Results for the year ended 31 December 2011

22 February 2012

logica

be brilliant together

Forward looking statements

This presentation includes certain forward-looking statements with respect to the financial condition, results of operations and business of Logica plc (“Logica”), and certain plans and objectives of the Board of Directors of Logica with respect thereto. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Forward-looking statements are not guarantees of future performance. Logica's actual results of operations, financial condition, liquidity, prospects, growth and strategies and the development of the industry in which Logica operates may differ materially from those expressed or implied by the forward-looking statements included in this presentation.

Events that may cause actual results to differ from such forward-looking statements include, but are not limited to, fluctuations in the capital markets; fluctuations in interest and exchange rates; increased regulation or regulatory scrutiny; the occurrence of unforeseen disasters or catastrophes; political or economic instability in principal markets; adverse outcomes in litigation; general local and global economic, political, business, and market conditions.

Except as required by legal or regulatory requirements (including those of the UK Listing Authority and the London Stock Exchange), Logica does not undertake any obligation to update or revise publicly any forward looking statement, whether as a result of new information, future events or otherwise.

Forward looking statements

Unless otherwise stated, the comparatives in this release relate to pro forma results for FY'10 which:

- reflect average 2011 exchange rates by retranslating prior period actual numbers at average 2011 exchange rates. This increased FY 2010 revenue by £87 million and had an impact of £5 million on adjusted operating profit.
- are adjusted to include acquisitions and disposals that took place during 2010 and 2011 by adjusting the actual prior period numbers for the relevant period owned. This increased FY 2010 revenue by £22 million and had a positive £1 million impact on adjusted operating profit.
- includes a number of changes to the scope of outsourcing activities in some of our geographies.

With the exception of adjusted operating margin percentages, all numbers in this release have been rounded. Adjusted operating margin reflects the adjusted operating margin reported in the consolidated prelim financial statements. Underlying numbers have been included for ease of comparison as defined on slide 8.

Adjusted operating profit and margin are from continuing operations and before exceptional items and amortisation of intangible assets initially recognised at fair value in a business combination.

Adjusted earnings per share is based on net profit attributable to ordinary shareholders, excluding discontinued operations, exceptional items, mark-to-market gains or losses on financial assets and financial liabilities designated as fair value hedges through profit or loss, amortisation of intangible assets initially recognised at fair value in a business combination and tax on those items.

Exchange rates used are as follows:

	FY'11	H2'11	H1'11
£1 / €			
Average	1.15	1.15	1.15
End of period	1.20	1.20	1.11
£ / SEK			
Average	10.41	10.53	10.28
End of period	10.65	10.65	10.13

Agenda

The 2011 result	Andy Green
Financial performance	Himanshu Raja
Looking ahead	Andy Green

The 2011 result

Andy Green

The 2011 result – in line with December guidance

	December guidance	2011 Result
Orders	Strong	£4.6bn
Revenue	+3%	+4%(1)
Underlying adjusted operating profit	£240-250m	£247m(1)
Net Debt / EBITDA	Around 1.0x	0.9x

(1) Before contract adjustments and restructuring charges announced in December

Financial performance

Himanshu Raja

Definitions

Reported: includes the impact of the £39 million of contract charges and £93 million of restructuring charges we announced on 14 December. It also includes £24 million of Business As Usual (BAU) restructuring and a £7 million pension curtailment gain.

Underlying: this is the basis of the 14 December 2011 guidance and excludes the impact of the £39 million of contract charges and £93 million of restructuring charges.

Pro forma: adjusting for constant exchange rates and including the acquisitions and disposals that took place during 2010 and 2011.

Full year income statement

Reported £'m	**Six months ended**		**Twelve months ended December**	
	June	**December**	**2011**	**2010**
Revenue	1,993	1,928	3,921	3,806
YoY%	*5%*	*1%*	*3%*	
Adjusted operating profit	113	1	114	278
Adjusted operating margin%	5.7%	0.1%	2.9%	7.3%

Underlying £'m				
Underlying revenue	1,993	1,957	3,950	3,806
YoY%	*5%*	*3%*	*4%*	
Underlying adjusted operating profit	113	134	247	278
Underlying adjusted operating margin %	5.7%	6.8%	6.2%	7.3%

Full year 2011 - underlying performance

	Revenue			Adjusted operating profit			
£'m	Reported	Contract charges	Underlying	Reported	Contract charges	Restruct. charges	Underlying
France	**875**	3	**878**	**74**	3		**77**
N&C Europe	**860**		**860**	**65**		2	**67**
UK	**725**	17	**742**	**16**	28	3	**47**
Sweden	**622**		**622**	**(9)**		31	**23**
Benelux	**464**	9	**473**	**(72)**	9	57	**(7)**
International	**375**		**375**	**40**			**40**
Total	**3,921**	29	**3,950**	**114**	39	93	**247**
Outsourcing	**1,731**	26	**1,757**	**66**	32	27	**125**
Consulting and Professional Services	**2,190**	3	**2,193**	**48**	7	66	**122**

Outsourcing Services

Underlying £'m	Six months to June 2011	Six months to June Change (1)	Six months to December 2011	Six months to December Change (1)	Twelve months to December 2011	Twelve months to December Change (1)
Revenue						
Applications Management	465	14%	444	6%	909	10%
Infrastructure Management	328	5%	338	4%	666	4%
Business Process Outsourcing	85	15%	97	28%	182	21%
Total	**878**	**11%**	**879**	**7%**	**1,757**	**9%**
Underlying adjusted operating profit	**54**		**71**		**125**	
Underlying adjusted operating margin %	**6.2%**		**8.1%**		**7.1%**	

(1) On a pro forma basis

Consulting and Professional Services

Underlying £'m	Six months to June 2011	Six months to June Change (1)	Six months to December 2011	Six months to December Change (1)	Twelve months to December 2011	Twelve months to December Change (1)
Revenue						
France	247	2%	233	3%	480	3%
N&C Europe	290	5%	292	2%	582	3%
UK	159	(8)%	158	(1)%	317	(5)%
Sweden	137	8%	111	(6)%	248	1%
Benelux	202	(4)%	186	(7)%	388	(6)%
International	80	3%	98	3%	178	3%
Total	**1,115**	**1%**	**1,078**	**(1)%**	**2,193**	**0%**
Underlying adjusted operating profit	**59**		**63**		**122**	
Underlying adjusted operating margin %	**5.3%**		**5.8%**		**5.5%**	

(1) On a pro forma basis

Full year 2011 performance by geography

Underlying

£'m	Six months to June 2011	Six months to June Change (1)	Six months to December 2011	Six months to December Change (1)	Revenue 2011	Revenue Change (1)	Adj. op. profit 2011	Adj. op. margin 2011
France	455	10%	423	3%	878	7%	77	8.8%
N&C Europe	434	11%	426	3%	860	7%	67	7.8%
UK	361	(2)%	381	11%	742	5%	47	6.3%
Sweden	322	7%	300	(1)%	622	3%	23	3.6%
Benelux	242	(3)%	231	(4)%	473	(4)%	(7)	(1.4)%
International	179	3%	196	(2)%	375	1%	40	10.7%
Total	**1,993**	**5%**	**1,957**	**3%**	**3,950**	**4%**	**247**	**6.2%**

(1) On a pro forma basis

Full year income statement

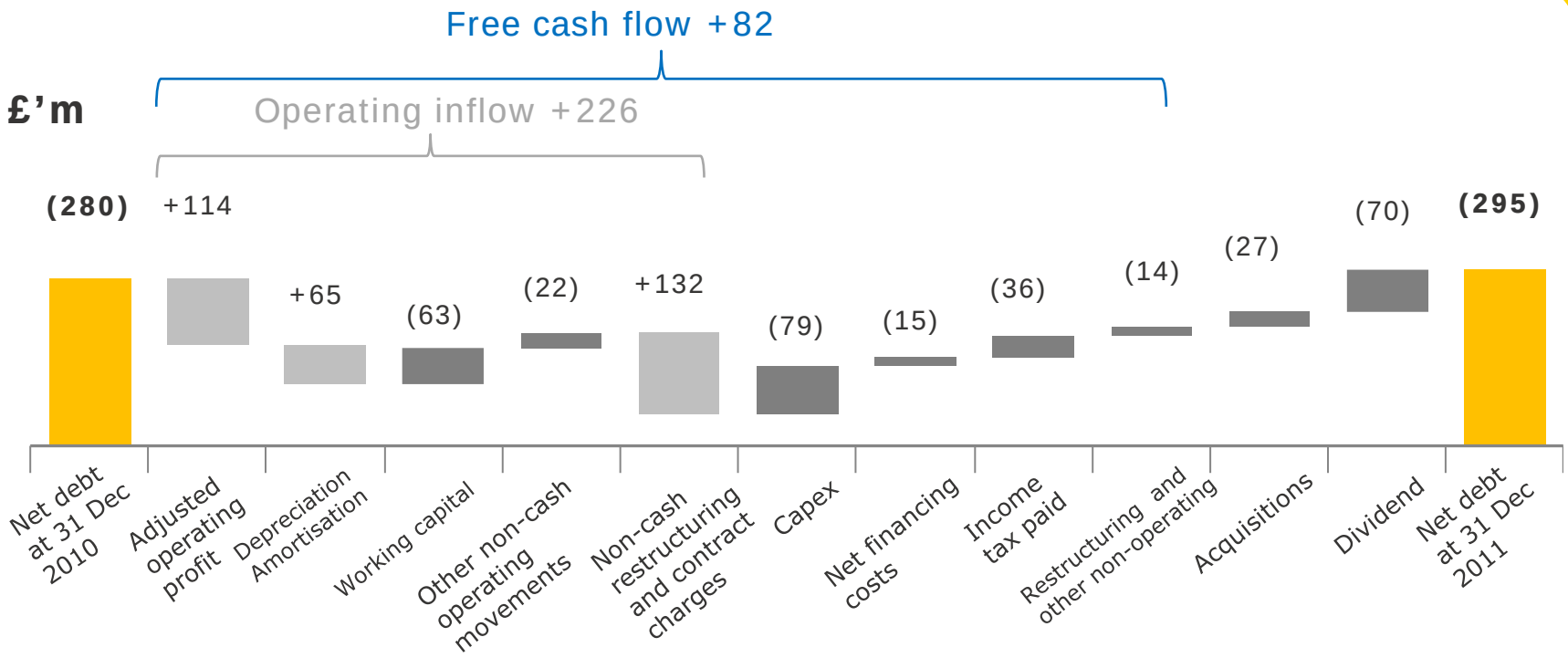
£'m	Actual 2011	Actual 2010
Underlying adjusted operating profit	**247**	**272**
Contract charges	(39)	
Restructuring charges	(93)	
Adjusted operating profit	**114**	**272**
Adjusted operating margin %	2.9%	7.4%
Finance costs	(23)	(18)
Tax	(6)	(41)
Underlying basic adjusted EPS	**11.3**	**12.3**

Full year free cash flow

£'m	Actual 2011	Actual 2010	Change
Operating cash flow	**226**	**270**	**(44)**
Operating cash conversion % (1)	92%	99%	
Capex	(79)	(74)	(5)
Interest (net)	(15)	(16)	1
Tax	(36)	(51)	15
Restructuring and other non-operating	(14)	(45)	31
Free cash flow	**82**	**84**	**(2)**
Net debt	**(295)**	**(280)**	**(15)**
Leverage (Net debt / EBITDA)	**0.9x**	**0.8x**	

(1) On underlying adjusted operating profit

Net debt movement

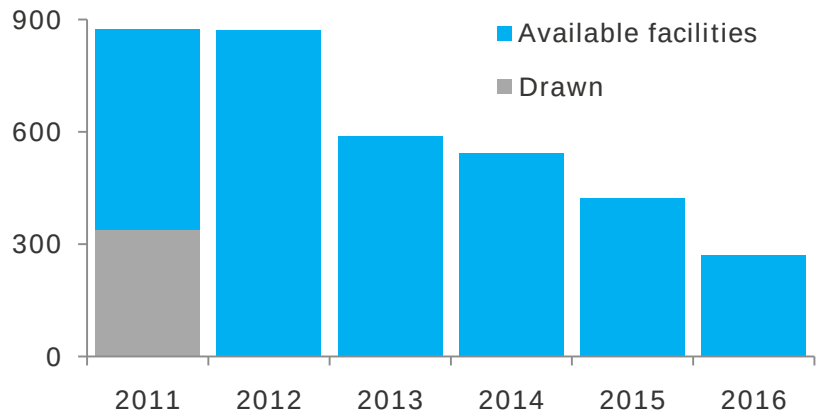


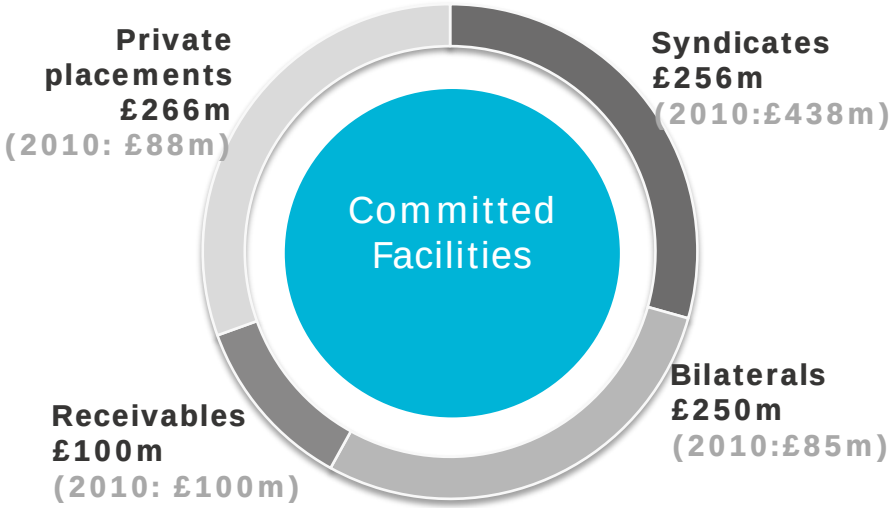
2010:

(291)	272	58	(56)	(4)	--	(74)	(16)	(51)	(45)	(6)	(67)	**(280)**

Operating inflow +270

Debt and liquidity





Four new bank bilateral facilities signed in December 2011 and January 2012 – total €150m

Refinancing of November 2013 maturity largely complete

Committed facilities of £872m

Will continue to take advantage of opportunities in debt markets

Operating margin bridge to FY 2012 guidance

FY 2011 underlying adjusted operating profit	**247**
Restructuring	+24
Incremental savings from BAU restructuring	+5
Pension curtailment	(7)
	269
Revenue guidance -2% to +2%	(x) / x
Pricing pressure Cost inflation (net)	£(20)m-£(40)m
Normalised bonus level	(x)
Restructuring savings	£25m - £35m
FY 2012 guidance	**Above 6.5%**

CFO priorities

Focus on cash, particularly on free cash flow

Balance sheet

Operating leverage

Contract governance and management

Finance discipline and capability

Guidance for 2012 remains unchanged

Revenue	-2% to +2%
Operating profit/margin	Above 6.5%
Net debt/EBITDA	c.1.0x
Dividend payout (Dividend/Adjusted EPS)	At least 40%

Restructuring 14 December	Six months to June	Six months to December
Savings	c.£5m	c.£20-30m
Cash outflow	← c.£60-70m →	

Looking ahead

Andy Green

logica

Strengthening the focus on execution across Logica

A better focus on execution through:

- Strengthened management capabilities in the UK, Sweden and the Benelux
- Chief of Operations appointed with responsibility for delivery assurance, resourcing and business support systems
- New independent functions in delivery assurance and contract accounting
- An ongoing monitoring of major contracts in terms of size, complexity, build up of work-in-progress and the status of the delivery to the client
- New review process to ensure return on investments

2012 is about executing against operational priorities

Return the Benelux to profitability

Improve Swedish and UK margin

Globalise AM and IM

Improved people and resource management

World class client engagement

Restructuring on track

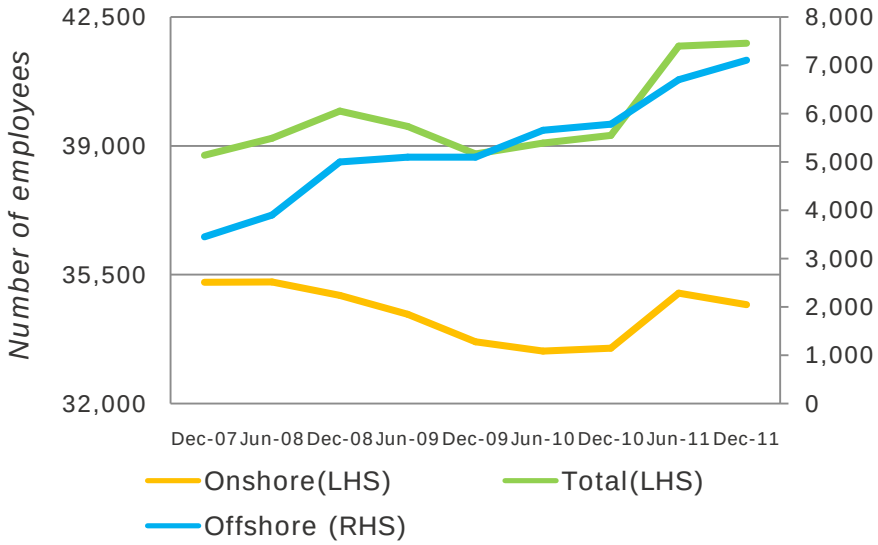
	Start of consultation	End of consultation	Exits commence	Exits conclude
Benelux	Complete	Will complete in Q1	Expected in Q2	Expected in Q3
UK	Complete	On track and expected to complete by Q2	Expected in Q2	Expected in Q2
Sweden	Complete	Will complete in Q1	Expected in Q2	Expected in Q2
Finland	Complete	On track and expected to complete by Q2	Expected in Q2	Expected in Q4

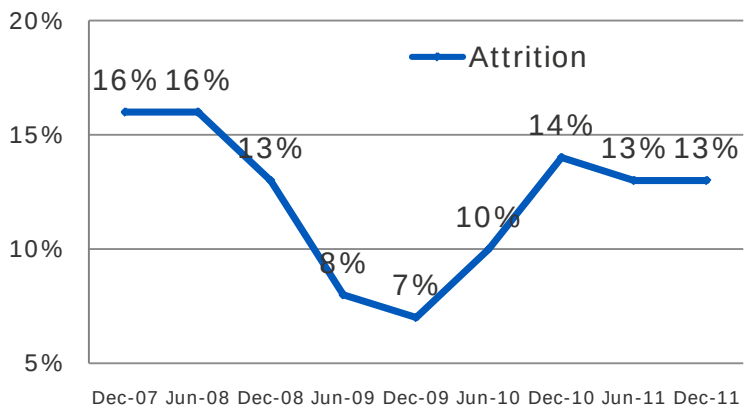
On track for 1,300 reductions, with some exits already completed
cost savings of £25 to £35 million to be second half weighted

Making progress in the Benelux

A realistic assessment of our run rate	• Ensure realistic revenue expectations, assuming a declining market in the Benelux in 2012
Rightsizing our cost base	• Announced headcount reductions of c. 450 in 2012 through attrition, restructure and performance management • Rigorous controls on hiring • Facilities reduction through closure of excess capacity over 2 years
Smarter resourcing to improve utilisation	• Stronger resource plan: reskill, rotate or recruit c. 350 • Re-allocate sales effort in line with opportunity • Strengthen project/service management
Simplifying our operating model	• A simpler client facing organisation • A simpler practice structure to manage systems integration and applications management work
Engaging our people with the right goal setting and remuneration	• Timely performance management and realistic targets • Enhanced sales training and people engagement

Resourcing, managing and motivating our people





Lowering average cost of labour through use of offshore and strategic hiring onshore

Restructuring to drive utilisation improvement from Q2

More rigour around how we manage and motivate our people:

- performance reviews
- incentives
- investments e.g. career model

A good platform to build on: people and clients

People satisfaction up 5% and engagement up 4% in Logica People Survey, January 2012 (based on 30,698 responses)

Top increases on the following questions:

We have produced excellent results for our clients through sustained team work (+12%)

I have the opportunity to work across cultures (+10%)

In general, I feel that Logica is a better employer than other similar companies (+8%)

I am proud to work for Logica (+7%)

Revenue from commercial sectors up 7%; revenue from top 50 clients up 11% in 2011 to 44% of revenue

Largest commercial clients by sector include

Carrefour
EADS
Michelin
PostNord
Volvo

ABN Amro
BNP Paribas
Credit Agricole
ING
Societe Generale

DCWW
EDF
EDP
GDF Suez
Shell

BT
France Telecom
KPN
Nokia
TeliaSonera

The market will remain uncertain in 2012

Ongoing pressure on the CIO

Continued shift to delivering business processes ‘as a service’

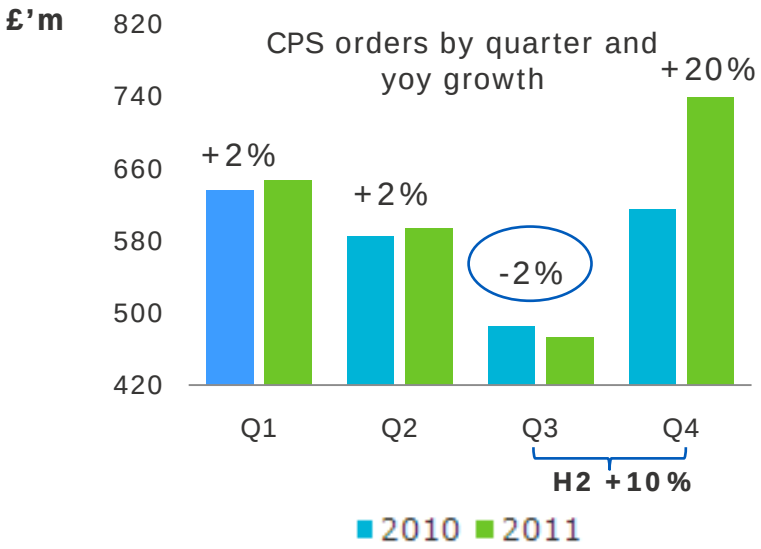
Continued focus on Outsourcing to reduce cost

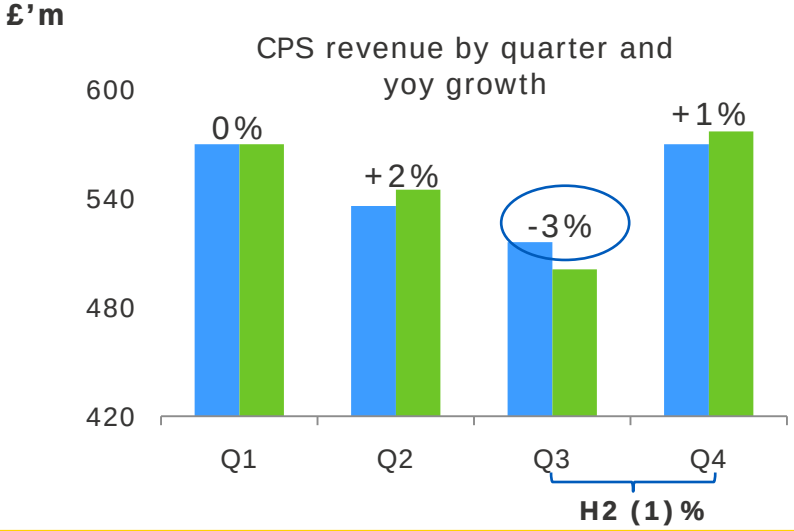
Strong demand for Cloud, customer analytics and Business Intelligence

Longer term interest in sustainability, security, mobility and machine-to-machine (M2M)

Mixed trends on pricing

Pockets of weakness still evident





A strong year end orders in the UK, France and Northern and Central Europe reflected Q3 slippage and good traction for Business Consulting with new wins at clients like Assa Abloy

Revenue was down 1% in H2 but underlying saw mixed performance

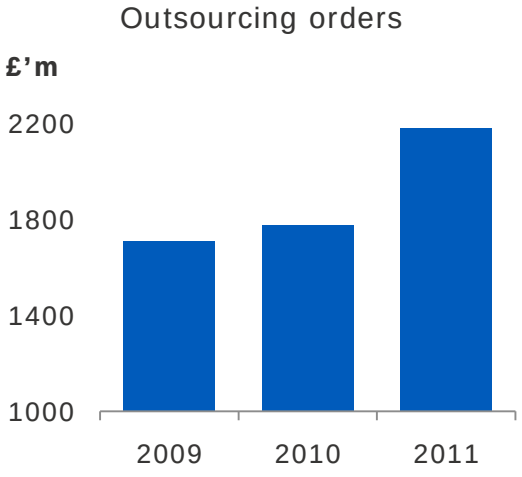
- Revenue was up between 0 and 3% in four geographies
- Offset by continuing decline in the Benelux and Sweden, with Q4 down 9-10% in both

Continued focus on Outsourcing in the market

- Outsourcing order backlog underpinning future growth, with Outsourcing orders up 23% to £2.2bn in 2011
- Strong traction with our BPO offering in 2011, with orders up from £111m last year to £405m on the back of significant HR BPO wins with Ahold in H1 and BAE Systems in H2
- Other H2 wins and extensions include:
  - Pensionsmyndigheten (Swedish Pensions Agency)
  - Etalab - French open data portal
  - French Ministry of Defence
  - UK client extensions

£2.6bn

Outsourcing backlog (End of 2010: £2.3 bn)



Summary

Tough decisions were taken in 2011

Our restructuring is on track

Our balance sheet is strong

Market leading growth in Outsourcing

We continue to strengthen our people and client relationships

Guidance remains unchanged

Questions?

logica

be brilliant together

Appendix

Underlying revenue diversification by geography

	FY 2011 %
France	22%
UK	19%
Sweden	16%
Benelux	12%
Finland	9%
Other Nordics	6%
Other N and C Europe	7%
Iberia	3%
Rest of World	6%

Calculating the tax charge

	Total before exceptionals and amortisation of intangibles £'m	Exceptional items £'m	FY'11 amortisation of intangible assets initially recognised on acquisition £'m	Total £'m
Operating profit	114	(5)	(54)	55
Net financing costs	(23)	-	-	(23)
Share of post-tax profit from associates	1	-	-	1
Profit before tax	92	(5)	(54)	33
Tax (charge)/credit	(21)	-	16	(5)
Effective tax rate	23%			

Forecast rate on ordinary activities going forward is c24%

Numbers of shares used for EPS

	Weighted average No. of shares (millions) FY'11	Weighted average No. of shares (millions) FY'10
Issued share capital	1,608	1,601
Less: shares held by ESOP trust	(11)	(12)
Shares for EPS purposes	1,597	1,589

Debt facilities

Debt Financing Facilities	31.12.11 £'m	31.12.10 £'m
€205m Term Loan (Nov 2011)		175
€308m Revolving Credit Facility (Nov 2013)	256	264
€25m Bilateral Facility (July 2013,14,15,16)	21	21
€25m Bilateral Facility (Dec 2013)	21	21
€50m Bilateral Term Loan (Jan 2014)	42	43
£100m Receivables Financing Facility (July 2015)	100	100
€25m Bilateral Facility (July 2016)	21	-
€25m Bilateral Facility (July 2016)	21	-
€20m Private Placement (July 2016)	17	
€30m Bilateral Facility (Dec 2016)	25	
€40m Bilateral Facility (Dec 2016)	33	
* €40m Bilateral Facility (Jan 2017)	33	
* €40m Bilateral Facility (Jan 2017)	33	
€56m Private Placement (April 2015,16,17)	47	48
£25m Private Placement (July 2018)	25	
£40m Private Placement (Nov 2020)	40	40
$235m Private Placement (July 2016,18,21)	137	-
Total Facilities	872	712

* signed in January 2012

Intangible assets initially recognised in business combinations

	WM-data £'m	Unilog £'m	Edinfor £'m	Total £'m
Cost				
At 1 January 2011	350	172	11	533
Additions	-	-	-	-
Disposals	-	-	-	-
Foreign exchange	(6)	(4)	-	(10)
At 31 December 2011	**344**	**168**	**11**	**523**
Acumulated amortisation				
At 1 January 2011	(238)	(142)	(8)	(388)
Amortisations during the year	(38)	(15)	(1)	(54)
Disposals	-	-	-	-
Foreign exchange	5	4	-	9
At 31 December 2011	**(271)**	**(153)**	**(9)**	**(433)**
Net book value at 31 December 2011	**73**	**15**	**2**	**90**
Expected amortisation in 2012*				**c. £54m**

* At average FY'11 exchange rates

Thank you

Logica is a business and technology service company, employing over 41,000 people. It provides business consulting, systems integration and outsourcing to clients around the world, including many of Europe's largest businesses. Logica creates value for clients by successfully integrating people, business and technology. It is committed to long term collaboration, applying insight to create innovative answers to clients' business needs. Logica is listed on both the London Stock Exchange and Euronext (Amsterdam) (LSE: LOG; Euronext: LOG). More information is available at www.logica.com