

CIBER INC  
Form DEF 14A  
March 26, 2004

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## SCHEDULE 14A

### (Rule 14a-101) INFORMATION REQUIRED IN PROXY STATEMENT SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

**CIBER, Inc.**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

**Payment of Filing Fee (Check the appropriate box):**

- No fee required.**
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.**
  - (1) **Title of each class of securities to which transaction applies:**  

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  - (3) **Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):**  

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(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

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(4) Date Filed:

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5251 DTC Parkway, Suite 1400  
Greenwood Village, Colorado 80111

March 26, 2004  
To our Stockholders:

You are cordially invited to attend the Annual Meeting of Stockholders of CIBER, Inc. Our Annual Meeting will be held on Tuesday, April 27, 2004 at 9:30 a.m. Mountain Daylight Time in the Second Floor Conference Room of CIBER's corporate headquarters located at 5251 DTC Parkway, Greenwood Village, Colorado 80111.

The attached Notice of Annual Meeting of Stockholders and Proxy Statement describe in detail the actions we expect to take at this Annual Meeting.

Included with the Proxy Statement are excerpts from our Annual Report on Form 10-K for the year ended December 31, 2003. We encourage you to read the excerpts from our Form 10-K, which include our audited financial statements, as well as Management's Discussion and Analysis of and information about our operations, markets, risks and services.

Please use this opportunity to take part in our affairs by voting on the business to come before this meeting. Your vote is particularly important this year. New rules adopted by the New York Stock Exchange prohibit brokers from voting shares in brokerage accounts on the adoption of the CIBER, Inc. 2004 Incentive Plan (Proposal No. 2) and the amendment to the CIBER, Inc. Employee Stock Purchase Plan (Proposal No. 3), unless instructions have been received from the beneficial owners of the shares. This means that your shares will **not** be voted at all if you fail to complete your proxy or vote. Please make sure your vote counts. **Whether or not you plan to attend the meeting, please complete, sign, date and return the accompanying proxy in the enclosed postage-paid envelope or vote electronically via the Internet or telephone.** See "Voting Via the Internet or By Telephone" in the Proxy Statement for more details. Returning the Proxy or voting telephonically or electronically does NOT deprive you of your right to attend the meeting and to vote your shares in person for the matters acted upon at the meeting. If you are unable to attend the meeting in person, we invite you to attend the audio web cast and vote your shares online before the

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close of voting by going to <http://www.ciber.com/cbr/annualmeeting>.

We look forward to seeing you at the Annual Meeting.

Sincerely,

Bobby G. Stevenson  
*Chairman of the Board*

**CIBER, Inc.**  
**5251 DTC Parkway, Suite 1400**  
**Greenwood Village, Colorado 80111**

**NOTICE OF THE 2004 ANNUAL MEETING OF STOCKHOLDERS**

**NOTICE TO THE STOCKHOLDERS OF COMMON STOCK OF CIBER, INC.**

The 2004 Annual Meeting of Stockholders of CIBER, Inc., a Delaware corporation, will be held on Tuesday, April 27, 2004 at 9:30 a.m. Mountain Daylight Time in the Second Floor Conference Room of CIBER's corporate headquarters located at 5251 DTC Parkway, Greenwood Village, Colorado 80111 for the purposes stated below. These items of business are fully described in the attached Proxy Statement. In addition to a physical meeting, this Annual Meeting will also be available via audio web cast.

1. To elect three (3) Class I Directors to serve for a term of three years.
2. To adopt the CIBER, Inc. 2004 Incentive Plan (the "2004 Plan") to replace (1) the CIBER, Inc. Equity Incentive Plan, which expired on January 31, 2004; (2) the CIBER, Inc. Non-Employee Director Stock Option Plan, which expired on January 31, 2004 and (3) the Non-Employee Director Compensation Plan, which has no expiration date. And, as part of this proposal, to authorize 5,000,000 shares of Common Stock for issuance under the plan.
3. To amend the CIBER, Inc. Employee Stock Purchase Plan (the "ESP Plan") to increase the number of shares of Common Stock authorized for issuance under the plan from a total of 6,750,000 to 8,750,000 shares, or 2,000,000 shares.
4. To transact any other business that may properly come before the Meeting, or any adjournment or postponement of the Meeting.

The Board of Directors of the Company fixed the close of business on March 8, 2004 as the Record Date for determining those stockholders who are entitled to receive notice of and to vote at the Meeting, or any adjournment or postponement of the Meeting. Only stockholders of the Company's Common Stock at the close of business on March 8, 2004 will receive notice of the Meeting and voting materials. A list of stockholders entitled to vote at the Meeting will be available for examination for a period ten days before the meeting both in person at

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the Company's corporate offices and electronically, and during the Meeting, both electronically and in person. Stockholders may examine the list for purposes related to the Meeting. Instructions for viewing the stockholder list appear in the Proxy Statement.

You are cordially invited to join us, either in person or via audio web cast, at CIBER's 2004 Annual Meeting.

By order of the Board of Directors,

Mac J. Slingerlend  
President, Chief Executive Officer and Secretary  
Greenwood Village, Colorado  
March 26, 2004

### **Please Vote! Your Vote Is Important**

**Whether or not you plan to attend the meeting, please complete, sign, date and return the accompanying Proxy in the postage paid envelope or vote electronically via the Internet or by telephone.**

#### **CIBER, Inc.**

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#### PROXY STATEMENT ANNUAL MEETING OF STOCKHOLDERS APRIL 27, 2004

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### **ANNUAL MEETING INFORMATION**

This Proxy Statement and the accompanying Proxy are sent to you on behalf of the Board of Directors of CIBER, Inc., a Delaware corporation (the "Company," "we" or "us") in connection with the solicitation of Proxies for use at the Company's 2004 Annual Meeting of Stockholders (the "Annual Meeting" or "Meeting"). This Proxy Statement describes proposals to be presented for Stockholder approval at the Annual Meeting, or any adjournments or postponements of the Meeting. The enclosed Proxy is your ballot (the "Proxy"), which you will use to record your vote on each of the proposals. This Proxy Statement and the accompanying Proxy are first being mailed or sent via electronic communication to stockholders of record of CIBER's Common Stock, \$.01 par value per share (the "Common Stock"), on or about March 26, 2004.

#### **Attend the 2004 Annual Meeting in person or via the Internet.**

The Annual Meeting of Stockholders will be held on April 27, 2004 at 9:30 a.m. MDT at 5251 DTC Parkway, 2<sup>nd</sup> Floor, Greenwood Village, Colorado 80111, and via the Internet at [www.ciber.com/cbr/annualmeeting](http://www.ciber.com/cbr/annualmeeting). **The Board and Management of CIBER encourage you to attend the Annual Meeting, either in person or electronically.**

#### **Register to Participate In The Electronic Meeting.**

*Log on to [www.ciber.com/cbr/annualmeeting](http://www.ciber.com/cbr/annualmeeting) at least fifteen (15) minutes prior to the start of the Meeting. You will find detailed instructions in accompanying materials.*

*Ask Questions:* Questions that would be appropriate to raise in person and that relate to the purpose of the Meeting will be accepted via email from Thursday, April 22, 2004 until the floor is closed to questions during the Meeting. To submit questions, access the Annual Meeting web site and select "Questions."

*Vote:* Stockholders who attend the Annual Meeting via the Internet may electronically submit a vote or change or revoke a prior vote until the

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polls are officially closed. See page 2, *Casting Your Vote*, for details.

### List of Stockholders.

A list of Stockholders entitled to vote at the Annual Meeting (the "List") will be available for inspection by Stockholders for purposes related to the Annual Meeting. The List will be available for inspection in both paper and electronic format for a period of ten (10) days prior to the Annual Meeting and throughout the time that the Annual Meeting is in session. The Company has taken reasonable steps to ensure that information contained in the List will be made available only to eligible Stockholders. To examine the List, please telephone the Company's Investor Relations Department (303-267-3831) and ask to speak with Mr. Douglas Eisenbrandt. Upon verification that you are entitled to examine the List, you will be scheduled for an appointment to review the List at the Company's corporate office or provided with a login, password and instructions to enter a secure web site link.

## AGENDA

### Stockholders are asked to consider and to vote upon the following proposals:

#### Proposal No. 1

See page 6

To elect three (3) Class I Directors to serve as members of the Board of Directors until the 2007 Annual Meeting of Stockholders or until their successors have been duly elected and qualified.

#### Proposal No. 2

See page 29

To adopt the CIBER, Inc. 2004 Incentive Plan (the "2004 Plan") to replace (1) the CIBER, Inc. Equity Incentive Plan, which expired on January 31, 2004; (2) the CIBER, Inc. Non-Employee Director Stock Option Plan, which expired on January 31, 2004 and (3) the Non-Employee Director Stock Compensation Plan, which has no expiration date. And, as part of this proposal, to authorize 5,000,000 shares of Common Stock for issuance under the plan.

#### Proposal No. 3

See page 35

To amend the CIBER, Inc. Employee Stock Purchase Plan (the "ESP Plan") to increase the number of shares of Common Stock authorized for issuance under the plan from a total of 6,750,000 to 8,750,000 shares, or 2,000,000 shares.

#### Other Business

To consider other business that may properly come before the Annual Meeting.

To date, the Company is not aware of any other business to be presented for consideration at the Annual Meeting. If any other matter should properly come before the Annual Meeting, the persons designated as agents in the enclosed Proxy will vote on those matters in accordance with their best judgment and consistent with present Company policies.

## VOTING RIGHTS AND SOLICITATION OF PROXIES

### Your Proxy is solicited by the Board of Directors of the Company.

#### Record Date.

Only Stockholders of the Company's Common Stock, \$.01 par value, at the close of business on **March 8, 2004** (the "Record Date") are entitled to receive notice of and to vote at the Annual Meeting. On the Record Date, there were 60,190,409 shares of Common Stock outstanding.

#### Casting Your Vote.

For each proposal, Stockholders are entitled to cast one vote for each share of Common Stock held on the Record Date. Shares of Common Stock may not be voted cumulatively. You may cast your vote by any of the methods listed below. Please refer to the detailed instructions

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included with your Proxy for submission deadlines and step-by-step instructions.

**Vote by Mail.** Complete, date and sign your Proxy. Mail it in the pre-paid envelope provided so that it reaches us before the deadline specified on the Proxy.

**Vote by Telephone.** Call the toll free telephone number provided with your Proxy and, with the Proxy card in hand, follow the instructions. The deadline for telephone voting is 11:59 p.m. Eastern Daylight Time on April 26, 2004.

**Vote by Internet.** Use your computer to access the website listed on the voting form and, with the Proxy card in hand, record your vote. The deadline for Internet voting is 11:59 p.m. Eastern Daylight Time on April 26, 2004.

**Vote in person at the Annual Meeting,** complete, date and sign the accompanying Proxy or a blank Proxy that will be available at the door. A Proxy cast at the Annual Meeting will automatically revoke a prior Proxy.

**Vote by Internet during the Annual Meeting.** You may vote electronically during the Annual Meeting, prior to the announcement that the polls are closed. To vote electronically during the Annual Meeting: (1) log on to [www.ciber.com/cbr/annualmeeting](http://www.ciber.com/cbr/annualmeeting) and, with the Proxy card in hand, register to enter the Annual Meeting web site; (2) select the "Vote" button and complete the questions that verify your eligibility to vote; and (3) characterize the nature of your vote (i.e., first vote, withdrawal of prior vote, etc.).

### **Quorum and Election.**

ADP Investor Communication Services has been selected to tabulate the votes and act as Inspector of Elections.

**Quorum.** The Company's bylaws provide that the presence, in person or by Proxy, of the holders of not less than a *majority* of the shares of Common Stock entitled to vote at the Annual Meeting is necessary to constitute a quorum to conduct business at an Annual Meeting. Since attendance in person is historically low, a quorum can only be achieved by Stockholder participation by Proxy. Please complete your Proxy and return it promptly.

**Election.** Delaware law provides the following:

**Election of Directors.** Directors shall be elected by a plurality of shares present in person or by Proxy at the Annual Meeting and entitled to vote on the election of Directors. A director wins by "plurality" when he or she receives more than one-half ( $1/2$ ) the total number of votes cast for all of the competitors combined.

**Matters other than the Election of Directors.** In all matters to be presented at the Annual Meeting other than the election of directors, the affirmative vote of a majority of shares present in person or by Proxy at the Annual Meeting and entitled to vote on the subject matter shall be the act of the stockholders.

### **Tabulation of your Proxy.**

The Inspector of Elections will tabulate your Proxy as follows:

All shares represented by a properly executed Proxy will be voted at the Annual Meeting in accordance with your instructions, unless

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you have taken steps to revoke or withdraw your Proxy.

Shares that are voted WITHHOLD or ABSTAIN will be counted as "present" for quorum purposes, but will have the same effect as voting against a proposal.

"Broker non-votes" are Proxies for shares held in record name by brokers or nominees, for which (i) instructions have not been received from the beneficial owner or person entitled to vote and (ii) the broker or nominee does not have discretionary voting power under applicable national securities exchange rules or the instrument under which it serves in such capacity. Broker non-votes are counted as "present" for quorum purposes, but they are treated as not entitled to vote on the matter. Therefore, broker non-votes are not counted for purposes of determining whether Proposals No. 1, No 2 and No. 3 have been approved.

Under the rules of the New York Stock Exchange ("NYSE"), on certain routine matters, brokers may, in their discretion, vote the shares they hold in "street name" on behalf of the beneficial owners who have not returned voting instructions to the brokers. Routine matters include the election of directors (Proposal No. 1).

**New NYSE rules prohibit brokers from voting on the adoption of the CIBER, Inc. 2004 Incentive Plan (Proposal No. 2) and the amendment to the CIBER, Inc. Employee Stock Purchase Plan (Proposal No. 3), unless instructions have been received from the beneficial owner of the shares.**

If you sign and date your Proxy but do not provide instructions, your shares will be voted FOR ALL Board of Directors' nominees for Class I director (Proposal No. 1); FOR the CIBER, Inc., 2004 Incentive Plan (Proposal No. 2) and FOR the amendment to the CIBER, Inc. Employee Stock Purchase Plan (Proposal No. 3).

In addition to executing your voting instructions, the persons named in the Proxy will have discretionary authority to vote all Proxies with respect to additional matters that may be properly presented for action at the Annual Meeting. The Company is not aware of any other business to be presented at the Annual Meeting.

### **You May Revoke or Change Your Proxy.**

At any time prior to final tabulation of the votes on April 27, 2004, you may change your vote or revoke your Proxy by following one of the procedures set forth below:

Deliver a letter, signed and in writing, to the Secretary of the Company stating your desire to revoke your Proxy. The letter must be dated later than the date stated on the Proxy you wish to revoke. Address the letter to CIBER, Inc. Corporate Secretary, 5251 DTC Parkway, Suite 1400, Greenwood Village, Colorado 80111.

Deliver a Proxy bearing a date later than the Proxy you wish to revoke to ADP Investor Communication Services, 51 Mercedes Way, Edgewood, NY 11717. You may use any available voting method to deliver your new Proxy, but the new Proxy must be received by ADP before the deadline for mail, telephone or internet voting.

Attend Annual Meeting via the Internet and submit your vote prior to the close of the polls. Follow the instructions for voting online during the Annual Meeting, which are in the Voting section of this Proxy Statement. Please note, attending the electronic Meeting will not, absent specific instructions from you, revoke or alter your

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Proxy.

Attend the Annual Meeting in person, inform the Corporate Secretary that you wish to revoke a prior Proxy, and submit a new Proxy before the close of the polls.

### **Proxies of Executive Officers and Directors.**

As a group, the executive officers and directors of the Company own or may be deemed to control approximately 15.4% of the outstanding shares of Common Stock of the Company. Each of the executive officers and directors has indicated his intent to vote all shares of Common Stock owned or controlled by him FOR ALL of the candidates nominated by the Board to fill Class I director positions described in this Proxy Statement; FOR adoption of the CIBER, Inc. 2004 Incentive Plan and FOR adoption of the amendment to the CIBER, Inc. Employee Stock Purchase Plan. Please refer to the table entitled *Security Ownership of Certain Beneficial Owners and Management* located on page 20 for additional information.

### **Persons Making This Proxy Solicitation.**

**This Proxy Solicitation is made by and on behalf of the Board of Directors.** The proposals described in this Proxy Statement were unanimously approved and authorized for Stockholder consideration by the Board of Directors of CIBER. To date, no director has retracted his support for any proposal appearing on the agenda or notified the Company of his intention to oppose the same.

Solicitation of Proxies for use at the Annual Meeting may be made by regular mail, by e-mail or in person by directors, officers and regular employees of the Company. These individuals will receive no additional compensation for any solicitation activities. Copies of solicitation materials will be furnished to banks, brokerage houses, fiduciaries and custodians holding in their names shares of Common Stock beneficially owned by others to forward to those beneficial owners. The Company may reimburse persons representing beneficial owners of Common Stock for their costs of forwarding solicitation materials to beneficial owners. The Company will bear the entire cost of solicitation of Proxies, including the preparation, assembly, printing and mailing of this Proxy Statement, the Proxy and any additional information furnished to stockholders.

## **DEADLINE FOR STOCKHOLDER PROPOSALS FOR THE 2005 ANNUAL MEETING**

Stockholders may submit proposals on matters appropriate for stockholder action at the Company's annual stockholder meetings. To have your proposal included in the Company's Proxy Statement and form of Proxy and to properly bring your proposal before an annual meeting, (1) you must be eligible to make the proposal; (2) your proposal must be appropriate for stockholder action at an annual meeting; and (3) your proposal must be presented in writing and received by the Secretary of the Company at its principal executive offices not less than 120 calendar days before the Company's proxy statement is released to stockholders in connection with the previous year's annual meeting (March 26, 2004).

*Proposals submitted after November 27, 2004 will be considered untimely and will not be eligible for inclusion in the Proxy Statement and on the form of Proxy for the 2005 annual meeting.* All proposals must conform to the procedures established by the Securities and Exchange Commission in Section 14a-8 of the Securities Act of 1934, as amended. The persons named in the Company's Proxy will have discretionary authority to vote all Proxies with respect to any untimely proposals. Stockholder notices regarding proposals must be received no later than the deadline set forth above and contain the specific information required by the Company's bylaws. Stockholders will be furnished a copy of CIBER's bylaws, without charge, upon written request to the Corporate Secretary. Please address stockholder proposals to: Corporate Secretary, CIBER, Inc., 5251 DTC Parkway, Suite 1400, Greenwood Village, Colorado 80111.

## **PROPOSAL No. 1 ELECTION OF DIRECTORS**

### **Background.**

Each year at the Company's Annual Meeting of Stockholders, directors constituting approximately one-third of the Board are elected for a



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three-year term or until a successor is duly elected and qualified. The terms of current directors Mr. Bobby G. Stevenson, who was elected by stockholders in 2001 to fill the Class I position, and James C. Spira and Peter H. Cheesbrough, who were unanimously elected by the Board to fill vacant positions on May 7, 2002 and November 18, 2002, respectively, will expire at this 2004 Annual Meeting. The terms of the Class II Directors, Mr. Mac J. Slingerland and Mr. James A. Rutherford will expire in 2005. The terms of the Class III Directors, Mr. Archibald J. McGill and Mr. George A. Sissel, will expire in 2006.

Pursuant to the Company's bylaws, vacancies on the Board may be filled by the affirmative vote of a majority of the remaining directors then in office. A director elected to fill a vacancy, including a vacancy created by an increase in the Board, serves for the remainder of the full term of the new directorship or of the class of directors in which the vacancy occurred. If the number of directors has changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, but in no case will a decrease in the number of directors shorten the term of any incumbent director.

### Description of Proposal No. 1.

Proposal No. 1 asks you to elect three (3) individuals to serve as Class I directors for the ensuing three-year term, to expire in 2007, or until a successor is elected and qualified. The Nominating/Corporate Governance Committee, with the approval of the non-incumbent members of the Board, has nominated for re-election, and the Board presents for your consideration, Mr. Bobby G. Stevenson, Mr. James C. Spira and Mr. Peter H. Cheesbrough (the "Director Nominees").

The Company has received no stockholder proposal or nomination of any other person to stand for election as Class I Director, timely or otherwise.

### TEXT OF PROPOSAL NO. 1 ELECTION OF DIRECTORS

The text of Proposal No. 1, as you will see it printed on your Proxy is as follows: "To elect the following nominees for Class I Director: Mr. Bobby G. Stevenson, Mr. James A. Spira and Mr. Peter H. Cheesbrough."

Shares represented by Proxies that are not marked to "WITHHOLD ALL" authority to vote for all Director Nominees, or "FOR ALL EXCEPT" a specified individual that you must name, will be voted FOR the election of the Director Nominees. Should any of the Director Nominees become unavailable or unwilling to serve as director, persons named in the Proxy intend to cast votes for which they hold Proxies in favor of the election of such other person as the Board may designate. The Board knows of no reason why Mr. Stevenson, Mr. Spira or Mr. Cheesbrough would be unable or unwilling to serve on the Board. Biographical information about each Director Nominee and each of the other directors is located on pages 8-11 of this Proxy Statement in the section entitled, "Directors and Executive Officers."

### THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR ALL" OF THE NOMINEES

### DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the Company's directors and executive officers, their ages, positions currently held with the Company, the year elected as director or appointed as officer and class of directorship. Directors are elected to serve three year terms, or until a successor is elected and qualified. Executive officers serve at the pleasure of the Board for a term of one year, renewable annually. For information about the ownership of the Company's voting securities held by each director, director nominee or executive officer, see "Securities Ownership of Certain Beneficial Owners and Management." *Information about director nominees is indicated by an asterisk (\*) in the table below and in the narrative following the table.*

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Served as Officer or</u>	<u>Class (Term Exp.)</u>
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			<u>Director Since</u>	
Bobby G. Stevenson*	61	Chairman of the Board and Founder	1974	Class I (2004)
Mac J. Slingerlend	56	Chief Executive Officer, President, Secretary and Director	1989	Class II (2005)
Edward Longo	60	Chief Operating Officer, Executive Vice President	2002	
David G. Durham	42	Chief Financial Officer, Senior Vice President and Treasurer	1995	
Joseph A. Mancuso	57	Senior Vice President, President Commercial Practice, Custom Solutions Division	1994	
William R. Wheeler	44	Senior Vice President, President CIBER Enterprise Solutions Practice	1998	
James A. Rutherford	58	Director	1994	Class II (2005)
Archibald J. McGill	72	Director	1998	Class III (2006)
James C. Spira*	61	Director	1994-98 and 2002	Class I (2004)
George A. Sissel	67	Director	2002	Class III (2006)
Peter H. Cheesbrough*	52	Director	2002	Class I (2004)

**\*Bobby G. Stevenson** Mr. Stevenson is Chairman of the Board of Directors, a Class I Director and one of the founders of the Company. Mr. Stevenson has been nominated to stand for re-election at this Annual Meeting to fill one of the upcoming Class I vacancies. Mr. Stevenson served as Vice President in charge of recruiting and management of the technical staff from 1974 until November 1977 when he became Chief Executive Officer. As Chief Executive Officer from 1977 to 1998, he was responsible for all operations of the Company. Mr. Stevenson has been a member of the Board of Directors of the Company since its inception.

**Mac J. Slingerlend** Mr. Slingerlend is a Class II Director and serves the Company as President, Chief Executive Officer and Secretary. Mr. Slingerlend joined the Company in January 1989 as Executive Vice President and Chief Financial Officer and was first elected as a director in 1994. He was promoted to President and Chief Operating Officer in 1996, elected Chief Executive Officer in March 1998 and Secretary in August 1998. Prior to joining the Company, Mr. Slingerlend spent 15 years in the banking industry, primarily as a commercial lender, and five years in corporate financial positions in the cable television and hospitality industries.

**Edward Longo** Mr. Longo joined the Company May 7, 2002. Serving as Executive Vice President and Chief Operating Officer, he is responsible for all of CIBER's domestic operations, including our Custom Solutions and CIBER Enterprise Solutions Divisions. From October 2000 until he joined CIBER, Mr. Longo was President and Chief Operating Officer of Decision Consultants, Inc., a Michigan corporation, acquired by CIBER as of May 6, 2002. Mr. Longo served as President and Chief Operating

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Officer of Renaissance Worldwide, Inc. from July 1999 to October 2000, and served from 1979 to 1999 in varying capacities with Keane, Inc., which culminated in service as Senior Vice President of Operations. During his tenure at Keane, Mr. Longo rose to become responsible for all custom outsourcing and staffing solutions.

### ***David G. Durham***

Mr. Durham joined the Company in May 1995. He was promoted to the office of Chief Financial Officer and Treasurer in January 2001. Previously, as Senior Vice President, Mr. Durham was responsible for various financial and operating tasks within the Company and also served as Chief Financial Officer of Waterstone, Inc., a CIBER subsidiary. Prior to joining the Company, Mr. Durham served as Vice President and Chief Financial Officer of Spencer & Spencer Systems, Inc. of St. Louis, Missouri, which was acquired by CIBER in 1995.

### ***Joseph A. Mancuso***

Mr. Mancuso serves the Company as Senior Vice President and President of the Commercial Practice of the Company's Custom Solutions Division. From March 2000 until May 2002, he served the Company as Chief Operating Officer, while also serving as Senior Vice President responsible for the Company's branch office operations, a position held since July 1999. From March 1998 to July 1999, Mr. Mancuso was Regional Vice President in charge of Eastern operations from 1996 to 1998. Mr. Mancuso joined the Company when it acquired CPU, Inc. in 1994, where he served as Regional Vice President in charge of Southeast branch operations from 1994 to 1996.

### ***William R. Wheeler***

Mr. Wheeler was promoted to President of the CIBER Enterprise Solutions Practice in March 2003, where his duties include supervision of sales and operations for the Oracle, PeopleSoft, SAP, Lawson, Supply Chain and Technology Solutions practices in North America and the United Kingdom. He was elected Senior Vice President in May 2002 and had served as Senior Vice President of this Practice from July 2001 until March 2003. In April 2000, Mr. Wheeler was appointed Executive Vice President and Chief Operating Officer of DigiTerra, Inc., a newly created subsidiary of the Company. Prior to his move to DigiTerra, Mr. Wheeler served the Company as Regional Vice President and Senior Vice President of Sales and Marketing. Mr. Wheeler joined the Company in June 1995 upon the acquisition of Business Information Technology, Inc.

### ***James A. Rutherford***

Mr. Rutherford is a Class II Director and has been a director of the Company since February 1994. He is currently a managing director of Wingset Investments Ltd. and Rigger & Stern Capital Management, LLC, private venture capital management companies located in the Columbus, Ohio area. Prior to forming Wingset, Inc. in 1995, Mr. Rutherford was one of the founders of Goal Systems International, Inc. where he served in various executive positions, including Chief Executive Officer, and as a director from its incorporation in 1977 until its sale in 1992. Mr. Rutherford is also a director of several private corporations.

### ***Archibald J. McGill***

Mr. McGill has been a Class III director since September 1998. Mr. McGill has served in executive capacities at IBM and AT&T and was President of Rothschild Venture Capital. He is on the board of directors of several small high-technology companies. From 1985 to the present, Mr. McGill has been the President of Chardonnay, Inc., a venture capital investment company.

### ***\*James C. Spira***

Effective March 7, 2002, Mr. Spira accepted the invitation of the Board to become a Class I Director and he has been nominated to stand for re-election at this Annual Meeting to fill one of the upcoming Class I

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vacancies. Mr. Spira served as a director of the Company from September 1994 until October 1998. Mr. Spira currently serves as the non-executive Chairman of the Board of Brulant, Inc., a Cleveland, Ohio area privately held information services company. He has been a director of Brulant since 1997 and assumed the Chairmanship of the Board in September, 2003. Mr. Spira served as President and Chief Operating Officer of American Greetings Corporation from 2001 until his retirement in July, 2003. From 1995 to 2001, he was managing partner of Diamond Technology Partners, Inc., a Chicago, Illinois-based management consulting firm providing program management services to design and deploy technology-enabled business strategies. Prior to that time, Mr. Spira was co-founder, President and Chief Executive Officer of Cleveland Consulting Associates, an operations and systems management consulting firm doing business with multi-national companies from 1974 to 1991.

### *George A. Sissel*

Mr. Sissel is a Class III Director. Mr. Sissel became a director of the Company on May 9, 2002. He is the former Chairman and Chief Executive Officer of Ball Corporation, and continues to serve as a director. Mr. Sissel joined Ball Corporation in 1970, assumed the positions of President and CEO in 1994 and Chairman of the Board in 1996. Mr. Sissel also serves on the board of the First Merchants Corporation. He chairs the Advisory Board of the College of Engineering and Applied Sciences, University of Colorado at Boulder. He also serves on the Colorado Governor's Commission on Science and Technology and sits on the Advisory Board of the Business School, University of Colorado at Denver, and on the Board of the Colorado Association of Commerce and Industry.

### *\*Peter H. Cheesbrough*

Effective November 18, 2002, Mr. Cheesbrough accepted the invitation of the Board to become a Class I Director and Chairman of the Audit Committee. Mr. Cheesbrough has been nominated to stand for re-election at this Annual Meeting to fill one of the upcoming Class I vacancies. He is currently Chief Financial Officer of Navigant Biotechnologies, Inc. From 1999-2000, Mr. Cheesbrough was Senior Vice President Finance and CFO of Quovadx, Inc. From 1985 to 1999, he was employed by Echo Bay Mines Ltd, a public international gold mining company, as Vice President/Controller (1985-1993) and Senior Vice President Finance and CFO (1993-1999). Prior to 1985, he served in executive financial positions with two Canadian public companies. Prior to that time, Mr. Cheesbrough was an audit and tax manager for Coopers & Lybrand (now, Pricewaterhouse Coopers) in England and Canada. Since 1996, Mr. Cheesbrough has served on the board of Health Grades, Inc. where he is currently a member of both the Audit and Compensation Committees. He is a member of the Institute of Chartered Accountants in Alberta and a Fellow of the Institute of Chartered Accountants in England and Wales.

## **CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

**Transactions with management and others.** Consistent with provisions of the Sarbanes-Oxley Act of 2002, CIBER, Inc. has adopted a policy prohibiting future loans to officers and directors

In July 1999, the Company entered into a promissory note with Mr. Joseph A. Mancuso, in the initial principal amount of \$300,000, to assist with the purchase of a home. Mr. Mancuso is a Senior Vice President and President of the Commercial Practice of CIBER's Custom Solutions Division. The promissory note requires partial repayment annually, with the balance payable in full in five years or sooner in the event that Mr. Mancuso is no longer an employee of CIBER. The loan is secured by a second mortgage on Mr. Mancuso's residence. As of December 31, 2003, the outstanding balance on the loan receivable from Mr. Mancuso was \$173,294. Imputed interest reported on Mr. Mancuso's 2003 Form W-2 was \$10,142. The Note expires according to its terms in July 2004 and will not be renewed or amended.

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On January 11, 2002, the Company entered into a vendor agreement with CustomDepot.com for the design, manufacture and provision of custom logo paraphernalia for the CIBER gear program and for use at marketing events (the "Agreement"). This non-exclusive Agreement is one of several entered into with various companies in the ordinary course of business that provide logo-bearing paraphernalia for Company events. The products and services are provided at or below market rates charged by third party vendors. CustomDepot.com is owned and operated by Ms. Terra Emerson, daughter of the Company's President, Chief Executive Officer and Secretary. Neither Mr. Slingerland, nor any officer or director of the Company, has a pecuniary or beneficial interest in CustomDepot.com. In 2003, the Company paid CustomDepot.com a total of \$207,955 for products and services.

### SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires that the Company's directors, executive officers and persons who beneficially own greater than 10% of a registered class of the Company's equity securities file initial reports of ownership and changes in ownership of such securities with the Securities and Exchange Commission (the "Commission") and the Company. Based solely upon its review of copies of the Section 16(a) reports received by the Company, and written representations from certain reporting persons, the Company believes that during the year-ended December 31, 2003, all of its directors, executive officers and greater than 10% beneficial owners were in compliance with their filing requirements, including the accelerated filing requirements under Sarbanes-Oxley, with one exception. The Form 4, Statement of Changes of Beneficial Ownership, for Mr. William R. Wheeler's sale of 45,000 shares of CIBER stock at \$9.99/share on August 4, 2003, instead of being filed timely on August 6, 2003, was filed August 12, 2003 following notification of the trade to the Company by Merrill Lynch on August 11, 2003.

### CORPORATE GOVERNANCE PRACTICES

The Board met seven times in 2003, including four regularly scheduled meetings (held quarterly), one special meeting and two telephonic meetings. Each director, including incumbents, participated either in person or by conference telephone in at least seventy-five percent (75%) of all the board meetings and committee meetings (of which such director was a member) held in 2003. Each director attended the annual meeting of stockholders last year except for Mr. Rutherford who was unable to attend. Each director is expected to attend the Annual Meeting. The Company has a regularly scheduled Board meeting on the same day as the Annual Meeting each year so all directors are generally in attendance at both meetings.

#### Corporate Governance

The Company has had informal governance standards in place since the Company's inception in 1974 that have evolved to accommodate the Company's growth over the years. However, the Board has now adopted formal Corporate Governance Principles (the "Principles") to address matters of corporate governance including but not limited to board composition and leadership, board member qualifications, compensation, tenure and succession, board organization and operation and committee responsibilities. The Principles can be found on the Company's website at [www.ciber.com/cbr](http://www.ciber.com/cbr), or you may request a copy by writing to us at CIBER, Inc., 5251 DTC Parkway, Suite 1400, Greenwood Village, Colorado 80111, Attention: Investor Relations.

#### Executive Sessions

The Company's non-management directors meet regularly in executive session without management. Since non-management directors may include directors who are not "independent" as discussed more fully below, the directors who are independent meet at least once per year without management. The executive sessions are chaired by the Chairman of the Compensation Committee. The executive sessions are held in conjunction with each regularly scheduled board meeting.

#### Communicating with the Board of Directors

Any stockholder who wishes to contact the Company's Board of Directors may do so by sending his/her communication directly to the Board or to an individual member of the Board by mail addressed to the attention of Mr. Bobby G. Stevenson, Chairman, for communications to the Board or to the attention of an individual board member at CIBER, Inc., 5251 DTC Parkway, Suite 1400, Greenwood Village, CO 80111. Communications will be forwarded by CIBER directly to the Chairman of the Board if addressed to the Board or the individual board member if addressed to such member. Communications by email may be sent to [boardofdirectors@ciber.com](mailto:boardofdirectors@ciber.com). These procedures may change from time to time. Please refer to the Company's website at [www.ciber.com/cbr](http://www.ciber.com/cbr) for the process and any changes to it.

#### Independence

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At least a majority of the members of the Board and all members of the Board's Compensation, Audit and Nominating/Corporate Governance Committees must be independent for purposes of Section 303A of the Listed Company Manual of the New York Stock Exchange. Audit Committee members must also be independent for purposes of Section 10A(m)(3) of the Securities Exchange Act of 1934 and Section 303.01 of the Listed Company Manual of the New York Stock Exchange. The Board has determined that, as to each outside director of the Company, no such director has a material relationship with the Company such that the director's independence is impaired.

In making the determination, the Board applied the following standards in addition to reviewing the responses of the directors and executive officers to questions regarding employment, compensation history, for-profit and non-profit affiliations and family and other relationships, among other things:

A director who is an employee, or who has an immediate family member who is an executive officer of the Company, will not be independent until three (3) years after such employment relationship ceases.

A director who receives more than \$100,000/year in direct compensation from the Company, other than director and committee membership fees and/or pension or other deferred compensation, will not be independent until three (3) years after the director ceases to receive such compensation.

A director who is affiliated with or employed by, or who has an immediate family member who is affiliated with or employed by, a present or former external auditor of the Company will not be independent until three (3) years after such affiliation or employment ceases.

A director who is employed as an executive officer, or who has an immediate family member who is employed as an executive officer, of another company where any of the Company's present executive officers serve on that company's compensation committee will not be independent until three (3) years after the end of such service.

A director who is an executive officer or employee, or who has an immediate family member who is an officer or employee of another company, that makes payments to or receives payment from the Company for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1,000,000 or 2% of such other company's consolidated gross revenues will not be independent until three (3) years after such payments fall below the threshold.

In addition, the Board as determined that, with respect to their Committee assignments for 2004, Mr. Cheesbrough, Mr. McGill and Mr. Rutherford have the requisite independence to serve as members of the Company's Audit Committee; Mr. Rutherford, Mr. Sissel and Mr. Spira have the requisite independence to serve as members of the Company's Compensation Committee and Mr. McGill and Mr. Sissel have the requisite independence to serve as members of the Company's Nominating/Corporate Governance Committee.

### **Code of Business Conduct and Ethics**

CIBER's Code of Conduct is applied consistently to all employees and has been a prominent part of the Employee Handbook for several years. The Company has reviewed internally and with the Board the provisions of the Sarbanes-Oxley Act of 2002, the rules enacted by the Securities and Exchange Commission and the revised Listing Standards of the New York Stock Exchange regarding codes of ethics. The Board of Directors has adopted a Code of Conduct and Business Ethics (the "Code") that applies to all employees but which has specific requirements for executive and senior financial officers with respect to the ethical standards and obligations relevant to accounting and financial reporting. The Code contains procedures for reporting suspected violations of the Code and references the Audit Committee procedure for the reporting of questionable accounting or auditing matters or other concerns about accounting and auditing matters. A copy of the Code, as well as the Audit Committee Procedures for reporting concerns about accounting or auditing matters, can be found on the CIBER web site at <http://www.ciber.com/cbr>, or you may request a copy by writing to us at CIBER, Inc., 5251 DTC Parkway, Suite 1400, Greenwood Village, Colorado 80111, Attention: Investor Relations. If a waiver from the Code is granted to an executive officer or director, the nature of the waiver will be disclosed on our website, in a press release, or on a current report on Form 8-K.

### **Committees**

The Board has standing Compensation, Nominating/Corporate Governance and Audit Committees with membership as specified below.

#### **2003 COMMITTEE MEMBERSHIP**

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### 2003 COMMITTEE MEMBERSHIP

#### Standing Committees of the Board

	Director	Audit	Compensation	Nominating/ Corporate Governance
B. Stevenson				Chair
M. Slingerlend		(Inside Director)		
J. Rutherford		X		
A. McGill		X	Chair	X
J. Spira		X (Jan-Feb.)	X	
G. Sissel			X	
P. Cheesbrough		Chair		X

#### COMPENSATION COMMITTEE

The principal responsibilities of the Compensation Committee have been to administer and grant awards under the Company's Equity Incentive Plan and to administer the Employee Stock Purchase Plan (which are stock-based plans), the Non-Employee Directors' Stock Option Plan and the Non-Employee Directors' Stock Compensation Plan. If Proposal No. 2 is adopted, the Compensation Committee will administer the Company's 2004 Incentive Plan which will replace the expired Equity Incentive Plan, the expired Non-Employee Directors' Stock Option Plan and the Non-Employee Directors' Stock Compensation Plan. In addition, the Compensation Committee reviews the performance of the chief executive officer, chief operating officer and the chief financial officer and recommends annual salary and bonus incentives for those executive officers and other senior management to the Company's Board. The Committee's charter can be found at [www.ciber.com/cbr](http://www.ciber.com/cbr). The members of the Compensation Committee for 2003 were Mr. McGill (Chairman), Mr. Spira and Mr. Sissel. The Compensation Committee met twice in 2003 and all Committee members were present.

#### NOMINATING/CORPORATE GOVERNANCE COMMITTEE

The principal responsibilities of the Nominating/Corporate Governance Committee are to identify and nominate qualified individuals to serve as members of the Board, or to nominate candidates to fill such other positions as may be deemed necessary and advisable by the Board. In addition, the Nominating/Corporate Governance Committee is responsible for establishing the Company's Corporate Governance Guidelines and its Code of Business Conduct and Ethics and evaluating the Board and its processes. Members of the Nominating/Corporate Governance Committee must be outside directors who are not incumbent to the Class of directors nominated for election during their year of service on the Committee. The Committee's Charter can be found at [www.ciber.com/cbr](http://www.ciber.com/cbr). The members of the Nominating/Corporate Governance Committee for 2003 were Mr. Stevenson (Chairman), Mr. Rutherford and Mr. Cheesbrough. The Committee met once in 2003 and all Committee members were present. The Committee members for 2004, who nominated the 2004 Director Nominees, are Mr. McGill and Mr. Sissel.

The Board believes that Company directors must bring the skill mix and experience necessary to

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perform the Board of Director's oversight function effectively. Identification of prospective Board members is done by a combination of methods, including studying other boards, word-of-mouth in industry circles, inquiries of outside professionals and recommendations made to the Company. When considering candidates for director, the Nominating/Corporate Governance Committee takes into account a number of factors including but not limited to the following:

- Experience with acquisitions
- Experience in marketing and sales
- Knowledge of the Company's industry
- Respect for the fiduciary responsibilities of directors to stockholders
- Leadership skills
- Demonstrated sound business judgment
- Global perspective
- Interpersonal effectiveness
- Personal integrity
- The number of other boards and committees on which a candidate serves

When the Committee is recruiting Board members to serve on a designated committee, the Committee also takes into account skills and experience specific to that committee. For example, Audit Committee members must be financially literate.

The Nominating/Corporate Governance Committee will consider nominees recommended by the stockholders applying the criteria described above and in accordance with the process outlined below. Please also refer to the section entitled "Stockholder Proposals For Our 2005 Annual Meeting" located on page 6 for information related to stockholder nominations.

As provided in the Company's bylaws, stockholders entitled to vote at an annual meeting of the Company's stockholders may make nominations for the election of directors only if written notice of the stockholder's intent to make such a nomination or nominations has been given, either by personal delivery or by U.S. mail to the Secretary of the Company no later than one hundred and twenty (120) days prior to the first anniversary date of the immediately preceding annual meeting with respect to an election to be held at an annual meeting of the stockholders or the close of business on the tenth day following the date on which notice of a special meeting is first given to stockholders for an election to be held at a special meeting of stockholders.



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A stockholder's notice to the secretary shall set forth:

- (i) as to each person whom the stockholder proposes to nominate for election as a director (A) the name, age, business address and residence address of such person, (B) the principal occupation or employment of such person, (C) the class or series and number of shares of capital stock of the Company which are owned beneficially and of record by such person, and (D) any other information relating to such person that would be required to be disclosed in a solicitation of proxies for election of directors pursuant to Section 14 of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder; and
  
- (ii) as to the stockholder giving the notice, (A) the name and record address of such stockholder, (B) the class or series and number of shares of capital stock of the Company which are owned beneficially or of record by such stockholder, (C) a description of all arrangements or understandings between such stockholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such stockholder, (D) a representation that the stockholder is a holder of record of stock of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting, and (E) any other information relating to such stockholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a

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nominee and to serve as director if elected.

### AUDIT COMMITTEE

The principal responsibilities of the Audit Committee during 2003 were: (1) engaging and overseeing the work of the independent auditor including the execution of the engagement letter and review of the audit plan; (2) reviewing the independence and performance of the auditors and the qualifications of the key audit partner and audit managers; (3) establishing the Company's policy on provision of non-audit services; (4) pre-approving all audit and permitted non-audit services provided to the Company; (5) establishing the Committee's procedure for receiving and reviewing complaints regarding accounting, internal audit controls and auditing matters; (6) receiving reports from and reviewing with the auditor critical accounting policies and practices, alternative treatments of financial information that have been discussed with management and any material written communications between the auditor and Company management; (7) reviewing the Company's annual audited financial statements and periodic reports that include financial statements prior to filing or distribution; (8) discussing, generally, all financial press releases, other financial information and earnings guidance provided to analysts and rating agencies; and (9) reporting to the Board with respect thereto.

### Audit Committee Charter

In compliance with the requirements of the Sarbanes-Oxley Act of 2002 and the subsequently adopted the New York Stock Exchange and Securities and Exchange Commission requirements, the Audit Committee proposed and the Board adopted an amended and restated Audit Committee Charter. It is a further requirement that the Charter be attached as an Appendix to the Company's Proxy Statement once every three (3) years, or sooner upon amendment, the Charter was filed as part of the Company's 2001 Proxy Statement. The amended and restated Charter is attached as Appendix A to the electronic copy of this Proxy Statement filed with the SEC and may be accessed from the SEC's homepage ([www.sec.gov](http://www.sec.gov)). In addition, the Charter is available for review on the Company's website at [www.ciber.com/cbr](http://www.ciber.com/cbr).

### "Audit Committee Financial Expert" and Financial Literacy

The Board has determined that Mr. Peter Cheesbrough's broad accounting and financial reporting experience qualify him as the Company's "audit committee financial expert" pursuant to Item 401(h) of Regulation S-K. The Board has also determined that each of the members of the Audit Committee is financially literate consistent with the requirements of the New York Stock Exchange Listed Company Manual.

### Report of the Audit Committee.(1)

As stated in the amended and restated Audit Committee Charter adopted by the Board of Directors of CIBER, Inc. in February 2004, the Audit Committee of the Board assists the Board in fulfilling its responsibilities for financial reporting compliance by reviewing the audited financial statements, reviewing the system of internal controls that management and the board of directors have established and reviewing the overall audit process. The Audit Committee, in its capacity as a Committee of the Board, is directly responsible for the appointment, compensation and oversight of the registered public accounting firm, and has:

reviewed and discussed the audited

financial statements for 2003, separately and jointly with management and with KPMG LLP ("KPMG"), the Company's independent auditors;

discussed with KPMG the matters required to be discussed by the Statement on Auditing Standards No. 61, Codification of Statements on Auditing Standards, AU § 380, as modified or supplemented by the Auditing Standards Board of the American Institute of Certified Public Accountants;

received the written disclosures and the letter from KPMG required by Independence Standards Board Standard No. 1, "Independence Discussions with Audit Committees", as may be modified or supplemented, and has discussed with KPMG its independence; and

further, considered whether the auditor's provision of non-audit services is compatible with independence and concluded that the services rendered by KPMG are compatible with maintaining the principal accountant's independence for the following reasons: (1) no (\$0.00) fees were billed for financial information systems design and implementation and (2) All Other Fees primarily relate to services provided in connection with governmental reports associated with European restructuring. The Company's principal accountant and independent auditor, KPMG LLP, billed a total of \$1,215,632 for all services provided in 2003. Please refer to the section entitled Independent Auditors located on page 38 for fee information.

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(1)

This section is not "soliciting material," is not deemed "filed" with the Commission and is not to be incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

Based upon this review and discussions referred to above, the Audit Committee has recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for

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the year-ended December 31, 2003, and that  
this report be included in the Proxy Statement.

By the Audit Committee:

Peter H. Cheesbrough, Chairman  
James A. Rutherford  
Archibald J. McGill

### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding beneficial ownership of the Company's Common Stock at March 8, 2004 (unless noted otherwise), and stock options exercisable for shares of Common Stock within sixty days of such date, held by (i) each person or group of persons known by the Company to own beneficially more than five percent (5%) of the outstanding Common Stock, (ii) each director and nominee for director of the Company, (iii) each Named Executive Officer (as defined under "Executive Compensation" below) and (iv) all executive officers and directors of the Company as a group. All information is taken from or based upon ownership filings made by such persons with the Commission and other information provided by such persons to the Company. Unless otherwise indicated, the stockholders listed below have sole voting and investment power with respect to the shares reported as owned. On March 8, 2004 there were 60,190,409 shares of Common Stock outstanding.

Title Of Class	Name of Beneficial Owner(1)	Amount and Nature of Beneficial Ownership	Percent of Class
<i>5% Beneficial Owner</i>			
	Bobby G. Stevenson(2)	7,129,931	11.8%
	Barclays Global Investors, N.A.(3)	2,040,153	3.4%
	Barclays Global Fund Advisors(3)	1,012,513	1.7%
	Barclays Bank PLC(3)	149,600	0.3%
		3,202,266	5.3%
	Columbia Wanger Asset Management, L.P.(4)	4,493,600	7.5%
	WAM Acquisition GP, Inc.(4)		
	Columbia Acorn Trust(4)		
<i>Officers and Directors</i>			
	Bobby G. Stevenson	See Above	See Above
	Mac J. Slingerland(5)	1,429,329	2.3%
	Edward Longo(6)	325,667	*
	David G. Durham(7)	141,732	*
	Joseph A. Mancuso(8)	197,800	*
	William R. Wheeler(9)	69,319	*
	James A. Rutherford(10)	111,141	*
	Archibald J. McGill(10)	47,058	*
	James C. Spira(10)	27,334	*
	George A. Sissel(10)	32,034	*
	Peter H. Cheesbrough(10)	12,707	*
	All directors and executive officers(11) as a group (11 persons)	9,524,052	15.4%

\*

less than 1%

(1)

The address of Bobby G. Stevenson is c/o CIBER, Inc., 5251 DTC Parkway, Suite 1400, Greenwood Village, CO 80111. The address of Barclays Global Investors, N.A. and Barclays Global Fund Advisors is 45 Fremont Street, San Francisco, CA 94105. The address of Barclays Bank PLC is 54 Lombard Street, London, England EC3P 3AH. The address of Columbia Wanger Asset Management, L.P., WAM Acquisition GP, Inc. and Columbia Acorn Trust is 227 West Monroe Street, Suite 3000, Chicago, IL 60606.

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(2) Includes options to purchase 8,000 shares of Common Stock. Includes shares held by the Bobby G. Stevenson Revocable Trust (the "Trust"), of which Mr. Stevenson is the Settlor, Trustee and

Beneficiary. Also includes 117,570 shares of Common Stock held in a 401(k) account. Excludes 50,000 shares of Common Stock held in the Irrevocable First Stevenson Charitable Remainder Unitrust, of which shares Mr. Stevenson disclaims beneficial ownership.

(3) Includes information concerning Barclays Global Investors, N.A. ("BGI"), Barclays Global Fund Advisors ("BGF") and Barclays Bank PLC ("BBPLC"). On February 13, 2004, BGI, BGF and BBPLC filed information on Schedule 13G with the Commission reporting investments as set forth below. The Company has relied upon filings with the Commission to provide the information herein. BGI and BBPLC are Banks, as defined in section 3(a)(6) of the Act (15 U.S.C. 78(c)) and BGF is an Investment Advisor in accordance with section 240.13d(b)(1)(ii)(E). Pursuant to disclosures in the Schedule 13 G, the shares reported are held by each investor in trust accounts for the economic benefit of the beneficiaries of those accounts.

Investor	Voting		Disposition	
	Sole Power	Shared Power	Sole Power	Shared Power
Barclays Global Investors, N.A. (BGI)	1,745,956	0	1,745,956	0
Barclays Global Fund Advisors (BGF)	1,012,513	0	1,012,513	0
Barclays Bank PLC (BBPLC)	149,600	0	149,600	0
<b>TOTAL</b>	<b>2,908,069</b>	<b>0</b>	<b>2,908,069</b>	<b>0</b>

In addition, BGI'S Schedule 13G identifies 294,197 shares beneficially owned by BGI over which it has no identified voting or disposition power.

(4) Includes information concerning Columbia Wanger Asset Management, L.P. ("WAM"), WAM Acquisition GP, Inc., the general partner of WAM ("WAM, GP") and Columbia Acorn Trust ("Acorn"). On February 13, 2004, WAM filed information on Schedule 13G with the Commission reporting investments as set forth below. WAM is an Investment Adviser registered under section 203 of the Investment Advisers Act of 1940; WAM GP is the General Partner of the Investment Adviser. Acorn is an Investment Company under section 8 of the Investment Company Act. Shares reported were acquired on behalf of discretionary clients of WAM, including Acorn. Persons other than WAM and WAM GP are entitled to receive all dividends from, and proceeds from the sale of, those shares. Acorn is the only such person known to be entitled to all dividends from, and all proceeds from the sale of shares reported to the extent of more than 5% of the class.

Investor	Voting		Disposition	
	Sole Power	Shared Power	Sole Power	Shared Power
Columbia Wanger Asset Management, L.P.	0	4,493,600	0	4,493,600
WAM Acquisition GP, Inc.	0	4,493,600	0	4,493,600
Columbia Acorn Trust	0	3,618,600	0	3,618,600

(5) Includes options to purchase 937,557 shares of Common Stock owned by Mr. Slingerlend and options to purchase 30,000 shares of Common Stock owned by Slingerlend Associates LLP. Also includes 42,997 shares of Common Stock held in a 401(k) account.

(6)

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Includes options to purchase 127,667 shares of Common Stock.

- (7) Includes options to purchase 131,358 shares of Common Stock. Also includes 1992 shares of Common Stock held in a 401(k) account.
- (8) Includes options to purchase 193,965 shares of Common Stock.
- (9) Includes options to purchase 69,167 shares of Common Stock.
- (10) Includes options to purchase 33,000, 41,000, 24,000, 24,000 and 10,000, shares of Common Stock for Messrs. Rutherford, McGill, Spira, Sissel and Cheesbrough, respectively.
- (11) Includes options to purchase 1,629,714 shares of Common Stock.

### COMPENSATION OF DIRECTORS

#### Compensation of Directors

All non-employee directors receive shares of CIBER Common Stock valued at approximately \$2,500 for each Board and Annual Meeting attended and are paid a \$6,000 semi-annual retainer. The Chairman of the Audit Committee of the Board receives twice this retainer amount due to the additional time needed to fulfill this responsibility. All directors are reimbursed for expenses incurred to attend meetings. Beginning August 2003, the retainer was increased to \$15,000 annually and a meeting fee of \$1,000 per committee meeting attended was implemented. Non-employee directors received stock options under the Non-Employee Directors' Stock Option Plan (the "Directors' Plan") for serving on the Board and will receive stock options under the CIBER, Inc. 2004 Incentive Plan provided the 2004 Incentive Plan is approved by the Company's stockholders at the April 27, 2004 Annual Meeting. Employee directors receive no additional compensation for serving on the Board.

The Directors' Plan was approved by the stockholders in 1994 and, as amended at the 2002 Annual Meeting, 300,000 shares of Common Stock are authorized for issuance under the Plan. The Plan was administered by the Board. Each option granted under the Directors' Plan vested in equal annual installments over two years and expires ten years from the date of grant. The Directors' Plan provided for an initial grant of options to purchase 20,000 shares of Common Stock to each non-employee director when that director takes office. In addition, after each year of service, each non-employee director received the grant of an option to purchase 5,000 shares of Common Stock; such options vest fully one year after the date of grant. If approved by the stockholders, the CIBER, Inc. 2004 Incentive Plan will provide the non-employee directors with benefits which are identical to those provided under the expired Directors' Plan for service on the Board. In addition, the 2004 Incentive Plan will authorize the Board, in its discretion, to adopt awards for director service on Board Committees. This provision was added in light of new requirements imposed by the Sarbanes-Oxley Act and the New York Stock Exchange which have increased the obligations of members of certain committees especially the audit committee.

#### Compensation Committee Interlocks and Insider Participation

There were no Compensation Committee Interlocks in 2003. The Compensation Committee of CIBER's Board of Directors currently consists of James C. Spira, Archibald J. McGill and George A. Sissel. None of these directors has ever been an officer or employee of CIBER. No current executive officer of CIBER has ever served as a member of the board of directors or compensation committee of any other entity that has or has had one or more executive officer's serving as a member of the Company's Board of Directors or Compensation Committee.

### EXECUTIVE COMPENSATION

The following table sets forth compensation information with respect to the Company's Chief Executive Officer and the Company's most highly paid executive officers with annual compensation in excess of \$100,000 (the "Named Executive Officers") for services rendered for the years ended December 31, 2003, 2002 and 2001. See "Employment Agreements".

#### Summary Compensation Table

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Name and Principal Position	Fiscal Year	Long-term Annual Compensation		Compensation	
		Salary (\$)	Bonus (\$)	Securities Underlying Options (#)	All Other Compensation \$(1)
Mac J. Slingerlend	2003	460,000	129,023	15,000	9,435
Chief Executive Officer, President & Secretary	2002	475,000	130,000	400,000	44,764(2)
	2001	425,000	252,330(3)	600,000	19,441(9)
Edward Longo	2003	450,000	177,750	20,000	5,421
Executive Vice President, Chief Operating Officer	2002(4)	302,885	80,000	200,000	1,816
	2001				
David G. Durham	2003	259,538	79,880(5)	15,000	8,371
Chief Financial Officer, Senior Vice President and Treasurer	2002	250,000	66,250	57,500	4,456
	2001	212,212	25,000	20,000	5,176
Joseph A. Mancuso	2003	355,400	95,125	23,000	16,916(6)
Senior Vice President, President Commercial Practice Custom Solutions Division	2002	340,385	77,188	70,000	17,315(2)
	2001	344,500	80,150	30,000	6,503
William R. Wheeler	2003	240,285	98,719	18,000	3,768
Senior Vice President, President, CIBER Enterprise Solutions Division	2002	240,285		40,000	5,379(2)
	2001(7)	236,965	498,700(8)	35,000	3,175

- (1) Consists of amounts contributed under the Company's 401(k) Savings Plan and amounts paid by the Company for life insurance benefits. Savings Plan contributions for the year-ended December 31, 2003, 2002 and 2001 were: Mr. Slingerlend \$3,000, \$3,000, and \$3,000; Mr. Durham \$3,000, \$3,000, and \$3,000; Mr. Longo \$3,000, \$734, and \$0; Mr. Mancuso \$3,000, \$3,000, and \$3,000; and Mr. Wheeler \$3,000, \$3,000, and \$0, respectively. Life insurance premiums paid for the years ended December 31, 2003, 2002, and 2001 were: Mr. Slingerlend \$6,435, \$5,230, and \$9,874; Mr. Longo \$2,421, \$1,082, and \$0; Mr. Durham \$1,456, \$1,456, and \$2,176; Mr. Mancuso \$1,893, \$1,758, and \$3,503; and Mr. Wheeler \$768, \$768, and \$175, respectively.
- (2) Includes imputed interest on loans outstanding during 2002 in amounts of \$36,534, \$12,557 and \$1,611 for Mr. Slingerlend, Mr. Mancuso and Mr. Wheeler, respectively.
- (3) Includes the value of a stock award under the Equity Incentive Plan of 30,000 shares to Mr. Slingerlend valued at \$184,500, the fair market value on the date of grant.
- (4) Mr. Longo joined the Company in May 2002, as a result of the acquisition of Decision Consultants, Inc. Prior to that time, Mr. Longo was not affiliated with the Company.
- (5) Includes the value of a stock award under the Equity Incentive Plan of 2,000 shares, valued at \$16,880, the fair market value on the date of grant.
- (6) In addition to amounts described in footnote 1, includes imputed interest on a loan outstanding during 2003 in the amount of \$10,142 for Mr. Mancuso.
- (7) Mr. Wheeler rejoined the Company from its subsidiary DigiTerra, Inc. in July 2001. Prior to July, Mr. Wheeler was employed by DigiTerra, Inc., a subsidiary of the Company. Amounts reflect compensation from DigiTerra for the six-month period from January to June 2001 and compensation from the Company from July to December 2001.

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(8) In addition to amounts described in footnote 1, includes the value of a stock award under the Equity Incentive Plan of 100,000 shares to Mr. Wheeler, valued at \$400,000, the fair market value on the date of grant.

(9) In addition to amounts described in footnote 1, includes imputed interest on a loan outstanding during 2001 in the amount of \$6,567 for Mr. Slingerlend.

**Option Grants in the Last Fiscal Year**

The following table sets forth information regarding options granted to the Named Executive Officers during the year-ended December 31, 2003.

Name	Number of Securities Underlying Options Granted (#)	Percent of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price (\$/Share)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term(1)	
					5%(\$)	10%(\$)
Mac J. Slingerlend(2)	15,000	.94%	\$ 6.00	05/29/13	56,601	143,437
Edward Longo(3)	20,000	1.25%	\$ 6.00	05/29/13	75,467	191,249
David G. Durham(4)	10,000	.63%	\$ 6.00	05/29/13	37,734	95,625
	5,000	.31%	\$ 8.44	12/10/13	26,539	67,256
Joseph A. Mancuso(5)	15,000	.94%	\$ 6.00	05/29/13	56,601	143,437
	8,000	.50%	\$ 8.44	12/10/13	42,463	107,609
William R. Wheeler(6)	10,000	.63%	\$ 6.00	05/29/13	37,734	95,625
	8,000	.50%	\$ 8.44	12/10/13	42,463	107,609

(1) Amounts reflect certain assumed rates of appreciation set forth in the Commission's executive compensation disclosure rules. Actual gains, if any, on stock option exercises will depend on the future performance of the Common Stock. No assurance can be made that the amounts reflected in these columns will be achieved.

(2) Options to purchase a total of 15,000 shares were granted to Mr. Slingerlend in 2003. The award on 5/29 vests in three equal annual installments commencing on the first anniversary of the date of grant.

(3) Options to purchase a total of 20,000 shares were granted to Mr. Longo in 2003. The award on 5/29 vests in three equal annual installments commencing on the first anniversary of the date of grant.

(4) Options to purchase a total of 15,000 shares were granted to Mr. Durham in 2003. The award dated 5/29 vests in three equal annual installments commencing on the first anniversary of the date of grant; the award on 12/10 vests in four equal annual installments commencing on the date of grant.

(5) Options to purchase a total of 23,000 shares were granted to Mr. Mancuso in 2003. The award dated 5/29 vests in three equal annual installments commencing on the first anniversary of the date of grant; the award on 12/10 vests in four equal annual installments commencing on the date of grant.

(6)



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Options to purchase a total of 18,000 shares were granted to Mr. Wheeler in 2003. The award dated 5/29 vests in three equal annual installments commencing on the first anniversary of the date of grant; the award on 12/10 vests in four equal annual installments commencing on the date of grant.

### Option Exercises in the Last Fiscal Year and Fiscal Year-End Option Values

The following table sets forth information concerning options exercised in 2003 and outstanding options held by the Named Executive Officers as of December 31, 2003. The ending market value was \$8.66.

Name	Shares Acquired On Exercise (#)	Value Realized (\$)	Number of Securities Underlying Unexercised Options at Fiscal Year-end (#) Exercisable/Unexercisable	Value of Unexercised In-The-Money Options at Fiscal Year-end (\$) Exercisable/Unexercisable
Mac J. Slingerlend			825,057 / 202,167	2,689,425 / 777,475
Edward Longo			77,667 / 142,333	172,372 / 277,828
David G. Durham			128,025 / 59,975	111,330 / 136,545
Joseph A. Mancuso	25,000	\$ 154,457	185,632 / 80,350	185,826 / 169,759
William R. Wheeler			69,167 / 47,167	158,905 / 136,705

### Employment Agreements

The Company has entered into employment agreements with each of the Named Executive Officers. Each officer's agreement has a term of one year and is renewable annually. Each employment agreement provides that an officer's compensation will include a base and a bonus. The base salary and bonus structure of the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and certain other senior management personnel are determined by the Compensation Committee of the Board of Directors. The base salary and bonus structure of the remaining officers are determined by the Chief Operating Officer, in consultation with the Chief Executive Officer. In the event that an officer's employment is terminated upon a change in control of the Company, upon death or disability of the officer or without cause, the officer will be entitled to a severance payment of up to three times his annual compensation, which varies based upon the cause of termination and officer position. Officers are also entitled to receive continuation of medical, dental and disability benefits for up to 18 months following termination, which varies based upon the officer's position. Mr. Mancuso received a loan from the Company in July 1999, the terms of which are described under "Certain Relationships and Related Transactions."

### Long-term Deferred Compensation Plan

On March 1, 1996, the Company entered into a Salary Continuation Retirement Plan with Mr. Slingerlend where it agreed to make certain post-employment payments to him or to his designated beneficiaries, except in the event of a termination for cause. The Plan was revised effective February 15, 2002, at the direction of the Compensation Committee, to align payments with the current cost of living and to delete outdated segments of the vesting table. The Plan provides that payments will be made for 15 years after Mr. Slingerlend's termination of employment with the Company, beginning at age 60, and will range from \$75,000 to \$125,000 per year, based on Mr. Slingerlend's age at the time of termination of employment.

## BOARD COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

### Compensation Policy

The Compensation Committee (the "Committee") of the Board consists of independent, non-employee directors. The purpose of the Committee is to develop policies and make specific recommendations with respect to the compensation of the Company's executive officers, with the objective that a fair relationship exists between executive pay and the creation of stockholder value. The Compensation Committee may also, from time to time, make recommendations concerning director compensation.

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Executive officer compensation has three components: salary, bonus (may be awarded as cash or equity in the form of stock grants) and equity. In determining the compensation of the executive officers, the Committee considers, among other things, performance of the Company's operations, compensation of executive officers of competitors, independent salary surveys of industry-related positions and the salary history of the particular officer, including other compensation in place and stock option awards. With respect to officers other than the Chief Executive Officer, the Committee also considers recommendations from the Chief Executive Officer. Utilizing the Company's business plan and anticipated performance in a number of areas, including the public markets, the Committee establishes maximum bonus incentives upon achievement of stated targets. However, there is no single objective formula by which compensation is determined and the decisions are ultimately subjective. The Committee also applies the following goals to the factors considered above: (1) option incentive awards for all employees should total approximately 8-12% of the total number of shares of Common Stock outstanding, and grants for any one year, excluding merger consideration, should total approximately 1-2% of the total number of shares of Common Stock outstanding, and (2) executive compensation should rank generally in the middle range of incomes of the executive officers of competitors.

### 2003 Compensation

The 2003 base salary for the Company's Chief Executive Officer, Mr. Slingerlend, was set at \$460,000. This was a \$15,000 decrease over the prior year. The internal analysis utilized by the Committee as a partial basis for establishing executive compensation in 2003 was compiled using information publicly available in the 2002 proxy statements of eight companies, including Keane, Inc., American Management Systems, MPS Group, Perot Systems, Maximus, and Bearing Point (formerly KPMG consulting). The Chief Executive Officer's salary ranked fifth among these companies. Bonus compensation resulted in the Chief Executive Officer's cash compensation package placing third among the surveyed companies. However, total base and bonus compensation ranked fifth among these companies.

While the Company believes that the precise compensation scheme established for its executive officers is sensitive, general criteria established by the Committee for the Chief Executive Officer included (1) a sliding percentage award from 0% to 60% for the achievement of specified financial targets; (2) a sliding percentage from 0% to 25% for successful business combinations reaching set financial objectives; and (3) a sliding subjective percentage from 0% to 15% for matters including corporate governance, leadership and strategy. The Chief Operating Officer and other Named Executive Officers have similar bonus structures, with the performance goals tailored specifically to their operational responsibilities.

Regarding bonus compensation for 2003, after considering the elements above, the Committee determined the maximum bonus compensation target for the Chief Executive Officer to be \$230,000, to be earned as follows: (1) a sliding percentage award from 0% to 60% for the achievement of set revenue and income targets; (2) a sliding percentage award from 0% to 25% for completion of successful business combinations that reach specified revenue goals; and (3) a sliding percentage from 0% to 15% for subjective achievements including leadership, cost cutting, brand building, strategy and any other factors deemed important to the Committee. The actual cash bonus earned by the Chief Executive Officer was \$116,438 as a result of achieving a percentage of the revenue goals, achieving the maximum target for business combinations and the subjective factors determined by the Committee.

The Chief Operating Officer, Mr. Longo, was given the opportunity to achieve a maximum bonus of \$150,000 based upon a the same scale as that of the CEO, but for U.S. operations only. The target goals for the Chief Financial Officer, Mr. Durham, were the same as the goals for the CEO, however, the maximum bonus earnable was \$105,000. The Chief Operating Officer and Chief Financial Officer earned bonuses of \$33,750 and \$51,750, respectively. Other named officers have bonus structures with performance goals tied specifically to the individual's operational responsibility.

Equity compensation, in the form of options to purchase the Company's Common Stock were awarded to reward officers' contributions to the Company, to indicate the Company's confidence in the recipients' value to the Company's future success, and with the intent of increasing the recipients' financial interest in the long term success of the Company. Such awards are generally made at such times during the year as the Committee, in its discretion, may deem appropriate. While industry comparisons are considered and the 1% to 2% guidelines are followed, determination of amounts granted are ultimately subjective.

In 2003, the Compensation Committee awarded Mr. Slingerlend options to purchase 15,000 shares of stock in May. The option award in May was based on the improved financial performance and expected performance of the Company. In May, option grants were also made to Messrs. Longo and Durham to purchase 20,000 shares and 10,000 shares, respectively, for the same reasons.

In December, options were granted to Mr. Durham in the amount of 5,000 shares, plus he received a grant of 2,000 shares of Company stock and a cash bonus of \$7,500. This award was specifically for extraordinary performance in helping the company close its recent debt financing.

The Company's Equity Incentive Plan expired on January 31, 2004. The Company intends to continue the equity component of executive compensation if the 2004 Incentive Plan described in Proposal 2 is approved by the stockholders.

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By the Compensation Committee:  
 Archibald J. McGill (Chairman)  
 James C. Spira  
 George A. Sissel

### Performance Graph

The following provides a comparison of the 5 year cumulative total return\* among CIBER, Inc., the S & P 500 Index, and a self-constructed Peer Group.

The Company utilizes a self-constructed Peer Group to better align itself with industry competition.

\*\$100 invested on 6/30/97 in stock or index, including reinvestment of dividends. Fiscal year ending December 31.

Peer Group includes: Accenture Ltd. Bermuda, American Management Systems, Inc., BearingPoint, Inc. (fka KPMG Consulting, Inc.) and Keane, Inc.

Corresponding Index Value and Common Stock Price Values are given below:

	Cumulative Total Return							
	6/97	6/98	6/99	12/99	12/00	12/01	12/02	12/03
CIBER, INC.	100.00	222.30	111.88	160.88	28.52	55.28	30.13	50.66
S&P 500	100.00	130.16	159.78	172.10	156.43	137.84	107.37	138.17
PEER GROUP	100.00	174.54	100.03	121.82	51.28	68.35	44.38	64.94
CIBER, Inc. Closing Stock Price	\$ 17.09	\$ 38.00	\$ 19.13	\$ 27.50	\$ 4.88	\$ 9.45	\$ 5.15	\$ 8.66

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[www.researchdatagroup.com/S&P.htm](http://www.researchdatagroup.com/S&P.htm)

Graph produced by Research Data Group, Inc.

**PROPOSAL No. 2 Approval of CIBER, INC. 2004 INCENTIVE PLAN**

**TO ADOPT THE CIBER, INC. 2004 INCENTIVE PLAN (THE "2004 PLAN") TO REPLACE (1) THE CIBER, INC. EQUITY INCENTIVE PLAN, WHICH EXPIRED ON JANUARY 31, 2004; (2) THE CIBER, INC. NON-EMPLOYEE DIRECTOR STOCK OPTION PLAN, WHICH EXPIRED ON JANUARY 31, 2004, AND (3) THE NON-EMPLOYEE DIRECTOR STOCK COMPENSATION PLAN. AND, AS PART OF THIS PROPOSAL, TO AUTHORIZE 5,000,000 SHARES OF COMMON STOCK FOR ISSUANCE UNDER THE PLAN.**

**Background.** In 1994 the stockholders approved an Equity Incentive Plan and a Non-Employee Director Stock Option Plan that provided for option grants to employees and directors, respectively. Both of these plans expired on January 31, 2004. In order to enable the Company to continue its historic practice of providing long-term incentives to officers, directors, employees and consultants, the Board is requesting approval of the proposed 2004 Plan.

**Description of Proposal No. 2.** Proposal No. 2, which has been recommended by the Board for your consideration, asks you to approve the 2004 Plan. The 2004 Plan is designed to provide long-term incentives to officers, directors, employees and consultants to enhance the ability of the Company to attract, retain and motivate qualified officers, directors, employees and consultants by providing an opportunity for investment in the Company. The 2004 Plan will replace (1) the CIBER, Inc. Equity Incentive Plan, which expired on January 31, 2004; (2) the CIBER, Inc. Non-Employee Director Stock Option Plan, which expired on January 31, 2004; and (3) the Non-Employee Director Stock Compensation Plan, which has no expiration date. 5,000,000 shares of Common Stock will be reserved for issuance under the 2004 Plan. If you cast your proxy AGAINST the proposal, the Company will no longer be able to offer this award incentive to employees because the Company's Equity Incentive Plan and Non-Employee Director Stock Option Plan have expired.

The following is a summary description of the 2004 Plan. The following summary is qualified in its entirety by reference to the 2004 Plan, a copy of which is attached as Appendix B to the electronic copy of this Proxy Statement filed with the SEC and may be accessed from the SEC's homepage ([www.sec.gov](http://www.sec.gov)). In addition, a copy of the 2004 Plan may be obtained from the Secretary of the Company.

**SUMMARY DESCRIPTION OF THE 2004 PLAN**

**Purpose.** The purpose of the 2004 Plan is to attract, motivate and retain employees and directors by issuing Common Stock based incentives, primarily stock options, to directors and to officers, employees and consultants who are selected for participation. By relating incentive compensation to increases in stockholder value, it is hoped that these individuals will both continue in the long-term service of the Company and be motivated to experience a heightened interest and participate in the future success of Company operations. The 2004 Plan is designed so that the interests of individuals selected to receive the award will be more closely aligned with that of the Company's stockholders.

**Participation.** Participants in the Plan shall be those eligible employees, part-time employees or consultants who, in the judgment of the Committee are performing, or during the term of their incentive arrangement, will perform important services in the management, operation and development of the Company, and are expected to significantly contribute to long term corporate economic objectives. The 2004 Plan is administered by the Board or the Compensation Committee of the Board. Subject to the terms of the 2004 Plan, the Compensation Committee determines the persons to whom awards are granted, the type of award granted, the number of shares granted, the vesting schedule, the type of consideration to be paid to the Company upon exercise of options and the term of any option (which cannot exceed ten years). No single participant may be granted an award in excess of 1,000,000 shares in a twelve-month period. The Compensation Committee may delegate to officers the power to make these determinations, except with respect to grants to executive officers and directors. Under the 2004 Plan, the Compensation Committee may grant awards of stock options, restricted stock and performance awards or any combination thereof.

**Options.** Under the 2004 Plan, the Compensation Committee may grant both incentive stock options ("ISOs") intended to qualify under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), and options that are not qualified as incentive stock options ("NSOs"). ISOs may only be granted to persons who are employees of the Company. ISOs may not be granted under the 2004 Plan at an exercise price of less than the fair market value of the Common Stock on the date of grant and the term of these options cannot exceed ten years. The exercise price of an ISO granted to a holder of more than 10% of the Common Stock must be at least 110% of the fair market value of the Common Stock on the date of grant, and the term of these options cannot exceed five years. No more than 4,500,000 shares are available for grant as ISOs. Incentive stock options granted pursuant to the 2004 Plan may not be exercised more than three months after the option holder ceases to be an employee of the Company, except that in the event of the death, disability, or retirement of the option holder, the option may be exercised by the holder (or his estate, as the case may be), for a period of up to one year after the date of death, disability or retirement. The exercise price of NSOs may, at the discretion of the Compensation Committee, be granted at less than the fair market value of the Common Stock on the date of grant. No options under the 2004 Plan may be granted after April 27, 2014. The exercise price may be paid in cash, in shares of common stock (valued at fair market value at the date of exercise), by delivery of a notice of exercise, accompanied by instructions to a broker to deliver proceeds of sale of stock, or of a loan from the broker, sufficient to pay the exercise price, or by a combination of such means of payment, as may be determined by the Compensation Committee. The Company may guarantee a third-party loan, or make a loan, to a

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participant that is not an officer or director if all or part of the exercise price of such loan is secured by the stock underlying the option and the loan bears a market interest rate. The Compensation Committee is authorized to reprice outstanding options, and to change vesting schedules and exercise periods in its discretion.

**Performance Awards.** Under the performance award component of the 2004 Plan, participants may be granted an award denominated in shares of Common Stock or in dollars. Achievement of the performance targets, or multiple performance targets established by the Compensation Committee relating to corporate, group, unit or individual performance based upon standards set by the Compensation Committee shall entitle the participant to payment at the full amount specified with respect to the award, subject to adjustment at the discretion of the Compensation Committee in the event of performance exceeding the minimum performance target, but below the maximum performance target applicable to such award. Payment may be made in cash, Common Stock or any combination thereof, as determined by the Compensation Committee, and shall be adjusted in the event the participant ceases to be an employee of the Company before the end of a performance cycle by reason of death, disability or retirement.

**Stock Awards.** Under the stock component of the 2004 Plan, the Compensation Committee may, in selected cases, grant to a plan participant a given number of shares of restricted stock or unrestricted stock. Restricted stock under the 2004 Plan is Common Stock restricted as to sale pending fulfillment of such vesting schedule and employment requirements as the Compensation Committee shall determine. Prior to the lifting of the restrictions, the participant will nevertheless be entitled to receive distributions in liquidation and dividends on, and to vote the shares of, the restricted stock. The 2004 Plan provides for forfeiture of restricted stock for breach of conditions of grant.

**162(m) Awards.** Generally the Company cannot deduct compensation paid to the named executive officers in excess of \$1,000,000. An exemption is available for "qualified performance based" compensation that satisfies the requirements of Section 162(m) of the Internal Revenue Code. The 2004 Plan permits the Compensation Committee to establish awards which qualify for the exemption. In order to qualify, an award must be based on the achievement of one or more objective performance goals selected by the Compensation Committee which shall be based on one or any combination of the following: specified levels of earnings per share from continuing operations, operating income, revenues, gross margin, return on operating assets, return on equity, economic value added, stock price appreciation, total stockholder return (measured in terms of stock price appreciation and dividend growth), or cost control, of the Company, an affiliate, or a division in which the participant is primarily employed. The Compensation Committee may not adjust such an award upwards, nor may it waive the achievement of goals except in the case of death or disability of the participant. Options which are intended to qualify under Section 162(m) must be granted at not less than the fair market value of the Common Stock on the date the option is granted.

**Non-Employee Director Formula Awards.** The 2004 Plan also implements a formula stock plan for non-employee directors. Under the formula plan, each non-employee director will receive a non-statutory option to purchase 20,000 shares of Common Stock upon election to the board, and an option to purchase 5,000 shares of Common Stock on each anniversary of election to the board. Anniversary options will be exercisable one year from grant, and initial option grants will vest in equal annual increments over a two-year period. All options will have an exercise price equal to the fair market value at date of grant and will expire ten years from the date of grant.

The 2004 Plan further provides for a grant of the number of shares worth \$2,500 to each director for each Board meeting attended. The shares will be valued at fair market value on the date of the meeting.

**Adjustments.** The 2004 Plan provides that the total number of shares covered by such 2004 Plan, the number of shares covered by each award and the exercise price per share may be proportionately adjusted by the Compensation Committee in the event of a stock split, reverse stock split, stock dividend or similar capital adjustment effected without receipt of consideration by the Company. Upon a merger or sale of substantially all assets of the Company, the Compensation Committee will have the power and discretion to prescribe the terms for exercise or modification of outstanding awards under the 2004 Plan. In addition, upon a change of control, the Compensation Committee is authorized to make adjustments in outstanding stock options and awards, including acceleration of exercise dates and vesting schedules, granting cash bonuses to option holders equal to the exercise price, making cash payments to holders equal to the difference between the fair market value and the exercise price of options, and elimination of restrictions on vesting of restricted stock or performance shares.

**Comparison of 2004 Plan to Expired Plans.** The provisions of the 2004 Plan are substantially similar to the provisions of the expired Equity Incentive Plan, expired Non-Employee Director Stock Option Plan, and the Non-Employee Director Stock Compensation Plan. Most of the changes are a result of combining these three plans into one document. The 2004 Plan varies from the expired Plans as follows:

Definitions were added for clarification purposes and because the non-employee director awards are included under the 2004 Incentive Plan.

In order to address requirements adopted by the Sarbanes-Oxley Act, a definition of "Executive Officer" was added and provisions were added to clarify that the Company may not make or guaranty loans to Executive Officers to exercise options.

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A section was added permitting the Compensation Committee to delegate authority to the CEO to make grants to employees who are not Executive Officers or Directors.

Certain provisions related to option awards and exercise procedures were modified to match the plan to the practice under the Company's arrangement with E-trade.

Certain sections which were repetitive were consolidated into one section.

Revisions were made to ensure that the plan complies with Internal Revenue Code requirements for ISO's and for awards intended to qualify for a Company tax deduction under Section 162(m) of the Internal Revenue Code.

Minor revisions were made in several sections to make the language more clear. In particular the repricing provision was revised. Repricing was permitted by the expired Equity Incentive Plan and is still permitted under the 2004 Plan. The 2004 Plan also clarified that unrestricted stock awards are permitted, as well as restricted stock awards.

A provision was added to give the Compensation Committee greater flexibility in the event of a spin-off. The expired plan locked the Company into a method for dealing with Awards which was difficult to administer and created adverse tax consequences for both the Company and the spun-off company.

The provision giving Award recipients rights pro rata with any subscription rights granted to existing Stockholders was deleted.

One provision was amended to eliminate a potential conflict between the standard option grant form definition of "cause" for termination and a written employee contract which might have a different definition of cause.

The provisions of the Non-Employee Directors' Stock Option Plan and the Non-Employee Directors' Stock Compensation Plan were incorporated into the 2004 Plan without change. In addition a new provision was added authorizing the Board to adopt awards for director service on Board committees. The Board may also vary the size of the committee awards based on the committee and the responsibility a director has on the committee. In light of new requirements imposed by the Sarbanes-Oxley Act and the New York Stock Exchange, members of certain committees especially the Audit Committee have more obligations and more meetings to attend than previously. This provision gives the Board the flexibility to adopt awards to compensate directors who have additional responsibilities, if it so desires. No such awards have been adopted subject to approval of the 2004 Plan.

The following table sets forth information as of December 31, 2003, with respect to the Company's equity compensation plans:

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	7,578,806	\$ 8.08	3,693,765(1)

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans not approved by security holders	8,586(2) \$	58.24	16,610(3)
<b>Total</b>	<b>7,587,392</b>	<b>\$ 8.14</b>	<b>3,710,375</b>

- (1) Includes 2,466,829 shares remaining available for future grants at December 31, 2003 under out stock option plans plus 1,226,936 shares available for future sale to employees under our Employee Stock Purchase Plan. Our stock option plans expired on January 31, 2004, and thus effective February 1, 2004, no shares are available for future stock option issuances.
- (2) Represents warrants for 8,586 shares of our common stock issued in connection with our acquisition of Aris in 2001 as replacement of previously issued Aris warrants. These warrants are exercisable at an average exercise price of \$58.24 and expire in October 2004.
- (3) Represents 16,610 shares available for issuance under the Non-Employee Directors' Stock Compensation Plan.

The Compensation Committee may amend or discontinue the 2004 Plan at any time, provided that no such amendment may become effective without approval of the stockholders if stockholder approval is necessary to satisfy statutory or regulatory requirements or if the Compensation Committee, on advice of counsel, determines that stockholder approval is otherwise necessary or desirable, in particular, if the amendment will increase the cost of the 2004 Plan to the Company. No amendment or discontinuance shall adversely affect the rights and obligations with respect to outstanding awards under the 2004 Plan without the consent of award holders.

**New Plan Benefits  
CIBER, Inc. 2004 Incentive Plan**

Position	Dollar Value (\$)	Number of Units
Executive Group		(2)
Non-Executive Director Group (6 persons)	\$ 15,000	1,464(3)
	\$ 307,500(1)	30,000
Non-Executive Officer		(2)
Employee Group		(2)

- (1) Dollar value will be determined based on the fair market value on the date of grant. If the grant had been made as of March 8, 2004, when the closing stock price was \$10.25, the fair market value would be as described.
- (2) If the proposed amendment is approved, the shares authorized for the 2004 Plan will be used for future grants. No awards have been proposed or are determinable at this time other than the formula grants for directors specified in the 2004 Plan.

- (3) States the number of shares issuable to the non-executive directors at the Annual Meeting assuming the stock price on that date is \$10.25 per share which is the closing price on March 8, 2004.

### **Federal Income Tax Consequences of the Equity Incentive Plan**

The following is a general summary of the federal income tax consequences that may apply to recipients of options, stock, performance shares and performance units under the 2004 Plan. Because the application of the tax laws may vary according to individual circumstances, a participant should seek professional tax advice concerning the tax consequences to him or her of participation in the 2004 Plan including the potential application and effect of state, local and foreign tax laws and estate and gift tax considerations.

*Incentive Stock Options.* A participant who is granted an ISO recognizes no taxable income when the ISO is granted and generally recognizes no taxable income upon exercise of the ISO unless the alternative minimum tax applies (see below). A participant who exercises an ISO recognizes taxable gain or loss when he sells the shares purchased pursuant to the ISO. Any gain or loss recognized on the sale of shares acquired upon exercise of an ISO is taxed as capital gain or loss if the shares have been held for more than one year from the date the option was exercised and for more than two years after the option was granted. In this event, the Company receives no deduction with respect to the ISO shares. If the participant disposes of the shares before the required holding periods have elapsed (a "disqualifying disposition"), the participant recognizes ordinary income on disposition of the shares, to the extent of the difference between the fair market value on the date of exercise (or potentially up to six months thereafter if the optionee is subject to Section 16(b) of the Securities Exchange Act of 1934 (the "Act") as a director, officer or greater than 10% stockholder) and the option price, but, in the case of a disposition in which a loss (if sustained) would be recognized, not exceeding the net gain upon such disposition. The Company generally receives a corresponding deduction in the year of the disqualifying disposition equal to the amount of ordinary income recognized by the optionee. Long-term capital gain is taxed at a more favorable rate than ordinary income, but the deduction of capital losses is subject to limitation.

*Effect of Alternative Minimum Tax.* Certain taxpayers who have significant tax preferences (and other items allowed favorable treatment for regular tax purposes) may be subject to the alternative minimum tax ("AMT"). The AMT is payable only if and to the extent that it exceeds the taxpayer's regular tax liability, and AMT paid generally may be credited against subsequent regular tax liability. For purposes of the AMT, an incentive stock option is treated as if it were a non-statutory option (see below). Thus, the difference between fair market value on the date of exercise (or potentially up to six months thereafter if the optionee is subject to Section 16(b) of the Act) and the option price is included in income for AMT purposes, and the taxpayer receives a basis equal to such fair market value for subsequent AMT purposes. However, regular tax treatment (see above) will apply for AMT purposes if a disqualifying disposition occurs in the same taxable year as the options are exercised.

*Non-Statutory Stock Options.* The tax treatment of NSOs differs significantly from the tax treatment of ISOs. Similar to an ISO, no taxable income is recognized when an NSO is granted. However, upon the exercise of an NSO, the difference between the fair market value of the shares on the date of exercise and the exercise price of the option is taxable as ordinary compensation income to the recipient. In addition, subject to certain limitations attributable to payments of excess compensation, the Company is entitled to a compensation deduction for the amount of ordinary income recognized by the option holder. If the optionee is subject to Section 16(b) of the Act, the date for measuring taxable income potentially may be deferred for up to six months (unless the employee makes an election under Section 83(b) of the Internal Revenue Code within 30 days after the exercise date).

*Stock, Restricted Stock and Performance Shares.* Grantees of unrestricted Stock Awards generally will recognize taxable income in an amount equal to the fair market value of the stock at the time of the grant (or potentially up to six months thereafter if the grantee is subject to Section 16(b) of the Act) less the amount, if any, paid for the stock. Grantees of Restricted Stock Awards and Performance Shares generally do not recognize income at the time of the grant of such Awards. However, when shares of Restricted Stock are no longer subject to a substantial risk of forfeiture or when Performance Shares are paid (or, in either case, potentially up to six months thereafter if the grantee is subject to Section 16(b) of the Act), grantees recognize ordinary income in an amount equal to the fair market value of the stock less, in the case of Restricted Stock, the amount, if any, paid for the stock. Alternatively, the grantee of Restricted Stock may elect, under Section 83(b) of the Internal Revenue Code of 1986, as amended, to recognize income upon the grant of the stock and not at the time the restriction lapses, provided this election is properly made within 30 days after the grant. The Company is entitled to deduct an amount equal to the fair market value of the stock at the time the grantee recognizes income related to the grant.

*Withholding.* The Company may withhold any taxes required by any law or regulation of any governmental authority, whether federal, state or local, in connection with any stock option or other award under the Equity Incentive Plan, including, but not limited to withholding of any portion of any payment or withholding from other compensation payable to the participant, unless such person reimburses the Company for such amount.

*Implementation.* If the proposed 2004 Incentive Plan is approved by the stockholders, it will become effective immediately.

Approval of the 2004 Plan will require the affirmative vote of a majority of the shares of Common Stock of the Company represented in person or by Proxy at the Meeting and entitled to vote on the subject matter.



**THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" APPROVAL OF PROPOSAL NO. 2**

**PROPOSAL No. 3 AMENDMENT OF THE EMPLOYEE STOCK PURCHASE PLAN  
TO INCREASE THE NUMBER OF SHARES OF COMMON STOCK AUTHORIZED  
FOR ISSUANCE UNDER THE PLAN BY 2,000,000 SHARES**

**Background.** The Employee Stock Purchase Plan (the "ESP Plan") was adopted by the Board of Directors in September 1994 and approved by the stockholders in October 1994. The ESP Plan was amended and restated effective February 11, 1998 and subsequently amended effective October 7, 1998, May 10, 2001, and February 19, 2002. A total of 6,750,000 shares of Common stock has been reserved for issuance under the ESP Plan. On February 18, 2004, the Board of Directors approved an amendment to increase the number of shares reserved for issuance under the ESP Plan by an additional 2,000,000 shares, subject to approval of the Company's stockholders at the Meeting. The request to increase the number of shares authorized under the ESP Plan at the 2004 Meeting is in response to depletion of the Plan's authorized shares due to increasingly high employee participation.

**Description of Proposal No. 3.** Proposal No. 3, which has been recommended by the Board for your consideration, asks you to approve an increase in the number of shares authorized for issuance under the terms of the ESP Plan by 2,000,000 shares. The current authorization is 6,750,000 shares. If you cast your Proxy FOR the proposal, you will authorize the Company to raise the maximum number of shares it may issue to employees enrolled in the ESP Plan to 8,750,000. If you cast your Proxy AGAINST the proposal, the Company will no longer be able to offer this benefit to employees because the ESP Plan will run out of authorized shares. Plans in the nature of the ESP Plan have become a standard benefit and part of an overall package offered by the Company to recruit and retain quality employees.

**TEXT OF PROPOSED AMENDMENT TO CIBER'S ESP PLAN**

Section V. of the Plan, as amended and restated as of February 18, 2004, shall be deleted in its entirety and replaced with the following:

V.

*Stock Subject to Plan*

*(a) Common Stock. The stock which is purchasable by Participants shall be the authorized but unissued or reacquired common stock, par value \$.01 per share (the "Common Stock"). In order to have shares available for sale under the Plan, the Company may repurchase shares of Common Stock on the open market, issue authorized but unissued stock or otherwise. The maximum number of shares which may be sold to employees during any single purchase period shall be established by the Plan Administrator prior to the beginning of the purchase period; provided however, that the total number of shares which may be sold to employees throughout the entire duration of the Plan shall not exceed 8,750,000 shares.*

The following is a summary description of the Employee Stock Purchase Plan. The following summary is qualified in its entirety by reference to the Employee Stock Purchase Plan, a copy of which is attached as Appendix C to the electronic copy of this Proxy Statement filed with the SEC and may be accessed from the SEC's homepage ([www.sec.gov](http://www.sec.gov)). In addition, a copy of the Employee Stock Purchase Plan may be obtained from the Secretary of the Company.

**SUMMARY DESCRIPTION OF THE ESP PLAN**

**Purpose.** The purpose of the ESP Plan is to provide employees of the Company with an opportunity to acquire a proprietary interest in the Company through their participation in a tax-qualified plan and to purchase Common Stock of the Company through payroll deductions. The ESP Plan provides for one offering during each three-month period. The purchase price per share is the lower of 85% of the fair market value of a share of Common Stock (the closing price on the New York Stock Exchange) on the first date of an offering period or on the last date of the offering period. The three-month offering periods commence on January 1, April 1, July 1 and October 1 of each year. The first offering period commenced on January 1, 1995. The Board of Directors has the power to alter the offering periods without stockholder approval.

**Participation.** Except as otherwise provided, every employee of the Company who, on the commencement date of each offering period is employed by the Company on a basis which customarily requires not less than 20 hours of service per calendar week, is eligible to participate in the ESP Plan and can elect to participate by delivering to the Plan Administrator an enrollment form (including a purchase agreement authorizing payroll deductions) prior to the applicable offering date (the "Participant"). The purchase price of the shares is accumulated by payroll deductions over the offering period. The deductions cannot exceed ten percent (10%) or be less than one percent (1%), or such other rates as determined from time to time by the Plan Administrator, of a Participant's compensation. A Participant may discontinue participation during an offering period, but a Participant may not increase or decrease the rate of payroll deductions in the ESP Plan during the offering

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period. Unless an employee's participation is discontinued by delivery of a notice of withdrawal prior to the end of an applicable offering period, the purchase of shares occurs automatically at the end of the offering period at the applicable price. A Participant's withdrawal from an offering does not have any effect upon such participant's eligibility to participate in subsequent offerings under the ESP Plan.

The number of shares to be purchased by individual Participants under the ESP Plan is a function of Participant elections and the market price of the Company's Common Stock, and therefore is not determinable.

Notwithstanding the foregoing, no employee is permitted to subscribe for shares under the ESP Plan if, immediately after the grant of the right to purchase shares, the employee would own stock (including options) possessing five percent (5%) or more of the total voting power or value of all classes of stock of the Company or of any Affiliated Corporation (as defined in the ESP Plan), or if the grant of such right would permit the employee to buy pursuant to the ESP Plan stock valued at more than \$25,000 for any calendar year.

**Termination of Employment.** If a Participant ceases to be an employee of the Company for any reason, including retirement or death during the purchase period, the Participant or Participants shall receive a cash refund of all payroll deductions made on behalf of the Participant during the offering period including any dollars carried over from the prior quarter, if any, through the date of the Participant's cessation of employment.

**Non-assignability.** No rights or accumulated payroll deductions of an employee under the ESP Plan may be assigned or transferred for any reason other than by will or by the laws of descent and distribution.

**Amendment.** The Board of Directors has authority to amend or terminate the ESP Plan without stockholder approval; providing, however, that no amendment may be made to the ESP Plan without the approval of the stockholders of the Company if such amendment would increase the number of shares reserved under the ESP Plan, extend the term of the ESP Plan, alter the per share price formula so as to reduce the purchase price per share specified in the ESP Plan, materially modify the eligibility requirements, or materially increase the benefits which may accrue to Participants under the ESP Plan.

**Tax Information.** The ESP Plan, and the right of the Participant to make purchases thereunder, is intended to qualify under the provisions of Section 423 of the Internal Revenue Code of 1986. Amounts deducted from a Participant's paychecks in order to purchase shares under the Plan are taxable as ordinary compensation income. The purchase of shares under the Plan, however, is not itself a taxable event even though the Participant pays less than market price for the shares (i.e., the "compensation" consisting of the difference between the market price and the purchase price the discount is not taxable at the time of purchase).

### *Sales of Shares Purchased Under the ESP Plan and Held For More Than Two Years After Date of Grant:*

If the Participant sells shares purchased under the ESP Plan more than two years after the beginning of the purchase period during which he or she purchased the shares under the ESP Plan: (i) any gain up to the amount of the 15% discount from market price on the first day of the purchase period will be taxable as ordinary income, and any further gain will be taxable as long term capital gain; and (ii) any loss will be treated as a long-term capital loss.

### *Sales of Shares Purchased Under the ESP Plan and Held Two Years or Less After Date of Grant:*

If the Participant sells shares within two years after the beginning of the purchase period during which he or she purchased shares under the ESP Plan: (i) the difference between the purchase price and the value of the stock on the date of the purchase will be taxable as ordinary income in the year of sale (regardless of the market price of the shares at the time of sale), and any gain above this amount will be taxable as a capital gain (short-term or long-term, depending upon how long he or she held the stock); and (ii) any loss, after inclusion in the Participant's tax basis of the amount treated as ordinary income pursuant to (i) above, will be treated as a capital loss (short-term or long-term).

The foregoing is only a summary of the effect of federal income taxation upon the Participant and the Company with respect to the shares purchased under the ESP Plan. Participants should consult with an advisor for more complete information regarding tax consequences of the individual's participation in the ESP Plan.

Approval of the amendment to the ESP Plan will require the affirmative vote of a majority of the shares of Common Stock of the Company represented in person or by Proxy at the Meeting and entitled to vote on the subject matter.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" PROPOSAL NO. 3**

**INDEPENDENT PUBLIC ACCOUNTANTS**

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Representatives of KPMG LLP ("KPMG"), the principal accountant selected for the most recently completed fiscal year, are expected to attend the Annual Meeting. Representatives of KPMG will have an opportunity to make a statement if they desire to do so and will make themselves available to respond to appropriate questions.

**Fees.** Set forth below is a summary of the fees billed to the Company by its principal accountant and independent auditor for each of the last two fiscal years, for the categories herein defined:

*Audit Fees.* The aggregate fees billed in each of the last two fiscal years for professional services rendered by KPMG for audit of the Company's annual financial statements included in the Company's Form 10-K, review of the Company's quarterly financial statements included in the Company's Form 10-Q, statutory audits required internationally, comfort letters, consents and accounting consultations and other such services that generally only our independent accountant can provide.

*Audit-Related Fees.* The aggregate fees billed in each of the last two fiscal years for professional services rendered by KPMG for acquisition due diligence internal control review, employee benefit plan audits, and certain attestation services not required by statute traditionally performed by independent accountants.

*Tax Fees.* The aggregate fees billed in each of the last two fiscal years for professional services rendered by KPMG for tax compliance, tax advice and tax planning. The nature of the tax compliance services provided in this category includes preparation of tax returns and refund claims. Tax planning services include assistance with tax audits and appeals, advice with respect to mergers, acquisitions and dispositions or other technical advice.

*All Other Fees.* The aggregate fees billed in each of the last two fiscal years for products and services provided by KPMG, other than the services reported above. The nature of the services provided in this category includes advice with respect to governmental reporting relating to European restructuring.

Year	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees	% Services Pre-Approved
2003	\$ 656,818	\$ 83,285	\$ 388,709	\$ 86,820	100%(2)
2002	\$ 208,616	\$ 20,000	\$ 254,751	\$ 8,864	NA

**Independence of the Company's Principal Accountant.** The Audit Committee has considered the issue of the independence of the Company's principal accountant and concluded that the provision of services by KPMG LLP in 2003 is consistent with maintaining the principal accountant's independence.

**Change in the Company's Principal Accountant.** On March 10, 2004, the Audit Committee of the Board of Directors of the Company notified KPMG that they would not be retained for 2004 as the independent accountant for the Company and its subsidiaries. The Audit Committee has retained Ernst & Young LLP as the Company's independent accountant to review the Company's financial statements beginning with the fiscal quarter ended March 31, 2004 and to audit the financial statements for the year end December 31, 2004. Ernst & Young LLP accepted such retention March 12, 2004. Ernst & Young is expected to attend the Annual Meeting. They will have the opportunity to make a statement if they desire to do so and will make themselves available to respond to appropriate questions.

(2) All fees paid to the Company's auditor during 2003 for engagements commencing after May 6, 2003, the effective date of the pre-approval requirements of 17 CFR 210.1-01(c)(7)(i)(C) were pre-approved by the Audit Committee.

The reports of KPMG on the Company's financial statements as of and for the years ended December 31, 2003 and 2002 did not contain any adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles. In connection with the audits of financial statements as of and for the years ended December 31, 2003 and 2002, and through March 10, 2004, there were no (i) disagreements between the Company and KPMG on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which disagreements, if not resolved to the satisfaction of KPMG, would have caused KPMG to make reference to the matter of the disagreement in their report on the financial statements for such years; or (ii) reportable events involving KPMG that would have required disclosure under Item 304(a)(1)(v) of Regulation S-K.

During the years ended December 31, 2003 and 2002, and through the date of this letter, neither the Company nor anyone acting on its behalf consulted Ernst & Young regarding (1) either the application of accounting principles to a specific transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's consolidated financial statements or (2) any matter that was either the subject of a disagreement with KPMG on accounting principles or practices, financial statement disclosure, or auditing scope or

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procedures, or (3) any matter that was either the subject of a disagreement as defined in Item 304(a)(1)(iv) of Regulation S-K or a reportable event as defined in Item 304(a)(1)(v) of Regulation S-K.

### **Audit Committee Pre-Approval Policy.**

The Audit Committee has established pre-approval policies and procedures in compliance with 17 CFR 210.2-01(c)(7)(i) which include criteria for considering whether the provision of the services would be compatible with maintaining the auditor's independence and a process by which the Chair of the Audit Committee may approve such audit and non-audit services with subsequent review of all pre-approved services with the full Audit Committee.

### **ANNUAL REPORT TO STOCKHOLDERS, MANAGEMENT'S DISCUSSION AND ANALYSIS AND AUDITED FINANCIAL STATEMENTS**

The Company's 2003 Annual Report to Stockholders is being mailed to the stockholders with this Proxy Statement. The 2003 Annual Report to Stockholders should not be considered part of the soliciting material.

Management's Discussion and Analysis of Financial Condition and Results of Operations and the Company's audited consolidated financial statements and notes thereto, as contained in the Company's Annual Report on Form 10-K for the year-ended December 31, 2003, are included herein on pages F-1 through F-48. The Company's Annual Report on Form 10-K was filed with the Securities and Exchange Commission on March 10, 2004.

### **ELECTRONIC ACCESS TO SEC REPORTS ON THE COMPANY WEBSITE And ELECTRONIC DELIVERY OF 2004 PROXY STATEMENT**

**Available Information.** Our internet website is <http://www.ciber.com> and you may access free of charge, through the Investor Relations portion of our web site our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to such reports filed or furnished to the Securities and Exchange Commission pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended. Reports filed or furnished to the Commission will be provided by linking directly to Company information contained on the Commission's EDGAR website, and will be available as soon as electronically filed and posted. Our website will also provide current corporate governance documents such as the Audit, Compensation and Nominating/Corporate Governance Committee Charters, the Code of Business Conduct and Ethics and Equity Compensation Plans, as such documents may be adopted or amended from time to time by the Board of Directors or by Stockholders.

**Alternative Delivery of 2004 Proxy Materials.** Did you know that it costs the Company approximately \$5.00 per stockholder to print and mail the Annual Report, Proxy Statement and Proxy voting materials? Did you know that you can help the Company reduce these costs while also being environmentally responsible? If you are interested, there are two ways you can help.

Consent to "Householding." Delaware law provides that notice to stockholders is deemed effective if given by a single written notice to stockholders who share an address, if consented to by the stockholders at that address to whom such notice is given. It is also permitted that the Company, at its option, may give written notice of its intent to send the single notice discussed above. Stockholders who fail to object in writing to the Corporation within 60 days of having been given written notice shall be deemed to have consented to receiving single written notice. Individual proxies will be included in the single package for each stockholder. Consent is revocable at any time by written notice to the Corporation. The Company has begun the notification process to take advantage of this single written notice provision. We appreciate your favorable consideration of this notification method, which will not only reduce our printing and mailing expenses but also reduce the number of Proxy solicitations that arrive at your home.

Request e-mail delivery of your 2004 Proxy Materials. You can enjoy the benefits and convenience of electronic delivery of the Annual Report, Proxy Statement and online Proxy voting and more. To learn about the service and to enroll for on-line delivery, just log on to <http://www.ciber.com> and select "Investors," which will take you to CIBER's Investor Relations web page. Click on "electronic delivery enrollment" to read a description of the service and find a direct link to the enrollment page. We invite you to take advantage of this economical and environmentally friendly method of receiving stockholder materials.

By order of the Board of Directors,

Bobby G. Stevenson  
 Chairman of the Board  
 Greenwood Village, Colorado  
 March 26, 2004

### Selected Financial Data

The following selected consolidated financial data has been derived from our consolidated financial statements. This information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our Consolidated Financial Statements and Notes thereto, which are included herein.

	Years Ended December 31,				Six Months Ended Dec. 31, 1999	Year Ended June 30, 1999
	2003	2002	2001	2000		
(In thousands, except per share data)						
<b>Operating Data:</b>						
Revenue	\$ 691,987	608,318	558,875	621,534	362,000	719,661
Amortization of intangible assets	\$ 2,664	910	12,155	14,032	6,754	7,520
Goodwill impairment	\$			80,773		
Operating income (loss)	\$ 32,462	24,522	2,596	(56,897)	29,225	89,340
Net income (loss)	\$ 19,984	14,178	1,684	(66,775)	17,643	54,495
Earnings (loss) per share basic	\$ 0.31	0.22	0.03	(1.15)	0.31	0.98
Earnings (loss) per share diluted	\$ 0.31	0.22	0.03	(1.15)	0.30	0.95
Weighted average shares basic	63,505	63,313	58,191	57,900	57,345	55,362
Weighted average shares diluted	64,382	63,989	58,698	57,900	58,496	57,141
<b>Balance Sheet Data:</b>						