



Systems make it possible...
People make it happen



Reviewed Condensed Consolidated Results

for the year ended 31 July 2013

Revenue	R5 086 million	▲	40%
PAT	R331 million	▲	49%
Cash	R653 million	▲	45%
EPS	344 cents	▲	35%
HEPS	339 cents	▲	34%
Dividend	95 cents	▲	36%



Best People

Partner For Life

Right 1st Time

Sustainable Transformation

Profitable Growth

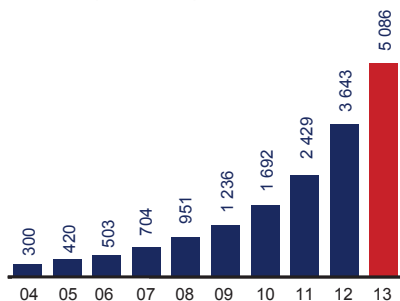
Condensed Consolidated Statement of Comprehensive Income for the year ended 31 July 2013

	Reviewed 2013 R'000	% change	Audited 2012 R'000
Revenue	5 085 979	40	3 642 915
Cost of sales	(3 075 359)		(2 086 082)
Gross margin	2 010 620		1 556 833
Operating profit	495 723		356 622
Investment income	18 483		12 676
Finance costs	(47 502)		(27 429)
Share of loss of equity accounted investment	–		(43)
Net impairment of assets	(6)		(1 907)
Profit before taxation	466 698		339 919
Taxation	(135 339)		(116 831)
Profit for the year	331 359	49	223 088
Other comprehensive income:			
Foreign currency translation differences for foreign operations	1 500		1 206
Total comprehensive income for the year	332 859	48	224 294
Profit attributable to:			
Owners of the parent	331 509		222 577
Non-controlling interest	(150)		511
Profit for the year	331 359		223 088
Total comprehensive income attributable to:			
Owners of the parent	333 009		223 783
Non-controlling interest	(150)		511
Total comprehensive income for the year	332 859		224 294
Total number of shares in issue (000's)	110 848		100 866
Weighted average number of shares in issue (000's)	96 453		87 312
Diluted number of shares (000's)	107 007		98 416
Earnings per share (cents)	343,7	35	254,9
Diluted earnings per share (cents)	309,8	37	226,2
Headline earnings reconciliation			
Profit after taxation attributable to:			
Ordinary shareholders	331 509		222 577
Profit on disposal of assets	(128)		(4 414)
Gain on bargain purchase	(4 387)		–
Net impairment of assets	6		1 907
Total tax effect of adjustments	36		940
Headline earnings	327 036		221 010
Headline earnings per share (cents)	339,1	34	253,1
Diluted headline earnings per share (cents)	305,6	36	224,6

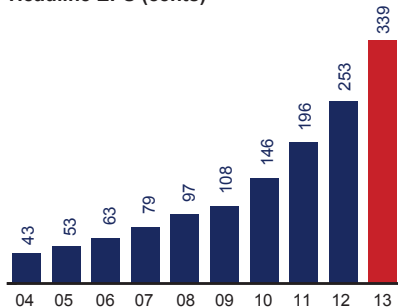
Condensed Consolidated Statement of Financial Position as at 31 July 2013

	Reviewed 2013 R'000	Audited 2012 R'000
ASSETS		
Non-current assets		
Investment property	2 872	2 872
Property, plant and equipment	226 324	183 856
Goodwill and intangible assets	1 031 945	801 497
Finance lease receivables	74 894	36 447
Other financial assets	26 551	16 203
Deferred taxation assets	103 544	90 008
Current assets		
Inventories	66 479	39 401
Finance lease receivables	46 595	26 360
Other financial assets	12 401	15 625
Taxation receivable	27 265	37 493
Trade and other receivables	1 185 075	809 429
Cash and cash equivalents	653 007	451 867
Total assets	3 456 952	2 511 058
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent	1 620 332	1 128 438
Non-controlling interest	403	1 400
Total equity	1 620 735	1 129 838
Non-current liabilities		
Finance lease obligations	1 793	2 748
Other financial liabilities	351 416	271 768
Deferred taxation liabilities	53 398	50 786
Current liabilities		
Trade and other liabilities	1 239 562	906 750
Deferred revenue	159 868	107 565
Taxation payable	30 180	41 603
Total equity and liabilities	3 456 952	2 511 058
Net asset value per share (cents)	1 461,8	1 118,7
Net tangible asset value per share (cents)	530,8	324,1

Revenue (R millions)



Headline EPS (cents)



Condensed Consolidated Statement of Cash Flows for the year ended 31 July 2013

	Reviewed 2013 R'000	Audited 2012 R'000
Cash generated by operating activities	533 623	442 538
Investment income	18 483	12 676
Finance costs	(47 502)	(27 429)
Taxation paid	(154 769)	(141 478)
Net cash inflow from operating activities	349 835	286 307
Net cash outflow from investing activities	(113 057)	(163 808)
Net cash (outflow)/inflow from financing activities	(35 638)	7 861
Net movement in cash and cash equivalents	201 140	130 360
Cash and cash equivalents at beginning of year	451 867	321 507
Cash and cash equivalents at end of year	653 007	451 867

Condensed Consolidated Statement of Changes in Equity for the year ended 31 July 2013

	Stated capital R'000	Reserves R'000	Retained earnings R'000	Non- controlling interest R'000	Total equity R'000
Audited balance at 1 August 2011	301 602	(28 797)	437 124	1 131	711 060
Total comprehensive income for the period	–	1 206	222 577	511	224 294
Dividends paid	–	–	(41 139)	–	(41 139)
Share-based payment	–	15 892	–	–	15 892
Minorities acquired	–	887	–	(242)	645
Shares to be issued	88 521	–	–	–	88 521
Issue of shares	65 408	–	–	–	65 408
Movement in treasury shares	(45 916)	86 185	–	–	40 269
The effect of consolidating the Mthombo Trust	(11 129)	36 017	–	–	24 888
Audited balance at 31 July 2012	398 486	111 390	618 562	1 400	1 129 838
Total comprehensive income for the period	–	1 500	331 509	(150)	332 859
Dividends paid	–	–	(66 892)	–	(66 892)
Share-based payment	–	16 134	–	–	16 134
Minorities acquired	–	47	–	(847)	(800)
Shares to be issued	54 593	–	–	–	54 593
Issue of shares	194 455	–	–	–	194 455
Movement in treasury shares	(66 440)	41 647	–	–	(24 793)
The effect of consolidating the Mthombo Trust	(14 659)	–	–	–	(14 659)
Reviewed balance at 31 July 2013	566 435	170 718	883 179	403	1 620 735

About EOH

EOH is one of the largest ICT services providers in South Africa and provides the technology, knowledge, skills and organisational ability critical to Africa's development and growth. EOH has been listed on the JSE Limited ("JSE") since 1998 and has consistently delivered strong financial results.

EOH provides a full range of end-to-end service offerings. EOH is the largest implementer of enterprise applications solutions and has a wide range of Outsourcing, Cloud, Managed Services and Business Process Outsourcing ('BPO') solutions. EOH's 6 000 staff members deliver these services to customers across all major industries with a focus on the Financial Services, Telecommunications, Public Sector, Mining, Manufacturing and Retail sectors.

EOH operates in South Africa and Africa and has 120 points of presence in South Africa.

EOH is a Level 2 contributor and has the highest BBBEE rating of its peers on the JSE.

EOH's purpose

- ▲ To provide technology, knowledge, skills and organisational ability critical to Africa's development and growth.
- ▲ To be an ethical and relevant force for good and to play a positive role in society, beyond normal business.

EOH's business philosophy

EOH is about people and its business philosophy is driven through five areas:

- ▲ **Best people** To attract, develop and retain the best people.
- ▲ **Partner for life** To nurture lifelong partnerships with our customers and business partners.
- ▲ **Right 1st time** To ensure professional planning and execution and have pride in all we do.
- ▲ **Sustainable transformation** To transform and celebrate diversity.
- ▲ **Profitable growth** To grow our top and bottom line aggressively and remain entrepreneurial.

Operating model

The EOH operating model is based on a two dimensional approach: lines of business and industry verticals.

Lines of business

Knowledge and industry-based services

These services include consulting, knowledge and industry based solutions, operational improvement, IT strategy, IT architecture, project management and change management.

Information Technology

- ▲ Enterprise applications
- ▲ Information management
- ▲ Enterprise content management
- ▲ IT management, optimisation and security
- ▲ Software development and integration
- ▲ Knowledge risk management
- ▲ Digital solutions

Outsourcing

- ▲ Transformational outsourcing
- ▲ Managed services
- ▲ Cloud services
- ▲ Hosting and networking
- ▲ Business process outsourcing
- ▲ Human capital solutions

Industrial Technologies (IT)

These include services and solutions both of a technology and industrial nature that focus on the mining, manufacturing, energy and utility sectors.

Industry verticals

EOH operates in all industries with a focus on the following:

- ▲ Financial services
- ▲ Telecommunications
- ▲ Public Sector
- ▲ Mining and manufacturing
- ▲ Retail

Basis of preparation

The reviewed condensed consolidated results for the year ended 31 July 2013 have been prepared by the Financial Director, John King, CA (SA), in accordance with International Financial Reporting Standards ('IFRS'), IAS 34 – Interim Financial Reporting, the SAICA Reporting Guidelines as issued by the Accounting Practices Committee, the South African Companies Act 2008, (Act 71 of 2008) and the JSE Listings Requirements.

Accounting policies

The accounting policies and methods of computation applied in the preparation of these reviewed condensed consolidated results for the year under review, which are based on reasonable judgements and estimates, are in accordance with IFRS and are consistent with those applied in the preparation of the group's annual financial statements for the year ended 31 July 2012.

Review opinion

The condensed consolidated results for the year ended 31 July 2013 have been reviewed by the group auditors, PKF (Gauteng) Inc, Registered Auditors and Chartered Accountants (SA), and their unmodified review report is available for inspection at the registered office of EOH.

Financial results

The board of directors of EOH ('the board') is satisfied with the performance for the year ended 31 July 2013. Revenue increased by 40% to R5 086 million and profit before tax is up by 37% to R467 million. The growth is attributable to a combination of both organic growth and recent acquisitions. Earnings per share ('EPS') and headline earnings per share ('HEPS') have grown by 35% and 34% respectively with cash increasing to R653 million.

Business combinations

During the year under review, EOH's primary focus was to consolidate and complement its existing service offerings in its consulting, managed services, human capital solutions and industrial technology businesses. Accordingly, the group made several acquisitions in these areas. Other than previously reported, there were no further individually material business combinations during this period. The total consideration paid for these acquisitions amounted to R358 million of which R203 million is payable in cash and the balance through the issue of equity instruments. The goodwill associated therewith is R253 million.

The cumulative non-current and current assets acquired were R58 million and R448 million respectively. The cumulative non-current and current liabilities acquired were R6 million and R391 million respectively. The aggregate revenue of these businesses included in these results is R604 million resulting in profit before tax of R61 million.

Segmental reporting

EOH's revenue for the year ended 31 July 2013 is derived from the provision of services (consulting systems implementation, systems integration and managed services), software (software sales and maintenance revenue) and infrastructure products.

	Services		Software		Infrastructure		Total	
R millions	2013	2012	2013	2012	2013	2012	2013	2012
Revenue	3 627	2 345	687	615	772	683	5 086	3 643
Profit before tax	341	234	72	65	54	41	467	340

All areas of EOH's business operations have seen growth during the year under review with the revenue from services being the most significant generator of revenue. Services revenue has increased by 55%, software revenue by 12% and infrastructure revenue by 13%. The gross profit margin is 40% and the operating margin is 9,7%.

Subsequent events and capital commitments

There have been no significant events since the end of the year under review. No significant capital expenditure was authorised as at 31 July 2013.

Transformation

EOH is certified as a Large Enterprise Level 2 Contributor with BEE Procurement Recognition of 156% as a Value Adding Vendor.

EOH's current black shareholding is 35%. 53% of EOH's staff and 60% of its board members are black.

EOH's Corporate Social Investment initiatives are focused around education, particularly in the fields of maths and science.

EOH's Enterprise Development initiatives are aimed at developing black-owned ICT companies through financial and non-financial support, which includes the transfer of business skills. EOH spent R41 million on its CSI, Enterprise Development and Job Creation initiatives.

Job creation initiative

During the past year EOH intensified its efforts on the 'EOH Youth Job Creation Initiative'. We have invested in media campaigns and interacted with customers and business partners with the aim of encouraging them to recruit significant numbers of people on intern and learnership programmes. We have seen many initiating and participating in these programmes and making a difference in the lives of many young people.

At EOH, 620 young people participated in EOH's learnership and intern programmes of which most were placed or employed directly by EOH. EOH has embarked on a similar programme for the coming year.

Future plans

EOH will continue to expand its solutions and service offerings and strengthen its knowledge-based industry services. This will be achieved through organic growth complemented by acquisitions. EOH expects to grow its Managed Services, Cloud, Enterprise Applications, Information Management, Business Process Outsourcing, Human Capital Solutions, Security Solutions and Industrial Technology businesses.

EOH will continue to contribute its knowledge and organisational ability to improve service delivery in the Public Sector. EOH is recognised for its delivery capability and expects to expand the business it does in this Sector.

During the year, EOH has made significant strides into Africa with plans to increase its presence on the continent. EOH now has the structures and processes in place to be far more strategic and proactive in its approach to doing business in Africa.

EOH's offerings in the outsourcing, managed services and cloud arenas have grown significantly having secured major contracts in the past year. We expect to be a leading player in this field.

EOH is well positioned to continue to grow aggressively. It has the people, the size, the financial resources, the agility and the knowledge to do so. EOH's internal strength, strong entrepreneurial culture and great execution ability bodes well for similar growth in the future.

Directorate

Sandile Zungu has been appointed as the Chairman effective 1 October 2013. We are delighted to have a person of this calibre to chair our board. This appointment follows the resignation of Nakedi Mathews Phosa on 1 November 2012. Thoko Mnyango was appointed as a Non-Executive Director with effect from 18 June 2013.

Dividends

Notice is hereby given that a gross dividend of 95 cents (2012: 70 cents) per ordinary share ('the dividend') has been declared in respect of the year ended 31 July 2013 and is payable to shareholders recorded in the books at the close of business on Friday, 25 October 2013. Shareholders are advised that the last day of trade *cum* the dividend will be Friday, 18 October 2013. The shares will trade *ex* the dividend as from Monday, 21 October 2013. Payment will be made on Monday, 28 October 2013. Share certificates may not be dematerialised or rematerialised during the period Monday, 21 October 2013 to Friday, 25 October 2013, both days inclusive.

- The dividend should be treated as an income payment and is being paid out of income reserves.
- The local dividend tax rate is 15%.
- There are no Secondary Tax credits utilised against the dividend.
- The gross local dividend is 95 cents per share for shareholders exempt from paying Dividend Tax.
- The net local dividend amount is 80,75 cents per share for shareholders liable to pay Dividend Tax.
- EOH's tax reference number is 9248321847.
- There are 110 847 868 ordinary shares in issue.

Asher Bohbot
Chief Executive Officer

11 September 2013

EOH Holdings Limited

Incorporated in the Republic of South Africa

Registration number: 1998/014669/06

Share code: EOH

ISIN: ZAE000071072

Registered office

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Tel: (011) 607 8100

Fax: (011) 616 9929

Website: www.eoh.co.za

Email: info@eoh.co.za

Executive directors

Asher Bohbot (Chief Executive Officer)

Pumeza Bam

John King

Dion Ramoo

Jane Thomson

Non-executive directors

Rob Sporen (Dutch) – Lead Director/Acting Chairman

Lucky Khumalo

Prof Tshilidzi Marwala

Thoko Mnyango (effective 18 June 2013)

Tebogo Skwambane

Sandile Zungu – Chairman elect (effective 1 October 2013)

Company secretary

Adri Els

Sponsor

Merchantec Capital

Auditors

PKF (Gauteng) Inc.



Systems make it possible...
People make it happen

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