OUR PERFORMANCE

FINANCIAL PERFORMANCE

The Group's adjusted[1] revenues decreased by 0.5 per cent in constant currency[2] to £3,245.4 million, and increased by 6.3 per cent in actual currency[2] (2015: £3,054.2 million). The Group's statutory revenues increased by 6.1 per cent to £3,245.4 million (2015: £3,057.6 million) in actual currency[2].

The Group's adjusted[1] profit before tax decreased by 4.3 per cent in constant currency[2] to £86.4 million, and by 0.6 per cent in actual currency[2] (2015: £86.9 million). In 2016, we saw another year of progress for the Group with adjusted[1] diluted earnings per share, the Group's primary measure, increasing by 1.1 per cent to 54.0 pence. This is despite the fact that our 2015 results included a £3 million gain from the unusual timing of contract lifecycles which, as we highlighted in our 2015 Interim Report, would not repeat in future years.

The Group made a statutory profit before tax of £87.1 million, a decrease of 31.3 per cent in actual currency[2], having been significantly assisted by a gain on the disposal of the Group's subsidiary, RDC, during 2015. This resulted in the Group's statutory diluted earnings per share decreasing by 36.3 per cent to 52.3 pence in 2016 (2015: 82.1 pence).

The significant decline in the value of sterling against most currencies during 2016, in particular the euro, has resulted in significant growth in actual currency[2] of our revenues and profitability as a result of the conversion of our foreign earnings. This has increased 2016 adjusted[1] profit before tax by circa £3.5 million. In 2015, the movement in the foreign exchange rates impacted earnings adversely by circa £2 million.

In 2016, the Group reported a net gain of £1.4 million (2015: £41.1 million) from exceptional items. The Group reversed £3.0 million of fair value adjustments made on acquisition of a German subsidiary in 2009, as an exceptional gain. The exceptional cost of the French restructuring remains in line with that reported in our 2016 Interim Report, with a full year cost of £1.1 million.

SERVICES PERFORMANCE

The Group now has reported annual Services revenues of over £1 billion for the first time.

The Group's adjusted[1] Services revenue decreased by 1.0 per cent on a constant currency[2] basis to £1,037.9 million, and was up by 4.8 per cent in actual currency[2] (2015: £990.3 million). The Group's statutory Services revenue increased by 4.8 per cent to £1,037.9 million (2015: £990.5 million) in actual currency[2].

The UK Services business was disappointing in 2016. The win rate in 2015 was weak and has not provided the momentum into 2016 required for both the Contract Base and the utilisation of the resources in the Professional Services business, which saw record levels of engagement in 2015 driving volumes and margins. Whilst the UK business remains successful in renewing contracts, customer cost pressures and an emerging trend of mid-life contract renewals is impacting on the size of the Contract Base.

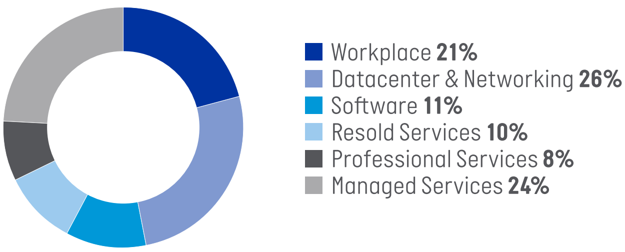
After a breakthrough year in 2015 for Computacenter Germany's Services growth rate, the business continued to win new work, hit renewal targets and took on 14 new contracts. Whilst several of the take-on contracts had cost overruns, these are now complete and are profitably delivering in the 'run' phase. There was some difficulty in the delivery of certain contracts, which constrained Services margin and reduced the overall result. Revenue recognition adjustments have been made during the year, for any future losses, within operating costs where appropriate.

The Contract Base renewal and growth during 2016 will continue to drive the German business through 2017. The German Professional Services business grew strongly in 2016, with utilisation of what is an increasingly scarce resource in the marketplace at record levels and with the projects and consulting business lines seeing material growth.

The recent Managed Services revenue decline in France has halted, with small gains recorded in 2016. More promisingly, the business had a number of significant wins in 2016, which will help to diversify the business away from the reliance on a small group of material contracts. Service quality delivered by our French business continues to improve alongside customer satisfaction, providing the local referenceability to generate further bid opportunities for the pipeline. The Professional Services business has seen further declines. Lack of volume continues to depress utilisation of the French central services engines, which increases margin pressures. The business took further steps in the second half of the year, as indicated in our 2016 Interim Report, to reduce over-resourcing in this area and address the cost base.

The pipeline for Services opportunities that we will be bidding for in 2017 remains strong and varied in Germany, but less so in the UK where the outsourcing market is more mature. We continue to refine our propositions in the UK, in order to address opportunities as they arise. In France, we are focused on a handful of material opportunities to continue to develop the business.

Group revenue by business type (%)



SUPPLY CHAIN PERFORMANCE

The Group's adjusted[1] Supply Chain revenue was down by 0.3 per cent on a constant currency[2] basis at £2,207.5 million, and increased by 7.0 per cent in actual currency[2] (2015: £2,063.9 million). The Group's statutory Supply Chain revenue increased by 6.8 per cent to £2,207.5 million (2015: £2,067.1 million) in actual currency[2].

Revenues for the UK Supply Chain business accelerated through the fourth quarter, to recover from the poor start to 2016. Whilst still below Management's expectation for the year as a whole, this late strength was pleasing. Of concern was the continued significant pressure on margins within the UK, which impacted the overall result. These margin pressures have not been seen within our other geographies or within our competitors, and partly related to a different customer mix.

The German Supply Chain business delivered further growth, on top of the outstanding performance in 2015. With modest growth at a headline level, the shift away from Workplace into Security, Network and Cloud infrastructure that occurred during the year has been managed successfully, whilst maintaining overall performance.

The French Supply Chain volumes continued to decline, in line with expectations, as the business began to reach the conclusion of its strategy to exit mid-market, low-margin generating business, particularly in Software. As the business has focused on enterprise level customers and rebalanced its sales mix towards Datacenter and Networking related product sales, the margins have returned strongly as hoped.

Following the completion of the Windows 7 work programmes in 2015, the business has, largely, managed the changing portfolio of opportunities to leverage our strengths in Security, Datacenter and Networking and grow the overall Supply Chain business successfully. Throughout the Group, customer demand for Windows 10 workplace infrastructure refreshes is gathering momentum and we expect to see incremental benefit from the return of the Workplace business.

CASH

The net funds[3] position of the Group strengthened by £23.7 million from £120.8 million at 31 December 2015 to £144.5 million at 31 December 2016.

The Group remains conscious of the responsibility to shareholders to maximise the return on its cash assets and continues to investigate opportunities to make best use of the funds available.

DIVIDEND

The Board is pleased to propose a final dividend of 15.0 pence per share. The interim dividend paid on 14 October 2016 was 7.2 pence per share. Together with the final dividend, this brings the total ordinary dividend for 2016 to 22.2 pence per share, representing a 3.7 per cent increase on the 2015 total dividend per share of 21.4 pence.

Subject to the approval of shareholders at our Annual General Meeting on 4 May 2017, the proposed dividend will be paid on Friday 9 June 2017. The dividend record date is set as Friday 12 May 2017, and the shares will be marked ex-dividend on 11 May 2017.

The Board has consistently applied the Company's dividend policy, which states that the total dividend paid will result in a dividend cover of 2 to 2.5 times. Further detail on the Company's dividend policy can be found in the Group Finance Director's Review on page 51.

INVESTMENT

Computacenter has continued the investment made through the Income Statement, that has been a feature in recent years, in order to maintain its organic growth. This pace of investment looks set to be maintained through 2017.

During the year, we saw the pilot launch of Field Force Enablement, our new automation toolset for our field and site engineering workforce, which will increase productivity by assisting the move from a resource-based operating model to an event-based model. We have also launched our Digital Workplace proposition, Digital Me, which underpins our enabling users strategy. The demand for our NGSD offering remains encouraging, both from an existing customer base but also as a differentiator in Managed Services bids. Rollouts of NGSD range from the standard deployments of our toolset through to a bespoke NGSD, built within customer toolsets. Other investments include extending and deepening our ServiceNow capabilities, and further provisioning within our Mobility, Cloud and Security offerings.

In addition, we will continue to invest in our internal systems to improve the productivity of our Services resources, particularly to enable our field force with technology. Whilst we have completed the refurbishment of our Blackfriars property in London, and returned from our temporary leased accommodation, we are close to finalising plans to replace our German headquarters in Kerpen with a new facility, including an office complex and warehouse.

OUTLOOK

Whilst in 2016 we had record adjusted[1] diluted EPS, it was a year of mixed fortune with the UK business profitability reducing materially but the overall Group performance showing resilience due to the strength in Germany and the turnaround in France. The Group should have a year of progress in 2017, with a rebalancing of profits between the first and second halves of the year towards the historical pattern.

We expect the UK to see modest improvements due to Professional Services and Supply Chain helping the overall performance. While Germany will be coming off a strong year, and therefore a difficult comparison, the business has strong momentum and potential to improve Services margins. For the French business we would be happy to repeat the same bottom line, with some deterioration in our Supply Chain compensated by improvement in Services revenue.

New technologies, and the drive to digitalisation within our core customer base, are driving our customers to invest capital in new projects which is unlikely to abate, however, this is coupled with a resolute desire to reduce run rate operating costs. As a business we have to step up to this challenge and improve our competitive position by focusing on productivity gains and automation.

Mike Norris
Chief Executive Officer

13 March 2017

> 2016 was a mixed year for Computacenter. We have continued to invest in our capabilities and focused on productivity, and we expect a year of progress in 2017.

UNITED KINGDOM

Adjusted[1] revenue (£m) -1.1%

1,391.7

Adjusted[1] operating profit (£m) -21.1%

46.8

Services contract base (£m) -1.1%

309.0

UK revenue by business type (%)

- Workplace **20%**
- Datacenter & Networking **21%**
- Software **13%**
- Resold Services **11%**
- Professional Services **8%**
- Managed Services **27%**

FINANCIAL PERFORMANCE

The overall performance of the UK business was disappointing. Whilst Supply Chain revenues increased, driven by a particularly strong second half, gross margins came under pressure throughout the year. Services revenues declined in both Managed Services and Professional Services, which reflected the successful conclusion of significant projects in the latter stages of 2015 and the lower than expected Managed Services wins in 2015. This led to resource management challenges across our central operations. Wherever practical we reviewed these and flexed down appropriately, mainly by reducing contractors.

We are pleased with the number of new customers added during 2016, particularly in our Public Sector business, and this bodes well for the future. Whilst we saw erosion in the Managed Services Contract Base, through foreseen changes, we were pleased with our renewals rate and renewed some contracts early, leaving less risk moving forward. We also saw a number of significant new contract wins.

Adjusted[1] revenue in the UK business declined by 1.1 per cent to £1,391.7 million (2015: £1,407.4 million). Adjusted[1] operating profit decreased by 21.1 per cent to £46.8 million (2015: £59.3 million), whilst statutory profit before tax decreased by 54.0 per cent to £47.0 million (2015: £102.1 million).

> Our UK business had a more difficult year than we expected in 2016, particularly at the margin level, but the number of new customers we added bodes well for the future.

Kevin James
Managing Director, UK

SERVICES PERFORMANCE

Adjusted[1] Services revenue declined by 7.6 per cent to £491.9 million (2015: £532.4 million), with revenue decreases of 5.5 per cent in Managed Services and 13.7 per cent in Professional Services. This reflected a lower than expected win rate across our Services business. However, retaining our existing customers is always a key focus and retention remained high. As signposted last year, the UK benefited by £3 million, both on a revenue and profitability basis, in 2015 from the unusual timing of contract lifecycles.

Managed Services had another busy year of contract renewals, and customers continued to bring renewals forward prior to the end of their initial term. We firmly believe that this reflects the quality of service and commitment that the business provides for its customers. During the year, we were pleased to see some new in-year Managed Services wins with a combined Annual Contract Value (ACV) of circa £24 million, and we continued to focus on developing our Managed Services pipeline. We are confident that we enter 2017 in a stronger position to develop these opportunities and to grow our Contract Base, whilst continuing to renew and extend our current contracts.

The renewal rate inevitably puts pressure on revenue and margins within those contracts. During the year, we undertook successful initiatives across our Managed Services business in order to drive operational efficiency through further use of centralised services and site-based operational effectiveness, resulting in an improved Managed Services margin. This helped, in part, to mitigate the lower rate of new contracts that were won in 2015 and the resulting lower Managed Services revenues in 2016, both in running the Managed Services contracts, and in business take-on activity which drives our Professional Services engagements. Our UK business continues to be recognised for its service quality in independent customer satisfaction surveys carried out, for the industry as a whole, by KPMG and the Whitelane Research Group during the year. In the Whitelane survey, we were ranked first place for end user services.

During the year, Professional Services saw an increase in demand for Workplace Infrastructure solutions across our customer base, primarily with Windows 10 transformations. However, 2016 revenue from these projects was lower than expected, as they slipped to later in the year and also into 2017. Our improved execution enhanced our margin in 2016. As we enter 2017, we are confident of achieving our growth targets in this key area, with strong demand for our services to support existing and new customers in delivering their digital strategies.

In 2017, we expect significant Windows 10 project rollouts and infrastructure transformation in Cloud, Networking and Security across our customer base, which will continue to drive growth.

SUPPLY CHAIN PERFORMANCE

This was a year of two contrasting halves, with volumes and momentum clearly increasing over the summer and into the autumn, post the significant uncertainty and reduced confidence prior to the Referendum to leave the European Union in June 2016. Adjusted[1] Supply Chain revenue declined by 3.9 per cent in the first half, including circa £20 million of very low margin transactions. Pleasingly, the second half was stronger than the second half of 2015, with revenue growth of 9.2 per cent. This meant we saw growth of 2.8 per cent to £899.8 million for the year as a whole (2015: £875.0 million), following a flat performance in 2015. However, gross margins came under significant pressure throughout 2016, partly through customer mix and some decline in specific accounts.

Kevin James
Managing Director, UK

13 March 2017

GERMANY

Revenue (€m) **+3.1%**

1,702.6

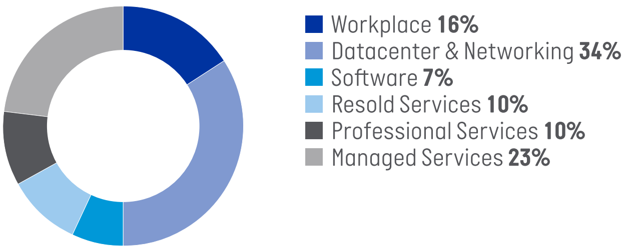
Adjusted[1] operating profit (€m) **+15.4%**

43.5

Services contract base (€m) **+4.3%**

381.0

Germany revenue by business type (%)



FINANCIAL PERFORMANCE

The German business performed well in 2016 and ended the year ahead of our expectations, reflecting customers' willingness to invest in IT infrastructure and new solutions.

Performance in 2016 was driven by significant Services growth and good Supply Chain performance. High customer demand for Professional Services related to our core technology areas delivered strong results. We improved margins in Supply Chain and successfully shifted the business mix into Cloud and Networking. A small number of critical deals underperformed in our Managed Services business but overall this area is growing and generating good margins. We are starting 2017 with strong pipelines in every business.

Total revenue increased by 3.1 per cent on a constant currency[2] basis to €1,702.6 million (2015: €1,651.9 million), and by 16.1 per cent in actual currency[2]. Adjusted[1] operating profit for the German business increased by 15.4 per cent in constant currency[2] to €43.5 million (2015: €37.7 million), and by 29.6 per cent in actual currency[2]. Statutory profit before tax increased by 28.3 per cent in constant currency[2] to €46.2 million (2015: €36.0 million), and increased by 44.3 per cent in actual currency[2].

SERVICES PERFORMANCE

Services revenue grew by 7.2 per cent in constant currency[2] to €560.1 million (2015: €522.5 million), and grew by 20.7 per cent in actual currency[2]. This included growth of 14.3 per cent in Professional Services and 4.4 per cent in Managed Services, both on a constant currency[2] basis.

> We had a good year in Germany, with higher revenue and increased margins contributing to robust profit growth. The business has strong momentum going into 2017.

Reiner Louis
Managing Director, Germany

In 2016, the Managed Services business focused on a number of big renewals where contracts ended or will end in 2017. We successfully renewed most of these contracts, including with a global chemical company and a leading German investment bank. We believe this reflects our strong customer relationships and quality of service. We were particularly pleased to renew two contracts that we had previously designated as onerous, on improved financial terms. We also had some significant new wins, which will contribute to future growth. Most notably, we won a three-and-a-half year Managed Services contract with National Aeronautics and Space Research Centre (DLR), where we will take over Workplace, Communication, Networking and Datacenter Services in the second half of 2017.

During 2016, we took on 14 new contracts. Of these, three had significant cost overruns which are now behind us. While the vast majority of in-life contracts are performing satisfactorily, we still have two problem contracts where we made losses in 2016 and took revenue recognition adjustments for future losses within operating costs. Both of these present a significant opportunity for improvement to the bottom line in 2017. The Managed Services pipeline remains strong, with some significant opportunities.

Our German Professional Services business was probably the Group's star performer in 2016. The growth in our consulting and project business demonstrates that our customers trust our skills and expertise. Professional Services activity was dominated by services relating to the digital workplace, security, and building and expanding cloud infrastructures for our customers. In particular, we were delighted to be chosen by a federal government customer to help build a new cloud infrastructure for several government departments. The scarcity of Professional Services resource continued during the year, and whilst the business took many new engineers and experts on board, it is likely that this will remain the case in 2017. This is a challenge for recruitment but an opportunity for margins.

SUPPLY CHAIN PERFORMANCE

The German Supply Chain business performed well in 2016, achieving revenue growth of 1.2 per cent on a constant currency[2] basis to €1,142.5 million (2015: €1,129.4 million), and 13.9 per cent in actual currency[2]. We benefited from a strong Security, Networking and Cloud business, which compensated for a decline in our Workplace business. Because we grew these businesses and managed margins properly, the overall growth in contribution from Supply Chain was strong.

In Networking and Security, we have seen particularly strong growth across the core Networking refresh, Cloud Building and Security infrastructure sub-segments. In Datacenter, we continued to benefit from our Cloud Building strategy and from a growing interest in SAP Hana infrastructure installations. We expect that Windows 10 will drive demand for Workplace infrastructure refreshes, beginning in the second half of 2017. With strong momentum in our core segment comprising of Networking, Cloud and Security, 2017 should be a good year for Supply Chain.

Reiner Louis
Managing Director, Germany

13 March 2017

FRANCE

Revenue (€m) -9.7%

495.0

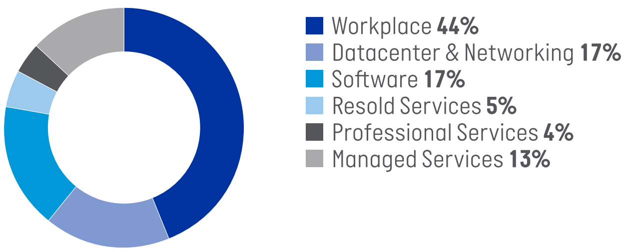
Adjusted[1] operating profit (€m) +€5.7m

3.5

Services contract base (€m) +19.6%

95.9

France revenue by business type (%)



FINANCIAL PERFORMANCE

The Group's French business performed well ahead of our expectations in 2016. The benefits of the major restructuring exercise in 2014 began to come through towards the end of 2015 and this trend continued throughout 2016, turning our 2015 operating loss into an operating profit in 2016.

Total revenue for the French business declined in constant currency[2] by 9.7 per cent to €495.0 million (2015: €548.1 million), and increased by 1.7 per cent in actual currency[2]. As in the previous year, this revenue reduction resulted from our decision to move the Supply Chain business away from high volume, low margin and working capital intensive activities. This improved product gross margins, which now lead Group standards.

During the year, the adjusted[1] operating loss evolved towards an adjusted[1] operating profit in constant currency[2] of €3.5 million (2015: loss of €2.2 million), an increase of £4.5 million in actual currency[2]. The statutory operating loss before tax, on a Segmental basis, also turned into a profit during the year increasing from a loss of €4.3 million in 2015 to a profit of €2.1 million in 2016 on a constant currency[2] basis, an increase of £4.8 million on an actual currency[2] basis.

> "Our efforts to restructure the French business and focus on higher margin work paid dividends in 2016, with the business continuing its positive trend and returning to profit."

Lieven Bergmans
Managing Director, France

SERVICES PERFORMANCE

Services revenue decreased by 2.6 per cent in constant currency[2] to €84.5 million (2015: €86.8 million), and increased by 9.5 per cent in actual currency[2].

We were pleased with the performance of our Managed Services business, which grew revenue by 1.5 per cent in constant currency[2], and by 14.0 per cent in actual currency[2]. Our French Managed Services business is now taking full advantage of the standardised best practice approach offered by our GSD facilities, from the GSD centres in France, USA and Mexico. Despite this operational change, we have maintained overall customer satisfaction levels. This was confirmed in the IT outsourcing study from Whitelane Research Group. This study, that Whitelane performs for the industry as a whole, measured the performance of major outsourcing providers in France. Computacenter France retained first place for customer satisfaction in end user Managed Services contracts.

Towards the end of the year, we signed major contracts with Dassault Aviation and a leading tyre manufacturer, which increased our local annual Managed Services Contract Base by 19.6 per cent. Both contracts will be fully operational in the first half of 2017 and will help us to fulfil our Managed Services ambitions for the year.

We continue to invest in developing our Professional Services business and see a good opportunity to expand our skills, by offering our expertise for existing Supply Chain and Managed Services customers. Examples of this include the recent win of a Windows 10 migration project for a large public sector customer. Following market trends and customer demand, we continue to develop further skills in Cloud and Datacenter transformation, Security, Mobility and Networking.

Key success factors for our Services business in 2017 will be the implementation of the new Managed Services wins, renewing and expanding some existing contracts and gaining market share in projects relating to Mobility, Datacenter, Network and Security.

SUPPLY CHAIN PERFORMANCE

Despite 2016 revenue declining by 11.0 per cent in constant currency[2] to €410.5 million (2015: €461.3 million), and increasing by 0.2 per cent in actual currency[2], we significantly improved the contribution from Supply Chain and continued to reduce the working capital utilised. We have achieved this improvement in three ways. First, our strategic choice to concentrate on large organisations in France is now fully in place. Second, we have completed the integration of the French business into the Group operating model, which gives the French business full access to an extended set of resources, tools and processes. Finally, we have continued to refine our governance process, resulting in a better understanding of both risks and opportunities for the bid teams.

Although we are pleased with the improved margins, much work remains to be done in 2017. We continue to face the challenge of moving our business mix towards Datacenter and Networking. We are encouraged to achieve this goal in 2017 by the recent win of a major purchasing framework contract for storage and servers with UniHA, a French public-sector customer, mainly active in the hospital sector.

COST BASE, STRATEGIC INITIATIVES AND OUTLOOK

While performance significantly improved, administrative expenses rose in recognition of the increased variable commission and bonus paid along with enhanced 'interressement' costs within our employee profit-sharing scheme, increasing administrative expenses by 4.5 per cent in constant currency[2], and by 17.5 per cent in actual currency[2].

To make our French business more sustainable, we have successfully concluded our strategic project to outsource the delivery of our French field maintenance business to channel partners. In addition, we have refined the structure of our sales organisation and appointed a new director to develop our infrastructure solutions offering in France.

After a few years of transforming our business model in France, we are confident that we now have all the elements in place for further expanding our local customer base and growing our profitability in 2017.

Lieven Bergmans
Managing Director, France

13 March 2017

BELGIUM

Revenue (€m) +2.7%

69.4

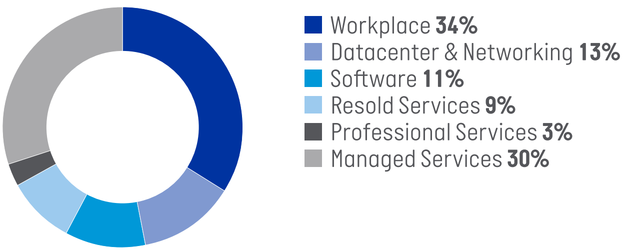
Adjusted[1] operating profit (€m) -57.1%

1.2

Services contract base (€m) +10.0%

24.3

Belgium revenue by business type (%)



FINANCIAL PERFORMANCE

The Group's Belgian business delivered a variable performance in 2016. It continued to generate solid top line growth, with total revenue increasing by 2.7 per cent in constant currency[2] to €69.4 million (2015: €67.6 million) and by 15.7 per cent in actual currency[2]. However, adjusted[1] operating profit decreased by 57.1 per cent in constant currency[2] to €1.2 million (2015: €2.8 million), and by 50.0 per cent in actual currency[2]. Statutory profit before tax was 60.0 per cent lower in constant currency[2] to €1.0 million (2015: €2.5 million), and 55.6 per cent lower in actual currency[2].

Profitability in 2016 was affected by a minor restructuring exercise and by strategically important local investments, to give the business the capacity it needs to fully integrate into the Group and take full advantage of Group capabilities. The benefits of this investment began to materialise towards the end of 2016, with a new five-year end user Managed Services contract. There are also important scale advantages which we can now deliver in our Belgian target market.

SERVICES PERFORMANCE

In 2016, total Services revenue increased by 9.0 per cent in constant currency[2] to €23.1 million (2015: €21.2 million), and by 22.7 per cent in actual currency[2]. This increase was mainly driven by service extensions with existing customers, as well as by taking on a new Managed Services customer at the end of the year.

During the year, there was a significant focus on delivering the different geographical contract waves for the UCB contract, which is now fully operational with services spanning Europe, Middle East, Asia Pacific and the USA. Additionally, we won a new Managed Services contract for Toyota Motor Europe, providing end user services to 4,500 users and device lifecycle services for 15,000 devices across Europe.

Our Supply Chain and Professional Services capabilities, particularly in consulting, enabled us to win a number of infrastructure projects in 2016. These included supporting TI Automotive with refurbishing its global datacenters.

SUPPLY CHAIN PERFORMANCE

Supply Chain revenue remained flat in constant currency[2] and amounted to €46.3 million (2015: €46.4 million), which was an increase of 12.5 per cent in actual currency[2]. Whilst competition remains strong in the local market, we continue to benefit from the loyalty of our customers and maintained our position in difficult economic conditions in Belgium, with a general slowdown in IT spend in the first half of the year.

Jurgen Strijkers
Managing Director, Belgium

13 March 2017