



Investors News

DCT - Datacentrix Holdings Limited

DATACENTRIX HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 1998/006413/06
JSE code: DCT
ISIN: ZAE000016051 ("the company")

ACQUISITION OF NOKUSA ENGINEERING INFORMATICS PROPRIETARY LIMITED ("NOKUSA ENGINEERING INFORMATICS") AND CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

The board of directors of Datacentrix ("the Board") is pleased to advise shareholders that Datacentrix has, through its wholly-owned subsidiary, Datacentrix Proprietary Limited, entered into agreement with Nokusa Investments Proprietary Limited ("Nokusa Investments"), Robert George Murray Cells ("Cells"), Gerhard Hielco Du Plessis ("Du Plessis"), Barend Frederik Kotze ("Kotze"), Michelle Momberg ("Momberg") and Abraham Carel Marthinus Spies ("Spies") (collectively referred to herein as the "Sellers"), to acquire 100% of the issued share capital of Nokusa Engineering Informatics from the Sellers - who have agreed to dispose of their individual shareholdings of 27%, 12.4%, 12.4%, 4.8%, 12.4% and 31% respectively, as one indivisible transaction - for a total purchase consideration of R45.75 million ("the Acquisition").

2. THE ACQUISITION

2.1 Nature of the Nokusa Engineering Informatics business

Nokusa Engineering Informatics is a well-established and leading consulting company, specializing in Enterprise Content Management ("ECM") strategies, solutions and implementations. The company is a South African based, privately owned black-empowered company that operates throughout South Africa and has done work globally. Nokusa Engineering Informatics is part of an extensive ECM partner network including SAP, OpenText, AIIM, Cideon Software, Collaborit and Pitney Bowes.

Nokusa Engineering Informatics consults to a number of blue-chip clients and provides strategies that are product-independent for their document and record, management and lifecycle, focusing exclusively on ECM. The company is the only SAP ECM Partner in Africa and has received numerous awards from SAP for service excellence. Nokusa Engineering Informatics has since 2006 also been an accredited training provider for the ECM Certificate Education Programme of AIIM (the ECM association) and has the largest number of certified AIIM Masters in Southern Africa.

Founded in 1997 as a specialist consultancy in the implementation of SAP ECM technologies, Nokusa Engineering Informatics is based in Johannesburg

2.2 The rationale for the Acquisition

Datacentrix is regarded in the IT industry as being one of the market leaders in the ECM sector. Aligned with its current strategy, Datacentrix wishes to consolidate and strengthen this position by acquiring the knowledge and expertise that is inherent to the business of Nokusa Engineering Informatics.

Datacentrix' main competitors are aggressively targeting the growing opportunities in the ECM sector and equally aggressively embarked on acquiring targeted ECM skillsets. These competitors all acknowledge the opportunities in the ECM sector versus the enormous scarcity of professionally qualified skilled individuals in the same sector. By acquiring a pool of highly skilled ECM individuals, Datacentrix can immediately complement its ECM operations. Furthermore, by acquiring Nokusa Engineering Informatics, Datacentrix will strengthen its position in the same

sector, stamping its authority in the ECM environment. Datacentrix will also benefit substantially by leveraging Nokusa Engineering Informatics' skillsets across the rest of the Datacentrix business.

2.3 Purchase consideration

The total purchase consideration of R45.75 million for the Acquisition – which is subject to the achievement of an audited net profit after tax of R6.6 million for the year ending 28 February 2013 ("the Profit Warranty"), failing which the Purchase Price shall be reduced by an amount calculated by multiplying the shortfall in the Profit Warranty by 6.82 - is to be settled by Datacentrix from existing cash resources, as follows:

- 90% of the Purchase Price, being R41.175 million is payable in cash by electronic fund transfer within 10 business days of the closing date, being 28 February 2013; and
- 10% of the Purchase Price, being R4.575 million is to be held in escrow and held as security for any shortfall deduction and/or the breach of any of the warranties, including the Profit Warranty, and such amount and interest will be paid on 3 December 2013.

The Sellers have provided warranties which are normal in this type of transaction.

2.4 Conditions precedent and effective date

The Acquisition is conditional upon the fulfilment (or waiver, as the case may be) of the following by no later than 15 February 2013:

- 2.4.1. the execution in favour of Nokusa Engineering Informatics and Datacentrix, of a restraint of trade agreement by each of the Sellers;
- 2.4.2. key staff of Nokusa Engineering Informatics entering into amended contracts of employment with Nokusa Engineering Informatics for a period ending no earlier than 29 February 2016;
- 2.4.3. all loans by the Sellers, or by any third party related to the Sellers, to Nokusa Engineering Informatics being repaid by Nokusa Engineering Informatics;
- 2.4.4. the Sellers obtaining written confirmation from third parties to agreements which Nokusa Engineering Informatics is party to, to the effect that such third parties will not terminate their relationships with Nokusa Engineering Informatics as a result of the change in the control of Nokusa Engineering Informatics;
- 2.4.5. the completion of a commercial due diligence on Nokusa Engineering Informatics and the results thereof being to the satisfaction of Datacentrix;
- 2.4.6. the completion of the sale of the Engineering Informatics Shares (being the shares in Engineering Informatics Proprietary Limited ("Engineering Informatics"), a private company and a subsidiary of Nokusa Engineering Informatics) owned and held by Nokusa Engineering Informatics, representing 75% of the issued share capital of Engineering Informatics; and
- 2.4.7. the approval of the Acquisition by the Board.

The effective date of the Acquisition is 3 December 2012.

2.5 Memorandum of Incorporation

As Nokusa Engineering Informatics will become a subsidiary of Datacentrix following the acquisition, Datacentrix will adhere to the provisions of paragraph 10.21 of Schedule 10 of the Listings Requirements of JSE Limited ("JSE").

3. PRO FORMA FINANCIAL EFFECTS

The pro forma financial effects of the Acquisition on the reported financial information of Datacentrix are in the process of being finalised and will be announced to shareholders in due course.

4. CLASSIFICATION OF THE ACQUISITION

The Acquisition is classified as a Category 2 transaction in terms of the Listings Requirements of the JSE and does not require shareholder approval.

5. CAUTIONARY ANNOUNCEMENT

Further to paragraph 3 above, shareholders are advised to exercise caution when dealing in Datacentrix securities until a further announcement, incorporating the pro forma financial effects of the Acquisition, is made.

Johannesburg

14 December 2012

Sponsor and Corporate Adviser to Datacentrix

Merchantec Capital

Corporate Adviser to Nokusa Engineering Informatics

i capital advisers Proprietary Limited