

UNAUDITED INTERIM RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2000

REVENUE + 71 % • OPERATING PROFIT + 11 %

• HEADLINE EARNINGS PER SHARE EXCLUDING RESTRUCTURING COSTS – 13 %

CONSOLIDATED INCOME STATEMENTS

| | | Unaudited 6 months ended 30 Sept 2000 | Proforma 6 months ended 31 Mar 2000 | Unaudited 6 months ended 30 Sept 1999 | Key annual changes | Audited year ended 31 Mar 2000 |
|---|------|---|---|---|--------------------------|--|
| (R million) | Note | | | | | |
| Revenue | | 9 552 | 6 604 | 5 613 | | 12 217 |
| Continuing operations | | 8 855 | 5 222 | 4 178 | | 9 400 |
| Acquisitions | | 576 | 1 319 | 1 336 | | 2 655 |
| | 2.2 | 9 431 | 6 541 | 5 514 | 71% | 12 055 |
| Discontinued operations | | 121 | 63 | 99 | | 162 |
| Cost of sales | | (7 988) | (5 381) | (4 426) | | (9 807) |
| Gross margin | | 1 564 | 1 223 | 1 187 | | 2 410 |
| Operating costs | | (1 076) | (871) | (764) | | (1 635) |
| Operating profit before depreciation and finance costs ("EBITDA") | | 488 | 352 | 423 | | 775 |
| Continuing operations | 2.2 | 486 | 362 | 436 | 11% | 798 |
| Discontinued operations | | 2 | (10) | (13) | | (23) |
| Depreciation | | (80) | (78) | (80) | | (158) |
| Net financing costs | | (79) | (50) | (11) | | (61) |
| Profit before exceptional items and goodwill | | 329 | 224 | 332 | | 556 |
| Restructuring costs | | (63) | (34) | (2) | | (36) |
| Goodwill amortisation | | (48) | — | — | | — |
| Exceptional items | | 99 | 39 | — | | 39 |
| Profit before taxation | | 317 | 229 | 330 | | 559 |
| Taxation | 2.3 | (175) | (52) | (123) | | (175) |
| Profit after taxation | | 142 | 177 | 207 | | 384 |
| Share of associate company earnings | | 4 | 11 | 3 | | 14 |
| Profit attributable to outside shareholders | | (29) | 3 | (14) | | (11) |
| Attributable earnings | | 117 | 191 | 196 | | 387 |
| Headline earnings excluding restructuring costs | 2.4 | 205 | 194 | 199 | 3% | 393 |
| Key ratios: | | | | | | |
| Effective tax rate – gross | | 55% | 23% | 37% | | 31% |
| – before goodwill and exceptional items | | 33% | 27% | 37% | | 34% |
| Average Rand/\$ exchange rate | | 6.9:1 | 6.3:1 | 6.1:1 | | 6.2:1 |

1. PROFILE AND GROUP STRUCTURE

Datatec Ltd (the "Group") is an 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-infrastructure, e-integration and consulting services ("Logical") and telecommunications technology consulting ("Mason"), and an Internet Service Provider ("UUNET SA"). The Group also has a number of other investments in South Africa, which are housed together with the Group Head Office in Other Holdings.

2. COMMENTARY ON RESULTS

2.1 The Group's results for the period ended 30 September 2000 reflect revenues from continuing operations increasing by 71% from R5,5bn to R9,4bn compared with the corresponding reporting period. Revenue growth occurred in all lines of business and was especially strong in the soon to be independently listed networking distribution subsidiary, Westcon. EBITDA from continuing operations of R486m increased 11% from R436m in the comparative period.

Westcon had an excellent trading period, experiencing an uplift in business post Y2K. Revenues increased strongly by 63% and EBITDA by 62% compared with the immediately preceding six month period.

As explained to shareholders in the 2000 annual report, the Group has continued to invest into Logical. Restructuring costs of R63m were incurred during the period under review and it is anticipated that a similar charge will be incurred during the second half of the financial year. The Group anticipates that the restructuring of Logical will be complete by the end of the current financial year. Despite the restructuring exercise, the business was able to maintain the levels of revenue and EBITDA achieved in the previous six month period.

UUNET SA's revenue continued to show healthy growth, with an increase of 36% in revenue. EBITDA declined primarily due to an aggressive marketing campaign designed to grow market share ahead of deregulation in the SA Telecommunications market, as well as initial losses incurred in the recently acquired Satellite Data Networks.

Headline earnings excluding restructuring costs declined 13% compared with the comparative reporting period.

CONSOLIDATED BALANCE SHEETS

| | | Unaudited 30 Sept 2000 | Unaudited 30 Sept 1999 | Key annual changes | Audited 31 Mar 2000 |
|-----------------------------------|------|------------------------------|------------------------------|--------------------------|---------------------------|
| (R million) | Note | | | | |
| Capital employed | | | | | |
| Ordinary shareholders' funds | 2.6 | 2 222 | 1 307 | | 1 437 |
| Amounts owing to vendors | 2.7 | 689 | 818 | | 844 |
| Long-term liabilities | 2.8 | 277 | 75 | | 95 |
| Outside shareholders' interest | | 183 | 102 | | 141 |
| | | 3 371 | 2 302 | | 2 517 |
| Employment of capital | | | | | |
| Property, plant and equipment | | 562 | 388 | | 478 |
| Goodwill | 2.6 | 691 | — | | — |
| Associates and investments | | 149 | 208 | | 184 |
| Deferred taxation | | 89 | 27 | | 54 |
| Current assets | | 8 025 | 5 225 | | 6 068 |
| Inventories | | 3 074 | 1 653 | | 2 033 |
| Accounts receivable | | 4 033 | 2 699 | | 3 017 |
| Cash resources | | 918 | 873 | | 1 018 |
| Current liabilities | | 6 145 | 3 546 | | 4 267 |
| Accounts payable | | 4 434 | 2 500 | | 2 865 |
| Taxation | | 228 | 118 | | 86 |
| Bank overdrafts and trade finance | 2.9 | 1 483 | 928 | | 1 316 |
| Net current assets | 2.10 | 1 880 | 1 679 | 9% | 1 801 |
| | | 3 371 | 2 302 | | 2 517 |

2.2 Revenue and EBITDA from continuing operations is made up as follows:

| | Unaudited 6 months ended 30 Sept 2000 | Proforma 6 months ended 31 Mar 2000 | Unaudited 6 months ended 30 Sept 1999 | Audited year ended 31 Mar 2000 |
|-------------------|---|---|---|--|
| (R million) | | | | |
| Westcon | 7 168 | 4 400 | 3 689 | 8 089 |
| E-Services Group: | | | | |
| Logical | 1 894 | 1 842 | 1 610 | 3 452 |
| Mason | 98 | 55 | — | 55 |
| UUNET SA | 137 | 109 | 101 | 210 |
| Other Holdings | 134 | 135 | 114 | 249 |
| | 9 431 | 6 541 | 5 514 | 12 055 |
| EBITDA | | | | |
| | Unaudited 6 months to 30 Sept 2000 | Proforma 6 months to 31 Mar 2000 | Unaudited 6 months to 30 Sept 1999 | Audited 12 months to 31 Mar 2000 |
| (R million) | | | | |
| Westcon | 363 | 224 | 276 | 500 |
| E-Services Group: | | | | |
| Logical | 92 | 82 | 120 | 202 |
| Mason | 12 | 6 | — | 6 |
| UUNET SA | 16 | 26 | 23 | 49 |
| Other Holdings | 3 | 24 | 17 | 41 |
| | 486 | 362 | 436 | 798 |
| EBITDA % | | | | |
| | Unaudited 6 months to 30 Sept 2000 | Proforma 6 months to 31 Mar 2000 | Unaudited 6 months to 30 Sept 1999 | Audited 12 months to 31 Mar 2000 |
| (%) | | | | |
| Westcon | 5 | 5 | 7 | 6 |
| E-Services Group: | | | | |
| Logical | 5 | 4 | 7 | 6 |
| Mason | 12 | 11 | — | 11 |
| UUNET SA | 12 | 24 | 23 | 23 |
| Other Holdings | 2 | 17 | 15 | 16 |
| | 5 | 6 | 8 | 7 |

The overall margin percentage has declined as a direct consequence of Westcon's contribution being increased from 63% to 75% of EBITDA.

Detailed explanations on current trading performance are given in each of the divisional reviews.

2.3 The overall tax rate of 55% is higher than the standard South African tax rate of

CONSOLIDATED CASH FLOW STATEMENTS

| | | Unaudited 6 months ended 30 Sept 2000 | Unaudited 6 months ended 30 Sept 1999 | Audited year ended 31 Mar 2000 |
|--|------|---|---|--|
| (R million) | Note | | | |
| Net cash inflow from operating activities | | 184 | 121 | 87 |
| Net cash outflow to investing activities | | (733) | (1 091) | (2 033) |
| Net cash inflow from financing activities | | 361 | 499 | 1 261 |
| Net decrease in cash and cash equivalents | | (188) | (471) | (685) |
| Foreign exchange movements | | (79) | 11 | (18) |
| Cash and cash equivalents at beginning of period | | (298) | 405 | 405 |
| Cash and cash equivalents at end of period (*) | 2.9 | (565) | (55) | (298) |

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

SALIENT FINANCIAL FEATURES

| | | Unaudited 6 months ended 30 Sept 2000 | Proforma 6 months ended 31 Mar 2000 | Unaudited 6 months ended 30 Sept 1999 | Audited year ended 31 Mar 2000 |
|---|------|---|---|---|--|
| Number of shares (millions) | Note | | | | |
| – Issued | | 128 | | 110 | 119 |
| – Weighted average | | 123 | | 104 | 112 |
| – Diluted weighted average | | 127 | | 115 | 116 |
| Earnings per share (cents) | | | | | |
| Headline earnings excluding restructuring costs | 2.5 | 165.8 | 160.3 | 191.3 | 351.6 |
| Headline earnings (including restructuring costs) | 2.5 | 136.8 | 138.6 | 189.5 | 328.1 |
| Basic | | 94.9 | 157.3 | 189.0 | 346.3 |
| Diluted basic | | 93.4 | 161.7 | 171.2 | 332.9 |

30% due to the incurrence of certain non tax deductible expenditure during the period under review. The effective tax rate before restructuring costs, goodwill amortisation and exceptional items of 33% (1999:34%) is largely in line with the average actual tax rate incurred during the year ended 31 March 2000.

The average tax rate is higher than the standard South African tax rate of 30% predominantly due to higher average tax rates in the USA and continental Europe where the bulk of the Group's taxable profits are generated.

2.4 Determination of headline earnings:

| | Unaudited 6 months to 30 Sept 2000 | Proforma 6 months to 31 Mar 2000 | Unaudited 6 months to 30 Sept 1999 | Audited 12 months to 31 Mar 2000 |
|--|---|---|---|---|
| (R million) | | | | |
| Attributable earnings per the income statement | 117 | 191 | 196 | 387 |
| Headline earnings adjustments: | 41 | (23) | — | (23) |
| • Amortisation of goodwill | 48 | — | — | — |
| • Impairment and loss on disposal of property, plant and equipment | 17 | 19 | — | 19 |
| • Net realisation of surplus on disposal of shares and businesses | (72) | (46) | — | (46) |
| • Write down of carrying value of investments | 48 | 4 | — | 4 |
| Headline earnings before restructuring costs | 158 | 168 | 196 | 364 |
| Restructuring costs | 47 | 26 | 3 | 29 |
| Headline earnings excluding restructuring costs | 205 | 194 | 199 | 393 |

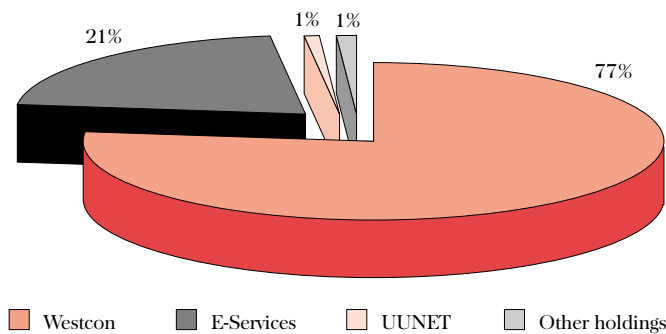
2.5 Headline earnings per share excluding restructuring costs of 165.8 cents per share reflects the earnings for the period, as shown above, divided by the weighted average number of shares in issue during the period. This is computed on a basis consistent with that used in previous reporting periods.

The Group has, in common with practice generally applied by other companies in South Africa, previously treated restructuring costs as part of the headline earnings adjustment, on the basis that these costs relate to the overall capital structure of the Group. In order to provide comparability with prior financial reporting periods and to comply with the JSE listing requirements, headline earnings have been presented both before and after the impact of restructuring costs. The directors are of the opinion that headline earnings excluding restructuring costs provides the most meaningful measure of the trading performance of the company.

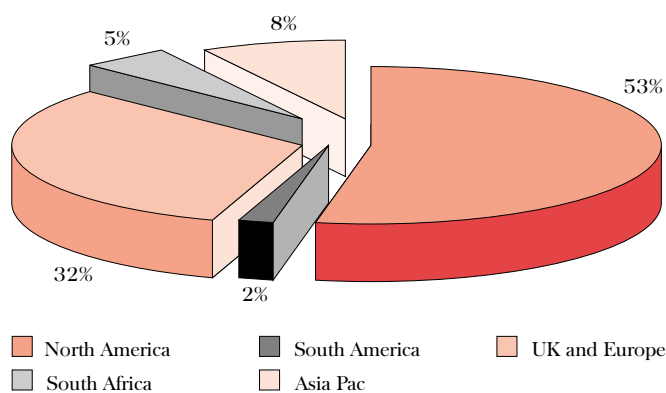


WESTCON USA LISTING ON SCHEDULE FOR MARCH 2001
SOUTH AFRICA'S MOST GLOBAL COMPANY 2000

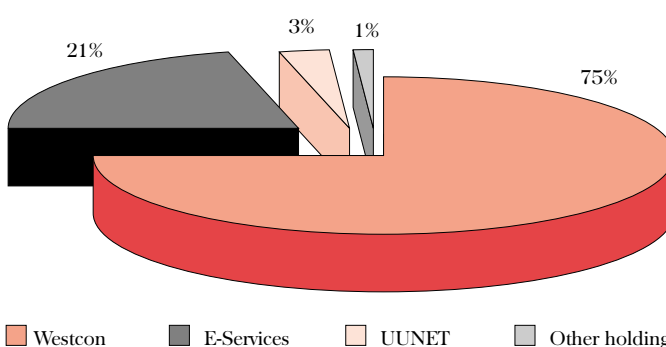
GROUP SEGMENTAL REVENUE



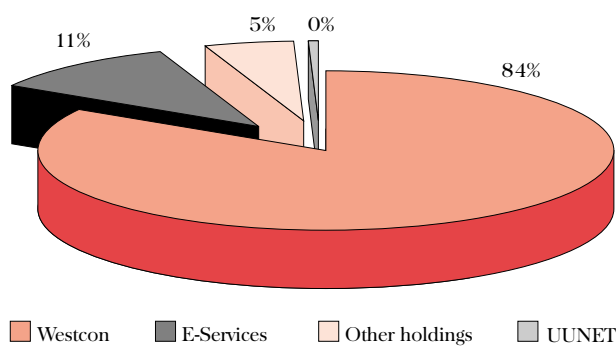
GROUP GEOGRAPHIC REVENUE



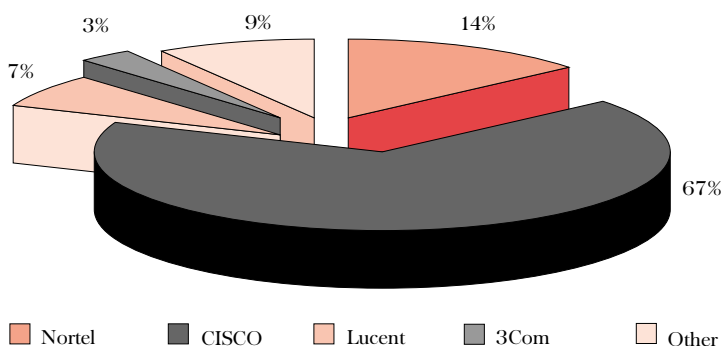
GROUP SEGMENTAL EBITDA



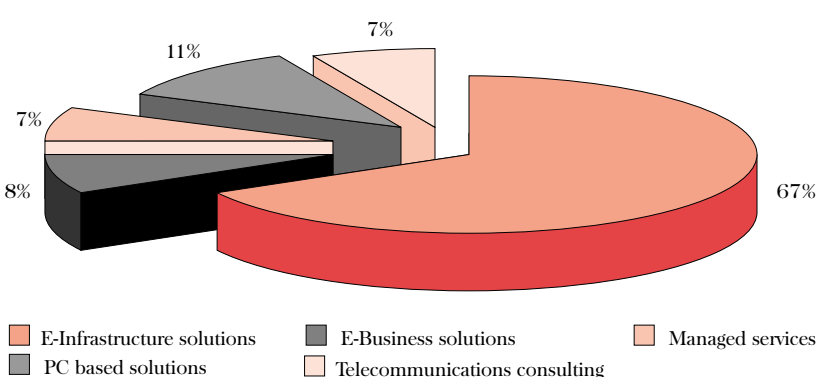
GROUP WORKING CAPITAL REQUIREMENTS



WESTCON REVENUE BY VENDOR



E-SERVICES MARGIN CONTRIBUTION BY BUSINESS AREA



2.6 The increase in ordinary shareholders' funds is reconciled as follows:

| (R million) | Share capital and premium | Non distributable reserves | Distributable reserves | Unaudited 30 Sept 2000 | Audited 31 Mar 2000 |
|----------------------------------|---------------------------|----------------------------|------------------------|------------------------|---------------------|
| Beginning of period | 547 | 173 | 717 | 1 437 | 897 |
| Attributable earnings | — | — | 117 | 117 | 387 |
| Shares issued | 581 | — | — | 581 | 1 409 |
| Foreign subsidiaries translation | — | 82 | — | 82 | 47 |
| Goodwill written off | — | — | — | — | (1 303) |
| Other movements | — | — | 5 | 5 | — |
| End of period | 1 128 | 255 | 839 | 2 222 | 1 437 |

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. The Group amortises goodwill over a period not exceeding 7 years. Goodwill arising prior to 1 April 2000 has been written off, in prior periods, directly to the share premium account. As permitted by accounting statement AC131, the prior year comparative numbers have not been restated to take account of this change in accounting treatment for goodwill. There have been no other changes in accounting policy during the current period.

2.7 Amounts owing to vendors 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.

2.8 During the period under review Westcon financed certain of its' acquisitions, totalling R189m, by means of utilising credit facilities available to it from third party financiers. The company has no restrictions on its borrowing powers in terms of its articles of association.

2.9 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 Westcon's inventory and the accounts receivable book, to fund on-going working capital requirements and to maximise cash settlement and other discounts available from major manufacturers.

2.10 The Group's working capital has increased largely in line with the overall expansion of Westcon. Westcon accounts for 84% of the Group's net working capital requirements. Westcon maintains proportionally higher levels of inventory than its direct competitors. This enables Westcon to maintain stronger relationships with its vendors and to provide greater levels of service to its customers, resulting in an ability to generate higher than industry average gross margins.

2.11 Capital expenditure for the period amounted to R180m. Capital commitments in place at the end of the period amount to R31 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 R579 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 period.

3. DIVISIONAL REVIEWS

3.1 Westcon

Westcon has consolidated its market leading position ahead of its proposed international listing. Especially strong growth in Cisco sales vindicates the Groups strategic vendor realignment program, which started late last year. With the one-time effects of Y2K now over, the progression of the business in line with the relative market share of the networking industry's major vendors is now in place. Cisco product sales and related services currently account for in excess of 65% of Westcon's total revenues of R7.2bn (R3.7bn). Stable operating margins of 5% yield operating profit before depreciation and finance costs of R363m (R276m). Westcon continues to see strong demand in most sectors of the Corporate and SME networking channels. The weaker trend in Lucent and Nortel sales growth was more than offset by the growth in both the Cisco and "value product lines" from vendors such as Extreme Networks and Checkpoint Technologies.

During the current period Westcon completed a number of strategic acquisitions, including those of Inacom Communications, Inc. and CCA Technologies Inc., to form the Voda One voice-data convergence division. In addition, the acquisition of Lan Systems in Australia saw the extension of the Comstor (Cisco division) footprint. Westcon expects to see a continuing bias towards Cisco's dominant market position, in addition to new channel opportunities emerging in areas such as high-speed switching, volume deployment of optical networks within enterprises and ASP and network hosting technologies.

3.2 E-Services:

3.2.1 Logical

Logical has positioned itself as a leading integrator and provider of e-business solutions to medium and large organisations which are transitioning from legacy systems and networks to embracing business models that require fully integrated e-business applications, as well as managed services and e-outsourcing. Increasingly this new paradigm of doing business is driving the requirement for professional services and the Group continues to invest heavily in this area. Revenue for the period showed an improvement of 18% to R1.9bn (1999: R1.6bn). Operating profit showed an increase of 12% compared with the preceding six month reporting period. This is in line with the Group's previous statements that reduced earnings growth could be expected in the short-term as Logical integrated and repositioned its business units and transitioned towards higher margin e-business integration services.

Logical has migrated its market positioning and offerings from being a predominantly product based to a services lead organisation. Consequently, the profile of the company now essentially covers two main business areas; e-infrastructure and e-business solutions. E-infrastructure revolves around high-end systems and technologies from Cisco, HP and EMC while e-business solutions covers the integration of applications split into specialist "practice" areas such as e-CRM, Integrated Call-Centre Management, Knowledge Management, Supply chain processes, Mobile Commerce, Network design and Security.

Logical has uniquely positioned its e-business operations centres (branded "E-BOC's") to bring together the outsourced infrastructure and applications management requirements of customers under a single remote service architecture for e-business enterprises.

3.2.2 Mason

Mason posted exceptionally strong revenue and profit growth for the period. Revenues rose 78% to R98m (R55m) and operating profits by 100% to R12m (R6m) on the immediately preceding 6-month reporting period. Key customer contracts in the area of 3GL (3rd Generation Licence) wireless operators across Europe as well as strong growth in the Utilities sector of telecommunications networks helped propel the business to a record performance.

3.3 UUNET SA

UUNET SA posted strong growth in revenues, up 36% to R137m from R101m for the comparative period. Operating profit declined as a consequence of the company's drive to focus on revenue growth and increased market share in line with the overall corporate objectives of strategic equity partner, UUNET Technologies, a subsidiary of WorldCom Inc. UUNET SA believes that its market share drive will enhance its competitive position ahead of SA Telecommunications deregulation, in anticipation that a post deregulated environment will lead to falling bandwidth costs and a dramatic increase in Internet usage.

3.4 Other Holdings

Other Holdings comprise Group Head Office and the Group's equity investments in South African assets, which do not form part of the Group's core business divisions. The Group's intention is to divest or realign those investments and businesses that are no longer core or synergistic in nature.

4. STRATEGIC INITIATIVES AND PROSPECTS

4.1 Strategic Initiatives

After a strategic review of the Group's position and prospects it has been determined that in the best interests of maximising shareholder value it is appropriate to position Datatec as an active technology holding company growing the Group through its existing businesses. The Group is proceeding with its plan, subject to receiving all the necessary regulatory approvals, to separately list Westcon in the USA before the end of March 2001. The process of preparing Westcon to achieve this separate listing is currently underway and the Group is working with its advisors to finalise the necessary filings. Westcon anticipates raising funds from the float which will be used primarily to settle external debt and finance further acquisitions. The Group intends maintaining a majority stake in Westcon after the separate listing. It is anticipated that independent London listings could optimally be achieved for Mason during Q2/Q3 of 2001 and for Logical following shortly thereafter.

4.2 Withdrawal of Cautionary

Further to the cautionary announcement dated 27 September 2000, shareholders are advised that certain of the negotiations that gave rise to the cautionary announcement have been terminated. Datatec is continuing to pursue negotiations relating to potential acquisitions for its Logical division in the area of e-business solutions and network integration. These are based in Europe and the Americas and the anticipated purchase considerations range between US\$10.0m to US\$100.0m. If these acquisitions are concluded, relevant announcements will be made. The cautionary announcement is hereby withdrawn.

4.3 Prospects

As outlined above, the Group intends to proceed with its plans to maximise shareholder value by providing mechanisms to unlock latent value in each of its' core divisions by listing them separately. Westcon remains optimistic that its sector of focus, networking infrastructure, will continue to show superior industry growth rates for the foreseeable future. While the rapid growth in infrastructure capital expenditure of the past periods has slowed in certain sectors of telecommunications and service provider networks, robust demand for corporate and SME connectivity continues. The repositioning of Logical is largely complete and the company has decided to wind down or discontinue certain PC and Desktop orientated activities. This will leave the business to focus on pure e-infrastructure services and e-business solutions, whilst broadening its professional services offerings in areas such as strategic consulting to complement its integration and implementation capabilities. The Group is confident that future reporting periods will show continuing and sustainable improvement in both margins and profitability, as the company starts to reap the rewards of its re-organisation, repositioning and continuing investment into e-business integration services. The Group remains very optimistic about the long-term prospects of Mason especially in the aftermath of European telecommunications deregulation. The Group has decided to list its holding in UUNET on the JSE, either as a separate entity or in combination with certain other Internet and E-commerce services assets. Whilst a sale of all or part of UUNET SA may occur at some time in the future, the Group believes that better visibility of the company will occur in a separately listed structure. 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 should provide increased returns for shareholders in the near term.

5. DIVIDENDS

The Group continues to pursue attractive investment opportunities that are synergistic to existing operations. Accordingly, 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
Executive Chairman

JS James
Group Finance Director

7 November 2000