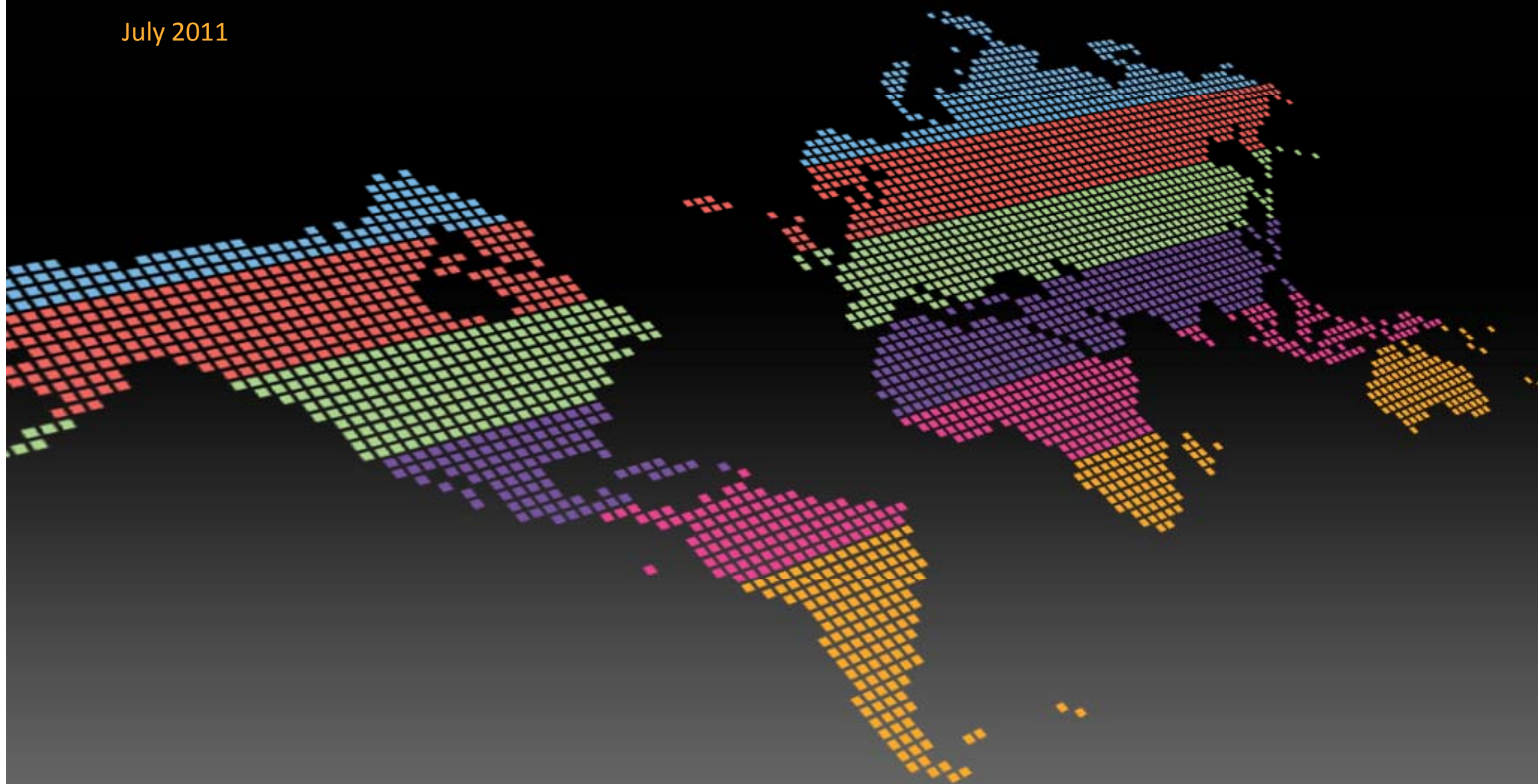


NCC Group plc

Preliminary Results
for the year ended 31 May 2011

July 2011

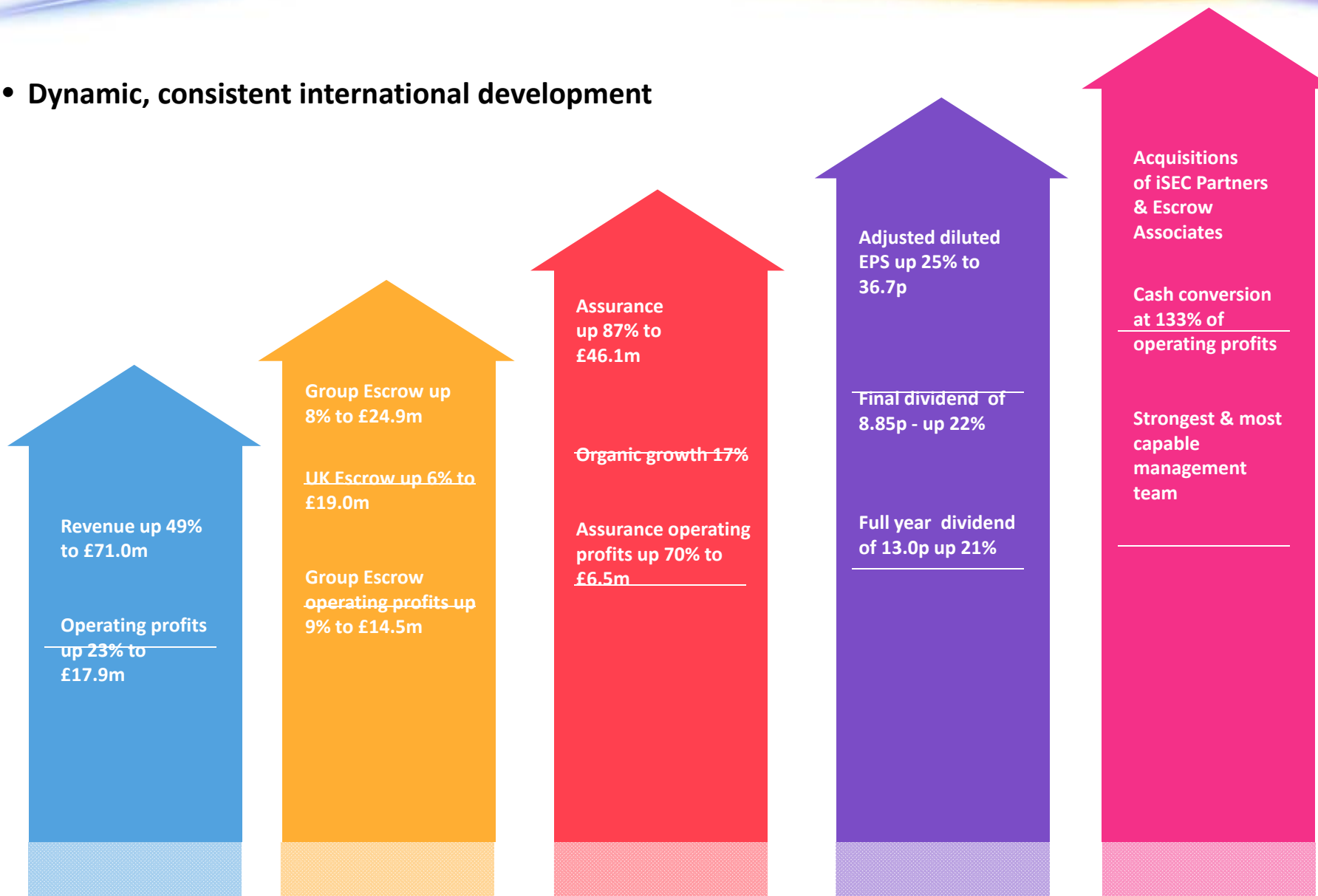


Agenda



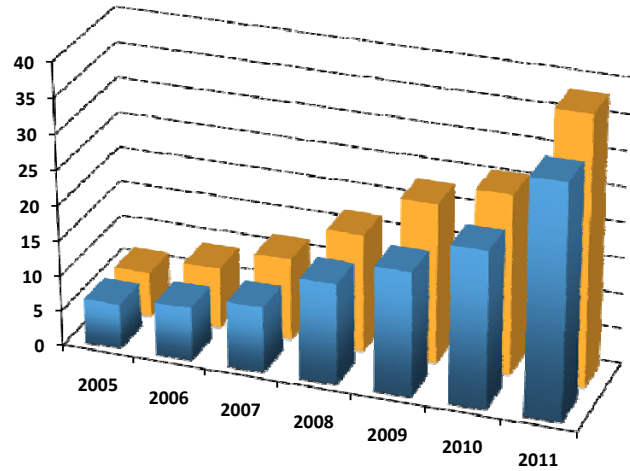
- **Highlights**
- **Growth track record**
- **Group structure**
- **Group financials**
- **Strategic position & opportunities**
- **Operational developments**
- **Group sector concentrations**
- **Acquisitions & integration**
- **Group Escrow Division**
- **Assurance Division**
- **Current trading & outlook**
- **Appendix**

- **Dynamic, consistent international development**

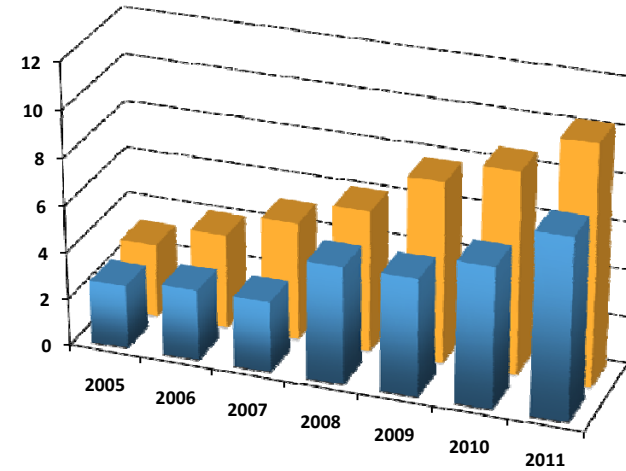


Growth track record

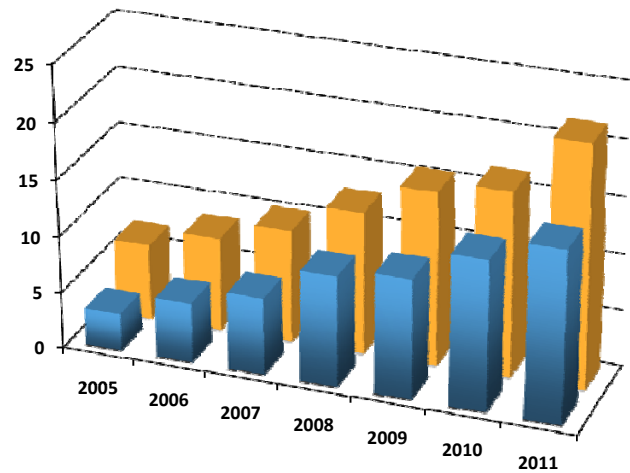
Revenue (£m) - CAGR 33.4%



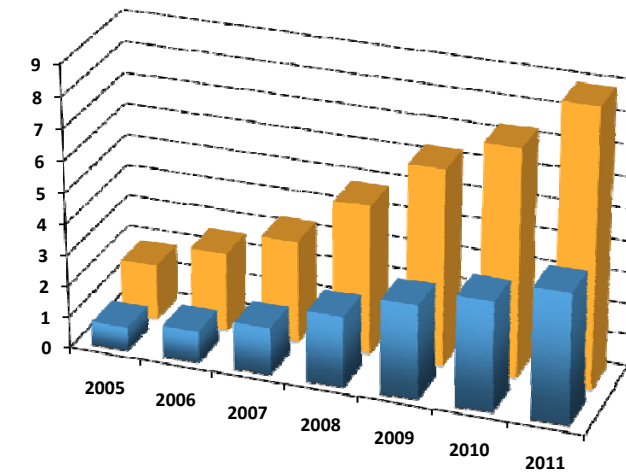
Operating profit (£m) - CAGR 20.7%



Fully diluted adjusted EPS (p) - CAGR 24.2%



Dividend (p) - CAGR 31.6%



■ Full year
■ Interim

- Two divisions - Group Escrow & Assurance
- Escrow brands are Escrow UK, Escrow Europe & Escrow Associates
- Assurance brands are NGS, iSEC, SDLC & Site Confidence

Group Escrow	Escrow UK	Escrow Europe	Escrow US	Assurance	NGS, iSEC & SDLC	Site Confidence
Revenue: £24.9m	Revenue: £19.0m	Revenue: £3.2m	Revenue: £2.7m	Revenue: £46.1m	Revenue: £39.1m	Revenue: £7.0m
Contribution: £14.5m				Contribution: £6.5m		

Group revenues



	2011 (£m)	2010 (£m)	% Growth	% Organic Growth
Revenue				
Escrow UK	19.0	17.9	6%	6%
Escrow Europe	3.2	2.9	11%	11%
Escrow US	2.7	2.2	24%	13%
Total Group Escrow	24.9	23.0	8%	7%
Assurance	39.1	18.3	114%	19%
Performance & load testing	7.0	6.3	11%	11%
Total Assurance	46.1	24.6	87%	17%
Total revenue	71.0	47.6	49%	12%

Group operating profits



	Margin %	2011 (£m)	2010 (£m)	% Growth
Contribution				
Group Escrow	58%	14.5	13.3	9%
Assurance	14%	6.5	3.8	71%
Operating contribution	30%	21.0	17.1	23%
Corporate	-	(3.1)	(2.5)	-
Adjusted operating profit	25%	17.9	14.6	23%
Adjusted operating profit margin	-	25%	31%	-

Group financial performance



	2011 (£m)	2010 (£m)	% Change
Adjusted operating profit*	17.9	14.6	23%
Exceptional non cash FX gain	0.0	0.6	-
Exceptional lease exit costs	0.0	(0.3)	-
Exceptional acquisition costs	(1.1)	0.0	-
Amortisation	(3.3)	(1.5)	-
Interest	(0.6)	(0.3)	-
Unwind of the discount	(0.1)	(0.1)	-
Pre tax profits	12.8	13.0	(2%)
Adjusted pre tax profits	17.3	14.3	21%
Adjusted full diluted EPS (p)	36.7p	29.4p	25%
Dividend/share (p)	13.00p	10.75p	21%

* Non cash share based charges £0.5m (2010: £0.9m). Non cash share based charges for 2011/12 expected to be £0.7m

- **Exceptional items - £1.1m**

- Change to IFRS3 - acquisition costs expensed rather than capitalised
- Cost of complex acquisition of US based iSEC
- Escrow Associates acquisition costs included
- Impacts effective rate of tax as disallowable item

Discontinued activities

- Exit of congested, overheated & overpopulated IT Consultancy market in October 2010
- £1.1m post tax loss (£0.2m post tax profit in 2010)
 - Included £1.0m of closure costs - £0.5m non cash

- **Cash conversion strong at 133% (141% in 2010) of operating profits**
- **Group net debt at £20.5m (£11.9m net debt in May 2010)**
- **2 years of 3 year multi option credit facility of £35m + £2m overdraft remain**
- **2012 capital expenditure expected to be £2.0m from £4.5m this year**
 - Roll out of Group wide IT system from October 2011 through to Q2 2012
- **Group deferred income £15.0m (£12.9m in 2010)**

Group cash flow

	2011 (£m)	2010 (£m)
Cash generated from operations	17.8	18.8
Net interest paid	(0.5)	(0.3)
Income taxes paid	(4.2)	(3.9)
Acquisition of capital assets	(4.5)	(2.6)
Acquisition of businesses*	(14.4)	(13.4)
Cash (outflow)/inflow before financing activities	(5.8)	(1.4)
Receipt of bank loans	9.0	7.6
Proceeds from issue of shares	1.1	0.1
Purchase of own shares	(0.8)	(1.1)
Dividends paid	(3.8)	(3.3)
Increase in cash in the year	(0.3)	1.9

*Acquisition of iSEC £9.0m, Escrow Associates £4.7m & deferred consideration paid £0.7m

Strategic position & opportunities

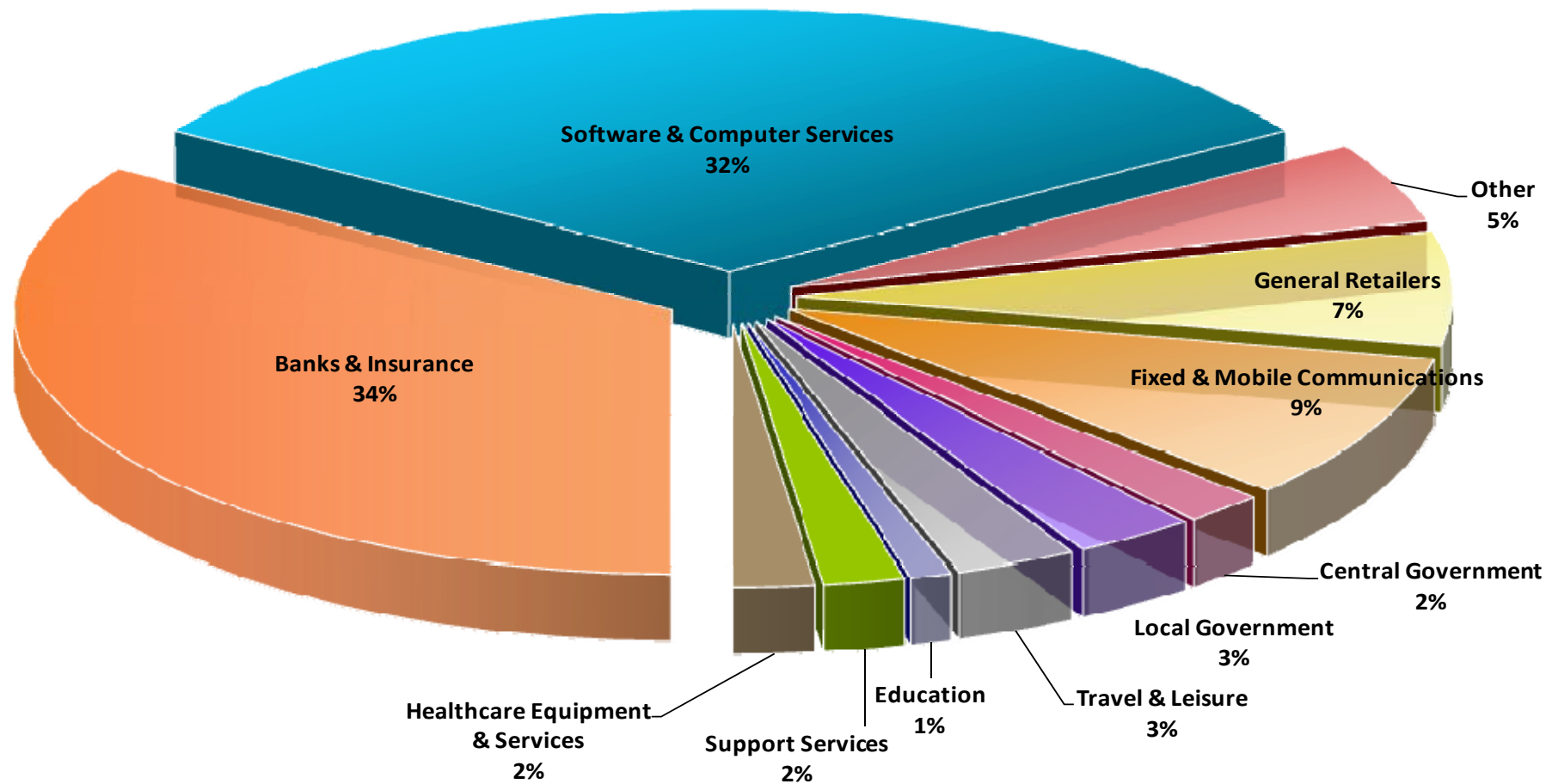
- Met the market - the arms race turned to open warfare
- Integrations have brought through a scale change - credible first responder
- Opportunity to increase scale of customer delivery - complementary services
- US & international market is increasingly very important - US head office in California



- **Group**
 - Extract additional benefits from the acquisitions
 - Cross selling for key accounts; more products to each customer - total Assurance
- **Escrow**
 - Group initiatives in SaaS & increasing verification penetration
 - UK stabilise the team & grow account managers - lowest headcount since 2003
 - Europe headcount increase now base is settled
 - Escrow Associates branding to be used for all NCC Group US Escrow
 - US teams to focus on more verification & secure discovery opportunities
- **Assurance**
 - NGS & iSEC leverage off the global brand reputations
 - NGS & iSEC continued intensive recruitment, training, development & retention
 - NGS & iSEC research & development to continue be a leading market expert
 - SDLC complete integration to overlay security proposition into testing delivery
 - Site Confidence substantial product upgrades - mobile & passive monitoring

Group sector concentrations

- No one sector revenue reliance - exposure to discretionary expenditure limited



- **Acquired two US businesses; iSEC Partners & Escrow Associates**
- **iSEC Partners is a leading security testing provider - October 2010**
 - Employs over 30 ethical testers
 - Consideration of up to £14.4m
- **Escrow Associates provides independent escrow to c.1,000 clients - April 2011**
 - Consideration of up to £5.9m
- **Head office for USA to be based in San Francisco around iSEC**
 - San Jose Escrow to relocate
- **All other integrations are complete & benefits being seen**
- **Future acquisitions focused on further international & technological expansion**

Group Escrow Division

Group Escrow

Revenue £24.9m

Contribution £14.5m

Headcount 148 FTE

Escrow UK

Revenue £19.0m

Headcount 105 FTE

Escrow Germany

Headcount 4 FTE

Escrow USA

Revenue £2.7m

Headcount 26 FTE

Escrow Europe

Total Revenue £3.2m

Escrow Netherlands

Headcount 12 FTE

Escrow Switzerland

Headcount 1 FTE

	2011 (£m)	2010 (£m)	% Growth
Group Escrow revenue	24.9	23.0	8%
Escrow UK revenue	19.0	17.9	6%
Group Escrow contribution	14.5	13.3	9%

Group Escrow

- Escrow revenues increased by 8%
- Escrow profits increased by 9%
- Renewals up 45% to £17.0m (2010: £15.2m)

UK Escrow

- Capable new management team now in place
- Solid performance despite senior personnel challenges
- Annual price increase reinstated
- Public sector remains challenging - pricing & sales strategy
- Verification performance grew strongly - 25% growth

	2011 (£m)	2010 (£m)	% Growth
Escrow Europe revenue	3.2	2.9	11%
Escrow US revenue	2.7	2.2	24%

- **Total non UK renewals base £4.8m (£3.7m 2010)**
- **Verifications growing in Europe - 2011/12 initiative**
- **Secure Discovery important to US market - in UK is part of Assurance**
- **European management team stable - actively recruiting**
- **Escrow US actively recruiting more account managers**
- **Escrow Associates brand will become the US proposition**

The Arms Race is in the public domain

We have seen a declaration of war;

- Anonymous, Script Kiddies, LulzSec, Th3J3st3r, TeaMp0isoN to name a few
- And quietly by nation states & criminals



	RSA		CitiGroup
	Apple		Lockhead Martin
	Senate web site		IMF
	CIA.Gov		Carbon Credits Exchange
	Serious Organised Crime Agency		Google in China
	Mastercard		& finally, Fox News Twitter hacked.... "The US President is dead..."

	2011 (£m)	2010 (£m)	% Growth
Assurance revenue	46.1	24.6	87%
Assurance contribution	6.5	3.8	70%

Assurance

- Solid growth throughout the year - organic growth 17%
- Recurring revenues are key feature - 77% of Divisional total revenues
- 317 FTE + 92 associates

NGS & iSEC

- Integration key to staff development, recruitment & retention
- Margin improvements will continue - currently 15% (2009: 13%)
- Strong growth in Managed Monitoring testing
- Area for further global market consolidation
- International capability to deliver forensics & operational response
- Research - recognised as responsible, credible & sophisticated by software owners
- Over 135 accredited testers

	2011 (£m)	2010 (£m)	% Growth
Assurance revenue	46.1	24.6	87%
Assurance contribution	6.5	3.8	70%

Site Confidence

- Strong new business & renewal rates at 91%
- Developing quickly mobile and multi browser technologies - key opportunities

SDLC

- All revenue targets achieved
- Cross selling opportunities becoming increasingly common
- Strong blue chip relationships
- Scottish market offering strong initiatives

- **Group Escrow businesses structured to succeed - stable teams actively recruiting**
- **Assurance**
 - Arms race is intensifying
 - Scale & international reach mean range of offerings are well placed to respond rapidly
- **Real traction expected from the USA - both in Assurance & Escrow**
- **Group orders & renewals at £41.7m for 2010/11 (£35.7m in May 2010)**
- **Group Escrow orders & recurring income of £19.1m (£17.4m May 2010)**
 - Group renewals £17.0m (£15.2m: 2010)
 - Verification order book £2.1m (£2.2m May 2010)
- **Assurance orders & recurring revenues £22.6m (£18.3m May 2010)**
 - Assurance delivery order book £17.8m (£14.0m May 2010)
 - Performance & load testing renewals £4.8m (£4.3m May 2010) - £4.8m is monitoring only
- **Confident about delivering yet another year of strong & consistent growth**

- **Cornerstone of NCC Group in profit & revenue**
- **World's largest Escrow provider**
- **Agreements sold globally**
- **Escrow Live customer portal provides secure online depositing & account management**
- **All code integrity tested - more than storage
- 9% fail first time**
- **Escrow Verification Testing confirms code held is useable**

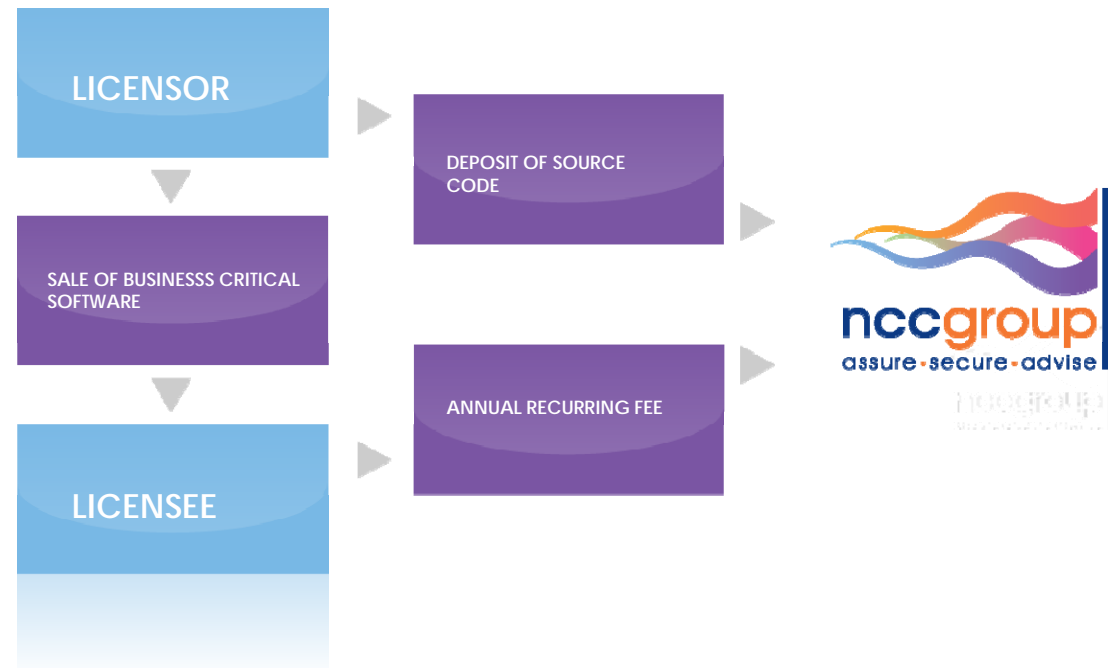
Group Escrow - Improvements with renewals & Verifications

Escrow UK - Enhanced sales process

Escrow Europe - Strong management & growing team

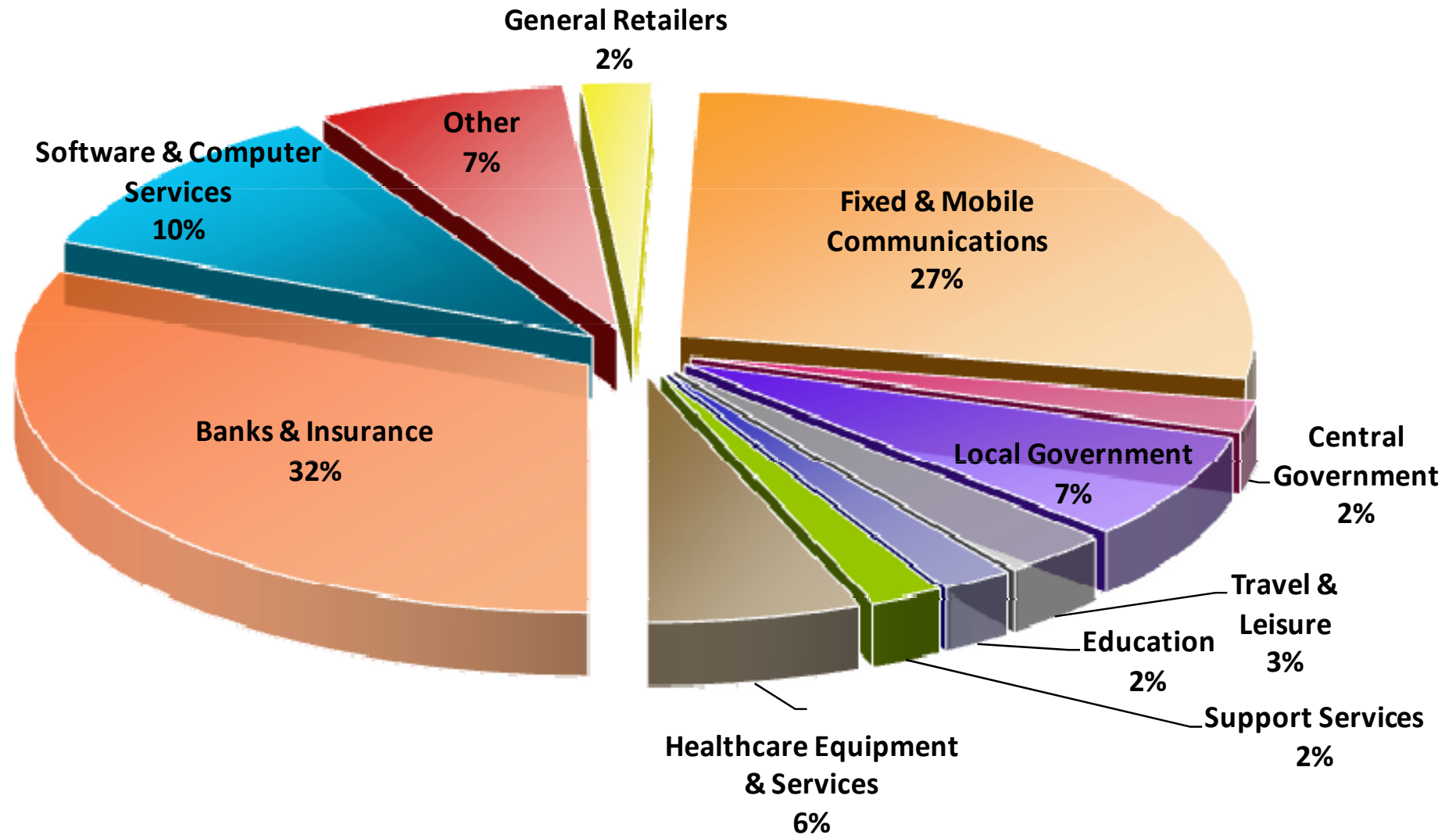
Escrow US - Actively recruiting & focusing on verification & secure discovery

- **Escrow is a legal contract between three parties**
 - licensor (or owner)
 - licensee &
 - an independent trusted third party
- **Holds software source code or business critical material**
- **Provides protection from key supplier failure or failure of maintenance**
- **Demonstrates supplier's commitment to client care**
- **Key part of disaster recovery & business continuity planning**



Group Escrow sector concentrations

- No major sector revenue reliance



NGS & iSEC - Ethical Security Testing

- Uncovers security weakness by controlled invasion & monitoring of networks or websites
- Forensic services specialising in technically complex computer & digital evidence

SDLC - Software & development testing

- Provision of expert resource to meet all software & systems testing needs

Site Confidence - Performance & Load Testing

- Provides assurance over robustness & performance of websites as well as load & capacity

NGS Meridian - Information Security

- Ensures customers manage information assets securely
- Ensures customers are logically & physically secure & audited

In the testing marketing
for over 30 years

NGS & iSEC the recognised
industry experts

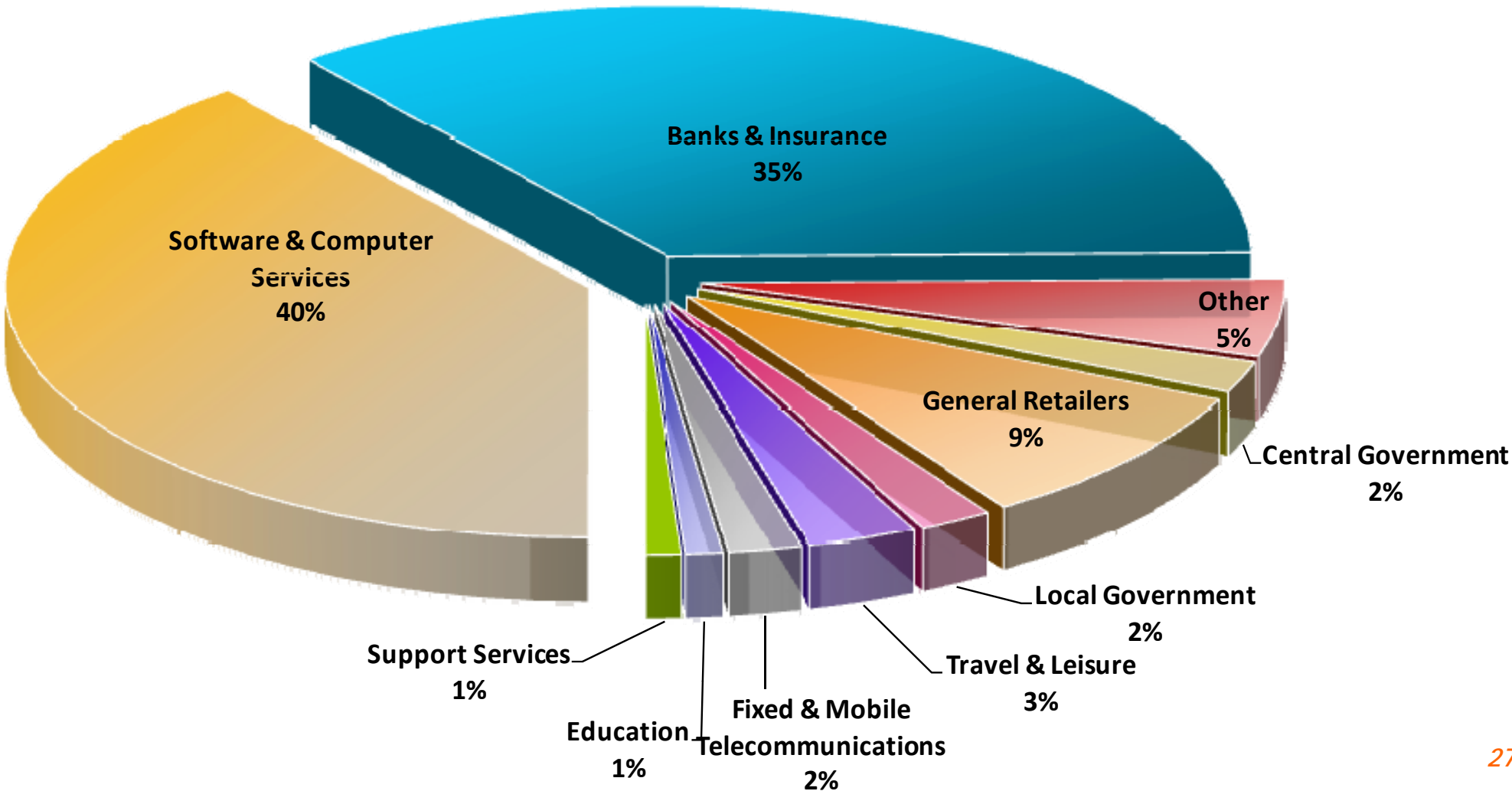
Site Confidence are
UK market leaders

SDLC are highest quality providers of all
testing services

NGS Meridian sell on their best in class
reputation

Assurance sector concentrations

- No major sector revenue reliance



Balance Sheet

	2011		2010	
	£000	£000	£000	£000
Non current assets				
Intangible assets	93,759		75,254	
Plant and equipment	2,755		2,050	
Deferred tax assets	1,150		867	
Total non-current assets	97,664		78,171	
Current assets				
Trade and other receivables	18,389		16,967	
Cash and cash equivalents	4,701		4,631	
Total current assets	23,090		21,598	
Total assets		120,754		99,769
Equity				
Issued capital	341		337	
Share premium	22,830		21,707	
Retained earnings	33,230		28,963	
Currency translation reserve	(316)		(734)	
Total equity attributable to equity holders of the parent		56,085		50,273
Non current liabilities				
Other financial liabilities	206		61	
Deferred tax liability	1,518		2,319	
Contingent consideration on acquisitions	4,536		6,484	
Interest bearing loans	25,182		-	
Total non current liabilities		31,442		8,864
Current liabilities				
Interest bearing loans		-	16,505	
Trade and other payables	16,166		8,597	
Deferred revenue	15,023		12,886	
Current tax payable	2,038		2,644	
Total current liabilities	33,227		40,632	
Total liabilities		64,669		49,496

Wide range of blue chip customers

Finance & Professional Services



Technology



Retail & Leisure



Health & Education



Government



Utilities

