

CIBER INC
Form 424B3
February 03, 2004

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January 28, 2004

Dear SCB Shareholders:

CIBER, Inc. and SCB Computer Technology, Inc. have entered into an Agreement and Plan of Merger that provides for a merger of SCB with a subsidiary of CIBER. As a result of the merger, SCB will become a wholly owned subsidiary of CIBER.

Upon completion of the merger, SCB shareholders will receive consideration with an aggregate value of \$2.13 for each share of SCB common stock held by them at the effective time of the merger. Pursuant to the Agreement and Plan of Merger, half of the merger consideration will be paid in cash and half in equivalent value in CIBER common stock, unless CIBER elects to pay a greater percentage of the merger consideration in cash. For purposes of the stock portion of the merger consideration, CIBER's common stock will be valued at the average closing price per share of CIBER common stock on the New York Stock Exchange for the five trading days ended three days prior to the closing date, unless the average is greater than \$11.00, in which case CIBER's common stock will be valued at \$11.00 per share. If the average price of CIBER's common stock is less than \$7.50 and CIBER does not agree to either pay the entire purchase price in cash or pay the stock portion of the purchase price based on such average price, SCB will have the right to terminate the Agreement and Plan of Merger and not close the merger. On January 26, 2004, the closing price of CIBER's common stock, which trades on the New York Stock Exchange under the ticker symbol "CBR," was \$9.82 per share.

After careful consideration, the board of directors of SCB has adopted the Agreement and Plan of Merger and recommends that its shareholders approve the Agreement and Plan of Merger. Completion of the merger requires that SCB shareholders approve the Agreement and Plan of Merger. SCB has scheduled a special shareholders meeting to obtain a shareholder vote on this proposal. Information regarding this special meeting is included in this document. CIBER and SCB executed an amendment to the Agreement and Plan of Merger on January 20, 2004. References in this document to the Agreement and Plan of Merger refer to the agreement as amended, unless the context clearly requires otherwise.

This document also provides detailed information about CIBER, SCB, and the merger. We encourage you to read this entire document and its annexes carefully before deciding how to vote. **In particular, you should read and consider carefully the risks discussed under the caption titled "Risk Factors" beginning on page S-27 of this joint proxy statement/prospectus before voting.**

Your vote is important, regardless of the number of shares you own. To vote your shares, you may use the enclosed proxy card or you may attend the special meeting held by SCB. If you do not vote, it will have the same effect as voting against approval of the Agreement and Plan of Merger.

I am very enthusiastic about the merger and join the members of SCB's board of directors in recommending that you vote "FOR" the proposal being submitted for your consideration and vote.

Thank you for your continued support.

/s/ T. SCOTT COBB

T. Scott Cobb

*President and Chief Executive
Officer*

SCB Computer Technology, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the transaction or the registration of CIBER common stock to be issued in the merger or determined whether this joint proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated January 28, 2004 and is first being mailed to shareholders of SCB on or about January 30, 2004.

SCB COMPUTER TECHNOLOGY, INC.

3800 FOREST HILL-IRENE ROAD
SUITE 100
MEMPHIS, TENNESSEE

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON MARCH 1, 2004

To our Shareholders:

The Special Meeting of Shareholders of SCB Computer Technology, Inc. ("SCB") will be held at SCB's office located at 3800 Forest Hill-Irene Road, Suite 100, Memphis, Tennessee, on March 1, 2004, beginning at 10:00 a.m. (local time). The purpose of the meeting will be for SCB's shareholders to vote on the following proposals:

1. To consider and vote upon a proposal to approve the Agreement and Plan of Merger dated as of October 24, 2003, as amended, by and among CIBER, Inc., Daphne Acquisition Corporation and SCB Computer Technology, Inc. A copy of the merger agreement and the amendment thereto are included as **Annex A** to the accompanying joint proxy statement/prospectus;
2. To adjourn the special meeting of the shareholders to a later date, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the proposal to approve the Agreement and Plan of Merger; and
3. To consider and act on such other business as may properly come before the meeting or any adjournment or adjournments thereof.

SCB's board of directors has fixed the close of business on January 26, 2004 as the record date for the determination of shareholders entitled to receive notice of the meeting and to vote at the meeting and any postponement or adjournment thereof. A list of such shareholders will be available for inspection by any shareholder at SCB's office located at 3800 Forest Hill-Irene Road, Suite 100, Memphis, Tennessee, during ordinary business hours beginning February 3, 2004, and continuing through the meeting.

The proposals, as well as information about the proposed merger, are described in detail in the accompanying joint proxy statement/prospectus. You are urged to read these materials very carefully and in their entirety before deciding how to vote.

A quorum, consisting of a majority of common shares entitled to vote at the special meeting, must be present in person or by proxy before action may be taken at the special meeting. The affirmative vote of a majority of the outstanding SCB common shares is required to approve the Agreement and Plan of Merger.

YOUR VOTE IS VERY IMPORTANT. REGARDLESS OF WHETHER YOU PLAN TO ATTEND THE MEETING, PLEASE PROMPTLY VOTE BY TELEPHONE OR ON THE INTERNET OR COMPLETE, SIGN, DATE, AND RETURN THE ENCLOSED

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PROXY CARD IN THE ACCOMPANYING POSTAGE-PAID ENVELOPE. NO ADDITIONAL POSTAGE IS NECESSARY IF THE PROXY IS MAILED IN THE UNITED STATES OR CANADA. IF YOU ARE A RECORD HOLDER, YOU MAY ALSO CAST YOUR VOTE IN PERSON AT THE SPECIAL MEETING. IF YOUR SHARES ARE HELD IN AN ACCOUNT AT A BROKERAGE FIRM OR BANK, YOU MUST INSTRUCT YOUR BROKER OR BANK ON HOW TO VOTE YOUR SHARES.

If you choose to approve the Agreement and Plan of Merger, please check the box indicating a vote "FOR" the proposal by following the instructions contained in the enclosed proxy card. **If you**

properly sign and return your proxy card with no voting instructions, the shares represented by the proxy will be voted "FOR" the Agreement and Plan of Merger. If you do not vote, it will have the same effect as a vote against the Agreement and Plan of Merger. You may revoke your proxy at any time before it is voted at the special meeting.

Shareholders who timely provide the company written notice of their intent to dissent from the merger, do not vote in favor of the Agreement and Plan of Merger and properly perfect dissenters' rights as set forth in Sections 48-23-101 through 48-23-302 of the Tennessee Business Corporation Act may be entitled, if the merger is completed, to receive payment of the fair value of their shares as ultimately determined by a Tennessee court. For a description of the procedures with which shareholders must strictly comply in order to exercise their dissenters' rights, see the section entitled "Summary of Rights of Dissenting Shareholders of SCB" in the accompanying joint proxy statement/prospectus and Sections 48-23-101 through 48-23-302 of the Tennessee Business Corporation Act, which are attached as **Annex E** to the accompanying joint proxy statement/prospectus.

After careful consideration, SCB's board of directors has determined that the Agreement and Plan of Merger is in the best interests of SCB and its shareholders. The board of directors recommends that you vote "FOR" approval of the Agreement and Plan of Merger.

By Order of the board of directors,

Gordon L. Bateman
Secretary

January 28, 2004

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- A. Agreement and Plan of Merger, dated as of October 24, 2003, among CIBER, Inc., Daphne Acquisition Corporation and SCB Computer Technology, Inc., as amended
- B. Voting and Option Agreement
- C. Opinion of Harris Nesbitt Gerard
- D. Opinion of FTN Financial Securities Corp
- E. Sections 48-23-101 through 48-23-302 of the Tennessee Business Corporation Act Rights of Dissenting Shareholders
- F. SCB's Annual Report on Form 10-K for the year ended April 30, 2003
- G. SCB's Definitive Proxy Statement filed with the SEC on August 22, 2003
- H. SCB's Quarterly Report on Form 10-Q for the quarter ended October 31, 2003
- I. SCB's Current Report on Form 8-K/A dated November 12, 2003

Base Prospectus dated January 28, 2004.

This joint proxy statement/prospectus is accompanied by a copy of SCB's Annual Report on Form 10-K for the fiscal year ended April 30, 2003, which is attached as **Annex F**, a copy of SCB's Definitive Proxy Statement filed with the SEC on August 22, 2003, which is attached as **Annex G**, a copy of SCB's Quarterly Report on Form 10-Q for the quarter ended October 31, 2003, which is attached as **Annex H**, and a copy of SCB's Current Report on Form 8-K/A, dated November 12, 2003, which is attached as **Annex I**.

This joint proxy statement/prospectus also incorporates important business and financial information about CIBER and SCB from documents that have not been included in or delivered with this joint proxy statement/prospectus. This information is available to you without charge upon your written or oral request. For a listing of documents incorporated by reference into this proxy statement/prospectus, please see the section entitled "Information Incorporated by Reference" beginning on

page S-79 of this joint proxy statement/prospectus. Shareholders of SCB may obtain this information at no charge by submitting a written or oral request to:

CIBER, Inc.
Attn: Secretary
5251 DTC Parkway, Suite 1400
Greenwood Village, Colorado 80111
(303) 220-0100

SCB Computer Technology, Inc.
Attn: Secretary
3800 Forest Hill-Irene Rd.
Suite 100
Memphis, Tennessee 38125
(901) 754-6577

In order for you to receive timely delivery of the documents in advance of the special meeting, you should make your request no later than February 23, 2004.

QUESTIONS AND ANSWERS ABOUT THE MERGER

Why am I receiving this joint proxy statement/prospectus?

SCB shareholders are being asked to approve an Agreement and Plan of Merger dated as of October 24, 2003, as amended, whereby a subsidiary of CIBER will be merged into SCB, and SCB will become a wholly owned subsidiary of CIBER (sometimes referred to herein as the "merger agreement").

To complete the merger, SCB shareholders must approve the Agreement and Plan of Merger, and all other conditions of the merger must be satisfied or waived. This joint proxy statement/prospectus is being provided to you for the purpose of obtaining your vote and supplying you with important information concerning the companies and the merger. You should consider this information carefully before deciding how to vote on the merger.

Why is the merger being proposed?

After consideration of the business, prospects, and financial condition of SCB and CIBER, as well as the industry in which the companies operate, the board of directors of SCB believes that the merger is in the best interests of SCB and its shareholders and has concluded that the merger consideration will offer greater value to SCB's shareholders than SCB could offer as an independent company.

When is the merger expected to be completed?

SCB and CIBER hope to complete the merger as soon as reasonably practicable after the special meeting occurs and all closing conditions under the Agreement and Plan of Merger are satisfied or waived. However, it is possible that factors outside of the companies' control could require SCB and CIBER to complete the merger at a later time or not to complete it at all.

What will I receive when the merger occurs?

At the closing of the merger, SCB shareholders will receive consideration with an aggregate value of \$2.13 for each share of SCB common stock held by them at the effective time of the merger. On January 20, 2004, SCB and CIBER amended the merger agreement to change the merger consideration from \$2.15 to \$2.13 as the result of SCB's settlement of certain litigation commenced in December 2003. Pursuant to the Agreement and Plan of Merger, half of the merger consideration will be paid in cash and half in equivalent value in common stock in CIBER, unless CIBER elects to pay a greater percentage of the merger consideration in cash, in accordance with the Agreement and Plan of Merger. CIBER could elect to pay 100% of the merger consideration in cash. For purposes of the stock portion of the merger consideration, CIBER's common stock will be valued at the average closing price per share of CIBER common stock on the New York Stock Exchange for the five trading days ended three days prior to the closing date, unless the average is greater than \$11.00, in which case CIBER's common stock will be valued at \$11.00 per share. If the average price of CIBER's common stock is less than \$7.50 and CIBER does not agree to either pay the entire purchase price in cash or pay the stock portion of the purchase price based on such average price, SCB will have the right to terminate the Agreement and Plan of Merger and not close the merger.

What will happen to CIBER and SCB after the merger?

Following the merger, SCB will be a wholly owned subsidiary of CIBER, and its business operations will be integrated into CIBER's existing business.

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Where and when is the special meeting?

The special meeting of SCB shareholders will be at 10:00 a.m., Memphis time, on Monday, March 1, 2004, at SCB's office located at 3800 Forest Hill-Irene Road, Suite 100, Memphis, Tennessee.

Who can vote at the special meeting?

Holders of SCB common shares outstanding at the close of business on the record date, January 26, 2004, are entitled to notice of and to vote at the SCB special meeting. Each share of SCB common stock is entitled to one vote. On January 26, 2004, there were 25,384,954 shares of

SCB common stock outstanding.

What vote is required to approve the Agreement and Plan of Merger?

Approval of the Agreement and Plan of Merger requires the affirmative vote of a majority of the outstanding shares of SCB common stock. As of the record date for the special meeting, directors and executive officers of SCB and their affiliates beneficially owned or had the right to vote 4,411,587 shares of SCB common stock, representing approximately 17.4% of the shares of SCB common stock outstanding at the time.

No vote of the CIBER stockholders is required.

Are there any shareholders already committed to voting in favor of the merger?

Certain executive officers of SCB and certain of their family members, holding in the aggregate approximately 20% of SCB's outstanding common stock, have entered into a Voting and Option Agreement with CIBER in which they agree, among other things, to vote their SCB common stock in favor of the Agreement and Plan of Merger.

Will I be taxed on the cash and shares of CIBER common stock I receive in exchange for my shares of SCB common stock?

Yes. The receipt of cash and shares of CIBER common stock by you in exchange for your shares of SCB common stock pursuant to the merger will be a taxable transaction for federal income tax purposes. Each SCB shareholder's gain or loss upon the exchange of SCB common stock will be equal to the difference between the fair market value of the consideration received in the merger and the shareholder's adjusted tax basis in such shares. SCB shareholders are urged to consult their own tax advisors regarding the federal, state, local, non-U.S., and other tax consequences of the merger in light of their circumstances.

Is CIBER's financial condition relevant to my decision to vote in favor of the merger?

Yes. Since shares of SCB common stock will be exchanged in part for shares of CIBER common stock, unless CIBER elects to pay the entire merger consideration in cash, you should consider the risks related to CIBER's business and financial condition before you vote to approve the merger. In considering CIBER's business and financial condition, you should review carefully the information in this joint proxy statement/prospectus and the documents incorporated by reference in this joint proxy statement/prospectus because they contain detailed business, financial and other information about CIBER.

If my shares are held for me by a bank, broker or other nominee, how will my shares be voted?

Your broker will not vote your shares without your consent. If you hold your shares in the name of a bank, broker or nominee, you should follow the instructions you receive from your bank, broker or nominee regarding how to vote your shares.

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Do I have dissenters' rights with respect to the merger?

SCB shareholders who (i) give the company a written notice of such shareholder's intent to dissent from the merger and to demand payment for the shareholder's shares, if the merger is effectuated, and (ii) do not vote in favor of the Agreement and Plan of Merger, have the right to dissent from the merger. Pursuant to Sections 48-23-101 *et seq.* of the Tennessee Business Corporation Act ("TBCA"), such dissenting shareholders are entitled to obtain payment of the "fair value" of their pre-merger SCB shares from SCB, if the merger is completed and the dissenting shareholders strictly comply with the requirements of the Tennessee statute.

What should I do now to vote at the special meeting?

If you are a registered shareholder, you may vote by telephone or on the Internet. If you are a registered shareholder (*i.e.*, your shares are held in your own name), you may vote by telephone or on the Internet by following the instructions included on the proxy card. You do not need to return your proxy card if you vote by telephone or on the Internet.

If you are a beneficial owner of shares held in "street name," you may be eligible to provide voting instructions to your nominee by telephone or on the Internet. If you are a beneficial owner of shares held in "street name" (*i.e.*, your shares are held in the name of a brokerage

firm, bank or other nominee), you may be eligible to provide voting instructions to your nominee by telephone or on the Internet. A large number of brokerage firms and banks participate in a program provided through ADP Investor Communications Services ("ADP") that offers telephone and Internet voting options. If your shares are held in "street name" by a brokerage firm or bank that participates in the ADP program, you may provide voting instructions to your nominee by telephone or on the Internet by following the instructions set forth on the voting form provided to you. You do not need to return your proxy card if you provide voting instructions to your nominee by telephone or on the Internet.

If you are a participant, you may provide voting instructions to the trustee by telephone or on the Internet. If you are a participant in the SCB Employee Stock Ownership Plan ("ESOP"), you may instruct First Bankers Trust, the trustee of the ESOP, to vote the shares of common stock held by the ESOP trustee and allocated to your ESOP account as of the record date. You may provide your voting instructions to the ESOP trustee either by telephone, on the Internet, or by properly completing, signing, dating, and returning the accompanying ESOP voting instruction form being sent to all ESOP participants. The ESOP trustee will vote the shares of common stock allocated to your ESOP account in accordance with your instructions, provided such instructions are not contrary to the requirements of the Employee Retirement Income Security Act of 1974 ("ERISA"), if they are received by 3:00 p.m. CST on February 25, 2004. If your voting instructions are not received by such date, under the terms of the ESOP, the ESOP trustee will vote the shares of common stock allocated to your ESOP account in accordance with the proper directions of SCB, provided such directions are not contrary to the requirements of ERISA.

You may vote or provide voting instructions by mail. If you are a registered shareholder, you may vote by properly completing, signing, dating, and returning the accompanying proxy card. If you are a beneficial owner of shares held in "street name," you may provide voting instructions to the brokerage firm, bank, or other nominee that holds your shares by properly completing, signing, dating, and returning the voting instruction form provided to you by your nominee. If you are a participant in the SCB ESOP, you may provide voting instructions to the ESOP trustee by properly completing, signing, dating, and returning the accompanying ESOP voting instruction form. The enclosed postage-paid envelope requires no additional postage if it is mailed in the United States or Canada.

You may vote in person at the meeting. If you are a registered shareholder and attend the meeting, you may deliver your completed proxy card in person. In addition, SCB will distribute at the meeting written ballots to registered shareholders who wish to vote in person. If you are a beneficial

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owner of shares held in "street name" and wish to vote at the meeting, you will need to obtain a proxy form from the brokerage firm, bank or other nominee that holds your shares.

May I change my vote?

Yes, you may revoke your proxy and change your vote at any time before the polls close at the meeting in any of the following ways: (1) by voting again by telephone or on the Internet, because only your latest telephone or Internet vote will be counted; (2) by properly completing, signing, dating, and returning another proxy card with a later date; (3) if you are a registered shareholder, by voting in person at the meeting; (4) if you are a registered shareholder, by giving written notice of such revocation to the Secretary of SCB prior to or at the meeting; or (5) if you are a beneficial owner of shares held in "street name," by following the instructions given by the brokerage firm, bank or other nominee that holds your shares. Your attendance at the meeting itself will not revoke your proxy unless you give written notice of revocation to the Secretary of SCB before the polls are closed.

Whom should I call if I have questions?

SCB shareholders should contact Gordon L. Bateman, Secretary of SCB, at (901) 754-6577 with any questions about this joint proxy statement/prospectus or the merger.

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SUMMARY

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This summary highlights selected information from this document and may not contain all of the information that is important to you. To understand the merger fully, and for a more complete description of the legal terms of the merger, you should read carefully this entire document and the documents to which we have referred you. We have included page references in parentheses to direct you to a more complete description of the topics presented in this summary.

The Companies (pages S-36 and S-37)

CIBER, Inc.

5251 DTC Parkway, Suite 1400
Greenwood Village, Colorado 80111
(303) 220-0100

CIBER, Inc. and its subsidiaries provide information technology ("IT") system integration consulting and other IT services and to a lesser extent, resell certain IT hardware and software products. CIBER's services are offered on a project or strategic staffing basis, in both custom and enterprise resource planning package environments, and across all technology platforms, operating systems and infrastructures. CIBER's clients consist primarily of Fortune 500 and middle market companies across most major industries, and governmental agencies. CIBER operates from approximately 70 branch offices in the United States, Canada, Europe and India, and has approximately 6,000 employees. CIBER was originally incorporated in Michigan in 1974 and later reincorporated in Delaware in 1993. CIBER's corporate headquarters are located in Greenwood Village, Colorado. CIBER went public in 1994 and its common stock trades on the New York Stock Exchange under the symbol "CIBR."

SCB Computer Technology, Inc.

3800 Forrest Hill Irene Road, Suite 100
Memphis, Tennessee 38125
(901) 754-6577

SCB Computer Technology, Inc. is a leading provider of IT management and technical services to the United States federal government, state and local government agencies and commercial enterprises. SCB's services consist of (1) *consulting*, which mainly entails the evaluation, design and re-engineering of computer systems, management, quality assurance and technical directions for IT projects, network planning and implementation, and functional expertise and training; (2) *outsourcing*, which usually involves system development and integration, maintenance, data center management, help desk and technical services; and (3) *professional staffing*, which includes providing skilled IT staff on an as-needed basis.

SCB was founded as a partnership in 1976 and was incorporated under the laws of the State of Tennessee in 1984. SCB's principal executive offices are located in Memphis, Tennessee, and its common stock trades on the OTC Bulletin Board under the symbol "SCBI."

Daphne Acquisition Corporation

5251 DTC Parkway, Suite 1400
Greenwood Village, Colorado 80111
(303) 220-0100

Daphne Acquisition Corporation is a newly formed, wholly owned subsidiary of CIBER. CIBER formed this subsidiary as a Tennessee corporation solely to effect the merger, and this subsidiary has not conducted and will not conduct any business during the period of its existence.

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The Merger (page S-39)

Under the terms of the Agreement and Plan of Merger dated as of October 24, 2003 among CIBER, Daphne Acquisition Corporation and SCB, the parties have agreed to merge CIBER's wholly owned subsidiary, Daphne Acquisition Corporation, with and into SCB. SCB will then be a wholly owned subsidiary of CIBER. A copy of the Agreement and Plan of Merger, as amended, is attached to this document as **Annex A**.

Purchase Price (page S-59)

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At the closing of the merger, SCB shareholders will receive consideration with an aggregate value of \$2.13 for each share of SCB common stock held by them at the effective time of the merger. On January 20, 2004, SCB and CIBER amended the merger agreement to change the merger consideration from \$2.15 to \$2.13 as the result of SCB's settlement of certain litigation commenced in December 2003. Pursuant to the Agreement and Plan of Merger, half of the merger consideration will be paid in cash and half in equivalent value in common stock in CIBER, unless CIBER elects to pay a greater percentage of the merger consideration in cash. CIBER could elect to pay 100% of the merger consideration in cash. For purposes of paying the stock portion of the merger consideration, CIBER's common stock will be valued at the average closing price per share of CIBER common stock on the New York Stock Exchange for the five trading days ended three days prior to the closing date, unless the average is greater than \$11.00, in which case CIBER's common stock will be valued at \$11.00 per share. If the average price of CIBER's common stock is less than \$7.50 and CIBER does not agree to either pay the entire purchase price in cash or pay the stock portion of the purchase price based on such average price, SCB will have the right to terminate the Agreement and Plan of Merger and not close the merger. No fractional share of CIBER common stock will be issued, in lieu thereof the holder of any fractional share will receive an amount of cash equal to the cash value of the merger consideration, multiplied by the fractional amount of such share.

Recommendation to Shareholders (page S-45)

After careful consideration, SCB's board has determined that the Agreement and Plan of Merger is in the best interests of SCB and its shareholders and that the merger is advisable. The board adopted the Agreement and Plan of Merger and recommends that SCB's shareholders vote "FOR" approval of the Agreement and Plan of Merger.

Reasons for the Merger (pages S-42 through S-45)

CIBER believes that the merger will be beneficial due to the revenue that SCB's business will add to CIBER's existing operations, and due to the expanded presence in certain markets that SCB's existing client base offers to CIBER. In particular, SCB's public sector business will complement CIBER's existing state and federal government service offerings. CIBER expects that a combined CIBER and SCB will be able to compete more effectively for larger public sector contracts. CIBER has purposely and successfully grown its public sector business over the course of the last several years, and with the addition of SCB, CIBER estimates state, local and federal government business will represent approximately 35% of CIBER's annualized revenue. In addition, CIBER believes that the merger will provide an opportunity to realize operational efficiencies in the form of lower combined selling, general and administrative costs, primarily by reducing SCB's corporate administrative costs.

SCB's board of directors has adopted the Agreement and Plan of Merger and recommends that SCB's shareholders vote in favor of the Agreement and Plan of Merger. In reaching its decision, the SCB board of directors considered the business, prospects, and financial condition of SCB and CIBER, as well as the industry in which the companies operate, and concluded that the merger consideration will offer greater value to SCB's shareholders than SCB could offer as an independent company.

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Interests of Directors and Officers of SCB in the Merger (pages S-55 through S-57)

In considering the recommendation of SCB's board of directors in favor of approval of the merger, SCB shareholders should be aware that some of SCB's directors and executive officers have interests in the merger that are different from, or in addition to, the interests of SCB shareholders generally. SCB's board of directors was aware of these interests when it considered and adopted the Agreement and Plan of Merger. The interests include the following:

T. Scott Cobb, President and Chief Executive Officer of SCB, has been offered a severance agreement whereby he would receive a sum equal to his base salary for the remaining term of his employment agreement, or approximately \$1.57 million assuming a December 31, 2003 closing, a payment of \$50,000 to maintain health insurance together with health insurance benefits for Mr. Cobb's wife and daughter under the CIBER health plan, and payment of an amount equal to his target annual bonus estimated at \$250,000 for the year ending April 30, 2004.

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Jeffrey S. Cobb, Executive Vice-President and Chief Operating Officer of SCB, has been offered a severance agreement whereby he would receive a sum equal to two years of his base salary of \$275,000 and a payment of \$13,000 to maintain his health insurance.

Michael Boling, Executive Vice-President and Chief Financial Officer of SCB, has been offered a severance agreement whereby he would receive a sum equal to one year of his base salary of \$300,000 plus maintenance, at CIBER's expense, of his health insurance benefits for a period of one year.

The above three individuals, along with eight other persons, each of whom is an officer or director of SCB, will be entitled to accelerate the vesting of their stock options at the closing of the merger.

Robert McEniry, a director of SCB, will receive 47,649 shares of SCB stock in lieu of director fees upon his departure from the board, in addition to acceleration of his stock options as described above.

The merger agreement provides that all rights to indemnification existing in favor of the present and former officers and directors of SCB by reason of any written indemnification agreement and applicable law will survive the merger and be observed by CIBER to the full extent permitted by Tennessee law. CIBER also agreed in the merger agreement to provide substantially the same level of officers' and directors' liability insurance coverage as SCB maintained prior to the merger, provided that CIBER is not obligated to pay any amount to establish or maintain such coverage that is greater than 150% of the annual premiums paid by SCB for its coverage.

Vote Required (page S-38)

In order for the merger to be completed, a majority of the votes represented by the outstanding shares of SCB common stock must approve the Agreement and Plan of Merger. Approval of the Agreement and Plan of Merger is a condition to the completion of the merger.

As of the record date for the special meeting, SCB's directors, executive officers and their affiliates beneficially owned or had the right to vote 4,411,587 shares of SCB common stock, representing 17.4% of the shares of SCB common stock outstanding at the time. Certain executive officers have agreed to vote their SCB common stock in favor of the Agreement and Plan of Merger (See "Voting and Option Agreement" below).

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Opinions of SCB's Financial Advisors (pages S-45 through S-54)

Harris Nesbitt Gerard, financial advisor to SCB, delivered a written opinion to SCB's board stating that, as of October 24, 2003, the proposed consideration to be paid by CIBER in the merger was fair to SCB's shareholders from a financial point of view. After considering the proposed amendment to the purchase price in consultation with SCB's board on January 19, 2004, Harris Nesbitt Gerard delivered a new opinion on January 19, 2004, stating that as of that date the proposed consideration to be paid by CIBER was fair to SCB's shareholders from a financial point of view. The full text of this written opinion of Harris Nesbitt Gerard is attached as **Annex C** to this document. You are encouraged to read this opinion carefully and in its entirety.

In addition, FTN Financial Securities Corp delivered a written opinion to SCB's board stating that, as of October 24, 2003, the proposed consideration to be paid by CIBER in the merger was fair to SCB's shareholders from a financial point of view. After considering the proposed amendment to the purchase price in consultation with SCB's board on January 19, 2004, FTN Financial Securities delivered a new opinion on January 19, 2004, stating that as of that date the proposed consideration to be paid by CIBER was fair to SCB's shareholders from a financial point of view. The full text of the written opinion of FTN Financial Securities Corp is attached as **Annex D** to this document. You are encouraged to read this opinion carefully and in its entirety.

Conditions to the Merger (pages S-64 and S-65)

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Completion of the merger depends upon the satisfaction or waiver of a number of conditions, including, among other things:

the approval by SCB shareholders of the Agreement and Plan of Merger;

the listing of any of the CIBER common stock issued in the merger on the New York Stock Exchange;

expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended, or HSR Act;

the accuracy of the representations and warranties given by the parties as of the closing date;

the performance by the parties of all obligations under the Agreement and Plan of Merger that are to be performed or complied with prior to the closing date; and

the absence of any event or occurrence that has had or would reasonably be expected to have a material adverse effect on the other party.

Voting and Option Agreement (page S-60)

As a condition to CIBER entering into the Agreement and Plan of Merger, certain SCB shareholders, holding an aggregate of approximately 20% of SCB's outstanding common stock, entered into a Voting and Option Agreement with CIBER in which they agreed to vote in favor of the merger and against any other merger, consolidation, combination, sale or transfer of a material amount of assets, reorganization, recapitalization, dissolution and the like, and agreed to not solicit or facilitate any such other transaction. Certain of these shareholders also granted CIBER an option, subject to the terms of the Voting and Option Agreement, to purchase their shares of SCB common stock at a price equal to the merger consideration.

No Solicitation of Alternative Transactions (page S-61)

SCB agreed in the Agreement and Plan of Merger not to initiate, solicit, encourage or facilitate alternative transactions to the merger, or to negotiate with or provide any information to any person

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other than CIBER concerning an acquisition transaction, until the merger is completed or the Agreement and Plan of Merger is terminated. However, subject to limitations set forth in the agreement, SCB and its board of directors are permitted to the extent applicable to engage in discussions with, or provide information to, a third party in response to an unsolicited bona fide written acquisition proposal received from such third party, or an expression of interest believed by SCB's board of directors to be bona fide indicating a third party's desire to make an acquisition proposal on terms believed by SCB's board of directors to be financially superior to the merger.

SCB also agreed to cause its officers, directors and representatives to immediately cease and cause to be terminated any activities, discussions or negotiations existing as of the date of the Agreement and Plan of Merger with any parties conducted prior to such time with respect to any acquisition proposal. SCB also agreed to use reasonable best efforts to promptly inform its directors, officers, key employees, agents and representatives of these obligations. These restrictions, along with the Voting and Option Agreement, may deter alternative acquisition proposals.

SCB has agreed to promptly notify CIBER of any and all inquiries, proposals or offers received by, any such information requested from, or any discussions or negotiations sought to be initiated with, any of its representatives with regard to an acquisition proposal, indicating the name of the parties involved and the material terms and conditions of any inquiries, proposals or offers.

Material Federal Income Tax Consequences (pages S-57 and S-58)

For federal income tax purposes, the merger will be treated as a taxable sale by the shareholders of SCB of their shares of SCB common stock to CIBER. Shareholders of SCB who receive cash and shares of CIBER common stock in exchange for their shares of SCB common stock should recognize capital gain or loss on the exchange.

Shareholders of SCB who dissent from the merger, if any, will be treated as having surrendered their shares to SCB in redemption of such shares. In general, such redemptions should be taxed as capital transactions, with capital gain or loss being recognized to the dissenting shareholder.

All shareholders are urged to consult their tax advisors to determine the effect of the merger under federal tax law (or foreign tax law where applicable) and under their own state and local tax laws.

How the Merger Agreement May be Terminated and the Termination Fee (pages S-61 and S-68)

CIBER and SCB may terminate the merger agreement at any time by mutual consent authorized by the companies' respective boards of directors. In addition, CIBER or SCB may terminate the merger agreement for certain reasons in accordance with the provisions of the agreement.

If the merger agreement is terminated prior to the termination date, as may be extended, SCB will be required in certain circumstances to pay CIBER a termination fee of up to \$2,500,000, inclusive of reimbursement to CIBER for its transaction expenses up to \$500,000.

Regulatory Approvals (page S-58)

Other than the approval by the New York Stock Exchange to list additional shares of CIBER common stock on the New York Stock Exchange, no regulatory approvals are required in connection with the merger. CIBER and SCB both made the filings required by the HSR Act with the Department of Justice and the Federal Trade Commission on November 14, 2003 and the waiting period ended on December 15, 2003.

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Dissenters' Rights (pages S-69 through S-71)

Under Tennessee law, the holders of SCB common stock have the right to dissent from the merger and to obtain payment of the "fair value" of their SCB stock. Before the shareholder vote is taken, SCB shareholders who wish to assert their dissenters' rights must deliver written notice to SCB of such shareholder's intent to demand payment for his or her shares, if the merger is effectuated. Such dissenting SCB shareholders must also not vote in favor of the Agreement and Plan of Merger. Sections 48-23-101 through 48-23-302 of the TBCA, which govern the rights of dissenting shareholders, are summarized in this document under the heading "Summary of Rights of Dissenting Shareholders of SCB," and are attached in their entirety to this document as **Annex E**. SCB's shareholders should carefully read the summary of their dissenters' rights and the applicable sections of the TBCA as these documents describe important procedural steps with which a dissenting shareholder must strictly comply in order to obtain the fair value of the shareholder's common shares. The preservation and exercise of dissenters' rights are conditioned upon strict adherence to the applicable provisions of the TBCA, and failure to comply with these provisions will result in a loss of dissenters' rights.

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COMPARATIVE PER SHARE INFORMATION

The following table sets forth certain historical per share data of CIBER and SCB and combined data on an unaudited pro forma basis after giving effect to the merger using the purchase method of accounting for business combinations, assuming \$1.07 in cash and 0.1178 shares of

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CIBER common stock are issued in exchange for each share of SCB common stock. Calculations are based on an aggregate consideration value of \$2.13 per share of SCB common stock, using an assumed CIBER stock price of \$9.00.

CIBER's year-end is December 31, while SCB's year-end is April 30. For the purposes of the financial information presented below, we have combined CIBER's information with that of SCB as follows:

CIBER as of September 30, 2003 combined with SCB as October 31, 2003.

CIBER for the nine months ended September 30, 2003 combined with SCB for the nine months ended October 31, 2003.

CIBER for the year ended December 31, 2002 combined with SCB for the year ended April 30, 2003.

	CIBER		SCB	
	Historical	Combined Pro Forma(1)	Pro Forma	Equivalent Pro Forma(2)(1)
Book value per share as of(3)				
September 30, 2003	\$ 5.41	\$ 5.30	\$ 0.88	\$ 1.27
December 31, 2002	\$ 5.11	\$ 4.95	\$ 0.87	\$ 1.19
Earnings per share basic(4)				
September 30, 2003	\$ 0.25	\$ 0.23	\$ 0.07	\$ 0.06
December 31, 2002	\$ 0.22	\$ 0.24	\$ 0.12	\$ 0.06
Earnings per share diluted(4)				
September 30, 2003	\$ 0.24	\$ 0.23	\$ 0.07	\$ 0.06
December 31, 2002	\$ 0.22	\$ 0.23	\$ 0.12	\$ 0.06

Cash dividends per share

- (1) On August 29, 2003, SCB acquired National Systems & Research Co. ("NSR") and on February 6, 2003, SCB acquired Remtech Services, Inc. ("RSI"). Due to the materiality of these acquisitions, the historical earnings information of SCB has been adjusted on a pro forma basis to give effect to both of these acquisitions as if they had occurred at the beginning of the periods presented for SCB. For the purposes of the December 31, 2002 pro forma book value per share, the acquisitions of NSR and RSI have been treated as if they had occurred on that date. On December 2, 2003 CIBER completed the sale of \$175 million of convertible senior subordinated debentures. CIBER used the net proceeds from the debenture offering to concurrently repurchase approximately \$48.1 million of its common stock and to repay CIBER's outstanding line of credit balance. In addition, CIBER expects to use the remaining proceeds to finance the cash portion of the SCB merger consideration and to repay SCB's existing debt after the merger and for general corporate purposes. The pro forma book value amounts give estimated effect to the debenture offering and use of proceeds as of September 30, 2003.
- (2) Equivalent pro forma amounts are calculated by multiplying the CIBER combined pro forma income per share before non-recurring charges or credits directly attributable to the transaction or combined pro forma book value per share of CIBER, as applicable, by the exchange ratio (the aggregate consideration value of \$2.13 per SCB share divided by the assumed CIBER stock price

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(3) The historical book value per share is computed by dividing shareholders' equity by the number of shares of common stock outstanding at the end of each period.

(4) The combined pro forma financial information presents the combined historical results of CIBER and the pro forma results of SCB as if the merger had occurred as of the beginning of the periods presented, after including the impact of certain adjustments such as intangible asset amortization, interest expense and income taxes. The pro forma results are not necessarily indicative of the results that would have occurred had CIBER and SCB constituted a single entity during such periods, or of future results.

MARKET PRICE AND DIVIDEND INFORMATION

The following table shows, for the periods indicated, the reported high and low sale prices for shares of CIBER's common stock on the New York Stock Exchange and SCB's common stock on the OTC Bulletin Board for the calendar quarters indicated. SCB's quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions. Neither CIBER nor SCB has paid any cash dividends on its common stock during the periods presented. As of January 21, 2004, CIBER had 3,664 record holders and CIBER estimates it has approximately 21,000 beneficial holders of its common stock, and SCB had approximately 212 record holders and SCB estimates it has approximately 2,900 beneficial holders of its common stock.

	CIBER		SCB	
	Low	High	Low	High
2001				
Second Quarter	\$ 3.95	\$ 9.50	\$ 0.30	\$ 0.63
Third Quarter	\$ 4.50	\$ 9.10	\$ 0.45	\$ 1.00
Fourth Quarter	\$ 4.93	\$ 10.95	\$ 0.60	\$ 0.79
2002				
First Quarter	\$ 8.10	\$ 11.70	\$ 0.60	\$ 0.90
Second Quarter	\$ 6.05	\$ 9.10	\$ 0.68	\$ 1.03
Third Quarter	\$ 4.46	\$ 7.45	\$ 0.63	\$ 0.87
Fourth Quarter	\$ 4.50	\$ 6.65	\$ 0.55	\$ 0.84
2003				
First Quarter	\$ 3.80	\$ 5.95	\$ 0.65	\$ 0.90
Second Quarter	\$ 4.50	\$ 7.19	\$ 0.80	\$ 1.90
Third Quarter	\$ 6.66	\$ 11.05	\$ 1.55	\$ 2.85
Fourth Quarter	\$ 7.38	\$ 9.70	\$ 1.65	\$ 2.10
2004				
First Quarter (through January 26)	\$ 8.91	\$ 9.93	\$ 2.02	\$ 2.14

On October 24, 2003, the last full trading day preceding public announcement that CIBER and SCB entered into the Agreement and Plan of Merger, the closing price of CIBER's common stock was \$9.05 per share and the closing price of SCB's common stock was \$1.90 per share. On January 26, 2004, the closing price of CIBER's common stock was \$9.82 per share and the closing price of SCB's common stock was \$2.10 per share.

SELECTED CONSOLIDATED FINANCIAL DATA

CIBER

The following selected consolidated financial data have been derived from CIBER's consolidated financial statements. The selected financial data should be read in conjunction with the Consolidated Financial Statements, including the related Notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in CIBER's Annual Report on Form 10-K for the year ended December 31, 2002 and its Quarterly Report on Form 10-Q for the quarter ended September 30, 2003, which reports are incorporated herein by reference.

The consolidated balance sheet data as of September 30, 2003 and the consolidated statement of operations data for the nine-month periods ended September 30, 2003 and 2002 are based upon unaudited quarterly financial statements incorporated by reference. The information as of and for the nine-month periods is unaudited and has been prepared on the same basis as CIBER's annual consolidated financial statements. In the opinion of CIBER's management, this interim information reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information for the periods presented. The results of operations for the nine-month period ended September 30, 2003 are not necessarily indicative of the results that may be expected for the full year ended December 31, 2003, or any future period.

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	Years Ended December 31,			Six Months Ended Dec. 31,	Years Ended June 30,		Nine Months Ended September 30,	
	2002	2001	2000	1999	1999	1998	2003	2002
In thousands, except per share data								
(unaudited)								
Operating Data:								
Revenues	\$ 608,318	558,875	621,534	362,000	719,661	576,488	524,589	448,915
Amortization of intangible assets	\$ 910	12,155	14,032	6,754	7,520	3,936	2,023	519
Goodwill impairment			80,773					
Merger costs					1,535	4,538		
Operating income (loss)	\$ 24,522	2,596	(56,897)	29,225	89,340	57,868	26,775	16,709
Net income (loss)	\$ 14,178	1,684	(66,775)	17,643	54,495	36,477	15,806	9,227
Pro forma net income						34,270		
Earnings (loss) per share basic	\$ 0.22	0.03	(1.15)	0.31	0.98	0.67	0.25	0.15
Earnings (loss) per share diluted	\$ 0.22	0.03	(1.15)	0.30	0.95	0.64	0.24	0.15
Weighted average shares basic	63,313	58,191	57,900	57,345	55,362	51,355	63,930	62,900
Weighted average shares diluted	63,989	58,698	57,900	58,496	57,141	53,843	64,688	63,622
Balance Sheet Data:								
	As of December 31,				As of June 30,		As of September 30,	
	2002	2001	2000	1999	1999	1998	2003	2002
(In thousands)								
(unaudited)								
Working capital	\$ 100,847	101,938	102,918	77,983	149,948	110,703	112,956	107,788
Total assets	\$ 427,141	368,751	326,347	422,568	408,632	221,785	457,696	420,470
Total long-term liabilities	\$ 30,857	18,634		5,355			39,682	41,227
Contingent value of put option	\$ 5,832		775					5,836
Total shareholders' equity	\$ 327,530	291,290	270,242	342,256	337,136	165,844	345,311	322,531
Shares outstanding, net of treasury	64,117	60,455	56,775	57,697	58,433	52,248	63,815	64,452

Notes:

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Effective January 1, 2002, CIBER adopted Statement of Financial Accounting Standards ("SFAS") No. 142, whereby goodwill is no longer amortized.

CIBER has completed various acquisitions during the periods presented. The revenue and operating results of acquired companies are included from the respective acquisition dates.

Effective December 31, 1999, CIBER changed its year-end from June 30 to December 31.

Merger costs for the years ended June 30, 1998 and June 30, 1999 consist of costs related to pooling of interests business combinations.

Fiscal 1998 amounts have been restated to reflect pooling of interests business combinations that occurred in fiscal 1999.

Pro forma net income in fiscal 1998 is after a pro forma adjustment to income tax expense resulting from pooling of interests business combinations and is used to calculate earnings per share in that year.

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SCB

The following selected consolidated financial data have been derived from SCB's consolidated financial statements. The selected financial data should be read in conjunction with the Consolidated Financial Statements, including the related notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in SCB's Annual Report on Form 10-K for the year ended April 30, 2003, included as **Annex F**, and its Quarterly Report on Form 10-Q for the quarter ended October 31, 2003, included as **Annex H**.

The consolidated balance sheet data as of October 31, 2003 and the consolidated statement of operations data for the six-month periods ended October 31, 2003 and 2002 are based upon unaudited quarterly financial statements incorporated by reference. The information as of and for the three-month periods is unaudited and has been prepared on the same basis as SCB's annual consolidated financial statements. In the opinion of SCB's management, this interim information reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information for the periods presented. The results of operations for the six-month period ended October 31, 2003 are not necessarily indicative of the results that may be expected for the full year ended April 30, 2004, or any future period.

	Years Ended April 30,					Six Months Ended October 31,	
	2003	2002	2001	2000	1999	2003	2002
						(unaudited)	
In thousands, except per share data							
Operating Data:							
Revenues	\$ 90,547	105,102	132,094	160,812	153,261	60,394	43,344
Gross profit	\$ 22,072	27,128	37,721	39,040	43,038	14,542	10,883
Impairment and other charges	\$		42,927	2,631	6,650		
Income (loss) from operations	\$ 4,040	4,345	(41,453)	(9,342)	5,397	2,825	1,981
Net income (loss)	\$ 2,805	4,695	(34,124)	(8,340)	1,073	81	954
Net income (loss) per share basic	\$ 0.11	0.19	(1.36)	(0.34)	0.04	0.00	0.04
Net income (loss) per share diluted	\$ 0.11	0.19	(1.36)	(0.34)	0.04	0.00	0.04
Weighted average shares basic	24,647	24,985	25,045	24,763	24,683	24,753	24,845
Weighted average shares diluted	24,949	25,167	25,045	24,763	24,921	25,593	25,118

As of April 30,

						As of October 31,		
	2003	2002	2001	2000	1999	2003	2002	
In thousands							(unaudited)	
Balance Sheet Data:								
Working capital (deficit)	\$ 4,545	5,615	6,417	(16,573)	17,699	9,020	4,837	
Total assets	\$ 53,235	41,377	66,614	137,231	143,631	65,619	34,802	
Long-term debt and non-recourse debt	\$ 21,882	14,578	41,294	71,463	61,918	24,071	3,888	
Total shareholders' equity	\$ 20,532	18,115	13,420	47,072	54,554	22,304	18,743	

See Note 2 to SCB's Consolidated Financial Statements in **Annex F** for a discussion of SCB's acquisitions and divestitures.

See Note 12 to SCB's Consolidated Financial Statements in **Annex F** for a discussion of impairment and other charges.

See discussion regarding charge associated with early extinguishment of debt in Note 6 to SCB's Condensed Consolidated Financial Statements in **Annex H**.

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Unaudited Pro Forma Condensed Consolidated Financial Statements CIBER, Inc. and Subsidiaries

The following unaudited pro forma condensed information set forth below gives effect to the acquisition of SCB Computer Technology, Inc. ("SCB") by CIBER, Inc. ("CIBER") by means of the merger as if it had been completed on the dates indicated herein. The unaudited pro forma condensed consolidated statements of operations for the nine months ended September 30, 2003 and for the year ended December 31, 2002 are presented as if the acquisition of SCB had been completed as of January 1, 2003 and January 1, 2002, respectively. The unaudited pro forma condensed balance sheet as of September 30, 2003 is presented as if the transaction had occurred as of that date. In addition, the pro forma balance sheet at September 30, 2003 includes adjustments to reflect the pro forma effects of CIBER's subsequent sale of debentures. CIBER completed the sale of \$175 million of convertible senior subordinate debentures on December 2, 2003. CIBER used \$48.1 million of the net proceeds to concurrently repurchase 5,294,000 shares of its common stock and to repay CIBER's outstanding line of credit balance. CIBER expects to use the remaining cash proceeds to finance the cash portion of the SCB merger consideration, to repay SCB's existing debt after the merger and for general corporate purposes. The pro forma financing adjustments give estimated effect to the debenture offering and the use of proceeds as of September 30, 2003. CIBER's estimated annual interest expense (including amortization of debt financing costs) is expected to be approximately \$6.2 million.

The unaudited pro forma combined financial statements are derived from the historical financial statements of CIBER and SCB. CIBER's year-end is December 31 while SCB's year-end is April 30. For purposes of the pro forma financial statements we have combined CIBER's information with that of SCB as follows:

CIBER as of September 30, 2003 with SCB as of October 31, 2003.

CIBER for the nine months ended September 30, 2003 with SCB for the nine months ended October 31, 2003.

CIBER for the year ended December 31, 2002 with SCB for the year ended April 30, 2003.

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This information was presented in this manner to ensure that the pro forma information of SCB, corresponds with its historical financial reporting period ends as filed with the SEC in Forms 10-Q and 10-K. Pro Forma statement of operations data for SCB for the period from February 1, 2003 to April 30, 2003, has been included in both periods presented.

On August 29, 2003, SCB acquired National Systems & Research Co. ("NSR") and on February 6, 2003 SCB acquired Remtech Services, Inc. ("RSI"). Due to the materiality of these acquisitions, the historical statement of operations information of SCB has been adjusted on a pro forma basis to give affect to both of these acquisitions as if they had occurred at the beginning of the periods presented. More detailed information on the unaudited pro forma SCB condensed consolidated statement of operations information, presented herein follows the CIBER pro forma financial information.

CIBER will account for the acquisition of SCB under the purchase method of accounting. Accordingly, CIBER will establish a new basis for SCB's assets and liabilities based upon the estimated fair values thereof and the CIBER purchase price, including costs of the acquisition. The pro forma purchase accounting adjustments made in connection with the development of the unaudited pro forma condensed consolidated financial statements are preliminary and have been made solely for the purposes of developing such pro forma financial information and are based upon the assumptions described in the notes hereto. The pro forma adjustments do not reflect any operating efficiencies and cost savings that may be achieved with respect to the combined companies nor any adjustments to expenses for any future operating changes. CIBER may incur integration related costs not reflected in the pro forma condensed consolidated financial statements such as the elimination of duplicate facilities, operational realignment and workforce reductions. The pro forma adjustments presented,

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represent, in the opinion of management, all adjustments necessary to present the pro forma balance sheet and results of operations in accordance with the SEC's requirements for pro forma financial information in Article 11 of Regulation S-X and are based upon available information and certain assumptions considered reasonable under the circumstances.

CIBER is unaware of events, other than those disclosed herein, that would require a material change to the preliminary purchase price allocation. However, a final determination of the required purchase accounting adjustments will be made after completion of the merger and the actual financial position and results of operations will differ, perhaps significantly, from the pro forma amounts reflected herein because of a variety of factors, including access to additional information, changes in value that are not currently identified and changes in operating results between the dates of the pro forma financial information and the date on which the acquisition took place.

The following unaudited pro forma condensed consolidated financial statements are not indicative of the financial position or operating results that would have occurred had the acquisitions been completed on the dates discussed above nor are they indicative of the results of operations for any future period or date. The pro forma condensed consolidated financial statements should be read in connection with CIBER's unaudited consolidated financial statements and notes thereto included in CIBER's Quarterly Report on Form 10-Q for the period ended September 30, 2003 and CIBER's audited consolidated financial statements and notes thereto included in CIBER's Annual Report on Form 10-K for the year ended December 31, 2002.

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CIBER, Inc. and Subsidiaries

Pro Forma Condensed Consolidated Balance Sheet (Unaudited)

	Historical(a) CIBER as of September 30, 2003	Historical(a) SCB as of October 31, 2003	Pro Forma Adjustments	Pro Forma Combined	Pro Forma Financing Adjustments(b)	Pro Forma Combined with Financing(b)
<hr/>						

(In thousands)

Assets										
Current assets:										
Cash and cash equivalents	\$	19,657	\$	1,008	\$	20,665	\$	169,250 (j)	\$	53,560

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	Historical(a) CIBER as of September 30, 2003	Historical(a) SCB as of October 31, 2003	Pro Forma Adjustments	Pro Forma Combined	Pro Forma Financing Adjustments(b)	Pro Forma Combined with Financing(b)
					(48,122)(k) (88,233)(l)	
Accounts receivable, net	145,964	23,061		169,025		169,025
Prepaid expenses and other current assets	20,038	4,175		24,213		24,213
Total current assets	185,659	28,244		213,903	32,895	246,798
Property and equipment, net	16,398	10,077		26,475		26,475
Goodwill	244,543	10,554	(10,554)(c) 45,635 (c)	290,178		290,178
Other intangible assets, net	8,500	6,882	(6,882)(c) 13,000 (c)	21,500		21,500
Other assets	2,596	9,862		12,458	5,750 (j)	18,208
Total assets	\$ 457,696	\$ 65,619	\$ 41,199	\$ 564,514	\$ 38,645	\$ 603,159
Liabilities and Shareholders' Equity						
Current liabilities:						
Accounts payable	\$ 14,714	\$ 1,507		\$ 16,221		\$ 16,221
Accrued compensation and related liabilities	30,098	5,454		35,552		35,552
Other accrued expenses and liabilities	27,891	4,304	2,733 (c) 2,000 (c)	36,928		36,928
Current portion of long term debt		7,959		7,959	(7,959) (l)	
Total current liabilities	72,703	19,224	4,733	96,660	(7,959)	88,701
Long-term line of credit and other debt	27,268	24,071	28,935 (c)	80,274	175,000 (j) (80,274)(l)	175,000
Other long-term liabilities	12,414	20		12,434		12,434
Total liabilities	112,385	43,315	33,668	189,368	86,767	276,135
Shareholders' equity:						
Common stock	647	260	(260)(d) 32 (c)	679		679
Additional paid-in capital	266,695	42,500	(42,500)(d) 29,803 (c)	296,498		296,498
Retained earnings (deficit)	81,664	(19,957)	19,957 (d)	81,664		81,664
Accumulated other comprehensive income	2,608	(12)	12 (d)	2,608		2,608
Treasury stock	(6,303)	(487)	487 (d)	(6,303)	(48,122)(k)	(54,425)
Total shareholders' equity	345,311	22,304	7,531	375,146	(48,122)	327,024
Total liabilities and shareholders' equity	\$ 457,696	\$ 65,619	\$ 41,199	\$ 564,514	\$ 38,645	\$ 603,159

See accompanying notes to pro forma condensed consolidated financial statements.

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CIBER, Inc. and Subsidiaries

Pro Forma Condensed Consolidated Statement of Operations (Unaudited)

	Historical(a) CIBER Nine months ended September 30, 2003	Pro Forma(a) SCB Nine months ended October 31, 2003	Pro Forma Adjustments	Pro Forma Combined
In thousands, except per share data				
Consulting services	\$ 502,309	\$ 102,692		\$ 605,001
Other revenues	22,280			22,280
Total revenues	524,589	102,692		627,281
Cost of consulting services	358,968	78,879		437,847
Cost of other revenues	16,210			16,210
Selling, general and administrative expenses	120,613	17,706		138,319
Amortization of intangible assets	2,023	1,321	\$ (1,321)(e)	3,976
			1,953 (f)	
Operating income	26,775	4,786	(632)	30,929
Interest expense	(1,429)	(1,295)	(825)(g)	(3,549)
Loss on extinguishment of debt		(1,985)		(1,985)
Other income, net	563	195		758
Income before income taxes	25,909	1,701	(1,457)	26,153
Income tax expense	10,103	(33)	391 (h)	10,461
Net income	\$ 15,806	\$ 1,734	\$ (1,848)	\$ 15,692
Earnings per share basic	\$ 0.25			\$ 0.23
Earnings per share diluted	\$ 0.24			\$ 0.23
Weighted average shares basic	63,930		3,214 (i)	67,144
Weighted average shares diluted	64,688		3,214 (i)	67,902

See accompanying notes to pro forma condensed consolidated financial statements.

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CIBER, Inc. and Subsidiaries

Pro Forma Condensed Consolidated Statement of Operations (Unaudited)

	Historical(a) CIBER Year ended	Pro Forma(a) SCB Year ended	Pro Forma Adjustments	Pro Forma Combined
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	December 31, 2002	April 30, 2003		
	_____	_____	_____	_____
In thousands, except per share data				
Consulting services	\$ 582,864	\$ 138,347		\$ 721,211
Other revenues	25,454			25,454
	_____	_____		_____
Total revenues	608,318	138,347		746,665
	_____	_____		_____
Cost of consulting services	416,658	108,772		525,430
Cost of other revenues	17,326			17,326
Selling, general and administrative expenses	148,902	21,516		170,418
Amortization of intangible assets	910	1,490	\$ (1,490)(e)	3,514
			2,604 (f)	
	_____	_____	_____	_____
Operating income	24,522	6,569	(1,114)	29,977
Interest expense	(1,357)	(2,190)	(1,100)(g)	(4,647)
Other income, net	620	272		892
	_____	_____	_____	_____
Income before income taxes	23,785	4,651	(2,214)	26,222
Income tax expense (benefit)	9,607	1,680	(798)(h)	10,489
	_____	_____	_____	_____
Net income	\$ 14,178	\$ 2,971	\$ (1,416)	\$ 15,733
	_____	_____	_____	_____
Earnings per share basic	\$ 0.22			\$ 0.24
Earnings per share diluted	\$ 0.22			\$ 0.23
Weighted average shares basic	63,313		3,214 (i)	66,527
Weighted average shares diluted	63,989		3,214 (i)	67,203

See accompanying notes to pro forma condensed consolidated financial statements.

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Notes to Unaudited Pro Forma Combined Financial Statements

- a. These columns reflect the historical financial position of CIBER and SCB and the historical results of operations of CIBER, and the pro forma condensed consolidated results of operations and financial position of SCB, as adjusted for SCB's acquisitions of NSR and RSI, as more fully explained in the introduction.
- b. On December 2, 2003 CIBER completed the sale of \$175 million of convertible senior subordinated debentures. CIBER used the net proceeds from the debenture offering to concurrently repurchase approximately \$48.1 million of its common stock and to repay CIBER's outstanding line of credit balance. CIBER expects to use the remaining debenture proceeds to finance the cash portion of the SCB merger consideration and to repay SCB's existing debt after the merger and for general corporate purposes. The pro forma financing adjustments give estimated effect to the debenture offering and use of proceeds as of September 30, 2003.
- c. This adjustment reflects the acquisition of SCB and the allocation of the consideration to be paid for the shares of SCB common stock acquired, including the costs of the transaction, over the total of the fair values assigned to SCB's net assets. Based on the terms of the agreement, each SCB shareholder will receive aggregate consideration value of \$2.13 per share. For the purposes of this calculation, we have assumed the \$2.13 will be comprised of \$1.07 in cash and \$1.06 of CIBER common stock. We have also assumed that all SCB vested stock options with an exercise price less than \$2.13 are exercised concurrent with closing and the total value in excess of the exercise price is paid to option holders in the same ratio of cash and stock. For the purposes of these calculations we have assumed

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a CIBER stock price of \$9.00 per share.

This adjustment reflects the increase of SCB's assets and liabilities to fair value (in thousands):

Consideration to be paid in cash	\$ 28,435
Estimated transaction costs to be incurred by CIBER	500
	<u> </u>
Total cash consideration	28,935
	<u> </u>
Consideration to be paid in stock:	
Common stock (3,214,000 shares, \$0.01 par value)	32
	<u> </u>
Additional paid in capital	28,149
Estimated fair value of CIBER replacement options and warrants to be issued	1,654
	<u> </u>
Total additional paid-in capital	29,803
	<u> </u>
Total consideration	\$ 58,770
	<u> </u>
Historical pro forma net book value of SCB at October 31, 2003	\$ 22,304
Pro forma adjustments relating to:	
Elimination of pre-existing SCB goodwill	(10,554)
Elimination of pre-existing SCB other intangible assets	(6,882)
Estimated SCB executive severance	(2,733)
Estimated SCB transaction costs	(2,000)
Pro Forma amount allocated to other intangible assets	13,000
Preliminary pro forma goodwill	45,635
	<u> </u>
Total allocated purchase price	\$ 58,770
	<u> </u>

After closing the merger, the actual goodwill recorded by CIBER will be based on the fair value of SCB's assets and liabilities at the date of the acquisition. A preliminary allocation of the purchase price has been made to reflect the estimated fair value of the assets and liabilities of SCB, based on information available to management at the date of the preparation of the accompanying pro forma condensed financial information. The pro forma condensed financial statements include an estimated allocation of purchase price to other intangible assets of \$13 million. CIBER plans to obtain a valuation of other intangibles to aid in determining the actual purchase price allocation.

- d. Represents the elimination of SCB's shareholders' equity accounts.

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- e. Represents the elimination of intangible amortization expense reflected on SCB's pro forma condensed consolidated statements of operations.

- f.

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Represents estimated pro forma amortization expense related to the estimated SCB other identifiable intangible assets of \$13 million, being amortized over 60 months.

- g. The pro forma interest expense adjustment was calculated based on the estimated consideration to be paid in cash and CIBER's estimated borrowing rate of 3.80% under its line of credit.
- h. Represents the income tax effect of the pro forma adjustments and additional tax expense for SCB based on CIBER's estimated effective tax rate of 40%.
- i. Represents the estimated 3,214,000 CIBER shares to be issued as part of the SCB purchase consideration.
- j. Represents CIBER's sale on December 2, 2003 of \$175 million of senior subordinated convertible debentures and estimated offering costs of \$5.75 million.
- k. Represents CIBER's repurchase of 5,294,000 shares of its common stock concurrent with the debenture offering.
- l. Represents the repayment of CIBER's and SCB existing debt with proceeds from the debenture offering.

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Unaudited Pro Forma Condensed Consolidated Financial Statements SCB Computer Technology, Inc.

On August 29, 2003, SCB Computer Technology, Inc. ("SCB") acquired National Systems & Research Co. ("NSR") and on February 1, 2003 they acquired Remtech Services, Inc. ("RSI"). The unaudited pro forma condensed consolidated statements of operations for the nine months ended October 31, 2003 and for the year ended April 30, 2003 are presented as if the acquisitions of NSR and RSI had been completed as of the beginning of each period. Since RSI and NSR were acquired by SCB on February 1, 2003 and August 29, 2003, respectively, SCB's historical results of operations include those of RSI and NSR for all periods after the acquisition dates. Thus for the purposes of the pro forma consolidated statement of operations, the pro forma results of RSI and NSR need only be added for the appropriate periods up to the acquisition dates.

The pro forma adjustments presented, represent, in the opinion of management, all adjustments necessary to present the pro forma balance sheet and results of operations in accordance with Article 11 of Regulation S-X and are based upon available information and certain assumptions considered reasonable under the circumstances.

The SCB pro forma condensed consolidated financial statements should be read in connection with SCB's unaudited consolidated financial statements and notes thereto included in SCB's Quarterly Report on Form 10-Q for the period ended October 31, 2003 and SCB's audited consolidated financial statements and notes thereto included in SCB's Annual Report on Form 10-K for the year ended April 30, 2003. The following unaudited pro forma condensed consolidated financial statements may not be indicative of the financial position or operating results that would have occurred had the acquisitions been completed on the dates discussed above nor are they necessarily indicative of the results of operations for any future period or date.

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SCB Computer Technology, Inc.

Pro Forma Condensed Consolidated Statement of Operations (Unaudited)

Historical SCB Nine months ended	Historical NSR Seven months ended	Pro Forma Adjustments	SCB Pro Forma Combined Nine months
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	October 31, 2003	August 31, 2003		ended October 31, 2003
(In thousands)				
Revenue	\$ 88,460	\$ 14,232	\$	\$ 102,692
Cost of services	67,328	11,551		78,879
Selling, general and administrative expenses	16,117	1,852	(190)(b)	17,706
			(73)(c)	
Amortization of intangible assets	971		350 (a)	1,321
Operating income	4,044	829	(87)	4,786
Interest expense, net	(941)	(30)	(324)(d)	(1,295)
Loss on extinguishment of debt	(1,985)			(1,985)
Other income, net	195			195
Income before income taxes	1,313	799	(411)	1,701
Income tax expense (benefit)	(187)		316 (e)	(33)
			(162)(e)	
Net income	\$ 1,500	\$ 799	(565)	\$ 1,734
Earnings per share basic	\$ 0.06			\$ 0.07
Earnings per share diluted	\$ 0.06			\$ 0.07
Weighted average shares basic	24,656		686 (f)	25,342
Weighted average shares diluted	25,301		686 (f)	25,987

See accompanying notes to pro forma condensed financial statements.

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SCB Computer Technology, Inc.

Pro Forma Condensed Consolidated Statement of Operations (Unaudited)

	Historical SCB Year ended April 30, 2003	Historical NSR Year ended April 30, 2003	Historical RSI Nine months ended January 31, 2003	Pro Forma Adjustments	SCB Pro Forma Combined Year ended April 30, 2003
(In thousands)					
Revenue	\$ 90,547	\$ 25,684	\$ 22,116	\$	\$ 138,347
Cost of services	68,475	21,708	18,589		108,772
Selling, general and administrative expenses	17,742	2,576	1,842	(520)(b)	21,516
				(124)(c)	
Amortization of intangible assets	290			1,200 (a)	1,490
Operating income	4,040	1,400	1,685	(556)	6,569
Interest expense, net	(868)	17	4	(1,343)(d)	(2,190)
Other income (loss), net	298		(26)		272
Income before income taxes	3,470	1,417	1,663	(1,899)	4,651

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	Historical SCB Year ended April 30, 2003	Historical NSR Year ended April 30, 2003	Historical RSI Nine months ended January 31, 2003	Pro Forma Adjustments	SCB Pro Forma Combined Year ended April 30, 2003
Income tax expense (benefit)	665	524		491 (e)	1,680
Net income	\$ 2,805	\$ 893	\$ 1,663	\$ (2,390)	\$ 2,971
Earnings per share basic	\$ 0.11				\$ 0.12
Earnings per share diluted	\$ 0.11				\$ 0.12
Weighted average shares basic	24,647			882 (f)	25,529
Weighted average shares diluted	24,949			882 (f)	25,831

See accompanying notes to pro forma condensed consolidated financial statements.

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SCB Computer Technology, Inc.

Notes to Pro Forma Condensed Consolidated Financial Statements

(Unaudited)

- (a) Represents additional amortization expense for identifiable other intangible assets of NSR and RSI from the beginning of the period presented through the acquisition date. An estimated amortization period of 60 months was used.
- (b) Reduction in salary and benefits for the former owner of NSR since he will no longer be an employee of SCB after the transaction closing date.
- (c) Represents the negotiated reduction in rent expense incurred by NSR, effective after closing.
- (d) Represents interest expense for the debt issued in connection with the purchase of NSR under SCB's existing credit facilities and seller debt with interest rates of 3.6% and 6.0%, respectively.
- (e) Represents the income tax benefit related to the pro forma adjustments above based on SCB's historical effective tax rate of 39.5%. As well as the additional income tax expense of NSR and RSI based on SCB's historical tax rate of 39.5%.
- (f) Represents the shares issued as part of the purchase price.

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RISK FACTORS

Your approval of the merger also may constitute an investment in CIBER's common stock which involves a high degree of risk. If any of the risks discussed below come to fruition you may lose all or part of your investment. In making your investment decision, you should carefully consider the following risk factors, in addition to other information contained in this joint proxy statement/prospectus, in CIBER's most recent annual report on Form 10-K, and most recent quarterly report on Form 10-Q and in any other documents CIBER incorporates by reference into this joint proxy statement/prospectus from other SEC filings. CIBER operates in a dynamic and rapidly changing environment that involves

numerous risks and uncertainties. The following section lists some, but not all, of the risks and uncertainties that may have a material adverse effect on CIBER's business, financial condition, results of operations and the market price of CIBER common stock.

Risks Related to the Merger

Announcement of the merger or failure to complete the merger could negatively affect the business and operations of SCB.

The customers of SCB may, in response to the announcement of the merger, delay or defer decisions. Any delay or deferral in engagement decisions by customers of SCB could have a material adverse effect on its business, regardless of whether or not the merger is ultimately completed.

Further, if the merger is terminated and SCB's board of directors determines to seek another business combination involving SCB, there can be no assurance that it will be able to find a partner willing to pay an equivalent or more attractive price than that which would be paid in the merger. In addition, while the merger agreement is in effect, SCB is prohibited from soliciting, initiating, or encouraging a transaction with any party other than CIBER that would result in the acquisition of SCB or its assets. In addition, SCB is required to pay a fee of up to \$2.5 million to CIBER if it enters into such a transaction with any party other than CIBER under certain circumstances.

The market value of CIBER common stock could decline if large amounts of CIBER common stock are sold following the merger.

Shareholders of SCB may not wish to continue to invest in CIBER. As a result, such shareholders may seek to sell the shares of CIBER common stock received in the merger. If, following the merger, large amounts of CIBER common stock are sold, the price of CIBER common stock could decline.

Affiliates of SCB will have restrictions placed on the resale of CIBER common stock.

Under the terms of the merger agreement and Rule 145 under the Securities Act of 1933, each person who is an affiliate of SCB prior to the merger will be required to agree that during the period beginning on the closing date and ending on the first anniversary of the closing date, the person will not, directly or indirectly sell or otherwise dispose of any CIBER shares except in accordance with applicable securities laws. This may prevent these shareholders from realizing a profit they might otherwise obtain.

Integration of CIBER and SCB may be difficult and expensive to achieve.

The merger involves the integration of companies that have previously operated independently. The integration will be a complex, time consuming and expensive process and may materially harm CIBER's and SCB's respective businesses if not completed in a timely and efficient manner. The companies may not be able to integrate their operations without encountering difficulties, including possible unanticipated costs, failure to retain key employees, the diversion of management attention or failure to integrate information systems. Such difficulties may result in a reduction of capital available to fund the future operation of the combined company. These difficulties may be exacerbated by the fact that SCB and CIBER have recently completed other acquisitions that may not be fully integrated

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into each company's operations. Most recently, SCB purchased National Systems & Research Co. in September 2003, and CIBER purchased AlphaNet Solutions, Inc. in June 2003.

The directors and officers of SCB have a personal interest that could have affected their decision to support or approve the offer and the merger.

In considering the recommendation of the SCB board of directors to approve the Agreement and Plan of Merger, you should recognize that SCB directors and officers have interests in the merger that differ from, or are in addition to, their interests as SCB shareholders. These interests include:

severance arrangements;

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accelerated vesting of stock options upon consummation of the offer; and

indemnification of SCB directors and officers against certain liabilities arising both before and after the merger.

Failure to complete the merger could harm the market price of SCB common stock and its future business and operations.

If the merger is not completed, SCB may be subject to the following risks:

if the merger agreement is terminated under certain circumstances, SCB will be required to pay CIBER a termination fee of \$2.5 million if within 12 months it completes a transaction regarding an acquisition proposal with certain third parties;

the price of SCB's common stock may decline to the extent that the current market price of SCB common stock reflects a market assumption that the offer and the merger will be completed;

costs related to the merger, such as legal, accounting and certain financial advisory fees, must be paid even if the merger is not completed; and

if the merger is terminated and SCB's board of directors determines to seek another merger or business combination, SCB may not be able to find a partner willing to pay an equivalent or more attractive price than that which would be paid in the offer and merger.

Risks related to the combined company and unanticipated fluctuations in the combined company's quarterly operating results could affect the combined company's stock price.

Each of CIBER and SCB believes that quarter-to-quarter comparisons of its financial results are not necessarily meaningful indicators of the future operating results of the combined company and should not be relied on as an indication of future performance. If the combined company's quarterly operating results fail to meet the expectations of analysts, the trading price of CIBER common stock following the merger could be negatively affected. Each of the CIBER and SCB quarterly operating results have varied substantially in the past and those of the combined company may vary substantially in the future depending upon a number of factors, including many that are beyond the combined company's control. Neither CIBER nor SCB can be certain that it will successfully manage these risks or that the business strategy of the combined company will be successful. If the combined company fails to adequately address any of these risks or difficulties, its business would likely suffer.

Risks Relating to CIBER

CIBER's profitability will suffer if it is not able to maintain its pricing and utilization rates and control its costs.

CIBER's profit margin, and therefore its profitability, is largely a function of the rates it charges for its services and the utilization rate or chargeability, of its consultants. Accordingly, if CIBER is not able to maintain the rates it charges for its services or an appropriate utilization rate for its consultants,

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it will not be able to sustain its profit margin and its profitability will suffer. The rates CIBER charges for its services are affected by a number of factors, including:

CIBER's clients' perception of its ability to add value through its services;

competition;

introduction of new services or products by CIBER or its competitors;

pricing policies of CIBER's competitors; and

general economic conditions.

CIBER's utilization rates are also affected by a number of factors, including:

seasonal trends, primarily as a result of holidays and vacations;

its ability to transition employees from completed assignments to new engagements;

its ability to forecast demand for its services and thereby maintain an appropriately balanced and sized workforce; and

its ability to manage employee turnover.

CIBER has implemented cost-management programs to manage its costs, including personnel costs, support and other overhead costs. Some of CIBER's costs, like office rents, are fixed in the short term, which limits CIBER's ability to reduce costs in periods of declining revenues. CIBER's current and future cost-management initiatives may not be sufficient to maintain its margins as its level of revenue varies.

CIBER's business will be negatively affected if it is not able to anticipate and keep pace with rapid changes in technology.

CIBER's market is characterized by rapidly changing technologies, such as the evolution of the Internet, frequent new product and service introductions and evolving industry standards. Its success depends, in part, on its ability to develop and implement technology services and solutions that anticipate and keep pace with rapid and continuing changes in technology, industry standards and client preferences. CIBER may not be successful in anticipating or responding to these developments on a timely basis and its offerings may not be successful in the marketplace. Also, services, solutions and technologies developed by CIBER's competitors may make its service or solution offerings uncompetitive or obsolete. Any one of these circumstances could have a material adverse effect on CIBER's ability to obtain and successfully complete client engagements.

If CIBER's clients are not satisfied with its services, it may have exposure to liabilities, which could adversely affect its profitability and financial condition, and its ability to compete for future work may be adversely affected.

If CIBER fails to meet its contractual obligations, it could be subject to legal liability, which could adversely affect its business, operating results and financial condition. The provisions CIBER typically includes in its contracts, which are designed to limit its exposure to legal claims relating to its services and the applications it develops, may not protect CIBER or may not be enforceable under some circumstances or under the laws of some jurisdictions. It is possible, because of the nature of CIBER's business, that it will be sued in the future. In addition, although it maintains professional liability insurance, the policy limits may not be adequate to provide protection against all potential liabilities. Moreover, as a consulting firm, CIBER depends to a large extent on its relationships with clients and its reputation for high-quality services to retain and attract clients and employees. As a result, claims made against CIBER's work may damage its reputation, which in turn, could impact the company's ability to compete for new work and negatively impact its revenues and profitability.

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If CIBER does not successfully integrate the businesses that it acquires, its revenues and profitability may decline.

As an integral part of its business strategy, CIBER intends to continue to expand by acquiring information technology businesses. CIBER regularly evaluates potential business combinations and aggressively pursues attractive transactions. Since January 2000, the company has

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completed 12 acquisitions. It may be unable to profitably manage businesses that it has acquired or that it may acquire, or it may fail to integrate them successfully without incurring substantial expenses, delays or other problems that could negatively impact its revenues, profitability and financial condition.

Acquisitions involve additional risks, including:

diversion of management's attention from existing business activities;

additional costs and delays from difficulties in the integration of the acquired business with the company's existing operations;

loss of significant clients acquired;

loss of key management and technical personnel acquired;

assumption of unanticipated legal or other financial liabilities;

becoming significantly leveraged as a result of debt incurred to finance acquisitions;

unanticipated operating, accounting or management difficulties in connection with the acquired entities;

impairment charges for acquired intangible assets, including goodwill, that decline in value; and

dilution to CIBER's earnings per share as a result of issuing shares of its stock to finance acquisitions.

Also, client dissatisfaction or performance problems with an acquired firm could materially and adversely affect CIBER's reputation as a whole. Further, the acquired businesses may not achieve the revenue and earnings CIBER anticipated.

Historically, CIBER has not always achieved the level of benefits that it has expected from its acquisitions. Certain acquisitions have not resulted in the revenues or growth the company expected due to client attrition and difficulty in selling additional services. In some cases, CIBER's operating expenses have been higher than expected because it has not achieved the level of synergies expected from certain acquisitions. In addition, the company had an approximately \$81 million goodwill impairment charge in 2000 in connection with its acquisitions of Business Impact Systems, Inc., Integration Software Consultants, Inc., York & Associates, Inc., Interactive Papyrus, Inc. and Paragon Solutions, Inc. The impairment charge resulted from a combination of factors, including among others, CIBER's use of stock as consideration for the acquisitions which required premiums over cash consideration, acquiring the entities at a time when the value of IT services companies was much higher than at the time of the impairment charge, and a significant decrease in the IT services requirements of dot.com companies in the spring of 2000 coupled with greater competition to provide such services which led to a decrease in revenues, cash flows and expected future growth rates of these operations.

Based on this experience, CIBER will continue to evaluate from time to time, on a selective basis, other strategic acquisitions if it believes they will help the company obtain well-trained, high-quality employees, new service offerings, additional industry expertise, a broader client base or an expanded geographic presence. CIBER may not be successful in identifying candidates or consummating acquisitions on terms that are acceptable or favorable to it. In addition, financing for acquisitions may not be available on terms that are acceptable or favorable. CIBER may issue shares of its common

stock as part of the purchase price for some or all of these acquisitions. Future issuances of CIBER's common stock in connection with acquisitions also may dilute its earnings per share.

The continuation of the current economic downturn has negatively impacted CIBER's revenues, and future economic downturns may cause CIBER's revenues to decline.

CIBER's results of operations are affected by the level of business activity of its clients, which in turn is affected by regional and global economic conditions. As a result of the recent difficult economic environment, some of its clients have cancelled, reduced or deferred expenditures for information technology products and services. Future deterioration of economic conditions could adversely affect CIBER's pricing and utilization rates, and therefore its revenues and profitability.

Financial and operational risks of international operations could result in a decline of CIBER's revenue and profitability.

CIBER expects to continue to expand its international operations. CIBER's foreign operations accounted for approximately 4% of its 2002 revenues. With its January 2003 acquisition of ECsoft Group, CIBER expects its international operations to be approximately 10% to 12% of its total revenues in 2003. CIBER now has offices in nine foreign countries: Canada, Denmark, Germany, Hungary, India, the Netherlands, Norway, Sweden and the United Kingdom. International operations could cause CIBER to be subject to unexpected, uncontrollable and changing economic and political conditions that could have an adverse effect on its business, revenues, profitability and financial condition. The following factors, among others, present risks that could have an adverse effect on CIBER:

the costs and difficulties relating to managing geographically diverse operations;

foreign currency exchange rate fluctuations;

differences in, and uncertainties arising from changes in, foreign business culture and practices;

restrictions on the movement of cash;

multiple, and possible overlapping or conflicting tax laws;

the costs of complying with a wide variety of national and local laws;

operating losses incurred in certain countries and the non-deductibility of those losses for tax purposes; and

differences in, and uncertainties arising from changes in legal, labor, political and economic conditions, as well as international trade regulations and restrictions, and tariffs.

The termination of a contract by a significant client could reduce CIBER's revenue and profitability or adversely affect CIBER's financial condition.

CIBER's five largest clients accounted for 30% of its revenues in 2002. The various agencies of the federal government represent CIBER's largest client, accounting for 12% of total revenues. CIBER strives to develop long-term relationships with its clients. Most individual client assignments are from three to twelve months, however, many relationships have continued for many years. CIBER's clients typically retain the company on a non-exclusive, engagement-by-engagement basis. Although they may be subject to penalty provisions, clients may generally cancel a contract at any time. Under many contracts, clients may reduce their use of CIBER's services under such contract without penalty. In addition, contracts with the federal government contain provisions and are subject to laws and regulations that provide the federal government with rights and remedies not typically found in commercial contracts. Among other things, the federal and state governments may terminate contracts, with short notice, for convenience and may cancel multi-year contracts if funds become unavailable. When contracts are terminated, CIBER's revenues may decline, and if it is unable to eliminate

associated costs in a timely manner, its profitability may decline. If any government or significant client terminates its relationship with CIBER or substantially decreases its use of CIBER's services, CIBER's business reputation and financial condition may suffer. In addition, if any significant client defaults in its payment obligations to CIBER (for example, in the case of a client bankruptcy), its profitability and financial condition would be adversely affected as reserves are established for such receivables.

CIBER generates a significant portion of its revenue from projects to implement packaged software developed by others, including PeopleSoft, Lawson, Oracle and SAP. CIBER's future success in the packaged software implementation business depends on the continuing viability of these companies and their ability to maintain market leadership. For example, it is unclear whether PeopleSoft will continue to maintain a strong market presence following its acquisition of J.D. Edwards. In addition, Oracle has commenced a hostile tender offer of PeopleSoft and has stated that, if successful in acquiring PeopleSoft, it may discontinue developing and selling or continue to sell and support PeopleSoft software only for a limited time. The uncertainty about Oracle's intentions may cause customers of PeopleSoft and J.D. Edwards to defer or cancel software purchases, which could harm our business. CIBER cannot assure you that it will be able to maintain a good relationship with these companies or that they will maintain their leadership positions in the software market.

If CIBER does not accurately estimate the cost of a large engagement which is conducted on a fixed-price basis, its revenue and profitably may decline.

CIBER estimates that approximately 10% of the company's revenue is from engagements performed on a fixed-price basis. For fixed-price contracts, revenue is recognized on the basis of the estimated percentage of completion based on costs incurred relative to total estimated costs. The cumulative impact of any revisions in estimated revenues and costs are recognized in the period in which the facts that give rise to the revision become known. Losses, if any, on fixed-price contracts are recognized when the loss is determined. When proposing for and managing fixed-price engagements, CIBER relies on its estimates of costs for completing the project. These estimates reflect the company's best judgment regarding the efficiencies of its methodologies and professionals as it plans to apply them to the project. Any increased or unexpected costs or unanticipated delays in connection with the performance of fixed-price contracts including delays caused by factors outside of CIBER's control could make these contracts less profitable or unprofitable and may affect the amount of revenue reported in any period.

Unfavorable government audits could require CIBER to refund payments it has received, to forego anticipated revenue and could subject the company to penalties and sanctions.

The government agencies CIBER contracts with generally have the authority to audit and review their contracts with CIBER. As part of that process, the government agency reviews CIBER's performance on the contract, CIBER's pricing practices, its cost structure and its compliance with applicable laws, regulations and standards. If the audit agency determines that CIBER has improperly received reimbursement, the company would be required to refund any such amount. If a government audit uncovers improper or illegal activities by CIBER or CIBER otherwise determines that these activities have occurred, the company may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeitures of profits, suspension of payments, fines and suspension or disqualification from doing business with the government. Any such unfavorable determination could adversely impact CIBER's ability to bid for new work.

The IT services industry is highly competitive, and CIBER may not be able to compete effectively.

CIBER operates in a highly competitive industry that includes a large number of participants. The company believes that it currently competes principally with other IT professional services firms, technology vendors and the internal information systems groups of its clients. Many of the companies that provide services in CIBER's markets may have significantly greater financial, technical and

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marketing resources than CIBER. The IT marketplace is experiencing rapid changes in its competitive landscape. Some of CIBER's competitors have sought access to public and private capital and others have merged or consolidated with better-capitalized partners. These changes may create more or larger and better-capitalized competitors with enhanced abilities to compete for market share generally and CIBER's clients specifically, in some cases through significant economic incentives to clients to secure contracts. These competitors may also be better able to compete for skilled professionals by offering them large compensation incentives. In addition, one or more of CIBER's competitors may develop and implement methodologies that result in superior productivity and price reductions without adversely affecting the competitors' profit margins. In addition, there are relatively few barriers to entry into CIBER's markets and the company has faced, and expects to continue to face, competition from new entrants into its markets. As a result, it may be unable to continue to compete successfully with its existing or any new future competitors, and its revenues and profitability may be adversely affected.

If CIBER is unable to manage its growth, its profitability may decline.

CIBER's profitability is also a function of its ability to control its costs and improve its efficiency. Growth places significant demands on CIBER's management as well as on its administrative, operational and financial resources. As the company increases the number of its professionals and executes its strategy for growth, it may not be able to manage a significantly larger and more diverse workforce, control its costs or improve its efficiency.

CIBER's future success depends on its ability to continue to retain and attract qualified employees.

CIBER believes that its future success depends upon its ability to continue to train, retain, effectively manage and attract highly skilled technical, managerial, sales and marketing personnel. Employee turnover is generally high in the IT services industry. If CIBER's efforts in these areas are not successful, its costs may increase, its sales efforts may be hindered, and its customer service may degrade. Although CIBER invests significant resources in recruiting and retaining employees, there is often significant competition for certain personnel in the IT services industry. From time to time, the company experiences difficulties in locating enough highly qualified candidates in desired geographic locations, or with required specific expertise.

In addition, CIBER believes that there are certain key employees within its organization, primarily in the senior management team, who are necessary for the company to meet its objectives. Due to the competitive employment nature of the IT industry, there is a risk that CIBER will not be able to retain these key employees. The loss of one or more key employees could adversely affect CIBER's continued growth. In addition, uncertainty created by turnover of key employees could result in reduced confidence in the company's financial performance, which could cause fluctuations in its stock price and result in further turnover of its employees.

CIBER's debt may adversely affect its business and may restrict its operating flexibility.

CIBER has a \$60 million revolving line of credit with a bank, and the line of credit expires in August 2006. The company has used borrowings under its line of credit for consideration related to its acquisitions of Metamor in 2001, Decision Consultants, Inc. in 2002 and ECsoft and AlphaNet in 2003. In the past, the company has been successful in generating cash flow from operations to reduce its indebtedness. It has experienced, from time to time, instances of covenant non-compliance under its line of credit, which non-compliances have been waived by the lender. In addition, CIBER's debt will likely increase in connection with the merger. The level of the company's indebtedness could:

limit cash flow available for general corporate purposes, such as acquisitions, due to the ongoing cash flow requirements for debt service;

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limit the company's ability to obtain, or obtain on favorable terms, additional debt financing in the future for working capital or acquisitions;

limit the company's flexibility in reacting to competitive and other changes in its industry and economic conditions generally;

expose the company to a risk that a substantial decrease in net operating cash flows due to economic developments or adverse developments in its business could make it difficult to meet debt service requirements; and

expose the company to risks inherent in interest rate fluctuations because of the variable interest rates, which could result in higher interest expense in the event of increases in interest rates.

As of September 30, 2003, after giving pro forma effect to the issuance and sale of its convertible debentures and the expected use of the estimated net proceeds from such sale, CIBER would have had \$175 million of outstanding indebtedness (not including the indebtedness of SCB and the proposed repayment thereof in connection with the merger). CIBER intends to use a portion of the proceeds from the sale of its convertible senior subordinated debentures to repay all of its outstanding senior indebtedness, and thereafter to amend the terms of its senior credit facility to reduce the borrowing limit available thereunder. In the future, CIBER may obtain additional long-term debt and working capital lines of credit to meet future financing needs, which would have the effect of increasing its total leverage. CIBER is not restricted from incurring

additional debt.

CIBER's ability to repay or to refinance its indebtedness will depend upon its future operating performance, which may be affected by general economic, financial, competitive, regulatory, business and other factors beyond its control, including those discussed herein. In addition, there can be no assurance that future borrowings or equity financing will be available for the payment or refinancing of any indebtedness the company may have. If CIBER is unable to service its indebtedness or maintain covenant compliance, whether in the ordinary course of business or upon acceleration of such indebtedness, it may be forced to pursue one or more alternative strategies, such as restructuring or refinancing its indebtedness, selling assets, reducing or delaying capital expenditures or seeking additional equity capital. There can be no assurances that any of these strategies could be affected on satisfactory terms, if at all.

Conversion of CIBER's convertible senior subordinated debentures will dilute the ownership interest of existing CIBER stockholders.

On December 2, 2003, CIBER closed the sale of \$175 million of convertible senior subordinated debentures, which are convertible into shares of CIBER common stock at a conversion price of \$13.64. The conversion of some or all of the debentures will dilute the ownership interest of CIBER's existing stockholders. Any sales in the public market of the common stock issuable upon conversion of the debentures could adversely affect prevailing market prices of CIBER's common stock. In addition, the existence of the debentures may encourage short selling by market participants because the conversion of the debentures could depress the price of CIBER common stock.

CIBER's quarterly revenues, operating results and profitability will vary from quarter to quarter and other factors that may result in increased volatility of its stock price.

CIBER's quarterly revenues, operating results and profitability have varied in the past and are likely to vary significantly from quarter to quarter, making them difficult to predict. This may lead to volatility in the company's stock price. The changes in the market price of the company's common stock may also be for reasons unrelated to its operating performance. Some other factors that may cause the market price of the company's common stock to fluctuate substantially include:

the failure to be awarded a significant contract on which it has bid;

the termination by a client of a material contract;

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announcement of new services by CIBER or its competitors;

announcement of acquisitions or other significant transactions by CIBER or its competitors;

changes in or failure to meet earnings estimates made by securities analysts;

sales of common stock by CIBER or existing stockholders, or the perception that such sales may occur;

adverse judgments or settlements obligating the company to pay its liabilities;

changes in management;

general economic conditions and overall stock market volatility; and

changes in or the application of U.S. generally accepted accounting principles.

CIBER has adopted anti-takeover defenses that could make it difficult for another company to acquire control of the company or limit the price investors might be willing to pay for its stock, thus impacting the market price of its stock.

Certain provisions of CIBER's certificate of incorporation and bylaws could delay the removal of incumbent directors and could make a merger, tender offer or proxy contest involving the company more difficult, even if such events would be beneficial to the interests of its stockholders. These provisions include adoption of a preferred stock purchase rights agreement, commonly known as a "poison pill" and giving the company's board the ability to issue preferred stock and determine the rights and designations of the preferred stock at any time without stockholder approval. The rights of the holders of the company's common stock will be subject to, and may be adversely affected by, the rights of the holders of any preferred stock that may be issued in the future. The issuance of preferred stock could have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from acquiring, a majority of the outstanding voting stock of CIBER. In addition, the staggered terms of the company's Board of Directors could have the effect of delaying or deferring a change in control. These provisions could limit the price that investors might be willing to pay in the future for shares of CIBER's common stock, and as a result the price of its common stock could decline.

The above factors and certain provisions of the Delaware General Corporation Law may have the effect of deterring hostile takeovers or otherwise delaying or preventing changes in the control or management of CIBER, including transactions in which the company's stockholders might otherwise receive a premium over the then-current market for their shares of CIBER common stock.

CIBER's Chairman of the Board owns significant shares of CIBER's common stock and can significantly affect the results of any stockholder vote regardless of the opposition of other stockholders or the desire of other stockholders to pursue an alternate course of action.

CIBER's Chairman of the Board of Directors and Founder, Bobby G. Stevenson, beneficially owns approximately 11% of the company's common stock. As a result, Mr. Stevenson has the ability to significantly influence the outcome of matters requiring a stockholder vote, including the election of the board of directors, amendments to the company's organizational documents, or approval of any merger, sale of assets or other major corporate transaction. The interests of Mr. Stevenson may differ from the interests of the company's other stockholders, and Mr. Stevenson may be able to delay or prevent CIBER from entering into transactions that would result in a change in control, including transactions in which the company's stockholders might otherwise receive a premium over the then-current market price for their shares. These factors could limit the price that investors might be willing to pay in the future for shares of CIBER's common stock, and as a result, the price of its common stock could decline.

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CAUTIONARY STATEMENT CONCERNING FORWARD LOOKING STATEMENTS

CIBER and SCB believe this document contains "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties and are based on the beliefs and assumptions of management from information currently available to each company's management. When we use words such as "believes," "expects," "anticipates," "intends," "plans," "estimates," "should," "likely" or similar expressions, we are making forward-looking statements. Forward looking statements include the information concerning possible or assumed future results of operations of CIBER and SCB that may be set forth under sections of this document including, among others "Questions and Answers About the Merger," "Summary," "Risk Factors," "The Merger Background of the Merger," " SCB's Reasons for the Merger," " CIBER's Reasons for the Merger," "Recommendation of the SCB Board of Directors," and " Opinion of Financial Advisors." Forward looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. The future results and shareholder values of CIBER and SCB may differ materially from those expressed in the forward looking statements. Many of the factors that will determine these results and values are beyond the companies' ability to control or predict. Shareholders are cautioned not to put undue reliance on any forward-looking statements. CIBER and SCB intend the forward looking statements to be covered by the safe harbor provisions contained in the Private Securities Litigation Reform Act of 1995.

For a discussion of some of the factors that may cause actual results to differ materially from those suggested by the forward looking statements, please read carefully the information under "Risk Factors" beginning on page S-27.

THE COMPANIES

CIBER

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CIBER and its subsidiaries provide IT system integration consulting and other IT services and to a lesser extent, resell certain IT hardware and software products. CIBER's services are offered on a project or strategic staffing basis, in both custom and enterprise resource planning package environments, and across all technology platforms, operating systems and infrastructures. CIBER's clients consist primarily of Fortune 500 and middle market companies across most major industries, and governmental agencies. CIBER operates from approximately 70 branch offices in the United States, Canada and Europe and in India through CIBER India Private Limited, a joint venture company with iGATE Global Solutions. CIBER has approximately 6,000 employees. CIBER was originally incorporated in Michigan in 1974 and later reincorporated in Delaware in 1993. CIBER's corporate headquarters are located in Greenwood Village, Colorado. CIBER went public in 1994 and its common stock trades on the New York Stock Exchange under the symbol "CBR."

CIBER began operations in 1974 to assist companies in need of computer programming support. In the mid-1980s, CIBER initiated a growth strategy that included expanding its range of IT related services, developing a professional sales force and selectively acquiring established complementary companies. Since January 1998 CIBER has completed 30 business combinations and continues to expand and modify its geographic and service offerings to address changes in customer demands and rapidly changing technology. In addition, CIBER seeks to form strategic alliances with select package software and hardware vendors to stay at the leading edge of technology advances, to develop new business and to generate additional revenue.

On December 2, 2003, CIBER closed the sale of \$175 million of convertible senior subordinated debentures. CIBER used the net proceeds of that offering to repurchase shares of its stock and to repay its outstanding line of credit balance. CIBER expects to use the remaining proceeds to finance the cash portion of the merger if SCB's shareholders approve the merger, to pay SCB's existing debt following consummation of the merger and for general corporate purposes.

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SCB

SCB Computer Technology, Inc. is a leading provider of IT management and technical services to the United States federal government, state and local government agencies and commercial enterprises. SCB's services consist of (1) *consulting*, which mainly entails the evaluation, design and re-engineering of computer systems, management, quality assurance and technical directions for IT projects, network planning and implementation, and functional expertise and training; (2) *outsourcing*, which usually involves system development and integration, maintenance, data center management, help desk and technical services; and (3) *professional staffing*, which includes providing skilled IT staff on an as-needed basis.

In fiscal 2001, management re-evaluated SCB's strategic direction and concluded that while the acquisition and diversification strategy followed by SCB since fiscal 1997 had grown revenues at a robust rate, SCB's net income had declined over the same period. Accordingly, management changed SCB's business development strategy to focus on its historical core competencies of providing IT consulting, outsourcing, and professional staffing services (the "core operations"). A portion of that change in strategic direction included focusing on SCB's strengths with government customers and adding agencies of the U.S. federal government as customers. As a result of the change in strategic direction, beginning in fiscal 2001 and continuing through fiscal 2002, SCB disposed of several underperforming business units. These non-core business units were engaged in specialized policy consulting, computer hardware and specialty software sales, enterprise resource planning, and computer equipment leasing (the "non-core operations"). All of SCB's non-core operations were disposed of as of April 1, 2002. Beginning in fiscal 2003, SCB implemented a strategic acquisition plan focused on growing its core operations through acquiring companies with heavy concentrations in the government market, primarily the U.S. federal government market. SCB completed its first acquisition under its plan with the purchase of Remtech Services, Inc. ("RSI") on February 6, 2003. On May 28, 2003, SCB entered into a definitive agreement to acquire a second company, National Systems & Research Co. ("NSR"). This acquisition closed on August 29, 2003 and was funded on September 4, 2003.

SCB's strategy of expanding its business in the government consulting sector into federal contracting has produced both benefits and risks to the company. Management believes that the success of the strategy has been demonstrated by increased shareholder value and further definition of SCB as a market leader in the area of government IT consulting and solutions. This has produced a much greater concentration of SCB's business in the government consulting sector, and increased SCB's reliance on contracts cancelable on short notice with federal, state and local government customers that are subject to budgetary restraints. Because a portion of this strategy utilized acquisitions, SCB's long term debt level under its current facility increased from \$5,031,000 as of January 31, 2003, prior to the RSI acquisition, to approximately \$33,000,000 in September 2003 after the NSR acquisition.

SCB was founded as a partnership in 1976 and was incorporated under the laws of the State of Tennessee in 1984. SCB's principal executive offices are located in Memphis, Tennessee, and its common stock trades on the OTC Bulletin Board under the symbol "SCBI."

DAPHNE

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Daphne Acquisition Corporation is a newly formed, wholly owned subsidiary of CIBER. CIBER formed this subsidiary as a Tennessee corporation solely to effect the merger, and this subsidiary has not conducted and will not conduct any business during the period of its existence.

INFORMATION ABOUT THE SPECIAL MEETING

This joint proxy statement/prospectus is being sent to you as an SCB shareholder in order to provide you with important information regarding the proposed merger in connection with the solicitation of proxies by SCB's board of directors for use at the special meeting of its shareholders.

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Date, Time and Place of the Special Meeting; Matters to be Considered

The enclosed proxy is solicited by the board of directors of SCB for use at the special meeting of shareholders to be held on Monday, March 1, 2004 at 10:00 a.m., Memphis time, at SCB's office located at 3800 Forest Hill-Irene Road, Suite 100, Memphis, Tennessee and at any adjournment or postponements of the meeting. This joint proxy statement/prospectus and the accompanying form of proxy were first mailed to shareholders of SCB on or about January 30, 2004.

At the SCB special meeting, shareholders of SCB will vote on the following items: (i) a proposal to approve the Agreement and Plan of Merger, dated as of October 24, 2003, as amended, by and among CIBER, Daphne and SCB; and, (ii) any proposal to adjourn the special meeting to a later date, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the foregoing proposal. SCB does not currently contemplate that any other matters will be presented at the SCB special meeting. SCB's bylaws provide that no matter may be brought before a special meeting which is not stated in the notice of the special meeting.

The SCB board of directors has approved and adopted the Agreement and Plan of Merger and recommends that shareholders of SCB vote "FOR" the Agreement and Plan of Merger.

Record Date for the Special Meeting

Only SCB shareholders of record at the close of business on January 26, 2004 are entitled to vote at the special meeting. As of January 26, 2004, there were 25,384,954 shares of SCB common stock outstanding.

Quorum; Vote Required for Approval of Merger

Each holder of common stock is entitled to one vote for each share held. A quorum, consisting of holders of a majority of shares of common stock entitled to vote at the special meeting, must be present in person or by proxy before action may be taken at the special meeting. The affirmative vote of a majority of the outstanding SCB common stock is required to approve the Agreement and Plan of Merger.

On January 26, 2004, (without reflecting any currently exercisable options), directors and officers of SCB, and their affiliates, owned and were entitled to vote 4,411,587 SCB common shares. These shares represented approximately 17.4% of the outstanding SCB common shares.

There is no vote required by CIBER's stockholders. On January 26, 2004 (without reflecting any currently exercisable options), directors and officers of CIBER, and their affiliates, owned and were entitled to vote 7,971,507 CIBER common shares. These shares represented approximately 13.6% of the outstanding CIBER common shares.

Voting by Certain Shareholders

T. Scott Cobb, a director and the President and Chief Executive Officer of SCB, T. Scott Cobb, Jr., and Jeffrey Cobb, Executive Vice President and Chief Operating Officer of SCB, have entered into a Voting and Option Agreement under which they agreed, subject to the terms

and conditions set forth in the agreements, to vote their shares of SCB common stock for the approval of the merger agreement. T. Scott Cobb, T. Scott Cobb, Jr. and Jeffrey Cobb own and are entitled to vote 3,731,697, 1,054,671, and 182,000 shares, respectively, or approximately 20% in the aggregate, of the shares of SCB common stock outstanding on the record date.

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Solicitation of Proxies and Revocation of Proxies

The costs and expenses of solicitation of the joint proxy statement/prospectus will be shared equally by CIBER and SCB. In addition to the use of the mails, proxies may be solicited by directors, officers and regular employees of SCB, but such persons will not be specifically compensated for such services.

You may revoke your proxy and change your vote before it is exercised in any of the following ways: (1) by voting again by telephone or on the Internet, because only your latest telephone or Internet vote will be counted; (2) by properly completing, signing, dating, and returning another proxy card with a later date; (3) if you are a registered shareholder, by voting in person at the meeting; (4) if you are a registered shareholder, by giving written notice of such revocation to the Secretary of SCB prior to or at the meeting; or (5) if you are a beneficial owner of shares held in "street name," by following the instructions given by the brokerage firm, bank or other nominee that holds your shares.

Your attendance at the meeting itself will not revoke your proxy unless you give written notice of revocation to the Secretary of SCB before the polls are closed. All shares represented by timely, valid and unrevoked proxies will be voted at the special meeting in accordance with the specifications indicated thereon. If no specification is indicated on a proxy, the proxy will be voted in favor of each proposal.

If you are a participant in the SCB Employee Stock Ownership Plan ("ESOP"), you may instruct First Bankers Trust, the trustee of the ESOP, to vote the shares of common stock held by the ESOP trustee and allocated to your ESOP account as of the record date. You may provide your voting instructions to the ESOP trustee either by telephone, on the Internet, or by properly completing, signing, dating, and returning the accompanying ESOP voting instruction form being sent to all ESOP participants. The ESOP trustee will vote the shares of common stock allocated to your ESOP account in accordance with your instructions, provided such instructions are not contrary to the requirements of the Employee Retirement Income Security Act of 1974 ("ERISA"), if they are received by 3:00 p.m. CST on February 25, 2004. If your voting instructions are not received by such date, under the terms of the ESOP the ESOP trustee will vote the shares of common stock allocated to your ESOP account in accordance with the proper directions of SCB, provided such directions are not contrary to the requirements of ERISA.

How Proxies Will Be Voted

Shares represented by a proxy will be voted at the special meeting as specified in the proxy. Properly executed proxies that do not contain voting instructions will be voted "FOR" approval of the Agreement and Plan of Merger. If you submit a proxy that indicates an abstention from voting, your shares will be counted for purposes of determining the existence of a quorum, but they will not be counted towards voting on the proposal. Broker non-votes will have the effect of a vote against the proposal to approve the Agreement and Plan of Merger and will not affect any other proposals presented to the shareholders.

The proxies will be entitled to vote in their discretion on any other matters that may properly come before the meeting.

THE MERGER

Background of the Merger

At the beginning of fiscal 2003, SCB was engaged in changing its business mix from being predominately staffing to predominately solutions. At the same time, it was changing its customer mix to comprise more government and less commercial entities. To accomplish these changes, SCB decided to engage in strategic acquisitions in fiscal 2003. During that year SCB acquired Remtech Services, Inc.,

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and in its fiscal year 2004 acquired National Systems & Research Co. These acquisitions limited SCB's capital capacity by increasing SCB's leverage ratio.

In February 2003, SCB retained Harris Nesbitt Gerard, formerly known as Gerard Klauer Mattison & Co., Inc., for the purpose of acting as its financial advisor in connection with a private placement of equity or debt securities of SCB. In addition, under the terms of its engagement by SCB, Harris Nesbitt could act as SCB's financial advisor in the event that its activities led to a sale, merger or consolidation involving the assets or capital stock of SCB, including a recapitalization. SCB selected Harris Nesbitt based primarily on Harris Nesbitt's reputation, expertise and contacts in the IT staffing and services industries, as well as contacts with potential private equity investors, and executed an engagement letter dated February 6, 2003.

During the succeeding months, Harris Nesbitt contacted a number of potentially interested parties to determine their interest in an equity investment in SCB, and, in August 2003, two parties submitted conditional written term sheets with respect to an equity investment in SCB. One of the term sheets proposed a private equity placement of securities that would not have caused a change of control. The other proposal was for a management-led buyout of SCB with the support and capital provided by the private equity group. In addition, Harris Nesbitt was contacted by another investment bank on behalf of a client about the possible acquisition of all of the outstanding equity of SCB.

In connection with the exploration and evaluation by SCB of its strategic alternatives, Harris Nesbitt explored market interest by contacting seven additional potential strategic partners on a no names basis. All parties were given a brief description of SCB and, if they chose to receive additional information, were asked to execute a confidentiality agreement. Of the seven additional strategic partners and the initial party that had previously contacted Harris Nesbitt through its investment bank, three parties in addition to the initial party whose investment bank contacted Harris Nesbitt as discussed above, for a total of four, chose to execute the confidentiality agreement and four declined. Harris Nesbitt disclosed the identity of SCB to the four who executed confidentiality agreements and provided them marketing information that was prepared in connection with the private placement of equity, and withheld this information from the other four parties. Two of the parties that were provided with additional information expressed interest in further exploring a transaction. Of the two preliminary expressions of interest received by SCB, one was determined to be inadequate based on the terms and conditions discussed, as well as concerns regarding financing. The other party, CIBER, expressed a willingness and ability to acquire all of the common stock of SCB at \$2.15 per share.

In early September 2003, representatives of Harris Nesbitt and Udata Capital, financial advisor to CIBER, negotiated the preliminary terms of a potential acquisition of SCB by CIBER. On September 5, 2003, T. Scott Cobb, SCB's President and Chief Executive Officer, met with Jack R. Blair, the Chairman of the board of directors of SCB, to discuss the proposed transaction and a proposed non-disclosure agreement with CIBER. Following that meeting and also on September 5, 2003, the members of SCB's board of directors were informed that CIBER was interested in conducting a due diligence investigation of SCB with a view to making an offer to acquire all of its outstanding shares of common stock. SCB and CIBER executed a nondisclosure agreement on September 5, and during the period September 8, 2003 through September 10, 2003, CIBER conducted extensive due diligence in New York City, including a review of information provided in response to a due diligence request and interviews with the senior management of SCB.

On September 9, 2003, Faegre & Benson LLP, counsel to CIBER, circulated a draft merger agreement reflecting additional details of the transaction being proposed by CIBER. During the period September 12, 2003 through September 14, 2003, T. Scott Cobb and Mr. Blair, together with representatives from Burch, Porter & Johnson, PLLC, SCB's counsel, held meetings and telephone conferences to discuss CIBER's proposal in light of the market price of SCB's common stock. Also during this period, representatives of SCB and CIBER began preliminary discussions regarding certain

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specifics of the CIBER proposal. On September 12, 2003, SCB proposed to CIBER, among other changes, modifying the merger consideration to include at least 50% of the merger consideration in cash. On September 17, 2003, representatives of Harris Nesbitt and Burch, Porter & Johnson, PLLC, traveled to Denver to interview CIBER's management.

On September 20, 2003, Harris Nesbitt delivered information to SCB's board of directors for discussion at the regularly scheduled meeting of the board on September 23, 2003, including information for the board to discuss and consider regarding strategic alternatives other than the CIBER proposal. On September 22, 2003, SCB's board met informally to discuss the CIBER proposal. At the SCB board meeting on September 23, 2003, Harris Nesbitt employees presented a review of their activities with management related to the potential private placement transaction, as well as their analysis and information related to the possible transaction with CIBER. The SCB board instructed the Governance Committee to act as a special committee to review the CIBER proposal and to engage a second investment banking firm to render an opinion as to the fairness of CIBER's offer. Commencing immediately after the SCB board meeting, the Governance Committee conducted a search for potential investment banking firms to render the second fairness opinion. During the period from September 23, 2003 to October 1, 2003, management of CIBER and SCB, together with their financial advisors, continued to hold periodic discussions and extensive negotiations regarding a potential transaction between the two companies.

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On October 1, 2003, the SCB board met telephonically to review the status of the discussions with CIBER. On October 3, 2003, the SCB Governance Committee met telephonically to discuss the CIBER proposal and the pricing adjustments being discussed. On October 5, 2003, the SCB Governance Committee met to select an investment banker and to review the final CIBER offer of \$2.15 per share without pricing adjustments and not subject to change prior to closing. On October 7, 2003, on the recommendation of the SCB Governance Committee, SCB engaged FTN Financial Securities as the investment bank to give a fairness opinion in addition to the fairness opinion to be delivered by Harris Nesbitt. On October 15, 2003, SCB's board held a special meeting during which the CIBER proposal was further discussed. Representatives of FTN Financial Securities presented an analysis of the CIBER offer, and representatives of Burch, Porter and Johnson, PLLC reviewed the terms of the merger agreement then being discussed. The SCB board instructed its Chief Executive Officer to negotiate the terms of a definitive merger agreement based upon certain final parameters.

During the week of October 20, 2003, CIBER and SCB, together with their respective counsel, completed negotiations of the Agreement and Plan of Merger, along with ancillary agreements and schedules. On the evening of October 24, 2003, representatives of FTN Financial Securities and Harris Nesbitt reviewed with the SCB board of directors their financial analyses of the consideration to be received in the merger and rendered to the SCB board of directors oral opinions, which opinions were confirmed by delivery of written opinions to the effect that, as of October 24, 2003 and based upon and subject to matters stated in the opinions, the consideration to be received in the merger by holders of SCB common stock was fair, from a financial point of view, to such holders of SCB common stock. SCB's board of directors also received a report from its counsel of the resolution of all outstanding issues regarding the Agreement and Plan of Merger. Based on the foregoing, SCB's board approved the transaction and authorized its Chief Executive Officer to enter into the Agreement and Plan of Merger. David Durham Chief Financial Officer of CIBER and Daphne, acting pursuant to authority granted to him by the board of directors of CIBER, approved and executed the Agreement and Plan of Merger.

On December 9, 2003 a purported class action lawsuit was filed against SCB in the United States District Court for the Western District of Tennessee, alleging that the company's method of paying certain of its employees violated the Fair Labor Standards Act (FLSA). SCB engaged an independent consultant to review the matter. Based on this review, SCB negotiated with counsel for the purported class plaintiffs during the first two weeks of January 2004. On January 10, 2004, the SCB board met

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telephonically to review the status of the lawsuit and to discuss the impact that any settlement might have on the merger. On January 16, 2004, SCB entered into a settlement agreement providing for voluntary dismissal with prejudice of the lawsuit, in exchange for payment by SCB of a cash settlement amount to the purported class, together with fees and expenses of counsel to the plaintiffs, totaling no more than approximately \$633,000 depending upon the level of participation in the settlement. This is an "opt-in" action in which class members do not participate unless they affirmatively opt-in. The agreement is subject to court approval.

On January 19, 2004, based on the settlement agreement, CIBER proposed to SCB an amendment to the Agreement and Plan of Merger that would adjust the merger consideration to account for the diminution in SCB's value resulting from the FLSA litigation. The proposed amendment reduced the total merger consideration to \$2.13 per share of SCB common stock and added the court's approval of the settlement agreement as an additional condition to closing the merger. On January 19, 2004, at a telephonic meeting of SCB's board of directors, representatives of FTN Financial Securities and Harris Nesbitt reviewed with the SCB board of directors their financial analyses of the consideration to be received in the merger and rendered to the SCB board of directors oral opinions, which opinions were confirmed by delivery of written opinions to the effect that, as of January 19, 2004 and based upon and subject to matters stated in the opinions, the consideration to be received in the merger by holders of SCB common stock was fair, from a financial point of view, to such holders of SCB common stock. At this telephonic meeting of SCB's board, the board approved the amendment to the Agreement and Plan of Merger proposed by CIBER, and the parties executed the amendment on January 20, 2004. Execution of the amendment resulted in the Agreement and Plan of Merger as it is now being presented to SCB's shareholders for approval.

CIBER's Reasons for the Merger

CIBER believes that the merger will be beneficial due to the revenue that SCB's business will add to CIBER's existing operations, and due to the expanded presence in certain markets that SCB's existing client base offers to CIBER. In particular, SCB's public sector business will complement CIBER's existing state and federal government service offerings. CIBER expects that a combined CIBER and SCB will be able to compete more effectively for larger public sector contracts. CIBER has purposely and successfully grown its public sector business over the course of the last several years, and with the addition of SCB, CIBER estimates state, local and federal government business will represent approximately 35% of CIBER's annualized revenue. In addition, CIBER believes that the merger will provide an opportunity to realize operational efficiencies in the form of lower combined selling, general and administrative costs, primarily by reducing SCB's corporate administrative costs.

SCB's Reasons for the Merger

SCB's board of directors has adopted the Agreement and Plan of Merger and has determined that the Agreement and Plan of Merger is fair to and in the best interests of SCB and its shareholders. In reaching its decision, SCB's board of directors consulted with SCB's management and with its own financial and legal advisors. In the course of reaching its decision, the board of directors considered a variety of factors, including the following:

historical information concerning SCB's business, prospects, financial performance and conditions, operations, management and competitive position;

the direct relationship between SCB's ability to achieve continued growth in its "core operation" revenues of government and commercial contracts to SCB's ability to achieve a greater "critical mass";

the need for a greater "critical mass" in the increased competitive environment for renewals of existing contracts and new contract awards;

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the difficulty for SCB as an independent public company to obtain "critical mass" without which it will be at a competitive disadvantage to many of its competitors;

the difficulty with SCB's current resources to execute a strategy to achieve greater "critical mass";

the need for SCB to strengthen its management team if SCB were to obtain a greater "critical mass";

operational risks and challenges facing the IT services industry where the impact is greater on smaller independent IT services contractors, including among other issues; (i) pricing pressures due to extensive completion resulting from an oversupply of IT professionals, (ii) customers hiring employees from their vendors, (iii) customers changing the type of services they are buying; (iv) competitive pressures of renewing contracts from existing customers (such as SCB experienced with Kentucky), and (v) the emergence of off-shore competition;

the difficulty of SCB pursuing strategic financing as a small independent public company, including; (i) the dilution that would be experienced by SCB's stockholders if SCB raised additional capital through a placement of private equity, (ii) SCB's inability to pursue additional acquisitions without raising additional capital, and (iii) the risk of implementing an aggressive acquisition strategy even if additional capital were available;

the consideration of the board of directors of other strategic alternatives;

if CIBER common stock is issued in the merger, its analysis of the business, financial condition, earnings and future prospects of the combined company;

if CIBER common stock is issued in the merger, the due diligence review by SCB's management and financial and legal advisors of CIBER and its business and CIBER's historical stock performance;

if CIBER common stock is issued in the merger, the strength of CIBER's management team;

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if CIBER common stock is issued in the merger, the greater "critical mass" of the combined company resulting in a more attractive stock and greater analyst coverage;

if CIBER common stock is issued in the merger, the increased ability of the combined company to identify and finance future acquisitions;

if CIBER common stock is issued in the merger, the opportunity of SCB's shareholders to participate in a larger company in the IT staffing and services industry, and as shareholders of the larger company, to benefit from future growth of the combined companies and thereby enhance the value of their stock;

if CIBER common stock is issued in the merger, the beneficial strategic aspects of the combined company, the complementary businesses of CIBER and SCB, and the belief of the board of directors that the two companies together will create a stronger company with an increased ability to create enhanced shareholder value;

the cash component of the merger consideration;

the belief that, after considering possible alternatives to the merger, the merger consideration was fair;

the fact that Tennessee law entitles SCB shareholders who do not vote in favor of the merger and who file a written demand with SCB to obtain the "fair value" of their shares, as determined by a court, if the merger is completed;

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the financial presentation of Harris Nesbitt Gerard described below under "Opinion of SCB's Financial Advisors," and the oral opinions delivered October 24, 2003 and January 19, 2004 (and followed by written opinions dated October 27, 2003 and January 19, 2004) that, as of those dates and based upon and subject to the various assumptions, procedures followed, matters considered and limits of review as set forth in its opinion, the merger consideration to be received by holders of SCB common stock is fair, from a financial point of view;

the financial presentation of FTN Financial Securities Corp, described below under "Opinions of SCB's Financial Advisors," and the oral opinions delivered on October 24, 2003 and January 19, 2004 (and followed by written opinions as of the same dates), that, as of those dates and based upon and subject to the various assumptions, procedures followed, matters considered and limits of review as set forth in its opinion, the merger consideration to be received by holders of SCB common stock is fair, from a financial point of view;

the generally positive effect of the merger on SCB's employees and customers; and

the terms of the merger agreement including:

the no solicitation provisions and SCB's ability to engage in negotiations with, provide any confidential information or data to, and otherwise have certain discussions with, any person relating to an alternative acquisition proposal under certain circumstances;

provision related to outplacement services for executive employees and staff terminated as a result of the merger;

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provisions placing limitations on the stock portion of the merger consideration, assuring that the total merger consideration is \$2.13 per share;

the conditions to CIBER's obligations to effect the merger;

the definition of "material adverse effect"; and

the limited ability of CIBER to terminate the merger agreement.

SCB's board of directors also considered potentially negative factors relating to the transaction, including:

the possibility that the merger might not be consummated and the effect of a public announcement of the merger on:

SCB's revenues and other operating results;

SCB's ability to attract and retain key management, marketing and technical personnel;

progress of certain development projects; and

customer relationships.

the risk that the potential benefits sought in the merger might not be realized;

the costs incurred in connection with the merger;

the terms of the merger agreement regarding SCB's right to consider and negotiate other acquisition proposals in certain circumstances, as well as the possible effects of the provisions in the merger agreement including the termination fee; and

various other risks associated with the merger and the business of SCB and the combined company described in the section of this joint proxy statement/prospectus entitled "Risk Factors" beginning on page S-27.

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This discussion of the material factors considered by the SCB board of directors is not intended to be exhaustive, but does set forth the principal factors considered by the SCB board of directors.

Recommendation of the SCB Board of Directors

In view of the wide variety of factors considered by the SCB board of directors in connection with its evaluation of the merger and the complexity of these matters, the SCB board of directors did not consider it practical, and did not attempt, to quantify, rank or otherwise assign relative weights to the specific factors it considered in reaching its decision. Rather, the SCB board of directors made its recommendation based on the totality of information presented to and the investigation conducted by it. In considering the factors discussed above, individual directors

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may have given different weights to different factors. After taking into consideration all of the factors, the board determined that the merger was in the best interests of SCB and its shareholders and adopted the Agreement and Plan of Merger.

In considering the recommendation of SCB's board of directors, you should be aware that some directors and executive officers of SCB have interests in the merger that are different from, and in addition to, the interests of SCB shareholders generally. These interests are discussed in more detail in the section entitled "Interests of Directors and Officers of SCB in the Merger."

Opinions of SCB's Financial Advisors

Opinion of Harris Nesbitt Gerard

SCB retained Harris Nesbitt Gerard, formerly known as Gerard Klauer Mattison & Co., Inc. based on Harris Nesbitt's qualifications, experience and expertise in investment banking, particularly its experience and expertise in providing investment banking services to IT staffing and IT services companies. As part of Harris Nesbitt's investment banking business, it is regularly engaged in the valuation of businesses and their securities in connection with mergers, acquisitions, divestitures, restructurings, recapitalizations, underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes.

At the telephonic meeting of SCB's board of directors held on January 19, 2004, Harris Nesbitt rendered its oral opinion that, as of that date and based upon and subject to the various assumptions made, procedures followed, matters considered and limits of review as set forth in its opinion, the consideration to be received by holders of SCB common stock in the merger was fair, from a financial point of view, to those shareholders. This oral opinion was followed by a written opinion.

The full text of the written opinion of Harris Nesbitt, dated January 19, 2004, is attached as **Annex C** to this joint proxy/prospectus. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the scope of the review undertaken by Harris Nesbitt in rendering its opinion. We urge you to read the entire opinion carefully. Harris Nesbitt's opinion is directed to SCB's board of directors and addresses only the fairness of the consideration, from a financial point of view, to holders of SCB common stock as of the date of the opinion. Harris Nesbitt's opinion does not address any other aspect of the merger and does not constitute a recommendation to any holder of SCB common stock as to any matter relating to the merger. This summary is qualified in its entirety by reference to the full text of Harris Nesbitt's opinion.

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In connection with rendering its opinion, Harris Nesbitt:

Conducted a process of soliciting interest in a financing transaction for the purchase of equity or other securities of SCB;

Conducted a limited solicitation of interest from eight companies; four of which chose to execute confidentiality agreements and receive additional information, including the identity of SCB, and four of which chose not to execute confidentiality agreements after receiving the preliminary information;

Reviewed SCB's and CIBER's publicly-available financial information;

Reviewed financial and operating information furnished by SCB and CIBER;

Reviewed financial projections prepared by SCB's management and CIBER's management on their respective companies;

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Conducted discussions with both SCB's and CIBER's senior management teams concerning their respective operations, financial condition and prospects;

Reviewed historical market prices and trading activity for SCB's and CIBER's shares and those of similar publicly-traded companies;

Compared SCB's and CIBER's financial performance with that of similar companies;

Compared the proposed financial terms of the merger with financial terms of other relevant mergers and acquisitions;

Reviewed a draft of the merger agreement and the first amendment to the merger agreement in substantially final form;

Performed discounted cash flow analyses on both SCB and CIBER; and

Reviewed other financial studies, performed other analyses and investigations and took into account other matters that Harris Nesbitt deemed appropriate.

In its review and analysis and in formulating its opinion, Harris Nesbitt relied upon and assumed, without independent verification, the accuracy and completeness of all of the financial and other information publicly-available or provided to it. With respect to the financial forecasts, projections and other information provided to it, Harris Nesbitt assumed that those financial forecasts, projections and other information were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments at the time of both SCB's and CIBER's senior management teams of their respective company's future competitive, operating and regulatory environments and the related financial performance of SCB and CIBER. Harris Nesbitt expresses no opinion as to those financial forecasts, projections and other information, the reasonability of their preparation, the judgments made or the assumptions on which they were based.

Harris Nesbitt has not made or been provided with an independent evaluation or appraisal of the assets or liabilities of SCB or CIBER. Harris Nesbitt has not reviewed the books and records of SCB or CIBER nor made a physical inspection of either of the companies properties or assets. Harris Nesbitt assumed that the merger would be consummated in accordance with the terms of the merger agreement, without modification or waiver of any material terms.

In arriving at its opinion, Harris Nesbitt did not ascribe a specific range of values to SCB, but rather made its determination as to fairness, from a financial point of view, of the consideration to be received by the holders of SCB common stock in the merger on the basis of the financial and comparative analyses summarized below. The preparation of a fairness opinion involves various determinations as to the most appropriate and relevant method of financial and comparative analysis

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and the application of these methods to the particular circumstances. Consequently, a fairness opinion is not readily susceptible to summary description. Harris Nesbitt believes that its analyses must be considered as a whole and that considering any portions of those analyses and factors without considering all of them could create a misleading or incomplete view of the process underlying its opinion.

The following is a summary of the material financial analyses performed by Harris Nesbitt in connection with the preparation of its opinion letter, dated as of January 19, 2004. Some of these summaries of financial analyses include information presented in tabular format. In order to understand fully the financial analyses used by Harris Nesbitt, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data set forth below in the tables without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Harris Nesbitt's financial analyses.

SCB Stock Price Trading History

Harris Nesbitt calculated the trading history for SCB common stock over certain periods of time prior to the date of its fairness opinion, as set forth in the following table.

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As of January 19, 2004	Closing Share Price		
	High	Low	Average
3 Month	\$ 2.07	\$ 1.85	\$ 2.04
6 Month	2.80	1.65	2.01
1 Year	2.80	0.65	1.54
2 Year	2.80	0.55	1.14
3 Year	2.80	0.32	0.96
5 Year	9.88	0.23	1.98

Harris Nesbitt noted that the consideration of \$2.13 per share under the merger agreement generally exceeds, in many cases by a significant margin, the historical trading prices of the SCB common stock during these periods. Harris Nesbitt also noted that SCB's stock price performance over the last two years outperformed the S&P 500, Nasdaq and Dow Jones Industrial averages.

Implied Transaction Value

Harris Nesbitt calculated an enterprise value for SCB of \$88.3 million, based on the amount of consideration payable to the holders of SCB common stock in this transaction. The enterprise value was obtained by (i) multiplying the proposed per share merger consideration of \$2.13 by the total number of SCB shares outstanding on a diluted basis, minus (ii) the amount of SCB's cash and cash equivalents as of October 31, 2003 of \$1.0 million, plus (iii) SCB's debt as of October 31, 2003 of \$32.0 million. Harris Nesbitt then calculated implied valuation multiples by dividing this enterprise value by SCB's revenue; earnings before interest and taxes ("EBIT"); and earnings before interest, taxes, depreciation and amortization ("EBITDA"), in the three cases for the twelve months ended October 31, 2003, for the twelve months ended December 31, 2003 (estimated) and for the twelve months ended December 31, 2004 (estimated). Harris Nesbitt also calculated implied valuation multiples by dividing the proposed per share merger consideration of \$2.13 by SCB's diluted earnings per share for the twelve months ended October 31, 2003, for the twelve months ended December 31, 2003 (estimated) and for the twelve months ended December 31, 2004 (estimated). The financial information for the twelve months ended October 31, 2003, the twelve months ended December 31, 2003 (estimated), and the twelve months ended December 31, 2004 (estimated) are pro-forma for (i) the acquisitions of Remtech Services, Inc. ("RSI") and National Systems and Research Co. ("NSR")

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so that each period reflects a full year of operations of both RSI and NSR, and (ii) the exclusion of extraordinary items. The following table presents those multiples:

	Enterprise Value/			Share Price/ Diluted EPS
	Revenue	EBITDA	EBIT	
Twelve months ended October 31, 2003	0.6x	7.6x	15.5x	22.2x
Twelve months ended December 31, 2003(1)	0.7x	8.2x	19.7x	29.7x
Twelve months ended December 31, 2004(1)	0.7x	9.5x	25.0x	41.4x

(1) Based on SCB's management estimates.

These implied valuation multiples were then utilized in the financial analyses described below.

Precedent M&A Transactions Valuation Analysis

The precedent merger and acquisition transactions valuation analysis provides a benchmark based on the consideration paid in selected comparable merger and acquisition transactions. For this analysis, Harris Nesbitt compared financial statistics from publicly-available information for selected comparable IT services transactions to the relevant financial statistics for the proposed acquisition of SCB by CIBER. The selected comparable transactions were chosen because they involved companies in the business of providing IT services. The following table presents the selected transactions utilized in Harris Nesbitt's analysis:

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Closing Date	Target	Acquiror
Pending	OAO Technology Solutions	Terrapin Partners
12/2/2003	Infopulse Electronic Commerce	Cognizant Technology Solutions
11/24/2003	Lockheed Martin (commercial IT business)	Affiliated Computer Services
11/13/2003	Atlantic Data Services	ADS Acquisition Company
10/28/2003	Apex Consulting Group	CGI Group
9/29/2003	FCG Management Services	First Consulting Group
9/16/2003	RWD Technologies	Research Park Acquisition
8/21/2003	Quintant Services	IGATE
8/13/2003	Extreme Logic	Hewlett-Packard
7/31/2003	Group of unnamed Malaysian Companies	TechTeam Global Inc.
7/31/2003	APAR Infotech	Ness Technologies
7/29/2003	Beacon Analytics	Answerthink
6/25/2003	AlphaNet Solutions	CIBER
6/19/2003	Predictive Systems	Internationals Network Services
5/23/2003	G.A. Sullivan	Avanade
5/15/2003	NerveWire	Wipro
5/6/2003	The Reference	Patni Computer Systems
2/26/2003	Universal Access Consulting	mindSHIFT Technologies
2/25/2003	COGNICASE	CGI Group
2/21/2003	Micrologic Business Systems	Pomeroy Computer Resources
2/19/2003	ECsoft Group	CIBER
2/12/2003	Paragon Solutions	First Consulting Group
1/30/2003	Cornerstone Project Management	CGI Group
1/22/2003	CKS Network Systems	CSK Corp.
1/22/2003	Serviceware Corp.	CSK Corp.
12/12/2002	PILLAR Technology Group	The Bartech Group
11/21/2002	Alliance Consulting	Safeguard Scientifics

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11/1/2002	Global Solutions Group	Experts Incorporated
7/30/2002	Guardian iT	SunGard Data Systems
7/25/2002	Technisource	IntelliMark
6/12/2002	Stewart & Stewart Consulting	CGI Group
6/3/2002	Myriap	CGI Group
6/3/2002	Codigent Solutions Group	First Consulting Group
4/30/2002	Decision Consultants	CIBER
3/15/2002	SignalTree Solutions Holdings	Keane
12/11/2001	Renaissance Worldwide	Aquent
12/3/2001	Metro Information Services	Keane
10/15/2001	Metamor Industry Solutions	CIBER
10/4/2001	IT consulting practice of NetEffect Europe	OAO Technology Solutions
9/19/2001	Aris Corporation	CIBER
8/31/2001	Century Computer Consultants	CIBER
8/15/2001	Larochelle Gratton	CGI Group
8/7/2001	LoyalTech	CGI Group
2/26/2001	Planning Technologies	Red Hat

Harris Nesbitt reviewed publicly-available information to determine the purchase prices and multiples in the comparable transactions. The following table summarizes the multiples of latest twelve months EBITDA and EBIT for the selected comparable transactions as compared to the proposed acquisition of SCB by CIBER:

	Selected Comparable Transactions		
	SCB(1)	Median Multiple	Mean Multiple
Latest Twelve Months EBITDA(2)	7.6x	6.2x	6.3x
Latest Twelve Months EBIT(2)	15.5x	11.0x	10.7x

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- (1) Based on SCB's enterprise value calculated at \$2.13 per share.
- (2) Based on SCB's financial results for the twelve months ended October 31, 2003.

Harris Nesbitt noted that the proposed merger consideration of \$2.13 per share exceeds the implied considerations determined by the above multiples and premiums.

No transaction included in the comparable transactions analysis is identical to the acquisition of SCB by CIBER. Harris Nesbitt made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters. Many of these matters are beyond the control of SCB, such as the impact of competition on the business of SCB, industry growth and the absence of any material adverse changes in the financial condition and prospects of SCB, the IT services industry or the financial markets in general.

Selected Comparable Public Companies Analysis

Harris Nesbitt compared selected financial information of SCB with publicly-available information of selected comparable public companies. The selected comparable companies were chosen because they are involved in the IT services and IT staffing industry and they demonstrate certain financial metrics, such as market capitalization, revenue, operating margins and sales and earnings growth that are similar to those of SCB. Specifically, the comparable companies considered by Harris Nesbitt were:

American Management Systems, Inc.

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Keane, Inc.

CIBER, Inc.

Covansys Corp.

First Consulting Group, Inc.

RCM Technologies, Inc.

OAQ Technology Solutions, Inc.

Tier Technologies, Inc.

TechTeam Global, Inc.

For each of the selected comparable companies, Harris Nesbitt calculated and analyzed enterprise value multiples of financial criteria such as revenue, EBITDA and EBIT and equity value multiples of earnings. The following table presents the implied enterprise and equity value multiples of SCB compared to the selected comparable companies:

**Selected Comparable
Companies(1)**

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	Selected Comparable Companies(1)		
	SCB	Median	Mean
Latest Twelve Months Revenue(2)	0.6x	0.7x	0.7x
Twelve Months Ended December 31, 2003 Revenue	0.7x	0.9x	0.8x
Twelve Months Ended December 31, 2004 Revenue	0.7x	0.8x	0.8x
Latest Twelve Months EBITDA(2)	7.6x	12.1x	12.1x
Twelve Months Ended December 31, 2003 EBITDA	8.2x	11.0x	11.3x
Twelve Months Ended December 31, 2004 EBITDA	9.5x	8.8x	10.6x
Latest Twelve Months EBIT(2)	15.5x	16.8x	18.8x
Twelve Months Ended December 31, 2003 EBIT	19.7x	17.8x	18.1x
Twelve Months Ended December 31, 2004 EBIT	25.0x	12.9x	14.6x
Latest Twelve Months Price/ Earnings(2)	22.2x	27.2x	27.2x
Twelve Months Ended December 31, 2003 Price/ Earnings	29.7x	28.1x	27.6x
Twelve Months Ended December 31, 2004 Price/ Earnings	41.4x	22.4x	24.6x

(1) Based on SCB's implied transaction value calculated at \$2.13 per share.

(2) Based on SCB's financial results for the latest twelve months ended October 31, 2003.

Harris Nesbitt noted that the consideration of \$2.13 per share under the merger agreement is comparable to the range of implied considerations determined by the revenue multiples, the EBIT multiples, the EBITDA multiples and the earnings multiples.

No company included in the peer group is identical to SCB. In selecting and evaluating the comparable companies, Harris Nesbitt made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions, and other matters. Because of the inherent differences between the business, operations, financial condition and prospects of SCB and those of the selected comparable companies, Harris Nesbitt believed it was inappropriate to, and therefore did not, rely solely on the quantitative results of the comparable company analysis.

Discounted Cash Flow Analysis

The discounted cash flow analysis provides a net present value of the projected unlevered free cash flows of SCB for the fiscal years 2004 through 2008. Harris Nesbitt calculated the present value of the projected future equity value of SCB using internal financial planning data prepared by SCB's

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management for fiscal years 2004 through 2007 and calculated such cash flow for fiscal year 2008 based on historical growth rates and margins. Harris Nesbitt applied a range of discount rates of 14% to 18% and a range of exit multiples of 5.0x to 7.0x of estimated 2008 EBITDA. Both the discount rates and multiples were based on the comparable company cost of capital and trading ranges, respectively. This analysis calculated implied equity values ranging from \$1.29 to \$2.27 per share, and yielded the following results:

Discount Rates	Implied Aggregate Equity Value Per Share		
	Assumed Exit Multiple of Estimated 2008 EBITDA		
	5.0x	6.0x	7.0x
14%	\$ 1.61	\$ 1.94	\$ 2.27

	Implied Aggregate Equity Value Per Share		
	<hr/>		
16%	1.44	1.75	2.06
18%	1.29	1.58	1.87

Harris Nesbitt noted that the consideration of \$2.13 per share under the merger agreement is generally above the range of implied considerations from the equity values resulting from its discounted cash flow analysis.

The preparation of a fairness opinion is a complex process and, consequently, a fairness opinion is not easily summarized. Harris Nesbitt believes that selecting any portion of its analyses, without considering all of its analyses, would create an incomplete view of the process underlying its opinion. In addition, Harris Nesbitt may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of considerations resulting from any particular analysis described above should not be taken to be Harris Nesbitt's view of the actual value of SCB. In performing its analyses, Harris Nesbitt made numerous assumptions with respect to industry performance, general business and economic conditions and other matters. Many of these matters are beyond the control of SCB and any estimates contained in Harris Nesbitt's analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates.

Harris Nesbitt conducted the analyses described above solely as part of its analysis of the fairness, from a financial point of view, of the consideration to be received by holders of SCB common stock in the merger and its delivery of the fairness opinion to the SCB board of directors. These analyses do not purport to be appraisals or to reflect the prices at which SCB might actually be sold.

The type and amount of consideration payable in the merger were determined through arm's-length negotiations between SCB and CIBER and were approved by SCB's board of directors. Harris Nesbitt provided advice to SCB during these negotiations. Harris Nesbitt did not, however, recommend any specific consideration to SCB or that any specific amount of consideration constituted the only appropriate consideration. In addition, Harris Nesbitt's opinion was one of several factors taken into consideration by SCB's board of directors in making its decision to approve the merger. Consequently, Harris Nesbitt's analysis as described above should not be viewed as determinative of the opinion of the board of directors with respect to the value of SCB or whether the board of directors would have been willing to agree to different merger consideration.

In connection with Harris Nesbitt's engagement, SCB requested that Harris Nesbitt evaluate the fairness, from a financial point of view, to the holders of SCB common stock of the consideration provided for in the merger. Under the terms of an engagement letter, dated February 6, 2003 between SCB and Harris Nesbitt, SCB agreed to pay Harris Nesbitt a financial advisory fee in an amount equal to 1.5% of the enterprise value of SCB, approximately \$1,325,000 in the event, and contingent upon consummation, of a sale transaction. In addition to the above described compensation, SCB agreed to

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reimburse Harris Nesbitt for all of its reasonable out-of-pocket expenses incurred in connection with its engagement and to indemnify Harris Nesbitt and its affiliates and their respective directors, officers, agents and employees against liabilities and expenses, including liabilities under the federal securities laws, related to or arising out of Harris Nesbitt's engagement. Harris Nesbitt and SCB believe those fees and expenses are customary for transactions such as the transaction described herein.

Opinion of FTN Financial Securities Corp

The board of directors of SCB retained FTN Financial Securities Corp to render an opinion in connection with the proposed transaction between CIBER and SCB. On January 19, 2004, FTN Financial Securities delivered an oral opinion to the board of directors, followed by a written opinion as of the same date, that as of the date of such opinion, the merger consideration of \$2.13 was fair, from a financial point of view, to SCB's shareholders.

The full text of the FTN Financial Securities opinion is attached to this document as **Annex D**. The FTN Financial Securities opinion sets forth the assumptions made by FTN Financial Securities in arriving at its opinion as well as certain qualifications to the opinion of FTN Financial Securities. Furthermore, the FTN Financial Securities opinion describes the information reviewed and relied upon by FTN Financial Securities and briefly describes the qualifications of FTN Financial Securities to render an opinion as to the fairness, from a financial point of view, of the merger consideration to the Company's shareholders.

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Although FTN Financial Securities rendered its opinion and provided certain financial analyses to the board of directors, the opinion was only one of the many factors taken into consideration by the board of directors in making their recommendation to the SCB's shareholders. The decision to recommend and pursue the proposed transaction with CIBER is solely that of the board of directors of SCB.

In preparing its opinion, FTN Financial Securities performed a variety of analyses, which are described below. In arriving at its opinion, FTN Financial Securities considered the results of all such analyses as a whole and did not attribute any particular weight to any specific analysis or factor. As such, consideration of only a portion of the analyses could create an incomplete view of the processes underlying the FTN Financial Securities opinion.

In performing its analyses, FTN Financial Securities made assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of SCB. The analyses performed by FTN Financial Securities are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by such analyses. Such analyses were prepared solely as part of FTN Financial Securities' analysis of the fairness of the merger consideration to SCB's shareholders from a financial point of view and were provided to the board of directors in connection with the delivery of FTN Financial Securities' opinion. The analyses do not purport to be appraisals or to reflect the prices at which a company might actually be sold. FTN Financial Securities used in its analyses various projections of results of operations prepared by the management of SCB. The projections are based on numerous variables and assumptions that are inherently unpredictable and must be considered not certain of occurrence as projected. Accordingly, actual results could vary significantly from those set forth in such projections.

The following paragraphs summarize the material quantitative analyses performed by FTN Financial Securities in arriving at the opinion delivered to the SCB board of directors.

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Analysis of Certain Publicly-Traded Companies

Using publicly-available information, FTN Financial Securities reviewed the stock prices, market multiples of revenues, earnings before interest, taxes, depreciation and amortization ("EBITDA"), and earnings before interest and taxes ("EBIT"), and certain other characteristics for certain companies in the information technology (IT) services industry, focusing on those companies of comparable size. None of these companies is identical to SCB. The companies included in this analysis were:

Answerthink, Inc.,
Edgewater Technology, Inc.,
RCM Technologies, Inc.,
Technology Solutions Company,
TechTeam Global, Inc. and
Tier Technologies, Inc.

FTN Financial Securities noted that the value of SCB on a pro forma basis implied by the merger consideration was in line with or above the average and median multiples of revenues and EBIT for the preceding twelve months for the other publicly-traded companies.

	<u>Average</u>	<u>Median</u>	<u>SCB</u>
Market Multiple of:			
Trailing 12 months revenues	0.8x	0.7x	0.6x
Trailing 12 months EBITDA	8.7x	8.7x	6.4x
Trailing 12 months EBIT	8.1x	8.1x	13.8x

Analysis of Recent Acquisition Transactions

Using publicly-available information, FTN Financial Securities reviewed the purchase prices and multiples paid in selected merger and acquisition transactions with an enterprise value of less than \$250 million involving companies in the IT services industry. No company or transaction was identical to SCB. FTN Financial Securities examined transactions completed in 2003 and reviewed the relationship between the aggregate transaction value of the acquired company and the acquired company's revenues, EBITDA and EBIT, where such information was available. FTN Financial Securities noted that the value of SCB implied by the merger consideration was within the range of multiples of revenues, EBITDA and EBIT observed, and in the case of revenues and EBIT, was in line with or above the average and median multiples observed.

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	Average	Median	Range	SCB
Aggregate Transaction Value to:				
Trailing 12 months revenues	0.6x	0.5x	0.2x - 1.6x	0.6x
Trailing 12 months EBITDA	8.1x	5.9x	4.1x - 19.1x	6.4x
Trailing 12 months EBIT	11.1x	9.7x	5.7x - 23.3x	13.8x

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Analysis of Premiums Paid

Using publicly-available information, FTN Financial Securities reviewed the premium or discount to the market price of the merger consideration with those observed in transactions (i) announced and completed since 2001, (ii) involving IT, consulting and related service businesses as the target, and (iii) with an enterprise value of between \$10 million and \$250 million. Given the trading activity for the common stock of SCB, FTN Financial Securities compared the premiums implied by the merger consideration over time frames ranging from one day to one year, noting that the premiums were within the ranges observed.

	One Day	One Week	One Month	One Year
Range	(13.6)% - 260.0%	(12.3)% - 239.6%	(36.7)% - 234.6%	(94.4)% - 786.1%
SCB	9.2%	18.3%	(2.3)%	255.0%

Analysis of Discounted Cash Flows

Using four-year projections (three-year projections provided by SCB and a fourth year of projections extrapolated by FTN Financial Securities with guidance from SCB), FTN Financial Securities reviewed the estimated cash flows for SCB for the purpose of calculating a present value of the common stock of SCB. The cash flows, as well as a terminal value, were discounted to the net present value utilizing a variety of discount rates and terminal value EBITDA multiples. In making these calculations, FTN Financial Securities utilized (i) discount rates ranging from 14% to 16% (which were derived from SCB's theoretical cost of capital and a review of those companies included in the analysis of certain publicly-traded companies) and (ii) terminal value EBITDA multiples ranging from 5.4x to 7.4x. This analysis indicated a valuation range for the common stock of SCB of \$1.52 per share to \$2.45 per share. FTN Financial Securities noted that the merger consideration was at the high end of the range observed.

FTN Financial Securities is a nationally recognized investment banking firm, which as part of its investment banking business, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. In connection with the proposed transaction, FTN Financial Securities has performed investment banking and financial advisory services for the board of directors of SCB for which it has received compensation. Specifically, FTN Financial Securities received a \$25,000 retainer fee upon the signing of the engagement letter between SCB and FTN Financial Securities and a \$150,000 fee upon the presentation of its financial analysis and the rendering of the opinion to the SCB board of directors. Additionally, within the last two years, FTN Financial Securities also received fees of \$25,000 for advisory services in connection with an unrelated transaction. Pursuant to the engagement letter dated October 7, 2003, and an addendum dated January 19, 2004 to the engagement letter, SCB has also agreed to reimburse FTN Financial Securities for the expenses reasonably incurred by it in connection with its engagement, including reasonable counsel fees, and to indemnify FTN Financial Securities and its officers, directors, employees, agents and controlling persons against certain expenses, losses, claims, damages or liabilities in connection with its services, including those arising under federal securities laws.

In the ordinary course of business, FTN Financial Securities or its affiliates may trade the equity securities of SCB for their own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in these securities.

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Shareholder Approval in Connection with the Merger

In order for the merger to be completed, the Agreement and Plan of Merger must be approved by the holders of a majority of the outstanding shares of SCB common stock at SCB's special meeting. There is no vote required by CIBER's stockholders.

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Under the Agreement and Plan of Merger, the failure of the shareholders of SCB to give their approval for the merger will permit the termination of the Agreement and Plan of Merger and abandonment of the transaction.

Interests of Certain Officers and Directors of SCB in the Merger

In considering the recommendation of SCB's board of directors in favor of approval and adoption of the Agreement and Plan of Merger, SCB shareholders should be aware that some of SCB's directors and executive officers have interests in the merger that are different from, or in addition to, the interests of SCB shareholders generally. SCB's board of directors was aware of these interests when it considered and adopted the Agreement and Plan of Merger. The interests include the following:

Severance Agreements

T. Scott Cobb, President and Chief Executive Officer of SCB, has been offered a severance agreement whereby he would receive a sum equal to his base salary for the remaining term of his employment agreement, or approximately \$1.57 million assuming a December 31, 2003 closing,, a payment of \$50,000 to maintain health insurance together with health insurance benefits for Mr. Cobb's wife and daughter under the CIBER health plan, and payment of an amount equal to his target annual bonus, estimated at a \$250,000 for the year ending April 30, 2004.

Jeffrey S. Cobb, Executive Vice-President and Chief Operating Officer, has been offered a severance agreement whereby he would receive a sum equal to two years of his base salary of \$275,000 and a payment of \$13,000 to maintain his health insurance.

Michael Boling, Executive Vice-President and Chief Financial Officer, has been offered a severance agreement whereby he would receive a sum equal to one year of his base salary of \$300,000 plus maintenance, at CIBER's expense, of his health insurance benefits for a period of one year.

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Acceleration of SCB Stock Options

As a result of the merger, all unvested stock options issued under SCB's 1997 Stock Incentive Plan, and if so determined by SCB's board the stock options issued under SCB's 1995 Stock Incentive Plan, will become fully exercisable, including the following options held by officers and directors:

Name	In-the-Money Stock Options	Out-of-the-Money Stock Options
T. Scott Cobb Director, President & Chief Executive Officer	30,000	
James Harwood Director	30,000	65,000
Robert G. McEniry Director	30,000	30,000
Jack R. Blair Chairman and Director	30,000	30,000
Walter Grant Director	20,000	10,000
Robert Hunt Director	20,000	10,000
Jim Rout Director	20,000	10,000
Michael Boling Executive Vice President & Chief Financial Officer	230,000	100,000
Jeffrey Cobb Executive Vice President & Chief Operating Officer	230,000	290,300
Steven Howard Smith Executive Vice President/State Government	30,000	260,300
Gordon Bateman Executive Vice President and Secretary		190,300

Right to Receive Stock

Mr. McEniry participates in SCB's Outside Directors Deferred Compensation Plan, which entitles him to receive, in lieu of director's fees, 47,649 shares of SCB common stock upon his departure from the board.

Voting and Option Agreement

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Under the terms of a Voting and Option Agreement entered into among CIBER and T. Scott Cobb, President and Chief Executive Officer and a director of SCB, T. Scott Cobb, Jr. and Jeffrey Cobb, Executive Vice President and Chief Operating Officer of SCB, these three individuals have agreed, subject to the terms and conditions set forth in the agreements, to vote their shares of SCB common stock for the adoption of the Agreement and Plan of Merger and against other transactions. In addition, T. Scott Cobb and Jeffrey Cobb granted CIBER an option for a period of no longer than one year, subject to the terms and conditions of the Voting and Option Agreement, to acquire their shares of SCB common stock for a price equal to the merger consideration under certain circumstances. T. Scott Cobb, T. Scott Cobb, Jr. and Jeffrey Cobb own and are entitled to vote 3,731,697, 1,054,671 and 182,000 shares, respectively, or approximately 20% in the aggregate, of the shares of SCB common stock outstanding on the record date.

Indemnification

The merger agreement provides that all rights to indemnification existing in favor of the present and former directors and officers of SCB by reason of any written indemnification agreement will survive the merger and be observed by CIBER to the full extent permitted by Tennessee law. CIBER also agreed in the merger agreement to provide substantially the same level of officers' and directors' liability insurance coverage as SCB maintained prior to the merger, provided that CIBER is not obligated to pay any amount to establish or maintain such coverage that is greater than 150% of the annual premiums paid by SCB for its coverage.

Transfers Under Rule 144

The issuance of CIBER common stock in connection with the merger will increase the number of shares of outstanding CIBER common stock, which could affect the Rule 144 volume limitations that

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apply to affiliates of the combined company and former affiliates of SCB. This increase in the number of shares of outstanding CIBER common stock may facilitate transfers of a greater amount of shares of CIBER common stock by affiliates than is currently permissible under Rule 144.

Material Federal Income Tax Consequences

The following general discussion summarizes certain anticipated material United States federal income tax consequences of the merger generally applicable to holders of SCB common stock who exchange such stock in the merger. This discussion is based upon current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), current and proposed Treasury regulations, and judicial and administrative decisions and rulings and addresses only such SCB shareholders who hold their SCB capital stock as a capital asset. This discussion does not address all of the United States federal income tax consequences that may be relevant to particular SCB shareholders in light of their individual circumstances or to SCB shareholders who are subject to special rules, such as (i) persons subject to the alternative minimum tax; (ii) persons who hold shares of SCB common stock through partnerships or other pass-through entities; (iii) financial institutions; (iv) tax-exempt organizations; (v) retirement plans; (vi) insurance companies (vii) dealers in securities or foreign currencies; (viii) persons who are not citizens or residents of the United States, or who are foreign corporations, foreign partnerships or foreign estates or trusts; (ix) persons who hold such shares as part of a straddle, a hedge against currency risk, or as part of a constructive sale or conversion transaction; or (x) persons who acquired their shares upon the exercise of employee stock options or otherwise as compensation. In addition, this discussion does not address the tax consequences of the merger under state, local or foreign laws or the tax consequences of transactions effectuated before or after, or currently with, the merger.

Tax Consequences to SCB Shareholders

For federal income tax purposes, the merger will be treated as a taxable sale by each SCB shareholder of his stock in SCB to, and a purchase of stock by, CIBER. The following federal income tax consequences will result:

Each SCB shareholder will recognize gain or loss upon the surrender of his or her shares in the merger in an amount equal to the difference, if any, between (i) the sum of the amount of cash received and the fair market value of the shares of CIBER common stock received (based upon the value of the CIBER common stock on the date of the merger), and (ii) the shareholder's adjusted tax basis in the SCB shares surrendered. In general, any gain or loss recognized will be a capital gain or loss and will be long-term capital gain or loss if the shares giving rise to the recognized gain or loss have been held for more than one year at the time of the merger. Long term capital gains recognized by shareholders who are natural persons are generally taxed at favorable rates relative to the rates imposed on ordinary income. Short-term capital gains (capital gains

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other than long-term capital gains) recognized by non-corporate taxpayers and generally all capital gains recognized by corporate taxpayers are taxable at the same tax rates as are imposed on ordinary income. The deductibility of capital losses is subject to limitations.

The tax basis of the CIBER common stock received by SCB shareholders in the merger will be equal to its fair market value on the date of the merger.

The tax holding period of the CIBER common stock received by SCB shareholders in the merger will begin on the day after the merger.

Tax Consequences to Dissenters

A cash payment made to a shareholder of SCB who exercises dissenters' rights under the TBCA will be treated as a distribution in redemption of the shareholder's SCB common stock. Such

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redemption will be treated as a sale or exchange resulting in capital gain or loss to the shareholder if the redemption qualifies for such treatment under Section 302 of the Code. In such a case, the shareholder will recognize capital gain or loss in an amount equal to the difference between the cash received by the shareholder and the shareholder's adjusted tax basis in the SCB common stock that are redeemed.

The determination of whether a redemption qualifies as a sale or exchange under Section 302 of the Code is made on a shareholder-by-shareholder basis. In general, a redemption will be treated as a sale or exchange with respect to a particular shareholder of SCB if the redemption of his, her, or its shares of SCB common stock (a) results in a "complete redemption" of the shareholder's interest in SCB, (b) is "substantially disproportionate" with respect to the shareholder, or (c) is not essentially equivalent to a dividend with respect to the shareholder.

Backup Withholding

Under the Code, a payment to an SCB shareholder may be subject, under certain circumstances, to backup withholding at a 28% rate, unless such shareholder provides proof of an applicable exemption or a correct taxpayer identification number, and otherwise complies with applicable requirements of the backup withholding rules. Any amounts withheld under the backup withholding rules are not an additional tax and may be refunded or credited against the shareholder's federal income tax liability, provided the required information is furnished to the IRS.

To prevent backup withholding, each shareholder of SCB (including shareholders who exercise dissenting rights pursuant to the TBCA) must provide his, her, or its correct taxpayer identification number by completing a Form W-9, certifying that the taxpayer identification number provided is correct (or that the shareholder is awaiting a taxpayer identification number) and that (a) the shareholder is exempt from backup withholding, (b) the shareholder has not been notified by the IRS that the shareholder is subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified the shareholder that the shareholder is no longer subject to backup withholding.

The U.S. federal income tax consequences set forth above are for general information only and are not intended to constitute a complete description of all tax consequences relating to the merger and do not address transactions effectuated prior or subsequent to or concurrently with the merger, whether or not such transactions are in connection with the merger. You are urged to consult your own tax advisor to determine the particular tax consequences to you of the merger, including the applicability and effect of foreign, state, local and other tax laws.

Financing of Cash Portion of Merger Consideration

As of September 30, 2003, CIBER had cash and cash equivalents of \$19.7 million and working capital of \$112.9 million. CIBER currently has in place a \$60.0 million revolving line of credit with a financial institution, with \$27.3 million outstanding borrowings under the line. On December 2, 2003, CIBER sold Convertible Senior Subordinated Debentures due 2023 in a Rule 144A offering through which it raised net proceeds of approximately \$169 million. CIBER intends to use a portion of the net proceeds of that offering to finance the cash portion of the

merger.

Regulatory Approvals

Other than the approval by the New York Stock Exchange to list CIBER common stock on the New York Stock Exchange and expiration or termination of the waiting period under the HSR Act, no regulatory approvals are required in connection with the merger. CIBER and SCB both made the filings required under the HSR Act with the Department of Justice and the Federal Trade Commission on November 14, 2003 and the waiting period ended on December 15, 2003.

Shares Eligible for Future Sale and Affiliate Agreements

Shareholders of SCB that were not affiliates of SCB prior to the closing of the merger and are not affiliates of CIBER will be eligible to sell their CIBER shares without restrictions upon receipt of the shares. Persons who were affiliates of SCB prior to the closing of the merger will be able to sell their shares subject only to the volume, manner of sale and notice provisions of Rules 144 and 145 under the Securities Act of 1933 and in accordance with affiliate agreements entered into with CIBER.

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DESCRIPTION OF THE MERGER AGREEMENT

We have attached a copy of the merger agreement as **Annex A** to this proxy statement/prospectus. Descriptions of the merger and the merger agreement, as amended, are qualified in their entirety by reference to the merger agreement.

General Description

The merger agreement provides for the merger of SCB with Daphne Acquisition Corporation, a Tennessee corporation wholly owned by CIBER and formed solely for the purposes of effecting the merger. SCB will survive the merger as a wholly owned subsidiary of CIBER. The companies anticipate that the effective time of the merger will be within three business days following the special meeting of SCB shareholders, assuming the merger is approved at the special meeting and that all other closing conditions of the merger agreement are fulfilled or waived, but in any event, no later than March 1, 2004; however, SCB and CIBER may jointly agree on a different closing date and, in certain circumstances (as described below), the closing date may be automatically extended to March 15, 2004.

The merger will become effective at the time specified in the articles of merger, which Daphne Acquisition Corporation will file with the State of Tennessee following the closing. The companies anticipate that the merger will become effective at the close of business on the closing date. The exact closing date and the exact time the merger will become effective depend upon satisfaction of numerous conditions, some of which are not under SCB's or CIBER's control.

Upon consummation of the merger, SCB will be a wholly owned subsidiary of CIBER and will no longer be an independent public company. Accordingly, you will not have the opportunity to participate in SCB's earnings and growth after the merger other than as a stockholder of CIBER if CIBER pays a portion of the merger consideration with shares of its common stock, and you will no longer have any right to vote on corporate matters regarding SCB. Similarly, you will not face the risk of losses generated by SCB's operations or any decline in its value after the merger, except as a stockholder of CIBER if CIBER pays a portion of the merger consideration with shares of its common stock.

What SCB Shareholders Will Receive in the Merger

Under the merger agreement, when the merger is consummated you will have the right to receive an aggregate of \$2.13 for each share of SCB common stock you hold as of the effective time of the merger, unless you properly exercise your dissenters' rights under Sections 48-23-101 through 48-23-302 of the TBCA. CIBER will pay the purchase price for each share of SCB common stock by delivering at least \$1.07 in cash, and the balance in shares of CIBER's common stock. CIBER has the right to decrease the percentage of the purchase price that it pays with shares of its common stock and increase the percentage it pays in cash, and could elect to pay the entire \$2.13 in cash. For purposes of

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paying the stock portion of the merger consideration, CIBER's common stock will be valued at the average closing price per share of CIBER common stock on the New York Stock Exchange for the five trading days ended three days prior to the closing date, unless the average is greater than \$11.00, in which case CIBER's common stock will be valued at \$11.00 per share. If the average price of CIBER's common stock is less than \$7.50 and CIBER does not agree to either pay all of the purchase price in cash or pay the stock portion of the purchase price based on such average price, SCB will have the right to terminate the merger agreement and not close the merger.

CIBER will not issue fractional shares of its common stock in the merger. Instead, if any holder of SCB common stock would otherwise be entitled to receive a fraction of a share of CIBER common stock, CIBER will deposit with the exchange agent, and the exchange agent will pay to any such person, an amount of cash equal to the product of such fraction of a share of CIBER common stock, multiplied by the value of CIBER common stock to be used in determining the stock portion of the merger consideration.

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Deposit of Merger Consideration with Exchange Agent

UMB Bank, NA will act as the exchange agent in connection with the merger. At the effective time of the merger, CIBER will deposit with the exchange agent or instruct the exchange agent to reserve, for the benefit of SCB's shareholders, the aggregate cash and shares of CIBER common stock to be paid as merger consideration. CIBER has represented in the merger agreement that on or before December 31, 2003 it will have sufficient funds available to pay the cash portion of the merger consideration. Any portion of the merger consideration remaining undistributed by the exchange agent 180 days after the effective time of the merger will be returned to CIBER at such time. CIBER will thereafter remain obligated to distribute such portion of the merger consideration upon the proper surrender to CIBER of certificates representing shares of SCB's common stock.

Treatment of Options to Purchase SCB Common Stock

Each outstanding option to purchase a share of SCB common stock will be converted in the merger into the right to receive the merger consideration minus the exercise price of the option, allocated among the cash and stock portions of the merger consideration.

With respect to any outstanding and unexercised options to purchase SCB common stock that are not "in the money" and are held by persons who do not continue to serve as employees of SCB after the effective time of the merger, such stock options will be canceled as of the effective time of the merger. CIBER will convert the options to purchase SCB common stock that are not converted into the right to receive merger consideration into options to purchase shares of CIBER common stock. In addition, CIBER will make available a pool of non-statutory options to purchase 200,000 shares of CIBER common stock to certain employees of SCB. Such options will be granted at the effective time of the merger to such persons and in such amounts as agreed to by SCB and CIBER. CIBER will assume SCB's obligations under warrants to purchase SCB common stock.

Dissenters' Rights

SCB shareholders who (i) give SCB a written notice of such shareholder's intent to dissent from the merger and to demand payment for the shareholder's shares, if the merger is effectuated, and (ii) do not vote in favor of the merger, have the right to dissent from the merger. Pursuant to Sections 48-23-101 *et seq.* of the TBCA, such dissenting shareholders are entitled to obtain payment of the "fair value" of their pre-merger SCB shares from SCB, if the merger is approved and the dissenting shareholders strictly comply with the requirements of the Tennessee statute.

Certain SCB Shareholders Have Agreed to Vote in Favor of the Merger and Have Granted CIBER a Stock Option

As a condition to CIBER entering into the merger agreement, CIBER required that certain SCB shareholders, holding an aggregate of approximately 20% of SCB's outstanding common stock, enter into a Voting and Option Agreement with CIBER. Under the Voting and Option Agreement, each shareholder agreed to vote in favor of the merger and against any other merger, consolidation, combination, sale or transfer of a material amount of assets, reorganization, recapitalization, dissolution and the like, and agreed to not solicit or facilitate any such other transaction. Certain of these shareholders, who hold stock representing approximately 16% of SCB's common stock, also granted CIBER an irrevocable option to purchase all shares of SCB common stock held by each such shareholder at a price of \$2.15. CIBER may exercise the option for all, but not less than all, of the shares subject to the option. The shareholders who granted CIBER an option also granted to an officer

of CIBER an irrevocable proxy to vote the shareholder's shares of SCB common stock in favor of the merger and against any transaction in the nature of a merger or sale of SCB. A copy of the Voting and Option Agreement is attached as **Annex B** attached to this proxy statement/prospectus.

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SCB Has Agreed Not to Solicit Other Transactions

SCB agreed in the merger agreement not to initiate, solicit, encourage or facilitate alternative transactions to the merger, or to negotiate with or provide any information to any person other than CIBER concerning an acquisition transaction, until the merger is completed or the merger agreement is terminated. However, SCB may take certain of these actions in the circumstances described below. SCB and its board of directors are permitted to the extent applicable, to:

comply with Rule 14d-9 and Rule 14e-2 promulgated under the Exchange Act with regard to an acquisition proposal; or to

engage in any discussions or negotiations with, or provide any information to, a third party in response to an unsolicited bona fide written acquisition proposal received from such third party, or an expression of interest believed by SCB's board of directors to be bona fide indicating a third party's desire to make an acquisition proposal on terms believed by SCB's board of directors to be financially superior to the merger, but only if:

SCB's board of directors determines, after consultation with its counsel, that doing so is appropriate to comply with its fiduciary duties under applicable law;

SCB's board of directors determines, after consultation with its financial advisors, concludes that the acquisition proposal, taking into account all material legal, financial, regulator and other aspects of such proposal and the third party making such proposal, could lead to a proposal reasonably believed by SCB's board of directors to be financially superior to the merger;

SCB obtains from the third party an executed confidentiality agreement prior to providing information to such party; and

SCB informs CIBER prior to taking any action with respect to such acquisition proposal or expression of interest of any actions it has determined to take with respect thereto.

SCB agreed to cause its officers, directors and representatives to immediately cease and cause to be terminated any activities, discussions or negotiations existing as of the date of the merger agreement with any parties conducted prior to such time with respect to any acquisition proposal. SCB also agreed to use reasonable best efforts to promptly inform its directors, officers, key employees, agents and representatives of these obligations. These restrictions, along with the Voting and Option Agreement described above under "Certain SCB Shareholders Have Agreed to Vote in Favor of the Merger and Have Granted CIBER a Stock Option," may deter other potential alternative acquisition proposals.

SCB has agreed to promptly notify CIBER of any and all inquiries, proposals or offers received by, any such information requested from, or any discussions or negotiations sought to be initiated with, any of its representatives with regard to an acquisition proposal, indicating the name of the parties involved and the material terms and conditions of any inquiries, proposals or offers.

SCB Has Agreed to Pay CIBER a Termination Fee and Pay For CIBER's Transaction Expenses Upon the Occurrence of Certain Events

If the merger agreement is terminated prior to the termination date as described below, SCB will be required in some circumstances to reimburse CIBER for its transaction expenses up to \$500,000 and may be required to pay CIBER a termination fee of up to \$2,500,000, less any expenses SCB previously reimbursed to CIBER.

SCB must pay for CIBER's transaction expenses:

if a third party makes an acquisition proposal and the merger agreement is terminated:

by either CIBER or SCB if the merger is not approved by the SCB shareholders at the special meeting;

by either CIBER or SCB if SCB enters into an agreement for another transaction reasonably believed by SCB's board of directors to be financially superior to the merger;

by CIBER because SCB's board of directors withdraws or modifies its recommendation that the merger be approved by SCB's shareholders, or because SCB has not called the special shareholders meeting by January 31, 2004; or

the merger agreement is terminated by CIBER because one or more of SCB's representations is breached, other than breaches arising from a material adverse effect on SCB beyond SCB's control and not caused by SCB's negligence, recklessness, or willful conduct;

if, within twelve months from the date of termination of the merger agreement SCB enters into an agreement with any third party with which SCB had discussions during the twelve months prior to termination of the merger agreement.

SCB must pay CIBER a termination fee equal to \$2,500,000 less any reimbursement of CIBER's expenses paid by SCB as described above:

if a third party makes an acquisition proposal and the merger agreement is terminated:

by either CIBER or SCB if the merger is voted down at SCB's shareholders meeting;

by either CIBER or SCB if SCB enters into an agreement for another transaction reasonably believed by SCB's board of directors to be financially superior to the merger;

by CIBER because SCB's board of directors withdraws or modifies its recommendation that the merger be approved by SCB's shareholders, or because SCB has not called the special shareholders meeting by January 31, 2004; or

the merger agreement is terminated by CIBER because one or more of SCB's representations is breached, other than breaches arising from a material adverse effect on SCB beyond SCB's control and not caused by SCB's negligence, recklessness, or willful conduct;

and within twelve months SCB consummates a transaction regarding an acquisition proposal with any third party with which SCB had discussions during the twelve months prior to termination of the merger agreement.

Representations and Warranties

SCB makes a number of representations and warranties in the merger agreement that relate to SCB, its business, affairs, financial condition and other matters. SCB's representations and warranties are generally subject to exceptions, which are set forth in a disclosure letter and to other qualifications, and include representations and warranties regarding:

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corporate organization and similar corporate matters;

capital stock;

authorization, execution and enforceability of the merger agreement;

the accuracy of information contained in SCB's filings with the SEC;

the absence of certain material changes or events since April 30, 2003;

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the absence of material litigation;

the lack of fees to any broker or financial advisor;

favorable SCB board recommendation, and fairness opinions from investment banks, related to the merger;

the SCB shareholder vote required to approved the merger;

absence of changes in benefits plans;

compliance with applicable laws;

environmental compliance matters;

the lack of undisclosed commitments under any contracts or debt instruments;

valid interests in all properties and assets held;

the right to use of all intellectual property necessary for the operation of its business;

the lack of collective bargaining or other labor union agreements;

certain employee matters;

validity of insurance policies;

the timely filing of all tax returns;

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ERISA matters;

the truth of statements made by SCB in this proxy statement/prospectus;

the inapplicability of any state takeover statutes;

business relations with SCB's customers and suppliers;

SCB's bank accounts;

the lack of designated agents;

certain governments contracts matters; and

the lack of untrue statements or omissions of material facts in SCB's representations and warranties or in certificates provided by SCB in connection with the merger.

Each of CIBER and Daphne Acquisition Corporation make a number of representations and warranties in the merger agreement that relate to it, its business, affairs, financial condition and other matters. These representations and warranties are generally subject to exceptions, which are set forth in a disclosure letter and to other qualifications, and include representations and warranties regarding:

corporate organization and similar corporate matters;

capital stock;

authorization, execution and enforceability of the merger agreement;

the accuracy of information contained in CIBER's filings with the SEC;

the absence of material litigation;

the truth of statements made by CIBER in this proxy statement/prospectus;

the lack of fees to any broker or financial advisor;

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the lack of untrue statements or omissions of material facts in CIBER's representations and warranties or in certificates provided by CIBER in connection with the merger;

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the sufficiency of funds or credit capacity to meet its obligations under the merger agreement;

CIBER's ownership of less than 5% of the issued and outstanding shares of SCB common stock; and

the absence of certain material changes or events since June 30, 2003.

Conditions to the Merger

The obligations of CIBER and SCB to complete the merger are conditioned on the following:

approval and adoption of the merger agreement and of the transactions contemplated by the merger agreement by SCB's shareholders;

absence of any injunction, ruling, decree or similar action, or of any statute or regulation or similar order, that would make the transaction contemplated by the merger agreement illegal;

receipt of all necessary consents, approvals, declarations and authorizations from government authorities or third parties; and

absence of any litigation that would restrain or prohibit the consummation of the merger.

SCB's obligation to complete the merger is subject to the following additional conditions:

CIBER's performance of or compliance with, in all material respects, its obligations and covenants contained in the merger agreement;

continued accuracy in all material respects of CIBER's representations and warranties contained in the merger agreement;

receipt by SCB of a certificate dated as of the date of closing of the merger signed by an executive officer of CIBER certifying as to CIBER's compliance with certain provisions of the merger agreement;

approval of the shares of CIBER common stock to be issued in the merger for trading on the New York Stock Exchange, subject to official notice of issuance;

receipt by SCB of an opinion letter from Faegre & Benson LLP, CIBER's counsel, as to certain matters relating to CIBER and the merger;

the absence of certain litigation related to the merger;

receipt of such other documents and instruments as may reasonably be required by SCB to consummate the merger;

CIBER's obligation to complete the merger is conditioned on, among other things:

SCB's performance of or compliance with, in all material respects, its obligations and covenants contained in the merger agreement;

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continued accuracy in all material respects of SCB's representations and warranties and covenants contained in the merger agreement;

receipt by CIBER of a certificate dated as of the date of closing of the merger signed by an executive officer of SCB certifying as to SCB's compliance with certain provisions of the merger agreement;

the absence of certain litigation;

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approval by the United States District Court for the Western District of Tennessee of a settlement agreement, in form satisfactory to CIBER, relating to the litigation filed against SCB on December 9, 2003 alleging certain violations of the FLSA;

receipt by CIBER of executed severance agreements with certain of SCB's executive officers;

receipt by CIBER of an opinion letter from Burch, Porter and Johnson, PLLC, SCB's counsel, as to certain matters relating to SCB and the merger;

receipt by CIBER of the resignations of each of SCB's directors, effective as of the closing of the merger;

receipt by CIBER of cancellations, effective as of the closing of the merger, of certain powers of attorney granted by SCB;

receipt by CIBER of certifications from certain executive officers on behalf of SCB as to non-foreign status under the Internal Revenue Code;

the exercise by the holders of no more than 10% of SCB's common stock of dissenters rights under Tennessee law; and

receipt of such other documents and instruments as may reasonably be required by CIBER to consummate the merger.

Conduct of SCB's Business Pending the Merger

The merger agreement requires that SCB conduct its business until the merger takes effect only in the ordinary course of business consistent with past practices, and to use reasonable best efforts to keep its business intact in substantially the form it existed prior to signing the merger agreement. SCB may not, among other things:

sell, lease, transfer, mortgage or otherwise encumber, subject to any lien or otherwise dispose of any of its properties or assets, except in the ordinary course of its business;

change any provision of its charter, bylaws or similar governing documents;

split, combine or reclassify any outstanding shares of, or interests in, its capital stock;

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redeem, purchase or otherwise acquire or offer to redeem, purchase or otherwise acquire any shares of its capital stock or any options, warrants or rights to acquire its capital stock;

sell, issue, grant or authorize the issuance or grant of (i) any capital stock or other security, (ii) any option, call, warrant or right to acquire any capital stock or other security, or (iii) any instrument convertible into or exchangeable for any capital stock or other security (except that SCB may issue its common stock upon the valid exercise of options outstanding as of the date of the merger agreement pursuant to its stock plans);

modify the terms of any existing indebtedness or incur any indebtedness or issue any debt securities, except indebtedness incurred in the ordinary course of business;

assume, guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other person, enter into any "keep well" or other agreement to maintain any financial statement condition of another person or enter into any arrangement having the economic effect of any of the foregoing or make any material loans or advances or capital contributions to, or investments in, any other person;

authorize, recommend or propose any change in its capitalization, or any release or relinquishment of any material contract right or effect or permit any of the foregoing;

adopt or establish any new employee benefit plan or amend in any material respect any employee benefit plan, or increase the compensation or fringe benefits of any employee or pay

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any benefit not consistent with any existing employee benefit plan except in a manner consistent with SCB's historical salary review procedures;

enter into or amend any employment, consulting, severance or indemnification agreement with any of its directors, officers or employees, or any collective bargaining agreement or other obligation to any labor organization or employee;

make any material tax election or settle or compromise any liability for taxes;

make or commit to make expenditures for capital assets, properties, or intellectual property that exceed \$100,000 in the aggregate;

make any changes in its reporting for taxes or accounting procedures other than as required by generally accepted accounting principles or applicable law;

pay, discharge or satisfy any claims, liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice or in accordance with their terms, of liabilities reflected or reserved against in, or contemplated by, SCB's most recent financial statements or incurred after the date of such financial statements in the ordinary course of business consistent with past practice; settle any litigation or other legal proceedings involving a payment of more than \$100,000 in any one case by or to SCB, or waive the benefits of, or agree to modify in any manner, any noncompetition, confidentiality, standstill or similar agreement to which SCB is a party;

write off any accounts or notes receivable except in the ordinary course of business consistent with past practices;

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acquire or agree to acquire by merging or consolidating with, or by purchasing a substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, joint venture, association or other business organization or division thereof for aggregate consideration of in excess of \$200,000;

adopt any shareholder rights or similar plan or take any other action with the intention of, or which may reasonably be expected to have the effect of, damaging CIBER or SCB;

enter into, modify or authorize any contract, agreement, commitment or arrangement to do any of the foregoing; or

incur or pay legal, financial or accounting fees or expenses in connection with the merger in excess of \$1,875,000.

Employee Matters

To the extent SCB's employees are offered and accept continued employment with SCB following the merger, such employees shall be able to participate in plans in which similarly situated CIBER employees are eligible to participate, and shall receive credit for years of service with SCB for purposes of eligibility and vesting with respect to (i) CIBER's benefit plans, (ii) CIBER's vacation accrual and (iii) CIBER's stock plans.

CIBER will continue sponsorship of SCB's 401(k) plan in its present form following the effective time of the merger until it is prepared to commence the process of merging SCB's plan into CIBER's plan. SCB's 401(k) plan will be frozen to new contributions in preparation for the merger of the plans as of the date SCB employees first participate in CIBER's 401(k) plan regardless of the date the 401(k) plans are merged. SCB's employees will be permitted to participate in CIBER's 401(k) plan as soon as practical after the effective time of the merger.

CIBER will make available a pool of non-statutory stock options to purchase 200,000 shares of CIBER common stock to be granted to certain employees of SCB. Options to purchase those shares

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will be granted at the effective time of the merger, or as soon thereafter as practicable. The employees to receive the options at the closing of the merger will be determined by mutual agreement of CIBER and SCB prior to the effective time of the merger. The exercise price of options so granted will be the value of CIBER common stock used in determining the merger consideration. The options will vest ratably over a period of four years.

Exchange of SCB Stock Certificates for the Merger Consideration

UMB Bank, NA will act as the exchange agent in connection with the merger. At the effective time of the merger, CIBER will deposit with the exchange agent or instruct the exchange agent to reserve, as applicable, in each case for the benefit of SCB shareholders, the cash and CIBER common stock to be paid as merger consideration.

Promptly after the merger is completed, you will be mailed a transmittal letter from the exchange agent with instructions on how to surrender your SCB stock certificates in exchange for the merger consideration. You should carefully review these materials and deliver your stock certificates representing SCB common stock as instructed.

You should not deliver your stock certificates to SCB, CIBER, or the exchange agent until you receive the transmittal letter with instructions from the exchange agent.

After you surrender to the exchange agent your duly endorsed stock certificates and properly completed letter of transmittal, the exchange agent will mail to you one or more checks for the amount (without interest) to be paid as the cash portion of the merger consideration and any cash in lieu of fractional shares of CIBER common stock, and will deliver certificates for the number of shares of CIBER common stock to be delivered as the stock portion of the merger consideration. Neither the exchange agent nor CIBER is obligated to deliver the merger consideration to you until you properly surrender your certificates representing shares of SCB common stock.

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Any portion of the merger consideration remaining undistributed by the exchange agent 180 days after the effective time of the merger will be returned to CIBER at such time. CIBER will thereafter remain obligated to distribute such portion of the merger consideration upon the proper surrender to CIBER of certificates representing shares of SCB common stock.

If your stock certificate has been lost, stolen or destroyed, the exchange agent will pay the merger consideration only upon your submission of an affidavit claiming the certificate to be lost, stolen or destroyed and the posting of a bond as indemnity against any claim that may be made with respect to the certificate.

At the time the merger becomes effective, SCB's stock transfer books will be closed, and no transfer of shares of SCB common stock by any shareholder will be made or recognized. If certificates representing shares of SCB common stock are presented for transfer after the merger becomes effective, they will be canceled and exchanged, as applicable, for payment of the merger consideration.

Indemnification

The merger agreement provides that all rights to indemnification existing in favor of the present and former directors and officers of SCB by reason of any written indemnification agreement and applicable will survive the merger and be observed by CIBER to the full extent permitted by Tennessee law. CIBER also agreed in the merger agreement to provide substantially the same level of officers' and directors' liability insurance coverage as SCB maintained prior to the merger, provided that CIBER is not obligated to pay any amount to establish or maintain such coverage that is greater than 150% of the annual premiums paid by SCB for its coverage.

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Amendments

The parties may amend the merger agreement by mutual written consent at any time prior to the merger. However, once SCB's shareholders have voted to approve and adopt the merger agreement, an amendment that requires further shareholder approval by law or by applicable stock exchange regulation cannot be made without further approval of SCB's shareholders.

Third Party Beneficiaries

Except as described in "Indemnification" above, no person other than the named parties to the merger agreement has the right to enforce any provision of the merger agreement.

Terminating the Merger Agreement

CIBER and SCB may terminate the merger agreement at any time by mutual consent authorized by the companies' respective boards of directors.

Either CIBER or SCB may terminate the merger agreement for certain reasons, including the following:

the merger has not been completed by March 1, 2004 if the termination date is not extended, by March 15, 2004 if the termination date is extended, or by such other date as the parties may otherwise agree upon;

material breach by the other party of any of its representations and warranties contained in the merger agreement;

any government or regulatory action which prevents the consummation of the merger;

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SCB's shareholders fail to approve and adopt the merger agreement at the special meeting; or

SCB enters into a binding written agreement concerning a transaction that is superior to the merger with CIBER and certain conditions are met.

CIBER may terminate the merger agreement if:

SCB's board of directors withdraws, changes or modifies their recommendation in an adverse manner;

SCB fails to call the special shareholders meeting by January 31, 2004; or

SCB materially breaches the merger agreement.

SCB may terminate the merger agreement if:

CIBER materially breaches the merger agreement; or

CIBER's average closing stock price over the five trading days ending three days prior to the closing is less than \$7.50, and CIBER fails to agree in writing to either:

use the actual average price of CIBER's stock over such period in determining the stock portion of the merger consideration; or

pay all of the merger consideration in cash.

Upon a termination of the merger agreement, the merger and other transactions contemplated by the merger agreement will be abandoned without further action by any party and each party will bear its own expenses, except for damages that may result from a willful default by either party and except for the termination fee and the CIBER expenses described under "SCB Has Agreed to Pay CIBER a Termination Fee and Pay For CIBER's Transaction Expenses Upon the Occurrence of Certain Events."

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Termination of SCB's Status As An Independent Publicly Held Company

Upon the consummation of the merger, SCB will no longer be an independent publicly held company and its shares of common stock will no longer be publicly traded. At or following the closing, SCB will file with the SEC a Form 15 to terminate its obligation to file periodic and other reports under the Exchange Act.

SUMMARY OF RIGHTS OF DISSENTING SHAREHOLDERS OF SCB

The following summary of dissenters' rights does not purport to be complete and is qualified in its entirety by reference to Sections 48-23-101 through 48-23-202 of the TBCA, a copy of which is attached as Annex E. Shareholders should carefully read Annex E and, if they wish to exercise their dissenters' rights, follow carefully the exact procedures set forth therein. The provisions of the TBCA dissenters' rights are technical and complex and any shareholder of SCB contemplating the exercise of such rights is urged to consult with his or her legal counsel before asserting or attempting to assert such rights.

Under Chapter 23 of the TBCA, shareholders have the right to dissent from and demand payment of the fair value of their shares. A shareholder who wishes to assert dissenters' rights must comply strictly with the procedural and other requirements set forth in Chapter 23 of the

TBCA.

In order to properly exercise this right under Chapter 23, before the vote on the merger is taken at the meeting, (i) each dissenting shareholder must give the Company a written notice of his or her intent to dissent from the proposed merger and to demand payment for his or her shares if the merger is effectuated, and (ii) each dissenting shareholder must not vote in favor of the merger. The written notice must reasonably inform SCB of the shareholder's identity as well as the intention of such shareholder to demand payment for his or her shares. The notice must be delivered to SCB before the shareholder vote is taken at the special meeting on March 1, 2004. A shareholder's failure to deliver such notice to SCB before the shareholder vote is taken at the special meeting on March 1, 2004 will foreclose such shareholder's right to receive payment for his or her shares under Chapter 23. Any dissenting shareholder who fails to satisfy the foregoing requirements as they apply to his or her shares will not be entitled to payment for his or her shares and will be bound by the terms of the merger.

For purpose of asserting dissenters' rights under Chapter 23, SCB's address is as follows:

SCB Computer Technology, Inc.
3800 Forest Hill-Irene Road, Suite 100
Memphis, Tennessee 38125
Attention: Corporate Secretary

A beneficial owner of shares held in "street name" by a broker or other nominee must take such actions as may be necessary to ensure that a proper and timely notice of his or her intent to demand payment is made. The notice can be given by either the "street name" record holder or the beneficial owner of the shares, provided that certain procedural requirements set forth in Chapter 23 are satisfied.

A shareholder who wishes to assert dissenters' rights under Chapter 23 of the TBCA must not vote in favor of the proposed merger. The shareholder either must mark the "against" or "abstain" box on the proxy card with respect to the merger or must not complete and return the proxy card or otherwise vote on the merger. If the shareholder marks the "FOR" box or does not indicate any vote on the proxy card, his or her shares will be voted in favor of the merger proposal. A shareholder's vote in favor of the merger proposal will foreclose such shareholder's right to receive payment for his or her shares under Chapter 23. A failure to vote against the proposal, however, will not constitute a waiver of the shareholder's right to receive payment. Further, a vote against the proposal will not be deemed to constitute a notice of the shareholder's intent to demand payment as required by Chapter 23.

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If the merger is approved by the requisite vote or consent of shareholders, SCB must deliver a written dissenters' notice within ten (10) days thereafter to each shareholder who has properly and timely asserted their dissenters' rights and satisfied the demand requirements. The dissenters' notice must (i) state where a demand for payment of fair value must be sent, (ii) state where and when certificates representing the dissenters' common stock must be deposited, (iii) include a form to be used by a dissenting shareholder to demand payment (iv) state the date by which the payment demand must be received by SCB, which date will not be fewer than one (1) and no more than two (2) months after the date the dissenters' notice is delivered and (v) be accompanied by a copy of Chapter 23 of the TBCA, if not previously sent to the dissenting shareholders.

A shareholder receiving a dissenters' notice must, by the date set in the dissenters' notice, demand payment of the fair value of his or her common stock, certify that he or she acquired beneficial ownership of his or her shares before the date the merger was approved by the requisite vote of shareholders, and must deposit his or her share certificates in the manner and in accordance with the terms set forth in the dissenters' notice. A dissenting shareholder's failure to demand payment or deposit his or her stock certificates, each by the date set in the dissenters' notice, will foreclose such dissenting shareholder's right to receive payment for his or her shares under Chapter 23. A demand for payment filed by a shareholder may not be withdrawn unless SCB consents to the withdrawal.

Upon receipt of a valid payment demand from a dissenting shareholder and upon compliance by such shareholder with the procedure for deposit of his or her share certificates, SCB must pay to such shareholder, as soon as the merger is effectuated or upon receipt of a payment demand (whichever is later), the amount SCB estimates to be the "fair value" of the shareholder's shares, plus accrued interest. As defined in Chapter 23 of the TBCA, the term "fair value" means the value of the dissenting shareholder's shares of common stock immediately before the effectuation of the merger, excluding any appreciation or depreciation in value in anticipation of the merger. Chapter 23 also provides that interest is paid from the effective date of the merger until the date of payment at the average auction rate paid on United States treasury bills with a maturity of six months (or the closest maturity thereto) as of the auction date for such treasury bills closest to such effective date. SCB's payment for the dissenting shareholder's shares must be accompanied by (1) certain financial statements of SCB, (2) a statement of the SCB's estimate of the fair value of the shares, (3) an explanation of how the interest was calculated, (4) a statement of the dissenting shareholder's right

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to demand payment for his or her shares based on the dissenting shareholder's estimate of the fair value of the shares, and (5) a copy of Chapter 23 if not previously sent to the dissenting shareholder.

If a dissenting shareholder believes that the amount paid by SCB is less than the fair value of his or her shares or that the interest due is calculated incorrectly, or if SCB fails to make such payment within two (2) months after the date set for demanding payment, the dissenting shareholder may notify SCB in writing of the shareholder's own estimate of the fair value of his or her shares and the amount of interest due, and may demand payment of the dissenting shareholder's estimate less any payment previously received. A dissenting shareholder's failure to make such demand for payment within one month after SCB made or offered payment for his or her shares will foreclose such dissenting shareholder's right to demand payment pursuant to this specific procedure under Chapter 23.

If SCB and a dissenting shareholder cannot agree on the fair value of his or her shares within two (2) months after SCB receives the payment demand described above, SCB must commence a judicial proceeding and petition the court to determine the fair value of the shares and the accrued interest. The judicial proceeding must be commenced in a court of record having equity jurisdiction in Shelby County, Tennessee, the county where SCB's principal office is located. SCB must make all dissenting shareholders whose demands remain unsettled parties to the proceeding. The court may appoint one or more person as appraisers to receive evidence and recommend a decision on the question of fair value. Each dissenting shareholder made a party to the proceeding is entitled to judgment for the amount, if any, by which the fair value of his or her shares, plus accrued interest, exceeds the amount paid by

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SCB. If SCB does not institute the proceeding within such two-month period, SCB shall pay each dissenting shareholder whose demand remains unsettled the amount demanded.

Under the terms of the governing document for the ESOP, the participants in the ESOP are entitled to direct First Bankers Trust Company, the trustee of the ESOP, concerning the assertion of dissenters' rights attributable to the shares of common stock held by the ESOP and allocated to their respective accounts. In the absence of a direction to assert dissenters' rights on behalf of an ESOP participant, the ESOP trustee will not exercise dissenters' rights with respect to the participant's shares. An ESOP participant desiring to assert dissenters' rights with respect to the shares of common stock allocated to his or her account in the ESOP should follow the procedures set forth above for shareholders who own their shares directly, with the following exceptions: (1) a written demand for dissenters' rights must be directed to the ESOP trustee at the following address: First Bankers Trust Company, Trustee for SCB Computer Technology, Inc. ESOP, First Bankers Trust Company, 2321 Kochs Lane, P. O. Box 3566 Quincy, IL 62305-3566; and (2) the ESOP trustee must receive written directions from such ESOP participant no later than 3:00 p.m. CST on February 25, 2004.

Under Chapter 23 of the TBCA, the participants in the ESOP, in their capacity as beneficial shareholders of SCB, also are entitled to assert dissenters' rights with respect to the shares of common stock held by the ESOP and allocated to their respective accounts. An ESOP participant may assert dissenters' rights as to the shares of common stock held by the ESOP and allocated to his or her account only if the participant (1) submits to SCB the ESOP trustee's written consent to the dissent not later than the time that the participant asserts his or her dissenters' rights, and (2) asserts dissenters' rights with respect to all the shares of common stock held by the ESOP and allocated to the participant's account.

COMPARISON OF SHAREHOLDER RIGHTS AND CORPORATE GOVERNANCE MATTERS

CIBER is a corporation subject to the provisions of the Delaware General Corporation Law ("DGCL"). DAPHNE and SCB are corporations subject to the provisions of the Tennessee Business Corporation Act ("TBCA"). Shareholders of SCB, whose rights are governed by SCB's charter and bylaws and by the TBCA will, upon consummation of the merger and as of the effective date of the merger unless CIBER elects to pay all cash in the merger, become stockholders of CIBER, whose rights are governed by the certificate of incorporation and bylaws of CIBER and by the DGCL.

The following is a summary of the material differences between the DGCL and the CIBER certificate of incorporation and bylaws, as compared to the TBCA and the SCB charter and bylaws. This summary does not purport to be a complete discussion of, and it is qualified in its entirety by reference to, the CIBER certificate of incorporation, the CIBER bylaws, the SCB charter, the SCB bylaws, the DGCL and the TBCA.

Authorized Capital Stock

CIBER

100,000,000 shares of common stock
5,000,000 shares of preferred stock

SCB

100,000,000 shares of common stock
1,000,000 shares of preferred stock

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Size and Election of Board of Directors

The certificate of incorporation of CIBER provides that the number of directors shall be fixed and increased or decreased as provided in the bylaws of CIBER. CIBER's bylaws include a provision stating that unless there are certain rights given to the holders of stock having a preference over the common stock, the number of directors shall be fixed by a resolution adopted by the board of directors but that the number of directors shall not be less than three and not greater than eleven. The size of the board is currently set at seven, and there are no vacancies. The directors are elected by the stockholders by a plurality of the votes of the shares present in person or by proxy at a stockholders' meeting and entitled to vote on the election of directors. Under the DGCL, stockholders do not have a right to cumulate their votes for directors, unless otherwise provided in a corporation's certificate of incorporation. The CIBER certificate of incorporation does not provide for cumulative voting.

The charter and bylaws of SCB provide that the number of directors shall be no fewer than three and no more than nine. The exact number is established by board of directors' resolution. The number of directors is currently set at seven and there are currently seven sitting directors with no unfilled vacancies. The directors are elected by the shareholders by a plurality of the votes cast by the shares entitled to vote at a shareholders' meeting.

Unless otherwise provided in a corporation's charter, shareholders do not have the right to cumulate their votes for directors under the TBCA. The SCB charter does not provide for cumulative voting.

Classes of Directors

The CIBER certificate of incorporation and bylaws provide substantially identical classes and terms of directors as provided in the SCB charter and bylaws. These provisions include three classes of directors, who are elected to staggered three-year terms.

The SCB charter and bylaws provide that the directors, other than those directors elected by the preferred shareholders, shall be divided into three classes of directors, as nearly equal in number as reasonably possible, with each class of directors being elected to a staggered three-year term. There are currently no directors elected by the preferred shareholders.

Qualifications of Directors

Neither the certificate of incorporation nor the bylaws of CIBER contain any provisions related to the qualifications or requirements for a director.

Neither the charter nor the bylaws of SCB contain any provisions related to the qualifications or requirements for a director.

Filling Vacancies on Board of Directors

The certificate of incorporation and bylaws of CIBER state that a vacancy on the board of directors shall be filled solely by an affirmative vote of a majority of the remaining directors. The holders of any class of common stock having a preference over the common stock may have additional rights as established by the board of directors.

The charter and bylaws of SCB permit either the board of directors or shareholders to fill a vacancy on the board of directors arising by any reason.

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Removal of Directors

Neither the certificate of incorporation nor the bylaws of CIBER contain any provisions related to the removal of a director. The DGCL provides that directors may be removed by a majority vote of the shares then entitled to vote at an election of directors.

Pursuant to the SCB charter and the bylaws, any of the directors may be removed by either an affirmative vote of a majority of the shareholders or an affirmative vote of a majority of the directors.

Nomination of Directors for Election

The CIBER bylaws include specific provisions regarding the procedures for nominating directors. The board of directors may nominate individuals to serve as directors. A stockholder of record may also nominate directors provided the stockholder satisfies advance notice provisions in CIBER's bylaws.

The SCB bylaws contain specific provisions regarding the procedures for nominating directors. The board of directors, a committee appointed by the board of directors to make such nominations or a shareholder entitled to vote in the election may nominate individuals to serve as directors.

Conflict of Interest Transactions

The DGCL generally permits transactions involving CIBER and an interested director of CIBER if (i) the material facts are disclosed and a majority of disinterested directors consents, (ii) the material facts are disclosed and a majority of shares entitled to vote thereon consents, or (iii) the transaction is fair to CIBER at the time it is authorized by the CIBER board of directors, a committee of the CIBER board of directors, or the CIBER stockholders.

The TBCA generally permits transactions involving SCB and an interested director of SCB if (i) the material facts are disclosed and a majority of disinterested directors or a committee of the SCB board of directors consents, (ii) the material facts are disclosed and a majority of disinterested shares entitled to vote thereon consents or (iii) the transaction is fair to SCB. The TBCA prohibits loans to directors by SCB unless approved by a majority vote of disinterested shareholders or the SCB board of directors determines that the loan benefits SCB and either approves the specific loan or a general plan of loans by SCB.

Anti-Takeover Provisions

Both the DGCL and TBCA contain business combination statutes that protect domestic corporations from hostile takeovers, and from actions following such a takeover, by prohibiting some transactions once an acquirer has gained a significant holding in the corporation.

Delaware Law:

CIBER is subject to the provisions of Section 203 of the DGCL. In general, this statute prohibits a publicly-held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date that the person became an interested stockholder unless (with certain exceptions), the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the stockholder. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns (or within three years prior, did own) 15% or more of the corporation's voting stock. Neither CIBER's certificate of incorporation nor bylaws include a provision electing not to be governed by this law. These provisions may have the effect of delaying, deferring or preventing a change in control of CIBER without further action by its stockholders.

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Tennessee Law:

Business Combination Act

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The Tennessee Business Combination Act, (Tenn. Code Annotated Section 48-103-201 *et seq.*) generally provides that a Tennessee corporation may not engage in a business combination with an "interested shareholder" for a period of five years after the point in time when a shareholder becomes an interested shareholder unless (i) the business combination, or the transaction by which the shareholder became an interested shareholder, is approved by the corporation's board of directors prior to the date that the shareholder became an interested shareholder or (ii) the transaction is exempt from the law. If neither of the foregoing conditions is met, the business combination may only take place after the fifth anniversary of the date the shareholder became an interested shareholder and additionally must either (1) satisfy defined fairness requirements or (2) be approved by the affirmative vote of two-thirds of a corporation's voting shares not owned by the interested shareholder.

A corporation may enact a charter amendment or bylaw to remove itself entirely from the Tennessee Business Combination Act. SCB has not adopted a provision in its charter or bylaws removing SCB from coverage under the Tennessee Business Combination Act and, therefore, remains subject to such act. The SCB board of directors has approved the merger, and therefore this act does not apply to the merger.

Control Share Acquisitions

The Tennessee Control Share Acquisition Act (Tenn. Code Annotated Section 48-103-301 *et seq.*) generally provides that, except as stated below, "control shares" will not have any voting rights. Control shares are shares acquired by a person under certain circumstances which, when added to other shares owned, would give such person effective control over one-fifth, one-third or a majority of all voting power in the election of the corporation's directors. However, voting rights will be restored to control shares by resolution approved by the affirmative votes of the holders of a majority of the corporation's voting stock, other than shares held by the owner of the control shares, officers of the corporation and directors of the corporation. If voting rights are granted to control shares which give the holder a majority of all voting power in the election of the corporation's directors, then the corporation's other shareholders may require the corporation to redeem their shares at fair value. A corporation's charter must include an express provision electing the applicability of the Tennessee Control Share Acquisition Act to the corporation's stock. The Control Share Acquisition Act does not apply to SCB or the merger because the SCB charter does not contain a specific provision electing the application of the Control Share Acquisition Act.

Investor Protection Act

The Tennessee Investor Protection Act (Tenn. Code Annotated Section 48-103-101 *et seq.*, or "TIPA") provides that unless a Tennessee corporation's board of directors has recommended a takeover offer to shareholders and all terms of the offer have been disclosed to such shareholders, no offeror beneficially owning 5% or more of any class of equity securities of the offeree company, any of which was purchased within the preceding year, may make a tender offer for any class of equity security of the offeree company if after completion the offeror would be a beneficial owner of more than 10% of any class of outstanding equity securities of the company, unless the offeror before making such purchase:

- (a) makes a public announcement of his or her intention with respect to changing or influencing the management or control of the offeree company;
- (a) makes a full, fair and effective disclosure of such intention to the person from whom he or she intends to acquire such securities; and

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- (a) files with the Tennessee Commissioner of Commerce and Insurance and the offeree company a statement signifying such intentions and containing such additional information as may be prescribed by the Commissioner.

The offeror must provide that any equity securities of an offeree company deposited or tendered pursuant to a takeover offer may be withdrawn by an offeree at any time within seven days from the date the offer has become effective following filing with the Commissioner and the offeree company and public announcement of the terms or after 60 days from the date the offer has become effective. If the takeover offer is for less than all the outstanding equity securities of any class, such an offer must also provide for acceptance of securities pro rata if the number of securities tendered is greater than the number the offeror has offered to accept and pay for. If such an offeror varies the terms of the takeover offer before its expiration date by increasing the consideration offered to offerees, the offeror must pay the increased consideration for all equity securities accepted, whether accepted before or after the variation in the terms of the offer. TIPA does not apply to the merger.

Except for CIBER's rights plan described below under "Shareholder Rights Plan," neither CIBER's nor SCB's organizational documents contain provisions regulating the respective company's relationships with shareholders owning a certain percentage of stock.

Approval of Merger

Neither the certificate of incorporation nor the bylaws of CIBER contain any special provisions related to the approval of a merger or other business combinations. The DGCL requires that an agreement of merger or consolidation must be adopted by a corporation's board of directors and approved by a majority of the corporation's stockholders entitled to vote on the merger agreement. The approval requirements described in the "Anti-Takeover Provisions" above do not apply to the merger because the merger does not involve a "related person." In addition, the DGCL does not require the approval of the CIBER stockholders for this merger to be effectuated.

Neither the charter nor the bylaws of SCB contain any special provisions related to the approval of a merger or other business combinations. The TBCA requires that a plan of merger must be adopted by a corporation's board of directors, unless a conflict of interest or other special circumstances exists, and approved by a majority of the corporation's shareholders entitled to vote on the plan. The approval requirements described in the "Anti-Takeover Provisions" above do not apply to the merger.

Shareholder Rights Plan

In September 1998, CIBER paid a dividend of one preferred stock purchase right for each outstanding share of CIBER common stock. A right is also attached to all shares of CIBER common stock issued after the dividend date, including any shares of CIBER common stock issued in the merger. Each right entitles the registered holder to purchase one one-hundredth of a share of CIBER Series A Junior Preferred Stock, par value \$0.01, at a purchase price of \$250, subject to adjustment. The rights become exercisable ten business days following a public announcement that a person or group has acquired, or has commenced or intends to commence a tender offer for 15% or more of the company's outstanding common stock. In the event the rights become exercisable, each right will entitle its holder, other than the Acquiring Person (as defined in the Rights Agreement), to that number of shares of the company's common stock having a market value of two times the exercise price of the right. In the event the rights become exercisable because of a merger or certain other business combination, each right will entitle its holder to purchase common stock of the acquiring company having a market value of two times the exercise price of the right. If the rights are fully exercised, the shares issued would cause substantial dilution to the Acquiring Person or the shareholders of the acquiring company.

SCB has no shareholder rights plan.

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Shareholder Action by Written Consent

The certificate of incorporation and bylaws of CIBER allow the stockholders to take action by written consent and without a meeting, as long as a consent in writing is signed by stockholders holding not less than two-thirds of the voting power of the outstanding stock entitled to vote.

Both the charter and bylaws of SCB allow the shareholders to take action by written consent and without a meeting. TBCA Section 48-17-104 states that if all shareholders entitled to vote on the action consent to taking that action without a meeting, the affirmative vote of the number of shares that would be necessary to authorize or take such action at a meeting is the act of the shareholders.

Special Shareholder Meetings

The CIBER certificate of incorporation and bylaws provide that a special meeting of the stockholders may only be called by the chairman of the board, the chief executive officer, the president and the executive vice president or the board of directors by a majority vote of the entire board of directors.

TBCA Section 48-17-102 authorizes a special meeting of the shareholders to be called by the board of directors, any person authorized by the charter or bylaws or the holder of at least ten percent (10%) of the votes entitled to be cast, unless the charter of a corporation provides otherwise. The SCB bylaws allow a special meeting of the shareholders to be called by the board of directors or upon written demand by the holders of at least twenty-five percent (25%) of all the votes entitled to be cast.

Shareholder Meeting Notice

The CIBER bylaws require that notice of each annual and special meeting (in which case the purpose of the meeting must be stated) must be given not less than ten (10) days and no more than sixty (60) days before the date of the meeting, except as otherwise required by statute or the certificate of incorporation. CIBER's certificate of incorporation does not include a specific provision regarding stockholder meeting notice.

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The SCB bylaws require that notice of each annual and special shareholders' meeting must be given not less than ten (10) days and no more than two (2) months before the date of the meeting.

Dividends

CIBER's board of directors may authorize, and the corporation may make, distributions to its stockholders either from its surplus or net profits for the fiscal year in which the dividend is declared and/or the previous fiscal year, pursuant to the DGCL. "Surplus" generally means the excess of a corporation's net assets over its paid-in capital. The CIBER bylaws provide that the common stockholders are entitled, when declared by the CIBER board of directors in accordance with the provisions of the DGCL, to receive dividends, subject to the rights of the preferred stockholders.

Pursuant to TBCA Section 48-16-401, the board of directors of a Tennessee corporation may authorize, and the corporation may pay dividends or make other distributions to its shareholders (including the repurchase of its shares) unless either of the following is true:

- (a) after the distribution the corporation would not be able to pay its debts as they become due in the usual course of business; or
- (a) the corporation's total assets after the distribution would be less than the sum of its total liabilities plus, unless the charter provides otherwise, the amount that would be needed, if the corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution.

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The bylaws of SCB authorize the board of directors to declare and the corporation to pay dividends on SCB's outstanding shares of capital stock in the manner and upon the terms and conditions provided by applicable law.

Dissenters' or Appraisal Rights

Under DGCL Section 262, a stockholder of a corporation is generally entitled to receive payment of the fair value of his or her stock if the stockholder dissents from transactions including a proposed merger, share exchange, or sale of substantially all of the assets of the corporation. However, appraisal rights generally are not available to holders of shares, such as shares of CIBER common stock, that are listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc., holders of shares where such shares are held by more than 2,000 holders or holders of shares where the approval of stockholders was not required, unless, in all circumstances, the consideration to be received in the transaction does not consist solely of shares of capital stock of the surviving corporation.

Under TBCA Section 48-23-102, a shareholder of a corporation is generally entitled to receive payment of the fair value of his or her stock if the shareholder dissents from transactions including a proposed merger, share exchange or a sale of substantially all of the assets of the corporation. Dissenters' rights generally are available to holders of shares, such as shares of SCB common stock, which are considered over-the-counter bulletin board stocks. See "Summary of Rights of Dissenting Shareholders of SCB" beginning on page S-69.

Shareholders' Preemptive Rights

DGCL Section 102(b)(3) states that stockholders do not have preemptive rights, unless otherwise provided in a corporation's charter. CIBER's certificate of incorporation does not include a provision granting preemptive rights to the stockholders.

TBCA Section 48-16-301 states that shareholders of a corporation do not have preemptive rights, unless the charter of a corporation states otherwise. The charter of SCB states that the shareholders of SCB do not have preemptive rights.

Indemnification

Under the DGCL, a corporation may indemnify an individual who is a party to a proceeding against liability incurred in the proceeding because he or she is or was a director or officer if that individual conducted himself or herself in good faith and that individual reasonably believed:

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(a) in connection with a proceeding by or in the right of the corporation, that the conduct was in the best interests of the corporation; and

(a) in all other cases, that the conduct was in the best interests of the corporation; and, in the case of any criminal proceeding, that the individual had no reasonable cause to believe the conduct was unlawful.

A corporation may not indemnify a director or officer in connection with a proceeding by or in the right of the corporation in which the director or officer was adjudged liable to the corporation unless the court determines that such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper. A corporation must indemnify a director or officer who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he or she was a party because he or she was a director or officer of the corporation against reasonable expenses incurred by the director or officer in connection with the proceeding. CIBER's certificate of incorporation and bylaws provide for indemnification of CIBER's directors and officers to the extent permitted by and in the manner provided by the laws of the state of Delaware.

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Under Tennessee law, a corporation may indemnify an individual who is a party to a proceeding against liability incurred in the proceeding because he or she was a director or officer if that individual conducted himself or herself in good faith and that individual reasonably believed:

(a) in the case of conduct in his or her official capacity, that the conduct was in the best interests of the corporation;

(a) in all other cases, that the conduct was at least not opposed to the best interests of the corporation; and

(a) in the case of any criminal proceedings, that the individual had no reasonable cause to believe the conduct was unlawful.

A corporation may not indemnify a director or officer (1) in connection with a proceeding by or in the right of the corporation, except for reasonable expenses incurred in connection with the proceeding if it is determined that the director or officer has met the relevant standard of conduct under Tennessee law or (2) in connection with any proceeding with respect to conduct for which he or she was adjudged liable on the basis that personal benefit was improperly received by him or her, whether or not involving action in his or her official capacity. A corporation must indemnify a director or officer who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he or she was a party because he or she was a director or officer of the corporation against reasonable expenses incurred by the director or officer in connection with the proceeding.

SCB's charter and bylaws provide for indemnification to the extent permitted by and in the manner provided by the laws of the state of Tennessee.

Amendment to Certification of Incorporation or Charter

There are no provisions in CIBER's certificate of incorporation or bylaws regarding the amendment of CIBER's certificate of incorporation. The DGCL requires amendments to a corporation's certificate of incorporation to be approved by the board of directors and a majority of the outstanding stock entitled to vote on the proposed amendment.

There are no provisions in SCB's charter or bylaws regarding the amendment of SCB's charter. The TBCA permits amendments to be made to a corporation's charter by either the board of directors separately or by the board of directors and the affirmative vote of shareholders holding a majority of outstanding shares of the corporation collectively.

Amendment of Bylaws

Subject to the provisions of CIBER's certificate of incorporation and applicable law, CIBER's bylaws permit the amendment, alteration or repeal of the bylaws by a majority vote of the stockholders represented and entitled to vote at a meeting called for that purpose or by a majority vote of the board of directors present at any meeting.

SCB's charter allows the bylaws of SCB to be amended, altered, modified or repealed by the board of directors, subject to the applicable provisions of the TBCA. SCB's bylaws stated that the bylaws may be amended, altered, repealed or modified by either a majority vote of the shareholders or a majority vote of the stock represented at any shareholders' meeting or by a majority vote of the board of directors.

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CERTAIN LEGAL INFORMATION AND ADDITIONAL INFORMATION FOR SHAREHOLDERS

Legal Matters

Certain legal matters relating to the merger will be passed upon for SCB by Burch, Porter and Johnson PLLC, Memphis, Tennessee, and for CIBER by Faegre & Benson LLP, Denver, Colorado. The validity of the CIBER shares to be issued in the merger will be passed upon by Faegre & Benson LLP. The U.S. federal income tax consequences of the merger will be passed upon by Burch, Porter and Johnson PLLC and Faegre & Benson LLP.

Experts

The consolidated financial statements of CIBER, Inc. and subsidiaries as of December 31, 2002 and 2001 and for each of the years in the three-year period ended December 31, 2002 included in CIBER's annual report on Form 10-K for the year ended December 31, 2002 have been incorporated by reference herein and in the Registration Statement in reliance upon the report of KPMG LLP, independent accountants, incorporated by reference herein, and upon the authority of said firm as experts in auditing and accounting.

The consolidated financial statements and schedules of SCB Computer Technologies, Inc. included in **Annex F** and incorporated by reference in this joint proxy statement/prospectus have been audited by BDO Seidman LLP, independent certified accountants, to the extent and for the periods set forth in their reports appearing elsewhere and incorporated by reference, and which are attached and incorporated herein upon the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of National Systems & Research Co. & Subsidiaries included in **Annex I** and incorporated by reference in this joint proxy statement/prospectus have been audited by Stockman Kast Ryan & Co., L.L.P., independent certified public accountants, to the extent and for the periods set forth in their report appearing elsewhere and incorporated herein by reference, and which is attached and incorporated herein upon such report given upon the authority of said firm as experts in accounting and auditing.

Shareholder Proposals

If the merger is not completed, SCB will convene a 2004 annual meeting of shareholders. Shareholder proposals intended to be presented at SCB's 2004 annual meeting of shareholders must have been received by SCB (attention: Corporate Secretary) at its office located at 3800 Forest Hill-Irene Road, Suite 100, Memphis, Tennessee, 38125, not later than April 23, 2004, in order to be eligible for inclusion in SCB's proxy solicitation materials relating to that meeting. Nothing in this paragraph shall be deemed to require the Company to include any shareholder proposal that does not meet all the requirements for such inclusion established by SCB's bylaws or the SEC's proxy rules.

The SEC has implemented rules regarding the delivery of proxy statements to households, often referred to as "householding." These rules permit us to mail a single set of proxy materials to any household in which two or more different shareholders reside and are members of the same household or in which one shareholder has multiple accounts. We have been notified that certain intermediaries (i.e., brokers or banks) will household proxy materials for the special meeting. For voting purposes, a separate proxy card will be included for each account at the shared address.

Where You Can Find More Information

SCB and CIBER file annual, quarterly and current reports, proxy statements and other information with the SEC. Their SEC filings are available to the public over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document CIBER or SCB

files with the

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SEC at its public reference facilities at 450 Fifth Street, N.W., Washington, D.C. 20549, 233 Broadway, New York, New York 10048 and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. You can also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

In addition, for information additional regarding SCB please refer to SCB's Annual Report on Form 10-K for the year ended April 30, 2003, attached hereto as **Annex F**, its Definitive Proxy Statement, attached hereto as **Annex G**, and its Quarterly Report on Form 10-Q for the quarter ended October 31, 2003, attached hereto as **Annex H** and its Current Report on Form 8-K/A dated November 12, 2003, attached hereto as **Annex I**.

INFORMATION INCORPORATED BY REFERENCE

This proxy statement/prospectus "incorporates by reference" certain business and financial information about CIBER and SCB, which means that each of the companies may disclose to you important information by referring you to another report or proxy statement or other information filed separately with the SEC or delivered with this proxy statement/ prospectus. The reports and any other information incorporated into this proxy statement/ prospectus by reference are superseded by information contained or incorporated by reference into this proxy statement/prospectus.

This proxy statement/prospectus incorporates by reference the reports listed below, which CIBER has previously filed with the SEC (Commission File No. 0-23488). These documents contain information about CIBER and its financial condition, results of operations, and business that are important to you, and CIBER and SCB encourage you to read them carefully in connection with your review of this proxy statement/prospectus (except that information that is furnished to the SEC rather than filed is not incorporated by reference).

CIBER's Annual Report on Form 10-K for the year ended December 31, 2002, filed with the SEC on March 27, 2003.

Each of CIBER's Quarterly Reports on Form 10-Q filed with the SEC since March 27, 2003.

Each of CIBER's Current Reports on Form 8-K filed with the SEC since March 27, 2003.

The description of CIBER's common stock contained in its Registration Statement on Form 8-A, filed with the SEC on September 14, 1998.

The description of the stock purchase rights contained in CIBER's Registration Statement on Form 8-A, filed with the SEC on February 25, 1994; and

All filings by CIBER pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the date the SCB shareholder meeting is held.

You may request a copy of these filings at no cost, by writing to or telephoning CIBER at the following address:

CIBER, Inc.
Mac J. Slingerlend
Chief Executive Officer
5251 DTC Parkway, Suite 1400
Greenwood Village, Colorado 80111
(303) 220-0100

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SCB "incorporates by reference" into this prospectus the information it files with the SEC, which means that SCB can disclose important information by referring to those documents. The information incorporated by reference is an important part of this prospectus. SCB incorporates by reference the

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documents listed below, and any filings it makes with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the initial filing of the registration statement that contains this joint proxy statement/prospectus and the date of the shareholders' meeting (except that information that is furnished to the SEC rather than filed is not incorporated by reference):

SCB's Annual Report on Form 10-K for the year ended April 30, 2003, filed with the SEC on July 28, 2003;

Each of SCB's Quarterly Reports on Form 10-Q filed with the SEC since July 28, 2003;

Each of SCB's Current Reports on Form 8-K filed with the SEC since July 28, 2003;

All filings by SCB pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the date the SCB shareholder meeting is held;

You may request a copy of these filings at no cost, by writing to or telephoning SCB at the following address:

SCB Computer Technology, Inc.
Attn: Secretary
3800 Forest Hill-Irene Rd.
Suite 100
Memphis, Tennessee 38125
(901) 754-6577

You should rely only on the information contained in or incorporated by reference in this document. You should not rely on any prior filings by us relating to the merger that have not been incorporated by reference in this document. We have not authorized anyone to provide you with information that is different.

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ANNEX A

Execution Version.

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

CIBER, INC.,

DAPHNE ACQUISITION CORPORATION

AND

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AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement") is entered into as of October 24, 2003, by and among CIBER, INC., a Delaware corporation ("CIBER"), DAPHNE ACQUISITION CORPORATION, a Tennessee corporation and a wholly owned subsidiary of CIBER ("CIBER SUB"), and SCB COMPUTER TECHNOLOGY, INC., a Tennessee corporation ("SCB").

RECITALS

1. CIBER desires to acquire the business and properties of SCB by means of a taxable merger of CIBER SUB with and into SCB on the terms and conditions set forth herein and in the Articles of Merger attached hereto as *Exhibit A*;
2. The separate existence of CIBER SUB shall cease at the Effective Time (as defined herein) and SCB shall thereafter survive as a wholly owned subsidiary of CIBER; and
3. Concurrent with the execution and delivery of this Agreement, certain shareholders of SCB shall have executed and delivered to CIBER an agreement dated as of the date hereof, in substantially the form of *Exhibit B* (the "Voting Agreement") under which such shareholders, among other things, grant to CIBER the right to vote their shares of SCB common stock in favor of such merger and grant CIBER the option to purchase their shares for the Merger Consideration (as defined below).

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**ARTICLE I
DEFINITIONS**

Section 1.1 *Definitions.*

As used in this Agreement, the following terms shall have the meanings set forth below:

"Business Day" means any day on which banks are not required or authorized to close in the State of Colorado or the State of Tennessee.

"CIBER Closing Stock Price" means the CIBER Stock Market Price; however, if the CIBER Stock Market Price is less than \$7.50, then the CIBER Closing Stock Price shall be \$7.50, and if the CIBER St