



Fthr Resp to Computacenter

June 1, 2000

RNS Number:5488L
Compel Group PLC
1 June 2000

COMPEL GROUP PLC ("COMPEL")

APPROACH FROM COMPUTACENTER PLC ("COMPUTACENTER")

Shareholders will have seen the announcement this morning by Computacenter concerning a conditional proposal to acquire the entire share capital of Compel. The Board of Compel regards Computacenter's current proposal as opportunistic and one which significantly undervalues the Company. Consequently, the Board of Compel advises Shareholders to take no action with regard to their shareholding in Compel.

Compel received a written proposal from Computacenter on 22 May in which it stated its interest in making an offer for Compel at a proposed offer price of 275p per Compel share, subject to certain pre-conditions including, inter alia, satisfactory due diligence on Compel by Computacenter and Compel's Board of Directors recommending Computacenter's offer for acceptance.

The Board of Compel, having taken the advice of Close Brothers Corporate Finance Limited, its financial advisers, believes that Compel is worth substantially more than the proposed offer price of 275p per share and met with Computacenter on 25 May to seek to persuade them of that. At this meeting, Compel presented its prospects for the current financial year and the following year, together with its assessment of the potentially significant benefits that could accrue to Computacenter, were it to acquire Compel. These discussions were conducted by both Compel and Computacenter in a co-operative and constructive manner. Despite this, Computacenter informed Compel's financial advisers on 26 May that it was not prepared to increase the level of its proposed offer at all. Consequently, discussions were terminated, although Compel made it clear that it was prepared to resume discussions if Computacenter increased its proposed offer significantly.

Compel remains prepared to address Computacenter's full due diligence requirements, provided acceptable terms can be reached with them.

Compel has a strong industry position with many long-standing and highly valued customers; its recent series of substantial new business wins confirms that it has the scale and credibility to compete effectively in this market. The Board of Compel continues to believe that prospects for Compel remain positive; each of its

businesses has a leading position in its sector with strong growth potential in both the short and long term.

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