November 16, 1999

CONFIDENTIAL

Materials Prepared for Discussion

Project Pentagon

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Credit Suisse First Boston (Europe) Limited

16 November, 1999

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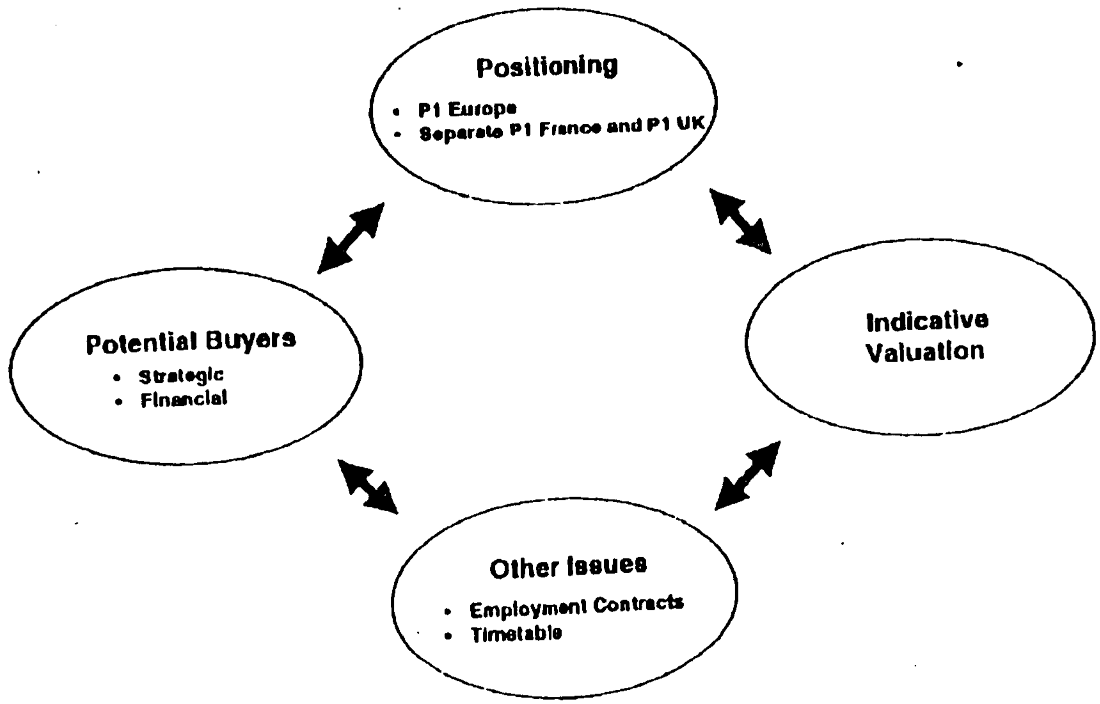
Issues for Discussion



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Positioning of Pentagon Europe

In order to minimize the execution risk and maximize proceeds from the divestiture, Pentagon Europe should be positioned as a leading Pan-European security monitoring company with a strong base in France and the UK

POSITION AS PAN-EUROPEAN SECURITY COMPANY	SELL P1 FRANCE AND P1 UK SEPARATELY

• Position as leading Pan-European security company with significant presence in France and the UK and rapid growth potential in Germany, Switzerland and the Benelux. Given small number of Pan-European security opportunities, business may command premium
• Provides strong platform for further consolidation of European security monitoring sector
• Significantly reduces execution risk:
  – Limit risk of selling P1 France only
  – Combining businesses improves negotiating position for sale of UK
  – Alternatively, separating UK and CET's divestiture processes and timetables could reduce buyer and management focus
• French management would help "saleability" and positioning of P1-UK opportunity
• Potential issue of separating central costs and "carving-out" of UK business from rest of Europe
	• Separation of P1 France and P1 UK may attract sum-of-the-parts valuation that is higher than a bid for the entire company, due to buyers' differentiated view of value for France and UK

Position P1 Europe as Pan-European security monitoring company, but present separate financial and operational information to allow bidders to place separate value on the businesses. If bidders form diverging views on valuation, businesses may be separated at later stage

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Review of Potential Strategic Buyers for Europe

(Dollars in Millions)

COMPANY	NATIONALITY/ KEY FINANCIALS	COMMENTS
Tier 1		
Cerberus (Siemens)	Switzerland MV*: $53,128 99 Rev / EBITDA*: $69,467 / $6,049 (*Siemens)	▪ Leading European security provider aiming to offer "integrated security solutions", i.e. one-stop security shop ▪ Acquisition provides opportunity to increase spectrum of services provided and critical mass
Falck	Denmark MV: $1,216 99 Rev / EBITDA: $1,016 / $98	▪ Strong consolidator in Nordic countries. Started geographic expansion into non-Scandinavian countries ▪ Stated focus on growing security business, particularly alarm monitoring, call response and service contracts
Group 4	Netherlands / UK MV: NA 98 Rev / EBITDA: ~ $1,055 / NA	▪ Presence in manned services (55% of sales), transport services (8%), technical services (8%), prison and court services (12%) and other services (17%). Strong presence in the UK and Benelux (72% of sales) ▪ Focused on manned guarding, but includes many monitoring-related services (plant protection, response to alarm activation, immediate response). Acquisition would provide good fit in terms of vertical integration
Prosegur	Spain MV: $558 99E Rev / EBITDA: $703 / $71	▪ Engaged in wide range of security and related services in Spain and Latin America. Keen to expand outside Iberia; stated aim of doubling in size within 3 years
Rentokil	United Kingdom MV: $9,494 99 Rev / EBITDA: $4,807 / $1,206	▪ Following disappointing financial results, looking to re-establish growth rate at above service sector peer group ▪ Targeted security sector in Europe for acquisitions; security has second highest growth rate within the Group
Securicor (2)	United Kingdom MV: $1,524 (2) 99 Rev / EBITDA: $1,508 / $256	▪ 10% of $5.1bn proceeds from sale of Cellnet stake to BT to be used for acquisitions in the security industry ▪ Significant rumors about possible takeover by Rentokil or Williams
Securitas	Sweden MV: $5,370 99 Rev / EBITDA: $3,078 / $318	▪ Leading consolidator of security industry, consummating 30 acquisitions since 1992. Recently acquired Pinkerton's, leading supplier of contract security services, and Proteg, French market leader ▪ Acquisition would increase its French market share (currently 13%) and add customer density
Tyco International	United States MV: $75,247 99 Rev / EBITDA: $19,451 / $4,591	▪ Historically, most aggressive acquiror in sector, though recent accounting disclosures have pushed stock down ▪ Leading provider of electronic security services in North America and parts of Europe ▪ Intent on expanding European footprint following failure of discussions with Williams, however, recent share price weakness may affect future plans
Williams	United Kingdom MV: $4,218 99E Rev / EBITDA: $4,140 / $719	▪ Collapse of takeover talks with Tyco in July 1999 puts pressure on management to improve performance ▪ Lacks critical mass in Continental European security (strong market positions in UK, Australia and North America) ▪ Seeking to establish global presence; rumored to be interested in Securicor

(1) Detailed overview of key potential security companies is provided in the appendix / (2) Data for "New Securicor" following the sale of the Cellnet stake to BT for $5.1bn

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Review of Potential Strategic Buyers for Europe

(Dollars in Millions)

COMPANY	NATIONALITY/ KEY FINANCIALS	COMMENTS
Tier 2		
Assa Abloy	Sweden MV: $3,210 99 Rev / EBITDA: $1,195 / $222	▪ Market leader in locks and related products. Proven track record with acquisitions. Stated aim of further acquisitions in France. However, locks provides sufficient further consolidation opportunities, and thus alarm monitoring may not be a top priority
Carlisle	US / UK (based in Belize) MV: $601 99 Rev / EBITDA: $800 / $35	▪ Strong position in manned-guarding and cleaning services in the US and UK ▪ Acquisition vehicle for Michael Ashcroft; aggressive and opportunistic. Management jointly led by Michael Ashcroft and Steve Ruzika, formerly with ADT
EdF/London Electricity	France Private	▪ Acquisition would provide opportunity for EdF/London Electricity to cross-sell security services to its customers
Kaba	Switzerland MV: $412 99 Rev / EBITDA: $260 / $39	▪ "Total access" is core business, controlling 15% of European market ▪ Expanding geographically and acquisition might provide opportunity to broaden installed base and widen product range. Might lack financial capacity to consummate transaction.
Lyonnaise des Eaux/North-umbrian Water	France MV: $24,082 99 Rev / EBITDA: $35,536 / $6,505	▪ Acquisition would provide opportunity for Lyonnaise des Eaux/Northumbrian Water to cross-sell security services to its customers
Penauille Poly Services	France MV: $409 99 Rev / EBITDA: $699 / $46	▪ Leading diversified French services conglomerate offering surveillance at industrial sites and security services at major events ▪ Looking to grow aggressively through acquisitions, as witnessed by recent purchase of UK-based Servisair
Centrica	United Kingdom MV: $11,186 98 Rev/EBITDA: $12,400 / $670	▪ British Gas spin-off in 1997 provides gas distribution to 18 million households (67% of total UK) ▪ Approximately 15,000 residential security installations in 1998; strategy is to become the leading UK service provider to the home ▪ Interested in expanding to Continent

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Review of Potential Strategic Buyers for Europe

(Dollars in Millions)

COMPANY	NATIONALITY/ KEY FINANCIALS	COMMENTS
Tier 3		
AlliedSignal/ Honeywell[1]	United States MV: $44,094 99 Rev / EBITDA: $24,293 / $4,392	▪ Merger of AlliedSignal and Honeywell is expected to close in the fourth quarter of 1999 ▪ Honeywell is a major manufacturer of automation and control systems for homes, buildings, industry and aerospace ▪ Honeywell has an alarm monitoring business with approximately 200,000 accounts (50% residential) – the fifth largest alarm monitoring business in North America ▪ AlliedSignal may be less focused on security than Honeywell ▪ Europe unlikely area of expansion
BT	United Kingdom MV: $115,750 99 Rev / EBITDA: $27,343 / $9,716	▪ Acquisition would provide opportunity for BT to further leverage off its customer base and expand its security operations
Burns International[2]	United States MV: $257 99 Rev / EBITDA: $1,390 / $75	▪ Largest provider of contract guard security services in the U.S. ▪ Sold Wells Fargo alarm business to Tyco in 1998 ▪ Relatively small size may preclude ability to fund acquisition ▪ Europe unlikely area of expansion
SBC/ Ameritech[3]	United States MV: $253,208 99 Rev / EBITDA: $51,728 / $22,982	▪ Home security accounts for small percentage of total sales ▪ SBC may be less committed to security business than Ameritech, but shouldn't be counted out ▪ Ongoing regulatory issues may restrict ability to make acquisitions ▪ Europe unlikely area of expansion (unable to leverage off customer base)

(1) Financial data pro forma for combination of Honeywell and AlliedSignal.
(2) Formerly Borg Warner Security Corp.
(3) Financial data pro forma for combination of SBC Communications and Ameritech.

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Review of Potential Financial Buyers for Europe

Based on financial buyers interest in the industry, their ability to consummate a transaction of given size and their investment criteria, the highest priority financial buyers include:

TIER I

- Apax Partners & Co.
- BC Partners
- The Carlyle Group
- CINven
- Compass
- CVC Capital Partners
- Doughty Hanson
- Investcorp
- Schroder Ventures
- Candover
- Paribas

TIER 2

- Advent International
- AEA Investors
- Charterhouse Development Capital
- Clayton Dubilier & Rice
- Hicks, Muse, Tate & Furst
- HSBC Private Equity
- KKR Europe
- SB Capital/Bain Capital
- Warburg Pincus
- Texas Pacific Group
- Deutsche Morgan Grenfell
- Legal & General

Indicative Valuation

- The following analysis sets out CSFB's preliminary views on the valuation of P1 Europe and is prepared for discussion purposes only.
- Views on valuation are Indicative and CSFB needs to conduct more in-depth due diligence of P1 Europe, including:
  - Discussion with management about key operating and financial assumptions
- Furthermore, the analysis reflects the intrinsic value of P1 Europe on a "standalone" basis, and may me affected by:
  - Strategic value of P1 Europe to a potential buyer and buyer's perceived ability to reap synergies and cost savings from an acquisition of P1 Europe
  - Investment community's perception of value and growth prospects of European security monitoring services
  - Prevailing conditions in P1 Europe's key markets
- CSFB has applied a number of valuation methodologies to assess the value range of P1 Europe, including:
  - Comparable Companies (EV/EBITDA)
  - Comparable Transactions (Subscribers and EV/EBITDA)
  - Discounted Cash Flow Analysis (based on Management Forecasts)
  - Capital invested by P1 into European operations

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Indicative Valuation

CSFB believes that $250 million should be an achievable target price for the combined business

(Dollars in Millions)

VALUATION METHODOLOGY	P1 EUROPE DATA	SELECTED MULTIPLE	IMPLIED ENTERPRISE VALUE
Comparable Companies			
2001E EV/EBITDA[1]	$31.2m[1]	8.5x EBITDA[2]	$265m
Comparable Transactions			
Subscribers – All Transactions[3]	123,619	$1,849 / subscriber	$229m
Subscribers – Major Transactions[4]	123,619	$2,819 / subscriber	$348m
LTM EV/EBITDA[5]	$21.4m	11.1x EBITDA	$238m
Discounted Cash Flow Analysis			
Valuation Range			$220m - $260m
Invested Capital			
CET acquisition			*$162.2m*
Acquisition of new subscribers by CET			*$33.9m*
Hambro acquisition[6]			*$18.0m*
Bolt-on acquisitions			*$33.2m*
Total Invested Capital			$247.3m

(1) Assuming 2001E EBITDA of $20.6m for CET and $10.6m for P1 UK. CET EBITDA is in US GAAP, and excludes non cash "leasing revenues" of $11.5m (remnant of lease accounting prior to P1 Inc acquisition).
(2) Based on median 2001E EV/EBITDA of comparable companies
(3) Based on transactions for which data is available (19 deals from 09/95 to 01/99)
(4) Major transactions include Tyco / CIPE, Tyco / ADT, P1 / CET, Tyco / Wells Fargo, ADT / Automated Security
(5) Compares LTM EV/EBITDA multiples from transactions from which data is available (8 deals from 09/95 to 01/99). This multiple is applied to CET and UK's combined 2000 EBITDA of $21.4m (excluding non-cash revenue)
(6) P1 1998 10K

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Notes to Indicative Valuation – Comparable Companies

Valuation Comparison
(Dollars in Millions)

COMPANY	EQUITY VALUE [1]	ENTERPRISE VALUE [1]	EV AS A MULTIPLE OF 2000E SALES	EBITDA	EBIT	EV AS A MULTIPLE OF 2001E SALES	EBITDA	EBIT	1999E P/E	2000E P/E	2001E P/E
Falck Group	$1,216	$1,304	1.07x	11.3x	25.8x	1.00x	10.3x	21.4x	51.9x	45.9x	35.6x
Prosegur	668	640	0.83	8.4	12.5	0.75	7.6	11.2	20.9	18.4	16.5
Securicor	1,524	1,453	0.94	9.4	14.5	0.89	8.5	12.7	n/m	22.7	18.8
Securitas	6,370	5,614	1.59	16.9	31.8	1.47	14.8	25.5	67.4	52.0	40.7
Williams	4,218	8,165	1.32	7.9	9.7	1.26	7.5	9.1	12.8	11.4	10.8
Median			1.07x	9.4x	14.5x	1.00x	8.5x	12.7x	n/m	22.7x	18.8x

(1) Values as of 11/15/99.

Key Operating Statistics vs. Peers

COMPANY	2000E OPERATING STATISTICS [2] EBITDA MARGIN	EBIT MARGIN	2001E OPERATING STATISTICS [2] EBITDA MARGIN	EBIT MARGIN	NET DEBT/ ENTERPRISE VALUE
P1 Europe	13.8%	0.1%	17.1%	5.8%	NA
Falck Group	9.5%	4.2%	9.7%	4.7%	6.7%
Prosegur	9.9	6.7	9.9	6.7	13.0
Securicor	10.3	6.8	10.5	7.0	Net Cash
Securitas	9.4	5.0	10.1	5.8	4.4
Williams	16.8	13.7	16.9	13.9	31.6
Median	9.9%	6.7%	10.1%	6.7%	5.6%

(2) Calendarised to 31 December.

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Notes to Indicative Valuation – Discounted Cash Flows

DRIVER	KEY ASSUMPTIONS
P1 France	
Revenues/Subscribers	Estimates based on Management forecasts for 2000 - 2003 and CSFB estimates for 2004 - 2010. Subscriber base of 35-40% annually during 2000 – 2003 declines to 10.4% by 2010. Attrition rate as per Management forecasts, constant at 10.4% for 2003 – 2010.
EBITDA	EBITDA margin (after lease adjustment for 2000 – 2002) increases from 9.9% in 2000 to 19.8% in 2003. Assuming constant 18.0% margin for forecast period.
CapEx	CapEx per subscriber as per Management forecasts, 2.0% growth (inflation) for 2003 – 2010
Terminal Value	Selected discount rate of 9 – 10% based on Weighted Average Cost of Capital analysis of comparable security companies. Assuming perpetual free cash flow growth of 1.5 – 2.5% for terminal value
P1 UK	
Revenues/Subscribers	Estimates based on Management forecasts for 2000 - 2003 and CSFB estimates for 2004 - 2010. Subscriber base growth falling from 16-18% annually during 2000 – 2003, to 7.6% by 2010. Attrition rate as per Management forecasts, constant at 7.6% for 2003 – 2010.
EBITDA	EBITDA margin (after lease adjustment for 2000 – 2002) increases from 26.8% in 2000 to 31.5% in 2003. Assuming constant 31.5% margin for forecast period.
CapEx	CapEx per subscriber as per Management forecasts, 2.0% growth (inflation) for 2003 – 2010
Terminal Value	Selected discount rate of 9 – 10% based on Weighted Average Cost of Capital analysis of comparable security companies. Assuming perpetual free cash flow growth of 1.5 – 2.5% for terminal value

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Indicative Timetable

	TIMETABLE	
	WEEKS	DATES
Due Diligence Prepare Offering Memorandum Review Potential Buyers Prepare Management Presentation and Dataroom (ongoing)	1-6	until Jan. 3, 2000
	CHRISTMAS / NEW YEAR	
Contact Approved Companies Distribute Confidentiality Agreement and Offering Memoranda	7-8	Jan. 3 - Jan. 11, 2000
Solicit Initial Indications	11	Feb. 3, 2000
Select Phase II Buyers	11-12	Feb. 4 - Feb. 8, 2000
Management Presentation Data Room Buyer Due Diligence	12-13	Feb. 9 - Feb. 18, 2000
Distribute Draft Purchase Agreement Define Bidding Process	13	Feb. 14 - Feb. 18, 2000
Receive Final Bids	15	Mar. 2, 2000
Bid Evaluation	15-16	Mar. 3 - Mar. 7, 2000
Select Final Candidate(s)	16	Mar. 8, 2000
Negotiate and Execute Definitive Agreement	16-18	Mar. 9 - Mar. 24, 2000

Employment Contracts

- We strongly believe that Pentagon should enter into employment contracts containing change of control provisions for key managers.
- Pentagon should include or exclude managers bearing in mind the following criteria:
  - Importance to future of business
  - Importance to selling process
  - Likelihood of termination following sale
- Purpose of employment contracts
  - Retain employees through period of uncertainty
  - Keep business functioning smoothly – no surprises in performance during selling process
  - Reassure buyers about transition
  - Allows employees to defer job concerns until transaction and transition completed

Employment Contracts – Considerations

- Buyers will likely argue that contracts impose a cost on them, which they must subtract from their valuation
- If contracts contain an incentive for sale price of a business, two issues arise:
  - Buyers may perceive managers as biased
  - Managers may feel awkward being incentivized against the interests of their future employers
- However, the potential cost of these incentives may be counterbalanced by including an incentive to keep managers in place for a minimum transition period following the transaction

Next Steps

- Brief management on sale Pentagon Europe and execute employment contracts with key managers to ensure successful completion of divestiture
- Incentivize management appropriately to align their interests with those of seller: Christophe de Pescara, Patrick Fornas, Bernard Richerme, Keith Hobbs, David Baron
- Confirm timetable for divestiture
- Decide on contacting targeted group of potential buyers or conduct full auction
- Complete due diligence and marketing material for potential buyers
- Agree on list of potential buyers