

PRESS RELEASE

20 October 2006

Xansa wins preferred supplier status with the BBC

Outsourced finance and accounting deal will release funds for creative programming

Xansa, the outsourcing and technology company, has won preferred supplier status with the BBC for outsourced finance and accounting (F&A) services following a competitive bid against Capita, Infosys BPO and the current incumbent EDS.

The contract, worth around £85m over 10 years, will be one of the most prominent F&A deals let to date and will save the BBC in excess of £200m over the life time of the contract, equivalent to 1.5 million licence fees. This will be a major contribution to the BBC's strategy to minimise the cost of its support services and release more money into their creative output.

Working closely with BBC Finance, Xansa will deliver finance and accounting services across the BBC, including purchasing and sales transaction processing, artist and contributor payments, financial management and project accounting, payroll processing and expenses. As prime contractor Xansa will also be working with Siemens Business Services to provide infrastructure, applications support and customer service facilities.

Xansa will provide the services from a blend of locations in the UK and India. All voice contact will remain in the UK, with other services, including transaction processing, to be carried out at Xansa's award-winning F&A shared service centre in Chennai, India. The BBC will therefore benefit from Xansa's integrated delivery capability - enjoying the advantages of value and proven expertise, whilst maintaining onshore customer service.

The new contract is expected to be signed in November, with Xansa taking over responsibility for the services in July 2007.

Commenting on the announcement Zarin Patel, BBC Group Finance Director, said:

"I congratulate Xansa on winning this major contract. The BBC will benefit from Xansa's proven expertise in managing outsourced Finance and Accounting Services, and we look forward to developing close a relationship with them."

"I believe this is an excellent deal for the BBC, and I am confident that Xansa will help us further to transform our finance and business processes. By moving our transaction processing to India we are demonstrating that we are prepared to take bold and imaginative decisions that offer the licence-fee payer great value for money, while still maintaining the highest quality of service delivery."

Commenting on the announcement Alistair Cox, Xansa's Chief Executive, said:

"We are delighted that Xansa has been selected as the preferred partner to deliver F&A services across the BBC. Our expert technology and back office services allows our clients to do more with their own business and we are confident that we will, as the UK leader in F&A services, enable the BBC to minimise its administrative costs and to free up funds to invest in its core business of creative programming."

"We are particularly pleased to be the BBC's first offshore business process outsourcing partner. This comes on the back of our recent prestigious award from the National Outsourcing Association for Offshoring Operation of the Year and is another terrific endorsement of our leading offshore position and capability. We very much look forward to working with the BBC."

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About Xansa

Xansa is a UK-based outsourcing and technology company with over 8000 people in the UK and India.

With a 44-year history of sustaining long-term relationships and pioneering better ways of working, Xansa drives real and long-term cost reductions and performance improvements. Committed to delivering guaranteed business outcomes through a combination of technology and process expertise, Xansa gives clients across the private and public sectors the freedom to do more.

Xansa is listed on the London Stock Exchange (XAN.L) with revenues for 2006 of £357.3 million.

Further information on Xansa can be found at: **www.xansa.com**