



Third Quarter  
Financial Report

September 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 \$975 million and approximately 8,000 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			
	Q2 '05		Q3 '05	
	Amount	%	Amount	%
<b>Revenue By Division</b>				
Commerical Solutions*	88,604	36.77	90,182	37.99
Federal Government Solutions	41,733	17.32	39,563	16.67
State & Local Government Solutions	30,787	12.78	31,971	13.47
Enterprise Solutions	26,350	10.94	25,145	10.59
Europe*	54,059	22.44	51,222	21.58
Corporate/Intersegment Eliminations	(578)	(0.24)	(698)	(0.29)
<b>Company Total Revenue</b>	<b>240,955</b>	<b>100.00</b>	<b>237,385</b>	<b>100.00</b>

	Quarter over Quarter			
	Q3 '04		Q3 '05	
	Amount	%	Amount	%
	90,266	41.13	90,182	37.99
	40,852	18.62	39,563	16.67
	29,399	13.40	31,971	13.47
	22,359	10.19	25,145	10.59
	37,081	16.90	51,222	21.58
	(506)	(0.23)	(698)	(0.29)
	219,451	100.00	237,385	100.00

	Year over Year			
	9 mos. 9/30/04		9 mos. 9/30/05	
	Amount	%	Amount	%
	264,086	43.45	267,178	37.22
	106,525	17.53	123,495	17.20
	86,306	14.20	93,928	13.08
	66,093	10.87	76,396	10.64
	86,903	14.30	158,723	22.11
	(2,129)	(0.35)	(1,815)	(0.25)
	607,784	100.00	717,905	100.00

	Gross Profit By Division			
	Q2 '05		Q3 '05	
	Amount	%	Amount	%
Commerical Solutions*	23,486	26.51	22,596	25.06
Federal Government Solutions	9,795	23.47	9,583	24.22
State & Local Government Solutions	7,936	25.78	7,148	22.36
Enterprise Solutions	8,714	33.07	7,819	31.09
Europe*	16,467	30.46	15,944	31.13
Corporate/Intersegment Eliminations	-	0.00	-	0.00
<b>Company Total Gross Profit</b>	<b>66,398</b>	<b>27.56</b>	<b>63,090</b>	<b>26.58</b>

	Gross Profit By Division			
	Q3 '04		Q3 '05	
	Amount	%	Amount	%
	23,955	26.54	22,596	25.06
	10,157	24.86	9,583	24.22
	8,401	28.57	7,148	22.36
	7,383	33.02	7,819	31.09
	12,596	33.97	15,944	31.13
	(255)	(0.12)	-	0.00
	62,237	28.36	63,090	26.58

	Gross Profit By Division			
	9 mos. 9/30/04		9 mos. 9/30/05	
	Amount	%	Amount	%
	69,593	26.35	69,637	26.06
	26,314	24.70	29,473	23.87
	24,126	27.95	23,533	25.05
	21,043	31.84	24,954	32.66
	28,315	32.58	48,953	30.84
	14	0.00	(173)	(0.02)
	169,406	27.87	196,378	27.35

	SG&A Expenses by Division			
	Q2 '05		Q3 '05	
	Amount	%	Amount	%
Commerical Solutions*	16,332	18.43	15,603	17.30
Federal Government Solutions	4,616	11.06	4,002	10.12
State & Local Government Solutions	6,314	20.51	5,639	17.64
Enterprise Solutions	5,872	22.28	5,332	21.21
Europe*	14,191	26.25	14,239	27.80
Corporate/Intersegment Eliminations	4,293	1.78	5,491	2.31
<b>Company Total SG&amp;A Expenses</b>	<b>51,619</b>	<b>21.42</b>	<b>50,306</b>	<b>21.19</b>

	SG&A Expenses by Division			
	Q3 '04		Q3 '05	
	Amount	%	Amount	%
	15,710	17.40	15,603	17.30
	4,196	10.27	4,002	10.12
	6,063	20.62	5,639	17.64
	5,360	23.97	5,332	21.21
	10,150	27.37	14,239	27.80
	5,217	2.38	5,491	2.31
	46,696	21.28	50,306	21.19

	SG&A Expenses by Division			
	9 mos. 9/30/04		9 mos. 9/30/05	
	Amount	%	Amount	%
	47,368	17.94	48,408	18.12
	11,432	10.73	12,990	10.52
	16,833	19.50	18,085	19.25
	15,999	24.21	17,070	22.34
	22,141	25.48	42,708	26.91
	14,828	2.44	13,772	1.92
	128,603	21.16	153,033	21.32

	Operating Income by Division/Company Total Net Income			
	Q2 '05		Q3 '05	
	Amount	%	Amount	%
Commerical Solutions*	7,156	8.08	6,993	7.75
Federal Government Solutions	5,179	12.41	5,581	14.11
State & Local Government Solutions	1,622	5.27	1,509	4.72
Enterprise Solutions	2,843	10.79	2,487	9.89
Europe*	2,274	4.21	1,705	3.33
Corporate/Intersegment Eliminations	(4,295)	(1.78)	(5,491)	(2.31)
Operating Income before Amortization Expense (EBITA)	14,779	6.13	12,784	5.39
Amortization Expense	1,479	0.61	1,454	0.61
Operating Income	13,300	5.52	11,330	4.77
Other Income (Expense)	(2,501)	(1.04)	(1,534)	(0.65)
Income Before Taxes	10,799	4.48	9,796	4.13
Provision for Income Taxes	4,207	1.75	3,035	1.28
<b>Company Total Net Income</b>	<b>6,592</b>	<b>2.74</b>	<b>6,761</b>	<b>2.85</b>

	Operating Income by Division/Company Total Net Income			
	Q3 '04		Q3 '05	
	Amount	%	Amount	%
	8,245	9.13	6,993	7.75
	5,961	14.59	5,581	14.11
	2,338	7.95	1,509	4.72
	2,023	9.05	2,487	9.89
	2,446	6.60	1,705	3.33
	(5,472)	(2.49)	(5,491)	(2.31)
	15,541	7.08	12,784	5.39
	1,223	0.56	1,454	0.61
	14,318	6.52	11,330	4.77
	(1,109)	(0.51)	(1,534)	(0.65)
	13,209	6.02	9,796	4.13
	4,854	2.21	3,035	1.28
	8,355	3.81	6,761	2.85

	Operating Income by Division/Company Total Net Income			
	9 mos. 9/30/04		9 mos. 9/30/05	
	Amount	%	Amount	%
	22,225	8.42	21,229	7.95
	14,882	13.97	16,483	13.35
	7,293	8.45	5,449	5.80
	5,044	7.63	7,884	10.32
	6,174	7.10	6,245	3.93
	(14,815)	(2.44)	(13,945)	(1.94)
	40,803	6.71	43,345	6.04
	2,839	0.47	4,513	0.63
	37,964	6.25	38,832	5.41
	(1,978)	(0.33)	(5,456)	(0.76)
	35,986	5.92	33,376	4.65
	13,736	2.26	12,226	1.70
	22,250	3.66	21,150	2.95

	Average Billable Headcount by Division	
	Q2 '05	Q3 '05
	Amount	%
Commerical Solutions	2,875	2,825
Federal Government Solutions	1,725	1,700
State & Local Government Solutions	950	980
Enterprise Solutions	425	415
Europe	1,075	1,080
<b>Company Total Average Billable Headcount</b>	<b>7,050</b>	<b>7,000</b>

	Average Billable Headcount by Division	
	Q3 '04	Q3 '05
	Amount	%
	3,000	2,825
	1,700	1,700
	850	980
	375	415
	790	1,080
	6,715	7,000

	Average Billable Headcount by Division	
	9 mos. 9/30/04	9 mos. 9/30/05
	Amount	%
	2,950	2,870
	1,475	1,715
	800	950
	380	415
	625	1,075
	6,230	7,025

	Total Ending Headcount by Division	
	Q2 '05	Q3 '05
	Amount	%
Commerical Solutions	3,350	3,360
Federal Government Solutions	1,805	1,750
State & Local Government Solutions	1,060	1,120
Enterprise Solutions	500	495
Europe	1,335	1,350
<b>Company Total Ending Headcount</b>	<b>8,050</b>	<b>8,075</b>

	Total Ending Headcount by Division	
	Q3 '04	Q3 '05
	Amount	%
	3,400	3,360
	1,780	1,750
	960	1,120
	440	495
	1,320	1,350
	7,900	8,075

	Total Ending Headcount by Division	
	9 mos. 9/30/04	9 mos. 9/30/05
	Amount	%
	3,400	3,360
	1,780	1,750
	960	1,120
	440	495
	1,320	1,350
	7,900	8,075

	Utilization by Division	
	Q2 '05	Q3 '05
	Amount	%
Commerical Solutions	93.0%	91.9%
Federal Government Solutions	93.3%	87.3%
State & Local Government Solutions	90.2%	88.2%
Enterprise Solutions	78.5%	76.4%
Europe	69.3%	66.4%
<b>Company Total Utilization</b>	<b>88.3%</b>	<b>85.5%</b>

	Utilization by Division	
	Q3 '04	Q3 '05
	Amount	%
	90.0%	91.9%
	93.2%	87.3%
	89.6%	88.2%
	75.1%	76.4%
	64.4%	66.4%
	87.0%	85.5%

	Utilization by Division	
	9 mos. 9/30/04	9 mos. 9/30/05
	Amount	%
	90.9%	92.8%
	94.1%	91.2%
	91.8%	90.1%
	73.1%	77.1%
	67.8%	69.0%
	88.5%	87.5%

	Average Hourly Bill Rates by Division	
	Q2 '05	Q3 '05
	Amount	%
Commerical Solutions	\$63.36	\$66.16
Federal Government Solutions	\$49.41	\$50.86
State & Local Government Solutions	\$70.80	\$70.17
Enterprise Solutions	\$143.93	\$143.95
Europe	\$126.54	\$126.56
<b>Company Total Average Hourly Bill Rates</b>	<b>\$74.78</b>	<b>\$76.36</b>

	Average Hourly Bill Rates by Division	
	Q3 '04	Q3 '05
	Amount	%
	\$63.67	\$66.16
	\$49.65	\$50.86
	\$73.02	\$70.17
	\$143.55	\$143.95
	\$122.23	\$126.56
	\$72.00	\$76.36

	Average Hourly Bill Rates by Division	
	9 mos. 9/30/04	9 mos. 9/30/05
	Amount	%
	\$63.84	\$64.02
	\$50.06	\$50.47
	\$73.31	\$70.89
	\$144.68	\$145.79
	\$121.06	\$126.28
	\$71.71	\$75.42

\*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.