

Enterprise Outsourcing Holdings Limited
(Company registration no: 1998/014669/06)
Share code: EOH ISIN: ZAE000022026
("EOH" or "the company")

Systems make it possible...

People make it happen!

AUDITED FINANCIAL REPORT FOR THE YEAR TO 31 JULY 2002

▲ **REVENUE UP 36%**

▲ **HEADLINE EPS UP 27%**

▲ **CASH UP 19%**

▲ **DIVIDEND 6c**

Group Income Statements

	Audited 12 months to 31 July 2002 (R'000)	Audited 12 months to 31 July 2001 (R'000)	Change (%)
Revenue	114 328	84 094	36
Profit before interest	14 116	12 233	15
Net interest received	480	595	
Profit from operations before goodwill	14 596	12 828	14
Goodwill amortised	(1 081)	(456)	
Profit from operations	13 515	12 372	
Taxation	1 557	2 263	
Net profit for period	11 958	10 109	18
Number of shares in issue ('000)	50 667	50 667	
Weighted average number of shares in issue ('000)	49 787	50 072	
Earnings per ordinary share (cents)	24,02	20,19	19
Headline earnings per ordinary share (cents)	26,19	20,52	27
Fully diluted earnings per share (cents)	21,89	19,69	11
Goodwill amortised is excluded from the calculation of headline earnings per share.			
Net profit for period	11 958	10 109	
Goodwill amortised	1 081	456	
Capital profit	–	(288)	
Headline earnings	13 039	10 277	
Headline earnings per ordinary share (cents)	26,19	20,52	

Group Balance Sheets

	Audited 31 July 2002 (R'000)	Audited 31 July 2001 (R'000)
ASSETS		
Non-current assets		
Tangible assets	3 482	2 154
Intangible assets	30 414	16 453
Loans receivable	1 689	–
Current assets		
Trade receivables	30 646	15 532
Other receivables	1 932	2 659
Inventory	50	585
Cash and cash equivalents	29 588	24 874
Total assets	97 801	62 257
EQUITY AND LIABILITIES		
Ordinary shareholders' interest	42 692	29 466
Non-current liabilities		
Vendors for acquisition	6 040	50
Interest bearing borrowings	637	132
Deferred taxation	1 108	761
Current liabilities		
Trade and other liabilities	27 189	11 820
Deferred revenue	20 694	18 094
Taxation	(559)	1 934
Total equity and liabilities	97 801	62 257

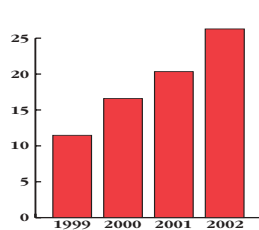
Group Cash Flow Statements

	Audited 12 months to 31 July 2002 (R'000)	Audited 12 months to 31 July 2001 (R'000)
Operating income before interest and taxation	14 116	12 233
Non-cash items	2 516	1 650
Cash generated from trading operations	16 632	13 883
Decrease in working capital	1 034	3 531
Cash generated from operations	17 666	17 414
Taxation paid	(3 703)	(2 691)
Net interest income	480	595
Cash inflow from operating activities	14 443	15 318
Cash outflow to investing activities	(15 265)	(5 418)
Cash inflow/(outflow) from financing activities	5 536	(3 696)
Net increase in cash and cash equivalents	4 714	6 204
Cash and cash equivalents at beginning of period	24 874	18 670
Cash and cash equivalents at end of period	29 588	24 874

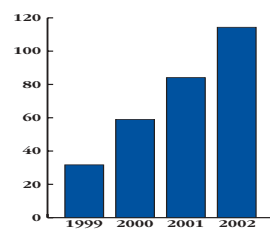
**Statements of change in
ordinary shareholders' interest**

	Audited 31 July 2002 (R'000)	Audited 31 July 2001 (R'000)
Share capital and premium	11 174	10 066
Balance at beginning of period	10 066	10 764
Issue of shares during period	–	1 079
Reissue of shares held by subsidiary/(repurchase) of shares	1 108	(1 777)
Distributable reserves	31 518	19 400
Balance at beginning of period	19 400	9 291
Attributable income	11 958	10 109
Re-issue of shares held by subsidiary	160	–
Ordinary shareholders' interest	42 692	29 466

Headline EPS (cents)



Revenue (R million)



Comments

Group profile

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

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

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

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

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

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

Basis of preparation

The financial statements of the Group have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practice, which policies are consistent with those of the prior year.

The auditors of the company are IAPA Johannesburg Chartered Accountants (SA). The report of the auditors is available for inspection at the registered office of the company.

Financial results

The board is satisfied with the overall performance for the period under review. Revenue increased by 36% to R114,3 million. Headline earnings per share rose by 27%. Profit for the year amounted to R11,96 million, reflecting an improvement of 18%.

The balance sheet remains strong with the growth being financed internally. Cash resources increased by 19% to R29,6 million. Debtors days remain at 54 days and vendors for acquisition represents the maximum liability of R6 million.

Since the interim report 495 356 shares were repurchased by a wholly owned subsidiary of EOH and will not be cancelled.

Expansion

During the period under review we have expanded the business as follows:

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

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

- We have acquired the rights to represent 3 additional software applications falling within our core business activities.
- We have started 3 new business units, operating in our core business.
- Expanded operations into Mauritius and Middle East.
- We further enhanced our management and key people capacity.

Future plans

The consistent application of our business model and strategy are proving beneficial and we intend to continue therewith. The major investment made in new services and product offerings combined with our existing business as well as our large customer base make us a leader in the enterprise software arena. A major objective for the future will be to focus on our human capital development, which we see as our main differentiator.

Dividends

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

10 October 2002

REGISTERED OFFICE

Ground Floor
Block F
Gillooly's View
1 Osborne Lane
Bedfordview

Tel: (011) 607 8100
Fax (011) 616 9929
website: www.eoh.co.za
e-mail: info@eoh.co.za

DIRECTORS

Asher Bohbot (Chairman and CEO)
Rob Sporen*
Roedolf du Toit
Antonio Coccante
(*Dutch)

Peter Bartlett
Bernard van den Berg
Jane Thomson
Ken Cullinan

Company Secretary

S P Matheson

For further information, please contact Rob Sporen on the above numbers or on cell 082 444 7533.

