

**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!**

## REVIEWED INTERIM REPORT FOR THE SIX MONTHS ENDED 31 JANUARY 2003

▲ REVENUE UP 58%

▲ HEADLINE EPS UP 22%

▲ CASH UP 56%

### Group Income Statements

	Reviewed 6 months to 31 January 2003 (R'000)	Reviewed 6 months to 31 January 2002 (R'000)	Change (%)	Audited 12 months to 31 July 2002 (R'000)
Revenue	87 989	55 729	58	114 328
Profit before interest	8 722	7 786		14 116
Net interest received	885	59		480
Profit from operations before goodwill	9 607	7 845	22	14 596
Goodwill amortised	(561)	(329)		(1 081)
Profit from operations	9 046	7 516		13 515
Taxation	1 680	1 505		1 557
Outside shareholders' interest	162	—		—
Net profit for period	7 204	6 011	20	11 958
Number of shares in issue ('000)	50 667	50 667		50 667
Weighted average number of shares in issue ('000)	50 086	50 034		49 787
Earnings per ordinary share (cents)	14,38	12,01	20	24,02
Headline earnings per ordinary share (cents)	15,50	12,67	22	26,19
Diluted earnings per share (cents)	13,87	11,55	20	21,89
Dividends per share (cents)	6,00	—		—
Goodwill amortised is excluded from the calculation of headline earnings per share.				
Net profit for period	7 204	6 011		11 958
Goodwill amortised	561	329		1 081
Headline earnings	7 765	6 340		13 039
Headline earnings per ordinary share (cents)	15,50	12,67		26,19

### Group Balance Sheets

	Reviewed 31 January 2003 (R'000)	Reviewed 31 January 2002 (R'000)	Audited 31 July 2002 (R'000)
<b>ASSETS</b>			
Non-current assets			
Tangible assets	3 374	2 793	3 482
Intangible assets	30 099	21 526	30 414
Loans receivable	132	1 598	1 689
Current assets			
Trade receivables	26 707	20 200	30 646
Other receivables	2 370	1 830	1 932
Inventory	74	264	50
Cash and cash equivalents	26 538	17 019	29 588
<b>Total assets</b>	<b>89 294</b>	<b>65 230</b>	<b>97 801</b>
<b>EQUITY AND LIABILITIES</b>			
Ordinary shareholders' interest	46 327	37 180	42 692
Non-current liabilities			
Vendors for acquisition	6 040	150	6 040
Interest bearing borrowings	584	432	637
Deferred taxation	1 488	1 279	1 108
Current liabilities			
Trade and other liabilities	22 911	16 473	27 189
Deferred revenue	11 465	10 433	20 694
Taxation	479	(717)	(559)
<b>Total equity and liabilities</b>	<b>89 294</b>	<b>65 230</b>	<b>97 801</b>

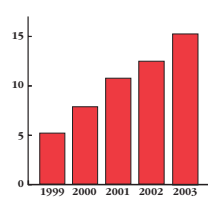
### Group Cash Flow Statements

	Reviewed 6 months to 31 January 2003 (R'000)	Reviewed 6 months to 31 January 2002 (R'000)	Audited 12 months to 31 July 2002 (R'000)
Operating income before interest and taxation	8 722	7 786	14 116
Non-cash items	1 903	1 660	2 516
Cash generated from trading operations	10 625	9 446	16 632
(Increase)/decrease in working capital	(10 030)	(6 683)	1 034
Cash generated from operations	595	2 763	17 666
Taxation paid	(261)	(3 637)	(3 703)
Dividends paid	(3 040)	—	—
Net interest income	885	59	480
Cash (outflow)/inflow from operating activities	(1 821)	(815)	14 443
Cash outflow to investing activities	(2 043)	(7 545)	(15 265)
Cash inflow from financing activities	814	505	5 536
Net (decrease)/increase in cash and cash equivalents	(3 050)	(7 855)	4 714
Cash and cash equivalents at beginning of period	29 588	24 874	24 874
Cash and cash equivalents at end of period	26 538	17 019	29 588

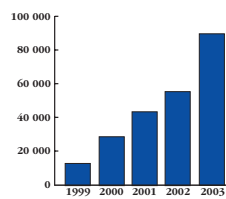
### Statement of Change in Ordinary Shareholders' Interest

	Reviewed 31 January 2003 (R'000)	Reviewed 31 January 2002 (R'000)	Audited 31 July 2002 (R'000)
Share capital and premium	10 483	11 609	11 174
Balance at beginning of period	11 609	10 911	10 066
Issue of shares during period	—	933	—
(Repurchase)/reissue of shares held by subsidiary	(1 126)	(235)	1 108
Distributable reserves	35 844	25 571	31 518
Balance at beginning of period	25 571	14 288	19 400
Attributable income	13 151	11 123	11 958
Dividends	(3 040)	—	—
Reissue of shares held by subsidiary	—	160	160
Outside shareholders' interest	162	—	—
<b>Ordinary shareholders' interest</b>	<b>46 327</b>	<b>37 180</b>	<b>42 692</b>

Headline EPS (cents)



Revenue (R'000)



### 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 interim 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 Group's auditors, IAPA Johannesburg Chartered Accountants (SA), have reviewed the financial information for the six months ended 31 January 2003. Their report 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 58% to R87,9 million. Headline earnings per share rose by 22%. Profit for the period amounted to R7,2 million reflecting an improvement of 20%. No acquisitions were made during the period under review.

The balance sheet remains strong with the growth being financed internally. Cash resources have increased by 56% to R26,5 million from the comparative period. Debtors days have improved to 50 days. The Group is essentially debt free.

During this period, 599 695 shares were repurchased by a wholly owned subsidiary of EOH and will not be cancelled.

#### Future plans

The consistent application of our business model and strategy are proving successful 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.

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

#### Dividends

It is the Group's practice to declare dividends at the end of the financial year only.

9 April 2003

#### REGISTERED OFFICE

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Bedfordview

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#### DIRECTORS

Asher Bohbot (Chairman and CEO)  
Rob Sporen\*  
Peter Bartlett  
Roedolf du Toit  
(\*Dutch)

Bernard van den Berg  
Antonio Cocciane  
Jane Thomson  
Ken Cullinan

#### Company Secretary

S P Matheson

For further information, please contact

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