

Focus · Expertise · Performance

Annual Report 2004



Highlights

- ▲ Return to adjusted operating profits of US\$33 million compared to losses of US\$9 million in FY2003
- ▲ US dollar revenue growth of 18%
- ▲ Increased focus on and disposal of non-core businesses
- ▲ Execution of turnaround plans in five geographies
- ▲ Strong performance from solutions business, with revenue growth of 28%
- ▲ Overheads as a percentage of revenues reduced to 19.6% from 20.8% in FY2003
- ▲ Adjusted operating margin recovered to 1.1% from -0.7% in FY2003
- ▲ Cash and short term investments of US\$425 million, +10%
- ▲ Exceptional charge of US\$48 million with no incremental cash impact
- ▲ Role of Chairman and CEO split

Financial highlights

	2004	Restated 2003
Statutory turnover (\$'000)	2,368,044	2,014,795
Total turnover including associates (\$'000)	2,484,034	2,100,259
Statutory operating loss (\$'000)	(14,606)	(393,614)
Statutory loss for the year (\$'000)	(37,803)	(420,382)
Basic loss per ordinary share (US cents)	(2.8)	(31.3)
Adjusted total operating profit/(loss) (\$'000)*	33,009	(9,012)
Adjusted profit/(loss) for the year (\$'000)*	11,434	(36,356)
Adjusted earnings/(loss) per ordinary share (US cents)*	0.9	(2.7)
Weighted average number of ordinary shares ('000)	1,342,286	1,341,618
Gross margin	20.7%	20.1 %
Group operating margin*	1.1%	(0.7)%
Total net assets (\$'000)	289,851	310,382
Cash on hand (including short term investments) (\$'000)	425,039	385,691
Net cash inflow from operating activities (\$'000)	77,471	51,161
Average number of employees	8,563	8,524
* Adjusted excludes goodwill amortisation, impairment and exceptional items.		

Note: All references to profit, profitability, operating profit and operating margin are to adjusted profit, profitability, operating profit and operating margin, which have been adjusted to exclude goodwill amortisation, impairment and exceptional items, unless otherwise stated.

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It all comes back to the network...

One constant in the ever changing world of technology is the strategic importance of the communications network.

Discovering faster, easier and less costly ways of connecting people to each other and information is of paramount importance to worldwide businesses.

Although the network is now mainstream, its strategic importance is increasing. As the pathway to sharing and distributing the benefits of technology, the network's role has expanded beyond simply facilitating communications.

The spotlight is on the network to provide creative solutions that allow isolated technology investments to be exploited throughout the entire company.

Dimension Data's 20 years of intellectual property and expertise in planning, building and supporting communication networks, places us in a good light.



Throughout 2004, Dimension Data refined and enhanced its solutions portfolio – and the investment has paid off. Twenty-three percent of Dimension Data's 2004 revenues came from solutions-related sales; an increase of 28% over 2003.

Who's got the IP on IP?



All communications – voice, video, data – have converged onto a common network that speaks the language of IP – the Internet Protocol.

Dimension Data's intellectual property draws on years of hands-on experience helping companies evolve their technology strategy. So when it comes to IP and Convergence, you can trust Dimension Data.

With the network becoming the point of convergence, companies need a networking expert like Dimension Data to help them achieve the operational and infrastructure cost savings made possible from IP Convergence. Dimension Data's enterprise telephony, collaboration, conferencing, and managed telephony solutions help companies reduce operating costs and improve employee productivity.

In 2004, Dimension Data passed a threshold, having deployed over 2,000 IP networks around the world.



Convergence Solutions

Security Solutions

Safe and Secure.

The CIO sleeps more soundly with Dimension Data on guard. Dimension Data's Security solutions help leading companies protect, detect and respond to security threats and attacks.

Dimension Data started its security focus some ten years ago with Perimeter Security solutions that protect companies from malicious attacks on their network infrastructure. Today, Dimension Data offers a wide range of Security solutions covering infrastructure to applications. With 5,000 clients in 32 countries and 10,000 implementations, Dimension Data has earned its security credentials.

In 2004, Dimension Data harnessed its deep domain knowledge of security and launched the CxO Assessment Survey to help senior executives and board members understand their company's security risk, compliance requirements and the improvements needed to protect the company.



Peace of Mind.



The assurance that information assets are secure and available is now possible with Dimension Data's Data Centre and Storage solutions. Dimension Data helps companies reduce the risk of IT downtime, align with regulatory compliance requirements and increase operational efficiencies.

By finding ways to unite business needs with technology solutions, Dimension Data's consolidation, Storage Ready Networking™, archiving and managed server and storage services enhance companies' data centre and storage infrastructure to deliver lower cost, reduced risk and improved productivity.

**In 2004,
Dimension Data
managed 7,000
servers and a
petabyte of data
globally.**

Data Centre & Storage Solutions

Operating Environments & Messaging

Optimising the IT Environment.

Operating environments and directory services represent intelligent infrastructures that define how end users access and share IT resources. Many companies have made large investments in these systems and now need to maximise their returns.

Dimension Data helps companies around the world to plan, consolidate, upgrade, migrate and secure their operating environments.

Dimension Data's expertise in networking, convergence and security makes us the partner of choice for Microsoft infrastructure solutions which touch all aspects of the IT environment.

In 2004, Dimension Data launched its Surveyor for Windows Migration, providing clients with a roadmap and toolset for migrating to the latest version of MS Windows.



Customer Interactive Solutions

Voice of the Customer.

Connecting companies to their customers is something Dimension Data does well. In fact, Dimension Data annually publishes the *Global Contact Centre Benchmarking Report*: the industry's only comprehensive research report that helps companies understand contact centre best practice and key industry trends.

With a wide array of contact centre development and outsourcing, self-service, channel integration and IP telephony solutions, Dimension Data optimises companies' technology infrastructure and helps them to stay in touch with their customers. As an organisation that both runs our own contact centres and runs centres on behalf of our clients, we have practical knowledge of how to make contact centres perform.



In 2004, Dimension Data reached a milestone, having enabled agents in 50,000 call centre seats to handle 440 million customer conversations annually in contact centres built by Dimension Data.

Service with a smile.



Business models are changing real-time and the IT infrastructure struggles to stay agile. The continual maintenance, management and optimisation of IT systems has become a major challenge for many CIOs. IT services have emerged to help ease the burden.

By offering IT features and benefits as a service, the CIO can become more responsive to business demands, predict future IT expenditure and significantly reduce the cost of IT – and that makes everyone smile.

Dimension Data offers a wide variety of technology support, monitoring and managed services that are customised based on a company's individual needs. We understand how technology is implemented in a company's operational environment and this makes us an ideal services partner.

In 2004, Dimension Data continued investing in its Global Service Operating Architecture (GSOA) to provide enhanced and uniform support for our global clients.

Services



I am pleased to report that the 2004 financial year has been one of significant progress for Dimension Data. Turnover increased by 18% in US dollars and we reported an adjusted operating profit of US\$33 million compared to an operating loss of US\$9 million in the previous financial year. This is a solid turnaround and credit goes to the entire management and staff of Dimension Data.

During the period under review, demand for IT services started to pick up and a number of the markets in which we trade showed signs of recovering from the downturn of recent years. An improvement in the trading environment coincided with a stronger external focus for Dimension Data, which drove revenue growth and market share gains in a number of regions.

Over the past 12 months we have refined our strategy, improved our focus, aligned our global solutions offerings and invested in enhancing the efficiency of our services delivery platform. Considerable progress was made in turning around unprofitable regions and our cost base was closely controlled. We generated strong cash flows and established a stable platform for future growth.

We have continued to invest in developing skills and technologies to maintain Dimension Data at the forefront of the specialised IT infrastructure solutions market. The achievement of critical mass in certain strategic markets is key to our future performance. We are focused on strengthening our presence through organic growth and market share gains, particularly in our solutions lines of business. The solutions lines of business in which we are investing, target high

growth markets and Dimension Data's solutions revenues are growing strongly. From small beginnings, they now contribute 23% to Group turnover.

The progress made by the Group during the year was assisted by the appointment, in March, of Brett Dawson to the position of Chief Executive Officer ('CEO'). Brett's transition from his previous position as Chief Operating Officer has been smooth due to his established working relationships with the senior executive management team and his involvement in devising and executing the Group's current strategy.

In early March we announced the sale of Proxicom, the US-based web design and Internet consulting business. Whilst Proxicom was trading profitably, ongoing non-operational cash requirements were placing a burden on the balance of our US operations. The disposal has allowed us to concentrate on growing a more focused US business.

In September, our South African business achieved an important milestone when it finalised the Black Economic Empowerment ('BEE') transaction. This equity shareholding transaction is designed to result in the BEE Consortium receiving a 25.01% interest in Dimension

Data (South Africa) (Pty) Ltd through a shareholder facilitated loan. Our empowerment partners are Ngcaba Holdings (Pty) Ltd, Safika Holdings (Pty) Ltd and a group of broad-based BEE participants, including staff members. We feel confident that this exciting new chapter in our lives will enhance our growth prospects through removing barriers to participating in key growth markets in South Africa and unlocking opportunities in the rest of Africa.

On the Corporate Governance front, I am pleased to be able to report that we have made further progress towards compliance with the recommendations raised by the Revised Combined Code in the UK and the King II Code on Corporate Governance in South Africa. The appointment of Brett Dawson, as Chief Executive Officer and executive board member of Dimension Data Holdings plc in March 2004 and the resultant splitting of the roles of Chairman and CEO was a key development in this regard.

During the period, Malcolm Rutherford, who played a central role in Dimension Data's global expansion, resigned as Chief Financial Officer and as an executive board member of Dimension Data Holdings plc. I would like to thank him for the contribution he made to the Group. David Sherriffs, who has been with the Group since 1997 in various financial positions in Europe and South Africa, was appointed as Chief Financial Officer and as an executive board member of Dimension Data Holdings plc.

As part of our ongoing commitment to increasing the number of independent non-executive directors on our Board, Rupert Barclay joined the Board in June 2004. Rupert brings with him a wealth of knowledge and expertise from the UK market and will contribute to the increased independence of the Board. He is a non-executive director of Lowland Investment Company plc and a partner of Cairneagle Associates LLP. In an executive capacity, he has previously served as CFO of Lombard Risk Management plc, Director of Group Strategy Development at Reuters plc and Director of Group Strategy at Allied Domecq plc.

David Frankel resigned as a board member on 16 November 2004. I thank him for his services to the Group.

Following these changes, the Board will consist of the chairman, four executive directors, four independent non-executive directors and two further non-executive directors.

Dimension Data's dividend policy has been to utilise cash generated by the Group to fund working capital requirements and to continue the rollout of Group strategy. The Board will continue to review this policy on an annual basis or as necessary.

The encouraging results of FY2004 are attributable to the skills, enthusiasm and dedication of our management and staff around the globe, to whom I offer my wholehearted thanks. Finally, I would like to thank our customers, partners and friends for their continued support.

In conclusion, Dimension Data has made considerable progress in an improving business climate. While much in terms of future performance depends on the pace and sustainability of the broader global economic recovery, we are confident that we will continue to make progress in establishing Dimension Data as a leading specialist IT infrastructure solutions provider and in delivering further improvements in returns to shareholders.

Jeremy Ord
Group Chairman

The past financial year has been one of substantial progress for Dimension Data, the highlights of which are strong growth in revenues, a return to operating profitability and an excellent performance from our solutions lines of business.

The implementation of our growth strategies, including our investment in solutions and services, as well as rationalisations and management changes, coincided with an upturn in market conditions, resulting in pleasing progress in a number of areas. We grew revenues strongly, our gross margin improved, and effective cost controls and benefits of scale drove a return to operating profitability and a steady improvement in the operating margin to 1.1%.

At the end of 2003, we implemented a clearly defined strategic plan to drive the Group through a turnaround phase and to establish a platform for profitable growth. The key areas of the plan were:

- ▲ Improving our focus
- ▲ Driving growth:
 - Winning market share
 - Growing solutions revenue
 - Maximising the potential of our core network integration business
 - Increasing the contribution from global sales
- ▲ Turning around underperforming geographies
- ▲ Improving delivery efficiencies and controlling costs.

Focus

Our aim is to be a leader in the provision of specialist IT infrastructure solutions that help our customers to achieve their business goals. Network integration remains the core of our business model and during the year we achieved good growth and market-share gains in network integration in a number of geographies

including the US, Australia, Germany and South Africa. Revenues in the core network integration business grew by 7.9%

We have continued to evolve and refine our complementary solutions offerings and are now clearly focused on the following high-growth lines of business:

- ▲ Convergence solutions
- ▲ Security solutions
- ▲ Data centre and storage solutions
- ▲ Operating environment and messaging solutions
- ▲ Customer interactive solutions.

We executed well against our solutions strategy, growing solutions revenues in constant currency by 27.6%, and increasing their contribution to Group revenues to 22.5% compared to 19.3% in FY2003.

As part of our strategy of improving our focus on specialised IT infrastructure solutions, we exited certain non-core activities including the Software AG and Oracle Applications business in Africa, Proxicom and iBridge in the US and Fixed Mobile Telephony ('FMT') in the UK.

Growth

Revenues increased by 18% in reported US dollars and by 13% in ongoing operations after stripping out the impact of currency fluctuations (constant currency). Enterprise and service provider customers are again investing in upgrading their IT infrastructures and buying IT services, and demand picked up in the year under review following the declines in recent



years. Sales performance has also benefited from a greater external focus and our strategy of differentiation around excellence in customer service.

Our increased focus and improved value proposition following the launch of new solutions, the standardisation of our global offerings and enhancements to our skills base, all contributed to the 27.6% growth in constant currency revenues achieved in our solutions lines of business.

Increased demand, combined with the impetus of the growth in our solutions lines of business, led to a 13.6% increase in constant currency product revenues in ongoing operations. Constant currency managed and professional services revenues in ongoing operations together grew by 12.2%. The driver of growth in managed services revenues was increasing customer focus on improving returns on IT investments. Demand for professional services was pulled through by the increase in demand for solutions and more complex technologies. Increasing the contribution from services revenues remains an important part of our strategy and to this end we have continued to invest in new services that complement our solutions offerings and in improving our services delivery capabilities.

The quality of much of the business signed during the year has improved and the average size of our contract values has increased significantly as has the contribution from our global sales. Details of our key customer wins are included in each regional review. Additionally, Dimension Data Commerce Centre, our global procurement and logistics offering, is proving to be a key differentiator in the market. Good progress is also being made in building brand awareness.

Continuing to grow revenue is a key element of our strategy of achieving a more acceptable operating margin.

Turnaround geographies

The growth strategies, improved value propositions, management changes and stringent cost controls that were implemented in five turnaround geographies, have resulted in improvements in the performance of each of the identified geographies.

The turnaround in the US exceeded our internal expectations. Strong growth in revenues was achieved through an improved value proposition, expanded solutions offerings and greater diversification in our exposure to customer verticals. We reported an operating profit of US\$4.6 million compared to a loss of US\$17.1 million in FY2003.

In Asia, cost savings, rationalisations and a better demand environment saw operating profit more than double in FY2004. In China our turnaround strategy is on track, and whilst some progress has been made in reducing losses in Korea, a comprehensive business plan to accelerate the turnaround should yield further results in FY2005.

Our two turnaround countries in Europe, Germany and France, achieved good recoveries following management and structural changes, despite a lacklustre demand environment.

In Africa we adapted our go-to-market model, made structural changes and exited non-core businesses. These measures resulted in a strong turnaround to reported operating profit of US\$27.6 million for the year compared to US\$5.4 million in FY2003. We finalised the Black Economic Empowerment equity shareholding transaction late in the year and expect to reap the benefits of new market opportunities in both South Africa and the rest of Africa in the new financial year.

Efficiencies and costs

During the turnaround phase, rationalisations, cost cutting and delivering improved performance metrics have remained a priority. The increase in constant currency overheads in ongoing operations was contained at 3.7%, well below comparable revenue growth of 13.1%. Key performance indicators such as revenue and gross profit per head improved and overheads as a percentage of revenue came down to 19.6% from 20.8% in FY2003.

The initiatives to enhance managed services efficiencies are yielding results. We invested US\$4.6 million in consolidating our services operating architectures, databases and global service centres, which is enabling us to standardise our global service offerings and execution capabilities.

Several programmes are in place to improve productivity and operational efficiencies. The consolidation of our global service centres will be completed in FY2005 and Dimension Data Direct, an e-commerce ordering and delivery platform that aims to extract efficiency

gains through improving synergies and logistics, is being rolled out globally. We are also improving our sharing of intellectual property throughout the organisation and the development of reusable solutions.

Outlook

Going into the new financial year, the demand outlook is tempered by global macro-economic uncertainties. We are, nevertheless, well positioned for growth due to ongoing investment in our value propositions and solutions offerings and are focused on driving further improvements in returns.

Appreciation

To our customers, suppliers and partners I would like to express my appreciation for your continued support and commitment during this period of pleasing progress in returning the Group to profitability.

I would like to express my thanks and appreciation to our staff and management for their diligent and focused efforts in implementing our strategies around the globe. It has been both a challenging and rewarding period and your hard work and dedication have resulted in the Group returning to a profitable growth path, a fact that I am proud to report back to our shareholders. Our staff remain our most valuable asset and as such we will continue to focus on growing and investing in our people, attracting and retaining the right skills and providing the best career growth and development opportunities.

In conclusion, the strides made during 2004 have left us healthier and stronger as an organisation. I believe we have created a platform from which the Group will be able to grow profitably in 2005 and beyond.

Brett Dawson
Chief Executive Officer

Directors

Jeremy John Ord (47)

Chairman

Jeremy Ord was appointed as Chairman of Dimension Data Holdings plc at the time of its listing in London and Johannesburg in 2000. He held the combined role of Chairman and Chief Executive Officer until 1 March 2004, when Brett Dawson was appointed as Chief Executive Officer. Jeremy Ord previously served as Executive Chairman of Dimension Data Holdings Ltd from 1987, as the Group's Managing Director and in other senior positions since the Group's 1983 inception.

Brett William Dawson (40)

Chief Executive Officer

Brett Dawson was appointed as Chief Executive Officer of the Group and to the Board of Dimension Data Holdings plc on 1 March 2004. Prior to this appointment he had served as Dimension Data's Chief Operating Officer from 2002. He joined the Group in 1997 as Financial Director of the Group's joint venture, OmniLink. He was instrumental in growing the business, which exceeded all business plan objectives and claimed a dominant market share in the South African market. Following the merger of OmniLink and Internet Solutions, Brett was appointed CEO of Internet Solutions. In September 2001 he relocated to take on the role of CFO of Dimension Data North America, where he focussed on integrating acquisitions in that territory. Prior to joining Dimension Data, Brett was responsible for corporate strategy and planning at National Brands Ltd and held corporate finance positions at Anglovaal Ltd and KPMG. He graduated from the University of the Witwatersrand and is a Chartered Accountant (SA).

Stephen Michael Joubert (46)

Group Executive Global Solutions Groups

Stephen Joubert was appointed to the Board of Dimension Data Holdings plc at the time of its listing in London and Johannesburg in 2000. Prior to that appointment he served as a director of Dimension Data Holdings Ltd from 1998. He joined the Company in 1996 as Group Financial Director in Network Services. Before that, he was a partner at PricewaterhouseCoopers for a number of years. He graduated from the University of the Witwatersrand and is a Chartered Accountant (SA).

Patrick Keith Quarmby (50)

Director: Corporate Finance

Patrick Quarmby was appointed to the Board of Dimension Data Holdings plc at the time of its listing in London and Johannesburg in 2000. Prior to that appointment he served on the Board of Dimension Data Holdings Ltd from 1996. Previously he worked as a tax partner at Ernst & Young South Africa and was a director of Standard Bank in London and Hong Kong. He was appointed as Chairman of Datacraft Asia in July 2002. He graduated from the University of Cape Town and is a Chartered Accountant (SA). He is a non-executive director of Unitrans Ltd.

David Brian Sherriffs (41)

Chief Financial Officer

David Sherriffs was appointed as Chief Financial Officer on 1 March 2004, and was appointed to the Board of Dimension Data Holdings plc on 9 June 2004. He is a Chartered Accountant (SA) who joined the Group in 1997 as a member of the finance team, primarily involved in corporate finance activities. In 2000, David was appointed Vice President of Business Development for Europe and relocated to Germany. From 2003, David served as Group Executive Operations and was responsible for business case assessments relating to strategic projects. Prior to joining the Dimension Data Group, David served in various financial, corporate finance and strategy roles for Anglo American plc, including Executive Assistant to the Chairman. David received his MPhil in Management Studies at the University of Oxford.

Non-Executive Directors

Gordon Herbert Waddell (67)

Senior independent non-executive director
Gordon Waddell was appointed to the Board of Dimension Data Holdings plc as a non-executive director at the time of its listing in London and Johannesburg in 2000. Mr Waddell is the non-executive chairman of Mersey Docks and Harbour Company. He was appointed senior non-executive director in September 2002 and is a member of the Audit Committee, Remuneration Committee and Nomination Committee. Mr Waddell graduated from Cambridge University and has an MBA from Stanford University.

Rupert George Maxwell Lothian Barclay (47)

Rupert Barclay joined the Board of Dimension Data Holdings plc as an independent non-executive director with effect from 9 June 2004. Mr Barclay is a partner of Cairneagle Associates LLP and is a non-executive director of Lowland Investment Company plc. He has previously served in an executive capacity as CFO of Lombard Risk Management plc, Director of Group Strategy Development at Reuters plc and Director of Group Strategy at Allied Domecq plc. Rupert Barclay was appointed to the Audit Committee on 15 September 2004. He is a graduate of Cambridge University, has an MBA from INSEAD and is a Chartered Accountant.

Josua (Dillie) Malherbe (48)

Dillie Malherbe was appointed to the Board in 2003 and as a member of the Remuneration Committee on 15 September 2004. He is the Chief Executive Officer of VenFin Ltd. He also serves on the board of Vodacom Group (Pty) Ltd, GenuOne Incorporated and MidiTV (Pty) Ltd (e-tv). He graduated from the Universities of Stellenbosch and Cape Town and is a qualified Chartered Accountant (SA).

Moses Modidima (Moss) Ngoasheng (47)

Moss Ngoasheng was appointed to the Board in September 2002. He also serves as a non-executive director on the board of Dimension Data (South Africa) (Pty) Ltd. He is executive chairman of investment company Safika Holdings (Pty) Ltd, and was previously economic advisor to South African President Thabo Mbeki. He also serves as a non-executive director of The Industrial Development Corporation and New Africa Capital Ltd. Mr Ngoasheng graduated from the University of South Africa and has an MPhil from Sussex University. Safika Holdings (Pty) Limited, amongst its other activities, has formed a minority part of the consortium involved in the BEE transaction with Dimension Data (South Africa) during the period under review. The Company has reviewed this involvement, and considers that Moss should continue to be considered as fully independent.

Roderick (Rory) Michael Scott (45)

Rory Scott was appointed to the Board of Dimension Data Holdings plc as a non-executive director at the time of its listing in London and Johannesburg in 2000. He had previously served as a non-executive director on the Board of Dimension Data Holdings Ltd, and before that served as the Group Financial Director from 1987 to 1991. He is presently Managing Director of the Scottish Knitwear Group SA (Pty) Ltd. He is a qualified Chartered Accountant (SA) and serves as chairman of the Audit and Remuneration Committees. Given the length of time that has elapsed since his service as an executive director, the Company considers him to be fully independent.

Peter Dorian (Dorian) Wharton-Hood (65)

Dorian Wharton-Hood was appointed to the Board of Dimension Data Holdings plc as a non-executive director at the time of its listing in London and Johannesburg in 2000. He previously served as a non-executive director of Dimension Data Holdings Ltd from 1998. He was vice-chairman of Liberty Life for eight years. He was chairman of the Life Office's Association of SA on three occasions and president of the Insurance Institute of SA. He was also a member of the Council of the SA Foundation and a director of Business Against Crime. In 1998 he was chairman of the Governing Body of Business SA of which he is now a trustee. He is a member of the Nomination Committee and the Treasury Committee. He graduated from Stellenbosch University.

Executive Committee

▶ Group Operations	
Brett Dawson	Chief Executive Officer (Chairman of the Executive Committee)
Dave Sherriffs	Chief Financial Officer
Patrick Quarmby	Director: Corporate Finance
▶ Regional CEOs	
Russell Bolan	CEO UK
Bob Cagnazzi	CEO USA
Allan Cawood	CEO Africa
Ulrich Max Mueller	CEO Europe
Steve Nola	CEO Australia
Bill Padfield	CEO Asia
▶ Functional Heads	
Alan Burgess	Chief Information Officer
Marilyn Chaplin	Group Executive Human Resources
Adam Craker	Group Executive Sales
Connie de Lange	Group Executive Marketing
Scott Gibson	Group Executive Finance
Steve Joubert	Group Executive Global Solutions Groups
Scott Petty	Group Executive Services
Ettienne Reinecke	Chief Technology Officer
Bruce Watson	Group Executive Cisco Alliance

Regional Review

All numbers and percentage changes in the following regional review are in constant currency and relate to ongoing operations. The performance of ongoing operations is calculated after adjusting for the sale of Proxicom and iBridge in the US, FMT in the UK and Software AG and Oracle in Africa.

Africa		
\$'000	FY2004	FY2003
Turnover	445,172	365,428
Operating profit before goodwill amortisation, impairment and exceptional items	27,560	5,413
Operating margin	6.2%	1.5%
Net operating assets	89,603	123,603

The African business reported revenue growth of 7.8%, stable gross margins and a sharp recovery in operating profits to US\$25.9 million compared to US\$1.3 million in the previous financial year.

The demand environment was more positive although mixed by sector. The public and financial services sectors picked up, but service providers have been cutting back on capital expenditure. We were successful in expanding outside of South Africa, where we won a number of large contracts. The conclusion of our Black Economic Empowerment transaction has improved our competitive position.

Growth in product volumes was offset by the impact on prices of Rand strength against the US Dollar, and translated into a 6.9% decline in product revenues. Our solutions lines of business performed particularly well, growing revenues by 22%. Security, convergence and data centres and storage all grew strongly and the operating environments and messaging business performance also improved.

A number of large contract wins in the enterprise and service provider space drove good growth in revenues in Internet Solutions, our Internet service provider business, which accounted for approximately a quarter of Africa's

revenues. Increased demand for core networking products and convergence solutions pulled through good business in the Advanced Infrastructure (cabling) operation.

Good growth in professional services helped to drive a 17.7% increase in services revenues. Managed services revenues, which increased by 12.5%, benefited from strong performances from Internet Solutions and Merchants SA. The growth in revenues in Merchants SA was driven by a significant new off-shore contract with a US Fortune 100 company.

Gross margins increased marginally, with lower product margins being offset by improved services margins.

Overheads declined by 13.2% following prior year rationalisations and stringent cost controls. This drove the strong recovery in operating profits to US\$25.9 million compared to a profit of US\$1.3 million in FY2003.

The proposed deregulation of the SA telecoms market has created significant opportunities for Internet Solutions to offer voice services to our customer base. The BEE transaction has brought increased market knowledge and contacts in the telecoms sector in Africa and opened up

new market opportunities in South Africa. We are targeting further improvements in returns from the remaining underperforming operations in the new financial year.

Customer wins during the period under review included:

- ▲ Ethiopian Telecoms Corporation, a three year, US\$6.6 million contract, providing internet connectivity and hosting, file transfer protocol, managed security and IPT services.
- ▲ MWeb, a three year, US\$15.0 million contract using Internet Solutions' MPLS network and international backbone connectivity.
- ▲ Sappi, a three year, US\$5.5 million network integration and security contract, including outsourced proxy server, firewalls, VRAS, Internet connectivity, international MPLS links and hosting.
- ▲ Impala Platinum, a US\$2.1 million contract, including network integration, security, remote and internet access, storage area network, backup, storage and server sizing, desktop standard operating environment, Microsoft Active Directory and Microsoft Exchange, fax and facilities.
- ▲ AngloGold, a three year, US\$2.6 million Microsoft Active Directory, Microsoft Exchange and ISA services solution.
- ▲ Sanlam, a three year, US\$5.1 million VPN Outsource contract.

Asia		
\$'000	FY2004	FY2003
Turnover	362,280	328,725
Operating profit before goodwill amortisation, impairment and exceptional items	6,897	2,187
Operating margin	1.9%	0.7%
Net operating assets	174,427	169,310

Datacraft Asia, our subsidiary with operations in 13 countries across Asia, grew revenues by 10.2% and sustained a trend of improving operating profitability for the past four reporting periods. Enterprise demand was strong and demand in the service provider sector increased slightly.

The strong performance of our solutions lines of business was a key growth driver. Solutions revenues grew by 70% and now account for 19% of Datacraft's revenues. We saw particularly strong demand for our storage, convergence and CIS solutions as well as good growth in security solutions revenues. Our move into operating environments and messaging solutions started to pay dividends in the second half of the year.

Technology revenues increased by 11.3%, driven by growth in demand for the core network integration products as well as by strong demand for Cisco's advanced technologies. We remain Cisco's number one partner in Asia and increased our Cisco market share over the year.

Services revenues increased by 8.4% on the back of increased demand for managed services and more long term annuity business. Professional services revenues also grew, leveraging off better demand for solutions and advanced technologies. We are beginning to see the returns from two years of investing in the right skills and professional services value proposition. The training services business was stable.

By country, India was the star performer, growing revenues and operating profits

strongly on the back of market leading positions in the financial services and the call centre industries. Singapore, Thailand, Hong Kong, Indonesia and New Zealand all reported good growth. In the Philippines and Malaysia, a combination of restructuring benefits and management changes drove growth and improved operating profitability. Japan had a good H1, experienced some challenges in the third quarter but recovered well in the fourth quarter.

Pleasing progress was made in China in H2. We have enhanced the skills in our sales team, have aligned sales to our solutions and services focus and are confident in our new management team. In Korea we also have a new management team in place and a recovery plan against which we made some progress in the second half of the year. In both China and Korea we are focused on building our enterprise business, particularly in the financial services sector.

The gross margin increased to 16.2% from 15.7% in 2003. A higher proportion of solutions and advanced technology revenues, combined with being more selective in the business that we do, drove a slight increase in gross margins.

Overheads increased by 4.4%, which is well below the growth in revenues due to the cost cuts implemented in FY2003, but overheads increased sequentially in H2 following targets being exceeded, continued investment in our solutions lines of business and the hiring of new sales skills. Operating margins increased

steadily throughout the year, ending at 1.9%, close to three times up on the prior year. Operating profit was up by 215% to US\$6.9 million.

Datacraft Asia enters FY2005 in a stronger position, with both customer and employee satisfaction surveys showing significant improvements over 2003. We will continue to focus on generating profitable growth and cash flows. A continuation of the strong performance in India and our drive to turn around the businesses in Korea and China are expected to help overall group returns. We finished 2004 with the highest backlog for eight quarters and a strong order book which makes us optimistic about the outlook for the new financial year.

Customer wins during the period under review included:

- ▲ Quang Trung Software City, Vietnam, a multi month, US\$3.6 million turnkey IT infrastructure contract including a metropolitan area network, a data centre, VoIP, billing and security systems.
- ▲ A global investment bank, Japan, a three year, US\$2.5 million network maintenance contract.
- ▲ Hanaro Telecom, Korea, a multi month, US\$10.0 million contract to upgrade a nationwide backbone network.
- ▲ Assumption University, Thailand, a multi month, US\$1.0 million contract to build a high speed network for an e-learning centre.
- ▲ Globe Telecom, Philippines, a multi month, US\$3.3 million mobile call signaling over IP network system (SS7 over IP network).

Australia		
\$'000	FY2004	FY2003
Turnover	481,078	380,526
Operating profit before goodwill amortisation, impairment and exceptional items	14,014	12,431
Operating margin	2.9%	3.3%
Net operating assets	81,858	69,021

The Australian business had a good year, growing revenues by 16.0%. Against the backdrop of a stable macro-economic environment we gained market share, growing well ahead of the overall market. We enjoyed good growth from all customer sectors, but particularly in the Government sector, which is investing in new technology and deploying solutions across legacy infrastructure. Our business mix continued to diversify away from service providers and financial services into the government, health and education sectors. Despite industry consolidation, Dimension Data maintained its leading share of the Australian market.

After little investment since Y2K, FY2004 was a year of technology upgrades, which drove an 18.2% growth in technology revenues. Solutions revenues grew by 37.7%. All solutions areas performed well with particularly strong performances from CIS, convergence and security as we increased the penetration of solutions into our customer base.

The move to IP-based technology has been a key growth driver and has pulled through demand for security, storage and CIS solutions as well as operating environment upgrades.

The strong growth in product revenues pulled through professional services engagements, particularly in the second half of the year. Increased use of contractors gave us good flexibility and increased sustainability in this business.

Managed services revenues, which increased by 9.1%, benefited from strong volume growth, offset by pricing pressures in a competitive environment.

The distribution business, Express Data, also performed well, leveraging off the good demand in the network integration business and following better penetration of existing clients. Consolidation of the number of Cisco distributors from three to two was also an impetus to growth. Customer satisfaction remains high with little churn in our quality customer base, and a healthier mix of revenue from different sectors has reduced our risk profile.

The overall gross profit margin was stable. The services gross margin also increased slightly due to higher average hourly rates and improved realisations following better professional services efficiencies. Gross margins in Express Data were in line with the prior year.

An 18.9% increase in overheads was driven by higher business volumes and performance-linked payments. In the second half of the year we also invested in developing our solutions offerings further and expanding our managed services offerings, the benefits of which are expected to materialise in FY2005. Operating profits increased by 3.5%.

The Australian business is in good shape going into the new financial year and we expect to deliver another year of growth

driven by continued strength in our solutions offerings.

Customer wins during the period under review included:

- ▲ One of Australia's top four banks, a three year, US\$7.8 million contract to provide managed services to over 1,800 sites.
- ▲ Australian Capital Territory (ACT) Government, a five year, US\$3.8 million network integration, professional and managed services contract for a Metropolitan Area Network for the ACT Government.
- ▲ United Group Limited, a four year, US\$1.8 million contract to design and implement a new core data centre and managed services.
- ▲ AAPT, a one year, US\$2.7 million contract to build a virtual call centre incorporating professional and managed services.
- ▲ A leading Australian telecoms company, a three year, US\$22.0 million contract to build a network-based virtual call centre incorporating professional and managed services.

Continental Europe		
\$'000	FY2004	FY2003
Turnover	438,841	382,123
Operating profit before goodwill amortisation, impairment and exceptional items	7,353	6,220
Operating margin	1.7%	1.6%
Net operating assets	86,473	68,445

The European business reported good growth in revenues and improved operating profitability against a lacklustre economic backdrop. Trading got off to a good start with strong demand and a positive mood in the first half of the year. This was offset by a slowdown in the third quarter but the year ended with a strong performance in the fourth quarter.

Revenues increased by 7.2% with technology revenues increasing by 7.5%. This pulled through growth in both managed and professional services and overall service revenues showed growth of 6.5%. Increased demand for specialised infrastructure solutions and our investment in convergence, data centre and storage and security offerings drove growth in solutions revenues of 15.5%.

The star performer in Europe was the Netherlands where we signed a number of attractive contracts and enjoyed good growth in convergence solutions. Markets in Germany and Benelux were flat. Hardware volumes came under pressure in Luxembourg during H2 but we performed well in services and solutions. Investment in new management and solutions is paying dividends in Germany, where morale has picked up following improved business performance. In France, where we now have a stable management team, good market conditions helped to drive growth in revenues and operating profitability. Switzerland benefited from a number of good security deals.

The gross margin came off slightly, driven largely by a decline in technology margins in a price-sensitive market, whilst the services margin increased marginally following an improvement in the mix.

Overheads were well contained, increasing by 5.0%, which was below revenue growth. The increase was due to investment in new solutions, skills and services efficiencies as well as by higher variable costs following the achievement of internal targets in a number of countries. Operating income increased by 10.2%.

In the new financial year we will continue to push strongly into solutions and expect an improvement in profitability to be driven by better performances in Germany and France.

Customer wins during the period under review included:

- ▲ Essent Kabelcom, a one year, US\$8.6 million contract to supply Cisco equipment.
- ▲ Deutsches Forschungsnetz, a multi year, US\$2.4 million network integration contract for the extension of G-WIN, the third generation of the German National Research and Education Network.
- ▲ Satcom Modena, an 18 month, US\$1.8 million MPLS contract to implement a network based on Metro Ethernet Technology.
- ▲ UPC, a multi million dollar contract, to upgrade its network to incorporate voice.

United Kingdom		
\$'000	FY2004	FY2003
Turnover	218,260	205,918
Operating profit before goodwill amortisation, impairment and exceptional items	12,744	11,010
Operating margin	5.8%	5.3%
Net operating assets	55,217	76,274

The UK business performed well, growing revenues by 10.6% and operating profits by 34.8%. We saw an upturn in activity and demand during the year, projects previously on hold were put out to tender and we benefited from a trend away from outsourcing towards out-tasking. The market remained competitive particularly in the SME space where service providers continue to be aggressive on price.

The UK business, excluding The Merchants Group, our managed call centre operation, performed particularly well, gaining market share and growing revenues by 14.3%. Revenue benefited from our successful geographic expansion into the Midlands and Scotland and the consolidation of our business in the south of England. A move from a vertical to a geographic focus supported by vertical consulting expertise, led to an improvement in our engagement process and better account management. Our refined value proposition for the SME market drove growth in a number of key accounts.

Product revenues increased by 13.0% as activity in our core network integration market picked up and we saw good traction in demand for convergence and storage solutions. Solutions revenues increased by 9%. Services revenues (excluding Merchants) increased, helped by improved professional services competencies which led to contract wins around our security, operating environments and CIS solutions

businesses. Advanced Infrastructure revenues performed well, following strong demand for intelligent building services.

Good growth was also achieved in managed services revenues which leveraged off the strong performance in our core network integration business. Revenues in The Merchants Group, which accounts for approximately a quarter of the UK's services revenues, declined following a reorganisation of the business which included the appointment of a new management team and a reassessment of the strategic focus of the business.

Pressure on product gross margins in a competitive and price-sensitive market led to a 0.5% decline in the UK's gross margin. Strong sales of complex technologies and our ability to wrap services with our product offerings helped to counteract pressure on prices. Services gross margins increased slightly.

Overheads, for the overall UK business, increased by only 2.0% following diligent control over costs and helped to drive the strong improvement in profitability.

Going into the new financial year we have a clear strategy in place to deliver another year of growth. We will continue to invest in the high growth solutions areas and are taking on new skills to drive growth in professional services revenues. Where possible, we will continue to streamline our operations to be more cost effective.

Customer wins during the period under review included:

- ▲ Isle of Man Government, a five year, US\$10.0 million network integration contract to design, implement and support new WAN, LAN and IPT infrastructure.
- ▲ Ladbrokes, a rolling, US\$2.0 million contract to design, implement and support new security infrastructure for on-line gaming business.
- ▲ A global engine manufacturer, part of an ongoing, US\$1.3 million, initial contract to supply network infrastructure for multiple sites in the UK including network design, supply, implementation and managed services.
- ▲ A global financial institution, a two year, US\$2.7 million operational services outsource contract, based at its Network Command Centre in London.

United States		
\$'000	FY2004	FY2003
Turnover	416,811	346,051
Operating profit/(loss) before goodwill amortisation, impairment and exceptional items	4,573	(17,058)
Operating margin	1.1%	(4.9)%
Net operating assets	39,689	32,153

The US business recovered strongly in the year, reporting a 28.8% increase in revenues and operating profits of US\$3.5 million compared to losses of US\$13.6 million in the prior year.

The performance benefited from a pick-up in the overall demand environment. After being on hold for a number of years, customers started to initiate new IT projects and refresh their existing technology. Increased IT investment in the financial services sector was a key driver of growth and we won a number of quality new customers.

A key driver behind our growth was the success that we had in our solutions lines of business, where revenues increased by 34%. We grew market share strongly in the areas of convergence and security and performed well in Cisco's advanced technologies. Traction in the convergence market worked to our advantage as Dimension Data is a leader in this space in North America. Our push into the data centre and storage market with EMC and into CIS solutions, started to pay dividends in the second half of the year.

We capitalised on the trend towards shorter and more segmented outsourcing agreements, working on a number of focused engagements and collaborating with partners on key accounts. We also benefited from our market positioning, with global capabilities and regional presence. This helped us to achieve success both in the SME market as well as with global and

multinational customers. Greater traction and returns were achieved in our key global accounts. We had good success in penetrating the state, local government and higher education sectors and we have reduced our exposure to the financial services sector.

Managed services revenues increased by 62.9%, off a low base, driven by success in the SME space where customers are looking to improve the returns on their IT investments. Professional services revenues leveraged off the growth in demand for advanced technologies. The divestiture of Proxicom freed up management time, lifted the burden of the onerous leases and allowed us to focus on the execution of our core strategy.

The strong growth in revenues was complemented by a strong improvement in the gross margin. An improvement in product gross margins was led by a change in the mix. The services gross margin increased, driven by benefits of scale and operational efficiencies in the managed services business.

Overheads were tightly controlled, increasing by only 8.1%, well below the 28.8% growth in revenues. Following the cost-cutting initiatives started in FY2003 and strong growth in revenue, we are starting to see some operational leverage coming through. We reported an operating profit of US\$3.5 million, reversing the prior year's US\$13.6 million loss. The operating margin of 0.3% that we reported at the

interim period increased to 1.3% in the second half of the year, leading to a margin for the full year of 0.9%.

We expect another year of good revenue growth and a further improvement in the operating margin in FY2005. We see further good opportunities in the solutions lines of business and managed services spaces and are targeting an improvement in the performance of the professional services business.

Customer wins during the period under review included:

- ▲ A large healthcare and pharmaceutical company, a two year, US\$16.0 million managed services contract, working on a work flow and ticketing program deployed on 6,000 network devices over 4,500 servers.
- ▲ A large government entity, a US\$4.4 million contract to upgrade and consolidate older storage frames.
- ▲ The International Monetary Fund, a US\$6.0 million contract, to implement a new network for the company's headquarters, including 5,500 IPT phones and Unified Messaging.
- ▲ A large membership provider, a US\$3.4 million contract to upgrade IVR, call centre voice infrastructure and software, including professional services.
- ▲ A large financial institution, a three year, US\$2.9 million managed services and IPT and IPC Contact Centre contract.

Protocol

Protocol Venture Capital was established in 2001 as Dimension Data's Business Development Fund, with the objective of establishing strategic joint ventures that would enhance relationships with suppliers and clients and foster new entrepreneurial businesses complementary to the Group's existing business. The strategy is to continue to create and preserve value in existing Protocol portfolio companies and to exit them over time at fair values.

Total investments under management at year end were 11 compared with 17 as at 30 September 2003. At the year end the Protocol Investments were carried at a book value of US\$14.2 million compared to US\$16.9 million at 30 September 2003.



Introduction

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 2004 financial statements are consistent with those applied previously, with the exception that UITF Abstract 38 – 'Accounting for ESOP Trusts' has been adopted. The effect thereof is reflected in Note 1.

Group operating performance

Changes to the Group structure included the sale of Proxicom and iBridge in March 2004, the disposal of the FMT business in the UK and the exiting of the Software AG and Oracle businesses in Africa in the second half of the year. The results of these businesses were not considered sufficiently material to require separate disclosure in the profit and loss account.

Turnover

Group turnover, excluding associates, increased by 17.5% to US\$2,368.0 million from US\$2,014.8 million in FY2003. Adjusting for operations acquired or disposed of during the year, ongoing operations grew by 13.1% in constant currency.

Gross margin

Gross margin increased to 20.7% from 20.1% in FY2003. Improved services margins were mitigated by continuing pressure on product pricing. Currency movements, in favour of some territories

with higher gross margins, also contributed towards the overall gross margin improvement for the year.

Overheads

Group overheads, before exceptional items and depreciation of US\$42.9 million (2003: US\$48.4 million), were US\$422.1 million compared to US\$371.2 million in FY2003, an increase of 13.7%.

Overheads before exceptional items and depreciation attributable to ongoing operations grew by 6.7% in constant currency. Variable overheads increased in line with improved volumes and operating performance, balanced by good cost containment in other categories of overhead.

Operating profit

Total operating profit before associates was US\$25.7 million compared to a loss of US\$14.9 million in FY2003. Income from associates grew from US\$5.9 million to US\$7.3 million. Total operating profit after associates for the period was therefore US\$33.0 million. The significant turnarounds in the US, Asia and Africa have been important contributors to this improvement in profitability.

Net investment and interest income

Net investment and interest income of US\$5.3 million includes interest and investment income earned on net cash balances and investments, and is expressed net of US\$6.0 million accrued in respect of the US\$100 million convertible bond.

Taxation

The Group incurred a pre-exceptional tax charge of US\$19.6 million compared to US\$27.7 million in FY2003. The FY2003

tax charge included a charge for deferred taxes and prior year adjustments of US\$7.1 million, whilst the equivalent current year amount is a credit of US\$5.0 million. Pre-exceptional tax in respect of the current year is therefore US\$24.6 million compared to US\$20.6 million in FY2003, reflecting the tax effect of the Group's improved profitability. A further tax charge is reflected under exceptional items and this is discussed in the exceptional items section below.

Exceptional items

The Group incurred exceptional operating costs of US\$27.6 million, of which US\$25.1 million related to a provision for the Campus premises in Sandton, Johannesburg, which houses the South African operations and the Group head office. Subsequent to the end of the financial year, in November 2004, the Group exercised its option to acquire the bare dominium (freehold) of these premises. Accordingly, in 2005 the lease obligations in respect of the premises will be capitalised at some US\$135.0 million, together with the fair value of the land and buildings. The resultant asset will be subject to an impairment review, which is estimated by the Directors to amount to approximately US\$16.6 million. This impairment approximates the release against the provision raised against the Campus which was created in 2004. The lending rate inherent in the finance lease liability calculation is 16.9% per annum.

Exceptional operating costs include a further US\$3.5 million provision for other Group properties and a release of an excess fair value provision of US\$1.8 million.

Goodwill and investment impairment of US\$8.4 million is the write-down in the valuation of a number of investments within Protocol and an investment loan.

Goodwill amortisation and impairment of associates of US\$10.1 million includes write-downs of associate carrying values to net asset values, as well as a provision against a loan to an associate.

Profit on sale of fixed assets and investments of US\$4.7 million includes the profit on sale of Proxicom, the Group's former web design and Internet consulting business, disposed of in March 2004, the write-down of the Sunset Learning investment, and the profit on sale, effective 1 April 2004, of a 1.51% interest in the South African operation to the BEE consortium. Also included is a cost in respect of the vesting of 1.1% ordinary share interest in terms of the notional vendor loan structure applicable to the BEE consortium, which is treated as a deemed disposal.

A deferred tax asset amounting to US\$13.7 million, previously carried on the balance sheet in Africa, has been reversed. Delays in certain corporate finance initiatives, which would have assisted with the realisation of this asset, have led the Directors to the view that the recovery of this asset in the near future is uncertain.

In 2003, the Group revised the useful economic life of its goodwill from seven to five years and incurred an accelerated amortisation charge as a result. A component of this 2003 charge related to goodwill arising from Datacraft Asia acquisitions but no adjustment was made

to the Group's 2003 earnings to reflect the outside shareholders' share of this charge. Datacraft Asia has amortised and impaired this goodwill in its 2004 results and therefore the outside shareholders' component of the expense has been reflected as exceptional in our results for the year ended 30 September 2004.

Liquidity and capital resources

Working capital

Stock remains within expected parameters and has increased commensurate with the increase in turnover volumes.

Debtors increased to US\$547.2 million from US\$540.0 million at September 2003. A decline in non-trade debtors has been offset by the increase in trade debtors, which have increased to US\$421.6 million from US\$372.0 million at September 2003, as a result of our increase in volumes. Days' sales outstanding have reduced from 57 days at September 2003 to 55 days.

Creditors increased to US\$666.2 million from US\$619.3 million at September 2003. Although trade creditors' days outstanding reduced to 49 days from 53 days at September 2003, this was offset by the volume-related increase, as well as an increase in accruals and deferred revenue. The increase in deferred revenue of 22% is indicative of healthy growth in the managed services base.

Cash and short term investments were US\$425.0 million compared to US\$385.7 million at September 2003. Cash generated from operations for the year of US\$77.5 million compares to US\$51.2 million in FY2003.

Black Economic Empowerment ('BEE') transaction

In September, our South African business finalised its BEE transaction. This equity shareholding transaction is designed to result in the BEE consortium receiving a 25.01% interest in Dimension Data (South Africa), based on satisfactory operating performance, through a shareholder facilitated transaction. The BEE consortium acquired 1.51% of our South African business effective 1 April 2004 and a further 1.1% vested on 30 September 2004, based on the results of the South African business, measured against predetermined targets for the purposes of the BEE transaction.

Accounting for share incentive schemes

A Share Appreciation Rights Scheme and a Long Term Incentive Plan are currently being proposed for approval by shareholders on 2 December 2004 to replace our existing share option scheme. In terms of UK GAAP the costs thereof will be accounted for in the profit and loss account. The charge for 2005 is expected to be approximately US\$6 million. From 2006 onwards all share incentives will be accounted for under IFRS2 – 'Share-Based Payment'.

Capital reduction

Distribution of the special reserve of US\$342.4 million in the Company's books remains restricted, pending consent from all creditors whose debts or claims were outstanding at 20 March 2003, or demonstration that such debts or claims have been adequately protected.

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 business 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.

Global risk

The Group's global reach means it is susceptible to different political, financial and economic risks in each region. Business practices differ from region to region and this is most evident in the collection of debt.

Operating globally may have increased the exposure to political instability and

different business practices. Where possible we have taken steps to mitigate this risk and continue to monitor the regional performances.

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 affect the Group's results differently year on year. 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 SA rand, the Australian dollar, the Singapore dollar, Sterling and the Euro.

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

Exchange Rates				
Currency	Year ended 30 September 2004		Year ended 30 September 2003	
	Average	Period end	Average	Period end
South African rand	6.406	6.406	7.484	7.102
Australian dollar	1.401	1.395	1.526	1.476
Sterling	0.552	0.556	0.613	0.600
Euro	0.820	0.811	0.879	0.862

	2004 \$'000	2004 \$'000	2004 \$'000	2003 \$'000	2003 \$'000	2003 \$'000
	Turnover	Operating profit/(loss)	Net operating assets	Turnover	Operating profit/(loss)	Net operating assets
By location						
Continuing operations						
- Africa	445,172	27,560	89,603	365,428	5,413	123,603
- Asia	362,280	6,897	174,427	328,725	2,187	169,310
- Australia	481,078	14,014	81,858	380,526	12,431	69,021
- Continental Europe	438,841	7,353	86,473	382,123	6,220	68,445
- United Kingdom	218,260	12,744	55,217	205,918	11,010	76,274
- United States	416,811	4,573	39,689	346,051	(17,058)	32,153
- Other*	5,602	(47,475)	-	6,024	(35,089)	-
Group	2,368,044	25,666	527,267	2,014,795	(14,886)	538,806
Associates	115,990	7,343	-	85,464	5,874	-
Total	2,484,034	33,009	527,267	2,100,259	(9,012)	538,806

* Comprises Holding companies and Central solutions and services. The net operating assets thereof have been included in the relevant geographical region.

Operating profit is before goodwill amortisation, impairment and exceptional items.

Net operating assets are total net assets excluding convertible bonds, loans and minority interests.

	2004	2003
Average number of employees – by location		
- Africa	3,557	3,204
- Asia	1,119	1,313
- Australia	992	996
- Continental Europe	977	1,031
- United Kingdom	1,316	1,274
- United States	602	706
Total	8,563	8,524

Group Turnover Analysis by Revenue Type**Year ended 30 September 2004**

	Africa \$'000	Asia \$'000	Australia \$'000	Europe \$'000	United Kingdom \$'000	United States \$'000	Other \$'000	Total \$'000
Product	150,417	225,165	375,556	291,043	87,046	327,789	4,932	1,461,948
Managed services*	231,117	73,969	52,499	105,920	76,338	41,994	-	581,837
Professional services	63,638	63,146	53,023	41,878	54,876	47,028	670	324,259
Group	445,172	362,280	481,078	438,841	218,260	416,811	5,602	2,368,044

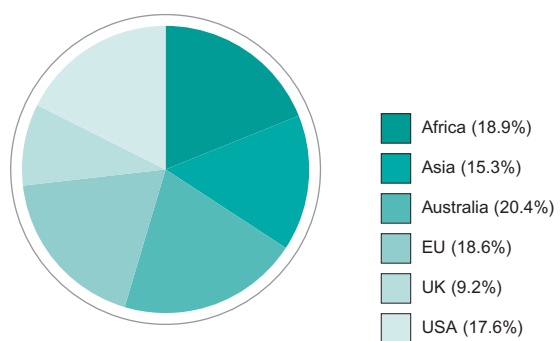
Year ended 30 September 2003

	Africa \$'000	Asia \$'000	Australia \$'000	Europe \$'000	United Kingdom \$'000	United States \$'000	Other \$'000	Total \$'000
Product	138,333	202,268	291,616	252,647	69,399	254,323	3,344	1,211,930
Managed services*	175,815	67,035	44,173	93,450	93,252	25,781	-	499,506
Professional services	51,280	59,422	44,737	36,026	43,267	65,947	2,680	303,359
Group	365,428	328,725	380,526	382,123	205,918	346,051	6,024	2,014,795

* Being process-driven revenues of a recurring nature.

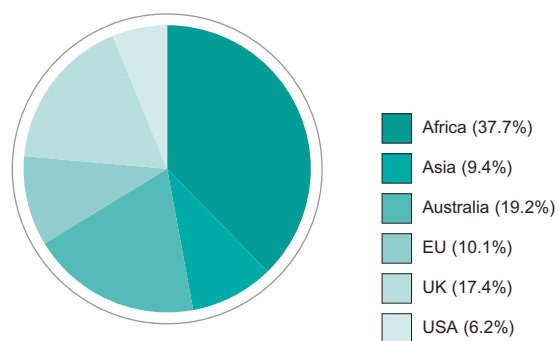
No operating profit has been disclosed on lines of business as the operations are managed regionally.

Group Turnover by Location*



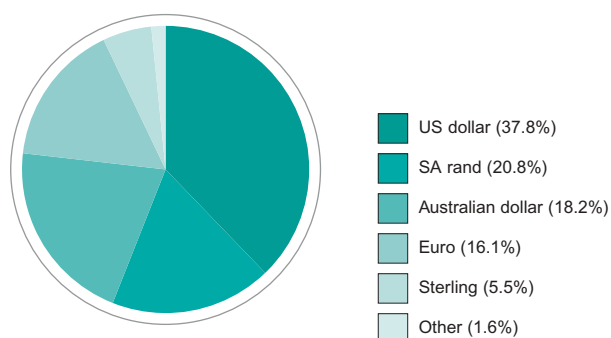
*Excludes 'other' turnover

Group Operating Profit by Location**



**Operating profit before goodwill amortisation, impairment and exceptional items

Cash Holdings (including short term investments)



The Directors of Dimension Data present their annual report and audited financial statements for the year ending 30 September 2004.

Principal activities

Dimension Data Holdings plc is a specialist IT services and solution provider that helps clients plan, build and support their IT infrastructures. Dimension Data applies its expertise in networking, security, operating environments, storage and contact centre technologies to create customised client solutions.

The Directors' Report should be read in conjunction with the Chairman's Statement, the Chief Executive Officer's Report and the Financial Review, which provide information about the Group's businesses, their financial performance during the year, and likely future developments.

Results

For the year ended 30 September 2004, total turnover (including associates) was US\$2,484.0 million, compared with US\$2,100.3 million for the previous year, representing an increase of 18%. Total operating profit before goodwill amortisation, impairment and exceptional items was US\$33.0 million compared with a loss of US\$9.0 million for the previous year. Basic earnings per share before goodwill amortisation, impairment and exceptional items amounted to 0.9 US cents (2003: loss 2.7 US cents).

Dividends

The Board has reviewed and maintains its policy that available cash generated by the Group will be utilised to fund working capital requirements and to continue the rollout of strategy. It accordingly will not declare a dividend for the current financial period (2003: US\$ nil), but will continue to review this policy on an annual basis, or as necessary.

Research and development

Dimension Data has aligned its research and development investments with its core strategy of solutions and services offerings in its areas of focus. Continued engagement with key partners and clients has resulted in Dimension Data investing in a number of consultative and managed services. These services assist Dimension Data in implementing solutions for clients that meet their specific objectives. In addition, Dimension Data continues to invest to achieve the full life cycle of services around each of its core solution areas. The full life cycle of services span the Plan, Build and Support strategy that underpin each of its offerings.

The technology market has undergone significant changes in the last 12 months and convergence has become a reality for the Group's customers. This has resulted in vendor consolidation and increased integration between previously disparate technology areas, fuelling the need for enhanced solutions and service offerings. We have worked with enterprise clients and service providers to create solutions that integrate networking, telephony, video,

data sources and applications. The Group has continued its investment in achieving alignment across all regions, facilitating the leverage of intellectual property across regions and adoption of best practices.

The Group continued its investment in its managed services offerings including investment to achieve operational efficiency. Multiple Network Operations Centres across all regions have been consolidated into six Global Support Centres, creating significant leverage for the Group. The Group has also invested in a partner programme in a number of countries where it does not have a direct service reach in order to service large multinational customers.

The Group also invested in a project to create an e-procurement facility for its customers. Customers have the ability to access Dimension Data offerings via their core e-procurement service or directly via the Internet. This is in the process of being implemented in all regions.

Acquisitions

No material acquisitions were made during the year.

Disposals

We have disposed of several businesses during the year, as disclosed in Note 26.

Directors

The current Directors are listed on pages 12 and 13.

Details of the members of the Board, who served throughout the year, except as listed, are given below:

Name	Position	Appointed	Date Resigned (where relevant)
Jeremy Ord	Chairman	May 2000	Joint Chairman and CEO to 1 March 2004 Resigned as CFO on 1 March 2004. Resigned from Board on 11 May 2004
Brett Dawson	Chief Executive Officer	March 2004	
Stephen Joubert	Group Executive Global Solutions Groups	July 2000	
Patrick Quarmby	Director: Corporate Finance	July 2000	
Malcolm Rutherford	Chief Financial Officer	May 2000	
David Sherriffs	Chief Financial Officer	June 2004	16 November 2004 17 November 2003
Gordon Waddell	Senior independent non-executive director	July 2000	
Rupert Barclay	Independent non-executive director	June 2004	
David Frankel	Non-executive director	July 2000	
Dillie Malherbe	Non-executive director	November 2003	
Robert Mansfield	Independent non-executive director	July 2000	
Moss Ngoasheng	Independent non-executive director	September 2002	
Rory Scott	Independent non-executive director	July 2000	
Dorian Wharton-Hood	Independent non-executive director	July 2000	

At the forthcoming Annual General Meeting, Jeremy Ord, Moss Ngoasheng and Gordon Waddell retire by rotation and offer themselves for re-election in accordance with the Articles of Association. The Company's Articles of Association provide that every director appointed to the Board during the year shall automatically retire and seek election at the next general meeting following appointment. Accordingly, shareholders will be asked to elect Rupert Barclay as a non-executive director, and David Sherriffs as an executive director.

Biographical details of those directors seeking re-election and election are set out on pages 12 and 13.

Directors' memberships of Board Committees are set out in the Corporate

Governance Report. Details of Directors' service contracts and remuneration are set out in the Remuneration Report. Details of the Directors' interests in any Group company can also be found in the Remuneration Report.

Corporate Governance

A report on Corporate Governance and compliance with the Combined Code is set out on pages 31 to 34.

Employee involvement

The Dimension Data Group seeks to engage all employees in a shared commitment to the success of its business, and keeps them informed regarding the business environment and matters of concern to them. The Corporate Social Responsibility Report contains details of communication and

consultation with employees.

Dimension Data operates a share option scheme and offers performance-related bonus payments in order to encourage the participation of employees in the success of the Group. Details of the long term incentives appear in the Remuneration Report and the outstanding options appear in Note 23 to the annual financial statements on pages 76 to 78. Following consultation with major shareholders, the Company has called an Extraordinary General Meeting ('EGM') for 2 December 2004, seeking approval for the introduction of two new long term incentive schemes. It is intended that these schemes will continue to encourage the widespread participation of employees in the success of the Group, whilst addressing investor concerns relating to dilution.

The Group has a policy that all employees are entitled to equal opportunities within its companies globally. Disabled persons applying for employment are given fair consideration. Employees who become disabled whilst employed will be retrained wherever possible so that they can remain employed within the Group. Details of the average number of employees are contained in Note 6 to the annual financial statements on page 64.

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\$30 million, divided into 3 billion ordinary shares of 1 US cent each.

The holders of the deferred shares have no right to receive notice of any general meeting of the Company, nor the right to attend, speak or vote at such general meetings. The deferred shares have no rights to dividends and on a return of assets in a winding-up, entitle the holder to the repayment of the amounts paid on the deferred 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 2004, the Company's issued share capital was 50,000 deferred shares of £1 each and 1,342,437,229 ordinary shares of 1 US cent each.

Details of interests of 3% or more in the issued ordinary share capital of the Company are shown in Shareholder Information on page 51.

Creditor payment policy

Dimension Data Holdings plc is a holding company and, as such, had no trade creditors at the year end. It is therefore not applicable to provide statistics for the Company as required by the Companies Act. Group operating companies have no fixed payment policies but agree in advance the best possible terms with their suppliers and the Group is committed to honouring those terms.

Post balance sheet event

There were no other subsequent events, other than disclosed in Note 33.

Going concern

After making due enquiry, the Directors consider that, as at the date of the approval of the financial statements, the Group has adequate resources to continue to operate for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing their financial statements.

Corporate responsibility

Dimension Data's position on the environment and on charitable donations is detailed in the Corporate Social Responsibility Report set out on pages 36 to 38. Direct charitable donations made to UK residents or charities totalled US\$17,000 (2003: nil). Donations to overseas charities are detailed in the Corporate Social Responsibility Report. The Company made no political donations in the year under review (2003: nil).

Auditors

Resolutions to reappoint Deloitte & Touche LLP as the Group's auditors and authorising the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

Company Secretary

The UK company secretary is Mrs JM Duck and the South African company secretary is Mrs ML Taylor (details on page 92).

Annual General Meeting

The notice convening the Annual General Meeting, together with the proxy form and notes explaining the various resolutions, will be mailed to shareholders in due course.

By Order of the Board
Mrs JM Duck
Secretary
16 November 2004

This report contains a summary of how the Board has complied with the principles set out in the Combined Code.

As the Company's reporting period commenced on 1 October 2003, it is required to report on compliance relating to Section 1 of the code and principles prepared by the Committee on Corporate Governance chaired by Sir Ronald Hampel and published in June 1998 ('the Hampel Code').

The Company has been in compliance with the Code provisions set out in section 1 of the Hampel Code throughout the period with the exception that:

- ▲ Jeremy Ord held the position of combined Chairman and Chief Executive until 1 March 2004, when Brett Dawson was appointed as Chief Executive Officer.
- ▲ Dillie Malherbe was appointed as a member of the Remuneration Committee on 15 September 2004. Dillie Malherbe is not considered to be independent by the Board, solely due to his role at VenFin Ltd. A subsidiary of VenFin Ltd currently holds the Convertible Bonds as detailed in Note 21 to the financial statements on page 74. The bonds cannot be converted until December 2005, at the earliest, and currently VenFin Ltd holds no shares in the Company. Dillie Malherbe has extensive and valuable experience in the field of executive remuneration, both in South Africa and on a global basis. The Board considered all the implications of Dillie Malherbe's role at VenFin and concluded that this would not compromise in any way the independence of his input to the

Remuneration Committee. The Board also considered that the valuable input to the Remuneration Committee that Dillie Malherbe could provide justified the appointment.

The Company is working towards compliance with the provisions of the Combined Code issued by the Financial Reporting Council in July 2003 (the '2003 FRC Code').

The Operational Review and the Financial Review contain detailed reviews of the Group's performance and financial position. The Board considers these reports, along with the Chairman's Statement, the Chief Executive Officer's Report and the Directors' Report, to reflect, with reasonable accuracy, the Group's position and prospects. The Directors' responsibility for the financial statements is described on page 46.

Board of Directors

A table setting out members of the Board during the period can be found on page 29.

Biographical details for the current directors can be found on pages 12 and 13.

The Board currently comprises the Chairman, four further executive directors, and six non-executive directors. The Board considers all its present non-executive directors, with the exception of Dillie Malherbe, to be fully independent. Gordon Waddell holds the position of senior independent non-executive director.

The Board has met five times during the past year. A table indicating attendance by directors at Board and Committee meetings is given at the end of this report.

The non-executive directors have met independently without executives present three times during the year, and in addition communicate telephonically and electronically on a regular basis.

Board training and evaluation

During the period under review the directors have received training, both individually, and in facilitated sessions as a board, on issues such as strategy and development of the Group's solutions. During the period under review, Jeremy Ord has evaluated the individual performance of the executive directors using the performance management and performance review system which has been implemented throughout the Group. It is intended to conduct further evaluations on board performance as a whole on an annual basis.

Board operation

The Board is responsible to the shareholders for the conduct of the business of the Group, and decides upon Group strategy. It also reviews operational performance, approves the Group's business plans, approves the interim and annual financial statements, determines the Group's authority levels, treasury policies and risk management policies, ensures adequate funding, and approves major investments and the remuneration of the non-executive directors. A defined

schedule of matters reserved for decision by the Board is maintained.

Financial reporting is routinely performed according to a strict schedule. The non-executive directors are provided with sufficient information to enable them to reach independent conclusions on the matters brought to their attention at board meetings. In addition to the board meetings, detailed briefings are given to the non-executive directors by board and non-board members, giving non-executives an opportunity to question operational executives directly.

The Board ensures that each director is provided with appropriate and timely information in order to exercise their judgement. All the directors have the facility to take independent professional advice at company expense, following a formal procedure that has been approved by the Board. They also have access to the services and advice of the Company Secretaries in the UK and South Africa.

The Board has appointed four committees to which it has delegated responsibilities to allow it to control the activities of the Group effectively. Each of these committees operates within defined terms of reference. Copies of the terms of reference for the Audit, Nomination and Remuneration Committees are available on the Company's website www.didata.com.

Executive Committee

The Executive Committee has responsibility for the day-to-day running of the business and the execution of the Group's strategy. The Executive Committee is chaired by Brett Dawson, and the other executive directors are also members. Additional members of the executive committee are detailed on page 14. There is a clear division of responsibilities between the Executive Committee and the Board. The Executive Committee meets fortnightly.

Audit Committee

Rory Scott (Chairman)
Rupert Barclay (appointed 15 September 2004)
Robert Mansfield (resigned 17 November 2003)
Gordon Waddell
Derek Irish

The Audit Committee is comprised of independent non-executive directors. Derek Irish, a chartered accountant who holds a higher diploma in Income Tax law and is a senior partner in an independent accounting practice, attends the meetings in order to provide independent advice to the Committee. The Committee met five times during the year. The Group's external and internal auditors attend the meetings and have direct access to the Committee to report the results of work directed by the Committee as well as any matters of concern. The Chief Financial Officer attends the meetings at the request of the Committee.

The report of the Audit Committee is contained on page 35.

Remuneration Committee

Rory Scott (Chairman)
Dillie Malherbe (appointed 15 September 2004)
Robert Mansfield (resigned 17 November 2003)
Gordon Waddell (appointed 15 September 2004)
Dorian Wharton-Hood (resigned 15 September 2004)

The Remuneration Committee is comprised of independent non-executive directors, with the exception of Dillie Malherbe who was appointed to the committee on 15 September 2004. The reasons for the appointment of Dillie Malherbe to this committee are given on page 31. The Remuneration Committee met six times in the past year. It operates within defined terms of reference, and

recommends to the Board the remuneration policies for the Group's directors and senior executives, having considered relevant market norms and independent advice where appropriate. No director is involved in determining his own remuneration. During the year, the Committee granted share options in terms of the Share Option Scheme 2000, and it is planned that the Committee will control all grants under the proposed new long term incentive arrangements.

The report of the Remuneration Committee is contained on pages 39 to 45.

Nomination Committee

Jeremy Ord (Chairman)
Robert Mansfield (resigned 17 November 2003)
Gordon Waddell
Dorian Wharton-Hood

The Committee meets as necessary, and has met three times during the year under review. The Nomination Committee is responsible for reviewing the composition of the Board and identifies and makes recommendations to the Board regarding the appointment of new directors. It also satisfies itself that appropriate succession plans are in place for the Board and senior management of the Group, and reviews the performance of non-executive directors to ensure that they have devoted sufficient time to their duties.

During the period the Nomination Committee carried out a search for a new Chief Executive Officer, considering both internal and external candidates, which resulted in the appointment of Brett Dawson on 1 March 2004. The Nomination Committee also considered candidates for the role of Chief Financial Officer, and David Sherriffs was appointed to replace Malcolm Rutherford on 1 March 2004.

As noted in the last annual report and accounts, the Nomination Committee has

also been carrying out a search for further independent non-executive directors. Rupert Barclay was appointed on 9 June 2004.

Communication with shareholders

The Group is committed to honest, open and regular communication to all stakeholders on both financial and non-financial matters.

The Group reports formally to shareholders when half and full year results are announced and issued to the relevant stock exchanges, shareholders and media. Executive and senior management also give presentations to institutional investors, analysts and the media over the results period.

Regular stakeholder meetings are held to update the market on the Group's strategies, operations and performance. Executive and senior management attend these meetings on a regular basis. All briefings and meetings are conducted in line with the Group's written guidelines to ensure control over price-sensitive information and equality of disclosure. In addition, directors are kept informed of the views of all stakeholders through regular briefings from the investor relations team and the Chief Executive Officer.

Shareholders are invited to attend the Annual General Meeting and to pose questions to the Board. All executive and non-executive directors are expected to attend this meeting.

Financial and other information about the Group is contained on its website, www.didata.com. A copy of the Group's annual report is sent to stakeholders and is posted on our website.

Internal Control

The Board has overall responsibility for the Group's internal controls and for reviewing their effectiveness. The system

of internal control is designed to manage rather than eliminate risk to which the Group is exposed and provides reasonable rather than absolute assurance against material misstatement or loss. The main features of the Group's system of internal control are described below.

External audit, internal audit and risk management report to the Audit Committee. The reports provided by these functions assist the Audit Committee in evaluating and reporting to the Board on the strategic, operational and financial controls which the Group has in place. The Board has conducted a review of the effectiveness of the Group's system of internal controls for the year and up to the date of approval of the annual report and accounts and is satisfied that these are adequate to safeguard Group assets.

Risk management

There is in place a formal Risk Management function, run by the Group Risk Manager. The Risk Management process governs the way in which management evaluates the Group's business risks and identifies controls to manage them. Risk is assessed with reference to the business objectives of the Group. Risks identified by the risk identification and assessment programme are coordinated by the Group Risk Committee, which has been appointed by the Audit Committee.

Management in each region are responsible for monitoring and controlling risk on an ongoing basis, and for reporting to the Board any factors which will impact on the achievement of their business objectives. The Group Risk Manager monitors and coordinates regional activity. The key business, financial, operational and compliance risks facing the Group are reported to the Audit Committee, who report to the Board.

Appropriate disaster recovery plans are in place, which have been documented and tested.

Financial reporting

A comprehensive budgeting process takes place annually throughout the Group, culminating in regional budgets that are reviewed and approved by the Board. The Chief Financial Officer is responsible for determining financial policy within the Group and the Chief Executive Officer is responsible for executing these financial policies and ensuring compliance with Group strategy. The Chief Executive Officer is also responsible for establishing the integrity of forecast data upon which executive decisions are based.

Each Group operation reports its activity, turnover, actual results, cash position and forecasts monthly to the Executive Committee. The Executive Committee considers these against agreed quarterly and annual forecasts and the annual budget, and reports to the Board quarterly. In addition, the Chief Financial Officer distributes monthly management accounts to non-executive directors serving on the Board.

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 business risks. There are channels of communication available to report significant risks to the Board if necessary.

Internal audit

The internal audit function is a structured review process based on risk assessment. The Audit Committee regularly reviews the work plan and key findings of the internal audit process and monitors this to ensure that areas of weakness are addressed. It assesses compliance with financial and operational controls and the Group's

policies and procedures, at a business unit level in each of the regions where the Group operates. It also provides assistance to management in complying with their risk management responsibilities. The internal audit function reports directly to the Audit Committee.

Quality and integrity of personnel

The Group is committed to aligning its employees with its interests and values. It has a published ethical code to which employees are expected to adhere, and transgressions are strictly dealt with. The Directors' Report and the Corporate Social Responsibility Report contain information regarding the Group's commitment to employees and ethical practices.

IT systems

The Group's IT systems continue to be consolidated, with a focus on globalisation of common systems. This benefits our customers and our internal communication, reporting and knowledge management. The security of data held on IT systems remains a priority, as does the continuous improvement of disaster recovery systems.

Controls over central functions

Treasury and Corporate Finance are controlled centrally. Treasury policies are recorded in writing and reviewed as necessary. Both functions report directly to the Board, and Treasury has been subject to a visit by internal audit in the period under review.

Authority and review

The Group has clearly defined levels of authority for the subsidiary boards and their directors in making financial and operational decisions including major investments, capital expenditure and contractual engagements with customers and suppliers. The Group's internal audit processes monitor compliance with these authority levels.

Attendance at meetings during the period under review

Name	Board	Audit Committee	Remuneration Committee	Nomination Committee
JJ Ord	5	n/a	n/a	3
BW Dawson ¹	3	n/a	n/a	n/a
SM Joubert	4	n/a	n/a	n/a
MT Rutherford ²	3	n/a	n/a	n/a
PK Quarmby	5	n/a	n/a	n/a
DB Sherriffs ³	2	n/a	n/a	n/a
RGML Barclay ⁴	2	n/a	n/a	n/a
DA Frankel	5	n/a	n/a	n/a
J Malherbe ⁵	4	n/a	2	n/a
MM Ngoasheng	4	n/a	n/a	n/a
RM Scott	5	5	6	n/a
GH Waddell ⁶	5	5	1	3
PD Wharton-Hood ⁷	4	n/a	4	3
D Irish	n/a	5	n/a	n/a

¹ Appointed to the Board 1 March 2004

² Resigned from the Board 11 May 2004

³ Appointed to the Board 9 June 2004

⁴ Appointed to the Board 9 June 2004 and the Audit Committee 15 September 2004

⁵ Appointed to the Board 17 November 2003 and the Remuneration Committee 15 September 2004

⁶ Appointed to the Remuneration Committee 15 September 2004

⁷ Resigned from the Remuneration Committee 15 September 2004

The Audit Committee presents a report on its activities during the period.

The Audit Committee

The members of the Audit Committee for the period under review were as follows:

Rory Scott (Chairman)
 Rupert Barclay (appointed 15 September 2004)
 Robert Mansfield (resigned 17 November 2003)
 Gordon Waddell
 Derek Irish

The Audit Committee is comprised of independent non-executives and Derek Irish who is a senior partner in an independent accounting practice. The Committee met five times during the period under review, twice without management and auditors present. A table showing attendance at committee meetings is available on page 34. Of the current committee members, three are qualified chartered accountants. Biographical details for all directors can be found on pages 12 and 13.

The Board of Directors has approved written terms of reference for the Audit Committee. These terms of reference are available on the Company's website www.didata.com.

The main duties and activities of the Committee in the period under review can be summarised as follows:

Internal control

The Committee has reviewed the effectiveness of the Group's internal controls and procedures for identification, assessment and reporting of risks and has

reported to the Board on the outcome of this review. During the period under review the Audit Committee recommended the creation of the Group Risk Committee. This committee was formed on 15 September 2004 and reports to the Audit Committee. The terms of reference for the Group Risk Committee are available on the Company's website www.didata.com.

Internal audit

During the period under review PricewaterhouseCoopers has continued to act as internal auditors for the Group. The Committee confirms their programme of work, and reviews their reports. The head of the internal audit function has direct access to both the Chairman of the Audit Committee and the Chairman of the Board. The Committee has met with the internal auditors twice during the period under review and the Chairman of the Committee has met privately with them on two further occasions.

External audit

The Committee reviews performance of the external auditors, and the level of audit service provided. In the period under review the Committee has reviewed the scope of the interim review and year end audit including the Group materiality level. Auditor independence is discussed and confirmed at each meeting. Within the terms of reference the Committee has agreed that other assurance services during the financial year exceeding US\$50,000 on an individual basis or US\$250,000 in total must be approved by the Committee.

Details of the split between audit and non-audit work can be found in Note 5 of the annual financial statements. The Committee considers that this policy, together with the other controls in place within the Group, are sufficient to ensure the objectivity and independence of the external auditors. Non-audit work during the period has comprised taxation, company secretarial advice and various audit certificates.

The Committee has reviewed the auditors' management letters and the responses by management, and has met with the external auditors three times during the period under review.

Financial statements

The Committee has reviewed the financial statements for the period, and has considered matters such as the consistency of accounting policies, decisions requiring a major element of judgement, compliance with accounting standards, the going concern assumption and the statement on internal control systems.

Other matters

A revised ethical code, whistleblowing policy and procedures for whistleblowers have been reviewed by the Committee, recommended to the Board and will be implemented during the next financial year. This policy is intended to assist individuals who believe they have discovered serious malpractice or impropriety to take the appropriate action. A copy of the revised ethical code and whistleblowing policy will be available on the Company's website.

Dimension Data recognises its responsibility towards its employees, society and the environment, and evaluates the key risks related to Corporate Social Responsibility on a regular basis. Over the period under review Dimension Data considered that the ability to attract and retain appropriately skilled and motivated staff remained key to the Group's success, and that a shortage of such talent would be a material risk to the business. The emphasis for Corporate Social Responsibility as a Group has therefore remained on educational issues for staff and in the communities within which we operate; however, wider social issues in the community also have an impact on the Group's objectives. Community activities have therefore been beyond the Group's traditional focus on ICT education in the period under review.

The Group is committed to increasing its sustainability by conducting its business and reporting according to the highest ethical standards, and through the development of its relationship with its employees, local communities and stakeholders.

Employees

The Board remains committed to attracting, retaining and developing the highest calibre of employees and building on the Group's culture of high performance. The Group has many initiatives to involve, motivate and educate its employees. These include:

- ▲ A global intranet, providing employees with constant access to up-to-the-minute Group communications, policies and procedures.
- ▲ @didata, a Group magazine, is regularly produced. It provides employees with updates and recognises employees' achievements.
- ▲ The People Dimension System, a global, web-based performance management tool that allows for the formal and consistent implementation of certain key strategic HR processes across Dimension Data. Performance management is one of the most vital HR processes within the Group. Employees' goals are strategically aligned to ensure the ultimate execution of the Group's strategies. These are formally reviewed twice annually. This includes a personal development plan

to ensure that performance is effectively managed.

- ▲ Regular communications by senior management. The Group CEO regularly communicates with all employees by e-mail, or personal appearance, and the regional CEOs do the same on a regional level.
- ▲ A benchmarking exercise has been carried out during the period to establish that employees' salaries are in line with comparative companies. Most employees can earn bonuses based on their individual performance and that of the business. Many employees are also offered target-based options in the Share Option Scheme. Currently 3,114 employees hold options in the scheme (2003: 4,073 employees). During the period a fundamental review of this scheme has been undertaken by the Remuneration Committee, and proposals for new long term incentive arrangements for the Group are being put before shareholders on 2 December 2004. The new proposals have been designed to continue the Group's tradition of employee involvement in share ownership, whilst reducing dilution for shareholders.

It is Group policy to adhere to local labour standards and globally accepted human rights practices. It is Group policy not to employ under-age staff. Freedom of association is also Group policy on a global basis, with works councils existing in some countries, where appropriate to local law and practice.

Group companies aim to maintain health and safety policies in accordance with best practice and adhere to the regulatory requirements of the regions in which they operate. Local labour standards are adhered to, with most employees working 40 hour weeks unless contractually agreed otherwise because of the nature of their employment.

Skills development and training

In the financial year under review, over US\$4.5 million was spent throughout the Group on training Dimension Data employees, equating to US\$525 per employee (2003: US\$410). In the period under review a sales skills assessment across all Regions was completed to identify the priority areas of training. This was followed by the rollout of customised sales management, account planning and solutions selling training across most regions.

DDU, the Group's global corporate university, aims to accelerate the execution of the Group's strategy through committed training and development of employees. There are three DDU Centres of Excellence: Sales, Technical and Delivery, and Business and Leadership. As well as a physical presence at the Campus headquarters and in other territories, the DDU also has a strong on-line presence, allowing staff to access world-class training content from anywhere in the world. Training delivered through DDU is done in partnership with

world-class institutions, partner organisations and consultants such as Harvard Business School, Manchester Business School, Cisco and Microsoft.

Communities

Dimension Data has traditionally supported educational initiatives, including development in sport and information and communication technology skills, and used its ICT expertise to engage with and assist the communities it encounters. During the course of the year, Dimension Data Group companies engaged in a wider range of community facing activities; and companies which had previously not participated in the Group's community programmes became involved. Employee participation and enjoyment increased considerably.

United Kingdom

During the period under review Dimension Data in the UK has adopted the Starfish charity as the focus for its community activities. Starfish is a charity that seeks to mobilise and inspire individuals in their various fields of influence to bring life, hope and opportunity to children orphaned or affected by the HIV/Aids pandemic in South Africa. During 2004 activities in support of Starfish have included:

- ▲ the hosting of the first Dimension Data Day of Hope, which was organised by a team of volunteers, attracted over 300 members of staff and family and resulted in over US\$20,000 being raised for Starfish.
- ▲ Dimension Data and Manchester United hosted a Gala Evening in aid of Starfish. Linked to this, 144 children, supported by Starfish, will have the opportunity to participate in Dimension Data's soccer schools programme in South Africa, with three being selected to win 'A Chance of A Lifetime': attending a day's training with Manchester United.

South Africa

Dimension Data (South Africa) ('DDSA') is committed to contributing 2.5% of net profits towards its community programme, including fulfilling its obligations towards implementing Black Economic Empowerment ('BEE') initiatives, and primarily aimed at developing primary, secondary and tertiary technology education. In the period under review a total contribution of US\$183,000 was made (2003: US\$234,000).

During the year, DDSA announced the completion of its BEE equity transaction. The BEE consortium has entered into an agreement that is expected to result in a 25.01% equity purchase in DDSA. Details of this transaction, and the social investment initiatives it embraces, are contained in the South African Employment Equity report on page 38.

At a tertiary level, DDSA sponsors the position of Chief Operating Officer for CIDA City Campus, an innovative non-government university for disadvantaged students selected from schools across South Africa. The company's involvement also encompasses IT service delivery for CIDA, as well as putting together the necessary curriculae.

The Dimension Data Saturday School was opened in 1995 to encourage students from disadvantaged backgrounds to develop an interest in computers and to help them improve their marks. It is now based on the Campus and run by Dimension Data volunteers.

During the period under review DDSA continued its relationship with the Diepsloot Combined School first established in 2003.

The company continues to support the physically disabled by sponsoring the South African Paralympic Committee for the Paralympic world competition which was staged in Athens.

Internet Solutions ('IS') is a 60% owned subsidiary of DDSA and is committed to the upliftment of society through education and development. IS has

independently committed in excess of US\$235,000 of funding to these projects in the period under review.

IS supports worthy causes by means of donating services and solutions, mainly in the form of IT connectivity, Internet access, hosting and skills training.

Australia

Dimension Data Australia has predominantly supported the Starlight foundation and their IT fund during the year, but is currently running a pilot programme to become involved with Social Ventures Australia (SVA), which is a not-for-profit philanthropic organisation that partners with outstanding social enterprises, supports their growth efforts and uses benchmarks and performance measurements to hold them accountable for generating increased social change in Australia. SVA proves a mix of funding access, corporate mentor support and best practice shared learning. Donations in the period under review totalled US\$82,000 (2003:US\$55,000).

In addition, Dimension Data Australia intends to support the ongoing volunteering efforts of employees including employee efforts with local office initiatives that are being sponsored to promote a social issue, and approximately US\$15,000 is spent annually on student subsidies.

Environment

Dimension Data is committed to a clean environment. Our day-to-day activities do not, in themselves, cause significant pollution. However, we will at all times strive to reduce waste by recycling materials and disposing of any waste produced in an environmentally friendly manner.

The Group's environmental policy is as follows:

'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 the 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 recycle paper, boxes, toner cartridges, save electricity, and dispose of old computer equipment to charities or in an ecologically sound fashion.

Ethics

The Dimension Data Group embraces the highest standards in its business activities. The Group operates in accordance with an ethical code, which is distributed to employees via the corporate intranet. A copy of the code is available on the Group's 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 that favours any particular political grouping, other than in the provision of its normal products and services, under its usual terms and conditions of sale.

South African Employment Equity Report

During the year, Dimension Data announced the completion of its Black Economic Empowerment ('BEE') equity transaction, in terms of which a BEE consortium entered into an arrangement to make an equity purchase in Dimension Data (South Africa) ('DDSA'), which is expected to result in them holding 25.01%. The members of the consortium include empowerment investment company Safika Holdings (Pty) Ltd; a number of community-based economic development organisations who support several rural and economic development

projects, as further outlined below; and Ngcaba Holdings (Pty) Ltd. The transformation of our South African business through the arrangement to acquire a 25.01% equity stake in DDSA by a black-empowered consortium was both a business and social responsibility imperative, and critical to DDSA's long term growth.

Attaining Black Empowered status enables DDSA to retain existing business and develop new business, and makes it easier for customers from all sectors to do business with DDSA, both from a legislative point of view and from a skills-base and relationship point of view.

As well as the obvious commercial benefits, it demonstrates Dimension Data's commitment to advancing and developing transformation in South Africa. As a fully empowered ICT company, DDSA is better positioned and perceived as a company that is helping to address the imbalances of the past and to further enhance its contribution to the long term economic development of South Africa.

Shareholding at equity level

Over and above the arrangement to acquire 25.01% of the equity in DDSA by a black-owned consortium, DDSA continues to hold a 49% stake in black-owned telecommunications infrastructure provider Plessey.

Operational and management control

Operational management participation is at the heart of DDSA's BEE strategy, and in spite of the skills shortage amongst black people entering the ICT sector, the company has made progress toward its target of 40% black executive directors by 2006. The current level is 33%.

Affirmative procurement

DDSA supports the government policy to establish and support a competitive, sustainable and viable base of suppliers from previously disadvantaged communities. Office supplies, print bureau,

recycling, pest control, waste disposal and security services as well as building, plant and vehicle maintenance have been subcontracted to BEE companies. The company has achieved its objective of at least 30% of non-stock purchases through black-owned companies by the 2004 financial year.

Entrepreneurship formation

DDSA encourages entrepreneurship formation by leveraging its skills and contacts within the industry to the advantage of an empowerment partner, as well as offering employees an opportunity to run their own businesses. Several large deals were won with a variety of SME partners during 2004.

Employment equity

DDSA has to date met its transformation targets at all levels within the organisation as submitted to the Department of Labour every year since 1998. It has formed an Empowerment Equity Committee to drive empowerment, with the mandate to implement transformation at every level, and the executive sponsorship to back it up. Current employment equity statistics are 33% black staff, 21% white female staff, and 46% white male staff.

Skills development

In 2004 black managers made up 59% of our management development programme candidates. Executive commitment to the MDP ensures that the programme goes beyond affirmative action to real empowerment and meaningful advancement.

The Remuneration Committee presents its Remuneration Report, which was approved by the Board of Directors on 16 November 2004.

Introduction

This report has been prepared in accordance with the Directors' Remuneration Report Regulations 2002. The report also meets the relevant requirements of the Listing Rules of the Financial Services Authority and describes how the Board has applied the Principles of Good Governance relating to Directors' remuneration. As required by the Regulations, a resolution to approve the report will be proposed at the Annual General Meeting of the Company at which the financial statements will be approved. The Regulations require the auditors to report to the Company's members on certain parts of the Directors' Remuneration Report and to state whether in their opinion those parts of the report have been properly prepared in accordance with the Companies Act 1985 (as amended by the Regulations). The report has therefore been divided into separate sections for audited and unaudited information.

Unaudited Information

The Remuneration Committee

The Remuneration Committee members for the period under review were as follows:

Rory Scott (Chairman)
 Dillie Malherbe (appointed 15 September 2004)
 Robert Mansfield (resigned 17 November 2003)
 Gordon Waddell (appointed 15 September 2004)
 Dorian Wharton-Hood (resigned 15 September 2004)

All the members of the Remuneration Committee are considered by the Company to be independent non-executives, with the exception of Dillie Malherbe. The Board's explanation for Dillie Malherbe's appointment to the Committee is set out in the Corporate Governance Report. All the members of the Committee are free from conflicts of interest in considering matters relating to remuneration of executives. The Committee met six times during the period under review. A table showing attendance at committee meetings is available on page 34.

A copy of the full terms of reference for the Committee is available on the Company's website www.didata.com.

The remuneration of non-executive directors is a matter for the executive members of the Board. No director or manager is involved in any decisions as to his or her own remuneration.

During the period under review the Committee took independent advice from PricewaterhouseCoopers in relation to the market practice on executive compensation to help it achieve its objectives. In particular, PricewaterhouseCoopers assisted in the design of the new long term incentive schemes to be proposed to shareholders at an Extraordinary General Meeting to be held on 2 December 2004. PricewaterhouseCoopers were appointed by the Committee and the Executives together. The Remuneration Committee also obtained comparative data from New

Bridge Street Consultants in relation to the Chairman's salary. New Bridge Street Consultants were appointed by the Remuneration Committee. The firm of PricewaterhouseCoopers also provides the Group with internal audit services. The firm of New Bridge Street Consultants does not provide any other services to the Group. Details of the relationships with PricewaterhouseCoopers and New Bridge Street Consultants are available on the Company's website www.didata.com.

The Group Executive Human Resources and the Chief Executive Officer provide information on current remuneration and performance of directors and senior management, and are available to the Committee to answer any questions that may arise. The Committee consults with the Group Executive Human Resources and the Chief Executive Officer on the Committee's proposals for remuneration. The Chief Financial Officer has been involved in the design of the new long term incentive schemes to assist the Remuneration Committee in ensuring the affordability of the schemes to the Group.

The Company Secretary's office provides assistance and advice to the Remuneration Committee with respect to governance, the operation of the Share Option Scheme and regulatory compliance and has utilised Routledge Modise Moss Morris and Linklaters to provide legal services.

Statement of policy on directors' remuneration

The Committee aims to provide remuneration packages that meet the needs of a global IT services business. A business of this nature 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 formulating the policy for the year ending 30 September 2005 and subsequent years the Remuneration Committee has considered the following principles:

- ▲ All remuneration arrangements will be designed to support the Group's business strategy in line with best practice standards.
- ▲ Setting levels of total reward that will be competitive within the relevant market and location.
- ▲ At an on-target level, the proportion of executive remuneration that is performance linked will be not less than 45% of total remuneration, including awards under any long term incentive schemes valued at 'expected value' being 'fair value' as defined under IFRS 2 Share-Based Payment issued by the International Accounting Standards Board. Market and non-market conditions will be taken into consideration when determining such a value.
- ▲ Subject to the approval by shareholders of the new long term incentive arrangements, the expected value of combined grants under the proposed Share Appreciation Rights Scheme ('SARS') and Long Term Incentive Plan ('LTIP') shall not exceed one times base pay per individual.
- ▲ Targets under the long term incentive schemes shall be challenging and are intended to be self-liquidating. LTIP

targets shall relate to performance against a peer group of companies.

Targets under the SARS shall relate to the normalised earnings per share of the Group.

The policy relating to each component of remuneration is summarised below:

Base salary

The base salary of the executive directors is subject to annual review and is set with reference to external market data, relating to similar companies based in South Africa and the UK and taking into account the primary location of the directors concerned. Consideration is given to the size, market sector, business complexity and international reach of the comparator companies. Individual performance and changes in responsibilities resulting from the restructuring of the management of the Group, are also taken into consideration.

Annual bonus plan

Each of the executive directors is entitled to participate in an annual bonus scheme. For the financial year 2005, the performance criteria in respect of the bonus payable is determined by Group financial performance targets related to earnings per share or net income before interest and tax, together with an amount related to the achievement of personal key performance indicators as set in accordance with the Group's performance management system. In addition to the above criteria no performance bonus is payable to directors unless the Group as a whole achieves profitability at a level determined by the Committee. The upper limit for the annual bonus plan for directors is 100% of their basic salary.

Long term incentives

As stated above, it is intended that all executive directors shall be eligible to participate in the new LTIP and SARS,

subject to the approval of these schemes by shareholders at an EGM to be held on 2 December 2004. All grants under these schemes, including grants to executive directors, will be approved by the Remuneration Committee.

The proposed performance criterion for the LTIP is Total Shareholder Return ('TSR') over a three year period compared to the TSR of a Peer Group (of at least 16 members). Vesting will commence if the TSR ranks at the median TSR of the Peer Group (in respect of executive directors not more than 30% of the LTIP awards granted may vest at this point). Vesting will progress linearly, as the rank of the TSR increases, until 100% vesting when the TSR has upper quartile ranking.

The proposed criterion for the SARS is cumulative normalised earnings per share over a three year performance period. Vesting will commence at a threshold level, and progress linearly until full vesting occurs at a target level.

Further details of these proposed new schemes can be found in the circular to shareholders calling the EGM, dated 9 November 2004. A copy of this circular can also be found on our website – www.didata.com.

Details of options granted under the previous share option scheme are given on pages 76 to 78.

Pensions and other benefits

Pensions and other benefits such as life insurance benefits for executive directors reflect the practice in the countries in which they are primarily resident. The executive directors each receive life insurance benefit, disability insurance benefit and medical cover. The cost to the Group is shown in the table on page 42.

Contributions are also made for the executive directors in the Group's provident fund, which is a defined contribution pension scheme, in the amounts as set out on page 42.

Non-executive directors fees

The executive directors determine the remuneration of the non-executive directors annually. The fees were reviewed but not increased in the year.

Consideration is given to fees payable to non-executive directors for comparable companies. Additional fees are paid to committee members and chairmen of Board committees to take account of the additional work involved. Non-executive directors are not eligible to participate in the Company's Share Option Scheme and will not be eligible to participate in the proposed long term incentive schemes.

Service contracts

All executive directors have identical service contracts. These have been revised and new contracts were entered into during the financial year. All executive directors' contracts are rolling contracts, and contain a three month notice period. On termination, except by reason of cause or illness, death, injury or retirement, the executive director will be entitled to payments equal to 12 months' base salary plus a pro-rata portion of the director's bonus (if all conditions and performance criteria applicable to the bonus have been proportionately achieved as determined by the Remuneration Committee). Both such amounts will be payable in equal amounts over the 12 months succeeding termination. This is subject to the director's obligation to mitigate such costs by seeking alternative employment and the Company being entitled to deduct from the amounts payable, all remuneration and fees received pursuant to such alternative employment.

	Effective Date of Contract	Unexpired Term
Jeremy Ord	1 January 2003	Indefinite
Brett Dawson	1 March 2004	Indefinite
David Sherriffs	1 March 2004	Indefinite
Steve Joubert	1 January 2003	Indefinite
Patrick Quarmby	1 January 2003	Indefinite

Following Jeremy Ord's change in role, the Remuneration Committee has reviewed the terms of his service with the Group and accordingly his remuneration will be adjusted with effect from 1 October 2004.

Malcolm Rutherford resigned as an executive director on 1 March 2004, and he resigned from the Board on 11 May 2004. He had not entered into a new service contract and was entitled to receive a payment equal to 12 months' salary (US\$400,000) plus his on-target bonus (US\$300,000). In terms of the severance arrangement agreed by the Remuneration Committee, a payment equal to 12 months salary shall be paid in equal monthly instalments, commencing 1 June 2004, and that the bonus payable shall be pro-rated, reducing the amount of bonus payable to US\$200,000.

All of the non-executive directors now operate under revised letters of appointment which contain a one month notice provision and are for a three year duration. There are no compensation provisions for early termination of non-executive director appointments.

External appointments

Executive directors are permitted to accept external appointments subject to Board approval. Executive directors are not permitted to retain fees paid to them in relation to external appointments.

Audited Information

Directors' Remuneration

	Directors' fees \$'000	Basic salary \$'000	Provident/ Pension fund \$'000	Life insurance benefit \$'000	Disability insurance benefit \$'000	Medical aid \$'000	Bonus	2004 Total \$'000	2003 Total \$'000
RGML Barclay ¹	14	-	-	-	-	-	-	14	-
BW Dawson ²	-	304	8	3	2	4	369	690*	-
DA Frankel	12	-	-	-	-	-	-	12*	10
SM Joubert	-	340	10	5	2	7	189	553*	310
J Malherbe ³	44	-	-	-	-	-	-	44*	-
RC Mansfield ⁴	6	-	-	-	-	-	-	6	56
MM Ngoasheng	12	-	-	-	-	-	-	12*	10
JJ Ord	-	739	51	11	5	7	638	1,451*	691
PK Quarmby	-	417	13	3	2	8	210	653*	360
MT Rutherford ⁵	-	279	25	4	2	5	-	315*	411
RM Scott	96	-	-	-	-	-	-	96*	81
DB Sherriffs ⁶	-	77	3	1	-	2	89	172	-
GH Waddell	64	-	-	-	-	-	-	64	64
PD Wharton-Hood	70	-	-	-	-	-	-	70*	60
	318	2,156	110	27	13	33	1,495	4,152	2,053

¹ Appointed 9 June 2004

² Appointed 1 March 2004

³ Appointed 17 November 2003

⁴ Resigned 17 November 2003

⁵ Resigned 11 May 2004

⁶ Appointed 9 June 2004

* Includes fixed US Dollar : ZAR payments.

For the financial year 2004, the Remuneration Committee has received assessments of the performance of each executive director relative to the achievement of a minimum of 18 out of 25 on personal key performance indicators as set in accordance with the Group performance management system and the achievement of the annual business targets which were set on Group earnings per share for Jeremy Ord and Group profit before interest and tax for Brett Dawson, David Sherriffs and Patrick Quarmby and Group profit before interest and tax and solutions gross margin for Steve Joubert. Following these assessments, the directors will receive the bonus amount as set out under Directors' Remuneration (2003 Bonus: nil).

Details of Directors' Share Options in the Relevant Financial Year

SA rand options (the market price of all SA rand denominated options at the year end was below the option exercise price)

	Date Option Offered	Opening Balance 30 September 2003	Closing Balance 30 September 2004	Share Price (SA rand)	Expiry Date	Performance conditions met
J J Ord	01/10/1998	1,625,000	1,625,000	22.00	01/10/2008	Yes
	17/05/1999	1,360,000	1,360,000	24.00	17/05/2009	Yes
	01/10/1999	2,222,222	2,222,222	24.30	01/10/2009	Yes
B W Dawson	03/05/2000	45,350	45,350	43.50	03/05/2010	Yes
	20/07/2001	70,000	70,000	15.25	20/07/2011	Yes
	01/10/2001	83,509	83,509	9.35	01/10/2011	Yes
S M Joubert	01/10/1998	811,363	811,363	22.00	01/10/2008	Yes
	17/05/1999	625,000	625,000	24.00	17/05/2009	Yes
	01/10/1999	662,551	662,551	24.30	01/10/2009	Yes
P K Quarmby	01/10/1998	604,545	604,545	22.00	01/10/2008	Yes
	17/05/1999	725,000	725,000	24.00	17/05/2009	Yes
	01/10/1999	766,255	766,255	24.30	01/10/2009	Yes

Sterling options

	Date Option Offered	Opening Balance 30 September 2003	Closing Balance 30 September 2004	Share Price (Sterling)	Expiry Date	Performance conditions met
J J Ord	21/11/2002	1,700,000	1,700,000	0.25	21/11/2012	Yes
	11/12/2003	-	750,000	0.37	11/12/2013	Yes
B W Dawson	28/09/2001	300,000	300,000	0.70	28/09/2011	Yes
	03/10/2001	100,000	100,000	0.70	03/10/2011	Yes
	21/11/2002	200,000	200,000	0.25	21/11/2012	Yes
	01/04/2003	500,000	500,000	0.16	01/04/2013	Yes
	20/08/2003	1,000,000	1,000,000	0.26	20/08/2013	Yes
	18/11/2003	-	900,000	0.36	18/11/2013	Yes
	03/08/2004	-	1,200,000	0.28	03/08/2014	Yes
S M Joubert	21/11/2002	700,000	700,000	0.25	21/11/2012	Yes
	11/12/2003	-	300,000	0.37	11/12/2013	Yes
P K Quarmby	21/11/2002	700,000	700,000	0.25	21/11/2012	Yes
	11/12/2003	-	300,000	0.37	11/12/2013	Yes
M T Rutherford	21/11/2002	700,000	700,000	0.25	21/11/2012	Yes
	11/12/2003	-	300,000	0.37	11/12/2013	Yes
D B Sherrifs	18/11/2003	-	700,000	0.36	18/11/2013	Yes

No share options were exercised during the year.

For the options granted on 21 November 2002 and 11 December 2003 to be exercisable each of the executive directors had to satisfy personal and business performance criteria. The personal performance criteria related to the personal key performance indicators set according to the Group's performance management system. Payment was dependent on 100% achievement of the business criteria and a minimum of 18 out of 25 score on the personal key performance criteria. The business performance criteria for Jeremy Ord was Group earnings per share, for Brett Dawson, Patrick Quarmby, Dave Sherriffs and Malcolm Rutherford was Group profit before interest and tax and for Steve Joubert was Group profit before interest and tax and gross margin on solutions.

The Company's share price at 30 September 2004 was 31.25 UK pence and 361 SA cents. The high and low market prices of the Company's shares during the year are shown below. Further details of share prices are shown on page 50.

	Sterling	SA rand
High	48.75 UK pence	633 SA cents
Low	24.75 UK pence	295 SA cents

Directors' interests in ordinary shares

Details of the Directors' beneficial and non-beneficial shareholdings in the Company are shown below.

	Non-Beneficial	Beneficial	Total 2004	Total 2003
BW Dawson	-	1,532	1,532	-
DA Frankel	1,412,817	634,507	2,047,324	2,047,324
SM Joubert	-	163,155	163,155	163,155
R Mansfield	-	727	727	727
JJ Ord	-	10,281,858	10,281,858	10,281,858
PK Quarmby	-	394,625	394,625	394,625
MT Rutherford	-	4,384,028	4,384,028	4,384,028
RM Scott	481,830	-	481,830	481,830
G Waddell	7,581	75,000	82,581	82,581
PD Wharton-Hood	-	118,188	118,188	58,188

Directors' shareholdings are unchanged as at 16 November 2004.

Other than the shareholdings listed above, the Directors hold no interests in other Group companies.

Long term performance

In line with the Directors' Remuneration Report Regulations 2002 the graph below shows Dimension Data's total shareholder return between listing on the London Stock Exchange on 19 July 2000 and 30 September 2004, together with a comparator index.



By order of the Board

RM Scott

Chairman of the Remuneration Committee

16 November 2004

United Kingdom 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:

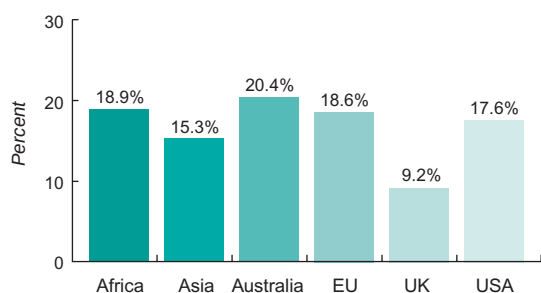
- ▲ select suitable accounting policies and then apply them consistently;
- ▲ make judgements and estimates that are reasonable and prudent; and
- ▲ state whether applicable accounting standards have been followed.

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 the system of internal control and 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.

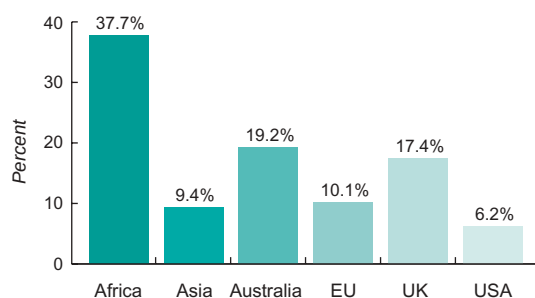
for the year ended 30 September

	2004 \$'000	2003 \$'000	2002 \$'000	2001 \$'000	2000 \$'000	1999 \$'000	1998 \$'000	1997 \$'000
Turnover								
- Continuing operations	2,368,044	2,014,795	2,120,562	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	2,368,044	2,014,795	2,120,562	2,401,503	1,942,576	1,137,263	726,170	268,323
- Joint ventures	-	-	-	-	-	31,584	61,939	42,384
- Associates	115,990	85,464	66,769	58,755	33,922	38,280	3,050	71,390
Total turnover	2,484,034	2,100,259	2,187,331	2,460,258	1,976,498	1,207,127	791,159	382,097
Operating profit/(loss) before goodwill amortisation, impairment and exceptional items								
- Continuing operations	25,666	(14,886)	40,962	170,011	182,460	100,651	41,537	24,952
- Acquisitions	-	-	-	5,959	27,890	28,366	29,402	7,253
Group operating profit/(loss)	25,666	(14,886)	40,962	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/(loss) in associates	7,343	5,874	4,464	4,889	1,999	3,854	(1,315)	1,695
Total	33,009	(9,012)	45,426	180,859	212,349	133,363	75,147	38,801
Earnings/(loss) attributable to shareholders before goodwill amortisation, impairment and exceptional items	11,434	(36,356)	30,100	163,804	143,838	80,482	49,072	29,889
Basic earnings/(loss) per share before goodwill amortisation and exceptional items (US cents)	0.9	(2.7)	2.3	13.0	16.1	11.9	8.7	6.4
Weighted average number of ordinary shares ('000)	1,342,286	1,341,618	1,299,075	1,255,235	895,008	675,369	561,681	465,793
Cash on hand (including short term investments)	425,039	385,691	415,352	920,080	1,711,426	313,376	135,910	58,294

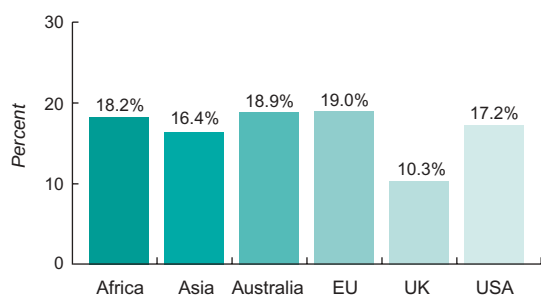
Share of Turnover by Location – 2004



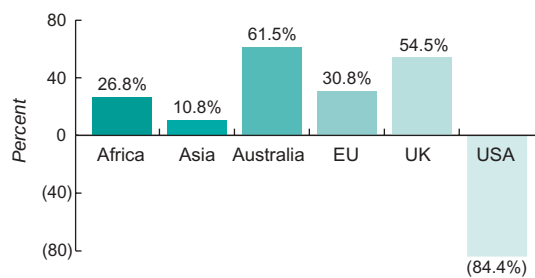
Share of Operating Profit by Location* – 2004



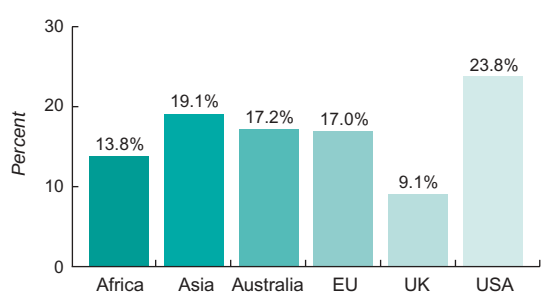
Share of Turnover by Location – 2003



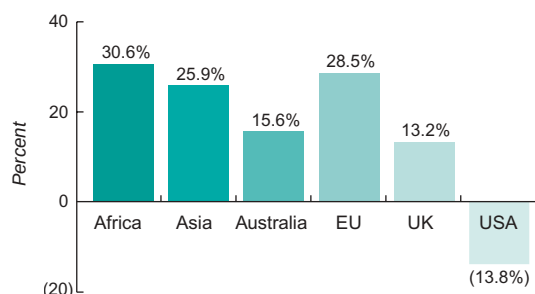
Share of Operating Profit by Location* – 2003



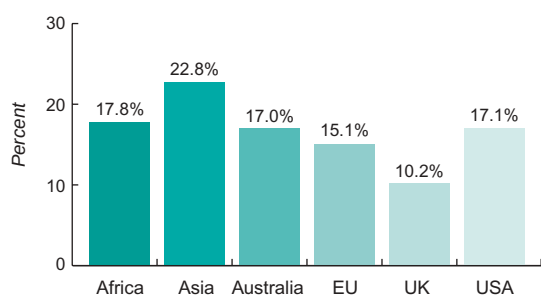
Share of Turnover by Location – 2002



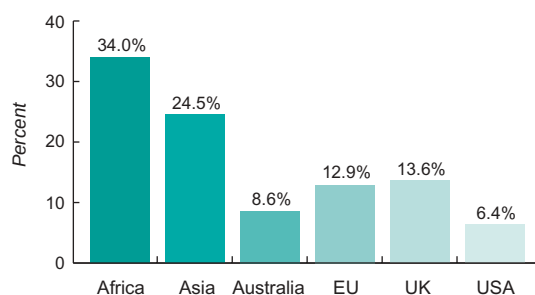
Share of Operating Profit by Location* – 2002



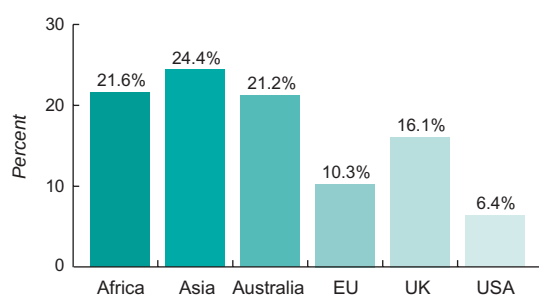
Share of Turnover by Location – 2001



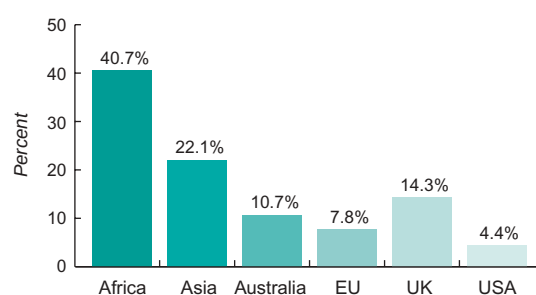
Share of Operating Profit by Location* – 2001



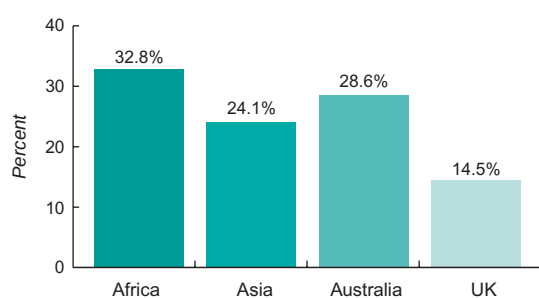
Share of Turnover by Location – 2000



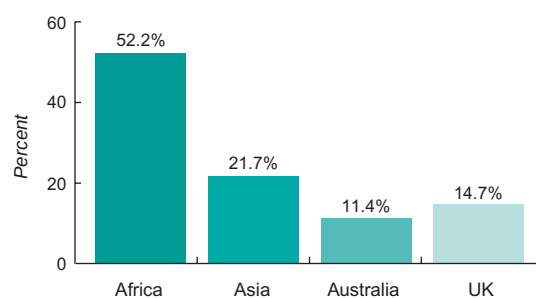
Share of Operating Profit by Location* – 2000



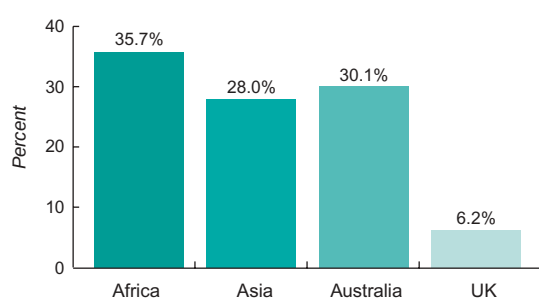
Share of Turnover by Location – 1999



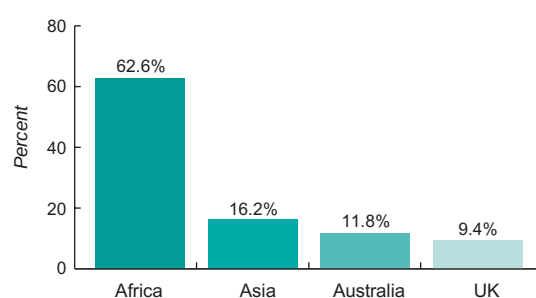
Share of Operating Profit by Location* – 1999



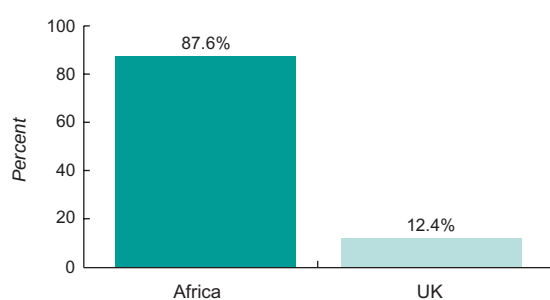
Share of Turnover by Location – 1998



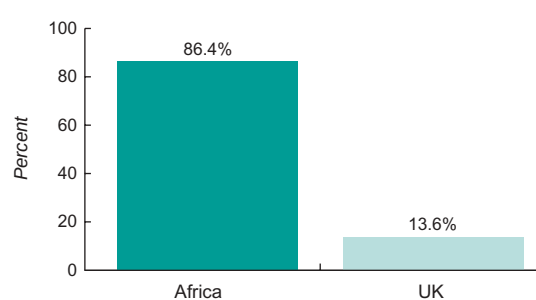
Share of Operating Profit by Location* – 1998



Share of Turnover by Location – 1997



Share of Operating Profit by Location* – 1997



*Operating profit before goodwill amortisation, impairment and exceptional items.

Share price statistics

	2004	2003	2002	2001	2000	1999	1998	1997
JSE Securities Exchange (SA cents per share)								
- Closing	361	301	280	930	6 680	2 385	2 390	1 950
- High	633	311	1 665	6 950	7 000	3 140	4 100	2 050
- Low	295	298	252	794	2 430	1 990	1 800	904
Number of shares in issue ('000)	1,342,437	1,341,992	1,299,477	1,298,812	1,158,090	686,862	567,532	474,272
London Stock Exchange (UK pence per share)*								
- Closing	31.25	26	16	70	627	N/A	N/A	N/A
- High	48.75	27	118	663	1 000	N/A	N/A	N/A
- Low	24.75	24.25	13.75	67	542	N/A	N/A	N/A
Number of shares in issue ('000)	1,342,437	1,341,992	1,299,477	1,298,812	1,158,090	N/A	N/A	N/A
Market capitalisation at year end								
JSE Securities Exchange (R m)	4,846	4,039	3,639	12,079	77,360	16,381	13,564	9,248
London Stock Exchange (£ m)	420	349	208	909	7,261	N/A	N/A	N/A
(\$ m)	755	582	324	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 year 2000 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.

Shareholders' diary

Financial year end	30 September
Profit announcement	November 2004
Annual Report	Published December 2004
Interim profit announcement	May 2005

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 will not declare a dividend for the financial year ended 30 September 2004

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 2004

Size of shareholding	Number of shareholders	Number of shares	Percentage of issued capital
1 - 1,000	5,908	1,160,129	0.09
1,001 - 5,000	1,110	2,589,066	0.19
5,001 - 10,000	235	1,770,750	0.13
10,001 - 25,000	180	2,853,111	0.21
25,001 - 50,000	86	3,225,999	0.24
50,001 - 100,000	56	4,199,069	0.31
100,001 - 250,000	79	14,032,374	1.05
250,001 - 500,000	78	27,960,925	2.08
500,001 - 1,000,000	74	54,264,002	4.04
Over 1,000,000	121	1,230,381,804	91.66
Total	7,927	1,342,437,229	100.00%

Substantial Interests

As at 30 September 2004 the Company has been notified, in accordance with sections 198 and 208 of the Companies Act, 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
Fidelity Investment Services Ltd	126,391,056	9.42
Sanlam Investment Managers	121,638,596	9.06
UBS Global Asset Management	113,683,937	8.47
Morley Fund Management	75,641,070	5.63
Old Mutual Asset Managers	75,331,354	5.61
Stanlib Ltd	50,309,022	3.75
Legal and General Investment Management Ltd	48,059,246	3.58
SG Asset Management	40,625,608	3.03

We have audited the financial statements of Dimension Data Holdings plc for the year ended 30 September 2004 which comprise the consolidated profit and loss account, the consolidated balance sheet, the parent company balance sheet, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses, the consolidated and parent company's statements of movements of reserves and shareholders' funds, and the related notes 1 to 34. We have also audited the information in the part of the Directors' remuneration report that is described as having been audited.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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. They are also responsible for the preparation of the other information contained in the annual report including the Directors' remuneration report. Our responsibility is to audit the financial statements and the part of the Directors' remuneration report described as having been audited in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' remuneration report described as having been audited have been

properly prepared in accordance with the Companies Act 1985. We also report to you 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 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 of the Financial Services Authority, 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 including the unaudited part of the Directors' remuneration report 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 and the part of the Directors' remuneration report described as having been audited. 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 and the part of the Directors' remuneration report described as having been audited 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 and the part of the Directors' remuneration report described as having been audited.

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 2004 and of the loss of the Group for the year then ended; and
- ▲ the financial statements and part of the Directors' remuneration report described as having been audited have been properly prepared in accordance with the Companies Act 1985.

An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the financial statements since first published. These matters are the responsibility of the directors but no control procedures can provide absolute assurance in this area.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London
17 November 2004

Consolidated Profit and Loss Account					
for the year ended 30 September 2004	Note	2004 \$'000 Pre- exceptional	2004 \$'000 Exceptional items (Note 7)	2004 \$'000 Total	Restated 2003 \$'000 Total (Note 1)
Turnover					
Group turnover	3,4	2,368,044	-	2,368,044	2,014,795
Associates		115,990	-	115,990	85,464
Total turnover	3	2,484,034	-	2,484,034	2,100,259
Operating profit/(loss) before goodwill amortisation, impairment and exceptional items	3	25,666	-	25,666	(14,886)
Exceptional operating costs		-	(27,632)	(27,632)	(23,166)
		25,666	(27,632)	(1,966)	(38,052)
Goodwill amortisation		(366)	-	(366)	(344,415)
Goodwill and investment impairment		-	(8,402)	(8,402)	(15,297)
Group operating profit/(loss)	4,5	25,300	(36,034)	(10,734)	(397,764)
Share of operating profit in associates		7,343	-	7,343	5,874
Goodwill amortisation and impairment and investment impairment - associates		(1,154)	(10,061)	(11,215)	(1,724)
Total operating profit/(loss)	3	31,489	(46,095)	(14,606)	(393,614)
Profit/(loss) on sale of fixed assets and investments		-	4,900	4,900	(7,297)
Profit/(loss) on ordinary activities before interest		31,489	(41,195)	(9,706)	(400,911)
Income from other fixed asset investments	8	4,614	-	4,614	3,543
Net interest receivable/(payable)	9	705	-	705	(1,369)
Profit/(loss) on ordinary activities before taxation		36,808	(41,195)	(4,387)	(398,737)
Tax on profit/(loss) on ordinary activities	10	(19,555)	(13,683)	(33,238)	(25,420)
Profit/(loss) on ordinary activities after taxation		17,253	(54,878)	(37,625)	(424,157)
Equity minority interests		(7,339)	7,161	(178)	3,775
Profit/(loss) for the year		9,914	(47,717)	(37,803)	(420,382)
Earnings/(loss) per ordinary share				US cents	US cents
Basic before goodwill amortisation, impairment and exceptional items	11			0.9	(2.7)
Basic and diluted	11			(2.8)	(31.3)

All amounts included above relate to continuing operations.

Consolidated Balance Sheet			
as at 30 September 2004	Note	2004 \$'000	Restated 2003 \$'000
Fixed assets			
Intangible assets	12	976	-
Tangible assets	13	92,467	99,924
Investments in associates	15	25,781	39,067
Other investments	15	39,013	33,136
		158,237	172,127
Current assets			
Stock	16	104,871	88,581
Debtors	17	547,205	540,016
Short term investments	18, 25	10,946	27,906
Cash at bank and in hand	25	414,093	357,785
		1,077,115	1,014,288
Creditors: amounts falling due within one year	19	(666,210)	(619,254)
Net current assets		410,905	395,034
Total assets less current liabilities		569,142	567,161
Creditors: amounts falling due after more than one year	20	(133,039)	(129,372)
Provisions for liabilities and charges	22	(41,875)	(28,355)
Equity minority interests		(104,377)	(99,052)
Total net assets		289,851	310,382
Capital and reserves			
Called up share capital	23	13,499	13,495
Share premium account		100,748	100,278
Other reserves		237,500	258,249
ESOP reserve		(219)	(219)
Profit and loss account		(61,677)	(61,421)
Equity shareholders' funds		289,851	310,382

The financial statements were approved by the Board of Directors on 16 November 2004.

Brett Dawson
Chief Executive Officer

Dave Sherriffs
Chief Financial Officer

Parent Company Balance Sheet			
as at 30 September 2004	Note	2004 \$'000	Restated 2003 \$'000
Fixed assets			
Tangible assets	13	42	-
Investment in subsidiaries	14	340,931	411,626
		340,973	411,626
Debtors	17	2,025	3,630
Cash at bank and in hand		8,096	7,541
Creditors: amounts falling due within one year	19	(1,405)	(1,956)
Net current assets		8,716	9,215
Provisions for liabilities and charges	22	(5,882)	-
Total net assets		343,807	420,841
Capital and reserves			
Called up share capital	23	13,499	13,495
Share premium account		100,748	100,278
Special reserve		342,439	342,439
Other reserves		(17,027)	(29,234)
ESOP reserve		(219)	(219)
Profit and loss account		(95,633)	(5,918)
Equity shareholders' funds		343,807	420,841

The financial statements were approved by the Board of Directors on 16 November 2004.

Brett Dawson
Chief Executive Officer

Dave Sherriffs
Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended 30 September 2004

Note

2004
\$'000Restated
2003
\$'000**Reconciliation of operating loss to operating cash flows:**

Group operating loss		(10,734)	(397,764)
Depreciation		42,519	48,351
Goodwill amortisation and impairment and investment impairment		8,768	359,712
Loss on sale of tangible fixed assets		2,388	7,702
(Increase)/decrease in stock		(14,503)	9,087
(Increase)/decrease in debtors		(30,640)	37,650
Increase/(decrease) in creditors		52,198	(22,081)
Other non-cash items		27,475	8,504

Net cash inflow from operating activities

77,471 51,161

Returns on investments and servicing of finance	24	3,044	4,915
Taxation	24	(21,975)	(13,401)
Capital expenditure and financial investment	24	(31,410)	(45,067)
Acquisitions and disposals	24	1,083	(76,371)
Cash inflow/(outflow) before management of liquid resources and financing		28,213	(78,763)
Management of liquid resources	24	8,461	15,475
Financing	24	2,922	(1,250)
Increase/(decrease) in cash in the year	25	39,596	(64,538)

Consolidated Statement of Movement of Reserves and Shareholders' Funds

for the year ended 30 September 2004

	Issued share capital \$'000	Share premium account \$'000	Other reserves \$'000	ESOP reserve \$'000	Profit and loss account \$'000	Total \$'000
Balance at 1 October 2003 as previously reported	13,495	100,278	258,249	-	(61,421)	310,601
Restatement UITF Abstract 38	-	-	-	(219)	-	(219)
Restated balance at 1 October 2003	13,495	100,278	258,249	(219)	(61,421)	310,382
Loss retained for the year	-	-	-	-	(37,803)	(37,803)
Currency adjustments	-	-	16,798	-	-	16,798
Shares issued	4	658	-	-	-	662
Share issue expenses	-	(188)	-	-	-	(188)
Transfers	-	-	(37,547)	-	37,547	-
Balance at 30 September 2004	13,499	100,748	237,500	(219)	(61,677)	289,851

The transfer between other reserves and profit and loss account represents a reallocation of balances reclassified in terms of their nature.

Company Statement of Movement of Reserves and Shareholders' Funds

for the year ended 30 September 2004

	Issued share capital \$'000	Share premium account \$'000	Special reserve \$'000	Other reserves \$'000	ESOP reserve \$'000	Profit and loss account \$'000	Total \$'000
Balance at 1 October 2003 as previously reported	13,495	100,278	342,439	(29,234)	-	(5,918)	421,060
Restatement UITF Abstract 38	-	-	-	-	(219)	-	(219)
Restated balance at 1 October 2003	13,495	100,278	342,439	(29,234)	(219)	(5,918)	420,841
Loss retained for the year	-	-	-	-	-	(89,715)	(89,715)
Currency adjustments	-	-	-	12,207	-	-	12,207
Shares issued	4	658	-	-	-	-	662
Share issue expenses	-	(188)	-	-	-	-	(188)
Balance at 30 September 2004	13,499	100,748	342,439	(17,027)	(219)	(95,633)	343,807

Other reserves comprise translation reserves.

The special reserve was created at the time of the capital reduction in 2003. Further details thereof appear in the Financial Review on page 24.

Consolidated Statement of Total Recognised Gains and Losses		
for the year ended 30 September 2004	2004 \$'000	Restated 2003 \$'000
Loss for the year	(37,803)	(420,382)
Currency translation differences on foreign currency net investments	16,798	80,492
Total recognised gains/(losses) relating to the year	(21,005)	(339,890)

The impact of adopting UITF Abstract 38 was to increase the total loss for the year ended 30 September 2003 by US\$91,000.

1. Basis of Preparation

The Dimension Data Group ('the Group') comprises Dimension Data Holdings plc ('the Company') and its subsidiaries.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain investments, and in accordance with applicable United Kingdom financial and accounting standards.

Prior year comparatives

UITF Abstract 38 - 'Accounting for ESOP Trusts' has been adopted and comparative financial information has been restated as necessary. The impact of adopting Abstract 38 was to increase the total loss for the year ended 30 September 2003 by US\$91,000. This had no effect on reported earnings per share. Equity shareholders' funds have been reduced at 30 September 2003 by US\$219,000.

The comparative balance sheet and cash flow statement have been restated. Amounts due from and to taxation authorities have been separately categorised between debtors and creditors. At 30 September 2003, debtors increased by US\$36.1 million and creditors reduced by the same amount.

2. Accounting Policies

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries and its share of associates. The results of subsidiaries are included from the effective dates of acquisition until the effective dates of disposal. All significant intragroup transactions and balances have been eliminated on consolidation.

Turnover

Turnover comprises the aggregate amounts receivable for the sale of goods and the amounts receivable from customers for the provision of services for installation, maintenance and call centre operations.

Maintenance revenue and licence fees

Maintenance revenue and licence fees are recognised over the relevant contract periods.

Research and development

Research and development costs are recognised as an expense in the period in which they are incurred.

Goodwill

Where an investment in a subsidiary, joint venture or associated company is made, any difference between the purchase price and the fair value of the attributable net assets is recognised as goodwill.

Goodwill arising on acquisitions prior to 1 October 1998 was set off against reserves in the year of acquisition. Goodwill arising on acquisitions after 1 October 1998 is recognised within intangible fixed assets in the year of acquisition, and amortised.

Amortisation is calculated on a straight line basis so as to write off the goodwill over its economic life, depending on the nature of the acquisition, for a period not exceeding five years.

The unamortised balance is reviewed on a regular basis and, if an impairment in value has occurred, it is written off in the period in which the circumstances have been identified.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation.

Depreciation is provided on a straight line basis at rates considered appropriate to reduce their book values to estimated residual values over the useful lives of the assets.

The following rates are applied:

Leasehold land, buildings and improvements	over the lease term
Computer and workshop equipment	20-33.33% per annum
Motor vehicles	25% per annum
Office furniture and equipment	10% per annum.

Associated companies

Associated companies are those companies, other than subsidiaries, over which the Group exercises significant influence and in which it holds a long term equity interest. Investments in associates are accounted for using the equity method, from the date they became investees, whereby the Group's share of the associated companies' retained income for the year is included in the consolidated profit and loss account. Attributable earnings or losses, less dividends received, are included with the book value of the investment in the consolidated balance sheet.

Provision is made where there has been an impairment in the carrying value of the investment.

Investments

Investments, other than investments in associates and joint ventures, are reflected at the lower of cost and fair value in the balance sheet. Fair value for unquoted investments represents the Directors' valuation after taking into account any impairment. Fair value of quoted investments represents market value.

Investments held by Protocol are stated at valuation in terms of the standards endorsed by the British Venture Capital Association. Valuations, for unquoted investments, are based on arm's length transactions which took place and valuation surpluses or losses included in operating income. Where no such transaction took place, the investment is assessed for impairment and any valuation losses written off to operating income. No account is taken of valuation surpluses indicated by the impairment review. In the case of listed investments, the quoted share price at year end is used to value the investment. All subsidiaries of Protocol are consolidated in accordance with Group accounting policies.

Investments in subsidiaries are carried in the parent company balance sheet at cost less provisions for permanent impairment.

Accounting for foreign investments

The balance sheets of consolidated foreign subsidiaries, together with investments in overseas associated undertakings, are translated into US dollars at the rates of exchange ruling at the balance sheet date.

The results of overseas subsidiaries and associated undertakings are translated at the weighted average rates of exchange for the year.

The exchange differences arising on the retranslation of the opening net investment and profit for the financial year at the closing rate, are taken to reserves.

Stock

Stock is valued at the lower of the weighted average cost and net realisable value. Redundant and slow-moving stocks are identified and written down with regard to their estimated economic or realisable values.

Deferred taxation

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currency transactions

Transactions denominated in foreign currencies are translated into the functional currencies at the rates of exchange on the dates of the transactions or, if hedged, at the rates of exchange under the related forward exchange contracts.

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial year, or if hedged, at the forward contract rates.

The exchange differences are taken to the profit and loss account.

Operating leases

Rentals are charged to the profit and loss account over the lease term.

Pensions

Pension costs in the profit and loss account comprise contributions payable to the Group's various defined contribution schemes.

Reporting currency

As permitted by UK Company law, the Group reports in US dollars, the currency in which a significant amount of its business is conducted and which is regarded as its functional currency.

3. Segmental Analysis

	2004 \$'000	2004 \$'000	2004 \$'000	2003 \$'000	2003 \$'000	2003 \$'000
	Turnover	Operating profit/(loss)	Net operating assets	Turnover	Operating profit/(loss)	Net operating assets
Continuing operations						
- Africa	445,172	27,560	89,603	365,428	5,413	123,603
- Asia	362,280	6,897	174,427	328,725	2,187	169,310
- Australia	481,078	14,014	81,858	380,526	12,431	69,021
- Continental Europe	438,841	7,353	86,473	382,123	6,220	68,445
- United Kingdom	218,260	12,744	55,217	205,918	11,010	76,274
- United States	416,811	4,573	39,689	346,051	(17,058)	32,153
- Other*	5,602	(47,475)	-	6,024	(35,089)	-
Group	2,368,044	25,666	527,267	2,014,795	(14,886)	538,806
Associates	115,990	7,343	-	85,464	5,874	-
	2,484,034	33,009	527,267	2,100,259	(9,012)	538,806
Goodwill amortisation		(1,520)			(346,139)	
Operating exceptional items		(46,095)			(38,463)	
Total	2,484,034	(14,606)	527,267	2,100,259	(393,614)	538,806

* Comprises Holding companies and Central solutions and services. The net operating assets thereof have been included in the relevant geographical region.

Net operating assets are total net assets excluding convertible bonds, loans and minority interests.

Turnover by destination is not materially different to turnover by origin.

The Directors consider that they operate one generic class of business and that business is primarily managed regionally.

4. Analysis of Continuing Operations

	2004 \$'000	2003 \$'000
Group turnover	2,368,044	2,014,795
Cost of sales	(1,877,789)	(1,610,146)
Gross profit	490,255	404,649
Administrative expenses	(500,989)	(802,413)
Goodwill amortisation	(366)	(344,415)
Goodwill and investment impairment	(8,402)	(15,297)
Other operating expenses	(464,589)	(419,535)
Other exceptional operating expenses	(27,632)	(23,166)
Group operating loss	(10,734)	(397,764)

5. Group Operating Profit/(Loss)

	2004 \$'000	2003 \$'000
Group operating profit/(loss) is after charging:		
Depreciation	42,519	48,351
Goodwill amortisation	366	344,415
Goodwill and investment impairment	8,402	15,297
Loss on sale of tangible fixed assets	2,388	7,702
Rentals under operating leases		
Hire of plant and machinery	5,718	4,050
Other operating leases	40,367	34,656
Auditors' remuneration		
Audit fees	2,606	2,240
Other assurance services	343	221
Taxation	1,455	1,565
Control reviews	-	176
Other	86	11

6. Information Regarding Directors and Employees

Information Regarding Employees		
	2004	2003
Average number of persons employed by the Group:		
Location:		
Africa	3,557	3,204
Asia	1,119	1,313
Australia	992	996
Continental Europe	977	1,031
United Kingdom	1,316	1,274
United States	602	706
	8,563	8,524
	2004	2003
	\$'000	\$'000
Staff costs charged to operating profit, incurred during the year in respect of these employees were:		
Wages and salaries	351,473	344,406
Social security costs	29,865	24,266
Pension costs	16,477	12,712
	397,815	381,384

Disclosures on Directors' remuneration, pension entitlements, shareholdings and share options required by the Companies Act 1985, the Directors' Remuneration Report Regulations 2002 and those specified for audit by the Financial Services Authority, are set out in the Remuneration Report on pages 39 to 45.

7. Exceptional Items

	Note	2004 \$'000	2003 \$'000
Exceptional operating costs			
Provision for Campus	(a)	(25,064)	-
Provision for property costs	(b)	(3,505)	-
Asset carrying value adjustments	(c)	(850)	(9,788)
Provisions released	(d)	1,787	13,529
Other		-	(26,907)
		(27,632)	(23,166)
Investments written down	(e)	(8,402)	(15,297)
Goodwill and investment impairment - associates	(f)	(10,061)	-
		(18,463)	(15,297)
Total exceptional operating costs		(46,095)	(38,463)
Other exceptional items			
Profit/(loss) on sale of fixed assets and investments	(g)	4,900	(7,297)
Total other exceptional items		4,900	(7,297)
Total exceptional items before taxation and equity minority interests		(41,195)	(45,760)

- (a) This relates to the property in Sandton, South Africa, which houses the South African operations and the Group head office. The provision is the present value of estimated future unrecovered costs in respect of vacant and third-party space at the Campus (see Note 33 for more detail).
- (b) This relates to other Group property commitments.
- (c) Fair value adjustment to stock in Datacraft Asia, acquired in 2002.
- (d) Release of excess fair value stock provisions.
- (e) Includes impairment of investments and loans.
- (f) Impairment of associate goodwill and associate loans.
- (g) Includes profit on sale of Proxicom and the write-down of the investment in Sunset Learning. Also included is a profit on sale of a 1.51% interest in Dimension Data (South Africa) (Pty) Ltd, offset by the cost of a further 1.1%, which vested during the period.

A deferred tax asset amounting to US\$13.7 million, previously carried on the balance sheet in Africa, has been reversed. Delays in certain corporate finance initiatives, which would have assisted with the realisation of this asset, have led the Directors to the view that the recovery of this asset in the near future is uncertain.

In 2003, the Group revised the useful economic life of its goodwill from seven to five years and incurred an accelerated amortisation charge as a result. A component of this 2003 charge related to goodwill arising from Datacraft Asia acquisitions, but no adjustment was made to the Group's 2003 earnings to reflect the outside shareholders' share of this charge. Datacraft Asia has amortised and impaired this goodwill in its 2004 results and therefore the outside shareholders' component of the expense amounting to US\$7.2 million has been reflected as exceptional in our results for the year ended 30 September 2004.

8. Income from Other Fixed Asset Investments

	2004	Restated
	\$'000	2003
		\$'000
Endowment policy revaluation	3,373	2,133
Other	1,241	1,410
	4,614	3,543

9. Net Interest Receivable/(Payable)

	2004	2003
	\$'000	\$'000
Subsidiaries:		
Interest receivable	10,938	10,846
Interest payable	(10,544)	(12,839)
Convertible bonds	(6,017)	(3,994)
Debentures	-	(2,200)
Bank overdraft and other borrowings	(4,527)	(6,645)
Associates:		
Interest receivable	418	695
Interest payable	(107)	(71)
Net interest receivable/(payable)	705	(1,369)

10. Tax on Profit/(Loss) on Ordinary Activities

	2004 \$'000 Pre- exceptional	2004 \$'000 Exceptional items	2004 \$'000 Total	2003 \$'000 Total
Payable in respect of the current year				
- UK corporation tax	2,833	-	2,833	548
- Foreign	18,893	-	18,893	14,804
Share of associates' taxation	2,584	-	2,584	1,951
Withholding taxes	270	-	270	995
	24,580	-	24,580	18,298
Adjustments to prior years' tax provision				
- UK corporation tax	(547)	-	(547)	(3,298)
- Foreign	(4,177)	-	(4,177)	12,211
Total current tax	19,856	-	19,856	27,211
Deferred taxation				
- Current	(4,852)	-	(4,852)	7,272
- Adjustments to prior years	4,551	13,683	18,234	(9,063)
Total tax charge	19,555	13,683	33,238	25,420

Reconciliation of expected tax charge using the standard tax rate to the actual current tax charge

The differences between the Group's expected tax charge, using the Group's standard corporation tax rate of 30% in 2004 (2003: 30%), and the Group's current tax charge, were as follows:

	2004 \$'000	Restated 2003 \$'000
Total loss before taxation	(4,387)	(398,737)
Goodwill amortisation and impairment and investment impairment	19,983	361,436
Other non-operating exceptional items	(4,900)	7,297
Adjusted profit/(loss) before goodwill amortisation and non-operating exceptional items	10,696	(30,004)
Expected tax charge/(credit) at standard tax rate on profit/(loss) before goodwill and non-operating exceptional items	3,209	(9,001)
Expenses not deductible	2,484	6,334
Short term timing differences	(18,174)	9,427
Tax losses created/utilised	44,468	26,092
Adjustments with respect to prior years	(4,724)	8,913
Non-taxable profits	(9,559)	(12,183)
International corporate tax rate differentials and other	2,152	(2,371)
Actual current tax charge	19,856	27,211

11. Earnings/(Loss) per Ordinary Share

	2004 \$'000	Restated 2003 \$'000
Profit/(loss) before goodwill amortisation, impairment and exceptional items	11,434	(36,356)
Exceptional operating costs (net of tax and minorities)	(47,717)	(37,887)
Goodwill amortisation	(1,520)	(346,139)
Loss for the year	(37,803)	(420,382)
	2004 '000	2003 '000
Weighted average number of ordinary shares in issue	1,342,286	1,341,618
	2004 US Cents	2003 US Cents
Basic earnings/(loss) per ordinary share before goodwill amortisation, impairment and exceptional items*	0.9	(2.7)
Basic loss per ordinary share on exceptional items	(3.6)	(2.8)
Basic loss per ordinary share on goodwill amortisation	(0.1)	(25.8)
Basic and diluted loss per ordinary share	(2.8)	(31.3)
* Basic earnings/(loss) per ordinary share before goodwill amortisation, impairment and exceptional items is shown to reflect continuing trading results. Basic loss per share represents the net loss attributable to ordinary shareholders, being the loss on ordinary activities after taxation and minority interests. Diluted loss per share is the same as basic loss per share as it is considered that there are no dilutive potential ordinary shares.		

12. Intangible Fixed Assets: Goodwill

	2004 \$'000	2003 \$'000
Cost		
At beginning of the year	5,057,115	5,065,512
Acquisitions during the year	1,079	2,833
Fair value adjustments	(1,047)	8,012
Other movements	1,310	(579)
Disposals	-	(18,663)
Cost at end of the year	5,058,457	5,057,115
Accumulated amortisation		
At beginning of the year	(5,057,115)	(4,723,073)
Charge for the year	(366)	(295,654)
Additional charge due to change in estimate	-	(48,761)
Disposals	-	10,373
At end of the year	(5,057,481)	(5,057,115)
Net carrying value at end of the year	976	-

13. Tangible Fixed Assets

Group	Leasehold land, buildings and improvements \$'000	Computer and workshop equipment \$'000	Motor vehicles \$'000	Office furniture and equipment \$'000	Total \$'000
Cost					
At 1 October 2003	37,895	197,979	1,395	71,119	308,388
Foreign exchange translation differences	2,534	11,667	46	4,050	18,297
Additions	1,657	26,328	211	4,697	32,893
Subsidiaries acquired	-	133	-	-	133
Disposals (including subsidiaries)	(155)	(42,009)	(289)	(5,095)	(47,548)
At 30 September 2004	41,931	194,098	1,363	74,771	312,163
Accumulated depreciation					
At 1 October 2003	(16,332)	(142,139)	(1,062)	(48,931)	(208,464)
Foreign exchange translation differences	(483)	(8,315)	(31)	(2,612)	(11,441)
Charge for the year	(3,054)	(30,313)	(154)	(8,998)	(42,519)
Asset impairments	(1,587)	(159)	-	-	(1,746)
Subsidiaries acquired	-	(39)	-	-	(39)
Disposals (including subsidiaries)	150	39,855	245	4,263	44,513
At 30 September 2004	(21,306)	(141,110)	(1,002)	(56,278)	(219,696)
Net book value					
30 September 2003	21,563	55,840	333	22,188	99,924
30 September 2004	20,625	52,988	361	18,493	92,467

The Company has office furniture and fittings amounting to a net book value of US\$42,000 (2003: nil).

14. Investment in Subsidiaries

	Company 2004 \$'000	Company 2003 \$'000
Shares in subsidiaries	227,609	247,952
Amounts due from subsidiary undertakings	113,322	163,674
	340,931	411,626
Analysis of movements in shares in subsidiaries:		
Balance at beginning of the year	247,952	230,152
Net acquisitions and transfers	860	17,800
Impairment	(21,203)	-
Balance at end of the year	227,609	247,952

Investment in subsidiaries represents the investments in Spectrum Holdings Inc, Dimension Data (South Africa) (Pty) Ltd, Dimension Data Network Services Ltd, Dimension Data Global Management Services (Pty) Ltd, Dimension Data (South Africa) Holdings (Pty) Ltd and the preference share in Dimension Data Commerce Centre Ltd. Note 34 contains details of the principal subsidiaries.

15. Investments Held as Fixed Assets

Investments in associates	2004 \$'000	2003 \$'000
The carrying value consists of:		
Unquoted - share of net assets	14,101	12,104
- goodwill	-	7,399
Loans, less provisions	3,901	11,768
	18,002	31,271
Quoted - share of net assets	6,153	5,016
- goodwill	1,626	2,780
	7,779	7,796
Total	25,781	39,067
Directors' values		
Unquoted	14,101	19,503
Loans, less provisions	3,901	11,768
	18,002	31,271
Market value		
Quoted	13,581	7,980
Analysis of movements in investments in associates:		
Balance at beginning of the year	39,067	26,016
Acquired	202	682
Share of current year profit	7,343	5,874
Tax on current year profit	(2,584)	(1,951)
Share of associates' reserves	(3,020)	384
Current year amortisation of goodwill	(1,154)	(1,724)
Impairment of goodwill	(7,399)	-
Impairment of loan to associate	(2,662)	-
Dividends received	(3,366)	(543)
Disposals and transfers to investments	(4,793)	(569)
Currency movements	5,882	12,671
Movement in loans to associates	(1,735)	(1,773)
Balance at end of the year	25,781	39,067

Further details of associates are included in Note 34.

15. Investments Held as Fixed Assets (Continued)

Other investments	2004 \$'000	Restated 2003 \$'000
Quoted	-	177
Unquoted	39,013	32,959
	39,013	33,136
Market value of quoted investments	-	177
Analysis of movements in other investments:		
Balance at beginning of the year	33,136	30,215
Acquired	1,522	9,545
Revaluation of investment	3,373	2,133
Other impairments	(2,412)	(18,397)
Disposals	(1,261)	(162)
Transfer from associates	1,614	-
Currency movements	3,041	9,802
Balance at end of the year	39,013	33,136

16. Stock

	2004 \$'000	2003 \$'000
Resale and demonstration	70,549	53,577
Work-in-progress	7,364	8,942
Maintenance	26,958	26,062
	104,871	88,581

17. Debtors

	Company 2004 \$'000	Company 2003 \$'000	Group 2004 \$'000	Restated Group 2003 \$'000
Trade debtors	-	-	421,593	372,024
Other debtors	2,025	3,630	27,955	42,276
Prepayments and accrued income	-	-	72,077	65,480
Taxation authorities	-	-	15,606	36,126
Deferred taxation (Note 22) - falling due within one year	-	-	1,347	1,396
- falling due after more than one year	-	-	8,627	22,714
	2,025	3,630	547,205	540,016

18. Short Term Investments

	2004 \$'000	2003 \$'000
Deposits	10,946	20,960
Short term loan	-	6,946
	10,946	27,906

The deposits are short term cash deposits earning interest at interbank linked rates.

19. Creditors: Amounts Falling Due Within One Year

	Company 2004 \$'000	Company 2003 \$'000	Group 2004 \$'000	Restated Group 2003 \$'000
Bank loans and overdrafts	-	-	372	576
Trade creditors	-	-	262,596	248,424
Taxation and social security	-	-	98,926	108,825
Other creditors	501	673	73,917	67,922
Accruals	904	1,283	126,195	100,306
Deferred income	-	-	104,093	85,295
Trading current liabilities	1,405	1,956	666,099	611,348
Deferred consideration	-	-	111	7,906
Other current liabilities	-	-	111	7,906
Total creditors	1,405	1,956	666,210	619,254

Deferred consideration is the purchase consideration which in terms of certain purchase agreements may be paid in cash or shares at the discretion of the purchaser. These amounts are interest free and the majority will be settled in the next financial year.

20. Creditors: Amounts Falling Due After More Than One Year

	2004 \$'000	2003 \$'000
Convertible bonds	104,941	104,028
Loan	28,098	25,344
	133,039	129,372

The terms of the convertible bonds are set out in Note 21.

The loan, which has been used to purchase equipment, is unsecured and is repayable on 31 May 2008. Interest is payable semi-annually in arrears and is linked to South African interbank rates.

21. Terms of Convertible Bonds

On 31 December 2002 ten seven year unsecured convertible bonds ('the bonds') of US\$10 million each were issued to provide working capital for the Group in a favourable interest rate environment. The bonds were issued by Howper 266 Ltd (a wholly owned subsidiary of Dimension Data) and unconditionally and irrevocably guaranteed by the Company. The bonds were purchased by R&V Technology Holdings Ltd ('R&V'), an associate of VenFin Ltd, a quoted investment holding company incorporated in South Africa and listed on the JSE Securities Exchange, South Africa. If converted, the bonds will provide R&V with an equity holding equivalent to about 12.3% of the enlarged share capital of the Company. The maximum number of Dimension Data ordinary shares to be issued on conversion is 188,121,978 ordinary shares.

The bonds' principal amount is US\$100 million with a coupon rate of 5.375% per annum payable annually in arrears. The bonds are unlisted and, if not previously redeemed or converted into ordinary shares of the Company, will be redeemed at 103.125% of the principal amount on 31 December 2009. The bonds yield to maturity is 5.750%.

The bonds are convertible at the option of the bondholder at any time. The conversion price equates to 53.157 US cents, being 34.075 UK pence converted at a fixed exchange rate of £1 equal to US\$1.56.

The issuer may redeem the bonds, together with a prorata portion of the redemption premium and accrued interest, at any time after 31 December 2005, subject to the share price, translated into US dollars at the ruling exchange rate, exceeding 79.736 US cents (being 150% of 53.157 US cents), for each of not less than 20 trading days within a period of 30 consecutive trading days.

The bondholder may require the issuer to redeem the bonds, together with a prorata portion of the redemption premium and accrued interest, on 31 December 2007 or quarterly thereafter.

22. Provisions for Liabilities and Charges

Group	Restructuring and redundancy \$'000	Deferred taxation \$'000	Other \$'000	Total \$'000
Balance at 1 October 2003	22,106	739	5,510	28,355
Created	437	5,877	27,456	33,770
Released to the profit and loss account	(952)	(177)	-	(1,129)
Utilised	(18,001)	-	(1,945)	(19,946)
Currency movements	525	(52)	352	825
Balance at 30 September 2004	4,115	6,387	31,373	41,875

Restructuring and redundancy provisions relate to the US, Africa and Europe. These provisions are expected to be utilised in the next financial year.

Other provisions include US\$23.5 million in respect of the Campus and US\$3.5 million in respect of other Group properties (see Note 7).

The Company has a deferred tax liability of US\$5.9 million relating to foreign exchange differences. The Company has an unprovided deferred tax liability of US\$30.0 million, relating to translation differences on loan accounts included in equity. Tax is not provided on these differences as this tax is unlikely to arise as the loans are equity in nature and will not be repaid.

The amounts of deferred taxation and timing differences provided and unprovided in the Group accounts are as follows:

Group	Provided 2004 \$'000	Unprovided 2004 \$'000	Provided 2003 \$'000	Unprovided 2003 \$'000
Provisions	(3,407)	(11,353)	(4,043)	(8,038)
Assets	-	(68,373)	-	(36,598)
Losses	(4,244)	(293,994)	(16,453)	(137,112)
Foreign exchange differences	5,877	30,000	-	-
Other	(1,813)	577	(2,875)	(21,317)
	(3,587)	(343,143)	(23,371)	(203,065)
Analysed as:				
Deferred tax asset (Note 17)	(9,974)		(24,110)	
Deferred tax provision	6,387		739	
	(3,587)		(23,371)	

23. Called Up Share Capital

Group and Company	Number of shares 2004	\$'000 2004	Number of shares 2003	\$'000 2003
Authorised:				
Deferred shares of £1 each	50,000	75	50,000	75
Ordinary shares of 1 US cent each	3,000,000,000	30,000	3,000,000,000	30,000
		30,075		30,075
Called up, allotted and fully paid:				
Deferred shares of £1 each	50,000	75	50,000	75
Ordinary shares of 1 US cent each	1,342,437,229	13,424	1,341,992,267	13,420
		13,499		13,495
Ordinary shares issued during the year ended 30 September 2004			Number	Nominal value \$'000
Opening balance			1,341,992,267	13,420
Acquisitions			48,829	-
Employee share option scheme			396,133	4
Closing balance			1,342,437,229	13,424

48,829 ordinary shares were issued in respect of prior acquisitions for a total consideration of US\$0.5 million.

382,875 ordinary shares were issued in terms of the Share Option Scheme, for a total consideration of US\$0.2 million.

In terms of the agreement for the acquisition of the outstanding interests in Dimension Data Australia Pty Ltd (formerly Com Tech Communications Pty Ltd) ('DD Australia') in 2000, DD Australia option holders are entitled to Dimension Data shares, on an agreed ratio, when their options vest. The maximum number of Dimension Data shares that will be issued is 207,205 and the latest date is July 2005. During the year 13,258 ordinary shares were issued in terms thereof.

The terms of the deferred shares appear in the Directors' Report on page 30.

Employee Share Schemes	2004	2003
Number of options on ordinary shares in the Company outstanding		
Opening balance	140,900,490	122,204,517
Granted	37,663,165	58,601,227
Exercised and paid	(382,875)	(55,600)
Lapsed	(25,162,245)	(39,849,654)
Closing balance	153,018,535	140,900,490

Prior to the Company's listing on the LSE, options related to shares in Dimension Data Holdings Ltd. Subsequent to the listing the options were varied to enable participants to acquire shares in the Company in place of Dimension Data Holdings Ltd.

23. Called Up Share Capital (Continued)

Options outstanding at year end	Latest expiry date	Number of share options	
		2004	2003
At R2.60	23/09/2012	37,500	50,000
At R17.95	29/07/2007	17,500	22,500
At R18.00	11/08/2007	-	1,000
At R19.50	08/09/2008	41,000	47,000
At R19.60	01/10/2007	-	52,800
At R20.75	05/01/2008	68,500	98,000
At R22.00	01/10/2008	13,040,840	17,759,048
At R22.70	01/09/2008	100,000	120,000
At R23.35	08/08/2009	-	300,000
At R23.70	20/08/2009	150,000	150,000
At R24.00	17/05/2009	7,410,000	7,410,000
At R24.10	12/10/2008	163,300	316,283
At R24.30	01/10/2009	19,289,539	21,618,875
At R25.05	01/03/2009	20,000	55,000
At R25.20	13/02/2008	7,000	9,500
At R25.30	05/01/2009	-	6,500
At R25.90	07/05/2009	40,000	40,000
At R26.00	20/02/2008	20,000	20,000
At R27.00	12/02/2009	-	45,000
At R27.40	31/03/2009	-	115,200
At R27.80	01/04/2009	-	30,000
At R28.10	20/04/2009	10,000	10,000
At R29.20	01/11/2009	30,000	30,000
At R29.80	03/11/2009	70,000	70,000
At R32.10	03/12/2009	-	20,000
At R32.80	01/07/2008	88,750	98,750
At R35.10	03/04/2008	2,000	52,000
At R38.00	15/12/2009	26,956	43,960
At R38.50	17/04/2010	467,500	467,500
At R39.00	14/12/2009	5,000	5,000
At R41.80	31/01/2010	29,000	29,000
At R43.50	03/05/2010	276,768	284,105
At R44.00	14/04/2010	12,309	37,293
At R44.80	01/02/2010	-	91,225
At R44.95	25/04/2010	55,000	55,000
At R45.20	19/04/2010	25,000	25,000
At R46.00	10/05/2010	30,000	30,000
At R46.10	23/02/2010	-	60,000
At R46.20	11/05/2010	5,000	5,000
At R47.00	29/05/2010	40,000	40,000
At R48.35	01/06/2010	242,420	330,164
At R48.70	18/02/2010	5,000	5,000
At R51.80	05/06/2010	20,000	20,000
At R55.40	14/07/2010	45,000	115,000
At R58.10	31/03/2010	5,000	5,000
At R62.00	28/02/2010	10,000	10,000
At R63.30	08/03/2010	15,000	15,000
At R68.00	31/08/2010	-	5,000

23. Called Up Share Capital (Continued)

Options outstanding at year end	Latest expiry date	Number of share options	
		2004	2003
At GBP0.16	01/04/2013	500,000	500,000
At GBP0.24	16/06/2013	17,500	17,500
At GBP0.25	21/11/2012	39,255,864	48,016,200
At GBP0.26	20/08/2013	7,467,000	7,531,000
At GBP0.27	01/08/2012	1,200,000	1,200,000
At GBP0.28	03/08/2014	1,200,000	-
At GBP0.32	24/05/2014	50,000	-
At GBP0.34	12/07/2007	-	80,000
At GBP0.36	18/11/2013	33,283,965	-
At GBP0.37	11/12/2013	1,650,000	-
At GBP0.37	03/05/2014	37,500	-
At GBP0.39	05/04/2014	5,000	-
At GBP0.41	01/07/2012	40,000	40,000
At GBP0.51	11/06/2012	100,000	100,000
At GBP0.55	04/04/2012	150,000	150,000
At GBP0.61	03/05/2012	20,000	120,000
At GBP0.63	18/03/2012	-	25,000
At GBP0.67	06/03/2012	1,000	1,000
At GBP0.70	28/09/2011	16,141,219	19,349,962
At GBP0.70	01/10/2011	2,684,320	3,116,673
At GBP0.72	03/10/2011	100,000	100,000
At GBP0.74	08/10/2011	20,000	40,000
At GBP0.80	02/01/2012	429,881	429,881
At GBP0.88	17/09/2011	-	10,000
At GBP1.09	22/08/2011	352,060	1,745,206
At GBP1.10	05/09/2011	5,000	5,000
At GBP1.27	20/07/2011	3,986,512	5,010,312
At GBP2.95	25/06/2011	-	1,000
At GBP3.14	07/05/2011	1,500	1,500
At GBP3.27	11/06/2011	-	5,000
At GBP3.31	30/04/2011	1,500	1,500
At GBP3.32	01/05/2011	14,500	52,000
At GBP3.60	23/05/2011	2,000	2,000
At GBP4.10	02/01/2011	203,770	208,770
At GBP4.24	02/01/2011	17,500	17,500
At GBP4.31	02/02/2011	2,000	2,000
At GBP5.05	22/11/2010	2,129,054	2,683,343
At GBP5.25	18/12/2010	500	500
At GBP5.25	01/03/2011	-	85,940
At GBP5.54	20/11/2010	-	1,000
At GBP5.64	01/08/2010	3,508	-
At GBP6.09	10/10/2010	1,500	1,500
At GBP6.33	02/10/2010	23,500	23,500
		153,018,535	140,900,490

24. Analysis of Cash Flows for Headings Netted in the Cash Flow Statement

	2004 \$'000	Restated 2003 \$'000
Returns on investments and servicing of finance		
Interest and other investment income received	11,060	17,731
Interest paid	(9,935)	(8,890)
Dividends received	3,480	2
Dividends paid to minority shareholders	(1,561)	(3,928)
	3,044	4,915
Taxation		
Reconciliation to taxation paid:		
Taxation charge	(17,272)	(25,260)
Movement in taxation payable	(4,703)	11,859
	(21,975)	(13,401)
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(32,893)	(39,474)
Receipts from sales of fixed assets	635	3,790
Sale/(purchase) of fixed asset investments	848	(9,383)
	(31,410)	(45,067)
Acquisitions and disposals		
Purchase of subsidiary undertakings - current acquisitions	(1,249)	(2,571)
- prior acquisitions	(4,761)	(3,524)
Deferred consideration paid	(5,702)	(43,659)
Net cash acquired with subsidiaries	94	-
Sale of subsidiaries	7,115	-
Movement in investments in associates	5,586	(26,617)
	1,083	(76,371)
Management of liquid resources		
Purchase of current asset investments	(5)	(20,617)
Sale of current asset investments	8,466	36,092
	8,461	15,475
Financing		
Issue of ordinary share capital net of expenses	191	(141)
Net repayment of borrowings	-	(1,367)
Change in minority shareholders	2,731	258
	2,922	(1,250)

25. Analysis of Net Cash

	At 1 October 2003 \$'000	Cash flow \$'000	Other non-cash changes \$'000	Exchange movements \$'000	At 30 September 2004 \$'000
Cash at bank and in hand	357,785	39,392	-	16,916	414,093
Bank overdraft	(576)	204	-	-	(372)
	357,209	39,596	-	16,916	413,721
Short term investments	27,906	(8,461)	(9,070)	571	10,946
Debt due within two to five years	(25,344)	-	-	(2,754)	(28,098)
Debt due more than five years	(104,028)	5,375	(6,172)	(116)	(104,941)
Total	255,743	36,510	(15,242)	14,617	291,628

	2004 \$'000	2003 \$'000
Reconciliation of net cash flow to movement in net cash		
Increase/(decrease) in cash in the year	39,596	(64,538)
Cash inflow from increase in debt	-	(100,000)
Cash outflow from decrease in debt	5,375	101,367
Cash inflow from decrease in liquid resources	(8,461)	(15,475)
Change in net cash resulting from cash flows	36,510	(78,646)
Non-cash movement in debt - interest and premium accrued on convertible bonds	(6,172)	(4,028)
Non-cash movement in short term investments	(9,070)	-
Translation differences	14,617	43,645
Movement in net cash for the year	35,885	(39,029)
Net cash at beginning of the year	255,743	294,772
Net cash at end of the year	291,628	255,743

26. Disposals

In March 2004, the Group disposed of its interest in the ordinary share capital of Proxicom Inc. The results of Proxicom up to the date of disposal have not been shown separately as discontinued operations as they were not considered material to the Group. In 2004 Proxicom's turnover was US\$18.5 million and its operating profit was US\$62,000.

In June 2004, the Group disposed of its interests in Dimension Data FMT UK Ltd. In 2004 included in associates' turnover is a contribution of US\$2.0 million and associates' income of US\$0.3 million.

27. Operating Lease Commitments

At the end of the year the Group was committed to making operating lease payments over the following periods:

	2004 \$'000	2003 \$'000
Within one year	31,968	43,329
Within two to five years	112,921	137,342
After five years	337,414	336,702
	482,303	517,373

Included in US\$482.3 million is an amount of US\$431.6 million relating to the Campus property. Post year end this property will be accounted for as a finance lease (see Note 33).

28. Financial Instruments

The Group's funding, liquidity and exposure to interest rate and foreign exchange rate risks are managed by the Group's treasury operations. Treasury operations are conducted within a framework of policies and guidelines authorised by the Board. The Group uses derivative instruments for risk management purposes only, and these are transacted by specialist treasury personnel. The internal control environment is reviewed regularly.

The Group hedges its transactional foreign exchange rate risk, using forward exchange contracts. The gain or loss on the hedge is recognised at the same time as the underlying transaction.

Credit risk: a large number of major international financial institutions are counterparties to the foreign exchange contracts and deposits transacted by the Group. The Group continually monitors its position and the credit ratings of its counterparties and credit exposure to each counterparty.

Speculative use of financial instruments or derivatives is not permitted and none has occurred during any period presented.

The Group has transactional currency exposures arising from sales or purchases by an operating unit in currencies other than the unit's functional currency. Under the Group's foreign exchange policy, such transaction exposures are hedged once they are known, mainly through the use of forward foreign exchange contracts.

The Group has undrawn borrowings facilities of US\$12.6 million.

Short term debtors and creditors have been omitted from all disclosures.

28. Financial Instruments (Continued)

28(a) Maturity profile of financial liabilities

30 September 2004			
	Bank borrowings, convertible bonds and loans \$'000	Other \$'000	Total \$'000
Within one year or less or on demand	372	111	483
Within two to five years	28,098	-	28,098
More than five years	104,941	-	104,941
Gross financial liabilities	133,411	111	133,522

30 September 2003			
	Bank borrowings, convertible bonds and loans \$'000	Other \$'000	Total \$'000
Within one year or less or on demand	576	7,906	8,482
Within two to five years	25,344	-	25,344
More than five years	104,028	-	104,028
Gross financial liabilities	129,948	7,906	137,854

Included in the US\$133.4 million are guaranteed convertible bonds of US\$104.9 million (2003: US\$104.0 million), the terms of which are detailed in Note 21, and a US\$28.1 million loan (2003: US\$25.3 million) (Note 20).

The amount in Other relates to deferred consideration in respect of acquisitions where the Group has the option of paying cash or shares and is disclosed in Note 19.

28. Financial Instruments (Continued)**28(b) Interest rate profile**

The interest rate and currency profiles of the Group's financial liabilities are as follows:

Financial liabilities				
	Fixed rate	Floating rate	Non-interest bearing	
Currency	financial liabilities	financial liabilities	financial liabilities	Total
	\$'000	\$'000	\$'000	\$'000
At 30 September 2004				
US dollars	104,941	7	111	105,059
South African rand	-	28,343	-	28,343
Euro	-	120	-	120
Gross financial liabilities	104,941	28,470	111	133,522
At 30 September 2003				
US dollars	104,028	-	4,309	108,337
South African rand	-	25,673	2,556	28,229
Euro	-	247	1,041	1,288
Gross financial liabilities	104,028	25,920	7,906	137,854

The fixed rate financial liability relates to the convertible bonds, which bear interest at 5.375%, as detailed in Note 21. Floating rate balances relate to bank loans, overdrafts and loans. Interest is based on the relevant interbank rate. The non-interest bearing financial liabilities relate to deferred consideration in respect of acquisitions which will be paid in either cash or shares at the discretion of the purchaser. Such amounts are mainly due for settlement on demand or within one year of the balance sheet date.

28. Financial Instruments (Continued)

28(b) Interest rate profile (continued)

Financial assets			
	Floating rate financial assets	Equity investments	Total
Currency	\$'000	\$'000	\$'000
At 30 September 2004			
US dollars	160,799	1,104	161,903
South African rand	88,258	33,020	121,278
Australian dollars	77,419	-	77,419
Euro	68,470	2,880	71,350
Sterling	23,204	2,009	25,213
Swiss francs	5,190	-	5,190
Other	1,699	-	1,699
Gross financial assets	425,039	39,013	464,052
At 30 September 2003			
US dollars	111,180	1,001	112,181
South African rand	80,315	25,691	106,006
Australian dollars	96,212	-	96,212
Euro	58,118	4,546	62,664
Sterling	32,262	1,898	34,160
Swiss francs	5,025	-	5,025
Other	2,579	-	2,579
Gross financial assets	385,691	33,136	418,827

Floating rate financial assets comprise cash at bank and in hand and deposits. Interest on floating rate bank deposits is based on the relevant interbank rate.

The equity investments are both quoted and unquoted equities, as detailed in Note 15.

28. Financial Instruments (Continued)**28(c) Fair values of financial assets and liabilities**

Primary financial instruments held or issued to finance the Group's operations	Carrying amount	
	2004 \$'000	Restated 2003 \$'000
Short term investments	10,946	27,906
Other investments	39,013	33,136
Cash resources	414,093	357,785
Gross financial assets	464,052	418,827

Primary financial instruments held or issued to finance the Group's operations	Estimated fair value	
	2004 \$'000	Restated 2003 \$'000
Short term investments	10,946	27,906
Other investments	39,013	33,136
Cash resources	414,093	357,785
Gross financial assets	464,052	418,827

28. Financial Instruments (Continued)

28(c) Fair values of financial assets and liabilities (continued)

Primary financial instruments held or issued to finance the Group's operations	Carrying amount	
	2004 \$'000	2003 \$'000
Overdrafts	372	576
Loans	28,098	25,344
Deferred consideration	111	7,906
Convertible bonds	104,941	104,028
Gross financial liabilities	133,522	137,854

Primary financial instruments held or issued to finance the Group's operations	Estimated fair value	
	2004 \$'000	2003 \$'000
Overdrafts	372	576
Loans	28,098	26,998
Deferred consideration	111	7,906
Convertible bonds	104,941	104,028
Gross financial liabilities	133,522	139,508

The fair value of the convertible bonds is deemed to be the same as the carrying value as it is not practical to estimate the fair value with sufficient reliability due to the uncertainty of the future cash flows of the various options contained in the terms of the convertible bonds (Note 21).

Derivative financial instruments held to manage the Group's currency profile	Unrealised (losses)/gains		Estimated face value	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
US dollars	(324)	(1,076)	49,846	45,158
South African rand	35	(2,191)	16,008	11,691
Australian dollars	-	(356)	-	19,483
Euro	(423)	(14)	1,323	2,830
Forward exchange contracts	(712)	(3,637)	67,177	79,162

The carrying value of derivative financial instruments at each year end is nil.

The Group has entered into certain forward exchange contracts which do not relate to specific items appearing in the balance sheet. These contracts were entered into to cover foreign commitments not yet due. Market values have been used to determine the fair values of these forward exchange contracts.

28. Financial Instruments (Continued)

28(d) Hedging

The Group's policy is to hedge all material transactional currency exposure.

Gains and losses on instruments used for hedging are not recognised until the exposure that is being hedged is itself recognised.

There were no speculative positions in foreign currencies at the year ends, and there were no material gains or losses from such positions for any period presented.

The Group enters into forward exchange contracts to eliminate the currency exposure arising on sales and purchases denominated in foreign currencies as soon as there is a firm contractual commitment. It also uses interest rate swaps to manage its interest rate profile.

An analysis of the unrecognised gains and losses is as follows:

	Gains \$'000	Losses \$'000	Total net gains/(losses) \$'000
Unrecognised gains and losses on hedges at 1 October 2003	26	(3,663)	(3,637)
Gains and losses arising in previous years that were recognised this year	(26)	3,663	3,637
Gains and losses arising before 1 October 2003 that were not recognised in the year	-	-	-
Gains and losses arising in the year to 30 September 2004 that were not recognised in that year	414	(1,126)	(712)
Unrecognised gains and losses on hedges at 30 September 2004 expected to be recognised in the year to 30 September 2005	414	(1,126)	(712)

28(e) Currency profile

The main functional currency of the Group is the US dollar, being the currency in which the majority of purchases are denominated and to which most of the selling prices are linked. Other major currencies are the South African rand, Sterling, Australian dollar, Singapore dollar and the Euro. Monetary assets and liabilities are generally economically hedged and therefore there are limited transactional exposures which would give rise to net currency gains or losses in the profit and loss account.

29. Pension Schemes

In most countries, the employing company provides either defined contribution or insured retirement plans to their employees. The relevant company, and in some cases the employees, pay regular contributions to the plans. Once contributions are made, the relevant company has no liability in respect of these plans. Pension costs are disclosed in Note 6.

Employees in France, Japan and Korea are entitled to lump-sum termination indemnity payments upon leaving. Provisions have been established in respect of these liabilities.

30. Related-party Transactions

Related parties are entities with common direct or indirect shareholders and/or directors. The principal shareholders of the Group are listed on page 51. The Group and its subsidiaries, in the ordinary course of business, enter into various sale, purchase, service and investment transactions with associates and others in which the Group has an interest. These transactions are under terms that are no more favourable than those arranged with third parties.

There were no significant related-party transactions during the current year which require disclosure.

31. Contingencies

	2004 \$'000	2003 \$'000
Guarantees	8,038	7,608
Other	9,583	163
	17,621	7,771

32. Capital Commitments

	2004 \$'000	2003 \$'000
Authorised, contracted for	3,099	2,690
Authorised but not yet contracted	16,757	15,140
	19,856	17,830

33. Subsequent Event

On 16 November 2004 Dimension Data served notice of exercise of a call option to acquire the bare dominium (freehold) over the Campus property, to be settled by a cash payment of US\$4.6 million. This will result in the Group having full title to the Campus at the end of the property lease in 2018. This is currently accounted for as an operating lease. From the date of exercise of the call option, this will be accounted for as a finance lease, whereby the asset and liability will be capitalised and depreciation and finance costs will be charged through the profit and loss account. The finance lease liability will be capitalised at fair value of US\$135.0 million, based on a lending rate of 16.9% per annum. The land and buildings will be capitalised at the cost of the debt of US\$135.0 million plus the cost of acquiring the bare dominium of US\$4.6 million. Furthermore, the assets will be subject to an impairment review. The Directors estimate that the assets will be impaired by US\$16.6 million, and an amount of approximately US\$17.0 million released against the Campus provision established in 2004. The balance of the provisions raised in 2003 and 2004 for impaired leasehold improvements and third-party tenant costs will remain in place.

34. Principal Subsidiaries and Associates

Subsidiary undertakings

Name	Country of incorporation/ registration and operation	Activity	Effective interest 2004 %	Effective interest 2003 %
Comtech Holdings SA	Belgium	Investment Holding and Management	100	100
Conscripti (Pty) Ltd	South Africa	IT Solutions and Services	77.91	80
Core People (Pty) Ltd	South Africa	IT Solutions and Services	42.07	-
Datacraft Asia Limited	Singapore	IT Solutions and Services	51.49	51.83
Diginet AG	Switzerland	IT Solutions and Services	100	100
Dimension Data (Pty) Ltd	South Africa	IT Solutions and Services	97.39	100
Dimension Data Advanced Infrastructure Ltd	Great Britain	IT Solutions and Services	100	100
Dimension Data Algeria Spa	Algeria	IT Solutions and Services	70	70
Dimension Data Australia Pty Ltd	Australia	IT Solutions and Services	100	100
Dimension Data Australian Holdings SA	Belgium	Investment Holding and Management	100	100
Dimension Data Belgium SA	Belgium	IT Solutions and Services	100	100
Dimension Data Botswana (Pty) Ltd	Botswana	IT Solutions and Services	100	100
Dimension Data Commerce Centre Ltd	Isle of Man	IT Solutions and Services	100	100
Dimension Data Deutschland Holdings GmbH	Germany	Investment Holding and Management	100	100
Dimension Data España SL	Spain	IT Solutions and Services	100	100
Dimension Data Facilities (Pty) Ltd	South Africa	IT Solutions and Services	97.39	100
Dimension Data Finance Ltd	Isle of Man	Investment Holding and Management	100	100
Dimension Data France SA	France	IT Solutions and Services	100	100
Dimension Data Germany AG & Co	Germany	IT Solutions and Services	100	100
Dimension Data Global Management Services Ltd	Isle of Man	Investment Holding and Management	100	100
Dimension Data Holdings France SA	France	Investment Holding and Management	100	100
Dimension Data Holdings Nederland BV	Netherlands	Investment Holding and Management	100	100
Dimension Data International Ltd	Malta	Investment Holding and Management	100	100
Dimension Data Italia SRL	Italy	IT Solutions and Services	100	100
Dimension Data Luxembourg SA	Luxembourg	IT Solutions and Services	100	100
Dimension Data Management Services (Pty) Ltd	South Africa	Investment Holding and Management	100	100
Dimension Data Network Services Ltd	Great Britain	IT Solutions and Services	100	100
Dimension Data Nederland BV	Netherlands	IT Solutions and Services	100	100
Dimension Data North Africa Holdings Ltd	Belgium	Investment Holding and Management	70	70
Dimension Data North America Inc (formerly Didata Inc, Didata (DC) Inc, Didata (NY) Inc and Premier Systems Integrators LLC)	United States of America	IT Solutions and Services	100	100

34. Principal Subsidiaries and Associates (Continued)

Subsidiary undertakings

Name	Country of incorporation/ registration and operation	Activity	Effective interest 2004 %	Effective interest 2003 %
Dimension Data Protocol BV	Netherlands	Protocol	100	100
Dimension Data (South Africa) (Pty) Ltd	South Africa	Investment Holding and Management	97.39	100
Dimension Data (South Africa) Holdings (Pty) Ltd	South Africa	Investment Holding and Management	100	-
Dimension Data Sverige AB	Sweden	IT Solutions and Services	100	100
Dimension Data Switzerland SA	Switzerland	IT Solutions and Services	100	100
Dimension Data (US) Inc	United States of America	Investment Holding and Management	100	100
Dimension Data (US) II Inc	United States of America	Investment Holding and Management	100	100
Dimension Data (Zurich) AG	Switzerland	IT Solutions and Services	100	100
GK Communications Group Ltd	Great Britain	Investment Holding and Management	100	100
Howper 266 Ltd	Great Britain	Investment Holding and Management	100	100
Internet Solutions (Pty) Ltd	South Africa	IT Solutions and Services	58.43	60
Linx Holdings (Pty) Ltd	South Africa	IT Solutions and Services	58.43	60
Merchants SA (Pty) Ltd	South Africa	IT Solutions and Services	100	100
Planet CTI	Belgium	IT Solutions and Services	100	100
Plessey Corporation Ltd	South Africa	Investment Holding and Management	97.39	100
Plessey South Africa Ltd	South Africa	Investment Holding and Management	97.39	100
Protocol (A&NZ) Pty Ltd	Netherlands	Protocol	100	100
Protocol Venture Capital (Pty) Ltd	South Africa	Protocol	100	100
Proxicom Inc	United States of America	IT Solutions and Services	-	100
Spectrum Holdings Inc	British Virgin Islands	Investment Holding and Management	100	100
The Merchants Group Ltd	Great Britain	IT Solutions and Services	100	100

Associate undertakings

Choice Technologies (Pty) Ltd	South Africa	IT Solutions and Services	47.72	49
Dataflo SA (Pty) Ltd	South Africa	IT Solutions and Services	48.7	50
Dimension Data Messaging (Pty) Ltd (trading as Automate)	South Africa	IT Solutions and Services	45	45
Paracon Holdings Ltd	South Africa	IT contracting and e-business solutions	26.68	27.4
Plessey (Pty) Ltd	South Africa	IT Solutions and Services	47.72	49
Plessey Solutions (Pty) Ltd	South Africa	IT Solutions and Services	68.17	70

Convergence Solutions

Convergence Solutions improve productivity, support mobility and realise infrastructure efficiencies. Customised business applications integrate into and take advantage of consolidated voice, video and data IP networks.

Customer Interactive Solutions (CIS)

Customer Interactive Solutions deliver managed, integrated customer interaction across communications channels to retain and grow the value of our clients' customer bases.

Data Centre and Storage Solutions

Data Centre Solutions lower the risk to IT disruption, improve operational efficiency and reduce cost and complexity through storage consolidation and convergence.

GSOA

Dimension Data Global Services Operating Architecture (GSOA), is a framework that governs how we design, deliver and support customers. Its features and processes determine how we assess, implement, optimise, monitor and maintain the various layers of the IT environment - from the network to the applications.

Insite

Insite is Dimension Data's on-line, real-time IT monitoring and management service. With three levels of service to choose from, this service can range from basic fault monitoring to extensive predictive analysis and reporting and can span multiple technology and business areas.

IP

Internet Protocol.

Network Integration

Network Integration solutions distribute intelligence across complex technologies and diverse environments, helping businesses to connect employees, suppliers, partners, clients and systems.

Operating Environment and Messaging Solutions

Operating Environment and Messaging Solutions maximise the return on Microsoft technology investments by managing infrastructure in a secure, cost-effective and systematic way, whilst encouraging collaboration.

Professional Services

Professional services bring consultative value to IT-dependent business processes and organisational structure. Dimension Data partners with clients on an ongoing basis to provide operational services that enhance the reliability of IT environments underpinning business processes. Professional services include all assessment, consultancy, design and implementation services.

Security Solutions

Security solutions and services maximise the value of business information by ensuring it flows in a secure, controlled and compliant environment without contamination.

Uptime

Uptime is Dimension Data's IT maintenance service. It includes total support, troubleshooting and resolutions service for mission-critical IT systems. From traditional 'break/fix' maintenance to proactive on-line monitoring and support, Uptime can help manage the entire IT systems environment 24 hours a day, 365 days a year.

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