Final Results

March 16, 2004

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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 2003.

Financial Highlights:

* Group revenues up 28.8% to #2.48 billion (2002: #1.93 billion) including acquisitions

* Profit before tax up 18.3% to #65.2 million (2002: #55.1 million)

* Earnings per share up 22.5% to 25.0p (2002: 20.4p)

* Final dividend of 5.0p per share, total dividend up 20.7% to 7.0p (2002:5.8p)

* Strong operating cashflow and balance sheet with net funds of #49.9 million at year end

Operational Highlights:

* UK Managed Services revenue growth of 10.9%

* Encouraging pipeline of Managed Services contracts and XP roll-outs

* Significant product price decline, driven by weakness of the US dollar

* Integration of CC CompuNet in Germany on plan; first year operating profit of #8.7 million

* Computacenter France turn-around programme underway in the second half

* New pan-European management structure to assist transfer of best practice

Ron Sandler, Chairman of Computacenter plc, commented:

"These are excellent results. Our key priorities in 2003 were the further development of our services activities and the integration of CC CompuNet in Germany. We made good progress with both.

"The improvement in our product volumes in 2003, although clearly stimulated by the large price declines, provides some evidence that our markets are beginning to recover from the downturn of recent years. The growing demand for XP roll-outs that we experienced as the year progressed is a further encouraging sign. Whilst much depends upon the pace and sustainability of the broader economic recovery in Europe, there are grounds for optimism that market conditions may now improve."

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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

I am pleased to report an excellent set of results for Computacenter in 2003. Profit before tax rose 18.3% to #65.2 million (2002: #55.1 million). Earnings per share increased by 22.5% to 25.0p (2002: 20.4p). The Group continued to generate cash from operations, and the balance sheet remained strong, with net funds at the year-end of #49.9 million (2002: #83.4 million).

These results are particularly satisfying when viewed against the background of an unprecedented price decline in the IT industry in Europe, driven largely by the fall in the US dollar against both sterling and the euro. Over the course of the year, the price of desktops, laptops and 'Wintel' servers in our three core markets all declined in the order of 15% to 25% in local currency. Computacenter buys and sells product in local currencies and therefore has no material foreign exchange exposures arising from operations. Nevertheless, the falling prices inevitably affected our revenues and product margins, although this was partly mitigated by growth in our product volumes. In 2003, excluding the revenues of the German and Austrian businesses acquired during the course of the year, Group revenues fell 6.7% to #1.80 billion (2002: #1.93 billion). Group revenues, including acquisitions, rose 28.8% to #2.48 billion.

I am pleased to recommend a final dividend of 5.0p per share, bringing the total dividend for the year to 7.0p (2002: 5.8p), an increase of 20.7%. This is consistent with our policy, announced last year, of maintaining a dividend cover of broadly 3.5 times. The final dividend will be paid on 1 June 2004 to shareholders on the register as at 7 May 2004.

Computacenter's strategy in recent years has been to build a strong services business to complement its product logistics offering and to expand its presence in the major European markets. Consistent with these goals, our key priorities in 2003 were the further development of our services activities and the integration of CC CompuNet in Germany. We made good progress with both.

In the UK, Managed Services revenues grew by 10.9%, making a significant financial contribution. Of particular note was the five-year Managed Services contract awarded to Computacenter by Abbey, through which we will provide a company-wide end-to-end desktop service at all Abbey's offices and branches. During the year, we continued to invest heavily in developing the skills and technologies to maintain ourselves at the forefront of desktop outsourcing.

The German acquisition represents a major step forward for the Group. In addition to its strong product logistics business, CC CompuNet has a significant services element in its portfolio, which supports our objective of building contracted revenue streams. Following the acquisition, an extensive integration programme has been pursued to align CC CompuNet's operations with those of Computacenter UK and adopt best practice across the Group. This has gone according to plan and has established firm foundations for future profit growth. In 2003, CC CompuNet produced an operating profit of #8.7 million. An ancillary benefit of this integration programme is that it has led us to create a pan-European management structure for Computacenter, which will enhance the Group's ability to contribute to the management of the French operations.

Computacenter France performed poorly in a difficult market, with an operating loss of #2.7 million (2002: profit of #2.4 million) after the release of negative goodwill. However, determined efforts began in the second-half of the year to transfer best practice to France from the UK and to improve the cost efficiency of the French business. Considerable savings have already been achieved. Although much remains to be done to bring the profit margin of Computacenter France to an acceptable level, an intensive turn-around programme is underway and I am confident that this will yield positive results.

It is appropriate that the increasingly international nature of our business is reflected in the composition of the Computacenter Board, and I am delighted with the appointment of Ghislain Lescuyer as a Non-Executive Director. Ghislain, who joined the Board on 19 January 2004, brings a wealth of experience in managing European technology businesses and we will benefit greatly from his skills and background.

The improvement in our product volumes in 2003, although clearly stimulated by the large price declines, provides some evidence that our markets are beginning to recover from the downturn of recent years. The growing demand for XP roll-outs that we experienced as the year progressed is a further encouraging sign. Whilst much depends upon the pace and sustainability of the broader economic recovery in Europe, there are grounds for optimism that market conditions may now improve. Computacenter is well positioned to take advantage of any such improvement.

As always, the credit for the Group's performance belongs to the staff. The pleasing results in 2003 are attributable to the skills, enthusiasm and commitment of our employees, to whom I offer my wholehearted thanks.

Review of Operations

UK

Our customers continue to look to us to reduce their costs, improve service levels and free up their own resources by outsourcing discrete IT infrastructure services. As a result, in 2003 we saw a further increase in service revenues and a growth of 9.2% in our UK contract base. Our continuing focus on reducing our own cost base achieved a 9.1% reduction in the sales, general and administration expenses of Computacenter's UK business.

We were awarded two major Managed Services contracts, by Abbey and HBOS plc, in the first half of the year. Under the terms of the former contract, valued at #70 million over five years and covering all of Abbey's 28,000 employees, Computacenter has responsibility for the design, implementation and management of Abbey's entire desktop infrastructure. At HBOS, the scope of Computacenter's existing Managed Services contract, announced in 2002, has been extended and we now manage 38,000 desktop PCs, approximately half of the HBOS estate, under a three-year agreement. Together, these two contracts entail the transfer of some 300 staff to Computacenter under TUPE regulations, during H2 2003 and H1 2004.

Government successes included a six-year Managed Services agreement with North Yorkshire County Council for managing the council's IT infrastructure, other than its communications equipment, and providing services such as systems installation and maintenance. We secured a five-year contract with the Charity Commission for England and Wales, for whom we are deploying a new Windows XP-based infrastructure, integrated data network and IP telephony service. We also won a contract to provide a disaster recovery solution and managed data back-up services for the Department for Transport.

We saw a significant increase in Windows XP deployments in 2003, driving growth in product volumes and fuelling demand for our broad range of Infrastructure

Integration Services. Major projects included the implementation of a standardised IT infrastructure for Places for People, and a fully supported in-room entertainment and business services system for London's Dorchester Hotel. We also project managed the testing of 135 application systems for Marks and Spencer plc.

The UK market for IT expenditure remained generally subdued, although demand from the public sector remained strong and there was a substantial improvement in the telecommunications market. Elsewhere, and particularly in financial services, corporate customers maintained their cautious approach. Whilst product volumes were satisfactory throughout the year, Computacenter's product revenues in the UK fell by 11.3%. This was largely due to a substantial price decline, driven by the weakness of the US dollar, of approximately 20% on desktop and laptop computers.

The server product market was generally more buoyant, as organisations focused on consolidating their legacy IT infrastructures by replacing large numbers of network servers with fewer, but more powerful central computers. As a consequence we saw increased sales of high-end servers, with revenues from the sale of Sun Microsystems computers increasing by 12.8%.

We won a significant Technology Sourcing contract to provide technology and services to the UK's Ministry of Defence via the Defence Communications Services Agency Catalogue. This will be our third major catalogue procurement contract, following the similar agreements we have with the Inland Revenue and the Office of Government Commerce.

Our distribution business, comprising CCD and Metrologie, outperformed its sector and grew revenue by approximately 14.9% on the previous year, maintaining a close relationship with HP, its principal product partner.

RDC, our re-cycling and remarketing arm, saw its profits rise for the fifth consecutive year since its acquisition by Computacenter in 1999.

We were delighted to receive the specialist award for Excellence in Sourcing and Procurement at the 2003 European Supply Chain Excellence Awards, organised by Logistics Europe and Cap Gemini Ernst & Young. The award recognised the quality of our end-to-end approach to purchasing and expertise in areas such as performance measurement, sourcing and supplier management.

We remain fully committed to meeting standards for quality, the environment and equality of opportunity. During 2003 we achieved UK certification to international environmental standard ISO14001 and the international quality standard ISO 9001:2000, both by the British Standards Institute. In the area of race relations, we renewed our partnership agreement with the Commission for Racial Equality (CRE).

Germany

In 2003 CC CompuNet performed well in a difficult market. Operating profit grew to #8.7 million, despite a revenue decline of 10.9% to #635.2 million. Reductions in SG&A costs helped profitability and, as in the UK, we were able to grow our Managed Services business.

Following the acquisition of CC CompuNet in early January 2003, an extensive integration programme was initiated. This focused upon sharing best practice across the Group and leveraging central resources to improve the scope, quality and cost-effectiveness of CC CompuNet's offerings.

This programme led to the creation of a new services enablement function, to allow transfer of best practice in the Managed Services area, and the introduction of a new sales and management structure, similar to that in the UK. We also made significant investments in new stock management and warehouse systems and launched our e-commerce system, Computacenter Connect, in Germany.

We are confident that these developments, together with such initiatives as the introduction of a new pay plan, customer profitability reporting and enhanced financial management systems, establish a solid basis for future profit growth.

CC CompuNet worked with other Computacenter companies to secure a four-year international Managed Services contract with Deutsche Borse AG, Frankfurt, servicing their employees across Germany, Luxembourg and the UK. Other successes included a contract for a Linux migration awarded by the Deutscher Bundestag (the lower house of the German parliament). Noteworthy new Technology Sourcing contracts included Wustenrot & Wurttembergische, and Aachener und Munchener Versicherungsgruppe.

France

Difficult market conditions led to a disappointing performance from Computacenter France, which made an operating loss of #2.7 million on revenues of #324.5 million. The cost base of the French business remains too high, partly due to the challenges of integrating the GECITS acquisition in 2002. Additionally, utilisation of Professional Services staff in France was particularly low in the first half and this contributed significantly to the poor financial performance.

Measures to address these issues, including steps to increase Professional Services utilisation and reduce SG&A expenses, led to an improvement in underlying performance in the second half of the year. Computacenter France also embarked upon a maintenance re-engineering initiative modelled on a similar project completed successfully in the UK. The pan-European management structure, established following the CC CompuNet acquisition, is proving to be of particular benefit in addressing the turn-around of Computacenter France, which remains a high priority for the Group.

Costs of #3.1 million relating to measures aimed at improving French performance are included in the operating result for the year. These measures, together with other initiatives currently underway, give us confidence that a strong foundation is being built to return Computacenter France to profitability.

Despite the weak market, Computacenter France continued to attract significant new customers. These included La Poste, RATP, Paris City Hall and the General Council of Paris, for whom we will supply desktops, laptops and networking technology. Our French business was also successful in winning important contract extensions with customers, including UNEDIC Assurance Chomage, Conseil Regional de Haute Normandie and Gendarmerie Nationale. Computacenter France also designed, installed, integrated and supported the IT infrastructure for the G8 summit in Evian.

With the aim of growing its government business, Computacenter France acquired AB Microconseil, a small IT reseller specialising in that sector. The acquisition involved the transfer of some 30 employees and brought several new accounts including the General Councils of Hauts de Seine, Seine Saint-Denis and Seine et Marne.

Other Businesses

Austria

On January 2, 2003 we acquired GECITS Austria, subsequently renamed Computacenter Austria. Despite showing improved performance over the figures reported by GECITS for the second half of 2002, performance of this business has been disappointing, with an operating loss of #1.5 million for the year on revenues of #49.0 million. However some significant new business was won during the year, including a contract for the hardware maintenance of the entire desktop estate of BAWAG-PSK, a leading Austrian bank, and a systems roll-out for PricewaterhouseCoopers Austria.

Belgium and Luxembourg

Our business in Belgium and Luxembourg (BeLux) saw 37.2% revenue growth during 2003, primarily from increased product sales in new customer accounts. Results improved significantly, showing an 89.9% reduction in operating loss to #0.4 million, with the strongest contribution coming from existing Managed Services contracts. Revenues in the year were #17.3 million.

During 2003 BeLux opened a new Luxembourg office in the city's financial district. Major wins included technology sourcing for companies such as Clerical Medical Investment Group (part of HBOS), Pioneer Europe and Reynaers International. We also won a two-year extension to our SWIFT desktop outsourcing contract and delivered major technology refresh projects for the BP/Solvay joint venture company and Owens Corning.

Biomni

Computacenter's share of Biomni's operating losses reduced again in 2003 to #0.3 million (2002: #1.3 million).

Group

Across the Group, we maintained our focus on programmes designed to reduce our cost base and to leverage our resources more effectively.

Following the German and Austrian acquisitions, we introduced a pan-European management structure and made further progress in the closer integration of our European businesses. This facilitates the transfer of expertise and best practice across the Group, to enable the delivery of ever more competitive service to our customers. This structure also allows us to work more closely with major vendors who are operating, or intending to operate, pan-European supply arrangements.

Associated with this approach, we have also begun to deploy tools and processes across the Group. These include Computacenter Connect, our e-commerce system, and the implementation of a Group-wide HR information system. We are also in the process of making our integrated Services Management Tool Suite (SMTS), which we use to track and manage customer support requests, available across the Group.

In July our former ICG (International Computer Group) partner network became an extension of Computacenter International, the internal division responsible for supporting customer operations across multiple countries. The former ICG partners will remain independent, but will be the preferred partners of Computacenter in international business. The move is designed to give Computacenter greater control of international service delivery and to give our partners greater access to our expertise and tools.

I am very pleased with overall Group performance in 2003. The increasingly international character of Computacenter placed fresh demands upon the management team, to whom I offer my thanks for their admirable response. We will continue to take advantage of the many opportunities we see in our markets whilst maintaining a rigorous control over our cost base.

GROUP PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2003

	Note	2003 #'000	2002 #'000
TURNOVER			
Turnover: Group and share of joint venture's turnover		2,482,713	1,930,135
Continuing operations:			
Ongoing		1,797,133	1,926,737
		-----------	----------
Acquisitions		684,162	-

GROUP TURNOVER	2	2,481,295	1,926,737
OPERATING COSTS	3	(2,415,357)	(1,870,570)
OPERATING PROFIT	2		
Continuing Operations:			
Ongoing		58,712	56,167
Acquisitions		7,226	-
GROUP OPERATING PROFIT		65,938	56,167
Share of operating loss in joint venture		(333)	(1,272)
Share of operating profit / (loss) in associates		510	(13)
TOTAL OPERATING PROFIT: GROUP AND SHARE OF ASSOCIATES AND JOINT VENTURE	2	66,115	54,882
Release of provisions relating to termination of operations		-	863
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		66,115	55,745
Interest receivable and similar income		3,249	7,367
Interest payable and similar charges		(4,203)	(8,031)
PROFIT ON ORDINARY ACTIVITES BEFORE TAXATION		65,161	55,081
Tax on profit on ordinary activities	4	(18,902)	(18,074)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		46,259	37,007
Minority interests - equity		45	25
PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY		46,304	37,032
Dividends - ordinary dividends on equity shares	5	(13,011)	(10,657)
RETAINED PROFIT FOR THE YEAR		33,293	26,375
Earnings per share			
- Basic	6	25.0p	20.4p
- Diluted	6	24.6p	19.8p
Dividends per ordinary share	5	7.0p	5.8p

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 December 2003

	2003 #'000	2002 #'000
Profit for the financial year excluding share of joint venture and associates	46,231	37,978

Share of joint venture's loss for the year	(233)	(933)
Share of associates' profit / (loss) for the year	306	(13)
	---------	----------
Profit attributable to members of the parent company for the financial year	46,304	37,032
Exchange differences on retranslation of net assets of associated and subsidiary undertakings	4,159	1,238
	--------	-------
Total recognised gains for the year	50,463	38,270
	========	=======

In addition net assets were reduced by #2,503,000 during the year as a result of a prior year adjustment in respect of the adoption of UITF 38 - Accounting for ESOP trusts (see accounting policies).

GROUP BALANCE SHEET

at 31 December 2003

	Note	2003 #'000	Restated 2002 #'000
FIXED ASSETS			
Intangible assets			
Positive goodwill		4,755	5,039
Negative goodwill		(532)	(4,793)
		-------	-------
		4,223	246
Tangible assets		100,549	96,733
Investments	7	11,036	9,863
		-------	-------
		115,808	106,842
		-------	-------
CURRENT ASSETS			
Stocks		134,133	95,742
Debtors: gross		520,701	286,882
Less non returnable proceeds		(78,390)	-
		---------	--------
Debtors		442,311	286,882
Cash at bank and in hand		96,997	92,072
		--------	--------
		673,441	474,696
CREDITORS: amounts falling due within one year		(466,816)	(320,569)
		----------	---------
NET CURRENT ASSETS		206,625	154,127
		----------	---------
TOTAL ASSETS LESS CURRENT LIABILITIES		322,433	260,969
CREDITORS: amounts falling due after more than one year		(13,923)	(1,613)
PROVISION FOR JOINT VENTURE DEFICIT			
Share of gross assets		385	943
Share of gross liabilities		(7,609)	(7,834)
		--------	---------
		(7,224)	(6,891)
PROVISIONS FOR LIABILITIES AND CHARGES		(18,403)	(9,696)

TOTAL ASSETS LESS LIABILITIES	282,883	242,769
CAPITAL AND RESERVES		
Called up share capital	9,441	9,237
Share premium account	71,486	69,004
Capital redemption reserve	100	100
Investment in own shares	(2,503)	(2,503)
Profit and loss account	204,244	166,792
Shareholders' funds - equity	282,768	242,630
Minority interests - equity	115	139
	282,883	242,769

Approved by the Board on 15 March 2004

MJ Norris Chief Executive

FA Conophy Finance Director

GROUP STATEMENT OF CASH FLOWS

For the year ended 31 December 2003

	Note	2003 #'000	2002 #'000
CASH INFLOW FROM OPERATING ACTIVITIES	8	53,521	60,614
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(954)	(468)
TAXATION			
Corporation tax paid		(22,456)	(17,485)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(14,562)	(9,097)
ACQUISITIONS AND DISPOSALS		(37,303)	7,559
EQUITY DIVIDENDS PAID		(14,437)	(5,324)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(36,191)	35,799
FINANCING		2,207	(43,083)
DECREASE IN CASH IN THE YEAR		(33,984)	(7,284)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2003 #'000	2002 #'000
Net funds at 1 January 2003	83,430	53,287
Decrease in cash in the year	(33,984)	(7,284)
Cash outflow from repayment of debt and lease finance	479	38,787

Change in net cash resulting from cash flows	(33,505)	84,790
New finance leases	-	(1,164)
Amortisation of debt issue costs	-	(196)
Net funds at 31 December 2003	49,925	83,430

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.

In preparing the financial statements for the current year, the Group and Company have adopted UITF 38 'Accounting for ESOP trusts'. This abstract had no impact on the results for the period but shareholders funds have been reduced by #2,503,000 following the recognition of the ESOP trust within reserves.

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, operating profit and net assets is given below:

Turnover by Origin	2003 #'000	2002 #'000
UK	1,455,296	1,597,344
France	324,517	316,773
Belgium & Luxembourg	17,320	12,620
Continuing Operations	1,797,133	1,926,737
Germany - acquisition	635,150	-
Austria - acquisition	49,012	-
Total	2,481,295	1,926,737

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

Gross Profit	2003 #'000	2002 #'000
UK	188,369	196,820
France	36,059	34,932
Belgium & Luxembourg	1,842	1,053
Continuing Operations	226,270	232,805
Germany - acquisition	90,709	-
Austria - acquisition	5,507	-

Total	322,486	232,805

Gross profit is defined as: Turnover less (increase) in stocks of finished goods, goods for resale and consumables and less #408,475,000 (2002 :#210,087,000) for those staff costs, depreciation and other amounts written off tangible and intangible assets and other operating charges that are incurred in delivering technology sourcing, managed services and infrastructure integration to the customer. Selling, general and administration ("SG&A") costs are defined as the balance of staff costs, depreciation and other amounts written off tangible and intangible assets and other operating charges.

	2003 #'000	2002 #'000
Operating Profit/(Loss)		
UK	61,829	57,642
France	(2,727)	2,389
Belgium & Luxembourg	(390)	(3,864)
Continuing Operations	58,712	56,167
Germany - acquisition	8,728	-
Austria - acquisition	(1,502)	-
Total Group excluding associates & joint venture undertakings	65,938	56,167
Share of operating result of associates and joint venture	177	(1,285)
Total operating profit	66,115	54,882

Net Assets/(Liabilities) Employed	2003 #'000	Restated 2002 #'000
UK	187,167	180,843
France	33,326	10,400
Belgium & Luxembourg	(6,397)	(4,426)
Germany - existing	(291)	(588)
	213,594	186,229
Germany - acquisition	21,333	-
Austria - acquisition	(2,690)	-
Subtotal	232,238	186,229
Net Assets of associated undertakings		
UK	-	46

Rest of the world	510	62
Net assets employed	232,959	186,337
Net funds	49,925	83,430
Net operating assets	282,884	269,767
Non-operating liabilities	-	(26,998)
Net assets	282,884	242,769

During the period, Computacenter France acquired the businesses of Alsace Informatique Investissement (AII) and AB Microconseil (ABM) in France. These operations have been fully integrated under operating profit with those of Computacenter France and therefore it is not possible to separately identify the amounts relating to the acquired activities

3 OPERATING COSTS

	2003 #'000	2002 #'000
Increase in stocks of finished goods	(5,027)	(357)
Goods for resale and consumables	1,755,361	1,484,202
Staff costs	406,061	227,175
Depreciation and other amounts written off tangible and intangible assets	18,702	16,758
Other operating charges	240,260	142,792
	2,415,357	1,870,570

The total figures for 2003 include the following combined amounts in relation to the acquisition of GE CompuNet and GECITS Austria : decrease in stocks of finished goods #958,000, goods for resale and consumables #420,585,000, staff costs #154,415,000, depreciation and other amounts written off tangible and intangible assets #6,112,000 and other operating charges #94,867,000.

4 TAXATION

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

	2003 #'000	2002 #'000
UK Corporation tax	17,612	20,021
Tax overprovided in previous years	(621)	(1,197)
	16,991	18,824
Foreign	20	35
Group Current tax	17,011	18,859
Share of Joint Venture's tax	(100)	(339)
Total current tax	16,911	18,520
Deferred tax		
Origination and reversal of timing differences	1,542	(504)

Prior year adjustments - accelerated capital allowances	449	58
	-------	-------
Group deferred tax	1,991	(446)
	------	--------
Tax on profit on ordinary activities	18,902	18,074
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b) Factors affecting the current tax charge

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

	2003 #'000	2002 #'000
Total profit before taxation	65,161	55,081
	========	========
At 30%	19,548	16,524
Expenses not deductible for tax purposes	640	487
Relief on share option gains	(2,845)	-
Goodwill amortised	(919)	(984)
Impairment of Goodwill	11	870
Accounting depreciation in excess of tax depreciation	(284)	(137)
Amount provided against investments	-	558
Profits of overseas undertakings not taxable due to brought forward loss offset	(2,590)	-
Losses of overseas undertakings not available for relief	3,350	1,202
	--------	------
Current tax charge	16,911	18,520
	========	========

5 DIVIDENDS

Dividends	2003 #'000	2002 #'000
Equity dividends on ordinary shares :		
Interim Paid 2.0p (2002 - nil)	3,775	-
final Proposed 5.0p (2002 - 5.8p)	9,236	10,657
	------	------
	13,011	10,657
	=======	======

The Computacenter ESOP trust has waived the dividends payable in respect of 1,427,042 (2002: 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 (2002:457,796) 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 1,031,134 (2002:1,102,266) shares that it owns.

6 EARNINGS PER SHARE

The calculation of earnings per ordinary share is based on profit attributable to members of the holding Company of #46,304,000 (2002: #37,032,000) and on 184,853,000 (2002: 181,622,000) 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 #46,304,000 (2002: #37,032,000) and on 188,610,000 (2002: 186,632,000) ordinary shares, calculated as the basic weighted average number of ordinary shares, plus 3,757,000 (2002: 5,010,000) dilutive share options.

7 INVESTMENTS

Group	2003	2002
	#'000	#'000
Loan to joint venture, at cost	7,450	7,000
Associated undertakings (a)	539	108
Other listed investments (b)	3,047	2,755
	-------	-------
	11,036	9,863
	=======	=======

(a) Associated undertakings

	Share of net tangible assets
	2003
	#'000
At 1 January 2003	108
On acquisition of subsidiary	81
Share of profit of associated undertaking	510
Disposal	(63)
Transfer to subsidiary undertaking	(126)

At 31 December 2003	510

The Group's share of post acquisition accumulated profits of associated undertakings at 31 December 2003 is #510,000 (2002:#26,000). The Group has received #nil (2002: #710,000) from the associated undertakings for the provision of administrative services and the reimbursement of costs incurred.

On 2 January 2003, the Group acquired GE CompuNet in Germany. This resulted in the Group's shareholding in ICG Services Ltd increasing from 35.7% to 71.4%. Since the purchase of GE CompuNet, the Group has acquired the remaining 28.6% shareholding in ICG Services Ltd.

ICG BV was disposed of during the year for a consideration of #130,000.

(b) Other listed investments

	#'000
Cost	
At 1 January 2003 and 31 December 2003	4,617
	=======
Provision	
At 1 January 2003	1,862
Credit in the year	292

At 31 December 2003	1,573

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

At 31 December 2002	2,755
	=======

At 31 December 2003, the market value of listed investments was #3,047,000 (2002: #2,755,000).

Details of the principal investments at 31 December 2003 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 undertakings	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%
CC CompuNet GmBH	Germany	IT Infrastructure services	100%
Computacenter Austria	Austria	IT Infrastructure services	100%
Computacenter 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	50%
HelpByCom GmbH	Germany	IT Infrastructure services	47.4%**
ICG Services Limited	England	International IT Infrastructure services	100%***

* includes indirect holdings of 100% via Computacenter (UK) Limited

** includes indirect holdings of 47.4% via CC CompuNet GmbH

*** includes indirect holdings of 35.7% via CC CompuNet GmbH

Acquisitions - Germany & Austria

On 2 January 2003, the Group acquired GE CompuNet in Germany and GECITS in Austria for an initial consideration of #38,134,000. 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 #5,686,000. 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 and is confident 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 2003 and the likely performance for 2004.

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 (#36,762,000), plus interest, for upfront payment for the tax assets as opposed to payment as the assets are utilised. The Group rejects this claim 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 #'000	Adjustments #'000	Provisional fair value to Group #'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)	(3,945)	(136,649)
Creditors due after one year	-	(2,690)	(2,690)
Provisions for liabilities and charges	-	(9,135)	(9,135)
	21,153	(15,467)	5,686
Discharged by:			
Fair value of net consideration			5,686
Goodwill arising on acquisition			-

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

GE CompuNet and GECITS Austria together accounted for an outflow of #16,426,000 to the group's net operating cash flows, paid #638,000 in respect of net returns on investments and servicing of finance and received #238,000 in respect of taxation and utilised #2,738,000 for capital expenditure and financial investment.

There was no trading in GE CompuNet and GECITS Austria in the period between 1 January 2003 and the date of acquisition. The combined loss after tax and minority interest of GE CompuNet and GECITS Austria for the year ended 31 December 2002 was #2,846,000 and a loss of #14,000 respectively.

Acquisitions - France

During the year the Group acquired the trade and assets of "ABM" and "AII" in France for a consideration of #448,000 and #102,000 respectively. There were no fair value adjustments. The goodwill arising on these purchases totalled #204,000 and #102,000 respectively.

8 RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	2003 #'000	2002 #'000
Operating profit	65,938	56,167
Depreciation	22,665	17,138
Impairment of listed investment	-	1,865
Amortisation of positive goodwill	544	449
Impairment of positive goodwill	46	2,899

Amortisation of negative goodwill	(4,261)	(3,728)
Revaluation of listed investment	(292)	-
Loss on disposal of fixed assets	914	110
(Increase)/decrease in debtors	(16,963)	8,955
Increase in stocks	(4,908)	(282)
Decrease in creditors	(8,432)	(23,708)
Currency and other adjustments	(1,730)	749
Net cash inflow from operating activities	53,521	60,614

9 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 2003, the auditor's report on which has yet to be signed.

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