



Preliminary Results 2007

11 March, 2008



2007 Financial Highlights

- Group revenues up 4.8% to £2.38 billion (2006: £2.27 billion)
- Adjusted* profit before tax up 12.3% to £42.7 million (2006: £38.0 million)
- Adjusted* diluted earnings per share up 34.1% to 18.5p (2006: 13.8p)
- Final dividend of 5.5p per share, total dividend 8.0p (2006: 7.5p)
- Net borrowings before customer-specific financing of £16.2 million (2006: net funds of £29.4 million)

*Adjusted for exceptional items and amortisation of acquired intangibles

Operating Highlights

- First Group revenue growth since 2003
- UK business enters 2008 with a record contract base and a strong pipeline of new business across market sectors.
- Best ever performance from Computacenter Germany since acquisition with growth across both product and services
- Significant progress achieved in France driven by key management initiatives

Financial Review – Tony Conophy

A glossary

- Adjusted results
 - PBT and EPS are adjusted for exceptional items (in 2006) and amortisation on acquired intangibles
- Customer-specific financing (“CSF”)
 - Finance costs for CSF are charged after operating profit for statutory purposes
 - Management consider these costs to be contract specific costs, and operating profit is adjusted to charge for these costs accordingly.
 - Net finance costs are also adjusted in this presentation
- Net funds
 - Net funds prior to CSF is monitored internally by the Group
 - Statutory net funds includes future obligations for CSF, that are covered by future income streams

Group – profit and loss account

	Existing	Acquired	FY 2007	FY 2006	Growth 07v06	Like-for-Like Growth 07v06
	£m	£m	£m	£m	%	%
Revenues	2,320.8	58.4	2,379.1	2,269.9	4.8%	2.2%
Gross Profit	312.9	12.9	325.8	295.5	10.3%	5.9%
	13.5%	22.1%	13.7%	13.0%	0.7%	0.5%
Other Operating Expenses	(270.6)	(11.5)	(282.1)	(261.8)	7.7%	3.4%
Finance costs on CSF	(2.0)	0.0	(2.0)	(0.3)	566.7%	566.7%
*Adjusted operating Profit	40.3	1.5	41.7	33.3	25.2%	20.8%
	1.7%	2.5%	1.8%	1.5%	0.3%	0.3%
*Adjusted net Interest			1.0	4.7	(79.6%)	
*Adjusted profit before tax			42.7	38.0	12.3%	
Amortisation on acquired intangibles			(0.6)	(0.0)	n/a	
Exceptional items			0.0	(5.0)	n/a	
Statutory profit before tax			42.1	32.9	27.7%	
Tax			(13.2)	(14.0)	(6.0%)	
<i>Tax rate (pre-exceptional)</i>			(31.3%)	(36.8%)		
Profit after tax			28.9	18.9	52.6%	
Diluted earnings per share						
– *Adjusted			18.5p	13.8p	34.1%	
– Statutory			18.2p	10.9p	67.0%	

* Adjusted for exceptional items and amortisation of acquired intangibles.

* Adjusted operating profit is stated after charging costs on customer-specific financing

Group tax charge

	FY 2007	FY 2006
	£m	£m
Accounting profit before tax	42.1	32.9
At the UK standard rate of corporation tax of 30% (2006: 30%)	12.6	9.9
Non-deductible expenses (incl share based payments)	1.1	0.9
Losses of overseas undertakings	1.2	4.0
Higher tax on overseas earnings	0.9	0.0
Changes in recoverable amounts of deferred tax assets	(2.7)	0.0
Other differences	0.2	(0.9)
Income tax expense	13.2	14.0
Effective rate (prior to exceptional charges)	31.3%	36.8%
Effective rate (based on Statutory PBT)	31.3%	42.5%

UK – profit and loss account

	Existing	Acquired	FY 2007	FY 2006	Growth 07v06	Like-for-Like Growth 07v06
	£m	£m	£m	£m	%	%
Revenues	1,298.9	58.4	1,357.3	1,281.5	5.9%	1.4%
Gross Profit	184.3	12.9	197.2	181.9	8.4%	1.3%
	14.2%	22.1%	14.5%	14.2%	0.3%	(0.0%)
Other Operating Expenses	(151.3)	(11.5)	(162.7)	(144.4)	12.7%	4.7%
Finance costs on CSF	(1.3)	0.0	(1.3)	(0.0)	n/a	n/a
	(11.6%)	(19.6%)	(12.0%)	(11.3%)	(0.7%)	(0.4%)
Adjusted Operating Profit	31.6	1.5	33.1	37.4	(11.6%)	(15.5%)
	2.4%	2.5%	2.4%	2.9%	(0.5%)	(0.5%)
Headcount *:						
Direct	2,897	353	3,250	2,841	14.4%	2.0%
Indirect	1,780	82	1,862	1,683	10.6%	5.8%

* period end headcount

Germany – profit and loss account

	FY 2007	FY 2006	Growth 07v06
	£m	£m	%
Revenues	708.6	654.7	8.2%
Gross Profit	94.2	83.4	12.9%
	13.3%	12.7%	
Other Operating Expenses	(83.1)	(80.6)	3.2%
Finance costs on CSF	(0.7)	(0.3)	167.2%
	(11.7%)	(12.3%)	
Adjusted Operating Profit	10.4	2.6	303.9%
	1.5%	0.4%	
Headcount *:			
Direct	2,899	2,604	11.3%
Indirect	1,057	1,059	(0.2%)

* period end headcount

France – profit and loss account





	FY 2007	FY 2006	Growth 07v06
	£m	£m	%
Revenues	285.7	307.3	(7.0%)
Gross Profit	31.5	27.7	13.7%
	<i>11.0%</i>	<i>9.0%</i>	
Other Operating Expenses	(33.3)	(34.2)	(2.8%)
	<i>(11.6%)</i>	<i>(11.1%)</i>	
Operating Profit	(1.8)	(6.5)	(73.0%)
	<i>(0.6%)</i>	<i>(2.1%)</i>	
Headcount *:			
Direct	615	579	6.4%
Indirect	361	429	(15.7%)

* period end headcount

Group – revenue by segment

	FY 2007	FY 2006	Growth 07v06	Like-for-Like Growth 07v06
	£m	£m	%	%
Product	1,774.2	1,735.2	2.2%	1.6%
Professional services	158.5	128.9	23.0%	5.9%
Support and managed services	446.5	405.8	10.0%	3.7%
Services	605.0	534.7	13.1%	4.2%
Total group	2,379.1	2,269.9	4.8%	2.2%

Group – cash from operations



	FY 2007	FY 2006	Growth 07v06
	£m	£m	%
Operating profit	43.1	28.5	14.6
Depreciation	27.1	14.6	12.5 
Amortisation	3.5	1.9	1.6
Share based payment	2.7	1.4	1.2
Other non-current asset impairment & disposals	0.3	3.0	(2.7)
(Increase)/decrease in inventories	(8.7) 	4.6	(13.3)
Increase in trade and other receivables	(1.5) 	(35.5)	34.0
(Decrease)/increase in trade and other payables	(20.0) 	6.9	(26.9)
Currency and other adjustments	(0.2)	0.2	(0.4)
Cash generated from operations	46.3	25.6	20.7
..... as % Operating Profit	107.5%	89.6%	17.9%
Income taxes paid	(13.9)	(12.0)	(1.9)
Net cash flow from operating activities	32.5	13.6	18.9

 £12.0m additional depreciation on leased assets, owned to satisfy customer contracts

 Cash impact of net working capital movement of £30.2m

Group – summary cash flow

	FY 2007	FY 2006	Diff
	£m	£m	£m
Cash generated from operations	46.3	25.6	20.7
Income taxes paid	(13.9)	(12.0)	(1.9)
Net cash flows from operating activities	32.5	13.6	18.9
Net cash flows from investing activities	(42.6)	(3.0)	(39.6)
Net cash flows from financing activities	(40.0)	(85.0)	45.0
Decrease in cash and cash equivalents	(50.2)	(74.4)	24.2
Net foreign exchange difference	(1.5)	0.5	(2.0)
Cash and cash equivalents at 1 January	59.0	132.9	(73.9)
Cash and cash equivalents at 31 December	7.3	59.0	(51.7)
Net Funds consists of :			
Cash and cash equivalents	7.3	59.0	(51.7)
Factor financing	(23.5)	(29.5)	6.1
Net funds prior to customer specific financing	(16.2)	29.4	(45.6)
Finance leases	(47.6)	(11.4)	(36.2)
Other Loans	(16.0)	(7.2)	(8.7)
Net Funds	(79.8)	10.8	(90.6)

-  Includes £32.6m from acquisitions
-  Includes £12.2m repayment of finance leases on customer-specific financing and includes £8.7m inflow due to timing on arrangement of customer-specific loan finance

Group – balance sheet

	Dec 07	Dec 06	Diff
	£m	£m	£m
Non-current assets			
Property, plant and equipment	116.4	84.9	31.6
Goodwill & Intangibles	45.2	9.9	35.2
Deferred income tax asset	8.2	6.2	2.0
	169.8	101.0	68.8
Current assets			
Inventories	110.5	94.6	15.9
Trade & other receivables	454.2	427.4	26.7
Prepayments & accrued income	61.4	50.4	10.9
Cash and short-term deposits	29.2	77.9	(48.7)
	655.3	650.3	4.9
Current liabilities			
Trade payables	211.5	195.2	16.3
Financial liabilities	74.4	55.7	18.6
Other liabilities & provisions	210.6	208.9	1.7
	496.5	459.8	36.6
Non-current liabilities			
Financial liabilities	34.7	11.4	23.3
Other liabilities & provisions	15.8	15.0	0.8
	50.4	26.4	24.1
Net assets	278.2	265.1	13.1

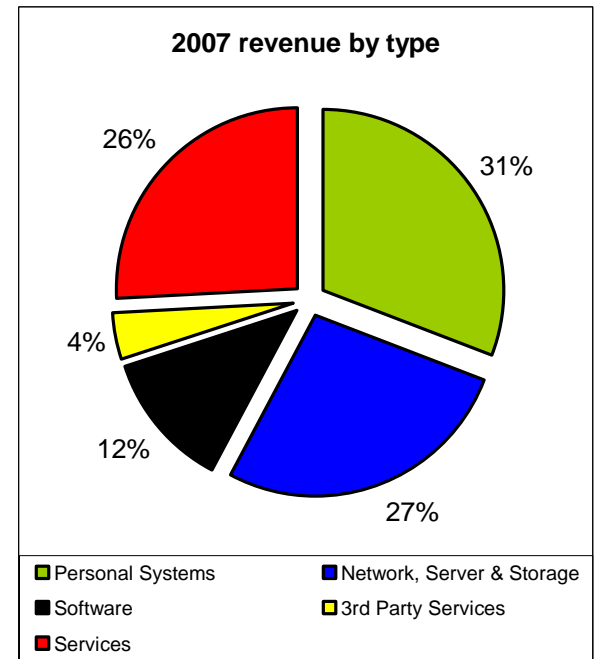
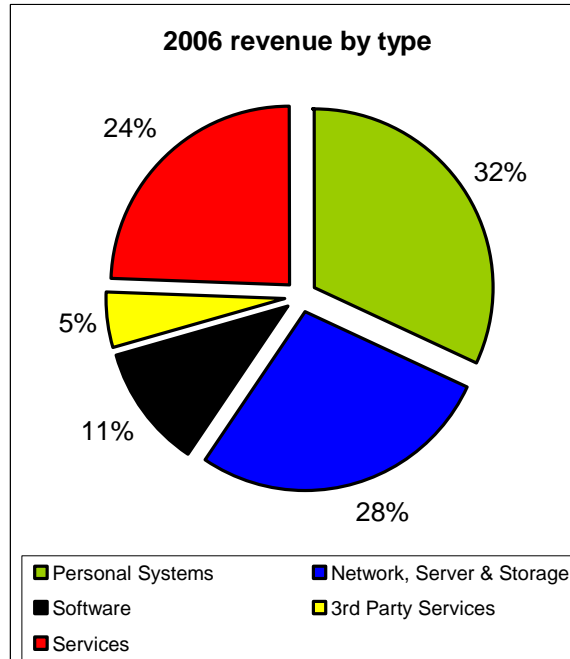
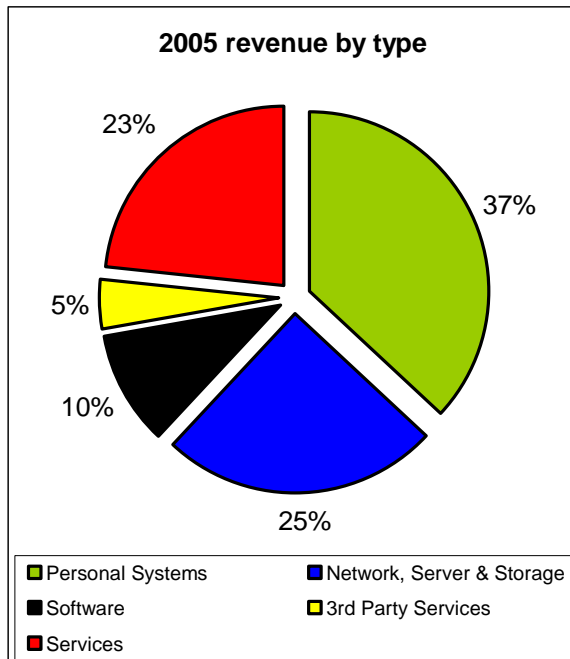
 Intangibles arising from acquisitions account for £32.6m

 Increased PP&E on leased assets offset by customer-specific financing

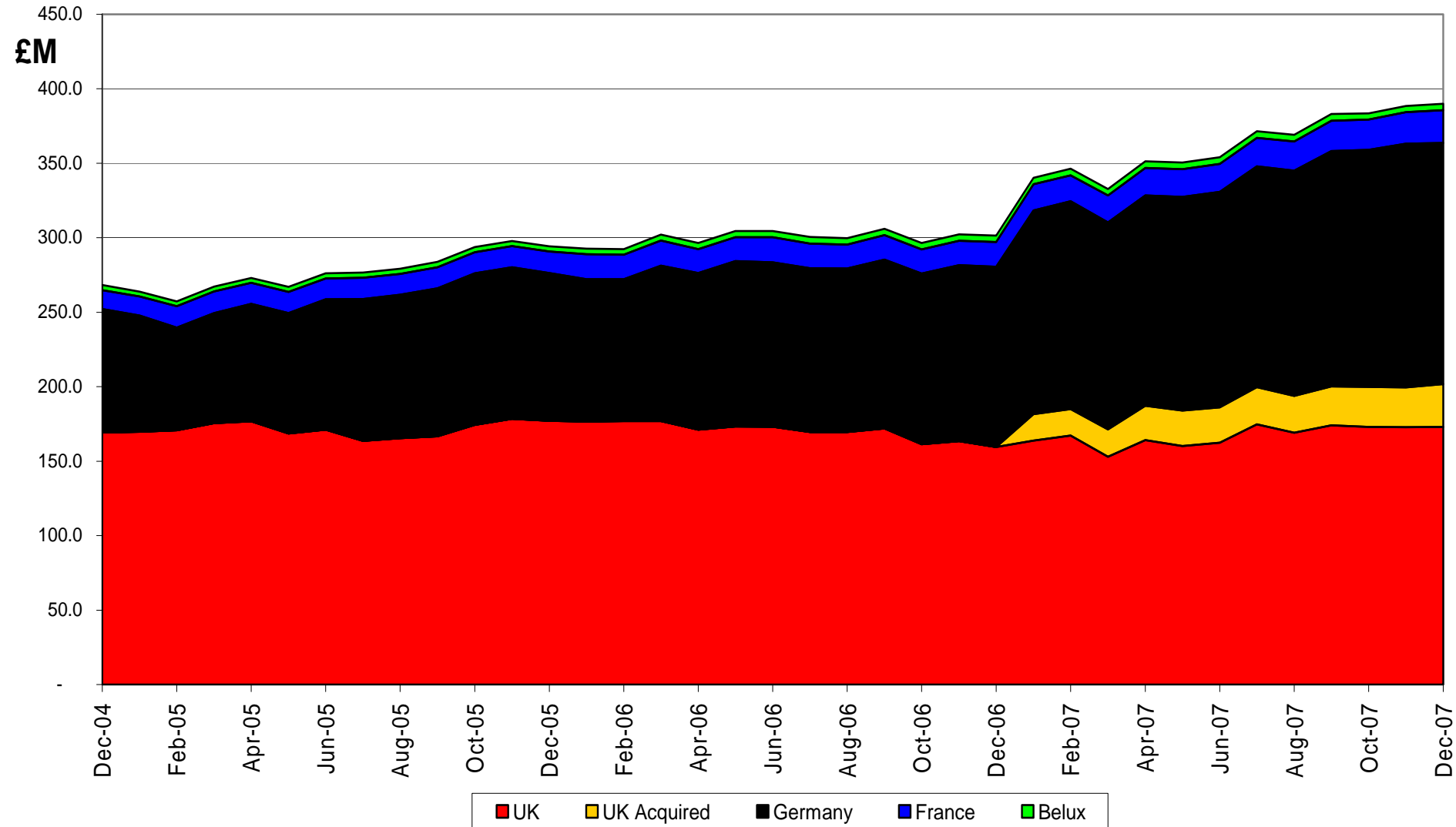
 Net cash impact of working capital is c£30m. Balance sheet increased further from acquisitions and exchange rate movements

Operational Review – Mike Norris

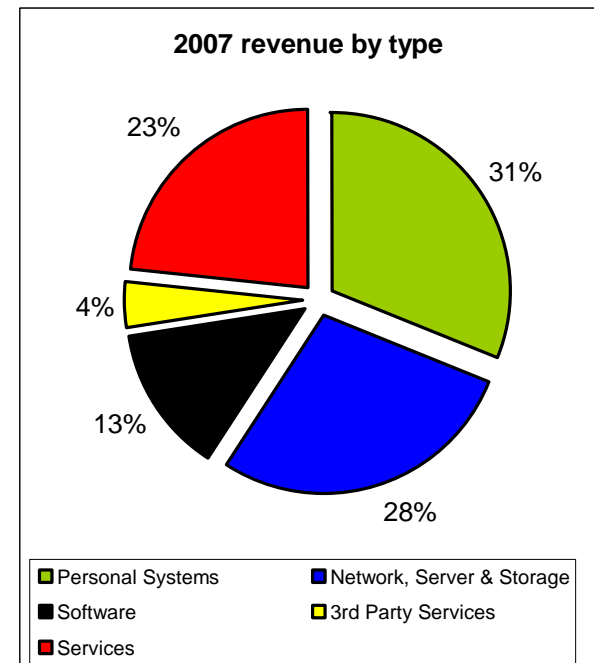
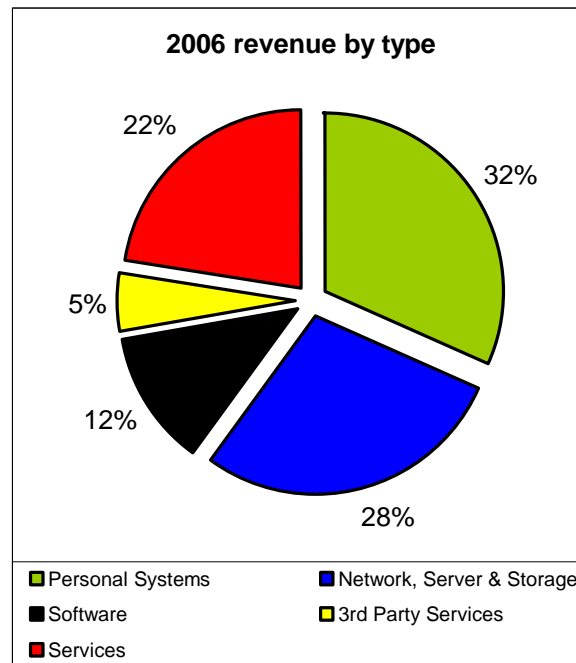
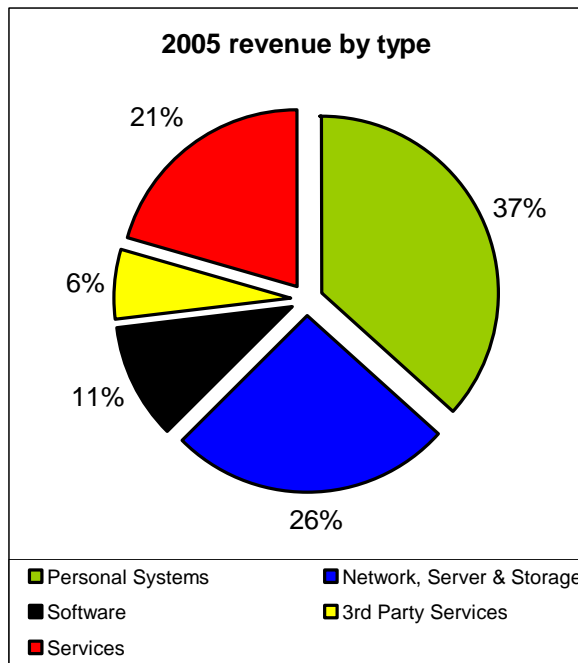
Group Revenue Split



Group Contract Base



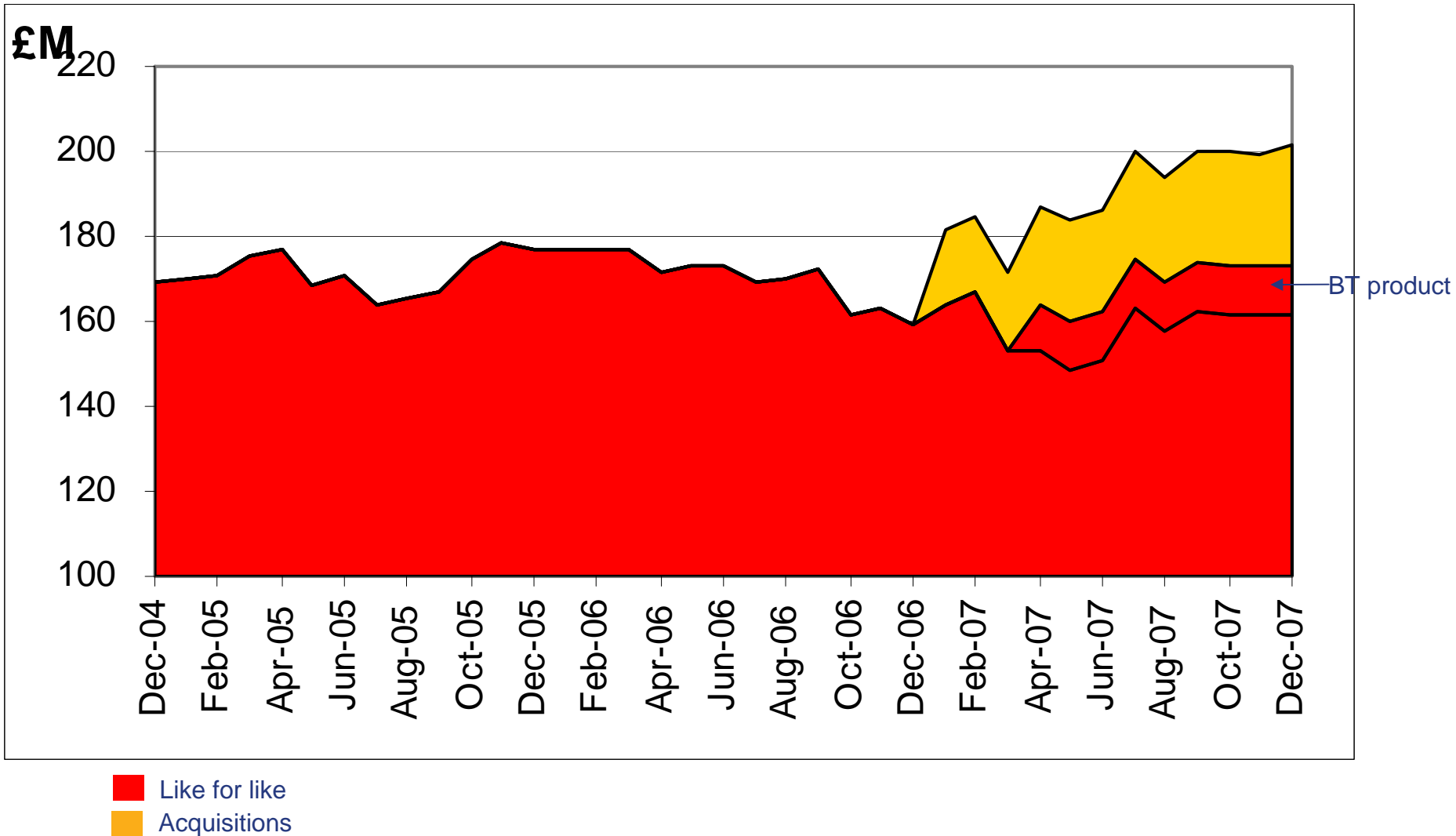
UK Revenue Split



UK Services Highlights

- As predicted, a challenging year
- Strong recovery in H2
- Annual growth in contract base
- Greater use of shared facilities, tools and processes
- New BT contract for 5 years
- Successful acquisition of Digica and Allnet
- Growth in datacentre skills and revenue

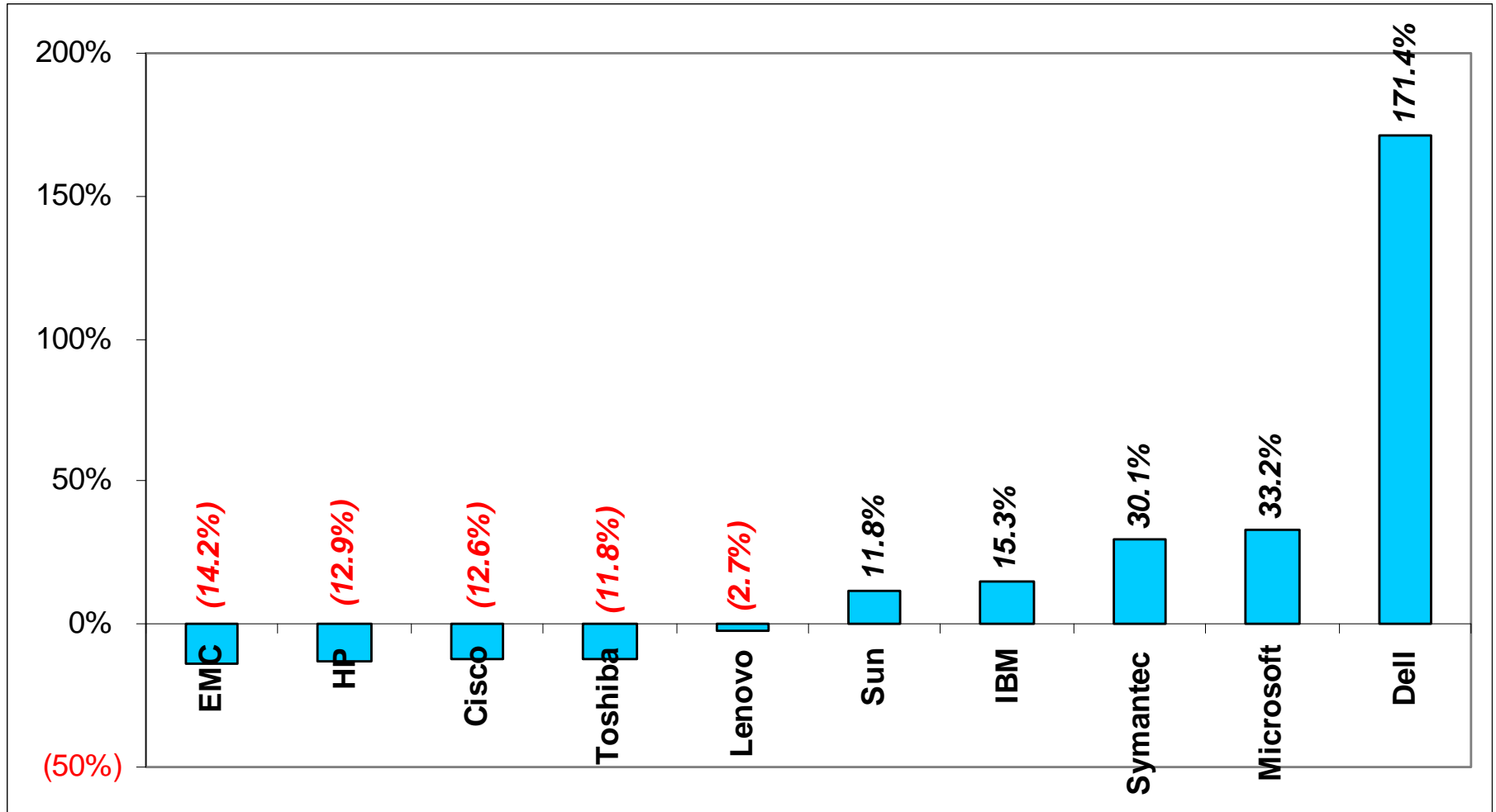
UK Contract Base



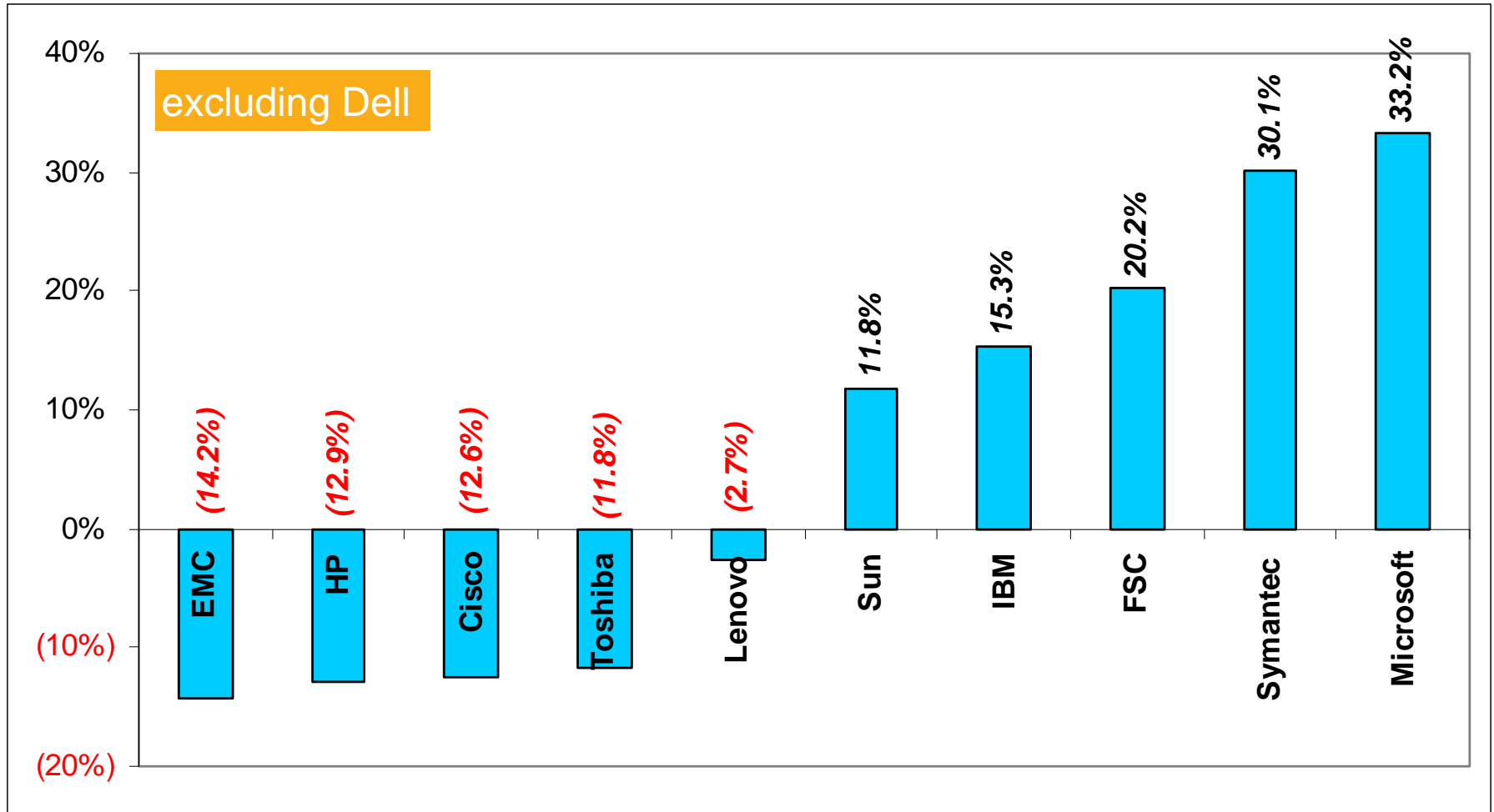
UK Product Highlights

- Product growth in Networking, Server and Storage
- Growth in total end user sales and decline in trade distribution revenue
- Success from our continuing investment in Software Services with an 18.7% growth
- Improved e-commerce systems should enable further cost reductions
- Our recycling and remarketing arm, RDC, grew successfully but from a low base

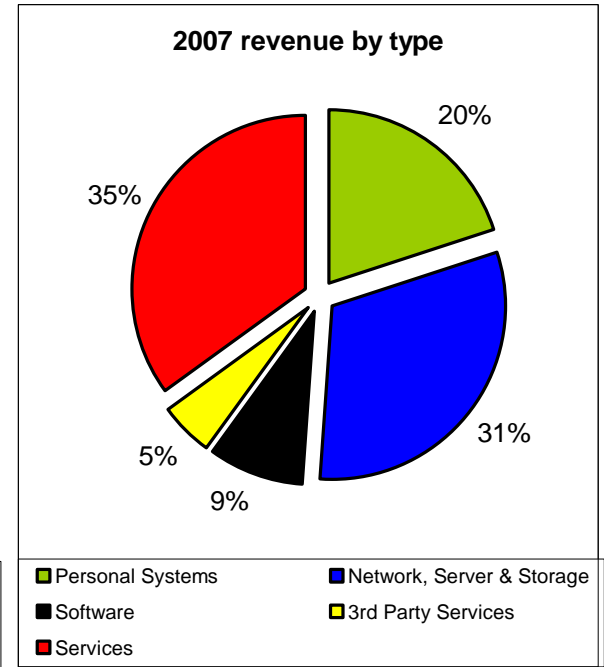
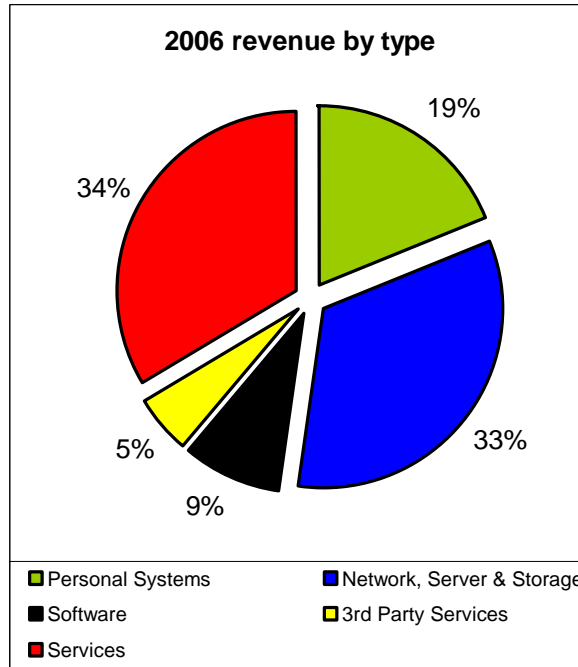
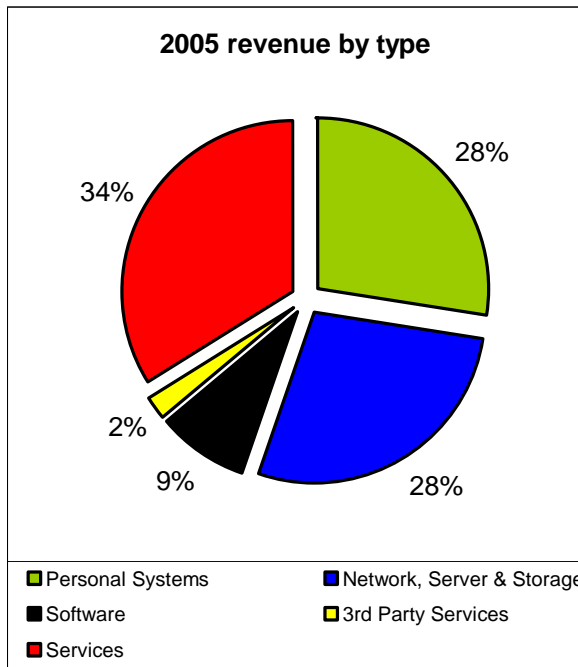
UK Vendor Share



UK Vendor Share – V2



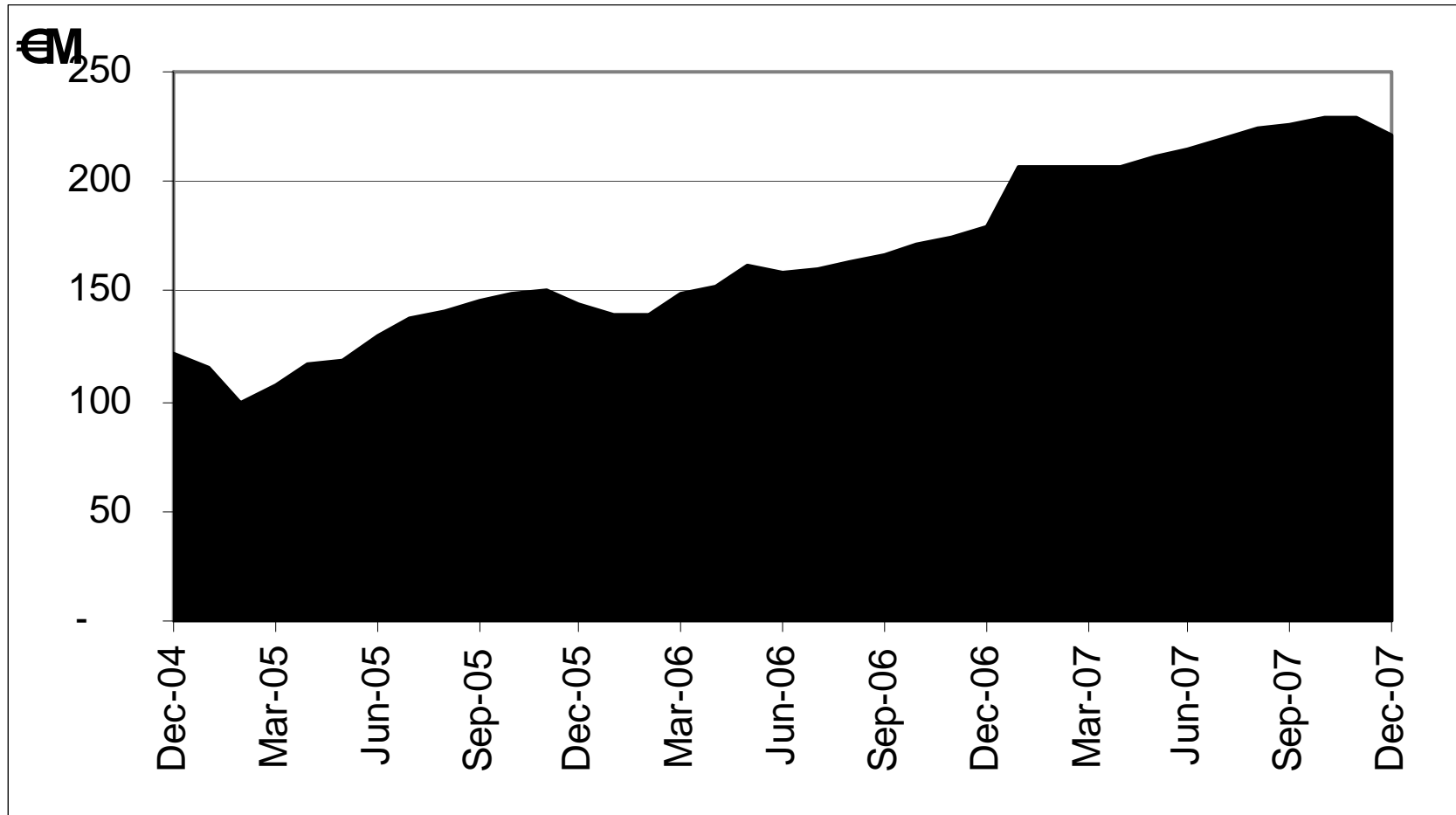
Germany Revenue Split



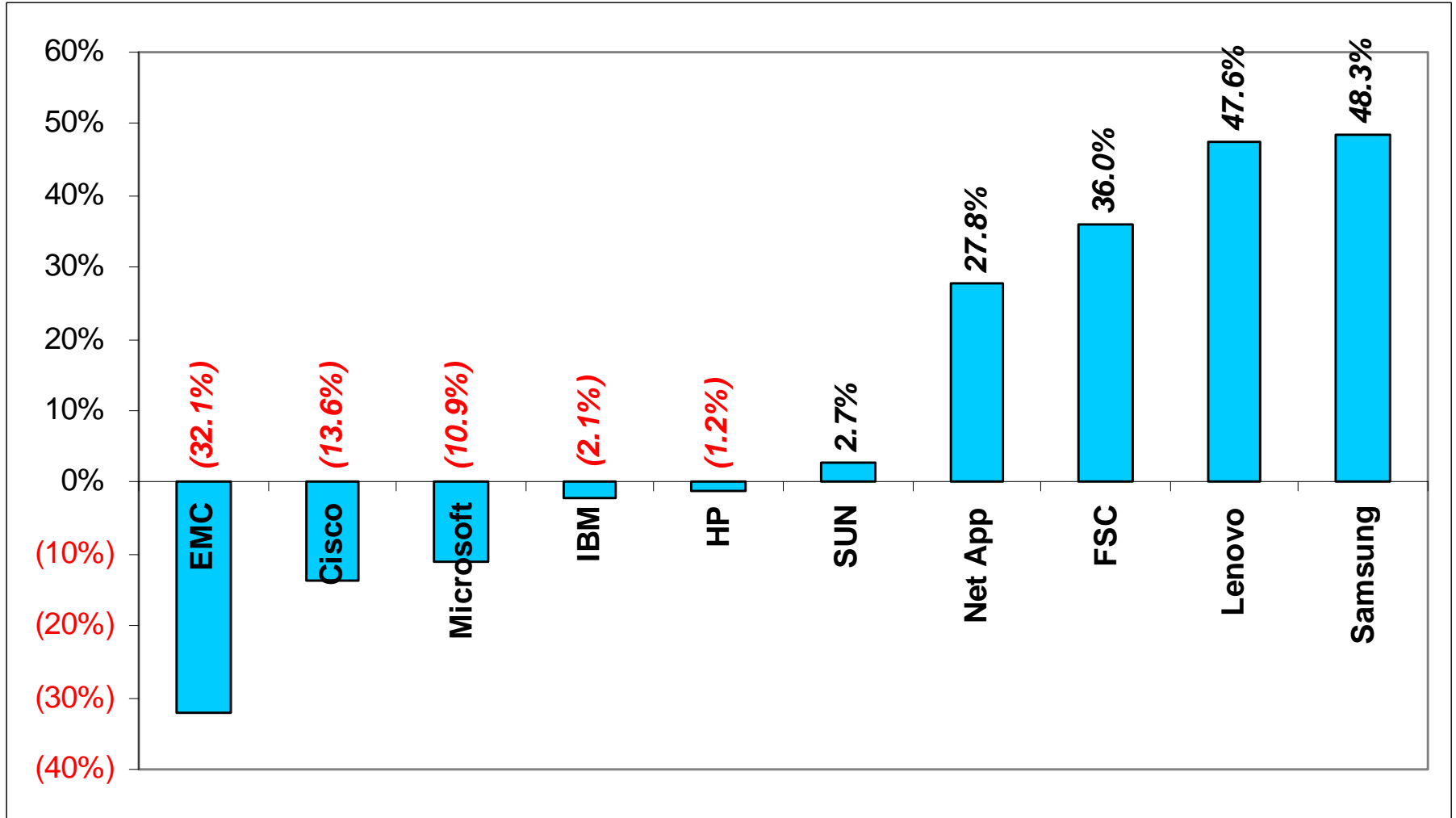
Germany Highlights

- Record year for our German business
- Good revenue growth of 8.2%
- Weaker like for like growth in H2 due only to extraordinary H2 2006
- Substantial progress, particularly in Managed Services, Networking and Datacentre
- Material profit improvement helped by turnaround in loss making contracts
- RDC now established in Germany

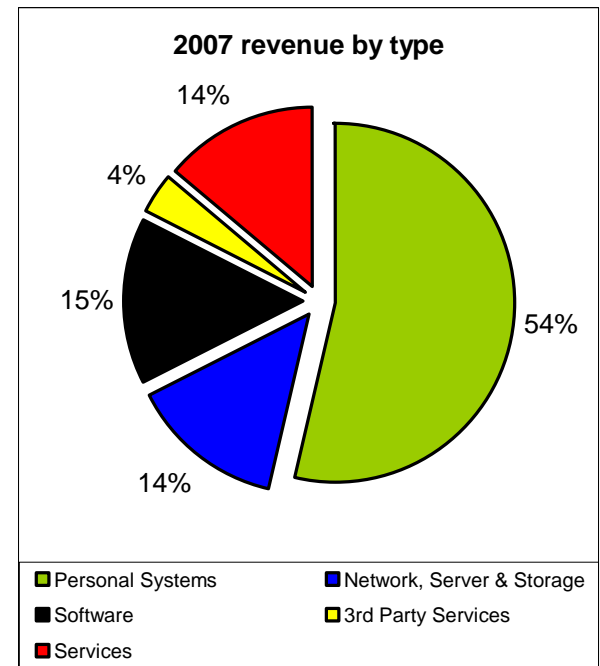
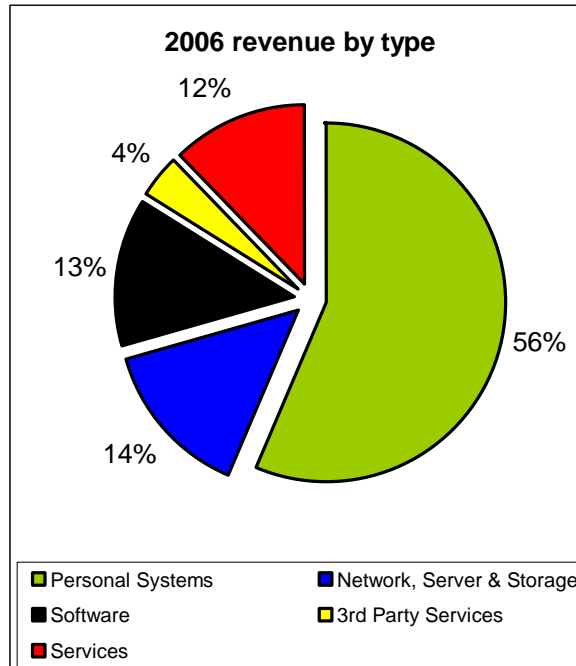
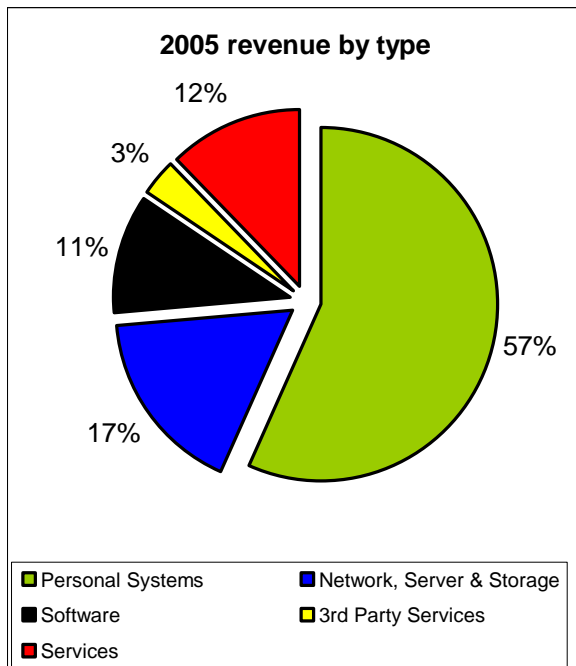
Germany Contract Base



Germany Vendor Share



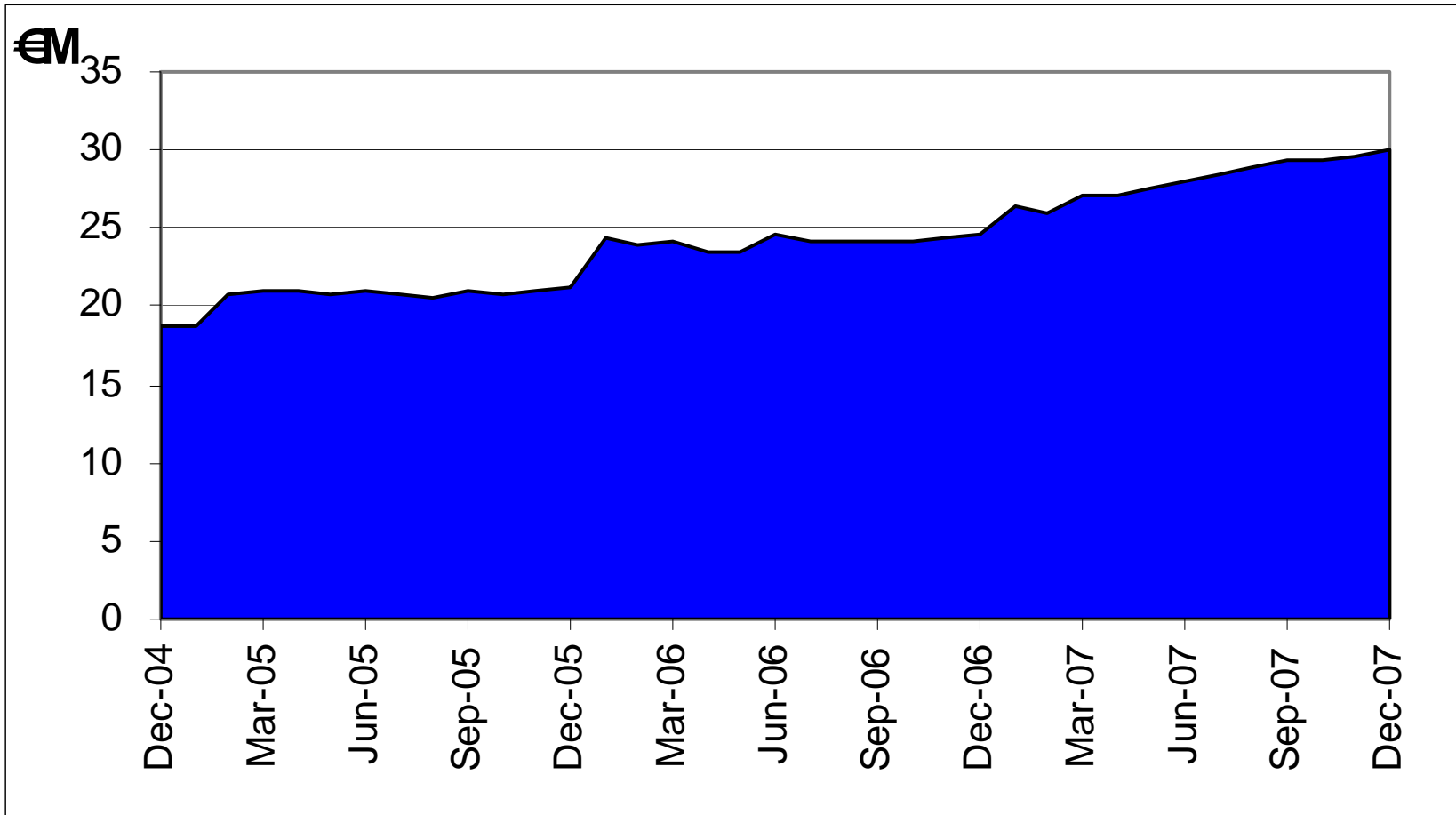
France Revenue Split



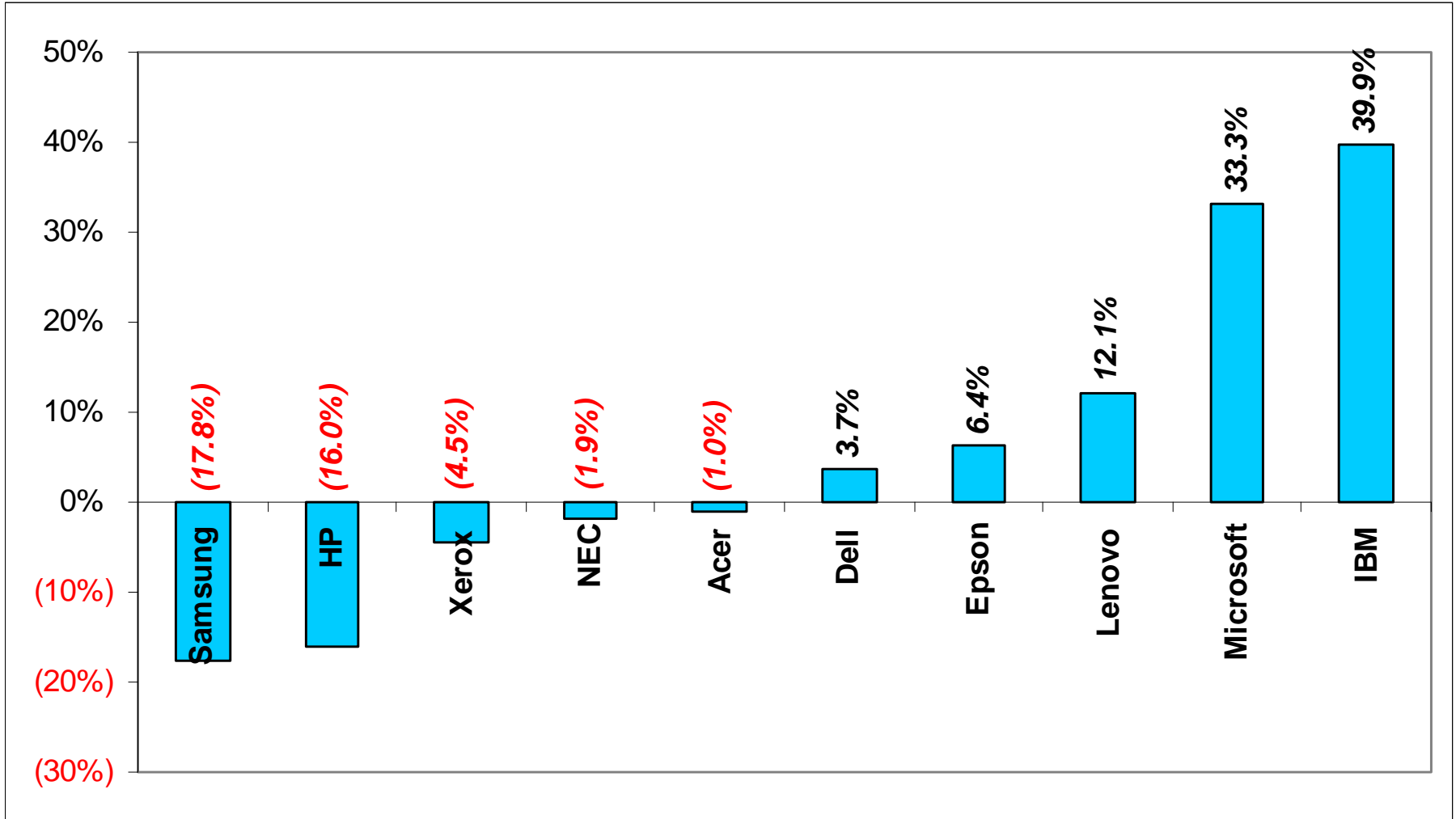
French Highlights

- Fundamental improvement in performance
- Operating losses reduced by 73%
- Reduction in low margin product sales
- Increase in Services sales of 7.1%
- Steady contract base growth with good new contract wins
- Operating costs down by 4.2%
- Broadening the customer base is now essential

France Contract Base



France Vendor Share



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Future Prospects

- Not possible to draw meaningful conclusion until end Q1
- No obvious sign of negative effects on market conditions due to credit crisis
- Strong UK contract base growth in H2 will help 2008
- Progress throughout the course of 2007 in Germany and France
- The strengthening of our services capability
- Lower cost product supply operation



Preliminary Results 2007

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