

For further information:  
Hilary King  
Dimension Data  
Tel: +27 11 575 6728  
Cell: +27 82 414 9623  
Fax: +27 11 576 6728  
[hilary.king@za.didata.com](mailto:hilary.king@za.didata.com)



**Dimension Data reports 55% increase in H1 operating profit  
42% increase in earnings per share**  
*Strong revenues and improved operating margins in all geographies*

**London (UK) and Johannesburg (South Africa), 14 May 2008** - Dimension Data Holdings plc ('Dimension Data' or the 'Group') today announced its results for the six months ended 31 March 2008. The results have been prepared in accordance with International Financial Reporting Standards.

### Highlights

- Robust top line performance – revenues up by 23% to \$2.2 billion
- Good revenue growth in all regions, but notably Asia (+30%<sup>(2)</sup>), Middle East and Africa (+20%<sup>(2)</sup>) and Americas (+24%<sup>(2)</sup>)
- Strong revenue growth from all lines of business - Network Integration up 17%<sup>(2)</sup>, Security up 36%<sup>(2)</sup> and Converged Communications up 21%<sup>(2)</sup>
- Operating profit<sup>(1)</sup> up by 55% to \$85.0 million with improved margins in all regions
- Earnings per share<sup>(1)</sup> increased 42% to 3.4 cents

Notes:

- (1) *Before exceptional items. See reconciliation in Note 3 to the condensed financial statements.*  
(2) *Before eliminating intercompany revenue and adjusted for the impact of currency movements and the disposal of the Group's Swedish operations in the prior year.*

### Operational Highlights

*To review the underlying performance of the business, the following adjustments have been made below:*

- *Growth rates, unless otherwise indicated, are in relation to H1 2007, are calculated before eliminating inter-company revenue and are adjusted for (1) the impact of currency movements (2) the disposal of the Group's Swedish operations in the prior year.*
- *Unless specifically indicated, exceptional items are excluded from the analysis.*

Revenue for the six months to 31 March 2008 was \$2,171 million, an increase of 16.3% over the prior period. Revenues from the Americas, Asia and Middle East & Africa were particularly strong, and Services grew by 17.8%. The Group's six, global lines of business contributed well, with Network Integration's increase of 16.6% continuing to outperform broader market growth.

Gross profit for the period was \$462.2 million, up 19.2%, reflecting a 0.5% improvement in gross margin to 21.3%. Product and Services margins were both firmer, while an improved Services to Product mix also contributed.

Overheads were contained in relation to revenue growth, increasing by 14.5% to \$377.2 million. Of this, variable overheads (including bonuses and sales commission) were up by 19.3% to \$58.9 million while fixed overheads grew by 13.6% to \$318.3 million.

Operating profit was strongly up on the prior period to \$85.0 million - a year on year increase of 46.0% - and operating margin improved from 3.1% to 3.9%.

The share of results from associates increased to \$3.8 million from \$3.1 million, while net interest costs reduced to \$7.4 million.

The Group tax charge was \$22.9 million, an effective tax rate on profit before tax of 26.6% (2007: 28.6%). This improvement was mainly the result of improved profitability from those jurisdictions within the Group which are not currently paying tax.

Earnings per share were 3.4 cents per share, an increase of 41.7%.

### **Strong Execution across all Areas**

Commenting on Dimension Data's results, CEO Brett Dawson said, "We drive growth from three areas: our regions, lines of business, and services. During the period, the Group achieved a successful performance against all three. All regions performed well with revenue growth and improved operating margins in all three. We achieved double digit growth across all our lines of business with substantial market share gains in Network Integration and Security. Our services growth was strong."

Assessing the Group's regional performance, revenues from the Americas, Asia and Middle East & Africa were particularly strong. The **Americas**, which incorporates operations in the US, Canada, Mexico and Brazil, grew revenues by 24.2% and operating profit expanded by 49.7% to \$8.4 million. The Group's **Asian** subsidiary, Datacraft, reported a very strong half, with revenues up by 29.8%. In **Australia**, revenues grew by 6.8% and operating profit by 26.9% to \$19.2 million. **Europe** recorded revenue growth of 11.6% and gross margin improved slightly to 20.5%, a good result in an environment of ongoing industry consolidation, currency strength and some weakness in the financial services sector. **Middle East and Africa's** revenues grew by 19.9% to \$456.3 million, and operating profit expanded to \$40.4 million at a margin of 8.9%. All four key components of the business – Dimension Data, Plessey, Internet Solutions and Merchants – performed well.

Dimension Data's lines of business strategy also gained momentum during the period. The Group's **Network Integration** line of business grew by 16.6%, extending the very strong performance reported last year and retaining the Group's global leadership in the plan, build, support and management of networks. The Group's other global lines of business grew strongly with the **Security** line of business having an excellent half, growing by 35.6%.

**Services** growth of 17.8% reflected strong performances in all regions. Growth in Managed and Professional Services of 18.4% and 17.0% respectively was supported by good performances from the regional services business, and Internet Solutions. Managed Services growth was particularly strong in Africa, Asia and Australia and reflected the ongoing strength of the Dimension Data offering in the market place. Professional Services growth across the board was coupled with a strong improvement in gross margin, the result of a focused effort to improve process and efficiencies in the delivery of professional services engagements.

## **Future Outlook**

Dawson is optimistic about both the outlook for the second half of the year and the Group's longer term prospects.

"Building on our strong progress in H1, the key drivers for our business growth are in place. While recognising the recent turmoil in financial services, we are optimistic about the remainder of the financial year. We believe the economic slowdown in several major markets is having some impact on IT spending."

"However, Dimension Data is in a strong strategic and operational position, with the benefit of a robust balance sheet. Our strategy remains clear and unchanged and we continuously review our operational plans to adapt to developing circumstances. We continue to see solid demand in the market for our industry relevant solutions and service offerings and remain confident that the Group is well positioned to drive continued profitable growth."

Ends

## **About Dimension Data**

Dimension Data plc (LSE:DDT), a specialist IT services and solution provider, helps clients plan, build, support and manage their IT infrastructures. Dimension Data applies its expertise in networking, security, operating environments, storage and contact centre technologies and its unique skills in consulting, integration and managed services to create customised client solutions.