



Second Quarter  
Financial Report

June 30, 2005



## **COMPANY OVERVIEW**

Headquartered in Greenwood Village, Colorado. CIBER, Inc. (NYSE: CBR) is a pure-play international system integration consultancy with superior value-priced services for both private and government sector clients. CIBER's global delivery services are offered on a project or strategic staffing basis, in both custom and enterprise resource planning (ERP) package environments, and across all technology platforms, operating systems and infrastructures. Founded in 1974, the company's consultants now serve client businesses from over 60 U.S. offices, 22 European offices and three offices in Asia. With offices in 17 countries, annualized revenue run rate of over \$950 million and approximately 8,100 employees, CIBER's IT specialists continuously build and upgrade our clients' systems to "competitive advantage status." CIBER is included in the Russell 2000 Index and the S&P Small Cap 600 Index. CIBER, ALWAYS ABLE.

## **CIBER Custom Solutions**

CIBER Custom Solutions integrates application development, enterprise integration and outsourcing with best-of-breed tools, standardized process and skilled resources to enable a consolidated, end-to-end focus for mission-critical applications and systems. CIBER offers the range of services for optimized quality, enhanced business value, faster time-to-market and a reduced total cost of ownership.

CIBER Custom Solutions Practices includes:

- **Commercial Solutions** - As Global 2000 CIOs face constant productivity and cost containment pressure, CIBER's Commercial Solutions division continues to refine its build, integrate and support offerings to meet system and infrastructure business objectives, including the outsourcing and hosting of these services. Commercial Solutions also includes:
  - **CIBERsites** - With domestic development centers strategically located throughout the U.S., CIBERsites have been engineered to provide a low cost, domestic alternative. CIBERsites leverage the communication skills, technical proficiency, education and ingenuity of American employees to offer a 'made in America' solution that is fully secure and compliant with U.S. business laws and practices.
  - **CIBER India** - With Global Delivery Centers and access to more than 2,000 software engineers, CIBER India helps clients build, integrate and support mission-critical applications using CMM Level 5 software processes.
- **State and Local Government Solutions** - From portals for eGovernment to Health & Human Services and Law & Justice, to wireless mobility, tunnel administration and more, CIBER's State & Local Government division delivers value-add solutions to more than 40 states and 600 state government agencies.
- **Federal Government Solutions** - From D.C. to Colorado Springs, from Georgia to Hawaii, and Florida to Washington and beyond, CIBER's Federal Government division provides innovative Homeland Security initiatives, enterprise integration and business process outsourcing to more than 50 of our country's civilian and defense communities.



### **CIBER Enterprise Solutions**

With a history of more than 20 years as a leading enterprise software consulting provider, CIBER Enterprise Solutions (CES) has helped clients around the world in a wide range of industries manage change. CES specializes in the products of SAP, Oracle (including Peoplesoft and J.D. Edwards) and Lawson.

### **CIBER Europe**

CIBER Europe provides expert consulting services to our European customers. Based in London, England, our services are delivered throughout Europe from 22 offices in the UK, The Netherlands, Scandinavia, Germany, Spain, and smaller operations in the Czech Republic and Austria. CIBER Europe also has start-up operations in China and Singapore.

*In thousands, except for Billing Rate & Headcount*

	Sequential Quarters			
	Q1 '05		Q2 '05	
	Amount	%	Amount	%
<b>Revenue By Division</b>				
Commerical Solutions*	88,391	36.90	88,604	36.77
Federal Government Solutions	42,199	17.61	41,733	17.32
State & Local Government Solutions	31,170	13.01	30,787	12.78
Enterprise Solutions	24,901	10.39	26,350	10.94
Europe*	53,443	22.31	54,059	22.44
Corporate/Intersegment Eliminations	(539)	(0.23)	(578)	(0.24)
<b>Company Total Revenue</b>	<b>239,565</b>	<b>100.00</b>	<b>240,955</b>	<b>100.00</b>

	Quarter over Quarter			
	Q2 '04		Q2 '05	
	Amount	%	Amount	%
	89,644	43.04	88,604	36.77
	39,161	18.80	41,733	17.32
	31,824	15.28	30,787	12.78
	22,442	10.77	26,350	10.94
	25,901	12.44	54,059	22.44
	(694)	(0.33)	(578)	(0.24)
	208,278	100.00	240,955	100.00

	Year over Year			
	6 mos. 6/30/04		6 mos. 6/30/05	
	Amount	%	Amount	%
	173,821	44.76	176,995	36.83
	65,673	16.91	83,932	17.47
	56,907	14.65	61,957	12.89
	43,734	11.26	51,251	10.67
	49,822	12.83	107,502	22.37
	(1,624)	(0.42)	(1,117)	(0.23)
	388,333	100.00	480,520	100.00

	Gross Profit By Division			
	Amount		%	
	Amount	%	Amount	%
Commerical Solutions*	23,556	26.65	23,486	26.51
Federal Government Solutions	10,095	23.92	9,795	23.47
State & Local Government Solutions	8,448	27.10	7,936	25.78
Enterprise Solutions	8,421	33.82	8,714	33.07
Europe*	16,544	30.96	16,467	30.46
Corporate/Intersegment Eliminations	(173)	(0.07)	-	0.00
<b>Company Total Gross Profit</b>	<b>66,890</b>	<b>27.92</b>	<b>66,398</b>	<b>27.56</b>

	Gross Profit By Division			
	Amount		%	
	Amount	%	Amount	%
	23,563	26.29	23,486	26.51
	9,632	24.60	9,795	23.47
	9,006	28.30	7,936	25.78
	7,262	32.36	8,714	33.07
	8,506	32.84	16,467	30.46
	(223)	(0.11)	-	0.00
	57,746	27.73	66,398	27.56

	Gross Profit By Division			
	Amount		%	
	Amount	%	Amount	%
	45,639	26.26	47,042	26.58
	16,157	24.60	19,891	23.70
	15,725	27.63	16,384	26.44
	13,660	31.23	17,135	33.43
	15,719	31.55	33,010	30.71
	269	0.07	(173)	(0.04)
	107,169	27.60	133,288	27.74

	SG&A Expenses by Division			
	Amount		%	
	Amount	%	Amount	%
Commerical Solutions*	16,476	18.64	16,332	18.43
Federal Government Solutions	4,372	10.36	4,616	11.06
State & Local Government Solutions	6,131	19.67	6,314	20.51
Enterprise Solutions	5,866	23.56	5,872	22.28
Europe*	14,278	26.72	14,191	26.25
Corporate/Intersegment Eliminations	3,987	1.66	4,293	1.78
<b>Company Total SG&amp;A Expenses</b>	<b>51,108</b>	<b>21.33</b>	<b>51,619</b>	<b>21.42</b>

	SG&A Expenses by Division			
	Amount		%	
	Amount	%	Amount	%
	15,969	17.81	16,332	18.43
	4,286	10.94	4,616	11.06
	6,063	19.05	6,314	20.51
	5,251	23.40	5,872	22.28
	6,291	24.29	14,191	26.25
	4,946	2.37	4,293	1.78
	42,808	20.55	51,619	21.42

	SG&A Expenses by Division			
	Amount		%	
	Amount	%	Amount	%
	31,653	18.21	32,808	18.54
	7,236	11.02	8,988	10.71
	10,768	18.92	12,445	20.09
	10,639	24.33	11,738	22.90
	11,990	24.07	28,469	26.48
	9,618	2.48	8,280	1.72
	81,907	21.09	102,727	21.38

	Operating Income by Division/Company Total Net Income			
	Amount		%	
	Amount	%	Amount	%
Commerical Solutions*	7,080	8.01	7,156	8.08
Federal Government Solutions	5,723	13.56	5,179	12.41
State & Local Government Solutions	2,318	7.44	1,622	5.27
Enterprise Solutions	2,554	10.26	2,843	10.79
Europe*	2,266	4.24	2,274	4.21
Corporate/Intersegment Eliminations	(4,159)	(1.74)	(4,295)	(1.78)
<b>Operating Income before Amortization Expense (EBITA)</b>	<b>15,782</b>	<b>6.59</b>	<b>14,779</b>	<b>6.13</b>
Amortization Expense	1,580	0.66	1,479	0.61
Operating Income	14,202	5.93	13,300	5.52
Other Income (Expense)	(1,421)	(0.59)	(2,501)	(1.04)
Income Before Taxes	12,781	5.34	10,799	4.48
Provision for Income Taxes	4,984	2.08	4,207	1.75
<b>Company Total Net Income</b>	<b>7,797</b>	<b>3.25</b>	<b>6,592</b>	<b>2.74</b>

	Operating Income by Division/Company Total Net Income			
	Amount		%	
	Amount	%	Amount	%
	7,594	8.47	7,156	8.08
	5,346	13.65	5,179	12.41
	2,943	9.25	1,622	5.27
	2,011	8.96	2,843	10.79
	2,215	8.55	2,274	4.21
	(5,171)	(2.48)	(4,295)	(1.78)
	14,938	7.17	14,779	6.13
	1,007	0.48	1,479	0.61
	13,931	6.69	13,300	5.52
	(933)	(0.45)	(2,501)	(1.04)
	12,998	6.24	10,799	4.48
	5,068	2.43	4,207	1.75
	7,930	3.81	6,592	2.74

	Operating Income by Division/Company Total Net Income			
	Amount		%	
	Amount	%	Amount	%
	13,985	8.05	14,236	8.04
	8,921	13.58	10,902	12.99
	4,955	8.71	3,940	6.36
	3,021	6.91	5,397	10.53
	3,729	7.48	4,540	4.22
	(9,349)	(2.41)	(8,454)	(1.76)
	25,262	6.51	30,561	6.36
	1,616	0.42	3,059	0.64
	23,646	6.09	27,502	5.72
	(869)	(0.22)	(3,922)	(0.82)
	22,777	5.87	23,580	4.91
	8,882	2.29	9,191	1.91
	13,895	3.58	14,389	2.99

	Average Billable Headcount by Division	
	Amount	%
	Commerical Solutions	2,960
Federal Government Solutions	1,805	1,800
State & Local Government Solutions	930	950
Enterprise Solutions	400	425
Europe	1,105	1,100
<b>Company Total Average Billable Headcount</b>	<b>7,200</b>	<b>7,150</b>

	Average Billable Headcount by Division	
	Amount	%
		3,015
	1,660	1,800
	885	950
	380	425
	660	1,100
	6,600	7,150

	Average Billable Headcount by Division	
	Amount	%
		2,960
	1,365	1,805
	790	935
	385	415
	600	1,105
	6,100	7,175

	Total Ending Headcount by Division	
	Amount	%
	Commerical Solutions	3,425
Federal Government Solutions	1,900	1,880
State & Local Government Solutions	1,025	1,060
Enterprise Solutions	500	500
Europe	1,350	1,360
<b>Company Total Ending Headcount</b>	<b>8,200</b>	<b>8,150</b>

	Total Ending Headcount by Division	
	Amount	%
		3,470
	1,770	1,880
	965	1,060
	455	500
	840	1,360
	7,500	8,150

	Total Ending Headcount by Division	
	Amount	%
		3,470
	1,770	1,880
	965	1,060
	455	500
	840	1,360
	7,500	8,150

	Utilization by Division	
	Amount	%
	Commerical Solutions	93.4%
Federal Government Solutions	92.9%	93.3%
State & Local Government Solutions	91.7%	90.2%
Enterprise Solutions	76.2%	78.5%
Europe	71.4%	69.3%
<b>Company Total Utilization</b>	<b>88.8%</b>	<b>88.3%</b>

	Utilization by Division	
	Amount	%
		91.0%
	95.0%	93.3%
	91.8%	90.2%
	74.8%	78.5%
	69.3%	69.3%
	89.4%	88.3%

	Utilization by Division	
	Amount	%
		91.4%
	94.5%	93.1%
	92.8%	91.0%
	72.1%	77.4%
	70.3%	70.4%
	89.3%	88.5%

	Average Hourly Bill Rates by Division	
	Amount	%
	Commerical Solutions	\$62.61
Federal Government Solutions	\$51.15	\$49.41
State & Local Government Solutions	\$71.74	\$70.80
Enterprise Solutions	\$149.52	\$143.93
Europe	\$125.76	\$126.54
<b>Company Total Average Hourly Bill Rates</b>	<b>\$75.00</b>	<b>\$74.68</b>

	Average Hourly Bill Rates by Division	
	Amount	%
		\$63.34
	\$48.93	\$49.41
	\$73.22	\$70.80
	\$145.26	\$143.93
	\$117.25	\$126.54
	\$69.75	\$74.68

	Average Hourly Bill Rates by Division	
	Amount	%
		\$63.93
	\$50.32	\$50.27
	\$73.46	\$71.26
	\$145.25	\$146.68
	\$120.20	\$126.15
	\$71.55	\$74.84

\*Commerical Solutions includes India's results; Europe includes Eastern Asia.



## **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.