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 2009.

Financial Performance

Trading in the third quarter was in line with our expectations.

Group revenue, for the third quarter, declined by 8% to £552 million on an as reported basis and by 12% on a constant currency basis. After nine months of the year, Group revenues have declined by 5% to £1,769 million. Some of this decline is due to the partial exit from trade distribution business at the end of 2008. Our services business has performed well, with revenue growth in Q3 of 10% (YTD 12%) and we are now starting to benefit from the contract wins earlier in the year, particularly in the UK. We have also been able to secure additional services wins in the third quarter, although these will not make a significant contribution to group performance until 2010.

We are managing to over achieve on our cost reduction plans, which were laid out at the beginning of the year and we are now expecting to achieve in excess of £20 million ongoing expense reduction per annum, by the end of 2009, an increase of over £5 million against our previous target. We took an exceptional charge in the first half of 2009 for these cost reductions, which may increase by circa £1m in the second half, as we identify further cost reduction opportunities.

In the UK, revenue in the third quarter from services was up 10%, while revenue from continuing product operations was down 25%. UK operating profit for the third quarter was ahead of the same period of the previous year, mainly due to the accelerating services revenue growth and material cost reductions.

In Germany, the third quarter of last year was particularly strong. In Q3 2009, in constant currency, services revenue was down 5% and product revenue was down 7%.

In France, in constant currency, in the third quarter services revenue increased by 17%, while product sales reduced by 9%. As we expected, the second half performance in France will be difficult, compared to the second half of last year, due to a significant spend reduction by our largest customer.

Financial Position

Cash generation continued the positive trend we have experienced so far this year. At the end of the quarter, we had net cash excluding customer-specific financing of approximately £56 million, compared to net debt of £16 million at the end of Q3 2008. Net debt, including customer -specific financing, reduced to approximately £4 million compared to £89 million at the end of Q3 2008.

Group Outlook

The encouraging performance we experienced in the first half, particularly in services growth, has continued into the third quarter. This, coupled with the strong list of recent wins and encouraging pipeline for the future, particularly in the UK, continues to improve Computacenter's visibility for 2010 and beyond. We are particularly encouraged by the high percentage of customers that are renewing and extending their contracts, which we see as testament to our ability to deliver on our promises and reduce their operating costs. The current economic climate has had a significant effect on capital projects and consequently, our product business. However, our cost control measures have more than offset the reduction of contribution from the decline in product revenue and have enabled us to increase Computacenter's operational leverage, so we are positioned to take full advantage of any upturn, no matter how small. While much remains to be done, as we enter into the all important fourth quarter, the business remains on track for the year as a whole.

Our next scheduled trading update will be the pre-close briefing, prior to our annual results, which is scheduled for 12 January 2010.

Enquiries

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