Reviewed group results

for the year ended
31 July 2008

EOH

Revenue up 35,1%

PBT up 26,4%

EPS up 22,4%

HEPS up 22,9%

Dividend up 25,0%

GROUP INCOME STATEMENT

R'000	**Reviewed 2008**	% change	Audited 2007
Revenue	**950 934**	35,1	703 673
Cost of sales	**(625 740)**		(449 521)
Gross margin	**325 194**		254 152
Profit before separately disclosed items	**88 793**		71 631
Investment income	**5 142**		2 746
Finance costs	**(1 774)**		(1 337)
Share of profits/(losses) of associated companies	**137**		(102)
Loss on disposal/impairment of investment in associated company	**(778)**		(461)
Impairment of assets	**(40)**		(131)
Profit before taxation	**91 480**	26,4	72 346
Taxation	**(29 989)**		(23 199)
Profit after taxation	**61 491**	25,1	49 147
Attributable to:			
Ordinary shareholders	**60 993**		49 038
Minority interests	**498**		109
	61 491		49 147
Total shares in issue	**73 659**		72 554
Weighted average number of shares in issue	**63 382**		62 423
Diluted number of shares	**71 160**		70 571
Earnings per share (cents)	**96,2**	22,4	78,6
Diluted earnings per share (cents)	**85,7**	23,3	69,5
Headline earnings reconciliation			
Profit after taxation attributable to ordinary shareholders	**60 993**		49 038
Profit on disposal of assets	**(457)**		–
Impairment of assets	**40**		131
Loss on disposal/impairment of investment in associated company	**778**		–
Headline earnings	**61 354**		49 169
Headline earnings per share (cents)	**96,8**	22,9	78,8
Diluted headline earnings per share (cents)	**86,2**	23,7	69,7

GROUP CASH FLOW STATEMENT

R'000	**Reviewed 2008**	Audited 2007
Net income before tax and separately disclosed items	**90 982**	70 884
Non-cash items	**11 624**	12 300
Working capital changes	**(25 218)**	836
Cash generated by operating activities	**77 388**	84 020
Investment income	**5 142**	2 746
Finance costs	**(1 774)**	(1 284)
Taxation paid	**(25 061)**	(21 844)
Dividend paid	**(12 651)**	(8 603)
Net cash inflow from operating activities	**43 044**	55 035
Net cash outflow from investing activities	**(22 019)**	(26 076)
Net cash (outflow)/inflow from financing activities	**(16 021)**	670
Net movement in cash and cash equivalents	**5 004**	29 629
Cash and cash equivalents at beginning of period	**114 136**	84 507
Cash and cash equivalents at end of period	**119 140**	114 136

GROUP BALANCE SHEET

R'000	**Reviewed 2008**	Audited 2007
ASSETS		
Non-current assets		
Property, plant and equipment	**29 769**	16 095
Intangible assets	**109 527**	96 460
Investment in associate companies	**352**	1 025
Deferred taxation assets	**11 810**	11 750
Current assets		
Inventory	**7 821**	11 784
Loans receivable	**5 729**	2 651
Trade and other receivables	**223 865**	164 758
Trade receivables	**217 849**	157 519
Other receivables	**6 016**	7 239
Bank balances and cash	**119 140**	114 136
Total assets	**508 013**	418 659
EQUITIES AND LIABILITIES		
Ordinary shareholders' interest	**242 005**	198 835
Minority interests	**776**	278
Total equity	**242 781**	199 113
Non-current liabilities		
Long-term loans	**2 489**	6 929
Vendors for acquisition	**2 600**	7 711
Deferred taxation liabilities	**4 666**	2 720
Current liabilities		
Trade and other liabilities	**207 629**	151 594
Deferred revenue	**32 658**	38 674
Taxation payable	**15 190**	11 918
Bank overdraft	**–**	–
Total equity and liabilities	**508 013**	418 659
Net asset value per share	**328,5**	274,1

GROUP STATEMENT OF CHANGES IN EQUITY

R'000	Share capital	Share premium	Reserves	Retained earnings	Minority interests	Total equity
Audited balance at 1 August 2006	604	40 791	9 532	99 557	–	150 484
Movement in treasury shares	5	2 668	405	–	–	3 078
The effects of consolidating the EOH Share Trust	3	331	(1 160)			(826)
Acquisition of subsidiary company	–	–	–	–	169	169
Profit for the period	–	–	3 577	49 038	109	52 724
Dividends	–	–	–	(8 586)	–	(8 586)
Issue of share capital	20	2 050	–	–	–	2 070
Audited balance at 31 July 2007	632	45 840	12 354	140 009	278	199 113
Movement in treasury shares	(16)	(693)	(10 711)	–	–	(11 420)
Adjustment to prior period profit – IFRS leases	–	–	–	(805)	–	(805)
Currency translation	–	–	140	(6)	–	134
Profit for the period			5 633	60 993	498	67 124
Dividends	–	–	–	(12 651)	–	(12 651)
Issue of share capital	11	1 275				1 286
Reviewed balance at 31 July 2008	**627**	**46 422**	**7 416**	**187 540**	**776**	**242 781**

COMMENTARY

In this, our 10th year of reporting, we would like to thank all our EOH people for their contribution to the growth of our business. We also wish to thank our customers, partners and the investor community for supporting us for the past ten years.

VISION

The EOH vision is to be the best technology and business solutions company to work for, partner with and invest in.

GROUP PROFILE

EOH is a technology and business 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 as a fully integrated business in the following three broad areas of business:

Technology: through a number of businesses, 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, Manufacturing Execution Systems (MES) and Technology Performance Management Solutions.

Consulting: operates in the private and public sector offering services ranging from strategic process consulting, project services, change management and education. This cluster also develops IT strategy, advises on enterprise architecture, IT governance and risk management.

Outsourcing: EOH offers comprehensive maintenance and support to clients' IT infrastructure and applications through the rendering of full IT Outsourcing, Applications Hosting and Managed Services as well as desktop support services and the provision of onsite resources. EOH is also offering call centre services for both local and overseas customers.

EOH has a presence in all major centres in South Africa and also operates elsewhere in Africa and in the United Kingdom.

BASIS OF PREPARATION

The condensed annual financial statements have been prepared in accordance with International Financial Reporting Standards. The accounting policies of the Group comply with IAS 34 and the 1973 Companies Act (Act) and are based on appropriate accounting policies, consistently applied with those in the prior year, which are supported by reasonable and prudent judgements and estimates.

AUDIT REVIEW OPINION

The reviewed condensed annual financial results for the year ended 31 July 2008 have been reviewed by the company's auditors, IAPA Johannesburg, Chartered Accountants (CA) and their unqualified report is available for inspection at the registered office of EOH.

SEGMENTAL REPORTING

EOH's revenue is derived primarily from system integration and software maintenance (52%), outsourcing (23%), infrastructure (15%) and consulting (10%). The annuity revenue accounts for 43% of revenue.

FINANCIAL RESULTS

The Board is satisfied with the performance for the period under review. The strong growth is mainly organic. Earnings remain healthy with growth continuing to be funded internally. Cash on hand remains significant.

BUSINESS COMBINATIONS

EOH acquired the business of Multipath, an award winning outsourcing call centre increasing EOH's outsourcing division to over 600 staff. The results of Multipath have been incorporated in the results with effect from 1 July 2008.

FUTURE PLANS

EOH is a major player in the technology, consulting and outsourcing space and these offerings are enhanced by its ability to deliver effective 'end to end' solutions to its clients. These offerings include the provision of infrastructure and support, hosting and networking and the provision of interim skills. These offerings enable EOH to form long-term strategic outsourcing partnerships with existing and new customers.

EOH is building knowledge and business acumen focusing on five industries, namely Mining, Manufacturing, Financial Services, Telecommunications and the Public Sector.

EOH has embarked on an intensive drive to increase its annuity business in many existing and innovative ways including hosting and networking, software support contracts, call centre, service desks and managed services.

A major effort will be made to increase our Public Sector market share. An education and training business will be launched later in the year helping us to fulfil our responsibility in the development of skills in our industry.

EOH has adopted a global mindset and has set up offices in the United Kingdom offering some of the locally provided products and services. EOH is in a good position to capitalise on its existing partnerships with major international technology players, its skills base and its proven business model. EOH has also launched 'EOH Global Resourcing', focused on the provisions of its skills across various countries. In the coming year we see our activities in Africa increasing.

The wide range of solutions offered to various industries in both the public and private sector, together with its strong management team and financial strength, positions EOH well for future growth. EOH's growth strategy remains focused on organic growth, supplemented by strategic acquisitions.

TRANSFORMATION

EOH has a 33,3% effective black ownership, involving all of our black employees. Of the Group's 1 500 employees 40% are black, as is 50% of its Board. EOH is committed to transformation as an ongoing process, with all its people and stakeholders involved.

DIVIDENDS

Notice is hereby given that a cash dividend of 25 cents (2007: 20 cents) per share (the dividend) has been declared and is payable to shareholders recorded in the books at the close of business on Friday, 31 October 2008. Shareholders are advised that the last day to trade *cum* the dividend will be Friday, 24 October 2008. The shares will trade *ex* the dividend as from Monday, 27 October 2008. Payment will be made on Monday, 3 November 2008. Share certificates may not be dematerialised or rematerialised during the period Monday, 27 October 2008 to Friday, 31 October 2008, both days inclusive.

Asher Bohbot
Chief Executive Officer

22 September 2008

REGISTERED OFFICE

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EXECUTIVE DIRECTORS

Asher Bohbot *(Chief Executive Officer)*
Lucky Khumalo *(Deputy Chief Executive Officer)*
Ken Cullinan
John King
Dion Ramoo
Jane Thomson

NON-EXECUTIVE DIRECTORS

Dr Mathews Phosa *(Chairman)*
Prof. Tshilidzi Marwala
Tebogo Skwambane
Rob Sporen (Dutch)

COMPANY SECRETARY

Adri Els

EOH HOLDINGS LIMITED

Incorporated in the Republic of South Africa
(Company registration no: 1998/014669/06)
Share code: EOH
ISIN: ZAE000071072
("EOH" or "the Group")

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