

Enterprise Outsourcing Holdings Limited
(Incorporated in the Republic of South Africa)
(Company registration no: 1998/014669/06)
Share code: EOH ISIN: ZAE00022026
(“EOH” or “the Group”)

Systems make it possible...

People make it happen!

**REVIEWED INTERIM REPORT FOR THE SIX MONTHS ENDED
31 JANUARY 2004**

▲ **REVENUE UP 66%**

▲ **HEADLINE EPS UP 23%**

▲ **CASH RESOURCES UP 67%**

Group Income Statements

	Reviewed 6 months to 31 January 2004 (R'000)	Reviewed 6 months to 31 January 2003 (R'000)	Change (%)	Audited 12 months to 31 July 2003 (R'000)
Revenue	146 373	87 989	66	175 969
Profit before interest	10 778	8 722	24	16 398
Net interest received	1 094	885		1 652
Profit from operations before goodwill	11 872	9 607	24	18 050
Goodwill amortised	(540)	(561)		(1 123)
Profit from operations	11 332	9 046		16 927
Taxation	(2 205)	(1 680)		(2 320)
Outside shareholders' interest	(300)	(162)		(212)
Net profit for period	8 827	7 204	23	14 395
Number of ordinary shares in issue ('000)	50 667	50 667		50 667
Weighted average number of ordinary shares in issue ('000)	49 089	50 086		49 238
Earnings per ordinary share (cents)	17,98	14,38	25	29,24
Headline earnings per ordinary share (cents)	19,08	15,50	23	31,52
Diluted earnings per ordinary share (cents)	17,61	13,87	27	28,10
Dividends per ordinary share (cents)	7,00	6,00		6,00
Reconciliation between earnings and headline earnings:				
Net profit for period	8 827	7 204		14 395
Goodwill amortised	540	561		1 123
Headline earnings	9 367	7 765		15 518
Headline earnings per ordinary share (cents)	19,08	15,50		31,52

Group Balance Sheets

	Reviewed 31 January 2004 (R'000)	Reviewed 31 January 2003 (R'000)	Audited 31 July 2003 (R'000)
ASSETS			
Non-current assets			
Tangible assets	6 393	3 374	3 850
Intangible assets	21 035	30 099	27 333
Loans receivable	132	132	132
Current assets			
Trade receivables	62 087	26 707	26 675
Other receivables	2 698	2 370	2 500
Inventory	81	74	78
Cash and cash equivalents	44 387	26 538	40 396
Total assets	136 813	89 294	100 964
EQUITY AND LIABILITIES			
Ordinary shareholders' interest			
Non-current liabilities	59 819	46 327	52 733
Vendors for acquisition	24 078	6 040	6 040
Interest bearing borrowings	906	584	522
Deferred taxation	(205)	1 488	360
Current liabilities			
Trade and other liabilities	37 002	22 911	21 059
Deferred revenue	11 711	11 465	18 594
Taxation	3 502	479	1 656
Total equity and liabilities	136 813	89 294	100 964

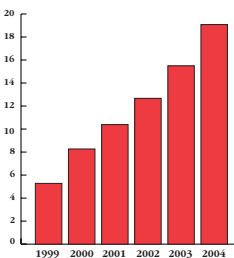
Group Cash Flow Statements

	Reviewed 6 months to 31 January 2004 (R'000)	Reviewed 6 months to 31 January 2003 (R'000)	Audited 12 months to 31 July 2003 (R'000)
Operating income before interest and taxation	10 778	8 722	16 398
Non-cash items	3 270	1 903	4 332
Cash generated from trading operations	14 048	10 625	20 730
Decrease/(Increase) in working capital	15 970	(10 030)	(4 855)
Cash generated from operations	30 018	595	15 875
Taxation paid	(925)	(261)	(853)
Dividends paid	(3 535)	(3 040)	(3 040)
Net interest income	1 094	885	1 652
Cash inflow/(outflow) from operating activities	26 652	(1 821)	13 634
Cash outflow to investing activities	(42 588)	(2 043)	(2 743)
Cash inflow/(outflow) from financing activities	19 927	814	(83)
Net increase/(decrease) in cash and cash equivalents	3 991	(3 050)	10 808
Cash and cash equivalents at beginning of period	40 396	29 588	29 588
Cash and cash equivalents at end of period	44 387	26 538	40 396

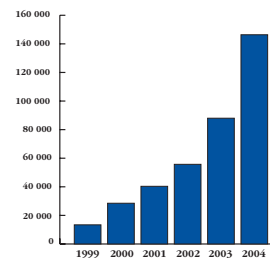
Statement of Changes in Ordinary Shareholders' Interest

	Reviewed 31 January 2004 (R'000)	Reviewed 31 January 2003 (R'000)	Audited 31 July 2003 (R'000)
Share capital and premium	10 602	10 483	9 556
Balance at beginning of period (Repurchase)/Reissue of shares held by subsidiary	10 483	11 609	11 174
Distributable reserves	119	(1 126)	(1 618)
Balance at beginning of period	49 217	35 844	43 177
Attributable income	35 844	25 571	31 518
Dividends	16 018	13 151	14 395
Reissue of shares held by subsidiary	(3 547)	(3 040)	(3 040)
Outside shareholders' interest	552	-	92
	350	162	212
Ordinary shareholders' interest	59 819	46 327	52 733

Headline EPS (cents)



Revenue (R'000)



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

Consulting – Concentrated under the EOH KPMG Consulting brand are business units offering services ranging from strategic and business process consulting, project services, change management, supply chain optimisation and education.

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 and Manufacturing Execution Systems (MES).

Outsourcing – EOH offers comprehensive maintenance and support of client's 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 operates in the rest of 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, 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 to 31 January 2004. Their report is available for inspection at the registered office of the company.

Financial results

The board is satisfied with the performance for the period under review. Turnover, profit and headline earnings per share showed substantial improvement. The balance sheet remains strong with 67% increase in cash resources and a substantial improvement in the asset base of the business.

During the period under review the consulting arm of KPMG was acquired. This acquisition had the effect of completing the range of offerings, creating critical mass and giving the business access to new markets and industries.

During this period, 768 933 shares were repurchased by a wholly-owned subsidiary of EOH and will not be cancelled.

Future plans

EOH is now a large integrated organisation offering an extensive range of products and services to many markets and industries. It is financially strong and has a sound track record. Management's intention is to rapidly capitalise on our position and forge ahead towards its vision to be the Number One business and technology solution provider in Africa.

We believe that the company is well-positioned to become a leading player in the consulting, technology and outsourcing field in our region.

EOH is currently in the process of implementing a multi-tier BEE strategy. More specifically, on the equity side, we are following a tight programme to introduce black equity in the near term.

Dividends

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

Asher Bohbot

(Chief Executive Officer)

21 April 2004

REGISTERED OFFICE

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Gillooly's View
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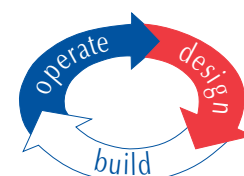
DIRECTORS

Dr Mathews Phosa (*Non-executive Chairman*)
Asher Bohbot (*CEO*)
Rob Sporen (*Dutch*)
Antonio Cocciane
Jane Thomson
Ken Cullinan
John King
Dion Ramoo

COMPANY SECRETARY

S P Matheson

For further information, please contact Rob Sporen on the above numbers or on cell: 082 444 7533.



partner for life

