

1 September 2017

# Datatec Limited

## Completion of Westcon-Comstor SYNEX transaction for up to \$830m in cash

Datatec Limited (JSE/AIM: DTC, "Datatec" or "the Group" ), the international Information and Communications Technology (ICT) group, has completed the sale of its Westcon-Comstor business in North America and Latin America ("Westcon Americas") and of 10% of the remaining part of Westcon ("Westcon International") to SYNEX Corporation (NYSE: SNX) ("SYNEX"), together "the Transaction".

The proceeds of the Transaction comprise US\$630 million in cash on completion and up to US\$200 million payable as a cash earn-out, subject to Westcon Americas meeting certain agreed gross profit performance targets.

The maximum consideration of \$830 million equates to an equity valuation of the total Westcon-Comstor division of \$1.1 billion.

The Board will be reviewing options for the use and distribution of the cash proceeds received on closing of the Transaction.

As previously communicated to shareholders, the Board intends to retain US\$130 million for various operational and working capital and expansion funding requirements. The Board will consider returning the majority of the remaining US\$500 million to shareholders by way of share repurchases and / or a specific dividend, but in the meantime the proceeds will be retained in US Dollars.

The Board has previously communicated that any cash payments received on the earn-out will be returned to shareholders.

As stated on 6 June 2017 when the Transaction was announced, it provides a unique opportunity for Westcon International to partner with a leading global distribution business and enables it to complete its transformation process and improve operating efficiency, so enhancing its value in the medium term.

Datatec shareholders voted to approve the Transaction at the general meeting held on 30 August 2017 and all other conditions precedent to completion of the Transaction have been satisfied.

**Jens Montanana**, Datatec CEO, said:

***"This transaction crystallises excellent value for our shareholders - we will revert to shareholders with our plans for the use and distribution of the cash in due course."***

***"The strategic partnership between Westcon International and SYNEX will provide significant growth opportunities for both businesses, while working together to serve vendors and customers globally."***

### Enquiries:

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