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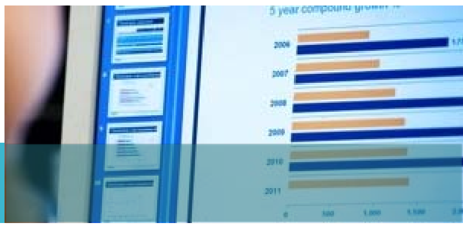

Results for the year ended 31 December 2013

Delivering sustainable growth

Full year results presentation

27 February 2014

Agenda

Introduction	Paul Pindar Chief Executive
Financial results	Gordon Hurst Group Finance Director
Positioning Capita for continued growth	Andy Parker Deputy Chief Executive
Major sales update	Maggi Bell Group Business Development Director
Outlook	Andy Parker

Delivering sustainable growth

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Key highlights

- £3.3bn of major new contracts secured including largest win by annual value
- Delivered full year organic growth of 8%
- Pipeline swiftly replenished, £5.5bn as at February 2014
- Strong financial performance, profit before tax and earnings up 14%
- Total dividends up 13%
- Cash conversion of 106%
- £271m spent on 13 acquisitions*
- Swift resolution of two underperforming areas within our Insurance & Benefits division
- Smooth transition to new CEO; strongest ever team
- Excellent start to 2014: 5 contracts worth £588m secured
- Strongly positioned for future growth

High degree of confidence for 2014

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* As announced previously, excluding Axelos, Entrust and Fire Service College

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Financial results

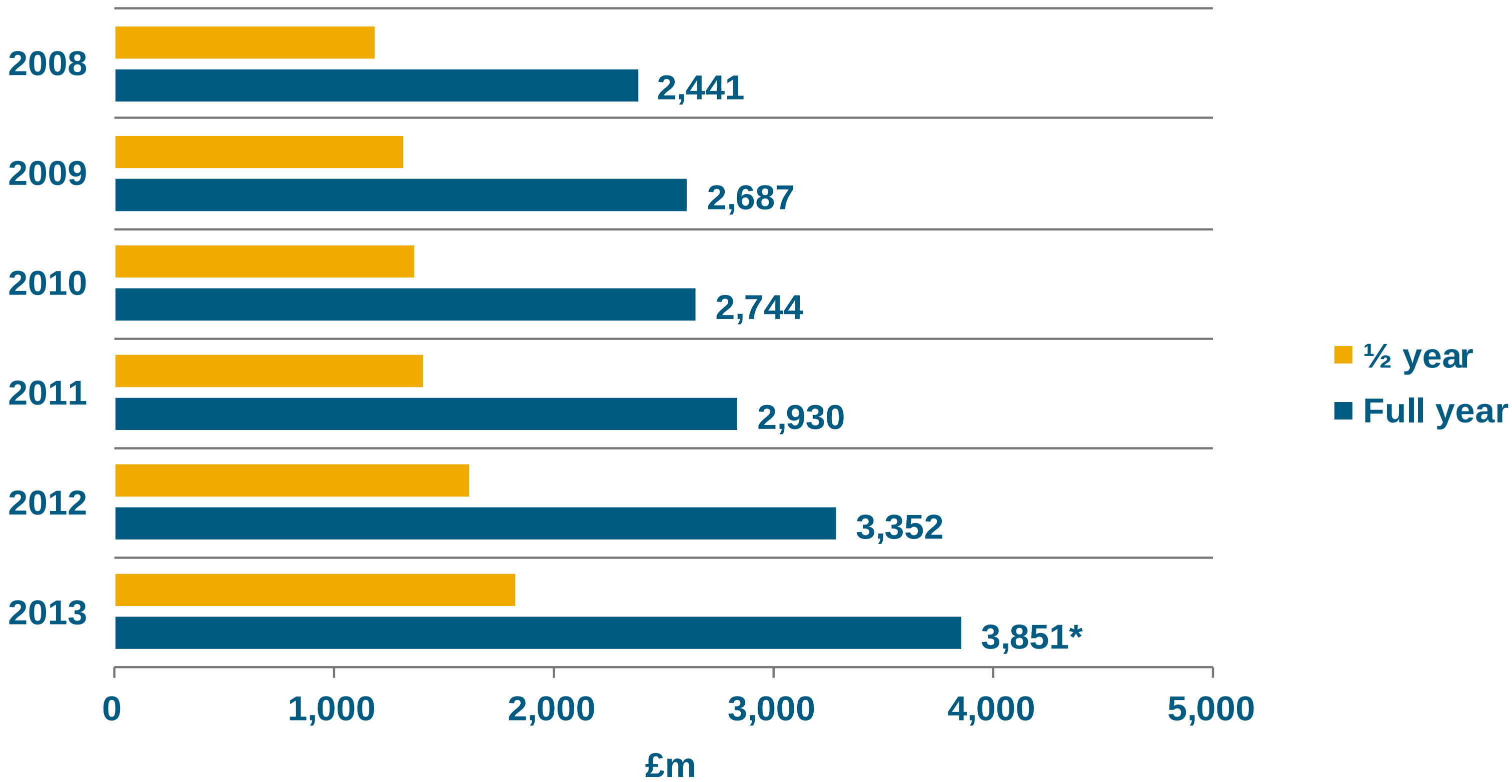
Gordon Hurst

Group Finance Director

Financial results – underlying revenue

Annual growth 15%

5 year compound growth 10%



Continued revenue growth

* Revenue excluding Insurance Distribution and SIP businesses of £45m

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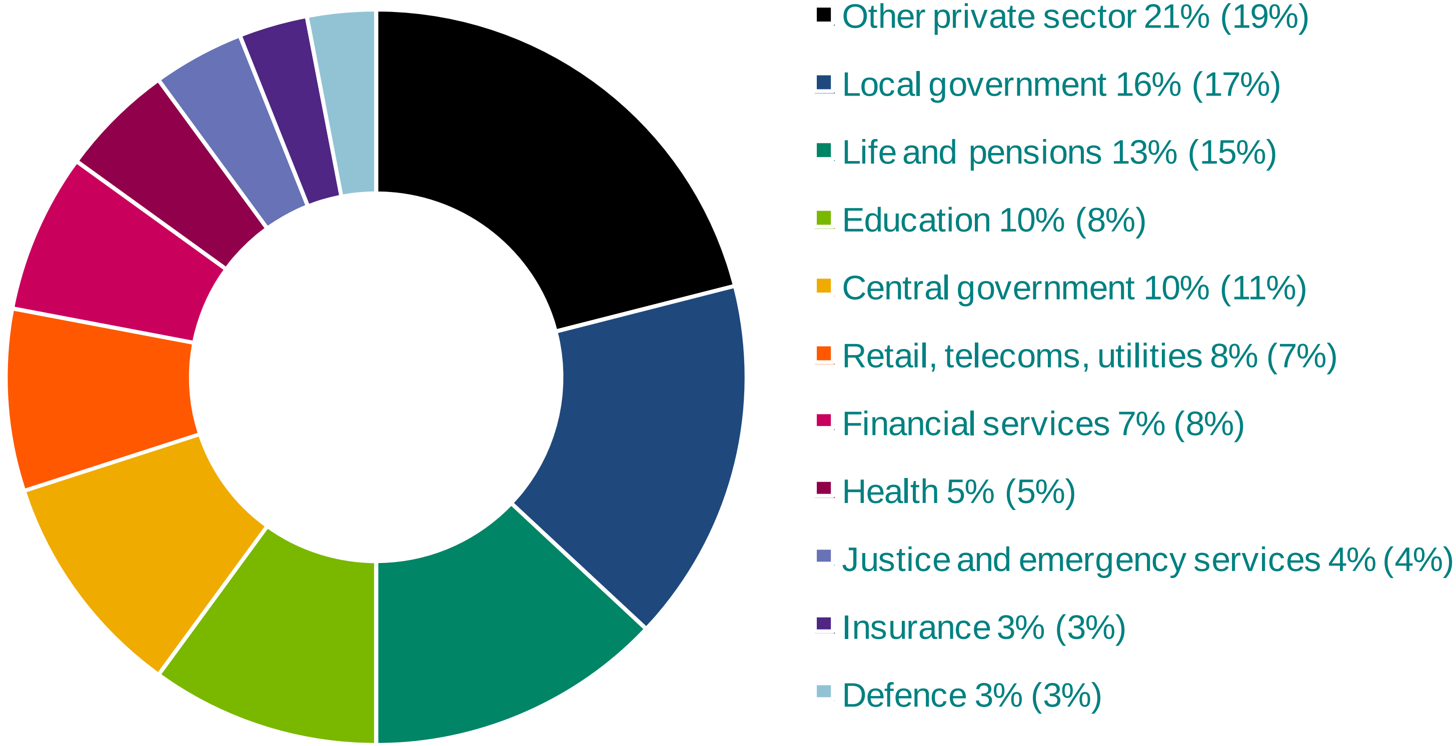
Financial results – underlying revenue by market

Private sector 52% (half year: 52%)

Public sector 48% (half year: 48%)



Diverse market spread

2013 year end (half year)

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Financial results – underlying revenue growth

	£m 2013	£m 2012	Growth
Underlying revenue	3,851	3,352	14.9%
Insurance Distribution and SIP business	45	-	1.3%
Total revenue including Insurance Distribution and SIP business	3,896	3,352	16.2%
2012 acquisitions	(117)	-	(3.4)%
2013 acquisitions	(167)	-	(5.0)%
Total organic revenue growth excluding acquisitions	**3,612**	**3,352**	**7.8%**
Insurance Distribution and SIP business	(45)	(69)	
Organic revenue growth on continuing business	**3,567**	**3,283**	**8.7%**

Strong organic growth

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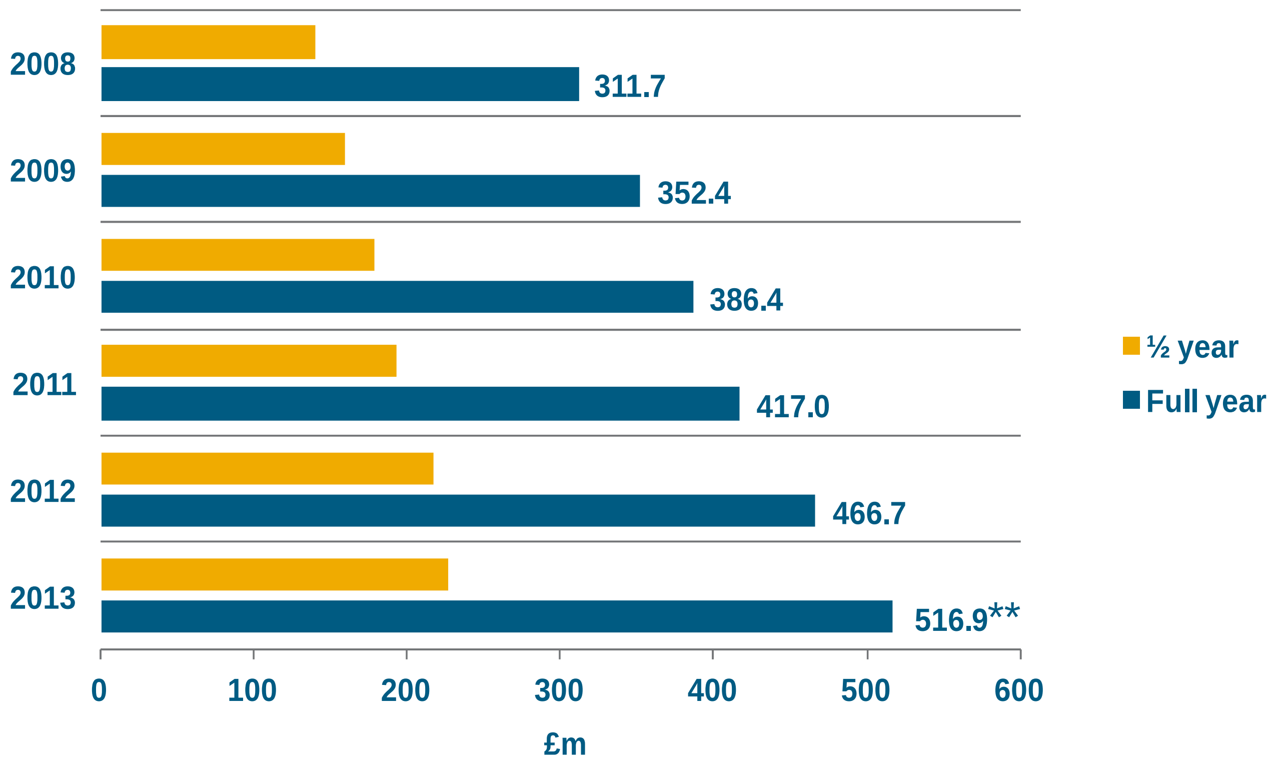
Financial results – underlying operating profit*

Annual growth 11%

5 year compound growth 11%



Continued increasing profitability

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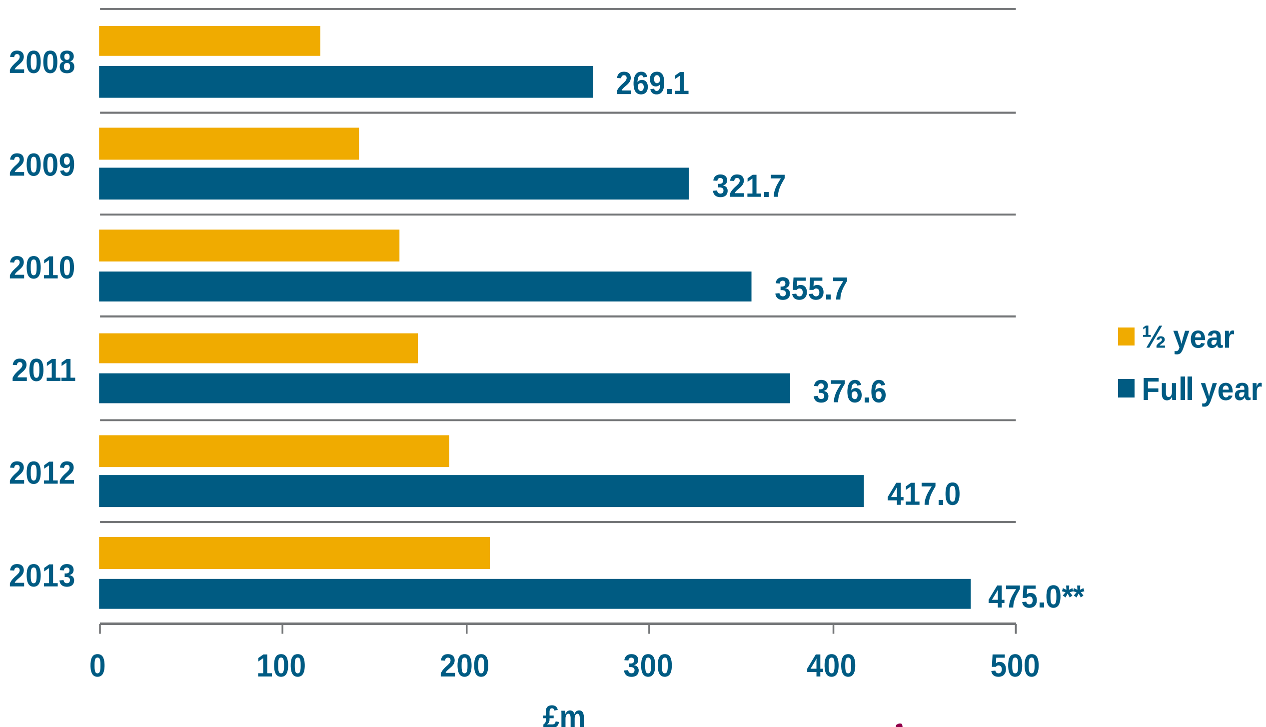
*Adjusted for new pension standard IAS 19 (R). Excludes non-underlying items which include: intangible amortisation, acquisition expenses, net contingent consideration movements, impairments, non-cash impact of mark to market finance costs.
**The 2013 operating profit of £516.9m excludes the trading operating loss of the Insurance Distribution and SIP businesses of £14.4m.

Financial results – underlying profit before tax*

Annual growth 14%

5 year compound growth 12%



Continued increasing profitability

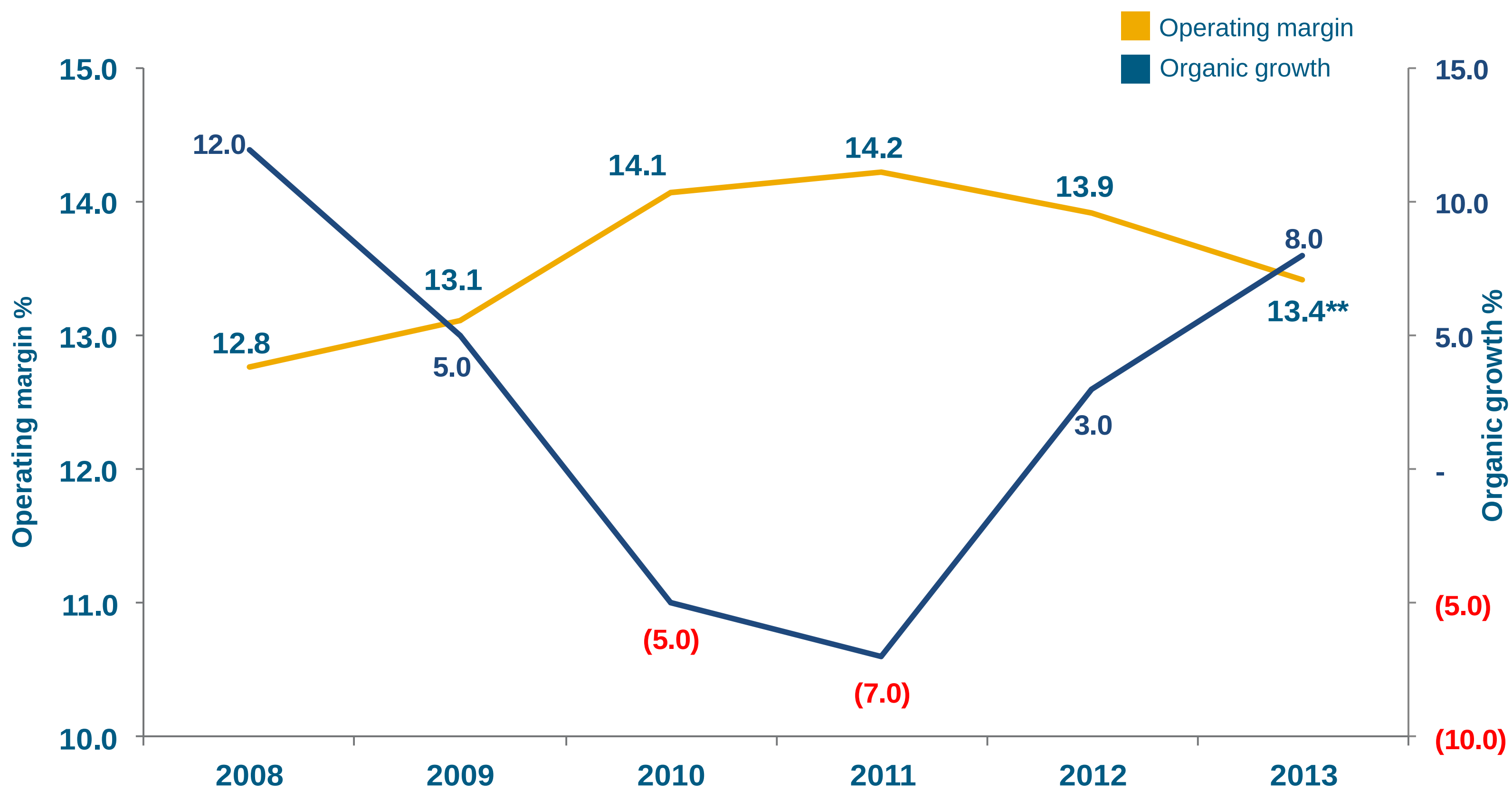
CAPITA

*Adjusted for new pension standard IAS 19 (R). Excludes non-underlying items which include: intangible amortisation, acquisition expenses, net contingent consideration movements, impairments, non-cash impact of mark to market finance costs.

**The 2013 underlying profit before tax of £475.0m excludes the trading loss before tax of the Insurance Distribution and SIP businesses of £14.4m.

Financial results – underlying operating margin*

Annual decrease 50 bps



12.5 – 13.5% range for foreseeable future

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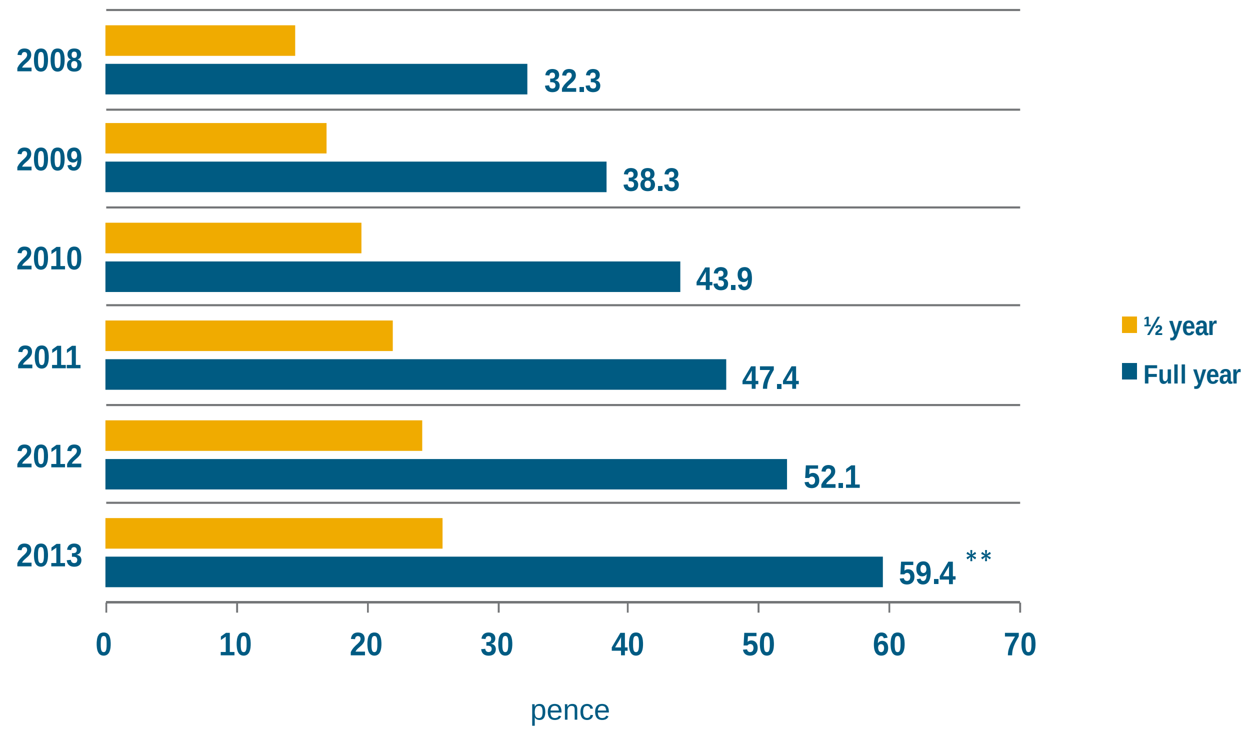
*Adjusted for new pension standard IAS19 (R). Excludes non-underlying items which include: intangible amortisation, acquisition expenses, net contingent consideration movements, impairments, non-cash impact of mark to market finance costs

**The 2013 operating margin of 13.4% excludes the Insurance Distribution and SIP businesses, including them the operating margin is 12.9%.

Financial results – underlying earnings per share*

Annual growth 14%

5 year compound growth 13%



Continued growth in earnings

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*Adjusted for new pension standard IAS19 (R). Excludes non-underlying items which include: intangible amortisation, acquisition expenses, net contingent consideration movements, impairments, non-cash impact of mark to market finance costs

**The 2013 number excludes the Insurance Distribution and SIP businesses; included underlying earnings per share would be 57.6p

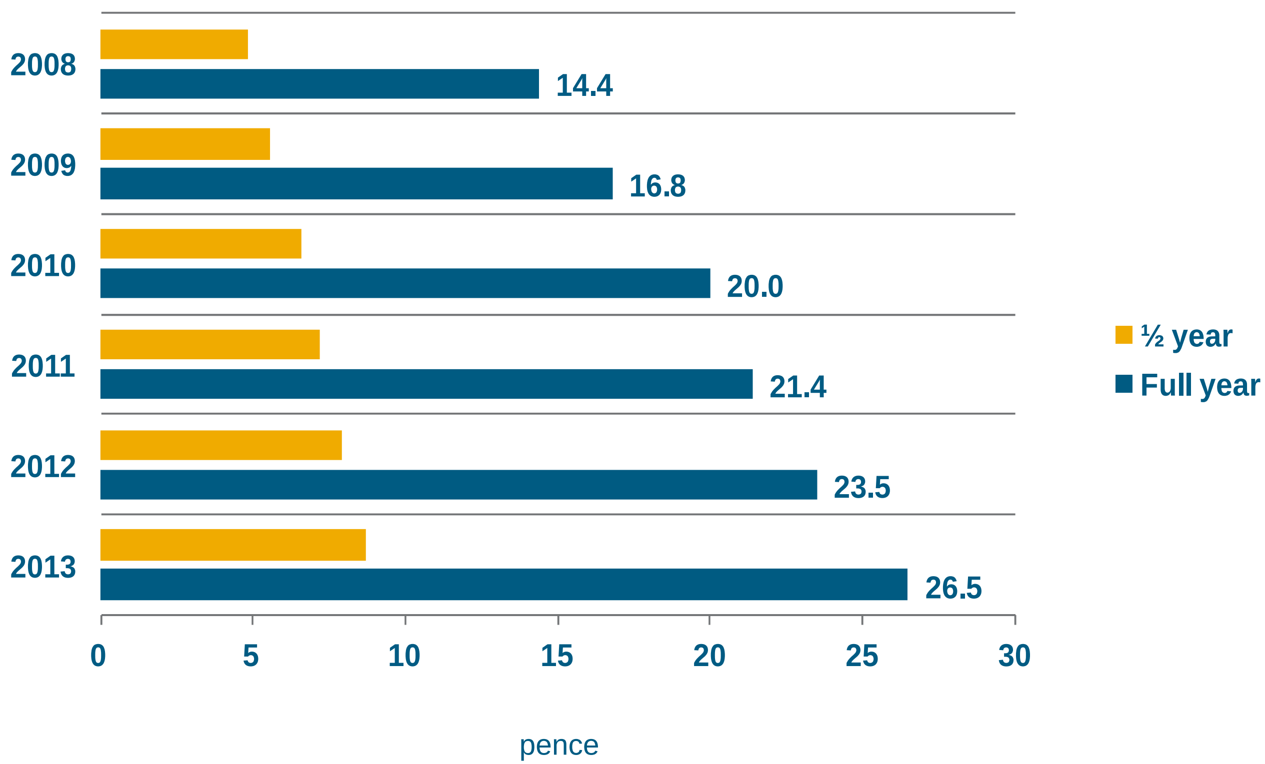
Financial results – dividends

Annual growth 13%

5 year compound growth 13%

Dividend cover* 2.24x

Dividend yield 2.4%



Dividend growth broadly in line with earnings growth

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*Adjusted for new pension standard IAS 19 (R). Dividend cover is calculated using underlying earnings per share excluding the Insurance Distribution and SIP businesses

Financial results – cash flow statement

	£m 2013	£m 2012
Cash flow from operations before business disposal/planned closure*	**546**	515
Net interest paid	**(37)**	(46)
Taxation paid	**(53)**	(62)
Capital expenditure	**(144)**	(100)
Free cash flow before business disposal/planned closure	**312**	307
Free cash flow of Insurance Distribution and SIP businesses	**(9)**	-
Free cash flow after business disposal/planned closure	**303**	307
Acquisition costs (including debt paid)	**(232)**	(172)
Purchase of public sector subsidiary partnerships	**(48)**	-
Contingent consideration	**(14)**	(12)
Cash disposed with business	**(6)**	-
Equity dividends paid	**(159)**	(138)
Share option proceeds/share issue	**17**	282
Net debt issued/(repaid)	**2**	(20)
Other financing	**(11)**	(2)
(Decrease)/increase in cash in the period	**(148)**	245

Strong operational cash flow

*Adjusted for new pension standard IAS19 (R)

Financial results – cash flow from operating activities

	£m 2013	£m 2012
Operating profit before business disposal/planned closure*	**517**	467
Depreciation	**78**	73
Share based payment	**11**	9
Pensions	**2**	(7)
Movements in provisions	**(12)**	(18)
Movements in working capital	**(50)**	(9)
Cash flow from operations	**546**	**515**
Operating cash conversion before business disposal/ planned closure	**106%**	**110%**

Confident of maintaining annual cash conversion of around 100%

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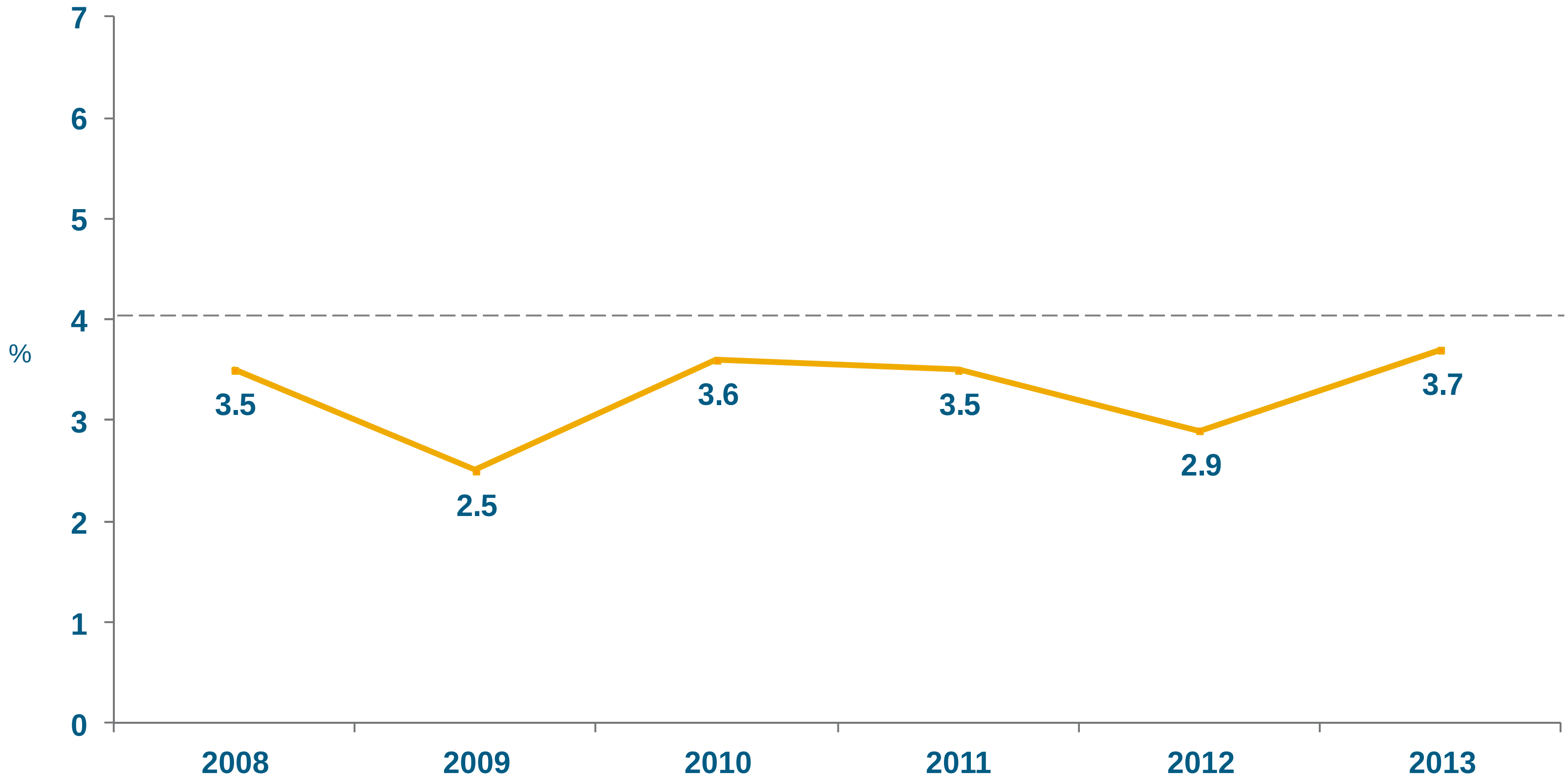
*Adjusted for IAS19 (R). Excludes non-underlying items being: intangible amortisation, acquisition expenses, net contingent consideration movements, impairments, non-cash impact of mark to market finance costs

Financial results – capital expenditure as a % of turnover



Controlled capital expenditure

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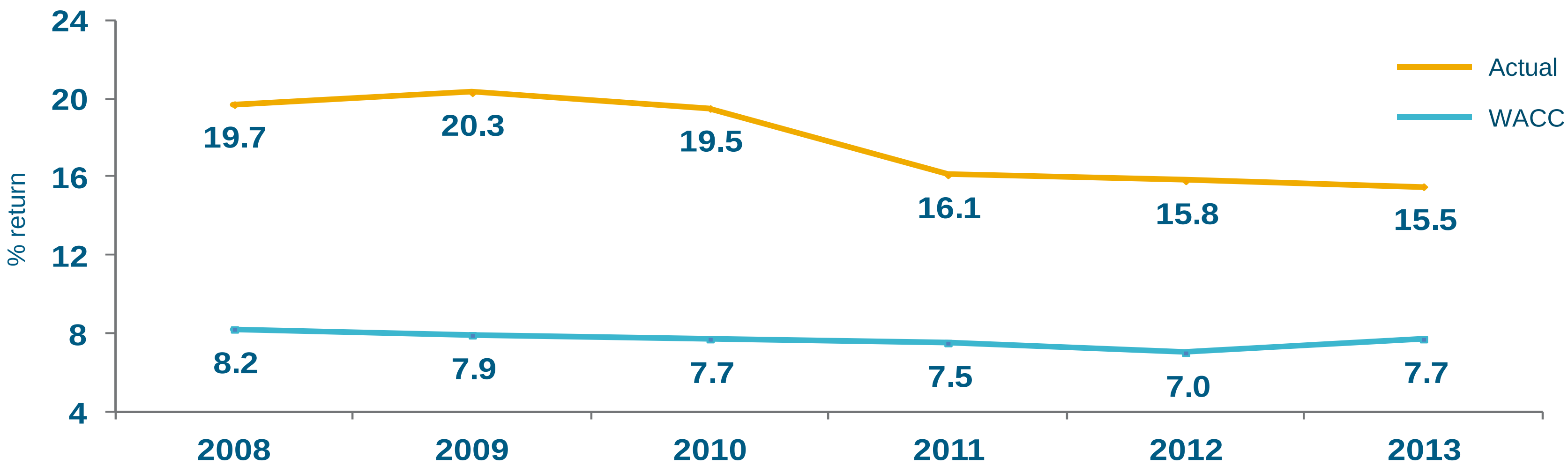
Financial results – underlying net return on capital*



	2008	2009	2010	2011	2012	2013
Operating profit (£m)	312	352	386	417	467	517
Avg capital (£m)	**1,155**	**1,271**	**1,491**	**1,976**	**2,348**	**2,701**
Tax (%)	27.0	26.8	24.5	23.5	20.5	19.0

Maintaining healthy returns

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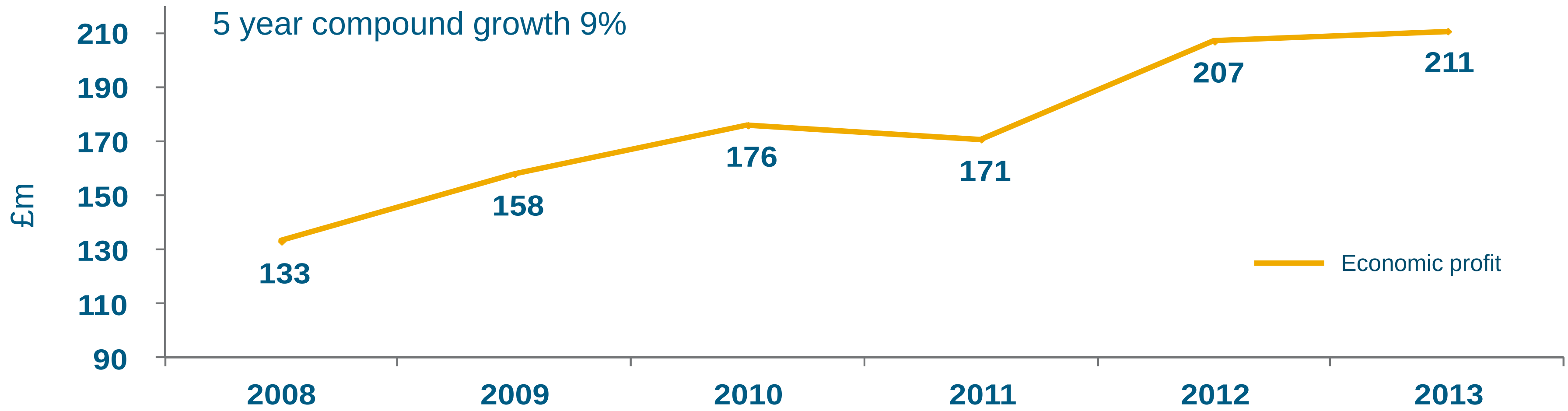
*Adjusted for new pension standard IAS 19 (R). Excludes non-underlying items which include: intangible amortisation, acquisition expenses, net contingent consideration movements, impairments, non-cash impact of mark to market finance costs and excludes the Insurance Distribution and SIP businesses for 2013.

Financial results – post tax economic profit*



	2008	2009	2010	2011	2012	2013
PBIT	312	352	386	417	**467**	**517**
Average capital	1,155	1,271	1,491	1,976	**2,348**	**2,701**
Tax (%)	27.0	26.8	24.5	23.5	**20.5**	**19.0**
WACC (%)	**8.2**	**7.9**	**7.7**	**7.5**	**7.0**	**7.7**
Capital charge (£m)	95	100	115	148	**164**	**208**
Tax (£m)	84	94	95	98	**96**	**98**

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*Adjusted for new pension standard IAS 19 (R). Excludes non-underlying items being: intangible amortisation, acquisition expenses, net contingent consideration movements, impairments, non-cash impact of mark to market finance costs and excludes the Insurance Distribution and SIP businesses for 2013

Financial results – balance sheet gearing

	£m 2013	£m 2012
Net debt		
Bond debt †	1,134	1,148
Net bank facilities drawn	-	-
Cash in bank	(158)	(307)
Term debt	200	185
Other	27	3
Total underlying net debt	**1,203**	1,030
Interest cover*	**12.3x**	9.4x
Net debt to EBITDA*	**2.02**	1.91

At lower end of our 2.0x – 2.5x EBITDA target range

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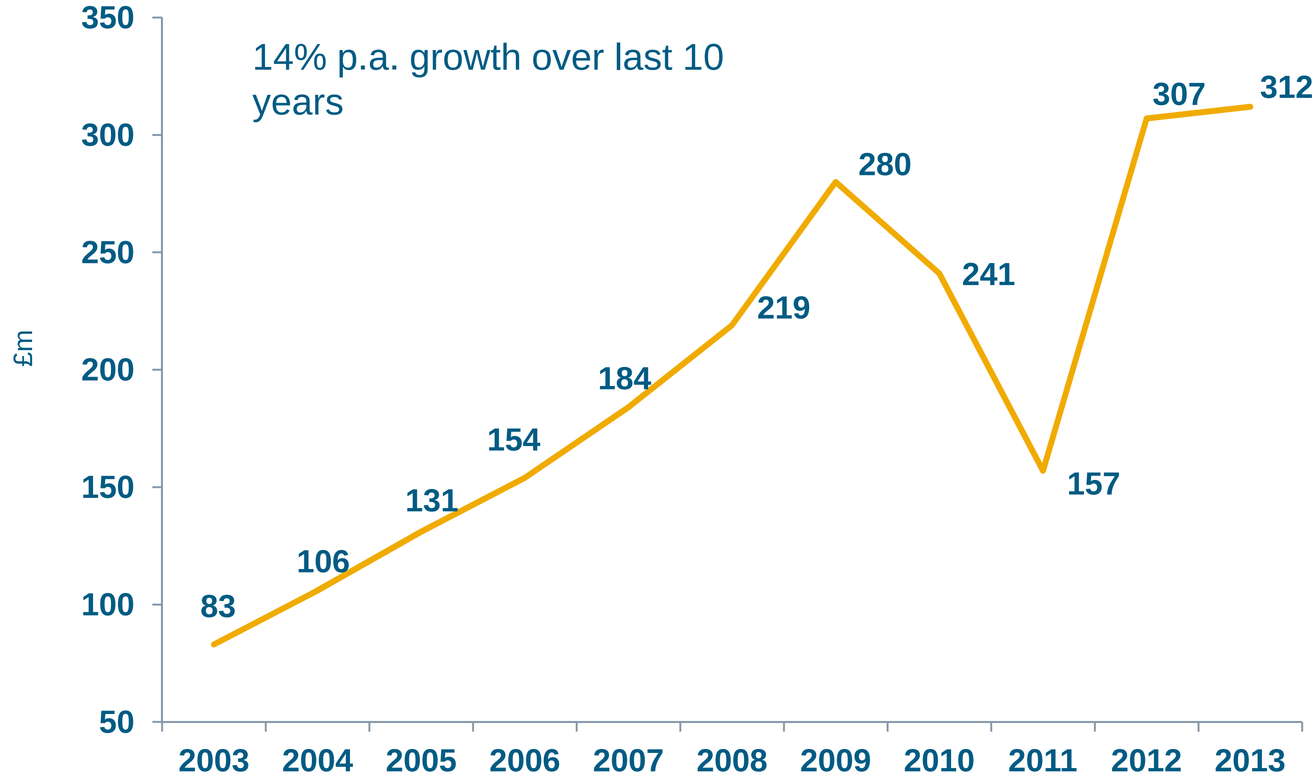
† Underlying net debt after impact of currency and interest swaps
* Underlying EBITDA adjusted for IAS 19(R) excluding Insurance Distribution and SIP businesses for 2013

Financial results – debt profile as at 31 December 2013

- £1,134m of private placement bond debt with maturities from 2014 to 2021 with a 44%/56% fixed/floating rate mix
- Only £11m matures in 2014
- £200m term loan facility maturing in July 2015
- £425m revolving credit facility maturing in December 2015 of which £nil utilised at 31 December 2013
- Comfortable with long term ratio of net debt to EBITDA in the range of 2 to 2.5

Comfortable maturity profile with good headroom

Underlying free cash flow growth



£2.1bn free cash flow generated over last 10 years			
▪ Ordinary dividends ▪ Special dividends	£1,129m	£1.7bn returned to shareholders (gross)	£1.4bn returned to shareholders (net of equity raised in 2012)
▪ Share buy backs	£551m		
▪ Acquisitions	£1,800m		

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Total shareholder return

Over 10 years to 31 December 2013:

	FTSE 100	Capita
Capital appreciation	+50%	+311%
Returns from dividends	+65%	+114%
Total shareholder return	**+115%**	**+425%**

Delivering long term shareholder value

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[1] Share prices used for calculating capital appreciation: 252.392p (2 Jan 2004 close), 1038.000p (31 Dec 2013 close).
Source: Citi

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Positioning Capita for continued growth

Andy Parker

Strategy for continued growth

- **Long term objective to deliver a minimum 10% revenue growth, split 2/3 organic growth and 1/3 acquisitions**
- **Continued discipline regarding cash management and capex**
- **Foster entrepreneurial behaviours within robust governance structure**
- **Continue to align management and shareholder objectives - strengthened through the addition of ROCE in remuneration policy from 2014**

Well positioned for long term growth

An embedded delivery model driving operational excellence and robust governance

2013 operating structure:

9 divisions

- Optimise synergies
- Responsiveness
- Market facing
- Structured for growth
- Spreading responsibility
- Promotes entrepreneurship
- Shared scale benefits
- On/near/offshore flexible delivery

Extensive resources + integrated process for controlled growth:

Organic growth:
- Big ticket contract sales teams
- Divisional sales teams

Value add acquisitions:
- Divisionally generated
- Centrally controlled
- Disciplined pricing
- New markets/enhance capability
- Fully integrated

Evaluation & governance:
- Big ticket sales review ('black hat')
- Monthly business review & re-forecasting (MOBs)
- Strong divisional management

Results in:

Sustainable growth
- Higher organic growth
- Value add acquisitions

Best in class resilient margins

Increasing strong cash generation

Increasing earnings

Sustainable and progressive dividends

Financial strategy:

Appropriate gearing:
2 to 2.5 x EBITDA

Return on capital significantly above WACC

Maximise shareholder returns:
- Dividends
- Special dividends
- Share buybacks

Reinvestment:
- Acquisitions
- Disciplined capital expenditure

Targeting growth – building capability and scale

- Evolve our sales proposition to target new clients and markets
- Develop capability and scale through 2 main channels:

Internally:

- Enhancing our delivery network, across time and cost zones
- Expanding multi channel service offering including full range of digital contact points
- Exploring and investing in the latest innovation in behavioural change, analytics, technology and process management

Via acquisition:

- Adding specialist skills to support major sales opportunities
- Target new growth sectors
- Access new client base
- Build scale
- Maintain disciplined approach – 15% post tax target return after 12 months
- Monitor performance

Targeting growth – £271m spent on 13 acquisitions

Capabilities	Acquisition	Rationale	Division	Value £m[1]
Analytics & gamification	G2G3	Provider of simulation-based training for industry and the police and emergency services	Justice & Secure Services	3.5 + (10.5)
	Euristix	Provider of data analytics and risk management	Customer Management & International	9.0 + (3.0)
Change management & learning and development	Blue Sky	Provides learning and development solutions for executive level, field based and contact centre employees	Workplace Services	7.2 + (4.8)
	KnowledgePool	Provider of learning managed services, including supplier management, training and consultancy		24.5
	Creating Careers	Provider of accredited online qualifications for the further education and secondary sectors		24.0 + (6.0)
	Write Research	Provider of research and insight led resourcing		4.0 + (2.0)

Building capability and scale

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[1] Value in brackets represents maximum contingent consideration

Targeting growth – £271m spent on 13 acquisitions

Capabilities	Acquisition	Rationale	Division	Value £m[1]
IT & software	MLS	Provider of library and resource management systems to the UK education sector	Professional Services	16.5 + (4.0)
	Northgate	Provides cloud-based, infrastructure and specialist managed services to public, private and third sectors	IT Services	65.0
	STL	Provider of software and ICT to criminal justice system	Justice & Secure Services	6.1
	ParkingEye	Provider of technology based car parking services		57.5
Debt management	iQor UK (now branded Akinika)	Provider of outsourced debt collection services to both the public and private sectors	Customer Management & International	42.0
Specialist consultancy	Cymbio	Specialist consultancy supporting the NHS	Health & Wellbeing	7 + (3.75)
	Contact Associates	Provider of assessment service enabling disabled students to access specialist support		4.5 + (0.5)

Expanding our sales propositions

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[1] Value in brackets represents maximum contingent consideration

Targeting growth – £25.3m spent on 2 acquisitions to date in 2014

Capabilities	Acquisition	Rationale	Division	Value £m[1]
Data management	Liberty	Document management company, primarily servicing the transport sector	Justice & Secure Services	6.5
IT & software	Retain International	People management, planning and forecasting tools		18.8 (3.8)

Building for future growth

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[1] Value in brackets represents maximum contingent consideration

Entering and building a new market through acquisition – justice and emergency services

£207m invested in 9 core niche businesses 2010 to date:

SUNGARD
beatsystems delivering secure mobile solutions
cedar HR
Applied Language
Fortek
Reliance
stl TECHNOLOGIES
G2 G3 ENGAGE. TRANSFORM. SUCCEED.
ParkingEye car park management

Strong platform for growth in justice and emergency services sectors

- Division reported revenue of over £400m in full year 2013
- Securing major new contracts with clients including Home Office, Ministry of Justice and Metropolitan Police Service
- Buoyant market, currently c.25% of bid pipeline

Generating further organic growth – Ministry of Justice, electronic monitoring

- **Selected as preferred bidder:**
    - **National electronic monitoring and field support services**
    - **Overall services and systems integrator**
- £400m over six years (based on EM growth)
- Contract due to be signed shortly with new service expected to start later in 2014
- Significant potential for growth through expansion of services to other government departments/agencies
- Interim contract signed for frontline delivery of the existing operation, transfer of around 1,000 employees in early 2014:

  - Serco employees and service transferred smoothly on 1 February, G4S employees transfer to Capita end March.

Building relationships in key target markets

Wider justice market opportunities

- Probation is a key area for Capita
- Significant changes planned in the way that probation services are delivered
- New service models which administer services but also target underlying issues such as reoffending
- Significant potential to realise substantial savings for taxpayers and improved outcomes for individuals and communities

• **Annual spend of c.£900m** on delivering sentences in the community
• **Total of 16,500 FTE staff** employed and funded by the Probation Service

Reoffending rates:
58.2% for prisoners released from under 12 months custody,
35.0% for prisoners released from 12 months custody or more

Caseload of 224,283
at the end of 2012

£9.5bn – £13bn
Total cost to the economy of crime committed by recent ex-prisoners

Identifying the underlying challenges

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Major sales update

Maggi Bell

Group Business Development Director

Creating growth – 2013 major contract wins

	Contract	Value (£m)	Duration (y)	Type
New market entry - utilities and telecoms	npower	120	7	New
	Telefónica UK (O2)	1,200	10	New + extension
	Carphone Warehouse	160	10	New
Embedded growth	Electronic Monitoring	400	6	New
	London Borough of Barnet (development and regulatory services)	154	10	New
	Cabinet Office (Axelos)	400	10	New
Greenfield and traditional partnerships	Smart meter communication licence	175	12	New
	National Asset Management Agency (NAMA)	69	4	New
	Southampton City Council	124	5	Extension
	University of Strathclyde	40	5	New
	Civil Service Learning	60	2	Extension
	Other major contracts	381	5 – 10	New & extensions

- **17 bids won in 2013 worth £3.3bn**
- **81% new revenue**
- **3 contracts with potential to double in size**
- **Achieved win rate of 2 in 3**

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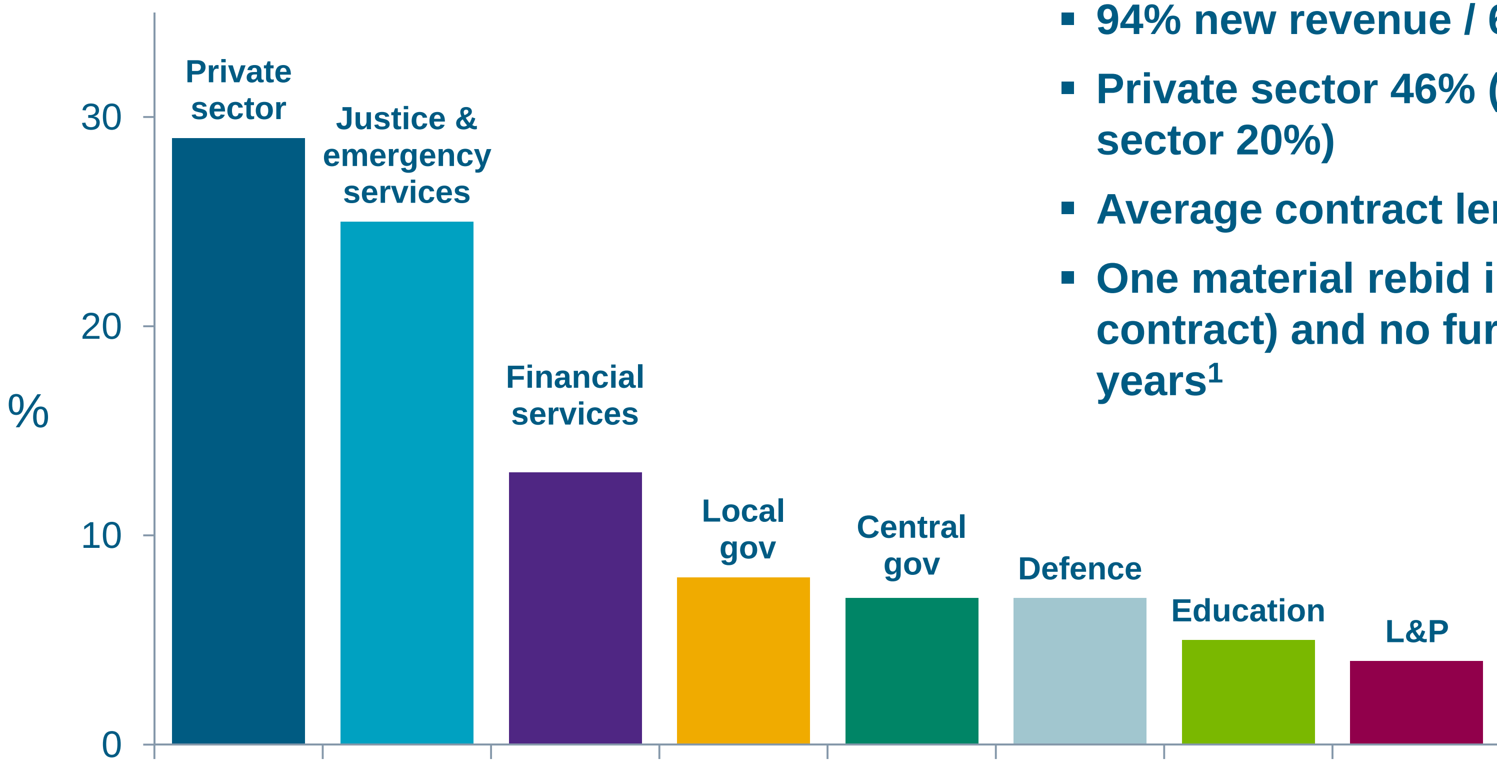
Creating growth – 2014 major contracts secured to date

- **Major contracts and extensions worth £588m in aggregate:**
  - **Transport for London** – Congestion Charging and Low Emission Zone schemes valued at £145m covering upfront implementation and 5 year operating contract
  - **Scottish Wide Area Network (SWAN)** – a single public services network for use by all public service organisations within Scotland, valued at £325m over 9 years
  - **Other major contracts (>£25m)** – including Ministry of Justice (electronic monitoring interim services agreement), Genesis Housing Association and the Metropolitan Police Service worth a total value of £118m

Strong start to 2014

Generating growth – bid pipeline



- Bid pipeline today of £5.5bn comprising 25 bids (Nov 2013: £4.2bn, 30 bids)
- 94% new revenue / 6% renewals
- Private sector 46% (Feb 2013: private sector 20%)
- Average contract length – 8 years
- One material rebid in 2015 (acquired contract) and no further for next 5 years[1]

Strong, balanced pipeline for growth

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[1] Criteria: more than 1% of 2013 full year revenue of £3,851m

Market landscape – multiple market drivers

Scale: £126bn per annum

Public Sector

Central government	Local government	Education	Health	Justice & emergency services	Defence

- Ongoing financial pressure, demographic, social changes
- Real term cuts in expenditure
- Maximise revenue collection and generation
- Enhance outcomes to citizens
- Drive to join-up services i.e. education, health, social care
- Improvement in procurement process/timeframes
- Innovative delivery models

Private Sector

Retail, telecoms and utilities	Life & pensions and insurance	Financial services	Other private

- Refocus on core business
- Increase market share
- Improving net promoter score
- Customer retention
- Customer advocacy
- Regulatory remediation and change
- Digital solutions

Diverse, growing markets

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Strategy for growth – capitalising on opportunity

- **Investment in market shaping**
  - **Established markets**
  - **New markets**
- **Evolve competitive differentiation**
  - **Leverage scale**
  - **Unique solution capabilities**
  - **New relationship models**
- **Rigorous qualification**
  - **ROI based criteria**
  - **Value sale not price competition**

Active sales generation and win strategy

Investment in market shaping – people and technology

- **9 market directors**
  - Deep understanding of sector
  - Board level relationships
- **New expertise in:**

Intelligence enabled change - Big data - Predictive analytics - Behavioural science - Customer led service design	**Technology enabled change** - Digital - Gamification - Robotics - Artificial intelligence

- **Group Board & divisional directors – client relationship management programme**

Active sales generation and win strategy

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Investment in intelligence led change

bluesky
performance improvement

What does it do?

- In depth expertise in learning led customer service transformation
- 16 years improving contact centre operations
- Developed >250,000 people in 38 countries

Major Utility

- Outbound sales – energy and insurance
- Average sales per hour increased from 1.54 to 1.88
- Conversion rate increased 14% to 18%

Major Telco

- Inbound sales conversion increased 10% to 19%
- Revenue increased by over £9m
- 1,700+% ROI

Private Bank

- Hike in client 'deep satisfaction' (advocacy) from 63% to 83%
- Jump in employee engagement 6%
- Customer Satisfaction Awards 2012

Major Telco

- 7% improvement in call quality
- 3% fewer disconnections
- 7.4% reduction in customer churn
- Customer satisfaction increased from 38% to 65%
- Inc.net financial benefit £2.5m pa ROI in excess of 500%

Investment in game science led engagement technology & services

G2G3

ENGAGE. TRANSFORM. SUCCEED.

What does it do?

- Uses game science to engage, educate & enable for better business outcomes
- Licenses game-based technology to 7 of top 10 tech companies in world
- Gartner 'Cool Vendor'
- Global footprint, 172 partners worldwide

Global Re-insurance

- Innovative gamification solution to architect positive staff behaviour around IT consumption
- Full ROI in 4 weeks
- 3 month cost saving $3.2m

Major Tech Vendor

- Implemented Project & Portfolio Management simulation technology as pre-sales tool
- Realised $40m in value over 9 months

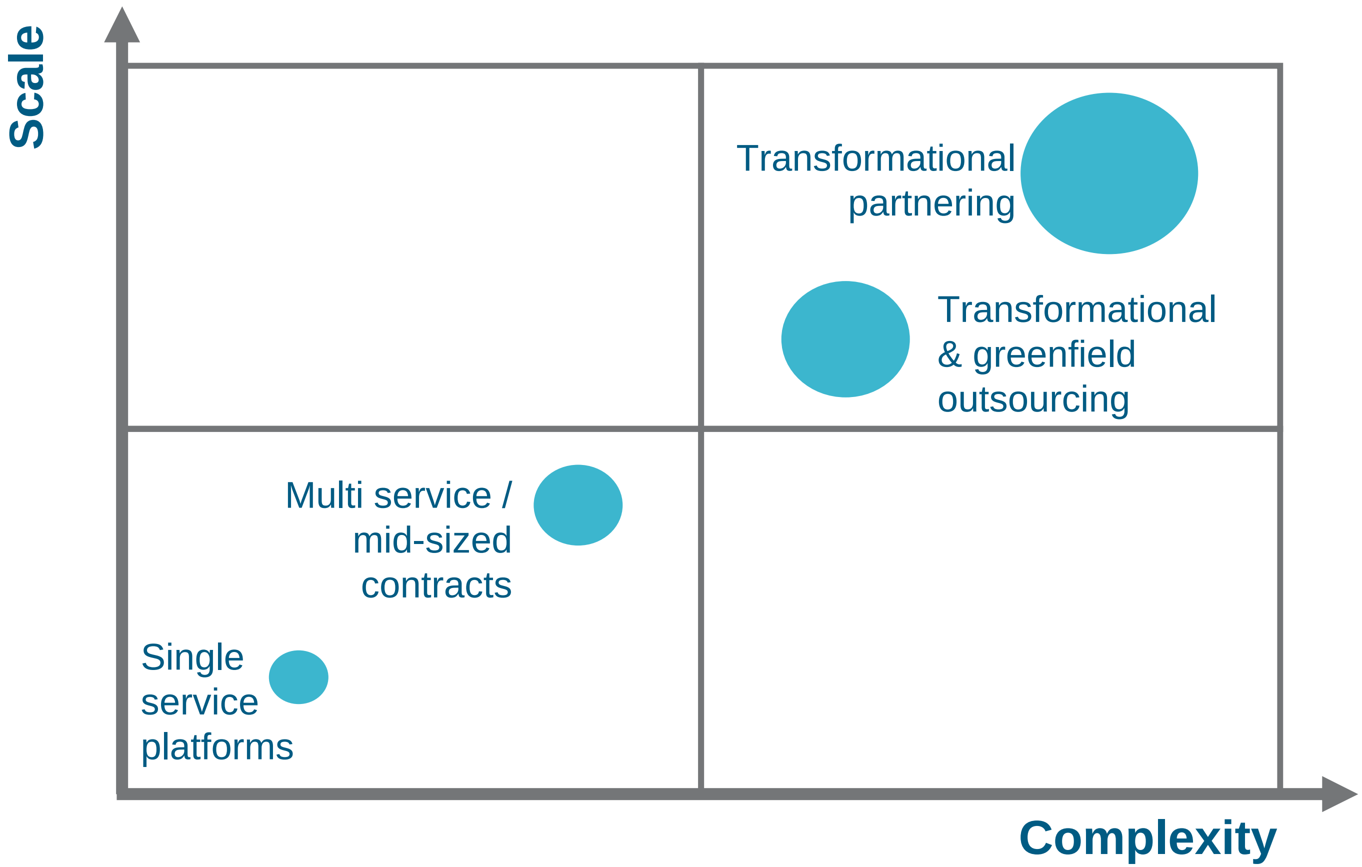
Global Auto Manufacturer

- Replaced ITIL Foundation training with 100 simulations worldwide
- Jump in training approval rating from 37% to 92%
- Created significant energy & commitment towards ITSM transformation & education

Major Tech Vendor

- Creation of custom IT simulation based on Formula One scenario
- Realised $1bn in value to product sales, services and education businesses

Transformational partnership



Client objectives:

- Increase revenue
- Support economic regeneration
- Improve services
- Job creation

Relationship structure:

- Long-term partnership
- Contracted revenue plus evergreen concession
- Specialist SMEs / subcontractors
- Business growth focus

Client selection criteria:

- Trusted relationship – partnering behaviour
- Deep market knowledge
- Financial stability
- Growth track record

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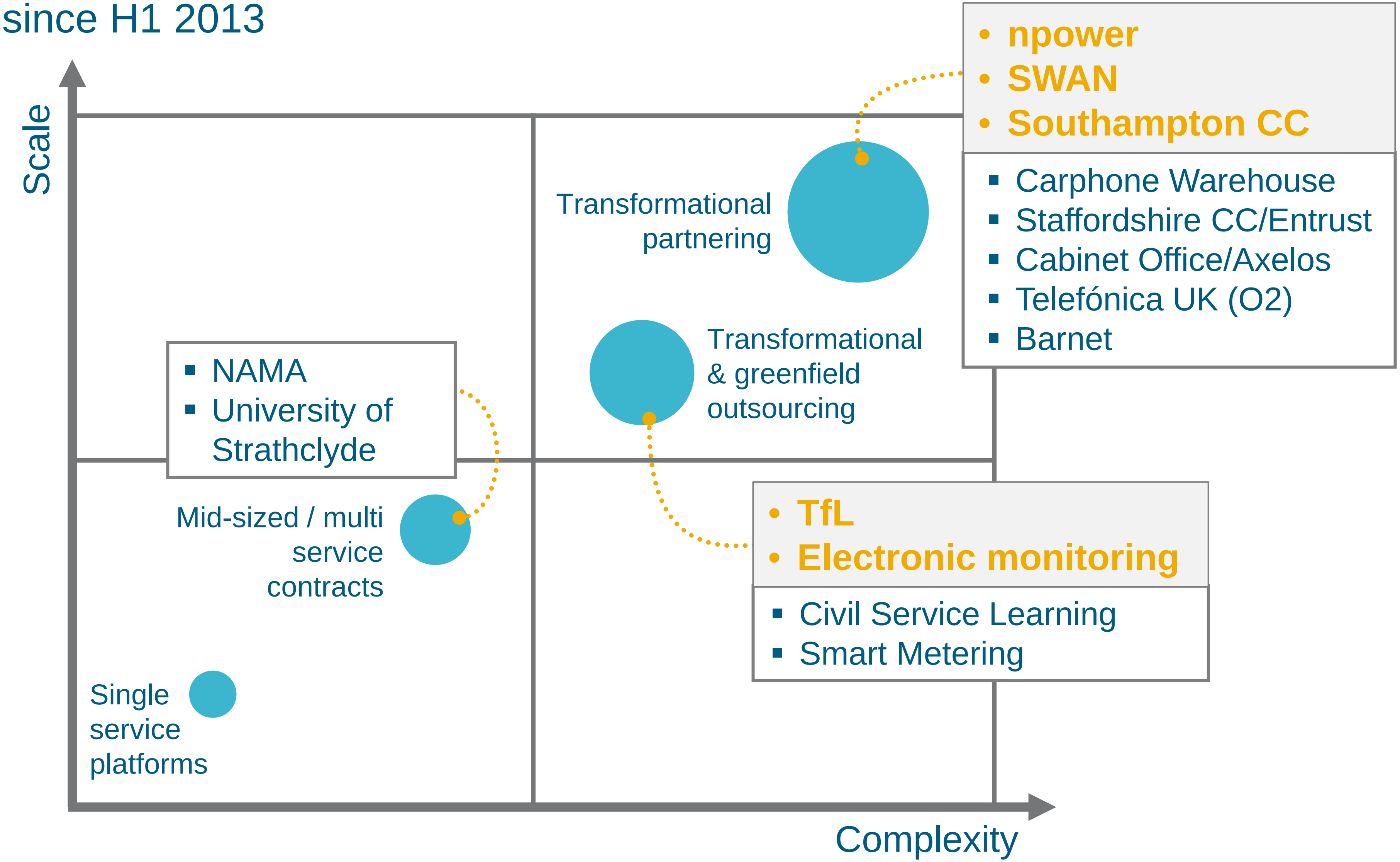
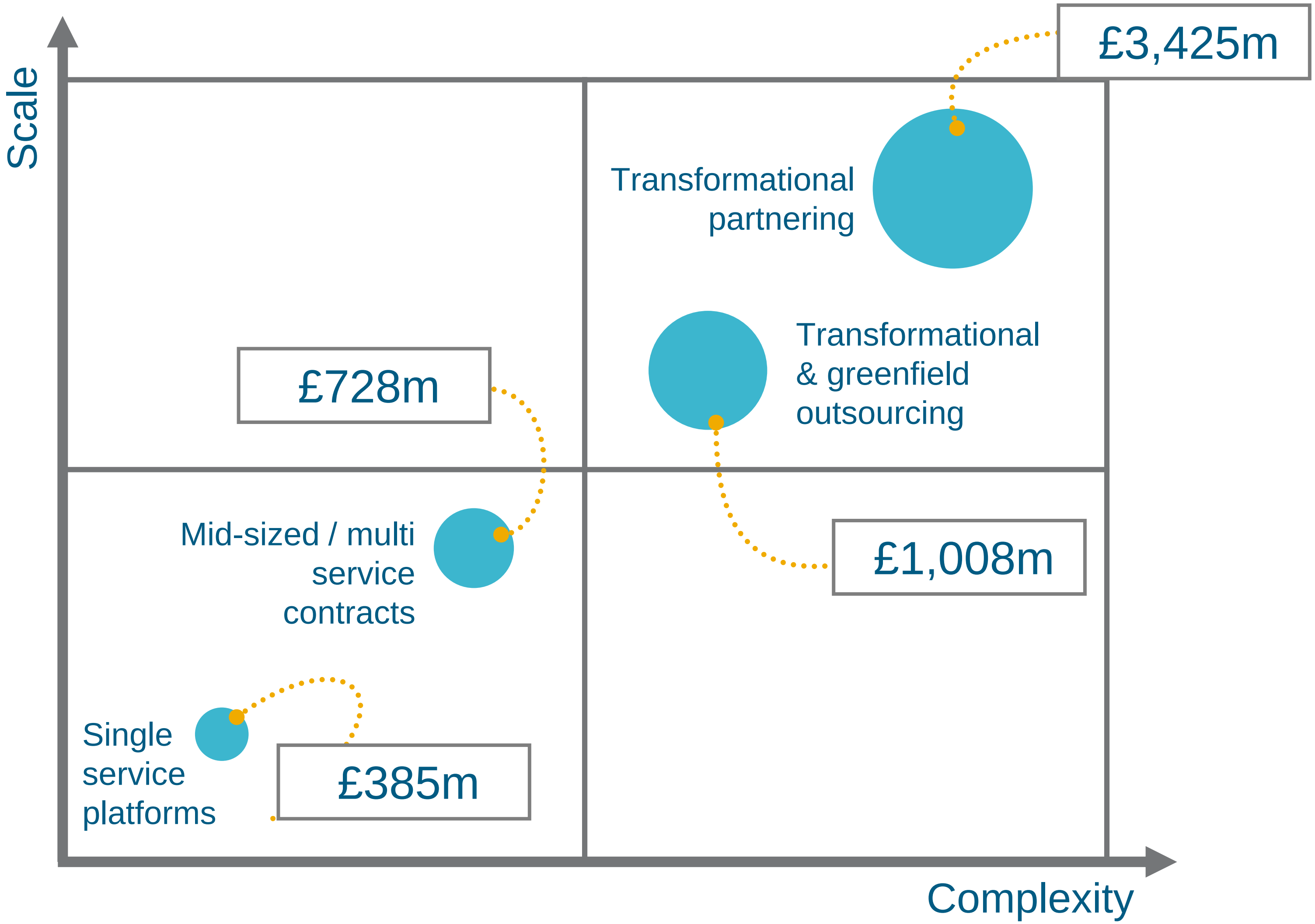
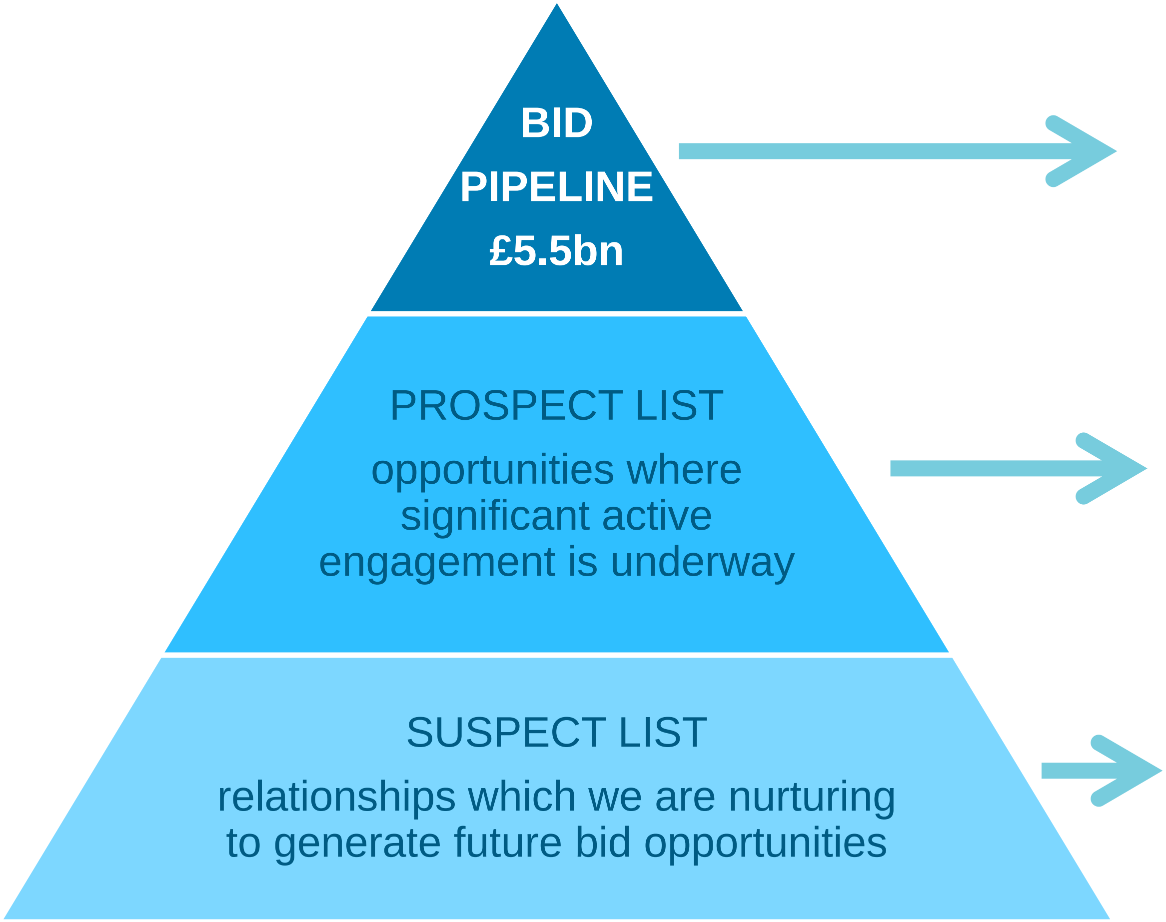
Strategy for growth – understanding client requirements and desired outcomes, wins since H1 2013



Strategy for growth – Bid pipeline by value



Fuelling growth for 2015 & 2016 – generating new prospects



- **Subject to clear criteria:**
  - **Contracts >£25m**
  - **Shortlisted to 4 or fewer bidders**
  - **Capped at £1bn**

- **Investing in team – proactive private and public sector prospecting**

Delivering long term organic growth

Summary & outlook

Andy Parker

Strongly positioned for growth

- High level of sales activity in both traditional and new customer management and BPM markets
- Focusing on smooth delivery of recent major contract wins
- Operational excellence delivering strong customer references
- Maintaining strong financial discipline and an entrepreneurial, open culture as the business grows
- Continuation of our proven strategy and business model
- Well positioned for 2014 and beyond

Delivering long term, sustainable growth

CAPITA

Results for the year ended 31 December 2013

Full year results presentation

27 February 2014