Interim Management Statement

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Computacenter PLC
15 October 2010

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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 2010.

Financial Performance

Trading in the third quarter has strengthened from an already positive position in the first half.

Revenue growth for the quarter, on a reported basis, increased by 13% to £621 million (2009: £548 million), or 16% in constant currency. This brings our year to date reported revenue growth to 7%, or 10% at constant currency. On a like-for-like basis, adjusting for the effects of acquisitions and disposals made in the fourth quarter of 2009, revenue growth on a reported basis was 14% in the third quarter, or 17% at constant currency and 8% year to date, or 11% in constant currency. We have seen an improved rate of growth in the third quarter in both products and services, in all countries in which we operate compared to the first half of 2010. The overall growth rate compared to third quarter 2009 for product, excluding the effects of acquisition and disposal, was 17% in the third quarter 2010 with a 9% growth in services.

In the UK, excluding the disposal of our distribution business ("CCD"), overall growth has increased on the first half of the year to bring the overall year to date growth figure to 15%, equivalent to a growth rate of 20%, in the third quarter alone. As expected, our services business grew more strongly in the third quarter than in the first half at 16%, as we benefitted from new managed services contracts that started in Q2 2010 and contributed for the entire quarter. Our UK product business continued its positive first half growth, with 22% growth, excluding CCD, in Q3, in spite of a Government expenditure decline, which has been more than compensated by growth rates elsewhere, particularly financial services.

The performance of Germany was particularly pleasing with overall growth in the third quarter, including the becom acquisition, in local currency of 19% and 10%, excluding the effect of the acquisition. As expected, the performance of our services business has shown a major improvement over the first quarter, where we had some difficulties, with a 9% growth in Q3 over Q3 2009, bringing the year to date performance to a modest, but at least positive 1%. Our German product business, aided by the acquisition of becom, grew by 25% in local currency and by 12%, excluding the effect of becom in the quarter, compared to 2009.

Third quarter revenue in France grew by 14% in local currency, bringing the year to date growth to 12% with a 9% growth in services, bringing the year to date position to 8% and a 16% growth in product, bringing the year to date position to 13%.

Financial Position

Our cash position continued to strengthen in the third quarter and at the end of the period, we had net cash, excluding customer specific financing, of approximately £100 million, compared to £56 million at the end of Q3 2009. Net funds, including customer specific financing, was £70 million, compared to net debt at the end of Q3 2009, of £4 million. This cash position continues to be flattered by approximately £25 million, due to the ongoing credit terms extended to all its partners, by one of our key vendors.

2010 Tax Rate

As always, our tax rate is a blended rate depending on the performance of different countries remembering we have considerable tax losses to carry forward in France and Germany. In 2010, certain one-off items in the UK reduce our tax rate by around 4%, which will result in a Group tax rate of approximately 22% of adjusted PBT, for the year as a whole.

Group Outlook

We have been encouraged by our performance in the third quarter and our growth rates exhibited year to date. It is unlikely that we will achieve the same levels of growth in Q4, as experienced in Q3, due to the more difficult comparisons in the fourth quarter, as our performance in Q4 last year had been particularly strong. We do however, expect our services growth rate to continue at similar levels as experienced in the year to date and our product business growth rates to remain positive in all countries. The fourth quarter, as it is every year, is the most important quarter for the company's overall performance, so much remains to be done, but the results to date makes us confident that we are on track to deliver on our expectations for 2010.

Our next scheduled trading update will be the pre-close briefing, prior to our annual results, which is scheduled for 11 January 2010.

Enquiries

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