

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

Pretoria
14 April 2008



Ahmed Mahomed
Chief Executive Officer

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.



Deloitte & Touche
Registered Auditors
Per Zuleka Jasper
Partner

14 April 2008

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

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		Company	
		2008 R'000	2007 R'000	2008 R'000	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		Company	
		2008 R'000	2007 R'000	2008 R'000	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	Share premium	Treasury shares	Equity-settled share scheme reserve	Retained earnings (accumulated loss)	Total
	R'000	R'000	R'000	R'000	R'000	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		Company	
		2008 R'000	2007 R'000	2008 R'000	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		Company	
	2008 R'000	2007 R'000	2008 R'000	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		Company	
	2008 R'000	2007 R'000	2008 R'000	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

Notes to the Annual Financial Statements

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.

for the year ended 29 February 2008

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 IAS 1: 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.

Notes to the Annual Financial Statements

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

for the year ended 29 February 2008 (continued)

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.

Notes to the Annual Financial Statements

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.

for the year ended 29 February 2008 (continued)

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.

Notes to the Annual Financial Statements

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.

for the year ended 29 February 2008 (continued)

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.

Notes to the Annual Financial Statements

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		Bonus in lieu		Retirement		Total R'000
	R'000	R'000	of options R'000	Benefits R'000	contributions 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

for the year ended 29 February 2008 (continued)

3. DIRECTORS (continued)

Directors' Shareholding

Executive Directors	2008		2007	
	Beneficial Direct	Indirect	Beneficial Direct	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			2007		
	Non-beneficial Indirect	Beneficial Direct	Indirect	Non-beneficial Indirect	Beneficial Direct	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
Elizabeth Naidoo	1 750 000	-	-	1 750 000	R3.43	02/10/2006	6 002 500
Stewart Barker	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	-
Total	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
Total	1 346 971	1 201 904

Notes to the Annual Financial Statements

for the year ended 29 February 2008 (continued)

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)	-	-
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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

Notes to the Annual Financial Statements

for the year ended 29 February 2008 (continued)

9. EARNINGS PER SHARE (continued)

	Group	
	2008 R'000	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	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

Notes to the Annual Financial Statements

for the year ended 29 February 2008 (continued)

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

	2008	2007
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

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

Notes to the Annual Financial Statements

for the year ended 29 February 2008 (continued)

16. DEFERRED TAX ASSETS

	Group	
	2008 R'000	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	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	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		Company	
	2008 R'000	2007 R'000	2008 R'000	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

Bank balances and cash	221 896	173 841	120	9
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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

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

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

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.

Notes to the Annual Financial Statements

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

	2008	2007
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

for the year ended 29 February 2008 (continued)

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):

	2008	2007
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):

	2008	2007
Within one year	(3 081)	(2 789)
In the second to fifth year	(1 097)	(4 178)
	(4 178)	(6 967)

Notes to the Annual Financial Statements

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

for the year ended 29 February 2008 (continued)

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	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	Loans and receivables	Held for trading	Other financial assets	Total	Fair value
2008	R'000	R'000	R'000	R'000	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

Notes to the Annual Financial Statements

31. FINANCIAL INSTRUMENTS (continued)

Categories of Financial Instruments (continued)

GROUP	FVTPL	Other financial liabilities	Total	Fair value
2008	R'000	R'000	R'000	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

GROUP	FVTPL	Other financial liabilities	Total	Fair value
2007	R'000	R'000	R'000	R'000
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	Loans and receivables	Held for trading	Other financial assets	Total	Fair value
2008	R'000	R'000	R'000	R'000	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

COMPANY	Loans and receivables	Held for trading	Other financial assets	Total	Fair value
2007	R'000	R'000	R'000	R'000	R'000
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	FVTPL	Other financial liabilities	Total	Fair value
2008	R'000	R'000	R'000	R'000
Financial liabilities				
Trade and other payables	93	-	93	93
	93	-	93	93

2007

COMPANY	FVTPL	Other financial liabilities	Total	Fair value
2007	R'000	R'000	R'000	R'000
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.

for the year ended 29 February 2008 (continued)

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	Spot rate	R'000	Fair value
	R'000			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

Notes to the Annual Financial Statements

for the year ended 29 February 2008 (continued)

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
Total	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
Total	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		2007	
	Number of shares	%	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
10 001 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
10 001 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 than 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.