



Second Quarter
Financial Report

June 30, 2004



COMPANY OVERVIEW

CIBER, Inc. and its subsidiaries provide information technology (IT) system integration consulting and other services and to a lesser extent, resell certain hardware and software products. Our clients consist primarily of Fortune 500 and middle market companies across most major industries and governmental agencies. We operate from 70 offices across the United States, Canada and Europe. As of June 30, 2004, we had approximately 7,400 employees.

We began operations in 1974 to assist companies in need of computer programming support. In the mid-1980s, we initiated a growth strategy that included expanding our range of computer-related services, developing a professional sales force and selectively acquiring established complementary companies. We continue to expand and modify our service offerings to address changes in customer demands and rapidly changing technology. In addition, we look to form strategic alliances with select package software and hardware vendors to stay at the leading edge of technology advances, to develop new business and to generate additional revenue.

Our principal executive offices are located at 5251 DTC Parkway, Suite 1400, Greenwood Village, CO, 80111. Our Internet address is www.ciber.com. CIBER is traded on the New York Stock Exchange with the market symbol: CBR.

CIBER currently has three reportable segments, Custom Solutions, Package Solutions and CIBER Europe. The Custom Solutions segment primarily includes our CIBER custom branch offices. Our Package Solutions segment is comprised of our CIBER Enterprise Solutions Division. CIBER Europe is comprised of CIBER Solution Partners, as well as our ECSOFT and Ascent acquisitions.

CIBER Custom Solutions

Our CIBER custom branch operations provide IT project solutions and IT staffing in custom developed software environments. Each branch office has local leadership, sales, recruiting and delivery capabilities. Our branch office network is integral to our business strategy. Through the branch office network, we can (1) offer a broad range of consulting services on a local basis, (2) respond to changing market demands for IT services through a variety of contacts in many industries and geographic areas and (3) maintain a quality professional staff because of our nationwide reputation and our training programs. Our strategy is to leverage our long-standing staffing relationships to win strategic consulting and/or project solutions and systems integration business.

The migration toward a more solutions-based business model has resulted from our efforts to (1) create significant thought leadership in leading technologies through our National Practices, (2) establish a consultative sales methodology that enhances our ability to identify, pursue and close solutions-based business, and (3) improve our solutions delivery capability by continuing to refine our project management and delivery methodology. Our National Practices, which support the local sales and delivery functions, include: Enterprise Application Integration, Business Intelligence, Internet Solutions, Infrastructure and Security, Wireless Integration, Outsourcing, and Managed Services.



While ~65% of our operations are directed at commercial clientele, ~35% of our operations have a focus on state and federal government organizations. Our State Government Practice has a number of specialty focus areas, including: health and human services; public health; law and justice, and motor vehicles, among others. Our Federal Government Practice initiatives include: defense/aerospace; outsourcing; human resource and financial management systems; and strategy and enterprise services.

CIBER Package Solutions

Our CIBER Enterprise Solutions Division (CES) provides consulting services to support software from enterprise solutions vendors including Oracle, PeopleSoft, SAP, Lawson, as well as several Supply Chain Management (SCM) products. CES's Technology Solutions Practice helps clients select, configure and design IT platform-related solutions and is an authorized reseller of selected hardware and software products from IBM, Hewlett-Packard, Sun Microsystems and Intermec.

CES is an Oracle Certified Advantage Partner, a PeopleSoft Certified Consulting Partner as well as an SAP Services Partner. CES has vertical expertise in healthcare, higher education, public sector, telecommunications and manufacturing, among others.

CIBER Europe

CIBER Europe, a combination of Ecsoft, Ascent and CIBER Solution Partners provides a broad range of business and technical consulting services to include, application development, package implementation, systems integration, and support services. CIBER Europe has operations in the United Kingdom, Scandinavia and the Netherlands. CIBER Europe strives to help their customers exploit advances in information technology so that they can gain increased competitive advantage and create new business opportunities.

In thousands, except for Billing Rate & Employees

| Company Total | Sequential Quarters | | | | Quarter over Quarter | | | | Year over Year | | | |
|---|---------------------|---------------|----------------|---------------|----------------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
| | Q1 '04 | | Q2 '04 | | Q2 '03 | | Q2 '04 | | 6 mos. 6/30/03 | | 6 mos. 6/30/04 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Consulting Services | \$ 173,289 | 96.24 | \$ 199,933 | 95.99 | \$ 168,950 | 95.37 | \$ 199,933 | 95.99 | \$ 333,814 | 96.28 | \$ 373,222 | 96.11 |
| Other Revenue | 6,766 | 3.76 | 8,345 | 4.01 | 8,193 | 4.63 | 8,345 | 4.01 | 12,884 | 3.72 | 15,111 | 3.89 |
| Total Revenue | 180,055 | 100.00 | 208,278 | 100.00 | 177,143 | 100.00 | 208,278 | 100.00 | 346,698 | 100.00 | 388,333 | 100.00 |
| Gross Profit-Services | 47,674 | 27.51 | 55,577 | 27.80 | 49,478 | 29.29 | 55,577 | 27.80 | 96,011 | 28.76 | 103,251 | 27.66 |
| Gross Profit-Other | 1,749 | 25.85 | 2,169 | 25.99 | 2,635 | 32.16 | 2,169 | 25.99 | 3,693 | 28.66 | 3,918 | 25.93 |
| Total Gross Profit | 49,423 | 27.45 | 57,746 | 27.73 | 52,113 | 29.42 | 57,746 | 27.73 | 99,704 | 28.76 | 107,169 | 27.60 |
| Selling, General & Administrative Expenses | 39,099 | 21.71 | 42,808 | 20.55 | 39,938 | 22.55 | 42,808 | 20.55 | 79,161 | 22.83 | 81,907 | 21.09 |
| Other Charges | - | 0.00 | - | 0.00 | - | 0.00 | - | 0.00 | - | 0.00 | - | 0.00 |
| Operating Income before amortization expense | 10,324 | 5.73 | 14,937 | 7.17 | 12,175 | 6.87 | 14,937 | 7.17 | 20,542 | 5.93 | 25,261 | 6.51 |
| Amortization Expense | 609 | 0.34 | 1,007 | 0.48 | 784 | 0.44 | 1,007 | 0.48 | 1,313 | 0.38 | 1,616 | 0.42 |
| Other Income (Expense) | 64 | 0.04 | (932) | (0.45) | (126) | (0.07) | (932) | (0.45) | (519) | (0.15) | (869) | (0.22) |
| Income Before Taxes | 9,779 | 5.43 | 12,998 | 6.24 | 11,265 | 6.36 | 12,998 | 6.24 | 18,711 | 5.40 | 22,777 | 5.87 |
| Provision for Income Taxes | 3,814 | 2.12 | 5,068 | 2.43 | 4,419 | 2.49 | 5,068 | 2.43 | 7,297 | 2.10 | 8,882 | 2.29 |
| Net Income | 5,965 | 3.31 | 7,930 | 3.81 | 6,846 | 3.86 | 7,930 | 3.81 | 11,414 | 3.29 | 13,895 | 3.58 |
| Performance Metrics | | | | | | | | | | | | |
| Avg. Billable Headcount | 6,319 | | 6,455 | | 5,015 | | 6,455 | | 4,962 | | 6,384 | |
| Overhead Employees | 881 | | 920 | | 785 | | 920 | | 785 | | 920 | |
| Average Billing Rate | \$72.34 | | \$68.42 | | \$73.15 | | \$68.42 | | \$73.30 | | \$70.24 | |
| Utilization | 90.6% | | 92.0% | | 90.4% | | 92.0% | | 90.7% | | 91.2% | |
| Corporate/Intersegment Eliminations | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Total Revenue | \$ (934) | (0.52) | \$ (694) | (0.33) | \$ (438) | (0.25) | \$ (694) | (0.33) | \$ (1,049) | (0.30) | \$ (1,624) | (0.42) |
| Total Gross Profit | 493 | 0.27 | (223) | (0.11) | 404 | 0.23 | (223) | (0.11) | 399 | 0.12 | 270 | 0.07 |
| Selling, General & Administrative Expenses | 4,669 | 2.59 | 4,948 | 2.38 | 5,166 | 2.92 | 4,948 | 2.38 | 10,278 | 2.96 | 9,620 | 2.48 |
| Other Charges | - | 0.00 | - | 0.00 | - | 0.00 | - | 0.00 | - | 0.00 | - | 0.00 |
| Operating Income before amortization expense | (4,176) | (2.32) | (5,171) | (2.48) | (4,763) | (2.69) | (5,171) | (2.48) | (9,879) | (2.85) | (9,349) | (2.41) |
| Custom Solutions Segment | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Consulting Services | \$ 131,788 | 97.07 | \$ 156,224 | 97.26 | \$ 127,666 | 96.63 | \$ 156,224 | 97.26 | \$ 256,357 | 97.07 | \$ 288,013 | 97.17 |
| Other Revenue | 3,983 | 2.93 | 4,405 | 2.74 | 4,454 | 3.37 | 4,405 | 2.74 | 7,725 | 2.93 | 8,388 | 2.83 |
| Total Revenue | 135,771 | 100.00 | 160,629 | 100.00 | 132,121 | 100.00 | 160,629 | 100.00 | 264,082 | 100.00 | 296,401 | 100.00 |
| Gross Profit-Services | 34,821 | 26.42 | 41,715 | 26.70 | 34,730 | 27.20 | 41,715 | 26.70 | 69,109 | 26.96 | 76,535 | 26.57 |
| Gross Profit-Other | 499 | 12.52 | 487 | 11.05 | 436 | 9.78 | 487 | 11.05 | 785 | 10.16 | 986 | 11.75 |
| Total Gross Profit | 35,320 | 26.01 | 42,201 | 26.27 | 35,166 | 26.62 | 42,201 | 26.27 | 69,893 | 26.47 | 77,520 | 26.15 |
| Selling, General & Administrative Expenses | 23,343 | 17.19 | 26,319 | 16.39 | 22,192 | 16.80 | 26,319 | 16.39 | 44,702 | 16.93 | 49,660 | 16.75 |
| Operating Income | 11,977 | 8.82 | 15,883 | 9.89 | 12,973 | 9.82 | 15,883 | 9.89 | 25,191 | 9.54 | 27,861 | 9.40 |
| Performance Metrics | | | | | | | | | | | | |
| Avg. Billable Headcount (1) | 5,425 | | 5,512 | | 4,080 | | 5,512 | | 4,090 | | 5,465 | |
| Overhead Employees | 730 | | 598 | | 615 | | 598 | | 615 | | 598 | |
| Average Billing Rate | \$61.66 | | \$58.67 | | \$64.82 | | \$58.67 | | \$65.44 | | \$60.02 | |
| Utilization | 94.4% | | 95.4% | | 93.9% | | 95.4% | | 94.2% | | 94.8% | |
| Package Solutions Segment | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Consulting Services | \$ 19,398 | 91.10 | \$ 20,214 | 90.07 | \$ 21,766 | 86.36 | \$ 20,214 | 90.07 | \$ 43,296 | 90.27 | \$ 39,612 | 90.57 |
| Other Revenue | 1,895 | 8.90 | 2,228 | 9.93 | 3,437 | 13.64 | 2,228 | 9.93 | 4,665 | 9.73 | 4,123 | 9.43 |
| Total Revenue | 21,293 | 100.00 | 22,442 | 100.00 | 25,203 | 100.00 | 22,442 | 100.00 | 47,962 | 100.00 | 43,734 | 100.00 |
| Gross Profit-Services | 5,338 | 27.52 | 6,028 | 29.82 | 7,548 | 34.68 | 6,028 | 29.82 | 15,398 | 35.56 | 11,364 | 28.69 |
| Gross Profit-Other | 1,060 | 55.96 | 1,235 | 55.44 | 2,073 | 60.30 | 1,235 | 55.44 | 2,638 | 56.54 | 2,296 | 55.70 |
| Total Gross Profit | 6,398 | 30.05 | 7,263 | 32.36 | 9,621 | 38.17 | 7,263 | 32.36 | 18,036 | 37.60 | 13,660 | 31.23 |
| Selling, General & Administrative Expenses | 5,388 | 25.31 | 5,252 | 23.40 | 6,604 | 26.20 | 5,252 | 23.40 | 13,208 | 27.54 | 10,639 | 24.33 |
| Operating Income | 1,010 | 4.74 | 2,011 | 8.96 | 3,017 | 11.97 | 2,011 | 8.96 | 4,828 | 10.07 | 3,021 | 6.91 |
| Performance Metrics | | | | | | | | | | | | |
| Avg. Billable Headcount | 380 | | 377 | | 412 | | 377 | | 410 | | 379 | |
| Overhead Employees | 60 | | 73 | | 80 | | 73 | | 80 | | 73 | |
| Average Billing Rate | \$145.25 | | \$145.26 | | \$149.14 | | \$145.26 | | \$148.69 | | \$145.93 | |
| Utilization | 69.3% | | 74.8% | | 77.1% | | 74.8% | | 76.2% | | 72.1% | |
| Europe Segment | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Consulting Services | \$ 23,037 | 96.29 | \$ 24,190 | 93.39 | \$ 19,950 | 98.49 | \$ 24,190 | 93.39 | \$ 35,204 | 98.60 | \$ 47,222 | 94.78 |
| Other Revenue | 888 | 3.71 | 1,712 | 6.61 | 306 | 1.51 | 1,712 | 6.61 | 499 | 1.40 | 2,600 | 5.22 |
| Total Revenue | 23,925 | 100.00 | 25,901 | 100.00 | 20,257 | 100.00 | 25,901 | 100.00 | 35,703 | 100.00 | 49,822 | 100.00 |
| Gross Profit-Services | 7,022 | 30.48 | 8,062 | 33.33 | 6,794 | 34.06 | 8,062 | 33.33 | 11,101 | 31.53 | 15,082 | 31.94 |
| Gross Profit-Other | 190 | 21.38 | 445 | 25.97 | 132 | 43.01 | 445 | 25.97 | 275 | 55.23 | 634 | 24.40 |
| Total Gross Profit | 7,212 | 30.15 | 8,507 | 32.84 | 6,926 | 34.19 | 8,507 | 32.84 | 11,376 | 31.86 | 15,718 | 31.55 |
| Selling, General & Administrative Expenses | 5,699 | 23.82 | 6,292 | 24.29 | 5,978 | 29.51 | 6,292 | 24.29 | 10,973 | 30.73 | 11,989 | 24.06 |
| Operating Income | 1,513 | 6.33 | 2,215 | 8.55 | 948 | 4.68 | 2,215 | 8.55 | 403 | 1.13 | 3,729 | 7.48 |
| Performance Metrics | | | | | | | | | | | | |
| Avg. Billable Headcount | 514 | | 566 | | 523 | | 566 | | 462 | | 540 | |
| Overhead Employees | 91 | | 249 | | 90 | | 249 | | 90 | | 249 | |
| Average Billing Rate | \$117.50 | | \$117.25 | | \$101.53 | | \$117.25 | | \$101.66 | | \$117.37 | |
| Utilization | 71.9% | | 69.8% | | 72.4% | | 69.8% | | 72.2% | | 70.5% | |

*(1) NOTE: Q1 '04 Avg. Billable Headcount assumes SCB & Fulltilt acquisitions occurred 1/1/04.



FORWARD LOOKING STATEMENT

Except for the historical information and discussions contained herein, statements contained in this report may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially, as discussed in the company's filings with the Securities and Exchange Commission. CIBER and the CIBER logo are trademarks or registered trademarks of CIBER, Inc.