

DATACENTRIX HOLDINGS LIMITED
REGISTRATION NUMBER: 1998/006413/06
JSE CODE: DCT
ISIN: ZAE 000016051
 („Datacentrix“ or „the Group“)

AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2009

Key Financial Indicators

- Revenue increased 12% to more than R1.5 billion
- EBITDA increased 5% to R165.5 million
- Basic earnings per share (EPS) and basic headline earnings per share (HEPS) increased 18% to 61.5 cents
- Cash on hand of R232.8 million, with no interest-bearing debt
- Cash generated from operations of R132.6 million
- Final dividend declared of 17.0 cents per share, bringing annual dividend to 30.0 cents per share
- Tangible net asset value per share increased 24% from 141.4 to 175.4 cents per share

Condensed Consolidated Income Statement for the year ended 28 February 2009

	Audited	Audited
	2009	2008
	R'000	R'000
Revenue	1 513 322	1 346 971
Operating profit	153 176	146 942
Net interest received	23 304	9 137
Profit before taxation	176 480	156 079
Income taxation expense	(56 061)	(54 214)
Earnings attributable to ordinary shareholders	120 419	101 865
Basic earnings per ordinary share (cents)	61.5	52.0
Diluted basic earnings per ordinary share (cents)	61.0	51.0
Proposed and declared dividend per share (cents)	30.0	26.0
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	165 534	157 096
Headline earnings per ordinary share (cents)	61.5	52.0
Diluted headline earnings per ordinary share (cents)	61.0	51.0
Weighted average number of shares in issue* (000's)	195 785	195 785
Weighted average number of shares in issue for the purpose of dilution* (000's)	197 295	199 634
*adjusted for treasury shares		
Reconciliation between earnings attributable to ordinary shareholders and headline earnings		
Earnings attributable to ordinary shareholders	120 419	101 865
Profit on sale of property and equipment	(64)	(74)
Headline earnings	120 355	101 791

Condensed Consolidated Balance Sheet as at 28 February 2009

	Audited 2009 R'000	Audited 2008 R'000
ASSETS		
Non-current assets	82 623	79 185
Property and equipment	41 275	32 018
Intangible assets	17 138	17 740
Long-term receivables	3 256	6 259
Deferred tax assets	20 954	23 168
Current assets	527 710	469 344
Inventories	10 438	10 976
Trade and other receivables	284 431	236 472
Cash and cash equivalents	232 841	221 896
TOTAL ASSETS	610 333	548 529
EQUITY AND LIABILITIES		
Capital and reserves	360 625	294 476
Share capital	21	21
Share premium	37 366	38 145
Treasury shares	(37 166)	(35 901)
Equity-settled share scheme reserve	15 272	12 672
Retained earnings	345 132	279 539
Non-current liability		
Deferred revenue	16 328	19 327
Current liabilities	233 380	234 726
Trade and other payables	179 511	180 660
Provisions	1 132	2 071
Deferred revenue	43 505	27 205
Lease smoothing liability	1 145	215
Current taxation liabilities	8 087	24 575
TOTAL EQUITY AND LIABILITIES	610 333	548 529
Net asset value (adjusted for treasury shares) per share (cents)	184.2	150.4
Tangible net asset value (adjusted for treasury shares) per share (cents)	175.4	141.4
Weighted average number of shares in issue (000's)	195 785	195 785

Condensed Consolidated Statement of Changes in Equity for the year ended 28 February 2009

	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 2007	21	40 709	(25 958)	8 642	225 054	248 468
Profit for the year	-	-	-	-	101 865	101 865
Treasury shares movement	-	-	(9 943)	-	-	(9 943)
Share-based payments	-	-	-	4 030	-	4 030
Dividend paid	-	-	-	-	(47 380)	(47 380)
Loss on sale of treasury shares in trust	-	(2 564)	-	-	-	(2 564)
Balance at 29 February 2008	21	38 145	(35 901)	12 672	279 539	294 476
Profit for the year	-	-	-	-	120 419	120 419
Treasury shares movement	-	-	(1 265)	-	-	(1 265)
Share-based payments	-	-	-	2 600	-	2 600
Dividend paid	-	-	-	-	(54 826)	(54 826)
Loss on sale of treasury shares in trust	-	(779)	-	-	-	(779)
Balance at 28 February 2009	21	37 366	(37 166)	15 272	345 132	360 625

Condensed Consolidated Cash Flow Statement for the year ended 28 February 2009

	Audited 2009 R'000	Audited 2008 R'000
Profit before taxation	176 480	156 079
Adjusted for non-cash items	(8 259)	2 164
Working capital changes	(35 581)	5 927
- Inventory	538	(1 575)
- Trade and other accounts receivable	(49 339)	(25 309)
- Trade, other accounts payable and liabilities	13 220	32 811
Cash generated from operations	132 640	164 170
Net interest received	23 304	9 137
Dividend paid	(54 826)	(47 380)
Taxation paid	(70 335)	(46 525)
Net cash inflow from operating activities	30 783	79 402
Net cash outflow from investing activities	(16 566)	(19 206)
Net cash outflow from financing activities	(3 272)	(12 141)
Net increase in cash and cash equivalents	10 945	48 055
Cash and cash equivalents at the beginning of the year	221 896	173 841
Cash and cash equivalents at the end of the year	232 841	221 896

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 condensed annual financial statements conform to International Accounting Standard 34: Interim Financial Reporting, the Listings Requirements of the JSE 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 years. All new interpretations and standards were assessed and adopted with no material impact.

Auditors' Opinion and Subsequent Events

The Group's auditors, Deloitte & Touche, have audited these results and a copy of their unmodified audit opinion on this set of condensed financial information as well as their accompanying unmodified audit report on the annual financial statements is available for inspection at the Group's registered office. No material events have occurred between the financial year end and the date of the audit report.

Commentary

The directors of Datacentrix are pleased to announce the annual financial results of the Group for the year ended 28 February 2009. Datacentrix has shown resilience in its performance over the past year, in a deteriorating economic environment, with most divisions showing reliable performances. Strategically targeted growth areas have shown encouraging development and the Group will continue to cautiously invest in these offerings and services, which are closely aligned to the core focus of the businesses.

Both headline earnings per share (HEPS) and earnings per share (EPS) increased by 18% to 61.5 cents. Operating performance (EBITDA) increased by 5% to R165.5 million. Cash generated from operations was R132.6 million, with cash on hand of R232.8 million, with no interest-bearing debt. Tangible net asset value per share increased by 24% from 141.4 to 175.4 cents per share.

The Business of Datacentrix

Datacentrix is a leading, empowered ICT integrator that provides high performing, secure ICT solutions to corporate South Africa and the public services sector. Its main activities comprise the supply, integration and optimisation of IT infrastructure, business solutions and related services to its client base. It operates throughout South Africa.

Infrastructure and Managed Services

The year has been positive but challenging for the Infrastructure and Managed Services division, with public sector showing healthy growth. Encouraging performances were noted in new target growth areas, including the Managed Print Services (MPS), Security, Resourcing and Microsoft Software Services businesses. The division continues to be a leading provider for the supply, deployment, maintenance and support of integrated IT infrastructure. In the year under review this division produced organic growth contributing R1.4 billion (2008: R1.3 billion) and R140.3 million (2008: R131.4 million) to the Group's segment revenue and segment result for the year respectively.

Datacentrix has furthermore invested in enhancing its infrastructure services capability. This investment in improved operational capacity of the division is in support of its infrastructure solutions portfolio and an ever increasing client footprint. The Group continues in its single minded approach to uncompromising service delivery to which its clients have become accustomed.

The division strengthened its MPS execution engine and increased efficiencies resulting in improved profitability. The business unit has won sizeable deals in the year under review and clients continue to show a keen interest in the value proposition provided by this offering.

The division is encouraged by the success achieved in the recently formalised Resourcing business unit, which focuses on the provision of selected, on-site resources to meet client specifications. The unit is positioned to assist its clients in addressing the high demands placed on businesses to become cost efficient in today's challenging environment. This is done by providing a flexible staff resourcing solution.

The Security business unit is updating the initial version of its biometrics security solution and is currently in the final stage of completing its second major installation. The company is encouraged by the developments in the focused Networking business unit addressing two main areas: bandwidth optimisation - dealing with solutions designed to improve bandwidth utilisation, latencies and efficiencies; and the provisioning of network infrastructure focusing on new network technologies. In addition the Enterprise Systems Management business unit provides management solutions spanning basic network management through to application management.

The Infrastructure and Managed Services division continues to ensure that it holds the highest sales, pre-sales and technical vendor accreditations, ensuring that it remains the most cost effective partner for the supply, installation and ongoing maintenance of equipment, over the entire lifespan of such equipment. This commitment to technical excellence has contributed to Datacentrix garnering a number of accolades from its vendors such as HP, IBM, Citrix and VMware.

The Group has met Service Level Agreement objectives set to maintain the highest level of client satisfaction. Services focus on assisting clients at every stage of the product lifecycle - ranging from needs determination, product evaluation, configuration, installation and support. This is in line with the continuous service improvement program, which the Group ascribes to in order to meet and exceed client needs and expectations.

Solutions

The Business Process Management (BPM) business unit remains focused on workflow and data-mining and has shown very good growth in the year under review. Datacentrix is the only Platinum Partner of Sourcecode / K2 Workflow in South Africa. The business unit develops on the latest K2 Workflow server technology called "K2 BlackPearl" and has standardised on Microsoft SharePoint as a document file repository, typically for all the electronic forms that are automated by BPM systems. The Enterprise Resource Planning business, whilst profitable, remains under pressure and it is anticipated that this will remain so in the in the year ahead.

The Enterprise Content Management (ECM) business was adversely affected not only because of current market conditions, but also as a result of some vendors changing their route to market in the Archiving and Enterprise Content Management spaces. The business is transitioning to becoming increasingly product agnostic and services led, focused primarily on the enterprise content management and information lifecycle management space.

Overall the Solutions business has maintained profitability with a segment result of R13.4 million (2008: R16 million) and contributed R81 million (2008: R66.6 million) to the Group's segment revenue.

Black Economic Empowerment

Datacentrix has regained its EmpowerDex A rating and is again a Level Four (4) Contributor, with realistic prospects of achieving Level Three (3) Contributor status. Achievement on the majority of indices is high and is targeted for further improvement. However, no solution to black equity participation, the key area where Datacentrix underperforms relative to the other indices, was achieved in the year under review, despite a variety of initiatives pursued by the board. These efforts are ongoing albeit in a much tougher environment to raise either debt or equity, especially for empowerment transactions. A key goal for the board remains to find a solution that would preferably also bring staff into significant equity ownership as part of retention strategy of key management and technical staff.

Board and Management changes

Other pressuring commitments have caused Mr. Israel Skosana and Ms. Dudu Nyamane to resign from the board during the course of the year. Their contribution has been valuable and the board wishes to extend its gratitude to both of them.

The board is happy to announce the appointment of Mrs. Thenjiwe Chikane to the board and the audit and risk committee with effect 20 April 2009.

Prospects

Datacentrix continues to closely monitor local industry trends and the impact of the current economic climate on the IT industry nationally and globally. Many companies are cutting costs in the face of dwindling revenues. This type of rationalisation has led to a number of South African IT companies restructuring and retrenching staff, creating opportunities in the market. Datacentrix is currently expanding its offerings and skill sets and therefore does not anticipate retrenchments in the coming year.

The macroeconomic environment is challenging and uncertain, resulting in reduced visibility of future trading conditions. Datacentrix expects to hold its own and maintain its market share in an evidently tough and deteriorating environment. An integral part of Datacentrix' business model has always been to focus on "must have" instead of "nice to have" offerings. That way the company continues to play in that space, despite tough financial times and tight budgets. In some instances some corporates are looking to IT to achieve much needed operational savings.

Datacentrix has continued to grow organically and has in the past year invested significantly in targeted new skills and competencies higher up the value chain. This investment is evident in a higher salary cost. Future growth for the Group will be supplemented by selective acquisition of pockets of excellence in identified growth areas. Due regard will be given in the coming year to the need to contain costs and to conserve capital.

The board has every expectation of remaining profitable and showing growth in the coming year and has the confidence in management to continue with the application, dedication, and execution capability that has ensured good results in the past.

Dividend

A final normal dividend of 17.0 cents has been proposed, which is in line with the divided policy of two times cover on headline earnings per share. This brings the dividend to a total of 30.0 cents declared for the full year.

Declaration date:	Tuesday, 21 April 2009
Last day to trade:	Friday, 08 May 2009
Share trade ex dividend:	Monday, 11 May 2009
Record date:	Friday, 15 May 2009
Payment date:	Monday, 18 May 2009

Share certificates may not be dematerialised or re-materialised between Monday, 11 May 2009 and Friday, 15 May 2009, both days inclusive.

Annual General Meeting

It is expected that the annual report will be dispatched to shareholders no later than 13 May 2009. Notice is hereby given that the annual general meeting of the company will be held at the company's registered office on 5 June 2009 at 10:00.

For and on behalf of the Board:

Gary Morolo
Chairman

20 April 2009

Directors: Gary Morolo (Chairman), Ahmed Mahomed (CEO), Alwyn Martin*, Elizabeth Naidoo, Joan Joffe*, Thenjiwe Chikane*
*independent, non-executive

Company Secretary: Ithemba Statutory and Governance Solutions (Proprietary) Limited

Registered Office: Block 7, Sanwood Park, 379 Queens Crescent, Lynnwood, Pretoria

Transfer Secretaries: Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg

Sponsor: Barnard Jacobs Mellet Corporate Finance (Proprietary) Limited