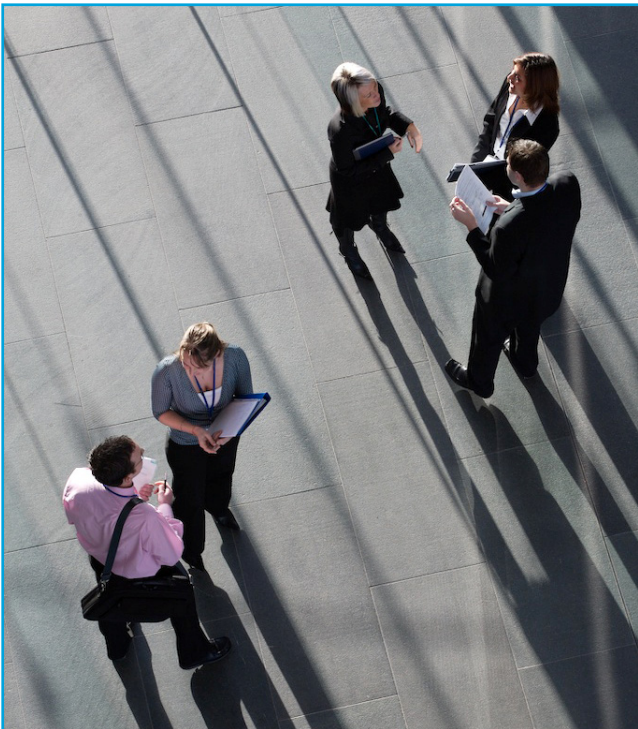


# Pre Close Briefing

13<sup>th</sup> January 2009

Mike Norris



# Financial outlook

- Profit before tax for 2008 is expected to be materially ahead of consensus expectation of £38.1m
- Operating profit marginally ahead of 2007 of £41.7m
- EPS ahead of consensus
- Net cash £6.0m [net borrowing £16.2m] before CSF
- Net debt £84.5m [net debt £79.8m] post CSF

# Highlights UK

- UK sales up 2.5% to £1.39bn
- Services grew by 6%
- New contract wins, renewed and extended
- UK product sales up 1.7%
- End user product up 5% with Trade Distribution down 14%
- Product prices have not had their historical reductions

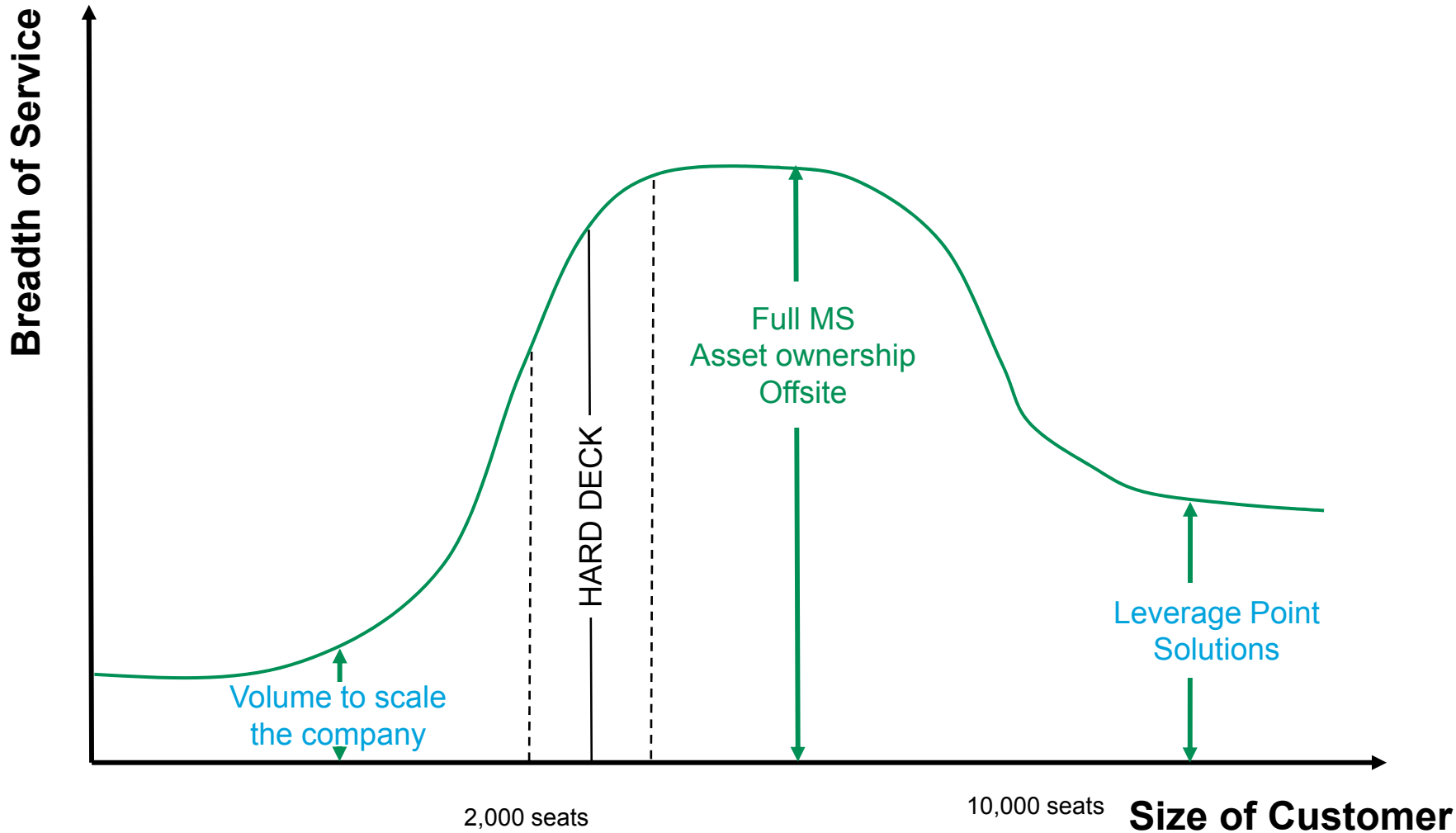
# Highlights non UK

- Germany revenue up 1% to €1.05bn
- Germany services margin improvement
- France has performed better but much remains to be done
- Group Contract base up 6% to £480m

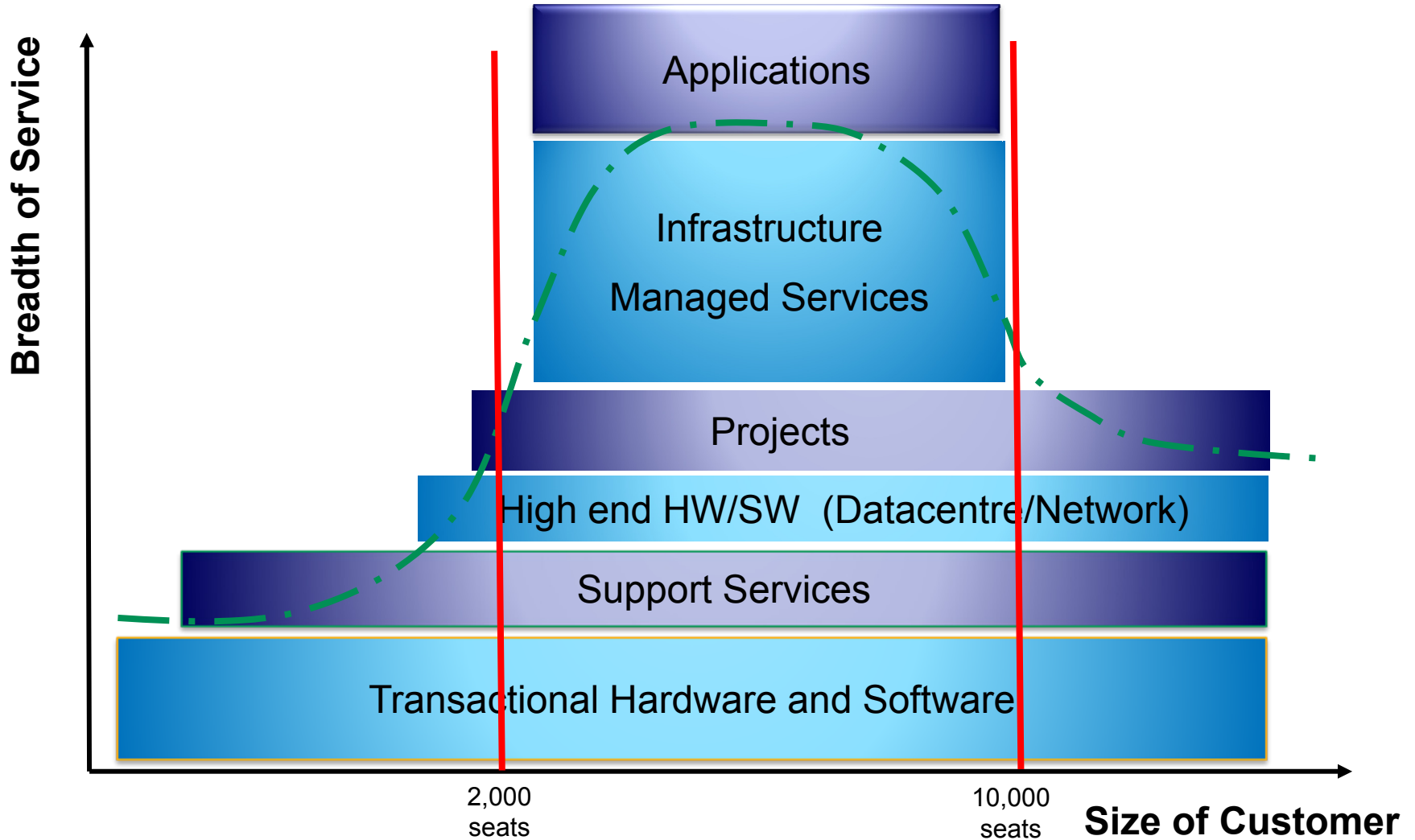
# CCD changes

- CCD to focus on servers and storage
- Stop selling PCs, laptops and printers to the Trade
- £70m of revenue decline
- £15m of working capital released
- No reduction to profits

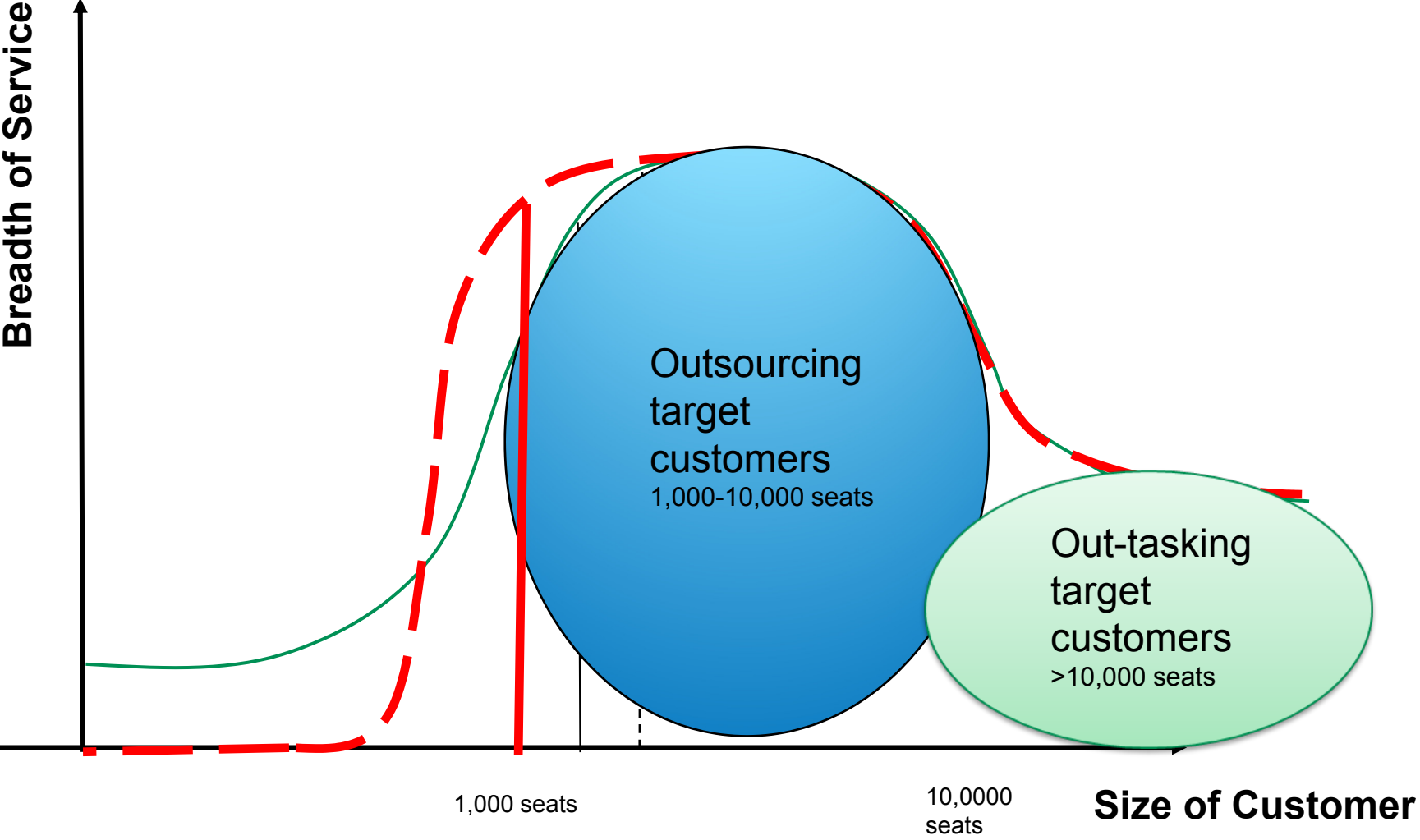
# Current UK Operation



# Solution Stack



# Future strategic focus





# CCU changes

- Revenue reduction of circa £45m, approx 35% of revenue
- Headcount reduction of circa 60
- Integration of remaining business into existing operations
- De-focus on customers less than 500 seats
- Only working with customers where over time we can sell our full service offering

# ERP program

- Major Group-wide systems upgrade
- Starting mid 2008
- Finishing mid 2011
- Benefits
- Capital investment of £25m of which £8m was spent by end 2008

# Program for change

- Additionally to CCD, CCU and ERP
- Simplification of UK structure
- De-layering of management structure
- Increase spans of control
- Annual run rate cost saving of £15m by end 2009