DATATEC

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AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2001

• REVENUE +85% • OPERATING PROFIT +61% • HEADLINE EARNINGS PER SHARE +15%

CONSOLIDATED INCOME STATEMENTS

(R million)	Audited year ended 31 March 2001	% Change	Pro forma year ended 31 March 2000	Audited year ended 31 March 2000
Revenue	**20 158**		11 524	12 217
Continuing operations	**17 800**		7 802	8 495
Acquisitions	**1 537**		2 655	2 655
	19 337	85%	10 457	11 150
Discontinued operations	**821**		1 067	1 067
Cost of sales	**16 853**		9 087	9 807
Gross margin	**3 305**		2 437	2 410
Operating costs	**(2 248)**		(1 729)	(1 635)
Operating profit before depreciation and finance costs ("EBITDA")	**1 057**		708	775
Continuing operations	**1 114**	52%	733	800
Discontinued operations	**(57)**		(25)	(25)
Depreciation	**(168)**		(155)	(158)
Operating profit	**889**	61%	553	617
Income from investments	**146**		92	92
Financing costs	**(250)**		(144)	(153)
Share of associate company (losses) earnings	**(13)**		14	14
Profit before exceptional items and goodwill	**772**		515	570
Restructuring costs	**(82)**		(39)	(39)
Goodwill amortisation	**(80)**		—	—
Exceptional items	**706**		63	42
Profit before taxation	**1 316**		539	573
Taxation	**(301)**		(151)	(175)
Profit after taxation	**1 015**		388	398
Profit attributable to outside shareholders	**(57)**		(9)	(11)
Attributable earnings	**958**		379	387
Headline earnings excluding restructuring costs	**474**	30%	364	393

KEY RATIOS

EBITDA% on continuing operations	**6%**		7%	7%
Effective tax rate				
– gross	**23%**		28%	31%
– before exceptional items and goodwill	**33%**		31%	32%
Average rand/$ exchange rate	**7.3:1**		6.2:1	6.2:1

SALIENT FINANCIAL FEATURES

Number of shares (millions)				
Issued	**128**		119	119
Weighted average	**126**		112	112
Diluted weighted average	**126**		116	116
Earnings per share (cents)				
Headline earnings excluding restructuring costs	**376.2**	15%	325.8	351.6
Headline (including restructuring costs)	**325.2**	8%	299.9	328.1
Basic	**760.7**	124%	339.7	346.3
Diluted basic	**760.7**	133%	325.9	332.9

CONSOLIDATED BALANCE SHEETS

(R million)	Audited 31 March 2001	Pro forma 31 March 2000	Audited 31 March 2000
ASSETS			
Non-current assets	**1 308**	705	716
Property, plant and equipment	**535**	471	478
Goodwill	**571**	—	—
Associated companies	**8**	86	86
Investments	**35**	98	98
Deferred taxation	**159**	50	54
Current assets	**8 454**	5 670	6 068
Inventories	**3 032**	1 981	2 033
Accounts receivable	**3 268**	2 429	2 648
Other receivables	**308**	369	369
Cash resources	**1 846**	891	1 018
Total assets	**9 762**	6 375	6 784
EQUITY AND LIABILITIES			
Ordinary shareholders' funds	**3 205**	1 403	1 437
Outside shareholders' interest	**260**	138	141
Amounts owing to vendors	**—**	383	383
Long-term liabilities	**74**	224	95
Current liabilities	**6 223**	4 227	4 728
Accounts payable	**3 584**	2 345	2 865
Amounts owing to vendors	**413**	425	461
Taxation	**118**	81	86
Bank overdrafts and trade finance facilities	**2 108**	1 376	1 316
Total equity and other liabilities	**9 762**	6 375	6 784
Capital expenditure in current year	**345**	396	403
Capital commitments at end of year	**143**	54	54
Lease commitments at end of year	**510**	726	726

ABRIDGED CONSOLIDATED CASH FLOW STATEMENTS

(R million)	Audited year ended 31 March 2001	Pro forma year ended 31 March 2000	Audited year ended 31 March 2000
Cash generated from operations	**621**	71	386
Net interest paid	**(104)**	(51)	(61)
Taxation paid	**(230)**	(185)	(200)
Net cash inflow (outflow) from operating activities	**287**	(165)	125
Net cash outflow to restructuring costs and exceptional items	**(82)**	(38)	(38)
Net cash outflow to investing activities	**(1 097)**	(2 032)	(2 043)
Net cash inflow from disposal of operations and investments	**1 118**	10	10
Net cash inflow from financing activities	**148**	1 353	1 261
Increase (decrease) in cash and cash equivalents	**374**	(872)	(685)
Foreign exchange movements	**(151)**	(18)	(18)
Change of accounting period for Westcon	**(187)**	—	—
Cash and cash equivalents at beginning of year	**(298)**	405	405
Cash and cash equivalents at end of year (*)	**(262)**	(485)	(298)

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

SEGMENTAL ANALYSIS

(R million)	Audited year ended 31 March 2001		Pro forma year ended 31 March 2000		Audited year ended 31 March 2000	
Revenue						
Westcon	**14 871**		7 308		8 001	
Logical	**3 655**		2 753		2 753	
Mason	**222**		55		55	
Other Holdings	**589**		341		341	
Continuing operations	**19 337**		10 457		11 150	
Discontinued operations	**821**		1 067		1 067	
	20 158		11 524		12 217	
EBITDA						
Westcon	**828**	6%	466	6%	533	7%
Logical	**153**	4%	190	7%	190	7%
Mason	**40**	18%	6	11%	6	11%
Other Holdings	**93**	16%	71	21%	71	21%
Continuing operations	**1 114**	6%	733	7%	800	7%
Discontinued operations	**(57)**	(7%)	(25)	(2%)	(25)	(2%)
	1 057	5%	708	6%	775	6%

DETERMINATION OF HEADLINE EARNINGS

Attributable earnings per the income statement	**958**		379	387
Headline earnings adjustments:				
Restructuring costs	**82**		39	39
Goodwill amortisation	**80**		—	—
Loss on disposal of property, plant and equipment	**11**		19	19
Exceptional items:				
Impairments of property, plant and equipment	**109**		—	—
Loss on disposal and closure of discontinued operations	**92**		—	—
Net surplus on disposal of operations and investments	**(1 068)**		(67)	(46)
Write-down of carrying value of investments	**161**		4	4
	425		374	403
Tax effect	**44**		(9)	(9)
Outside shareholders' interest	**5**		(1)	(1)
Headline earnings excluding restructuring costs	**474**	**30%**	364	393
Headline earnings (including restructuring costs)	**410**		335	364

STATEMENT OF CHANGES IN EQUITY

Balance at beginning of year	**1 437**	897	897
Change of accounting period for Westcon	**(34)**	(26)	—
	1 403	871	897
Attributable earnings	**958**	379	387
Shares issued	**482**	1 409	1 409
Translation of foreign subsidiaries	**186**	47	47
Goodwill reversed / (written off)	**176**	(1 303)	(1 303)
Balance at end of year	**3 205**	1 403	1 437

1. PROFILE AND GROUP STRUCTURE

Datatec (the "Group") is an international networking and IT Services group with operations in many of the world's leading economies. The Group's main lines of business comprise the channel provision of advanced networking and Internet access products ("Westcon"), integration and professional services ("Logical") and strategic telecommunications consulting ("Mason"). The Group also has a number of other interests in South Africa ("SA"), which are included with the Group Head Office under Other Holdings.

2. COMMENTARY ON RESULTS

As communicated to shareholders on 15 March 2001, as a consequence of the rules of the Securities Exchange Commission ("SEC") in the United States of America ("USA"), and in order to comply with the requirements of fair disclosure of information to shareholders and third parties, Westcon has been consolidated based on its results to its financial year ended 28 February 2001. The prior year has therefore been restated, on a pro forma basis, to reflect this change in the basis of consolidation and to provide shareholders with a proper comparison of the current year's results. The impact of this change in accounting treatment, had it been applied for the financial year ended 31 March 2000, would have been a reduction in headline earnings per share excluding restructuring costs from 351.6 to 325.8 cents per share.

The Group's results for the year ended 31 March 2001 reflect an increase in revenues from continuing operations from R10.5bn to R19.3bn, an increase of 85%. Operating profit before depreciation and finance costs ("EBITDA") exceeded R1bn for the first time this year, reflecting an increase of 52% on the prior year. Headline earnings per share, excluding the effects of restructuring costs, increased from 325.8 to 376.2 cents per share, an increase of 15%.

The profit warranty with Wooltru Limited in respect of Affinity Logic was finalised during the year. This resulted in the realisation of a profit of R30m in excess of the normal profit warranty entitlement being included in attributable earnings for the year. A further profit of R20m was included in exceptional items. All vendor amounts in respect of Affinity Logic have been settled after the year-end.

Included in attributable earnings are forex profits of R40m relating to the UUNET SA proceeds that were received in dollars and which arose as a result of the depreciation of the rand in the last quarter of the financial year. Had these proceeds been received in rands, a portion of these forex profits would have been earned in the form of interest income as a result of the higher interest rates prevailing in South Africa.

The Group incurred restructuring costs of R82m and expensed a further R92m to exit certain non-core business areas during the year. The majority of these costs (R137m) were incurred in Logical. These costs relate principally to the integration and refocusing of Logical's existing businesses into the higher margin professional services arena (R81m) as well as costs incurred (R56m) in the exiting and termination of the low end desktop PC and server market as well as the loss making SA operations of Logical. Logical completed the restructuring programme for all of its constituent parts as at 31 March 2001.

During the year, the Group realised significant gains, in excess of R1.1bn, from the disposal of its shares held in UUNET SA in SA and Cisco Systems in the USA. These proceeds were used largely to reduce debt as well as being set aside to cover future obligations to vendors in terms of existing earnouts.

With effect from 1 April 2000, goodwill arising on the acquisition of subsidiaries and associate companies has been capitalised and is amortised over its estimated useful life, not exceeding 7 years. Goodwill arising prior to 1 April 2000 has been written off, in prior periods, directly to the share premium account.

Amounts owing to vendors in the balance sheet represent purchase considerations owing in respect of acquisitions and may, at the election of the Group, be funded out of the issue of new shares or by cash, pending the achievement of the relevant profit warranty milestones by the vendors of the businesses. Amounts owing are recognised once the suspensive conditions relating to the future earnout payments have been met. At the end of the financial year the Group had an estimated contingent liability of R249m relating to future earnout obligations. Prior year comparative numbers have not been restated to take account of these changes in accounting treatment for goodwill and vendors as permitted by the transitional provisions of Accounting Statement AC131.

3. DIVISIONAL REVIEWS

3.1 Westcon

Westcon achieved revenues of R14.9bn (2000: R7.3bn) for the year under review, generating EBITDA of R828m (2000: R466m). Working capital requirements in Westcon continue to be significant, but improvements were made in line with the level of trading activity. Westcon's working capital comprises 80% of the total Group working capital requirements.

Cisco products continue to fuel growth in Westcon, with Cisco products representing 65.5% of Westcon's revenue for the year ended 28 February 2001. Nortel, Lucent and Avaya represent a further 22.47% of total revenues with value products making up the balance.

3.2 Logical

Logical reported revenue growth from continuing operations of 33% to R3.7bn (2000: R2.8bn), generating EBITDA of R153m (2000: R190m). This represents a disappointing trading margin of 4.2%, compared with 6.9% in the prior financial year.

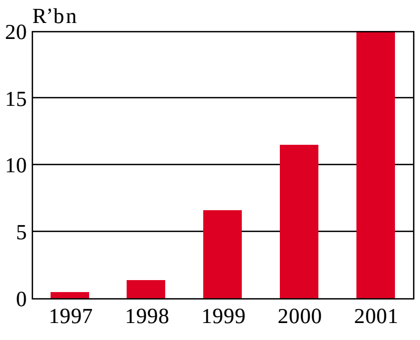
As previously communicated to shareholders, Logical has undergone an extensive restructuring programme during the financial year under review in Australia, France, Switzerland, SA, the USA and the United Kingdom. Headcount has reduced by in excess of 30% compared with the beginning of the financial year. Whilst the restructuring of Logical has had a significant impact on the current year's profitability, the Group is confident that the foundation has now been laid for solid growth in profitability.

Logical is now well positioned to take advantage of the many opportunities available to provide solutions to customers who are embracing the benefits of the pervasive convergence of voice, data and other media through the Internet and the Broadband economy.

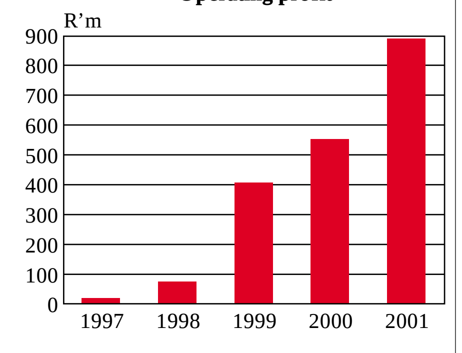
3.3 Mason

Mason posted record revenue and profits for the year under review. Revenues rose an annualised 72% to R222m and trading profit by 153% to R40m. Mason recently acquired Catalyst and is now in a position to offer call centre consultancy in addition to its core skills in the telecommunication technology arena. Key customer contracts in the area of 3rd generation

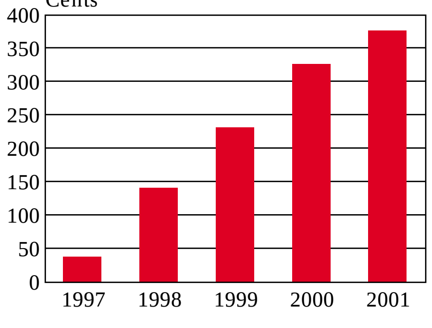
Revenue



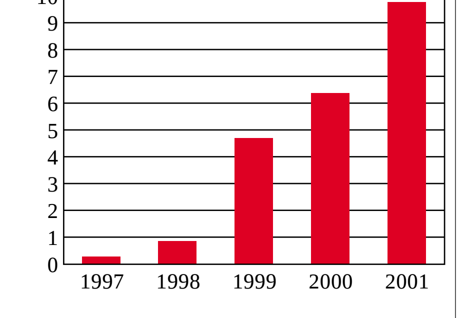
Operating profit



HEPS (excluding restructuring costs)



Total assets



**Note: In all graphs year 2000 reflects pro forma numbers*

licence wireless operators across Europe as well as strong growth in the Utilities sector of telecommunications networks helped propel the business. The Group remains optimistic about the long-term prospects of Mason, especially in the aftermath of European telecommunications deregulation.

3.4 Other Holdings

Other Holdings comprise Group Head Office and the Group's equity investments in SA assets, which do not form part of the Group's core business divisions of Westcon and Logical. The Group's intention is to divest or realign those investments and businesses that are no longer core or synergistic in nature. Investments have been written down to their current market values.

4. STRATEGIC INITIATIVES AND PROSPECTS

4.1 Strategic Initiatives

The Group is proceeding with its plans, subject to receiving all the necessary regulatory approvals, to separately list Westcon in the USA. The Group anticipates maintaining a majority stake in Westcon after the separate listing. Shareholders will be notified of any developments with respect to the Westcon IPO as soon as these are known.

Logical will focus on executing its strategy of developing its professional and managed services capabilities as it continues to develop solutions for complex customer infrastructure and applications projects. The Group will continue to identify areas where Logical's global capability can be expanded and leveraged for the benefit of customers and other stakeholders.

Mason continues to work with its professional advisors to determine appropriate alternatives to realise value for Datatec shareholders. The Group anticipates being in a position to determine and execute on an appropriate value realisation mechanism for the investment in Mason within the first half of the new financial year.

Other Holdings will continue to be assessed and reviewed with the objective of consolidating existing businesses and disposing of certain identified non-core investments. Again, the focus will be to streamline the management of the Group's assets with a view to maximising overall shareholder value.

4.2 Prospects

The early approach to restructuring and rationalization, especially in Logical, should enhance the Group's competitiveness and leave its businesses well positioned for any future market improvements. The Group's outlook remains stable with encouraging signs of improving profitability.

The Group intends to proceed with its plans to maximise shareholder value by providing mechanisms to unlock the latent value in each of its core divisions. The Group remains positive about its long-term prospects and positioning. It is anticipated that the benefits of the independent listing of Westcon in the USA and the restructuring of Logical will provide increased returns for shareholders in the future.

4.3 Further cautionary announcement

Further to the cautionary announcement dated 11 May 2001, Rand Merchant Bank is authorised to advise shareholders that negotiations are still in progress which, if successfully concluded, may have an effect on the price of Datatec's ordinary shares. Accordingly, shareholders of Datatec are advised to continue to exercise caution when dealing in their shares until a further announcement is made.

5. DIVIDENDS

The Group's policy of retaining attributable income for future growth without a dividend distribution to shareholders remains in place.

On behalf of the Board:

JP Montanana	RS Rindel	JS James
Executive Chairman	*Group Finance Director*	*Executive Director*

24 May 2001

A copy of this announcement and the annual results presentation is available on the website.

DiagonalStreet Communications 6324

www.datatec-group.com DATATEC LIMITED ("DATATEC") (Registration number 1994/005004/06)

Directors: JP Montanana* (Executive Chairman), JS James, M Karpul, MJ Lamberti‡, S F Lawrence*, JF McCartney‡§, RS Rindel, CS Seabrooke‡ *British §American ‡non-executive