

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.

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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.

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

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