Where vision meets know-how

In a world where IT is increasingly important to business success, today's organisations look for a trusted partner to help them realise competitive advantage from technology.
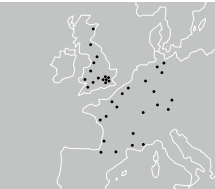
This report shows how, once again in 2000, we worked with our customers to help them realise their vision. Through anticipating and acting on our customers' needs, by continuous investment in our systems and services, and through the knowledge, experience and ongoing commitment of our staff, we strive to make the difference.

Cover: Our staff make the difference.
Computacenter is both people and
service driven, and is committed to
the continuous development of both.

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Global coverage


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Computacenter is an international player
and a founding member of the International
Computer Group (ICG), a world wide network
of partners in 43 countries serving customers
requiring IT products and services deployed
internationally. For more information, visit
www.icg-global.com

Business activity 2000

Computacenter provides a wide range of IT infrastructure services,
which can be split into the following broad categories.

Business Enablement Services

We help organisations better deliver, manage and share information with
their internal and external customers. Services include the auditing, design
and implementation of messaging systems, knowledge management and
e-business solutions.

Consolidation and Integration Services

We help our customers make more efficient, cost-effective use of their IT
systems. Services include consolidating widely dispersed IT infrastructures,
implementing local or remote hosted environments and optimising our
customers' security, application, network and storage platforms.

Operational Management Services

We help our customers reduce the cost and increase the value of IT, while
minimising the management burden. Our selective outsourcing services
range from managing on-site or centralised help desks, through responsibility
for all large-scale infrastructure moves and changes, to the management of
streamlined e-procurement systems.

Logistical Services

Our logistics centres in the UK, France and Germany provide customised
configuration and delivery services for over 6,000 product lines from
1,400 different suppliers. Our consultants and engineers specify, test and
install the most appropriate technology and then ensure it is kept running,
24 hours a day, 365 days a year.

Highlights 2000

	2000 £m	1999 £m
Group turnover	£1,988.4	£1,760.6
Operating profit[1]	£61.4	£75.6
Profit before tax	£55.6	£75.1
Diluted earnings per share[2]	20.8p	28.1p

1 Excluding results of overseas associated undertakings and joint ventures
2 Amended in accordance with FRS redefinition

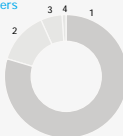|	2000	1999
Year-end Group employee numbers	5,788	5,618

Turnover by country of origin

1 United Kingdom: £1,686.5m (84.8%)
2 France: £214.4m (10.8%)
3 Germany: £74.7m (3.8%)
4 Belux: £12.8m (0.6%)
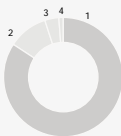
Year-end Group employee numbers

1 United Kingdom: 4,627 (79.9%)
2 France: 778 (13.5%)
3 Germany: 320 (5.5%)
4 Belux: 63 (1.1%)

Chairman's statement

" The broad thrust of the Group's strategy remains unchanged. We design, integrate, support and manage IT systems for large corporate and public sector organisations."

Ron Sandler in
conversation with
Philip Hulme

2000 was a year of challenging market conditions for our industry. The slowdown in demand from our corporate customers immediately following the millennium was anticipated but the rate of recovery was slower than we expected with the impact lasting well into the third quarter. Fortunately market conditions continued to improve as the year progressed and revenues recovered to encouraging levels in the last quarter. Group sales in the full year were £1.99 billion, up 12.9% on 1999.

As we indicated in our interim statement, the level of staff utilisation in a number of our services was significantly below expectations in the first part of the year. This was the principal cause of the decline in the Group's profitability in 2000. However, utilisation recovered steadily as the year progressed until, in the final few months of 2000, most of our service activities were running at or near full capacity. The consequence of this recovery, combined with higher revenues, was a significant improvement in profitability in the second half of the year.

Profit before tax for the full year, prior to our investment in Biomni Ltd, our e-commerce joint-venture with Computasoft Ltd, was £59.1m compared to £75.1m in 1999. Profit before tax in the second half, on the same basis, was £38.0m, compared to £34.4m in the same period in the previous year. The Group's share of losses in Biomni was slightly less than anticipated at £3.6m.

The Group's cash position remained strong. After capital investment of £36.0m, net funds at the year-end were £13.4m compared to £21.2m in the previous year. During 2000, £14.0m was expended on the final phases of the Group's new operations centre in Hatfield.

The broad thrust of the Group's strategy remains unchanged. We design, integrate, support and manage IT systems for large corporate and public sector organisations. We do this in partnership with our customers and in partnership with best-in-class product and service providers.

Because we are the leading provider of IT infrastructure services in the UK,

our customers benefit from our scale economies and depth of technical and operational resource. Our strategy is predicated on maintaining our position of market leadership. The considerable investment in our new operations centre and ongoing investment in staff reflects our commitment to this goal.

Computacenter's strength in the UK market served us well during a difficult year in 2000. The Group grew its revenues and built on its scale advantages to increase market share in a number of key areas of the business. We saw continued rapid growth in demand for Unix systems, networking and storage products and made further strides in developing our outsourcing and other service activities. All of these areas continue to offer great opportunities for the Group. Our market presence and the strength of our long-term customer relationships are assets that we will continue to develop and build upon.

The Group's business also continues to generate new development opportunities. Our Biomni e-commerce joint-venture grew out of our internal e-commerce system but now is a

rapidly growing stand-alone business. It remains our intention to float Biomni when market conditions are right. Our e-business consultants have led the way into several new business areas, including managed web hosting services, a market that offers great potential to the Group.

As regards prospects for 2001, in January we suggested that it would be prudent to remain cautious regarding both general market conditions and the possibility of increasing margin pressure. We have no reason to change our view at this time. However, trading in the first weeks of the year has been satisfactory and in line with our expectations, reflecting the continuation of the market recovery experienced in the latter part of last year.

For the longer term, we remain confident of the Group's strategic positioning and the opportunities this presents. Growth prospects, now the millennium is behind us, are strong.

On a personal note, after twenty years full-time involvement in Computacenter I have decided to step down as Executive Chairman at the Annual

General Meeting in May and I am delighted to welcome Ron Sandler as my successor. Ron joined the Board as a non-executive director in May last year and has already made a valuable contribution to the development of the Group. Ron's background and qualifications speak for themselves. We are very fortunate to have him in the role and I am confident that he will lead the Group into a new era of profitable growth.

I would like to thank all Computacenter's staff, past and present, for the tremendous support they have given to the Company and to me personally over the years. It is my intention to remain on the Board as a non-executive director and I look forward to participating in the Group's continued success.

Finally, reflecting our confidence in the future, I am pleased to recommend an unchanged final dividend of 2.9 pence per share payable on May 23 to all registered shareholders as at May 4 2001.

Philip Hulme
Chairman

" Market conditions continued to improve as the year progressed and revenues recovered to encouraging levels in the last quarter."

Chief Executive's review

To allow its staff to concentrate on developing new mobile technologies for its users, One 2 One outsources the design, testing and implementation of the IT infrastructure for each customer contact centre to Computacenter. Providing network design consultancy, vendor management and implementation, Computacenter offers each project as a 'turnkey' installation.

Jon Jacobs
Data networking infrastructure account manager, Computacenter

Kate Micklefield
Account manager, Computacenter

" Due to the strength of our position in the UK market, Computacenter was able to weather the difficult market conditions in 2000 better than many of its competitors across Europe. "

The IT challenges facing our corporate customers have changed substantially in the last 18 months. In 1999, Y2000 compliance projects were a major part of our business while in 2000 the emphasis shifted towards e-commerce initiatives. In the first part of 2000 our business recovered more slowly than we anticipated, largely due to our customers taking longer than expected to initiate investment in new projects post Y2000. However, while the impact of this lasted well into the year, IT expenditure on major infrastructure projects began to recover momentum in the second half.

Due to the strength of our position in the UK market, Computacenter was able to weather these difficult market conditions better than many of our competitors across Europe. Thus, while our results for the financial year fell short of our expectations at the beginning of 2000, the Group's profitability has proved relatively resilient and we remain strongly in profit.

The Group continues to show a record of good long-term performance. In recognition of this we were awarded a 'Wealth Creation 2000' Award by the Sunday Times and Stern Stewart Europe. The award was for the best economic value added (EVA) performance in the UK over the past five years.

Investment
During 2000 we continued to invest across the business, consolidating our position as a leading supplier of IT infrastructure services to the European corporate marketplace.

As in previous years, recruitment and training remained our biggest investment. Headcount across the Group grew by 3% from 5,618 at the end of 1999 to 5,788 at the end of 2000. We also continued to increase our investment in best practices and systems that allow us to deliver our growing range of services cost-effectively and to the highest quality standards. This included investment in standardised tools to deliver managed services and a new IT system to enable improved scheduling and utilisation of our professional services staff.

During the year many of our staff completed the move into our new Hatfield based headquarters and operations centre, which provides a much-improved working environment. As we complete the migration of our UK logistical operations into this new facility, we look forward to the efficiencies and extended opportunities this will afford the Group. We believe that the increasing economies of scale we enjoy in these areas will be a significant source of competitive advantage.

In 2000 our strategy of investment in our business yielded a Group revenue growth of 12.9%. Our international sales also grew in 2000, with £301.9m (15.2%) of the total Group turnover of £1.99 billion coming from sales in France, Germany, Belgium and Luxembourg. The remaining £1.69 billion (84.8%), was generated by our UK business.

UK Operations
Organisational re-focus
To enhance our operational and marketing effectiveness and, in particular, facilitate the continued growth of our services, we have brought together our three UK operating divisions: Supply Chain Services, Managed Services and Professional Services, into a single, customer facing organisation. This is under the direction of Chris Webb, Chief Operating Officer for the UK. Chris has been with Computacenter for ten years and brings considerable sales and operational experience to the role. The new structure gives our customers a single point of focus for all product and service requirements, enabling our staff to better anticipate and respond to their needs.

To support our UK and international operations, a new services development and strategy division has been created under the experienced direction of Gordon Channon, who joined Computacenter from BT in early 2000. This division's aim is to anticipate customer requirements and develop appropriate service offerings, while also developing and implementing best practices to enhance our operational effectiveness.

Mike Norris
Chief Executive

BuildOnline provides the first on-line collaboration, tender management and procurement service for the European construction industry. To increase its focus on its core business, the company turned to Computacenter, who now provide an end-to-end e-commerce solution, from migration consultancy through to installation and 24 hour, 365 days a year managed support.

Jonathan Saxelby
E-business account manager,
Computacenter

Sonal Patel
Account manager, Computacenter

" We have seen our enterprise systems business, especially deployment of Sun Microsystems and related solutions, go from strength to strength."

Enterprise services

Over the year we have seen our enterprise systems business, especially the deployment of Sun Microsystems and related solutions, go from strength to strength on the back of accelerated demand for e-business applications and server consolidation. Enterprise revenues grew by 50% on 1999 and we anticipate continuing strong growth in 2001. In recognition of this, as part of our re-organisation in the last quarter of 2000, Computacenter created a new enterprise division, consolidating our specialist skills across all service and technology platforms.

We have continued to build on our long-term partnerships with the key technology providers in the enterprise arena, including Sun Microsystems, Compaq, IBM, Hewlett-Packard, Cisco, Nortel, StorageTek and EMC². We are increasingly recognised by these partners as one of the leading channels to corporate and public sector markets and won Sun Microsystems' first channel award for service and support in 2000. We were judged on our total service and supply chain offering, from helpdesk, technical, sales, support and training skills to our marketing and investment in staff.

Managed services

Computacenter provides a range of selective outsourced support services designed to increase the value of our customers' IT investments. Our goal is to support our customers through selective outsourcing of essential support tasks within their data centre, network and desktop environments. In 2000 this high margin contract-based area of business grew significantly, with contract revenues growing over 25% on 1999.

Major managed services account wins in 2000 included the Inland Revenue, Thus, Abbey National Treasury Services, Aegon and Unipart. Our three year contract with the Inland Revenue covers the managed procurement of all IT and telecommunications products, while for Thus, Computacenter is providing helpdesk support across 30 UK-wide locations. For Abbey National Treasury Services we won a major contract to provide server and workstation infrastructure design and managed support. This includes the implementation of a new trading floor and a move to the company's new UK headquarters.

Professional and engineering services

Our team of over 400 UK consultants and project management professionals provides the vital planning and implementation resources needed to roll out large-scale IT programmes.

While staff utilisation was lower than anticipated in the first half of 2000, most of our professional service resources were running at full capacity by the end of the fourth quarter. Large Windows 2000 projects have steadily gathered pace and we anticipate that many of our customers will initiate full-scale roll-outs in 2001.

The increasing importance of network infrastructures and the need for rapid, large-scale implementations enabled Computacenter to undertake a number of demanding infrastructure projects in 2000. Amongst these was a major roll-out and support project for Lloyds TSB. Other professional services wins in 2000 included a major enterprise infrastructure deployment and Lotus Notes migration for PricewaterhouseCoopers, the world's largest business services company.

Computacenter's customer engineering force carried out thousands of installations across the UK every month. The utilisation of these teams recovered steadily towards the end of the year but lagged slightly behind that of our professional services staff, who are typically deployed earlier in the lifecycle of a project. Computacenter's depth of resource in this area is a major reason why many large organisations turn to us to deliver their total project needs, sometimes at short notice.

E-business services

We continued to invest in the provision of e-business services, bringing a number of new and enhanced services to market. These included further development of 'SiteHost' and 'SiteAlert' and the launch of 'SiteSecure', a new managed network security service.

Computacenter secured a number of major contracts to deliver managed web services to customers including Direct Line, BuildOnline and Sanctuary Music. Direct Line chose SiteHost to launch its new online service (jamjar.com). Key components of the
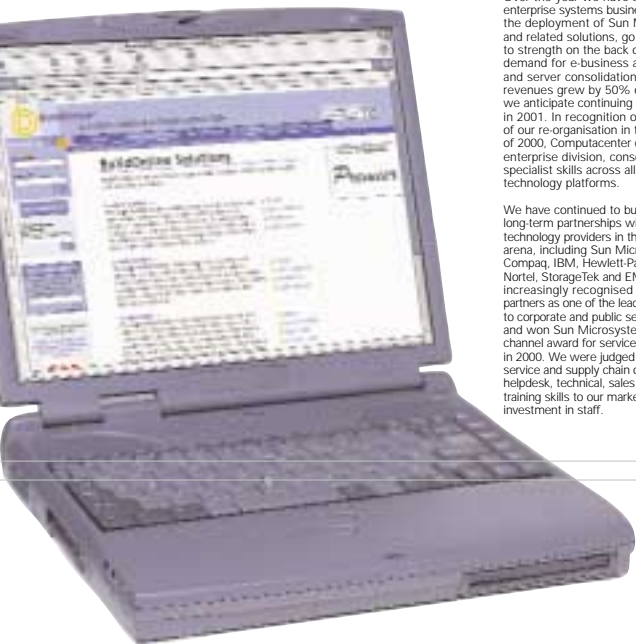
" Major managed services account wins in 2000 included the Inland Revenue, Thus, Abbey National Treasury Services, Aegon and Unipart."

To help the FCO share knowledge more
effectively with its diplomatic missions
overseas, Computacenter has worked closely
with the customer's in-house team on a three
year global IT infrastructure replacement
project. Services include technical design and
consultancy, cabling, project management,
installation and training at the FCO's
headquarters in London and at over 200
locations across the world.

Inga Marais
Project manager, Computacenter

Andrew Pring
Client director, Computacenter

service include 24-hour management
and monitoring for the entire hosted
infrastructure platform.

Supply-Chain services
Our new 34,000 sq. metre facility
at Hatfield is now complete and
migration of operations is well
underway. This investment will allow
us to offer our customers higher quality,
faster, more cost-effective services,
together with an enhanced range of
customised services.

The operations centre enables us to
ship up to 35,000 items a day, while
our expanded configuration facility
allows us to custom configure and
test up to 3,000 systems per day. This
offers the flexibility to build and test
customer systems from the simplest
PCs to complex networking systems
and enterprise class Unix servers.
This investment, combined with our
established product testing and portfolio
management capability, provides us
with a significant capability to compete
against direct sale manufacturers.

Customer Relationships
A major contract win in the first half
of the year was BP Amoco, for whom
we are implementing one of the largest

roll-outs of Microsoft Windows 2000 to
date. These services are being delivered
in partnership with the International
Computer Group (ICG), across 61
countries. Other service contracts won
in 2000 included BT Cellnet, where
we are providing a range of managed
services spanning e-procurement
to asset management, and NTL,
where our support includes project
management, storage and enterprise
management consultancy.

We also provided the equipment and
services for the new London Assembly
on behalf of the DETR and secured
extensions to our managed services
contracts with Seeboard and Shell
Services International.

International Operations
Many of our customers look to us
to supply products and services on a
pan-European basis. We continue to
answer this requirement through our
direct presence in the largest markets
in Europe and our majority shareholding
and role in the direction of the
International Computer Group (ICG).

Computacenter France
As in the UK, our European businesses
experienced a stronger second half

following the slow post-millennium
recovery. In France where we enjoy
significant scale in our supply chain
business, the company returned to
profitability in the second half of the
year and we continued to consolidate
our position as one of the top three
competitors with national coverage
in the French market.

New business won during 2000
included a large migration project
for Ernst & Young covering 20 sites.
We also won additional services
contracts with a number of established
customers, including a managed
services contract for Schneider Electric.
In 2000 we established ourselves as
the only Compaq service partner in
France and are beginning to enjoy the
competitive advantage of delivering
such a unique service portfolio.

Computacenter Germany
In spite of the difficult trading conditions
Computacenter Germany won some
significant new contracts in 2000,
including EDS and Sharp, while also
extending the range of services
provided to existing customers,
including DVAG, Dresdner Bank
and Deutsche Hypotheken Bank.
In light of the relatively small scale

of our business in Germany, we have
commenced a programme designed
to better align our operations around
service provision and development of
enterprise system sales. We laid the
foundations of this plan during 2000,
and are pleased with progress to date.

Computacenter Belgium and Luxembourg
At the beginning of the year
Computacenter Belgium won a number
of new contracts. These include the
Ministry of Employment, CESI (a private
medical business) and the Belgian
subsidiary of Deutsche Bank. During
the year we also won a pan-European
infrastructure roll-out project with Bass
Hotels and Resorts, as well as a major
new managed services contract with
SWIFT SC, where we are providing
global helpdesk services, asset
management and user installations,
moves and upgrades.

Computacenter Belgium was
strengthened with a new acquisition,
Inacom Services Europe SA, in June. The
acquisition underpins Computacenter's
existing capabilities in pan-European
project management and consolidates
our position as a leading IT solutions
provider in Belgium and Luxembourg.

"The acquisition of Inacom Services Europe SA underpins
Computacenter's existing capabilities in pan-European
project management and consolidates our position as a
leading IT solutions provider in Belgium and Luxembourg."

To maintain its position as a tier one supplier
to the world's motor industry, TRW wanted to
upgrade its IT infrastructure, taking advantage
of remote management tools and a standard
desktop platform. Computacenter developed
and implemented the new environment,
providing training and guaranteeing service
levels across all six countries.

Annette Morford
Account manager, Computacenter

James Anker
Technology consultant, Computacenter

International Computer Group (ICG)

ICG replaced its former North American
partner, Inacom, with Comark, one of
the largest privately held suppliers of
information technology solutions in
the US. Comark offers complementary
services to Computacenter, from
planning, consulting and procurement
through to deployment and
implementation of distributed IT.

Other Businesses

Biomni Ltd, our joint venture with
Computasoft e-Commerce Ltd, saw
considerable success in 2000, with
growing uptake of its e-procurement
solutions among both buyers and
suppliers. More than 8.5 million
transactions passed through Biomni's
systems in 2000.

Major customers selecting Biomni's
e-procurement solutions over the last
year include Glaxo Smithkline, HM
Foreign and Commonwealth Office and
Royal & SunAlliance's Global E-Ventures
initiative, usecolor.com. Biomni remains
responsible for the development
of Computacenter's electronic
procurement system deployed by
our customers across Europe.

Outlook

The twelve months following the
millennium change-over have seen a
gradual but steady return to anticipated
trading patterns. As we move into 2001
we expect continued demand from our
customers to deploy IT for enterprise
e-business initiatives. We also anticipate
that the accelerating adoption of
Windows 2000 will drive demand
for our core services.

Our customers also continue to look
to Computacenter to provide selective
outsourced services and we will
continue to invest in people and
systems to accommodate this growth.
With strengthening demand and a
sustained programme of long-term
investment, the outlook for the Group
remains strong.