

DATACENTRIX HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
REGISTRATION NUMBER: 1998/006413/06
JSE CODE: DCT
ISIN: ZAE 000016051

("Datacentrix" or "the Group")

AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 29 FEBRUARY 2000

Key Financial Indicators

- Increased earnings by 40%
- Revenue increased by 48% to R248 million
- Earnings increased by 40% to R17,5 million
- Headline earnings per share increased by 22% from 9,0 cents to 11,0 cents
- Sound financial management improved cash balances after investments and acquisitions to R50 million

Abridged Consolidated Income Statement for the year ended 29 February 2000

	Audited 12 months ended 29 February 2000 R'000	Audited 12 months ended 28 February 1999 R'000
Revenue	248,437	168,239
Operating income	19,036	14,430
Interest received	4,600	4,698
Income before taxation	23,636	19,128
Taxation	6,101	6,605
Net income after taxation	17,535	12,523
Dividends	-	-
Retained income for the year	17,535	12,523
Retained income at the beginning of the year	12,523	-
Retained income at the end of the year	30,058	12,523
Headline earnings per share (cents)	11.0	9.0

Abridged Consolidated Balance Sheet at 29 February 2000

	Audited 29 February 2000 R'000	Audited 29 February 1999 R'000
Capital employed		
Equity and reserves	47 456	50 851
Acquisition consideration due	6 775	1 200
E-business outside shareholders' loans	3 760	-
Other long-term liabilities	449	-
Total capital employed	58 440	52 051
Employment of capital		
Fixed assets – e-business	19 885	-
Fixed assets – other businesses	2 533	719
Deferred tax	4 698	4 833
Investments and loans	6 114	3 490
Current assets	102 485	86 536
Inventories	2 034	1 738
Accounts receivable	50 024	40 185
Bank balances and cash	50 427	44 613
Current liabilities	77 275	43 527
Accounts payable: Trade	48 853	36 093
Accounts payable: e-business outside shareholders	15 443	-
Acquisition consideration due	6 775	1 000
Taxation	6 204	6 434
Net current assets	25 210	43 009
Total employment of capital	58 440	52 051

Nature of the business

Datacentrix is a supplier and integrator of IT infrastructure and applications, e-business solutions and related services to the enterprise market in South Africa.

Commentary

Datacentrix has returned another set of solid results in its second year of trading as a listed company – a significant achievement in an unstable IT sector climate. Although operating margin decreased from 8,6% to 7,7%, gross margin percentage increased significantly during the year under review. Expenses increased because of a substantial investment in growing the staff complement of newer divisions such as enterprise systems management and services. This increase in skills was necessary to build additional value-added services around Datacentrix' core infrastructure product set. The mix in earnings reflects the successful implementation of our stated objectives. Software and services contributed 60% (1999: 34%) to operating profit, and hardware and networking 40% (1999: 66%). Asset management remains commendable, with no obsolete inventory or bad debt. Inventory was kept at a minimal R2 million. Cash balance increased to R50 million despite significant investment in the new ventures and acquisitions. This positive cash balance and the fact that the group has no interest-bearing debt leaves it well equipped for growth.

Prospects

Datacentrix will continue to grow its core business of infrastructure, optimisation and related services, with emphasis on high growth areas such as storage solutions and enterprise systems management. Of particular note in the coming financial year will be the roll-out of the Southern African node of a global e-business network, Commerce Centre. This joint venture with Sterling Commerce and Pararede, will form the nucleus of a larger initiative, which is expected to bring to market a set of innovative business-to-business products and services. Datacentrix will continue to strengthen its alliances with Premier Consulting groups, and jointly continue to pursue its successful program of securing contracts from enterprises for large-scale projects.

Dividends

No dividends have been declared or paid during this year. At present the directors believe that the positive cash flow can be best employed within the group to increase returns to shareholders.

For and on behalf of the Board:

Gary Morolo
Chairman
17 April 2000

Directors

Executive - PG Uys, KJ Lammers, L Theron

Non-Executive - GKA Morolo (Chairman), J Joffe, SN Nematswerani, CG Botha

Secretary and registered office

JA Landsberg (B Com) (Hons), Sanwood Park Block 7, 379 Queens Crescent,
Lynnwood, Pretoria. PO Box 74415, Lynnwood Ridge, Pretoria, 0040.

Transfer secretary

Mercantile Registrars Limited

Datacentrix returns strong results, increases earnings by 40%

Datacentrix, the JSE-listed IT infrastructure group, has reported a 48% increase in turnover, a 40% increase in earnings, and a 22% increase in earnings per share for the financial year ended 29 February 2000. Chairman Gary Morolo says that the results reflect the group's solid organic growth and successful integration of its acquisitions.

"We have retained our focus on providing infrastructure, infrastructure optimisation and associated services to large enterprises, and in so doing have created a strong foundation to take advantage of new business opportunities, especially in the e-business space."

Turnover was R248 million, up from R168 million the previous year. Earnings increased by 40% to R17,5 million, up from R12,5 million, and headline earnings per share increased from 9 cents to 11 cents per share. The group has a cash reserve of R50 million and no interest-bearing debt. Inventory was kept at R2 million.

The group has never experienced any significant bad debt or stock obsolescence. CEO Gerhard Uys says that the group has established itself as a major player in large-scale enterprise IT implementation. "Datacentrix secured significant large contracts, such as Genfood, Iscor and SAB, and this was largely due to our ability to manage nationwide infrastructure implementations, and the provision of networking, integration and other value added services and products around our core offering. Our three acquisitions were all made in order to strengthen this position and add to our national footprint, as were strategic alliances with consultants such as Debis and Andersen Consulting."

Uys said that further acquisitions are being considered in the software applications area. Datacentrix established a R1 million educational trust to fund tertiary education in IT and related skills.

Black empowerment has continued to be developed and integrated smoothly within the business. In addition, the company is well on track in its implementation of the employment equity plan.

Datacentrix recently announced Commerce Centre of Southern Africa, an independent e-commerce provider for business-to-business solutions. The company was funded with an initial investment of R21 million, and is 70% owned by Datacentrix and 30% by Sterling Commerce and Pararede. "The goal of Commerce Centre is to become the number one supplier of high value electronic business services to business communities characterised by multiple and complex transactions," Uys explains. "This is our most exciting venture to date, as it will place us in the forefront of providing sophisticated and secure e-commerce services to business communities."

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