Preliminary Results

March 14, 2006

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COMPUTACENTER PLC

Preliminary Results Announcement

Computacenter plc, the European IT infrastructure services provider, today announces preliminary results for the twelve months ended 31 December 2005.

Financial Highlights*:

* Group revenues of #2.29 billion (2004: #2.41 billion)
* Profit before tax of #34.0 million (2004: #67.9 million)
* #27.0 million of the profit decline attributable to lower vendor rebates in the UK
* Second half profit of #25.8 million (H1 2005 #8.2 million)
* Earnings per share of 10.9p (2004: 25.9p)
* Proposed final dividend of 5.0p per share, total dividend of 7.5p (2004: 7.5p)
* Strong operating cash flow and balance sheet with net funds of #100.4 million at year-end (2004: #41.0 million after the adoption of IAS 32 and 39)
* Proposed return of #75 million to shareholders in Q2 2006

* continuing operations

Operational Highlights:

* Major strategic repositioning programme underway in the UK business
* UK annual services contract base growth of 4.6%
* Encouraging growth in German services activities
* Improved French performance in the second half, although significant challenges remain

Ron Sandler, Chairman of Computacenter plc, commented:

"There is no denying that 2005 was a difficult year for Computacenter, and that the financial performance of the Group was disappointing. But the year was not without its positive features. Significant steps were taken in the UK to create an organisation that is considerably better equipped to respond to the challenges posed by the continuing commoditisation of IT. The long-running dispute in Germany with GE was brought to a satisfactory resolution. And across the Group, trading improved as the year progressed, and was particularly strong at the year-end.

"Trading activity in the first two months of 2006 has been below the comparable period in 2005. However, in recent years, our sales have become increasingly weighted towards the end of each quarter, such that trading in the early weeks of the quarter now provides a less reliable indicator of performance for the period as a whole.

"Whilst much remains to be done to improve Computacenter's profitability, there is a sense of optimism within the company that we are getting back on the right track."

For further information, please contact:
Computacenter plc.
Mike Norris, Chief Executive 01707 631 601
Tessa Freeman, Investor Relations 01707 631 514

www.computacenter.com

Tulchan Communications 020 7353 4200
Tim Lynch
www.tulchangroup.com

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

Chairman's Statement

In 2005, Computacenter's revenues declined to #2.29 billion (2004: #2.41 billion) and profit before tax fell 49.9% to #34.0 million (2004: #67.9 million). Most of the profit decline is attributable to reduced vendor rebates. Some encouragement can be taken from the fact that following a particularly difficult first half, the Group's performance improved considerably as the year progressed. Profit before tax increased in the second half to #25.8 million from #8.2 million in the first half, on revenues that were broadly unchanged.

The balance sheet remained strong. Even with an increased requirement for working capital due to an upsurge in trading at the year-end, the Group ended the year with net funds of #100.4 million (2004: #41.0 million after the adoption of IAS 32 and 39). The Group's cash resources exceed its requirements and the Board has decided to return #75 million to shareholders in the second quarter of 2006, on the assumption that various tax matters can be satisfactorily resolved within this timeframe. The Board intends to return further cash to shareholders in the years ahead, subject to retaining sufficient resources in the company to take advantage of opportunities to advance the strategic repositioning of Computacenter through acquisition.

The Board is pleased to recommend a final dividend of 5p per share, bringing the total dividend for 2005 to 7.5p (2004: 7.5p). It is the Board's intention to maintain this dividend until earnings have risen sufficiently to bring the level of cover to within the new target range of 2-2.5x, which is now considered appropriate by the Board. The final dividend will be paid on 30 May 2006 to shareholders on the register as at 5 May 2006.

Most of the profit decline is attributable to the Group's UK business, where operating profit fell to #32.1 million, from #63.8 million in the previous year. Reduced vendor rebates accounted for #27.0 million of this fall, and product margins were under pressure throughout the year. Gross profit from the Product Division fell by #35.2 million compared to 2004. The performance of the Services Division was more encouraging; although gross profit was broadly unchanged, revenues grew modestly and the contract base increased 4.6% to #177.1 million.

Computacenter's product business faces considerable challenges, including falling prices, reducing margins and the impact of vendors selling commodity products direct to end users, particularly in the large corporate market. In response, some major steps have been taken to address Computacenter's UK strategic positioning. In my statement accompanying the Interim Results, I drew attention to these:

* Re-engineering our product business to deliver lower cost account management and sales;
* Building a sizeable presence in the medium-sized business segment;
* Creating a specialist software business unit to increase our share of this market;
* Broadening the depth and range of our technical services activities;
* Capturing greater value from the superior scale of our engineering and maintenance activities, by sharing more resource across our customer base;
* Seeking to accelerate the growth of our Managed Services business.

Collectively, these strategic initiatives are intended to reposition Computacenter in its core markets and restore long-term earnings growth. Their implementation has required significant changes to our UK business model and

organisational structure, and management deserves considerable credit for its handling of a complex and far-reaching reorganisation during the course of the year.

Much remains to be done to realise the benefits of the new strategy; in particular, some key IT systems necessary to support the new organisation will only be introduced through the course of 2006. Whilst it is too soon to comment on the impact of these initiatives, management is optimistic that the changes will deliver the anticipated benefits, and the stronger second-half trading in 2005 may be an early indicator of this. The challenges, however, should not be underestimated.

Difficult market conditions persisted in Germany, putting both product and service margins under pressure throughout the year. Against a 5.7% decline in revenues to #618.2 million (2004: #655.5 million), the operating profit in Computacenter Germany fell to #5.0 million (2004: #9.0 million). But, as in the UK, trading improved considerably as the year progressed; the operating profit of #6.5 million in the second half was a substantial improvement on the first-half loss of #1.5 million, and similar to the comparable period in the previous year (2004: #6.5 million). This second-half improvement is attributable to both the usual seasonal factors in the market and the German management becoming more familiar with the new organisation structure introduced at the start of the year. It also reflects some operational improvements to a particularly problematical services contract.

The long-standing problems at Computacenter France continued during 2005, with losses deepening to #9.3 million (2004: #6.7 million) on revenues of #295.8 million (2004: #300.4 million). Performance was particularly poor in the first half of the year, when purchases from a major customer were temporarily curtailed. A new management team has been in place for over a year and Computacenter France is now being run on a much more disciplined basis; in particular, the quality of financial control in the business has been considerably enhanced. Efforts to align better the cost base of the business with its revenue potential will continue in the future.

In November 2005, it was announced that an independent committee of the Board had been formed to consider a potential offer for the Company from a group led by Peter Ogden, a major shareholder and Non Executive Director. No formal offer was made to the committee and, following the stronger trading performance in December, the approach was withdrawn. The members of this group intend to participate equally with other shareholders in the return of cash planned for later this year.

Trading activity in the first two months of 2006 has been below the comparable period in 2005. However, in recent years, our sales have become increasingly weighted towards the end of each quarter, such that trading in the early weeks of the quarter now provides a less reliable indicator of performance for the period as a whole.

There is no denying that 2005 was a difficult year for Computacenter, and that the financial performance of the Group was disappointing. But the year was not without its positive features. Significant steps were taken in the UK to create an organisation that is considerably better equipped to respond to the challenges posed by the continuing commoditisation of IT. The long-running dispute in Germany with GE was brought to a satisfactory resolution, and management is now free of this particular distraction. And across the Group, trading improved as the year progressed, and was particularly strong at the year-end.

Whilst much remains to be done to improve Computacenter's profitability, there is a sense of optimism within the company that we are getting back on the right track. My appreciation and thanks go to the employees of Computacenter for their outstanding commitment, energy and hard work.

Review of Operations

UK

In the face of continuing challenges, particularly in our product business, we

completed a fundamental review and realignment of our UK strategy in the first half of 2005. This, in turn, led to a major reorganisation involving the creation of separate Product and Services Divisions.

This strategic programme required considerable management time and attention during 2005. However, by the year-end, the benefits arising from these changes were already beginning to become apparent. In particular, the separation of our product and services activities has given both areas sharper focus and added new impetus to our efforts to restore top-line growth, whilst delivering operational improvements and cost reduction.

At the heart of the organisational change has been the transformation of our UK operations into seven discrete and highly empowered business units, which operate largely with a shared sales force. This new structure provides two principal benefits: a more focused and bottom-line driven management of Computacenter's core activities, and a sales force that is now freed of its previous responsibilities for the operational management of services delivery and therefore better able to concentrate on expanding the new business pipeline.

Cost control remains a priority, with overall headcount in the UK falling 3.5% from 4,754 to 4,589 over the course of the year. Of these reductions, 146 were in indirect SG&A (sales, general and administration) expense categories.

Services Division

A key focus of our services business during 2005 has been standardisation in order to reduce operational costs and improve customer service. This has allowed us to reduce the provision of dedicated on-site resources in favour of a centrally provided, shared-resource approach for the delivery of our engineering, help desk and systems management offerings.

In particular, we created a single engineering resource from over 2,000 staff previously dedicated to different functions and contracts. This makes it easier to assign the most appropriate specialist resource where it is needed, as well as helping to achieve higher levels of utilisation. Our success in lowering operating costs and building a more streamlined service delivery model has helped improve the competitiveness of our offerings.

The total services revenue in 2005 was #267.2 million and our annual contracted base increased 4.6% to #177.1 million.

The Services Division comprises three business units: Managed Services, Support Services and Technology Solutions.

Managed Services

Our Managed Services business unit is contractually responsible for the management of our customers' IT infrastructures, with the goals of reducing their costs and improving their user service levels.

To accelerate the growth in our Managed Services business a number of initiatives were begun in 2005 aimed at targeting our offerings more effectively, reducing operational costs and delivering a more efficient service. Central to these initiatives is the leverage of common processes and central resources, shared across the whole Services Division.

Considerable work has been done to define more clearly our core Managed Services propositions and match our offerings more closely to customers' requirements. In particular, we now have offerings specifically designed to meet a growing demand for cost-effective managed support of datacentres, and for ensuring 24x7 IT systems availability.

Significant new Managed Services business in 2005 included the award of a five-year global contract with a major investment bank, a major contract with British American Tobacco, and the renewal of our contract with AEGON UK for a further five years. A major focus in 2006 will be the negotiation of the renewal of our flagship Managed Services contract with BT which, unless the renewal is accelerated, comes to the end of its term in March 2007.

Support Services

Our Support Services business unit includes services such as installations and maintenance of desktops, datacentres and networks, user help-desk support, and disaster recovery. Support Services activities differ from Managed Services in that they involve more day-to-day customer instruction, as opposed to a contractually defined service level agreement.

We saw 5.1% growth in engineering and maintenance revenues compared to 2004. Support Services operating costs fell as a result of a 10% reduction in logistics costs, record levels of engineer utilisation, better supply chain management of spare engineering parts, and leverage of our European scale in purchasing.

Technology Solutions

The Technology Solutions business unit is responsible for professional services, including integration and project management services, and the provision of expert advice across a range of platforms and technologies.

Overall Technology Solutions revenues were broadly unchanged. However revenues from cabling projects grew strongly and we saw a 14% increase by volume in enterprise hardware related projects. We are now seeing a healthy pipeline of Technology Solutions projects for 2006.

In 2005 we sought to broaden and deepen our Technology Solutions portfolio, redeploying our consulting skills in new growth areas and particularly targeting the more business-critical areas of IT infrastructure. This has led to the establishment of six solutions units, providing consulting services in the areas of datacentre, storage, communications, Microsoft technologies, security and cabling. Considerable work has been done in each of these areas to define more clearly a portfolio of propositions aimed at delivering demonstrably attractive returns on investment.

A number of significant Technology Solutions projects were undertaken in 2005, including the design, testing and deployment of an upgraded IT infrastructure for the Prescription Pricing Authority (PPA), which is required to help reduce the cost of prescription processing in England. Computacenter has also been contracted to provide ongoing support of the PPA infrastructure under a five-year Managed Services agreement.

Product Division

In 2005, Computacenter experienced a 7.3% decline in UK product revenues, reflecting continuing intense price competition and the efforts of certain major vendors to sell direct. The adverse financial impact of this revenue decline was compounded by substantially inferior vendor terms. The gross profit from our product sales over the full year fell by #35.2 million, of which #27.0 million was attributable to lower vendor rebates.

The new Product Division comprises four business units: Corporate Hardware, Software, Computacenter Direct and CCD.

Corporate Hardware

In Corporate Hardware, we saw a significant shift in demand away from commodity PC and notebook products towards enterprise-class technologies, including high-end servers and networking products. In particular, we saw high growth in sales of enterprise products from IBM, Sun, Veritas, Cisco, EMC, Oracle and BMC. The substantial increase in product revenue in the last weeks of 2005 was primarily related to sales of these kinds of products, which generally attract higher levels of margin.

To help us streamline our sales processes and make them more cost-effective, we have undertaken a number of initiatives intended to introduce a 'lighter-touch' sales model in the UK. A significant development in this area has been the retraining and realignment of our Sales Support function. This is designed to

provide a more proactive product advice service and grow revenues with existing customers, as well as allowing us to monitor the commercial terms of relationships more closely.

We have also deployed a new internal sales administration system, which simplifies the order process and improves our ability to identify opportunities for alternative or supplementary sales. More of our business was conducted online in 2005, with 11% of orders now placed via our webshop, Computacenter Connect, a major revision of which is due in April 2006.

We introduced or are developing a number of innovative procurement services designed to make our offerings more competitive. This includes the 'Computacenter Recommends' portfolio of products, launched in H2 2005, which is a range benchmarked for its high value and low cost, and offers customers highly compatible and readily available technology.

Nonetheless, the Corporate Hardware business unit continues to experience challenging market conditions and reducing margins. The trading terms and conditions with HP, our major vendor partner, deteriorated still further following our annual renegotiation in November 2005. However, the decline was modest and we do not expect this to have a material effect on profitability in 2006.

Software

Our new Software business unit provides software procurement consulting, sourcing and asset management services.

Our software business grew 4.6% in 2005 to revenues of over #134 million following the establishment of this specialist business unit and the ensuing renewed focus on this area.

Considerable work was done in extending our licence management capability to include a wider range of vendor offerings and adding new personnel and skills to the business unit. Twelve new customer propositions were defined and matched against market requirements, with the overall aim of helping customers avoid unnecessary software spend and gain greater control over their software assets.

To accelerate growth in this area of business we have also invested in new systems that allow us to track customers' software procurement cycles and so identify licence renewal or extension opportunities at an early stage.

Computacenter Direct

Through our new venture Computacenter Direct, we are targeting the growing market for IT product and services in the medium-sized business sector, where the scale benefits of our logistics infrastructure offer real competitive advantage.

Revenues from this business unit increased steadily through 2005 to approximately #4 million per month, and product margins were above those achieved from our traditional large corporate accounts. We continue to invest for Computacenter Direct growth; the unit now comprises over 50 employees, with 35 new salespeople recruited during the year.

CCD

CCD, our trade distribution division, had a disappointing year. The operation saw a significant decline in profitability due to margin pressures in a fairly stagnant market. This is the area of our business where the adverse changes in vendor terms have had most impact. In addition, the prospect of channel consolidation has led to increasingly aggressive price competition between distributors.

In the face of these challenges, CCD embarked upon a major operating cost reduction programme in 2005, reducing headcount by 15% and relocating to lower cost premises.

RDC

Our technology recycling and remarketing operation, RDC, had a difficult 2005, only managing to break even over the full year. H1 was particularly poor, due to a low level of new desktop and laptop implementations by some large customers, reducing the need for RDC's recycling services, coupled with the delayed introduction of the WEEE waste management legislation in the UK.

To answer customers' changing requirements more effectively in the light of the legislation, cost reductions achieved over the year were channelled into the launch during Q4 of a Computacenter Asset Recovery Service (CARS) for the management of end-of-life computer technology.

We are confident that the launch of CARS, together with successes already achieved in a number of major accounts this year will take RDC back into profit in 2006.

Germany

After an operating loss of #1.5 million in the first half of 2005, Germany returned to profit in H2, recording a full year profit of #5.0 million (2004: #9.0 million) on full year revenue decline of 5.7% to #618.2 million (2004: #655.5 million).

2005 was a difficult year for Computacenter Germany with further decline in the traditional desktop and laptop product resale business, reflecting the weak economic climate and the impact of vendors selling direct to end-users. However as our customers began to release more capital for IT projects in H2, we saw a recovery in networking and datacentre technology revenues, fuelled by server consolidation and storage projects. We also saw strong growth in software licensing sales as customers continued to standardise their applications suites.

Overall, our services business performed satisfactorily considering the market conditions, with revenues growing by 5.8% over 2004. Service margins recovered strongly after a disappointing H1, in part due to a successful renegotiation of a particularly problematical contract.

Professional Services resource utilisation was high across projects, consultancy and customer engineering and we have a strong pipeline for these activities for 2006.

Our Managed Services business enjoyed growth above the market in 2005. Significant successes included the securing of a contract to provide maintenance services to the telecommunications company Telefonica, which will transfer its Field Engineering division to Computacenter in an outsourcing agreement.

In our interim report we said that our reorganisation at the beginning of the year had four key objectives: to improve our focus on the medium-sized business market; to sell a broader range of products and services to existing customers; to sharpen our focus on the growth areas of Government and Financial Services; and to improve relationships with our key vendor partners.
We began to see progress on all these objectives during 2005. However, the full impact of our improvement plan is unlikely to be evident until 2006.

France

Following a very poor first half, performance improved substantially towards the end of the year, resulting in revenues that were broadly unchanged on 2004. Nevertheless, the Computacenter France operating loss deepened to #9.3 million (2004: #6.7 million), partly due to the cost of restructuring the business.

The partial recovery in H2 was achieved despite continuing intense price competition and was partly due to seasonal factors, with the French market for IT products typically more buoyant in the second half of the year.

In addition, our largest French account, Le Ministere de la Defense, resumed expenditure in H2, having renewed its contract with Computacenter for a further four years. Expenditure had been suspended for nine months whilst the contract

renewal was put out to competitive tender. This had a material impact on overall Computacenter France revenues, negatively in H1 and, as spending recovered to well above normal levels, positively in H2.

The effects of our major transformation project also began to be realised in the second half of the year. A substantial effort was made to rectify the inconsistent revenue stream and consequent low utilisation levels in Professional Services. We also achieved a material improvement in our indirect cost base, with a total of 56 staff entering the formal redundancy process, which will lead to savings in 2006.

In addition, we saw a material improvement in the profit performance of our maintenance operation following the major re-engineering project begun in 2004. This has also given us a growing pipeline of new maintenance contracts.

Whilst the costs of the transformation project have adversely affected profit performance in 2005, we believe we have made significant progress towards Computacenter's eventual return to profit in France. As we continue to focus on delivering revenue growth and reducing operating costs, our aim is to reduce loss in 2006 and break even in 2007.

Significant wins included a major Managed Services contract with Air Liquide, including international help desk services provided by our multilingual support facility in Barcelona.

Belgium, Netherlands and Luxembourg

In Q1 2005 we extended our business to the Netherlands, establishing a small office in Amsterdam. Overall, our Benelux business showed a slight loss of #0.1 million (2004: profit of #0.0 million) with a 5.4% decrease in revenues to #19.9 million (2004: #21.0 million).

The most significant achievement in Benelux was the award in December 2005 of a three-year renewal, with extended scope, of our global desktop Managed Service with SWIFT. We also saw the renewal of our desktop services management agreement with Clearstream in Luxembourg, contracted through our relationship with Group Deutsche Borse in Germany.

Consolidated income statement
For the year ended 31 December 2005

	Note	2005 #'000	2004 #'000
Continuing operations			
Revenue	2	2,285,209	2,410,590
Cost of sales		(1,996,381)	(2,080,392)
Gross profit		288,828	330,198
Distribution costs		(19,928)	(20,626)
Administrative expenses		(241,242)	(243,394)
Operating profit from continuing operations		27,658	66,178
Finance revenue		8,127	5,247
Finance costs		(2,002)	(3,537)
Share of loss of joint venture		-	(226)
Share of profit of associate		229	266
Profit before tax		34,012	67,928
Income tax expense	3	(13,579)	(19,639)
Profit for the year from continuing operations		20,433	48,289
Discontinued operation			
Loss for the year from discontinued operation		-	(3,923)

Profit for the year		20,433	44,366
Attributable to:			
Equity holders of the parent		20,406	44,435
Minority interests		27	(69)
		20,433	44,366
Earnings per share	4		
- basic for profit for the year		10.9p	23.8p
- basic for profit from continuing operations		10.9p	25.9p
- diluted for profit for the year		10.9p	23.5p
- diluted for profit from continuing operations		10.9p	25.6p

Consolidated balance sheet
As at 31 December 2005

	Notes	2005 #'000	2004 #'000
Non-current assets			
Property, plant and equipment		81,601	89,914
Intangible assets		9,493	7,923
Investment accounted for using the equity method		288	373
Deferred income tax asset		5,528	1,486
		96,910	99,696
Current assets			
Inventories		100,233	118,914
Trade and other receivables: gross		382,970	438,452
Less: non returnable proceeds		-	(39,043)
Trade and other receivables		382,970	399,409
Prepayments		63,476	55,135
Forward currency contracts		191	-
Cash and short-term deposits	7	164,797	138,218
		711,667	711,676
Assets held in disposal groups held for sale		-	9,208
Total assets		808,577	820,580
Current liabilities			
Trade and other payables		315,997	306,964
Deferred income		73,827	89,083
Financial liabilities		64,131	58,706
Income tax payable		5,712	11,519
Provisions		2,190	2,358
		461,857	468,630
Non-current liabilities			
Financial liabilities		275	429
Provisions		14,007	15,233
Other non-current liabilities		371	2,691
Deferred income tax liabilities		1,393	1,455
		16,046	19,808
Liabilities included in disposal groups held for sale		-	6,888
Total liabilities		477,903	495,326
Net assets		330,674	325,254

Capital and reserves

Issued capital	9,505	9,489
Share premium	74,680	73,920
Capital redemption reserve	100	100
Own shares held	(2,503)	(2,503)
Other reserves	(1,757)	(904)
Retained earnings	250,630	245,113
Amounts recognised directly in equity relating to disposal groups held for sale	-	(7)
Shareholders' equity	330,655	325,208
Minority interest	19	46
Total equity	330,674	325,254

Approved by the Board on 13 March 2006

MJ Norris Chief Executive FA Conophy Finance Director

Consolidated statement of changes in equity
For the year ended 31 December 2005

	Attributable to equity holders of the parent								
	Issued capital #'000	Share premium #'000	Capital redemption reserve #'000	Own shares held #'000	Foreign currency translation reserve #'000	Retained earnings #'000	Total #'000	Minority interest #'000	Total equity #'000
At 1 January 2004	9,441	71,486	100	(2,503)	-	213,423	291,947	115	292,062
Exchange differences on retranslation of foreign operations:									
Continuing	-	-	-	-	(904)	-	(904)	-	(904)
Discontinued	-	-	-	-	(7)	-	(7)	-	(7)
Net income/ (expenses) recognised directly in equity	-	-	-	-	(911)	-	(911)	-	(911)
Profit for the period	-	-	-	-	-	44,435	44,435	(69)	44,366
Total recognised income and expenses for the year	-	-	-	-	(911)	44,435	43,524	(69)	43,455
Cost of share-based payments	-	-	-	-	-	807	807	-	807
Exercise of options	48	2,434	-	-	-	-	2,482	-	2,482
Equity dividends	-	-	-	-	-	(13,552)	(13,552)	-	(13,552)
	48	2,434	-	-	(911)	31,690	33,261	(69)	33,192
At 31 December 2004	9,489	73,920	100	(2,503)	(911)	245,113	325,208	46	325,254
Adoption of IAS 32 & IAS									

39	-	-	-	-	-	(148)	(148)	-	(148)
At 1 January 2005	9,489	73,920	100	(2,503)	(911)	244,965	325,060	46	325,106
Exchange differences on retranslation of foreign operations	-	-	-	-	(846)	-	(846)	-	(846)
Net income/ (expenses) recognised directly in equity	-	-	-	-	(846)	-	(846)	-	(846)
Profit for the period	-	-	-	-	-	20,406	20,406	(27)	20,379
Total recognised income and expenses for the year	-	-	-	-	(846)	20,406	19,560	(27)	19,533
Cost of share-based payment	-	-	-	-	-	(366)	(366)	-	(366)
Exercise of options	16	760	-	-	-	-	776	-	776
Equity dividends	-	-	-	-	-	(14,375)	(14,375)	-	(14,375)
	16	760	-	-	(846)	5,665	5,595	(27)	5,568
At 31 December 2005	9,505	74,680	100	(2,503)	(1,757)	250,630	330,655	19	330,674

Consolidated cash flow statement
For the year ended 31 December 2005

	Notes	2005 #'000	2004 #'000
Operating activities			
Operating profit from continuing operations		27,658	66,178
Adjustments to reconcile Group operating profit to net cash inflows from operating activities			
Loss for the year from discontinued operation		-	(1,547)
Depreciation		15,535	17,017
Amortisation		1,784	1,365
Share based payment		(366)	898
(Profit)/loss on disposal of property, plant and equipment		(85)	756
Loss on disposal of intangibles		-	48
Profit on disposal of investment		-	(1,603)
Dividend received from associate		303	509
Decrease in inventories		16,824	14,278
Increase in trade and other receivables		(25,904)	(23,156)
Increase/(decrease) in trade and other payables		29,925	(14,604)
Currency and other adjustments		287	181
Cash generated from operations		65,961	60,320
Income taxes paid		(18,366)	(12,296)
Net cash flow from operating activities		47,595	48,023

Investing activities

	Note	2005	2004
Interest received		9,086	4,359
Sale of subsidiary net of cash disposed of		(252)	-
Sale of property, plant and equipment		205	1,756
Purchase of property, plant and equipment		(6,950)	(11,615)
Sale of intangible assets		-	211
Purchases of intangible assets		(3,385)	(2,593)
Dividend received		-	23
Sale of listed investments		-	4,650
Funds received from settlement of net asset claim on previously acquired subsidiary		26,918	-
Net cash flow from investing activities		25,622	(3,209)
Financing activities			
Interest paid		(2,063)	(3,439)
Dividends paid to equity shareholders of the parent		(14,418)	(13,587)
Proceeds from share issues		776	2,482
Repayment of capital element of finance leases		(321)	(39)
Decrease in factor financing		(6,401)	-
Net cash flow from financing activities		(22,427)	(14,583)
Increase in cash and cash equivalents		50,790	30,232
Effect of exchange rates on cash and cash equivalents		1,576	(149)
Cash and cash equivalents at the beginning of the year	7	80,545	50,462
Cash and cash equivalents at the year end	7	132,911	80,545

Analysis of changes in net funds

	At 1 January 2005 #'000	Cash flows in year #'000	Exchange differences #'000	At 31 December 2005 #'000
Cash and cash equivalents	80,545	50,790	1,576	132,911
Factor financing	(39,043)	6,401	1,100	(31,542)
Finance leases	(172)	(480)	-	(652)
Bank loan	(326)	-	-	(326)
Net funds	41,004	56,711	2,676	100,391

The Group's net funds as at 31 December 2004 were #80.0 million. The impact of the adoption of IAS 32 and IAS 39 was to decrease net funds by #39.0m due to a reclassification from trade and other receivables to financial liabilities in respect of non-recourse financing arrangements. This amount was previously shown under a linked presentation.

Notes to the consolidated financial statements

Summary of significant accounting policies

1 Basis of preparation

The results for the year ended 31 December 2005 represent the first annual report that the Group has prepared in accordance with its accounting policies under IFRS. A description of how the Group's reported performance and financial position are affected by this change, including reconciliations from UK GAAP to IFRS for prior years and the revised summary of significant accounting policies under IFRS, is given in note 8 with further information available on the Investors Section of the corporate website at www.computacenter.com.

The Group's audited financial statements have been prepared in accordance with IFRS and are covered by IFRS 1, First-time adoption of IFRS. The financial statements have been prepared in accordance with those IFRS standards issued and effective as at the time of preparing the statements, and have been applied retrospectively except where certain exceptions apply.

The consolidated financial statements are presented in sterling and all values are rounded to the nearest thousand (#'000) except when otherwise indicated.

Change in accounting policy

From 1 January 2005 the Group has adopted the financial instruments standards IAS 32 and IAS 39. The only material changes on adoption of these standards has been on accounting for foreign currency forward contracts and non-recourse debt financing.

Foreign currency forward contracts

The changes attributable to the fair values of both the hedging instruments and the hedged item are recognised at each reporting date.

Non-recourse debt financing

Under UK GAAP, the Group adopted a linked presentation for its non-recourse debt financing. This presentation method is not permissible under IFRS and accordingly the non-recourse financing element has been reclassified as borrowings for 2005.

As permitted under IFRS1, first time adoption of International Financial Reporting Standards, the Group has elected not to restate comparative information for the financial instruments standards IAS 32 and IAS 39. A restatement of the opening balance sheet at 1 January 2005 to present the Group's opening position under IAS 32 and 39 is included in these financial statements as note 9.

2 Segmental analysis

The Group's primary reporting format is geographical segments and its secondary format is business segments. The Group's geographical segments are determined by the location of the Group's assets and operations. The Group's business in each geography is managed separately and held in separate statutory entities.

Year ended 31 December 2005

	UK	Germany	France	Benelux	Total
	#'000	#'000	#'000	#'000	#'000
Revenue					
Sales to external customers	1,351,307	618,238	295,784	19,880	2,285,209
Inter-segment sales	8,401	24,604	293	3,539	36,837
Segment revenue	1,359,708	642,842	296,077	23,419	2,322,046
Result					
Gross profit	169,876	87,709	28,941	2,302	288,828
Distribution costs	(11,315)	(5,160)	(3,360)	(93)	(19,928)
Administrative expenses	(126,482)	(77,548)	(34,894)	(2,318)	(241,242)
Operating profit	32,079	5,001	(9,313)	(109)	27,658
Net finance income	8,055	(553)	(1,347)	(30)	6,125
Share of associate's profit	-	229	-	-	229

Profit before tax	40,134	4,677	(10,660)	(139)	34,012
Income tax expense					(13,579)
Profit for the year from continuing operations					20,433
Assets and liabilities					
Segment assets	569,043	136,784	100,880	1,582	808,289
Investment in an associate	-	288	-	-	288
Total assets	569,043	137,072	100,880	1,582	808,577
Segment liabilities	233,129	116,895	123,952	3,927	477,903
Total liabilities	233,129	116,895	123,952	3,927	477,903
Other segment information					
Capital expenditure:					
Property, plant and equipment	6,138	1,020	555	124	7,837
Intangible fixed assets	3,083	284	18	-	3,385
Depreciation	11,570	2,981	882	102	15,535
Amortisation	1,093	295	358	38	1,784

Year ended 31 December 2004

	Continuing operations					Discontinued operation	
	UK	Germany	France	Benelux	Total	Austria	Total
	#'000	#'000	#'000	#'000	#'000	#'000	#'000
Revenue							
Sales to external customers	1,433,685	655,501	300,380	21,024	2,410,590	45,162	2,455,752
Inter-segment sales	6,923	2,116	202	1,012	10,253	116	10,369
Segment revenue	1,440,608	657,618	300,582	22,035	2,420,843	45,278	2,466,121
Result							
Gross profit	205,656	90,479	31,771	2,291	330,198	5,203	335,401
Distribution Costs	(12,134)	(5,032)	(3,353)	(107)	(20,626)	(133)	(20,759)
Administrative expenses	(129,678)	(76,448)	(35,100)	(2,168)	(243,394)	(6,617)	(250,011)
Operating profit	63,845	8,999	(6,682)	16	66,178	(1,547)	64,630
Net finance income	5,106	(1,239)	(2,086)	(71)	1,710	(19)	1,691
Share of joint venture's loss	(226)	-	-	-	(226)	-	(226)

Share of associate's profit	-	266	-	-	266	-	266
Profit before tax from continuing operations	68,725	8,026	(8,768)	(55)	67,928	(1,567)	66,362
Provision for loss on disposal of discontinued operation	-	-	-	-	-	(2,356)	(2,356)
Profit before tax	68,725	8,026	(8,768)	(55)	67,928	(3,922)	64,006
Income tax expense					(19,639)	(1)	(19,640)
Net profit for the year					48,289	(3,924)	44,366
Assets and liabilities							
Segment assets	550,388	188,766	70,131	1,714	810,999	9,208	820,207
Investment in an associate	-	373	-	-	373	-	373
Total assets	550,388	189,139	70,131	1,714	811,372	9,208	820,580
Segment liabilities	232,300	168,685	82,535	4,918	488,438	6,888	495,326
Total liabilities	232,300	168,685	82,535	4,918	488,438	6,888	495,326
Other segment information							
Capital expenditure:							
Property, plant and equipment	7,516	3,061	893	80	11,550	65	11,615
Intangible fixed assets	2,021	386	160	26	2,593	-	2,593
Depreciation	12,383	3,512	860	99	16,854	163	17,017
Amortisation	724	274	363	4	1,365	-	1,365

3 Income tax

a) Tax on profit on ordinary activities

Tax charged in the income statement

	2005 #'000	2004 #'000
Current income tax		
UK corporation tax	12,872	21,104
Foreign tax	31	4
Adjustments in respect of current income tax of previous years	(202)	(3,249)
Consortium relief	(119)	63
Total current income tax	12,582	17,922

	=========	=========
Deferred tax		
Relating to origination and reversal of temporary differences	997	1,846
Prior year adjustments	-	(129)
	---------	---------
Total deferred tax	997	1,717
	---------	---------
Tax charge in the income statement	13,579	19,639
	=========	=========

The tax charge in the income statement is disclosed as follows:		
Income tax expense reported on continuing operations	(13,579)	(19,639)
Income tax expense on discontinued operation	-	(1)
	---------	---------
	(13,579)	(19,640)
	=========	=========

Tax relating to items charged or credited to equity		
Deferred tax		
Relief on share option gains	16	48
	---------	---------
Tax credit in the statement of changes in equity	16	48
	=========	=========

b) Reconciliation of the total tax charge

	2005 #'000	2004 #'000
Profit from continuing operations before taxation	34,012	67,928
Loss before tax from discontinued operation	-	(3,923)
	--------	--------
Accounting profit before income tax	34,012	64,005
	========	========
At the UK standard rate of corporation tax of 30% (2004: 30%)	10,204	19,202
Expenses not deductible for tax purposes	673	234
Relief on share option gains	-	(5)
Adjustments in respect of current income tax of previous years	(202)	(616)
Adjustment following agreement of certain items for earlier years	-	(2,447)
Higher tax on overseas earnings	1	1
Provision for loss on disposal of overseas subsidiary	-	686
Disposal of investment	-	(569)
Accounting depreciation in excess of tax depreciation	518	80
Other timing differences	(761)	87
Consortium relief	(119)	-
Profit of overseas undertakings not taxable due to brought forward loss offset	(4)	(5)
Losses of overseas undertakings not available for relief	3,269	3,121
Adjustment in respect of deferred tax of earlier years	-	(129)
	--------	--------
At effective income tax rate of 39.9% (2004: 30.6%)	13,579	19,640
	========	========

4 Earnings per ordinary share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary

shares outstanding during the year adjusted for the effect of dilutive options.

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	2005 #'000	2004 #'000
Net profit attributable to equity holders from continuing operations	20,406	48,358
Loss attributable to equity holders from discontinued operations	-	(3,923)
Net profit attributable to equity holders of the parent	20,406	44,435

	2005 000's	2004 000's
Basic weighted average number of shares (excluding treasury shares)	187,210	186,441
Effect of dilution:		
Share options	658	2,538
Diluted weighted average number of shares	187,868	188,979

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

Discontinued operations
Loss per share for 2005 of nil (2004: 2.1p) for the discontinued operation is derived from the net loss attributable to equity holders of the parent from discontinuing operations of #nil (2004:#3,923,000) divided by the weighted average number of ordinary shares for both basic and diluted amounts as per the table above.

5 Dividends paid and proposed

	2005 #'000	2004 #'000
Declared and paid during the year:		
Equity dividends on ordinary shares:		
Final dividend for 2004: 5.2p (2003: 5.0p)	9,735	9,236
Interim dividend for 2005: 2.5p (2004: 2.3p)	4,590	4,316
	14,325	13,552
Proposed for approval at AGM (not recognised as a liability as at 31 December)		
Equity dividends on ordinary shares:		
Final dividend for 2005: 5.0p (2004: 5.2p)	9,400	9,735

6 Business combinations

Further to the German and Austrian acquisition update contained in note 14 of the 2004 Annual Report and Accounts and the outcome of the work of the independent Expert, PricewaterhouseCoopers, the Group has now resolved the tax assets claim noted as a contingent liability in its 2004 Report and Accounts. On the 15th 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 issued a claim for EUR52,165,292 (#36,892,800) plus interest, for upfront payment of the tax assets as opposed to payment as the assets are utilised. Following an arbitration hearing, Computacenter reached an agreement

with the vendors under which the vendor's claim was withdrawn and Computacenter purchased the tax assets outright. Although the arbitral tribunal did not render a final decision on the merits of the tax claim, it proposed a settlement, which did not allocate value to this claim.

The Net Asset Value claim of #32,448,000 was included as a receivable in trade and other receivables at 31st December 2004, the net result of this agreement is that Computacenter received EUR40,000,000 (#26,918,000) . The upfront purchase of the tax assets has resulted in a deferred tax asset on the Group balance sheet. The resolution of this claim has had no impact in the year on the income statement.

Disposal of subsidiary
On 2 January 2005 the Group disposed of its Austrian subsidiary, Computacenter GmbH (Computacenter Austria), a company that was a separate geographical segment of the Group.

At 31 December 2004, Computacenter Austria was classified as an asset held for sale, and was stated at the lower of carrying value and fair value less costs to sell, and income and expenses for the year ended 31 December 2004 were included within the income statement, details of which are given in note 3.

The net assets of Computacenter Austria, which included cash of #963,000, were disposed for consideration of #711,000.

7 Cash and short-term deposits

	2005 #'000	2004 #'000
Cash at bank and in hand	164,797	98,218
Short-term deposits	-	40,000
	164,797	138,218

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The fair value of cash and cash equivalents is #164,797,000 (2004: #138,218,000).

At 31 December 2005, the Group had available #81,942,000 (2004: #58,894,000) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise the following at 31 December:

	2005 #'000	2004 #'000
Cash at bank and in hand	164,797	98,218
Short-term deposits	-	40,000
Bank overdrafts (note 20)	(31,886)	(58,637)
	132,911	79,582
Cash at bank and in hand attributable to discontinued operation	-	963
	132,911	80,545

8 Transition to IFRSs
For all periods up to and including the year ended 31 December 2004, the Group prepared its financial statements in accordance with United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the year ended 31 December 2005, are the first that the Group is required to prepare in

accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

Accordingly the Group has prepared financial statements which comply with IFRSs applicable for periods beginning on or after 1 January 2005 and the significant accounting policies meeting those requirements are described in note 2. In preparing these financial statements, the Group has started from an opening balance sheet as at 1 January 2004, the Group's date of transition to IFRSs, and has made those changes in accounting policies and other restatements required by IFRS 1 for the first-time adoption of IFRSs. This note explains the principal adjustments made by the Group in restating its UK GAAP balance sheet as at 1 January 2004 and its previously published UK GAAP financial statements for the year ended 31 December 2004.

Summary of IFRSs impact

The impact on the profit for the year ended 31 December 2004 is detailed in the table below:

	Year ended 31 December 2004			
	Profit before tax, continuing operations	Income tax expense	Discontinued operations	Profit for the year
	#'000	#'000	#'000	#'000
UK GAAP	67,287	(19,860)	(2,642)	44,785
Reclassification				
Discontinued operation	1,568	(1)	(1,567)	-
Adjustments				
1a Positive goodwill	282	-	-	282
1b Negative goodwill	(531)	-	-	(531)
2 Share based payment	(898)	222	-	(676)
3 Employee benefits	35	-	-	35
4 Accounting for joint venture	185	-	286	471
Total IFRS adjustments	(927)	222	286	(419)
IFRS	67,928	(19,639)	(3,923)	44,366

The impact on total equity (and net assets) at 31 December 2004 and 31 December 2003 is shown in the table below:

	31 December 2004	31 December 2003
	Total equity #'000	Total equity #'000
UK GAAP	(315,138)	(282,883)
Reclassification		
Discontinued operation	-	-
Adjustments		
1a Positive goodwill	(282)	-

1b Negative goodwill	-	(531)
2 Share based payment	(461)	(330)
3 Employee benefits	883	918
4 Accounting for joint venture	(471)	-
5 Proposed dividend	(9,785)	(9,236)
Total IFRS adjustments	(10,116)	(9,179)
IFRS	(325,254)	(292,062)

The adjustments create no material impact on the cash flows of the Group.

Explanatory notes on the impact of IFRSs
The notes below explain the impact that the adoption of IFRSs has had on the Group's consolidated results.

Discontinued operation
The discontinued operation relates to the results of Computacenter Austria, which, under IFRS, is classified as held for sale as at 31 December 2004. For comparative purposes all figures within the 2004 results, in respect of this operation, have been removed from continuing operations. Under UK GAAP, the relevant amounts were disclosed under discontinued operations in the 2004 year-end accounts only.

Other adjustments

1) IFRS 3 - Business combinations; IAS 36 - Impairment of assets; IAS 38 - Intangible assets
IFRS 3 applies to accounting for business combinations for which the agreement date is on or after 31 March 2004.

The Group has elected not to apply IFRS 3 retrospectively to business combinations that took place prior to 1 January 2004. As a result in the opening balance sheet, positive goodwill arising from previous business combinations remains (#4.8m) as stated under UK GAAP at 31 December 2003.

The transitional provisions of IFRS 3 have required the Group to carry forward the UK GAAP net book value of positive goodwill as deemed cost under IFRS, and to eliminate the net negative goodwill brought forward under UK GAAP of #531,000 with a corresponding entry in reserves at 1 January 2004.

The adoption of IFRS 3 and IAS 36 has resulted in the Group ceasing annual goodwill amortisation from 1 January 2004. As a result, the UK GAAP amortisation charge of #282,000 and credit of #531,000, for positive and negative goodwill respectively have been removed from the Group's 2004 IFRS profit for the year.

2) IFRS 2 - Share-based payment
IFRS 2 'Share-based payment' requires an expense to be recognised where the Group buys goods or services in exchange for shares or rights over shares ('equity-settled transactions'), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ('cash-settled transactions'). The main impact of IFRS 2 on the Group is the expensing of employees' and directors' share options and other share-based incentives by using an option-pricing model.

The effect of the revised policy has decreased consolidated 2004 profit before tax by #898,000, and half year profits by #550,000 due to an increase in the employee benefits expense with a corresponding increase in equity which is taken to retained earnings. A corresponding deferred tax movement has also been accounted for.

3) IAS 19 - Employee benefits
IAS 19 requires the Group to recognise in full liabilities in relation to employee benefits. As at 1 January 2004, the Group has recognised an additional #918,000 of liabilities for holiday pay and other long-term employee benefits. The corresponding provision as at 31 December 2004 is #883,000, and as a result,

there is an increase in the profit for the year of #35,000 for the year ended 31 December 2004.

This introduces seasonality into the Group's result, because the holiday entitlement of employees is typically higher at 30 June that at 31 December. The additional provision required at 30 June 2004 results in a charge to the half-year income statement of #2,519,000.

4) IAS 31 - Interest in joint venture
Under UK GAAP the Group's interest in its joint venture was accounted under the gross equity method, which is not a recognised approach under IFRS. The Group has therefore changed its method of accounting for the joint venture to equity accounting.

During the second half of 2004 the Group's holding in its joint venture was diluted, and its share of the losses exceeded the Group's net investment. Under UK GAAP the Group was required to continue recognising its share of the losses even though this resulted in a net negative amount in the balance

sheet. Under IFRS the Group only recognises its share of the losses up until the point that its net investment is reduced to zero. This has resulted in #185,000 of losses and an exceptional charge of #286,000 in respect of the dilution in the Group's holding, both of which were recognised under UK GAAP, not being recognised under IFRS.

5) IAS 10 - Events after the balance sheet date

In accordance with IAS 10, dividends declared after the balance sheet date are not recognised as a liability in the financial statements as there is no present obligation at the balance sheet date, as defined by IAS 37 - Provisions, contingent liabilities and contingent assets. Accordingly, the final dividends for 2003 of #9,236,000 and 2004 of #9,785,000 (as recognised under previous GAAP) are de-recognised in the balance sheets for 31 December 2003 and 31 December 2004. The interim dividend has also been accounted for in this manner.

Other reclassification entries
IAS 38 - Intangible assets
Computer software that is not an integral part of the related hardware is classified as an intangible asset under IFRS, whereas such assets were classified under tangible assets under UK GAAP. Reclassifications of #2,251,000 have been made between tangible and intangible assets at 1 January 2004, #2,077,000 at 30 June 2004 and #3,167,000 at 31 December 2004 accordingly.

IAS 21 - The effects of changes in foreign exchange rates
From 1 January 2004, foreign currency translation differences are pulled into a separate reserve. As stated on page 4, the Group has elected, under the provisions of IFRS 1, to set the historic translation differences on foreign subsidiaries to zero.

Additional changes from 1 January 2005

IAS 32 and 39 - Financial instruments: recognition, measurement and disclosure
The Group has taken advantage of the transitional provisions of IAS 32 and IAS 39 and has not adopted these two standards early. They will be adopted from 1 January 2005. The comparative information for 2004 has not been restated from UK GAAP to IFRS. The restatement of the balance sheet for the adoption of IAS 32 and IAS 39 is shown in note 9.

The most material changes on adoption of these standards will be due to non-recourse financing and accounting for foreign currency forward contracts.

Non-recourse financing
For the 2004 comparative numbers, under UK GAAP, the Group has adopted a linked presentation of its non-recourse financing, in line with FRS 5 'Reporting the substance of transactions'. Linked presentation is not permitted under IFRS. Application of IFRS to the non-recourse financing scheme in operation throughout 2004 would have resulted in the financing element being accounted for as borrowings. There would have been no impact on the 2004 income statement.

Forward currency contracts
The Group uses forward currency contracts to hedge material risks associated with movements in foreign currency exchange rates. In 2004 the material risk related to a #32,448,000 receivable (in Euros) relating to the purchase of GE CompuNet and GECITS Austria in 2003.

Under UK GAAP the fair value of the foreign currency forward contracts has not been recognised, and the receivable has been recorded at the contract rate.

Under IFRS, foreign currency forward contracts are recognised at their fair value. The receivable would also be recognised at its fair value, and be recorded at the spot rate prevailing at the balance sheet date.

If IAS 32 and 39 had been applied from 1 January 2004, there would have been an asset of #75,000 on the opening balance sheet, and a net movement in the income statement in 2004, from measuring both instruments at fair value, of a loss of #286,000 before tax.

9 Restatement of balance sheet and equity at 1 January 2005 for the effects of IAS 32 and IAS 39
Under IFRS 1, first time adoption of international financial reporting standards, the Group is not required to present comparative information which complies with IAS 32 and IAS 39. The Group's hedging strategy is unchanged in respect of covering the risk of foreign currency purchases. The accounting differences for which the 2005 opening balance sheet is restated and which will apply to the 2005 accounts are noted below:

Balance sheet at
1 January 2005

	IFRS pre restatement for IAS 32 & IAS 39 #'000	Hedging of forward currency contracts #'000	Non-recourse financing #'000	Restated IFRS #'000
Non-current assets				
Property, plant and equipment	89,914	-	-	89,914
Intangible assets	7,923	-	-	7,923
Investment in an associate accounted for using the equity method	373	-	-	373
Deferred income tax asset	1,486	-	-	1,486
	99,696	-	-	99,696
Current assets				
Inventories	118,914	-	-	118,914
Trade and other receivables: gross	438,452	1,736	-	440,188
Less: non-returnable proceeds	(39,043)	-	39,043	-
Trade and other receivables	399,409	1,736	39,043	440,188
Prepayments	55,135	-	-	55,135
Cash and short-term				

deposits	138,218	-	-	138,218
	--------	-------	-------	-------
	711,676	1,736	39,043	752,455
	--------	-------	-------	-------
Assets held in disposal groups held for sale	9,208	-	-	9,208
	--------	-------	-------	-------
Total assets	820,580	1,736	39,043	861,359
	========	=======	=======	=======
Current liabilities				
Trade and other payables	306,964	-	-	306,964
Deferred Income	89,083	-	-	89,083
Interest-bearing loans and borrowings	58,706	-	39,043	97,749
Forward currency contracts	-	1,947	-	1,947
Income tax payable	11,519	-	-	11,519
Provisions	2,358	-	-	2,358
	--------	-------	-------	-------
	468,630	1,947	39,043	509,620
	--------	-------	-------	-------
Non-current liabilities				
Interest-bearing loans and borrowings	429	-	-	429
Provisions	15,233	-	-	15,233
Other non-current liabilities	2,691	-	-	2,691
Deferred income tax liabilities	1,455	(63)	-	1,392
	--------	-------	-------	-------
	19,808	(63)	-	19,745
	--------	-------	-------	-------
Liabilities included in disposal groups held for sale	6,888	-	-	6,888
	--------	-------	-------	-------
Total liabilities	495,326	1,884	39,043	536,253
	--------	-------	-------	-------
Net assets	325,254	(148)	-	325,106
	========	=======	=======	=======
Capital and reserves				
Issued capital	9,489	-	-	9,489
Share premium	73,920	-	-	73,920
Capital redemption reserve	100	-	-	100
Own shares held	(2,503)	-	-	(2,503)
Other reserves	(904)	-	-	(904)
Retained				

earnings	245,113	(148)	-	244,965
Amounts recognised directly in equity relating to disposal groups held for sale	(7)	-	-	(7)
Shareholders' equity	325,208	(148)	-	325,060
Minority interest	46	-	-	46
Total equity	325,254	(148)	-	325,106

The Group has applied hedge accounting under IAS 39 for certain foreign currency exposures. The changes attributable to the fair values of both the hedging instruments and the hedge item are recognised in the income statement at each measurement date.

Under UK GAAP, the Group adopted a linked presentation for its non-recourse debt financing. This presentation method is not permissible under IFRS and accordingly the finance element has been reclassified as borrowings for 2005.

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 2005, the auditor's report on which has yet to be signed

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