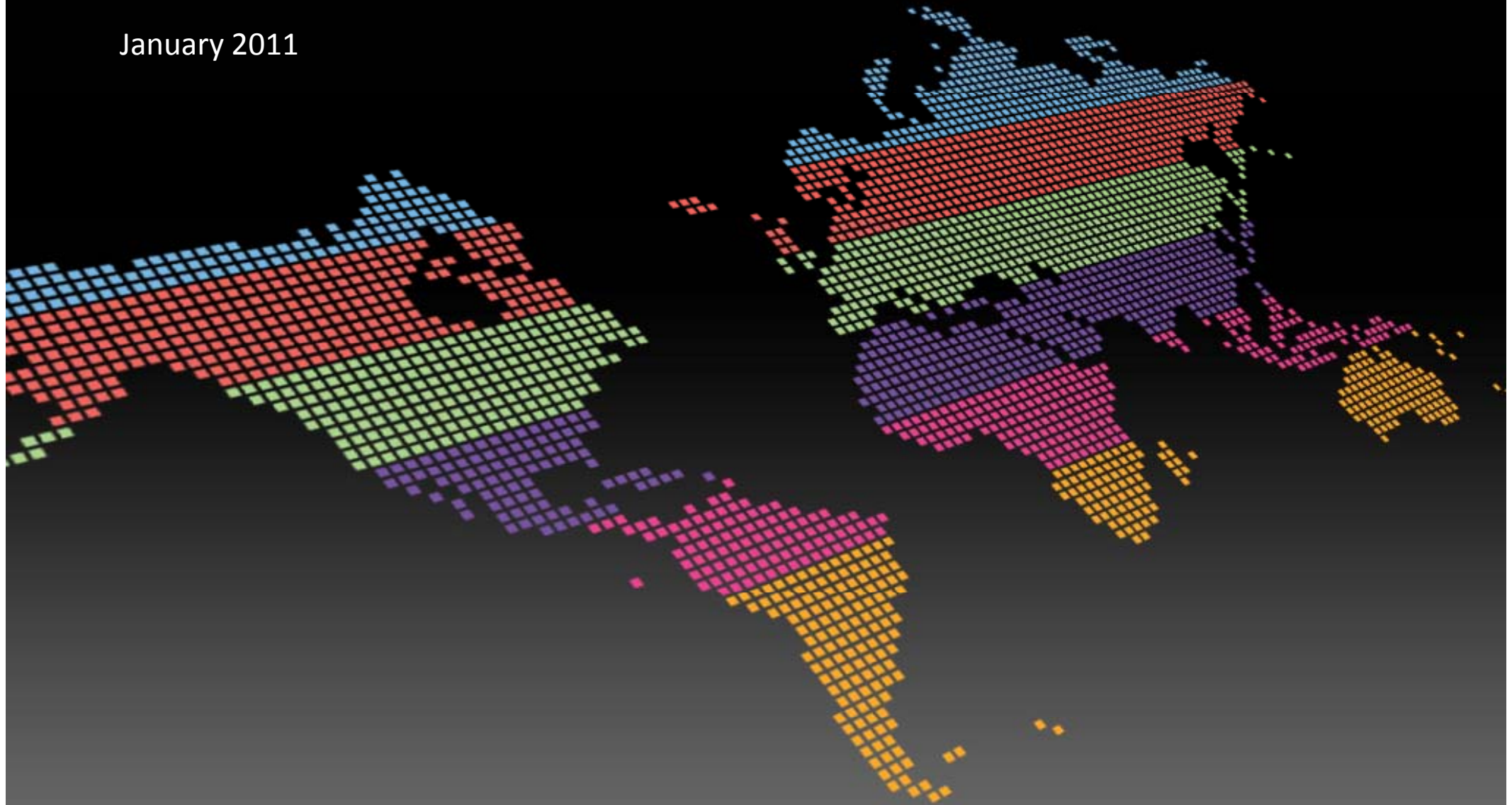


NCC Group plc

Interim Results

for the six months ended 30 November 2010

January 2011



Agenda

- **Highlights & track record**
- **Financials**
- **Structure, market & strategy**
- **Group Escrow performance**
- **Assurance performance**
- **Current trading & outlook**
- **Appendix**

Highlights: strong, consistent growth

Revenue
up 49%
to £33.0m

Operating
profits
up 27%
to £7.7m

Group Escrow
up 10%
to £11.9m

UK Escrow up
9% to £9.2m

Group Escrow
operating
profits up 12%
to £6.7m

Assurance
up 86%
to £21.1m

Assurance
operating
profits up 83%
to £2.4m

Adjusted
diluted EPS
up 25%
to 15.2p

Interim
dividend
up to 4.15p
- up 19%

Acquisition
of US based
iSEC

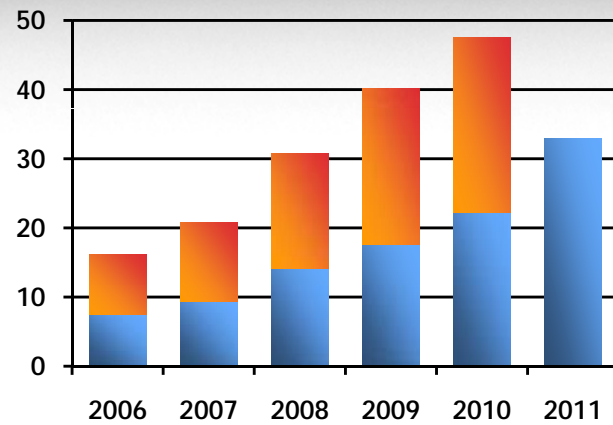
Cash
conversion
at 141% of
operating
profits

Group Escrow
is the world's
largest
provider

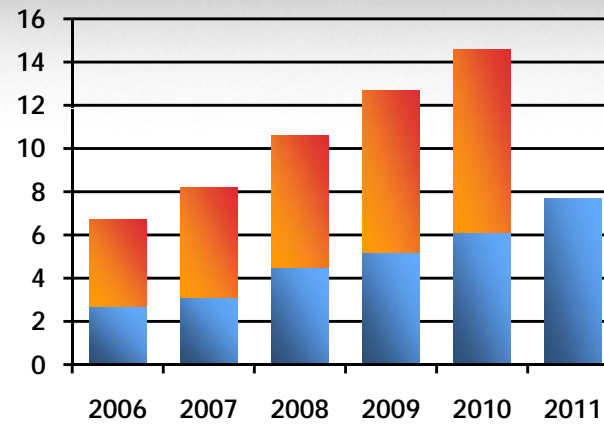
Leading global
independent
information
security
provider

Growth track record

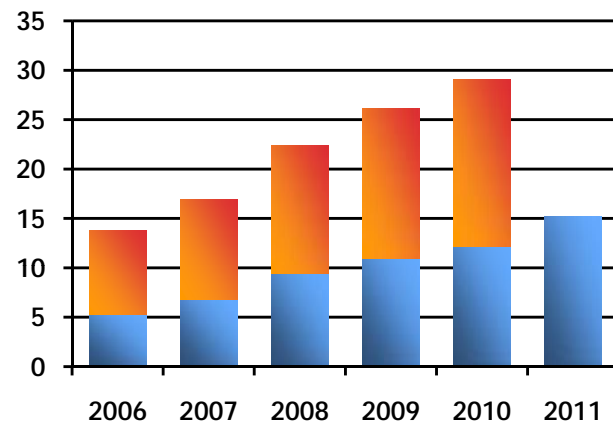
Revenue (£m)



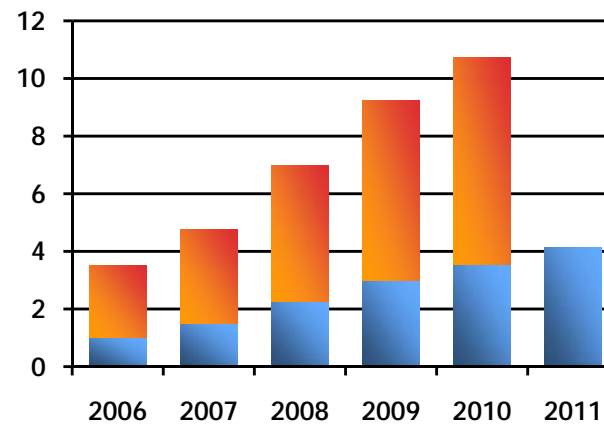
Operating profit (£m)



Fully diluted adjusted EPS (p)



Dividend (p)



Group revenues

	2010 (£m)	2009 (restated) (£m)	% Growth
Revenue			
Escrow UK	9.2	8.5	9%
Escrow Europe	1.5	1.4	11%
Escrow US	1.2	1.0	19%
Total Group Escrow	11.9	10.8	10%
Assurance	17.7	8.2	114%
Web Performance Testing	3.4	3.1	11%
Total Assurance	21.1	11.3	86%
Total Revenue	33.0	22.1	49%

Group operating profits

	2010 (£m)	2009 (restated) (£m)	% Growth
Contribution			
Group Escrow	6.7	6.0	12%
Assurance	2.4	1.3	83%
Operating contribution	9.1	7.3	25%
Corporate	(1.4)	(1.2)	11%
Adjusted operating profit	7.7	6.1	27%
Adjusted operating profit margin	23%	27%	-

Group financial performance



	2010 (£m)	2009 (restated) (£m)	% Change
Adjusted operating profit*	7.7	6.1	27%
Amortisation	(1.4)	(0.7)	100%
Interest	(0.3)	(0.2)	50%
Exceptional items	(0.7)	-	-
Pre tax profits	5.3	5.2	3%
Tax rate	33%	28%	-
Adjusted fully diluted EPS (p)	15.2p	12.2 p	25%
Interim dividend/share (p)	4.15p	3.5 p	19%

* Non cash share based charges included £0.2m (£0.4m in 2009). Non cash share based charges for 2011 expected to be £0.7m

Discontinued activities & exceptional items

- **Discontinued activities - £1.1m post tax loss (£0.2m post tax profit in 2009)**
 - Curtailment of general IT Consultancy - October 2010
 - Exit of congested, overheated & overpopulated space
 - Too close to discretionary expenditure & management distraction
 - Included £1.0m of closure costs - £0.5m non cash
- **Exceptional items - £0.7m**
 - Change to IFRS3 - acquisition costs expensed rather than capitalised
 - Cost of complex acquisition of US based iSEC
 - Impacts effective rate of tax as disallowable item

Group balance sheet

- **Cash conversion remains strong at 141% (133% in 2009) of operating profits**
- **Group net debt at £20.3m (£8.6m in 2009)**
- **Bank facility of three year RCF of £35m + £2m overdraft**
- **No further consideration due in FY 2011**
 - Contingent consideration due £7.9m (£0.7m in 2009)
- **Further £2.1m capital expenditure planned for refurbishments & IT**

Group cash flow

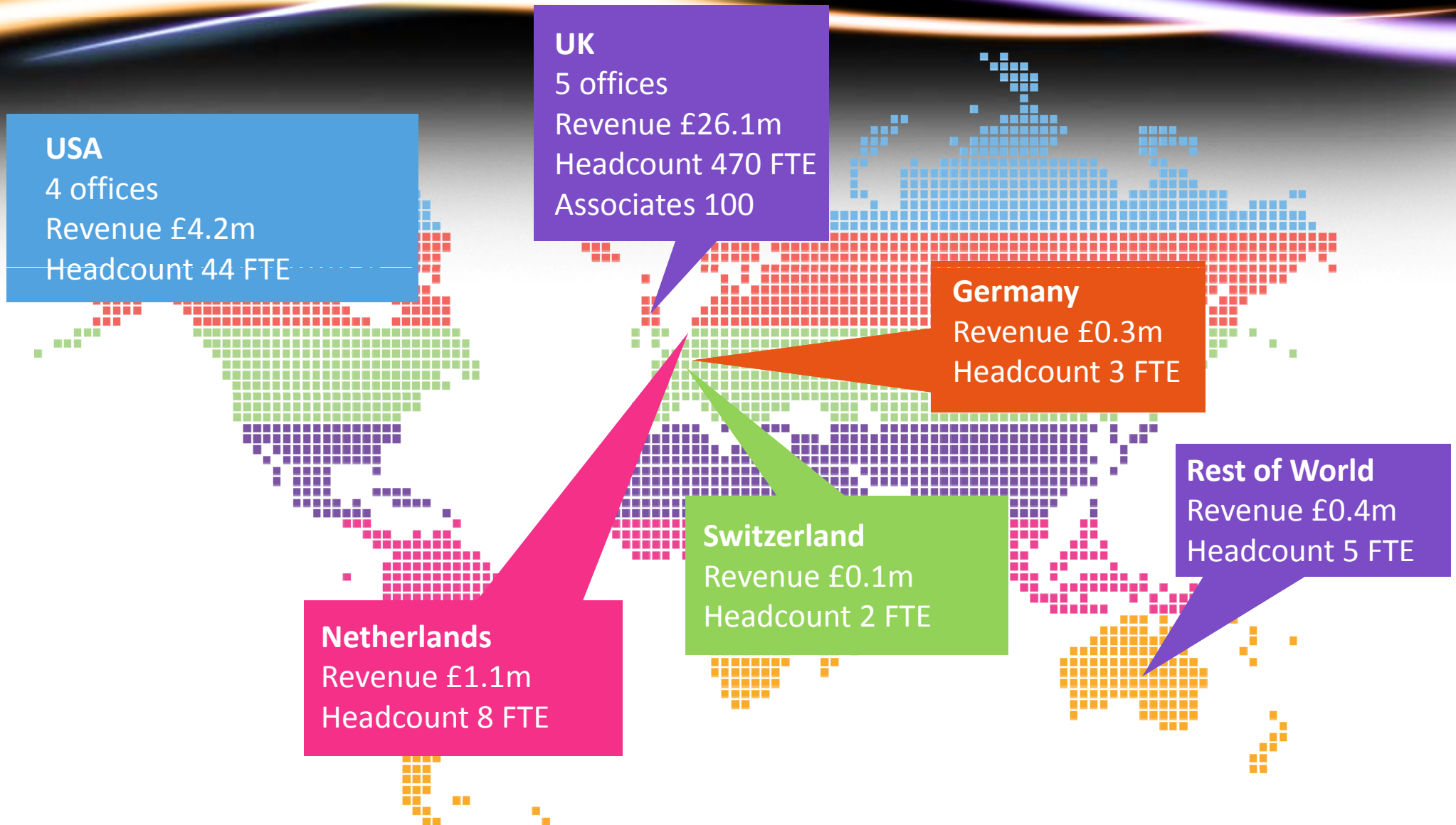
	2010 (£m)	2009 (£m)
Cash generated from operations	7.9	7.1
Net interest paid	(0.3)	(0.1)
Income taxes paid	(1.9)	(1.7)
Acquisition of property, plant & equipment	(1.9)	(1.5)
Acquisition of iSEC	(9.4)	(3.7)
Cash (outflow)/inflow before financing activities	(5.6)	0.1
Receipt of bank loans	8.1	1.0
Proceeds from issue of shares	0.8	0.1
Purchase of own shares	(0.9)	(1.1)
Dividends paid	(2.4)	(2.1)
Increase in cash in the year	0	(2.0)

Structure

- Two divisions - Group Escrow & Assurance
- Escrow has two brands - NCC Group Escrow & Escrow Europe
- Assurance brands are NGS Secure, iSEC, SDLC & Site Confidence

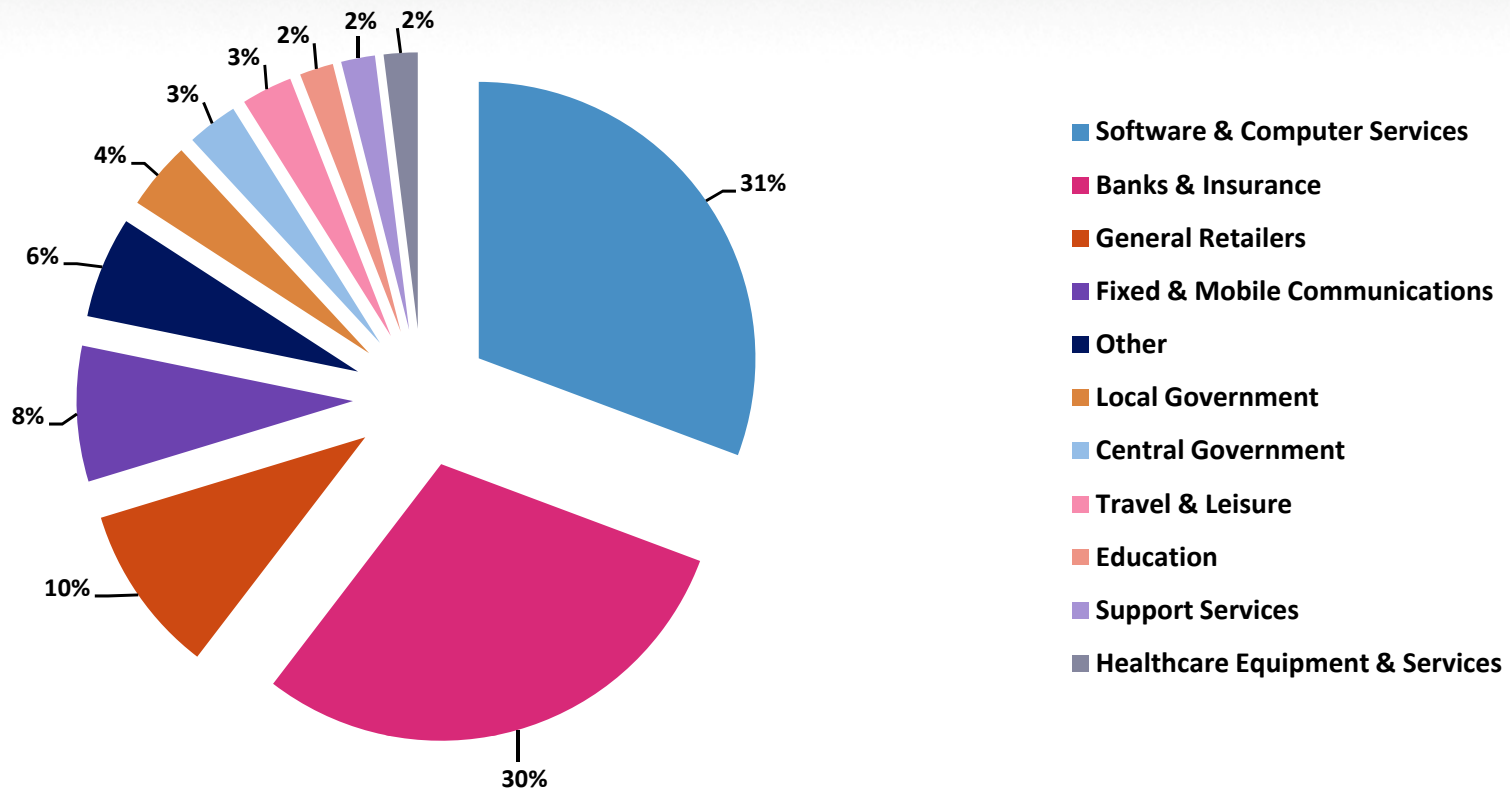
Group Escrow	Escrow UK	Escrow Europe	Escrow US	Assurance	Assurance	Web Performance Testing
Revenue: £11.9m				Revenue: £21.1m		
Contribution: £6.7m	Revenue: £9.2m	Revenue: £1.5m	Revenue: £1.2m	Contribution: £2.4m	Revenue: £17.7m	Revenue: £3.4m

Structure



Marketplace

- The Group is not reliant on one sector



Marketplace



Financial Times - 17 January 2011: Governments warned on cyber crime

Sunday Times - 9 January 2011: Gangs that hijack your PC

The Times - 20 December 2010: Hackers leak e-mail account details of government & defense staff

The Guardian - 11 December 2010: WikiLeaks backlash: The first global cyber war has begun

Telegraph - 29 November 2010: WikiLeaks: China has been hacking online files since 2002

The Independent - 24 November 2011: First fines issued over data protection breaches

BBC News - 13 October 2010: UK infrastructure faces cyber threat, says GCHQ chief

BBC News - 23 September 2010: Stuxnet worm 'targeted high-value Iranian assets'

Financial Times - 24 August 2010: FSA fines Zurich UK £2.27m for data loss

Strategy

Assurance

- **Security threat is at the highest level ever**
 - Market awareness growing rapidly
- **Leaders in service delivery in UK & Europe**
- **USA development key to joined up client opportunities**
- **National Security & Homeland Security opportunities**
 - How Government will direct £650m expenditure is unclear
- **Research is key to market leadership**
- **UK & international acquisitions - targets highlighted**

Strategy

Escrow

- **Growth to come from acquisitions & organic development**
- **Continues to focus on deeper customer penetration**
- **Evolution of SaaS Escrow Solutions**
- **Closer ties to Assurance & development of testing opportunities**
- **Close monitoring of acquisition opportunities**

Strategy - acquisitions

- **Acquire complementary prestige leading companies**
- **All deals are earn-out based to ensure focus**
- **Integration is key to maximising value & opportunities**
- **Typically two per financial year from carefully constructed target list**
- **iSEC acquired in October 2010**
 - California based leading security testing company
 - Two tranches of earn-outs to achieve maximum earn-out - \$24.4m total consideration
 - Launch pad to lead US expansion

Group Escrow

	2010 (£m)	2009 (£m)	% Growth
Group Escrow revenue	11.9	10.8	10%
Group Escrow contribution	6.7	6.0	12%
Escrow UK revenue	9.2	8.5	9%

Group Escrow

- Renewals up to £15.2m (£14.4m in 2009)
- Margin increased to 56% (55% in 2009)
- Group Managing Director joined Q2

UK Escrow

- Solid performance - 9% improvement with no price increases
- Price increases achieved in November 2010 at RPI +
- Strongest Verification performance - 50% growth despite market pressure
- Sales team stable & growing

Group Escrow

	2010 (£m)	2009 (£m)	% Growth
Escrow Europe revenue	1.5	1.4	11%
Escrow US revenue	1.2	1.0	19%

- Total non UK renewals base £3.5m (£3.2m in 2009)
- Verifications & Secure Discovery increasingly important to both businesses
- European management team now stable - actively recruiting
- Escrow US actively recruiting more account managers

Assurance

	2010 (£m)	2009 (£m)	% Growth
Assurance revenue	21.1	11.3	86%
Assurance contribution	2.4	1.3	83%

- Acquisition & organic growth
- Margin improvements will come - currently 12% (12% in 2009)

NGS Secure

- Staff turnover stemmed - 7% from high of over 30%
- New regional structure - office opened in Cheltenham

Site Confidence

- Strong new business & renewal rates at 90%

SDLC

- Excellent growth in turnover
- Margin is the challenge

iSEC

- Excellent acquisition & development opportunity

Current trading & outlook

- **Group Escrow growth continues to provide the cornerstone**
- **Worldwide cyber risk awareness is rapidly growing - Group ideally placed to capitalise**
- **Staff development, retention & recruitment going well in all areas**
- **Further acquisitions are being seriously considered**
- **Group orders & recurring income at £41.0m for 2010/11 (£30.9m in 2009) up 33%**
- **Group Escrow orders & recurring income of £17.6m (£16.7m in 2009)**
- **Assurance orders & recurring revenues £23.4m (£14.2m in 2009)**
- **Confident about delivering another year of strong & consistent growth**

Appendix

Group Escrow



- Cornerstone of NCC Group in profit & revenue
- World's largest Escrow provider - 18,000 parties globally
- Agreements sold globally - automatic annual renewal - £15.2m forecast renewals
- 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

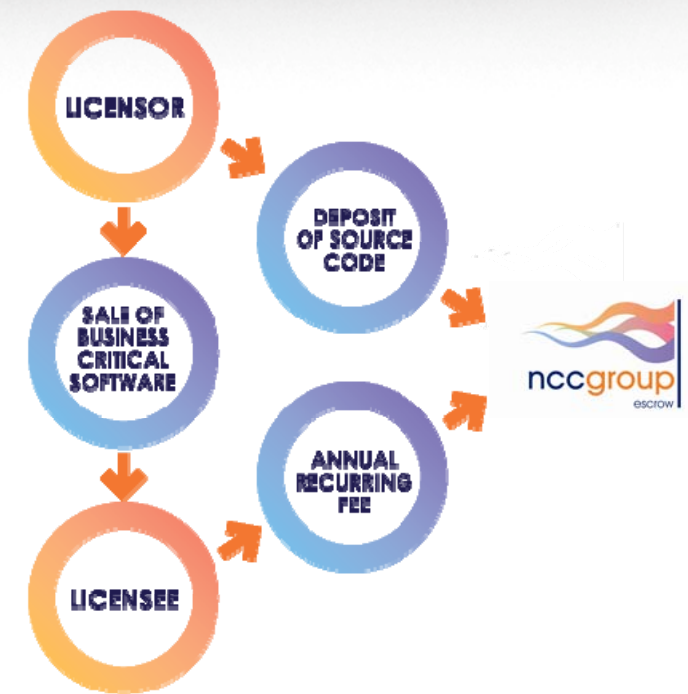
Escrow Europe - Strong management & growing team

Escrow US - Actively recruiting & focussing on Verification & Secure Discovery

Escrow Agreements

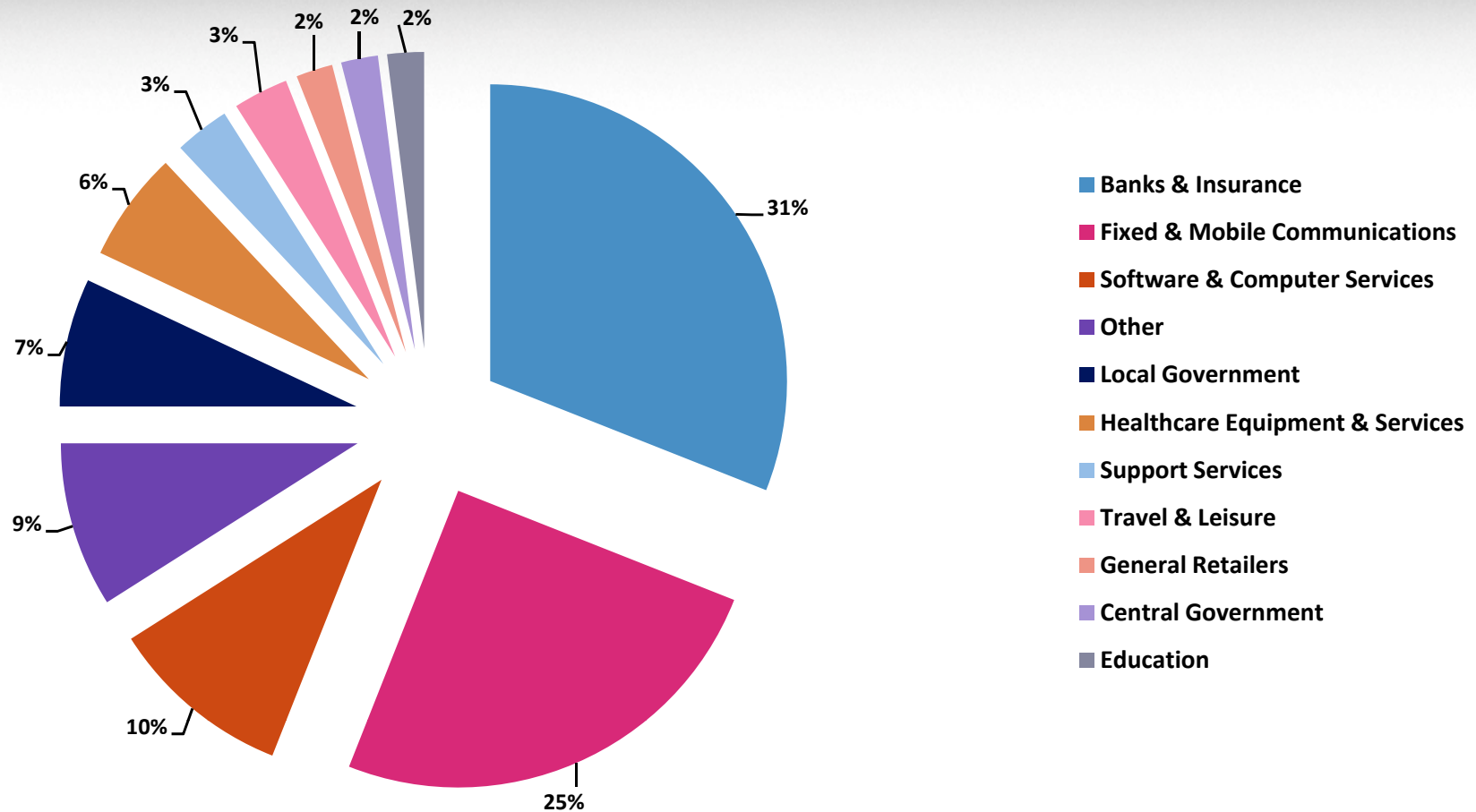
- High value & low cost concept

- **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



Assurance



Security Testing

- In the testing market for over 30 years
- 135 Testers, Forensic & Security experts & Researchers worldwide
- Uncover security weakness by controlled invasion of networks or websites
- Formulate robust security strategies to combat cyber crime
- Specialise in technically complex computer & digital evidence through Forensic Division

Systems Testing

- High quality software systems testing solutions
- Working with in house test teams, covering complete testing lifecycle

Web Performance Testing

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

NGS Secure - Recognised industry experts with the world's largest single Penetration Testing team

iSEC Partners - Full service application, infrastructure security company, produce cutting edge research

SDLC - Highest quality providers of all testing services

Site Confidence - UK market leaders, provide most reliable & user-friendly external monitoring & load testing

Meridian - Specialises in conducting logical & physical security audits

Assurance - sector concentrations

- No major sector revenue reliance

