G4S

Capital Markets Day - Session Two
25th May 2011

Dan Ryan: Thanks; I hope that was a nice little pick me up after a coffee break. My presentation today is going to cover the huge growth opportunities facing G4S in the Asia and Middle East region. We're poised to experience about 14% growth per annum over the next several years. We will achieve this growth through a combination of geographic expansion, moving our maturing businesses to a solutions strategy and a few new growth opportunities.

I'll also talk briefly on the situation in the Middle East, both from the perspective of our core businesses there as well as the situation around how we are responding to the crises we're all aware of. Finally I'll go into some detail about fantastic growth opportunities in the large current markets of India, Saudi Arabia, as well as our plans to seize the opportunities presented by the evolving deregulation in our business in China.

Important in this slide summarising the global spending trends in security is the movement from about 22% in the combined Asia and Middle East spend in 2004, to roughly 32 or 33% through 2019. The G4S Asia Middle East region is prepared for this shift and will leverage from its existing strong base of businesses and powerful brand to capitalise on this growth.

The region is divided into six sub regions. We run the Greater China region from Shanghai, the South East region from Kuala Lumpur, Pacific Rim from Melbourne, we split the Middle East between the Inner Gulf run out of Abu Dhabi and the Outer Gulf from Amman, Jordan and finally the South East Asia region from Delhi, India and the headquarters for the region is in Hong Kong. We're projecting double-digit growth for most of the countries in this portfolio but we're going to focus today primarily on India, China and Saudi Arabia.

The mix of our business in the region is - the total part of the portfolio of the Group is 1.2 billion and it's broken down into about 66% Manned Security, 16% Cash, 9% Care and Justice, and that's largely Australia, and finally 7% in security systems. Our goal over the three-year life of the business plan is to rebalance this portfolio somewhat and to grow customer relationships from single solution provisions to multi solutions, then security solutions and reducing the emphasis on manned security.

More specifically we will achieve significant growth in a few of our large markets with current products as well as new opportunities. We have a fantastic position in manned security and facilities management in India today. But we also have opportunities to better segment these products, address developing higher end requirements of some customers, price the business there differently and drive more profit.

We are a distant number six in our cash business in India today. We're quite clear, as you've heard today on our strategy, to be one or two in markets like this so we have some positioning decisions to make with regard to this business in India. Saudi Arabia likewise has great opportunity for us; we are a large player in the facilities business as well as cash. There are tremendous opportunities there and we are uniquely positioned to leverage our brand and to build share.

We have a decent care and justice business in Australia and plan to expand that while at the same time we need to better position our manned security product.

In China we have a small systems and facilities management business which we will continue to expand while simultaneously pursuing a licence in manned security and cash and/or partnering with a local company to get there sooner. And finally there are some unique regional specific businesses like anti piracy, which fit nicely with our - strategy in the region.

This slide summarises our double-digit growth trajectory expectations in China, India and Saudi Arabia. You can also see where G4S stands relative to the manned security sectors in India and Saudi as well as the cash and systems business in Saudi. Again despite the strong positions in market share we see continued upside for G4S in these markets.

Unlike the other regions you've hear from today, many countries in the Asia Middle East typically compete with strong local providers in our key product offerings. For example in China the Public Security Bureau and its affiliates are key providers of manned security. Similarly Saudi Arabia - systems is dominated by local players.

As we all know several countries in the Middle East have experienced civil unrest. In addition a couple of our countries, Japan and New Zealand, have experienced wide scale natural disasters. Although we stand ready to react in these situations and indeed many of our businesses have seen revenue increases as a result of what has taken place, G4S believes that long term stable governments and disaster free geographies provide a more consistent and stable platform for our businesses.

As an example in Egypt G4S was able to support evacuation requirements of many existing and new multinational customers. We also evacuated the majority of tourists safely on behalf of the British Foreign Office. And in addition to seeing this incremental business in response to the unrest, we gained some new customers as a result of our ability to react.

Finally we now enjoy additional exposure to government heads of security and some powerful accolades from important global accounts. Here are a couple of comments from two of our Egypt based customers.

Similarly in Bahrain where the unrest was somewhat more protracted than we saw in Egypt, G4S also supported emergency evacuations as required by our customers. We evacuated some employees of multinational companies as well. Again we experienced some short-term gains, our manned security business orders increased dramatically but this was offset partially in Bahrain by some employee retention issues.

Security in Bahrain is largely supported by an ex-pat labour force, when the political upheaval spread some of our staff also opted to leave Bahrain and return home. We were able to manage this process and pull through for our customers. Again some comments from key accounts in Bahrain on the situation there.

Finally Saudi Arabia was somewhat different. The kingdom did not experience civil unrest like many of the other countries in the region. One mechanism to avoid this was a royal decree or one time two-month bonus to all local employees of companies in India with strong pressure for employers with foreign ex-pats to follow suit. This resulted in a £4 million one time hit for G4S in Saudi Arabia. Although difficult we remain confident that we're going to be able to recover this in the market.

So again while there are clearly going to be opportunities to benefit somewhat from these types of situations in the short term, our belief is long term, stable governments provide us with a better and more consistent platform for our businesses.

So getting back to the three key markets. As you have seen Asia Middle East is made up of 37 countries, the list at the top of the presentation, and again all of these countries are projected to deliver double digit growth over the next couple of years.

In India specifically however we see opportunities for even more. We see the market as roughly in manned security of a £4 billion market, largely made up of 2.7 unorganised businesses, those are private in-house securities or non-security companies or non-compliant companies and the balance of roughly a billion in organised. And in that one billion G4S has 16% market share.

As you can see from these numbers G4S holds the dominant position. Despite this strong position however we see major opportunities in better segmenting this market, providing a tier product, pricing accordingly and delivering more profit to the bottom line.

In Saudi Arabia our facilities management business contributes nearly 15% of our total revenue. Again in Saudi we're competing largely with local players. We see a tremendous opportunity hear to leverage our brand further in the facilities management business as well as manned security and cash. The competitive landscape in the core businesses of G4S leaves significant opportunity in the Kingdom of Saudi Arabia.

China, a promising emerging market with easing regulatory licensing requirements, there is still room to go. G4S is quite small here - but we're focussing on several fronts to push our brand into the country. We have a small facilities business and a couple of systems businesses today. Our plan in China is to continue to push for a security licence while simultaneously looking at partnership opportunities and or acquisitions to access the manned security and cash sectors in the country. We will also look to expand our current systems and facilities management business.

Here's a look at the competitive landscape in manned security in China. You can see that this is completely dominated by government or former government affiliates. These are the types of companies we might look to partner with in advance of securing our own licence.

In the electronic security market you can see us positioned here, many foreign or JV players are in this space today, we have opportunities to grow, very small regulatory related issues in doing so, so we'll be looking to better position the G4S in systems in China.

So in summary you can expect double digit growth in the region, you can expect some acquisition opportunities in manned security, systems and facilities management. You'll see us underpin our current businesses with consistent HR and operating and management practices to fulfil this strategy.

And over to Grahame who will talk about the Americas region. Thanks.

Grahame Gibson: Morning everybody. Thank you Dan the new boy, started in September, I started in March 1983 so I guess that makes me the old boy. You'll be delighted to know we're going to kick off the introduction to the Americas with more PowerPoint relief.

Americas Video

Grahame Gibson: Good way to share and showcase some of our capabilities and scope across the Americas. This is the, back to PowerPoint;

this is the rest of the content of the Americas presentation, very similar content to the other regions so I won't dwell on that.

Back to the market, back to the Freedonia information that Nick presented earlier, this is the most recent Freedonia report on the security market. The US market forecast to grow low single digit over the period to 2019, whereas Latin America which is the most powerful thing here, expected to grow at 15% per annum. And if that happens it will be close to the size of the US market by 2019, I think that's quite remarkable. That is of course assuming that the big LAT AM countries avoid any major political or financial catastrophe which has happened historically.

In terms of market share both the US commercial and Latin American markets remain highly fragmented with many small local and regional players making up more than 50% of the market in each territory. To some extent this contributes to commoditisation of the markets but we are definitely seeing some early traction with our unified secured solutions strategy coming in.

Canadian market is also highly competitive with a core of commissionaire in a strong position from its preferred contractor status with the Federal Government. In the US government cleared sector we continue to be the largest provider of outsourced manned security services for the Federal Government. And I describe some of the market trends impacting government later in the presentation.

In the LATAM market we're third behind Prosegur and Brinks, both of whom have very strong positions within the cash services market in Brazil.

We expect to see our North American business move from flat to organic growth of approximately 5% pre annum over the course of our business planning period, that's to 2013.

We are beginning to see recovery in some commercial sectors although it still remains challenging. Government stimulus funding is reducing but the government's attempting to manage that reduction in stimulus funding to coincide with a growing economic recovery. We do anticipate stimulus funding in certain areas such as critical national infrastructure to continue which is a good thing for us.

The mix of our businesses in North America are actually contributing to an improving margin with stronger growth coming out of technology and compliance and investigation businesses and we expect that to continue improving as the strategy plays out.

Our Latin American businesses are progressing well. We anticipate strong double-digit growth in almost every business unit. The recent acquisitions in Brazil have been integrated and we plan to grow further both organically and by additional acquisitions. We are committed to strengthen our strategic position in this region and become an increasingly prominent player.

Margin expectations in Latin America are also improving. This region has moved from being a loss making business to strong margin contribution during recent years, through focus and good management; and we now have a very strong base on which to develop further.

If we look at our mix of business, government remains our largest customer sector in North America. Much of this is delivered from a clear government solutions business but we're achieving additional growth with government from technology, compliance and investigations and also the uncleared security services at federal state and local level.

We expect our commercial security business to grow slightly ahead of industry forecast for the USA and Canada due to our sharp focus on organic growth as well as an increased mix of solutions contracts.

The technology business will continue to do well from government investment and critical national infrastructure, government credentialing like ID card systems and initiatives and access and egress control systems. We also have increased our technology capability within Latin America with the recent acquisitions in Brazil and Columbia and Argentina but the region remains predominantly commercial manned security focused. The small government sector work in Latin America is driven almost exclusively by embassy contracts not local government contracts.

Trends for government outsourcing demonstrate that while Federal contracting spend for our traditional services may be decreasing, the need for specialised solutions and IT, technology does remain strong, the government is still spending 2 dollars in every 1,000 on security and security related services.

Demand in this segment of the market is projected to increase at 3.5% per year, which is the lowest among all our markets. Budgets at all levels of government will be restrained following the unusual stimulus funding seen in 2009 and we've also seen a tendency for some Federal in-sourcing over recent years as well.

But while the growth level in the government sector is low, the long term contracting environment and the opportunity to provide additional consulting and systems integration services I think allows us to take advantage of the faster growing segments of government outsourcing. The government still needs complex systems in difficult security environments and this remains unchanged.

G4S's broadened capabilities combined with a fiscal crisis that many state and local governments find themselves in is also providing new opportunities for outsourcing at that state and local level. And in addition the Federal Government continues to provide stimulus grants for critical national infrastructure such as fibre networks for local areas, emergency service, communication systems and healthcare communication systems.

On to solutions, typically our solutions based sales have been achieved after we have a relationship with the customer and we understand their pain and we understand their gain. We're able then to bring insight and innovation in to address the needs because we've spent time understanding them, assessing and reviewing their requirements in a detailed way. The challenge with solution selling up front in the USA in particular is the customers' prospects, they need to see and understand the benefits for themselves and this usually isn't evident prior to a public tender process happening.

Our technology acquisitions in the USA have now been fully integrated and that provides an additional opportunity for our businesses to better understand and address the needs of our customers jointly and our pipeline is already showing a lot of evidence of this. G4S has developed a powerful combination of products and capabilities in the USA which increase the skills and the scope of a security officer at any single site.

This means that the traditional patrol guard can now be used to gather important additional information for our customers and ourselves. Whether this be related to incidents, their safety requirements like safety inspections and checks, disaster and emergency management, to capture information which supports better risk management decision making or helps ensure their compliance with the relevant regulatory standards takes place. And all of this is crucial for many of our customers and provides us with a promising opportunity to move up the value chain.

I'm very happy to report that we've had significantly more contract wins than losses over the course of the first quarter of this year. The contracts shown here are representative of a strong focus on organic growth in the organisational team, but it also demonstrates some of the contracts where we've been able to expand our offering to existing customers.

And if we look at pipeline you'll see here some examples, I can't show this specific customer names, we're talking about an annualised value of around half a billion pounds we're working on at this point in time and individually you see the respective size in dollars in the right hand column.

About $300 million of this is with government, however our commercial businesses in the US and in Latin America has significant opportunities as well but the pipelines and sale cycles are typically shorter in term and of lower value. These prospects include major logistics businesses, household brand names as well as the expansion of our traditional services into new verticals.

Moving into some case studies which bring it to life customer by customer. Ports, fast moving commercial enterprises, the port operators cannot afford delay, cannot afford interruption to the supply chain of goods into the country. So with new security and safety mandates that come from government they're always looking to do things in smarter ways.

G4S entered this sector through its acquisition of Adesta in 2010, now G4S Technology, and has built an enviable, technical integration position with many of the US ports and this takes three of the countries leading ports as examples where we're now providing extensive technology integration services to US critical national infrastructure.

Another short case study, we were awarded a five year security services contract with Agilent in January 2009 covering 47 of their sites. In 2010 we were awarded a multi year global maintenance services agreement. When Agilent began searching for one company to meet all of their, what they consider, unique security requirements they approached G4S to provide a solution.

We answered the call by bringing in the expertise of our technology business and working together we will provide Agilent with a full spectrum of security services from one company everywhere in Agilent's world. G4S Technology will become Agilent Security Systems maintenance provider throughout the US and in 22 countries worldwide.

And this is what the customer had to say about our relationship, this was quotes from an interview with the trade press that the head of Agilent Security did and you can read it all for yourself.

But I think it is worth emphasising that solutions development is also about cost effectiveness and in the end every one of our customers is seeking to be more cost effective. And in this case, through the development of the solution, we managed to save 10% off Agilent's security cost base.

Ecuador represents the first internationalisation of our Secure Trax product and the internationalised incident management platform; this is all our own intellectual property. Banco del Pacifico is one of the leading banks in the country and was keen to ensure that incidents were reported consistently and on a timely basis and that decision makers had access to the information within a timeframe, which allowed fast and effective decisions to be taken.

As a proven solution from a developed market, we introduce Secure Trax Incident Management to help solve their problem. The customer has now implemented the solution nationwide and in fact is looking at second stage enhancements, so let's hear what the customer had to say.

Banco del Pacifico Customer Video

Grahame Gibson: And now a security consultancy led solution. The Gem Tower in New York will be a 35-storey facility in Manhattan's diamond district, to house gem and diamond dealers. Clearly security is front of mind in the development of such a project, rather than wait to determine the security requirements, the property developer, it's actually called Extell Properties, decided to get good security advice in advance of final designs and construction to ensure that security was literally built in to the building.

G4S negotiated a consulting agreement, which also provided the opportunity for us to bid on the final work and if we were within 5% of the best price of that process we would be selected. Extell researched the market, which included best in class facility research elsewhere in the world.

We actually took them to visit the diamond exchange in Tel Aviv, which is also protected by ourselves. Extell was impressed with G4S's integrity, brand and capabilities. When the point came to bid the solution Extell decided that there was too much intellectual property tied up in the solution that we'd developed so they just went ahead and awarded it to us without any tender process.

We've now been hired to be the consulting security engineer, to design the high security system for the international gem tower; we're expected to build the system, which will be a $5 million showcase system. We'll be then expected to install the individual security systems for approximately 150 tenants in that building. We will also monitor those systems, we'll provide the security manpower plan and we're in negotiations to also manage the vault and provide the valuables transportation services. All from that original consulting contract.

So the result of that activity represented on the previous slide is that we have a state of the art multi million dollar initial installation, a manned security contract is going to be executed. And there was a visit recently by the principal adjustor for Lloyds of London and clearly a building like that needs insurance and this is what he had to say which we're quite proud of.

So in summary the US is showing signs of recovery, it's a bumpy recovery. There are exciting opportunities within government but it still has significant challenges in its traditional services that are provided.

The US and Canada remain highly competitive but always have been and our businesses are performing well overall. LATAM is undoubtedly the growth engine across the Americas and we have strong focus on organic growth and acquisitions there and the solutions strategy I'm pleased to say is working.

Thank you. I'll hand back to Nick.

Nick Buckles: Thank you. Right we're back on schedule so now happy to have any questions from the floor for Asia Middle East and the Americas.

William Bernstein (?), Danske Bank: Regarding the China strategy. You have to make a partnership to secure your access to the market, I'm interested in hearing your views - are you willing to act as a minority shareholder in China?

Nick Buckles: In a short answer, yes we are, a longer answer over to Dan.

Dan Ryan: We don't have to enter the market in a partnership that's one option available to us. Licences are available they're just a long time coming so what that relationship or partnership or joint venture might look like we're just now beginning to explore. So it doesn't have to minority, can be majority, can be licence on our own at some point.

Nick Buckles: I think really the advice we get overall is most international companies trying to start in China should try various options of entrance in different parts of the market, different geographic areas, because there's not going to be one answer overall. So that's why we have to be open minded about the structure, which will enter individual cities basically. But we're still looking for a regional MD of Greater China that's the first big step isn't it.

Dan Ryan: I would just be careful not to - we have to be careful not to paint China with one brush in this respect because you can address the market provincially and do different things in different parts of the markets. So while we would look at a pan China opportunity we're also equally convinced that some provincial opportunities might work to our advantage as well.

Nick Buckles: Questions. Jaime there.

Jaime Brandwood, UBS: Just a quick couple if I may, just in terms of cash handling a couple of gaps for you I guess in the Brazil. Is there anything in the M&A pipeline that might help to resolve some of those gaps?

Nick Buckles: The markets we're talking about here, Brazil is definitely a market we're interested in on cash solutions but with our declared intent to be a number one or number two I think that's going to be very difficult. There is a sort of almost a duopoly at the moment with Prosegur and Brink but there is a number three player that's similar in size to the number two. So there is an opportunity there, but I think that's probably unlikely from what we've seen so far, so on that basis we wouldn't go in as a small player as we've stated before.

In India we have got a very small position as Dan said; we're number four or five. The market is consolidating and we are very keen to take part in that consolidation. And that's something that we're working on hard in the next six months or so. Because we've got such a fantastic brand and market position in India we should be number one in all our core businesses and any facility services we take on as well and that's got to be our objective.

Jaime Brandwood, UBS: Is the Indian market leader owned by a developed world private equity firm?

Nick Buckles: It certainly is.

Jaime Brandwood, UBS:	And then just in terms of the US business or I guess North America, I think you said just over 40% of the revenues are government. Within that how much is DOE?
Grahame Gibson:	We're the biggest single provider of security services DOE that would represent 30% …
	… 30% of the whole government - we do.
Jaime Brandwood, UBS:	As you say you're the biggest provider, I mean is it almost, is it a near monopoly would it be fair to say in terms of providers of security services to the DOE?
Grahame Gibson:	Unfortunately not quite a near monopoly. There are some contracts that DOE have with competitors.
Jaime Brandwood, UBS:	But you're not seeing, are you seeing any major sort of threats there in terms of anyone else trying to sort of encroach on …
Grahame Gibson:	They've been trying for years, and years, and years and fortunately the DOE when they go through procurement for security and safety services do have a large quality component to their thinking and their decision making. It can't be just a price decision when it's security services, government establishments where there are nuclear weapons. I mean, you know, and hopefully it continues that way …
	We've been through many re-bids with DOE and continued to maintain our position.
Nick Buckles:	I mean it's a strength and a weakness on that point because it's very hard to win and you should be able to keep and that's why the business doesn't move around very much typically. So it's

hard for us to expand beyond where we are and it's quite hard for new players to come in and concede.

Grahame Gibson: Some of those contracts are ten-year contracts with DOE.

Jaime Brandwood, UBS: Thanks.

Guy Kelly, RCM: On care and justice where do you see your real competitive advantage in say the Australian market and why do you think that's a good market? And then why do you not think you have any competitive advantage in the US given your huge government expertise, why does that not extend to care and justice in that market?

Nick Buckles: Dan first for Australia.

Dan Ryan: Yeah. We've had a fantastic portfolio in Australia today so I think the success is there and we intend to try and replicate that and grow the portfolio. Little more difficult to do that in other parts of Asia but we've got a great foundation today in Australia and we'll continue to build from that.

Nick Buckles: Just to add to that. We haven't had a good run recently on care and justice because of a major incident that happened about three years ago. But there is only two or three major players, typically sometimes only two people bidding for care and justice and with the UK particular expertise, our global expertise, in time we will become a winner in that market because there's a lot of outsourcing opportunities and not many competitors operating down there.

Grahame Gibson: In the US we are in the offender monitoring market, we're one of the main players there. We are in the youth custody market and are a top player there. But we did take the decision at the time of the acquisition of Wackenhut by Group 4, we felt that we would not continue in the adult corrections market in the US and as such Wackenhut Corrections was sold and that subsequently became GEO with whom you now see around the marketplace.

It's always under review that decision from a strategic viewpoint but at this point we don't have a near terms plan to enter the adult corrections market.

Nick Buckles: I think, you know, going back to the point I made in my earlier presentation about a CSR checklist, we find it quite difficult to operate the regimes they operate in US on adult corrections, not to say we'd never do it, but certainly every time we review it in detail we think it would not be inline with our core values.

Guy Kelly, RCM: Thanks.

Mike O'B…: Coming back to strategy, what are your thoughts on the commercial logic for a further consultation on the electronic security marketing, Europe and the US?

Nick Buckles: I mean it's such a broad market electronic security ranging from very small alarms, domestically or very small alarms b to b, through to large-scale systems implementation of 25 to 30 million pounds. And so it's very difficult to talk about the whole market unless you look at specifics.

But typically it is a fragmented market; in most countries you can make acquisitions because the market is so large and so fragmented. But our strategy certainly if you take the UK and the US particularly, is to build capability around large-scale systems implementation from which we think we'll win more core business ultimately. To actually buy into the medium sized recurring revenue alarms market is fairly expensive but very synergistic.

So I think the point is if you're there and you can make acquisition it's your core business, it obviously makes sense to do because about 30% flows to the bottom line from revenue basically. But if you're not there and you don't believe it's part of your strategy, you don't have to be.

So I think if you're in it and you can make acquisitions do it, a bit like cash services. But I would reiterate the fact, and we've said it time and time again in the last seven years, you do need a systems design capability to operate in the secure solutions market place, there's absolutely no doubt about that and you need a monitoring capability to be able to manage the response to incidents and that’s really what our strategy is about on systems.

No more questions. Okay, I'd like to ask Trev to come up, say a few words. Thank you.

Trevor Dighton: Thanks. Morning everybody, just a very quick run through some of the financial elements of the Group really. It's been a long morning so there's not an awful lot of additional stuff to say on the finance but really just so that you can put some of the stuff, well all of the stuff you've heard this morning, into the financial context and see how it fits in with the financial profile.

Funding profile first to update you on what you know about how we're funding the organisation. The dividend policy and our approach to giving a little bit of cash back to the investors as we progress. What the acquisition situation is at the moment, you've heard a lot about acquisitions already so I won't go into a lot of detail there, about how it fits into the funding profile and the returns that result from our growth advancement. And then just quickly listing out the key financial objectives for you to add to the strategic objectives that you saw from Grahame and from Nick earlier on.

So on the funding profile, you'll all know we've had a very strong position on the funding profile across the whole of the last five years when the funding environment has been pretty difficult but we've had a particularly strong position. This is where we are now, plenty of headroom, £550 million worth of headroom, so plenty of capability to do what we want on the growing side and still have enough coverage there for any emergencies, so a good position on headroom.

The cost of our debt is fine, it's less than 5%, 4.8%, it's been the same for the last couple of years and we don't see that going up very much over the next foreseeable future. The balance that we've got on net debt to EBITDA, which is a very fundamental maxim, that people look at when they're looking at funding profiles. And we're at the low end of our comfort zone, the 2 to 2.5 times multiple, we're on 2.1, so plenty of scope there to increase that and stay within the same profile.

And you will all know I'm sure that we did our refunding of our bank borrowings in March this year and have now got a very good maturity profile with nothing actually for renegotiation of any significance until 2016. We only draw down about half of that banking requirement anyway and the profile of the rest of the borrowings, some variety of sources for that borrowing, some public bonds as well as some US private placements.

So no real year where we've got a massive refinancing, that bank borrowing in 2016 is the next large one, we'll probably put in place a bit more public bond money in the second half of the year just to get even further profiles and more in long term funding. So a very healthy funding position.

Dividends, you've already seen this slide, Alf put it up at the beginning of the day. Very good performance really on what we've done here with the doubling of earnings over the - six years and consequently a doubling of the dividends. The growth in dividends actually has averaged out at 17% and only 20 FTSE 100 companies have had a higher dividend growth over that period and some of those came from a standing start as well. And the average for the FTSE 100 over those six years is only 1% so we're well ahead of the average and have done pretty well on dividends.

We think that that cover, that 2.5, it's 2.7 at the moment, that's about the right balance between giving a little bit of cash back to our investors but investing a lot more in our strategy and our growth. And we'll stick with that policy of increasing dividends year by year, broadly inline with underlying earnings.

Now acquisitions, you've heard a lot about all of these really over the morning but just to put them all together so that you can see the sort of balance that we've got there. We spent 800 million in three years, quite a lot, but you can see the returns that we got from that - a billion of turnover and 90 million of PBITA.

But I think probably even more importantly than that this broadening of the capability and you've heard all about this from each of our presenters this morning. You heard from DTS about the Olympics and we certainly wouldn't have won the Olympics if we hadn't done that events acquisition early on. Lots of additional government expertise and you heard again from DTS how that's helping with the current exciting stuff that's happening on the government area.

We've had consultancy businesses across the whole of the organisation, which is very fundamental to what we want to do. And in the US you've heard from Grahame how the technical acquisitions that we've made have really helped that progress that we've made in the US. And the new markets of course a couple of very significant new markets that we're in particularly Brazil, which again you've heard about which is very exciting and a huge potential for us in the future.

So quite a good balance there of new capabilities and coverage from the sort of spend that we want, the 800 million over that period and good returns as well. And on the returns side, this is what the ROIC looks like, we have mid teen ROIC, it does come down a little bit when we have a heavy acquisition year like we had in 2008 with the GSL acquisition, but then goes back up to that sort of mid teens that you can see there.

And you've heard about the focus from the M&A programme, it is a combination of expanding capabilities and new markets. We've very strict about returns on acquisitions, that's why you can see the 90 million coming back from the billion. And we have a very stringent process for approving and controlling the acquisitions and then making sure that after we've made those acquisitions that they're working properly. And you've seen already the 200 million that we expect to spend and can spend and we'll keep an eye on larger ones but that's really the plan to spend that 200 million a year.

And then finally the key financial objectives that come out of all this. You heard from Nick about the organic growth story, we always should be a couple of percent in front of nominal GDP and have been and are very clear that that's the way forward on that.

The 7% margin, the acquisition process, it is very much a combined organic growth and acquired growth combination of growing the organisation and we're happy that the new areas that we're getting with and the higher margin areas will combat any pressure that we have on some of our more mature markets and that 7% margin will at least be maintained.

And we'll keep this earnings growth going, the 14% that you've seen so far over the past five years, we'll keep that going, over the cycle we do average double digit growth over a cycle. A couple of years sometimes go a little bit below that but over a cycle we should be well into the teens with our EPS growth.

Always been good on cash flow and cash generation. We reinvest a little bit of the cash that we generate, about 85% target has always been hit and will continue to be hit and we'll stick with that target. I've already mentioned dividends and that we will increase those broadly inline with the underlying earnings.

Tax rates come down to 22% and that is maintainable certainly in the foreseeable future unless anything major changes in the tax environment. And that triple B rating that we had that's reflected in the funding slide that I showed earlier on, that's something that we will maintain.

That's all I need to cover so back to Nick.

Nick Buckles: So one last chance really for any questions on strategy, numbers, regions. We're ahead of schedule slightly so any more questions. One over there please?

Male: Hi just want to make sure that I understand the growth rates that you've been putting out for all the regions. Are they an aspiration for the end of the planning period or a sort of compound objective throughout the planning period please?

Nick Buckles: They are an aspiration for the end of the planning period.

Male: So by 2013?

Nick Buckles: Yeah.

Male: Thanks.

Nick Buckles: From the regional numbers you're talking about yeah?

Male: Yeah.

Nick Buckles: Any other questions. Come on there must be one or two? Okay, well I'll just quickly sum up if you don't mind.

So you've seen this before but I just want to reiterate it after putting it in the context of the regional presentations. The economy's definitely heading in the right direction, you've seen how we've delivered against economic growth in the past and we certainly believe we'll do better in the future.

Positive global security trends, sometime incidents help, sometimes they hinder, but definitely all we know the world is becoming a less secure place. And so even growing above nominal GDP is going to be ahead of the security industry, but security industry will grow ahead of nominal GDP.

And I hope what's come across from the four regional presentations now is how uniquely positioned we are across multiple geographies, either in terms of our product expertise in developed markets, or market positions but also the vast geographic footprint we've got, 125 plus countries. And if you think about applying the benefits of our expertise to our geographic footprint, you can see there's lot of opportunity to continue to grow when the economies improve.

Still we're very much focused on outsourcing, moving from manned security to secure solutions and developing long term contracts with our customers. We're getting a lot of the ingredients in place through acquisitions and people development to make that happen.

It's been fairly slow in some countries but actually it is starting to pick up now, particularly as Grahame mentioned in the US we're starting to see some traction around the whole solutions. And I would say we're probably three years ahead of any of our competitors that are talking the same sort of game at the moment.

We definitely need to build on our new market positions. We've talked about the countries we want to focus on but actually with the footprint we've got we should really be driving growth through acquisition and organic throughout those sort of 90 odd territories that are outside North America and Europe and even the Eastern Europe developing part of Europe. So big opportunities there and continued acquisitions, they're not going to be huge but they'll be lots of them.

And just reiterating the fact that big part of the world's growth in security is going to come from these four markets. We've got strategies in place for them and they will become a bigger part of our business over the next five years, in addition to the numbers you've seen already. But we do need to continue to build capability, we don't want to rest on our laurels in developed markets, we've got to be better than the competition in what can be quite commoditised market places.

I won't dwell on acquisitions because clearly we've talked about that. But that really is, we are reinvigorating that process, we will be making a lot more acquisitions and they will be very EPS enhancing, very EPS enhancing.

And finally, just to reiterate, I hope we've given you confidence that we're a business that's going to grow strongly, we're going to deliver strong EPS growth, and it's really off the back of a number of the comments that people have said today we do truly believe that organisational design, the people in the organisation and the strategy are really important. And I think now we've got the strongest team we've ever had and I'm absolutely confident with the improvement in the economies we're going to do very well.

So thank you very much, see you all again soon.

END