www.eoh.co.za

Systems make it possible...
People make it happen

Financial Results 2011

12th September 2011

EOH

Presentation to the Investment Analysts' Society of EOH Holdings Limited's Annual Results for the period ended 31 July 2011

EOH

Agenda

- Business overview
  - Jane Thomson
  - Ebrahim Laher
  - Rob Godlonton
  - Jehan MacKay
  - Johan van Jaarsveld
- Financial review
  - John King
- Highlights and the way forward
  - Asher Bohbot

Business Overview

Jane Thomson

EOH vision

To be the best technology and business solutions company to work for, partner with and invest in

EOH at a glance

- Leader in technology and business solutions
- Largest implementer of enterprise solutions
- End-to-end offerings
- Strong black empowerment profile
- Operates in South Africa, Africa and UK
- Listed on JSE since 1998
- Over 3 200 people

EOH board

Asher Bohbot

Dion Ramoo

Jane Thomson

John King

Lucky Khumalo

Dr. Mathews Phosa

Pumeza Bam

Rob Sporen

Tebogo Skwambane

Prof. Tshilidzi Marwala

EOH executive committee

Asher Bohbot

Andrew Krause

Brian Gubbins

Dion Ramoo

Ebrahim Laher

Gary Lawrence

Jane Thomson

Johan Cloete

Johan v Jaarsveld

Jehan MacKay

John King

Pumeza Bam

Rob Godlonton

Zunaid Mayet

What we do

- We develop business and technology solutions with our clients to help them
  - Increase revenue
  - Increase service delivery
  - Increase efficiency
  - Reduce cost
  - Reduce risk

Industries served

- We provide solutions in the following industries
  - Financial Services
  - Telecommunications
  - Mining
  - Manufacturing
  - Public Sector

Operating model

Portfolio

EOH

- Business operations improvement
- IT strategy
- IT architecture
- Project management
- Change management

- Enterprise systems
- Information management
- Security management
- IT management and optimisation

- Managed services
  - On-site
  - Hosted
  - Cloud
  - Infrastructure, application, technical & office
- Public sector managed services
- BPO
- Facilities management

Technology partners

EOH

Exclusive representative for Sub-Saharan Africa	Exclusive representative for Sub-Saharan Africa	Gold certified Microsoft partner	Certified advantage partner

SAP service partner	IBM premier business partner	Platinum partner

Technology partners

EOH

INFOR	Information Management Cognos. software	KOFAX	mimecast
INFOR distributor and implementation partner	Value added reseller	Exclusive Southern African distributor	Mimecast partner

f5	BlueCoat	SYSPRO
Gold partner and distributor in Sub-Saharan Africa	Exclusive Blue Coat distributor in South Africa	Largest SYSPRO distributor in Africa

Abridged client list

EOH

FIRSTRAND
Sanlam Thinking ahead
SAB MILLER
aspen
OLD MUTUAL
ABSA
Murray & Roberts
THIS CITY WORKS FOR YOU
SITA
Clover Way Better
GAUTENG LEGISLATURE
Telkom
BRITISH AMERICAN TOBACCO
Virgin mobile
Eskom
UNIVERSITY OF JOHANNESBURG
ANGLO AMERICAN
LESOTHO DEFENCE FORCE
Joburg a world class African city
FNB First National Bank
MTN everywhere you go
Barloworld Leading brands
sasol reaching new frontiers
Investec
brandhouse
vodacom
PG BISON
Standard Bank

Portfolio

- Enterprise systems
- Information management

- Cloud

- Public sector managed services
- BPO

Ebrahim Laher

Enterprise systems

EOH

The engine room of your organisation

- Finance, HR, Procurement
- Core banking, supply chains
- Customer relationship management
- Executed implementation in all industry sectors
- Biggest range of application

Reinvents your business with best practice process management

Enterprise systems, cont.

EOH

- Solid implementation track record in all industry sectors
- From shop floor to boardroom
- Biggest range of applications
- Industry and process templates
- Delivering over the cloud

Enterprise systems, cont.

- SAP
- Oracle
- Infor
- Microsoft
- Syspro

Information management

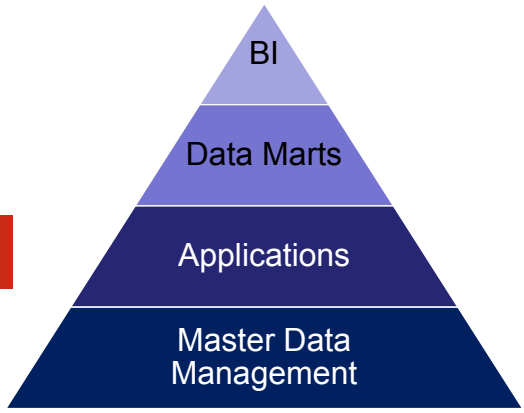
Optimise your information assets

- Information strategy development
- Enterprise performance management
- Enterprise content management
- Master data management
- Business analytics

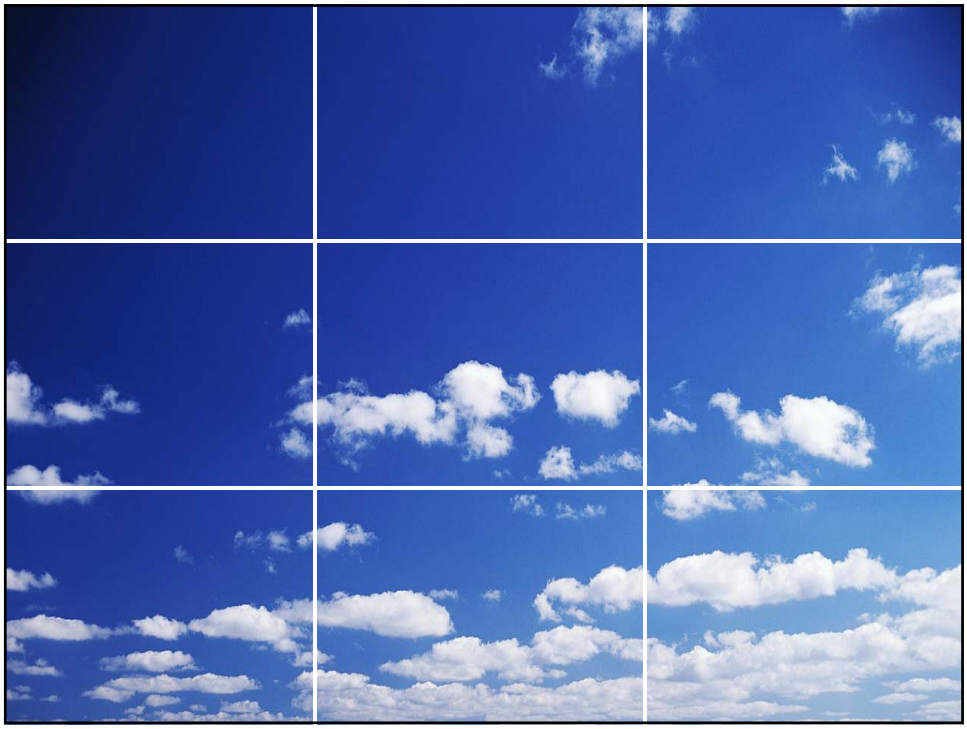
Information Management, cont.

- Hyperion
- Cognos
- Business objects
- SAS
- Microsoft BI

Single focus areas in the data flow will deliver zero benefits



Rob Godlonton



EOH and the cloud

EOH

Cloud Consulting

Infrastructure as a Service (IaaS)	Platform as a Service (PaaS)	Software as a Service (SaaS)
✓ Servers	✓ Hosting	✓ Enterprise Systems
✓ Storage	✓ Network	✓ Mail – Hosted
✓ Desktop	✓ Data Archiving	✓ Mail – Archiving
✓ Workspace	✓ Unified Communication	✓ Document Management
	✓ Hosted PABX	✓ Messaging

Service Management Platform

Disaster Recovery Platform

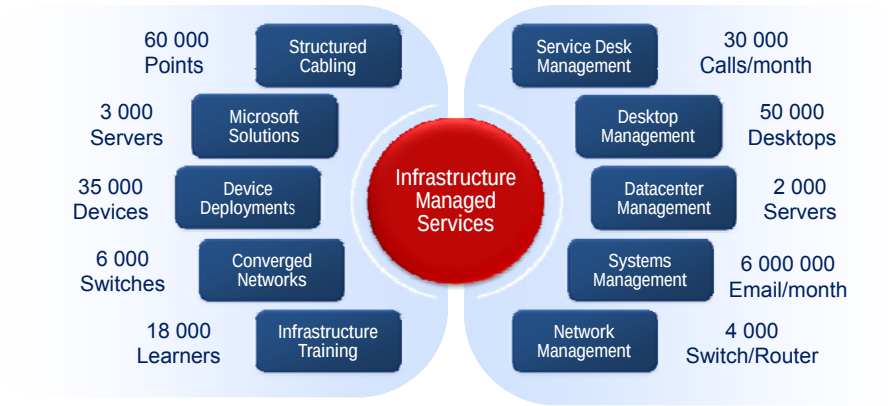
EOH cloud services

- Virtualisation
- Storage as a service
- Infrastructure as a service
- Platform as a service
- Software as a service

Everything as a Service

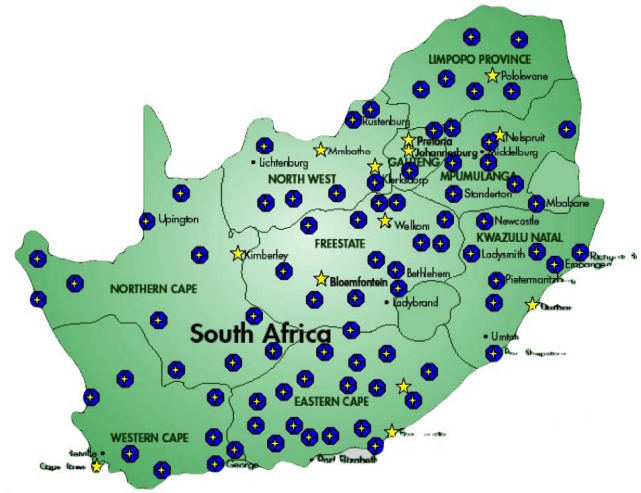
Jehan MacKay

Service offerings



Managed Infrastructure **Managed Support**

Footprint



94 Points of Presence

770 000 km/month

Johan van Jaarsveld

EOH

Business process outsourcing

EOH

Value Added

Horizontal Activities

ITO
Information Technology Outsourcing

- Software R&D
- IT Consulting

Software

- ERP
- Application Development
- Application Integration
- Desktop Management

Infrastructure

- Application Management
- Network Management
- Infrastructure Management

Strategic Activities

KPO
Knowledge Process Outsourcing

- Business Consulting / Analytics / Market Intelligence
- Legal Services

BPO
Business Process Outsourcing

ERM Enterprise Resource Management
- Finance & Accounting
- Procurement, Logistics and Supply Chain Management
- Content / Document Management

HRM Human Resources Management
- Training
- Talent Management
- Payroll
- Recruitment

CRM Customer Relationship Management
- Marketing & sales
- Contact Centre

Vertical / Industry Activities

- Banking/ Financial Service / Insurance
- Manufacturing
- Telecomm
- Energy
- Travel / Transport
- Health / Pharma
- Retail
- Public Sector
- Education
- Other

Growth strategy

- Grow our Business Process Outsourcing business and leverage the existing
  - Applications
  - Infrastructure
  - Customers

- Business functional areas:
  - Human Resources Outsourcing
  - Legal Process Outsourcing
  - Healthcare Solutions
  - Educational Services Solutions
  - Cross Enterprise Administration Services

Financial Review

John King

Condensed Consolidated Statement of Comprehensive Income for the year to 31 July 2011

EOH

	July 2011 (R'000)	% Change	July 2010 (R'000)	July 2009 (R'000)
Revenue	**2 428 973**	**43,5%**	**1 692 421**	**1 235 568**
Cost of sales	(1 528 392)		(1 085 309)	(797 421)
Gross margin	900 581		607 112	438 147
Results from operating activities	**232 879**		**147 899**	**97 893**
Investment income	9 157		8 213	10 602
Finance costs	(7 646)		(6 353)	(4 026)
Net impairment of assets	-		-	(353)
Profit before taxation	234 390	56,5%	149 759	104 116
Taxation	(85 986)		(51 980)	(36 528)
Profit for the period	**148 404**	**51,8%**	**97 779**	**67 588**

Condensed Consolidated Statement of Comprehensive Income for the year to 31 July 2011

EOH

	July 2011	% Change	July 2010	July 2009
Total shares in issue ('000)	95 389		79 737	75 817
Weighted average shares in issue ('000)	74 985		66 686	64 477
Total diluted shares in issue ('000)	85 342		73 486	74 221
EPS (cents)	197,9	35,4%	146,2	106,8
Diluted EPS (cents)	173,8	31,0%	132,7	92,8
HEPS (cents)	197,6	35,2%	146,1	108,0
Diluted HEPS (cents)	173,6	30,9%	132,6	93,8

Condensed Consolidated Statement of Financial Position

EOH

	July 2011 (R'000)	July 2010 (R'000)	July 2009 (R'000)
ASSETS			
Non-current assets			
Property, plant and equipment	80 320	52 652	37 170
Goodwill and intangible assets	550 355	324 142	199 228
Other financial assets	23 436	25 061	4 217
Deferred taxation assets	38 427	28 749	26 692
Current assets			
Inventories	30 662	10 107	7 873
Trade and other receivables	575 488	394 871	343 455
Cash and cash equivalents	321 507	266 671	206 877
Total assets	**1 620 195**	**1 102 253**	**825 512**

Condensed Consolidated Statement of Financial Position

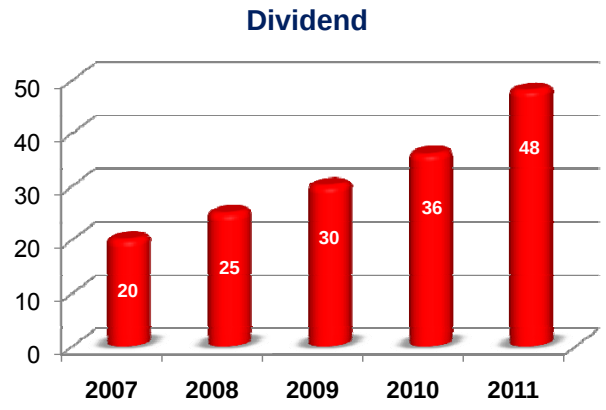
EOH

	July 2011 (R'000)	July 2010 (R'000)	July 2009 (R'000)
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent	709 940	464 188	319 346
Non-controlling interest	1 131	(259)	(527)
Total equity	711 071	463 929	318 819
Non-current liabilities			
Finance lease obligations	3 714	174	71
Other financial liabilities	145 988	21 314	20 182
Deferred taxation liabilities	618	4 714	4 703
Current liabilities			
Trade and other liabilities	677 226	521 141	399 353
Deferred revenue	68 261	49 571	41 066
Current taxation payable	13 317	41 410	41 318
Total liabilities	909 124	637 894	506 693
Total equity and liabilities	**1 620 195**	**1 102 253**	**825 512**
Net asset value per share (cents)	**744,3**	**582,2**	**421,2**
Net tangible asset value per share (cents)	**167,3**	**175,6**	**158,4**

Condensed Consolidated Statement of Cash Flows for the year to 31 July 2011

	July 2011 (R'000)	July 2010 (R'000)	July 2009 (R'000)
Net income before tax and separately disclosed items	**234 391**	**149 758**	**104 116**
Non-cash items	84 496	31 838	19 531
Working capital changes	(53 612)	32 534	8 854
Cash generated by operating activities	**265 275**	**214 130**	**132 501**
Investment income	9 157	8 213	10 602
Finance costs	(7 646)	(6 353)	(4 026)
Taxation paid	(129 687)	(55 837)	(22 495)
Dividends paid	(25 223)	(19 109)	(15 253)
Net cash inflow from operating activities	111 876	141 044	101 329
Net cash (outflow) / inflow from investing activities	10 284	(20 567)	19 311
Net cash (outflow) from financing activities	(67 324)	(60 683)	(32 902)
Net cash movement for period	**54 836**	**59 794**	**87 738**
Cash at beginning of period	266 671	206 877	119 139
Cash at end of period	**321 507**	**266 671**	**206 877**

Dividend distribution



- Dividends distributed at financial year end only
- Dividend cover : 4

Highlights and The Way Forward

Asher Bohbot

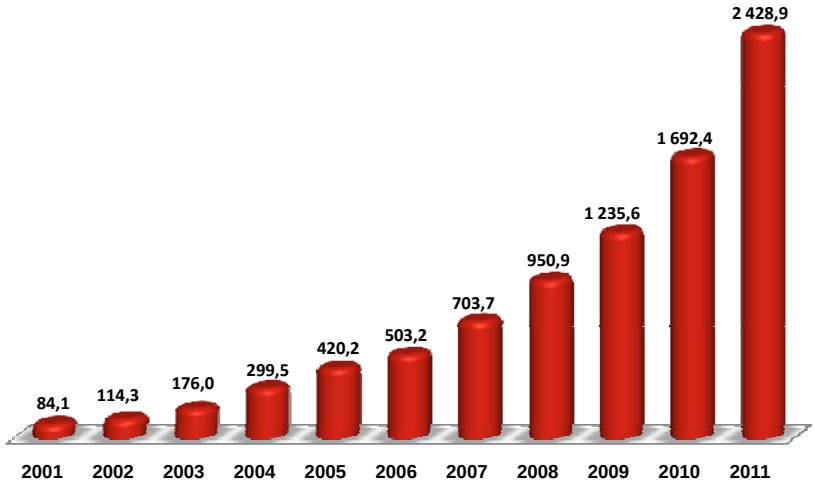
EOH

Financial highlights

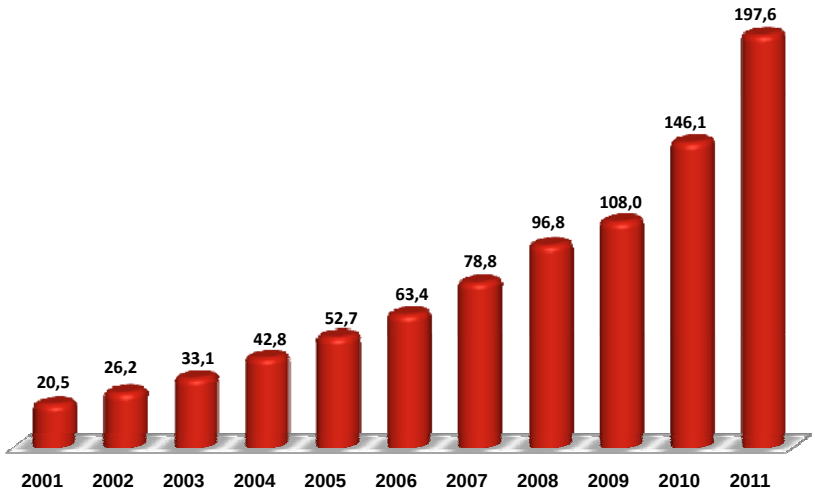
EOH

Revenue	43,5%	To R2,429 bn
PBT	56,5%	To R234,4 m
EPS	35,4%	To 197,9 cents
HEPS	35,2%	To 197,6 cents
Dividends	33,3%	To 48 cents
Cash	20,5%	To R321,5 m

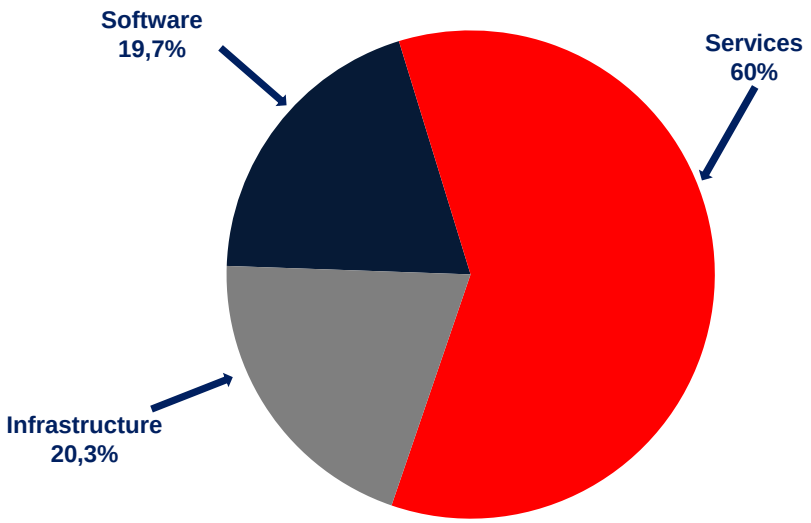
Revenue growth (Rm)



Earnings growth (HEPS – cents)



Segmental contribution



EOH philosophy

- **Best People**
  To attract, develop and retain the best people in all our chosen skill sets
- **Partner for Life**
  To develop lifelong mutually beneficial partnerships with both our customers and technology partners
- **Right 1st Time**
  To ensure excellent, professional planning in all we do
- **Sustainable Transformation**
  To transform and manage diversity
- **Profitable Growth**
  To grow in a sensible way in the best interest of our shareholders

Transformation update

- **Equity**
  30.7% black shareholding
  5.1% black women ownership
- **Board representation**
  60% black
- **Employment Equity**
  53% black
- **Preferential Procurement**
  138%
- **Skills Development**
  EOH Academy
- **Enterprise Development**
  3% of NPAT
- **Corporate Social Investments**
  1% of NPAT

EMPOWERLOGIC
Your Logical Empowerment Solution
Broad Based Black Economic Empowerment Verification Certificate
EOH Holdings Limited and Subsidiaries
Level 3 Contributor
ABVA
sanas

Financial and market position

- Strong financial position
- 40% + growth over 13 years
- 3 200 people
- Recognition as a leading IT and Business services provider
- Strong brand
- Great people, strong management
- Strong value system
- Healthy, positive work environment
- Entrepreneurial business model

Our industry

- Sizable IT industry R75B – growing at 7.5%
- IT spending is growing
- Major move from in-house to IT service providers
- Cloud is creating new and exciting opportunities
- Bandwidth is available, major enabler
- Everything as a service (EAAS) is here
- Industry consolidation
- Telco's entering into commodity space
- Convergence of technology and services

FY 2012 drivers for growth

- One EOH Brand – great enabler
- Managed services / Cloud computing
- Aggressive focused go-to-market strategy
- BPO expansion
- Security business
- Invensys business
- Facilities management business
- Public sector growth
- Africa opportunities
- Acquisitions

Supported by a strong agenda of people and transformation

EOH job creation initiative

- 8m people unemployed – 8m potential clients
- Government alone cannot take responsibility
- Business needs to provide leadership and do more
- We need to bring back off-shored jobs and do more off-shoring
- EOH is forming a team that will work with our top 300 clients and Business Partners to devise ways and means to:
  - Generate ideas and meaningful plans
  - Develop and train young people, new skill = new job
  - Work jointly with Government Departments in mobilising existing and new job creation initiatives

Business needs to lead and get actively involved in South Africa

Thank You

www.eoh.co.za

Systems make it possible...
People make it happen