Datatec Limited
(Incorporated in the Republic of South Africa Registration number: 1994/005004/06)
ISIN: ZAE000017745 Share Code: DTC

Results summary

Revenue up 8% to
$5,69 billion
(2013: $5,25 billion)

Gross profit increased by 8% to
$841,4 million
(2013: $780,3 million)

EBITDA of
$175,3 million
(2013: $185,5 million)

Underlying* earnings per share
35,7 US cents
(2013: 43,1 US cents)

Capital distribution maintained at
17 US cents
per share for the full year
(2013: 17 US cents)

Westcon:
new leadership team
and re-organisation implemented

Logicalis:
transforming
into services-based business

Current trading and outlook

- Uneven global recovery
- Westcon management focused on improving operational efficiency
- Logicalis well positioned for industry evolution
- 2015 financial year forecast:
  – Revenues in excess of $6 billion
  – Underlying* earnings per share of more than 40 US cents

Commentary

"We continued to grow revenue and our gross margins have been stable. Logicalis had a notably strong year, reporting operating profits up 23%, whilst Westcon underperformed as a result of several factors.

"We remain confident in the sustainability of our long-term growth strategy and have maintained our capital distribution at the same level as the previous year. The secular trends in our industry remain favourable.

"Logicalis is expected to continue its growth trajectory. Westcon is now on a much stronger footing following the management changes and we are encouraged by its trading in the new financial year."

Jens Montanana, Chief Executive of Datatec

Profile and Group structure

Datatec is a global ICT solutions and services group with more than 7 500 employees worldwide and with operations in over 50 countries.

The Group's main lines of business comprise:

- Technology – Westcon: distribution of networking, security and unified communications products
- Integration – Logicalis: ICT infrastructure solutions and services
- Consulting – Analysys Mason, Intact and The Via Group: strategic and technical consulting

Overview

Datatec continues to pursue its long-term strategy to deliver sustainable, above average returns to shareholders by focusing on a combination of organic growth in the faster-growing sectors of the ICT market, geographic expansion and complementary acquisitions. The secular trends in our industry remain favourable.

Despite the challenging trading environment, Datatec has maintained its strong market position with no particular dependency on any single market, territory or technology sector and has continued to improve its customer mix.

The Group maintained top line growth despite the trading background and operational difficulties faced by its largest division, Westcon, with revenues increasing by 8% to $5,69 billion (2013: $5,25 billion).

Overall Group gross margins were 14,8% (2013: 14,9%). EBITDA was $175,3 million (2013: $185,5 million) while underlying* earnings per share are 35,7 US cents (2013: 43,1 US cents).

The resilience of the business and cash generating ability has enabled the Group to maintain its full year capital distribution (effective dividend) of 17 US cents.

Westcon's performance was impacted adversely by the ERP system roll out in North America which had a big effect on transaction volumes and by one-off asset write-offs.

On 15 January 2014 the Group's Interim Management Statement announced that a provision of up to $20,0 million might be required against the recoverability of certain assets in Westcon North America. The majority of these legacy vendor claims were subsequently collected and a $6,2 million write-off of the remaining balance is reflected in these accounts. Management is in the process of completing an internal review in this subsidiary. No further impact on the Group's accounts has come to light to date and this review will be completed prior to the release of audited financial statements for the financial year ended 28 February 2014.

Logicalis performed very well, in line with management's expectations, and benefited from the acquisition of the European operations of 2e2 in March 2013.

Latin America continues to be the Group's strongest growing region but the weakness of emerging market currencies in the year impacted performance in US dollar terms. Moderate economic recovery in Europe is reflected in the increased revenue and gross profit contributed by that region. The operational difficulties of Westcon in North America have reduced the proportion of the Group's business in that market.

The rest of the world outside North America and Europe has continued to make a larger contribution to the Group's overall financial performance and now generates 39% (2013: 36%) of Datatec's revenues and 44% (2013: 43%) of gross profits.

In addition to supporting Logicalis' continued strong growth, the Group's near-term focus is on restoring Westcon to operational efficiency and a profit growth trajectory. The mid-term priority remains focused on building scale and critical mass in the developing markets that the Group has moved into successfully in the past few years.

During FY14 the Group completed a number of transactions:

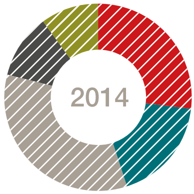
- 4 March 2013 – Logicalis acquired four European operations of 2e2 for $31 million.
- 31 May 2013 – Westcon completed the acquisition of Comztek Holdings (Pty) Ltd for $9 million.
- 31 August 2013 – Westcon sold its 54% holding in Inflow Technologies.
- 14 October 2013 – Logicalis acquired iConsult in Jersey.

Datatec believes that the prevailing economic climate continues to provide attractive opportunities to enhance margins, to facilitate consolidation in proven markets and to extend the Group's geographical reach by continuing to make selective acquisitions.

Financial results

Group revenues increased by 8% to $5,69 billion (2013: $5,25 billion) with the rest of the world outside North America and Europe continuing to make a larger percentage contribution – see below.

72% of Group revenue came from Westcon; 27% from Logicalis and 1% from Consulting Services.



Gross margins were 14,8% (2013: 14,9%) and gross profit increased by 8% to $841,4 million (2013: $780,3 million).

Commentary continued

Operating costs grew at 12% to $666,1 million (2013: $594,8 million).

EBITDA was $175,3 million (2013: $185,5 million), including net unrealised foreign exchange losses of $3,4 million (2013: $1,6 million). Depreciation was $32,7 million (2013: $28,6 million). Amortisation of intangible fixed assets arising from acquisitions and software was $15,1 million (2013: $15,5 million).

The fair value of companies acquired during the year was $42,6 million. As a result, goodwill and intangible assets increased by $12,9 million and $10,9 million respectively. The revenue and EBITDA included from these acquisitions in 2014 was $224,0 million and $8,6 million respectively. Had the acquisition dates been 1 March 2013, revenue attributable to these acquisitions would have been approximately $256,5 million. It is not practical to establish the EBITDA that would have been contributed by the acquisitions in 2014 if they had been included for the entire year.

Operating profit was $122,1 million (2013: $141,4 million). The net interest charge decreased slightly to $21,6 million (2013: $21,9 million). Profit before tax was $101,8 million (2013: $127,2 million).

The Group's reported effective tax rate increased to 36,8% from 33,1%. The normalised effective tax rate was 37,1% (2013: 34,9%). The Group's effective tax rate is higher than the South African statutory rate of 28%, primarily due to profits arising in jurisdictions with higher statutory tax rates.

Headline earnings per share were 31,6 US cents (2013: 40,8 US cents). Underlying earnings per share were 35,7 US cents (2013: 43,1 US cents).

The Group ended the financial year with net debt of $86,7 million (2013: net cash $47,6 million), taking into account long-term debt of $17,4 million and short-term debt of $27,6 million, included in payables and provisions. The year-on-year movement is driven by Westcon's return to organic growth and the timing of certain deals. The Group continues to enjoy comfortable headroom in its working capital facilities.

The Group issued 4,7 million new shares during the year, with 1,5 million shares issued as part of acquisition activities, 2,5 million shares were issued as part of an institutional placement, 0,1 million shares were issued to satisfy exercised share options and 0,6 million shares were issued in settlement of exercises of awards under Datatec's long-term incentive share-based payment schemes.

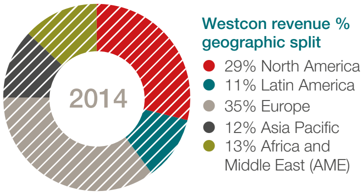
The Group paid $31,6 million to shareholders during the year: a final capital distribution in respect of FY13 of $16,2 million in July 2013 and an interim capital distribution in respect of FY14 of $15,4 million in November 2013. A final distribution for the 2014 financial year has been declared as set out below.

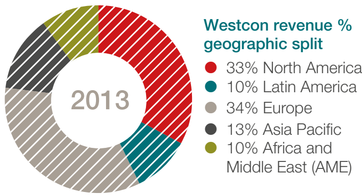
Losses of $48,3 million (2013: $45,9 million) arising on translation to presentation currency are included in comprehensive income of $24,9 million (2013: $50,4 million).

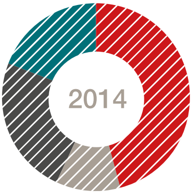
Divisional reviews

Westcon

Westcon accounted for 72% of the Group's revenues (2013: 73%) and 50% of its EBITDA (2013: 59%).







Westcon revenue % by product category

- 46% Cisco
- 11% Convergence
- 24% Security
- 19% Other

Westcon revenue % by product category

- 49% Cisco
- 12% Convergence
- 24% Security
- 15% Other

Westcon is a value added distributor of category-leading unified communications, network infrastructure, data centre and security solutions with a global network of specialty resellers. Westcon's portfolio of market-leading vendors includes: Cisco, Avaya, Brocade, Polycom, Check Point, Blue Coat and Palo Alto.

Revenues increased 6% to $4,1 billion (2013: $3,8 billion) including an $89,3 million contribution from acquisitions.

35% of Westcon's revenue was generated in Europe (2013: 34%), 29% in North America (2013: 33%), 12% in Asia Pacific (2013: 13%), 13% in AME (2013: 10%) and 11% in Latin America (2013: 10%). Cisco products make up 46% of Westcon's revenue (2013: 49%), 11% for convergence (Avaya/Nortel) (2013: 12%), 24% for security (2013: 24%) and 19% for other vendors (2013: 15%).

Gross margins were 11,2% (2013: 11,6%) due to a combination of increased competitive pressures across all territories and a reduction in early payment discounts for Cisco products in Europe. The gross margin was also impacted by the $6,2 million provision relating to legacy vendor claims noted above.

Gross profit increased 2% to $453,4 million (2013: $442,8 million). Operating expenses increased 11% to $362,1 million (2013: $325,5 million) including expenses of $6,1 million associated with ongoing ERP implementation.

Westcon's EBITDA was $91,3 million (2013: $117,3 million) while EBITDA margins were 2,3% (2013: 3,1%), with decreased margins across all territories. Operating profit was $62,0 million (2013: $98,2 million) after a non-recurring $5,5 million write-off of the abortive development costs for an e-commerce platform.

Westcon's net working capital days increased from 27 days in 2013 to 37 days in 2014 due to a combination of higher DIO and lower DPO. Net debt increased by $171 million, resulting in a net debt position of $195 million at year end as increased working capital requirements drove increased use of working capital facilities.

Effective 31 May 2013, Westcon completed the acquisition of Comztek Holdings (Pty) Ltd, a leading systems distributor with coverage in 26 African countries. The integration of Comztek into the Westcon South Africa business, which Datatec owns jointly with its BEE partner, Mineworkers Investment Company, is now in progress.

On 31 August 2013, Westcon sold its 54% holding in Inflow Technologies following Datatec's decision to exit the distribution market in India in May 2013.

Westcon appointed a new CEO in December 2013 and a new CFO in March 2014.

Westcon's transitioning of its global ERP system to a new platform had commenced with North America in the previous financial year. The roll-out was temporarily suspended during the financial year ended 28 February 2014 while operational problems were addressed and rectified. In the current financial year the roll-out of the new ERP system has recommenced in the Asia Pacific region.

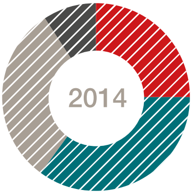
Westcon has established a services division and to accelerate the development of this operation the Intact Group will be transferred into Westcon from the Consulting Services division in June 2014.

Westcon management is focused on improving operational efficiency and a return to profit growth.

Commentary continued

Logicalis

Logicalis accounted for 27% of the Group's revenues (2013: 26%) and 49% of its EBITDA (2013: 40%).



Logicalis is an international IT solutions and managed services provider with a breadth of knowledge and expertise in IT infrastructure and networking solutions, communications and collaboration, data centre and cloud services, and managed services.

Revenue increased by 15% to $1,55 billion (2013: $1,35 billion), including $134,3 million of revenue from the acquisitions made during the year. Organic revenue increased by 5%.

Revenues were sequentially 2% higher in the second half of the financial year on higher professional services and product revenues. Gross margin improved in the second half of the financial year and profits were also higher than in the first half. All regions, with the exception of North America, had solid year-on-year revenue growth. North America was adversely impacted by the decline in product revenues experienced by IBM, a major vendor partner. The Latin America region continued to have strong growth although the reported results are reduced by the strengthening of the US dollar against the Brazilian Real in particular. In Argentina there were also government imposed import restrictions during the second half that had an adverse impact on the performance of the Latin America region.

Revenues from total services were up 31%, with both professional services and annuity service revenues significantly up, and reflected the long-term strategic focus on growing services. Revenues from product sales were up 9%, with a strong increase in Cisco product revenues partially offset by declines in the IBM and HP vendor categories.

Gross margin was also up at 23,3% (2013: 23,0%). Overall service margins were higher but product margins were down slightly due to lower rebates (on lower IBM and HP product revenues). The gross profit was up 16% to $360,9 million (2013: $310,3 million) and operating expenses increased by 17%. EBITDA increased 15% to $90,3 million (2013: $78,6 million), resulting in an EBITDA margin of 5,8% (2013: 5,8%).

Operating profit was up 23% to $67,5 million (2013: $54,7 million) after charges for depreciation and amortisation of intangible assets.

Logicalis continues to have a contingent liability in respect of a possible tax liability at its Promon-Logicalis subsidiary in Brazil.

On 4 March 2013 Logicalis acquired four European operations of 2e2, namely the Spanish and Irish systems integration businesses, the Channel Islands business (Jersey and Guernsey) and an operation in the Netherlands which is a leading IT Service Management consulting organisation.

On 14 October 2013 Logicalis acquired iConsult (Jersey) Limited, a provider of desktop and mail-hosted solutions to the small and medium businesses (SMB) market.

Trading conditions are stable although the outlook for the Latin America region has weakened over the last few months. In Argentina the government-imposed import restrictions are continuing to disrupt normal business activities.

Logicalis expects to continue investing in cloud and data centre services and is planning to deliver further growth in revenues and profits in the 2015 financial year.

Consulting Services

The Consulting Services division accounted for 1% of Group revenues (2013: 1%) and 1% of EBITDA (2013: 1%).

The division comprises: Analysys Mason, a provider of management consulting, advisory, modelling and market intelligence services to the telecoms, IT and digital media industries; and The Via Group ('Via'), a specialist professional services organisation providing unified communications and integrated voice solutions that encompass Microsoft technology. Intact, a services and support consultancy delivering high-end professional services in networking, unified communications, and related security, wireless and data centre connectivity focusing on Cisco technologies, will be transferred to Westcon in June 2014.

Revenues were $72,6 million (2013: $74,0 million). A strong performance from Analysys Mason's Consulting and Research units was offset by a contraction of revenues at Intact and Via. Despite the lower revenues, the continued improved utilisation of consultants and internal restructuring at Intact helped to improve gross margins from 36,8% to 37,3%. EBITDA was $2,1 million (2013: $3,2 million).

Corporate

Corporate encompasses the net operating costs of the Datatec head office entities of $13,2 million (2013: $14,3 million) and unrealised and realised foreign exchange gains of $2,6 million and $2,1 million respectively (2013: $0,5 million and $0,2 million respectively).

Accounting for acquisitions

The following table sets out the assessment of the fair value of assets acquired across all acquisitions made by the Group, 2e2 is the largest component of this.

Acquisitions made in FY14

Assets acquired	$'000
Non-current assets	7 299
Current assets	89 848
Non-current liabilities	(12 855)
Current liabilities	(64 790)
Net asset value acquired	19 502
Intangible assets	10 925
Goodwill	12 882
Non-controlling interest	(676)
Fair value of acquisitions	42 633
Purchase consideration	
Issue of Datatec shares	3 925
Cash	38 708
Total consideration	42 633
Cash outflows for acquisitions	
Cash and cash equivalents acquired	22 164
Cash consideration paid	(38 708)
Net cash outflow for acquisitions	(16 544)

Current trading and outlook

Economic conditions remain very mixed across Datatec's markets. While improvement has been evident in Europe there are adverse indications in Australia and North America is variable. Customers remain cautious about investment and are increasingly seeking service based models of IT resource delivery.

The Group aims to operate in the sectors which are growing as a result of this trend, such as infrastructure as a service, data centre and networking managed services, the integration of unified communications systems and security solutions.

Based on current trading conditions and prevailing exchange rates, the Board expects revenues for the 2015 financial year to be above $6,0 billion. The Board expects underlying* earnings per share to be more than 40 US cents.

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

Commentary continued

Cash distribution by way of capital reduction

The Board has elected to maintain its final capital distribution for the year due to its strong financial position and prospects.

The Group paid an interim capital distribution in respect of FY14 to shareholders of 80 RSA cents (approximately 8 US cents, 2013: 8 US cents) per share on 2 December 2013. The Group has declared and will distribute to shareholders a final capital reduction in lieu of a dividend out of Contributed Tax Capital of 93 RSA cents (approximately 9 US cents, 2013: 9 US cents) per share, making a total capital distribution to shareholders for the financial year ended 28 February 2014 of 173 RSA cents (approximately 17 US cents, 2013 17 US cents) per share.

The salient dates will be as follows:

Last day to trade	Friday, 11 July 2014
Shares to commence trading "ex" the distribution	Monday, 14 July 2014
Record date	Friday, 18 July 2014
Payment date	Monday, 21 July 2014

The final capital distribution will be paid to shareholders on the Jersey branch register in GBP translated at the closing exchange rate on Wednesday, 16 July 2014.

Share certificates may not be dematerialised or rematerialised between Monday, 14 July 2014 and Friday, 18 July 2014, both days inclusive.

Directorate

As announced on 15 January 2014, Rob Evans will become Group Operations Director with effect from 1 June 2014 and Jurgens Myburgh, who was appointed as a Director of the Board of Datatec on 1 May 2014, will become Chief Financial Officer.

Reporting

The condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports and the requirements of the Companies Act of South Africa. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the condensed consolidated financial statements are consistent with those applied in the prior year, other than for the adoption of IFRS 7 (Revised) Financial Instruments: Disclosures, IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, IFRS 13 Fair Value Measurement, IAS 19 (Revised) Employee Benefits, IAS 27 (Revised) Separate Financial Statements, IAS 28 (Revised) Investments in Associates and Joint Ventures and various other improvements. The adoption of these accounting standards did not have a material impact on the Group results.

There were no material subsequent events.

The preparation of the condensed consolidated financial statements for the financial year ended 28 February 2014 was supervised by the Chief Financial Officer, Rob Evans.

These condensed consolidated financial statements for the year ended 28 February 2014 have been reviewed by Deloitte & Touche, who expressed an unmodified review conclusion.

On behalf of the Board:

SJ Davidson	JP Montanana	RP Evans
Chairman	*Chief Executive Officer*	*Chief Financial Officer*

14 May 2014

* *Excluding goodwill and intangibles impairment, amortisation of acquired intangible assets, acquisition-related adjustments, profit or loss on sale of assets and businesses, fair value movements on acquisition-related financial instruments and unrealised foreign exchange movements.*

Directors

SJ Davidson°• (Chairman), JP Montanana• (CEO), RP Evans• (CFO), O Ighodaro°‡, JF McCartney°†, LW Nkuhlu°, CS Seabrooke°, NJ Temple°•

°Non-executive •British †American ‡Nigerian

Enquiries

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DATATEC LIMITED

Datatec Limited ("Datatec" or the "Group", JSE and LSE: DTC), the international Information and Communications Technology (ICT) group, is today publishing its reviewed provisional results for the financial year ended 28 February 2014.

www.datatec-group.com

Independent auditors' review report on condensed consolidated financial statements

TO THE SHAREHOLDERS OF DATATEC LIMITED

We have reviewed the condensed consolidated financial statements of Datatec Limited, contained in the accompanying provisional report, which comprise the condensed consolidated statement of financial position as at 28 February 2014 and the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes.

Directors' responsibility for the condensed consolidated financial statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in the notes to the financial statements, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Listings Requirements require condensed consolidated financial statements contained in a provisional report to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by International Accounting Standard ("IAS") 34, Interim Financial Reporting.

Auditor's responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements ("ISRE") 2410, which applies to a review of historical information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of Datatec Limited for the year ended 28 February 2014 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in the notes to the financial statements, and the requirements of the Companies Act of South Africa.

Deloitte & Touche
Registered Auditors

Per: MH Holme
Partner
14 May 2014
Buildings 1 and 2
Deloitte Place
The Woodlands
Woodlands Drive
Woodmead Sandton
South Africa

Condensed consolidated statement of comprehensive income

for the year ended 28 February 2014	Year ended February 2014 US$'000	Year ended February 2013 US$'000
Revenue	5 688 054	5 246 667
Existing operations	5 464 474	5 063 855
Acquisitions	223 580	182 812
Cost of sales	(4 846 618)	(4 466 333)
Gross profit	841 436	780 334
Operating costs	(662 728)	(593 151)
Unrealised foreign exchange losses	(3 443)	(1 645)
Operating profit before finance costs, depreciation and amortisation ("EBITDA")	175 265	185 538
Depreciation	(32 669)	(28 657)
Amortisation of acquired intangible assets and software	(15 066)	(15 508)
Impairment of intangible assets	(5 473)	–
Operating profit	122 057	141 373
Interest income	3 580	5 086
Financing costs	(25 168)	(26 993)
Acquisition-related fair value adjustments	2 400	6 443
Fair value movements on put option liabilities	2 421	(505)
Fair value movements on deferred purchase consideration	(21)	6 948
Share of equity-accounted investment earnings	441	1 078
Other income	264	260
Loss on disposal of investments	(1 778)	–
Profit before taxation	101 796	127 247
Taxation	(37 496)	(42 163)
Profit for the year	64 300	85 084
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss		
Exchange differences arising on translation to presentation currency	(48 271)	(45 925)
Other items	(566)	–
Translation difference on equity loans	12 700	13 646
Tax effect of equity loans translation	(3 301)	(2 386)
Total comprehensive income for the year	24 862	50 419
Profit for the year attributable to:		
Owners of the parent	55 780	78 077
Non-controlling interests	8 520	7 007
	64 300	85 084
Total comprehensive income attributable to:		
Owners of the parent	22 882	48 555
Non-controlling interests	1 980	1 864
	24 862	50 419

for the year ended 28 February 2014	Year ended February 2014 US$'000	Year ended February 2013 US$'000
Number of shares issued (millions)		
Issued	**197**	193
Weighted average	**197**	191
Diluted weighted average	**198**	193
Earnings per share ("EPS") (US cents)		
Basic EPS	**28,4**	40,8
Diluted basic EPS	**28,2**	40,4
SALIENT FINANCIAL FEATURES		
Headline earnings	**62 083**	78 071
Headline earnings per share (US cents)		
Headline	**31,6**	40,8
Diluted headline	**31,3**	40,4
Underlying earnings	**70 165**	82 424
Underlying earnings per share (US cents)		
Underlying	**35,7**	43,1
Diluted underlying	**35,4**	42,6
Net asset value per share (US cents)	**442,1**	448,2
KEY RATIOS		
Gross margin (%)	**14,8**	14,9
EBITDA (%)	**3,1**	3,5
Effective tax rate (%)	**36,8**	33,1
Normalised effective tax rate (%)	**37,1**	34,9
Exchange rates		
Average Rand/US$ exchange rate	**10,1**	8,4
Closing Rand/US$ exchange rate	**10,7**	8,8

Condensed consolidated statement of financial position

as at 28 February 2014	Year ended February 2014 US$'000	Year ended February 2013 US$'000
ASSETS		
Non-current assets	673 650	661 324
Property, plant and equipment	65 282	62 476
Capitalised development expenditure	45 099	49 599
Goodwill	438 198	426 622
Acquired intangible assets and software	53 664	50 684
Investments	7 054	6 613
Deferred tax assets	53 909	49 961
Other receivables and prepayments	10 444	15 369
Current assets	2 318 374	2 028 740
Inventories	432 594	362 172
Current tax asset	14 197	18 586
Trade and other receivables	1 492 915	1 334 136
Cash and cash equivalents	378 668	313 846
Total assets	2 992 024	2 690 064
EQUITY AND LIABILITIES		
Ordinary shareholders' funds	871 617	865 433
Non-controlling interest	52 868	51 578
Total equity	924 485	917 011
Non-current liabilities	94 131	84 324
Long-term liabilities	17 359	10 419
Amounts owing to vendors	2 447	3 050
Liability for share-based payments	7 501	12 317
Deferred tax liabilities	66 052	57 147
Other liabilities	772	1 391
Current liabilities	1 973 408	1 688 729
Payables and provisions	1 531 265	1 417 181
Amounts owing to vendors	7 497	9 649
Current tax liabilities	14 208	21 369
Bank overdrafts	420 438	240 530
Total equity and liabilities	2 992 024	2 690 064
Capital expenditure incurred in the current year (including capitalised development expenditure)	43 528	45 523
Capital commitments at the end of the year	20 422	13 283
Lease commitments at the end of the year	129 966	99 275
Payable within one year	32 319	31 095
Payable after one year	97 647	68 180

Condensed consolidated statement of cash flows

for the year ended 28 February 2014	Year ended February 2014 US$'000	Year ended February 2013 US$'000
Operating profit before working capital changes	**183 437**	192 064
Working capital changes	**(151 210)**	124 702
(Increase)/decrease in inventories	**(82 917)**	45 321
Increase in receivables	**(150 710)**	(125 387)
Increase in payables	**82 417**	204 768
Cash generated from operations	**32 227**	316 766
Net finance costs paid	**(21 588)**	(21 907)
Taxation paid	**(45 073)**	(53 195)
Cash (outflows)/inflows from operating activities	**(34 434)**	241 664
Cash outflows for acquisitions	**(16 544)**	(74 509)
Net cash outflows from other investing activities	**(42 583)**	(44 896)
Capital distributions	**(31 594)**	(32 394)
Net cash inflows/(outflows) from other financing activities	**15 236**	(13 664)
Net (decrease)/increase in cash and cash equivalents	**(109 919)**	76 201
Cash and cash equivalents at the beginning of the year	**73 316**	1 813
Translation differences on opening cash position	**(5 167)**	(4 698)
Cash and cash equivalents at the end of the year (*)	**(41 770)**	73 316

(*) Comprises cash resources, net of bank overdrafts and trade finance advances.

Condensed consolidated statement of changes in total equity

for the year ended 28 February 2014	Year ended February 2014 US$'000	Year ended February 2013 US$'000
Balance at the beginning of the year	**917 011**	879 428
Total comprehensive income	**24 862**	50 419
New share issues	**22 546**	29 508
Capital distributions	**(31 594)**	(32 394)
Equity-settled deferred purchase consideration	**(3 333)**	(3 333)
Share-based payments	**(109)**	(6 227)
Derecognition of put option liability	**131**	5 102
Recognition of put option liability	**(1 864)**	–
Other	**(201)**	–
Acquisitions	**(2 009)**	853
Disposals	**(265)**	–
Non-controlling interest	**(690)**	(6 345)
Balance at the end of the year	**924 485**	917 011

Determination of headline and underlying earnings

for the year ended 28 February 2014	Year ended February 2014 US$'000	Year ended February 2013 US$'000
Profit attributable to the equity holders of the parent	**55 780**	78 077
Headline earnings adjustments	**6 303**	(6)
Intangible impairment	**5 473**	–
Profit on disposal of property, plant and equipment and investments	**1 844**	(13)
Tax effect	**(1 013)**	8
Non-controlling interest	**(1)**	(1)
Headline earnings	**62 083**	78 071
DETERMINATION OF UNDERLYING EARNINGS		
Underlying earnings adjustments	**14 411**	10 710
Unrealised foreign exchange losses	**3 443**	1 645
Acquisition-related fair value adjustments	**(2 400)**	(6 443)
Amortisation of acquired intangible assets	**13 368**	15 508
Tax effect	**(6 406)**	(6 460)
Non-controlling interest	**77**	103
Underlying earnings	**70 165**	82 424

Segmental analysis

for the year ended 28 February 2014	Year ended February 2014 US$'000	Year ended February 2013 US$'000
Revenue		
Westcon	**4 065 112**	3 822 193
Logicalis	**1 550 322**	1 350 442
Consulting Services	**72 620**	74 032
Revenue	**5 688 054**	5 246 667
EBITDA		
Westcon	**91 301**	117 320
Logicalis	**90 318**	78 593
Consulting Services	**2 094**	3 174
Corporate	**(8 448)**	(13 549)
EBITDA	**175 265**	185 538
Operating profit		
Westcon	**61 974**	98 200
Logicalis	**67 523**	54 697
Consulting Services	**1 041**	2 081
Corporate	**(8 481)**	(13 605)
Operating profit	**122 057**	141 373
Total assets		
Westcon	**2 036 245**	1 864 079
Logicalis	**886 131**	769 075
Consulting Services	**53 258**	48 813
Corporate	**16 390**	8 097
Total assets	**2 992 024**	2 690 064
Total liabilities		
Westcon	**(1 443 233)**	(1 240 133)
Logicalis	**(585 037)**	(497 151)
Consulting Services	**(22 167)**	(18 692)
Corporate	**(17 102)**	(17 077)
Total liabilities	**(2 067 539)**	(1 773 053)

Sandton
14 May 2014
Sponsor
RAND MERCHANT BANK (A division of FirstRand Bank Limited)