Final Results

March 15, 2005

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Preliminary Results Announcement

Computacenter plc, the European IT infrastructure services provider, today announces preliminary results for the twelve months ended 31 December 2004.

Financial Highlights:

* Group revenues broadly unchanged at #2.46 billion (2003: #2.48 billion)
* Profit before tax* up 3.2% to #67.3 million (2003: #65.2 million)
* Earnings per share* up 2.0% to 25.5p (2003: 25p)
* Diluted earnings per share* increased by 2.0% to 25.1p (2003: 24.6p)
* Final dividend of 5.2p per share, total dividend up 7.1% to 7.5p (2003: 7.0p)
* Strong operating cash flow and balance sheet with net funds of #80.0 million at year-end

*excluding non-operating exceptional charges of #2.6 million relating to the disposal of the Austrian business and the dilution of the Biomni shareholding.

Operational Highlights:

* Strong UK Managed Services revenue growth of 16.6% (2003: 10.9%)
* Integration of Computacenter Germany on plan; operating profit up to #9.0 million
* New management in place in France and Germany
* Substantial investment in France to restore profitability
* As previously announced, HP renegotiation likely to have #10 million adverse impact on 2005 profit

Ron Sandler, Chairman of Computacenter plc, commented:

"2004 was a year of further good progress for Computacenter. In particular, our Managed Services revenues in the UK grew by 16.6% and we began to see clear evidence of success in our efforts to transfer our Managed Services best practices to Computacenter Germany."

"We have intensified our focus on services growth and we are also seeking to extend our penetration of the small and medium-size business sector."

"These developments, taken together with the prospects of growth in our German operations and the potential for recovery in France, give me confidence that the Group is well positioned to deliver attractive levels of earnings growth in the years ahead."

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High resolution images are available for the media to view and download free of charge from www.vismedia.co.uk

Chairman's Statement

2004 was a year of further good progress for Computacenter. Whilst revenues for the Group were broadly unchanged at #2.46 billion (2003: #2.48 billion), this represents a considerable achievement in markets where core product prices continued to decline in the order of 12% - 15%. Profit before tax rose 3.2% to #67.3 million (2003: #65.2 million), excluding non-operating exceptional charges relating to the disposal of the Austrian business and the dilution of our interest in Biomni. Diluted earnings per share increased by 2.0% to 25.1p (2003: 24.6p). Including the exceptional charges, profit before tax was #64.6 million and diluted earnings per share was 23.7p. Cash generation from operations was extremely strong, and the Group ended the year with net funds of #80.0 million (2003: #49.9 million).

I am pleased to recommend a final dividend of 5.2p per share, bringing the total dividend for the year to 7.5p (2003: 7.0p), an increase of 7.1%. The final dividend will be paid on 31 May 2005 to shareholders on the register as at 6 May 2005.

There are many encouraging features of Computacenter's performance in 2004. In particular, our Managed Services revenues in the UK grew by 16.6% and we secured a number of significant new contracts, in addition to extending the scope of many existing engagements. Our Managed Services performance contributed to an increase in UK operating profit of 4.2% to #64.4 million.

We also began to see clear evidence of success in our efforts to transfer our Managed Services best practices to Computacenter Germany. We now have an annualised Managed Services contract base in excess of #82 million in Germany, and are confident that this will continue to grow strongly in the years ahead.

More generally, we are pleased with the overall progress made in integrating and building our German business. Although operating profit in Computacenter Germany rose only modestly to #9.0 million (2003: #8.7 million), this does not fully reflect the achievements of the integration programme since the acquisition in early 2003. The changes made to the management, organisation and working practices have been considerable, and a sound platform has now been created for future growth.

Early in 2005, we announced our decision to dispose of our loss-making Austrian operation, which we acquired as a condition of the acquisition of our German business in 2003. Computacenter Austria is to be acquired by S&T System Integration & Technology Distribution AG, which will also become Computacenter's international partner for service delivery in Austria and other countries across Central and Eastern Europe. The disposal is expected to complete in March 2005.

The performance of Computacenter France continued to disappoint, with operating losses deepening to #6.2 million (2003: loss of #2.7 million). Whilst this partly reflects the substantial investment we made during the year on various business improvement initiatives, the benefits of which have yet to be realised, this is clearly an unacceptable financial performance. A leading presence in the French market remains a core part of our strategy, and we are determined to restore Computacenter France to financial and competitive health. The management team in this business has now been substantially re-constituted, and Chris Webb, one of our most senior executives and previously responsible for our UK sales and services delivery, has been placed in charge of the French business from the start of 2005.

More encouragingly, growth in our BeLux business was strong, particularly in Managed Services, and for the first time, the Belgium operation showed a profit.

In November, we announced that the outcome of the annual renegotiation of terms with HP, our principal trading partner, would have a material adverse impact on Computacenter's profits in 2005. This outcome reflects the intensity of competition in the IT infrastructure market, which is unlikely to moderate in the foreseeable future.

Trading in the first two months of 2005 has been subdued and below anticipated levels. However, given Computacenter's seasonal sales patterns it is too early to know whether this will have any impact on the overall result for the year.

Looking ahead, and in response to market developments, we have intensified our efforts to accelerate the growth of the services side of our business and to broaden the range of our services activities. We are also determined to extend the penetration of our product sales into the small and medium-sized business segment. In addition, we have stepped up our investments in new technology to improve the efficiency of our core product sales processes. These developments, taken together with the prospects of growth in our German operations and the potential for recovery in France, give me confidence that the Group is well positioned to deliver attractive levels of earnings growth in the years ahead.

Computacenter has a long history of successfully adapting its business model to meet changing market conditions. This has been possible due to the staff of Computacenter, who have continued to demonstrate a deep commitment to the Group and an enthusiasm to deliver ever higher levels of performance, and to whom I offer my wholehearted thanks.

Review of Operations

UK

In 2004, we saw 16.6% growth in our Managed Services revenues as customers continued to look to Computacenter to help them improve the quality and reduce the cost of IT infrastructure management. This growth in Managed Services helped to mitigate the impact of intense price competition in the technology supply market. Consequently, whilst revenues in the UK declined slightly to #1.43 billion (2003: #1.46 billion), UK operating profit grew 4.2% to #64.4 million (2003: #61.8 million).

Our commitment to reduce costs and improve service helped persuade EDF Energy, in the second half of the year, to award us a major Managed Services contract. Under the terms of the agreement, Computacenter will manage in excess of 10,000 desktops and laptops, as well as printers and servers, at more than 100 sites across the UK. The contract is for three years, with an option to extend for a further two years.

Improved end-user service was the main focus of the award of a seven-year Managed Services contract, valued at #11 million, by South Lanarkshire Council. Computacenter will be responsible for the entire lifecycle of the council's 5,000 desktops, laptops and printers, from procurement and installation to maintenance and disposal.

Other Managed Services successes included a five-year contract with Channel 4 Television, valued at #7 million, for a full end-to-end Managed Service, and the award of additional business worth #1.2 million per year on our current five-year contract with BAA.

We also saw increased interest in our Infrastructure Integration services. Particularly notable was a large-scale roll-out for English Welsh and Scottish Railways, including server and desktop product supply and configuration, project management and installation. Also notable was a project for the UK Government's Prescription Pricing Authority, for which we deployed a consolidated enterprise storage, server and support solution.

Our Technology Sourcing business performed well during 2004. Revenues declined by 3.2%, although this is in the context of continued price erosion in the market in the order of 12-15%. Product margins overall were stable. However, as announced in November, the renegotiation of terms with HP, our principal trading partner, is likely to have an adverse effect on UK profits in 2005 in the order of #10 million.

Substantial new Technology Sourcing business in 2004 included an additional #19 million of product supply for BT Retail, arising out of our BT Managed Services contract, and a three-year contract with Geest, covering vendor management and supply, with order placement via our Computacenter Connect webshop.

Revenues of CCD, our trade distribution division, declined slightly as a direct result of changes to HP's reseller end-user pricing model. This affected all similar distributors, but did not impact either our leading position with the vendor nor our overall profitability.

RDC, our re-cycling and re-marketing arm, saw a 25% growth in throughput over the full year and recorded its best ever half-year profit performance in H1 2004. This performance is partly attributable to organisations looking to improve their waste management to conform to European Waste Electrical and Electronic Equipment (WEEE) directives.

Germany

Despite continuing price pressure we saw increased demand for outsourcing services in the second half of the year. As a result, and following a slightly disappointing first half, we recorded 7.7% growth in German H2 revenues compared to the same period in 2003, resulting in full year revenue growth of 3.2%. In local currency this growth was 10.1% in H2 and 5.2% for the year. Full year profits showed a modest increase of 3.1% to #9.0 million (2003: #8.7 million).

In June, and consistent with our determination to share senior management expertise across the Group, we appointed Colin Brown as CEO of Computacenter Germany (formerly CC CompuNet). Colin previously ran the highly successful UK Government business.

Growing our services business and improving our ability to respond quickly to changing customer requirements have been key priorities in Computacenter Germany. This has led to a restructuring of our sales organisation to align it more closely with the market, and the centralisation of our project management and consulting resources. These initiatives are similar to changes that have proved successful in the UK.

To reduce operational overheads and streamline our branch network, we consolidated our premises in Essen and Cologne, creating a new sales headquarters in Ratingen, near Dusseldorf.

There were a number of substantial Managed Services contract wins and extensions in 2004, which helped to grow Computacenter Germany's Managed Services contract base by 28.0% to #82.9 million. These include the award of a five-year Managed Services contract by FinanzIT Servicegesellschaft, a major IT supplier to the German Savings Banks Organisation, covering 4,500 users and valued at approximately Euro12 million.

Other successes included the award of a three-year Managed Services contract by DaimlerChrysler Services, and a contract for Managed Services and Technology Sourcing with leading German insurance company R+V Versicherung. We were also awarded a three-year Managed Services extension on our contract with BMW Group.

France

Our French business traded poorly throughout 2004 and was subject to some extensive re-engineering, particularly in the second half. France recorded an operating loss of #6.2 million (2003: #2.7 million) on revenues of #300.4 million (2003: #324.5 million). Excluding amortisation of negative goodwill, the losses were broadly similar to those of the previous year.

These results reflect a substantial investment in a major transformation project, the full benefits of which are still to be realised. Nevertheless, this level of performance is clearly unsatisfactory and significant changes were made during the year to improve the business and the effectiveness of the management team. New managers were recruited to run our maintenance, finance and logistics functions, and in January 2005 we appointed Chris Webb, formerly responsible for UK sales and services delivery, as Managing Director of Computacenter France.

We continue to focus on the three core activities of product logistics, implementation and maintenance. In these areas we are seeking to improve service levels and delivery times, developing our capability for large project roll-outs and investing in training to ensure we have the right mix of skills to support future growth.

Significant improvements in operational performance in logistics are already taking place. For example, a record 97% of shipments to customers were made from our Roissy operations centre on the same day as the orders were received by us. The efficiency of the operations centre has benefited from a design reconfiguration and introduction of a new stock location management system. To give us greater logistics flexibility and capacity we also opened a new 3,000m2 warehouse with its own Goods-In and Goods-Out facility.

We see the improved performance of our maintenance services as critical to financial recovery in Computacenter France. This has led us to redesign our maintenance organisation, which now reports directly to the Managing Director. We have also successfully introduced into France our UK parts management system, which has been a key contributor to the improved commercial performance of the UK's maintenance business in recent years.

At the same time, we have substantially improved our financial management and control disciplines. By the year-end, we succeeded in reducing accounts receivable days by 33%.

Computacenter France continued to win significant new business. A new customer, DIM, awarded us a Managed Services contract, covering help desk, asset management, desktop support and management of moves and changes. We also won an extension on our Managed Services contract with Elior, covering an off-site help desk, maintenance and network and server administration. Other notable wins included Infrastructure Integration consultancy and storage solutions for the French government's Agence Centrale des Organismes de Securite Sociale, and a major Technology Sourcing agreement with Biomerieux.

Belgium and Luxembourg

In 2004 our 'BeLux' operation became profitable for the first time, on the strength of a 21.4% revenue growth to #21.0 million.

Managed Services activities made a strong and growing contribution, led by ongoing contracts with SWIFT and Group Deutsche Boerse/Clearstream, as well as significant technology refresh projects with customers such as Banksys, Eli Lilly, and the King Baudouin Foundation.

New customer wins included server deployment projects for BT Global Services and Campbell Foods. Significant services projects were undertaken for the National Research Fund and the NATO Maintenance and Supply Agency.

We continue to look at opportunities for expanding our BeLux business. In Luxembourg, following new legislation introduced for the financial sector, we were licensed by the Ministry of Finance in March 2005 as a specialised IT operator for banks and investment funds, where we see significant opportunities for growth.

Disposals

Following a disappointing performance in 2004, we reached agreement in early January 2005 to sell our Austrian subsidiary, Computacenter GmbH, to S&T System

Integration & Technology Distribution AG. S&T is a Central and Eastern European regional market leader in IT, with revenues of approximately Euro230 million. The company employs 1,300 people and is listed on the Austrian stock market.

We believe S&T's local scale and depth of resource will offer the best prospects for our staff and our customers in Austria. S&T will also become Computacenter's International Partner for service delivery in Austria and other countries across Central and Eastern Europe, allowing Computacenter to offer an improved service to our international customers in these geographies.The disposal is expected to complete in March 2005.

During the year, we took the decision to invest no further funds in Biomni, our e-commerce joint venture. At the year-end, our ownership interest in Biomni had fallen to 41.7%, and subsequent to year end reduced further, producing a non-operating exceptional net charge of #0.3 million.

Business Development

In the expectation of further pressure on our product margins, we have intensified our focus on services growth. We are also seeking to extend our penetration of the small and medium-size business sector. We are confident that the competitive advantage we enjoy from our investment in high quality logistics presents a significant opportunity for extending our product supply leadership in the corporate and public sector markets to smaller organisations.

The Group continues to invest in systems and processes to support business growth. The next version of our integrated Services Management Tool Suite (SMTS v3.0) will begin to be deployed with UK Managed Services customers in H1 2005 and will ultimately be made available across the Group. SMTSv3.0 will significantly enhance our Managed Services offering, improving our ability to audit and manage our customers' technology assets on their behalf.

We are also focusing our efforts on further streamlining our sales processes, aided by the introduction of a new web-enabled sales administration system in the UK, to be implemented in H1 2005, and a major revision of our Computacenter Connect web-shop. These new e-commerce systems will begin to be implemented across the rest of the Group towards the end of 2005.

In addition, it remains our strategy to establish leading positions in each of the major European markets for IT products and services. To that end, the recovery of our business in France and further growth in Germany remain core priorities.

Group profit and loss account
For the year ended 31 December 2004

	Note	2004 #'000	Restated 2003 #'000
Turnover			
Turnover: Group and share of joint venture's turnover		2,456,575	2,482,713
Less: share of joint venture's turnover		(823)	(1,418)
Continuing operations		2,410,590	2,432,283
Discontinued operations		45,162	49,012
Group turnover	2	2,455,752	2,481,295
Cost of sales	3	(2,120,351)	(2,136,647)
		--------	--------
Gross profit	2	335,401	344,648
Other operating expenses (net)	3	(269,658)	(278,710)
		--------	--------
Operating profit	2		
Continuing operations		67,290	67,440
Discontinued operations		(1,547)	(1,502)

	Note	2004	2003
		--------	--------
Group operating profit		65,743	65,938
Share of operating loss in joint venture		(411)	(333)
Share of operating profit in associate		266	510
		--------	--------
Total operating profit: Group and share of associate and joint venture		65,598	66,115
Provision for loss on termination of operation	4	(2,356)	-
Net loss on investment in joint venture	4	(286)	-
		--------	--------
Profit on ordinary activities before interest and taxation		62,956	66,115
Interest receivable and similar income		5,262	3,249
Interest payable and similar charges		(3,573)	(4,203)
		--------	--------
Profit on ordinary activities before taxation		64,645	65,161
Tax on profit on ordinary activities	5	(19,860)	(18,902)
		--------	--------
Profit on ordinary activities after taxation		44,785	46,259
Minority interests		69	45
		--------	--------
Profit attributable to members of the parent company		44,854	46,304
Dividends - ordinary dividends on equity shares	6	(14,101)	(13,011)
		--------	--------
Retained profit for the period		30,753	33,293
		========	========
Earnings per share			
- Basic	7	24.1p	25.0p
- Diluted	7	23.7p	24.6p
- Diluted (excluding effect of non-operating exceptional items)	7	25.1p	24.6p
Dividends per ordinary share	6	7.5p	7.0p

Group statement of total recognised gains and losses
For the year ended 31 December 2004

	2004 #'000	2003 #'000
Profit for the financial year excluding share of joint venture and associate	45,168	46,231
Share of joint venture's loss for the year	(474)	(233)
Share of associate's profit for the year	160	306
	--------	--------
Profit attributable to members of the parent company for the financial year	44,854	46,304
Exchange differences on retranslation of net assets of associated and subsidiary undertakings	(911)	4,159
	--------	--------
Total recognised gains for the year	43,943	50,463
	========	========

Group balance sheet
At 31 December 2004

	2004 #'000	2003 #'000
Fixed assets		
Intangible assets		

Positive goodwill		4,474	4,755
Negative goodwill		-	(532)
		4,474	4,223
Tangible assets		93,430	100,549
Investments	8	6,021	11,036
		103,925	115,808
Current assets			
Stocks		120,087	134,133
Debtors : gross		501,741	520,701
Less non returnable proceeds		(39,043)	(78,390)
Debtors		462,698	442,311
Cash at bank and in hand		139,182	96,997
		721,967	673,441
Creditors: amounts falling due within one year		(482,572)	(466,816)
Net current assets		239,395	206,625
Total assets less current liabilities		343,320	322,433
Creditors: amounts falling due after more than one year		(3,017)	(13,923)
Provision for joint venture deficit			
Share of gross assets		222	385
Share of gross liabilities		(6,341)	(7,609)
		(6,119)	(7,224)
Provision for liabilities and charges		(19,046)	(18,403)
Total assets less liabilities		315,138	282,883
Capital and reserves			
Called up share capital		9,489	9,441
Share premium account		73,920	71,486
Capital redemption reserve		100	100
Investment in own shares		(2,503)	(2,503)
Profit and loss account		234,086	204,244
Shareholders' funds - equity		315,092	282,768
Minority interests - equity		46	115
		315,138	282,883

Approved by the Board on 14 March 2005

MJ Norris FA Conophy
Chief Executive Finance Director

Group statement of cash flows
For the year ended 31 December 2004

		2004	2003
		#'000	#'000
Cash inflow from operating activities	9	60,320	53,521
Returns on investments and servicing of finance		943	(954)

Taxation	(12,296)	(22,456)
Capital expenditure and financial investment	(7,591)	(14,562)
Acquisitions and disposals	-	(37,303)
Equity dividends paid	(13,587)	(14,437)
Cash inflow/(outflow) before financing	27,789	(36,191)
Financing	2,443	2,207
Increase/(decrease) in cash in the period	30,232	(33,984)

Reconciliation of net cash flow to movement in net funds

	2004 #'000	2003 #'000
Net funds at 1 January 2004	49,925	83,430
Increase/(decrease) in cash in the year	30,232	(33,984)
Cash outflow from repayment of debt and lease finance	39	479
Change in net cash resulting from cash flows	30,271	(33,505)
Exchange movement	(149)	-
Net funds at 31 December 2004	80,047	49,925

Notes to the financial statements

1 Accounting policies

Basis of preparation
The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The format of the Group Profit and Loss Account has been changed to Format 1 of schedule 4 of the Companies Act 1985. Operating costs, as reported in prior years under Format 2, have been split between cost of sales and other operating expenses (net). It is the Directors' opinion that a change in the format is appropriate to provide additional disclosure of gross profit and that the allocation between cost of sales and other operating expenses (net) is consistent across the Group.

2. Turnover and segmental analysis

The Group operates in one principal activity, that of the provision of distributed information technology and related services. Turnover represents the amounts derived from the provision of goods and services which fall within the Group's ordinary activities, stated net of VAT.

An analysis of turnover, gross profit, operating profit and net assets is given below:

	2004 #'000	2003 #'000
Turnover by origin		
UK	1,433,685	1,455,296
Germany	655,501	635,150
France	300,380	324,517
Belgium & Luxembourg	21,024	17,320

Continuing operations	2,410,590	2,432,283
Austria - discontinued	45,162	49,012
	---------	--------
Total	2,455,752	2,481,295
	=========	========

Turnover by destination is not materially different to turnover by origin and has, therefore, not been disclosed.

	2004	Restated 2003
	#'000	#'000
Gross profit		
UK	205,657	201,573
Germany	90,479	95,695
France	31,771	39,793
Belgium & Luxembourg	2,291	1,924
	--------	--------
Continuing operations	330,198	338,985
Austria - discontinued	5,203	5,663
	--------	--------
Total	335,401	344,648
	========	========

The gross profit for 2003 has been restated to account for distribution costs within other operating expenses, as prescribed in Format 1 of schedule 4 of the Companies Act 1985. Previously these amounts were included in the calculation of gross profit, as described in note 1.

	2004	2003
	#'000	#'000
Operating profit/(loss)		
UK	64,426	61,829
Germany	8,999	8,728
France	(6,151)	(2,727)
Belgium & Luxembourg	16	(390)
	--------	--------
Continuing operations	67,290	67,440
Austria - discontinued	(1,547)	(1,502)
	--------	--------
Total Group excluding associate & joint venture undertakings	65,743	65,938
Share of operating result of German associate and UK joint venture	(145)	177
	--------	--------
Total	65,598	66,115
	========	========

	2004	2003
	#'000	#'000
Net assets/(liabilities) employed		
UK	178,854	187,167
Germany	34,596	21,042
France	32,234	33,326
Belgium & Luxembourg	(7,250)	(6,397)
	--------	--------
	238,434	235,138
Austria - discontinued	(3,716)	(2,690)
	--------	--------
Subtotal	234,718	232,448
Net assets of associated undertaking	373	510
	--------	--------
Net assets employed	235,091	232,958
Net funds	80,047	49,925
	--------	--------

Total	315,138	282,883
	========	========

3 Cost of sales and operating costs

	2004 #'000	Restated 2003 #'000
Cost of sales	2,120,351	2,136,647
	---------	---------
Distribution costs	20,759	22,606
Administrative costs	248,899	256,104
	---------	---------
Other operating expenses (net)	269,658	278,710
	=========	=========

The total figures for 2004 include the following amounts in relation to the discontinued operation Computacenter Austria: cost of sales #39,959,000 (2003: # 43,349,000), distribution costs #133,000 (2003 #156,000), administrative expenses #6,617,000 (2003 #7,009,000) and other operating expenses #6,750,000 (2003: #7,165,000).

4 Exceptional items

	2004 #'000	2003 #'000
Recognised below operating profit:		
Austria		
Provision for loss on disposal	2,356	-
Joint venture		
Deemed disposal on dilution of share holding	(1,516)	-
Provision for impairment of investment	1,802	-
	--------	--------
	2,642	-
	========	========

5 Taxation

a) The charge based on the profit for the year comprises:

	2004 #'000	2003 #'000
UK Corporation Tax	21,374	17,612
Tax overprovided in previous years	(2,701)	(621)
	--------	--------
	18,673	16,991
Foreign tax current year	4	20
Foreign tax prior year	(548)	-
	--------	--------
Group current tax	18,129	17,011
Share of joint venture's tax	63	(100)
	--------	--------
Total current tax	18,192	16,911
Deferred tax		
Origination and reversal of timing differences	1,797	1,542
Prior year adjustments	(129)	449
	--------	--------
Group deferred tax	1,668	1,991
	--------	--------
Tax on profit on ordinary activities	19,860	18,902
	========	========

b) Factors affecting the current tax charge

The tax charge for the year is different than the standard rate of Corporation Tax in the UK of 30%. The principal reasons for this difference are set out below:

	2004 #'000	2003 #'000
Total profit before taxation	64,645	65,161
	========	========
At 30%	19,393	19,548
Expenses not deductible for tax purposes	234	640
Relief on share option gains	(54)	(2,845)
Goodwill amortised	(75)	(919)
Impairment of goodwill	-	11
Adjustments in respect of previous periods	(616)	-
Adjustment following agreement of certain items for earlier years	(2,447)	-
Higher tax on overseas earnings	1	-
Provision for loss on disposal of subsidiary	686	-
Provision for net loss on investment in joint venture	86	-
Disposal of investment	(569)	-
Accounting depreciation in excess of tax depreciation	80	(284)
Other timing differences	238	-
Profits of overseas undertakings not taxable due to brought forward loss offset	(1,887)	(2,590)
Losses of overseas undertakings not available for relief	3,122	3,350
	--------	--------
Current tax charge	18,192	16,911
	========	========

6 Dividends

	2004 #'000	2003 #'000
Equity dividends on ordinary shares :		
interim paid 2.3p (2003 : 2.0p)	4,316	3,775
final proposed 5.2p (2003 : 5.0p)	9,785	9,236
	--------	--------
	14,101	13,011
	========	========

The Computacenter ESOP trust has waived the dividends payable in respect of 1,427,042 (2003: 1,427,042) ordinary shares that it owns which are not allocated to employees. The Computacenter Trustees Limited have waived dividends in respect of 457,796 (2003:457,796) shares which it owns which are not allocated to employees and the Computacenter Quest ("Qualifying Employee Scheme Trust") has similarly waived dividends in respect of 927,640 (2003: 1,031,134) shares that it owns.

7 Earnings per share

The calculation of earnings per ordinary share is based on profit attributable to members of the holding Company of #44,854,000 (2003: #46,304,000) and on 186,441,000 (2003: 184,853,000) ordinary shares, being the weighted average number of ordinary shares in issue during the year after excluding the shares owned by the Computacenter Employee Share Trust, Computacenter Trustees Limited and the Computacenter Quest.

The diluted earnings per share is based on the same earnings figure of #44,854 ,000 (2003: #46,304,000) and on 188,979,000 (2003: 188,610,000) ordinary shares, calculated as the basic weighted average number of ordinary shares, plus 2,537,346 (2003: 3,757,000) dilutive share options.

An additional earnings per share ratio of 25.1p was presented to provide a measure of Group operating activities, excluding the exceptional items. This additional earnings per share ratio is based on earnings of #47,496,000, which comprises the profit attributable to members of the holding company of #44,854,000, excluding the exceptional loss of #2,642,000, and on 188,979,000 ordinary shares.

8 Investments

	2004 #'000	2003 #'000
Group		
Loan to joint venture (a)	5,648	7,450
Associated undertakings (b)	373	539
Other listed investments (c)	-	3,047
	6,021	11,036

(a) Loan to joint venture

	#'000
Cost	
At 1 January 2004 and 31 December 2004	7,450
Provision	
At 1 January 2004	-
Charge in the year	1,802
At 31 December 2004	1,802
Net book value	
At 31 December 2004	5,648
At 31 December 2003	7,450

(b) Associated undertakings

	Share of net tangible assets #'000
At 1 January 2004	510
Increase in investment	110
Dividend received	(509)
Share of profit of associated undertaking	266
Exchange adjustments	(4)
At 31 December 2004	373

(c) Other listed investments

	#'000
Cost	
At 1 January 2004	4,617
Disposal	(4,617)
At 31 December 2004	-
Provision	
At 1 January 2004	1,573
Disposal	(1,573)
At 31 December 2004	-

	========
Net Book Value	
At 31 December 2004	-
	========
At 31 December 2003	3,047
	========

Details of the principal investments at 31 December 2004 in which the Group or the Company holds more than 20% of the nominal value of ordinary share capital are as follows:-

Subsidiary and associated undertaking	Country of registration	Nature of Business	Proportion Held
Computacenter (UK) Limited	England	IT Infrastructure services	100%
Computacenter France SA	France	IT Infrastructure services	99.4%
Computacenter Holding GmbH	Germany	IT Infrastructure services	100%
Computacenter GmbH	Germany	IT Infrastructure services	100%
CC Managed Services GmbH	Germany	IT Infrastructure services	100%
Computacenter NV/SA	Belgium	IT Infrastructure services	100%
RD Trading Limited	England	IT Asset Management	*100%
Computacenter NV	Luxembourg	IT Infrastructure Services	100%
Biomni Limited	England	Software development	41.7%
HelpByCom GmbH	Germany	IT Infrastructure services	**49%
ICG Services Limited	England	International IT Infrastructure services	***100%

* includes indirect holdings of 100% via Computacenter (UK) Limited
** includes indirect holdings of 49% via Computacenter Holding GmbH
*** includes indirect holdings of 35.7% via Computacenter Holding GmbH

During the period CC CompuNet was renamed Computacenter Germany.

Update on acquisitions - Germany and Austria

On 2 January 2003, the Group acquired the trade and assets of GE CompuNet in Germany and GECITS in Austria for an initial consideration of #38,134,000.

There has been no change in the circumstances that has resulted in a change to the Board's view of the value of goodwill to the Group.

Because the audited value of the net assets at completion was lower than stipulated in the purchase agreement, Computacenter anticipates receiving a repayment of #32,448,000 from GE Capital, the vendors, resulting in a net consideration for the acquisition of #4,683,000. Elements of this repayment calculation are disputed by GE Capital and in accordance with the purchase agreement, PricewaterhouseCoopers has been appointed, as an independent expert, to settle the matter. The Board has reviewed the likely outcome, taking account of the proceedings to date, and is still of the view that this is properly reflected in the Group's accounts.

The assets of each of the acquired companies have been included in the Group's balance sheet at their fair values at the date of acquisition. Further consideration may be payable to the vendor, contingent on the result of the acquired businesses in 2004. No provision has been made for further payments, based on the actual performance in 2004.

Update on contingent liability

On 15 October 2003 the vendors claimed that the Group had breached a provision of the German purchase agreement concerning an adjustment relating to tax assets, and have issued a claim for Euro52,165,292 (#36,892,000), plus interest, for upfront payment for the tax assets as opposed to payment as the assets are utilised. The Group rejects this adjustment and legal proceedings are now pending between the parties. On the basis of legal advice received, the Board is confident that this claim is without merit and will be defended accordingly. No provision for this claim has been made in the Group's accounts.

Analysis of the acquisition of GE CompuNet and GECITS Austria:

Net assets at date of acquisition:

	Book value	Adjustments	Provisional fair value to Group
	#'000	#'000	#'000
Tangible fixed assets	15,457	(4,003)	11,454
Investments	81	-	81
Stocks	34,438	(1,074)	33,364
Debtors	103,881	5,380	109,261
Creditors due within one year	(132,704)	(4,948)	(137,652)
Creditors due after one year	-	(2,690)	(2,690)
Provisions for liabilities and charges	-	(9,135)	(9,135)
	--------	---------	--------
	21,153	(16,470)	4,683
	========	=========	========
Discharged by:			
Fair value of net consideration			4,683

Goodwill arising on acquisition			-
			========

Adjustments relate to the adoption of Computacenter's Group accounting policies and recognition of property provisions.

9 Reconciliation of operating profit to operating cash flows

	2004	2003
	#'000	#'000
Operating profit	65,743	65,938
Depreciation	18,382	22,665
Amortisation of positive goodwill	281	544
Impairment of positive goodwill	-	46
Amortisation of negative goodwill	(532)	(4,261)
Revaluation of listed investment	-	(292)
Loss on disposal of fixed assets	804	914
Profit on disposal of investment	(1,603)	-
Dividend received from associate	509	-
Increase in debtors	(23,081)	(16,963)
Decrease / (increase) in stocks	14,278	(4,908)
Decrease in creditors	(13,532)	(8,432)
Currency and other adjustments	(929)	(1,730)
Net cash inflow from operating activities	60,320	53,521

10 Publication of non statutory accounts

The financial information contained in this preliminary statement does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The financial information set out in this announcement is extracted from the full Group financial statements for the year ended 31 December 2004, the auditor's report on which has yet to be signed.

END
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