Solid operational performance delivers strong financial result; global markets support confidence in future growth

Serco Group plc
Full Year Results
28th February 2012
Agenda

- Overview – Chris Hyman
- Financial review – Andrew Jenner
- Business review – Chris Hyman
- Positioning for growth – Chris Hyman
- Q & A
### Strong financial result delivered by global portfolio

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>£4,646m</td>
<td>£4,327m</td>
<td>+7.4%</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>£290m</td>
<td>£259m</td>
<td>+12.1%</td>
</tr>
<tr>
<td>Adjusted profit before tax</td>
<td>£262m</td>
<td>£231m</td>
<td>+13.4%</td>
</tr>
<tr>
<td>Adjusted earnings per share</td>
<td>39.59p</td>
<td>34.69p</td>
<td>+14.1%</td>
</tr>
<tr>
<td>Dividend per share</td>
<td>8.40p</td>
<td>7.35p</td>
<td>+14.3%</td>
</tr>
<tr>
<td>Group free cash flow</td>
<td>£168m</td>
<td>£186m</td>
<td>(£18m)</td>
</tr>
</tbody>
</table>
Winning significant new business; increased order book

- Signed and selected for new business valued at £5.1bn
- Supported by many small and medium sized wins
- Maintained win rate at 1:2 for new bids; 90% for rebids and extensions
- Order book increased to £17.9bn at the end of 2011
Operational excellence

- **Home Affairs**
  - Acacia and Lowdham Grange prisons performance praised by independent inspectors

- **UK Welfare to Work**
  - Flexible New Deal: over 25,000 unemployed people into sustainable work
  - Work Programme: top performing for percentage of people supported

- **Transport**
  - Dubai Metro: availability and punctuality above 99%. Ridership tripled
  - Merseyrail: one of UK’s most punctual rail operations
  - DLR: improvement in customer satisfaction and service reliability

- **US Federal**
  - Boeing’s Supplier of the Year in technology category
  - One of the 10 Best Corporations for Veteran-Owned Businesses to work with
Successful integration of acquisitions

- Acquired and successfully transitioned three leading companies in the global business process outsourcing market
  - The Listening Company
  - Intelenet
  - Excelior

- Domain expertise developed in front, middle & back office service delivery

- Blue chip customers in private sector across India, US, UK and Australia

- Strong pipeline of opportunities

- Creation of global BPO division
## High visibility of forward revenues

<table>
<thead>
<tr>
<th>Order book</th>
<th>Rebids and extensions</th>
<th>Preferred bidder</th>
</tr>
</thead>
<tbody>
<tr>
<td>42%</td>
<td>27%</td>
<td>1%</td>
</tr>
<tr>
<td>56%</td>
<td>22%</td>
<td>2%</td>
</tr>
<tr>
<td>76%</td>
<td>14%</td>
<td>2%</td>
</tr>
</tbody>
</table>

**At 31 December 2011**

**At 31 December 2010**

2011: 92%, 2012: 77%, 2013: 66%
Increasing portfolio breadth

2006
£2,548m

Revenue by market

2011
£4,646m

Revenue by geography

- United Kingdom 74%
- United States 17%
- Other countries 15%
- Americas 11%
- Civil Government 12%
- Defence, Science & Nuclear 8%
- Local Government & Commercial 21%
- AMEAA 29%

- United Kingdom 56%
- United States 17%
- Other countries 19%
- Americas 18%
- Civil Government 26%
- Defence, Science & Nuclear 20%
- Local Government & Commercial 19%
- AMEAA 17%
Responding effectively to changing environment

- Strong focus on operations
- Launch of global BPO division
- Review of UK structure and wider cost base
- Accelerated entry into new markets
Financial review

Andrew Jenner
Financial review

- Income statement
- Cash flow
- Net debt
- Pensions
- Acquisitions
- Funding
- Financial outlook and assumptions
Strong five-year record of revenue and profit growth

Notes: All figures at reported exchange rates
Adjusted operating profit is profit before amortisation of acquired intangibles and acquisition-related costs
<table>
<thead>
<tr>
<th>£m</th>
<th>Year ended 31 December</th>
<th>2011</th>
<th>2010</th>
<th>Increase</th>
<th>Increase excluding currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td>4,646.4</td>
<td>4,326.7</td>
<td>7.4%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Organic growth</td>
<td></td>
<td></td>
<td></td>
<td>3.6%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td></td>
<td>290.1</td>
<td>258.7</td>
<td>12.1%</td>
<td>12.4%</td>
</tr>
<tr>
<td>Adjusted operating margin</td>
<td></td>
<td>6.2%</td>
<td>6.0%</td>
<td>26bps</td>
<td>28bps</td>
</tr>
<tr>
<td>Investment revenue and finance costs</td>
<td></td>
<td>(27.9)</td>
<td>(27.4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted profit before tax</td>
<td></td>
<td>262.2</td>
<td>231.3</td>
<td>13.4%</td>
<td>13.4%</td>
</tr>
<tr>
<td>Amortisation of acquired intangibles</td>
<td></td>
<td>(20.0)</td>
<td>(17.4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition-related costs</td>
<td></td>
<td>(3.9)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td></td>
<td>238.3</td>
<td>213.9</td>
<td>11.4%</td>
<td>11.3%</td>
</tr>
</tbody>
</table>
## Income statement

<table>
<thead>
<tr>
<th>£m</th>
<th>Year ended 31 December</th>
<th>2011</th>
<th>2010</th>
<th>Increase</th>
<th>Increase excluding currency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adjusted effective tax rate</strong></td>
<td></td>
<td>25.9%</td>
<td>26.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted earnings after tax</strong></td>
<td></td>
<td>194.2</td>
<td>170.5</td>
<td>13.9%</td>
<td>14.0%</td>
</tr>
<tr>
<td><strong>Adjusted earnings per share</strong></td>
<td></td>
<td>39.59p</td>
<td>34.69p</td>
<td>14.1%</td>
<td>14.2%</td>
</tr>
<tr>
<td><strong>Effective tax rate</strong></td>
<td></td>
<td>26.5%</td>
<td>26.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td></td>
<td>175.2</td>
<td>156.8</td>
<td>11.7%</td>
<td>11.6%</td>
</tr>
<tr>
<td><strong>Earnings per share</strong></td>
<td></td>
<td>35.70p</td>
<td>31.88p</td>
<td>12.0%</td>
<td>11.8%</td>
</tr>
<tr>
<td><strong>Average shares in issue</strong></td>
<td></td>
<td>490.5m</td>
<td>491.5m</td>
<td></td>
<td></td>
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<tr>
<td><strong>Dividend per share</strong></td>
<td></td>
<td>8.40p</td>
<td>7.35p</td>
<td>14.3%</td>
<td></td>
</tr>
</tbody>
</table>
Group free cash flow

<table>
<thead>
<tr>
<th>Year</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>98</td>
</tr>
<tr>
<td>2008</td>
<td>94</td>
</tr>
<tr>
<td>2009</td>
<td>137</td>
</tr>
<tr>
<td>2010</td>
<td>186</td>
</tr>
<tr>
<td>2011</td>
<td>168</td>
</tr>
</tbody>
</table>

Note: Group free cash flow is free cash flow from subsidiaries and dividends received from joint ventures.
## Group free cash flow

<table>
<thead>
<tr>
<th>£m</th>
<th>Year ended 31 December</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted operating profit excluding joint ventures</td>
<td>208.5</td>
<td>194.1</td>
<td></td>
</tr>
<tr>
<td>Non-cash items</td>
<td>64.2</td>
<td>61.8</td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA excluding joint ventures</td>
<td>272.7</td>
<td>255.9</td>
<td></td>
</tr>
<tr>
<td>Working capital movement</td>
<td>(32.3)</td>
<td>(30.6)</td>
<td></td>
</tr>
<tr>
<td>Operating cash flow excluding joint ventures</td>
<td>240.4</td>
<td>225.3</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>(32.7)</td>
<td>(25.2)</td>
<td></td>
</tr>
<tr>
<td>Tax</td>
<td>(32.2)</td>
<td>(24.0)</td>
<td></td>
</tr>
<tr>
<td>Net expenditure on tangible and intangible assets</td>
<td>(71.5)</td>
<td>(41.8)</td>
<td></td>
</tr>
<tr>
<td>Dividends from joint ventures</td>
<td>64.3</td>
<td>51.5</td>
<td></td>
</tr>
<tr>
<td><strong>Group free cash flow</strong></td>
<td><strong>168.3</strong></td>
<td><strong>185.8</strong></td>
<td></td>
</tr>
</tbody>
</table>
## Group free cash flow to movement in recourse net debt

<table>
<thead>
<tr>
<th>£m</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year ended 31 December</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group free cash flow</td>
<td>168.3</td>
<td>185.8</td>
</tr>
<tr>
<td>Acquisition of subsidiaries (including acquired debt)</td>
<td>(398.6)</td>
<td>(2.3)</td>
</tr>
<tr>
<td>Acquisition-related costs</td>
<td>(3.7)</td>
<td>-</td>
</tr>
<tr>
<td>Net purchase of share capital</td>
<td>(6.7)</td>
<td>(14.7)</td>
</tr>
<tr>
<td>Special pension contribution</td>
<td>(40.0)</td>
<td>(20.0)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(37.3)</td>
<td>(32.3)</td>
</tr>
<tr>
<td>New and acquired finance leases</td>
<td>(30.4)</td>
<td>(10.0)</td>
</tr>
<tr>
<td>Increase in security deposits</td>
<td>(8.2)</td>
<td>-</td>
</tr>
<tr>
<td>Repayment of non recourse debt</td>
<td>(7.9)</td>
<td>(7.6)</td>
</tr>
<tr>
<td>Foreign exchange movements</td>
<td>(1.7)</td>
<td>(14.6)</td>
</tr>
<tr>
<td><strong>(Increase)/reduction in Group recourse net debt</strong></td>
<td>(366.2)</td>
<td>84.1</td>
</tr>
</tbody>
</table>
## Net debt

<table>
<thead>
<tr>
<th>£m</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year ended 31 December</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group – cash and cash equivalents</td>
<td>194.6</td>
<td>204.0</td>
</tr>
<tr>
<td>Group – loans</td>
<td>(819.4)</td>
<td>(482.6)</td>
</tr>
<tr>
<td>Group – obligations under finance leases</td>
<td>(45.0)</td>
<td>(25.0)</td>
</tr>
<tr>
<td><strong>Group recourse net debt</strong></td>
<td>(669.8)</td>
<td>(303.6)</td>
</tr>
<tr>
<td>Joint venture – net cash and cash equivalents</td>
<td>51.4</td>
<td>66.1</td>
</tr>
<tr>
<td><strong>Total recourse net debt</strong></td>
<td>(618.4)</td>
<td>(237.5)</td>
</tr>
<tr>
<td>Group non recourse debt</td>
<td>(15.5)</td>
<td>(23.7)</td>
</tr>
<tr>
<td><strong>Total net debt</strong></td>
<td>(633.9)</td>
<td>(261.2)</td>
</tr>
</tbody>
</table>
Pensions

- Total net balance sheet assets of £17m (2010: liabilities of £83m) on asset base on £1.7bn (2010: £1.5bn)

- Contract specific schemes have limited commercial risk

- Non contract specific schemes
  - Special contribution into main Group Scheme completed in January 2011
  - Main Group scheme balance sheet accounting position improved to a surplus of £122m (2010: deficit of £16m); estimated actuarial deficit of £27m (2010: deficit £93m)
  - Improvement reflects the special contribution, market conditions on investment returns and the net impact of a decrease in inflation assumptions offset by a decrease in the applicable discount rate
2011 acquisition spend of £399m (including acquired debt)
- Intelenet £336m
- Smaller acquisitions £63m in aggregate (The Listening Company, Excelior, JBI Properties Services, Philips Collection Services, and Braintree Clinical Services)

Fair value of contingent deferred consideration of £44m
- Intelenet £24m (maximum £50m)
- Smaller acquisitions £20m in aggregate
Integration into Serco largely complete

Serco’s existing India BPO operations fully incorporated

Financial performance since integration
- £84m of revenue consolidated since July
- Organic constant currency growth of 6%
- Adjusted operating profit of £10.7m, margin of 12.8%

Previously stated medium-term income and return expectations remain
- Organic growth of 10-15% pa
- Maintaining margins at c12%, pre cost synergies
- Group cost of capital in third full year (FY2014)
Funding

- Financial covenant leverage ratio, based on consolidated total net borrowings to EBITDA, 2.0 times as at 31 Dec 2011 (2010: 1.1 times)
- Strong funding position with committed facilities of c£1.2bn
- Two successful private placement issues in 2011, raising c£400m
- Greater diversification, c50:50 mix between bank and other debt funding
- Increased maturity profile, extending out to 2023 and averaging over four years
- Early refinancing of our committed syndicated bank facilities planned for 2012
Financial outlook

For 2012 financial year, forecasting
- Another year of strong total revenue growth
- Includes further good organic growth
- Contribution from acquisitions completed to date of c3.5%
- Challenging conditions to remain in the US, some further improvement in the UK markets and another strong performance in AMEAA
- Adjusted operating margin increase similar to 2011

Into the medium term
- Anticipate a modest improvement in rate of organic growth in 2013 and further improvement into the medium term
- Supports the continued delivery of strong financial performance
2012 – detailed financial assumptions

- **Revenue**
  - Organic growth weighted to second half
  - Contribution from completed acquisitions weighted to first half

- **Adjusted operating margin**
  - Organisational changes impact expected to be broadly neutral for the full year
  - Timing of costs, currently estimated at c£15m, likely to more than offset the underlying improvement in H1

- **Investment revenue and finance costs**
  - Total net finance costs expected to increase to c£45m (2011:£28m)
  - Increase reflects annualisation of acquisition spend that was H2-weighted in 2011, together with c.£3m of costs relating to early refinancing

- **Adjusted effective tax rate to remain c26%**
As a result of the organisational changes, we expect to move to four reporting segments from 2012.

New Global Services division, comprising:
- Intelenet, Serco BPO, Excelior, etc from AMEAA
- IT-enabled BPO services, The Listening Company, etc from LG&C
- Other BPO operations e.g. from Americas

Three frontline service divisions by region – UK & Europe, AMEAA, Americas

Restated 2011 comparables to be provided in advance of H1 2012 reporting.
Summary

- Strong financial result for 2011
- Good organic growth, contribution from acquisitions and margin improvement
- Cash flow conversion remains strong
- Robust funding and pension positions
- Good financial performance forecast for 2012 and remain confident beyond
Business review and positioning for growth

Chris Hyman
Business review

- UK and Europe:
  - Civil Government
  - Defence, Science and Nuclear
  - Local Government and Commercial

- Americas

- AMEAA

- Market developments

- Positioning for growth

- Summary
UK market

- Signs of improvement in UK markets have started
- Better H2 performance
- Further signs of markets opening up
- Austerity measures mean some risks remain
UK & Europe: Civil Government

- Revenue increased 6% to £1,199m (2010: £1,127m)
- 26% of group revenue
- Growth driven by new services coming on stream and contract expansions
- Adjusted operating profit* increased 20% to £79.7m; margin increased to 6.6%

*Segmental result before corporate expenses
UK & Europe: Civil Government (cont)

- Doncaster prison payment by results contract - £250m, 15 years
- Prisoner Escort and Custody Services contract - £420m, 10 years
- Yarl’s Wood IRC extended and expanded - £25m, 2 years
- Prime contractor for UK Border Agency e-Borders system - £29m, 2 years
- Barclays Cycle Hire Scheme expanded - £50m, 4 years
- Braintree Community hospital - £60m, 4 years
- Renewed NHS Cornwall and Isles of Scilly GP service - £32m, 5 years
UK & Europe: Defence, Science and Nuclear

- Revenue growth 3% to £939m (2010: £911m)
- 20% of group revenue
- Strong performance at AWE and a number of smaller value contract awards
- Adjusted operating profit* growth 3% to £79.9m; margin held at 8.5%

*Segmental result before corporate expenses
Renewed RAF Culdrose helicopter support services - £33m, 5 years

Expanded support to the Defence Science and Technology Laboratory - £80m, 5 years

Won new multi activity contract at RAF Valley - £20m, 5 years

Extended Cranfield Airport air traffic control and support services - £3.5m, 5 years

Renewed Woolwich Ferry operations contract - £14m, 2 years
UK & Europe: Local Government and Commercial

- Revenue grew 1% to £860m (2010: £854m)
- Organic growth declined 7%
- Represents 18% of Group
- Reductions due to cuts in Business Link services, redirection of education funding and delays in discretionary projects
- Adjusted operating profit* reduced 6% to £52.4m; margin declined to 6.1%

*Segmental result before corporate expenses
Peterborough City Council strategic partnership - £100m, 10 years

Scope of Glasgow Access joint venture expanded to include education ICT - £19m, 7 years

Acquisition of UK customer contact operator The Listening Company led to new wins:
- West Sussex County Council contact centre
- 9 major UK contact centres supporting a wide range of UK based organisations
Americas

- Revenues declined 9% to £868m (2010: £954m)
- Constant currency decline of 6%
- 19% of group revenue
- Impact of US government spending delays and cancellations
- Adjusted operating profit* declined 6% to £73.0m; margin slightly increased to 8.4%

*Segmental result before corporate expenses
Americas (cont)

- Indefinite Delivery, Indefinite Quantity vehicles contributing to growth
  - US Navy SPAWAR IDIQ, ceiling value $1.4bn over five years
    - task orders totalling $31m
  - US Air Force Space Command C4IT2SR IDIQ ceiling value $800m
    - task orders totalling $115m
  - US Army HR Solutions IDIQs, combined ceiling value $4.2bn
    - task orders totalling $169m

- New IDIQ frameworks include training services to the US Army’s MCOE

- Other wins
  - Department of Veterans Affairs
  - MyArmyBenefits
  - National Military Medical Centers
  - Intelligence agencies
AMEAA

- Reported growth of 62% to £780m (2010: £481m)
- Organic constant currency growth of 37%
- 17% of group
- Very strong growth in migration and offender management
- Adjusted operating profit* growth of 70% to £55.4m; margin slightly increased to 7.1%

*Segmental result before corporate expenses
New court escort contract with Western Australian Department of Corrective Service - A$210m, 5 years

Renewed and expanded Acacia Prison contract - A$310m, 5 years

New contract to run South Queensland Correctional Centre - A$100m, 5 years

New contract to manage New Zealand Mount Eden Corrections Facility - NZ$300m, 10 years
AMEAA – Defence, Health and Transport

- Expanded DMS Maritime joint venture - A$50m, 17 years
- New Australian Defence Force logistics and base support contract - A$50m, 2 years
- Non-clinical support services at Fiona Stanley Hospital - A$1.3bn (approximately £850m), 10 years
- Green line opened on Dubai Metro
- New and renewed air traffic control contracts at 3 airports and both UAE and Iraq civil aviation authorities
Intelenet
Successful integration, growing order book and pipeline

- Intelenet BPO acquisition and integration
  - won new business valued at over £50m
  - order book now valued at £600m
  - opened new delivery centres in Lucknow in India and Dubai

- Successful bid to operate the Anglia Support Partnership in UK
Market developments
Ongoing demand for efficient, high quality services

- Public and private sector customers seeking
  - Depth of capability
  - Integration of middle and back office services with front line services

- Changing shape of business to address opportunities
  - Strengthening core markets
  - Expanding into new markets
Global BPO – new markets with strong potential

- **Large and growing market**
  - Addressable global BPO market of c$500bn
  - Currently outsourced c$200bn
  - Global market expected to grow at up to 7%pa
  - Fastest growth expected in International BPO
  - Domestic markets; emerging economies such as India also expected to expand rapidly

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic</th>
<th>International</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>141</td>
<td>24</td>
<td>165</td>
</tr>
<tr>
<td>2007</td>
<td>147</td>
<td>28</td>
<td>175</td>
</tr>
<tr>
<td>2008</td>
<td>159</td>
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</tr>
<tr>
<td>2009</td>
<td>168</td>
<td>37</td>
<td>205</td>
</tr>
<tr>
<td>2010</td>
<td>172</td>
<td>41</td>
<td>213</td>
</tr>
<tr>
<td>2015E</td>
<td>200</td>
<td>91</td>
<td>291</td>
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</tbody>
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CAGR %

<table>
<thead>
<tr>
<th></th>
<th>Historic growth</th>
<th>Expected growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>5 – 7</td>
<td>5 – 7</td>
</tr>
<tr>
<td>Global domestic</td>
<td>5</td>
<td>&lt;5</td>
</tr>
<tr>
<td>International</td>
<td>10-15</td>
<td>15+</td>
</tr>
</tbody>
</table>

Source: Everest Research Institute
Market offers strong growth, sustainable margins

- **BPO moving up the value chain**
  - Beyond a simple tool for cost reduction
  - Life cycle of services has evolved
  - Increased ownership and risk transfer
  - Preferred vendors capable to address markets across the world for global clients

- **Significant pipeline of opportunities**
  - Private sector outsourcing
  - Local Authority strategic partnerships
Development of global BPO business

- Bradford Council IT transformation
- Businesslink.gov portal
- E-Borders
- Cambridge Council ICT
- Severn Trent ICT
- Southwark Council ICT
- Ealing Council ICT Transformation
- Derby Council ICT
- West Sussex Council IT partnership
- Peterborough City Council ICT
- Glasgow ACCESS joint venture
- Enfield Council IT Services
- Hertfordshire County Council partnership
- West Sussex Council contact centre
- Peterborough Council strategic partnership
- Selected for Anglia Support Partnership

$1bn+

- ITNET
- Cornwell Consultants
- Infovision
- SI International
- The Listening Company
- Intelenet Global Services
- Excelior

2005 2006 2007 2008 2009 2010 2011 2012

Launch of Global BPO division
Positioning for growth in UK and Europe

- UK public sector
  - Showing signs of potential improvement
  - Managing supplier relationships in a joined up manner, with operational management at a local level
  - Looking at a wider range of services delivered by the public, private and voluntary sectors working together

- Combining capabilities and streamlining the management of the three UK divisions into one single UK and Europe division, focused on frontline service delivery

- Developing our internal shared service operation

- Able to deliver cost competitiveness, enhance targeting of opportunities and ensure portfolio properly focused
Positioning for growth in Americas

- Expect ongoing delays and cancellations in US Federal market
- Many US Federal segments increasingly price focused
- Continue to win and be appointed to new work, attrition remains unusually high
- $125bn addressable market, attractive medium and longer-term growth opportunities
- Portfolio focusing on markets less susceptible to pressures:
  - Data migration
  - C4ISR (Command, Control, Communications, Computer, Intelligence, Surveillance and Reconnaissance)
  - Space and cyber security
  - Human capital management services
Positioning for growth in AMEAA

- Experiencing the fastest growth
- Economies of Australia, the Middle East and India continue to grow
- Australia and New Zealand opportunities in Justice including new-build and existing prisons and court escorting markets
- Middle East opportunities emerging in healthcare and integrated FM
- India opportunities emerging in transport, healthcare and education
- Exploring other growing economies
Summary

- 2011 a defining year
  - Resilient portfolio, strong financial result
  - Challenging conditions in US and UK
  - Developed new markets and geographies
  - Increased order book and extensive pipeline of opportunities

- Creating new global BPO division and new UK & Europe division to address substantial opportunities

- Expect further good organic growth in 2012 and anticipate modestly improving rate into medium term

- Confidence for the future
Appendix
Summary

2010
£4,327m

Revenue by market

2011
£4,646m

Revenue by market

2010
£4,327m

Revenue by geography

2011
£4,646m

Revenue by geography
## Currency rates

### Full year average rates

<table>
<thead>
<tr>
<th>Currency</th>
<th>FY 2011</th>
<th>FY 2010</th>
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</thead>
<tbody>
<tr>
<td>£:US$</td>
<td>1.60</td>
<td>1.54</td>
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<tr>
<td>£:Aus$</td>
<td>1.54</td>
<td>1.58</td>
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<tr>
<td>£:Eur</td>
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<td>1.16</td>
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<td>£:INR</td>
<td>74.48</td>
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### Half year average rates

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<th>1H 2010</th>
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<tbody>
<tr>
<td>£:US$</td>
<td>1.61</td>
<td>1.52</td>
</tr>
<tr>
<td>£:Aus$</td>
<td>1.55</td>
<td>1.70</td>
</tr>
<tr>
<td>£:Eur</td>
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<td>1.15</td>
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<tr>
<td>£:INR</td>
<td>72.43</td>
<td>70.50</td>
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### Closing rates

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<th>31 Dec 2010</th>
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<td>£:Eur</td>
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<tr>
<td>£:INR</td>
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<td>71.78</td>
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