

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) July 29, 2003  
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CENTURY BUSINESS SERVICES, INC.  
(Exact Name of Registrant as Specified in Its Charter)

Delaware

22-2769024

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(State or Other Jurisdiction of Incorporation  
or Organization)

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(I.R.S. Employer  
Identification No.)

0-25890

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(Commission File Number)

6480 Rockside Woods Boulevard South, Suite 330  
Cleveland, Ohio 44131

(Address of Principal Executive Offices)  
(Zip Code)

Registrant's Telephone Number, Including Area Code 216-447-9000

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

Item 7(c). Exhibits

Exhibit 99.1 Press Release of Century Business Services, Inc. dated July 29, 2003, announcing its financial results for the second quarter ended June 30, 2003.

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On July 29, 2003, Century Business Services, Inc. (CBIZ) announced its earnings for the second quarter ended June 30, 2003. A copy of the press release is filed herewith as Exhibit 99.1.

In addition, on July 29, 2003, CBIZ conducted its quarterly earnings conference call for the period ended June 30, 2003. On this conference call, which was open to the public via telephone and webcast, the following information was disclosed: CBIZ's net receivable balance at June 30, 2003 was approximately \$119.4 million; capital expenditures for the six months ended June 30, 2003 were approximately \$5.5 million, and bank debt was paid down to zero at June 30, 2003, leaving CBIZ with a \$2.6 million surplus of short term cash investments. Average debt balance for the second quarter of 2003 was \$10.7 million compared with an average debt balance of \$47.1 million for the second quarter a year ago, and interest rates on CBIZ's debt is currently between 3% and 3.5%, and is expected to continue in that range. Bank debt is expected to be approximately \$30 million at July 31, 2003. Days sales outstanding (DSOs) at June 30, 2003 continue to be in the low 80s.

In addition, CBIZ reaffirmed its full year guidance with respect to earnings per share (ranging from \$0.16 to \$0.18), EBITDA (ranging from \$45-\$50 million), and cash flow (in excess of \$30 million). However, CBIZ indicated that revenue growth has been slower than expected due to the weak economy and does not expect to achieve the 5% organic revenue growth target for 2003, but does expect to have positive growth during the second half of the year.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CENTURY BUSINESS SERVICES, INC.

Date: July 31, 2003

/s/ Ware H. Grove

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Ware H. Grove  
Chief Financial Officer

[CENTURY BUSINESS SERVICES, INC. LETTERHEAD]

[PRESS RELEASE GRAPHIC]

FOR IMMEDIATE RELEASE

CONTACT: WARE GROVE  
Chief Financial Officer  
-or-  
KATE KOWALSKI  
Director, Corporate Relations  
Century Business Services, Inc.  
Cleveland, Ohio  
(216) 447-9000

## CBIZ REPORTS SECOND-QUARTER 2003 RESULTS

Cleveland, Ohio (July 29, 2003)--CBIZ (Century Business Services, Inc.) (NASDAQ: CBIZ) today announced its financial results for the second quarter of 2003.

CBIZ reported revenue of \$126.1 million for the quarter ended June 30, 2003, an increase of approximately \$0.9 million over last year's second-quarter revenue of \$125.2 million. Same-unit revenue for the second quarter was flat compared with a year ago with the increase in overall revenue attributed to acquisitions. Net income from continuing operations for the quarter was \$3.3 million, or \$0.03 per diluted share, compared with \$2.0 million, or \$0.02 per diluted share, recorded for the second quarter of 2002.

Second-quarter results include a \$1.8 million pre-tax gain on sale, primarily related to the sale of Health Administration Services, Inc. which was announced on June 9, 2003. Also included in the second-quarter results is an impairment charge of approximately \$400,000 relating to a note receivable which is reflected in other income (expense).

As of June 30, 2003, CBIZ had utilized cash flow to completely eliminate bank debt and held \$2.6 million in short-term surplus cash investments. This compares with a bank debt balance of \$33 million as of June 30 a year ago.

"Our second-quarter results demonstrate continued progress compared with a year ago," remarked Steven L. Gerard, Chairman and Chief Executive Officer. "Our operating results continue to improve, and are in line with our expectations for 2003 despite the continuing weak economy. Our strong cash flow enabled CBIZ to commence a Dutch Auction Tender Offer during the second quarter which we successfully concluded in July with the purchase of approximately 10 million shares. The favorable impact from this transaction will be reflected in our full-year 2003 results.

"Our acquisition program continues to target specific opportunities where we can strengthen our business," continued Gerard. "In the past 90 days, we announced acquisitions in the Salt Lake City and Southern

California markets, and the hiring of a team of five individuals who will strengthen our corporate recovery business throughout the country."

For the six-month period ended June 30, 2003, CBIZ reported revenue of \$272.4 million compared with \$267.4 million for the six-month period a year ago. Same-unit revenue increased 1.0% for the first six months. Acquisitions, net of divestitures, contributed approximately 1.0% to revenue growth for the first six months of 2003. Net income from continuing operations increased to \$13.6 million in 2003, or \$0.14 per diluted share, from \$12.0 million for the first six months of 2002, or \$0.12 per diluted share. In addition to the items included in the second-quarter results, the first six months' results include an impairment charge of \$1.6 million reflected in other income (expense) and approximately \$0.7 million of corporate general expense primarily associated with severance-related expense in connection with corporate restructuring activities in the first quarter.

CBIZ will host a conference call today at 11 a.m. (ET) to discuss these results. The call will be webcast in a listen-only mode over the Internet for the media and the public, and can be accessed at [www.cbiz.com](http://www.cbiz.com). Investors and analysts can participate in the conference call by dialing 1-866-868-1109 several minutes before 11:00 a.m. (ET). If you are dialing from outside the United States, dial 1-847-413-2404. A replay of the call will be available starting at 1:00 p.m. (ET) July 29 through midnight (ET), August 1, 2003. The dial-in number for the replay is 1-888-843-8996. If you are listening from outside the United States, dial 1-630-652-3044. The access code for the replay is 7459460. A replay of the webcast will also be available on the Company's web site at [www.cbiz.com](http://www.cbiz.com).

CBIZ is a provider of outsourced business services to small and medium-sized companies throughout the United States. As the largest benefits specialist, the ninth-largest accounting company, and one of the ten largest valuation and medical practice management companies in the United States, CBIZ provides integrated services in the following areas: accounting and tax; employee benefits; wealth management; property and casualty insurance; payroll; IS consulting; and HR consulting. CBIZ also provides valuation; litigation advisory; government relations; commercial real estate advisory; wholesale life and group insurance; healthcare consulting; medical practice management; worksite marketing; and capital advisory services. These services are provided throughout a network of more than 160 Company offices in 33 states and the District of Columbia.

Forward-looking statements in this release are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, but are not limited to, the Company's ability to adequately manage its growth; the Company's dependence on the current trend of outsourcing business services; the Company's dependence on the services of its CEO and other key employees; competitive pricing pressures; general business and economic conditions; and changes in governmental regulation and tax laws affecting its insurance business or its business services operations. A more detailed description of such risks and uncertainties can be found in the Company's filings with the Securities and Exchange Commission.

For further information regarding CBIZ, call the Investor Relations Office at (216) 447-9000 or visit [www.cbiz.com](http://www.cbiz.com).

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CENTURY BUSINESS SERVICES, INC.  
FINANCIAL HIGHLIGHTS  
(IN THOUSANDS, EXCEPT PERCENTAGES AND PER SHARE DATA)

	THREE MONTHS ENDED JUNE 30,			
	2003	%	2002 (1)	%
Revenue	\$ 126,080	100.0%	\$ 125,163	100.0%
Operating expenses	112,489	89.2%	112,128	89.6%
Gross margin	13,591	10.8%	13,035	10.4%
Corporate general and administrative	4,772	3.8%	5,159	4.1%
Depreciation and amortization	4,350	3.5%	5,007	4.0%
Operating income	4,469	3.5%	2,869	2.3%
Other income (expense):				
Interest expense	(297)	-0.2%	(653)	-0.5%
Gain on divested operations, net	1,784	1.4%	86	0.1%
Other income (expense), net	(155)	-0.1%	1,104	0.9%
Total other income, net	1,332	1.1%	537	0.4%
Income from continuing operations before income tax expense	5,801	4.6%	3,406	2.7%
Income tax expense	2,468		1,452	
Income from continuing operations	3,333	2.6%	1,954	1.6%
Income from operations of discontinued business, net of tax	97		74	
Loss on disposal of discontinued business, net of tax	(183)		(892)	
Income before cumulative effect of change in accounting principle	3,247	2.6%	1,136	0.9%
Cumulative effect of a change in accounting principle, net of tax	--		--	
Net income	\$ 3,247	2.6%	\$ 1,136	0.9%
Diluted earnings (loss) per share:				
Continuing operations	\$ 0.03		\$ 0.02	
Discontinued operations	--		(0.01)	
Cumulative effect of change in accounting principle	--		--	
Net income	\$ 0.03		\$ 0.01	
Diluted shares outstanding	97,178		97,595	
OTHER DATA FROM CONTINUING OPERATIONS:				
EBIT (2)	\$ 4,314		\$ 3,973	
EBITDA (2)	\$ 8,664		\$ 8,980	

(1) Certain amounts in the 2002 financial statements have been reclassified to account for discontinued operations subsequent to June 30, 2002, and the adoption of SFAS No. 142, "Goodwill and Other Intangible Assets."

(2) EBIT represents income from continuing operations before income taxes, interest expense, and gain on divested operations. EBITDA represents EBIT as defined above before depreciation and amortization expense. The Company has included EBIT and EBITDA data because such data is commonly used as a performance measure by analysts and investors and as a measure of the Company's ability to service debt. EBIT and EBITDA should not be regarded as an alternative or replacement to any measurement of performance under generally accepted accounting principles (GAAP).

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CENTURY BUSINESS SERVICES, INC.  
FINANCIAL HIGHLIGHTS

(IN THOUSANDS, EXCEPT PERCENTAGES AND PER SHARE DATA)

	SIX MONTHS ENDED JUNE 30,			
	2003	%	2002 (1)	%
Revenue	\$ 272,375	100.0%	\$ 267,367	100.0%
Operating expenses	230,550	84.6%	227,522	85.1%
Gross margin	41,825	15.4%	39,845	14.9%
Corporate general and administrative	10,021	3.7%	10,029	3.8%
Depreciation and amortization	8,647	3.2%	9,938	3.7%
Operating income	23,157	8.5%	19,878	7.4%
Other income (expense):				
Interest expense	(620)	-0.2%	(1,471)	-0.6%
Gain on divested operations, net	1,784	0.7%	1,110	0.4%
Other income (expense), net	(693)	-0.3%	1,606	0.6%
Total other income, net	471	0.2%	1,245	0.5%
Income from continuing operations before income tax expense	23,628	8.7%	21,123	7.9%
Income tax expense	10,043		9,085	
Income from continuing operations	13,585	5.0%	12,038	4.5%
Loss from operations of discontinued business, net of tax	(154)		(366)	-0.1%
Loss on disposal of discontinued business, net of tax	(183)		(1,236)	-0.5%
Income before cumulative effect of change in accounting principle	13,248	4.9%	10,436	3.9%
Cumulative effect of a change in accounting principle, net of tax	--		(80,007)	
Net income (loss)	\$ 13,248	4.9%	\$ (69,571)	-26.0%
Diluted earnings (loss) per share:				
Continuing operations	\$ 0.14		\$ 0.12	
Discontinued operations	--		(0.02)	
Cumulative effect of change in accounting principle	--		(0.82)	
Net income (loss)	\$ 0.14		\$ (0.72)	
Diluted shares outstanding	97,073		97,349	
OTHER DATA FROM CONTINUING OPERATIONS:				
EBIT (2)	\$ 22,464		\$ 21,484	
EBITDA (2)	\$ 31,111		\$ 31,422	

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