

RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2002

HIGHLIGHTS

Turnover increased by 32% to R521,6 million
Operational performance (EBITDA) increased by 62% to R39,4 million
Headline earnings per share increased by 48% to 16.7 cents and earnings per share by 39% to 13.5 cents
Cash generated from operations amounted to R25,2 million, resulting in R71 million cash on hand at year end
The Group has no interest bearing debt
Tangible net asset value increased by 77% to 55 cents per share
Five year headline earnings per share compound annual growth rate of 43%

| CONSOLIDATED INCOME STATEMENT | | |
|---|---|---|
| | Group Year ended Feb 2002 R000's | Group Year ended Feb 2001 R000's |
| Turnover | 521,581 | 394,064 |
| Operating income before interest, taxation, depreciation & amortisation (EBITDA) | 39,378 | 24,298 |
| Depreciation | (4,127) | (1,467) |
| Loss from closure of business lines | (2,220) | (850) |
| Goodwill amortised | (3,002) | (1,700) |
| Operating income before interest and taxation (EBIT) | 30,029 | 20,281 |
| Net interest received | 1,094 | 1,699 |
| Income before taxation | 31,123 | 21,980 |
| Taxation | (10,221) | (7,503) |
| Net income after taxation | 20,902 | 14,477 |
| Outside shareholders interest | 1,444 | 1,292 |
| Earnings attributable to ordinary shareholders | 22,346 | 15,769 |
| Retained income at beginning of the year | 45,826 | 30,057 |
| Retained income at end of the year | 68,172 | 45,826 |
| Headline and diluted headline earnings per share in cents | 16.7 | 11.3 |
| Earnings per share in cents | 13.5 | 9.7 |
| Weighted average number of shares in issue ('000) | 165,341 | 161,765 |

| RECONCILIATION OF HEADLINE EARNINGS | | |
|---|--|--|
| | Group Year ended Feb 2002 cents | Group Year ended Feb 2001 cents |
| Earnings per share | 13.5 | 9.7 |
| Loss from closure of business lines | 1.4 | 0.5 |
| Goodwill amortised | 1.8 | 1.1 |
| Headline and diluted headline earnings per share | 16.7 | 11.3 |

| CONSOLIDATED BALANCE SHEET | | |
|-----------------------------------|-----------------------------|-----------------------------|
| | Group Feb 2002 R000's | Group Feb 2001 R000's |
| ASSETS | | |
| Non-current assets | | |
| Fixed assets | 12,479 | 28,550 |
| Deferred tax | 9,072 | 6,745 |
| Investments and loans | 13,388 | 9,590 |
| Intangible assets | 16,658 | 21,610 |
| | 51,597 | 66,495 |
| Current assets | | |
| Inventories | 7,583 | 6,467 |
| Accounts receivable | 124,373 | 68,350 |
| Bank balances and cash | 71,460 | 45,089 |
| | 203,416 | 119,906 |
| Total assets | 255,013 | 186,401 |
| EQUITY AND LIABILITIES | | |
| Capital and reserves | | |
| Share capital and premium | 32,013 | 7,099 |

| | | |
|--|----------------|----------------|
| Non distributable reserve | 14,543 | 7,105 |
| Acquisition consideration - shares due to vendors | 4,617 | 12,249 |
| Retained earnings | 68,172 | 45,826 |
| | 119,345 | 72,279 |
| Minority interest and outside shareholder's loan | - | 5,749 |
| Non-current liabilities | | |
| Acquisition consideration - long term cash due to vendors | 6,390 | 9,125 |
| Long term liabilities | - | 249 |
| Current liabilities | | |
| Accounts payable | 107,224 | 80,321 |
| Deferred Revenue | 11,746 | 4,568 |
| Acquisition consideration - short term cash due to vendors | 2,735 | 9,300 |
| Taxation | 7,573 | 4,810 |
| | 129,278 | 98,999 |
| Total equity and liabilities | 255,013 | 186,401 |
| Net asset value per share (cents) | 64 | 45 |
| Tangible net asset value per share (cents) | 55 | 31 |
| Number of shares in issue ('000) | 187,008 | 161,830 |

| CONSOLIDATED STATEMENT OF CHANGES IN EQUITY | | | | | | |
|---|---------------|---------------|--------|-------------------------------|-----------------|---------|
| | Share Capital | Share premium | NDR | Acquisition consideration due | Retained income | Total |
| Balance at 28 February 2000 | 16 | 1,987 | 706 | 14,690 | 30,057 | 47,456 |
| Net income for the year | | | | | 15,769 | 15,769 |
| Shares issued | | 5,221 | | -5,221 | | - |
| Share issue expenses | | -125 | | | | -125 |
| Raised on new acquisitions | | | | 6,149 | | 6,149 |
| Non-achievement of profit warranties | | | 6,399 | -3,369 | | 3,030 |
| Balance at 28 February 2001 | 16 | 7,083 | 7,105 | 12,249 | 45,826 | 72,279 |
| Net income for the year | | | | | 22,346 | 22,346 |
| Shares issued | 3 | 25,296 | | -3,713 | | 21,586 |
| Share issue expenses | | -385 | | | | -385 |
| Non-achievement of profit warranties | | | 7,438 | -3,919 | | 3,519 |
| Balance at 28 February 2002 | 19 | 31,994 | 14,543 | 4,617 | 68,172 | 119,345 |

| CONSOLIDATED CASHFLOW STATEMENT | | |
|---|----------------------------------|----------------------------------|
| | Group Year ended Feb 2002 R000's | Group Year ended Feb 2001 R000's |
| Net cash inflow from operating activities | 25,207 | 13,828 |
| Net cash outflow from investing activities | (11,306) | (34,361) |
| Net cash inflow from financing activities | 12,470 | 15,195 |
| Net increase/(decrease) in cash and cash equivalents | 26,371 | (5,338) |
| Cash and cash equivalents at the beginning of the period | 45,089 | 50,427 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 71,460 | 45,089 |

Commentary

We present Datacentrix's fourth set of solid annual results since listing on the JSE main board in September 1998.

Compared to the corresponding prior year results:

Turnover increased by 32% to R521,6 m
Operational performance (EBITDA) increased by 62% to R39,4 m
Headline earnings per share increased by 48% to 16.7 cents and earnings per share by 39% to 13.5 cents
Tangible net asset value increased by 77% to 55 cents per share

Cashflow generated from operations was R25,2 m, converting profits into cash.
Taxation has been provided for at an effective rate of 33%, compared to the prior year's rate of 34%.
Diligent asset management and financial controls have resulted in the cash balances of R71 million at year end.
The group has no interest bearing debt.
Five year headline earnings per share compound annual growth rate of 43%

Nature of business

The Group's major activities comprise the supply, integration and optimisation of IT-infrastructure, solutions and related services to enterprise South Africa.

Infrastructure

The supply, integration and optimisation of infrastructure continues to be the largest contributor to the Group. Our unique top rated accreditation and positioning with Compaq, HP and IBM makes us the partner of choice for the supply and maintenance of enterprise infrastructure requirements. Datacentrix's success in server-centric storage solutions has evolved into the enterprise storage marketplace where we provide storage area networks solutions from the leading vendors. We have been particularly successful in the area of document and data management in the SAP R/3 environment. A security division was set up towards the end of the financial year in response to client needs, focusing predominantly on Symantec's solutions.

Solutions

The Solutions unit offers hosted services and the consulting, supply and implementation of business applications for the Microsoft platform. During the year, the division was strengthened by the awarding of a revised 3-year, R108 million contract with Premier Foods. This business unit employs a sizeable skills base focusing on hosted application services, managed infrastructure, financial systems and data mining. In March 2002 the unit was enhanced through the acquisition of Microsoft integration and development skills. Solutions will be a high growth area going forward, which will include acquisitions of skills to complement our existing offering.

Services

Datacentrix has an impressive array of service accreditations which were obtained in order to ensure high quality support to the Group's Infrastructure customers. The decision has now been taken to market this division separately and to compete as a truly customer service focused division supplying services ranging from the traditional Vendor warranty work through software upgrades and migration to infrastructure outsourcing. The South African services market is large and growing by an estimated 13% per year and with this new focus, a strong customer services ethos and the strength of the Datacentrix customer base, this division is expected to grow significantly.

Commerce Centre

As reported in the SENS announcement of 5 April 2002, Datacentrix terminated its involvement in community based e-commerce projects due to the slow growth in the market which had the effect that breakeven would not be achieved by February 2003. In order to give effect to this decision, Datacentrix purchased the remaining 30% of Commerce Centre of Southern Africa (Pty) Ltd held by ParaNet LLC and Commerce Centre exited all community-based projects including the FMCG national product data catalogue. All these community-based projects were incurring losses and with this strategic change, Commerce Centre will no longer be incurring losses and will change its name to Datacentrix Solutions (Pty) Ltd to reflect the new shareholding. Datacentrix continues to represent the Sterling Commerce suite of e-commerce products in South Africa, and has enjoyed significant success from it.

Black Economic Empowerment (BEE)

Datacentrix continues to entrench itself as a truly South African company, embracing BEE at all levels within the organisation and through its equity structure. During February 2002 our BEE shareholding was enhanced with an issue of new shares, raising our BEE equity stake to 49%. Datacentrix has successfully moved to the second phase of strengthening its empowerment credentials. In addition to the assumption of executive office by Gary Morolo as Executive Chairman, senior management appointments have been made with Ahmed Mahomed as Managing Director of Infrastructure, the largest division, and Lolo Tshaka as Divisional Director in charge of the Government business unit. Significant progress has been made in the general employment equity profile, resulting in 42% of all personnel being Black and 61% from the designated group as at year end. Concerted effort is being made to further improve our employment equity profile, especially at executive and senior management levels.

Future prospects

With the significant growth initiatives identified in our infrastructure business and the growth experienced in the Solutions and Services divisions, Datacentrix has successfully implemented its growth strategy and remains poised to make judicious and opportune acquisitions. We are positive that growth will continue in the next financial year. To date our focus on business critical solutions and services has shielded Datacentrix from the global and local slowdown in information technology expenditure. We remain extremely well positioned to take advantage of the continued shakeout and consolidation in the IT industry.

Dividends

As per company policy, no dividend has been declared or paid. The directors believe that the cash resources can be best employed within the company to fund organic and/or acquisitive growth.

Accounting policies

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice and the accounting policies used in their preparation are consistent with those adopted in the previous financial year.

For and on behalf of the board.

Gary Morolo
Executive Chairman

Gerhard Uys
Group MD

23 April 2002
Pretoria

Directors:

Gary Morolo (Chairman), Gerhard Uys, Klaas Lammers, Stewart Barker, Charl Joubert, Natanya Kuper-Cohen*, Sam Nematswerani*, Joan Joffe*, Imogen Mkhize*, Christoff Botha*

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