



# The Opportunity In Retail For European Security Transit Organisations

Darren Taylor  
Divisional Retail Director  
Group 4 Securicor



# The Market Overview

- Within Europe there are in excess of 4 million Retail outlets
- European Retail sales total €2.162 trillion annually
- Payment management costs European retailers in the region of €20 billion annually

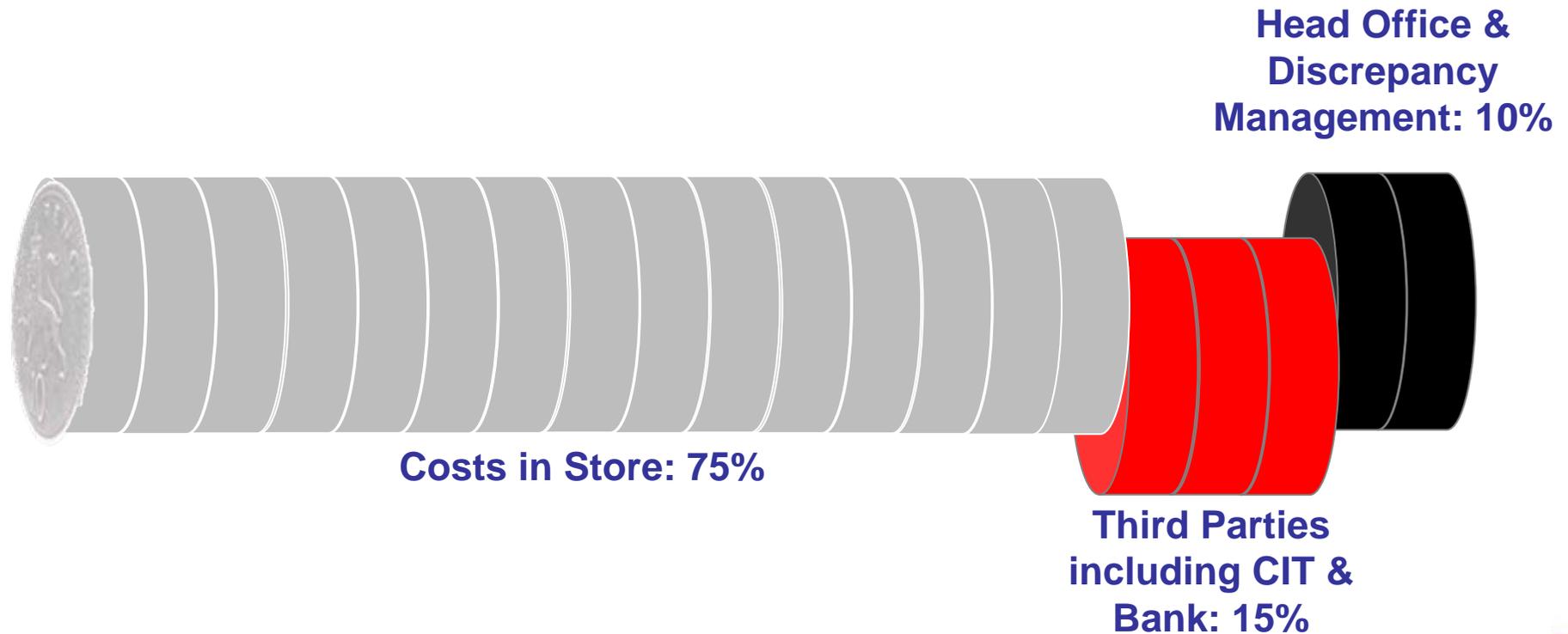


# Cost of Retail Payment Management

- Today Retailers spend between 0.5 & 1.5% of turnover managing their payment cycle
  - Actual % depends upon store format
  - Typically the larger the store format the smaller the %
  - In Western Europe the average for the market is just under 1%



# Cost Breakdown of Retail Payment Management



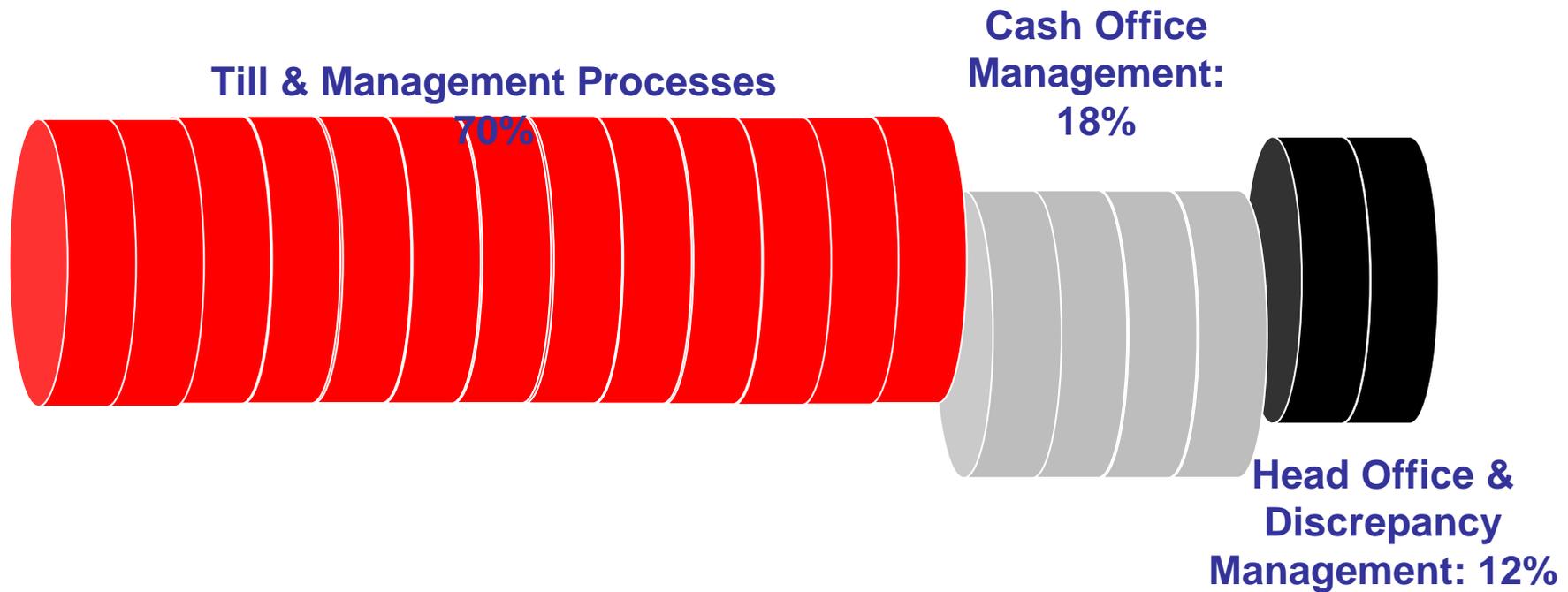


# Opportunity For Security Companies

- 85% of Retailer's cost and therefore opportunity is spent in-house by the retailer
  - Manual and labour intensive process
- Typically Security Transit companies stop at the “back door” of the retailer
  - Only 15% of retail spend is beyond the “back door”
    - This area of cost has been most retailers primary focus with service rationalisation and price pressure impacting on the service providers
  - Providing services to address additional issues of the retailer increases the potential market size significantly



# The Retailers In-House Costs of Payment Management





# The European Market Opportunity

- Elimination of the Cash Office alone provides a significant benefit stream to Retailers and therefore revenue stream to the service provider
  - Annual cost of payment management €20 billion
  - 85% of retailers cost is internal €17 billion
  - 18% of internal cost is cash office €3 billion



# Benefits Of A Security Company Delivering Solution

- Proven understanding of managing other areas of the payment cycle
  - ATM's, Cash Centre Outsourcing etc.
- Extension of core competencies into retail environment
  - Processing, counterfeit management etc.
  - Able to provide appropriate end-to-end security solutions
- Able to deliver multiple solutions for multiple retail formats
  - Equipment manufacturers typically have a one size fits all approach
- Retailer already trusts Security Transit organisation with its cash