

Interim Results 2004

7th September, 2004



Computacenter

Transforming IT service delivery

Financial Highlights

- Turnover unchanged at £1.25 billion
- Profit before tax up 3.7% to £33.2 million
- Eps up 6.8% to 12.6p
- Strong operating cash flow
 - ◆ Net cash at period end of £62 million
- Interim dividend increased to 2.3p

Operational Highlights

- Price erosion a continuing feature
- Strong performance from UK Managed Services
 - ◆ Growth of 18.7%
- Modest decline in German profits due to market conditions
 - ◆ But German integration programme proceeding well
- Disappointing performance from CC France
 - ◆ Small improvement in operating loss
 - ◆ Turnaround programme underway

Future Prospects

- Outlook for full year in line with expectations
- Attractive long-term prospects
 - ◆ Healthy UK franchise, Managed Services growth
 - ◆ European turnaround
 - ◆ Strong balance sheet, cash generation

Financial Review

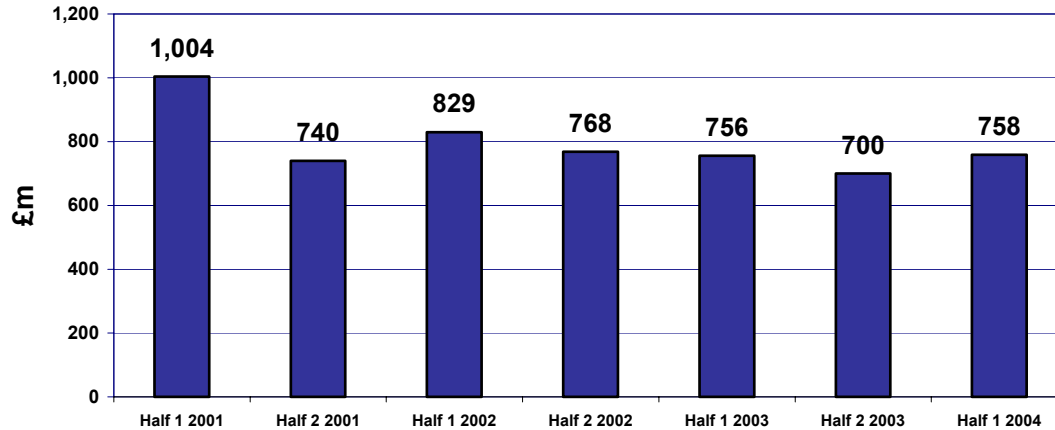
Tony Conophy

Computacenter PLC - P&L

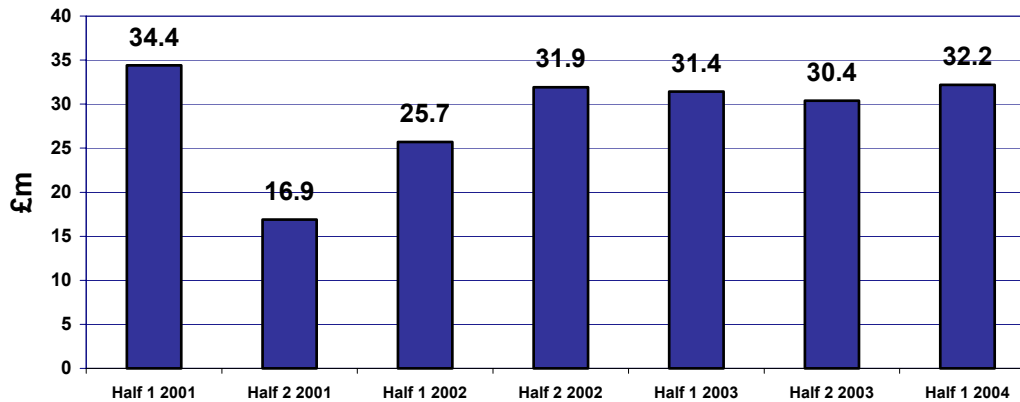
	H1 2004	H1 2003	Growth 2004 / 2003
	TOTAL £m	£m	%
Revenues	1,254.9	1,254.7	0.0%
Gross Profit	171.2 13.6%	177.8 14.2%	-3.7%
Other Operating Exp	138.2 11.0%	145.3 11.6%	-4.9%
Operating Profit	33.0 2.6%	32.5 2.6%	1.8%
Profit before tax	33.2 2.6%	32.0 2.6%	3.7%
Profit after tax	23.4 1.9%	21.6 1.7%	8.0%
Effective tax rate	29.6%	32.4%	-8.5%
EPS Diluted	12.3p	11.6p	6.0%
Dividend per Share	2.3p	2.0p	15.0%

UK Revenue & Operating Profit

UK Revenue



UK Operating Profit



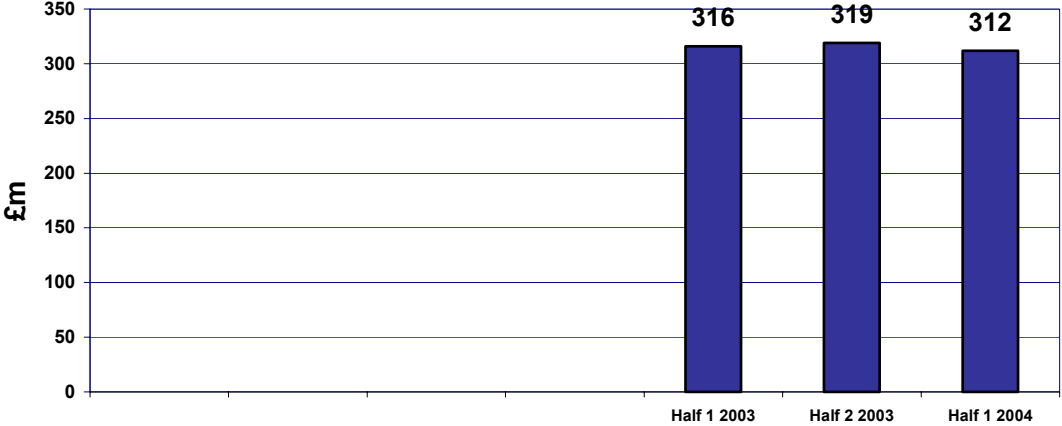
Computacenter UK - P&L

	H1 2004	H1 2003	Growth 2004/2003
	£m	£m	%
Revenues	758.4	755.8	0.3%
Gross Profit	107.9	106.1	1.7%
	<i>14.2%</i>	<i>14.0%</i>	
Other Operating Exp	75.7	74.7	1.4%
	<i>10.0%</i>	<i>9.9%</i>	
Operating Profit	32.2	31.4	2.4%
	<i>4.2%</i>	<i>4.2%</i>	
Headcount *:			
Direct	3,162	2,906	8.8%
Indirect	1,594	1,576	1.1%

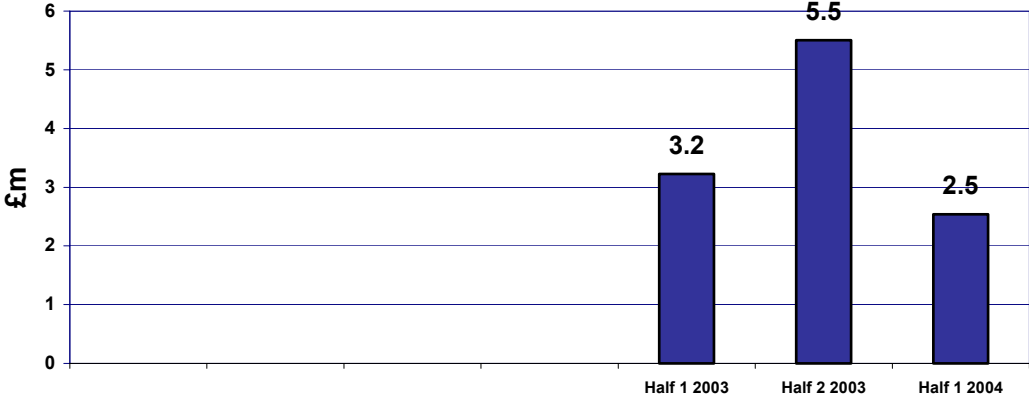
(* period end headcount, excludes RDC)

Germany Revenue & Operating Profit

Germany Revenue



Germany Operating Profit

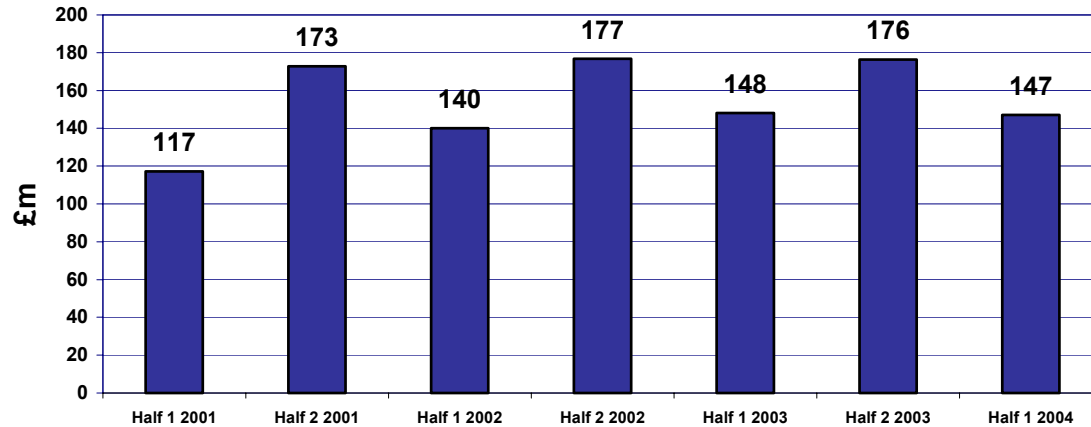


CC CompuNet - P&L

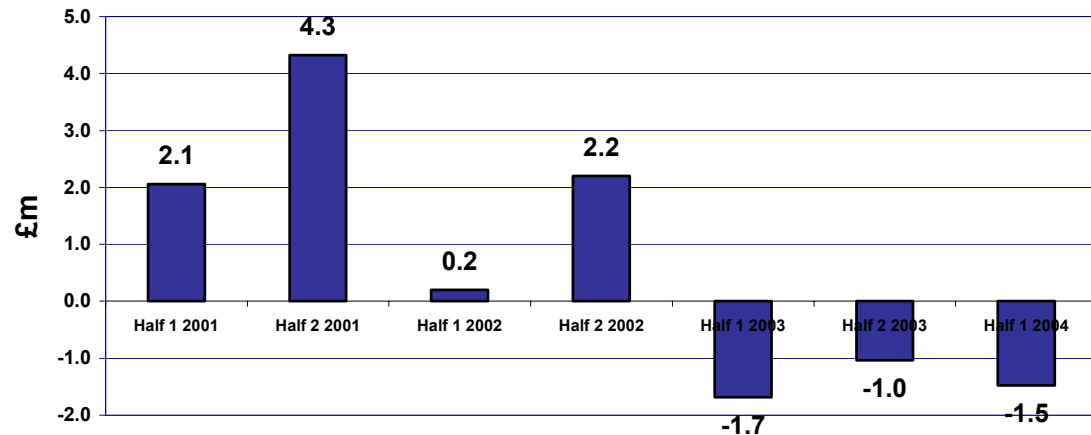
	H1 2004	H1 2003	Growth 2004 / 2003
	£m	£m	£m
Revenues	311.9	316.0	-1.3%
Gross Profit	42.4 <i>13.6%</i>	48.8 <i>15.4%</i>	-13.0%
Other Operating Exp	39.9 <i>12.8%</i>	45.6 <i>14.4%</i>	-12.4%
Operating Profit	2.5 <i>0.8%</i>	3.2 <i>1.0%</i>	-21.4%
Headcount *:			
Direct	2,468	2,564	-3.7%
Indirect	997	1,025	-2.7%
(* period end headcount)			

France Revenue & Operating Profit

France Revenue



France Operating Profit



Computacenter France - P&L

	H1 2004	H1 2003	Growth 2004 / 2003
	£m	£m	%
Revenues	147.1	148.1	-0.7%
Gross Profit	16.6 11.3%	18.6 12.6%	-11.1%
Other Operating Exp	18.6 12.6%	22.4 15.2%	-17.2%
Operating Profit	(2.0) -1.4%	(3.8) -2.6%	-47.4%
Goodwill release	0.5	2.1	-75.0%
Operating Profit (post goodwill)	(1.5) -1.0%	(1.7) -1.1%	-12.6%
Headcount *:			
Direct	661	721	-8.3%
Indirect	463	535	-13.4%
(* period end headcount)			

Computacenter Austria – P&L

	H1 2004	H1 2003	Growth 2004 / 2003
	£m	£m	£m
Revenues	26.0	27.4	-5.1%
Gross Profit	3.1 12.0%	3.3 12.1%	-6.2%
Other Operating Exp	3.4 13.1%	3.6 13.3%	-6.3%
Operating Profit	(0.3) -1.1%	(0.3) -1.1%	-8.2%
Headcount *:			
Direct	137	115	18.8%
Indirect	85	96	-11.5%
(* period end headcount)			

Computacenter Belux – P&L

	H1 2004	H1 2003	Growth 2004 / 2003
	£m	£m	%
Revenues	11.5	7.4	55.4%
Gross Profit	1.2 10.4%	0.9 11.8%	36.6%
Other Operating Exp	1.1 9.8%	1.1 14.7%	3.4%
Operating Profit	0.1 0.6%	(0.2) -2.9%	-131.8%
Headcount *:			
Direct	87	75	16.1%
Indirect	17	18	-5.7%
(* period end headcount)			

Computacenter PLC - Operating Cash Flow

	H1 2004	H1 2003	Growth 2004 / 2003
£m	£m	£m	%
Operating profit	33.0	32.5	1.5%
Depreciation	9.5	12.0	(21.0%)
Amortisation of goodwill	(0.4)	(2.0)	(78.7%)
Loss on disposal of fixed assets	0.5	(1.1)	(144.0%)
Debtors	4.3	(28.9)	(114.8%)
Stocks	10.2	13.2	(22.8%)
Creditors	(25.8)	(16.0)	61.6%
Currency and other adjustments	0.3	0.9	(64.2%)
Operating Cash Flow	31.5	10.6	198.8%
Op Cash Flow as % Operating Profit	95.4%	32.4%	

Computacenter PLC Summary Cash Flow

	2004	2003	Growth 2004 / 2003
£m	£m	£m	%
Operating Activities	31.5	10.6	198.8%
Servicing of finance	(0.4)	(0.6)	(29.6%)
Taxation	(6.4)	(10.3)	(37.9%)
Capex & Financial Investment	(5.1)	(10.9)	(52.9%)
Acquisitions/disposals	0.0	(37.8)	(100.0%)
Dividends paid	(9.3)	(10.7)	(13.3%)
Cash Inflow (pre Financing)	10.3	(59.7)	(117.3%)
Financing	0.3	0.7	(57.4%)
Net cash flow	10.6	(59.0)	(118.0%)
Opening Net Cash	49.9	83.4	
Exchange Movement	1.9	0.0	
Closing Net Cash	62.4	24.4	

Computacenter PLC - Balance Sheet

	Jun 2004	Jun 2003	Growth 2004 / 2003
	£m	£m	%
Fixed Assets	110.7	118.8	(6.8%)
Current assets:			
Stocks	121.0	117.6	2.9%
Debtors : Gross	485.7	422.7	n/a
less : Non Returnable Proceeds	(55.6)	0.0	n/a
Debtors	430.1	422.7	1.8%
Cash	101.0	65.8	53.5%
Total Current assets	652.1	606.1	7.6%
Current liabilities:			
Trade creditors	(172.9)	(183.0)	(5.5%)
Other	(260.7)	(246.3)	5.9%
Total Current liabilities	(433.6)	(429.3)	1.0%
Net current assets	218.5	176.8	23.6%
Creditors (>1yr)	(3.5)	(0.3)	988.2%
Provisions (incl JV)	(25.4)	(29.2)	(12.9%)
Total net assets	300.3	266.1	12.8%

Computacenter plc - Key Ratios

	Jun 2004	Jun 2003	Dec 2003
Stock (days)	25	26	28
Debtor (days)	41	43	44
Creditor (days)	30	30	37
Working Capital (days)	36	39	35

Operational Review

Mike Norris

The Positives

- Improvements in all the following areas:
 - ◆ Good Managed Services growth
 - ◆ Managed Services systems development
 - ◆ Strong UK product volumes, particularly servers
 - ◆ Broadening market coverage
- Increase in Financial Services spend
- Significant progress made in Germany

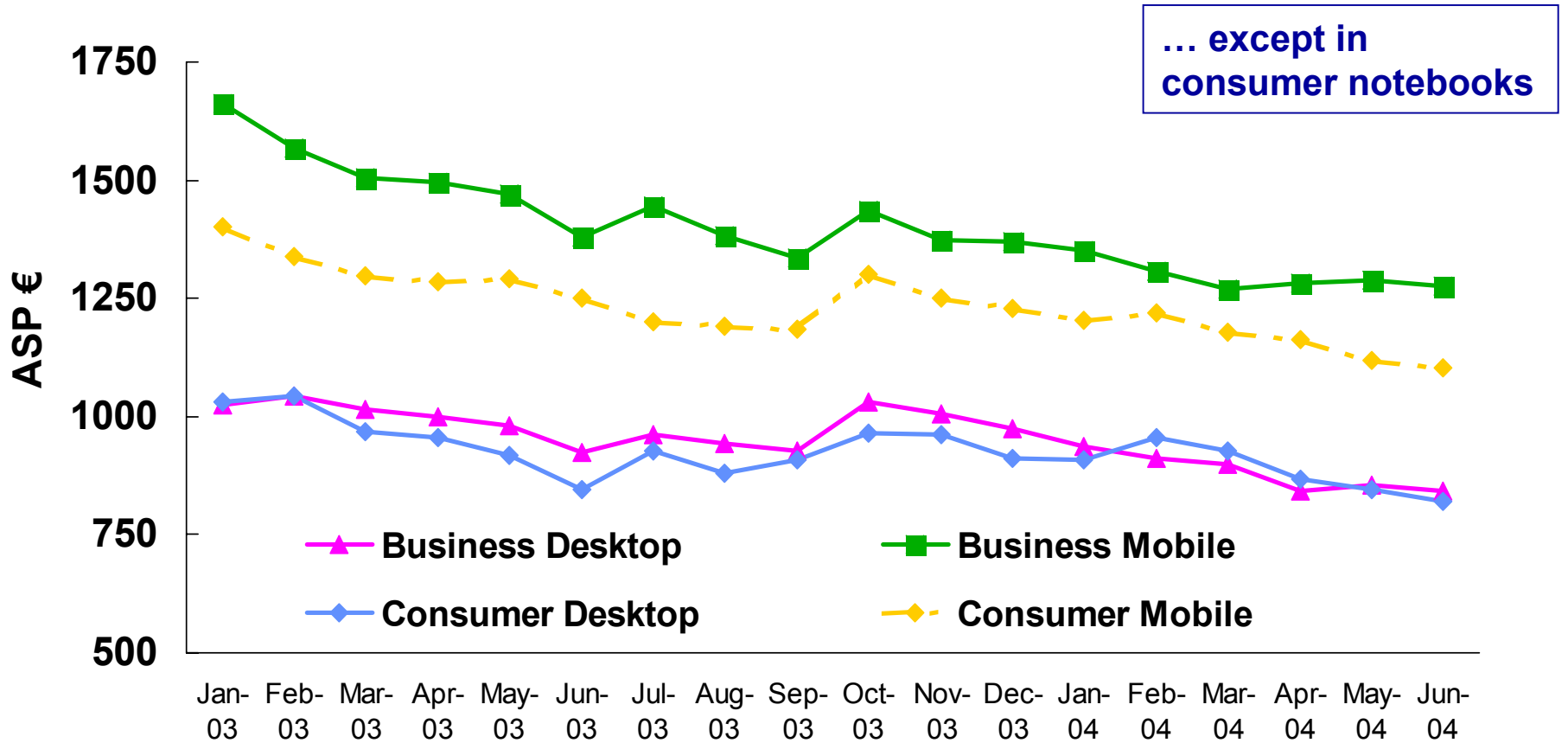
Neutral

- Product price decline
 - ◆ Prices have declined significantly since last year
 - ◆ Price decline is now slowing
- CC France remains challenging

Negatives

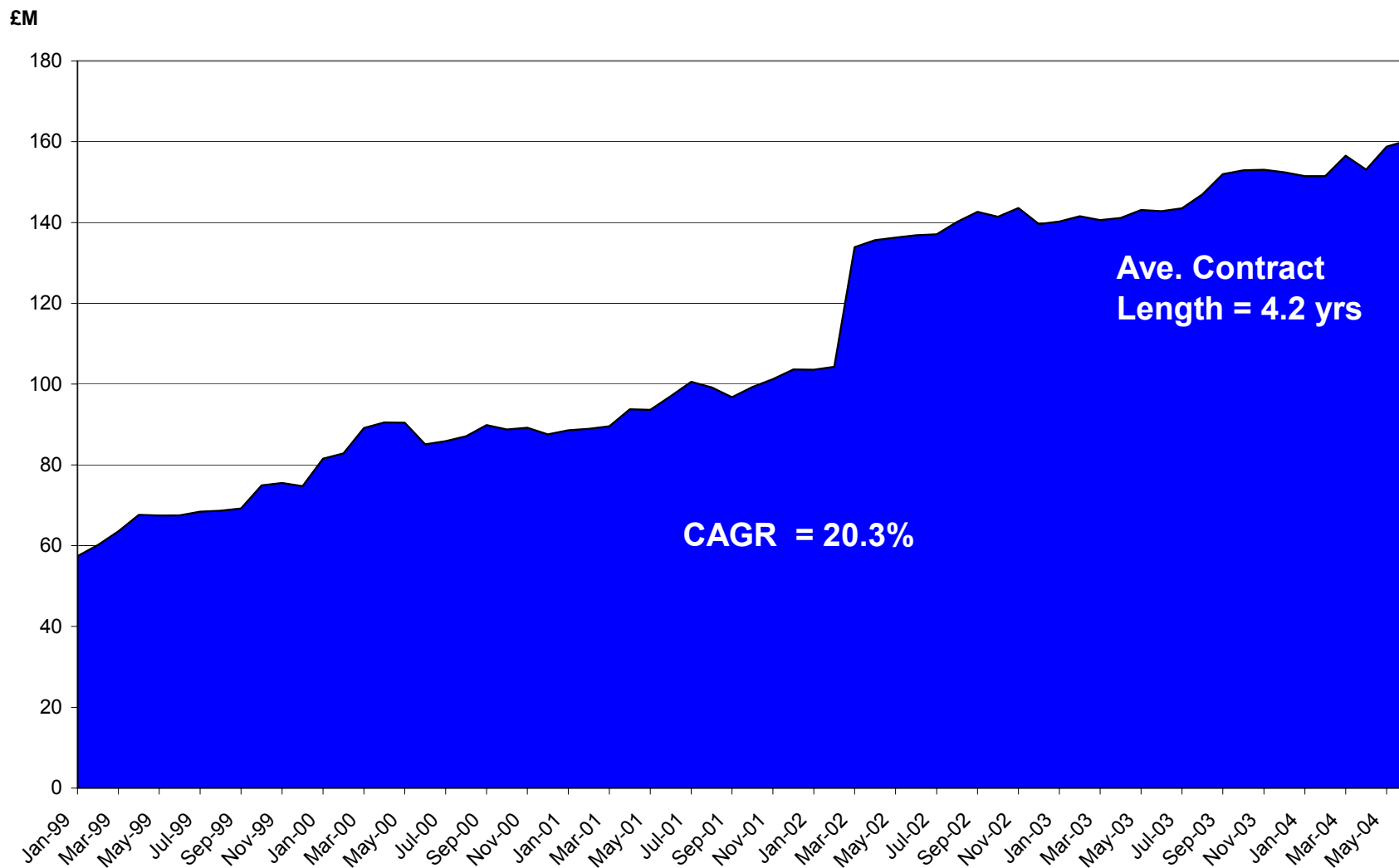
- Product margin under pressure
- Services margin under pressure
 - ◆ Particularly in Germany
 - ◆ New contract wins and renewals
- Central Government spend reducing

Pricing Pressure Eases



- Good Managed Services contract base growth

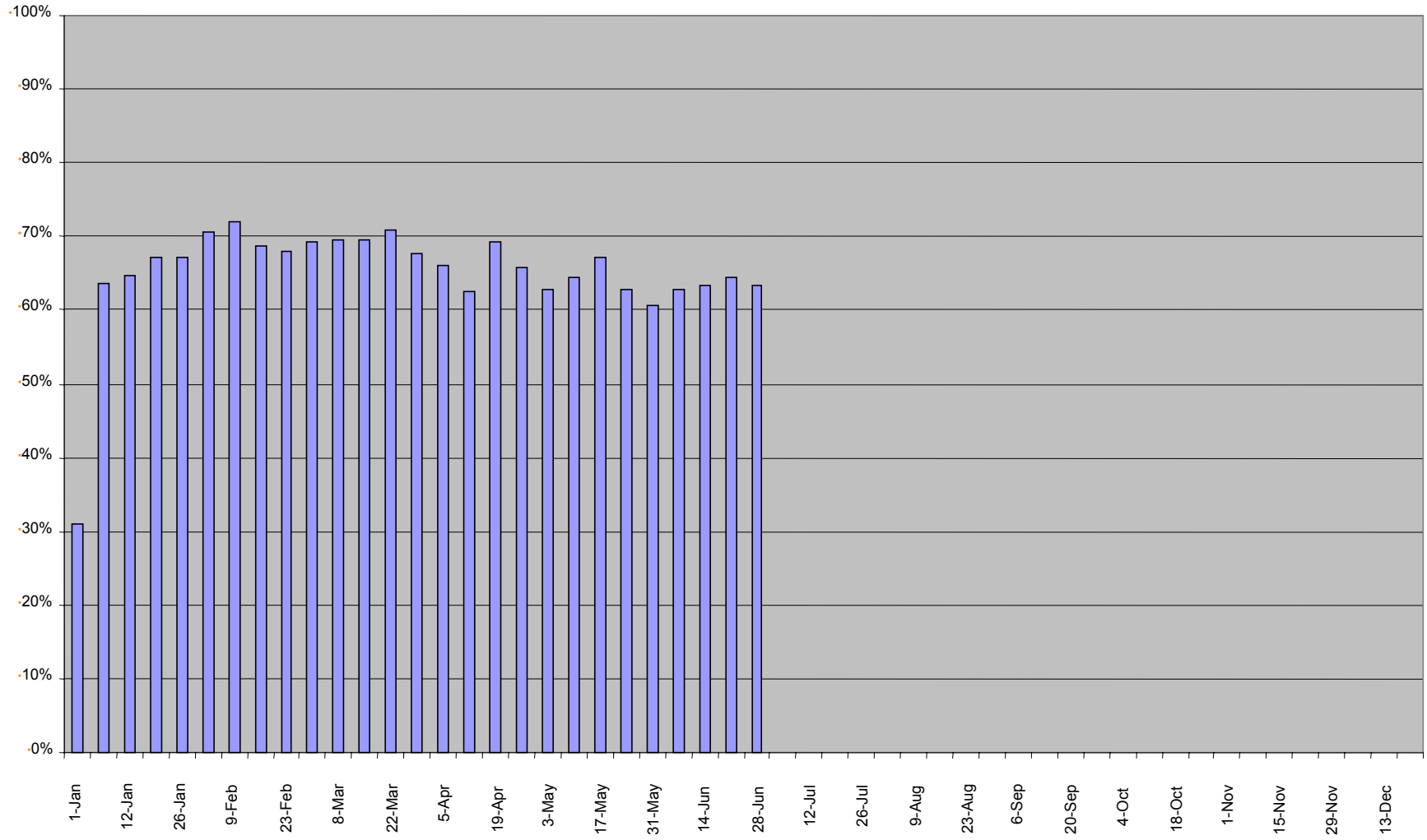
UK Managed Services Contract Base



Computacenter UK

- Good Managed Services contract base growth
- Steady performance in Professional Services

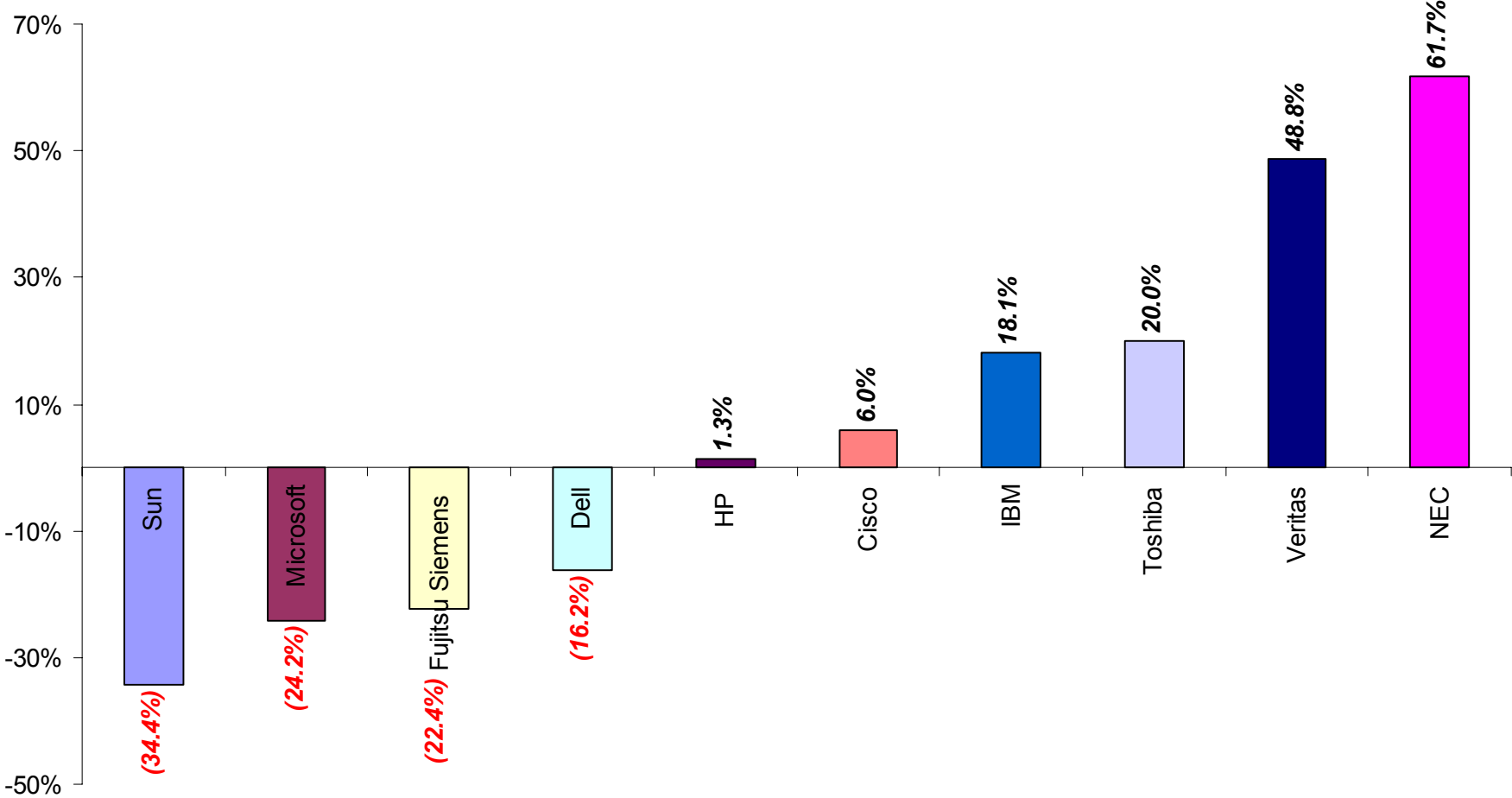
UK Professional Services



Computacenter UK

- Good Managed Services contract base growth
- Steady performance in Professional Services
- Strong server sales which we take as a good lead indicator

Vendor Share of CC UK



Computacenter UK

- Good Managed Services contract base growth
- Steady performance in Professional Services
- Strong server sales which we take as a good lead indicator
- Stronger Financial Services and weaker Central Government

UK Sector Revenue Split

	% <u>H1 2003</u>	% <u>H1 2004</u>
Government	29.7	30.6
Financial Services	13.3	14.2
Corporate	16.3	15.0
Commercial	11.3	9.1
Scotland	9.5	12.4
Trade Distribution	19.2	18.0
Other*	0.7	0.7

*Other from divisions not categorised by sector, including training

Computacenter UK

- Good Managed Services contract base growth
- Steady performance in Professional Services
- Strong server sales which we take as a good lead indicator
- Stronger Financial Services and weaker Central Government
- RDC continued to perform well

Computacenter UK

- Good Managed Services contract base growth
- Steady performance in Professional Services
- Strong server sales which we take as a good lead indicator
- Stronger Financial Services and weaker Central Government
- RDC continued to perform well
- Significant revenue fall at CCD due to HP rebate changes which did not materially effect profits

Computacenter Germany

- Decline in operating profits
- Stronger underlying business
- Significant investments in systems
- New Chief Executive
- Managed Services progress
- Re-naming to Computacenter in H2

Computacenter France

- Excluding good will progress looks positive, loss reduced to £2.0 million (2003: £3.8 million)
- Significant problems still remain
- Cost base is still too high
- Re-engineering many parts of the business, particularly Maintenance
- Taking a long term approach
- Fixing our problems through the operating profit line

Other Countries

- Good progress made in Belgium and Luxembourg which saw its first positive operating performance
- Austria is a source of some concern

Financial Highlights

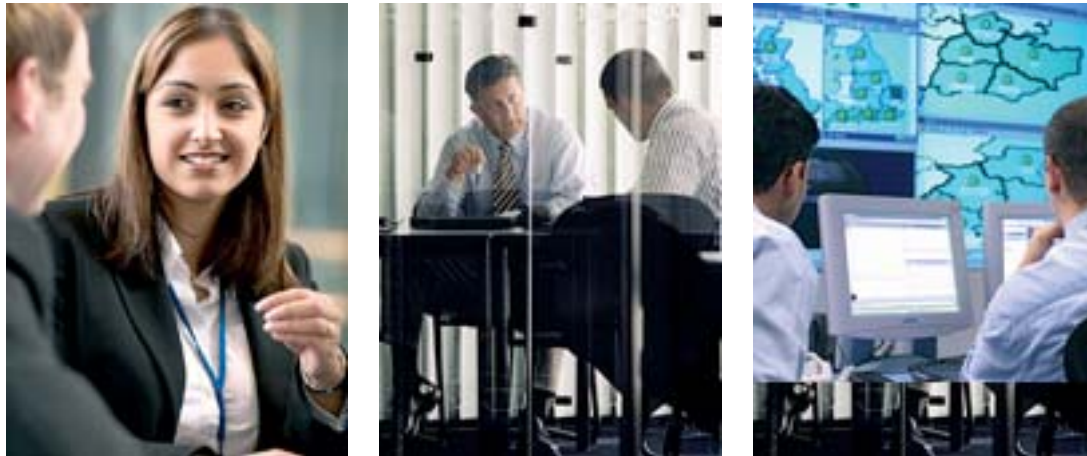
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