

Chairman's statement



Tim Hilton / Chairman

“I am pleased to report that in 2012 Colt returned to growth. This is an important step on our journey to be trusted by all to be the leading information delivery platform. I look forward to more progress in 2013.”

2012 focus and strategy

In my last statement I set out Colt's clear objective to return to revenue growth. I am pleased to report that in 2012 Colt grew revenue for the first time in seven years. This encouraging result was accomplished against a background of challenging economic conditions in Europe. Our strategy is continuing to work and we remain confident that it is the right strategy to deliver value to our shareholders.

Colt's strategy remains fundamentally unchanged. In 2012 we sold more solutions and larger contracts. We enhanced our cloud capabilities and extended our data centre footprint. We accelerated our plans to upskill our people to address growth areas and control costs to drive efficiency; these actions should enable us to progress our growth agenda. We will continue to identify opportunities for profitable growth in a fast changing external landscape.

We maintain our focus on European customers, at the same time we are also increasingly serving our customers' demands globally. To reflect this we have simplified our vision to be 'trusted by all to be the leading information delivery platform'. Our strong balance sheet should enable us to take advantage of investment opportunities both in Europe and beyond.

Corporate governance

The Board takes its governance responsibilities very seriously and I am pleased to confirm that the Board complied with the principles of the UK Corporate Governance Code relating to leadership and effectiveness. As I shared with you in our last report, our first external Board evaluation was very positive and this year we have focussed on areas of opportunity for improvement. Accordingly we are taking steps to maintain a world class Board with a planned refresh timetable. I am confident that the Board possesses the necessary skills and diversity of experience that a complex business like Colt requires, and satisfied that our Board operates effectively. All directors will be seeking re-election at the AGM. Further details of how we have applied the principles of the Code are set out on page 42.

In April 2012 our Senior Independent Director and Chairman of the Audit Committee, Hans Eggerstedt retired. Over the last eight years Hans had been a valued member of the Board. Colt has benefited from his wisdom and especially his excellent leadership of the Audit Committee. On behalf of the Board I would like to thank him for his hard work and wish him all the best for the future. As planned, existing Board members Sergio Giacometto and Anthony Rabin succeeded Hans as our Senior Independent Director and Chairman of the Audit Committee respectively.

CSR

Colt's Corporate Social Responsibility programme is structured around four pillars: our environment, our customers and suppliers, our people and our community. We made good progress in 2012. Colt mitigated its impact on the environment by focusing on energy efficiencies in our data centres, saving approximately 3,000 tonnes of carbon annually. Data centre efficiency will remain a key focus as it represents over 60% of Colt's overall carbon footprint. Colt successfully achieved Energy Management Standard ISO 14001 recertification. We reached our customer satisfaction targets and continued our audit of key suppliers to ensure ethical sourcing of raw materials. Over a quarter of our employees took part in a 'learning at work' week initiative and across Europe our people provided 400 days of volunteering in the community. Please see the CSR Report on pages 56 to 60 for more details.

Conclusion

I would like to thank our CEO, Rakesh Bhasin, for his outstanding leadership and all our employees for their hard work, professionalism and loyalty and for beginning to deliver on our growth plan.

In my last statement I said that growth would be partly dependent upon market conditions and it is fair to say that the economic environment and the industry remain challenging. We feel we are competitively positioned to benefit from improving markets and to serve our customers. We will continue to seek to maximise exposure to profitable growth areas and to manage the decline in lower margin and legacy revenue streams and to manage costs with care. We face the coming year with confidence and remain unswerving in our resolve to deliver growth.



Tim Hilton / Chairman

27 February 2013