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Dimension Data releases Q3, year-to-date unaudited trading results

“Excellent nine months of trading compared to results of the IT industry in general,” says CEO

Johannesburg (South Africa), 19 August 2011 – [Dimension Data](#) Holdings plc, the global specialist solutions and services provider which was acquired by NTT last year, today released its results* for the quarter ended 30 June (Q3). Group revenue rose 4.7% to \$1.46 billion, with Services growing by 10.9% and Product by 0.2%. Gross margin was up 1.4% to 21.5%, with gross profit increasing by 12.0%. Operating profit of \$74.0 million was 14.7% up on Q3 in 2010.

Revenue in Dimension Data’s Systems Integration (SI) business grew 3.5% in constant currency. Product declined by 2.3%, off the back of generally slower trading conditions in the USA and Europe. The company said Q3’s growth is in relation to a more demanding prior year comparative, as the Group experienced a strong return to growth during the second half of FY10. Services in the SI business grew by 12.0%, with Managed Services up by 12.6% and Professional Services by 11.0%.

The results for the Group’s other businesses were solid with [Internet Solutions](#) increasing revenues by 5.1% and a strong 20.6% increase in operating profit. [Plessey](#) finished Q3 21.2% up on revenues, and [Express Data's](#) revenues, including acquisitions, grew 11.4%.

Year to date 30 June 2011 (nine months)

Group revenues for the first nine months of the year to end-June were up 13.4% in constant currency to \$4.2 billion, with Product growing by 13.1% and Services by 13.6%. In reported USD terms, the revenue growth would be several percentage points higher, given the relative weakness of the US Dollar during the period.

**In this review, growth rates are in relation to 2010 and are, unless otherwise indicated, calculated before eliminating intercompany revenue and adjusted for the impact of currency movements (i.e. are constant currency growth rates). Unless specifically indicated, exceptional items are excluded from the analysis.*

The Group's Systems Integration year to date revenue increased 13.7%, while operating profit grew 13.3% at an operating margin of 4.3%. Dimension Data's other businesses were also steady: Internet Solutions' revenues increased 6.9% with operating profit up 3.3%; Plessey grew strongly at both the revenue and operating profit level off a very low base in the prior year; while Express Data turned in a good performance to date growing revenues by 19.5% (excluding acquisitions 15.9%).

Overall, Group operating profit for the nine months trading was up by 14.2% to \$203.7 million.

Commenting on the Group's performance, Brett Dawson, CEO of Dimension Data Holdings plc said, "Overall, the Group achieved an excellent nine months of trading compared to the results of the IT industry in general, and the business continues to show growth from a revenue and profitability point of view over the 2010 financial year. After a very strong first half, we saw a softening in revenue in our third quarter. This was reasonably consistent across all regions. Close attention to margins and the cost base has driven the improvement of operating profit up 14.7% in the quarter."

Dawson said the Group's services value proposition continues to gain traction in the market and the company has seen a number of significant wins in Managed Services and IT Outsourcing. "We are also investing aggressively in expanding the scope of our service offerings - both organically and through acquisitions.

"During the quarter, we acquired [OpSource](#) to accelerate our cloud strategy. Our focus on cloud services aligns to our long-standing strategy to become a services-led business. Over the past few years, we have been building cloud-related skills and capabilities in the areas of virtualisation, data centre and storage, managed services and hosting, and IT outsourcing – all critical to enabling cloud architectures for our clients. OpSource will provide the Group with a significantly enhanced value proposition for our clients. In addition, last year's acquisition of Integral Axon, cements our competitive position in New Zealand. Our other strategic acquisition of Simms enhances our online capability and our ability to distribute Apple technology in Australia," explained Dawson.

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About Dimension Data

Founded in 1983, Dimension Data plc is an ICT services and solutions provider that uses its technology expertise, global service delivery capability, and entrepreneurial spirit to accelerate the business ambitions of its clients. Dimension Data is a member of the NTT Group. www.dimensiondata.com