2013 Interim Results

Mike Norris

30 August 2013

H1 2013

Financial Highlights

- Group revenue of £1.43 billion (H1 2012: £1.42 billion)
- Group adjusted* profit before tax of £26.2 million (H1 2012 restated: £25.8 million), an increase of 1.9%
- Adjusted* diluted earnings per share (Diluted EPS) of 12.5p (H1 2012 restated: 12.7p)
- Net funds excluding customer specific financing (CSF) of £82.1 million (H1 2012: 101.6 million), after remitting £31.4 million to a third party escrow account during the period as part of the return of value to shareholders of approximately £75 million which completed in early July 2013
- Interim dividend of 5.2p (H1 2012: 5.0p)

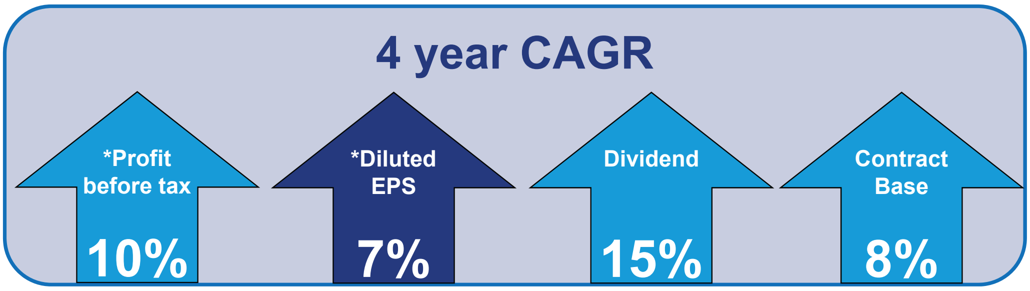
** Adjusted measure, with 2012 restated*

H1 2013

"Two tales of one half"

	H1 2009	H1 2010	H1 2011	H1 2012	H1 2013	2013 vs 2012
Turnover (£m)	1,222.2	1,288.8	1,365.3	1,422.3	1,426.3	*0.3%*
*Profit before tax (£m)	18.2	21.3	26.6	25.8	26.2	*1.9%*
*Diluted EPS (pence)	9.6	10.4	12.9	12.7	12.5	*-1.6%*
Dividend per share (pence)	3.0	3.5	4.5	5.0	5.2	*4.0%*
**Contract Base (£m)	487.1	521.4	554.3	606.2	651.0	*7.4%*
*Operating Cash flow (£m)	56.4	43.9	30.4	5.9	(6.4)	*n/a*

** Adjusted measure, with 2012 restated* *** at constant currency*



H1 2013

Exceptional items

£29.3m	Description	Management Actions
£5.1m	**Trading losses on 3 onerous contracts** *"To provide a clearer picture of the past performance of the business, the Group has restated its 2012 accounts where necessary to reclassify trading losses previously incurred on these contracts as exceptional items"*	**Minimise quantum of the actual losses incurred on these contracts hereafter**
£10.7m	**Provisions for future losses on 3 onerous contracts** *"The Group is required to make an exceptional one-off provision of £10.7 million representing our best estimate of the losses expected to be incurred between 1 July 2013 and the end of the three contracts"*	**Apply Group governance procedures on new contracts**
£12.2m	**Non-cash Impairment in France** *"The disappointing financial performance of our French business in 2013 has resulted in the need for a non-cash impairment to non-current assets in the French cash-generating unit"*	**ERP and Operating Model implementation; Grow services mix**
£1.3m	**Redundancy costs in Germany** *"Following the implementation of our Group Operating Model further overhead cost saving activities have been taken across the Group resulting in an exceptional charge"*	**Continue to seek benefits from Group Operating Model**

H1 2013
Operating Highlights

- Continued good progress towards objective of increasing the proportion of Group revenue generated through Services;
- Group **Services revenue increased by 3.0%** in constant currency across the Group;
- **Excellent momentum** in the **UK** continues, with a very encouraging Managed Services pipeline;
- **Pleasing underlying performance** in **Germany**, also with a strong Managed Services pipeline
- Trading performance of the **three onerous contracts** in Germany has **stabilised** since our Interim Management Statement dated 24 April 2013
- Successful implementation of **Group Operating Model** in Germany
- **French** business continues to face **challenging market conditions**. Short-term adverse impact from its migration to the Group ERP system. Confident of improved French business performance in the long term
- **Successful Group ERP migration** in the UK and Germany already delivering important benefits, enabling the implementation of the Group Operating Model
- **Financial flexibility** of the Group increased through a £40 million committed facility secured in the period

Financial Review

Tony Conophy
30 August 2013

H1 2013

Re-classification and results restatement

Update to our glossary

"Adjusted results

- *PBT and EPS are adjusted for exceptional items and amortisation on acquired intangibles.*
- *Operating results from 2012 have been restated to reclassify the results of three onerous German contracts to exceptional items for which a further exceptional provision has been made at June 2013.*
- *Operating profit is stated after charging finance costs on CSF"*

Impact

- Trading losses for FY 2012 of £5.9m (H1 2012 : £1.7m) and provisions of £2.1m (H1 2012: nil) have been restated as exceptional items in 2013 accounts.
- This has increased adjusted operating profit, adjusted profit before tax and exceptional items in the prior year comparative results, as the table opposite shows

Rationale

- to provide a clearer picture of the past performance of the business

Results restatement

	H1 2012 £m	FY 2012 £m
Adjusted Operating Profit		
As reported in income statement	*23.8*	*71.1*
Interest on CSF	*(0.6)*	*(1.1)*
As reported in segment note 3	23.2	70.0
Onerous contracts		
- trading losses	1.7	5.9
- provision for future losses	0.0	2.1
As restated 2013	**25.0**	**78.0**
Adjusted Profit before tax		
As Reported 2012	24.0	71.3
Onerous contracts		
- trading losses	1.7	5.9
- provision for future losses	0.0	2.1
As restated 2013	**25.8**	**79.3**
Exceptional items		
As Reported 2012	(1.9)	(3.9)
Onerous contracts		
- trading losses	(1.7)	(5.9)
- provision for future losses	0.0	(2.1)
As restated 2013	**(3.6)**	**(11.9)**

H1 2013

Group adjusted and restated financial results

	As reported / restated			Constant currency
	H1 2013 £m	H1 2012 £m	Change	Constant Currency Change
Total Revenue	1,426.3	1,422.3	0.3%	(1.7%)
Adjusted gross profit	184.7	181.8	1.6%	(0.2%)
Adjusted gross profit %	*13.0%*	*12.8%*	*0.2%*	*0.2%*
Admin Expenses	(159.0)	(156.8)	1.4%	(0.5%)
Adjusted operating profit	25.7	25.0	3.1%	2.0%
Adjusted operating profit %	*1.8%*	*1.8%*	*0.0%*	*0.1%*
Adjusted net interest	0.5	0.8	(35.4%)	(35.7%)
Adjusted profit before tax	26.2	25.8	1.9%	0.9%
Adjusted tax expense	(7.3)	(6.1)	18.8%	17.7%
Adjusted tax rate	*(27.8%)*	*(23.9%)*	*(4.0%)*	*(4.0%)*
Adjusted profit after tax	18.9	19.6	(3.4%)	(4.4%)
Diluted earnings per share				
– Adjusted	12.5p	12.7p	(1.6%)	
– Statutory	-5.7p	10.0p	n/a	

Adjusted profit before tax, income tax expense and Diluted EPS are stated prior to amortisation of acquired intangibles and exceptional items. Adjusted operating profit and adjusted gross profit is also stated after charging finance costs on CSF

- **As adjusted / restated**

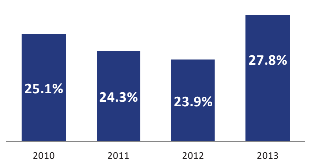
  Turnover marginally lower in constant currency (ccy)

  Operating profit up 3.1%, 2.0% in ccy

  Profit before tax up 1.9%, 0.9% in ccy

  Diluted EPS marginally lower

- **Adjusted tax rate** higher in H1 2013, due to unrecovered losses in France.



Income statement rate
2013 : £1 = € 1.175
2012 : £1 = € 1.216

H1 2013

Reconciliation to statutory results

	H1 2013 £m	H1 2012 £m	Change %
Adjusted profit before tax	**26.2**	**25.8**	**1.9%**
Amortisation of acq. intangibles	(1.3)	(1.3)	-1.5%
Onerous contracts			
- trading losses	(5.1)	(1.7)	n/a
- provision for future losses	(10.7)	0.0	n/a
Onerous German contracts	(15.8)	(1.7)	n/a
Non-cash Impairment	(12.2)	0.0	n/a
Redundancy Costs	(1.3)	0.0	n/a
Property Relocation	0.0	(1.9)	n/a
Other Exceptional items	(13.5)	(1.9)	n/a
Exceptional items	**(29.3)**	**(3.6)**	**-708.2%**
Statutory profit before tax	**(4.3)**	**20.8**	**-120.9%**
Adjusted tax expense	**(7.3)**	**(6.1)**	**18.8%**
Adjusted tax %	*27.8%*	*23.9%*	*4.0%*
Tax on exceptional items	2.0	0.5	n/a
Tax on impairment	1.0	0.0	n/a
Tax on amort'n of acq. intangibles	0.1	0.3	-55.1%
Income tax expense	**(4.1)**	**(5.4)**	**-23.0%**
Tax %	*-94.9%*	*25.8%*	*-120.7%*
Statutory profit after tax	**(8.5)**	**15.5**	**-154.9%**

- **Amortisation from acquired intangibles** is in line with prior year

- **Exceptional items** cover

1. onerous contracts, both trading losses (previously disclosed within operating profit) and provision for future losses, based on our estimates of contract costs and revenues to come;
2. impairment of intangible assets in France, principally those generated by the Top Info acquisition;
3. redundancy costs which have arisen principally in Germany.

H1 2013

Group revenues by segment

	As reported			In constant currency		
	H1 2013 £m	H1 2012 £m	Change %	H1 2013 £m	H1 2012 £m	Change %
Supply Chain Revenue						
UK	369.1	367.6	0.4%	369.1	367.6	0.4%
Germany	400.0	393.6	1.6%	400.0	407.4	(1.8%)
France	170.4	190.1	(10.4%)	170.4	196.7	(13.4%)
Belgium	14.2	20.6	(30.8%)	14.2	21.3	(33.2%)
Total Group	**953.7**	**971.9**	**(1.9%)**	**953.7**	**993.0**	**(4.0%)**
Services Revenue						
UK	223.1	210.6	5.9%	223.1	210.6	5.9%
Germany	203.4	197.4	3.0%	203.4	204.3	(0.4%)
France	37.4	36.7	1.8%	37.4	38.0	(1.6%)
Belgium	8.8	5.6	56.7%	8.8	5.8	51.4%
Total Group	**472.7**	**450.3**	**5.0%**	**472.7**	**458.7**	**3.0%**

- **Supply chain revenues** have consolidated in the UK and have recovered strongly in Q2 in Germany, but are disappointing in France.
- Timing of the ERP migration in France (start of June) meant a significant number of Supply Chain orders could not be processed within the first half – estimate up to £10m
- **Services revenue** growth driven by continued growth in the UK business. Germany marginally down due to focus on contracts won in 2011/12. France disappointing after strong growth in the past three years. Belgium growth is aided by acquisition of IS at the end of 2012.

H1 2013

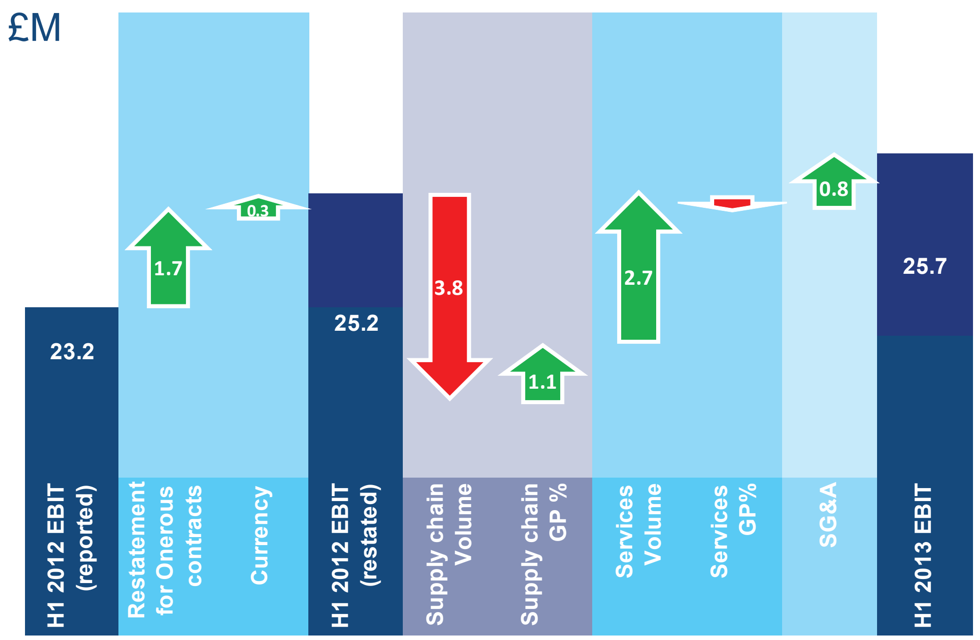
Revenue and adjusted operating profit by segment

	As reported / restated			In constant currency		
	H1 2013 £m	H1 2012 £m	Change %	H1 2013 £m	H1 2012 £m	Change %
Revenue						
UK	592.1	578.2	2.4%	592.1	578.2	2.4%
Germany	603.4	591.0	2.1%	603.4	611.7	(1.3%)
France	207.8	226.8	(8.4%)	207.8	234.7	(11.5%)
Belgium	23.0	26.2	(12.1%)	23.0	27.1	(15.0%)
Total Group	**1,426.3**	**1,422.3**	**0.3%**	**1,426.3**	**1,451.7**	**(1.7%)**
Adjusted operating profit						
UK	20.1	17.6	14.2%	20.1	17.6	14.2%
Germany	9.7	7.2	35.6%	9.7	7.4	31.0%
France	(4.6)	(0.8)	(495.3%)	(4.6)	(0.8)	475.2%
Belgium	0.6	1.0	(40.1%)	0.6	1.1	(42.1%)
Total Group	**25.7**	**25.0**	**3.1%**	**25.7**	**25.2**	**2.0%**

- **UK profitability** has continued to grow, due to services growth at further improved margins
- **German profitability** (outside the three onerous contracts) has increased through improvement of other contracts taken on in late 2011/early 2012, and encouraging supply chain performance in Q2
- **France performance** is driven by reduced supply chain volumes and services margin erosion
- **Belgium** supply chain business has been disappointing in H1 2013, although H1 2012 did include a sizeable one-off deal. This has impacted profitability, despite solid services performance

H1 2013

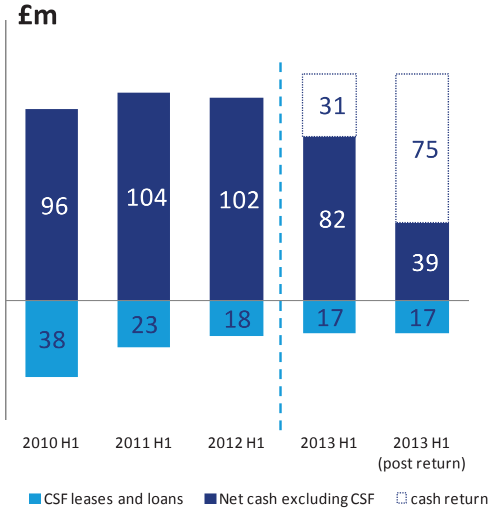
Group EBIT* Walk (in constant currency)



** Adjusted measure, and 2012 restated*

Underlying cash position improved

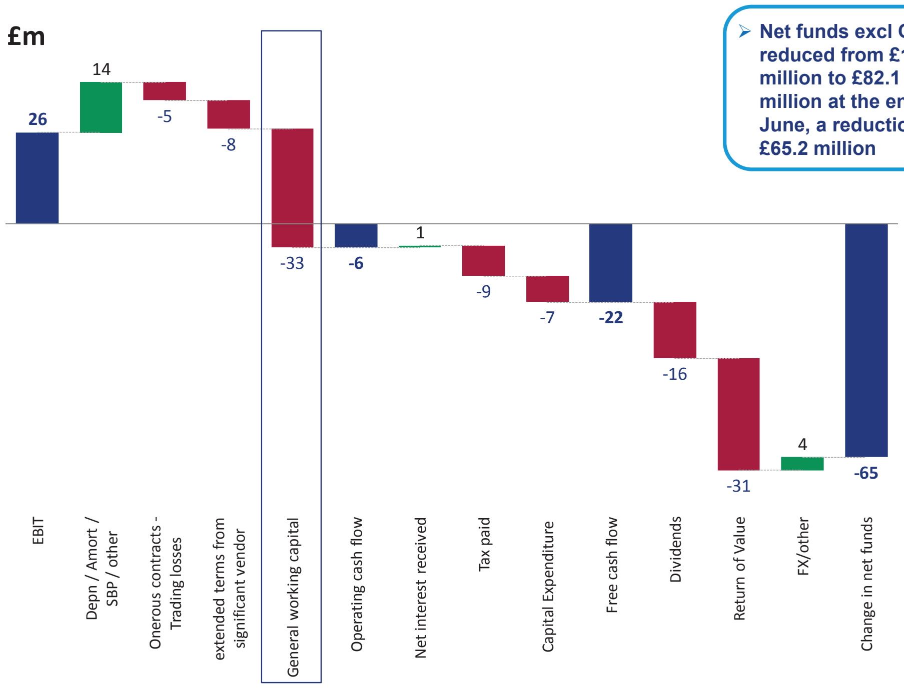
Although masked by of return of value



- Underlying cash increased from £102m to £113m
- Return partially effected at June 2013 (£31.4m out of a total of £75m)
- Completed during early July, £39m becomes the base cash position from June 2013 for future comparisons
- £40m three year committed facility signed, available and currently not utilised

Outflow since December

Unusual impacts in the half

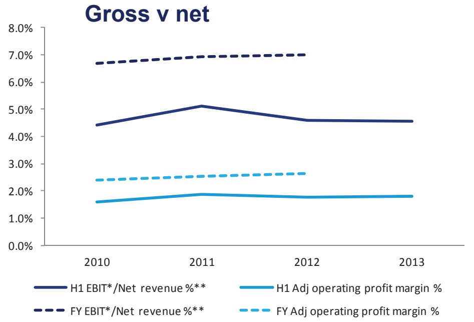


- Net funds excl CSF reduced from £147.3 million to £82.1 million at the end of June, a reduction of £65.2 million

H1 2013

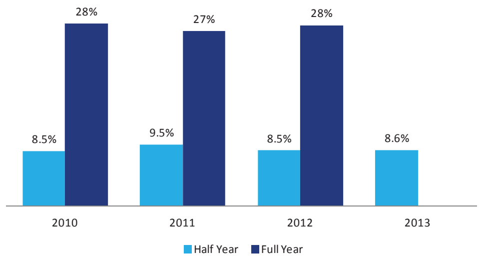
Financial returns strong (as adjusted)

EBIT margin * - Gross v net



** * Net revenue is defined as total revenue less product costs included in cost of goods sold*

Return on capital employed



** ROCE is defined as adjusted operating profit divided by net assets excluding net cash before customer-specific financing*

- **Adjusted EBIT margin improves slightly in 2013 v 2012. France is a drag on Group performance, which shows strong profit growth in the UK and the rest of Germany**
- **Operating profit % is 1.8% in both H1 2012 and 2013, but is diluted by supply chain revenues, which are typically "pass through"**
- **Operating profit when expressed as a % of "net revenue" (excluding pass through product) is at 4.5% in H1 2013 (H1 2012 : 4.6%)**
- **Return on capital shows a slight improvement in the half**

FY13

Modelling considerations

Net interest	•Reduction by c£1m per annum from July 2013, as a result of the return on capital
Tax	•Dependant on mix in earnings as we utilise losses in European operations. Material losses in France in H1 increased tax rate to 27.8% for the half. •Full year tax rate is normally expected at around 22-23% for the year as a whole, with the tax rate expectations lowering as UK corporation tax rate reduces, but is likely to be 23-24% in 2013.
Exceptional	•All onerous contract results have been disclosed as exceptional items in H1 2013. All future results will be offset against that provision, and not reported through adjusted operating profit •Disappointing performance in France drives intangible impairment •Expect further benefits from maturing of the Group Operating model, will incur further exceptional costs in the remainder of 2013
Capital expenditure	•Typically non CSF capex is circa £20-25m pa, approximately 50% run-rate capex, and 50% discretionary (e.g. investments in ERP, customer-facing datacentres and support systems)
Depreciation & Amortisation	•Excluding amortisation on acquired intangibles, the underlying charge has increased circa €1m per annum, starting from June 2013 due to ERP amortisation in France
Dividends	•Our dividend policy is to set dividends to maintain a dividend cover of 2 – 2.5 times (2.3 times in 2012)
Capital structure and acquisitions	•£75m returned, reducing net funds excl CSF in full from July 2013. •We expect this to augment Diluted EPS by c 9% on an annualised basis from July 2013

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Operating Review

Mike Norris

30 August 2013

H1 2013

"Two tales of one half"

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** Adjusted measure, and 2012 restated* *** at constant currency*

4 year CAGR

*Profit before tax **10%**

*Diluted EPS **7%**

Dividend **15%**

Contract Base **8%**

Our agenda

Profit Growth Agenda

- Grow services
- Service margin improvement
- Cost reduction

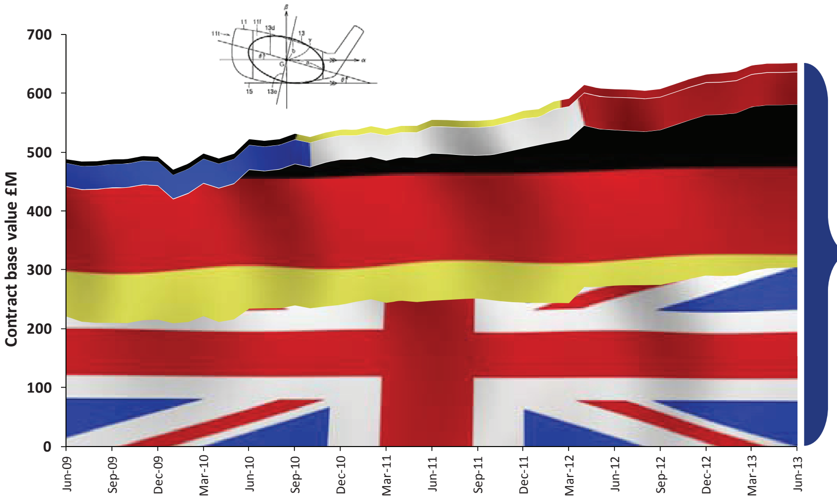
"Profit is a consequence of three things: the market, our strategy and how we execute against it.

Mike Norris, CEO

Supporting our customers on their journey

1. Grow Services

We are in a sweet spot

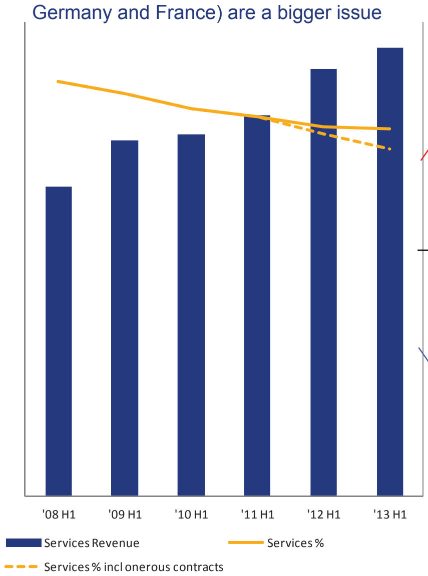


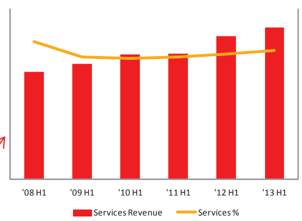
8% contract base growth

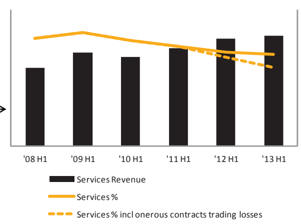
Trend to selective outsourcing

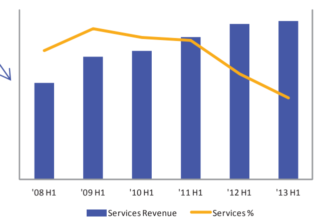
2. Service margin improvement

Group
Growth in new business has diluted margins slightly, but our mistakes (in Germany and France) are a bigger issue









UK
Current governance model instigated in 2009 and developed further subsequently
Steady improvement in margins whilst delivering material business growth and high customer satisfaction

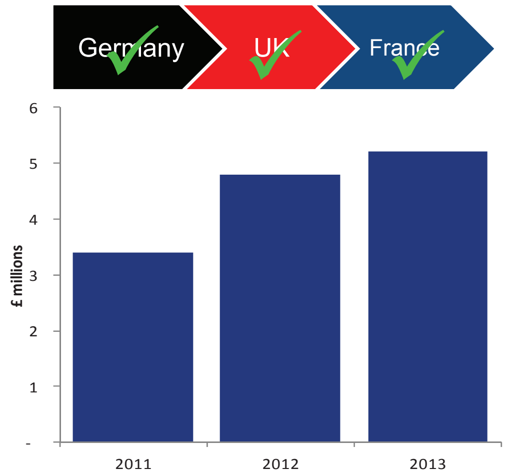
DE
Dilution in margins from growth
Mistakes have been costly; we live with the legacy for the duration of the contracts
5% of sales potential improvement to reach the UK benchmark
New business taken on well will be margin enhancing

FR
Less material to the Group, but services margin decline has been disappointing
End of old highly profitable warranty deals, new business growth has been dilutive
Own goals in management of utilisation

3. Cost savings

Impact from our ERP implementation

Amortisation & depreciation increases as our countries go live on our new ERP system



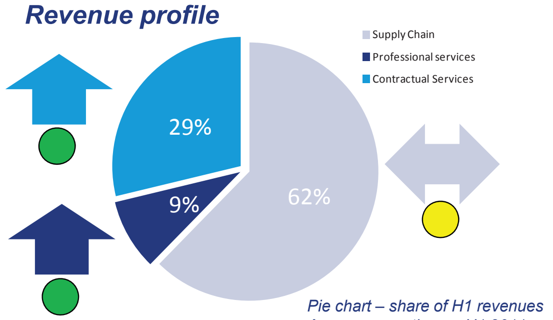
But the long term benefits to the Group are significant ....

- **Introduce a clear control structure for the Computacenter operating model**
- **Lower cost through increased automation, greater use of central resources, internal benchmarking etc.**
- **Improved risk management & controls on inventory, debtors etc.**
- **Enhanced acquisition integration capability**

UK highlights

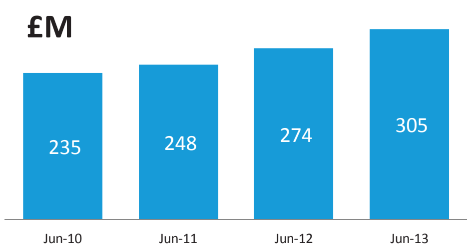
- Growth of 2.4% despite quiet market
- Strong services growth of 5.9% with a challenging compare
- Ranked No. 1 with Whitelane Research as well as KPMG
- Down selected to one for some substantial new contracts
- Significant recruitment from a failed competitor

Revenue profile



Pie chart – share of H1 revenues
Arrows – growth over H1 2011
Traffic lights – margin performance

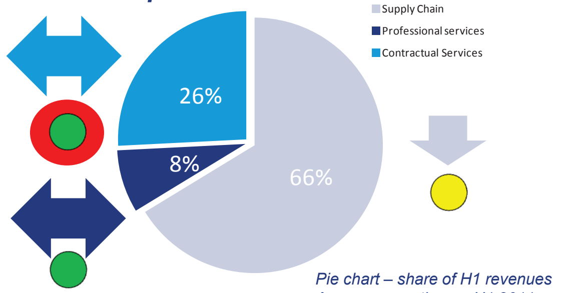
Contract base



DE highlights
(excluding three onerous contracts)

- Profit rebounds up 31%
- Improving services margins due to the recovery of some contracts
- Strong supply chain in the second quarter and a good start to third
- New sales structure in place with delayering
- SG&A down 3.2% in constant currency

Revenue profile



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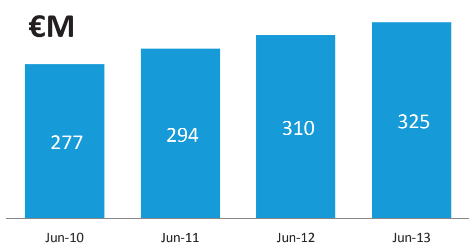
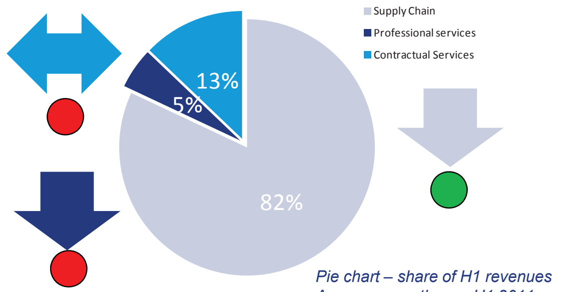


FR highlights

- Revenue decline of 11.5%
- Supply chain decline of 13.4% mainly from commodity product, so margin held
- Service revenue small decline of 1.6% due mainly to professional services
- Decline maintenance business challenged the P&L
- Group ERP went live in June particularly impacting supply chain billing

Revenue profile



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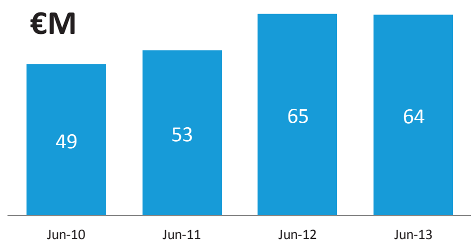
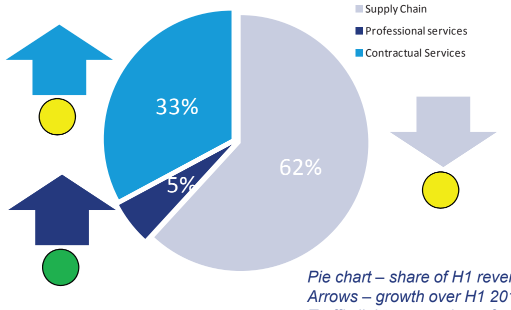


BE highlights

- Revenue declined by 15% due to one exceptional customer situation in supply chain
- Services revenue growth of 50% including acquisition
- Excluding acquisition, services growth 5.3%
- Acquisition process has been satisfactory

Revenue profile



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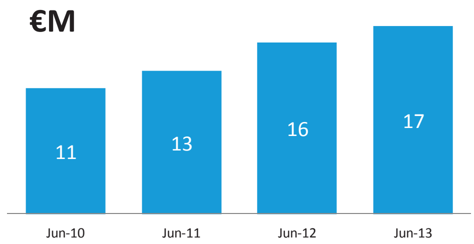
Contract base



Outlook

- Trading remains in line with the Board’s expectations for the year, with the exception of the provisions in Germany
- UK business up on expectation for 2013 and expected new contracts bode well for the future
- Strong German supply chain revenue in Q2 ,continuing into Q3
- Management focus on improving the three onerous contracts to end of life
- Group governance should enable successful on-boarding
- France is our main concern and we will endeavour to implement group model
- We are confident we can maintain the momentum of our general success and solve our isolated issues

One of our best ever
(outside of onerous German contracts and France)

Appendix

A glossary

Adjusted results

- PBT and EPS are adjusted for exceptional items and amortisation on acquired intangibles.
- Operating results from 2012 have been restated to reclassify the results of three onerous German contracts to exceptional items for which a further exceptional provision has been made at June 2013.
- Operating profit is stated after charging finance costs on CSF

Customer-specific financing ("CSF")

- Finance costs for CSF are charged after operating profit for statutory purposes
- These costs are considered to be contract specific costs, and operating profit is adjusted to charge for these costs
- Net finance costs are also adjusted in this presentation

Net funds

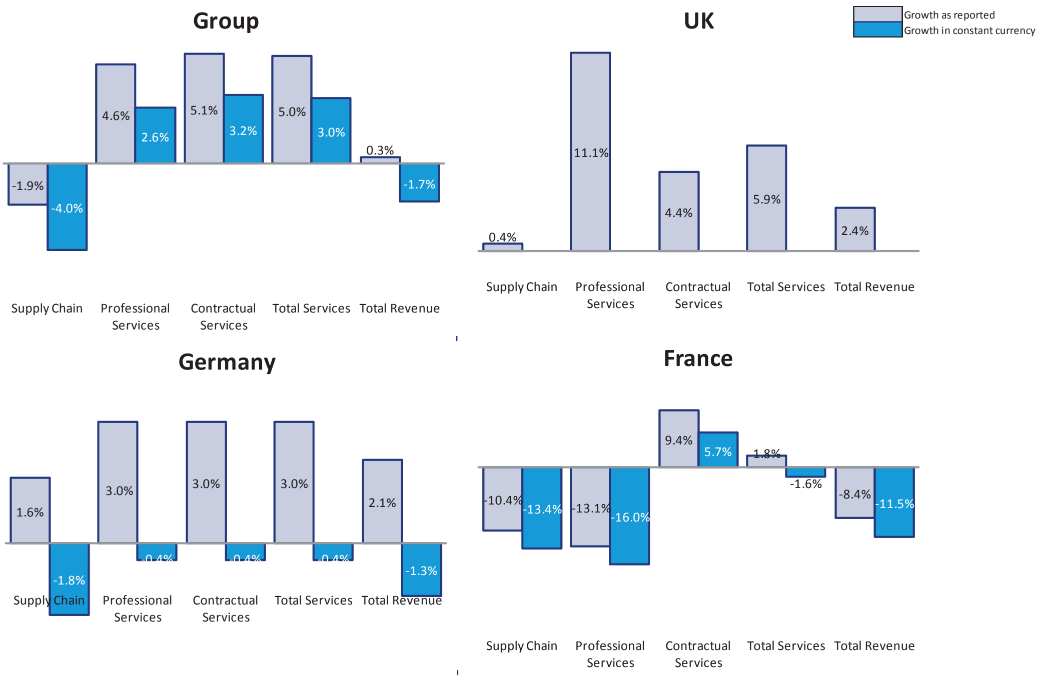
- Net funds prior to CSF is monitored internally by the Group
- Included in this measure are current asset investments, where the group deposits cash, access to which is subject to a notice period
- Statutory net funds includes future obligations for CSF, that are covered by future income streams
- All CSF facilities are committed

Constant Currency

- The Group has calculated constant currency comparative information by re-translating 2012 results into the group's functional currency (GBP) at the exchange rates prevailing in the H1 2013 reporting period

Sources of revenue

% change by revenue type



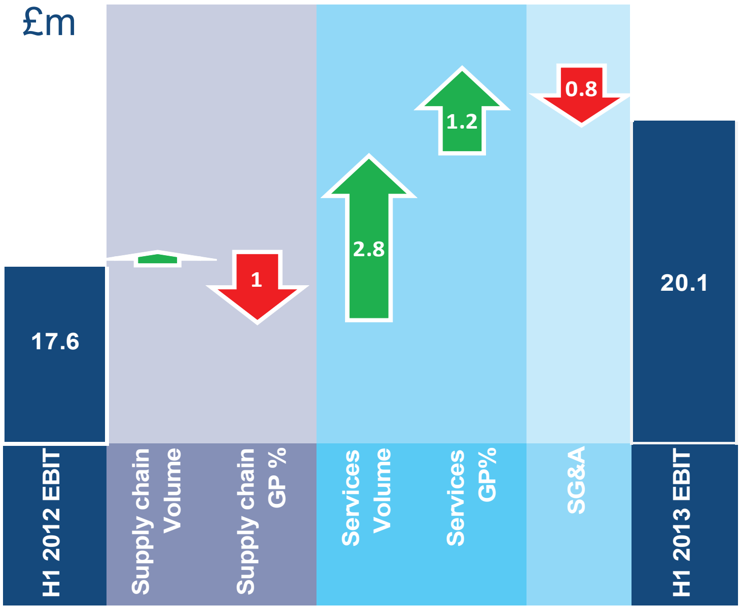
UK – income statement

	H1 2013 £m	H1 2012 £m	Change %
Revenue	**592.1**	**578.2**	**2.4%**
Adjusted gross profit	**90.5**	**87.3**	**3.7%**
	15.3%	*15.1%*	*0.2%*
Admin Expenses	**(70.5)**	**(69.7)**	**1.1%**
	(11.9%)	*(12.1%)*	*0.2%*
Adjusted operating profit	**20.1**	**17.6**	**14.2%**
	3.4%	*3.0%*	*0.3%*
Headcount: *			
Direct	**4,141**	**4,072**	**1.7%**
Indirect	**1,352**	**1,400**	**(3.5%)**

* period end headcount

Note, c£2.5m of cost (approximately 50 heads) previously classified in SG&A in H1 2012 has been reclassified into COGS in H1 2013,following realignment in late 2012 from introduction of the group operating model

UK - EBIT Walk

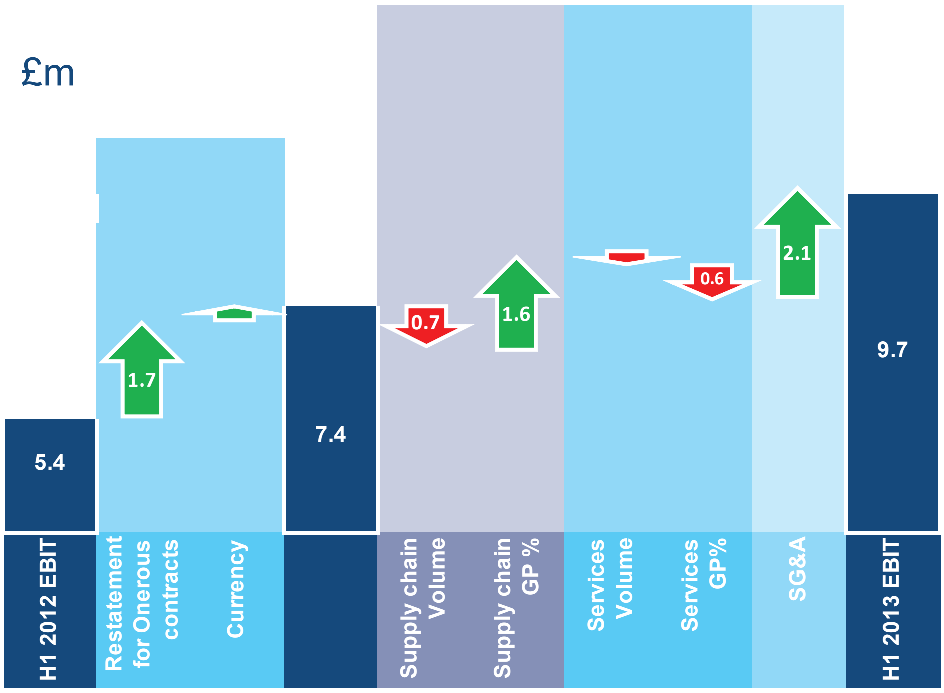


Germany – income statement

	Reported / Restated			In local currency		
	H1 2013 £m	H1 2012 £m	Change %	H1 2013 €m	H1 2012 €m	Change %
Revenue	603.4	591.0	2.1%	709.0	718.7	-1.3%
Adjusted gross profit	73.3	70.7	3.7%	86.1	85.9	0.2%
	12.1%	*12.0%*	*0.2%*	*12.1%*	*12.0%*	*0.2%*
Admin Expenses	(63.6)	(63.5)	0.1%	(74.7)	(77.2)	-3.2%
	(10.5%)	*(10.7%)*	*0.2%*	*-10.5%*	*-10.7%*	*0.2%*
Adjusted operating profit	9.7	7.2	35.6%	11.4	8.7	31.0%
	1.6%	*1.2%*	*0.4%*	*1.6%*	*1.2%*	*0.4%*
Headcount: *						
Direct	3,798	3,806	(0.2%)			
Indirect	1,313	1,410	(6.8%)			

* period end headcount

Germany - EBIT Walk



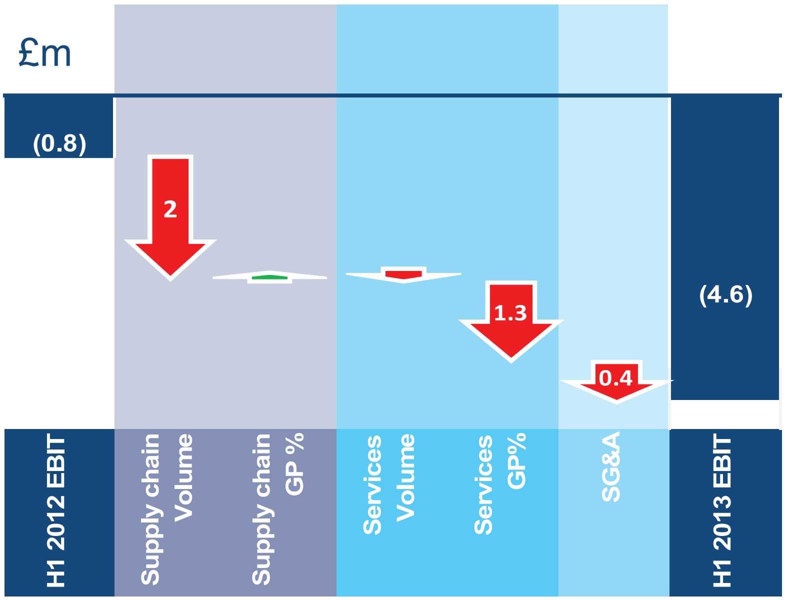
France – income statement

	Reported			In local currency		
	H1 2013 £m	H1 2012 £m	Change %	H1 2013 €m	H1 2012 €m	Change %
Revenue	207.8	226.8	(8.4%)	244.1	275.8	-11.5%
Adjusted gross profit	18.2 *8.8%*	20.9 *9.2%*	(13.0%) *(0.5%)*	21.4 *8.8%*	25.4 *9.2%*	-15.9% *-0.5%*
Admin Expenses	(22.8) *(11.0%)*	(21.7) *(9.6%)*	5.2% *(1.4%)*	(26.8) *-11.0%*	(26.4) *-9.6%*	1.7% *-1.4%*
Adjusted operating profit	(4.6) *(2.2%)*	(0.8) *(0.3%)*	(495.3%) *(1.9%)*	(5.4) *-2.2%*	(0.9) *-0.3%*	-475.2% *-1.9%*

Headcount *:	H1 2013	H1 2012	Change %
Direct	1,400	1,293	8.2%
Indirect	472	479	(1.4%)

* period end headcount

France - EBIT Walk



Net funds

And impact of return of value

Net funds as reported	Jun 13 £m	Jun 12 £m	Change £m
Cash and cash equivalents	72.2	91.6	(19.4)
Current asset investment	10.0	10.0	0.0
Bank loans	(0.1)	–	(0.1)
Net funds pre CSF	82.1	101.6	(19.5)
Finance leases	(16.3)	(17.3)	(16.3)
Other loans	(0.1)	(0.6)	(0.1)
Total CSF	(16.4)	(17.9)	(16.4)
Net cash / (debt)	65.8	83.8	65.8

Impact of return of capital on Net funds pre CSF	Jun 13 £m	Jun 12 £m	Change £m
Net funds pre CSF : Before return of captial	113.5	101.6	11.9
Part return in June	(31.4)	–	
Net funds pre CSF : As reported	82.1	101.6	(19.5)
Part return in June	(43.6)	–	
Net funds pre CSF : After captial return completed	38.5	101.6	(63.1)

- The Group's primary measure when managing the business is net funds pre CSF.
- Net cash pre CSF has reduced by £19.5 million, after £31.4 million of return of value was remitted prior to the end of June.
- On an underlying basis, therefore cash improved by £11.9 million compared to June 2012.
- The remainder of the return of value was remitted in early July 2013, as a result the basis for net funds going forward is £38.5 million.

Adjusted cash flow

	H1 2013 £m	H1 2012 £m
Adjusted operating profit	**25.7**	**25.0**
Adjustments to reconcile Group adjusted operating profit to net cash inflows from operating activities		
Depreciation and amortisation	12.8	10.4
Share-based payment	0.5	0.6
Onerous contracts - trading losses	(5.1)	(1.7)
Working capital movements	(41.1)	(27.7)
Other adjustments	0.7	(0.7)
Adjusted operating cashflow	**(6.4)**	**5.9**
Net interest received	0.5	0.3
Income taxes paid	(8.6)	(4.1)
Capital expenditure and investments	(7.3)	(18.8)
Acquisitions	–	–
Equity dividends paid	(15.8)	(15.7)
Cash out flow before financing	**(37.5)**	**(32.5)**
Financing		
Proceeds from issue of shares	0.1	–
Return of value	(31.4)	–
Purchase of own shares	–	(3.2)
Change in net funds pre CSF in the period	**(68.9)**	**(35.7)**
Net funds pre CSF at beginning of period	**147.3**	136.8
Change in net funds pre CSF in the period	**(68.9)**	(35.7)
Effect of exchange rates on net funds pre CSF	3.7	0.5
Net funds pre CSF at end of period	**82.1**	**101.6**

- Working capital outflow of £41m in H1 2013 includes an £8m outflow in relation to the decrease in the impact of extended credit terms with a significant vendor from £34 million to £26 million.

Group – balance sheet

	H1 2013 £m	H1 2012 £m	Var £m
Non-current assets			
Property, plant and equipment	95.3	101.4	(6.0)
Goodwill & Intangibles	94.4	101.8	(7.4)
Investments in associates	0.6	0.5	0.1
Deferred income tax asset	17.1	17.0	0.1
	207.5	**220.7**	**(13.2)**
Current assets			
Inventories	69.5	88.0	(18.4)
Trade & other receivables	521.3	496.9	24.5
Prepayments & accrued income	123.1	130.3	(7.3)
Forward currency contracts	0.1	0.0	0.1
Other financial asset	31.4	0.0	31.4
Cash and short-term investments	86.3	101.7	(15.4)
	831.7	**816.9**	**14.8**
Current liabilities			
Trade & other payables	476.4	507.2	(30.8)
Deferred income	107.9	99.5	8.4
Return of value	75.0	0.0	0.0
Forward currency contracts	0.5	0.2	0.3
Financial liabilities	11.7	7.4	4.3
Other liabilities & provisions	12.3	8.6	3.7
	683.8	**622.9**	**60.9**
Non-current liabilities			
Financial liabilities	9.0	10.6	(1.7)
Other liabilities & provisions	13.4	8.1	5.3
	22.4	**18.8**	**3.6**
Net assets	**333.1**	**395.9**	**(62.8)**

- **PP&E DOWN:** depreciation exceeds capex (end of French property and ERP spend)
- **Intangibles DOWN:** acquired intangibles in Belgium offset by impairment in France
- **Working capital balances UP:** outflow of c£33m in the half, after taking account of movement on extended credit from significant vendor, reflecting typical in year cycle
- **Cash DOWN:** £31.4m included in other financial assets related to the first part of the return of value. Underlying cash up by £13m.
- **Provisions UP:** Increase in provisions for three onerous German contracts