



Interim Management Statement

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Computacenter PLC

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Computacenter plc the independent IT services provider today publishes its Interim Management Statement based on unaudited financial information for the third quarter of 2008.

Financial Performance

The third quarter of 2008 continued the positive trends seen in the second quarter with Group revenue ahead of last year. Group revenue growth at 6% benefited from the strength of the euro against sterling. At constant currency revenue was flat compared to last year.

UK sales in the quarter were up by 2% to £310.0M and this is now unaffected by any acquisition growth. UK operating profit also saw an improvement over the same period in 2007.

German revenue in the quarter increased by 4% in local currency and by 18% in sterling to £205.0M. Due to continued improvement in Services margin, the before tax profit in Germany also continued to increase.

Whilst revenue in France declined 19% in local currency, the benefits of a higher services mix and superior product margins resulted in a small profit in the period compared with a small loss in the equivalent period last year.

We are pleased with the performance of the business in Q3. While we have not been immune from current economic difficulties it has to date been isolated to a few specific customers and has not had a material effect on the business as a whole. In particular, the Group has incurred a bad debt of £1.2M following the bankruptcy of a major financial services client. However it is expected there may be other offsetting unrelated gains during Q4 to mitigate this impact.

Group revenue to date in Q4 is in line with Q4 last year.

Financial Position

At the end of the quarter we had net borrowings of £15.2M [£29.7M at 30 June 2008] before customer specific financing. Including CSF the net debt was £87.0M [£95.9M at 30 June 2008]. CSF at £71.8M at 30 September 2008 is pass through financing where the Group acts as a lessor and is repaid through the proceeds of lease repayments embedded in invoice values to the relevant customers, as opposed to the generation of trading profits and the resultant cash flow. However, Computacenter retains the credit risk on these customers.

Group Outlook

While the fourth quarter is always the most important period of the year for us and there is much uncertainty in the marketplace, we take a great deal of encouragement and confidence from the performance of the business throughout the last two quarters.

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This information is provided by RNS

The company news service from the London Stock Exchange

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