

“

Our future depends in no small part on recruiting and developing talent. I thank all of our employees for their work and their results. Their enthusiasm for our Company and their focus on our customers are exemplary.

”



AN INTERESTING YEAR

We were disappointed with our performance in the UK in 2016 but heartened by strong results in Germany and France. Our adjusted¹ revenues are now £3.2 billion including, for the first time, Services revenue of over £1 billion, and we delivered a solid profit, meeting expectations we had set for the year.

Our job, on your behalf, is to focus on our strengths and the opportunities they offer to our business, while recognising and acting in those areas where we need to improve our performance. Almost everything we need to do to deliver this is in our own hands. We believe our strengths and our actions will deliver progress in 2017 and we are well positioned in all our business lines and geographies. Of particular note has been the careful establishment of our capability in the USA and Mexico. We have some 630 employees across the region, serving a number of large international enterprises.

This report focuses on our strategy and its execution. We have invested in our ability to enable users of IT in an increasingly digital world and the nature and number of our Managed Services contracts reflects this. We strive herein to balance our optimism with a clear explanation of the risks we face and the way in which we deal with them.

You will see that we are proposing a few changes to our remuneration policy, which we are asking you to approve. Those that are significant further strengthen the alignment between our two Executive Directors, and you, the owners of our business. Please pay particular attention to our Remuneration Report and the link between the Company's performance and what our Executive Directors were paid. We seek to be a well-managed and conservative business, preferring to serve our customers and be measured by them, rather than seeking publicity directly.

During December and January we conducted an external evaluation of the Board and its Committees. We have agreed on a series of actions to improve our efficiency, by having a more focused approach to the information provided to Board members. We have also concluded that we will benefit from increased focus on our competition, so that we continually challenge management on the details of our strategy and its execution. I take this opportunity to welcome Ros Rivaz to our Board, she brings with her significant operational executive experience in large enterprises, our target market.

Our future depends in no small part on recruiting and developing talent. During 2016, we recruited graduates into our Sales Associate, Project and Service Management programmes, reached out to a significant number of schools and universities and continued to increase our Apprenticeship programme. We believe this talent recruitment to be a very important activity and will continue to focus and improve on it.

Last, but certainly not least, I thank all of our employees for their work and their results. Their enthusiasm for our Company and their focus on our customers are exemplary.

Greg Lock
Chairman

13 March 2017