



Interim Management Statement

April 20, 2011
RNS Number : 2114F
Computacenter PLC
20 April 2011

Computacenter plc
Interim Management Statement

20 April 2011

Computacenter plc, Europe's leading independent provider of IT infrastructure services, publishes its Interim Management Statement based on the unaudited financial information for the period from 1 January 2011 to date.

Financial Performance

We have made a satisfactory start to the year. Group revenue for the first quarter increased by 2%, on a reported basis, unaffected by disposals or acquisitions and minimal impact from currency movement. Our services revenue grew by 6% in Q1 2011. Group product revenue was flat overall with strong growth in Germany and France offsetting expected weakness in the UK.

United Kingdom

UK services revenue grew by 3% while product revenue declined by 23%, in part due to the anticipated reduction in spending in the government sector and a reported one-off large product transaction in Q1 2010. The government spending reduction has a more meaningful impact in Q1, due to this being the largest quarter for government expenditure. This downturn in product sales has not had anywhere near the same effect on our contribution and even less impact on our profitability. The UK services new business pipeline, for the rest of the year, looks promising due to contracts already won, but not yet started, as well as prospects. Additionally, we are managing to implement new contracts at improved margins, when compared to the past.

Germany

Germany bounced back after a tough Q1 2010 last year with product growth of 28%, as the market continued the strength shown in Q4 2010. Services growth was 9%, with a strong pipeline of projects. We are particularly pleased with this performance, as it was achieved while we went live successfully, with our new Group ERP project in Germany, at the beginning of February 2011. On 11 April 2011, we announced our intention to acquire the whole of the German Apple integrator, HSD Consult GmbH, from the Gravis Group, subject to competition authority clearance, for a maximum consideration of €5.4million. This acquisition will strengthen Computacenter's position in the growing German mobility integration solution market.

France

In France, during the first quarter, services revenue increased by 10% and product revenue grew by 22%. From the beginning of April 2011, we are benefiting from the acquisition of Top Info. The integration process of Top Info has started smoothly and the acquisition of Top Info will enhance Computacenter France's presence within the IT infrastructure supply market, to the large corporate and government market and will provide growth opportunities for its services and infrastructure solutions.

Financial Position

At the end of Q1 2011, net cash excluding Customer Specific Financing (CSF) was approximately £120 million (£139 million at end Q4 2010). Net cash including CSF was approximately £94 million (£111 million at end Q4 2010). The Group spent €21 million (£17.7 million) on the acquisition of Top Info, before the end of the quarter. We continue to benefit from the extended credit scheme with one of our major vendors, by approximately £30 million, which has declined by £7 million due to the seasonal sales patterns of this particular vendor. Excluding these two factors, Computacenter's cash position continues to increase.

Outlook

We remain confident that 2011, as a whole, will be another year of improvement for Computacenter's performance. Our services growth is solid across the Group and we have again benefitted from our portfolio of countries, in the product business. While much remains to be done, we are trading in-line with management expectations for the year.

Our next scheduled trading update will be the pre-close briefing prior to our Interim Results, which is scheduled for 12 July 2011.

Enquiries

Computacenter plc

Mike Norris, Chief Executive 01707 631601

Tony Conophy, Finance Director 01707 631515

Tessa Freeman, PR Manager 01707 631514

Tulchan Communications 020 7353 4200

Christian Cowley

Lucy Legh

This information is provided by RNS
The company news service from the London Stock Exchange

END

IMSUKVVRWASAAR