



ALARM PROTECTION SERVICES • ALARM MONITORING/PHYSICAL ASSET PROTECTION/EXECUTIVE PROTECTION/
QUICK RESPONSE/CASH-IN-TRANSIT SECURITY

ALARM SYSTEMS HOLDING COMPANY* • COMMERCIAL & INDUSTRIAL SECURITY SYSTEMS/BURGLAR & FIRE ALARM SYSTEMS/
SYSTEM DESIGN/SYSTEM INTEGRATION/SYSTEM SERVICE

ASMARA LIMITED • BUSINESS INTELLIGENCE/COMPETITOR INTELLIGENCE/DUE-DILIGENCE INVESTIGATIONS/
LITIGATION SUPPORT/ASSET TRACING

CDR INTERNATIONAL • INTELLECTUAL PROPERTY ASSET PROTECTION/FRAUD INVESTIGATIONS/CORPORATE RISK MANAGEMENT/
GOVERNMENT TRAINING SERVICES

DEFENCE SYSTEMS LIMITED (DSL) • THREAT ASSESSMENTS/SECURITY PLANNING & TRAINING/CRISIS MANAGEMENT/
PROTECTION OF HIGH-VALUED CARGO/GUARD FORCE SERVICES/SPECIALIST MANPOWER/HUMANITARIAN MINE CLEARANCE & ORDINANCE DISPOSAL

FIRE ALARM SERVICE CORPORATION* • COMMERCIAL & INDUSTRIAL SECURITY SYSTEMS/BURGLAR & FIRE ALARM SYSTEMS/
SYSTEM DESIGN/SYSTEM INTEGRATION/SYSTEM SERVICE

LOW VOLTAGE SYSTEMS • ACCESS CONTROL & MONITORING/FIRE & LIFE SAFETY SYSTEMS/PERIMETER SECURITY/
INTERCOM, CALL & PAGING/CCTV/SIGNALING, SOUND MASKING

THE PARVUS COMPANY • DUE DILIGENCE INVESTIGATIONS/POLITICAL RISK INTELLIGENCE/INTERNATIONAL INVESTIGATIONS/
BUSINESS INTELLIGENCE/SECURITY SERVICES

ARMOR GROUP SERVICES



***Pictured left to right,
Top: Stephen Loffler
Bottom: Eric Rothbarth, Noel Philp***

In the short time since Armor Holdings entered the security-services market, the Company has achieved remarkable success in identifying, acquiring and integrating companies that strengthen and extend our strategic position. These companies have had a dramatic impact on our Company's success. Revenues for the division were \$51.6 million in 1998, a 6% increase over the previous year in spite of losing \$12 million in revenues upon our withdrawal from Angola on January 16, 1998. Additionally, the profitability of this division increased sharply during 1998 due to the addition of new higher margin services.

Just as important, highly skilled managerial expertise has come to the Company through our acquisitions. With decades of leadership experience, these industry veterans bring us in-depth security-services management skills and strong backgrounds in the acquisition and integration of new companies providing an even stronger foundation from which to grow.

During 1998, Defence Systems Limited (DSL) continued to provide

invaluable risk-management, physical-protection and logistical-support services to multi-national corporations operating in the most challenging and hostile areas of the world. Our Russian operations led the way in growth as a leading provider of security services in Russia and Central Asia throughout 1998.

To these two cornerstones of the ArmorGroup division we added four more acquisitions during 1998 and are already in the process of adding two more in 1999. Low Voltage Systems Technology (LST) gave the division access to technological expertise that was previously outsourced.

Specializing in the engineering, design, procurement and installation of commercial security and life-safety systems, LST provides inroads into key growth markets. Additionally, the announcement in April 1999 of the acquisition of Alarm Systems and Fire Alarm Service expected to close in June, will add significant critical mass to our systems integration capabilities.

Acquired in April 1998, Asmara Limited brought to the division an international information and





Worldwide Capabilities In Risk Mitigation

Armor Holdings entered the security-services market in 1997 with the acquisition of Defence Systems Limited. Today, operating as ArmorGroup, this division is made up of an elite cadre of companies that offers a wide range of security, investigation and business-intelligence services through 22 offices in eighteen countries. Customers include multi-national corporations, major financial institutions, the international legal community, governmental agencies and non-governmental organizations.

ARMOR GROUP SERVICES



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intelligence gathering capability with a global client base. Asmara works for a diverse group of multi-national corporations, financial institutions, investment firms and law firms around the world. With the addition of Parvus International in May 1999, we have now established our investigative presence in



the U.S. marketplace and we expect to build this both through internal growth and through acquisition. CDR International was the division's third major acquisition of 1998, providing a global capability in providing intellectual property asset protection, litigation support and fraud investigations to many multi-national corporations around the world. In addition, CDR is also a leading provider of training services to foreign governments. Our final acquisition for

1998, Alarm Protection Services, adds alarm monitoring, physical-asset and executive protection, quick response and cash-in-transit capabilities in Central Africa.

By adding these companies to the ArmorGroup portfolio, we are now able to provide our multi-national clients with a "one-stop shop" capability in managing their risk.

During 1998, the Company launched several initiatives to achieve cohesiveness and organizational efficiency in the operations of ArmorGroup. Enhanced managerial expertise is resulting in the smooth integration of all acquired companies within

the division and cross selling opportunities abound. In fact, many new projects arose in 1998 from early successes in our cross selling programs. CDR and Asmara have been co-located with the DSL organization to promote a more efficient exchange of ideas among all our business units.

The Company has also initiated a corporate branding effort to offer all security services under the ArmorGroup brand. We have unified our activities by

consolidating the management operations for the entire division into a centralized ArmorGroup headquarters in London giving us the ability to capitalize on greater efficiency and the sharing of management experience and case strategies for complete security solutions for our clients. Most significantly, we have maximized both operational efficiencies and opportunities for the cross selling of products and services to customers of all Armor Holdings' companies.

ArmorGroup's future plans include an expanded electronic-security systems integration capability, investigative resources and the addition of broader high-margin services such as forensic accounting and data network security. By optimizing the performance of our existing companies and seeking to acquire others that complement our offering, we will continue to build on our dominant market position and provide even greater growth in future years. ArmorGroup is well on its way to becoming the leading source of risk mitigation services on a global basis.