



Datatec Group

Audited results for the year ended 28 February 2010

Datatec Group

Highlights

- Revenues declined 11% to \$3.74 billion
- Underlying* EPS declined 9% to 30.3 US cents (H2 FY10 up 77% over H2 FY09)
- Strong rebound in 2nd half revenues to \$1.94 billion from \$1.92 billion year over year
- Operating costs reduced in line with revenue contraction (11%)
- Margins remain stable at all levels
- Exceptional cash generation
- Expansion throughout Asia in all divisions
- Capital distribution (dividend) maintained at 12 US cents

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

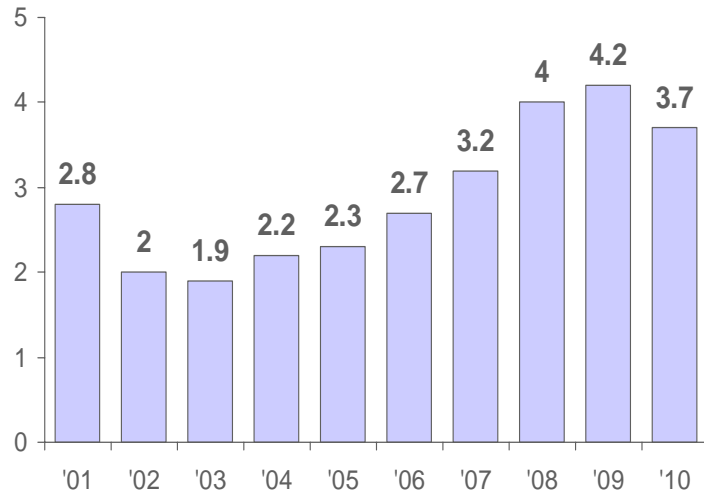
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Market conditions

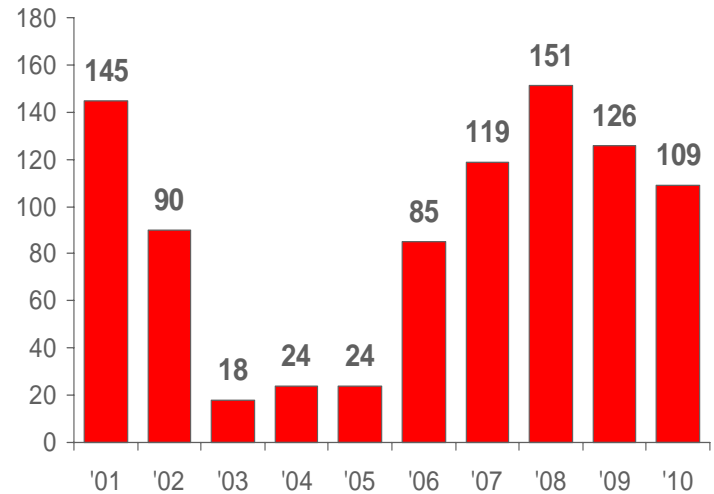
- Increasingly more optimistic longer term outlook
- Recent corporate earnings show strong recovery in many sectors
- US recovery now seems broad based and sustainable
- Latin America, Asia and Middle East markets remain robust
- Highest growth IT markets are Unified Communications, Security and Virtualization
- All major regions and business segments have returned to growth

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Revenue & EBITDA history



Revenue in US\$ billion



EBITDA US\$ million

Profitability remains relatively robust as revenues reduced

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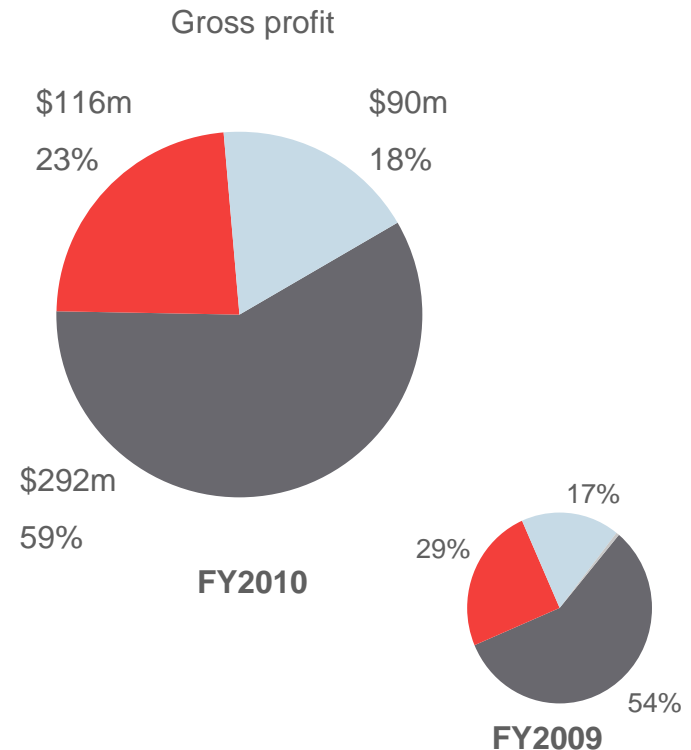
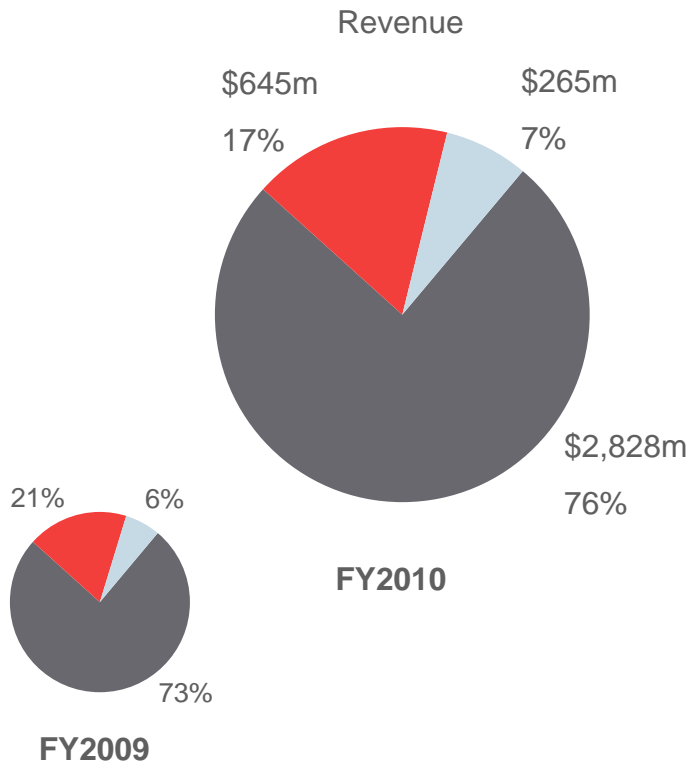
Financial performance summary

- Revenue \$3.74 billion (2009: \$4.19 billion)
- EBITDA \$109 million (2009: \$126 million)
- H2 EBITDA \$63.9 million (H2 2009 \$54.2 million)
- Underlying earnings per share 30.3 US cents (2009: 33.1 US cents)
- H2 underlying EPS up 77% to 18.8 US cents
- Cash generated from operations \$225 million (2009: \$195 million)
- \$186 million net cash at year end (2009: \$36 million)
- Capital distribution maintained at 12 US cents

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Business stream analysis

- Distribution
- ICT Solutions
- Services

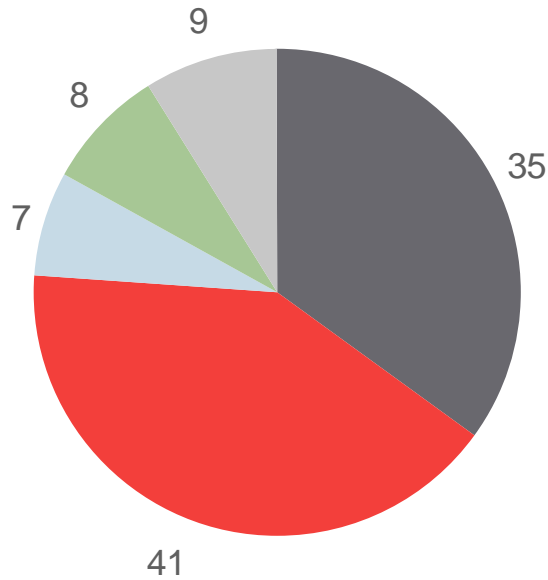


Strong performance by distribution businesses

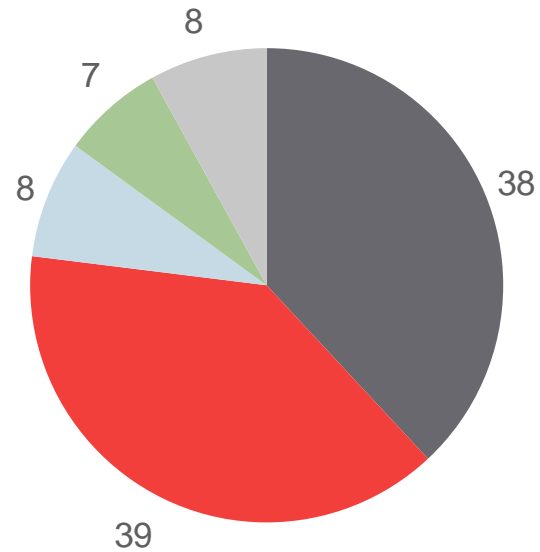
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Revenue % by geography

- North America
- Europe
- Asia Pac
- Africa Middle East
- South America



FY2009



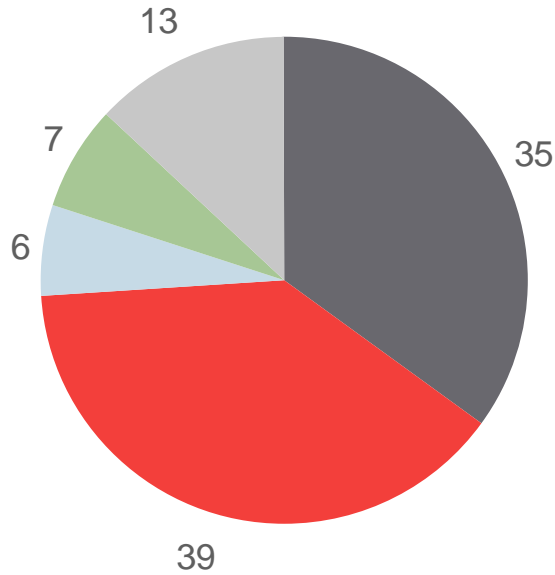
FY2010

Stable geographic mix

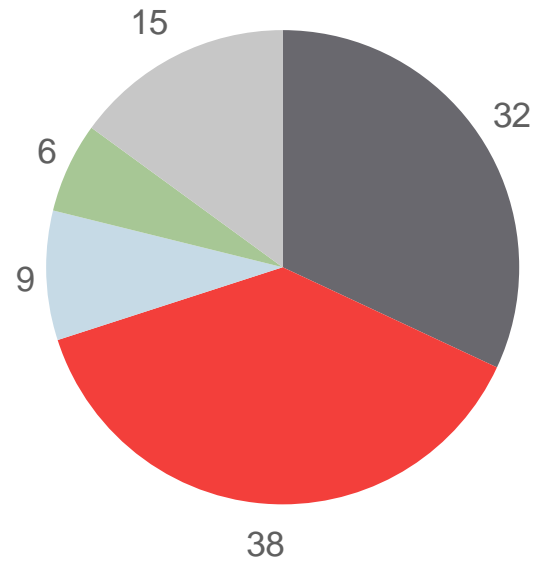
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Gross profit contribution % by geography

- North America
- Europe
- Asia Pac
- Africa Middle East
- South America



FY2009



FY2010

Increased contribution from developing markets

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Financial performance

(\$m)	FY2009	FY 2010	Variance
Sales	4,191.7	3,738.0	(11%)
Gross margin	563.8	498.4	(12%)
Gross margin %	13.5%	13.3%	
Operating costs	438.2	389.8	(11%)
Operating cost margin %	10.5%	10.4%	
EBITDA	125.6	108.5	(14%)
EBITDA%	3.0%	2.9%	
Depreciation	16.8	17.1	2%
Amortisation of intangible assets	17.7	15.4	(13%)
Impairment of intangible assets	6.4	-	
Operating profit	84.8	76.0	(10%)
Operating profit %	2.0%	2.0%	

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Financial performance (continued)

(\$m)	FY 2009	FY 2010	Variance
Operating profit	84.8	76.0	(10%)
Net finance costs	16.5	9.6	(39%)
Fair value movements on put option liabilities	16.8	(12.0)	-
Profit before tax	85.5	54.1	(37%)
Underlying * EPS (US cents)	33.1	30.3	(8%)
HEPS (US cents) excl. fair value movements on put option liabilities	26.6	23.8	(11%)
HEPS (US cents)	36,3	17,0	(53%)

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

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Cash flow (\$m)

	FY 2009	FY 2010
EBITDA	125.6	108.5
Working capital changes	42.2	93.9
Non-cash items	27.1	23.1
Cash generated from operations	194.9	225.5
Net finance costs paid	(16.6)	(9.6)
Taxation paid	(26.6)	(19.8)
Net cash inflow from operating activities	151.7	196.1
Net cash outflow from investing in subsidiaries	(42.4)	(29.7)
Net cash outflow from other investing activities	(21.4)	(23.8)
Net cash inflow from financing activities	15.7	8.6
Capital distribution to shareholders	(20.5)	(22.0)
Increase in cash and cash equivalents	83.1	129.2
Cash and cash equivalents at beginning of period	34.2	95.1
Translation difference on opening cash position	(22.2)	15.5
Cash and cash equivalents at end of period	95.1	239.8

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Balance sheet summary (\$m)

	FY 2009	FY 2010
Equity and Liabilities		
Shareholders funds	575.9	667.9
Non-controlling interests	46.5	50.9
Long term liabilities	75.2	53.4
Amounts due to vendors	51.1	52.8
Current liabilities	927.3	1,077.0
	1,676.0	1,902.0
Assets		
Non current assets		
Goodwill	292.0	315.1
Other intangible assets	53.4	51.8
Other non-current assets	84.6	93.0
Current assets	1,246.0	1,442.1
	1,676.0	1,902.0



Westcon Group

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Highlights

- Revenues decline 7%
- Operating expenses decline 12%
- Gross margin % increases from 10.1% to 10.2%
- EBITDA increases 10% as margins expand by 1/5th
- Strong working capital management drives significant cash generation of \$125 million
- 50% + reduction in interest expense
- Acquired Datastor, AsiaPac distributor of storage and virtualization technology
- Authorised to distribute Cisco's Unified Computing System (UCS) product line

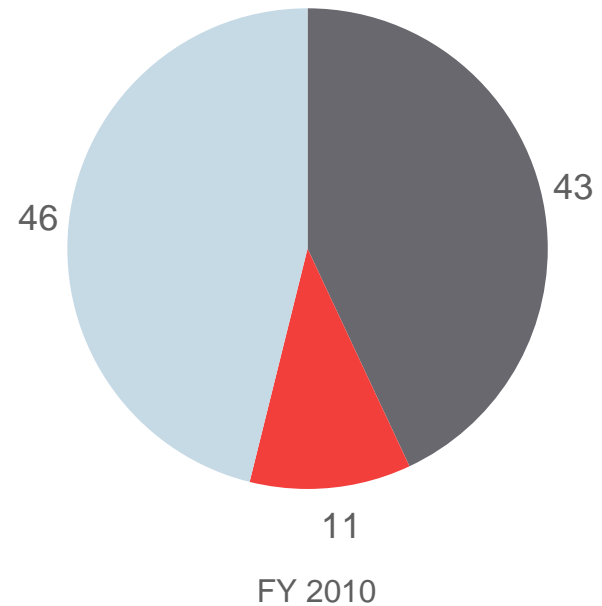
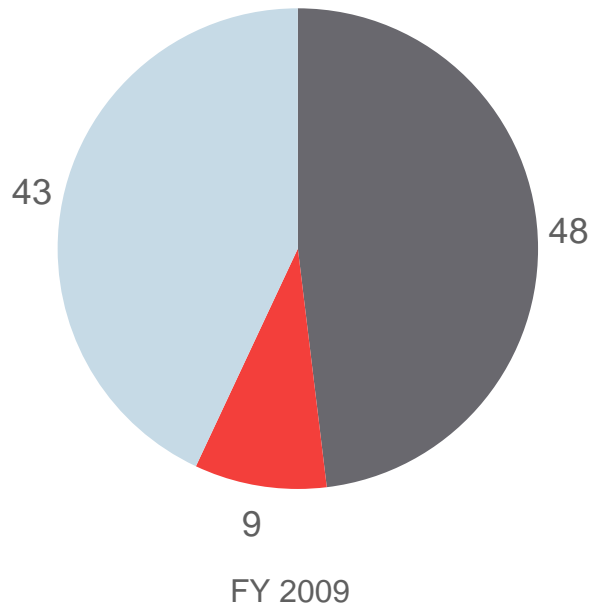
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Financial performance summary

(\$m)	FY 2009	FY 2010	Variance
Sales	2,779.4	2,582.5	(7%)
Gross margin	281.0	263.1	(6%)
Gross margin %	10.1%	10.2%	
Operating costs	213.3	188.4	(12%)
Operating cost margin %	7.7%	7.3%	
EBITDA	67.8	74.7	10%
EBITDA%	2.4%	2.9%	
Operating profit	53.8	62.0	15%
As a % of revenue	1.9%	2.4%	

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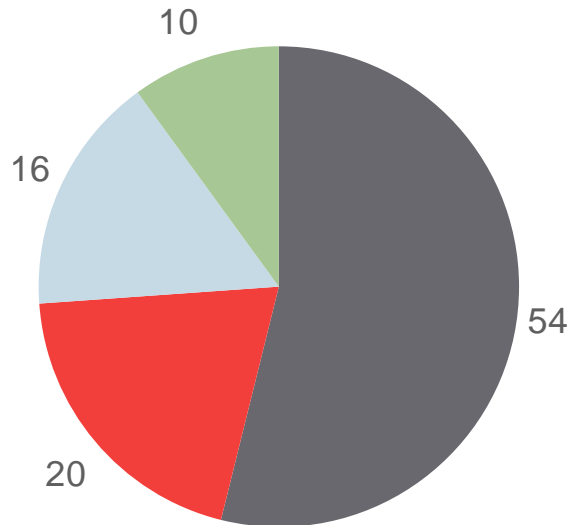
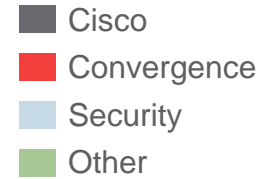
Revenue % by geography



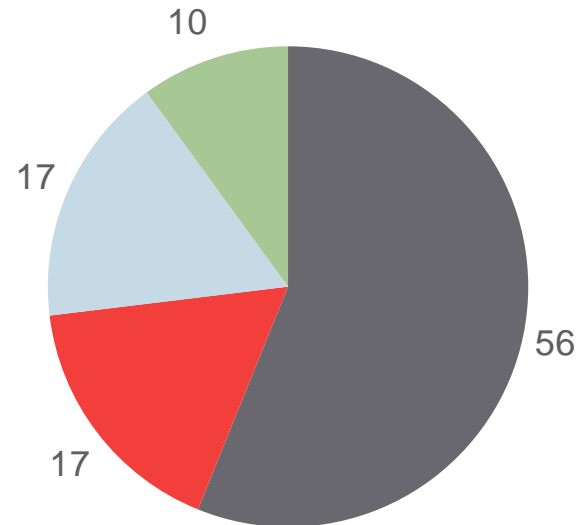
Growth Americas and Asia Pacific Businesses

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Revenue % by vendor



FY 2009



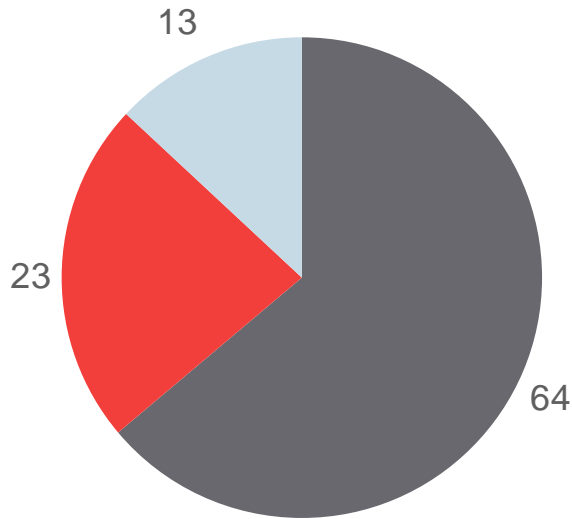
FY 2010

Cisco and Security growth offsets reduction in Convergence

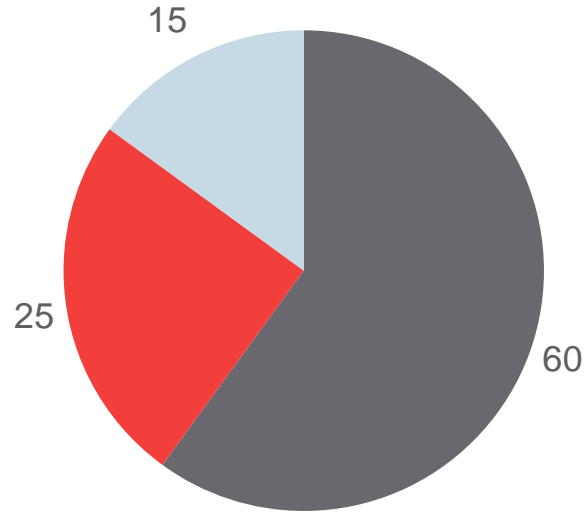
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Revenue % by customer

- Reseller
- System Integrator
- Service Provider



FY 2009

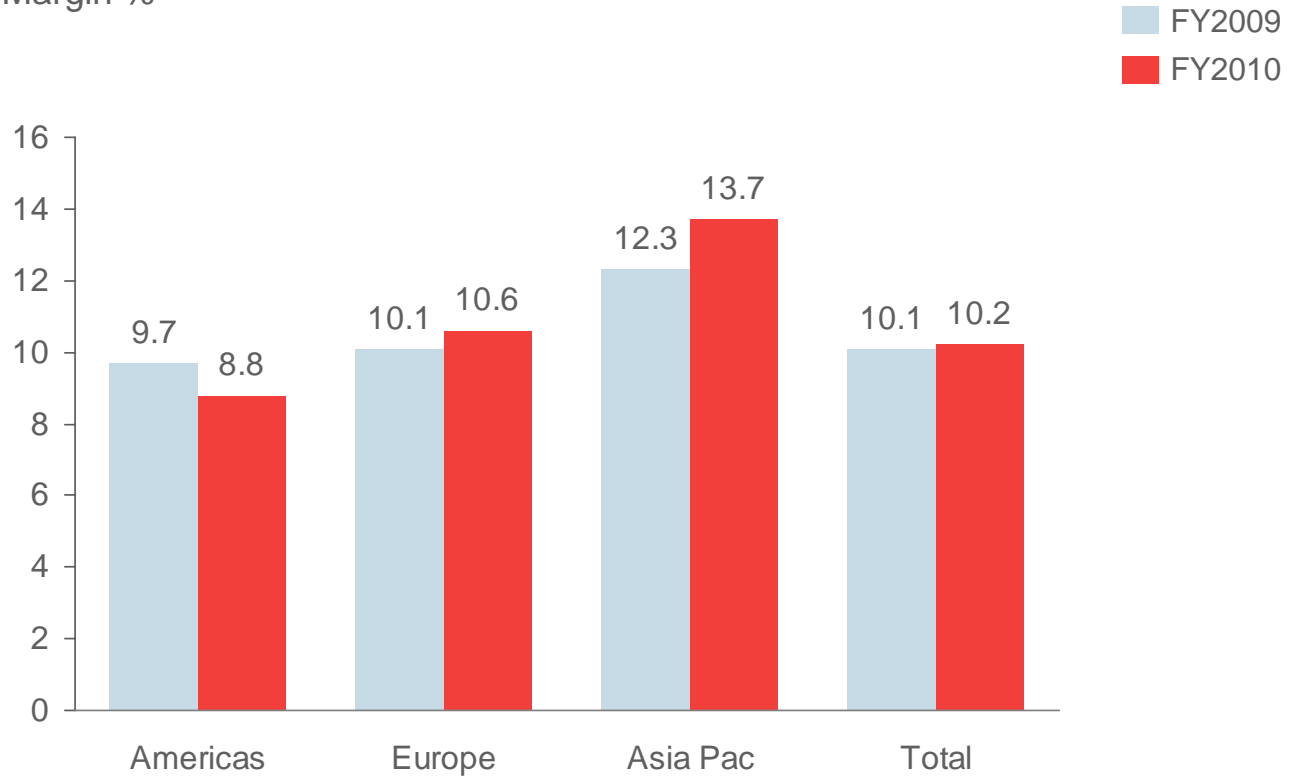


FY 2010

Resellers share remains constant

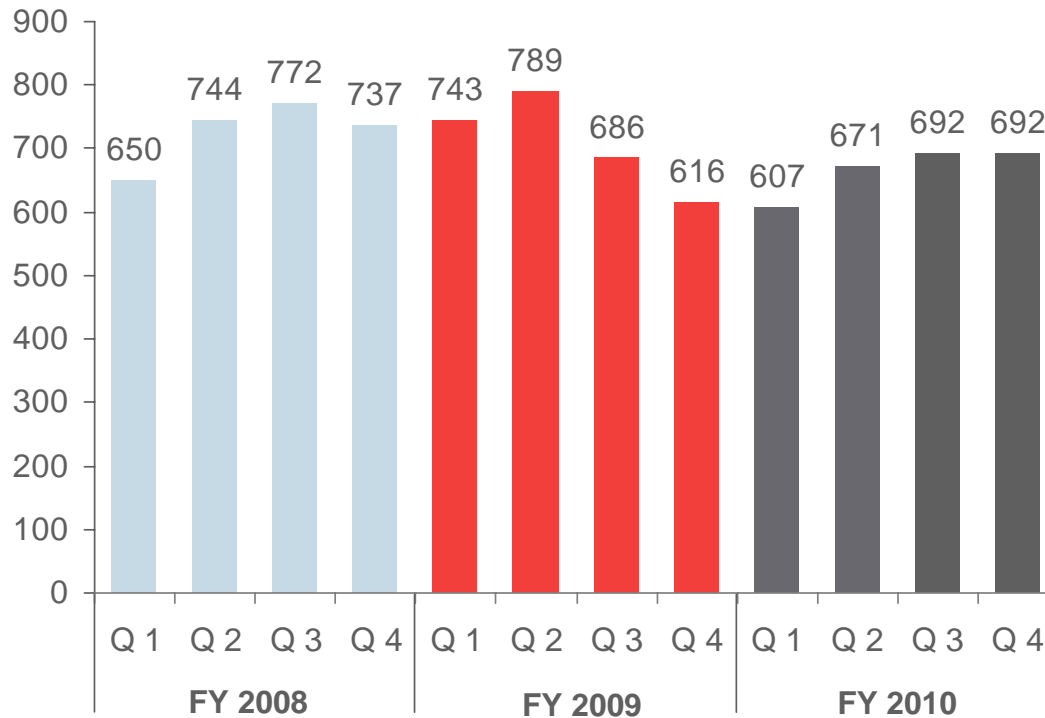
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Gross Margin %



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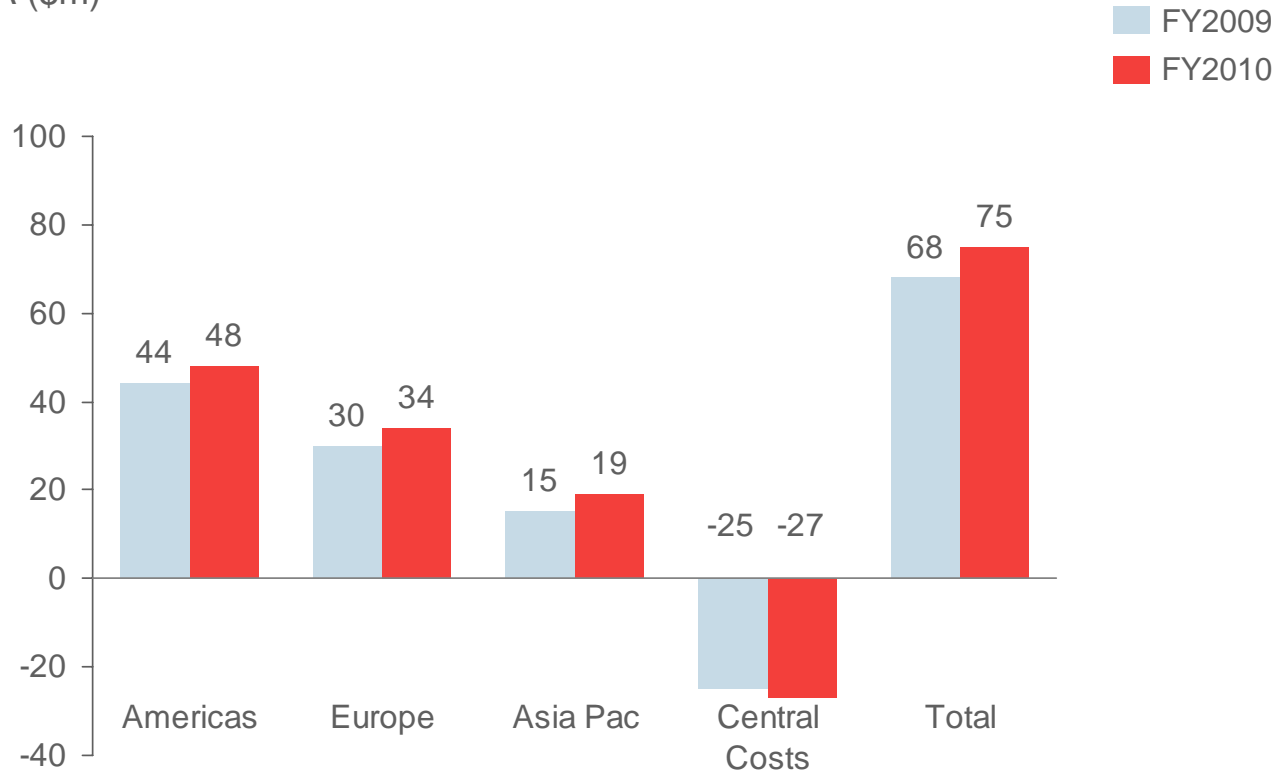
Historical quarterly sales (\$m)



Includes intercompany sales

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EBITDA (\$m)



Note: Central costs include infrastructure, systems and other global support costs.

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Consolidated balance sheet – Working capital

(\$m)	FY 2009	FY 2010
Accounts receivable	470	497
DSO (days)	69	65
Inventory	207	218
Inventory turns	10.8x	11.6x
Accounts payable	435	536
DPO (days)	71	77
Current ratio	1.3	1.3

Note: Ratios based on trailing three month averages

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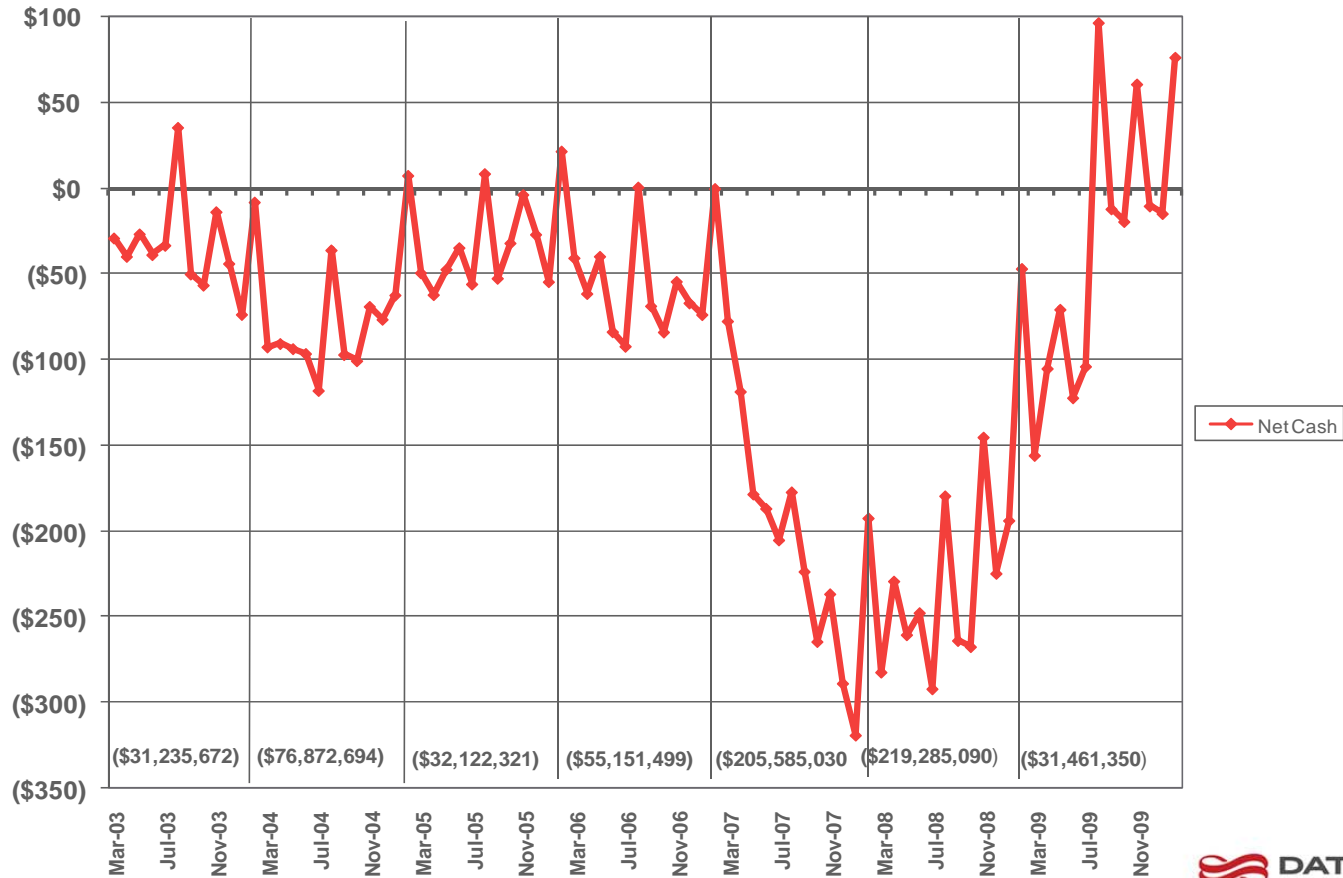
Consolidated balance sheet – Capitalisation

(\$m)	FY 2009	FY 2010
Cash	148	179
Working capital lines	126	62
Notes payable	44	40
Net (debt) / cash*	(47)	77
Equity	321	386
Debt to capitalisation	0.38	0.21
Liabilities to TNW	3.05	2.82

Note: * Includes intercompany loan payable to Datatec which is eliminated in consolidation. Fully repaid in FY2010

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Net cash/debt trend (\$m)



Note: Including debt due to Datatec

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Future outlook

- Return to more predictable environment
- Continue globalisation of business and broaden presence in Asia
- Expand portfolio into data center server, storage and middleware software products
- Deploy cash towards margin enhancing acquisitions and organic initiatives
- Leverage balance sheet to drive better return on capital
- Well positioned to exploit trend towards network based cloud computing



Westcon Emerging Markets Group

Westcon Emerging Markets Group

Highlights

- EBITDA up from \$0.6 million to \$5.4 million with all units profitable
- Global slowdown, supply constraints & exit of marginal franchise impacted revenue
- Gross margin now double digit and up 16% in absolute terms
- Operational profit from previous loss
- More coherent regional structure driving leverage and co-operation between units
- Strong cash position of over \$21.4 million

Westcon Emerging Markets Group

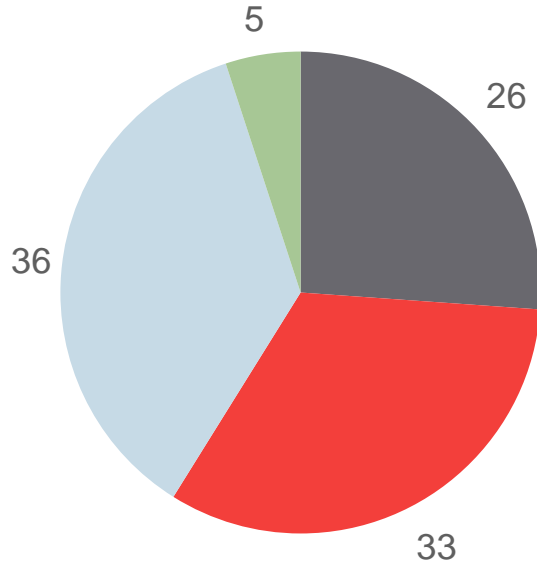
Financial performance summary

(\$m)	FY 2009	FY 2010	Variance
Sales	283.3	245.7	(13%)
Gross margin	25.1	29.2	16%
Gross margin %	8.9%	11.9%	
Operating costs	24.5	23.8	-3%
Operating cost margin %	8.6%	9.7%	
EBITDA	0.6	5.4	793%
EBITDA%	0.2%	2.2%	
Operating profit / (loss)	(0.5)	4.0	900%
As a % of revenue	(0.2%)	2%	

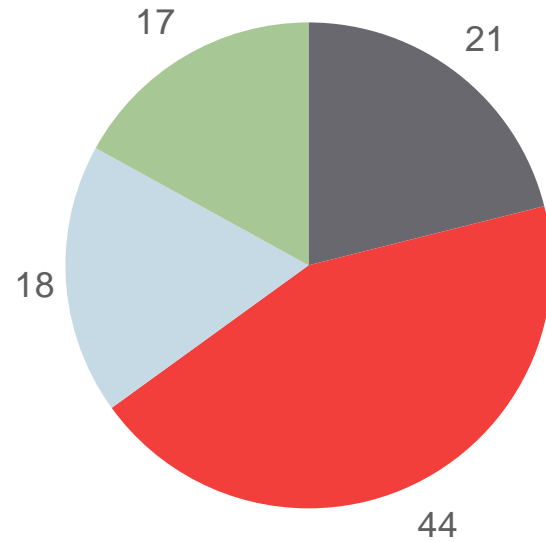
Westcon Emerging Markets Group

Revenue % by geography

- South Africa
- Middle East
- Africa
- India



FY 2009



FY 2010

Westcon Emerging Markets Group

Strategic focus and outlook

- Product supply constraints expected to ease as FY2011 progresses
- Cisco franchise launch in India
- Opportunities to expand existing vendor coverage further in the region
- Improvements in profitability expected to continue albeit at a more modest rate
- Corporate consolidation with Westcon Group Inc. from the middle of this year



Logicalis Group

Logicalis Group

Highlights

- Revenues down 17% to \$838.5 million (down 13% on a constant currency basis)
- Annuity service revenues up 17%
- Gross margins steady at 22%
- Cost base reduced by 13%
- EBITDA \$42.4 million (FY 2009: \$57.0 million)
- Very strong cash conversion from operating activities
- Presence in Asia Pacific region after acquisition of NetStar

Logicalis Group

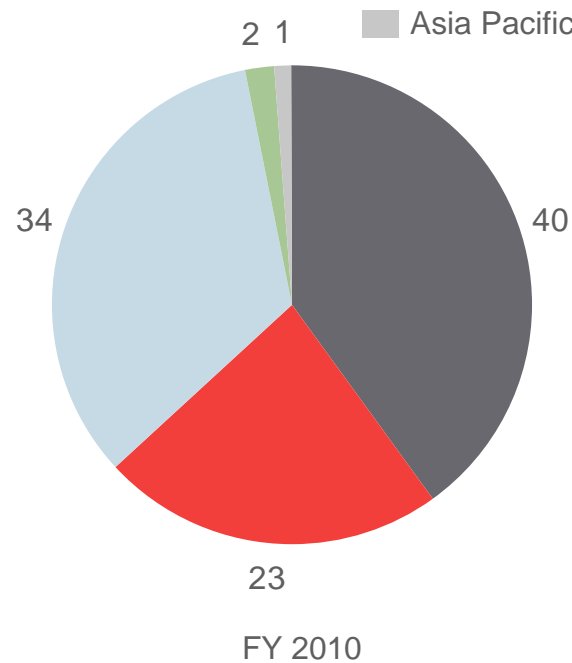
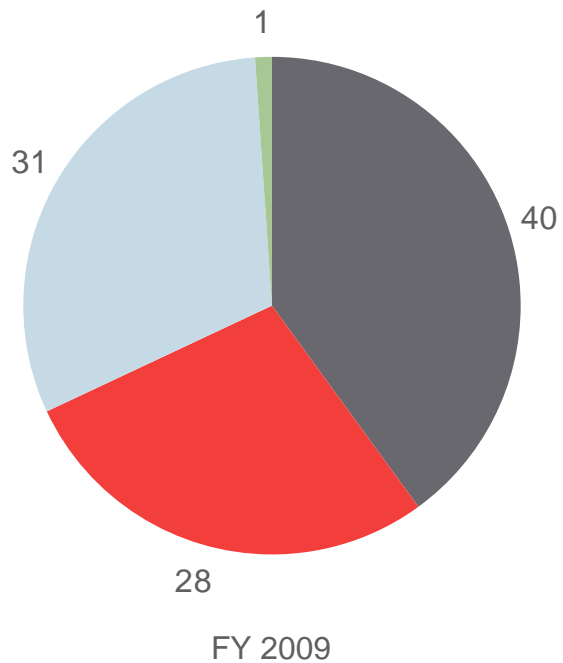
Financial performance summary

(\$m)	FY 2009	FY 2010	Variance
Sales	1,005.4	838.5	(17%)
Gross margin	221.7	186.4	(16%)
Gross margin %	22.1%	22.2%	
Operating costs	164.7	144.0	(13%)
Operating cost %	16.4%	17.2%	
EBITDA	57.0	42.4	(26%)
EBITDA%	5.7%	5.1%	
Operating profit	39.3	25.2	(36%)
As a % of revenue	3.9%	3.0%	

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Revenue % geographic split

- North America
- South America
- UK
- Germany
- Asia Pacific

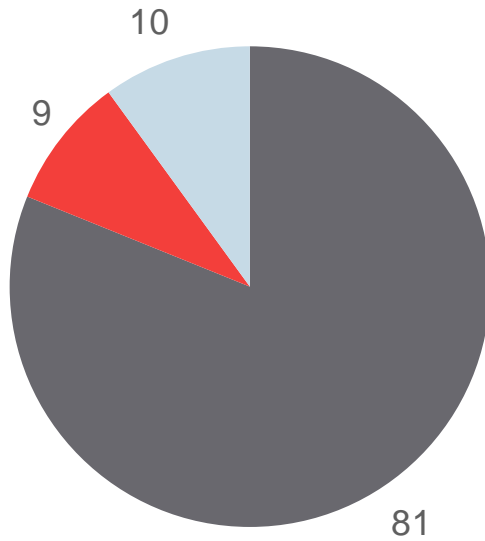


Geographic mix steady – presence in Asia Pacific region acquired 15 January 2010

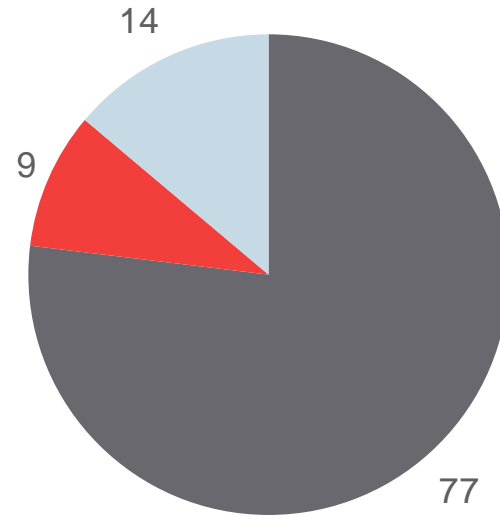
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Revenue segmental split

- Product
- Professional Services
- Maintenance & Managed Services



FY 2009



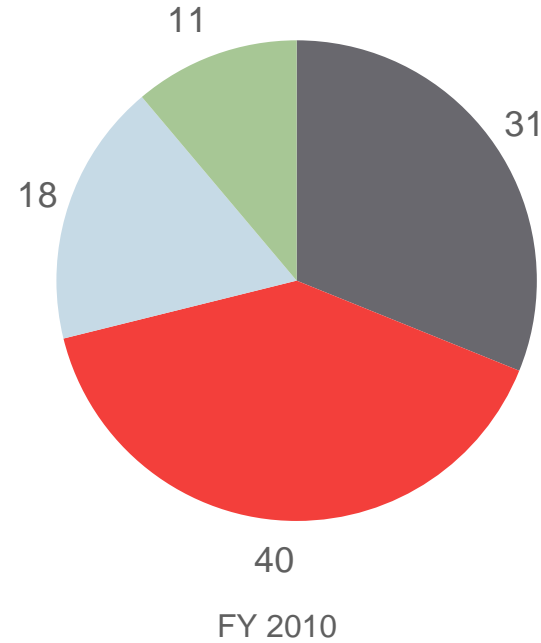
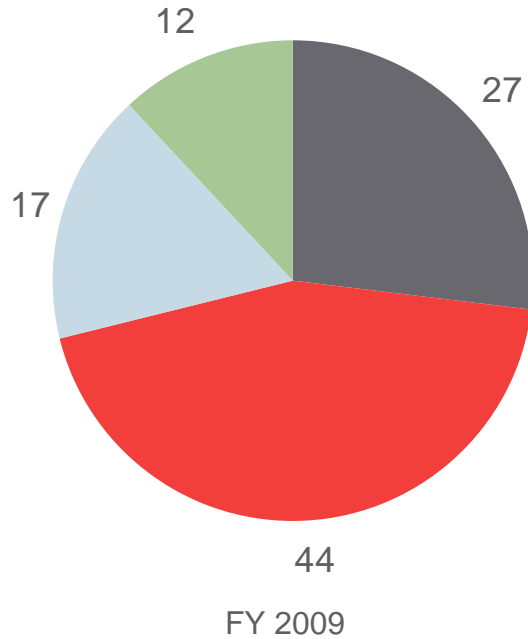
FY 2010

Improved services mix

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Revenue product vendor mix %

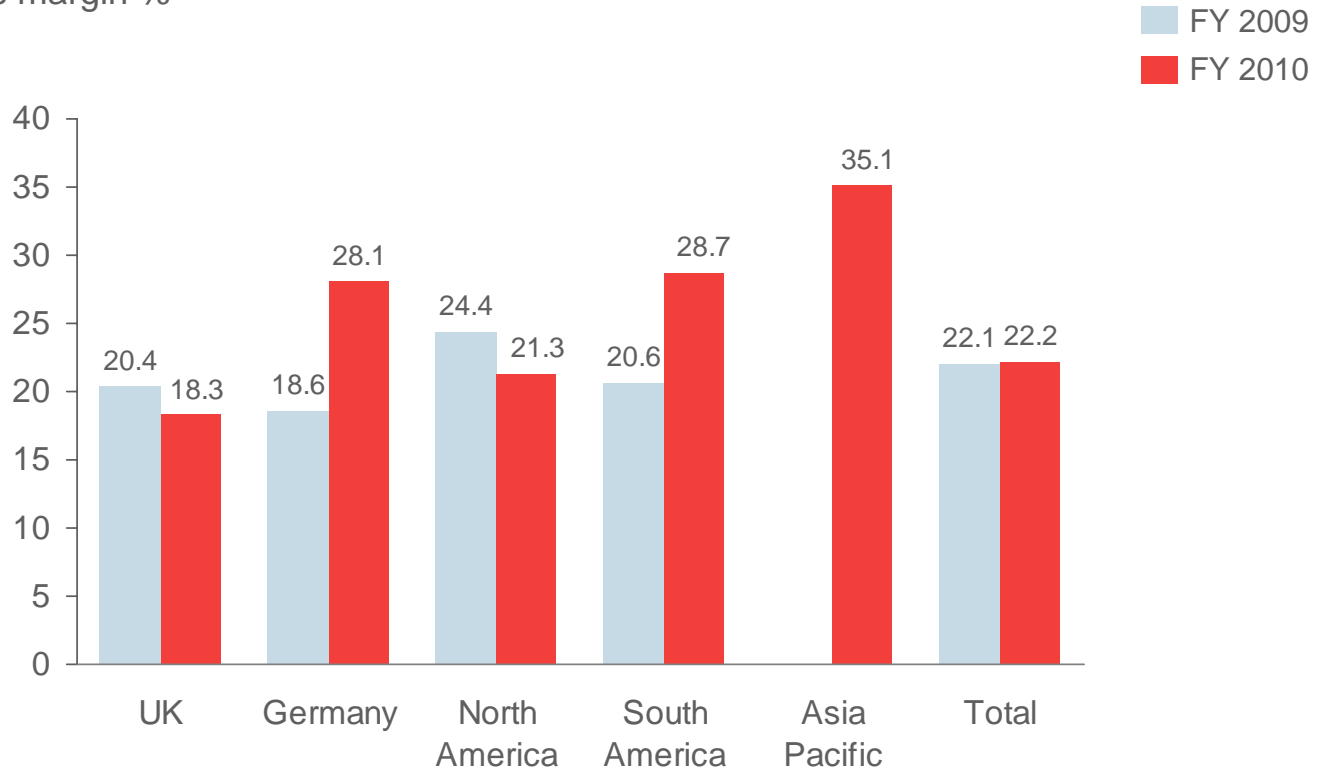
- IBM
- Cisco
- HP
- Others



More balanced vendor partner mix

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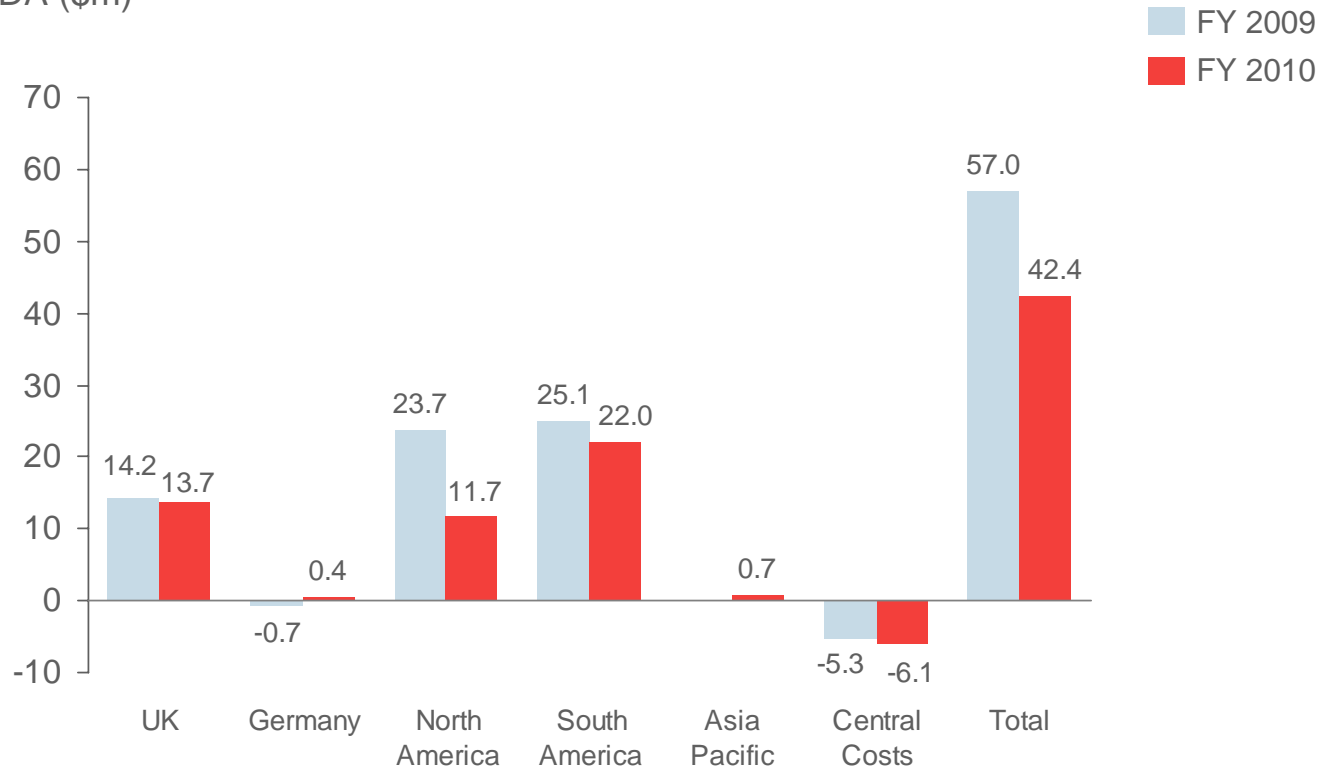
Gross margin %



Strong South America margin performance

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EBITDA (\$m)



Lower product volumes impacted profitability in key geographies

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Key financial measures

(\$m)	FY 2009	FY 2010
Deferred revenue	17.0	42.5
Inventory	20.0	33.7
Inventory days (excluding spares stock)	19	15
Accounts receivable	142.6	170.5
DSO days	60	44
Accounts payable	115.2	151.3
DPO days	83	74
Net cash	40.9	76.4

DSO improvement despite credit conditions and strong cash generation

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Future outlook

- Economic recovery is more certain than a year ago
- Customers are more strongly positioned to invest
- Developing new data centre and cloud computing services
- Continued growth in the annuity based managed services portfolio
- Operational leverage and margin expansion should return
- Asia and Latin America offer new opportunities for growth and further M&A



Consulting Services

Analysys Mason Group

Intact Integrated Services

Consulting Services

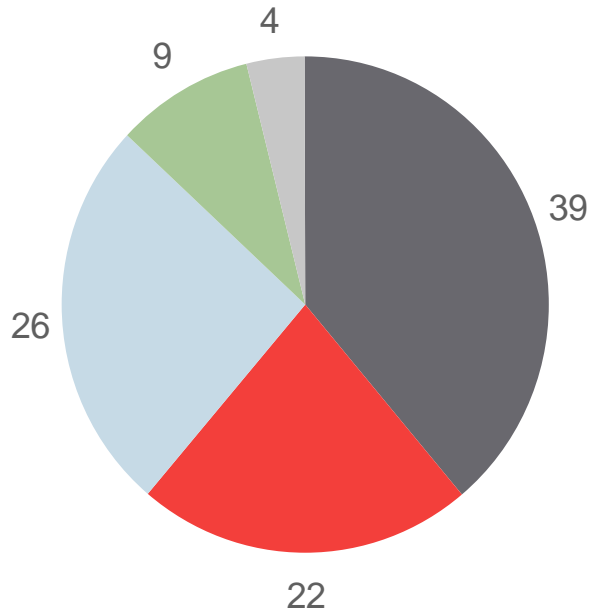
Financial performance summary

(\$m)	FY 2009	FY 2010	Variance
Revenue	72.9	63.9	(12%)
Gross margin	26.1	19.1	(27%)
Gross margin %	35.8%	29.9%	
Operating costs	19.5	17.2	(12%)
Operating cost margin %	26.7%	26.9%	
EBITDA	6.6	1.9	(71%)
EBITDA%	9.0%	3.0%	
Operating profit/ (loss)	5.4	0.8	(85%)
As a % of revenue			

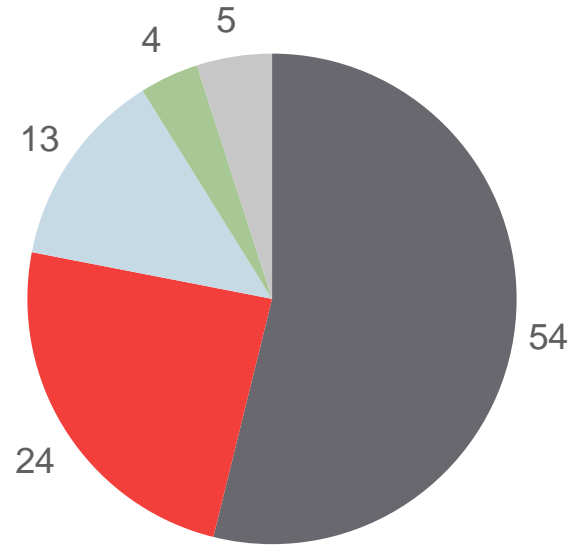
Consulting Services

Revenue % by geography

- UK
- Europe
- MENA
- Asia
- Americas



FY 2009



FY 2010

Consulting Services

Future Outlook

- Newly established presence in the US, Singapore & India for Analysys Mason & Intact
- Increase in global assignments with international Telcos & Service Providers
- Regulatory development in emerging markets creating “digital” growth in these economies
- Strong demand in staffing requirements for skills based Managed Outsourcing projects
- Increased international coverage, better revenue growth and improved business mix
- Appointing a central executive to assist in development and creating scale across activities



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Market outlook

- Stronger corporate credit environment even if some Euro governments in debt crisis
- US economy definitely improving
- Return to potentially stronger US dollar
- Businesses generally in good health and starting to invest more in capex
- Most regions of the world expected to contribute to global growth this year

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Strategy

- Focus on network connected IT trends:
 - Shared and secure data centre infrastructure and virtualization
 - Unified communications and converged networks
 - Managed and cloud computing services
- BIC opportunities still at forefront of development plans
- Superior longer term growth in Asia and Latin America expected
- Increasing focus on strategic M&A opportunities as downturn appears to end
- Cash generation and margin improvement are key internal business drivers

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Current trading and prospects

- Return to normal H1 / H2 seasonality
- Expect good comparative growth this year
- Margins should expand as profitable growth returns in all divisions
- Continuing strong working capital management and cash conversion
- Forecasting revenues of \$4.1 - \$4.4 billion
- Forecasting underlying EPS of 35 US cents

Questions

