DATATEC

audited annual financial results for the year ended 31 March 2000

revenue +84% operating profit +66% headline earnings per share +32%
organic revenue growth +54% hard currency earnings exceed 90%

1. Profile and group structure

Datatec (the "Group") is a rapidly expanding international networking and e-services group with operations in many of the world's leading economies.

The Group's lines of business comprise the channel provision of advanced networking and internet access products ("Westcon"), e-integration and network services, consulting and e-commerce ventures ("E-Services") and an Internet Service Provider ("UUNET SA").

2. Commentary on results

2.1 The Group's results for the year ended 31 March 2000 reflect revenues increasing by 84%, driven largely by continuing demand for networking equipment, especially product sales and services based on Cisco Systems ("Cisco") products. A temporary slow-down in demand for products in the IT sector in the latter part of the financial year resulted in revenues falling below anticipated levels and impacted negatively on the Group's operating margin of 5,3%.

The increase in headline earnings per share, from 266,5 cents per share in the previous year to 351,6 cents per share in the current year, represents an increase of 32%.

2.2 Revenue and operating profit before finance costs ("OPFC"), excluding discontinued operations, is made up as follows:

	Revenue		OPFC	
(R million)	**31 March 2000**	31 March 1999	**31 March 2000**	31 March 1999
Westcon	**8 089**	3 969	**445**	296
E-Services	**3 756**	1 979	**162**	77
UUNET SA	**210**	139	**33**	12
	12 055	6 087	**640**	385

The Group's operating margin on continuing operations declined primarily due to the following factors:

- Westcon experienced a sluggish second half trading environment as a result of a slower than expected rebound in demand for products in the IT sector after the Y2K period. Reduced demand for its Lucent, 3Com and Nortel product lines following the announced reorganisation of Lucent, 3Com exiting certain sectors of the networking market and the transition of product lines within Nortel also had an impact on Westcon's results;
- Logical have invested further in new skills and infrastructure which is necessary to enable the business to migrate from lower margin network integration projects to higher margin e-business consultancy and managed services.

UUNET SA has performed ahead of expectations and continues to make a positive contribution to the group's operating margin.

The absolute increase in operating profit in Westcon is primarily attributable to strong organic growth in Comstor in the UK and the US. Based on current run rates, Cisco currently comprises in excess of 60% of all product sales in the Westcon Group. The acquisitions of Comstor in the US and Technocraft in Singapore have contributed positively to the growth in operating profit.

The increase in operating profit in E-Services results from organic as well as acquisitive growth. Destiny Electronic Commerce, the group's e-commerce integrator in South Africa, is yet to show profits but is trading ahead of plan.

2.3 Headline earnings per share reflects the earnings for the year, as shown above, based on the weighted average number of shares in issue during the year. The computation of headline earnings per share in the prior year has been restated for consistency purposes to exclude the effect of debenture interest paid.

2.4 Diluted basic earnings per share is calculated in conformity with the revised accounting statement on earnings per share. Potential ordinary shares arising from the issue of ordinary shares to settle future earnout considerations are anti-dilutive in nature due to the earnout targets set. Accordingly, they are not taken into account in the computation of diluted basic earnings per share.

2.5 The increase in ordinary shareholders funds is reconciled as follows:

(R million)	Share capital and premium	Non-distributable reserves	Distributable reserves	**31 March 2000**	31 March 1999
Beginning of year	435	132	330	**897**	132
Atributable earnings			387	**387**	195
Shares issued	1 409			**1 409**	2 919
Foreign subsidiaries translation		41		**41**	124
Goodwill written off	(1 297)			**(1 297)**	(2 473)
Other movements		46	(46)	**-**	-
End of year	547	219	671	**1 437**	897

Goodwill of R1 297m arising during the year, has been written off against the share premium account in terms of current Companies Act legislation.

2.6 Amounts owing to vendors represent purchase considerations owing in respect of acquisitions and will be funded primarily out of the issue of new shares, pending the achievement of the relevant profit warranty milestones by the vendors of the businesses.

2.7 Long-term liabilities relate substantially to the expansion of the capabilities of the E-Services division. In addition, funding for the routine replacement and expansion of property, plant and equipment in the underlying subsidiary companies was raised during the year. The company has no restrictions on its borrowing powers in terms of its articles of association.

2.8 Outside shareholders' interests principally comprise the minority shareholders interests in Westcon Group, Logical Systems in Australia and UUNET SA in South Africa.

2.9 The increase in property, plant and equipment is directly attributable to new acquisitions concluded during the current year as well as infrastructural and systems expenditure to increase capacity and efficiencies in existing businesses.

2.10 Investment in associate companies comprises principally the investment in the listed Siltek group. Other investments comprise principally of the Group's listed interest in Metropolis Transactive Holdings Ltd ("Metropolis*").

2.11 Bank overdrafts and trade finance facilities relate primarily to funding raised offshore, predominantly by Westcon, to finance working capital requirements. These facilities are utilised against the security of inventory and the accounts receivable book, to fund ongoing working capital requirements and to maximise cash settlement discounts available from the major manufacturers.

2.12 The Group's working capital has increased largely in line with the overall expansion of Westcon. Westcon accounts for some 85% of the Group's net working capital requirements. Westcon's working capital requirements peak at the end of the major manufacturers' quarter ends as special pricing and promotions are taken advantage of.

The Group is satisfied that the overall increase in working capital is within acceptable industry parameters and appropriate funding structures have been put in place to accommodate these funding needs. Despite the increase in the Group's investment in working capital, positive cash flows of R86m have been generated from operating activities during the year under review.

2.13 Capital expenditure for the year amounted to R488 million. Capital commitments in place at the end of the year amount to R54 million and will be funded out of the Group's existing cash reserves and long-term financing facilities. The Group has outstanding operating lease commitments of R702 million, mainly in respect of premises (over periods of up to 20 years) and computer equipment. The Group is not aware of any significant unprovided contingent liabilities at the end of the year.

Consolidated income statement

(R million)	Note	**Audited year ended 31 March 2000**	Audited year ended 31 March 1999	Key % Changes
Revenue		**12 217**	6 641	84%
Continuing operations		**9 400**	6 087	54%
Acquisitions		**2 655**	-	
Discontinued operations		**162**	554	
Operating profit before depreciation		**774**	479	62%
Depreciation		**(157)**	(73)	
Operating profit before finance costs	2.2	**617**	406	
Continuing operations		**640**	385	66%
Discontinued operations		**(23)**	21	
Net financing costs		**(61)**	(4)	
Profit before exceptional items		**556**	402	
Exceptional items		**3**	(26)	
Profit before taxation		**559**	376	
Taxation		**(175)**	(154)	
Profit after taxation		**384**	222	
Share of associated company profits (losses)		**14**	(3)	
Profit attributable to outside shareholders		**(11)**	(24)	
Attributable earnings		**387**	195	98%
Headline earnings adjustments		**6**	30	
Headline earnings	2.3	**393**	225	75%
Operating margin on continuing operations		**5,3%**	6,3%	

Consolidated balance sheet

(R million)	Note	**Audited 31 March 2000**	Audited 31 March 1999	
Capital employed				
Ordinary shareholders' funds	2.5	**1 437**	897	
Amounts owing to vendors	2.6	**844**	1 015	
		2 281	1 912	
Long-term liabilities	2.7	**95**	81	
Outside shareholders' interests	2.8	**141**	84	
		2 517	2 077	
Employment of capital				
Property, plant and equipment	2.9	**478**	268	
Associate companies and partnerships	2.10	**86**	149	
Investments	2.10	**98**	59	
Deferred taxation		**54**	37	
Current assets		**6 068**	4 191	
Inventories		**2 033**	1 253	
Accounts receivable		**2 648**	1 535	
Other receivables		**369**	244	
Cash resources		**1 018**	1 159	
Current liabilities		**4 267**	2 627	
Accounts payable		**2 865**	1 791	
Taxation		**86**	82	
Bank overdrafts and trade finance	2.11	**1 316**	754	
Net current assets	2.12	**1 801**	1 564	15%
		2 517	2 077	

Consolidated cash flow statement

(R million)	Note	**Audited year ended 31 March 2000**	Audited year ended 31 March 1999
Net cash inflow from operating activities		**86**	25
Operating profit		**794**	483
Working capital movements		**(408)**	(294)
		386	189
Net interest paid		**(66)**	(7)
Dividends received		**4**	-
Taxation paid		**(200)**	(124)
		124	58
Net cash flow relating to exceptional items		**(38)**	(33)
Net cash outflow from investing activities		**(2 032)**	(3 568)
Net property, plant and equipment additions		**(316)**	(199)
Acquisitions and advances to investments		**(1 716)**	(3 369)
Net cash inflow from financing activities		**1 261**	3 692
Funds from issue of shares		**1 409**	2 891
Vendors and loans (repaid) advanced		**(148)**	801
(Decrease) Increase in cash and cash equivalents		**(685)**	149
Foreign exchange movements		**(18)**	-
Cash & cash equivalents at beginning of year		**405**	256
Cash & cash equivalents at end of year (*)	2.11	**(298)**	405

(*) comprises net of cash resources, bank overdrafts and trade finance

Salient financial features

	Note	**Audited 31 March 2000**	Audited 31 March 1999	
Number of shares (millions)				
– Issued		**119**	100	
– Weighted average		**112**	84	
– Diluted weighted average		**116**	90	
Earnings per share (cents)				
– **Headline**	2.3	**351,6**	266,5	**32%**
– Basic		**346,3**	231,0	**50%**
– Diluted basic	2.4	**332,9**	216,0	**54%**

www.datatec-group.com DATATEC LIMITED ("DATATEC") (Registration number 1994/05004/06)

3. Divisional review

3.1 Westcon

Headquartered in New York, Westcon is a global channel provider of advanced networking and internet access products. Westcon is strategically aligned with the vendors shaping the future of the networking industry: Cisco, Lucent Technologies, Nortel Networks and other innovators of next-generation networking. connectivity and network security. The Group is also a recognised industry leader of a variety of branded, value-added services to support its reseller, systems integrator and value-added reseller customers.

Westcon provides a full line of connectivity solutions including products and services for convergence technology, remote access, internet and e-business, virtual private networks, videoconferencing, wireless connectivity and network security. Westcon is also a recognised industry leader of a variety of branded, value-added services to support its reseller, systems integrator and value-added reseller customers.

Westcon is comprised of operations under the Comstor (Cisco focused unit) and Westcon (Lucent Technologies, Nortel Networks and 3Com focused unit) brands, to create a seamless, global distribution business with facilities in Africa, Asia, Australia, UK, Europe, North America and South America. Westcon will continue to seek and establish relationships that will propel its reach and reputation as a major channel provider of networking products and services.

3.2 E-Services

Headquartered in London, Datatec's E-Services division encompasses the operations of Logical, Advisory Services and the Group's E-Ventures investments.

Logical

Logical is the e-integration and services arm of Datatec and has built up an operational presence in four of the world's five largest IT economies (the US, Germany, UK and France).

Significant investments have been made in new management and restructuring to align the business to the needs of the e-services market. Whilst rationalising certain legacy businesses, the various international operations are undergoing an integration and re-branding exercise. This will help Logical become a seamless global organisation with a common mission and business model. Logical's strategy is to focus on complex, high-end e-business services, providing infrastructure and applications that enable the entire e-business environment. Logical provides:

- **E-Infrastructure:** The systems needed for the efficient installation and operation of robust, enterprise-wide e-business infrastructures.
- **E-Business Solutions:** E-Business Solutions selects leading edge e-business applications and builds a strong implementation practice around them. Logical has focused on Knowledge Management (KM), Customer Relationship Management (CRM) and developing e-commerce portals based on products from leading vendors such as Broadvision, Siebel and Autonomy.
- **E-Outsourcing:** This service will be launched in the second half of 2000. It will be delivered through E-Business Operation Centres, which will support the E-Infrastructure offering by providing services such as management of LAN/WAN/server/applications, performance monitoring, security, and business continuity.

Advisory Services

The rapid convergence of networks and telecommunications has created a significant opportunity for strategic advisory services. The nucleus of Advisory Services is Mason Communications which is regarded as the UK's leading independent telecommunications and networking consultancy.Under the leadership of recently appointed CEO, Stephen Lawrence, Advisory Services will be an integral component of the division's full e-services offering, and will exploit cross-selling opportunities with Logical.

E-Ventures

E-Ventures focuses on the group's largely South African joint venture investments in the internet, which include:

- Affinity Logic, with the Wooltru Group;
- Destiny Electronic Commerce, with ABSA and representing General Electric Information Services in Africa; and
- Metropolis*, with Primedia and representing NASDAQ-listed VerticalNet throughout Africa.

3.3 UUNET SA

UUNET SA, owned 76% by Datatec and 24% by MCI-Worldcom, has emerged as Southern Africa's premier Internet network services provider and is the country's dominant supplier of IP bandwidth providing both corporate and wholesale IP services.

4. Trading update of 14 April 2000

In response to the fall in the company's share price on 13 April 2000, the Group issued a trading update on the morning of 14 April 2000.

The Board has considered these events and discussed the relevant facts with its advisors. It is satisfied that there was no breach of confidentiality by the company or any of its directors. Further, no shares were traded by the company's directors during the closed period which commenced on 1 April 2000.

The Board is extremely concerned at the unwarranted reduction in market value that has occurred. It has reviewed the content of the relevant media coverage and will encourage and assist any investigations by the JSE and FSB.

5. Strategic initiatives and prospects

5.1 Proposed international listings

The Group is proceeding with its plans, subject to receiving all necessary regulatory approvals, of separately listing Westcon and the E-Services Group this financial year. However, as a result of the recent sharp decline in certain of the technology sectors of the world's major stock markets, it is probable that the listings will take place in the second half of the financial year.

5.2 Management Incentives

In view of the different nature and objectives of the businesses within the Group and the desire to ensure that management of each business unit and Group executives are incentivised within that division, the Remuneration Committee has approved, subject to receiving all necessary regulatory approvals, the creation of individual option schemes within Westcon, Logical and Advisory Services. Option pools of 7,5% of the equity of each division have been allocated in this manner. No option schemes have been allocated in respect of other unlisted assets of the company.

5.3 Prospects

The Group will continue to invest in developing skills and services in the newly formed E-services division, particularly within the e-integration and services arm Logical. This will result in reduced profitability over the near-term as the Group optimises the businesses and creates the necessary portfolio of services for "new-economy" demands.

Strong organic growth is expected in Westcon, with Cisco's share of product sales continuing to grow. Westcon is aggressively positioning itself at the forefront of the voice/data convergence market as large manufacturers realign their businesses and channels.

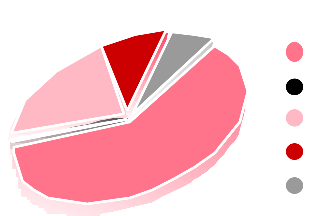
The Group remains positive about its long-term prospects and positioning. The fundamentals of the Group remain strong, in spite of the temporary slowing of demand for certain categories of networking equipment, compounded by the impact of Y2K. The Group will continue to focus on creating and realising value from underlying operations.

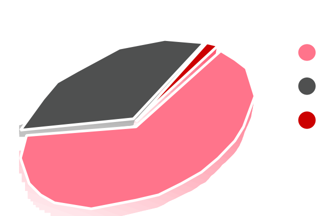
On behalf of the Board:

JP Montanana
Executive Chairman

JS James
Group Finance Director

17 May 2000





Directors: JP Montanana* (Executive Chairman), R Helms∞, JS James, DRL Jones‡*, M Karpul, MJ Lamberti‡, DR Lello, JF McCartney‡§, RS Rindel, CS Seabrooke‡, R Michalowski§ *British §American ∞Danish ‡non-executive