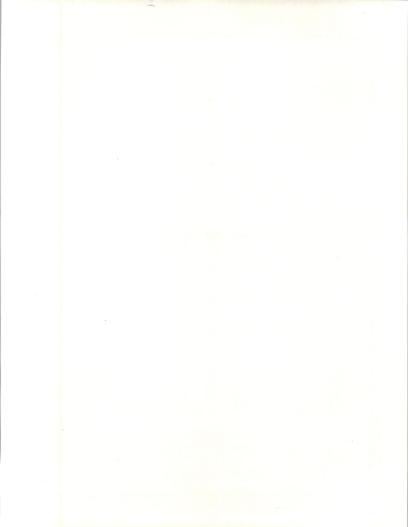
Key Distribution Industry Trends, Europe

- Electronic commerce favored
- Retailers bypass wholesalers
- Downsizing limits IS spending
- Equipment vendors lead market

E-CT-1



Delivery Mode Trends

- Network services—Continuing explosive growth
- Systems operations—Long-term business partnerships
- Systems integration—Prime contractors seek account control

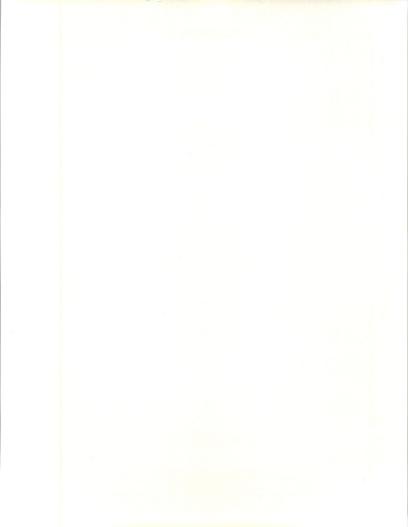
E-CT-2



Delivery Mode Trends

- Processing services—Specialized applications drive development
- Application solutions—Pan-European integration challenge
- Systems software products—
 Downsizing drives down growth

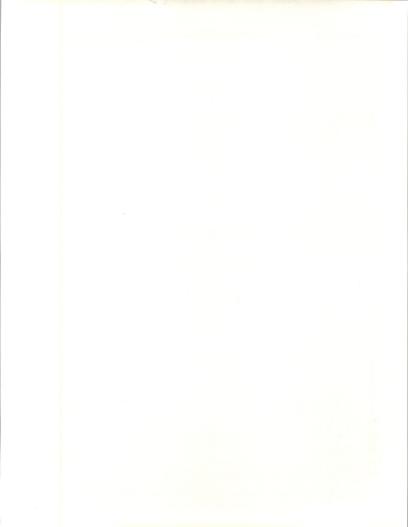
E-CT-3a



Delivery Mode Trends

- Professional services—Competitive pressure increases
- Equipment services—Multivendor maintenance and environmental services grow

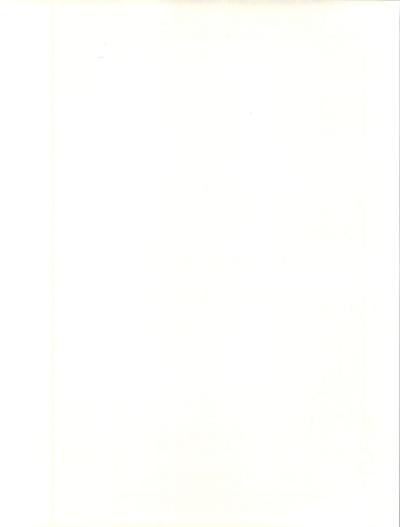
E-CT-3b



Competitor Trends

- Equipment manufacturers
- Management consultants
- Telecommunication companies
- Product distributors
- Software vendors

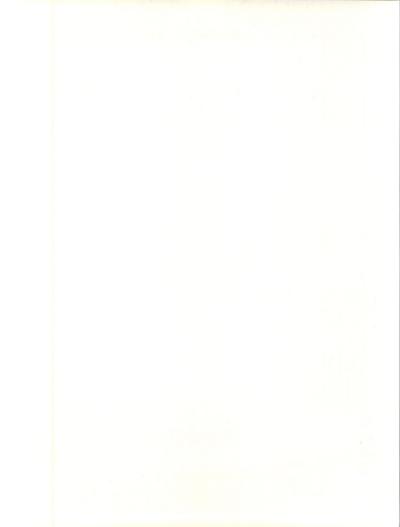
E-CT-4



Equipment Vendors

- Systems integration
- Services products
- Environmental services
- Reducing costbase
- Alliances/acquisitions

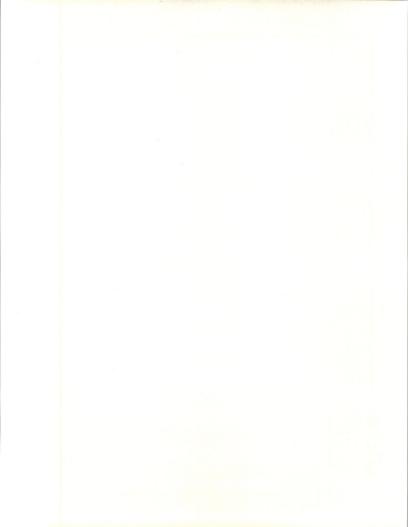
E-CT-5



Management Consultants

- Full-service versus boutique
- IT skills dominant
- Management advice + implementation
- Competing on price

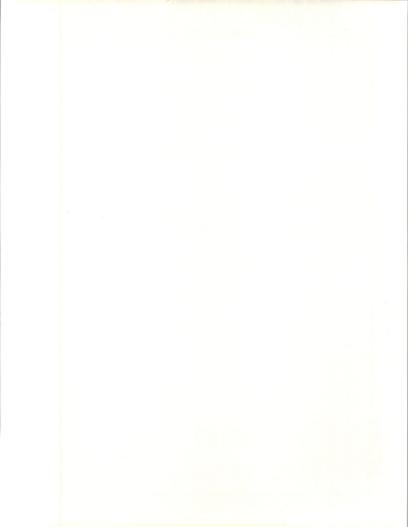
E-CT-6



Trends Telecom Companies

- Deregulation and re-regulation
- Systems integration/alliances
- Pan-Europe network services
- Network-intensive applications

E-CT-7



Trends Product Distributors

- Added-value desktop services
- Pan-European alliances
- Corporate/multinational sales
- Desktop applications support

E-CT-8



Software Products Vendors

- Added-value software services
- Pan-European applications
- Corporate/multinational sales
- Direct aftermarket control

E-CT-9

