



Hitachi Consulting UK to Implement an Innovative Public Sector Shared Services Centre for New Local Authority Joint Venture

Compass Point Business Services expected to reap £30m in savings for two district councils and deliver business process outsourcing options to other public bodies through shared services

LONDON, UK — 24 January 2011 — Hitachi Consulting UK today announced that it has been selected to provide the back office shared services infrastructure for Compass Point Business Services Ltd, the new joint shared services organisation wholly owned by South Holland District Council and East Lindsey District Council in Lincolnshire.

In an entrepreneurial response to the Chancellor's Comprehensive Spending Review, the two councils have taken a proactive response to the reduction in public sector funding by replacing all its corporate systems with the latest Microsoft-based public sector systems, which Hitachi Consulting UK have been selected to implement.

The shared systems, which include Finance, HR, ICT, and Customer Services, will help to deliver an estimated £30 million in savings to the two district authorities over the next 10 years, according to Compass Point's Business Plan. Compass Point will also be offering Business Process Outsourcing to other non-neighbouring councils, with the aim of reducing costs and enabling other councils to reap greater efficiency savings.

Compass Point Business Services is a brand new, commercial shared services organisation. Wholly publicly owned, it has been set up with two arms: one to provide back office professional services for its local government owners - South Holland District Council and East Lindsey District Council; and the other to operate more widely across the public sector by offering outsourced services and processes. The company's ethos is to be commercially oriented to deploy its public ownership to offer a different, more understanding, and more flexible model into a growing market for externalised public sector services, providing a distinctly different proposition from traditional process outsourcing companies.

"Seizing the opportunity to share and support ICT services is not just the logical response to funding cuts in an austere economy, but it is also the face of public sector service delivery and efficiency moving forward," said Councillor Paul Przyszlak, Chairman of the Board of Compass Point Business Services. "It was therefore extremely important that we work with a company that has both technical

insight, and a specific understanding of public sector requirements. We selected Hitachi Consulting because they had the best vision for delivering modern and agile ICT systems with both the scalability and flexibility to accommodate the needs of different councils.”

Hitachi Consulting UK is implementing the public sector version of Microsoft Dynamics AX; Dynamics CRM for the front office, which includes integration with Compass Point’s call centre scripting and telephony; and SharePoint 2010 with an advanced Document Image Processing System together with integration via BizTalk to legacy systems. The system will go live in the next few months, and will be supported by Hitachi Consulting’s ongoing Managed Services.

About Hitachi, Ltd.

Hitachi, Ltd., (NYSE: HIT / TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 360,000 employees worldwide. Fiscal 2009 (ended March 31, 2010) consolidated revenues totaled 8,968 billion yen (\$96.4 billion). Hitachi will focus more than ever on the Social Innovation Business, which includes information and telecommunication systems, power systems, environmental, industrial and transportation systems, and social and urban systems, as well as the sophisticated materials and key devices that support them. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

About Hitachi Europe Ltd.

Hitachi Europe Ltd. is a wholly owned subsidiary of Hitachi, Ltd., Japan. Headquartered in Maidenhead, UK, it has operations in 11 countries across Europe, the Middle East and Africa and employs approximately 460 people.

Hitachi Europe comprises of nine business areas: air conditioning and refrigeration systems; digital media and consumer products; display products; industrial components and equipment; manufacturing systems; information systems; power and industrial systems; power devices and procurement and sourcing. Hitachi Europe also has three Research and Development laboratories and a Design Centre. For more information about the company, please visit <http://www.hitachi.eu>.

** Follow us on Twitter: <http://twitter.com/Hitachiuk> **

For further information, please contact:

Vanessa Land

Devonshire Marketing

Tel: 0870 242 7469

Email: vanessa@devonshiremarketing.com

Sue Lawson

Communications Manager, Compass Business Solutions Ltd

Tel: 07917 394641

Email: sue.lawson@compasspointbusiness.co.uk