



Results 2009

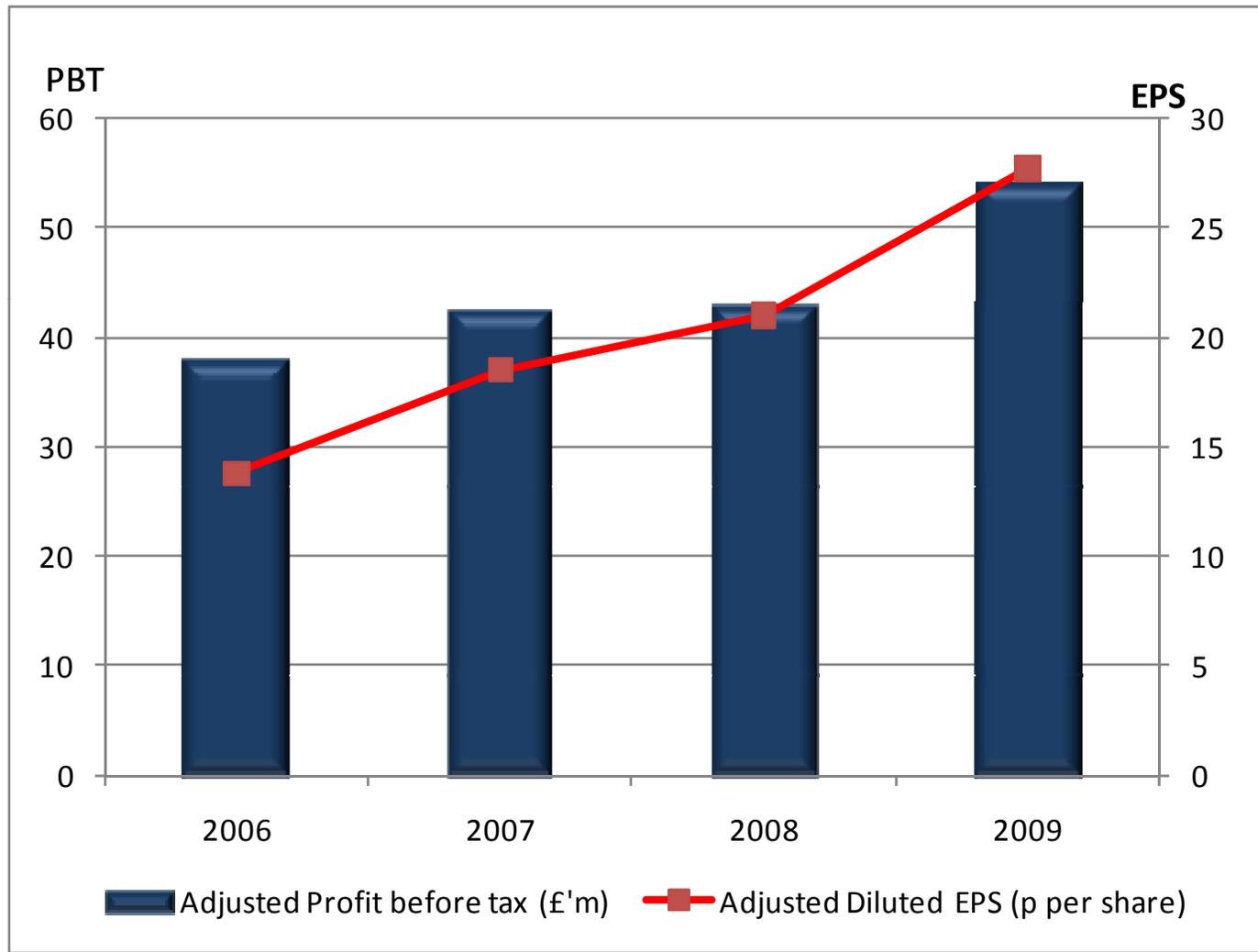
11th March 2010



2009 Financial highlights

- Group revenues decreased 2.2% to £2.50bn (2008: £2.56bn)
- Adjusted profit before tax increased 25.8% to £54.2m (2008: £43.1m)
- Adjusted diluted earnings per share increased 31.9% to 27.7p (2008: 21.0p)
- Additional interim dividend of 8.0p per share, total dividend 11.0p (2008: 8.2p)
- Net cash before CSF was £86.4m (2008: net cash was £4.6m)

Four Year Adjusted PBT and EPS



3 Yr CAGR

PBT = 13%

EPS = 26%

Operating highlights

- Group services contract base grew over 9% to £503.6m, based on constant currency
- Major new contract wins and extensions include Produban, Threadneedle, BP, Schrodgers and Severn Trent
- Operational expenses reduced by £30m in constant currency
- Successful exit of trade distribution business which freed circa £20m of working capital
- Two acquisitions, TCS in the UK and becom in Germany
- Group wide ERP project remains on track

Financial Review – Tony Conophy

A 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
- Other operating expenses
 - Equivalent to sales, general and admin/overhead expenses
- 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 – adjusted income statement

	As reported			In constant currency		
	FY 2009	FY 2008	Movement 09 v 08	FY 2009	FY 2008	Movement 09 v 08
	£m	£m	%	£m	£m	%
Revenue	2,503.2	2,560.1	(2.2%)	2,503.2	2,701.7	(7.3%)
Adjusted gross profit	345.8 13.8%	350.8 13.7%	(1.4%) 0.1%	345.8 13.8%	369.7 13.7%	(6.5%) 0.1%
Other operating expenses	(291.9)	(308.7)	(5.4%)	(291.9)	(326.0)	(10.5%)
Adjusted operating profit	53.9 2.2%	42.1 1.6%	27.9% 0.5%	53.9 2.2%	43.7 1.6%	23.4% 0.5%
Adjusted net interest	0.3	1.0	(68.6%)	0.3	0.8	(62.2%)
Adjusted profit before tax	54.2	43.1	25.8%	54.2	44.5	21.9%
Adjusted tax expense	(12.3)	(10.7)	14.3%	(12.3)	(10.7)	14.3%
Adjusted tax rate	(22.6%)	(24.9%)	(9.1%)	(22.6%)	(24.9%)	(9.1%)
Adjusted profit after tax	42.0	32.4	29.6%	42.0	32.4	29.6%
Diluted earnings per share						
– Adjusted	27.7p	21.0p	31.9%	27.7p	21.0p	31.9%
– Statutory	24.9p	24.2p	2.9%	24.9p	24.2p	2.9%

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

Income statement rate

2009 : £1 = € 1.123

2008 : £1 = € 1.259

Group – reconciliation of adjusted to statutory profit after tax

	FY 2009	FY 2008	Movement 09 v 08
Adjusted profit before tax	54.2	43.1	25.8%
Amortisation of acquired intangibles	(0.5)	(0.5)	-1.5%
Exceptional items	(5.3)	(3.0)	74.0%
Statutory profit before tax	48.4	39.5	22.4%
Adjusted tax expense	(12.3)	(10.7)	15.0%
<i>Adjusted Tax %</i>	22.6%	24.9%	
Tax on exceptional items	1.4	-	n/a
Tax on amortisation of acquired intangibles	0.2	0.1	100.0%
Exceptional tax items			
Prior year adjustments	-	3.6	n/a
Changes in recoverable amounts of deferred tax assets	-	4.8	n/a
Income tax expense	(10.7)	(2.2)	380.7%
<i>Tax %</i>	22.1%	5.6%	
Statutory profit after tax	37.7	37.3	1.1%

Group – exceptional items

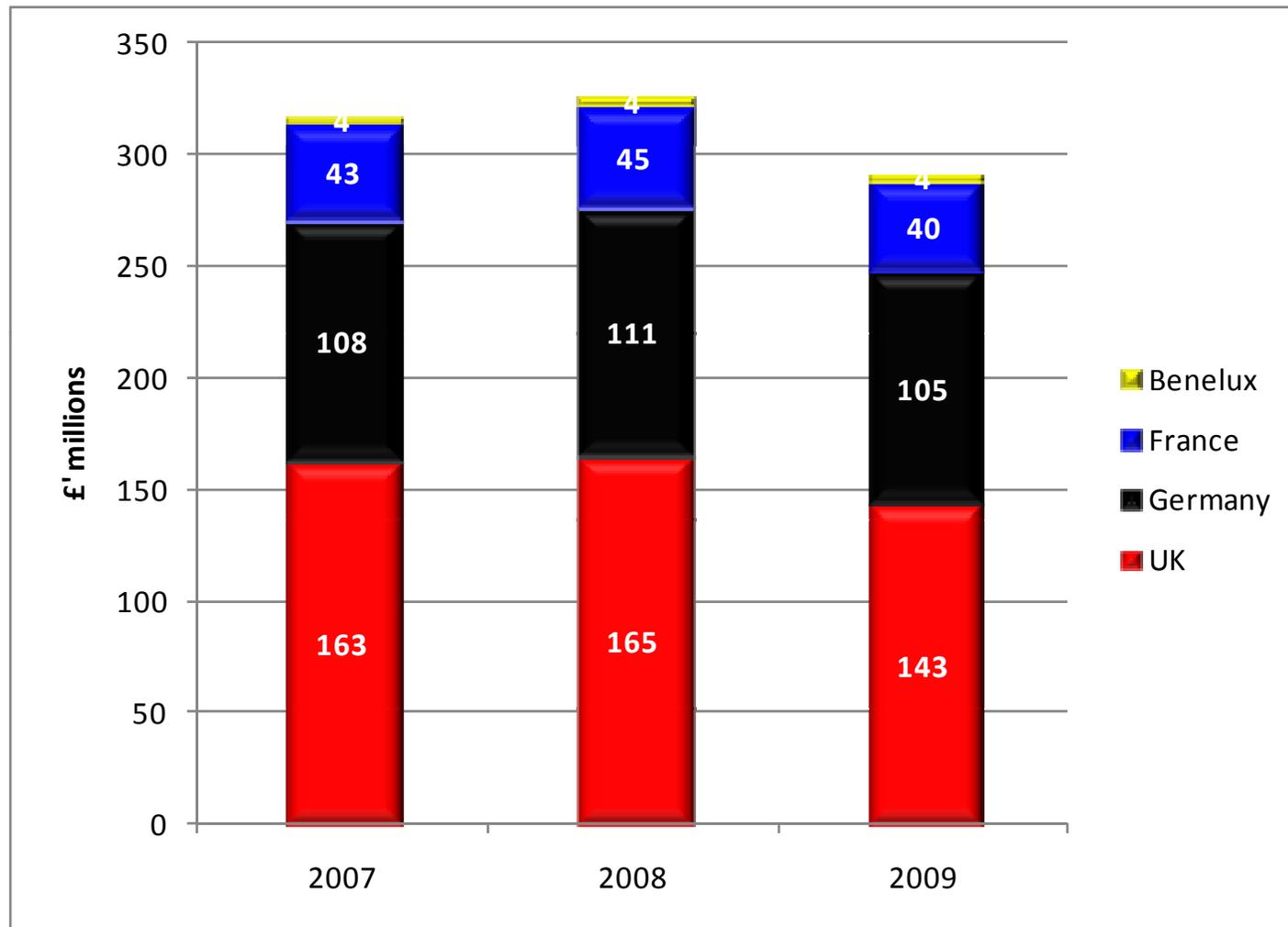
	FY 2009	FY 2008
	£m	£m
<i>Exceptional charges within operating profit:</i>		
Profit on disposal of business	1.9	-
Restructuring costs		
-Redundancy	(5.3)	-
-Property	(1.9)	-
Impairment of intangible assets	-	(1.1)
Impairment of trademark	-	(1.9)
	(5.3)	(3.0)
<i>Exceptional credits within income tax expense:</i>		
Tax on exceptional items included in operating profit	1.4	-
Adjustment following agreement of certain items for earlier years	-	3.6
Changes in recoverable amounts of deferred tax assets	-	4.8
	1.4	8.4

Group – operating expenses

	FY 2009	FY 2008	Movement 09/08
	£m	£m	
UK	143.3	165.3	-13.3%
Germany	104.8	111.4	-5.9%
France	40.2	45.4	-11.6%
Benelux	3.6	3.9	-7.5%
Group	291.9	326.0	-10.5%

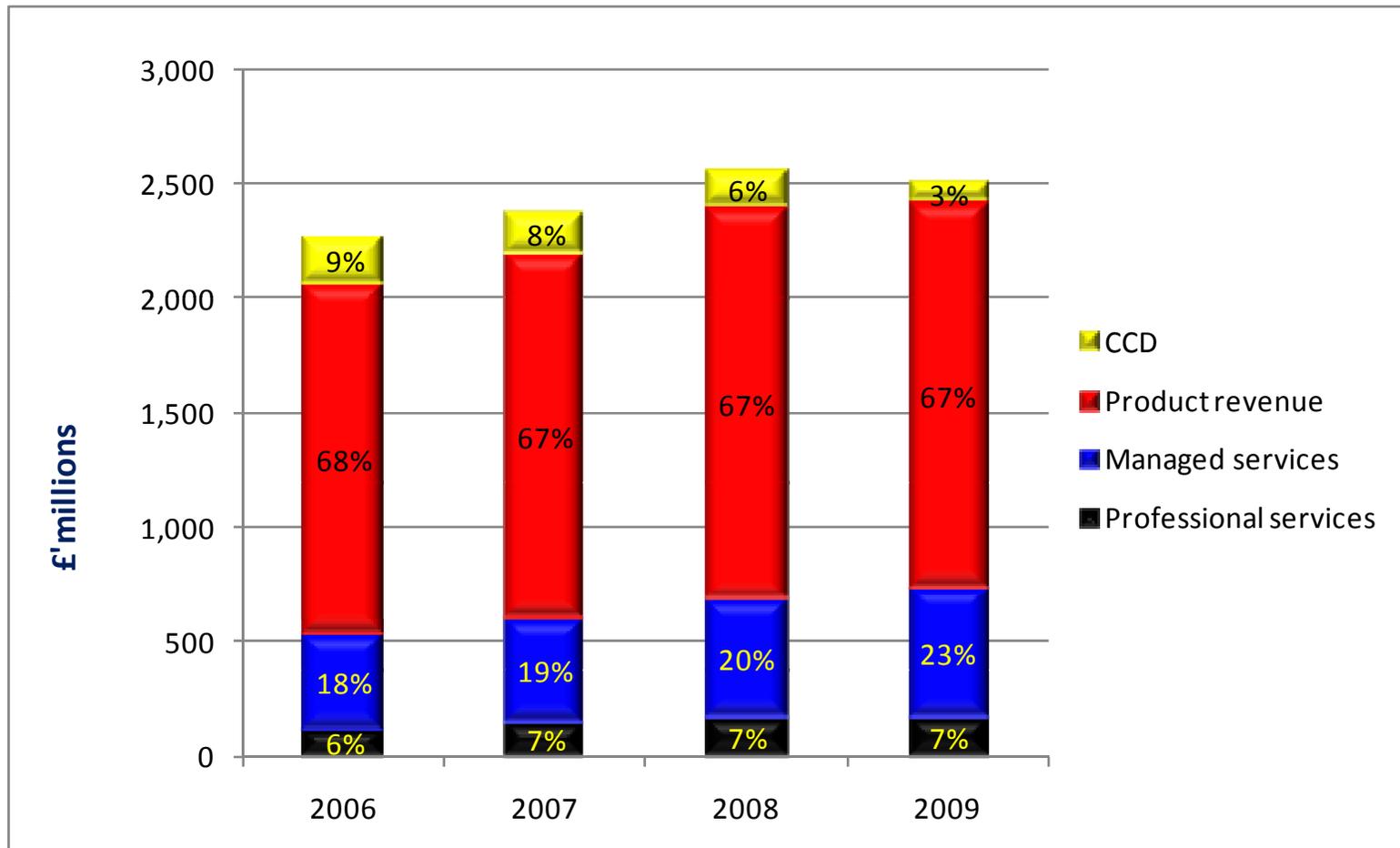
Based on a constant 2009 exchange rate of £1= €1.123

Group – operating expenses



Based on a constant exchange rate of £1= €1.123

Sources of revenue

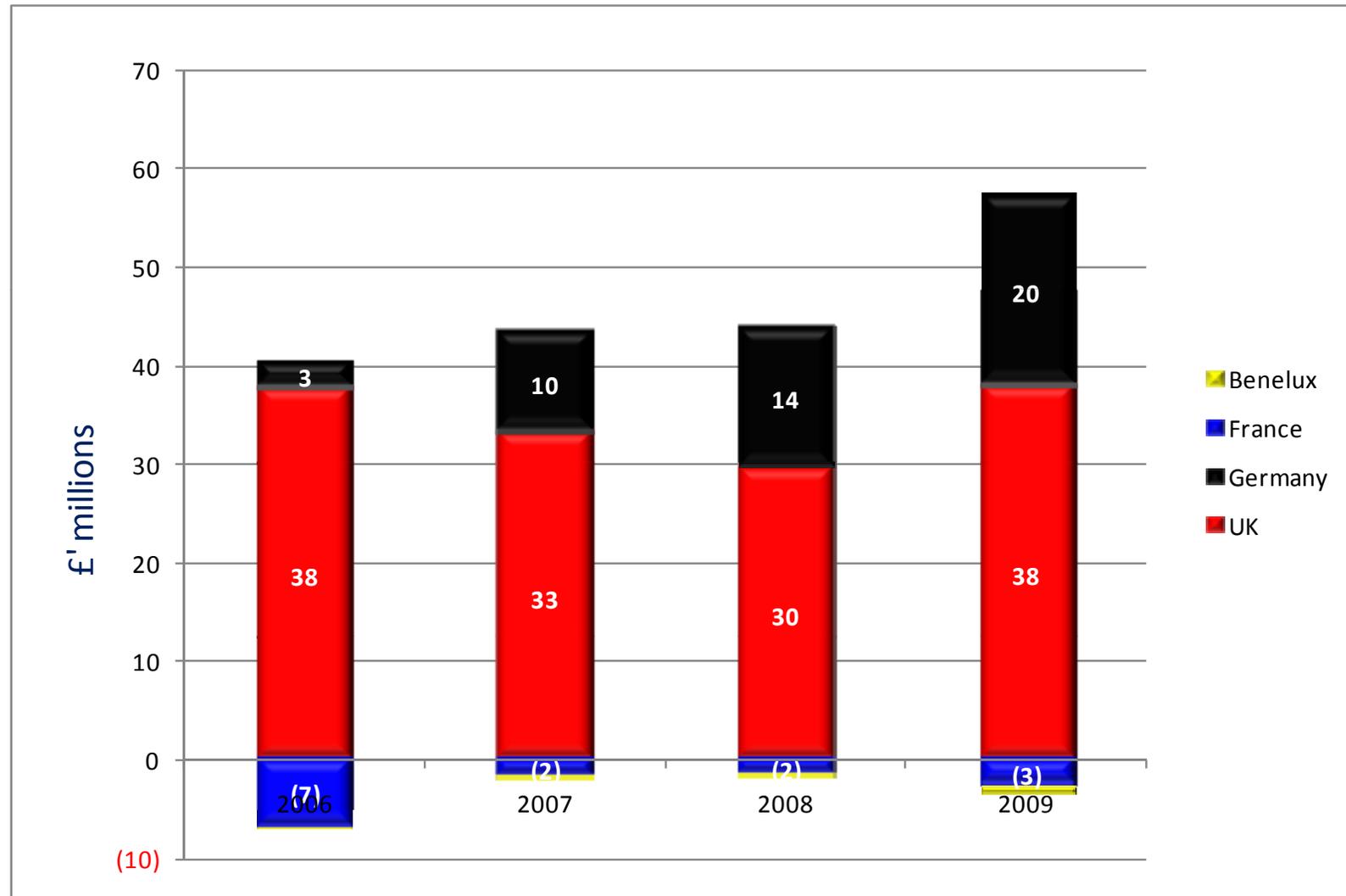


Using exchange rates as reported

Group – sources of revenue

	Reported			In constant currency		
	FY 2009 £m	FY 2008 £m	Movement 09 v 08 %	FY 2009 £m	FY 2008 £m	Movement 09 v 08 %
Product revenue						
Ongoing	1,678.6	1,717.3	(2.3%)	1,678.6	1,815.5	(7.5%)
Trade Distribution	84.6	158.6	(46.7%)	84.6	158.6	(46.7%)
Total product revenue	1,763.2	1,875.9	(6.0%)	1,763.2	1,974.1	(10.7%)
Services revenue						
Professional services	175.4	181.2	(3.2%)	175.4	191.4	(8.4%)
Support and managed services	564.6	503.1	12.2%	564.6	536.2	5.3%
Total services revenue	740.0	684.3	8.1%	740.0	727.6	1.7%
Group Revenue						
Ongoing	2,418.6	2,401.5	0.7%	2,418.6	2,543.1	(4.9%)
Trade Distribution	84.6	158.6	(46.7%)	84.6	158.6	(46.7%)
Total Revenue	2,503.2	2,560.1	(2.2%)	2,503.2	2,701.7	(7.3%)

Segment adjusted operating profit



UK – income statement

	FY 2009	FY 2008	Growth 09 v 08
	£m	£m	%
Revenue - Ongoing	1,142.2	1,232.4	(7.3%)
- CCD	84.7	158.8	(46.7%)
- Total	1,226.9	1,391.2	(11.8%)
Adjusted gross profit	181.1	194.9	(7.1%)
	14.8%	14.0%	0.8%
Other operating expenses	(143.3)	(165.3)	(13.3%)
	(11.7%)	(11.9%)	0.2%
Adjusted operating profit	37.8	29.6	27.8%
	3.1%	2.1%	1.0%
Headcount: *			
Direct	3,012	3,089	(2.5%)
Indirect	1,364	1,694	(19.5%)

* period end headcount

Germany – income statement

	Reported			In local currency		
	FY 2009	FY 2008	Growth 09 v 08	FY 2009	FY 2008	Growth 09 v 08
	£m	£m	%	€m	€m	%
Excluding becom	918.6	830.7	10.6%	1,031.5	1,045.9	(1.4%)
becom	12.1	0.0	n/a	13.6	0.0	n/a
Revenue	930.7	830.7	12.0%	1,045.1	1,045.9	(0.1%)
Adjusted gross profit	124.4	113.7	9.4%	139.7	143.2	(2.4%)
	13.4%	13.7%	(0.3%)	13.4%	13.7%	(0.3%)
Other operating expenses	(104.8)	(99.4)	5.5%	(117.7)	(125.1)	(5.9%)
	(11.3%)	(12.0%)	0.7%	(11.3%)	(12.0%)	0.7%
Adjusted operating profit	19.6	14.3	36.8%	22.0	18.0	21.9%
	2.1%	1.7%	0.4%	2.1%	1.7%	0.4%
Headcount: *						
Direct	2,987	3,039	(1.7%)			
Indirect	1,153	1,101	4.7%			

* period end headcount

France – income statement

	Reported			In local currency		
	FY 2009	FY 2008	Growth 09 v 08	FY 2009	FY 2008	Growth 09 v 08
	£m	£m	%	€m	€m	
Revenue	319.4	308.2	3.6%	358.7	388.0	(7.6%)
Gross profit	37.4 11.7%	38.8 12.6%	(3.5%)	42.1 11.7%	48.9 12.6%	(14.0%)
Other operating expenses	(40.2) (12.6%)	(40.5) (13.1%)	(0.8%) 0.6%	(45.1) (12.6%)	(51.0) (13.1%)	(11.6%) 0.6%
Adjusted operating profit	(2.7) (0.9%)	(1.7) (0.5%)	(60.9%) (0.3%)	(3.1) (0.9%)	(2.1) (0.5%)	(43.5%) (0.3%)
Headcount *:						
Direct	790	721	9.6%			
Indirect	349	367	(4.8%)			

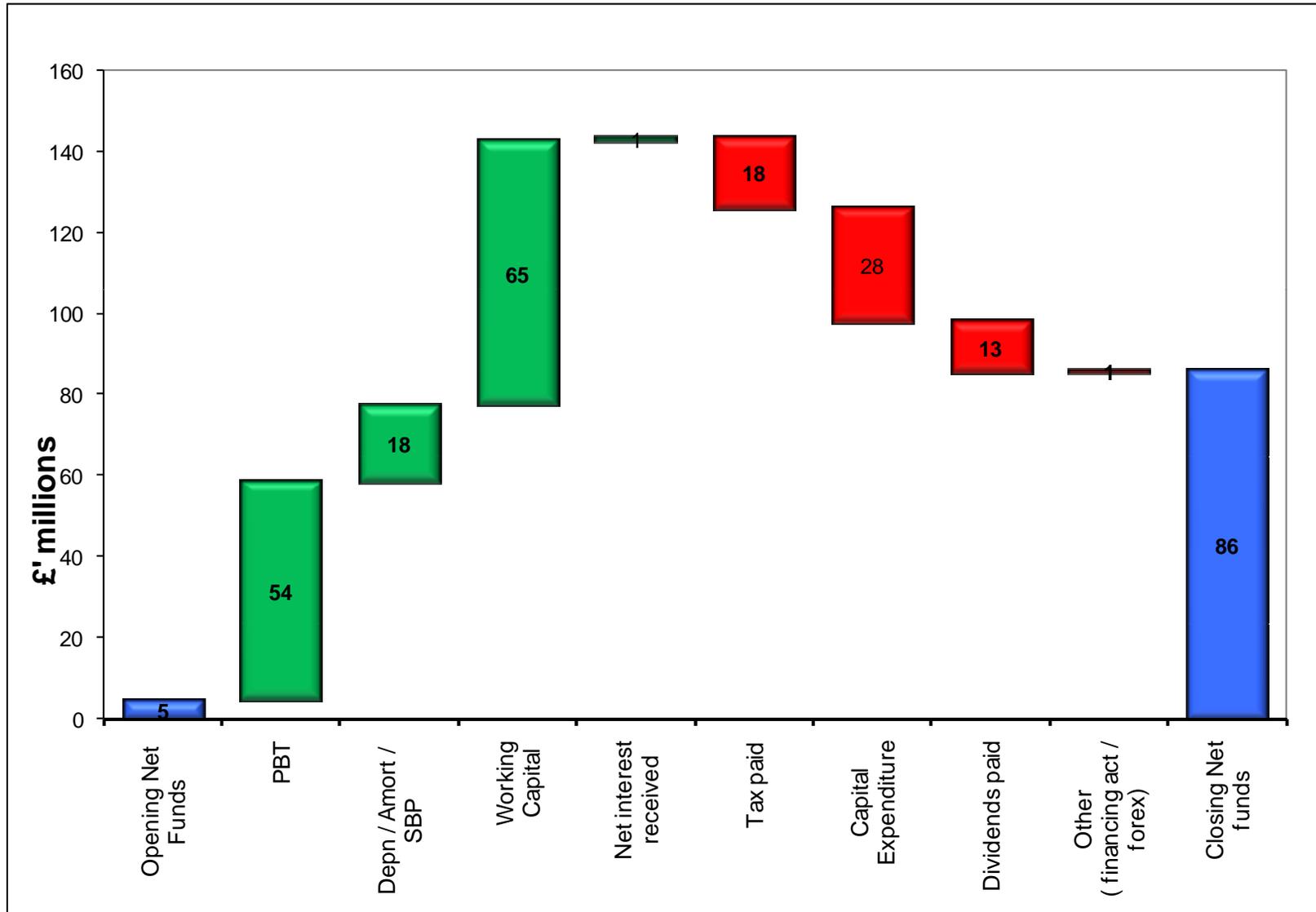
* period end headcount

Analysis of net funds

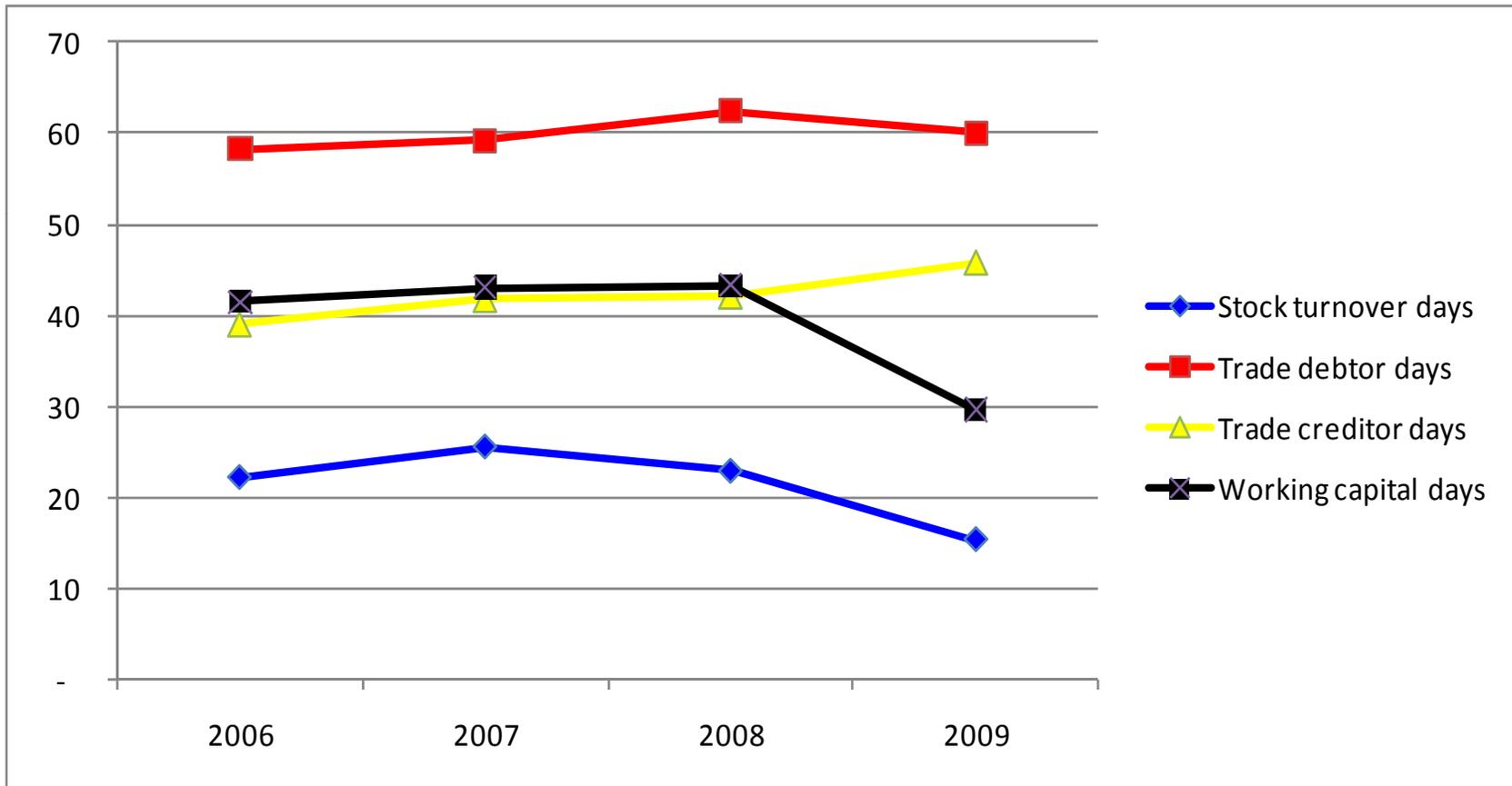
	Dec 09	Dec 08	Movement 09 v 08
	£m	£m	£m
Cash and cash equivalents	104.9	46.9	58.0
Own loans	(3.7)	0.0	(3.7)
Factor financing	(14.8)	(42.3)	27.4
Net funds prior to CSF	86.4	4.6	81.8
Finance leases	(42.6)	(55.2)	12.6
Other loans	(6.5)	(34.0)	27.5
Total CSF	(49.1)	(89.2)	40.1
Net cash / (debt)	37.3	(84.6)	121.9

- The Group's primary measure when managing the business is net funds pre CSF
- Cash growth is enhanced by £30.0 million from the staged exit from CCD
- Cash is further enhanced by the following items which are temporary in nature:
 - £30.0 million from improvement in credit terms with significant vendor
 - £10.0 million from early settlement on customer contract

Adjusted Cash Flow (excluding CSF)



Working capital days



Group – balance sheet

	Dec 09	Dec 08	Dec 07
	£m	£m	£m
Non-current assets			
Property, plant and equipment	105.3	123.3	116.4
Goodwill & Intangibles	73.0	51.6	45.2
Deferred income tax asset	16.4	16.7	8.2
	194.7	191.5	169.8
Current assets			
Inventories	67.1	105.8	110.5
Trade & other receivables	475.6	529.5	454.2
Prepayments & accrued income	85.3	97.7	61.4
Cash and short-term deposits	108.0	53.4	29.2
	736.1	786.4	655.3
Current liabilities			
Trade payables	229.0	228.1	211.5
Deferred income	123.9	115.0	74.7
Financial liabilities	48.6	96.2	74.4
Other liabilities & provisions	155.2	163.6	135.9
	556.7	602.9	496.5
Non-current liabilities			
Financial liabilities	22.0	41.8	34.7
Other liabilities & provisions	13.5	11.8	15.8
	35.5	53.6	50.4
Net assets	338.5	321.5	278.2

PP&E DOWN: reduction of leased assets (held on customer contracts)

Goodwill UP : Acquisitions

Intangibles UP: ERP investment

Inventories DOWN: Sale of CCD, reduced product revenues

Accrued income DOWN : billing of CSF related contracts

Payables FLAT: reduced product volumes offset by improved terms with major supplier

Financial liabilities DOWN : reduced CSF, and overseas financing

Appendix

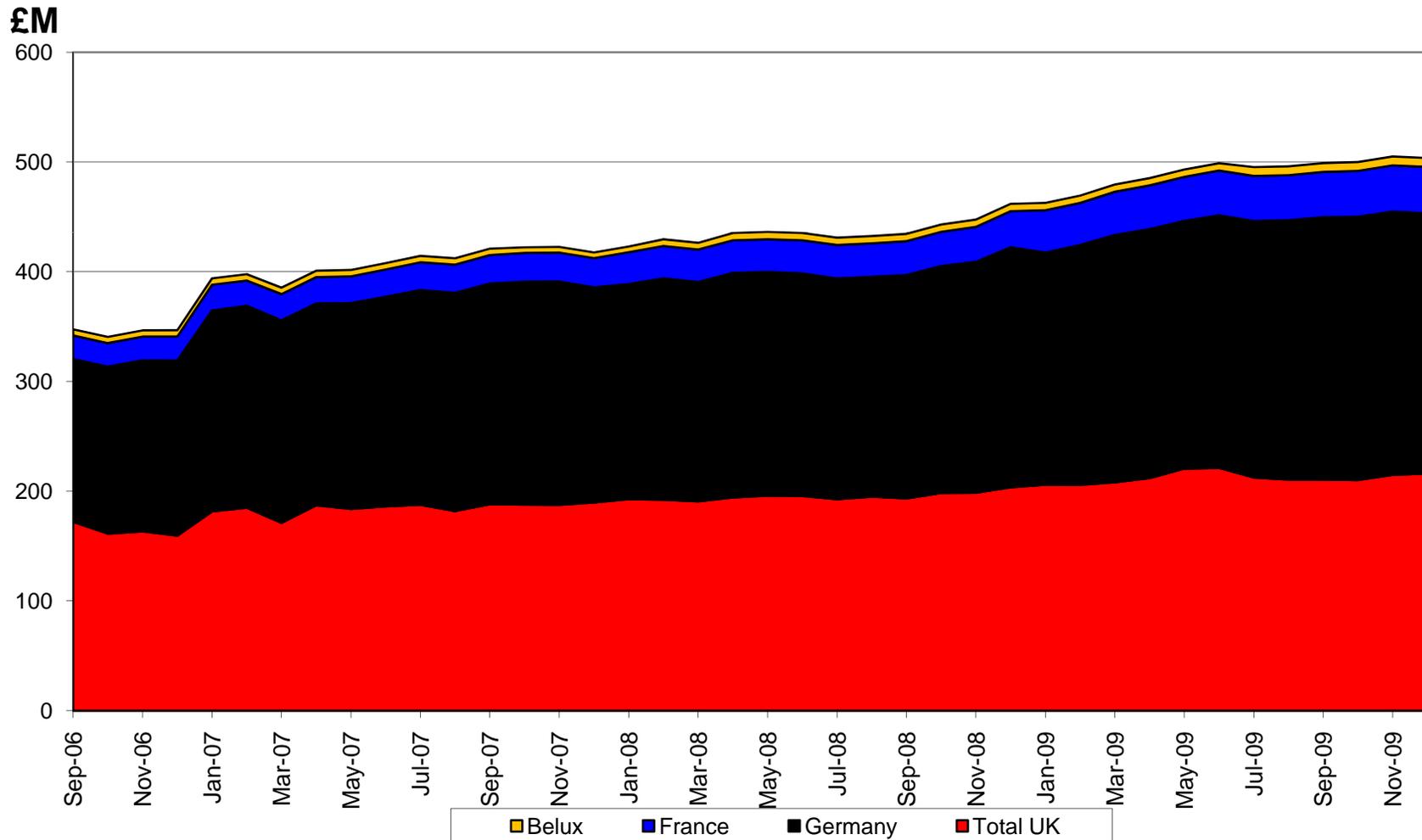
Adjusted cash flow

	FY 2009	FY 2008
	£m	£m
Adjusted operating profit	53.9	42.1
<i>Adjustments to reconcile Group adjusted operating profit to net cash inflows from operating activities</i>		
Depreciation and amortisation	17.7	18.1
Share-based payment	2.6	2.5
Working capital movements	65.9	15.3
Other adjustments	(2.1)	0.8
Adjusted operating cashflow	137.9	72.8
Net interest received	1.1	0.7
Income taxes paid	(17.5)	(6.1)
Capital expenditure and investments	(21.3)	(24.3)
Acquisitions and disposals	(6.8)	-
Equity dividends paid	(12.5)	(12.0)
Cash out flow before financing	81.0	37.1
Financing		
Proceeds from issue of shares	0.0	-
Purchase of own shares	(0.6)	(9.7)
Change in net funds pre CSF in the period	80.5	27.4
Net funds/(debt) pre CSF at beginning of period	4.6	(16.2)
Effect of exchange rates on net funds pre CSF	1.3	(6.6)
Net funds pre CSF at end of period	86.4	4.6

Operational Review – Mike Norris

- Contractual Services
 - Customers are intensely focused on reducing operating costs
 - Multi-sourcing is replacing comprehensive outsourcing
 - Centralised assets and tools are critical to financial success, customer satisfaction and competitive advantage
 - The market has grown in 2009 and is predicted to do so again in 2010
- Professional Services and Product
 - Capital expenditure has been tough in 2009
 - Predictions are for small growth in 2010
 - For most customers Windows 7 is “when” not “if”
 - Surprisingly supply constraints are an issue

Contract base – Group*

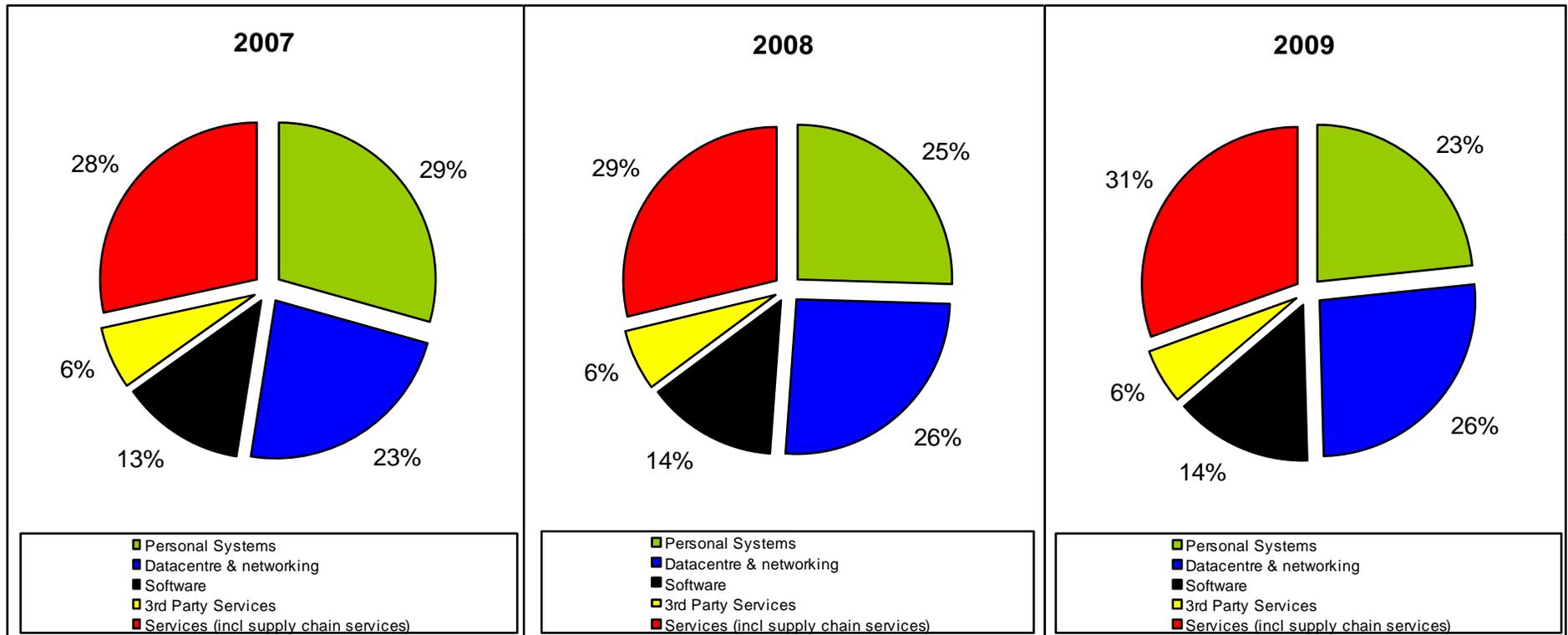


* Stated at constant currency at exchange rates prevailing on 31 December 2009

Investing to maintain the growth

- Increase service desk capability in:
 - Milton Keynes
 - Hatfield
 - Erfurt
 - Barcelona
 - Cape Town
 - Roissy
- Increase in datacentre capacity:
 - Manchester – fully operational
 - Romford – new facility opened in early 2010
- Major ERP system on track:
 - Capex budget £32m
 - £22m spent by end 2009
 - German roll out H2 2010
 - UK roll out H1 2011
 - Net cost to the P&L in H2 2010 and 2011
 - Cost savings due 2012 onwards

Revenue by type – Group excl CCD



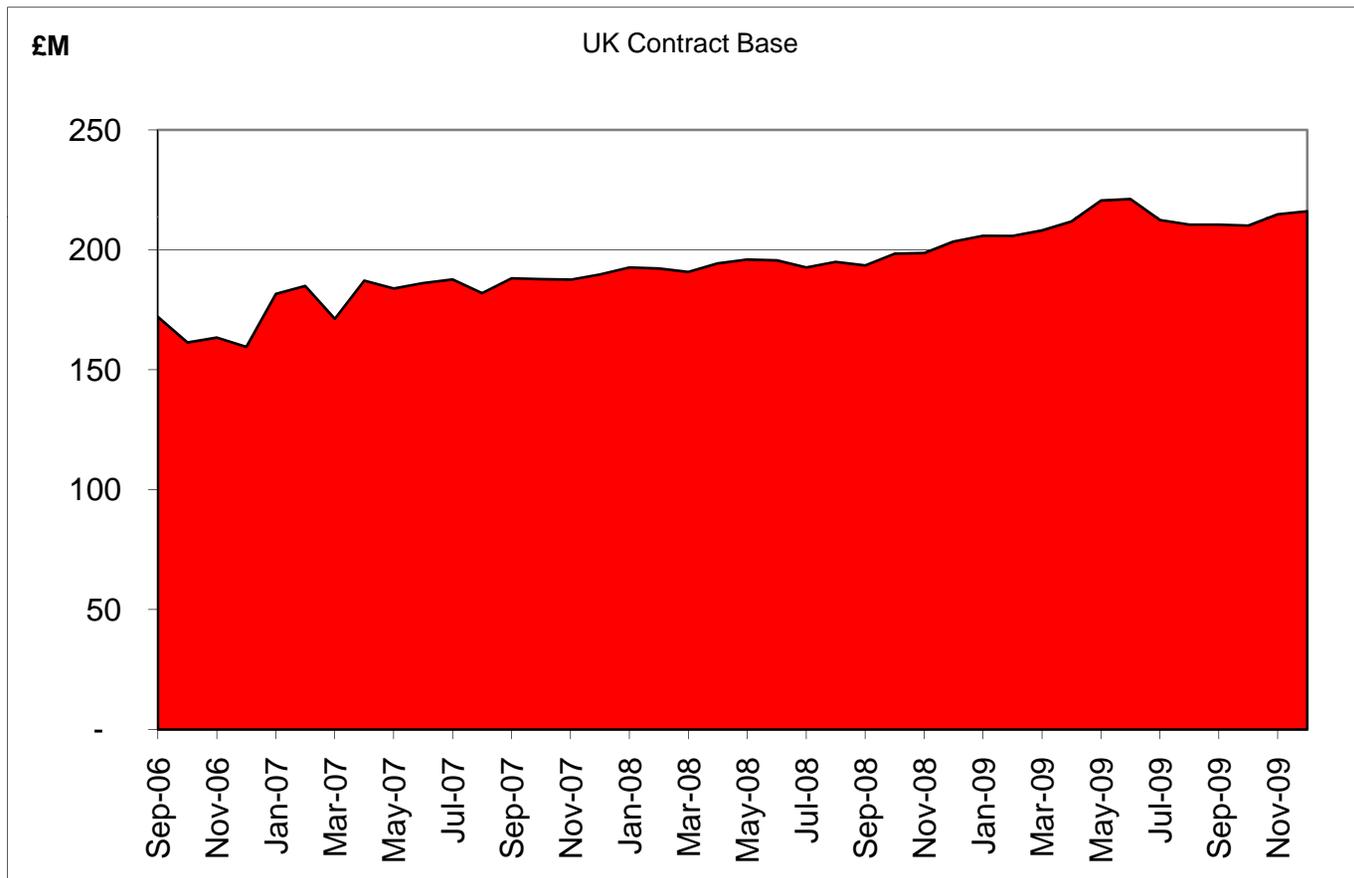
Acquisitions and Disposals

- becom
 - Should increase German revenue by circa 10% in 2010
 - Focus on IBM datacentre products mainly server and storage
 - Some on-off integration costs but net positive 2010
- Thesaurus
 - IBM Z Series (mainframe) skills
 - Builds on our long-term IBM relationship
- CCD
 - Sale to Ingram Micro in November
 - Exceptional profit of £1.9m net of goodwill write off
 - Freed up approx £20m working capital £15m in 2009

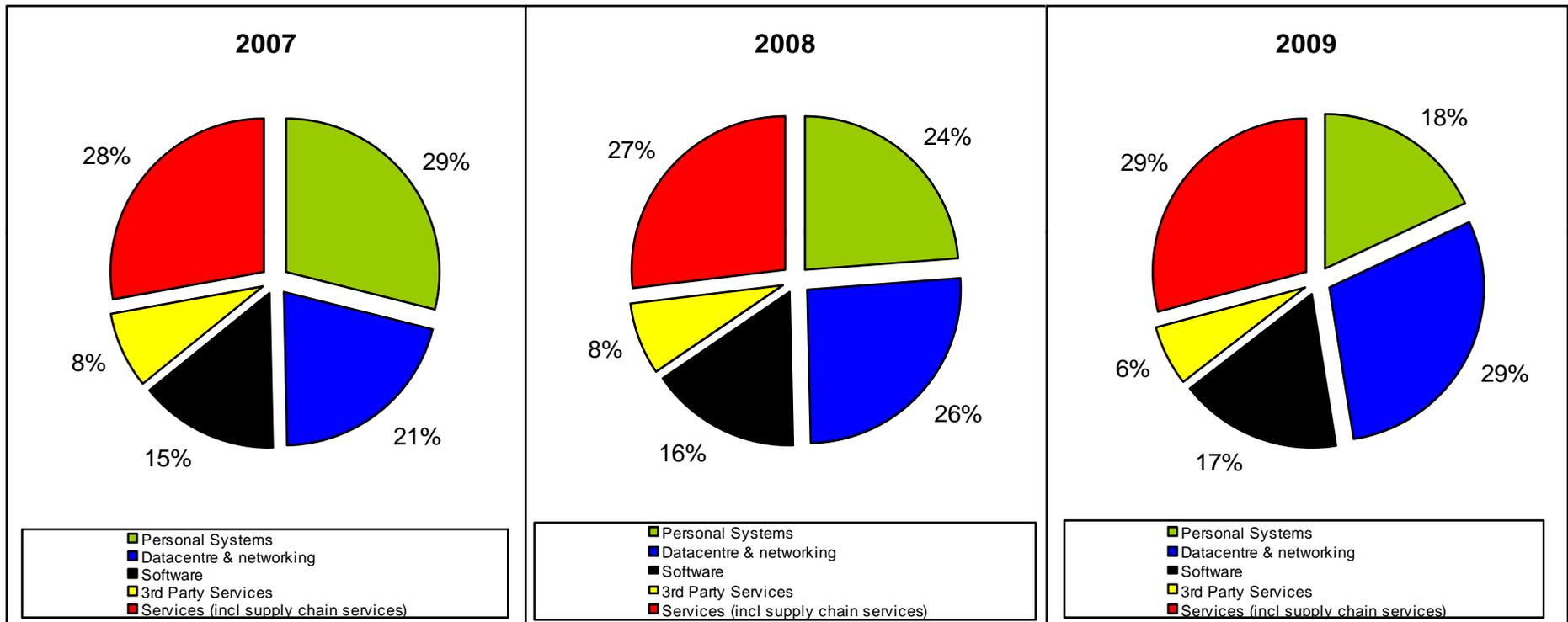
UK Highlights

- Operating profit increased 27.8% to £37.8m
- Ongoing revenue fell by 7.3% to £1.14bn
- Product revenue declined caused by reduced capital expenditure
- Small growth of 2% in Q4 which may have been aided by the VAT rate increase
- Substantial cost reduction of £22m
- Growth in services revenue of 2.2% with long-term contractual revenue up 6.0%
- Great year for RDC

Contract base - UK



Revenue by type – UK excl CCD



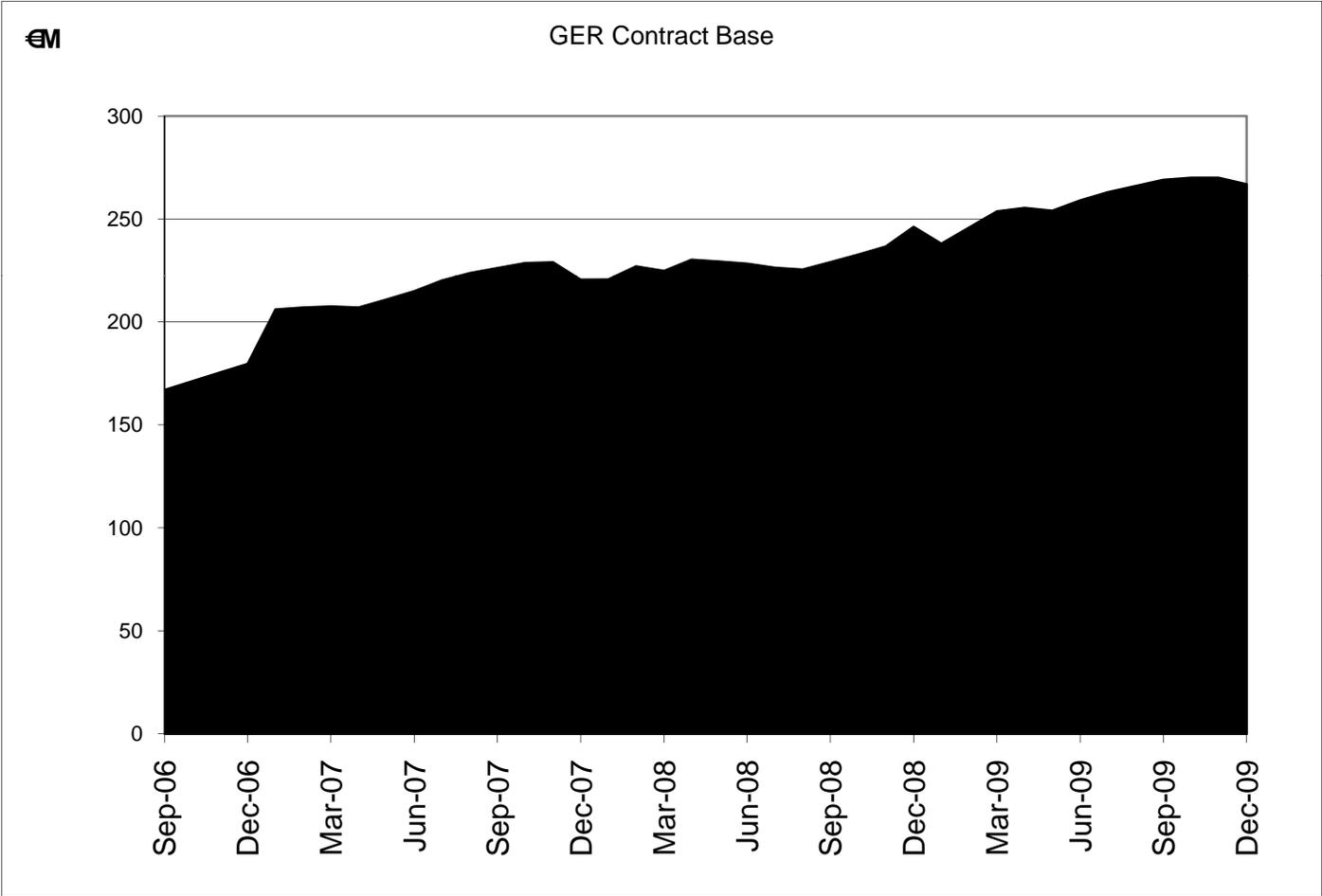
New and Renewed Contracts

- Threadneedle
- NHS Oldham
- Retail Bank
- Schroders
- BT Group
- Produban (Santander Group)
- Financial Services Group
- BP

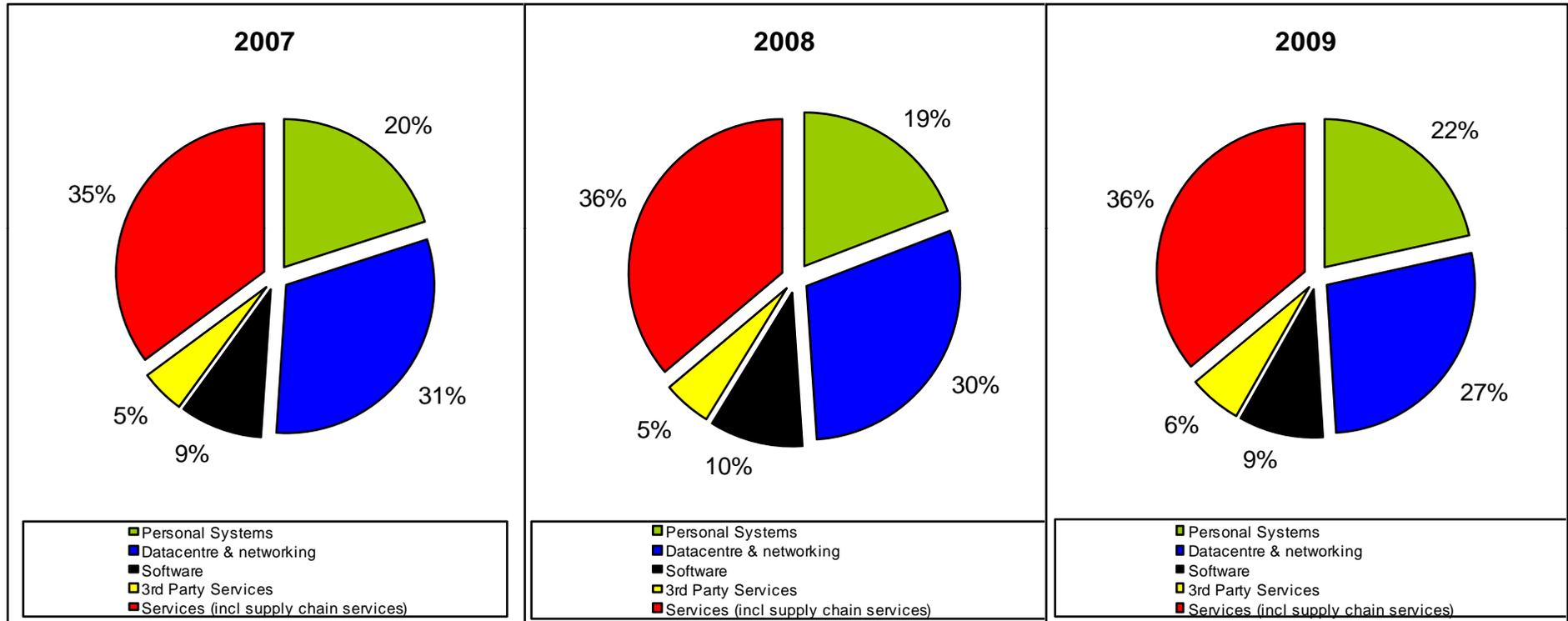
German Highlights

- Operating profit growth of 21.9% to €22.0m
- Revenue decline of 1.4% to €1.03bn, excluding becom
- Product revenue declined caused by reduced capital expenditure
- 2009 a year of lots of small improvements
- Contract base growth of 8.4%
- Good progress in networking in both product and professional services
- However datacentre primarily servers were weak and its associated professional services
- Some new contract wins with the likes of EADS, BASF and Daimler but not enough

Contract base - Germany



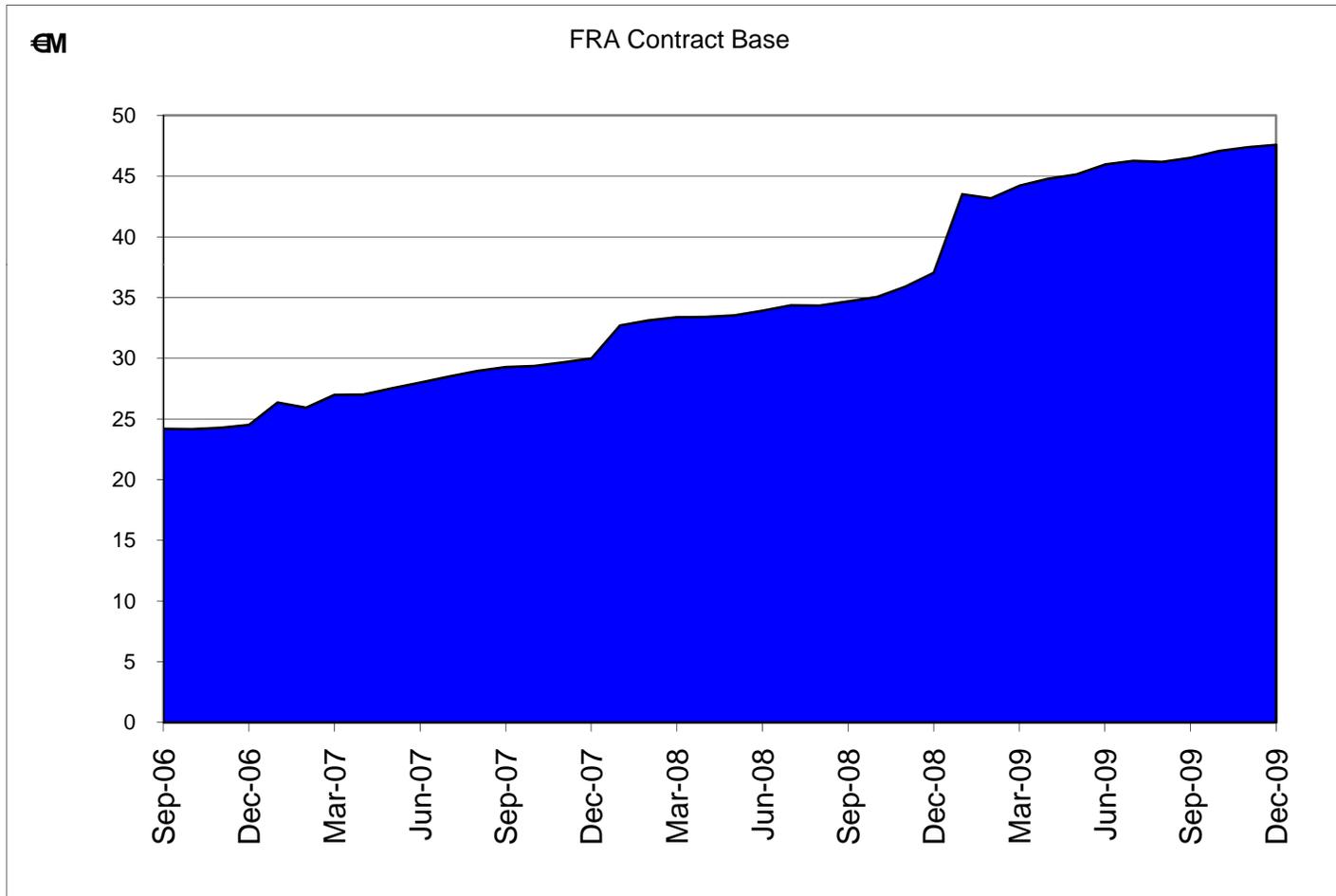
Revenue by type - Germany



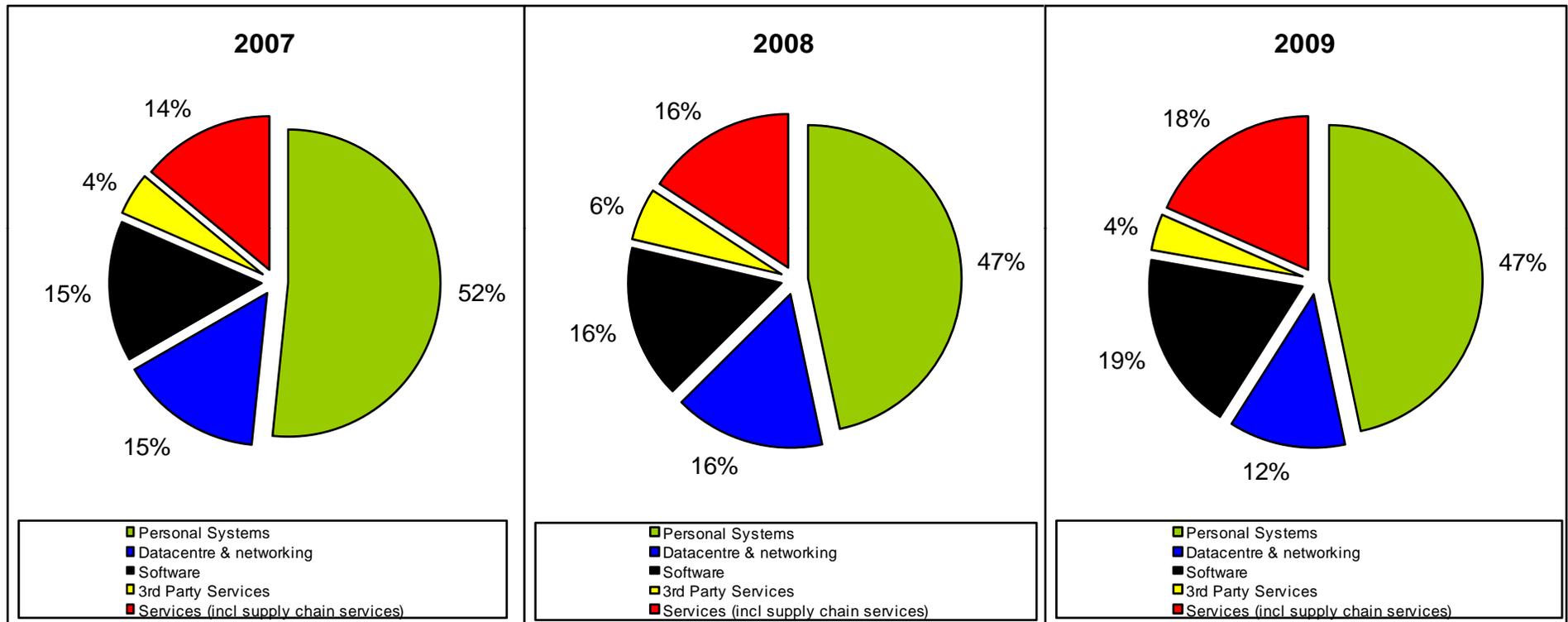
France Highlights

- Operating performance declined slightly to €3.1m
- Revenue fell by 7.6% to €358.7m
- Product revenue declined 10.8% but only 1% when excluding our largest customer who renewed their contract with us in the period
- Services revenue grew by 10.2% in local currency
- Simplifying management structure enabled 11.6% reduction in our operating costs
- Services now represents 18.4% of Computacenter France's revenue
- New management team has established themselves and made major strides in 2009

Contract base - France



Revenue by type - France



2009 Financial highlights

- Group revenues decreased 2.2% to £2.50bn (2008: £2.56bn)
- Adjusted profit before tax increased 25.8% to £54.2m (2008: £43.1m)
- Adjusted diluted earnings per share increased 31.9% to 27.7p (2008: 21.0p)
- Additional interim dividend of 8.0p per share, total dividend 11.0p (2008: 8.2p)
- Net cash before CSF was £86.4m (2008: net cash was £4.6m)

- Long-term contract base set to grow due to market trends and contracts that have already been secured
- Some gross profit improvement due to improved business take on
- Professional services and product supply more difficult to predict but early signs are positive in the UK but concerning in Germany
- As with every year the picture becomes clearer once we have completed Q1
- The long-term investments and the strong balance sheet make us optimistic for the years to come



Results 2009

11th March 2010

