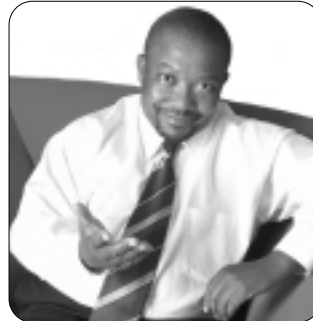


Gary Morolo,
Executive Chairman



Datacentrix is pleased to present its fifth set of annual results since listing on the JSE Securities Exchange in September 1998. Focusing on real customer needs and basic business principles has served the group well in the current tough market for technology companies. The board regards the results as an affirmation of the group's medium and long-term strategies.

Datacentrix Holdings Limited is a black controlled IT infrastructure, solutions and related services company, which focuses exclusively on the South African market.

Operations Overview

The group focuses on the core offerings of IT infrastructure, solutions and related services. All of these areas have performed well under very competitive market conditions with more complex and longer selling cycles.

Datacentrix' strategic positioning gives it a competitive advantage, which it has exploited in the current industry woes. The group believes that the continuing shakeout will strengthen this advantage and is well positioned to achieve its strategic intent to be the dominant player in each of the target segments it operates in.

The group has performed well in all the regions, particularly the Cape Town office, which has exceeded expectations. The group's presence in Johannesburg has been significantly boosted by the acquisition of the business of S M NetworX (Proprietary) Limited, an infrastructure and services company with a good corporate culture and strategic fit with Datacentrix.

Datacentrix has grown from 287 to 390 employees in the past year. The ability to attract the best the market has to offer has improved significantly and staff turnover is low. Training and development of staff at all levels from executive to the lowest levels has assumed increased priority.

Black Economic Empowerment

Datacentrix has been acknowledged for its demonstrable transformation of the group in terms of black economic empowerment ("BEE"). Independent surveys, notably EmpowerDex, acknowledge Datacentrix as the foremost-empowered JSE listed company, with real commitment to involvement by the previously disadvantaged in the running of the business. This achievement flows from Datacentrix long held approach of regarding BEE as a strategic imperative as opposed to a resented external imposition.

The group's equity profile is 63% designated and 43% black employees. The representativeness of the top management profile has also kept pace with three out of eight top executives being black. Other efforts in the group's strategy include SMME/black supplier support and a bursary fund for black students at tertiary level. Datacentrix continues to fine-tune its strategies and implementation of all aspects of BEE as a matter of competitive advantage and in order to stay ahead of anticipated regulations and/or legislation.

Datacentrix is also looking to extend its contribution to the ICT sector through participation in the BIT4M (previously known as the Black Information Technology Forum).

Corporate Governance

Datacentrix believes the substance of corporate governance lies in the ethic and moral fabric of the group, especially its leadership. The espoused and practiced values of a group give deeper and more sustainable root to sound corporate governance than externally imposed rules and structures. Nonetheless, the board also believes that not only must sound corporate governance be observed, but it must be transparently and demonstrably observed. Hence Datacentrix fully supports the King Report on Corporate Governance For South Africa ("King II") in its efforts to establish transparent corporate governance structures and processes.

A corporate governance review process by an independent agency with close affiliation to, and endorsed by the Institute of Directors, is currently underway. A new Corporate Governance Committee, chaired by independent non-executive director, Imogen Mkhize has been established, not only to align the group with King II corporate governance requirements but also to deepen the ethic and culture, i.e. the substance rather than merely the form of corporate governance.

Changes to the structures and processes of corporate governance will be considered upon completion of the corporate governance review and the envisaged new listing requirements flowing from King II, including deepening the group's capacity to report more fully in line with triple bottom line requirements, which incorporate the social, health and environmental aspects (SHE).

Composition of the Board

The composition of the board has not changed in the year under review. While further thought may be given to revisiting the composition in line with corporate governance and/or listing requirements, the current board is considered adequate to the circumstance and challenges facing Datacentrix.

I am proud to announce the appointment of Ahmed Mahomed to the board as an executive director with effect from 1 March 2003. As the managing director of the Infrastructure Division, Ahmed was an invitee to the board level in the past year and the board wishes to acknowledge his contribution.

Prospects

Datacentrix' anticipation is that strong balance sheets, positive cash-flows, tight working capital management and sustained focus on real customer needs are going to continue to be key differentiating factors in the shake-out. The competitive

landscape is being realigned and opportunities are arising for new first tier players in specific niches or target segments.

Datacentrix' key vendor relationships have remained strong and the group has successfully established itself as a key strategic partner to each of the vendors, including prominently HP, IBM, Microsoft and sole agencies such as Sterling Commerce and IXOS. The HP/Compaq merger has been successfully bedded down in South Africa without significant disruptions to the group's operations.

The group anticipates strong organic growth in all divisions of the business. Areas of particular focus include significant growth in: the Johannesburg market; government; the enterprise system market; Microsoft solutions and services; and limited/partial outsourcing opportunities. However, with Datacentrix' enhanced corporate reputation and strong balance sheet, the group is also excellently poised for judicious and opportune acquisitions to support the growth objectives.

Overall the group expects the relentless focus on key competitive advantages to continue to serve Datacentrix well in a difficult trading environment. These include focus on: real customer needs; basic business principles; strong balance sheet; positive cash flows; real and sustainable empowerment; and excellence in delivery.

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Acknowledgements

All of the board members have shown a high level of commitment to their board responsibilities and pride in the performance of the group. As always, members of the board have been active, challenging and holding management to strategic and other performance objectives. The range and depth of disciplines and experiences they bring to bear have served Datacentrix well. I extend my appreciation for the value they add to the board and the tone and ethic they have helped to set and maintain.

I wish to thank the staff and management of Datacentrix, for their integrity, passion, commitment, focus and performance. It is a privilege and honour to be part of this team.



Gary Morolo
Executive Chairman