

Preliminary Results 2003

16th March, 2004



Computacenter

Transforming IT service delivery

2003 Highlights

- UK Managed Services revenue growth of 10.9%
- Integration of CC CompuNet on plan
- Computacenter France disappointing, but turn-around programme underway
- Pan-European management structure to transfer best practice
- Significant product price decline, driven by \$ weakness

2003 Financial Highlights

	2002	2003	Δ%
Turnover	£1.93 bn	£2.48 bn	28.8
Profit before tax	£55.1 m	£65.2 m	18.3
Earnings per share	20.4 p	25.0 p	22.5
Net cash	£83.4 m	£49.9 m	

Outlook

- 2004 focus
 - ◆ Further market penetration of services
 - ◆ France turn-around
 - ◆ Continuing the German integration programme
- Early signs of market improvement
 - ◆ Volume growth in 2003
 - ◆ Encouraging pipeline: Managed Services and XP roll-outs

Financial Review

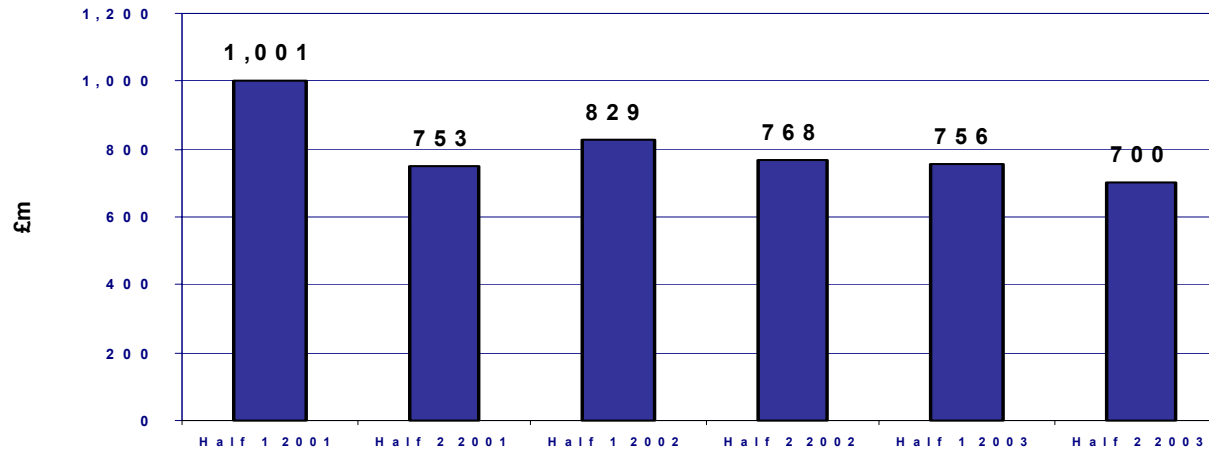
Tony Conophy

Computacenter PLC - P&L

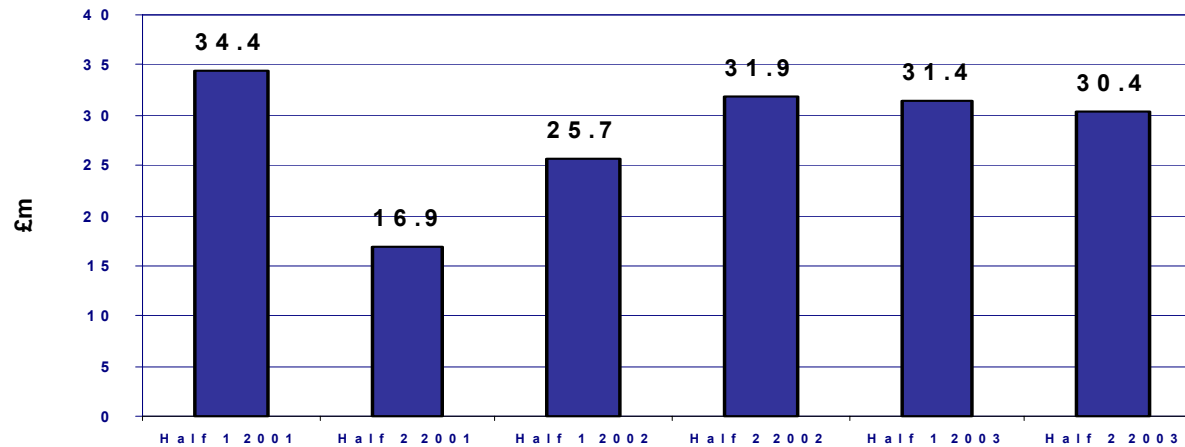
	Existing	Acqns	2003	2002	Growth 2003 / 2002	Growth 2003 / 2002
	£m	£m	TOTAL £m	£m	Incl Acqns %	Excl Acqns %
Revenues	1,797.1	684.1	2,481.2	1,926.7	28.8%	-6.7%
Gross Profit	226.3 12.6%	96.2 14.1%	322.4 13.0%	232.8 12.1%	38.5%	-2.8%
SG&A	167.6 9.3%	88.9 13.0%	256.5 10.3%	176.6 9.2%	45.2%	-5.1%
Operating Profit	58.7 3.3%	7.2 1.1%	65.9 2.7%	56.2 2.9%	17.4%	4.5%
Profit before tax	58.1 3.2%	7.1 1.0%	65.2 2.6%	55.1 2.9%	18.3%	5.4%
Profit after tax			46.3 1.9%	37.0 1.9%	25.1%	
Effective tax rate			29.0%	32.8%	-11.7%	
EPS Diluted			24.6p	19.8p	24.2%	
Dividend per Share			7.0p	5.8p	20.7%	

UK Revenue & Operating Profit

UK Revenue



UK Operating Profit

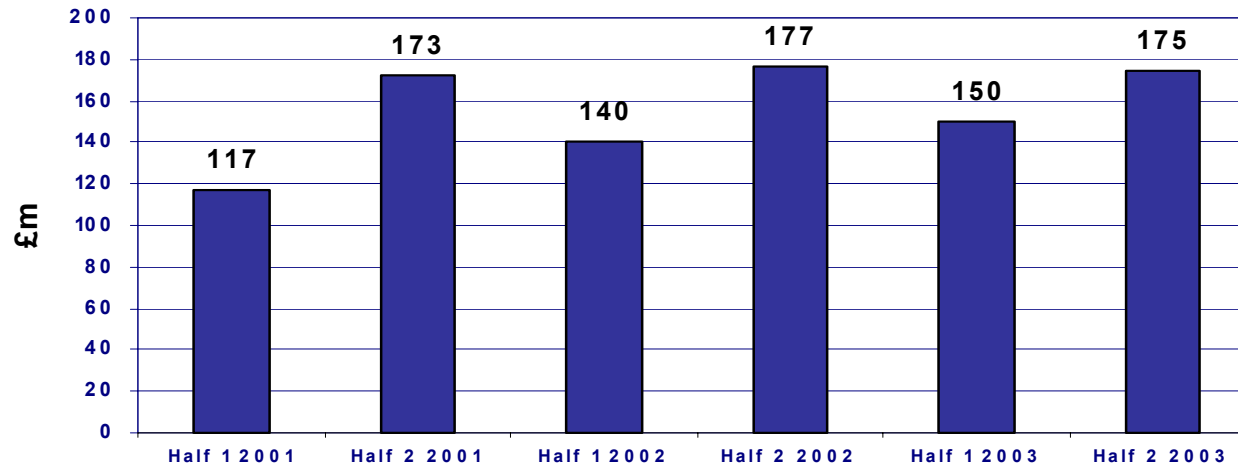


Computacenter UK - P&L

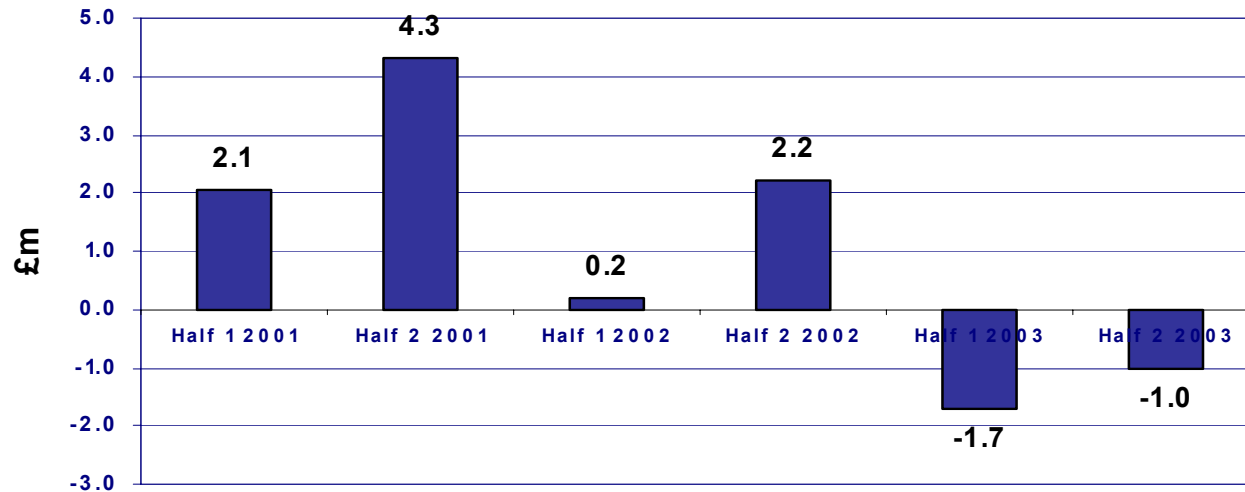
	2003	2002	Growth 2003/2002
	£m	£m	%
Revenues	1,455.3	1,597.3	-8.9%
Gross Profit	188.4 <i>12.9%</i>	196.8 <i>12.3%</i>	-4.3%
SG&A	126.5 <i>8.7%</i>	139.2 <i>9.0%</i>	-9.1%
Operating Profit	61.8 <i>4.2%</i>	57.6 <i>3.6%</i>	7.3%
Headcount :			
Direct	2,987	2,953	1.1%
Indirect	1,692	1,675	1.0%
(* period end headcount)			
NB Includes CC UK and RDC			

France Revenue & Operating Profit

France Revenue



France Operating Profit



Computacenter France - P&L

	2003	2002	Growth 2003 / 2002
	£m	£m	%
Revenues	324.5	316.8	2.4%
Gross Profit	36.1	34.9	3.2%
	<i>11.1%</i>	<i>11.0%</i>	
SG&A	43.0	36.3	18.7%
	<i>13.3%</i>	<i>11.4%</i>	
Operating Profit	(7.0)	(1.3)	422.4%
	<i>-2.2%</i>	<i>-0.4%</i>	
Goodwill release	4.3	3.7	14.3%
Operating Profit (post goodwill)	(2.7)	2.4	-214.1%
	<i>-0.8%</i>	<i>0.8%</i>	
Headcount *:			
Direct	694	746	-7.0%
Indirect	529	548	-3.5%
(* period end headcount)			

Total Acquisitions – P&L

	CC CompuNet	CC Austria	Total Acquisitions
	£m	£m	£m
Revenues	635.1	49.0	684.1
Gross Profit	90.7 14.3%	5.5 11.2%	96.2 14.1%
SG&A	81.9 12.9%	7.0 14.3%	88.9 13.0%
Operating Profit	8.7 1.4%	(1.5) -3.1%	7.2 1.1%
Headcount *:			
• Direct	2,492	123	2,616
• Indirect	1,009	90	1,098
(* period end headcount)			

CC CompuNet – Goodwill

Net Assets at Date of Acquisition

- Tangible fixed assets
- Investments
- Stock
- Debtors
- Creditors < 1yr
- Creditors > 1yr
- Provisions
- Net assets

Book Value

£m

- 15.5
- 0.1
- 34.4
- 103.9
- (132.7)
- 0.0
- 0.0
- 21.2

Adjs / Reval'ns @ Dec 2003

£m

- (4.0)
- 0.0
- (1.1)
- 5.4
- (3.9)
- (2.7)
- (9.1)
- (15.5)

Fair Value to Group

£m

- 11.5
- 0.1
- 33.4
- 109.3
- (136.6)
- (2.7)
- (9.1)
- 5.7

Net Consideration

- Initial Consideration
- Net Asset Adjustment according to SPA
- Net Consideration
- Goodwill on Acquisition

Fair Value to Group

£m

- 38.1
- (32.4)
- 5.7
- 0.0

Computacenter Belux – P&L

	2003	2002	Growth 2003 / 2002
	£m	£m	%
Revenues	17.3	12.6	37.2%
Gross Profit	1.8 <i>10.6%</i>	1.1 <i>8.3%</i>	75.0%
SG&A	2.2 <i>12.9%</i>	4.9 <i>39.0%</i>	-54.6%
Operating Profit	(0.4) <i>-2.3%</i>	(3.9) <i>-30.6%</i>	-89.9%
Headcount *:			
Direct	84	74	12.8%
Indirect	17	15	10.0%
(* period end headcount)			

Computacenter PLC - Operating Cash Flow

	2003	2002	2001
£m	£m	£m	£m
Operating Profit	65.9	56.2	55.1
Depreciation/impairment	22.7	21.9	19.9
Amortisation of goodwill	(3.7)	(3.3)	0.3
Revaluation of Listed Investment	(0.3)	0.0	0.0
Loss on Disposal of Fixed Assets	0.9	0.1	0.8
Debtors	(17.0)	9.0	43.0
Stocks	(4.9)	(0.3)	24.0
Creditors	(8.4)	(23.7)	(54.7)
Currency and Other Adjustments	(1.7)	0.7	0.6
Operating Cash Flow	53.5	60.6	89.0
Op Cash Flow as % Operating Profit	81.2%	107.9%	161.5%

Computacenter PLC Summary Cash Flow

	2003	2002	2001
£m	£m	£m	£m
Operating Activities	53.5	60.6	86.6
Servicing of finance	(1.0)	(0.5)	(1.5)
Taxation	(22.5)	(17.5)	(17.8)
Capex & Financial Investment	(14.6)	(9.1)	(18.7)
Acquisitions/disposals	(37.3)	7.6	(4.4)
Dividends paid	(14.4)	(5.3)	(5.3)
	(36.2)	35.8	38.9
Issue of shares	2.7	0.4	1.2
Repurchase of own shares	0.0	(4.6)	0.0
New Finance Leases	0.0	(1.0)	(0.2)
Net Repayment of Capital Element of Finance Leases	0.0	(0.5)	0.0
Net cash flow	(33.5)	30.1	39.9
Opening Net Cash	83.4	53.3	53.3
Closing Net Cash	49.9	83.4	66.4

Computacenter PLC - Balance Sheet

	Dec 2003	Dec 2002
	£m	£m
Fixed Assets	115.8	106.8
Current assets:		
Stocks	134.1	95.7
Debtors	442.3	286.9
Cash	97.0	92.1
Total Current assets	673.4	474.7
Current liabilities:		
Trade creditors	(207.1)	(155.8)
Other	(259.7)	(164.8)
Total Current liabilities	(466.8)	(320.6)
Net current assets	206.6	154.1
Creditors (>1yr)	(13.9)	(1.6)
Provisions (incl JV)	(25.6)	(16.6)
Total net assets	282.9	242.8

Computacenter plc - Key ratios

	Dec 2003	Dec 2002
Stock (days)	28	24
Debtor (days)	44	43
Creditor (days)	37	33
Working Capital (days)	35	34

Operational Review

Mike Norris

Positives

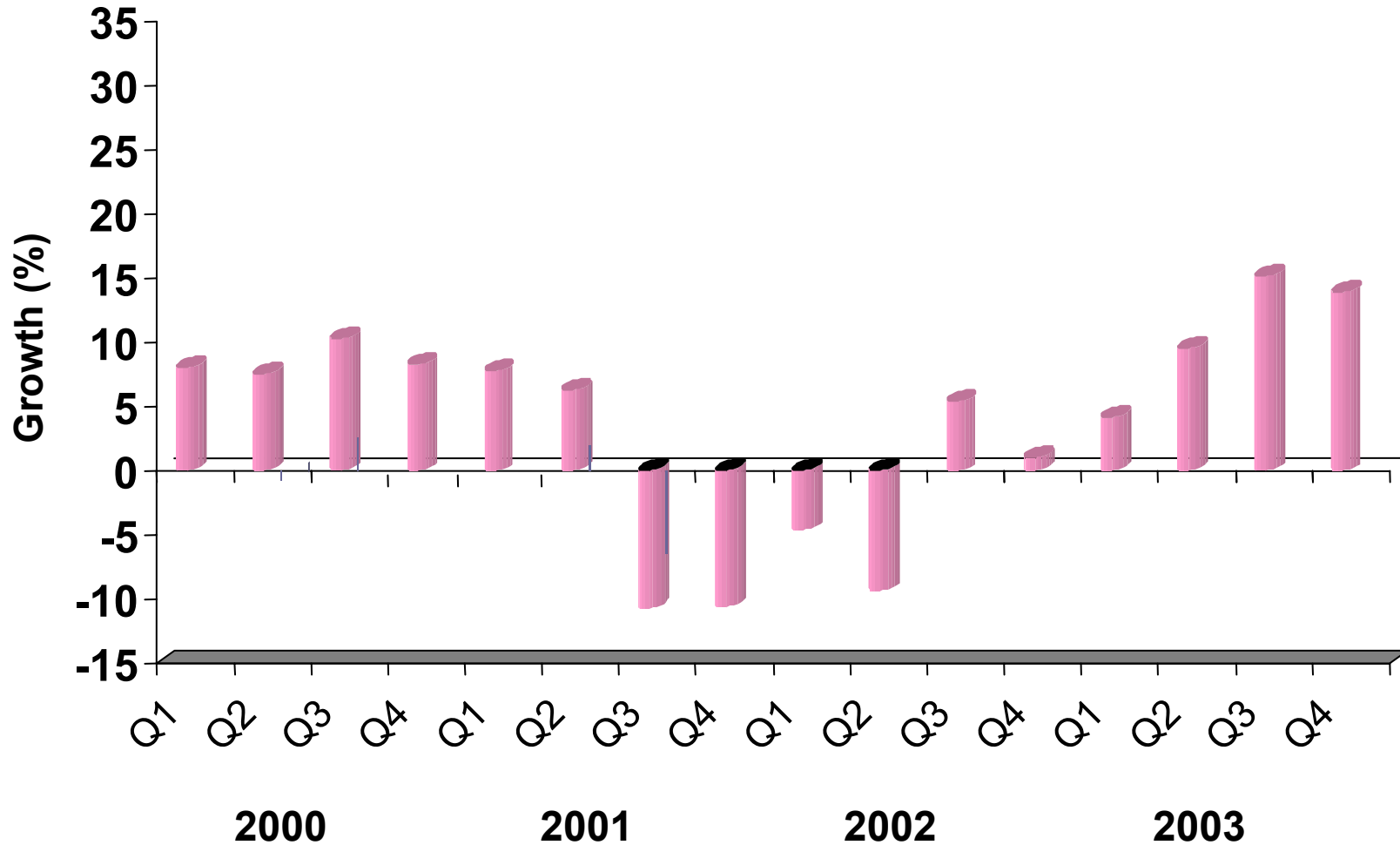
- UK Managed Services contract base growth
- Major UK Managed Services wins
- Steady UK Professional Services utilisation
- Good first year financial performance from Germany
- Maintained our strong HP relationship
- Rigorous cost management

Negatives

- Substantial product price decline across all geographies
- Leading to disappointing top line performance
- Poor financial performance in France

Industry Unit Growth

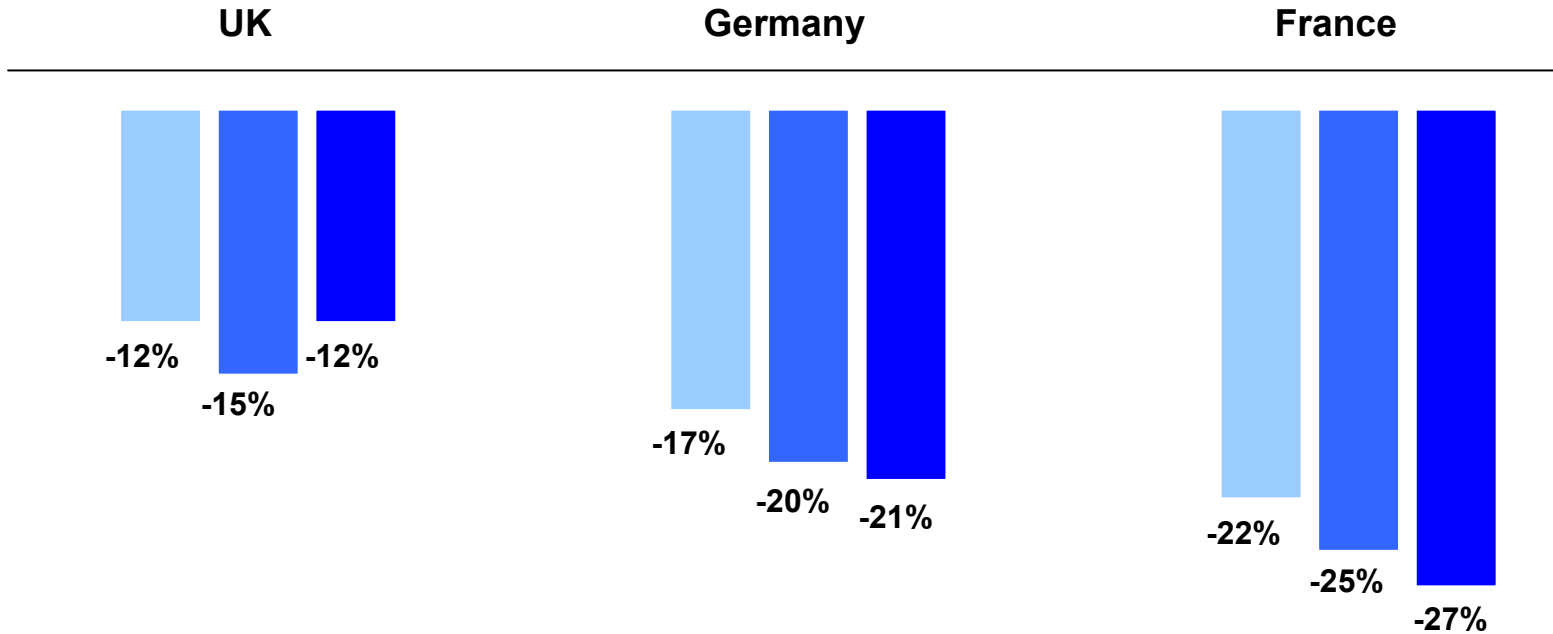
Personal computers



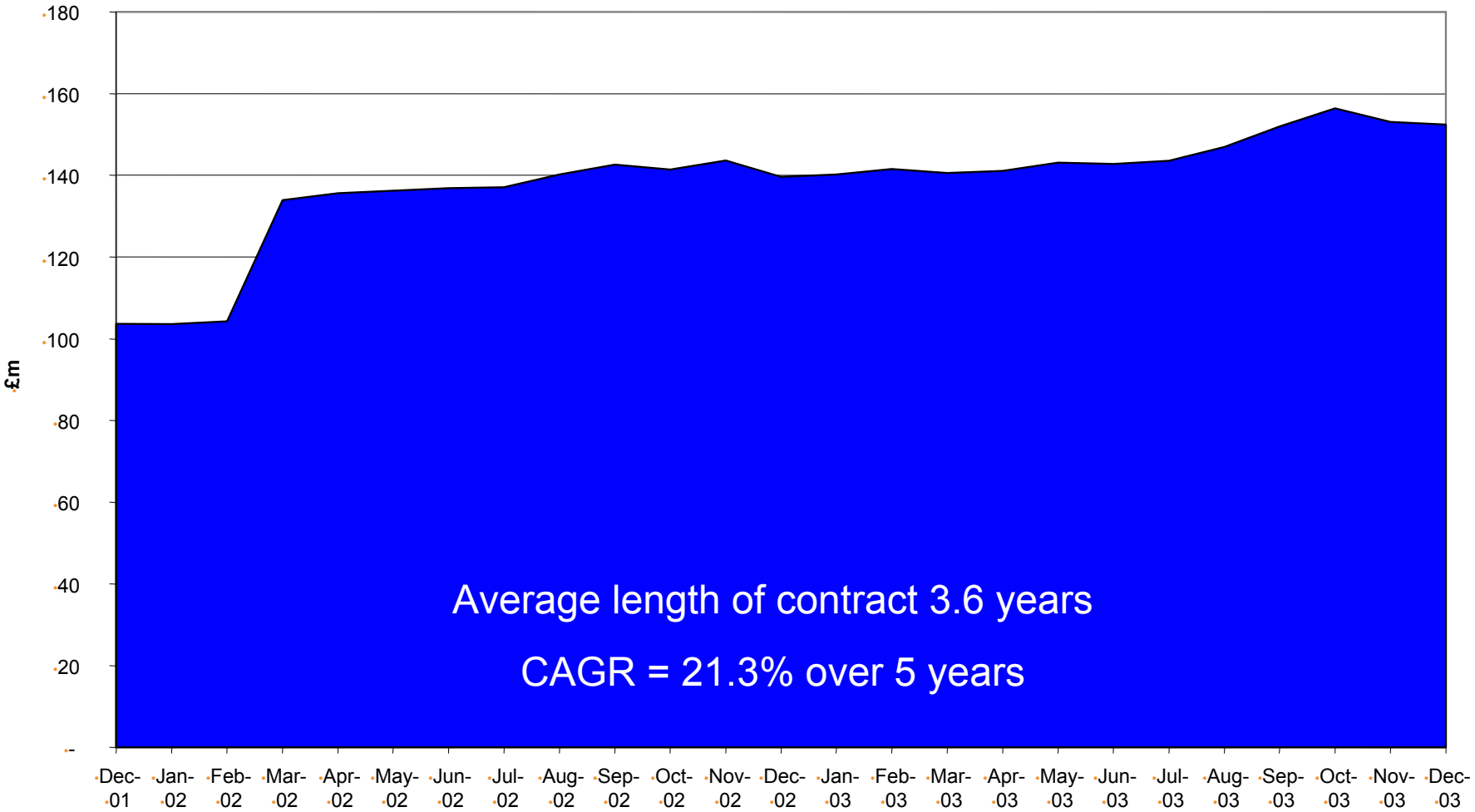
Product Price Decline

% Change in ASP: 2002 – 2003 in 500+ and Government segments

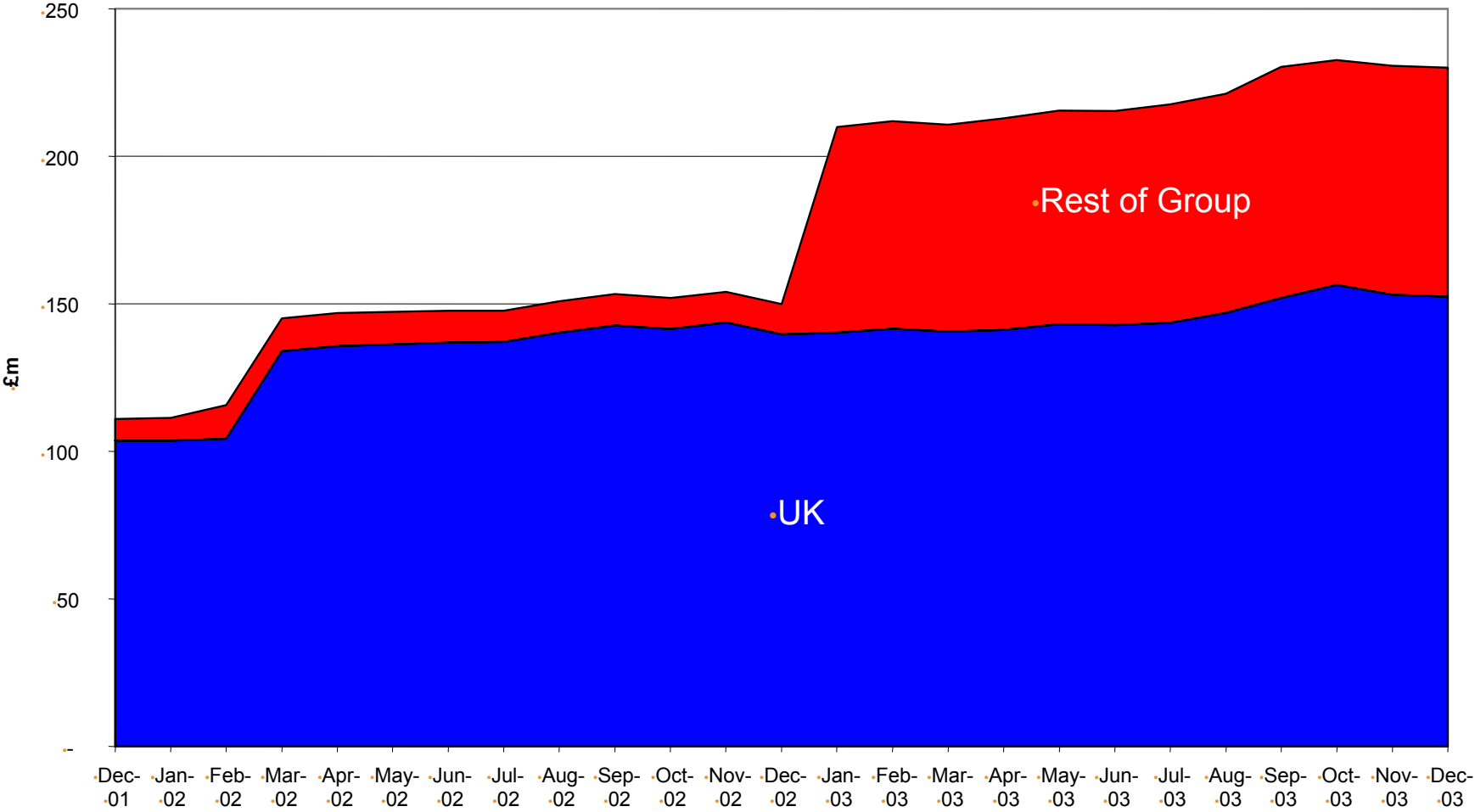
- PC
- Laptop
- Server



Managed Services Contract Base - UK



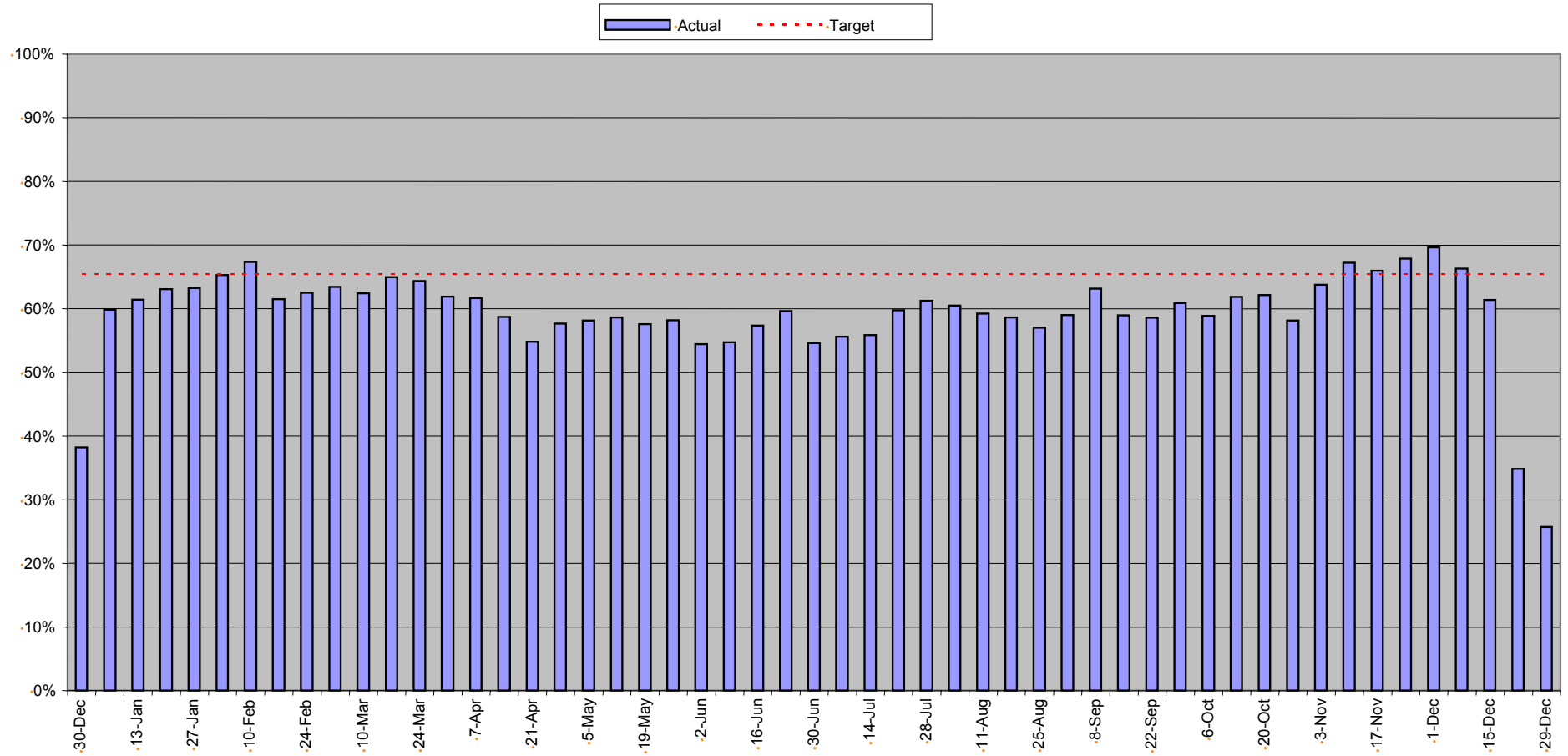
Managed Services Contract Base - Group



Sample Managed Services Wins/Renewals

- Abbey (stage II April 04)
- HBOS
- Marsh
- Deutsche Börse
- Swift
- BASF
- EDF

PS Utilisation



UK Infrastructure Integration

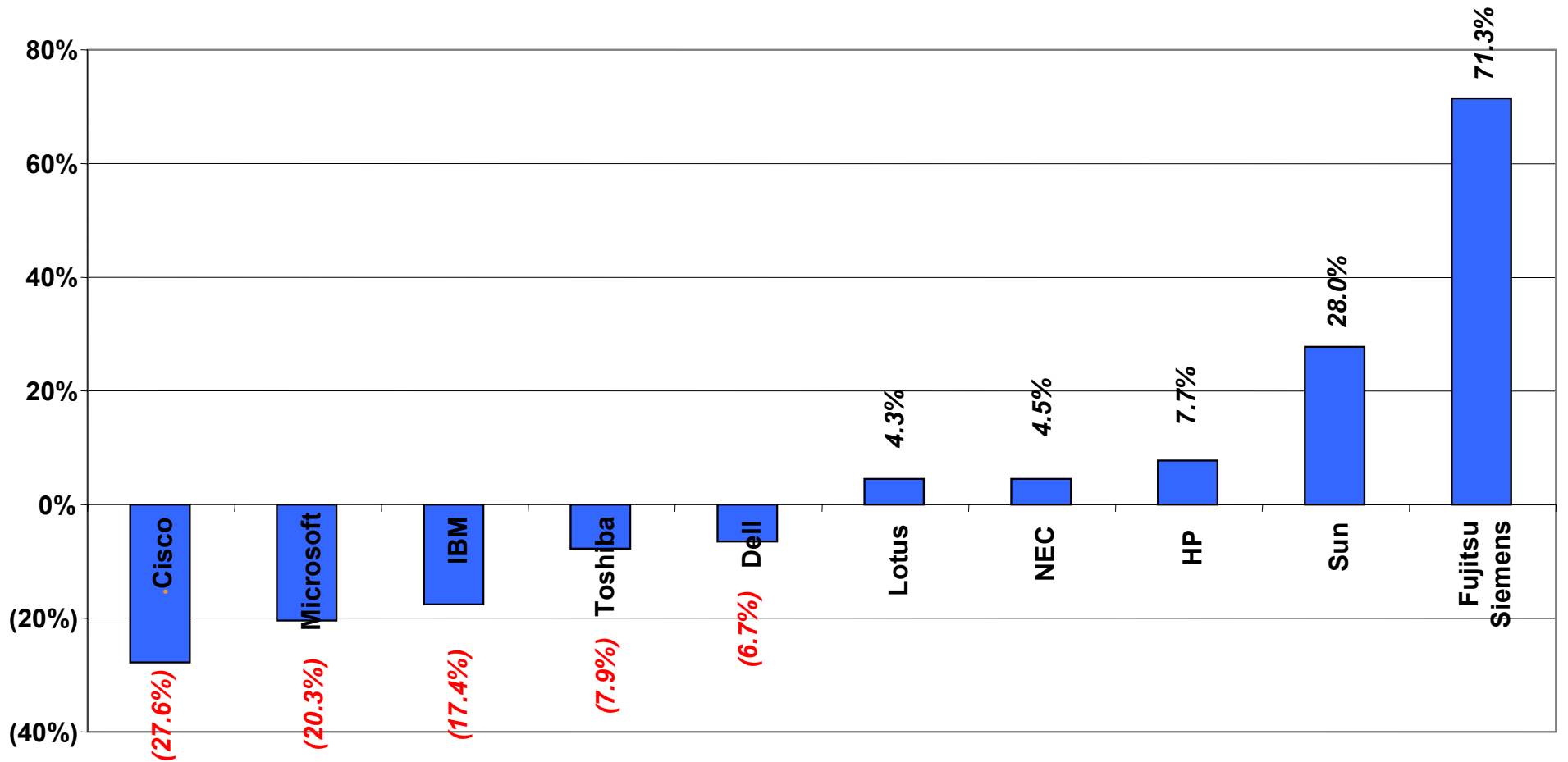
- Stable UK utilisation throughout 2003
- Improving trend in Q4 carried over into 2004
- Microsoft XP is the main driver of high utilisation
- Substantial contracts already secured
- Pipeline continues to grow

UK Sectors

- Government:
 - ◆ Remains positive with different spend patterns
- Financial Services:
 - ◆ Cost savings remain the key buying criteria, good for Managed Services
- Communications:
 - ◆ Performed well but still underlying concerns
- Commercial:
 - ◆ Capital expenditure remains tight

UK Vendor Share

• % Change in Share - 2003 v 2002



CC CompuNet

- Strong financial performance
- Substantial business improvements made since acquisition including:
 - ◆ New sales incentive plan introduced 01.01.04
 - ◆ Customer P&L reporting system
 - ◆ Established service enablement function
 - ◆ New logistics systems and procedures introduced 01.10.03
 - ◆ CC Connect launched in German
- Still substantial work required to achieve UK levels of return

Computacenter France

- Disappointing performance with operating loss of £2.7million
- Negative good will write back of £4.0 million, net of France good will write-off
- Substantial reductions in cost base made predominantly in H2 of the year at a cost of £3.1million
- Will benefit from new pan-European management structure
- Good new business wins

Other Countries

- Belux
 - ◆ Substantial improvements made in 2003, operating loss reducing by 89.9% to £0.4million
 - ◆ Organic sales growth of 37.2%
 - ◆ Strong services pedigree
- Austria:
 - ◆ Integration given lower priority
 - ◆ Extremely disappointing year
 - ◆ New management installed Q4 03

Prospects

- UK:
 - ◆ Good managed services growth predicted
 - ◆ Substantial XP opportunity
- Germany:
 - ◆ Improvement focus shifts towards sales & marketing
 - ◆ Good prospects with enterprise servers and Cisco
- France:
 - ◆ Cost base has been reduced
 - ◆ 04 should be a year of substantial improvement
- Belux:
 - ◆ Continued progress predicted
- Austria:
 - ◆ Integration becomes a higher priority
 - ◆ Modest improvement predicted in 04

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