DATACENTRIX HOLDINGS LIMITED
INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA
REGISTRATION NUMBER: 1998/006413/06
JSE CODE: DCT
ISIN: ZAE 000016051

AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2006

Key Financial Indicators

- Revenue increased 17% to over R1 billion for the first time
- EBITDA increased 14% to R88.7 million
- Earnings per share (EPS) increased 19% to 25.5 cents
- Headline earnings per share (HEPS) increased 12% to 28.7 cents
- Net asset value increased 14% to 124.9 cents
- Tangible net asset value increased 20% to 116.2 cents
- Cash on hand of R165.6 million
- Total dividend declared of 30 cents per share (ordinary 14 cents per share, special 16 cents per share)

Abridged Consolidated Income Statement for the year ended 28 February 2006

	Audited 2006 R'000	Restated 2005 R'000
Revenue	**1 034 397**	882 205
Operating profit	**70 430**	59 435
Net interest received	**7 856**	5 677
Income from associate	**-**	472
Profit before taxation	**78 286**	65 584
Income tax expense	**(28 341)**	(23 571)
Profit for the year attributable to ordinary shareholders	**49 945**	42 013
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	**88 661**	78 084
Basic earnings per ordinary share (cents)	**25.5**	21.5
Diluted basic earnings per ordinary share (cents)	**24.9**	20.9
Headline earnings per ordinary share (cents)	**28.7**	25.7
Diluted headline earnings per ordinary share (cents)	**27.9**	25.1
Dividend per share (cents)	**30.0**	9.0
Weighted average number of shares in issue (000's)	**195 647**	195 801
Weighted average number of shares in issue for the purposes of dilution (000's)	**200 713**	200 690

Reconciliation between profit for the year attributable to ordinary shareholders and headline earnings

Profit for the year attributable to ordinary shareholders	**49 945**	42 013
Goodwill impaired/amortised	**7 857**	8 471
Profit on sale of property and equipment	**-**	(75)
Profit on sale of subsidiary	**(74)**	-
Profit on sale of investment property	**(1 671)**	-
Headline earnings	**56 057**	50 409

Changes in accounting policies, restatements and disclosures

	Previously stated 2005 R'000	IFRS R'000	Other restatements R'000	Restated 2005 R'000
Net profit	44 659	(1 319)	(1 327)	42 013
- Operating profit	68 816	(1 319)	(1 913)	65 584
- Taxation	(24 157)	-	586	(23 571)
Basic earnings per ordinary share (cents)	22.8	(0.7)	(0.6)	21.5
Diluted basic earnings per ordinary share (cents)	21.9	(0.7)	(0.3)	20.9
Headline earnings per ordinary share (cents)	27.1	(0.7)	(0.7)	25.7
Diluted headline earnings per ordinary share (cents)	26.0	(0.6)	(0.3)	25.1

Abridged Consolidated Balance Sheet as at 28 February 2006

	Audited 2006 R'000	Restated 2005 R'000
ASSETS		
Non-current assets	**68 194**	77 682
Property and equipment	**31 217**	33 360
Investment property	**-**	2 333
Intangible assets	**17 008**	25 006
Investment in associate	**-**	1 413
Long-term receivables	**7 230**	-
Deferred tax assets	**12 739**	15 570
Current assets	**381 947**	290 027
Inventories	**4 836**	6 765
Trade and other receivables	**211 496**	116 116
Cash and cash equivalents	**165 615**	167 146
TOTAL ASSETS	**450 141**	367 709
EQUITY AND LIABILITIES		
Capital and reserves	**244 347**	214 150
Share capital	**21**	20
Share premium	**40 311**	39 589
Treasury shares	**(20 203)**	(14 060)
Equity-settled share scheme reserve	**5 042**	1 735
Retained earnings	**219 176**	186 866
Non-current liabilities	**19 746**	19 260
Obligations under finance leases	**4 205**	-
Deferred revenue - long-term	**15 541**	19 260
Current liabilities	**186 048**	134 299
Trade and other payables	**136 423**	82 389
Provisions	**26 611**	27 879
Deferred revenue – short-term	**17 590**	12 842
Acquisition consideration due to vendors	**-**	920
Lease liability	**300**	163
Current tax liabilities	**5 124**	10 106
TOTAL EQUITY AND LIABILITIES	**450 141**	367 709
Net asset value (adjusted for treasury shares) per share (cents)	**124.9**	109.4
Tangible net asset value (adjusted for treasury shares) per share (cents)	**116.2**	96.6
Weighted average number of shares in issue (adjusted for treasury shares) (000's)	**195 647**	195 801

Changes in accounting policies, restatements and disclosures

	Previously stated 2005 R'000	IFRS R'000	Other restatements R'000	Restated 2005 R'000
- Property, plant and equipment	25 001	-	8 359	33 360
- Deferred tax assets	12 165	-	3 405	15 570
- Inventories	12 124	-	(5 359)	6 765
- Equity-settled share scheme reserve	-	1 735	-	1 735
- Retained earnings	196 908	(1 735)	(8 307)	186 866
- Current tax liabilities	10 137	-	(31)	10 106
- Provisions	13 299	-	14 580	27 879
- Lease liability	-	-	163	163

Abridged Consolidated Statement of Changes in Equity for the year ended 28 February 2006

	Share capital R'000	Share premium R'000	Treasury shares R'000	Equity settled share scheme reserve R'000	Acquisition consideration due to vendors R'000	Retained earnings R'000	Total R'000
Balance at 29 February 2004	20	50 831	(11 078)	-	1 746	152 249	193 768
Effect of adoption of IFRS	-	-	-	416	-	(416)	-
Effect of other restatements	-	-	-	-	-	(6 980)	(6 980)
Balance at 29 February 2004 restated	20	50 831	(11 078)	416	1 746	144 853	186 788
Net income for the year	-	-	-	-	-	42 013	42 013
Net income as previously stated	-	-	-	-	-	44 659	-
Effect of adoption of IFRS	-	-	-	-	-	(1 319)	-
Effect of other restatements	-	-	-	-	-	(1 327)	-
Share issue expenses	-	(26)	-	-	-	-	(26)
Share based payments	-	-	-	1 319	-	-	1 319
Shares issued for profit warranties	-	1 746	-	-	(1 746)	-	-
Treasury shares movement	-		(2 982)	-	-	-	(2 982)
Capital distribution	-	(13 444)	-	-	-	-	(13 444)
Profit on sale of treasury shares in trust	-	482	-	-	-	-	482
Balance at 28 February 2005	**20**	**39 589**	**(14 060)**	**1 735**	**-**	**186 866**	**214 150**
Net income for the year	**-**	**-**	**-**	**-**	**-**	**49 945**	**49 945**
Treasury shares movement	**-**	**-**	**(6 143)**	**-**	**-**	**-**	**(6 143)**
Share issue expenses	**-**	**(10)**	**-**	**-**	**-**	**-**	**(10)**
Share based payments	**-**	**-**	**-**	**3 307**	**-**	**-**	**3 307**
Dividend paid	**-**	**-**	**-**	**-**	**-**	**(17 635)**	**(17 635)**
Raised on new acquisitions	**1**	**912**	**-**	**-**	**-**	**-**	**913**
Loss on sale of treasury shares in trust	**-**	**(180)**	**-**	**-**	**-**	**-**	**(180)**
Balance at 28 February 2006	**21**	**40 311**	**(20 203)**	**5 042**	**-**	**219 176**	**244 347**

Abridged Consolidated Cash Flow Statement for the year ended 28 February 2006

	Audited 2006 R'000	**Restated 2005 R'000**
Income before taxation	**78 286**	65 584
Adjusted for non-cash items	**11 894**	14 019
Working capital changes	**(37 678)**	21 279
- Inventory	**2 031**	1 439
- Receivables	**(88 545)**	(24)
- Payables	**48 836**	19 864
Cash generated from operations (including restatement of R3,409 million)	**52 502**	100 882
Net interest received	**7 856**	5 764
Dividend paid	**(17 635)**	(13 444)
Taxation paid	**(30 492)**	(19 263)
Net cash inflow from operating activities (including restatement of R3,409 million)	**12 231**	73 939
Net cash outflow from investing activities (including restatement of R3,409 million)	**(13 797)**	(23 709)
Net cash inflow (outflow) from financing activities	**35**	(14 106)
Net increase in cash and cash equivalents	**(1 531)**	36 124
Cash and cash equivalents at the beginning of the year	**167 146**	131 022
Cash and cash equivalents at the end of the year	**165 615**	167 146

Commentary

The directors of Datacentrix Holdings Limited are proud to announce the annual financial results of the group for the year ended 28 February 2006. The directors believe that the results reflect creditable performance after experiencing a particularly tough trading environment in the first half of the year. Growth has been achieved in respect of all the indices as normally reported on. In particular Datacentrix is proud to announce the achievement of a historic milestone of exceeding one billion Rand in turnover. This milestone was achieved despite a relatively strong currency and a generally deflationary environment for IT infrastructure, illustrating Datacentrix' resilience and strong market presence.

Basis of Preparation

These results have been prepared in accordance with International Accounting Standard IAS 34: Interim Financial Reporting, applicable to financial reporting, the Listing Requirements of the JSE Limited and schedule 4 of the Companies Act of South Africa. In the current year, the group has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 01 January 2005. The adoption of these new and revised standards and interpretations has resulted in changes to the group's accounting policies in the following areas that have affected the amounts reported for the current and/or prior years:

- share-based payments (IFRS 2);
- property and equipment (IAS 16); and
- business combinations (IFRS 3).

IFRS 2: Share-Based Payments requires the recognition of equity-settled share-based payments at fair value at the date of grant and the recognition of liabilities for cash-settled share-based payments at the current fair value at each balance sheet date. Prior to the adoption of IFRS 2, the group did not recognise the financial effect of share-based payments until such payments were settled.

IFRS 3: Business Combinations has been adopted for business combinations for which the agreement date is on or after 31 March 2004. The option of limited retrospective application of the standard has not been taken up, thus avoiding the need to restate past business combinations. After initial recognition, IFRS 3 requires goodwill acquired in a business combination to be carried at cost less any accumulated impairment losses. Under IAS 36: Impairment of Assets (as revised in 2004), impairment reviews are required annually, or more frequently if there are indications that goodwill might be impaired. IFRS 3 prohibits the amortisation of goodwill. Previously the group carried goodwill on its balance sheet at cost less accumulated amortisation and accumulated impairment losses.

In compliance with circular 7/2005 issued by the South African Institute of Chartered Accountants and IAS 17 (revised), the group now accounts for its fixed escalation operating leases on a straight-line basis over the period of the lease.

The above results have also been restated with reference to IAS 18: Revenue and IAS 16: Property, Plant and Equipment, which has mainly resulted in the reclassification of the certain line items and an adjustment to depreciation of spares stock.

The group has entered into finance leases with customers and suppliers. These have resulted in long-term receivables and finance lease obligations.

With effect 1 March 2005, Vukani Technologies (Proprietary) Limited became a full subsidiary of the group. All shares were disposed on 1 September 2005.

In 2001 the board approved an incentive plan to reward nominated executive directors with share options based on the achievement of targets for growth in headline earnings per share. The detail of the incentive plan is fully disclosed in the circular dated 15 December 2005. Given the ongoing negotiations regarding the shareholding of the company certain key shareholders decided not to vote in favour of the issue of these shares, and agreed in principle to compensate the directors concerned with cash bonuses in lieu of the share options. The services in relation to this bonus have been rendered in the respective years of 2002, 2003 and 2005. A provision for bonuses has been raised in each of the financial years and in total amounts to R14,580 million and comparative figures have been restated to this effect.

Basic earnings per share and headline earnings per share are reported after a secondary taxation on companies (STC) charge of R2,3 million in respect of Datacentrix' cash dividend paid in July 2005.

There were no material events subsequent to year end, which required additional disclosure.

Infrastructure and Related Services
The Infrastructure division produced significant growth in the second half of the year, resulting in the division completing the financial year with healthy organic growth. It is the largest segment of the group and contributes R959,8 million and R44,5 million to revenue and profit for the year respectively. The division continues to be a dominant player in the supply, deployment, maintenance and support of IT infrastructure solutions. In the period under review the division had a number of significant wins, retained all its major customers, renewed existing contracts and strengthened its technology partner accreditations. Regarding the latter, the division was recognised as the best performing HP reseller for the ISE (International Sales Europe) region outdoing other EMEA competitors both in terms of volume and growth. The division experienced strong performance from most segments of the market, most notably from the coastal region, government sector and enterprise systems unit. The strategic focus remains unchanged, with expected growth areas encompassing managed output solutions, enterprise systems, government spending and infrastructure refresh projects. Datacentrix continues to ensure that the group is accredited by its vendors at the highest possible technical level. This competency provides customers with peace of mind that Datacentrix is a cost effective partner for the supply, installation and maintenance of equipment over its entire lifecycle.

Customer satisfaction remains extremely high with the product life-cycle focus that Datacentrix has in the supply and support of hardware. This focus ensures customers are assisted through the needs determination, the product evaluation and selection, the configuration and installation process and the support of the infrastructure thereafter. The additional services, which Datacentrix is extending its competencies in, are performing according to expectation. The advanced infrastructure projects business unit employs highly skilled Microsoft certified engineers and performs large Microsoft-based projects. Datacentrix' innovative approach to outsourcing is finding a very receptive market and this specialised division has gained further momentum this year with the award of two blue chip clients who have outsourced their entire IT infrastructure management to Datacentrix.

Solutions
The ERP business unit encountered challenges during the year. Contract management has been improved and better methodologies employed to curtail the reoccurrence of this situation. The systems and processes continue to be reviewed and management has been strengthened. Client relationships have been reinforced and service delivery enhanced. Management remains confident that these turnaround activities have improved the efficiencies of the business and look forward to future contributions by the business unit to the growth in earnings.

The development and integration business unit within the Solutions Division has won major deals in the areas of workflow and data-mining during the year. The optimisation business unit, serving in the electronic content management and archiving areas, has also performed creditably.

Black Economic Empowerment (BEE)
With the DTI Codes of Practice largely in place, clarity has been provided for companies to begin to purposefully address their empowerment credentials. Accordingly, Datacentrix will be reviewing its credentials. The intention of the company is that this would among other things entail the empowerment of senior staff and management whose contribution is considered key to the current and future success of the business. While Datacentrix has been evaluating a number of options to this end, consolidation in the industry may also provide an opportunity to achieve the same goals.

Future Prospects
The board remains cautiously optimistic about the prospects of the company. Datacentrix continues to be a well-placed partner to government, specifically on the existing SITA contracts. Government spending on IT has increased markedly in the last few months and we expect to see continued activity from this sector. The anticipated large infrastructure roll-outs including rail and ports, electricity, Gautrain, the hosting of the 2010 World Cup, and improved service delivery from government departments all contribute to a positive economic climate with positive spin-offs for the IT sector. The pressure to make broadband more accessible and affordable to stimulate economic growth and to make South Africa viable as a call centre destination also adds to a positive outlook for the IT industry. The demand for IT infrastructure and related services continues to generate growth to the company's earnings. The Solutions Division is being put on a sound footing and there are expectations that it will return to being a significant contributor to the bottom line.

Dividend
The directors announce a review of the company dividend policy to provide the return of a greater proportion of the cash to shareholders. Accordingly, the normal dividend policy has been adjusted from three times cover to two times cover on HEPS, resulting in a dividend of 14 cents per share. In addition, after due consideration of the company's cash resources, the board has decided to approve the payment of a special dividend of 16 cents per share to be paid concurrently with the dividend above. This will contribute significantly to improving shareholder returns.

Declaration date:	Tuesday, 18 April 2006
Last day to trade:	Friday, 5 May 2006
Share trade ex dividend:	Monday, 8 May 2006
Record date:	Friday, 12 May 2006
Payment date:	Monday, 15 May 2006

Share certificates may not be dematerialised or rematerialised between Monday, 8 May and Friday, 15 May 2006, both days inclusive.

Auditors' Opinion
The consolidated annual financial statements for the year ended 28 February 2006 have been audited by Deloitte & Touche and their accompanying unqualified audit report as well as their unqualified audit report on this set of summarised financial statements are available for inspection at the company's registered office. These summarised financial statements have been derived from the group financial statements and are consistent in all respects, with the group financial statements.

Annual General Meeting
Notice is hereby given that the annual general meeting of the company will be held at the company's registered office on 15 June 2006 at 10h00. It is expected that the Annual Report will be dispatched to shareholders no later than 22 May 2006.

Cautionary Update
Further to the renewal of the cautionary announcement dated 17 March 2006, shareholders are advised that negotiations relating to the shareholding of the company, which may have a material affect on the price of the company's securities, are still in progress. Accordingly, shareholders are advised to continue exercising caution when dealing in the company's securities on the JSE Limited until a further announcement is made.

Board Composition
Effective immediately, Gary Morolo, assumes the position of non-executive chairman.

For and on behalf of the Board:

Gary Morolo
Chairman
19 April 2006

Directors:	Gary Morolo (Chairman)*, Gerhard Uys (CEO), Ahmed Mahomed, Alwyn Martin*, Charl Joubert, Christoff Botha*, Elizabeth Naidoo, Imogen Mkhize*, Joan Joffe*, Klaas Lammers, Stewart Barker, *non-executive
Registered Office:	Block 7, Sanwood Park, 379 Queens Crescent, Lynnwood, Pretoria
Transfer Secretaries:	Computershare Investor Services 2004 (Pty) Ltd, 70 Marshall Street, Johannesburg
Sponsor:	Barnard Jacobs Mellet Corporate Finance (Pty) Ltd