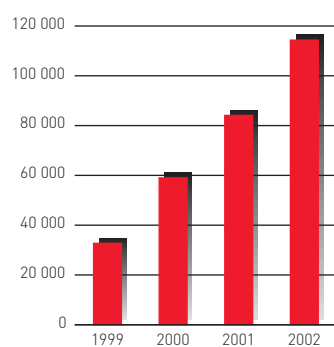


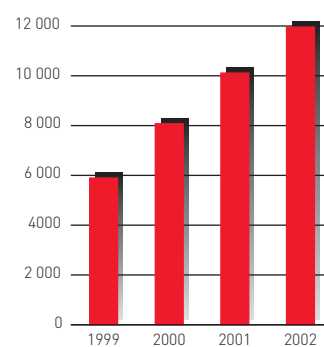


GROUP FINANCIAL HIGHLIGHTS

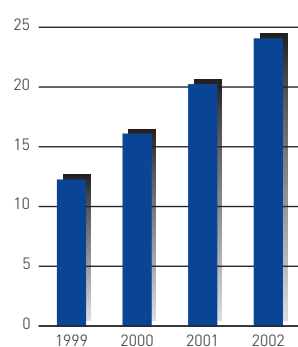
	12 months to 31 July 2002	12 months to 31 July 2001	12 months to 31 July 2000	12 months to 31 July 1999
Revenue (R'000)	114 328	84 094	58 988	32 701
Attributable income (R'000)	11 958	10 109	8 073	5 892
Earnings per share (cents)	24,02	20,19	16,05	12,21
Headline earnings per share (cents)	26,19	20,52	16,05	12,21
Fully diluted earnings per share (cents)	21,89	19,69	15,55	11,69



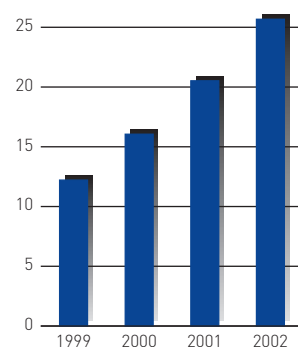
Revenue (R'000)



Attributable income (R'000)

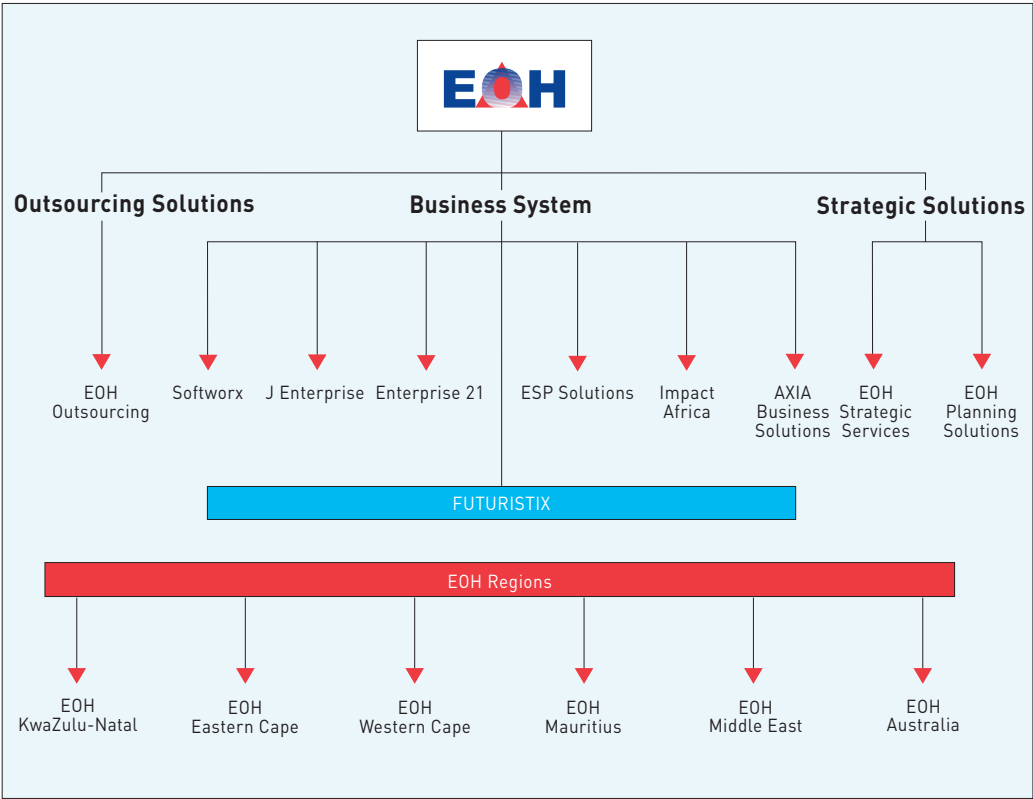


Earnings per share (cents)



Headline earnings per share (cents)

GROUP STRUCTURE





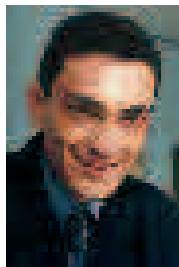
DIRECTORATE



1



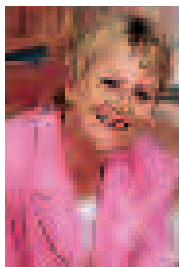
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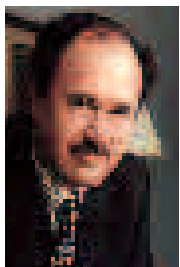
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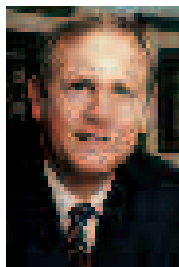
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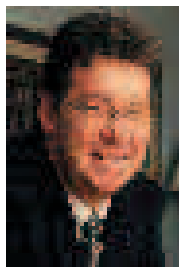
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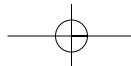


7



8

- 1 ▶ Asher Bohbot (49) Chief Executive Officer B.Sc. Industrial Engineering, MAP Appointed 6 August 1998
- 2 ▶ Peter John Bartlett (49) Executive Director Appointed 6 August 1998
- 3 ▶ Antonio Coccianti (32) Financial Director CA (SA) Appointed 20 August 1999
- 4 ▶ Roedolf Jacobus du Toit (44) Executive Director B.Eng. (Hons) (Industrial), MBA Appointed 6 August 1998
- 5 ▶ Jane Sinclair Thomson (43) Executive Director Appointed 30 September 2002
- 6 ▶ Robert Michael Maria Sporen (51) Executive Director CPIM Appointed 6 August 1998
- 7 ▶ Bernardus van den Berg (43) Executive Director B. Eng. (Industrial) Appointed 6 August 1998
- 8 ▶ Kenneth Cullinan (43) Executive Director National Diploma (Industrial Eng.), CPIM Appointed 30 September 2002



CEO'S OPERATIONAL REPORT

OVERVIEW

EOH has successfully completed its fourth year of existence with flying colours. All of us at EOH are proud of our achievements, especially during these changing times we live in.

The company has managed to grow substantially over the past four years, at the same time the issued number of shares only grew by 9%. The business is totally debt free, with fair cash reserves.

During the past year, we not only embarked on an aggressive growth strategy, but also continued to develop our infrastructure, controls and most importantly the culture and values set essential for future growth.

We have further expanded our services and product offering to include the sales and support of world leading software packages. We currently exclusively represent in Southern Africa, leading enterprise software packages such as Baan, Protean, CODA and System 21. We are also involved with other prominent ERP vendors such as JD Edwards, SAP, Impact and Microsoft Business Systems.

With the acquisition of Futuristix, EOH is now the sole Southern African distributor for the range of Wonderware Industrial Automation Software products including InTouch, InTrack, InBatch, InControl, InSQL Server, SuiteVoyager, DT Analyst, QI Analyst, Avantis and several utilities and add-ons. Futuristix is also the appointed distributor for MDTSoft's products including MASS Autosave, Neumaflo's flagship products, ProDef and Lighthammer's Illuminator Information Portal.

In the past year we also continued to broaden our services in the outsourcing arena with additional outsourcing customers forming a long-term technology partnership with us, whilst keeping all existing customers satisfied.

We are grateful to all our employees, who stuck to the task of creating this strong IT services organisation. We also thank the families of our employees who we know have indirectly sacrificed for the creation of our organisation.

We greatly appreciate the confidence that our investors, customers and business partners have shown in us, affording EOH the right environment to grow the business. The maiden dividend we have declared is a token of appreciation to our patient, loyal shareholders.

FINANCIAL PERFORMANCE

Financial results

The board is satisfied with the overall performance for the year under review. Revenue improved by 36% over the previous year. Profit has increased by 18% and headline earnings per share by 27%.

The balance sheet remains strong with the growth being financed internally. Cash resources exceeded the prior year by 19%. The existing cash resources are adequate to support future expansion.

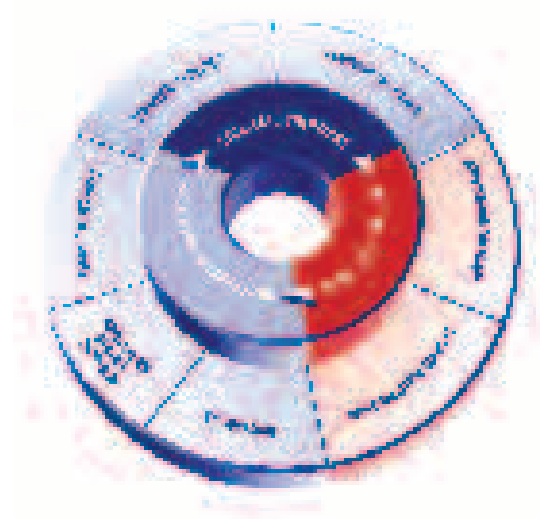
As the business has reached maturity the board has declared a 6 cents per share dividend.

BUSINESS MISSION

"We are a 'Business Solutions Provider'

We endeavour to form life-long Information Technology partnerships by developing IT strategies, supplying and implementing solutions and managing enterprise-wide business systems for medium to large clients."

EOH BUSINESS MODEL



STRUCTURE

EOH is a business solutions provider creating lifelong information technology partnerships by developing IT strategies, supplying and implementing solutions and managing enterprise-wide business systems for medium to large clients.

EOH operates the following three clusters of business units as a fully integrated business:

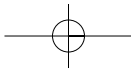
EOH Strategic Solutions – is the initial point of contact with EOH clients through IT strategy development, management consulting, IT-enabled business process re-engineering, software selection and Supply Chain Logistics education to support world-class enterprise systems.

Business Systems – Through a number of subsidiary companies, EOH is able to sell, implement and support a range of world-class business applications including ERP, CRM, Business Intelligence, Advanced Planning and Scheduling, e-Commerce and Manufacturing Execution Systems (MES).

EOH Outsourcing Solutions – involves comprehensive maintenance and support of the clients' IT infrastructure and applications through the offering of full IT outsourcing and Application Hosting.

EOH has presence in all major centres in South Africa and operates in Africa, Mauritius, Middle East and Australia.

The organisation includes 15 Strategic Business Units with full accountability for top and bottom line residing at business unit. However, overall strategy is driven centrally. The structure and processes driving it ensure a strong collaboration between the various business units. Ownership of our customers resides with EOH, and central coordination of all our offerings ensures maximum value add to our customers.



CEO'S OPERATIONAL REPORT

BRANDING

EOH operates two levels of branding. The EOH brand is associated with generic services offered and specific brands are used in business units associated with specific software packages. The services offered under the EOH brand are:

- EOH Outsourcing
- EOH Strategic Solutions

The business units associated with specific enterprise software package are:

- Softworx
- J Enterprise
- Enterprise 21
- Impact Africa
- ESP
- Axia
- Futuristix

The regional operations carry the EOH brand namely:

- EOH KZN
- EOH Eastern Cape
- EOH Western Cape
- EOH Australia
- EOH Middle East
- EOH Mauritius

STRATEGY

Product & Service Offering

With EOH expansion into the area of Manufacturing Execution System (MES) as well as to new business systems applications, EOH has adopted the philosophy of providing software applications and services covering the entire spectrum of enterprise systems needs under the banner of "from sensor to boardroom".

People

During the past year we have identified the need to develop and drive strategy that will ensure that people will be our key differentiator and our competitive advantage. To that effect we have embarked on the implementation of our "people strategy" which includes the following areas:

- Recruitment
- Performance Management
- People Development
- Reward Systems
- Black Economic Empowerment
- Value System
- Structure
- Communication

EOH's value system, culture and code of conduct is represented by our "Work Life Constitution" (WLC) as follows:

- We deliver around the clock, uncompromising, dedicated and professional customer service.
- We all act as salespersons continuously searching for additional opportunities to add value to our customers.
- We conduct ourselves with honesty/integrity promoting trust amongst all stakeholders.
- We challenge, excite, involve and communicate intensively.
- We work by defined roles and expectations, are held accountable, give feedback and reward our employees accordingly.
- We do not tolerate bad attitude, non-delivery and lack of co-operation.
- We have fun and enjoy the work we do.

Growth

With our new "sensor to boardroom" offerings, EOH will now be able to capitalise on its vast number of customers and expand the products and services it offers to current customers. At the same time we now have a new approach to acquiring new customers leveraging our unique approach to Enterprise Business Systems.

Territory

During the past year we have expanded the territory we operate in to include Indian Ocean Islands and Middle East. It is our intention to proactively seek growth in business overseas.

OPERATIONAL REVIEW

STRATEGIC SOLUTIONS

This division develops and implements eBusiness technology to improve the supply chain performance and effective use of IT of companies in Commerce and Industry. Their focus is on realising the business benefits from Enterprise Resource Planning (ERP) systems, Advanced Planning and Scheduling (APS) systems, eCommerce applications and exchanges, Customer Relationship Management (CRM) systems, Business Intelligence and Manufacturing Execution Systems (MES).

The division provides the following services:

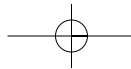
- Strategy Development to plan, budget and justify appropriate eBusiness projects
- Project Management of eBusiness implementation projects
- Knowledge Transfer of eBusiness and Supply Chain methods and practices

Strategy Development

Companies in Commerce and Industry need to be sure the time, effort and cost of implementing eBusiness will be justifiable in terms of derived business benefits. We help our clients create a business case, an implementation plan and a budget before a final decision is made to acquire eBusiness technology.

Project Management

Our project managers co-ordinate the different teams focusing on business processes, software applications, hardware configuration, integration with other systems as well as education and training programmes to ensure achievement of the objectives and critical success factors identified in the eBusiness strategy.



CEO'S OPERATIONAL REPORT

Knowledge Transfer

Systems make it possible but only people can make it work. We present seminars, workshops and courses on how to gain business benefits from eBusiness technology and supply chain best practices.

Prospects

Although Strategic Solutions comprises a small part of our company, its value add to the group is paramount and a prime differentiator for EOH. Strategic Solutions works at the boardroom level in client companies and is therefore also able to generate assignments for the other divisions.

eBusiness, even if only in the form of an ERP-system, is already a de facto requirement for companies in our target market, commerce and industry. Our expectation is that implementation of the newer systems such as APS, eCommerce and CRM will accelerate in the next year, simultaneously requiring integration with existing ERP-systems and making sure business processes and people expertise keep up with the momentous changes. The services of Strategic Solutions will be much in demand.

BUSINESS SYSTEMS

The division extended its service offering over the last year to provide implementation services around eCommerce, BI, CRM, APS and MES solutions in addition to ERP services. Services include project management, software configuration, program development, program modifications, software training and technical support. The main packages sold, implemented and supported are Baan, JDE, SAP, Impact, System 21, Appgen, Protean, CODA, i2, Wonderware and others.

Services provided

Project Management

The service offers facilitation and change management, which are crucial for the successful implementation of business systems, using well-proven implementation methodologies.

Software configuration

Business Solutions employs personnel with many years of experience in the implementation of software solutions. Customers are advised on the configuration of the system modules and the underlying technical parameter, as well as the set up of data to ensure correct and effective system utilisation and performance.

Program development and modification

Additional functionality is developed and existing functionality is enhanced to suit the customer's needs, where the original application software does not fully meet the client's needs.

Training

Successful implementation of a software solution is reliant upon the efficient transfer of application knowledge to the user. Training is geared to suit the client's needs, making use of those particular business procedures and work instructions developed when configuring the system.

During the period under review, performance for this division was outstanding with a number of implementation projects culminating in outsourcing contracts. Emphasis was placed on building resource skills to provide implementation support to customers implementing new economy software solutions. Partnerships with certain software vendors operating in this arena have been concluded and others are underway.

Prospects

Companies are only starting to realise the value that the new enterprise systems applications (eCommerce, CRM, APS, BI, MES) can bring in ensuring customer loyalty, improving customer retention and increasing customer profitability. These SBU's are well positioned to realise the maximum benefit for the customer by providing new economy solutions that are integrated with the back office solutions and are geared towards supply chain optimisation.

Ongoing service provision to the existing client base in terms of upgrades, modifications, re-implementations and re-training will continue to form an important component of the division's revenue stream.

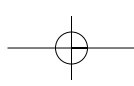
OUTSOURCING SOLUTIONS

Outsourcing Solutions seeks to partner companies in the commercial and industrial sector who are concentrating their organisation's resources on their primary business focus, but at the same time requiring a professional, world-class IT operation to support their competitive business strategies. This is achieved through the overall management and integration of software applications used, the server and/or desktop environments, through the design, installation and administration of both Wide Area (WAN) and Local Area (LAN) networking environments.

Prospects

There is a growing local and worldwide trend to outsource IT services. Latest studies in South Africa indicate that 90% of enterprises in South Africa are considering outsourcing in one form or another. This move is driven primarily by the lack of skilled IT manpower, and the difficulty of retaining the existing few within a non-IT environment. Another contributing factor to this trend is the need for enterprises to refocus on core business activities. Furthermore, the continuous technological advancements in enterprise systems, such as eCommerce, Business Intelligence and Customer Relationship Systems, will further put pressure on enterprises to outsource their IT services.

As organisations in South Africa and Southern Africa continue to follow world-wide trends and outsource non-core business activities and the demand for limited technical skills increases, the future growth of IT outsourcing services is assured. Furthermore, through the comprehensive range of complementary service offerings available to existing and future outsourcing clients, EOH is strategically placed to capture a significant share of this market.



CORPORATE GOVERNANCE

The board of directors is committed to the concept and principles of effective corporate governance. The directors recognise the need for adherence to generally accepted corporate governance practice in all spheres of business activities.

The board of directors

Full details of the directorate are set out on page 3. The board meets regularly, retains full and effective control over the company and monitors executive management. All directors are entitled to seek independent and professional advice about the affairs of the group at the company's expense.

The audit committee

The audit committee meets periodically with IAPA Johannesburg, the company's external auditors, to discuss accounting, auditing, internal control and financial reporting matters. The external auditors have unrestricted access to the audit committee.

Directors' emoluments

Details of directors' emoluments are set out in the annual report. All employees of the group are eligible to participate in the share incentive scheme, details of which also appear in the annual report. The remuneration of all directors is approved by the remuneration committee which has been constituted. Certain directors have service contracts.

Going concern

The going concern basis has been adopted in preparing the annual financial statements. Based on forecasts and available cash resources, the directors have no reason to believe that the group will not continue as a going concern for the foreseeable future.

Internal control

The directors report that the group's internal control and accounting systems are designed to:

- provide reasonable assurance as to the integrity and reliability of the financial information
- adequately safeguard, verify and maintain accountability of its revenue and assets
- prevent and detect fraud

Management is responsible for implementing internal controls, ensuring that such controls are implemented by suitably qualified personnel with an appropriate segregation of duties.

An internal control review was conducted by the external auditors as part of the statutory audit during the period under review. Nothing came to the attention of the directors or arose from the review performed to

indicate that any material breakdown in the functioning of these controls, procedures and systems had occurred. The review by the external firm of auditors will be conducted annually and the findings used to improve systems.

Worker participation

The group has an established and well-recognised policy of encouraging employee involvement on a wide range of issues. Various participative structures are designed to achieve good employer/employee relationships through effective sharing of relevant information, consultation and the identification and resolution of conflict. The purpose is to ensure that all employees are afforded equal opportunity for reward and progress based on ability and merit.

Empowerment strategy

The group is committed to a work environment free of racial and gender discrimination and has accelerated its affirmative action plans over the last year.

Code of ethics

All employees of the group are required to maintain the highest ethical standards in ensuring that the group's business practices are conducted in a manner which in all circumstances is above reproach. To this effect all employees are required to sign a "work life constitution" document. A culture involving the individual employee assuming personal responsibility for the actions of the business is encouraged, as is a culture of full disclosure.



REPORT OF THE INDEPENDENT AUDITORS



to the shareholders of

ENTERPRISE OUTSOURCING HOLDINGS LIMITED

We have audited the group annual financial statements set out on pages 14 to 35 for the year ended **31 July 2002**. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

SCOPE

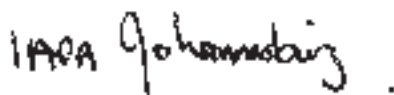
We conducted our audit in accordance with statements of South African Auditing Standards. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

AUDIT OPINION

In our opinion, the financial statements fairly present, in all material respects, the financial position of the company and group at **31 July 2002** and the results of its operations and cash flows for the year ended in accordance with South African Generally Accepted Accounting Practice, and in the manner required by the Companies Act.



IAPA JOHANNESBURG

Registered accountants and auditors
Chartered accountants (SA)

Johannesburg
8 October 2002

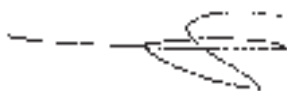
DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation, integrity and fair presentation of the annual financial statements of Enterprise Outsourcing Holdings Limited and related information. The annual financial statements have been prepared in accordance with Generally Accepted Accounting Practice and in the manner required by the Companies Act. The Group's independent auditors, IAPA Johannesburg, have audited the annual financial statements and their unqualified report appears on page 12.

The directors are also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the annual financial statements, and to adequately safeguard, verify and maintain accountability of assets, as well as prevent and detect material misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year.

The annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that the group will not remain a going concern for the foreseeable future.

The annual financial statements set out on pages 14 to 35 were approved by the board of directors on 8 October 2002 and are signed on its behalf by:



Asher Bohbot
Chief Executive Officer



Antonio Coccianti
Financial Director

CERTIFICATION BY THE COMPANY SECRETARY

In terms of section 268 6(d) of the Companies Act, 1972 as amended, I certify that to the best of my knowledge and belief, the company and the group has lodged with the Registrar of Companies, for the financial year ended 31 July 2002, all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.



S Matheson
Company Secretary

8 October 2002

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the activities of the company and the group for the year ended 31 July 2002.

Nature of business

Enterprise Outsourcing Holdings Limited ("EOH") is an IT company listed on the Main Board, Industrial - Information Technology sector of the Johannesburg Securities Exchange SA ("JSE").

EOH is a business solutions provider creating lifelong information technology partnerships by developing IT strategies, supplying and implementing solutions and managing enterprise-wide business systems for medium to large clients.

EOH operates in the following three clusters of business units as a fully integrated business:

EOH Strategic Solutions – is the initial point of contact with EOH clients through IT strategy development, management consulting, IT-enabled business process re-engineering, software selection and Supply Chain Logistics education to support world-class enterprise systems.

Business Systems – Through a number of subsidiary companies, EOH is able to sell, implement and support a range of world-class business applications including ERP, CRM, Business Intelligence, Advanced Planning and Scheduling, e-Commerce and Manufacturing Execution Systems (MES).

EOH Outsourcing Solutions – involves comprehensive maintenance and support of the clients' IT infrastructure and applications through the offering of full IT outsourcing and Application Hosting.

EOH has presence in all major centres in South Africa and operates in Africa, Mauritius, Middle East and Australia.

Trading results

The results of operations for the year ended 31 July 2002 are detailed in the accompanying table. Earnings attributable to ordinary shareholders amounted to R11,96 million representing earnings and headline earnings per share of 24,02 and 26,19 cents respectively. The group's operating income is attributable to its core business, namely enterprise solutions.

A summary of the group's trading results is set out below:

	Audited 2002	Audited 2001	Audited 2000
Income before interest and taxation (R'000)	14 116	12 233	10 693
Goodwill amortised	(1 081)	(456)	–
Income after taxation and attributable to ordinary shareholders (R'000)	11 958	10 109	8 073
Earnings per share (cents)	24,02	20,19	16,05
Headline earnings per share (cents)	26,19	20,52	16,05
Fully diluted earnings per share (cents)	21,89	19,69	15,55

Group's financial position

The financial position of the company and group are set out in the balance sheet and cash flow statements.

Dividends

A cash dividend of 6 cents per share ("the dividend") has been declared, payable to shareholders recorded in the books of the company at the close of business on Friday, November 8 2002. Shareholders are advised that the last day to trade "cum" the dividend will be Friday, November 1 2002. The shares will trade "ex" dividend as from Monday, November 4 2002, and the record date will be Friday, November 8 2002. Payment will be made on Monday, November 11 2002. Share certificates may not be dematerialised or rematerialised during the period Monday, November 4 2002 to Friday, November 8 2002, both days inclusive.

Share capital

During the financial year the authorised and issued share capital has remained unchanged. At year end 717 856 EOH shares were owned a wholly-owned subsidiary of EOH and will not be cancelled.

At the year end, the shares of the company were held by the following categories of shareholders:

	July 2002	July 2001
	%	%
Non-public		
– Directors	56,3	56,9
– The EOH Share Incentive Trust	9,9	10,2
– V55 Investments (Proprietary) Limited	1,4	3,5
Public	32,4	29,4
	100,0	100,0

According to the records of the company, the only shareholders registered as holding five per cent or more of the company's shares at 31 July 2002, other than directors, are the following:

	Number of shares	
	July 2002	July 2001
Standard Bank Nominees Tvl (Pty) Limited	–	6 489 527
ABSA Group Pension Fund	3 550 000	3 758 833
Nedcor Bank Nominees Limited	–	1 170 500
PSG Coronation Small Cap	–	4 727 579
Shaparon Nominees (Pty) Limited	1 359 929	–
Coronation Specialist Growth Fund	743 456	–
Mcubed Aggressive Small Cap Growth	1 734 187	–
M3 Small Cap Growth Fund	2 159 400	–
Menteith Investments Limited	4 569 339	–

DIRECTORS' REPORT

Investments in subsidiary companies

Details of interests in subsidiaries, all of which are wholly owned and with the principal business of Information Technology Consultants, are set out below:

	Issued capital	Cost of shares 2002	2001
Direct subsidiaries			
EOH Consulting Services (Proprietary) Limited			
(Formerly Enterprise Outsourcing (Proprietary) Limited)	100	100	100
Enterprise Logistics Solutions (Proprietary) Limited	100	100	100
Enterprise Implementation Solutions (Proprietary) Limited	300	300	300
Enterprise Outsourcing Solutions (Proprietary) Limited	100	100	100
Technolease (Proprietary) Limited	7 650	7 650	7 650
Enterprise Softworks (Proprietary) Limited	9 000	1	1
V55 Investments (Proprietary) Limited	100	100	100
EOH Australia Limited	435	348	348
Jent Solutions (Proprietary) Limited	100	100	-
Enterprise 21 Solutions (Proprietary) Limited	100	100	-
EOH Consulting Services (Western Cape) (Proprietary) Limited (Formerly SA Computer Support Cape Town (Proprietary) Limited)	100	1	-
Indirect subsidiaries			
Enterprise Outsourcing (Western Cape) (Proprietary) Limited	100	100	100
EOH Consulting Services (Eastern Cape) (Proprietary) Limited (Formerly Enterprise Outsourcing (Eastern Cape) (Proprietary) Limited)	100	70	70
EOH Consulting Services KZN (Proprietary) Limited (Formerly Enterprise Outsourcing KZN (Proprietary) Limited)	100	100	100
ESP Solutions (Proprietary) Limited	100	100	-
Intelliware (Proprietary) Limited	10 000	70	-
		9 340	8 969

As at year end an amount of R9 341 389 was advanced by the holding company to EOH Consulting Services (Proprietary) Limited. There were no other loans advanced by the holding company to its direct or indirect subsidiaries. Refer note 5 to the Annual Financial Statements for details.

Acquisition

The following material acquisitions were completed during the period under review:

- On 1 July 2002 EOH acquired the business operations of Futuristix from Futuristix Advanced Control Systems (Proprietary) Limited as a going concern for a total consideration of up to R6 million. The value of net assets acquired amounted to a deficit of R1,1 million with profits attributable to these assets on an annualised basis of R0,9 million. Futuristix is a software distributor of Manufacturing Execution Systems (MES) and Supervisory Control and Data Acquisition (SCADA) Systems which fall within our core business activities. The purchase price will be settled partly in cash and through the issue of EOH shares over the next two years. The annualised financial effects of the acquisition on EOH's results would have been as follows:

	Before the acquisition	After the acquisition
Earnings per share (cents)	24,02	25,87
Headline earnings per share (cents)	26,19	28,39
Net asset value per share (cents)	84,26	82,14
Net tangible asset value per share (cents)	24,23	22,11

- The acquisition of 100% of EOH Consulting Services (Western Cape) (Proprietary) Limited formerly known as SA Computer Support Cape Town (Proprietary) Limited with effect from 1 August 2001 for a total consideration of R1,6 million settled in cash.
- The acquisition of the business of ESP Solutions with effect from 1 March 2002 as a going concern for a total consideration of R1,2 million settled in cash.

Directorate

The following directors served throughout the period:

Peter John Bartlett

Asher Bohbot

Antonio Coccianti

Roedolf Jacobus du Toit

Abré Pienaar

Robert Michael Maria Sporen (Dutch)

Bernardus ven den Berg

DIRECTORS' REPORT

There were no changes in the composition of the board during the year under review. Subsequent to year end Abré Pienaar resigned as a director and Jane Sinclair Thomson and Kenneth Cullinan were appointed as directors effective 30 September 2002.

Directors' interest in contracts

None of the directors and officers of the company had an interest in any contract of significance during the financial year.

Directors' interest in the share capital of the company

At 31 July 2002 the directors' direct and indirect interest in the company's issued shares were as follows:

	Beneficial		Non-Beneficial	
	July 2002	July 2001	July 2002	July 2001
Ordinary shares				
– directly				
Bernardus van den Berg	–	73 300		
Roedolf Jacobus du Toit	–	17 800		
- indirectly				
Bernardus van den Berg	2 766 900	2 787 891		
Roedolf Jacobus du Toit	2 766 900	2 787 891		
Asher Bohbot	13 220 230	13 364 634	18 000	18 000
Robert Michael Sporen	3 457 900	3 506 421	30 000	30 000
Abré Pienaar	3 457 900	3 506 421	6 000	12 000
Peter John Bartlett	2 766 900	2 787 891	15 000	15 000

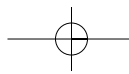
All the above directors hold in excess of 1% of the shares of the company.

Ordinary shares

No significant changes in the shareholding have taken place subsequent to year end.

Share option scheme

The company has a share option scheme giving all directors and staff the opportunity to participate in the growth of the group. At 31 July 2002, 8 224 225 options had been granted but not exercised, at an average exercise price of 94 cents. Options must be exercised within ten years of award. Under the terms of the current scheme up to 16% of the issued share capital from time to time is reserved for share options.



Contingent liabilities

There are claims from customers/suppliers relating to claims prior to acquisition of a subsidiary. The directors are of the opinion that these claims are not valid and that the company has a counter-claim against the vendor in respect of these claims.

Subsequent events

No material event or transaction has occurred subsequent to 31 July 2002 that warrants adjustment to, or notification in, the annual financial statements.

BALANCE SHEET

at 31 July 2002

		Group		Company	
		2002 (R'000)	2001 (R'000)	2002 (R'000)	2001 (R'000)
Notes					
ASSETS					
Non-current assets		35 585	18 607	2 239	808
Tangible assets	3	3 482	2 153	-	-
Intangible assets	4	30 414	16 454	800	800
Loans receivable		1 689	-	-	-
Investments in subsidiary companies	5	-	-	1 439	8
Current assets		62 216	43 650	10 347	11 561
Inventories	6	50	585	-	-
Trade and other receivables	7	32 578	18 191	1 006	1 006
Inter-company loans	5	-	-	9 341	10 555
Cash and cash equivalents		29 588	24 874	-	-
Total assets		97 801	62 257	12 586	12 369
EQUITY AND LIABILITIES					
Capital and reserves		42 692	29 466	12 328	12 186
Issued capital	8	500	489	507	507
Share premium	8	10 674	9 577	11 337	11 337
Distributable reserves	9	31 358	19 400	484	342
Non-distributable reserve		160	-	-	-
Non-current liabilities		7 785	943	94	70
Amounts due to vendors	10	6 040	50	-	-
Interest bearing borrowings	11	637	132	-	-
Deferred tax	12	1 108	761	94	70
Current liabilities		47 324	31 848	164	113
Trade and other payables	13	47 883	29 914	133	105
Taxation		(559)	1 934	31	8
Total equity and liabilities		97 801	62 257	12 586	12 369

INCOME STATEMENT

for the year ended 31 July 2002

	Notes	Group		Company	
		2002 (R'000)	2001 (R'000)	2002 (R'000)	2001 (R'000)
Revenue	15	114 328	84 094	203	190
Profit before interest	16	14 116	12 233	203	207
Net interest received	18	480	595	-	-
Profit from operations before goodwill		14 596	12 828	203	207
Goodwill amortised		(1 081)	(456)	-	-
Profit from operations		13 515	12 372	203	207
Taxation	19	1 557	2 263	61	62
Net profit for the period		11 958	10 109	142	145
Number of shares in issue ('000)	20	50 667	50 667	50 667	50 667
Weighted average number of shares in issue ('000)	20	49 787	50 072	49 787	50 072
Earnings per ordinary share (cents)	20	24,02	20,19	0,29	0,29
Headline earnings per share (cents)	20	26,19	20,52	0,29	0,29
Fully diluted earnings per share (cents)	20	21,89	19,69	0,26	0,28

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 July 2002

Group – R'000	Issued capital	Share premium	Distributable reserves
Balance at 31 July 2001	489	9 577	19 400
Net profit for the period	–	–	11 958
Re-issue of shares held by subsidiary	11	1 097	–
Balance at 31 July 2002	500	10 674	31 358
Company – R'000	Issued capital	Share premium	Distributable reserves
Balance at 31 July 2001	507	11 337	342
Net profit for the period	–	–	142
Balance at 31 July 2002	507	11 337	484

CASH FLOW STATEMENT

for the year ended 31 July 2002

		Group		Company	
		2002 (R'000)	2001 (R'000)	2002 (R'000)	2001 (R'000)
Notes					
Cash flows from operating activities					
Cash generated by operations	27.1	16 632	13 883	203	207
Movements in working capital	27.2	1 034	3 531	28	9
Cash generated by operating activities		17 666	17 414	231	216
Net Interest received	18	480	595	-	-
Taxation paid	27.3	(3 703)	(2 691)	(14)	(87)
Net cash flows from operating activities		14 443	15 318	217	129
Cash flows from investing activities					
Additions of tangible assets	27.4	(1 416)	(1 579)	-	-
Movement in goodwill		(2 654)	(1 456)	-	-
Project in progress		(3 720)	(2 569)	-	-
Movement in loan accounts of subsidiary		-	-	1 214	(1 202)
Movements in investments in subsidiaries		-	(73)	(1 431)	(7)
Net cash flow required for acquisitions		(7 475)	-	-	-
Proceeds on disposal of 30% interest in Eastern Cape		-	259	-	-
Net cash outflows from investing activities		(15 265)	(5 418)	(217)	(1 209)
Cash flows from financing activities					
Increase in long-term loans receivable		(1 689)	-	-	-
Cash flow from outside shareholders		-	29	-	-
Long-term borrowings (repaid)/raised		(32)	73	-	-
Net proceeds from share issue	27.5	-	1 079	-	1 080
Amounts due to vendors		5 990	(3 100)	-	-
Share re-sale/(buyback)		1 267	(1 777)	-	-
Net cash inflow/[outflow] from financing activities		5 536	(3 696)	-	1 080
Net movement in cash and cash equivalents for the period		4 714	6 204	-	-
Cash and cash equivalents at beginning of period		24 874	18 670	-	-
Cash and cash equivalents at end of period	27.6	29 588	24 874	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2002

1. ACCOUNTING POLICIES

The financial statements set out on pages 18 to 40 are prepared on the historical cost basis and incorporate the principal accounting policies set out below. These significant accounting policies conform with generally accepted accounting practice in South Africa and are consistent with those applied in the previous year.

The financial statements are prepared on a going concern basis.

1.1 Basis of consolidation

The consolidated financial statements incorporate those of the company and its subsidiaries. The operating results of any subsidiaries acquired during the year are included from the effective date of control.

Subsidiaries are defined as those companies in which the group, either directly or indirectly, has more than one half of the voting rights, has the right to appoint more than half the board of directors or otherwise has the power to control the financial and operating activities of the entity.

At the date of acquisition of a subsidiary, the cost of the investment is allocated to the fair value of individual identifiable assets and liabilities.

Any remaining difference between the purchase price of shares in subsidiaries and net asset value is dealt with as follows:

The excess of the purchase price over net asset value was capitalised as goodwill and amortised over 20 years to distributable reserves during the current financial year.

Intergroup balances and transactions and the resulting unrealised profits have been eliminated.

1.2 Investments

Long-term investments are classified as financial assets and are stated at cost, except where there is a decline in value that is other than temporary, in which case they are written down to fair value.

1.3 Tangible assets

Tangible assets are stated at historical cost less accumulated depreciation.

Depreciation is provided on all above assets, to write down the costs by equal instalments over their estimated lives, being five years.

Surpluses and losses on disposal of tangible assets are charged to the income statement.

1.4 Inventory

Inventory is valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

1.5 Intangible assets

Goodwill represents the excess of the purchase consideration over the fair value of the assets and liabilities acquired.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2002

Research and development costs are recognised as an expense when incurred, except for those development costs which relate to specific projects where the costs are likely to be recovered from selling the products or services arising from the projects.

The carrying amounts of all intangibles are reviewed annually and written down for any permanent impairment.

1.6 Financial instruments

Financial instruments recognised on the balance sheet include cash and cash equivalents, trade receivables and trade payables.

1.7 Deferred taxation

Deferred tax is provided on the comprehensive basis using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts on the balance sheet. Current tax rates are used to determine the deferred tax balance.

1.8 Provisions

Provisions are recognised where the group has a present legal or constructive obligation as a result of a past event, a reliable estimate of the obligation can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

1.9 Revenue recognition

Revenue is defined as fees charged for enterprise solutions, and excludes value added tax.

1.10 Post retirement benefits

There are no post retirement benefits due to current and retired employees.

Defined contribution plans

Contributions in respect of defined contribution plans are recognised as an expense in the year to which they relate.

1.11 Comparatives

Where necessary, comparative figures have been adjusted to allow for more meaningful comparison.

2. DEFINITIONS

2.1 Cash and cash equivalents

The cash and cash equivalents amounts disclosed in the cash flow statement comprises cash on hand, deposits held on call with banks and highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant changes in value, net of bank overdrafts.

Bank overdrafts have been disclosed separately with current liabilities in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2002

	Group		Company	
	2002 (R'000)	2001 (R'000)	2002 (R'000)	2001 (R'000)
3. TANGIBLE ASSETS				
Cost	11 646	3 606	-	-
Computers	8 972	2 567	-	-
Furniture, equipment and vehicles	2 674	1 039	-	-
Accumulated depreciation	8 164	1 453	-	-
Computers	6 989	1 153	-	-
Furniture, equipment and vehicles	1 175	300	-	-
Net carrying value	3 482	2 153	-	-
Computers	1 983	1 414	-	-
Furniture, equipment and vehicles	1 499	739	-	-
3.1 Analysis of movements				
Net carrying value at beginning of the year	2 153	1 338	-	-
Additions	1 416	1 579	-	-
Computers	1 025	1 215	-	-
Furniture, equipment and vehicles	391	364	-	-
Depreciation	1 351	764	-	-
Computers	1 163	710	-	-
Furniture, equipment and vehicles	188	54	-	-
Net carrying value of assets of subsidiaries purchased at acquisition date	1 264	-	-	-
Net carrying value at end of the year	3 482	2 153	-	-
4. INTANGIBLE ASSETS				
Tradenames at cost	2 690	2 690	800	800
Goodwill	20 075	8 671	-	-
Projects in progress	7 649	5 093	-	-
Intangible assets	30 414	16 454	800	800
Directors' valuation of tradenames	2 690	2 690	800	800
Tradenames include trademarks and tradenames.				

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2002

	Group		Company	
	2002 (R'000)	2001 (R'000)	2002 (R'000)	2001 (R'000)
5. INVESTMENT IN SUBSIDIARIES				
Shares at cost			1 439	8
Loan accounts – receivable			9 341	10 555
			10 780	10 563
6. INVENTORIES				
Merchandise purchased for resale	50	50	–	–
Work in progress	–	535	–	–
	50	585	–	–
7. TRADE AND OTHER RECEIVABLES				
Trade receivables	30 646	15 532	–	–
Other receivables	797	1 373	600	600
The EOH Share Incentive Trust	1 135	1 286	406	406
	32 578	18 191	1 006	1 006
8. SHARE CAPITAL AND PREMIUM				
Share capital				
Authorised				
100 000 000 ordinary shares of 1 cent each	1 000	1 000	1 000	1 000
Issued				
50 667 356 (2001: 50 667 356) ordinary shares of 1 cent each	500	489	507	507
Balance at beginning of year	489	502	507	502
Issued during current year	–	5	–	5
Shares sold/(repurchased)	11	(18)	–	–
Balance at end of year	500	489	507	507

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2002

	Group		Company	
	2002 (R'000)	2001 (R'000)	2002 (R'000)	2001 (R'000)
8. SHARE CAPITAL AND PREMIUM (continued)				
Share premium				
Balance at beginning of year	9 577	10 262	11 337	10 262
Issued during current year	-	1 074	-	1 075
Shares sold/(repurchased)	1 097	(1 759)	-	-
Balance at end of year	10 674	9 577	11 337	11 337
Total share capital and premium	11 174	10 066	11 844	11 844
The balance of the unissued ordinary shares are under the control of the directors until the next general meeting, subject to the provisions of Section 221 of the Companies Act and the requirements of the Johannesburg Securities Exchange SA.				
Further details regarding the issue of shares and share options granted to employees are set out in the directors' report.				
9. DISTRIBUTABLE RESERVES				
Balance at beginning of year	19 400	9 291	342	197
Retained profit for the year	11 958	10 109	142	145
Balance at end of year	31 358	19 400	484	342
10. AMOUNTS DUE TO VENDORS				
Amounts due to vendors	6 040	50	-	-
The amounts due to vendors represent purchase consideration owing in respect of acquisitions and will be settled through the issue of shares or cash resources when the relevant profit warranties have been fulfilled. The amounts owing are interest free and will be settled within the next two years.				

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2002

	Group		Company	
	2002 (R'000)	2001 (R'000)	2002 (R'000)	2001 (R'000)
11. INTEREST BEARING BORROWINGS				
Short-term borrowings	637	132	–	–
	637	132	–	–
12. DEFERRED TAXATION				
Deferred tax asset	–	–	–	–
Deferred tax liabilities	1 108	761	94	70
	1 108	761	94	70
The balance of deferred tax is made up as follows:		Balance 1 July 2001	Group (R'000) Charged through income	Balance 1 July 2002
Deferred tax (assets)/liabilities				
Provisions		565	266	831
Trademark write-off		192	81	273
Pre-payment		4	–	4
		761	347	1 108
		Balance 1 July 2001	Company (R'000) Charged through income	Balance 1 July 2002
Deferred tax (assets)/liabilities				
Trademark write-off		70	24	94
		70	24	94
Net deferred tax liability				
Deferred tax assets and liabilities are only offset when the income tax relates to the same legal entity or fiscal authority.				

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2002

	Group		Company	
	2002 (R'000)	2001 (R'000)	2002 (R'000)	2001 (R'000)
12. DEFERRED TAXATION (continued)				
Movement in deferred tax can be analysed as follows:				
Balance beginning of year	761	(70)	70	46
Charged through income statement	347	831	24	24
Balance at end of year	1 108	761	94	70
13. TRADE AND OTHER PAYABLES				
Trade payables	8 187	2 337	-	-
Other payables	19 002	9 483	133	105
Deferred revenue	20 694	18 094	-	-
	47 883	29 914	133	105
14. CAPITAL COMMITMENTS				
14.1 Commitments in respect of capital expenditure				
Approved by directors				
- contracted for	-	-	-	-
- not contracted for	2 500	4 000	-	-
	2 500	4 000	-	-
This expenditure will be financed from cash generated from normal business operations.				
14.2 Operating leases				
Future lease charges for premises, equipment and office furniture				
- payable within one year	1 828	861	-	-
- payable between one and five years	2 313	2 672	-	-
- payable thereafter	151	76	-	-
	4 292	3 609	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2002

		Group		Company					
		2002 (R'000)	2001 (R'000)	2002 (R'000)	2001 (R'000)				
15. REVENUE									
Revenue represents sale of goods and fees charged for enterprise solutions, and excludes value added tax and inter-company sales.									
Revenue comprises									
Sale of goods		3 507	6 675	-	-				
Fees received		110 821	77 419	-	-				
Income from subsidiaries									
- management fee		-	-	203	190				
		114 328	84 094	203	190				
16. PROFIT FROM OPERATIONS									
The operating profit is stated after:									
Expenses									
Auditors' remuneration									
- audit fee		468	163	-	5				
- accounting services		-	-	-	-				
- expenses		-	-	-	-				
		468	163	-	5				
Depreciation									
- computers		1 163	710	-	-				
- furniture, equipment and vehicles		188	54	-	-				
		1 351	764	-	-				
17. DIRECTORS' EMOLUMENTS									
Directors' emoluments paid by subsidiary									
	Asher Bohbot	Peter J Bartlett	Antonio Cocciant	Roedolf J du Toit	Abré Pienaar	Robert MM Sporen	Bernardus van den Berg	Total	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	2001
Executive directors									
- remuneration	1 031	509	483	725	644	657	612	4 661	4 550
- contributions to provident fund	127	52	47	-	-	-	-	226	195
Total directors' emoluments	1 158	561	530	725	644	657	612	4 887	4 745
There are no non-executive directors represented on the board of directors.									

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2002

	Group		Company	
	2002 (R'000)	2001 (R'000)	2002 (R'000)	2001 (R'000)
18. NET INTEREST RECEIVED				
Interest received	1 105	1 385	-	-
Interest paid	(625)	(790)	-	-
	480	595	-	-
19. TAXATION				
South African Normal Tax				
• current	1 210	1 432	37	38
• attributable to temporary differences arising in the current year	347	831	24	24
	1 557	2 263	61	62
Reconciliation of Tax Rate	%	%	%	%
Standard tax rate	30,0	30,0	30,0	30,0
Adjusted for:				
Disallowable expenditure/(capital profit)	2,9	1,4	-	-
Utilisation of assessed loss	(21,4)	(13,1)	-	-
	11,5	18,3	30,0	30,0
20. EARNINGS PER SHARE				
Basic earnings per share (cents)				
The calculation is based on earnings of R11 958 571 (2001: R10 108 657) and on the weighted average of 49 787 392 ordinary shares in issue during the year (2001: 50 071 898)	24,02	20,19	0,29	0,29
Headline earnings per share (cents)				
Headline earnings per share has been assessed in terms of AC306				
The calculation is based on earnings of R13 039 152 (2001: R10 276 784) and on the weighted average of 49 787 392 ordinary shares in issue during the year (2001: 50 071 898)	26,19	20,52	0,29	0,29

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2002

	Group		Company	
	2002 (R'000)	2001 (R'000)	2002 (R'000)	2001 (R'000)
20. EARNINGS PER SHARE (continued)				
Fully diluted earnings per share (cents)				
This is calculated on the assumption that the options granted were exercised. This calculation is based on earnings of R11 958 571 (2001: R10 108 657) and on the weighted average of 54 627 941 (2001: 51 334 424) ordinary shares in issue during the year				
	21,89	19,69	0,26	0,28

21. SEGMENTAL REPORTING

An analysis of the business units and geographical split of the company revealed that the business operations are closely integrated and all revenue is generated in South Africa, therefore, a segmental analysis will be of no benefit

22. CONTINGENT LIABILITIES

There are claims from customers/suppliers relating to claims prior to acquisition of a subsidiary. The directors are of the opinion that these claims are not valid and that the company has a counter-claim against the vendor in respect of these claims.

23. RETIREMENT BENEFIT INFORMATION

The group continues to contribute to a defined contribution plan. This fund is registered under and governed by the Pension Funds Act, 1956 as amended. Substantially all of the group's employees belong to the fund. All members pay a contribution to the fund and the group makes a similar contribution.

24. SUBSEQUENT EVENTS

No material event or transaction has occurred subsequent to 31 July 2002 that warrants adjustment to, or notification in the annual financial statements.

25. FINANCIAL INSTRUMENTS

Credit risk management

The group only deposits cash surpluses with major banks of high quality credit standing.

Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis.

At year end, the group did not consider there to be any significant concentration of credit risk which has not been adequately provided for.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2002

25. FINANCIAL INSTRUMENTS (continued)

Interest rate risk

The group adopts a policy of ensuring that its borrowings are at market related rates to address its interest rate risk.

Liquidity risk

The group has minimised its illiquidity risk by ensuring that it has adequate banking facilities and reserve borrowing capacity.

Fair values

The fair values of all financial instruments are substantially identical to the carrying value reflected in the balance sheet.

26. RELATED PARTIES

Related parties exist between the group, fellow subsidiaries and the holding company. All purchasing and selling transactions with related parties are concluded at arm's length.

	Group		Company	
	2002 (R'000)	2001 (R'000)	2002 (R'000)	2001 (R'000)
27. NOTES TO CASH FLOW STATEMENTS				
27.1 Cash generated by operations				
Profit before taxation	13 515	12 372	203	207
Adjustments				
Net interest received	(480)	(595)	-	-
Depreciation	1 351	1 307	-	-
Projects written off	1 165	631	-	-
Capital profit	-	(288)	-	-
Goodwill written off	1 081	456	-	-
	16 632	13 883	203	207
27.2 Movements in working capital				
Decrease/(increase) in inventories	535	(412)	-	-
(Increase)/decrease in trade and other receivables	(14 387)	1 501	-	-
Increase in trade and other payables	17 968	2 442	28	9
Less acquisition opening working capital	(3 082)	-	-	-
	1 034	3 531	28	9

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2002

	Group		Company	
	2002 (R'000)	2001 (R'000)	2002 (R'000)	2001 (R'000)
27. NOTES TO CASH FLOW STATEMENTS (continued)				
27.3 Taxation paid				
Amounts owing at the beginning of the year	1 934	3 193	8	57
Amount charged per the income statement excluding deferred taxation	1 210	1 432	37	38
Amounts unpaid at the end of the year	(559)	1 934	31	8
Amounts paid	3 703	2 691	14	87
27.4 Additions to tangible assets				
Computers	1 025	1 215	–	–
Furniture, equipment and vehicles	391	364	–	–
	1 416	1 579	–	–
27.5 Net proceeds from share issue				
Ordinary shares issued including share premium	–	1 079	–	1 080
	–	1 079	–	1 080
27.6 Cash and cash equivalents at end of period				
Cash on hand	29 588	24 874	–	–
Bank overdrafts	–	–	–	–
	29 588	24 874	–	–

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the fourth annual general meeting of shareholders of Enterprise Outsourcing Holdings Limited will be held in the boardroom of the company, Ground Floor, Block F, Gillooly's View, 1 Osborne Lane, Bedfordview on 22 January 2003 at 10:00.

The following business will be dealt with at the annual general meeting of shareholders:

- to receive and consider the annual financial statements for the year ended 31 July 2002
- to transact such other business as may be transacted at any ordinary general meeting
- to consider and, if deemed fit, pass the following ordinary and special resolutions:

ORDINARY RESOLUTION NUMBER 1

"Resolved that, in terms of this ordinary resolution number 1, all of the unissued ordinary shares in the capital of the company are hereby placed under the control of the directors of the company as a general authority, in terms of section 221 (2) of the Companies Act 1973, [Act 6 of 1973], as amended ("the Act"), for allotment and issue from time to time to such persons and in such manner as the directors of the company may determine with the provisions of the Act, the company's articles of association and the Listing Requirements of the Johannesburg Securities Exchange SA ("JSE"), until such time as the authority lapses in terms of the Act."

ORDINARY RESOLUTION NUMBER 2

"Resolved that, the directors be given the general authority to issue new ordinary shares of 1 cent each for cash when suitable situations arise, subject to the Listings Requirements of the JSE and to the following limitations, that:

- this authority shall be valid until the next annual general meeting of the company (provided it shall not extend beyond 15 months)
- a paid press announcement giving full details, including the impact on net asset value and earnings per share, be published at the time of any issue representing, on a cumulative basis within one year, 5% or more of the number of ordinary shares in issue prior to the issues
- issues in the aggregate in any one year will not exceed 10% of the number of ordinary shares in the company's issued share capital and provided further that such issues shall not in aggregate in any three-year period exceed 15% of the company's issued share capital
- the issue must be made to public shareholders as defined by the JSE
- in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price as determined over the 30 days prior to the date that the price of the issue is determined or agreed to by the directors of the company."

SPECIAL RESOLUTION NUMBER 1

"Resolved that the company or a subsidiary be and is hereby authorised, by way of a general authority, to acquire shares issued by the company in terms of sections 85 and 89 of the Act, and in terms of the rules and requirements of the JSE, being that:

- any such acquisition of ordinary shares shall be implemented on the open market of the JSE;
- this general authority shall only be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 months from the date of passing of this special resolution;

NOTICE OF ANNUAL GENERAL MEETING

- when the company has cumulatively repurchased 3% of the number of a class of shares in issue on the date of passing of this special resolution ("the initial number"), and for each 3% in aggregate of the initial number of that class of shares acquired thereafter, an announcement must be published as soon as possible and not later than 08:30 on the business day following the day on which the relevant threshold is reached or exceeded, and the announcement must comply with the JSE's listing requirements;
- in determining the price at which ordinary shares issued by the company are acquired by it or its subsidiary in terms of this general authority, the maximum premium at which such shares may be acquired will be 10% of the weighted average of the market value for such shares for the five business days immediately preceding the date of repurchase of such shares;
- any general repurchase by the company of its own shares shall not, in aggregate in any one financial year, exceed 20% of the company's issued share capital of that class as at the date of passing this special resolution;
- the securities shall be issued to public shareholders and not to related parties as defined by the JSE;
- a 75% majority is required of votes cast by the shareholders present or represented by proxy at the annual general meeting to approve the resolution regarding the waiver of pre-emptive rights."

The reason for and effect of the special resolution is to grant the company a general approval in terms of the Act for the acquisition of shares of the company. Such general authority will provide the board with the flexibility, subject to the requirements of the Act and the JSE, to repurchase shares should it be in the interests of the company at any time while the general authority exists. This general approval shall be valid until the earlier of the next Annual General Meeting of the company, or its variation or revocation of such general authority by special resolution by any subsequent general meeting of the company, provided that the general authority shall not extend beyond 15 months from the date of passing of this resolution.

The directors have agreed that acquisitions in the aggregate in any one financial year may not exceed 20% of the company's ordinary issued share capital at the date of passing of this resolution and is of the opinion that such power will not result in:

- the company in the ordinary course of business being unable to pay its debts for a period of 12 months after the date of this notice of Annual General Meeting;
- the liabilities of the company exceeding the assets of the company, calculated in accordance with the generally accepted accounting policies used in the audited financial statements for the period ended 31 July 2002;
- the ordinary capital and reserves of the company for a period of 12 months after the date of the notice of Annual General Meeting being materially affected; and
- the working capital of the company for a period of 12 months after the date of the notice of Annual General Meeting being materially affected.



CORPORATE INFORMATION



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COMPANY REGISTRATION

Registration Number 1998/014669/06

CORPORATE BANKER (1)

Standard Bank of South Africa Limited
Orange Grove Branch
(Registration Number 1962/000738/06)
69 Louis Botha Avenue
Orange Grove, 2192
PO Box 46001, Orange Grove, 2119

CORPORATE BANKER (2)

ABSA
Corporate Bank
21st Floor, Sanlam Centre
cnr Jeppe and Von Wielligh Streets
Johannesburg, 2001
PO Box 1932, Johannesburg, 2000

AUDITORS

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41 Fox Street
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COMPANY SECRETARY

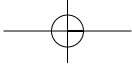
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ATTORNEYS

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SPONSOR AND CORPORATE ADVISOR

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(Registration Number 1996/015589/07)
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PO Box 61346, Marshalltown, 2107



SHAREHOLDERS' DIARY

July 2002	Financial year-end
October 2002	Preliminary press announcement
December 2002	Annual report publication
January 2003	Annual general meeting
April 2003	Interim press announcement

