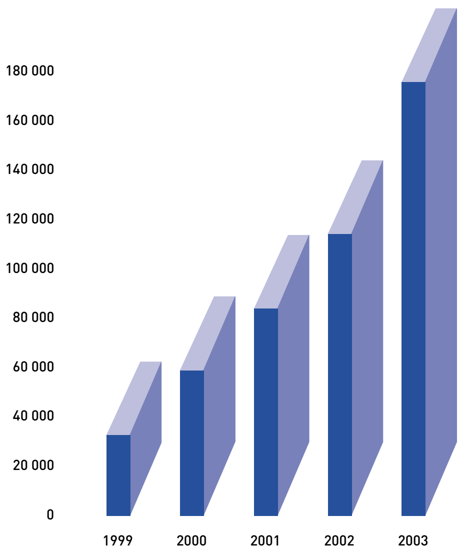
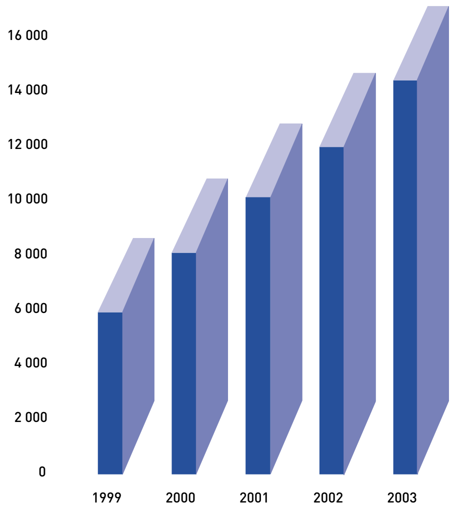
group financial highlights

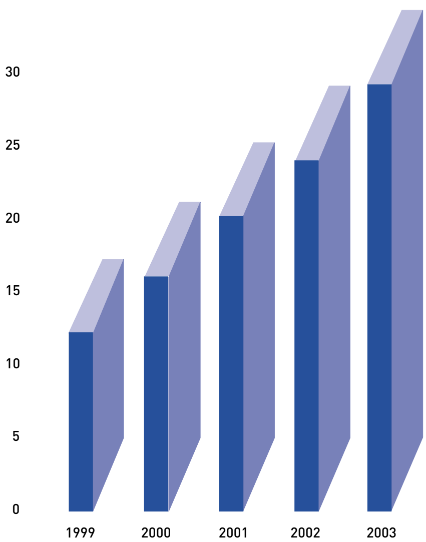
	12 months to 31 July 2003	12 months to 31 July 2002	12 months to 31 July 2001	12 months to 31 July 2000	12 months to 31 July 1999
Revenue (R'000)	**175 969**	114 328	84 094	58 988	32 701
Attributable income (R'000)	**14 395**	11 958	10 109	8 073	5 892
Earnings per share (cents)	**29,24**	24,02	20,19	16,05	12,21
Headline earnings per share (cents)	**31,52**	26,19	20,52	16,05	12,21
Fully diluted earnings per share (cents)	**28,10**	21,89	19,69	15,55	11,69



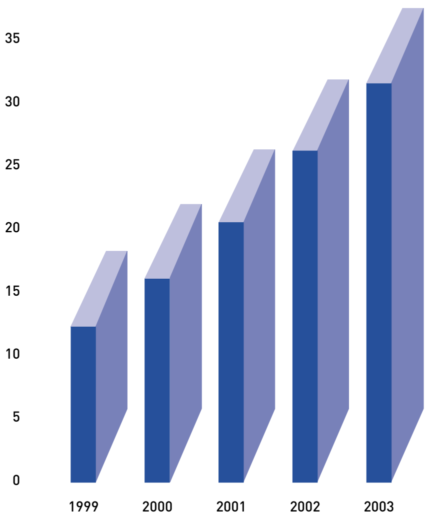
Revenue (R'000)



Attributable income (R'000)



Earnings per share (cents)



Headline earnings per share (cents)

directorate

Roedolf Jacobus du Toit (45)

Executive Director
BEng. (Hons) (Industrial), MBA
Appointed 6 August 1998

Dr Nakedi Mathews Phosa (51)

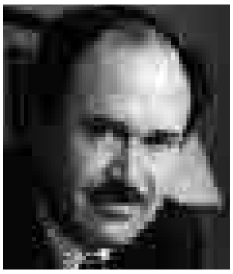
Non-executive Chairman
BProc, LLB, Honorary PhD in Law (University of Boston)
Appointed 20 October 2003

Jane Sinclair Thomson (44)

Executive Director
Appointed 30 September 2002

Asher Bohbot (50)

Chief Executive Officer
BSc. Industrial Engineering, MAP
Appointed 6 August 1998



Robert Michael Maria Sporen (53)

Executive Director
CPIM
Appointed 6 August 1998

Peter John Bartlett (50)

Executive Director
Appointed 6 August 1998

Bernardus van den Berg (44)

Executive Director
BEng. (Industrial)
Appointed 6 August 1998

Antonio Cocciante (33)

Financial Director
CA (SA)
Appointed 20 August 1999

Kennith Cullinan (44)

Executive Director
National Diploma (Industrial Eng), CPIM
Appointed 30 September 2002

CEO's operational report

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

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

During the past year we not only continued our aggressive growth strategy, but also carried on with the development of our infrastructure, controls and, most importantly, the culture and values set essential for continued growth.

We have further expanded our services and product offerings 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 and System21, in addition we offer services for other prominent ERP solutions such as SAP, PeopleSoft, Oracle, Syspro and Microsoft Business Solutions. EOH is also the sole Southern African distributor for the Wonderware suite of products.

EOH has acquired the business of Atos KPMG Consulting with effect from 1 August 2003. This acquisition has added tremendous value to EOH and enhances our offering. Our business vision and mission, as well as the business model and structure described, reflect the merged business.

In the past year we also continued to broaden our services in the outsourcing arena, offering both IT outsourcing and Business Process Outsourcing (BPO) services, with additional outsourcing customers forming long-term business and technology partnerships with us. Contracts which came up for renewal have been renewed, indicating customer satisfaction with the services we offer.

We are grateful to all our employees, who stuck to the task of creating this strong business and technology 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.

FINANCIAL PERFORMANCE The board is satisfied with the overall performance for the year under review. Revenue improved by 54% over the previous year. Profit has increased by 20% and the headline earnings per share also by 20%.

The balance sheet remains strong with the growth being financed internally. Cash resources exceeded the prior year by 36%.

The board has declared a 7 cents per share dividend.

BUSINESS VISION The business has formulated it's medium-to-long-term vision as follows:

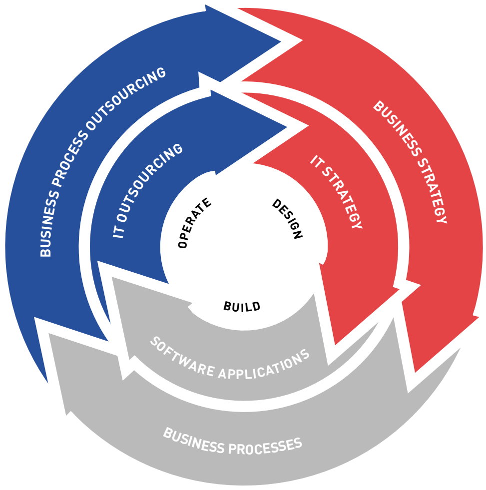
"to be the number 1 Business and Technology solution provider in Africa"

We believe we have the resources, products and service offerings, as well as the people to achieve this vision, and consider our organisation extremely relevant in the growth and development of the African continent.

BUSINESS MISSION We are a business and technology solution provider. We endeavour to form life-long partnerships by developing business and IT strategies, supplying and implementing solutions and managing enterprise-wide systems and processes for medium to large clients.

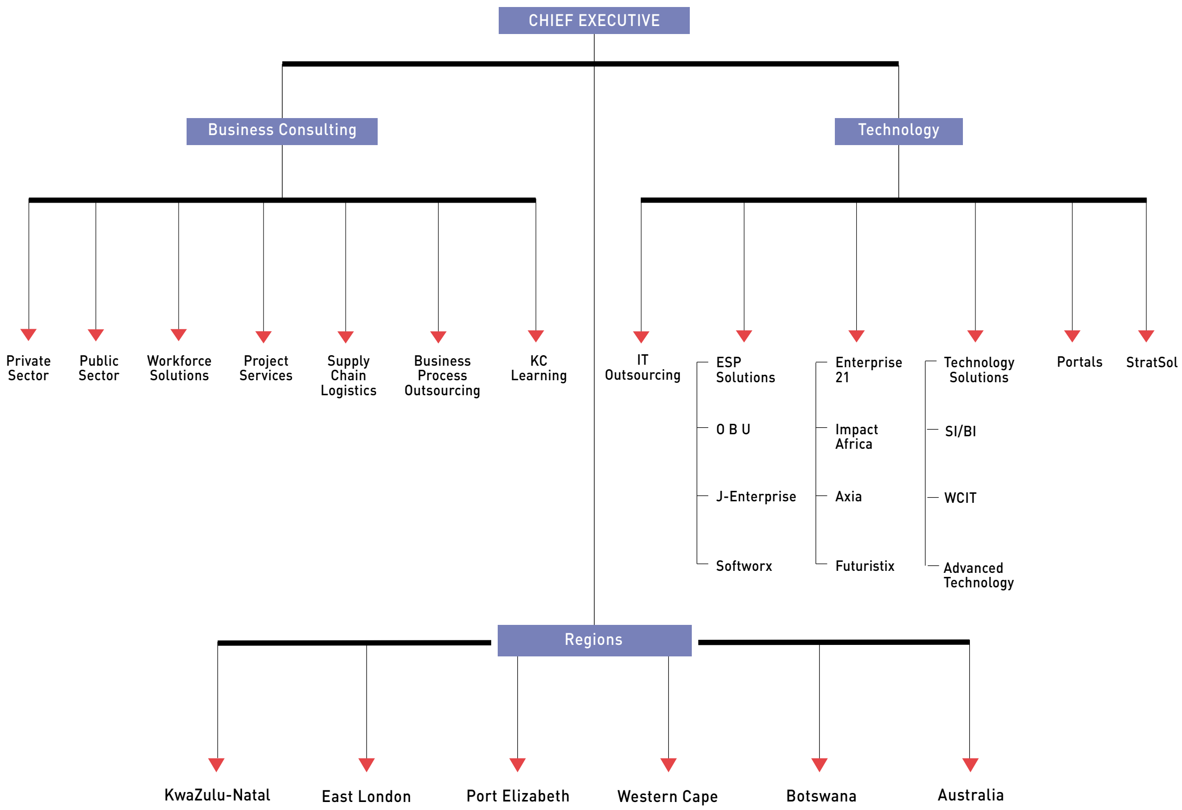
CEO's operational report (continued)

EOH BUSINESS MODEL



The EOH Business Model is designed on the 'design, build, operate' concept, enabling us to embrace our clients with products and services of both a business and technology perspective. The cycle reflects the on-going nature of our client partnership, which accommodates change, whether initiated by changes from the client side, or opportunities created through developments in world-class best business practices and information technology.

STRUCTURE



EOH operates two main clusters of business units as one, fully integrated business:

CEO's operational report (continued)

Business Consulting – Concentrated under the Atos KPMG Consulting brand are business units, offering services ranging from strategic and business process consulting, project services, change management, supply chain optimisation, education and business process outsourcing (BPO).

Technology – 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). In addition, IT Outsourcing Solutions offers comprehensive maintenance and support of the client's IT infrastructure and applications through the rendering of full IT outsourcing, application hosting and managed services.

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

The organisation includes 25 strategic business units, each operating with full accountability for top and bottom line residing at business unit level. Overall strategy is driven centrally. This structure and the processes supporting it ensure strong collaboration between the various business units, ensuring the client has access to the full product and service offering of the group.

EOH operates a shared services model which provides for financial, HR and marketing support, as well as for business development and strategic account management. This ensures the business units remain customer focused, ensuring maximum value-add to our customers.

BRANDING EOH operates two levels of branding. The EOH brand is associated with technology outsourcing services. All generic business consulting services, as well as business process outsourcing (BPO) are rendered under the Atos KPMG Consulting brand. Specific brands are used in business units associated with specific software application packages. Product-specific brands are:

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

The EOH model is replicated in the following regional operations:

- EOH KwaZulu Natal
- EOH Eastern Cape, Port Elizabeth
- Atos KPMG Consulting, East London
- EOH Western Cape
- EOH Australia
- Atos KPMG Consulting, Botswana

STRATEGY

Product and Service Offering

EOH offers its products and services to public as well as private sectors, more specifically to:

- Commerce and Industry, addressing the full spectrum "from Sensor to Boardroom"
- Financial Services
- Information, Communication and Entertainment (ICE)
- Public Services, National, Provincial and Local
- Health Care
- Tourism

People

During the past year we have continued to develop and drive strategy that will ensure that people remain our key differentiator and our competitive advantage. To that effect we have strengthened our "people strategy" programme which includes the following areas:

- Recruitment
- Performance measurement
- People development
- Reward systems
- Black economic empowerment
- Employment equity
- 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 and 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

Black Economic Empowerment

EOH engaged on an intensive programme to identify the appropriate transformation approach for our organisation. This has resulted in a ten-point plan, covering the following issues:

1. Equity participation
2. Board structure
3. Management development programme
4. Employment and mentorship programme
5. Joint ownership
6. Collaborative partnerships
7. Customer involvement
8. Supplier participation
9. Corporate social investment
10. Legal requirements

After a brief pause to accommodate the Atos KPMG Consulting transaction, progress was made regarding the board structure with the appointment of Dr. Mathews Phosa as non-executive chairman. Having established the appropriate, broad-based way forward in terms of equity participation, this issue has since moved into implementation phase, with the intent to announce its resolution early in the new year. Good progress was made concerning the remaining components of the BEE programme.

Growth

The acquisition of Atos KPMG Consulting presents EOH with a major opportunity for growth. It has provided EOH with critical mass in almost all of the major IT spending markets of Africa, together with strong extended access to a major global player. It will provide our clients with effective support and gives EOH the capacity and flexibility to win major new clients.

Territory
During the past year we have identified new opportunities in Africa, where we already service a large number of clients. EOH is well poised to deliver on its objective to become a major service provider across the African continent.

OPERATIONAL REVIEW

ATOS KPMG CONSULTING Our consultants and business architects shape business processes, using world-class best practice and deploy them within clients' organisations using advanced change under a international collaboration and licence agreement with Atos Origin, a leading European business and information technology services provider. Atos KPMG Consulting was recently awarded the highest rated consultancy firm in an independent client survey done by Professional Management Review (PMR) in the corporate and government/public sector services.

EOH 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. Its focus is on realising the business benefits from Enterprise Resource Planning (ERP) systems, Advanced Planning and Scheduling (APS) systems, eCommerce applications, Customer Relationship Management (CRM) systems, Business Intelligence and Manufacturing Execution Systems (MES).

The business unit provides the following services:

- Strategic Development to plan, budget and justify appropriate eBusiness projects
- Programme 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.

Programme Management
Our programme 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.

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 relatively small part of our company, its value-add to the group is paramount and a prime differentiator for EOH. Strategic Solutions operates at the board room level in client companies and is therefore also able to identify opportunities for other business units to contribute to the clients' success.

SOFTWARE APPLICATIONS This cluster of business units 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 Enhancement, Software Training and technical support. The main application packages sold, implemented and supported are Baan, JD Edwards, SAP, Syspro, System21, Oracle, PeopleSoft, Wonderware and others.

Project Management
This service offering covers facilitation and change management, which are crucial for the successful implementation of business systems, using well-proven implementation methodologies.

Software Configuration
The Software Applications cluster 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 parameters, as well as the set-up of data to ensure correct and effective system utilisation and performance.

Program Development and Enhancement
Additional functionality is developed and existing functionality is augmented 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 requirements, making use of those particular business processes and work instructions developed during the configuration of the system.

During the period under review, performance for this division was outstanding with a number of implementation projects again 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 under way.

Prospects
More and more companies are beginning to appreciate the value that extended enterprise system applications (eCommerce, CRM, APS, BI, MES) can bring in ensuring customer loyalty, improving customer retention and increasing customer profitability. The business units in the Application Software cluster are well positioned to realise the maximum benefit for the customer by providing extended enterprise 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, enhancements, re-implementations and re-training will continue to form an important component of the divisions' revenue stream.

OUTSOURCING SOLUTIONS Outsourcing Solutions seeks to partner companies who wish to concentrate their organisation's resources on their core business activity, but at the same time require professional, world-class business process and IT support. This is achieved through the overall management of specific business processes, particularly those that are technology-intensive, as well as the management and operation of software applications used, as well as the server and desktop environments, through the design, installation and administration of both wide-area and local-area networking environments.

Prospects
The worldwide and local trend to outsource non-core business processes and IT operations continues to grow. Studies recently conducted in South Africa show that 90% of enterprises in South Africa are considering outsourcing in one form or another. The concept of outsourcing continues to gain acceptance primarily due to a lack of appropriate skills, especially where advanced technologies are deployed, resulting in difficulty of retaining skilled staff. Another contributing factor is the need for enterprises to focus on core business activities. Continued developments in technology will put further pressure on enterprises to outsource their IT services.

As organisations in South Africa and elsewhere in 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 outsourcing services is guaranteed. We believe this service offering to be extremely relevant in a fast changing society having to compete on a world-wide basis. 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 current composition of the board does not comply with the recommendation of King II. The board has, however, acknowledged the need to re-structure in order to take steps towards compliance with these recommendations.

The appointment of directors is approved by the board of directors. The directors bring to the board a wide range of expertise and experience and in the case of the non-executive chairman, an independent perspective and judgement on issues of policy, strategy and performance.

No executive director has long-term service contracts with the group. In accordance with the company's articles of association, all directors are subject to retirement by rotation and re-election by shareholders at least once every three years.

The board is responsible for setting the direction of the group through the establishment of strategic objectives and policies and takes overall accountability for the group by taking responsibility for its management. The board retains full and effective control over the group and decisions on material matters are reviewed by the board.

The board meets at least quarterly to consider results and performance and to monitor issues of strategic direction and to consider any other issues having a material effect on the group.

During the year under review the attendance at directors' meetings was as follows:

	8 October 2002	22 January 2003	7 April 2003	22 July 2003
Asher Bohbot	√	√	√	√
Peter John Bartlett	√	√	√	√
Antonio Cocciante	√	√	X	√
Roedolf Jacobus du Toit	√	√	√	√
Jane Sinclair Thomson	√	√	√	√
Robert Michael Maria Sporen	√	√	√	√
Bernardus van den Berg	X	√	√	√
Kennith Cullinan	√	√	√	X

The board has complied with the JSE Securities Exchange SA Listing Requirement that the roles of the chairman and chief executive officer be separated.

The chief executive officer is Asher Bohbot. The CEO ensures that the day-to-day business affairs of the group are properly managed.

The board appoints the company secretary whose responsibilities include assisting the chairman in coordinating and administering the operation of the board, providing guidance on the discharge of director responsibilities, implementing governance procedures and ensuring that the group complies with all statutory requirements.

All directors have access to the advice and services of the company secretary.

Details of the directors' emoluments are set out on page 35 of the annual report.

BOARD COMMITTEES Committees are established to assist the board in performing its duties, and the board is free to form or disband committees as is appropriate. The board has appointed audit and remuneration committees, the details of which are presented below.

AUDIT COMMITTEE The group's audit committee is chaired by the CEO. This committee formally meets twice a year prior the publication of the group's interim and final results.

The audit committee's responsibilities are varied and include ensuring that the necessary internal controls are in place through consultation with the external auditors, establishing that management is adhering to and continually improving these controls, and acting as a liaison between the external auditors and the board. The committee is also responsible for reporting to the board on each interim and final result.

The main objectives of the committee include:

- Assisting the board of directors to fulfil their responsibilities of ensuring that the system of internal controls, accounting practices, management information systems, financial reporting systems and auditing processes are functioning effectively;
- Facilitating the effective communication between the board of directors, management and the external auditors;
- Facilitating the credibility, objectivity and reliability of published financial reports and ensuring that the financial statements comply with Generally Accepted Accounting Practice, thereby providing an objective, independent forum for the resolution of significant accounting and reporting related matters;
- Promoting overall effectiveness of corporate governance;
- Evaluating the independence and effectiveness of the external auditors; and
- Monitoring the ethical conduct of the company, its executives and senior officials.

The external auditors have unfettered access to the chairman of the audit committee and all of its members throughout the year.

During the year under review the audit committee meetings were attended as follows:

	8 October 2002	7 April 2003
Asher Bohbot	√	√
Antonio Cocciante	√	√
Robert Michael Maria Sporen	√	√
David Grawitzky	√	√

The audit committee does not comply with the recommendations of King II to the extent that it is not chaired by a non-executive director, members of the audit committee are all executive directors and the audit committee does not meet four times per annum.

REMUNERATION COMMITTEE The remuneration committee comprises the CEO, the financial director and the human resources manager, which is not compliant with the recommendations of King II.

The committee is responsible for reviewing and approving the remuneration of directors and senior management.

In determining the remuneration of executives, the remuneration committee aims to provide appropriate packages required to attract, retain and motivate the executives whilst giving due consideration to remuneration levels, both within and outside the group. To meet these objectives, the committee from time to time takes advice from external remuneration specialists.

ACCOUNTABILITY AND ACCOUNTING The CEO is responsible for all group operations. Divisional and group management accounts are prepared monthly comparing actual results against approved budgets.

RISK MANAGEMENT

Accountability

The board is responsible and accountable for ensuring that adequate procedures and processes are in place to identify, assess, manage and monitor key business risks.

Internal control

Operational and financial risks are managed through implementation and maintenance of a system of internal and financial controls designed to provide reasonable assurance as to the integrity and reliability of the financial information presented and to safeguard the group's assets adequately. These internal controls are monitored regularly.

No incidents have come to the attention of the board that would indicate any material breakdown in these internal controls during the year.

The group's assets are insured against loss, cover being taken out above predetermined self-insurance levels.

Critical business processes

In a disaster recovery circumstance business continuity plans which are in place will ensure that the business, both from an information technology and operational view point, continues with the least amount of disruption.

COMPANY SECRETARY All directors have access to the advice and services of the company's secretary and, in appropriate circumstances, are entitled and authorised, at the company's expense, to seek independent professional advice concerning the affairs of the company. The company secretary is responsible to ensure that board procedures and applicable rules and regulations are fully observed.

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.

RELATIONSHIPS

Employment equity

The group provides equal employment opportunities and has a strong culture of internal promotion and upliftment of its people.

The company's employment equity plan was compiled in consultation with employee representatives and lodged with the Department of Labour in line with the required reporting dates each year. The major objectives adopted in this plan are:

- The promotion of equal opportunities and fair treatment in employment through the elimination of unfair discrimination; and
- The promotion of affirmative action measures to redress any disadvantages in employment experienced by designated groups, and to ensure equitable representation in all occupational categories and levels in the workplace.

An employment equity committee has been appointed to monitor the implementation of the plan. Training and development of employees from the designated groups forms an important component of the plan and attention will be focused on accelerated development of the previously disadvantaged groups.

EMPOWERMENT STRATEGY EOH is committed to Black Economic Empowerment ("BEE") which is an integral part of our business strategy. Our BEE strategy is based on four levels: equity, strategic, managerial and operational levels. Specific action plans and goals have been set.

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.

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.

HEALTH AND SAFETY The company is committed to ensuring a safe working environment for all its employees. In this regard a full time manager with dedicated responsibility for ensuring compliance with all relevant health, safety and environmental legislation is employed by the company.

Employee health and safety representatives and first-aiders have been appointed for designated areas and have been appropriately trained to fulfil their functions.

DEALINGS IN GROUP COMPANY SHARES All dealings in the shares of the company by directors are reported on JSE Securities Exchange South Africa News Service, within 48 hours of the trade having been made.

Directors and officers are not permitted to trade in the group's listed shares during "closed periods", which commence two weeks preceding the interim and preliminary profit announcements.

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 16 to 38 for the year ended 31 July 2003. 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 2003 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 (S.A.)

Johannesburg
10 September 2003

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 14.

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 16 to 38 were approved by the board of directors on 10 September 2003 and are signed on its behalf by:

Asher Bohbot
Chief Executive Officer

Antonio Cocciante
Financial Director

certification by the company secretary

In terms of section 268 G(d) of the Companies Act, Act 61 of 1973 ("the Act") 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 2003, all such returns as are required of a public company in terms of the Act and that all such returns are true, correct and up to date.

S Matheson
Company Secretary
10 September 2003

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 2003.

Nature of business

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

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

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

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

Business System and Processes – 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).

IT and Business Process Outsourcing – 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 and Australia.

Trading results

The results of operations for the year ended 31 July 2003 are detailed in the table on page 17. Earnings attributable to ordinary shareholders amounted to R14,4 million representing earnings and headline earnings per share of 29,24 and 31,52 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:

R'000	**Audited 2003**	Audited 2002	Audited 2001
Revenue	**175 969**	114 328	84 094
Profit from operations before goodwill	**18 050**	14 596	12 828
Goodwill amortised	**(1 123)**	(1 081)	(456)
Taxation	**(2 320)**	(1 557)	(2 263)
Outside shareholders' interest	**(212)**	–	–
Profit for the period	**14 395**	11 958	10 109
Earnings per share (cents)	**29,24**	24,02	20,19
Headline earnings per share (cents)	**31,52**	26,19	20,52
Fully diluted earnings per share (cents)	**28,10**	21,89	19,69
Dividends per share paid November 2002 (cents)	**6,00**	–	–

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 7 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 7 2003. Shareholders are advised that the last day to trade "cum" the dividend will be Friday, October 31 2003. The shares will trade "ex" dividend as from Monday, November 3 2003, and the record date will be Friday, November 7 2003. Payment will be made on Monday, November 10 2003. Share certificates may not be dematerialised or rematerialised during the period Monday, November 3 2003 to Friday, November 7 2003, both days inclusive.

Share capital

During the financial year the authorised and issued share capital has remained unchanged. At year end 2 002 084 EOH shares were owned by 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 2003	July 2002
Non-public		
– Directors	**49,6**	56,3
– The EOH Share Trust	**8,1**	9,9
– V55 Investments (Proprietary) Limited	**4,0**	1,4
Public	**38,3**	32,4
	100,0	100,0
Number of public shareholders	**266**	231

directors' report (continued)

According to the records of the company, the only shareholders registered as holding one per cent or more of the company's shares at 31 July 2003, other than directors, are the following:

	%	Number of shares	
	held	**July 2003**	July 2002
ABSA Group Pension Fund	5,9	**2 973 000**	3 550 000
ABSA General Fund	1,0	**500 000**	–
Shaparon Nominees (Pty) Limited	10,9	**5 529 176**	1 359 929
Coronation Specialist Growth Fund	1,3	**643 949**	743 456
MCubed Aggressive Small Cap Growth	3,4	**1 734 187**	1 734 187
M3 Small Cap Growth Fund	4,3	**2 159 400**	2 159 400
Menteith Investments Limited	–	**–**	4 569 339
Prospect Reef Trading (Pty) Limited	6,8	**3 457 900**	–

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	Cost of shares	
	capital	**2003**	2002
		R	R
Direct subsidiaries			
EOH Consulting Services (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**	100
Enterprise 21 Solutions (Proprietary) Limited	100	**100**	100
EOH Consulting Services (Western Cape) (Proprietary) Limited	100	**1**	1
Indirect subsidiaries			
Enterprise Outsourcing (Western Cape) (Proprietary) Limited	100	**100**	100
EOH Consulting Services (Eastern Cape) (Proprietary) Limited	100	**70**	70
EOH Consulting Services KZN (Proprietary) Limited	100	**100**	100
ESP Solutions (Proprietary) Limited	100	**100**	100
Intelliware (Proprietary) Limited	10 000	**70**	70
		9 340	9 340

Investments in subsidiary companies (continued)

As at year end an amount of R9 419 318 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

No acquisitions were made during the period under review, however, on 15 October 2003 shareholders of EOH were advised that EOH had reached agreement to acquire the entire issued share capital of and claims against Atos KPMG Consulting (Proprietary) Limited ("AKC"), from KPMG Services (Proprietary) Limited and the KC Trust ("the vendors").

Rationale for the acquisition

EOH and AKC, which focuses on business and IT consulting, are similar in size, have complementary business models and share a similar outlook for the future. Some of the more obvious benefits of the two businesses joining forces are:

- the combined business will become a leading business and technology solution provider, with a staff complement of over 600 professionals, substantial turnover, offices in five locations in South Africa and operations in several African countries and Australia;
- both companies will gain hundreds of already established clients to whom a new range of services can be offered;
- both businesses will benefit from having access to each other's markets – Commerce and Industry on the one hand and Financial Services and the Public Sector on the other; and
- the international brand "Atos KPMG Consulting" will give the business global reach, international connectivity and the reference ability necessary to play at the top end of the market.

Salient terms of the acquisition

The consideration for the acquisition amounts to R20 million which will be settled by EOH in cash by no later than 1 February 2004 and will bear interest at prime from 1 September 2003 until the date of settlement thereof. In terms of the agreement this consideration will be adjusted based on the recoverability of the accounts receivable of AKC. The vendors have provided full warranties in terms of undisclosed liabilities in respect of the AKC business. The effective date of the acquisition is 1 August 2003. All conditions precedent have been fulfilled and regulatory approvals obtained.

Pro forma financial effects of the acquisition

Based on the audited results of EOH for the year ended 31 July 2003, the *pro forma* financial effects of the acquisition on EOH's earnings, headline earnings, net asset value and net tangible asset value per share are set out below. This *pro forma* financial information has been prepared for illustrative purposes only and because of its nature may not give a true picture of EOH's financial position and results of operations, nor the effect and impact of the acquisition on EOH going forward.

	Before the acquisition	After the acquisition	% Change
Earnings per share (cents)	29,24	29,08	(0,55)
Headline earnings per share (cents)	31,52	31,36	(0,51)
Net asset value per share (cents)	104,08	103,93	(0,10)
Net tangible asset value per share (cents)	50,13	79,59	58,77
Number of shares in issue (000's)	50 667	50 667	–
Weighted average number of shares in issue (000's)	49 238	49 238	–

The *pro forma* financial effects in the "After the acquisition" column are based on the following assumptions:

- the published audited results of EOH for the year ended 31 July 2003, adjusted as detailed below;
- the effect on the earnings and headline earnings per share is based on:
  - the assumption that the acquisition was effected on 1 August 2002;
  - incorporating a *pro forma* loss totalling R76 000 generated by AKC for the 12 month period from 1 August 2002; and
  - a before-tax interest charge of 17,0%, on the acquisition consideration being the average before-tax prime interest rate for the twelve month period from 1 August 2002; and
- the effect on net asset value and tangible net asset value per share is based on:
  - the assumption that the acquisition had been implemented on 31 July 2003; and
  - the net asset value attributable to AKC of R35 million.

Directorate

The following directors served throughout the period:

Peter John Bartlett
Asher Bohbot
Antonio Cocciante
Roedolf Jacobus du Toit
Robert Michael Maria Sporen (Dutch)
Bernardus van den Berg
Jane Sinclair Thomson
Kennith Cullinan
Abré Pienaar

Abré Pienaar resigned as a director and Jane Sinclair Thomson and Kennith Cullinan were appointed as directors effective 30 September 2002. Subsequent to year end Dr Nakedi Mathews Phosa was appointed non-executive Chairman of EOH on 20 October 2003. Dr Phosa's appointment is in line with EOH's Black Economic Empowerment and Transformation plans.

In terms of the company's articles of association and the JSE Securities Exchange SA Listings Requirements, Messrs Peter John Bartlett, Asher Bohbot, Antonio Cocciante, Roedolf Jacobus du Toit, Robert Michael Maria Sporen and Bernardus van den Berg will retire at the annual general meeting and will offer themselves for re-election. A short curriculum vitae of each of these directors is provided below:

Peter John Bartlett

Peter started his career as a Bureau Manager for a computer services company in 1975. He subsequently held the position of data processing manager, implementation analyst and information systems manager at Tiger Oats and SA Oil Mills. In 1992, Peter was appointed group information systems manager at Barlows. During 1992 to 1996, he was responsible for the management of all IT related issues for Federated Timbers and during the same period he assumed group IT responsibilities at Federated Blaikie. Part of his responsibility included the selection and implementation of an enterprise wide-integrated application at Federated Timbers together with associated network and hardware infrastructure. In 1996, after 11 years with Barlows, Peter was appointed IT infrastructure manager at PG Bison. He was appointed as a director of EOH in August 1998.

Asher Bohbot

Asher Bohbot moved to South Africa in 1980 where he joined AECI as a senior engineer. In 1981 he joined Laminate Industries (later to be part of the PG Group) as an industrial engineering manager. In 1990 he was appointed as logistics director. He was subsequently promoted to the position of general manager of this entity. In 1993 he was appointed to the main board of PG Bison as Executive Director of Distribution with responsibility for 30 branches around the country. In 1995, he took responsibility for Group Logistics and IT at PG Bison. Throughout his career, Asher was exposed to general business leadership, business systems and supply chain logistics, leading four major system implementations.

Directorate (continued)

Antonio Cocciante

Antonio started his career in 1992 doing articles at Deloitte & Touche. During 1992 to 1998 he worked in the audit division for three years after which he moved to the Corporate Finance Division. In February 1998 he joined Pharmacare as Financial Director of the International division. He was subsequently appointed as Group Financial Director of EOH in August 1999.

Roedolf Jacobus du Toit

Roedolf is an industrial engineer with a Masters Degree in Business Administration from the University of Pretoria. Roedolf's first exposure to MRP II systems was in 1984 when he started working as an industrial engineer at Atlas Aircraft Corporation. The field of study for his MBA-thesis was MRPII-system implementation. He lectured in Production Management at the Department of Industrial Engineering at the University of Pretoria. Since 1989, Roedolf has functioned as a consultant and project manager, implementing the Baan ERP system in various companies. In 1992, he became co-owner of a closed corporation focusing on the implementation of Baan. Roedolf is an expert in the management of ERP systems implementation. He is responsible for project and account management.

Robert Michael Maria Sporen

Rob is a Dutch national who came to South Africa in the early 1970s to assist with the introduction of television manufacturing. After a career of 14 years with Philips SA, spanning amongst others, materials management, industrial engineering, cost accounting and systems analysis, he gathered valuable experience in the software industry as the Technical Support Director for a small software agency. In 1987 he formed a business to present education courses in the field of computerised manufacturing and distribution systems. In addition, he maintained a highly successful practice as a consultant to companies seeking to implement business systems or upgrade their business processes. Rob is considered a "guru" in his field and is well known and respected in the industry.

Bernardus van den Berg

Bernard completed his degree in Industrial Engineering in 1981. He started his career as an Industrial Engineer at Iscor and in 1989 he took the position of master production scheduler at Kentron using Baan. In 1992 he became co-owner of a closed corporation focusing on the implementation of Baan. During the period 1992 to 1998 Bernard was responsible for the implementation of business systems in various companies in diversified industries. His contacts and knowledge of the group's chosen markets are vast.

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 2003 the directors' direct and indirect interest in the company's issued shares were as follows:

	%	Beneficial		Non-Beneficial	
	held	**July 2003**	July 2002	July 2003	July 2002
Ordinary shares					
– directly					
Bernardus van den Berg	0,1	**73 300**	73 300		
Asher Bohbot	0,2	**98 100**	98 100		
Roedolf Jacobus du Toit	–	**17 800**	17 800		
– indirectly					
Bernardus van den Berg	5,5	**2 766 900**	2 766 900		
Roedolf Jacobus du Toit	5,5	**2 766 900**	2 766 900		
Asher Bohbot	26,1	**13 220 230**	13 220 230	18 000	18 000
Robert Michael Sporen	6,8	**3 457 900**	3 457 900	40 000	30 000
Peter John Bartlett	5,5	**2 766 900**	2 766 900	15 000	15 000

There have been no material changes in the directors' interest in the share capital of the company between the end of the financial year and the publication date of this report.

Ordinary shares

In terms of the Sale of Business Operations Agreement of Futuristix Advanced Control Systems ("Futuristix") as disclosed in the 2002 annual financial statements, a total of 1 170 016 EOH treasury shares were issued to the vendors of Futuristix during November 2003.

Share incentive scheme

The company has a share incentive scheme giving all directors and staff the opportunity to participate in the growth of the group. At 31 July 2003 there were no options outstanding. 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

Other than the events noted in the annual report, no material event or transaction has occurred subsequent to 31 July 2003 that warrants adjustment to, or notification in, the annual financial statements.

Special resolution passed during the year

On 22 January 2003, the following special resolution was passed, resolving 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 Securities Exchange South Africa".

No change statement

This annual report for the year ended 31 July 2003 does not contain any modifications to the audited results which were published on 15 September 2003.

balance sheet

at 31 July 2003

	Notes	Group 2003 (R'000)	Group 2002 (R'000)	Company 2003 (R'000)	Company 2002 (R'000)
ASSETS					
Non-current assets		**31 315**	35 585	**2 239**	2 239
Tangible assets	3	**3 850**	3 482	**–**	–
Intangible assets	4	**27 333**	30 414	**800**	800
Loans receivable		**132**	1 689	**–**	–
Investments in subsidiaries	5	**–**	–	**1 439**	1 439
Current assets		**69 649**	62 216	**10 426**	10 347
Inventories	6	**78**	50	**–**	–
Trade and other receivables	7	**29 175**	32 578	**1 006**	1 006
Inter-company loans	5	**–**	–	**9 420**	9 341
Cash and cash equivalents		**40 396**	29 588	**–**	–
Total assets		**100 964**	97 801	**12 665**	12 586
EQUITY AND LIABILITIES					
Capital and reserves		**52 733**	42 692	**12 468**	12 328
Share capital	8	**487**	500	**507**	507
Share premium	8	**9 069**	10 674	**11 337**	11 337
Distributable reserves	9	**42 713**	31 358	**624**	484
Non-distributable reserve	10	**252**	160	**–**	–
Outside shareholders' interest		**212**	–	**–**	–
Non-current liabilities		**6 922**	7 785	**118**	94
Amounts due to vendors	11	**6 040**	6 040	**–**	–
Interest bearing borrowings	12	**522**	637	**–**	–
Deferred taxation	13	**360**	1 108	**118**	94
Current liabilities		**41 309**	47 324	**79**	164
Trade and other payables	14	**39 653**	47 883	**30**	133
Taxation		**1 656**	(559)	**49**	31
Total equity and liabilities		**100 964**	97 801	**12 665**	12 586

income statement
for the year ended 31 July 2003

		Group		Company	
	Notes	**2003 (R'000)**	2002 (R'000)	**2003 (R'000)**	2002 (R'000)
Revenue	16	**175 969**	114 328	**203**	203
Profit before interest	17	**16 398**	14 116	**3 240**	203
Net interest received	19	**1 652**	480	**–**	–
Profit from operations before goodwill		**18 050**	14 596	**3 240**	203
Goodwill amortised		**(1 123)**	(1 081)	**–**	–
Profit from operations		**16 927**	13 515	**3 240**	203
Taxation	20	**(2 320)**	(1 557)	**(60)**	(61)
Outside shareholders' interest		**(212)**	–	**–**	–
Net profit for the year		**14 395**	11 958	**3 180**	142
Number of shares in issue ('000)	21	**50 667**	50 667	**50 667**	50 667
Weighted average number of shares ('000)	21	**49 238**	49 787	**49 238**	49 787
Earnings per ordinary share (cents)	21	**29,24**	24,02	**6,5**	0,29
Headline earnings per ordinary share (cents)	21	**31,52**	26,19	**6,5**	0,29
Diluted earnings per ordinary share (cents)	21	**28,10**	21,89	**6,2**	0,26
Dividends per share (cents)		**6,00**	–	**6,00**	–

statement of changes in ordinary shareholders' interest

for the year ended 31 July 2003

Group – R'000	Share capital	Share premium	Distri-butable reserves	Non-distri-butable reserve	Outside shareholders' interest	Total
Balance at 31 July 2002	500	10 674	31 358	160		42 692
Net profit for the year			14 395			14 395
Dividends			(3 040)			(3 040)
Outside shareholders' interest					212	212
(Repurchase)/re-issue of shares held by subsidiary	(13)	(1 605)		92		(1 526)
Balance at 31 July 2003	**487**	**9 069**	**42 713**	**252**	**212**	**52 733**

Company – R'000	Share capital	Share premium	Distri-butable reserves	Non-distri-butable reserve	Outside shareholders' interest	Total
Balance at 31 July 2002	507	11 337	484			12 328
Net profit for the year			3 180			3 180
Dividends			(3 040)			(3 040)
Balance at 31 July 2003	**507**	**11 337**	**624**			**12 468**

cash flow statement

for the year ended 31 July 2003

	Notes	Group 2003 (R'000)	Group 2002 (R'000)	Company 2003 (R'000)	Company 2002 (R'000)
Cash flows from operating activities					
Cash generated by operations	28.1	**20 798**	16 632	**200**	203
Movements in working capital	28.2	**(4 855)**	1 034	**(103)**	28
Cash generated by operating activities		**15 943**	17 666	**97**	231
Net interest received	19	**1 652**	480	**–**	–
Taxation paid	28.3	**(853)**	(3 703)	**(18)**	(14)
Dividends paid		**(3 040)**	–	**(3 040)**	–
Dividends received		**–**	–	**3 040**	–
Finance costs		**(68)**	–	**–**	–
Net cash flows from operating activities		**13 634**	14 443	**79**	217
Cash flows from investing activities					
Additions to tangible assets	28.4	**(2 250)**	(1 416)	**–**	–
Movement in goodwill		**118**	(2 654)	**–**	–
Projects in progress		**(611)**	(3 720)	**–**	–
Movement in loan accounts of subsidiary		**–**	–	**(79)**	1 214
Movements in investments in subsidiaries		**–**	–	**–**	(1 431)
Net cash flow required for acquisitions		**–**	(7 475)	**–**	–
Net cash outflows from investing activities		**(2 743)**	(15 265)	**(79)**	(217)
Cash flows from financing activities					
Decrease/(increase) in long term-loans receivable		**1 557**	(1 689)	**–**	–
Long-term borrowings repaid		**(115)**	(32)	**–**	–
Amounts due to vendors		**–**	5 990	**–**	–
Share (buyback)/resale		**(1 525)**	1 267	**–**	–
Net cash (outflow)/inflow from financing activities		**(83)**	5 536	**–**	–
Net movement in cash and cash equivalents for the year		**10 808**	4 714	**–**	–
Cash and cash equivalents at beginning of year		**29 588**	24 874	**–**	–
Cash and cash equivalents at end of year	28.5	**40 396**	29 588	**–**	–

notes to the financial statements

for the year ended 31 July 2003

1. ACCOUNTING POLICIES

The financial statements set out on pages 14 to 36 are prepared on the historical cost basis and incorporate the principal accounting policies set out below. These significant accounting policies conform with South African Statements of Generally Accepted Accounting Practice. These policies are consistent in all material respects with those applied in the previous year.

1.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and enterprises controlled by the company (its subsidiaries) made up to 31 July each year. Control is achieved where the company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

On acquisition, the assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess (deficiency) of the cost of acquisition over (below) the fair value of identifiable net assets is recognised as goodwill (negative goodwill). The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All significant inter-company transactions and balances between group enterprises are eliminated on consolidation.

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 assets to write down the costs by equal instalments over their estimated useful lives, being five years.

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

1.4 Inventories

Inventories are 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 selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

1. ACCOUNTING POLICIES (continued)

1.5 Intangible assets

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

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 Revenue recognition

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

1.9 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.

1.10 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 comprise 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 (continued)

for the year ended 31 July 2003

	Group		Company	
	2003	2002	**2003**	2002
	(R'000)	(R'000)	**(R'000)**	(R'000)
3. TANGIBLE ASSETS				
Cost	**12 623**	11 646	**–**	–
Computers	**8 917**	8 972	**–**	–
Furniture, equipment and vehicles	**3 706**	2 674	**–**	–
Accumulated depreciation	**8 773**	8 164	**–**	–
Computers	**6 482**	6 989	**–**	–
Furniture, equipment and vehicles	**2 291**	1 175	**–**	–
Net carrying value	**3 850**	3 482	**–**	–
Computers	**2 435**	1 983	**–**	–
Furniture, equipment and vehicles	**1 415**	1 499	**–**	–
3.1 Analysis of movements				
Net carrying value at beginning of the year	**3 482**	2 153	**–**	–
Additions	**2 250**	1 416	**–**	–
Computers	**1 758**	1 025	**–**	–
Furniture, equipment and vehicles	**492**	391	**–**	–
Depreciation	**1 882**	1 351	**–**	–
Computers	**1 355**	1 163	**–**	–
Furniture, equipment and vehicles	**527**	188	**–**	–
Net carrying value of assets of subsidiaries purchased at acquisition date	**–**	1 264		
Net carrying value at end of the year	**3 850**	3 482	**–**	–
4. INTANGIBLE ASSETS				
Tradenames at cost	**2 690**	2 690	**800**	800
Goodwill	**18 833**	20 075	**–**	–
Projects in progress	**5 810**	7 649	**–**	–
Intangible assets	**27 333**	30 414	**800**	800
Directors' valuation of tradenames	**2 690**	2 690	**800**	800

Tradenames include trademarks and tradenames.

Projects in progress relate to research and development.

	Group 2003 (R'000)	Group 2002 (R'000)	Company 2003 (R'000)	Company 2002 (R'000)
5. INVESTMENT IN SUBSIDIARIES				
Shares at cost			**1 439**	1 439
Loan accounts – receivable			**9 420**	9 341
			10 859	10 780
6. INVENTORIES				
Merchandise purchased for resale	**78**	50	**–**	–
	78	50	**–**	–
7. TRADE AND OTHER RECEIVABLES				
Trade receivables	**26 675**	30 646	**–**	–
Other receivables	**1 730**	797	**600**	600
The EOH Share Trust	**770**	1 135	**406**	406
	29 175	32 578	**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 (2002: 50 667 356) ordinary shares of 1 cent each	**487**	500	**507**	507
Balance at beginning of year	**500**	489	**507**	507
Shares (repurchased)/sold	**(13)**	11	**–**	–
Balance at end of year	**487**	500	**507**	507
Share premium				
Balance at beginning of year	**10 674**	9 577	**11 337**	11 337
Shares (repurchased)/sold	**(1 605)**	1 097	**–**	–
Balance at end of year	**9 069**	10 674	**11 337**	11 337
Total share capital and premium	**9 556**	11 174	**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.

	Group 2003 (R'000)	Group 2002 (R'000)	Company 2003 (R'000)	Company 2002 (R'000)
9. DISTRIBUTABLE RESERVES				
Balance at beginning of year	**31 358**	19 400	**484**	342
Retained profit for the year	**11 355**	11 958	**140**	142
Balance at end of year	**42 713**	31 358	**624**	484
10. NON-DISTRIBUTABLE RESERVE				
Balance at beginning of year	**160**	–	**–**	–
Reissue of shares held by subsidiary	**92**	160	**–**	–
Balance at end of year	**252**	160	**–**	–
11. AMOUNTS DUE TO VENDORS				
Amounts due to vendors	**6 040**	6 040	**–**	–
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.				
12. INTEREST BEARING BORROWINGS				
Short-term borrowings	**522**	637	**–**	–
Short-term borrowings are under capitalised finance leases bearing interest rates linked to prime rate, repayable in monthly instalments.				
Borrowing powers, in terms of the articles of association, are unlimited.				
13. DEFERRED TAXATION				
Deferred tax asset	**–**	–	**–**	–
Deferred tax liabilities	**360**	1 108	**118**	94
	360	1 108	**118**	94

13. DEFERRED TAXATION (continued)

The balance of deferred tax is made up as follows:	Group R'000 Balance 1 July 2002	Group R'000 Charged through income	Group R'000 **Balance 1 July 2003**
Deferred tax (assets)/liabilities			
Provisions	831	(667)	**164**
Trademark write-off	273	(81)	**192**
Pre-payment	4	–	**4**
	1 108	(748)	**360**

	Company R'000 Balance 1 July 2002	Company R'000 Charged through income	Company R'000 **Balance 1 July 2003**
Deferred tax (assets)/liabilities			
Trademark write-off	94	24	**118**
	94	24	**118**

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

	Group **2003 (R'000)**	Group 2002 (R'000)	Company **2003 (R'000)**	Company 2002 (R'000)
Movement in deferred tax can be analysed as follows:				
Balance at beginning of year	**1 108**	761	**94**	70
Charged through income statement	**(748)**	347	**24**	24
Balance at end of year	**360**	1 108	**118**	94
14. TRADE AND OTHER PAYABLES				
Trade payables	**5 518**	8 187	**–**	–
Other payables	**15 541**	19 002	**30**	133
Deferred revenue	**18 594**	20 694	**–**	–
	39 653	47 883	**30**	133

	Group 2003 (R'000)	Group 2002 (R'000)	Company 2003 (R'000)	Company 2002 (R'000)
15. CAPITAL COMMITMENTS				
15.1 Commitments in respect of capital expenditure				
Approved by directors				
– contracted for	**–**	–	**–**	–
– not contracted for	**5 500**	2 500	**–**	–
	5 500	2 500	**–**	–
This expenditure will be financed from banking facilities.				
15.2 Operating leases				
Future lease charges for premises, equipment and office furniture				
– payable within one year	**391**	1 828	**–**	–
– payable between one and five years	**898**	2 313	**–**	–
– payable thereafter	**–**	151	**–**	–
	1 289	4 292	**–**	–
16. 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	**4 586**	3 507	**–**	–
Fees received	**171 383**	110 821	**–**	–
Income from subsidiaries				
– management fee	**–**	–	**203**	203
	175 969	114 328	**203**	203

	Group 2003 (R'000)	Group 2002 (R'000)	Company 2003 (R'000)	Company 2002 (R'000)
17. PROFIT FROM OPERATIONS				
The operating profit is stated after:				
Expenses				
Auditors' remuneration				
– audit fee	**554**	468	**–**	–
Depreciation				
– computers	**1 355**	1 163	**–**	–
– furniture, equipment and vehicles	**527**	188	**–**	–
	1 882	1 351	**–**	–

18. DIRECTORS' EMOLUMENTS

Directors' emoluments paid by subsidiary

Executive directors	Asher Bohbot	Peter J Bartlett	Antonio Cocciante	Roedolf J du Toit	Kennith Cullinan	Abré Pienaar	Robert MM Sporen	Bernardus van den Berg	Jane S Thomson	Total	2002
– remuneration	819	535	550	707	744	292	701	601	613	5 562	4 661
– bonuses	120	70	80	70	–	–	100	70	200	710	
– contributions to provident fund	116	53	47	–	36	–	–	–	–	252	226
Total directors' share options emoluments	1 055	658	677	777	780	292	801	671	813	6 524	4 887

There are no non-executive directors represented on the board of directors as at 31 July 2003.

19. NET INTEREST RECEIVED

	Group 2003 (R'000)	Group 2002 (R'000)	Company 2003 (R'000)	Company 2002 (R'000)
Interest received	**1 947**	1 105	**–**	–
Interest paid	**(295)**	(625)	**–**	–
	1 652	480	**–**	–

	Group 2003 (R'000)	Group 2002 (R'000)	Company 2003 (R'000)	Company 2002 (R'000)
20. TAXATION				
South African normal tax				
• current	**3 068**	1 210	**36**	37
• attributable to temporary differences arising in the current year	**(748)**	347	**24**	24
	2 320	1 557	**60**	61
Reconciliation of tax rate	**%**	%	**%**	%
Standard tax rate	**30,0**	30,0	**30,0**	30,0
Adjusted for:				
Disallowable expenditure/(capital profit)	**1,9**	2,9	**–**	–
Utilisation of assessed loss	**(22,5)**	(21,4)	**–**	–
	9,4	11,5	**30,0**	30,0
21. EARNINGS PER SHARE				
Basic earnings per share (cents) The calculation is based on earnings of R14 394 632 (2002: R11 958 571) and on the weighted average of 49 237 937 ordinary shares in issue during the year (2002: 49 787 392).	**29,24**	24,02	**6,5**	0,29
Headline earnings per share (cents)				
Reconciliation between earnings and headline earnings:				
Net profit for period (R'000)	**14 395**	11 958	**3 180**	142
Goodwill amortised (R'000)	**1 123**	1 081	**–**	–
Headline earnings (R'000)	**15 518**	13 039	**3 180**	142
Headline earnings per share has been assessed in terms of AC306.				
The calculation is based on earnings of R15 517 978 (2002: R13 039 152) and on the weighted average of 49 237 937 ordinary shares in issue during the year (2002: 49 787 392).	**31,52**	26,19	**6,5**	0,29
Fully diluted basis (cents) This is calculated on the assumption that the options granted were exercised. This calculation is based on earnings of R14 394 632 (2002:R11 958 571) and on the weighted average of 51 221 605 (2002: 54 627 941) ordinary shares in issue during the year.	**28,10**	21,89	**6,2**	0,26

22. 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

23. 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.

24. 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.

25. SUBSEQUENT EVENTS

Other than the events noted in the annual report, no material event or transaction has occurred subsequent to 31 July 2003 that warrants adjustment to, or notification in, the annual financial statements.

26. 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.

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.

27. 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	
	2003 (R'000)	2002 (R'000)	**2003 (R'000)**	2002 (R'000)
28. NOTES TO CASH FLOW STATEMENT				
28.1 Cash generated by operations				
Profit before taxation	**16 927**	13 515	**3 240**	203
Adjustments				
Net interest received	**(1 652)**	(480)	**–**	–
Finance costs	**68**	–	**–**	–
Depreciation	**1 882**	1 351	**–**	–
Dividends received	**–**	–	**(3 040)**	–
Projects written off	**2 450**	1 165	**–**	–
Goodwill written off	**1 123**	1 081	**–**	–
	20 798	16 632	**200**	203
28.2 Movements in working capital				
(Increase)/decrease in inventories	**(28)**	535	**–**	–
Decrease/(increase) in trade and other receivables	**3 403**	(14 387)	**–**	–
(Decrease)/increase in trade and other payables	**(8 230)**	17 968	**(103)**	28
Less acquisition opening working capital	**–**	(3 082)	**–**	–
	(4 855)	1 034	**(103)**	28
28.3 Taxation paid				
Amounts owing at the beginning of the year	**(559)**	1 934	**31**	8
Amount charged per the income statement excluding deferred taxation	**3 068**	1 210	**36**	37
Amounts unpaid at the end of the year	**1 656**	(559)	**49**	31
Amounts paid	**853**	3 703	**18**	14
28.4 Additions to tangible assets				
Computers	**1 758**	1 025	**–**	–
Furniture, equipment and vehicles	**492**	391	**–**	–
	2 250	1 416	**–**	–
28.5 Cash and cash equivalents at end of period				
Cash on hand	**40 396**	29 588	**–**	–

notice of annual general meeting

Enterprise Outsourcing Holdings Limited
(Registration number 1998/014669/06)
(Incorporated in the Republic of South Africa)
Share code: EOH   ISIN Code: ZAE000022026
("Enterprise Outsourcing" or "company")

If you are in any doubt as to what action you should take in respect of the following resolutions, please consult your Central Securities Depository Participant ("CSDP"), broker, banker, attorney, accountant or other professional adviser immediately.

Notice is hereby given that the fifth Annual General Meeting of shareholders of the company will be held on 26 February 2004 at 10h00 in the boardroom of the company, Ground Floor, Block F, Gillooly's View, 1 Osborne Lane, Bedfordview to conduct the following business:

1. To receive, consider and adopt the annual financial statements of the company and the group for the financial year ended 31 July 2003, including the directors' report and the report of the auditors therein.
2. To re-elect Mr PJ Bartlett, who retires as director in terms of the Articles of Association of the company, but being eligible for re-election. Mr PJ Bartlett's brief curriculum vitae is provided on page 21 of the annual report.
3. To re-elect Mr A Bohbot, who retires as director in terms of the Articles of Association of the company, but being eligible for re-election. Mr A Bohbot's brief curriculum vitae is provided on page 21 of the annual report.
4. To re-elect Mr A Cocciante, who retires as director in terms of the Articles of Association of the company, but being eligible for re-election. Mr A Cocciante's brief curriculum vitae is provided on page 22 of the annual report.
5. To re-elect Mr RJ du Toit, who retires as director in terms of the Articles of Association of the company, but being eligible for re-election. Mr RJ du Toit's brief curriculum vitae is provided on page 22 of the annual report.
6. To re-elect Mr RMM Sporen, who retires as director in terms of the Articles of Association of the company, but being eligible for re-election. Mr RMM Sporen's brief curriculum vitae is provided on page 22 of the annual report.
7. To re-elect Mr B van den Berg, who retires as director in terms of the Articles of Association of the company, but being eligible for re-election. Mr B van den Berg's brief curriculum vitae is provided on page 22 of the annual report.
8. To approve the directors' remuneration for the year ended 31 July 2003 as reflected in note 18 to the annual financial statements.
9. To confirm the re-appointment of IAPA Johannesburg as independent auditors of the company for the ensuing financial year and to authorise the directors to determine the auditors' remuneration.

As special business, to consider and, if deemed fit, to pass, with or without modification, the following resolutions:

ORDINARY RESOLUTION NUMBER 1

Control of authorised but unissued ordinary shares

10. "Resolved by way of a general authority that the authorised but unissued ordinary shares in the capital of the company be and are hereby placed under the control and authority of the directors of the company ("directors") and that the directors be and are hereby authorised and empowered to allot and issue such ordinary shares, or to issue any options in respect of such ordinary shares, to such person/s on such terms and conditions and at such times as the directors may from time to time and in their discretion deem fit, subject to the provisions of the Companies Act (Act 61 of 1973), as amended, the articles of association of the company and the Listings Requirements of the JSE Securities Exchange South Africa ("JSE") from time to time."

ORDINARY RESOLUTION NUMBER 2

Approval to issue ordinary shares, and to sell treasury shares, for cash

11. "Resolved that the directors of the company and/or of its subsidiaries be and are hereby authorised, by way of a general authority, to -

    - allot and issue, or to issue any options in respect of all or any of the authorised but unissued ordinary shares in the capital of the company; and/or
    - sell or otherwise dispose of or transfer, or issue any options in respect of ordinary shares purchased by subsidiaries of the company;

    for cash, as and when they in their discretion deem fit, subject to the Companies Act (Act 61 of 1973), as amended, the articles of association of the company and its subsidiaries and the Listings Requirements of the JSE from time to time.

    The JSE Listings Requirements currently provide, inter alia, that:

    - the securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
    - any such issue may only be made to "public shareholders" as defined in the JSE Listings Requirements and not to related parties;
    - the number of ordinary shares issued for cash shall not in any one financial year in the aggregate exceed 15% (fifteen percent) of the number of issued ordinary shares. The number of ordinary shares which may be issued shall be based, inter alia, on the number of ordinary shares in issue, added to those that may be issued in future (arising from the conversion of options/convertibles) at the date of such application, less any ordinary shares issued, or to be issued in future arising from options/convertible ordinary shares issued during the current financial year; plus any ordinary shares to be issued pursuant to a rights issue which has been announced, is irrevocable and is fully underwritten, or an acquisition which has had final terms announced;
    - this general authority will be valid until the earlier of the company's next annual general meeting and the expiry of a period of 15 (fifteen) months from the date that this authority is given;

- a paid press announcement giving full details, including the impact on net asset value, net tangible asset value per share, earnings per share and headline earnings per share, will be published when the company has issued ordinary shares representing, on a cumulative basis within 1 (one) financial year, 5% (five per cent) or more of the number of ordinary shares in issue prior to the issue;
- in determining the price at which an issue of ordinary shares may be made in terms of this authority, the maximum discount permitted will be 10% (ten per cent) of the weighted average traded price on the JSE of the ordinary shares over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed to by the directors of the company; and
- whenever the company wishes to use ordinary shares, held as treasury stock by a subsidiary of the company, such use must comply with the JSE Listings Requirements as if such use was a fresh issue of ordinary shares."

Under the JSE Listings Requirements, Ordinary Resolution Number 2 must be passed by a 75% majority of the votes cast in favour of the resolution by all members present or represented by proxy at the annual general meeting.

SPECIAL RESOLUTION

General approval to repurchase shares

12. "Resolved that, as a general approval contemplated in sections 85(2) and 85(3) of the Act, the acquisition by the company, and/or any subsidiary of the company, from time to time of the issued ordinary shares of the company, upon such terms and conditions and in such amounts as the directors of the company may from time to time determine, but subject to the articles of association of the company, the provisions of the Act and the JSE Listings Requirements, where applicable, and provided that:
    - the repurchase of securities will be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counter party;
    - this general authority shall only be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;
    - in determining the price at which the company's ordinary shares are acquired by the company in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten per cent) of the weighted average of the market price at which such ordinary shares are traded on the JSE, as determined over the 5 (five) trading days immediately preceding the date of the repurchase of such ordinary shares by the company;
    - the acquisitions of ordinary shares in the aggregate in any one financial year do not exceed 20% (twenty per cent) of the company's issued ordinary share capital from the date of the grant of this general authority;
    - the company and the group are in a position to repay their debt in the ordinary course of business for the following year;
    - the consolidated assets of the company, being fairly valued in accordance with Generally Accepted Accounting Practice, are in excess of the consolidated liabilities of the company for the following year;
    - the ordinary capital and reserves of the company and the group are adequate for the next twelve months;
    - the available working capital is adequate to continue the operations of the company and the group in the following year;

- upon entering the market to proceed with the repurchase, the company's Sponsor has complied with its responsibilities contained in Schedule 25 of the JSE Listings Requirements;
- after such repurchase the company will still comply with paragraphs 3.37 to 3.41 of the JSE Listings Requirements concerning shareholder spread requirements;
- the company or its subsidiaries will not repurchase securities during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements;
- when the company has cumulatively repurchased 3% of the initial number of the relevant class of securities, and for each 3% in aggregate of the initial number of that class acquired thereafter, an announcement will be made; and
- the company only appoints one agent to effect any repurchase(s) on its behalf."

12.1 Reason for and effect of Special Resolution

The reason for and effect of the Special Resolution is to authorise the company and/or its subsidiaries by way of a general authority to acquire its own issued shares on such terms, conditions and such amounts determined from time to time by the directors of the company, subject to the limitations set out above.

The directors of the company have no specific intention to effect the provisions of the Special Resolution but will, however, continually review the company's position, having regard to prevailing circumstances and market conditions, in considering whether to effect the provisions of the Special Resolution.

12.2 Other disclosures in terms of Section 11.26 of the JSE Listings Requirements

The JSE Listings Requirements require the following disclosures, some of which are disclosed in the annual report of which this notice forms part as set out below:

- directors and management – page 3;
- major shareholders of Enterprise Outsourcing – page 18;
- directors' interests in securities – page 23; and
- share capital of the company – page 17.

12.3 Material change

There have been no material changes in the affairs or financial position of the company and its subsidiaries since the company's financial year end and the date of this notice.

12.4 Directors' responsibility statement

The directors, whose names are given on page 3 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to the Special Resolution and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this resolution contains all such information.

12.5 Litigation statement

Save as disclosed in note 23 of the financial statements, the directors whose names are given on page 3 of the annual report, are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 months, a material effect on the group's financial position.

Voting and proxies

A shareholder entitled to attend and vote at the annual general meeting is entitled to appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the company. For the convenience of registered members of the company, a form of proxy is enclosed herewith.

The attached form of proxy is only to be completed by those ordinary shareholders who:

- hold ordinary shares in certificated form; or
- are recorded on the sub-register in "own name" dematerialised form.

Ordinary shareholders who have dematerialised their ordinary shares through a CSDP or broker other than with "own name" registration and wish to attend the annual general meeting, must instruct their CSDP or broker to provide them with the relevant Letter of Representation, or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

Proxy forms should be forwarded to reach the transfer secretaries, Computershare Limited, at least 48 hours, excluding Saturdays, Sundays and public holidays, before the time of the meeting.

By order of the Board

S Matheson
Company Secretary

[date]
Johannesburg

corporate information

Business Address & Registered Office

Ground Floor, Block F
Gillooly's View
1 Osborne Lane
Bedfordview
South Africa
PO Box 59, Bruma, 2026

Tel: (011) 607-8100
Fax: (011) 616-9929
http://www.eoh.co.za

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

IAPA Johannesburg (Chartered Accountants (SA))
Ground Floor, Autoparks House
13 Park Crescent
Glenhazel
Johannesburg, 2001
PO Box 787, Highlands North, 2037

TRANSFER SECRETARY

Computershare Services Limited
(Registration Number 1958/003546/06)
2nd Floor, Edura House
41 Fox Street
Johannesburg, 2001
PO Box 61051, Marshalltown, 2107

COMPANY SECRETARY

Susan Patricia Matheson
Ground Floor, Block F
Gillooly's View
1 Osborne Lane
Bedfordview
South Africa
PO Box 59, Bruma, 2026

ATTORNEYS

Cranko Karp & Associates
12th Floor
112 Pritchard Street/cnr Delvers Street
Johannesburg, 2001
PO Box 2585, Johannesburg, 2000

SPONSOR AND CORPORATE ADVISOR

Nedbank Corporate, a division of Nedbank Limited
(Registration Number 1951/000009/06)
1 Newtown Avenue
Killarney, 2193
PO Box 582, Johannesburg, 2000

shareholders' diary

July 2003	Financial year-end
September 2003	Preliminary press announcement
December 2003	Annual report publication
January 2004	Annual general meeting
April 2004	Interim press announcement

Printed by Ince (Pty) Ltd

form of proxy

Enterprise Outsourcing Holdings Limited
(Registration number 1998/014669/06)
(Incorporated in the Republic of South Africa)
Share code: EOH ISIN Code: ZAE000022026
("Enterprise Outsourcing" or "company")

For the use by certificated shareholders or dematerialised shareholders registered with "own-name" registration only, at the annual general meeting of shareholders of the company to be held in the boardroom of the company, Ground Floor, Block F, Gillooly's View, 1 Osborne Lane, Bedfordview, on Thursday, 26 February 2004 commencing at 10h00.

Dematerialised shareholders holding shares other than with "own-name" registration, must inform their CSDP or broker of their intention to attend the annual general meeting and request their CSDP or broker to issue them with the necessary Letter of Representation to attend the annual general meeting in person and vote or provide their CSDP or broker with their voting instructions should they not wish to attend the annual general meeting in person. **These shareholders must not use this form of proxy.**

I/We

(name/s in block letters)

of

being the holders of shares in the capital of the company do hereby appoint (see note):

1. or failing him/her,

2. or failing him/her,

3. the Chairperson of the annual general meeting,

as my/our proxy to act for me/us at the annual general meeting for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof; and to abstain from voting for and/or against the resolutions in respect of the shares registered in my/our name in accordance with the following instructions:

	Number of shares		
	In favour of	Against	Abstain
1. To receive, consider and adopt the annual financial statements of the company for the financial year ended 31 July 2003			
2. To re-elect as a director, Mr PJ Bartlett who is retiring by rotation			
3. To re-elect as a director, Mr A Bohbot who is retiring by rotation			
4. To re-elect as a director, Mr A Cocciante who is retiring by rotation			
5. To re-elect as a director, Mr RJ du Toit who is retiring by rotation			
6. To re-elect as a director, Mr RMM Sporen who is retiring by rotation			
7. To re-elect as a director, Mr B van den Berg who is retiring by rotation			
8. To approve the directors' remuneration for the year ended 31 July 2003			
9. To confirm the re-appointment of the auditors, IAPA Johannesburg, for the ensuing financial year and to authorise the directors to determine the auditors' remuneration			
10. Ordinary Resolution Number 1 Control of authorised but unissued ordinary shares			
11. Ordinary Resolution Number 2 Approval to issue ordinary shares for cash			
12. Special Resolution General approval to repurchase shares			

Signed at on 2004

Signature

Assisted by (where applicable)

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, speak and vote in place of that shareholder at the meeting.

notes

1. The form of proxy must only be used by shareholders who hold shares that are not dematerialised or who hold dematerialised shares in their "own-name".
2. A shareholder entitled to attend and vote may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the Chairperson of the general meeting". A proxy need not be a shareholder of the company. The person whose name stands first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each share held. A shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the shareholder in the appropriate box(es). Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes.
4. A vote given in terms of an instrument of proxy shall be valid in relation to the annual general meeting notwithstanding the death of the person granting it, or the revocation of the proxy, or the transfer of the shares in respect of which the vote is given, unless an intimation in writing of such death, revocation or transfer is received by the transfer secretaries not less than 48 hours before the commencement of the annual general meeting.
5. If a shareholder does not indicate on this form that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the annual general meeting be proposed, the proxy shall be entitled to vote as he/she thinks fit.
6. The Chairperson of the annual general meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
8. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company or unless this requirement is waived by the Chairperson of the annual general meeting.
9. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the company.
10. Where there are joint holders of shares:
    - 10.1 any one holder may sign the form of proxy;
    - 10.2 the vote(s) of the senior shareholders (for that purpose seniority will be determined by the order in which the names of shareholders appear in the company's register of shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
11. Forms of proxy must be lodged with or mailed to Computershare Limited:

Hand deliveries to:	Postal deliveries to:
Computershare Limited	Computershare Limited
Ground Floor, 70 Marshall Street	PO Box 1053
Johannesburg, 2001	Johannesburg, 2000

    to be received by no later than 10h00 on Tuesday, 24 February 2004 or 48 hours before any adjournment of the annual general meeting which date, if necessary, will be notified in the press.
12. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialled by the signatory/ies.