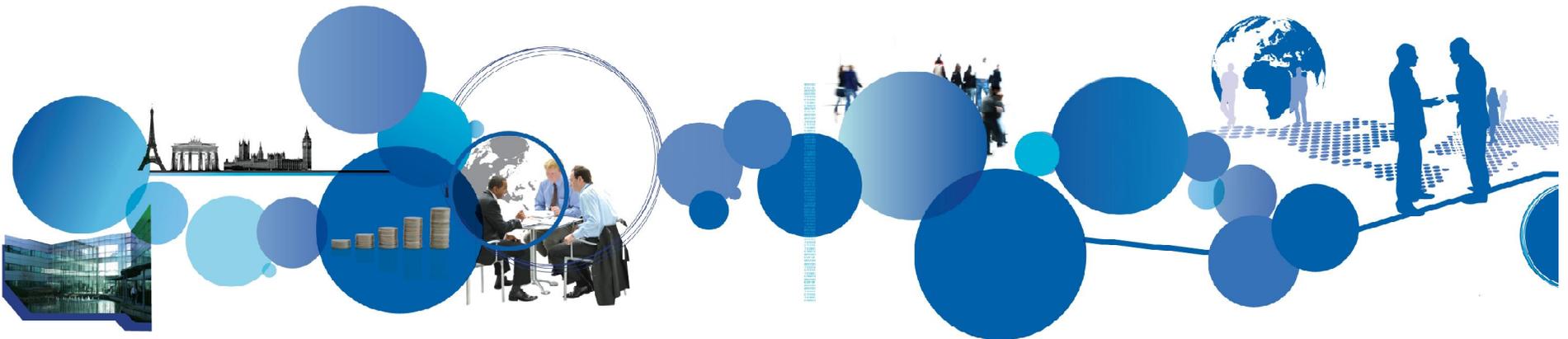


# Interim Results 2011

30 August 2011



# Agenda

- Highlights Mike Norris
- Financial review Tony Conophy
- Operational review Mike Norris
- Outlook Mike Norris
- Summary and Q&A

# H1 2011 Highlights

- Group adjusted PBT £26.6m an increase of 24.9%
- Adjusted diluted EPS of 12.9p an increase of 24%
- Multi-year contracts with new customers across all geographies won
- Continued benefit from industrialisation of service offerings
- Roll out of ERP project on track
- Two acquisitions successfully completed



## Financial Review – Tony Conophy

# 2011: Group financial results

	YTD June 2011 £m	YTD June 2010 £m	Change
Revenue excluding acquisitions	1,328.7	1,288.8	3.1%
Acquisitions	36.5	-	n/a
<b>Total Revenue</b>	<b>1,365.3</b>	<b>1,288.8</b>	<b>5.9%</b>
<b>Adjusted gross profit</b>	<b>188.5</b>	<b>172.5</b>	<b>9.3%</b>
	13.8%	13.4%	3.2%
Other operating expenses	(162.9)	(151.8)	7.3%
<b>Adjusted operating profit</b>	<b>25.6</b>	<b>20.6</b>	<b>24.2%</b>
	1.9%	1.6%	0.3%
Adjusted net interest	0.9	0.6	47.3%
<b>Adjusted profit before tax</b>	<b>26.6</b>	<b>21.3</b>	<b>24.9%</b>
Adjusted tax expense	(6.5)	(5.3)	20.6%
Adjusted tax rate	(24.3%)	(25.1%)	(3.4%)
<b>Adjusted profit after tax</b>	<b>20.1</b>	<b>16.0</b>	<b>25.8%</b>
<b>Diluted earnings per share</b>			
– Adjusted	12.9p	10.4p	24.0%
– Statutory	12.7p	10.3p	23.3%

Numbers shown are as reported. No material impact from exchange.

Income statement rate

2011 : £1 = € 1.152

2010 : £1 = € 1.150

*Adjusted profit before tax, income tax expense and EPS are stated prior to amortisation of acquired intangibles and exceptional items. Adjusted operating profit and adjusted gross profit is also stated after charging finance costs on CSF*

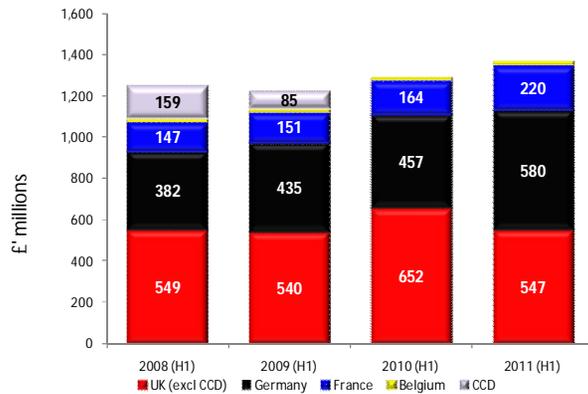
# 2011: Revenue and Operating profit by segment



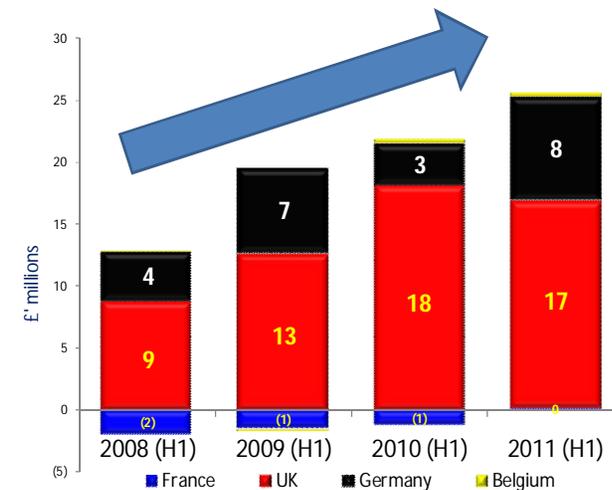
	YTD June 2011 Like for Like £m	YTD June 2011 Acquisitions £m	YTD June 2011 Total £m	YTD June 2010 £m	Change	
					Like for Like %	Incl Acquisitions %
<b>Revenue</b>						
UK	547.3	-	547.3	651.9	(16.0%)	(16.0%)
Germany	576.4	4.0	580.4	457.2	26.1%	26.9%
France	187.2	32.5	219.7	164.3	14.0%	33.8%
Belgium	17.9	-	17.9	15.5	15.5%	15.5%
<b>Total Group</b>	<b>1,328.7</b>	<b>36.5</b>	<b>1,365.3</b>	<b>1,288.8</b>	3.1%	5.9%
<b>Adjusted operating profit</b>						
UK	16.7	-	16.7	18.1	(7.9%)	(7.9%)
Germany	8.4	-	8.4	3.4	144.0%	144.0%
France	(0.4)	0.5	0.2	(1.2)	69.7%	114.8%
Belgium	0.4	-	0.4	0.3	n/a	n/a
<b>Total Group</b>	<b>25.1</b>	<b>0.5</b>	<b>25.6</b>	<b>20.6</b>	21.5%	24.2%

# 2011: Growth continuing in Europe

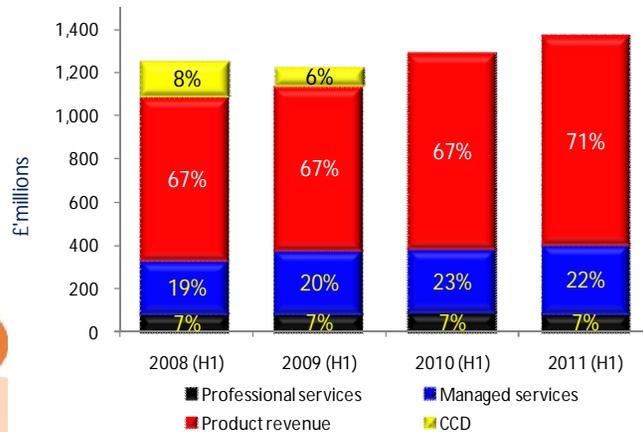
Revenue growth in Europe, more than offsetting UK Product decline



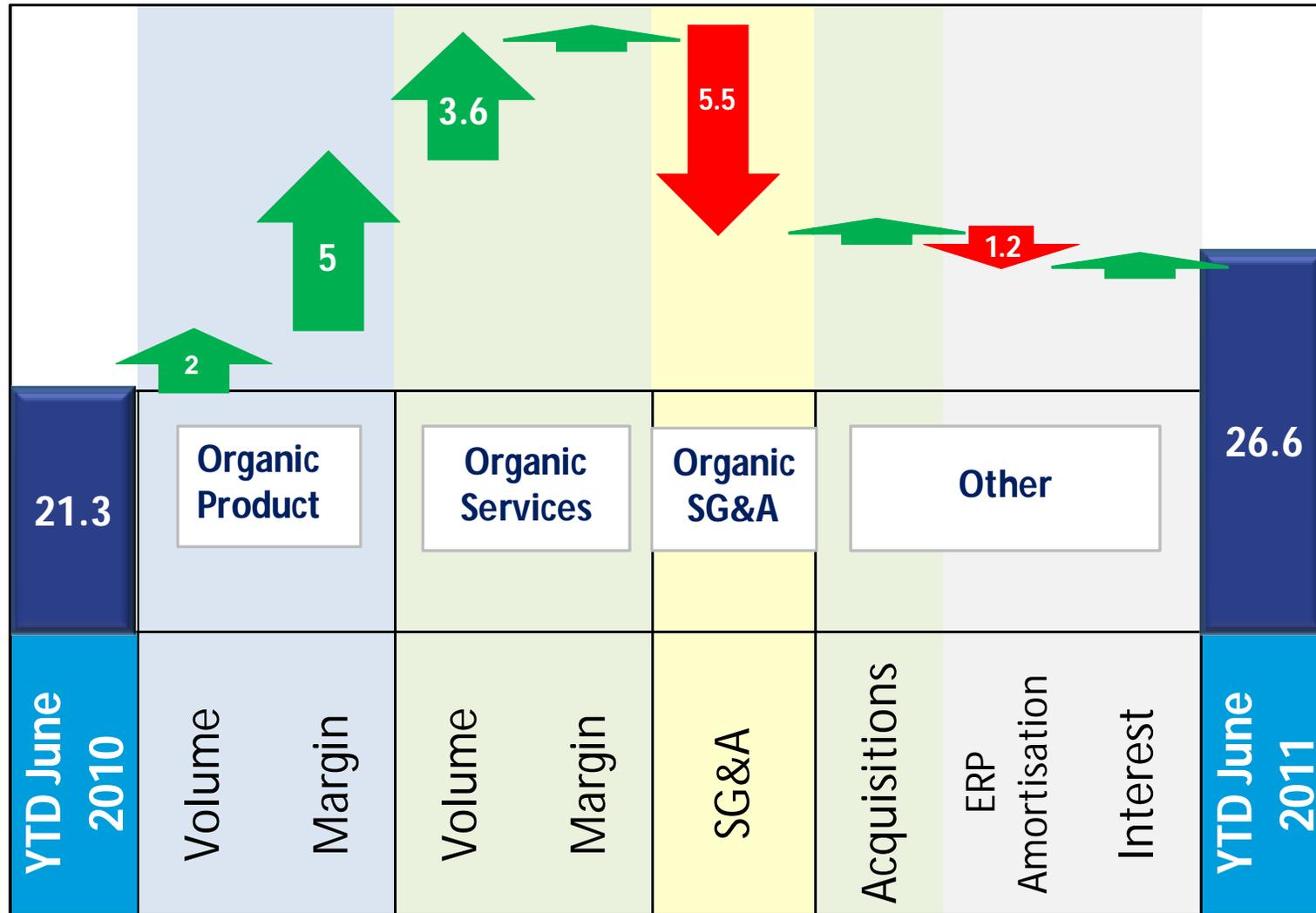
Continued operating profit growth



Growth across all sources of revenue



# Group – PBT bridge £m



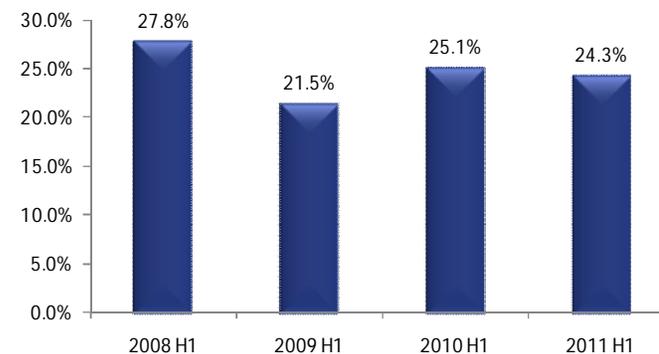
# Group – reconciliation of adjusted to statutory profit after tax

	H1 2011 £m	H1 2010 £m	Change %
<b>Adjusted profit before tax</b>	<b>26.6</b>	<b>21.3</b>	<b>24.9%</b>
Amortisation of acquired intangibles	(0.4)	(0.3)	22.8%
<b>Statutory profit before tax</b>	<b>26.2</b>	<b>21.0</b>	<b>24.9%</b>
<b>Adjusted tax expense</b>	<b>(6.5)</b>	<b>(5.3)</b>	<b>20.6%</b>
<i>Adjusted tax %</i>	<b>24.3%</b>	<b>25.1%</b>	<i>(0.8%)</i>
Tax on amortisation of acquired intangibles	0.1	0.1	(29.0%)
<b>Income tax expense</b>	<b>(6.4)</b>	<b>(5.2)</b>	<b>21.9%</b>
<i>Tax %</i>	<b>24.2%</b>	<b>24.8%</b>	<i>(0.6%)</i>
<b>Statutory profit after tax</b>	<b>19.8</b>	<b>15.8</b>	<b>25.9%</b>

**Tax rate continues to benefit from a low tax rate in Germany**



**Adjusted tax rate**

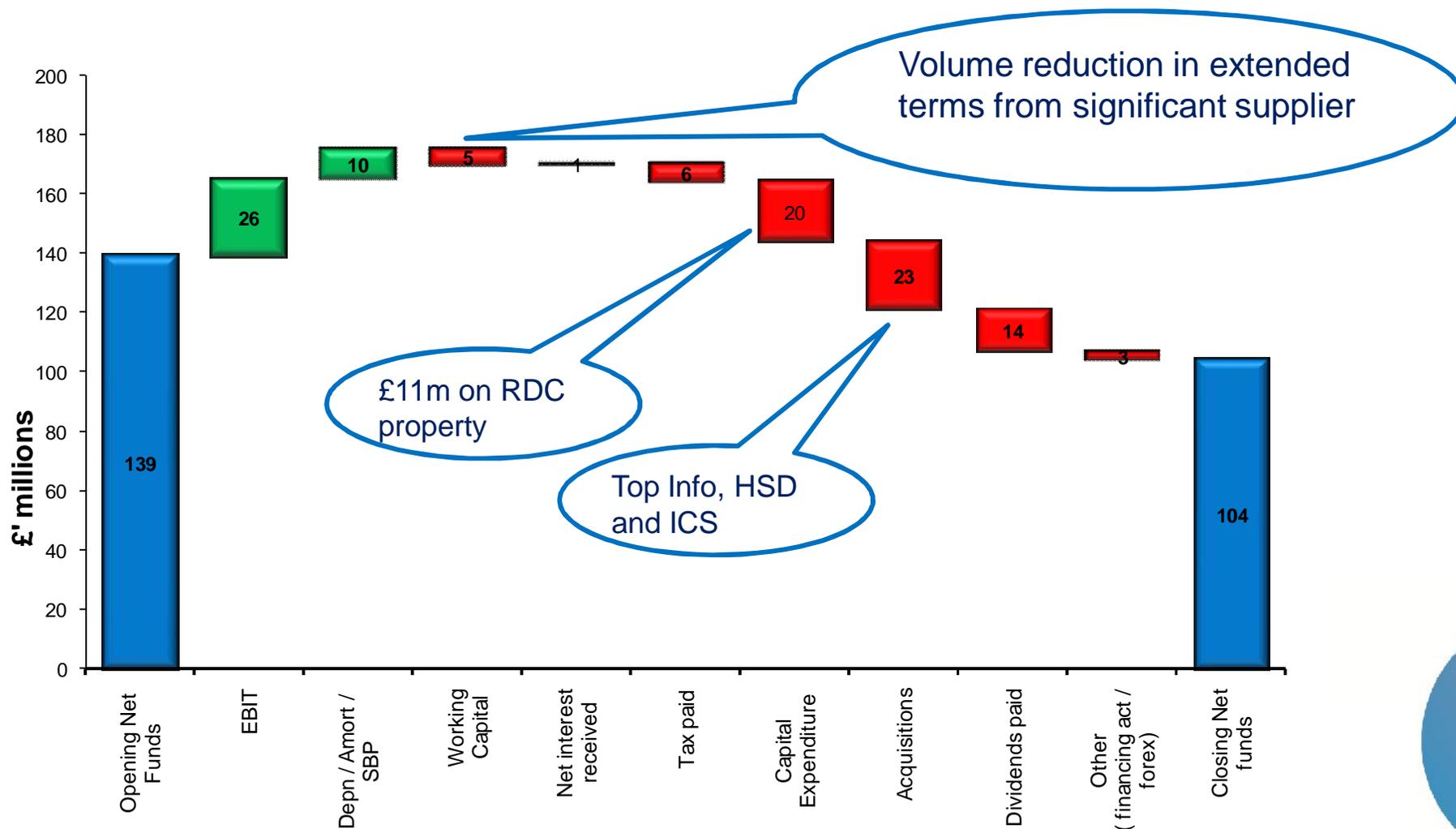


# Net funds improved in the year

	June 2011 £m	Dec 2010 £m	June 2010 £m
Cash and cash equivalents	79.3	155.9	128.1
Current asset investments	25.0	-	-
Own loans and leases	-	-	(1.4)
Factor financing	-	(16.5)	(31.1)
<b>Net funds prior to CSF</b>	<b>104.3</b>	<b>139.4</b>	<b>95.6</b>
Finance leases	(21.8)	(24.9)	(32.8)
Other loans	(1.6)	(3.5)	(5.7)
<b>Total CSF</b>	<b>(23.5)</b>	<b>(28.4)</b>	<b>(38.5)</b>
<b>Net cash</b>	<b>80.9</b>	<b>111.0</b>	<b>57.1</b>

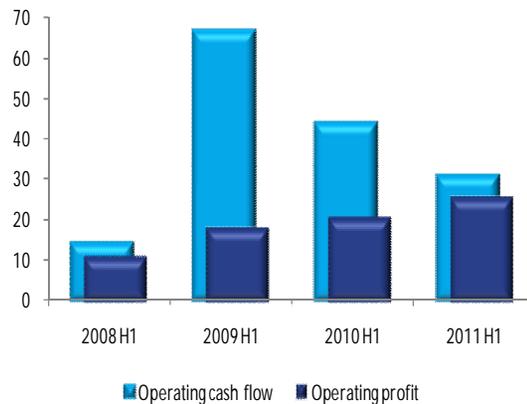
- **The Group's cash has reduced due to:**
  - **Acquisitions - £23m**
  - **Reduction in the benefit from temporary credit terms from - £7m**
  - **Property purchase - £11m**
- **Net of these unusual factors, cash has increased by £5m, despite paying the year end dividend of £14m**

# But impacted by one off investing activities

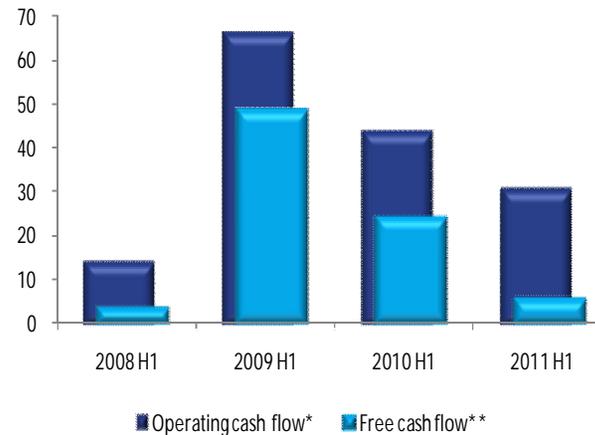


# Continuing positive cash flows

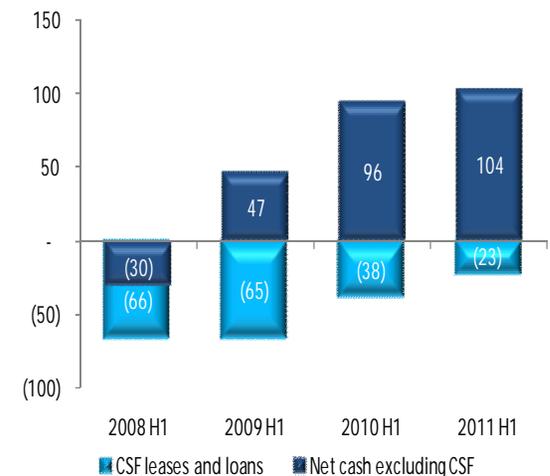
Operating cash flow continues to be ahead of operating profit



Free cash flow utilised on capex in 2011



Despite acquisitions and capex, net funds are higher than June 2010



\* Operating cash flow is stated inclusive of factor financing and excluding customer specific related transactions (see note 29 of the Annual Report and Accounts)

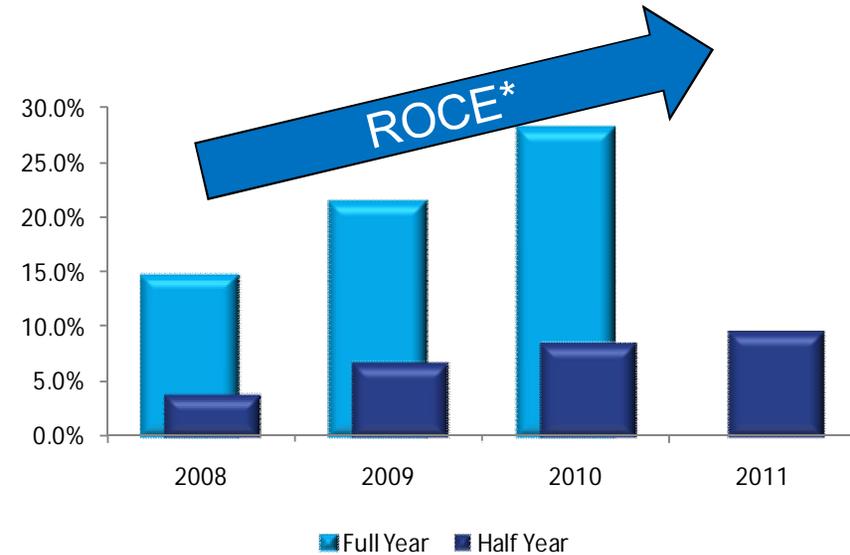
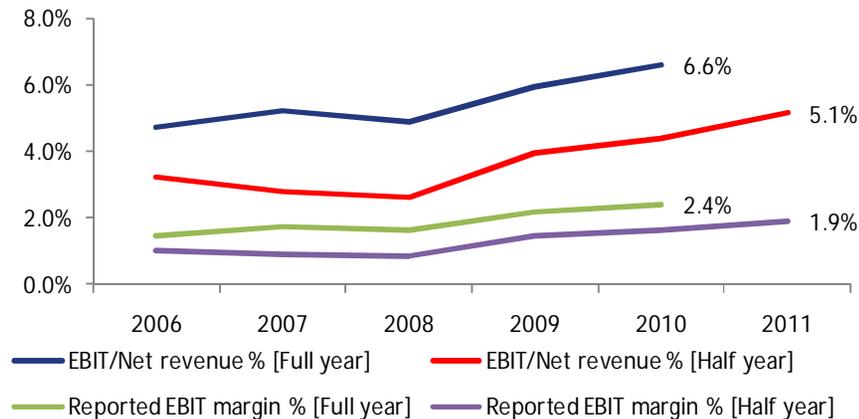
\*\* Free cash flow is defined as the operating cash flow less net interest, tax paid and capital expenditure

➤ Operating and free cash flow has grown ahead of operating profit growth in prior years, 2011 is in line

➤ Cash growth is net of dividends totalling £56 million over the past four years

# Financial return

### EBIT margin improvement



\* ROCE is defined as adjusted operating profit/(net assets – net cash pre csf)

- H1 Operating profit % of sales up 0.3% from 1.6% to 1.9%
- H1 Operating profit % of net revenue up 0.7% from 4.4% to 5.1%
- H1 ROCE up 1% from 8.5% to 9.5%

# FY11 modelling considerations

## Net interest

- No material changes expected

## Tax

- Dependant on mix in earnings as we utilise losses in European operations
- Similar proportion of earnings should result in tax rate being 23 – 25%

## Exceptional

- No exceptional items expected until ERP benefits start being realised, likely to be in 2012

## Capital expenditure

- Non CSF capex is circa £20m pa, approximately 50% run-rate capex, and 50% discretionary (e.g. investments in ERP infrastructure, customer-facing datacentres and support systems)

## Depreciation

- Will increase circa £3m in 2011 due to ERP implementation go live

## Dividends

- Our dividend policy is to set dividends to maintain a dividend cover of 2 – 2.5 times (2.5 times in 2010 and 2009)

## Acquisitions

- In a full year Top Info should contribute an EBIT of approximately €4.5m
- DAMAX should contribute in excess of £1m in H2 2011

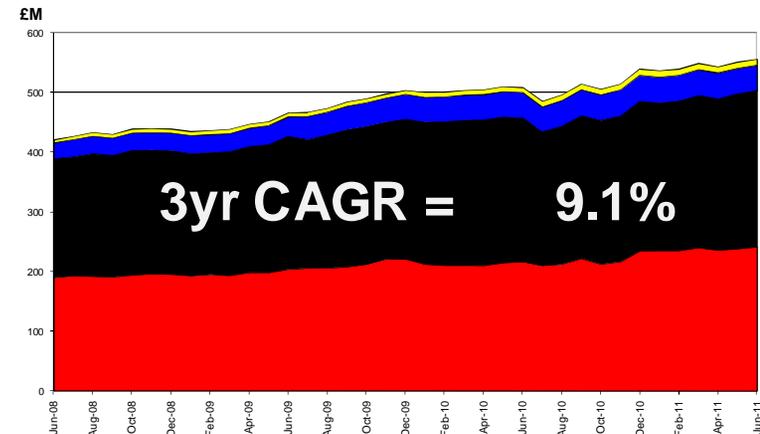


## Operational Review & Outlook – Mike Norris

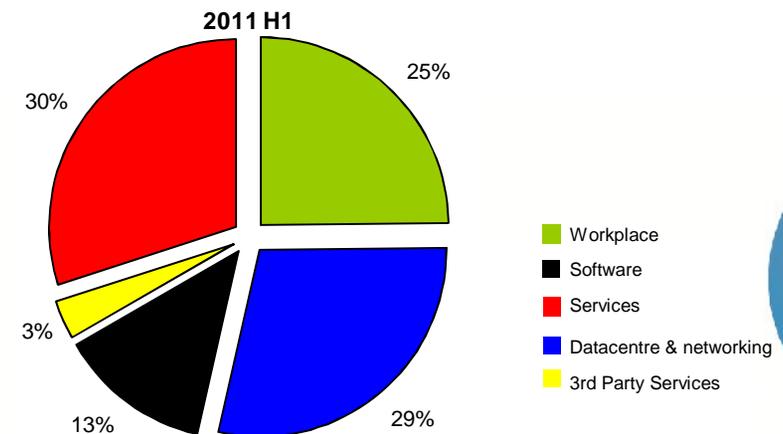
# Group highlights

- Group profitability growth demonstrates the benefit of multi-country investment
- Growth in the services mix of the business
- Successfully executed two acquisitions in H1
- Despite acquisitions and investments an increase in cash
- Group ERP remains on track
- Post closing acquisition completed

Contract base – CAGR



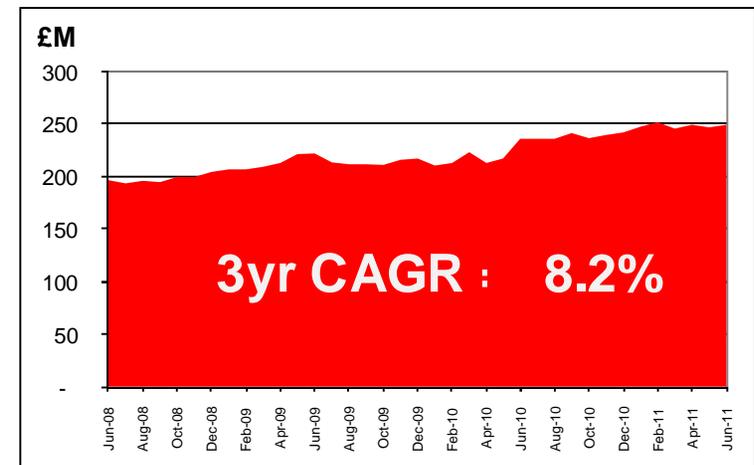
Revenue split



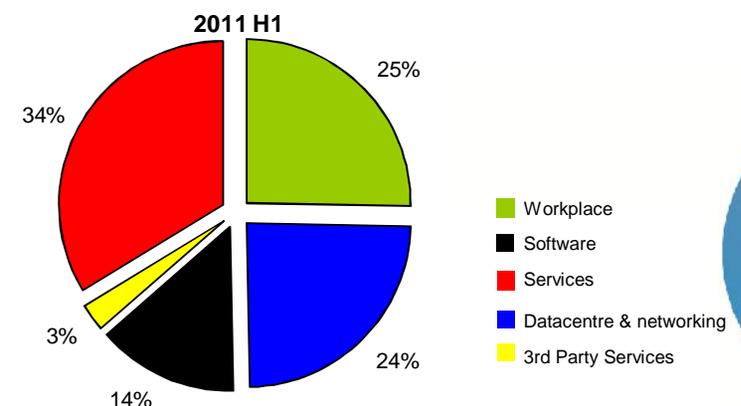
# UK highlights

- Disappointing decline in UK Product revenue
- Services revenue growth remains positive
- Gross margin improvement in both Product and Services
- Good contract wins and a buoyant pipeline
- Windows 7 is a major driver of new projects
- Major capital investment in RDC

## Contract base – CAGR



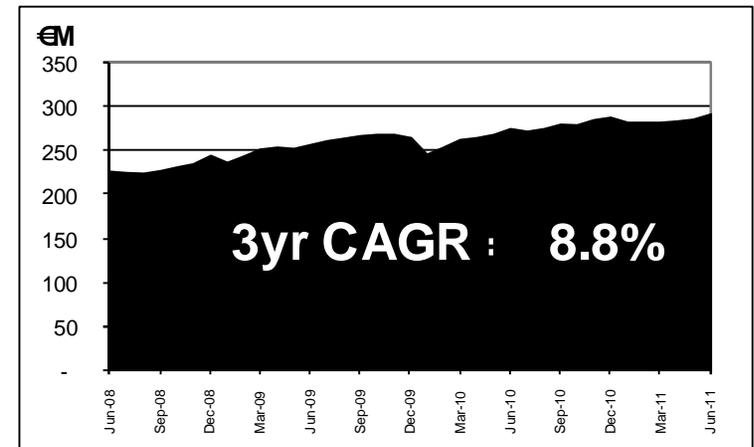
## Revenue split



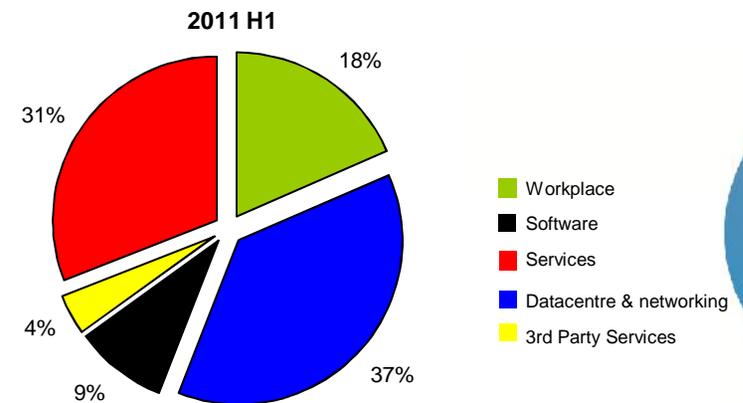
# Germany highlights

- Product revenue grew strongly from a firm base
- Services revenue was strong from a weak base
- Windows 7 increasing demand for new projects
- Major new managed services contract win
- Increase in SG&A due to higher commissions and ERP migration

## Contract base – CAGR



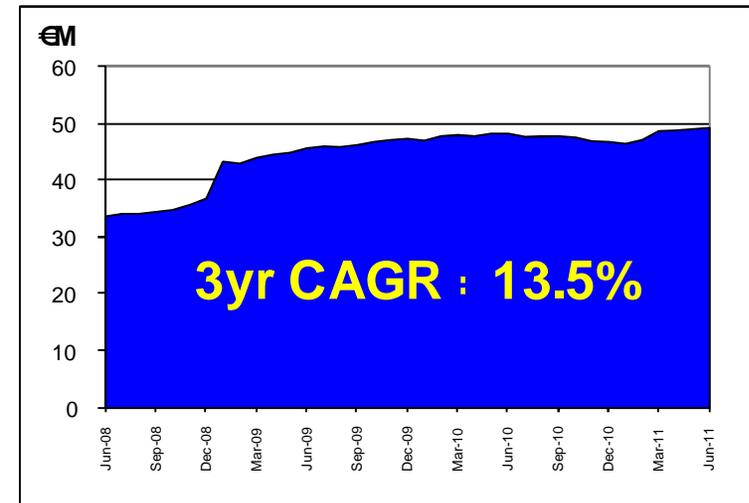
## Revenue split



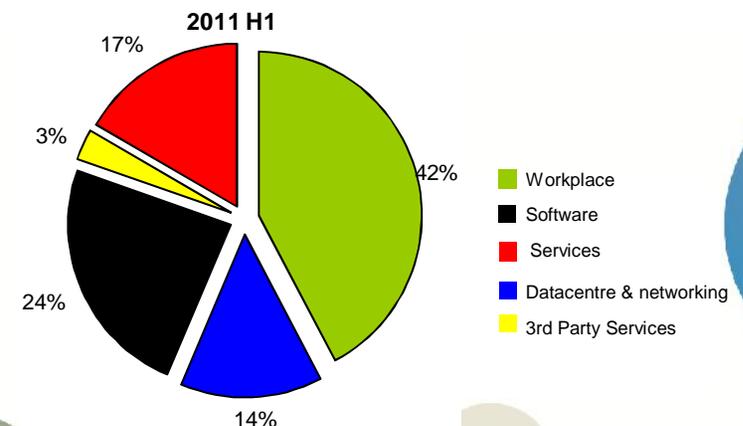
# France highlights

- Substantial acquisition to increase scale
- Small operating profit including acquisition
- Product and Services revenue growth excluding acquisition
- New Services contract base wins will enable growth in the future
- Strong pipeline to aid growth in 2012 and beyond

Contract base – CAGR



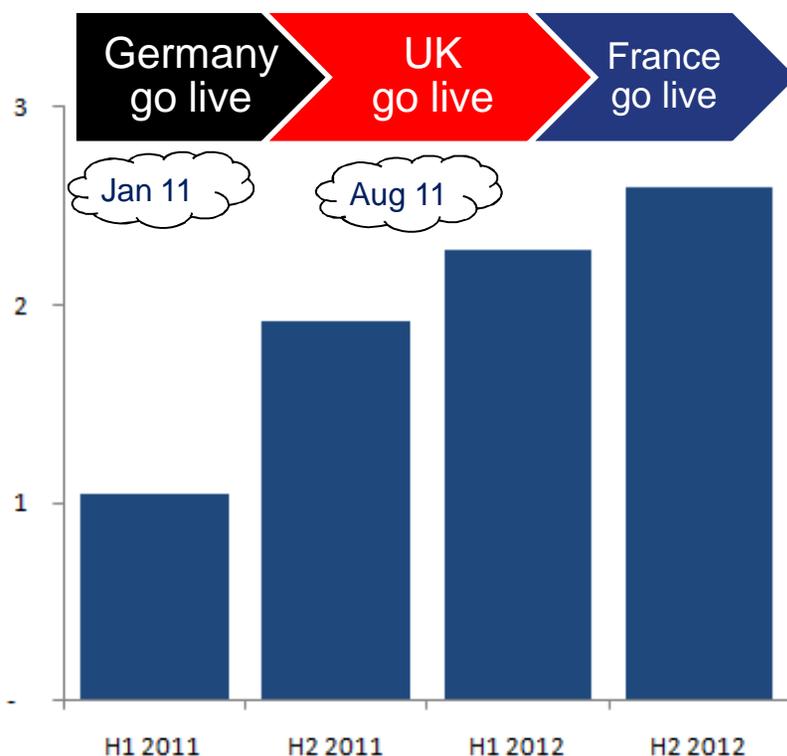
Revenue split



# No change to impact from our ERP implementation

Amortisation & depreciation will increase as our countries go live on our new ERP system during 2011 (c£3m) and 2012 (c£5m)

But the long term benefits to the Group are significant...



- Introduce a clear control structure for the Computacenter operating model
- Lower cost through increased automation, greater use of central resources, internal benchmarking etc.
- Improved risk management & controls on inventory, debtors etc.
- Enhanced acquisition integration capability

# Outlook

- We remain on track to achieve the Board's expectations for 2011
- Second half growth in Germany has a more challenging comparator than H1
- Incremental depreciation from new ERP System in H2
- Strong contractual services wins and pipeline bodes well for the future
- Increased contractual services mix shelters us somewhat from economic uncertainties
- Our investment in systems and services industrialisation aides our ability to grow profitability

# Appendix

# Glossary

- Adjusted results
  - PBT and EPS are adjusted for exceptional items and amortisation on acquired intangibles
  - Operating profit is stated after charging finance costs on CSF, and excludes the transfer of internal ERP implementation costs between segments
- Customer-specific financing (“CSF”)
  - Finance costs for CSF are charged after operating profit for statutory purposes
  - These costs are considered to be contract specific costs, and operating profit is adjusted to charge for these costs
  - Net finance costs are also adjusted in this presentation
- Net funds
  - Net funds prior to CSF is monitored internally by the Group
  - Statutory net funds includes future obligations for CSF, that are covered by future income streams
  - All CSF facilities are committed

# Group – sources of revenue

	Reported		
	YTD June 2011	YTD June 2010	Change
	£m	£m	%
<b>Product revenue</b>			
<b>Total Product revenue</b>	963.3	907.1	6.2%
<b>Services revenue</b>			
Professional services	99.4	90.3	10.1%
Support and managed services	302.5	291.4	3.8%
<b>Total services revenue</b>	<b>402.0</b>	<b>381.7</b>	<b>5.3%</b>
<b>Total Revenue</b>	<b>1,365.3</b>	<b>1,288.8</b>	<b>5.9%</b>

	In constant currency		
	YTD June 2011	YTD June 2010	Change
	£m	£m	%
<b>Product revenue</b>			
	963.3	906.5	6.3%
<b>Services revenue</b>			
	99.4	90.3	10.2%
	302.5	291.2	3.9%
	402.0	381.4	5.4%
<b>Total Revenue</b>	<b>1,365.3</b>	<b>1,287.9</b>	<b>6.0%</b>

# UK – income statement



	YTD June 2011 £m	YTD June 2010 £m	Change %
<b>Revenue</b>	<b>547.3</b>	<b>651.9</b>	<b>(16.0%)</b>
<b>Adjusted gross profit</b>	<b>90.0</b> <i>16.5%</i>	<b>91.9</b> <i>14.1%</i>	<b>(2.1%)</b> <i>2.4%</i>
<b>Other operating expenses</b>	<b>(73.4)</b> <i>(13.4%)</i>	<b>(73.8)</b> <i>(11.3%)</i>	<b>(0.6%)</b> <i>(2.1%)</i>
<b>Adjusted operating profit</b>	<b>16.7</b> <i>3.0%</i>	<b>18.1</b> <i>2.8%</i>	<b>(7.9%)</b> <i>0.3%</i>
<b>Headcount: *</b>			
<b>Direct</b>	<b>3,565</b>	<b>3,669</b>	<b>(2.9%)</b>
<b>Indirect</b>	<b>1,394</b>	<b>1,410</b>	<b>(1.1%)</b>
<b>* period end headcount</b>			

# Germany – income statement<sup>1</sup>

	Reported			In local currency		
	YTD June 2011	YTD June 2010	Change	YTD June 2011	YTD June 2010	Change
	£m	£m	%	€m	€m	%
Revenue excluding acquisitions	576.4	457.2	26.1%	664.0	525.7	26.3%
Acquisitions	4.0	-	n/a	4.6	-	n/a
Revenue	580.4	457.2	26.9%	668.6	525.7	27.2%
Adjusted gross profit	72.6	60.5	20.1%	83.6	69.5	20.3%
	12.6%	13.2%	(0.6%)	12.6%	13.2%	(0.6%)
Other operating expenses	(64.2)	(57.0)	12.6%	(74.0)	(65.6)	12.8%
	(11.1%)	(12.5%)	1.3%	-11.1%	-12.5%	1.3%
Adjusted operating profit	8.4	3.4	144.0%	9.7	4.0	144.5%
	1.5%	0.8%	0.7%	1.5%	0.8%	0.7%
<b>Headcount: *</b>						
Direct	3,152	3,062	2.9%			
Indirect	1,228	1,145	7.2%			
* period end headcount						

Other operating expenses includes €1.4 m relating to amortisation of ERP.

<sup>1</sup> The Germany income statement has been restated to include CC Luxembourg

# France – income statement



	Reported		
	YTD June 2011 £m	YTD June 2010 £m	Change %
Revenue excluding acquisitions	187.2	164.3	14.0%
Acquisitions	32.5	-	n/a
Revenue	219.7	164.3	33.8%
Adjusted gross profit	23.9 12.8%	18.3 11.2%	30.4%
Other operating expenses	(23.7) (12.7%)	(19.5) (11.9%)	21.4% (0.8%)
Adjusted operating profit	0.2 0.1%	(1.2) (0.7%)	114.8% 0.8%

	In local currency		
	YTD June 2011 €m	YTD June 2010 €m	Change %
	215.6	188.9	14.2%
	37.5	-	n/a
	253.1	188.9	34.0%
	27.5 12.8%	21.1 11.2%	30.6%
	(27.3) -12.7%	(22.5) -11.9%	21.6% -0.8%
	0.2 0.1%	(1.4) -0.7%	114.8% 0.8%

Headcount *:			
Direct	1,020	831	22.8%
Indirect	477	372	28.1%

\* period end headcount

SG&A from acquisitions totalled €3.4m. Headcount from acquisitions totalled 242.

# Adjusted cash flow

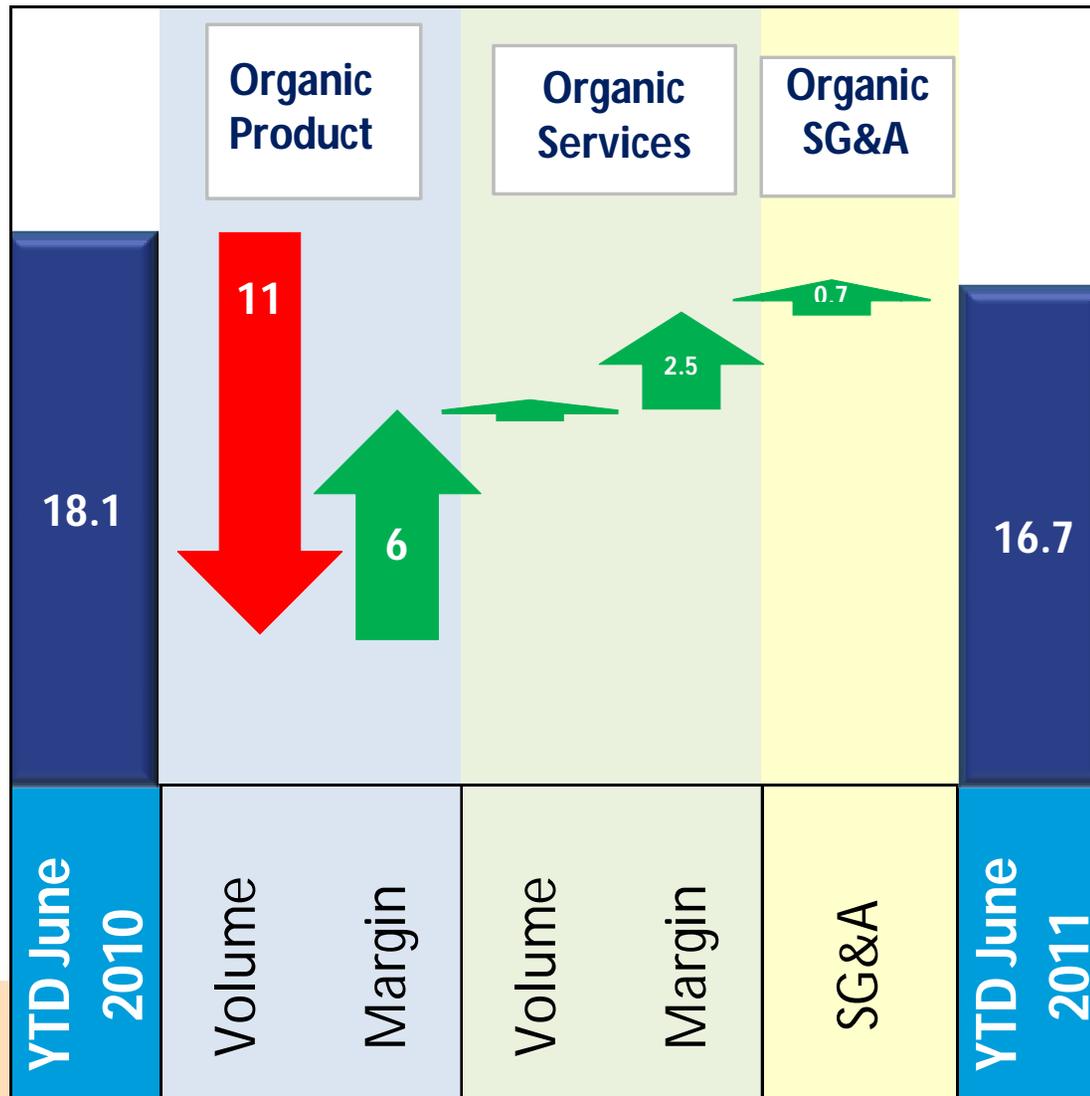
	YTD June 2011 £m	YTD June 2010 £m
<b>Adjusted operating profit</b>	<b>25.6</b>	<b>20.6</b>
<u>Adjustments to reconcile Group adjusted operating profit to net cash inflows from operating activities</u>		
Depreciation and amortisation	8.7	8.8
Share-based payments	1.3	1.3
Working capital movements	(5.2)	13.2
Other adjustments	(0.0)	0.0
<b>Adjusted operating cashflow</b>	<b>30.4</b>	<b>44.0</b>
Income taxes paid	(5.8)	(4.6)
Net interest received	0.5	0.5
Capital expenditure and investments	(20.4)	(16.1)
Acquisitions	(22.8)	0.0
Equity dividends paid	(14.5)	(11.8)
<b>Cash (outflow) / inflow before financing</b>	<b>(32.5)</b>	<b>12.0</b>
<b>Financing</b>		
Proceeds from issue of shares	0.0	0.3
Purchase of own shares	(3.6)	(2.1)
<b>Change in net funds pre CSF in the period</b>	<b>(36.1)</b>	<b>10.3</b>
<b>Net funds pre CSF at beginning of period</b>	<b>139.4</b>	<b>86.4</b>
Effect of exchange rates on net funds pre CSF	0.9	(1.1)
<b>Net funds pre CSF at end of period</b>	<b>104.3</b>	<b>95.6</b>

# Group – balance sheet

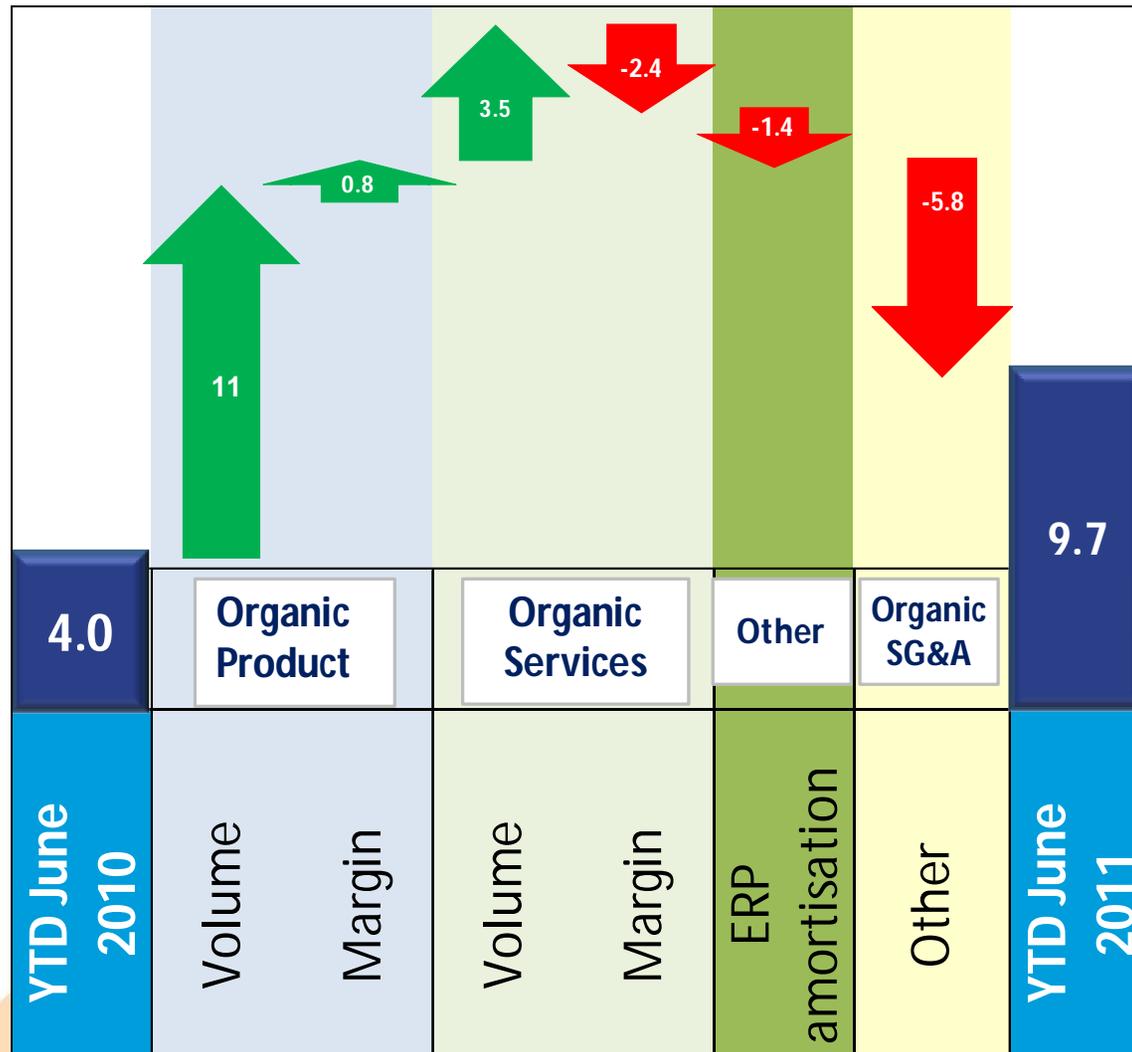
	June 2011	Dec 2010	June 2010
	£m	£m	£m
<b>Non-current assets</b>			
Property, plant and equipment	97.2	88.9	96.2
Goodwill & Intangibles	100.7	78.5	77.3
Investments	0.5	0.0	0.1
Deferred income tax asset	17.3	15.5	17.6
	<b>215.7</b>	<b>183.0</b>	<b>191.3</b>
<b>Current assets</b>			
Inventories	82.8	81.6	69.1
Trade & other receivables	465.1	471.1	410.5
Prepayments & accrued income	111.9	84.2	103.9
Forward currency contracts	(0.0)	0.6	0.6
Cash and short-term deposits	120.1	159.3	129.6
Current asset investments	25.0	0.0	0.0
	<b>804.8</b>	<b>796.7</b>	<b>713.6</b>
<b>Current liabilities</b>			
Trade payables	277.2	258.9	235.4
Deferred income	97.1	100.8	93.8
Financial liabilities	54.4	37.9	56.0
Other liabilities & provisions	187.6	190.5	157.2
	<b>616.2</b>	<b>588.2</b>	<b>542.3</b>
<b>Non-current liabilities</b>			
Financial liabilities	9.8	10.3	16.5
Other liabilities & provisions	13.0	11.7	11.9
	<b>22.8</b>	<b>22.0</b>	<b>28.4</b>
<b>Net assets</b>	<b>381.5</b>	<b>369.6</b>	<b>334.1</b>

- **PP&E UP:** Purchase of Property in RDC
- **Intangibles UP:** ERP investment plus £17m from acquisitions
- **Inventories, Trade receivables/payables UP:** Due to acquisitions and growth in revenues
- **Current asset investment UP:** Invested £25m cash on 30 day notice
- **Financial liabilities DOWN :** reduced CSF, and overseas financing

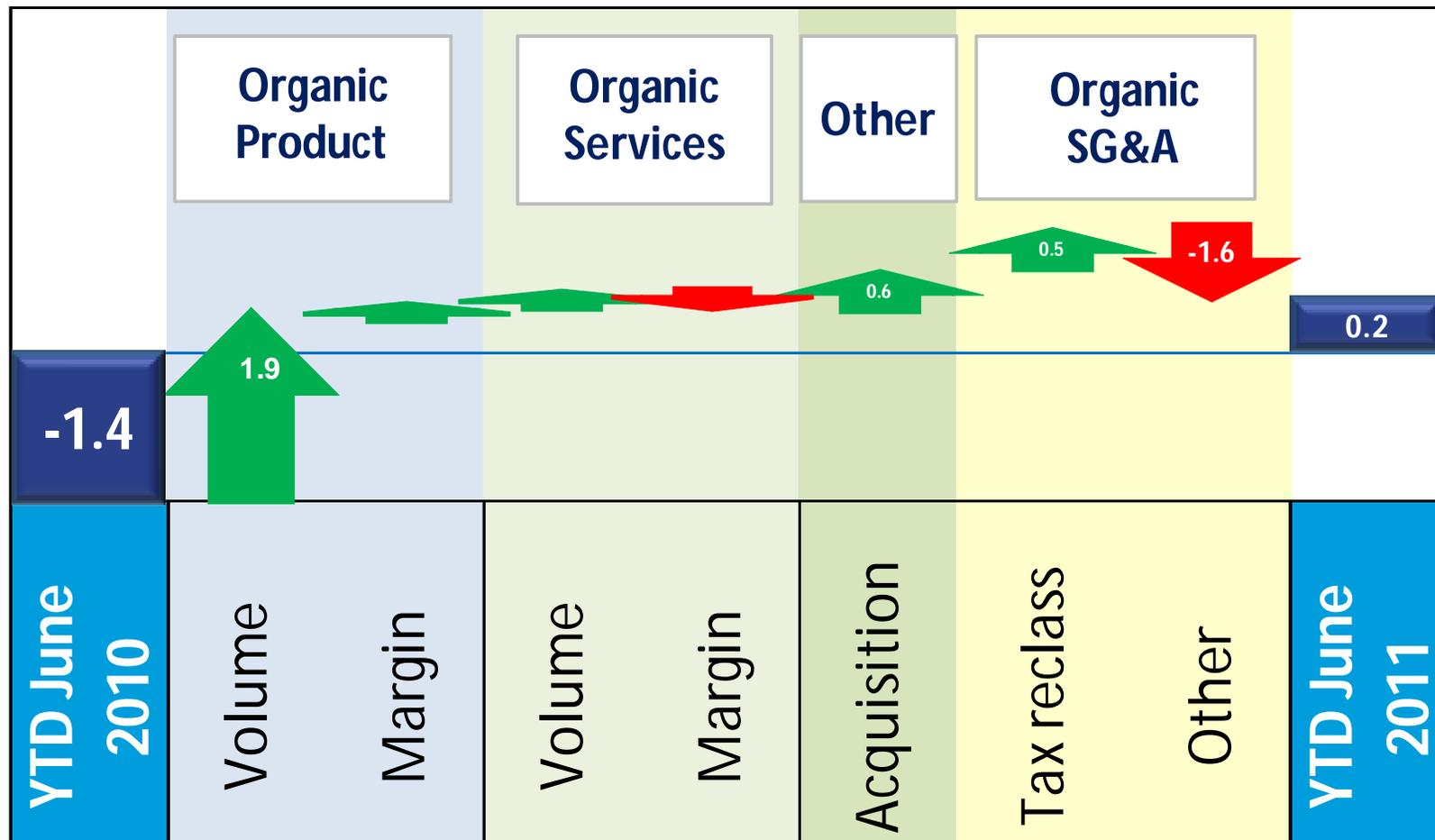
# UK – Operating profit bridge £m



# Germany – Operating profit bridge €m



# France – Operating profit bridge €m



# Working capital days

