15 May 2013

Datatec Limited

Full year results - cash distribution up 6%

Datatec Limited (“Datatec” or the “Group”, JSE and LSE: DTC), the international information and communications technology (ICT) group, is today publishing its audited results for the financial year ended 28 February 2013.

Financial highlights

- Revenue up 4% to $5,25 billion (2012: $5,03 billion)
- EBITDA $185,5 million (2012: $190,2 million)
- Cash generated from operations increased to $316,8 million (2012: $102,8 million)
- Underlying* earnings per share 43,1 US cents (2012: 47,9 US cents)
- Capital distribution up 6% to 17 US cents per share for the full year (2012: 16 US cents)

* 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

Operational highlights

- Group EBITDA performance impacted by weaker second half at Westcon
- Acquisition of Afina further broadens Westcon’s geographic reach
- Record financial performance from Logicalis – operating profit up 28%
- Gross margin improvement continues

Current trading and prospects

- US market showing signs of improvement
- Westcon continuing to adapt to weaker environment
- Robust performance expected to continue in Logicalis
- 2014 financial year forecast:
  - Revenues of between $5,6 billion and $5,9 billion (2013: $5,25 billion)
  - Underlying* earnings per share of approximately 50 US cents (2013: 43,1 US cents)

Jens Montanana, Chief Executive of Datatec, commented:

“Last year presented contrasting trading periods and differing divisional achievement. In the first half we performed well in most operations around the world and met our financial expectations. However, in the second half, Westcon experienced a slowdown in revenues, particularly in Europe and North America. Logicalis, by contrast, continued to perform strongly throughout the year especially in the UK and USA.

“Our increase in capital distribution, despite the weaker second half and challenging trading environment, is a clear demonstration of our confidence in the sustainability of our long term growth strategy.

“In the current financial year, we anticipate another robust performance for Logicalis while Westcon will continue to consolidate and focus on improving operational leverage.”

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PROFILE AND GROUP STRUCTURE

Datatec is a global ICT solutions and services group with more than 6,000 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 generated modest top line growth despite the overall sluggishness of the world economy and a challenging trading environment for Westcon in the second half. The overall resilience of the business has enabled the Group to increase its full year capital distribution (effective dividend) by 6%.

Datatec's technology distribution division, Westcon, suffered from a slowdown in the second half of the year in Europe and North America as conditions in those markets deteriorated. However, the broad geographic diversification of this division partly mitigated the impact.

The Group benefited from its business diversification with Logicalis, the Group's integration and services division, delivering its strongest performance to date. Overall, Latin America, Asia Pacific and the Middle East & Africa remain the Group's strongest performing markets. These markets generated 36% (2012: 33%) of Datatec's revenues and 43% (2012: 40%) of its gross profits.

Datatec generated revenues of $5,25 billion, up 4% (2012: $5,03 billion). Overall gross margins expanded to 14,9% (2012: 14,0%).

Reflecting the market conditions in H2, EBITDA for the year was $185,5 million (2012: $190,2 million).

Underlying earnings per share in FY13 were 43,1 US cents per share (2012: 47,9 US cents).

In terms of revenue by business stream, 73% came from technology distribution, 19% from ICT Solutions (Logicalis product sales) and 8% from services (Logicalis and Consulting services). In terms of gross margin, technology distribution contributed 57%, ICT solutions 24% and services 19%.

Revenue % by business stream FY 2013

	FY2013	FY2012
Distribution	73	74
ITC solutions	19	18

Services	8	8
	100%	**100%**

Gross margin % by business stream FY 2013

	FY2013	FY2012
Distribution	57	57
ITC solutions	24	24
Services	19	19
	100%	**100%**

STRATEGY

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.

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 mid-term priority is focused on building our scale and critical mass in the developing markets that the Group has moved into successfully in the past few years.

Westcon's investment in new markets has now achieved a footprint in most of its desired geographies. Westcon's most significant acquisition in the year was Afina which greatly extended its geographical coverage in Latin America. Logicalis's acquisition of the European 2e2 businesses after the end of the financial year is expected to boost significantly its presence on the continent and the addition of the Spanish operation will complement its strong presence in Latin America.

FINANCIAL RESULTS

Group revenues increased by 4% to $5,25 billion
Revenue % geographic split

	FY2013	FY 2012
North America	32%	34%
Latin America	16%	13%
Europe	32%	33%
Asia Pacific	12%	12%
AIME #	8%	8%
	100%	**100%**
# Africa, India & Middle East		

Gross margins improved to 14,9% (2012: 14,0%) and gross profit increased by 11% to $780,3 million (2012: $704,6 million). Operating costs grew at 16% to $594,8 million (2012: $514,4 million). Acquisitions, one off expenses relating to Westcon's SAP implementation and the second half revenue slowdown account for this higher rate.

Operating profit was $141,4 million (2012: $150,6 million). The net interest charge increased to $21,9 million (2012: $14,3 million), mainly as a result of long credit terms agreed for some of the Group's Latin American business.

Profit before tax was $127,2 million (2012: $138,0 million), after net fair value gains of $6,4 million (2012: $0,4 million) related to acquisitions.

The Group's reported effective tax rate decreased to 33,1% from 35,4%. The normalised effective tax rate was virtually unchanged at 34,9% (2012: 35,1%). 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, most notably North and Latin America.

Underlying earnings per share were 43,1 US cents (2012: 47,9 US cents). Headline earnings per share ("HEPS") were 40,8 US cents (2012: 43,1 US cents).

Westcon reduced its prompt pay initiatives in which it had been participating. This resulted in a cash inflow of approximately $40 million which contributed to a $316,8 million operating cash inflow generated by the Group's operations (2012: $102,8 million).

The Group ended the financial year with net cash of $47,6 million (2012: net debt $20,5 million), after deducting long-term debt of $10,4 million and short-term debt of $15,3 million, included in the payables and provisions line. The Group continues to enjoy comfortable headroom in its working capital lines.

The Group issued 5,9 million new shares during the year, with 4,1 million shares issued as part of acquisition activities, 0,4 million shares were issued to satisfy exercised share options and 1,4 million shares were issued in settlement of exercises of awards under Datatec's current long term incentive share based payment schemes.

The fair value of companies acquired during the year was $73,7 million. As a result goodwill, and intangible assets increased by $57,6 million and $25,4 million respectively. The revenue and EBITDA included from these acquisitions in 2013 was $182,8 million and $1,6 million respectively. Had the acquisition dates been 1 March 2012, revenue attributable to these acquisitions would have been approximately $268 million. It is not practical to establish the EBITDA that would have been contributed by the acquisitions in 2013 if they had been included for the entire year.

The Group paid $17,2 million to shareholders as a capital distribution in July 2012 as the final distribution of the 2012 financial year, making the total cash distributed in relation to FY12 $29,4 million. The Group paid the interim capital distribution for the 2013 financial year to shareholders in November 2012 of $15,2 million and has declared a final capital distribution for FY13.

The put option liability for Westcon Africa FZCO ("FZCO") of $5,1 million was reversed to reserves during the first half of the year pursuant to the cancellation of the put option.

Losses of $45,9 million (2012: $13,8 million) arising on translation to presentation currency are included in comprehensive income of $50,4 million (2012: $77,0 million).

DIVISIONAL REVIEWS

Group contribution to Revenue

	FY 2013	FY 2012
Westcon	73%	74%
Logicalis	26%	25%
Consulting	1%	1%
	100%	**100%**

Group contribution to EBITDA

	FY 2013	FY 2012
Westcon	59%	65%
Logicalis	40%	33%
Consulting	1%	2%
	100%	**100%**

Westcon

Westcon accounted for 73% of the Group's revenues (2012: 74%) and 59% of its EBITDA (2012: 65%).

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. The distributor's portfolio of vendors include Cisco, F5, Avaya, Brocade, Check Point, Blue Coat, Juniper and other complementary manufacturers.

Westcon creates unique programmes and facilitates support to accelerate the business of its partners tailored to their needs. Westcon provides global logistics and flexible customized financing solutions to pre-sales, technical and engineering assistance.

Overall revenues increased 3% to $3,8 billion (2012: $3,7 billion) including a $174,3 million contribution from acquisitions.

34% of Westcon's revenue was generated in Europe (2012: 35%), 33% in North America (2012: 35%), 13% in Asia Pacific (2012: 13%), 10% in AIME (2012: 11%) and 10% in Latin America (2012: 6%).

Gross margins increased to 11,6% (2012: 10,7%) with increases in Europe, AIME and Asia Pacific offset by lower margins in North America and Latin America. Overall gross margins improved as a result of a more favourable product mix, which saw Cisco products make up 49% of Westcon's revenue (2012: 51%), 12% for Avaya / Nortel (2012: 15%), 24% for security (2012: 19%) and 15% for Affinity and other development vendors (2012: 15%). Gross profit increased 11% to $442,8 million (2012: $399,6 million).

Operating expenses were $325,5 million (2012: $266,3 million), including $31 million of expense associated with acquisitions and $6 million associated with ongoing SAP implementation. Westcon's EBITDA was $117,3 million (2012: $133,3 million) while EBITDA margins were 3,1% (2012: 3,6%), with decreased margins in North America and Asia Pacific offset by increases in Europe, Latin America and AIME.

Operating profit was $98,2 million (2012: $120,4 million).

Westcon continued its strong working capital management. Westcon's net working capital days decreased from 38 days in 2012 to 27 days in 2013. Net debt decreased by $32 million, resulting in a net debt position of $24 million at the year end as decreased working capital needs resulted in a reduction in debt balances and improved cash position. Both trade receivables and payables balances increased due to the Afina acquisition, growth in Latin America and a reduction in prompt payment arrangements.

On 12 March 2012, Westcon completed the acquisition of PT Netpoleon, an Indonesian value-added distributor of IT security, networking and convergence solutions and provider of managed and training services.

On 23 May 2012, Datatec acquired, on behalf of Westcon, the 33,1% interest in its African subsidiaries which it didnot already own (excluding Westcon SA (Pty) Ltd) collectively "Westcon Africa", in order to secure 100% ownership of those businesses.

On 2 July 2012, Westcon acquired the Latin American and Iberian multinational security, virtualisation and data centre distributor, Afina Group. The transaction, valued at up to €50 million ($63 million) was the most significant acquisition made during the year. Afina generated revenues in FY13 (in the eight months since acquisition) of $148 million.

On 16 July 2012, Westcon acquired a security product distribution business based in Austria, Triple AcceSSS IT together with its Swiss subsidiary. Triple AcceSSS generated revenues in FY13 since acquisition of $9 million.

Westcon is in the process of transitioning its existing global ERP system to a new SAP-based platform. The upgrade is part of a programme to improve and optimise Westcon's systems and infrastructure capabilities in support of its growing business and increasing transaction volumes. Of this year's increase in capitalised development expenditure, $18 million is attributable to this ERP system transition.

Westcon revenue % geographic split

	FY 2013	FY 2012
North America	33%	35%
Latin America	10%	6%
Europe	34%	35%
Asia Pacific	13%	13%
AIME	10%	11%
	100%	**100%**

Westcon revenue % by product category

	FY 2013	FY 2012
Cisco	49%	51%
Convergence	12%	15%
Security	24%	19%
Other	15%	15%

	100%	**100%**

The acquisition of Comztek in South Africa, which was announced on 30 November 2012, is conditional on receiving approval from the competition authorities in a number of African countries which is substantially complete. The transaction is expected to close when the last of these approvals is received.

Westcon remains in discussion with its Indian partners about a mutually agreed exit from the venture.

Logicalis

Logicalis accounted for 26% of the Group's revenues (2012: 25%) and 40% of its EBITDA (2012: 33%).

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.

Logicalis revenue % geographic split

	FY 2013	**FY 2012**
North America	31%	31%
Latin America	36%	36%
Europe	24%	25%
Asia Pacific	9%	8%
	100%	100%

Revenue increased by 9% to $1,35 billion (2012: $1,23 billion), including $8,5 million of revenue from the acquisitions made during the year.

Revenues were sequentially 2% lower in the second half on lower product revenues after a strong first half that included two very large transactions. However the gross margin on product revenues improved in the second half of the financial year and profits were significantly higher than in the first half.

All regions saw solid year on year growth and the performances of the UK and North America were particularly encouraging given the broader macroeconomic situation. The Latin America region continued to have strong growth although the reported results are held back by the strengthening of the US dollar against the Brazilian Real in particular.

Revenues from product sales were up 8%, with increases in the Cisco, IBM and HP vendor categories. Revenues from total services were up 14% with annuity service revenues up 15% and reflected the long-term strategic focus on growing services.

36% of Logicalis' revenue was generated in Latin America (2012: 36%), 31% in North America (2012: 31%), 24% in Europe (2012: 25%) and 9% in Asia Pacific (2012: 8%).

Gross margin was up at 23,0% (2012: 22,5%). Product transaction margins improved but overall service margins were down slightly. The gross profit was up 12% to $310,3 million (2012: $277,4 million) and operating expenses increased by 10%.

EBITDA increased 17% to $78,6 million (2012: $67,4 million), resulting in an EBITDA margin of 5,8% (2012: 5,5%).

Operating profit was up 28% to $54,7 million (2012: $42,6 million).

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

On 1 June 2012, Logicalis acquired Corpnet, an Australian provider of IT solutions including data centre, cloud and managed services.

On 1 November 2012, Logicalis acquired the Colombia and Ecuador operations of Cibercall, a leading provider of voice, data and video services solutions with 44 employees which were integrated into Logicalis' existing operations in those two countries strengthening Logicalis' presence in the Andean region.

After the year end, on 4 March 2013, Logicalis acquired four European operations of 2e2 for €24 million ($31 million).

Consulting Services

The Consulting Services division accounted for 1% of Group revenues (2012: 2%) and 1% of EBITDA (2012: 2%).

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

Divisional revenues were $74,0 million (2012: $79,4 million). A robust performance from Analysys Mason and the full year inclusion of Via was offset by a contraction of revenues at Intact. Despite the lower revenues, strong sales performance at Analysys Mason, better utilisation of consultants and internal restructuring helped to improve gross margins from 34,6% to 36,8%. Overall EBITDA was $3,2 million (2012: $4,8 million) after $0.5 million charge for restructuring activities which are expected to yield annualised savings of $1,9 million.

Corporate

Corporate encompasses the net operating costs of the Datatec head office entities of $14,3 million (2012: $17,1 million) and unrealised and realised foreign exchange gains of $0,5 million and $0,2 million respectively (2012: $0,2 million and $1,6 million respectively).

POST PERIOD EVENTS

On 4 March 2013, Logicalis acquired four European operations of 2e2, excluding its UK business, for €24 million ($31 million). These include Spanish and Irish systems integration businesses, a Channel Islands business and an operation in the Netherlands, which is a leading IT service management consultancy. As a result of this transaction, Logicalis expects to add annual revenues of approximately $150 million.

CURRENT TRADING AND PROSPECTS

Weak economic conditions continue to prevail in most of Datatec's markets. Companies remain cautious about investment, generally have strong balance sheets and are mainly focused on IT projects with compelling return on investment. The cloud computing model is driving growth in many of the sectors in which the Group operates, such as data centre and networking managed services, the integration of unified communications systems and security solutions. Conditions in Europe remain weak with modest growth in the US.

The Board expects Westcon to return to revenue growth with operating leverage returning in the 2014 financial year. Logicalis is on track to record its fifth successive year of strong revenue and profit growth.

Based on current trading conditions and prevailing exchange rates, the Board expects revenues for the 2014 financial year of between $5,6 billion and $5,9 billion. The Board expects underlying* earnings per share to be approximately 50 US cents and both earnings per share** and headline earnings per share** to be approximately 46 US cents. Profit after tax** is expected to be approximately $102 million.

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

CASH DISTRIBUTION BY WAY OF CAPITAL REDUCTION

The Group has a dividend cover policy of at least three times relative to underlying* earnings per share which applies to both interim and final distributions. However, the Group 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 FY13 to shareholders of 70 RSA cents (approximately 8 US cents, 2012: 7 US cents) per share on 3 December 2012. The Group has declared and will distribute to shareholders a final capital reduction in lieu of a dividend out of Contributed Tax Capital of 83 RSA cents (approximately 9 US cents, 2012: 9 US cents) per share, making a total capital distribution to shareholders for the financial year ended 28 February 2013 of 153 RSA cents (approximately 17 US cents, 2012: 16 US cents) per share.

The salient dates will be as follows:

Last day to trade	Friday, 5 July 2013
Shares to commence trading "ex" the distribution	Monday, 8 July 2013
Record date	Friday, 12 July 2013
Payment date	Monday, 15 July 2013

The final capital distribution will be paid to shareholders on the Jersey branch register in GBP translated at the closing exchange rate on Wednesday, 10 July 2013.

Share certificates may not be dematerialised or rematerialised between Monday, 8 July 2013 and Friday, 12 July 2013, both days inclusive.

DIRECTORATE

Rob Evans was appointed as a Director of the Board of Datatec with effect from 1 May 2012 and became Chief Financial Officer on 1 June 2012 replacing Ivan Dittrich who left the Board on the same date.

The Chairman of the Board, Stephen Davidson, was formally reappointed as a member of the Audit Committee on 13 May 2013.

REPORTING

The abridged financial information has been 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, the information as required by IAS 34: Interim Financial Reporting and the Companies Act of South Africa. The report has been prepared using accounting policies that comply with IFRS which are consistent with those applied in the financial statements for the year ended 28 February 2012. The preparation of the Group financial statements for the financial year ended 28 February 2013 was supervised by the Chief Financial Officer, Rob Evans; and has been audited in terms of all the applicable requirements in terms of Section 29(1) of the Companies Act of South Africa.

The auditors, Deloitte & Touche, have issued their opinion on the Group's financial statements for the year ended 28 February 2013. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified audit opinion. A copy of their audit report is available for inspection at the Company's registered office. These abridged financial statements have been derived from the consolidated financial statements and are consistent in all material respects, with the Group financial statements. Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the Company's auditors. The auditor's report does not necessarily cover all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's work they should obtain a copy of that report together with the accompanying financial information from the registered office of the company.

On behalf of the Board:

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

15 May 2013

**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.*

***Forecasts for profit after tax, earnings per share and headline earnings per share do not take into account any fair value gains or losses on acquisition-related financial instruments (including put option liabilities), which are required under IFRS.*

Condensed Group statement of comprehensive income
for the year ended 28 February 2013

	Audited year ended February 2013 US$'000	Audited year ended February 2012 US$'000
Revenue	**5 246 667**	5 033 394
Existing operations	**5 063 855**	4 940 164
Acquisitions	**182 812**	93 230
Cost of sales	**(4 466 333)**	(4 328 814)
Gross profit	**780 334**	704 580
Operating costs	**(593 151)**	(514 974)
Unrealised foreign exchange (losses)/gains	**(1 645)**	585
Operating profit before finance costs, depreciation and amortisation ("EBITDA")	**185 538**	190 191
Depreciation	**(28 657)**	(23 861)
Amortisation of acquired intangible assets	**(15 508)**	(15 686)
Operating profit	**141 373**	150 644
Interest income	**5 086**	7 623
Financing costs	**(26 993)**	(21 905)
Acquisition-related fair value adjustments	**6 443**	402
Fair value movements on put option liabilities	**(505)**	16
Fair value adjustments on deferred purchase consideration	**6 948**	386
Share of equity-accounted investment earnings	**1 078**	425
Other income	**260**	782
Profit before taxation	**127 247**	137 971
Taxation	**(42 163)**	(48 902)
Profit for the year	**85 084**	89 069
Other comprehensive income		
Exchange differences arising on translation to presentation currency	**(45 925)**	(13 778)
Translation of equity loans net of tax effect	**11 260**	4 615
Other items	**–**	(2 856)
Total comprehensive income for the year	**50 419**	77 050
Profit for the year attributable to:		
Owners of the parent	**78 077**	80 846
Non-controlling interests	**7 007**	8 223
	85 084	89 069

Total comprehensive income attributable to:		
Owners of the parent	**48 555**	72 282
Non-controlling interests	**1 864**	4 768
	50 419	77 050
Number of shares issued (millions)		
Issued	**193**	188
Weighted average	**191**	186
Diluted weighted average	**193**	189
Earnings per share ("EPS") (US cents)		
Basic EPS	**40,8**	43,5
Diluted basic EPS	**40,4**	42,8
SALIENT FINANCIAL FEATURES		
Headline earnings	**78 071**	80 188
Headline earnings per share (US cents)		
Headline	**40,8**	43,1
Diluted headline	**40,4**	42,5
Underlying earnings	**82 424**	89 166
Underlying earnings per share (US cents)		
Underlying	**43,1**	47,9
Diluted underlying	**42,6**	47,2
Net asset value per share (US cents)	**448,2**	438,6
KEY RATIOS		
Gross margin (%)	**14,9**	14,0
EBITDA (%)	**3,5**	3,8
Effective tax rate (%)	**33,1**	35,4
Normalised effective tax rate (%)	**34,9**	35,1
Exchange rates		
Average Rand/US$ exchange rate	**8,4**	7,3
Closing Rand/US$ exchange rate	**8,8**	7,5

Condensed Group statement of financial position
as at 28 February 2013

	Audited year ended February 2013 US$'000	Audited year ended February 2012 US$'000
ASSETS		
Non-current assets	**661 324**	574 970
Property, plant and equipment	**62 476**	55 145
Capitalised development expenditure	**49 599**	34 117
Goodwill	**426 622**	377 869
Acquired intangible assets	**50 684**	41 772
Investments	**6 613**	5 709
Deferred tax assets	**49 961**	37 229
Other receivables and prepayments	**15 369**	23 129
Current assets	**2 028 740**	1 823 437
Inventories	**362 172**	412 115
Current tax asset	**18 586**	–
Trade and other receivables	**1 334 136**	1 163 534
Cash and cash equivalents	**313 846**	247 788
Total assets	**2 690 064**	2 398 407
EQUITY AND LIABILITIES		
Ordinary shareholders' funds	**865 433**	823 369
Non-controlling interest	**51 578**	56 059
Total equity	**917 011**	879 428
Non-current liabilities	**84 324**	66 083
Long-term liabilities	**10 419**	13 915
Amounts owing to vendors	**3 050**	2 057
Liability for share-based payments	**12 317**	10 423
Deferred tax liabilities	**57 147**	39 688
Other liabilities	**1 391**	–
Current liabilities	**1 688 729**	1 452 896
Payables and provisions	**1 417 181**	1 187 967
Amounts owing to vendors	**9 649**	14 327
Current tax liabilities	**21 369**	4 627
Bank overdrafts	**240 530**	245 975

Total equity and liabilities	**2 690 064**	2 398 407
Capital expenditure incurred in the current year (including capitalised development expenditure)	**45 523**	43 053
Capital commitments at the end of the year	**13 283**	10 142
Lease commitments at the end of the year	**99 275**	98 213
Payable within one year	**31 095**	27 516
Payable after one year	**68 180**	70 697

Condensed Group statement of cash flows
for the year ended 28 February 2013

	Audited year ended February 2013 US$'000	Audited year ended February 2012 US$'000
EBITDA	**185 538**	190 191
Profit on disposal of property, plant and equipment	**(13)**	(733)
Non-cash items	**6 539**	(832)
Cash generated before working capital changes	**192 064**	188 626
Working capital changes	**124 702**	(85 783)
Decrease/(increase) in inventories	**45 321**	(109 479)
Increase in receivables	**(125 387)**	(188 004)
Increase in payables	**204 768**	211 700
Cash generated from operations	**316 766**	102 843
Net finance costs paid	**(21 907)**	(14 282)
Taxation paid	**(53 195)**	(55 619)
Net cash inflows from operating activities	**241 664**	32 942
Cash outflows for acquisitions	**(74 509)**	(27 521)
Net cash outflows from other investing activities	**(44 896)**	(42 943)
Net cash inflows from disposal of operations and investments	**–**	14 988
Net cash outflows from other financing activities	**(13 664)**	(27 684)
Capital distributions	**(32 394)**	(36 383)
Net increase/(decrease) in cash and cash equivalents	**76 201**	(86 601)
Cash and cash equivalents at the beginning of the year	**1 813**	83 219
Translation differences on opening cash position	**(4 698)**	5 195
Cash and cash equivalents at the end of the year (*)	**73 316**	1 813

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

Condensed Group statement of changes in total equity
for the year ended 28 February 2013

	Audited year ended February 2013 US$'000	Audited year ended February 2012 US$'000
Balance at the beginning of the year	**879 428**	770 379
Total comprehensive income	**50 419**	77 050
New share issues	**29 508**	3 545
Capital distributions	**(32 394)**	(36 383)
Equity-settled deferred purchase consideration	**(3 333)**	6 667
Share-based payments	**(6 227)**	(165)
Derecognition of put option liability	**5 102**	45 000
Acquisitions	**853**	(815)
Disposals	**–**	5 536
Non-controlling interest	**(6 345)**	8 614
Balance at the end of the year	**917 011**	879 428

Determination of headline and underlying earnings
for the year ended 28 February 2013

	Audited year ended February 2013 US$'000	Audited year ended February 2012 US$'000
Profit attributable to the equity holders of the parent	**78 077**	80 846
Headline earnings adjustments		
Profit on disposal of property, plant and equipment and investments	**(13)**	(733)
Tax effect	**8**	75
Non-controlling interest	**(1)**	–
Headline earnings	**78 071**	80 188
DETERMINATION OF UNDERLYING EARNINGS		
Underlying earnings adjustments	**10 710**	14 459
Unrealised foreign exchange losses/(gains)	**1 645**	(585)
Acquisition-related fair value adjustments	**(6 443)**	(402)
Acquisition-related adjustment	**–**	(240)
Amortisation of acquired intangible assets	**15 508**	15 686
Tax effect	**(6 460)**	(5 472)
Non-controlling interest	**103**	(9)
Underlying earnings	**82 424**	89 166

Segmental analysis
for the year ended 28 February 2013

	Audited year ended February 2013 US$'000	Audited year ended February 2012 US$'000
Revenue		
Westcon	**3 822 193**	3 719 636
Logicalis	**1 350 442**	1 234 334
Consulting Services	**74 032**	79 424
Revenue	**5 246 667**	5 033 394
EBITDA		
Westcon	**117 320**	133 257
Logicalis	**78 593**	67 395
Consulting Services	**3 174**	4 778
Corporate	**(13 549)**	(15 239)
EBITDA	**185 538**	190 191
Operating profit		
Westcon	**98 200**	120 360
Logicalis	**54 697**	42 609
Consulting Services	**2 081**	3 331
Corporate	**(13 605)**	(15 656)
Operating profit	**141 373**	150 644
Total assets		
Westcon	**1 864 079**	1 529 565
Logicalis	**769 075**	801 493
Consulting Services	**48 813**	53 527
Corporate	**8 097**	13 822
Total assets	**2 690 064**	2 398 407