

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretation commencing on page 6 of this Circular apply to this Circular in its entirety.

If you are in any doubt as to the action to be taken, you should consult your accountant, Broker, CSDP, legal advisor or other professional advisor immediately. Full particulars of the action required by Shareholders (including the procedure for acceptance of the Offer) is set out on page 3 of this Circular.

If you have disposed of all your Shares, this Circular should be handed to the purchaser of those Shares, or to the Broker, CSDP, or other agent through whom you disposed of those Shares.

This Circular is issued in compliance with the Companies Act and the Takeover Regulations for the purpose of providing information to Shareholders with respect to Datacentrix, Pinnacle and the Offer.

Neither Pinnacle, nor Datacentrix, nor any of their advisors take any responsibility and shall not be held liable for any failure on the part of the Broker or CSDP of any Dematerialised Datacentrix Shareholder to notify such Shareholder of the Offer set out in this Circular.

PINNACLE
H O L D I N G S

Technology Delivered™

PINNACLE HOLDINGS LIMITED

Incorporated in the Republic of South Africa
(Registration number 1986/000334/06)
Share Code: PNC ISIN: ZAE000184149
("Pinnacle")

datacentrix

DATACENTRIX HOLDINGS LIMITED

Incorporated in the Republic of South Africa
(Registration number 1998/006413/06)
Share Code: DCT ISIN: ZAE000016051
("Datacentrix")

CIRCULAR TO DATACENTRIX SHAREHOLDERS

Regarding:

An unconditional mandatory offer by Pinnacle to all Datacentrix Shareholders to acquire all of the Datacentrix ordinary Shares which Pinnacle does not already own for the Offer Consideration of 1 Pinnacle Share for every 2.6 Datacentrix Shares, in terms of section 123 of the Companies Act.

Incorporating:

- **A Form of Acceptance, Surrender and Transfer (pink) for use by Certificated Datacentrix Shareholders only, who wish to accept the Offer.**

Offer opens at 09:00 on

Tuesday, 17 November 2015

Offer expected to close at 12:00 on

Friday, 8 January 2016

Date of issue: Monday, 16 November 2015

This Circular is only available in English. Copies may be obtained from the registered offices of Pinnacle, Datacentrix and Investec whose addresses are set out in the "Corporate information and advisors" section of this Circular, during normal business hours from the date of issue of this Circular to the Closing Date of the Offer.

Corporate Advisor and Transaction
Sponsor to Pinnacle

 **Investec**
Bank Limited

Sponsor to Pinnacle

Deloitte.

Legal Advisor to Pinnacle


TUGENDHAFT WAPNICK BANCHETTI
AND PARTNERS

Corporate Advisor and Transaction
Sponsor to Datacentrix

Merchantec
capital

Independent Expert
to Datacentrix

nodus

Reporting Accountant

IBDO

CORPORATE INFORMATION AND ADVISORS

Company Secretary and Registered Offices of Pinnacle Holdings Limited

JV Parkin (Bcompt (Hons) CTA)
(Registration number 1986/000334/06)
The Summit, Halfway House
269 16th Road
Midrand, Gauteng
(PO Box 483, Halfway House, 1685)

Corporate Advisor and Transaction Sponsor to Pinnacle

Investec Corporate Finance, a division of
Investec Bank Limited
(Registration number 1969/004763/06)
2nd Floor
100 Grayston Drive
Sandton, 2196
(PO Box 785700, Sandton, 2146)

Sponsor to Pinnacle

Deloitte and Touche Sponsor Services Proprietary Limited
(Registration number 1996/000034/07)
Deloitte Place, The Woodlands
20 Woodlands Drive
Woodmead, 2196
(Private Bag X6, Gallo Manor, 2052)

Legal Advisor to Pinnacle

Tugendhaft Wapnick Banchetti and Partners
20th Floor, Sandton City Office Tower
5th Street
Sandown, 2196
(PO Box 786728, Sandton, 2146)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Company Secretary and Registered Offices of Datacentrix Holdings Limited

JV Parkin (Bcompt (Hons) CTA)
(Registration number 1998/006413/06)
Corporate Park North, 238 Roan Crescent
Old Pretoria Road
Midrand, 1685
(PO Box 50722, Randjesfontein, 1683)

Corporate Advisor and Transaction Sponsor to Datacentrix

Merchantec Proprietary Limited
(Registration number 2008/027362/07)
2nd Floor, North Block
Hyde Park Office Tower
Corner 6th Road and Jan Smuts Avenue
Hyde Park, Johannesburg, 2196
(PO Box 41480, Craighall, 2024)

Independent Expert

Nodus Capital Proprietary Limited
(Registration number 2007/004535/07)
32 Fricker Road
Illovo, 2146
(PO Box 55369, Northlands, 2116)

Reporting Accountant

BDO South Africa Incorporated
22 Wellington Road
Parktown
2193
(Private Bag X60500, Houghton, 2041)

IMPORTANT LEGAL NOTE

To the extent that the release, publication or distribution of this Circular in certain jurisdictions outside of South Africa may be restricted or prohibited by the laws of such foreign jurisdiction, then this Circular is deemed to have been provided for information purposes only, and neither Pinnacle nor Datacentrix accept any responsibility for any failure by persons in any such jurisdictions into which this Circular is released, published or distributed to inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. This Circular does not constitute an offer to sell or issue, or the solicitation of an offer to purchase or subscribe for, any shares or other securities or a solicitation of any vote or approval in any jurisdiction in which such offer or solicitation would be unlawful.

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ACTION REQUIRED BY DATACENTRIX SHAREHOLDERS

GENERAL

The definitions and interpretation commencing on page 6 of this Circular apply, *mutatis mutandis*, to this section of the Circular.

If you have disposed of all your Shares, this Circular should be handed to the purchaser of those Shares, or to the Broker, banker, CSDP, or other agent through whom you disposed of those Shares.

Please take careful note of the following provisions regarding the action to be taken by Shareholders.

If you are in any doubt as to what action you should take, you should consult your accountant, Broker, legal advisor, or other professional advisor immediately.

OFFER

The options available to Datacentrix Shareholders are:

- to accept the Offer in respect of all or any of your Datacentrix Shares;
- to reject the Offer; or
- to dispose of your Datacentrix Shares on the JSE.

If you wish to reject the Offer, you do not need to take any further action.

If you wish to accept the Offer, you must do so in the manner described below, depending on whether you are a Certificated Datacentrix Shareholder or a Dematerialised Datacentrix Shareholder.

1. CERTIFICATED DATACENTRIX SHAREHOLDERS

- 1.1 If you are a Certificated Datacentrix Shareholder and wish to accept the Offer, you must complete the Form of Acceptance, Surrender and Transfer attached to this Circular in accordance with its instructions and forward it, together with the Documents of Title in respect of your Offer Shares to the Transfer Secretaries. The Form of Acceptance, Surrender and Transfer may be delivered by hand or sent by registered mail to the Transfer Secretaries as follows:

If delivered by hand	If sent by mail
Computershare Investor Services Proprietary Limited	Computershare Investor Services Proprietary Limited
Ground Floor	PO Box 61763
70 Marshall Street	Marshalltown
Johannesburg, 2001	2107

so as to be received by the Transfer Secretaries by no later than 12:00 on the Closing Date.

- 1.2 If you accept the Offer in respect of all or any of your Datacentrix Shares and surrender your Documents of Title, you will NOT be able to trade your Offer Shares from the date that you surrender your Documents of Title in respect of those Offer Shares.
- 1.3 In terms of section 33(2) of the FMA, newly issued listed securities may only be issued in Dematerialised form and accordingly, this will apply in respect of the Offer Consideration. Each Offer Consideration Recipient that is a Certificated Shareholder is required to have, or to open, an account with a CSDP or Broker before the Offer Consideration attributable to such Datacentrix Shareholder, will be issued. Where an Offer Consideration Recipient does not have an account with a CSDP or Broker, he will be required to appoint a Broker to open an account in order for the Dematerialised Pinnacle Shares to be made available to him pursuant to the Offer. Datacentrix Shareholders who elect to accept the Offer and receive the Offer Consideration but who wish to hold Pinnacle Shares in Certificated form will be afforded the opportunity to rematerialise their Dematerialised Pinnacle Shares and replace these with physical documents of title. Please note that Certificated Datacentrix Shareholders who wish to utilise this option must elect the 'rematerialise' option on Part B of the Form of Acceptance, Surrender and Transfer.
- 1.4 For assistance in opening an account with a Broker or CSDP, please visit the website of the JSE (www.jse.co.za) or Strate (www.strate.co.za/aboutstrate/participants) which will provide names and contact numbers of members of the JSE who can assist with the opening of such share accounts. It is necessary to complete a custody mandate and provide FICA verification to the chosen Broker or CSDP (a process similar to opening a bank account).

- 1.5 If a Form of Acceptance, Surrender and Transfer and Documents of Title is not received by 12:00 on the Closing Date, the Offer will be deemed to have been declined. No late acceptances will be considered. Acceptances of the Offer that are sent through the post are sent at the risk of the Certificated Datacentrix Shareholders concerned. Accordingly, Certificated Datacentrix Shareholders should take note of the postal delivery times so as to ensure that acceptances of the Offer are received timeously. It is therefore recommended that such acceptances be sent by registered mail or delivered by hand to the Transfer Secretaries.
- 1.6 No receipts will be issued for Documents of Title that have been surrendered, unless specifically requested by the Certificated Shareholders concerned. Persons requiring receipts must prepare a receipt and forward it together with their surrendered Documents of Title.
- 1.7 If Documents of Title relating to any Offer Shares have been destroyed or lost, Certificated Datacentrix Shareholders should nevertheless return the Form of Acceptance, Surrender and Transfer duly signed and completed, together with evidence satisfactory to Pinnacle that the Documents of Title to the relevant Offer Shares have been destroyed or lost and an indemnity acceptable to Pinnacle against any damage, expense, loss or payment that it, or any of its duly authorised representatives, may incur or suffer by reason of, or arising from, the payment of the Offer Consideration to such person. An acceptable form of indemnity may be obtained from Pinnacle.
- 1.8 Pinnacle reserves the right, in its absolute and sole discretion:
- to treat as invalid, Forms of Acceptance, Surrender and Transfer not accompanied by the relevant Documents of Title (or, if applicable, evidence satisfactory to Pinnacle that the Documents of Title to the relevant Offer Shares have been destroyed or lost and an indemnity acceptable to Pinnacle, as contemplated in paragraph 1.7 above);
 - to treat as invalid, Forms of Acceptance, Surrender and Transfer that have not been completed in accordance with the instructions set out therein;
 - to require proof of the authority of the person signing the Form of Acceptance, Surrender and Transfer, where such proof has not been lodged with, or recorded by, the Transfer Secretaries; or
 - to condone the non-compliance by any Certificated Datacentrix Shareholder with any of the terms of the Offer.
- 1.9 If a Form of Acceptance, Surrender and Transfer is treated as invalid due to non-compliance with the instructions contained therein, then the Certificated Datacentrix Shareholder that submitted that Form of Acceptance, Surrender and Transfer will be deemed to have declined the Offer, unless that Certificated Datacentrix Shareholder resubmits to the Transfer Secretaries, before 12:00 on the Closing Date, a properly completed Form of Acceptance, Surrender and Transfer.

2. DEMATERIALISED DATACENTRIX SHAREHOLDERS

- 2.1 If you are a Dematerialised Datacentrix Shareholder, you will be contacted by your duly appointed Broker or CSDP in the manner stipulated in the Custody Agreement entered into between you and your Broker or CSDP, as the case may be, in order to ascertain whether or not you wish to accept the Offer. If you wish to accept the Offer, you must notify your Broker or CSDP of your acceptance of the Offer in the time and manner stipulated in the Custody Agreement entered into between you and your Broker or CSDP, as the case may be, in order to constitute a valid acceptance.
- 2.2 If you are a Dematerialised Datacentrix Shareholder and wish to accept the Offer, but have not been contacted by your Broker or CSDP, it would be advisable for you to contact and furnish your Broker or CSDP with instructions in regard to the acceptance of the Offer. These instructions must be provided in the manner and by the cut-off date and time stipulated in your Custody Agreement.
- 2.3 You must not complete the attached Form of Acceptance, Surrender and Transfer.
- 2.4 If you notify your Broker or CSDP of your desire to accept the Offer, you will NOT be able to trade your Offer Shares from the date on which you notify your Broker or CSDP of your acceptance of the Offer.

IMPORTANT DATES AND TIMES

2015

The Acquisition and firm intention to make the Offer is announced on SENS	Thursday, 15 October
Record date to determine which Shareholders are eligible to receive the Circular	Friday, 6 November
Circular posted to Shareholders	Monday, 16 November
Opening Date of the Offer at 09:00 on	Tuesday, 17 November
Last Day to trade in Datacentrix Shares in order to participate in the Offer	Thursday, 31 December

2016

Shares trade "ex" the Offer	Monday, 4 January
Closing Date of the Offer at 12:00 on	Friday, 8 January
Record date to determine which Shareholders may accept the Offer	Friday, 8 January
Results of the Offer to be released on SENS	Monday, 11 January
Consideration credited to the Offer Consideration Recipient's account at his CSDP or Broker, as the case may be, in cases where the Datacentrix Shares are surrendered in terms hereof are held by such CSDP or Broker as nominee for the Offer Consideration Recipient on	Within 6 (six) Business Days of acceptance of the Offer by an Offer Consideration Recipient (refer to note 4 below)
Latest date that the Offer Consideration can be credited to the Broker or CSDP accounts of the Offer Participants (who hold their Datacentrix Shares in their own names) at the Offer Consideration Recipient's own risk, in settlement of the Offer Consideration (subject to receipt by the Transfer Secretaries of the relevant share certificates) on	Monday, 11 January (refer to note 4 below)
Results of the Offer to be published in the press on	Tuesday, 12 January

Notes:

1. The definitions and interpretation commencing on page 6 of this Circular apply, *mutatis mutandis*, to these important dates and times.
2. The abovementioned dates and times are South African dates and times. All references to days are to Business Days.
3. The above dates and times are subject to amendment by Pinnacle with the prior approval of the JSE and TRP. In addition, the above dates and times are based on information available to Pinnacle and Datacentrix as at the Last Practicable Date. Accordingly, these dates and times may change depending on circumstances arising after the Last Practicable Date. Any such amendment/s and/or change/s will be released on SENS and published in the press.
4. The Offer Consideration will be issued to the nominated account of the Offer Consideration Recipient by the Transfer Secretaries within 6 (six) Business Days of the Offer Acceptance Date. The final payment of the Offer Consideration will be made by no later than close of business on Monday, 11 January 2016.
5. Share certificates may not be Dematerialised or rematerialised between Monday, 4 January 2016 and Friday, 8 January 2016, both days inclusive.

DEFINITIONS AND INTERPRETATION

In this Circular, unless otherwise stated or the context indicates otherwise, the words in the first column will bear the meanings stated opposite them in the second column, and related expressions will bear corresponding meanings; words in the singular will include the plural and *vice versa*; words denoting one gender will include the other genders; and words denoting natural persons will include juristic persons and vice versa.

“Anchor Capital”	Anchor Capital Proprietary Limited, a subsidiary of Anchor Group Limited (registration number 2009/005413/06), a public company duly incorporated and registered in accordance with the laws of South Africa, the shares of which are listed on the main board of the JSE;
“Acquisition”	the acquisition by Pinnacle of the Acquisition Shares from RMB Securities (acting on behalf of Anchor Capital through a structured note product);
“Acquisition Date”	the date on which the Acquisition was effected, being Wednesday, 14 October 2015;
“Acquisition Finalisation Date”	the Business Day prior to the Acquisition Date, being 13 October 2015;
“Acquisition Shares”	20 000 000 Datacentrix Shares acquired by Pinnacle from RMB Securities (acting on behalf of Anchor Capital through a structured note product) for a consideration of 7 691 486 new Pinnacle Shares;
“Authorised Dealer”	an authorised dealer of the SARB, designated as such in the Exchange Control Regulations;
“BEE”	black economic empowerment;
“Board”	the directors of Pinnacle whose names appear on page 10 of this Circular;
“Broker”	any person registered as a broking member (equities) in terms of the rules of the JSE made in accordance with the requirements of the Financial Markets Act;
“Business Day”	any day other than a Saturday, a Sunday or an official public holiday of South Africa;
“Certificated Share”	a Share, which has not been Dematerialised, and title to which is evidenced by a Document of Title;
“Certificated Shareholder”	a Shareholder who holds Certificated Shares;
“Circular”	this bound document dated Monday, 16 November 2015, including its annexures and attachments;
“Closing Date”	the last date on which Shareholders will be able to accept the Offer, being Friday, 8 January 2016, which date shall be no earlier than 30 Business Days from the Opening Date or such later date as announced by Pinnacle should Pinnacle wish to extend the Offer;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Act”	the Companies Act, 71 of 2008, as amended;
“Companies Regulations”	the Companies Regulations, 2011 published in terms of the Companies Act;
“Competition Authorities”	the Competition Commission of South Africa and/or the Competition Tribunal of South Africa and/or the Competition Appeal Court of South Africa, being regulatory and/or judicial authorities established under the Competition Act, 89 of 1998, as amended;
“CSDP”	a participant, as defined in section 1 of the Financial Markets Act;
“Custody Agreement”	the agreement that regulates the relationship between the Broker or CSDP and each holder of Shares that has elected to have such Shares held by the Broker or CSDP as their nominee;
“Datacentrix” or “the Offeree Regulated Company”	Datacentrix Holdings Limited (registration number 1998/006413/06), a public company duly incorporated and registered in accordance with the laws of South Africa, the Shares of which are listed on the main board of the JSE;
“Datacentrix Group”	Datacentrix and its subsidiaries;

“DCT Holdings”	DCT Holdings Proprietary Limited (registration number 2013/196828/07), a private company duly incorporated and registered in accordance with the laws of South Africa and a wholly-owned subsidiary of Pinnacle;
“Dematerialise” or “Dematerialisation”	the process by which Certificated Shares are converted into electronic format as Dematerialised Shares and recorded in the Uncertificated Securities Register;
“Dematerialised Share”	a Share that has been Dematerialised or has been issued in Dematerialised form, and recorded in the Uncertificated Securities Register;
“Dematerialised Shareholder”	a Shareholder who holds Dematerialised Shares;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts, and/or any other documents of title to Shares acceptable to Pinnacle;
“Exercisable Options”	Datacentrix share options which have been granted to Participants and which are capable of being exercised prior to 28 February 2016 of which 16 828 860 share options are in-the-money (based on the Offer Consideration), as set out in note 27 of the Datacentrix annual report for the year ended 28 February 2015;
“EBITDA”	Earnings Before Interest Tax Depreciation and Amortisation;
“Existing Beneficial Shareholding”	Pinnacle’s existing shareholding in Datacentrix (through DCT Holdings), comprising of 88 520 048 Datacentrix Shares;
“Exchange Control Regulations”	the Exchange Control Regulations, 1961, as amended, issued under section 9 of the Currency and Exchanges Act, 9 of 1933, as amended;
“FICA”	Financial Intelligence Centre Act 28 of 2001;
“Financial Markets Act” or “FMA”	the Financial Markets Act No. 19 of 2012;
“Form of Acceptance, Surrender and Transfer”	the form of acceptance, surrender and transfer (pink) attached to this Circular;
“FSD”	the Financial Surveillance Department of the SARB;
“Independent”	will bear the meaning assigned to this term in Regulation 81 of the Takeover Regulations;
“Independent Board”	the members of the board of directors of Datacentrix who have been identified by the full board of directors of Datacentrix as being Independent, for the purposes of the Offer, in accordance with Regulation 108(8) of the Takeover Regulations, being Ms Nolitha Fakude, Mr Alwyn Martin and Ms Dudu Nyamane;
“Independent Expert”	the independent expert appointed in accordance with Regulation 90 of the Takeover Regulations to provide the Independent Board with appropriate external advice in the form of a fairness opinion, being Nodus Capital Proprietary Limited (registration number 2007/004535/07), a private company duly incorporated in accordance with the laws of South Africa;
“JSE”	the exchange licensed under the Financial Market Act, and operated by JSE Limited (registration number 2005/022939/06), a public company duly incorporated in accordance with the laws of South Africa;
“JSE Listings Requirements”	the Listings Requirements issued by the JSE from time to time;
“Last Day to Trade”	the last day on which Shareholders may trade Shares in Datacentrix in order to be recorded in the Register so as to participate the Offer, which day is expected to be on Thursday, 31 December 2015;
“Last Practicable Date”	the Last Practicable Date prior to finalisation of this Circular, being Friday, 13 November 2015;
“Non-exercisable Options”	Datacentrix share options which have been granted to Participants but which are not capable of being exercised prior to 28 February 2016, of which 457 604 share options are in-the-money (based on the Offer Consideration), as set out in note 27 of the Datacentrix annual report for the year ended 28 February 2015;
“Offer”	the mandatory offer by Pinnacle to Datacentrix Shareholders, in terms of section 123 of the Companies Act, to acquire all the Shareholders’ Datacentrix Shares for the Offer Consideration;

“Offeree”	a Datacentrix Shareholder to whom the Offer is made and who may accept the Offer, being any Datacentrix Shareholder other than Pinnacle and including those Participants who elect to exercise their Options and are thus eligible for Scheme Shares, but have not yet taken delivery of the Scheme Shares;
“Offer Acceptance Date”	in respect of each Datacentrix Shareholder who accepts the Offer, the date on which it accepts the Offer or the date on which it notifies its CSDP or Broker of acceptance of the Offer, as the case may be;
“Offer Consideration”	the consideration to be paid by Pinnacle to those Datacentrix Shareholders who have accepted the Offer in respect of each of their Offer Shares, being 1 Pinnacle Share for every 2.6 Datacentrix Shares, equivalent to R4.90 per Share on the Switch Ratio Finalisation Date;
“Offer Consideration Recipient”	a Datacentrix Shareholder who has accepted the Offer and will receive the Offer Consideration;
“Offer Period”	the period beginning at 09:00 on the Opening Date and ending at 12:00 on the Closing Date;
“Offer Shares”	those Datacentrix Shares held by a Datacentrix Shareholder during the Offer Period that are tendered by such Shareholder into the Offer (i.e. in respect of which the Offer is accepted by such Shareholder);
“Opening Date”	the opening date in respect of the Offer, being Tuesday 17, November 2015;
“Options”	collectively the Exercisable Options and Non-exercisable Options;
“Participant”	an employee of Datacentrix that has been granted Datacentrix share options in terms of the Share Scheme;
“Pinnacle” or “the Offeror”	Pinnacle Holdings Limited (registration number 1986/000334/06), a public company duly incorporated and registered in accordance with the laws of South Africa, the ordinary shares of which are listed on the main board of the JSE, and the beneficial shareholder of 88 520 048 Datacentrix Shares, constituting approximately 43.1% of all Datacentrix Shares (45.2% of the Voting Shares);
“Pinnacle Group”	Pinnacle and its subsidiaries;
“Pinnacle Share(s)”	ordinary share(s) having a par value of one cent each in the issued share capital of Pinnacle, comprising 175 683 935 ordinary shares;
“R” or “Rand”	South African Rand, the official currency of South Africa;
“Register”	the securities register of Shareholders maintained by Datacentrix in accordance with sections 50(1) and 50(3) of the Companies Act, including the Uncertificated Securities Register;
“Related”	will bear the meaning assigned to this term in section 1 of the Companies Act;
“RMB Securities”	RMB Securities Proprietary Limited (registration number 1988/003035/07), a private company duly incorporated and registered in accordance with the laws of South Africa;
“SARB”	the South African Reserve Bank;
“Scheme Shares”	the Datacentrix Shares held by the Datacentrix Holdings Share Trust for purposes of the Share Scheme and on behalf of the Participants, as set out in note 27 of the Datacentrix annual report for the year ended 28 February 2015;
“SENS”	the Stock Exchange News Service of the JSE;
“Shareholder(s)”	the registered holder(s) of Shares, including those Participants who elect to exercise their Options and are thus eligible for Scheme Shares;
“Shares” or “Datacentrix Shares”	ordinary shares having a par value of R0.0001 each in the issued share capital of Datacentrix, comprising 205 265 683 ordinary shares;
“Share Scheme”	the Datacentrix share scheme, implemented by Datacentrix Holdings Share Trust, offering employees of Datacentrix share options, which options vest over a period of employment with Datacentrix;

“South Africa” or “SA”	the Republic of South Africa;
“Strate”	the settlement and clearing system used by the JSE managed by Strate Proprietary Limited (registration number 1998/022242/07), a private company duly registered and incorporated with limited liability under the laws of South Africa and the Central Securities Depository registered in terms of the Financial Markets Act;
“Switch Ratio”	the fixed ratio of 1 Pinnacle Share for every 2.6 Datacentrix Shares in terms of the Offer Consideration;
“Switch Ratio Finalisation Date”	the same date as the Acquisition Finalisation Date, being Tuesday, 13 October 2015, the date upon which the Switch Ratio for the Offer Consideration was finalised;
“Takeover Regulations”	the regulations published in terms of section 120 of the Companies Act, which comprise regulations 81 to 122 of the Companies Regulations;
“Transfer Secretaries”	the Transfer Secretaries of Pinnacle and Datacentrix, being Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company duly incorporated and registered in accordance with the laws of South Africa;
“Treasury Shares”	9 467 692 Datacentrix Shares owned by Datacentrix Holdings Share Trust;
“TRP”	the Takeover Regulation Panel established pursuant to section 196 of the Companies Act;
“Uncertificated Securities Register”	the uncertificated securities register of Shareholders maintained by a CSDP or CSD in accordance with the requirements of section 50(3) of the Companies Act;
“Voting Shares”	Shares in the issued share capital of Datacentrix, excluding the Treasury Shares, equating to an aggregate 195 797 991 Datacentrix Shares; and
“VWAP”	volume weighted average traded price.

PINNACLE HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
Registration number 1986/000334/06
Share Code: PNC ISIN: ZAE000184149
("Pinnacle")

DIRECTORS OF PINNACLE

Executive directors

Mr AJ Fourie (Chief Executive Officer)
Mr RD Lyon (Chief Financial Officer)

Non-executive directors

Mr A Tugendhaft (Chairman)
Mr B Sibiyi (Lead Independent)
Ms S Chaba (Independent)
Ms N Medupe (Independent)
Mr E van der Merwe

DATACENTRIX HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
Registration number 1998/006413/06
Share Code: DCT ISIN: ZAE000016051
("Datacentrix")

DIRECTORS OF DATACENTRIX

Executive directors

Mr A Mahomed (Chief Executive Officer)
Ms E Naidoo (Chief Financial Officer)

Non-executive directors

Ms N Fakude (Chairperson) (Independent)
Mr A Martin (Independent)
Ms D Nyamane (Independent)
Mr AJ Fourie
Mr RD Lyon

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION

- 1.1 In the announcement released on SENS by Pinnacle on Thursday, 15 October 2015, Datacentrix Shareholders were advised that Pinnacle had acquired 20 000 000 Datacentrix Shares from RMB Securities (acting on behalf of Anchor Capital through a structured note product) for a consideration of 7 691 486 new Pinnacle Shares (equivalent to R4.90 per Datacentrix Share on the Switch Ratio Finalisation Date). As a result of the Acquisition, Pinnacle's shareholding in Datacentrix (as a percentage of the Voting Shares) increased from 34.995% to 45.2%. The Acquisition gives rise to an affected transaction in terms of section 123 of the Companies Act (read with section 117 of the Companies Act) pursuant to which Pinnacle is required to extend an offer to all Datacentrix Shareholders at the same price at which it acquired the Acquisition Shares.
- 1.2 Pinnacle is offering Shareholders the Offer Consideration for their Offer Shares. At the Switch Ratio Finalisation Date, the Offer Consideration is equivalent to R4.90 per Offer Share (based on Pinnacle's 30 day VWAP to the Switch Ratio Finalisation Date of R12.74).
- 1.3 The purpose of this Circular is to:
 - 1.3.1 set out the terms on which the Offer is made to Datacentrix Shareholders;
 - 1.3.2 provide Shareholders with information on Datacentrix and Pinnacle; and
 - 1.3.3 inform Datacentrix Shareholders of the manner in which the Offer may be accepted and the manner in which the Offer will be implemented.

2. DESCRIPTION OF DATACENTRIX AND CONTINUATION OF THE BUSINESS OF DATACENTRIX AFTER THE IMPLEMENTATION OF THE OFFER

- 2.1 Datacentrix is one of South Africa's leading services-led solution integrators. Its focus is the provision of infrastructure and business solutions, including cloud computing, high-end storage and security, outsourcing and other related IT services. Datacentrix is a skilled and certified business partner for a number of leading international and local vendors.
- 2.2 Datacentrix listed on the main board of the JSE in 1998 under the Technology – Software and Computer Services sector. The Datacentrix Group, which employs over 1,060 people, has operations throughout the major metropolitan areas of South Africa.
- 2.3 Further information can be found on Datacentrix's website: www.datacentrix.co.za.

- 2.4 Following the successful implementation of the Offer, Pinnacle envisages that Datacentrix will continue to operate as a separate and well-capitalised business unit within the Pinnacle Group.
- 2.5 If, following the implementation of the Offer, Pinnacle's shareholding in Datacentrix exceeds 50% plus one Datacentrix Share, then Pinnacle shall seek to appoint the majority of the directors onto the board of Datacentrix.

3. DESCRIPTION OF PINNACLE

- 3.1 Pinnacle, which is listed on the JSE with a market capitalisation of approximately R2.1 billion, is one of the largest providers of Information and Communication Technology ("ICT") products in Africa, offering hardware and software products, structured finance solutions, IT security, as well as complementary products and services categories such as fire detection and prevention, audio visual technology, building management and access control.
- 3.2 Further information on Pinnacle can be found on Pinnacle's website: www.pinnacleholdings.co.za.

4. RATIONALE FOR THE OFFER

- 4.1 As a result of the Acquisition, Pinnacle is required to make the Offer to Datacentrix Shareholders pursuant to the provisions of section 123 of the Companies Act (read with section 117 of the Companies Act).
- 4.2 Furthermore, Pinnacle recognises the strength of Datacentrix's operations in the value-added segment. In addition the Offer will provide Pinnacle the opportunity to grow its own revenue generation from the Managed Services and Business Solutions market sector within the ICT industry, which form the majority of Datacentrix business as reported in Datacentrix's financial results for the year ended 28 February 2015 and the six months ended 31 August 2015.
- 4.3 This is consistent with Pinnacle's strategy to diversify its product and service offering, secure a greater share of the value added service provision segment in the ICT value chain, and benefit from the annuity revenues and higher margins associated with this segment of the market.
- 4.4 Pursuant to the Offer, Pinnacle intends to further increase its interest in Datacentrix. This will assist Pinnacle in achieving significant value creation for Pinnacle Shareholders and Datacentrix Shareholders through *inter alia*:
- the consolidation of platforms (where possible) such as back office, warehousing and logistics;
 - the opportunity for Datacentrix to participate in larger and more comprehensive revenue earning opportunities, including access to Pinnacle's footprint in Sub-Saharan Africa comprising high growth markets such as Mozambique, Botswana, Zimbabwe and Zambia; and
 - superior cost management.

5. TERMS OF THE OFFER

5.1 The Offer

- 5.1.1 Pinnacle, in accordance with section 123 of the Companies Act, hereby offers to acquire all of the Datacentrix Shares held by each Datacentrix Shareholder, on the terms set out in this Circular, for the Offer Consideration.
- 5.1.2 Pinnacle reserves the right to amend the terms of the Offer at any time during the Offer Period and if Pinnacle so elects, the amended terms of the Offer will be released on SENS.
- 5.1.3 If the Offer is accepted by Datacentrix Shareholders holding such number of Shares as will result in Pinnacle (together with its Existing Beneficial Shareholding) beneficially holding (directly or indirectly) not less than 90% of the entire issued share capital of Datacentrix, then Pinnacle reserves the right to implement a compulsory acquisition of the remaining Datacentrix Shares in accordance with section 124 of the Companies Act, which would result in the de-listing of Datacentrix Shares on the JSE.

5.2 The Offer Consideration

- 5.2.1 The Offer Consideration is 1 Pinnacle Share for every 2.6 Datacentrix Shares held.
- 5.2.1.1 The Offer Consideration represents a premium of 8.8% to Datacentrix' 30 day VWAP as at the Switch Ratio Finalisation Date.
- 5.2.1.2 The Offer values the entire issued ordinary share capital of Datacentrix (including the Existing Beneficial Shareholding) at R1,005.8 million on the basis of a total of 205 265 683 Datacentrix Shares in issue.
- 5.2.1.3 The aggregate value of the Offer Consideration payable by Pinnacle to Datacentrix Shareholders is R525.7 million at the Switch Ratio of 1 Pinnacle Share for every 2.6 Datacentrix Shares based on:
- the 30 day VWAP of Pinnacle of R12.74 on the Switch Ratio Finalisation Date and no more than 205 265 683 Datacentrix Shares being in issue at the Switch Ratio Finalisation Date and the Closing Date; and
 - 107 277 943 Offer Shares being eligible to accept the Offer Consideration (which excludes the Existing Beneficial Shareholding and Treasury Shares).

- 5.2.2** In accordance with the requirements of Regulation 87(2) of the Takeover Regulations, the Offer must also include holders of the Options. To the extent that Participants choose to exercise their Options in accordance with the Datacentrix Trust Deed, they will receive such number of Pinnacle Shares based on Pinnacle's 30 day VWAP at the Switch Ratio Finalisation Date, which is equivalent to the in-the-money share option value.
- 5.2.3** No fractions will be issued and any fraction of Pinnacle Shares to which any Datacentrix Shareholder is entitled after the conversion of all of the Datacentrix Shares held by such Datacentrix Shareholder will, if it comprises 0.5 or more of a Pinnacle Share be rounded up, otherwise will be rounded down to the nearest whole Pinnacle Share.

5.3 Settlement of the Offer Consideration

The Offer is open for acceptance from 09:00 on the Opening Date and Datacentrix Shareholders are encouraged to tender their acceptances without delay in accordance with the procedures set out in the Action Required by Shareholders section of this Circular commencing on page 3. Shareholders accepting the Offer will receive 1 Pinnacle Share for every 2.6 Offer Shares, to be issued as soon as possible, but in any event within six Business Days of the Offer Acceptance Date. Tenders will only be accepted in respect of Datacentrix Shares settled and reflecting in the account of the Datacentrix Shareholder.

5.3.1 Certificated Shareholders

- 5.3.1.1** Certificated Shareholders who accept the Offer will have the Offer Consideration issued to them within 6 (six) Business Days after the Offer Acceptance Date.
- 5.3.1.2** In accordance with section 33(2) of the FMA, newly issued listed securities may only be issued in Dematerialised form and accordingly, this will apply in respect of the Offer Consideration. Each Offer Consideration Recipient that is a Certificated Shareholder is required to have, or to open, an account with a CSDP or Broker before the Offer Consideration attributable to such Datacentrix Shareholder, will be issued. Where an Offer Consideration Recipient does not have an account with a CSDP or Broker, he will be required to appoint a Broker to open an account in order for the Dematerialised Pinnacle Shares to be made available to him pursuant to the Offer. Refer to the Action Required by Shareholders section of this Circular commencing on page 3 for further information.

5.3.2 Dematerialised Shareholders

- 5.3.2.1** Dematerialised Shareholders who accept the Offer will have their accounts at their CSDP or Broker updated within 6 (six) Business Days after the Offer Acceptance Date.
- 5.3.2.2** Acceptances duly received and verified by the Transfer Secretaries by the Closing Date will be settled by no later than close of business on Monday, 11 January 2016. All other acceptances will be in accordance with the above settlement cycle.

5.4 No set-off of the Offer Consideration

The payment of the Offer Consideration to which any Datacentrix Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer, without regard to any lien, right of set-off, counterclaim or other analogous right to which Pinnacle may otherwise be, or claim to be, entitled against any Shareholder.

5.5 The Offer Period

- 5.5.1** The Offer will open at 09:00 on Tuesday, 17 November 2015, and will, in accordance with Regulations 102(4) and 105(5) of the Takeover Regulations, close at 12:00 on the Closing Date.
- 5.5.2** Pinnacle may, in its absolute and sole discretion, but subject to the provisions and requirements of the Companies Act and the Takeover Regulations which state, *inter alia*, that the Offer must remain open for at least 30 Business Days from the Opening Date, extend the Closing Date. If Pinnacle so elects, the amended Closing Date will be released on SENS and published in the press.

5.6 Ownership, risk and benefit

- 5.6.1** Ownership of, all risk in, as well as the benefit attaching to, the Offer Shares will be acquired free of all counterclaims, encumbrances, liens, pre-emptive rights and any other third-party rights and interest of any nature whatsoever, and together with all rights now and hereafter attaching to the Offer Shares.
- 5.6.2** Shareholders who have accepted the Offer or who have notified their Brokers or CSDPs of their election to accept the Offer will NOT be able to trade their Datacentrix Shares from the Offer Acceptance Date.

5.7 JSE confirmation to list all Pinnacle Shares that are subject to the Offer

The JSE will grant Pinnacle a listing on the JSE of the applicable number of Pinnacle Shares required to settle the Offer Consideration. Pursuant to the acceptance of the Offer by an Offeree, such Pinnacle Shares will be issued to the Offer Consideration Recipient within six Business Days of the Offer Acceptance Date.

5.8 Governing law

This Circular, the Offer and any acceptance of the Offer will be governed by, and construed in accordance with, the laws of South Africa, and will be subject to the exclusive jurisdiction of the South African courts.

5.9 Tax Implications For Shareholders

The tax treatment of the Offer Consideration in the hands of Datacentrix Shareholders is dependent on their individual circumstances and the tax jurisdiction applicable to those Shareholders. It is recommended that, if any Datacentrix Shareholder is uncertain about his tax treatment, he should seek appropriate advice in this regard.

6. EXCHANGE CONTROL REGULATIONS

6.1 The settlement of the Offer Consideration for both Certificated Datacentrix Shareholders and Dematerialised Datacentrix Shareholders will be made subject to the Exchange Control Regulations.

6.2 The following is a summary of the Exchange Control Regulations. Offerees who are not resident in, or who have registered addresses outside, South Africa must satisfy themselves as to the full observance of the laws of the relevant jurisdiction concerning the receipt of the Offer Consideration, including obtaining any required governmental or other consents, observing any other required formalities and paying any issue, transfer or other taxes due in that jurisdiction. If an Offeree is in any doubt, he should consult his professional advisers without delay.

6.2.1 Emigrants from the Common Monetary Area

6.2.1.1 In the case of Offerees who are emigrants from the Common Monetary Area and whose Offer Shares form part of their blocked assets and to whom paragraph 6.2.2 below does not apply, the Offer Consideration will:

- in the case of Certificated Datacentrix Shareholders whose Documents of Title are restrictively endorsed in terms of the Exchange Control Regulations, be forwarded to the Authorised Dealers in foreign exchange in South Africa controlling such Offerees' blocked assets in terms of the Exchange Control Regulations to be issued directly to the blocked Rand accounts of the Offerees concerned. The Form of Acceptance, Surrender and Transfer makes provision for details of the Authorised Dealer concerned to be given. If the information regarding Authorised Dealers is not given, the Offer Consideration will be held in a designated account by the Transfer Secretaries for the Offerees concerned, pending receipt of the necessary information or instructions; and
- in the case of Dematerialised Shareholders, be issued to their Brokers or CSDPs, which will arrange for the Offer Consideration to be issued directly to the blocked Rand accounts of the Offerees concerned with their Authorised Dealers in foreign exchange in South Africa.

6.2.2 All other non-residents of the Common Monetary Area

6.2.2.1 The Offer Consideration accruing to non-resident Offerees whose registered addresses are outside the Common Monetary Area and who are not emigrants from the Common Monetary Area, or who are emigrants to whom paragraph 6.2.1 above applies, will:

- in the case of Certificated Shareholders whose Documents of Title have been endorsed "non-resident" under the Exchange Control Regulations, be issued to their accounts at their CSDP or Broker (in terms of section 33(2) of the FMA, Pinnacle Shares may not be issued in Certificated form and accordingly Datacentrix Shareholders would need to open an account with a Broker or CSDP in order to receive Pinnacle Shares in Dematerialised form), unless such Offeree requests that the Offer Consideration be issued to an Authorised Dealer. The Form of Acceptance, Surrender and Transfer makes provision for the details of an Authorised Dealer to be provided; and
- in the case of Dematerialised Shareholders, be issued to their duly appointed Brokers or CSDPs and credited to such Dematerialised Shareholder in accordance with the provisions of the Custody Agreements with their Brokers or CSDPs.

7. CONFIRMATION OF FINANCIAL RESOURCES

7.1 Offer Consideration

- 7.1.1** Should the Offer Consideration be accepted in full and after taking into account the irrevocable undertaking in respect of the Offer as set out in paragraph 13 below, Pinnacle will be required to issue up to a maximum of 39 million Pinnacle Shares to Datacentrix Shareholders.
- 7.1.2** Pinnacle currently has all unissued Pinnacle Shares under its directors' control, and therefore no Pinnacle Shareholder approval is required in this regard.
- 7.1.3** All necessary Board approvals have been obtained to give the instruction to the Transfer Secretaries to settle the Offer Consideration in accordance with paragraph 5.3 above.

INFORMATION REQUIRED IN TERMS OF THE TAKEOVER REGULATIONS

8. REMUNERATION AND CONTINUATION IN OFFICE OF DIRECTORS OF DATACENTRIX

- 8.1** It is not Pinnacle's intention for the total emoluments receivable by Datacentrix directors to vary as a consequence of the Offer.
- 8.2** There are no material particulars of an abnormal nature in respect of Datacentrix directors' service contracts which require specific disclosure, nor were any directors' service contracts entered into or amended during the period beginning six months prior to the Opening Date and ending on the Last Practicable Date.
- 8.3** Pinnacle views the commitment of Datacentrix management and employees as important to the ongoing success of the combined businesses. Given the strategic nature of the potential combination, Pinnacle will seek to ensure that Datacentrix's management and employees are given the financial and operational support necessary to manage and grow Datacentrix business.

9. INTERESTS OF THE OFFEROR AND THE DIRECTORS OF THE OFFEROR

- 9.1** As at the Last Practicable Date, Pinnacle held 88 520 048 Shares in Datacentrix, constituting approximately 43.1% of the issued share capital of Datacentrix and 45.2% of the Voting Shares.
- 9.2** Pursuant to the implementation of the Offer and assuming acceptance by all Offerees, Pinnacle will become the beneficial owner of the Offer Shares.
- 9.3** For completeness, the trading history in Datacentrix Shares and Pinnacle Shares is set out in Annexure 3 and Annexure 4 to this Circular, respectively.
- 9.4** As at the Last Practicable Date, the directors of Pinnacle held the following direct and indirect beneficial interests in securities of Pinnacle:

Name of director	Direct beneficial interest	Indirect beneficial interest	Total	% Interest
Executive directors				
AJ Fourie	–	4 022 847	4 022 847	2.6
RD Lyon	–	280 000	280 000	0.2
Non-executive directors				
A Tugendhaft	–	218 600	218 600	0.1
E van der Merwe	–	395 745	395 745	0.3

- 9.5** As at the Last Practicable Date, no directors of Pinnacle held any Shares or other securities in Datacentrix directly. The Pinnacle directors set out in the table above indirectly hold Datacentrix Shares through Pinnacle's shareholding in Datacentrix as set out in paragraph 10.1 below.
- 9.6** Messrs AJ Fourie and RD Lyon were appointed non-executive directors to the board of Datacentrix on 15 November 2013 and 25 February 2015, respectively.

10. INTERESTS OF THE OFFEREE REGULATED COMPANY AND THE DIRECTORS OF THE OFFEREE REGULATED COMPANY

- 10.1 As at the Last Practicable Date, the directors of Datacentrix held the following direct and indirect beneficial interests in securities of Datacentrix:

Name of director	Non-beneficial interest	Direct beneficial interest	Indirect beneficial interest	Total	% Interest
Executive directors					
A Mahomed	–	160 400	–	160 400	0.04
Non-executive directors					
Directors of Pinnacle*	88 520 048	–	–	88 520 048	43.1

* Messrs AJ Fourie and RD Lyon are both shareholders in and directors of Pinnacle.

- 10.2 Each of the directors of Datacentrix that holds Datacentrix Shares in his personal capacity, intends to accept the Offer on the terms and conditions as contained in this Circular. None of the members of the Independent Board hold any Datacentrix Shares.

- 10.3 As at the Last Practicable Date, Mr A Mahomed (Chief Executive Officer of Datacentrix) held 14 558 Pinnacle Shares.

11. DEALINGS IN SECURITIES OF DATACENTRIX

- 11.1 Pinnacle acquired 68 520 048 Datacentrix Shares during the period commencing 1 June 2013 and ending 31 October 2013. Details of the volumes and value of those purchases are disclosed in Annexure 5 to this Circular.
- 11.2 Pinnacle acquired the 20 000 000 Acquisition Shares from RMB Securities (on behalf of Anchor Capital) at the Acquisition Date.
- 11.3 There have been no dealings in Datacentrix Shares by Datacentrix directors within the last six months of the Last Practicable Date.

12. ARRANGEMENTS IN RELATION TO THE OFFER

- 12.1 The directors of Pinnacle confirm that no agreement exists between Pinnacle and:

12.1.1 Datacentrix;

12.1.2 any directors of Datacentrix (excluding Messrs AJ Fourie and RD Lyon), or any person who was a director of Datacentrix within the 12 months prior to the Last Practicable Date; and

12.1.3 any Shareholder, or any person who was a Shareholder within the 12 months prior to the Last Practicable Date, that could be considered to be material to a decision regarding the Offer to be taken by Datacentrix Shareholders.

- 12.2 The directors of Datacentrix confirm that no agreement exists between Datacentrix and:

12.2.1 Pinnacle;

12.2.2 any directors of Pinnacle (excluding Messrs AJ Fourie and RD Lyon), or any person who was a director of Pinnacle within the 12 months prior to the Last Practicable Date; and

12.2.3 any Shareholder, or any person who was a Shareholder within the 12 months prior to the Last Practicable Date, that could be considered to be material to a decision regarding the Offer to be taken by Shareholders Datacentrix.

13. INTERESTS OF PARTIES WHO HAVE UNDERTAKEN TO ACCEPT OR REJECT THE OFFER

- 13.1 Pinnacle has received the following irrevocable undertaking from a Shareholder, to reject the Offer in respect of a portion of the Datacentrix Shares held by such Shareholder:

Datacentrix Shareholder	Number of Datacentrix Shares	% of Datacentrix shareholding *
36One Asset Management	12 000 000	6.1

* Based on total number of Voting Shares.

- 13.2 The Shareholder who has given an irrevocable undertaking to Pinnacle to reject the Offer also has direct interests in securities of Pinnacle, which are detailed below:

Shareholder	Number of Shares	% of Pinnacle Shares beneficially held or controlled
36One Asset Management	11 455 362	7.4

14. COMPETITION ASPECTS OF THE OFFER AND PUBLIC INTEREST GAINS AND PRO-COMPETITIVE GAINS

- 14.1 Pinnacle received approval from the Competition Authorities on 30 October 2013 in respect of the acquisition of Sanlam Private Equity's shareholding in Datacentrix as further set out in Annexure 5 to this Circular, which approval included Pinnacle acquiring any further interest in Datacentrix up to 100% of the Shares, and therefore the Offer is not subject to any further competition approval.
- 14.2 A condition to the aforementioned Competition Authorities' approval is that Pinnacle shall not disclose to Datacentrix any commercially sensitive information or any confidential information relating to its customers that compete with Datacentrix for as long as Pinnacle has control over Datacentrix.
- 14.3 The implementation of the Offer will add significantly to the services, skills and client base that currently reside within the combined businesses of Pinnacle and Datacentrix. The combined business offering is expected to be the pre-eminent ICT offering in South Africa, with exciting prospects in the rest of Africa. Furthermore Pinnacle believes there are opportunities to improve on the warehousing and logistic operations, offer financial services to common customers, and achieve synergies/cost savings through Pinnacle's unique proficiency in managing its costs.
- 14.4 The operational effect of the Offer is likely to be minimal as Datacentrix will continue to operate as a separate operating/trading entity within the Pinnacle Group. Pinnacle does not anticipate or plan to restructure the Datacentrix workforce and the Offer should therefore have little impact on the employees of Datacentrix. In addition, depending on the number of Offer Shares acquired by Pinnacle as part of the Offer, Pinnacle may seek to delist Datacentrix from the JSE.

15. PINNACLE'S INTENTION WITH RESPECT TO BEE

Pinnacle recently achieved a level three BEE rating and understands and respects the commercial and social importance of BEE, both in the wider context and for Datacentrix. Pinnacle would like to support Datacentrix in its continued efforts to enhance its BEE status.

16. FINANCIAL INFORMATION RELATING TO PINNACLE AND DATACENTRIX (BASED ON PUBLICLY AVAILABLE INFORMATION)

- 16.1 The abridged audited annual financial statements of Pinnacle and Datacentrix are set out in Annexure 1 to this Circular.
- 16.2 The full set of audited annual financial statements of Pinnacle for the three financial years ended 30 June 2015, 2014 and 2013 can be found on Pinnacle's website (<http://www.pinnacleholdings.co.za/index.php/investor-relations>) and are available for inspection at the registered office of Pinnacle as set out in paragraph 20 to this Circular.
- 16.3 The audited annual financial statements of Datacentrix for the three financial years ended 28 February 2015, 2014 and 2013, as well as Datacentrix's interim results for the six months ended 31 August 2015 can be found on Datacentrix's website (<http://www.datacentrix.co.za/index.cfm?tc=9&p=investors>) and are available for inspection at the registered office of Datacentrix as set out in paragraph 20 to this Circular.
- 16.4 The Audit Reviewed *pro forma* financial effects of the Offer are set out in Annexure 2 to this Circular.

17. THE INDEPENDENT BOARD OPINION

- 17.1 In accordance with the Companies Act and the Takeover Regulations, the Independent Board has appointed Nodus Capital Proprietary Limited as the Independent Expert to provide the Independent Board with its opinion as to whether the terms of the Offer are fair and reasonable to Shareholders.
- 17.2 Taking into consideration the terms and conditions of the Offer, the Independent Expert is of the opinion that the Offer is fair and reasonable to Shareholders.
- 17.3 The Independent Expert's opinion is included in Annexure 6 to this Circular and has not been withdrawn prior to the publication of this Circular.
- 17.4 The Independent Board has reviewed the opinion received from the Independent Expert and is unanimously in agreement with the views and opinions expressed therein.

18. DIRECTORS' RESPONSIBILITY STATEMENT

- 18.1 The Board of Pinnacle, to the extent that information relates to Pinnacle or the Pinnacle Board:

18.1.1 accepts full responsibility for the accuracy of the information contained in this;

18.1.2 certifies that, to the best of its respective knowledge and belief, the aforesaid information contained in this Circular is true and correct; and

18.1.3 certifies that this Circular does not, to the best of their respective knowledge and belief, omit anything that is likely to affect the importance of any information contained in this Circular.

18.2 No member of the Board of Pinnacle is excluded from the statements set out in paragraph 18.1 above.

18.3 The Independent Board, to the extent that information relates to Datacentrix or the Independent Board:

18.3.1 accepts full responsibility for the accuracy of the information contained in this Circular;

18.3.2 certifies that, to the best of their respective knowledge and belief, the information contained in this Circular is true and correct; and

18.3.3 certifies that this Circular does not, to the best of their respective knowledge and belief, omit anything that is likely to affect the importance of the information contained in this Circular.

18.4 No member of the Independent Board is excluded from the statements set out in paragraph 18.3 above.

19. CONSENT

Each of the Transfer Secretaries, Legal Advisor, Reporting Accountant, Independent Expert, Corporate Advisors, Transaction Sponsor and Sponsors have consented in writing to act in their stated capacities and to their names being stated in this Circular and have not withdrawn their consent prior to the publication of this Circular.

20. DOCUMENTS AVAILABLE FOR INSPECTION

20.1 The following documents (or copies thereof) will be available for inspection at the offices of Pinnacle and Datacentrix, all in Johannesburg, during normal business hours from Monday, 16 November 2015 up to and including the Closing Date:

20.1.1 the approval letter from the TRP approving the Offer;

20.1.2 the letter of consent of the persons referred to in paragraph 19 above;

20.1.3 a signed copy of this Circular;

20.1.4 the Independent Expert report;

20.1.5 the TRP's approval letter regarding dispensation from the requirements of Regulation 102(2) – posting of the Circular and Regulation 106(6)(d)(i) on the disclosure in the Circular of a full set of financial statements;

20.1.6 the signed irrevocable undertaking referred to in paragraph 13 above;

20.1.7 the memorandum of incorporation of both Pinnacle and Datacentrix; and

20.1.8 the issued annual financial statements of Pinnacle and Datacentrix for the last three completed financial years and the interim financial information for Datacentrix for the six months ended 31 August 2015.

21. LINK TO THE CIRCULAR

Shareholders may also access this Circular at www.pinnacleholdings.co.za and www.datacentrix.co.za.

By order of the Pinnacle board of directors

Arnold Fourie
Chief Executive Officer

16 November 2015

By order of the Independent Board

Nolitha Fakude
Chairperson

16 November 2015

**HISTORICAL AUDITED ABRIDGED FINANCIAL STATEMENTS OF PINNACLE
FOR THE YEARS ENDED 30 JUNE 2015, 30 JUNE 2014 AND 30 JUNE 2013; AND
HISTORICAL AUDITED ABRIDGED FINANCIAL STATEMENTS OF
DATACENTRIX FOR THE YEARS ENDED 28 FEBRUARY 2015,
28 FEBRUARY 2014 AND 28 FEBRUARY 2013**

PINNACLE SUMMARISED FINANCIAL STATEMENTS

The following financial statements are summarised and unaudited and have prepared under the supervision of the Chief Financial Officer, Richard Lyon. The full version of the financial statements can be obtained from www.pinnacleholdings.co.za.

PINNACLE**Statement of Financial Position**

	2013 R'000	2014 R'000	2015 R'000
ASSETS			
Non-current assets	594 636	913 787	850 660
Property, plant and equipment	186 637	176 028	67 315
Intangible assets	14 177	18 889	21 658
Goodwill	114 940	116 517	108 166
Investment in listed shares	30 179	–	–
Investment in associate	–	284 144	314 678
Share purchase scheme loans	28 689	28 795	–
Deferred taxation	35 232	31 457	27 735
Finance lease receivables	184 782	257 957	311 108
Current assets	2 501 814	2 432 892	2 716 198
Inventories	1 048 686	971 736	926 355
Assets classified as Held-For-Sale	–	–	208 613
Finance lease receivables	65 349	105 758	146 452
Trade and other receivables	1 125 423	1 328 964	1 375 275
Taxation receivable	1 154	1 171	2 161
Share purchase scheme loans	–	–	21 217
Short-term deposit	237 272	–	–
Cash and cash equivalents	23 930	25 263	36 125
Total assets	3 096 450	3 346 679	3 566 858
EQUITY AND LIABILITIES			
Capital and reserves	1 088 059	1 234 842	1 545 121
Share capital and premium	25 982	1 680	1 680
Treasury shares	(41 766)	(41 766)	(72 856)
Non-distributable reserves	32 588	8 589	57 806
Cash flow hedge reserve	–	(12 143)	(7 407)
Accumulated profits	1 066 308	1 274 822	1 565 523
Non-controlling interests	4 947	3 660	375
Non-current liabilities and deferred tax	503 594	519 138	20 831
Interest-bearing liabilities	482 075	505 538	437
Deferred taxation	21 519	13 600	20 394
Current liabilities	1 504 797	1 592 699	2 000 906
Trade and other payables	1 074 736	1 129 699	1 193 012
Bank overdrafts	270 476	277 239	109 390
Short-term loan	115 543	151 048	151 078
Derivative financial liability	–	–	21 958
Interest-bearing liabilities	17 203	17 944	486 388
Deferred revenue	14 519	12 412	5 261
Taxation payable	12 320	4 357	7 736
Liabilities associated with assets classified as Held-For-Sale	–	–	26 083
Total equity and liabilities	3 096 450	3 346 679	3 566 858

PINNACLE

Statement of Comprehensive Income

	2013 R'000	2014 R'000	2015 R'000
Revenue	6 628 299	7 152 444	7 987 636
Cost of sales	(5 566 701)	(6 082 151)	(6 870 002)
Gross profit	1 061 598	1 070 293	1 117 634
Operating expenses	(536 277)	(615 314)	(653 666)
EBITDA	525 321	454 979	463 968
Depreciation and amortisation	(20 753)	(23 926)	(31 509)
Impairment of goodwill and investments	–	(2 169)	(5 592)
Operating profit	504 568	428 884	426 867
Investment income	26 481	11 297	7 767
Finance costs	(77 106)	(89 477)	(99 212)
Share of equity-accounted associate income	–	20 747	37 915
Operating profit before taxation	453 943	371 451	373 337
Taxation	(128 263)	(98 394)	(93 233)
Net profit after taxation for the year	325 680	273 057	280 104

PINNACLE

Statement of Cash Flows

	2013 R'000	2014 R'000	2015 R'000
Cash generated by operations	157 027	383 574	508 740
Investment income	26 481	11 297	19 793
Finance costs	(77 106)	(89 477)	(99 212)
Taxation paid	(117 583)	(104 247)	(88 822)
	(11 181)	201 147	340 499
Cash flows from investing activities	(463 474)	(152 265)	(146 713)
Cash flows from financing activities	368 932	(53 318)	(9 973)
(Decrease)/increase in cash and cash equivalents	(105 723)	(4 436)	183 813
Net overdraft acquired from business combinations	(576)	(994)	–
Net cash movements related to assets classified as held-for-sale	–	–	(5 102)
(Overdraft)/cash and cash equivalents at the beginning of the year	(140 247)	(246 546)	(251 976)
Net (overdraft)/cash and cash equivalents at the end of the year	(246 546)	(251 976)	(73 265)

DATACENTRIX SUMMARISED FINANCIAL STATEMENTS

The following financial statements are summarised and unaudited and have prepared under the supervision of the Chief Financial Officer, Elizabeth Naidoo. The full version of the financial statements can be obtained from www.datacentrix.co.za.

DATACENTRIX

Statement of Financial Position

	2013 R'000	2014 R'000	2015 R'000
ASSETS			
Non-current assets	190 216	206 341	200 179
Property and equipment	66 682	69 006	68 421
Intangible assets – business combinations	51 625	91 516	88 854
Intangible assets – software	15 579	9 646	9 803
Investment in joint venture	744	914	–
Finance lease receivable – long-term	30 266	7 191	–
Deferred tax assets	25 320	28 068	33 101
Current assets	707 815	756 190	780 739
Current tax asset	–	11 844	1 998
Finance lease receivable - short-term	24 661	19 271	7 191
Inventories	36 500	44 408	31 122
Trade and other receivables	372 893	478 130	448 936
Cash and cash equivalents	273 761	202 537	291 492
Total assets	898 031	962 531	980 918
EQUITY AND LIABILITIES			
Capital and reserves	491 630	537 943	612 425
Share capital	21	21	21
Share premium	35 962	36 079	36 092
Treasury shares	(42 335)	(42 766)	(35 983)
Equity-settled share scheme reserve	37 801	43 161	39 208
Retained earnings	460 181	501 448	573 087
Non-current liabilities	47 800	39 357	19 889
Deferred revenue – long-term	18 126	13 175	6 438
Loan payable – long-term	–	18 793	13 338
Deferred tax liabilities	–	232	113
Finance lease payables – long-term	29 674	7 157	–
Current liabilities	358 601	385 231	348 604
Deferred revenue – short-term	43 775	53 284	67 580
Finance lease payables – short-term	22 591	18 565	7 157
Trade and other payables	237 420	306 872	265 096
Current tax liabilities	6 028	112	304
Loan payable – short-term	45 750	3 517	6 405
Lease smoothing liability	3 037	2 881	2 062
Total equity and liabilities	898 031	962 531	980 918

DATACENTRIX

Statement of Comprehensive Income

	2013 R'000	2014 R'000	2015 R'000
Revenue	1 919 487	2 279 512	2 249 661
Changes in inventories of finished goods	(1 736)	(7 908)	13 286
Finished goods used	(1 251 177)	(1 524 699)	(1 516 646)
Employee benefits expense	(472 652)	(520 472)	(507 322)
Depreciation and amortisation expenses	(19 792)	(27 331)	(25 669)
Operating expenses	(67 581)	(74 035)	(68 541)
(Loss)/Profit from joint venture	(386)	223	(967)
Investment income	10 242	5 184	5 257
Finance costs/interest paid	(3 886)	(4 010)	(2 602)
Profit before taxation	112 519	126 464	146 457
Income tax expense	(35 199)	(37 539)	(42 980)
Total comprehensive income for the period attributable to shareholders	77 320	88 925	103 477

DATACENTRIX

Statement of Cash Flows

	2013 R'000	2014 R'000	2015 R'000
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers	1 813 566	2 206 551	2 266 148
Cash paid to suppliers and employees	(1 757 019)	(2 063 924)	(2 067 100)
Cash generated from operations	56 547	142 627	199 048
Interest received	14 539	8 737	6 599
Interest paid	(3 886)	(4 010)	(2 602)
Dividend paid	(60 268)	(47 658)	(31 838)
Taxation paid	(28 406)	(60 414)	(38 094)
Net cash inflow/(outflow) from operating activities	(21 474)	39 282	133 113
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property and equipment	(37 318)	(18 576)	(15 979)
Acquisition of intangible assets	(10 044)	(7 863)	(6 982)
Proceeds from sale of property and equipment	728	696	58
Acquisition of business	(42 720)	(34 402)	–
(Increase)/decrease/ in investment in joint venture	(108)	53	(53)
Net cash outflow from investing activities	(89 462)	(60 092)	(22 956)
CASH FLOW FROM FINANCING ACTIVITIES			
(Decrease)/increase in loans payable	45 750	(23 440)	(2 567)
Increase in treasury shares	(2 615)	(431)	(70)
(Decrease)/increase in amounts due under finance leases	28 185	(26 543)	(18 565)
Net cash (outflow)/inflow from financing activities	71 320	(50 414)	(21 202)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(39 616)	(71 224)	88 955
Cash and cash equivalents at the beginning of the year	313 377	273 761	202 537
Cash and cash equivalents at the end of year	273 761	202 537	291 492

AUDIT REVIEWED *PRO FORMA* FINANCIAL INFORMATION

i. REVIEWED *PRO FORMA* FINANCIAL INFORMATION

The tables below set out the *pro forma* financial information of the Offer based on Pinnacle's audited annual financial statements for the year ended 30 June 2015.

This *pro forma* financial information is the responsibility of the directors of Pinnacle and has been prepared for illustrative purposes only, in order to provide information about the financial position of Pinnacle assuming that the Offer had been implemented on 30 June 2015 for purposes of statement of financial position and on 1 July 2014 for purposes of statement of comprehensive income.

Due to its nature, the *pro forma* financial information may not fairly present Pinnacle's financial position, changes in equity, results of operations and cash flows subsequent to the Offer.

The *pro forma* financial information has been prepared in accordance with the accounting policies of the Pinnacle Group and IFRS and has been reviewed by BDO South Africa Incorporated.

Assuming Pinnacle acquires 100% of the Datacentrix Shares

Pro forma statement of financial position

	Before the Offer	100% of Datacentrix	Total	<i>Pro forma</i> adjustments	Notes	Purchase price accounting	Notes	Pinnacle after Acquisition and Offer
	Actual R'000	Actual R'000	<i>Pro forma</i> R'000	<i>Pro forma</i> R'000		<i>Pro forma</i> R'000		<i>Pro forma</i> R'000
ASSETS	(i)	(ii)	(iii)					(viii)
Non-current assets								
Property, plant and equipment	67 315	68 421	135 736	–		–		135 736
Goodwill	108 166	88 854	197 020	278 413	(iv)	(170 925)	(iv)	304 509
Intangible assets	21 658	9 803	31 461	–		237 395	(iv)	268 856
Investment in associate	314 678	–	314 678	(314 678)	(v)	–		–
Finance lease receivables	311 108	–	311 108	–		–		311 108
Deferred taxation	27 735	33 101	60 836	–		–		60 836
Total non-current assets	850 660	200 179	1 050 839	(36 265)		66 471		1 081 045
Current assets								
Taxation receivable	2 161	1 998	4 159	–		–		4 159
Finance lease receivables	146 452	7 191	153 643	–		–		153 643
Inventories	926 355	31 122	957 477	–		–		957 477
Trade and other receivables	1 375 275	448 936	1 824 211	–		–		1 824 211
Share purchase scheme loans	21 217	–	21 217	–		–		21 217
Cash and cash equivalents	36 125	291 492	327 617	–		–		327 617
Assets classified as held-for-sale	208 613	–	208 613	–		–		208 613
Total current assets	2 716 198	780 739	3 496 937	–		–		3 496 937
TOTAL ASSETS	3 566 858	980 918	4 547 776	(36 265)		66 471		4 577 982

Pro forma statement of financial position (continued)

	Before the Offer	100% of Datacentrix	Total	Pro forma adjustments	Notes	Purchase price accounting	Notes	Pinnacle after Acquisition and Offer
	Actual R'000	Actual R'000	Pro forma R'000	Pro forma R'000		Pro forma R'000		Pro forma R'000
EQUITY AND LIABILITIES								
Capital and reserves								
Share capital and premium	1 680	36 113	37 793	634 057 (36 113) (50)	(vi) (v) (vii)	–		671 850 (36 113) (50)
Treasury shares	(72 856)	(35 983)	(108 839)	35 983	(v)	–		(72 856)
Equity-settled share scheme reserve	–	39 208	39 208	(39 208)	(v)	–		–
Non-distributable reserves	57 806	–	57 806	–		–		57 806
Accumulated profits	1 565 523	573 087	2 138 610	(583 612) (47 372) (3 000)	(v) (v) (vii)	–		1 554 998 (47 372) (3 000)
Cash flow hedge reserve	(7 407)	–	(7 407)	–		–		(7 407)
Non-controlling interests	375	–	375	–		–		375
Total capital and reserves	1 545 121	612 425	2 157 546	(39 315)		–		2 118 231
Non-current liabilities								
Interest-bearing liabilities	437	13 338	13 775	– 3 050	 (vii)	–		13 775 3 050
Deferred revenue	–	6 438	6 438	–		–		6 438
Finance lease payables	–	113	113	–		–		113
Deferred taxation	20 394	–	20 394	–		66 471	(iv)	86 865
Total non-current liabilities	20 831	19 889	40 720	3 050		66 471		110 241
Current liabilities								
Interest-bearing liabilities	486 388	–	486 388	–		–		486 388
Deferred revenue	5 261	67 580	72 841	–		–		72 841
Finance lease payables	–	7 157	7 157	–		–		7 157
Trade and other payables	1 193 012	265 096	1 458 108	–		–		1 458 108
Taxation payable	7 736	304	8 040	–		–		8 040
Short-term loans	151 078	6 405	157 483	–		–		157 483
Liabilities associated with assets classified as held-for-sale	26 083	–	26 083	–		–		26 083
Lease smoothing liability	–	2 062	2 062	–		–		2 062
Bank overdrafts	109 390	–	109 390	–		–		109 390
Derivative financial liability	21 958	–	21 958	–		–		21 958
Total current liabilities	2 000 906	348 604	2 349 510	–		–		2 349 510
TOTAL EQUITY AND LIABILITIES	3 566 858	980 918	4 547 776	(36 265)		66 471		4 577 982
Net asset value per share (cents)	991.0	312.8						1 027.1
Tangible net asset value per share (cents)	907.7	262.4						749.1
Total shares in issue	167 992	205 266		(205 266) 50 315	(v) (vi)			218 307
Treasury shares	12 070	9 468		(9 468)	(v)			12 070
Number of shares in issue (excluding treasury shares)	155 922	195 798		(195 798) 50 315	(v) (vi)			206 237

Notes:

- i. The "Before the Offer" financial information of Pinnacle is extracted without adjustment from the audited annual financial statements for the year ended 30 June 2015;
- ii. The Datacentrix financial information is extracted without adjustment from the audited annual financial statements for the year ended 28 February 2015;
- iii. This total represents the combined financial information of Pinnacle and Datacentrix before the *pro forma* adjustments;
- iv. A provisional purchase price allocation has been performed resulting in an indicative goodwill value of R108 million in respect of the Acquisition and the Offer. Marketing related intangible assets to the value of R52 million and customer related intangible assets to the value of R185 million have been recognised in respect of the Acquisition and the Offer. Corresponding deferred tax liabilities of R15 million and R52 million have been recorded for the marketing related and customer related intangible assets respectively. The marketing related intangible assets have a useful life of 20 years and the customer related intangible assets have a useful life of 5 – 7 years. This calculation will be revised in terms of IFRS 3: Business Combinations once the Offer is implemented;
- v. Elimination of Datacentrix equity on consolidation, including Existing Beneficial Shareholding;
- vi. Issue of 50 320 607 new Pinnacle Shares to Datacentrix Shareholders in the ratio of 1 (one) Pinnacle Share for every 2.6 (two point six) Datacentrix Shares held in settlement of the Offer Consideration, (the number of Datacentrix Shares subject to the Offer is assumed to be 107 277 943). The issue of 50 320 607 new Pinnacle Shares takes into account the Acquisition Shares as well as the Options that are in-the-money (amounting to approximately R17.4 million) and exercisable prior to 28 February 2020;
- vii. Transaction costs of R3.0 million not directly attributable to the issue of Pinnacle Shares are expensed and resultant tax effect recorded, this adjustment will not have a continuing effect; and
- viii. *Pro forma* statement of financial position of the combined entity after adjustments, assuming that the Offer is implemented on 30 June 2015.

There are no other post balance sheet events which require adjustment to the *pro forma* financial information.

Pro forma statement of comprehensive income

	Before the Offer	100% of Datacentrix (year-end results to 28 February 2015)	Total	Pro forma adjustments	Notes	Pinnacle after Acquisition and Offer
	Actual R'000	Actual R'000	Pro forma R'000	Pro forma R'000		Pro forma R'000
	(i)	(ii)	(iii)			(vii)
Revenue	7 987 636	2 249 661	10 237 297	–		10 237 297
Cost of sales	(6 870 002)	(1 503 360)	(8 373 362)	–		(8 373 362)
Gross profit	1 117 634	746 301	1 863 935	–		1 863 935
Operating expenses	(653 666)	(576 830)	(1 230 496)	(3 000)		(1 233 496)
Selling expenses	(71 705)	–	(71 705)	–		(71 705)
Employees expenses	(491 520)	(507 322)	(998 842)	–		(998 842)
Operating/administration expenses	(97 214)	(68 541)	(165,755)	–		(165 755)
Loss from joint venture	–	(967)	(967)	–		(967)
Gain on discounting of finance lease agreements	2 069	–	2 069	–		2,069
Listing expense				(3 000)	(iv)	(3 000)
Foreign exchange gains	4 704	–	4 704	–		4 704
EBITDA	463 968	169 471	633 439	(3 000)		630 439
Depreciation and amortisation	(31 509)	(25 669)	(57 178)	(29 231)	(v)	(86 409)
Impairment of goodwill	(5 592)	–	(5 592)	–		(5 592)
Operating profit	426 867	143 802	570 669	(32 231)		538 438
Investment income	7 767	5 257	13 024	–		13 024
Finance costs	(99 212)	(2 602)	(101 814)	(290)	(iv)	(101 814)
Share of equity-accounted associate income	37 915	–	37 915	(37 915)	(viii)	–
Profit before taxation	373 337	146 457	519 794	(70 436)		449 358
Taxation	(93 233)	(42 980)	(136 213)	9 106	(iv, v)	(127 107)
Profit for the period	280 104	103 477	383 581	(61 330)		322 251
Other comprehensive income, net of tax	24 117	–	24 117	–		24 117
Items that may be subsequently reclassified to profit or loss	6 936	–	6 936	–		6 936
Profit on property revaluation	17 181	–	17 181	–		17 181
Total comprehensive income for the period	304 221	103 477	407 698	(61 330)		346 368
<i>Attributable to:</i>						
Owners of the company	303 966	103 477	407 443	(61 330)		346 113
Non-controlling interests	255	–	255	–		255
Reconciliation of headline earnings						
Profit for the period	280 104	103 477	383 581	(61 330)		322 251
Non-controlling interests	(255)	–	(255)	–		(255)
Adjustments, net of tax	5 322	324	5 646	–		5 646
Headline earnings	285 171	103 801	388 972	(61 330)		327 642
Basic earnings per share (cents)	179.5	52.9				147.5
Diluted earnings per share (cents)	179.5	52.6				156.1
Headline earnings per share (cents)	182.9	53.0				150.1
Diluted headline earnings per share (cents)	182.9	52.8				158.9
Weighted number of ordinary shares in issue ('000)	155 922	195 798		(146 850)	(vi)	218 307
Weighted number of ordinary shares for diluted earnings per share ('000)	155 922	196 780		(147 832)	(vi)	206 237

Notes:

- i. The "Before the Offer" financial information of Pinnacle is extracted without adjustment from the audited annual financial statements for the year ended 30 June 2015;
- ii. The Datacentrix financial information is extracted without adjustment from the audited annual financial statements for the year ended 28 February 2015;
- iii. This total is the combined financial information of Pinnacle and Datacentrix before *pro forma* transaction adjustments;
- iv. Transaction costs of R3.0 million not directly attributable to the issue of Pinnacle Shares are expensed and resultant tax effect recorded, this adjustment will not have a continuing effect. Total finance costs, at a weighted average cost of debt of 9.5% per annum of R0.29 million, are incurred to settle transaction costs. Taxation is accounted for where applicable. This adjustment will have a continuing effect;
- v. Amortisation of R32 million is recorded in respect of the intangible assets acquired. This adjustment will have a continuing effect. Intangible assets based on previous business combinations were derecognised and the related amortisation charges were therefore reversed. This adjustment will not have a continuing effect. Deferred tax is accounted for on both adjustments;
- vi. Issue of 50 320 607 new Pinnacle Shares to Datacentrix Shareholders in the ratio of 1 (one) Pinnacle Share for every 2.6 (two point six) Datacentrix Shares held in settlement of the Offer Consideration, (the number of Datacentrix Shares subject to the Offer is assumed to be 107 277 943). The issue of 50 320 607 new Pinnacle Shares takes into account the Acquisition Shares as well as the Datacentrix Options that are in-the-money (amounting to approximately R17.4 million) and exercisable prior to 28 February 2020;
- vii. *Pro forma* statement of comprehensive income of the combined entity after adjustments, assuming that the Offer is implemented on 1 July 2014; and
- viii. Derecognition of equity accounted investment, due to the consolidation of the Datacentrix.

Pro forma effects on Datacentrix Shareholders (assuming Pinnacle acquires 100% of Datacentrix Shares)

	Before the Offer ⁽¹⁾	Post the Offer	% change
Basic EPS (cents) ⁽²⁻⁴⁾	52.9	56.7	7.2
Diluted Basic EPS (cents) ⁽²⁻⁴⁾	52.6	60.0	14.1
HEPS (cents) ⁽²⁻⁴⁾	53.0	57.7	8.9
Diluted HEPS (cents) ⁽²⁻⁴⁾	52.8	61.1	15.7
NAVPS (cents) ⁽⁴⁻⁸⁾	312.8	395.0	26.3
NTAVPS (cents) ⁽⁴⁻⁸⁾	262.4	288.1	9.8
Weighted average number of shares in issue ('000)	195 798	195 798	
Diluted average number of shares in issue ('000)	196 780	196 780	
Number of shares in issue (excluding treasury shares) ('000)	195 798	195 798	

Notes:

1. The "Before the Offer" financial results of Datacentrix are extracted without adjustment from Datacentrix's audited annual financial statements for the year ended 28 February 2015 and the "Post the Offer" column is based on the combined merged entity of Pinnacle (based on Pinnacle's audited annual financial statements for the year ended 30 June 2015) and Datacentrix;
2. Transaction costs of R3 million are expensed and the resultant tax effect recorded. This adjustment will not have a continuing effect;
3. Total finance costs, at a weighted average cost of debt of 9.5% per annum of R0.29 million, are incurred to settle transaction costs. Taxation is accounted for where applicable. This adjustment will have a continuing effect;
4. Amortisation of R32 million is recorded in respect of the intangible assets acquired. This adjustment will have a continuing effect. Intangible assets based on previous business combinations were derecognised and the related amortisation charges were therefore reversed. This adjustment will not have a continuing effect. Deferred tax is accounted for on both adjustments;
5. Pinnacle issues 50 320 607 new Pinnacle Shares to Datacentrix Shareholders in the ratio of 1 (one) Pinnacle Share for every 2.6 (two point six) Datacentrix Shares held (the number of Datacentrix Shares subject to the Offer is assumed to be 107 277 943 (i.e. which excludes the Existing Beneficial Shareholding and Treasury Shares)). The issue of 50 320 607 new Pinnacle Shares takes into account the Acquisition Shares as well as the Datacentrix Options that are in-the-money (amounting to approximately R17.4 million) and exercisable prior to 28 February 2020 (as per note 27 of Datacentrix' annual report for the year ended 28 February 2015);
6. Marketing related intangible assets to the value of R52 million and customer related intangible assets to the value of R185 million have been recognised in respect of the Acquisition and the Offer. Corresponding deferred tax liabilities of R15 million and R52 million have been recorded for the marketing related and customer related intangible assets respectively. The marketing related intangible assets have a useful life of 20 years and the customer related intangible assets have a useful life of 5 – 7 years; and
7. A provisional purchase price allocation has been performed resulting in an indicative goodwill value of R108 million in respect of the Acquisition and Offer. This calculation will be revised in terms of IFRS 3: Business Combinations once the Offer is implemented.

TRADING HISTORY OF DATACENTRIX SHARES ON THE JSE

DAILY

Date	Close (c)	High (c)	Low (c)	Value (c)	Volume
12/11/2015	440	460	440	18 154 630	40 891
11/11/2015	445	458	445	80 056 020	178 132
10/11/2015	460	465	452	506 436 900	1 100 452
09/11/2015	465	465	463	568 868 500	1 223 403
06/11/2015	462	463	460	441 256 200	955 090
05/11/2015	462	470	460	1 706 036 000	3 693 453
04/11/2015	460	464	460	2 139 972 000	4 651 901
03/11/2015	460	464	453	1 987 530 000	4 333 075
02/11/2015	455	460	449	128 671 400	283 815
30/10/2015	462	470	460	353 864 000	757 527
29/10/2015	469	480	469	133 838 700	283 472
28/10/2015	476	480	474	96 128 860	201 426
27/10/2015	477	480	477	91 685 040	191 023
26/10/2015	480	500	471	93 828 270	195 019
23/10/2015	480	480	480	43 445 280	90 511
22/10/2015	480	488	474	211 576 100	440 020
21/10/2015	485	488	482	780 642 600	1 610 687

MONTHLY

Date	Close (c)	High (c)	Low (c)	Value (c)	Volume
30/10/2015	462	515	430	12 102 170 000	26 539 770
30/09/2015	468	480	418	1 606 918 000	3 564 253
31/08/2015	420	450	370	2 087 386 000	4 895 245
31/07/2015	415	483	301	2 164 770 000	4 822 617
30/06/2015	460	510	440	3 763 661 000	7 688 531
29/05/2015	442	450	420	1 181 752 000	2 738 745
30/04/2015	424	440	330	1 162 299 000	2 935 960
31/03/2015	330	370	321	2 323 713 000	6 832 947
27/02/2015	338	350	325	583 762 000	1 743 166
30/01/2015	348	368	325	944 674 900	2 703 053
31/12/2014	350	370	324	2 980 228 000	9 035 026
28/11/2014	370	395	365	570 642 800	1 523 581
31/10/2014	389	415	360	1 209 592 000	3 056 837
30/09/2014	400	422	360	1 915 372 000	4 808 004
29/08/2014	415	420	370	1 546 468 000	4 038 652
31/07/2014	390	400	370	777 318 700	2 047 074

QUARTERLY

Date	Close (c)	High (c)	Low (c)	Value (c)	Volume
30/09/2015	468	483	301	5 859 075 000	13 282 115
30/06/2015	460	510	330	6 107 712 000	13 363 236
31/03/2015	330	370	321	3 852 150 000	11 279 166
31/12/2014	350	415	324	4 760 463 000	13 615 444
30/09/2014	400	422	360	4 239 159 000	10 893 730
30/06/2014	370	444	365	3 296 755 000	8 315 490
31/03/2014	410	485	385	5 794 047 000	13 586 212
31/12/2013	445	509	390	5 321 917 000	12 224 562
30/09/2013	415	415	341	5 011 271 000	13 575 865
28/06/2013	390	435	300	8 909 296 000	23 315 854
28/03/2013	350	392	310	2 551 299 000	6 948 484
31/12/2012	358	490	351	2 583 981 000	6 075 980
28/09/2012	489	530	427	4 834 626 000	9 920 931

Source: Bloomberg – 12 November 2015

TRADING HISTORY OF PINNACLE SHARES ON THE JSE

DAILY

Date	Close (c)	High (c)	Low (c)	Value (c)	Volume
12/11/2015	1 165	1 195	1 151	657 151 900	563 662
11/11/2015	1 200	1 209	1 152	598 530 600	502 320
10/11/2015	1 190	1 205	1 166	604 953 700	508 250
09/11/2015	1 205	1 221	1 200	254 470 500	211 078
06/11/2015	1 185	1 214	1 164	450 266 700	379 140
05/11/2015	1 200	1 240	1 186	561 088 300	466 992
04/11/2015	1 226	1 231	1 199	856 037 300	709 393
03/11/2015	1 225	1 229	1 206	360 349 700	295 466
02/11/2015	1 220	1 236	1 190	182 527 600	150 139
30/10/2015	1 199	1 216	1 190	513 857 400	428 192
29/10/2015	1 221	1 246	1 214	620 796 700	505 389
28/10/2015	1 247	1 255	1 237	435 217 800	350 708
27/10/2015	1 243	1 256	1 235	782 713 300	629 947
26/10/2015	1 249	1 260	1 240	256 769 600	205 461
23/10/2015	1 244	1 283	1 231	175 714 800	141 016
22/10/2015	1 260	1 291	1 250	574 083 700	450 562
21/10/2015	1 288	1 288	1 256	269 694 300	212 996

MONTHLY

Date	Close (c)	High (c)	Low (c)	Value (c)	Volume
30/10/2015	1 199	1 400	1 190	9 517 899 000	7 381 179
30/09/2015	1 250	1 315	1 121	8 701 915 000	6 968 748
31/08/2015	1 200	1 270	1 044	5 495 755 000	4 685 988
31/07/2015	1 215	1 374	1 050	6 571 788 000	5 502 034
30/06/2015	1 115	1 121	875	15 985 260 000	15 970 267
29/05/2015	1 045	1 138	983	5 199 466 000	4 766 722
30/04/2015	1 130	1 140	1 006	3 464 130 000	3 216 359
31/03/2015	1 060	1 169	960	8 410 867 000	7 908 230
27/02/2015	1 145	1 176	970	12 219 500 000	11 387 127
30/01/2015	1 080	1 240	1 060	7 157 216 000	6 379 704
31/12/2014	1 235	1 250	1 000	8 608 171 000	7 305 466
28/11/2014	1 055	1 250	960	10 006 490 000	8 695 402
31/10/2014	1 218	1 243	1 030	7 399 006 000	6 621 945
30/09/2014	1 198	1 400	1 051	15 410 860 000	12 338 913
29/08/2014	1 350	1 520	636	40 548 910 000	36 528 378
31/07/2014	1 344	1 438	1 260	13 877 450 000	10 297 569
30/06/2014	1 352	1 400	1 078	20 011 660 000	16 373 018

QUARTERLY

Date	Close (c)	High (c)	Low (c)	Value (c)	Volume
30/09/2015	1 250	1 374	1 044	20 769 460 000	17 156 770
30/06/2015	1 115	1 140	875	24 648 860 000	23 953 348
31/03/2015	1 060	1 240	960	27 787 590 000	25 675 061
31/12/2014	1 235	1 250	960	26 013 670 000	22 622 813
30/09/2014	1 198	1 520	636	69 837 220 000	59 164 860
30/06/2014	1 352	1 535	1 078	64 598 220 000	50 299 113
31/03/2014	1 430	2 490	1 120	124 585 000 000	71 596 815
31/12/2013	2 315	2 499	2 210	47 412 520 000	19 980 986
30/09/2013	2 290	2 724	2 110	42 792 690 000	17 770 668
28/06/2013	2 390	2 500	2 015	50 068 850 000	21 953 704
28/03/2013	2 200	2 259	1 822	38 604 850 000	19 068 056
31/12/2012	1 837	1 840	1 535	31 846 880 000	18 717 080
28/09/2012	1 795	1 861	1 570	28 885 390 000	16 924 413

Source: Bloomberg – 12 November 2015

PINNACLE'S ACQUISITION HISTORY OF DATACENTRIX SHARES

Date	Quantity	Price (Rand)	Value (Rand)
30-Oct-13	61 152 467	3.88	237 271 572
18-Jun-13	2 400 000	4.15	9 960 000
14-Jun-13	48 320	4.10	198 112
13-Jun-13	3 888 220	4.10	15 941 702
12-Jun-13	114 360	4.10	468 876
11-Jun-13	2 800	3.90	10 920
7-Jun-13	533 912	3.90	2 082 257
5-Jun-13	9 559	3.30	31 545
3-Jun-13	55 867	3.40	189 948
31-May-13	11 000	3.20	35 200
29-May-13	43 031	3.20	137 699
28-May-13	15 000	3.20	48 000
7-May-13	198 512	3.93	780 152
16-Apr-13	12 000	3.35	40 200
15-Apr-13	35 000	3.13	109 550
14-Oct-15	20 000 000	4.90 *	98 000 000
Total	88 520 048		365 257 733

* Based on the Switch Ratio of 1 Pinnacle Share for every 2.6 Datacentrix Shares and Pinnacle's 30 day VWAP of R12.74 as at the Switch Ratio Finalisation Date.

REPORT OF THE INDEPENDENT EXPERT

“12 November 2015

The Independent Board
Datacentrix Holdings Limited
Corporate Park North
238 Roan Crescent
Old Pretoria Road
Midrand

Dear Sirs and Mesdames

REPORT OF THE INDEPENDENT EXPERT TO DATACENTRIX HOLDINGS LIMITED (“DATACENTRIX” OR THE “COMPANY”) REGARDING A MANDATORY OFFER

Introduction

In the announcement released on SENS on Thursday, 15 October 2015 (the “Announcement”), Datacentrix Shareholders were advised that Pinnacle Holdings Limited (“Pinnacle”) had acquired 20 000 000 Datacentrix Shares (“Acquisition Shares”) from RMB Securities Proprietary Limited (acting on behalf of Anchor Capital Proprietary Limited through a structure note product) (the “Acquisition”). As a result of the Acquisition, Pinnacle’s shareholding in Datacentrix (as a percentage of the Voting Shares) has increased from 34.995% to 45.2%. The Acquisition gives rise to an affected transaction in terms of section 123 of the Companies Act, 2008 (Act 71 of 2008), as amended (the “Companies Act”) (read with section 117 of the Companies Act) pursuant to which Pinnacle is required to extend an offer to all Datacentrix Shareholders at the same price at which it acquired the Acquisition Shares.

Pinnacle, through its wholly-owned subsidiary DCT Holdings Proprietary Limited, is offering Datacentrix Shareholders 1 Pinnacle share for every 2.6 Datacentrix Shares (the “Offer Consideration” or “Switch Ratio”) for their Offer Shares (the “Mandatory Offer”). At the Switch Ratio Finalisation Date, being Tuesday, 13 October 2015, the Offer Consideration is equivalent to R4.90 per Offer Share (based on Pinnacle’s 30 day volume weighted average traded price of R12.74) (the “Switch Ratio Calculation”).

It is the intention of both the board of directors of Datacentrix and Pinnacle to retain the listing of Datacentrix on the JSE for the time being. Shareholders who elect not to accept the Mandatory Offer, or elect to accept the Mandatory Offer in part, will remain Shareholders in Datacentrix.

As at the date of this opinion, the share capital of the Company comprises of the following:

- Authorised share capital comprising 400 000 000 ordinary shares with a par value of R0.0001 per share (“Ordinary Shares”); and
- Issued share capital comprising 205 265 683 Ordinary Shares with a par value of R0.0001 per share.

The Company holds 9 467 692 Ordinary Shares as treasury shares.

Full details of the Mandatory Offer are contained in the Circular to be dated on or about 12 November 2015, which will include a copy of this opinion of the Independent Expert.

The material interests of the Datacentrix directors in the Ordinary Shares are set out in paragraph 10 of the Circular. The effects of the Mandatory Offer, as detailed in the Circular, will also apply to the directors.

Scope

An Independent Expert’s opinion is required to be obtained by the Independent Board of Directors of Datacentrix (the “Independent Board”), in terms of Regulation 90 of the Takeover Regulations published in terms of section 120 of the Companies Act (the “Takeover Regulations”), as read with Section 117(c)(vi) and Section 123 of the Companies Act, in respect of a mandatory offer to shareholders of Datacentrix.

Nodus Capital Proprietary Limited (“Nodus”) has been appointed by the Independent Board as the Independent Expert to advise on whether the terms and conditions of the Mandatory Offer are fair and reasonable to the Shareholders of Datacentrix (the “Opinion” or “fair and reasonable opinion”).

Responsibility

The compliance with the Companies Act and the Takeover Regulations is the responsibility of the Independent Board. Our responsibility is to report on the terms and conditions of the Mandatory Offer in compliance with the related provisions of the Companies Act and the Takeover Regulations.

We confirm that our fair and reasonable opinion has been provided to the Independent Board for the sole purpose of assisting them in forming and expressing an opinion for the benefit of Datacentrix Shareholders in relation to the Mandatory Offer.

Definition of the terms “fair” and “reasonable”

The “fairness” of a transaction is based on quantitative issues. A transaction may be said to be fair if the benefits received by the shareholders, as a result of the transaction, are equal to or greater than the value ceded by the shareholders.

The Mandatory Offer may be said to be fair if the value of the consideration received by the Shareholders for each Datacentrix Ordinary Share is greater than or equal to the value of one Datacentrix Ordinary Share or unfair if the consideration received by the Shareholders for each Datacentrix Ordinary Share is less than the value of one Datacentrix Ordinary Share.

In terms of the Takeover Regulations, a transaction will be considered reasonable if the offer consideration received by shareholders in terms of the corporate action is higher than the market price of the company’s securities at the time that the corporate action was announced. In addition, other qualitative considerations were taken into account when considering the reasonableness of the corporate action.

It is therefore conceivable that if the Mandatory Offer exceeds either the estimated fair value per security or current traded price per Datacentrix Share, but not both, the Mandatory Offer could be considered fair but not reasonable or reasonable but not fair.

Our approach in considering the Mandatory Offer

In considering the Mandatory Offer, we have independently calculated the fair value of a Datacentrix Ordinary Share and a Pinnacle Ordinary Share and compared our fair value of a Datacentrix Ordinary Share to the Offer Consideration.

Sources of information

The principal sources of information used in performing our work include:

- The Announcement;
- The terms and conditions of the Mandatory Offer, as set out in the Circular;
- Representations and assumptions made available by, and discussions held with, the management of Datacentrix and Pinnacle;
- Representations and assumptions made available by, and discussions held with, the Independent Board;
- Selected macro-economic analysis and forecasts from various South African banks and research institutions;
- Selected publicly available information relating to the industry in which both Datacentrix and Pinnacle operate, obtained from management and public sources;
- Share price information of both Datacentrix and Pinnacle over the last 12 months to assess the relative liquidity and relative volatility of the respective shares;
- Thomson Reuters;
- PricewaterhouseCoopers Corporate Finance Valuation Methodology Survey 2015, 7th edition;
- Published market data of both Datacentrix and Pinnacle;
- Audited annual financial statements of Datacentrix for 5 years ended 28 February 2015;
- Audited annual financial statements of Pinnacle for 5 years ended 30 June 2015;
- Interim financial results of Datacentrix for the 6 months ended 31 August 2015;
- Management accounts of Pinnacle and its operating divisions/subsidiaries/business segments as at 30 September 2015;
- Management forecasts for Datacentrix and its operating divisions/subsidiaries/business segments to 28 February 2019;
- Management forecasts for Pinnacle and its operating divisions/subsidiaries/business segments to 30 June 2018; and
- The 30 day volume weighted average price (“VWAP”) as at the Announcement date for both Datacentrix and Pinnacle.

We have relied upon and assumed the accuracy of the information provided to and obtained by us in deriving our opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with Datacentrix or Pinnacle management, by reference to publicly available or independently obtained information.

While our work has involved an analysis of, inter alia, the annual financial statements and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

Procedures performed

In arriving at our opinion we have undertaken the following procedures in evaluating the fairness and reasonableness of the Offer Consideration:

- Considered the rationale for the Mandatory Offer, as represented by Datacentrix and Pinnacle management;

- Reviewed the terms and conditions of the Mandatory Offer;
- Supplemented our knowledge and understanding of the underlying operating divisions/subsidiaries/business segments within Datacentrix and Pinnacle as well as the industries in which they operate;
- Held discussions with management on the prospects of the underlying subsidiaries/divisions/business segments within Datacentrix and Pinnacle;
- Reviewed and analysed the historical financial information of Datacentrix and Pinnacle;
- Assessed the budget/forecast of Datacentrix and its subsidiaries as prepared by its management team and challenged certain assumptions;
- Assessed the budget/forecast of Pinnacle and its subsidiaries as prepared by its management team and challenged certain assumptions;
- Prepared a valuation of Datacentrix using the discounted cash flow valuation method;
- Prepared a valuation of Pinnacle using the discounted cash flow valuation method;
- Consideration around the value of Datacentrix using market multiples of comparable companies;
- Consideration around the value of Pinnacle using market multiples of comparable companies;
- Reviewed both Datacentrix's and Pinnacle's historic traded share prices and trading volumes on the Main Board of the JSE Limited ("JSE");
- Reviewed certain publicly available information relating to both Datacentrix and Pinnacle and the industry in which it operates that we deemed to be relevant, including company announcements and media articles;
- Considered the fact that 4.38% of Datacentrix shareholders have provided an irrevocable undertaking to reject the Mandatory Offer;
- Where relevant, representations made by management and/or directors were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the industry in which both Datacentrix and Pinnacle operates, and to analyse external factors that could influence the business of either;
- Performed an analysis of other information considered pertinent to our valuation and opinion; and
- Obtained from the management of both Datacentrix and Pinnacle a letter of representations in respect of amongst other things the information shared and/or statements made to us and upon which we have relied.

We have not interviewed any of the Shareholders to obtain their views on the Mandatory Offer.

Based on the results of the procedures mentioned above, we determined the fairness and reasonableness of the Mandatory Offer to Datacentrix Shareholders. We believe that the above considerations justify the conclusion outlined below.

Limiting conditions

This Opinion of the Independent Expert is provided to the Independent Board in connection with and for the purposes of the Mandatory Offer. The Opinion of the Independent Expert does not purport to cater for each individual Datacentrix Shareholder's perspective, but rather that of the general body of Datacentrix Shareholders.

This Opinion of the Independent Expert is provided in terms of the Act and Regulations. It does not constitute a recommendation to any Datacentrix Shareholder as to how to vote at any shareholders' meeting relating to the Mandatory Offer or on any matter relating to it, nor as to the acceptance of the Mandatory Offer. Therefore, it should not be relied upon for any other purpose. We assume no responsibility to anyone if this Opinion of the Independent Expert is used or relied upon for anything other than its intended purpose.

Individual Datacentrix Shareholder's decisions regarding the Mandatory Offer may be influenced by such individual Datacentrix Shareholder's particular circumstances and accordingly individual Datacentrix Shareholders should consult an independent advisor if in any doubt as to the merits or otherwise of the Mandatory Offer.

Budgets/projections/forecasts relate to future events and are based on assumptions, which may not remain valid for the whole of the forecast period. Accordingly, this information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods.

We express no opinion as to how closely actual results will correspond to those projected/forecast by the management of Datacentrix and Pinnacle. We have compared the projected/forecast financial information to past trends as well as discussed the assumptions inherent therein with management.

The above findings are necessarily based upon the information available to us, the financial, regulatory, market and other conditions and circumstances existing and disclosed to us as at the date hereof. We have assumed that all conditions precedent in the transaction agreements, including any material regulatory and other approvals, will be properly fulfilled/obtained. Subsequent developments may affect our findings, however, we are under no obligation to update, revise or re-affirm such.

The valuation of companies and businesses is not a precise science and conclusions arrived at, will, in many cases, be subjective and dependent on the exercise of individual judgement.

Valuation

Nodus performed an independent valuation of Datacentrix and Pinnacle to determine whether the Mandatory Offer represents fair value to the Datacentrix Shareholders.

For the purposes of our valuation we used the income approach (discounted cash flow) valuation as our primary valuation methodology. In addition, we used the market approach (based on financial data for comparable publicly traded companies) as a corroborative valuation methodology to support the results of our income approach valuation.

The valuation was performed taking cognisance of risk and other market and industry factors affecting Datacentrix. Additionally, sensitivity analyses were performed considering key assumptions. Prevailing market and industry conditions were also considered in assessing the risk profile of Datacentrix.

Key internal value drivers included the discount rate, working capital and capital expenditure requirements, operating margins and expected future growth in the business' capacity and revenue from Datacentrix's various businesses.

Key external value drivers, including gross domestic product growth rates, interest rates, headline inflation rates and prevailing market and industry conditions in respect of the industry in which Datacentrix operates were also considered in assessing the forecast cash flows and risk profile of Datacentrix.

Nodus performed an independent valuation of Pinnacle to determine whether the Switch Ratio is fair to Datacentrix Shareholders.

For the purposes of our valuation we used the income approach (discounted cash flow) valuation as our primary valuation methodology. In addition, we used the market approach (based on financial data for comparable publicly traded companies) as a corroborative valuation methodology to support the results of our income approach valuation.

The valuation was performed taking cognisance of risk and other market and industry factors affecting Pinnacle. Additionally, sensitivity analyses were performed considering key assumptions. Prevailing market and industry conditions were also considered in assessing the risk profile of Pinnacle.

Pinnacle internal value drivers included the discount rate, working capital and capital expenditure requirements, operating margins and expected future growth in the business' capacity and revenue from Pinnacle's various businesses.

Key external value drivers, including gross domestic product growth rates, interest rates, headline inflation rates and prevailing market and industry conditions in respect of the industry in which Pinnacle operates were also considered in assessing the forecast cash flows and risk profile of Pinnacle.

Assumptions

Our opinion is based on the following key assumptions:

- Current economic, regulatory and market conditions will not change materially;
- Datacentrix and Pinnacle are not involved in any material legal proceedings other than those conducted in the ordinary course of business and/or as disclosed in the Circular;
- Datacentrix and Pinnacle are, at the date of this Opinion of the Independent Expert, not engaged in any discussions relating to any acquisitions or transactions that will have a significant impact on the value of either Datacentrix or Pinnacle;
- Datacentrix and Pinnacle have no material outstanding disputes with the South African Revenue Service;
- There are no undisclosed contingencies that could affect the value of Datacentrix or Pinnacle;
- The agreements that have been entered into in terms of the Mandatory Offer will be legally enforceable;
- The Mandatory Offer will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisors of Datacentrix and Pinnacle;
- Reliance can be placed on the financial information of Datacentrix and Pinnacle;
- For the purposes of this Opinion of the Independent Expert, we assumed Datacentrix and Pinnacle's existing businesses to be ongoing under current business plans and management; and
- Representations made by Datacentrix and Pinnacle management and their advisors during the course of forming this Opinion of the Independent Expert.

Appropriateness and reasonableness of underlying information and assumptions

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- Reliance on audit reports in the financial statements of Datacentrix and Pinnacle;
- Conducting analytical reviews on the historical financial results and the forecast financial information, such as key ratio and trend analyses; and
- Determining the extent to which representations from management were confirmed by documentary and audited financial evidence, as well as our understanding of Datacentrix and Pinnacle and the economic environment in which both operates.

Valuation results

In undertaking the valuation exercise of Datacentrix above, we determined a valuation range of the Datacentrix Ordinary Shares of R4.47 to R5.62 per ordinary share with a most likely value of R5.04 per share (the "Datacentrix Core Value"). The Datacentrix Core Value has been used for the purposes of expressing our opinion.

In undertaking the valuation exercise of Pinnacle above, we determined a valuation range for a Pinnacle share of R11.38 to R14.23 per ordinary share with a most likely value of R12.81 per share (the "Pinnacle Core Value"). The Pinnacle Core Value has been used for the purposes of expressing our opinion.

In considering the Switch Ratio of one fully paid up Pinnacle Share for every 2.6 Datacentrix Shares held by Datacentrix Shareholders, we compared the relative values of the Datacentrix and Pinnacle ordinary shares calculated above. Based on the abovementioned respective core values we have calculated a switch ratio of 2.54 Datacentrix Shares for one fully paid up Pinnacle Share (the "Switch Ratio Core Value"). Based on the range of values above we have calculated a range of switch ratios of between 2.03 and 3.18 Datacentrix Shares for one fully paid up Pinnacle Share (the "Switch Ratio Valuation Range").

The Offer Consideration, although marginally below the Switch Ratio Core Value, falls within our calculated Switch Ratio Valuation Range.

The valuations above are provided solely in respect of this fair and reasonable opinion and should not be used for any other purposes.

Reasonableness of Mandatory Offer

The Offer Consideration represents a premium of 8.8% to the VWAP of Datacentrix Shares on the JSE for the 30 days up to the Switch Ratio Finalisation Date, being the Business Day immediately prior to the date the Proposed Transaction was announced, based on the Switch Ratio Calculation of R4.90 per Datacentrix Share.

Datacentrix Equity-settled Share Option Plan

In accordance with the requirements of Regulation 87(2) of the Takeover Regulations, the Mandatory Offer must also include holders of the Exercisable Options and Non-exercisable Options. To the extent that Participants choose to exercise their Options they will receive such number of Pinnacle shares based on Pinnacle's 30 day VWAP at the Switch Ratio Finalisation Date, which is equivalent to the in-the-money share option value.

In Nodus' assessment, the above treatment of the Datacentrix Equity-settled Share Option Plan will not have any impact on either the fairness or the reasonability of the Mandatory Offer.

Opinion

Nodus has considered the terms and conditions of the Mandatory Offer and, based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Mandatory Offer, based on quantitative considerations, are fair to the Datacentrix Shareholders.

Based on qualitative factors, we are of the opinion that the terms and conditions of the Mandatory Offer are reasonable from the perspective of the Datacentrix Shareholders.

Our opinion is necessarily based upon the information available to us up to 9 November 2015, including in respect of the financial information as well as other conditions and circumstances existing and disclosed to us.

Independence, competence and fees

We confirm that we have no direct or indirect interest in either Datacentrix or Pinnacle Shares or the Mandatory Offer. We also confirm that we have the necessary qualifications and competence to provide the independent opinion on the Mandatory Offer.

Furthermore, we confirm that our professional fee of R200 000 (excluding VAT) is not contingent upon the success of the Mandatory Offer.

Consent

We consent to the inclusion of this letter and the reference to our opinion in the Circular to be issued to the Shareholders of Datacentrix in the form and context in which it appears and in any required regulatory announcement or documentation.

Yours faithfully

Johan le Roux

*Director: Nodus Capital Proprietary Limited
Now Media Building
32 Fricker Road
Illovo
2116"*

SECTION 124 OF THE COMPANIES ACT

124. COMPULSORY ACQUISITIONS AND SQUEEZE OUT

1. If, within four months after the date of an offer for the acquisition of any class of securities of a regulated company, that offer has been accepted by the holders of at least 90% of that class of securities, other than any such securities held before the offer by the offeror, a related or inter-related person, or persons acting in concert, or a nominee or subsidiary of any such person or persons:
 - 1.1 within two further months, the offeror may notify the holders of the remaining securities of the class, in the prescribed manner and form:
 - 1.1.1 that the offer has been accepted to that extent; and
 - 1.1.2 that the offeror desires to acquire all remaining securities of that class; and
 - 1.2 subject to subsection (2), after giving notice in terms of paragraph (a), the offeror is entitled, and bound, to acquire the securities concerned on the same terms that applied to securities whose holders accepted the original offer.
2. Within 30 business days after receiving a notice in terms of subsection (1.1), a person may apply to a court for an order:
 - 2.1 that the offeror is not entitled to acquire the applicant's securities of that class; or
 - 2.2 imposing conditions of acquisition different from those of the original offer.
3. If an offer to acquire the securities of a particular class has not been accepted to the extent contemplated in subsection (1):
 - 3.1 the offeror may apply to a court for an order authorising the offeror to give a notice contemplated in subsection 1.1; and
 - 3.2 the court may make the order applied for, if:
 - 3.2.1 after making reasonable enquiries, the offeror has been unable to trace one or more of the persons holding securities to which the offer relates;
 - 3.2.2 by virtue of acceptances of the original offer, the securities that are the subject of the application, together with the securities held by the person or persons referred to in subparagraph (i), amount to not less than the minimum specified in subsection (1);
 - 3.2.3 the consideration offered is fair and reasonable; and
 - 3.2.4 the court is satisfied that it is just and equitable to make the order, having regard, in particular, to the number of holders of securities who have been traced but who have not accepted the offer.
4. If an offer for the acquisition of any class of securities of a regulated company has resulted in the acquisition by the offeror or a nominee or subsidiary of the offeror, or a related or inter-related person of any of them, individually or in aggregate, of sufficient securities of that class such that, together with any other securities of that class already held by that person, or those persons in aggregate, they then hold at least 90% of the securities of that class:
 - 4.1 the offeror must notify the holders of the remaining securities of the class that the offer has been accepted to that extent;
 - 4.2 within three months after receiving a notice in terms of paragraph (4.1), a person may demand that the offeror acquire all of the person's securities of the class concerned; and
 - 4.3 After receiving a demand in terms of paragraph (4.2), the offeror is entitled, and bound, to acquire the securities concerned on the same terms that applied to securities whose holders accepted the original offer.
5. If an offeror has given notice in terms of subsection (1), and no order has been made in terms of subsection (3), or if the offeror has received a demand in terms of subsection (4.2):
 - 5.1 six weeks after the date on which the notice was given or, if an application to a court is then pending, after the application has been disposed of, or after the date on which the demand was received, as the case may be, the offeror must:
 - 5.1.1 transmit a copy of the notice to the regulated company whose securities are the subject of the offer, together with an instrument of transfer, executed on behalf of the holder of the those securities by any person appointed by the offeror; and
 - 5.1.2 pay or transfer to that company the consideration representing the price payable by the offeror for the securities concerned,
 - 5.2 subject to the payment of prescribed fees or duties, the company must thereupon register the offeror as the holder of those securities.

6. An instrument of transfer contemplated in subsection (5) is not required for any securities for which a share warrant is for the time being outstanding.
7. A regulated company must deposit any consideration received under this section into a separate interest bearing bank account with a banking institution registered under the Banks Act and, subject to subsection (8), those deposits must be:
 - 7.1 held in trust by the company for the person entitled to the securities in respect of which the consideration was received; and
 - 7.2 paid on demand to the person contemplated in paragraph (7.1), with interest to the date of payment.
8. If a person contemplated in subsection (7.1) fails for more than three years to demand payment of an amount held in terms of that paragraph, the amount, together with any accumulated interest, must be paid to the benefit of the Guardian's Fund of the Master of the High Court, to be held and dealt with in accordance with the rules of that Fund.
9. In this section any reference to a "holder of securities who has not accepted the offer" includes any holder who has failed or refused to transfer their securities to the offeror in accordance with the offer.

PART B

In terms of section 33(2) of the Financial Markets Act, Act 19 of 2012 (the "Financial Markets Act"), Pinnacle Shares may not be issued in Certificated form and accordingly Datacentrix Shareholders will need to open an account with a broker or CSDP in order to receive Pinnacle Shares in Dematerialised form. As the Companies Act allows for Offer Consideration Recipients to hold Pinnacle Shares in Certificated form, if you wish to hold the Pinnacle Shares received pursuant to accepting the Offer in Certificated form the 'rematerialise' box (i.e. box number 3 below) must be selected. If none of the boxes below is selected, option 2 (i.e. box number 2 below) will be deemed to be the default option and you will receive your Pinnacle Shares as a statement of holdings which may be rematerialised at a later stage.

All Certificated Shareholders should kindly complete the section below dealing with the delivery of Pinnacle Shares to which Datacentrix Shareholders who accept the Offer.

1. Please tick this box if you have an account with a Broker or CSDP and wish such account to be credited the Pinnacle Shares received pursuant to acceptance of the Offer. You must, with the assistance of your Broker or CSDP, insert the details of such Broker or CSDP account below. Your Broker or CSDP must appropriately sign and/or stamp this Form of Acceptance, Surrender and Transfer in confirmation of the accuracy of the details inserted below.

Name of account holder: _____

Name of Broker: _____

Name of CSDP: _____

Account number at broker: _____

Account number at CSDP: _____

Telephone number of broker/CSDP: _____

SCA number of broker/CSDP: _____

Please note: Should the account details provided by you above be incorrect or incomplete, it will not be possible to credit such account with the Offer Consideration, in which case you will be issued with a statement of allocation, confirming the quantum of the Offer Consideration due to you. The statement of allocation will be sent to you, at your risk, to the address provided by you in Part A above.

2. Please tick this box if you do not have an account with a broker or CSDP but wish to receive Pinnacle Shares in dematerialised and not certificated form. It will be necessary for you to appoint a Broker or CSDP before the Offer Consideration can be credited to your Broker or CSDP account. In the meantime, you will be issued with a statement of holdings, confirming the quantum of the Offer Consideration due to you. The statement of holdings will be sent to you, at your risk, to the address provided by you in Part A above.

3. Please tick this box if you do NOT wish to receive Pinnacle Shares in dematerialised form and instead wish to 'rematerialise' the Offer Consideration due to you and replace these with a physical document of title (share certificate). The document of title (share certificate) for the Offer Consideration will be sent to you, at your risk, to the address provided by you in Part A above.

PART C – TO BE COMPLETED IN BLOCK CAPITALS BY ALL SHAREHOLDERS WHO ARE EMIGRANTS FROM THE COMMON MONETARY AREA

The Offer Consideration due to Shareholders who are emigrants from the Common Monetary Area and whose Shares have not been released will be forwarded to the Authorised Dealer controlling his/her blocked assets and credited to the emigrant's blocked account. Accordingly, a non-resident who is an emigrant from the Common Monetary Area must provide the following information:

Name of Authorised Dealer in South Africa: _____

Address: _____

Account number: _____

If no nomination is made above, the payment of the Offer Consideration will be held in by the Transfer Secretaries until a written instruction is received as to the issuance of such Offer Consideration.

PART D – TO BE COMPLETED IN BLOCK CAPITALS BY SHAREHOLDERS WHO ARE NON-RESIDENTS OF THE COMMON MONETARY AREA OR EMIGRANTS FROM THE COMMON MONETARY AREA WHOSE SHARES HAVE BEEN RELEASED AND WHO WISH TO HAVE THE OFFER CONSIDERATION PAID TO AN AUTHORISED DEALER

The Offer Consideration due to Shareholders who have registered addresses outside South Africa (other than Shareholders who are emigrants from the Common Monetary Area and whose Shares have not been released) and whose share certificates are endorsed non-resident will be sent to a nominated Authorised Dealer in foreign exchange within the Common Monetary Area. It is incumbent on the non-resident concerned to instruct his/her/its nominated Authorised Dealer in foreign exchange in the Common Monetary Area as to the disposal of any foreign currency received.

Accordingly, non-resident Datacentrix Shareholders must provide the following information if they will or intend to be the Offer Consideration Recipients (i.e. if they will not or do not intend to trade their Datacentrix Shares and, thereby, their entitlement to receive the Offer Consideration):

Name of Authorised Dealer in South Africa or alternative instructions: _____

Address: _____

Account number: _____

If the information requested above is not provided, the Offer Consideration of a non-resident Offer Consideration Recipient will be held by the Transfer Secretaries.

By signing and returning this form, the Accepting Datacentrix Shareholder agrees to be bound by the terms of the Offer as set out in the Circular.

Individual or Datacentrix Director/Company Secretary (if applicable) _____

Date: _____

Notes:

- Any alteration to this Form of Acceptance, Surrender and Transfer must be signed in full and not merely initialed.
- No receipt will be issued for documents lodged, unless specifically requested. Persons requiring receipts must prepare a receipt and forward it together with their Documents of Title surrendered.
- If this Form of Acceptance, Surrender and Transfer is signed under a power of attorney, then such power of attorney, or a notarially certified copy thereof, must be sent with this Form of Acceptance, Surrender and Transfer for noting (unless it has already been noted by Datacentrix or its Transfer Secretaries).
- Where the Shareholder is a company, close corporation or other juristic person, unless it has already been registered with Datacentrix or its Transfer Secretaries, a certified copy of the directors' or members' or other resolution authorising the signing of this Form of Acceptance, Surrender and Transfer must be submitted with this Form of Acceptance, Surrender and Transfer, unless this requirement is waived by Pinnacle.
- Where there are joint holders of any Shares, this Form of Acceptance and Surrender must be signed by all joint holders; however Pinnacle shall be entitled to, in its absolute discretion, accept signature only of that holder whose name stands first in the register in respect of such Datacentrix Shares.
- Persons who have acquired Shares after the date of issue of the Circular can obtain copies of the Circular (including this Form of Acceptance, Surrender and Transfer) from Pinnacle, Datacentrix, or the Transfer Secretaries.
- Notwithstanding transfer of ownership, the Offer Consideration will not be sent to Certificated Shareholders unless and until Document/s of Title in respect of the relevant Shares have been surrendered to Datacentrix or the Transfer Secretaries.