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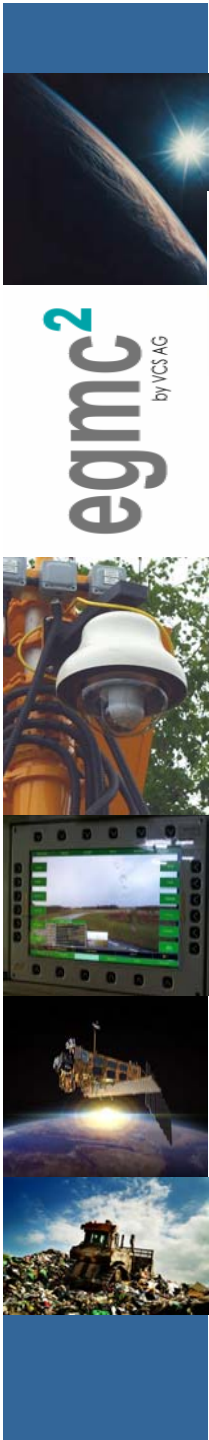
ON

TRACK

March 2009

What we do and who we work for

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MINISTRY OF DEFENCE



ENVIRONMENT
AGENCY



QinetiQ

arqiva



DEUTSCHE WELLE



Transport
for London

ThalesAlenia
Space



Working together for a safer London

Deutschlandfunk

Deutschlandradio Kultur



LOCKHEED MARTIN

LBRO

Local Better Regulation Office



The National Archives



buying
solutions
supplier



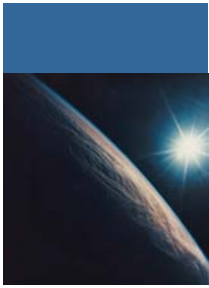
Context



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	2007	2008	2009 Guidance
Total revenues	£25.6m	£38.1m	£38.2m
Adjusted EBITA	£(1.4)m	£0.9m	£1.3m
Operating (loss)/profit	£(2.7)m	£(1.8)m	£0.2m
Pre-tax (loss)/profit	£(2.6)m	£(1.2)m	£0.2m
Adjusted basic EPS	(7.4)p loss per share	3.9p	4.1p

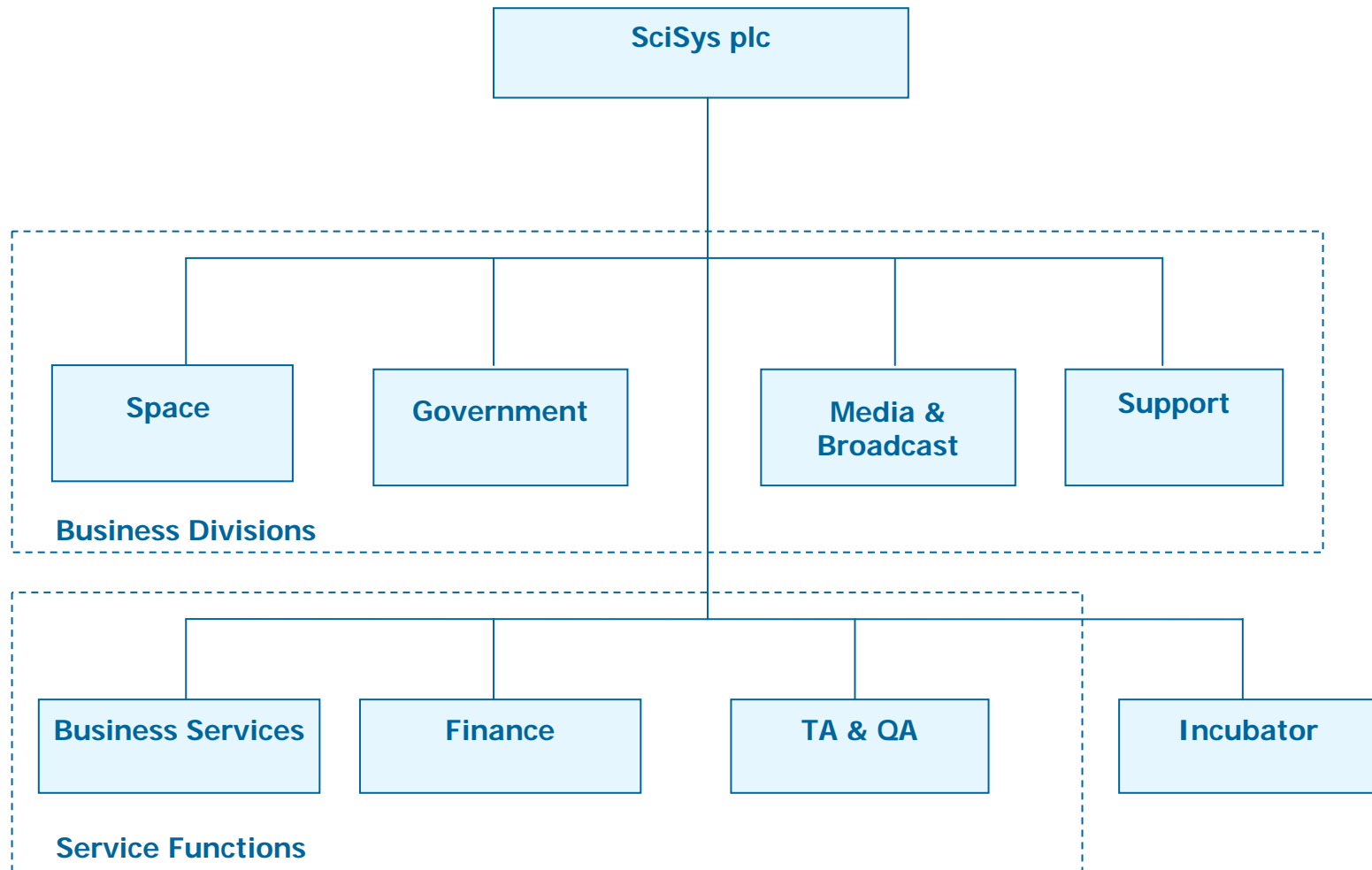


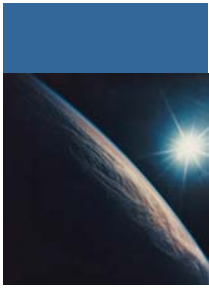
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Organisation: market sectors

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Delivery of 2008 strategy

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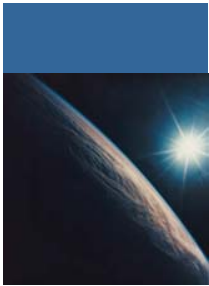
- Board changes
 - ⇒ implemented
- Re-organise into 4 operating divisions: complete VCS integration
 - ⇒ completed
- Re-install focus on margins and forecasting at operations level
 - ⇒ focused
- Closer engagement by Board members in account management
 - ⇒ undertaken
- Assess and understand the causes of project failures
 - ⇒ understood
- Rebuild management feedback and communications
 - ⇒ actioned

Divisional analysis

- Space ahead of budget
 - ⇒ FX gains, project provisions reduced

£m		H1	H2	2008
Sales*				
	Actual	6.9	6.4	13.3
	Budget	6.5	6.2	12.7
Contribution				
	Actual	2.0	0.9	2.9
	Budget	1.4	0.8	2.2

* Professional fees



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Divisional analysis

- Space ahead of budget
- **Support Group operationally on budget**
 - ⇒ TUPE transfer provision

£m		H1	H2	2008
Sales*				
	Actual	1.6	1.6	3.2
	Budget	1.6	1.5	3.1
Contribution				
	Actual	0.5	0.2	0.7
	Budget	0.5	0.3	0.8

* Professional fees



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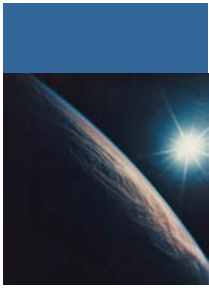


Divisional analysis

- Space ahead of budget
- Support Group operationally on budget
- **MBS behind budget**
 - ⇒ Delayed order intake, Dec licence fees

£m		H1	H2	2008
Sales*				
	Actual	3.1	3.7	6.8
	Budget	4.4	3.9	8.3
Contribution				
	Actual	0.7	0.9	1.6
	Budget	1.3	1.0	2.3

* Professional fees



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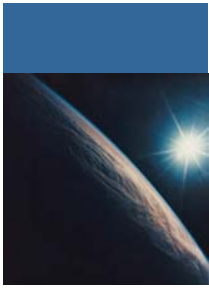


Divisional analysis

- Space ahead of budget
- Support Group operationally on budget
- MBS behind budget
- **Government behind budget**
 - ⇒ contractors, provision for delays, pricing

£m		H1	H2	2008
Sales*				
	Actual	4.9	6.2	11.1
	Budget	5.1	5.6	10.7
Contribution				
	Actual	0.5	0.6	1.1
	Budget	1.5	2.1	3.6

* Professional fees



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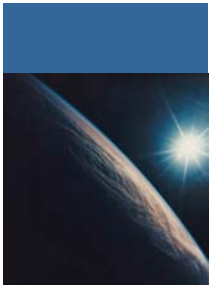


Divisional analysis

- Space ahead of budget
- Support Group operationally on budget
- MBS behind budget
- Government behind budget

- **Group: ahead of market expectations**

£m		H1	H2	2008
Sales				
	Actual	19.4	18.7	38.1
	Guidance			35.0
EBITA (adj)				
	Actual	0.3	0.6	0.9
	Guidance			0.7



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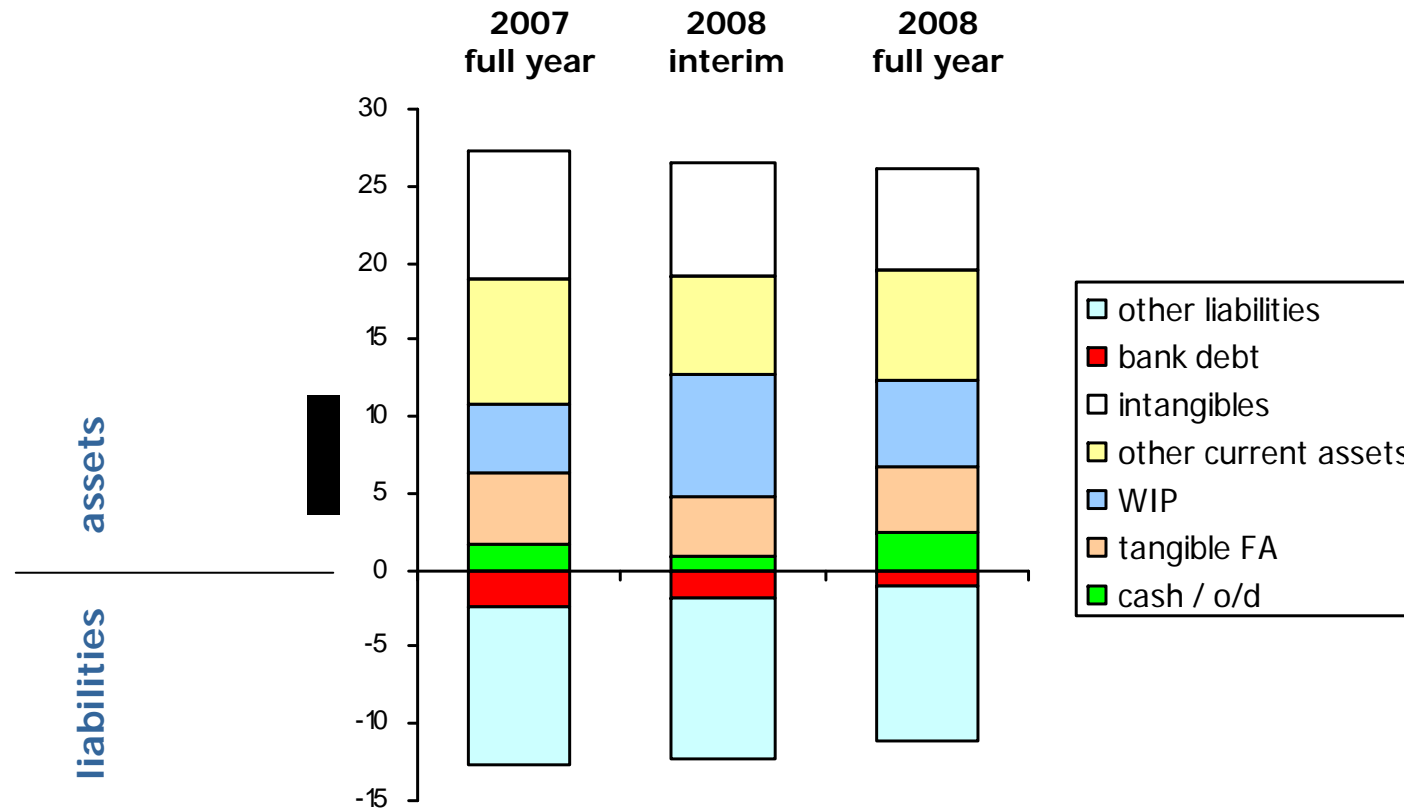


Investor, customer and bank confidence

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Balance sheets



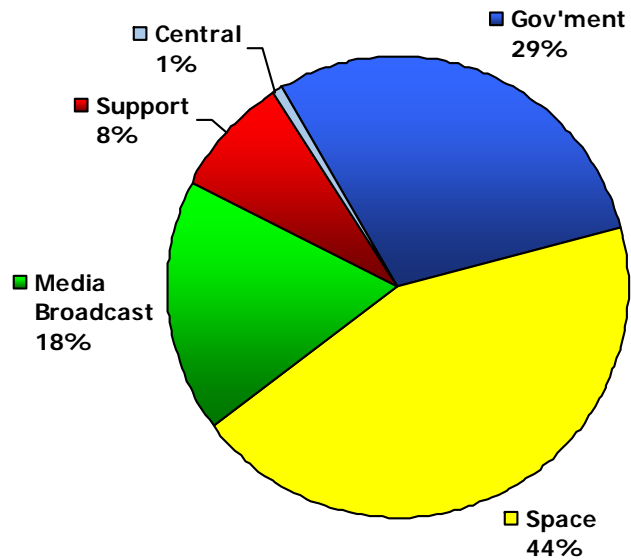


Revenues by operating division

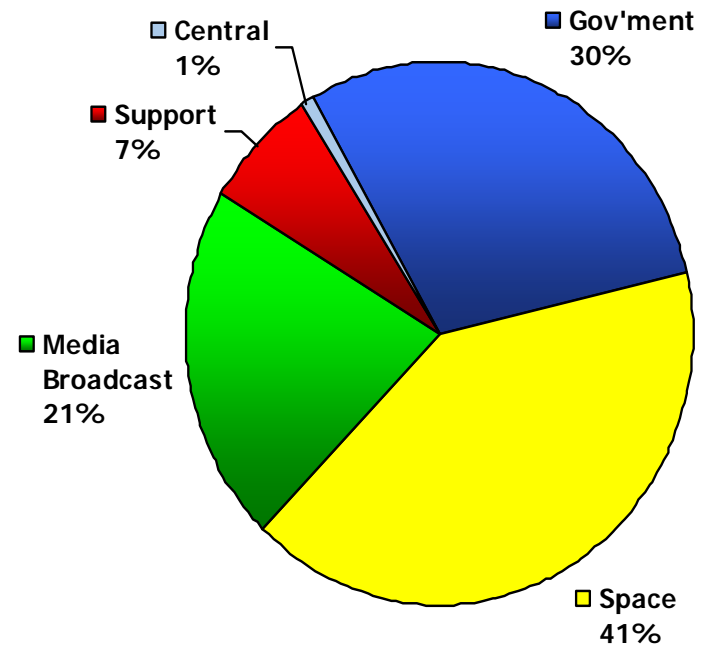
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2008



2009 guidance



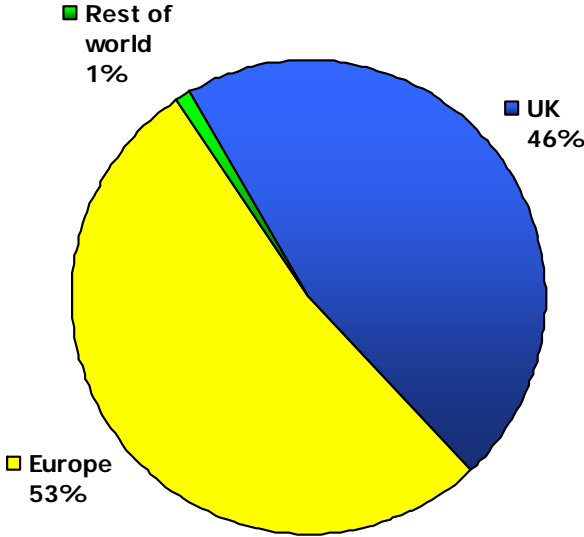
Revenue by customer location



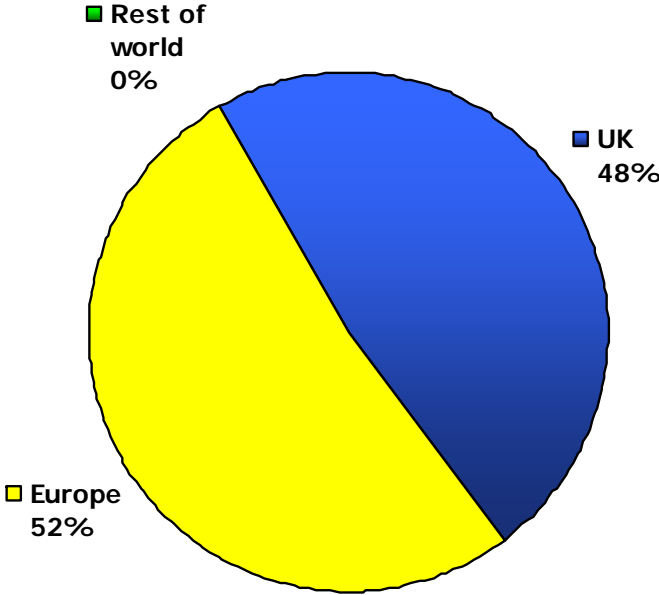
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2008



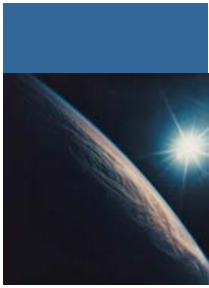
2009 estimates



Prime longer term strategic challenges

- develop clear differentiators in each of our sectors
- shift the balance of revenues to projects on which we can make good returns
- sharpen the disciplines and controls to do what we do better and more profitably
- build a senior and middle management team capable of delivering and sustaining the business

without compromising our core values



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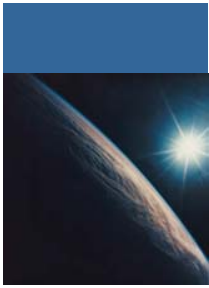
2009 strategy

- Build on 2008 advances:
- Position SciSys as leading independent supplier in its key markets
 - ⇒ Natural partner for major players: Lockheed Martin, CapGemini, Astrium etc
- Drive operating margins higher
 - ⇒ Product IPR should generate higher returns
 - ⇒ Use balance sheet strength to broaden markets
- Optimise cash generation



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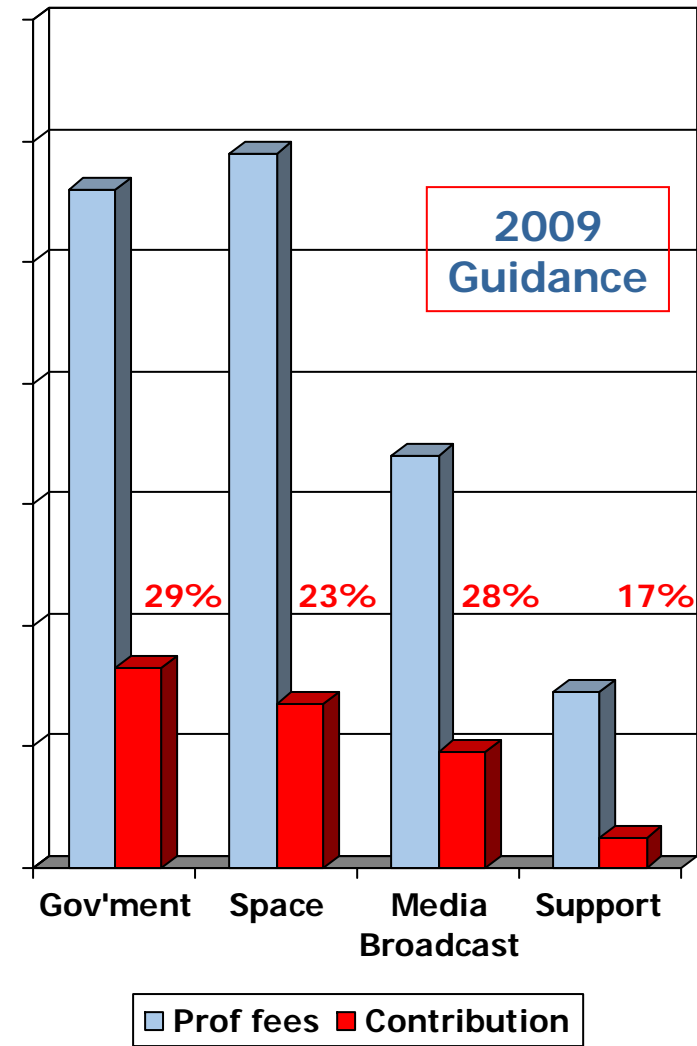
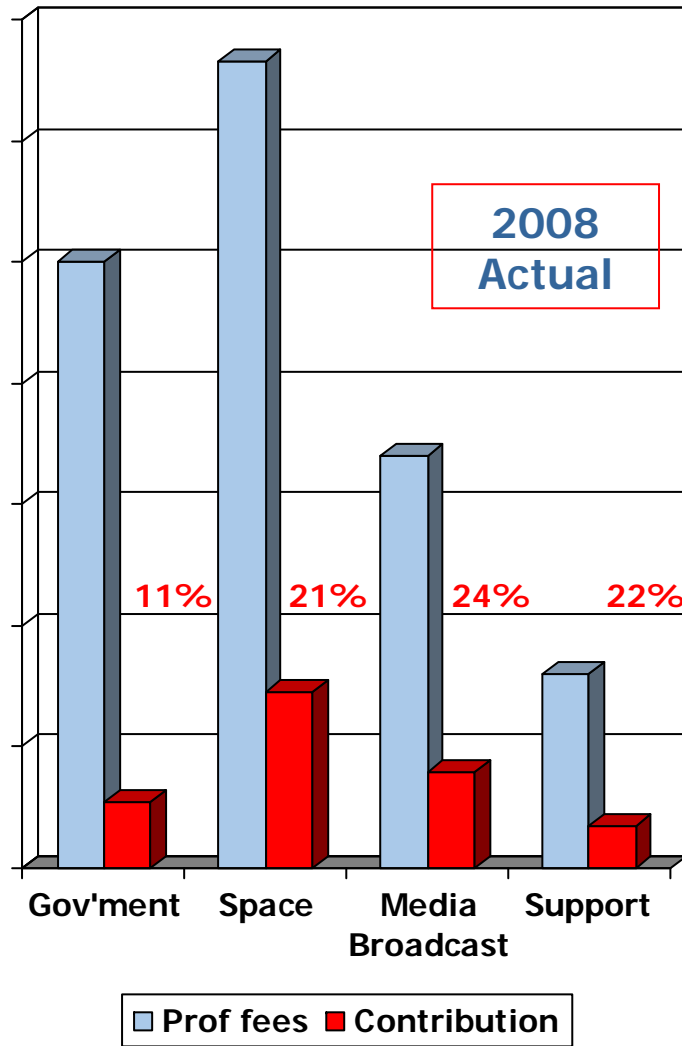


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Key focus for 2009 - drive operating margins higher

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Summary

- Action taken to reverse problems has worked
- Recovery has been delivered
- Not yet reflected in share price
- Solid order book position to start 2009
- Focus on margins and cash for 2009
- Still plenty to achieve



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