Insightful
Innovative
Inspired
At the core of our business is our passion for delivering the right solutions for our customers.

Through our expertise and know-how we have the insight to enable businesses to find new and innovative ways to address their ICT challenges.

Today’s technologies can do remarkable things and, with the right solutions, our customers can be more responsive, more agile and more competitive.

At Logicalis, we are inspired by technology – that’s why we’re here to help your business stay at the forefront.

Because we dare to be different!
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Strong performance
- Strong services portfolio
- Sharing local knowledge
- Extending our capabilities across multiple regions
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Results
- Total sales +18%
  $1.2 billion
- EBITDA +27%
  $67.4 million
- Annuity service revenues +41%
  $201 million
- Operating profit +36%
  $42.6 million

International operations
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Insightful

The future is an exciting place to be. Our insight stems from our ability to constantly look forward, anticipating those trends that are most likely to impact our customers’ businesses. Working closely with our strategic partners, we turn insight into action, identifying and deploying the technologies that we believe will have the most positive impact on our customers’ business transformation.

Because we see things differently!

Anticipating trends
The technology industry is awash with speculation about the ‘next big thing’. At Logicalis, we listen carefully to respected IT analysts, but we also have our own views about what the future looks like, based on what we hear from our customers and our technology partners.

In this way, we cut through the hype to deliver working solutions that consistently exceed our customers’ expectations in areas such as cloud computing, mobile consumerisation and Big Data.

New technologies
Every day at Logicalis we work with new technologies helping companies to achieve unprecedented freedom and choice in the way they deploy IT systems and services in cloud computing, both public and private; with a ‘bring your own device’ (BYOD) policy to allow more flexibility to employees; with video conferencing and social networking tools for more effective collaboration; and with Big Data approaches, to turn the data they collect into meaningful, actionable information.

Know-how and expertise
As an international company, Logicalis takes a world view of the macro trends that affect our customers and their businesses, and we see the bigger picture. We understand both the complex, high-pressure environment in which modern businesses operate and the technologies that will help them successfully navigate the challenges they face.

Logicalis – your insightful advisor.

Strategic objectives

<table>
<thead>
<tr>
<th>What we said</th>
<th>What we did</th>
<th>What we will do</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invest in innovation for competitive advantage</td>
<td>Developed new cloud offerings Infrastructure-as-a-Service, Video-as-a-Service</td>
<td>Continue to roll out new cloud services across all our local markets</td>
</tr>
<tr>
<td>Give employees the tools they need to get work done</td>
<td>Implemented new work collaboration tools and wider adoption of video conferencing</td>
<td>Continue with our BYOD strategy to support wider adoption of business systems to mobile devices</td>
</tr>
<tr>
<td>Address data security issues with confidence</td>
<td>We have implemented ISO 27001 and have incorporated stringent security practices into our Cloud Services build</td>
<td>Introduce new security services into our portfolio to support the expansion of Cloud Services, mobile consumerisation and Business Analytics</td>
</tr>
</tbody>
</table>
New products
At Logicalis, we know that smart companies pursue an IT strategy based on incremental transformation – one that builds on what they have today and prepares them for what they’ll need tomorrow. Our role as advisor is to help them take a considered, balanced approach to how they own, operate and fund their IT infrastructures.

Today, we see customers replacing the outdated legacy infrastructure that slows them down with:

- Private clouds that use virtualisation technology to create scalable pools of processing power and storage within their data centres, where routine IT administration tasks are automated.
- Social collaboration tools that break down the geographic barriers that hamper collaboration, so that employees can share ideas and information with colleagues, customers and partners.
- Mobile tools that keep employees productive, whether they’re travelling on business, visiting customer sites or simply working from home.
- Business analytics that enable employees to manipulate corporate information to gain valuable insight on recent performance and to identify emerging trends.
- Seamless and secure access to information and business resources.

Coming soon
When customers are ready to embrace further transformation, we’re ready to help them navigate the path of new consumption models and technologies. They may wish to allow employees to provision their own IT services from the private cloud using an employee self-service model. They may wish to identify and deploy ‘X’-as-a-Service (XaaS) in the public cloud, as an alternative to an application or service they currently run in-house. Or they may wish to use a combination of public and private cloud services to support a particular application or service, using a hybrid cloud approach. Whatever their plans, we’re there to offer our advice, support and expertise, as well as access to our own world-class cloud computing and data centre facilities.

The current competitive landscape requires us to think more creatively and perform more effectively. At the heart of our approach is innovation: finding better ways to address new challenges. Our customers come to us with questions. Our job is to deliver innovative new solutions and services, in the form of technologies that do remarkable things, so that our customers can achieve outstanding business results.

Because things are changing!

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Cross-collaboration
The world is shrinking – but at the same time it’s becoming more complex. That calls for close collaboration, not just internally, but with our customers and partners. With over 60 offices around the globe and almost 3,000 employees, we’re proud of the skills and resources we are able to bring to the task of helping customers make their business-critical technology decisions, wherever they’re located. Our global organisation boasts experience and industry knowledge that is both deep and wide, while our local presence in key markets means that we can guarantee rapid response times and faster advice. Add to that mix the insight we gain from our technology partners and you’ll see that our customers have access to a wealth of thought leadership on innovation, best practice and operational excellence.

Expertise
Knowledge is power: that’s why we invest time and resources in ensuring that our employees are up to speed on the latest technologies and are qualified through vendor accreditation to implement them. At the same time, we recognise that we must also be expert in mature technologies, too. That way, we can help customers get the most from previous IT investments and deliver seamless integration between old and new systems.

Inspired
What inspires us? Our customers do. Every day, our work brings us face to face with business leaders in organisations of all sizes who dare to think differently. Our conversations with them don’t just focus on technology, but on the future they’d like technology to create for their businesses. For us and for them, getting ‘business and technology working as one’ is both a passion and a serious commitment.

At Logicalis we are inspired to help our customers achieve their business goals through technology. Since today’s technologies move at such a fast pace, attention to detail is paramount. It’s important to us that, in addition to providing our customers with the right solutions, we deliver exemplary customer service every day.

Because together we can make a difference!
Inspired every day

“It’s all about understanding the market scenario to provide relevant information that matches with our client’s expectations.”

Fernanda Santana
Marketing Analyst

“I like collaborating with the professional services team to create exciting propositions for our customers.”

Andrew Ross
Business Development Manager
Alberto Ramos
Solutions Architect

“It’s all about understanding the market scenario to provide relevant information that matches with our client’s expectations.”

Fernanda Santana
Marketing Analyst
“My job is to help our clients achieve their growth goals, using the best combination of technical and commercial tools.”

Marco Locatelli
Business Analyst

“It makes my day to receive positive feedback from clients regarding our quality of service, and to have them stay as our customers throughout the years.”

Ofelia Estrada
Client Engagement Manager

“I take great pride in being part of the exceptional team Logicalis has in Wales. If ever you need inspiration, then look no further: their enthusiasm to meet and exceed customers’ expectations is contagious. What a team!”

Peter Ford
Service Delivery Manager
How we inspire our clients

University of the Highlands and Islands, UK

Ground-breaking video conferencing network

“Logicalis UK has consistently provided support throughout our relationship with them, and continues to work with us on this sophisticated video conferencing solution that keeps pace with our evolving requirements. Video conferencing is in the ‘DNA’ of the University of the Highlands and Islands. It is pivotal; we simply could not operate without it.”

Bob Brandie
Senior Video Conference Technician, University of the Highlands and Islands

More information
www.uk.logicalis.com/our-customers/case-studies/uhi.aspx

Telefónica, Chile

First Green data centre in Chile

“This new Green data centre is part of the Telefónica Group’s international network of data centres. Logicalis Chile’s work has enabled us to fulfil our clients’ needs. Now we can deliver the international support and services our customers’ businesses and operations require, ensure that their information and processes are constantly available and safeguarded against any contingency situation, whilst also diminishing our carbon footprint and providing greater energy efficiency.”

Mauricio Flores
Engineering Specialist, Telefónica Chile

More information
API Healthcare, US

Workforce management solution delivered through the Logicalis Cloud

“It was a great fit for us organisationally. Logicalis has been everything we thought a cloud provider should be – and more. They’ve been so willing to work with us every step of the way. It’s a great relationship. Logicalis is a true partner.”

Nick Hughes
BI Manager, Gamesys

Gamesys, UK

Business analytics project for the online gaming industry

“It is really fantastic to have access to a technical account manager, to have someone to exchange ideas with and provide extra consultancy advice and guidance when and if we need it. We’re also really pleased with the Inca (a Logicalis company) Helpdesk self-service portal, SupportWorks; this has led to a process of opening calls and documenting progress that is refreshing to see.”

Jon Hardenbrook
Technical Product Manager, API Healthcare

Saipem, Singapore

High-availability server virtualisation project for the oil and gas industry

“We are confident that we have made the right choice in our selection of both the technology design and the ICT partner. There is no doubt that we are counting on Logicalis to play an even more integral role in providing the regional infrastructural platform.”

Jesus Macatangay
IS Manager, Pacific Ocean and Indian Ocean, Saipem

Related case study
View video
Chairman’s statement

“Revenue from total services was up 36%, while strong growth in annuity service revenues of 41% reflected the long-term strategic focus on this segment of the business where investments were made in data centre and cloud-based services assets.”

Jens Montanana
Chairman
I am delighted to report that Logicalis delivered another strong result. Our full year results show another solid performance, despite the slowdown of the second half. Overall, Logicalis’ revenues were up 18%, of which 11% was organic growth. The UK and US markets were particularly challenging and growth in the Asia Pacific region softened. However, there was no weakening in the South America region, where telecommunication service providers continue to invest in their core infrastructures, with Brazil again delivering a particularly strong performance.

Superior growth in South America over the last three years has, for the first time, made that region the largest market for Logicalis, accounting for almost 40% of total revenues and 60% of consolidated EBITDA.

Europe’s reduction as a share of the total reflected flat revenues in the UK and Germany. In Asia, we extended our presence with the formation of a 51% controlled joint venture with local IT partners PT Metrodata Electronics, Tbk, and this region showed good organic growth and very strong margins, driven by its exceptional services mix.

Revenue from product sales was up 13%, with robust increases in the Cisco and HP vendor categories. Revenue from total services was up 36%, while strong growth in annuity service revenues of 41% reflected the long-term strategic focus on this segment of the business where investments were made in data centre and cloud-based services assets.

The strong increase in South American product sales resulted in slightly reduced gross margins in that region. The US reduction was primarily as a result of IBM revenues and rebates declining and reduced professional services margins.

Germany was impacted by its lack of scale and the UK margins, having fallen in the last two years, have now stabilised. We remain very pleased with the stability of gross margins, which have remained in the 22% to 23% range in recent years.

During the first half of the financial year, Logicalis completed two acquisitions to consolidate its position in the UK and US, respectively. In April 2011, Logicalis UK acquired Inca Software, an IBM Cognos partner, in order to create one of the first UK system integrators capable of delivering a full suite of next-generation business transformation tools: analytics, collaboration and cloud services.

In July 2011, Logicalis US acquired the business and assets of Netarx, a Cisco Gold partner and provider of managed services, data centre and collaborative IT solutions to customers in the US Midwest.

During the year, the Group incorporated a new company in Indonesia focused on network integration, The Indonesian company, which commenced trading in January 2012, has a 49% partner, PT Metrodata Electronics, Tbk.

On 31 August 2011, Logicalis sold 10% of the share capital in Promon-Logicalis Latin America Limited (PLLAL) to its partner in South America, Promon SA. Logicalis first partnered with Promon in May 2008 and formed PLLAL to develop its existing South American business. Since then the business has gone from strength to strength.

**Markets**

Demand in the markets in which Logicalis operates was mixed during 2011. Demand for technology products continued to increase in the South America and Asia Pacific regions (excluding Australia), but the markets were more challenging in Europe, the US and Australia. This was reflected in the financial results reported by Logicalis’ main vendor partners, Cisco, HP and IBM, all of which experienced either flat or low single-digit growth in product revenues. High levels of capital expenditure among telecommunication operators and services providers in South America, an important customer segment for Logicalis in this region, enabled Logicalis to achieve very strong growth in Cisco product revenues.

Overall, the outlook for ICT investment appears to be similar to the actual experience in 2011.

**Market prospects**

Market analysts predict strong growth in ICT investment to continue across emerging markets in 2012, with South America being particularly strong in both business and consumer ICT spending, both of which are driving significant demand for networking equipment in service providers, private-sector and government organisations. Elsewhere, the outlook for general IT spending is less certain, although investment in next-generation data centre virtualisation technologies, unified communications and collaboration and cloud services is expected to be strong. Growth at the market level is expected to be low in the more developed economies.

The overall outlook is positive. We do not expect the UK to deteriorate further and improvement is expected in our performance this year, despite the challenging environment. So far, the results are encouraging.

South America and Asia Pacific are expected to continue to outperform in relative terms. Economic data from the US suggests a gradually improving recovery, which should support our growth and margin expansion expectations. Germany remains a challenge in terms of scale and profitability.

Our geographic diversity and longer-term investments in data centre and cloud service offerings should underpin our continued expansion and we expect to deliver comparative growth again this year.

**Jens Montanana**

Chairman
What’s driving the IT market

For CIOs, the imperative to work more closely with the business has never been more urgent. At a time when IT budgets continue to be constrained, they’re placing their technology bets wisely.
Cloud services
For CIOs who need to get new applications and services up and running with minimal investment in new IT infrastructure, cloud services have emerged as a flexible, scalable option that can often be funded out of operational expenditure.

IT consumerisation
Today’s employees demand greater choice and freedom in the way they work than ever before. For many, this means the ability to access the data and tools they need to get work done from any location, using the devices of their choice. Workforces that are empowered in this way are more productive – but for CIOs, that means identifying approaches that strike the right balance between freedom for employees and control for the business.

Big data
Extracting meaningful information from corporate data to fuel smart decision-making is an established business priority. Doing it effectively in an age when corporate systems, social media feeds, video and connected devices such as smart meters generate massive data volumes is a new challenge. Big Data has emerged as a way to address the shortcomings of conventional approaches to data analysis.

Security
Digital crime is evolving rapidly. IT security horror stories continue to hit the headlines on a regular basis, and many CIOs recognise that they need to urgently reassess their organisation’s approach to safeguarding corporate data if they are going to stay one step ahead of an increasingly sophisticated breed of cybercriminal. As a result, encrypting stored data and preventing unauthorised access to it have become top priorities.

Social business
Employees are now using a range of new tools and approaches to form relationships, interact, make decisions and accomplish work, both internally and with external customers and suppliers. In turn, this leads to more effective collaboration, greater innovation and new operational efficiencies for the business.
“Our strategy has been to replicate local market innovation and build out a stronger, unified portfolio of solutions and services that we can take to all our markets.”

Ian Cook
Chief Executive Officer
I am pleased to report another strong year for Logicalis, with increased revenues and margins. In line with our financial year 2012 (FY 2012) business objectives, we have also increased our services portfolio and, in particular, our annuity service income, which rose 41% as a result of our success in developing overall managed services and data centre and cloud services offerings.

We increased product-to-services ratio to 75/25, and progress in our data centre infrastructure and cloud services initiatives continues to grow the number of longer-term contracts we have won with the launch of new cloud services in both Infrastructure-as-a-Service (IaaS) and Video-as-a-Service (VaaS).

I would like to thank all of our employees in all countries for their hard work and commitment in achieving these results. I would also like to extend a special thank you to all our customers, partners and stakeholders whose support we greatly value.

Our strategy has been to replicate local market innovation and build out a stronger, unified portfolio of solutions and services that we can take to all our markets, sharing local knowledge and extending our capabilities to support organisations across multiple regions, whilst retaining customer intimacy.

Strategy
We are seeing several trends now driving the ICT market: consumerisation, personal device proliferation, user mobility, virtualisation, cloud computing, Software-as-a-Service (SaaS), and new ICT consumption and operational models. All of these are providing new challenges for the CIO, raising questions such as:

- How can we devise a social networking strategy that will enable our company to achieve new levels of engagement without introducing unnecessary risks?
- I want to reduce our IT costs through using the cloud, but is it safe?
- My users bring their own devices in to the workplace, so how can I deliver access to our business systems in a controlled way?
- Our organisation stores more and more data but how can we derive real business value from it?
- Should I swap traditional methods of procurement for IT infrastructure that’s offered under new, flexible consumption models?

Logicalis’ solutions and services go-to-market strategy is built around our core engagements – unified communications and collaboration, data centre and cloud services, and professional and managed services, with security an important feature of all these technology markets. Each of these engagements help our customers use technology to meet strategic business objectives and exploit their technology investments as a key business differentiator. We will continue to service our customers’ changing requirements from supporting the changing user-experience demands of increased reliance on video, smartphones or tablet computers and secure mobile working, to facilitating shifts in spending from capital to operational budgets through the increased use of cloud services.

Results
- Revenues up 18% to US$1.24 billion with organic growth of 11%
- Product revenues up 13%, service revenues up 36%
- Annuity service revenues up 41%
- EBITDA up 27% to US$67.4 million (FY 2011: US$53.0 million)
- Acquisitions completed during FY 2012:
  - Inca (UK) April 2011
  - Netarx (US) July 2011
- Joint venture in Indonesia
  - PT. Metrodata Electronics, Tbk
- Our organisation stores more and more data but how can we derive real business value from it?
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We see a new balanced consumption model for IT solutions and service partnerships

Customer

- IT focusing on business outcomes
- Requiring maximum efficacy from IT investments
- Owning less infrastructure and delivering less context services
- Moving to more consumption-based models
- Specifying service or business outcome not product

Logicalis

- Must be expert delivery partner for mature and present technologies
- Demonstrate capability in emerging technologies
- Understand the new technical, operational and commercial models of IT consumption
- Adopt greater role in service and Service Level Agreements
Chief Executive Officer’s review continued

**BYOD, big data, big connectivity**

Logicalis takes a true multi-dimensional and multi-disciplinary approach to helping customers define and deliver a coherent and compelling BYOD strategy. We help customers develop a BYOD strategy that spans a range of technology options as well as business functions. It is just as important to engage with legal and HR departments to define acceptable corporate policies as it is to implement a secure access infrastructure able to enforce them. Recognising that the use of consumer devices will change the way users access applications is as critical as agreeing who reimburses users for their data call plan when using it for company business.

BYOD is the ultimate example of business and technology working as one, and Logicalis works with customers to define, design, build, deploy and operate a BYOD environment, whether that is working on strategy with our in-house consulting teams or building secure BYOD infrastructure and services with technology from our world-class technology partners.

We know also that organisations already gather and store huge amounts of unstructured data – quantities that exceed the capacity of traditional data management technologies. Already, this presents a number of well-documented challenges. But the trend seems likely to accelerate, since many of the technologies predicted to make an impact in 2012 generate huge volumes of data in their own right, such as social networking tools in the workplace and video-to-desktop capabilities.

The point is that these new communication methods in the workplace will put ever more pressure on data storage and management.

As a result, solution providers such as Logicalis are increasingly asked to provide a wider and more varied engagement with clients. As well as providing traditional technology expertise in building out IT systems, Logicalis continues to augment clients’ capabilities and IT resources, introducing new solutions from pervasive wireless access for corporate applications on any device of choice (BYOD) to delivery of data storage and management from the cloud, and Business Analytics-as-a-Service. These are delivered along with operational support for greater parts of the customers’ core IT infrastructure, and we also provide traditional solutions in new service based consumption models.

**Awards**

This strategy, combined with our established technical skills, has been recognised by our key vendors for the year under review.

In 2012, at the Cisco Partner Summit, Logicalis was presented with 14 awards from Cisco including a global award for Enterprise Partner of the Year awarded to PromonLogicalis (Brazil). Logicalis also received 13 regional and country awards across Latin America, Europe, the US and Asia Pacific.

In addition, Logicalis UK and Ireland was recognised by IBM as the winner of the IBM Choice Award for top Business Partner in Northeast Europe and received an IBM EMEA Business Partner Excellence Award. In the US, Logicalis was the VMware National Partner of the Year.
Future prospects

Logicalis will continue to closely manage operating costs and maximise the opportunities provided by our multinational customer base. And we will continue to advise our clients on how to get more tangible outcomes from their technology investments and combine maximum IT business impact with balanced and sustainable consumption.

We will build out a common portfolio of solutions and services in the geographies where we currently concentrate and continue to focus on investing and innovating in our main areas of growth – data centre, unified communications and collaboration solutions, cloud services and managed services. We see emerging trends such as IT service automation, BYOD, mobility, business analytics and cloud computing creating new opportunities to bring increased value to our client base and leverage our trusted partnerships with world-leading technology vendors.

The macroeconomic outlook is uncertain but the recovery is expected to continue, although some markets will be more difficult than others. Our customers are generally well positioned to invest and our management is optimistic about the next financial year. We are planning for both revenue and operating profit growth.

Ian Cook
Chief Executive Officer
# Consistent international sales, services and cloud engagement

<table>
<thead>
<tr>
<th>Region</th>
<th>Market position</th>
<th>Key vendor offering</th>
<th>FY 2012 revenues</th>
<th>Employees</th>
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<td>North America</td>
<td>#1 HP Enterprise Partner, Top 3 IBM Business Partner, Cisco Gold partner</td>
<td>Cisco, HP, IBM, Microsoft, EMC, VMware</td>
<td>$384.3m</td>
<td>730</td>
</tr>
<tr>
<td>South America</td>
<td>#1 ICT Integrator in the region, present in Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru and Uruguay</td>
<td>Cisco, Arbor, Nominum, IBM, EMC, NetApp, VMware</td>
<td>$446.6m</td>
<td>1,175</td>
</tr>
<tr>
<td>Europe</td>
<td>Present in UK &amp; Germany, UK Top 3 Cisco Gold Partner, UK #1 IBM Partner, UK European IBM Business Partner of Year, UK Top 5 HP Partner</td>
<td>Cisco, HP, IBM, Microsoft, NetApp, CA, VMware</td>
<td>$305.6m</td>
<td>575</td>
</tr>
</tbody>
</table>
Market analysts predict strong growth in ICT investment to continue across emerging markets in 2012.

**Growth in emerging markets**

**South America**

Logicalis’ South American operation is the company’s strongest region, representing almost 40% of its revenues and with over 1,000 employees. The South American operation has its main offices in São Paulo (Brazil) and Buenos Aires (Argentina) and also has local presence in Bolivia, Colombia, Chile, Ecuador, Paraguay, Peru and Paraguay.

The company is the largest independent integrator for Cisco throughout the region and a major supplier to the leading telecom providers. Logicalis South America will continue to leverage its expertise in data centre, enterprise mobility, and video conferencing and is continuing to develop its managed services capability across the region.

**ASIA PACIFIC**

Logicalis expanded its presence in Asia with the formation of a 51% controlled joint venture in Indonesia, with local IT partners PT. Metrodata Electronics, Tbk. Indonesia is South East Asia’s most populous country and one of the region’s fastest growing economies. The Asian region as a whole showed good organic growth and very strong margins, driven by its high services mix.

The company has three main units centred in Australia, Singapore, and Taiwan, with further operations in China, Hong Kong, Indonesia and Malaysia. Logicalis also has a primary managed services centre in Malaysia, supporting the needs of multinational corporations and service companies across the Asia Pacific region, as well as providing network management on behalf of its sister operations in the US and the UK.

**Market position**

Present in Australia, China, Hong Kong, Indonesia, Malaysia, Singapore and Taiwan. Cisco Gold Partner

**Key vendor offering**

Cisco, EMC, NetApp, VMware

**FY 2012**

**Revenue**

$105.1m

**Compound Annual Growth Rate**

+274%

**2010**

7.5

**2011**

86.6

**2012**

1051

*FY10* US$7.5m (1.5 months only as acquisition date 15 Jan 2010)
Business and technology working as one

We fulfil our core strategic objectives and create value...

For our customers

- Enable technology and business to work better together
- Improve efficiency of corporate IT resources
- Maximise value from past investments
- Embrace new technologies with confidence
- Exploit new ownership and consumption models
- Enable new user experiences and services
- Address security with confidence

For our business

- Maintain our relevance to our customers as their demands change
- Invest in innovation and infrastructure for competitive advantage
- Offer our customers choice in ownership and operational models
- Build a consistent international footprint
- Leverage our partnerships with the world’s leading technology vendors
- Employ the best people with the skills that make a difference for our customers

Communications and Collaboration

- Voice and IP Telephony
- Network Infrastructure
- Contact Centre
- Messaging
- Presence
- Rich Media Conferencing
- Collaborative Content/Web 2.0
- Video
- Security

Data Centre and Cloud Solutions

- Virtualisation and Consolidation
- Enterprise Computing
- Cloud Services
- Storage
- Hosting
- Switching
- Security

Professional and Managed Services

- Consulting
- Application Integration and Development
- Managed Services
- Remote Monitoring and Management
- Hosting
- Co-location
- Managed Infrastructure Services
- Business Analytics
- Security
across all consumption models...

with award-winning strategic partnerships.

- Logicalis has built strategic partnerships with the world’s most respected solutions and services vendors.
- We achieve the highest level of accreditations and retain the highest quality expertise.
- These vendors provide the building blocks of our solutions and services portfolios.
- Vendors are mutual partners in Logicalis’ expanding cloud services portfolio.
Corporate responsibility

Logicalis’ policy is to actively and enthusiastically support the welfare of its people, the environment and local communities wherever we have a presence.

Our people
Logicalis aims to be an employer of choice: attracting, developing and retaining the best people. We understand that knowledge is the key to success and we maintain good communications with employees through our information and consultation procedures.

Our personnel practices ensure that every employee, wherever they work, whatever their role, is treated equally, fairly and respectfully at all times. Adherence to international health and safety standards ensures that our people are properly protected and cared for, wherever they operate.

Logicalis maintains consistent and transparent diversity policies across all our markets. We firmly believe that career opportunity, recognition and reward should be determined by a person’s capabilities and achievement, not their age, sex, race, religion or nationality. Wherever we operate, Logicalis strives to maintain a workforce that reflects the skills, ethnicity and demographics of the local population.

Logicalis recognises that it is the ideas, skills and capabilities of our people that drive our development and growth. In return, Logicalis will invest in whatever training and resources our people need to ensure that they are able to develop and grow with us.

Logicalis is committed to rewarding its shareholders though consistently producing above-average returns and growth.

Environment
As a responsible international provider of ICT solutions, Logicalis seeks to measure and minimise the way in which any of its commercial activities may impact the environment. Logicalis is also committed to providing practical advice and support to its customers and suppliers to help them along the path to ever cleaner and greener ICT solutions.

The Logicalis Group’s Slough, UK office maintains an environmental management system, compliant with ISO 14001, which is used to set and monitor targets for waste reduction and reductions in power and water usage which will be audited by an independent consultant. Initiatives to reduce the business’s environmental impact have included ‘green’ events for employees to spread understanding of good environmental practice throughout the organisation.

Logicalis UK also continues to focus attention on the efficiency of its data centre operations leading to incremental increases in their efficiency as measured by PUE (Power Usage Effectiveness). This is incremental to the design and build work Logicalis UK reported last year and is resulting in reductions in PUE of 4-6%.

Logicalis US adopted a national partnership with Cintas a few years back to provide for paper recycling throughout all offices. Every quarter Cintas provides Logicalis US with a certificate reflecting the number of trees the division has saved based upon the gross weight of paper recycled.

Logicalis US also engages with its prospective landlords across its many offices to understand any green initiatives they comply with, or are implementing. This can include anything from LEED (Leadership in Energy and Environmental Design) – certified buildings, to office lights which automatically shut off upon sensing non-activity (as installed in our corporate HQ), or more efficient power supply solutions.

Our core values

- Customer-oriented – we listen to our customers’ needs and focus on delivering value to their organisations.
- Innovative – we attract spirited and creative employees who show heart and conviction in all that they do.
- Trusted – we consistently deliver on our promises.
- Honest – we have a culture that is based on integrity and openness.
- Quality – we are professional in all our business dealings and dedicated to achieving, and maintaining the highest standards.
- Empowerment – we foster a ‘can-do’ approach where helping our customers and colleagues is central to our job satisfaction.
Logicalis US also participates in a toner recycling program with Global at Farmington Hills, Michigan and Auburn Hills, Michigan locations.

In South America, for the third consecutive year, Logicalis Southern Cone carried out paper and plastic recycling campaigns for the Foundation of Garrahan Hospital in Argentina, an institution focused on complex treatments for children. The campaigns involve office collection of disposable paper and plastic cups, to be donated for recycling to the Foundation.

**Community**

Logicalis encourages our operating companies in every territory to create initiatives that help improve the quality of life for their local communities. Here are just a few highlights.

During the 2011 holiday season, Logicalis US donated US$55,000 to 61 charities in communities where its employees work and live; each charity was nominated and selected by local employees in one of 16 geographical regions, and employees also made the cheque presentation. Their support made a big difference for community agencies ranging from food banks and homeless shelters to healthcare research.

In addition, the Logicalis US ‘Give Back to the Community’ programme allows each employee eight hours of work time each year to support charities of their choice; total volunteer hours amounted to 2,900 in 2011 and 9,325 since April 2008.

Also, the Logicalis US ‘Catch a Shining Star’ recognition programme allows employees to nominate their co-workers for going above and beyond the call of duty; employees receiving the highest level of recognition are allowed to identify a charity that Logicalis US donates US$200 to in their name. Donations of US$1,400 were made in 2011 to a total of seven charities, and US$3,800 has been disbursed overall to 19 charities since March 2009.

Logicalis UK was a gold sponsor of the Row for Freedom campaign against human trafficking. The campaign consisted of the first female crew to row across the Atlantic, in order to raise money to rehabilitate and reintegrate victims of trafficking back into society. The funds raised from the Row for Freedom campaign were shared between ECPAT UK (End Childhood Pornography and Trafficking) and The A21 Campaign, which provides victim after-care and structural prevention to victims of human trafficking.

For the sixth year in succession, Logicalis UK made donations to the Berkshire Community Foundation, which provides grants to local voluntary groups to support grassroots projects. These include schemes helping young people with special needs, the disabled, the elderly and the homeless.

Logicalis Southern Cone carried out several community oriented actions. In Argentina, a volunteer programme enabled several donations to rural schools in Entre Ríos province, to deaf-mute people via the ASAM Foundation, to San José Providente (an association that develops childhood-related programmes) and to Nicole (a Buenos Aires province neighborhood in need). Furthermore, the company decided to support educational activities, working with Junior Achievement (an organisation that aims at bridging the school-work gap and fostering entrepreneurship) and Equidad Foundation (a NGO that helps people in need gain ICT-related skills and improve their employability). Additionally, it supported Expotraстиendas, (a traditional Buenos Aires art fair organised by the Argentine Art Galleries Association).

In Chile, Logicalis also participated in the yearly Teletón, which is aimed at helping the physically impaired.

In Brazil, PromonLogicalis supports the Junior Achievement organisation – and has started to support ‘English For All’, a programme teaching English language to children and young adults. Since 2009, PromonLogicalis’ volunteer programme has provided education and work readiness to children in the communities of São Paulo and Rio de Janeiro, through the following charities: Ação Comunitária do Brasil, Asilo João Evangelista, Associação Ser Cidadão, CAMP Vila Isabel, CCA Santa Teresa de Jesus, Casa do Zezinho, Gotas de Flor com Amor and Lar Escola Recanto Cristião.

Some charities associated with the programme, such as Associação Ser Cidadão and Ação Comunitária do Brasil, also provide vocational education for adolescents and young adults from disadvantaged communities.

In 2011, PromonLogicalis launched the Portal do Voluntariado (Volunteer Portal) where its employees can find a way to help disadvantaged communities, and now participate in more than 89 activities.

Logicalis Singapore has supported the SingTel Touching Lives Fund (TLF) by participating in its Charity Golf tournament for the past eight years. The TLF is SingTel’s corporate philanthropy programme and aims to provide disadvantaged children and young persons with special needs or who are at risk with learning opportunities and the chance to improve their quality of life. Launched in 2002 to consolidate SingTel’s group community support activities, the TLF has since raised more than S$22 million for 22 charities. The beneficiaries in 2011 were APSN Chao Yang School, APSN Tanglin School, Eden School, MINDS Lee Kong Chian Gardens School, the Singapore Cancer Society and the Spastic Children’s Association School.

In October 2011, Logicalis Singapore also took part in a charity drive organised by SingTel for the residents of St John’s Home for Elderly Persons. The charity drive included food and cash donations, as well as activities such as performances for, and birthday celebrations with, the residents.
Board of Directors

1. Jens Montanana
Chairman
Jens is the founder of and chief architect behind Datatec, which he established in 1986, and also Chairman of Logicalis since March 2007. Between 1989 and 1993, Jens served as Managing Director and Vice-President of US Robotics (UK), a wholly owned subsidiary of US Robotics which was acquired by 3Com. In 1993, he co-founded US start-up Xedia Corporation in Boston, MA, an early pioneer of network switching and one of the market leaders in IP bandwidth management, which was subsequently sold to Lucent Corporation.


2. Ian Cook
Chief Executive Officer
Ian Cook is CEO of Logicalis Group. Since he stepped into the role in March 2007, Logicalis has become an international brand and a respected partner of the major technology vendors. Ian has wide-ranging experience in the technology industry spanning more than 25 years. He joined Logicalis from Damovo where he had extensive involvement in its international operations as Chief Operating Officer (COO).

Prior to Damovo, in 1990 Ian led the Board of Cablestream which became Siemens Network Systems Ltd (SNSL) (now Affiniti), one of the UK’s leading network integrators. Over a 10-year period at SNSL he rose to Group Managing Director responsible for operations across Europe.

Ian Cook joined Logicalis as CEO, European Operations in 2003 and became CEO of Logicalis Group in 2007. Since then Logicalis has changed from acting as a Value Added Reseller for specific manufacturers to a broad-based IT solutions provider with data centre assets on four continents. Managed services cover all aspects of IT business needs from simple remote monitoring to hosting and innovative cloud services such as Analytics-as-a-Service.

3. Mark Rogers
Chief Operating Officer
Mark Rogers joined Logicalis in 2003 as Finance Director for Logicalis UK, and in 2004 he became Chief Financial Officer (CFO), European Operations. Since March 2007, he has taken on the role of COO for Logicalis Group.

Mark has extensive experience in the technology and service sectors both in the UK and internationally. He spent 20 years at Racal Electronics/Thales, of which 13 years were at Finance Director level within divisions providing Managed Network Services, Telecoms and Survey, and Positioning Services. While at Thales he was also Chairman of CitylinkTelecommunications, a joint venture company which had secured a £1.2 billion, 20-year Private Finance Initiative contract with London Underground. Also, he has significant mergers and acquisitions experience, including the sale of Racal Telecom to Global Crossing for £1 billion as well as experience in the acquisition and integration of smaller businesses.

He started his finance career with Revlon where he qualified as a Chartered Management Accountant.
4. Nigel Drakeford-Lewis
Chief Financial Officer

Nigel Drakeford-Lewis is a Fellow of the Institute of Chartered Accountants in England and Wales and also has an honours degree in Economics and Accountancy from Exeter University. Nigel joined Datatec in June 2000, initially to help build an advisory services division which was subsequently merged with Logicalis. He then moved across to Logicalis Group in November 2000 to focus on the reshaping of Logicalis Group and help redefine its strategic direction. Since April 2001, Nigel has been CFO of the Group with responsibility for the financial management and control of operations across the Group.

After qualifying as a Chartered Accountant with Grant Thornton, Nigel held senior financial positions with Black & Decker, Grand Metropolitan (now Diageo) and Dixons Group. Prior to joining Datatec, Nigel worked for five years as a senior consultant with Arthur D Little on strategy, corporate finance and performance improvement assignments, primarily in the fixed and mobile telecommunications sector.

Rob Evans
Non-Executive Director

Rob has held a wide range of financial, operational and M&A roles both within Datatec and other organisations internationally. Between 1996 and 2000, Rob was Datatec’s UK Finance Director and then Group M&A Director, during which time he worked on more than 20 acquisitions around the world. He rejoined the Group in 2008, initially as an integration and transformation executive with oversight for the Group’s emerging markets operations in Africa, India and the Middle East (AIME). He then became Chief Operating Officer of Westcon AIME. Since 2010 he has been Head of the Consulting Services division, is on several of the Group’s subsidiary boards and is Chairman of Analysys Mason.

Rob has previously held senior positions with divisions of other listed groups including Proudfoot and Data Translation. He began his career qualifying as a Chartered Accountant with KPMG, where he worked in both London and Melbourne.

Felipe Lima
Non-Executive Director

Felipe Alceu Amoroso Lima is the Executive Director and CFO of Promon since April 2010. In August 2011 he was appointed a Non-Executive Director of the Logicalis Board. From 2005 to 2010, Felipe served as CFO and Board Member for Votorantim Cement North America (VCNA) – a leading manufacturer of cement and supplier of building materials in the United States and Canada, with responsibility for the finance, legal and IT departments. VCNA is a subsidiary of the Brazilian-based Grupo Votorantim, one of the largest conglomerates in Latin America.

From 1996 to 2005, Felipe was with Citigroup, as a Vice President for the Latin America Debt Capital Markets in New York for six years. Prior to Citigroup he served various roles at Unibanco, Promon Engenharia, Schlumberger, and Caterpillar. Felipe Lima has a B.S. degree in Mechanical Engineering from Universidade Estadual de Campinas.
South America delivers very strong performance

The South America region had an exceptionally strong performance, as telecommunication service providers continue to invest in their core infrastructures. The South America region now, for the first time represents Logicalis’ largest operation. The UK and US markets were more challenging but in the Asia Pacific market Logicalis had strong organic growth.

Increased services mix

Logicalis improved its services to product revenue mix with services now representing 25% of total revenues. Revenue from total services was up 36%, while strong growth in annuity service revenues of 41% reflected the long-term strategic focus on this segment of the business, with investments made in data centre and cloud-based services assets. The very robust product sales in South America drove an increase in service revenues.
Robust growth in Cisco solutions

Revenue from product sales was up 13%, with strong increases in the Cisco and HP vendor categories.

The significant increase in Cisco sales, now representing over half of product revenues, was driven by the performance of the IT infrastructure business in South America.

Revenues from IBM equipment were down in the US and UK. Most other vendors such as NetApp had revenue growth.

Stable gross margins

The strong increase in South American product sales resulted in slightly reduced gross margins in that region. The US reduction was primarily as a result of lower rebates and professional services margins.

Europe’s margins were slightly down and Asia Pacific continues to generate very strong margins driven by a very good services mix. Logicalis has maintained relatively stable gross margins across the business in recent years.

### Revenue % by vendor

**2012**
- IBM 19%
- Cisco 56%
- HP 11%
- Others 14%

**2011**
- IBM 30%
- Cisco 48%
- HP 11%
- Others 11%

### Gross margin %

**2012 and 2011**

<table>
<thead>
<tr>
<th>Region</th>
<th>FY 2012</th>
<th>FY 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>18.2</td>
<td>18.3</td>
</tr>
<tr>
<td>Germany</td>
<td>19.7</td>
<td>21.8</td>
</tr>
<tr>
<td>North America</td>
<td>23.4</td>
<td>24.8</td>
</tr>
<tr>
<td>South America</td>
<td>22.7</td>
<td>23.2</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>30.4</td>
<td>31.6</td>
</tr>
<tr>
<td>Average</td>
<td>22.5</td>
<td>23.0</td>
</tr>
</tbody>
</table>
## Financial results

### Income statement – unaudited

<table>
<thead>
<tr>
<th></th>
<th>2012 US$m</th>
<th>2011 US$m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,236.5</td>
<td>1,048.8</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(959.1)</td>
<td>(808.1)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>277.4</td>
<td>240.7</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(210.0)</td>
<td>(187.7)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>67.4</td>
<td>53.0</td>
</tr>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td>(13.3)</td>
<td>(10.0)</td>
</tr>
<tr>
<td>Amortisation of intangible assets</td>
<td>(11.5)</td>
<td>(11.7)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>42.6</td>
<td>31.3</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(4.5)</td>
<td>(3.1)</td>
</tr>
<tr>
<td>Datatec management fees</td>
<td>(4.9)</td>
<td>(4.5)</td>
</tr>
<tr>
<td>Revaluation of non-controlling interest buy-out liability</td>
<td>1.1</td>
<td>(13.5)</td>
</tr>
<tr>
<td>Exchange difference transferred to the Income Statement on disposal of foreign operations</td>
<td>0.0</td>
<td>(2.0)</td>
</tr>
<tr>
<td>Release of excess acquisition consideration</td>
<td>1.6</td>
<td>0.0</td>
</tr>
<tr>
<td>Goodwill adjustments</td>
<td>0.5</td>
<td>0.0</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>36.4</td>
<td>8.2</td>
</tr>
<tr>
<td>Tax on profit on ordinary activities</td>
<td>(14.2)</td>
<td>(7.3)</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>22.2</td>
<td>0.9</td>
</tr>
</tbody>
</table>

### Balance sheet – unaudited

<table>
<thead>
<tr>
<th></th>
<th>2012 US$m</th>
<th>2011 US$m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill and other intangible assets</td>
<td>191.9</td>
<td>166.7</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>41.5</td>
<td>38.9</td>
</tr>
<tr>
<td>Deferred tax asset</td>
<td>20.2</td>
<td>16.2</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>253.6</td>
<td>221.8</td>
</tr>
<tr>
<td>Inventories</td>
<td>99.6</td>
<td>26.8</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>368.8</td>
<td>292.5</td>
</tr>
<tr>
<td>Foreign corporation tax recoverable</td>
<td>6.2</td>
<td>2.3</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>77.5</td>
<td>93.6</td>
</tr>
<tr>
<td>Total current assets</td>
<td>552.1</td>
<td>417.2</td>
</tr>
<tr>
<td>Total assets</td>
<td>805.7</td>
<td>639.0</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(439.9)</td>
<td>(319.4)</td>
</tr>
<tr>
<td>Bank overdrafts and loans</td>
<td>(44.6)</td>
<td>(22.2)</td>
</tr>
<tr>
<td>Current tax liabilities</td>
<td>(2.0)</td>
<td>(2.9)</td>
</tr>
<tr>
<td>Obligations under finance leases</td>
<td>(5.3)</td>
<td>(5.6)</td>
</tr>
<tr>
<td>Non-controlling interest buy-out liability</td>
<td>0.0</td>
<td>(23.0)</td>
</tr>
<tr>
<td>Deferred consideration on acquisition of subsidiaries</td>
<td>(10.4)</td>
<td>(7.0)</td>
</tr>
<tr>
<td>Liability for share-based payments</td>
<td>(4.1)</td>
<td>(3.2)</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>(506.3)</td>
<td>(383.3)</td>
</tr>
<tr>
<td>Net current assets</td>
<td>45.8</td>
<td>33.9</td>
</tr>
<tr>
<td>Amounts owed to holding company and fellow subsidiaries</td>
<td>(38.0)</td>
<td>(38.9)</td>
</tr>
<tr>
<td>Obligations under finance leases</td>
<td>(6.3)</td>
<td>(11.2)</td>
</tr>
<tr>
<td>Non-controlling interest buy-out liability</td>
<td>0.0</td>
<td>(23.1)</td>
</tr>
<tr>
<td>Deferred consideration on acquisition of subsidiaries</td>
<td>(3.3)</td>
<td>0.0</td>
</tr>
<tr>
<td>Liability for share-based payments</td>
<td>(3.7)</td>
<td>(4.1)</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>(22.6)</td>
<td>(17.5)</td>
</tr>
<tr>
<td>Other long term liabilities</td>
<td>(6.0)</td>
<td>(5.5)</td>
</tr>
<tr>
<td>Total non-current liabilities</td>
<td>(79.9)</td>
<td>(100.6)</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>(586.2)</td>
<td>(483.9)</td>
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<tr>
<td>Net assets</td>
<td>219.5</td>
<td>155.1</td>
</tr>
<tr>
<td>Share capital and share premium</td>
<td>130.2</td>
<td>100.2</td>
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<tr>
<td>Non-controlling interest buy-out reserve</td>
<td>0.0</td>
<td>(46.1)</td>
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<tr>
<td>Foreign currency exchange and other non-distributable reserves</td>
<td>(26.1)</td>
<td>(23.4)</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>72.7</td>
<td>63.5</td>
</tr>
<tr>
<td>Attributable to equity holders of the parent</td>
<td>176.8</td>
<td>124.2</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>42.7</td>
<td>30.9</td>
</tr>
<tr>
<td>Total equity</td>
<td>219.5</td>
<td>155.1</td>
</tr>
</tbody>
</table>
## Our subsidiaries

<table>
<thead>
<tr>
<th>Statutory name</th>
<th>Country of incorporation</th>
<th>Percentage held 2012</th>
<th>Percentage held 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Holding Company</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Logicalis Group Limited</td>
<td>England and Wales</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Subsidiaries of Logicalis Group Limited</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Logicalis Group Services Limited</td>
<td>England and Wales</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Logicalis UK Limited</td>
<td>England and Wales</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Satelcom Limited</td>
<td>England and Wales</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Logicalis Computing Solutions Limited</td>
<td>England and Wales</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Hawke Systems Limited</td>
<td>England and Wales</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>T.B.C. Group Limited</td>
<td>England and Wales</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>TBC Limited*</td>
<td>England and Wales</td>
<td>100%</td>
<td>100%</td>
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Business and technology working as one

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