0%	7.0%	5%
Exchange differences	-	76	-	9			
At actual exchange rates	6,221	5,968	437	419			

The secure solutions business continued its strong performance with good organic growth of 5%. Margins were maintained overall at 7%.

Europe

* At constant exchange rates	Turnover £m		PBITA £m		Margins		Organic Growth
	2011	2010	2011	2010	2011	2010	2011
UK & Ireland *	1,252	1,177	119	103	9.5%	8.8%	5%
Continental Europe *	1,475	1,431	81	76	5.5%	5.3%	3%
Total Europe *	2,727	2,608	200	179	7.3%	6.9%	4%

Organic growth in **Europe** was 4% and margins at 7.3% were higher than the previous year, due mainly to the turnaround of the business in Ireland. With a large number of contracts being mobilised in the UK in the first half of 2012 we would expect the margin in the first six months to be lower compared to the same period in 2011 but to recover for the full year 2012.

There was good organic growth of 5% in the **UK & Ireland** and margins improved as a result of the continued strong performance of the UK commercial and government businesses, and an improved performance in Ireland.

The improvement in the UK business performance was a result of a number of major government contract wins and extensions such as:

- Taking over the national security contract for the Department for Work and Pensions which was mobilised on 1 January 2011

- Strong growth in the level of services provided for the London 2012 Olympic and Paralympic Games. G4S commenced its security operations for The London Organising Committee of the Olympic and Paralympic Games (LOCOG) in March 2011 and will provide security services at the majority of the Olympic and Paralympic venues across the country, as well as at many non-competition venues and at LOCOG's test events, in the build up to and during the Games over the coming year.
- Delivery of welfare-to-work services in three UK regions - this contract, which was mobilised on 1 June 2011, has performed in line with our expectations
- Two public to private prisons – HMP Birmingham (transferred successfully to G4S In October 2011) and the new HMP Oakwood (planning is underway to open in April 2012)
- Facilities services contracts at City Hospitals Sunderland and Liverpool Women's Hospital

During 2011, G4S was also successful in winning a number of significant government outsourcing contracts such as:

- Integrated facilities services for the Ministry of Justice for more than 340 court buildings across the Midlands, Wales and the North of England from 1 February for five years
- The provision of transport and accommodation for asylum applicants for the UK Border Agency for two regions - the Midlands and the East of England and the North East, Yorkshire and Humberside
- Prisoner escorting services for the Scottish Prison Service which was mobilised on 10 January 2012
- Outsourcing services for Lincolnshire Police – the first contract of its kind to be awarded by a British Police Authority and includes a framework agreement for ten other police forces - this commences in May 2012.

The pipeline of UK government outsourcing opportunities remains strong particularly in areas such as prisons, police, health and the Department for Work and Pensions.

The UK commercial business grew strongly and contracts won included a number of significant smart meter installation contracts for the major utility providers and insurance claims investigations for Aviva. Major contract extensions included manned security for RBS and Virgin Atlantic and G4S became preferred bidder for its first large commercial facilities services contract in the UK, for General Dynamics's UK sites.

G4S recently completed the acquisition of Chubb Emergency Response, one of the UK's leading key holding and response services, covering over 7,000 customers across 22,000 locations via a network of 28 dedicated offices and 247 employees. The acquisition significantly strengthens the strategic development plans of G4S's existing Monitoring & Response capability.

Trading conditions in **Ireland** remained challenging in 2011 but underlying trading was helped by a cost reduction plan. G4S Ireland broadened its expertise into areas such as safety, security systems, alarm monitoring and patrol and response through two acquisitions in 2011.

The **Continental Europe** region performed well against an uncertain economic backdrop and has continued to gain market share with its solutions strategy outperforming single service providers. Overall organic growth was 3% as a result of price increases in some markets and a revised contract mix which improved margins to 5.5%. Revenues for the security systems business, which accounts for around 25% of Continental European secure solutions revenues, were flat. The group divested its home alarms business in Norway.

There were some notable strong performances in the region - in **Belgium** we were successful at winning the Brussels airport security contract for up to five years from February 2011 and security for the European Commission building from April 2011. In **Sweden**, G4S won the contract for the Swedish Parliament Administration from March 2011 and Volvo from April 2012 for three years.

In **Greece,** G4S was awarded the US Embassy contract in Athens. The secure solutions business was affected by the impact of the economic crisis, which was partly offset by a strong performance in cash solutions (see page 11).

In **Israel,** G4S is the preferred bidder for a PFI police training academy which has a 25 year contract term and G4S began two immigration accommodation contracts in **Cyprus** in March and April.

Following significant revenue reductions in 2010, organic growth in most **Eastern European** markets is stabilising to a low single-digit level.

North America

* At constant exchange rates	Turnover £m		PBITA £m		Margins		Organic Growth
	2011	2010	2011	2010	2011	2010	2011
North America *	1,652	1,613	89	92	5.4%	5.7%	3%

Organic growth in **North America** was good at 3% and margins were slightly lower due to the performance of the US government business where revenues were down 8% and margins were lower compared to the prior year. The US government business has been impacted by the significant reduction in federal funding levels.

In the **United States** growth in the commercial sector was strong, particularly in the financial institution, compliance and investigations and petrochemical sectors. The outlook for new US federal government work in the short term continues to be subdued. State and local governments are also under financial pressure, but we continue to see some level of outsourcing focused on the more effective delivery of public services.

Recent contract awards include work in the healthcare, energy, chemical, manufacturing, federal government and retail sectors. G4S commenced the provision of security solutions for a major automotive company from January 1, 2012 valued at $70m per annum for three years. The group's largest commercial contract with Bank of America has been extended until 2014 and G4S North America has been awarded a secure solutions contract with Google for its locations in the United States and data centres in Belgium and Finland. The US systems business performed well with a number of systems integration projects for Tampa Airport, Iberdrola, and the Port of Tacoma.

We are confident that organic growth in 2012 will be stronger than in 2011 following the large contract wins and contract expansions during the final quarter of 2011 and the first quarter of 2012.

In **Canada**, the organic growth rate was 7% assisted by the CATSA aviation security contract which started on 1 November. The contract is for security at 20 airports in the Pacific region of Canada and has projected revenue of more than CAD$ 400million over the initial five-year term.

Developing Markets

* At constant exchange rates	Turnover £m		PBITA £m		Margins		Organic Growth
	2011	2010	2011	2010	2011	2010	2011
Asia *	657	597	37	39	5.6%	6.5%	10%
Middle East *	410	413	43	44	10.5%	10.7%	-1%
Africa *	348	318	34	32	9.8%	10.1%	8%
Latin America & Caribbean *	427	343	34	24	8.0%	7.0%	20%
Total Developing Markets *	1,842	1,671	148	139	8.0%	8.3%	9%

In **Developing Markets**, organic growth was excellent at 9% with strong margins, albeit slightly lower than the prior year.

Organic growth in **Asia** was 10% and margins were 5.6% due to a number of factors including bidding costs and floods in Thailand. There was strong organic revenue growth in **Hong Kong** and **Indonesia**. **India**, the largest market in the region, achieved a good performance with double-digit revenue growth. Our risk consulting business delivered a good performance helped by our advisory services to a retailer developing its footprint in China.

In the **Middle East**, there was double digit organic growth (excluding Iraq) - an excellent performance across the region. **Qatar** and **Egypt** performed particularly strongly, mainly as a result of the new airport contract in **Qatar**. In **Iraq,** as we had expected, the work for the US forces contract has come to an end and commercial work for oil and gas companies has taken longer than expected to be mobilised which had a short term impact on margins.

The US Embassy contract in Kabul, **Afghanistan** is now expected to continue until at least the summer of 2012. The decision has been made to exit the UK managed risk assessment business operating in Afghanistan. In **UAE**, the business is being challenged by a shortage of labour supply and the general business environment in Dubai which has impacted our security systems business, but was successful at winning contracts such as Dubai Airport and in event security.

Africa performed well with organic growth of 8% and margins of 9.8%, helped by strong performances in **Djibouti**, **Morocco, Tanzania** and **Guinea**. The business in **South Africa** continued to be challenged by difficult macro-economic conditions. G4S has a unique network of operations in Africa which provides an excellent platform to support our global clients working in Africa and in key sectors such as oil and gas, ports and mining and there is currently a strong contract pipeline across the region.

The **Latin America and Caribbean** region has performed well as a result of strong performances across all countries. We have also had a number of strategic contract wins, for example in the pharmaceutical and mining sectors. Overall for the region, organic growth was 20% and margins improved to 8.0%.

We are in the process of extending our presence in **Brazil** and recently acquired a facilities services company. We will continue to build our presence in Brazil so that we are positioned to become a key player in this important strategic market.

Cash Solutions

* At constant exchange rates	Turnover £m		PBITA £m		Margins		Organic Growth
	2011	2010	2011	2010	2011	2010	2011
Europe *	817	835	87	103	10.6%	12.3%	-1%
North America *	106	108	2	4	1.9%	3.7%	-1%
Developing Markets *	378	346	48	44	12.7%	12.7%	9%
Total Cash Solutions *	1,301	1,289	137	151	10.5%	11.7%	2%
Exchange differences	-	1	-	1			
At actual exchange rates	1,301	1,290	137	152			

The cash solutions business continued to face a sustained period of low interest rates which has continued to result in some service reductions. Overall organic growth was 2% but margins have declined due to service reductions and lost contracts in the UK.

Organic growth in **Europe** was a decline of 1% with additional work in Belgium being offset by a decline in the UK. In the **UK & Ireland**, as a result of the loss of two ATM contracts, the cash solutions business saw revenues decline by 7%. This impacted the second half of 2011 and will continue to impact the first half of 2012. Organic growth and margins should improve in the second half with the start-up of new contracts for financial institutions, Northern Rail, Accor and the M6 Toll, together with a good pipeline of other opportunities. In **Ireland**, the business benefited from the provision of cash outsourcing for An Post (post office) pension payments in 2011.

CASH360 is now a proven retail cash management solution, with almost 1,000 in-store solutions within retailers in nine countries across Europe, Africa and North America. Major customers who have implemented CASH360 in the last twelve months include TGI Friday's, Center Parcs, Bofrost and Hema.

In **Sweden**, the cash solutions business was put up for sale and classified as a discontinued business and was subsequently sold in February 2012. In **Romania,** following the termination of the work for the state post office, the cost base has been actively reduced.

G4Si, the international valuables transportation business, achieved another strong performance, with double digit organic growth supported by higher commodity prices.

Elsewhere in Continental Europe, organic growth was affected by a reduction in cash transportation and ATM services but strong growth was achieved in **Belgium**, where a number of bank contracts have been won, and in **Greece** helped by increased cash in circulation as consumers hold on to their cash due to economic uncertainty.

In **North America**, the business in **Canada** was impacted negatively by the partial loss of the Bank of Montreal contract.

Organic growth in **Developing Markets** was good at 9% but margins were affected by one-off costs relating to the floods in **Thailand** which reduced our ability to deliver services in the region and a King's decree in **Saudi Arabia** awarding an extra month's salary to employees. A further negative impact was the increased competition and attack losses in **South Africa.** Excellent growth and strong margins were achieved in **Kuwait, Indonesia** and **Malaysia**.

STRATEGIC DEVELOPMENT

Our strategy is to differentiate ourselves in our markets by using our expertise to drive outsourcing and to minimise commoditisation of traditional security services. We see strong evidence of this strategy delivering enhanced growth opportunities for the group by:

- Capitalising on the structural growth opportunity of increased demand for outsourcing by delivering innovative, cost reducing, tailor-made solutions to customers as they re-shape their businesses in response to economic pressures, regulation and compliance requirements

- Focusing the group on attractive global markets and sectors where security is a key consideration

- Increasing global reach – G4S has a broad international presence and unique developing markets exposure. We can export our government expertise into new countries, drive outsourcing of cash solutions in developing markets and develop secure solutions for multi-national customers across numerous countries

- Building on strong organic growth through security-focused acquisitions in developing markets where we can extend our market share or enter new high growth sectors. We expect to spend around £200 million each year on acquisitions out of free cash flow

At the same time, it is essential that the organisational design is aligned to deliver the strategy and that we keep costs under control. We are creating a number of service excellence centres to work with G4S country operations globally to focus on operational efficiency, service standards, and development of technology to support service delivery and sharing best practice across our main service lines.

OTHER FINANCIAL ISSUES

Acquisitions and divestments

The group invested a total of £137m on acquisitions in 2011 which have added new capabilities to the group and will support the implementation of the strategy.

Acquisitions included:

- **Guidance Limited** - offender monitoring technology operations
- **The Cotswold Group Limited** - the UK's market leader in surveillance, fraud analytics, intelligence and investigations services
- **Chubb Emergency Response** - one of the UK's leading key holding and response services
- **Brazil** - a facilities services business

In addition we purchased the remaining non-controlling interest in our security business in Turkey.

During the year we incurred aborted acquisition and legal settlement costs of £55m. The aborted acquisition costs related to the proposed acquisition of ISS A/S which was terminated on 1 November 2011 and included debt finance underwriting fees, financing and hedging costs.

Our acquisition strategy will continue to focus on niche opportunities which will both help to deliver our strategic objectives and meet our financial performance criteria. We expect to invest around £200m in acquisitions in 2012 and will be more active in our divestment strategy where businesses are not in line with the group's strategy or where an alternative parent could add or drive more value from a business.

During the year we disposed of our Norwegian consumer alarms business and subsequent to the year end we disposed of our Swedish cash business.

Financing and interest

We have a prudent approach to our balance sheet whilst maintaining the flexibility to pursue acquisitions when appropriate. G4S has a long term stable credit rating of BBB granted by Standard & Poor's in March 2009 and has a diverse range of finance providers. Our aim is to maintain our credit rating of BBB and maintain a net debt to EBITDA ratio of around 2 to 2.5 times. The group is currently well financed and the maturity profile is very healthy. Borrowings are principally in pounds sterling, US dollars and euros reflecting the geographies of significant operational assets and profits.

Our main sources of finance and their rates are set out below:

(i) A £1.1bn multicurrency revolving credit facility provided by a consortium of lending banks at a margin of 0.80% over Libor and maturing on 10 March 2016.

(ii) A Euro 575m revolving credit facility provided by four banks at a margin of 1.20% over LIBOR and maturing 6 June 2012 with the right to extend for a further six months at the group's option. This facility has not been drawn.

(iii) 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%.

(iv) 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%.

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

At 31 December 2011 the group had uncommitted facilities of £706m.

As of 31 December 2011, net debt was £1,616m. Our headroom was £767m at the year end. We have sufficient borrowing capacity to finance its current investment plans.

Net interest payable on net debt was £99m. This is a net increase of 5% over the 2010 cost of £94m, due principally to the increase in the group's average cost of debt.

Our average cost of gross borrowings during 2011 was 4.9% compared to 4.8% in 2010. The group expects that the average cost of gross borrowings for 2012 will be slightly higher than for 2011.

Also included within financing is other interest costs of £nil (2010: £3m) and net income of £3m (2010: expense of £6m) in respect of movements in the group's retirement benefit obligations.

Taxation

The effective tax rate for the year on adjusted earnings was 22%, compared to 24% for 2010. The cash tax rate is 18.5% compared to 20% in 2010. Our target is to maintain the effective tax rate. This will be supported by the gradual reduction in UK corporation tax rates, the ongoing rationalisation of the 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 £295m before tax or £212m after tax (31 December 2010: £265m and £191m respectively). The main scheme is in the UK. The latest full actuarial valuations were undertaken at 5 April 2009 in respect of all three sections of the UK scheme. However, all actuarial assumptions were reviewed and updated as at 31 December 2011.

The net pension obligation has increased by £30m since 31 December 2010 due mainly to a net actuarial loss as a result of the decrease in the discount rate used from 5.5% to 5.0%, although this was offset partly by an increase in inflation assumptions. Additional company contributions of £40m were paid into the schemes, including £6m relating to the closure of the Irish pension scheme.

We believe 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's deficit recovery plan will see cash contributions made to the scheme of approximately £35m in 2012 with modest annual increments thereafter.

During the year the group has closed the UK scheme to future accrual which will limit the future growth in liabilities. Existing members retain their benefits accrued to-date and have been offered the opportunity to transfer to a new defined contribution scheme for future pension benefits.

Dividend

The board recommends a final dividend of 5.11p per share (DKK 0.4544). This represents an increase of 8.0% on the final dividend for 2010. The interim dividend was 3.42p per share (DKK 0.2928) and the total dividend, if approved, will be 8.53p per share (DKK 0.7472), representing an increase of 8.0% on the total dividend for 2010.

The group expects to continue to increase dividends broadly in line with normalised adjusted earnings.

REVIEW AND OUTLOOK

Despite ongoing economic uncertainty in 2011, the business has performed well and has good trading momentum which we expect to continue.

We have had some significant contract wins in the last year which demonstrate the outsourcing model, particularly in the public sector in the UK, is delivering real benefit to the group. We expect these outsourcing trends to continue and will focus on bidding and winning an increasing proportion of larger, more complex contracts.

2012 will be a year of mobilisation across a broad range of complex contracts and delivery of the security requirements of the London 2012 Olympic and Paralympic Games – a unique opportunity for us to showcase our large scale security capabilities.

Contract phasing and mobilisation may impact margins in the short term, but we expect margins to recover for the full year. We will continue to build on our successes and we remain confident about the outlook for 2012 when we expect to deliver an improved organic revenue growth performance whilst continuing to maintain our discipline on margins for the full year and on meeting our cash generation targets.

13 March 2012

Consolidated income statement
For the year ended 31 December 2011

	Notes	2011 £m	2010 £m
Continuing operations			
Revenue	2	**7,522**	7,258
Profit from operations before amortisation and impairment of acquisition-related intangible assets and share of profit from associates and exceptional items		**528**	525
Share of profit from associates		**3**	5
Profit from operations before amortisation and impairment of acquisition-related intangible assets and exceptional items (PBITA)	1	**531**	530
Amortisation and impairment of acquisition-related intangible assets		**(99)**	(88)
Acquisition-related costs		**(2)**	(4)
Aborted acquisition and legal settlement costs		**(55)**	-
Profit from operations before interest and taxation (PBIT)	1, 2	**375**	438
Finance income	6	**111**	98
Finance costs	7	**(207)**	(201)
Profit before taxation (PBT)		**279**	335
Taxation:			
- Before amortisation and impairment of acquisition-related intangible assets and exceptional items		**(95)**	(101)
- On amortisation of acquisition-related intangible assets		**25**	25
- On acquisition-related costs		**1**	1
- On aborted acquisition and legal settlement costs		**13**	-
		(56)	(75)
Profit after taxation		**223**	260
Loss from discontinued operations	4	**(25)**	(15)
Profit for the year		**198**	245
Attributable to:			
Equity holders of the parent		**181**	223
Non-controlling interests		**17**	22
Profit for the year		**198**	245
Earnings per share attributable to equity shareholders of the parent	10		
For profit from continuing operations:			
Basic and diluted		**14.7p**	16.9p
For profit from continuing and discontinued operations:			
Basic and diluted		**12.9p**	15.9p
Dividends declared and proposed in respect of the year	9		
Interim dividend of 3.42p per share (2010:3.17p)		**48**	45
Final dividend of 5.11p per share (2010: 4.73p)		**72**	66
Total dividend of 8.53p per share (2010: 7.90p)		**120**	111

Consolidated statement of comprehensive income
For the year ended 31 December 2011

	2011 £m	2010 £m
Profit for the year	**198**	245
Other comprehensive income		
Exchange differences on translation of foreign operations	**(65)**	41
Change in fair value of cash flow hedging financial instruments	**8**	15
Actuarial (losses)/gains on defined retirement benefit schemes	**(73)**	15
Tax on items taken directly to equity	**9**	(11)
Other comprehensive income, net of tax	**(121)**	60
Total comprehensive income for the year	**77**	305
Attributable to:		
Equity holders of the parent	**62**	283
Non-controlling interests	**15**	22
Total comprehensive income for the year	**77**	305

Consolidated statement of changes in equity
For the year ended 31 December 2011

	Share capital 2010 £m	Share premium 2010 £m	Retained earnings 2010 £m	Hedging reserve 2010 £m	Translation reserve 2010 £m	Merger reserve 2010 £m	Reserve for own shares 2010 £m	Total 2010 £m
At beginning of year	353	258	295	(43)	130	426	(12)	1,407
Total comprehensive income attributable to equity shareholders of the parent	-	-	238	11	34	-	-	283
Dividends declared	-	-	(103)	-	-	-	-	(103)
Own shares purchased	-	-	-	-	-	-	(10)	(10)
Own shares awarded	-	-	(10)	-	-	-	10	-
Transactions with non-controlling interests	-	-	(7)	-	-	-	-	(7)
Equity-settled transactions	-	-	7	-	-	-	-	7
At end of year	353	258	420	(32)	164	426	(12)	1,577

	Share capital 2011 £m	**Share premium 2011 £m**	**Retained earnings 2011 £m**	**Hedging reserve 2011 £m**	**Translation reserve 2011 £m**	**Merger reserve 2011 £m**	**Reserve for own shares 2011 £m**	**Total 2011 £m**
At beginning of year	**353**	**258**	**420**	**(32)**	**164**	**426**	**(12)**	**1,577**
Total comprehensive income attributable to equity shareholders of the parent	**-**	**-**	**110**	**6**	**(54)**	**-**	**-**	**62**
Dividends declared	**-**	**-**	**(114)**	**-**	**-**	**-**	**-**	**(114)**
Own shares purchased	**-**	**-**	**-**	**-**	**-**	**-**	**(13)**	**(13)**
Own shares awarded	**-**	**-**	**(9)**	**-**	**-**	**-**	**9**	**-**
Transactions with non-controlling interests	**-**	**-**	**(19)**	**-**	**-**	**-**	**-**	**(19)**
Equity-settled transactions	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**1**
At end of year	**353**	**258**	**389**	**(26)**	**110**	**426**	**(16)**	**1,494**

Consolidated statement of financial position

At 31 December 2011

	Notes	2011 £m	2010 £m
ASSETS			
Non-current assets			
Goodwill		**2,196**	2,159
Other acquisition-related intangible assets		**264**	285
Other intangible assets		**87**	71
Property, plant and equipment		**532**	576
Investment in associates		**9**	10
Trade and other receivables		**162**	138
Deferred tax assets		**157**	161
		3,407	3,400
Current assets			
Inventories		**123**	84
Investments		**70**	82
Trade and other receivables		**1,547**	1,460
Cash and cash equivalents		**433**	351
Assets classified as held for sale	11	**35**	-
		2,208	1,977
Total assets		**5,615**	5,377
LIABILITIES			
Current liabilities			
Bank overdrafts		**(53)**	(45)
Bank loans		**(47)**	(113)
Obligations under finance leases		**(16)**	(21)
Trade and other payables		**(1,244)**	(1,210)
Current tax liabilities		**(48)**	(58)
Provisions		**(30)**	(33)
Liabilities associated with assets classified as held for sale	11	**(29)**	-
		(1,467)	(1,480)
Non-current liabilities			
Bank loans		**(885)**	(574)
Loan notes		**(1,180)**	(1,153)
Obligations under finance leases		**(48)**	(49)
Trade and other payables		**(19)**	(48)
Retirement benefit obligations		**(344)**	(306)
Provisions		**(38)**	(46)
Deferred tax liabilities		**(90)**	(98)
		(2,604)	(2,274)
Total liabilities		**(4,071)**	(3,754)
Net assets		**1,544**	1,623
EQUITY			
Share capital		**353**	353
Share premium and reserves		**1,141**	1,224
Equity attributable to equity holders of the parent		**1,494**	1,577
Non-controlling interests		**50**	46
Total equity		**1,544**	1,623

Consolidated statement of cash flows
For the year ended 31 December 2011

	Notes	**2011** **£m**	2010 £m
Profit before taxation		**279**	335
Adjustments for:			
Finance income		**(111)**	(98)
Finance costs		**207**	201
Depreciation of property, plant and equipment		**125**	127
Amortisation and impairment of acquisition-related intangible assets		**99**	88
Amortisation of other intangible assets		**18**	16
Acquisition-related expenses		**2**	4
Profit on disposal of property, plant and equipment and intangible assets other than acquisition-related		**(11)**	(16)
Profit on disposal of subsidiaries		**(33)**	(8)
Share of profit from associates		**(3)**	(5)
Equity-settled transactions		**1**	7
Operating cash flow before movements in working capital		**573**	651
Increase in inventories		**(20)**	(1)
Increase in receivables		**(117)**	(81)
Increase in payables		**71**	45
Decrease in provisions		**(7)**	(32)
Decrease in retirement benefit obligations		**(40)**	(40)
Net cash flow from operating activities of continuing operations		**460**	542
Net cash used by operating activities of discontinued operations		**(8)**	(8)
Cash generated by operations		**452**	534
Tax paid		**(80)**	(86)
Net cash flow from operating activities		**372**	448
Investing activities			
Interest received		**17**	11
Cash flow from associates		**4**	3
Purchases of property, plant and equipment and intangible assets other than acquisition-related		**(173)**	(179)
Proceeds on disposal of property, plant and equipment and intangible assets other than acquisition-related		**31**	40
Acquisition of subsidiaries		**(165)**	(59)
Net cash balances acquired		**6**	7
Disposal of subsidiaries		**37**	9
Sale of investments		**10**	5
Own shares purchased		**(13)**	(10)
Net cash used in investing activities		**(246)**	(173)
Financing activities			
Dividends paid to non-controlling interests		**(10)**	(12)
Dividends paid to equity shareholders of the parent		**(114)**	(103)
Other net movement in borrowings		**239**	(18)
Transactions with non-controlling interests		**(18)**	(3)
Interest paid		**(119)**	(105)
Repayment of obligations under finance leases		**(17)**	(20)
Net cash flow from financing activities		**(39)**	(261)
Net increase in cash, cash equivalents and bank overdrafts	*12*	**87**	14
Cash, cash equivalents and bank overdrafts at the beginning of the year		**306**	291
Effect of foreign exchange rate fluctuations on cash held		**(23)**	1
Cash, cash equivalents and bank overdrafts at the end of the year		**370**	306

1) Basis of preparation and accounting policies

The financial information set out above does not constitute the company's statutory accounts for the years ended 31 December 2011 or 2010. Statutory accounts for 2010 have been delivered to the registrar of companies, and those for 2011 will be delivered in due course. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The comparative income statement for the year ended 31 December 2010 has been re-presented for operations qualifying as discontinued during the current year. Revenue from continuing operations has been reduced by £139m and PBT has been increased by £5m compared to the figures published previously. Further details of discontinued operations are presented within note 4. In addition, the comparative consolidated statement of financial position as at 31 December 2010 has been restated to reflect the completion during 2011 of the initial accounting in respect of acquisitions made during 2010. Adjustments made to the provisional calculation of the fair values of assets and liabilities acquired amount to £12m, with an equivalent increase in the reported value of goodwill. The prior year balance sheet has been restated to reflect the reclassification of the entire retirement benefits obligation within non-current liabilities to bring the disclosure in line with the group's peers and to more appropriately reflect the nature of the obligation.

2) Operating segments

The group operates in two core product areas: secure solutions and cash solutions which represent the group's reportable segments. For each of the reportable segments, the group's CEO (the chief operating decision maker) reviews internal management reports on a regular basis. The group operates on a worldwide basis and derives a substantial proportion of its revenue, PBITA and PBIT from each of the following geographical regions: Europe (comprising the United Kingdom and Ireland, and Continental Europe), North America, and Developing Markets (comprising the Middle East and Gulf States, Latin America and the Caribbean, Africa, and Asia Pacific).

Segment information for continuing operations is presented below:

Revenue by reportable segment	**2011 £m**	2010 £m
Secure Solutions		
UK and Ireland	**1,252**	1,179
Continental Europe	**1,475**	1,404
Europe	**2,727**	2,583
North America	**1,652**	1,676
Middle East and Gulf States	**410**	426
Latin America and the Caribbean	**427**	351
Africa	**348**	332
Asia Pacific	**657**	600
Developing Markets	**1,842**	1,709
Total Secure Solutions	**6,221**	5,968
Cash Solutions		
Europe	**817**	831
North America	**106**	106
Developing Markets	**378**	353
Total Cash Solutions	**1,301**	1,290
Total revenue	**7,522**	7,258

2) Operating segments (continued)

Revenue by geographical area	**2011**	2010
	£m	£m
Europe	**3,544**	3,414
North America	**1,758**	1,782
Developing Markets	**2,220**	2,062
Total revenue	**7,522**	7,258

PBITA by reportable segment	**2011**	2010
	£m	£m
Secure Solutions		
UK and Ireland	**119**	103
Continental Europe	**81**	77
Europe	**200**	180
North America	**89**	96
Middle East and Gulf States	**43**	45
Latin America and the Caribbean	**34**	25
Africa	**34**	34
Asia Pacific	**37**	39
Developing Markets	**148**	143
Total Secure Solutions	**437**	419
Cash Solutions		
Europe	**87**	103
North America	**2**	4
Developing Markets	**48**	45
Total Cash Solutions	**137**	152
Total PBITA before head office costs	**574**	571
Head office costs	**(43)**	(41)
Total PBITA	**531**	530

PBITA by geographical area		
Europe	**287**	283
North America	**91**	100
Developing Markets	**196**	188
Total PBITA before head office costs	**574**	571
Head office costs	**(43)**	(41)
Total PBITA	**531**	530

Result by reportable segment	2011 £m	2010 £m
Total PBITA	**531**	530
Acquisition-related costs	**(2)**	(4)
Amortisation and impairment of acquisition-related intangible assets	**(99)**	(88)
Aborted acquisition and legal settlement costs	**(55)**	-
Total PBIT	**375**	438
Secure Solutions	**360**	354
Cash Solutions	**113**	125
Head office costs	**(43)**	(41)
Aborted acquisition and legal settlement costs	**(55)**	-
Total PBIT	**375**	438

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

The income statement can be analysed as follows:

Continuing operations	2011 £m	2010 £m
Revenue	**7,522**	7,258
Cost of sales	**(5,924)**	(5,695)
Gross profit	**1,598**	1,563
Administration expenses	**(1,226)**	(1,130)
Share of profit from associates	**3**	5
PBIT	**375**	438

Included within administration expenses is £86m (2010: £88m) of amortisation of acquisition-related intangible assets and a £13m goodwill impairment charge (2010: £nil) relating to the group's businesses in Greece, £2m (2010: £4m) of acquisition-related expenses and £55m (2010: £nil) of aborted acquisition and legal settlement costs. The aborted acquisition costs include debt finance underwriting fees, financing and hedging costs that arose on the proposed acquisition of ISS A/S which was terminated on 1 November 2011.

4) Discontinued operations

Operations qualifying as discontinued in 2011 included; the cash solutions business in Sweden, which was disposed of on 27 February 2012; the secure solutions business in Russia, and the UK risk assessment business in Afghanistan. No businesses became qualified as discontinued in 2010.

5) Acquisitions

The group undertook a number of acquisitions in the year. The total fair value of net assets acquired amounted to £52m which included the recognition of £65m of acquisition-related intangible assets, generating goodwill of £85m, satisfied by a total consideration of £137m, of which £130m has been paid in the year. Related costs of £2m were incurred and charged to the income statement.

Principal acquisitions in subsidiary undertakings include the purchase of the entire share capital of Munt Centrale B.V., a coin management service company based in the Netherlands, The Cotswold Group Limited, the UK's market leader in surveillance, fraud analytics, intelligence and investigations services, and a facilities services business in Brazil.

The group also acquired the offender monitoring technology operations of Guidance Limited and customer contracts from Chubb Group Security Limited.

In addition, the group completed the non-controlling interest buy-out of its Turkish security business.

6) Finance income

	2011 £m	2010 £m
Interest income on cash, cash equivalents and investments	**10**	8
Other interest income	**8**	3
Expected return on defined retirement benefit scheme assets	**93**	87
Total finance income	**111**	98

7) Finance costs

	2011 £m	2010 £m
Interest on bank overdrafts, loans and loan notes	**105**	96
Interest on obligations under finance leases	**4**	6
Other interest charges	**8**	6
Total group borrowing costs	**117**	108
Finance costs on defined retirement benefit obligations	**90**	93
Total finance costs	**207**	201

8) Taxation

	2011 £m	2010 £m
Current taxation expense	**(66)**	(85)
Deferred taxation credit	**10**	10
Total income tax expense for the year	**(56)**	(75)

9) Dividends

	Pence per share	DKK per share	2011 £m	2010 £m
Amounts recognised as distributions to equity holders of the parent in the year				
Final dividend for the year ended 31 December 2009	4.16	0.3408	**-**	58
Interim dividend for the six months ended 30 June 2010	3.17	0.2877	**-**	45
Final dividend for the year ended 31 December 2010	4.73	0.4082	**66**	-
Interim dividend for the six months ended 30 June 2011	3.42	0.2928	**48**	-
			114	103
Proposed final dividend for the year ended 31 December 2011	5.11	0.4544	**72**	

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting. If so approved, it will be paid on 15 June 2012 to shareholders who are on the register on 11 May 2012. The exchange rate used to translate it into Danish kroner is that at 12 March 2012.

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

	2011 £m	2010 £m
From continuing and discontinued operations		
Earnings		
Profit for the year attributable to equity holders of the parent	**181**	223
Number of shares (m)		
Weighted average number of ordinary shares	**1,405**	1,406
Earnings per share from continuing and discontinued operations (pence)		
Basic and diluted	**12.9p**	15.9p
From continuing operations		
Earnings		
Profit for the year attributable to equity holders of the parent	**181**	223
Adjustment to exclude loss for the year from discontinued operations (net of tax)	**25**	15
Profit from continuing operations	**206**	238
Earnings per share from continuing operations (pence)		
Basic and diluted	**14.7p**	16.9p
From discontinued operations		
Loss per share from discontinued operations (pence)		
Basic and diluted	**(1.8)p**	(1.1)p
From adjusted earnings		
Earnings		
Profit from continuing operations	**206**	238
Adjustment to exclude net retirement benefit finance (income)/expense (net of tax)	**(2)**	4
Adjustment to exclude amortisation and impairment of acquisition-related intangible assets (net of tax)	**74**	63
Adjustment to exclude acquisition-related expenses (net of tax)	**1**	3
Adjustment to exclude aborted acquisition and legal settlement costs (net of tax)	**42**	-
Adjusted profit for the year attributable to equity holders of the parent	**321**	308
Weighted average number of ordinary shares (m)	**1,405**	1,406
Adjusted earnings per share (pence)	**22.8p**	21.9p

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

At 31 December 2011, disposal groups classified as held for sale primarily comprised the assets and liabilities associated with the cash solutions business in Sweden, which was disposed of on 27 February 2012 and the UK risk assessment services business in Afghanistan.

At 31 December 2010 there were no disposal groups classified as held for sale.

12) Analysis of net debt

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

	2011	2010
	£m	£m
Cash and cash equivalents	**433**	351
Investments	**70**	82
Net cash and overdrafts included within disposal groups classified as held for sale	**(10)**	-
Bank overdrafts	**(53)**	(45)
Bank loans	**(932)**	(687)
Loan notes	**(1,180)**	(1,153)
Fair value of loan note derivative financial instruments	**120**	96
Obligations under finance leases	**(64)**	(70)
Total net debt	**(1,616)**	(1,426)

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

	2011	2010
	£m	£m
Increase in cash, cash equivalents and bank overdrafts per consolidated cash flow statement	**87**	14
Sale of investments	**(10)**	(5)
Increase in debt and lease financing	**(222)**	38
Change in net debt resulting from cash flows	**(145)**	47
Borrowings acquired with subsidiaries	**(5)**	(4)
Net additions to finance leases	**(11)**	(9)
Movement in net debt in the year	**(161)**	34
Translation adjustments	**(29)**	(27)
Net debt at the beginning of the year	**(1,426)**	(1,433)
Net debt at the end of the year	**(1,616)**	(1,426)

Notes to the preliminary results announcement (continued)

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 2011

	2011	2010
	£m	£m
PBITA before share of profit from associates (group PBITA)	**528**	525
Depreciation, amortisation and profit on disposal of fixed assets	**132**	127
Movement in working capital and provisions	**(73)**	(68)
Net cash flow from capital expenditure	**(138)**	(129)
Operating cash flow	**449**	455

Reconciliation of operating cash flows	**2011**	2010
	£m	£m
Net cash flow from operating activities per consolidated cash flow statement	**372**	448
Add back exceptional items and discontinued operations	**95**	17
Net cash flow from capital expenditure	**(138)**	(129)
Add-back additional pension contributions	**40**	33
Add-back tax paid	**80**	86
Operating cash flow	**449**	**455**