



Acquisition

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Computacenter PLC
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Computacenter plc to acquire GE Capital IT Solutions' UK and French businesses, with GE Capital IT Solutions acquiring Computacenter's German Business

Computacenter and GE Capital IT Solutions (GECITS) announce new alliance

Computacenter plc, the specialist provider of IT infrastructure services, today announces its intention to acquire the UK operations and the French service business of GE Capital IT Solutions (the latter formerly ISTA), a wholly-owned subsidiary of GE Capital. In addition, Computacenter will sell its existing business interests in Germany to GECITS. Computacenter and GECITS also announce the intention to create a new international IT alliance to enhance their service to customers.

The acquisition and integration of GECITS businesses will add to the service offering in Computacenter's existing UK operation and significantly enhance its service capability in France. The combined businesses will offer the opportunity to strengthen the services proposition for customers and build on advantages of scale to accelerate market share. The acquisitions also reflect Computacenter's continuing move towards a higher margin, value-added services business.

In Germany, Computacenter will sell its operations to GECITS' business, which trades under GE CompuNet. Computacenter's German business has made considerable progress following a rationalisation of branches earlier in the year. However, as Computacenter has previously indicated, it lacks the scale to compete effectively and the company believes the combined businesses of GECITS will offer a more credible proposition for customers in that market. Computacenter expects to take an exceptional charge for restructuring and asset write downs of its German operation of approximately #9.6 million at the year end, of which #2.5 million is non cash relating to asset write downs.

The total purchase price of the proposed transactions vary country by country with details as follows :-

1. UK

GE CAPITAL INFORMATION TECHNOLOGY SOLUTIONS LIMITED

Purchase price #1,357,643 paid out of cash for the business and certain assets.

2. France

GE CAPITAL INFORMATION TECHNOLOGY SOLUTIONS SA

Purchase price #738,657 for the Services business and certain assets.

3. Germany

COMPUTACENTER DEUTSCHLAND GMBH

COMPUTACENTER RHEIN/NECKAR GMBH

Sale price of #177,773 for the business and certain assets.

We would expect the transactions to be marginally earnings enhancing next year, however, benefits from the Alliance are expected to be more immediate.

The proposals are subject to full consultation with employee representatives and full regulatory approval. Both companies are committed to fulfilling their employee and social partner obligations. The companies will make every effort to support their employees through the decision-making process and beyond.

Computacenter's operations in Belgium and Luxembourg will not be affected.

The Alliance

Computacenter and GECITS also announce the formation of a new partnership to provide IT infrastructure solutions and services to companies operating across international markets. The strategic alliance will leverage the existing operations and partnerships of Computacenter and GECITS to provide coverage in 50 countries across the globe. The Alliance will bring major benefits to customers and give them a consistent standard of excellence by dealing with market leaders in each country. Having a focused European presence will also benefit Computacenter and GECITS' relationships with partners and vendors.

Commenting on today's announcement, Mike Norris, CEO of Computacenter said:

"The acquisition of GE Capital IT Solutions' French and UK operations offers real opportunities for growth in our core markets and will improve our service proposition for customers. It will also bolster our operations in the countries where we are market leaders. Earlier this year, we stated that our German business lacked the scale to compete effectively. Following a recent restructuring our performance has improved considerably, but we still believe that this business will be a better strategic fit with GE Capital IT Solutions' operations.

The Alliance is a new and very exciting development for the European IT market, and for Computacenter. It will bring major benefits to customers and strengthen our relationships with major partners and vendors. It positions us ideally to meet the infrastructure service needs of multinational companies through increased scale and reflects the changing dynamics of the market".

John Oliver, CEO of GE Capital IT Solutions, commented:

"Our alliance creates a new force in the European and global IT industry. The proposed alliance with Computacenter and other key partners will provide our customers with a new level of seamless global services and solutions. We believe that this will accelerate GE Capital IT Solutions' growth and broaden our capability. Serving our customers will remain a major focus throughout the transition for both companies."

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Notes to Editors

About Computacenter plc

Computacenter is a leading European provider of IT infrastructure services. To help its customers maximise the value of IT to their businesses, the company offers services at every stage of infrastructure investment. Computacenter can assist its customers with the choice of technology, its procurement, tailored configuration, testing and integration within the enterprise. The company can then ensure continued efficient, cost effective performance through its range

of operational management services. Computacenter's corporate and government clients are served by a network of branch offices across the UK, France, Germany, Luxembourg and Belgium.

About GE Capital IT Solutions

GE Capital IT Solutions is an established provider of IT Infrastructure solutions & services in Europe and North America. GE Capital IT Solutions operates as a GE company and, as such, is able to draw on both the resources and the global reach of the parent organization to continuously expand its services offering.

About GE

GE (NYSE: GE), with 2000 revenues of \$130 billion, is a diversified technology, services and manufacturing company with a commitment to achieving customer success. GE operates in more than 100 countries and employs 313,000 people worldwide. For more information, visit the company's Web site at www.ge.com.

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