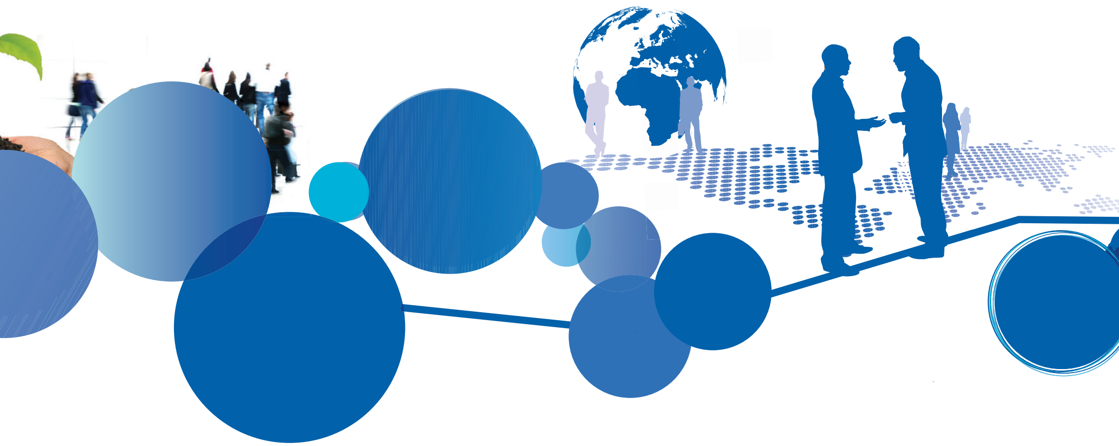
Our journey

Computacenter plc

Interim report

Half year results to 30 June 2011



Computacenter Services & Solutions

Welcome to our journey

Who we are

Computacenter is a leading IT infrastructure services provider. We add value to our customers by advising on IT strategy, deploying appropriate technologies, and managing elements of their infrastructures on their behalf.

Our mission

To deliver IT services and solutions that enable our customers to achieve their goals.

Our strategy

Our strategy is to achieve long-term earnings growth. To help measure our success, we have five key strategic initiatives against which to benchmark our performance.

Highlights of the first half

Revenue £bn

2010	1.29
2011	1.37

+5.9%

Adjusted* profit before tax £m

2010	21.3
2011	26.6

+24.9%

Financial highlights

- Group Revenue, including acquisitions, of £1.37 billion (H1 2010: £1.29 billion) an increase of 5.9%
- Group adjusted[1] profit before tax of £26.6 million (H1 2010: £21.3 million) an increase of 24.9%
- Adjusted[1] diluted earnings per share (EPS) of 12.9p (H1 2010: 10.4p) an increase of 24.0%
- After capital expenditure of £20.4 million, free cash flow of £4.9 million
- Net funds excluding customer-specific financing (CSF) of £104.3 million (H1 2010: £95.6 million)
- Interim dividend of 4.5p (H1 2010: 3.5p) an increase of 28.6%

Statutory highlights

- Group profit before tax of £26.2 million (H1 2010: £21.0 million) an increase of 24.9%
- Diluted EPS of 12.7p (H1 2010: 10.3p) an increase of 23.3%
- Net funds after CSF of £80.9 million (H1 2010: £57.1 million)

[1] Adjusted profit before tax and EPS is stated prior to amortisation of acquired intangibles and exceptional items. Adjusted operating profit is also stated after charging finance costs on CSF.

Chairman's statement

The results for the first half of 2011 demonstrate that we have improved our profitability.

The fruits of our very considerable efforts to 'industrialise' our service offerings and their delivery are becoming more evident, as is the strength of our geographic diversity. The results for the first half of 2011 demonstrate that we have improved our profitability.

Our Product supply performance in Germany more than offset the weakness in that business in the UK; our French business delivered healthy growth in both Product and Services and closed the acquisition of Top Info, giving us greater scale. The Services contract base grew by nearly 6% on June 2010 and our relentless focus on cost and expense gave us improved, as well as improving, margins. Growth in our Services business was modest in the first half compared to last year's performance, but we are confident of our ability to grow at a greater rate in the second half of the year. Despite the acquisitions we have made and with continuing investment in our future capabilities, we closed the period with a little more than £100 million in net cash excluding customer-specific financing ('CSF').

We still have a lot of work to do to realise our full potential. The second half of 2011 will see the implementation of our Group ERP system in the UK and the benefits of this will begin to be apparent in 2012. There remain many uncertainties in the business environment, but our focus on profitability, cash and investing in our future will continue apace.

I thank our customers for their business and our employees for their skills and commitment. We face the future with confidence and determination to improve everything that we do.

Greg Lock
Chairman

Operating review

"Computacenter delivered overall profitability well ahead of the same period last year... "

[1] Adjusted profit before tax and EPS is stated prior to amortisation of acquired intangibles and exceptional items. Adjusted operating profit is also stated after charging finance costs on CSF.

During the first six months of 2011 Computacenter delivered Group profitability well ahead of the same period last year, increasing the adjusted[1] profit before tax by 24.9% to £26.6 million (H1 2010: £21.3 million), including acquisitions. Of the acquisitions completed in this period, only Top Info in France had sufficient time or scale to make a noticeable impact on the Group's results.

Overall reported revenues, including acquisitions, increased by 5.9% to £1.37 billion (H1 2010: £1.29 billion) and without acquisitions, the overall reported revenues were up by 3.1% to £1.33 billion.

Adjusted[1] diluted earnings per share (EPS) for the period grew by 24.0% to 12.9p (H1 2010: 10.4p). There were no exceptional charges incurred in the period, as was the case during the same period last year and we do not anticipate exceptional charges during the rest of the year. Therefore, on a statutory basis, after taking amortisation on acquired intangibles into account, profit before tax increased significantly by 24.9% to £26.2 million (H1 2010: £21.0 million) and diluted EPS grew by 23.3% to 12.7p (H1 2010: 10.3p).

We are pleased to announce the payment of an increased interim dividend of 4.5p per share (H1 2010: 3.5p). The interim dividend will be paid on 14 October 2011 to shareholders on the register as at 16 September 2011.

We saw Services revenue grow across all our businesses, with pre-acquisition revenue increasing by 4.7% and post acquisition revenue increasing by 5.4%, both in constant currency. Product revenue growth of 2.6%, in constant currency and excluding all acquisitions in the period, was largely due to a very strong performance in Germany and strong Product revenue performance in France. Including acquisitions, overall Group Product revenue grew by 6.3% in constant currency.

The growth in our Contractual Services base, by 5.8% to £570.1 million (H1 2010: £539.0 million), in constant currency, has already helped performance in the first half of 2011 with more material contribution to come in the second half of the year and beyond. The current pipeline is very strong with the likelihood of an increased win rate during the second half of the year - which has been an historical trend. We would expect these wins to deliver contribution from around the middle of 2012.

Cash flow generation remained strong and net funds, excluding customer-specific financing (CSF) increased to £104.3 million at the period end (H1 2010: net funds of £95.6 million). This increase was achieved despite the investment of £22.8 million in two acquisitions, as well as an investment in ICS Solutions Ltd and £10.7 million for the purchase of a freehold property in Braintree, Essex, which will support the growth of RDC, our IT recycling subsidiary. Including CSF, net funds were £80.9 million (H1 2010: £57.1 million). We view this as a healthy net fund position; especially considering the Product revenue growth in Germany and a higher dividend payment during this period.

Capital expenditure of £20.4 million was incurred during the period, including the RDC property purchase. The level of CSF has reduced from £38.5 million, at the end of the first half of 2010, to the current level of £23.5 million. As previously reported, our cash position was enhanced by £30.8 million, due to the ongoing extended credit terms offered by one of our major vendors, which is set to continue for most of 2011.

We expect to complete the implementation of our new Group-wide ERP system in Germany and the UK this year. Costs are estimated at £35 million, the vast majority of which has already been spent.

As previously reported, an increase in the depreciation charge will bring some headwind to the anticipated performance during the second half of the year, as the ERP system is rolled out, but related efficiency benefits will not be realised until next year and beyond.

On 21 July 2011, shortly after the close of this period, we announced that we had acquired an 80% stake in DAMAX AG, based in Switzerland. We will acquire the rest of DAMAX by the middle of 2015. We believe that DAMAX will strengthen our services capability to existing Swiss customers, as well as expand our credibility within this geography, through our ability to offer an 'in-country' presence.

Outlook

While much remains to be done and economic uncertainty persists, we remain on track to achieve the Board's expectations for 2011. We are not expecting our German business to grow at the same rate in the second half of the year, as the comparatives become materially more challenging. Conversely, but to a lesser extent, comparatives in our UK business should be somewhat easier than in the first half. The incremental depreciation charge in 2011 of £3.3 million for our new ERP system, is substantially second half weighted, although a more meaningful contribution from the acquisitions we have made in the first half of 2011 will help to offset this. Overall therefore, we are unlikely to see the same percentage of growth at the Group level, as experienced in the first half.

While much remains to be done and economic uncertainty persists, we remain on track to achieve the Board's expectations for 2011.

Given the contractual services wins to date and the strong pipeline for the second half of the year, 2011 could prove to be the largest in absolute contract growth ever, resulting in our highest contracted services revenue base to date. This bodes well for growth in 2012 and beyond, as these new long-term contracts come on board. Over

time our increasing contractual services mix means Computacenter is less reliant on capital projects, which tend to be more exposed to economic uncertainty. We believe the investments we have undertaken and continue to make into our internal systems and services industrialisation, will substantially aid the Group's ability to grow profitability in the years ahead.

United Kingdom

A reduction in overall UK revenue of 16.0% to £547.3 million (H1 2010: £651.9 million), was due to a 22.6% decline in Product revenue performance. This fall was prompted by a shift in the spend profiles of certain large customers; we also experienced a particularly buoyant first half last year, making for a more challenging comparison.

Against the background of a relatively flat IT services market, our Services revenues still increased by 0.7%, through a combination of new contract revenue streams and the successful renewal of certain existing service agreements.

The reduction in Product revenue has, in part, been offset by the improved profitability of both the Product and Services businesses. The absence of the larger deals with lower margin, present in the first half of 2010, led to better Product margin. At the same time, improved operational efficiency helped to contribute to an increase in Services margin.

Adjusted[1] operating profit in the UK declined by 7.9%, to £16.7 million (H1 2010: £18.1 million). Given the 16.0% decline in revenue, the decrease in profitability points to stability and increased resilience across the UK business as a whole.

SG&A expenses in the UK reduced marginally by 0.6%, compared with the same period last year. This was achieved through continued robust cost control, whilst investing into increased pre-sales activity in support of the Managed Services pipeline.

We are however, continuing to invest in the UK business with a specific focus on further developing our offerings, enhancing pre-sales activity and improving Services profitability through the implementation of best practice and efficiency measures.

This investment, combined with a renewed sales focus on a well-defined target market and our portfolio of offerings, has already helped to improve not only the Services margin, but also increase the Services contract base by a further 5.7% on the first half of 2010. The significant strength of the current managed services pipeline adds to our optimism for the rest of the year.

We believe that the trend for selective outsourcing of IT infrastructure support continues as customers move away from large-scale outsources or retaining the work in-house. This plays to Computacenter's strengths, as our offerings are specifically designed to satisfy this customer demand. At the beginning of the period, we secured a five-year workplace maintenance and helpdesk contract at a global investment bank headquartered in Europe with staff in the UK, USA, Switzerland and a variety of their operations in Asia and the Far East. This demonstrates that there is increasing demand for our core services on a global basis. This contract started encouragingly in the second quarter of this year and should continue the positive trend in the second half of the year.

Computacenter was also selected by Yorkshire Building Society to provide infrastructure managed services under a five-year contract, seeking to reduce cost and boost the customer's agility, in order to support its own future growth aspirations. This contract further strengthens our market leading position in the financial marketplace, in addition to our already strong position within the high street retail sector.

Customers' prime objectives when outsourcing to Computacenter remain cost reduction and simplification of their IT infrastructures. A good example being BSkyB, which has selected Computacenter UK to deliver a five-year, multi-million pound desktop lifecycle management contract.

This contract will drive operational efficiencies for BSkyB by leveraging our industrialised best practices to cut costs and complexity. The service encompasses product supply; pre-configuration for standard builds and applications; asseting; installation; support; disposal and application packaging.

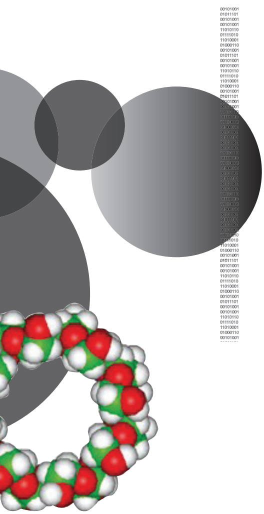
Customers are increasingly undertaking technology change projects in order to improve user agility and productivity, while reducing support complexity and costs. Although adoption of Microsoft Windows 7 into our large corporate and Government customers is in its infancy, Computacenter is to date, responsible for over two-thirds of all the current UK deployments.

Our industrialised deployment Service for Windows 7 provides customers with an optimised workplace environment and attractive cost-benefit opportunities. During the period, this service was successfully utilised by a number of new, but also existing customers such as Severn Trent Water. We helped Severn Trent Water to deploy a Windows 7 business desktop to over 2,000 end users through applying repeatable industrialised best practice. The new solution also includes a virtualised desktop and application infrastructure that will enable Severn Trent to support home working and desk sharing, thereby bringing about, a more flexible and mobile workforce. We expect

such flexible workplace projects to continue and extend to include Communications and Collaboration Services, hence us recently securing a minority stake in a focused expertise partner, ICS Solutions Ltd.

The market is moving closer to understanding more about the scope and the implications of emerging technologies and trends such as cloud computing and consumerisation of IT. We are supporting our customers in their quest towards becoming 'cloud ready' and while we have not yet seen a significant uptake of pure cloud offerings-other than rebranded virtualisation solutions - there has been such a marked interest, we are confident that cloud-based solutions will make a greater contribution in the near future. In this regard, we believe that our C³ (Computacenter Cloud Computing) solution suite of products addresses the needs of our target market, offering a pragmatic approach.

We believe that the trend for selective outsourcing of IT infrastructure support continues...This plays to Computacenter's strengths.



RDC, our remarketing and recycling subsidiary, has continued its strong performance with revenue materially up by 33.5% on the first half of last year. To support this growth we have recently acquired a property in Braintree, Essex, which will allow for the consolidation of RDC's storage and logistics operation, thereby improving efficiency.

Germany

Computacenter Germany experienced a very strong first half in 2011, with overall adjusted[1] operating profit, in local currency and now including the performance of Luxembourg, up by 144.5%. In sterling, this translates to a 144.0% increase in profitability to £8.4 million (H1 2010: £3.4 million).

For 2010, we reported a slow start to the year, primarily due to Services revenue decline, but also lower Services margins. The measures taken since then halted the revenue decline and stabilised the earnings margin. Additionally, some initial signs of recovery in the German market - signalled initially by the increased demand for consulting services - materialised. This not only offset the Q1 2010 situation, but also bolstered the growth momentum throughout the whole of the year and into 2011.

Investments made into enhancing our skills and sales efficiency, as well as a greater focus on vendor and customer relationships, further strengthened our position in this improved market, where our workplace and network solutions have been particularly well received.

The weaker comparator is relevant only to the first quarter and only to Services revenue. Services revenue growth was 9.9% in local currency, over the whole of the first half of 2011. The Product revenue growth of 36.8% in local currency, within this period, is not flattered by the comparison and neither is the growth in the consultancy and managed services businesses.

The Services contract base has grown by 6.1% in local currency, increasing the base to €294.0 million (H1 2010: €277.0 million). Margins will benefit from these Services wins in 2012, but this strong new business-take-on activity has had a minor impact on the services margin rate during the first half of this year.

We have seen that German companies are beginning to emerge from a challenging economy, with an increased appetite to plan for their growth by making investments in new technology offerings such as the cloud-based services. The shift in IT investment in Germany relates to both the Product and Services businesses, as well as both the private and public sectors. There is increasing demand for Windows 7 deployments, similar to the rest of the Group; these deployments are often the precursor to an infrastructure upgrade investment.

Through our Frame contract, we have secured an enterprise and storage equipment contract, with reasonably clear and encouraging revenue predictability, with Zentrum für Informationsverarbeitung und Informationstechnik. This public sector customer manages all the IT infrastructure and public tenders on behalf of the Federal Ministry of Finance and to an increasing extent, for the entire German Federal Administration.

Not only are we detecting more appetite for outsourcing, we are also noting a shift in customers' motivation for adopting an outsourced model. In addition to the cost saving benefits, customers are increasingly identifying the strategic value that their internal IT resource can deliver, if freed from managing their own infrastructure. Computacenter Germany has recently been appointed long term, to manage the overall IT infrastructure and operations of Koelnmesse, the tradefair and market events organisation, commencing from 1 January 2012.

Our existing local customers are also engaging with us to expand the services we currently deliver to their German operations to international sites. An example of this increasing trend is a five-year managed services contract with the global chemical company WACKER CHEMIE AG. We will provide international service desk support, onsite managed desktop services and deliver and install hardware to all locations of WACKER CHEMIE AG, worldwide.

We interpret these wins as growing out of the trust and confidence we have established with our larger customers over time. By proving the consistency of our delivery, they now wish to mirror this across their international locations.

Although it is too early for the recent acquisition of HSD Consult GmbH in May 2011 to have delivered any noteworthy contribution to our Services or Product growth, demand among our customers for secure integrated iPad and iPhone solutions has surpassed initial anticipation.

Our existing local customers are also engaging with us to expand the services we currently deliver to their German operations to international sites.

The integration of this acquisition is progressing according to plan and will provide us with the expertise to develop a standardised and integrated secure mobility offering, which we hope to launch in the near future.

While SG&A expenses in the German business, prior to the amortisation on ERP, have increased by 10.7% during the first half of 2011, compared to the same period last year, an element of this increase is due to the reallocation of cost between indirect and SG&A, related to Group standardisation of ERP expenses.

Certain investments aimed at supporting managed services growth, made towards the end of last year, have only now shown the full SG&A impact. The slow start to 2010 prompted expenditure plan changes, whereas this was not the case during this period.

The improved sales resulted in higher commission payments, which also contributed to the SG&A increase during this period. Although less quantifiable, resource availability in the first half of 2011 was at a significant premium, as we successfully migrated onto the SAP platform during the first quarter of this year.

France

The adjusted[1] operating loss at Computacenter France, excluding Top Info, reduced to €0.4 million (H1 2010: Loss €1.4 million). Together with the single quarter's contribution by Top Info, the French business, for the first time in many years, is reporting an adjusted[1] operating profit at the half year stage, of €0.2 million.

Again, both Product and Services revenue, excluding Top Info, saw strong growth of 16.8% and 2.4% respectively. In line with expectation, Top Info added €34.7 million of Product revenue during the second quarter of the year, resulting in an increase of the total Product revenue within the period by 39.4% to €214.5 million (H1 2010: €153.9 million).

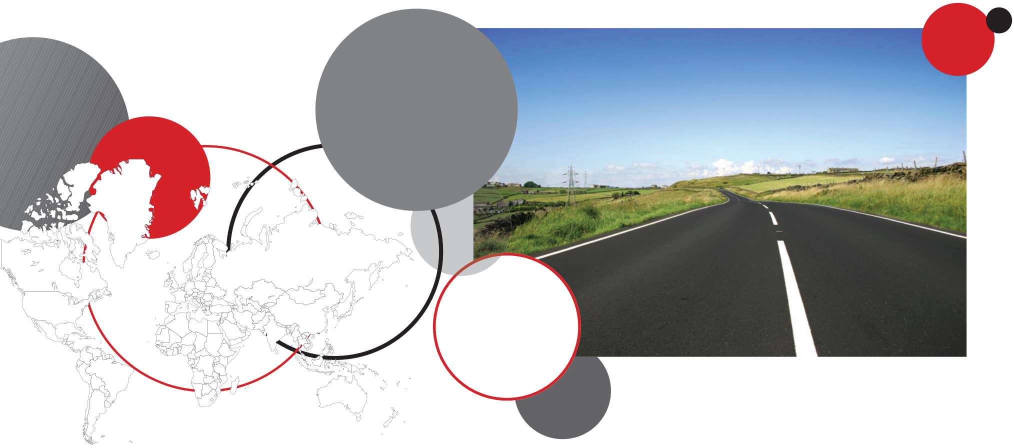
Excluding Top Info, the significant Product growth was once again mirrored by strong improvement in professional services revenue of 17.6%, which more than off-set a contractual services decline of 5.0%.

In addition to expanding on our supply chain offerings, we have also enhanced our operational efficiency. We believe there is increased market confidence in our supply chain offerings, which is filtering through to our services offerings. We have secured an exclusive four-year contract for the supply of storage infrastructure hardware and software, through the French Government purchasing agency, SAE, into seven Ministries. The contract scope also includes consulting, project management and maintenance solutions.

Over the last 18 months, much work has been done to reorganise the sales force, create specific customer sector focus and alter the incentive mechanisms. It is evident that these initiatives are already delivering returns. In particular, we have gained further traction within the retail banking sector through a product supply, configuration, installation and project management contract into 150 locations of a new customer, Crédit Agricole Franche-Comté.

The refocused sales activity also contributed to the 2.1% increase in our Services contract base, which includes a new win for the deployment of our maintenance and service desk support offerings to DCNS, the French naval shipbuilder, for its installed printers and 15,000 workstations.

We are even more encouraged that this revived sales activity has resulted in a solid pipeline of business, which we believe will start to bear fruit within the second half of the year and continue through 2012 and beyond.



Operating review continued

To ensure a high-quality delivery for this enhanced pipeline, a new leadership team has recently been appointed to optimise the efficiency of business-take-on processes and develop an expanded, but leaner services offering that can be deployed on an international scale.

Compared to the same period last year, excluding Top Info, SG&A expenses increased by 6.4%. This is primarily due to the investments into our pre-sales and sales efficiency work. While a large portion of these investments were made towards the end of 2010, the full impact on the SG&A only became apparent during this period. The SG&A increase also includes the one-off acquisition cost for Top Info and higher commission payments due to enhanced performance.

Following the Top Info acquisition the coordination of the two sales forces and the various vendors is progressing well, with clear signs of a strong synergy already emerging. This is evidenced by a recent win within the health sector, where the combined capability significantly enhanced our offering. Top Info has completed the merger of all its various subsidiaries into a single entity, which will not only deliver tax and cost benefits during the second half of this year, but also aid in the total integration into Computacenter France.

Belgium and the Netherlands

Our Belgium and Netherlands operations recorded an adjusted[1] operating profit of £359,000 (H1 2010: £280,000). Overall revenue increased by 15.5%, with a significant increase in Product sales by more than 20%. A main driver for the strong profitability compared with the revenue, was the growth in our managed services business, which increased our contract base by 14.2%.

This strong performance follows investment into enhancing our pre-sales resource; we have also expanded our sales force by a third. Our offerings and buying power best suit a pan-European organisation with staff numbers between 500 and 15,000, as evidenced by wins during this period for product supply and services to a global manufacturer and distributor of skin-care and cosmetic products and enterprise product supply to the leading GPS device provider, TomTom.

In Services, we are encouraged by a recent win for the deployment of a storage infrastructure at the Flemish broadcaster, VRT, the benefits of which will mainly be apparent from the second half of this year.

Risk

The principal risks to our business and our approach to mitigating those risks remain as set out on pages 22 and 23 of our 2010 Report and Accounts.

Stability in the global economy remains uncertain and even presents wider challenges, such as the destabilisation of entire currencies. Our balance sheet strength and ability to control costs provides some comfort, should we need to weather any storm. We are also witnessing the benefit of operating within various geographies and we continue to feel confident that our offerings, designed specifically to help customers remove cost and risk from their IT expenditure, continue to be Computacenter's primary line of attack against this threat.

Our strategies to mitigate operational risks to the implementation of complex end-to-end service contracts are proving effective, as evidenced by improved profitability within our Services Business. However, these mitigation strategies and services processes remain crucial to our business success and need to be deployed without fail, especially as we enter a period of noteworthy pipeline strength.

As we prepare to migrate both the UK's and Germany's systems onto the Group ERP platform, over the remaining months of 2011, we derive a degree of confidence from the extensive testing programme being undertaken. However, we are well aware of the scale and significance of the change. Accordingly, our ERP training programme has been rolled-out widely and is aimed at minimising disruption through familiarising everyone, at an early stage, with those parts of the system that they will interface with. The risk of not realising the full return on the ERP investment is, as the post migration phase nears, receiving more focused attention and incentivisation and targets are now formally within all the relevant pay plans.

Responsibility Statement

The Directors confirm that to the best of their knowledge:

- This financial information has been prepared in accordance with IAS 34;
- This interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- This interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein.)

MJ Norris
Chief Executive
26 August 2011

FA Conophy
Finance Director
26 August 2011

On behalf of the Board

Independent review report to Computacenter Plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2011 which comprises of the Consolidated income statement, Consolidated statement of comprehensive income, Consolidated balance sheet, Consolidated statement of changes in equity, Consolidated cash flow statements and related notes 1 to 13. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Ernst & Young LLP

Ernst & Young LLP
Registered auditor
London
26 August 2011

Consolidated income statement

For the six months ended 30 June 2011

	Note	**Unaudited H1 2011 £'000**	Unaudited H1 2010 £'000	Audited Year 2010 £'000
Revenue	4	**1,365,253**	1,288,780	2,676,495
Cost of sales		**(1,176,010)**	(1,115,022)	(2,310,682)
Gross profit		**189,243**	173,758	365,813
Distribution costs		**(10,277)**	(9,384)	(18,978)
Administrative expenses		**(152,541)**	(142,434)	(280,288)
Share of associates' losses		**(48)**	–	–
Operating profit:				
Before amortisation of acquired intangibles and exceptional items		**26,377**	21,940	66,547
Amortisation of acquired intangibles		**(368)**	(299)	(655)
Operating profit		**26,009**	21,641	65,892
Finance revenue		**1,353**	1,249	2,329
Finance costs		**(1,166)**	(1,914)	(2,823)
Profit before tax:				
Before amortisation of acquired intangibles and exceptional items		**26,564**	21,275	66,053
Amortisation of acquired intangibles		**(368)**	(299)	(655)
Profit before tax		**26,196**	20,976	65,398
Income tax expense	6	**(6,350)**	(5,208)	(15,078)
Profit for the period		**19,846**	15,768	50,320
Attributable to:				
Equity holders of the parent		**19,845**	15,768	50,321
Non-controlling interests		**1**	–	(1)
Profit for the period		**19,846**	15,768	50,320
Earnings per share				
– basic for profit for the period	7	**13.3p**	10.7p	34.1p
– diluted for profit for the period	7	**12.7p**	10.3p	32.6p

Consolidated statement of comprehensive income

For the six months ended 30 June 2011

	Unaudited H1 2011 £'000	Unaudited H1 2010 £'000	Audited Year 2010 £'000
Profit for the period	**19,846**	15,768	50,320
Exchange differences on translation of foreign operations	**7,951**	(8,149)	(4,076)
Total comprehensive income for the period	**27,797**	7,619	46,244

Attributable to:			
Equity holders of the parent	**27,796**	7,626	46,250
Non-controlling interests	**1**	(7)	(6)
	27,797	7,619	46,244

Consolidated balance sheet

As at 30 June 2011

	Note	Unaudited H1 2011 £'000	Unaudited H1 2010 £'000	Audited Year 2010 £'000
Non-current assets				
Property, plant and equipment		**97,216**	96,241	88,882
Intangible assets		**100,675**	77,336	78,531
Investment in associates	9	**501**	52	47
Deferred income tax asset		**17,325**	17,647	15,577
		215,717	191,276	183,037
Current assets				
Inventories		**82,807**	69,062	81,569
Trade and other receivables		**465,116**	410,479	471,133
Prepayments		**50,313**	52,247	44,219
Accrued income		**61,557**	51,631	39,971
Forward currency contracts		**–**	588	562
Current asset investment	11	**25,000**	–	–
Cash and short-term deposits		**120,056**	129,571	159,269
		804,849	713,578	796,723
Total assets		**1,020,566**	904,854	979,760
Current liabilities				
Trade and other payables		**455,187**	384,637	440,790
Deferred income		**97,096**	93,769	100,840
Financial liabilities		**54,366**	55,971	37,936
Forward currency contracts		**48**	–	–
Income tax payable		**6,713**	5,768	5,941
Provisions		**2,801**	2,202	2,644
		616,211	542,347	588,151
Non-current liabilities				
Financial liabilities		**9,825**	16,503	10,320
Provisions		**10,340**	10,338	10,749
Other non-current liabilities		**31**	47	–
Deferred income tax liabilities		**2,604**	1,556	978
		22,800	28,444	22,047
Total liabilities		**639,011**	570,791	610,198
Net assets		**381,555**	334,063	369,562

Consolidated balance sheet continued

	Unaudited H1 2011 £'000	Unaudited H1 2010 £'000	Audited Year 2010 £'000
Capital and reserves			
Issued capital	**9,233**	9,231	9,233
Share premium	**3,717**	3,168	3,697
Capital redemption reserve	**74,957**	74,950	74,957
Own shares held	**(13,217)**	(10,377)	(10,146)
Foreign currency translation reserve	**20,088**	8,066	12,137
Retained earnings	**286,766**	249,016	279,674
Shareholders' equity	**381,544**	334,054	369,552
Non-controlling interest	**11**	9	10
Total equity	**381,555**	334,063	369,562

Approved by the Board on 26 August 2011

MJ Norris
Chief Executive

FA Conophy
Finance Director

Consolidated statement of changes in equity

	Attributable to equity holders of the parent								
	Issued capital £'000	Share premium £'000	Capital redemption reserve £'000	Own shares held £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Total £'000	Non-controlling interests £'000	Total equity £'000
At 1 January 2010	**9,186**	**2,929**	**74,950**	**(9,657)**	**16,208**	**244,940**	**338,556**	**16**	**338,572**
Profit for the period	–	–	–	–	–	15,768	15,768	–	15,768
Other comprehensive income	–	–	–	–	(8,142)	–	(8,142)	(7)	(8,149)
Total comprehensive income	–	–	–	–	(8,142)	15,768	7,626	(7)	7,619
Cost of share-based payments	–	–	–	–	–	1,320	1,320	–	1,320
Deferred taxation on share based payments	–	–	–	–	–	131	131	–	131
Exercise of options	45	239	–	1,332	–	(1,332)	284	–	284
Purchase of own shares	–	–	–	(2,052)	–	–	(2,052)	–	(2,052)
Equity dividends	–	–	–	–	–	(11,811)	(11,811)	–	(11,811)
At 30 June 2010	**9,231**	**3,168**	**74,950**	**(10,377)**	**8,066**	**249,016**	**334,054**	**9**	**334,063**
Profit for the period	–	–	–	–	–	34,553	34,553	(1)	34,552
Other comprehensive income	–	–	–	–	4,071	–	4,071	2	4,073
Total comprehensive income	–	–	–	–	4,071	34,553	38,624	1	38,625
Cost of share-based payments	–	–	–	–	–	1,300	1,300	–	1,300
Deferred taxation on share based payments	–	–	–	–	–	658	658	–	658
Exercise of options	1	25	–	231	–	(231)	26	–	26
Issue of share capital	8	504	–	–	–	–	512	–	512
Purchase of own shares	–	–	–	(449)	–	–	(449)	–	(449)
Cancellation of own shares	(7)	–	7	449	–	(449)	–	–	–
Equity dividends	–	–	–	–	–	(5,173)	(5,173)	–	(5,173)
At 31 December 2010	**9,233**	**3,697**	**74,957**	**(10,146)**	**12,137**	**279,674**	**369,552**	**10**	**369,562**
Profit for the period	–	–	–	–	–	19,845	19,845	1	19,846
Other comprehensive income	–	–	–	–	7,951	–	7,951	–	7,951
Total comprehensive income	–	–	–	–	7,951	19,845	27,796	1	27,797
Cost of share-based payments	–	–	–	–	–	1,301	1,301	–	1,301
Deferred taxation on share based payments	–	–	–	–	–	941	941	–	941
Exercise of options	–	20	–	535	–	(535)	20	–	20
Purchase of own shares	–	–	–	(3,606)	–	–	(3,606)	–	(3,606)
Equity dividends	–	–	–	–	–	(14,460)	(14,460)	–	(14,460)
At 30 June 2011	**9,233**	**3,717**	**74,957**	**(13,217)**	**20,088**	**286,766**	**381,544**	**11**	**381,555**

Consolidated cash flow statement

For the six months ended 30 June 2011

	Unaudited H1 2011 £'000	Unaudited H1 2010 £'000	Audited Year 2010 £'000
Operating activities			
Profit before tax	**26,196**	20,976	65,398
Net finance (income)/costs	**(187)**	665	494
Depreciation	**13,664**	16,066	31,722
Amortisation	**3,303**	2,433	6,550
Share-based payments	**1,301**	1,320	2,620
Loss on disposal of property, plant and equipment	**15**	18	815
Profit on disposal of property, plant and equipment	**(19)**	–	–
Decrease/(increase) in inventories	**5,931**	(6,171)	(16,400)
Decrease/(increase) in trade and other receivables	**19,816**	24,358	(3,660)
(Decrease)/increase in trade and other payables	**(26,886)**	(3,529)	46,435
Other adjustments	**–**	(23)	(49)
Cash generated from operations	**43,134**	56,113	133,925
Income taxes paid	**(5,809)**	(4,568)	(11,281)
Net cash flow from operating activities	**37,325**	51,545	122,644
Investing activities			
Interest received	**1,307**	1,122	2,284
Increase in current asset investment	**(25,000)**	–	–
Acquisition of subsidiaries, net of cash acquired	**(22,265)**	–	–
Acquisition of associate	**(500)**	–	–
Sale of property, plant and equipment	**29**	50	372
Purchases of property, plant and equipment	**(14,545)**	(7,983)	(12,856)
Purchases of intangible assets	**(5,844)**	(8,137)	(12,774)
Net cash flow from investing activities	**(66,818)**	(14,948)	(22,974)
Financing activities			
Interest paid	**(1,543)**	(1,914)	(3,200)
Dividends paid to equity shareholders of the parent	**(14,460)**	(11,811)	(16,984)
Proceeds from issue of shares	**20**	284	822
Purchase of own shares	**(3,606)**	(2,052)	(2,501)
Repayment of capital element of finance leases	**(10,003)**	(10,339)	(20,641)
Repayment of loans	**(1,964)**	(8,781)	(12,622)
New borrowings	**–**	6,019	5,957
(Decrease)/increase in factor financing	**(16,446)**	17,142	1,568
Net cash flow from financing activities	**(48,002)**	(11,452)	(47,601)
(Decrease)/increase in cash and cash equivalents	**(77,495)**	25,145	52,069
Effect of exchange rates on cash and cash equivalents	**890**	(1,987)	(1,090)
Cash and cash equivalents at the beginning of the period	**155,933**	104,954	104,954
Cash and cash equivalents at end of the period	**79,328**	128,112	155,933

Notes to the accounts

1 Corporate information

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2011 were authorised for issue in accordance with a resolution of the Directors on 26 August 2011.

Computacenter plc is a limited company incorporated and domiciled in England whose shares are publicly traded.

2 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2011 have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as adopted by the European Union. They do not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2010, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Group's strong cash position, combined with the strong cash flows generated by the business, support the Directors' view that the Group has sufficient funds available for it to meet its foreseeable working capital requirements. The directors have concluded therefore that the going concern basis remains appropriate.

3 Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2010, except for the adoption of new standards and interpretations as of 1 January 2011, noted below:

IAS 24 Related Party Transactions (Amendment)
The IASB has issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasise a symmetrical view of related party relationships as well as clarifying in which circumstances persons and key management personnel affect related party relationships of an entity. Secondly, the amendment introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

Improvements to IFRSs (issued May 2010)

In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies, but did not have any impact on the financial position or performance of the Group.

IAS 1 Presentation of Financial Statements: The amendment clarifies that an option to present an analysis of each component of other comprehensive income may be included either in a statement of changes in equity or in the notes to the financial statements.

A number of other new, revised or amended standards and interpretations are effective for the current period, but none of them has had any material impact on the interim condensed financial statements.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

4 Segment information

For management purposes, the Group is organised into geographical segments, with each segment determined by the location of the Group's assets and operations. The Group's business in each geography is managed separately and held in separate statutory entities.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its geographical segments separately for the purposes of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on adjusted operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements. Adjusted operating profit or loss takes account of the interest paid on customer-specific financing ('CSF') which management consider to be a cost of sale. Excluded from adjusted operating profit or loss is the amortisation of acquired intangibles and exceptional items as management do not consider these items when reviewing the underlying performance of a segment.

From 1 January 2011, the management of Computacenter Luxembourg has been transferred from Belgium to Germany. As a consequence, CC Luxembourg is reported as part of the German segment. The comparative segmental information has been restated to reflect this change. Adjusted operating profit of £87,674 (2010 H1: Adjusted operating loss of £297,619; Year 2010: Adjusted operating loss of £820,343) has been reclassified.

Segmental performance for the periods to H1 2011, H1 2010 and Full Year 2010 were as follows:

4 Segment information continued

Six months ended 30 June 2011 (unaudited)

	UK £'000	Germany £'000	France £'000	Benelux £'000	Total £'000
Revenue	**547,269**	**580,375**	**219,700**	**17,909**	**1,365,253**
Results					
Adjusted gross profit	90,044	72,608	23,873	1,970	188,495
Adjusted net operating expenses	(73,352)	(64,208)	(23,694)	(1,611)	(162,865)
Adjusted operating profit	16,692	8,400	179	359	25,630
Adjusted net interest					934
Adjusted profit before tax					**26,564**

Six months ended 30 June 2010 (unaudited)

	UK £'000	Germany £'000	France £'000	Benelux £'000	Total £'000
Revenue	**651,859**	**457,169**	**164,252**	**15,500**	**1,288,780**
Results					
Adjusted gross profit	91,932	60,472	18,315	1,740	172,459
Adjusted net operating expenses	(73,805)	(57,030)	(19,523)	(1,460)	(151,818)
Adjusted operating profit/(loss)	18,127	3,442	(1,208)	280	20,641
Adjusted net interest					634
Adjusted profit before tax					**21,275**

Year ended 31 December 2010 (audited)

	UK £'000	Germany £'000	France £'000	Benelux £'000	Total £'000
Revenue	**1,265,431**	**1,008,890**	**359,611**	**42,563**	**2,676,495**
Results					
Adjusted gross profit	189,614	132,819	37,815	3,445	363,693
Adjusted net operating expenses	(146,277)	(113,143)	(36,825)	(3,021)	(299,266)
Adjusted operating profit	43,337	19,676	990	424	64,427
Adjusted net interest					1,626
Adjusted profit before tax					**66,053**

4 Segment information continued

Reconciliation to adjusted results

Management reviews adjusted measures of performance as shown in the tables above. Adjusted profit before tax excludes exceptional items and the amortisation of acquired intangibles as shown below:

	Unaudited H1 2011 £'000	Unaudited H1 2010 £'000	Audited Year 2010 £'000
Adjusted profit before tax	**26,564**	21,275	66,053
Amortisation of acquired intangibles	**(368)**	(299)	(655)
Profit before tax	**26,196**	20,976	65,398

Management also reviews adjusted measures for gross profit, operating expenses, operating profit and net interest, which in addition takes account of interest costs of CSF within cost of sales (as these are considered to form part of the gross profit performance of a contract). The reconciliation for adjusted operating profit to operating profit, as disclosed in the Consolidated income statement, is as follows:

	Unaudited H1 2011 £'000	Unaudited H1 2010 £'000	Audited Year 2010 £'000
Adjusted operating profit	**25,630**	20,641	64,427
Add back interest on CSF	**747**	1,299	2,120
Amortisation of acquired intangibles	**(368)**	(299)	(655)
Segment operating profit	**26,009**	21,641	65,892

Sources of revenue

Each geographical segment principally consists of a single entity with shared assets, liabilities and capital expenditure. The Group has three sources of revenue, which are aggregated and shown in the table below. The sale of goods is recorded within Product revenues and the rendering of services is split into Professional and Support and Managed Services.

	Unaudited H1 2011 £'000	Unaudited H1 2010 £'000	Audited Year 2010 £'000
Sources of revenue			
Product revenue			
Total product revenue	**963,289**	907,078	1,888,362
Services revenue			
Professional services	**99,427**	90,313	192,448
Support and managed services	**302,537**	291,389	595,685
Total services revenue	**401,964**	381,702	788,133
Total revenue	**1,365,253**	1,288,780	2,676,495

5 Seasonality of operations

Historically revenues have been higher in the second half of the year than in the first six months. This is principally driven by customer buying behaviour in the markets in which we operate. Typically this leads to a more pronounced effect on operating profit. In addition the effect is compounded further by the tendency for the holiday entitlements of our employees to accrue during the first half of the year and to be utilised in the second half.

6 Income tax

The charge based on the profit for the period comprises:

	Unaudited H1 2011 £'000	Unaudited H1 2010 £'000	Audited Year 2010 £'000
UK corporation tax	**6,163**	6,082	12,917
Foreign tax	**1,217**	316	3,306
Adjustments in respect of prior periods	**–**	–	(1,682)
Deferred tax	**(1,030)**	(1,190)	537
	6,350	5,208	15,078

In his budget of 23 March 2011, the Chancellor of the Exchequer announced that the main rate of corporation tax will be reduced by 2% to 26% with effect from 1 April 2011. As this change has been substantively enacted, and in accordance with accounting standards, the change has been reflected in the Group's interim financial statements as at 30 June 2011. The Chancellor also confirmed that the previously proposed reductions of 1% per year will be maintained resulting in the main corporation tax rate reducing to 23% by 2014.

7 Earnings per ordinary share

Earnings per share (EPS) amounts are calculated by dividing profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year (excluding own shares held).

Diluted earnings per share amounts are calculated by dividing profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year (excluding own shares held) adjusted for the effect of dilutive options.

Adjusted basic and adjusted diluted EPS are presented to provide more comparable and representative information. Accordingly the adjusted basic and adjusted diluted EPS figures exclude the amortisation of acquired intangibles and exceptional items.

	Unaudited H1 2011 £'000	Unaudited H1 2010 £'000	Audited Year 2010 £'000
Profit attributable to equity holders of the parent	19,845	15,768	50,321
Amortisation of acquired intangibles attributable to equity holders of the parent	368	299	655
Tax on amortisation of acquired intangibles	(103)	(84)	(187)
Adjusted profit after tax	**20,110**	**15,983**	**50,789**
	No '000	No '000	No '000
Basic weighted average number of shares (excluding own shares held)	148,778	147,563	147,752
Effect of dilution: Share options	6,916	6,256	6,370
Diluted weighted average number of shares	**155,694**	**153,819**	**154,122**

	H1 2011 pence	H1 2010 pence	Year 2010 pence
Basic earnings per share	13.3	10.7	34.1
Diluted earnings per share	12.7	10.3	32.6
Adjusted basic earnings per share	13.5	10.8	34.4
Adjusted diluted earnings per share	12.9	10.4	33.0

8 Dividends paid and proposed

A final dividend for 2010 of 9.7p per ordinary share was paid on 10 June 2011. An interim dividend in respect of 2011 of 4.5p per ordinary share, amounting to a total dividend of £6,925,000 was declared by the Directors at their meeting on 26 August 2011. This interim report does not reflect this dividend payable.

9 Business combinations

9 a) Subsidiaries

Top Info SAS ('Top Info')

On 1 April 2011 the Group acquired 100 per cent of the voting shares of Top Info SAS for an initial consideration of €37.7 million and a deferred consideration of €1.0 million dependant on future performance on a debt free basis. The net book value of the assets acquired included €18.7 million of net cash and short-term deposits. The costs of acquisition amounted to €248,000 and are included in the income statement. Top Info SAS is based in France and is an information technology reseller of hardware, software and services. The acquisition has been accounted for using the purchase method of accounting. The 2011 consolidated financial statements include the results of Top Info for the period from the acquisition date.

The book and provisional fair values of the net assets at date of acquisition were as follows:

	2011 Book value £'000	2011 Provisional fair value to Group £'000
Intangible assets		
Comprising:		
Existing customer relationships	–	5,019
Total intangible assets	–	5,019
Property, plant and equipment	125	125
Inventories	1,203	3,125
Trade and other receivables	22,146	19,564
Prepayments	324	324
Cash and short-term deposits	16,511	16,511
Trade and other payables	(18,031)	(18,044)
Deferred income	(328)	(328)
Deferred tax liability	–	(1,706)
Net assets	21,950	24,590
Goodwill arising on acquisition		9,610
		34,200
Discharged by:		
Cash paid		33,317
Deferred consideration		883
		34,200
Cash and cash equivalents acquired		
Cash and short-term deposits		(16,511)
Cash outflow on acquisition		17,689

From the date of acquisition to 30 June 2011, Top Info contributed £32,528,547 to the Group's revenue and £669,152 to the Group's profit after tax.

The provisional fair values include adjustments to the book values to recognise differences in accounting policies between Top Info and the Group principally relating to revenue recognition, the principal effect of which is a reclassification from trade receivables to inventory.

Included in the £9,610,000 of goodwill that arose on acquisition are certain intangible assets that cannot be individually separated and reliably measured from the acquiree due to their nature. These items include the expected value of synergies and an assembled workforce.

HSD Consult GmbH ('HSD')
On 11 April 2011 the Group acquired 100 per cent of the voting shares of HSD Consult GmbH for an initial consideration of €4.9 million and a contingent consideration of €0.5 million dependant on the level of acquired skills retained at the end of 2011. HSD is based in Germany and is an Apple Integrator. The acquisition has been accounted for using the purchase method of accounting. The 2011 consolidated financial statements include the results of HSD for the period from the acquisition date.

The book and fair values of the net assets at date of acquisition were as follows:

	2011 book value £'000	2011 Provisional fair value to Group £'000
Intangible assets		
Comprising:		
Existing customer relationships	36	402
Other intangibles	46	46
Total intangible assets	82	448
Property, plant and equipment	146	146
Inventories	940	940
Trade and other receivables	2,140	2,140
Cash at bank	190	190
Trade and other payables	(2,326)	(2,326)
Provisions and accruals	(400)	(400)
Deferred tax liabilities	–	(110)
Net assets	772	1,028
Goodwill arising on acquisition		3,738
		4,766
Discharged by:		
Cash paid		4,325
Deferred consideration		441
		4,766
Cash and cash equivalents acquired		
Cash and short-term deposits		(190)
Cash outflow on acquisition		4,576

From the date of acquisition to 30 June 2011, HSD contributed £3,987,183 to the Group's revenue and £12,540 to the Group's profit after tax.

There were no differences between the provisional fair values and the book values at acquisition other than the recognition of intangible assets at acquisition and the related deferred tax liabilities.

Included in the £3,738,000 of goodwill that arose on acquisition are certain intangible assets that cannot be individually separated and reliably measured from the acquiree due to their nature. These items include the expected value of synergies and an assembled workforce.

If the acquisition of Top Info and HSD had taken place at the beginning of 2011, Group revenues for the period ended 30 June 2011 would have been £1,401,998,000 and profit after tax would have been £20,426,000. In the period prior to acquisition in 2011, Top Info and HSD reported profits of £568,576 and £10,555 respectively.

9 b) Associates

	Unaudited H1 2011 £'000	Unaudited H1 2010 £'000	Audited Year 2010 £'000
Share of net assets			
Opening balance	**57**	57	57
Share of associates' losses	**(48)**	–	–
Acquisition	**500**	–	–
Exchange rate adjustment	**2**	(5)	–
Closing balance	**511**	52	57
Impairment			
Opening balance	**(10)**	–	–
Charged during the period	**–**	–	(10)
Closing balance	**(10)**	–	(10)
Carrying value	**501**	52	47

ICS Solutions Limited ('ICS')
On 1 April 2011 the Group acquired a 25 per cent interest in ICS Solutions Limited for a cash consideration of £500,000. The acquisition will allow the Group to pursue wider opportunities in the deployment of its Microsoft Collaboration service and solution offerings. The reporting date of ICS is 30 June.

10 Adjusted management cash flow statement

The adjusted management cash flow has been provided to explain how management view the cash performance of the business. There are two primary differences to this presentation compared to the statutory cash flow statement, as follows:

1) Factor financing and current asset investment, where cash is placed on deposit but is not available on demand, is not included within the statutory definition of cash and cash equivalents, but operationally is managed within the total net funds/borrowings of the businesses; and

2) Items relating to customer-specific financing ('CSF') are adjusted for as follows:

   a. Interest paid on CSF is reclassified from interest paid to adjusted operating profit; and
   b. Where customer-specific assets are financed by finance leases and the liabilities are matched by future amounts receivable under customer operating lease rentals, the depreciation of leased assets and the repayment of the capital element of finance leases are offset within net working capital; and
   c. Where assets are financed by loans and the liabilities are matched by amounts receivable under customer operating lease rentals, the movement on loans within financing activities is also offset within working capital.

	Unaudited H1 2011 £'000	Unaudited H1 2010 £'000	Audited Year 2010 £'000
Adjusted profit before tax	**26,564**	21,275	66,053
Net finance income	**(934)**	(634)	(1,626)
Depreciation and amortisation	**8,746**	8,817	19,506
Share-based payments	**1,301**	1,320	2,620
Working capital movements	**(5,213)**	13,188	21,358
Other adjustments	**(45)**	9	293
Adjusted operating cash inflow	**30,419**	43,975	108,204
Net interest received	**512**	507	1,204
Income taxes paid	**(5,809)**	(4,568)	(11,281)
Capital expenditure and investments	**(20,360)**	(16,069)	(25,258)
Acquisitions	**(22,765)**	–	–
Equity dividends paid	**(14,460)**	(11,811)	(16,984)
Cash (outflow)/inflow before financing	**(32,463)**	12,034	55,885
Proceeds from issue of shares	**20**	284	822
Purchase of own shares	**(3,606)**	(2,052)	(2,501)
(Decrease)/increase in net funds excluding CSF in the period	**(36,049)**	**10,266**	**54,206**
(Decrease)/increase in net funds excluding CSF	**(36,049)**	10,266	54,206
Effect of exchange rates on cash and cash equivalents	**938**	(1,089)	(1,170)
Net funds excluding CSF at beginning of period	**139,439**	86,403	86,403
Net funds excluding CSF at end of period	**104,328**	**95,580**	**139,439**

11 Analysis of net funds

	Unaudited H1 2011 £'000	Unaudited H1 2010 £'000	Audited Year 2010 £'000
Cash and short-term deposits	**120,057**	129,571	159,269
Bank overdraft	**(40,729)**	(1,459)	(3,336)
Cash and cash equivalents	**79,328**	128,112	155,933
Current asset investment	**25,000**	–	–
Other loans non-CSF	**–**	(1,442)	–
Factor financing	**–**	(31,090)	(16,494)
Net funds excluding CSF	**104,328**	95,580	139,439
Finance leases	**(21,813)**	(32,759)	(24,894)
Other loans	**(1,650)**	(5,725)	(3,532)
Total CSF	**(23,463)**	(38,484)	(28,426)
Net funds	**80,865**	57,096	111,013

Net funds excluding CSF is also stated inclusive of current asset investments. Current asset investments consists of a deposit held for a term of greater than 3 months from the date of deposit which is available to the Group with 30 days notice. The fair value of the current asset investment as at 30 June 2011 is not materially different to the carrying value.

12 Post balance sheet events

On 21 July 2011 the Group announced that it had acquired a majority stake in the Swiss IT services provider, Damax AG. The Group acquired the majority stake in Damax which will enable the Group to strengthen its long-term relationships with customers present in Switzerland. The Group acquired 80% of the equity, and in addition, in excess of CHF 2 million net cash on the balance sheet for a debt free cash consideration of CHF 7.2 million. The Group will purchase the remaining 20% stake of the equity by mid 2015 for a cash consideration of up to CHF 3.2 million subject to the achievement of agreed performance criteria over the next 3 ½ years. At the reporting date, the provisional fair values to the Group of the assets and liabilities purchased have not been fully assessed.

13 Publication of non-statutory accounts

The financial information contained in the interim statement does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. The auditors have issued an unqualified opinion on the Group's statutory financial statements under International Accounting Standards for the year ended 31 December 2010 and did not include a statement under section 498(2) or (3) of the Companies Act 2006. Those accounts have been delivered to the Registrar of Companies.

Corporate information

Board of Directors
Greg Lock (Non-Executive Chairman)
Mike Norris (Chief Executive)
Tony Conophy (Finance Director)
Brian McBride (Senior Independent Director)
Philip Hulme (Non-Executive Director)
Ian Lewis (Non-Executive Director)
Peter Ogden (Non-Executive Director)
John Ormerod (Non-Executive Director)

Company Secretary
Stephen Benadé

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