

26 April 2016

Datatec Limited

Year-end trading statement

Datatec Limited ("Datatec" or the "Group", JSE and LSE: DTC), the international Information and Communications Technology (ICT) group, is today publishing a trading statement for the year ended 29 February 2016 ("FY16").

The significant strengthening of the US dollar and mixed global economic conditions outlined in the Group's interim management statement on 27 January 2016 ("IMS") have persisted through the last two months of the financial year. As a result, Group revenues for FY16 are expected to be \$6.5 billion, which is in line with the prior year ("FY15").

Group gross margins have improved in H2 FY16 and are expected to be approximately 13.5% for FY16, up from 13.1% in H1 FY16.

As anticipated, Group operating profit in FY16 was impacted by the strength in the US dollar (reporting currency), on-going restructuring in Westcon EMEA and Logicalis UK and foreign exchange losses, particularly in Angola. The restructuring actions are expected to deliver operating improvements while mitigating actions in Angola have already taken effect. The Group has increased its provision against trade receivables to reflect the weaker economic conditions in some markets.

The Group expects earnings before interest, taxation, depreciation and amortisation ("EBITDA") in H2 FY16 to be marginally above H1 FY16, which is in line with expectations communicated in the IMS. EBITDA in FY16 is expected to be approximately 22% below the \$206.4 million for FY15.

The Group is expected to have an abnormally high effective rate of tax as a result of the Angola foreign exchange losses and trading losses in other areas for which no deferred tax asset has been recognised at the year end.

In terms of the JSE Limited Listings Requirements, companies are required to publish a trading statement as soon as they are satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported upon next will differ by at least 20% from those of the previous corresponding period. Accordingly, shareholders are advised that:

- underlying earnings per share* will be approximately 31 US cents for FY16, which is 26% lower than the 41.8 US cents reported for FY15;
- headline earnings per share will be approximately 18 US cents, which is 51% lower than the 37.0 US cents reported for FY15; and
- earnings per share will be approximately 18 US cents, which is 51% lower than the 37.1 US cents reported for FY15.

The Board expects to maintain the full year dividend in line with previous years.

The Group expects to publish its results for the year to 29 February 2016 on Wednesday, 11 May 2016.

The financial information on which this statement is based has not been reviewed and reported on by Datatec's external auditors.

** Excluding impairment of goodwill and intangible assets, profit or loss on sale of investments and assets, amortisation of acquired intangible assets, unrealised foreign exchange movements,*

acquisition related adjustments, fair value movements on acquisition-related financial instruments and the taxation effect on all of the aforementioned.

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