

Capita is the UK's leading provider of business process outsourcing (BPO) – the long term contracting out of business processes – and business transformation services.

We deliver back office administration and front office customer contact services to organisations across the private and public sector, and help them to lower costs and improve service delivery. The BPO market in the UK is estimated to be worth £94.2bn p.a. with only £6bn outsourced in 2009. By managing our business responsibly, we endeavour to meet the needs of all our stakeholders.

### Our performance

### Highlights from 2010 half year results

We generate profitable growth by securing long term, recurring revenues from new and existing clients and by acquiring small to medium sized businesses.

- Turnover of **£1,361m**, up 4%
- Underlying profit before tax of **£163.1m**, up 15%
- Earnings per share: **19.60p**, up 16%
- Dividend per share: **6.6p**, up 18%
- 17 major contacts secured worth **£523m**
- 7 acquisitions completed at a cost of **£107m**
- **£4.4bn** bid pipeline comprising **23** bids
- Continued healthy demand for outsourcing
- Most active markets – local government and life and pensions. Interesting opportunities in central government, health and defence.

### Latest news headlines

22/07/2010  
Half year results 2010

01/06/2010  
Capita acquires PMG

11/05/2010  
Interim Management Statement



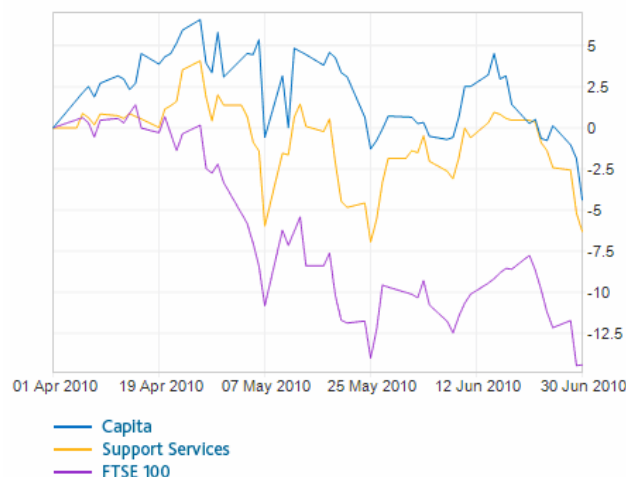
Read more at [www.capita.co.uk](http://www.capita.co.uk)

### Our principal key performance indicators (KPIs)

We work to clear KPI targets within a robust management and operational structure, allowing us to control and measure growth.

	year end 2009	year end 2008
Operating margins	13.31%	13.15%
Free cash flow	£280m	£219m
Return on capital employed (ROCE)	20.6%	20.3%
Economic profit	£162m	£139m
Gearing – interest cover	10.9x	7.4x
Capital expenditure	2.5%	3.5%
Retaining people	88%	88%
Overall employee retention	84%	82%
Controlling our carbon footprint (tonnes CO <sub>2</sub> )	79,212	73,057

### Share price performance



### Key contacts

Shona Nichols  
Corporate Communications Director

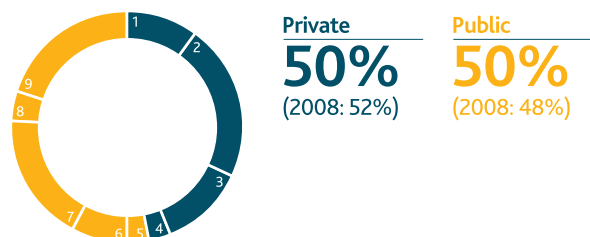
Vicki Bradley  
Corporate Communications Senior Executive

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The Capita Group Plc  
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## Capita's market split by revenue

We currently operate in 9 markets across the public and private sectors in the UK where there are significant opportunities for growth.



% of turnover	HY 2010	FY 2009
1. Central government	9	10
2. Local government	23	22
3. Education	13	12
4. Health	4	3
5. Transport	2	3
6. Insurance	7	8
7. Life and pensions	19	18
8. Financial services	4	4
9. Other corporates	19	20

## Divisions – key facts

We maintain performance across our 5 operating divisions by consistently delivering service excellence and sharing Group resources and scale benefits.

### Insurance & Investor services

Comprises our shareholder, financial and trust administration, treasury services businesses, specialist services and our insurance services businesses.

	Turnover (09)	Op. Profit (09)
Insurance services	246.8m	28.4m
Investor services	174.5m	35.1m

### Life & Pensions Services

Comprises all our life & pensions operations including open and closed books of individual L&P policies and occupational pensions. Includes our operations in India.

	Turnover (09)	Op. Profit (09)
Life & Pensions	520.7m	62.1m

### Professional Services

Comprises our operations focused on supporting local authorities (including strategic partnerships) and children's services (including education).

	Turnover (09)	Op. Profit (09)
Professional services	358.7m	69.4m

### Integrated Services

Comprises all our major central government contracts, our property consultancy, contact centres and our portfolio of HR services.

	Turnover (09)	Op. Profit (09)
Integrated services (excluding HR Solutions and property consultancy)	340.0m	55.0m
HR Solutions	280.6m	26.2m
Property consultancy – Capita Symonds	258.1m	23.1m

### ICT, Health & Business Services

Comprises our ICT business, health business, our Service Birmingham partnership, business travel administration, conferences and consulting businesses.

	Turnover (09)	Op. Profit (09)
ICT, Health & Business Services	507.4m	58.4m

## Major shareholders

as at 23/07/2010

INVESCO Asset Management Ltd	14.9%
Baillie Gifford & Co	5.8%
Fidelity	5.8%
Capital Research Global Investors	5.6%
BlackRock Advisors (UK) Ltd	4.9%

Data provided by Thomson Financial.

## Our business



Paul Pindar

Gordon Hurst

## Directors' biographies

### Paul Pindar – Chief Executive

Responsible for managing and developing Capita's operations to achieve the Group's strategic objectives. Paul joined the Group in 1987 and has overall responsibility for the Group's charitable and community approach.

### Gordon Hurst – Group Finance Director

Joined the Group in 1988 and became Group Finance Director in 1996. He is also Company Secretary. Gordon is responsible for the Group's overall corporate social responsibility policy.

### Simon Pilling – Chief Operating Officer

Joined the Group in 1999 and has overall responsibility for the management of the Group's operations. Simon has Board responsibility for client service quality and for our employee and human resources policies.

### Maggi Bell – Business Development Director

Joined the Group in 1999 and is responsible for business development activity across the Group. Maggi is responsible for leading our sales efforts across major contracts and our Group businesses.

## Other Directors

**Martin Bolland** – Non-Executive Chairman

**Dr Nigel Wilson** – Senior Independent Director

**Paddy Doyle** – Non-Executive Director

**Martina King** – Non-Executive Director

**Paul Bowtell** – Non-Executive Director

## Five year summary

for the years ending 31 December

	2009 £m	2008 £m	2007 £m	2006 £m	2005 £m
<b>Group balance sheet</b>					
Non-current assets	1,570.2	1,488.8	1,032.5	862.5	783.5
Current assets	801.9	675.5	458.1	404.6	343.8
	2,372.1	2,164.3	1,490.6	1,267.1	1,127.3
Liabilities	(1,857.9)	(1,764.1)	(1,156.2)	(939.6)	(726.4)
Provision for liabilities and charges	(48.0)	(3.3)	(2.6)	(1.7)	(3.3)
	466.2	396.9	331.8	325.8	397.6
Capital and reserves	466.2	396.9	331.8	325.7	397.4
Minority interests	–	–	–	0.1	0.2
	466.2	396.9	331.8	325.8	397.6
<b>Group income statement</b>					
Turnover	2,686.8	2,441.4	2,073.3	1,738.5	1,435.5
Underlying operating profit	357.7	320.9	271.3	225.1	183.1
Other operating income/(expense)	0.2	(0.2)	1.2	–	–
Net interest payable	(32.8)	(43.5)	(34.1)	(25.0)	(13.5)
Underlying profit before taxation	325.1	277.2	238.4	200.1	169.6
Intangible amortisation	(28.1)	(18.6)	(9.7)	(6.9)	(4.5)
Arch cru costs	(30.0)	–	–	–	–
Impairment	–	–	–	–	(12.0)
Callable swaps	1.1	(32.0)	–	–	–
Loss on business disposal	(7.5)	–	–	–	–
Taxation	(69.2)	(60.8)	(62.5)	(53.5)	(45.8)
Minority interests	–	–	–	0.1	0.2
Profit after taxation	188.9	165.8	166.2	139.8	107.5
Basic earnings per share – underlying	38.75p	33.26p	28.10p	23.10p	18.60p
Basic earnings per share – after non-underlying	30.76p	27.26p	27.09p	22.32p	16.28p
Diluted earnings per share - underlying	38.42p	32.96p	27.63p	22.56p	18.33p
Diluted earnings per share – after non-underlying	30.50p	27.01p	26.64p	21.80p	16.05p
Special dividend	–	–	25.00p	–	–
Dividend per ordinary share	16.80p	14.40p	12.00p	9.00p	7.00p