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COMPANY SECRET
FSMC/04/18

FUJITSU SERVICES MANAGEMENT COMMITTEE

MARCH 2004

MAJOR ACCOUNTS

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Post Office

The Post Office Account continues to exceed YTD budget commitments on the key measures of Revenue, which has hit £118.9M for YTD January (budget of £113.0M), Profit at £29.6M (budget £26.9M) and Cashflow of £49.3M (budget £6.1).

Full year forecast has been improved to Revenues of £127.6m (budget £121.6m) driving an Operating Profit of £30.6m (budget £27.7).

Electronic Top Ups (Mobile Phones) continue to be very successful and exceed Post Office planned revenues. DVLA (Bar-coded tax discs) and Bureau de Change are now fully live.

Current time and materials development programmes in progress are:

IMPACT (previously End to End)
Progress continues on Release 1 and the hosting of the SAP systems. We are now aiming to close Release 3 worth an additional £6.30m by year end.

NBX – The programme to eliminate IBM's network banking engine continues and a plan for delivery is now agreed with Post Office that meets their critical timescales.
Total Revenue - £3.1m

EMV Chip & Pin programme continues on track with the target live date of 1/1/05.
Total Revenue - £7m

Whilst all service SLAs continue to be met we have suffered some outages of the on-line services. The impact of these outages on Post Office operations is more severe than was anticipated by either the Post Office or ourselves when we introduced the on-line banking and debit card services in 2003. As a reflection of the importance of this account and to prevent customer satisfaction issues we have placed the service on Red Alert to pro-actively analyse potential process and system vulnerabilities and agree changes to reduce the likelihood and impact of service outages.

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Roger Gilbert
11th March 2004