DATATEC

Driving Technology

Notice of 2017 Annual General Meeting and Form of Proxy

Contents

Dear shareholder

I am pleased to be sending you the enclosed notice of Datatec's 2017 Annual General Meeting and form of proxy for voting. The notice of Annual General Meeting contains explanatory notes setting out the reasons for all the proposed ordinary and special resolutions. In addition, a summary of the audited results for the financial year ended 28 February 2017, which were published on 22 May 2017, is appended.

Datatec has transitioned from traditional posting of communication to shareholders to electronic transmission, a decision which has been well received. For this reason our FY17 Integrated Report will be available to view and download on the Company's website at **www.datatec.com**. We continue our efforts to promote sustainability and reduce our carbon footprint where possible.

Should you require a full printed version of the FY17 Integrated Report and annual financial statements, please contact our office on +27 11 233 1000 or email **ir@datatec.com** and we will arrange for a copy to be sent to you.

The Annual General Meeting is an important event in Datatec's calendar and the role that you as the shareholder, play is essential to its success. We look forward to seeing you at the meeting on 14 September 2017.

If you are unable to attend the Annual General Meeting, I encourage you to vote by proxy in accordance with the instructions in the form of proxy.

Should you have any questions, please contact our office.

Yours faithfully

Stephen Davidson
Chairman

July 2017

Notice of Annual General Meeting

DATATEC LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 1994/005004/06
Share code: DTC
ISIN: ZAE000017745
("Datatec" or "the Company" or "the Group")

Notice is hereby given that the Annual General Meeting ("Meeting") of shareholders of Datatec will be held at the DaVinci Hotel & Suites, Nelson Mandela Square, corner Maude and 5th Street, Sandown, Sandton, 2196, Republic of South Africa at 12:00 on Thursday, 14 September 2017 for the purpose of considering the following business to be transacted and voting on the resolutions, with or without modification, in the manner required by the Companies Act, No 71 of 2008, as amended ("Companies Act"), as read with the JSE Limited Listings Requirements ("Listings Requirements"), and (ii) deal with such other business as may lawfully be dealt with at the meeting:

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

"To present Datatec's audited annual financial statements for the year ended 28 February 2017, including the directors' report, the Audit, Risk and Compliance Committee report, and Group audited annual financial statements for the year ended 28 February 2017 all of which are contained from pages 78 to 145 of the Integrated Report."

2. THE SOCIAL AND ETHICS COMMITTEE REPORT

Please refer to page 38 of the Integrated Report for the Social and Ethics Committee report. The Chairman of the Social and Ethics Committee is available to report to the shareholders at the Meeting.

3. RE-ELECTION OF DIRECTOR

Ordinary Resolution Number 1

"Resolved that Mr SJ Davidson who retires in terms of the Company's Memorandum of Incorporation ("the MoI") and who offers himself for re-election, be and is hereby re-elected as a director of the Company."

Please refer to page 10 of the Integrated Report for Mr Davidson's brief *curriculum vitae*. On behalf of the Board of Directors ("the Board"), the lead independent non-executive director confirms that on the basis of the annual evaluation of the Board and of the performance of individual directors, the performance and commitment of Mr Davidson throughout his period of office was highly satisfactory.

In order for this resolution to be adopted, the support of more than 50% (fifty percent) of votes cast by shareholders present or represented by proxy at the Meeting is required.

4. RE-ELECTION OF DIRECTOR

Ordinary Resolution Number 2

"Resolved that Mr JF McCartney who retires in terms of the MoI and who offers himself for re-election, be and is hereby re-elected as a director of the Company."

Please refer to page 11 of the Integrated Report for Mr McCartney's brief *curriculum vitae*. On behalf of the Board, the Chairman of the Board ("the Chairman") confirms that on the basis of the annual evaluation of the Board and of the performance of individual directors, the performance and commitment of Mr McCartney throughout his period of office was highly satisfactory.

In order for this resolution to be adopted, the support of more than 50% (fifty percent) of votes cast by shareholders present or represented by proxy at the Meeting is required.

5. ELECTION OF DIRECTOR

Ordinary Resolution Number 3

"Resolved that Mr CS Seabrooke, who retires in terms of the MoI and who offers himself for re-election, be and is hereby re-elected as a director of the Company."

Please refer to page 10 of the Integrated Report for Mr Seabrooke's brief *curriculum vitae*. On behalf of the Board, the Chairman confirms that on the basis of the annual evaluation of the Board and of the performance of individual directors, the performance and commitment of Mr Seabrooke throughout his period of office was highly satisfactory.

In order for this resolution to be adopted, the support of more than 50% (fifty percent) of votes cast by shareholders present or represented by proxy at the Meeting is required.

6. REAPPOINTMENT OF INDEPENDENT AUDITORS

Ordinary Resolution Number 4

"Resolved that Deloitte & Touche as auditors of the Company and Mr Mark Rayfield as the designated auditor, as recommended by the current Audit, Risk and Compliance Committee of the Company, be and are hereby reappointed until the conclusion of the next Meeting."

In order for this resolution to be adopted, the support of more than 50% (fifty percent) of votes cast by shareholders present or represented by proxy at the Meeting is required.

7. ELECTION OF AUDIT, RISK AND COMPLIANCE COMMITTEE MEMBERS

Ordinary Resolution Number 5

"Resolved that the Audit, Risk and Compliance Committee be elected to serve from this Meeting to the 2018 Meeting by separate election to the committee of the following independent non-executive directors:

7.1 Mr CS Seabrooke;
7.2 Mr MJN Njeke;
7.3 Ms O Ighodaro;
7.4 Mr SJ Davidson."

King III recommends that the Chairman should not sit on the Audit, Risk and Compliance Committee. The Board is of the view that the dual role of Mr Davidson, as Chairman of the Board and as a member of the Audit, Risk and Compliance Committee is a valuable aspect of the Company's corporate governance and assists effective communication within the Board.

Please refer to pages 10 and 11 of the Integrated Report for Mr Seabrooke's, Mr Njeke's, Ms Ighodaro's and Mr Davidson's brief *curricula vitae*. Mr Seabrooke has advised the Board that he intends to resign as chairman of the Audit, Risk and Compliance Committee and as member of the Audit, Risk and Compliance Committee on 31 May 2018, which will be after publication of the audited results for the year ended 28 February 2018. On that day, the Board intends to nominate Mr Njeke as chairman of the Audit, Risk and Compliance Committee. On behalf of the Board, the senior non-executive director confirms that each candidate for election to the Audit, Risk and Compliance Committee has the relevant knowledge and experience to discharge their role effectively and that the performance of each candidate in the service of the Audit, Risk and Compliance Committee to the date of this notice has been highly satisfactory.

In order for each of the above resolutions to be adopted, the support of more than 50% (fifty percent) of votes cast by shareholders present or represented by proxy at the Meeting is required.

Notice of Annual General Meeting continued

8. NON-BINDING ADVISORY VOTE ON REMUNERATION POLICY

Ordinary Resolution Number 6

"Resolved that the Remuneration Policy of the Company for 2017 as reflected on page 50 of the Integrated Report of which this notice forms part, be and is hereby endorsed through a non-binding advisory vote as recommended by King III."

In order for this resolution to be adopted, the support of more than 50% (fifty percent) of votes cast by shareholders present or represented by proxy at the Meeting is required.

9A. APPROVAL OF CONDITIONAL SHARE PLAN

Special Resolution Number 1

"Resolved that the Datatec Conditional Share Plan ("CSP"), the draft rules of which will be tabled at the Meeting and initialled by the Chairman for purposes of identification, be and hereby are approved."

Explanation of the resolution and salient features of the CSP

Datatec has three long-term incentive share plans currently in use which were initiated in 2005 and modified in 2010 and 2011, namely the long-term incentive plan ("LTIP"), share appreciation rights plan ("SAR plan") and the deferred bonus plan ("DBP"). Datatec has now conducted a thorough review of its long-term incentive ("LTI") programme to ensure alignment with best practice and the primary objective of alignment of management rewards with shareholders' goals. The Company intends to align the LTIs with leading local and global best practice in the following respects:

- Datatec will replace the SAR Plan and LTIP with a new Conditional Share Plan ("CSP"), which aligns to the latest best practice. Structurally the CSP is similar to the existing LTIP. The salient features set out below relate to the CSP.
- The Company will continue to use a deferred bonus plan to incentivise executives and senior management, but will introduce a revised DBP, to bring the plan in line with current best market practice and to renew Company and individual limits. Please refer to 9B below for the salient features.

The current SAR plan and LTIP will be discontinued.

The salient features for the CSP are detailed below.

Purpose

The CSP will be primarily used as a tool to incentivise, motivate and retain eligible employees and senior management to deliver the Group's business strategy over the long term through the making of annual awards. It is intended to align the goals of management for the operation of the business with shareholder goals for the optimisation of their investment in the Company.

Participants

Eligible employees will include executive directors, senior management and key employees of any employer company of the Group (the CSP will only in rare instances be used for employees of subsidiary divisions which have their own divisional share-based remuneration schemes).

The Remuneration Committee will consider:

- participation on an annual basis (upon recommendation by the Chief Executive Officer of the Group); and
- salary and market benchmarks in determining if any awards should be made as well as what the quantum thereof should be.

Participation in the CSP is not a condition of employment, and the Remuneration Committee has the absolute discretion to make an award to any employee in terms of the CSP.

Rights of participants

In terms of the CSP, participants will not be entitled to any shareholder rights before the settlement of the shares which will take place within a reasonable time after the vesting date.

Basis of awards and award levels

In line with the requirements of King III, King IV principles and best practice, regular annual awards under the CSP may be made to ensure long-term shareholder value creation.

The number of annual awards made to participants will primarily be based on the participant's annual salary, as well as market benchmarks. The award levels will be determined by the Remuneration Committee each time that awards are made, by taking into account the particular circumstances at that time, e.g. Company affordability, retention considerations and Company performance.

Performance/employment conditions and vesting

The Remuneration Committee will set appropriate performance conditions, performance periods, employment conditions and employment periods, as relevant, for each award, taking into account the business environment at the time of making the awards, and where considered necessary, in consultation with shareholders. These conditions will be set out for the participant in the award letter. All annual awards will be subject to performance conditions. Retention awards could be considered in exceptional circumstances.

It is envisaged that for the first award, the following performance conditions and vesting scale will apply to the award over a performance period of three years:

Performance condition	Proportion of award	Threshold (50% vesting)	Target (100% vesting)
Headline earnings per share growth	50%	US CPI + 2% p.a.	US CPI + 4% p.a.
Return on invested capital in year three	50%	8%	12%

Linear vesting will be applied for performance between levels.

In addition, all awards will be subject to the fulfilment of the employment condition over an employment period of three years, for vesting to occur.

Notice of Annual General Meeting continued

Manner of settlement
The rules of the CSP are flexible in order to allow for settlement in any of the following manners:
- by way of a market purchase of shares;
- use of treasury shares; and
- issue of shares.

The exact method of settlement will be determined by the Remuneration Committee.

Limits and adjustments
Company and individual limits
The aggregate number of shares which may at any one time be settled to participants in terms of the CSP will not exceed 7 400 000 shares, which represents approximately 3.5% of the number of issued shares as at the date of approval of the CSP by shareholders.

The maximum number of shares settled to any single participant under the CSP will not exceed 3 700 000 shares, which equates to approximately 1.75% of the number of issued shares at the date of adoption of this updated CSP.

In calculating the number of shares that may be settled under the CSP (at both Company and individual level), the following will be included in the limits:
- new shares allotted and issued by the Company; and
- treasury shares, held by a subsidiary or an employee share trust, originally acquired through an issue of shares.

In calculating the number of shares that may be settled under the CSP (at Company level), the following will be excluded from the limits:
- shares purchased in the market;
- treasury shares, held by a subsidiary or an employee share trust, originally acquired through a market purchase of shares; and
- awards settled under this CSP which do not vest to a participant.

In calculating the number of shares that may be settled under the CSP (at individual level), the following will be excluded from the limits:
- treasury shares, held by a subsidiary or an employee share trust, originally acquired through a market purchase of shares; and
- awards settled under this CSP which do not vest to a participant.

The Remuneration Committee must, where required, adjust the Company limit (without the prior approval of shareholders in a general meeting), to take account of a subdivision or consolidation of the shares of the Company.

The Remuneration Committee may, where required, adjust the individual limit to take account of a capitalisation issue, a special distribution, a rights issue or reduction in capital of the Company.

The issue of shares as consideration for an acquisition, and the issue of shares or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the Company limit and the individual limit.

The auditors, or other independent adviser acceptable to the JSE, shall confirm to the JSE in writing that any adjustment made in terms of this paragraph has been properly calculated on a reasonable and equitable basis, in accordance with the rules of the CSP and must be reported on in the Company's financial statements in the year during which the adjustment is made.

Consideration

The participant will give no consideration for the award or settlement of shares in terms of the CSP.

Termination of employment

"Bad leavers"

Participants terminating employment due to resignation or dismissal on grounds of misconduct, poor performance, dishonest behaviour or fraudulent conduct or on the basis of abscondment will be classified as "bad leavers" and will forfeit all unvested awards.

"Good leavers"

Participants terminating employment due to death, ill-health, disability, injury, retrenchment, retirement, or, with the approval of the directors, prior to the normal retirement age (except to the extent that the termination constitutes "bad leaver" termination as set out above), or the sale of a subsidiary company, will be classified as "good leavers" and the following treatment will apply:

- Vesting will not be accelerated to the date of termination of employment and awards will vest on the normal intended vested date, unless the termination of employment was due to death or retirement, as follows:
  - In respect of awards subject to the employment condition only, the portion of the award which will vest will reflect the number of complete months served since the award date to the termination of employment date, over the total number of months in the employment period.
  - In respect of awards subject to the performance condition(s) and the employment condition, the portion of the award which will vest will reflect the number of months served since the award date to the date of termination of employment over the total number of months in the employment period, pro-rated to the extent to which the performance condition, tested by the Remuneration Committee as soon as possible after the end of the performance period, has been met.

- In the case of death, vesting will be accelerated and the awards will vest on the date of termination of employment, as follows:
  - In respect of awards subject to the employment condition only, the portion of the award which will vest will reflect the number of complete months served since the award date to the termination of employment date, over the total number of months in the employment period.
  - In respect of awards subject to the performance condition(s) and the employment condition, the Remuneration Committee will calculate whether and the extent to which, performance conditions have been satisfied on the date of termination of employment with reference to the immediately preceding financial year results. The portion of the award which will vest will reflect the number of months served since the award date to the date of termination of employment over the total number of months in the employment period, pro-rated to the extent to which the performance condition has been met.
- In the case of retirement, or retirement with the approval of the directors, prior to the normal retirement age, the participant will continue to participate in the CSP.

The remainder of any award not vesting according to the above will lapse.

Notice of Annual General Meeting continued

Change of control

In the event of a change of control of the Company occurring before the vesting date of an award, the full award will vest as soon as reasonably practicable after the change of control date and will not be pro-rated based on time served in the employment period or the extent to which the performance condition(s), if applicable, have been met on the change of control date, unless the Remuneration Committee determined otherwise.

Awards will not vest as a consequence of an internal reconstruction or similar event which is not a change of control as defined in the rules of the CSP. In this case the Remuneration Committee shall make such adjustment to the number of awards or convert awards into awards in respect of shares in one or more of the other companies, provided the participants are no worse off.

Variation of share capital

In the event of a variation in share capital such as a capitalisation issue, subdivision of shares, or the consolidation of shares participants will continue to participate in the CSP. The Remuneration Committee may make such adjustment to the award or take such other action to place participants in no worse a position than they were prior to the happening of the relevant event.

The issuing of shares as consideration for an acquisition, and the issuing of shares or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the awards.

Liquidation

If the Company is placed into liquidation, other than for purposes of reorganisation, any awards of conditional shares will *ipso facto* lapse as from the liquidation date. Therefore, any unvested conditional shares, will lapse.

Amendment

The Remuneration Committee may alter or vary the rules of the CSP as it sees fit, however in the following instances the rules may not be amended without the prior approval of the JSE and a resolution by the shareholders of 75% (seventy-five percent) of the voting rights:

- the category of persons who are eligible for participation in the CSP;
- the number of shares which may be utilised for purposes of the CSP;
- the individual limitations on benefits or maximum entitlements;
- the basis upon which awards are made;
- the amount payable upon the award, vesting or settlement of an award;
- the voting, dividend, transfer and other rights attached to the awards, including those arising on a liquidation of the Company;
- the adjustment of awards in the event of a variation of capital of the Company or a change of control of the Company; and
- the procedure to be adopted in respect of the vesting of awards in the event of termination of employment.

General

The rules of the CSP are available for inspection from 1 August 2017 to 14 September 2017 at the Company's registered office.

In terms of the Companies Act, 75% (seventy-five percent) of the votes cast by shareholders present or represented by proxy at this Meeting must be cast in favour of this resolution for it to be adopted.

9B. APPROVAL OF DEFERRED BONUS PLAN

Special Resolution Number 2

"Resolved that the Datatec Deferred Bonus Plan ("DBP"), the draft rules of which will be tabled at the Meeting and initialled by the Chairman for purposes of identification, be and hereby are approved."

Explanation of the resolution and salient features of the DBP

The Company will continue to use a deferred bonus plan to incentivise executives and senior management, but will introduce a revised DBP, to bring the plan in line with current best market practice and to renew Company and individual limits. In addition, the DBP will assist participants in meeting the Company's share ownership guidelines. Under the DBP, participants will elect to defer a certain percentage of their pre-tax annual bonus whereupon the Company will make an award of bonus shares, expressed as a multiple of the deferred percentage. The bonus shares will be awarded as restricted shares and the vesting will be subject to employment conditions. The salient features of the revised DBP are set out below.

Purpose

The DBP will primarily be used as a tool to incentivise, motivate and retain executive directors and officers ("participants") to deliver the Group's business strategy over the long term. Participation in the DBP is voluntary. Participants will be given the election to defer a percentage of their annual bonus on a pre-tax basis and to receive a multiple of the deferred percentage, as bonus shares.

The bonus shares are restricted shares which will entitle participants to all shareholder rights from the settlement date (which will be shortly after the award date), but the shares are subject to disposal and forfeiture restrictions if the employment condition is not met, until the vesting date.

The employment condition is the requirement of continued employment of the participant by the Datatec Group for the duration of a certain number of years from the award date.

Participants

Eligible employees will include executive directors and officers of Datatec Limited. Participation in the DBP is not a condition of employment, and the Remuneration Committee has the absolute discretion to extend an election to any employee in terms of the DBP.

Rights of participants

The bonus shares will have full shareholder rights from the settlement date which is shortly after the award date. However, if employment is terminated under certain circumstances prior to the vesting date, participants will be required to repay to the Company all dividends (pre-tax value) earned from the award date of the bonus shares up to and including the date of termination of employment.

Notice of Annual General Meeting continued

Basis of awards and award levels

The number of bonus shares awarded will be based on a multiple of the deferred percentage of the annual bonus, determined at the discretion of the Remuneration Committee. It is envisaged that for the first award, the current methodology be continued whereby the number of bonus shares will be determined as follows: the percentage of the annual bonus that a participant elects to defer multiplied by two will be applied to the purchase of bonus shares.

Employment conditions and vesting

The Remuneration Committee will set appropriate employment conditions and employment periods as relevant, for each bonus share award, taking into account the business environment at the time of making the awards, and where considered necessary, in consultation with shareholders. The conditions will be set out for the participant in the award letter.

It is envisaged that for the first award, the current methodology be continued whereby the employment period is three years.

Manner of settlement

The rules of the DBP are flexible in order to allow for settlement of bonus shares, in any of the following manners:

- by way of a market purchase of shares;
- use of treasury shares; and
- issue of shares.

The exact method of settlement will be determined by the Remuneration Committee on a case-by-case basis.

Limits and adjustments

Company and individual limits

The aggregate number of shares which may at any one time be settled to participants in terms of the DBP will not exceed 3 200 000 shares, which represents approximately 1.5% of the number of issued shares as at the date of approval of the DBP by shareholders.

The maximum number of shares settled to any single participant under the DBP will not exceed 1 600 000 shares, which equates to approximately 0.75% of the number of issued shares at the date of adoption of this updated CSP.

In calculating the number of shares that may be settled under the DBP (at Company level), the following will be included in the limits:

- new shares allotted and issued by the Company;
- treasury shares, held by a subsidiary or an employee share trust, originally acquired through an issue of shares; and
- bonus shares settled under this DBP which dot not vest to a participant.

In calculating the number of shares that may be settled under the DBP (at individual level), the following will be excluded from the limits:

- treasury shares, held by a subsidiary or an employee share trust, originally acquired through a market purchase of shares; and
- bonus shares settled under this DBP which dot not vest to a participant.

The Remuneration Committee must, where required, adjust the Company limit (without the prior approval of shareholders in a general meeting), to take account of a subdivision or consolidation of the shares of the Company.

The Remuneration Committee may, where required, adjust the individual limit to take account of a capitalisation issue, a special distribution, a rights issue or reduction in capital of the Company.

The issue of shares as consideration for an acquisition, and the issue of shares or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the Company limit and the individual limit.

The auditors, or other independent adviser acceptable to the JSE, shall confirm to the JSE in writing that any adjustment made in terms of this paragraph has been properly calculated on a reasonable and equitable basis, in accordance with the rules of the DBP and must be reported on in the Company's financial statements in the year during which the adjustment is made.

Consideration

The participant will give no consideration for the bonus shares.

Termination of employment

"Bad leavers"

Participants terminating employment due to resignation or dismissal on grounds of misconduct, poor performance, dishonest behaviour or fraudulent conduct will be classified as "bad leavers" and will forfeit all unvested bonus shares. In addition, such participant will be required to repay to the Company all dividends (pre-tax value) earned from the award date of the bonus shares up to and including the date of termination of employment. For the avoidance of doubt, any awards which have already vested will be unaffected by the aforesaid provisions.

"Good leavers"

Participants terminating employment due to death, ill-health, disability, injury, retrenchment (except to the extent that the termination constitutes "bad leaver" termination as set out above), or the sale of a subsidiary company, will be classified as "good leavers" and the following treatment will apply:

- Vesting will not be accelerated to the date of termination of employment and bonus shares will vest on the normal intended vested date, unless the termination of employment was due to death or retirement, as follows:
  - The portion of the award which will vest will reflect the number of complete months served since the award date to the termination of employment date, over the total number of months in the employment period.
- In the case of death, vesting will be accelerated and the awards will vest on the date of termination of employment, as follows:
  - The portion of the award which will vest will reflect the number of complete months served since the award date to the termination of employment date, over the total number of months in the employment period.
- In the case of retirement, or retirement with the approval of the directors, prior to the normal retirement age, the participant will continue to participate in the DBP.

The remainder of any award not vesting according to the above will lapse.

Notice of Annual General Meeting continued

Change of control

In the event of a change of control of the Company occurring before the vesting date of a bonus share award, the full portion of the bonus shares will vest as soon as reasonably practicable after the change of control date and will not be pro-rated based on time served in the employment period, unless the Remuneration Committee determined otherwise.

Awards will not vest as a consequence of an internal reconstruction or similar event which is not a change of control as defined in the rules of the DBP. In this case the Remuneration Committee will make such adjustment to the number of awards or convert awards into awards in respect of shares in one or more of the other companies, provided the participants are no worse off.

Variation of share capital

In the event of a variation in share capital such as a capitalisation issue, subdivision of shares, or consolidation of shares, participants will continue to participate in the DBP. The Remuneration Committee may make such adjustment to the award or take such other action to place participants in no worse a position than they were prior to the happening of the relevant event. In the event of a rights offer, participants will participate in the event as normal shareholders.

The issuing of shares as consideration for an acquisition, and the issuing of shares or a vendor consideration placing, will not be regarded as a circumstance that requires any adjustment to the awards.

Liquidation

If the Company is placed into liquidation, other than for purposes of reorganisation, any unvested bonus shares awards will vest.

Amendment

The Remuneration Committee may alter or vary the rules of the DBP as it sees fit, however in the following instances the DBP may not be amended without the prior approval of the JSE and a resolution by the shareholders of 75% of the voting rights:

- the category of persons who are eligible for participation in the DBP;
- the number of shares which may be utilised for the purpose of the DBP;
- the individual limitations on benefits or maximum entitlements;
- the basis upon which awards are made;
- the amount payable upon the award, settlement or vesting of an award;
- the voting, dividend, transfer and other rights attached to the awards, including those arising on a liquidation of the Company;
- the adjustment of awards in the event of a variation of capital of the Company or a change of control of the Company; and
- the procedure to be adopted in respect of the vesting of awards in the event of termination of employment.

General

The rules of the CSP are available for inspection from 1 August 2017 to 14 September 2017 at the Company's registered office.

In terms of the Companies Act, 75% (seventy-five percent) of the votes cast by shareholders present or represented by proxy at this Meeting must be cast in favour of this resolution for it to be adopted.

10. APPROVAL OF NON-EXECUTIVE DIRECTORS' FEES

Special Resolution Number 3

"Resolved that the Board and committee fees for non-executive directors for the financial year ending 28 February 2018, which fees will be increased by 2% (two percent) from the previous year, as recommended by the Remuneration Committee and set out in the note below, be and are hereby authorised, in accordance with the provisions of the Companies Act, and that the Company may continue to pay directors' fees at the annual rates specified in the note below for the period from 28 February 2017 until the Company's 2018 Meeting.

Directors' fees for the financial year ending 28 February 2018

- Chairman of the Board: US$201 552 total fee inclusive of all committee and subsidiary board work;
- Senior non-executive director's fee: US$74 256;
- Non-executive director's fee: US$63 648;
- Chairman of the Audit, Risk and Compliance Committee: US$31 824;
- Member of the Audit, Risk and Compliance Committee: US$15 912;
- Chairman of the Social and Ethics Committee: US$10 608;
- Chairman of the Remuneration Committee: US$15 912;
- Member of the Remuneration Committee: US$7 956;
- Member of the Nominations Committee: US$5 304; and
- Trustee of Datatec trusts: US$7 426."

Reason for Special Resolution Number 3

The Companies Act requires shareholder approval of directors' fees prior to payment of such fees.

In terms of the Companies Act, 75% (seventy-five percent) of the votes cast by shareholders present or represented by proxy at this Meeting must be cast in favour of this resolution for it to be adopted.

11. AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE TO ANY GROUP COMPANY

Special Resolution Number 4

"Resolved that, to the extent required by sections 44 and/or 45 of the Companies Act, the Board may, subject to the provisions of the Companies Act, the Company's MoI and the requirements of any recognised stock exchange on which the shares in the capital of the Company may from time to time be listed, authorise the Company to provide direct or indirect financial assistance to any related or inter-related (as defined in the Companies Act) company or corporation of the Company, on terms and conditions which the directors may determine, commencing on the date of passing of this resolution and ending at the next Meeting."

Reason for Special Resolution Number 4

In terms of the Companies Act, the Board may authorise the Company to provide any financial assistance in terms of sections 44 and/or 45 of the Companies Act to related or inter-related company or corporation of the Company, subject to certain requirements set out in the Companies Act, including the Company meeting the solvency and liquidity test. This general authority would greatly assist the Company *inter alia* with making inter-company loans to Group companies as well as granting letters of support and guarantees in appropriate circumstances. The existence of a general shareholder authority would avoid the need to refer each instance to members for approval which might impede the negotiations and add time and expense. If approved, this general authority will expire at the next Meeting.

Notice of Annual General Meeting continued

Notification

Written notice in terms of section 45(5) of the Companies Act of any such resolution by the Board shall be given to all shareholders of the Company and any trade union representing its employees:

- within 10 business days after the Board adopts the resolution, if the total value of the financial assistance contemplated in that resolution, together with any previous such resolution during the financial year, exceeds one-tenth of 1% (one percent) of the Company's net worth at the time of the resolution; or
- within 30 business days after the end of the financial year, in any other case.

In terms of the Companies Act, 75% (seventy-five percent) of the votes cast by shareholders present or represented by proxy at the Meeting must be cast in favour of this resolution for it to be adopted. The Board will pass a similar financial assistance resolution on or after the date of this Meeting.

12. GENERAL AUTHORITY TO REPURCHASE SHARES

Special Resolution Number 5

"Resolved that the Board be authorised by way of a general authority given as a renewable mandate, to facilitate the acquisition by the Company or a subsidiary of the Company of the issued ordinary shares of the Company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, but subject to the MoI, the provisions of the Companies Act and the Listings Requirements, when applicable and provided that:

- an announcement giving such details as may be required in terms of the Listings Requirements be released on SENS when the Company or its subsidiaries have cumulatively repurchased 3% (three percent) of the initial number of the shares of the Company in issue as at the time the general authority was granted and for each 3% (three percent) in aggregate of the initial number of shares acquired thereafter;
- the authorisation granted above shall remain in force from the date of passing of this special resolution for a period of 15 (fifteen) months or until the next Annual General Meeting, whichever period is shorter;
- at any point in time, the Company will only appoint one agent to effect any repurchase(s) on its behalf;
- the Company or its subsidiary shall not repurchase securities during a prohibited period as defined in paragraph 3.67 of the Listings Requirements;
- the repurchase of securities will be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- the repurchase by the Company of its own securities above may not exceed 20% (twenty percent) of the Company's issued ordinary share capital in the aggregate in any one financial year, as at the beginning of the financial year, or in the case of acquisition by any of the Company's subsidiaries, 10% (ten percent) of such issued ordinary share capital in the aggregate if such shares are to be held as treasury shares;
- any such repurchases are subject to exchange control approval at that point in time;
- in determining the price at which the Company's ordinary shares are acquired by the Company in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the weighted average of the market price at which such ordinary shares are traded on the JSE, as determined over the 5 (five) trading days immediately preceding the date of the repurchase of such ordinary shares by the Company or a subsidiary of the Company; and
- a resolution has been passed by the Board confirming that the Board has authorised the general repurchase, that the Company has passed the solvency and liquidity test as required by the Companies Act and since the test was done there have been no material changes to the financial position of the Group."

At least 75% (seventy-five percent) of the votes cast by shareholders present or represented by proxy at the Meeting must be cast in favour of this resolution in terms of the Listings Requirements in order for it to be adopted.

Additional disclosure

For purposes of considering Special Resolution Number 5 and in terms of the Listings Requirements, the information below has been included in the Integrated Report, in which this notice of Meeting is included, at the places indicated:

- Major shareholders (refer page 160 of the Integrated Report); and
- Share capital of the Company (refer page 114 of the Integrated Report).

The Company will not commence a general repurchase of shares as contemplated above unless the following can be met:

- the Company and the Group will be able to repay its debts in the ordinary course of business for a period of 12 (twelve) months following the date of the general repurchase;
- the Company and the Group's assets will be in excess of the liabilities of the Company and the Group for a period of 12 (twelve) months after the date of the general repurchase. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements which comply with the Companies Act;
- the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of the general repurchase; and
- the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months following the date of the repurchase.

Reason and effect

The reason and effect for Special Resolution Number 5 is to authorise the Company and/or its subsidiary company by way of a general authority to acquire its own issued shares on such terms, conditions and in such amounts as determined from time to time by the directors of the Company subject to the limitations set out above.

Statement of Board's intention

The Board has no specific intention to effect the provisions of Special Resolution number 5 but will, however, continually review the Company's position, having regard to prevailing circumstances and market conditions, in considering whether to effect the provisions of Special Resolution Number 5.

Directors' responsibility statement

The directors, whose names are given on page 161 of the Integrated Report, collectively and individually accept full responsibility for the accuracy of the information pertaining to Special Resolution Number 5 and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this special resolution contains all information required by law and the Listings Requirements.

Notice of Annual General Meeting continued

Material changes

There have been no material changes in the affairs or financial position of the Company and/or the Group since the date of signature of the audit report up to the date of this notice.

13. ADOPTION OF A REVISED MOI

Special Resolution Number 6

"Resolved that the MoI, in the form of the draft tabled at this Meeting and initialled by the Chairman of the Meeting for the purposes of identification, be and is hereby adopted in substitution for and to the exclusion of the entire current MoI, subject to obtaining the prior written consent of the Company."

Reason for Special Resolution Number 6

The reason for this special resolution is (i) to bring the MoI into harmony with the provisions of the Listings Requirements and any applicable new law; and (ii) to ensure that the MoI complies with the Companies Act, the Listings Requirements and is in line with best practice. The revised MoI has been approved by the Board and JSE Limited and the Board's intention is for the shareholders to pass a special resolution adopting the revised MoI in substitution for the existing MoI. In compliance with section 65(4) of the Companies Act, an explanation of the salient amendments to the existing MoI is presented on page 21 and 22. The revised MoI will be available on the Company's website, and copies can be obtained at the Company offices during normal office hours. Any person who has a beneficial interest in any securities of the Company may request for copies from the issue date of this notice up to and including the date of the Meeting.

In terms of the Companies Act, 75% (seventy-five percent) of the votes cast by shareholders present or represented by proxy at this Meeting must be cast in favour of this resolution for it to be adopted.

14. AUTHORITY TO SIGN ALL DOCUMENTS REQUIRED

Ordinary Resolution Number 7

Any director of the Company or the Company Secretary shall be and is hereby authorised to sign all documents and perform all acts which may be required to give effect to such Ordinary Resolutions Number 1 to 6 and Special Resolutions Number 1 to 6 passed at the Meeting."

In order for this resolution to be adopted, the support of more than 50% (fifty percent) of votes cast by shareholders present or represented by proxy at the Meeting is required.

15. TO TRANSACT SUCH OTHER BUSINESS AS MAY BE TRANSACTED AT AN ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

The record date on which shareholders must be recorded as such in the register maintained by the transfer secretaries of the Company for the purposes of being entitled to receive notice of the Meeting is Friday, 14 July 2017.

VOTING AND PROXIES

The record date on which shareholders must be recorded as such in the register maintained by the transfer secretaries of the Company for the purposes of being entitled to attend and vote at the Meeting is Friday, 8 September 2017. Accordingly, the last day to trade for the purposes of being entitled to attend and vote at the Meeting is Tuesday, 5 September 2017.

Shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration are entitled to attend and vote at the Meeting and are entitled to appoint a proxy or proxies to attend, speak and vote in their stead. The person so appointed need not be a shareholder of the Company. Proxy forms must be forwarded to reach the registered office of the Company or the Company's transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, or posted to the transfer secretaries at PO Box 61051, Marshalltown, 2107, South Africa so as to be received by them by no later than 12:00 on Tuesday, 12 September 2017. Any forms of proxy not lodged by this time must be handed to the chairperson of the Meeting.

Shareholders holding shares on the Jersey Branch register should forward the form of proxy sent with this notice to Computershare Investor Services (Jersey) Limited in accordance with the instructions on the proxy form.

Proxy forms must only be completed by shareholders who have dematerialised their shares with "own name" registration or who have not dematerialised their shares.

Every member present in person or by proxy and entitled to vote at the Meeting of the Company shall, on a show of hands, have one vote only irrespective of the number of shares such member holds. In the event of a poll, every member shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by such member bears to the aggregate amount of the nominal value of all the shares issued by the Company.

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "own name" registration, who are unable to attend the Meeting but wish to be represented thereat, should contact their Central Securities Depository Participant ("CSDP") or broker (as the case may be) in the manner and time stipulated in their agreement entered into by such shareholder and the CSDP or broker (as the case may be) to furnish the CSDP or broker (as the case may be) with their voting instructions and in the event that such shareholders wish to attend the Meeting, to obtain the necessary authority to do so. Such shareholders who wish to attend the meeting in person must obtain the necessary letter of representation from their CSDP or broker.

Shareholders holding depositary interests in shares on the Jersey Branch register should forward the form of instruction sent to them with this notice to Computershare Investor Services (Jersey) Limited in accordance with the instructions on the form of instruction.

Shares held by a share trust or scheme will not have their votes at meetings taken into account for the purposes of resolutions proposed in terms of the Listings Requirements.

Notice of Annual General Meeting continued

Should any shareholder (or any proxy for a shareholder) wish to participate in the meeting by way of electronic participation, the shareholder should make application in writing (including details as to how the shareholder or its representative (including its proxy) can be contacted) to so participate to the transfer secretaries, at their address as reflected on page 40, to be received by the transfer secretaries at least 5 (five) business days prior to the Meeting in order for the transfer secretaries to arrange for the shareholder (or its representative or proxy) to provide reasonably satisfactory identification to the transfer secretaries for the purpose of section 63(1) of the Companies Act, and for the transfer secretaries to provide the shareholder (or its representative) with details as to how to access any electronic participation to be provided. The cost of accessing any means of electronic participation provided by the Company will be borne by the Company. It should be noted, however, that voting will not be possible via the electronic facilities and for shareholders wishing to vote, their shares will need to be represented at the Meeting either in person, or by proxy or by letter of representation, as provided for in the notice of Meeting.

All meeting participants will be required to provide identification reasonably satisfactory to the chairperson of the Meeting. Forms of identification include valid identity documents, driver's licences and passports.

By order of the Board

SP Morris
For and on behalf of
Datatec Management Services (Pty) Ltd
Company Secretary

Sandton
July 2017

Form of proxy

DATATEC LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 1994/005004/06
JSE code: DTC
ISIN: ZAE000017745
("the Company")

Please note that this proxy form is only for use by members who have not dematerialised their ordinary shares or who have dematerialised their ordinary shares and registered them with own name registration.

I/We

Telephone number:

Cellphone number:

Email:

of

being a member/members of the above mentioned Company, hereby appoint:

or failing him/her,

or failing him/her, the chairperson of the Annual General Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 12:00 on Thursday, 14 September 2017 and at any adjournment of that meeting.

Signed at this day of 2017

Signature

No.	Type	Please indicate with an "X" in the appropriate space on the right how you wish your votes to be cast. If you return this form duly signed, without any specific direction, the proxy shall be entitled to vote as he/she thinks fit.	In favour of resolution	Against resolution	Abstain from voting
3.	O1	Re-election of SJ Davidson			
4.	O2	Re-election of JF McCartney			
5.	O3	Re-election of CS Seabrooke			
6.	O4	Reappointment of independent auditors			
7.	O5	Election of Audit, Risk and Compliance Committee members:			
		7.1 Election of CS Seabrooke			
		7.2 Election of MJN Njeke			
		7.3 Election of O Ighodaro			
		7.4 Election of SJ Davidson			
8.	O6	Non-binding advisory vote on Remuneration Policy			
9A.	S1	Approval of conditional share plan			
9B.	S2	Approval of deferred bonus plan			
10.	S3	Approval of non-executive directors' fees			
11.	S4	Authority to provide financial assistance to any Group company			
12.	S5	General authority to repurchase shares			
13.	S6	Adoption of a revised MoI			
14.	O7	Authority to sign all documents required			

O = Ordinary
S = Special

Notes to the form of proxy

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a registered member of the Company.
2. Every member present in person or by proxy and entitled to vote at the Annual General Meeting of the Company shall, on a show of hands, have one vote only irrespective of the number of shares such member holds. In the event of a poll, every member shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by such member bears to the aggregate amount of the nominal value of all the shares issued by the Company.
3. Members registered in their own name are members who elected not to participate in the Issuer-Sponsored Nominee Programme and who appointed Computershare Investor Services Proprietary Limited as their Central Securities Depository Participant ("CSDP") with the express instruction that their uncertificated shares are to be registered in the electronic subregister of members in their own names.

Instructions on signing and lodging the form of proxy:

1. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided overleaf, with or without deleting "the chairperson of the Annual General Meeting", but any such deletion must be initialled by the member. Should this space be left blank, the proxy will be exercised by the chairperson of the Annual General Meeting. The person whose name appears first on the form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A member's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes exercisable by that member, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she thinks fit in respect of all the member's exercisable votes. A member or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the member or by his/her proxy.
3. To be valid, the completed forms of proxy must be lodged with the transfer secretaries of the Company, Computershare Investor Services Proprietary Limited, at Rosebank Towers, 15 Biermann Avenue, Rosebank, South Africa, or posted to the transfer secretaries at PO Box 61051, Marshalltown, 2107, South Africa, or email proxy@computershare.co.za, or call the transfer secretaries on +27 11 370 5000, to be received by them not later than 12:00 on Tuesday, 12 September 2017. Any forms of proxy not lodged by this time must be handed to the chairperson of the Annual General Meeting.
4. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the chairperson of the Annual General Meeting.
5. The completion and lodging of this form of proxy will not preclude the relevant member from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.

The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this form of proxy must be initialled by the signatory/ies.

The chairperson of the Annual General Meeting may accept any form of proxy which is completed other than in accordance with these instructions provided that he is satisfied as to the manner in which a member wishes to vote.

Members who have dematerialised their shares must inform their CSDP or broker of their intention to attend the Annual General Meeting and request their CSDP or broker to issue them with the necessary authorisation to attend or provide their CSDP or broker with their voting instructions should they not wish to attend the Annual General Meeting in person.

In terms of section 58 of the Companies Act, 2008 ("the Companies Act"):

- a shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder;
- a proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;
- irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder;
- any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
- if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by:
  (a) cancelling it in writing, or making a later inconsistent appointment of a proxy; and
  (b) delivering a copy of the revocation instrument to the proxy and to the Company; and
- a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the Memorandum of Incorporation of the Company, or the instrument appointing the proxy, provides otherwise.

Explanation of changes to the existing Memorandum of Incorporation

Datatec's Memorandum of Incorporation ("the MoI") was last reviewed in March 2013. Since then, there have been a number of revisions to the JSE Listings Requirements. The following changes are proposed by the Board to ensure that the MoI is aligned with the most recent JSE Listings Requirements.

The following is an explanation of the changes to the MoI. For the full revised MoI please refer to Datatec's website **www.datatec.com** or visit the Company during normal office hours.

Revised MoI article reference	Explanation of revision
2.7	This amendment has been inserted to ensure that to the extent the Companies Act and/or JSE Listings Requirements are amended and the Company does not have sufficient time to amend the MoI, the Company will be able to comply with the Companies Act and/or Listings Requirements during the period which its MoI has not been amended.
2.8 and 2.9	This amendment has been inserted to ensure that to the extent that the JSE grants the Company an exemption from complying with a provision of the JSE Listings Requirements, the Company will not be obliged in terms of its MoI to comply with the JSE Listings Requirements following such exemption from the JSE.
6.8.4	In terms of 10.11(h)(i) of Schedule 10 of the JSE Listings Requirements, subject to the provisions of the MoI, these resolutions may be proposed as written resolutions. This amendment provides clarity and allows flexibility should the Company want to propose any of these resolutions as written resolutions. These include: • Change of name of the Company; • Odd lot offers; • Increase in authorised share capital; and • Approval of amendments to the MoI.
6.9.2	This amendment is inserted to clarify item 10.11(d) of Schedule 10. The Listings Requirements state that there must be no prohibition or restriction on the Company from calling any meeting for the purposes of adhering to the JSE Listings Requirements.
8	This amendment has been inserted to ensure (and should be read in conjunction with the other amendments relating to payment of dividends by electronic funds transfer ("EFT") and sending of notices) that shareholders provide the requisite contact details to the Company in order for the Company to be able to maintain electronic registers and be able to pay dividends by EFT.

Explanation of changes to the existing Memorandum of Incorporation continued

9	This amendment enables the Company, *inter alia*, to pay dividends by EFT, clarifies that the shareholders bear the risk for any loss or misdirection of dividends paid by EFT and that any dividends unclaimed for a period of three years or more may be declared forfeit by the Board.
10	This amendment would enable Datatec to send notices to shareholders by electronic communication – so long as it is permissible to do so in terms the Companies Act.
11.3	This amendment has been inserted to address the treatment of fractional entitlements, which will be treated in accordance with the JSE Listings Requirements.
11.4	This amendment is inserted to clarify 10.9 of Schedule 10 of the JSE Listings Requirements, which states that these corporate actions must be provided for in the MoI in accordance with the JSE Listings Requirements. For clarity, the Company shall comply with the Companies Act when undertaking the following corporate action: • the issue of shares for cash and options and convertible securities granted/issued for cash; • the repurchase of securities by the Company; and • the alteration of the Company's share capital, authorised shares and rights attaching to a class/es of shares.

Summarised results

for the year ended 28 February 2017

Jens Montanana, *Chief Executive of Datatec, commented:*

"The year ended with a very challenging set of circumstances as Westcon-Comstor's SAP and BPO implementation negatively impacted the results of the EMEA region.

"Logicalis' performance was satisfactory with a continuing trend towards a higher margin services business.

"The strategic value of our businesses is affirmed by the unsolicited approach for a major share of Westcon-Comstor's operations."

The consolidated financial statements for the year ended 28 February 2017 from which the summarised results have been extracted, have been audited by the Company's auditors, Deloitte & Touche. The preparation of these consolidated financial statements from which the summarised results have been extracted, was supervised by the Chief Financial Officer, Mr Ivan Dittrich, CA(SA). The consolidated financial statements and the auditor's unmodified report on the consolidated financial statements are available for inspection at the Company's registered office.

GROUP ACTIVITIES

Datatec is an international ICT solutions and services group operating in more than 70 countries across North America, Latin America, Europe, Africa, Middle East and Asia-Pacific. The Group's service offering spans the technology, integration and consulting sectors of the ICT market.

Datatec operates two main divisions:

- **Technology distribution – Westcon-Comstor:** distribution of security, unified communications, networking and data centre products; and
- **Integration and managed services – Logicalis:** ICT infrastructure solutions and services.

The specialist activities of **Consulting and Datatec Financial Services** are included with the corporate head office functions in the "Corporate, Consulting and Financial Services" segment of the Group.

STRATEGY

Datatec's strategy is to deliver long-term, sustainable and above average returns to shareholders through portfolio management and the development of its principal subsidiaries in technology solutions and services to targeted customers in identified markets.

The Group's businesses are managed on a standalone basis, able to respond quickly to technology changes and focused on collective strategic initiatives based on the Group's shared strategy. Datatec executives contribute actively to the management of the subsidiaries. The key operational imperatives being driven throughout the Group to execute on the strategy are improving operating margins, increasing return on invested capital, growing managed services and embracing new and disruptive cloud technologies.

OVERVIEW

The Group's trading was materially affected in the last quarter by the roll out of the SAP ERP system and business process outsourcing ("BPO") across Westcon-Comstor's operations in EMEA and Asia-Pacific which saw revenue decline US$338 million year on year to US$6.08 billion from US$6.45 billion and Group EBITDA was US$118.9 million (FY16: US$162.1 million). Underlying* earnings per share ("UEPS") was 11.0 US cents compared to 32.0 US cents for the financial year ending 29 February 2016 period ("FY16").

As the Board's stated dividend policy is to maintain a fixed three times cover relative to underlying* earnings when declaring dividends, no final dividend for FY17 is being declared.

Over the last five years, the Group's focus has been on modernising Westcon-Comstor's operations through the implementation of a global SAP ERP system and BPO which continued during FY17.

These two transformation processes are now nearing completion with the final implementations expected in the first half of FY18. North America, EMEA and Asia-Pacific regions will then be on SAP and BPO.

CURRENT TRADING AND OUTLOOK

The Group has been challenged in FY17 by the implementation of BPO and SAP within Westcon-Comstor which has had an adverse impact on profitability, working capital and cash generation. The Group is in the final phase of this process and expects an improved performance in the financial year ahead.

Summarised results continued

for the year ended 28 February 2017

GROUP RESULTS

Revenue

Group revenues for the period were US$6.08 billion, down 5.8% compared to FY16. In constant currency** terms, Group revenues for FY17 decreased by 4.0% to US$6.2 billion with Westcon-Comstor constant currency** revenues down 5.9% and Logicalis constant currency** revenues up 2.1%.

Group gross margins improved to 13.7% (FY16: 13.5%). Gross profit was US$833.1 million (FY16: US$868.7 million).

Overall operating costs were US$714.2 million (FY16: US$706.6 million). Included in operating costs are total restructuring costs of US$16.6 million. EBITDA was US$118.9 million (FY16: US$162.1 million) and EBITDA margin was 2.0% (FY16: 2.5%).

Adjusted EBITDA^ (including the same adjustments as used for underlying earnings per share*, where relevant) was US$139.0 million (FY16: US$182.1 million). This excludes restructuring costs of US$16.6 million, unrealised foreign exchange losses of US$1.9 million and other items of US$1.0 million.

Depreciation and amortisation were higher at US$58.4 million (FY16: US$51.5 million) primarily as a result of increased capital expenditure and investment in systems in Westcon-Comstor.

Operating profit was US$60.5 million (FY16: US$110.5 million).

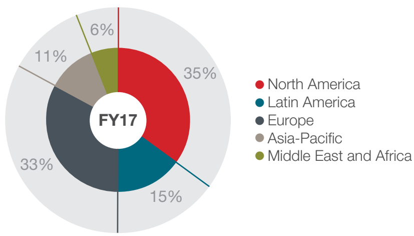
The net interest charge increased slightly to US$24.2 million (FY16: US$23.9 million).

Profit before tax was US$41.7 million (FY16: US$88.4 million).

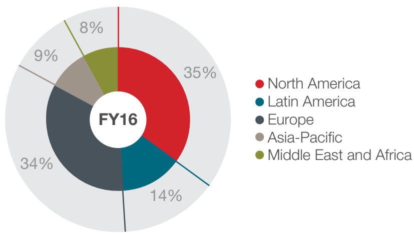
The Group's reported effective tax rate for FY17 is 74.2% (FY16: 45.2%). This is higher than the South African rate of 28% due to the profits arising in jurisdictions with higher tax rates, in particular North and Latin America. The effective tax rate in FY17 is abnormally high, reflecting the pattern of taxable profits earned in North America and Latin America but losses arising in Westcon-Comstor's Middle East and Africa and Asia-Pacific regions with a lower rate of tax benefit or no tax benefit at all. As in FY16, limited deferred tax assets have been recognised in respect of losses which have arisen in Africa and Asia-Pacific.

UEPS* were 11.0 US cents (FY16: 32.0 US cents). Headline earnings per share ("HEPS") were 2.0 US cents (FY16: 19.4 US cents).

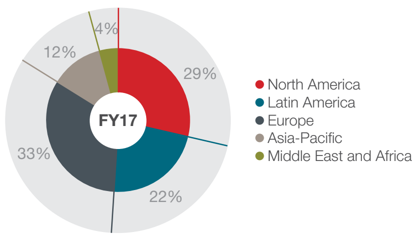
Revenue % contribution by geography



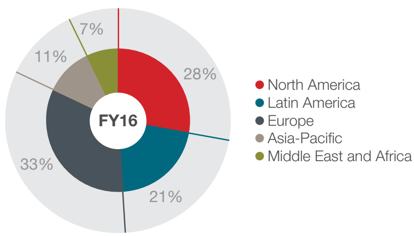
Revenue % contribution by geography



Gross profit % contribution by geography



Gross profit % contribution by geography



Cash

The Group utilised US$37.3 million of cash from operations during FY17 (FY16 cash generated: US$129.1 million) and ended the period with net debt of US$396.5 million (FY16: US$205.4 million). The increase in net debt is due to reduced cash earnings and funding of increased working capital and capital expenditure.

Acquisitions

The Group made one acquisition during FY17. Effective 1 June 2016, Logicalis acquired 100% of the share capital of Lantares Europe, S.L. ("Lantares"), a leader in the implementation of strategic solutions for corporate performance management and information management, in Madrid, Spain.

Shareholder distributions and dividend policy

The Group paid US$28.9 million (paid during FY16: US$33.2 million) to shareholders during the year: a final scrip distribution with cash dividend alternative in respect of FY16 in July 2016; and an interim scrip distribution with cash dividend alternative in respect of FY17 in November 2016.

The total value returned to shareholders in the FY16 final distribution was US$19.9 million of which US$5.2 million (26.4%) was distributed to shareholders in the form of scrip (1.7 million new shares issued) and US$14.7 million (73.6%) was settled in cash to those shareholders who had elected the cash dividend alternative.

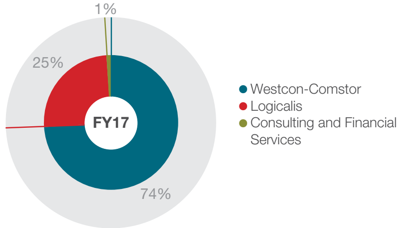
The total value returned to shareholders in the FY17 interim distribution was US$9.0 million of which US$2.8 million (30.1%) was distributed to shareholders in the form of scrip (0.8 million new shares issued) and US$6.2 million (69.9%) was settled in cash to those shareholders who had elected the cash dividend alternative.

The Board has stated that it intends to maintain a fixed three times cover relative to underlying* earnings when declaring dividends. In accordance with this policy no final dividend for FY17 is declared.

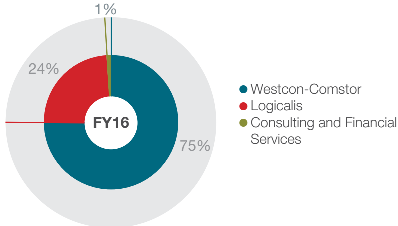
Foreign exchange translation

Gains of US$56.9 million (FY16: losses US$87.4 million) arising on translation to presentation currency are included in total comprehensive income of US$58.3 million (FY16: loss US$39.9 million).

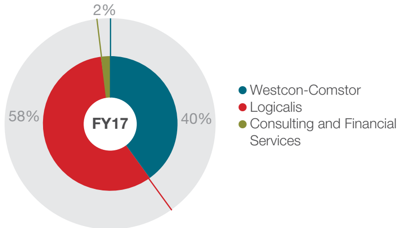
Contribution to Group revenue



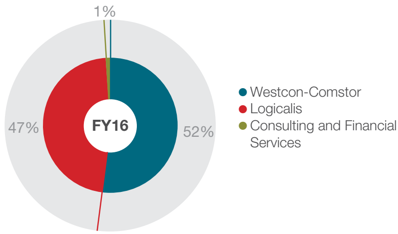
Contribution to Group revenue



Contribution to Group EBITDA



Contribution to Group EBITDA



Divisional reviews

Westcon-Comstor

Westcon-Comstor accounted for 74% of the Group's revenues (FY16: 75%) and 40% of its EBITDA (FY16: 52%).

Westcon-Comstor is a value-added distributor of category-leading security, unified communications, network infrastructure and data centre solutions with a global network of specialty resellers. Westcon-Comstor is represented across six continents, distributes to 180 plus countries and territories, operates more than 20 logistics/staging facilities and transacts with more than 20 000 customers globally. It creates unique programmes and provides support to grow the business of its global partners. Westcon-Comstor's portfolio of market-leading vendors includes: Cisco, Avaya, Polycom, Juniper, Check Point, F5, Palo Alto and Symantec.

Westcon-Comstor's revenues declined by 6.9% to US$4.5 billion (FY16: US$4.9 billion) with lower revenues across all regions except Latin America and Asia-Pacific. Constant currency** sales were 5.9% lower.

Westcon-Comstor revenue by technology category reflected continuing growth in the security sector.

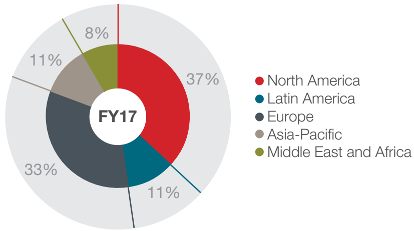
Westcon-Comstor's gross margins were 10.1% (FY16: 10.2%) due to unfavourable geographic mix with lower margins in Latin America and MEA. Gross profit was US$456.0 million (FY16: US$497.1 million) as a result of lower revenues.

Operating expenses were reduced to US$402.5 million (FY16: US$408.6 million). The 1% decrease is due to lower foreign exchange losses in Africa and a reduction in bad debt expense offset by increased headcount costs. Operating expenses as a proportion of revenue increased to 8.9% (FY16: 8.4%).

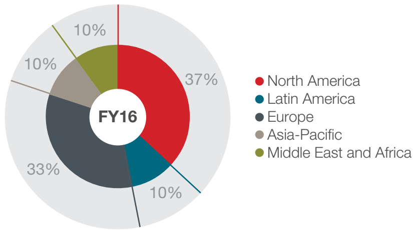
Restructuring expenses of US$14.1 million (FY16: US$14.9 million) were incurred, mainly in North America, Europe and Asia-Pacific, primarily relating to the BPO transformation.

EBITDA was US$53.5 million (FY16: US$88.5 million).

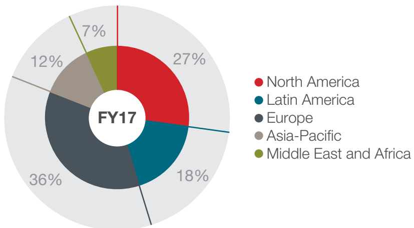
Westcon-Comstor revenue % contribution by geography



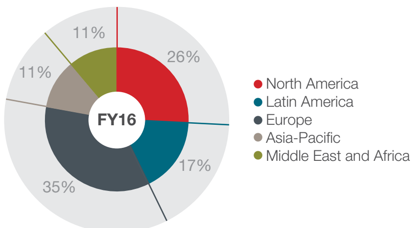
Westcon-Comstor revenue % contribution by geography



Westcon-Comstor gross profit % contribution by geography



Westcon-Comstor gross profit % contribution by geography



Adjusted EBITDA^ by geography is shown below:

	FY17 US$'m	FY16 US$'m	Movement US$'m
Adjusted EBITDA^			
North America	**66**	70	(4)
Latin America	**26**	24	2
Europe	**49**	54	(5)
Middle East and Africa	**(12)**	6	(18)
Asia-Pacific	**6**	14	(8)
Central costs	**(63)**	(59)	(4)
Total adjusted EBITDA^	**72**	109	(37)

	FY17 US$'m	FY16 US$'m
Adjusted EBITDA^	**72**	109
Restructuring costs	**(14)**	(15)
Unrealised foreign exchange losses	**(3)**	(5)
Other	**(1)**	–
EBITDA	**54**	89

^ *Adjusted EBITDA includes the same adjustments as used for underlying earnings per share*, where relevant.*

There was a notable decline in the financial performance in the EMEA region. Transformation challenges in EMEA led to a drop in revenues of US$262.7 million (12%) in FY17, which constituted 77.9% of the overall year over year revenue decline for Westcon-Comstor.

The drop in revenue resulted in a reduction in gross profit of US$31.4 million in EMEA, representing 76.4% of the overall year over year gross profit decline for Westcon-Comstor.

Europe went live on SAP during November 2016, resulting in transitional challenges and delayed financial reporting, exacerbated by BPO implementation in that region. Trading conditions in MEA were weak, resulting in a poor performance across the region, with additional receivables write-offs in Africa and the Middle East.

North America revenues were down US$111.1 million or 6.7% year over year. This was mainly due to softer Cisco and Avaya sales. The year over year decrease in EBITDA was mainly as a result of lower gross profits associated with the lower revenues.

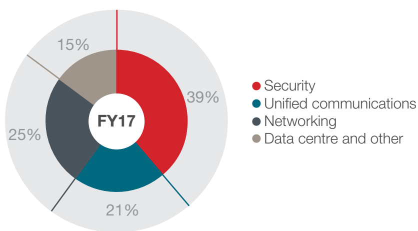
Latin America performed well, with revenues up US$24.0 million (4.6%) to US$517.8 million, and adjusted EBITDA increasing by 7.8% to US$26.3 million.

In the Asia-Pacific region revenues were up 2.6% and gross profits were up slightly over the prior year. This was mainly attributable to a strong performance in the Asia security business. EBITDA was lower than the prior year, due to higher operating costs, which included additional one-time employee-related costs, sales tax reserves and increased investment costs in China.

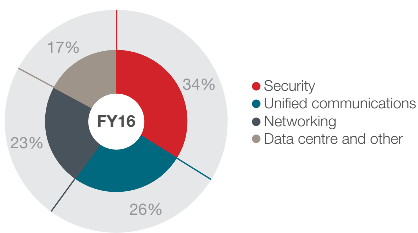
Depreciation and amortisation were US$33.2 million (FY16: US$26.3 million) resulting in operating profit of US$20.3 million (FY16: US$62.2 million).

Net working capital days increased to 39 days (FY16: 34 days) due to a combination of extended collection days and lower inventory turns. The combination of lower cash earning, higher net working capital requirements, US$40.0 million of capital expenditures

Westcon-Comstor revenue % by technology category



Westcon-Comstor revenue % by technology category



Divisional reviews continued

and the further purchase of US$9.2 million Angola government bonds resulted in an increase of US$132.4 million in net debt to US$403.4 million.

Of the US$27.9 million incurred in capitalised development expenditure during FY17, the majority is attributable to the SAP ERP system transition, cloud development and digital transformation.

Westcon-Comstor has invested US$19.2 million (FY16: US$10.0 million) of its cash which is trapped in Angola in US Dollar-indexed Angolan government bonds, to mitigate the risk of foreign exchange fluctuations. The coupon rate on all the bonds is 7.0% and the US Dollar equivalent will be settled in Kwanza. Westcon-Comstor intends to roll the bonds into new issues of the same type when they mature until such time as the economic situation in Angola improves.

Westcon-Comstor is well positioned to benefit from its global reach, continued growth in security and mobile networks, investments in its cloud practice as well as improving conditions in emerging markets.

Logicalis

Logicalis accounted for 25% of the Group's revenues (FY16: 24%) and 58% of its EBITDA (FY16: 47%).

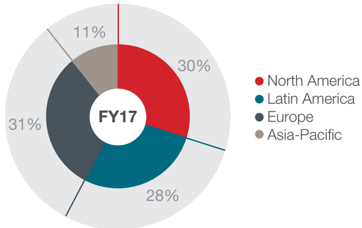
Logicalis is an international IT solutions and managed services provider with expertise in IT infrastructure and networking solutions, communications and collaboration, data centre, cloud solutions and managed services.

Revenues were US$1.5 billion (FY16: US$1.5 billion), including US$2.2 million of revenue from acquisitions made during the period. Services revenues were up 9.3% with strong growth in both professional services and annuity revenue.

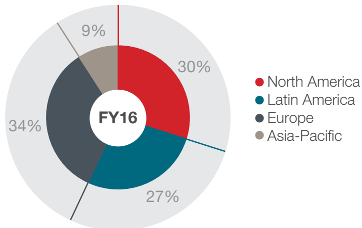
Revenue decreases in Europe and North America were offset by increases in Latin America and Asia-Pacific.

In Europe, the UK results were impacted by the continuing restructuring of the UK operation. Latin America was adversely impacted by weak trading conditions in Brazil in the first half and the strong performance of the US Dollar which was mitigated by increased performance in Argentina following

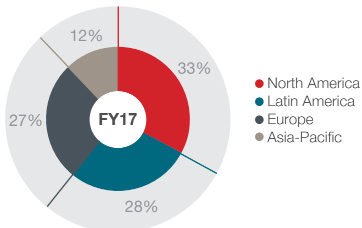
Logicalis revenue % contribution by geography



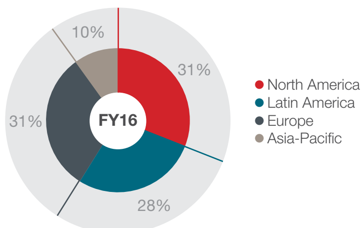
Logicalis revenue % contribution by geography



Logicalis gross profit % contribution by geography



Logicalis gross profit % contribution by geography



relaxation of exchange controls and the subsequent buoyant trading environment.

Revenues from product were down 6.2%, with decreases in Cisco, HPE and IBM, offset by strong growth in other vendor categories including Oracle, NetApp, VMware and ServiceNow.

Logicalis' gross margins were 24.1% (FY16: 23.1%), benefiting from the improved services mix.

Gross profit was up 2.8% to US$363.3 million (FY16: US$353.4 million).

Operating expenses in Logicalis increased by 4.3%, due in part to incremental integration costs of acquisitions incurred during the period.

EBITDA was US$79.0 million (FY16: US$80.9 million), with a corresponding EBITDA margin of 5.2% (FY16: 5.3%). EBITDA before restructuring charges was US$81.2 million. Operating profit was US$54.4 million (FY16: US$56.3 million).

Logicalis remained in a net cash position of US$18.1 million (FY16: US$77.6 million). The reduction in net cash was caused primarily by significant prepaid expenses in Latin America.

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

The transition to cloud-based infrastructure solutions remains a dominant feature of the ICT market and Logicalis continues to adapt its go-to-market model and develop its services to address this change.

The global market for IT products and services remains stable and Logicalis is seeking to build on its position in higher growth segments such as analytics and security.

Corporate, Consulting and Financial Services

This segment accounted for 1% of Group revenues (FY16: 1%).

The Consulting unit comprised: Analysys Mason, a provider of strategic, trusted advisory, modelling and market intelligence services to the telecoms, media and technology industries; and Mason Advisory, an independent and impartial IT consultancy providing related strategic, technical and operational advice to the public and private sectors.

Consulting revenues were US$39.1 million (FY16: US$51.4 million) with growth in EBITDA to US$2.3 million (FY16: US$1.9 million).

Effective 1 March 2016, the Via Group was transferred to Logicalis and, effective 1 September 2016, Datatec's shareholding in Mason Advisory decreased to 44.7%, from which date Mason Advisory is classified as an associate and accordingly equity accounted.

Datatec Financial Services is continuing its development of financing/leasing solutions for ICT customers through proof of concept to business model and growth prospects. The business recorded revenues of US$1.9 million in FY17 (FY16: US$1.0 million) and an EBITDA loss of US$1.4 million (FY16: loss US$1.1 million).

Corporate includes the net operating costs of the Datatec head office entities which were US$11.2 million (FY16: US$12.3 million). These costs include the remuneration of the Board and head office staff, consulting and audit fees. In addition, foreign exchange losses of US$3.3 million (FY16: US$4.1 million gains) are included in this segment.

PROPOSED SYNNEX TRANSACTION

On 6 June 2017, the Group announced that it had agreed terms with SYNNEX Corporation, a well-respected Fortune 500 corporation, to dispose of the Westcon-Comstor North America and Latin America businesses for up to US$800 million together with a 10% stake in the remaining part of Westcon-Comstor (Westcon International) for US$30 million.

This transaction presents a unique opportunity for Datatec to partner with a leading distribution business in North America and benefit from its significant scale. The transaction also enables Westcon International to complete its multi-year business transformation aimed at improving operating efficiencies and modernising its global IT systems and commercial supply chain. This process will further enhance the value of Westcon International in the medium term.

Divisional reviews continued

Closing of the transaction is subject to a number of conditions including shareholder and regulatory approvals. A circular containing full details of the transaction, and convening a general meeting, will be sent to shareholders in due course.

DISCLAIMER

This announcement may contain statements regarding the future financial performance of the Group which may be considered to be forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty, and although the Group has taken reasonable care to ensure the accuracy of the information presented, no assurance can be given that such expectations will prove to have been correct.

The Group has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. It is important to note, that:

(i) unless otherwise indicated, forward-looking statements indicate the Group's expectations and have not been reviewed or reported on by the Group's external auditors;

(ii) actual results may differ materially from the Group's expectations if known and unknown risks or uncertainties affect its business, or if estimates or assumptions prove inaccurate;

(iii) the Group cannot guarantee that any forward-looking statement will materialise and, accordingly, readers are cautioned not to place undue reliance on these forward-looking statements; and

(iv) the Group disclaims any intention and assumes no obligation to update or revise any forward-looking statement even if new information becomes available, as a result of future events or for any other reason, other than as required by the JSE Limited Listings Requirements and/or the AIM Rules.

On behalf of the Board

SJ Davidson
Chairman

JP Montanana
Chief Executive Officer

IP Dittrich
Chief Financial Officer

DIRECTORS

SJ Davidson°• (Chairman), JP Montanana• (CEO), IP Dittrich (CFO), O Ighodaro°‡, JF McCartney°†, MJN Njeke°, CS Seabrooke°, NJ Temple°•

°Non-executive •British †American ‡Nigerian

* *Excluding impairments 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, restructuring costs relating to fundamental reorganisations and the taxation effect on all of the aforementioned.*

** *The pro forma constant currency information, which is the responsibility of the directors of Datatec, presents the Group's revenue for the current year had it been translated at the average foreign currency exchange rates of the prior year. This information is for illustrative purposes only and because of its nature, may not fairly present the Group's revenues. The Group's auditors, Deloitte & Touche have issued an unmodified reasonable assurance report (ISAE 3420: Reasonable Assurance Engagements to Report on the Compilation of Pro Forma Financial Information) on the pro-forma financial information presented, a copy of which is available for inspection at the Company's registered office.*

To determine the revenues in constant currency terms, the current financial reporting period's monthly revenues in local currency have been converted to US Dollar at the average monthly exchange rates prevailing over the same period in the prior year. The calculation has been prepared for each of the Group's material currencies listed below using the average exchange rates against the US Dollar shown:

Average US Dollar exchange rates	***FY17***	*FY16*
British Pound	***1.32***	*1.51*
Euro	***1.10***	*1.10*
Brazilian Real	***0.30***	*0.28*
Australian Dollar	***0.75***	*0.74*
Canadian Dollar	***0.76***	*0.76*
Singapore Dollar	***0.72***	*0.72*
Mexican Peso	***0.05***	*0.05*
South African Rand	***14.17***	*13.68*

Summarised consolidated statement of comprehensive income

for the year ended 28 February 2017

US$'000	Year ended February 2017	Year ended February 2016
Revenue	**6 083 383**	6 454 782
Continued operations	**6 081 167**	6 401 171
Revenue from acquisitions	**2 216**	53 611
Cost of sales	**(5 250 251)**	(5 586 043)
Gross profit	**833 132**	868 739
Operating costs	**(696 842)**	(691 673)
Restructuring costs	**(16 559)**	(15 285)
Share-based payments	**(861)**	329
Operating profit before interest, tax, depreciation and amortisation ("EBITDA")	**118 870**	162 110
Depreciation	**(31 430)**	(28 589)
Amortisation of capitalised development expenditure	**(13 812)**	(7 660)
Amortisation of acquired intangible assets and software	**(13 087)**	(15 255)
Intangible asset impairment	**–**	(75)
Operating profit	**60 541**	110 531
Interest income	**3 994**	3 670
Finance costs	**(28 197)**	(27 549)
Share of equity-accounted investment losses	**(793)**	(252)
Acquisition-related fair value adjustments	**5 565**	1 768
Fair value adjustments on put option liabilities	**658**	22
Fair value adjustments on deferred and/or contingent purchase consideration	**4 907**	1 746
Other income	**230**	266
Profit on disposal of associate/loss of control of subsidiary	**319**	–
Profit before taxation	**41 659**	88 434
Taxation	**(30 910)**	(39 956)
Profit for the year	**10 749**	48 478
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation to presentation currency	**56 947**	(87 401)
Translation of equity loans net of tax effect	**(9 994)**	(1 075)
Transfers and other items	**622**	64
Total comprehensive income/(loss) for the year	**58 324**	(39 934)
Profit attributable to:		
Owners of the parent	**3 038**	39 949
Non-controlling interests	**7 711**	8 529
	10 749	48 478
Total comprehensive income/(loss) attributable to:		
Owners of the parent	**44 732**	(37 505)
Non-controlling interests	**13 592**	(2 429)
	58 324	(39 934)

US$'000	Year ended February 2017	Year ended February 2016
Number of shares issued (millions)		
Issued	**212**	209
Weighted average	**211**	206
Diluted weighted average	**212**	207
Earnings per share ("EPS") (US cents)		
Basic	**1.4**	19.3
Diluted basic	**1.4**	19.3
SALIENT FINANCIAL FEATURES		
Headline earnings	**4 293**	40 016
Headline earnings per share (US cents)		
Headline	**2.0**	19.4
Diluted headline	**2.0**	19.3
Underlying earnings	**23 142**	66 160
Underlying earnings per share (US cents)		
Underlying	**11.0**	32.0
Diluted underlying	**10.9**	32.0
Net asset value per share (US cents)	**403.5**	396.7
KEY RATIOS		
Gross margin (%)	**13.7**	13.5
EBITDA (%)	**2.0**	2.5
Effective tax rate (%)	**74.2**	45.2
Exchange rates		
Average Rand/US$ exchange rate	**14.2**	13.7
Closing Rand/US$ exchange rate	**13.0**	16.2

Summarised consolidated statement of financial position

as at 28 February 2017

US$'000	Year ended February 2017	Year ended February 2016
ASSETS		
Non-current assets	786 361	766 142
Property, plant and equipment	73 742	76 204
Goodwill	461 651	462 577
Capitalised development expenditure	80 843	66 411
Acquired intangible assets and software	48 620	59 798
Investments	24 887	16 092
Deferred tax assets	67 644	51 062
Finance lease receivables	8 885	7 994
Other receivables	20 089	26 004
Current assets	2 698 539	2 616 800
Inventories	438 503	434 669
Trade receivables	1 548 003	1 510 327
Current tax assets	17 849	12 154
Prepaid expenses and other receivables	340 696	242 744
Finance lease receivables	7 854	4 052
Cash resources	345 634	412 854
Total assets	3 484 900	3 382 942
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent	854 986	830 366
Share capital and premium	151 947	115 090
Non-distributable reserves	63 299	90 727
Foreign currency translation reserve	(141 816)	(182 777)
Share-based payment reserve	2 681	1 733
Distributable reserves	778 875	805 593
Non-controlling interests	51 889	39 054
Total equity	906 875	869 420
Non-current liabilities	127 056	112 645
Long-term liabilities	31 902	21 252
Liability for share-based payments	2 080	5 174
Amounts owing to vendors	580	2 762
Deferred tax liabilities	78 959	73 491
Provisions	8 376	9 215
Other liabilities	5 159	751
Current liabilities	2 450 969	2 400 877
Trade and other payables	1 720 391	1 778 908
Short-term interest-bearing liabilities	64 787	51 461
Provisions	8 634	9 307
Amounts owing to vendors	512	7 742
Current tax liabilities	11 159	7 920
Bank overdrafts	645 486	545 539
Total equity and liabilities	3 484 900	3 382 942

Summarised consolidated statement of cash flows

for the year ended 28 February 2017

US$'000	Year ended February 2017	Year ended February 2016
Operating profit before working capital changes	**134 535**	185 687
Working capital changes	**(184 576)**	(59 433)
(Increase)/decrease in inventories	**(11 995)**	18
Increase in receivables	**(83 753)**	(142 708)
(Decrease)/increase in payables	**(88 828)**	83 257
Other working capital changes	**12 720**	2 816
Cash (utilised in)/generated from operations	**(37 321)**	129 070
Net finance costs paid	**(25 264)**	(21 176)
Taxation paid	**(43 299)**	(39 876)
Net cash (outflow)/inflow from operating activities	**(105 884)**	68 018
Cash outflow for acquisitions	**(1 854)**	(46 181)
Net cash outflow from other investing activities	**(67 819)**	(73 108)
Net cash inflow/(outflow) from other financing activities	**17 422**	(29 221)
Net proceeds from shares issued	**–**	18 014
Dividends paid to shareholders	**(20 949)**	(22 200)
Net decrease in cash and cash equivalents	**(179 084)**	(84 678)
Cash and cash equivalents at the beginning of the year	**(132 685)**	(22 101)
Translation differences on cash and cash equivalents	**11 917**	(25 906)
Cash and cash equivalents at the end of the year*	**(299 852)**	(132 685)

Comprises cash resources, net of bank overdrafts.

Summarised consolidated statement of changes in total equity

for the year ended 28 February 2017

US$'000	Year ended February 2017	Year ended February 2016
Balance at the beginning of the year	**869 420**	912 449
Transactions with equity holders of the parent		
Comprehensive income/(loss)	**44 732**	(37 505)
New share issues	**–**	18 014
Dividends	**(20 949)**	(22 200)
Treasury shares purchased by the share trust	**–**	(352)
Share-based payments	**837**	1 042
Acquisitions of additional interests from non-controlling interests	**–**	517
Transactions with non-controlling interests		
Comprehensive income/(loss)	**13 592**	(2 429)
Acquisitions of additional interests from non-controlling interests	**–**	(116)
Disposals of additional interests from non-controlling interests	**(757)**	–
Balance at the end of the year	**906 875**	869 420

Determination of headline and underlying earnings

for the year ended 28 February 2017

US$'000	Year ended February 2017	Year ended February 2016
Profit attributable to the equity holders of the parent	**3 038**	39 949
Headline earnings adjustments	**1 262**	68
Intangible asset impairment	**–**	75
Property impairment	**1 600**	–
Profit on disposal of associate/loss of control of subsidiary	**(319)**	–
Profit on disposal of property, plant and equipment	**(36)**	(9)
Tax effect	**17**	2
Non-controlling interests	**(7)**	(1)
Headline earnings	**4 293**	40 016
DETERMINATION OF UNDERLYING EARNINGS		
Underlying earnings adjustments	**24 677**	32 314
Unrealised foreign exchange losses	**1 854**	4 679
Acquisition-related fair value adjustments	**(5 565)**	(1 768)
Restructuring costs	**16 559**	15 285
Amortisation of acquired intangible assets	**11 829**	14 118
Tax effect	**(5 488)**	(5 898)
Non-controlling interests	**(340)**	(272)
Underlying earnings	**23 142**	66 160

Summarised segmental analysis

for the year ended 28 February 2017

	Westcon-Comstor		Logicalis		Corporate, Consulting and Financial Services		Total	
US$'000	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
Revenue	**4 532 083**	4 869 592	**1 510 299**	1 532 766	**41 001**	52 424	**6 083 383**	6 454 782
EBITDA	**53 503**	88 538	**79 009**	80 947	**(13 642)**	(7 375)	**118 870**	162 110
Reconciliation of operating profit/(loss) to profit/(loss) after taxation								
Operating profit/(loss)	**20 323**	62 212	**54 422**	56 355	**(14 204)**	(8 036)	**60 541**	110 531
Interest income	**2 395**	1 243	**1 273**	1 708	**326**	719	**3 994**	3 670
Finance costs	**(21 042)**	(19 882)	**(7 112)**	(7 132)	**(43)**	(535)	**(28 197)**	(27 549)
Share of equity-accounted investment earnings	**(933)**	(252)	**–**	–	**140**	–	**(793)**	(252)
Fair value movements on put option liabilities	**658**	22	**–**	–	**–**	–	**658**	22
Fair value adjustments on deferred purchase consideration	**–**	1 750	**4 907**	(4)	**–**	–	**4 907**	1 746
Other income	**–**	13	**–**	–	**230**	253	**230**	266
Profit on disposal of associate/loss of control of subsidiary	**–**	–	**–**	–	**319**	–	**319**	–
Profit/(loss) before taxation	**1 401**	45 106	**53 490**	50 927	**(13 232)**	(7 599)	**41 659**	88 434
Taxation	**(11 883)**	(23 048)	**(16 808)**	(13 743)	**(2 219)**	(3 165)	**(30 910)**	(39 956)
Profit/(loss) after taxation	**(10 482)**	22 058	**36 682**	37 184	**(15 451)**	(10 764)	**10 749**	48 478
Total assets	**2 405 604**	2 311 200	**986 291**	958 854	**93 005**	112 888	**3 484 900**	3 382 942
Total liabilities	**(1 861 416)**	(1 769 655)	**(685 867)**	(684 826)	**(30 742)**	(59 041)	**(2 578 025)**	(2 513 522)

Sales and purchases between Group companies are concluded at arm's length in the ordinary course of business. The inter-group sales of goods and provision of services for the year ended 28 February 2017 amounted to US$97.5 million (FY16: US$105.7 million).

Capital expenditure and commitments

as at 28 February 2017

US$'000	Year ended February 2017	Year ended February 2016
Capital expenditure incurred in the current year (including capitalised development expenditure)	61 453	63 227
Capital commitments at the end of the year	36 155	45 247
Lease commitments at the end of the year	133 202	158 621
Payable within one year	33 894	36 434
Payable after one year	99 308	122 187

Acquisitions made during the year

as at 28 February 2017

ACQUISITIONS MADE IN FY17	US$'000
Assets acquired	
Non-current assets	45
Current assets	1 466
Current liabilities	(1 246)
Net assets acquired	**265**
– Intangible assets	110
– Goodwill	1 194
Fair value of acquisition	**1 569**
Purchase consideration	
Cash	1 569
Total consideration	**1 569**
Cash outflow for acquisitions	
Net overdraft acquired	285
Cash consideration paid	1 569
Net cash outflow for acquisition	**1 854**

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