G4S plc
Half-Yearly Results Announcement
January – June 2010

G4S, the world's leading international security solutions group, today announces its half year results for the six months to 30 June 2010.

RESULTS HIGHLIGHTS

- Group turnover* up 4% to £3,632.3 million (2009: £3,493.6m)
- Organic turnover growth* of 2%
- PBITA* up 3% to £238.1 million (2009: £230.8m)
- PBITA margin* held at 6.6% (2009: 6.6%)
- Operating cash flow generation of 72% of PBITA (2009: 75%)
- Adjusted earnings per share increased 4.5% to 9.3p (2009: 8.9p) at actual and constant exchange rates
- Interim dividend up 5% to 3.17 pence per share, DKK 0.2877 (2009: 3.02p/DKK 0.2599)

** at constant (2010) exchange rates*

Nick Buckles, Chief Executive Officer, commented:

"This is a solid set of results, with operating profits up 3% compared to the same period last year and excellent cost control helping margins to hold firm at 6.6%. This demonstrates a good performance in a market environment that continues to be challenging as a result of the slow pace of the global economic recovery and ongoing impact of low inflation and interest rates.

"Our performance is a direct result of our differentiated strategy and the spread and international diversity of our operations, with New Markets growing organically by 7%. Our focus on delivering innovative, outsourced solutions to customers, helping them to drive efficiency and reduce costs within their businesses, will ensure the group remains well positioned for strong long term growth once economies recover.

"We expect organic growth to improve in the second half, whilst we continue to maintain our discipline on margins and cash generation."

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Notes to Editors:

G4S is the world's leading international security solutions group, which specialises in outsourced business processes in sectors where security and safety risks are considered a strategic threat.

G4S is the largest employer quoted on the London Stock Exchange and has a secondary stock exchange listing in Copenhagen. G4S has operations in more than 110 countries and more than 610,000 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=707-803-8819&target=en

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FINANCIAL SUMMARY

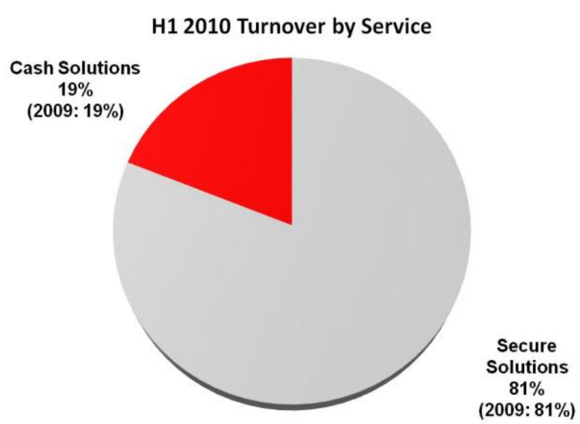
Results

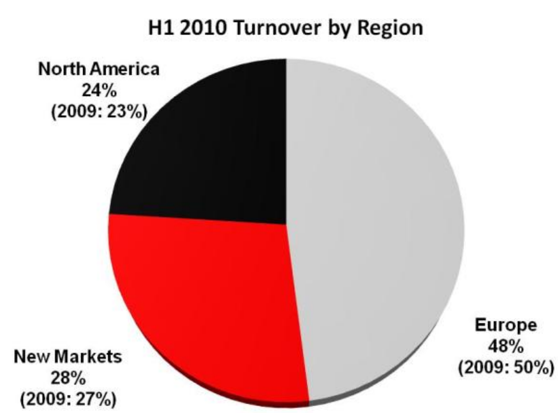
The results which follow have been prepared under International Financial Reporting Standards, as adopted by the European Union (adopted IFRSs).

Group Turnover

Turnover of Continuing Businesses	H110 £m	H109 £m
Turnover at constant exchange rates	3,632.3	3,493.6
Exchange difference	-	(15.0)
Total continuing business turnover	3,632.3	3,478.6

Turnover, at constant exchange rates, increased by 4.0% to £3,632.3 million. Organic turnover growth was 1.8%.





Organic Turnover Growth *	Europe	North America	Developed Markets	New Markets	Total
Secure Solutions	-0.4%	1.8%	0.4%	7.6%	2.4%
Cash Solutions	-2.3%	-1.1%	-2.2%	4.5%	-0.6%
Total	-0.9%	1.6%	-0.1%	7.1%	1.8%

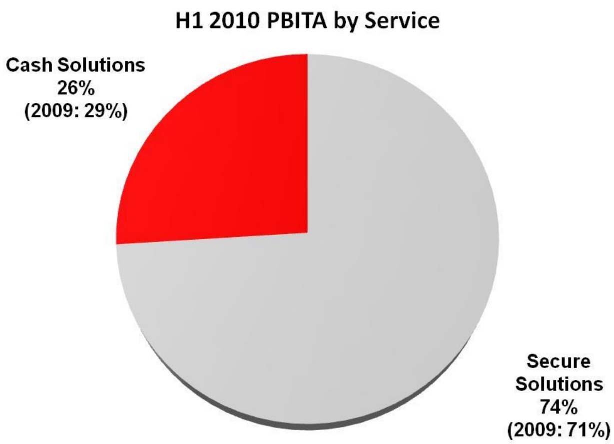
** Calculated to exclude acquisitions and disposals, and at constant exchange rates*

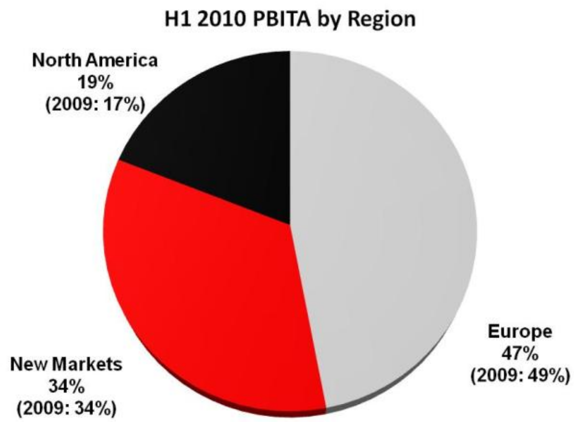
Group Profit

PBITA * of Continuing Businesses	H110 £m	H109 £m
PBITA at constant exchange rates	238.1	230.8
Exchange difference	-	(0.7)
Total continuing business PBITA	238.1	230.1
PBITA margin at constant exchange rates	6.6%	6.6%

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

PBITA at constant exchange rates increased by 3.2% to £238.1 million. The PBITA margin held firm at 6.6%.





Cash Flow and Financing

Cash Flow	H110 £m	H109 £m
Operating cash flow	170.7	171.5
Operating cash flow / PBITA	72%	75%

Operating cash flow, as analysed on page 22, was £170.7 million in the period, representing 72% of PBITA. The group expects to meet its full year target of 85% of PBITA. Net cash invested in acquistions was £28.2 million. Net debt at the end of the period, as analysed on page 21, was £1,514.6 million (June 2009: £1,385.9m, December 2009: £1,433.4m).

Adjusted earnings per share

Adjusted earnings per share	H110 £m	H109 at constant exchange rates £m	H109 £m
PBITA from continuing operations	238.1	230.8	230.1
Interest (before pensions)	(49.5)	(48.5)	(47.7)
Tax	(48.1)	(48.3)	(48.4)
Non-controlling interests	(9.9)	(8.6)	(8.6)
Adjusted profit attributable to shareholders	130.6	125.4	125.4
Average number of shares (m)	1,404.3	1,402.5	1,402.5
Adjusted EPS (p)	9.3	8.9	8.9

Adjusted earnings per share, reconciled to basic earnings per share on page 20, increased by 4.5% at actual and constant exchange rates.

BUSINESS ANALYSIS

Secure Solutions

* At constant exchange rates	Turnover £m		PBITA £m		Margins		Organic Growth
	H110	H109	H110	H109	H110	H109	H110
Europe *	1,292.4	1,297.4	79.4	79.4	6.1%	6.1%	-0.4%
North America *	820.0	742.7	46.3	41.3	5.6%	5.6%	1.8%
New Markets *	846.5	776.5	66.4	59.1	7.8%	7.6%	7.6%
Total Secure Solutions *	2,958.9	2,816.6	192.1	179.8	6.5%	6.4%	2.4%
Exchange differences	-	(2.5)	-	0.4			
At actual exchange rates	2,958.9	2,814.1	192.1	180.2			

Secure solutions continued its robust performance with organic growth of 2.4% and margins slightly higher at 6.5% helped by margins holding firm in developed markets and improved margins in New Markets.

Europe

* At constant exchange rates	Turnover £m		PBITA £m		Margins		Organic Growth
	H110	H109	H110	H109	H110	H109	H110
UK & Ireland *	571.7	555.4	45.1	44.1	7.9%	7.9%	2.9%
Continental Europe *	720.7	742.0	34.3	35.3	4.8%	4.8%	-2.8%
Total Europe *	1,292.4	1,297.4	79.4	79.4	6.1%	6.1%	-0.4%

Organic growth in Europe was -0.4% and margins held firm at 6.1 %.

In the **UK & Ireland**, organic growth was 2.9%, with strong growth in the Care and Justice Services and Integrated Services businesses offset by Ireland, where turnover has declined 6% due to continuing difficult market conditions. Good cost control meant that margins were unchanged overall at 7.9% despite the deterioration in Ireland. We expect Ireland's profitability to improve in 2011.

New contracts won or retained in the government sector during the first half of the year included management of police custody suites for Lancashire police force, forensic medical services for five police forces and the award of back office services for Cleveland police force. G4S was also awarded a security solutions contract by Her Majesty's Revenue and Customs and two contracts by the Foreign and Commonwealth Office (FCO) for the provision of security services in Afghanistan and in the UK. Both FCO contracts, which together are worth around £27 million per annum, are for a three-year period.

New contracts won or commencing in the commercial sector during the first half of the year included: a strategic, global five year contract with GlaxoSmithKline, which covers the provision of security services in 29 countries and is worth around £17m per year; a series of significant contracts for the installation of smart meters for major utility companies; and a two year contract for the Silverstone motor racing circuit. The landmine clearance business which is managed from the UK awarded a $23 million contract by a major oil and gas company in Iraq and is bidding on a number of similar contracts.

Following the election, the new UK Government announced its aim to reduce government spending by up to 25% over the next three years. As a major long term partner of the UK Government, G4S remains in close dialogue at a strategic and operational level to determine how the group can assist in achieving the UK Government's targets. The group has already recommended a number of areas where the private sector can deliver further cost savings to individual departments on existing contracts as well as more significant potential savings in areas of more extensive outsourcing, areas still to be outsourced or areas which could be fully privatised in due course. The group believes that this strategy will continue to provide medium term growth opportunities in the outsourced government sector.

In **Continental Europe**, organic growth was -2.8%. Extensive cost control measures have ensured that margins have been maintained. Service reductions by customers in some of the larger markets such as **Benelux** and **Scandinavia** have stabilised, but systems installation volumes are taking longer to recover from the recent economic turmoil, with sales down 4%. After a period of very strong historical organic growth some Eastern European markets such as **Romania** and **Estonia** have declined recently by 15% as their economies have worsened with GDP declining by up to 14%.

The **Netherlands** business has recently won government contracts for the Ministry of Defence and for immigration centres. A number of southern and eastern European governments are developing their Care and Justice Services outsourcing strategies and the group is working on a number of opportunities for electronic monitoring of offenders in markets such as **Cyprus, Turkey, Romania, Serbia, Hungary, Russia, Austria** and **Bulgaria**.

North America

* At constant exchange rates	Turnover £m		PBITA £m		Margins		Organic Growth
	H110	H109	H110	H109	H110	H109	H110
North America *	820.0	742.7	46.3	41.3	5.6%	5.6%	1.8%

Organic growth in North America was 1.8% which was a strong improvement after a decline of -3.8% in the same period of 2009 as a result of the loss of contracts in the commercial nuclear power sector. Margins held firm during the period at 5.6%.

In the **United States**, organic growth was 2%, mainly as a result of the extensions to the Bank of America Merrill Lynch contract. New contracts awarded recently in the commercial healthcare and local government sectors, together with US government stimulus funding and a continued strong performance from the US acquisitions made towards the end of 2009, should see growth momentum continuing into the second half of this year.

WSI has been awarded the contract to provide security services to the Department of Energy's Strategic Petroleum Reserve (SPR), located along the Gulf Coast with sites in Louisiana and Texas. The SPR is the largest stockpile of government-owned crude oil in the world and provides the United States with protection against disruptions in oil supply. The contract is for three-years with a further two option years and a total value of around £56 million.

The international accounts division signed contracts with new US-based customers valued at £23 million for the provision of secure solutions across multiple markets in 2010.

In **Canada** the business performance improved compared to the same period in 2009, with slightly better margins in a continuing tough market.

New Markets

* At constant exchange rates	Turnover £m		PBITA £m		Margins		Organic Growth
	H110	H109	H110	H109	H110	H109	H110
Asia *	286.7	272.3	19.9	20.1	6.9%	7.4%	1.8%
Middle East *	235.3	205.3	18.8	16.4	8.0%	8.0%	14.6%
Africa *	164.3	157.5	17.7	15.2	10.8%	9.7%	4.2%
Latin America & Caribbean *	160.2	141.4	10.0	7.4	6.2%	5.2%	12.9%
Total New Markets *	846.5	776.5	66.4	59.1	7.8%	7.6%	7.6%

In New Markets, there was strong organic growth of 7.6%, and margins improved to 7.8%, compared to 7.6% in the previous year.

Organic growth in **Asia** was 1.8% as a result of the impact of the loss of the immigration centre contract in **Australia -** growth in Asia was 11.8% excluding this contract. Margins were also impacted by the lost contract and regulatory cost increases in **Macau** and **Indonesia.** Strong growth was achieved in **Papua New Guinea**. **India** performed extremely well with 16% organic growth and now employs 156,000 people.

In the **Middle East** organic growth was 14.6%, with particularly strong performances in **UAE, Qatar** and **Saudi Arabia** as a result of a strong demand for event security in **UAE** and for new contracts with a number of government agencies. As mentioned in the UK & Ireland review, the group won a major contract to provide secure solutions for the FCO in **Afghanistan**. The loss-making US embassy contract in Afghanistan will end around the end of 2010. In **Iraq**, the group continues to see a lot of opportunity from work supporting the development of the southern Iraq oilfields.

The group has created 18,000 new jobs across **India, Pakistan** and **the Middle East** in the first six months of 2010.

In **Africa**, organic growth was 4.2% and margins improved to 10.8%, due mainly to the cancellation of some low margin contracts In **South Africa.** Strong growth was achieved in **Djibouti** where the group won and commenced a significant contract for US army bases.

The **Latin America and Caribbean** region achieved organic growth of 12.9% and margins improved to 6.2% due partly to some new, higher margin, contracts in the utilities and oil and gas sectors. There was good organic growth across most of the region with **Argentina, Chile** and **Colombia** being particularly strong performers. G4S is bidding on new government contracts in **Peru** for the outsourcing of Care and Justice Services. Additionally the business in **Colombia** won a two year contract with Ecopetrol (the national oil company) and a five year contract with the Cerromatoso Mine (BHP Billiton).

In June, G4S announced its entry into the security market in **Brazil**, the world's fifth largest security market, with the acquisition of Instalarme, the leading systems installation company in Brazil for the financial sector. Today, G4S has announced an agreement to acquire Plantech, a leading fully integrated security systems provider which, together with Instalarme, makes G4S the largest security systems business in Brazil with combined revenues of around £40m per year.

Cash Solutions

* At constant exchange rates	Turnover £m		PBITA £m		Margins		Organic Growth
	H110	H109	H110	H109	H110	H109	H110
Europe *	447.6	457.9	43.1	44.7	9.6%	9.8%	-2.3%
North America *	54.4	55.0	2.3	2.2	4.2%	4.1%	-1.1%
New Markets *	171.4	164.1	22.8	24.9	13.3%	15.2%	4.5%
Total Cash Solutions *	673.4	677.0	68.2	71.8	10.1%	10.6%	-0.6%
Exchange differences	-	(12.5)	-	(1.2)			
At actual exchange rates	673.4	664.5	68.2	70.6			

The cash solutions division saw organic growth decline by 0.6% in the first half, with low interest rates in developed markets causing service reductions in some areas and the loss of a major South African banking contract. The loss of this contract together with one-off restructuring costs in Europe meant that the margins remained strong, but reduced to 10.1% from 10.6% in the prior year.

Organic growth in **Europe** was -2.3% with all the major markets down slightly, but with larger declines in **Ireland, Sweden** and **Romania**. The **Baltics** and **Benelux** have performed well despite very challenging markets and difficult economic conditions by being proactive in cutting costs, optimising cash transportation routes and recently renewing some key contracts. A large state-of- the-art cash centre, capable of processing €90bn per annum was opened in **Greece** in June.

A number of central banks and commercial banks across Continental Europe are considering cash cycle initiatives which should create opportunities for more cash outsourcing in the medium term.

In the **UK,** organic growth was -1% due to fewer services being required by the retail sector as a result of lower interest rates. However margins have been maintained due to extensive overhead controls, a continued strong focus on operational efficiency and investment in technology reducing the level of attacks. In **Ireland** the business has responded to reductions in turnover by re-organising its operations. The benefit of this will occur in the second half of the year due to the non-recurrence of associated restructuring costs.

In **North America**, the business in **Canada** is performing in line with our expectations. Margins are now at 4.2%, up slightly on the prior year. Organic growth was impacted by a very competitive pricing environment; however the business has recently re-signed all its major banking contracts which secures revenues and margins for the next three to four years.

In **New Markets,** organic growth was 4.5% and margins were very strong at 13.3%. The cash solutions business in **Thailand** was disrupted by a month of political protests and the **South African** business continues to restructure its operations as a result of the loss of a large contract with ABSA, a major South African bank. Excluding the ABSA contract, organic growth for cash solutions in New Markets was 8.4%.

Initial pilots of **CASH360**, the group's retail cash solutions system, in a number of countries have been converted into sales or "paid pilots" pending sales agreements. There is a strong pipeline which continues to grow in all countries in which the solution is being marketed actively.

OTHER FINANCIAL ISSUES

Acquisitions and divestments

G4S invested a total of £32.4m on acquisitions during the period. Of this, £25.3m was invested in purchasing Instalarme, an electronic software and hardware integration company in Brazil, including contingent consideration of £6.4m, and £4.1m was spent on purchasing the remaining non-controlling interest in an Argentine business. The group has today announced the acquisition of Plantech, the leadings systems integration business in Brazil. The group disposed of the Taiwan cash solutions business on 15 July 2010.

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 38 and 39 of the company's annual report for the financial year ended 31 December 2009, 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 since 2007 it has been diversifying its sources of finance away from the bank market. This diversification began with the private placement market and more recently, following the award of a BBB credit rating from Standard & Poor's in March 2009, from the public bond market. The rating was reconfirmed by Standard & Poor's with a stable outlook in May 2010.

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 multicurrency 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 2010 the drawings were US$ 275m, Euro 344m and £155m.

- $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 2010, the group had uncommitted facilities of £537m. The group headroom available from committed funds was £457m. The group has sufficient borrowing capacity to finance its current investment plans.

As of 30 June 2010, net debt was £1,514.6m which gave book gearing of 105%. The market gearing, using the 30 June 2010 closing share price of 267.3 pence, is 40%.

Net interest payable on net debt was £49.5m. This was broadly similar to the 2009 cost of £47.7m and reflects the accrual of a full six months of interest on the long dated public bond replacing cheaper short term bank financing, offset by lower short term interest rates.

The group's average cost of borrowings during the half year was 4.7% compared to 4.9% in 2009.

Also included within financing costs is a net cost of £3.0m (2009: £9.8m) 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 25.5% on adjusted earnings, compared to 26.0% for the full year in 2009. The group believes that this rate is sustainable going forward.

Retirement benefit obligations

The group's funding shortfall on funded defined retirement benefit schemes, on the valuation basis specified in IAS19 Employee Benefits, was £413m before tax or £297m after tax (31 December 2009: £328m and £236m respectively). The main schemes are in the UK. The latest full actuarial valuations were undertaken at 5 April 2009 in respect of all three major UK schemes.

The valuation of gross liabilities has increased since 31 December 2009 due to a decrease in the appropriate AA corporate bond rate from 5.7% to 5.3% although lower inflation assumptions have helped to offset this slightly. The value of the assets held in the funds (adjusted for acquired pension funds and additional contributions) is very similar to the value at 31 December 2009. Additional company contributions were £24m.

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 2010 of 3.17 pence per share (DKK 0.2877) payable on 15 October 2010. This represents an increase of 5% on the interim dividend for 2009.

REVIEW AND OUTLOOK

Whilst many markets are yet to show signs of economic recovery and inflation and interest rates remain low, we have still performed strongly, growing operating profits by 3% in the period and holding our margins constant at the same level as the previous year.

The larger developed markets of North America and Europe are showing early signs of a recovery, but some Eastern European markets which have grown strongly in recent years have significantly deteriorated as a result of the economic downturn. This continues to prove challenging for us, but we are taking appropriate action to mitigate the impact by controlling costs and maximising operational efficiencies.

We have achieved excellent organic growth and strong margin performances across our businesses in New Markets. We are continuing to enhance our New Markets presence, most recently with our entry into the Brazilian security market through the acquisitions of Instalarme and Plantech, which combine to give us the market leadership position in security systems in one of the fastest growing security markets in the world.

Our performance in the first half of this year builds on our consistent historic track record of year on year revenue and profit growth and is a result of the efforts of our high quality management across our businesses, our resilient business model, our broad geographic spread and the strength of our customer relationships and contract base.

Overall, our solutions strategy continues to enhance our ability to meet the increasingly sophisticated needs of our customers in key market sectors and we expect this to be a driver of growth for the business into the future.

Our expectations for the full year are unchanged. We expect the organic growth rate to improve in the second half and we will continue to maintain our discipline on margins and cash generation.

26 August 2010

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

Consolidated income statement
For the six months ended 30 June 2010

	Notes	**Six months ended 30.06.10 £m**	Six months ended 30.06.09 £m	Year ended 31.12.09 £m
Continuing operations				
Revenue	2	**3,632.3**	3,478.6	7,008.6
Profit from operations before amortisation of acquisition-related intangible assets and share of profit from associates		**236.2**	229.5	499.1
Share of profit from associates		**1.9**	0.6	1.2
Profit from operations before amortisation of acquisition-related intangible assets (PBITA)	2	**238.1**	230.1	500.3
Amortisation of acquisition-related intangible assets		**(43.0)**	(43.6)	(83.2)
Profit from operations before interest and taxation (PBIT)	2, 3	**195.1**	186.5	417.1
Finance income	6	**49.6**	41.4	81.7
Finance costs	7	**(102.1)**	(98.9)	(196.0)
Profit from operations before taxation (PBT)		**142.6**	129.0	302.8
Taxation:				
- Before amortisation of acquisition-related intangible assets		**(47.2)**	(45.9)	(100.0)
- On amortisation of acquisition-related intangible assets		**12.0**	11.4	23.3
	8	**(35.2)**	(34.5)	(76.7)
Profit from continuing operations after taxation		**107.4**	94.5	226.1
Loss from discontinued operations	4	**(3.3)**	(0.8)	(6.9)
Profit for the period		**104.1**	93.7	219.2
Attributable to:				
Equity holders of the parent		**94.2**	85.1	202.5
Non-controlling interests		**9.9**	8.6	16.7
Profit for the period		**104.1**	93.7	219.2
Earnings per share attributable to ordinary equity shareholders of the parent from continuing and discontinued operations	9			
Basic		**6.7p**	6.1p	14.4p
Diluted		**6.7p**	6.1p	14.4p

	Notes	**Six months ended 30.06.10 £m**	Six months ended 30.06.09 £m	Year ended 31.12.09 £m
Dividends declared and proposed in respect of the period	10			
Interim dividend of 3.17p per share (2009: 3.02p per share)		**44.7**	42.5	42.5
Final dividend (2009: 4.16p per share)		**-**	-	58.5
Total		**44.7**	42.5	101.0

Condensed consolidated statement of financial position

At 30 June 2010

	Notes	As at 30.06.10 £m	As at 30.06.09 £m	As at 31.12.09 £m
ASSETS				
Non-current assets				
Goodwill		**2,109.2**	1,956.8	2,046.7
Other acquisition-related intangible assets		**325.1**	355.2	359.1
Other intangible assets		**65.0**	57.9	68.7
Property, plant and equipment		**560.1**	493.6	545.9
Investment in associates		**10.7**	5.5	7.2
Trade and other receivables		**280.1**	284.0	289.8
		3,350.2	3,153.0	3,317.4
Current assets				
Inventories		**84.7**	78.6	77.7
Investments		**92.4**	86.7	84.4
Trade and other receivables		**1,478.9**	1,251.8	1,349.3
Cash and cash equivalents		**327.2**	480.9	307.6
Assets classified as held for sale	11	**9.5**	19.9	29.1
		1,992.7	1,917.9	1,848.1
Total assets		**5,342.9**	5,070.9	5,165.5
LIABILITIES				
Current liabilities				
Bank overdrafts		**(36.7)**	(167.0)	(37.5)
Bank loans		**(81.1)**	(71.5)	(145.6)
Obligations under finance leases		**(16.6)**	(17.8)	(23.1)
Trade and other payables		**(1,143.9)**	(1,056.5)	(1,162.3)
Retirement benefit obligations		**(54.6)**	(54.0)	(54.6)
Provisions		**(36.2)**	(41.9)	(29.8)
Liabilities associated with assets classified as held for sale	11	**(9.0)**	(11.0)	(30.9)
		(1,378.1)	(1,419.7)	(1,483.8)
Non-current liabilities				
Bank loans		**(659.6)**	(604.3)	(516.3)
Loan notes		**(1,195.9)**	(1,107.2)	(1,116.7)
Obligations under finance leases		**(56.0)**	(59.5)	(62.6)
Trade and other payables		**(38.6)**	(45.1)	(42.5)
Retirement benefit obligations		**(399.9)**	(379.7)	(313.0)
Provisions		**(168.8)**	(195.5)	(191.0)
		(2,518.8)	(2,391.3)	(2,242.1)
Total liabilities		**(3,896.9)**	(3,811.0)	(3,725.9)
Net assets		**1,446.0**	1,259.9	1,439.6
EQUITY				
Share capital		**352.6**	352.1	352.6
Share premium and reserves		**1,053.5**	872.3	1,054.1
Equity attributable to equity holders of the parent		**1,406.1**	1,224.4	1,406.7
Non-controlling interests		**39.9**	35.5	32.9
Total equity		**1,446.0**	1,259.9	1,439.6

Condensed consolidated statement of cashflows

For the six months ended 30 June 2010

	Notes	**Six months ended 30.06.10 £m**	Six months ended 30.06.09 £m	Year ended 31.12.09 £m
Profit from continuing operations before taxation		**142.6**	129.0	302.8
Adjustments for:				
Finance income		**(49.6)**	(41.4)	(81.7)
Finance costs		**102.1**	98.9	196.0
Depreciation of property, plant and equipment		**64.1**	60.0	121.1
Amortisation of acquisition-related intangible assets		**43.0**	43.6	83.2
Amortisation of other intangible assets		**8.5**	7.3	15.1
Other non-cash items		**3.3**	2.6	5.6
Operating cash flow before movements in working capital		**314.0**	300.0	642.1
Net working capital movement		**(93.3)**	(82.5)	(51.0)
Net cash flow from operating activities of continuing operations		**220.7**	217.5	591.1
Net cash used by operating activities of discontinued operations		**(3.2)**	(11.3)	(14.1)
Cash generated by operations		**217.5**	206.2	577.0
Tax paid		**(36.1)**	(37.6)	(67.8)
Net cash flow from operating activities		**181.4**	168.6	509.2
Investing activities				
Interest received		**2.3**	4.8	11.8
Cash flow from associates		**(0.9)**	1.9	2.4
Net cash flow from capital expenditure		**(70.4)**	(69.3)	(169.7)
Net cash flow from acquisitions and disposals		**(28.2)**	(54.6)	(162.1)
Purchase of trading investments		**(2.1)**	(5.1)	(0.9)
Own shares purchased		**(6.0)**	(4.6)	(9.9)
Net cash used in investing activities		**(105.3)**	(126.9)	(328.4)
Financing activities				
Share issues		**0.1**	0.1	2.7
Dividends paid to non-controlling interests		**(6.2)**	(4.4)	(18.0)
Dividends paid to equity shareholders of the parent		**(58.5)**	(51.7)	(94.2)
Net increase in borrowings		**56.7**	99.5	23.7
Interest paid		**(63.2)**	(55.2)	(98.5)
Net cash flow from translation hedging financial instruments		**-**	(10.2)	(10.2)
Repayment of obligations under finance leases		**(9.9)**	(10.9)	(24.2)
Net cash flow from financing activities		**(81.0)**	(32.8)	(218.7)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	12	**(4.9)**	8.9	(37.9)
Cash, cash equivalents and bank overdrafts at the beginning of the period		**290.5**	360.7	360.7
Effect of foreign exchange rate fluctuations on cash held		**2.3**	(51.2)	(32.3)
Cash, cash equivalents and bank overdrafts at the end of the period		**287.9**	318.4	290.5

Condensed consolidated statement of comprehensive income

For the six months ended 30 June 2010

	Six months ended 30.06.10 £m	Six months ended 30.06.09 £m	Year ended 31.12.09 £m
Profit for the period	**104.1**	93.7	219.2
Other comprehensive income			
Exchange differences on translation of foreign operations	**28.8**	(135.2)	(93.3)
Actuarial losses on defined retirement benefit schemes	**(109.1)**	(129.4)	(63.1)
Change in fair value of cash flow hedging financial instruments	**17.7**	(28.8)	(22.6)
Change in fair value of net investment hedging financial instruments	**-**	28.6	28.6
Tax on items taken directly to equity	**32.3**	29.9	21.9
Other comprehensive income, net of tax	**(30.3)**	(234.9)	(128.5)
Total comprehensive income for the period	**73.8**	(141.2)	90.7
Attributable to:			
Equity holders of the parent	**63.9**	(149.8)	74.0
Non-controlling interests	**9.9**	8.6	16.7
Total comprehensive income for the period	**73.8**	(141.2)	90.7

Condensed consolidated statement of changes in equity

For the six months ended 30 June 2010

	Six months ended 30.06.10 £m	Six months ended 30.06.09 £m	Year ended 31.12.09 £m
At beginning of period	**1,406.7**	1,427.0	1427.0
Net recognised income/(loss) attributable to equity shareholders of the parent	**63.9**	(149.8)	74.0
Shares issued	**0.1**	0.1	2.7
Dividends declared	**(58.5)**	(51.7)	(94.2)
Own shares purchased	**(6.0)**	(4.6)	(9.9)
Equity settled transactions	**5.3**	3.4	7.1
Transactions with non-controlling interests	**(5.4)**	-	-
At end of period	**1,406.1**	1,224.4	1,406.7

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 2010. These half-yearly financial results do not comprise statutory accounts and should be read in conjunction with the Annual Report and Accounts 2009.

The comparative figures for the financial year ended 31 December 2009 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 498 (2) or (3) of the Companies Act 2006.

The condensed financial statements of the group presented in this interim announcement have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union, 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 2009, as adjusted for the effects of:

- IFRS3 (Business combinations (2008)): From 1 January 2010 the group has applied IFRS3 Business Combinations (2008) in accounting for business combinations. The change in accounting policy has been applied prospectively and has not had a material effect on the group's half-yearly results.

  See note 5 for the application of the new policy to the business combination that occurred during the period.

- IAS27 (Consolidated and Separate Financial Statements (2008)): From 1 January 2010 the group has applied IAS27 Consolidated and Separate Financial Statements (2008) in accounting for acquisitions of non-controlling interests. The change in accounting policy has been applied prospectively and has not had a material effect on the group's half-yearly results.

  See note 5 for the application of the new policy to the acquisition of non-controlling interests during the current period.

- IFRIC12 (Service Concession Arrangements): From 1 January 2010 the group has applied IFRIC12 (Service Concession Arrangements) in accounting for concession arrangements, previously described in the group's financial statements as PFI contracts . The change in accounting policy has been applied retrospectively**.**

  IFRIC 12 addresses the accounting by private sector operators involved in the provision of public sector infrastructure assets and services where the infrastructure assets are not controlled by the operator. Under this interpretation infrastructure assets are recognised by the operator as a financial asset if the operator has an unconditional right to receive a specified amount of cash or other financial asset over the life of the agreement. Interest in respect of the financial asset is recognised using the effective interest method.

The financial information in these condensed financial statements for the half years to 30 June 2010 and 30 June 2009 have been neither audited nor reviewed.

The comparative income statement for the six months ended 30 June 2009 has been re-presented for operations qualifying as discontinued during the six months ended 31 December 2009. For the six months ended 30 June 2009, revenue has been reduced by £7.5m and PBT has been increased by £0.4m compared to the figures published previously.

The comparative balance sheet as at 31 December 2009 has been restated to reflect (i) the completion during the six months ended 30 June 2010 of the initial accounting in respect of acquisitions made during the six months ended 30 June 2009, and (ii) adjustments made in the six months to 30 June 2010 to the preliminary assessment of the fair values of assets and liabilities acquired during the six months ended 31 December 2009. Adjustments made to the provisional calculation of the fair values of assets and liabilities acquired and the consideration payable amount to £2.8m 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:

Operating segment revenue

Revenue by business segment	**Six months ended 30.06.10 £m**	Six months ended 30.06.09 £m	Year ended 31.12.09 £m
Secure Solutions			
UK and Ireland	**571.7**	556.9	1,139.3
Continental Europe	**720.7**	743.9	1,497.7
Europe	**1,292.4**	1,300.8	2,637.0
North America	**820.0**	753.8	1,495.3
Middle East and Gulf States	**235.3**	211.1	424.5
Latin America and the Caribbean	**160.2**	137.4	283.0
Africa	**164.3**	155.6	305.6
Asia Pacific	**286.7**	255.4	522.0
New Markets	**846.5**	759.5	1,535.1
Total Secure Solutions	**2,958.9**	2,814.1	5,667.4
Cash Solutions			
Europe	**447.6**	460.1	929.2
North America	**54.4**	48.8	98.8
New Markets	**171.4**	155.6	313.2
Total Cash Solutions	**673.4**	664.5	1,341.2
Total revenue	**3,632.3**	3,478.6	7,008.6

Segment result

PBITA by business segment	**Six months ended 30.06.10 £m**	Six months ended 30.06.09 £m	Year ended 31.12.09 £m
Secure Solutions			
UK and Ireland	**45.1**	44.1	97.3
Continental Europe	**34.3**	35.6	79.3
Europe	**79.4**	79.7	176.6
North America	**46.3**	42.3	84.8
Middle East and Gulf States	**18.8**	16.9	38.5
Latin America and the Caribbean	**10.0**	7.1	17.6
Africa	**17.7**	15.4	29.0
Asia Pacific	**19.9**	18.8	41.1
New Markets	**66.4**	58.2	126.2
Total Secure Solutions	**192.1**	180.2	387.6
Cash Solutions			
Europe	**43.1**	45.0	102.0
North America	**2.3**	2.0	4.1
New Markets	**22.8**	23.6	46.3
Total Cash Solutions	**68.2**	70.6	152.4
Total PBITA before head office costs	**260.3**	250.8	540.0
Head office costs	**(22.2)**	(20.7)	(39.7)
Total PBITA	**238.1**	230.1	500.3

Result by business segment

Total PBITA	**238.1**	230.1	500.3
Amortisation of acquisition-related intangible assets	**(43.0)**	(43.6)	(83.2)
Total PBIT	**195.1**	186.5	417.1
Secure Solutions	**161.4**	147.6	330.1
Cash Solutions	**55.9**	59.6	126.7
Head office costs	**(22.2)**	(20.7)	(39.7)
Total PBIT	**195.1**	186.5	417.1

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 30.06.10 £m**	Six months ended 30.06.09 £m	Year ended 31.12.09 £m
Revenue	**3,632.3**	3,478.6	7,008.6
Cost of sales	**(2,852.1)**	(2,719.7)	(5,472.8)
Gross profit	**780.2**	758.9	1,535.8
Administration expenses	**(587.0)**	(573.0)	(1,119.9)
Share of profit from associates	**1.9**	0.6	1.2
Profit from operations before interest and taxation	**195.1**	186.5	417.1

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

4) Discontinued operations

Discontinued operations in the current and prior period primarily comprise the cash solutions business in Taiwan, sold on 15 July 2010, the systems business in Slovakia, the security services business in France, which principally comprised of Group 4 Securicor SAS, disposed of on 28 February 2009, and the security services business in Germany, which principally comprised G4S Sicherheitsdienste GmbH and G4S Sicherheitssysteme GmbH, disposed of on 15 May 2008.

Notes to the half-yearly results announcement (continued)

5) Acquisitions

Current Period Acquisitions

During the period the group purchased the controlling interest in SSE Do Brasil Ltda, the parent company of Instalarme Soluções Eletrônica Ltda ("Instalarme"), an electronic software and hardware integration company in Brazil. The group also purchased the remaining 40% non-controlling interest in an Argentinian business.

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**
Intangible assets	1.0	5.0	**6.0**
Property, plant and equipment	6.2	-	**6.2**
Inventories	0.9	-	**0.9**
Trade and other receivables	4.3	-	**4.3**
Cash and cash equivalents	0.8	-	**0.8**
Trade and other payables	(3.2)	-	**(3.2)**
Current tax liability	(0.2)	-	**(0.2)**
Provisions	(0.2)	-	**(0.2)**
Borrowings	(1.3)	-	**(1.3)**
Deferred tax liabilities	-	(1.7)	**(1.7)**
Net assets acquired of subsidiary undertakings	8.3	3.3	**11.6**
Acquisition of non-controlling interests – transfer to equity	-	-	**4.1**
Goodwill			**16.7**
Total purchase consideration			**32.4**
Satisfied by:			
Cash			**24.8**
Transaction costs (relating to prior year acquisitions)			**1.2**
Contingent consideration			**6.4**
Total purchase consideration			**32.4**

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 £5.0m 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 2010 Annual Report and Accounts and/or in the group's 2011 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.

Prior period acquisitions

The purchase consideration and provisional fair values of acquisitions made during the financial year to 31 December 2009 and their contribution to the group's results for the year are set out in the group's Annual Report and Accounts 2009. Adjustments made during the six months to 30 June 2010 to the provisional calculation of the fair values of assets and liabilities acquired and to the consideration payable during the year to 31 December 2009 amount to £2.8m 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 30.06.10 £m	Six months ended 30.06.09 £m	Year ended 31.12.09 £m
Interest receivable	**5.6**	7.7	13.7
Expected return on defined retirement benefit scheme assets	**44.0**	33.7	68.0
Total finance income	**49.6**	41.4	81.7

7) Finance costs

	Six months ended 30.06.10 £m	Six months ended 30.06.09 £m	Year ended 31.12.09 £m
Total group borrowing costs	**(55.1)**	(55.4)	(109.0)
Finance costs on defined retirement benefit obligations	**(47.0)**	(43.5)	(87.0)
Total finance costs	**(102.1)**	(98.9)	(196.0)

8) Taxation

	Six months ended 30.06.10 £m	Six months ended 30.06.09 £m	Year ended 31.12.09 £m
UK taxation	**2.3**	(2.0)	(0.1)
Overseas taxation	**(37.5)**	(32.5)	(76.6)
Total taxation expense	**(35.2)**	(34.5)	(76.7)

Notes to the half-yearly results announcement (continued)

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

	Six months ended 30.06.10 £m	Six months ended 30.06.09 £m	Year ended 31.12.09 £m
From continuing and discontinued operations			
Earnings			
Profit for the period attributable to equity holders of the parent	**94.2**	85.1	202.5
Effect of dilutive potential ordinary shares (net of tax)	**-**	0.1	-
Profit for the purposes of diluted earnings per share	**94.2**	85.2	202.5
Number of shares (m)			
Weighted average number of ordinary shares	**1,404.3**	1,402.5	1,403.6
Effect of dilutive potential ordinary shares	**0.1**	0.8	0.1
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**1,404.4**	1,403.3	1,403.7
Earnings per share from continuing and discontinued operations (pence)			
Basic	**6.7p**	6.1p	14.4p
Diluted	**6.7p**	6.1p	14.4p
From adjusted earnings			
Earnings			
Profit for the period attributable to equity holders of the parent	**94.2**	85.1	202.5
Adjustment to exclude loss from discontinued operations	**3.3**	0.8	6.9
Adjustment to exclude net retirement benefit finance income (net of tax)	**2.2**	7.3	13.7
Adjustment to exclude amortisation of acquisition-related intangible assets (net of tax)	**31.0**	32.2	59.9
Adjusted profit for the period attributable to equity holders of the parent	**130.7**	125.4	283.0
Weighted average number of ordinary shares (m)	**1,404.3**	1,402.5	1,403.6
Adjusted earnings per share (pence)	**9.3p**	8.9p	20.2p

10) Dividends

	Pence per share	DKK per share	**Six months ended 30.06.10 £m**	Six months ended 30.06.09 £m	Year ended 31.12.09 £m
Amounts recognised as distributions to equity holders of the parent in the period					
Final dividend for the year ended 31 December 2008	3.68	0.3052	**-**	51.7	51.7
Interim dividend for the six months ended 30 June 2009	3.02	0.2599	**-**	-	42.5
Final dividend for the year ended 31 December 2009	4.16	0.3408	**58.5**	-	-
Total			**58.5**	51.7	94.2

An interim dividend of 3.17p (DKK 0.2877) per share, amounting to £44.7m, for the six months ended 30 June 2010 will be paid on 15 October 2010 to shareholders on the register on 10 September 2010.

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 2010 and at 31 December 2009 primarily comprise the assets and liabilities associated with the cash solutions business in Taiwan, sold on 15 July 2010.

12) Analysis of net debt

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

	As at 30.06.10 £m	As at 30.06.09 £m	As at 31.12.09 £m
Cash and cash equivalents	**327.2**	480.9	307.6
Investments	**92.4**	86.7	84.4
Net debt included within assets held for sale	**(2.6)**	4.5	7.2
Current liabilities			
Bank overdrafts and loans	**(117.8)**	(238.5)	(183.1)
Obligations under finance leases	**(16.6)**	(17.8)	(23.1)
Fair value of loan note derivative financial instruments	**13.2**	8.5	11.5
Non-current liabilities			
Bank loans	**(659.6)**	(604.3)	(516.3)
Loan notes	**(1,195.9)**	(1,107.2)	(1,116.7)
Obligations under finance leases	**(56.0)**	(59.5)	(62.6)
Fair value of loan note derivative financial instruments	**101.1**	60.8	57.7
Total net debt	**(1,514.6)**	(1,385.9)	(1,433.4)

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

	Six months ended 30.06.10 £m	Six months ended 30.06.09 £m	Year ended 31.12.09 £m
(Decrease)/increase in cash, cash equivalents and bank overdrafts per condensed consolidated cash flow statement	**(4.9)**	8.9	(37.9)
Purchase of investments	**2.1**	5.1	0.9
Increase in debt and lease financing	**(46.8)**	(88.6)	0.6
Change in net debt resulting from cash flows	**(49.6)**	(74.6)	(36.4)
Borrowings acquired with subsidiaries	**(0.6)**	(0.2)	(0.4)
Net additions to finance leases	**(3.0)**	(6.6)	(19.7)
Movement in net debt in the period	**(53.2)**	(81.4)	(56.5)
Translation adjustments	**(28.0)**	43.2	(29.2)
Net debt at the beginning of the period	**(1,433.4)**	(1,347.7)	(1,347.7)
Net debt at the end of the period	**(1,514.6)**	(1,385.9)	(1,433.4)

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 2009.

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 2010

	Six months ended 30.06.10 £m	Six months ended 30.06.09 £m	Year ended 31.12.09 £m
PBITA before share of profit from associates (group PBITA)	**236.2**	229.5	499.1
Depreciation and amortisation of intangible assets other than acquisition-related	**72.7**	67.3	136.2
Loss on disposal of property, plant and equipment and intangible assets other than acquisition-related	**(0.1)**	(0.2)	(0.3)
Increase in working capital and provisions	**(67.7)**	(55.8)	(15.4)
Net cash flow from capital expenditure	**(70.4)**	(69.3)	(169.7)
Operating cash flow	**170.7**	171.5	449.9

Reconciliation of operating cash flows

	Six months ended 30.06.10 £m	Six months ended 30.06.09 £m	Year ended 31.12.09 £m
Net cash flow from operating activities per condensed consolidated statement of cashflows	**181.4**	168.6	509.2
Net cash flow from capital expenditure	**(70.4)**	(69.3)	(169.7)
Add-back cash flow from exceptional items and discontinued operations	**(0.1)**	11.3	12.7
Add-back additional pension contributions	**23.7**	23.3	29.9
Add-back tax paid	**36.1**	37.6	67.8
Operating cash flow	**170.7**	171.5	449.9