

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

Systems make it possible...

People make it happen!

REVIEWED INTERIM REPORT FOR THE SIX MONTHS ENDED 31 JANUARY 2005

▲ **REVENUE UP 28%**

▲ **PBIT UP 63%**

▲ **MARGIN UP 27%**

▲ **HEADLINE EPS UP 22%**

▲ **CASH UP 37%**

Group Income Statements

	Reviewed 6 months to 31 January 2005 (R'000)	Reviewed 6 months to 31 January 2004 (R'000)	Change (%)	Audited 12 months to 31 July 2004 (R'000)
Revenue	188 050	146 373	28	299 535
Profit before interest	17 611	10 778	63	22 326
Net interest received	317	1 094		2 078
Profit from operations				
before goodwill	17 928	11 872	51	24 404
Goodwill amortised	(1 389)	(540)		(1 125)
Profit from operations	16 539	11 332		23 279
Taxation	(5 919)	(2 205)		(3 845)
Outside shareholders' interest	–	(300)		(300)
Net profit for period	10 620	8 827	20	19 134
Number of shares in issue ('000)	51 267	50 667		50 667
Weighted average number of shares in issue ('000)	50 087	47 684		47 111
Earnings per ordinary share (cents)	21,20	18,51	15	40,61
Headline earnings per ordinary share (cents)	23,98	19,64	22	42,84
Diluted earnings per ordinary share (cents)	17,61	18,12	(3)	36,79
Reconciliation between earnings and headline earnings:				
Net profit for period	10 620	8 827		19 134
Goodwill amortised	1 389	540		1 125
Capital profit	–	–		(79)
Headline earnings	12 009	9 367		20 180
Headline earnings per ordinary share (cents)	23,98	19,64		42,84

Group Balance Sheets

	Reviewed 31 January 2005 (R'000)	Reviewed 31 January 2004 (R'000)	Audited 31 July 2004 (R'000)
ASSETS			
Non-current assets			
Tangible assets	10 571	6 393	8 017
Intangible assets	76 456	21 035	25 242
Loans receivable	443	132	132
Current assets			
Trade receivables	63 536	62 087	70 592
Other receivables	2 490	1 897	1 543
Inventory	1 273	81	55
Cash and cash equivalents	61 021	44 387	61 695
Total assets	215 790	136 012	167 276
EQUITY AND LIABILITIES			
Ordinary shareholders' interest	76 427	59 018	67 548
Non-current liabilities			
Vendors for acquisition	40 481	24 078	22 375
Interest bearing borrowings	7 962	906	2 825
Deferred taxation	(2 520)	(205)	(1 022)
Current liabilities			
Trade and other liabilities	60 550	37 002	42 767
Deferred revenue	26 491	11 711	27 961
Taxation	6 399	3 502	4 822
Total equity and liabilities	215 790	136 012	167 276
Net asset value per share (cents)	149,08	116,48	133,32

Group Cash Flow Statements

	Reviewed 6 months to 31 January 2005 (R'000)	Reviewed 6 months to 31 January 2004 (R'000)	Audited 12 months to 31 July 2004 (R'000)
Operating income before interest and taxation	17 611	10 778	22 326
Non-cash items	3 749	3 270	6 770
Cash generated from trading operations	21 360	14 048	29 096
Decrease in working capital	9 044	16 770	30 413
Cash generated from operations	30 404	30 818	59 509
Taxation paid	(4 178)	(925)	(2 062)
Dividends paid	(5 063)	(3 535)	(3 531)
Net interest income	317	1 094	2 078
Cash inflow from operating activities	21 480	27 452	55 994
Cash outflow to investing activities	(42 537)	(42 588)	(53 424)
Cash inflow from financing activities	20 383	19 127	18 729
Net (decrease)/increase in cash and cash equivalents	(674)	3 991	21 299
Cash and cash equivalents at beginning of period	61 695	40 396	40 396
Cash and cash equivalents at end of period	61 021	44 387	61 695

Statement of Changes in Ordinary Shareholders' Interest

	Reviewed 31 January 2005 (R'000)	Reviewed 31 January 2004 (R'000)	Audited 31 July 2004 (R'000)
Share capital and premium	12 073	9 673	8 777
Balance at beginning of period	9 673	10 483	8 899
Issue of shares during period	6	–	–
Reissue of shares held by subsidiary	3 034	119	245
Effects of consolidating the EOH Share Trust	(640)	(929)	(367)
Distributable reserves	64 354	49 345	58 771
Balance at beginning of period	49 345	35 844	43 183
Attributable income	20 927	16 018	19 134
Dividends	(5 067)	(3 547)	(3 547)
Reissue of shares held by subsidiary	(300)	552	153
Effects of consolidating the EOH Share Trust	(38)	128	60
Outside shareholders' interest	(513)	350	(212)
Ordinary shareholders' interest	76 427	59 018	67 548

Comments

Group profile

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

Consulting – Includes various business units offering services ranging from strategic and business process consulting, project services, change management, supply chain optimisation and education. This cluster also develops IT strategy, advises on enterprise architecture, IT governance and risk management.

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, Manufacturing Execution Systems (MES) and Technology Performance Management Solutions.

Outsourcing – EOH offers comprehensive maintenance and support of clients' IT infrastructure and applications through the rendering of full IT Outsourcing, Application Hosting and Managed Services. In addition EOH offers full Business Process Outsourcing (BPO) services.

EOH has a presence in all major centres in South Africa and Botswana and also operates elsewhere in Africa.

Basis of preparation

The financial statements of the Group have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practice. The accounting policies used are consistent with those of the prior period, except for the consolidation of the EOH Share Trust as required by the JSE Securities Exchange South Africa to ensure compliance with AC 132 – Consolidated financial statements and accounting for investments in subsidiaries – and, accordingly, the previous year's interim results have been restated.

The Group's auditors, IAPA Johannesburg Chartered Accountants (SA), have reviewed the financial information for the six months to 31 January 2005. Their unqualified audit report is available for inspection at the registered office of EOH.

Financial results

The board is satisfied with the performance for the period under review. Turnover, profit, margin, headline earnings per share and cash resources are up.

Future plans

EOH is now a major player in the consulting, technology and outsourcing arena, with an extensive range of products and services serving various markets and industries. EOH has achieved critical mass which will allow the business to forge ahead towards its vision of being the "No. 1 Business & Technology Solutions Provider in Africa".

Transformation

Through the creation of the Mthombo Trust for the Group's PDI employees and the M-IT merger into EOH, we now have an empowered business in the areas of broad-based equity, employee profile, board representation and operational management. EOH believes that the new reality forms only the base from which we will further continue to transform our organisation.

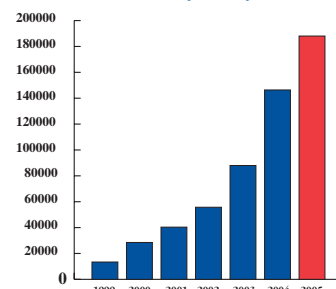
Dividends

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

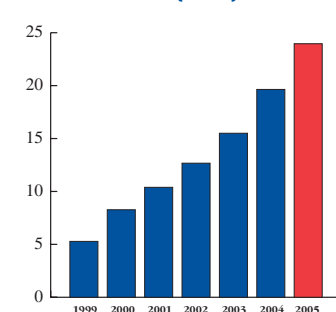
Asher Bohbot (Chief Executive Officer)

20 April 2005

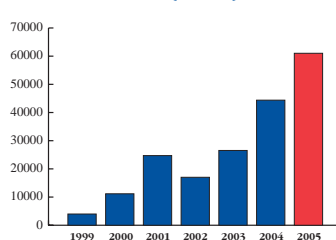
Revenue (R'000)



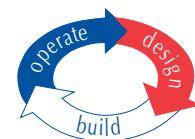
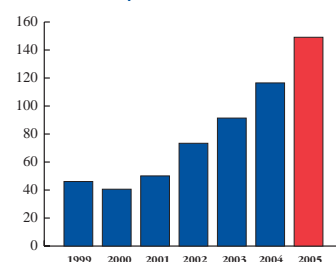
HEPS (cents)



Cash (R'000)



NAV per share (cents)



partner for life

REGISTERED OFFICE

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DIRECTORS

Dr Mathews Phosa (Non-executive Chairman),
Asher Bohbot (Chief Executive Officer)
Rob Sporen (Dutch), Antonio Cocciantre,
Jane Thomson, Ken Cullinan, John King,
Dion Ramoo

COMPANY SECRETARY

S P Matheson

For further information, please contact
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