## Final Results

March 13, 2002

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COMPUTACENTER PLC

PRESS RELEASE

Preliminary Results Announcement

Computacenter plc, the specialist provider of IT infrastructure services, today announces preliminary results for the twelve months ended 31 December 2001.

Financial Highlights:

- Overall performance in line with market expectations, with profit before tax

of B#51.1 million* (2000: B#55.6 million)

- Sales of B#2.09 billion, up 5.3% (2000: B# 1.99 billion)

- Diluted earnings per share of 17.9p (2000: 20.8p) excluding non-operating

exceptional items

- Unchanged dividend payment of 2.9p per share

- Strong, ungeared balance sheet, with net cash of B#53.3 million (2000: B#13.4

million)

Operational Highlights:

- UK managed services revenue growth of 18.0%, reflecting strategic emphasis

on services

- Withdrawal from non-core, loss-making operations (iGroup and Germany)

- Acquisition of GECITS businesses in UK and France

- Strong performance in France

- Completion of migration to new Hatfield logistics facility

* pre-exceptionals, post Biomni

Ron Sandler, Chairman of Computacenter plc, commented:

"In the context of difficult trading conditions we regard this as a creditable performance. During the year we maintained tight control over costs and took appropriate steps to eliminate areas of unnecessary expenditure. The benefits of our strategy to expand Computacenter's services activities were evident in 2001, and served to mitigate the decline in product revenue during the second half of the year.

Whilst we remain cautious about the trading outlook for 2002 for as long as present market conditions persist, we have a robust, cash generative business, with an increasing proportion of our income arising from the provision of services."

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Chairman's statement

2001 started strongly for Computacenter. Excellent trading conditions in the Group's core markets led to exceptional first quarter performance. However, as the year progressed, a marked slowdown in the IT spend of Computacenter's corporate customers became evident, reflecting the general deterioration in the state of the global economy. The second half of the year was characterised by weak market demand, with sales of the Group's products and services to the telecoms and investment banking sectors being particularly depressed.

In response to these difficult trading conditions, we maintained tight control over costs and took appropriate steps to eliminate areas of unnecessary expenditure. It is also pleasing to report that our efforts in recent years to expand our services activities, both contracted and non-contracted, are starting to show rewards. The benefits of this strategy, in giving the Group greater resilience to adverse market conditions, were clearly evident as the year progressed.

Buoyed by the strong first quarter, Computacenter's revenues in 2001 grew by 5.3% to B#2.09 billion. Profit before tax, post-Biomni and before non-operating exceptional charges, was B#51.1million (2000: B#55.6 million). Diluted earnings per share, pre-exceptional items, were 17.9p (2000: 20.8p). The Group's share of losses in our e-commerce joint venture, Biomni, was B#2.2 million (2000: B#3.6 million).

The Group's cash position remained strong, with net funds at the year-end of B#53.3 million, compared to B#13.4 million in the previous year. With the completion of the investment in the operations centre in Hatfield, capital expenditure in 2001 of B#15.8 million (2000: B#27.5 million) returned to a more normal level.

In recent years, Computacenter has paid considerable attention to strengthening its services activities, to complement the core product logistics business. Whilst product sales weakened as the year progressed, reflecting curtailment in customers' IT expenditure, demand for infrastructure services, particularly of an outsourcing nature, held up well. As a result, UK managed services revenues in 2001 grew by 18.0% and for the year as a whole, utilisation of our services personnel was high. We anticipate that our services activities will continue to make an increasingly significant contribution to the Group's financial performance in the future.

2001 was a year of considerable change for Computacenter, bringing with it the implementation of a major reorganisation, the migration of the logistics operations to Hatfield, the withdrawal from unprofitable non-core activities, an important acquisition, and further efforts to strengthen and expand the services activities of the Group. I am confident that the combination of these initiatives provides a strong platform for growth, and improves our ability to capitalise on any future recovery in IT markets.

The reorganisation of our UK operations came into full effect at the start of the year. Its principal purpose was to serve our customers on a more integrated basis across the full spectrum of our product and services offerings. An ancillary benefit was the opportunity it offered to organise the UK sales effort along industry sector lines, matching the approach taken by our principal vendors. The benefits of this reorganisation, coupled with the hiring during the year of a number of new senior personnel, are already clearly apparent, most obviously in the growth of our services revenues.

The migration to our new state-of-the-art Hatfield logistics facility was completed during 2001. Whilst the complex transfer of operations inevitably led to some modest disruption in our supply chain services over the summer months, no major problems were encountered. Hatfield is also the location of our B#11 million investment in the new Solutions Centre, a facility to allow our customers to test alternative enterprise infrastructures, which became operational early in 2002.

During the year, decisions were taken to withdraw from two loss-making non-core activities, the iGroup and Computacenter Germany, resulting in exceptional charges for the Group of B#16.2 million, of which B#2.6 million represents goodwill on acquisition previously written off. In the case of Computacenter Germany, the withdrawal was achieved by sale of the business to GE Capital IT Solutions (GECITS) whilst at the same time we entered into agreements to acquire the UK and French businesses of GECITS. Computacenter and GECITS have entered into an exclusive cooperation agreement to ensure that both organisations can continue to support their customers on a multi-country basis.

Contracted managed services account for a high proportion of the activities of both the UK and French businesses of GECITS that we acquired, and this reinforces our commitment to expanding the services side of our business. Considerable efforts were made during the year to strengthen our services capability and further develop the skills, management tools and best practices that underpin our competitiveness.

Computacenter France performed impressively in 2001. Revenues grew by 22.4% to B#262.5 million, with record operating profits of B#6.0 million (2000: B#1.7 million). With the completion of the French element of the GECITS transaction in February 2002, Computacenter is now strongly positioned as a leading competitor in the French market.

Our performance in 2001 demonstrates that we have a robust, cash generative business with an increasing proportion of our income arising from the provision of services. We remain cautious about the trading outlook for 2002, as markets remain subdued, making it difficult to forecast the result for the year. We would expect to have a clearer view as the year progresses. However, we continue to work towards delivering an improved performance over 2001, although this does assume some improvement in market conditions later in the year.

I am pleased to welcome two new non-executives to the Computacenter Board, Nick Cosh and Cliff Preddy. Both were appointed in January 2002, and I am confident that we will benefit greatly from their skills and experience in the years ahead. Adrian Beecroft and Rod Richards have resigned from the Board, having been involved with Computacenter since 1985 and 1991 respectively. Adrian and Rod have made enormous contributions to Computacenter over the years, helping to guide the Group from its venture capital backed origins into the publicly listed arena. We are immensely grateful for all they have done for Computacenter.

It is the staff of Computacenter who are responsible for our commercial success. The difficult trading conditions experienced in the second half of 2001 unquestionably put considerable pressure on our staff, who responded to the challenge with their customary drive and determination. I should like to extend my thanks and appreciation to all Computacenter employees for their commitment and hard work. It is pleasing to note that over 55% of our employees have a financial interest in the Group, either through a shareholding or share options.

Finally, I am pleased to recommend an unchanged final dividend of 2.9p per share, payable on 30 May 2002 to registered shareholders as at 3 May 2002.

Chief Executive's review

After a very strong first quarter, Computacenter's performance was affected by the deteriorating economic climate, with corporate IT spending falling off markedly in the second half of the year. However our strategic focus on strengthening our services activities during 2001 improved the Group's resilience to these more challenging market conditions.

In recent years, an increasing number of our customers have turned to Computacenter for assistance in leveraging their IT infrastructures to streamline business processes, improve speed to market or make critical information more readily available. These requirements continued to be in evidence in 2001. In addition, and particularly as the economic outlook became less buoyant over the course of the year, IT cost containment became an increasing priority for our customers, and this led to a greater demand for managed services, and in particular, outsourcing.

UK

In 2001 we began to see the benefits of the major reorganisation, conducted at the end of 2000, in order to increase our customer focus, improve our operational effectiveness and help us deliver an integrated suite of services tailored to our customers' needs. Partly as a result of these initiatives, 2001 saw higher professional services utilisation rates and a growing managed services contract base. This served to mitigate the decline in product supply revenue, which in the UK fell in the second half of 2001 by 28% compared to the first half.

In addition to our progress in professional and managed services, Computacenter benefited from relatively buoyant capital expenditure in the government sector, where revenues increased from 14.3% of our business in 2000 to 24.1% in 2001. However there were sharp declines in infrastructure investment in many industries, particularly financial services and telecommunications, both sectors having fuelled much of Computacenter's growth in recent years. This shift in our market mix is the principal reason for the decline in our UK product margin in 2001, since government sector business attracts lower than average margins for Computacenter.

Consistent with our strategy of growing the Group's high-value services business was the decision, in the second half of the year, to acquire the UK business of GE Capital IT Solutions (GECITS), a wholly-owned subsidiary of GE Capital. The integration of the GECITS business will add to our services offering in the UK, increasing our specialist knowledge in complex networking, storage and server technologies, particularly Cisco and Citrix. Former GECITS accounts transferring to Computacenter include Marks and Spencer, Safeway, Worldcom, National Grid and Northumbria Water. This acquisition, which involved absorbing almost 250 GECITS staff, was completed in December 2001.

Our managed services are directed towards helping our customers increase the value and reduce the cost of their IT infrastructures. Among the many significant managed services wins in 2001 was Computacenter's first ten-year contract, with the Health and Safety Executive (HSE) in July. In partnership with CMG, Computacenter will provide a broad range of services including management consultancy, advice on emerging technologies and IT infrastructure management.

Whilst our traditional product supply business suffered in the investment banking sector, we continued to win managed services business, including a major three-year contract with BNP Paribas. This covers the provision of a first line helpdesk, IT support for the bank's traders and the management of desktop and server infrastructure moves and changes.

Other significant new managed services accounts included the Traffic Area Network (TAN) unit of the Department of Transport, Local Government and the Regions, and a major international oil company. The TAN contract is for five years, with an option to extend to ten, and covers support for the unit's entire desktop and server infrastructure, including the maintenance and management of all applications and network connectivity. The contract with the oil company is to support a new infrastructure, the UK roll-out of which has also been awarded to Computacenter.

A growing number of organisations are looking for a partner to provide end-to-end management for the entire technology life-cycle. An important component in that comprehensive service offering is the end-of-life asset management services offered by our subsidiary RDC, the largest dedicated company in its field in Europe. Throughout 2001, RDC continued to grow and mature as the leading provider in the UK, processing 286,000 units, an increase of 43% on 2000. Over 83% of this total was either re-marketed or recycled for re-use. The company's contract base grew by 40% to 410 accounts, and in August the company was accredited to ISO 14001, the international environmental management standard.

We continued to win significant new business in our traditional product supply activity, where we are increasingly finding opportunities to take a managed procurement role. In May the Office of Government Commerce (OGC) confirmed that Computacenter had been awarded two five year contracts to supply its full range of services, including IT managed services, hardware maintenance, telecoms, hardware and software to government departments under the GCat2 framework agreement. Computacenter ran the former GCat scheme from 1997 until its conclusion in September 2001.

In other procurement successes, Consignia appointed us sole supplier for the procurement of all its hardware and software, and in the second half of the year, we won a major technology roll-out project for the Department of Work and Pensions, the largest central government department. Computacenter also won the contract to supply IT Direct, a procurement service provided to the Lloyd's of London and Baltic Exchange markets. This contract gives 800 companies, involving approximately 100,000 users, access to our technology and services.

CCD, our trade distribution business, which offers products and logistics services to resellers, took increased market share with several of its key vendors in 2001, despite the considerable pressures on its customer base, the reseller community.

We have created a strong platform for the future growth of our product supply business with the migration of our logistics and configuration facility to our new state-of-the-art Hatfield Operations Centre during the year. This large-scale and complex project, which was completed with minimal service disruption, will offer Computacenter customers faster, lower cost product delivery and an enhanced range of customised services.

A further investment at Hatfield in 2001 is in our recently opened Solutions Centre. The first of its kind in the UK, this facility is designed to test enterprise technologies across a wide range of platforms and vendors. By giving us the ability to simulate entire complex infrastructures, it allows us to test and tailor solutions to the specific needs of our customers' businesses.

In the early months of 2002 we confirmed that we were in discussions with the BT Group concerning a strategic partnership for the provision of desktop support services. This contract will involve the transfer of nearly 400 staff under TUPE regulations. It will involve the support of approximately 100,000 desktop users and will generate services revenue in excess of B#150 million over five years, representing a considerable expansion of Computacenter's managed services contract base. In addition to this contract our existing supply agreement with BT will be extended for a corresponding period. We expect that this contract will be agreed in March 2002.

France

Computacenter France had its best year since its inception, achieving revenues of B#262.5 million, a growth of 22.4% over 2000, and operating profits of B#6.0 million (2000: B#1.7 million). We increased market share as the French market consolidated further, a process we expect to continue in 2002.

We saw strong services growth across our French client base, including wins with Elior, EDF (Electricite de France), Groupe Schneider and a considerable extension in the scope of service provided to French Telecom. Significant procurement contracts were also won with the French army (Groupement des Achats Informatiques des Armees), the ONF (Office National des Forets) and Alcatel.

Alongside the acquisition of GECITS UK, Computacenter acquired the French service business of GECITS (formerly ISTA). This was successfully completed in February 2002. We are confident that this acquisition will significantly enhance our services capability in France.

Belgium and Luxembourg

The slowdown in capital expenditure in the UK adversely affected our BeLux operation during 2001, as UK customers cut back on the international projects that account for an appreciable portion of BeLux revenues. Although this impacted product sales significantly, the acquisition of Inacom Services Europe SA in 2000 began to bear fruit in 2001, with service revenues growing 70% H2 2000 to H2 2001.

Although performance overall was disappointing, the BeLux operation won a number of important infrastructure services contracts in 2001, including the support of a new global IT infrastructure for Six Continents (formerly Bass Hotels & Resorts), covering over 100 hotels throughout Europe.

Biomni

The market for e-procurement software in 2001 was difficult. Despite this Biomni, our joint venture with Dealogic (formerly Computasoft e-Commerce), made satisfactory progress, with our share of losses reduced from B#3.6 million to B#2.2 million. The company grew its revenues by over 73% on the same period last year and continued to build a client base independent of Computacenter, adding over 35 new customers to its B2B e-commerce community. There were significant implementations at several large organisations, including Wincanton and the Foreign and Commonwealth Office.

In 2001, Biomni was awarded the Chartered Institute of Purchasing and Supply Certificate of Excellence for its own processes, the only e-procurement vendor to achieve this level of accreditation.

Sharpening focus

In 2001, Computacenter took decisions to withdraw from those activities it considered to be both peripheral and unlikely to generate adequate levels of profitability.

Our iGroup division in the UK, which developed intranet-based knowledge management solutions, was closed and some of its hosting services transferred to our core managed services portfolio.

In December, Computacenter completed the sale of its business interests in Germany to GECITS, which trades as GE CompuNet in that country. It had become increasingly clear that Computacenter Germany lacked the scale and geographical coverage to compete effectively. We believe that combining the business with GECITS will offer a more credible proposition for customers in that market.

Appointments

There were some significant new senior appointments in 2001. In June, Tim Way joined Computacenter as Director of HR and Customer Satisfaction. He joins us from United Biscuits, where he was Strategic HR and Corporate Affairs Director.

In August, Mark Slaven joined us from Deloitte Consulting as Director of Information Systems, with overall responsibility for internal IS Operations and Development. Within UK Operations, Joe Edwards joined us from Cap Gemini to lead our Retail Finance customer sector.

GROUP PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2001

| | 2001<br>B#'000 | 2000<br>B#'000 |
|---|---|---|
| TURNOVER | | |
| Turnover: group and share of joint ventures turnover | 2,097,224 | 1,990,620 |
| Less: share of joint venture turnover | (3,801) | (2,173) |
| Continuing Operations | 2,030,803 | 1,913,353 |
| Discontinued operations | 62,620 | 75,094 |
| GROUP TURNOVER | 2,093,423 | 1,988,447 |
| OPERATING COSTS | (2,038,340) | (1,927,040) |
| OPERATING PROFIT/ (LOSS) | | |
| Continuing operations | 59,608 | 69,394 |
| Discontinued operations | (4,525) | (7,987) |
| GROUP OPERATING PROFIT | 55,083 | 61,407 |
| Share of operating (loss)/ profit in joint venture | (2,174) | (3,551) |
| Share of operating profit in associate | (67) | 90 |
| TOTAL OPERATING PROFIT: GROUP AND SHARE OF ASSOCIATE AND JOINT VENTURE | 52,842 | 57,946 |
| Exceptional loss on termination of operations | (16,213) | - |

| | 2001 | 2000 |
|---|---|---|
| PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION | 36,629 | 57,946 |
| Interest receivable and similar income | 7,815 | 6,343 |
| Interest payable and similar charges | (9,544) | (8,718) |
| PROFIT ON ORDINARY ACTIVITES BEFORE TAXATION | 34,900 | 55,571 |
| Tax on profit on ordinary activities | (15,799) | (16,348) |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | 19,101 | 39,223 |
| Minority interests - equity | (43) | 14 |
| PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY | 19,058 | 39,237 |
| Dividends - ordinary dividends on equity shares | (5,435) | (5,269) |
| RETAINED PROFIT FOR THE PERIOD | 13,623 | 33,968 |
| Earnings per share | | |
| - Basic | 10.5p | 22.0p |
| - Diluted | 9.9p | 20.8p |
| Diluted (Excluding effect of non-operating exceptional items) | 17.9p | 20.8p |
| Dividends per ordinary share | 2.9p | 2.9p |

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 December 2001

| | 2001 B#'000 | 2000 B#'000 |
|---|---|---|
| Profit for the financial year excluding share of joint venture and associate | 20,647 | 41,633 |
| Share of joint venture's loss for the year | (1,522) | (2,486) |
| Share of associates (loss)/ profit for the year | (67) | 90 |
| Profit attributable to members of the parent company for the financial year | 19,058 | 39,237 |
| Exchange differences on retranslation of net assets of associated and subsidiary undertakings | 254 | (75) |
| Total recognised gains for the year | 19,312 | 39,162 |

GROUP BALANCE SHEET
at 31 December 2001

| | 2001 B#'000 | 2000 B#'000 |
|---|---|---|
| FIXED ASSETS | | |
| Intangible assets | 7,957 | 6,227 |

| | | |
|---|---|---|
| Tangible assets | 103,523 | 109,402 |
| Investments | 13,531 | 11,825 |
| | 125,011 | 127,454 |
| CURRENT ASSETS | | |
| Stocks | 95,385 | 119,563 |
| Debtors | 295,837 | 339,623 |
| Cash at bank and in hand | 109,665 | 71,647 |
| | 500,887 | 530,833 |
| CREDITORS: amounts falling due within one year | (395,695) | (410,095) |
| NET CURRENT ASSETS | 105,192 | 120,738 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 230,203 | 248,192 |
| CREDITORS: amounts falling due after more than one year | (2,006) | (39,504) |
| PROVISION FOR JOINT VENTURE DEFICIT | | |
| Share of gross assets | 3,380 | 3,455 |
| Share of gross liabilities | (7,370) | (5,923) |
| | (3,990) | (2,468) |
| PROVISION FOR LIABILITIES AND CHARGES | (2,189) | (1,983) |
| TOTAL ASSETS LESS LIABILITIES | 222,018 | 204,237 |
| CAPITAL AND RESERVES | | |
| Called up share capital | 9,281 | 9,201 |
| Share premium account | 68,710 | 67,568 |
| Profit and loss account | 143,825 | 127,304 |
| Shareholders' funds - equity | 221,816 | 204,073 |
| Minority interests - equity | 202 | 164 |
| | 222,018 | 204,237 |

Approved by the Board on 13 March 2002

M J Norris Chief Executive

F A Conophy Finance Director

GROUP STATEMENT OF CASH FLOWS

For the year ended 31 December 2001

| | 2001 | 2000 |
|---|---|---|
| | B#'000 | B#'000 |
| CASH INFLOW FROM OPERATING ACTIVITIES | 86,576 | 54,277 |
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | (1,515) | (2,164) |

| | | |
|---|---|---|
| TAXATION | | |
| Corporation tax paid | (17,770) | (19,625) |
| CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT | | |
| | (18,687) | (35,983) |
| ACQUISITIONS AND DISPOSALS | (4,437) | (702) |
| EQUITY DIVIDENDS PAID | (5,294) | (5,229) |
| CASH INFLOW/ (OUTFLOW) BEFORE FINANCING | 38,873 | (9,426) |
| FINANCING | | |
| Issue of shares | 1,222 | 1,895 |
| Decrease in debt | (1,500) | (1,500) |
| INCREASE/ (DECREASE) IN CASH IN THE YEAR | 38,595 | (9,031) |

GROUP STATEMENT OF CASHFLOWS
For the year ended 31 December 2001

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

| | 31 December 2001 B#'000 | 31 December 2000 B#'000 |
|---|---|---|
| Net funds at 1 January 2001 | 13,407 | 21,152 |
| Increase/ (decrease) in cash in the year | 38,595 | (9,031) |
| Cash outflow from repayment of debt and lease finance | 1,500 | 1,500 |
| Change in net cash resulting from cash flows | 53,502 | 13,621 |
| Amortisation of debt issue costs | (214) | (214) |
| Increase in debt on acquisition of subsidiary | - | - |
| Net funds at 31 December 2001 | 53,288 | 13,407 |

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

Basis of preparation
The preliminary financial information has been prepared on the basis of the accounting policies set out in the Group's statutory accounts for the year ended 31 December 2000.

2 TURNOVER AND SEGMENTAL ANALYSIS
The Group operates in one principal activity, that of the provision of distributed information technology and related services. Turnover represents the amounts derived from the provision of goods and services which fall within the Group's ordinary activities, stated net of VAT.

An analysis of turnover by destination and origin, operating profit and net assets is given below:

| Turnover by Destination | 2001 | 2000 |
|---|---|---|
| | B#'000 | B#'000 |
| UK | | |
| Continuing | 1,744,226 | 1,668,536 |
| Discontinued | 54 | 395 |
| Total | 1,744,280 | 1,668,931 |
| France, Belgium & Luxembourg | 280,765 | 225,311 |
| Germany - discontinued | 62,889 | 77,639 |
| Rest of the World | 5,489 | 16,566 |
| Total | 2,093,423 | 1,988,447 |

| Turnover by Origin | 2001 | 2000 |
|---|---|---|
| | B#'000 | B#'000 |
| UK | | |
| Continuing | 1,753,999 | 1,686,143 |
| Discontinued | 54 | 395 |
| Total | 1,754,053 | 1,686,538 |
| France, Belgium & Luxembourg | 276,804 | 227,210 |
| Germany - discontinued | 62,566 | 74,699 |
| Total | 2,093,423 | 1,988,447 |

Operating Profit

| | 2001 | 2000 |
|---|---|---|
| | B#'000 | B#'000 |
| UK | | |
| Continuing | 54,582 | 68,179 |
| Discontinued | (3,105) | (4,518) |
| Total | 51,477 | 63,661 |
| France, Belgium & Luxembourg | 5,170 | 1,215 |
| Germany - discontinued | (1,564) | (3,469) |
| Total group excl associate & Joint Venture undertakings | 55,083 | 61,407 |
| Share of operating result of associates and joint venture | (2,241) | (3,461) |
| Total operating profit | 52,842 | 57,946 |

Net Assets Employed

| | 2001 | 2000 |
|---|---|---|
| | B#'000 | B#'000 |
| UK | 182,257 | 195,740 |
| France, Belgium & Luxembourg | 12,146 | 9,837 |
| Germany | (6,449) | 2,276 |
| Subtotal | 187,954 | 207,853 |
| Net Assets of associated undertaking | | |
| UK | 8 | 75 |

| | | |
|---|---|---|
| Rest of the world | 150 | 150 |
| Net Assets Employed | 188,112 | 208,078 |
| Net Funds | 53,288 | 13,407 |
| Net operating assets | 241,400 | 221,485 |
| Non-operating liabilities | (19,382) | (17,248) |
| Net Assets | 222,018 | 204,237 |

3 OPERATING COSTS

| | Continuing | Discontinued | 2001 | Continuing | Discontinued | 2000 |
|---|---|---|---|---|---|---|
| | B#'000 | B#'000 | B#'000 | B#'000 | B#'000 | B#'000 |
| Decrease/ (increase) in stocks of finished goods | 19,029 | 4,789 | 23,818 | (29,935) | 3,256 | (26,679) |
| Goods for resale and consumables | 1,570,346 | 45,446 | 1,615,792 | 1,529,012 | 57,011 | 1,586,023 |
| Staff costs | 222,090 | 10,533 | 232,623 | 208,418 | 14,036 | 222,454 |
| Depreciation and other amounts written off tangible and intangible assets | 16,993 | 1,183 | 18,176 | 12,405 | 1,060 | 13,465 |
| Other operating charges | 142,737 | 5,194 | 147,931 | 124,059 | 7,718 | 131,777 |
| | 1,971,195 | 67,145 | 2,038,340 | 1,843,959 | 83,081 | 1,927,040 |

4 TAX ON PROFIT ON ORDINARY ACTIVITES
The charge based on the profit for the year comprises:

| | 2001 | 2000 |
|---|---|---|
| | B#'000 | B#'000 |
| UK Corporation tax * | 15,681 | 17,118 |
| Foreign | 564 | 48 |
| | 16,245 | 17,166 |
| Share of Joint Venture's tax | (652) | (1,065) |
| | 15,593 | 16,101 |
| Deferred tax | 206 | 247 |
| Total tax charge | 15,799 | 16,348 |

* Includes a tax credit of B#930,000 relating to the effect of non-operating exceptional items

The tax charge for the year is higher than the standard rate of Corporation Tax in the UK (30%). The principal reasons for this difference are set out below:

| | 2001 | 2000 |
|---|---|---|

| | B#'000 | B#'000 |
|---|---|---|
| Total profit before taxation | 34,900 | 55,571 |
| | ====== | ====== |
| At 30% | 10,470 | 16,671 |
| Expenses not deductible for tax purposes | 739 | 1,117 |
| Funding to overseas entity not deductible for tax purposes | 924 | - |
| Goodwill amortised | 99 | 79 |
| Goodwill reinstated on disposal | 793 | - |
| Accounting depreciation in excess of tax depreciation | 12 | (726) |
| Effect of payment to Quest | - | (2,633) |
| Profits of overseas undertakings not taxable due to brought forward loss offset | (669) | - |
| Losses of overseas undertakings not available for relief | 3,225 | 1,593 |
| | ====== | ====== |
| Current tax charge | 15,593 | 16,101 |
| | ====== | ====== |

Tax losses have been surrendered by way of group relief to Computacenter (UK) Ltd which has paid the tax value for these losses.

5 DIVIDENDS

The Directors recommend the payment of a dividend of 2.9p per share (2000: 2.9p per share), representing an aggregate charge of B#5,435,000 (2000: B#5,269,000). The Computacenter ESOP trust has waived the dividends payable in respect of 1,427,042 (2000: 1,427,042) ordinary shares that it owns which are not allocated to employees. The Computacenter Trustees Limited have waived dividends in respect of 461,011 (2000:461,011) shares which it owns which are not allocated to employees and the Computacenter Quest ("Qualifying Employee Scheme Trust") has similarly waived dividends in respect of 1,109,143 (2000:1,109,143) shares that it owns.

6 EARNINGS PER SHARE

The calculation of earnings per ordinary share is based on profit attributable to members of the holding Company of B#19,058,000 (2000: B#39,237,000) and on 181,252,000 (2000: 177,952,000) ordinary shares, being the weighted average number of ordinary shares in issue during the year after excluding the shares owned by the Computacenter Employee Share Trust, Computacenter Trustees Limited and the Computacenter Quest.

The diluted earnings per share is based on the same earnings figure of B#19,058,000 (2000: B#39,237,000) and on 191,928,000 (2000: 188,556,000) ordinary shares, calculated as the basic weighted average number of ordinary shares, plus 10,676,000 (2000: 10,604,000) dilutive share options.

An additional earnings per share ratio of 17.9p was presented to provide a measure of group operating activities, excluding the exceptional item. This additional earnings per share ratio is based on earnings of B#34,341,000, which comprises of the profit attributable to members of the holding company of B#19,058,000, excluding the exceptional loss B#16,213,000 and the tax credit of B#930,000, and on 191,928,000 ordinary shares.

7 RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

| | 2001 | 2000 |
|---|---|---|
| | B#'000 | B#'000 |
| Operating profit | 55,083 | 61,407 |
| Depreciation | 17,847 | 13,202 |
| Impairment provision | 2,099 | - |
| Amortisation | 329 | 263 |
| Own shares allocated | - | 176 |
| Loss on disposal of fixed assets | 836 | 87 |
| Termination of UK operation - iGroup | (2,531) | |
| (Decrease)/ increase in debtors | 42,983 | (95,130) |
| Decrease/ (increase) in stocks | 24,059 | (26,679) |
| (Decrease)/ Increase in creditors | (54,755) | 101,053 |
| Currency and other adjustments | 626 | (102) |
| Net cash inflow from operating activities | 86,576 | 54,277 |

8 PUBLICATION OF NON STATUTORY ACCOUNTS

The financial information contained in this preliminary statement does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The financial information set out in this announcement is extracted from the full Group financial statements for the year ended 31 December 2001, the auditor's report on which has yet to be signed.



END

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