

DATACENTRIX HOLDINGS LIMITED
REGISTRATION NUMBER: 1998/006413/06
JSE CODE: DCT
ISIN: ZAE 000016051

AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2008

Key Financial Indicators

- Revenue increased 12% to R1.35 billion
- EBITDA increased 26% to R157.1 million
- Earnings attributable to ordinary shareholders exceeding R100 million
- Basic headline earnings per share (HEPS) increased 29% to 52.0 cents
- Basic earnings per share (EPS) increased 30% to 52.0 cents
- Cash on hand of R221.9 million, with no interest-bearing debt
- Cash generated from operations of R164.2 million
- Final dividend of 15 cents per share, bringing annual dividend to 26 cents per share

Condensed Consolidated Income Statement for the year ended 29 February 2008

	Audited 2008 R'000	Audited 2007 R'000
Revenue	1 346 971	1 201 904
Operating profit	146 942	114 433
Net interest received	9 137	9 750
Profit before taxation	156 079	124 183
Income tax expense	(54 214)	(45 913)
Earnings attributable to ordinary shareholders	101 865	78 270
Basic earnings per ordinary share (cents)	52.0	40.0
Diluted basic earnings per ordinary share (cents)	51.0	39.2
Proposed and declared dividend per share (cents)	26.0	20.2
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	157 096	124 564
Headline earnings per ordinary share (cents)	52.0	40.4
Diluted headline earnings per ordinary share (cents)	51.0	39.5
Weighted average number of shares in issue* (000's)	195 785	195 655
Weighted average number of shares in issue for the purpose of dilution* (000's)	199 634	199 635
*adjusted for treasury shares		
Reconciliation between earnings attributable to ordinary shareholders and headline earnings		
Earnings attributable to ordinary shareholders	101 865	78 270
Goodwill impaired	-	661
(Profit) loss on sale of property and equipment	(74)	21
Headline earnings	101 791	78 952

Condensed Consolidated Balance Sheet as at 29 February 2008

	Audited 2008 R'000	Audited 2007 R'000
ASSETS		
Non-current assets	79 185	65 297
Property and equipment	32 018	30 074
Intangible assets	17 740	16 463
Long-term receivables	6 259	4 178
Deferred tax assets	23 168	14 582
Current assets	469 344	392 048
Inventories	10 976	9 401
Trade and other receivables	236 472	208 806
Cash and cash equivalents	221 896	173 841
TOTAL ASSETS	548 529	457 345
EQUITY AND LIABILITIES		
Capital and reserves	294 476	248 468
Share capital	21	21
Share premium	38 145	40 709
Treasury shares	(35 901)	(25 958)
Equity-settled share scheme reserve	12 672	8 642
Retained earnings	279 539	225 054
Non-current liabilities	19 327	20 334
Obligations under finance leases	-	2 007
Deferred revenue	19 327	18 327
Current liabilities	234 726	188 543
Trade and other payables	165 408	133 643
Provisions	17 323	18 485
Deferred revenue	27 205	27 655
Lease liability	215	460
Current tax liabilities	24 575	8 300
TOTAL EQUITY AND LIABILITIES	548 529	457 345
Net asset value (adjusted for treasury shares) per share (cents)	150.4	127.0
Tangible net asset value (adjusted for treasury shares) per share (cents)	141.4	118.6
Weighted average number of shares in issue (000's)	195 785	195 655

Condensed Consolidated Statement of Changes in Equity for the year ended 29 February 2008

	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 year	-	-	-	-	78 270	78 270
Treasury shares movement	-	-	(5 755)	-	-	(5 755)
Share-based payments	-	-	-	3 600	-	3 600
Dividend paid	-	-	-	-	(72 392)	(72 392)
Profit on sale of treasury shares in trust	-	398	-	-	-	398
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

Condensed Consolidated Cash Flow Statement for the year ended 29 February 2008

	Audited 2008 R'000	Audited 2007 R'000
Profit before tax	156 079	124 183
Adjusted for non-cash items	2 164	4 825
Working capital changes	5 927	339
- Inventory	(1 575)	(4 565)
- Trade and other accounts receivable	(25 309)	3 167
- Trade, other accounts payable and liabilities	32 811	1 737
Cash generated from operations	164 170	129 347
Net interest received	9 137	9 750
Dividend paid	(47 380)	(72 392)
Taxation paid	(46 525)	(44 657)
Net cash inflow from operating activities	79 402	22 048
Net cash outflow from investing activities	(19 206)	(6 077)
Net cash outflow from financing activities	(12 141)	(7 745)
Net increase in cash and cash equivalents	48 055	8 226
Cash and cash equivalents at the beginning of the year	173 841	165 615
Cash and cash equivalents at the end of the year	221 896	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 Limited and the Companies Act of South Africa (Act 61 of 1973). The principal accounting policies and methods of computation, which comply with International Financial Reporting Standards, have been consistently applied in all material respects in the current and comparative year. The new standards and interpretations that were adopted in the current year had no impact on the results of the group.

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 summarised financial information as well as their accompanying unmodified audit report on the financial statements is available for inspection at the company'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 Holdings Limited are pleased to announce the annual financial results of the group for the year ended 29 February 2008. Growth has been achieved on all the indices normally reported on. There has been strong operational performance across all group businesses.

Headline earnings per share (HEPS) increased by 29% to 52.0 cents and earnings per share (EPS) increased 30% to 52.0 cents. Operating performance (EBITDA) increased by 26% to R157.1 million. Cash generated from operations was R164.2 million, and the cash on hand increased even after the declaration and payment of dividends.

The Business of Datacentrix

Datacentrix's major activities comprise the supply, integration and optimisation of IT infrastructure, business solutions and related services to its corporate customer base. It operates throughout South Africa.

Infrastructure and Related Services

This was a positive year for the Infrastructure and Related Services division, with the Johannesburg office exceeding expectations, as well as solid performances seen from the coastal regions of Cape Town and Durban. Several vertical business units, including Outsourcing, Microsoft Software Services and Security have also performed well. In the year under review this division produced healthy organic growth contributing R1 280 million (2007: R1 133 million) and R131 million (2007: R99 million) to the group's segment revenue and segment result for the year respectively. The division continues to be a leading provider for the supply, deployment, maintenance and support of IT infrastructure solutions.

Datacentrix has strengthened the Services management team with high level appointments. These appointments will improve operational capacity of the group to service an increased client footprint and to continue to deliver the service levels that its clients have become accustomed to.

Managed Print Services has grown tremendously in the past year. Execution and delivery has improved through the redesign of its core processes and systems.

The company has formalised a Resourcing Services business unit, focusing on the provision of selected on-site resources to meet client specifications. Datacentrix believes this will assist in addressing the high demands placed on businesses today by the increasing skills shortage within the IT sector.

The Outsourcing business unit focusing on selective outsourcing is now well established and has had solid growth in the past year. The client base includes blue chip companies on a national level who have engaged us for the typical time frame of three years renewable.

In our Related Services business we have enjoyed high levels of customer satisfaction on Service Level Agreements. The customers' satisfaction levels are determined by an independent survey conducted annually and focus on assisting clients at every stage of the selected solution lifecycle - ranging from needs determination, product evaluation, configuration, installation and support. The company's objective is to exceed client expectations.

We have established a Security business unit, which has already won two major implementation deals, one of which has been completed. We have also formalised our Networking business unit addressing two new main areas: bandwidth optimisation dealing with solutions designed to improve bandwidth utilisation; and the provisioning of network infrastructure focusing on new network technologies.

The company continues to ensure that it holds the highest technical vendor accreditations, ensuring that it remains the most cost effective partner of choice for the supply, installation and ongoing maintenance of equipment over its entire lifespan. Datacentrix was awarded a number of prestigious Vendor partner awards which bears testimony to its market positioning. Partner awards garnered over the year include HP's "channel partner of the year" for both the Imaging and Printing and Technology Solutions groups. Datacentrix also attained "the highest consistent growth for the Storage Works Division" award.

Solutions

The Solutions Division has successfully reduced its reliance on product sales and now enjoys higher proportions of its revenues from consulting and services. The change has shown positive results in that the division has become more profitable from a services perspective.

The Development and Integration business unit remains focused on workflow and data-mining, while the Optimisation business unit is now services led and focusing primarily on the Enterprise Content Management and Information Life Cycle management space.

Overall the Solutions business has maintained its profitability (segment result) R16 million (2007: R16 million) and contributed R67 million (2007: R68 million) to the group's segment revenue.

Black Economic Empowerment

Datacentrix is currently a level 5 contributor based on the Empowerdex Rating. With a clearer understanding of the Department of Trade and Industry Codes of Practice, the company has now embarked on a specific program to improve its level of contribution status. With respect to equity participation the intention of the company is that this would include participation by key employees whose contribution to the current and future success of the business is essential. Datacentrix is busy evaluating a number of options to address this issue.

Board and Management changes

Gerhard Uys, a co-founder and CEO of the business and a key executive announced his retirement in December 2007, effective end of February 2008. The board of Datacentrix wishes to express its thanks and appreciation for the significant value Gerhard has added to the business over the years, and also to convey its best wishes. In line with the company's succession planning the board appointed Ahmed Mahomed as Chief Executive Officer. Ahmed was Managing Director of the Infrastructure and Related Services Division, the largest of the company's operations before becoming Chief Operations Officer over a year ago.

At the end of February, Imogen Mkhize, an independent Non-Executive Director of the company and a member of the Audit and Risk and Remuneration Committee, also stepped down from the Datacentrix board.

The board is pleased to announce the appointment of Dudu Nyamane as an independent, Non-Executive Director effective 14 April 2008. Dudu has over twenty years of experience in the IT Sector and brings significant human capital management skills and knowledge to the board.

This brings the profile of the board to over 80% black and almost half are female, the majority of whom are independent non-executive directors.

Prospects

Based on current economic outlook and the company's market positioning, the board expects to maintain the overall trend from the last few years.

We expect growth to come principally from the Johannesburg client base as well as government. Future growth for the company is likely to be principally organic, although we will look at specific niche acquisitions in order to procure specific competencies and skills. The company will continue with its current strategy of growing business with existing clients whilst looking to increase its client base.

Dividend

A final dividend of 15 cents has been proposed in line with our dividend policy of two times cover on HEPS. This brings the dividend declared for the financial year ended 29 February 2008 to a total of 26 cents.

Declaration date:	Monday, 14 April 2008
Last day to trade:	Wednesday, 30 April 2008
Share trade ex dividend:	Monday, 5 May 2008
Record date:	Friday, 9 May 2008
Payment date:	Monday, 12 May 2008

Share certificates may not be dematerialised or re-materialised between Monday, 5 May 2008 and Friday, 9 May 2008, both days inclusive.

Annual General Meeting

It is expected that the Annual Report will be dispatched to shareholders no later than 14 May 2008. Notice is hereby given that the annual general meeting of the company will be held at the company's registered office on 6 June 2008 at 10:00.

For and on behalf of the Board:

Gary Morolo

Chairman
15 April 2008

Directors: Gary Morolo (Chairman), Ahmed Mahomed (CEO), Alwyn Martin*, Dudu Nyamane*, Elizabeth Naidoo, Israel Skosana*, Joan Joffe*
*non-executive and independent

Company Secretary: Mavis Thomani

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

Transfer Secretaries: Computershare Investor Services 2004 (Pty) Ltd, 70 Marshall Street, Johannesburg

Sponsor: Barnard Jacobs Mellet Corporate Finance (Pty) Ltd