



# **PROSEGUR 2.002-2004**

## **Strategic Plan**

**Madrid, February 2002**



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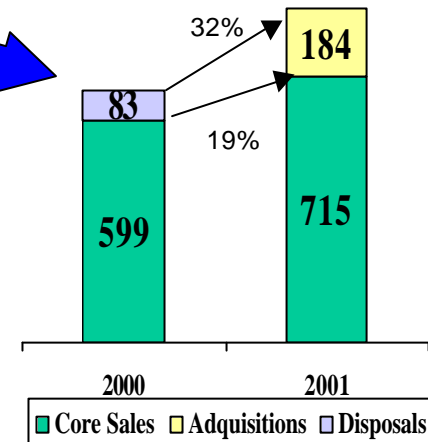


# PROSEGUR OVERVIEW

## Grupo Prosegur

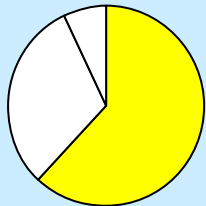
Turnover 899

Figures in € Million



### Guarding

61% of total sales

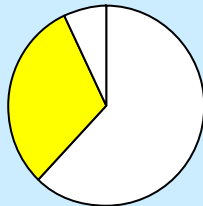


- Revenues: 554
- Operations in (\*):
  - Spain: 61%
  - Portugal: 10%
  - R. Europe.: 12%
  - Latam: 17%

(\*) % over sales

### Cash in Transit

32% of total sales

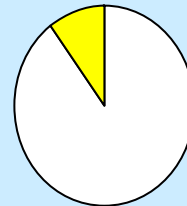


- Revenues: 284
- Operations in (\*):
  - Spain: 48%
  - Portugal: 8%
  - Latam: 44%

(\*) % over sales

### Residential Alarms

7% of total sales



- Revenues: 61
- Operations in (\*):
  - Spain: 49%
  - Portugal: 20%
  - R. Europe: 1%
  - Latam: 30%

(\*) % over sales

### Acquisitions 2001 (Included in activities)

- Cinieri - since July
- Juncadella - since August
- Revenues: 184

### Disposals 2000

- UMANO
- Cleaning Division
- Revenues: 83





# THREE YEAR PLAN

€ Millions	2000*	2001	2002 E	2003 E	2004 E	CGR
<b>SALES</b>	681,7	899,6	1.078,5	1.123,1	1.209,6	10,4%
EBITDA	69,7	104,4	134,4	146,6	173,3	18,4%
EBIT	47,3	68,7	82,9	88,9	113,0	18,0%
EBT	43,5	53,0	70,3	77,3	104,0	25,2%
<b>NET PROFIT</b>	<b>26,9</b>	<b>36,5</b>	<b>40,7</b>	<b>43,8</b>	<b>61,6</b>	<b>19,1%</b>
Depreciation	22,4	35,7	51,5	57,7	60,3	19,1%
<b>NET CASH FLOW</b>	<b>13,6</b>	<b>-274,9</b>	<b>9,6</b>	<b>23,5</b>	<b>53,1</b>	<b>157,8%</b>
CAPEX	38,6	294,8	75,9	62,8	52,0	-43,9%
<b>CAP.EMPLOYED</b>	<b>150,6</b>	<b>424,2</b>	<b>468,3</b>	<b>475,3</b>	<b>470,4</b>	<b>3,5%</b>
<b>R.O.C.E.</b>	<b>31,4%</b>	<b>16,2%</b>	<b>17,7%</b>	<b>18,7%</b>	<b>24,0%</b>	<b>14,0%</b>

Hypothesis used:

- No Acquisitions
- Devaluation in Argentina impact in 2001
  - Equity 18.3M Euro
  - P/L 11.3M Euro Country risk provision

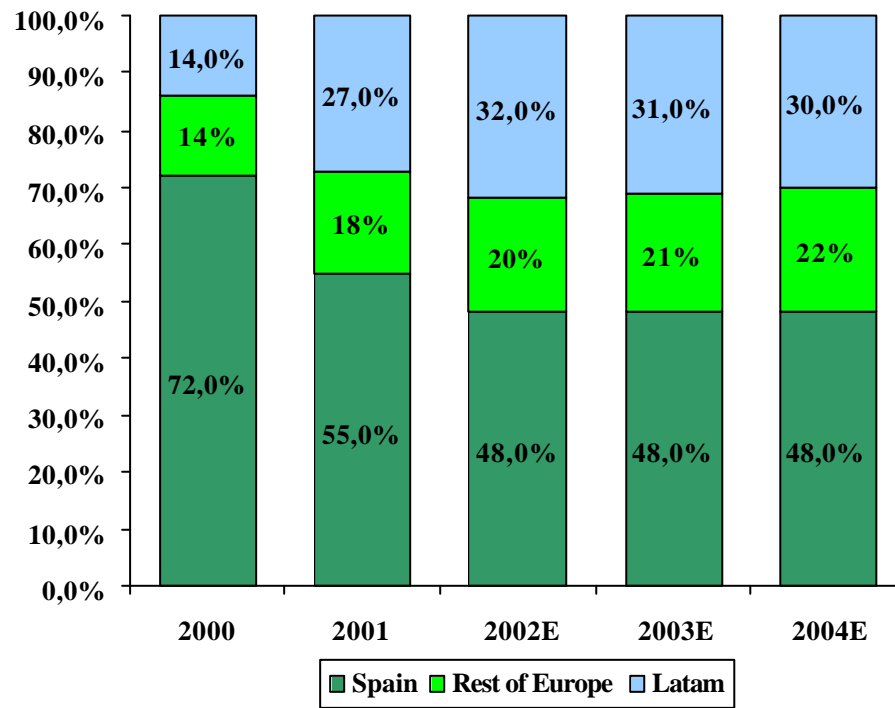
\* Excluded Extraordinary results obtained from the sale of Umano and the Cleaning division



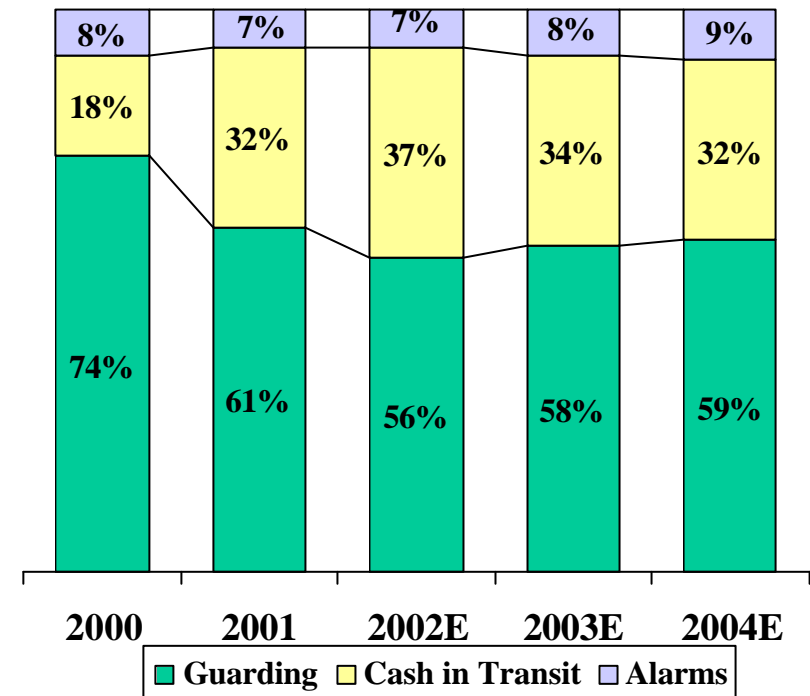


# THREE YEAR PLAN (II)

**Sales breakdown by country**



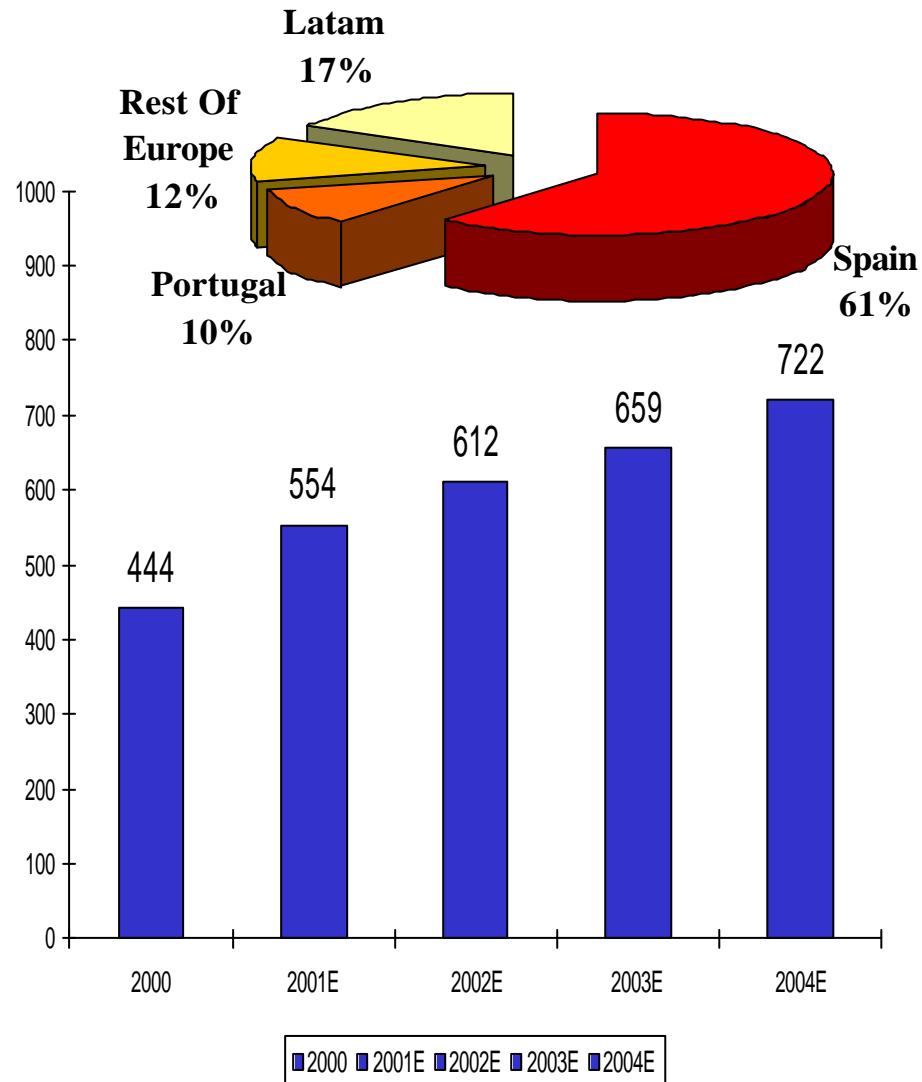
**Sales breakdown by Activity**





# GUARDING (I)

## Sales Trend & breakdown



- ✍ Sales CAGR 2002-2004 : 9%
- ✍ Growth Drivers 02-04:
  - ✍ Stable cost environment (Union agreement signed ).
  - ✍ European market growth : Organic & through acquisitions
  - ✍ Latam cross-selling opportunities
  - ✍ Added Value Services  
Market differentiation through Quality
  - ✍ Additional business from public sector (airports.. )

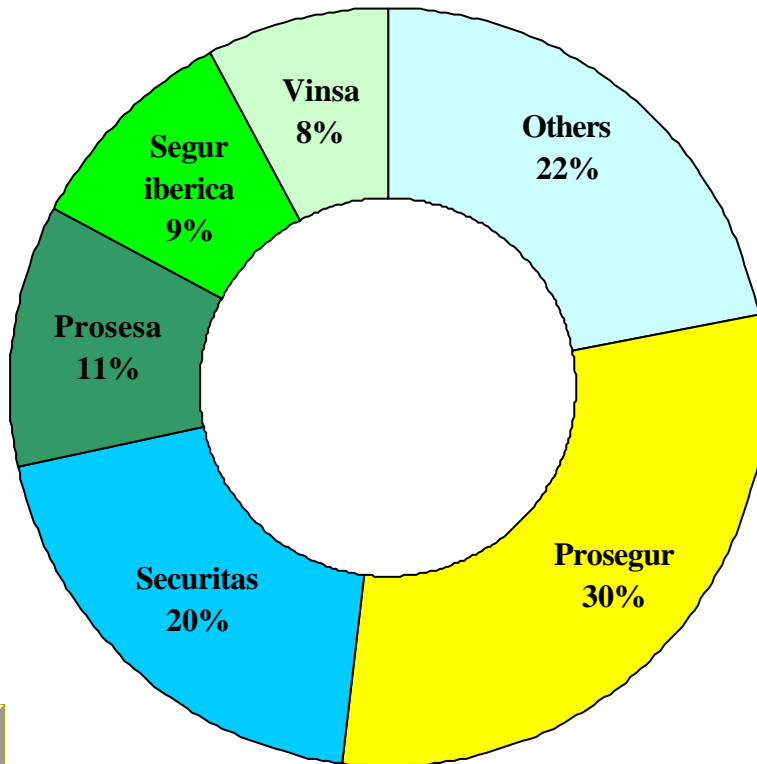




# GUARDING (II)

## Guarding Spain

### Market share Breakdown

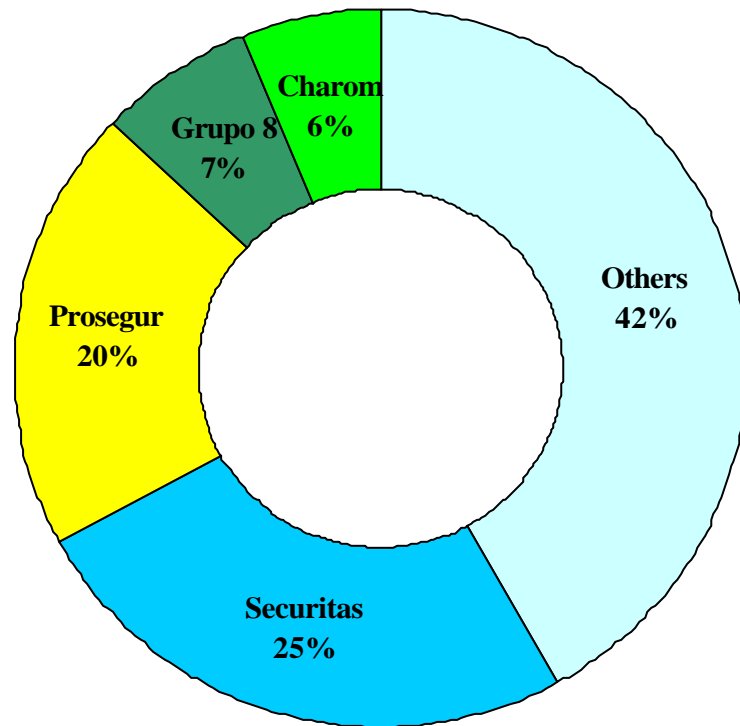


- ✍ Sales CAGR 02-04: 4%
- ✍ Drivers 2002-2004:
  - ✍ Stable cost environment  
(Union Agreement signed for next 3 years)
  - ✍ Market & Client consolidation  
with focus on quality  
( creation of specialise divisions )
  - ✍ Value Added integrated services  
(Increase usage of technologies)



## Guarding Portugal

### Market share Breakdown



- ✍ Sales CAGR 02-04: 7.6%
- ✍ Drivers 2002-2004
  - ✍ Focus on Growth within a stable cost environment  
( Union Agreement signed 2002-03 )

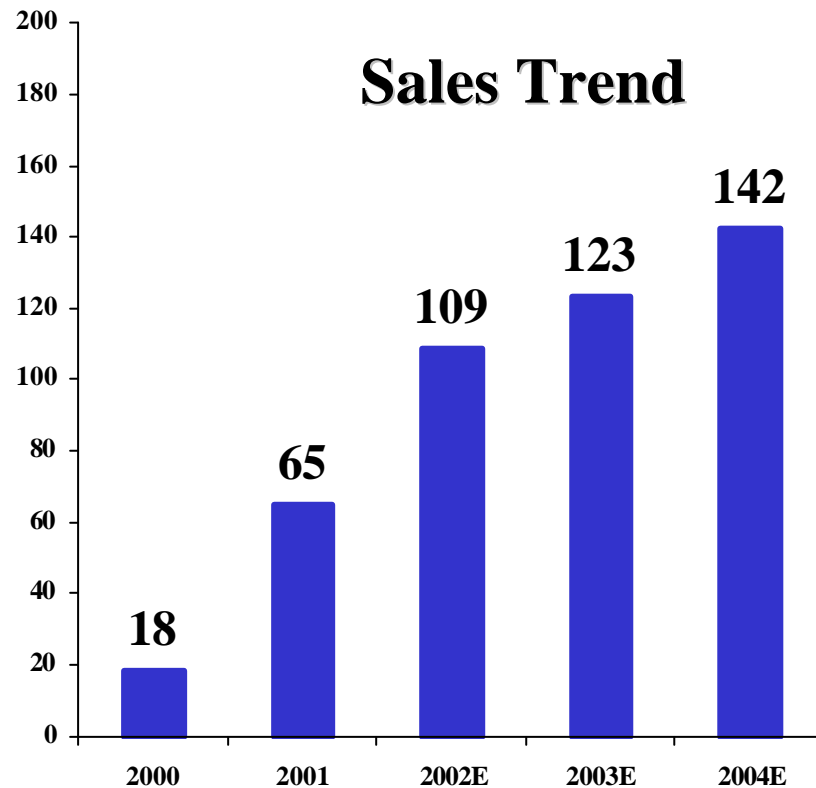






# GUARDING (IV)

## Guarding Rest of Europe



✍ Highlights 2002-2004:

✍ Italian Market:  
Consolidation and organic growth .

✍ French Market :  
Market share growth through acquisitions and organic

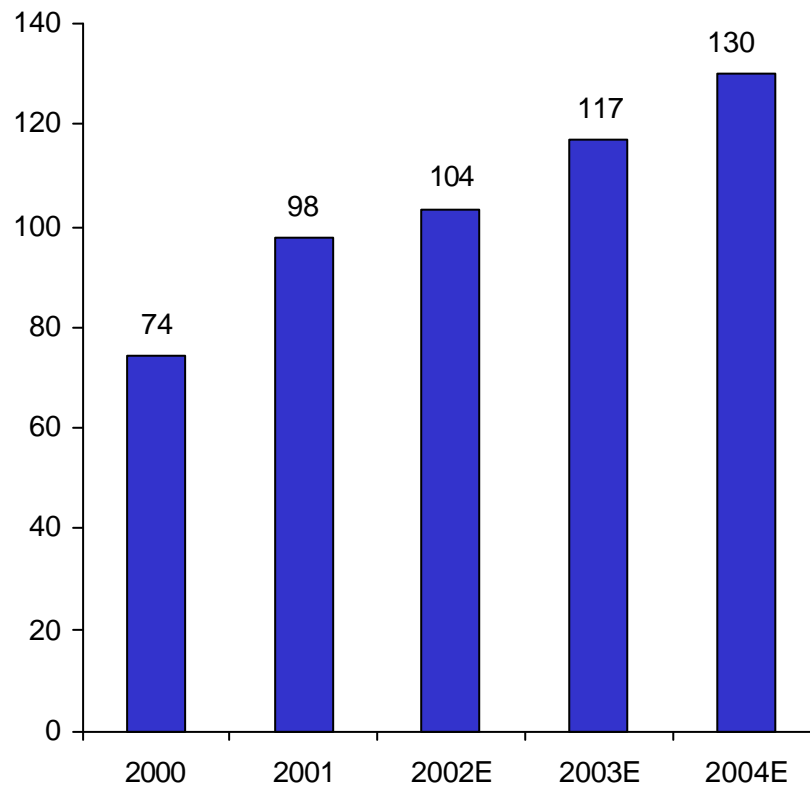




# GUARDING (V)

## Guarding Latam

### Sales Breakdown



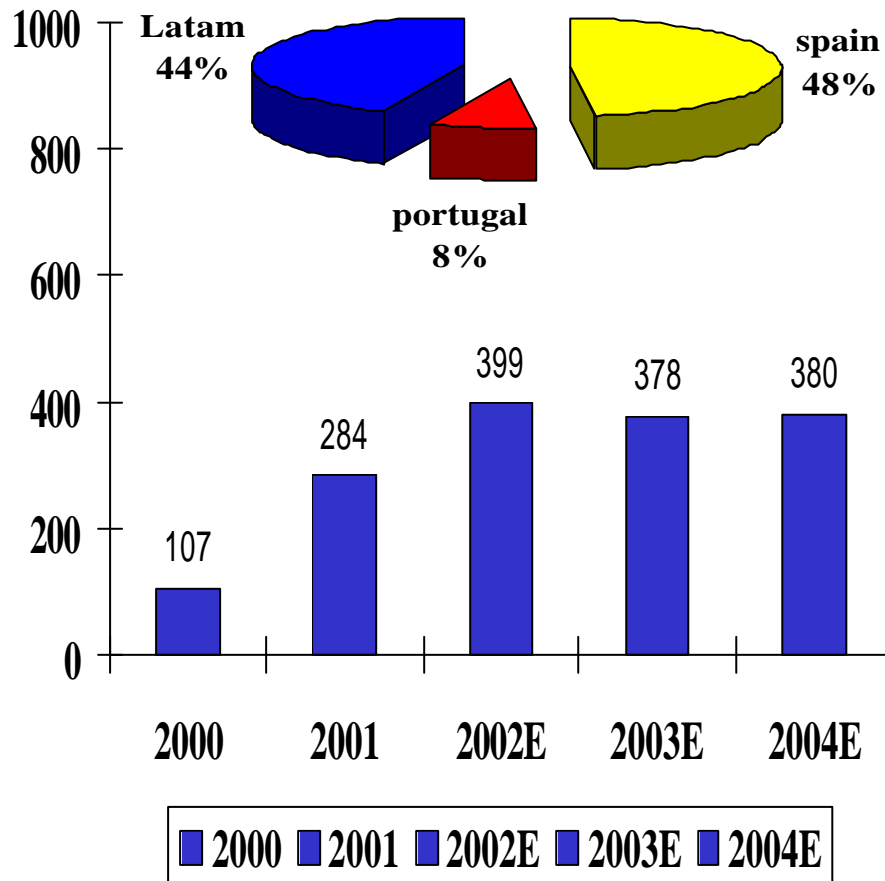
- ✍ Sales CAGR 02-04 :10%
- ✍ Drivers 2002-2004:
  - ✍ Enter the growing Brazilian Market through the JPI footprint
  - ✍ Good cross-selling opportunities
  - ✍ Use Prosegur best practises to improve efficiency ratios





# CASH IN TRANSIT (I)

## Sales Trend & Breakdown

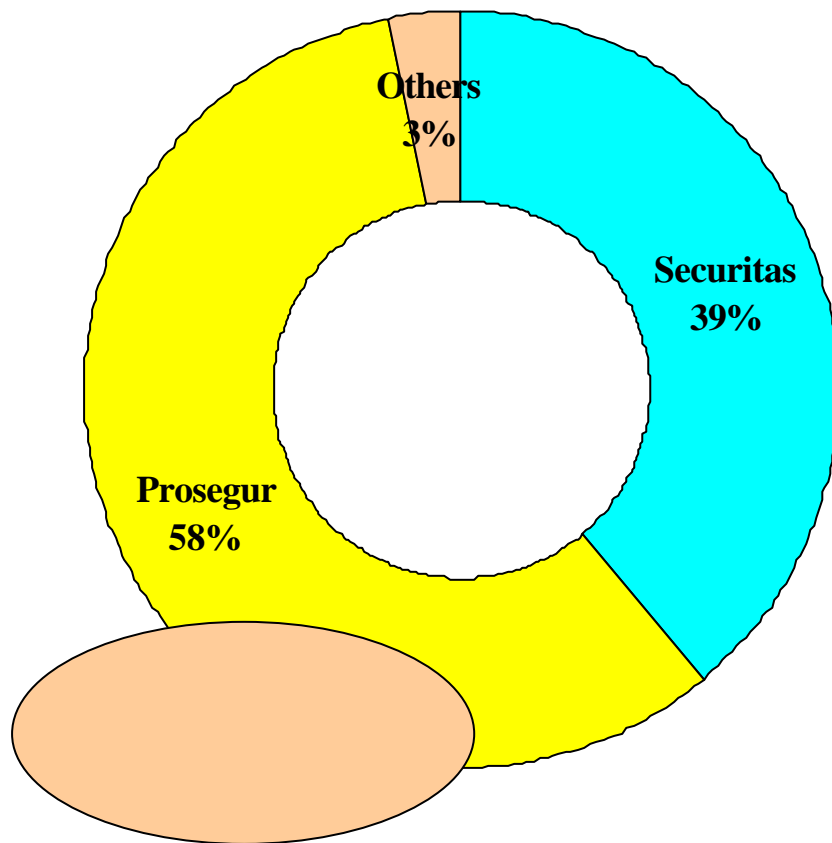


- ✍ Sales CAGR 2002-2004: 10%
- ✍ Growth Drivers 02-04:
  - ✍ Global geographical rebalance.  
Full year effect of acquisitions 2002
  - ✍ Latam Know-How transfer  
Profitability 2002-04
  - ✍ Focus on quality & efficiency



## Cash in Transit Spain

### Market share Breakdown



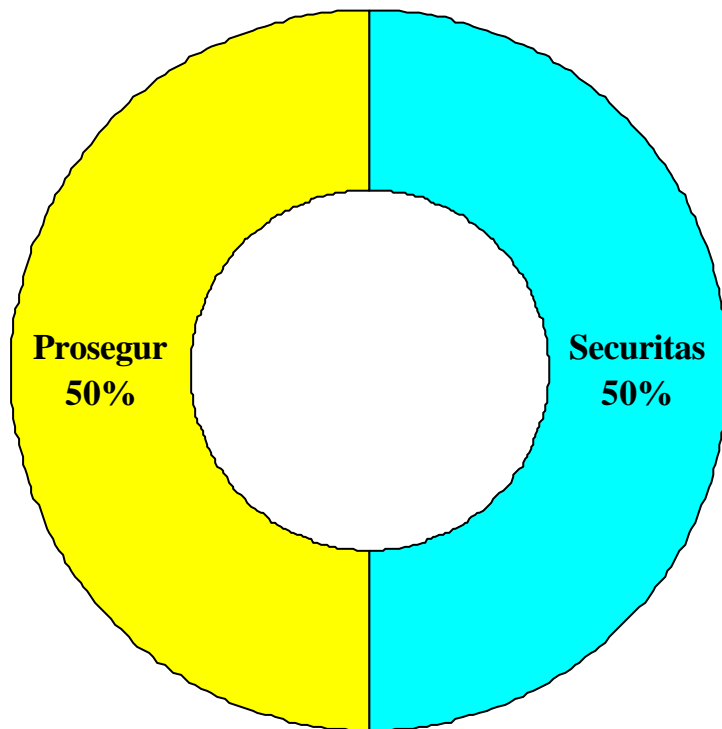
- ✍ Sales CAGR 02-04 : 1%
- ✍ Drivers 2002-2004:
  - ✍ Quality -Additional usage of technology and communications
  - ✍ Profitability - Increase productivity



# CASH IN TRANSIT (III)

## Cash in Transit Portugal

### Market share Breakdown



- ✍ Sales CAGR: - 3%
- ✍ Drivers 2002-2004:
  - ✍ Normalisation of Euro impact
  - ✍ Labour market constrains





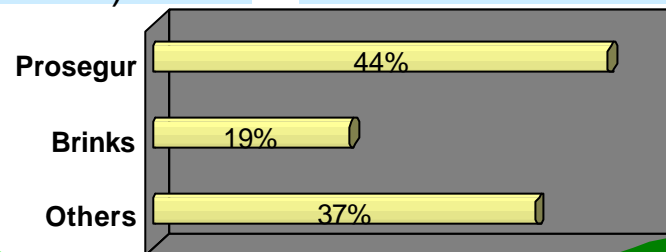
# CASH IN TRANSIT (IV)

## Cash in Transit Latam (I)

Market Leader

(combined market - 7 countries)

Growing Market



EBITDA growth  
commitment

Prosegur best practises

( Technology & Management )

Economies of scale

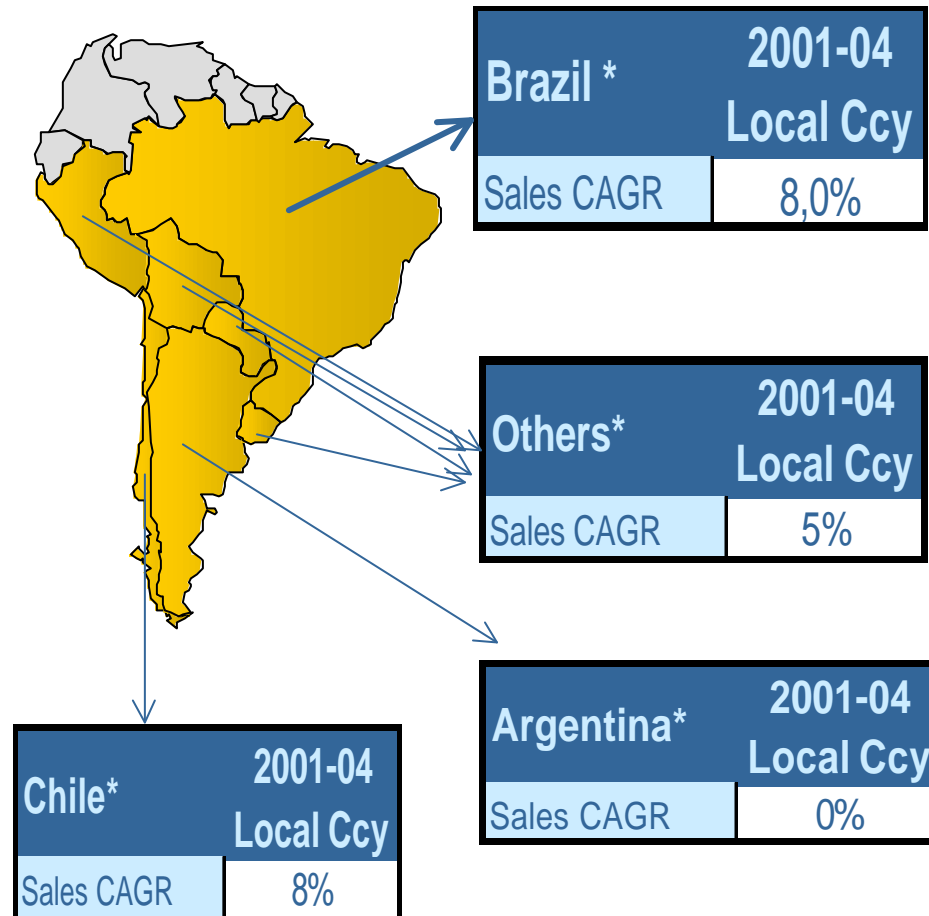
(purchasing power, relation with Spanish banks..)



# CASH IN TRANSIT (IV)

## Cash in Transit Latam (II)

- ✎ Sales CAGR in Local ccy \*: 6%  
\*(2001 pro-forma data)
- ✎ Growth Drivers 2002-04:
  - ✎ High capacity for efficiency/profitability improvements (Know-How transfer )
  - ✎ Brazilian Market growth opportunities
  - ✎ Assumptions used in Argentina , in accordance with current environment
  - ✎ Business rationalisation in line with expectations .

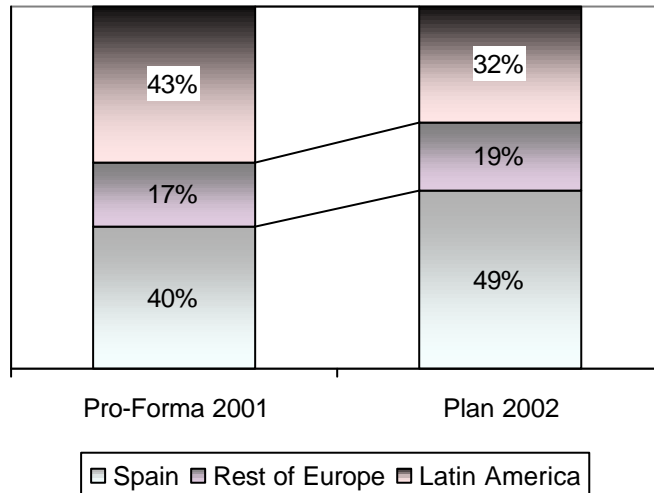


\* 2001 pro-forma data



# LATIN AMERICA NEW ENVIRONMENT

## Impact of new situation in Geographical Breakdown



- ✍️ Brazil represents 40% of Latam sales with Argentina accounting for only 27% ( less than 9% of total Prosegur sales )
- ✍️ Prosegur's future growth will be through organic growth

## New situation unchanged facts

- JPI to reach 2000 double digit profitability ratios by the end of 2002 . December 2002 12% EBITDA margin on a monthly basis
- Acquisition Rationale : growing Brazilian Market ; clear leader in region ; excellent cross-selling opportunities ; improvement efficiency/profitability potential

## Impact of Devaluation in 2001

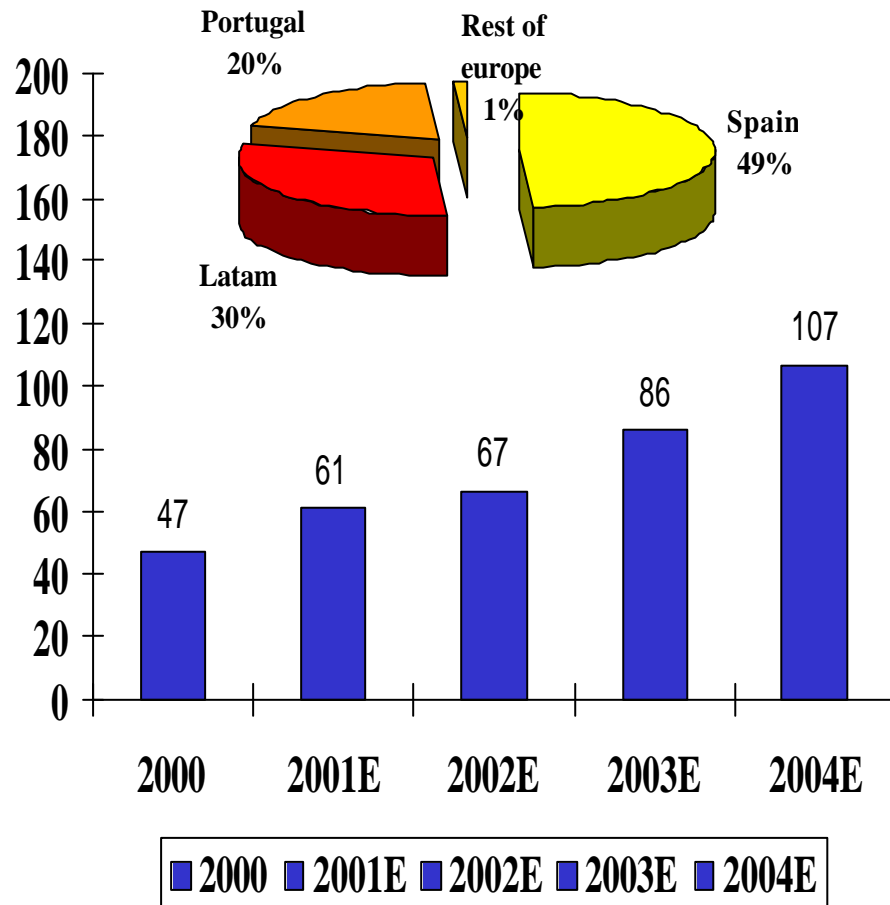
- Balance sheet devaluation impact of Euro 18.3M
- Euro 11.3M country risk provision reflected in 2001 extraordinary results
- In 2001 extraordinary results has been included a charge of Euro 10.3M as a restructuring charge





# RESIDENTIAL ALARMS (I)

## Sales Trend & Breakdown



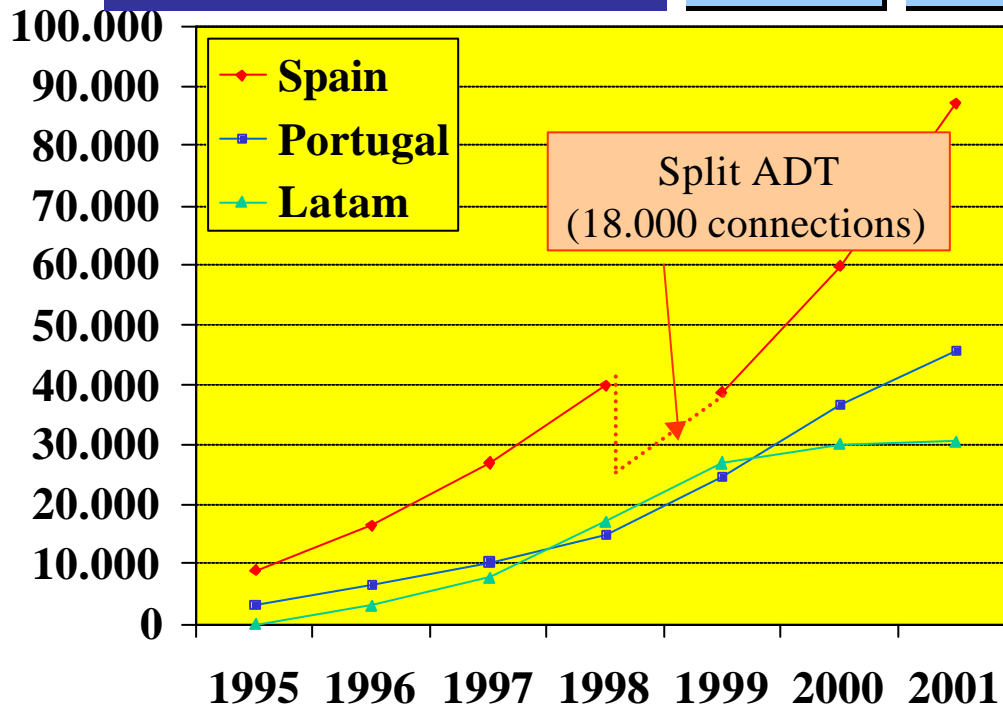
- ✍ Sales CAGR 02-04: 21%
- ✍ Growth Drivers 02-04:
  - ✍ Domestic Market High growth rates (Europe)
  - ✍ Economies of Scale & good maintenance cost control .
  - ✍ Consolidation of non-traditional channels
  - ✍ Argentina economic crisis





# RESIDENTIAL ALARMS (II)

	NUMBER OF CONNECTIONS				
	1997	1998	1999	2000	2001
Spain	27.000	40.000	38.900	59.700	87.021
Portugal & R. of Europe	10.300	14.900	24.700	36.800	45.778
Latam	8.000	17.000	26.900	30.100	30.683
<b>TOTAL</b>	<b>45.300</b>	<b>71.900</b>	<b>90.500</b>	<b>126.600</b>	<b>163.482</b>



✍ Number of connections slightly lower than Budget

✍ **Spain & Portugal:**

- 38% connections increase

✍ **Latam:**

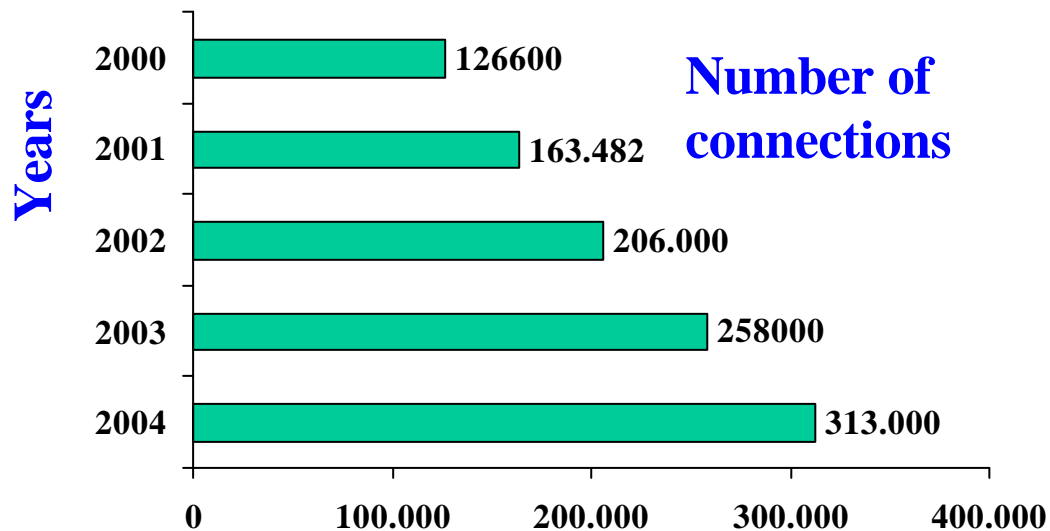
- Impact as a consequence of the latest developments in Argentina.





# RESIDENTIAL ALARMS (III)

€ Millions	THREE YEAR PLAN					CAGR 02/04
	2000	2001	2002 E	2003 E	2004 E	
SALES	46,8	60,7	67,1	85,8	106,5	21%
EBIT	3,2	5,7	6,4	10,8	19,8	51%
Capital Employed	23,2	34,5	38,4	42,2	44,1	9%
R.O.C.E.	14%	17%	17%	26%	45%	40%



• Impact on 2002 sales and profitability as a result of

- Pressure on installation prices
- Need for additional investment in maintenance
- No growth in real terms in Argentina
- Impact of devaluation in Argentina





# RESIDENTIAL ALARMS (IV)

€ Millions

	EBIT EVOLUTION			
	2001E	2002 E	2003 E	2004E
EBIT OF GROWTH	-7,0	-9,9	-13,4	-16,8
EBIT OF BASE CLIENTS	12,7	16,3	24,2	36,6
TOTAL EBIT	5,7	6,4	10,8	19,8

