

INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA
 DATACENTRIX HOLDINGS LIMITED
 REGISTRATION NUMBER: 1998/006413/06
 "DATACENTRIX HOLDINGS LIMITED" OR "THE GROUP"
 SHARE CODE: DCT
 ISIN: ZAE 000016051

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2003

Consolidated Income Statement

	6 Months ended 31 August 2003 R'000	6 Months ended 31 August 2002 R'000	12 Months ended 28 February 2003 R'000
Revenue	397 420	413 151	770 738
Operating income before depreciation, profit on disposal of business, goodwill amortised and interest (EBITDA)	30 179	32 651	58 315
Depreciation	(3 467)	(2 715)	(5 589)
Net profit from disposal of business	-	1 383	1 383
Goodwill amortised	(4 333)	(4 540)	(7 677)
Operating income before interest and taxation	22 379	26 779	46 432
Net interest received	6 246	3 185	7 420
Share of associate income	144	-	1 134
Income before taxation	28 769	29 964	54 986
Taxation	(9 931)	(10 033)	(18 069)
Earnings attributable to ordinary shareholders	18 838	19 931	36 917
Accumulated earnings at the beginning of the year	105 089	68 172	68 172
Accumulated earnings at the end of the period	123 927	88 103	105 089
Headline and diluted headline earnings per ordinary share (cents)	11.5	11.8	21.8
Basic and diluted basic earnings per ordinary share (cents)	9.3	10.2	18.6
Weighted average number of shares in issue (000's)	202 138	195 460	198 363

Reconciliation of Headline Earnings

Net income after taxation	18 838	19 931	36 917
Goodwill amortised	4 333	4 540	7 677
Net profit from disposal of business	-	(1 383)	(1 383)
Headline earnings	23 171	23 088	43 211

Consolidated Balance Sheet

	31 August 2003 R'000	31 August 2002 R'000	28 February 2003 R'000
ASSETS			
Non-current assets	81 068	80 707	79 160
Property and equipment	15 456	13 495	14 191
Intangible assets	36 899	42 210	37 191
Investment in associate	1 257	714	917
Advance payments	5 749	5 365	5 529
Deferred taxation	11 094	8 809	11 094
Loan to share trust	10 613	10 114	10 238
Current assets	256 722	228 529	249 042
Inventories	11 482	9 232	10 403
Accounts receivable	97 453	112 074	120 884
Bank balances and cash	147 787	107 223	117 755
TOTAL ASSETS	337 790	309 236	328 202
EQUITY AND LIABILITIES			
Capital and reserves	191 012	154 476	170 202
Share capital	20	20	20
Share premium	43 727	38 673	43 754
Non-distributable reserves	14 543	14 543	14 543
Acquisition consideration (shares) due to vendors	8 795	13 137	6 796
Accumulated profits	123 927	88 103	105 089
Non-current liabilities			
Acquisition consideration (long-term cash) due to vendors	920	12 155	12 155
Current liabilities	145 858	142 605	145 845
Accounts payable and accruals	90 765	95 560	102 853
Provisions	3 391	2 929	3 295
Deferred revenue	22 868	19 060	21 555
Acquisition consideration (short-term cash) due to vendors	11 134	8 235	7 231
Taxation	17 700	16 820	10 911
TOTAL EQUITY AND LIABILITIES	337 790	309 236	328 202
Net asset value per share (cents)	98	80	88
Tangible net asset value per share (cents)	79	58	69
Number of shares in issue (000's)	194 737	193 081	193 081

Statement of Changes in Equity

	6 Months ended 31 August 2003 R'000	6 Months ended 31 August 2002 R'000	12 Months ended 28 February 2003 R'000
Opening balance	170 202	119 345	119 345
Net income for the period	18 838	19 931	36 917
Share issue expenses	(28)	(24)	(242)
Non-achievement of profit warranties	-	-	(1 042)
Acquisition consideration due - share issues	2 000	15 224	15 224
Closing balance	191 012	154 476	170 202

Consolidated Cash Flow Statement

	6 Months ended 31 August 2003 R'000	6 Months ended 31 August 2002 R'000	12 Months ended 28 February 2003 R'000
Net cash inflow from operating activities	43 063	47 999	62 150
Net cash outflow from investing activities	(7 670)	(9 477)	(12 878)
Net cash outflow from financing activities	(5 361)	(2 759)	(2 977)
Net increase in cash and cash equivalents	30 032	35 763	46 295
Cash and cash equivalents at the beginning of the period	117 755	71 460	71 460
Cash and cash equivalents at the end of the period	147 787	107 223	117 755

Commentary

The directors of Datacentrix Holdings Limited are pleased to present the interim results of the Group for the six months ended 31 August 2003. Datacentrix has performed well in a difficult and challenging environment. The Group's empowerment profile, strong customer focus, tight operational and financial controls, a performance driven culture, delivery capacity and balance sheet continue to make it an ideal partner for vendors and clients looking for a long-term strategic partner.

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.

Results

Turnover was down by 4% compared to the corresponding period, mainly due to the strengthening Rand (the equivalent turnover in US Dollar compared to the corresponding period shows growth of greater than 25% for hardware and software sales, which are all imported). As a consequence, EBITDA, earnings and headline earnings per share were down by 8%, 9% and 3% respectively. Compared sequentially to the six month period ended February 2003, turnover was up by 11%, and EBITDA, earnings and headline earnings per share up by 19%, 11% and 15% respectively.

Net asset value per share increased 21% to 98 cents compared to the corresponding period and tangible net asset value per share increased 34% to 79 cents. Cash generated from operations was R43 million, resulting in R147 million cash on hand, with no interest bearing debt.

Infrastructure and Services

The Infrastructure division has shown consistent growth during the period under review when one allows for the strengthening of the Rand and the scrapping of import duties. The division continues to be a pre-eminent player in the supply, maintenance and support of IT infrastructure. A number of multiyear contracts have been secured or renewed. The division has bolstered its presence in Johannesburg and has made significant gains in this market.

The focus on the enterprise market and the opportunities presented by server and storage consolidation trends has fuelled strong growth for high-end servers, storage and enterprise backup library solutions. The division is firmly established as a serious player in the enterprise solutions space.

Selective outsourcing opportunities remain the focus area for Services, bringing the benefit of stronger strategic client relationships, better planning and annuity income. A number of new blue-chip outsource clients were obtained during the period under review. The Services division maintains exceptional relationships with clients for whom it delivers consistently high service levels.

Relationships with product vendors, on behalf of whom in-warranty hardware repairs are performed, continue to be strong. Direct partner contracts have been renewed and accreditations maintained with selected best of breed international technology vendors.

Solutions

The Solutions division offers hosted services, consulting, supply, implementation and training of business solutions for the enterprise market. Its skills base focuses on hosted application services, financial systems, data mining, archiving, data exchange, workflow and the integration of dissimilar back end systems within the enterprise. The ERP focus of this division is primarily on the Windows/Intel platform with the Microsoft Business Solutions offering.

Growth for this division will be fuelled by the need for archiving of data and documents for statutory requirements, integration of dissimilar applications, document management and workflow to optimise existing processes; business intelligence to support business decisions; and the move towards outsourcing of business applications. Microsoft's entry into the CRM market will provide Datacentrix with an additional superior offering to the corporate market.

Black Economic Empowerment

Datacentrix continues to focus strongly on internal transformation imperatives and also participates actively in the ICT forums to promote transformation. Strong equity and empowerment shareholder involvement and employment equity credentials place Datacentrix ahead of the anticipated ICT charter requirements. Independent confirmation of our progress in this area is provided by the "A" rating from Empowerdex, a leading rating agency on BEE. Particular focus is now being placed on further enhancing our empowerment supplier purchase program and corporate social investment.

Future prospects

Management continues to be confident about the company's prospects to year-end and beyond. The decreasing cost of IT infrastructure may have a positive impact on the renewal cycles for many corporates. Government spending is expected to accelerate as the procurement processes of SITA are finalised.

Our focus on both partial outsourcing and full hosted services has yielded a number of significant opportunities currently under evaluation by potential clients. The Services division has achieved important renewals from blue chip clients. The full potential of the Johannesburg market is yet to be achieved and the outlook is promising. As mentioned at the beginning of the year, we also expect growth in the enterprise storage and server consolidation and Microsoft products and solutions.

A strengthening Rand will have a negative impact on revenue, but as highlighted earlier, may have the unanticipated benefit of accelerated renewal cycles.

The Group's strategy, balance sheet and strong managerial control place it in a relatively strong position, creating a solid platform for consolidation and growth.

Dividends

No dividends have been declared or paid during this period. The dividend policy is being reviewed by the board on an ongoing basis.

Accounting policies

The financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice and the accounting policies used in their preparation are consistent with those adopted in the previous financial period.

Board appointment

The board is pleased to announce the appointment of Liz Naidoo, the Group's current CFO as financial director of Datacentrix Holdings Limited effective 6 October 2003.

For and on behalf of the Board

Gary Morolo
Executive Chairman

7 October 2003
Pretoria

Directors:

Gary Morolo, Gerhard Uys, Klaas Lammers, Stewart Barker, Charl Joubert, Ahmed Mahomed, Liz Naidoo
Sam Nematswerani*, Joan Joffe*, Christoff Botha* Natanya Kuper*, Imogen Mkhize*

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