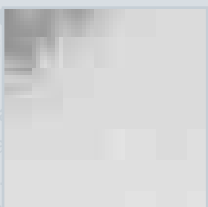
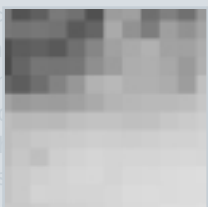
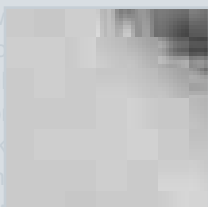
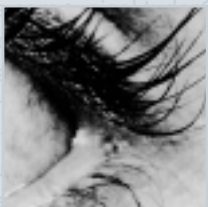
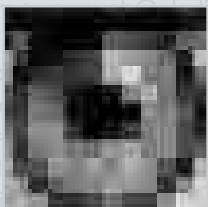
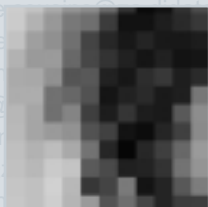
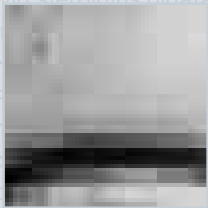


Our World | Our People | Our Passion





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Highlights

- Further penetration of the US Network Services market with the acquisitions of TimeBridge Technologies, Premier Systems and Matrix Networking Systems.

- Entry into the US e-business solutions market with the purchase of Proxicom.

- Integration of six Network Services acquisitions and Proxicom into a consolidated North American operation with a new management structure and a streamlined operational structure. Rebranding of all businesses under the Dimension Data name.

- Continued progress with the integration of the European businesses into a pan-European Network Services provider.

- Acquisition of Netpartner, giving us a Networking Services presence in the important Zürich market.

- Increased profile building activities, strengthening Dimension Data's positioning as a global brand.

- Continued development of the Global Services Operating Architecture (GSOA) and completed rollout of Operations Centres in all regions.

- Ongoing development and rollout of new services and solutions including: security, contact centres, voice solutions, interactive media, unified messaging, network and desktop operating systems and storage area networks.

- Launched integrated Business and Operations Support Systems (i-Boss) as part of the GSOA offering.

- Strengthened the business operationally to facilitate acceleration in the growth of its higher margin services and solutions businesses.

- Changed emphasis of sales approach from selling technology offerings to a 'go-to-market' model led by services and a range of business-led solutions including:

- Multi-Channel Infrastructure Solutions
- Service Provider Solutions
- Customer Interactive Solutions
- Application Integration.

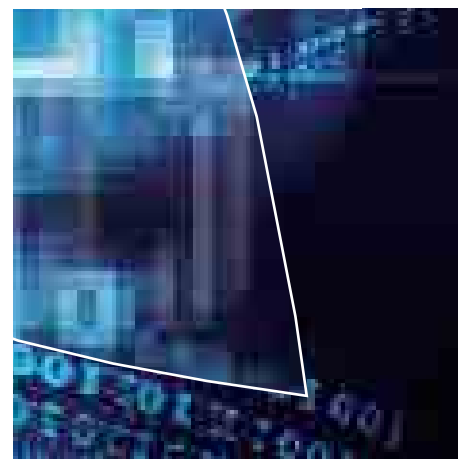
- Separated services delivery from technology focused business units to allow us to deliver more effectively on complex projects drawing on multiple skill sets.

- Created the role of a Global Services Director as well as National Services Directors in each region.

- Focused our technology offerings on two core areas of operation:

- Connectivity Services and
- Integration Services.

- Taken actions to align the business with current market conditions including reducing headcount in continuing operations by 14%, cutting operating expenses by approximately 11% and focusing on working capital management.



Financial Results

	2001 \$'000	2000 \$'000	% change
Total turnover	2,460,258	1,976,498	24
Total operating profit before goodwill amortisation and exceptional items	180,859	212,349	(15)
Net profit for the year before goodwill amortisation and exceptional items	160,556	143,838	12
Basic earnings before goodwill amortisation and exceptional items per share (US cents)	12.8	16.1	(20)
Weighted average number of ordinary shares ('000)	1,255,235	895,008	40
Total net assets	3,236,335	4,155,198	(22)
Cash on hand (including short term investments)	920,080	1,711,426	(46)
Cash conversion ratio (%)	136	96	42
Net cash inflow from operating activities	186,342	201,896	(8)
Average number of employees	12,623	10,273	23

Chairman's Statement



*"We have taken huge steps
in completing the transition
to a global IT solutions
company where services
take the lead in assessing
customer solutions"*





Introduction

History can be viewed through a lens of your choice. For some the past year would be described as turbulent, volatile and uncertain, to others looking at the same period of time it could equally be described as dynamic, challenging and exciting.

The year saw a number of once seemingly invincible companies merge with arch rivals, drastically alter their business models or simply disappear from the corporate landscape. The effect of world events touched all sectors. Airlines faltered, insurance companies felt the pinch, financial services companies struggled in volatile equity and derivative markets, and dozens of start-ups with vague promises of distant profits were obliterated.

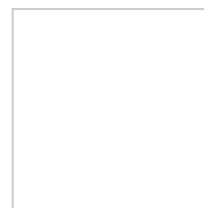
Our own sector was among the hardest hit, as at 30 September 2000 IT stocks represented in excess of 10% of the FTSE 100, by year end this had dropped to 3%. At year end the sector's market capitalisation was down by 53%, and tens of thousands of jobs had been cut across the industry. The NASDAQ was down by 67% from its highs with most constituents having been dramatically affected.

Circumstances changed rapidly and it became imperative for us to concentrate on ensuring our strategy and structure remained viable in our chosen markets.

Trading updates

For the first time in our 14 year history as a listed company we had to issue a trading update on operations in July. We started the year with good growth and strong revenues but were affected, when in June market conditions started to deteriorate rapidly, initially impacting the US and the European markets.

Although we had experienced good trading conditions during the first part of the year, management forecasts received at the end of our third quarter indicated that lower than expected performance would be evidenced in the fourth quarter and would result in lower than expected annual results.



The trend of slowing IT spend and lengthening sales cycles spread into our other markets, Africa, Australia and Asia, towards the end of our financial year. A sharp downturn in Asian markets post 11 September required a trading update on Datacraft's prospects which was published by Datacraft post year end when they had clarity on the extent of the impact.

At the time of issuing the July trading update we were still trying to ascertain the impact of lower than expected revenue growth and pricing pressure on certain technologies. Since then, we have taken significant steps to realign our cost structures to the changed economic environment.

Market conditions demanded vigorous action

Dimension Data management continued to work hard to accelerate the conversion of our vision to reality. The result is a global company that has been rightsized to current market conditions, skilled and focused on market sectors with the highest inherent growth. We are now well positioned to survive the economic downturn, achieve global and regional growth and emerge stronger and more active than before.

Our financial results to September 2001 reflect a number of exceptional items, including the costs of the accelerated transition of Dimension Data from a multinational to a global services company, the impact of an unusually challenging operating environment as well as the rightsizing of our business to reflect these market conditions. The balance sheet depicts a Group that is financially solid, that continues to generate healthy cash flows and that is well positioned to continue to fund growth.

The operating environment

The events of 11 September exacerbated and sharpened a downward trend in economic conditions and IT spend that had begun to make itself felt in the second and third quarters of the calendar year. Where economists had been cautiously pointing towards a third quarter recovery in the United States, these forecasts have been replaced by equally cautious speculation that recovery in the United States is now likely towards the end of next year, to be followed by recoveries in European and Asian markets six months thereafter.

We have therefore placed great emphasis on those issues under our control, our working capital management and our balance sheet. We have US\$920 million in cash and short term investments on the balance sheet and we have made great improvements to our working capital by lowering debtors days and reducing stock holdings dramatically.

The broader IT industry is currently in a cyclical downturn. The first Internet wave and the pre-Y2K IT spend effectively underpinned an exceptionally long period of growth in the late Nineties with the result that the downturn, when it came, was sharper and deeper than anticipated. Not only did the dot.coms stop spending, but IT investment by traditional businesses also slowed as the immediate competitive risk from dot.coms dissipated. In addition, telecommunication companies who had geared up for this huge demand for their services also suffered. However, IT is by no means a mature industry. The long term dynamics of companies needing to continually innovate and improve efficiencies, is a strong underpin to spending on infrastructure and solutions. The Internet is here to stay and will be integrated with all the other communication channels required by businesses to transact with their customers. The e-business enablement market to which Dimension Data is exposed is expected to grow well in excess of GDP for the foreseeable future.

Companies have invested heavily in their internal back-office systems over the past decade. Further returns on this investment will only be achieved when they are connected to the systems of their customers and suppliers. This is a complex task demanding skills in connectivity and integration and an understanding of multi-vendor environments. These are the skills that Dimension Data has in place.

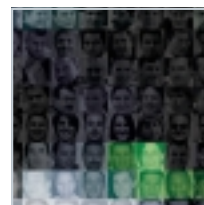
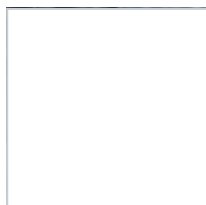
The future of Dimension Data's business model

Dimension Data has since the 1990s built its strategy upon the premise that more and more intelligence would have to be built into the network if the potential of e-business was to be realised. Over the past three years there has been increasing endorsement of this view by vendors, integrators and telecommunications companies. During the course of 2001 the evidence became overwhelming with the result that Dimension Data finds itself at the beginning of an exciting new phase of the IT industry, with a strategy whose time has come. We have built and acquired the necessary technical skills in connectivity and integration, developed appropriate global service offerings, and feel confident about our competitive positioning and strategy.

The first phase of the Internet, characterised by the World Wide Web, was all about connecting people to content. The future of the Internet lies in applications and services. To remain competitive, our customers need their Internet applications to deliver the power, reliability and security that they demand from desktop applications, something the page-based architecture of web could not deliver. The applications-centric Internet can only be delivered by integrators such as Dimension Data with skills in connectivity and integration.

The decision to invest in information technology is based on solid ROI principles

Information technology is not the exclusive domain of technical personnel within organisations. The Internet wave, the preparation for Y2K and the dot.com era boosted awareness of IT across all layers of corporate decision-making.



The outcome is a greatly enhanced understanding of the benefits of IT solutions, and the need for these solutions is now debated at board level. Chief executive officers and chief investment officers are more involved, and are increasingly identifying the solution required based on the needs of their own businesses and on sound return on investment (ROI) principles. IT investment is the cornerstone of any organisation's strategic development process.

This is why Dimension Data has positioned itself as a provider of solutions, as opposed to point technology or service offerings. To this end the Group is investing heavily in prepackaged, pre-integrated offerings and ensuring that its global sales force communicate the language of ROI, solutions benefits and overall business objectives.

Alliances and partnerships a key part of future strategy

None can go it alone, and we believe the future will see increasing cooperation between services companies for part or all of the solution.

The need to improve efficiencies and cut costs is driving the trend towards outsourcing and we are finding increasing numbers of clients looking to us to partner them by identifying, implementing and then managing the solution on their behalf. These are long term partnerships that provide the bedrock for future growth.

At the same time we continue to forge partnerships and alliances with technology providers, ensuring a two-way flow of knowledge between the source of emerging technology and the requirements of the market.

Increasingly we are partnering with like-minded players who recognise our ability to offer services complementary to their own offerings. We have formalised our partnership initiatives under a Global Alliance team and whilst we already have excellent long term relationships with key industry players, we are currently negotiating global alliances across a spectrum of technology vendors, system integrators, global telecommunications and Internet service providers.

Consolidation of our industry

The IT downturn has pre-empted consolidation within the industry. The tough operating environment has resulted in many of our competitors resorting to mergers or shutting down. In the short term we believe there are opportunities for Dimension Data to exploit gaps left in the market by firms focused on internal issues or whose offerings do not deliver a full solution to the client.

Dimension Data offers solutions to address some of the most pressing needs of business. The four cornerstones of global businesses: how to reach and keep more customers, how to enhance relationships with suppliers, how to improve cost to income ratios, and how to achieve global standardisation of business processes, all depend on information technology solutions.

Dimension Data's market remains vital and relevant

We continue to invest in identifying new IT trends and adapt our offerings accordingly. Our offerings are currently focused on – Customer Relationship Management, Multi-Channel Connectivity, Security and Privacy, Business Continuity, and Web Services.

The transition to a global company

A global company is identified by the speed with which it transfers knowledge and skills across all jurisdictions

There are many pretenders to the throne when it comes to claiming to be truly global, but on closer inspection most 'global' companies are in essence multinationals with little or no crossover between regional operations. Given the pace at which Dimension Data has expanded through acquisition in recent years, the Group has been grappling with exactly this challenge, transforming numerous disparate regional operations into a coordinated, synergistic global business.

Key to the success of a global company is the speed with which it transfers knowledge across its operations and the extent to which this freeflow of global knowledge and skills is brought to bear in specific regions. In Dimension Data within the past six months we have applied global norms to the rightsizing and structure of our business and put renewed focus on the Dimension Data offering to ensure its competitiveness. We have brought together the finest minds in our organisation from around the world to form the global management team and introduced 'eSsence', a Group-specific global delivery process and reference architecture that enables knowledge sharing and provides a framework for achieving sustainable 'Best Practice' across all international businesses.

Every area of the business scrutinised

Essentially, and in response to market conditions, we scrutinised every area of our business, eliminated overlaps, closed under-performers, integrated previous acquisitions, grouped offerings around solutions and have emerged a leaner, tighter and more focused global organisation. Dimension Data is rightsized for current conditions, but has retained a depth and breadth of skills to leverage off future improvements in market conditions.

The once-off associated costs of this endeavour amounted to US\$22 million, which will cut annualised operating expenses by approximately 11%.

GSOA epitomises our methodology – rolled out across the globe

Our own transition to a global company would not have been possible without our proprietary Global Services Operating Architecture (GSOA). GSOA is an in-house developed services delivery architecture combining the 'eSsence' methodology with commercial and proprietary software applications that allows the Group to support and manage client infrastructure and applications online in a proactive, real-time manner.

GSOA, which has been rolled out across the globe, enables us to streamline our own ability to deliver internally. It allows us to transfer and manage knowledge across the Group, transfer training materials and marketing support, manage projects, eliminate downtime and anticipate problems before they manifest.



In short, GSOA is about everything we do and it forms the backbone of our ability to deliver world-class solutions worldwide. Its strong acceptance by the market has required the upgrading of our own skills base, and in the next six months every technical professional within Dimension Data will receive GSOA accreditation.

The decision to develop GSOA was visionary, and far ahead of its time when it was first mooted. Originally it was greeted as an online management tool, but now it is recognised as a key enabler in the development of global intelligent networks and full business solutions.

The structure

Acquisitions essentially complete – regional strengths to be leveraged globally

Whilst the global acquisition programme we embarked upon three years ago is essentially complete, we will consider augmenting key skills through additional smaller acquisitions. Each region now has the core components needed to offer full solutions based on the integration of networks and applications or can call on these skills from elsewhere within the Group. Management will focus on maximising the benefits of our global presence and on increasing market share.

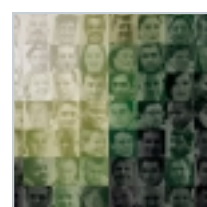
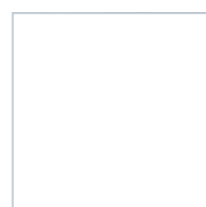
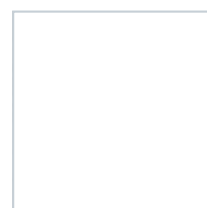
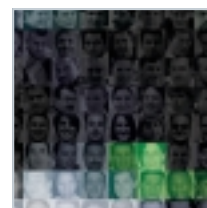
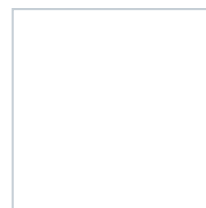
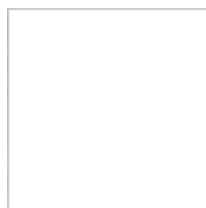
We will continue to accelerate the drive towards full solutions and to ensure that the services components of our offering are rolled out in all regions, particularly those regions that had previously been purely technology focused.

Historically our lines of business tended to group around specific technology offerings. Over the past year and with particular vigour in the second half, our offering has been integrated to focus on two core areas of operation, namely Connectivity Services and Integration Services underpinned by Business Solutions.

The primary focus of the new structure is on enhancing four key business solutions: Customer Interactive Solutions, Service Provider Solutions, Application Integration and Multi-Channel Infrastructure Solutions as well as the introduction of new solutions such as Supply Chain Management and selective industry solutions. We will also continue to provide 'point' solutions from offerings within Integration Services and Connectivity Services to the large market of customers requiring specific point solutions.

Management is also focusing on developing market sectors where we have a unique and proven ability to offer specific vertical solutions. This is an area of our business that offers strong growth potential.

The structure has been further strengthened by the appointment of global and regional managing directors in each division, and the appointment of global and regional sales directors and services directors.



The world as a region

In the year under review we successfully delivered on a number of new multiregional contracts that indicate an increasing demand by global and multinational companies for worldwide solutions. This is an accelerating trend, and while it originates off a low base it is our intention and ambition to continue to position ourselves as one of a select group of players in this arena and to exploit growth opportunities.

North America

We have been pursuing a strategy of building a capability to deliver to both the integration and connectivity requirements of global corporations, many of whom are headquartered in the United States. The acquisition in June 2001 of Proxicom, a leading e-business and consulting company, has given Dimension Data the capability to deliver this full solution. In addition to the strong skills in strategy, consulting and technology, Proxicom also brought with it an experienced management team.

In the year under review we integrated six businesses into one united North American operation, rightsized the operations to eliminate duplicated management and overhead cost structures and rebranded all businesses under the Dimension Data name. Our US operation has already made a major contribution towards the development of new business solutions and the long term rewards of a strong US presence will underpin the Group in years to come.

Although visibility in this market remains difficult, IT spend in the US is a large and important component of GDP and accounts for a significant proportion of capital expenditure. Exposure to this extensive market is crucial in terms of our global presence and we aim to offset the impact of reduced growth in the overall US market by increasing our market share.

Europe

Every region in Europe except Germany held out well in the year under review. Germany was impacted by a more dramatic downturn in economic conditions than the rest of Europe, and in addition, was exposed due to the business' lower services component to revenue.

Germany remains a substantial and important part of our European market, and our efforts are now focused on bringing our services skills to play and offering total solutions to the market. We have again taken the necessary steps to rightsize the operations and made critical management changes particularly with regard to the direction given to the sales force.

The acquisition of Netpartner, a leading Zürich-based network integration company with strong security offerings, was successfully integrated into the European business during the year.

Subsequent to year end we announced the acquisition of Amsterdam-based In Time Netbuilding, a leading regional provider of network and voice integration solutions.

Asia

For most of the period under review Datacraft Asia had a good year. Their strength has always been in the fact that they are geographically diversified in that when some countries are performing poorly others are inevitably performing well. As has been widely reported, however, Asia is now also being impacted by the global slowdown and Datacraft Asia has not been immune. The Company has taken immediate steps to ensure that it is properly structured, with cost structures aligned to current market conditions.

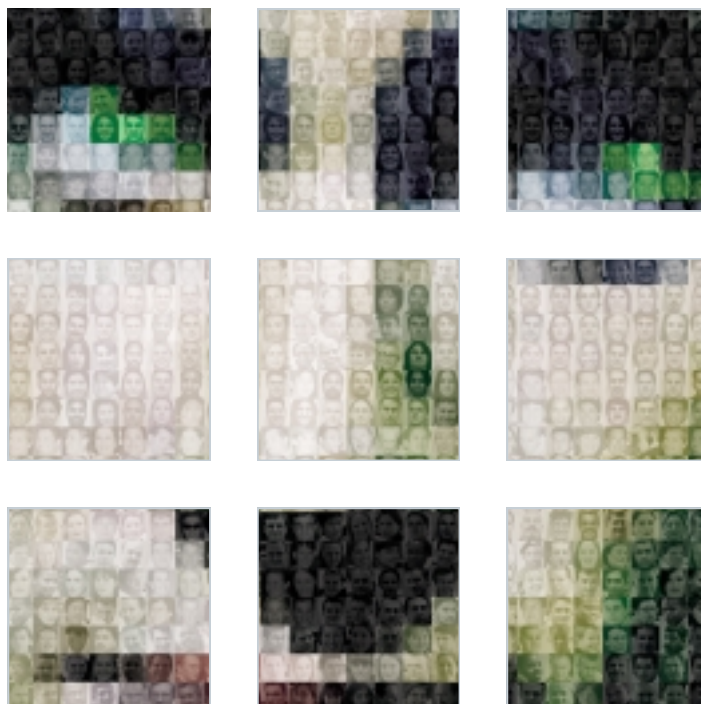
The slowdown has been felt most noticeably in the MNC and Enterprise sectors whilst telco business has been buoyed by good demand for new IP infrastructure, services and deregulating markets.

Datacraft announced the US\$35 million acquisition of Korean network systems integrator Dasan Electronics Co Ltd in August.

Africa

In the year under review the i-Commerce component of our African operations performed poorly due to a drop in demand which resulted in underutilised capacity. Internal reorganisation and rationalisations have taken place which have returned utilisation rates to acceptable levels.

In the second half of the year the network business was also negatively impacted by deteriorating market conditions mirroring trends in regions across the globe. The end result was that rightsizing took place across all African operations.



In conclusion

Forecasting is difficult

Forecasting under current market conditions, characterised by considerable uncertainty and limited visibility, is difficult. Our cautious optimism at half year was dampened by a subsequent deterioration in our markets. We have assumed that revenue levels going forward will remain consistent with current run rates. Our response has been to keep our heads down and focus on honing our strategy and structure to better position the Group to capitalise on growth when the upturn comes.

We believe passionately in our business

As a result of the actions which have been taken, Dimension Data is well placed strategically, financially and structurally to take advantage of a resumption in economic growth and IT expenditures.

Dimension Data has an extensive footprint to offer solutions across the globe. This is being recognised by global and

multinational companies who require a common service level in all their markets.

We have a strong balance sheet, our profits are generated in cash, and we have a proven ability to identify emerging technologies and trends and incorporate these in world-class offerings.

The ongoing commitment shown by my fellow directors, all management, our staff and suppliers is inspiring and I thank them sincerely. Most of all to our customers who have remained loyal to us and continue to value our offerings,

Thank you.

Jeremy Ord
Executive Chairman



Global Strategic Development

Now that our geographic expansion is near completion, Dimension Data has entered the next phase of its globalisation process with the establishment of several new global initiatives. These include global sales and global services initiatives, functions which until now have been driven on a regional basis. Key to the success of the Group's objectives of prioritising the development of services and the improvement of profit margins, is the establishment of a third initiative, the Global Strategic Development Group.

Historically, the Group has been structured by technology category with each division functioning with its own sales and delivery capability. The benefits of this model are autonomy and focus but were counteracted by inefficient customer interface, uncoordinated services delivery and a technology centric approach.

Global Sales

Dirk Ackerman will head up a new global services initiative focused on addressing solutions of multinational customers and introducing pre-integrated business and service solutions to all regions. The team will comprise a multinational sales force and global business solutions managing directors with regional representation. These businesses will include Customer Interactive Solutions, Service Provider Solutions, Multi-Channel Infrastructure, Supply Chain Management and various other collaborative e-business initiatives.

In order to facilitate the delivery of complex multi-technology projects we have centralised services delivery. Service delivery capability was previously separated into discrete technology lines of business.

Each business solution manager will have a global sales target and will make use of specialised regional solutions teams to introduce new solutions internally and to the region's customers. Regional solutions teams will have a matrix reporting relationship to their local country manager and the global solutions manager.

Business solutions consist of existing technology building blocks and GSOA services bundled into an offering, which can be motivated to the customer on the basis of the commercial benefits that will be realised as a result of the technology investment.

Global Services

Whilst individual technology services 'hives' will be maintained in each geography, our services delivery capability will be overlayed with recently created global and regional structures. Each country operation now has an overall regional services management structure with a matrix reporting line to both the country CEO as well as a newly created Global Services executive role, reporting directly to the Group CEO.

GSOA services which have been primarily focused on networking technology and online services, will be rapidly expanded to incorporate every one of our services offerings. These would incorporate professional services, implementation and integration projects and operational or managed services.

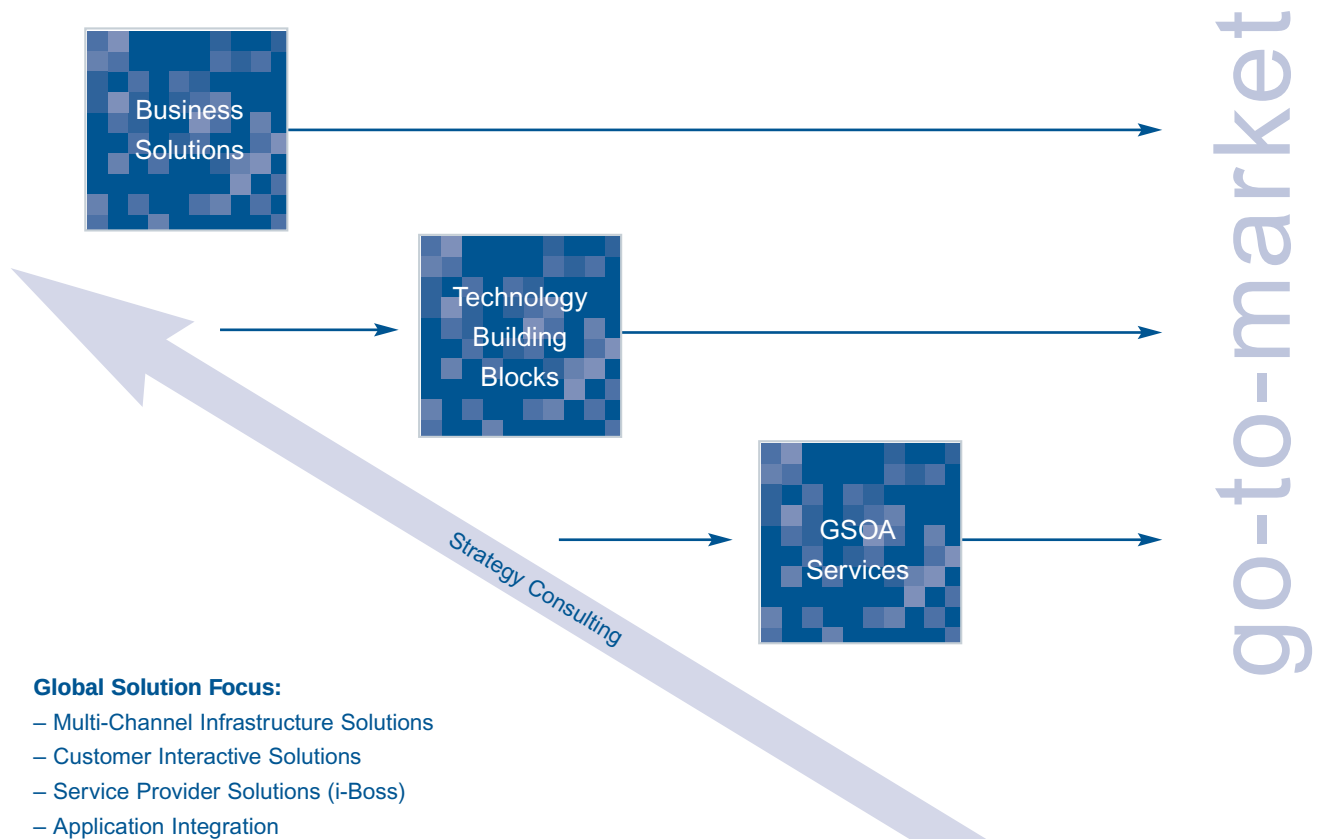
We have successfully completed the merger of the Proxicom Process methodology into Dimension Data's eSsence methodology and now have a unique, robust framework for delivering solutions for the next phase of the Internet.

Global Strategic Development Group

The Global Strategic Development Group will be responsible for developing the business, technology and service offerings that the Group intends to take to market. These offerings are based on the three pillars of Business Solutions, Technology Solutions and GSOA Services. In addition, the Global Strategic Development Group will be responsible for managing Global Alliances.



Three Routes to Market



Global Solution Focus:

- Multi-Channel Infrastructure Solutions
- Customer Interactive Solutions
- Service Provider Solutions (i-Boss)
- Application Integration

GSOA Services and Technology lines of business will have direct customer access as well as the various business solutions which incorporate elements of each of these technology and service building blocks to provide customers with overall solutions.

The Global Strategic Development Group will be headed up by Richard Came and Ettienne Reinecke. It will comprise a core team of solutions developers, complemented by virtual team members assembled from regions for the development of a specific solution.

All these initiatives will bring substantial benefits to the Group in terms of solutions development.

Objectives of the Global Strategic Development Group

- Improve the delivery of value (innovation, efficiency and effectiveness) to our clients through the development of Dimension Data business solution intellectual capital.
- Improve Dimension Data's ability to sell solutions to our clients by offering answers to their business, technology and service delivery problems, rather than point technology solutions. Business solutions will become the primary client and market facing offerings of Dimension Data.
- Develop repeatable solutions which can leverage the multiple services and technologies provided by Dimension Data.



- Make it easier to initiate and shorten the sales cycle by codifying repeatable and standardised components of engagements, and providing business-driven motivations for the use of Dimension Data solutions.
- Construct business solutions and service offerings upon technology building blocks. Existing service and technology solutions will be incorporated into business solutions.
- Develop stronger working relationships with alliance partners in order to strengthen our offering, obtain greater Dimension Data brand visibility and gain access to new customers. Alliance partners include technology vendors, alternate channels to market such as service providers and complementary consultancies and integration companies.
- Avoid the risk of dis-intermediation by offering clients the full service as opposed to point technology sales.

The Role of Global Strategic Development

Business Solutions will play a vital role in the future success of Dimension Data. Business Solutions are positioned in terms of the business value or return on investment potential our technology-based solutions hold for customers. We have prioritised the globalisation of four Business Solutions: Multi-Channel Infrastructure Solutions, Customer Interactive Solutions, Application Integration and Service Provider Solutions. Additional horizontal (supply chain management) and vertical solutions (e.g. banking) will follow. The Global Strategic Development Group has already embarked on the development of these solutions.

The Global Strategic Development Group will also be responsible for the consolidation and standardisation of the Group's global technology matrix. This is a further standardisation that is key to the Group in attaining global leverage and world-class expertise. It will reduce the cost of dealing with an unrealistic number of technology partners. The Group will strive to have fewer but more strategic relationships.

Global Alliances will also be managed by the Global Strategic Development Group. This will focus on more effective management of vendor relationships as well as the development of complementary global and regional strategic alliances.

Dimension Data is aggressively moving to a services model and the GSOA represents its global framework for overall service delivery. The Global Strategic Development Group will assume responsibility for rapidly expanding the scope of existing GSOA services beyond networking. Input from all regions will be coordinated to ensure the GSOA Roadmap is prioritised around the services with the best revenue potential.

Global Standards – A Major Objective for FY 2002

The drive toward global standards is one of our key objectives for FY 2002. These standards will impact structures, terminology, offerings (solutions, technology and services), financial reporting and many other aspects of the operations that were previously determined by individual regions.

Now that our geographic expansion is substantially complete, it has become imperative for the Group to standardise its offerings in order to:

- improve the value of our offerings to regional and global customers
- leverage global best practices
- leverage global intellectual capital
- develop and deliver global training programmes
- facilitate global mobility of skills.

Operational Review



Regional Review

Introduction

The past financial year was characterised by a slowdown in the global economy and most particularly the IT industry. The drop-off in activity was first noted in the first half of the financial year in the USA and Australia, where economic uncertainty, exacerbated by the dot.com and service provider fallout, adversely affected business. Traditional businesses curtailed or deferred IT investment and telecommunication companies began to suffer. Europe's slowdown followed thereafter and in the second half of the financial year our African operations also started to feel the impact of the slowing global economies. Although Asia experienced a sharp decline in orders in the last quarter, trading activity, particularly in the telco sector, where deregulation continues to drive activity, remained buoyant for most of the year under review.

The events in the USA in September, however, precipitated the onset of a more dramatic deterioration in trading conditions in all regions and most noticeably in Asia, where business suffered due to deferrals and cancellation of projects. Short term visibility remains unclear and in response, all businesses have prudently taken the decision to structure themselves according to the current run rates.

Despite the difficult trading conditions, the past year has been a most fruitful one for Dimension Data, in terms of its strategic and operational development. Success has been achieved in growing our footprint, particularly on the East Coast of the USA, as well as in consolidating our model of offering customers a total network solution. We took the opportunity to expand our USA coverage by purchasing a number of regional network integrators and then completed the jigsaw by acquiring Proxicom. Proxicom is a leading e-business consulting and integration company that delivers innovative Internet solutions for Fortune 500 companies and other global businesses.

Historically our lines of business tended to group around specific technology offerings. Over the past year and with particular vigour in the second half, our 'go-to-market' model has been refined and is led by business solutions comprising connectivity and integration technologies and services. We have established a business solutions development team to prepackage and pre-integrate solutions, which draws on the individual technology components and GSOA and i-Boss services offered by the Group.

Whilst we are currently in a downturn phase of IT spending activity, which is likely to remain with us for most of the current financial year, all industry analysis points to continued strong growth in spending on IT and e-business solutions over the medium to longer term. The past financial year's positioning of the Group, both geographically and strategically, has brought us to the point where Dimension Data has global coverage, is first-to-market in its ability to deliver proactive real-time, online connectivity and integration services and is uniquely positioned to offer a total e-business solution to multinational customers.

Africa

\$'000	FY2001	FY2000
Turnover	426,790	416,631
Operating profit before goodwill amortisation and exceptional items	65,630	85,703
Operating margin	15.4%	20.6%
Net operating assets	352,256	303,362

Dimension Data Africa had a tough year but did well to generate turnover growth of 24% in constant currency terms. A number of new initiatives were launched during the year, including Enterprise Systems, DataCentre Solutions, Messaging, Network Security and Teamsource.

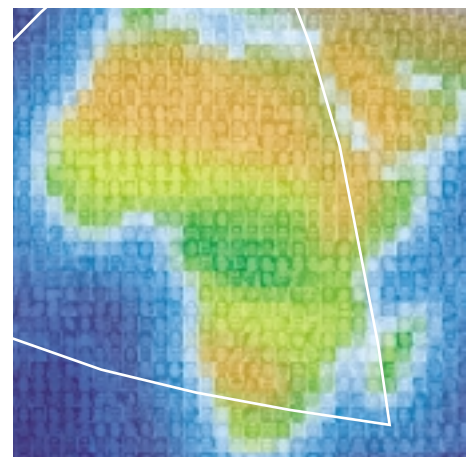
i-Boss, a successful initiative introduced in South Africa during the year, highlights the Group's strategy of developing pre-integrated plug-n-play Operational and Business Support Systems solutions mainly for the Service Provider market. Long term annuity contracts won include Coca Cola, ABSA, Tiger Brands and FNB Corporate. Other major contracts won during the year include solutions for MTN, Vodacom, Nedcor and Standard Bank.

The Network Services business was not able to sustain the strong growth recorded at the interim stage. Operating margins came under pressure due to lower volumes and pricing pressures on both technology solutions and chargeout rates. Demand in the enterprise market held up well, particularly in the financial sector, and opportunities in

the mobile commerce space were good, but activity in the fixed line telco market declined. The take-up of GSOA across all services types continued to be good. Margins came under pressure in the face of stiff competition from new entrants who endeavoured to buy market share. However, we were protected by our ability to differentiate ourselves with our business-led approach and GSOA service offerings, enabling us to win deals for reasons other than price.

The i-Commerce division had a poor year with the combination of tough trading conditions, delayed projects and low utilisation contributing to a disappointing performance. An aggressive rationalisation programme early in the second half regained the focus of the business. Where staff utilisation rates dropped to around 60% in April, they have recovered to around 70% currently. Although utilisation rates are up, hourly rates are still under pressure.

Approximately 10% of the region's workforce was made redundant during the year to bring the business in line with market conditions.

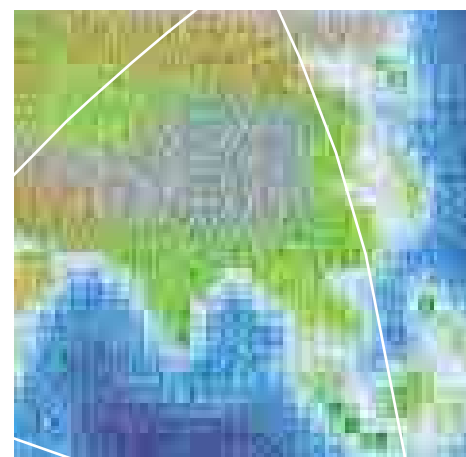
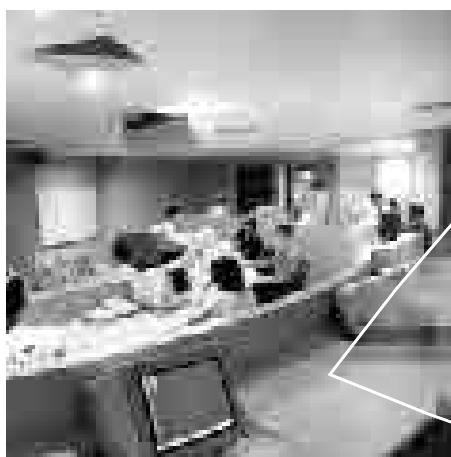




Asia

\$'000	FY2001	FY2000
Turnover	546,195	472,209
Operating profit before goodwill amortisation and exceptional items	47,221	46,442
Operating margin	8.6%	9.8%
Net operating assets	584,381	554,218

During the year under review Datacraft Asia, Dimension Data's 52% owned subsidiary, delivered modest earnings growth. For most of the year the business benefited from continued buoyant demand from the telecommunications sector for IP infrastructure and services. Deregulation remained the primary driver behind investment by both new telco licensees and ex-monopolies upgrading their networks to maintain a competitive position.



A highlight for the year was the strong demand for services as customers increasingly looked to outsource their network requirements. During the year, new and enhanced service initiatives were launched in the areas of telco operational and business support, network security, e-business, outsourced operational support and technical training.

Datacraft attributes its performance to a broad geographic spread, blue-chip customer base, its service capability and ability to offer more comprehensive solutions than its competitors. Overall margins were partly protected by the rapidly increasing contribution from high value-added service offerings such as i-Boss, Managed Network Services, and those of the i-Commerce division, which had a strong second half. Services now generate more than half the company's profits and continue to be the fastest growing area of the business.

High growth regions included India, Singapore, Thailand, Taiwan and Hong Kong, while the market was impacted by the slowdown in Japan and Korea, where growth had been strong in the prior year. In Japan, despite a sluggish local

economy, Datacraft was successful in penetrating the multinational corporation market. China showed an improvement over the prior year but fell short of expectations.

Datacraft has undoubtedly become Asia's primary supplier to tier one service providers, winning numerous contracts valued in excess of US\$10 million. Contracts have been awarded in China (IP broadband project for Anhui province), Indonesia, Korea (ADSL for Hanaro Telecom) and Thailand (multiservice IP network for a Thai carrier).

Since the creation of Datacraft i-Commerce in 2000, which comprises the three e-integration firms acquired by Datacraft, this operation has secured in excess of US\$35 million of business, with particularly strong uptake in China.

Market share gains were achieved during the year, mainly through organic activity and partially through acquisition. The acquisition of Dasan Electronics strengthened the position in Korea, and the remaining 40% of the Indonesian operation was acquired.

Australia

\$'000	FY2001	FY2000
Turnover	406,857	408,731
Operating profit before goodwill amortisation and exceptional items	16,596	22,489
Operating margin	4.1%	5.5%
Net operating assets	250,616	253,760

Difficult trading conditions in Australia were exacerbated by the post-Olympic games period, which resulted in a lull in economic activity, the implementation of GST in July, and a number of high profile corporate insolvencies. The telco market was characterised by expenditure cutbacks as well as cancellation or postponement of upgrade projects on the back of the collapse of new economy telcos.

While the increase in turnover in constant currency terms was good, poor trading conditions in the second half, a high overhead structure without the commensurate volumes, and pricing pressures, resulted in a decline in profitability for the full year.

Express Data produced a pleasing result in a tough market, reporting modest growth in turnover and achieving budgeted levels of profitability. The strategy of focusing on a core set of technology partners and building critical mass paid off, resulting in market share gains in a declining market.

In the i-Commerce arena, post 'Internet-bubble' market weakness adversely impacted trading. Projects were postponed or cancelled and only strategic projects remained in place with customers becoming increasingly selective about taking on new IT initiatives. Faced with a high fixed cost and low utilisation rates, the division took action in the middle of the year to reduce overheads and in July made approximately 90 people redundant. Utilisation rates have subsequently increased and by year end were running at approximately 75%.

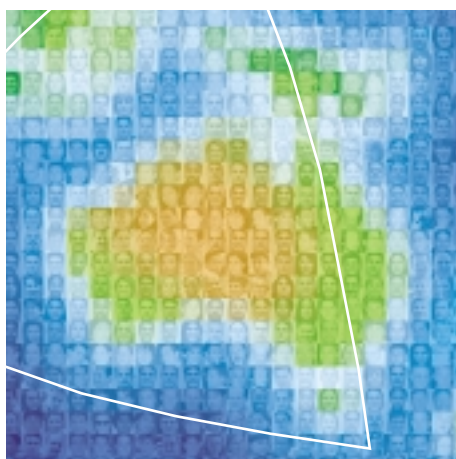
Customer wins in the Contact Centre market include Orange, Nutrimetics, Foxtel, Land Rover, Telstra, Tol, New South Wales Government and Perpetual Trustees.

The Network Integration business had a disappointing year with market demand falling sharply in the second half. The uptake of GSOA amongst customers was slower than expected due in part to the economic climate, as well as a cautious approach by customers to managed services, despite worldwide trends towards outsourcing non-core activities. Operating margins were adversely impacted by poor utilisation, lower volumes and pricing pressure. Customer wins in the Network Integration business include InTACT and Fosters.

In excess of 250 people were made redundant in the region in the second half of the year. Whilst the trend is toward staff reduction, we will take on additional skills in new growth areas. The ability to attract and retain quality staff remains good in the wake of a weak IT industry.



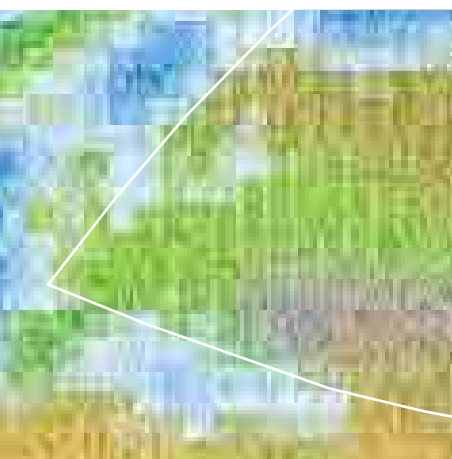
photograph courtesy of Tanner & Associates





Continental Europe

\$'000	FY2001	FY2000
Turnover	360,339	199,252
Operating profit before goodwill amortisation and exceptional items	24,957	16,487
Operating margin	6.9%	8.3%
Net operating assets	855,947	2,101,673



effort to rightsize the business, the workforce was reduced by approximately 10%, mainly in Germany.

The 2001 financial year was one of consolidation, integration and rebranding of European operations. Europe was not immune to the slowdown in IT spend, which was felt first and was most prevalent in Germany. Late in the second half of the year, France also experienced a reduction in spending and increased competition. All other regions performed well and under reasonable trading conditions won market share.

Against this background, Dimension Data Europe did well to achieve modest annualised turnover growth. With the exception of Germany, every other regional operation exceeded internal targets, but lower than expected volumes and a slow uptake of services led to pressure on operating margins. The slowdown in the second half was largely due to a dramatic deterioration in trading conditions in Germany, which contributed 50% to revenue of the European region. Encouragingly, market share gains in multiservice networking were achieved in every country other than Germany. In an

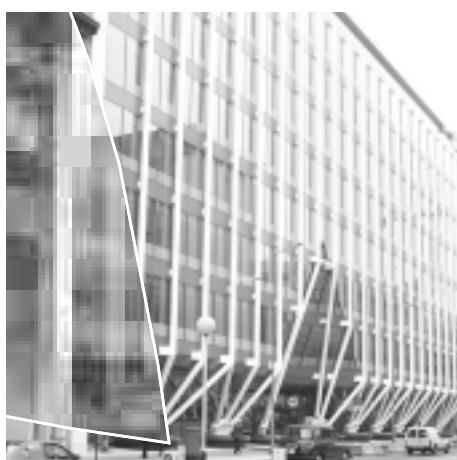
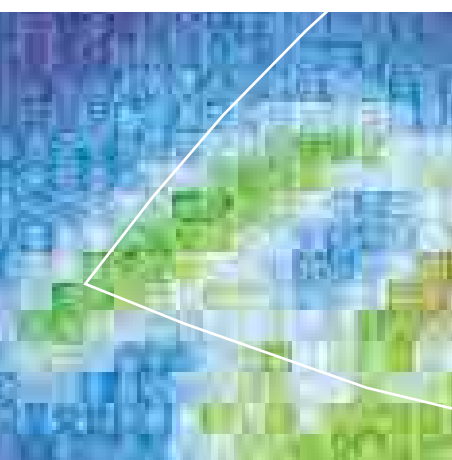
Contracts were won from European multinational corporations due to the improved focus of the business, aggressive shift to services and the coordinated effort as a global player. Significant customer wins include SEAT (VW Group), Renault, Mediaways, Dexia Group, Banque General de Luxembourg and the European Parliament where a selection of solutions were offered.

The rollout of the GSOA gained momentum with the opening of the Frankfurt Operations Centre and Satellite Centres in Paris, Brussels, Stockholm, Lausanne, Milan and Amsterdam, giving the business a unique platform relative to its competitors. We expect uptake of GSOA to improve as the sales force converts to a services-led sales approach. Aggressive training and appropriate marketing should see this service offering gain momentum in the year ahead.

Relationships with existing vendors were strengthened with a number aiming to partner more closely with Dimension Data in efforts to grow revenues in a slowing market.

United Kingdom

\$'000	FY2001	FY2000
Turnover	243,575	311,126
Operating profit before goodwill amortisation and exceptional items	26,248	30,051
Operating margin	10.8%	9.7%
Net operating assets	970,644	1,616,873



Despite the difficult operating environment in the past financial year, Dimension Data UK successfully invested in enhancing its strategic accounts capabilities. This enabled the business to maintain market share in the face of fierce competition. The increasing competitiveness of the UK network integration market forced Dimension Data to differentiate itself and enhance its competitive position by accelerating the transition to a services-led, solution-driven sales approach.

The Network Services business benefited from good growth in services in the second half of the year. Despite an increased contribution from this higher margin business, margins in the second half of the year were negatively impacted by lower than anticipated volumes.

Additional lines of business such as Intelligent Infrastructure, Customer Interactive Solutions, Service Provider, Security and Storage Solutions were introduced. The UK GSOA Operations Centre was opened early in 2001 and progress was made in educating customers as to the benefits thereof. Interest in our GSOA managed services was stimulated by

the trend of businesses reducing overheads and improving efficiencies through outsourcing elements of the delivery and support of their IT infrastructure. Significant customer wins include Dante, Telewest, Arthur Andersen and the London Stock Exchange.

The e-business presence, which was created with the acquisition of Proxicom, has enhanced Dimension Data UK's competitive position. The integrated business is now able to provide customers with a total e-business offering spanning a range of business solutions, connectivity and integration services.

Trading conditions in The Merchants Group's managed call centre market closely mirrored the downturn in the TMT market. This resulted in an unexpected and immediate cancellation mid-year of a core contract by one of our largest customers, a major mobile phone service provider. The cancellation, combined with generally depressed and highly competitive trading conditions resulted in underutilised capacity and a sharp deterioration in profitability. The business has been substantially rationalised both in terms of headcount and fixed infrastructure exposure. As a result utilisation levels have improved and a breakeven position is anticipated by the second quarter of the 2002 financial year.



USA

\$'000	FY2001	FY2000
Turnover	407,893	124,423
Operating profit before goodwill amortisation and exceptional items	12,187	9,234
Operating margin	3.0%	7.4%
Net operating assets	659,450	100,329

The past financial year has been an extremely active one for the USA, with the integration of the Network Services businesses acquired over the past two years as well as the acquisition and integration of Proxicom, the Group's i-Commerce offering in the region.

Halfway through the year two Network Services acquisitions, Premier and Matrix, were completed in Charlotte, North Carolina, giving us a presence in the South East. The six Network Services businesses have been consolidated into one company with regional MDs reporting to a US Executive Vice President for Network Services. The new structure results in greater synergies in terms of the 'go-to-market' sales approach, as well as a lower overhead cost structure. The business is now divided into three regions: North East, Mid-Atlantic and South East.

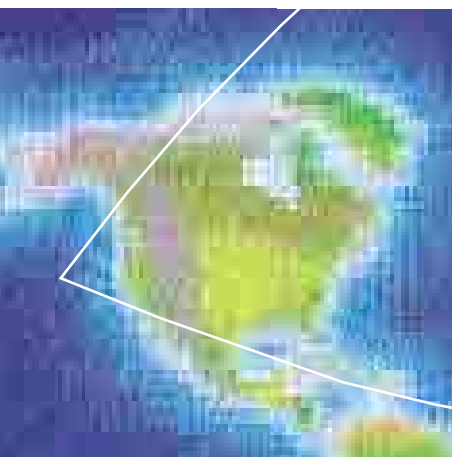
The Network Services business experienced tough market conditions in most regions with enterprise activity tailing off in

the second half of the year after holding up reasonably well in the first half.

Competition increased as the IT industry slowed, causing many regional and national competitors to fall away. Despite increased competition, Dimension Data was able to win new contracts due to our ability to expand our sales offering to include a broader range of technology solutions.

Market share gains were achieved in all regions with the exception of Washington DC and Boston, where the dot.com and SP fallout was most prevalent.

Significant rationalisation has taken place in the Boston operation to address the changed market conditions and a new management team has been put in place. The business is now aggressively focusing on developing business in the traditional enterprise and telco space. New York reported good growth, leveraging the global footprint as well as the newly launched GSOA capabilities.



Significant customer wins during the year include Radianz, JP Morgan Chase, Smith & Nephew, Putnam, Renault, Du Pont, EMC, Georgia Pacific, Lehman Brothers and Pfizer.

Proxicom was acquired with effect from 19 June 2001. The implementation of a formal integration process ensured that Proxicom was successfully assimilated into the North American operation and accelerated the development of an integrated Dimension Data offering for the

region. Our regional presence in the USA has been strengthened to include a presence on the West Coast.

The leadership and skills within Proxicom have been recognised by the various appointments of Proxicom staff to regional as well as global management positions. Proxicom has subsequently been rebranded under the Dimension Data name. This not only creates a cohesive brand image but also accelerates our ability to sell solutions at a strategic level and pull through specific products and services. One of Proxicom's attractions was its internal methodology and knowledge-sharing platforms, many of which have now been established as global best practice for the Group.

In the last quarter of the year, spending in Proxicom's e-business market declined sharply, but market share gains were achieved in a contracting market. Two rounds of rightsizing were embarked on to streamline the business in the face of weaker conditions. Utilisation rates bottomed in the mid 50% range in June, but due to rationalisations, by year end had improved to above 65%. Pricing rates declined due to the market weakness and aggressive pricing by competitors. We are pursuing opportunities to improve our profitability by growing our offshore development and delivery capabilities.

Prospects

Africa

The signing of a number of long-term annuity contracts late in FY 2001 has offset some of the risk inherent in the market environment in FY 2002. The Group will continue to focus on developing annuity-based solutions and services, becoming more customer-centric and delivering higher levels of service. Our ability to deliver strong value propositions in the areas of Customer Interactive, Service Provider and e-business solutions, should lead to increased market share in these areas. The rationalisations and reorganisations effected in the past few months should also result in improved efficiencies in the second half of the year.

Asia

Following the events of September 11 and the subsequent market slowdown, Datacraft experienced a sharp downturn in demand, which resulted in orders being delayed or cancelled. Multinational and Enterprise customer business were most affected, with the slowdown having a lesser impact on the Group's telco business. This necessitated immediate action to reduce headcount and overheads, the benefit of which should be felt from the beginning of the 2002 calendar year. Following these developments, Datacraft announced that profits for Datacraft's half year to December 2001 would be 60% to 70% below profits in the corresponding reporting period.

Australia

The outlook for the 2002 financial year is cautious. Whilst Express Data will consolidate its product lines, this should however be offset by the opportunity to capture further market share as the distribution market rationalises. In i-Commerce, the past year's restructuring and streamlining actions have resulted in a solid core of specialised capabilities focused on offering a unique value proposition in user-centred solutions covering all aspects of technology infrastructure and business process. This should assist us in winning business in a tough marketplace. Network Integration should benefit from a lower cost base, a more solutions-oriented sales approach and an aggressive promotion of the Group's GSOA offerings.



Continental Europe

Dimension Data Europe is driving for further market share gains in FY 2002 as it differentiates its offering from competitors and aggressively markets to multinational corporations. We are expanding our European offering and accelerating the implementation of the new lines of business in the areas of Customer Interactive, Service Provider and Application Integration solutions. The expansion and enhancement of our OSS and BSS integration capabilities positions us well to compete in the Service Provider market. The post year end acquisition of In Time Netbuilding gives our Central European operations the voice integration skills necessary to compete in the CIS market. The acquisition of Proxicom provides impetus for the development of e-business and application integration solutions. Profitability should benefit from lower overheads, particularly in the German business, a more focused 'go-to-market' strategy as well as higher contributions from new, value-added solutions.

UK

Prospects for the UK operation going into the new year are uncertain due to continued tough market conditions. We do, however, expect to reap the benefits of the introduction of new lines of business such as IP telephony and security. Further benefits should derive from the work done in educating our customers on our GSOA capabilities as well as our enhanced ability, through our newly acquired i-Commerce capabilities, to offer total e-business solutions. Dimension Data UK has a strong skills base in the telco environment and

notwithstanding the current state of the industry, is well placed to win business in this vertical segment, particularly with offerings such as i-Boss. The new financial year will see selective recruitment as the Group skills up in the new lines of business. We expect the trend that emerged in the second half of FY 2001, of winning deals due to our service offering, to accelerate in FY 2002.

USA

Prospects in the USA remain extremely uncertain following the events of 11 September. The Group is hopeful that our differentiated position in a fragmented market, our newly acquired enterprise systems, applications management and e-business capabilities, combined with a more aggressive focus on marketing our GSOA capabilities, will result in further market share gains in the year ahead.

Group

The new year has brought with it ongoing difficult trading conditions in most of our markets and an expectation that IT spending is unlikely to improve significantly in the current financial year. Visibility remains poor and the trading environment continues to be characterised by considerable uncertainty. Our positioning has however been strengthened by accelerating the transition to a global IT solutions company. In addition, the rightsizing that has taken place in the context of current trading conditions has not jeopardised our ability to leverage off the upturn when it comes.



Protocol Business Development Fund

Protocol Venture Capital is Dimension Data's Business Development Fund. Its objectives are to establish strategic joint ventures which enhance relationships with suppliers and clients as well as to foster new entrepreneurial businesses which may be complementary to the Group's existing business. It is intended that the Group will, over time, either acquire the stake that it does not already hold in these companies, or exit the venture through a private sale or public listing.

Protocol has historically focused primarily on the South African market but over the past year, in line with the Group's strategy of globalising the business, has made investments in Australia and the UK.

At the start of the financial year, Protocol held ten investments as well as a 20% stake in Archway Ventures, a joint venture with South African-based Genbel Securities Ltd and SCMB (part of Standard Bank of SA).

The following investments were made during the current financial year:

- A 30% stake in Ensemble, a company that sells and integrates financial software sourced from Sungard internationally. Ensemble's areas of banking experience in South Africa and internationally include: Investment Banking, Treasury, Securities, Derivatives, Product Development, Hedging Advisory Services and Financial Business Services.
- A 35% stake in Randmarkets.net, an independent multi-bank trading platform, which provides secure real-time treasury transactional capability to corporate clients. The intention is to make Randmarkets.net the ubiquitous trading platform for corporate South Africa. The investment was made alongside Coronation Capital Limited, a company listed on the JSE.
- A 20% stake in Grapevine Interactive. Grapevine is a wireless communications group focused on providing Mobile Customer Information Services to the corporate market. It delivers information services across all mobile channels, on any scale, at any time and on an interactive basis. Mediums for communication include SMS, synthesised voice, IVR, WAP, e-mail and fax.
- A 20% stake in Shift Interactive, which designs and develops media-rich, intuitive applications for e-commerce and self-service terminals. Shift conceptualises and develops broadband and Internet self-service solutions for organisations with specific application requirements in the marketing communication, CRM, customer retention, loyalty and e-commerce arenas.
- A 20% stake in BIS, a UK-based company which supplies Internet Access and Voice Over IP services to numerous European companies in the shipping and insurance industries. BIS is in the process of establishing a VPN connecting the cities in which companies in the insurance and shipping industries operate and will offer their clients all communication services including telephone, fax, Internet, hosting, unified messaging and data via this VPN.



- A 20% stake in Holly, an Australian company, which has developed Voice Over IP Internet Telephony and Speech Recognition solutions. Holly's hosting solution is hardware and software vendor independent making it highly reliable and scaleable. It can be deployed as a speech recognition service on suitably managed bandwidth IP networks.
- A 49% stake in Dimension Data Central, a company based in Australia, which hosts a broad range of best-of-breed applications to create a single seamless hosted solution so that information technology becomes a service delivered to the desktop. Through its extensive range of applications, Dimension Data Central has become a single source provider of business systems for organisations, taking complete ownership of their IT infrastructure and responsibility for their systems.

In addition, Protocol co-invested alongside Genbel Securities Ltd, SCMB and The Industrial Development Corporation in Archway Ventures 2, another venture capital fund.

During the year Protocol disposed of two of its investments. These were:

- The 100% stake in IS Fax, a least-cost routing initiative for faxing.
- The 12.25% stake in RGI, the on-line recruitment web portal.

The investments owned by Protocol were valued at US\$19 million at 30 September 2001.

Dimension Data is listed on the London Stock Exchange and the JSE Securities Exchange and is required to comply with UK reporting and corporate governance requirements.

The accounting policies used in the preparation of the September 2001 financial statements are consistent with those applied in the previous year.

Group Operating Performance

Turnover

Total turnover grew by 24% from US\$1,976 million to US\$ 2,460 million in an environment of difficult economic conditions and during a period when the US dollar appreciated against most currencies. The increase in turnover of US\$484 million reflects both the contribution made from acquisitions and a growth of 9% (US\$181 million) in turnover from continuing operations. On a constant currency basis, turnover growth was 35%. The acquisitions in the US of Proxicom, TimeBridge, Premier and Matrix and several other smaller businesses added US\$278 million to turnover in the 2001 financial year.

Turnover from associates increased by 73% from US\$34 million to US\$59 million. This was a result of an improvement in Plessey reflecting increased spending of mobile operators in South Africa, and the first-time inclusion of Paracon, which contributed US\$16 million of turnover.

An analysis of the turnover shows a much larger contribution from annuity-based sources, in particular the higher end online network management service revenues – Insite, Uptime and Surveyor. Similarly, the analysis of revenues identifying contributions from areas beyond the traditional concept of Networking manifests the success garnered from the implementation of the Group's business model. Multi-service networking continues to be the mainstay of the Group, contributing 70% of Group revenue.

The geographic spread of revenues reflects the diverse global nature of Group operations. The Asian subsidiary, Datacraft Asia Ltd, accounted for 23% of turnover and represented the single largest geographical contribution. Africa accounted for 18% of revenue, Australia 17%,

Continental Europe 15% and UK 10%. The Group has expanded its presence in the US and the US contribution to Group revenues increased from 6% in the September 2000 period to 17% in the period under review.

Total operating profit before goodwill amortisation and exceptional items

Total operating profit before goodwill amortisation and exceptional items declined by 15% from US\$212 million to US\$181 million reflecting the harsh trading conditions of the period. The total operating margin in the 2001 financial year was 7.4% compared to 10.7% in the 2000 financial year.

At the beginning of the year under review, the Group had budgeted for a turnover growth in excess of 60% reflecting the buoyant trading conditions within the sector. In anticipation of this growth, fixed overheads were scaled accordingly. At the interim reporting period, 31 March 2001, total turnover growth was 50%, and all indications were that the Group was on track to achieve turnover of approximately US\$3 billion for the full financial year. However, a rapid and severe deterioration in global economic conditions resulted in the technology industry suffering the 'equivalent of a once in 100 years flood'. In this environment, revenue growth rates declined significantly in the second half. Management reacted quickly by reducing overheads and accelerating initiatives aimed at introducing new offerings to the market.

The financial effects of this exercise were dramatic. Staff numbers were reduced significantly over an extended period and a total of 1,568 employees, representing approximately 14% of the workforce, were made redundant. Staff turnover levels throughout the year were generally higher than in any previous annual periods as underperforming staff from all disciplines were counseled out of the organisation where possible as part of the cost rationalisation initiative. The Group incurred a once-off severance cost of US\$17 million and fixed overheads were reduced by some 11%.

The decline in gross margin, first half on second half, was nominal but did reflect the tougher trading environment and the impact of the lower margin US acquisitions made in the

latter half of the financial year. More significantly, a larger proportion of the Group's total revenues was from higher margin value-added networking solutions. This offset the effects of declining gross margins in basic integration offerings.

An increase in operating expenses in the second half of the year of US\$45 million is due in part to acquisitions (US\$20 million), the inclusion of incentive payments on revised targets (US\$13 million) and normal increases from inflationary salary increases and structures implemented in the first six-month period. Approximately US\$11 million of additional debtor provisions have been created and were expensed in this period.

The combination of the lower growth of turnover and the increase in overheads saw net operating margins decline significantly in the second half of the year. Considerable attention has been given to rightsizing the overhead structures. Management anticipate modest growth in revenue. The Directors believe that the current structures are appropriate to allow the Group to properly leverage its skills and expertise when market conditions become more favourable. Accordingly, the net operating margin in the 2002 financial year is unlikely to show an improvement on that evidenced in the full period under review.

Goodwill amortisation

Goodwill amortisation amounted to US\$602 million in 2001 compared to US\$292 million in 2000. This was due to the full year effect of the acquisition of Dimension Data Europe (formerly Comparex Networks), the purchase of the minorities in Dimension Data International ('DDIL') and other current year acquisitions including Proxicom. Goodwill amortisation in respect of associates amounted to US\$10 million.

Operating exceptional items

As a result of the rightsizing exercise embarked upon by the Group, we have incurred significant once-off costs. US\$17 million was incurred in severance costs as well as a charge of US\$3 million, which has been provided for unutilised leasehold space.

In its announcement to the market of 1 November 2001, Datacraft alluded to a potential once-off charge that could be levied against profits in its interim reporting period to

December 2001, but indicated that the quantum of this charge was still being considered. In the current environment, we believe it is appropriate to establish a provision to bring effect to the intentions of the Datacraft Board and have accordingly raised a provision of US\$8 million against working capital assets.

Other operating exceptionals include the write-off of certain investment projects, acquisition rebranding costs, a levy to a Business Trust and an impairment of Dimension Data shares held by the Dimension Data Employee Share Ownership Trust.

Operating exceptional items have been strictly governed by FRS 3 – 'Reporting financial performance' and amounts recorded as provisions which are not used, will be similarly reversed as operating exceptional items.

Exceptional items

Profits on the part disposal of The Internet Solution and Configure8 amounting to US\$82 million have been recognised as exceptional items in the profit and loss account.

Goodwill impairment

Goodwill impairment tests were performed on all investments in terms of the criteria established by FRS 11 – 'Impairment of fixed assets and goodwill'. This resulted in the requirement for an impairment charge against the value of the investment in Dimension Data Europe. The Dimension Data Europe impairment amounted to US\$1,117 million. The value of the business, after adjusting for this impairment is now in line with the original valuation the Group placed on the deal at the time of the acquisition which was based on the Dimension Data share price on the offer date. In terms of UK GAAP the accounting value was calculated using our share price on the date that we took effective control of the business. The share price movement between the offer date and the effective date generated additional goodwill of US\$1,200 million.

In light of the market conditions now prevalent in the US, the Directors have also deemed it prudent to impair goodwill of US\$148 million recorded within all of the US acquisitions.



The goodwill recorded for the Plessey associate and The Merchants Group in the UK has also been impaired by US\$44 million and US\$15 million respectively.

Management are confident that there has been no permanent diminution in the value of any other investments.

Investment income and net interest receivable

Investment income consists largely of preference dividends received on short term investments. Some preference shares were redeemed during the year. Net interest receivable has increased from US\$28 million in 2000 to US\$52 million in 2001, which resulted from the accumulation of cash resources generated by the Group's day-to-day operations and the balance of cash received from the Global Offer in July 2000.

Taxation

The Group's effective tax rate (after adding back amortisation of goodwill, for which there is, in most jurisdictions, no deduction from taxable profits, and exceptional items) was 27.4% in 2000 and 23.7% in 2001. The Group's effective tax rate has decreased as a greater proportion of its income this year is interest earned in lower tax jurisdictions. The weighted average of statutory tax rates of Group companies is 28.4%. Tax losses and certain tax planning opportunities have reduced this rate and have been offset by a prudent approach not to recognise deferred tax assets.

Equity minority interests

The profit attributable to equity minority interests, before exceptional items, decreased from US\$34 million in 2000 to US\$24 million in 2001, largely as a result of the purchase of the minorities in DDIL, effective 31 January 2001.

Loss for the financial year

An attributable loss of US\$1,727 million was incurred in the 2001 year after goodwill amortisation amounting to US\$612 million and net exceptional items of US\$1,276 million. Attributable profit before goodwill amortisation and exceptional items amounted to US\$161 million in 2001 compared to US\$144 million in 2000, an increase of 12%.

Earnings per share

Earnings per share before goodwill and exceptional items is 12.8 cents in 2001 compared to 16.1 cents in 2000, reflecting a decline of 20%. This is a result of the decline in profitability and the dilutive effect of the shares issued to Nedcor for the minority interests in DDIL. There was always an expectation that the Nedcor deal would be marginally dilutive, due to DDIL's holding in Datacraft Asia, which traded at a higher rating than Dimension Data at the time.

Liquidity and Capital Resources

Net goodwill amounts to US\$2,806 million in 2001 compared to US\$3,131 million in 2000. Excluding goodwill, net assets decreased from US\$1,024 million to US\$431 million as the cash was utilised to fund acquisitions. Tangible fixed assets have increased as a result of the current acquisitions. Investments in associates reflect a net decrease due to the impairment of Plessey which was partly offset by the acquisition of Paracon.

Stock has been well controlled this year and has reduced from US\$136 million to US\$101 million representing a decrease, net of stock acquired with acquisitions, of US\$50 million. Resale inventory essentially represents work in progress and the risk of stock obsolescence is confined to the inventory that is not allocated to customer projects. Unallocated stock decreased from US\$50 million to US\$26 million at 30 September 2001.

Debtors have increased by 9% compared to the increase in turnover of 24%, which reflects the improvement in days sales outstanding from 71 to 69 days.

Cash and short term investment holdings amounted to US\$920 million at year end. Of this amount, US\$232 million is held as security for the convertible loan notes offered in consideration for the Dimension Data Network Services (formerly Chernikeeff) acquisition. The Group has certain long term liabilities, namely deferred consideration payments of \$231 million, a put option in respect of the 51% of Plessey amounting to US\$51 million that is likely to be paid in October 2002, and US\$103 million of convertible bonds, due December 2002. Unencumbered cash at year end was therefore \$303 million.

In the current year, cash conversion was 136% (2000: 96%). Cash conversion has been an area of high focus for management and is a reflection of good working capital management. The Group's working capital has been financed through internally generated cash and its acquisitions have been financed by cash or by the issue of new shares.

Equity minority interests have decreased significantly as a result of the acquisition of the minorities in DDIL.

The Group's net cash inflow from operating activities amounted to US\$186 million in 2001. This resulted from the generation of cash by the Group's existing and acquired operations.

The net cash outflow for acquisitions and disposals amounted to US\$944 million in 2001 and US\$298 million in 2000 which reflects that a significant number of acquisitions were financed by cash in the current year. The DDIL acquisition was financed partly by cash and partly through the issue of 103 million shares. Shares issued for acquisitions and in respect of options increased the share premium account by US\$924 million, net of issue expenses.

Interest Rate Risk

As the Group is in a net cash positive position, it is exposed to the effects of fluctuating deposit interest rates. Whilst it is corporate policy to remain as liquid as possible to take advantage of acquisition opportunities, certain funds have been invested in short term deposits to minimise the effects of fluctuating interest rates and achieve a satisfactory return for shareholders.

Currency Risk

The Group has operations in over 30 countries and receives revenues and incurs costs in numerous currencies. As a consequence, movements in exchange rates, particularly in the US dollar/South African rand exchange rate affect the Group's results. When Dimension Data invoices in local currency, and has a foreign currency exposure to suppliers, it generally uses forward foreign exchange contracts to hedge its foreign exchange risk or adjusts the prices charged to clients to take account of exchange rate fluctuations. In addition, many of the selling prices of the products supplied by the Group are linked to the US dollar, and the purchase of these products is often paid for in US dollars. The Group also incurs operating expenses in numerous other currencies, the most significant of which are the South African rand, the Australian dollar, the Singapore dollar, sterling and the Euro.

The following table reflects the average and year end exchange rates against the US dollar of SA rand, Australian dollar, sterling and Euro:

Currency	Year ended 30 September 2001		Year ended 30 September 2000	
	Average	Period end	Average	Period end
South African rand	8.226	8.995	6.772	7.300
Australian dollar	1.949	2.023	1.702	1.842
Sterling	0.692	0.681	0.651	0.683
Euro	1.122	1.094	1.072	1.135

Segmental Analysis and Related Information

	2001 \$'000	2001 \$'000	2001 \$'000	2000 \$'000	2000 \$'000	2000 \$'000
	Turnover	Operating profit/(loss)	Net operating assets	Turnover	Operating profit/(loss)	Net operating assets
By Location						
Continuing operations						
- Africa	426,790	65,630	352,256	416,631	85,703	303,362
- Asia	546,195	47,221	584,381	472,209	46,442	554,218
- Australia	406,857	16,596	250,616	408,731	22,489	253,760
- Continental Europe	360,339	24,957	855,947	199,252	16,487	2,101,673
- United Kingdom	243,575	26,248	970,644	311,126	30,051	1,616,873
- United States	407,893	12,187	659,450	124,423	9,234	100,329
- Other*	9,854	(16,869)	-	10,204	(56)	-
Group	2,401,503	175,970	3,673,294	1,942,576	210,350	4,930,215
Associates	58,755	4,889	-	33,922	1,999	-
Total	2,460,258	180,859	3,673,294	1,976,498	212,349	4,930,215

* Comprises Investment holding and management and Protocol. The net operating assets of Investment holding and management and Protocol have been included in the relevant geographical region.

Group operating profit is before goodwill amortisation and exceptional items.

Net operating assets are total net assets excluding debentures, loan notes and minority interests.

Net operating assets by location include the unamortised balance of goodwill.

	2001 \$'000	2001 \$'000	2001 \$'000	2000 \$'000	2000 \$'000	2000 \$'000
	Turnover	Operating profit/(loss)	Net operating assets	Turnover	Operating profit/(loss)	Net operating assets
By Class of Business						
Continuing operations						
- Network Services	2,144,804	189,028	2,753,462	1,639,268	171,064	3,052,941
- i-Commerce	246,845	3,811	476,278	293,104	39,342	145,883
- Protocol	-	(1,019)	15,660	2,707	2,449	10,211
- Investment holding and management	9,854	(15,850)	427,894	7,497	(2,505)	1,721,180
Group	2,401,503	175,970	3,673,294	1,942,576	210,350	4,930,215
Associates	58,755	4,889	-	33,922	1,999	-
Total	2,460,258	180,859	3,673,294	1,976,498	212,349	4,930,215

Group operating profit is before goodwill amortisation and exceptional items.

Net operating assets are total net assets excluding debentures, loan notes and minority interests.

Net operating assets by class of business include the unamortised balance of goodwill.

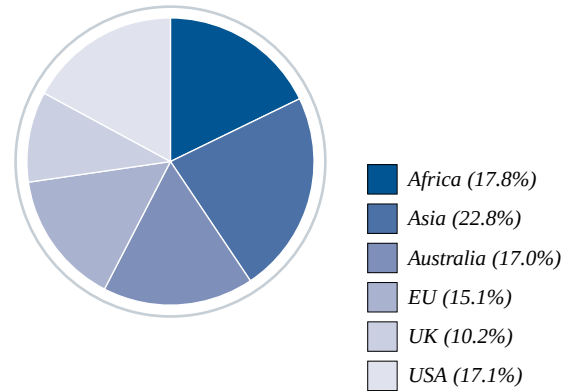
	2001	2000
Average number of employees – by location		
- Africa	4,518	3,823
- Asia	1,750	1,267
- Australia	1,375	1,201
- Continental Europe	932	951
- United Kingdom	2,307	2,767
- United States	1,741	264
Total	12,623	10,273

Average number of employees – by class of business

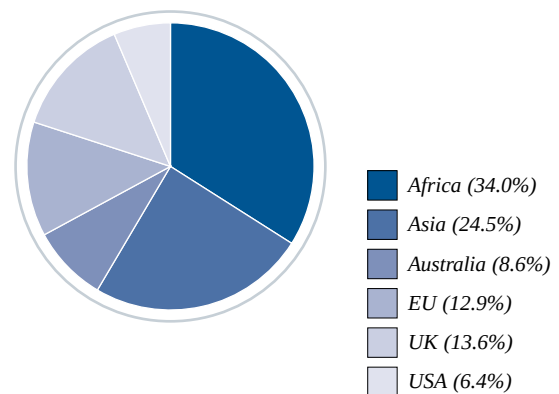
- Network Services	8,303	5,925
- i-Commerce	4,289	4,305
- Protocol	5	5
- Investment holding and management	26	38
Total	12,623	10,273



Group Turnover by Geography

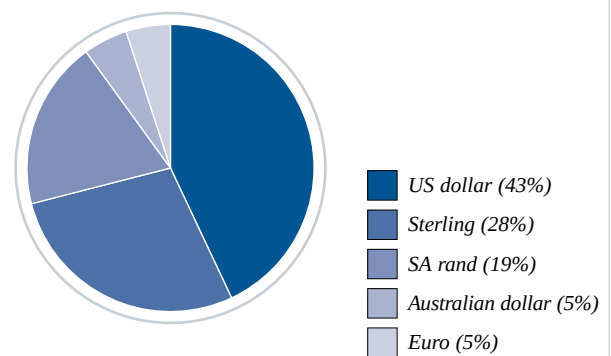


Operating Profit by Geography*

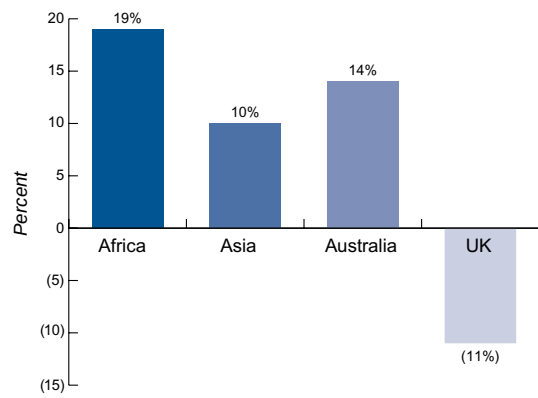


*Operating profit before goodwill amortisation and exceptional items

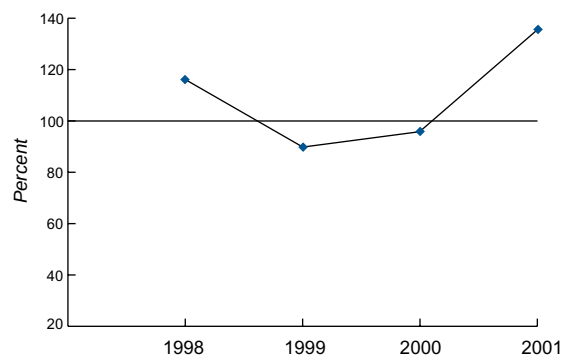
Cash Holdings



Organic Growth (constant currency) by Region



Cash conversion ratio %*



*Based on operating profit including exceptional operating costs



Directors' Report

The Directors of Dimension Data present their annual report and audited financial statements for the year ended 30 September 2001.

Activities

Dimension Data Holdings plc is a holding company whose subsidiaries and associated companies provide communications network services and e-commerce solutions to multinational corporations, smaller businesses and telecommunication service providers across the globe.

Review of Developments

A full review of the activities of the Group and an indication of future developments is contained in the Chairman's Statement on pages 4 to 11, the Operational Review on pages 16 to 27, and the Financial Review on pages 29 to 32. A Corporate Social Responsibility Report is contained on page 44.

Going Concern

The Directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future and for this reason continue to adopt the going concern basis in preparing the financial statements.

Acquisitions

Acquisition of Proxicom Inc

The Group acquired all of the outstanding shares of common stock of Proxicom Inc, a leading US e-business consulting and integration company listed on the NASDAQ exchange, effective 19 June 2001. Proxicom is represented throughout the US and also has offices in London, Paris and Rome. The purchase price was settled by means of cash based on an offer price of US\$7.50 per outstanding Proxicom share. The total value of the transaction amounted to US\$478 million, giving rise to goodwill of US\$498 million, which has been capitalised as an intangible asset and is being amortised over a period of seven years. Details of the net assets acquired and the fair value adjustments thereto are provided in the annual financial statements.

Other Acquisitions

Effective 1 November 2000, the Group acquired a 100% interest in TimeBridge Technologies Inc, renamed Didata (DC) Inc, a leading Maryland-based network services and e-business provider for a purchase consideration of US\$122 million. US\$73 million of the purchase price has been settled in cash, with the remainder to be settled in cash on achievement of certain profit targets.

The Group acquired the remaining 25.1% in Dimension Data International Ltd from Nedcor Bank Ltd with effect from 31 January 2001. The consideration for this transaction amounted to US\$869 million and was settled by means of a combination of the issue of Dimension Data Holdings plc shares and cash.

Effective 1 April 2001, the Group acquired a 100% interest in Premier Systems Integrators LLC for a consideration of US\$138 million. US\$112 million of the consideration has been settled in cash, with the remainder to be settled in cash at a future date.

An impairment charge has been made against the Group's US acquisitions at year end.

Details of other acquisitions made during the year appear in Note 26 to the annual financial statements on page 88.

Research and Development

Dimension Data remains committed to its research and development programme in order to contribute to the development of new trends to assist our customers in realising the benefits of global technology trends as they come of age. Our research and development is currently made up of the following initiatives.

The Global Services Operating Architecture was initiated during the prior financial year after the identification of specialised value-added services targeted at national and multinational clients who are working increasingly in an online environment. It is now being extended in response to the recognition of the need for rapid and continuous innovation in line with our customers' changing requirements.



Dimension Data has initiated an extensive Global Alliance Strategy in conjunction with the creation of a Global Research and Development initiative across a spectrum of leading technology vendors such as Cisco, Sun/iPlanet, Microsoft, ATG and various channel partners to leverage joint Intellectual Property for prototyping, research and development, training, marketing, sales, delivery and support.

Four Global Lines of Business, namely Customer Interactive Solutions, Service Provider Solutions, Multi-Channel Infrastructure Solutions and Application Integration, have been developed, around which we will focus our global research and development, alliance strategy, sales and services efforts in the short to medium term.

Protocol, the division of the Group engaged in establishing strategic joint ventures to support new entrepreneurial businesses complementary to the Group's existing businesses, acquired eight new equity investments amounting to US\$3.2 million.

Results

For the year ended 30 September 2001, total turnover (including associates) was US\$2,460 million, compared with US\$1,976 million for the previous year, representing an increase of 24%. Total operating profit before goodwill amortisation and exceptional items was US\$181 million compared with US\$212 million for the previous year, a decrease of 15%. Basic earnings before goodwill amortisation and exceptional items per share amounted to 12.8 US cents, a decrease of 20%.

Policy on Dividends

The Directors have reviewed their policy on dividends, and maintain their approach of investing all the available cash generated by the Group's business in the continued growth of the Group. They accordingly do not expect to declare a dividend for the current financial period or to declare dividends for subsequent financial periods in the foreseeable future. They will continue to review this policy on an annual basis, or as necessary.

Authorised Share Capital

The authorised share capital of the Company is made up of £50,000, divided into 50,000 deferred shares of £1 each, and US\$20 million divided into 2 billion ordinary shares of 1 US cent each.

The holders of the deferred shares shall have no right to receive notice of any general meeting of the Company, nor the right to attend, speak or vote at such general meeting. The deferred shares have no rights to dividends and on a return of assets in a winding up, entitle the holder only to the repayment of the amounts paid upon such shares after repayment of the capital paid up on the ordinary shares plus the payment of US\$10 million per ordinary share.

Issued Share Capital

As at 30 September 2001 the Company's issued share capital was 50,000 deferred shares of £1 each and 1,298,812,422 ordinary shares of 1 US cent each.

Details of interests of 3% or more in the issued ordinary share capital of the Company are reflected in Shareholder Information on page 55.

The Dimension Data Employee Share Ownership Trust, purchased 516,422 shares in the Company for a consideration of US\$3.5 million. The Company made funds available to the Trust for this purchase. These shares were purchased for allocation to employees following the Company's listing in London. The value of the investment has been written down following the decline in the share price.

Corporate Governance

A report on Corporate Governance and compliance with the Combined Code is set out on pages 40 to 43.



Directorate

Details of the present Directors of the Company are shown on page 12.

The following changes were made to the composition of the Board of Directors during the year and to date:

Appointments	Executive
7 November 2000	DA Ackerman
20 September 2001	R J Cattell
	R Fernandez

DA Ackerman offered himself for election at the 2001 Annual General Meeting and was duly elected.

Details of the Directors' interests in any Group Company can be found in Notes 6(b) and 6(c) to the Annual Financial Statements on pages 69 to 71.

Employee Involvement

Dimension Data's employees are the core of the business, and the Group is committed to providing them with information regarding the business environment and matters of concern to them. Details of communication and consultation with employees are included in the Corporate Social Responsibility Report on pages 44 to 46.

It is Group policy to ensure equal opportunity for all employees. The Group gives full and fair consideration to applications for employment made by disabled persons and is committed to retraining members of staff who become disabled so that they can remain employed within the Group wherever possible.

The Company encourages the involvement of employees through participation in its share option scheme. This scheme has grown from 17 participants in 1987 to 5,000 at present. Approximately 70% of the workforce globally participate in the share option scheme.

Details of the average number of employees are contained in Note 6(d) to the accounts on page 72; details of the share option scheme are contained in the Remuneration Report on page 48 and the number of outstanding options appear in Note 21 to the Annual Financial Statements on pages 83 to 85.

Creditor Payment Policy

The Companies Act 1985 requires the Company to state its policy and practice in the payment of creditors. Dimension Data Holdings plc is a holding company and, as such has no revenue and no trade creditors. It is therefore not applicable to provide statistics for the Company as required by the Companies Act. The Company's subsidiaries have no fixed payment policies, but negotiate in advance the best possible terms with their suppliers on a case-by-case basis and honour agreed invoices in accordance with those terms.

Corporate Responsibility

Dimension Data's position on the environment and on charitable donations is detailed in the Corporate Social Responsibility Report on pages 44 to 46. The Company made no political donations in the year under review (2000: nil).

Company Secretary

The company secretary is Mrs JM Duck.

Auditors

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Annual General Meeting

The notice convening the Annual General Meeting, together with the Form of Proxy, will be mailed to shareholders in due course.

By Order of the Board
Mrs JM Duck
Secretary
20 November 2001



Corporate Governance Report

The Board is committed to high standards of corporate governance in its management of the affairs of the Group.

This report contains a summary of how the Board has applied the principles set out in the Combined Code and, except where stated below, its compliance with Section 1 of the Code.

The Board of Directors and its Committees

During the period, the Board consisted of five non-executive and 12 executive directors. The biographical details of the Directors are set out on page 12.

At the Board meeting on 20 September 2001, a further two executive directors were appointed to the Board, namely Ronald John Cattell and Raul Fernandez. Both Ron Cattell and Raul Fernandez have made significant contributions to the Group, Mr Cattell in driving strong growth in Asia and Mr Fernandez in helping to establish Dimension Data's increasing presence across North America. They will continue to be instrumental in consolidating and growing the Group's presence in the regions for which they are responsible.

The Board does not comply with the Combined Code in that Jeremy Ord remains both Executive Chairman and Chief Executive. As they have undertaken to do, the Board has reviewed this position, and continues to justify it on the grounds that responsibilities in the leadership of the Group are sufficiently distributed to ensure that undue power is not concentrated in the hands of one individual. There is a strong and independent non-executive. In addition, three of the Executive Directors take responsibility for the regions in which the Group operates. They are Bruce Watson (UK and Europe), Rob Taylor (Africa, Asia and Australia) and Peter Hird (United States). Furthermore, a regional statutory board is being constituted for each region.



The Board has not yet appointed a senior independent non-executive director, but reviews this on an ongoing basis. The Board considers its non-executive directors Robert Mansfield, Rory Scott, Gordon Waddell and Dorian Wharton-Hood to be independent directors for the purposes of the Combined Code.

The Board is currently undertaking a review of its composition, but remains satisfied that for the present purposes of the Group, the non-executive members of the Board have the strength, knowledge and experience which ensure that they bring an independent judgement to bear on the Board's decisions.

The Board has met seven times in the current financial year, and intends to continue to meet at least quarterly, unless otherwise necessary. The Board has a formal schedule of matters reserved for its consideration, which includes strategy, reviewing trading performance, approval, acceptance and amendment of the Group's business plans and budgets, approval of the interim and annual financial statements, instigation or approval of material acquisitions or disposals of assets of the Company or its subsidiaries, investments and capital projects. It determines the Group's authority levels, treasury policies and risk management policies; considers, approves and ratifies the recommendations of the Audit, Remuneration and Nomination Committees, generally manages and oversees all aspects of the Group's operations, and is responsible for the Group's general business management and reporting to shareholders. Financial reporting is routinely performed according to a strict schedule.

The Board ensures that each director is provided with appropriate and timely information in order to exercise his judgement. Directors are provided with documentation regarding their duties and responsibilities, have full access to company information and are offered further training as appropriate.

The Company has a formal policy under which all directors have access to the advice and services of independent professionals and the company secretary.

The Board has established a number of committees, which operate within defined terms of reference.

Audit Committee

Rory Scott (Chairman)
Robert Mansfield
Gordon Waddell

The Audit Committee met three times in the current year, and will meet at least twice in the next financial year, and otherwise as necessary. The external auditors and Group Financial Director are invited to attend if appropriate. Derek Irish, a senior partner in a public accounting practice, who is independent of the current auditors, also attends the meetings to provide independent advice to the Committee. The Committee operates within defined terms of reference which include the approval of the appointment and remuneration of the Group's auditors, assisting the Board in ensuring that the Company's published financial statements comply with statute and accounting standards, reviewing any changes to financial reporting requirements and matters arising from the annual Group audit. The Audit Committee has also focused on reviewing and advising on the effectiveness of the Group's internal controls, and matters regarding compliance with relevant codes of best practice in corporate governance. The chairman of the Audit Committee will attend the Annual General Meeting of the Company and will be available to respond to any questions.

Remuneration Committee

Rory Scott (Chairman)
Dorian Wharton-Hood

The Remuneration Committee meets four times per year. It operates within defined terms of reference, the chief function being to recommend to the Board the remuneration and other benefits of the executive directors, within agreed terms of reference, and in consultation with relevant executive directors and independent remuneration consultants as the committee considers appropriate. No executive director is entitled to be present when the committee is considering his own remuneration. The Remuneration Committee also grants options in terms of, and subject to the rules of the Share Option Scheme 2000. The report of the Remuneration Committee is contained at pages 47 to 49.

Nomination Committee

Jeremy Ord (Chairman)
Robert Mansfield
Gordon Waddell
Dorian Wharton-Hood

The Nomination Committee meets as necessary in accordance with its terms of reference to consider proposals for Board appointments, and gives consideration to the suitability of persons for appointment as directors, the reasons for and advantages of appointments, and the balance and structure of the Board.

Relations with Shareholders

The Group has traditionally maintained strong relationships with its shareholders, and is looking forward to strengthening its relationship with institutional investors in the United Kingdom and the United States in the coming year. In addition to the presentations that are given to investors after interim and final results announcements, executive directors maintain a regular dialogue with as well as making regular presentations to and meeting with analysts and investors during the year, to provide information on an ongoing basis regarding the Group's objectives, strategies and performance.

Current and historical financial and other information is available on the Company's website at www.didata.com. The Company has copies of analyst presentations available on its website as well as providing access to conference calls and webcasts for private investors. The Group is committed to enhancing dialogue with shareholders, who are able to put questions to the Board at the Annual General Meeting, notice of which will be mailed in due course.

Accountability

The Operational Review on pages 16 to 27 and Financial Review on pages 29 to 32 contain detailed reviews of the Group's performance and financial position. The Board considers these reports, along with the Chairman's statement on pages 4 to 11 and the Directors' Report on pages 37 to 39, to accurately reflect the Group's position and prospects. The Directors' responsibility for the financial statements is described on page 50.

Internal Control

The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board confirms that the Group has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group, in accordance with the requirements of the Turnbull Committee guidance on internal control, and that this process has been rolled out during the current year. This has been a phased approach and it is intended that relevant procedures will continue to be embedded throughout the Group, and monitoring and reporting of risks will be further formalised in the coming financial year.

Regular board review

The Board carried out a review of the effectiveness of the Risk Management and Internal Control processes for the year under review and up to the date of this report and will further refine its own process for this review in the coming year.

The key components of the Group's system of internal control are set out below.

Risk management

The Board has adopted a Risk Management Policy and Strategy setting out the Board's approach to risk, and its expectations of employees in monitoring and controlling the risks faced by the Group.

The Board has established its risk management process at a business unit level, and has satisfied itself that the Group's risk programme and identified risks were communicated to business units, and that business units have advised the Board of the risks that they have encountered. Channels of communication for business units to report risk to the Board have been established. Although changes in risk and the



management thereof have been monitored on an ongoing basis by senior management and on a regular basis by the Audit Committee and the Board, evaluation and communication of risk at every level throughout the Group is intended to become more formalised and embedded in the coming year.

Financial reporting

Financial results are monitored and reported according to comprehensive systems and procedures. The Board approves the Group's budgets. Each Group company reports its order activity, turnover, cash position and forecasts weekly to the Group executive. These are discussed at the following week's management meeting. Actual monthly results and cashflows are reviewed monthly by the Financial Director and Executive Chairman, compared with budget, and reported to the Group executive. Monthly forecasts are approved by the Group Financial Director and Executive Chairman directly after month end. Quarterly flash results and forecasting are produced directly after the close of a quarter. *Ad hoc* forecasting takes place as necessary. The Group executive considers these against agreed quarterly and annual forecasts and the annual budget, and reports to the Board quarterly.

Business unit controls

Key controls over business unit risks include reviews against performance indicators and exception reporting. Each business unit's senior management is responsible for identifying, evaluating and managing significant business risks. There are channels of communication available to report significant risks to the Board.

Internal audit

Through their programme of work, internal audit is able to provide assurance on control effectiveness. A 'value-add' element of internal audit has been instructed to identify and advise the business units and the Audit Committee regarding areas where systems to improve controls and enhance performance and productivity can be introduced. Specific projects will be undertaken as necessary to give effect to these recommendations.

Quality and integrity of personnel

The Group values its employees and is focused on optimising the relationship between employees and the Group through adopting best practices wherever possible. The Group's policies are contained in its policies and procedures manual. The Group's commitment to ethical conduct is documented and strictly adhered to.

IT systems

The Group regularly reviews and updates its controls and procedures over the security of data held on IT systems. The Group's disaster recovery systems are reviewed regularly, and there is an increased focus on business continuity planning.

Controls over central functions

Treasury and Corporate Finance continue to be controlled centrally and report to the Board. The Treasury Committee meets monthly. The purpose of the committee is to establish a prudent framework covering Board policies, best practice, internal controls and reporting systems for the management of treasury risks within the Group's operations. Treasury is subject to visits by the Group's internal audit function.

Authority and review

The levels of authority and review procedures for major investments, capital expenditure and contractual commitments with clients and suppliers, as well as other functions of the Group's boards and their directors, are clearly defined and documented.

Corporate Social Responsibility Report

While Dimension Data is accountable to its shareholders, it also recognises the interests of all its stakeholders including employees, customers, suppliers and the communities within which it operates.

All Dimension Data Group companies share in this common commitment to their employees, the communities and the environments in which they operate.

Employees

Dimension Data's employees are the core of the business, and the Group's commitment to its employees is evidenced by awards that the companies have won, including the South African operation being ranked as one of the Top 300 Black Empowerment Companies in South Africa, and Dimension Data Australia being ranked as one of the top 25 employers in Australia by the Sydney Morning Herald.

The Group is committed to a global equal opportunities policy, which is contained in the policies and procedures of the Group. A copy of this policy is publicly available on the Group website www.didata.com.

Being a communications company, communication with employees is a priority. Employees work online on computers, and are updated with regard to developments by regular global e-mails. A Group intranet is presently being rolled out, which will contain online information such as policies and procedures and other employee-related information. Induction programmes are held for the majority of new employees. Management has an open-door policy that encourages communication. Regular staff meetings enhance this. The Group Executive Chairman, Jeremy Ord, takes a personal interest in the Group's employees, sending out a monthly update to all employees across the globe, and arranging regular employee road shows.

Because Dimension Data is largely an office environment, there is little threat to employees' health and safety, but existing policies are regularly updated to keep in line with best practice.

It is Group policy to adhere to local labour standards, and globally accepted human rights practices. Most Group companies have 40-hour weeks, unless contractually agreed otherwise with employees because of the online service nature of their employment. Group companies do not employ employees who are under age.

The Group has a global policy of freedom of association, with some companies operating works councils depending on local law and practice. Dimension Data has highly skilled employees who are in great demand in a competitive and mobile market. Remuneration of employees is based on comparative wage rates for the industry and region.

In addition to their salary, most employees are awarded annual bonuses based on performance, and many are also offered target-based options in the Share Option Scheme. Approximately 5,000 employees currently hold options in the scheme, the number having increased from 17 employees in 1987. Various pension schemes operate in the different countries in which the company operates, and Group companies contribute from 3.5% to 16% per employee, depending on the scheme and local regulations.

Training

The key to the successful operation and expansion of Dimension Data's business is its people. Its highly trained staff enable us to deliver a high standard of service throughout our global operations. The Group has an ongoing commitment to provide high quality training and development for staff to ensure that the business achieves its objectives.

Part of Dimension Data's business is a global training company which is focused on external and internal training. 55,000 external students in 25 countries around the world are trained each year. In line with its commitment to training its employees, at least US\$10 million was spent throughout the Group on training Dimension Data employees in the current financial year, with many Group companies spending between 4% and 6.5% of their payroll amount on training. On average, at least US\$1,800 was spent per employee in the year, giving employees the opportunity to grow their skills and career opportunities. In addition, free literacy, basic computer skills and office administration training are offered to unskilled employees in many Group companies.

In countries such as South Africa, previously disadvantaged individuals, both from within Dimension Data, and drawn from the community at large, are being trained with a view to growing the pool of IT skilled individuals in the country.



Communities

Dimension Data is committed to the principle of corporate citizenship, and Group companies participate in a broad range of activities in the communities in which they operate. Dimension Data donates more than US\$1.5 million annually to supporting charities, the arts and the environment.

In South Africa, the focus is on various educational initiatives, including sponsorship to build a black secondary school in an impoverished rural area; giving financial assistance to Schoolnet SA, which provides training centres for teachers, trainers, scholars and the local community; training secondary school pupils in IT skills at the Port Elizabeth Technicon; donating US\$300,000 worth of software licenses to the Technicon Northern Gauteng; as well as sponsorship and management of Saturday schools for learners from Johannesburg townships.

Dimension Data has also sponsored various initiatives regarding the health of its local communities. It is involved in the I-Med Exchange programme to train AIDS health workers across the sub-Saharan region, which enables people to interact, collaborate and learn about the AIDS epidemic in real time over intranets, extranets and on the Internet, as well as being an annual sponsor of the Cancer Association of South Africa. Dimension Data has also sponsored US\$240,000 to the National Paralympic Committee of South Africa, which is responsible for the selection and funding of the South African national paralympic teams.

In Australia, Dimension Data has made donations to Reach-out online development, Unicef online development and the Starlight Foundation 'work a day for kids' initiatives. It has supplied installation and integration services to a Sun Microsystems and Cisco initiative to supply IT to Australian schools, and has also made donations of computer installation and maintenance services to Clean Up Australia Day, the largest community participation event in the country.

In the United States of America, Dimension Data participates in social and community activities including student mentoring and tutoring programmes, the establishment of technical training facilities for community members (minors and adults) to have access to computers and training, literacy programmes for adults, and training to prepare adults to return or enter the workforce.

Consolidation of both the UK and European operations will result in comprehensive reporting of their community initiatives in the future.

Environment

Dimension Data recognises that its business activities have both direct and indirect environmental impacts.

To date, Dimension Data's Environmental Policy has been the following:

"Being office based by nature, Dimension Data has very low primary and direct impacts on the environment. The Group is mindful of the necessity to be efficient in its consumption of energy and strives to exceed wherever possible the statutory requirements which apply to the Group in its various countries of operation. The recycling of waste materials and the reduction of non-renewable resources, as well as the environmentally friendly disposal of any hazardous resources employed by the Group, is encouraged. When developing systems, the environmental concerns and statutory obligations of customers are reflected in the solutions we provide."

Dimension Data's Group companies generally recycle paper, boxes, toner cartridges, save electricity, and dispose of old computer equipment to charities or in an ecologically sound fashion. However, during 2001 Dimension Data commenced a review of its environmental policies, with a view towards creating a global Group standard, and monitoring and reporting on environmentally oriented initiatives. This review will be completed over the forthcoming financial year and any resulting initiatives will be rolled out across the Group.

Ethical

Dimension Data has an ethical code which is published in its policies and procedures manual, and is strictly applied throughout the Group's global operations. The Dimension Data Group embraces the highest standards in its business activities. It is open and honest in its dealings with customers, suppliers, members of staff, associates and all groups and individuals with whom it has contact and dealings. A copy of the code is publicly available on the website www.didata.com.

The Group is non-political. It does not make contributions to political parties or allow its assets and services to be used in any way which favours any particular political grouping, other than in the provision of its normal products and services, under its usual terms and conditions of sale, at arm's length prices.

South African Employment Equity Report

Dimension Data (South Africa) (Pty) Ltd ('Dimension Data SA') submitted its Employment Equity Report and Plan to the Department of Labour on 1 October 2001. The report has been acknowledged by the Department of Labour.

The statement of intent of Dimension Data SA's Employment Equity Policy is to address imbalances in the composition of the present and future internal labour force with regard to race and gender by means of the Employment Equity Plan, for a period of time until the staff composition of Dimension Data SA represents the targets as set out in the Employment Equity Plan.

The current statistics reflect a significant improvement from the previous year as the proportion of White Males to Previously Disadvantaged Individuals has decreased from 56% (White Males) – 44% (Previously Disadvantaged Individuals), to 49% – 51% This is a reflection of Dimension Data SA's commitment to addressing imbalances in the composition of the present and future internal labour force with regard to race and gender by means of the Employment Equity Plan.

Dimension Data SA has not only done well in improving the balance in its workforce composition generally but has also improved representation of Previously Disadvantaged Individuals at two significant occupational levels. Management level currently comprises 56% White Males (2000: 72%) and 44% Previously Disadvantaged Individuals (2000: 28%). On the Professional/Technical Levels, the proportion of White Males to Previously Disadvantaged Individuals is 58% (2000: 60%) – 42% (2000: 40%).

Despite these achievements, Dimension Data will continue to strive to achieve a non-discriminatory organisational culture and structure including a more balanced workforce composition by the end of the initial five-year period of reporting.

Each South African division within the Dimension Data SA Group of Companies has prepared its own Employment Equity Report and Plan having regard to the various internal requirements of each of the divisions.

The information technology industry in South Africa, of which Dimension Data SA is part, has a predominantly white male workforce, particularly in the categories of management and professional/technical occupational levels. However, Dimension Data SA will strive to be a leader in changing this picture through a number of initiatives which include the development of our Black staff through a Management Development Programme, establishment and registration of a Learnership, as well as Diversity Training for our Senior Management, all of which will take place in the coming financial year.



Remuneration Report

The Board of Directors has delegated responsibility for remuneration policy to the Remuneration Committee. As detailed in the Corporate Governance Report on page 41, the Remuneration Committee consists solely of independent Non-Executive Directors. Its chief function is to recommend to the Board the remuneration and other benefits of the Executive Directors. It also approves the grant of share options in terms of the employee share option scheme for all employees throughout the Group, and the targets that are set for the achievement of bonuses and share option grants. The Committee operates within agreed terms of reference, and has access to external professional advice. The Committee also seeks advice from the Executive Chairman and other Executive Directors as necessary. No Director is involved in determining his own remuneration.

Remuneration Policies

The Committee aims to provide remuneration packages that meet the needs of a global IT services business. Such a business depends on the attraction, retention and motivation of high calibre executives who can be entrusted with growing and enhancing the value of the Group. In arriving at suitable remuneration packages, consideration is given to the individual director's past remuneration and performance, remuneration packages of executives of similar companies, employee remuneration within the Group, and the interests of shareholders.

In accordance with the Articles of Association of the Company, the Committee ensures that the ordinary remuneration of the Directors (salaries, bonuses and other benefits, excluding share options) does not exceed £10,000,000 per annum, unless otherwise decided by the shareholders.

Directors' bonuses and share option grants are linked to the achievement of Group performance targets in order to ensure that executives are highly motivated, have interests in common with shareholders, and are rewarded for their role in the achievement of the Group's objectives. Each Director's package, including targets, salary, bonuses, share option grants and benefits, is reviewed by the Remuneration Committee on an annual basis.



Summary of Remuneration

There are four main elements of Executive Directors' remuneration packages: a basic salary, annual bonus payments, share option incentives and additional benefits as outlined below.

Basic Salaries

The Remuneration Committee looks at the Group's performance compared to its targets and the performance of comparable companies within the sector as provided by objective research, and decides what remuneration is appropriate. Basic salaries were reviewed in December 2000. Increases took effect in January 2001. These will be reviewed again in December 2001.

Annual Bonus

Executive Directors are incentivised through an annual bonus if they achieve the targets set for them by the Board for each director's specific area of responsibility. Performance targets are measured against various financial criteria applicable to each executive's particular area of responsibility or a combination of responsibilities.

The Remuneration Committee determines the bonus of the Executive Chairman.

None of the Executive Directors will receive an annual bonus in respect of the 2001 financial year as performance targets were not met.

Share Option Scheme

Although there are still options in existence that were granted under the Dimension Data Share Incentive Scheme (1987), all current options are granted under the Dimension Data Holdings plc Share Option Scheme 2000. The Remuneration Committee, with the approval of the Board, grants options at market value to employees and directors of Group companies. In most cases, option grants are subject to performance conditions. If performance conditions are not met, the options lapse on the first anniversary after grant. Two types of options can be granted in terms of the Share Option Scheme after 15 February 2001. It is specified at the date of grant whether options vest over a period of four years from the date on which the option is granted at the rate of 25% per annum at each anniversary of the option grant date, or 100% on the third anniversary of the date of grant. Provided that all performance and other conditions attaching to the grant of the option have been achieved, the employee may pay for and take delivery of 25% of the shares awarded in terms of the option on each anniversary of the option grant date, or 100% of the shares on the third anniversary, depending on the type of options granted. An employee has five years from the option date to exercise and pay for his shares, failing which the option will lapse. A resolution will be put to shareholders at the forthcoming AGM to extend this period to ten years.

It has been agreed that all options granted to the Directors on 22 November 2000 will lapse as the Executive Directors' performance conditions were not met.



Benefits

In addition to the salary set out above, each director is entitled to benefits as set out in the table below:

Director	Provident Fund	Executive Provident Fund	Life cover (at 4 times basic salary)	Medical Aid
J Ord	x	x	x	x
D Ackerman	x		x	x
R Came	x	x	x	x
P Hird	x		x	x
S Joubert	x		x	x
P Quarmby	x		x	x
E Reinecke			x	
M Rutherford	x	x	x	x
D Smyth	x		x	x
R Taylor	x		x	x
B Watson	x	x	x	x
R Fernandez	x*		x	x**
P Harrison			x	x
D Frankel			x	
R Scott			x	x

D Wharton-Hood, R Mansfield and G Waddell receive none of the above benefits. R Cattell does not receive any of the above from Dimension Data, but does receive all the above from Datacraft Asia.

* USA Statutory 401K Retirement Savings Program

** 2x base salary, capped at US\$500,000

Provident Fund

As detailed above, certain Directors are members of the Dimension Data Group Provident Fund, an approved privately administered money purchase Provident Fund. The object of the fund is to provide benefits for all employees or their dependants, upon the retirement of the employee on account of age, death or ill health. The Company contributes 5% to 20% of the member's monthly salary.

The Company also makes contributions on behalf of certain Directors to the Dimension Data Executive Provident Fund.

Directors' Service Contracts

All the Executive Directors have service contracts with the Company with a three-month notice period. Peter Harrison's fixed term contract with Chernikeeff Networks (now

Dimension Data Network Services Ltd) dated 9 July 1999, is terminable by either party on six months' notice, and expires on 30 April 2002.

Remuneration of Non-Executive Directors

All Non-Executive Directors have specific terms of engagement. The Board determines their remuneration annually. No Director is involved in setting his own remuneration.

Directors' Individual Remuneration

Details of the individual remuneration, beneficial and non-beneficial shareholdings and share options of Directors are given in Notes 6(a), (b) and (c) to the annual financial statements on pages 68 to 71.

Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Five-Year Review

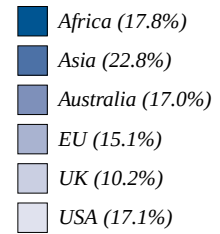
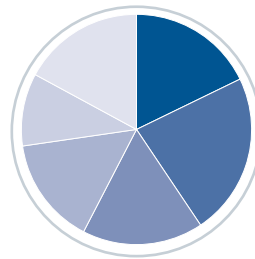
for the year ended 30 September

	2001 \$'000	2000 \$'000	1999 \$'000	1998 \$'000	1997 \$'000
Turnover					
- Continuing operations	2,123,282	1,594,190	960,378	260,906	204,158
- Acquisitions	278,221	348,386	176,885	465,264	64,165
Group turnover	2,401,503	1,942,576	1,137,263	726,170	268,323
- Joint ventures	-	-	31,584	61,939	42,384
- Associates	58,755	33,922	38,280	3,050	71,390
Total turnover	2,460,258	1,976,498	1,207,127	791,159	382,097
Operating profit before goodwill amortisation and exceptional items					
- Continuing operations	170,011	182,460	100,651	41,537	24,952
- Acquisitions	5,959	27,890	28,366	29,402	7,253
Group operating profit	175,970	210,350	129,017	70,939	32,205
- Share of operating profit in joint ventures	-	-	492	5,523	4,901
- Share of operating profit in associates	4,889	1,999	3,854	(1,315)	1,695
Total	180,859	212,349	133,363	75,147	38,801
Earnings attributable to shareholders before goodwill amortisation and exceptional items	160,556	143,838	80,482	49,072	29,889
Basic earnings before goodwill amortisation and exceptional items per share (US cents)	12.8	16.1	11.9	8.7	6.4
Weighted average number of ordinary shares ('000)	1,255,235	895,008	675,369	561,681	465,793
Cash on hand (including short term investments)	920,080	1,711,426	313,376	135,910	58,294

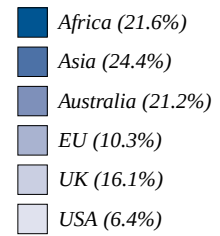
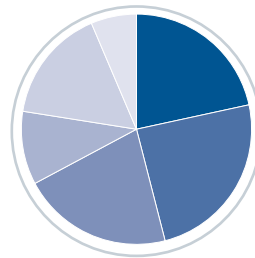


Group Turnover by Location

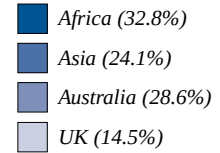
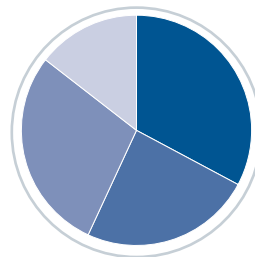
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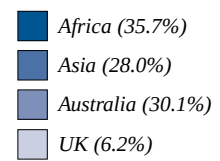
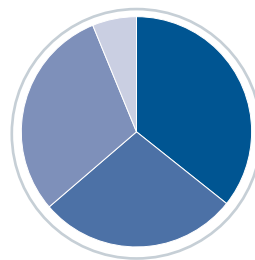
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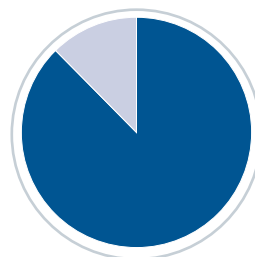
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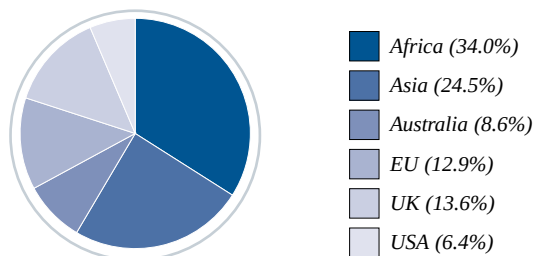
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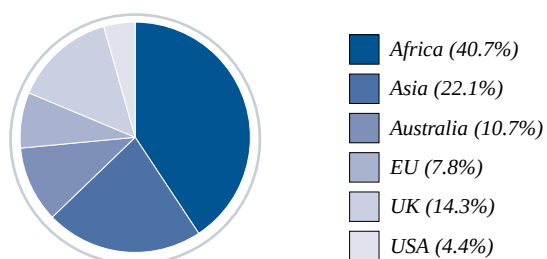


Group Operating Profit by Location*

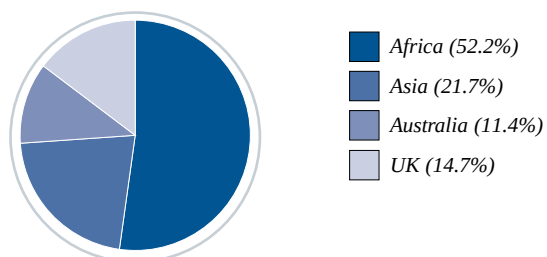
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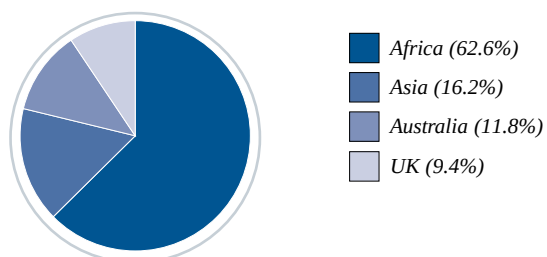
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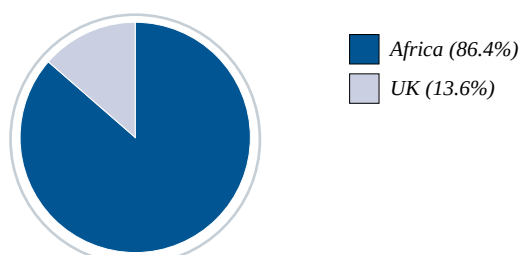
1999



1998



1997



*Operating profit before goodwill amortisation and exceptional items.

Share price statistics

	2001	2000	1999	1998	1997
JSE Securities Exchange (SA cents per share)					
- Closing	930	6 680	2 385	2 390	1 950
- High	6 950	7 000	3 140	4 100	2 050
- Low	794	2 430	1 990	1 800	904
Number of shares in issue ('000)	1,298,812	1,158,090	686,862	567,532	474,272
London Stock Exchange (UK pence per share)*					
- Closing	70	627	N/A	N/A	N/A
- High	663	1 000	N/A	N/A	N/A
- Low	67	542	N/A	N/A	N/A
Number of shares in issue ('000)	1,298,812	1,158,090	N/A	N/A	N/A
Market capitalisation at year end					
JSE Securities Exchange (R m)	12,079	77,360	16,381	13,564	9,248
London Stock Exchange (£ m)	909	7,261	N/A	N/A	N/A
(\$ m)	1,335	10,631	N/A	N/A	N/A

* As conditional trading in ordinary shares commenced on 19 July 2000, the high and low prices for the 2000 year were measured over the period from 19 July 2000 to year end.

The statistics above relate to Dimension Data Holdings Ltd until 28 July 2000 and thereafter relate to Dimension Data Holdings plc.



Shareholder Information

Shareholders' Diary

Financial year end	30 September
Profit announcement	November 2001
Annual Report	Published December 2001
Interim profit announcement	May 2002

Dividend Policy

As stated in the Directors' Report, the Directors currently anticipate that all the available cash generated by the Group's business will be invested in the continued growth of the Group, and do not expect to declare a dividend for the financial year ended 30 September 2001.

Corporate Website

This report and other information on the Group's activities and financial information is available on the website at www.didata.com

Analysis of Ordinary Shareholders at 30 September 2001

Size of shareholding	Number of shareholders	Number of shares	Percentage of issued capital
1 - 1,000	8,524	1,910,117	0.14
1,001 - 5,000	1,664	3,619,077	0.28
5,001 - 10,000	277	1,944,440	0.15
10,001 - 25,000	231	3,602,654	0.28
25,001 - 50,000	120	4,241,295	0.33
50,001 - 100,000	130	9,625,135	0.74
100,001 - 250,000	141	22,856,603	1.76
250,001 - 500,000	96	33,711,974	2.60
500,001 - 1,000,000	72	50,150,803	3.86
Over 1,000,000	126	1,167,150,324	89.86
Total	11,381	1,298,812,422	100.00%

Substantial Interests

As at 30 September 2001 the Directors are aware of the following interests in 3% or more of the issued ordinary share capital of the Company:

Shareholder	Number of shares	Percentage of issued capital
Capital Group Companies Inc	141,541,438	10.90
NedEurope SA	103,134,329	7.94
Sanlam Investment Managers	91,176,057	7.02
Old Mutual Asset Management	86,206,946	6.64
RMB Asset Management	59,910,337	4.61



We have audited the financial statements of Dimension Data Holdings plc for the year ended 30 September 2001 which comprise the consolidated profit and loss account, consolidated balance sheet, consolidated cashflow statement, consolidated statement of movement of reserves and shareholders' funds, consolidated statement of total recognised gains and losses and the related notes 1 to 35. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of Directors' responsibilities, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements, auditing standards, and the Listing Rules of the Financial Services Authority.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the Directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law or the Listing Rules regarding Directors' remuneration and transactions with the Company and other members of the Group is not disclosed.

We review whether the corporate governance statement reflects the Company's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read the Directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 30 September 2001 and of the loss of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and Registered Auditors
Hill House
1 Little New Street
London EC4A 3TR
20 November 2001