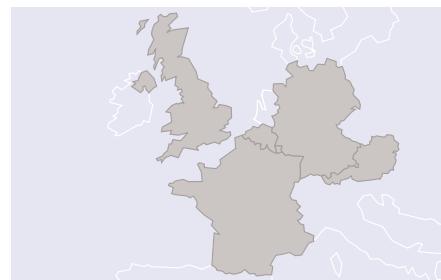


Group at a glance

Computacenter is Europe's leading independent provider of IT infrastructure services. To help our customers maximise the value of IT to their businesses, we offer services at every stage of infrastructure deployment.

Our corporate and government clients are served by a network of branch offices across the UK, Germany, France, Austria, Luxembourg and Belgium, and through our international partners, at locations throughout Europe, Asia Pacific and North America.

Coverage



● Computacenter's European regions



United Kingdom

Number of employees: 4,629

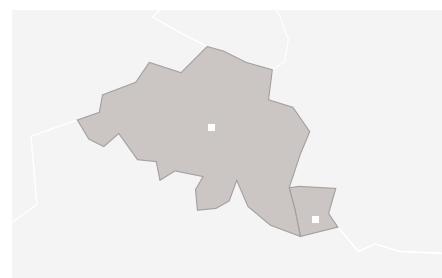
Aberdeen, Belfast, Birmingham, Bristol, Cardiff, Edinburgh, Gatwick, Hatfield, Leeds, London, Maidenhead, Manchester, Milton Keynes, Newcastle upon Tyne, Reading, Swindon, Watford



France

Number of employees: 1,300

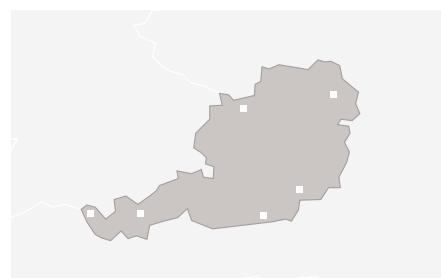
Paris, Bordeaux, Grenoble, Lille, Lyon, Marseille, Nantes, Nice, Orléans, Pau, Rennes, Rouen, Strasbourg, Toulouse



Belgium and Luxembourg

Number of employees: 93

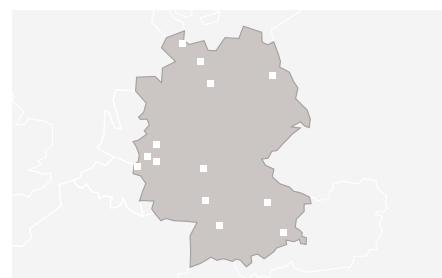
Brussels, Luxembourg



Austria

Number of employees: 224

Gotzis, Graz, Innsbruck, Klagenfurt, Linz, Vienna



Germany

Number of employees: 3,666

Aachen, Berlin, Cologne, Essen, Frankfurt, Hamburg, Hannover, Kerpen, Kiel, Ludwigshafen, Munich, Nürnberg, Stuttgart

Highlights 2002

	2002 £million	2001 £million
Group revenue	£1,926.7	£2,093.4
Group operating profit ¹	£56.2	£55.1
Profit before tax ²	£54.2	£51.1
Diluted earnings per share ³	19.3p	17.9p
Year-end Group employee numbers	6,022	5,894

1 Excluding results of associated undertakings and joint ventures.

2 Calculated as profit before tax excluding non-operating exceptional items.

3 Excluding non-operating exceptional items.

Business activity

Computacenter advises customers on their IT strategy, implements appropriate technologies and manages elements of their IT infrastructures on their behalf. At every stage we aim to help customers minimise the cost and maximise the business value of their IT expenditure.

We advise

We offer our customers trusted advice on such matters as the planning and design of IT infrastructures, or the choice of specific technologies. We are able to assist in preparing a business justification, specifying and testing a solution, and providing ongoing advice on how to optimise availability and performance. Our Solutions Centre has added significantly to our depth of service in this area, enabling us to compare different technology solutions for our customers in an off-site test environment.

We implement

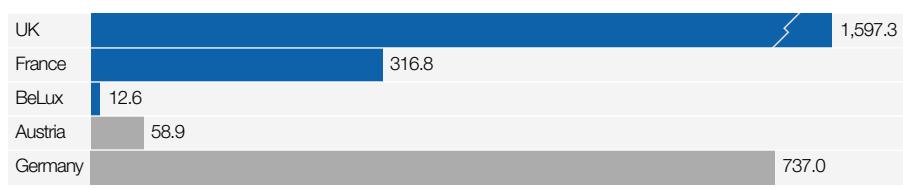
We procure, configure and deliver a wide range of IT products across multiple platforms, and with our consultancy and project management expertise we can ensure successful integration with the customer's existing technology. Typical

projects include major technology roll-outs across multiple locations, consolidating widely dispersed IT infrastructures, implementing local or remote hosted environments and optimising our customers' security, application, network and storage platforms.

We manage

We help our customers minimise the technology management burden by managing elements of their infrastructures on their behalf. Our outsourcing services range from managing on-site or centralised help desks, through responsibility for all large-scale infrastructure moves and changes, to the provision of ongoing technology support, including remote monitoring and intervention services. Computacenter ensures high standards of service by committing to contracted service levels agreed with the customer.

2002 revenue by country
£millions



● 2002 Computacenter Group revenues

● 2002 revenues of GE CompuNet in Germany and GECITS Austria, acquired by Computacenter in January 2003

Chairman's statement

Ron Sandler

"The progress that Computacenter is making towards becoming a fully integrated infrastructure services provider is clearly evident."

Computacenter made excellent progress in 2002. Against a background of subdued markets for corporate IT expenditure, the Group delivered good profit growth, despite lower revenues. This result demonstrates Computacenter's effectiveness in controlling costs and maintaining high levels of staff utilisation. It also reflects the considerable investment in recent years to develop our services capabilities, the fruits of which were clearly evident in the course of the year.

The difficult trading conditions encountered in the second quarter of 2001 persisted throughout 2002, and Computacenter's revenues declined by 8.0% to £1.9 billion. However, profit before tax, excluding non-operating exceptional items, grew to £54.2 million (2001: £51.1 million), and to £55.1 million (2001: £34.9 million) including non-operating exceptional items. Diluted earnings per share, excluding non-operating exceptional items, were 19.3p (2001: 17.9p).

The Group continued to generate cash, with net funds at the year-end of £83.4 million (2001: £53.3 million). In November, Computacenter repaid the outstanding balance of £38.3 million on the 1995 bond, and we now have no long-term borrowings.

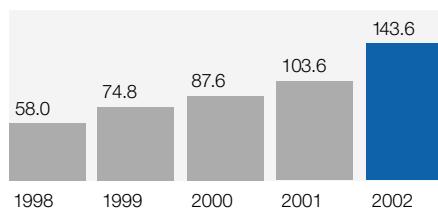
During the year Computacenter purchased 2,005,000 of its own shares for cancellation at a total cost of £4.6 million.

I am pleased to recommend a doubling of the final dividend to 5.8p per share (2001: 2.9p), at which level the dividend cover would be 3.5 times. The Board recently reviewed its dividend policy and concluded that, given the strong cash position and likely future cash generative characteristics of Computacenter, such an increase was warranted. Looking ahead, it would be the Board's intention to maintain dividend cover at broadly this level. The dividend will be paid on 30 May 2003 to shareholders on the register as at 2 May 2003.

Computacenter's management deserves considerable credit for the Group's performance in 2002. Overheads in the business were tightly controlled, particularly in the UK where indirect headcount was reduced by more than 230 over the course of the year. This was achieved without recourse to any exceptional charges. The introduction of new systems and disciplines ensured that professional services staff utilisation levels were high throughout 2002.

For several years, the principal thrust of Computacenter's strategy has been to

UK managed services contract base, 1998 year-end to 2002 year-end £million





Ron Sandler, Chairman (left), with
Tony Conophy, Finance Director.

develop the services side of the business to complement the core product logistics activities. We are now beginning to see evidence of real progress here. In the UK, managed services and professional services revenues grew by 16.4% and 13.0% respectively, and both activities contributed significantly to the overall financial performance. Unquestionably, the highlight of the year in managed services was the award of the BT desktop outsource, a five-year contract covering over 100,000 seats which is understood to be the largest desktop outsourcing contract ever awarded in Europe. This is a major achievement for the Group, and testifies to the expertise and credibility that we have developed in this area.

The progress that Computacenter is making towards becoming a fully integrated infrastructure services provider is clearly evident. We continue to invest significantly in services development, and in enhancing our tool suite and technologies to support the services offerings. A considerable effort has also been made to upgrade the skills and improve the processes within the organisation to ensure consistent, effective and profitable services delivery. As a result of these developments, Computacenter in 2002 was able to undertake services contracts of increasing scope and

complexity. With the demand for services, particularly of an outsourcing nature, forecast to remain strong, we remain confident in our chosen strategy and our ability to implement it.

Computacenter's performance in France was somewhat disappointing. Although revenues grew strongly by 20.7%, operating profit declined to £2.4 million (2001: £6.4 million) after the release of negative goodwill, largely reflecting the challenges of integrating the GE Capital IT Solutions (GECITS) business in France, acquired in February 2002. We are making good progress with the integration and, looking ahead, we anticipate an improvement in the profitability of Computacenter France.

In November, we announced the proposed acquisition of GE CompuNet in Germany and GECITS Austria for a consideration of £36.5 million, with a further payment of up to £41.0 million in 2005 subject to the achievement of certain profit performance targets. Both transactions were completed in early January 2003. These acquisitions, and particularly that of GE CompuNet (now renamed CC CompuNet), are of major strategic significance to Computacenter. We are now the market leader in the UK and Germany, and number two in France,

an unrivalled position in the three largest European economies. We see a growing trend towards pan-Europeanism in the IT infrastructure market, particularly as regards vendor behaviour and an increasing harmonisation of market structures and practices. Whilst a truly integrated pan-European market is still some way off, Computacenter is now extremely well positioned to benefit from this trend. We are already beginning to exploit opportunities to share best practices and resources across our European network.

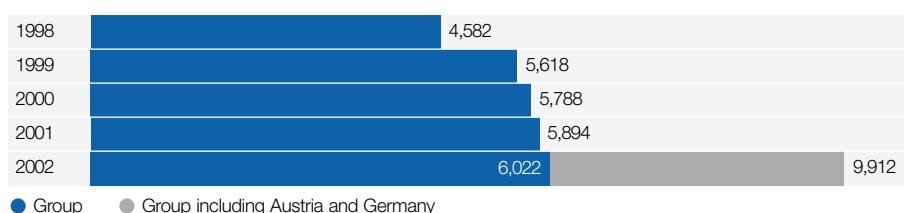
Whilst it is too early to predict performance in 2003, we believe that Computacenter is well positioned to produce profit growth over 2002.

Computacenter's performance rests, as always, on the efforts and capabilities of our staff. A devotion to customer service is central to our success, and we are fortunate to have an organisation of employees who demonstrate this attribute time and again. I offer my thanks to all Computacenter staff for their enthusiasm, commitment and hard work.



Ron Sandler
Chairman

5 year Group headcount
000's



Chief Executive's review

Mike Norris

"The desire of customers to improve the cost effectiveness of their IT management helped drive Computacenter's managed services growth in the UK."

UK

The desire of customers to improve the cost effectiveness of their IT management helped drive Computacenter's managed services growth in the UK, where our contract base grew 38.6%, compared with 19.9% in 2001.

As a result of winning the BT desktop services contract early in the year, some 350 former BT staff transferred to Computacenter under TUPE regulations. The award of this contract reflects the investment we have made in developing our outsourcing capabilities. We are continuing to pursue a strategy of growth in our managed services activities to achieve economies of scale, raise barriers to entry and secure our competitive advantage.

Additionally, in 2002 we won major managed service contracts with BAA and Hays. For BAA we will provide HP technology, together with hardware support and the management of moves and changes. The five-year contract covers approximately 10,000 seats, mostly at Gatwick and Heathrow airports. Our three-year contract with Hays includes technology supply, hardware support and technical consultancy.

Other managed services successes included wins at HBOS, the UK Government's Environment Agency, JPMorgan Chase and North Yorkshire County Council, as well as contract extensions with such customers as Thus and Scottish Power.

To support our managed services growth, we continued to invest in the development of tools and processes, in particular the integrated Services Management Tool Suite (SMTS) that we use to track and manage user support requests. By deploying one or more SMTS components we have been able to improve service levels for many of our customers. A related investment has enabled us to streamline national handling of our customers' support calls, with e-mails and phone enquiries automatically routed to the analyst with the most appropriate skills or experience. By integrating this system with SMTS, we are confident in our ability to further improve service levels and drive down costs.

Hardware support services were an important focus in 2002. In the course of the year, we re-engineered our maintenance services to deliver greater efficiency, which contributed to a growth rate of 38.8%



European HQ
Over 1,300 staff are based at our European Headquarters and Operations Centre in Hatfield, UK. The Operations Centre's advanced configuration service covers mobiles, desktops, servers (both Wintel and UNIX based) and networking technology.

Service Operations Centre
Our Service Operations Centre allows us to monitor remotely and, where necessary, resolve our customers' IT systems problems before they affect end-users.





Mike Norris, Chief Executive, in conversation at our European Headquarters and Operations Centre.

in our maintenance contract base during the year. Successes included Cazenove, Royal Mail and the UK Atomic Energy Authority. Our pricing of support services incorporates the considerable body of information on relative failure rates that Computacenter has accumulated over many years of supporting a wide range of hardware, and this represents a significant source of competitive advantage.

Partly due to our continuing focus on improving internal processes and accountability, we saw higher professional services utilisation rates and a growth in professional services billing throughout 2002. This led to a professional services revenue growth of 13.0% over the previous year.

The increased adoption of the latest Microsoft technology by large organisations led to a number of major infrastructure standardisation projects. For example, we deployed a standard Microsoft Windows XP desktop environment for ChevronTexaco, as part of a major global upgrade of its IT infrastructure, and migrated 6,000 users and 500 servers at Nationwide Building Society to Windows 2000. In

the Government sector, we implemented a Windows 2000 desktop project roll-out for a new hospital with Swindon & Marlborough NHS Trust, for whom we will also provide hardware maintenance and other support services over a potential twelve-year term.

We were also awarded a three-year support contract for Nationwide's Sun enterprise servers, delivered a new IT infrastructure for the Greater London Authority (GLA) and won a contract for the design, build and implementation of a new Windows 2000 office deployment for Orange UK.

The opening of our Solutions Centre in early 2002 was an important development for Computacenter, allowing our customers to test their choice of technology before purchase, or verify the performance and scalability of new applications before deployment.

Market pressure was most evident in the product supply side of our business. Whilst product sales fared better throughout 2002 compared to the second half of 2001, we saw an overall year-on-year decline. Performance differed considerably across sectors. Throughout the year, sales to

government departments continued to grow, whilst financial services revenues continued to decline, particularly in investment banking. As our financial services business has a higher proportion of enterprise products and more demanding service levels, this change in mix had an overall adverse effect on UK margins.

Increased capacity at our Hatfield Operations Centre allowed us to expand the range of services we offer and the technologies we support. For example, Computacenter won a major technology refresh contract to support NCR's delivery of new point-of-sale devices to a large high street retailer. The contract includes survey, storage, build and installation services, together with the preparation and installation of over 1,500 back-end servers.

A significant development in our product re-sale business over the longer term was the merger, in May, of Compaq and HP, two of our major vendor partners. Computacenter is the UK market leader in Compaq products and we were pleased to see our share of their business grow still further in 2002. In view of our mutual reliance, we are working closely with the new HP management on forging

Solutions Centre

Our Solutions Centre ensures that technology solutions are established to be robust, compatible and appropriate to our customers' needs before they are introduced into a live business environment.



"Our European acquisitions give Computacenter leading positions in Europe's three largest markets and stronger pan-European positioning with key vendors."

the way ahead for our partnership. One early consequence of the merger is that Computacenter's historical Compaq volume has now moved to HP's payment terms, which substantially reduces credit days in return for early payment discounts.

Our recycling and re-marketing arm, RDC, continued to respond to our customers' growing need for the effective management of end-of-life IT equipment. In April, the company won the Queen's Award for Enterprise in Innovation for its unique service model, which provides organisations with a better return from their unwanted equipment and maximises the potential for recycling. RDC achieved an overall 58% increase in service revenues over the previous year.

CCD, our trade distribution business offering products and logistics services to resellers, maintained revenues comparable to the previous year, despite continuing market pressure. The business again retained leading market share with several major vendors, and we were only the second organisation in the UK to be appointed as an authorised HP-UX distributor by HP.

In 2002 Computacenter opened new UK offices in Newcastle and Belfast, with the aim of widening our national coverage and providing improved support to local offices of our larger managed services customers.

International

In November, we announced our intention to acquire GE CompuNet in Germany and GE Capital IT Solutions Austria. These transactions were subsequently completed on 2 January 2003, and both companies are now wholly-owned subsidiaries of Computacenter. GE CompuNet (now CC CompuNet) has a strong services element in its portfolio, which supports our strategy of growing our services base and building contracted revenue streams. Whilst both acquisitions are fundamentally sound businesses, we are confident that they will benefit considerably from the application of Computacenter's experience.

These transactions give Computacenter leading positions in Europe's three largest markets and a stronger pan-European positioning with key vendors. The combined businesses are able to share certain investments and best practices, and to develop common processes to

improve the scope, quality and cost-effectiveness of their offerings.

We believe the acquisitions will be marginally earnings enhancing in 2003 and will create shareholder value in the long-term.

France

Assisted by acquisition, our French operation saw 20.7% sales growth during 2002. However profit performance was disappointing, reflecting difficult market conditions and the costs of integrating the GECITS business following its acquisition in February 2002.

Service revenues grew 80.6% compared with the previous year and we won some significant new customers, including Ministère des Finances, Valéo and l'Oréal.

The acquisition of the GECITS business involved the transfer of some 350 employees and brought with it several major new accounts including Eurotunnel and Renault France Automobiles. As the business was loss-making on acquisition, the Group received a payment from the vendor to assist in the financing and development of the operation. The costs of restructuring amounted

International Support Centre

The ISC in Liverpool provides a range of managed services, such as help desk support, to international customers. All technical analysts are required to speak a minimum of two languages and coverage is 24x7.



"Throughout 2002 we maintained our focus on programmes designed to reduce our cost base and to leverage our resources more effectively."

to £3.2 million during the year, offset by a release of £3.7 million negative goodwill to operating profit.

Belgium and Luxembourg

Our results in Belgium and Luxembourg improved modestly in 2002 despite a decline in corporate spending adversely affecting our business, with product sales particularly affected in the first half. The second half showed an improvement, due to some major customer wins. These included Bridgestone Europe and Amcor, who selected Computacenter for a pan-European e-procurement service with centralised reporting.

We also won some major technology refresh projects, including Citibank Belgium, significant contract extensions for project and support services at Nestlé and UCB, and new CRM application rollout projects with Carlsberg Importers and Schneider Electric subsidiaries.

Biomni

After performing ahead of budget in the first half of the year, our e-commerce joint venture, Biomni, saw a decline in spending on e-procurement applications in the second half.

Although Biomni has performed creditably against its competition, the market for e-procurement services has not grown in line with expectations. Consequently, Biomni has concentrated upon extending its offering into the managed services provider (MSP) marketplace, where the company has identified significant business opportunities. Computacenter will assume greater control over some of the e-commerce activities that have historically been managed on its behalf by Biomni, including CC Connect, through which customers can order products and services from Computacenter over the internet. Biomni continues to be a strategic supplier to Computacenter, and our 50% investment stake is unchanged.

Computacenter's share of Biomni's loss reduced to £1.3 million (2001: £2.2 million).

Organisation

Throughout 2002 we maintained our focus on programmes designed to reduce our cost base and to leverage our resources more effectively. As a result, over the second half of the year, we achieved a 11.5% reduction in sales, general and administration (SG&A) costs

to the UK business compared with the second half of 2001. Successful initiatives included the merger of our Retail Finance and City sectors into a single Financial Services operation, reflecting the smaller proportion of our revenues arising from investment banking and insurance. We continued to operate tight cash management disciplines and were successful in our efforts to maintain high levels of professional services utilisation.

We believe corporate and government organisations will continue to look to Computacenter to reduce their IT infrastructure costs and are confident that this, together with our focus on tightly controlled and effective operations, provides a sound platform for the future.



Mike Norris
Chief Executive Officer



CC CompuNet
The acquisition of GE CompuNet (now CC CompuNet) in January 2003 gives Computacenter a market leading position in Germany and stronger pan-European positioning with key vendors. The company's Kerpen operations centre is pictured.