



Systems make it possible...
People make it happen



Reviewed Condensed Consolidated Results

for the six months ended 31 January 2013

Revenue	▲	45,5%
PAT	▲	53,5%
EPS	▲	38,7%
HEPS	▲	35,2%
Cash	▲	37,0%

Best people Partner for life

Right 1st time

Sustainable
transformation

Profitable **growth**

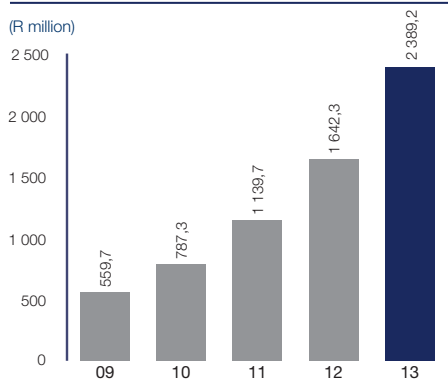
Condensed Consolidated Statements of Comprehensive Income for the six months ended 31 January 2013

	Reviewed six months January 2013 R'000	% change	Reviewed six months January 2012 R'000	Audited 12 months July 2012 R'000
Revenue	2 389 185	45,5	1 642 339	3 642 915
Cost of sales	(1 392 060)		(925 598)	(2 086 082)
Gross margin	997 125		716 741	1 556 833
Results from operating activities	247 733		175 478	356 622
Investment income	9 479		7 313	12 676
Finance costs	(20 209)		(11 777)	(27 429)
Profit/(loss) of equity accounted investees	–		46	(43)
Impairment of assets	–		(1 907)	(1 907)
Profit before taxation	237 003		169 153	339 919
Taxation	(73 476)		(62 636)	(116 831)
Profit for the period	163 527	53,5	106 517	223 088
Other comprehensive income:				
Foreign currency translation differences for foreign operations	1 150		638	1 206
Total comprehensive income for the period	164 677	53,7	107 155	224 294
Profit attributable to:				
Owners of the parent	163 496		106 466	222 577
Non-controlling interest	31		51	511
Profit for the period	163 527		106 517	223 088
Total comprehensive income attributable to:				
Owners of the parent	164 646		107 104	223 783
Non-controlling interest	31		51	511
Total comprehensive income for the period	164 677		107 155	224 294
Total number of shares in issue (000's)	106 045		96 610	100 866
Weighted average number of shares in issue (000's)	92 684		83 708	87 312
Diluted number of shares (000's)	102 338		95 216	98 416
Earnings per share (cents)	176,4	38,7	127,2	254,9
Diluted earnings per share (cents)	159,8	42,9	111,8	226,2
Headline earnings reconciliation				
Profit for the period attributable to:				
Owners of the parent	163 496		106 466	222 577
Profit on disposal of assets	(194)		(2 162)	(4 414)
Gain on bargain purchase	(4 394)		–	–
Net impairment of assets	–		1 907	1 907
Total tax effect of adjustments	54		–	940
Headline earnings	158 962		106 211	221 010
Headline earnings per share (cents)	171,5	35,2	126,9	253,1
Diluted headline earnings per share (cents)	155,3	39,3	111,5	224,6

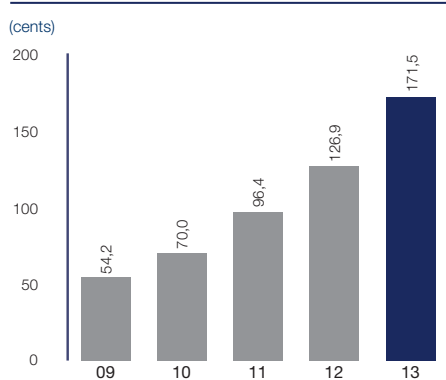
Condensed Consolidated Statements of Financial Position as at 31 January 2013

	Reviewed six months January 2013 R'000	Reviewed six months January 2012 R'000	Audited 12 months July 2012 R'000
ASSETS			
Non-current assets			
Investment properties	2 872	–	2 872
Property, plant and equipment	209 258	99 985	183 856
Goodwill and intangible assets	950 695	610 004	801 497
Investment in associate companies	–	1 048	–
Finance lease receivables	49 336	33 947	36 447
Other financial assets	14 550	15 267	16 203
Deferred taxation assets	92 008	37 000	90 008
Current assets			
Inventory	55 315	28 540	39 401
Finance lease receivables	36 971	21 748	26 360
Other financial assets	24 260	9 476	15 625
Current tax receivable	68 473	44 799	37 493
Trade and other receivables	1 003 557	660 272	809 429
Trade receivables	931 521	640 695	783 468
Other receivables	72 036	19 577	25 961
Cash and cash equivalents	532 513	388 754	451 867
Total assets	3 039 808	1 950 840	2 511 058
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent	1 301 806	921 256	1 128 438
Non-controlling interest	1 431	51	1 400
Total equity	1 303 237	921 307	1 129 838
Non-current liabilities			
Finance lease obligation	2 361	631	2 748
Other financial liabilities	311 835	239 161	271 768
Deferred taxation liabilities	53 698	7 244	50 786
Current liabilities			
Trade and other liabilities	1 130 728	653 691	906 750
Deferred revenue	172 473	88 536	107 565
Taxation payable	65 476	40 270	41 603
Total equity and liabilities	3 039 808	1 950 840	2 511 058
Net asset value per share (cents)	1 227,6	953,6	1 118,7
Net tangible asset value per share (cents)	331,1	322,2	324,1

Revenue



Headline earnings



Condensed Consolidated Statements of Cash Flows for the six months ended 31 January 2013

	Reviewed six months January 2013 R'000	Reviewed six months January 2012 R'000	Audited 12 months July 2012 R'000
Cash generated by operating activities	285 076	166 570	442 538
Investment income	9 479	7 313	12 676
Finance costs	(20 209)	(11 777)	(27 429)
Taxation paid	(77 803)	(78 626)	(141 478)
Net cash inflow from operating activities	196 543	83 480	286 307
Net cash outflow from investing activities	(22 375)	(101 603)	(163 808)
Net cash (outflow)/inflow from financing activities	(93 522)	85 370	7 861
Net movement in cash and cash equivalents	80 646	67 247	130 360
Cash and cash equivalents at beginning of period	451 867	321 507	321 507
Cash and cash equivalents at end of period	532 513	388 754	451 867

Condensed Consolidated Statements of Changes in Equity for the six months ended 31 January 2013

	Stated capital R'000	Shares to be issued to vendors R'000	Reserves R'000	Retained earnings R'000	Non- controlling interest R'000	Total Equity R'000
Audited balance at 1 August 2011	277 190	24 412	(28 800)	437 124	1 131	711 057
Total comprehensive income	–	–	638	106 466	51	107 155
Dividends paid	–	–	–	(41 064)	–	(41 064)
Share-based payment	–	–	8 952	–	–	8 952
Issue of share capital	3 850	–	–	–	–	3 850
Movement in treasury shares	4 310	–	107 395	–	–	111 705
Consolidating Mthombo Trust	(1)	–	1 268	–	–	1 267
Non-controlling interest acquired	–	–	887	–	(1 131)	(244)
Shares to be issued	–	18 629	–	–	–	18 629
Reviewed balance at 31 January 2012	285 349	43 041	90 340	502 526	51	921 307
Total comprehensive income	–	–	568	116 111	460	117 139
Dividends paid	–	–	–	(75)	–	(75)
Share-based payment	–	–	6 940	–	–	6 940
Issue of share capital	61 558	–	–	–	–	61 558
Movement in treasury shares	(50 225)	–	(21 210)	–	–	(71 435)
Consolidating Mthombo Trust	(11 129)	–	34 752	–	–	23 623
Non-controlling interest acquired	–	–	–	–	889	889
Shares to be issued	–	69 892	–	–	–	69 892
Audited balance at 31 July 2012	285 553	112 933	111 390	618 562	1 400	1 129 838
Total comprehensive income	–	–	1 150	163 496	31	164 677
Dividends paid	–	–	–	(66 002)	–	(66 002)
Share-based payment	–	–	9 000	–	–	9 000
Issue of share capital	76 561	–	–	–	–	76 561
Movement in treasury shares	(100 201)	–	1 274	–	–	(98 927)
Shares to be issued	–	88 090	–	–	–	88 090
Reviewed balance at 31 January 2013	261 913	201 023	122 814	716 056	1 431	1 303 237

About EOH

EOH is the largest provider of enterprise applications, technology, outsourcing, cloud and managed service solutions. EOH has a strong black economic empowerment profile and is a Level 2 contributor. EOH has grown to over 6 000 people and has 3 500 clients across all major industries.

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 develop life-long, mutually beneficial partnerships with customers and partners.
- ▲ **Right 1st time** To ensure professional planning and execution and to have pride in all we do.
- ▲ **Sustainable transformation** To constantly and sustainably transform ourselves and to manage diversity.
- ▲ **Profitable growth** To grow the top and bottom lines proportionately, while remaining entrepreneurial.

Operating model

The EOH operating model is based on a two-dimensional approach: lines of business and industry verticals. The lines of business are clustered around knowledge and industry-based services, information technology, technology outsourcing, business process outsourcing and industrial technologies.

Knowledge and industry-based services

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

Information Technology

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

Outsourcing

EOH operates in both the public and private sector and provides the following services to its customers:

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

Industrial Technologies

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

Industries

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

- ▲ Financial services
- ▲ Telecommunications
- ▲ Public sector
- ▲ State-owned entities
- ▲ Mining and Manufacturing.

Basis of preparation

The reviewed condensed consolidated results for the six months ended 31 January 2013 ('period under review') 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 Financial Reporting Guides as issued by the Accounting Practices Committee, the South African Companies Act, 2008 (Act 71 of 2008), and the JSE Limited Listings Requirements.

Accounting policies

The accounting policies and methods of computation applied in the preparation of these reviewed condensed consolidated results for the period 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 six months ended 31 January 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 six months under review. The statement of financial position is strong with substantial cash resources to ensure sustainability and to support future growth. Revenue increased by 45,5% to R2 389,2 million and profit after tax is up by 53,5% to R163,5 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 38,7% and 35,2%, respectively, with cash increasing to R532,5 million.

Business combinations

During the six months under review, EOH's acquisitive strategy was to consolidate and complement its existing service offerings in its consulting, managed services, human capital and industrial technology businesses and grow its public sector business. Accordingly, the group made several acquisitions totalling R224,6 million (less than 5% of EOH's market cap) of which R124,9 million is payable in cash and the balance through the issue of equity instruments. The goodwill associated therewith is R179,3 million.

The cumulative assets acquired were R406,5 million. The cumulative liabilities acquired were R357,8 million. The aggregated revenue of these businesses included in these results was R184,0 million, netting a profit before tax of R29,9 million.

Included in the above acquisitions was the purchase of 100% of the issued share capital of Siemens IT Solutions and Services South Africa Proprietary Limited, a company offering IT services primarily to the Public Sector. EOH acquired the shares with effect from 1 October 2012. The assets acquired were R312,8 million. The liabilities acquired were R308,4 million.

Segmental reporting

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

	Services		Software		Infrastructure		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Revenue	1 660 241	1 026 919	350 603	264 172	378 341	351 248	2 389 185	1 642 339
Profit before tax	166 923	111 904	43 635	36 211	26 445	21 038	237 003	169 153

All areas of EOH's business operations have seen growth during the period under review with the revenue from services being the most significant revenue generator. Services revenue has increased to R1 660,2 million, a 61,7% increase over the previous period. Software sales have increased to R350,6 million (increase of 32,7%). Infrastructure sales have also increased by 7,7% to R378,3 million. The overall operating margin is 9,9%.

Subsequent events and capital commitments

There have been no significant events since the end of the period under review. There was no significant capital expenditure authorised as at 31 January 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 34,62%. 59% of EOH's staff and 55% of its board members are black.

EOH's Corporate Social Investment initiatives are focused around education and wellness. One of our community involvement projects is the Maths Centre Programme which has its primary objective to equip teachers with skills to develop learner competency in maths.

We have also given our support to The Child and Youth Development Programme of AfrikaTikkun. This programme provides support to youth during their school career and assists them in finding employment in the workplace.

Our 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 has 620 trainees participating in a year-long graduate and school leavers' programme and has spent R12,7 million on this programme during the six months under review.

Future plans

EOH will continue to expand its solutions and service offerings and strengthen its industry verticals. This will be achieved through both organic and acquisitive growth. The main areas of growth include managed services, cloud offerings, enterprise applications, information management, Business Process Outsourcing, security solutions and industrial and infrastructure solutions.

EOH has expanded its activities in the Public Sector and will continue to actively contribute its knowledge, know-how and organisational ability to improve service delivery. There are many opportunities in this sector and EOH is being recognised for its delivery capability in this area.

EOH views Africa as a growth area and will continue to pursue opportunities in identified countries.

EOH is well positioned to continue to grow aggressively. It has the people, financial resources, agility and know-how to continue to grow all areas of its business and to expand into new services and territories.

Job creation initiative

EOH has taken its job creation initiative to another level and is running workshops with its major customers and vendors with the view to encouraging other businesses to follow EOH's example. EOH employed 620 people to participate in its year-long learnership and trainee programmes and another intake of young learners and graduates will join EOH later this year.

It is EOH's aim to encourage job creation by working with its customers, business partners and government. EOH hopes to mobilise business to take advantage of the Government incentive programmes, especially in the areas of internships and learnerships.

Directorate

During the period under review, Mathews Phosa (Chairman) resigned with effect from 30 November 2012. There have been no other changes to the board. At the AGM held on 12 February 2013, directors who were eligible for re-election, were re-elected. The board is in the process of appointing a new non-executive chairman.

Asher Bohbot

Chief Executive Officer

12 March 2013

EOH Holdings Limited

Incorporated in the Republic of South Africa

Registration number: 1998/014669/06

Share code: EOH

ISIN: ZAE000071072

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Directorate

Executive directors

Asher Bohbot (Chief Executive Officer)

Pumeza Bam

John King

Dion Ramoo

Jane Thomson

Non-executive directors

Lucky Khumalo

Prof Tshilidzi Marwala

Tebogo Skwambane

Rob Sporen (Dutch) – Lead Director

Company secretary

Adri Els

Sponsor

Merchantec Capital

Auditors

PKF (Gauteng) Inc.



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