

**REVIEWED CONDENSED
CONSOLIDATED RESULTS**

FOR THE YEAR ENDED 31 JULY

2014

Revenue	▲	42% to R7 220 million
PAT	▲	49% to R492 million
EPS	▲	30% to 447,0 cents
HEPS	▲	32% to 446,6 cents
Cash	▲	63% to R1 065 million

EOH

Systems make it possible...
People make it happen

EOH Holdings Limited

Incorporated in the Republic of South Africa

Registration number: 1998/014669/06

Share code: EOH

ISIN: ZAE000071072

Registered office

Block D, EOH Business Park,

Osborne Lane, Bedfordview, 2007

Website: www.eoh.co.za

Email: info@eoh.co.za

Tel: (011) 607 8100

Executive directors

Asher Bohbot (Chief Executive Officer)

John King (Group Financial Director)

Pumeza Bam

Dion Ramoo

Jane Thomson

Non-executive directors

Sandile Zungu (Chairman)

(appointed 1 October 2013)

Rob Sporen (Dutch)

Lucky Khumalo

Tshilidzi Marwala

Danny Mackay

(appointed 1 November 2013)

Thoko Mnyango

Tebogo Skwambane

Company secretary

Adri Els

Sponsor

Merchantec Capital

Auditors

Mazars (Gauteng) Inc.



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Condensed Consolidated Statement of Comprehensive Income for the year ended 31 July 2014

	Reviewed 2014 R'000	% change	Audited 2013 R'000
Revenue	7 220 372		5 085 979
Cost of sales	(4 631 650)	42,0	(3 075 359)
Gross profit	2 588 722		2 010 620
Operating profit before interest and impairments	719 514		495 723
Investment income	29 676		18 483
Finance costs	(80 434)		(47 502)
Impairment of assets	–		(6)
Share of profit of equity accounted investments	337		–
Profit before taxation	669 093	43,4	466 698
Taxation	(176 930)		(135 339)
Profit for the year	492 163	48,5	331 359
Other comprehensive income:			
<i>Item that may be classified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations	12 636		1 500
Comprehensive income for the year	504 799	51,7	332 859
Profit attributable to:			
Owners of the parent	487 608		331 509
Non-controlling interest	4 555		(150)
Profit for the year	492 163		331 359
Comprehensive income attributable to:			
Owners of the parent	500 244		333 009
Non-controlling interest	4 555		(150)
Comprehensive income for the year	504 799		332 859
Earnings per share			
Earnings per share (cents)	447,0	30,1	343,7
Diluted earnings per share (cents)	418,2	35,0	309,8
Headline earnings reconciliation			
Profit after taxation attributable to:			
Ordinary shareholders	487 608		331 509
Profit on disposal of assets	(532)		(129)
Gain on bargain purchase (no tax effect)	–		(4 387)
Net impairment of assets	–		6
Total tax effect of adjustments	149		36
	487 225		327 035
Headline earnings per share			
Headline earnings per share (cents)	446,6	31,7	339,1
Diluted headline earnings per share (cents)	417,9	36,7	305,6
Total number of shares in issue (000s)	118 654		110 848
Weighted average number of shares in issue (000s)	109 086		96 453
Weighted average diluted number of shares (000s)	116 587		107 007

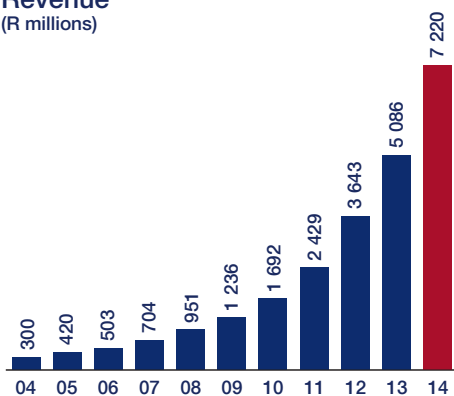
Condensed Consolidated Statement of Financial Position as at 31 July 2014

	Reviewed 2014 R'000	Audited 2013 R'000
ASSETS		
Non-current assets		
Investment property	–	2 872
Property, plant and equipment	404 572	226 324
Goodwill and intangible assets	2 001 181	1 031 945
Equity accounted investments	2 090	–
Finance lease receivables	114 462	74 894
Other financial assets	3 676	26 551
Deferred tax assets	212 021	103 544
Current assets		
Inventory	142 221	66 479
Finance lease receivables	66 136	46 595
Other financial assets	61 017	12 401
Current tax receivable	26 031	27 265
Trade and other receivables	1 588 132	1 185 075
Cash and cash equivalents	1 064 522	653 007
Total assets	5 686 061	3 456 952
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent	2 618 163	1 620 324
Non-controlling interest	10 647	403
	2 628 810	1 620 727
Non-current liabilities		
Finance lease obligations	40 820	1 793
Other financial liabilities	730 007	351 416
Deferred tax liabilities	169 249	53 398
Current liabilities		
Trade and other liabilities	1 694 752	1 239 570
Deferred revenue	372 958	159 868
Current tax payable	49 465	30 180
Total equity and liabilities	5 686 061	3 456 952
Net asset value per share (cents)	2 206,6	1 461,8
Net tangible asset value per share (cents)	520,0	530,8

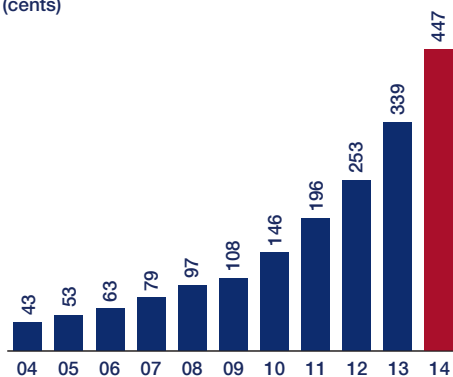
Condensed Consolidated Statement of Cash Flows for the year ended 31 July 2014

	Reviewed 2014 R'000	Audited 2013 R'000
Cash generated by operating activities	718 891	532 912
Investment income	29 676	18 483
Finance costs	(80 434)	(47 502)
Taxation paid	(260 695)	(154 688)
Net cash inflow from operating activities	407 438	349 205
Net cash outflow from investing activities	(343 322)	(113 057)
Net cash inflow/(outflow) from financing activities	347 301	(35 640)
Net movement in cash and cash equivalents	411 417	200 508
Cash and cash equivalents at beginning of the year	653 007	451 867
Effects of exchange rate fluctuations	98	632
Cash and cash equivalents at end of the year	1 064 522	653 007

Revenue
(R millions)



Headline EPS
(cents)



Condensed Consolidated Statement of Changes in Equity for the year ended 31 July 2014

	Stated capital R'000	Shares to be issued to vendors R'000	Reserves R'000	Retained earnings R'000	Total equity attributable to share- holders of the Group R'000	Non- controlling interest R'000	Total equity R'000
Audited balance at 1 August 2012	285 553	112 933	111 390	618 562	1 128 438	1 400	1 129 838
Total comprehensive income	–	–	1 500	331 509	333 009	(150)	332 859
Dividends	–	–	–	(66 901)	(66 901)	–	(66 901)
Share-based payments	–	–	16 134	–	16 134	–	16 134
Non-controlling interest acquired	–	–	47	–	47	(847)	(800)
Shares to be issued	–	54 594	–	–	54 594	–	54 594
Issue of shares	194 455	–	–	–	194 455	–	194 455
Treasury shares	(66 440)	–	41 647	–	(24 793)	–	(24 793)
The effect of consolidating the Mthombo Trust	(14 659)	–	–	–	(14 659)	–	(14 659)
Audited balance at 31 July 2013	398 909	167 527	170 718	883 170	1 620 324	403	1 620 727
Total comprehensive income	–	–	12 636	487 608	500 244	4 555	504 799
Dividends	–	–	–	(99 793)	(99 793)	–	(99 793)
Share-based payments	–	–	24 470	–	24 470	–	24 470
Non-controlling interest acquired	–	–	–	–	–	5 689	5 689
Shares to be issued	–	203 539	–	–	203 539	–	203 539
Issue of shares	237 413	–	–	–	237 413	–	237 413
Movement in treasury shares	(9 316)	–	141 282	–	131 966	–	131 966
Reviewed balance at 31 July 2014	627 006	371 066	349 106	1 270 985	2 618 163	10 647	2 628 810

About EOH



**The future
is looking
bright . . .**

EOH is a leader in consulting, technology and outsourcing solutions. Listed on the JSE in 1998, EOH operates in South Africa, Africa and the UK. EOH employs over 8 000 people providing end-to-end solutions for over 2 000 enterprise clients in all major industries.

EOH purpose

To provide the 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.

Our value proposition

EOH is a client-centric organisation and its approach to business relationships and technology partners is firmly embedded in its philosophy of 'Partner for Life'.

Our solutions draw from a comprehensive portfolio of Applications, IT Management, Industrial Technologies and Business Process Outsourcing ('BPO'). Driven by our design, build and operate approach, we are able to provide end-to-end solutions across all industry verticals.

Our reputation for consistently delivering value to our clients is due to our deep industry expertise, an understanding of clients' businesses and a 'Right First Time' approach to service delivery.



EOH Philosophy

Best People

To attract, develop and retain the best people led by great leaders.

Partner for Life

To nurture lifelong partnerships with our customers and business partners.

Right First Time

To ensure professional planning and execution and have pride in all we do.

Sustainable Transformation

To transform and celebrate diversity.

Lead and Grow

Strive to be #1 in every domain in which we operate whilst remaining entrepreneurial.

About EOH (continued)

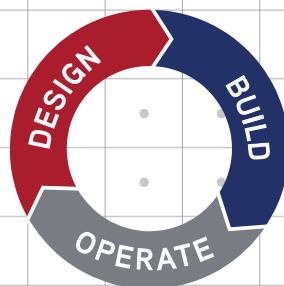


**Compounded
year-on-year
growth of 44%
over 16 years.**

Business model

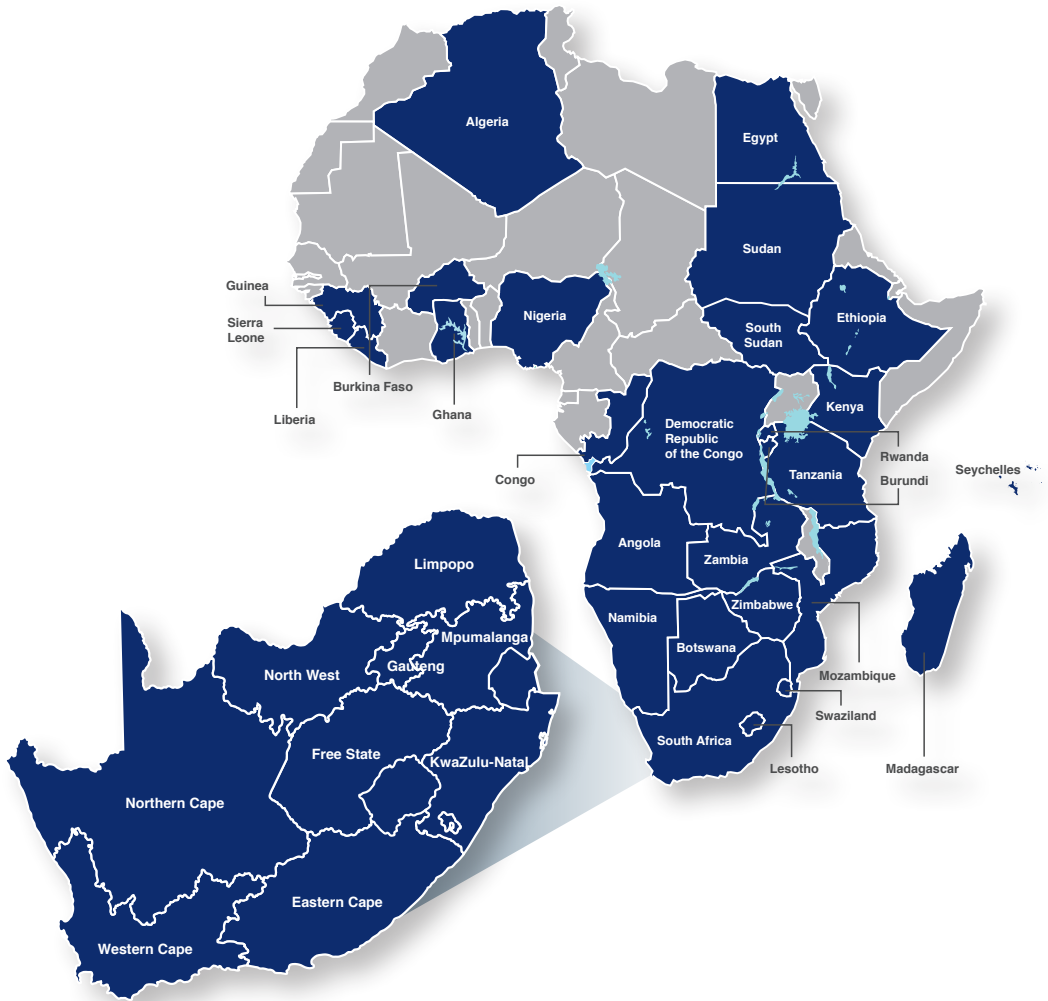
EOH's operating model is a two dimensional approach concentrated around lines of business and industry verticals.

INDUSTRY VERTICALS									
	Financial Services	Telecommunications	Manufacturing and Logistics	Mining	Energy	Retail	Central Government	Local Government	Health
LINES OF BUSINESS									
Industry Consulting	•	•	•	•	•	•	•	•	•
Applications	•	•	•				•	•	•
IT Management	•	•	•		•		•	•	•
IT Outsourcing	•	•	•		•	•	•	•	•
Industrial Technologies	•	•	•				•	•	•
Business Process Outsourcing	•	•	•	•	•	•	•	•	•



EOH's footprint

EOH has a presence in 134 locations in South Africa, 29 African countries and the UK. Most of EOH's revenue is currently derived from South Africa. In the short to medium term, EOH intends to gradually increase the revenue from other African countries outside of South Africa.



Commentary

Basis of preparation

The reviewed condensed consolidated results for the year ended 31 July 2014 have been prepared by the Group Financial Director, John King, CA (SA), in accordance with the framework concepts, containing the information required by IAS 34 – Interim Financial Reporting, the Financial Reporting Guidelines as issued by the Accounting Practices Committee of the South African Institute of Chartered Accountants, the South African Companies Act 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 International Financial Reporting Standards and are consistent with those applied in the preparation of the Group's Annual Financial Statements for the year ended 31 July 2013. New standards and interpretations, which became effective in the current financial year, have been adopted but there has been no material impact on the Group's financial results.

Review opinion

The condensed consolidated results for the year ended 31 July 2014 have been reviewed by the Group auditors, Mazars (Gauteng) Inc., Registered Auditors and Chartered Accountants (SA), and their unmodified review report is available for inspection at the registered office of EOH.

The auditor's report does not necessarily report on all of the information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from EOH's registered office.

Financial results

The board of directors of EOH ('the board') is pleased with the performance for the year under review. The statement of financial position is strong with sufficient cash resources to ensure sustainable future growth. Revenue increased by 42,0% to R7 220 million and profit after tax is up by 48,5% to R492 million. The growth is attributable to a combination of strong organic growth and recent acquisitions. Organic growth accounted for 54,4% of the year-on-year growth and contributed 49,3% of the growth in profit before tax. Earnings per share ('EPS') and headline earnings per share ('HEPS') have grown by 30,1% and 31,7%, respectively, with cash increasing to R1 065 million.

Business combinations

	Sybrin R'000	Other R'000	2014 R'000
Fair value of assets and liabilities acquired			
Property, plant and equipment	14 763	58 334	73 097
Intangible assets	94 716	141 844	236 560
Equity accounted investments	–	1 751	1 751
Net deferred tax liabilities	(20 361)	(23 601)	(43 962)
Inventory	9 417	37 875	47 292
Other financial assets	4 183	12 529	16 712
Trade and other receivables	17 291	219 394	236 685
Cash and cash equivalents	59 956	160 919	220 875
Non-controlling interests	(917)	(4 772)	(5 689)
Finance lease obligations	–	(35 981)	(35 981)
Trade and other payables	(13 875)	(143 943)	(157 818)
Other financial liabilities	(28 863)	(57 785)	(86 648)
Deferred income	(23 947)	(59 738)	(83 685)
Current tax payable	(7 649)	(29 142)	(36 791)
Goodwill	178 253	600 319	778 572
	282 967	878 003	1 160 970
Net cash (outflow)/inflow on acquisition			
Cash consideration paid	(118 200)	(246 270)	(364 470)
Cash acquired	59 956	160 919	220 875
	(58 244)	(85 351)	(143 595)
Consideration			
Cash paid	(118 200)	(246 270)	(364 470)
Shares issued	(27 614)	(87 782)	(115 396)
Cash to be paid	(68 119)	(266 215)	(334 334)
Shares to be issued	(69 034)	(277 736)	(346 770)
Total consideration	(282 967)	(878 003)	(1 160 970)

During the year, EOH continued with its strategy to consolidate and complement its existing service offerings in its Information Technology, Outsourcing and Industrial Technologies businesses. EOH focused on enhancing its service offering in the financial services, telecommunications, energy and local government sectors and growing its activities in Africa.

Commentary (continued)

Profit warranties allow for a defined adjusted value to the consideration payable in the event that the full profit after tax ('PAT') warranted is not achieved and a sharing of the surplus should the profit warranted be exceeded. Where contingent consideration is applicable, the fair value of the contingent arrangement was estimated by applying the income approach assuming that 100% of the contingent consideration will be paid. The consideration is expected to be paid within a 24 month period from acquisition date. As of 31 July 2014, amounts previously recognised for 'contingent consideration' payable changed resulting in a net decrease of R5 million. Revised contingent consideration payable is based on the latest approved budgeted results and reasonable growth rates for the remainder of the relevant warranty periods.

The cumulative assets acquired were R833 million, including trade and other receivables with a gross contractual value of R241 million (fair value of R237 million). The cumulative liabilities acquired were R451 million. The non-controlling interest acquired of R6 million is measured at the proportionate share of net assets. The aggregated revenue of businesses acquired included in these results is R974 million, netting a profit before tax of R102 million. Had these businesses been acquired with effect from 1 August 2013, the aggregated revenue would have been R1 308 million and PBT R139 million. The goodwill associated with these acquisitions is R779 million. This goodwill relates mainly to future profits of these businesses and the anticipated synergies to be derived as a result of joining EOH.

Sybrin group

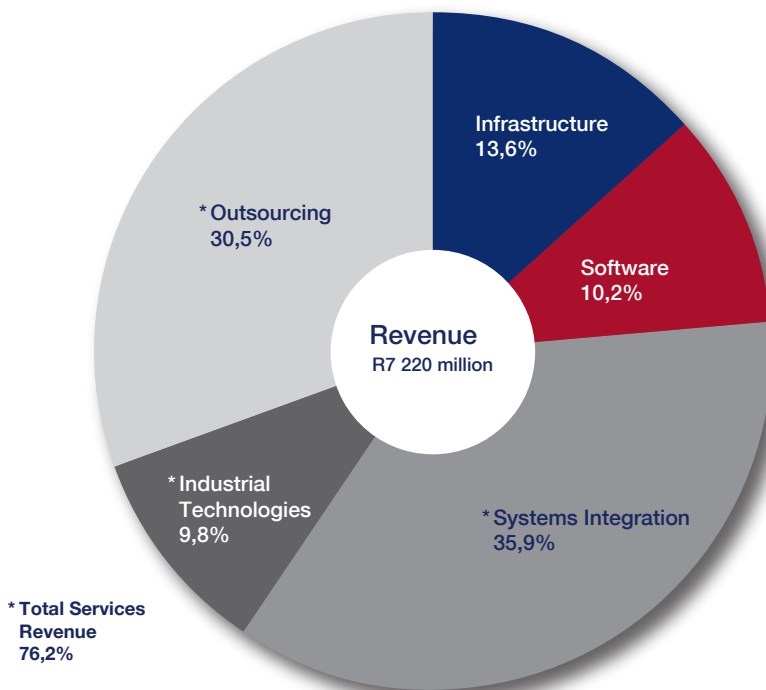
EOH acquired 100% of the share capital of Sybrin Ltd and Sybrin Systems (Pty) Ltd, hereinafter collectively referred to as 'Sybrin', with effect from 1 August 2013 for an amount of R283 million of which R186 million is payable in cash and the balance through the issue of EOH shares. Sybrin is a specialised developer of software products for the financial services industry, including software for workflow, payments, imaging and document management solutions. EOH acquired the shares in Sybrin to strengthen its financial services industry vertical and its expansion into Africa.

The assets acquired were R200 million, including trade and other receivables with a gross contractual value of R17 million (which approximated fair value). The liabilities acquired were R96 million, including non-controlling interests of R1 million. The goodwill of R178 million that was raised relates to expected profits to be generated as a result of being part of EOH. Sybrin's revenue and profit before tax for the current year amounted to R147 million and R26 million respectively.

Segmental reporting

EOH's revenue is derived from the provision of services (systems integration, outsourcing and industrial technology), software (software sales and maintenance revenue) and infrastructure products.

Segment	Revenue R'000		Profit before tax R'000		Margin
	2014	2013	2014	2013	2014
Services	5 501 221	3 627 362	522 455	346 873	9,5%
– Systems Integration	2 588 898		217 502		8,4%
– Outsourcing	2 201 505		219 618		10,0%
– Industrial Technologies	710 818		85 335		12,0%
Software	737 219	686 817	92 435	72 950	12,5%
Infrastructure products	981 932	771 800	67 790	55 505	6,9%
Not specifically allocated	–	–	(13 587)	(8 630)	–
Total	7 220 372	5 085 979	669 093	466 698	9,3%



Commentary (continued)

All businesses grew with revenue from services increasing by 51,7% to R5,5 billion.

The revenue derived from **services** is primarily from three sources: Systems Integration, Outsourcing and Industrial Technologies. **Systems Integration** services include all services relating to our applications, technology solutions, information management, security, digital and knowledge consulting businesses and are the primary revenue generators accounting for 47,1% of services revenue (margin of 8,4%). **Outsourcing** services include infrastructure and application managed services and Business Process Outsourcing and account for 40,0% of services (margin 10,0%). **Industrial Technologies** services include energy management, automation controls, connectivity infrastructure services and engineering and mining technical services and account for 12,9% of services revenue (margin 12,0%). We have recently revised our project based reporting modules which will enable us to report comparative figures in these three main service categories in the future.

The revenue derived from **software**, which increased by 7,3%, comprises the sale of software licences and the annual maintenance fees in respect of such software and accounts for 10,2% of total revenue yielding a margin of 12,5%.

The revenue from **infrastructure products** increased by 27,2% and includes traditional IT hardware, network infrastructure, telecommunications infrastructure and hardware associated with security solutions. The revenue from infrastructure products accounts for 13,6% of total revenue (margin 6,9%).

Segment	Assets R'000		Liabilities R'000	
	2014	2013	2014	2013
Services	4 414 853	2 468 680	(2 457 152)	(1 381 450)
– Systems Integration	2 233 771		(1 436 071)	
– Outsourcing	972 004		(377 626)	
– Industrial Technologies	1 209 078		(643 455)	
Software	454 885	427 887	(303 919)	(233 729)
Infrastructure products	465 299	527 851	(271 764)	(216 874)
Not specifically allocated	351 024	32 534	(24 416)	(4 172)
Total	5 686 061	3 456 952	(3 057 251)	(1 836 225)

Subsequent events and capital commitments

There have been no significant events since the end of the year under review. There was no significant capital expenditure authorised as at 31 July 2014.

Transformation and social responsibility

EOH's Employment Equity ('EE') initiatives are fully integrated into the business strategy and sustainable transformation is a key business objective and part of EOH's philosophy. 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 36.1%. 54.9% of EOH's staff and 66% of its board members are black.

EOH has several **Enterprise Development** initiatives aimed at developing black-owned ICT companies by providing both financial and non-financial support.

EOH has a comprehensive **Corporate Social Investment** programme which includes some of the initiatives below.

Maths Centre Programme

We have been involved in a multi-million Rand support programme with the Maths Centre which focuses on the teaching of mathematics, science, technology and entrepreneurship. The centre's primary objective is to equip teachers, learners and parents with learning materials and programmes to improve their competency in these subjects.

SABCOHA

We have partnered with the South African Business Coalition on HIV and Aids ('SABCOHA') in a number of initiatives aimed at mobilising and empowering businesses to take effective and meaningful action against HIV and Aids.

Afrika Tikkun

We provide support to the Child and Youth Development Programmes of Afrika Tikkun with the objective of providing a sustainable future for children in townships.

Tutudesk

We proudly support the Tutudesk Project which provides portable school desks to children in sub-Saharan Africa, where over 95 million school children do not have the benefit of a classroom desk.

Job Creation Initiative

Business needs to skill people by placing school leavers and graduates on learnership and internship programmes. In 2013, 620 young people participated in EOH's learnership and intern programmes, of which 450 were employed directly by EOH. In 2014, EOH took on another 600 interns to provide the opportunity for young graduates to gain valuable experience in business. If every business in South Africa were to do the same, it would mean the employment of hundreds of thousands of young South Africans.

Commentary (continued)

Future plans

EOH will continue to grow aggressively through the development of new solutions, new lines of business and the enhancement of industry specific businesses. The growth will be organic, complemented with strategic acquisitions. Growth will be focused on Information Technology outsourcing and processes, Information Management, Analytics and Digitalisation. Industry technology will be another major growth area for EOH. EOH sees public sector involvement as both a responsibility and a business opportunity. With its wide range of offerings, expertise and experience, EOH can help contribute to improved service delivery in this important sector of the economy.

EOH has made good progress in its foray into Africa and now has activities in 29 countries. EOH plans to increase its in-country presence by increasing its service offerings and through partnerships, joint ventures and acquisitions.

EOH will begin distributing its own niche IP software products internationally. This growth area is significant in both size and strategic importance to EOH's future.

EOH is recognised for the quality of its people and its strong delivery capabilities. EOH has the people, the scale, the offerings, the financial resources, the agility and the know-how to continue to grow aggressively.

Directorate

Sandile Zungu was appointed as Non-executive Chairman on 1 October 2013. Danny Mackay was appointed as a Non-executive director on 1 November 2013. There have been no other changes to the board. At the AGM held on 11 February 2014, the directors who were eligible for re-election, being Tshilidza Marwala, Lucky Khumalo and Tebogo Skwambane, were re-elected.

Dividends

Notice is hereby given that a gross dividend of 120 cents (2013: 95 cents) per ordinary share ('the dividend') has been declared in respect of the year ended 31 July 2014 and is payable to shareholders recorded in the books at the close of business on Friday, 31 October 2014. Shareholders are advised that the last day of trade *cum* the dividend will be Friday, 24 October 2014.

The shares will trade ex the dividend as from Monday, 27 October 2014. Payment will be made on Monday, 3 November 2014. Share certificates may not be dematerialised or rematerialised during the period Monday, 27 October 2014 to Friday, 31 October 2014, both days inclusive.

- This is a dividend as defined by the Income Tax Act 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 120 cents per share for shareholders exempt from paying Dividend Tax.
- The net local dividend amount is 102 cents per share for shareholders liable to pay Dividend Tax.
- EOH's tax reference number is 9248321847.
- There are 118 653 543 ordinary shares in issue.

Asher Bohbot

Chief Executive Officer

17 September 2014



Systems make it possible...
People make it happen

