Interim Management Statement

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Computacenter plc

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'The outlook for the Group's trading result in 2013 remains in line with the Board's **expectations'**

23 October 2013

Computacenter plc ("Computacenter"), the independent provider of IT infrastructure services and solutions, today publishes its Interim Management Statement from 30 June 2013 to date. Figures below are based on unaudited financial information, for the third quarter.

Financial Performance

Overall revenue for the third quarter on an as reported basis increased by 11% to £730 million (2012: £657 million). In constant currency, growth was 8%. Revenue grew in the year-to-date by 4% to £2.16 billion (2012: £2.07 billion). On a constant currency basis, year-to-date revenue growth was 1%. Group Services revenue grew by 9% in the third quarter and by 6% in constant currency, bringing the year-to-date position to 7% and 4% respectively. Group Supply Chain revenue grew by 12% in the third quarter and 9% in constant currency, bringing the year-to-date position to a growth of 3% and flat respectively.

UK

The UK had strong growth in the quarter of 13% to £299 million (2012: £265 million) bringing the year-to-date revenue growth to 6%. The Company was particularly pleased with Services growth of 9% in the third quarter, bringing the year-to-date position to 7%. As previously communicated, second quarter growth was held back by a strong comparator, and the rebound of growth in the third quarter reflects this. Supply Chain growth of 16% in the third quarter was the best the Company has seen for some time, bringing the year-to-date position to 5%.

The UK business is clearly benefitting from a number of substantial Services contract wins over the last few years, not just from the contract revenue itself but from the projects, services and product pull-through the business is delivering.

The Company is also benefitting from customers' needs to upgrade their operating systems due to support coming to an end for soon to be obsolete versions. The resulting project work and new business take-on mean that the Company's Professional Services utilisation is currently at record highs.

Germany

German revenue in the third quarter increased 17% to £321 million (2012: £274 million) on an as reported basis, which represents 11% growth in constant currency. This brings the year-to-date position to an increase of 8% (constant currency growth of 3%).

Services revenue grew 10% in the third quarter (constant currency growth of 5%), bringing the year-to date position to a growth of 6% (constant currency 1%). The Services business (excluding the previously communicated three onerous contracts) is seeing some margin improvement as well as a promising pipeline, although Services growth in the first half of next year will be challenging, due to a contract which will reduce significantly in size at the start of the fourth quarter of 2013. With respect to the three onerous contracts, trading is in line with the provisions set out in the Interim Results in August 2013, and customer satisfaction continues to improve.

Supply Chain revenue in the quarter grew by 21% (constant currency growth of 15%), bringing the year-to-date position to a growth of 9% (constant currency growth of 3%). While the strong growth in the Supply Chain business is partially due to a disappointing performance a year ago, the Company is pleased with the performance.

The benefits of the Group operating model and the bedding down of local management changes are improving governance and optimism in the German business, whilst also streamlining the cost base.

France

In France, overall revenue performance in the third quarter declined by 9% and 13% in constant currency. This brings the year-to date revenue decline to 8% (constant currency 12%). Services growth in France in the third quarter was 1% (constant currency decline of 4%) bringing the year-to-date position to a growth of 3% (constant currency decline of 2%). Supply Chain revenue in the third quarter declined by 11% (constant currency decline of 15%).

A number of factors contributed to a disappointing quarter and year-to-date period in France. The market is certainly weaker than the Company's other major countries, and the Services business in France is not yet sufficiently well-developed to mitigate the risk from market downturns. Additionally, migration to the Group ERP system has been more problematic than it was in Germany or the UK and, as has been previously communicated, a major customer has reduced its spend due to a contract renewal cycle.

Improving performance in France is no easy task. However, our intention to implement the Group operating model by the end of the year and some local management changes represents a substantial step in the right direction.

Financial Position

At the end of the third quarter of this year, net cash excluding CSF was approximately £26 million, compared to £85 million at the end of the third quarter of 2012. However, when allowing for the £75 million cash return to shareholders earlier this year, the Company's cash position has improved by £16 million.

The Company continues to benefit from the extended credit scheme with a major vendor by approximately £35 million (End of September 2012: £31 million).

The Company is making ongoing capital investments within the business to help support its growth rates, particularly in Services. However, this cash position demonstrates the Company's ability to maintain its consistent track record of cash generation.

Group Outlook

As is the case every year, the fourth quarter is always the most important for the Company's annual financial performance. However, the Company enters the fourth quarter of 2013 with substantial momentum from its Supply Chain business and steady Services growth in the Company's two major markets. Therefore, the outlook for the Group's trading result in 2013 remains in line with the Board's expectations. The three onerous contracts are performing in line, but Group performance is being held back by France, which is likely to continue for some time.

Looking to 2014 and beyond, we are encouraged by our pipeline both within our existing customer base as well as new business opportunities, although we would expect this to have a greater positive impact in 2015. As a consequence, we expect growth, while still positive, to be a little quieter next year in Contractual Services, with 2014 profitability augmented by margin improvement, particularly in Germany. Substantial work is required in our French business as we build our portfolio of Services closer to what we deliver to customers in the UK and Germany.

Computacenter's next scheduled trading update will be the pre-close briefing, prior to the annual results, which is scheduled for 16 January 2014.

Enquiries

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APPENDIX

REVENUE GROWTH Q3 AND YTD

Change vs 2012	Q3 Change As Reported	Q3 Change Constant Currency	YTD Change As Reported	YTD Change Constant Currency
Supply Chain Revenue				
UK	16%	16%	5%	5%
Germany	21%	15%	9%	3%
France	-11%	-15%	-10%	-14%
Group	**12%**	**9%**	**3%**	**0%**
Services Revenue				
UK	9%	9%	7%	7%
Germany	10%	5%	6%	1%
France	1%	-4%	3%	-2%
Group	**9%**	**6%**	**7%**	**4%**
Total Revenue				
UK	13%	13%	6%	6%
Germany	17%	11%	8%	3%
France	-9%	-13%	-8%	-12%
Group	**11%**	**8%**	**4%**	**1%**

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