

**DATACENTRIX HOLDINGS LIMITED**  
**INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA**  
**(REGISTRATION NUMBER: 1998/006413/06)**  
**SHARE CODE: DCT**  
**ISIN: ZAE 000016051**

("Datacentrix" or "the Group" or "the Company")

**UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2013 AND DIVIDEND DECLARATION**

**Key Financial Indicators**

- Revenue exceeds R1 billion
- EBITDA increased by 22% to R70.1 million
- Operating margin increased by 11% to 5.5%
- Earnings per share and headline earnings per share increased by 9.4% to 20.9 cents and 21.0 cents, respectively
- Cash generated from operations of R48.1 million, resulted in cash on hand of R245.6 million
- Interim gross cash dividend declared of 12.32 cents per share

**Condensed Consolidated Statements of Comprehensive Income for the six months ended 31 August 2013**

	<b>Unaudited six months ended 31 August 2013 R'000</b>	<b>Unaudited six months ended 31 August 2012 R'000</b>	<b>Audited 12 months ended 28 February 2013 R'000</b>
<b>Revenue</b>	<b>1 008 924</b>	<b>976 726</b>	1 919 487
<b>Operating profit</b>	<b>55 991</b>	<b>48 559</b>	106 163
Net interest received	<b>3 030</b>	<b>6 094</b>	6 356
<b>Profit before taxation</b>	<b>59 021</b>	<b>54 653</b>	112 519
<b>Income taxation expense</b>	<b>(18 083)</b>	<b>(17 194)</b>	(35 199)
- normal and deferred taxation	<b>(17 912)</b>	<b>(16 917)</b>	(34 762)
- dividends tax/secondary taxation on companies	<b>(171)</b>	<b>(277)</b>	(437)
<b>Total comprehensive income attributable to ordinary shareholders</b>	<b>40 938</b>	<b>37 459</b>	77 320
<b>Basic earnings per ordinary share (cents)</b>	<b>20.9</b>	<b>19.1</b>	39.5
<b>Diluted basic earnings per ordinary share (cents)</b>	20.8	18.8	39.0
<b>Dividend per share (cents)</b>	<b>12.32</b>	<b>11.25</b>	19.7
<b>Earnings before interest, taxation, depreciation and amortisation (EBITDA)</b>	<b>70 082</b>	<b>57 374</b>	126 341
<b>Headline earnings per ordinary share (cents)</b>	<b>21.0</b>	<b>19.2</b>	39.6
<b>Diluted headline earnings per ordinary share (cents)</b>	20.9	18.9	39.1
Weighted average number of shares in issue* (000s)	195 798	195 798	195 798
Weighted average number of shares in issue for purposes of dilution* (000s)	196 782	198 827	198 024
<i>*adjusted for treasury shares</i>			
<b>Reconciliation between earnings for the period attributable to ordinary shareholders and headline earnings</b>			
Earnings attributable to ordinary shareholders	<b>40 938</b>	<b>37 459</b>	77 320
Loss on disposal of assets	<b>119</b>	<b>29</b>	142
<b>Earnings for the purpose of basic and diluted headline earnings per share</b>	<b>41 057</b>	<b>37 488</b>	77 462

**Condensed Consolidated Statements of Financial Position as at 31 August 2013**

	Unaudited 31 August 2013 R'000	Unaudited 31 August 2012 R'000	Audited 28 February 2013 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>223 888</b>	131 117	190 216
Property and equipment	67 067	56 815	66 682
Goodwill	85 191	15 596	51 625
Other intangible assets – software	16 673	9 485	15 579
Investment in joint venture	977	2 190	744
Long-term receivables	-	116	-
Finance lease receivable – long-term	29 727	19 435	30 266
Deferred taxation assets	24 253	27 480	25 320
<b>Current assets</b>	<b>720 754</b>	678 918	707 815
Current taxation asset	-	4 511	-
Finance lease receivable – short-term	30 576	16 896	24 661
Inventories	57 310	30 194	36 500
Trade and other receivables	387 310	339 603	372 893
Cash and cash equivalents	245 558	287 714	273 761
<b>TOTAL ASSETS</b>	<b>944 642</b>	810 035	898 031
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>	<b>512 790</b>	470 512	491 630
Share capital	21	21	21
Share premium	35 934	36 187	35 962
Treasury shares	(42 333)	(42 249)	(42 335)
Equity-settled share scheme reserve	41 581	34 201	37 801
Retained earnings	477 587	442 352	460 181
<b>Non-current liabilities</b>	<b>60 413</b>	41 821	47 800
Loans payable – long-term	17 000	-	-
Deferred revenue – long-term	14 104	24 013	18 126
Finance lease payables – long-term	29 309	17 808	29 674
<b>Current liabilities</b>	<b>371 439</b>	297 702	358 601
Trade and other payables	258 895	225 051	235 620
Provisions	1 568	2 539	1 800
Deferred revenue – short-term	42 376	52 111	43 775
Finance lease payables – short-term	29 250	14 880	22 591
Current tax liabilities	11 858	11	6 028
Loans payable – short-term	24 575	-	45 750
Lease smoothing liability	2 917	3 110	3 037
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>944 642</b>	810 035	898 031
Net asset value (adjusted for treasury shares) per share (cents)	<b>261.9</b>	240.3	251.1
Tangible net asset value (adjusted for treasury shares) per share (cents)	<b>209.9</b>	227.5	216.8
Weighted average number of shares in issue (000s)	<b>195 798</b>	195 798	195 798

**Condensed Consolidated Statement of Changes in Equity for the six months ended 31 August 2013**

	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
<b>Balance at 29 February 2012</b>	<b>21</b>	<b>37 522</b>	<b>(39 720)</b>	<b>30 101</b>	<b>443 129</b>	<b>471 053</b>
Profit for the period	-	-	-	-	37 459	37 459
Treasury shares movement	-	-	(2 529)	-	-	(2 529)
Share-based payments	-	-	-	4 100	-	4 100
Dividend paid	-	-	-	-	(38 236)	(38 236)
Loss on sale of treasury shares	-	(1 335)	-	-	-	(1 335)
<b>Balance at 31 August 2012</b>	<b>21</b>	<b>36 187</b>	<b>(42 249)</b>	<b>34 201</b>	<b>442 352</b>	<b>470 512</b>
Profit for the period	-	-	-	-	39 861	39 861
Treasury shares movement	-	-	(86)	-	-	(86)
Share-based payments	-	-	-	3 600	-	3 600
Dividend paid	-	-	-	-	(22 032)	(22 032)
Loss on sale of treasury shares	-	(225)	-	-	-	(225)
<b>Balance at 28 February 2013</b>	<b>21</b>	<b>35 962</b>	<b>(42 335)</b>	<b>37 801</b>	<b>460 181</b>	<b>491 630</b>
Profit for the period	-	-	-	-	40 938	40 938
Treasury shares movement	-	-	2	-	-	2
Share-based payments	-	-	-	3 780	-	3 780
Dividend paid	-	-	-	-	(23 532)	(23 532)
Loss on sale of treasury shares	-	(28)	-	-	-	(28)
<b>Balance at 31 August 2013</b>	<b>21</b>	<b>35 934</b>	<b>(42 333)</b>	<b>41 581</b>	<b>477 587</b>	<b>512 790</b>

**Condensed Consolidated Statement of Cash Flow for the six months ended 31 August 2013**

	Unaudited six months ended 31 August 2013 R'000	Unaudited six months ended 31 August 2012 R'000	Audited 12 months ended 28 February 2013 R'000
Profit before taxation	59 021	54 653	112 519
Adjusted for non-cash items	12 188	6 407	11 765
Working capital changes	(23 103)	(8 350)	(67 737)
- Inventory	(20 163)	4 570	(1 736)
- Trade and other receivables	(10 242)	(49 592)	(75 402)
- Increase in finance lease receivables	(5 376)	(7 626)	(26 222)
- Trade and other payables	12 678	44 298	35 623
<b>Cash generated from operations</b>	<b>48 106</b>	<b>52 710</b>	<b>56 547</b>
Net interest received	5 654	6 094	10 653
Dividend paid	(23 532)	(38 236)	(60 268)
Taxation paid	(11 438)	(21 375)	(28 406)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>18 790</b>	<b>(807)</b>	<b>(21 474)</b>
<b>Net cash outflow from investing activities</b>	<b>(49 114)</b>	<b>(30 935)</b>	<b>(89 462)</b>
<b>Net cash inflow from financing activities</b>	<b>2 121</b>	<b>6 079</b>	<b>71 320</b>
Net (decrease)/increase in cash and cash equivalents	(28 203)	(25 663)	(39 616)
Cash and cash equivalents at the beginning of the period	273 761	313 377	313 377
<b>Cash and cash equivalents at the end of the period</b>	<b>245 558</b>	<b>287 714</b>	<b>273 761</b>

## Basis of Preparation

The condensed consolidated 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 consolidated financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides, as issued by the Accounting Practices Board, the Financial Reporting Guides, as issued by the Financial Reporting Standards Council and the information as required by IAS 34: Interim Financial Reporting, the Listings Requirements of JSE Limited ("the Listings Requirements"), and the Companies Act of South Africa (Act 71 of 2008) as amended. The principal accounting policies, which comply with IFRS, have been consistently applied in all material respects in the current and comparative years.

The condensed consolidated financial statements of the Group have not been reviewed or audited by the Group's auditors. The condensed consolidated financial statements of the Group were prepared under the supervision of Elizabeth Naidoo, CA (SA), the Financial Director of the Group.

## Subsequent Events

No material events have occurred between the six month period ended 31 August 2013 ("interim period") and the date of this announcement.

## The Business of Datacentrix

Datacentrix is a South African-based, empowered company that provides integrated ICT solutions and services across the full information value chain to enterprise organisations. Its philosophy is to enable clients' business strategies through the use of technology. With an established reputation as an innovative solutions integrator, Datacentrix prides itself on its customer-centric approach, consistently high service delivery levels, and strong vendor and client partnerships.

## Commentary

The board of directors of Datacentrix ("Board") announces financial results for the interim period ended 31 August 2013. The interim period has seen positive developments for the Group, highlighted by growth in both the Managed Services and Infrastructure areas of the business, cementing its position as a value-driven, services-led company.

The Group generated revenue of R1 billion for the six months. Earnings before interest, taxes, depreciation and amortisation ("EBITDA") grew by 22% to R70.1 million. EBITDA margin increased from 5.9% to 6.9%. Earnings increased from R37.5 million to R40.9 million and headline earnings per share ("HEPS") increased from 19.2 cents to 21.0 cents. Interest earned has declined compared to previous years, due to the capital investments and increased working capital requirements. Despite continued investments to drive organic growth and repositioning the Group, operating margin improved by 11% to 5.5%. The Group maintained sound financial and operational discipline, with cash generated from operations amounting to R48.1 million, reflecting a closing cash balance of R245.6 million.

## Operational Review

Group performance was characterised by growth in solutions sales in Managed Services and Infrastructure. The Group has seen improved performance from the strategic investment areas. The continued focus on intelligent, higher value solutions is contributing positively to Group performance, with areas such as security, data centres and storage solutions in particular gaining good acceptance in the marketplace. The change in revenue mix in favour of solutions/systems integration higher up the value chain, in the Infrastructure division, has contributed to its improved operating margins.

A significant portion of Group revenue was generated in the private sector. Public sector revenue growth remains a significant challenge for Datacentrix.

Head count growth in human resources in the Group slowed in the reporting period resulting in payroll costs being contained. Capital expenditure on necessary infrastructure in support of the Group's strategy resulted in a 63% increase in depreciation. Total costs were well managed to take into account the realities of the current economic environment.

The Managed Services division contributed 45% of Group profit before tax ("PBT"), while the Infrastructure division contributed 42%.

## Segmental Analysis

Unaudited six months ended	Infrastructure		Managed Services		Business Solutions		Corporate		Total Group	
	31 Aug '13 R'000	31 Aug '12 R'000	31 Aug '13 R'000	31 Aug '12 R'000	31 Aug '13 R'000	31 Aug '12 R'000	31 Aug '13 R'000	31 Aug '12 R'000	31 Aug '13 R'000	31 Aug '12 R'000
Revenue	700 810	719 194	234 864	193 809	73 250	63 723	-	-	1 008 924	976 726
Operating profit	24 951	19 159	28 985	21 540	2 055	7 860	-	-	55 991	48 559
Net interest received	-	-	(2 272)	(648)	-	-	5 302	6 742	3 030	6 094
Profit before taxation	24 951	19 159	26 713	20 892	2 055	7 860	5 302	6 742	59 021	54 653
Income tax expense	(7 734)	(5 363)	(8 281)	(5 850)	(637)	(2 200)	(1 431)	(3 781)	(18 083)	(17 194)
Earnings for the period attributable to ordinary shareholders	17 217	13 796	18 432	15 042	1 418	5 660	3 871	2 961	40 938	37 459

## Managed Services

Revenue in the Managed Services division increased by 21.2% with healthy contributions from the Managed Print Services and Outsourcing businesses. Operating margins improved despite higher depreciation charges as a result of investments in supporting infrastructure. The Managed Services division has improved its operating margins to 12.3%, contributing 45% to Group earnings.

The acquisition of eNetworks, as noted in the SENS announcement on 27 August 2013, had an effective date of 1 May 2013 and the results have been included at such date.

### Infrastructure

As part of the Group's strategy, the Infrastructure division has evolved towards becoming a solutions provider within the infrastructure segment of the market. It continues to be a leading provider of total, integrated IT solutions and related services, from consulting, designing, provisioning, deployment through to ongoing support.

Operating margin increased significantly from 2.7% to 3.6% on marginally lower revenue. The investment in skills over the last few years and continued focus on selling solutions has resulted in higher operating margins.

New investment areas are starting to impact profitability positively.

Working capital requirements, as predicted, are on the increase as we move increasingly to a solutions/systems integration business.

### Business Solutions

The Business Intelligence and Enterprise Resource Planning businesses showed a marginal improvement in profitability for the six months.

The NokusaEI acquisition, which has contributed positively to the performance of the Enterprise Information Management ("EIM") business, has positioned the Group as the leading EIM solutions provider in the country. In particular, it has enhanced the management capability, skills and expertise. Earnings of the Business Solutions division were however largely negatively impacted by the Groups' Gauteng EIM operation. This has effectively offset good performances in the regional operations and the acquired entity.

### Prospects

The Datacentrix Group will continue on its path as a skills, services and solutions-led organisation, supported by top level vendor accreditations. The Company believes that this value-driven, customer-centric approach will fortify its position as one of the leading ICT players within the local market. We will also continue to look for suitable acquisition opportunities to broaden our reach and further grow our skills base.

### Black Economic Empowerment

Datacentrix is a Level 2 (AAA) B-BBEE Contributor status, with 125% procurement recognition.

### Directorate

In compliance with paragraph 3.59 of the Listings Requirements, the Board notified its shareholders on 15 July 2013 that Mr Pete Backwell, Independent Non-executive director of the Board, will assume the role of Lead Independent Non-executive director and member of the Nominations Committee with immediate effect. Ms Thenjiwe Chikane, who served on the Board for the last 4.5 years, resigned as independent non-executive director with effect from 19 August 2013. The Board thanks her for the contribution she has made during her tenure with the Company.

### Dividend

In respect of the six month interim period ended 31 August 2013, the Board declared a gross cash dividend of 12.32 cents. The proposed dividend for August 2013 is payable to all shareholders on the Register of members on Friday, 1 November 2013. In terms of the dividends tax, effective 1 April 2012, the following additional information is disclosed:

- the local dividend tax rate is 15%;
- the dividends will be payable from income reserves;
- no STC credits have been utilised. Accordingly, the dividend to utilise in determining the dividends tax is 12.32 cents per share;
- the dividend tax to be withheld by the Company amounts to 1.848 cents per share;
- therefore the net dividend payable to shareholders who are not exempt from dividends tax amounts to 10.472 cents per share, while the gross dividend payable to shareholders who are exempt from dividends tax amounts to 12.32 cents per share;
- the issued share capital of the Company at the declaration date comprises of 205 265 683 ordinary shares; and
- the Company's income tax reference number is 9739/002/71/6.

Declaration date:	Tuesday, 8 October 2013
Last day to trade:	Friday, 25 October 2013
Share trade ex-dividend:	Monday, 28 October 2013
Record date:	Friday, 1 November 2013
Payment date:	Monday, 4 November 2013

Share certificates may not be dematerialised or rematerialised between Monday, 28 October 2013 and Friday, 1 November 2013, both days inclusive.

For and on behalf of the Board:

**Gary Morolo**

Chairman

**Ahmed Mahomed**

Chief Executive Officer

8 October 2013

Gary Morolo (Non-executive Chairman), Ahmed Mahomed (Chief Executive Officer), Alwyn Martin\*, Antony Ball\*, Dudu Nyamane\*, Elizabeth Naidoo (Financial Director), Peter Backwell\* (\*independent, non-executive)

Company Secretary: Ithemba Governance and Statutory Solutions Proprietary Limited  
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