G4S plc
Half-Yearly Results Announcement
January – June 2009

G4S, the world's leading international security solutions group, today announces its half year results for the six months to 30 June 2009.

RESULTS HIGHLIGHTS

- Group turnover* up 11.8% to £3,486.1 million (2008: £ 3,117.0m)
- Organic turnover growth* of 4.8% (2008: 10.5%)
- PBITA* up 13.4% to £229.8 million (2008: £202.6m)
- Margin* improved to 6.6% (2008: 6.5%)
- Operating cash flow generation of 75% of PBITA (2008: 77%)
- Adjusted earnings per share increased 25.0% to 9.0p (2008: 7.2p) and by 9.8% at constant exchange rates (2008: 8.2p)
- Interim dividend up 10% to 3.02 pence per share, DKK 0.2599 (2008: 2.75p/DKK 0.2572)
- Continued good performance across all regions and business segments
- Expect a strong performance for the full year

** at constant (2009) exchange rates*

Nick Buckles, Chief Executive Officer, commented:

"Our overall achievement of 4.8% organic growth and 9.8% EPS growth is a strong performance against a back-drop of lower economic growth and inflation falling in many of our markets. This demonstrates the resilience of our business model and the robustness of our customer relationships and contract base. Our higher growth, more complex business segments in government, cash solutions and new markets are all performing very well.

Through good cost control, productivity improvements and focus on service quality across the group, we have achieved double digit profit growth and an improvement in the margin compared to the prior year.

Overall, we remain confident about our performance for the year and into 2010."

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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 London Stock Exchange, 10 Paternoster Square, London, EC4M 7LS. The presentation will be webcast at:

http://streamstudio.world-television.com/CCUIv3/login.aspx?ticket=707-803-7777&target=en

A telephone dial-in facility will be available on:

UK Access Number	+44 (0)20 7075 6551
UK Toll Free* Number	0800 376 4751
US Toll Free* Number	1866 793 4273
US Toll Number	+1 703 621 9125
DK Toll Free* Number	80 88 49 45
Participant PIN Code	933947#

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FINANCIAL SUMMARY

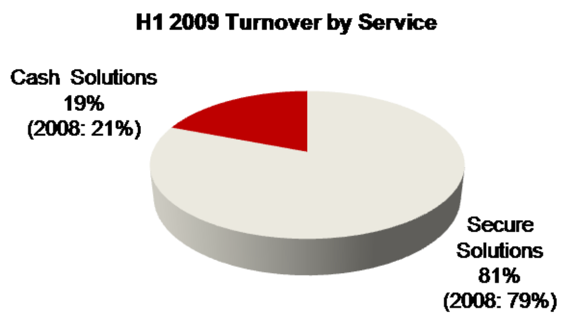
Results

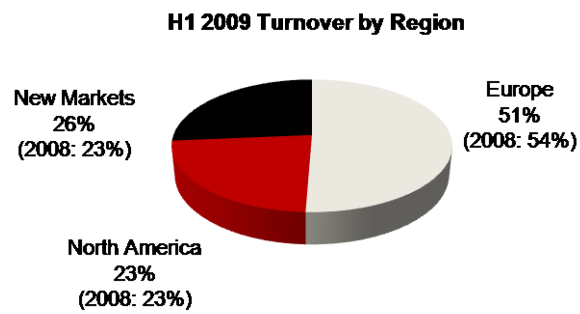
The results which follow have been prepared under International Financial Reporting Standards, as adopted by the European Union (adopted IFRSs).

Group Turnover

Turnover of Continuing Businesses	H109 £m	H108 £m
Turnover at constant exchange rates	3,486.1	3,117.0
Exchange difference	-	(417.0)
Total continuing business turnover	3,486.1	2,700.0

Turnover, at constant exchange rates, increased by 11.8% to £3,486.1 million. Organic turnover growth was 4.8%.





Organic Turnover Growth *	Europe	North America	Developed Markets	New Markets	Total
Secure Solutions	4.2%	-3.8%	1.1%	13.2%	4.1%
Cash Solutions	6.8%	5.7%	6.7%	12.1%	7.9%
Total	4.9%	-3.3%	2.2%	13.0%	4.8%

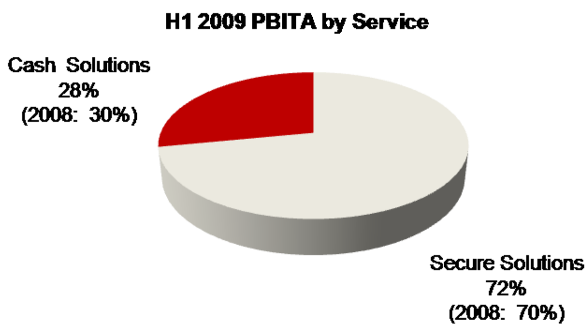
** Calculated to exclude acquisitions and disposals, and at constant exchange rates*

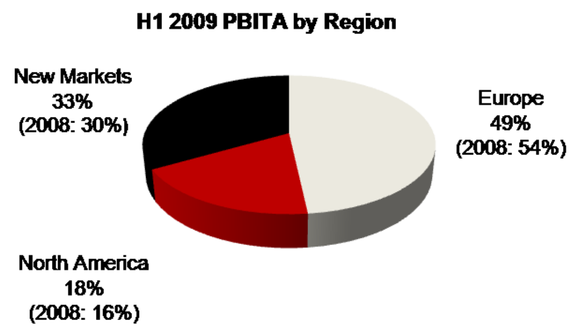
Group Profit

PBITA * of Continuing Businesses	H109 £m	H108 £m
PBITA at constant exchange rates	229.8	202.6
Exchange difference	-	(28.2)
Total continuing business PBITA	229.8	174.4
PBITA margin at constant exchange rates	6.6%	6.5%

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

PBITA at constant exchange rates increased by 13.4% to £229.8 million. The PBITA margin improved to 6.6%.





Cash Flow and Financing

Cash Flow	H109 £m	H108 at constant exchange rates £m	H108 £m
Operating cash flow	171.2	155.0	132.1
Operating cash flow / PBITA	75%	77%	77%

Operating cash flow, as analysed on page 22, was up 30% to £171.2 million in the period, representing 75% of PBITA. Net cash invested in acquistions was £54.8 million. Net debt at the end of the period, as analysed on page 21, was £1,385.9 million (June 2008: £1,134.2m, December 2008 £1,347.7m).

Adjusted earnings per share

Adjusted earnings per share	H109 £m	H108 at constant exchange rates £m	H108 £m
PBITA from continuing operations	229.8	202.6	174.4
Interest (before pensions)	(47.8)	(45.7)	(37.6)
Tax	(47.3)	(42.3)	(37.1)
Minorities	(8.6)	(7.3)	(5.7)
Adjusted profit attributable to shareholders	126.1	107.3	94.0
Average number of shares (m)	1,402.5	1,310.3	1,310.3
Adjusted EPS (p)	9.0	8.2	7.2

Adjusted earnings per share, reconciled to basic earnings per share on page 20, increased by 25%, or by 9.8% at constant exchange rates.

BUSINESS ANALYSIS

Secure Solutions

* At constant exchange rates	Turnover £m		PBITA £m		Margins		Organic Growth
	H109	H108	H109	H108	H109	H108	H109
Europe *	1,304.2	1,134.6	79.7	69.9	6.1%	6.2%	4.2%
North America *	753.8	758.9	42.3	40.8	5.6%	5.4%	-3.8%
New Markets *	759.6	603.9	58.2	46.0	7.7%	7.5%	13.3%
Total Secure Solutions *	2,817.6	2,497.4	180.2	156.7	6.4%	6.3%	4.1%
Exchange differences	-	(362.1)	-	(22.8)			
At actual exchange rates	2,817.6	2,135.3	180.2	133.9			

The secure solutions business continued its robust performance with organic growth of 4.1% and margins slightly higher at 6.4%. Margins were improved due to the mix effect of continued strong growth in the higher margin segments of government and New Markets, but were negatively impacted by a margin reduction in the security systems businesses. In some markets customers have come under pressure to reduce costs and we have worked with them to reconfigure their security requirements. This has dampened organic growth in the short term but profitability was maintained. The group has also reduced overheads in selected markets where necessary to maintain margins.

Europe

* At constant exchange rates	Turnover £m		PBITA £m		Margins		Organic Growth
	H109	H108	H109	H108	H109	H108	H109
UK & Ireland *	556.9	398.5	44.1	31.4	7.9%	7.9%	9.6%
Continental Europe *	747.3	736.1	35.6	38.5	4.8%	5.2%	0.6%
Total Europe *	1,304.2	1,134.6	79.7	69.9	6.1%	6.2%	4.2%

Organic growth in Europe was 4.2% and margins were 6.1%.

In the **UK & Ireland,** organic growth increased from 8.2% in the prior year to 9.6%, with margins remaining at 7.9%. Organic growth and margins have been helped by strong growth in the risk management and government sectors offset by lower growth in commercial security particularly in Ireland, where turnover has declined 12%.

In the government sector, new contracts won or commencing during the first half included Brook House immigration and detention centre from March (£10m pa for five years) and Tinsley House Immigration Removal Centre which started in May (£5m pa for five years). The electronic monitoring contract (£40m pa) was extended for a further two years and the detention and escorting contract has been extended for nine months into 2010.

In **Continental Europe**, organic growth from continuing operations reduced to 0.6%. Growth was slightly negative in a number of larger markets and in the Baltics organic growth was a negative 13%. **Romania** continues to be a strong performer with organic growth of more than 45% and **Greece** benefited from a good performance in the aviation sector.

Margins were impacted by a reduction in security systems margins and a 50% decline in high margin temporary security work, both of which we would expect to recover when economic growth improves. These negatives were partly offset by the operational restructuring of two aviation contracts to address declining passenger numbers. The group continues to respond to customer demand to reduce security spend with innovation and further deployment of solutions that include technology, which has helped maintain our very high level of customer retention of 94%.

New contracts won during the first half included an output based solutions contract with an oil and gas major, local government contracts in **Denmark** and **Estonia** and Tartu Airport in **Estonia.**

North America

* At constant exchange rates	Turnover £m		PBITA £m		Margins		Organic Growth
	H109	H108	H109	H108	H109	H108	H109
North America *	753.8	758.9	42.3	40.8	5.6%	5.4%	-3.8%

Organic growth in North America declined 3.8%, of which 3% was due to the loss of the Exelon contract. Margins improved to 5.6% from 5.4% in the prior year.

In the **United States**, organic growth in the government and commercial sectors were relatively flat but new contracts in the second half will see growth improve.

As expected, good margin improvement was achieved through a reduction in non-billed overtime across a number of our businesses and an improvement in the commercial nuclear sector margins. We now have annual revenues of over $180m in the sector and the contracts starting under the new solutions model have improved margins.

In the government sector, the landmine clearance business which was acquired in 2008 is performing very strongly and the NASA contract has been extended (up to $120m pa for up to 10 years).

Canada had an improved performance compared to the same period in 2008, with better margins in a continuing tough market.

New Markets

* At constant exchange rates	Turnover £m		PBITA £m		Margins		Organic Growth
	H109	H108	H109	H108	H109	H108	H109
Asia *	255.4	208.5	18.8	16.4	7.4%	7.9%	7.7%
Middle East *	211.1	157.9	16.9	11.5	8.0%	7.3%	22.4%
Africa *	155.6	122.1	15.4	10.8	9.9%	8.8%	11.8%
Latin America & Caribbean *	137.5	115.4	7.1	7.3	5.2%	6.3%	12.7%
Total New Markets *	759.6	603.9	58.2	46.0	7.7%	7.6%	13.3%

In New Markets, organic growth was very strong at 13.3 %, with margins slightly higher at 7.7% compared to the previous year.

Organic growth in **Asia** was 7.7% and margins were lower at 7.4% mainly due to the mix effect of **Australia** having lower margins on average. However, Australia is performing well and is integrating a secure solutions acquisition to build on its existing care and justice expertise. **India** and **Thailand** both had organic growth of around 15%. G4S signed an electronic monitoring contract for **New Zealand** which will be in operation in the fourth quarter of 2009.

In the **Middle East** there was organic growth of 22.4%, with particularly strong performances in **UAE, Qatar** and **Saudi Arabia**. Margins in **Iraq** improved as expected and organic growth was helped by the AUL contract and further outsourcing, partly offset by reduced service requirements for the US air-force contract supplying paramedic and firefighter support. In the **UAE,** the cost of regulated wage increases of around 200% was recovered successfully.

In **Africa**, organic growth was 11.8% and margins improved strongly to 9.9%. In **South Africa**, margins have improved considerably due to a deliberate termination of low margin contracts and continued strong performance of the justice services business. Tenders for four new prisons in South Africa were submitted at the end of May with news of awards expected in Q2 2010. G4S was awarded the UK Embassy contracts for **Uganda, Kenya, DRC, Zambia** and **Mozambique**. Strong growth was achieved in **Ghana** and **Morocco**.

The **Latin America and Caribbean** region achieved organic growth of 12.7% but margins were lower at 5.2% as expected due to the renegotiated **Colombia** tolls contracts. Good levels of organic growth were achieved across most of the region with **Argentina** and **Peru** being particularly strong performers.

Cash Solutions

* At constant exchange rates	Turnover £m		PBITA £m		Margins		Organic Growth
	H109	H108	H109	H108	H109	H108	H109
Europe *	460.1	430.5	45.0	42.3	9.8%	9.8%	6.8%
North America *	48.8	46.5	2.0	0.2	4.1%	0.4%	5.7%
New Markets *	159.6	142.6	23.3	21.6	14.6%	15.1%	12.1%
Total Cash Solutions *	668.5	619.6	70.3	64.1	10.5%	10.3%	7.9%
Exchange differences	-	(54.9)	-	(6.5)			
At actual exchange rates	668.5	564.7	70.3	57.6			

The cash solutions division performance in the first half of the year was very robust with organic growth of 7.9% compared with 10.6% in 2008. Margins were up slightly on the same period last year at 10.5% assisted by a turnaround in the Canadian business.

Organic growth in **Europe** was 6.8%. In the **UK,** organic growth was around 4% due to fewer services being required by the retail sector and lower interest rates. However margins have been maintained due to overhead controls and a strong focus on operational efficiency.

The **Baltics** and **Benelux** have performed well despite very challenging market and economic conditions by being proactive in cutting costs and optimising CIT routes.

A new Head Office and cash centre in Riga, **Latvia**, will open in September 2009 and will allow the company to pursue its outsourcing agenda. A new facility will open in **Belgium** later this year**. Romania** continues to grow very strongly with organic growth of more than 50%. In **Sweden**, the management will be working hard to achieve cost reductions and efficiency improvements. **Hungary** has seen increased CIT volumes as the level of cash in circulation has increased dramatically due to worries surrounding the financial services industry.

Following its restructuring the operational performance of the **Canada** business has been transformed and margins are now at 4.1%.

In **New Markets,** organic growth was 12.1% and margins were still very strong at 14.6%, but slightly lower compared to 2008 as a result of the further renegotiated **Colombia** tolls contracts and a price war in **Taiwan**. The **South Africa** cash services business remains a very strong performer with good organic growth and margin improvements.

In **Cash 360**, the group's retail solutions technology, pilot trials in a number of countries have been converted into sales or paid pilots pending a sales agreement. There is strong pipeline which continues to grow in all countries in which the solution offering is being marketed actively.

OTHER FINANCIAL ISSUES

Acquisitions and divestments

G4S spent a total of £54.8m on acquisitions during the period. Of this, £19.7m was invested in capability building acquisitions such as juvenile justice business in the US, security systems capability in Ghana, a cash solutions business in Greater China and SecuraMonde, a worldwide cash consultancy based in the UK. G4S also purchased minority interests for a total of £33.5m mainly in Malaysia and Nigeria and paid a further £1.6m in deferred consideration from previous acquisitions. The disposal of the French security business was completed in the period.

Risks and uncertainties

A discussion of the group's risk assessment and control processes and the principal risks and uncertainties that could affect the business activities or financial results are detailed on pages 22 and 23 of the company's annual report for the financial year ended 31 December 2008, a copy of which is available on the group website www.g4s.com.

The risks and uncertainties are expected to be the same during the remaining six months of the financial year.

Financing & Interest

The group has a prudent approach to managing its financing and over the last two years has diversified its sources away from the bank market by raising funds from the private placement market. To further increase the group's funding flexibility a BBB credit rating from Standard & Poor's was obtained on 9 March 2009. The rating enables the group to access finance from the public markets and this resulted in the 13 May bond issue.

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:-

- £1.1bn multi-currency revolving credit facility provided by a consortium of banks at a margin of 0.225% over LIBOR and maturing 28 June 2012. As at 30 June the drawings were US$ 355m, Euro 361m and £35m.
- $550m private placement notes, issued 1 March 2007, which mature at various dates between 2014 and 2022 with interest coupons of between 5.77% and 6.06%.
- $514m and £69m private placement notes, issued 15 July 2008 which mature at various dates between 2013 and 2020 with interest coupons of between 6.09% and 7.56%.
- £350m 7.75% 2019 bond. This bond was issued 13 May 2009 and matures 13 May 2019.

At 30 June 2009 the group had other short term committed facilities of £45m and uncommitted facilities of £430m. The group headroom available from committed funds was £541m. The group has sufficient borrowing capacity to finance its current investment plans.

As of 30 June 2009, net debt was £1,385.9m which gave book gearing of 111%. The market gearing, using the 30 June closing share price of 208.5 pence, is 48%.

Net interest payable on net debt was £47.8m. This is an increase of 27% over the 2008 cost of £37.6m and reflects the further diversification of the group's funding sources, the increase in the group's average gross debt caused by the high level of acquisitions in 2008 and the depreciation of the £ against the US$ and Euro. These factors were partially offset by the reduction in short term LIBOR interest rates.

The group's average cost of borrowings during the half year was 4.9% compared to 5.6% in 2008.

Also included within financing costs is a net cost of £9.8m (2008: net income £2.5m) in respect of movements in the group's retirement benefit obligations.

Taxation

Tax has been provided for at the estimated effective tax rate for the full year of 26.0% on adjusted earnings, compared to 26.9% for the full year in 2008. The group believes that this rate is sustainable going forward as a result of planning initiatives undertaken.

Retirement benefit obligations

The group's funding shortfall on funded defined retirement benefit schemes, on the valuation basis specified in IAS19 Employee Benefits, was £392m before tax or £290m after tax (31 December 2008: £286m and £207m 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 March 2005 in respect of the GSL scheme. All UK schemes are currently undergoing a full valuation as at 31 March 2009.

The valuation of gross liabilities has increased since 31 December 2008 due to a decrease in the appropriate AA corporate bond rate from 6.3% to 6.2% and due to higher inflation assumptions. However, the value of the assets held in the funds (adjusted for acquired pension funds and additional contributions) increased by £35m during the period. Additional company contributions were £23m.

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.

Dividend

The Board has declared an interim dividend for 2009 of 3.02p per share (DKK 0.2599) payable on 31 October 2009. This represents an increase of 9.8% on the interim dividend for 2008.

REVIEW AND OUTLOOK

Our overall achievement of 4.8% organic growth and 9.8% EPS growth is a strong performance against a back-drop of significant reductions in economic growth and falling inflation across many of our markets.

Any pressure on growth in Continental Europe and the commercial segment in the UK and North America is being countered strongly by continued double digit growth in New Markets and strong performances in the higher growth, more complex government and cash solutions segments.

Through good cost control, productivity improvements and service quality across the group, we have achieved double digit profit growth and an improvement in the margin compared to the prior year. Continental Europe is the only major segment where margins are behind the same period last year, elsewhere margins are holding firm in the UK and North American commercial segment, and improving in the government, New Markets and cash solutions segments.

This strong performance demonstrates the quality of our management across the businesses, the resilience of our business model and the robustness of our customer relationships and contract base.

Overall, we remain confident about our performance for the year and into 2010.

24 August 2009

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

We confirm that to the best of our knowledge:

- this condensed set of financial statements has been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* as adopted by the EU and gives a true and fair view of the assets, liabilities, financial position and profit of the group as required by DTR 4.2.4;
- this half-yearly results announcement includes a fair review of the information required by DTR 4.2.7-8.

The responsibility statement is signed by:

Nick Buckles	**Trevor Dighton**
Chief Executive	Chief Financial Officer

G4S plc
Unaudited half-yearly results announcement
For the six months ended 30 June 2009

Consolidated income statement
For the six months ended 30 June 2009

	Notes	Six months ended 30.06.09 £m	Six months ended 30.06.08 £m	Year ended 31.12.08 £m
Continuing operations				
Revenue	2	**3,486.1**	2,700.0	5,948.0
Profit from operations before amortisation of acquisition-related intangible assets and share of profit from associates		**229.2**	172.6	412.0
Share of profit from associates		**0.6**	1.8	3.4
Profit from operations before amortisation of acquisition-related intangible assets (PBITA)	2	**229.8**	174.4	415.4
Amortisation of acquisition-related intangible assets		**(43.6)**	(30.4)	(67.8)
Profit from operations before interest and taxation (PBIT)	2, 3	**186.2**	144.0	347.6
Finance income	6	**41.4**	50.0	104.9
Finance costs	7	**(99.0)**	(85.1)	(189.7)
Profit from operations before taxation (PBT)		**128.6**	108.9	262.8
Taxation:				
- Before amortisation of acquisition-related intangible assets		**(44.8)**	(37.8)	(89.3)
- On amortisation of acquisition-related intangible assets		**11.4**	8.5	19.1
	8	**(33.4)**	(29.3)	(70.2)
Profit from continuing operations after taxation		**95.2**	79.6	192.6
(Loss)/profit from discontinued operations	4	**(1.5)**	0.5	(27.7)
Profit for the period		**93.7**	80.1	164.9
Attributable to:				
Equity holders of the parent		**85.1**	74.4	151.2
Minority interests		**8.6**	5.7	13.7
Profit for the period		**93.7**	80.1	164.9
Earnings per share attributable to ordinary equity shareholders of the parent from continuing and discontinued operations	9			
Basic		**6.1p**	5.7p	11.1p
Diluted		**6.1p**	5.7p	11.1p

	Notes	Six months ended 30.06.09 £m	Six months ended 30.06.08 £m	Year ended 31.12.08 £m
Dividends declared and proposed in respect of the period	10			
Interim dividend of 3.02p per share (2008: 2.75p per share)		**42.5**	38.7	38.6
Final dividend (2008: 3.68p per share)		-	-	51.8
Total		**42.5**	38.7	90.4

Condensed consolidated balance sheet

As at 30 June 2009

	Notes	**As at 30.06.09 £m**	As at 30.06.08 £m	As at 31.12.08 £m
ASSETS				
Non-current assets				
Goodwill		**1,956.8**	1,733.3	2,090.9
Other acquisition-related intangible assets		**355.2**	436.0	403.1
Other intangible assets		**57.9**	37.9	61.0
Property, plant and equipment		**493.6**	459.4	528.5
Investment in associates		**5.5**	3.0	7.4
Trade and other receivables		**284.0**	143.9	353.0
		3,153.0	2,813.5	3,443.9
Current assets				
Inventories		**78.6**	72.4	85.5
Investments		**86.7**	72.3	92.7
Trade and other receivables		**1,251.8**	1,086.9	1,364.8
Cash and cash equivalents		**480.9**	446.6	562.1
Assets classified as held for sale	11	**19.9**	111.1	71.0
		1,917.9	1,789.3	2,176.1
Total assets		**5,070.9**	4,602.8	5,620.0
LIABILITIES				
Current liabilities				
Bank overdrafts		**(167.0)**	(127.1)	(195.1)
Bank loans		**(71.5)**	(59.8)	(87.9)
Obligations under finance leases		**(17.8)**	(19.0)	(22.1)
Trade and other payables		**(1,056.5)**	(986.9)	(1,269.2)
Retirement benefit obligations		**(54.0)**	(48.3)	(48.9)
Provisions		**(41.9)**	(95.7)	(40.1)
Liabilities associated with assets classified as held for sale	11	**(11.0)**	(74.8)	(74.1)
		(1,419.7)	(1,411.6)	(1,737.4)
Non-current liabilities				
Bank loans		**(604.3)**	(1,112.5)	(877.8)
Loan notes		**(1,107.2)**	(290.8)	(901.9)
Obligations under finance leases		**(59.5)**	(61.1)	(63.6)
Trade and other payables		**(45.1)**	(37.1)	(63.5)
Retirement benefit obligations		**(379.7)**	(130.5)	(278.6)
Provisions		**(195.5)**	(142.0)	(226.3)
		(2,391.3)	(1,774.0)	(2,411.7)
Total liabilities		**(3,811.0)**	(3,185.6)	(4,149.1)
Net assets		**1,259.9**	1,417.2	1,470.9
EQUITY				
Share capital		**352.1**	352.1	352.1
Share premium and reserves		**872.3**	1,030.1	1,074.9
Equity attributable to equity holders of the parent		**1,224.4**	1,382.2	1,427.0
Minority interests		**35.5**	35.0	43.9
Total equity		**1,259.9**	1,417.2	1,470.9

Condensed consolidated cash flow statement

For the six months ended 30 June 2009

	Notes	**Six months ended 30.06.09 £m**	Six months ended 30.06.08 £m	Year ended 31.12.08 £m
Profit from continuing operations before taxation		**128.6**	108.9	262.8
Adjustments for:				
Finance income		**(41.4)**	(50.0)	(104.9)
Finance costs		**99.0**	85.1	189.7
Depreciation of property, plant and equipment		**60.0**	48.9	105.0
Amortisation of acquisition-related intangible assets		**43.6**	30.4	67.8
Amortisation of other intangible assets		**7.3**	4.8	11.1
Other operating cash flow movements		**2.6**	0.3	4.7
Operating cash flow before movements in working capital		**299.7**	228.4	536.2
Net working capital movement		**(82.5)**	(60.2)	(55.0)
Net cash flow from operating activities of continuing operations		**217.2**	168.2	481.2
Net cash used by operating activities of discontinued operations		**(11.0)**	(0.8)	(26.2)
Cash generated by operations		**206.2**	167.4	455.0
Tax paid		**(37.6)**	(37.9)	(82.0)
Net cash flow from operating activities		**168.6**	129.5	373.0
Investing activities				
Interest received		**4.8**	7.7	17.2
Cash flow from associates		**1.9**	9.5	12.2
Net cash flow from capital expenditure		**(69.3)**	(61.1)	(161.3)
Net cash flow from acquisitions and disposals		**(54.6)**	(308.0)	(368.6)
(Purchase)/sale of trading investments		**(5.1)**	1.9	5.6
Own shares purchased		**(4.6)**	(4.5)	(8.8)
Net cash used in investing activities		**(126.9)**	(354.5)	(503.7)
Financing activities				
Share issues		**0.1**	276.8	276.8
Dividends paid to minority interests		**(4.4)**	(3.4)	(11.9)
Loan to minority interests		**-**	(4.2)	-
Dividends paid to equity shareholders of the parent		**(51.7)**	(36.4)	(75.0)
Net increase in borrowings		**99.5**	129.4	173.7
Interest paid		**(55.2)**	(50.4)	(97.2)
Net cash flow from translation hedging financial instruments		**(10.2)**	(39.0)	(65.9)
Repayment of obligations under finance leases		**(10.9)**	(4.8)	(13.5)
Net cash flow from financing activities		**(32.8)**	268.0	187.0
Net increase in cash, cash equivalents and bank overdrafts	13	**8.9**	43.0	56.3
Cash, cash equivalents and bank overdrafts at the beginning of the period		**360.7**	270.7	270.7
Effect of foreign exchange rate fluctuations on cash held		**(51.2)**	8.6	33.7
Cash, cash equivalents and bank overdrafts at the end of the period		**318.4**	322.3	360.7

Consolidated statement of comprehensive income

For the six months ended 30 June 2009

	Six months ended 30.06.09 £m	Six months ended 30.06.08 £m	Year ended 31.12.08 £m
Exchange differences on translation of foreign operations	**(135.2)**	25.8	182.0
Actuarial losses on defined retirement benefit schemes	**(129.4)**	(56.5)	(196.9)
Change in fair value of cash flow hedging financial instruments	**(28.8)**	5.0	36.4
Change in fair value of net investment hedging financial instruments	**28.6**	(19.1)	(81.1)
Tax on items taken directly to equity	**29.9**	27.5	50.3
Net expense recognised directly in equity	**(234.9)**	(17.3)	(9.3)
Profit for the period	**93.7**	80.1	164.9
Total comprehensive income for the period	**(141.2)**	62.8	155.6
Attributable to:			
Equity holders of the parent	**(149.8)**	57.1	141.9
Minority interests	**8.6**	5.7	13.7
Total comprehensive income for the period	**(141.2)**	62.8	155.6

Consolidated statement of changes in equity

For the six months ended 30 June 2009

	Six months ended 30.06.09 £m	Six months ended 30.06.08 £m	Year ended 31.12.08 £m
At beginning of period	**1,427.0**	1,087.1	1,087.1
Net recognised (loss)/income attributable to equity shareholders of the parent	**(149.8)**	57.1	141.9
Shares issued	**0.1**	276.8	276.8
Dividends declared	**(51.7)**	(36.4)	(75.0)
Own shares purchased	**(4.6)**	(4.5)	(8.8)
Equity settled transactions	**3.4**	2.1	5.0
At end of period	**1,224.4**	1,382.2	1,427.0

Notes to the half-yearly results announcement

1) Basis of preparation and accounting policies

These condensed financial statements comprise the unaudited interim consolidated results of G4S plc ("the group") for the six months ended 30 June 2009. These half-yearly financial results do not comprise statutory accounts within the meaning of Section 240 of the Companies Act 1985 and should be read in conjunction with the Annual Report and Accounts 2008.

The comparative figures for the financial year ended 31 December 2008 are not the company's statutory accounts for that year. Those accounts have been reported on by the company's auditor and delivered to the Registrar of Companies. The report of the auditor was (i) unqualified, (ii) did not contain a reference to any matters to which the auditor drew attention by emphasis of matter without qualifying their report, and (iii) did not contain any statement under Section 237 of the Companies Act 1985.

The condensed financial statements of the group presented in this interim announcement have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and with the Disclosure and Transparency Rules of the Financial Services Authority. The accounting policies applied are the same as those set out in the group's Annual Report and Accounts 2008, as adjusted for the effects of:

- IAS1 (Presentation of Financial Statements) The revised IAS 1 (Presentation of Financial Statements) requires a number of changes to the presentation of financial statements. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). As a result, the group has elected to present a consolidated income statement, a consolidated statement of comprehensive income and a consolidated statement of changes in equity.
- IFRS8 (Operating Segments) requires segment disclosures based on the components that the Chief Operating Decision Maker (i.e. the Board) monitors in making decisions about operating matters. Such components are identified on the basis of internal reports that the Board reviews regularly in allocating resources to segments and in assessing performance. This results in a segmental analysis which is similar to that presented previously under IAS 14 (Segmental Reporting).

The financial information in these condensed financial statements for the half years to 30 June 2009 and 30 June 2008 have been neither audited nor reviewed.

The comparative income statement for the six months ended 30 June 2008 has been re-presented for operations qualifying as discontinued during the six months ended 31 December 2008 and the six months ended 30 June 2009. The comparative income statement for the year ended 31 December 2008 has been re-presented for operations qualifying as discontinued during the six months ended 30 June 2009. For the six months ended 30 June 2008, revenue has been increased by £2.7m and PBT has been reduced by £0.5m compared to the figures published previously. For the year ended 31 December 2008, revenue has been increased by £5.1m and PBT has been reduced by £1.4m compared to the figures published previously.

The comparative balance sheet as at 30 June 2008 has been restated to reflect the completion during the six months ended 31 December 2008 and the six months ended 30 June 2009 of the initial accounting in respect of acquisitions made during the six months ended 30 June 2008. Adjustments made to the provisional calculation of fair values of assets and liabilities acquired and to the consideration payable amount to £30.5m in total, resulting in an equivalent increase in the reported value of goodwill.

The comparative balance sheet as at 31 December 2008 has been restated to reflect (i) the completion during the six months ended 30 June 2009 of the initial accounting in respect of acquisitions made during the six months ended 30 June 2008, and (ii) adjustments made in the six months to 30 June 2009 to the preliminary assessment of the fair values of assets and liabilities acquired during the six months ended 31 December 2008. Adjustments made to the provisional calculation of the fair values of assets and liabilities acquired and the consideration payable amount to £30.5m in total, resulting in 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 profits from each of the following geographic 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 segment disclosures are based on the components that the Board monitors in making decisions about operating matters. Such components are identified on the basis of internal reports that the Board reviews regularly in allocating resources to segments and in assessing their performance

Notes to the half-yearly results announcement (continued)

Segment information for continuing operations is presented below:

Segment revenue

Revenue by business segment	**Six months ended 30.06.09 £m**	Six months ended 30.06.08 £m	Year ended 31.12.08 £m
Secure Solutions			
UK and Ireland	**556.9**	397.8	929.9
Continental Europe	**747.3**	656.3	1,389.6
Europe	**1,304.2**	1,054.1	2,319.5
North America	**753.8**	570.8	1,222.3
Middle East and Gulf States	**211.1**	119.9	315.6
Latin America and the Caribbean	**137.5**	99.8	225.3
Africa	**155.6**	111.3	248.6
Asia Pacific	**255.4**	179.4	412.0
New Markets	**759.6**	510.4	1,201.5
Total Secure Solutions	**2,817.6**	2,135.3	4,743.3
Cash Solutions			
Europe	**460.1**	402.1	859.1
North America	**48.8**	41.9	87.0
New Markets	**159.6**	120.7	258.6
Total Cash Solutions	**668.5**	564.7	1,204.7
Total revenue	**3,486.1**	2,700.0	5,948.0

Segment result

PBITA by business segment	**Six months ended 30.06.09 £m**	Six months ended 30.06.08 £m	Year ended 31.12.08 £m
Secure Solutions			
UK and Ireland	**44.1**	30.7	76.8
Continental Europe	**35.6**	33.9	74.9
Europe	**79.7**	64.6	151.7
North America	**42.3**	30.8	70.6
Middle East and Gulf States	**16.9**	8.2	26.4
Latin America and the Caribbean	**7.1**	5.8	13.7
Africa	**15.4**	9.6	22.4
Asia Pacific	**18.8**	14.9	32.6
New Markets	**58.2**	38.5	95.1
Total Secure Solutions	**180.2**	133.9	317.4
Cash Solutions			
Europe	**45.0**	39.6	94.0
North America	**2.0**	0.2	0.8
New Markets	**23.3**	17.8	38.7
Total Cash Solutions	**70.3**	57.6	133.5
Total PBITA before head office costs	**250.5**	191.5	450.9
Head office costs	**(20.7)**	(17.1)	(35.5)
Total PBITA	**229.8**	174.4	415.4
Result by business segment			
Total PBITA	**229.8**	174.4	415.4
Amortisation of acquisition-related intangible assets	**(43.6)**	(30.4)	(67.8)
Total PBIT	**186.2**	144.0	347.6
Secure Solutions	**147.6**	115.5	270.4
Cash Solutions	**59.3**	45.6	112.7
Head office costs	**(20.7)**	(17.1)	(35.5)
Total PBIT	**186.2**	144.0	347.6

Notes to the half-yearly results announcement (continued)

3) Profit from operations before interest and taxation

The income statement can be analysed as follows:

Continuing operations	**Six months ended 30.06.09 £m**	Six months ended 30.06.08 £m	Year ended 31.12.08 £m
Revenue	**3,486.1**	2,700.0	5,948.0
Cost of sales	**(2,726.4)**	(2,111.1)	(4,632.6)
Gross profit	**759.7**	588.9	1,315.4
Administration expenses	**(574.1)**	(446.7)	(971.2)
Share of profit from associates	**0.6**	1.8	3.4
Profit from operations before interest and taxation	**186.2**	144.0	347.6

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

4) Discontinued operations

Operations qualifying as discontinued in the current and prior period primarily comprise the security services business in France, which principally comprises Group 4 Securicor SAS, disposed of on 28 February 2009. Further operations qualifying as discontinued in the prior year also comprised the security services business in Germany, which principally comprises G4S Sicherheitsdienste GmbH and G4S Sicherheitssysteme GmbH, disposed of on 15 May 2008. A deferred tax asset in relation to the discontinued US Aviation business was also taken in the period.

Notes to the half-yearly results announcement (continued)

5) Acquisitions

Current Period Acquisitions

The group undertook a number of acquisitions in the current period. Principal acquisitions in subsidiary undertakings include the purchase of controlling interests in SecPoint Security Limited, a security solutions business in Ghana, Sunshine Youth Services, a juvenile justice business in the US, CL Systems Limited, a cash solutions business in Greater China and SecuraMonde, a cash solutions business in the UK.

In addition, the group completed the minority buy-outs of its cash solutions business in Malaysia and of Service Master Limited in Nigeria.

The following table sets out the book values and provisional fair values at acquisition of the identifiable assets and liabilities acquired by the group during the period:

	Book value	Fair value adjustments	**Fair value**
	£m	£m	**£m**
Acquisition-related intangible assets	-	11.5	**11.5**
Property, plant and equipment	0.6	-	**0.6**
Inventories	0.3	(0.1)	**0.2**
Trade and other receivables	2.9	-	**2.9**
Cash and cash equivalents	1.8	-	**1.8**
Trade and other payables	(2.3)	-	**(2.3)**
Borrowings	(0.5)	-	**(0.5)**
Deferred tax liabilities	-	(3.3)	**(3.3)**
Net assets acquired of subsidiary undertakings	2.8	8.1	**10.9**
Acquisition of minority interests	7.8	-	**7.8**
Goodwill			**30.6**
Total purchase consideration			**49.3**
Satisfied by:			
Cash			**47.1**
Transaction costs			**1.6**
Contingent consideration			**0.6**
Total purchase consideration			**49.3**

Adjustments made to identifiable assets and liabilities on acquisition are to reflect their fair value. These include the recognition of customer-related intangible assets amounting to £11.5m attributable to the acquisition of subsidiary undertakings. The fair values of net assets acquired are provisional and represent estimates following a preliminary valuation exercise. These estimates may be adjusted to reflect refinements in their valuation and also any development in the issues to which they relate. Final fair value adjustments will, if required, be set out in the group's 2009 Annual Report and Accounts and/or in the group's 2010 Annual Report and Accounts as appropriate.

The goodwill arising on acquisitions can be ascribed to the existence of a skilled, active workforce and the opportunities to obtain new contracts and develop the business. Neither of these meets the criteria for recognition as intangible assets separable from goodwill. Goodwill resulting from acquisitions includes £21.2m arising on the acquisition of minority interests.

Prior period acquisitions

The purchase consideration and provisional fair values of acquisitions made during the financial year to 31 December 2008 and their contribution to the group's results for the year are set out in the group's Annual Report and Accounts 2008. Adjustments made during the six months to 30 June 2009 to the provisional calculation of the fair values of assets and liabilities acquired and to the consideration payable during the year to 31 December 2008 amount to £30.5m in total, resulting in an equivalent increase in the reported value of goodwill.

Notes to the half-yearly results announcement (continued)

6) Finance income

	Six months ended 30.06.09 £m	Six months ended 30.06.08 £m	Year ended 31.12.08 £m
Interest receivable	**7.7**	7.1	18.4
Expected return on defined retirement benefit scheme assets	**33.7**	42.9	86.5
Total finance income	**41.4**	50.0	104.9

7) Finance costs

	Six months ended 30.06.09 £m	Six months ended 30.06.08 £m	Year ended 31.12.08 £m
Total group borrowing costs	**(55.5)**	(44.7)	(106.9)
Finance costs on defined retirement benefit obligations	**(43.5)**	(40.4)	(82.8)
Total finance costs	**(99.0)**	(85.1)	(189.7)

8) Taxation

	Six months ended 30.06.09 £m	Six months ended 30.06.08 £m	Year ended 31.12.08 £m
UK taxation	**(2.0)**	(4.2)	(7.6)
Overseas taxation	**(31.4)**	(25.1)	(62.6)
Total taxation expense	**(33.4)**	(29.3)	(70.2)

Notes to the half-yearly results announcement (continued)

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

	Six months ended 30.06.09 £m	Six months ended 30.06.08 £m	Year ended 31.12.08 £m
From continuing and discontinued operations			
Earnings			
Profit for the period attributable to equity holders of the parent	**85.1**	74.4	151.2
Effect of dilutive potential ordinary shares (net of tax)	**0.1**	0.1	0.2
Profit for the purposes of diluted earnings per share	**85.2**	74.5	151.4
Number of shares (m)			
Weighted average number of ordinary shares	**1,402.5**	1,310.3	1,357.7
Effect of dilutive potential ordinary shares	**0.8**	1.4	1.3
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**1,403.3**	1,311.7	1,359.0
Earnings per share from continuing and discontinued operations (pence)			
Basic	**6.1p**	5.7p	11.1p
Diluted	**6.1p**	5.7p	11.1p
From adjusted earnings			
Earnings			
Profit for the period attributable to equity holders of the parent	**85.1**	74.4	151.2
Adjustment to exclude loss/(profit) from discontinued operations	**1.5**	(0.5)	27.7
Adjustment to exclude net retirement benefit finance income (net of tax)	**7.3**	(1.8)	(2.7)
Adjustment to exclude amortisation of acquisition-related intangible assets (net of tax)	**32.2**	21.9	48.7
Adjusted profit for the period attributable to equity holders of the parent	**126.1**	94.0	224.9
Weighted average number of ordinary shares (m)	**1,402.5**	1,310.3	1,357.7
Adjusted earnings per share (pence)	**9.0p**	7.2p	16.6p

10) Dividends

	Pence per share	DKK per share	**Six months ended 30.06.09 £m**	Six months ended 30.06.08 £m	Year ended 31.12.08 £m
Amounts recognised as distributions to equity holders of the parent in the period					
Final dividend for the year ended 31 December 2007	2.85	0.2786	**-**	36.4	36.4
Interim dividend for the six months ended 30 June 2008	2.75	0.2572	**-**	-	38.6
Final dividend for the year ended 31 December 2008	3.68	0.3052	**51.7**	-	-
Total			**51.7**	36.4	75.0

An interim dividend of 3.02p (DKK 0.2599) per share, amounting to £42.5m, for the six months ended 30 June 2009 will be paid on 30 October 2009 to shareholders on the register on 25 September 2009.

Notes to the half-yearly results announcement (continued)

11) Disposal groups classified as held for sale

Disposal groups classified as held for sale at 30 June 2009 primarily comprise the assets and liabilities associated with the country holding companies relating to historic disposals mainly in France and Germany, as well as the deferred tax asset in relation to the discontinued US Aviation business. At 31 December 2008 disposal groups classified as held for sale also included the assets and liabilities associated with the security services businesses in Germany, which principally include G4S Sicherheitsdienste GmbH and G4S Sicherheitssysteme GmbH.

12) Analysis of net debt

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

	As at 30.06.09 £m	As at 30.06.08 £m	As at 31.12.08 £m
Cash and cash equivalents	**480.9**	446.6	562.1
Investments	**86.7**	72.3	92.7
Net debt included within assets held for sale	**4.5**	2.7	(7.3)
Current liabilities			
Bank overdrafts and loans	**(238.5)**	(186.9)	(283.0)
Obligations under finance leases	**(17.8)**	(19.0)	(22.1)
Fair value of loan note derivative financial instruments	**8.5**	14.5	9.6
Non-current liabilities			
Bank loans	**(604.3)**	(1,112.5)	(877.8)
Loan notes	**(1,107.2)**	(290.8)	(901.9)
Obligations under finance leases	**(59.5)**	(61.1)	(63.6)
Fair value of loan note derivative financial instruments	**60.8**	-	143.6
Total net debt	**(1,385.9)**	(1,134.2)	(1,347.7)

Included within Loan notes is the £350m 7.75% bond issued on 13 May 2009.

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

	Six months ended 30.06.09 £m	Six months ended 30.06.08 £m	Year ended 31.12.08 £m
Increase in cash, cash equivalents and bank overdrafts per condensed consolidated cash flow statement	**8.9**	43.0	56.3
(Sale)/ purchase of investments	**5.1**	(1.9)	(5.6)
Increase in debt and lease financing	**(88.6)**	(124.6)	(160.2)
Change in net debt resulting from cash flows	**(74.6)**	(83.5)	(109.5)
Borrowings acquired with subsidiaries	**(0.2)**	(225.0)	(230.0)
Net additions to finance leases	**(6.6)**	(8.3)	(17.1)
Movement in net debt in the period	**(81.4)**	(316.8)	(356.6)
Translation adjustments	**43.2**	(12.5)	(186.2)
Net debt at the beginning of the period	**(1,347.7)**	(804.9)	(804.9)
Net debt at the end of the period	**(1,385.9)**	(1,134.2)	(1,347.7)

13) Related party transactions

No related party transactions have taken place in the first six months of the current financial year which have materially affected the financial position or the performance of the group during that period. The nature and amounts of related party transactions in the first six months of the current financial year are consistent with those reported in the group's Annual Report and Accounts 2008.

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 condensed consolidated cash flow statement.

Operating cash flow

For the six months ended 30 June 2009

	Six months ended 30.06.09 £m	Six months ended 30.06.08 £m	Year ended 31.12.08 £m
PBITA before share of profit from associates (group PBITA)	**229.2**	172.6	412.0
Depreciation and amortisation of intangible assets other than acquisition-related	**67.3**	53.7	116.1
(Loss)/profit on disposal of property, plant and equipment and intangible assets other than acquisition-related	**(0.2)**	-	2.1
Increase in working capital and provisions	**(55.8)**	(33.1)	(16.7)
Net cash flow from capital expenditure	**(69.3)**	(61.1)	(161.3)
Operating cash flow	**171.2**	132.1	352.2

Reconciliation of operating cash flows

	Six months ended 30.06.09 £m	Six months ended 30.06.08 £m	Year ended 31.12.08 £m
Net cash flow from operating activities per condensed consolidated cash flow statement	**168.6**	129.5	373.0
Net cash flow from capital expenditure	**(69.3)**	(61.1)	(161.3)
Add-back cash flow from exceptional items and discontinued operations	**11.0**	0.8	26.2
Add-back additional pension contributions	**23.3**	25.0	32.3
Add-back tax paid	**37.6**	37.9	82.0
Operating cash flow	**171.2**	132.1	352.2