



Reviewed Condensed Consolidated Results

for the year ended 31 July 2010

A decorative graphic element consisting of a thick, dark blue wavy line that starts from the left edge of the page and curves upwards towards the right, ending near the top right corner.

▲	Revenue	up 38,1%
▲	PBT	up 36,6%
▲	EPS	up 29,7%
▲	HEPS	up 28,3%
▲	Cash	up 28,9%
▲	Dividend	up 20,0%

Condensed Consolidated Statement of Comprehensive Income

R'000	Reviewed 2010	% change	Audited 2009
Revenue	1 733 361	38,1	1 255 067
Cost of sales	(1 111 451)		(797 421)
Gross margin	621 910		457 646
Results from operating activities	154 104		109 456
Investment income	8 213		10 602
Finance costs	(3 149)		(2 788)
Share of profit of equity accounted investments	–		–
Net impairment of assets	–		(424)
Impairment of investment/loss on disposal of associated companies	–		(353)
Profit before taxation	159 168	36,6	116 493
Taxation	(54 504)		(39 961)
Profit for the year	104 664	36,8	76 532
Other comprehensive income:			
Foreign currency translation differences for foreign operations	237		(934)
Net change in fair value of cash flow hedges transferred to profit or loss	(3 674)		807
Total comprehensive income for the year	101 227	32,5	76 405
Profit attributable to:			
Owners of the parent	104 396		77 835
Non-controlling interest	268		(1 303)
Profit for the year	104 664		76 532
Total comprehensive income attributable to:			
Owners of the parent	100 959		77 708
Non-controlling interest	268		(1 303)
Total comprehensive income for the year	101 227		76 405
Total shares in issue (000's)	79 737		75 817
Weighted average number of shares in issue (000's)	66 686		64 477
Diluted number of shares (000's)	73 486		74 221
Earnings per share (cents)	156,5	29,7	120,7
Diluted earnings per share (cents)	142,1	35,5	104,9
Headline earnings reconciliation			
Profit after taxation attributable to Ordinary shareholders	104 396		77 835
Profit on disposal of assets	(80)		(32)
Net impairment of assets	–		424
Impairment of investment/loss on disposal of associated companies	–		353
Headline earnings	104 316		78 580
Headline earnings per share (cents)	156,4	28,3	121,9
Diluted headline earnings per share (cents)	142,0	34,1	105,9

Condensed Consolidated Statement of Financial Position

R'000	Reviewed 2010	Audited 2009
ASSETS		
Non-current assets		
Property, plant and equipment	52 652	37 170
Goodwill and intangible assets	349 968	215 936
Investment in associate companies	–	–
Loans receivable	28 771	4 833
Deferred taxation assets	28 749	26 424
Current assets		
Inventory	10 107	7 872
Trade and other receivables	394 871	343 455
Trade receivables	374 561	333 048
Other receivables	20 310	10 407
Cash and cash equivalents	266 671	206 877
Total assets	1 131 789	842 567
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent	446 525	308 330
Non-controlling interest	(259)	(527)
Total equity	446 266	307 803
Non-current liabilities		
Finance lease obligation	174	71
Other financial liabilities	33 414	33 333
Deferred taxation liabilities	4 714	4 434
Current liabilities		
Trade and other liabilities	556 240	414 542
Deferred revenue	49 571	41 066
Taxation payable	41 410	41 318
Total equity and liabilities	1 131 789	842 567
Net asset value per share (cents)	560,0	406,7
Net tangible asset value per share (cents)	121,1	121,9

Condensed Consolidated Statement of Cash Flows

R'000	Reviewed 2010	Audited 2009
Net income before tax and separately disclosed items	159 168	116 493
Non-cash items	26 646	16 664
Working capital changes	27 635	1 537
Cash generated by operating activities	213 449	134 694
Investment income	8 213	10 602
Finance costs	(3 149)	(2 788)
Taxation paid	(58 361)	(25 927)
Dividend paid	(19 109)	(15 253)
Net cash inflow from operating activities	141 043	101 328
Net cash inflow/(outflow) from investing activities	(20 566)	19 312
Net cash outflow from financing activities	(60 683)	(32 903)
Net movement in cash and cash equivalents	59 794	87 737
Cash and cash equivalents at beginning of period	206 877	119 140
Cash and cash equivalents at end of period	266 671	206 877

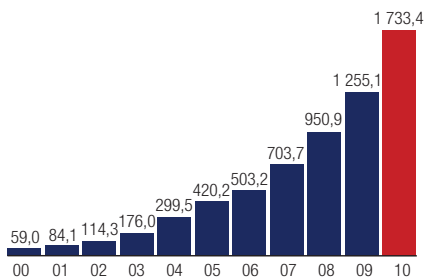
Condensed Consolidated Statement of Changes in Equity

R'000	Share capital	Share premium	Reserves	Retained earnings	Non-controlling interests	Total equity
Audited balance at 1 August 2008	628	46 423	7 416	187 540	776	242 783
Total comprehensive income for the year	–	–	(127)	77 835	(1 303)	76 405
Dividends paid	–	–	–	(15 253)	–	(15 253)
Movement in treasury shares	(22)	(2 165)	(11 154)	–	–	(13 341)
The effect of consolidating the Mthombo Trust	–	–	(3 397)	–	–	(3 397)
IFRS 2 adjustment*	–	–	11 790	–	–	11 790
Post acquisition adjustment	–	–	(1 665)	–	–	(1 665)
Reclassification adjustment**	–	5 156	–	(5 156)	–	–
Issue of share capital	22	10 459	–	–	–	10 481
Audited balance at 31 July 2009	628	59 873	2 863	244 966	(527)	307 803
Total comprehensive income for the year	–	–	(3 437)	104 396	268	101 227
Dividends paid	–	–	–	(19 109)	–	(19 109)
Movement in treasury shares	30	2 962	9 438	–	–	12 430
The effect of consolidating the Mthombo Trust	–	–	2 010	–	–	2 010
IFRS 2 adjustment*	–	–	15 573	–	–	15 573
Issue of share capital	39	26 293	–	–	–	26 332
Reviewed balance at 31 July 2010	697	89 128	26 447	330 253	(259)	446 266

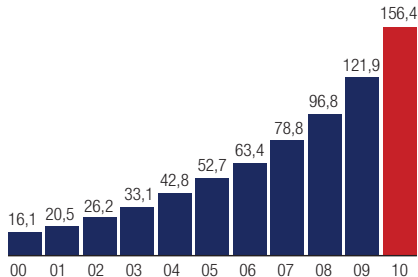
* Adjustment required in terms of share option schemes.

** Adjustment to account for the reclassification of reserves in a subsidiary company.

Revenue (R millions)



Headline EPS (cents)



Commentary

About EOH

The **EOH vision** is to be the best technology and business solutions company to work for, partner with and invest in. EOH endeavours to form lifelong partnerships by developing business and IT strategies, supplying and implementing solutions and managing enterprise-wide systems and processes for medium and large clients.

Today EOH is regarded as a leader in technology and business solutions. EOH is the largest enterprise applications provider in South Africa and is one of the top five IT service providers in the region.

EOH operates in South Africa, Africa and in the United Kingdom.

Key objectives

EOH's business philosophy is driven by five focus areas -

Best people	Attract, develop and retain the best people.
Partner for life	Develop lifelong mutually beneficial partnerships with both clients and technology partners.
Right first time	Professional planning and excellence in all that it does.
Transformation	Transform and manage diversity.
Profitable growth	Grow the business while ensuring growth in the bottom line.

Operating model

EOH operates as an integrated business in the areas of consultancy, technology and outsourcing and offers a wide range of solutions across all major industry verticals.

Consulting

EOH Consulting services include -

- Diagnostics and Analysis;
- IT Strategy and Architecture;
- Business Operations Optimisation;
- Technology Selection;
- Change Management; and
- Project Management.

Technology

EOH's technology offerings are based on best in class software processes and methodologies and include the following -

- Enterprise Applications;
- Business Intelligence and Enterprise Performance Management;
- Enterprise Security Management;
- Service Management;
- Project and Portfolio Management;
- Software Testing, Monitoring and Quality Management;
- Business Technology Optimisation;
- Network Solutions and Optimisation; and
- Mining and Manufacturing Solutions.

Outsourcing

EOH has a broad range of outsourcing services that it offers to its clients which include:

- Hosting and Networking;
- Infrastructure Managed Services;
- Technical and Application Managed Services;
- Desktop Managed Services;
- Software as a Service (SaaS);

- Resourcing; and
- Business Process Outsourcing.

Basis of preparation

The reviewed condensed consolidated results have been prepared in accordance with International Financial Reporting Standards ("IFRS"), IAS 1 – Presentation of Financial Statements, IAS 34 – Interim Financial Reporting, the South African Companies Act 1973 (Act 61 of 1973) as amended ('Act') and the Listings Requirements of JSE Limited. The accounting policies have been consistently applied with those in the prior year, except for the changes as noted below, which are supported by reasonable and prudent judgments and estimates.

Accounting policies

The accounting policies and methods of computation applied in the preparation of these results are consistent with those applied in the preparation of the group's annual financial statements for the year ended 31 July 2009, except that during the year under review, the group adopted the revised IAS 1 – Presentation of Financial Statements. Such adoptions did not have any material effect on the performance or position of the group.

The principal effect of this change is as follows:

- The revised standard affects the presentation of owner changes in equity and comprehensive income.
- The Group Income Statement has been replaced by the Condensed Consolidated Statement of Comprehensive Income.
- Under the revised standard, all owner changes in equity are presented in the Condensed Consolidated Statement of Changes in Equity while all non-owner changes in equity are presented under 'Other Comprehensive Income', a component of the Condensed Consolidated Statement of Comprehensive Income.
- In addition, the titles 'Balance Sheet' and 'Cash Flow Statement' are replaced by 'Statement of Financial Position' and 'Statement of Cash Flows' respectively.

As a result of the above, the movement in the effective portion of the cash flow hedge and the related deferred tax is presented under 'Other Comprehensive Income' in the Statement of Comprehensive Income and in the Statement of Changes in Equity, whereas previously it was only disclosed in the Statement of Changes in Equity.

Review opinion

The condensed consolidated results for the year ended 31 July 2010 have been reviewed by the group auditors, IAPA Johannesburg Chartered Accountants Inc. and their unmodified review report is available for inspection at the registered office of EOH.

Financial results

The board of directors ('board') is satisfied with the performance for the year under review. The statement of financial position is strong with substantial cash resources to support future growth and sustainability. The board thanks its people, clients and technology partners for their contribution during the year under review.

Revenue increased by 38,1% to R1 733,4 million and profit before tax is up by 36,6% to R159,2 million. The growth is attributable to a combination of both organic growth and recent acquisitions. EPS and HEPS have grown significantly by 29,7% and 28,3% respectively with cash increasing to R266,7 million.

Business combinations

During the year under review, EOH increased its skills and resource base in infrastructure sales, development and infrastructure managed services through the acquisition of the operations of businesses trading as Glacier Consulting, Think iT, Connection 42 and BT Cape. EOH further enhanced its recruitment capability through the acquisition of the skills and resources of Abacus Recruitment.

Whilst these acquisitions collectively enhance EOH's service offering to its clients and contribute to EOH's profitability, none of the acquisitions were material. No operations were either closed or disposed of during the year under review.

Segmental reporting

EOH's revenue is derived from the provision of services (consulting, systems implementation and integration and managed services), software (includes new software sales and maintenance revenue) and infrastructure products.

(R000's)	Services		Software		Infrastructure		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenue	917 628	645 052	405 641	380 932	410 092	229 083	1 733 361	1 255 067
Net profit before tax	102 042	56 987	41 182	52 685	15 944	6 821	159 168	116 493

Capital commitments

There have been no significant events since the end of the year under review and the date of this report. There was no significant capital expenditure authorised as at 31 July 2010.

Transformation

EOH has 34,8% broad-based effective black ownership. Of the group's over 1 900 employees, 48,1% are black as is 55% of the board. EOH has an 'AA' BEE rating (Level 3 contributor) and has progressed along all seven pillars of transformation. EOH is committed to inclusive transformation involving all its people and stakeholders.

Future plans

EOH will continue to grow both organically and by strategic acquisitions which complement its business.

EOH is increasing its managed services business – in both infrastructure and applications, such services being provided onsite at the client and remotely through its hosting and network offerings. EOH is also expanding its Business Process Automation, Storage and Virtualisation, Application Testing and Monitoring, and its IT security solutions.

EOH has a solid client base of over 2 500 clients in all major industry verticals. EOH's end-to-end offerings enable it to craft comprehensive solutions for its large strategic clients.

EOH has the ability, the management, the track record and the resources to continue to grow aggressively.

Dividends

Notice is hereby given that a cash dividend of 36 cents (2009: 30 cents) per share (the dividends) has been declared and is payable to shareholders recorded in the books at the close of business on Friday, 29 October 2010. Shareholders are advised that the last day of trade *cum* the dividend will be Friday, 22 October 2010. The shares will trade *ex* the dividend as from Monday, 25 October 2010. Payment will be made on Monday, 1 November 2010. Share certificates may not be dematerialised or rematerialised during the period Monday, 25 October 2010 to Friday, 29 October 2010, both days inclusive.

Asher Bohbot
Chief Executive Officer

15 September 2010

Registered office

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Executive directors

Asher Bohbot (Chief Executive Officer)
Pumeza Bam, John King, Dion Ramoo, Jane Thomson

Non-executive directors

Dr Mathews Phosa (Chairman), Lucky Khumalo, 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")

Sponsor

Merchantec Capital

Auditors

IAPA Johannesburg Chartered Accountants Inc.



Systems make it possible...
People make it happen