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**9 November 2009**

**G4S PLC**

## **INTERIM MANAGEMENT STATEMENT**

G4S, the international security solutions group, will be updating analysts and investors today on trading for the year to date, including an overview of financial performance to 30 September 2009.

There have been no material changes in trading performance, financial position or market conditions across the various G4S businesses since the half yearly results announcement for the six months to June 2009. Trends from the first half continued into the third quarter, including slightly slower growth in developed markets' commercial security services, offset by continued strong performances in government and new markets. The improvement in the operating margin achieved at the half year was maintained.

An overview of the financial performance for the nine months to 30 September 2009 is as follows:

In the first nine months of 2009 overall revenues grew by 23% at actual exchange rates compared to the same period last year and by 9% at constant exchange rates. Operating profits were up 25% at actual rates and up 12% at constant rates. The group operating margin improved by 0.1% at actual rates and by 0.2% at constant rates.

### **Organic Growth**

Overall organic growth was 4.2%, despite a lower inflation environment, with around 1.6% in developed markets and 12.3% in new markets.

- In secure solutions, organic growth was 3.8% as a result of lower growth in Europe and North America commercial services, offset by a continued strong performance in government and new markets.
- Cash solutions continued to deliver strong organic growth at around 5.9%.

### **Margins**

Overall margins were ahead by 0.2% (at constant exchange rates) on the same period last year.

- Secure solutions margins were up by 0.1%. Margins in new markets were up 0.3% with strong performances in the Middle East and Africa.
- In cash solutions, trading continued to be strong with margins up 0.7% on the prior year helped by improved profitability in Europe and North America.



### **Acquisitions & Divestments**

No significant acquisitions have been made since the half year. G4S invested a total of approximately £54.8m on acquisitions during the first half of the year. Of this, £19.7m was invested in capability building acquisitions such as a juvenile justice business in the US and SecuraMonde, a global cash management consultancy based in the UK. G4S also purchased minority interests for a total of £33.5m and paid a further £1.6m in deferred consideration from previous acquisitions. The disposal of the French security business was also completed in the first half of 2009.

### **Financial position**

Our financial position continues to be strong and we have current headroom from committed funds of more than £550 million. Cash flow also remains strong and we are on track to hit our cash conversion target of 85% of PBITA for the full year.

### **Outlook**

Our businesses have continued to perform well despite facing challenging market conditions. In the first nine months of 2009 the group has achieved robust organic growth and margin improvement and we remain confident that we can deliver a strong performance in 2009 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](http://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](http://www.g4s.com).

An investor and analyst conference call is taking place today at 09.00 (UK time). To register for the conference call (and access free international dial in codes), please click on the following link and follow the instructions:

<https://eventreg1.conferencing.com/webportal3/reg.html?Acc=998166&Conf=168705>

**or dial +44 2071620035; Conference PIN 829992**

Preliminary results for the year to 31 December 2009 will be published on 16 March 2010.