

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

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

Key Financial Indicators

- Revenue increased 15%
- EBITDA increased 33% to R66 million
- Headline earnings per share (HEPS) increased 53% to 22.2 cents
- Earnings per share (EPS) increased 57% to 22.2 cents
- Cash generated from operations of R81 million resulting in cash on hand of R207 million
- Interim dividend increased by 57% to 11.0 cents per share

Abridged Consolidated Income Statement for the six months ended 31 August 2007

	Unaudited 6 months ended 31 August 2007 R'000	Unaudited 6 months ended 31 August 2006 R'000	Audited 12 months ended 28 February 2007 R'000
Revenue	693 711	604 262	1 201 904
Operating profit	61 584	44 112	114 433
Net interest received	5 950	5 708	9 750
Profit before taxation	67 534	49 820	124 183
Income tax expense	(24 043)	(22 150)	(45 913)
- normal and deferred taxation	(20 656)	(14 452)	(36 419)
- secondary taxation on companies	(3 387)	(7 698)	(9 494)
Earnings for the period attributable to ordinary shareholders	43 491	27 670	78 270
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	66 428	50 030	124 564
Basic earnings per ordinary share (cents)	22.2	14.1	40.0
Diluted basic earnings per ordinary share (cents)	21.7	13.8	39.2
Headline earnings per ordinary share (cents)	22.2	14.5	40.4
Diluted headline earnings per ordinary share (cents)	21.7	14.1	39.5
Dividend per share (cents)	11.0	7.0	20.2
Weighted average number of shares in issue* (000s)	195 785	195 647	195 655
Weighted average number of shares in issue for purposes of dilution* (000s)	200 129	200 565	199 635
*adjusted for treasury shares			
Reconciliation between earnings for the period attributable to ordinary shareholders and headline earnings			
Earnings attributable to ordinary shareholders	43 491	27 670	78 270
Impairment of goodwill	-	661	661
(Profit) Loss on sale of assets	(49)	-	21
Earnings for the purpose of basic and diluted earnings per share	43 442	28 331	78 952

Abridged Consolidated Balance Sheet at 31 August 2007

	Unaudited 31 August 2007 R'000	Unaudited 31 August 2006 R'000	Audited 28 February 2007 R'000
ASSETS			
Non-current assets	64 400	74 547	65 297
Property and equipment	31 094	30 322	30 074
Software	1 025	932	867
Goodwill	15 596	15 596	15 596
Investment in joint venture	-	290	-
Deferred tax assets	14 009	21 955	14 582
Long term receivables	2 676	5 452	4 178
Current assets	434 320	328 429	392 048
Inventories	10 006	33 429	9 401
Trade and other receivables	217 056	149 756	208 806
Cash and cash equivalents	207 258	145 244	173 841
TOTAL ASSETS	498 720	402 976	457 345
EQUITY AND LIABILITIES			
Capital and reserves	263 146	212 767	248 468
Share capital	21	21	21
Share premium	40 095	40 735	40 709
Treasury shares	(31 331)	(22 983)	(25 958)
Equity-settled share scheme reserve	11 642	6 842	8 642
Retained earnings	242 719	188 152	225 054
Non-current liabilities	22 768	26 207	20 334
Obligations under finance leases	823	2 849	2 007
Deferred revenue	21 945	23 358	18 327
Current liabilities	212 806	164 002	188 543
Trade and other payables	156 459	110 893	133 643
Provisions	13 234	16 974	18 485
Deferred revenue	27 886	17 987	27 655
Lease liability	393	263	460
Current tax liabilities	14 834	17 885	8 300
TOTAL EQUITY AND LIABILITIES	498 720	402 976	457 345
Net asset value (adjusted for treasury shares) per share (cents)	134.4	108.8	127.0
Tangible net asset value (adjusted for treasury shares) per share (cents)	125.9	100.3	118.6
Weighted average number of shares in issue (000s)	195 785	195 647	195 655

Abridged Consolidated Statement of Changes in Equity for the six months ended 31 August 2007

	Share capital R'000	Share premium R'000	Treasury shares R'000	Equity-settled share scheme reserve R'000	Retained earnings R'000	Total R'000
Balance at 28 February 2006	21	40 311	(20 203)	5 042	219 176	244 347
Profit for the period	-	-	-	-	27 670	27 670
Treasury shares movement	-	-	(2 780)	-	-	(2 780)
Share-based payments	-	-	-	1 800	-	1 800
Dividends paid	-	-	-	-	(58 694)	(58 694)
Profit on sale of treasury shares	-	424	-	-	-	424
Balance at 31 August 2006	21	40 735	(22 983)	6 842	188 152	212 767
Profit for the period	-	-	-	-	50 600	50 600
Treasury shares movement	-	-	(2 975)	-	-	(2 975)
Share-based payments	-	-	-	1 800	-	1 800
Dividends paid	-	-	-	-	(13 698)	(13 698)
Profit on sale of treasury shares	-	(26)	-	-	-	(26)
Balance at 28 February 2007	21	40 709	(25 958)	8 642	225 054	248 468
Profit for the period	-	-	-	-	43 491	43 491
Treasury shares movement	-	-	(5 373)	-	-	(5 373)
Share-based payments	-	-	-	3 000	-	3 000
Dividends paid	-	-	-	-	(25 826)	(25 826)
Profit on sale of treasury shares	-	(614)	-	-	-	(614)
Balance at 31 August 2007	21	40 095	(31 331)	11 642	242 719	263 146

Abridged Consolidated Cash Flow Statement for the six months ended 31 August 2007

	Unaudited 6 months ended 31 August 2007 R'000	Unaudited 6 months ended 31 August 2006 R'000	Audited 12 months ended 28 February 2007 R'000
Profit before taxation	67 534	49 820	124 183
Adjusted for non-cash items	1 164	2 632	4 825
Working capital changes	12 705	3 604	(339)
- Inventory	(605)	(28 593)	(4 565)
- Trade and other accounts receivable	(8 038)	60 134	3 167
- Trade, other accounts payable and liabilities	21 348	(27 937)	1 737
Cash generated from operations	81 403	56 056	129 347
Net interest received	5 950	5 708	9 750
Dividend paid	(25 826)	(58 694)	(72 392)
Taxation paid	(16 859)	(18 605)	(44 657)
Net cash inflow (outflow) from operating activities	44 668	(15 535)	22 048
Net cash outflow from investing activities	(4 807)	(846)	(6 077)
Net cash (outflow) inflow from financing activities	(6 444)	(3 989)	7 745
Net increase (decrease) in cash and cash equivalents	33 417	(20 371)	8 226
Cash and cash equivalents at the beginning of the period	173 841	165 615	165 615
Cash and cash equivalents at the end of the period	207 258	145 244	173 841

Basis of Preparation

The condensed financial statements of the group are prepared as a going concern on a historical cost basis except for certain financial instruments, at amortised cost or fair value. The summarised annual financial statements conform to International Accounting Standard 34: Interim Financial Reporting, the Listing Requirements of the JSE Securities Exchange Limited and the Companies Act of South Africa (Act 61 of 1973). The principal accounting policies, which comply with International Financial Reporting Standards, have been consistently applied in all material respects in the current and comparative periods. All new interpretations and standards were assessed and adopted with no material impact.

Commentary

The directors of Datacentrix Holdings Limited are proud to announce the interim financial results of the group for the six month period ended 31 August 2007. Growth has been achieved on all the indices normally reported on. There has been strong operational performance across the business.

Headline earnings per share (HEPS) increased by 53% to 22.2 cents and earnings per share (EPS) increased 57% to 22.2 cents. Operating performance (EBITDA) increased by 33% to R66 million. Cash generated from operations was R81 million.

Infrastructure and Related Services

The Infrastructure and Related Services division continues to be a dominant player in the supply, deployment, maintenance and support of IT infrastructure solutions to enterprise South Africa. In the period under review this division produced healthy organic growth contributing R658 million (2006: R568 million) and R52 million (2006: R38 million) to the group's revenue and segment result (profitability) for the period respectively. Once again the division received a number of awards at HP's Partner-of-the-year event reaffirming our credentials as a trusted partner to both our vendors and customers.

The division experienced strong performance in particular in the enterprise systems, selective outsourcing and commercial segment of the market. We have retained our major clients, renewed existing contracts and grown our existing client base. We continue to ensure that the group is accredited by its vendors at the highest possible level both in the technical and sales arenas. The continued expansion of our service offering has enabled us to provide more services to customers, further enhancing our strategic value to them as a single source service provider. This commitment ensures Datacentrix is a cost effective partner for the supply, installation and maintenance of equipment over its entire life-cycle, providing customers with the ability to focus their resources on their core business. The division's strategic focus remains unchanged.

Client satisfaction is the foundation of our business. Datacentrix's full service focus on the supply and support of IT Infrastructure ensures ease of engagement. Clients are assisted through the various processes including needs assessment, product evaluation and selection, configuration and installation and the support of the infrastructure thereafter.

Solutions

The Enterprise Resource Planning business unit has consolidated its performance by ensuring that the fundamentals are in place and that projects are delivered as per client expectations. The sales capacity has been enhanced during the period to focus on growth with a sound service delivery foundation. Datacentrix maintains its Microsoft Gold Partner status.

The Workflow and Development business unit has won major projects in the areas of workflow, business intelligence and data-mining during the period. The Optimisation business unit, serving the electronic content management and archiving areas, has also performed creditably.

Overall the Solutions business has improved its profitability (segment result) to R9.7 million (2006: R6.7 million) and contributed R35 million (2006: R36 million) to the group's revenue.

Board and Management Changes

Vernon Tutton has been appointed Managing Director of Services and Kelebone Tekateka has been appointed Managing Director of Infrastructure Pretoria effective 1 October 2007. We would also like to announce the resignation of Johan Landsberg as Company Secretary. Johan will continue with other key responsibilities within the group. Mavis Thomani, CA (SA), has been appointed as the Company Secretary, effective 2 October 2007.

As previously communicated to shareholders, Stewart Barker resigned as an executive director with effect from 1 September 2007. The board thanks Stewart for his contribution.

Prospects

Datacentrix will continue to consolidate its position in the market space and the outlook remains positive. Both the private sector and government show healthy activity in IT expenditure and as always Datacentrix expects to maintain or increase market share. Indices cited in the past as engines for growth, such as mobile computing, security, storage and new Microsoft releases continue to fuel growth in the infrastructure and services market.

Datacentrix is still well positioned to capitalise on the opportunities outlined above.

Dividend

An interim dividend of 11.0 cents has been declared in line with our dividend policy of two times cover on HEPS.

Declaration date:	Monday, 1 October 2007
Last day to trade:	Friday, 19 October 2007
Share trade ex dividend:	Monday, 22 October 2007
Record date:	Friday, 26 October 2007
Payment date:	Monday, 29 October 2007

Share certificates may not be dematerialised or rematerialised between 22 October 2007 and 26 October 2007, both days inclusive.

For and on behalf of the Board:

Gary Morolo
Chairman
2 October 2007

Directors: Gary Morolo (Chairman)*, Gerhard Uys (CEO), Ahmed Mahomed (COO), Elizabeth Naidoo (CFO), Alwyn Martin*, Imogen Mkhize*, Israel Skosana*, Joan Joffe* (*non-executive)
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Sponsor: Barnard Jacobs Mellet Corporate Finance (Pty) Ltd