

# Interim Results 2003



**2<sup>nd</sup> September, 2003**

***Computacenter***  
Where vision meets know-how

# Financial Highlights

- Profit before tax up 31.2% to £32.0 million
  - ◆ Profit contribution of £3.2 million from CC CompuNet
- Turnover up 28.7% to £1.25 billion
  - ◆ Adjusted for acquisitions, turnover down 6.5%
- Eps (diluted) up 35% to 11.6p
- Net cash at period end of £24.4 million
- Inaugural interim dividend of 2.0p

# Operational Highlights

- Strong performance in the UK
  - ◆ Subdued product resale market, offset by continued progress in both Managed and Professional Services
  - ◆ Tight control of cost base
- German integration programme proceeding well
  - ◆ Significant involvement from UK team
  - ◆ Focus on reorganisation, simplification and best-practice transfer
- Disappointing performance by CC France
  - ◆ Weak markets and excessive costs led to operating loss of £1.7 million
  - ◆ Rectification programme underway

# Future Prospects

- Continued weakness in core product markets around Europe ... but
  - ◆ Strong services pipeline in UK
  - ◆ Large-scale Microsoft XP rollouts beginning to gather momentum
  - ◆ Progress with German integration
  - ◆ Turnaround activities in France beginning to have impact
- Absent any change in market conditions, strong H1 performance should be sustainable through rest of year

# Financial Review

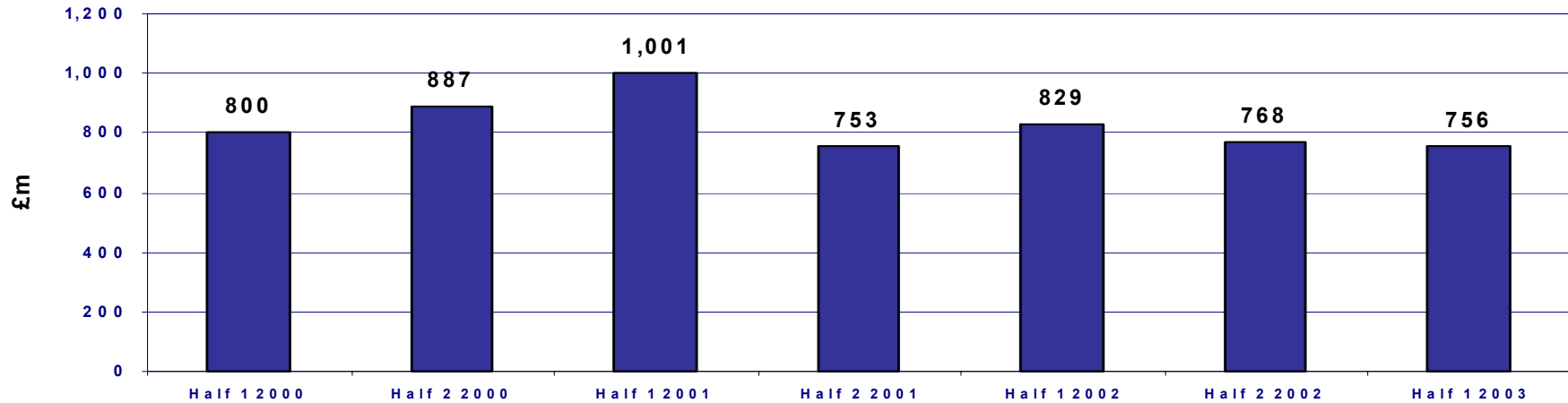
Tony Conophy

# Computacenter PLC - P&L

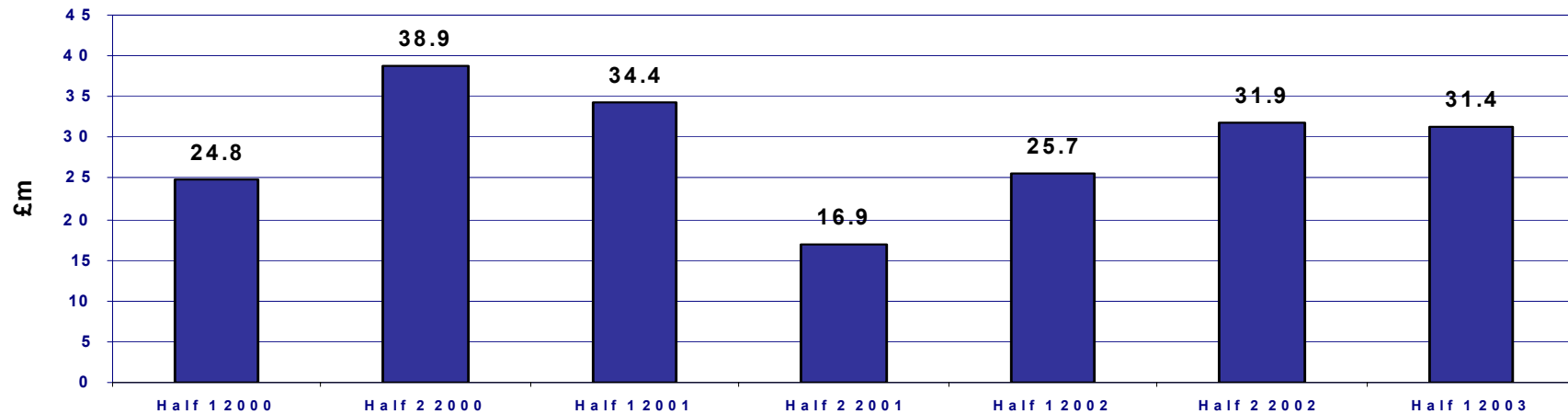
	Existing	Acqns	H1 2003	H1 2002	Growth H1 03 / H1 02	Growth H1 03 / H1 02
	£m	£m	TOTAL £m	£m	Incl Acqns %	Excl Acqns %
Revenues	911.3	343.4	1,254.7	975.0	28.7%	-6.5%
Contribution	116.6 12.8%	49.7 14.5%	166.3 13.3%	111.6 11.4%	49.0%	4.5%
SG&A	87.1 9.6%	46.8 13.6%	133.9 10.7%	86.2 8.8%	55.3%	1.0%
Operating Profit	29.5 3.2%	2.9 0.9%	32.5 2.6%	25.4 2.6%	27.8%	16.2%
Profit before tax	29.2 3.2%	2.8 0.8%	32.0 2.6%	24.4 2.5%	31.2%	19.8%
Profit after tax			21.6 1.7%	16.2 1.7%	33.3%	
Effective tax rate			32.5%	33.6%	-3.2%	
EPS Diluted			11.6p	8.6p	34.9%	

# UK Revenue & Operating Profit

## UK Revenue



## UK Operating Profit



# Computacenter UK - P&L

	H1 2003	H2 2002	H1 2002	Growth H103/H202	Growth H103/H102
	£m	£m	£m	%	%
Revenues	755.8	768.4	828.9	-1.6%	-8.8%
Contribution	98.8 13.1%	101.2 13.2%	95.6 11.5%	-2.4%	3.4%
SG&A	67.4 8.9%	69.2*** 9.0%	69.9 8.4%	-2.7%	-3.6%
Operating Profit	31.4 4.2%	32.0 4.2%	25.7 3.1%	-1.7%	22.5%
Headcount (excl RDC) *:					
Direct	2,906	2,955	3,016	-1.7%	-3.6%
Indirect	1,576	1,622	1,616	-2.8%	-2.5%

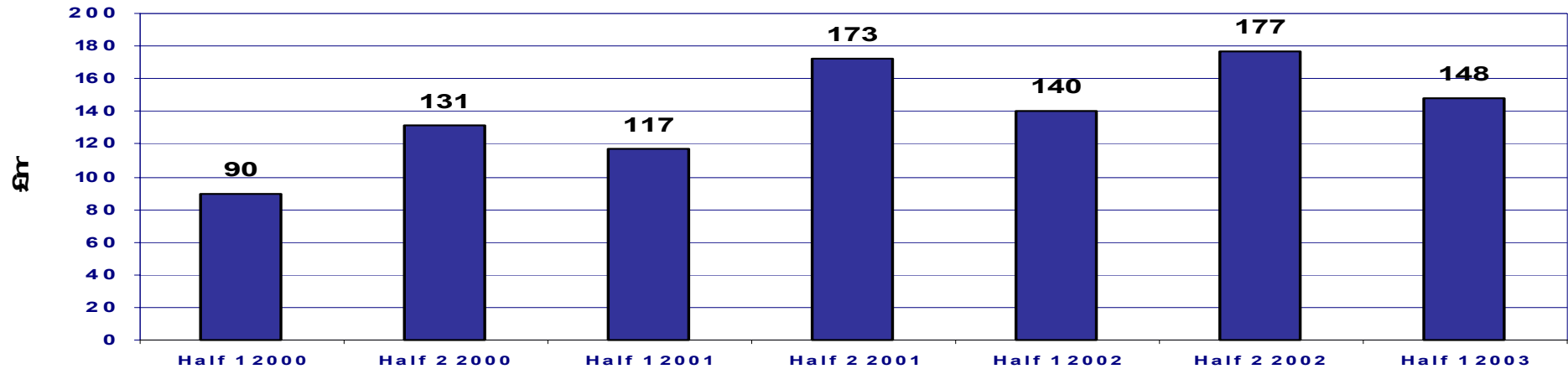
(\* period end headcount)

\*\*\* Includes £1.8m investment write off

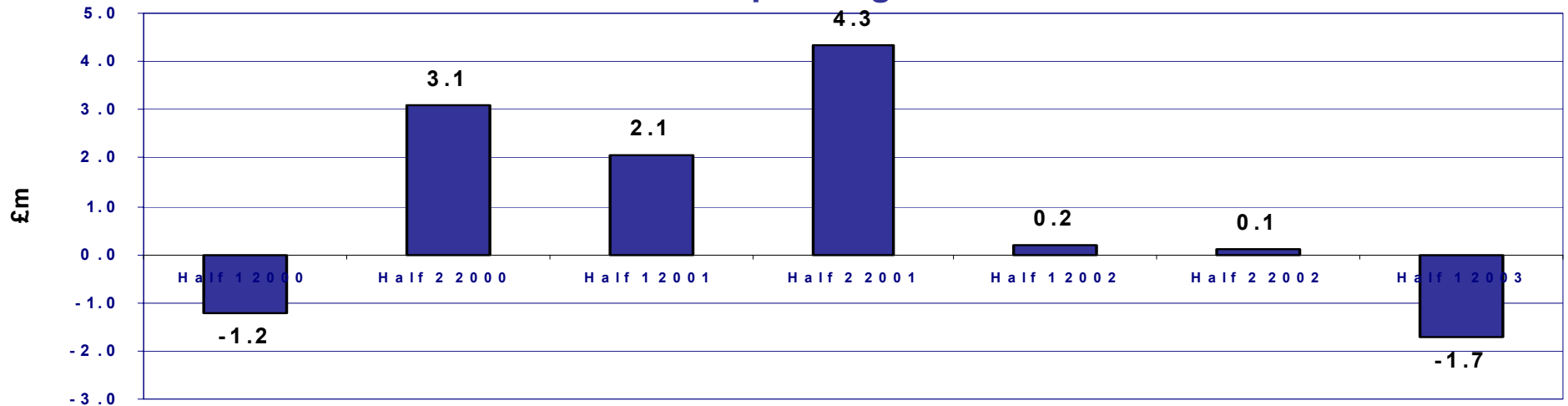


# France Revenue & Operating Profit

## France Revenue



## France Operating Profit



# Computacenter France - P&L

	H1 2003	H1 2002	Growth H1 03 / H1 02
	£m	£m	%
<b>Revenues</b>	<b>148.1</b>	<b>140.1</b>	<b>5.7%</b>
<b>Contribution</b>	<b>17.0</b> <i>11.5%</i>	<b>15.5</b> <i>11.1%</i>	<b>9.7%</b>
<b>SG&amp;A</b>	<b>20.8</b> <i>14.0%</i>	<b>16.9</b> <i>12.1%</i>	<b>23.1%</b>
<b>Operating Profit</b>	<b>(3.8)</b> <i>-2.6%</i>	<b>(1.4)</b> <i>-1.0%</i>	<b>171.4%</b>
<b>Goodwill release</b>	<b>2.1</b>	<b>1.6</b>	<b>31.3%</b>
<b>Operating Profit (post goodwill)</b>	<b>(1.7)</b> <i>-1.1%</i>	<b>0.2</b> <i>0.1%</i>	<b>-950.0%</b>
<b>Headcount *:</b>			
<b>Direct</b>	<b>721</b>	<b>755</b>	<b>-4.5%</b>
<b>Indirect</b>	<b>580</b>	<b>579</b>	<b>0.2%</b>
(* period end headcount)			

# Total Acquisitions – P&L

	CC CompuNet	CC Austria	Total Acquisitions
	£m	£m	£m
Revenues	316.0	27.4	343.4
Contribution	46.4 14.7%	3.2 11.9%	49.7 14.5%
SG&A	43.2 13.7%	3.6 13.0%	46.8 13.6%
Operating Profit	3.2 1.0%	(0.3) -1.1%	2.9 0.9%
Headcount *:			
• Direct	2,564	115	2,679
• Indirect	1,025	96	1,122
(* period end headcount)			

# CC CompuNet – Goodwill

•Net Assets at Date of Acquisition	•Book Value	•Adjs / Reval'ns	•Fair Value to •Group
	•£m	•£m	•£m
•Tangible fixed assets	•15.8	•(5.5)	•10.3
•Current Assets	•138.0	•(1.2)	•136.8
•Current Liabilities	•(132.7)	•-	•(132.7)
•Provisions	•-	•(11.7)	•(11.7)
•Net assets	•21.2	•(18.4)	•2.7
<b>•Net Consideration</b>			<b>•Fair Value to •Group</b>
			•£m
•Initial Consideration			•37.1
•Net Asset Adjustment according to SPA			•(34.4)
•Net Consideration			•2.7
•Goodwill on Acquisition			•0.0

# Computacenter Belux – P&L

	H1 2003	H1 2002	Growth H1 03 / H1 02
	£m	£m	%
<b>Revenues</b>	<b>7.4</b>	<b>6.0</b>	<b>23.3%</b>
<b>Contribution</b>	<b>0.8</b> <i>10.8%</i>	<b>0.5</b> <i>7.6%</i>	<b>76.2%</b>
<b>SG&amp;A</b>	<b>1.0</b> <i>13.7%</i>	<b>1.0</b> <i>15.6%</i>	<b>6.6%</b>
<b>Operating Profit</b>	<b>(0.2)</b> <i>-2.9%</i>	<b>(0.5)</b> <i>-8.0%</i>	<b>-55.1%</b>
<b>Headcount *:</b>			
<b>Direct</b>	<b>75</b>	<b>76</b>	<b>-1.3%</b>
<b>Indirect</b>	<b>18</b>	<b>20</b>	<b>-10.0%</b>
(* period end headcount)			

# Computacenter PLC - Operating Cash Flow

	H1 2003	H1 2002	Growth H1 03 / H1 02
£m	£m	£m	%
Operating Profit	32.5	25.4	28.1%
Depreciation/impairment	12.0	8.7	38.0%
Amortisation of goodwill	(2.0)	(1.4)	42.0%
Loss on Disposal of Fixed Assets	(1.1)	0.0	0.0%
Debtors	(28.9)	18.3	-258.1%
Stocks	13.2	(6.9)	-291.0%
Creditors	(16.0)	(20.2)	-20.8%
Currency and Other Adjustments	0.9	1.1	-19.4%
<b>Operating Cash Flow</b>	<b>10.6</b>	<b>25.0</b>	<b>-57.8%</b>

# Computacenter PLC - Summary Cash Flow

	H1 2003	H1 2002	Growth H1 03 / H1 02
£m	£m	£m	%
Operating Activities	10.6	25.0	-57.8%
Servicing of finance	(0.6)	(0.7)	-13.1%
Taxation	(10.3)	(5.6)	83.1%
Capex & Financial Investment	(10.9)	(8.2)	32.5%
Acquisitions/disposals	(37.8)	7.6	-597.6%
Dividends paid	(10.7)	(5.3)	102.5%
	(59.7)	12.8	-566.6%
Issue of shares	0.9	0.3	213.3%
Net Repayment of Capital Element of Finance Leases	(0.2)	0.0	0.0%
<b>Net cash flow</b>	<b>(59.0)</b>	<b>13.1</b>	<b>-550.6%</b>
Opening Net Cash	83.4	53.3	
Closing Net Cash	24.4	66.4	

# Computacenter PLC - Balance Sheet

	Jun 2003	Jun 2002	Growth H1 03 / H1 02	Dec 2002 *
	£m	£m	%	£m
<b>Fixed Assets</b>	<b>121.3</b>	<b>117.8</b>	<b>2.9%</b>	<b>119.0</b>
<b>Current assets:</b>				
Stocks	117.6	102.2	15.0%	130.2
Debtors	422.7	277.6	52.3%	392.3
Cash	65.8	118.0	-44.2%	92.5
<b>Total Current assets</b>	<b>606.1</b>	<b>497.8</b>	<b>21.8%</b>	<b>615.0</b>
<b>Current liabilities:</b>				
Trade creditors	(183.0)	(156.4)	17.0%	(237.5)
Other	(246.3)	(206.8)	19.1%	(225.1)
<b>Total Current liabilities</b>	<b>(429.3)</b>	<b>(363.2)</b>	<b>18.2%</b>	<b>(462.6)</b>
<b>Net current assets</b>	<b>176.8</b>	<b>134.6</b>	<b>31.3%</b>	<b>152.4</b>
Creditors (>1yr)	(0.3)	(0.9)	-61.7%	(10.2)
Provisions (incl JV)	(29.2)	(11.9)	144.2%	(11.7)
<b>Total net assets</b>	<b>268.6</b>	<b>239.7</b>	<b>12.1%</b>	<b>249.5</b>



# Computacenter PLC - Key Ratios

	June 2003	June 2002	Dec 2002 *
Stock (days)	26.0	21.0	24.0
Debtor (days)	43.0	44.0	40.0
Creditor (days)	30.0	33.0	32.0
Working Capital (days)	39.0	32.0	32.0

\*This has been restated to include the effect of acquired businesses

# Operational Review

Mike Norris

# The Positives

- Improvements in all the following areas:
  - ◆ Services revenue growth
  - ◆ Services margins up
  - ◆ Product margins up
  - ◆ Reductions in cost base
  - ◆ Modest contribution from Germany
- Significant contract wins

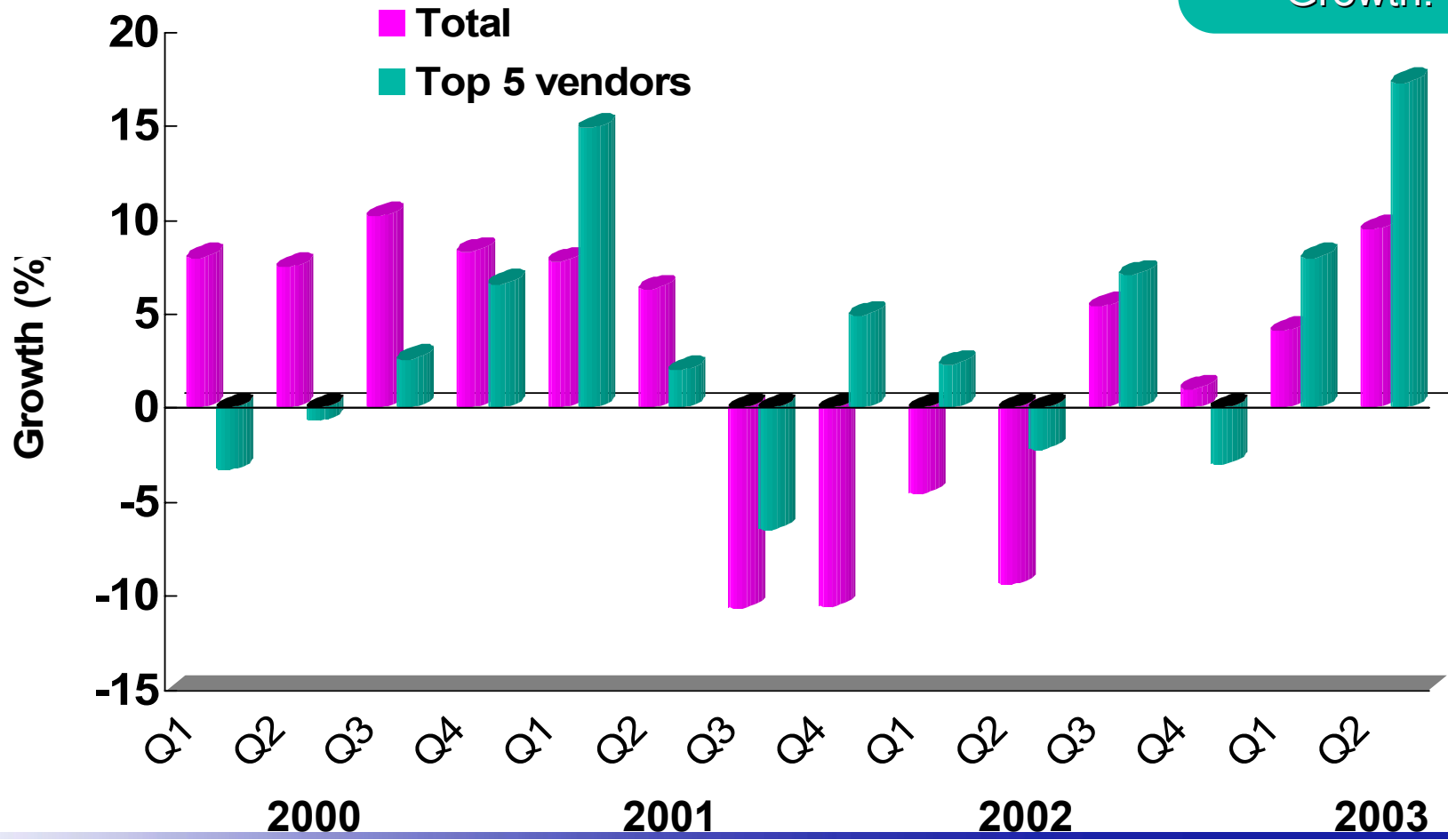
# The Negatives

- Product sales decline
  - ◆ IT capital expenditure remains weak in corporate clients
  - ◆ Substantial product price decline
- CC France remains challenging

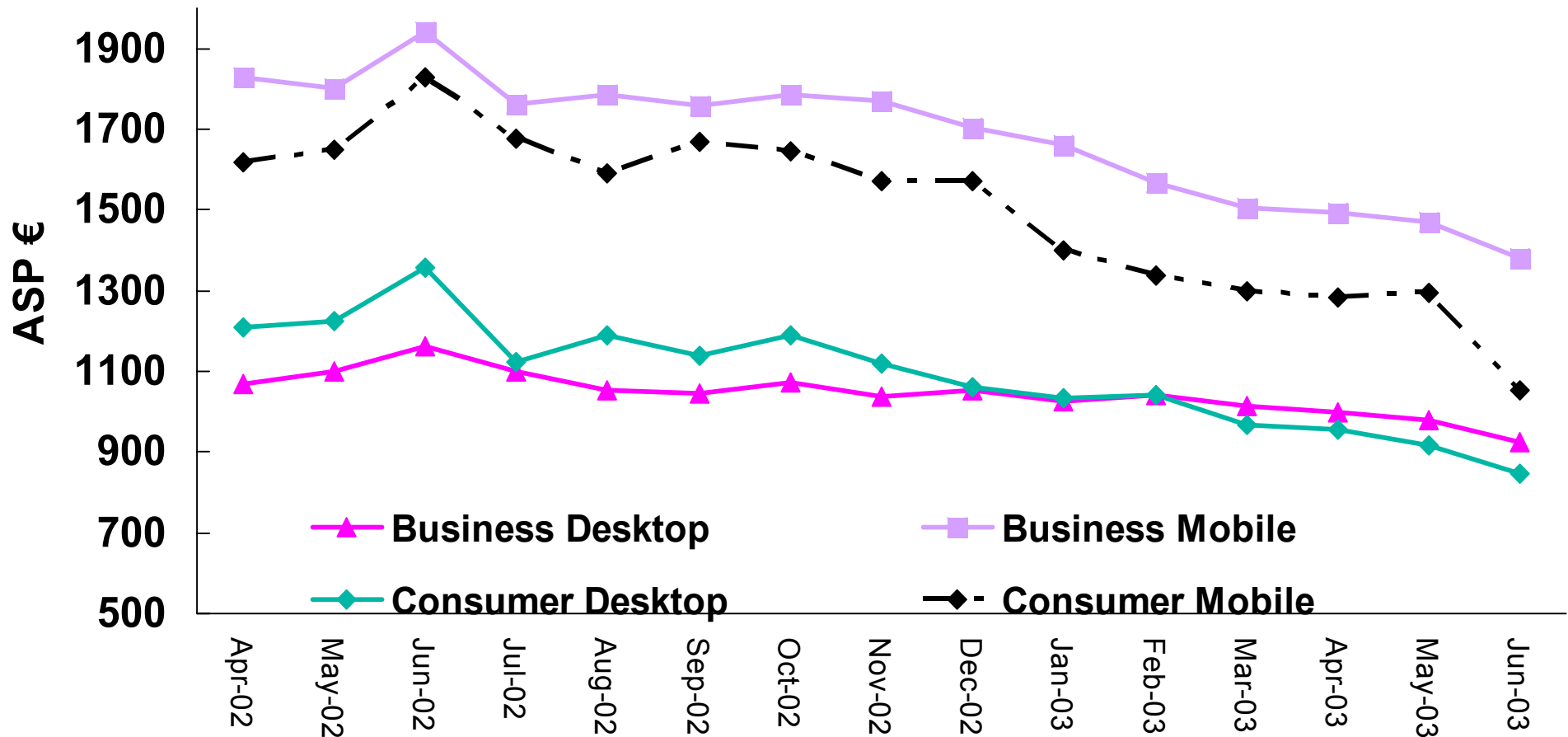
# Volume Growth

## Personal computers

W. Europe  
Q203: 6.93m units  
Q202: 6.32m units  
Growth: 9.5%



# Significant ASP Drop

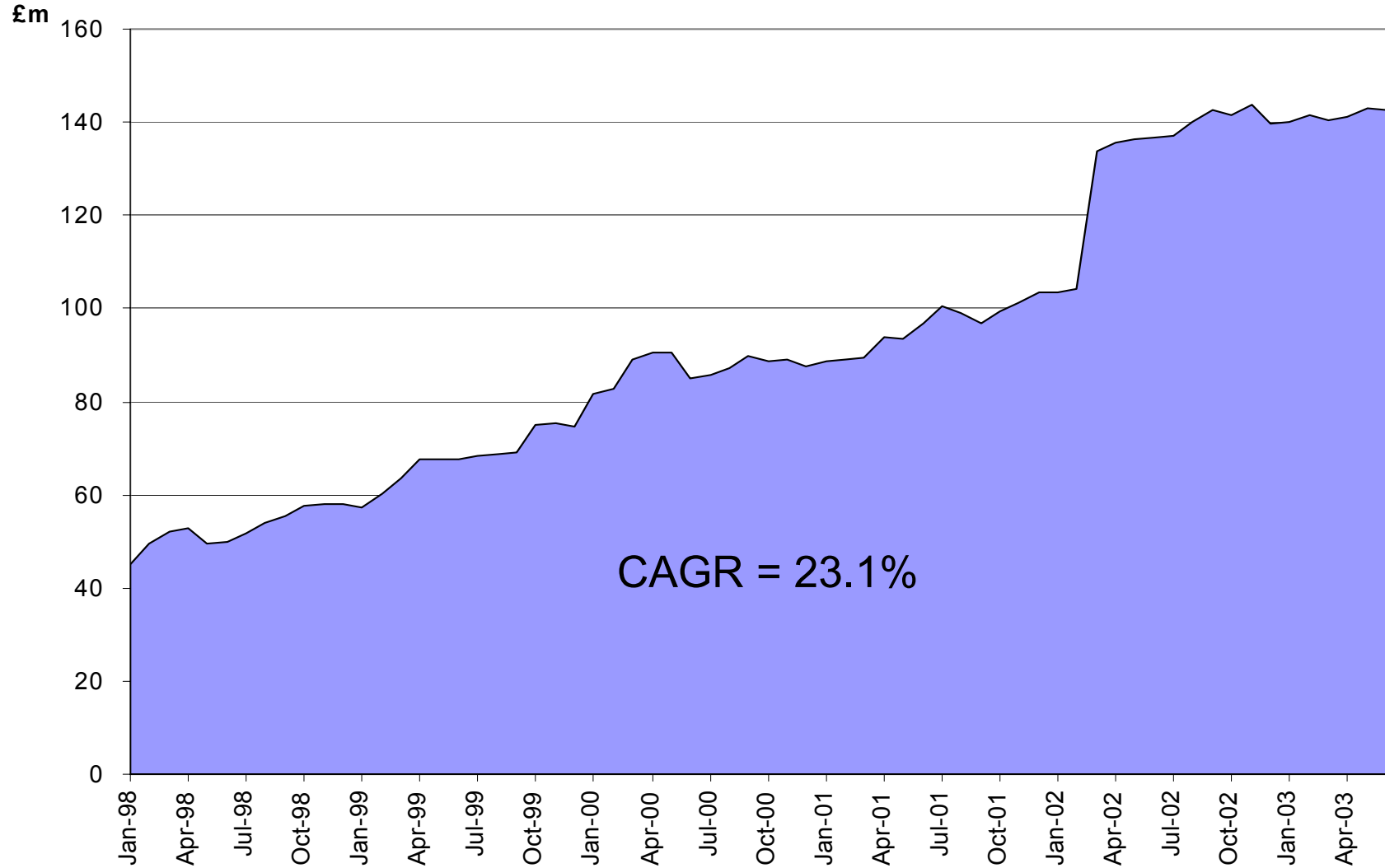


# UK Sector Revenue Split

	% <u>H1 2002</u>	% <u>H1 2003</u>
Government	33.3	29.7
Financial Services	16.7	13.3
Telco	13.1	16.3
Commercial	11.9	11.3
Scotland	9.1	9.5
Trade Distribution	15.2	19.2
Other*	0.7	0.7

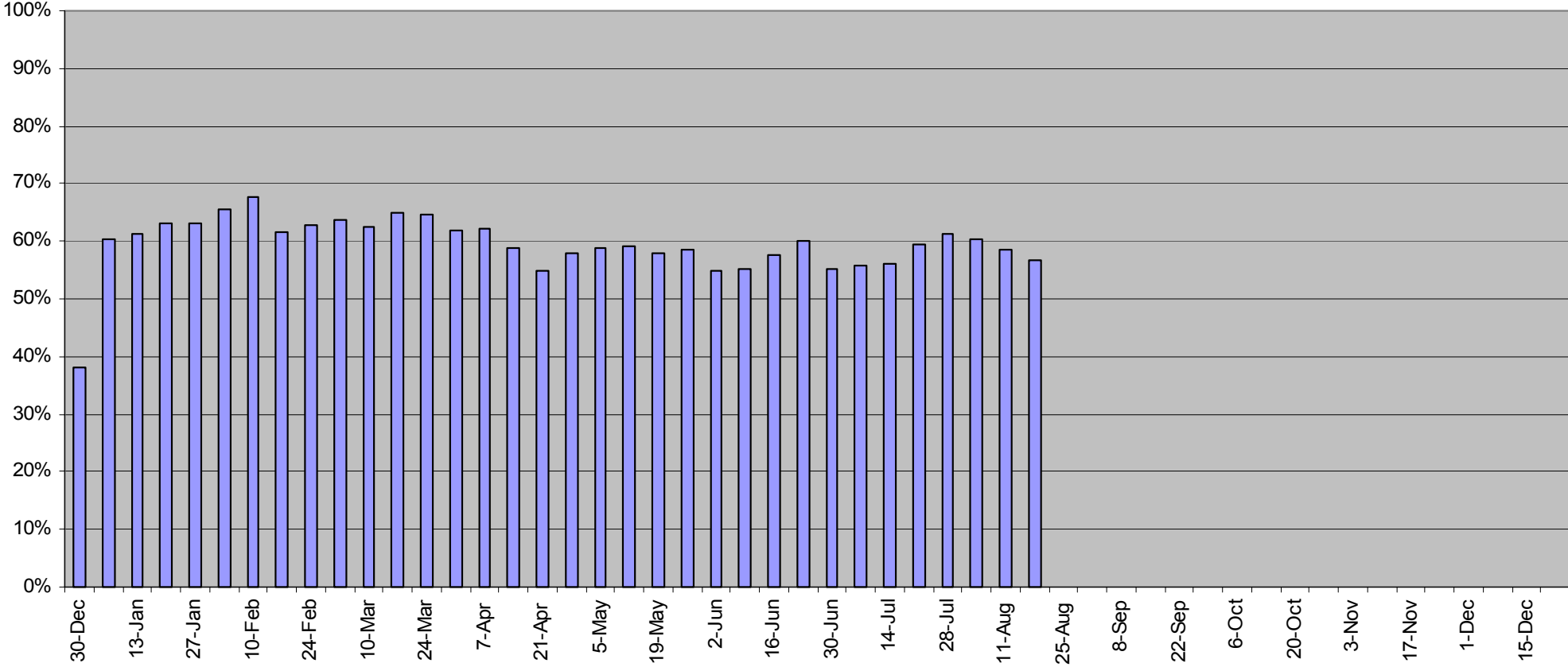
\*Other from divisions not categorised by sector, including training

# UK Contract Base - Total Value

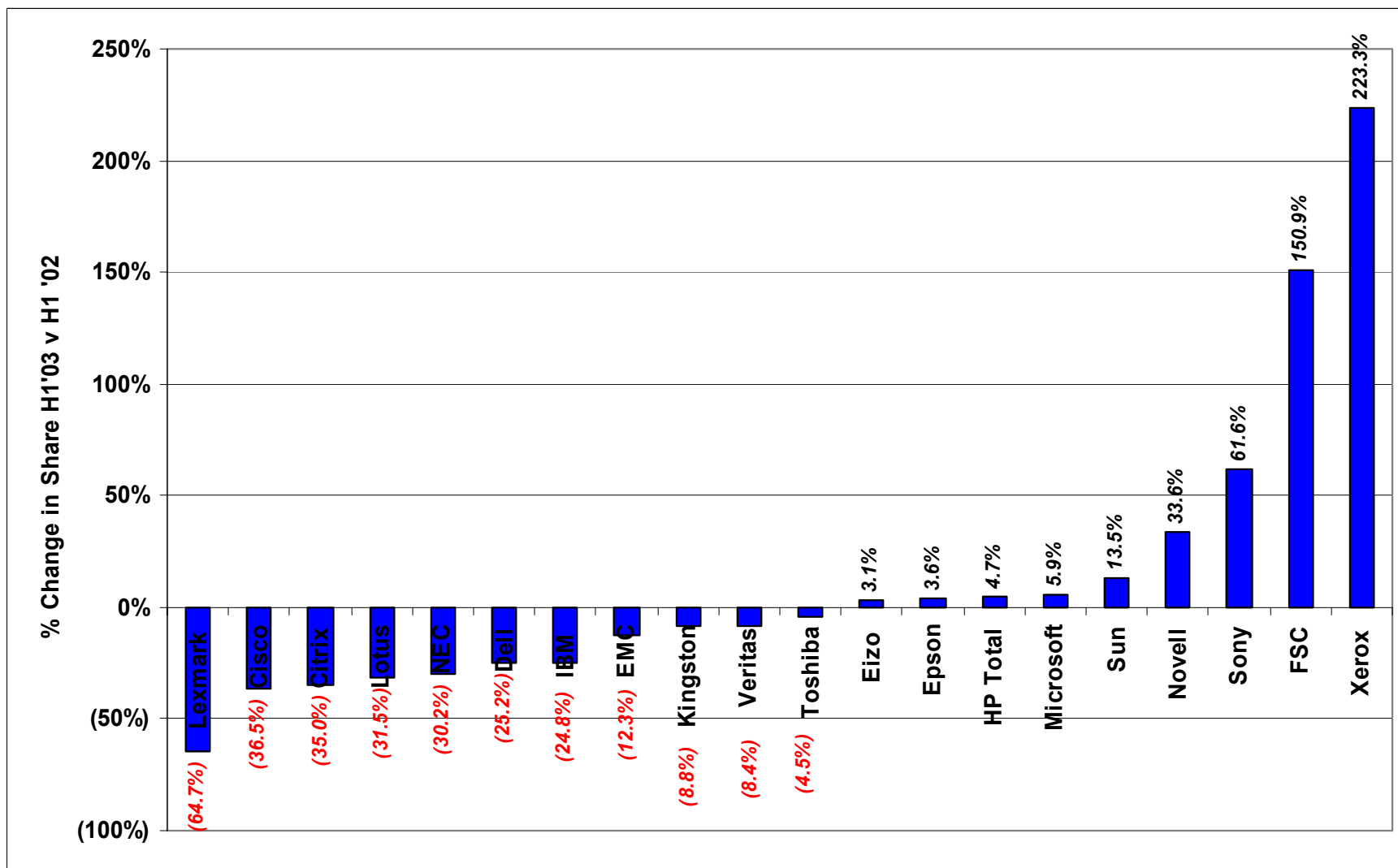




# UK Professional Services



# Vendors Share of CC UK



# Computacenter Germany (CC CompuNet)

- Tightly managed improvement plan on track to deliver long term results
- New organisational structure akin to the UK structure implemented
- New pay plan scheduled to go live 01.01.04
- Major focus on services productivity
- Positive growth in networking
- Good high end enterprise margin development
- PC volumes disappointing
- Services account for 32% of revenue

# Computacenter France

- Over optimistic revenue forecast for 2003
- Small decline in revenue over 2002 in local currency
- Overhead reduction programme in place
- Clearer focus on improvement to utilisation in Professional Services
- Significant up front investment in the Managed Services area
- German acquisition has enabled some management reorganisation along European lines
- Investment in management information systems required
- New customer acquisition remains positive

# Other Countries

- Good progress made in Belgium and Luxembourg which look set to continue in the second half of the year
- Disappointing start in Austria which operates independently to our German operation

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