

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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) February 17, 2004

CENTURY BUSINESS SERVICES, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

22-2769024

(State or Other Jurisdiction of
Incorporation or Organization)

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

0-25890

(Commission File Number)

6050 Oak Tree Boulevard South, Suite 500
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 February 17, 2004, announcing its financial results for the fourth quarter and year ended December 31, 2003.

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On February 17, 2004, Century Business Services, Inc. (CBIZ) announced its earnings for the fourth quarter and year ended December 31, 2003. A copy of the press release is filed herewith as Exhibit 99.1.

In addition, on February 17, 2004, Century conducted its earnings conference call for the quarter and year ended December 31, 2003. On this conference call, CBIZ disclosed the following additional information: incremental first year revenue generated from cross serving was \$7.7 million in 2003, which exceeded the \$6.5 million of cross serving revenue generated in 2002 and the 2003 goal of \$7.5 million; capital expenditures for the fourth quarter and full year 2003 were \$2.5 million and \$10.0 million, respectively, and capital spending is projected to be in the \$10 million range in 2004; depreciation and amortization is expected to level out around \$16.5 million to \$17.0 million in the future; days sales outstanding (DSO) for 2003 was 82 days; and the DSO target for 2004 remains at 75 days.

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: February 23, 2004

/s/ Ware H. Grove

Ware H. Grove
Chief Financial Officer

{CBIZ LOGO}
Century Business Services, Inc.

Press release

FOR IMMEDIATE RELEASE

CONTACT: Ware Grove
Chief Financial Officer
Century Business Services, Inc.
Cleveland, Ohio
(216) 447-9000

CBIZ REPORTS FOURTH-QUARTER AND FULL-YEAR 2003 RESULTS

FULL-YEAR NET INCOME FROM CONTINUING OPERATIONS INCREASES 92%

Cleveland, Ohio (February 17, 2004)--CBIZ (Century Business Services, Inc.) (NASDAQ: CBIZ) today announced fourth-quarter and full-year results for the year ended December 31, 2003.

CBIZ reported revenue of \$124.0 million for the fourth quarter ended December 31, 2003, an increase of 3.4% over \$119.9 million recorded for the fourth quarter of 2002. Same-unit revenue for the quarter increased 5.0%, or \$5.9 million. Since the fourth quarter of 2002, CBIZ has divested several operations. The impact on revenue, net of increases from acquisitions completed since the fourth quarter of 2002 was a reduction in revenue of \$1.8 million. The company recorded net income from continuing operations of \$1.6 million, or \$0.02 per diluted share compared with a net loss of \$57 thousand recorded for the fourth quarter a year ago, or \$0.00 per diluted share.

For the year ended December 31, 2003, CBIZ reported revenue of \$512.8 million, compared with \$499.2 million for 2002. Same-unit revenue for the year increased 2.7%, or \$13.1 million. For the full year, the net impact of divestitures, net of acquisitions was a revenue increase of \$400 thousand. Net income from continuing operations was \$15.5 million, an increase of 92% over \$8.1 million reported for 2002. Earnings per diluted share from continuing operations were \$0.17 compared with \$0.08 per diluted share reported for 2002.

As of December 31, 2003, the amount outstanding on bank debt was \$14 million, a reduction from \$23 million at the end of the third quarter. During 2003, CBIZ concluded a Dutch Auction Share Repurchase resulting in approximately 10 million shares being repurchased at a price of \$3.30 per share, for a total paid of approximately \$33 million.

Included in fourth-quarter results is a note receivable impairment charge of approximately \$800 thousand, as well as gains on the sale of divested operations of \$528 thousand. Full-year results include a total of \$2.4 million of charges related to the impairment of a note received in connection with an asset sale in 1997, as well as approximately \$700 thousand of corporate expense primarily for severance expense in the first quarter. Gain on the sale of divested operations for the full year was approximately \$2.5 million.

"We are happy with the performance of our business in 2003 and earnings are in line with our expectations. Same unit revenue growth continues to strengthen. We have made five acquisitions in the past year and each is performing as planned. Net income from continuing operations reflects good operating leverage as our margins have improved," stated Steven Gerard, Chairman and Chief Executive Officer. "Our cash flow continues to be very strong. Since concluding the share repurchase in July, we have utilized cash flow to quickly reduce the debt level through the end of the year," continued Gerard.

OUTLOOK FOR 2004

CBIZ expects financial performance to continue to improve in 2004, however, remains cautious with respect to the economic outlook. In 2004, CBIZ expects to achieve revenue growth in the 4% - 6% range, and expects to improve earnings per share by 25% to 30% over the \$0.17 per share recorded for 2003. Cash flow will continue to be strong, and CBIZ expects EBITDA to be approximately \$50 million in 2004.

CBIZ will host a conference call later this morning to discuss its 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. Shareholders and analysts wishing to participate in the conference call may dial 1-888-862-6557 several minutes before 11:00 a.m. (ET). If you are dialing from outside the United States, dial 1-630-691-2748. A replay of the call will be available starting at 1:00 p.m. (ET) February 17 through midnight (ET), February 20, 2004. The dial-in number for the replay is 1-877-213-9653. If you are listening from outside the United States, dial 1-630-652-3041. The access code for the replay is 8312514. A replay of the webcast will also be available on the Company's web site at 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 may be found in the Company's filings with the Securities and Exchange Commission.

For further information regarding CBIZ, call our Investor Relations Office at (216) 447-9000 or visit our web site at www.cbiz.com.

CENTURY BUSINESS SERVICES, INC.
 FINANCIAL HIGHLIGHTS (UNAUDITED)
 THREE MONTHS ENDED DECEMBER 31, 2003 AND 2002
 (In thousands, except percentages and per share data)

	THREE MONTHS ENDED December 31,			
	2003	%	2002 (1)	%
Revenue	\$ 123,971	100.0%	\$ 119,928	100.0%
Operating expenses	111,742	90.1%	109,046	90.9%
Gross margin	12,229	9.9%	10,882	9.1%
Corporate general and administrative expense	5,108	4.1%	4,808	4.0%
Depreciation and amortization expense	4,452	3.6%	5,186	4.3%
Operating income	2,669	2.2%	888	0.7%
Other income (expense):				
Interest expense	(201)	-0.2%	(506)	-0.4%
Gain on divested operations, net	528	0.4%	57	0.0%
Other expense, net	(428)	-0.3%	(759)	-0.6%
Total other expense, net	(101)	-0.1%	(1,208)	-1.0%
Income (loss) from continuing operations before income tax expense (benefit)	2,568	2.1%	(320)	-0.3%
Income tax expense (benefit).....	973		(263)	
Income (loss) from continuing operations	1,595	1.3%	(57)	0.0%
Loss from operations of discontinued businesses, net of tax..	(408)		(1,782)	
Gain on disposal of discontinued businesses, net of tax	1,119		670	
Net income (loss)	\$ 2,306	1.9%	\$ (1,169)	-1.0%
Diluted earnings (loss) per share:				
Continuing operations	\$ 0.02		\$ -	
Discontinued operations	0.01		(0.01)	
Net income (loss)	\$ 0.03		\$ (0.01)	
Diluted shares outstanding	89,073		94,899	
OTHER DATA FROM CONTINUING OPERATIONS:				
EBIT (2)	\$ 3,010		\$ 129	
EBITDA (2)	\$ 7,462		\$ 5,315	

(1) Certain amounts in the 2002 financial statements have been reclassified to account for discontinued operations subsequent to December 31, 2002.

(2) EBIT represents income from continuing operations before income taxes, interest expense, gain on divested operations, and impairment charges for notes related to the divestiture of an operation in 1997. Impairment charges for the three months ended December 31, 2003 and 2002 were \$769 and \$0, respectively. 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).

CENTURY BUSINESS SERVICES, INC.
 FINANCIAL HIGHLIGHTS (UNAUDITED)
 TWELVE MONTHS ENDED DECEMBER 31, 2003 AND 2002
 (In thousands, except percentages and per share data)

	TWELVE MONTHS ENDED December 31,			
	2003	%	2002 (1)	%
Revenue	\$ 512,762	100.0%	\$ 499,209	100.0%
Operating expenses	448,707	87.5%	439,916	88.1%
Gross margin	64,055	12.5%	59,293	11.9%
Corporate general and administrative expense	19,647	3.8%	19,672	3.9%
Depreciation and amortization expense	17,161	3.3%	20,474	4.1%
Operating income	27,247	5.3%	19,147	3.8%
Other income (expense):				
Interest expense	(1,055)	-0.2%	(2,478)	-0.5%
Gain on divested operations, net	2,519	0.5%	930	0.2%
Other expense, net	(1,093)	-0.2%	(1,073)	-0.2%
Total other income (expense), net	371	0.1%	(2,621)	-0.5%
Income from continuing operations before income tax expense	27,618	5.4%	16,526	3.3%
Income tax expense	12,096		8,421	
Income from continuing operations	15,522	3.0%	8,105	1.6%
Loss from operations of discontinued businesses, net of tax ...	(932)		(2,475)	
Gain (loss) on disposal of discontinued businesses, net of tax	726		(2,471)	
Income before cumulative effect of change in accounting principle	15,316	3.0%	3,159	0.6%
Cumulative effect of a change in accounting principle, net of tax	-		(80,007)	
Net income (loss)	\$ 15,316	3.0%	\$ (76,848)	-15.4%
Diluted earnings (loss) per share:				
Continuing operations	\$ 0.17		\$ 0.08	
Discontinued operations	-		(0.05)	
Cumulative effect of change in accounting principle	-		(0.82)	
Net income (loss)	\$ 0.17		\$ (0.79)	
Diluted shares outstanding	92,762		96,992	
OTHER DATA FROM CONTINUING OPERATIONS:				
EBIT (2)	\$ 28,548		\$ 18,872	
EBITDA (2)	\$ 45,709		\$ 39,346	

(1) Certain amounts in the 2002 financial statements have been reclassified to account for discontinued operations subsequent to December 31, 2002.

(2) EBIT represents income from continuing operations before income taxes, interest expense, gain on divested operations, and impairment charges for notes related to the divestiture of an operation in 1997. Impairment charges for the twelve months ended December 31, 2003 and 2002 were \$2,394 and \$798, respectively. 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 (UNAUDITED)
 (In thousands, except percentages and ratios)

	THREE MONTHS ENDED December 31,	
	2003	2002
REVENUE		
Accounting, Tax & Advisory Services	\$ 41,776	\$ 40,310
Benefits & Insurance Services	46,361	42,123
National Practices - Other	15,813	20,193
Medical Practice Management	20,021	17,302
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Total	\$ 123,971	\$ 119,928
	=====	=====

	TWELVE MONTHS ENDED December 31,	
	2003	2002
REVENUE		
Accounting, Tax & Advisory Services	\$ 203,399	\$ 205,726
Benefits & Insurance Services	162,095	150,515
National Practices - Other	71,495	76,812
Medical Practice Management	75,773	66,156
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Total	\$ 512,762	\$ 499,209
	=====	=====

	YEAR ENDED December 31,	
	2003	2002
CASH AND ASSETS		
Cash and cash equivalents	\$ 3,791	\$ 6,351
Restricted cash	\$ 10,880	\$ 16,980
Accounts receivable, net	\$ 111,556	\$ 101,939
Total current assets before funds held for clients	\$ 139,840	\$ 156,456
Funds held for clients	\$ 44,917	\$ 49,217
Goodwill and other intangible assets	\$ 167,280	\$ 163,706
TOTAL ASSETS	\$ 402,145	\$ 433,111
LIABILITIES AND EQUITY		
Current liabilities before client fund obligations	\$ 63,487	\$ 67,140
Client fund obligations	\$ 44,917	\$ 49,217
Bank debt	\$ 14,000	\$ 17,500
TOTAL LIABILITIES	\$ 124,307	\$ 138,793
Treasury stock	\$ (35,087)	\$ (1,308)
TOTAL STOCKHOLDERS EQUITY	\$ 277,838	\$ 294,318
DEBT TO EQUITY		
Bank debt to equity	5.0%	5.9%
Days sales outstanding (1)	82	79
SHARES OUTSTANDING		
Shares outstanding	85,371	94,901
	=====	=====
Basic shares outstanding	90,400	94,810
	=====	=====
Diluted shares outstanding	92,762	96,992
	=====	=====

(1) Days sales outstanding (DSO) represent accounts receivable at the end of the period (before the allowance for doubtful accounts) divided by daily revenue (year-to-date revenue divided by number of days in the period). The Company has included DSO 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 collect on receivables in a timely manner. DSO should not be regarded as an alternative or replacement to any measurement of performance under generally accepted accounting principles (GAAP).

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