

Audited results for
the year ended 28 February 2010



Highlights

Revenue

\$3,74 billion

EBITDA

\$109 million

Cash generated from operations

\$225 million

Underlying* earnings per share

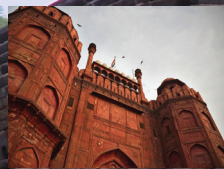
30,3 US cents

Capital distribution per share unchanged at

12 US cents



www.datatec-group.com



Some of the UNESCO World Heritage Sites where Datatec has a presence

Highlights (continued)

Financial highlights

- Revenue \$3,74 billion (2009: \$4,19 billion)
- EBITDA \$109 million (2009: \$126 million)
- Underlying* earnings per share 30,3 US cents (2009: 33.1 US cents)
- Second half underlying* earnings per share up 77%
- Net cash \$186 million (2009: \$36 million)
- Capital distribution per share 12 US cents (2009: 12 US cents)

Operational highlights

- Strong recovery in second half of financial year
- Group continues to benefit from international scale and business diversification
- All divisions have returned to revenue growth
- Very strong operational cash generation
- Continued geographic expansion; Logicalis establishes pan Asian footprint
- Increased predictability and reduced volatility in financial performance

**Excluding goodwill and intangibles impairment, amortisation of acquired intangible assets, profit or loss on sale of assets and businesses, fair value movements on acquisition related financial instruments and unrealised foreign exchange movements.*

Commentary

Jens Montanana, Chief Executive of Datatec, commented:

"This is a very solid financial performance, particularly by Westcon, despite the continued difficult trading conditions in many countries. It is a testament to our strategy of international and business diversification and to our overall operational capabilities.

The sound results delivered in the first half continued into the second half of the financial year. All of the Group's operating divisions now appear to have passed their inflexion points and returned to revenue growth. The Group's performance improved in the traditionally stronger second half of the year; second half revenues and profits improved sequentially over the first half of the year and comparatively over the second half of the previous financial year.

Our rapid reaction to the recent global crisis resulted in significant cost reductions being initiated over a year ago. This enabled us to lower our cost base and consequently maintain margins even as our revenues fell. Our cash generation remains very strong and margins remain stable.

Following on from our successful advances in Brazil and India, we completed the acquisition of NetStar Asia which provides Logicalis with a pan Asian platform and a presence in mainland China.

We are actively reviewing a number of strategic initiatives in Asia and Latin America, and in particular China and Brazil, which we see as key market opportunities for the Group.

Having very tightly managed the Group's business whilst expanding the geographic footprint over the last few years, we are well positioned to take advantage of improving market conditions and the recovery that we have seen in our major geographies."

PROFILE AND GROUP STRUCTURE

Datatec Group is an international Information Communications Technology ("ICT") networking and

related services business with operations in many of the world's leading and emerging economies. The Group's main lines of business comprise: the global distribution of advanced networking and communications convergence products ("Westcon" and "Westcon Emerging Markets"); ICT infrastructure solutions and services ("Logicalis"); and Consulting Services ("Analysys Mason" and "Intact"). "Corporate and Other" encompass the net operating costs of the Group's head office entities and two months' trading of African Legend Indigo ("ALI") prior to its disposal effective 24 April 2009.

OVERVIEW

Datatec delivered a sound financial and operational performance, particularly by Westcon. The year was marked by very strong operational cash generation and steady margins, despite tough trading conditions, which impacted revenues particularly in the first half of the year. The second half of the financial year was both sequentially and comparatively better than the first half of the financial year and the second half of the prior financial year. The Group benefited from the twin effects of an improvement in trading conditions and high operational gearing, as a result of the significantly reduced cost base reflecting actions taken by the management team. The Group has now returned to revenue growth in all its divisions.

Datatec's geographic diversity, global presence and improving mix of business continue to be a key benefit, helping to mitigate the impact of the global economic downturn. Trading in South America, the Middle East and Asia Pacific has remained robust, helping to compensate for softer business conditions in the USA and Europe.

Datatec revenues were \$3,74 billion (2009: \$4,19 billion), with second half revenues of \$1,94 billion compared to \$1,92 billion in the second half of the previous financial year. Overall gross margins remained stable at 13,3% (2009: 13,5%).

EDITDA was \$108,5 million (2009: \$125,6 million), and EBITDA margins were 2,9% (2009: 3,0%). The Group achieved EBITDA of \$63,9 million in the second half, compared to \$54,2 million in the second half of the previous financial year. Profit after tax was \$31,6 million (2009: \$60,0 million). Underlying earnings were 30,3 cents per share (2009: 33,1 cents), with 18,8 cents per share in the second half, an improvement of 77,4% over the 10,6 cents per share in the second half of the previous financial year.

Commentary (continued)

The Group achieved very strong operating cash generation as a result of continued effective working capital management and extended credit terms received from major suppliers. Datatec ended the year with a net cash position of \$186 million (2009: \$36,2 million).

In our industry we see the highest growth technology segments being those associated with connecting data, voice and video over IP networks (unified communications) and growing demand in data centres for security, storage and virtualisation.

Westcon performed particularly well, with gross and EBITDA margin improvement and improved profitability. Westcon benefited strongly from the high operational gearing that exists as a result of its significantly reduced cost base, continuing improving working capital and improved operational efficiencies. Trading in the Americas, particularly in the US, improved throughout the financial year, with conditions in Europe remaining stable and the Asia Pacific region performing strongly.

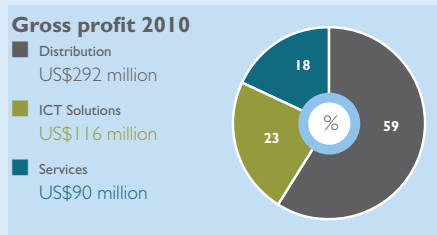
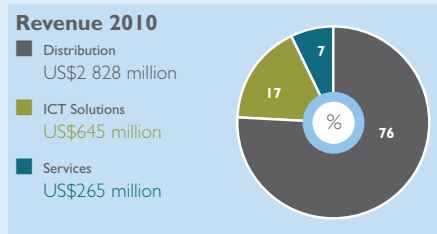
Westcon Emerging Markets (Africa, Middle East and India) continued to trade well with an improved financial performance over the prior year. This business will be folded into Westcon during the second half of the current financial year. Its financial performance will be included with Westcon's figures from the second half of the current financial year.

As we stated previously, Logicalis is a business that typically improves later in the economic cycle, in part due to the longer term and contractual nature of its customer relationships. As anticipated, its recovery has lagged that of Westcon by five to six months, but appears to be now well underway. The first half was impacted by challenging conditions in the US and the UK, but the performance improved markedly in the second half, with UK operations enjoying a very strong year-end and the US passing its inflexion point. Trading and profitability in South America remained robust throughout the year in line with the Group's expectations. Logicalis gained an Asia Pacific presence with the acquisition of NetStar Group Holding Ltd ("NetStar") in January 2010.

Consulting Services improved in the second half after a difficult first half, as a result of additional cost reductions being made to improve profitability. Overall performance has been significantly impacted by telecommunications operators and service providers reducing spend resulting in lower strategy consulting revenues.

Of the \$3,74 billion revenues generated during 2010, some 76% came from Distribution; 17% from ICT Solutions and 7% is attributable to revenues derived from Services. The spread of activities across these three business activities not only provides the Group with multiple points of leverage in the ICT market, but also with industry diversification with no particular vendor, technology, geography or industry sector dependency.

ANALYSIS BY BUSINESS STREAM



STRATEGY

Despite the economic downturn, Datatec continues to pursue its long term strategy to deliver sustainable above average returns to shareholders by focusing on a combination of organic growth in the faster growing sectors of the ICT market, geographic expansion and earnings enhancing acquisitions.

Datatec is now in a much stronger market position following the successful strategy over the last few years to reduce the Group's dependency on any single market, territory or technology sector, as well as improving supplier and customer diversification.

Datatec Group is creating shareholder value through actively managing its complementary but standalone businesses. In addition to the allocation of capital and financing resources for each activity, the central team

Commentary (continued)

supports each division's growth strategies, providing corporate and business development opportunities, market and sector intelligence plus geographical and industry expertise.

During the year the Group has primarily focused on improving operational performance and cash generation, whilst at the same time, reviewing a number of acquisition opportunities to enhance margins, facilitate consolidation in proven markets and extend the Group's geographical reach.

The Group is actively pursuing a number of acquisition opportunities and completed the NetStar acquisition for \$19,8 million in January 2010. In one transaction the acquisition of NetStar established a sizeable presence for Logicalis across South East Asia and Australia and significantly includes an operation in mainland China, one of the most important developing markets. Other opportunities in Asia and Latin America are also being reviewed, and in particular China and Brazil, which the Board sees as key market opportunities for the Group.

FINANCIAL RESULTS

Group revenues were \$3,74 billion (2009: \$4,19 billion). In the second half, revenues were \$1,94 billion compared to \$1,92 billion in the second half of the previous year.

38% of Group revenue was generated from North America (2009: 35%), 39% from Europe (2009: 41%), 9% from Asia Pacific (2009: 7%), 8% from South America (2009: 9%) and 6% from Middle East and Africa (2009: 8%).

Gross margins remained stable at 13,3% (2009: 13,5%). Gross profit was \$498,4 million (2009: \$563,8 million), while operating costs reduced by 11% to \$389,8 million (2009: \$438,2 million) as a result of significant cost reduction across the Group.

EBITDA was \$108,5 million (2009: \$125,6 million), which includes net unrealised foreign exchange losses of \$2,1 million (2009: gains of \$0,4 million). The Group achieved \$63,9 million EBITDA in the second half of the financial year, compared to \$54,2 million in the second half of the prior financial year. Amortisation of intangible fixed assets arising from acquisitions was \$15,4 million (2009: \$17,7 million) as a result of intangible assets recognised on the acquisitions made during the past and prior years.

Operating profit was \$76,0 million (2009:

\$84,8 million). The net interest charge in the period was \$9,6 million (2009: \$16,6 million). The net interest charge was significantly reduced as a result of working capital leverage, strong cash flow generation and decreased debt levels.

Profit before tax was \$54,1 million (2009: \$85,5 million), after fair value movements on put option liabilities referred to below.

The Group's reported effective tax rate increased to 42% from 30% in 2009. If the fair value movements on put option liabilities are excluded from profit before tax, the effective tax rate would have been 34% (2009: 37%). The Group's effective tax rate is higher than the South African statutory tax rate of 28%, primarily due to profits being realised for a number of business units in jurisdictions with higher effective tax rates, most notably North and South America. The effective tax rate for the financial year ended 28 February 2011 is again expected to be approximately 34%.

Underlying earnings per share were 30,3 US cents (2009: 33,1 US cents), with 18,8 US cents in the second half of the financial year, compared to 10,6 US cents in the second half of the prior financial year, a 77,4% increase.

Headline earnings per share ("HEPS") were 17,0 US cents (2009: 36,3 US cents). This includes the effect of the fair value adjustments of the put option liabilities detailed below. HEPS, excluding the effect of these put option fair value adjustments, is 23,8 US cents (2009: 26,6 US cents).

The Group issued 6,7 million new shares during the year, with 6,2 million shares issued as part of acquisitions completed, while 0,5 million shares were issued for exercised share options.

Following the increased cash generation for the year and the overall strength of the Group, the Board plans to maintain its cash distribution in lieu of a dividend of 12 US cents per share (2009: 12 US cents per share) out of share premium.

Working capital remained tightly controlled, resulting in \$225 million cash being generated from operations (2009: \$195 million). The Group continues to enjoy comfortable head room in terms of its working capital lines.

Operating cash flows have continued to improve as

Commentary (continued)

the Group de-leveraged on the back of lower than expected revenues and better payment terms from major creditors. Cash generated from operating activities (after working capital changes) amounted to \$196 million which represents an increase of 29% over 2009 which had cash generated of \$151,7 million.

The Group paid \$22 million to shareholders as a capital distribution in July 2009.

The Group ended the year with net cash of \$186 million (2009: \$36,2 million), including long-term debt of \$17,7 million and short-term debt of \$36,2 million included in the payables and provisions line on the balance sheet.

Outstanding liabilities to vendors of businesses acquired have increased slightly since last year-end from \$51 million to a total of \$52,8 million, of which \$32,9 million is included under short term liabilities. The largest portion of the total balance relates to two elements of the Promon acquisition – potential further cash payments of \$14,2 million to the sellers, based on future profitability and the performance of the Datatec share price, as well as a liability of \$32,6 million initially recognised against equity in accordance with IAS 32 Financial Instruments: Presentation, for a put option held by minority shareholders. Under IAS 39 Financial Instruments: Recognition and Measurement, companies are required to re-measure such liabilities at each reporting date, with changes in the fair values booked in the income statement. An increase in put option liabilities has resulted in a non-operating non-cash charge of \$12,0 million being recognised in the period (2009: gain of \$16,8 million).

The Group spent approximately \$29,7 million on acquisitions, net of cash acquired. As a result, goodwill and intangible assets increased by \$16,3 million and \$6,1 million, respectively. The revenue and EBITDA included from these acquisitions in 2010 was \$39,9 million and \$2,2 million respectively. Had the acquisition date been 1 March 2009, the pro-forma revenue would have been approximately \$126 million. It is not practical to establish the EBITDA that would have been contributed by the acquisitions in 2010 if they had been included for the entire year.

Gains of \$77,5 million (2009: losses of \$109,3 million) arising on translation of non USD denominated subsidiaries are included in comprehensive

income of \$100,4 million (2009: losses of 88,1 million). Under previous accounting standards these figures were included in the statement of changes to equity.

DIVISIONAL REVIEWS

Westcon

Westcon accounted for 69% of the Group's revenues and 60% of EBITDA.

Westcon is the world's leading speciality distributor in networking, security, mobility and convergence products for leading technology vendors, including Cisco, Avaya/Nortel, Juniper, Checkpoint and Polycom.

Westcon's revenue was \$2,6 billion (2009: \$2,8 billion) with decreases in the Americas and Europe offset by an increase in Asia Pacific. Cisco products made up 56% of Westcon's revenue (2009: 54%), 17% for Avaya/Nortel (2009: 20%), 17% for security (2009: 16%) and 10% for Development/Affinity vendors (2009: 10%). 46% of Westcon's revenue was generated in the Americas (2009: 43%), 43% in Europe (2009: 48%) and 11% in Asia Pacific (2009: 9%).

Gross margins increased from 10.1% in 2009 to 10.2% in 2010 due to increased margins in Europe and Asia Pacific offset by lower margins in the Americas. Gross profit was \$263 million (2009: \$281 million).

Cost reduction initiatives, including reduction in headcount, reduced professional fees and lower travel expenses, begun in the second half of 2009, helped to drive a \$24,9 million or 12% reduction in operating expenses in 2010. As a result, Westcon's EBITDA increased 10% from \$67,8 million to \$74,7 million while EBITDA margins increased from 2.4% in 2009 to 2.9% in 2010 with increased margins in all operating regions. After charges for depreciation and amortisation of intangible assets, operating profit increased by 14% to \$62,0 million (2009: \$54 million).

Westcon's operating activities generated \$125 million of cash (2009: \$126 million) as effective working capital management resulted in favourable changes in inventory and accounts payable balances.

In April 2009, Westcon became Cisco's first global distributor, signing a partnership that effectively increased both organisations' ability to access emerging market opportunities in many parts of Africa and the Middle East, South America and across Asia. As part

Commentary (continued)

of its expansion, Westcon is opening new offices in the Philippines, Thailand and Vietnam in Asia, and the Czech Republic in Europe.

To consolidate the early success of this partnership, in September 2009 Westcon created Comstor Worldwide, a new global business unit focused on its Cisco solutions offerings in order to better manage growth and investments in its Cisco-oriented business. This new business unit accounts for over 50% of Westcon's revenue.

On 1 October 2009 Westcon acquired Dastator (NZ), a New Zealand ICT distribution business for cash. The acquisition provides Westcon with the opportunity to add an additional operation in New Zealand to help consolidate its existing business and create a market leading position that is complementary to Westcon's Asia Pacific distribution business.

Westcon Emerging Markets ("WEM")

Datatec's WEM operations made up 7% of the Group's revenue and 4% of EBITDA.

WEM represents Datatec's distribution subsidiaries operating in 12 countries across Africa, the Middle East and the Indian subcontinent. Consolidation of these operations under the WEM umbrella has created a more regional approach towards management and reporting, with a strong focus on existing business development and cross-group operational efficiencies.

WEM started the year in a stronger position following an extensive restructuring programme in Africa and South Africa. Trading conditions were difficult in South Africa for much of the year. The Middle East region continued to perform strongly.

WEM's financial performance improved throughout the year, achieving revenues of \$245,7 million (2009: \$283,3 million) and EBITDA jumping to \$5,4 million from \$0,6 million in 2009, following the restructuring initiatives of the prior year.

On 24 April 2009 Datatec increased its shareholding in Westcon SA from 55% to 74,9% through the disposal of its 55% stake in African Legend Indigo and the issue of 275 578 Datatec shares.

WEM is expected to be fully integrated into Westcon Group during the second half of the 2011 financial year.

Logicalis

Logicalis accounted for 22% of the Group's revenues and 34% of EBITDA.

Logicalis is an international provider of integrated ICT solutions and services with breadth of knowledge and expertise in IT infrastructure and networking solutions, communications and collaboration, data centre and professional and managed services.

Trading was very difficult with the global economic slowdown and recessionary conditions prevailing in most of the markets in which Logicalis operates. Demand for technology products contracted and Logicalis' main vendor partners, Cisco, HP and IBM, experienced double-digit declines in product revenues. In addition, telecommunication operators and services providers in South America, an important customer segment for Logicalis in this region, cut capital expenditure significantly.

Revenue from product sales was down 21% with declines across all main vendor categories, IBM product sales were down the least at 7%. However, revenues from services were more resilient and were flat year on year. There was particularly encouraging growth in annuity revenues of 17%.

Despite this economic backdrop, the UK had a good performance and the contribution from the South America region was strong. Lower than expected customer demand in the US was partially offset by effective cost management, although activity did increase towards the end of the year. Revenue was \$838,5 million (2009: \$1005,4 million), including a \$19,0 million contribution from two acquisitions. Excluding the impact of acquisitions made in 2009 and 2010, revenue decreased by 17% on a constant currency basis. However, the 2009 performance was boosted by an exceptionally large project with a telecommunications operator in South America.

The gross margin slightly improved to 22,2% (2009: 22,1%). Product margins were under pressure, particularly in the US for both HP and IBM products, but services margins were maintained and an improved services mix kept the overall margin similar to last year. The gross profit was \$186,4 million (2009: \$221,7 million).

Commentary (continued)

The decline in activity was largely anticipated and the reduction in the cost base resulted in operating expenses being 13% lower. EBITDA was \$42,4 million (2009: \$57,0 million) and the EBITDA margin 5,1% (2009: 5,7%).

After charges for depreciation and amortisation of intangible assets, operating profit was \$25,2 million (2009: \$39,3 million).

In May 2009 Logicalis acquired Minters GmbH, a German Cisco Systems Partner. The enlarged Logicalis German operation is a mid-market focused ICT integrator and provides a platform for further growth in Germany. On 15 January 2010 the acquisition of NetStar completed. NetStar is a leading IP network infrastructure solutions and services provider in the Asia Pacific region with capabilities and expertise across data, voice and security infrastructure and a strong focus on Cisco network integration and data centre solutions. NetStar has operating units in Australia, Singapore, Malaysia, Taiwan, Hong Kong and China. It has over 300 employees and marked an important strategic development for Logicalis as NetStar, with its regional footprint and a Network Operations Centre in Malaysia, provides the capabilities to support the needs of multinational corporations.

Consulting Services

The Group's Consulting Services division, consisting of Analysys Mason and Intact, accounted for 2% of Group revenues and 2% of EBITDA.

Consulting Services had a difficult start to the year but improved in the second half as a result of additional cost reductions being made to improve profitability. Overall performance has been significantly impacted by telecommunications operators and service providers reducing discretionary spend significantly throughout much of 2009, resulting in lower strategy consulting revenues.

Analysys Mason provides management consulting advice and market intelligence services to the telecoms, IT and digital media industries. Analysys Mason reported revenues of \$44,4 million (2009: \$55,8 million) and EBITDA of \$0,9 million (2009: \$4,6 million).

Intact is a networking services project management and support consultancy business focused on providing high end professional services to its customers. Intact reported revenues of \$19,5 million (2009: \$17,1 million) and EBITDA of \$1,0 million (2009: \$2,0 million).

Corporate and Other

Corporate and Other encompasses the operating costs of the Datatec head office entities of \$10,4 million (2009: \$10,2 million) and unrealised and realised foreign exchange losses of \$3,6 million and \$0,9 million respectively (2009: gains of \$1,3 million and \$0,8 million) incurred by the Datatec head office entities.

This segment also includes two months' trading for the Group's 55% holding in the South African ICT business, ALL, which was sold effective 24 April 2009. During the two months ALL generated revenues of \$7,4 million (2009: \$50,7 million) and an EBITDA loss of \$0,9 million (2009: profit of \$1,8 million).

REPORTING

This report complies with International Accounting Standard 34 – Interim Financial Reporting as well as with Schedule 4 of the South African Companies Act (Act 61 of 1973, as amended), the AIM Rules for Companies and the disclosure requirements of the JSE Limited's Listings Requirements. The accounting policies comply with International Financial Reporting Standards ("IFRS") of the International Accounting Standards Board and are consistent with those applied in the prior year financial statements, except for the adoption by the Group of the amendments to IAS 1 – Presentation of Financial Statements. This standard affects the presentation of owner changes in equity and comprehensive income and does not impact on recognition, measurement and disclosure of specific transactions as required by any other IFRS standard. The Group has presented a 'statement of comprehensive income' which replaces the income statement and also includes all non-owner changes in equity. All changes in equity resulting from transactions with owners in their capacity as owners are presented in the 'statement of changes in equity'. The financial information has been audited by Deloitte & Touche whose unmodified audit report is available for inspection at the Group's registered office.

SUBSEQUENT EVENTS

On 9 April 2010 Analysys Mason acquired BDA Connect (Pvt) Limited ("BDA India"), a small management consultancy business with 15 employees, based in New Delhi, which provides Analysys Mason with a platform to develop its consulting business in India and to support its existing operations in Singapore and Dubai. Furthermore,

Commentary (continued)

BDA India's research capabilities will enable Analysys Mason to deliver global research coverage to its clients.

CURRENT TRADING AND PROSPECTS

The Board's focus during the last financial year was to ensure that the Group's performance was sound and predictable with management taking a very prudent approach. This also resulted in significant cash generation.

Although the Group remains cautious about trading conditions for the current financial year, the Board expects profitability across all divisions to improve, as the business continues to benefit from improved operational gearing.

The main divisions are well positioned to take advantage of advances in ICT in sectors adjacent to networking, such as data centre virtualisation and shared computer infrastructure (often referred to as cloud computing), fourth generation (LTM) wireless networking and increased networking security.

The Group also expects to continue making further investments to support its business structure and management to respond to any acceleration in growth, it also believes the current environment presents a good opportunity to recruit excellent people and ensure all the Group's businesses have the best foundations for future scalability.

Based on current trading conditions and prevailing exchange rates, the Board expects revenues for the 2011 financial year to be between \$4,1 and \$4,4 billion, with some margin expansion. The Board expects underlying earnings per share to be approximately 35 US cents and both earnings per share** and headline earnings per share** to be approximately 30 US cents. Profit after tax** is expected to be approximately \$58 million. The financial information on which this forecast is based has not been reviewed and reported on by Datatec's auditors.

DIVIDEND/CAPITAL DISTRIBUTION POLICY

The Group's dividend/capital distribution policy of paying an annual dividend/capital distribution, which will provide cover of at least three times relative to underlying* earnings, remains unchanged.

CASH DISTRIBUTION BY WAY OF CAPITAL REDUCTION

Following the increased cash generation for the year, the Group will distribute to shareholders a capital reduction out of share premium, in lieu of a dividend, 90 RSA cents per share (approximately 12 US cents per share) for the year ended 28 February 2010, in terms of the general authority granted to directors at the Annual General Meeting held on 12 August 2009. The capital distribution will be paid to shareholders on the Jersey branch register in GBP translated at the closing exchange rate on Wednesday, 7 July 2010.

The salient dates will be as follows:

Last day to trade	Friday, 2 July 2010
Shares to commence trading "ex" the distribution	Monday, 5 July 2010
Record date	Friday, 9 July 2010
Payment date	Monday, 12 July 2010
Share certificates may not be dematerialised or rematerialised between Monday, 5 July 2010 and Friday, 9 July 2010, both days inclusive.	

On behalf of the Board:

SJ Davidson

Chairman

JP Montanana

Chief Executive Officer

IP Dittrich

Chief Financial Officer

13 May 2010

**Forecasts for profit after tax, earnings per share and headline earnings per share do not take into account any fair value gains or losses on acquisition related financial instruments, which are required under IFRS.

Condensed Group statement of comprehensive income

	Audited year ended February 2010 USD'000	Audited year ended February 2009 USD'000
for the year ended February 2010		
Revenue	3 738 026	4 191 671
Continuing operations	3 698 134	3 980 830
Acquisitions	39 892	210 841
Cost of sales	(3 239 650)	(3 627 835)
Gross profit	498 376	563 836
Operating costs	(387 750)	(438 574)
Unrealised foreign exchange (losses)/gains	(2 090)	386
Operating profit before finance costs, depreciation and amortisation ("EBITDA")	108 536	125 648
Depreciation	(17 132)	(16 751)
Amortisation of acquired intangible assets	(15 438)	(17 711)
Operating profit before intangible impairment	75 966	91 186
Impairment of acquired intangible assets	–	(6 375)
Operating profit	75 966	84 811
Interest income	3 904	6 194
Financing costs	(13 478)	(22 655)
Fair value movements on put option liabilities	(12 010)	16 829
Share of equity accounted investment (losses)/earnings	(278)	333
Profit before taxation	54 104	85 512
Taxation	(22 465)	(25 493)
Profit for the year	31 639	60 019
Other comprehensive income		
Translation of foreign subsidiaries	77 498	(109 323)
Initial recognition and transfers related to put option liabilities	843	(43 125)
Translation of equity loans net of tax effect	(10 582)	2 778
Other items	1 075	1 561
Total comprehensive income/(loss) for the year	100 473	(88 089)
Profit attributable to:		
Owners of the parent	29 974	58 696
Non-controlling interests	1 665	1 323
	31 639	60 019
Total comprehensive income/(loss) attributable to:		
Owners of the parent	92 029	(80 012)
Non-controlling interests	8 444	(8 077)
	100 473	(88 089)
Number of shares issued (millions)		
Issued	182	176
Weighted average	177	174
Diluted weighted average	178	176
Earnings per share ("EPS") (US cents)		
Basic EPS	17,0	33,7
Diluted basic EPS	16,8	33,4

Condensed Group statement of comprehensive income (continued)

for the year ended February 2010	Audited year ended February 2010 USD'000	Audited year ended February 2009 USD'000
SALIENT FINANCIAL FEATURES		
Headline earnings	29 978	63 258
Headline earnings per share (US cents)		
Headline	17,0	36,3
Diluted headline	16,8	36,0
Underlying earnings	53 553	57 655
Underlying earnings per share (US cents)		
Underlying	30,3	33,1
Diluted underlying	30,0	32,8
Net asset value per share (US cents)	366,4	328,0
Operating cash generation per share (US cents)	123,7	111,0
KEY RATIOS		
Gross margin (%)	13,3%	13,5%
EBITDA (%)	2,9%	3,0%
Effective tax rate (%)	41,5%	29,8%
Effective tax rate (%) excluding fair value movements on put option liabilities	34,0%	37,0%
Exchange rates		
Average Rand/US exchange rate	7,9	8,7
Closing Rand/US exchange rate	7,6	10,1

Condensed Group statement of financial position

as at February 2010	Audited February 2010 USD'000	Audited February 2009 USD'000
ASSETS		
Non-current assets	459 963	429 998
Property, plant and equipment	43 436	29 938
Capitalised development expenditure	12 181	15 268
Goodwill	315 131	292 033
Acquired intangible assets	51 780	53 356
Investments	6 818	6 646
Deferred tax assets	30 617	32 757
Current assets	1 442 081	1 246 001
Inventories	277 832	249 910
Trade and other receivables	852 390	777 606
Cash and cash equivalents	311 859	218 485
Total assets	1 902 044	1 675 999
EQUITY AND LIABILITIES		
Ordinary shareholders' funds	667 879	575 863
Non-controlling interest	50 900	46 536
Total equity	718 779	622 399
Non-current liabilities	73 360	102 547
Long-term liabilities	17 676	49 904
Amounts owing to vendors	19 958	27 337
Liability for share-based payments	12 260	3 300
Deferred taxation liabilities	23 466	22 006
Current liabilities	1 109 905	951 053
Payables and provisions	992 830	791 038
Amounts owing to vendors	32 853	23 736
Taxation	12 197	12 855
Bank overdrafts	72 025	123 424
Total equity and liabilities	1 902 044	1 675 999
Capital expenditure incurred in current year	21 531	15 025
Capital commitments at end of year	14 675	7 021
Lease commitments at end of year	97 993	89 843
Payable within one year	22 064	19 870
Payable after one year	75 929	69 973

Condensed Group statement of cash flows

	Audited Year ended February 2010 USD'000	Audited Year ended February 2009 USD'000
for the year ended February 2010		
EBITDA	108 536	125 648
Loss on disposal of property, plant and equipment	6	66
Non-cash items	23 051	27 023
Cash generated before working capital changes	131 593	152 737
Working capital changes	93 902	42 162
(Increase)/decrease in inventories	(7 852)	77 074
(Increase)/decrease in receivables	(27 630)	20 923
Increase/(decrease) in payables	129 384	(55 835)
Cash generated from operations	225 495	194 899
Net finance costs paid	(9 574)	(16 586)
Taxation paid	(19 842)	(26 643)
Net cash inflow from operating activities	196 079	151 670
Investment in subsidiaries	(29 689)	(42 430)
Net cash outflow from other investing activities	(23 765)	(21 404)
Net cash inflow from other financing activities	8 591	15 731
Capital distribution to shareholders	(21 982)	(20 485)
Net increase in cash and cash equivalents	129 234	83 082
Cash and cash equivalents at the beginning of year	95 061	34 179
Translation difference on opening cash position	15 539	(22 200)
Cash and cash equivalents at the end of year (*)	239 834	95 061

(*) Comprises cash resources, net of bank overdrafts and trade finance advances.

Condensed Group statement of changes in total equity

	Audited year ended February 2010 USD'000	Audited year ended February 2009 USD'000
for the year ended February 2010		
Balance at the beginning of the year	622 399	678 283
Total comprehensive income/(loss)	100 473	(88 089)
New share issues	21 296	26 540
Capital distribution to shareholders	(21 982)	(20 485)
Share buy-back	—	(4 014)
Share-based payments	673	(873)
Non-controlling interest	(4 080)	31 037
Balance at end of the year	718 779	622 399

Determination of headline and underlying earnings

	Audited year ended February 2010 USD'000	Audited year ended February 2009 USD'000
for the year ended February 2010		
Profit attributable to owners of the parent per the income statement	29 974	58 696
Headline earnings adjustments	6	6 441
Intangible impairment	—	6 375
Loss on disposal of property, plant and equipment	6	66
Tax effect	(2)	(1 764)
Non-controlling interest	—	(115)
Headline earnings	29 978	63 258
DETERMINATION OF UNDERLYING EARNINGS		
Headline earnings	29 978	63 258
Underlying earnings adjustments	29 538	496
Unrealised foreign exchange losses/(gains)	2 090	(386)
Fair value movements on put option arrangements	12 010	(16 829)
Amortisation of intangible assets	15 438	17 711
Tax effect	(5 906)	(5 689)
Non-controlling interest	(57)	(410)
Underlying earnings	53 553	57 655

Segmental analysis

	Audited year ended February 2010 USD'000	Audited year ended February 2009 USD'000
for the year ended February 2010		
Revenue		
Westcon	2 582 500	2 779 410
Westcon Emerging Markets	245 738	283 294
Logicalis	838 492	1 005 355
Consulting Services	63 882	72 885
Corporate and other	7 414	50 727
Revenue from operations	3 738 026	4 191 671
EBITDA		
Westcon	74 736	67 758
Westcon Emerging Markets	5 364	601
Logicalis	42 357	56 959
Consulting Services	1 905	6 582
Corporate and other*	(15 826)	(6 252)
EBITDA from operations	108 536	125 648
Operating profit		
Westcon	61 972	53 804
Westcon Emerging Markets	4 068	(487)
Logicalis	25 203	39 313
Consulting Services	790	5 352
Corporate and other*	(16 067)	(6 796)
	75 966	91 186
Total assets		
Westcon	1 120 393	1 058 118
Westcon Emerging Markets	134 326	99 281
Logicalis	566 711	415 142
Consulting Services	51 542	63 140
Corporate and other	29 072	40 318
	1 902 044	1 675 999

*Includes unrealised and realised losses of \$3,6 million and \$0,9 million (2009: gains of \$1,3 million and \$0,8 million).

DATATEC LIMITED

("Datatec" or the "Group")

JSE and LSE: DTC the international Information and Communications Technology (ICT) group,
is today publishing its audited results for the year ended 28 February 2010.

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