

IAS 38 (Intangible Assets) requires that the useful life of intangible assets be reassessed at each balance sheet date. Under SA GAAP the useful life of an asset was determined on recognition of the intangible asset and amortised accordingly.

IFRS 2 (Share-based payments) requires that a company expense the cost of share options granted to employees.

The effect of applying the above statements has been accounted for, where appropriate, as follows:

- via the statement of changes in ordinary shareholders' interest
- by restating the prior year comparatives and opening retained earnings
- by correctly reporting them in this year's Income statement

The following exemptions have been applied in preparing the results:

Share-based payments

The Group has elected not to apply the provisions of IFRS 2 to share-based awards granted either on or before 7 November 2002 or that had not vested by 1 January 2005 (the effective date of IFRS 2).

Cumulative foreign currency translation differences

The Group has elected to reset the cumulative foreign currency translation differences on foreign operations to zero at the transition date. From that date on, all foreign currency translation differences on foreign operations will be recognised directly to equity.

Business combinations

The Group has elected not to apply the requirements of IFRS 3 (Business Combinations) retrospectively to acquisitions prior to the transition date. As a result, the goodwill, net of amortisation, at the transition date becomes the carrying value of that goodwill thereafter.

FINANCIAL RESULTS

The board is satisfied with the performance for the period under review. Revenue growth is substantially organic as there were no material acquisitions in the last two years. The operating margin improvement is attributable to the continued focus on the operational efficiency and the implementation of the shared services model. During the year we have invested in new infrastructure, facilities and technology, as well as in new business initiatives.

FUTURE PLANS

EOH has achieved critical mass and is considered a leader in the consulting, technology and outsourcing space. EOH's position as a major player in this arena has been further enhanced with business being won across all spheres of operations. The wide range of solutions offered to various industries in both the public and private sector, in conjunction with a well proven business model, strong management and financial strength, bode well for its future growth.

EOH intends to provide a more complete set of offerings, which will include technology infrastructure, enabling our clients to select EOH as a single vendor for their technology needs.

EOH sees the strong market conditions in the technology field continuing with EOH well positioned to capitalise on these. EOH's growth strategy remains focused on organic growth, supplemented by strategic acquisitions.

TRANSFORMATION

The Mthombo Trust is now fully operational. With the implementation of the PDI employee ownership trust, EOH now has a 26% black ownership. 38% of EOH employees are PDI's, so is 40% of the board.

In addition to this, EOH continues to make further progress in our seven-point strategy of equity ownership, management and control, employment equity, skills development, preferential procurement, enterprise development and corporate social investment.

We see transformation as an ongoing process which all our people are committed to and involved in.

DIVIDENDS

Notice is hereby given that a cash dividend of 14,0 cents per share ('the dividend') has been declared and is payable to shareholders recorded in the books at the close of business Friday, 27 October 2006. Shareholders are advised that the last day to trade "cum" the dividend will be Friday, 20 October 2006. The shares will trade "ex" the dividend as from Monday, 23 October 2006. Payment will be made on Monday, 30 October 2006. Share certificates may not be dematerialised or rematerialised during the period Monday, 23 October 2006 to Friday, 27 October 2006.

Asher Bohbot
Chief Executive Officer

20 September 2006

Systems make it possible... People make it happen!

REGISTERED OFFICE

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DIRECTORS

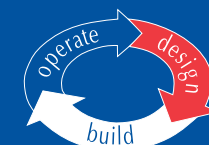
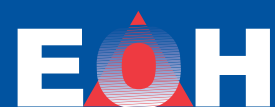
Dr Mathews Phosa (Non-executive Chairman), Asher Bohbot (Chief Executive Officer),
Rob Sporen (Dutch), Lucky Khumalo, Jane Thomson, Ken Cullinan, John King, Dion Ramoo,
Nkosinathi Khumalo, Steven Evans.

COMPANY SECRETARY

Adri Els

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

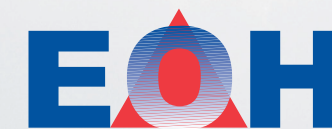
EOH Holdings Limited
(formerly Enterprise Outsourcing Holdings Limited)
Incorporated in the Republic of South Africa
Company registration no: 1998/014669/06
Share code: EOH ISIN: ZAE000071072
("EOH" or "the Group")



partner for life



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AUDITED FINANCIAL

REPORT

FOR THE YEAR ended 31 July 2006



Revenue up 20%

PBT up 53%

HEPS up 20%

Partner for life

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GROUP INCOME STATEMENT

(R000's)	Audited New IFRS 12 months to 31 July 2006	% change	Audited New IFRS 12 months to 31 July 2005	Audited Old SA GAAP 12 months to 31 July 2005
Revenue	503 292	19,8	420 225	420 225
Operating income	55 207		38 908	38 957
Interest	508		597	597
Income from associate	123		295	295
Impairment of goodwill	-		(3 348)	(3 348)
Net income before taxation	55 838	53,2	36 452	36 501
Taxation	(18 381)		(13 286)	(12 699)
Earnings	37 457	61,7	23 166	23 802
Add back – Impairment of goodwill	-		3 348	3 348
Headline earnings	37 457	41,3	26 514	27 150
Shares in issue ('000)	70 538		51 267	51 267
Weighted shares in issue ('000)	59 118		50 305	50 305
Diluted shares in issue ('000)	68 686		62 585	62 585
Earnings per share (cents)	63,4	37,5	46,1	47,3
Diluted earnings per share (cents)	54,5		37,0	38,0
Headline earnings per share (cents)	63,4	20,3	52,7	54,0
Diluted headline earnings per share (cents)	54,5		42,4	43,4

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EARNINGS RECONCILIATION

(R000's)	Audited 12 months to 31 July 2006	Audited 12 months to 31 July 2005
Old SA GAAP	41 245	23 802
IAS 16 Property, plant and equipment	184	(157)
IFRS 2 Share-based payments	(4 617)	(1 932)
IAS 38 Intangible assets	1 227	2 040
IAS 17 Leases	(243)	-
Deferred tax on above	(339)	(587)
New IFRS	37 457	23 166
Net change	(3 788)	(636)

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GROUP CASH FLOW STATEMENT

(R000's)	Audited New IFRS 12 months to 31 July 2006	Audited New IFRS 12 months to 31 July 2005	Audited Old SA GAAP 12 months to 31 July 2005
Operating income	55 838	36 452	36 501
Non-cash items	9 361	10 614	10 565
Working capital changes	(11 648)	11 919	11 919
Cash generated by operations	53 551	58 985	58 985
Taxation paid	(20 467)	(9 148)	(9 148)
Dividend paid	(6 622)	(5 063)	(5 063)
Interest	508	597	597
Cash from operating activities	26 970	45 371	45 371
Cash effect of investing activities	(7 430)	(17 808)	(17 808)
Cash effect of financing activities	(3 390)	(20 901)	(20 901)
Net cash change for period	16 150	6 662	6 662
Cash at beginning of period	68 357	61 695	61 695
Cash at end of period	84 507	68 357	68 357

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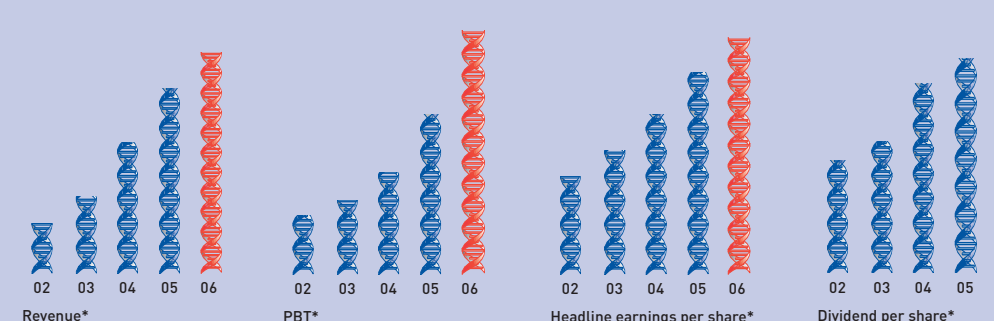
GROUP BALANCE SHEET

(R000's)	Audited New IFRS 31 July 2006	Audited New IFRS 31 July 2005	Audited Old SA GAAP 31 July 2005
ASSETS			
Non-current assets			
Property, plant and equipment	12 359	8 929	9 291
Intangible assets	78 700	71 622	76 188
Investment in associate	848	815	815
Loans receivable	132	132	132
Deferred tax	6 589	4 889	4 240
Current assets			
Trade receivables	119 124	82 589	82 589
Other receivables	5 260	4 081	4 081
Inventory	2 460	1 295	1 295
Cash	84 507	69 080	69 080
Total assets	309 979	243 432	247 711
EQUITY AND LIABILITIES			
Ordinary shareholders' interest	150 485	84 759	89 038
Non-current liabilities			
Borrowings	4 211	3 653	3 653
Current liabilities			
Trade and other liabilities	99 379	76 190	76 190
Vendors for acquisition	11 679	32 864	32 864
Bank overdraft	-	723	723
Deferred revenue	36 102	36 456	36 456
Taxation	8 123	8 787	8 787
Total equity and liabilities	309 979	243 432	247 711
Net asset value per share (cents)	213,3	165,3	173,7

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STATEMENT OF CHANGES IN ORDINARY SHAREHOLDERS' INTEREST

(R000's)	Share capital	Share premium	Reserves	Retained earnings	Ordinary share- holders' interest
31.7.2004 Audited – old GAAP	471	8 306	471	58 300	67 548
IAS 16 Property, plant and equipment				(206)	(206)
IFRS 2 Share-based payments			1 772	(1 772)	
IAS 21 Forex reserve adjustment			300	(300)	
IAS 38 Intangible assets				(6 606)	(6 606)
Deferred tax on above				1 237	1 237
31.7.2004 Audited – new IFRS	471	8 306	2 543	50 653	61 973
Treasury shares – consolidation	10	1 089	131		1 230
EOH Share Trust – consolidation	14	490	272		776
Share issues	6	912			918
Currency translation			(169)		(169)
Earnings – old GAAP				23 802	23 802
Earnings – IFRS adjustments			1 932	(636)	1 296
Dividends				(5 067)	(5 067)
31.7.2005 Audited – new IFRS	501	10 797	4 709	68 752	84 759
Treasury shares – consolidation	(4)	(2 671)	269		(2 406)
EOH Share Trust – consolidation	6	180	(53)		133
Currency translation			(10)		(10)
Earnings			4 617	37 457	42 074
Dividends				(6 652)	(6 652)
Share issues	193	55 345			55 538
EOH Mthombo Trust – consolidation	(92)	(22 859)			(22 951)
31.7.2006 Audited	604	40 792	9 532	99 557	150 485



• Old SA GAAP used for graphical purposes

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COMMENTARY

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

Consulting – under the EOH Consulting brand are business units offering services to the public and private sectors ranging from strategic and business process consulting, programme and project management services, change management and education. EOH Consulting also develops IT strategy, advises on enterprise architecture, develops and reviews IT governance and risk management.

Technology – through a number of business units, EOH is able to sell, implement and support a range of world-class business applications including: ERP, CRM, Business Intelligence, Manufacturing Execution Systems (MES), Technology Performance Management and Business Technology Optimisation (BTO) solutions.

Outsourcing – EOH offers comprehensive maintenance and support of clients' IT infrastructure and applications through the rendering of full IT Outsourcing, Application Hosting and Managed Services.

EOH has a presence in all major centres in South Africa and Botswana and operates throughout Africa.

BASIS OF PREPARATION

With effect from 31 July 2004 ('the transition date'), the Group has adopted the International Financial Reporting Standards ('IFRS') making use of certain exemptions provided for under IFRS 1 (First Time Adoption of IFRS). These results are prepared in accordance with International Financial Reporting Standards ('IFRS') and the South African Companies Act, 1973.

The Group's auditors, IAPA Johannesburg Chartered Accountants (SA), have audited the financial information for the period to 31 July 2006. Their unqualified audit report is available for inspection at the registered office of EOH.

EFFECT OF FIRST TIME ADOPTION OF IFRS

In accordance with the first time adoption of IFRS (per IFRS 1), the Group has prepared an opening balance sheet at 31 July 2004 ('the transition date balance sheet'). Changes to the transition date balance sheet are recorded through the statement of changes in ordinary shareholders interest.

As reported last year, the effect of implementing IAS 17 (Leases) was not considered material and no adjustment was made. IAS 17 is now applied to all new leases entered into after 31 July 2005 and the effect of this application is shown separately in the results.

IAS 16 (Property, Plant and Equipment) requires that the useful life and residual values of all assets be reassessed at each balance sheet date. Under SA GAAP the useful life and residual value of an asset were determined on recognition of the asset and depreciated accordingly.