

Reviewed Condensed Consolidated Interim Results

for the six months ended 31 January 2011

Revenue	up 44,8%
PBT	up 49,5%
EPS	up 37,1%
HEPS	up 37,4%
Cash	R228,4 million

Systems make it possible... People make it happen



EOH

Condensed Consolidated Statement of Comprehensive Income

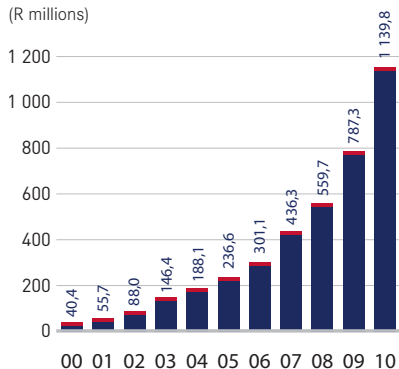
R'000	Reviewed six months to 31 January 2011	% change	Reviewed six months to 31 January 2010	Audited twelve months to 31 July 2010
Revenue	1 139 746	44,8	787 265	1 733 361
Cost of sales	(672 235)		(511 571)	(1 111 451)
Gross margin	467 511		275 694	621 910
Results from operating activities	107 186		70 534	154 104
Investment income	4 500		4 112	8 213
Finance costs	(2 614)		(1 670)	(3 149)
Profit before taxation	109 072	49,5	72 976	159 168
Taxation	(38 913)		(27 602)	(54 504)
Profit for the period	70 159	54,6	45 374	104 664
Other comprehensive income:				
Foreign currency translation differences for foreign operations	(867)		(1 961)	(3 821)
Net change in fair value of cash flow hedges transferred to profit or loss	-		384	384
Total comprehensive income for the period	69 292	58,2	43 797	101 227
Profit attributable to:				
Owners of the parent	69 809		44 886	104 396
Non-controlling interest	350		488	268
Profit for the period	70 159		45 374	104 664
Total comprehensive income attributable to:				
Owners of the parent	68 942		43 309	100 959
Non-controlling interest	350		488	268
Total comprehensive income for the period	69 292		43 797	101 227
Total number of shares in issue (000's)	83 228		75 817	79 737
Weighted average number of shares in issue (000's)	72 446		63 848	66 686
Diluted number of shares (000's)	81 296		73 170	73 486
Earnings per share (cents)	96,4	37,1	70,3	156,5
Diluted earnings per share (cents)	85,9	40,1	61,3	142,1
Headline earnings reconciliation				
Profit after taxation attributable to:				
Ordinary shareholders	69 809		44 886	104 396
Net profit on disposal of assets	(93)		(199)	(81)
Net impairment of assets	-		-	-
Impairment of investment/loss on disposal of associated companies	-		-	-
Headline earnings	69 716		44 687	104 315
Headline earnings per share (cents)	96,2	37,4	70,0	156,4
Diluted headline earnings per share (cents)	85,8	40,4	61,1	142,0

Condensed Consolidated Statement of Financial Position

	Reviewed six months to 31 January 2011	Reviewed six months to 31 January 2010	Audited twelve months to 31 July 2010
R'000			
ASSETS			
Non-current assets			
Property, plant and equipment	65 186	40 859	52 652
Goodwill and intangible assets	418 693	244 031	350 368
Investment in associate companies	–	–	–
Loans receivable	30 801	2 932	28 771
Deferred taxation assets	30 863	25 704	28 749
Current assets			
Inventory	9 978	9 149	10 107
Trade and other receivables	424 038	330 382	394 871
Trade receivables	403 657	302 712	377 448
Other receivables	20 381	27 670	17 423
Cash and cash equivalents	228 383	212 954	266 671
Total assets	1 207 942	866 011	1 132 189
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent	495 268	347 251	446 525
Non-controlling interest	(1 690)	(39)	(259)
Total equity	493 578	347 212	446 266
Non-current liabilities			
Finance lease obligation	82	13	174
Other financial liabilities	43 917	24 400	33 414
Deferred taxation liabilities	3 577	5 246	4 714
Current liabilities			
Trade and other liabilities	614 883	423 021	556 640
Deferred revenue	45 833	40 986	49 571
Taxation payable	6 072	25 133	41 410
Total equity and liabilities	1 207 942	866 011	1 132 189
Net asset value per share (cents)	593,0	458,0	559,7
Net tangible asset value per share (cents)	92,0	136,1	120,3

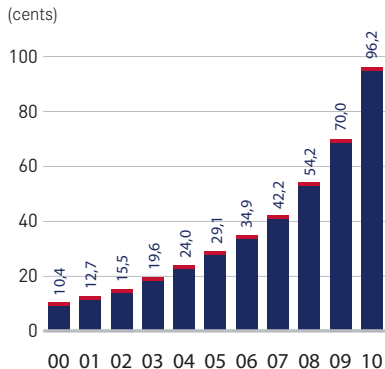
Revenue

(R millions)



Headline earnings per share

(cents)



Condensed Consolidated Statement of Cash Flows

R'000	Reviewed six months to 31 January 2011	Reviewed six months to 31 January 2010	Audited twelve months to 31 July 2010
Net income before tax and separately disclosed items	109 072	72 976	159 168
Non-cash items	23 360	15 092	26 646
Working capital changes	(14 738)	20 022	27 635
Cash generated by operating activities	117 694	108 090	213 449
Investment income	4 500	4 112	8 213
Finance costs	(2 614)	(1 670)	(3 149)
Taxation paid	(73 785)	(42 093)	(58 361)
Dividend paid	(25 553)	(19 180)	(19 109)
Net cash inflow from operating activities	20 242	49 259	141 043
Net cash inflow/(outflow) from investing activities	2 091	11 524	(20 566)
Net cash outflow from financing activities	(60 621)	(54 706)	(60 683)
Net movement in cash and cash equivalents	(38 288)	6 077	59 794
Cash and cash equivalents at beginning of the period	266 671	206 877	206 877
Cash and cash equivalents at end of the period	228 383	212 954	266 671

Condensed Consolidated Statement of Changes in Equity

R'000	Share capital	Share premium	Reserves	Retained earnings	Non-con- trolling interests	Total equity
Audited balance at 1 August 2009	628	59 873	2 863	244 966	(527)	307 803
Total comprehensive income for the period	-	-	(1 577)	44 886	488	43 797
Dividends paid	-	-	-	(19 180)	-	(19 180)
Share based payment	-	-	8 859	-	-	8 859
Other transactions with owners	9	889	5 035	-	-	5 933
Reviewed balance at 31 January 2010	637	60 762	15 180	270 672	(39)	347 212
Total comprehensive income for the period	-	-	(1 860)	59 510	(220)	57 430
Dividends paid	-	-	-	71	-	71
Share based payment	-	-	6 714	-	-	6 714
Other transactions with owners	60	28 366	6 413	-	-	34 839
Audited balance at 31 July 2010	697	89 128	26 447	330 253	(259)	446 266
Total comprehensive income for the period	-	-	(867)	69 809	350	69 292
Dividends paid	-	-	-	(25 223)	-	(25 223)
Share based payment	-	-	8 793	-	-	8 793
Acquisition of minority interest	-	-	-	-	(1 781)	(1 781)
Movement in treasury shares	(36)	(3 299)	(32 180)	-	-	(35 515)
Issue of share capital	35	29 765	-	-	-	29 800
The effect of consolidating The Mthombo Trust	-	-	1 946	-	-	1 946
Reviewed balance at 31 January 2011	696	115 594	4 139	374 839	(1 690)	493 578

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 three IT service providers in the region. EOH operates in South Africa, Africa and 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 clients and technology partners.
Right first time	Professionalism and excellence in all that we do.
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

We help clients create value and architect change through our range of consulting services:

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

Technology

EOH provides technology services at a strategic, operational and tactical level. We are technology agnostic and apply a best of breed approach to all our technology engagements:

- Enterprise Applications;
- Business Intelligence;
- Enterprise Security Management;
- Systems Integration;
- Enterprise Content Management;
- Software Testing and Quality Management;
- Business Technology Optimisation; and
- Network Solutions and Optimisation.

Outsourcing

EOH has a broad range of outsourcing and business processing service offerings. We provide outsourcing services for a significant breadth of needs and we package our services to suit our clients' needs:

- Infrastructure Managed Services;
- Technical and Application Managed Services;

- Office Managed Services;
- Business Process Outsourcing;
- Resourcing;
- Cloud computing; and
- Infrastructure.

BASIS OF PREPARATION

These reviewed condensed consolidated interim results have been prepared in accordance with 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 ("JSE"). The accounting policies have been consistently applied with those in the prior year.

ACCOUNTING POLICIES

The accounting policies and methods of computation applied in the preparation of these reviewed condensed consolidated interim results are consistent with those applied in the preparation of the group's annual financial statements for the year ended 31 July 2010.

REVIEW OPINION

The condensed consolidated interim results for the six months ended 31 January 2011 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 of EOH ('board') is satisfied with the performance for the six months 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 period under review. Revenue increased by 44.8% to R1 139,7 million and profit before tax is up by 49,5% to R109,1 million. The growth is attributable to a combination of both organic growth (65%) and recent acquisitions (35%). EPS and HEPS have grown significantly by 37,1% and 37,4% respectively with cash on hand of R228,4 million.

BUSINESS COMBINATIONS

During the period EOH broadened its Business Process Outsourcing activities through the acquisition of the businesses of Elixir Group (Proprietary) Limited, Pinnacle Health Solutions (Proprietary) Limited and Compensation Technologies Holdings (Proprietary) Limited. It further expanded its services in the Microsoft infrastructure, applications and development space with the acquisition of the business of Belay Solutions (Proprietary) Limited and its subsidiaries. Whilst these acquisitions collectively enhance EOH's service offerings and contribute to its profitability, none of these acquisitions on their own were significant, nor did they require any formal disclosure in terms of the JSE Listings Requirements. The purchase price paid over and above the net asset value of these businesses amounting to R73 million has been taken to goodwill. No operations were closed or disposed of during the six months under review.

CONTINGENT LIABILITIES

Businesses acquired during the period under review are subject to profit warranties relating to periods ending after January 2012. Should these be met, R61 million will be paid to the vendors.

SEGMENTAL REPORTING

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

(R000's)	Services		Software		Infrastructure		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenue	649 971	400 644	230 646	190 107	259 129	196 514	1 139 746	787 265
Net profit before tax	63 471	35 431	30 991	26 936	14 610	10 609	109 072	72 976

SUBSEQUENT EVENTS AND CAPITAL COMMITMENTS

There have been no significant events since the end of the six months under review and the date of this report. There was no significant capital expenditure authorised as at 31 January 2011.

TRANSFORMATION

EOH has 30,72% broad-based effective black ownership. Of the group's over 2 500 employees, 44,4% are black as is 60% 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 has increased and is continuing to increase its managed services business – in both infrastructure and applications. EOH is also expanding its Business Process Automation range of services and will continue to do so. Storage and Virtualisation, Application Testing and Monitoring and its IT security solutions are also geared for expansion in the foreseeable future.

EOH has a solid client base of over 2 600 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.

DIRECTORATE

There have been no changes to the board during the period under review, up to and including the date of this report.

DIVIDENDS

It is EOH's practice to declare dividends at the end of each financial year. A dividend of 36 cents per share was paid on 1 November 2010.

Asher Bohbot

Chief Executive Officer

15 March 2011

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.

