

RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2002

HIGHLIGHTS

Turnover increased by 32% to R521,6 million
Operational performance (EBITDA) increased by 62% to R39,4 million
Headline earnings per share increased by 48% to 16.7 cents and earnings per share by 39% to 13.5 cents
Cash generated from operations amounted to R25,2 million, resulting in R71 million cash on hand at year end
The Group has no interest bearing debt
Tangible net asset value increased by 77% to 55 cents per share
Five year headline earnings per share compound annual growth rate of 43%

CONSOLIDATED INCOME STATEMENT		
	Group Year ended Feb 2002 R000's	Group Year ended Feb 2001 R000's
Turnover	521,581	394,064
Operating income before interest, taxation, depreciation & amortisation (EBITDA)	39,378	24,298
Depreciation	(4,127)	(1,467)
Loss from closure of business lines	(2,220)	(850)
Goodwill amortised	(3,002)	(1,700)
Operating income before interest and taxation (EBIT)	30,029	20,281
Net interest received	1,094	1,699
Income before taxation	31,123	21,980
Taxation	(10,221)	(7,503)
Net income after taxation	20,902	14,477
Outside shareholders interest	1,444	1,292
Earnings attributable to ordinary shareholders	22,346	15,769
Retained income at beginning of the year	45,826	30,057
Retained income at end of the year	68,172	45,826
Headline and diluted headline earnings per share in cents	16.7	11.3
Earnings per share in cents	13.5	9.7
Weighted average number of shares in issue ('000)	165,341	161,765

RECONCILIATION OF HEADLINE EARNINGS		
	Group Year ended Feb 2002 cents	Group Year ended Feb 2001 cents
Earnings per share	13.5	9.7
Loss from closure of business lines	1.4	0.5
Goodwill amortised	1.8	1.1
Headline and diluted headline earnings per share	16.7	11.3

CONSOLIDATED BALANCE SHEET		
	Group Feb 2002 R000's	Group Feb 2001 R000's
ASSETS		
Non-current assets		
Fixed assets	12,479	28,550
Deferred tax	9,072	6,745
Investments and loans	13,388	9,590
Intangible assets	16,658	21,610
	51,597	66,495
Current assets		
Inventories	7,583	6,467
Accounts receivable	124,373	68,350
Bank balances and cash	71,460	45,089
	203,416	119,906
Total assets	255,013	186,401
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital and premium	32,013	7,099

Non distributable reserve	14,543	7,105
Acquisition consideration - shares due to vendors	4,617	12,249
Retained earnings	68,172	45,826
	119,345	72,279
Minority interest and outside shareholder's loan	-	5,749
Non-current liabilities		
Acquisition consideration - long term cash due to vendors	6,390	9,125
Long term liabilities	-	249
Current liabilities		
Accounts payable	107,224	80,321
Deferred Revenue	11,746	4,568
Acquisition consideration - short term cash due to vendors	2,735	9,300
Taxation	7,573	4,810
	129,278	98,999
Total equity and liabilities	255,013	186,401
Net asset value per share (cents)	64	45
Tangible net asset value per share (cents)	55	31
Number of shares in issue ('000)	187,008	161,830

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY						
	Share Capital	Share premium	NDR	Acquisition consideration due	Retained income	Total
Balance at 28 February 2000	16	1,987	706	14,690	30,057	47,456
Net income for the year					15,769	15,769
Shares issued		5,221		-5,221		-
Share issue expenses		-125				-125
Raised on new acquisitions				6,149		6,149
Non-achievement of profit warranties			6,399	-3,369		3,030
Balance at 28 February 2001	16	7,083	7,105	12,249	45,826	72,279
Net income for the year					22,346	22,346
Shares issued	3	25,296		-3,713		21,586
Share issue expenses		-385				-385
Non-achievement of profit warranties			7,438	-3,919		3,519
Balance at 28 February 2002	19	31,994	14,543	4,617	68,172	119,345

CONSOLIDATED CASHFLOW STATEMENT		
	Group Year ended Feb 2002 R000's	Group Year ended Feb 2001 R000's
Net cash inflow from operating activities	25,207	13,828
Net cash outflow from investing activities	(11,306)	(34,361)
Net cash inflow from financing activities	12,470	15,195
Net increase/(decrease) in cash and cash equivalents	26,371	(5,338)
Cash and cash equivalents at the beginning of the period	45,089	50,427
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	71,460	45,089

Commentary

We present Datacentrix's fourth set of solid annual results since listing on the JSE main board in September 1998.

Compared to the corresponding prior year results:

Turnover increased by 32% to R521,6 m
Operational performance (EBITDA) increased by 62% to R39,4 m
Headline earnings per share increased by 48% to 16.7 cents and earnings per share by 39% to 13.5 cents
Tangible net asset value increased by 77% to 55 cents per share

Cashflow generated from operations was R25,2 m, converting profits into cash.
Taxation has been provided for at an effective rate of 33%, compared to the prior year's rate of 34%.
Diligent asset management and financial controls have resulted in the cash balances of R71 million at year end.
The group has no interest bearing debt.
Five year headline earnings per share compound annual growth rate of 43%

Nature of business

The Group's major activities comprise the supply, integration and optimisation of IT-infrastructure, solutions and related services to enterprise South Africa.

Infrastructure

The supply, integration and optimisation of infrastructure continues to be the largest contributor to the Group. Our unique top rated accreditation and positioning with Compaq, HP and IBM makes us the partner of choice for the supply and maintenance of enterprise infrastructure requirements. Datacentrix's success in server-centric storage solutions has evolved into the enterprise storage marketplace where we provide storage area networks solutions from the leading vendors. We have been particularly successful in the area of document and data management in the SAP R/3 environment. A security division was set up towards the end of the financial year in response to client needs, focusing predominantly on Symantec's solutions.

Solutions

The Solutions unit offers hosted services and the consulting, supply and implementation of business applications for the Microsoft platform. During the year, the division was strengthened by the awarding of a revised 3-year, R108 million contract with Premier Foods. This business unit employs a sizeable skills base focusing on hosted application services, managed infrastructure, financial systems and data mining. In March 2002 the unit was enhanced through the acquisition of Microsoft integration and development skills. Solutions will be a high growth area going forward, which will include acquisitions of skills to complement our existing offering.

Services

Datacentrix has an impressive array of service accreditations which were obtained in order to ensure high quality support to the Group's Infrastructure customers. The decision has now been taken to market this division separately and to compete as a truly customer service focused division supplying services ranging from the traditional Vendor warranty work through software upgrades and migration to infrastructure outsourcing. The South African services market is large and growing by an estimated 13% per year and with this new focus, a strong customer services ethos and the strength of the Datacentrix customer base, this division is expected to grow significantly.

Commerce Centre

As reported in the SENS announcement of 5 April 2002, Datacentrix terminated its involvement in community based e-commerce projects due to the slow growth in the market which had the effect that breakeven would not be achieved by February 2003. In order to give effect to this decision, Datacentrix purchased the remaining 30% of Commerce Centre of Southern Africa (Pty) Ltd held by ParaNet LLC and Commerce Centre exited all community-based projects including the FMCG national product data catalogue. All these community-based projects were incurring losses and with this strategic change, Commerce Centre will no longer be incurring losses and will change its name to Datacentrix Solutions (Pty) Ltd to reflect the new shareholding. Datacentrix continues to represent the Sterling Commerce suite of e-commerce products in South Africa, and has enjoyed significant success from it.

Black Economic Empowerment (BEE)

Datacentrix continues to entrench itself as a truly South African company, embracing BEE at all levels within the organisation and through its equity structure. During February 2002 our BEE shareholding was enhanced with an issue of new shares, raising our BEE equity stake to 49%. Datacentrix has successfully moved to the second phase of strengthening its empowerment credentials. In addition to the assumption of executive office by Gary Morolo as Executive Chairman, senior management appointments have been made with Ahmed Mahomed as Managing Director of Infrastructure, the largest division, and Lolo Tshaka as Divisional Director in charge of the Government business unit. Significant progress has been made in the general employment equity profile, resulting in 42% of all personnel being Black and 61% from the designated group as at year end. Concerted effort is being made to further improve our employment equity profile, especially at executive and senior management levels.

Future prospects

With the significant growth initiatives identified in our infrastructure business and the growth experienced in the Solutions and Services divisions, Datacentrix has successfully implemented its growth strategy and remains poised to make judicious and opportune acquisitions. We are positive that growth will continue in the next financial year. To date our focus on business critical solutions and services has shielded Datacentrix from the global and local slowdown in information technology expenditure. We remain extremely well positioned to take advantage of the continued shakeout and consolidation in the IT industry.

Dividends

As per company policy, no dividend has been declared or paid. The directors believe that the cash resources can be best employed within the company to fund organic and/or acquisitive growth.

Accounting policies

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice and the accounting policies used in their preparation are consistent with those adopted in the previous financial year.

For and on behalf of the board.

Gary Morolo
Executive Chairman

Gerhard Uys
Group MD

23 April 2002
Pretoria

Directors:

Gary Morolo (Chairman), Gerhard Uys, Klaas Lammers, Stewart Barker, Charl Joubert, Natanya Kuper-Cohen*, Sam Nematswerani*, Joan Joffe*, Imogen Mkhize*, Christoff Botha*

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