



## Half Year Pre-Close Update

July 17, 2012

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Computacenter PLC

17 July 2012

Computacenter plc

Trading Update

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Computacenter plc ("Computacenter" or the "Group"), the independent provider of IT infrastructure services and solutions is today providing an update on trading based on unaudited financial information for the six months ended 30 June 2012, in advance of the announcement of its interim results on Friday, 31 August 2012.

Group

Group revenue for the first half increased by 4% on a reported basis and 8% in constant currency. These growth rates include acquisitions made during 2011, for which the impact was minimal.

Group Services revenue increased by 12% on a reported basis and 15% in constant currency. Group Supply Chain revenue grew by 1% over this period on a reported basis and 4% in constant currency. Focussing on the second quarter, we saw an increase in our Group Service revenue of 16% in constant currency and a decline in Group Supply Chain revenue of 2% in constant currency.

As we stated in our trading update on 14 June 2012, while we have been pleased with the growth in our Services revenue, the increase in new business has come with significant additional start-up costs that will adversely impact profit in 2012. However, the Board believes that this incremental cost, which remains in line with our statement of 14 June 2012, will help secure Computacenter's long term growth potential and enhance the quality of earnings.

Cash Position

Net cash before customer specific financing (CSF) was £96.6 million, compared to £104.3 million on 30 June 2011. Net funds, including CSF was £79.3 million, compared to £80.9 million on 30 June 2011. During the last 12 months, we completed the acquisition of a majority stake in Damax and made significant capital investments, more specifically in equipping our new French warehousing facility, refurbishing our new property for our recycling business, RDC and expanding our Service Desk in Barcelona, at a total cost of approximately £7 million. We have additionally seen some increase in the working capital, resulting from general growth in our business.

UK

UK revenue grew by 5% in the first half of the year with Services revenue increasing by 14% and Supply Chain growing by 1%. In the second quarter, Services revenue was up 18% with Supply Chain up 8%. Services growth has accelerated, due to new contract start-ups progressing over the term. These new contracts have started successfully, both financially and from a customer service point of view and we are pleased with the progress of our Services business. Supply Chain margins are slightly weaker than a year ago, due to a particularly profitable one-off contract in 2011 and a change in sales mix, with a lower proportion of high-end servers sold during the period than the same period last year, in favour of lower margin PC roll-outs relating to Windows 7 projects.

**Germany**

German total revenue increased by 7% in constant currency during the first half, with 16% growth in Services and 4% growth in Supply Chain. In the second quarter, the Services revenue increased by 13%, whilst Supply Chain reduced by 10%. We have seen a significant slowdown in Supply Chain revenues as the year has progressed, although this has been exaggerated by very buoyant sales in the comparative period in 2011, leading us to believe that this rate of decline is unlikely to continue through the second half of 2012. While our Services growth has been strong, we have had significant start-up challenges, requiring us to deploy material additional resources to ensure successful implementation. We are confident that this is the right thing to do for the long term success of the Company.

France

As we have previously stated, France is having a busy 2012, completing the final integration of the acquisition of Top Info, which we concluded on 1 April 2011, implementing the relocation and consolidation of all of our offices and warehouse facilities in and around the Paris area, and preparing for the deployment of Group ERP in the first half of 2013. In addition, we believe that the uncertainty associated with the election and change of Government in the second quarter, has had a detrimental effect on business volumes from the Public Sector. Nevertheless, France grew revenues by 9% in constant currency in the first half of the year, with Services growing by an encouraging 17%. Supply Chain revenue grew by 8% and if the Top Info Supply Chain revenue for the full comparative period was included, the overall Supply Chain revenue would have declined by 7%. While the Services margin on our new business has been slightly below where we would like going forward, it has not replicated the challenges we have had in Germany. Our office moves and consolidations are now complete and we expect our warehousing and logistics facilities to complete their relocations by the end of the third quarter. These significant investments in capital and management time should provide a solid platform for future growth.

## Outlook

We are making good progress in addressing the challenges in Germany and strengthening our contract take-on processes across the whole Group, in order to ensure that we do not miss the opportunity for Computacenter to grow its Services revenue and market share. The Board believes, following completion of these actions, we will be well placed to continue responding to these opportunities.

Overall, the Group continues to trade in line with our expectations and the outlook for the full year to 31 December, remains consistent with our trading update on 14 June 2012.

We will be announcing our interim results for the six months to 30 June 2012 on Friday, 31 August 2012.

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Conference call

There will be a conference call for analysts and investors this morning at 9.30am

This information is provided by RNS  
The company news service from the London Stock Exchange

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