

DATACENTRIX HOLDINGS LIMITED
 Incorporated in the Republic of South Africa
 (Registration number: 1998/006413/06)
 Share code: DCT
 ISIN: ZAE000016051
 (“Datacentrix” or “the Group” or “the Company”)

**PRELIMINARY AUDITED SUMMARISED CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED
 28 FEBRUARY 2015 AND FINAL DIVIDEND DECLARATION**

Key financial indicators

- Earnings increased by 16.4% from R 89million to R103 million
- Headline earnings per share increased by 16.2% to 53.0 cents
- Operating margin increased from 5.5% to 6.4%
- Tangible net asset value per share increased by 17.6% from 223.1 to 262.4 cents
- Cash generated from operations of R199 million
- Cash on hand of R291 million, with no interest-bearing debt related to operations
- Final annual gross cash dividend declared of 17.55 cents per share

Summarised Consolidated Statement of Comprehensive Income for the year ended 28 February 2015

	Audited 2015 R'000	Audited 2014 R'000
Revenue	2 249 661	2 279 512
Operating profit	143 802	125 290
Net investment income	2 655	1 174
Profit before taxation	146 457	126 464
Taxation	(42 980)	(37 539)
Total comprehensive income attributable to ordinary shareholders	103 477	88 925
Basic earnings per ordinary share (cents)	52.9	45.4
Diluted basic earnings per ordinary share (cents)	52.6	45.2
Total declared dividend per share (cents)	17.55	20.49
Earnings before interest, taxation, depreciation and amortisation (“EBITDA”)	170 438	152 398
Headline earnings per ordinary share (cents)	53.0	45.6
Diluted headline earnings per ordinary share (cents)	52.8	45.4
Weighted average number of shares in issue* (000s)	195 798	195 798
Weighted average number of shares in issue for purpose of dilution* (000s)	196 780	196 804
<i>*adjusted for treasury shares</i>		
Reconciliation between earnings attributable to ordinary shareholders and headline earnings		
Earnings attributable to ordinary shareholders	103 477	88 925
Loss on sale of property and equipment	324	374
Headline earnings	103 801	89 299

Summarised Consolidated Statement of Financial Position as at 28 February 2015

	Audited 2015 R'000	Audited 2014 R'000
ASSETS		
Non-current assets	200 179	206 341
Property and equipment	68 421	69 006
Intangible assets – business combination	88 854	91 516
Intangible assets – software	9 803	9 646
Investment in joint venture	-	914
Finance lease receivables	-	7 191
Deferred taxation assets	33 101	28 068
Current assets	780 739	756 190
Current taxation assets	1 998	11 844
Finance lease receivables	7 191	19 271
Inventories	31 122	44 408
Trade and other receivables	448 936	478 130
Cash and cash equivalents	291 492	202 537
TOTAL ASSETS	980 918	962 531
EQUITY AND LIABILITIES		
Capital and reserves	612 425	537 943
Share capital	21	21
Share premium	36 092	36 079
Treasury shares	(35 983)	(35 983)
Equity-settled share scheme reserve	39 208	36 378
Retained earnings	573 087	501 448
Non-current liabilities	19 889	39 357
Deferred revenue	6 438	13 175
Loans payable	13 338	18 793
Deferred taxation liabilities	113	232
Finance lease payables	-	7 157
Current liabilities	348 604	385 231
Trade and other payables	265 096	306 872
Deferred revenue	67 580	53 284
Finance lease payables	7 157	18 565
Current tax liabilities	304	112
Loans payable	6 405	3 517
Lease smoothing liability	2 062	2 881
TOTAL EQUITY AND LIABILITIES	980 918	962 531

The carrying amount of all financial instruments measured at amortised cost closely approximates fair value.

Net asset value (adjusted for treasury shares) per share (cents)	312.8	274.7
Tangible net asset value (adjusted for treasury shares) per share (cents)	262.4	223.1
Total number of shares in issue (000s)	195 798	195 798

Summarised Consolidated Statement of Changes in Equity for the year ended 28 February 2015

	Share capital R'000	Share premium R'000	Treasury shares* R'000	Equity settled share scheme reserve R'000	Retained earnings R'000	Total R'000
Balance at 28 February 2013	21	35 962	(35 983)	31 449	460 181	491 630
Total comprehensive income for the year	-	-	-	-	88 925	88 925
Treasury shares – movement during the year	-	117	-	(431)	-	(314)
Share-based payments	-	-	-	5 360	-	5 360
Dividend paid	-	-	-	-	(47 658)	(47 658)
Balance at 28 February 2014	21	36 079	(35 983)	36 378	501 448	537 943
Total comprehensive income for the year	-	-	-	-	103 477	103 477
Treasury shares – movement during the year	-	13	-	(70)	-	(57)
Share-based payments	-	-	-	2 900	-	2 900
Dividend paid	-	-	-	-	(31 838)	(31 838)
Balance at 28 February 2015	21	36 092	(35 983)	39 208	573 087	612 425

*Treasury share movements relating to the share incentive scheme of the Group have been accounted for in the equity-settled share scheme reserve as this reflects the nature of the transaction.

Summarised Consolidated Statement of Cash Flows for the year ended 28 February 2015

	Audited 2015 R'000	Audited 2014 R'000
Profit before taxation	146 457	126 464
Adjusted for non-cash items	25 057	28 076
Working capital changes	27 534	(11 913)
- Inventories	13 286	(7 261)
- Trade and other receivables	29 194	(100 886)
- Finance lease receivables	19 271	28 465
- Deferred Revenue and Trade and other payables	(34 217)	67 769
Cash generated from operations	199 048	142 627
Net interest received	3 997	4 727
Dividend paid	(31 838)	(47 658)
Taxation paid	(38 094)	(60 414)
Net cash inflow from operating activities	133 113	39 282
Net cash outflow from investing activities	(22 956)	(60 092)
Net cash outflow from financing activities	(21 202)	(50 414)
Net increase/(decrease) in cash and cash equivalents	88 955	(71 224)
Cash and cash equivalents at the beginning of the year	202 537	273 761
Cash and cash equivalents at the end of the year	291 492	202 537

Basis of preparation

The audited summarised consolidated financial statements for the year ended 28 February 2015 were prepared under the supervision of Mrs Elizabeth Naidoo CA (SA), the Group Financial Director. The audited summarised consolidated financial statements comprise the summarised statement of financial position at 28 February 2015 and the summarised statements of comprehensive income, changes in equity and cash flows for the year then ended.

The board of directors of Datacentrix ("the Board") takes full responsibility for the preparation of this preliminary report and that the financial information has been correctly extracted from the underlying audited consolidated annual financial statements.

The audited summarised consolidated financial statements of the Group are prepared as a going concern on a historical cost basis except for certain financial instruments, which are stated at fair value as applicable.

The audited summarised consolidated annual financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the

Financial Reporting Standards Council and the information as required by IAS 34: Interim Financial Reporting, the Listings Requirements of JSE Limited, and the Companies Act of South Africa (Act 71 of 2008), as amended. The principal accounting policies, which comply with IFRS, have been consistently applied in all material respects in the current and comparative years. The accounting policies applied in the audited summarised consolidated financial statements are the same as those applied in the Group's consolidated annual financial statements. All new interpretations and standards were assessed and adopted with no material impact.

Auditor's opinion and subsequent events

The auditor, SizweNtsalubaGobodo Inc., has issued its opinion on the Group's audited consolidated annual financial statements for the year ended 28 February 2015. The audit was conducted in accordance with International Standards on Auditing. SizweNtsalubaGobodo Inc. has issued an unmodified audit opinion on the Group's audited consolidated annual financial statements. These summarised consolidated financial statements have been derived from the Group's audited consolidated annual financial statements and have been audited by SizweNtsalubaGobodo Inc. The auditors issued an unmodified audit opinion on the summarised consolidated annual financial statements stating that these summarised consolidated annual financial statements are consistent in all material respects with the Group's audited consolidated annual financial statements. A copy of this auditor's report is available for inspection at the Company's registered office. This auditor's report does not necessarily report on all the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of this auditor's report together with the accompanying summarised financial information from the Company's registered office. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Company's auditor. Other than mentioned in this report, there were no material subsequent events that required disclosure.

The business of Datacentrix

Datacentrix is an integrated ICT systems provider to private and public sector organisations in South Africa. The Group's comprehensive portfolio, proven execution capability and value-driven strategy underpin its position as one of the leading local ICT players. The Group has developed the capability to assist customers in navigating the ever-changing IT landscapes. The three operating divisions of Datacentrix are: Managed Services, Technology and Business Solutions. The integrated nature of some solutions means that these three businesses are inextricably linked.

Group financial performance

The Board is pleased to announce the financial results for the year ended 28 February 2015. Earnings increased by 16.4% from R88.9 million to R103.5 million and headline earnings per share ("HEPS") increased by 16.2% from 45.6 cents to 53.0 cents. Operating margins increased from 5.5% to 6.4% with total operating expenditure declining by 3.1%. Revenue was essentially sustained at R2.25 billion on the back of constrained spending experienced in the private sector. Tangible net asset value increased 17.6% from 223.1 cents to 262.4 cents.

The Group maintained sound financial and operational disciplines, with cash generated from operations amounting to R199 million, reflecting a closing cash balance of R291 million. This equates to an earnings to cash conversion ratio of 192%. Cash was utilised for settling of finance leases and the consideration of past acquisitions (R21.2 million), purchasing of assets in the normal course of business (R23 million), returns to shareholders (R31.8 million) and tax obligations (R38.1 million).

The Managed Services division contributed 45% to the Group earnings; 44% was attributable to the Technology division and 11% to the Business Solution division (excluding Corporate).

Segmental analysis

Audited 12 months ended	Managed Services		Technology		Business Solutions		Corporate		Group	
	28 Feb 2015 R'000	28 Feb 2014 R'000	28 Feb 2015 R'000	28 Feb 2014 R'000	28 Feb 2015 R'000	28 Feb 2014 R'000	28 Feb 2015 R'000	28 Feb 2014 R'000	28 Feb 2015 R'000	28 Feb 2014 R'000
Revenue	516 695	518 222	1 572 023	1 596 935	160 943	164 355	-	-	2 249 661	2 279 512
EBITDA	83 985	80 695	69 693	56 322	16 760	15 381	-	-	170 438	152 398
Operating profit	65 661	65 766	64 450	46 923	15 293	13 975	(1 602)	(1 374)	143 802	125 290
Net interest	(1 179)	(3 349)	-	-	-	-	3 834	4 523	2 655	1 174
Profit before taxation	64 482	62 417	64 450	46 923	15 293	13 975	2 232	3 149	146 457	126 464
Taxation	(18 922)	(18 538)	(18 915)	(13 935)	(4 488)	(4 150)	(655)	(916)	(42 980)	(37 539)
Total comprehensive income for the year	45 560	43 879	45 535	32 988	10 805	9 825	1 577	2 233	103 477	88 925

Managed Services

Earnings increased from R43.9 million to R45.6 million for the reporting period. Operating margins are at a healthy 12.7%. Total operating expenses were well managed and declined by 6.1%.

Performance within this division was impacted by an outsource customer insourcing its services during the period, in line with the entity's local and global strategy. The Group has developed a compelling Cloud offering (Microsoft Exchange, IaaS, PaaS and application hosting) that offers long-term growth opportunities. The Cloud Services business continues to be in an investment phase. The communications business, eNetworks, continues to perform well and the Managed Talent Services business enjoyed a robust year. The Outsourcing business secured new contracts in addition to extending a key outsource contract for a five-year term.

The Managed Services division focuses on enabling customers to grow their businesses by driving efficiency, enhancing their business processes and systems and enabling management to make meaningful business decisions. The division's portfolio encompasses:

- Outsourcing services;
- Cloud services;
- Internet and Network Service Provider ("ISP" and "NSP") and communications;
- Managed print and document solutions; and
- Human capital supplementation.

Technology

The Technology division grew earnings significantly by 38% from R33 million to R45.5 million based on improved operating margins. Operating margins increased from 2.9% to 4.1% due to effective cost management that resulted in a reduction of operating costs and improved gross margins from more complex technology solutions.

Public sector performance showed improvement, while revenue from the private sector was constrained driven by customer cost management strategies.

The investment in skills over the last few years has provided the division with the capability to design and implement intricate technology solutions, resulting in more strategic customer engagements.

Datacentrix is supported by top-level vendor accreditations with best of breed vendors and skills in the market. The organisation is a significant player locally and in Hewlett Packard's ("HP") Europe, Middle East and Africa ("EMEA") region. The Technology division garnered no less than 10 of the 12 top local awards at the HP partner event held in November 2014.

Furthermore, Datacentrix received the "Infrastructure Growth" award for the EMEA region by analyst company, Canalys. The award recognised the organisation for its sustainable investment for the future, its performance, its demonstrated expertise and the resulting business value generated for its customers.

The Technology division assists customers in driving their business strategies forward through the provision of integrated technology systems that simplify complex infrastructure solutions such as datacentre optimisation. Offerings include:

- IT hardware;
- Infrastructure software solutions;
- End user computing;
- Enterprise systems, datacentre, storage, server platforms and networking; and
- Security solutions.

Business Solutions

Earnings in the Business Solutions division increased by 10% from R9.8 million to R10.8 million. The division's operating margins improved from 8.5% to 9.5%. Good growth was achieved within the Enterprise Information Management business, while the Enterprise Resource Planning business unit had good wins albeit at lower margins. The performance of the Business Intelligence and Analytics business unit was subdued.

The Business Solutions division provides customers the solutions to allow them to better utilise the information generated, manipulated and stored within their ICT infrastructures. There are three key solution focus areas, namely:

- Enterprise Information Management ("EIM");
- Enterprise Resource Planning ("ERP"); and
- Business Intelligence ("BI") & Analytics.

The EIM business is one of the leading EIM solutions providers in the country. As South Africa's only Platinum Partner, Datacentrix was named OpenText's "Fast Growth Market Partner of the year" across the regions of Latin America, CIS/CEE (Russia and Eastern Europe), Middle East, Africa, India, China and Japan at the international Enterprise World 2014 conference. This is a result of the Company's licence sales, implementation projects, breadth of coverage within OpenText's portfolio, depth of skills, investment in skills, customer reference sites and the Company's overall commitment to OpenText.

Acquisition

As reported on SENS on 17 April 2015, the Group has entered into an agreement with Pinnacle Holdings Limited for the acquisition of Infracol Proprietary Limited, an outsourcing and datacentre facilities business. The acquisition will complement the Group's existing capabilities and contribute to the Managed Services division improving efficiencies and achieving improved economies of scale. The maximum cash acquisition price will amount to R85 million for a 100% interest in the share capital of the entity. The effective date of the transaction will be 1 July 2015, subject to approval by the Competition Commission and Datacentrix' shareholders.

Prospects

The capability built over the years has resulted in the Group securing new three- to five-year contracts to the value of approximately R500 million. The revenue from these transactions will start to materialise in the new financial year. In addition, the Managed Services division extended expiring contracts valued in excess of R300 million. The integrated nature of these solutions will benefit both the Managed Services and Technology divisions. The recent contract wins and extensions bode well for the business, and bear testimony to the recognised value that Datacentrix creates for its customers.

The Group plans to accelerate its acquisition strategy and will focus on seeking out suitable acquisition opportunities to complement current offerings, creating economies of scale in existing business areas and bringing new solutions to market in areas such as Managed Services and Business Solutions.

As Cloud technology experiences increased adoption in the market, continued investment in the Cloud Services business unit will be required. There has been growth in the usage of Cloud services by existing customers, while further new opportunities have been secured. As the capacity of the Cloud infrastructure is increased, revenue will grow while economies of scale are achieved and the business will start to contribute positively to earnings.

Skilled staff members are crucial to business success; as such Datacentrix will continue to develop the right skills to assist customers in navigating the complex and ever changing IT landscape.

Datacentrix believes that its single-minded customer-centric approach has positioned it favourably within the market. To this end, Frost & Sullivan awarded Datacentrix the "2015 Southern African IT Systems Integration Competitive Strategy Innovation and Leadership Award". In addition, Canalys and leading vendors have awarded the Company with top industry awards, and accreditations, recognising the enhanced execution capability of the Company. This credibility is and will prove invaluable in building a long-term sustainable business.

Black Economic Empowerment

Datacentrix has maintained its Level Two (AAA) B-BBEE Contributor status, with 125% procurement recognition. The Group was named by ratings and research agency, Empowerdex, in the 2014 Mail and Guardian survey, as South Africa's most empowered company within the ICT services sector and was recognised as the 14th most empowered listed company overall.

Changes to the Board

The board appointed Richard Lyon, the Chief Financial Officer of Pinnacle Holdings Limited, as a non-executive director to the Board effective 25 February 2015.

Dividend

In line with the current dividend policy, the Board declared a gross cash dividend of 9.46 cents per share for the year ended 28 February 2015, bringing the total dividend for the year to 17.55 cents per share. The declared dividend for the year ended 28 February 2015 is payable to all shareholders on the Register of Members on 22 May 2015.

In terms of the dividends tax, effective 1 April 2012, the following additional information is disclosed:

- the local dividend tax rate is 15%;
- the dividends will be payable from income reserves;
- The dividend to utilise in determining the dividends tax is 9.46 cents per share;
- the dividend tax to be withheld by the Company amounts to 1.419 cents per share;
- therefore the net dividend payable to shareholders who are not exempt from dividends tax amounts to 8.041 cents per share, while the gross dividend payable to shareholders who are exempt from dividends tax amounts to 9.46 cents per share;
- the issued share capital of the Company at the declaration date comprises of 205 265 683 ordinary shares; and
- the Company's income tax reference number is 9739/002/71/6.

Declaration date:	Monday, 20 April 2015
Last day to trade:	Friday, 15 May 2015
Share trade ex-dividend:	Monday, 18 May 2015
Record date:	Friday, 22 May 2015
Payment date:	Monday, 25 May 2015

Share certificates may not be dematerialised or rematerialised between Monday, 18 May 2015 and Friday, 22 May 2015, both days inclusive.

The Board would like to thank the management and staff at Datacentrix for their dedication, commitment and hard work that has resulted in this year's positive performance.

For and on behalf of the Board:

Nolitha Fakude, Chairman
17 April 2015

Ahmed Mahomed, Chief Executive Officer

Nolitha Fakude* (Chairman), Ahmed Mahomed (Chief Executive Officer), Alwyn Martin*, Arnold Fourie#, Dudu Nyamane*, Elizabeth Naidoo (Group Financial Director), Richard Lyon# (*independent, non-executive) (#non-executive)

Company secretary:	iThemba Governance and Statutory Solutions Proprietary Limited
Registered office:	Corporate Park North, 238 Roan Crescent, Old Pretoria Road, Midrand
Transfer secretaries:	Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg
Sponsor:	Merchantec Capital