10

YEARS OF EXCELLENCE

Datacentrix Holdings Limited

2008 Annual Report

Financial and Operational Growth

- Revenue increased 12% to over R1.35 billion
- EBITDA increased 26% to R157.1 million
- Basic earnings per share (EPS) increased 30% to 52.0 cents
- Basic headline earnings per share (HEPS) increased 29% to 52.0 cents
- Cash on hand of R221.9 million, with no interest-bearing debt
- Cash generated from operations of R164.2 million
- Final dividend declared of 15.0 cents per share, bringing annual dividend to 26.0 cents per share

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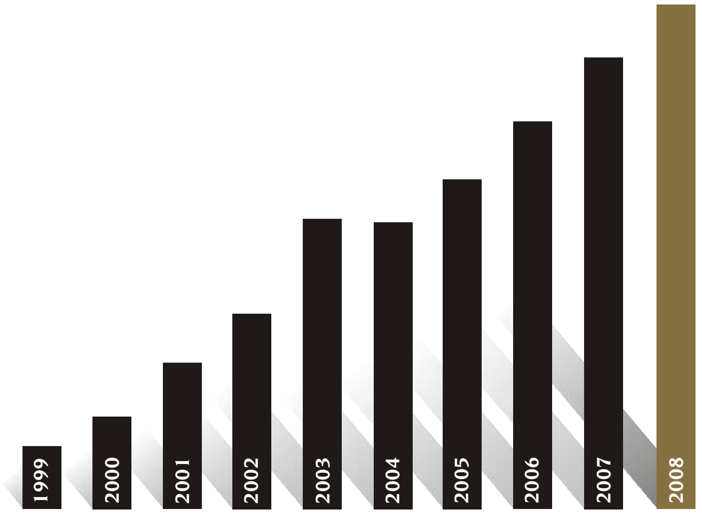
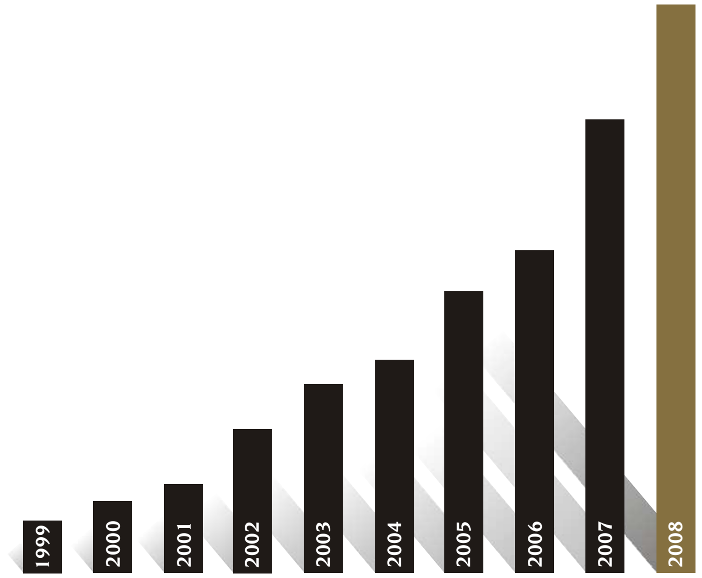
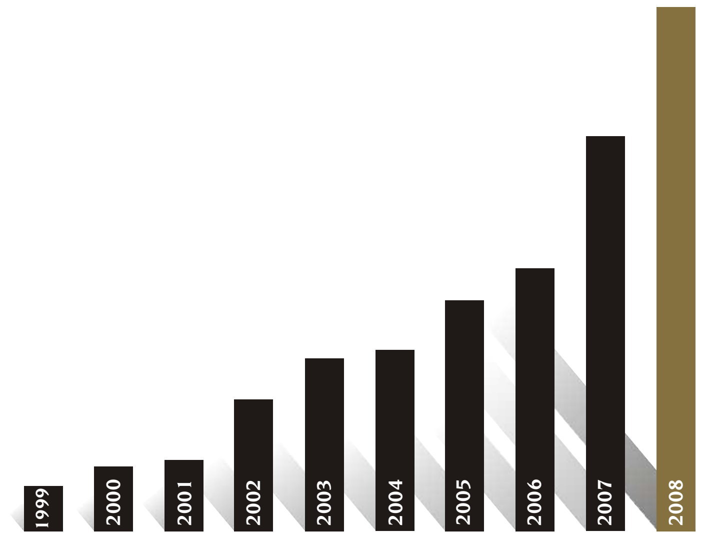


Revenue
R1.35 billion



Operating
Performance
(EBITDA)
R157.1 million



Headline
Earnings
Per Share (HEPS)
52.0 cents

Ten Year Review

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Revenue (R'000)	**1 346 971**	1 201 904	1 034 397	882 205	763 782	770 738	521 581	394 064	248 437	168 239
EBITDA (R'000)	**157 096**	124 564	88 661	78 084	59 009	52 222	33 378	24 298	19 936	14 676
Total assets (R'000)	**548 529**	457 345	450 141	367 709	321 329	321 473	256 753	186 401	135 715	95 579
Cash holdings (R'000)	**221 896**	173 841	165 615	167 146	131 022	117 784	71 460	45 089	50 427	44 613
HEPS (cents)	**52.0**	40.4	28.7	25.7	21.3	20.6	11.4	11.3	11.0	9.0
EPS (cents)	**52.0**	40.0	25.5	21.5	16.9	17.2	10.1	9.7	11.0	9.0
Net asset value (cents)	**150.4**	127.0	124.9	109.4	95.8	80.1	64.6	44.7	29.8	32.9
Tangible net asset value (cents)	**141.4**	118.6	116.2	96.6	79.1	60.5	55.2	31.3	29.8	32.9
Actual number of shares in issue ('000)#	**195 785**	195 655	195 647	195 801	195 024	189 040	178 258	161 830	159 287	154 455
Number of employees	**707**	670	568	567	453	390	287	238	125	101
Group employment equity: % Black staff	**51%**	51%	51%	51%	45%	43%	42%	42%	42%	42%
Group employment equity: % Designated staff	**66%**	66%	67%	66%	66%	63%	61%	61%	61%	61%

EBITDA: Earnings before interest, taxation, depreciation and amortisation
Adjusted for treasury shares

Corporate Profile

Datacentrix is a leading and empowered IT integrator, providing computing power and business solutions to corporate South Africa. It has offices in Pretoria, Samrand, Johannesburg, Cape Town and Durban with a comprehensive network of SMMEs and service personnel around South Africa who are utilised for servicing outlying areas. Datacentrix has been listed on the JSE since September 1998.

Vision

Datacentrix strives to be the partner of choice for IT infrastructure, business solutions, outsourcing and other related IT services to enterprise South Africa.

Mission

Our mission is to invest in people, maximise stakeholder wealth, embrace broad based black economic empowerment and represent leading technology partners with distinction.

Group Values

The group's success is built on four pillars which are its shared values and they underpin its relationships with all its stakeholders - both internal and external. These values are:

- Performance-driven
- Passion
- Pride
- Professionalism

Global Technology Partners

The group continues to receive multiple partner awards as a technology expert that delivers quality solutions focused on client requirements. These global partnerships remain critical to the company's success as a leading IT integrator. The company remains at the forefront of the latest IT innovations and offers the highest level of technical support and engineering expertise.

Datacentrix' strong strategic position, which links international manufacturers and the local market, adds business value to the South African ICT industry. This forms part of Datacentrix' business value chain, which is supported by a range of IT services, solutions and infrastructure offerings. Datacentrix has a competitive and attractive pricing model as a result of direct purchases from its global technology partners.

Client Satisfaction

Datacentrix is proud of its client base, which can be credited to the company's strong value proposition. Clients are core to Datacentrix' business and therefore, the company customises its offerings to suit individual requirements, which are critical for high client delivery and satisfaction.

Datacentrix has managed to retain high levels of client satisfaction over the years and continues to build on those areas where clients desire quality service. Datacentrix' overall client relationship strategy is to provide clients with key business information to enable them to make the best technology solutions choices, resulting in improved business performance and competitive advantage.

Group's Business Focus

The group's business activities focus on the following areas:

Infrastructure and Related Services

- Enterprise systems
- Enterprise systems management
- Hardware solutions
- Software solutions
- Network solutions
- Microsoft licensing and services
  - Platforms
  - Support
  - Upgrades
  - Migrations
  - Advanced projects
- Security solutions
- IT infrastructure projects
- Vendor warranty services
- Hardware services
  - Install, move, add, change, dispose and deployments
  - Configuration
  - Non-warranty repairs
- Desktop, server and infrastructure outsourcing
  - Selective outsourcing
  - Managed print services
- Resourcing

Solutions

Professional services, consulting, implementation, training and support in the areas of:

- Business solutions
- Enterprise resource planning
- Productivity applications
  - Microsoft Great Plains
  - Microsoft Customer Relationship Management
  - Business intelligence and performance management
  - Data warehousing
  - Workflow and business process management
- Optimisation and content management
- Development and business integration
- Archiving solutions

Broad Based Black Economic Empowerment

Broad Based Black Economic Empowerment (BBBEE) Profile

Datacentrix remains a broad based black empowered IT company, and has been acknowledged for its empowerment status since the time of its listing in 1998. The company has played a significant role within the ICT sector, both medium and small markets, and continues to embrace black economic empowerment initiatives. With the current revision of the legislation, which has its own challenges, the company has recently being audited and awarded a level five contributor "BBB" status by Empowerdex. Datacentrix strongly believes that it has made exceptional contributions to all areas of BBBEE including ownership, management control, employment equity, skills development, preferential procurement, enterprise development and socio economic development and will continue to do so to improve its rating.

Skills Development

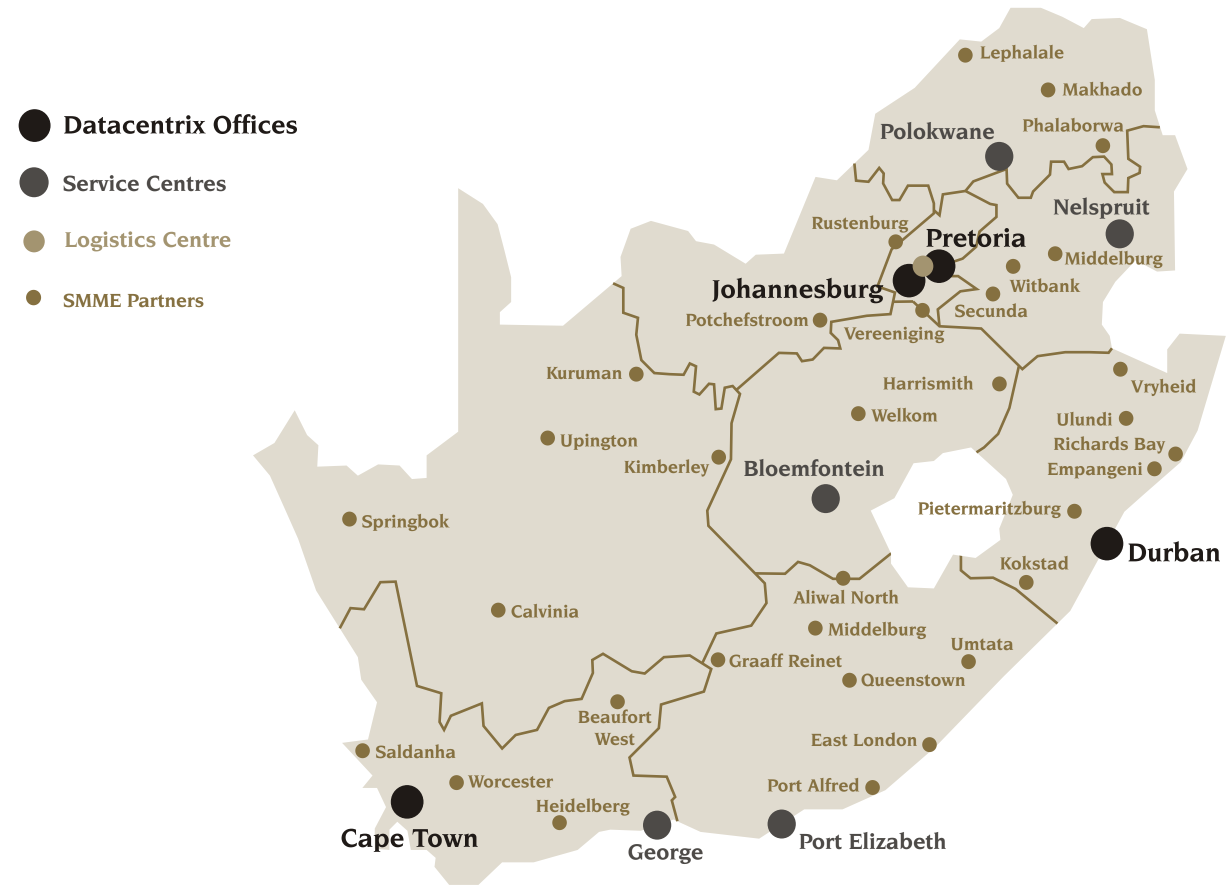
This refers to the skills development expenditure for black employees on any program specified in the learning programme's matrix including learnerships. Datacentrix' learnership programme is managed in conjunction with various accredited educational institutions that develop and provide the theoretical component of the programme. This includes the Datacentrix Microsoft Learning Academy, which offers an NQF level 5 (MCSE or MCSD) programme on a 12 month period. Based on the student's performance they have an equal opportunity to be permanently placed within the group.

Preferential Procurement

Datacentrix annually reviews its supplier base and is committed to procure directly from those suppliers who have made significant progress in developing and supporting BBBEE. With reference to the BBBEE legislation, it was necessary for Datacentrix to review its procurement policy to differentiate between Qualifying Small Enterprises and Exempted Medium Enterprises using broad and narrow based criteria with exclusion of non-discretionary suppliers.

Enterprise Development

Datacentrix commenced its Enterprise Development Programme in 1998 by partnering with a pool of black owned



and empowered SMMEs to service and cover South Africa's widely dispersed geographical regions. The main objective of this programme is to incorporate SMME partners in various value adding operations; to build capacity within these enterprises and also accelerate the development, sustainability and ultimate financial and operational independence of the same SMME partners.

Datacentrix focuses strongly on technical skills transfer and training of its partners, as well as business mentorship, workshops and various other services aimed at facilitating growth within Datacentrix' SMME partner network. Datacentrix fully recognises that job creation cannot be attained without the sustainable growth of the small business sector. This growth can only be made possible if small businesses are assisted and afforded a platform to grow, develop and graduate from micro and survivalist entities to become sustainable, job creating, enterprises.

In order to implement and monitor these crucial elements of enterprise development, Datacentrix has tasked a dedicated team with implementing Datacentrix' enterprise development strategy. Currently we have a national footprint.

Socio Economic Development

Since the BBBEE legislation came into practice, Datacentrix is continuously seeking to accurately align itself with all the principles of good practice. Datacentrix strongly believes in actively investing in socio economic strategies that have the potential to deliver a positive, long-term impact on the company's business, employees and the South African community. These strategies encourage socio economic development and contributions are linked to more than just the financial circumstances of the beneficiaries. The group's commitment to socio economic development is mainly driven by passion. The following are some of the beneficiaries who have benefited from Datacentrix' CSI programme:

Kutumela Molefi Primary School, Lesedi High School, Boschoek Primary School, Kungwini Early Learning Centre in partnership with Kungwini Welfare Organisation, Abraham Kriel, Botshabelo, Casa Caritas, Emdeni Orphanage, Women's Day Charity - People Opposing Woman Abuse (POWA), Roundabout PlayPumps, St Luke's Hospice, Timios Homes, Transvalia School for Epilepsy, Zifuneleni Junior Secondary School in Soweto, CANSA, SITA HP partnership for computer labs at Holy Family Combined School and Kgamanyane High School (North West).

Datacentrix runs an employee voluntary programme as well as a women empowerment programme. The employee voluntary programme encourages Datacentrix employees to volunteer their time, knowledge and experience, by visiting and spending time with their local charity organisations or in those community projects that the company supports.

The objective of the programme is to create employee awareness about the various social issues in the country and to give employees an opportunity to make a difference in the community. The women empowerment programme is mainly aimed at supporting and empowering female employees to deal with corporate, sector and general issues facing women in the workplace.

Board of Directors and Executive Management

Executive Directors and Management

1 Ahmed Mahomed
Chief Executive Officer
Date of appointment: March 2003
Appointed CEO: March 2008

2 Elizabeth Naidoo
Chief Financial Officer
BCom, BAcc, CA (SA)
Date of appointment: October 2003

3 Juane Peacock
Managing Director: Coastal Infrastructure and Optimisation
(Executive Committee member and invitee to the board)

4 Charl Joubert
Managing Director: Solutions
(Executive Committee member and invitee to the board)
BCom (Hons) (Marketing)

5 Johann Coetzee
Managing Director: Johannesburg Infrastructure
(Executive Committee member and invitee to the board)
BEng: Industrial Engineering, MBA

6 Kelebone Tekateka
Managing Director: Pretoria Infrastructure
(Executive Committee member and invitee to the board)
BSc in Physics and Mathematics

7 Vernon Tutton
Managing Director: Services
(Executive Committee member and invitee to the board)
Diploma in Electronic Engineering

Committees

Audit and Risk Committee
Alwyn Martin* (Chairman), Israel Skosana*, Ahmed Mahomed# (Chief Executive Officer), Elizabeth Naidoo# (Chief Financial Officer)
** Independent, Non-Executive Director*
 # By Invitation

Human Resources and Remuneration Committee
Joan Joffe* (Chairman), Israel Skosana*, Dudu Nyamane*, Ahmed Mahomed# (Chief Executive Officer), Elizabeth Naidoo# (Chief Financial Officer)
** Independent, Non-Executive Director*
 # By Invitation

Non-Executive Directors

8 Gary Morolo
Chairman
BA, MBA, AEP
Date of appointment: August 1998
Other directorships: Aka Capital (Pty) Ltd, Savcio Holdings (Pty) Ltd, Italtile Limited, Batlhako Mining Limited, Vametco Holdings (Pty) Ltd

9 Alwyn Martin
Independent Director
BCom CA (SA)
Date of appointment: May 2005
Other directorships: Santam Limited, Trans Hex Group Limited, Medi-Clinic Corporation Limited, Credit Guarantee Insurance Corporation of Africa Limited, Barnard Jacobs Mellet Holdings Limited, Petmin Limited

10 Joan Joffe
Independent Director
BA (Mathematics)
Date of appointment: September 1998
Other directorships and memberships: Freeplay Foundation (Section 21 Company), Beacon IT (Australia)

11 Israel Skosana
Independent Director
BCompt (Hons), CA (SA), AMP (Harvard)
Date of appointment: November 2006
Other directorships: Kapela Investments (Pty) Ltd, Old Mutual (SA) Limited, KWV Limited, Ambit Properties Limited

12 Dudu Nyamane
Independent Director
BA (Social Sciences)
Date of appointment: April 2008
Other directorships:
South African Roads Agency Limited (SANRAL), Insurance Sector Education and Training Authority (INSETA)

Chairman's Statement

Datacentrix enters its tenth year as a listed company on a positive note, once more showing growth on all indices normally reported on. The directors are pleased to present the results of the company for the year ended February 2008.

The company has maintained all the normal disciplines it has become associated with, resulting in excellent bottom line growth and cash in hand.

"Datacentrix has maintained all the normal disciplines it has become associated with, resulting in excellent bottom line growth and cash in hand."

The Infrastructure and Related Services Division continues to be the engine of the business. Growth in the government sector, where we tend to do more of the commoditised lines of business, has been more modest than our expectations. That said, Datacentrix remains committed to being a dominant player in the commodity end of IT for the corporate and government markets and has put in place measures to achieve targeted growth. The other areas identified as growth areas for this period under review have performed creditably, particularly outsourcing, enterprise business, the Johannesburg market space, and the coastal regions.

The Solutions Division has performed well, although overall contribution to the business is still less than at desired levels.

Market Environment

While it is common cause that the country's economic sentiment and outlook has dampened, and prospects somewhat dimmed for the country, the impact on Datacentrix is yet to be felt. IT infrastructure development and wringing efficiencies from existing infrastructure still drive growth, and the impact of Microsoft driven infrastructure renewal is yet to be fully experienced.

Datacentrix has put plans in place to ameliorate the impact of electricity load shedding and is able to maintain an acceptable level of services and delivery during these disruptions. The impact of load shedding on the demand for IT products and services amongst Datacentrix' clients is yet to be felt, but the anticipation is that demand will not be significantly negatively affected.

By and large the currency strengthened against the US Dollar in the period under review, which tends to have a dampening effect on the company's revenue line. However, general expectations are that the currency will weaken against the US Dollar in the coming year and in our business it tends to have a positive effect both on the top and bottom lines.

Empowerment

In the past reporting periods the company has stated that it is considering various options to enable it to effectively address the requirements of the Department of Trade and Industry's (DTI) BEE Codes of Good Practice. As an early mover in the transformation stakes, Datacentrix has found itself increasingly lagging as new regulations were promulgated and other companies improved their competitive positioning in this aspect. Datacentrix' current rating is a BBB.

With a clearer understanding of the DTI Codes of Good Practice, the company has now embarked on a specific program to improve its level of contribution status. Datacentrix is busy evaluating a number of options to address this issue in addition to ongoing improvements in the areas of employment equity, skills development, enterprise development, and corporate social investment. The board's key objectives include improving the level of black shareholding, bringing management and staff into ownership, thereby achieving a measure of broad based ownership and equity ownership by women.

The options referred to will have the added significant benefit of achieving key Datacentrix corporate objectives. These include the added important benefit of incentivising management and key employees and also serve as a retention mechanism in an environment where scarce resources are being vigorously pursued.

Management and Board Changes

Changes to the board and executive level have been communicated to the market via the Securities Exchange News Service (SENS), principally the retirement of Gerhard Uys and resignation of Imogen Mkhize from the board effective end of February 2008.

The co-founder and former CEO of the company, Gerhard Uys has retired as an employee and board member of Datacentrix. As founding CEO, Gerhard has been at the helm since prior to the company's listing in 1998. Gerhard has worked with the board in the last few years to put in place a succession plan that has been successfully implemented.

The board commends Gerhard for his leadership, meticulous attention to detail, and relentless focus on effective execution and performance. The success of Datacentrix stands as a monument to his achievement. Gerhard retires with the profound thanks and best wishes from the board.

The board also extends its gratitude to Imogen Mkhize who resigned because of increasing pressure of other commitments. Imogen's role on the board has been greatly valued. The board wishes her the very best in her business and professional career.

The board is proud to announce the appointment of Dudu Nyamane as an independent, non-executive director. Dudu brings a wealth of professional and sectoral experience from her role as current HR director of Old Mutual SA, and previous role as HR director of IBM SA where she spent 24 years.

Ahmed Mahomed succeeds Gerhard as CEO of the company after leading its largest division for six years and serving as the COO in the financial year under review. Ahmed is ably backed by an experienced executive team. It is the board's view that the baton has been successfully passed on from the founding owner-managers to a professional management team.

Prospects

The company expects to maintain its level of performance and to achieve results consistent with our long-term trend. Our identified areas of growth, which in the past have included government, outsourcing, security and the enterprise business unit, continue to hold promise for the future.

"Datacentrix remains committed to being a dominant player in the commodity end of IT for the corporate and government markets and has put in place measures to achieve targeted growth."

The company continues to look at suitable acquisition targets to bolster our skills and delivery capacity in selected areas.

As mentioned earlier, the company does not expect recent economic developments to have a significant negative impact on the demand for our products and services. If anything, we expect a fillip to the revenue line should the currency weaken significantly against the US Dollar.

The board has every confidence that the management team in place will continue to deliver results that the market has come to expect of Datacentrix.

Acknowledgements

I take this opportunity to express the board's gratitude to all the staff and management of Datacentrix for yet another year of performance to be proud of. I also thank the board members for their wise counsel, support and vigilance in ensuring performance and proper governance.

Gary Morolo
Chairman

Chief Executive Officer's Statement

Financial Overview

Datacentrix delivered robust earnings growth in the past financial year. Gross revenue increased by 12% to R1.35 billion and EBITDA grew 26% to R157.1 million. An increased investment income and stringent cost management resulted in earnings growth of 30% in comparison to the previous financial year. Strong operating cash flows were generated at R164.2 million resulting in R221.9 million cash on hand, with no interest-bearing debt. Headline earnings per share and basic earnings per share increased 29% and 30% respectively to 52.0 cents. Net asset value improved by 18% to 150.4 cents.

Operational Review

Datacentrix has shown healthy organic growth over the past year, with most divisions showing credible performances. In addition, the company has seen encouraging developments within strategically targeted growth areas and will continue to fortify its current solid business model.

People Investment

Datacentrix' investment in technical, sales and managerial resources remains an element of the aforementioned organic growth strategy. The local environment is becoming increasingly challenging in gaining and retaining staff and the company is taking steps in addressing this, including incentivising top performers and skilled employees. The staff complement is currently 707 employees, having grown by 37 staff members over the year.

"The company continues to ensure that it holds the highest technical vendor accreditations, ensuring that it remains the most cost effective partner of choice for the supply, installation and ongoing maintenance of equipment..."

Infrastructure and Related Services

The year has been a positive one for the Infrastructure and Related Services Division, with the Johannesburg office exceeding expectations, as well as solid performances seen from the coastal regions of Cape Town and Durban and within several vertical sectors, including Selective Outsourcing, Microsoft Software Services and Security. The division continues to be a leading provider for the supply, deployment, maintenance and support of IT infrastructure solutions.

Datacentrix has strengthened its Managed Print Services (MPS) execution engine, while bolstering the Services management team with the addition of several new, high level appointments. These appointments improve operational capacity of the group to service an increased client footprint and to continue delivering the service levels that its clients have become accustomed to.

The company has formalised a Resourcing Services business unit, focusing on the provision of selected on-site resources to meet client specifications. Datacentrix believes this will assist in addressing the high demands placed on businesses today by the increasing skills shortage within the IT sector.

Datacentrix has established a Security business unit, which has already won two major implementation deals, one of which has been completed. We have also formalised our Networking business unit addressing two new main areas: bandwidth optimisation - dealing with solutions designed to improve bandwidth utilisation; and the provisioning of network infrastructure focusing on new network technologies. In addition the Enterprise Systems Management business unit provides management solutions spanning basic network management through to application management.

The company continues to ensure that it holds the highest technical vendor accreditations, ensuring that it remains the most cost effective partner of choice for the supply, installation and ongoing maintenance of equipment, over the entire lifespan of such equipment.

The group has met Service Level Agreement (SLA) objectives set to maintain the highest level of client satisfaction. SLAs focus on assisting clients at every stage of the product life cycle - ranging from needs determination, product evaluation, configuration, installation and support. This is in line with the Service Improvement Program, which the company ascribes to in order to meet and exceed client needs and expectations.

Datacentrix was awarded a number of prestigious Vendor partner awards, which bear testimony to its market positioning. Partner awards garnered over the year include HP's "channel partner of the year" for both the Imaging and Printing and Technology Solutions groups. Datacentrix also attained "the highest consistent growth for the storage works division".

Solutions

The Solutions Division has successfully reduced its reliance on product sales and now enjoys higher proportions of its revenues from consulting and services. The change has shown positive results in that the division has become more profitable from a services perspective.

The Development and Integration business unit remains focused on workflow and data-mining, while the Optimisation business unit is now services led and focuses primarily on the Enterprise Content Management (ECM) and information life cycle management space.

Clients

The group believes that Datacentrix' loyal client base can be credited to its strong value proposition, execution ability, expertise and ability to integrate offerings across all lines of business. The high client satisfaction ratings achieved, conducted by an independent research house, bear testimony to this.

Quality Management

Datacentrix was re-awarded the Telkom Process Control Release (PCR) accreditation in November 2007, for the third consecutive year. The certification is valid for a year and is based on ISO 9001 quality standards. Datacentrix has affirmed its commitment to quality by increasing the department's staff complement with the appointment of a quality trainer and a quality administrator to focus on quality awareness throughout the organisation and correct and sharpen its administration.

The fact that Datacentrix is process driven with specific personnel focused on client satisfaction, supplier performance and execution, allows for confidence around quality and operational procedures. Each area within the organisation is measured and monitored continually against desired requirements. The Quality Committee is aligned to complement legal compliance and BEE strategy.

Industry Review

Datacentrix continues to closely monitor local industry trends. With the load shedding issue obviously having the greatest impact on South African businesses over the past few months, the group would like to advise that it has taken the necessary steps at all its operational sites to ensure that it is not negatively impacted by the rolling blackouts.

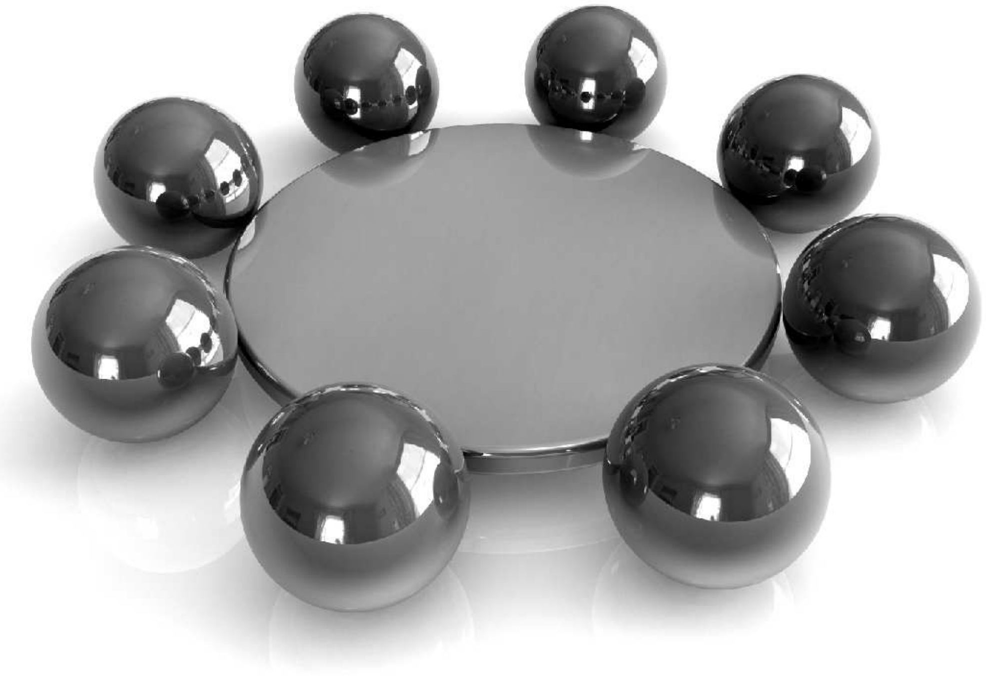
In addition, the fluctuating rate of exchange has had some bearing on local organisations, with a stronger Rand being experienced for most of last year. Earlier this year we witnessed the progressively weakening of the Rand, affecting the cost of technology.

Prospects

Future growth for the Datacentrix group will be principally organic, not acquisitive, although the group will look at acquiring pockets of excellence in identified growth areas. The company will continue with its current strategy of growing business with existing clients, particularly in terms of the newer Microsoft technologies, such as Vista, Exchange, System Center, Server 2008 and Active Directory. It will also focus on increasing its client base. In the security field, a particular focus will be placed on biometrics and access management, while in the networking space, it will be addressing bandwidth issues with optimisation technologies as well as standard networking solutions. Other areas of growth and focus include Selective Outsourcing, Resourcing and Managed Print Services.

Gerhard Uys **Ahmed Mahomed**

Corporate Governance Report



Datacentrix Holdings Limited board of directors and group management is committed to the highest level of governance and strives to foster a culture that values and rewards exemplary ethical standards, personal and corporate integrity and respect for others. In doing so, they subscribe to the principles contained in the Code of Corporate Practices and Conduct recommended by the King II Report on Corporate Governance for South Africa.

"The simple decision making structure, the independence, and the character of the individual board members provide for open and transparent governance."

Our approach to governance is predicated on the belief that there is a link between high quality governance and the creation of shareholder value. Our expectations of employees and those to whom we contract business are set out in our Code of Conduct Policy.

The primary role of Datacentrix' board of directors is to oversee how management serves the interests of shareowners and other stakeholders. To do this, Datacentrix' directors have adopted corporate governance principles aimed at ensuring that the board is independent and fully informed of the key risks and strategic issues facing Datacentrix.

This report outlines our system of governance. It is our view that governance is not just a matter for the board; a culture of good governance must be fostered throughout the organisation.

Board Structure and Composition

The Datacentrix board as at the date of this annual report consists of five non-executive directors, four of which are independent and two executive directors.

The non-executive directors ensure impartial and objective viewpoints in decision making processes and standards of conduct. The non-executives have continued to demonstrate the characteristics of independence, such as objectively challenging management and taking part in rigorous debates, while at the same time possessing an outstanding knowledge of the business and affairs.

The simple decision making structure, the independence, and the character of the individual board members provide for open and transparent governance. In addition to the board, key operating executives responsible for significant operations attend board meetings per invitation.

The chief executive officer (CEO) manages the group and implements the strategy and policies adopted by the board. The chairman and the chairpersons of the board committees communicate regularly with the CEO, chief financial officer (CFO) and other executive members.

The roles of the chairman and that of the CEO vest in two leaders. Gary Morolo is the non-executive chairman of the group and Ahmed Mahomed is the new CEO as of 1 March 2008. Ahmed's considerable experience in the IT sector and his strategic capabilities will assist him in performing his new role.

Gerhard Uys retired on 29 February 2008, after co-founding and running the company for the last 15 years. His tenure has been successful and profitable, and he has left behind a legacy for the rest of management to run with.

Imogen Mkhize, a non-executive director also resigned on 29 February 2008, after serving on the Datacentrix board for the last 6 years. She served on the Human Resources and Remuneration and Audit and Risk Committees. We thank her for her invaluable contribution.

Dudu Nyamane joined the Datacentrix board on 14 April 2008 as an independent, non-executive director. She will also serve as a member of the Human Resources and Remuneration Committee. We extend a warm welcome to her.

The composition of the board with abridged curriculum vitae of each director is listed on page 6 and 7 of the annual report.

The Board Charter

The board operates under an approved charter, which regulates the way business is conducted by the board in line with the principles of sound corporate governance. The board charter model is based on the principles as recommended by King II, which incorporates the powers of the board, providing a clear division of responsibilities and accountability of the board members, collectively and individually, to ensure a balance of power and authority. The charter of the board and that of its committees is reviewed periodically.

Roles and Responsibilities

The board's role is to represent the shareholders and is accountable to them for creating and delivering value through the effective governance of the business. This is achieved by monitoring business plans, key performance indicators, including non-financial criteria and annual budgets. The board reviews the company's internal controls and risk management policies and approves its governance structure and code of ethics.

In addition, the board evaluates and monitors the performance of the group as a whole. This includes:

- engaging at board meetings with the CEO, the other executive directors and members of the Executive Committee as appropriate, on the financial and operating performance of Datacentrix and external issues material to the group's prospects;
- evaluating progress toward the achievement of the group's financial and business objectives and annual plans; and
- monitoring, through reports received directly or from various committees, the significant risks facing the group.

The board also monitors the performance of the group through its committees. The CEO is required to report regularly in a spirit of openness and trust on the progress being made by the business. The board and its committees determine the information required from the CEO and any employee or external party, including the auditor. Open dialogue between individual members of the board and the CEO and other employees is encouraged to enable directors to gain a better understanding of the business.

The board has given the CEO broad authority to operate the business of the group, and the CEO is accountable for, and reports to the board on the performance of the business.

The matters that the board has specifically reserved for its decision are:

- the succession planning and appointment of the CEO;
- approval of the appointments of direct reports to the CEO;
- approval of the overall strategy and annual budgets of the business; and
- determination of matters in accordance with the approvals framework.

The general powers of the directors are conferred in the group's Articles of Association. The directors recognise the importance of conducting the affairs of the group with integrity and in accordance with acceptable corporate practices.

"The board meets regularly, retains full and effective control over all the companies in the group and monitors executive management in implementing board plans and strategies."

The board is ultimately responsible for ensuring that the business continues to grow and that it thrives.

Subject to specific fundamental, strategic and formal matters reserved for its decision, the board may delegate certain responsibilities to a number of standing committees, which operate within defined terms of reference laid down by the board, as referred to below.

The board has Executive, Audit and Risk, and Human Resources and Remuneration committees to assist in executing its responsibilities. Each committee acts within the terms of reference under which certain functions of the board are assigned with defined purposes, membership requirements, duties and reporting procedures.

The board meets regularly, retains full and effective control over all the companies in the group and monitors executive management in implementing board plans and strategies. Meetings are held six times per annum and additional special meetings are held at interim and year-end to review the group's financial results.

Management has a high level of interaction with board members beyond scheduled board meetings.

Corporate Governance Report (continued)

Meetings of the Holdings Board:

Name	24 May 07	25 July 07	1 Oct 07	22 Nov 07	31 Jan 08	20 Mar 08	14 Apr 08
Gary Morolo# (Chairman)	✓	✓	✓	✓	✓	✓	✓
Ahmed Mahomed	✓	✓	✓	✓	✓	✓	✓
Alwyn Martin*	✓	✓	✓	✓	✓	✓	✓
Elizabeth Naidoo	✓	✓	✓	✓	✓	✓	✓
Gerhard Uys	✓	✓	✓	✓	✓	Retired	–
Imogen Mkhize*	✓	✓	✓	✗	✓	Resigned	–
Israel Skosana*	✓	✓	✓	✓	✓	✗	✓
Joan Joffe*	✓	✓	✗	✓	✓	✓	✓
Stewart Barker	✓	✓	Resigned	–	–	–	–

Non-Executive Director *Independent, Non-Executive Director

Executive Committee

The Executive Committee comprises seven executives (including two directors), under the chairmanship of Ahmed Mahomed, CEO. The Executive Committee is responsible for assisting and advising the CEO in implementing the strategies and policies determined by the board, managing the business and affairs of the group, monitoring the performance of the group and establishing best management practices. The committee meets formally each month and informally on an ad hoc basis.

The Executive Committee is actively involved in performing the following functions:

- formulating group strategies and monitoring their implementation according to the board's directives;
- monitoring the performance of the group and the group's system of internal control;
- assisting the CEO and the CFO in preparing the annual budget for review and approval by the board;
- compiling and presenting non-financial information to the board;
- succession management and the planning and development of management;
- risk management; and
- identifying applicable codes of best business practice and ensuring respective compliance.

The Executive Committee conducts the day-to-day running of the group and co-ordinates and monitors the use of all group resources used to achieve Datacentrix' overall business goals.

Audit and Risk Committee

The role of the Audit and Risk Committee is to assist the board in monitoring the decisions and actions of the CEO and the group and to gain assurance that progress is being made towards the objectives within the CEO's limits. The Audit and Risk Committee undertakes this by overseeing:

- the integrity of the financial statements;
- the appointment, remuneration, qualifications, independence and performance of the external auditor and the integrity of the audit process as a whole;
- the effectiveness of the system of internal controls and risk management;
- compliance with applicable legal and regulatory requirements; and
- compliance by management with constraints imposed by the board.

The Audit and Risk Committee operates under the chairmanship of Alwyn Martin, an independent, non-executive director and includes one other independent non-executive member. The external auditors have unrestricted access to this committee. Meetings are held at least three times a year and are attended by the external auditors and, on invitation, members of executive management, including those involved in risk management and control and finance.

The directors believe that there is an adequate and effective system of internal control in place to mitigate the significant risks faced by the group to an acceptable level. The committee operates within defined terms of reference as set out in its charter, and authority granted to it by the board. The committee is satisfied that it has met its responsibilities for the year with respect to its terms of reference.

Meetings of the Executive Committee:

Name	17 Mar 07	12 Apr 07	17 May 07	21 Jun 07	19 Jul 07	16 Aug 07	20 Sep 07	23 Oct 07	15 Nov 07	13 Dec 07	17 Jan 08	14 Feb 08	12 Mar 08
Gerhard Uys (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Retired
Ahmed Mahomed	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Charl Joubert	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Elizabeth Naidoo	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Johann Coetzee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Juane Peacock	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Kelebone Tekateka	–	–	–	–	–	–	Maiden	✓	✓	✓	✓	✓	✓
Stewart Barker	✓	✓	✓	✓	✓	✓	Resigned	–	–	–	–	–	–
Vernon Tutton	–	–	–	–	–	–	Maiden	✓	✓	✓	✓	✓	✓

Meetings of the Audit and Risk Committee:

Name	27 Sep 07	20 Nov 07	8 Apr 08
Alwyn Martin* (Chairman)	✓	✓	✓
Imogen Mkhize*	✓	✓	Resigned
Israel Skosana*	✓	✗	✓
Ahmed Mahomed (invitee)	–	–	Maiden
Elizabeth Naidoo (invitee)	✓	✓	✓
Gerhard Uys (invitee)	✓	✓	Retired

*Independent, Non-Executive Director

Human Resources and Remuneration Committee

This committee comprises three independent, non-executive directors. No executive director is a member of the committee. The committee is chaired by Joan Joffe.

The Human Resources and Remuneration Committee is responsible for the remuneration strategy of the group, the approval of mandates for incentive schemes within the group and the determination of the remuneration of executive committee members, relative to local and international industry benchmarks.

It also makes recommendations to the board regarding the structure and policy on executive, non-executive and senior management remuneration and the appointment of new directors to the board.

The role of the committee is to assist the board in its oversight of:

- the remuneration policy and its specific application to the CEO, the executive directors and the CEO's direct reports, and its general application to all employees;
- the adoption of annual and longer-term incentive plans;
- the determination of levels of reward for the CEO and approval of reward to the CEO's direct reports;
- the annual evaluation of the performance of the CEO, by giving guidance to the chairman;
- the communication to shareholders on remuneration policy and the committee's work on behalf of the board; and
- compliance with applicable legal and regulatory requirements associated with remuneration matters.

The board applies the principles of good corporate governance relating to directors' remuneration. The company strives to strike a balance between the need to protect shareholders' interests and to provide the appropriate incentives to management and staff to ensure that sustainable value is being developed and maintained.

The group's primary executive remuneration objective is to reward executive directors to ensure that their interests, as far as possible, commensurate with the interests of shareholders. In line with the group's remuneration philosophy, remuneration is reviewed annually by the Human Resources and Remuneration Committee after evaluating each executive director's performance, including that of the group CEO.

In addition, the remuneration packages are benchmarked individually taking into account local, regional and national responsibilities. Details of the remuneration of the directors and information on share options are set out in note 3 of the financial statements.

Corporate Governance Report (continued)

Fees for non-executive directors are recommended to the board by the Human Resources and Remuneration Committee and reviewed annually with the assistance of external service providers. The committee takes cognisance of market norms and practices, as well as the additional responsibilities placed on board members by new acts, regulations and corporate governance guidelines.

Non-executive directors receive an annual fixed fee. In addition, a fee is paid for attending and contributing to board and committee meetings. Datacentrix pays for all travelling expenses for board meetings where required.

Meetings of the Human Resources and Remuneration Committee:

Name	25 Jul 07	20 Nov 07	31 Jan 08	20 Mar 08
Joan Joffe* (Chairman)	✓	✓	✓	✓
Imogen Mkhize*	✓	✓	✓	Resigned
Israel Skosana*	Maiden	✓	✓	✗
Ahmed Mahomed (invitee)	–	–	–	Maiden
Elizabeth Naidoo (invitee)	✓	✓	✓	✓
Gerhard Uys (invitee)	✓	✓	✓	Retired

*Independent, Non-Executive Director

Datacentrix Holdings Share Trust

The two trustees, Joan Joffe and Israel Skosana, both independent, non-executive directors, manage the Datacentrix Holdings Share Trust. The trustees are responsible for the financial management of the trust and ensure adherence to the rules of the Share Trust Deed.

Insider Trading

Trading in the company's shares and any cession of options over such shares is conducted on completion of an application form. Authorisation is given in writing by the chairman of the board and the CEO as appropriate. The written authority is kept by the company secretary with the record of the particular transaction.

The group operates a closed period prior to the publication of its year-end and interim results. During this time, the group's directors, officers and employees are restricted from dealing, whether directly or indirectly, in the company's shares on the basis of privileged, price-sensitive information before it has been publicly announced to the market. Additional closed periods can be enforced as required in terms of any corporate activity.

Company Secretary

The company secretary is responsible to the board and is available to individual directors in respect of board procedures. The company secretary is Mavis Thomani, who was appointed in October 2007. She is a chartered accountant and joined the group in 2005.

The company secretary is responsible for the duties set out in Section 268G of the Companies Act. The certificate required to be signed in terms of subsection (d) of the Act appears on page 18.

Sponsor

The company has appointed Barnard Jacobs Mellet (Proprietary) Limited (BJM) as its sponsor. BJM's services include advising the board on the interpretation of and compliance with the Listing Requirements of the JSE Limited (JSE) and reviewing all notices required in terms of its statutes and the JSE rules and regulations.

External Audit

The board appointed Deloitte & Touche to perform an independent and objective audit on the group's financial statements. These financial statements are prepared in terms of International Financial Reporting Standards (IFRS). Interim reports to shareholders are not audited.

Financial and Internal Controls

The directors are responsible for the systems of internal control. The internal control framework has been in operation for the whole of the year under review and continues to operate up to the date of approval of this report.

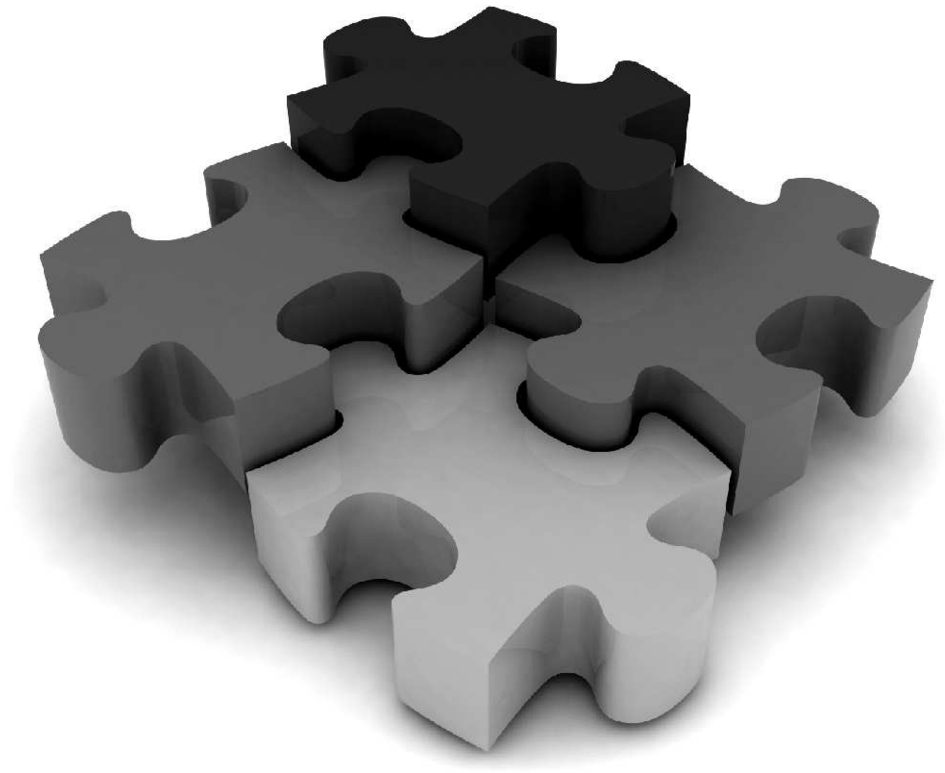
The system of internal controls is designed to manage rather than eliminate the risk of not achieving business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss while complying with applicable laws and regulations.

The board has accountability for reviewing and approving the adequacy and effectiveness of internal controls operated by the group, including financial, operational and compliance controls and risk management. It is the responsibility of management, to implement board policies on risk and control.

The group also attaches importance to clear principles and procedures designed to achieve appropriate accountability and control. There are various policies, which mandate that business units establish processes for managing and monitoring risks significant to their businesses and the group.

Internal Audit

There is no internal audit department in place. However, comprehensive internal controls have been instituted to assist management and the directors in fulfilling their responsibility for the preparation of the annual financial statements, safeguarding of assets and providing answers on all transactions. Transactions are executed and recorded in terms of the group's policies and procedures.



Corporate Social Responsibility

Datacentrix believes in not only achieving its financial and economic goals, but also using its influence to help the society in which it operates. Some of the initiatives include:

- A Social Responsibility Committee ensures Datacentrix' participation in various projects and activities to improve the lives of disadvantaged groups; and
- the group has established a bursary fund for students wishing to study in the IT field. So far the bursary fund project has been successful and some of the students who have been sponsored are now employed by Datacentrix.

Social Transformation

Datacentrix has clearly demonstrated its commitment to transformation of the workplace. This can be seen in the composition of the board as well as in the overall statistics of the employees of the group.

Equal employment opportunities are provided to members of all communities and the group is delivering in terms of the employment equity workforce plans. The group has employment equity plans, which it believes are appropriate to the business and the market in which it trades. They are designed to attract, motivate and retain quality staff at all levels.

Code of Conduct

Datacentrix is committed to excellence, integrity, professionalism and the growth and development of all its operations. People continue to be the group's most important resource. They are expected to share in the group's values, which are core to its strategy and contribute to a broader vision for the group - to become the IT partner of choice for enterprise South Africa.

A formal code of ethics has been approved and adopted by the board and is available to all its employees via the Intranet. The Datacentrix Code of Ethics sets guidelines to lead employees towards acting in a manner that will earn the group the reputation of being:

- open, frank and timeouts in all dealings and disclosures;
- non-political;
- beyond reproach in the quality of its products and services;
- proud of its standing as regards integrity and credibility;
- consistent in honouring its legal and moral obligations; and
- aware of the need to foster loyalty and long enduring relationships.

"Datacentrix is committed to excellence, integrity, professionalism and the growth and development of all its operations."

Directors' Statement of Responsibility

The board of directors of Datacentrix Holdings Limited has pleasure in presenting its report on the activities of the company and the group for the year ended 29 February 2008.

The annual financial statements are prepared in accordance with the appropriate accounting policies based on International Financial Reporting Standards (IFRS) and incorporate appropriate and responsible disclosure, supported by reasonable and prudent judgements and estimates, which have been used consistently. The responsibility of the external auditor is to independently audit and report on the fairness of the financial statements and their report is represented on page 19.

The directors accept responsibility for the integrity, objectivity and reliability of the financial statements of the company and group. Complete accounting records have been kept to support this. The directors support the principle of transparent reporting and delegated the responsibility for the preparation and presentation of the financial statements to management.

The directors are also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute, assurances as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss. The systems are implemented and monitored by suitable, trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The directors believe that the group has adequate resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

The directors are satisfied that the financial statements fairly present the financial situation and results of operations and cash flows of the company and the group for the year ended 29 February 2008.

The directors of the group, whose names are given on pages 6 and 7 of this annual report, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted, which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this annual report contains all the information required by the Listings Requirements of the JSE Limited.

All information required by the Companies Act pertaining to a directors' report is disclosed in earlier sections of this annual report and in the notes to the annual financial statements.

The annual financial statements appearing on pages 20 to 52 were approved by the board of directors on 14 April 2008, and are signed on its behalf by:

Gary Morolo
Chairman

Ahmed Mahomed
Chief Executive Officer

Pretoria
14 April 2008

Certificate of the Company Secretary

I certify, in my capacity as company secretary and in accordance with section 268G (d) of the Companies Act of South Africa, Act 61 of 1973, as amended, that for the year ended 29 February 2008 the company has lodged with the Registrar of Companies all such returns as are required from a public company in terms of the Act and that these returns are true, correct and up to date.

Mavis Thomani
Company Secretary

Pretoria
14 April 2008

Report of the Independent Auditors

To the members of Datacentrix Holdings Limited

We have audited the accompanying financial statements and group financial statements of Datacentrix Holdings Limited, which comprise the balance sheets as at 29 February 2008, and the income statements, statements of changes in equity and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on page 20 to 52.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with statements of International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Datacentrix Holdings Limited company and group as of 29 February 2008, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

Debitte + Touche

Deloitte & Touche
Registered Auditors
Per Zuleka Jasper
Partner

PO Box 11007, Hatfield, 0028
221 Waterkloof Road, Waterkloof, Pretoria, 0181

14 April 2008

National Executive: GG Gelink, Chief Executive; AE Swiegers, Chief Operating Officer; GM Pinnock, Audit; DL Kennedy, Financial Advisory Services and Tax; L Geeringh, Consulting; L Bam, Corporate Finance and Strategy; CR Beukman, Finance; TJ Brown, Clients and Markets; NT Mtoba, Chairman of the Board.

A full list of partners and directors is available on request.

A member of Deloitte Touche Tohmatsu

Income Statements for the year ended 29 February 2008

	Notes	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Revenue	4	**1 346 971**	1 201 904	**-**	-
Changes in inventories of finished goods and work in progress		**(1 575)**	(4 565)	**-**	-
Finished goods sold		**(928 057)**	(837 726)	**-**	-
Employee benefits expense		**(223 525)**	(202 988)	**-**	-
Depreciation, amortisation and impairments		**(10 154)**	(10 131)	**-**	-
Operating expenses		**(36 718)**	(31 796)	**(355)**	(296)
Share of loss from joint venture		**-**	(265)	**-**	(265)
Income from investments	5	**12 632**	10 084	**70 008**	114 591
Finance costs	6	**(3 495)**	(334)	**-**	-
Profit before taxation	7	**156 079**	124 183	**69 653**	114 030
Income taxation expense	8	**(54 214)**	(45 913)	**(5 726)**	(9 492)
Profit for the year attributable to ordinary shareholders		**101 865**	78 270	**63 927**	104 538
Basic earnings per ordinary share (cents)	9	**52.0**	40.0		
Diluted basic earnings per ordinary share (cents)	9	**51.0**	39.2		
Dividend and proposed dividend per share (cents)	10	**26.0**	20.2		

Balance Sheets as at 29 February 2008

	Notes	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
ASSETS					
Non-current assets		**79 185**	65 297	**84 140**	65 777
Property and equipment	11	**32 018**	30 074	**-**	-
Goodwill	12	**15 596**	15 596	**-**	-
Other intangible assets - software	13	**2 144**	867	**-**	-
Long-term receivables	14	**6 259**	4 178	**-**	-
Investment in subsidiaries	15	**-**	-	**84 140**	65 777
Deferred tax assets	16	**23 168**	14 582	**-**	-
Current assets		**469 344**	392 048	**6 883**	6 972
Loan to share trust	17	**-**	-	**6 627**	6 627
Inventories	18	**10 976**	9 401	**-**	-
Trade and other receivables	19	**236 472**	208 806	**136**	336
Cash and cash equivalents	20	**221 896**	173 841	**120**	9
TOTAL ASSETS		**548 529**	457 345	**91 023**	72 749
EQUITY AND LIABILITIES					
Capital and reserves		**294 476**	248 468	**90 926**	72 642
Share capital	21	**21**	21	**21**	21
Share premium	21	**38 145**	40 709	**39 280**	39 280
Treasury shares	21	**(35 901)**	(25 958)	**-**	-
Equity-settled share scheme reserve	21	**12 672**	8 642	**12 672**	8 642
Retained earnings		**279 539**	225 054	**38 953**	24 699
Non-current liabilities		**19 327**	20 334	**-**	-
Obligations under finance leases	22	**-**	2 007	**-**	-
Deferred revenue	23	**19 327**	18 327	**-**	-
Current liabilities		**234 726**	188 543	**97**	107
Deferred revenue	23	**27 205**	27 655	**-**	-
Trade and other payables	24	**165 408**	133 643	**93**	102
Current taxation liabilities		**24 575**	8 300	**4**	5
Provisions	25	**17 323**	18 485	**-**	-
Lease liability		**215**	460	**-**	-
TOTAL EQUITY AND LIABILITIES		**548 529**	457 345	**91 023**	72 749

Statements of Changes in Equity for the year ended 29 February 2008

	Share capital R'000	Share premium R'000	Treasury shares R'000	Equity-settled share scheme reserve R'000	Retained earnings (accumulated loss) R'000	Total R'000
GROUP						
Balance at 28 February 2006	21	40 311	(20 203)	5 042	219 176	244 347
Profit for the year	-	-	-	-	78 270	78 270
Treasury shares - movement during the year	-	-	(5 755)	-	-	(5 755)
Share-based payments	-	-	-	3 600	-	3 600
Dividend paid	-	-	-	-	(72 392)	(72 392)
Profit on sale of treasury shares	-	398	-	-	-	398
Balance at 28 February 2007	**21**	**40 709**	**(25 958)**	**8 642**	**225 054**	**248 468**
Profit for the year	**-**	**-**	**-**	**-**	**101 865**	**101 865**
Treasury shares - movement during the year	**-**	**-**	**(9 943)**	**-**	**-**	**(9 943)**
Share-based payments	**-**	**-**	**-**	**4 030**	**-**	**4 030**
Dividend paid	**-**	**-**	**-**	**-**	**(47 380)**	**(47 380)**
Loss on sale of treasury shares	**-**	**(2 564)**	**-**	**-**	**-**	**(2 564)**
Balance at 29 February 2008	**21**	**38 145**	**(35 901)**	**12 672**	**279 539**	**294 476**
COMPANY						
Balance at 28 February 2006	21	39 280	-	5 042	(3 890)	40 453
Profit for the year	-	-	-	-	104 538	104 538
Share-based payments	-	-	-	3 600	-	3 600
Dividend paid	-	-	-	-	(75 949)	(75 949)
Balance at 28 February 2007	**21**	**39 280**	**-**	**8 642**	**24 699**	**72 642**
Profit for the year	**-**	**-**	**-**	**-**	**63 927**	**63 927**
Share-based payments	**-**	**-**	**-**	**4 030**	**-**	**4 030**
Dividend paid	**-**	**-**	**-**	**-**	**(49 673)**	**(49 673)**
Balance at 29 February 2008	**21**	**39 280**	**-**	**12 672**	**38 953**	**90 926**

Cash Flow Statements for the year ended 29 February 2008

	Notes	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
CASH FLOW FROM OPERATING ACTIVITIES					
Cash receipts from clients		**1 321 662**	1 204 594	**-**	-
Cash paid to suppliers and employees		**(1 157 492)**	(1 075 247)	**(164)**	(407)
Cash generated from (utilised in) operations	A	**164 170**	129 347	**(164)**	(407)
Interest received		**12 632**	10 084	**8**	5
Interest paid		**(3 495)**	(334)	**-**	-
Dividend received from subsidiaries		**-**	-	**70 000**	114 586
Dividend paid		**(47 380)**	(72 392)	**(49 673)**	(75 949)
Taxation paid	B	**(46 525)**	(44 657)	**(5 727)**	(9 493)
Net cash inflow (outflow) from operating activities		**79 402**	22 048	**(14 444)**	28 742
CASH FLOW FROM INVESTING ACTIVITIES					
Additions to property and equipment to maintain operations		**(12 837)**	(8 391)	**-**	-
Proceeds from sale of property and equipment		**44**	444	**-**	-
(Decrease) increase in amounts receivable under finance leases		**(4 438)**	2 787	**-**	-
Investment in joint venture		**-**	(400)	**-**	(400)
Increase in investment and advance payments	C	**-**	-	**(14 333)**	(28 350)
Acquisition of intangible assets	D	**(1 975)**	(520)	**-**	-
Proceeds from sale of intangible assets		**-**	3	**-**	-
Net cash outflow from investing activities		**(19 206)**	(6 077)	**(14 333)**	(28 750)
CASH FLOW FROM FINANCING ACTIVITIES					
Share capital issued	E	**-**	-	**-**	-
Increase in treasury shares		**(9 943)**	(5 755)	**-**	-
Decrease in finance lease obligation		**(2 198)**	(1 990)	**-**	-
Net cash outflow from financing activities		**(12 141)**	(7 745)	**-**	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**48 055**	8 226	**111**	(8)
Cash and cash equivalents at the beginning of the year		**173 841**	165 615	**9**	17
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	F	**221 896**	173 841	**120**	9

Notes to the Cash Flow Statements for the year ended 29 February 2008

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
A. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM (UTILISED IN) OPERATIONS				
Profit before taxation	**156 079**	124 183	**69 653**	114 030
Adjusted for:	**2 164**	4 825	**(70 008)**	(114 326)
Profit on sale of property and equipment	**(74)**	21	**-**	-
Depreciation of property and equipment	**9 456**	9 069	**-**	-
Impairment of goodwill and amortisation of software	**698**	1 062	**-**	-
Interest received	**(12 632)**	(10 084)	**(8)**	(5)
Loss from joint venture	**-**	265	**-**	265
Dividend received from subsidiary	**-**	-	**(70 000)**	(114 586)
Straight-line accounting for leases	**(245)**	160	**-**	-
Share-based payments	**4 030**	3 600	**-**	-
(Loss) profit on sale of treasury shares	**(2 564)**	398	**-**	-
Interest paid	**3 495**	334	**-**	-
Operating profit (loss) before working capital changes	**158 243**	129 008	**(355)**	(296)
Working capital changes	**5 927**	339	**191**	(111)
Inventories	**(1 575)**	(4 565)	**-**	-
Trade and other accounts receivable	**(25 309)**	3 167	**200**	(1)
Trade, other accounts payable and liabilities	**32 811**	1 737	**(9)**	(110)
Cash generated from (utilised in) operations	**164 170**	129 347	**(164)**	(407)
B. TAXATION PAID				
Opening balance	**(8 300)**	(5 124)	**(5)**	71
Income statement charge - current and secondary taxation	**(54 214)**	(45 990)	**(5 726)**	(9 569)
Movement in deferred tax balance	**(8 586)**	(1 843)	**-**	-
Closing balance	**24 575**	8 300	**4**	5
	(46 525)	(44 657)	**(5 727)**	(9 493)
C. INCREASE IN INVESTMENT AND ADVANCE PAYMENTS	**-**	-	**(14 333)**	(28 350)
D. ACQUISITION OF INTANGIBLE ASSETS				
Opening balance	**16 463**	17 008	**-**	-
Impairment/amortisation of intangible assets	**(698)**	(1 062)	**-**	-
Disposal of software during the year	**-**	(3)	**-**	-
Closing balance	**(17 740)**	(16 463)	**-**	-
	(1 975)	(520)	**-**	-

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
E. SHARE CAPITAL MOVEMENTS				
Opening balance	**(40 730)**	(40 332)	**(39 301)**	(39 301)
Closing balance	**38 166**	40 730	**39 301**	39 301
Loss (profit) on sale of treasury shares	**2 564**	(398)	**-**	-
	-	-	**-**	-
F. CASH AND CASH EQUIVALENTS				
Bank balances and cash	**221 896**	173 841	**120**	9

1. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

At the date of authorisation of the annual financial statements, the following Standards and Interpretations applicable to the group were in issue, but not yet effective.

IAS 1
On 6 September 2007, the IASB issued a revised IAS 1: Presentation of Financial Statements. The main changes require an entity to:

- present all non-owner changes in equity (that is, "comprehensive income") either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income may not be presented in the statement of changes in equity;
- present a statement of financial position (balance sheet) as at the beginning of the earliest comparative period in a complete set of financial statements when the entity applies an accounting policy retrospectively, or makes a retrospective restatement;
- disclose income taxation relating to each component of other comprehensive income; and
- disclose reclassification adjustments relating to components of other comprehensive income.

IAS 1 changes the titles of financial statements as they will be used in IFRS:

- "Balance sheet" will become "statement of financial position";
- "Income statement" will become "statement of comprehensive income"; and
- "Cash flow statement" will become "statement of cash flows".

Entities are not required to use the new titles in their financial statements. All existing Standards and Interpretations are being amended to reflect the new terminology. The revised IAS 1 is effective for annual periods beginning on or after 1 January 2009.

IAS 23
On 29 March 2007, the IASB issued a revised IAS 23: Borrowing Costs. The main change from the previous version is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. An entity is, therefore, required to capitalise borrowing costs as part of the cost of such assets.

The revised IAS 23 does not require the capitalisation of borrowing costs relating to assets measured at fair value, and inventories that are manufactured or produced in large quantities on a repetitive basis, even if they take a substantial period of time to get ready for use or sale.

The revised Standard applies to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009.

IAS 27
On 10 January 2008, the IASB published a revised IFRS 3: Business Combinations, and related revisions to IAS 27: Consolidated and Separate Financial Statements. The amendments result from proposals that were in an Exposure Draft of Proposed amendments to IFRS 3 published by the board in June 2005. Partial disposal of an investment in a subsidiary while control is retained is accounted for as an equity transaction with owners, and no gain or loss is accounted for. Partial disposal of an investment in a subsidiary that results in loss of control, which triggers remeasurement of the residual holding to fair value. Any difference between fair value and carrying amount is a gain or loss on the disposal, recognised in profit or loss. If an investor loses significant influence over an associate, it derecognises that associate and recognises in profit or loss the difference between the sum of the proceeds received and any retained interest, and the carrying amount of the investment in the associate at the date significant influence is lost. Similar treatment when an investor loses joint control over a jointly controlled entity.

The amendments are effective for annual periods beginning on or after 1 July 2009. Earlier application is permitted, but only back to an annual reporting period that begins on or after 30 June 2007.

IAS 32
In January 2008, the IASB amended IAS 32: Financial Instruments: Presentation and IAS 1: Presentation of Financial Statements with respect to the balance sheet classification of puttable financial instruments and obligations arising only on liquidation. As a result of the amendments, some financial instruments that currently meet the definition of a financial liability will be classified as equity because they represent the residual interest in the net assets of the entity. The amendments have detailed criteria for identifying such instruments, but they generally would include:

- puttable instruments that are subordinate to all other classes of instruments and that entitle the holder to a pro rata share of the entity's net assets in the event of the entity's liquidation. A puttable instrument is a financial instrument that gives the holder the right to put the instrument back to the issuer for cash or another financial asset or is automatically put back to the issuer on the occurrence of an uncertain future event or the death or retirement of the instrument holder.
- instruments, or components of instruments, that are subordinate to all other classes of instruments and that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation.

The amendments are effective for annual periods beginning on or after 1 January 2009.

IFRS 2
On 17 January 2008, the IASB published final amendments to IFRS 2: Share-Based Payment to clarify the terms "vesting conditions" and "cancellations" as follows:

- vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. Under IFRS 2, features of a share-based payment that are not vesting conditions should be included in the grant date fair value of the share-based payment. The fair value also includes market-related vesting conditions.

1. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (continued)

IFRS 2 (continued)

- all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. Under IFRS 2, a cancellation of equity instruments is accounted for as an acceleration of the vesting period. Therefore any amount unrecognised that would otherwise have been charged is recognised immediately. Any payments made with the cancellation (up to the fair value of the equity instruments) are accounted for as the repurchase of an equity interest. Any payment in excess of the fair value of the equity instruments granted is recognised as an expense.

These amendments are effective for annual periods beginning on or after 1 January 2009.

IFRS 3
On 10 January 2008, the IASB published a revised IFRS 3: Business Combinations and related revisions to IAS 27: Consolidated and Separate Financial Statements, IAS 28: Investments in Associates and IAS 31: Interests in Joint Ventures.

The effective date will be for accounting periods beginning on or after 1 July 2009.

The standard brings about the following pertinent changes:

- acquisition-related costs are to be recognised as period expenses in accordance with the appropriate IFRS;
- the standard changes the recognition and measurement principles related to step acquisitions;
- IFRS 3 has an explicit option available on a transaction-by-transaction basis, to measure any non-controlling interest in the entity acquired either at fair value or at the non-controlling interest's proportionate share of the net identifiable assets of the entity acquired; and
- IFRS 3 permits very few subsequent changes to the contingent consideration and only as a result of additional information about facts and circumstances that existed at the acquisition date. All other changes are recognised in profit or loss.

IFRS 8
IFRS 8: Operating Segments replaces IAS 14: Segment Reporting. IFRS 8 requires an entity to report financial and descriptive information about its reportable segments, which are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

IFRS 8 requires the amount reported for each segment item to be the measure reported to the chief operating decision maker for the purposes of allocating resources to that segment and assessing its performance. The group will adopt IFRS 8 on 1 March 2009 and is still considering the impact thereof. It will most likely change the current segmental disclosure in the annual financial statements.

IFRIC 12
The Interpretation addresses the accounting by private sector operators involved in the provision of public sector infrastructure assets and services, such as schools and roads. The Interpretation states that for arrangements falling within its scope (essentially those where the infrastructure assets are not controlled by the operator), the infrastructure assets are not recognised as property, plant and equipment of the operator.

IFRIC 12: Service Concession Arrangements will be effective for financial periods beginning 1 January 2008.

IFRIC 13
IFRIC 13: Customer Loyalty Programmes addresses accounting by entities that grant loyalty award credits (such as "points" or travel miles) to customers who buy other goods or services. Specifically, it explains how such entities should account for their obligations to provide free or discounted goods or services ("awards") to customers who redeem award credits. IFRIC 13 is effective for annual periods beginning on or after 1 July 2008.

IFRIC 14
In many countries, laws or contractual terms require employers to make minimum funding payments for their pension or other employee benefit plans. This enhances the security of the retirement benefit promise made to members of an employee benefit plan. IFRIC 14: IAS19: The Limit of a Defined Benefit Asset, Minimum Funding Requirements and their Interaction addresses the interaction between a minimum funding requirement and the limit placed by paragraph 58 of IAS 19 on the measurement of the defined benefit asset or liability. IFRIC 14 is effective for annual periods beginning on or after 1 January 2008.

Impact on Group
Management assessed the Standards and Interpretations and do not believe that any of these will have a material impact on the results of the group in future periods, except for some additional and amended disclosures.

Standards and Interpretations Effective in the Current Period
In the current year the group has adopted IFRS 7: Financial Instruments: Disclosures, which is effective for annual reporting periods beginning on or after 1 January 2007, and the consequential amendments to IAS1: Presentation of Financial Statements. The impact of the adoption of IFRS 7 and the changes to IAS 1 has been to expand the disclosures in these financial statements regarding the group's financial instruments and management of capital (refer note 31).

Five Interpretations issued are also effective for the current period. These are IFRIC 7: Applying the Restatement Approach under IAS 29: Financial Reporting in Hyperinflationary Economies, IFRIC 8: Scope of IFRS 2, IFRIC 9: Reassessment of Embedded Derivatives, IFRIC 10: Interim Financial Reporting and Impairment, and IFRIC 11: IFRS 2: Group and Treasury Share Transactions. The adoption of these Interpretations has not led to any changes to the group's accounting policies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) on a basis consistent with the prior year. The financial statements have been prepared on the historical costs basis, except for the revaluation of certain financial instruments, which are stated at fair value or amortised cost, as applicable. The principal accounting policies adopted are set out below. All subsidiaries, joint ventures and other entities controlled by the company complied with these accounting policies.

Basis of Consolidation
The consolidated annual financial statements incorporate the annual financial statements of the company, its subsidiary companies and the Datacentrix Holdings Share Trust, all of which are controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The operating results of subsidiary companies are included from the effective dates of acquisition, up to the effective dates of disposal. All inter-company transactions and balances have been eliminated on consolidation. Premiums that arise on the acquisition of subsidiary companies and any excess of the net assets of a subsidiary company over the cost of acquisition are treated in terms of the group's accounting policy for goodwill and negative goodwill.

Business Combinations
The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3: Business Combinations are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measure at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Interest in Joint Ventures
A joint venture is a contractual arrangement whereby the group and other parties undertake an economic activity that is subject to joint control; that is when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control. The consolidated financial statements incorporate the assets, liabilities, income and expenses of joint ventures using the equity method, applying the group's accounting policies. The most recent annual financial statements of joint ventures are used. Losses of joint ventures in excess of the group's interests are not recognised unless there is a binding obligation to contribute to the losses.

Where a group entity transacts with a jointly controlled entity of the group, unrealised profits and losses are eliminated to the extent of the group's interests in the jointly controlled entity.

Property and Equipment
All items of property and equipment, except for land which is stated at cost, are stated at original cost less accumulated depreciation and any impairment losses. Depreciation is charged so as to write-off the cost of assets over their estimated useful lives to their residual values, using the straight-line method. Depreciation commences when the assets are ready for their intended use.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Computer equipment utilised in large enterprise outsourcing contracts are depreciated over the term of the contract to their residual values. When the recoverable amount of an asset has declined below its carrying amount, the carrying amount is reduced to reflect the decline in value. In determining the recoverable amount of assets, expected future cash flows are discounted to their present values.

A gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income. Loose tool replacements are written-off as an expense in the year in which the expense is incurred, and are shown at a nominal value in the balance sheet.

Non-Current Assets Held for Sale
Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as being met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

Impairment of Assets
At each reporting date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Goodwill is reviewed for impairment on an annual basis, regardless of whether there are any indicators of impairment or more frequently when there is an indication that the cash generating unit to which it belongs may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash generating unit to which the asset belongs. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, its carrying amount is reduced to

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of Assets (continued)

its recoverable amount. Impairment losses are recognised in the income statement. It is first allocated to reduce the carrying amount of goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis.

Other than for goodwill, where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount. This is done so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in the income statement.

A cash generating unit within the group is the smallest identifiable group of assets that generates cash flows that are largely independent of the cash inflows from other assets or groups of assets.

Intangible Assets

Goodwill and Negative Goodwill
Goodwill and negative goodwill represents the excess or shortfall of the cost of acquisition of the group's interest over the fair value of the identifiable assets and liabilities of a division, subsidiary, associate or jointly controlled entity at the date of acquisition.

All business combinations are accounted for by applying the purchase method. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash generating units and tested annually for impairment. A recognised impairment loss is never reversed in a subsequent period.

Negative goodwill arising on an acquisition is recognised directly in income. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Software
All items of software are stated at original cost less accumulated amortisation and impairment losses. Amortisation is charged so as to write-off the cost of assets over their estimated useful lives to residual values, using the straight-line method.

Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as Lessor
Amounts due from lessees under finance leases are recorded as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as Lessee
Assets held under finance leases are recognised as assets of the group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Taxation
Income taxation expense represents the sum of the taxation currently payable and deferred tax. The charge for current taxation is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using taxation rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding taxation basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction, which affects neither the taxation profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising from investment in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the taxation rates that are expected to apply when the asset is realised or the liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Secondary taxation on companies (STC) is recognised in the year dividends are declared, net of dividends received on which STC credits arise. A taxation asset is recognised on unutilised STC credits when it is probable that such STC credits will be utilised in future.

Inventories
All inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Redundant and slow-moving inventories are identified and written-down with regard to their estimated economic or realisable values.

The net realisable value is determined as the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Financial Instruments
Financial assets and financial liabilities are recognised on the balance sheet when the group becomes a party to the contractual provisions of the instrument.

Financial Assets
Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets at 'fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective Interest Method
The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL.

***Financial Assets at* FVTPL**
Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.
A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39: Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in note 31.

AFS *Financial Assets*
Unlisted shares and listed redeemable notes held by the group that are traded in an active market are classified as being AFS and are stated at fair value. Fair value is determined in the manner described in note 31. Gains and losses arising from changes in fair value are recognised directly in equity in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in profit or loss for the period. Dividends on AFS equity instruments are recognised in profit or loss when the group's right to receive the dividends is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the balance sheet date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in equity.

Loans and Receivables
Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Assets (continued)

Impairment of Financial Assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For unlisted shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable notes classified as AFS and finance lease receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 45 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of AFS equity securities, impairment losses previously recognised through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

Derecognition of Financial Assets
The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial Liabilities and Equity Instruments issued by the Group

Classification as Debt or Equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities
Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial Liabilities at FVTPL
Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.
A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is a part of an identified portfolio of financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39: Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability. Fair value is determined in the manner described in note 31.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Liabilities and Equity Instruments issued by the Group (continued)

Financial Liabilities (continued)

Other Financial Liabilities
Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of Financial Liabilities
The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or they expire.

Derivative Financial Instruments
The group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in note 31.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Embedded Derivatives
Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

Fair Value Hedges
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the line of the income statement relating to the hedged item.

Revenue
Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and value-added taxation. Revenue is recognised only when it is probable that the economic benefits associated with a transaction will flow to the group and the amount of revenue can be measured reliably.

Sale of goods is recognised when goods are delivered and title has passed.

The group generates revenue both as a principal and an agent. The group sells certain licences on behalf of software developers and recognises revenue as the difference between the gross sales price to the client and the gross cost paid to the licence provider. For all other classes of revenue the group generates revenue as a principal.

Revenue derived from services rendered relates to service and maintenance contracts taken out over a 12 to 36 month period. The revenue, which is deferred, is recognised over the period of the contract.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Foreign Currencies
Transactions in currencies other than South African Rands are initially recorded at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates ruling on the balance sheet date. Profit and losses arising on exchange are dealt with in profit or loss.

Retirement Benefits
Payments to defined contribution retirement plans are charged as an expense as they fall due.

Provisions
Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date taking into account the risks and uncertainties surrounding the obligation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Finance Costs
All finance costs are recognised in profit or loss in the period in which they are incurred.

Related Party Transactions
The company does not have a single controlling shareholder. All subsidiaries of the group are related parties. A list of major subsidiaries is included in note 15. Transactions with directors and other key management personnel are disclosed in notes 3 and 35.

Employee Benefits
Options are granted to employees and directors in terms of equity compensation plans at fair value of the company's shares at the date of granting the options. When exercised at a later date, shares are issued at the option value.

Any losses or profits incurred by the group or the Datacentrix Holdings Share Trust on the exercise of options by employees are accounted for against share premium. Shares held by the trust are treated as treasury shares. Any potential losses that could be incurred by the trust where vested options are immediately exercisable are booked against share premium. Potential losses or profit on vested options exercisable at future dates or profits on options exercisable immediately are disclosed by way of a note.

Share-Based Payments
The group issues equity-settled payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined with the binomial model at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest and adjusted for the effect of non-market vesting conditions.

The expected life used in the binomial model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Critical Judgements in Applying the Group's Accounting Policies
In the process of applying the group's accounting policies, which are described earlier in this note, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements:

Revenue Recognition
Note 4 sets out the different types of revenue recognised for the businesses of Infrastructure and Related Services and the Solutions business. In making its judgement of how to treat the revenue of the various transactions, management considered the detailed criteria for the recognition of revenue from the sale of goods and services, set out in IAS 18: Revenue, and in particular, whether the group had transferred to the buyer the significant risks and rewards of ownership of the goods.

Key Sources of Estimation Uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of Goodwill
Determining whether goodwill is impaired requires an estimation of the value in use of cash generating units to which goodwill has been allocated. The value in use requires the group to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date was R15,596 million (2007: R15,596 million) with no impairment losses in the current financial year.

Useful Lives and Residual Values of Assets
Useful lives and residual values of assets are reviewed at least once a year, at year-end. Management is of the opinion that the useful lives and residual values of the assets currently carried are in line with industry norms. Refer to note 11 for details.

Inventory Carried at Net Realisable Value
The net realisable value of inventory represents the estimated selling price in the current market at balance sheet date. The group provides for the amount, which the cost of inventory is higher than the net realisable value multiplied by the units of stock on hand at balance sheet date. No such provision was required in the current year.

Leave Pay Provision
The leave pay provision relates to possible vesting leave pay to which employees may become entitled upon leaving the employment of the group. The provision arises as employees render a service that increases their entitlement to future compensated leave and is calculated based on an employee's total cost of employment. The provision is utilised when employees become entitled to and are paid for the accumulated leave pay or utilise compensated leave due to them.

Provision for Bad Debts
The provision to bad debts relates to possible recoverability and ageing issues regarding specific debtors. These are analysed on a one-on-one basis.

Fair Value of Financial Instruments
As described in note 31, the directors used their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. For derivative financial instruments assumptions are made based on quoted market rates adjusted for specific features of the instrument. Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates.

3. DIRECTORS

The directors in office at the date of this report were as follows:

Executive:
Ahmed Mahomed (CEO), Elizabeth Naidoo (CFO)

Non-Executive:
Gary Morolo (Chairman), Alwyn Martin, Dudu Nyamane, Joan Joffe, Israel Skosana

Appointments and Resignations During the Year
Stewart Barker resigned in August 2007 and Imogen Mkhize, a non-executive director resigned from the board on 29 February 2008. Gerhard Uys retired at the end of February 2008. Dudu Nyamane was appointed to the board on 14 April 2008 as an independent, non-executive director. She will also be a member of the Human Resources and Remuneration Committee.

Restraint of Trade Agreements and Long-Term Employment Contracts
Both executive directors and most members of senior management are bound by restraint of trade agreements.

Directors' Remuneration (all regarded as short-term employee benefits)

Executive Directors 2008	Salaries R'000	Bonuses R'000	Bonus in lieu of options R'000	Benefits R'000	Retirement contributions R'000	Total R'000
Gerhard Uys*	**1 809**	**2 965**	**-**	**44**	**230**	**5 048**
Ahmed Mahomed	**1 616**	**1 483**	**-**	**-**	**203**	**3 302**
Stewart Barker**	**581**	**452**	**-**	**22**	**68**	**1 123**
Elizabeth Naidoo	**1 222**	**777**	**-**	**29**	**135**	**2 163**
Total	**5 228**	**5 677**	**-**	**95**	**636**	**11 636**
2007						
Gerhard Uys	1 707	2 488	#6 775	47	216	11 233
Klaas Lammers	1 707	2 488	#6 775	47	216	11 233
Ahmed Mahomed	1 297	1 405	-	-	162	2 864
Charl Joubert	850	579	-	25	130	1 584
Stewart Barker	904	977	-	35	115	2 031
Elizabeth Naidoo	891	590	-	31	115	1 627
Total	7 356	8 527	13 550	185	954	30 572

* Retired 29 February 2008
** Resigned 31 August 2007
\# Paid with respect to 2002, 2003 and 2005
No current or retired director receives a pension funded by the group.

Non-Executive Directors - Fees for Services as Directors	Total 2008 R'000	2007 R'000
Gary Morolo	**625**	#7 400
Joan Joffe	**223**	130
Christoff Botha*	**-**	125
Alwyn Martin	**190**	168
Israel Skosana	**215**	30
Imogen Mkhize**	**239**	165
Total	**1 492**	8 018

\# Gary Morolo has an interest in major shareholder Aka Capital (Proprietary) Limited and accordingly the fees were paid to this company. His fees for 2007 included an amount of R6,775 million relating to a bonus in terms of executive options from prior years.
* Resigned October 2006
** Resigned February 2008

3. DIRECTORS (continued)

Directors' Shareholding

Executive Directors	2008 Beneficial Direct	2008 Beneficial Indirect	2007 Beneficial Direct	2007 Beneficial Indirect
Gerhard Uys	**6 053 031**	**-**	14 053 031	-
Stewart Barker	**84 141**	**-**	24 141	-
Ahmed Mahomed	**36 000**	**-**	36 000	-
Total	**6 173 172**	**-**	14 113 172	-

Non-Executive Directors	2008 Non-beneficial Indirect	2008 Beneficial Direct	2008 Beneficial Indirect	2007 Non-beneficial Indirect	2007 Beneficial Direct	2007 Beneficial Indirect
Joan Joffe	**-**	**502 685**	**-**	-	502 685	-
Gary Morolo	**61 152 467**	**-**	**20 000 000**	61 152 467	-	20 000 000
Total	**61 152 467**	**502 685**	**20 000 000**	61 152 467	502 685	20 000 000

Gary Morolo is a shareholder in and director of major shareholder Aka Capital (Proprietary) Limited (Co-ordinated Network Investments (Proprietary) Limited and Eglin Investments Number 31 (Proprietary) Limited). There has been no change in shareholding up to date of these financial statements.

Executive Directors' Share Options
Share option allocations are considered and recommended by the board and approved by the Human Resources and Remuneration Committee.

	Number of options 28/02/2007	New options allocated during the year	Expired, sold or lapsed during the year	Number of options 29/02/2008	Option price	Granting date	Value of all options in total R
Ahmed Mahomed	750 000	-	-	**750 000**	R1.00	01/01/2002	**750 000**
	1 750 000	-	-	**1 750 000**	R3.43	02/10/2006	**6 002 500**
Elizabeth Naidoo	250 000	-	(125 000)	**125 000**	R1.00	08/01/2002	**125 000**
	1 000 000	-	-	**1 000 000**	R3.43	02/10/2006	**3 430 000**
Stewart Barker	25 000	-	(25 000)	**-**	R1.00	01/03/2002	**-**
	3 775 000	**-**	**(150 000)**	**3 625 000**			**10 307 500**

Conditions and exercise periods are set out in the Datacentrix Holdings Share Trust Deed.

4. REVENUE

An analysis of the group's revenue for the year is as follows:

	Group 2008 R'000	2007 R'000
Sale of goods	**1 144 384**	1 038 922
Services rendered	**177 617**	135 704
Commission income - sale of licenses	**24 970**	27 278
	1 346 971	1 201 904

5. INCOME FROM INVESTMENTS

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Interest on bank deposits	12 632	9 927	8	5
Interest received from other institutions	-	157	-	-
Dividends received from subsidiaries	-	-	70 000	114 586
	12 632	10 084	70 008	114 591

6. FINANCE COSTS

Interest paid to other institutions	(3 495)	(334)	-	-

7. PROFIT BEFORE TAXATION

Profit before taxation for the year has been arrived at after charging (crediting):

	Group	
	2008 R'000	2007 R'000
Auditors' remuneration		
- audit fees	1 800	1 600
- fees for other services (taxation and advisory services)	347	80
	2 147	1 680
Net foreign exchange loss (gains)	1 785	(633)
Depreciation of property and equipment	9 456	9 069
Total employee benefits expense	223 525	202 988
Operating lease payments - properties	5 833	5 222
Retirement fund contributions (included in employee benefits expense)	15 718	13 624
Amortisation of software	698	401
Impairment of goodwill	-	661
(Profit) loss on disposal of property and equipment		
- other assets	(74)	21

8. INCOME TAXATION EXPENSE

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Taxation charge				
SA normal taxation - current year	56 982	35 648	4	75
SA normal taxation - prior year	133	2 691	77	-
Deferred tax - current year	(9 357)	1 804	-	-
Deferred tax - prior year	(15)	(3 647)	-	-
Rate change adjustment	826	-	-	-
Share of joint venture company taxation	-	(77)	-	(77)
Secondary taxation on companies	5 645	9 494	5 645	9 494
	54 214	45 913	5 726	9 492

SA normal income taxation is calculated at 29% (2007: 29%) of the estimated assessable profit for the year. Secondary taxation on companies is calculated at 12.5% and 10% as from 1 October 2007 (2007: 12.5%) on the net dividends payable. The company elected to only pay secondary taxation on dividends declared by the company and not its subsidiaries. Deferred taxation is calculated at 28% (2007: 29%) following the change in rate announced on 21 February 2008.

	%	%	%	%
Reconciliation of rate of taxation				
Taxation at statutory rate	29.0	29.0	29.0	29.0
Expenses not allowed for taxation	1.7	1.0	(29.0)	(29.0)
Rate change adjustment	0.5	-	-	-
Secondary taxation on companies	3.6	7.6	8.1	8.3
Prior year under provision	(0.1)	(0.8)	0.1	-
Effective taxation rate for the year	34.7	36.8	8.2	8.3

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the company is based on the following data:

	Group	
	2008 R'000	2007 R'000
Earnings for the purpose of earnings per share	101 865	78 270
Number of shares		
Weighted average number of ordinary shares for the purposes of earnings per share	195 784 991	195 654 991
Effect of dilutive potential ordinary shares: Share options	3 849 315	3 980 324
Weighted average number of ordinary shares for the purposes of diluted earnings per share	199 634 306	199 635 315
Earnings per share (cents)		
Basic	52.0	40.0
Diluted	51.0	39.2
Headline earnings for the purposes of headline earnings per share		
Earnings attributable to ordinary shareholders	101 865	78 270
Impairment of goodwill	-	661
(Profit) loss on disposal of assets	(74)	21
Headline earnings for the purposes of basic and diluted headline earnings per share	101 791	78 952
Number of shares		
Weighted average number of ordinary shares for the purposes of headline earnings per share	195 784 991	195 654 991
Effect of dilutive potential ordinary shares: Share options	3 849 315	3 980 324
Weighted average number of ordinary shares for the purposes of diluted headline earnings per share	199 634 306	199 635 315

9. EARNINGS PER SHARE (continued)

	Group 2008 R'000	Group 2007 R'000
Headline earnings per share (cents)		
Basic	52.0	40.4
Diluted	51.0	39.5
Net asset value per share		
Net asset value per share is calculated by dividing the ordinary shareholders equity by the issued share capital at year-end.		
Number of shares		
Weighted average number of shares (net of shares held by the Datacentrix Holdings Share Trust)	195 784 991	195 654 991
Net asset value		
Ordinary shareholders equity	294 476	248 468
Net asset value (adjusted for treasury shares) per share (cents)	150.4	127.0
Tangible net asset value		
Tangible net asset value per share is calculated by dividing the ordinary shareholders equity, less intangibles, by the issued share capital at year-end.		
Number of shares		
Weighted average number of shares (net of shares held by the Datacentrix Holdings Share Trust)	195 784 991	195 654 991
Net asset value		
Ordinary shareholders equity	294 476	248 468
Adjustment: less intangible assets	17 740	16 463
Tangible net asset value	276 736	232 005
Tangible net asset value (adjusted for treasury shares) per share (cents)	141.4	118.6

10. DIVIDEND AND PROPOSED DIVIDEND

On 7 May 2007 a dividend of 13.2 cents per share was paid to shareholders. In respect of the current year, the directors declared an interim dividend of 11.0 cents, and declared a final normal dividend of 15.0 cents, which is two times headline earnings per share cover, as per the policy. This brings the dividend to a total of 26.0 cents declared for the full year. This dividend has not been included as a liability in these financial statements.

The proposed dividend for 2008 is payable to all shareholders on the Register of Members on 5 May 2008. The total estimated dividend to be paid is R30,584,587. This will bring the total dividend payment for the year to R50,895,500.

11. PROPERTY AND EQUIPMENT - GROUP ONLY

2008	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
COST				
Land	1 915	-	-	1 915
Buildings	13 548	-	-	13 548
Motor vehicles	1 195	511	(184)	1 522
Furniture and fittings	4 175	367	(7)	4 535
Computer equipment	10 257	6 163	(625)	15 795
Office equipment	2 772	310	-	3 082
Spare parts	16 379	5 442	(5 162)	16 659
Leasehold improvements	997	44	-	1 041
Total	51 238	12 837	(5 978)	58 097

11. PROPERTY AND EQUIPMENT - GROUP ONLY (continued)

2008	Opening balance R'000	Depreciation R'000	Disposals R'000	Closing balance R'000
ACCUMULATED DEPRECIATION				
Land	-	-	-	-
Buildings	249	-	-	249
Motor vehicles	744	167	(46)	865
Furniture and fittings	3 149	500	(7)	3 642
Computer equipment	6 164	3 089	(561)	8 692
Office equipment	2 141	473	-	2 614
Spare parts	7 729	5 184	(3 927)	8 986
Leasehold improvements	988	43	-	1 031
Total	21 164	9 456	(4 541)	26 079

2007	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
COST				
Land	1 915	-	-	1 915
Buildings	13 548	-	-	13 548
Motor vehicles	1 117	316	(238)	1 195
Furniture and fittings	3 768	519	(112)	4 175
Computer equipment	24 930	3 308	(17 981)	10 257
Office equipment	2 608	168	(4)	2 772
Spare parts	15 560	4 080	(3 261)	16 379
Leasehold improvements	997	-	-	997
Total	64 443	8 391	(21 596)	51 238

2007	Opening balance R'000	Depreciation R'000	Disposals R'000	Closing balance R'000
ACCUMULATED DEPRECIATION				
Land	-	-	-	-
Buildings	249	-	-	249
Motor vehicles	806	151	(213)	744
Furniture and fittings	2 652	606	(109)	3 149
Computer equipment	21 211	2 802	(17 849)	6 164
Office equipment	1 577	568	(4)	2 141
Spare parts	5 895	4 790	(2 956)	7 729
Leasehold improvements	836	152	-	988
Total	33 226	9 069	(21 131)	21 164

	Group 2008 R'000	Group 2007 R'000
NET BOOK VALUE AND DEPRECIATION RATES APPLIED		
Land	1 915	1 915
Buildings (5%)	13 299	13 299
Motor vehicles (25%)	657	451
Furniture and fittings (16.7%)	893	1 026
Computer equipment (33.3%)	7 103	4 093
Office equipment (15% to 33.3%)	468	631
Spare parts (33.3%)	7 673	8 650
Leasehold improvements (period of lease)	10	9
Total	32 018	30 074

11. PROPERTY AND EQUIPMENT - GROUP ONLY (continued)

Land comprises stand number 865 Kosmosdal, Extension 11, Gauteng with buildings and additions thereon at additional costs. The register of land and buildings is open for inspection at the registered office of the company.

Computer equipment includes an amount of R3,664,000 cost (2007: Rnil) and R1,095,000 accumulated depreciation (2007: Rnil) in relation to printers used within our Managed Print Services business on client premises.

12. GOODWILL

	Group	
	2008 R'000	2007 R'000
Carrying amount at the beginning of the year	**15 596**	16 257
Goodwill at acquisition	**24 114**	24 114
Accumulated impairments	**(8 518)**	(7 857)
Impairment recognised during the year	**-**	(661)
Carrying amount at the end of the year	**15 596**	15 596
Goodwill at acquisition net of amortisation and disposals	**24 114**	24 114
Accumulated impairments	**(8 518)**	(8 518)

The group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. The calculations were done with reference to the smallest cash generating units being the Johannesburg and Solutions business units respectively. The recoverable amounts of the cash generating units are determined based on value in use. This value in use is determined by means of a discounted cash flow model. Three and five year cash flow forecasts respectively were used to assess this. The key assumptions in the calculations included an average discount rate of 14.5% (2007: 12.5%) and expected volume growth of zero percent. Management considers these rates to be highly conservative.

13. OTHER INTANGIBLE ASSETS - SOFTWARE

Carrying amount at the beginning of the year	**867**	751
Cost	**5 401**	4 884
Amortised to the beginning of the year	**(4 534)**	(4 133)
Additions during the year	**1 975**	520
Disposals during the year	**-**	(3)
Amortisation recognised during the year	**(698)**	(401)
Carrying amount at the end of the year	**2 144**	867
Cost at acquisition	**7 376**	5 401
Amortised to the end of the year	**(5 232)**	(4 534)

The amortisation rate applied was 33.3% (2007: 33.3%).

14. LONG-TERM RECEIVABLES

Amounts receivable under finance leases	**11 405**	6 967
- Short-term portion (within one year) (refer note 19)	**5 146**	2 789
- Long-term portion (after one year)	**6 259**	4 178

The group entered into finance leasing arrangements for certain computer hardware. The average terms of the leases, which were entered into in 2006, are four years. The average effective interest rate is 10% (2007: 10%). This rate is considered to be market related and the fair value of the leases approximates the book values. The rate is fixed at the contract date, which exposes the group to fair value interest rate risk. Monthly instalments amount to R280,000 (2007: R280,000).

An amount of R10.9 million was prepaid to Hewlett Packard in respect of a desktop management outsource arrangement with the South African Breweries. This cost will be recovered over the period of the contract of 48 months. Six months have passed and there is a remaining period of 42 months to recover this cost against future billings.

The group also financed an amount of R450,000 in respect of software and equipment for Pride Milling, a solutions outsource client.

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2008 R'000	2007 R'000
Shares at cost	**22 313**	22 313
Amount owing by subsidiary companies	**61 827**	43 464
	84 140	65 777

Name of subsidiary *Principal activity*	Issued share capital 2008 R'000	Issued share capital 2007 R'000	Effective percentage held 2008 %	Effective percentage held 2007 %	Shares at cost 2008 R'000	Shares at cost 2007 R'000	Net receivable 2008 R'000	Net receivable 2007 R'000
Datacentrix (Proprietary) Limited *IT infrastructure and related services*	**2**	2	**100**	100	**10 857**	10 857	**52 955**	34 592
Datacentrix Solutions (Proprietary) Limited *Business solutions*	**200**	200	**100**	100	**9 799**	9 799	**8 872**	8 872
Datacentrix Infrastructure Optimisation (Proprietary) Limited *Dormant*	**22 220**	22 220	**100**	100	**1 657**	1 657	**-**	-
Dezzo Trading (Proprietary) Limited *Dormant*	**100**	100	**100**	100	**-**	-	**-**	-
E-centrix (Proprietary) Limited *Dormant*	**100**	100	**100**	100	**-**	-	**-**	-
Datacentrix Properties (Proprietary) Limited* *Property*	**100**	100	**100**	100	**-**	-	**-**	-
Styleprops Services 18 (Proprietary) Limited* *Dormant*	**100**	100	**100**	100	**-**	-	**-**	-
Datacentrix Outsourcing (Proprietary) Limited *Dormant*	**100**	100	**100**	100	**-**	-	**-**	-
Dirigible IT (Proprietary) Limited* *Dormant*	**100**	100	**100**	100	**-**	-	**-**	-
					22 313	22 313	**61 827**	43 464

* Indirect holding i.e. through a subsidiary

The interest of the group in the net income (loss) of its subsidiary companies and special purpose entity is:

	Group	
	2008 R'000	2007 R'000
Datacentrix (Proprietary) Limited	**92 630**	74 397
Datacentrix Solutions (Proprietary) Limited	**15 348**	13 849
Datacentrix Holdings Share Trust	**-**	398
Datacentrix Properties (Proprietary) Limited	**(40)**	1
	107 938	88 645

16. DEFERRED TAX ASSETS

	Group 2008 R'000	Group 2007 R'000
Trademarks	-	508
Provisions, forward exchange contract and lease liabilities	**9 410**	7 471
Property and equipment	**3 871**	2 923
Calculated taxation loss	**254**	119
Rate change adjustment	**(827)**	-
Prepayments and restraint of trade payments	**7**	210
Deferred revenue on long-term contracts and finance leases	**10 453**	3 351
	23 168	14 582
Movement in deferred tax:		
Carrying amount at the beginning of the year	**14 582**	12 739
Movement in:		
Trademarks	**(508)**	(507)
Provisions, forward exchange contract and lease liabilities	**1 939**	4 374
Property and equipment	**948**	740
Calculated taxation loss	**135**	119
Rate change adjustment	**(827)**	-
Prepayments and restraint of trade payments	**(203)**	(159)
Deferred revenue on long-term contracts and finance leases	**7 102**	(2 724)
Carrying amount at the end of the year	**23 168**	14 582

The taxation effects of temporary timing differences of the company and subsidiary companies resulted in deferred tax assets. It is probable that future taxable income will be sufficient to allow the taxation benefit to be realised.

17. LOAN TO SHARE TRUST

	Company 2008 R'000	Company 2007 R'000
Loan to Datacentrix Holdings Share Trust	**6 627**	6 627

The loan is unsecured, interest-free and there are no fixed terms of repayment. Refer to note 21 for details in respect of the share trust.

18. INVENTORIES

	Group 2008 R'000	Group 2007 R'000
Finished goods	**3 676**	3 595
Work in progress	**4 449**	5 806
Consumables	**2 851**	-
	10 976	9 401

Consumables stock relates to cartridges, which are supplied by our Managed Print Services business unit to clients. It was not necessary to adjust any inventories to net realisable value.

19. TRADE AND OTHER RECEIVABLES

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Trade receivables	**229 621**	204 922	**-**	-
Short-term portion of long-term receivables (refer note 14)	**5 146**	2 789	**-**	-
Other receivables	**1 705**	1 095	**136**	336
	236 472	208 806	**136**	336

The average credit period on sales of goods is 60 days. No interest is charged on the trade receivables. Trade receivables are provided for based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience. There has historically been very limited bad debt due to the spread and quality of clients. No provision was raised in the current or prior year.

Before accepting any new client, the group checks bank and trade references to assess the potential client's credit quality and defines credit limits by client. Of the trade receivables balance at the end of the year, R10 million (2007: R29 million) is due from the group's largest client (see note 31). There are no other clients who represent more than 5% of the total balance of trade receivables.

Included in the group's trade receivable balance is debtors with a carrying amount of R7 million (2007: R8 million), which is past due at the reporting date for which the group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The group does not hold any collateral over these balances. The average age of these receivables is 55 days (2007: 57 days).

20. CASH AND CASH EQUIVALENTS

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Bank balances and cash	**221 896**	173 841	**120**	9

The group had no overdrawn bank accounts at year-end and therefore no off-setting of bank accounts has occurred on the group's balance sheet. All cash resources are placed with reputable bankers.

21. SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES AND EQUITY-SETTLED SHARE SCHEME RESERVE

Share Capital

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Authorised				
400,000,000 (2007: 400,000,000) ordinary shares of R0,0001 each	**40**	40	**40**	40
Issued				
205,265,683 (2007: 205,265,683) ordinary shares of R0,0001 each	**21**	21	**21**	21

Share Premium

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Carrying amount at the beginning of the year	**40 709**	40 311	**39 280**	39 280
(Loss) profit on sale of treasury shares	**(2 564)**	398	**-**	-
Carrying amount at the end of the year	**38 145**	40 709	**39 280**	39 280
Treasury Shares	**(35 901)**	(25 958)	**-**	-

The number of treasury shares held by the Datacentrix Holdings Share Trust amounts to 9,480,692 (2007: 9,610,692) ordinary shares.

Equity-Settled Share Scheme Reserve

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Carrying amount at the beginning of the year	**8 642**	5 042	**8 642**	5 042
Expensed during the year	**4 030**	3 600	**4 030**	3 600
Carrying amount at the end of the year	**12 672**	8 642	**12 672**	8 642

The share-based payments expense in terms of IFRS 2 has been expensed to the income statement as part of the employee benefits and credited to this equity account.

22. OBLIGATIONS UNDER FINANCE LEASES

	Group	
	2008 R'000	2007 R'000
Amounts payable under finance leases	2 007	4 205
- Short-term portion (within one year) (refer note 24)	2 007	2 198
- Long-term portion (after one year)	-	2 007

The group leased certain computer hardware under finance leases. The average lease term is four years and the leases commenced in the 2006 financial year. The average effective borrowing rate was 10% (2007: 10%). Interest rates are fixed at the contract date and thus expose the group to fair value interest rate risk. All leases are on a fixed repayment basis. The fair value of the leases approximates their carrying amounts. Monthly instalments amounted to R210,000 (2007: R210,000).

23. DEFERRED REVENUE

Carrying amount at the beginning of the year	45 982	33 131
Long-term portion	18 327	15 541
Short-term portion	27 655	17 590
Deferral of revenue during the year	40 886	41 482
Realisation of revenue during the year	(40 336)	(28 631)
Carrying amount at the end of the year	46 532	45 982
Long-term portion	19 327	18 327
Short-term portion	27 205	27 655

Deferred revenue relates to service and maintenance contracts contracted for over a 12 to 36 month period. The related revenue, which has been deferred, is recognised over the period of the contract.

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Trade payables	131 734	90 269	-	-
Short-term portion of finance lease obligations (refer note 22)	2 007	2 198	-	-
Other accruals and payables	31 667	41 176	93	102
	165 408	133 643	93	102

25. PROVISIONS (all short-term in nature)

	Group	
	2008 R'000	2007 R'000
Provision for leave pay		
Carrying amount at the beginning of the year	4 678	4 260
Provision made	1 807	1 997
Provision utilised	(1 428)	(1 579)
Carrying amount at the end of the year	5 057	4 678
Provision for bonus		
Carrying amount at the beginning of the year	13 807	22 351
Provision made	15 938	19 071
Provision utilised	(17 479)	(27 615)
Carrying amount at the end of the year	12 266	13 807
Total		
Carrying amount at the beginning of the year	18 485	26 611
Provision made	17 745	21 068
Provision utilised	(18 907)	(29 194)
Carrying amount at the end of the year	17 323	18 485

25. PROVISIONS (all short-term in nature) (continued)

Provision for Leave Pay
The leave pay provision is based on the number of leave days due to the employees at year-end and their cost to company remuneration. The provision is utilised when employees become entitled to and are paid for the accumulated leave pay or utilised compensated leave due to them.

Provision for Bonus
The provision for bonus consists of a performance based bonus. The bonus payable is fixed by applying a specific formula based on the employee's achievements of performance targets. The employee must be in the service of the group on 28 February to qualify for the bonus.

26. CONTINGENT LIABILITIES, CAPITAL COMMITMENTS AND LITIGATION STATEMENT

The directors of the company are not aware of any legal or arbitration proceedings, pending or threatened against the group, which may have or have had, from 1 March 2008 up to the date of this notice, a material effect on the group's financial position.

The following bank guarantees were in place for subsidiary companies:

- R70,239 (2007: R70,239), R75,524 (2007: R75,524) and R108,000 (2007: Rnil) for rental payments for Datacentrix (Proprietary) Limited, with the beneficiaries respectively being Barrow Properties (Proprietary) Limited, Atlas Properties Limited, and Rosehip Properties 6 (Proprietary) Limited.

There are unlimited cross-suretyships between all the subsidiaries and the company for bank facilities. The group has no material contingent liabilities or capital commitments.

27. OPERATING AND FINANCE LEASE ARRANGEMENTS

Minimum lease payments under operating leases recognised in income for the year. Operating lease payments represent rentals payable by the group for certain of its office properties. At the balance sheet date, the group had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Group	
	2008 R'000	2007 R'000
Within one year	4 447	6 006
In the second to fifth year	5 190	5 283
	9 637	11 289

Operating leases relate to office facilities with lease terms of between one to three years, with an option to extend for a further three years. All operating lease contracts contain market review clauses in the event that the group exercises its option to renew. The group does not have an option to purchase the leased asset at the expiry of the lease period.

At the balance sheet date, the group had outstanding commitments under non-cancellable finance leases payable, which fall due as follows (refer note 22):

Within one year	2 007	2 198
In the second to fifth year	-	2 007
	2 007	4 205

At the balance sheet date, the group had outstanding commitments under non-cancellable finance leases receivable, which fall due as follows (refer note 14):

Within one year	(3 081)	(2 789)
In the second to fifth year	(1 097)	(4 178)
	(4 178)	(6 967)

28. SHARE-BASED PAYMENTS

Equity-Settled Share Option Plan
The group plan provides for a grant price equal to the average quoted market price of the group shares on the date of grant. The vesting period is 12 to 54 months for employees and 12 to 36 months for directors. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options are forfeited if the employee leaves the group before the option vests.

Datacentrix Holdings Limited funds the cash flow of the trust and has the obligation to fund the deficit of the trust on termination. The financial year in which an employee may exercise his/her options are as follows:

Exercise price	2008	2009	2010	2011	2012	2013	Total
92 cents	133 150	-	-	-	-	-	**133 150**
100 cents	1 613 565	-	-	-	-	-	**1 613 565**
125 cents	30 000	-	-	-	-	-	**30 000**
130 cents	92 344	30 781	-	-	-	-	**123 125**
140 cents	125 000	-	-	-	-	-	**125 000**
150 cents	145 100	-	-	-	-	-	**145 100**
170 cents	37 500	2 500	-	-	-	-	**40 000**
200 cents	181 484	57 344	10 547	-	-	-	**249 375**
215 cents	7 500	2 500	-	-	-	-	**10 000**
230 cents	110 000	37 500	2 500	-	-	-	**150 000**
240 cents	42 500	20 000	13 750	3 750	-	-	**80 000**
245 cents	28 125	11 250	5 625	-	-	-	**45 000**
250 cents	115 625	115 625	115 625	115 625	-	-	**462 500**
260 cents	10 313	10 313	10 312	10 312	-	-	**41 250**
270 cents	4 687	3 125	3 125	1 563	-	-	**12 500**
285 cents	3 750	3 750	3 750	3 750	-	-	**15 000**
300 cents	632 766	320 856	309 491	20 312	-	-	**1 283 425**
305 cents	20 000	22 500	22 500	21 250	3 750	-	**90 000**
308 cents	18 750	12 500	12 500	6 250	-	-	**50 000**
310 cents	20 000	20 000	20 000	20 000	-	-	**80 000**
325 cents	27 500	30 000	30 000	30 000	2 500	-	**120 000**
330 cents	6 250	12 500	12 500	12 500	6 250	-	**50 000**
343 cents	971 354	1 026 042	1 026 042	109 375	54 687	-	**3 187 500**
350 cents	10 000	20 000	20 000	20 000	10 000	-	**80 000**
360 cents	-	7 500	7 500	7 500	7 500	-	**30 000**
375 cents	3 750	7 500	7 500	7 500	3 750	-	**30 000**
380 cents	2 500	20 000	20 000	20 000	17 500	-	**80 000**
450 cents	-	22 500	22 500	22 500	22 500	-	**90 000**
460 cents	3 125	6 250	6 250	6 250	3 125	-	**25 000**
479 cents	-	3 125	6 250	6 250	6 250	3 125	**25 000**
480 cents	-	3 125	6 250	6 250	6 250	3 125	**25 000**
485 cents	-	3 125	6 250	6 250	6 250	3 125	**25 000**
486 cents	-	10 000	12 500	12 500	12 500	2 500	**50 000**
490 cents	-	3 750	7 500	7 500	7 500	3 750	**30 000**
495 cents	-	6 875	13 750	13 750	13 750	6 875	**55 000**
499 cents	-	9 375	18 750	18 750	18 750	9 375	**75 000**
500 cents	-	116 250	193 750	193 750	193 750	77 500	**775 000**
520 cents	-	6 875	13 750	13 750	13 750	6 875	**55 000**
530 cents	-	20 625	33 750	33 750	33 750	13 125	**135 000**
533 cents	-	5 000	10 000	10 000	10 000	5 000	**40 000**
550 cents	-	4 375	8 750	8 750	8 750	4 375	**35 000**
	4 396 638	2 015 336	2 013 267	769 687	462 812	138 750	**9 796 490**

28. SHARE-BASED PAYMENTS (continued)

The inputs into the binomial model are as follows for both the current and prior year:

Expected volatility: The historical volatility percentages used, were calculated over the entire period of each grant from listing date of the share.
Expected life: 12 to 54 months
Risk free rate: The zero-coupon bond curve interest rate was used for each grant date in determining this rate.
Expected dividends: A dividend yield of 5%, continuously compounded, was used based on industry averages.

	Group 2008 Shares	Group 2007 Shares
Outstanding at beginning of the year	**12 363 910**	11 855 052
Granted during the year	**1 505 000**	4 635 000
Exercised during the year	**(3 118 983)**	(2 630 892)
Forfeited during the year	**(953 437)**	(1 495 250)
Outstanding at the end of the year	**9 796 490**	12 363 910

The weighted average share price at the date of exercise for share options exercised during the period was R4.78 (2007: R3.40).
Expected volatility was determined by calculating the historical volatility of the group's share price over the previous years since listing. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. The estimated fair value of the options at year-end amounts to R21,793,271 (2007: R26,194,179). The trust has a potential future exposure of Rnil (2007: loss R1,974,940) since the shares owned by the trust are more than the options not yet exercised.

29. RETIREMENT BENEFIT PLANS

The Alexander Forbes Provident Fund with 692 members (2007: 594 members) is a defined contribution fund of which the majority of the group's permanent employees are members. These funds have been registered by the Registrar of Pension Funds and are governed by the Pension Funds Act 24 of 1956. The group does not provide any post-retirement medical benefits to its employees.

30. EVENTS AFTER THE BALANCE SHEET DATE

There are no material events after balance sheet date that requires additional disclosure.

31. FINANCIAL INSTRUMENTS

Capital Risk Management
The group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The group's overall strategy remains unchanged from 2007. There is currently no long-term debt on the balance sheet of the company, except for some finance leases (refer note 22).

Significant Accounting Policies
Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

Categories of Financial Instruments

GROUP 2008	Loans and receivables R'000	Held for trading R'000	Other financial assets R'000	Total R'000	Fair value R'000
Financial assets					
Long-term receivables	**6 259**	**-**	**-**	**6 259**	**6 259**
Trade and other receivables	**236 472**	**-**	**-**	**236 472**	**236 472**
Cash and cash equivalents	**-**	**-**	**221 896**	**221 896**	**221 896**
	242 731	**-**	**221 896**	**464 627**	**464 627**
2007					
Financial assets					
Long-term receivables	4 178	-	-	4 178	4 178
Trade and other receivables	208 806	-	-	208 806	208 806
Cash and cash equivalents	-	-	173 841	173 841	173 841
	212 984	-	173 841	386 825	386 825

31. FINANCIAL INSTRUMENTS (continued)

Categories of Financial Instruments (continued)

GROUP 2008	FVTPL R'000	Other financial liabilities R'000	Total R'000	Fair value R'000
Financial liabilities				
Obligations due under finance leases	-	-	-	-
Trade and other payables	165 408	-	165 408	165 408
	165 408	-	165 408	165 408
2007				
Financial liabilities				
Obligations due under finance leases	-	2 007	2 007	2 007
Trade and other payables	133 643	-	133 643	133 643
	133 643	2 007	135 650	135 650

COMPANY 2008	Loans and receivables R'000	Held for trading R'000	Other financial assets R'000	Total R'000	Fair value R'000
Financial assets					
Loan to share trust and receivables	6 627	-	-	6 627	6 627
Trade and other receivables	136	-	-	136	136
Cash and cash equivalents	-	-	120	120	120
	6 763	-	120	6 883	6 883
2007					
Financial assets					
Loan to share trust and receivables	6 627	-	-	6 627	6 627
Trade and other receivables	336	-	-	336	336
Cash and cash equivalents	-	-	9	9	9
	6 963	-	9	6 972	6 972

COMPANY 2008	FVTPL R'000	Other financial liabilities R'000	Total R'000	Fair value R'000
Financial liabilities				
Trade and other payables	93	-	93	93
	93	-	93	93
2007				
Financial liabilities				
Trade and other payables	102	-	102	102
	102	-	102	102

Financial Risk Management Objectives
The group's financial function provides services to the business and co-ordinates access to domestic and international financial markets. The Executive Committee monitors and manages the financial risks relating to the operations of the group through monthly analysis reports, which analyses risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The group seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

31. FINANCIAL INSTRUMENTS (continued)

Market Risk
The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The group only enters into derivative financial instruments to manage its exposure to foreign currency risk; being forward foreign exchange contracts to hedge the exchange rate risk arising on the import of electronic equipment.

Market risk exposures are measured using sensitivity analysis. There has been no change to the group's exposure to market risks or the manner in which it manages and measures the risk.

Foreign Currency Risk Management
The group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

Forward Foreign Exchange Contracts
It is the policy of the group to enter into forward foreign exchange contracts to cover all foreign currency payments and receipts within 100% of the exposure generated.

Foreign exchange contracts are entered into for most transactions as frequent purchases are made from foreign entities. On short-term contracts, currency fluctuations are passed onto clients. Limited currency risks related to long-term contracts exist. At balance sheet date, the group held no foreign denominated cash balances.

2008	Foreign currency amount R'000	Spot rate	R'000	Fair value R'000
US Dollars	1 076	7.72	8 308	8 322
Euro	139	11.72	1 629	1 637
			9 937	9 959
2007				
US Dollars	1 119	7.33	8 202	8 214
Euro	21	9.67	203	202
			8 405	8 416

Foreign Currency Sensitivity
The US Dollar is the primary currency to which the group is exposed. The following table indicates the group's sensitivity at year-end to the indicated movements in the US Dollar on financial instruments excluding forward foreign exchange contracts. The rates of sensitivity are the rates used when reporting the currency risk to the group and represents management's assessment of the possible change in the reporting foreign currency exchange rates.

2008	USD 1: R7.00	R7.72	R8.50	R9.30
Forex (loss) profit	(1 829)	(2 017)	(2 221)	(2 430)
Forward exchange contracts	(1 862)	(2 053)	(2 260)	(2 473)
Creditors	33	36	40	43
2007	**USD 1: R6.60**	**R7.33**	**R8.00**	**R8.80**
Forex profit	504	560	611	673
Forward exchange contracts	495	550	600	661
Creditors	9	10	11	12

2008	Euro 1: R10.60	R11.72	R12.90	R14.00
Forex profit	209	232	255	277
Forward exchange contracts	91	101	111	121
Creditors	118	131	144	156
2007	**Euro 1: R8.70**	**R9.67**	**R10.60**	**R11.60**
Forex profit	66	73	80	87
Forward exchange contracts	29	32	35	38
Creditors	37	41	45	49

31. FINANCIAL INSTRUMENTS (continued)

Interest Rate Risk Management
The group is not exposed to any interest rate risk as it has no debt, other than the finance lease, refer note 22.

Credit Risk Management
Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the group. The group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of clients, spread across diverse industries. The group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Except as detailed in the following table, the carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The group has the following amounts due from major clients:

2008	Number of clients	Value R'000	%
Greater than R5 million	9	69 805	30
Greater than R2 million but less than R5 million	18	54 717	24
Less than R2 million	373	105 099	46
	400	229 621	100
2007			
Greater than R5 million	4	71 450	35
Greater than R2 million but less than R5 million	10	32 761	16
Less than R2 million	356	100 711	49
	370	204 922	100

Liquidity Risk
Liquidity risk is mainly attributable to the trade and other payables, but current cash and cash equivalents are sufficient to ensure payment of these balances.

32. SHAREHOLDER ANALYSIS

The analysis excludes shares deemed to be issued (refer to note 21).

Major Shareholders (over 5% holding)	2008 Number of shares	%	2007 Number of shares	%
Aka Capital (Proprietary) Limited [Co-ordinated Network Investments (Proprietary) Limited and Eglin Investments Number 31(Proprietary) Limited]	81 152 467	40	81 152 467	40
Nedbank Group	22 177 719	11	22 177 719	11
Gerhard Uys	6 053 031	3	14 053 031	7
Klaas Lammers	1 187 469	1	7 553 030	4
Other directors, management and staff	2 477 226	1	6 333 218	3
Datacentrix Holdings Share Trust	9 480 692	5	9 610 692	5
General public and corporate investors				
- Investec	25 621 481	12	28 861 502	14
- Coronation	1 017 796	1	6 637 128	3
- Other	56 097 802	26	28 886 896	13
Total	205 265 683	100	205 265 683	100

32. SHAREHOLDER ANALYSIS (continued)

2008	Number of shareholders	%	Number of shares	%
1 to 10 000 shares	1 296	82	3 597 826	2
10 0001 to 50 000 shares	152	10	3 781 712	2
50 001 to 100 000 shares	29	2	2 279 522	1
100 001 to 500 000 shares	54	3	14 108 958	7
500 001 to 1 000 000 shares	20	1	14 435 724	7
1 000 001 shares and over	25	2	167 061 941	81
Total	1 576	100	205 265 683	100
2007				
1 to 10 000 shares	630	76	2 091 862	1
10 0001 to 50 000 shares	111	13	2 650 440	1
50 001 to 100 000 shares	19	2	1 488 283	1
100 001 to 500 000 shares	31	4	8 315 081	4
500 001 to 1 000 000 shares	16	2	11 611 166	6
1 000 001 shares and over	26	3	179 108 851	87
Total	833	100	205 265 683	100

33. BORROWING POWERS OF THE COMPANY AND ITS SUBSIDIARIES

The borrowing powers of Datacentrix Holdings Limited's directors are unlimited.

The directors of the subsidiaries are governed by an approval framework, which is renewed by the Datacentrix Holdings Limited board from time to time.

34. SEGMENTAL ANALYSIS

All the group's activities are conducted within South Africa. For reporting purposes, the group is organised into two operating divisions. These divisions are the basis on which the group reports its primary segment information. Principal activities are as follows:

- Infrastructure and Related Services - supply of IT infrastructure and services;
- Solutions - supply of business solutions; and
- Other - remaining subsidiaries and special purpose entities of the group.

2008	Infrastructure and Related Services R'000	Solutions R'000	Other R'000	Group R'000
Segment revenue	1 280 326	66 645	-	1 346 971
Segment result	131 374	15 985	(417)	146 942
Depreciation of property and equipment	(8 886)	(460)	(110)	(9 456)
Amortisation of software and goodwill impairments	(458)	(240)	-	(698)
Segment assets	422 205	62 072	41 084	525 361
Segment liabilities	218 606	10 713	159	229 478
Capital expenditure - property and equipment and intangible assets	12 295	542	-	12 837
2007				
Segment revenue	1 133 496	68 408	-	1 201 904
Segment result	98 983	16 015	(565)	114 433
Depreciation of property and equipment	(7 960)	(975)	(134)	(9 069)
Amortisation of software and goodwill impairments	(848)	(215)	1	(1 062)
Segment assets	358 753	50 664	33 346	442 763
Segment liabilities	(190 215)	(10 083)	(279)	(200 577)
Capital expenditure - property and equipment and intangible assets	8 037	354	-	8 391

Notes to the Annual Financial Statements

for the year ended 29 February 2008 (continued)

34. SEGMENTAL ANALYSIS (continued)

The above segment result of R146,942,000 (2007: R114,433,000) was calculated after taking into account finance costs of R3,495,000 (2007: R334,000) and investment income of R12,632,000 (2007: R10,084,000) as adjustments to the profit before taxation of R156,079,000 (2007: R124,183,000).

Segment assets of R525,361,000 (2007: R442,763,000) and segment liabilities of R229,478,000 (2007: R200,577,000) were calculated after adjusting total assets of R548,529,000 (2007: R457,345,000) for deferred tax assets of R23,168,000 (2007: R14,582,000) and adjusting total liabilities of R254,053,000 (2007: R208,877,000) for current taxation liabilities of R24,575,000 (2007: R8,300,000).

35. RELATED PARTY TRANSACTIONS

During the year the company and its subsidiaries, in the ordinary course of business, entered into various sale and purchase transactions with related parties. These transactions with related parties occurred under terms that are not less favourable than those arranged with third parties.

Subsidiaries and Joint Venture
Details of investments in subsidiaries are disclosed in note 15. No goods and services were sold by the company to its subsidiaries. Dividends received were disclosed in the income statement and in note 5.

Directors
Details relating to the directors' emoluments are disclosed in note 3.
The directors did not purchase IT equipment during the current and prior years.

Shareholders
The principal shareholders of the company are detailed in the shareholders' analysis in note 32.

Other Key Management Personnel
The total amount paid to key management personnel comprises short-term employee benefits to the amount of R6,827,125 (2007: R4,681,053).

Notice of Annual General Meeting

DATACENTRIX HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1998/006413/06)
JSE code: DCT
ISIN: ZAE000016051
("the company")

Notice is hereby given of the tenth annual general meeting of members of Datacentrix Holdings Limited, which will be held at the registered office of the company, Block 7, Sanwood Park, 379 Queens Crescent, Lynnwood, Pretoria on Friday, 6 June 2008 at 10:00 to consider and if deemed fit, to pass, with or without modification, the following resolutions:

Ordinary Resolutions

1. "To receive, consider and adopt the annual financial statements for the year ended 29 February 2008, incorporating the reports of the directors and the auditors thereon."
2. "To re-elect by way of separate resolution the retiring directors in accordance with the provisions of the company's Articles of Association. The following retiring directors, being eligible, offer themselves for re-election:
   Gary Morolo, Ahmed Mahomed, Elizabeth Naidoo, Joan Joffe, Alwyn Martin and Israel Skosana.

   Abbreviated curriculum vitae in respect of each of these directors appear on pages 6 and 7 of this Annual Report."
3. "To authorise the board of directors to approve the executive directors' remuneration for the year ending 28 February 2009."
4. "To confirm the re-appointment of Deloitte & Touche Registered Auditors, as the group's auditors until the next annual general meeting."
5. "To authorise the board of directors to approve the non-executive directors' fees for the financial year ending 28 February 2009."
6. "Resolved that in terms of the Listing Requirements of the JSE Limited ("JSE") and subject to the requirements of section 90 of the Companies Act, Act 61 of 1973, the mandate given to the directors of the company in terms of an authority to make general payments to shareholders be renewed subject to the following conditions:
   – that this authority to make general payments to shareholders be valid until the company's next annual general meeting or for 15 months from the date of the resolution, whichever period is shorter;
   – that the general payment will be made pro-rata to all shareholders;
   – that any general payment(s) may not exceed 20% of the company's issued share capital, including reserves but excluding minority interests, and re-valuations of assets and intangible assets that are not supported by a valuation by an independent professional expert acceptable to the JSE prepared within the last six months, in any one financial year, measured as at the beginning of such financial year;
   – an announcement be published containing the terms of the payment, the date of the general meeting at which the authority was obtained, the date on which payment is to be made and the effect of the payment on the company's earnings, headline earnings, net asset value and tangible net asset value per share; and
   – the company will not proceed with any general payments to shareholders until the company's sponsor has confirmed the adequacy of the company's working capital."

   The purpose of this resolution is to authorise the directors to make general payments to shareholders in terms of this resolution.
7. "Resolved that the authorised but unissued shares in the capital of the company be and are hereby placed under the control of the directors for allotment and issue at the discretion of the directors of the company subject to the applicable legislation and the requirements of any stock exchange on which the shares in the capital of the company may from time to time be listed."

Special Resolution
"Resolved, as a special resolution, that the mandate given to the company (or one of its wholly owned subsidiaries) providing authorisation, by way of a general approval, to acquire the company's own securities, upon such terms and conditions and in such amounts as the directors may from time to time decide, but subject to the provisions of the Companies Act, 1973 (Act 61 of 1973), as amended, (the Act) and the Listing Requirements of the JSE, be extended, subject to the following terms and conditions:

- any repurchase of securities must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counter-party;
- at any point in time, the company may only appoint one agent to effect any repurchase;
- the general authority shall only be valid until the company's next annual general meeting provided that it does not extend beyond 15 months from the date of this resolution (whichever period is the shorter);
- an announcement be published as soon as the company has cumulatively purchased 3% of the initial number (the number of that class of share in issue at the time that the general authority is granted) of the relevant class of securities and for each 3% in aggregate of the initial number of that class acquired thereafter, containing full details of such repurchases;
- repurchases by the company in aggregate in any one financial year may not exceed 20% of the company's issued share capital as at the date of passing of this special resolution or 10% of the company's issued share capital in the case of an acquisition of shares in the company by a subsidiary of the company;
- repurchases must not be made at a price greater than 10% above the weighted average of the market value of the securities for the five days immediately preceding the date on which the transaction was effected;
- repurchases may not be undertaken by the company or one of its wholly owned subsidiaries during a prohibited period and may also not be undertaken if they will impact negatively on shareholder spread as required by the JSE; and
- the company may not enter the market to proceed with the repurchase of its ordinary shares until the company's sponsor has confirmed the adequacy of the company's working capital for the purpose of undertaking a repurchase of shares in writing to the JSE."

Notice of Annual General Meeting (continued)

Reason For and Effect of Special Resolution
The reason for the special resolution is the intention of the board of directors of the company to use such authority, should prevailing circumstances in the opinion of the directors of the company warrant it and the effect thereof is to provide such authority.

Adequacy of Working Capital
With reference to ordinary resolution number 6 and the special resolution set out above, the company's board is of the opinion that for a 12 month period from the date of the annual general meeting:

- the company and the group will be able to pay its debts in the ordinary course of business;
- the assets of the company and the group, will be in excess of the liabilities of the company and the group where such assets and liabilities are being recognised and measured in accordance with the accounting policies used in the latest audited Annual Financial Statements;
- the share capital and reserves of the company and the group will be adequate for ordinary business purposes; and
- the working capital of the company and group will be adequate for ordinary business purposes.

JSE Disclosures
In terms of the JSE Listing Requirements, the following disclosures are required with reference to the general authorities to make payments to shareholders and the repurchase of the company's shares as set out in ordinary resolution number 6 and the special resolution, respectively. These disclosures are set out elsewhere in the Annual Report of which this notice forms part:

- Directors and management: refer pages 6 - 7;
- Directors' responsibility and approval: refer page 18;
- Litigation statement: refer page 45;
- Material change: refer page 47;
- Major shareholders of the company: refer page 50;
- Directors' interests in the company's securities: refer pages 35; and
- Share capital: refer page 43.

Voting and Proxies
On a show of hands, each shareholder who, being a natural person, is present in person or by proxy or, being a body corporate, is present by representative or proxy, shall have one vote. On a poll, if requested, each shareholder, whether present in person or by proxy or by representation, is entitled to one vote for each ordinary share held.

A form of proxy is attached for completion by registered certificated shareholders and dematerialised shareholders with own name registration who are unable to attend the annual general meeting and wish to be represented thereat. Forms of proxy must be completed and received by the company secretary no later that 10:00 on Wednesday, 4 June 2008. Registered certificated shareholders and dematerialised shareholders with own name registration who complete and lodge forms of proxy will nevertheless be entitled to attend and vote in person at the annual general meeting to the exclusion of their appointed proxy(ies) should such member wish to do so.

Dematerialised shareholders, other than with own name registration, must inform their CSDP or broker of their intention to attend the annual general meeting and obtain the necessary Letter of Representation from their CSDP or broker to attend the annual general meeting or provide their CSDP or broker with their voting instructions should they not be able to attend the annual general meeting. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, speak and to vote in his/her stead.

By order of the board

Mavis Thomani
Company Secretary

Pretoria
14 April 2008

Shareholders' Diary

Financial year-end	28 February 2009
Annual general meeting	6 June 2008

Results Announcements

Interim results for six months to 31 August 2008	7 October 2008
Announcement of annual results to 28 February 2009	April 2009
Annual financial statements for the year ended 28 February 2009	May 2009

Dividend

Declaration date:	Monday, 14 April 2008
Last day to trade:	Friday, 30 April 2008
Share trade ex dividend:	Monday, 5 May 2008
Record date:	Friday, 9 May 2008
Payment date:	Monday, 12 May 2008

Share certificates may not be dematerialised or rematerialised between 5 May 2008 and 9 May 2008, both days inclusive.

Contact Information

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