



ciber

Fourth Quarter Financial Report

December 31, 2003



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 December 31, 2003, we had approximately 5,700 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 made up of our ECSoft acquisition and CIBER Solution Partners.

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 ~70% of our operations are directed at commercial clientele, ~30% 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 Intermecc.

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 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.

IBER, Inc.												
Operating Results Analysis												
Quarter Ended December 31, 2003												
<i>Dollars in thousands, except for Billing Rate & Employees</i>												
	Sequential Quarters				Quarter over Quarter				Year over Year			
	Q3 '03		Q4 '03		Q4 '02		Q4 '03		12 Mos. 12/31/02		12 Mos. 12/31/03	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Company Total												
Consulting Services	\$ 168,495	94.72	\$ 161,664	96.57	\$ 153,620	96.37	\$ 161,664	96.57	\$ 582,864	95.82	\$ 663,973	95.95
Other Revenue	9,396	5.28	5,734	3.43	5,783	3.63	5,734	3.43	25,454	4.18	28,014	4.05
Total Revenue	177,891	100.00	167,398	100.00	159,403	100.00	167,398	100.00	608,318	100.00	691,987	100.00
Gross Profit-Services	47,330	28.09	42,304	26.17	43,215	28.13	42,304	26.17	166,206	28.52	185,645	27.96
Gross Profit-Other	2,377	25.30	1,575	27.46	1,607	27.79	1,575	27.46	8,128	31.93	7,645	27.29
Total Gross Profit	49,707	27.94	43,879	26.21	44,822	28.12	43,879	26.21	174,334	28.66	193,290	27.93
Selling, General & Administrative Expenses	41,452	23.30	37,550	22.43	36,618	22.97	37,550	22.43	148,902	24.48	158,163	22.86
Other Charges	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Operating Income before amortization expense	8,255	4.64	6,329	3.78	8,204	5.15	6,329	3.78	25,432	4.18	35,127	5.08
Amortization Expense	710	0.40	641	0.38	391	0.25	641	0.38	910	0.15	2,664	0.38
Other Income (Expense)	(347)	(0.20)	(162)	(0.10)	428	0.27	(162)	(0.10)	(737)	(0.12)	(1,028)	(0.15)
Income Before Taxes	7,198	4.05	5,526	3.30	8,241	5.17	5,526	3.30	23,785	3.91	31,435	4.54
Provision for Income Taxes	2,806	1.58	1,348	0.80	3,290	2.06	1,348	0.80	9,607	1.58	11,451	1.65
Net Income	4,392	2.47	4,178	2.50	4,951	3.11	4,178	2.50	14,178	2.33	19,984	2.89
Performance Metrics												
Ending Billable Headcount	5,170		4,980		4,750		4,980		4,750		4,980	
Overhead Employees	750		705		670		705		670		705	
Average Billing Rate	\$71.55		\$71.55		\$72.56		\$71.55		\$72.59		\$72.41	
Utilization	88.0%		85.8%		87.3%		85.8%		88.2%		88.8%	
Corporate/Intersegment Eliminations												
Total Revenue	\$ (569)	(0.32)	\$ (678)	(0.40)	\$ (817)	(0.51)	\$ (678)	(0.40)	\$ (3,327)	(0.55)	\$ (2,294)	(0.33)
Total Gross Profit	(66)	(0.04)	(640)	(0.38)	(103)	(0.06)	(640)	(0.38)	(510)	(0.08)	(744)	(0.11)
Selling, General & Administrative Expenses	7,093	3.99	4,775	2.85	6,157	3.86	4,775	2.85	24,714	4.06	22,147	3.20
Other Charges	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Operating Income before amortization expense	(7,159)	(4.02)	(5,415)	(3.23)	(6,260)	(3.93)	(5,415)	(3.23)	(25,224)	(4.15)	(22,890)	(3.31)
Custom Solutions Segment												
Consulting Services	\$ 128,990	95.20	\$ 120,760	97.08	\$ 129,036	98.07	\$ 120,760	97.08	\$ 486,548	97.24	\$ 506,111	96.59
Other Revenue	6,503	4.80	3,638	2.92	2,540	1.93	3,638	2.92	13,793	2.76	17,860	3.41
Total Revenue	135,493	100.00	124,398	100.00	131,576	100.00	124,398	100.00	500,341	100.00	523,971	100.00
Gross Profit-Services	34,234	26.54	30,038	24.87	33,340	25.84	30,038	24.87	132,894	27.31	133,757	26.43
Gross Profit-Other	733	11.28	489	13.44	252	9.90	489	13.44	1,610	11.67	2,001	11.20
Total Gross Profit	34,968	25.81	30,527	24.54	33,592	25.53	30,527	24.54	134,503	26.88	135,757	25.91
Selling, General & Administrative Expenses	22,982	16.96	21,294	17.12	23,376	17.77	21,294	17.12	91,139	18.22	88,981	16.98
Operating Income	11,986	8.85	9,233	7.42	10,216	7.76	9,233	7.42	43,364	8.67	46,777	8.93
Performance Metrics												
Ending Billable Headcount	4,200		4,100		4,200		4,100		4,200		4,100	
Overhead Employees	580		550		575		550		575		550	
Average Billing Rate	\$63.66		\$63.75		\$66.20		\$63.75		\$66.33		\$64.56	
Utilization	92.3%		89.4%		89.3%		89.4%		91.2%		92.5%	
Package Solutions Segment												
Consulting Services	\$ 22,034	88.95	\$ 19,049	90.42	\$ 19,468	88.30	\$ 19,049	90.42	\$ 79,929	88.43	\$ 84,379	89.96
Other Revenue	2,738	11.05	2,018	9.58	2,580	11.70	2,018	9.58	10,459	11.57	9,422	10.04
Total Revenue	24,772	100.00	21,067	100.00	22,048	100.00	21,067	100.00	90,388	100.00	93,801	100.00
Gross Profit-Services	7,690	34.90	5,548	29.13	6,624	34.02	5,548	29.13	25,516	31.92	28,707	34.02
Gross Profit-Other	1,604	58.57	989	49.03	1,422	55.11	989	49.03	6,490	62.05	5,230	55.51
Total Gross Profit	9,293	37.52	6,538	31.03	8,046	36.49	6,538	31.03	32,006	35.41	33,937	36.18
Selling, General & Administrative Expenses	6,328	25.54	5,534	26.27	5,459	24.76	5,534	26.27	27,358	30.27	25,070	26.73
Operating Income	2,965	11.97	1,004	4.77	2,587	11.73	1,004	4.77	4,648	5.14	8,867	9.45
Performance Metrics												
Ending Headcount	420		390		440		390		440		390	
Overhead Employees	80		75		80		75		80		75	
Average Billing Rate	\$147.09		\$144.54		\$147.40		\$144.54		\$145.78		\$147.32	
Utilization	75.6%		70.5%		68.6%		70.5%		64.6%		74.6%	
Europe Segment												
Consulting Services	\$ 18,040	99.15	\$ 22,533	99.65	\$ 5,933	89.96	\$ 22,533	99.65	\$ 19,715	94.26	\$ 75,777	99.04
Other Revenue	155	0.85	78	0.35	663	10.05	78	0.35	1,201	5.74	732	0.96
Total Revenue	18,195	100.00	22,611	100.00	6,596	100.00	22,611	100.00	20,916	100.00	76,509	100.00
Gross Profit-Services	5,472	30.33	7,355	32.64	3,354	56.52	7,355	32.64	8,310	42.15	23,929	31.58
Gross Profit-Other	40	25.56	99	125.64	(67)	(10.12)	99	125.64	27	2.24	413	56.41
Total Gross Profit	5,512	30.29	7,454	32.97	3,287	49.83	7,454	32.97	8,337	39.86	24,341	31.82
Selling, General & Administrative Expenses	5,049	27.75	5,947	26.30	1,626	24.66	5,947	26.30	5,692	27.22	21,968	28.71
Operating Income	463	2.54	1,507	6.67	1,661	25.19	1,507	6.67	2,644	12.64	2,373	3.10
Performance Metrics												
Ending Headcount	550		490		110		490		110		490	
Overhead Employees	90		80		15		80		15		80	
Average Billing Rate	\$104.28		\$105.74		\$125.26		\$105.74		\$106.37		\$103.44	
Utilization	62.2%		67.2%		75.8%		67.2%		74.1%		68.5%	



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.