



PROGRESS

CENTURY BUSINESS SERVICES, INC. | 2003 Annual Report

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MISSION STATEMENT

Our mission is to help our clients prosper by providing them with a wide array of high quality business and individual services. Our first priority is to serve our clients. We will consistently provide superior services and products designed to make our clients’ business easier and more profitable while building long-lasting relationships with our clients.

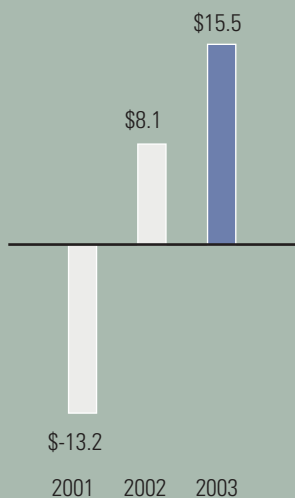
Our unwavering commitment to our clients will be equaled by our commitment to our associates. We will maintain a service culture that is encouraging and motivating, that fosters and rewards high performance, and that creates career opportunities.

CORPORATE PROFILE

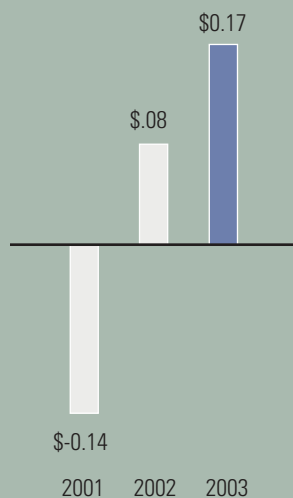
As a trusted advisor to small and mid-sized businesses across America, it is our mission to provide our clients with solutions that help them improve their profitability. From our many service platforms — in areas ranging from accounting and employee benefits to payroll and information technology services — we strive to make sure that our customers are receiving the most effective outsourced solutions available to them. With nearly 4,700 associates staffing more than 160 offices across the country, CBIZ’s base of resources is uniquely suited to support the growth of our clients.

FINANCIAL HIGHLIGHTS

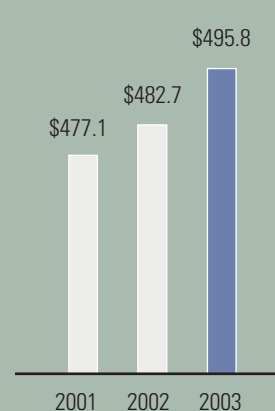
NET EARNINGS (LOSS) FROM CONTINUING OPERATIONS
(IN MILLIONS)



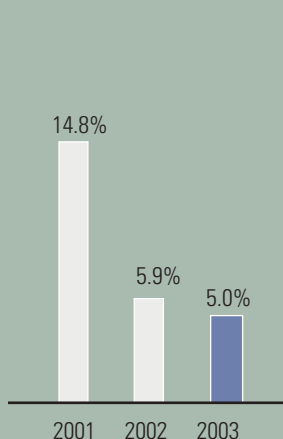
DILUTED EARNINGS (LOSS) PER SHARE FROM CONTINUING OPERATIONS



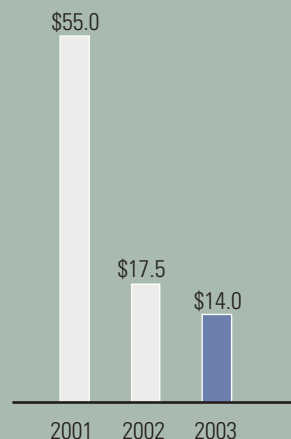
SAME-UNIT REVENUES*
(IN MILLIONS)



DEBT-TO-EQUITY



BANK DEBT
(IN MILLIONS)



* Same-unit revenues represents revenues from continuing operations for units that had a full twelve months of revenues in all periods presented.

LETTER TO SHAREHOLDERS

Dear Fellow Shareholders,

2003 was a strong year for CBIZ. Today, CBIZ is a healthy, vigorous company on a secure foundation. This is a testament to the efforts of our nearly 4,700 associates who contribute their dedication, energy, and talent, and to our stockholders, who continue to demonstrate their confidence in our company.

Despite continuing economic uncertainty, our operating results showed substantial improvement over the prior year. We generated strong cash flow, completely paid down outstanding debt for the first time in company history, made strategic acquisitions, and invested in our business.

Strategic planning and the solid groundwork laid over the last few years helped CBIZ achieve many important goals in 2003. The past year was marked by investments in acquisitions, technology, and new products that are critical to building our future. We were also pleased to welcome two new independent directors to the CBIZ Board of Directors, Todd Slotkin and Donald Weir.

We reached our public projections for financial and organizational success. We met our earnings per share goal from continuing operations with \$0.17 compared to \$0.08 for 2002. Earnings from continuing operations showed an impressive improvement, growing to \$15.5 million, an increase of 92% over last year's \$8.1 million. In addition, we also exceeded our \$45 million EBITDA goal.

We divested non-core, non-strategic operations which lowered revenue by nearly \$9.0 million this year but, more importantly, helped to improve our bottom line. This revenue loss was offset by the revenue generated from our acquisitions. Overall, same-unit revenue grew by 2.7% in 2003.

A Stronger Bottom Line

Over the past year, we have worked tirelessly to build a bright future for CBIZ. We have made great strides by improving our balance sheet, our income statement, our financial reporting systems, and our management team.

Perhaps most notable among the year's accomplishments was meeting our goal to be out of debt by the third quarter. Not only did we completely eliminate debt this past June, we held \$2.6 million in short-term surplus in cash investments. This positioned us well for our next step, a share repurchase.

Successful Stock Repurchase

The elimination of debt, margin improvement, and continued strong and consistent cash flow enabled us to use our capital to purchase 10 million shares of our outstanding common stock in a Dutch Auction Share Repurchase. The shares were repurchased at \$3.30 per share as shareholders were offered a unique liquidity opportunity without the usual transaction costs. For shareholders retaining their shares, the Dutch Auction was immediately accretive to earnings per share. CBIZ subsequently acquired 104,000 shares in open market purchases.

New Businesses Acquired in Key Markets

CBIZ enhanced its service offerings in several important markets with the acquisition of benefits consulting firms in Salt Lake City and Boca Raton and an accounting firm in Southern California. The addition of Stamford, Connecticut-based CBIZ Harborview has bolstered the company's capabilities to provide outsourcing of internal auditing and assist our clients with compliance with the Sarbanes-Oxley Act of 2002.

Smart acquisitions like these contribute beyond their face value. The existing and prospective clients of these new companies bring to CBIZ potential opportunities for cross-serving with other units, an important element in our strategy. I'm happy to report that we not only met our cross-serving goal in 2003, we exceeded it. We set \$7.5 million as our target for first-year revenue; we achieved \$7.7 million, a significant increase over 2002's \$6.5 million. We're also starting the year with significantly more cross-serving opportunities in the pipeline than one year ago, which bodes well for 2004's cross-serving potential.

Positive Institutional Investor Relations

Among our other achievements in 2003 was the expansion of our Investor Relations Program. Along with other CBIZ executives, I had the pleasure of meeting with more than 70 investor groups in New York, Chicago, Boston, and Cleveland, experiencing firsthand their growing interest in CBIZ as an attractive investment and an emerging leader in business services outsourcing.



Significant Performers

In 2003 we continued to see growth across many CBIZ service areas, particularly in the benefits and insurance and medical practice management arenas, where outstanding performance helped drive increasing revenue and profit.

The high caliber of CBIZ professionals working in these and all our practice areas is a critical component of our growing success. In addition to hiring and retaining the best people, we are committed to investing in our talented associates.

In March, we began a new leadership training program initially directed at business leaders and senior staff. We also conducted our first "high-performer" training session, and began, on a regional basis, sales presentation skills training.

Respect for the individual is a core value of our company. This past year, all CBIZ associates participated in a mandatory on-line anti-harassment training program that is a part of CBIZ University, a training tool designed for and offered to our clients.

The Right Business Model for the Times

While professional expertise will continue to power our growth, we also have every reason to be optimistic about the future given CBIZ's business model. The economics of outsourcing are extremely favorable: a significant growth rate is predicted for the outsourcing of finance and accounting services, and the use of human resources outsourcing is expected to triple over the next few years.

Furthermore, payroll remains the most frequently outsourced service and is one of CBIZ's key service areas. With our excellent payroll offerings, we gain a portal through which we can offer other CBIZ products to our clients.

Having strengthened and improved our business in so many ways over the past year, CBIZ is now well positioned to capitalize on the growing trend of infrastructure outsourcing. These opportunities should enable us to accelerate our growth and continue to improve our financial performance.

Finally, I'd like to thank all of our shareholders for their support, our employees and senior management for their continued and tireless efforts, and our Board of Directors for their valuable guidance. CBIZ has a promising future, and I can assure you that we are doing all that we can to continue to strengthen our company and bring greater value to our shareholders.

Sincerely,

Chairman and Chief Executive Officer

March 17, 2004



SERVICES

Accounting, Tax & Advisory Services

CBIZ Accounting, Tax & Advisory specialists provide customized and integrated solutions for businesses and individuals coast-to-coast. Serving as knowledgeable advisors and advocates, CBIZ



Len Miller,
Senior Vice President,
Accounting, Tax &
Advisory Services

accountants and tax specialists work closely with clients on their immediate and long-term goals. Combining the experience of a national company with the accessibility and familiarity of a local office, CBIZ provides:

- Accounting and Business Consulting Services
- CFO/Controller Outsourcing
- Corporate Recovery and Turnaround Consulting
- Litigation Support
- Not-for-profit Consulting
- Profit Enhancement Consulting
- Succession and Estate Planning
- Tax Services

Benefits & Insurance Services

From more than 40 locations across the country, CBIZ Benefits & Insurance Services consultants utilize their in-depth insurance and financial services industry knowledge to design, communicate, and administer competitive employee benefit and risk management strategies to suit each client's unique needs. Services include:



Robert A. O'Byrne,
Senior Vice President, Benefits
& Insurance Services

- Actuarial Services
- Bank Compensation Plans
- Benefits Consulting
- Benefits Enrollment Technology
- Life Insurance and Executive Compensation Plans
- Property & Casualty
- Retirement Plan Services
- Risk Management
- Worksite Marketing

Human Resources Consulting

CBIZ offers mid-sized businesses professional HR support on tactical day-to-day issues as well as long-term strategic issues involving the welfare of the organization and its employees.

Knowledgeable professionals also help clients ensure legal compliance with HR policy and implementation. Major service areas include:

- Compensation Consulting
- Human Capital Planning



Kevin Nussbaum,
President, CBIZ Business
Solutions of St. Louis

- Human Resource Audits & Reorganizations
- Human Resource Outsourcing
- Organization Development & Online Training Management
- Performance Consulting
- Policy Development & Monitoring
- Recruiting, Selection and Retention
- Sales & Leadership Training
- CBIZ University

Information Technology Consulting

Through our subsidiaries, CBIZ Network Solutions and CBIZ Technologies, CBIZ assists clients in using information technology to improve business operations, performance, and profitability. A nationwide team of technical and service professionals provides the following IT solutions:



Rick Spector,
President, CBIZ
Technologies

- Business Applications
- Custom Software Development
- Data Storage Solutions (SAN, NAS)
- Hardware and Software Acquisition and Staging
- Managed Services and Network Monitoring
- Network Solutions and Development (LAN, WAN)
- Onsite Installation and Maintenance Support
- Project Management and Design
- Security Solutions and Assessment (Firewalls, VPN)
- Software Implementation and Training

Medical Practice Management

CBIZ Medical Practice Management provides services designed to relieve physicians of time-consuming business operations so they can focus on practicing medicine.

CBIZ healthcare professionals, including CPAs, MBAs, and MHAs, offer billing and practice-management services such as:

- Benefits Program and Retirement Plan Design
- Budgeting and Cash Flow Analysis
- Coding and Billing Services
- Collections and Account Follow-up
- Compliance Plans
- Credentialing
- Electronic Claims Filing
- Managed Care Contracting
- Practice Mergers
- Strategic Planning



J. Doug Bush,
President, CBIZ Medical
Management
Professionals

Payroll Services

CBIZ Payroll offers comprehensive, state-of-the-art payroll administration services that deliver a fully integrated payroll solution to small and mid-sized businesses in a wide variety of fields. Among the full range of services are:

- Cafeteria Plan Administration
- COBRA Administration
- Detailed Payroll and Benefits Reporting
- Payroll Administration
- Workers' Compensation



Steve Major,
President, CBIZ Payroll

Property Tax Services

The CBIZ Property Tax Group is a nationwide network of property tax specialists with jurisdictional expertise in virtually every state. The CBIZ Property Tax Group is supported by CBIZ accountants, tax advisors, valuation specialists, construction and real estate experts, and business consultants. CBIZ represents property managers, owners, tenants, developers, and businesses of all types and sizes throughout the U.S. with the following services:

- Fixed Assets Analysis
- Personal Property Lease Processing
- Property Tax Administration and Compliance
- Real Estate and Assessments Review
- Tax Bill Review and Approval
- Unclaimed Property Review



Ed Silva, President,
CBIZ Property Tax
Solutions

Valuation Services

CBIZ is one of the largest independent valuation companies in the country, providing authoritative valuation of businesses, securities, intellectual property, intangible assets, machinery & equipment and real estate. CBIZ valuation expertise is used by clients in a variety of areas including financial reporting, tax planning, transaction advisory, and litigation matters. The following corporate activities frequently require our services:

- Capital Asset Management
- Domestic and International Tax Planning
- Fixed Asset Records
- Legal Disputes
- Mergers, Acquisitions and Divestitures
- Regulatory Matters
- Strategic Planning



David Bowerman,
President, CBIZ
Valuation Group

Wealth Management

CBIZ Wealth Management offers a comprehensive review and management of a client's financial position. The CBIZ advantage is the holistic approach of simultaneously coordinating taxes, investments and insurance. This creates tax efficiency and maximizes capital utilization. Clients enjoy personalized, integrated financial strategies designed to successfully build, manage and protect their wealth. The full range of individual wealth management services are categorized into:

- Insurance Services
- Investment Services
- Planning Services



Jeff Schulte, President,
Wealth Management

GOVERNMENT RELATIONS

HEALTHCARE SOLUTIONS

LITIGATION SERVICES

M&A / CAPITAL ADVISORY

MARKETING CONSULTING

REAL ESTATE ADVISORY

2003 ACHIEVEMENTS

CBIZ Today

- More than 70,000 clients
- Nearly 4,700 employees
- 62 reporting business units
- 13 consolidated offices
- Operations in 34 states

Cross-Serving Progress

Nearly 50% of the 2,000 internal business referrals initiated in 2003 were successfully closed by year-end, generating first-year cross-serving revenues of \$7.7 million and exceeding the goal of \$7.5 million.

Key Acquisitions

Acquisitions during the year helped round out our product array in cities where we have established a presence. New to the CBIZ family in 2003 are:

- **BeneCor, Inc.** of Salt Lake City, Utah, which specializes in design, consulting, and administrative services for group benefits and compensation, including medical, life, disability, and retirement plans. Clients in the Salt Lake City region now have in CBIZ the convenience of a single provider for benefits and insurance advisory services and accounting, advisory, and tax services.
- **Martyne & Deering** of Huntington Beach, California, which primarily serves business owners and management in real estate and non-profit entities through tax preparation services, accounting solutions, reporting and budgeting services as well as strategic planning services. Now part of CBIZ Accounting, Tax & Advisory of Orange County, this new team complements our existing accounting, tax, and advisory services and bolsters our business planning capabilities.
- **ResourceOne Benefits Inc.** of Deerfield Beach, Florida, which has excelled as an employee benefits outsourcing partner to small and mid-sized companies since 1995. The firm, now known as CBIZ Benefits & Insurance Services, Inc., specializes in consultation, full-service administration, and complete outsourcing of employee benefits.
- **HarborView Partners** of Stamford, Connecticut, which added another facet to our services when it was acquired in September. Now known as CBIZ Harborview, Inc. the company provides internal auditing and business advisory services to public and private companies. Following implementation of the Sarbanes-Oxley Act of 2002, demand in this area has grown and CBIZ is now positioned to respond with a highly-trained, experienced professional staff.

Co-Locations

Bringing services together in a single building makes doing business with CBIZ easier for our clients. In 2003, co-locations were created in the Kansas City and Cleveland areas. Co-locations of CBIZ units into one location is key to the CBIZ business strategy, since working in closer proximity facilitates communication, client service, and cross-serving and makes the full array of CBIZ services more easily accessible. Looking ahead to 2004 and 2005, CBIZ is planning co-locations in Dallas, Denver, San Jose and Salt Lake City.

MARKET POSITION

CBIZ is...

- The largest benefits specialist in the U.S.
—According to *Business Insurance Magazine* 2003
- The ninth-largest accounting company in the U.S.
—According to *Accounting Today Magazine* 2003
- One of the top medical practice management companies in the U.S.
- Among the top valuation companies in the U.S.
- The 13th largest broker of business insurance in the U.S.
—According to *Business Insurance Magazine* 2003

New Services Launched

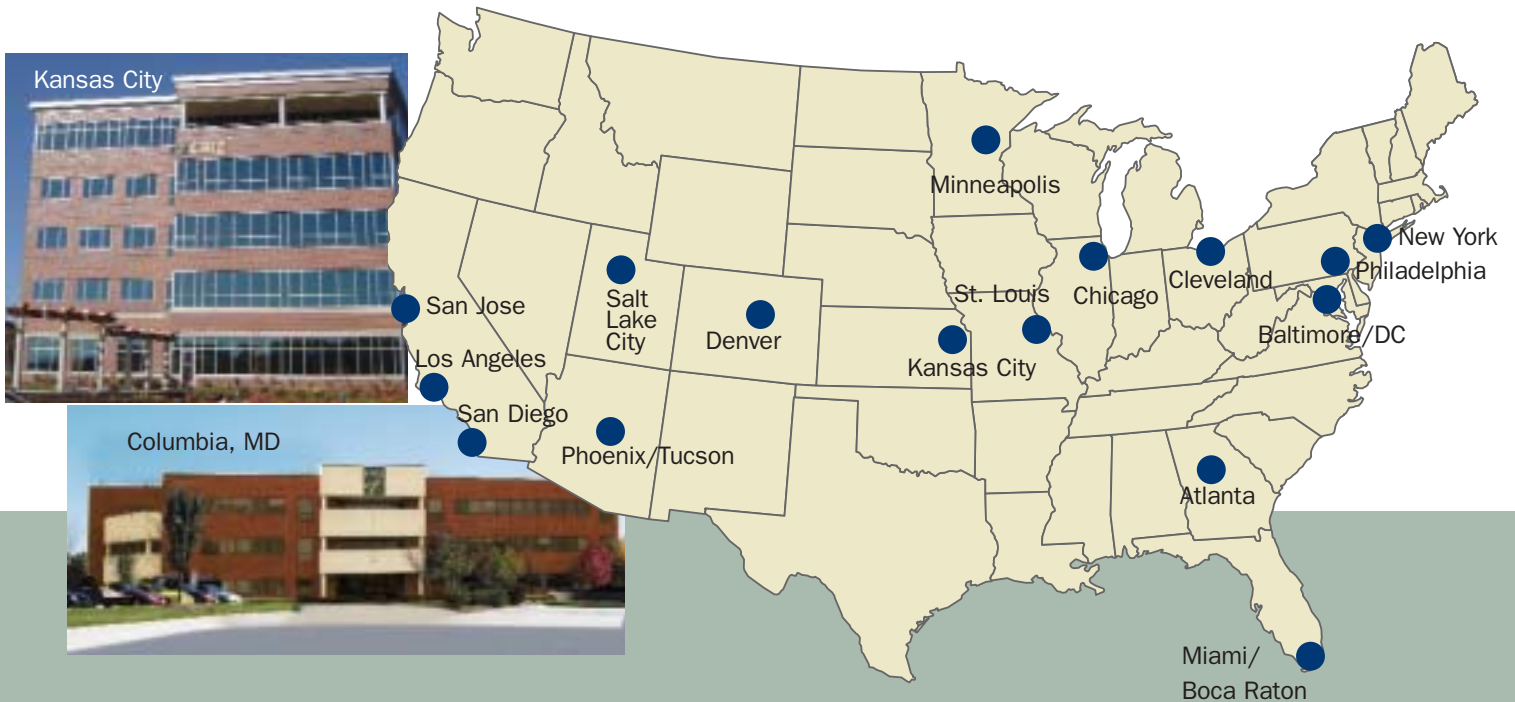
Achievements in bringing added value to small and mid-sized businesses continued with the introduction of several new CBIZ products and services:

- **The CBIZ Business Health Test** debuted in the third quarter and is proving to be a highly effective value-added consultative tool. This program allows quick and easy interpretation of financial statements so clients can focus more clearly on ways to improve their profitability, cash flow, and return on investment.
- Since its January 2003 launch, numerous clients have enrolled employees in **CBIZ University** for innovative online human resources programs on topics from resolving conflict and performance management to anti-harassment training. This tool has proven effective both for clients as well as CBIZ associates.
- **CBIZ Wealthcenter** is a powerful, web-based financial planning and asset aggregation tool that enables the highest quality client service through information integration. The use of this tool ensures that high-net-worth clients have updated portfolios which are organized and easily accessible.



LOCATIONS

With more than 160 company offices in 34 states nationwide, CBIZ has integrated offices in the following major metropolitan markets:



Model Cities

Contributing to steady growth in cross-serving activity was the addition of four new cities to the CBIZ Model Cities program, which aims to formalize and increase internal business referral activity. Eight key business markets are now charged with spearheading cross-serving strategies that can be adopted by CBIZ units everywhere.

CBIZ Model Cities

- South Florida*
- Kansas City
- Los Angeles*
- Minneapolis*
- Philadelphia
- Phoenix/Tucson*
- San Jose
- Washington, D.C.

* New in 2003



Philadelphia

SHAREHOLDER INFORMATION

BOARD OF DIRECTORS

Steven L. Gerard | Chairman, Chief Executive Officer, Century Business Services, Inc.

Rick L. Burdick | Senior Partner, Akin, Gump, Strauss, Hauer & Feld, LLP

Gary W. DeGroot | President, GWD Management, Inc.

Joseph S. DiMartino | Chairman, The Dreyfus Family of Mutual Funds

Harve A. Ferrill | Retired Chief Executive Officer and Chairman, Advance Ross Corporation

Richard C. Rochon | Chairman and Chief Executive Officer, Royal Palm Capital Partners

Todd Slotkin | Executive Vice President and CFO, MacAndrews & Forbes Holdings, Inc.

Donald V. Weir | Financial Consultant, Sanders Morris Harris

Key Personnel

Steven L. Gerard
Chairman and Chief Executive Officer

Jerome P. Grisko, Jr.
President and Chief Operating Officer

Ware H. Grove
Senior Vice President and
Chief Financial Officer

George A. Dufour
Senior Vice President and
Chief Technology Officer

Len Miller
Senior Vice President,
Accounting, Tax & Advisory Services

Robert A. O'Byrne
Senior Vice President,
Benefits & Insurance Services

Mark M. Waxman
Senior Vice President,
National Marketing

Teresa E. Bruce
Vice President, Human Resources

Michael Kouzelos
Vice President, Strategic Initiatives

Chris Spurio
Vice President, Finance

David S. Azzolina
Treasurer

Kelly J. Kuna
Controller

Corporate Secretary and General Counsel

Michael W. Gleespen

Corporate Offices

6050 Oak Tree Boulevard, South
Suite 500
Cleveland, Ohio 44131
(216) 447-9000
www.cbiz.com

Legal Counsel

Akin, Gump, Strauss, Hauer & Feld, LLP
Robert S. Strauss Building
1333 New Hampshire Avenue, N.W.
Washington, D.C. 20036

Stock Transfer Agent and Registrar

Shareholders requiring a change of
name, address or ownership of stock, as
well as information about shareholder
records, lost or stolen certificates should
contact:

Computershare Investor Services, LLC
7550 Lucerne Drive, Suite 103
Cleveland, Ohio 44130-6503
(440) 239-7352 or (888) 294-8217

Annual Meeting

The annual Meeting of Shareholders will
be held on Thursday, May 27, 2004 at
11:00 a.m. at The Embassy Suites
Hotel, 5800 Rockside Woods Boulevard
North, Independence, Ohio 44131.

Independent Public Accountants

KPMG LLP
One Cleveland Center
1375 East Ninth Street
Suite 2600
Cleveland, Ohio 44114

Security Markets

Shares of Century Business Services are
listed on the NASDAQ stock market
under the ticker symbol "CBIZ." The
listing found in most newspapers is
CentBusSvc.

Shareholders' Information

Copies of the Annual Report on
Form 10-K for the year ended
December 31, 2003 as filed with the
Securities and Exchange Commission
are available without charge to
stockholders upon request to:

Investor Relations
Century Business Services, Inc.
6050 Oak Tree Boulevard, South
Suite 500
Cleveland, Ohio 44131
(216) 447-9000

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