

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 £5.6bn outsourced in 2008. By managing our business responsibly, we endeavour to meet the needs of all our stakeholders.

Our performance

Highlights from 2009 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 **£1,311m**, up 11%
- Underlying profit before tax of **£141.7m**, up 18%
- Earnings per share: **16.92p**, up 17%
- Dividend per share: **5.6p**, up 17%
- 10 major contacts secured worth **£814m**
- 9 acquisitions completed at a cost of **£92.7m**
- **£3bn** bid pipeline comprising **24** bids
- Demand for outsourcing remains buoyant
- Most active markets – local government, life and pensions and the wider financial sector

Latest news headlines

21/09/2009

Capita in partnership negotiations with NHSBSA

04/08/2009

Capita selected for further contract by BBC

23/07/2009

Half year results

09/06/2009

Capita acquires Carillion IT Services

05/06/2009

Capita acquires Capmark Services Europe



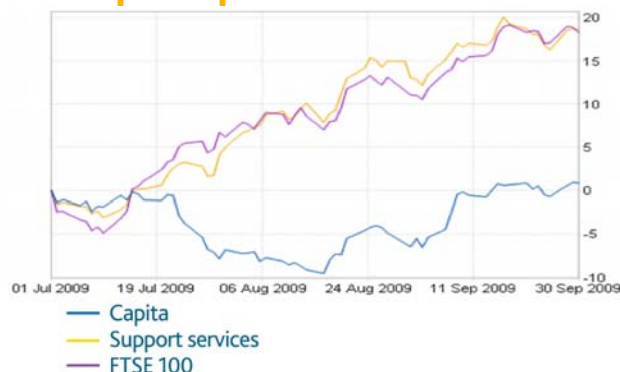
Read more at www.capita.co.uk

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.

	half year 2009	half year 2008	year end 2008	year end 2007
Operating margins	12.2%	11.9%	13.15%	13.09%
Free cash flow	£122m	£102m	£219m	£184m
Return on capital employed (ROCE)	20.4	20.2	20.4%	19.6%
Economic profit	-	-	£140m	£110m
Gearing – interest cover	8.2x	7.5x	7.4x	8x
Capital expenditure	2.7%	2.8%	3.5%	3.5%
Retaining people	-	-	88%	89%
Overall employee retention	-	-	82%	82%
Controlling our carbon footprint (tonnes CO ₂)	-	-	64,611	58,523

Share price performance



Key contacts

Shona Nichols
Corporate Communications Director

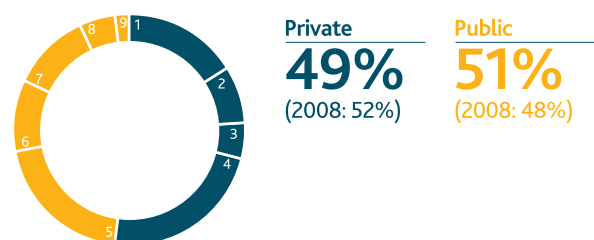
Vicki Bradley
Corporate Communications Senior Executive

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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 2009	FY 2008
1. Central government	11	10
2. Local government	20	20
3. Education	12	11
4. Health	3	2
5. Transport	5	5
6. Insurance	8	8
7. Life and pensions	16	16
8. Financial services	4	5
9. Other corporates	21	23

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 (08)	Op. Profit (08)
Insurance services	246.2m	31.1m
Investor services	173.9m	39.6m

Life & Pensions

Comprises all our life & pensions operations including open and closed book, occupational pensions and wealth and distribution services.

	Turnover (08)	Op. Profit (08)
Life & Pensions	462.9m	55.7m

Professional Services

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

	Turnover (08)	Op. Profit (08)
Professional services	311.2m	56.4m

Integrated Services

Comprises all our major central government contracts, retail sector contact centres and business travel administration businesses, our integrated HR services and HR solutions.

	Turnover (08)	Op. Profit (08)
Integrated services (excluding HR Solutions)	387.4m	56.1m
HR Solutions	258.2m	24.2m

ICT, Property & Partnerships

Comprises our ICT business, which supports the Group's operations and external clients, strategic local government partnerships, health business, offshore operations and our property consultancy, Capita Symonds.

	Turnover (08)	Op. Profit (08)
ICT & Partnerships	339.4m	35.0m
Property consultancy: Capita Symonds	262.2m	22.8m

Major shareholders

as at 31/08/09

INVESCO Asset Management Ltd	14.0%
Baillie Gifford & Co	6.5%
Fidelity International Ltd	5.0%
Legal & General Investment Mgrs	4.1%
Capital Group Companies	3.9%

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

Eric Walters – Non-Exec Chairman

Paddy Doyle – Executive Director

Martin Bolland – Senior Independent Director

Martina King – Non-Exec Director

Bill Grimsey – Non-Exec Director

Five year summary

for the years ending 31 December

	2008 £m	2007 £m	2006 £m	2005 £m	2004 £m
Group balance sheet					
Non-current assets	1,488.8	1,032.5	862.5	783.5	668.2
Current assets	675.5	458.1	404.6	343.8	260.3
	2,164.3	1,490.6	1,267.1	1,127.3	928.5
Liabilities	(1,764.1)	(1,156.2)	(939.6)	(726.4)	(562.7)
Provision for liabilities and charges	(3.3)	(2.6)	(1.7)	(3.3)	(5.5)
	396.9	331.8	325.8	397.6	360.3
Capital and reserves	396.9	331.8	325.7	397.4	359.9
Minority interests	–	–	0.1	0.2	0.4
	396.9	331.8	325.8	397.6	360.3
Group income statement					
Turnover	2,441.4	2,073.3	1,738.5	1,435.5	1,282.2
Profit before interest, intangible amortisation and callable swaps	320.9	271.3	225.1	183.1	155.8
Other operating (expense)/income	(0.2)	1.2	–	–	–
Net interest payable	(43.5)	(34.1)	(25.0)	(13.5)	(11.9)
Profit before taxation, intangible amortisation and callable swaps	277.2	238.4	200.1	169.6	143.9
Intangible amortisation	(18.6)	(9.7)	(6.9)	(4.5)	(1.8)
Impairment	–	–	–	(12.0)	–
Callable swaps	(32.0)	–	–	–	–
Discontinued operations	–	–	–	–	(2.2)
Taxation	(60.8)	(62.5)	(53.5)	(45.8)	(39.4)
Minority interests	–	–	0.1	0.2	0.2
Profit after taxation	165.8	166.2	139.8	107.5	100.7
Basic earnings per share (excluding impairment, amortisation and callable swaps)	33.26p	28.10p	23.10p	18.60p	15.37p
Basic earnings per share (including impairment, amortisation and callable swaps)	27.26p	27.09p	22.32p	16.28p	15.13p
Diluted earnings per share (excluding impairment, amortisation and callable swaps)	32.96p	27.63p	22.56p	18.33p	15.24p
Diluted earnings per share (including impairment, amortisation and callable swaps)	27.01p	26.64p	21.80p	16.05p	15.00p
Special dividend	–	25.00p	–	–	–
Dividend per ordinary share	14.40p	12.00p	9.00p	7.00p	5.35p