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 2011 AND CAUTIONARY ANNOUNCEMENT

Key Financial Indicators

- Revenue increased 22% to R1.576 billion
- Basic earnings per share (EPS) increased by 12% to 46.1 cents
- Headline earnings per share (HEPS) increased by 13% to 46.3 cents
- Cash on hand of R321.2 million, with no interest-bearing debt
- Cash generated from operations of R163.1 million
- Tangible net asset value per share increased 10% from 186.9 to 205.4 cents per share

Condensed Consolidated Statements of Comprehensive Income for the year ended 28 February 2011

	Audited 2011 R’000	**Audited** 2010 R’000
Revenue	**1 575 739**	1 290 781
Operating profit	**124 438**	107 173
Net interest received	**12 794**	14 924
Profit before taxation	**137 232**	122 097
Income taxation expense	**(47 034)**	(41 692)
Total comprehensive income attributable to ordinary shareholders	**90 198**	80 405
Basic earnings per ordinary share (cents)	**46.1**	41.1
Diluted basic earnings per ordinary share (cents)	**45.3**	40.6
Declared dividend per share (cents)	**#13.9**	30.0
# interim dividend only		
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	**150 091**	126 619
Headline earnings per ordinary share (cents)	**46.3**	41.0
Diluted headline earnings per ordinary share (cents)	**45.5**	40.5
Weighted average number of shares in issue* (000’s)	**195 798**	195 798
Weighted average number of shares in issue for the purpose of dilution* (000’s)	**199 190**	198 258
**adjusted for treasury shares*		
Reconciliation between comprehensive income attributable to ordinary shareholders and headline earnings		
Earnings attributable to ordinary shareholders	**90 198**	80 405
Loss (profit) on sale of property and equipment	**425**	(212)
Headline earnings	**90 623**	80 193

Condensed Consolidated Statements of Financial Position as at 28 February 2011

	Audited 2011 R'000	Audited 2010 R'000
ASSETS		
Non-current assets	**76 997**	72 099
Property and equipment	**37 536**	39 297
Intangible assets	**17 950**	17 276
Long-term receivables	**-**	1 036
Deferred taxation assets	**21 511**	14 490
Current assets	**585 444**	518 155
Current taxation asset	**154**	-
Inventories	**10 877**	12 882
Trade and other receivables	**253 243**	220 437
Cash and cash equivalents	**321 170**	284 836
TOTAL ASSETS	**662 441**	590 254
EQUITY AND LIABILITIES		
Capital and reserves	**420 027**	383 152
Share capital	**21**	21
Share premium	**37 544**	37 442
Treasury shares	**(38 799)**	(38 200)
Equity-settled share scheme reserve	**24 761**	17 872
Retained earnings	**396 500**	366 017
Non-current liability		
Deferred revenue – long-term	**18 292**	11 921
Current liabilities	**224 112**	195 181
Trade and other payables	**177 773**	158 019
Provisions	**1 500**	1 849
Deferred revenue – short-term	**42 962**	32 520
Lease smoothing liability	**1 887**	1 695
Current taxation liabilities	**-**	1 098
TOTAL EQUITY AND LIABILITIES	**662 441**	590 254
Net asset value (adjusted for treasury shares) per share (cents)	**214.5**	195.7
Tangible net asset value (adjusted for treasury shares) per share (cents)	**205.4**	186.9
Weighted average number of shares in issue (000's)	**195 798**	195 798

Condensed Consolidated Statements of Changes in Equity for the year ended 28 February 2011

	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 2009	21	37 366	(37 166)	15 272	345 132	360 625
Total comprehensive income for the year	-	-	-	-	80 405	80 405
Treasury shares – movement during the year	-	-	(1 034)	-	-	(1 034)
Share-based payment	-	-	-	2 600	-	2 600
Dividend paid	-	-	-	-	(59 520)	(59 520)
Profit on sale of treasury shares	-	76	-	-	-	76
Balance at 28 February 2010	**21**	**37 442**	**(38 200)**	**17 872**	**366 017**	**383 152**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**90 198**	**90 198**
Treasury shares – movement during the year	**-**	**-**	**(599)**	**-**	**-**	**(599)**
Share-based payment	**-**	**-**	**-**	**6 889**	**-**	**6 889**
Dividend paid	**-**	**-**	**-**	**-**	**(59 715)**	**(59 715)**
Profit on sale of treasury shares	**-**	**102**	**-**	**-**	**-**	**102**
Balance at 28 February 2011	**21**	**37 544**	**(38 799)**	**24 761**	**396 500**	**420 027**

Condensed Consolidated Statement of Cash Flow for the year ended 28 February 2011

	Audited 2011 R'000	Audited 2010 R'000
Profit before taxation	**137 232**	122 097
Adjusted for non-cash items	**20 468**	7 547
Working capital changes	**5 417**	23 689
- Inventories	**2 005**	(2 444)
- Trade and other receivables	**(32 806)**	62 300
- Trade and other payables	**36 218**	(36 167)
Cash generated from operations	**163 117**	153 333
Net interest received	**12 794**	14 924
Dividend paid	**(59 715)**	(59 520)
Taxation paid	**(55 307)**	(42 217)
Net cash inflow from operating activities	**60 889**	66 520
Net cash outflow from investing activities	**(23 956)**	(13 491)
Net cash outflow from financing activities	**(599)**	(1 034)
Net increase in cash and cash equivalents	**36 334**	51 995
Cash and cash equivalents at the beginning of the year	**284 836**	232 841
Cash and cash equivalents at the end of the year	**321 170**	284 836

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 have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the AC 500 standards as issued by the Accounting Practices Board and the information as required by IAS 34: Interim Financial Reporting, Listing Requirements of the JSE Limited, and the Companies Act of South Africa (Act 61 of 1973), as amended. The principal accounting policies, which comply with IFRS, 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.

Nature of Business
Datacentrix intends to continue to be the preferred ICT partner to the majority of South Africa's corporate and public sector organisations. The company plans to grow in a profitable, yet responsible manner and continue delivering complete solutions to its Southern African clients, maximising value, and utilising the latest technology together with the talent of its resources. This is given direction by the company's shared values of pride, passion, professionalism and performance.

Commentary
Datacentrix is pleased to announce its annual financial results for the year ended 28 February 2011 showing solid organic revenue, and a profit profile between the divisions that is shifting in favour of the Managed Services and Business Solutions divisions.

The group continues to maintain diligent financial and operational discipline across the business, evident in the strong operating cash flow generation of R163 million, resulting in cash on hand of R321 million with no interest-bearing debt. Tangible net asset value improved by 10 percent to 205 cents. Revenue grew organically from R1.3 billion to R1.6 billion, a growth of 22 percent, while EBITDA increased from R127 million to R150 million, a rise of 19 percent. EBITDA margins have held steady at 9.5 percent. Due to lower interest rates, group interest earned declined by R2.1 million. Headline earnings per share increased from 41 cents to 46 cents, a growth of 13 percent.

Segmental Analysis

	Infrastructure		Managed Services		Business Solutions		Corporate		Total Group	
	28 Feb 2011 R'000	**28 Feb 2010 R'000**	**28 Feb 2011 R'000**	**28 Feb 2010 R'000**	**28 Feb 2011 R'000**	**28 Feb 2010 R'000**	**28 Feb 2011 R'000**	**28 Feb 2010 R'000**	**28 Feb 2011 R'000**	**28 Feb 2010 R'000**
Revenue	**1 203 762**	974 282	**345 419**	281 537	**100 489**	97 874	**(73 931)**	(62 912)	**1 575 739**	1 290 781
Operating profit	**70 251**	68 983	**34 771**	26 440	**19 773**	12 092	**(357)**	(342)	**124 438**	107 173
Net interest received	**-**	-	**-**	-	**-**	-	**12 794**	14 924	**12 794**	14 924
Profit before taxation	**70 251**	68 983	**34 771**	26 440	**19 773**	12 092	**12 437**	14 582	**137 232**	122 097
Income tax expense	**(19 670)**	(19 677)	**(9 736)**	(7 538)	**(5 537)**	(3 446)	**(12 091)**	(11 031)	**(47 034)**	(41 692)
- normal and deferred taxation	**(19 670)**	(19 677)	**(9 736)**	(7 538)	**(5 537)**	(3 446)	**(5 830)**	(4 791)	**(40 773)**	(35 452)
- secondary taxation on companies	**-**	-	**-**	-	**-**	-	**(6 261)**	(6 240)	**(6 261)**	(6 240)
Comprehensive income for the year attributable to ordinary shareholders	**50 581**	49 306	**25 035**	18 902	**14 236**	8 646	**346**	3 551	**90 198**	80 405

Operational Review
The group is satisfied with the overall performance of its divisions. Its primary contributor, the Infrastructure division contributed 51 percent to group profit before taxation (PBT), while the Managed Services and Business Solutions divisions contributed 25 and 14 percent respectively. The Managed Services and Business Solutions divisions grew divisional PBT by 32 and 64 percent respectively, boosting the combined contribution of these divisions to a healthy 40 percent of group PBT.

Targeted growth areas have performed well, showing significant new client wins. Good performances were noted within both newly established and existing competencies, in particular storage, security, data centres, outsourcing and managed print services (MPS). The company has invested in the basic constructs of a cloud solution and has already started engaging clients.

Infrastructure
The Infrastructure division reflected a marginal PBT (3 percent) increase for the year under review. When contextualised against the backdrop of the continued subdued public sector expenditure, the performance of the rest of the business was commendable, more than offsetting the poor public sector performance. While public sector tender activity is still robust, the awarding of these tenders remains inhibited.

The Infrastructure division continues to be a leading supplier of total, integrated IT solutions and related services, from design to provisioning and deployment through to maintenance and ongoing support. Although the year was challenging for this division, as mentioned, the commercial sector business outperformed as a result of increasing its share of wallet in existing clients and new project wins. The specialist technology areas within the division also performed well.

The Datacentrix Infrastructure division is the largest and most broadly certified HP integrator in the local market. In addition, the company is now also one of the strongest partners for both IBM and Symantec, after strengthening its capabilities by securing the services of pre-eminent management and technical resources in these spaces. At the same time, the division boasts some of the highest certified technical skills in virtualisation technologies (VMware), a targeted growth area.

Managed Services
A strong performance was delivered by the Managed Services division, increasing divisional PBT by 32 percent. This performance benefited handsomely from a once-off MPS project relating to the 2010 FIFA World Cup South Africa and the recent signing of a three year infrastructure outsourcing term contract with a large mining house. MPS is an area where Datacentrix has gained recognition as a leading contender.

The Managed Services division is committed to delivering solutions that enable its clients to use information technology as a strategic asset in achieving their business objectives, while at the same time, reducing cost and risk. In support of this strategy, Datacentrix will continue to invest in improved operational capacity including people, processes and technology.

Business Solutions
The Business Solutions division has shown excellent growth over the year in review, highlighted in particular by the Enterprise Content Management (ECM) business unit, which has one of the largest services capabilities in the market and is focused primarily on the ECM, Business Process Management (BPM) and Information Lifecycle Management (ILM) spaces.

The Business Intelligence (BI) business unit has shown a revival after a skills injection, resulting in a positive contribution to the division's overall performance.

With regards to its Enterprise Resource Planning (ERP) offering, the group has decided to invest in Softline's SAGE X3 ERP solution expertise. This will increase Datacentrix' presence in the ERP market and will complement its current Microsoft solution set.

Relocation of Offices
We are pleased to have finalised the consolidation of our three Gauteng offices, spread between Pretoria, Samrand and Woodmead into a single, centrally situated office in Midrand. The demonstrated benefits of this move have been compelling. Foremost has been the enhanced level of communication and cooperation between various individuals and business units, and enhancement of efficiencies and elimination of duplication. Added benefits include reduced travelling time especially between offices, improved employee morale and pride in the workplace, and improvement in the cultivation of a common corporate culture. The new office has been secured at comparable overall office rental and other operating costs. Datacentrix now also enjoys visibility and brand awareness, with corporate signage fronting the busiest corridor route in Gauteng.

Prospects
Industry consolidation is expected to continue. From Datacentrix' perspective, the company's strategy to grow its total solutions portfolio will continue, with specific focus this year turning to further enhancing its security and data centre capabilities, including selected cloud solutions.

Management is committed to its strategy to move the group's operations higher up the value chain. While the company's hopeful expectations this year regarding government related business did not materialise, the company remains focused on this segment in order to benefit optimally from public sector ICT spending as it may arise. Recent wins in the outsourcing business have substantially strengthened the company's market positioning and places it in good stead for future growth. The company intends to continue developing business solutions to deliver tangible business value to its clients.

The Board
The board is pleased to announce the appointment of Troy Dyer as an independent, non-executive director to the board, effective from 23 March 2011. He will also serve as a member of the Audit Committee and the Risk Committee.

Black Economic Empowerment and Cautionary Announcement
The company is currently in discussions and anticipates making a definite announcement about enhancing its BEE shareholding. In the past three years Datacentrix has flagged the issue, particularly the challenge the company has had in augmenting its black shareholding in line with anticipated ICT Charter requirements. Accordingly, shareholders are advised to exercise caution when dealing in shares of the company until a full announcement is made in this regard as the anticipated transaction may have a material impact on the share price.

Dividend
The board advises that the declaration of the final dividend has been postponed pending the finalisation of the envisaged BEE transaction in the next few weeks as the board anticipates getting better clarity about the cash requirements of the company going forward.

Annual General Meeting
It is expected that the annual report will be dispatched to shareholders no later than 19 May 2011. Notice is hereby given that the annual general meeting of the company will be held at the company's registered office on Friday, 10 June 2011 at 10:00.

For and on behalf of the Board:

Gary Morolo	**Ahmed Mahomed**
Chairman	Chief Executive Officer

18 April 2011

Gary Morolo (Non-executive Chairman), Ahmed Mahomed (CEO), Alwyn Martin*, Dudu Nyamane*, Elizabeth Naidoo (FD), Joan Joffe*, Thenjiwe Chikane*, Troy Dyer*
**independent, non-executive*

Company Secretary:	Ithemba Governance and Statutory Solutions (Proprietary) Limited
Registered Office:	Sage Corporate Park North, 238 Roan Crescent, Old Pretoria Road, Midrand
Transfer Secretaries:	Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg
Sponsor:	One Capital, 17 Fricker Road, Illovo