



Introduction

For over 25 years ArmorGroup International has been recognised as a leading provider of defensive, protective security services to national governments, multinational corporations and international peace and security agencies operating in hazardous environments. It has 9,000 highly trained and experienced employees and long term operations in 38 countries. Over the past two years it has supported its clients in over 160 countries across the Middle East, Africa, North and South America, the CIS and central Asia. ArmorGroup is headquartered in London and listed on the London Stock Exchange.

ArmorGroup is an acknowledged market leader in the demand for industry standards and regulation and has stringent procedures in place to ensure its employees act at all times within the relevant international and local legal frameworks. It complies with the US Foreign and Corrupt Practices Act and the UK's Anti-terrorism, Crime and Security Act 2001 and is a founder member of the British Association of Private Security Companies. ArmorGroup has also been accredited to ISO 9001:2000 and to ISO/IEC 27001:2005.

For the year ended 31 December 2005 ArmorGroup International plc reported turnover of US\$233 million and profit before tax of US\$12 million.

ArmorGroup has four key service lines:

- **Protective Security Services**

ArmorGroup's core business is devising and implementing solutions to complex security issues in high risk environments and provides the following services worldwide: security and risk management, premium guarding, close protection, convoy protection, maritime security and technical systems, such as the design and management of remote site security and communications systems.

- **Security Training**

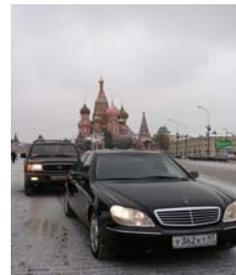
ArmorGroup has over 100 experienced instructors training over 7,000 students a year on over 50 separate courses in: pre-deployment and hostile environment awareness training; surveillance detection; specialist driving skills; close protection; medical and communications skills; maritime security; and specialist unit training. The Group has six dedicated centres: West Point and San Antonio in the US; Pershore and Hereford in the UK; Al Hillah, near Baghdad, in Iraq; Anjuman, near Kabul in Afghanistan; and deploys mobile training units worldwide.

- **Security Consultancy**

ArmorGroup provides security consulting services using its Response Centre to enhance the safety and security of clients by providing a mechanism for global response and client support all year round. The Group also undertakes comprehensive risk management analysis, risk survey and assessment, contingency planning and crisis management recommendations and reports.

- **Weapons Reduction and Mine Action Services**

ArmorGroup has operated in 20 countries carrying out UXO, EOD and mine survey, clearance, mine awareness training and quality assurance, for which it is one of the very few companies accredited by the UN. Using a mix of manual, mine and explosive detection dogs and mechanical clearance methods the Mine Action team have returned many km² of land to productive use and have destroyed over 12 million items of unexploded ordnance and over 170,000 land mines.



Customer base

ArmorGroup has enjoyed long term relationships with many prestigious clients and currently provides services to:

- US, UK and Japanese governments and their departments and agencies;
- Multi-national corporations, including: government contractors; mining, mineral and oil & gas companies; infrastructure specialists; logistics and other supply chain specialists; and
- Major international peace and security agencies such as the United Nations, EU, World Bank and CARE.

Company history

ArmorGroup International plc evolved out of Defence Systems Limited ("DSL"), a company formed in 1981 to provide protective security services principally to multinational oil and gas companies. DSL was acquired by Armor Holdings Inc., a NYSE-listed company, in 1997. Armor Holdings' focus on its core business of manufacturing armoured vehicles and law enforcement equipment became increasingly divergent from ArmorGroup's activities and so it looked to divest the business. In November 2003, the current management team supported by Granville Baird Capital Partners Limited and Barclays Bank plc completed an MBO. ArmorGroup subsequently listed on the London Stock Exchange in December 2004.

The market

Events over recent years have emphasised the increasing risks facing international organisations, whether private or public, and the increasing need to protect their people and infrastructure assets. Security for personnel and facilities has therefore become an integral, accepted and expected aspect of public and commercial life. The addressable market for ArmorGroup's services in 2005 was estimated to be US\$2.4 billion (AMR International Ltd) of which Iraq accounted for approximately US\$1.4 billion (AMR) with further growth expected due to a number of factors:

- increasing risks created by global violence;
- increased activity of the oil and gas industry as they are increasingly required to explore and develop new reserves in hazardous areas;
- the commitment of the US and British governments to international and homeland security;
- the increasing commitment of Western governments to reconstruction and new development projects in unstable areas of the world; and
- this commitment being increasingly outsourced to private contractors.

ArmorGroup management

Dave Seaton, Chief Executive Officer, joined the Group in 1998 before becoming Chief Financial Officer in 1999 and CEO in July 2006. Previously he worked for 11 years with Schlumberger.

Commentary areas: ArmorGroup corporate and financial affairs.

Noel Philp, Chief Operating Officer, joined the Group in 1989. His roles have included being the Group's director responsible for its Asia Pacific, Africa and Middle East operations.

Commentary areas: Oil & gas security issues, Iraq, Afghanistan and Nigeria.

Christopher Beese MBE, Chief Administrative Officer, joined the Group in 1988, initially as a project manager in Africa before progressive promotion to his current role in 1998.

Commentary areas: industry regulation, compliance, ethics and humanitarian issues.

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