



# COMPUTACENTER

PLC

PRODUCT  
SUPPLY

TECHNOLOGY  
INTEGRATION

MANAGED  
SERVICES

*Computacenter*



## Preliminary Results 2005

14<sup>th</sup> March, 2006

# 2005 Financial Highlights

	2005	2004	Δ%
Turnover	£2.29 bn	£2.41 bn	(5)
Profit before tax	£34.0 m	£67.9 m	(50)
Earnings per share	10.9 p	25.9 p	(58)
Net cash	£100.4 m	£41.0 m	

# Cash Return

- Cash resources exceed requirements
- £75 million to be returned to shareholders in Q2
  - Assumes resolution of tax considerations
- Intention to return further cash in future
  - Subject to acquisition opportunities

# 2005 Highlights

- Major strategic repositioning underway in UK
- UK annual services contract base growth of 4.6%
- Encouraging growth in German services activities
- Satisfactory resolution of GE disputes
- Improved French performance in H2 ... although challenges remain

# Future Prospects

- Trading in first two months of 2006 below last year
  - But trading becoming increasingly end-quarter weighted
  
- Strategic focus: delivery of attractive eps growth
  - Accelerate services growth and broaden range
  - Re-engineer product business to reduce cost
  - Extend product sales to small / medium-sized segment
  - Capture growth opportunities in Germany
  - Restore profit in France



## Financial Review

Tony Conophy

# Group – profit and loss account

	2005	2004	Growth 2005 / 2004
	IFRS £m	IFRS £m	%
<b><u>Continuing operations</u></b>			
Revenue	2,285.2	2,410.6	(5.2%)
Cost of sales	(1,996.4)	(2,080.4)	(4.0%)
<b>Gross profit</b>	<b>288.8</b>	<b>330.2</b>	<b>(12.5%)</b>
Gross profit %	12.6%	13.7%	(1.1%)
Other Operating Expenses	(261.2)	(264.0)	(1.1%)
<b>Operating Profit</b>	<b>27.7</b>	<b>66.2</b>	<b>(58.2%)</b>
Operating profit %	1.2%	2.7%	(1.5%)
Net finance income	6.1	1.7	258.0%
Share of associate / jv	0.2	0.0	477.3%
<b>Profit before tax</b>	<b>34.0</b>	<b>67.9</b>	<b>(49.9%)</b>
Income tax expense	(13.6)	(19.6)	(30.9%)
Tax Rate %	(39.9%)	(28.9%)	(11.0%)
<b>Profit for the year</b>	<b>20.4</b>	<b>48.3</b>	<b>(57.7%)</b>
<b><u>Discontinued operation</u></b>			
Loss for the period	0.0	(3.9)	(100.0%)
<b>Earnings per share (continuing operations)</b>			
– basic for profit for the year	10.9p	25.9p	(57.9%)
– diluted for profit for the year	10.9p	25.6p	(57.4%)



## Group - IFRS vs UK GAAP

	2005	2004
	TOTAL £m	TOTAL £m
<b>UK GAAP : Profit before tax and exceptionals</b>	<b>33.0</b>	<b>67.3</b>
1a Positive goodwill	0.3	0.3
1b Negative goodwill	0.0	(0.5)
2 Share based payment	0.4	(0.9)
3 Employee benefits	(0.1)	0.0
4 Accounting for joint venture	0.0	0.2
5 Hedging	0.4	0.0
Total IFRS Adjustments	1.0	(0.9)
Reclass discontinued operation	n/a	1.6
<b>IFRS : Profit before tax : continuing operations</b>	<b>34.0</b>	<b>67.9</b>

# Group : operating profit split by half year

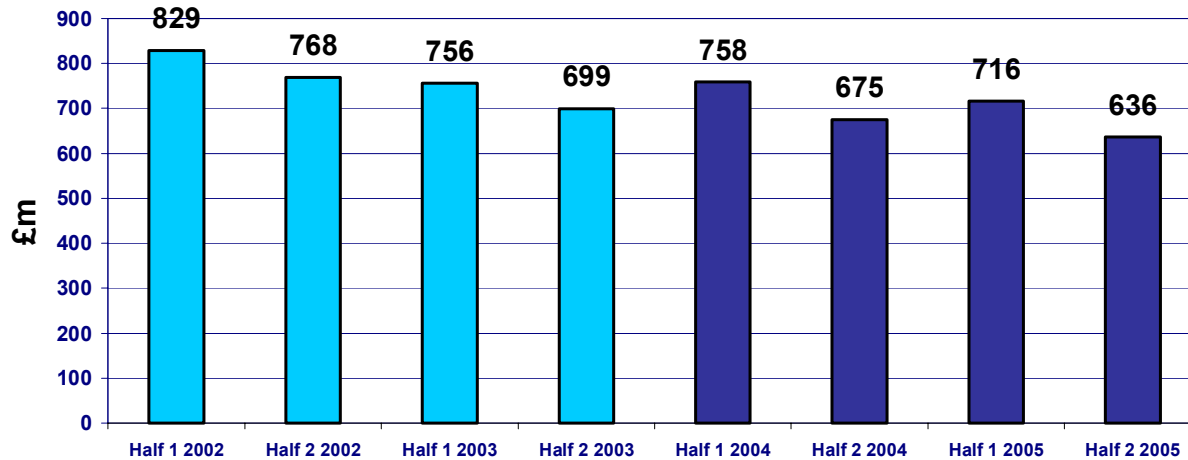
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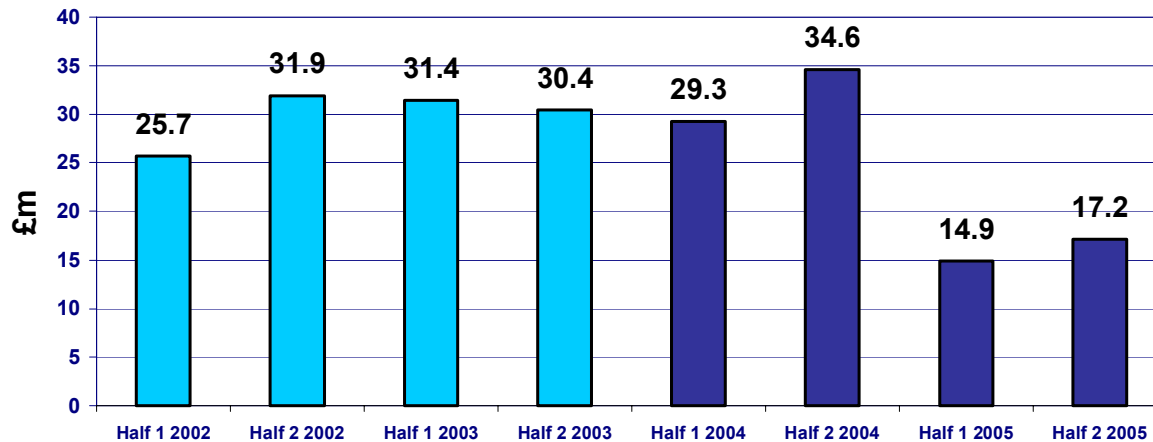
	<b>H1 2004</b>	<b>H2 2004</b>	<b>H1 2005</b>	<b>H2 2005</b>
	<b>IFRS £m</b>	<b>IFRS £m</b>	<b>IFRS £m</b>	<b>IFRS £m</b>
<b>UK</b>	<b>29.3</b>	<b>34.5</b>	<b>14.9</b>	<b>17.2</b>
<b>Germany</b>	<b>2.5</b>	<b>6.5</b>	<b>(1.5)</b>	<b>6.5</b>
<b>France</b>	<b>(2.0)</b>	<b>(4.7)</b>	<b>(7.9)</b>	<b>(1.4)</b>
<b>BeLux</b>	<b>0.1</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.0)</b>
<b>Group : continuing operations</b>	<b>29.9</b>	<b>36.2</b>	<b>5.4</b>	<b>22.3</b>

# UK – revenue and operating profit

UK Revenue



UK Operating Profit



Op Profit %	3.1%	4.2%	4.2%	4.4%	3.9%	5.1%	2.1%	2.7%

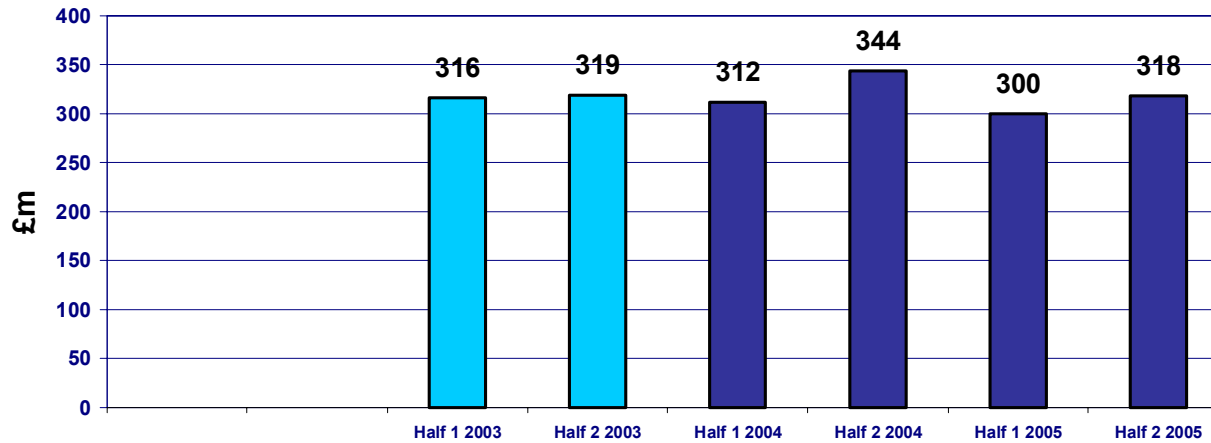
## UK – profit and loss account

	2005	2004	Growth 2005/2004
	IFRS £m	IFRS £m	%
Revenues	1,351.3	1,433.7	(5.7%)
Gross Profit	169.9 12.6%	205.7 14.3%	(17.4%)
Other Operating Expenses	(137.8) (10.2%)	(141.8) (9.9%)	(2.9%)
Operating Profit	32.1 2.4%	63.8 4.5%	(49.7%)
Headcount *:			
Direct	3,195	3,213	(0.6%)
Indirect	1,540	1,696	(9.2%)

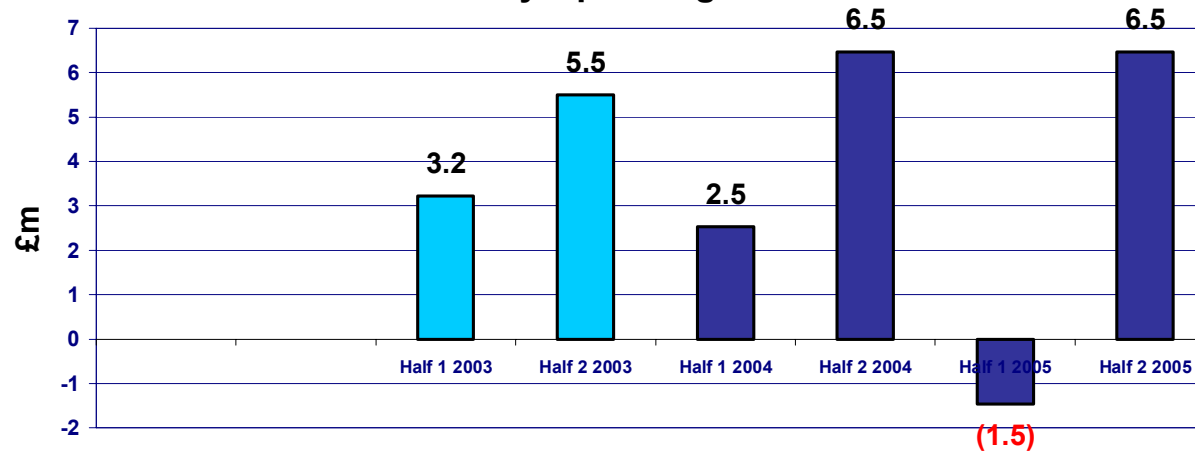
(\* period end headcount, incl RDC)

# Germany – revenue and operating profit

Germany Revenue



Germany Operating Profit



UK GAAP  
IFRS

Page 19	Op Profit %	n/a	n/a	1.0%	1.7%	0.8%	1.9%	(0.5%)	2.0%
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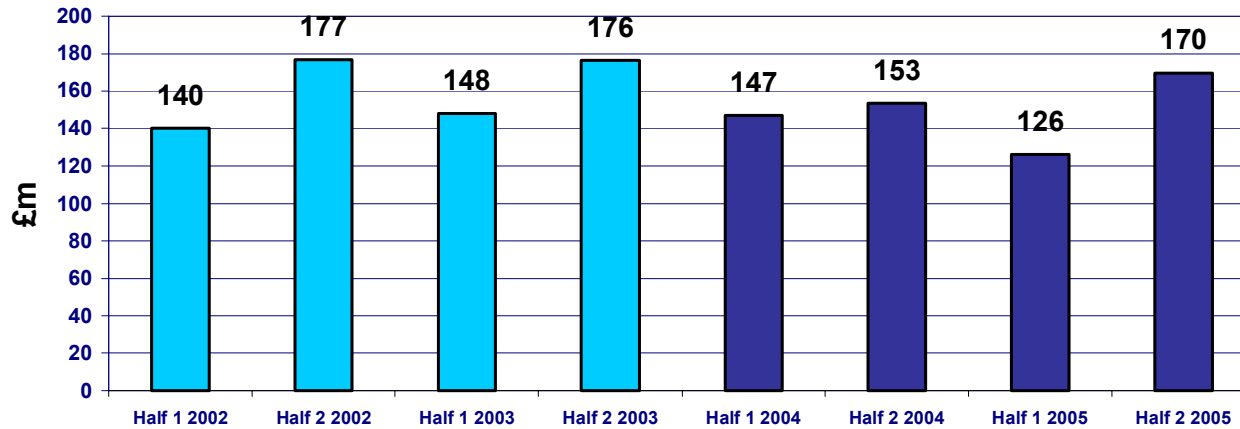
# Germany – profit and loss account

	<b>2005</b>	<b>2004</b>	<b>Growth 2005 / 2004</b>
	IFRS £m	IFRS £m	%
<b>Revenues</b>	<b>618.2</b>	<b>655.5</b>	<b>(5.7%)</b>
<b>Gross Profit</b>	<b>87.7</b> <i>14.2%</i>	<b>90.5</b> <i>13.8%</i>	<b>(3.1%)</b>
<b>Other Operating Expenses</b>	<b>(82.7)</b> <i>(13.4%)</i>	<b>(81.5)</b> <i>(12.4%)</i>	<b>1.5%</b>
<b>Operating Profit</b>	<b>5.0</b> <i>0.8%</i>	<b>9.0</b> <i>1.4%</i>	<b>(44.4%)</b>
<b>Headcount *:</b>			
<b>Direct</b>	<b>2,481</b>	<b>2,468</b>	<b>0.5%</b>
<b>Indirect</b>	<b>1,047</b>	<b>1,004</b>	<b>4.3%</b>

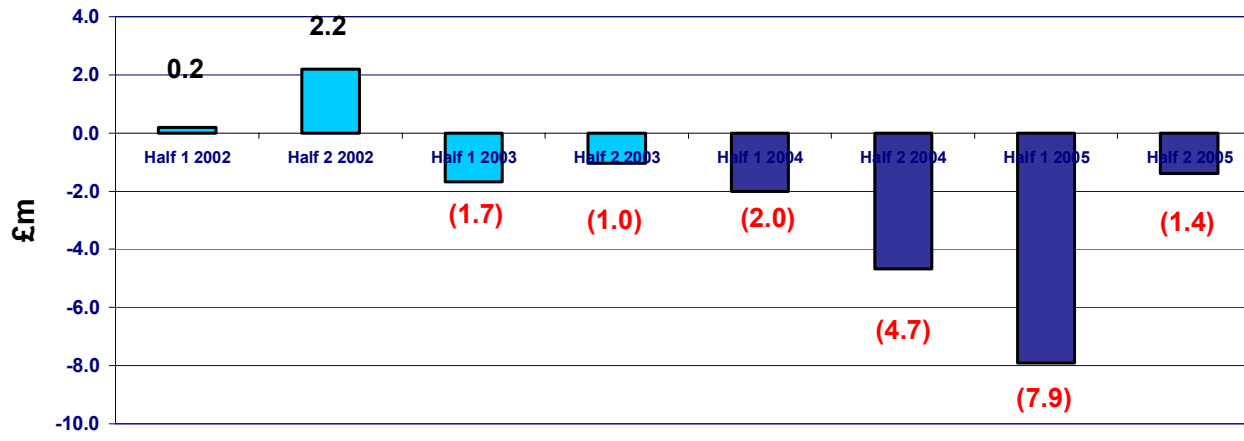
Page (\* period end headcount)

# France – revenue and operating profit

France Revenue



France Operating Profit



■ UK GAAP  
■ IFRS

Page 15	Op Profit %	0.1%	1.2%	(1.1%)	(0.6%)	(1.4%)	(3.1%)	(6.3%)	(0.8%)
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## France – profit and loss account

	2005	2004	Growth 2005 / 2004
	IFRS £m	IFRS £m	%
Revenues	295.8	300.4	(1.5%)
Gross Profit	28.9 9.8%	31.8 10.6%	(8.9%)
Other Operating Expenses	(38.3) (12.9%)	(38.5) (12.8%)	(0.6%)
Operating Profit	(9.3) (3.1%)	(6.7) (2.2%)	38.9%
Headcount *:			
Direct	563	674	(16.5%)
Indirect	440	465	(5.4%)



# BeLux – profit and loss account

	2005	2004	Growth 2005 / 2004
	IFRS £m	IFRS £m	%
Revenues	19.9	21.0	(5.4%)
Gross Profit	2.3 11.6%	2.3 10.9%	0.5%
Other Operating Expenses	(2.4) (12.1%)	(2.3) (10.8%)	5.9%
Operating Profit	(0.1) (0.6%)	0.0 0.1%	(802.2%)
Headcount *:			
Direct	88	89	(0.6%)
Indirect	17	16	9.7%

# Group – revenue by business segment

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	2005	2004	Growth 2005 / 2004
	IFRS £m	IFRS £m	%
<b>Product</b>	<b>1,758.0</b>	<b>1,895.0</b>	<b>(7.2%)</b>
Technology Solutions	114.2	109.8	4.1%
Support and Managed services	413.0	405.8	1.8%
<b>Services</b>	<b>527.2</b>	<b>515.6</b>	<b>2.3%</b>
<b>Total continuing operations</b>	<b>2,285.2</b>	<b>2,410.6</b>	<b>(5.2%)</b>
Discontinued operation	0.0	45.2	(100.0%)
<b>Total group</b>	<b>2,285.2</b>	<b>2,455.8</b>	<b>(6.9%)</b>
<b>Analysis of UK :-</b>			
Product	1,084.1	1,168.9	(7.3%)
Services	267.3	264.8	0.9%
	<b>1,351.3</b>	<b>1,433.7</b>	<b>(5.7%)</b>

# Group – cash from operations

	2005	2004	Growth 2005 / 2004
	IFRS £m	IFRS £m	%
<b>Cash flows from operating activities</b>			
Operating profit	27.7	64.6	(57.2%)
Depreciation / amortisation	17.3	18.4	(5.8%)
Share based payments	(0.4)	0.9	n/a
Profit / loss on disposal of fixed assets & investments	(0.1)	(0.8)	(89.4%)
Decrease in inventories	16.8	14.3	17.8%
Increase in trade and other receivables	(25.9)	(23.2)	11.9%
Incr / (decr) in trade and other payables	29.9	(14.6)	(304.9%)
Dividend received from associate	0.3	0.5	n/a
Currency and other adjustments	0.3	0.2	58.4%
<b>Cash generated from operations</b>	<b>66.0</b>	<b>60.3</b>	<b>9.4%</b>
<b>Cash from operations as % Operating Profit</b>	<b>238.5%</b>	<b>93.3%</b>	

# Group – summary cash flow

	2005	2004	Growth 2005 / 2004
	£m	£m	%
<b>Cash generated from operations</b>	<b>66.0</b>	<b>60.3</b>	<b>9.4%</b>
Income taxes paid	(18.4)	(12.3)	49.4%
Net cash flows from operating activities	47.6	48.0	(0.9%)
Net cash flows used in investing activities	25.6	(3.2)	(898.4%)
Net cash flows from/(used in) financing activities	(22.4)	(14.6)	53.8%
<b>Net increase in cash and cash equivalents</b>	<b>50.8</b>	<b>30.2</b>	<b>68.0%</b>
Net foreign exchange difference	1.6	(0.1)	(1,157.7%)
Cash and cash equivalents at 1 January	80.5	50.5	59.6%
<b>Cash and cash equivalents at 31 Dec</b>	<b>132.9</b>	<b>80.5</b>	<b>65.0%</b>
<b>Net Funds consists of :</b>			
Cash and cash equivalents	132.9	80.5	65.0%
Non-recourse financing	(31.5)	(39.0)	(19.2%)
Finance leases	(0.7)	(0.2)	279.1%
Bank Loan	(0.3)	(0.3)	0.0%
<b>Net Funds</b>	<b>100.4</b>	<b>41.0</b>	<b>144.8%</b>

# Group – balance sheet

	2005	2004	Growth 2005 / 2004
	£m	£m	%
Property, plant, equipment	81.6	89.9	(9.2%)
Intangible assets	9.5	7.9	19.8%
Investments	0.3	0.4	(22.7%)
Deferred Tax Asset	5.5	1.5	272.0%
<b>Non-current assets</b>	<b>96.9</b>	<b>99.7</b>	<b>(2.8%)</b>
Inventories	100.2	118.9	(15.7%)
Trade and other receivables	383.0	399.4	(4.1%)
Forward currency contracts	0.2	0.0	n/a
Prepayments	63.5	55.1	15.1%
Cash and short-term deposits	164.8	138.2	19.2%
<b>Current assets</b>	<b>711.7</b>	<b>711.7</b>	<b>(0.0%)</b>
Assets - non-current assets held for sale	0.0	9.2	(100.0%)
<b>Total assets</b>	<b>808.6</b>	<b>820.6</b>	<b>(1.5%)</b>
Trade Payables	197.1	175.7	12.2%
Provisions <1yr	2.2	2.4	(7.1%)
Other Current Liabilities	262.5	290.6	(9.7%)
<b>Current liabilities</b>	<b>461.9</b>	<b>468.6</b>	<b>(1.4%)</b>
Provisions >1yr	14.0	15.2	(8.0%)
Other non-current liabilities	2.0	4.6	(55.4%)
<b>Non-current liabilities</b>	<b>16.0</b>	<b>19.8</b>	<b>(19.0%)</b>
Liabilities - non-current assets held for sale	0.0	6.9	(100.0%)
<b>Total liabilities</b>	<b>477.9</b>	<b>495.3</b>	<b>(3.5%)</b>
<b>Net Assets</b>	<b>330.7</b>	<b>325.3</b>	<b>1.7%</b>

# Group – key ratios

	Dec 2005	Jun 2005	Dec 2004
	IFRS	IFRS	IFRS
Stock (days)	23	21	26
Debtor (days)	51	54	51
Creditor (days)	39	39	33
Working Capital (days)	36	36	45



## Operational Review

Mike Norris

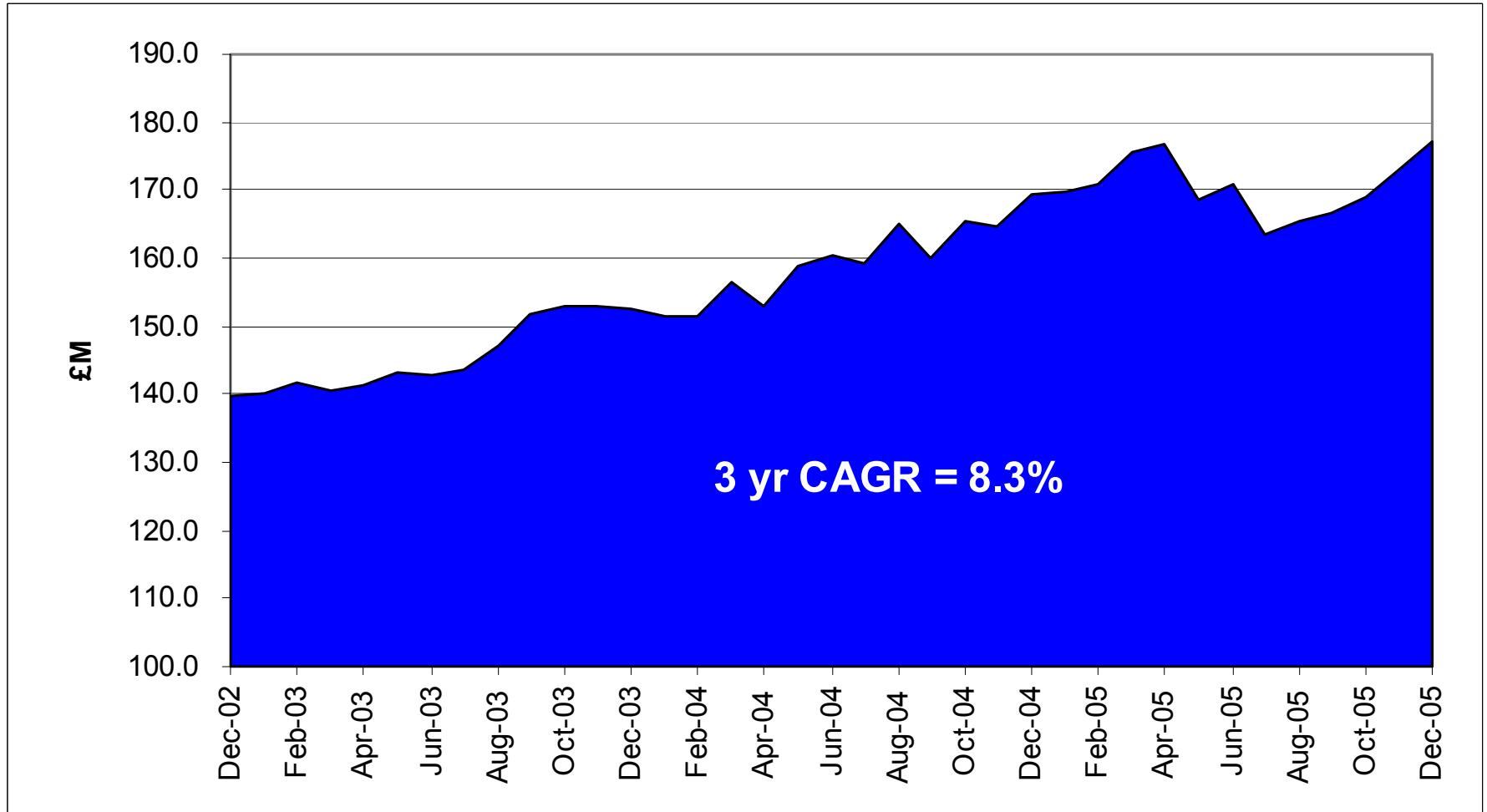
- Challenging year, particularly with our non Enterprise hardware product business
- Strategic review required considerable management time
- Organisational change into discrete business units
- Cost control remains a priority, headcount fell from 4,754 to 4,589



# UK – Services Division

- Total revenue £267.2 million
- Annual contracted base £177.1 million, up 4.6%

# UK Contract Base



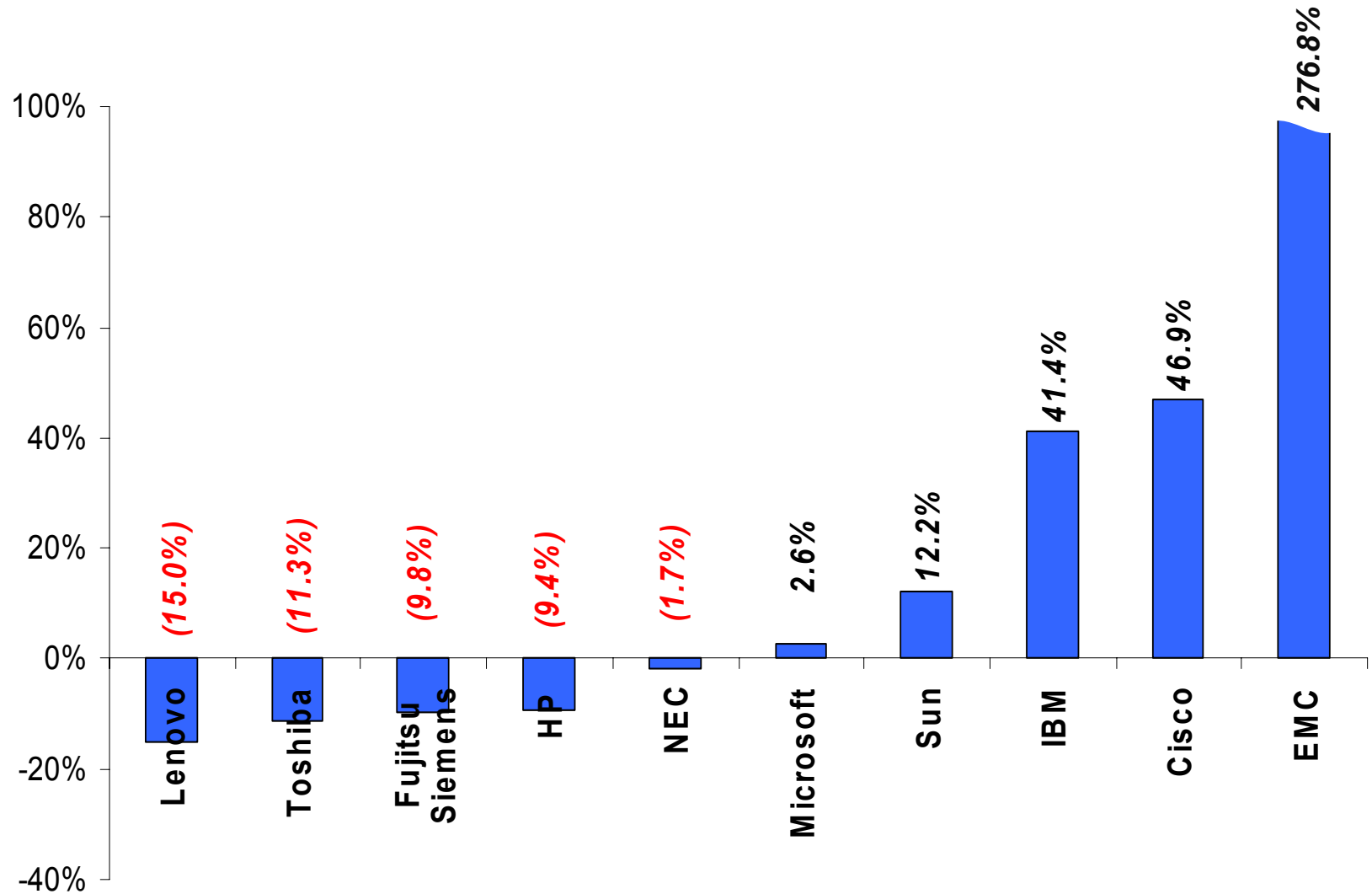
# UK – Services Division

- Total revenue £267.2 million
- Annual contracted base £177.1 million, up 4.6%
- Reduce operational costs through streamlined service delivery model
- New contracts and renewals
- Six solutions units; database, storage, communications, Microsoft technologies, security and cabling
- Work has begun on renewal of our contract with BT

# UK – Product Division

- Product revenue down 7.3%
- Gross profit down £35.2 million of which £27.0 million is lower vendor rebates
- Poor PC and Notebook sales, good Enterprise revenue

# Product – change in vendor share of our business



# UK – Product Division

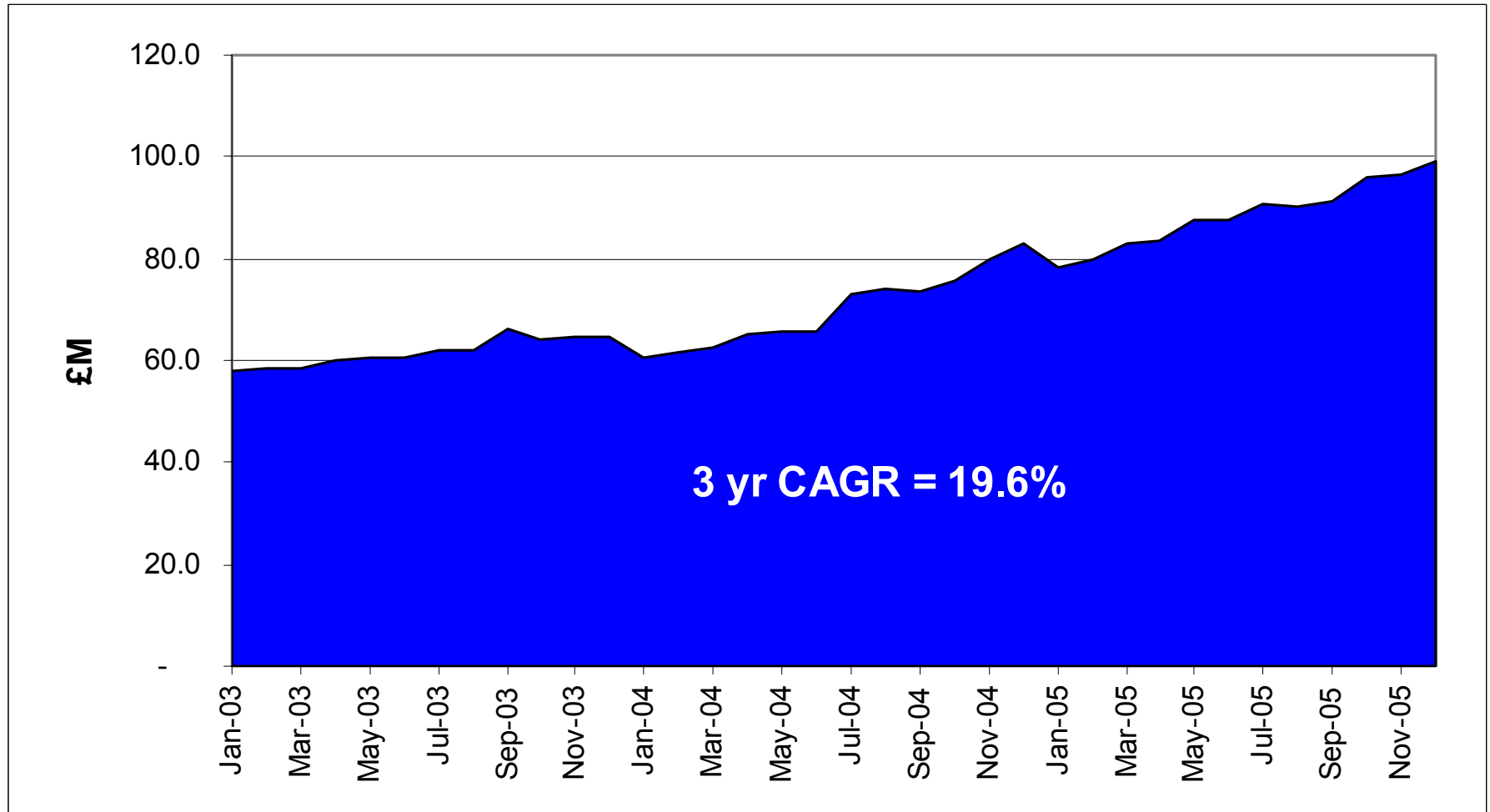
- Product revenue down 7.3%
- Gross profit down £35.2 million of which £27.0 million is lower vendor rebates
- Poor PC and Notebook sales, good Enterprise revenue
- Light touch sales models to reduce cost
- Software grew to £134 million, up 4.6%
- Computacenter Direct up to £4 million per month
- CCD disappointing year

# Germany

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- Revenue decline of 5.7% to £618.2 million
- Services revenue up 5.8% to £220.6 million
- Contracted services base up 19.8%

# Germany Contract Base



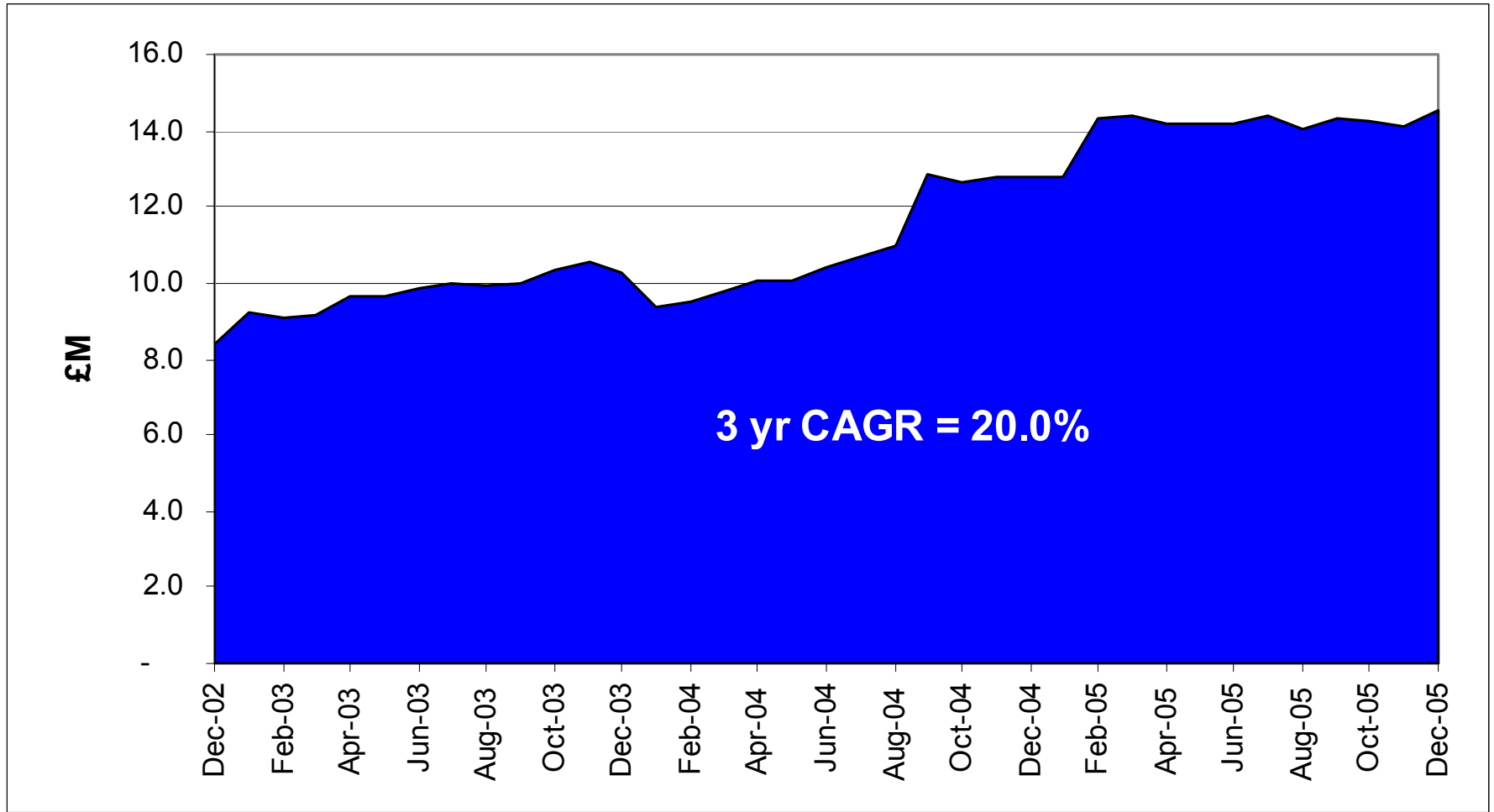


# Germany

- Revenue decline of 5.7% to £618.2 million
- Services revenue up 5.8% to £220.6 million
- Contracted services base up 19.8%
- The strong 2<sup>nd</sup> half was due to:
  - Strong sales in Q3
  - Improved margin in services
- Good new business pipeline for MS in H1 2006

- Partial recovery in H2 due to:
  - Seasonal factors
  - Le Ministère de la Défense resumed
  - Restructure in H1
  - Lower indirect cost base
  - Improvements in Maintenance
  
- Good contract base pipeline

# France Contract Base



- Partial recovery in H2 due to:
  - Seasonal factors
  - Le Ministère de la Défense resumed
  - Restructure in H1
  - Lower indirect cost base
  - Improvements in Maintenance
  
- Good contract base pipeline
  
- Much remains to be done

# Future Prospects

- Trading in first two months of 2006 below last year
  - But trading becoming increasingly end-quarter weighted
  
- Strategic focus: delivery of attractive eps growth
  - Accelerate services growth and broaden range
  - Re-engineer product business to reduce cost
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