Systems make it possible...
People make it happen

INTEGRATED

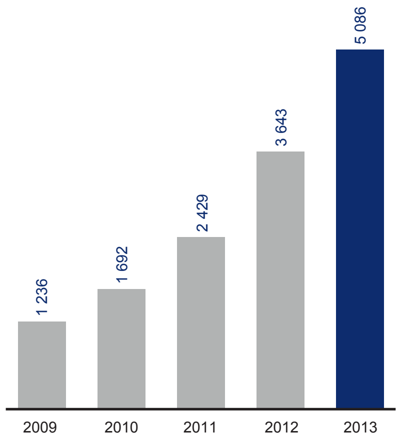
Annual Report

2013

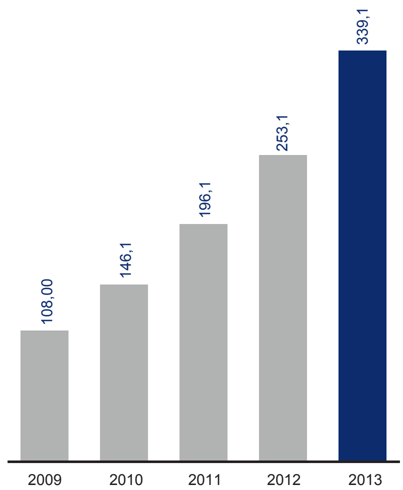
Table of contents

About EOH	2
Financial highlights	4
Directorate	6
CEO's operational report	8
Corporate Governance report	16
Sustainability report	39
Independent auditors' report	52
Directors' responsibility statement	53
Certification by the Company Secretary	53
Report of the Audit Committee	54
Directors' report	56
Annual Financial Statements	64
Notice of Annual General Meeting	113
Annexure A – CVs	120
Corporate information	122
Form of proxy	attached

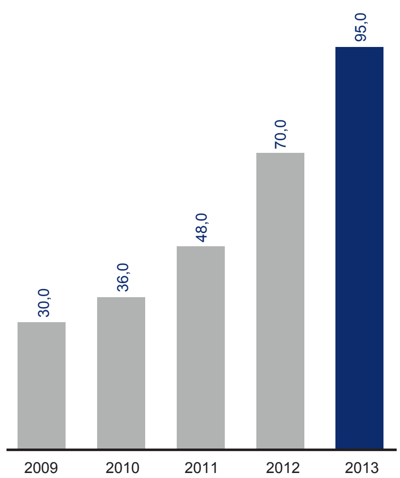
Revenue (Rand millions)



Headline earnings per share (cents)



Dividend per share (cents)



About EOH

EOH is one of the largest ICT service providers in Africa and a leader in technology and business services. EOH is the largest implementer of enterprise applications and a provider of end-to-end solutions to medium and large enterprises. EOH is active in South Africa, Africa and the United Kingdom and has a strong Black Economic Empowerment profile.

EOH was listed on the JSE in 1998 and has grown to over 6 000 people and has consistently delivered strong financial results.

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 practice

EOH at a glance

- End-to-end solution offerings
- Largest implementer of enterprise applications
- Wide range of BPO services
- Strong outsourcing and cloud services
- Sound Black Economic Empowerment profile
- Operations in South Africa, Africa and the UK
- Listed on the JSE since 1998
- Strong financial position

Achievements

- Compounded year-on-year growth of 45%
- Rated South Africa's 2nd best company for investors (*Financial Mail Top Companies 2013)*
- Ranked 2nd best performing company on the JSE (*Business Times Top 100 Companies – Sunday Times,* November 2013)
- Largest number of vendor certified practitioners
- EOH Youth Job Creation Initiative and the training of 1 200 graduates and trainees on EOH's intern/learnership programme over the past two years
- Level 2 contributor and has the highest BBBEE rating of its peers on the JSE

Services and solutions

DESIGN

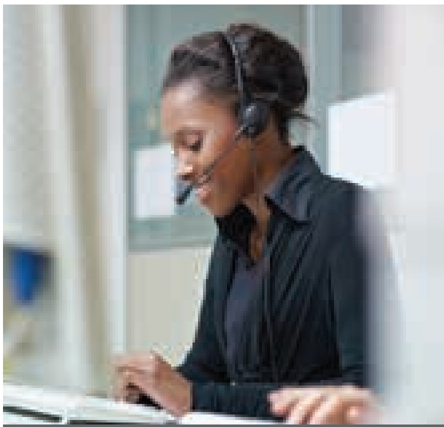
Consulting

- Knowledge services
- Industry-based solutions
- Business operational improvement
- IT strategy
- IT architecture
- Project management
- Change management

BUILD

Technology

- Enterprise applications
- Information analytics and big data
- Enterprise risk management
- IT management and optimisation
- Software development and integration
- Digital
- Industrial technologies



OPERATE

Outsourcing

Technology outsourcing

- Transformational outsourcing
- Managed services
- Cloud services

Business process outsourcing and Human capital

Industry verticals

EOH's approach to industry verticals is to complement generic IT services with in-depth and specialised industry knowledge. Our industry model is front-ended with specialist industry consulting skills and underpinned by core industry IT, industrial technology and business process outsourcing services.

- Financial services
- Utilities
- Telecommunications
- Retail
- Manufacturing and logistics
- Health
- Public sector
- Education
- Mining
- Construction
- Energy

Financial highlights

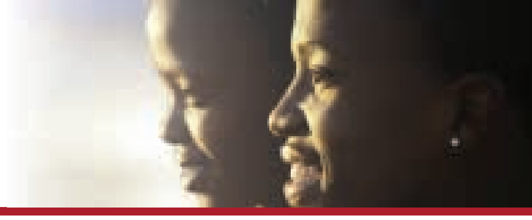
EOH has grown organically and through businesses joining EOH. The results reflect consistent growth as a result of our understanding of the needs of the market and meeting client expectations.

Our financial status

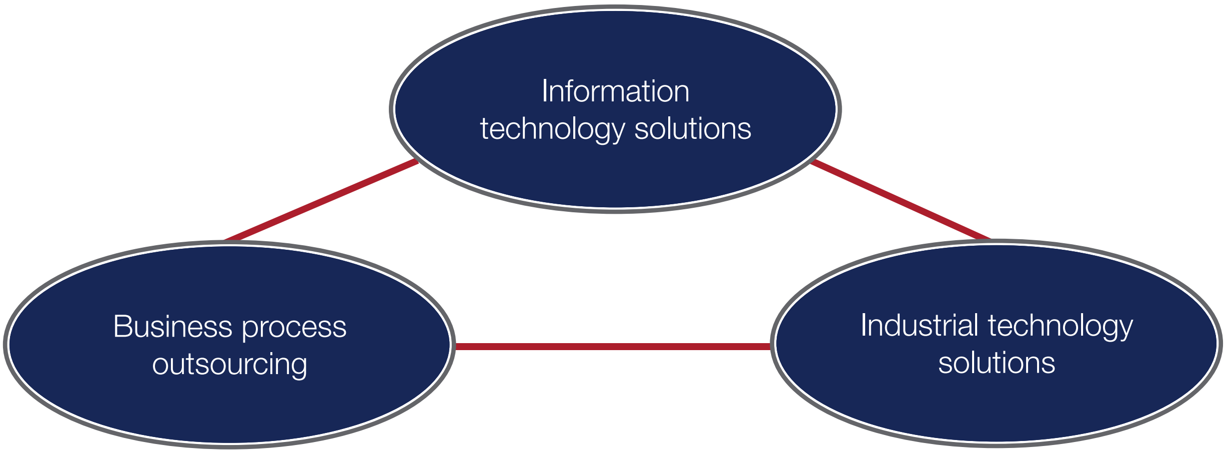
Revenue	R5 086 million	▲	**40%**
Attributable income	R332 million	▲	**49%**
Earnings per share	343,7 cents	▲	**35%**
Headline earnings per share	339,1 cents	▲	**34%**
Cash	R653 million	▲	**45%**
Dividend per share	95 cents	▲	**36%**

Our financial stability is underpinned by:

- EOH's business philosophy and principles
- A sound balance sheet
- 45% compounded year-on-year revenue growth
- A strong management team and skilled resources
- Community involvement
- Strong accountability, risk management and compliance



Our domains



How we have performed …

	12 months to 31 July 2013	12 months to 31 July 2012	12 months to 31 July 2011	12 months to 31 July 2010	12 months to 31 July 2009
Revenue (R'000)	**5 085 979**	3 642 915	2 428 973	1 692 421	1 235 568
Attributable income (R'000)	**331 509**	222 577	147 273	97 511	68 892
Earnings per share (cents)	**343,7**	254,9	196,4	146,2	106,8
Headline earnings per share (cents)	**339,1**	253,1	196,1	146,1	108,0
Diluted earnings per share (cents)	**309,8**	226,2	172,6	132,7	92,8
Dividend per share (cents)	**95,0**	70,0	48,0	36,0	30,0
Cash (R'000)	**653 007**	451 867	321 507	266 671	206 877
Net asset value per share (cents)	**1 461,8**	1 118,7	744,2	582,2	421,2

… and how we will continue to deliver

Industry focused

Solution orientated

Delivery orientated – Right 1st Time

Wide geographical spread – over 120 points of presence

Directorate

Sandile Zungu

BSc (Mechanical Engineering), MBA
Appointed 1 October 2013
Chairman

Responsibilities:
Independent Non-Executive Chairman of the Board

Asher Bohbot

BSc (Industrial Engineering)
Re-appointed 27 February 2008
Chief Executive Officer

Responsibilities:
Group Chief Executive Officer
Member of the Board
Member: Risk Committee
Member: Social and Ethics Committee
Member: IT Governance Committee
Invitee: Audit Committee
Invitee: Remuneration and Nominations Committee
Chairman of EXCO**

John King

BCom, BAcc, CA(SA)
Appointed 1 March 2008
Group Financial Director

Responsibilities:
Group Financial Director
Member of the Board
Member: Risk Committee
Member: Social and Ethics Committee
Member: IT Governance Committee
Invitee: Audit Committee
Invitee: Remuneration and Nominations Committee
Member of EXCO**

Pumeza Bam

BSc (Biochemistry) PMD
Appointed 15 July 2009
Human Resources Director

Responsibilities:
Human Resources Director
Member of the Board
Member: Remuneration and Nominations Committee
Member: Social and Ethics Committee
Member of EXCO**

Dion Ramoo

BSc (IntoProcl), CA(SA) A.I.M.F.O
Re-appointed 23 February 2011
Executive Director

Responsibilities:
Member of the Board
Head of Public Sector Consulting
Member of EXCO**

Jane Thomson

Re-appointed 23 February 2011
Executive Director

Responsibilities:
Member of the Board
Managing Director of Softworks
Member of EXCO**

** *Executive Committee.*

Lucky Khumalo

BSc (Computer Science)
Appointed 1 May 2010
Non-Executive Director
(Formerly Executive Director)

Responsibilities:
Member of the Board
Member: Remuneration and Nominations Committee
Member: IT Governance Committee

Danny Mackay

Appointed 1 November 2013
Non-Executive Director

Responsibilities:
Member of the Board

Tshilidzi Marwala

BSc (Mechanical Engineering), MSc (Engineering), PhD
Re-appointed 23 February 2011
Independent Non-Executive Director

Responsibilities:
Member of the Board
Member: Risk Committee
Chairman: IT Governance Committee

Thoko Mnyango

BJuris
Appointed 18 June 2013
Non-Executive Director

Responsibilities:
Member of the Board

Tebogo Skwambane

BA, MBA
Appointed 30 July 2008
Independent Non-Executive Director

Responsibilities:
Member of the Board
Member: Audit Committee
Member: Risk Committee
Member: Remuneration and Nominations Committee

Rob Sporen

Re-appointed 23 February 2011
Lead Independent Non-Executive Director
(Formerly Executive Director)

Responsibilities:
Member of the Board
Chairman: Audit Committee
Chairman: Risk Committee
Chairman: Remuneration and Nominations Committee
Chairman: Social and Ethics Committee
Chairman of the Board*

* *Chairman: 1 December 2012 to 30 September 2013.*

CEO's operational report

We are very proud of our achievements and would like to thank our people, clients, partners, vendors and the investor community for their significant contribution to EOH's success. We would particularly like to thank the families of our staff for their unwavering support which has enabled us to achieve the results we have over so many years.

Asher Bohbot
Chief Executive Officer

EOH is about people and its business philosophy is:

Best people	To attract, develop and retain the best people
Partner for life	To nurture lifelong partnerships with our customers and business partners
Right 1st time	To ensure professional planning and execution and have pride in all we do
Sustainable transformation	To transform and celebrate diversity
Profitable growth	To grow our top and bottom line aggressively and remain entrepreneurial

The performance of the business

All areas of EOH's business operations have seen growth during the year under review with the revenue from services being the most significant contributor. During the year, EOH's primary focus was to consolidate and complement its existing service offerings in its consulting, managed services, human capital and industrial technology business. EOH has also focused on growing its services/solutions to its existing clients through its strategic account management initiatives.

Revenue increased by 40% to R5 086 million and profit before tax increased by 37% to R467 million. Services revenue increased to R3 627 million, a 55% increase over the previous period. Software sales increased to R687 million (increase of 12%). Infrastructure sales have also increased by 13% to R772 million. The operating margin of 9,7% is in line with expectations and within EOH's targeted range of between 9% and 10%.

The growth is attributable to a combination of both organic growth and recent acquisitions. Businesses that joined EOH contributed R604 million to revenue and R61 million towards profit before tax. Earnings per share ('EPS') and headline earnings per share ('HEPS') have grown by 35% and 34%, respectively, with cash on hand increasing to R653 million. EOH's financial position is strong with substantial cash resources to support future growth.

During the year, a number of businesses joined EOH in the consulting, managed services, training, resourcing and industrial technology areas, but most of these were not individually material.

The total consideration paid for these acquisitions amounted to R358 million of which R203 million is payable in cash and the balance through the issue of equity instruments. The goodwill associated therewith is R253 million.

EOH also acquired 100% of the share capital of Siemens IT Solutions and Services South Africa Proprietary Limited, a company offering IT services primarily to the public sector, with effect from 1 October 2012.

Operating environment

EOH operates in the information technology ('IT'), industrial technologies and BPO space. The addressable market is estimated to be about R200 billion and growing at 8% per annum. EOH's share of this market remains relatively small despite EOH growing its revenue by 40% this year. This year has again seen customers spending more than in previous years and we have increasingly seen customers outsourcing their IT and BPO services to service providers. This has resulted in the revenue of services providers increasing at a higher rate than 8% per annum.

Cloud computing remains on the CIO's agenda and the opportunity around cloud computing provides new and exciting challenges. EOH has capitalised on its end-to-end service offerings and provides cloud services as another alternative for its customers.

There has been significant growth in EOH's managed services businesses with significant wins in the petrochemical and retail industries and in the public sector.

EOH's industrial technologies business has seen an increase in the services it provides to manufacturing, energy, water and infrastructure enterprises.

The need for business intelligence remains a top priority for customers. EOH, through its multiple service offerings and strong vendor relations, offers comprehensive services in this area.

There has been some consolidation in the IT sector, in which EOH has participated as a consolidator. The continued convergence of technology, IT, electrical, civil, mechanical and telecommunications is positive for EOH as we have a comprehensive range of solutions enabling us to be a single services integrator for our clients.

EOH will continue to focus on enterprise solutions for medium to large enterprises. EOH has positioned itself to provide cost-effective solutions to improve the efficiency and effectiveness of these enterprises and to assist these businesses to deliver a superior experience to their customers/end users.

EOH's operating model

Technology is changing at a rapid pace and few organisations can keep up with what is needed and what is available. Our specialists stay abreast of the latest developments, technologies and vendor solutions across all disciplines and industries.

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

Lines of business (services/solutions)

Consulting

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

Technology

- Enterprise applications
- Information analytics and big data
- Enterprise risk management
- IT management and optimisation
- Software development and integration
- Digital
- Industrial technologies

Outsourcing

- Transformational outsourcing
- Managed services
- Cloud services
- Business process outsourcing
- Human capital

Industry verticals

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

- Financial services
- Telecommunications
- Public sector
- Mining
- Retail
- Utilities
- Manufacturing and logistics
- Health
- Education
- Construction
- Energy

More about EOH's lines of business

Consulting

EOH's consulting capability extends beyond traditional consulting services. With our insight into future business trends and drivers, together with the enabling features needed to support them, EOH has extensive business consulting skills and the capacity to deliver end-to-end knowledge services to the key sectors in which it operates.

All roads lead to technology and technology enables all business functions. Therefore EOH has extended its knowledge services beyond pure management consulting and serves as a trusted advisor throughout the lifecycle of an enterprise's growth. By providing technology-agnostic business advice, our consultants are able to deliver practical, actionable and tangible business and technology knowledge services from inception to implementation.

With a well established 'vertical' focus on telecoms, mining, manufacturing and financial services, and our 'horizontal' Centres of Excellence ('CoEs'), industry and area-specific value propositions have been developed for our clients.

Enterprise applications

Enterprise applications are the engine room of any organisation. They enable businesses to deliver on their strategy through information and process automation across all enterprise disciplines.

In today's challenging environment, successful companies have visibility across all aspects of their business. This makes them agile, responsive, flexible and able to make well-founded decisions to meet changing customer demands. This can only be achieved through the successful implementation of world-class enterprise applications.

Today's competitive environment is forcing companies to close the gap between strategy and execution, maximise service delivery, reduce cost and risk, maximise the value of its IT investment, stamp out inefficiency and closely manage customers.

EOH guides clients in the selection, deployment, operation, maintenance and refreshment of various Enterprise Resource Planning ('ERP') applications and their underlying technical infrastructure.

We offer asset management, project management and on-demand managed services to allow resource elasticity and user training. We also provide niche solutions to clients to improve business processes.

Information analytics and big data

Information management is the enhancement of information delivery through the transformation of multiple disparate data sources into knowledge and business intelligence ('BI'). EOH draws on a variety of sophisticated and multi-disciplinary analysis tools and techniques that can help businesses make smarter decisions and gain a clear competitive advantage in the marketplace by reducing costs, improving agility and operational efficiencies, increasing productivity and accelerating innovation and growth.

Our approach to information analytics and big data begins with the development of an information strategy. It requires a top-down and a bottom-up approach to data integrity and requires a rationalisation of applications and data sources to ensure rapid delivery of business value. We recognise technology as an enabler and not as a once-off solution.

Enterprise risk management

In a connected world, information is always at risk. EOH provides world-class solutions to help safeguard information and protect the information that drives business.

EOH reduces the complexity of information risk management by offering an end-to-end portfolio of services. We maintain partner status with the world's leading security technology providers and have some of the most experienced security resources in the world.

IT management and optimisation

Business applications need to be fast, reliable, always available and completely safe from external and internal threats, even when access devices, delivery methods and protocols change over time. IT management covers a range of disciplines and tools such as service desks, optimisation services and tools, monitoring and reporting, security systems and virtualisation.

EOH's IT management and optimisation solutions include leading-edge support infrastructure, high availability, security and Wide Area Network ('WAN') optimisation tools, as well as tools to monitor and manage an entire IT infrastructure. EOH provides these solutions across physical, virtual and cloud environments.

Software development and integration

EOH's software development and integration solutions are designed to meet clients' unique business software requirements and to integrate seamlessly with their business systems. These solutions are flexible and scalable, allowing clients to modify them as their businesses evolve. They are designed to deliver business outcomes that benefit the entire organisation through innovation and operational efficiencies.

Digital

Enterprises around the world are increasingly seeing the importance of a digital strategy that encompasses multiple customer-facing channels in a uniform and consistent way. But the challenge is ensuring that disparate solutions and applications offer a consistent customer experience.

EOH has experience in developing digital marketing strategies and has a suite of solutions that allow for an integrated, uniform and intelligent approach to digital marketing and customer experience management.

Industrial technologies

EOH's industrial technology solutions combine state-of-the-art technology and best practice to create smart, safe, healthy and secure environments.

Today's ICT infrastructure environment is complex. It spans the full converged networking spectrum, from structured cabling, fibre optic backbones, business critical data centres and energy management solutions to security, life safety, personnel movement, environmental and lighting control. Managing all of this presents a challenge to any organisation.

We understand these challenges and have the right skills and expertise to deliver practical solutions. Our solutions are proven and world-class, from corporate campus data networks to MetroLAN and broadband networks. We deliver full turnkey data centres, biometric identity management, energy control, systems integration, building management and intelligent green building design.

Transformational outsourcing

Transformational outsourcing is a combined offering of EOH's infrastructure outsourcing, application outsourcing, BPO and managed services – a one-stop solution.

EOH provides an outsourcing service that streamlines IT operations and aligns IT architecture with overall business strategy. This can be provided as a bundled offering or on a component basis. EOH tailors each solution to specific customer requirements.

EOH provides rightshoring (a combination of onshoring, offshoring and nearshoring) services to organisations worldwide. We leverage time zone and cultural synergies, while delivering cost and performance benefits. Our expertise lies in application and infrastructure support, application testing and monitoring, and business process outsourcing.

Managed services

EOH managed services solutions specialise in information and communication infrastructure outsourcing, offering customers end-to-end management of their ICT platforms. We design, build, deploy, optimise, manage and support networked ICT systems and infrastructure for clients' underlying platforms.

By using a unique framework for providing our services, EOH keeps clients' computer systems, servers and network infrastructure operationally available and their staff and businesses productive. We optimise the availability, scalability and flexibility of infrastructures while minimising expenditure.

Cloud services

EOH offers customers a cloud solution where the client has complete control over infrastructure, enterprise systems and software.

EOH cloud contains a blend of solutions allowing a business to bridge the gap between IT challenges and business drivers.

Whether it is the evolution of an on-site managed service or a private, hybrid or public cloud solution, EOH can assist through a combination of infrastructure, platform or software-as-a-service solutions. We ensure that the cloud is secure, resilient and stable, so that business applications perform optimally.

Business process outsourcing

EOH business process outsourcing takes care of clients' non-core business processes, thereby allowing clients to focus on their business goals and strategies.

EOH's knowledge-based business process outsourcing services allow clients to achieve efficiency and cost savings. EOH's operational capacity, specialist skills and enabling technologies help companies achieve optimum performance. We work in five key functional areas: customer services outsourcing, corporate legal services, finance and accounting, and procurement.

CEO's operational report (continued)

Human capital

EOH human capital services focus on designing, streamlining and improving organisations' non-core HR functions and processes. We increase employee potential, improve organisational effectiveness and drive down operational costs – thereby generating value to the entire organisation, at the same time ensuring that organisations comply with all statutory and Corporate Governance requirements. EOH has a comprehensive training and development offering to ensure that clients' staff are appropriately skilled. We deliver over 125 SETA accredited courses to thousands of students each year.

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 36%. 53% of EOH's staff and 66% of its board members are black.

Employment Equity ('EE') initiatives are fully integrated into the business strategy and Sustainable Transformation is a key business objective and philosophy for the Group, alongside Best People, Partner for Life, Right 1st Time and Profitable Growth. We have an Employment Equity plan and together with the Transformation Forum, we monitor the progress made towards the goals outlined in the plan.

EOH has several Enterprise Development initiatives aimed at developing black-owned ICT companies. We provide both financial and non-financial support, which includes the transfer of business skills and coaching and mentorship.

EOH has several Corporate Social Investment programmes. Some of these are outlined below.

Maths Centre Programme

We have been involved in a multi-million Rand support programme with the Maths Centre, which is a non-profit organisation focusing 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, both in the workplace and further afield. We also co-ordinate the testing and screening of uninsured and contract workers within a construction group in Shoshanguve. In this way, we help to alleviate the burden placed on the public health system and assist in the fight against Aids.

Afrika Tikkun

We provide support to the Child and Youth Development Programmes of Afrika Tikkun. The objective is to provide a sustainable future for children in townships. Afrika Tikkun's approach is to transform and uplift impoverished communities by focusing on orphans and vulnerable children and equipping them with the skills needed to succeed in life. We have committed towards the upkeep of two of the six Centres of Excellence – Uthando Centre in Hillbrow, Gauteng and Mfuleni Community Park in the Western Cape.

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.

SAPSET

We are supporting the South African Police Service Education Trust which was established to support the educational needs of the children of police members who have died in the line of duty.

Job Creation Initiative

During the past year we intensified our efforts relating to the EOH Youth Job Creation Initiative. We have invested in media campaigns and interacted with customers and business partners with the aim of encouraging them to place significant numbers of South Africa's unemployed youth on intern and learnership programmes. We have seen many initiating and participating in these programmes and making a difference in the lives of many young South Africans.

Business needs to skill people by placing school leavers and graduates on learnership and internship programmes. Last year, 620 young people participated in EOH's learnership and intern programmes, of which 450 were employed directly by EOH at the end of the programme. EOH has embarked on a similar programme for the coming year and taken on another 600 learners and interns. If every business in South Africa were to do the same, it would mean the employment of hundreds of thousands of young South Africans.

As part of our EOH Youth Job Creation Initiative, we assembled a team led by EOH staff members, to work with our customers and technology partners to skill young people and to bring jobs off-shored overseas, back to South Africa.

EOH hopes, through its various programmes, to create internships for 20 000 graduates and 30 000 matriculants in partnership with clients and technology partners. South Africa is short of skills, rather than short of jobs. EOH believes that one set of skills equals one job.

We will continue to work with Government to mobilise business to take advantage of Government incentive schemes. Business needs to take up the role of further developing our youth. It's good for our society and it's good for business.

Sustainability policy

EOH recognises the need for sustainability and has always embraced the philosophy of Partner for Life for its people, customers, vendors and other stakeholders.

EOH believes that the inter-dependence of people, business and the community is inseparable and that a company is fundamentally a social structure. Sustainable principles have always been part of EOH's philosophy.

A comprehensive Sustainability Report is contained in this document, clearly outlining EOH's commitment to sustainability.

Strategy and future plans

We will continue to expand our solutions and service offerings and strengthen our knowledge-based industry services and solutions. This will be achieved through organic growth complemented by acquisitions. EOH expects to grow its managed services, cloud, enterprise applications, information management, business process outsourcing, human capital, security solutions and industrial technologies businesses.

We will continue to contribute our knowledge and organisational ability to improve service delivery in the Public Sector. EOH is recognised for its delivery capability and expects to expand the business it does in this sector.

During the year, EOH has made significant strides into Africa with plans to increase its presence on the continent. We now have the structures and processes in place to be far more strategic and proactive in our approach to doing business in Africa.

EOH's offerings in outsourcing, managed services and cloud have grown significantly as a result of securing major contracts in the past year. We are now a leading player in this field.

EOH is well positioned to continue to grow aggressively. It has the people, the size, the financial resources, the agility and the knowledge to do so. EOH's internal strength, strong entrepreneurial culture and great execution ability bodes well for similar growth in the future.

Asher Bohbot
Chief Executive Officer

25 November 2013

Corporate Governance report

Corporate Governance report

The Board of Directors ('the Board') is committed to the concept and principles of effective Corporate Governance. The directors recognise the need for adherence to generally accepted Corporate Governance practice in all spheres of business activities.

Accordingly, EOH is committed to entrenching the highest levels of Corporate Governance and continues to make significant progress in implementing structures, policies and procedures aimed at strengthening governance within the Group.

Corporate Governance is defined as the systems by which companies are directed and controlled. This concept is integral to EOH's business philosophy of ethical leadership, which is one of the cornerstones of EOH's corporate governance ethos.

There is no doubt that good corporate governance is a key element in improving economic efficiency and growth and it also enhances investor confidence. Accordingly, EOH is committed to entrenching the highest levels of corporate governance by:

- Continuing to make significant progress in implementing structures, policies and procedures aimed at strengthening governance;
- Recognising the principle of transparency as a critical element of effective sustainability reporting; and
- Successfully entrenching King III principles.

Ethical leadership

The Board's philosophy of ethical leadership provides the foundation for values which are central to the way we do business at EOH. Our decisions and actions are based on these values and they form the basis of our 'Code of Conduct':

- Integrity is non-negotiable;
- We respect the dignity of every individual we engage with;
- We are professional and strive for excellence;
- We are legitimate and are long-term contributors, not short-term takers;
- We care for the environment and the individuals on the planet;
- We promote the fight against corruption;
- Everyone's contribution creates value; and
- We build relationships with our customers to understand and meet their needs.

The Executive Committee is responsible for ensuring these values are adhered to. The Board's Social and Ethics Committee ensures compliance with such principles.

Sustainability

EOH's commitment to achieving operational excellence in a safe and responsible way benefits all our stakeholders, including employees, Government and the communities in which it operates. EOH's efficient use of resources, together with the provision of a safe and healthy working environment, contributes to the sustainability of EOH's business and the environment.

Stakeholder engagement

EOH's stakeholders are defined as those entities and individuals significantly affected by the Group's activities and those which have the ability to significantly impact the Group's ability to achieve its objectives. As such, the key stakeholders include regulatory bodies, investors, employees, clients, suppliers, local communities and the media.

Regulatory and statutory compliance

Compliance remains a core focus of the Board, which is ultimately responsible for ensuring that the Group identifies and complies with applicable laws. The Board has noted the amendments to the following acts and regulations during the year under review:

- The Companies Act, No 71 of 2008 ('the Companies Act');
- The South African Consumer Protection Act;
- The South African Competitions Act;
- The South African Protection of Personal Information Act; and
- The JSE Listings Requirements.

The Company adopted a new Memorandum of Incorporation ('MOI') which was approved by shareholders on 5 February 2013 in accordance with the requirements of the Companies Act. During the year there were various corporate governance guidelines and best-practice recommendations, key among which were those provided by King III, the OECD Principles of Corporate Governance, the United Nations Global Compact and the Global Reporting Initiative Guidelines. EOH has studied these and amended policies and procedures as deemed appropriate.

During the year, additional refinements aimed at enhancing EOH's application of the King III Report included, inter alia:

- Standardisation and formulisation of EOH's risk management process
- Board member appraisal process
- The formalisation of a Remuneration and Nominations Committee

Statement of compliance

The Board, through the Audit and Risk Committees, is satisfied with the Group's compliance with the King III Report and with the JSE Listings Requirements during the financial year ended 31 July 2013. The table as set out on page 36 indicates how the Group has applied the principles set out in the King III Report during the period under review.

Governance structures

EOH's financial and non-financial performance objectives are overseen by the Board and its committees. The Board has five committees:

- Audit Committee;
- Risk Committee;
- Remuneration and Nominations Committee;
- Social and Ethics Committee; and
- IT Governance Committee.

The Board of Directors

The directors bring to the Board a wide range of expertise and experience and in the case of the independent non-executives, an independent perspective and judgement on issues of policy, strategy and performance. The Board believes that appropriate policies are in place to ensure that there is a balance of power and authority amongst directors so that no one director has unfettered powers of decision-making.

Board members are expected to act in the best interests of the Group and the Group Company Secretary maintains a register of directors' interests as required by law.

Composition of the Board

The Board of EOH is sufficiently equipped to conduct the business of a Board in terms of its collective knowledge, skills, experience, resources and diversity. For the purpose of this Integrated Annual Report ('IAR'), directors are classified as executive directors if they are employed by EOH or any company within the EOH Group. Independent non-executive directors are classified as such in terms of the definition in King III of an independent non-executive director.

As at the date of this report, the Board consisted of 12 individuals, five of whom are executive directors, five of whom are independent non-executive directors and two of whom non-executive directors. Eight of the Board members are black, of which three are women.

Full details of the directorate are set out on pages 6 and 7.

Attendance

The Board meets quarterly and on an ad hoc basis when it is considered necessary. Board meetings are convened by formal notice incorporating detailed agendas and accompanied by clear and concise background material relating to matters to be discussed at each meeting.

During the year under review the attendance at directors' meetings was as follows:

Director	Status	Appointment	Attendance
Sandile Zungu (Chairman)	Independent non-executive	1 October 2013	Appointed post 31 July 2013
Lucky Khumalo	Independent non-executive	17 February 2012	4/4
Tshilidzi Marwala	Independent non-executive	23 February 2011	3/4
Tebogo Skwambane	Independent non-executive	17 February 2012	3/4
Rob Sporen*	Independent non-executive	5 February 2013	4/4
Danny Mackay	Non-executive	1 November 2013	Appointed post 31 July 2013
Thoko Mnyango	Non-executive	18 June 2013	n/a
Asher Bohbot	Executive (CEO)	6 August 1998	4/4
John King	Executive (FD)	1 March 2008	4/4
Pumeza Bam	Executive	15 July 2009	4/4
Dion Ramoo	Executive	30 January 2004	4/4
Jane Thomson	Executive	30 September 2002	4/4

* Acted as Chairman from 1 December 2012 to 30 September 2013.

Role

The Board is responsible for the strategic objectives and policies of the Group and takes overall accountability for its management. The Board retains full and effective control over the Group and all material decisions are reviewed by the Board.

The role and responsibilities of the Board are as follows:

- To act in the best interests of the Company/Group;
- To approve the strategic plan developed by management and monitor its implementation;
- To provide ethical leadership;
- To ensure the Group's ethics are managed effectively through building an ethical culture, setting ethics standards, measuring adherence and incorporating ethics into its risk management, operations, performance management and disclosure;
- To act as the focal point for, and custodian of, Corporate Governance by managing its relationship with management, the shareholders and other stakeholders;
- To monitor the Group's communication with all relevant stakeholders;
- To advise on the commercial and economic direction of the Group;
- To ensure that shareholders are treated equitably;
- To ensure that the Group complies with applicable laws, rules, codes and standards;
- To ensure that the Group is and is seen to be a responsible corporate citizen;
- To appreciate that strategy, risk, performance and sustainability are inseparable;
- To ensure that the Group has an effective and independent Audit Committee;
- To be responsible for the governance of risk;
- To be responsible for IT governance; and
- To determine policies and processes to ensure the integrity and effectiveness of:
  - Executive management and staff remuneration;
  - Selection of directors and chairman and their orientation and evaluation; and
  - The Integrated Annual Report.

Changes to the Board

The Company appointed a new Independent Chairman, Sandile Zungu, with effect from 1 October 2013 following the resignation of Dr Nakedi Mathews Phosa on 30 November 2012. Rob Sporen was acting Chairman during the interim period. The Company also appointed non-executive directors, Thoko Mnyango with effect 18 June 2013 and Danny Mackay with effect 1 November 2013.

In accordance with the Company's MOI, each year one third of the non-executive directors shall retire from office at each Annual General Meeting. The non-executive directors to retire each year shall be those who have been longest in office since their election.

Nominations and appointments to the Board

Following the creation of the Nominations Committee (Remuneration and Nominations Committee), the Board formalised the procedures for the appointment of directors. In considering potential appointments, consideration is given to experience, diversity, skills and demographics. New directors are on-boarded through a formal induction presentation detailing the Group's strategy and their duties and responsibilities. The re-appointment of non-executive directors is subject to eligibility and performance.

Chairman and Group Chief Executive Officer

The Chairman and Group Chief Executive Officer are separate roles and operate under distinct mandates issued and approved by the Board. These mandates clearly differentiate the division of responsibilities within the Group and ensure a balance of power and authority.

The Chairman, an independent non-executive director, presides over the Board, providing it with effective leadership and ensuring that all relevant information is placed before it. The Chairman is independent and free of any conflicts of interest. The Group Chief Executive Officer is responsible for the ongoing operations of the Group, developing its long-term strategy, and presenting the business plan and budgets to the Board for approval.

The Board appoints the Chairman and the Remuneration and Nominations Committee appraises the Group CEO annually. The Committee also assesses the remuneration of the Chairman and the directors.

Details of the directors' emoluments are set out on page 101 of the Annual Financial Statements.

Authority of the Board

The CEO is fully accountable to the Board for the Group's day-to-day operations. It is paramount that the executive directors lead the Group with integrity and good judgement. In exercising control of the Group, the Board is empowered to delegate. Board committees are established and structured to function with authority. Directors are entitled to full and unrestricted access to management and to the Group's proprietary information.

Succession planning

Should a director retire, resign or be disqualified and removed, the Remuneration and Nominations Committee is tasked with identifying potential candidates. It performs an assessment as to their appropriateness for the position in terms of their experience and skills. Selection, induction and ongoing training of directors is a formal process.

Performance evaluation

The Board members complete a self-appraisal evaluation questionnaire. The Chairman of the Board identifies strengths and weaknesses.

The Board as a responsible corporate citizen

In determining the strategy and long-term sustainability of the Group, the members keep abreast of developments and consider the impact of its operations on the economy, society and the environment.

The Board and its shareholders

The Board has a high regard for its shareholders and makes every effort to present a balanced and comprehensive assessment of the Group's position, addressing material matters of significant interest to stakeholders. The Board presents material aspects of the Group's activities in accordance with sound governance principles.

International Financial Reporting Standards ('IFRS') are adhered to. The results for the year ended 31 July 2013 have been prepared in accordance with the Group's accounting policies, which comply with IFRS. Further details and definitions pertaining to the Group's accounting policies are set out fully in the Annual Financial Statements (pages 64 to 112).

The role and responsibility of the Board and its committees are embodied in formal terms of reference which are reviewed annually to ensure that they remain relevant. The fundamental responsibility of the Board is to control, monitor and review the Group's overall economic performance.

Trading in Company shares

The Board complies with the JSE Listings Requirements. The Group Company Secretary informs the Board and management of its closed periods prohibiting trade in EOH shares by directors, senior executives and participants in the various long-term incentive schemes. The closed periods commence 1 August and 1 February in each year and remain in force until the publication of the interim and final results respectively. Any period in which the Company may trade under cautionary announcement would also be classified as a closed period.

All directors' dealings are reported. The Group Company Secretary retains a record of all such share dealings.

Directors' and prescribed officers' interests in EOH shares

It is not a requirement of the Company's MOI or the Board Charter that directors own shares in the Company. The shares held by the directors as at 31 July 2013 are contained in the directors' report on page 59.

Group Company Secretary

Adri Els CA(SA) is the Company Secretary. The Group Company Secretary acts in a supportive capacity to the directors and Chairman, and is suitably qualified, competent and experienced to provide guidance to the Board in matters relating to governance and other related practices across the Group. The Group Company Secretary is not a director of the Company. In addition, the Board is satisfied that the Secretary maintains an arm's-length relationship with the Board at all times. All directors have access to the services of the Group Company Secretary and directors may obtain independent professional advice at the Group's expense, should the need arise. All directors are required to comply with the requirements of the JSE Listings Requirements, King Report and the Companies Act.

The Group Company Secretary is responsible for, inter alia:

- Maintenance of Board and Committee charters, terms of reference and the compilation of Board papers;
- Providing input into the agenda as well as taking minutes at Board and Committee meetings;
- Acting as the primary point of contact between directors and the Group;
- Guiding directors regarding their duties as directors, matters of ethics and good governance; and
- Monitoring the interests of directors, directors' dealings in shares and administering the various share incentive trusts.

The Group Company Secretary is also the secretary to the Board committees and the Group's subsidiary companies.

Board ethics

Directors are required to declare their interests annually in order to determine whether there is any conflict with their duties to EOH. Directors are also required to disclose any conflicts of interest if and when they may arise.

Code of Ethics

All employees of the Group are required to maintain the highest ethical standards to ensure that the Group's business practices are conducted in a manner which is above reproach. To this effect all employees are required to adhere to EOH's 'Work Life Constitution'. A culture of individual employees assuming personal responsibility for their actions is encouraged, as is a culture of full disclosure. A Code of Ethics has been formally adopted by the Board.

Subsidiary boards

EOH has several wholly-owned subsidiaries. The Group's operating business units operate as divisions of the unlisted legal entities. The boards of the subsidiaries and management of the operating divisions are constituted with the necessary mix of skills, experience and diversity.

Board committees

The Board has delegated certain functions to committees. In doing so, the Board has not abdicated any of its own responsibilities. Formally documented charters define terms of reference, duration and functions, reporting procedures and the scope of authority of each Committee. The Board Committees are as follows:

- Audit Committee;
- Risk Committee;
- Remuneration and Nominations Committee;
- Social and Ethics Committee; and
- IT Governance Committee.

These committees are chaired by independent non-executive directors. Non-executive directors may meet separately with operational management without the attendance of the executive directors.

Audit Committee

The Committee is independent and accountable to both the Board and shareholders. The Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.

Composition

The Audit Committee comprises three independent non-executive directors and is chaired by an independent non-executive director. The Board appoints an independent non-executive director as chairman to the Committee. The members of the Committee have the requisite financial knowledge, skills and experience.

The members nominated by the Board for re-election as members of the Committee, subject to shareholder approval at the Annual General Meeting to be held on 11 February 2014, are:

- Rob Sporen (Chairman)
- Tebogo Skwambane
- Tshilidzi Marwala

Attendance

The Audit Committee (as set out below) formally meets at least three times per annum. The members, the Group CEO and Group FD attend committee meetings. Representatives from the external auditors are present at all committee meetings. The Committee's chairman reports to the Board on the activities and recommendations of the Audit Committee.

Role

The mandate of the Committee is to provide reasonable assurance relating to the integrity and reliability of the financial statements, and to safeguard, verify and ensure accountability of the Group's assets. The Committee evaluates the Group's internal and external risks and oversees the implementation of corporate governance principles throughout the Group.

The mandate of the Committee includes the subsidiaries, divisions and businesses of the Company and the terms of reference apply equally to them.

The Audit Committee's responsibilities

The Audit Committee's responsibilities are varied and include:

Statutory duties

- Nominate the appointment of an independent registered auditor who, in the opinion of the Committee, is independent;
- Determine the fees to be paid and the terms of engagement and fees of the auditor;
- Ensure that the appointment of the auditor complies with the Companies Act, JSE Listings Requirements and King III recommendations;
- Determine the nature and extent of any non-audit services which the auditor may provide to the Group; and
- Pre-approve any proposed contract with the auditor for the provision of these non-audit services.

The Committee received no complaints on the accounting practices, financial statements or internal financial controls of the Company.

Member and Invitee	Designation	Status	Attendance
Rob Sporen	Chairman	Independent non-executive	3/3
Tshilidzi Marwala	Member	Independent non-executive	2/3
Tebogo Skwambane	Member	Independent non-executive	2/3
Asher Bohbot	By invitation	Executive	3/3
John King	By invitation	Executive	3/3

Delegated duties

In executing its delegated duties (as reflected in its terms of reference), the Audit Committee fulfilled, amongst other duties, all its obligations including:

Financial statements

- Reviewed the Annual Financial Statements, interim and preliminary announcements, accompanying reports to shareholders and all other announcements on the Company's results and other financial information that was made public, prior to submission to and approval by the Board;
- Prepared a report in the Annual Financial Statements, describing how the Committee carried out its duties;
- Satisfied itself as to the independence of the external auditors;
- Commented on the financial statements, the accounting practices and the Internal financial controls of the Company; and
- Reviewed the expertise, resources and experience of the Company's finance function.

Financial director

As required by the JSE, the Company has a Group Financial Director who serves on the Board of Directors. The position is held by John King, who is an executive director. The Committee confirms that it is satisfied with the expertise and experience of John King.

Finance function

The Committee has reviewed the expertise, resources and experience of the Company's finance function and confirms to shareholders that the accounting function is effective. In making these assessments, the Audit Committee obtained feedback from the external auditors.

External auditor

The Committee is responsible for the appointment of the external auditor and for overseeing the external audit process. In this regard, the Committee has nominated, for re-election at the Annual General Meeting, the re-appointment of Mazars, formerly PKF (Gauteng) prior to the merger of PKF and Mazars during 2013, as the external auditor firm, with Sanjay Ranchhojee as the designated audit partner responsible for performing the functions of auditor of the Company for the 2014 financial year (FY2014). The Committee is satisfied that the audit firm and designated audit partner are accredited and have acted with unimpaired independence, free from any scope restrictions. In short, the Committee has, inter alia:

- Nominated an independent external auditor for re-appointment by shareholders at the Annual General Meeting for FY2014;
- Determined the terms of engagement and fees to be paid to the auditor;
- Ensured that the appointment of the auditor complied with the Companies Act and other relevant legislation;
- Monitored and reported on the independence of the external auditor in the Annual Financial Statements (FY2014);
- Defined a policy for the provisions of non-audit services provided by the external auditor;
- Pre-approved contracts for non-audit services to be rendered by the external auditor;
- Ensured there is a process for the Committee to be informed of any reportable irregularities (as identified in the Auditing Profession Act, 2005) identified and reported by the external auditor; and
- Reviewed the quality and effectiveness of the external audit process.

Details of fees paid to the external auditor for audit and non-audit services are disclosed on page 97 of the financial statements.

Integrated annual reporting

The Committee oversaw the integrated reporting and in particular has:

- Considered the factors and risks that may impact the integrity of the Integrated Annual Report ('IAR'), including factors that may have predisposed management to present a misleading picture, significant judgements and reporting decisions made, monitoring or enforcement actions by a regulatory body, any evidence that may have brought into question previously published information, and any forward-looking statements or information;
- Reviewed the Annual Financial Statements and summarised information;
- Reviewed the disclosure of sustainability issues in the IAR to ensure it is reliable and does not conflict with the financial information;
- Considered whether there are any material sustainability issues;
- Recommended the Integrated Annual Report to the Board for approval;
- Considered whether the external auditor should perform any additional assurance procedures;
- Reviewed the content of the summarised information to ensure it provided a balanced view;
- Engaged with the external auditors to provide assurance on the summarised financial information;
- Prepared a report to be included in the Annual Financial Statements; and
- Concluded whether the Committee was satisfied that the auditor was independent of the Company.

Review of internal controls

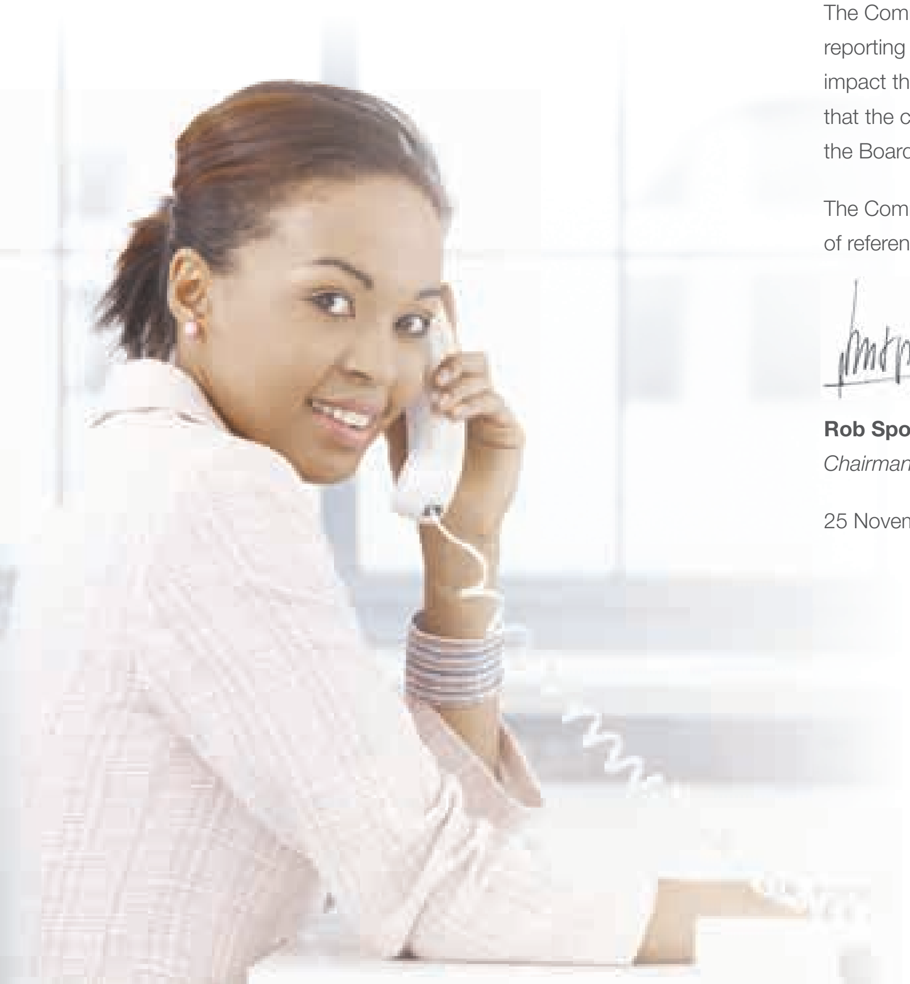
The Company makes extensive use of the external auditors to review internal controls in the absence of a fully-pledged Internal Audit Division. The oversight of the internal control remains with the Audit Committee and the required testing and investigation are performed by the external auditors and competent in-house financial staff.

During the coming year, these tests and reviews will be extended using both external and internal resources.

The Committee is of the opinion, after having considered the assurance provided by management, that the Group's system of internal financial controls, in all material aspects, is effective and provides reasonable assurance that the financial records may be relied upon for the preparation of the Annual Financial Statements. This is based on the information and explanations given by management and the external auditors.

Sustainability policy

The Audit Committee, in conjunction with the Social and Ethics Committee, has ensured the establishment and maintenance of the relevant management structures and processes to meet the objectives of EOH's sustainability policy. Refer to the Sustainability Report on pages 39 to 50.



Conclusion

The Committee hereby reports to the shareholders that:

Going concern

The Committee reviewed and considered the applicability of the going concern assertion by management. The Committee concluded that the Company shall be a going concern for the foreseeable future.

Sustainability reporting

The Committee supports the re-appointment of Mazars (Gauteng) Inc (previously called PKF (Gauteng) Inc) to perform assurance on selected indicators on the sustainability content of this Integrated Annual Report.

Statutory reporting

The Audit Committee has evaluated the Annual Financial Statements of the Company and the Group for the year ended 31 July 2013 and considers that the Company and Group comply, in all material respects, with the requirements of the Companies Act, the International Financial Reporting Standards ('IFRS'), the SAICA Financial Reporting Guidelines as issued by Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and applicable legislation.

Recommendation of the IAR

The Committee, having fulfilled the oversight role regarding the reporting process and having regard to material factors that may impact the integrity of the Integrated Annual Report, recommends that the consolidated Annual Financial Statements be approved by the Board.

The Committee is satisfied that it has met the requirements of its terms of reference.

Rob Sporen
Chairman, Audit Committee

25 November 2013

Risk Committee

The Risk Committee is constituted as a Committee of the Board and chaired by an independent non-executive director.

Composition

The Risk Committee comprises three independent non-executive directors and the Group CEO and Group FD. The members of the Committee have the requisite knowledge, skills and experience to contribute effectively to the carrying out of the Committee's mandate.

The Committee consists of:

- Rob Sporen (Chairman)
- Tshilidzi Marwala
- Tebogo Skwambane
- Asher Bohbot (CEO)
- John King (FD)

The role of the Committee

The role of the Committee is to assist the Board and the Company to implement effective policies and an effective plan for risk management.

Primary responsibilities of the Risk Committee

The Committee's primary responsibilities include the following:

- Oversee the development and annual review of the risk policy and risk management plan and recommend such for approval to the Board;
- Monitor the implementation of the policy and plan;
- Approve systems and risk management processes;
- Make recommendations to the Board regarding risk tolerance;
- Ensure that the risk management plan is widely disseminated throughout the Group and integrated as part of the day-to-day activities of the Group;
- Ensure that risk management assessments are performed on a continuous basis;
- Ensure that frameworks and methodologies are implemented to anticipate risks;
- Ensure that management considers and implements appropriate risk responses;
- Ensure that management continuously monitors risk;
- Liaise closely with the Audit Committee;
- Express an opinion to the Board as to the effectiveness of the risk management process; and
- Review the reporting of risk to be included in the Integrated Annual Report.

Attendance

During the year under review, the Risk Committee met several times and the attendance was as per the table below:

Member and Invitee	Designation	Status	Attendance
Rob Sporen	Member and Chairman	Independent non-executive	2/2
Tshilidzi Marwala	Member	Independent non-executive	1/2
Tebogo Skwambane	Member	Independent non-executive	1/2
Asher Bohbot	Group Chief Executive Officer	Executive	2/2
John King	Group Financial Director ('FD')	Executive	2/2

Enterprise Risk management (ERM) overview

The process of managing enterprise risk within EOH is encapsulated in the EOH Group Risk Management ('ERM') Policy. The effective management of enterprise risk is central to EOH being the best technology and business solutions company to work for, partner with and invest in.

By understanding and managing enterprise risk we provide greater certainty and security to all our employees, customers and stakeholders. The EOH Group ERM philosophy drives the design and deployment principles of the enterprise-wide operational risk programme, which is based on the premise of "continuous learning drives root cause corrective action".

The significant risks are communicated to the Board, who carry ultimate responsibility. The identified enterprise risks, their likelihood of occurrence, severity if the risk materialises, mitigating control and the risk management outcomes are discussed on a regular basis. Risks are ranked and prioritised, ensuring a swift response and appropriate interventions should a risk materialise. No risks identified exceeded tolerance levels. Liquidity risks are managed on a short-term and long-term basis ensuring pairing of known cash in and outflows, with predictions of expected cash flows.

The Board is committed to increasing shareholder value by managing enterprise risks and opportunities within a pre-defined policy and operational framework. When considering new opportunities, the risk and reward is assessed in line with pre-defined definitions and criteria. The Board acknowledges that risks and opportunities are not always quantifiable and the Board member's experience and professional judgement will influence the risk appetite. Risks are reviewed quarterly and reported to the Audit Committee.

Ownership of Risk management

The Risk Committee is constituted as a Committee of the Board and chaired by a non-executive director. It is responsible for the risk management process.

The EOH Executive Committee ('EXCO') is the business sponsor for the risk programme. This operational body monitors and reviews the Group's risk management system and reports its findings to EOH's Chief Risk Officer on a regular basis.

Operational responsibility for execution of the programme and achievement of the agreed outputs is part of the responsibility of line ('BU') management and EOH shared services. Those responsible for the management of risks are also responsible for ensuring that the necessary operational controls are adequate and effective at all times.

ERM Objectives

The central driving principle in achieving Group ERM objectives is the consistent application of the ERM framework for the management of all types of risks across all EOH business units.

The core objectives are:

- To protect shareholder value through understanding and minimising the impact of uncertain future events and thus lowering the potential negative impact on the achievement of business objectives;
- To maintain one EOH Group (ERM) policy to ensure enterprise-wide management accountability for risk management;
- To provide an information platform for more effective Group strategic and operational planning;
- To enhance organisational resilience through maintaining an embedded enterprise risk management culture;
- To provide an information system to deal effectively with potential business disruptions thereby minimising the financial impact on the organisation; and
- To provide a structure and systematic process to learn from loss events and to put the necessary controls in place, to prevent the recurrence of such incidents.

ERM lines of defence

The "three lines of defence" that support the Board and the related subcommittees are as follows:

First line – operating divisional management

The Group's first line of defence are the senior executives and business unit managers who are directly responsible for EOH's business operations. They are accountable for:

- Managing day-to-day risk exposures by applying appropriate procedures, internal controls and Group policies;
- The effectiveness of risk management and risk outcomes;
- Allocating resources to execute risk management activities;
- Tracking risk events and losses, identifying issues and implementing remedial actions to address these issues; and
- Reporting and escalating material risks and issues to the Chief Risk Officer, Risk Committee or other governance bodies as deemed appropriate.

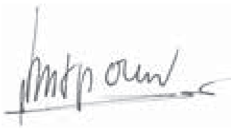
BU managers have the authority to manage risks within their approved mandates.

Second line – Chief Risk Officer (CRO)

The Chief Risk Officer ('CRO') is a member of EXCO and is accountable for the effectiveness of EOH's risk management function. The CRO reports to the CEO, and has direct and unrestricted access to the Risk Committee Chairman. He is responsible for developing Group-wide risk management policies, overseeing their implementation and reporting on risk issues to EXCO. The Risk Committee and the Board form a key component of this role.

Third line – assurance

The third line of defence comprises the Group's independent assurance functions that provide an independent and balanced view of all aspects of risk management (both first and second line of defence) across the Group to the various governance bodies within the Group.



Rob Sporen
Chairman, Risk Committee

25 November 2013

IT Governance Committee

Information technology remains a key and integrated part of EOH's business.

Composition

- Tshilidzi Marwala (Chairman)
- Lucky Khumalo
- Asher Bohbot
- John King
- Rob Godlonton
- Hendrick Mosopa

Roles and responsibilities

The role of the Committee is to focus on:

- The effectiveness of EOH's IT strategy;
- Evaluate and ensure that there is appropriate management capacity, resources and IT systems;
- Review the IT capital and operating budgets;
- The effectiveness of the documentation of systems, programming, network and IT operations; and
- Effective business continuity backup procedures for all significant IT activities.

Committee's activities

During the year, the Committee has been very active and accomplished the following:

- The alignment of the IT-Steering Committee (operational in nature) and the IT Governance committee (focused on governance);
- The Committee has formalised policies, standards and procedures;
- DRP and BCP processes have been formalised;
- The upgrade/reimplementation of the primary applications (Finance, HR, CRM);
- Establishment of cloud services;
- IT strategy;
- Assessment of IT risks;
- Standardisation of VOIP strategy; and
- Service-desk standardisation and integration.

The following focus areas have been identified:

- To ensure that EOH's technology platform remains reliable, resilient and scalable;
- Cloud computing;
- Mobile applications;
- Media and social communication;
- Next generation analytics; and
- Data security.

Attendance

The attendance at the committee meetings is indicated in the table below:

Member and Invitee	Designation	Status	Attendance
Tshilidzi Marwala	Member (Chairman)	Independent non-executive	2/2
Lucky Khumalo	Member	Independent non-executive	1/2
Asher Bohbot	Member	Executive	2/2
John King	Member	Executive	2/2
Rob Godlonton	Member	Executive	2/2
Hendrick Mosopa	Member	Executive	2/2

Remuneration and Nominations Committee

A Nominations Committee was established during the 2013 financial year and has been combined with the Remuneration Committee. The Committee is a statutory committee with a majority of independent non-executive directors whose duties are delegated to it by the Board of directors. A formal charter codifies the tasks and responsibilities of the Committee.

The Committee is responsible for ensuring that the principles and objectives set out in its charter are achieved and for advising the Board on the remuneration of executives and the Group as a whole. It is also responsible for the appointment of directors to the Board. It reviews the executive succession plan and the key skills required by the organisation.

The Committee is independent and oversees and makes recommendations to the Board on various matters for its consideration and final approval. The Committee does not assume the functions of management, which remains the responsibility of the executive directors, officers and other members of senior management.

Composition

The Committee consists of an independent non-executive chairman and two other independent non-executive directors, the Group CEO, Group FD and the Human Resources Director.

- Rob Sporen (Chairman)
- Lucky Khumalo
- Tebogo Skwambane
- Asher Bohbot (CEO)
- John King (FD)
- Pumeza Bam (HR)

Responsibilities

The Committee's responsibilities are to:

- Oversee the setting and administering of remuneration at all levels in the Group;
- Oversee the establishment of a remuneration policy to promote the achievement of strategic objectives and to encourage individual performance;
- Review the implementation of the remuneration policy;
- Ensure that the mix of fixed and variable pay, in cash, shares and other elements, meets the Group's needs and strategic objectives;
- Ensure that performance measures that govern the vesting of incentives are accurately recorded;
- Ensure that all benefits are justified and correctly valued;
- Consider the results of the evaluation of the performance of the CEO and other executive directors;
- Regularly review incentive schemes;
- Consider the appropriateness of early vesting of share-based schemes at the end of employment;
- Advise on the remuneration of non-executive directors; and
- Oversee the remuneration report to be included in the Integrated Annual Report.

During the year under review:

- The Company obtained the "2013 Survey of the Disclosures of Remuneration Policy by the Top 80 JSE-listed Companies" by PE Corporate Services (Pty) Ltd for consideration;
- Carried out its mandate as required;
- Reviewed and approved executive directors' remuneration for 2014/2015; and
- Reviewed non-executive directors remuneration for 2014/2015 which it recommends to shareholders for approval.

Attendance

The attendance at the Committee meetings is indicated in the table below.

Member and Invitee	Designation	Status	Attendance
Rob Sporen	Member (Chairman)	Independent non-executive	2/2
Lucky Khumalo	Member	Independent non-executive	2/2
Tebogo Skwambane	Member	Independent non-executive	1/2
Asher Bohbot	By invitation	Executive	2/2
John King	By invitation	Executive	2/2
Pumeza Bam	By invitation	Executive	2/2

Remuneration philosophy and policy

In complying with the principles of King III, the Committee assists the Board of directors in setting and administering the remuneration policy. The Remuneration policy is reviewed annually by the Committee. The Committee oversees compliance by the Company and its subsidiary companies with the principles set out in King III and the Companies Act in relation to the remuneration of directors.

Executive remuneration culture

The Committee is responsible for reviewing and approving the remuneration of directors and senior management as well as recommending the appointment of directors to the Board.

In determining the remuneration of directors and executives, the Committee aims to adhere to EOH's remuneration policy which is to provide appropriate remuneration packages to attract, retain and motivate directors and executives, whilst giving consideration to remuneration levels, both within and outside the Group. Such overall packages must be competitive as talent is mobile both locally and globally. To meet these objectives, the Committee takes advice from external remuneration specialists from time to time.

The Committee empowers the CEO to determine the remuneration packages of senior executives based on the guidelines agreed at the Committee meetings.

The Committee will determine the fixed remuneration of board members allowing the CEO discretion to determine incentives for executive directors based on specific performance criteria. Such overall remuneration must incentivise management to deliver sustained performance. The overall remuneration package consists of fixed remuneration, performance incentives and longer term incentive and retention mechanisms (share options).

The remuneration of directors is transparent and disclosed in the Integrated Annual Report.

EOH values and rewards individual contribution. Executive reward is therefore by its nature individualistic and performance based. Accordingly, there is a guaranteed component of an executive's remuneration with a variable component specific to each individual.

Executives and senior management also participate in EOH's share incentive scheme.

All permanent employees are members of a defined contribution provident fund scheme. The assets of the provident funds are managed independently and do not form part of the Group's assets. All permanent employees are required to belong to a medical aid scheme.

Remuneration structure of executives

The table below summarises the elements of the total remuneration package paid to executive directors in the 2013 financial year:

Element	Policy
Total cost to company ('TCTC') (includes salary, car allowance, retirement and medical aid contributions)	The Company generally pays TCTC in the upper quartile of the market taking into account the individual's skill and experience
Share Option Scheme	The Share Option Scheme gives directors and management the opportunity to participate in the growth of the Group. The share options lapse 10 years after issue.
Profit Share Incentive	Targets and KPIs are set for each executive. Bonuses are paid based on performance.

Salaries are reviewed each year. Changes in the scope and roles of individuals are considered. The CEO and Group FD and other executive directors are employed in terms of executive employment contracts.

The remuneration of the executive directors and senior management were reviewed and approved by the Committee. Employee salaries are approved by the CEO.

Total emoluments to executive directors and prescribed officers is detailed on page 101.

Non-executive directors

As suggested by King III, Board fees comprise both a retainer fee and an attendance fee.

Non-executive directors receive fees for their services as directors and for services provided as members of Board committees. The level of fees paid to non-executive directors is aligned to the market. The total remuneration payable to non-executive directors requires approval of shareholders at the Annual General Meeting. The last Annual General Meeting was held on 5 February 2013.

Total emoluments paid to non-executive directors

Period ended 31 July 2013	Board meetings	Audit Committee	Risk Committee	Remuneration and Nominations Committee	Social and Ethics Committee	IT Governance Committee	Total
Tshilidzi Marwala	115 500	7 000	5 000	5 250		8 000	140 750
Rob Sporen	115 500	10 500	10 000	10 500	10 500		157 000
Tebogo Skwambane	115 500	7 000	5 000	5 250			132 750
Lucky Khumalo	115 500			10 500		4 000	130 000
Mathews Phosa (resigned Nov 2012)	335 000						335 000
Total	797 000	24 500	20 000	31 500	10 500	12 000	895 500

Directors' shareholding

The aggregate beneficial holdings of directors of the Company and their immediate families in the issued ordinary shares of the Company is detailed on page 59.

Interest of directors in contracts

The directors have certified that they have no material interest in any transaction of any significance with the Company or any of its subsidiaries.

A register detailing directors' and officers' interest in the Company is available for inspection at the Company's registered address.

Directors' loans

Directors have no loans with the Company.

Appointment of Directors

In compliance with the King Report on Governance for South Africa for South Africa 2009 (King III), the Remuneration and Nominations Committee assists with the process of identifying and evaluating suitable candidates to be appointed to the Board.

The Committee considers the independence of the candidates, their experience, skills and demographics. All new appointments are subject to confirmation at the next Annual General Meeting.

Employee benefits

The table below details benefits provided to employees as part of TCTC.

Benefit	Detail
Retirement fund	Participation in the EOH Provident Fund is compulsory for all permanent employees. The Fund is a defined contribution fund.
Medical aid	It is a condition of employment with the Company that all permanent employees, unless otherwise covered as a dependant of a spouse's medical aid, join one of the Company's designated medical aid schemes.
Group personal accident cover	It is a condition of employment that all permanent employees participate in the Company's group risk cover. This includes cover for Group Life, Global Education Protector in the event of death for the life assured, Medical Premium waiver for a period of 12 months, Disability, Dreaded Disease and Family/Funeral Cover. There is also additional life cover available, this is voluntary.
Car allowance	Employees who need to use their motor vehicle during the course of their duties can elect to allocate a portion of their TCTC as a car allowance.

The role of the Committee in respect of director appointments is to:

- Ensure that the Chairman of the Board is an independent non-executive member;
- Ensure that the Board has the appropriate composition to deliver on its mandate;
- Appoint directors through a formal process:
  - Identify suitable Board members;
  - Carry out reference and background checks of candidates prior to nomination;
  - Formalise the appointment of directors;
- On-board and train directors on an ongoing basis;
- Ensure that formal succession plans for the Board, CEO and senior management appointments are in place;
- Ensure that directors receive regular briefings on changes in risks, laws and the environment in which the Company operates; and
- Consider the performance of directors and take steps to remove directors who do not contribute.

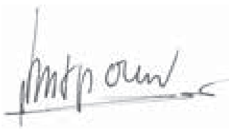
Actions during the current year:

- Fulfilled its mandate in all respects; and
- Oversaw the projects in respect of the appointment of the new Chairman and Non-Executive Directors.

Conclusion

The Committee met twice during the year under review. The Committee has conducted its affairs in compliance with the approved terms of reference.

The Committee is satisfied that the overall principles laid down by the King code of governance for South Africa (King III) and the Companies Act have been adhered to.



Rob Sporen
Chairman, Remuneration and Nominations Committee

25 November 2013

Social and Ethics Committee

The Social and Ethics Committee has been established in terms of Section 72 of the Companies Act.

Composition

- Rob Sporen (Chairman)
- Asher Bohbot (CEO)
- John King (FD)
- Pumeza Bam (HR)
- Adri Els (Company Secretary)
- Isobel Townsend (Divisional Director – Finance)

Roles and responsibilities

The Committee is responsible for monitoring the Group's activities relating to:

- Changes in legislation and Codes of Best Practice;
- Social and economic development;
- Good corporate citizenship, including the Group's:
  - promotion of equality, prevention of unfair discrimination and reduction of corruption;
  - contribution to the development of communities; and
  - recording of sponsorships and donations;
- The environment, health and public safety;
- Consumer relations, including the Group's advertising, public relations and compliance with consumer protection laws; and
- Labour and employment practices.

Actions during the financial year included the following:

- Reviewed the Committee's Terms of Reference;
- Promoted the Code of Ethics for adoption by the Board;
- Rolled out the Code of Ethics to existing and new employees;
- Trained members on Social/Ethical Governance;
- Reviewed compliance with BBBEE rating criteria; and
- Reviewed the Skills development plan, EE plan, Enterprise Development plan and CSI initiatives.

Transformation in South Africa

In South Africa, EOH continues its drive towards economic and social equity through the process of Broad-Based Black Economic Empowerment ('BBBEE'). Transformation is managed at an operational level and reported and monitored at Group level via our various reporting structures. The best measure of EOH's overall success is reflected in the Group's BBBEE rating. EOH has a level 2 contributor status under the South African Department of Trade and Industry ('DTI') Code of Good Practice – the highest rating of its peers on the JSE.

EOH's approach to BBBEE has progressed to a culture of change that is fully integrated into the business.

EOH will continue to train and develop its employees and management as part of its skills development and succession planning programme.

Attendance

During the year under review, the attendance at Committee meetings is indicated in the table below:

Member and Invitee	Designation	Status	Attendance
Rob Sporen	Member (Chairman)	Independent non-executive	2/2
Asher Bohbot	Member	Executive	2/2
John King	Member	Executive	2/2
Pumeza Bam	Member	Executive	2/2
Adri Els	Member	Executive	2/2
Isobel Townsend	Member	Executive	2/2

Corporate Governance report (continued)

Summary of DTI Codes scores for the Group

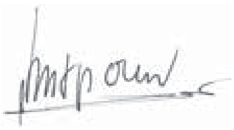
Element	Indicator	July 2013	July 2012
Management control	Percentage of black divisional executive directors	36%	36%
Employment equity	Percentage of black employees at senior management Percentage of black employees at middle management Percentage of black employees at junior management	24% 45% 75%	17% 27% 49%
Skills development	Skills development expenditure on learning programmes for black employees as a percentage of leviable amount Number of black employees participating in learnerships (category B, C and D) as a percentage of total employees	1,4% 676	0,5% 148
Preferential procurement	BBBEE procurement spend from all suppliers based on BBBEE. Procurement recognition levels as a percentage of total measured procurement spend	71%	89%
Enterprise development	Average annual value of all socio-economic development contributions and sector-specific programmes made by the measured entity as a percentage of net profit after tax ('NPAT')	6,4%	3,2%
Socio-economic development	Average annual value of all enterprise development contributions and sector specific programmes measured as a percentage of 'NPAT'	2,0%	1,4%
Ownership	Percentage of exercisable voting rights and economic interest of black people	36%	37%

Relationship with stakeholders

EOH is a strong proponent of transparency, best-practice disclosure, consistent communication and equal and timely dissemination of information to all stakeholders. Stakeholder engagement happens at a Group, divisional and business unit level and across a wide range of stakeholders. The process forms a major source of input for our sustainability reports.

The table below identifies each of EOH's key stakeholder groups and summarises their level of engagement and interaction:

Stakeholder and nature of relationship	Nature of engagement	Considerations	Actions
Shareholders, investors and analysts	• Investor meetings (one-on-one) • Investor open days • Internet updates/communications • Publication of results	• Group strategy • Group performance • Significant non-financial matters	• Continued inclusion of non-financial matters in Integrated Annual Report • Ongoing interacting with relevant investors and analysts
Employees	• Employment equity forums • Employee surveys • Healthy and safe environment • Performance appraisals • Employee benefits • Employee wellness	• Market related remuneration • Good employee relationships • Health and safety measures • Retention of staff	• Action the feedback from employees • Health and safety training • Identification of effective communication tools • Career path planning, training and development
Customers Large to medium enterprises	• Account Executives for strategic accounts • Customer visits • Customer service desks • EOH website	• 'Right 1st Time' delivery • Customer-centric ethos • Compliance with social, environmental and human rights standards • Compliance with the Consumer Protection Act • Partner for Life philosophy	• Monitoring of call lines and emails • Customer service improvements identified and actioned • 'Right 1st Time' programme
Suppliers	• Communication with key suppliers	• Clear communication channels • Long-term sustainable support of small black enterprises	• Supportive relationships with suppliers • Ongoing process to streamline logistics chain
Government, authorities and regulators	• Proactive interaction and communication at all levels • Compliance with relevant Acts and legislation	• Compliance with national authorities and regulatory requirements • Tax compliance • Employment Equity Plans • Government procurement and spend plans	• Proactive consultation as required • Compliance with all required laws and regulations
Environment	• Consider environmental impact of actions taken • Ensure sustainability of the environment	• Reduction in energy, fuel, water and paper usage • Recycling opportunities identified	• Business strategies to reduce wastage and increase recycling • CAPEX spend includes a commitment to improve energy efficiencies • Staff awareness of sustainability issues
Communities Including community based and non-Governmental organisations	• Job creation initiatives • CSI initiatives • Donations to community projects • EOH engages directly with local communities	• Employment opportunities • Social and educational initiatives • Enterprise development	• CSI strategy – to support worthy causes focused on education and wellness • Support of community-based projects • Enterprise Development Trust



Rob Sporen

Chairman, Social and Ethics Committee

25 November 2013

Application of the 27 King III Principles

Principle reference (Chapter 2)	Principle	Committee	Response
2.1	The Board should act as the focal point for and custodian of corporate governance.	Board	Applied
2.2	The Board should appreciate that strategy, risk, performance and sustainability are inseparable.	Board Social and Ethics Committee Audit Committee Risk Committee	Applied
2.3	The Board should provide effective leadership on an ethical foundation.	Risk Committee	Applied
2.4	The Board should ensure that the Company is and is seen to be a responsible citizen.	Board Social and Ethics Committee Risk Committee	Applied
2.5	The Board should ensure that the Company's ethics are managed effectively.	Board Social and Ethics Committee	Applied
2.6	The Board should ensure that the Company has an effective an independent audit committee.	Board Audit Committee	Applied
2.7	The Board should be responsible for the governance of risk.	Board Audit Committee Risk Committee	Applied
2.8	The Board should be responsible for information technology (IT) governance.	Board IT Governance Committee	Applied
2.9	The Board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	Board Social and Ethics Committee	Applied
2.10	The Board should ensure that there is an effective risk-based internal audit.	Extensive use of external auditors Extensive external audit review of new businesses joining EOH Rotation of compliance/substantive audits of business units	Applied
2.11	The Board should appreciate that stakeholders' perceptions affect the Company's reputation.	Board	Applied
2.12	The Board should ensure the integrity of the company's integrated report.	Board Audit Committee	Applied
2.13	The Board should report on the effectiveness of the company's system of internal controls.	Board Audit Committee	Applied
2.14	The Board and its directors should act in the best interests of the Company.	Board	Applied
2.15	The Board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financial distressed as defined in the Companies Act.	Board	Applied

Application of the 27 King III Principles

Principle reference (Chapter 2)	Principle	Committee	Response
2.16	The Board should elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfil the role of chairman of the board.	Board Remuneration and Nominations Committee	Applied
2.17	The Board should appoint the CEO and establish a framework for the delegation of authority.	Board Remuneration and Nominations Committee	Applied
2.18	The Board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent.	Board	Applied
2.19	Directors should be appointed through a formal process.	Remuneration and Nominations Committee	Applied
2.20	The induction of and ongoing training and development of directors should be conducted through formal processes.	Board	Applied
2.21	The Board should be assisted by a competent, suitably qualified and experienced company secretary.	Board Remuneration and Nominations Committee	Applied
2.22	The evaluation of the Board, its committees and individual directors should be performed every year.	Board Risk Committee Audit Committee Social and Ethics Committee IT Governance Committee Remuneration and Nominations Committee	Applied
2.23	The Board should delegate certain functions to well-structured committees but without abdicating its own responsibilities.	Board and various Board committees	Applied
2.24	A governance framework should be agreed between the Group and its subsidiaries boards.	Board Risk Committee	Applied
2.25	Companies should remunerate directors and executives fairly and responsibly.	Remuneration and Nominations Committee	Applied
2.26	Companies should disclose the remuneration of each individual director.	Remuneration and Nominations Committee	Applied
2.27	Shareholders should approve the company's remuneration policy.	Remuneration and Nominations Committee	Applied

Full details of the 75 principles are disclosed on the EOH website.

Sustainability report

EOH is now the strongest IT player in South Africa with over 6 000 people, 3 500 customers, good brand, strong reputation for delivery and a very healthy financial standing. EOH has the widest range of end-to-end solutions in our industry.

CEO's message

At EOH, we always emphasise the importance and centrality of people. We believe that our business will succeed or fail based on the strength of our people. Taking care of our people is important if we are to retain the talent required to contribute to the growth of the Group. Most of the people that started the business with me are still part of our team, which is key to our success in attracting and retaining the best people.

When we refer to our people, we not only refer to our employees, but also to their immediate families. They include the shareholders of the Company and their families. They include the communities in which our business activities are performed. They include the poorest amongst us, the sick amongst us, the children who have lack of access to quality education, and more. To us, sustainability refers to how we as a business are able to respond to these people in a genuine and caring manner. This we do, because without people, we will not have a business and we will not enjoy profits.

Our business performance over the past year has seen EOH again register impressive revenue and profit growth, providing excellent financial and economic sustainability for the business. Our organic growth was augmented by a number of businesses that joined us which has allowed EOH to strengthen and broaden its service offering.

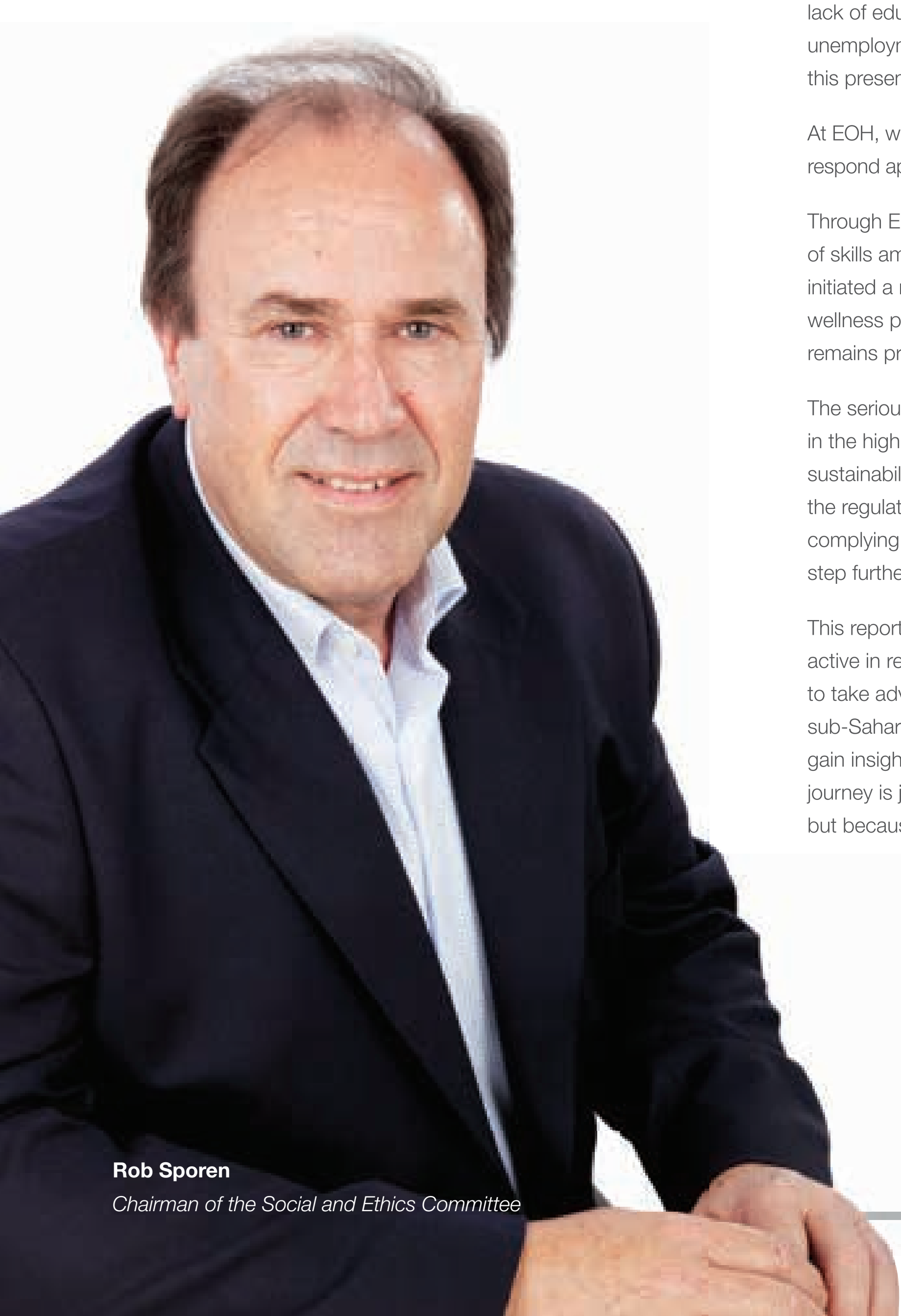
With increased economic prosperity, we are able to take better care of our people and the environment in which we live.

Job creation is one of our priorities at EOH and we have continued to invest in our EOH Youth Job Creation Initiative, which promotes the employment of young people. We believe that business in South Africa should function slightly differently from business elsewhere in the world as we have the added responsibility of creating create more jobs.

Asher Bohbot – *Chief Executive Officer*

We have increased the number of beneficiaries in our schools support programme and have increased our HIV testing programme and other social programmes. We have also improved our environmental awareness programme. In the coming year, we will continue to invest in our job creation, CSI and Enterprise Development initiatives. We will also be conducting various environmental audits with the aim of further reducing our impact on the environment.

Our people are critical and we will continue to take care of our people. As our sustainability journey matures, we look forward to growing our business and improving the lives and living conditions of our people and our planet.



Rob Sporen
Chairman of the Social and Ethics Committee

Chairman of the Social and Ethics Committee's message

The Social and Ethics Committee was constituted by the Board on 23 January 2013. The Committee is responsible for developing and reviewing the Group's policies with regard to the commitment, governance and reporting of the Group's sustainable development performance.

The Social and Ethics Committee held two meetings during the year, attended by all members. The Committee is satisfied with the Group's progress in the different areas and with the social and ethics plans for the 2014 financial year. The Committee is aware that its function will continue to evolve as it addresses all the responsibilities within its mandate.

Poverty levels in South Africa remain high, while unemployment is also on the rise. Productivity levels remain one of the key challenges facing the South African economy. All the above challenges result from the lack of education. With poor education, job prospects are few and unemployment is likely to remain high. The country needs skills and this presents business with the challenge of having to skill resources.

At EOH, we view sustainability as our ability to be relevant and to respond appropriately to economic, social and environmental elements.

Through EOH's initiatives, we have contributed to the development of skills among previously disadvantaged individuals. We have initiated a massive job-creation drive, implemented a health and wellness programme and we continue to ensure that the business remains profitable.

The seriousness with which EOH takes sustainability is reflected in the high level coordination, responsibility and accountability of sustainability programmes from the top structures of the EOH. Beyond the regulatory requirements of establishing board sub-committees and complying with the BBBEE codes of good practice, EOH has gone a step further by being a good corporate citizen.

This report reflects and represents the efforts that EOH has taken to be active in responding to societal challenges, while growing its business to take advantage of emerging opportunities in South Africa and sub-Saharan Africa. Sustainability is a journey and we continue to gain insights and refine our sustainability approach and practices. This journey is just beginning and we will do it – not because we have to – but because we want to and it is the right thing to do.

Sustainability reporting

This report describes EOH's sustainability initiatives from an environmental, social and economic perspective for the period ended 31 July 2013.

It has been prepared in accordance with the Global Reporting Initiatives ('GRI') guidelines. This is the third year that EOH has produced a sustainability report conducted in accordance with the GRI guidelines.

During the year, EOH collated relevant sustainability data from all its businesses for the development of this report with the assistance of CoZero, a company specialising in sustainability measurements and reporting.

Sustainability strategy

EOH's sustainability philosophy is informed by EOH's desire to be in business forever. EOH appreciates that in order to be in business, it has to frequently ask the question *"Why are we relevant?"* Relevance underpins EOH's sustainability approach.

EOH's sustainability strategy includes environmental, social and economic actions and initiatives. This sustainability report focuses predominantly on issues that EOH regard as important and material for its stakeholders and for the environment.

Sustainability resonates with EOH's core approach to business, namely understanding what people want, what they feel and what they need. EOH then creates a business and an environment that fulfils those needs. Its strategy is to create a sustainable environment and to ensure that its own impact is positive and sustainable in respect of the three 'P's – Planet, People and Prosperity.

Some of EOH's achievements

- Grown to over 6 000 people thus playing a part in creating sustainable jobs.
- 620 trainees participated in a year-long graduate and school leavers' programme in 2012. 600 more interns and learners to participate in the 2013/2014 programme.
- BEE Procurement Recognition of 156% as a Value Adding Vendor.
- Recognised as a Level 2 contributor to Broad-Based Black Economic Empowerment.
- Spent R6.5 million on CSI during the financial year.
- Established a funding trust for Enterprise Development that provides financial assistance in the form of loans and support for Enterprise Development initiatives.
- Spent in excess of R18 million on the intern/learnership programme.
- Spent more than R16,5 million on Enterprise Development initiatives.

EOH concentrates its efforts in the following areas:

Planet

EOH conducts business in an ethical manner that respects and protects the environment, paying attention to:

- Energy saving;
- Water resource optimisation; and
- Reduced travelling.

People

- Skills development for employees;
- Upholding best labour relations practices;
- Contributing to meaningful job creation; and
- Supporting health and wellness.

Prosperity

- EOH provides the technology, knowledge, skills and organisational ability, critical to Africa's development and growth; and
- Ensures that profitable growth is sustainable.

Sustainable Governance at EOH

EOH is committed to all of its stakeholders, which includes shareholders, customers, suppliers, lenders, the community and employees.

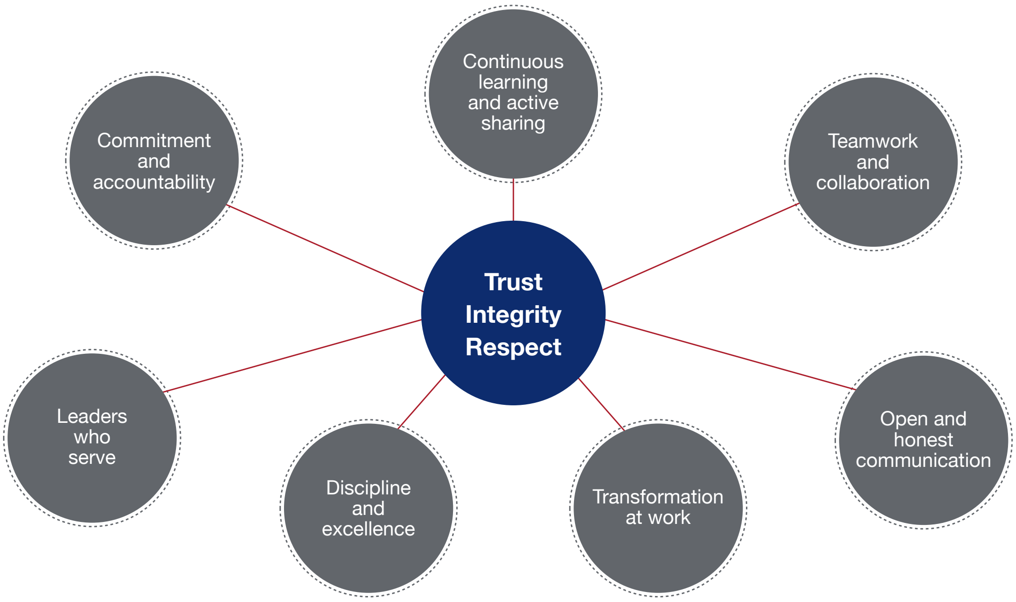
The Social and Ethics Committee is responsible for answering the question, *"What is the social, economic and environmental impact of EOH doing business?"* There are various committees that focus on various aspects of sustainability.

Further details on EOH's Corporate Governance structures and initiatives can be found in the Corporate Governance Report.

Ethics and core values

EOH is a responsible corporate citizen and all employees are required to adhere to EOH's Code of Ethics and Work Life Constitution. A culture of individual employees assuming personal responsibility for their actions is encouraged, as is a culture of full disclosure. A Code of Ethics has been formally adopted by the Board and has been rolled out to all its management and staff.

The core values contained in EOH's Code of Ethics are depicted in the figure below:



These simple, but essential core values, together with local and international laws, are adhered to by EOH in its support and respect of human rights. These values also ensure that EOH is not complicit in any form of human rights abuse. Any form of discrimination, whether against gender, race, employment or occupation, is not tolerated and is dealt with within the normal disciplinary procedures. EOH promotes a zero tolerance policy regarding any unethical behaviour, which includes corruption, extortion and bribery.

Stakeholders

Understanding what people want, feel and need cannot be achieved without engaging with stakeholders. The stakeholder engagement process is core to EOH's business strategy and business objectives. The EOH Group has regular contact with its people, customers, consumers, suppliers, investors, Non-Government Organisations ('NGOs') and official bodies and is receptive to their expectations and views. Open and continuous dialogue helps the Group gain an understanding of stakeholder expectations and raises EOH's awareness and commitment.

The financial value generated by EOH benefits a long line of stakeholders. This includes employees in the form of salaries and other benefits, the state and municipalities in the form of tax revenues, suppliers in the form of payments for goods and services delivered, customers and consumers in the form of high-quality products and services, and shareholders in the form of dividends and share appreciation.

EOH's involvement in community projects contributes to local economies, and as a leading Black Economic Empowerment ('BEE') Group, its operations in South Africa and other emerging markets, helps these regions develop economically.

Customers

EOH delivers high-quality products and services to its clients that fulfil their needs and expectations. This is ensured through EOH's 'Right 1st Time' quality programme.

Suppliers

EOH strives to maintain long-term relationships with its suppliers to guarantee high quality and financial stability for both parties.

Employees

EOH and its businesses have over 6 000 employees to whom it pays salaries. As a principle, the Group pays competitive remuneration to its employees and provides various other benefits to its employees, including contributions to life assurance, healthcare, disability cover and retirement.

EOH employees are offered the opportunity to develop their skills and to benefit financially within the Group. The Group invests significant resources in training and development to enhance the employees' skills, enabling them to build a career at EOH.

Society

Building a prosperous South Africa through improved education

EOH, as a provider of business and technology solutions across a vast range of industries, understands that education is paramount in building a prosperous South Africa.

It is for this reason that EOH undertook to support the Maths Centre for Professional Teachers ('MCPT'), more commonly referred to as the Maths Centre, which is aimed at supporting the teachers of maths and science. This is the fourth year that EOH has supported this initiative.

EOH supports 10 schools in the MCPT project, which touches over 85 teachers and over 6 000 learners in schools based in Katlehong and Thokoza. EOH further supports three schools with special needs benefiting over 14 teachers and 1 050 learners. Their credo *"I respect mathematics, I respect science and I respect myself",* demonstrates the interconnectedness of social responsibility, the private sector, education and sustainability. EOH believes that partnerships such as these, involving the private sector, teachers, learners and the community, contribute significantly to developing young South Africans. An education in science and mathematics opens doors to the future. The programme aims to:

- Ensure curriculum coverage in each grade;
- Identify teacher gaps and improve teachers' conceptual knowledge;
- Enhance teaching and learning methodologies;
- Supply textbooks and other materials to schools;
- Identify learner gaps and develop plans to improve their understanding;
- Maximise use of teaching time;
- Create effective and conducive learning environments;
- Ensure ongoing quality assessment tasks; and
- Improve the assessment of learners.

CEO, Asher Bohbot says, "Maths and science are needed to give an individual access to the formal job sector. The Maths Centre programme offers a long-term solution to the maths and science shortage prevalent in South Africa, making it a natural programme for EOH to support."

Creating meaningful employment

EOH has continued with its EOH Youth Job Creation Initiative to address the millions of unemployed people in South Africa.

CEO of EOH, Asher Bohbot states:

"In South Africa, business must have a much broader role, which must include the well-being of society. The interesting thing is that this kind of thinking is not in conflict with shareholder interests. It is harder to run a successful business in a failing society"

EOH believes that Government alone cannot shoulder this responsibility. Business has the capacity and capability to do more and unemployment poses a major business risk. EOH is working with its top 300 customers and business partners to create more jobs and to develop and train young people. EOH is also working with existing Government departments to mobilise existing and new job creation initiatives.

EOH also has its own learnership/intern programme and 600 individuals participated in this programme during 2012/2013. These learners/interns have developed life and work skills through an intensive training programme focused on preparing them for the challenges of a professional environment. This programme will in future be run over three years with almost every participant guaranteed full-time employment at the end of the programme at either EOH or one of its clients.

EOH has its own in-house academy, to train matriculants, graduates and its own employees to plug "knowledge gaps". Through this academy, EOH develops young people with IT and other skills. EOH also has a number of training companies to assist EOH's clients in developing their staff. EOH currently presents 125 SETA-accredited courses.

Joining the fight against HIV and Aids and other chronic diseases

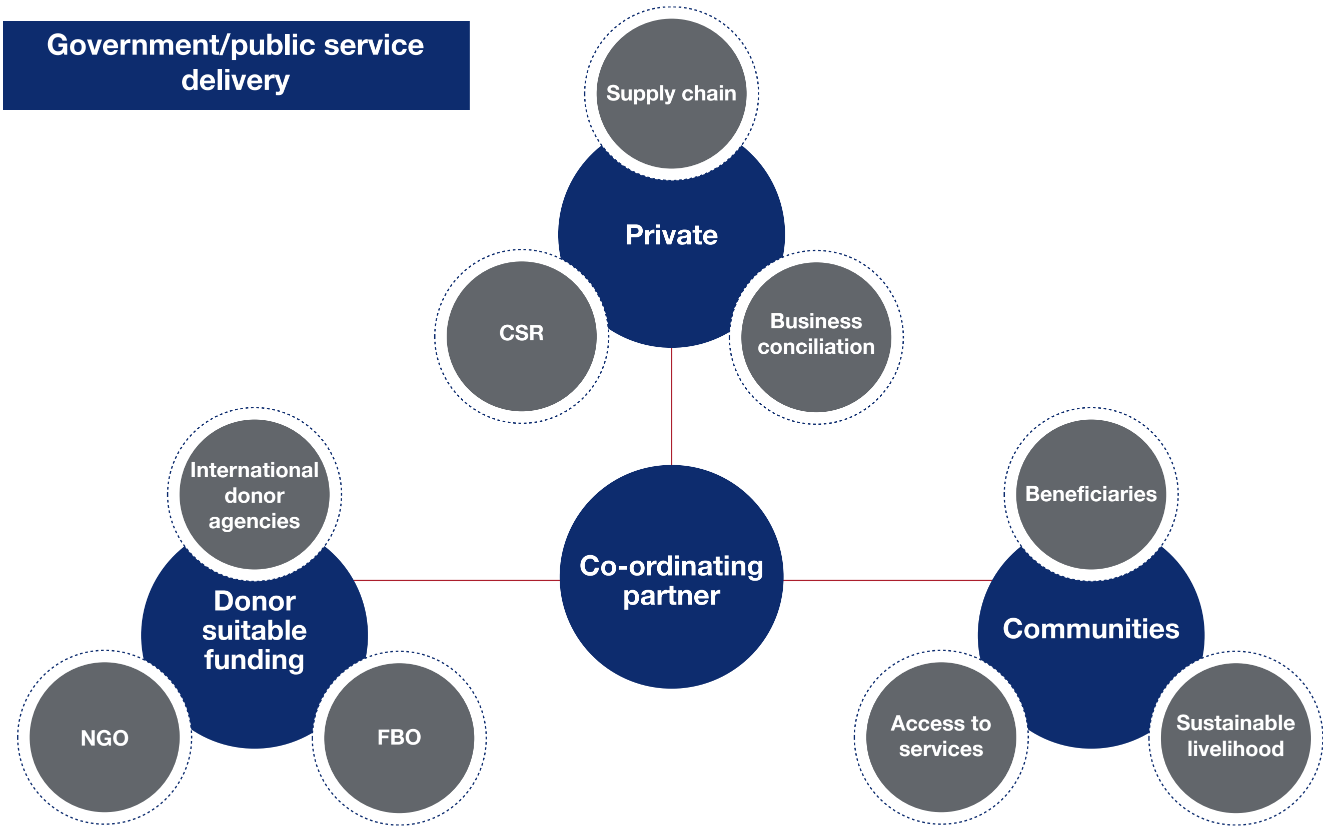
During 2013, an ambitious community wellness screening initiative was undertaken by EOH. In support of the government's HIV Counselling and Testing Campaign ('HCT'), the South African Business Coalition on Health and Aids ('SABCOHA'), EOH Workplace Health, Pinnacle Health and some of EOH's blue chip clients, EOH developed a blueprint for how the corporate sector could improve the health of citizens living in impoverished communities. A further benefit was that a model was developed on how the private sector and Government could establish meaningful public-private partnerships to respond to communicable and non-communicable diseases in South Africa.

The EOH screening initiatives and projects in 2012/2013 were a combined private and public partnership that gave 15 341 people the opportunity to have their health screened for non-communicable diseases and 13 876 people to test their HIV status. EOH focused on the Soshanguve community, Umlazi Ward 87 and the Umlazi Section D clinic.

Screening in the private sector included the financial industry (43% of total participants), manufacturing and construction industry (19%) and Public Sector (38%).

Below is a schematic representation to show how members of the business coalition (including EOH) collaborate with other key stakeholders including Government and non-governmental organisations in the fight against HIV and Aids.

The illustration shows how EOH is playing its part in assisting the Government and rural communities to take services to the people. More specifically, EOH is working with SABCOHA and other members of the business coalition towards strengthening healthcare delivery systems within communities in a sustainable manner.



Environmental, social and economic performance

EOH has identified a number of areas and is actively managing each of these.

	Issue	Description of Issue	Response
Environmental responsibility	**Waste management**	Avoidance, minimisation, management and disposal of general and hazardous waste.	▲ All hazardous IT waste is responsibly disposed of or recycled. Paper waste is recycled. Processes are being developed to sort, monitor and recycle general waste.
	Energy and greenhouse gases	Improve energy efficiency. Promote renewable energy usage.	▲ Developing an energy and greenhouse gas data collection and monitoring system. Buildings are systematically being 'greened'.
Social responsibility	**Education**	Improving the level of education.	▲ Ongoing funding of maths and science training, to ensure that we equip school leavers with the necessary skills. ▲ EOH Academy.
	Job creation	Unemployment is at the core of our societal issues.	▲ EOH Youth Job Creation Initiative. ▲ To date over 620 graduates and school leavers have been assisted by the 2012/2013 programme, of which 450 have been permanently employed by EOH. ▲ A further 600 will participate in the 2013/2014 programme.
	Healthy employees and society	High prevalence of HIV and TB in South Africa, specifically in lower income households.	▲ EOH health has screened over 15 000 people in the past year for HIV and TB and has partnered with government in the fight against HIV.
	Training and development	Initiatives to increase education of employees.	▲ Continuous training and development of employees is provided through the EOH Academy. ▲ Financial assistance is also available to employees who wish to enhance their career paths. ▲ Learnership Development programme.
	Employment equity	Achieving and exceeding regulatory and legislative targets.	▲ EOH has achieved a BBBEE Level 2 – highest in its sector.
Economic sustainability	**Economic value generated and distributed**	Transparency in disclosure to stakeholders.	▲ This Integrated Annual Report clearly indicates revenue, operational costs, taxes paid to the fiscus, interest payments, payments to employees and retained income. ▲ Detailed financial results are shown in the Annual Financial Statements.

Environmental responsibility

The Group complies with all applicable environmental legislation. All fossil fuel consumption, purchased electricity and various other sources of emissions are included in its data collection framework. Each new business that joins EOH automatically becomes part of the data recording process.

EOH has taken an active role in the fight against climate change. All its businesses collect energy and emissions data on an annual basis and respond to the Carbon Disclosure Project.

EOH has acquired businesses that focus on energy measurement and management and water efficiency. This will enable EOH to measure its own energy and water consumption which will have a positive impact on EOH's carbon footprint and climate change initiatives.

Environmental data

Indicator	2013	2012	2011
Scope 1 emissions (tonne CO_2e)	**3 412**	2 847	261,3*
Scope 2 emissions (tonne CO_2e)	**9 477**	4 932	4 221
Scope 3 emissions (tonne CO_2e)	**2 350**	4 664	4 328
Fuel consumption diesel (litres)	**356 339**	191 396	113 520
Fuel consumption petrol (litres)	**1 078 552**	1 008 916	Unknown
Electricity consumption (kwh)	**9 573 153**	4 981 922	4 098 673
Estimated business air travel (passenger kms)	**9 979 637**	8 030 716	8 891 210
Employee travel in personal cars for business purposes (kms) (tonne CO_2e)	**324**	3 884	3 176
Employee travel in personal cars for business purposes (diesel litres)	**330 082**	267 727	Unknown
Employee travel in personal cars for business purposes (petrol litres)	**1 032 844**	936 805	Unknown
Business travel in rental cars (kms)	**658 941**	484 976	231 026*
Paper consumption tonnes (estimated)	**19,9**	83,2	Unknown
Water consumption (kilolitres)	**6 906**	13 242	1 112*
Emissions intensity (Scope 1 and 2 Emissions/# FTE)	**2,3**	1,7	1,3

* Based on limited information.

Social responsibility

EOH is certified as a Large Enterprise Level 2 Contributor (AA Rating) with BEE Procurement Recognition of 156% as a Value Adding Vendor. EOH realises that the private sector is key to the Government fulfilling its transformation goals.

EOH has demonstrated its commitment to transformation by embarking on a youth job creation programme in 2012 and through its continued support for the Maths Centre for Professional Teachers over the past four years. EOH has also been supporting several businesses as part of its enterprise development programme.

EOH's black shareholding is in excess of 36%, of which 6,9% are black women. 64% of the board members are black and 45,6% of EOH's senior, middle and junior management staff are black.

EOH focuses on maximising employee abilities through training and education, respecting individual integrity and human rights, offering fair pay and advancement opportunities, and maintaining a safe and healthy workplace with open and honest communication.

Health and Safety Committees are set up regionally with trained health and safety representatives. EOH continuously pursues health and safety activities that aim to reduce the risk of accidents and reinforce safety awareness, thereby also increasing productivity. Efforts in this area are based on national legislation and industry standards. Health and Safety initiatives, such as First Aid kits at all locations, staff trained in first aid techniques and incident registers are in place. EOH has a Health and Safety Manager responsible for ensuring compliance with all relevant health, safety and environmental legislation.

EOH feels that, as a South African enterprise, it has the responsibility to actively contribute the knowledge and the resources that it has to improving Public Sector delivery. EOH believes that it is able to add value and contribute to improving the service delivery in the health and education sectors, municipalities and other government departments.

Economic sustainability

Economic sustainability is critical to attract and retain customers, employees and investors. Sustainability initiatives increase the value of the Group by leveraging opportunities and managing risks from a financial, social and environmental perspective.

Over the past year, EOH has grown in all areas of its business and the business today is one of the strongest players in the market. The IT industry is still a growth industry and the adoption of technology in all aspects of life is there for all to see. EOH continues to take market share by growing both organically and through businesses joining EOH.

EOH aims to be in business forever, thus the notion of sustainability is deeply entrenched in its daily operations. EOH is ethical and strives to be a relevant force for good and to play a positive role in society, beyond normal business.

EOH has developed a strategy for growth in the rest of the African continent, to maximise from the opportunities presented by Africa's growing economy. EOH's approach is one that responds to the uniqueness of each of the countries in the rest of the continent, instead of using a one-size-fits-all approach.

Transformation

Commitment

EOH is committed to the empowerment of those who have been economically marginalised and previously disadvantaged through discriminatory practices. EOH does not discriminate and creates a work environment that promotes equal opportunities for all. This will ensure that the future environment within which we work reflects the demographics of South African society. EOH acknowledges and accepts that it has an important role to play in normalising society through positive intervention programmes.

Ownership

EOH is a listed Company with shares held by private individuals and public entities alike. The combined effect of the merger of black-owned companies and the Mthombo Empowerment Trust for black employees has contributed to EOH's black shareholding of 36%. EOH will continue to strive to improve this percentage.

Management and control

EOH has a Board consisting of 12 directors. There are seven non-executive directors – one white and six black members, of whom two are female. There are five executive directors – three white and two black members, of which one is a female. The participation by black directors is quantified at 66% and the participation by black female directors is 17%.

Employment equity

EOH complies with the requirements of the Employment Equity Act and currently has a total PDI staff complement of 53%.

Skills development

EOH's skills development policy, implemented at operational level by each business unit, meets the aims and objectives of the Skills Development Act.

The total cost of skills development for black people, adjusted using the gender recognition was R48 million.

EOH had 620 black trainees on training programmes during the last financial year. 600 more trainees have been recruited for 2013/2014.

The EOH Academy, accredited through the Services SETA, plays a vital role in developing employees. Employees also attend external training programmes and seminars in line with their functional requirements. EOH continually strives to improve its employees' skills and competencies, once again entrenching the philosophy that it is the people within a business who make things happen.

Preferential procurement

EOH has developed and implemented policies and procedures to increase and maintain procurement from black-owned and black-controlled enterprises. EOH spent 48% of its procurement on suppliers with a BBBEE status varying from level 1 to level 8 and the weighted BEE procurement spend equated to 53,5% of total measured procurement spend.

Enterprise development

Enterprise development means monetary and non-monetary contributions made to beneficiary entities, with the objective of contributing to the development, sustainability, financial and operational independence of those beneficiaries. Total Enterprise Development contributions by EOH totalled R16.5 million.

EOH has established an Enterprise Development Trust which facilitates Enterprise Development funding to small enterprises. The object of the trust is to take reasonable measures to ensure that benefits are transferred to beneficiaries through the effective and efficient use of available resources.

Corporate social investment

EOH supported many organisations during the year under review, these organisations and programmes have been highlighted throughout this report. Through these upliftment programmes a much larger group of people have benefited.

EMPOWERLOGIC
Your Logical Empowerment Solution

Broad Based Black Economic Empowerment Verification Certificate

Issued to

EOH Holdings Limited

Level 2 Contributor

Measured Entity	
Company Name	EOH Holdings Limited
Registration Number	1998/014669/06
VAT Number	4180202386
Address	Block D, EOH Business Park Gillooly's View Osborne Lane Bedfordview, 2007

BEE Status	
BBBEE Status Level	Level 2
Element Points Obtained	EO: 21.76 points; MC: 9.26 points; EE: 3.27 points; SD: 12.64 points; PP: 15.83 points; ED: 11 points; SED: 12 points
Black Ownership	36.19% Black Ownership; 6.91% Black Women Ownership
Value Adding Vendor	Yes
BEE Procurement Recognition	156%
Issue Date	12/11/2013
Expiry Date	11/11/2014
Certificate Number	ELC4016GENBBICT
Version	Final
Applicable Scorecard	ICT - Generic
Applicable BBBEE Codes	ICT Code Gazetted on 6 June 2012

BEE Procurement Recognition Levels

Level	Qualification	%
1	≥ 100 Points	135%
2	≥ 85 but < 100	125%
3	≥ 75 but < 85	110%
4	≥ 65 but < 75	100%
5	≥ 55 but < 65	80%
6	≥ 45 but < 55	60%
7	≥ 40 but < 45	50%
8	≥ 30 but < 40	10%
Non-Compliant	<30	0%

EmpowerLogic (Pty) Ltd
Reg. No. : 1995/000523/07
BBBEE Verification Agency

Per E Ackroyd CA(SA)
Member - Verification Committee

Enquiries

Tel:
086 111 4003

Fax:
086 505 7284

verification@empowerlogic.co.za

www.empowerlogic.co.za

SANAS Accredited sanas
BVA018

This certificate is the result of an independent and impartial verification of the BBBEE status of the measured entity measured against the Codes of Good Practice on Broad Based Black Economic Empowerment. The objective of our verification is to verify the validity and accuracy of the BBBEE status represented by the measured entity. EmpowerLogic is not responsible for ensuring completeness of information provided to support the BBBEE status.

Employee relations

The Group provides equal employment opportunities and has a strong culture of internal promotion and upliftment of its people.

The Employment Equity Plan is compiled in consultation with employee representatives and is lodged with the Department of Labour in line with the required reporting dates each year. The major objectives adopted in this plan are:

- The promotion of equal opportunities and fair treatment of employees; and
- The promotion of affirmative action measures to redress any disadvantages in South Africa's employment practices of the past.

The Employment Equity Committee monitors the implementation of the plan. The training and development of employees from the designated groups form an important component of the plan.

The Group has an established and well-recognised policy of encouraging employee involvement on a wide range of issues. Various participative structures are designed to achieve good employer/employee relationships through effective sharing of relevant information. The purpose is to ensure that all employees are afforded equal opportunity based on ability and merit.

Independent Auditors' report

Independent auditors' report to the shareholders of EOH Holdings Limited

We have audited the financial statements of EOH Holdings Limited which comprise the consolidated and separate statements of financial position as at 31 July 2013, and the consolidated and separate statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 64 to 112.

Directors' responsibility for the consolidated financial statements

The Company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards, and the requirements of the Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated and separate financial position of EOH Holdings Limited as at 31 July 2013, and its consolidated and separate financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 31 July 2013, we have read the directors' report, the Audit Committee's report and the Group Company Secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Mazars (Gauteng) Inc.

Mazars (Gauteng) Inc
Registered Auditors
Chartered Accountants (SA)
Registration number 2000/026635/21

Director: S Ranchhoojee

Johannesburg
25 November 2013

Directors' responsibility statement

The directors of the Group are responsible for the maintenance of adequate accounting records and the preparation and integrity of the Annual Financial Statements. The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the Companies Act. The Group's independent external auditors, Mazars (Gauteng) Inc, have audited the Annual Financial Statements and their unmodified report appears on page 52.

The directors are also responsible for the systems of internal control which are designed to provide reasonable, but not absolute, assurance as to the reliability of the Annual Financial Statements, to adequately safeguard, verify and account for assets, and to prevent and detect material misstatement and loss. The systems are implemented and monitored by suitably trained personnel. There is appropriate segregation of authority and duties.

Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year.

The Annual Financial Statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that the Group will not remain a going concern for the foreseeable future.

The directors' report and Annual Financial Statements set out on pages 64 to 112 were approved by the Board of Directors on 25 November 2013 and are signed on its behalf by:

Asher Bohbot
Chief Executive Officer

25 November 2013

Rob Sporen
Non-executive Director

25 November 2013

Certification by the Group Company Secretary

In terms of Section 88 (2)(e) of the Companies Act, I certify that to the best of my knowledge and belief, the Company and the Group has lodged with the Companies Intellectual Property Commission, for the financial year ended 31 July 2013, all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

Adri Els
Group Company Secretary

25 November 2013

Report of the Audit Committee

The Audit Committee ('the Committee') comprises Rob Sporen (Chair), Tebogo Skwambane and Prof Tshilidzi Marwala, who are all independent non-executive directors of the Company. The Committee is satisfied that it has performed all the functions required to be performed by an Audit Committee as set out in the Companies Act and the Committee's terms of reference.

The Committee has satisfied itself through enquiry that the auditor of EOH Holdings Limited is independent as defined by the South African Companies Act, 2008 (Act 71 of 2008), as amended.

There is a formal procedure governing any non-audit services performed by the external auditor.

During September 2013, the Group's auditors PKF (Gauteng) Inc, merged with Mazars South Africa. Consequently the firm's name changed from PKF (Gauteng) Inc to Mazars (Gauteng) Inc. The Committee recommended the re-appointment of the current auditors for the 2014 financial year. Such appointment is subject to the approval of shareholders at the Annual General Meeting to be held in February 2014. Sanjay Ranchhoojee is to be assigned as the designated audit partner of EOH Holdings Limited.

The Audit Committee is satisfied with the effectiveness of the internal controls and the experience and expertise of the Group's finance function.

The Committee has also considered and has satisfied itself that the Group Financial Director, John King, has the appropriate expertise and experience to fulfil his role.

The Audit Committee has reviewed the Integrated Annual Report and has recommended the report to the Board for approval.

Rob Sporen
Chairman of the Committee

25 November 2013

Directors' report

Directors' report

The directors have pleasure in submitting their report on the activities of the Company and the Group for the year ended 31 July 2013.

Nature of business

EOH is one of the largest ICT services providers in South Africa and is committed to providing the technology, knowledge, skills and organisational ability critical to Africa's development and growth. EOH has been listed on the JSE Limited ('JSE') since 1998 and has consistently delivered strong financial results.

EOH provides a full range of end-to-end service offerings. EOH is the largest implementer of enterprise applications solutions and has a wide range of outsourcing, cloud, managed services and Business Process Outsourcing ('BPO') solutions. EOH's 6 000 staff members deliver these services to customers across all major industries with a focus on the financial services, telecommunications, public sector, mining, manufacturing and retail sectors.

EOH operates in South Africa, Africa and the UK and has over 120 points of presence in South Africa.

EOH is a Level 2 contributor and has the highest BBBEE rating of its peers on the JSE.

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 practice

Basis of preparation

The audited consolidated results for the year ended 31 July 2013 have been prepared by the Group Financial Director, John King, CA(SA), in accordance with International Financial Reporting Standards ('IFRS'), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the Companies Act.

The accounting policies and methods of computation applied in the preparation of these audited consolidated results for the year 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.

Trading results

The results of operations for the year ended 31 July 2013 are detailed in the table below. Earnings attributable to ordinary shareholders amounted to R333 million, representing earnings per share of 343,7 cents and headline earnings per share of 339,1 cents per share. The Group's operating income is attributable to its core business.

A summary of the Group's trading results and comparatives are set out below:

Figures in Rand thousand	2013	2012
Revenue	**5 085 979**	3 642 915
Profit before tax	**466 698**	339 919
Taxation	**(135 339)**	(116 831)
Profit for the period	**331 359**	223 088
Earnings per share (cents)	**343,7**	254,9
Headline earnings per share (cents)	**339,1**	253,1
Diluted earnings per share (cents)	**309,8**	226,2
Diluted headline earnings per share (cents)	**305,6**	224,6
Dividend per share (cents)	**95,0**	70,0

Group's financial position

The financial position of the Company and Group are set out in the statements of financial position, statements of comprehensive income and statements of cash flows in the Annual Financial Statements section of this report.

Dividends

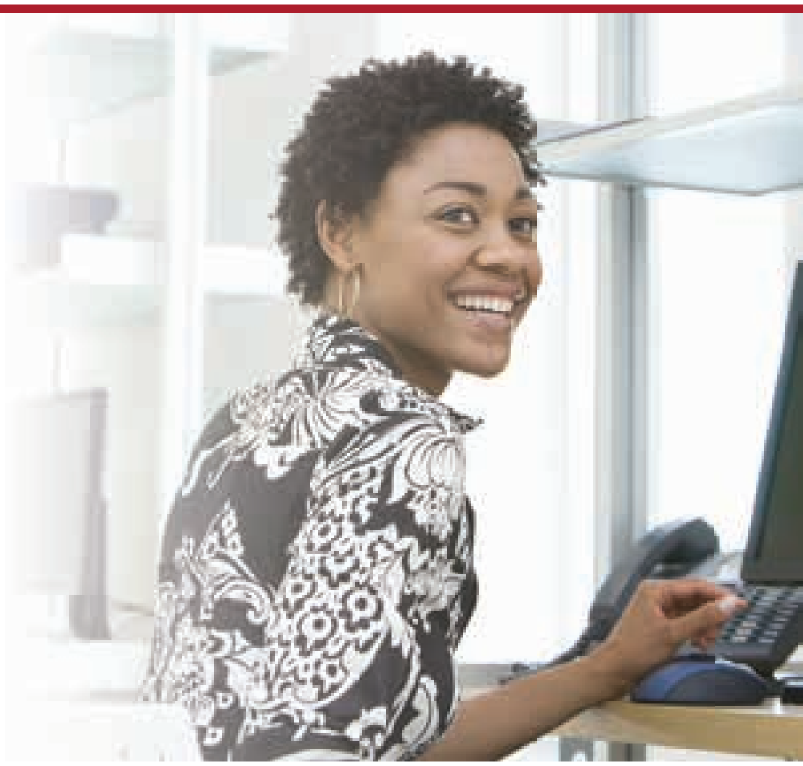
A gross cash dividend of 95 cents (2012: 70 cents) per share ('the dividend') was declared and paid to shareholders recorded in the books at the close of business on Friday, 25 October 2013. This represents a 36% increase in dividends compared with the previous year. Shareholders were advised that the last day of trade cum the dividend was Friday, 18 October 2013. The shares traded ex the dividend as from Monday, 21 October 2013. Payment was made on Monday, 28 October 2013.

Shareholders were advised that the Company would withhold the dividend tax and pay over the required amount to SARS on their behalf.

- The dividend would be treated as an income payment;
- The local dividend tax rate is 15%;
- There was no secondary tax on companies credits utilised against the dividend;
- The gross local dividend was 95 cents per share for shareholders

exempt from paying the new dividend tax;

- The net local dividend amount was 80,75 cents per share for shareholders liable to pay the new dividend tax;
- EOH's tax reference number is 9248321847; and
- There are 110 847 868 ordinary shares in issue.



Stated capital

9 982 081 shares were issued during the year as a result of employees exercising share options in terms of the EOH share option schemes and to settle vendors for acquisitions.

Ordinary shares in issue totalled 110 847 868 at 31 July 2013. At 31 July 2013, 5 470 158 EOH shares were held by a wholly-owned subsidiary of EOH. These shares will not be cancelled. Between the year-end and the publication of this report no ordinary shares have been issued. At 31 July 2013, the major categories of shareholders were as follows:

	Number of shareholders	%	Number of shares	%
Shareholder spread				
1 – 1 000 shares	3 090	47,77	1 568 515	1,42
1 001 – 10 000 shares	2 675	41,39	9 036 743	8,15
10 001 – 100 000 shares	566	8,75	15 749 122	14,21
100 001 – 1 000 000 shares	120	1,86	39 408 782	35,55
1 000 001 shares and over	15	0,23	45 084 706	40,67
	6 466	100,00	110 847 868	100,00
Distribution of shareholders				
Banks	40	0,62	9 252 347	8,35
Close corporations	107	1,65	957 507	0,86
Empowerment trusts	1	0,02	4 107 367	3,71
Endowment funds	43	0,67	585 474	0,53
Individuals	5 067	78,35	32 697 675	29,50
Insurance companies	22	0,34	3 814 706	3,44
Investment companies	6	0,09	529 606	0,48
Medical schemes	4	0,06	23 730	0,02
Mutual funds	61	0,94	22 713 268	20,49
Nominees and trusts	825	12,76	11 010 640	9,93
Other corporations	54	0,84	858 724	0,77
Own holdings	1	0,02	5 470 158	4,93
Private companies	179	2,77	11 872 018	10,71
Public companies	6	0,09	109 177	0,10
Retirement funds	49	0,76	6 737 852	6,08
Share trusts	1	0,02	107 619	0,10
	6 466	100,00	110 847 868	100,00

According to the records of the Company, the only shareholders registered at 31 July 2013 holding 3% or more of the Company's shares were:

Major shareholders	Shareholding 31 July 2013	%	Shareholding 31 July 2012	%
Fidelity	**8 322 000**	**7,51**	8 322 000	8,25
Bejaled Trust	**6 730 685**	**6,07**	6 478 172	6,42
V55 Investments (Pty) Ltd	**5 470 158**	**4,93**	n/a	n/a
Government Employee Pension Fund	**4 525 300**	**4,08**	3 025 300	3,0
Tactical Software Systems (Pty) Ltd	**4 143 492**	**3,74**	5 569 238	5,52
The Mthombo Trust	**4 107 367**	**3,71**	6 197 459	6,14
PSG Investments	**4 047 320**	**3,65**	5 923 382	5,87
Foord	**3 504 997**	**3,16**	n/a	n/a
Total	**40 851 319**	**36,85**	35 515 551	35,2
Public	**93 787 381**	**84,60**	84 189 972	83,46
Non-public:				
Directors and associates of the Company holdings	**7 375 343**	**6,65**	6 922 569	*6,87*
Share trusts	**4 214 986**	**3,82**	6 966 435	*6,90*
Own holdings	**5 470 158**	**4,93**	2 786 811	*2,77*
	110 847 868	**100,00**	100 865 787	100,00

Business combinations

EOH will continue to grow organically and through strategic acquisitions. During the year under review EOH continued to consolidate and complement its existing service offerings and expand its new services.

Further details are made available in the business combinations note (note 38) to the Annual Financial Statements.

Directorate

The following directors served during the period:

- Sandile Zungu (Chairman) (appointed 1 October 2013)
- Asher Bohbot (CEO)
- John King (FD)
- Pumeza Bam
- Dion Ramoo
- Jane Thomson
- Lucky Khumalo
- Danny Mackay (appointed 1 November 2013)
- Tshilidzi Marwala
- Thoko Mnyango (appointed 18 June 2013)
- Tebogo Skwambane
- Rob Sporen

Dr Mathews Phosa resigned with effect from 30 November 2012 due to his other considerable commitments. Rob Sporen chaired the board from 1 December 2012 to 30 September 2013 as the independent lead non-executive director.

Directors' interest in contracts

None of the directors and officers of the Company had an interest in any contract of significance during the financial year.

Directors' interest in the shares of the Company

At 31 July 2013 the directors' direct and indirect interest in the Company's issued shares were as follows:

	Number of shares				Share options			
	Direct Beneficial		Indirect-beneficial		Number of options	Average strike price (cents)	Number of options	Average strike price (cents)
	2013	2012	2013	2012	2013	2013	2012	2012
Directly								
Asher Bohbot	**–**	–	**–**	–	**1 650 000**	**599**	2 150 000	599
Pumeza Bam	**27 620**	27 620	**–**	–	**264 167**	**360**	279 167	360
Lucky Khumalo	**–**	–	**–**	–	**166 667**	**444**	333 333	444
John King	**189 066**	62 810	**–**	–	**800 000**	**721**	1 125 000	592
Dion Ramoo	**110 000**	10 000	**–**	–	**241 667**	**360**	400 000	360
Jane Thomson	**217 972**	43 967	**–**	–	**700 000**	**798**	1 037 500	717
Indirectly								
Asher Bohbot	**6 730 685**	6 478 172	**–**	–				
Rob Sporen	**210 000**	300 000	**79 000**	79 000				

Movement in share options

1. Asher Bohbot exercised 500 000 share options to increase his interest by 252 513 shares by selling 247 487 shares at R37,91. The proceeds of the sale of these shares was used to settle the exercise price and tax in respect thereof (2012: Nil).
2. Pumeza Bam exercised 15 000 share options through the sale of shares at R40,65. The proceeds totalled R555 775 (2012: Exercised 83 333 share options through the sale of shares at R34,77. The proceeds totalled R2 597 490).
3. John King exercised 250 000 share options to increase his interest by 126 256 shares by selling 123 744 shares at R37,91. The proceeds of the sale of these shares was used to settle the exercise price and tax in respect thereof. He also exercised 125 000 share options through the sale of shares at R37,91. The proceeds totalled R4 183 125 (2012: John King exercised 125 000 share options to increase his interest by 62 810 shares by selling 62 190 shares at R22,15. The proceeds of the sale of these shares was used to settle the exercise price and the tax in respect thereof).
4. Dion Ramoo exercised 25 000 share options to increase his interest by 13 575 shares by selling 11 425 shares at R37,91. The proceeds of the sale of these shares was used to settle the exercise price and tax in respect thereof. He also exercised 133 333 share options through the sale of the shares at R37,91. The proceeds totalled R4 573 989 (2012: Dion Ramoo exercised 123 334 share options through the sale of shares at R22,15. The proceeds totalled R2 390 646).
5. Jane Thomson exercised 162 500 share options to increase her interest by 85 624 shares by selling 76 876 shares at R40,65. She also exercised 175 000 share options to increase her interest by 88 380 shares by selling 86 620 shares at R37,91. The proceeds of the sale of these shares was used to settle the exercise price and tax in respect thereof (2012: Jane Thomson exercised 87 500 share options to increase her interest by 43 967 shares by selling 43 533 shares at R22,15. The proceeds of the sale of these shares was used to settle the exercise price and the tax thereof. She also exercised 75 000 share options through the sale of shares at R28,83. The proceeds totalled R1 801 950).
6. Lucky Khumalo exercised 166 666 share options through the sale of shares at R37,91. The proceeds totalled R5 577 511 (2012: Lucky Khumalo exercised 166 667 share options to increase his interest by 79 995 shares by selling 86 712 shares at R22,15. The proceeds of the sale of these shares was used to settle the exercise price and the tax thereof).

Movement in share options since year end

- John King exercised 125 000 share options to increase his shareholding by 66 040 shares.
- Dion Ramoo exercised and sold 120 833 share options.
- Jane Thomson exercised 275 000 shares options to increase her shareholding by 148 710 shares.
- Lucky Khumalo exercised and sold 166 666 share options.
- Pumeza Bam exercised and sold 50 000 share options.

Share incentive scheme

The Company has a share incentive scheme giving directors and management the opportunity to participate in the growth of the Group. The Mthombo Trust Share Scheme restricts participation to qualifying PDI directors/managers/employees.

Under the terms of the current schemes up to 18% of the issued share capital is reserved for share options.

	The EOH Share Trust	The Mthombo Trust
Opening balance	11 615 488	4 584 241
Granted	1 370 427	80 000
Exercised	(2 507 084)	(1 686 735)
Forfeited	(520 000)	(121 860)
Closing balance	9 958 831	2 855 646
Exercisable	2 619 187	633 925

Ordinary shares

During the course of the year, the following share option allotments took place:

- The EOH Share Trust – 1 170 427 ordinary shares issued to employees; and
- The Mthombo Trust – 90 000 ordinary shares issued to employees.

Between year-end and publishing of the Integrated Annual Report, the following share allotments took place:

- The EOH Share Trust – 890 000 ordinary shares issued to employees; and
- The Mthombo Trust – 440 000 ordinary shares issued to employees.

Investments in subsidiaries

Full details of all interests in subsidiaries are included in the Annual Financial Statements, in note 35.

Special resolutions

At the Annual General Meeting held on 8 February 2013, EOH's shareholders passed the following special resolutions during the year for the purpose indicated:

Special resolution 1:
Approval of the adoption of the new Memorandum of Incorporation which was aligned with the requirements of the Companies Act and Schedule 10 of the JSE Limited Listings Requirements.

Special resolution 2:
Approval of non-executive directors remuneration in terms of section 66 (9) of the Companies Act.

Special resolution 3:
General approval to acquire shares in terms of sections 46 and 48 of the Companies Act 2008.

Liquidity and solvency

The directors performed the liquidity and solvency test as required by the Companies Act and concluded that the liquidity and solvency of the Group is adequate.

Contingent liabilities

There are instances where the business is involved in litigation to recover monies due and payable from its clients for services rendered. Where there is a risk of only partial recovery or no recovery at all, management has made the appropriate doubtful debt or credit note allowances.

There are certain non-material claims from clients which, in the opinion of the directors, are not substantiated and are defendable. Where there is a perceivable possible risk of an award, these incidents have been reported to EOH's insurers. The directors are of the opinion that the resolution of these claims will have no material impact on the business.

Litigation statement

Save from the abovementioned, the directors, whose names are given on pages 6 and 7 of the report, are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have a material effect on the Group's financial position.

Subsequent events

Other than the events noted in the Integrated Annual Report, no material event or transaction has occurred subsequent to 31 July 2013 that warrants adjustment to, or notification in, the Annual Financial Statements.

No change statement

The Integrated Annual Report for the year ended 31 July 2013 does not contain any material modifications to the reviewed results which were published on 12 September 2013.

Annual Financial Statements
2013

Statements of financial position
as at 31 July 2013

Figures in Rand thousand	Notes	Group 2013	Group 2012	Company 2013	Company 2012
Assets					
Non-current assets					
Investment property	3	**2 872**	2 872	**–**	–
Property, plant and equipment	4	**226 324**	183 856	**–**	–
Intangible assets and goodwill	5	**1 031 945**	801 497	**–**	–
Investments in subsidiaries	35	**–**	–	**95 127**	95 127
Other financial assets	6	**26 551**	16 203	**–**	–
Deferred tax	7	**103 544**	90 008	**–**	–
Finance lease receivables	8	**74 894**	36 447	**–**	–
		1 466 130	1 130 883	**95 127**	95 127
Current assets					
Inventories	9	**66 479**	39 401	**–**	–
Loans to group companies	35	**–**	–	**473 952**	285 232
Other financial assets	6	**12 401**	15 625	**–**	–
Current tax receivable		**27 265**	37 493	**–**	–
Finance lease receivables	8	**46 595**	26 360	**–**	–
Trade and other receivables	10	**1 185 075**	809 429	**334**	417
Cash and cash equivalents	11	**653 007**	451 867	**7**	150
		1 990 822	1 380 175	**474 293**	285 799
Total assets		**3 456 952**	2 511 058	**569 420**	380 926
Equity and liabilities					
Equity					
Equity attributable to shareholders of parent					
Stated capital	13	**398 909**	285 553	**560 313**	365 858
Shares to be issued		**167 527**	112 933	**–**	–
Reserves		**170 718**	111 390	**6 953**	3 879
Accumulated profit		**883 170**	618 562	**1 799**	10 751
		1 620 324	1 128 438	**569 065**	380 488
Non-controlling interest		**403**	1 400	**–**	–
		1 620 727	1 129 838	**569 065**	380 488
Liabilities					
Non-current liabilities					
Other financial liabilities	17	**351 416**	271 768	**–**	120
Finance lease obligation	18	**1 793**	2 748	**–**	–
Deferred tax	7	**53 398**	50 786	**78**	116
		406 607	325 302	**78**	236
Current liabilities					
Other financial liabilities	17	**217 777**	209 831	**–**	–
Current tax payable		**30 180**	41 603	**–**	–
Finance lease obligation	18	**1 333**	2 091	**–**	–
Trade and other payables	19	**1 020 429**	694 234	**246**	162
Deferred income		**159 868**	107 565	**–**	–
Dividend payable		**31**	594	**31**	40
		1 429 618	1 055 918	**277**	202
Total liabilities		**1 836 225**	1 381 220	**355**	438
Total equity and liabilities		**3 456 952**	2 511 058	**569 420**	380 926

Statements of comprehensive income
for the year ended 31 July 2013

Figures in Rand thousand	Notes	Group 2013	Group 2012	Company 2013	Company 2012
Revenue	22	**5 085 979**	3 642 915	**–**	–
Cost of sales		**(3 075 359)**	(2 086 082)	**–**	–
Gross profit		**2 010 620**	1 556 833	**–**	–
Operating expenses		**(1 413 876)**	(1 117 933)	**(8 989)**	(6 810)
Depreciation		**(48 881)**	(34 263)	**–**	–
Amortisation of intangible assets		**(52 140)**	(48 015)	**–**	–
Operating profit/(loss) before interest and impairments	23	**495 723**	356 622	**(8 989)**	(6 810)
Investment income	25	**18 483**	12 676	**70 607**	66 682
Impairment of assets		**(6)**	(1 907)	**–**	–
Share of losses of equity accounted investments		**–**	(43)	**–**	–
Finance costs	26	**(47 502)**	(27 429)	**(2)**	–
Profit before taxation		**466 698**	339 919	**61 616**	59 872
Taxation	27	**(135 339)**	(116 831)	**38**	4
Profit for the year		**331 359**	223 088	**61 654**	59 876
Other comprehensive income:					
Items that may be classified subsequently to profit or loss					
Exchange differences on translating foreign operations		**1 500**	1 206	**–**	–
Total comprehensive income for the year		**332 859**	224 294	**61 654**	59 876
Total comprehensive income attributable to:					
Owners of the parent		**333 009**	223 783	**61 654**	59 876
Non-controlling interest		**(150)**	511	**–**	–
		332 859	224 294	**61 654**	59 876
Profit attributable to:					
Owners of the parent		**331 509**	222 577	**61 654**	59 876
Non-controlling interest		**(150)**	511	**–**	–
		331 359	223 088	**61 654**	59 876
Earnings per share (cents)	28	**343,7**	254,9		
Diluted earnings per share (cents)	28	**309,8**	226,2		

Statements of changes in equity
for the year ended 31 July 2013

Figures in Rand thousand	Stated capital	Shares to be issued to vendors*
Group		
Balance at 1 August 2011	277 190	24 412
Profit for the year	–	–
Other comprehensive income	–	–
Issue of shares	65 408	–
Shares to be issued	–	88 521
Share-based payment	–	–
Treasury shares	(45 916)	–
The effects of consolidating the Mthombo Trust	(11 129)	–
Non-controlling interest acquired	–	–
Dividends	–	–
Balance at 1 August 2012	**285 553**	**112 933**
Profit for the year	**–**	**–**
Other comprehensive income	**–**	**–**
Issue of shares	**194 455**	**–**
Shares to be issued	**–**	**54 594**
Share-based payment	**–**	**–**
Treasury shares†	**(66 440)**	**–**
The effect of consolidating the Mthombo Trust	**(14 659)**	**–**
Non-controlling interest acquired	**–**	**–**
Dividends	**–**	**–**
Balance at 31 July 2013	**398 909**	**167 527**
Notes	13	
Company		
Balance at 1 August 2011	300 450	–
Profit for the year	–	–
Issue of shares	65 408	–
Treasury shares	–	–
Dividends	–	–
Balance at 1 August 2012	**365 858**	**–**
Profit for the year	**–**	**–**
Issue of shares	**194 455**	**–**
Treasury shares	**–**	**–**
Dividends	**–**	**–**
Balance at 31 July 2013	**560 313**	**–**
Notes	13	

† R64 435 644 was paid to increase the number of treasury shares by 1 617 152.

* Shares to be issued to vendors includes both current and prior years' business combinations.

Foreign currency translation reserve	Other reserves	Total reserves	Accumulated profit/(loss)	Total equity attributable to shareholders of the Group/ Company	Non-controlling interest	Total equity
(1 325)	(27 472)	(28 797)	437 124	709 929	1 131	711 060
–	–	–	222 577	222 577	511	223 088
1 206	–	1 206	–	1 206	–	1 206
–	–	–	–	65 408	–	65 408
–	–	–	–	88 521	–	88 521
–	15 892	15 892	–	15 892	–	15 892
–	86 185	86 185	–	40 269	–	40 269
–	36 017	36 017	–	24 888	–	24 888
–	887	887	–	887	(242)	645
–	–	–	(41 139)	(41 139)	–	(41 139)
(119)	**111 509**	**111 390**	**618 562**	**1 128 438**	**1 400**	**1 129 838**
–	**–**	**–**	**331 509**	**331 509**	**(150)**	**331 359**
1 500	**–**	**1 500**	**–**	**1 500**	**–**	**1 500**
–	**–**	**–**	**–**	**194 455**	**–**	**194 455**
–	**–**	**–**	**–**	**54 594**	**–**	**54 594**
–	**16 134**	**16 134**	**–**	**16 134**	**–**	**16 134**
–	**41 647**	**41 647**	**–**	**(24 793)**	**–**	**(24 793)**
–	**–**	**–**	**–**	**(14 659)**	**–**	**(14 659)**
–	**47**	**47**	**–**	**47**	**(847)**	**(800)**
–	**–**	**–**	**(66 901)**	**(66 901)**	**–**	**(66 901)**
1 381	**169 337**	**170 718**	**883 170**	**1 620 324**	**403**	**1 620 727**
15	16					
–	1 589	1 589	(3 338)	298 701	–	298 701
–	–	–	59 876	59 876	–	59 876
–	–	–	–	65 408	–	65 408
–	2 290	2 290	–	2 290	–	2 290
–	–	–	(45 787)	(45 787)	–	(45 787)
–	**3 879**	**3 879**	**10 751**	**380 488**	**–**	**380 488**
–	**–**	**–**	**61 654**	**61 654**	**–**	**61 654**
–	**–**	**–**	**–**	**194 455**	**–**	**194 455**
–	**3 074**	**3 074**	**–**	**3 074**	**–**	**3 074**
–	**–**	**–**	**(70 606)**	**(70 606)**	**–**	**(70 606)**
–	**6 953**	**6 953**	**1 799**	**569 065**	**–**	**569 065**
15	16					

Statements of cash flows
for the year ended 31 July 2013

Figures in Rand thousand	Notes	Group 2013	Group 2012	Company 2013	Company 2012
Cash from operating activities					
Cash generated from/(used in) operations	29	**532 912**	442 538	**(8 822)**	(6 937)
Investment income		**18 483**	12 676	**1**	1
Dividends received		**–**	–	**70 606**	66 681
Finance costs		**(47 502)**	(27 429)	**(2)**	–
Tax paid	30	**(154 688)**	(141 478)	**–**	–
Net cash from operating activities		**349 205**	286 307	**61 783**	59 745
Cash from investing activities					
Purchase of property, plant and equipment	4	**(86 634)**	(55 039)	**–**	–
Sale of property, plant and equipment	4	**2 345**	2 583	**–**	–
Purchase of intangible assets	5	**(113)**	(2 558)	**–**	–
Acquisition of businesses	38	**27 979**	(89 221)	**–**	–
Loans advanced to group companies		**–**	–	**–**	(87 377)
Increase in financial assets		**(56 634)**	(19 573)	**–**	–
Net cash from investing activities		**(113 057)**	(163 808)	**–**	(87 377)
Cash from financing activities					
Proceeds on shares issued		**–**	–	**–**	65 408
Proceeds from other financial liabilities		**201 351**	129 305	**–**	–
Repayment of other financial liabilities		**(180 869)**	(100 800)	**(120)**	–
Net treasury shares		**14 354**	37 352	**3 074**	2 290
Finance lease payments		**(3 012)**	(16 045)	**–**	–
Dividends paid	31	**(67 464)**	(41 951)	**(70 615)**	(45 782)
Proceeds from loans from group companies		**–**	–	**5 735**	5 624
Net cash from financing activities		**(35 640)**	7 861	**(61 926)**	27 540
Total cash movement for the year		**200 508**	130 360	**(143)**	(92)
Effect of foreign exchange rate changes		**632**	–	**–**	–
Cash at the beginning of the year		**451 867**	321 507	**150**	242
Total cash at the end of the year	11	**653 007**	451 867	**7**	150

1. Presentation of Annual Financial Statements

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the Companies Act. The Annual Financial Statements have been prepared on the historical cost basis, except for the measurement of Investment Property which has been accounted for at fair value, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

The Annual Financial Statements are presented in South African Rand, which is the Company's functional currency. All financial information has been rounded to the nearest thousand.

1.1 Consolidation

Basis of consolidation

The consolidated Annual Financial Statements incorporate the Annual Financial Statements of the Company and all entities, including special purpose entities, which are controlled by the Company.

Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries are included in the consolidated Annual Financial Statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the Annual Financial Statements of subsidiaries to bring their accounting policies in line with those of the Group.

All intra group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions which result in changes in ownership levels, where the Group has control of the subsidiary both before and after the transaction, are regarded as equity transaction and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. The remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets transferred, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

1. Presentation of Annual Financial Statements (continued)

1.1 Consolidation (continued)

Business combinations (continued)

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business Combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held-for-sale in accordance with IFRS 5 Non-Current Assets Held-for-Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for group purposes.

Non-controlling interests arising from a business combination are measured at their share of the fair value of the assets and liabilities of the acquiree.

The Group measures goodwill at the acquisition date as:

- fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest in the acquiree; plus
- if the business combination is achieved in stages the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from effective date of the acquisition.

In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the Group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

1. Presentation of Annual Financial Statements (continued)

1.2 Use of significant estimates and judgements

In preparing the Annual Financial Statements, management is required to make estimates and assumptions that affect the amounts represented in the Annual Financial Statements and related disclosures. Use of available information, historical experience and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the Annual Financial Statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

Significant judgements include:

Options granted

Management used the Binomial model to determine the value of the options at issue date. Additional details regarding the estimates are included in note 14 Share-based payments.

Valuation allowances

Valuation allowances may be raised against loans and receivables. Management determines estimates based on the information available.

Fair value estimation

The fair value of financial instruments for disclosure purposes is established by using valuation techniques. These include the use of recent arm's-length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity specific inputs.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value in use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill, intangible and tangible assets.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill, intangible and tangible assets are inherently uncertain and could materially change over time.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

1. Presentation of Annual Financial Statements (continued)

1.2 Use of significant estimates and judgements (continued)

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

1.3 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit and loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

1.4 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Group; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment is depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

1. Presentation of Annual Financial Statements (continued)

1.4 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Buildings	50 years
Furniture and fixtures	10 years
Motor vehicles	5 years
Office equipment	6 years
IT equipment	3 years
Computer software	2 years
Leasehold improvements	Period of the lease
Medical equipment	4 years
Other equipment	7 years

Land included in land and buildings is not depreciated.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.5 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Subsequently intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

1. Presentation of Annual Financial Statements (continued)

1.5 Intangible assets (continued)

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets and goodwill.

Amortisation is provided to write-down the intangible assets, on a straight-line basis, over the finite useful life of the asset, to nil as follows:

Item	Useful life
Contracts	1 to 5 years
Customer relations	2 to 5 years
Intellectual property	2 to 7 years
Internally developed software	3 to 5 years
Other intangible assets	2 to 5 years

The difference between the proceeds and the carrying amount of an intangible asset is recognised as profit or loss on disposal.

1.6 Investments in subsidiaries

In the Company's separate Annual Financial Statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

1.7 Financial instruments

Classification

The Group classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Initial recognition and measurement

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instruments.

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value and the difference between the transaction price of financial assets on initial recognition and the fair value thereof, are included in profit and loss in the statement of comprehensive income.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

1. Presentation of Annual Financial Statements (continued)

1.7 Financial instruments (continued)

Subsequent measurement

After initial recognition loans and receivables are measured at amortised cost, using the effective interest method, less accumulated impairment losses. Loans to Group companies, other financial assets, finance lease receivables, cash and cash equivalents and trade and most other receivables fall into this category of financial instruments.

The Group's financial liabilities include borrowings and trade and other payables. Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

For all financial instruments carried at amortised cost where the impact of discounting is not considered to be material these instruments are not discounted as their original fair values adjusted for transaction costs approximates their amortised cost values.

Offsetting and derecognition

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a current legally enforceable right to set off the recognised amount and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets to another party without retaining control of substantially all risks and rewards of the asset.

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Impairment of financial assets

At each reporting date the Group assesses all financial assets to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the Group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised. Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write-off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

1. Presentation of Annual Financial Statements (continued)

1.8 Taxation

Tax assets and liabilities

Tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
  - is not a business combination; and
  - at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, except to the extent that both of the following conditions are satisfied:

- the parent is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences arising from investments in subsidiaries, to the extent that it is probable that:

- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as either income or as an expense and is included in the profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1. Presentation of Annual Financial Statements (continued)

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessor

The Group recognises finance lease receivables in the statement of financial position at an amount equal to the net investment in the lease.

Finance income is recognised in revenue based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the finance lease.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The lease payments are apportioned between the finance charge and the amount to reduce the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases – lessor

Operating lease income is recognised as income on a straight-line basis over the lease term. The difference between the amounts recognised as income and the contractual payments are recognised as an operating lease receivable.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease accrual. This liability is not discounted.

Any contingent rents are expensed in the period in which they are incurred.

1.10 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories is based on the first in, first out basis and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

1.11 Deferred income and expenditure

Where costs have been incurred and revenue received prior to the implementation of a project, these are capitalised and recognised over the implementation period of the project, on a percentage-of-completion basis.

1. Presentation of Annual Financial Statements (continued)

1.12 Impairment of non-financial assets

The Group assesses at each end of the reporting period whether there is any indication that a non-financial asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Group tests goodwill acquired in a business combination for impairment on an annual basis.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset, other than goodwill, attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

1.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, all of which are available for use by the Group unless otherwise stated.

1.14 Stated capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

If the Group reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those treasury shares are deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Consideration paid or received is recognised directly in equity.

Shares in the company, held by its subsidiary and The Mthombo Trust, are classified in the Group's shareholders' interest as treasury shares. These shares are treated as a deduction from the issued and weighted average number of shares. Distribution received on treasury shares are eliminated on consolidation.

1. Presentation of Annual Financial Statements (continued)

1.15 Share-based payments

Goods or services received or acquired in a share-based payment transaction are recognised when the goods are received or as the services delivered. A corresponding increase in equity is recognised if the goods or services were received in an equity-settled share-based payment transaction or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

The fair value of the equity instrument is measured at grant date using the Binomial model and recognised as an expense with corresponding increase in equity over the vesting period.

For equity-settled share-based payment transactions the goods or services received and the corresponding increase in equity are measured, directly, at the fair value of the goods or services received provided that the fair value can be estimated reliably. If the fair value of the goods or services received cannot be estimated reliably, their value and the corresponding increase in equity, are measured, indirectly, by reference to the fair value of the equity instruments granted.

Vesting conditions which are not market related (i.e. service conditions and non-market related performance conditions) are not taken into consideration when determining the fair value of the equity instruments granted. Instead, vesting conditions which are not market related are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest. Market conditions, such as a target share price, are taken into account when estimating the fair value of the equity instruments granted. The number of equity instruments are not adjusted to reflect equity instruments which are not expected to vest or do not vest because the market condition is not achieved. The fair value of equity-settled options are not remeasured subsequently.

If the share-based payments granted do not vest until the counterparty completes a specified period of service, those services are recognised as they are rendered by the counterparty on a straight-line basis over the vesting period.

Management reassesses the number of options expected to ultimately vest based on non-market vesting conditions. The impact of the revision to the original estimates, if any, is recognised in profit or loss, with a corresponding adjustment to equity.

For share-based payment transactions in which the terms of the arrangement provide either the entity or the counterparty with the choice of whether the entity settles the transaction in cash (or other assets) or by issuing equity instruments, the components of that transaction are recorded, as a cash-settled share-based payment transaction if, and to the extent that, a liability to settle in cash or other assets has been incurred, or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.

1.16 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1. Presentation of Annual Financial Statements (continued)

1.17 Revenue

Revenue is measured at the fair value of the consideration received or receivable, net of value added tax, trade discounts and volume rebates.

Revenue is recognised provided the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and specific criteria have been met for each of the Group's activities.

The Group recognises the revenue from the sale of goods in profit or loss when the significant risks and rewards of ownership of the goods have been transferred to the buyer and the Group no longer retains managerial involvement or control over the goods.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The stage of completion is assessed based on surveys of work performed. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest is recognised, in profit or loss, using the effective interest rate method.

Rental income is recognised on a straight-line basis over the term of the lease.

1.18 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales. Depreciation directly attributable to revenue generating activities, is included in cost of sales.

1.19 Borrowing costs

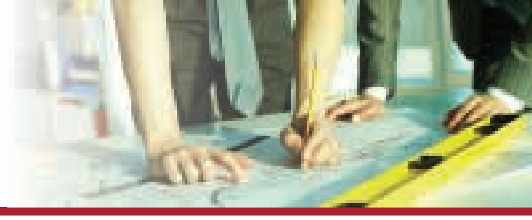
All borrowing costs are recognised as an expense in the period in which they are incurred.

1.20 Translation of foreign currencies

Functional and presentation currency

Items included in the Annual Financial Statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated Annual Financial Statements are presented in Rand which is the Company's functional currency and the Group's presentation currency.



1. Presentation of Annual Financial Statements (continued)

1.20 Translation of foreign currencies (continued)

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous Annual Financial Statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised in other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised in other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Investments in subsidiaries

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised in other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially in other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment from other comprehensive income on disposal of net investment.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

1.21 Dividends

Dividends are accounted for on the date of declaration and are not accrued as a liability in the Annual Financial Statements until declared.

1.22 Segment reporting

In identifying its operating segments, management generally follows the Group's service lines, which represents the main products and services provided by the Group. The information is similarly internally provided to the Group's chief operating decision-maker. Unallocated items comprise mainly of corporate assets, head office expenses and tax assets and liabilities.

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group has adopted the following standard that is applicable to its operations.

IAS 1 – Presentation of Financial Statements

The requirement to group together items within 'other comprehensive income' that may be reclassified to the profit or loss section of the statement of comprehensive income in order to facilitate the assessment of their impact on the overall performance of an entity (effective 1 July 2012).

This amendment became effective in the current period and the adoption of this amendment neither affects the financial position or performance of the Group, but only the disclosures. The presentation on the face of the statement of comprehensive income has additional line items separating those items of other comprehensive income that are subsequently reclassified to profit or loss and those that are not.

2.2 Standards and interpretations not yet effective

The following standards and interpretations have been published and will become mandatory for the Group's accounting periods beginning on or after 1 August 2013 or later periods which are not yet effective. These standards and interpretations will be adopted when they become effective.

IFRS 1 – First-time Adoption of International Financial Reporting Standards

- Amendments add an exception to the retrospective application of IFRSs to require that first-time adopters apply the requirements in IFRS 9 Financial Instruments and IAS 20 Accounting for Government Grants and Disclosure of Government Assistance prospectively to government loans existing at the date of transition to IFRSs (effective 1 January 2013).
- Annual Improvements 2009 – 2011 Cycle amendments clarify the options available to users when repeated application of IFRS 1 is required and to add relevant disclosure requirements (effective 1 January 2013).
- Annual Improvements 2009 – 2011 Cycle amendments to borrowing costs (effective 1 January 2013).

IFRS 7 – Financial Instruments

- Amendments require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with the accounting standards followed, and the related net credit exposure. This information will help investors understand the extent to which an entity has set off in its statement of financial position and the effects of rights of set-off on the entity's rights and obligations (effective 1 January 2013).

IFRS 9 – Financial Instruments

- This is a new standard that forms the first part of a three-part project to replace IAS 39 Financial Instruments: Recognition and Measurement (effective 1 January 2015).

IFRS 10 – Consolidated Financial Statements

- This is a new standard that replaces the consolidation requirements in SIC-12 Consolidation – Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements. The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company and provides additional guidance to assist in the determination of control where this is difficult to assess (effective 1 January 2013).
- Amendments to the transition guidance of IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, thus limiting the requirements to provide adjusted comparative information (effective 1 January 2013).
- IFRS 10 exception to the principle that all subsidiaries must be consolidated. Entities meeting the definition of 'Investment Entities' must be accounted for at fair value under IFRS 9, Financial Instruments, or IAS 39, Financial Instruments: Recognition and Measurement (effective 1 January 2014).

2. New standards and interpretations (continued)

2.2 Standards and interpretations not yet effective (continued)

IFRS 11 – Joint Arrangements

- This is a new standard that deals with the accounting for joint arrangements and focuses on the rights and obligations of the arrangement, rather than its legal form. The standard requires a single method for accounting for interests in jointly controlled entities (effective 1 January 2013).
- Amendments to the transition guidance of IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, thus limiting the requirements to provide adjusted comparative information (effective 1 January 2013).

IFRS 12 – Disclosure of Interests in Other Entities

- A new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles (effective 1 January 2013).
- Amendments to the transition guidance of IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, thus limiting the requirements to provide adjusted comparative information (effective 1 January 2013).
- New disclosures required for Investment Entities (as defined in IFRS 10) (effective 1 January 2014).

IFRS 13 – Fair Value Measurement

- New guidance on fair value measurement and disclosure requirements (effective 1 January 2013).

IAS1 – Presentation of Financial Statements

- Clarification of statement of changes in equity (effective 1 January 2013).
- Annual Improvements 2009 – 2011 Cycle: Amendments clarifying the requirements for comparative information including minimum and additional comparative information required (effective 1 January 2013).

IAS 16 – Property, Plant and Equipment

- Annual Improvements 2009 – 2011 Cycle: Amendments to the recognition and classification of servicing equipment (effective 1 January 2013).

IAS 19 – Employee Benefits

- Amendments to the accounting for current and future obligations resulting from the provision of defined benefit plans (effective 1 January 2013).

IAS 27 – Consolidated and Separate Financial Statements

- Consequential amendments resulting from the issue of IFRS 10, 11 and 12 (effective 1 January 2013).
- Requirement to account for interests in 'Investment Entities' at fair value under IFRS 9, Financial Instruments, or IAS 39, Financial Instruments: Recognition and Measurement, in the separate financial statements of a parent (effective 1 January 2014).

IAS 28 – Investments in Associates

- Consequential amendments resulting from the issue of IFRS 10, 11 and 12 (effective 1 January 2013).

IAS 32 – Financial Instruments: Presentation

- Amendments require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with the accounting standards followed, and the related net credit exposure. This information will help investors understand the extent to which an entity has set off in its statement of financial position and the effects of rights of set-off on the entity's rights and obligations (effective 1 January 2013).
- Annual Improvements 2009 – 2011 Cycle: Amendments to clarify the tax effect of distribution to holders of equity instruments (effective 1 January 2013).

2. New standards and interpretations (continued)

2.2 Standards and interpretations not yet effective (continued)

IAS 34 – Interim Financial Reporting

- Annual Improvements 2009 – 2011 Cycle: Amendments to improve the disclosure for interim financial and segment information for total assets and liabilities (effective 1 January 2013).

IAS 36 – Impairment of Assets

- The amendment to IAS 36 clarifies the required disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal (effective 1 January 2014).

IFRIC Interpretation 21 – Levies

- Guidance on when to recognise a liability for a levy imposed by Government (effective 1 January 2014).

The Directors are still in process of assessing what the impact of these new standards and interpretations will be.

3. Investment property

	Group		Company	
Figures in Rand thousand	2013	2012	2013	2012
Opening balance	**2 872**	–	**–**	–
Addition through business combinations	**–**	2 872	**–**	–
Closing balance	**2 872**	2 872	**–**	–
Details of property				
Waterford, portion 178 of the farm Lyttelton 381 held under Title Deed No ST 129734/2011. The building is currently leased to a third party for a period of one year which terminates on 30 April 2014.				
Direct operating costs (including repairs and maintenance)	**1 367**	364	**–**	–

Measurement of fair value

The fair value of the property is based on a director's valuation as at 31 July 2013 taking into account available market evidence. The property's fair value will be determined annually.

4. Property, plant and equipment

	Cost	**Accumulated depreciation**	**Carrying value**	Cost	Accumulated depreciation	Carrying value
Figures in Rand thousand	2013			2012		
Group						
Land and buildings	**70 086**	**(151)**	**69 935**	65 236	(38)	65 198
Furniture and fixtures	**36 526**	**(8 456)**	**28 070**	29 865	(9 384)	20 481
Motor vehicles	**13 741**	**(6 066)**	**7 675**	12 667	(5 977)	6 690
Office equipment	**20 177**	**(11 074)**	**9 103**	20 510	(9 924)	10 586
IT equipment	**155 350**	**(101 191)**	**54 159**	113 234	(78 529)	34 705
Computer software	**55 026**	**(27 688)**	**27 338**	61 108	(30 996)	30 112
Leasehold improvements	**47 327**	**(20 287)**	**27 040**	28 301	(14 829)	13 472
Medical equipment	**4 483**	**(2 784)**	**1 699**	4 435	(1 823)	2 612
Other equipment	**1 478**	**(173)**	**1 305**	–	–	–
Total	**404 194**	**(177 870)**	**226 324**	335 356	(151 500)	183 856

4. Property, plant and equipment (continued)

Group 2013

Reconciliation of property, plant and equipment

Figures in Rand thousand	Opening balance	Additions	Additions through business combinations	Disposals	Reallocations	Depreciation	Total
Land and buildings	65 198	4 850	–	–	–	(113)	69 935
Furniture and fixtures	20 481	8 581	2 480	(320)	422	(3 574)	28 070
Motor vehicles	6 690	1 776	1 958	(387)	–	(2 362)	7 675
Office equipment	10 586	4 039	593	(570)	(2 830)	(2 715)	9 103
IT equipment	34 705	27 694	4 399	(499)	16 350	(28 490)	54 159
Computer software	30 112	17 903	3 367	(60)	(14 166)	(9 818)	27 338
Leasehold improvements	13 472	21 513	405	(377)	–	(7 973)	27 040
Medical equipment	2 612	245	–	(3)	–	(1 155)	1 699
Other equipment	–	33	1 155	–	224	(107)	1 305
	183 856	86 634	14 357	(2 216)	–	(56 307)	226 324

Group 2012

Reconciliation of property, plant and equipment

Figures in Rand thousand	Opening balance	Additions	Additions through business combinations	Disposals	Reallocations	Depreciation	Total
Land and buildings	3 160	–	62 076	–	–	(38)	65 198
Furniture and fixtures	14 134	3 882	4 484	(174)	–	(1 845)	20 481
Motor vehicles	3 854	835	3 810	(107)	–	(1 702)	6 690
Office equipment	9 085	2 317	1 462	(103)	–	(2 175)	10 586
IT equipment	33 617	12 206	5 301	(600)	–	(15 819)	34 705
Computer software	3 548	28 340	10 603	–	–	(12 379)	30 112
Leasehold improvements	11 717	5 781	2 001	–	–	(6 027)	13 472
Medical equipment	1 210	1 678	671	–	–	(947)	2 612
	80 325	55 039	90 408	(984)	–	(40 932)	183 856

Depreciation expense included in cost of sales is R7 426 (2012: R6 669) and in operating expenses is R48 881 (2012: R34 263).

	Group	
Property, plant and equipment subject to finance lease (net carrying amount)	**2013**	**2012**
Furniture and fixtures	–	436
Motor vehicles	2 257	2 745
IT equipment	–	1 240
Medical equipment	273	266
	2 530	4 687

4. Property, plant and equipment (continued)

Details of buildings

Figures in Rand thousand	Group 2013	Group 2012	Company 2013	Company 2012
Unit 9 and 10, Block 1 of Northgate Island, Brooklyn, Cape Town, held under Title Deed No. ST 3791/2009 – Purchase price on 1 March 2011	**8 692**	8 692	**–**	–
4 Milner Street, Paarden Eiland, Erf 6159, Milnerton, Cape Town, held under Title Deed No. T 22123/1995 – Purchase price on 3 November 2011	**6 244**	6 244	**–**	–
Section 12, The Forum, Erf 6473, Montague Gardens, Cape Town, held under Title Deed No. ST 5463/2008 – Purchase price on 1 April 2012 *The building was pledged as security against other financial liabilities with a carrying value of R18 853 (2012: R20 777). The pledge is limited to the carrying value of the related liability (note 17).*	**50 300**	50 300	**–**	–
Portion 1 of Erf 4172 Garsfontein Extension 3 held under Title Deed No. T 297/2013 – Purchase price on 30 April 2013	**4 850**		**–**	–

5. Intangible assets and goodwill

Figures in Rand thousand	2013 Cost	2013 Accumulated amortisation	2013 Carrying value	2012 Cost	2012 Accumulated amortisation	2012 Carrying value
Goodwill	**976 332**	**–**	**976 332**	722 993	–	722 993
Contracts	**77 262**	**(72 200)**	**5 062**	65 317	(58 257)	7 060
Customer relations	**89 514**	**(65 491)**	**24 023**	77 483	(32 885)	44 598
Intellectual property	**15 100**	**(1 000)**	**14 100**	15 100	(1 000)	14 100
Internally developed software	**8 274**	**(104)**	**8 170**	–	–	–
Other intangible assets	**13 844**	**(9 586)**	**4 258**	16 845	(4 099)	12 746
	1 180 326	**(148 381)**	**1 031 945**	897 738	(96 241)	801 497

5. Intangible assets and goodwill (continued)

2013
Reconciliation of intangible assets and goodwill

Figures in Rand thousand	Opening balance	Additions	Additions through business combinations	Reallocation	Impairment	Amortisation	Total
Goodwill	**722 993**	**–**	**253 339**	**–**	**–**	**–**	**976 332**
Contracts	**7 060**	**–**	**11 945**	**–**	**–**	**(13 943)**	**5 062**
Customer relations	**44 598**	**–**	**12 031**	**–**	**–**	**(32 606)**	**24 023**
Intellectual property	**14 100**	**–**	**–**	**–**	**–**	**–**	**14 100**
Internally generated software	**–**	**29**	**1 145**	**7 100**	**–**	**(104)**	**8 170**
Other intangible assets	**12 746**	**84**	**4 021**	**(7 100)**	**(6)**	**(5 487)**	**4 258**
	801 497	**113**	**282 481**	**–**	**(6)**	**(52 140)**	**1 031 945**

2012
Reconciliation of intangible assets and goodwill

Figures in Rand thousand	Opening balance	Additions	Additions through business combinations	Reallocations	Sale of business	Amortisation	Total
Goodwill	480 311	–	244 561	–	(1 879)	–	722 993
Contracts	20 532	–	17 661	–	–	(31 133)	7 060
Customer relations	44 802	–	13 369	–	–	(13 573)	44 598
Intellectual property	2 110	2 100	10 500	–	–	(610)	14 100
Other intangible assets	2 600	458	12 387	–	–	(2 699)	12 746
	550 355	2 558	298 478	–	(1 879)	(48 015)	801 497

Impairment testing

For the purpose of impairment testing, goodwill is allocated to the Group's reporting units. The impairment tests were based on the value-in-use and were determined by discounting the future cash flows to be generated from the continuing operations of businesses in the divisions. A maximum of five years was used in all discounted future cash flows. The aggregate carrying amounts of goodwill were allocated to the following business units:

Figures in Rand thousand	2013	2012
EOH Mthombo	**250 732**	237 706
EOH Abantu	**141 317**	100 146
TSS MS and M-IT	**118 416**	108 763
Denis	**94 613**	94 613
Enterprise Softworx	**36 402**	–
Enerweb	**33 992**	–
Multiple units without individually material goodwill	**300 860**	181 765
Total goodwill	**976 332**	722 993

The recognition of impairment losses was not required as the recoverable amounts exceed the carrying amounts of goodwill allocated.

Key assumptions used in discounted cash flow projection calculations

The discount rates used in the discounted cash flow models are calculated using the principles of the capital asset pricing model taking into account the current market conditions.

A pre-tax weighted-average cost-of-capital rate ranging between 15,2% and 18,1% was used in discounting the projected cash flows depending on the nature of the business. The cash flow projections were based on approved 2014 budgeted results and a reasonable growth rate applied for a further four years thereafter based on market conditions and historic trends. The perpetuity growth rate applied was 3,5% (2012: 3,9%).

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal data.

6. Other financial assets

	Group		Company	
Figures in Rand thousand	2013	2012	2013	2012
Loans and receivables				
Enterprise development loans	**14 586**	9 971	**–**	–
Shareholders' loans	**11 582**	15 273	**–**	–
CES Group Proprietary Limited	**2 405**	–	**–**	–
CK Net Proprietary Limited	**1 920**	–	**–**	–
CA Incorporated Limited	**2 990**	1 210	**–**	–
D Carolus	**1 781**	2 502	**–**	–
Other loans and receivables*	**3 688**	2 872	**–**	–
	38 952	31 828	**–**	–
Non-current loans and receivables	**26 551**	16 203	**–**	–
Current loans and receivables	**12 401**	15 625	**–**	–
	38 952	31 828	**–**	–

Fair values of loans and receivables

Loans and receivables are measured at amortised cost using the effective interest rate method.

The present value of the loans and receivables was calculated by using a discount rate of 4,0% (2012: 4,0%) based on a call account yield.

In the directors' estimate, the carrying value of loans and receivables approximates their fair value.

Loans and receivables impaired

As of 31 July 2013, loans and receivables of R4 522 (2012: R4 522) were impaired.

	Group 2013	Group 2012	Company 2013	Company 2012
Reconciliation of allowance for impairment of loans and receivables				
Opening balance	**4 522**	2 467	**–**	–
Charged to profit or loss	**–**	2 055	**–**	–
	4 522	4 522	**–**	–

The creation and release of allowance for impairment have been included in operating expenses in the statement of comprehensive income.

The credit quality of loans and receivables are considered to be fair. The Group does not hold any collateral as security.

* Other loans and receivables consist of a number of smaller loans to unrelated parties. The loans are unsecured, interest free and have no fixed terms of repayment.

7. Deferred tax

Figures in Rand thousand	Group 2013	Group 2012	Company 2013	Company 2012
Liabilities				
Deferred cost	**(25 128)**	(25 759)	**–**	–
Prepaid expenses	**(13 642)**	(10 341)	**(78)**	(116)
Leases	**(11 567)**	(10 422)	**–**	–
Intangibles	**(1 540)**	(2 014)	**–**	–
Property, plant and equipment	**(1 521)**	(2 250)	**–**	–
Total liabilities	**(53 398)**	(50 786)	**(78)**	(116)
Assets				
Valuation allowances	**11 300**	9 099	**–**	–
Bonuses	**19 586**	13 586	**–**	–
Leave pay	**23 907**	16 253	**–**	–
Deferred income	**45 674**	48 216	**–**	–
Assessed losses	**3 077**	2 854	**–**	–
Total assets	**103 544**	90 008	**–**	–
Deferred tax movement				
Opening	**39 222**	37 809	**(116)**	(120)
Current year	**1 823**	6 808	**38**	4
Acquisitions	**9 101**	(5 395)	**–**	–
Closing balance	**50 146**	39 222	**(78)**	(116)

8. Finance lease receivables

	Group 2013	Group 2012	Company 2013	Company 2012
Gross investment in leases due				
– within one year	**63 171**	34 968	**–**	–
– in second to fifth years inclusive	**90 913**	43 531	**–**	–
– later than five years	**–**	5	**–**	–
	154 084	78 504	**–**	–
Less: Unearned finance income	**(32 595)**	(15 697)	**–**	–
	121 489	62 807	**–**	–
Present value of minimum lease payments due				
– within one year	**46 595**	26 360	**–**	–
– in second to fifth years inclusive	**74 894**	36 444	**–**	–
– later than five years	**–**	3	**–**	–
	121 489	62 807	**–**	–

The Group entered into finance leasing arrangements for certain of its IT equipment.

The lease terms range from 3 to 5 years and the effective lending rate is between 2% and 5% above prime lending rates.

9. Inventories

Figures in Rand thousand	Group 2013	Group 2012	Company 2013	Company 2012
Work in progress	**20 320**	9 188	**–**	–
Finished goods	**12 352**	10 783	**–**	–
Merchandise and consumables	**36 612**	21 545	**–**	–
	69 284	41 516	**–**	–
Inventories (write-downs)	**(2 805)**	(2 115)	**–**	–
	66 479	39 401	**–**	–

Included in the above is inventory of R13 796 (2012: R10 281) that has been written down to fair value. The write-down of inventories are included in cost of sales.

10. Trade and other receivables

Figures in Rand thousand	Group 2013	Group 2012	Company 2013	Company 2012
Trade receivables	**1 105 270**	783 468	**–**	–
Prepayments	**54 511**	20 098	**277**	415
Deposits	**744**	1 138	**–**	–
VAT	**4 585**	3 706	**56**	1
Other receivables	**19 965**	1 019	**1**	1
	1 185 075	809 429	**334**	417

Trade and other receivables pledged as security

Trade and other receivables amounting to R521 854 (2012: R343 723) have been pledged to the Group's bankers for facilities.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past due nor impaired are considered to be of good credit quality and no default in payment is expected.

Trade and other receivables past due but not impaired

Trade and other receivables that are less than 90 days past due are not considered to be impaired. At 31 July 2013, R201 086 (2012: R85 185) were past due but not impaired, as there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The ageing of amounts past due but not impaired is as follows:

Figures in Rand thousand	Group 2013	Group 2012	Company 2013	Company 2012
– 90 days	**52 069**	29 204	**–**	–
– 120 days and over	**149 017**	55 981	**–**	–

10. Trade and other receivables (continued)

Figures in Rand thousand	Group 2013	Group 2012	Company 2013	Company 2012
Allowance for doubtful debts				
The Group's trade receivables are stated after allowances for doubtful debts based on management's assessment of creditworthiness, an analysis of which is as follows:				
Opening balance	**43 331**	20 903	**–**	–
Utilised	**(5 080)**	(853)	**–**	–
Charged to profit or loss	**76 337**	23 281	**–**	–
	114 588	43 331	**–**	–
The ageing of these receivables is as follows:				
– 30 days	**–**	135	**–**	–
– 60 days	**–**	517	**–**	–
– 90 days	**–**	528	**–**	–
– 120 days and over	**114 588**	42 151	**–**	–
	114 588	43 331	**–**	–

The creation and release of an allowance for doubtful debts has been included in operating expenses in the statement of comprehensive income. Amounts charged to the allowance account will be written off only when there is no expectation of recovering additional cash.

Trade receivables are carried at amortised cost which normally approximates fair value due to short-term maturity.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of loan mentioned above. The Group does not hold any collateral as security.

11. Cash and cash equivalents

Figures in Rand thousand	Group 2013	Group 2012	Company 2013	Company 2012
Cash and cash equivalents consist of:				
Cash on hand	**1 205**	214	**–**	–
Bank balances	**600 116**	419 014	**7**	150
Short-term deposits	**51 686**	32 639	**–**	–
	653 007	451 867	**7**	150
The total amount of undrawn facilities available for future operating activities and commitments	**205 100**	317 050	**144 100**	95 000

12. Financial assets by category

Figures in Rand thousand	Group 2013	Group 2012	Company 2013	Company 2012
Loans and receivables				
Loans to Group companies	–	–	473 952	285 232
Other financial assets	38 952	31 828	–	–
Finance lease receivables	121 489	62 807	–	–
Trade and other receivables	1 125 235	784 487	1	1
Cash and cash equivalents	653 007	451 867	7	150
	1 938 683	1 330 989	473 960	285 383

13. Stated capital

Figures in Rand thousand	Group 2013	Group 2012	Company 2013	Company 2012
Authorised				
500 000 000 ordinary shares with no par value				
Reconciliation of number of shares issued:				
Opening balance			100 866	95 389
Specific shares issued to share scheme			2 497	2 732
Issues in terms of business combinations			7 485	2 745
			110 848	100 866

389 152 132 unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last Annual General Meeting subject to the provisions of section 38 of the Companies Act and the requirements of the JSE. This authority remains in force until the next Annual General Meeting. The directors are only authorised to issue up to an aggregate maximum of 10% of the issued share capital in a financial year.

At year-end 5 470 158 EOH shares were held by a wholly-owned subsidiary of EOH and will not be cancelled.

	Group 2013	Group 2012	Company 2013	Company 2012
Issued				
Stated capital	398 909	285 553	560 313	365 858

14. Share-based payments

The Company has two share incentive schemes giving directors and management the opportunity to participate in the growth of the Group. The Mthombo Trust restricts participation to qualifying previously disadvantaged directors and employees.

Under the terms of the current schemes, up to 18 000 000 shares are reserved for share options. The share options are equity-settled.

The EOH Share Trust

The scheme is governed by a Trust Deed approved by shareholders and the JSE Limited. The option price is equal to the share price at date of the offer less 40% discount. The participant may exercise the option in respect of the shares offered in tranches from time to time as set out below:

- 25% after 2 years
- 25% after 3 years
- 25% after 4 years
- 25% after 5 years

The share options will lapse after 10 years after issue date.

The Mthombo Trust

The scheme is governed by a Trust Deed approved by Shareholders and the JSE Limited. The option price is equal to the share price at date of the offer less 40% discount. The participant may exercise the option in respect of the shares offered in tranches from time to time as set out below:

- 33,3% after 3 years
- 33,3% after 4 years
- 33,3% after 5 years

The share options will lapse 8 years after issue date.

Figures in Rand thousand	2013	2012
Total expense recognised arising from share-based payment	**16 134**	15 892

Number of shares	The EOH Share Trust	The Mthombo Trust
Reconciliation of share options		
Outstanding at the beginning of the year	11 615 488	4 584 241
Granted during the year	1 370 427	80 000
Forfeited during the year	(520 000)	(121 860)
Exercised during the year	(2 507 084)	(1 686 735)
Outstanding at the end of the year	9 958 831	2 855 646
Weighted average share option price of outstanding shares at the beginning of the period (cents)	717	516
Weighted average strike price of shares granted (cents)	2 375	2 442
Weighted average strike price of shares exercised (cents)	531	434
Weighted average strike price of shares forfeited (cents)	1 211	442
Weighted average strike price of shares outstanding at the end of the period (cents)	913	843
Weighted average strike price of exercisable shares (cents)	413	418
Number of shares exercisable at year-end	2 619 187	633 925

14. Share-based payments (continued)

Number of shares	Exercise date within one year	Exercise date from two to five years	Total
Outstanding options			
The EOH Share Trust	2 782 906	4 556 738	7 339 644
The Mthombo Trust	1 130 971	1 090 750	2 221 721

	The EOH Share Trust	The Mthombo Trust
Information on options granted during the year		
Fair value was determined by using the Binomial model. The following inputs were used:		
Weighted average share price (cents)	3 958	4 070
Options price (cents)	2 375	2 442
Expected volatility (%)	23,6	23,8
Expected dividend yield (%)	3,0	3,0
Weighted average expected life (years)	3,7	4,1
Weighted fair value of options issued (cents)	1 626	1 681
Expiry date from date of issue	10 years	8 years

The volatility of the share price at issue date was determined using the share trading history of EOH prior to issue date and the after-tax risk-free rate applied was the zero-swaps curve at the date of option.

15. Foreign currency translation reserve

	Group		Company	
Figures in Rand thousand	2013	2012	2013	2012
Exchange differences relating to the translation of the net assets of the Group's foreign entities from their functional currencies to the Group's presentation currency are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences accumulated in this reserve are reclassified to profit or loss on the disposal or partial disposal of the foreign entity.				
Opening balance	**(119)**	(1 325)	**–**	–
Translation of foreign entities	**1 500**	1 206	**–**	–
	1 381	(119)	**–**	–

16. Other reserves

	Group 2013	Group 2012	Company 2013	Company 2012
Opening balance	**111 509**	(27 472)	**3 879**	1 589
Profit on sale of treasury shares	**41 647**	19 160	**3 074**	2 290
Reversal of elimination of investment in The Mthombo Trust and V55 Investments (Pty) Ltd	**–**	103 042	**–**	–
Non-controlling interest acquired*	**47**	887	**–**	–
IFRS 2 expense relating to share options	**16 134**	15 892	**–**	–
	169 337	111 509	**6 953**	3 879

* Acquired remaining 30% of Hlanganani Blick (Pty) Ltd (2012: 15% of Pinnacle Health Solutions (Pty) Ltd).

17. Other financial liabilities

Figures in Rand thousand	Group 2013	Group 2012	Company 2013	Company 2012
Held at amortised cost				
Nedbank Limited†	**18 853**	20 777	**–**	–
The loan is repayable monthly over 10 years with fixed interest rates of 12,38% and 7,5%.				
ABSA Bank Limited	**–**	1 118	**–**	–
The loan is repayable monthly over 5 years with an interest rate equal to the prime rate.				
Standard Bank Limited*	**89 133**	–	**–**	–
The loan is repayable quarterly over 4 years with a 7,9% interest rate.				
Standard Bank Limited*	**120 347**	167 528	**–**	–
The loan is repayable quarterly over 4 years with a 8,2% interest rate.				
Standard Bank Limited*	**78 024**	100 000	**–**	–
The loan is repayable quarterly over 4 years with a 7,9% interest rate.				
Standard Bank Limited*	**101 140**	–	**–**	–
The loan is repayable quarterly over 4 years with a 7,8% interest rate.				
CA Incorporated Limited	**1 259**	508	**–**	–
The loan is unsecured, interest free and has no fixed terms of repayment.				
Change Logic Proprietary Limited	**4 628**	–	**–**	–
The loan is unsecured, interest free and has no fixed terms of repayment.				
Vendors for acquisition	**151 997**	187 814	**–**	120
The amounts due to vendors represent the expected purchase consideration owing in respect of acquisitions and will be settled through the issue of a variable number of shares and/or cash resources when the relevant profit warranties have been fulfilled.				
Other financial liabilities	**3 812**	3 854	**–**	–
The loans are unsecured, interest free and have no fixed terms of repayment.				
	569 193	481 599	**–**	120
Non-current liabilities at amortised cost	**351 416**	271 768	**–**	120
Current liabilities at amortised cost	**217 777**	209 831	**–**	–
	569 193	481 599	**–**	120

The carrying amounts of financial liabilities at amortised cost are denominate in Rands and in the directors' opinion approximate their fair values.

† Secured by a mortgage over certain property as disclosed in note 4.

* Secured by debtors as disclosed in note 10.

18. Finance lease obligation

Figures in Rand thousand	Group 2013	Group 2012	Company 2013	Company 2012
Minimum lease payments due				
– within one year	**1 566**	2 454	**–**	–
– in two to five years	**1 952**	3 077	**–**	–
	3 518	5 531	**–**	–
Less: Future finance charges	**(392)**	(692)	**–**	–
Present value of minimum lease payments	**3 126**	4 839	**–**	–
Present value of minimum lease payments due				
– within one year	**1 333**	2 091	**–**	–
– in two to five years	**1 793**	2 748	**–**	–
	3 126	4 839	**–**	–

It is Group policy to lease certain motor vehicles and equipment under finance leases.

The years of maturity ranges from 2013 to 2017 and the nominal interest rates vary between 7% and 12%.

The Group's obligations under finance leases are secured by the lessor's claim charge over the leased assets. Refer to note 4.

19. Trade and other payables

Figures in Rand thousand	Group 2013	Group 2012	Company 2013	Company 2012
Trade payables	**343 208**	336 449	**132**	23
Amounts received in advance	**402**	1 020	**–**	–
VAT	**47 563**	32 394	**–**	–
Payroll accruals	**221 027**	168 778	**–**	–
Other accrued expenses	**274 815**	115 182	**114**	139
Other payables	**133 414**	40 411	**–**	–
	1 020 429	694 234	**246**	162

Trade payables are carried at cost which normally approximates the fair value due to short-term maturity.

20. Retirement benefits

The Group is a member of a corporate retirement scheme to which employees may elect to make retirement contributions on an income sacrifice basis. The Group makes no additional contribution. Employees are, however, obliged to become members of the Group benefit scheme, providing certain minimum death and disability benefits. The Group is under no obligation to cover any unfunded benefits.

21. Financial liabilities by category

Figures in Rand thousand	Group 2013	Group 2012	Company 2013	Company 2012
Financial liabilities at amortised cost				
Finance lease obligations	**3 126**	4 839	**–**	–
Other financial liabilities	**569 193**	481 599	**–**	120
Trade and other payables	**751 437**	492 042	**132**	23
	1 323 756	978 480	**132**	143

22. Revenue

	Group 2013	Group 2012	Company 2013	Company 2012
Sale of goods	**1 486 600**	1 206 105	**–**	–
Rendering of services	**3 583 539**	2 428 422	**–**	–
Rental Income	**1 353**	1 575	**–**	–
Interest received (trading)	**14 487**	6 813	**–**	–
	5 085 979	3 642 915	**–**	–

23. Operating profit/(loss)

Operating profit for the year is stated after accounting for the following:

	Group 2013	Group 2012	Company 2013	Company 2012
Operating lease charges	**82 566**	62 330	**–**	–
– Premises	**74 501**	57 542	**–**	–
– Equipment	**8 065**	4 739	**–**	–
– Furniture	**–**	49	**–**	–
Profit on sale of assets	**129**	4 414	**–**	–
(Loss)/profit on exchange differences	**(1 272)**	5 071	**–**	–
Loss on settlement of financial liability with equity	**(5 203)**	–	**–**	–
Employee costs	**1 003 829**	809 269	**14**	–
Directors' emoluments	**18 930**	23 861	**–**	–
– Short-term employee benefits	**13 479**	17 088	**–**	–
– Share-based payments	**4 555**	5 369	**–**	–
– Directors' fees	**896**	1 404	**–**	–

24. Auditors' remuneration

	Group 2013	Group 2012	Company 2013	Company 2012
Fees paid	**5 705**	2 164	**4 934**	2 713
Adjustment for previous period	**–**	12	**–**	–
Fees for non-audit services	**166**	241	**145**	–
	5 871	2 417	**5 079**	2 713

25. Investment income

	Group 2013	Group 2012	Company 2013	Company 2012
Dividend received				
Dividend received from subsidiaries	**–**	–	**70 606**	66 681
Interest received				
Bank	**15 079**	11 314	**1**	1
Other	**3 404**	1 362	**–**	–
	18 483	12 676	**70 607**	66 682

26. Finance costs

	Group		Company	
Figures in Rand thousand	2013	2012	2013	2012
Other financial liabilities	**36 849**	22 620	**–**	–
Finance leases	**283**	1 212	**–**	–
Bank	**6 479**	2 250	**2**	–
Other	**3 891**	1 347	**–**	–
	47 502	27 429	**2**	–

27. Taxation

	Group		Company	
Figures in Rand thousand	2013	2012	2013	2012
Major components of the tax expense/(income)				
Current				
Local income tax – current period	**134 701**	119 727	**–**	–
Local income tax – recognised in current tax for prior periods	**1 511**	(1 097)	**–**	–
Secondary tax on companies	**–**	4 579	**–**	–
Security transfer tax	**950**	430	**–**	–
	137 162	123 639	**–**	–
Deferred				
Originating and reversing temporary differences	**(99)**	(6 720)	**(38)**	(4)
Prior period adjustments	**(1 724)**	(88)	**–**	–
	(1 823)	(6 808)	**(38)**	(4)
Total taxation	**135 339**	116 831	**(38)**	(4)
Reconciliation of the tax expense	**%**	%	**%**	%
Rate of SA company taxation	**28,00**	28,00	**28,00**	28,00
Exempt income	**–**	–	**(27,94)**	(27,33)
Prior year adjustments	**0,16**	(0,29)	**–**	–
Disallowable charges	**3,30**	5,85	**–**	–
Secondary tax on companies	**–**	0,38	**–**	–
Security transfer tax	**0,20**	0,04	**–**	–
Deferred tax asset raised	**(5,14)**	(0,68)	**–**	–
Deferred tax not raised on estimated losses	**2,48**	0,99	**–**	–
Tax rate differences in respect of foreign entities	**–**	0,08	**–**	–
	29,00	34,37	**0,06**	0,67
Unrecognised deferred tax assets				
Deferred tax assets have not been recognised for tax losses	**224 263**	41 201	**30 587**	21 733

The deductible temporary differences do not expire under current tax legislation. Deferred tax assets are not recognised in respect of tax losses until it is probable that future profit will be available against which the Group can utilise the benefits therefrom.

In 2013, R58 440 714 of previously unrecognised tax losses were recognised as management considered it probable that future taxable profits would be available against which they can be utilised.

28. Earnings per share

Figures in Rand thousand	Group 2013	Group 2012
Earnings per share		
Basic earnings per share and diluted earnings per share are based on profit attributable to shareholders of the company	**331 509**	222 577
Earnings per share (cents)	**343,7**	254,9
Diluted earnings per share (cents)	**309,8**	226,2
Headline earnings per share		
Profit attributable to ordinary shareholders	**331 509**	222 577
Adjustments:		
Profit on disposal of assets (Gross R129 (2012: R4 414))	**(93)**	(3 474)
Impairments of assets (no tax effect)	**6**	1 907
Gain on bargain purchase (no tax effect)	**(4 387)**	–
	327 035	221 010
Headline earnings per share (cents)	**339,1**	253,1
Diluted headline earnings per share (cents)	**305,6**	224,6
Weighted average number of ordinary shares		
Weighted average number of ordinary shares for the purposes of basic and headline earnings per share	**96 453**	87 312
Dilutive impact of share options	**8 772**	9 269
Dilutive impact of shares to be issued to vendors	**1 782**	1 835
Net asset value per share		
Net asset value per share (cents)	**1 461,8**	1 118,7
Net tangible asset value per share (cents)	**530,8**	324,1

Dividends per share

A gross dividend of 95 cents (2012: 70 cents) per share has been declared and paid to shareholders recorded in the books at the close of business on Friday, 25 October 2013.

29. Cash generated from/(used in) operations

	Group		Company	
Figures in Rand thousand	2013	2012	2013	2012
Profit before taxation	**466 698**	339 919	**61 616**	59 872
Adjustments for:				
Depreciation and amortisation	**108 447**	88 947	**–**	–
Profit on sale of assets	**(129)**	(4 414)	**–**	–
Loss/(profit) on foreign exchange	**1 272**	(5 071)	**–**	–
Share of losses of equity accounted investments	**–**	43	**–**	–
Dividends received	**–**	–	**(70 606)**	(66 681)
Investment income	**(18 483)**	(12 676)	**(1)**	(1)
Finance costs	**47 502**	27 429	**2**	–
Gains on remeasurement of contingent consideration	**(30 807)**	–	**–**	–
Impairment loss	**6**	1 907	**–**	–
Loss on settlement of financial liability with equity	**5 203**	–	**–**	–
Unwinding of interest on financial instruments measured at amortised cost	**8 864**	5 425	**–**	–
Share-based payment expense	**16 134**	15 892	**–**	–
Gain on bargain purchase	**(4 387)**	–	**–**	–
Changes in working capital:				
Inventories	**(16 111)**	10 379	**–**	–
Trade and other receivables	**(39 562)**	(140 830)	**83**	10
Trade and other payables	**56 042**	76 284	**84**	(137)
Deferred income	**(67 777)**	39 304	**–**	–
	532 912	442 538	**(8 822)**	(6 937)

30. Tax paid

Figures in Rand thousand	Group 2013	Group 2012	Company 2013	Company 2012
Tax due at the beginning of the year	**(4 110)**	(13 317)	**–**	–
Current tax for the year recognised in profit or loss	**(137 162)**	(123 639)	**–**	–
Capital gains tax	**(8 852)**	–	**–**	–
Adjustment in respect of businesses acquired during the year	**(7 479)**	(8 632)	**–**	–
Tax due at end of the year	**2 915**	4 110	**–**	–
	(154 688)	(141 478)	**–**	–

31. Dividends paid

	Group 2013	Group 2012	Company 2013	Company 2012
Dividends payable at beginning of the year	**(594)**	(48)	**(40)**	(35)
Dividends	**(66 901)**	(41 139)	**(70 606)**	(45 787)
Adjustment in respect of businesses acquired during the year	**–**	(1 358)	**–**	–
Dividends payable at end of the year	**31**	594	**31**	40
	(67 464)	(41 951)	**(70 615)**	(45 782)

32. Commitments

	Group 2013	Group 2012	Company 2013	Company 2012
Authorised capital expenditure				
Already contracted for but not provided for				
– Property, plant and equipment	**5 109**	724	**–**	–
– Computer software	**13 600**	–	**–**	–
This committed expenditure relates to PPE and the implementation of a new ERP system for the Group which will be financed internally.				
Operating leases – as lessor				
Minimum lease receivables due				
– within one year	**1 319**	1 134	**–**	–
– in second to fifth years inclusive	**65**	1 485	**–**	–
	1 384	2 619		
Operating leases – as lessee				
Minimum lease payments due				
– within one year	**(48 329)**	(20 313)	**–**	–
– in second to fifth years inclusive	**(96 682)**	(18 318)	**–**	–
	(145 011)	(38 631)	**–**	–

Operating lease payments represent rentals payable by the Group for certain of its office properties. No contingent rent is payable.

33. Contingencies

There are instances where the business is involved in litigation to recover monies due and payable from its clients for services rendered. Where there is a risk of partial or no recovery at all, management has made appropriate doubtful debt or credit note allowances.

There are certain non-material claims from clients which, in the opinion of the directors, are not substantiated and are defendable. Where there is a perceived risk of an award, these incidents have been reported to our indemnity insurers. The directors are of the opinion that the resolution of these claims will have no material impact on the business.

34. Directors' emoluments

Non-executive directors sign a service contract for a fixed term at a fixed annual salary which is reviewed and approved annually by the Remuneration and Nominations Committee. Directors' restraint period is a minimum of 12 months after they leave the employ of EOH in respect of services offered by EOH.

The non-executive directors resign every three years by rotation and are re-appointed by shareholders at the Annual General Meeting.

Full remuneration presents all amounts paid.

Figures in Rand thousand	Remuneration	Bonuses	Fees for other services	Directors' fees	Total
Executive directors					
2013					
A Bohbot	**2 372**	**1 750**	**–**	**–**	**4 122**
P Bam	**1 433**	**440**	**–**	**–**	**1 873**
JW King	**1 835**	**1 200**	**–**	**–**	**3 035**
DD Ramoo	**1 523**	**603**	**–**	**–**	**2 126**
JS Thomson	**1 648**	**675**	**–**	**–**	**2 323**
	8 811	**4 668**	**–**	**–**	**13 479**
2012					
A Bohbot	2 000	1 594	–	–	3 594
P Bam	1 310	443	–	–	1 753
JW King	1 600	1 110	–	–	2 710
DD Ramoo	1 420	447	–	–	1 867
JS Thomson	1 530	1 050	–	–	2 580
	7 860	4 644	–	–	12 504
Non-executive directors					
2013					
Dr NM Phosa	**–**	**–**	**–**	**335**	**335**
L Khumalo	**–**	**–**	**–**	**130**	**130**
T Marwala	**–**	**–**	**–**	**141**	**141**
T Skwambane	**–**	**–**	**–**	**133**	**133**
RMM Sporen	**–**	**–**	**–**	**157**	**157**
	–	**–**	**–**	**896**	**896**
2012					
Dr NM Phosa	–	–	500	968	1 468
L Khumalo	–	–	4 084	109	4 193
T Marwala	–	–	–	109	109
T Skwambane	–	–	–	109	109
RMM Sporen	–	–	–	109	109
	–	–	4 584	1 404	5 988

35. Subsidiary companies

Name of company		Issued shares (Rand)		Effective shareholding (%)		Cost of shares (Figures in Rand thousand)		Loans to Group companies Figures in Rand thousand)	
		2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Direct subsidiaries									
Axia Business Solutions (Pty) Ltd	RSA	**100**	100	**100**	100	**–**	–	**–**	–
CA Southern Africa (Pty) Ltd	RSA	**100**	100	**100**	100	**–**	–	**39 837**	24 837
Enterprise Softworks (Pty) Ltd	RSA	**9 000 000**	9 000 000	**100**	100	**–**	–	**28 921**	19 739
Enterweb (Pty) Ltd	RSA	**1000**	1000	**100**	100	**–**	–	**–**	–
EOH Abantu (Pty) Ltd	RSA	**100**	100	**100**	100	**–**	–	**203 432**	88 661
EOH Consulting (Pty) Ltd	RSA	**100**	100	**100**	100	**43 846**	43 846	**14 077**	12 577
EOH Consulting Services KZN (Pty) Ltd	RSA	**100**	100	**100**	100	**–**	–	**–**	–
EOH Intelligent Infrastructure (Pty) Ltd	RSA	**100**	100	**100**	100	**3 270**	3 270	**23 334**	–
EOH Mthombo (Pty) Ltd	RSA	**100**	100	**100**	100	**2 302**	2 302	**69 218**	59 892
Intellient (Pty) Ltd	RSA	**100**	100	**100**	100	**7 140**	7 140	**22 105**	18 605
Mthombo IT Services (Pty) Ltd	RSA	**537**	537	**100**	100	**39 642**	39 642	**8 000**	8 000
V55 Investments (Pty) Ltd	RSA	**100**	100	**100**	100	**–**	–	**13 308**	13 245
Indirect subsidiaries									
Amber Moon Trading 5 (Pty) Ltd	RSA	**100**	100	**100**	100	**–**	–	**–**	–
Blick Properties SA (Pty) Ltd	RSA	**200**	200	**100**	100	**–**	–	**–**	–
Change Logic CS (Pty) Ltd	RSA	**100**	–	**100**	–	**–**	–	**–**	–
Compensation Technologies Holdings (Pty) Ltd	RSA	**120**	120	**100**	100	**–**	–	**–**	–
Compensation Technologies Share Based Incentives (Pty) Ltd	RSA	**100**	100	**100**	100	**–**	–	**–**	–
Computerised Health and Environment Surveillance Systems (Pty) Ltd	RSA	**646**	–	**64,6**	–	**–**	–	**–**	–
Denis UK Limited	UK	**100**	100	**100**	100	**–**	–	**–**	–
Dental Information Systems (Pty) Ltd	RSA	**100 000**	100 000	**100**	100	**–**	–	**–**	–
Dental Information Systems Holdings (Pty) Ltd	RSA	**100**	100	**100**	100	**–**	–	**–**	–
Denis Insurance Administrators (Pty) Ltd	RSA	**120**	120	**100**	100	**–**	–	**–**	–
Denis Underwriting Managers (Pty) Ltd	RSA	**700**	700	**100**	100	**–**	–	**–**	–
ECDOH's Differentiated Amenities (Pty) Ltd	RSA	**120**	120	**100**	100	**–**	–	**–**	–
Enerweb (Pty) Ltd	RSA	**360**	–	**100**	–	**–**	–	**–**	–
Enablemed Investment Holdings (Pty) Ltd	RSA	**100**	100	**100**	100	**–**	–	**–**	–
Enablemed (Pty) Ltd	RSA	**100**	100	**100**	100	**–**	–	**–**	–
Enablemed Services (Pty) Ltd	RSA	**100**	100	**100**	100	**–**	–	**–**	–
EOH (Pty) Ltd	AUS	**10**	10	**100**	100	**–**	–	**–**	–
EOH Consulting Services Eastern Cape (Pty) Ltd	RSA	**100**	100	**100**	100	**–**	–	**–**	–
EOH Europe (Pty) Ltd	UK	**100**	100	**100**	100	**–**	–	**–**	–
EOH Human Capital Solutions (Pty) Ltd *(formerly Compensation Technologies Consulting (Pty) Ltd)*	RSA	**74**	74	**100**	100	**–**	–	**2 000**	2 000
EOH Impact Consulting Services (Pty) Ltd	RSA	**600**	600	**100**	100	**–**	–	**–**	–
EOH Legal Services (Pty) Ltd *(formerly CLS Consulting Services (Pty) Ltd)*	RSA	**100**	100	**100**	100	**–**	–	**–**	–

35. Subsidiary companies (continued)

Name of company		Issued shares (Rand) 2013	Issued shares (Rand) 2012	Effective shareholding (%) 2013	Effective shareholding (%) 2012	Cost of shares (Figures in Rand thousand) 2013	Cost of shares (Figures in Rand thousand) 2012	Loans to Group companies Figures in Rand thousand) 2013	Loans to Group companies Figures in Rand thousand) 2012
Indirect subsidiaries (continued)									
EOH Managed Services PS (Pty) Ltd *(formerly Siemens IT Solutions and Services South Africa (Pty) Ltd)*	RSA	**102**	–	**100**	–	**–**	–	**–**	–
EOH Microsoft Coastal (Pty) Ltd *(formerly Airborne Consulting (Pty) Ltd)*	RSA	**1 000**	1 000	**100**	100	**–**	–	**–**	–
EOH Security and Building Technologies (Pty) Ltd *(formerly Stanley Security Solutions (Pty) Ltd)*	RSA	**200**	200	**100**	100	**–**	–	**–**	–
EOH Wellness Centre (Pty) Ltd *(formerly Ndawo Wellness (Pty) Ltd)*	RSA	**1 000**	1 000	**100**	100	**–**	–	**–**	–
E-Secure Distribution (Pty) Ltd	RSA	**100**	100	**100**	100	**–**	–	**750**	750
Faculty Training Institute (Pty) Ltd	RSA	**80**	80	**100**	100	**–**	–	**–**	–
Faranani Sapremo (Pty) Ltd	RSA	**10 000**	–	**100**	–	**–**	–	**–**	–
Freethinking Business Consultants (Pty) Ltd	RSA	**750**	–	**100**	–	**–**	–	**–**	–
		500 "A"	–	**100**	–	**–**	–	**–**	–
HR Professional Resources (Pty) Ltd	RSA	**120**	–	**100**	–	**–**	–	**–**	–
Highveld Wealth Management (Pty) Ltd	RSA	**1 000**	1 000	**100**	100	**–**	–	**–**	–
Hlanganani Blick (Pty) Ltd	RSA	**100**	100	**100**	70	**–**	–	**–**	–
Hospitality Professionals South Africa (Pty) Ltd	RSA	**100**	–	**100**	–	**–**	–	**–**	–
ITS Technologies (Pty) Ltd	RSA	**100**	–	**100**	–	**–**	–	**–**	–
Ivy-Moon 112 (Pty) Ltd	RSA	**120**	120	**100**	100	**–**	–	**–**	–
Lan Metrix (Pty) Ltd	RSA	**1 000**	1 000	**100**	100	**–**	–	**–**	–
Managed Print Solutions (Pty) Ltd	RSA	**100**	100	**100**	100	**–**	–	**–**	–
Medical Services Organisation South Africa (Pty) Ltd	RSA	**1 000**	1 000	**100**	100	**–**	–	**–**	–
Medical Services Organisation International (Pty) Ltd	RSA	**1 000**	1 000	**70**	70	**–**	–	**–**	–
Proserve Tourism South Africa (Pty) Ltd	RSA	**200**	–	**100**	–	**–**	–	**–**	–
Pinnacle Health Solutions (Pty) Ltd	RSA	**200**	200	**100**	100	**–**	–	**5 000**	
REO Consulting (Pty) Ltd	RSA	**100**	100	**100**	100	**–**	–	**–**	–
Riverbend Trade and Invest 38 (Pty) Ltd	RSA	**111**	111	**100**	100	**–**	–	**–**	–
Rosstone Consulting (Pty) Ltd	RSA	**100**	100	**100**	100	**–**	–	**–**	–
SI Analytics (Pty) Ltd	RSA	**100**	–	**100**	–	**–**	–	**–**	–
Siyanqoba Seminars (Pty) Ltd	RSA	**100**	–	**100**	–	**–**	–	**–**	–
TSS Managed Services (Pty) Ltd	RSA	**81**	81	**100**	100	**–**	–	**28 000**	20 894
Trusts									
The Mthombo Trust	RSA	**–**	–	**–**	–	**–**	–	**15 609**	15 671
The EOH Share Trust	RSA	**–**	–	**–**	–	**–**	–	**361**	361
						96 200	96 200	**473 952**	**285 232**
Impairment						**(1 073)**	(1 073)	**–**	**–**
						95 127	95 127	**473 952**	**285 232**

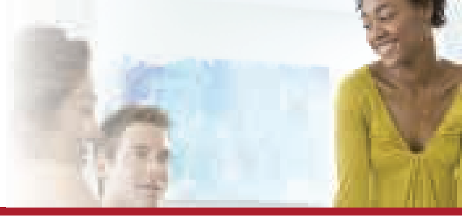
The loans are unsecured, interest free and have no fixed terms of repayment.

36. Related parties

Figures in Rand thousand	Company 2013	Company 2012
Related party balances		
Loan accounts owing by related parties		
CA Southern Africa Proprietary Limited	**39 837**	24 837
EOH Human Capital Solutions Proprietary Limited	**2 000**	2 000
Enterprise Softworks Proprietary Limited	**28 921**	19 739
EOH Abantu Proprietary Limited	**203 432**	88 661
EOH Consulting Proprietary Limited	**14 077**	12 577
EOH Intelligent Infrastructure Proprietary Limited	**23 334**	–
EOH Mthombo Proprietary Limited	**69 218**	59 892
E-Secure Proprietary Limited	**750**	750
Intellient Proprietary Limited	**22 105**	18 605
Mthombo IT Services Proprietary Limited	**8 000**	8 000
Pinnacle Health Solutions Proprietary Limited	**5 000**	–
The EOH Share Trust	**361**	361
The Mthombo Trust	**15 609**	15 671
TSS Managed Services Proprietary Limited	**28 000**	20 894
V55 Investments Proprietary Limited	**13 308**	13 245
Related party transactions		
Dividends received from related parties		
CA Southern Africa Proprietary Limited	**(15 000)**	(11 787)
EOH Human Capital Solutions Proprietary Limited	**–**	(2 000)
Enterprise Softworks Proprietary Limited	**(3 000)**	(3 500)
EOH Abantu Proprietary Limited	**(20 000)**	(2 500)
EOH Consulting Proprietary Limited	**(1 500)**	–
EOH Intelligent Infrastructure Proprietary Limited	**(1 500)**	–
EOH Legal Services Proprietary Limited	**(6 000)**	–
EOH Mthombo Proprietary Limited	**–**	(20 000)
Intellient Proprietary Limited	**(3 500)**	(3 500)
Mthombo IT Services Proprietary Limited	**–**	(2 500)
Pinnacle Health Solutions Proprietary Limited	**(5 000)**	–
TSS Managed Services Proprietary Limited	**(15 106)**	(20 894)

Key management personnel

The directors are defined as key management personnel. Details of the directors' emoluments are disclosed in note 34.



37. Risk management

Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an appropriate capital structure.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year other than to fund certain acquisitions.

		Group	
Figures in Rand thousand	Notes	2013	2012
Interest-bearing liabilities			
Other financial liabilities	17	**569 193**	481 599
Finance lease obligation	18	**3 126**	4 839
		572 319	486 438
Equity attributable to shareholders of the parent		**1 620 324**	1 128 438
Debt: equity ratio		**0,35:1**	0,43:1

Financial risk management

The Group's normal operations expose it to a variety of financial risks: credit risk, liquidity risk and currency risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out centrally and management identifies, evaluates and analyses financial risks where necessary in close co-operation with the Group's operating units. The Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Liquidity risk

The Group manages liquidity risk through an ongoing review of future commitments and credit facilities to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below analyses the Group's financial assets and liabilities into relevant maturity groupings based on the remaining period at the date of the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Figures in Rand thousand	Less than 1 year	Between 1 and 5 years
Group		
At 31 July 2013		
Other financial liabilities	**219 072**	**358 556**
Finance lease obligation	**1 566**	**1 952**
Trade and other payables	**972 866**	**–**
At 31 July 2012		
Other financial liabilities	209 831	276 762
Finance lease obligation	2 454	3 077
Trade and other payables	661 840	–

37. Risk management (continued)

Figures in Rand thousand	Less than 1 year	Between 1 and 5 years
Company		
At 31 July 2013		
Trade and other payables	**246**	**–**
At 31 July 2012		
Other financial liabilities	–	120
Trade and other payables	162	–

Interest rate risk

The cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate owing to changes in the market interest rate. The fair value interest rate risk is the risk that the value of the financial instrument will fluctuate because of changes in the market interest rates. The Group assumes exposure to the effects of the fluctuations in the prevailing levels if the market interest rates on both the fair value and cash flow risks fluctuate.

The interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group policy is to maintain most of its borrowings in variable rate instruments. During the reporting period, the Group's borrowings at variable rate were denominated in Rands.

The Group analyses its interest rate exposure on an ongoing basis. The Group is not highly geared and does not hedge against fluctuations in interest rates.

At 31 July 2013, if the interest rate on Rand-denominated borrowings had been 1% higher with all other variables held constant, pre-tax profit for the year would have been R5 million (2012: R2 million) lower, mainly as a result of higher interest expense on floating rate borrowings.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's other financial assets, finance lease receivables, trade and other receivables and cash and cash equivalents.

Trade receivables and finance lease receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis, taking into account its financial position, past experience and other relevant factors. If customers are independently rated, these ratings are also considered.

The carrying amount of financial assets, which are net of impairment losses, represents the maximum credit exposure. Financial assets exposed to credit risk at year end were as follows:

	Group		Company	
Figures in Rand thousand	2013	2012	2013	2012
Other financial assets	**38 952**	31 828	**–**	–
Finance lease receivables	**121 489**	62 807	**–**	–
Trade and other receivables	**1 185 075**	809 429	**334**	417
Cash and cash equivalents	**653 007**	451 867	**7**	150

At the reporting date, the Group did not consider there to be any significant concentration of credit risk which has not been adequately catered for.

37. Risk management (continued)

Currency risk

The Group operates internationally but has limited exposure to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar, the Euro and the British Pound.

To manage foreign exchange risk arising from commercial transactions and recognised assets and liabilities, management uses forward exchange contracts when considered appropriate.

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group has limited investments in foreign operations, where the assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations are therefore limited.

	Group		Company	
Figures in Rand thousand	2013	2012	2013	2012
Foreign currency exposure at the end of the reporting period				
Current assets				
Trade and other receivables – BWP 1,281 (2012: 1,281)	**1 396**	1 332	**–**	–
Trade and other receivables – EUR 7 (2012: Nil)	**90**	–	**–**	–
Trade and other receivables – GBP 948 (2012: 1,004)	**13 955**	12 578	**–**	–
Trade and other receivables – USD 1,560 (2012: 1,430)	**15 194**	11 528	**–**	–
Current liabilities				
Trade and other payables – EUR 140 (2012: 12)	**(1 803)**	(118)	**–**	–
Trade and other payables – GBP 95 (2012: 59)	**(1 398)**	(738)	**–**	–
Trade and other payables – USD 3,402 (2012: 88)	**(33 135)**	(704)	**–**	–
Exchange rates used for the conversion of foreign items were:				
BWP	**1,09**	1,04	**–**	–
EUR	**12,88**	9,84	**–**	–
GBP	**14,72**	12,53	**–**	–
USD	**9,74**	8,01	**–**	–

The majority of trade and other receivables and trade and other payables are fixed in the subsidiaries' local currency. Since exposure to exchange rate fluctuations is limited, no currency sensitivity analysis has been included.

38. Acquisition of businesses

Figures in Rand thousand	Siemens	Other	2013	2012
2013				
Fair value of assets and liabilities acquired				
Investment property	–	–	**–**	2 872
Property, plant and equipment	3 185	11 172	**14 357**	90 408
Intangible assets	–	29 142	**29 142**	53 917*
Non-current other financial assets	–	4 850	**4 850**	1 765
Non-current finance lease receivable	–	–	**–**	28 990
Current other financial assets	–	4 322	**4 322**	–
Deferred tax	–	9 101	**9 101**	(5 289)
Inventories	460	10 507	**10 967**	19 478
Current finance lease receivable	–	–	**–**	21 118
Trade and other receivables	256 885	78 194	**335 079**	83 907
Cash and cash equivalents	52 106	48 757	**100 863**	69 946
Non-controlling interest	–	847	**847**	(889)
Non-current other financial liabilities	–	(2 851)	**(2 851)**	(26 675)
Non-current finance lease obligation	–	(1 866)	**(1 866)**	(4 725)
Trade and other payables	(199 781)	(68 091)	**(267 872)**	(122 025)
Deferred income	(108 581)	(11 499)	**(120 080)**	–
Dividends payable	–	–	**–**	(1 358)
Tax liabilities	–	(7 479)	**(7 479)**	(8 382)
Gain on bargain purchase	(4 274)	–	**(4 274)**	–
Goodwill	–	253 339	**253 339**	244 561*
	–	358 445	**358 445**	447 619
Net cash (inflow)/outflow on acquisition				
Cash consideration paid	–	(72 884)	**(72 884)**	(159 167)
Cash acquired	52 106	48 757	**100 863**	69 946
	52 106	(24 127)	**27 979**	(89 221)
Consideration				
Cash paid	–	(72 884)	**(72 884)**	(159 167)
Shares issued	–	(52 243)	**(52 243)**	(48 562)
Cash to be paid	–	(129 788)	**(129 788)**	(106 660)
Shares to be issued	–	(103 530)	**(103 530)**	(133 230)
Total consideration	–	(358 445)	**(358 445)**	(447 619)
Acquisition-related costs+	100	–	**100**	477

* Includes initial accounting adjustments relating to prior period acquisitions for which fair values of assets acquired have changed during the measurement period as contemplated by IFRS 3.

+ Included in operating expenses in the statement of comprehensive income for the year.

38. Acquisition of businesses (continued)

The acquisitions of the above subsidiaries and businesses are based on best estimates and provisional fair values. The Group has not yet completed its assessment of the fair values of all identifiable assets, liabilities and/or contingent liabilities. The fair values will be accurately determined within 12 months from the date of acquisition.

For all acquisitions the following is applicable:
The results of operations have been accounted for from the effective date of the business combination. In determining the purchase consideration paid, we considered the profit history of the relevant business and its growth prospects in the EOH stable. The fair value of shares issued as part of the purchase price was determined based on the share price at the effective date.

Where warranties are applicable, the 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. As of 31 July 2013, amounts previously recognised for the contingent consideration paid/payable changed, resulting in a decrease of R33 million, net of a R10 million increase in contingent consideration arising on settlement. Revised contingent consideration amounts payable were based on the latest approved budgeted results and reasonable growth rates assumed for the remainder of the relevant warranty period.

Prior year acquisition assets and liabilities were based on provisional values. A more comprehensive review of the fair values of these assets and liabilities has subsequently been performed resulting in changes to the fair values as envisaged by IFRS 3, 'Business Combinations', resulting in a decrease in goodwill of R18 million. These are individually not-material, and relate to a more comprehensive review having been performed to identify identifiable intangible assets.

Siemens IT Solutions and Services South Africa Proprietary Limited
During the year under review, the Group took transfer of 100% of the share capital of Siemens IT Solutions and Services South Africa Proprietary Limited ('SIS SA') with effect from 1 October 2012 for an amount of R1, settled in cash. SIS SA provides managed services. EOH acquired the shares in SIS SA to increase its presence in the public sector, and to expand its capacity in IT managed services.

SIS SA was disposed of by the Siemens group as part of its global strategy to carve-out and sell its IT Solutions and Services business. As a result of this strategy, SIS SA was disposed of at a nominal amount, resulting in a bargain purchase gain of R4.3 million.

The fair value of SIS SA's trade and other receivables was R257 million at acquisition (gross contractual amount of R336 million).

The revenue included in the consolidated statement of comprehensive income is R204 million and profit after taxation of R35 million.

Other non-material acquisitions
The total purchase consideration for these acquisitions is R359 million, consisting of R203 million in cash and 4 411 525 EOH shares, with total profit warranted over a two year period in relation to these acquisitions of R177 million.

In order to enhance its technology applications and consulting service offerings, EOH acquired several businesses for a total consideration of R187 million. The Group augmented its BPO and human capital service offerings through the acquisition of several businesses for a total purchase consideration of R95 million. In order to bolster the Group's intelligent infrastructure capability, EOH acquired various businesses for a total purchase consideration of R77 million. In all instances either 100% of the shares or 100% of the business operations were acquired.

The fair value of trade and other receivables for these acquisitions was R77 million at acquisition (gross contractual amount of R78 million).

The revenue included in the consolidated statement of comprehensive income attributable to these businesses is R400 million and profit after taxation of R19 million.

Goodwill is associated with the anticipated increase in the revenue and profitability generated by these businesses resulting from EOH introducing the additional services offered by the newly acquired entities to existing EOH clients and the ability of these businesses to focus on their core services while being serviced by EOH's shared services. In addition, the consideration paid includes the benefits of other expected synergies, future market development and the assembled workforce of EOH.

39. Subsequent events

There have been no significant events between the reporting date and the date of authorisation other than the following business combinations:

Sybrin Systems Group

Subsequent to the financial year end, the Group acquired the share capital of the Sybrin group of companies, hereinafter referred to as 'Sybrin', with effect from 1 August 2013 for an amount of USD30 million. The percentage shareholding acquired and the relevant entities acquired within the Group are as follows: 100% of Sybrin Systems Proprietary Limited, 100% of Sybrin Limited, 75% of Imaging Solutions Private Limited, 75% of Sybrin Mozambique Limited, 90% of Sybrin Kenya Limited and 90% of Golden Dividend 382 Proprietary Limited.

Sybrin is a financial services software developer offering workflow software, payment, imaging and document management solutions products. EOH acquired the shares in Sybrin to strengthen its industry focus and expansion into Africa.

The purchase price consideration is to be settled by way of cash of USD19,5 million and 1 590 909 EOH shares. The total profit warranted over a two year period for Sybrin is USD9.5 million.

Goodwill arising on these acquisitions is associated with the anticipated increase in the revenue and profitability generated by Sybrin resulting from EOH introducing the services offered by Sybrin to existing EOH clients. In addition, the consideration paid includes the benefits of other expected synergies and future market development. The fair value of assets and liabilities shown are based on provisional values and the level of goodwill disclosed may change subject to a more comprehensive assessment of the relevant asset and liability fair values.

The fair value of the receivables is equal to the gross contractual amounts receivable and all amounts receivable are expected to be collected in full.

Non-material acquisitions made subsequent to year-end

The Group has also acquired several other businesses subsequent to year-end in order to bolster its service offering in the financial services sector and to enhance its infrastructure applications in the public sector and to expand its human capital solutions service offerings.

The total purchase consideration for these acquisitions is R249 million, consisting of R163,5 million in cash and 869 170 EOH shares. In determining the purchase consideration paid, the profit history of the relevant business and its growth prospects in the EOH stable were considered. Total profit warranted over a two year period in relation to these acquisitions is R100 million. The warranties allow for a defined adjusted value to the consideration payable in the event that the full profit warranted is not achieved and a sharing of the surplus should the profit warranted be exceeded. As at authorisation date, management expects the full purchase prices to be paid.

Goodwill arising on these acquisitions is associated with the anticipated increase in the revenue and profitability generated by the acquired businesses resulting from EOH introducing the services offered by the acquired businesses to existing EOH clients.

The fair value of the receivables is equal to the gross contractual amounts receivable and all amounts receivable are expected to be collected in full.

39. Subsequent events (continued)

The fair value of assets and liabilities arising from the acquisition, provisionally determined, in particular with regards to the valuation of identifiable intangible assets, are as follows:

Figures in Rand thousand	Sybrin	Other
Investment property	11 174	–
Property, plant and equipment	3 501	8 177
Intangible assets	4 904	20 564
Non-current other financial assets	369	9 234
Other investments	3 702	–
Investments in associates	–	11 611
Deferred taxation	117	(1 856)
Current other financial assets	95	462
Inventories	9 409	1 085
Trade and other receivables	18 596	39 658
Cash and cash equivalents	59 277	22 039
Non-controlling interest	(893)	–
Non-current finance lease obligation	–	(190)
Non-current other financial liabilities	(7 974)	(6 755)
Current finance lease obligation	–	(1 065)
Current other financial liabilities	(4 164)	(2 856)
Trade and other payables	(37 600)	(38 703)
Tax liabilities	(10 839)	(5 107)
Net assets acquired	**49 674**	**56 298**
Goodwill	**233 293**	**192 933**
Total purchase consideration	**282 967**	**249 231**
Cash paid	34 475	52 401
Shares issued	4 446	49 585
Cash to be paid (discounted)	151 844	78 726
Shares to be issued (discounted)	92 202	68 519
Direct costs relating to the acquisition – charged to the statement of comprehensive income	–	100

40. Segment reporting

The Group has three reportable segments, which are consistent with the Group’s strategic business units.

The Group’s CEO reviews internal management reports for each of the strategic business units on a monthly basis. The following summary describes the operations in each of the Group’s reportable segments:

- Infrastructure – the sale of infrastructure products
- Software – includes new software sales and maintenance revenue
- Services – the provision of services including consulting, systems implementation and integration and managed services.

40. Segment reporting (continued)

Information about reportable segments

Figures in Rand thousand	Infrastructure	Software	Services	Total
2013				
Segment revenue from external customers	**771 800**	**686 817**	**3 627 362**	**5 085 979**
Inter-segment revenue	**45 633**	**4 995**	**122 230**	**172 858**
Segment profit before taxation	**55 505**	**72 950**	**346 873**	**475 328**
Included in profit before taxation:				
– Investment income	**1 321**	**846**	**15 839**	**18 006**
– Finance costs	**(4 219)**	**(6 280)**	**(36 732)**	**(47 231)**
– Depreciation and amortisation	**(8 952)**	**(12 211)**	**(79 858)**	**(101 021)**
– Net impairment of assets	**–**	**–**	**(6)**	**(6)**
Reportable segment assets	**527 851**	**427 887**	**2 468 680**	**3 424 418**
Capital expenditure	**4 389**	**9 479**	**72 478**	**86 346**
Reportable segment liabilities	**(216 874)**	**(233 729)**	**(1 381 450)**	**(1 832 053)**
2012				
Segment revenue from external customers	683 303	614 971	2 344 641	3 642 915
Inter-segment revenue	37 454	15 780	117 396	170 630
Segment profit before taxation	41 484	64 555	235 830	341 869
Included in profit before taxation:				
– Investment income	836	1 069	10 505	12 410
– Finance costs	(828)	(5 878)	(20 723)	(27 429)
– Depreciation and amortisation	(3 622)	(20 739)	(57 917)	(82 278)
– Loss from equity accounted investments	–	–	(43)	(43)
– Net impairment of assets	(44)	(603)	(1 260)	(1 907)
Reportable segment assets	384 027	344 720	1 395 587	2 124 334
Capital expenditure	2 563	8 112	43 541	54 216
Reportable segment liabilities	(214 194)	(213 508)	(949 507)	(1 377 209)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2013			2012		
Figures in Rand thousand	Reportable segments	Amount not specifically allocated	Totals	Reportable segments	Amount not specifically allocated	Totals
Revenue	**5 085 979**	**–**	**5 085 979**	3 642 915	–	3 642 915
Profit before taxation	**475 328**	**(8 630)**	**466 698**	341 869	(1 950)	339 919
Investment income	**18 006**	**477**	**18 483**	12 410	266	12 676
Finance cost	**(47 231)**	**(271)**	**(47 502)**	(27 429)	–	(27 429)
Depreciation and amortisation	**(101 021)**	**–**	**(101 021)**	(82 278)	–	(82 278)
Loss from equity accounted investments	**–**	**–**	**–**	(43)	–	(43)
Net impairment of assets	**(6)**	**–**	**(6)**	(1 907)	–	(1 907)
Reportable segment assets	**3 424 418**	**32 534**	**3 456 952**	2 124 334	386 724	2 511 058
Capital expenditure	**86 346**	**–**	**86 346**	54 216	823	55 039
Reportable segment liabilities	**(1 832 053)**	**(4 172)**	**(1 836 225)**	(1 377 209)	(4 011)	(1 381 220)

Notice of Annual General Meeting

EOH Holdings Limited

Incorporated in the Republic of South Africa
(Registration number 1998/014669/06
Share code: EOH ISIN: ZAE000071072
("EOH" or "the Company" or "the Group")

If you are in any doubt as to what action you should take in respect of the following resolutions, please consult your Central Securities Depository Participant ("CSDP"), broker, banker, attorney, accountant or other professional adviser immediately.

Notice is hereby given that the fifteenth Annual General Meeting ("Annual General Meeting") of shareholders of EOH will be held at 11:00 on Tuesday, 11 February 2014 in the boardroom of the Company, Ground Floor, Block D, Gillooly's View, 1 Osborne Lane, Bedfordview, 2007 for the purpose of considering, and, if deemed fit, passing, with or without modification, the resolutions set out hereafter.

The Board of Directors of the Company ("the Board") has determined, in terms of section 62(3)(a), as read with section 59 of the Companies Act, 2008 (Act 71 of 2008), as amended ("the Companies Act"), the record date for the purposes of determining which shareholders of the Company are entitled to participate in and vote at the Annual General Meeting is Friday, 31 January 2014. Accordingly, the last day to trade EOH shares in order to be recorded in the register to be entitled to vote will be Friday, 24 January 2014.

1. To receive, consider and adopt the Annual Financial Statements of the Company and the Group for the financial year ended 31 July 2013, including the reports of the auditors, directors and the Audit Committee.

2. **"Resolved** that the appointment of the following independent non-executive directors and non-executive directors, having been appointed by the Board of Directors, be and are hereby confirmed by way of separate resolutions:

2.1 Sandile Donald Muzinenkosi Zungu as Independent Non-executive Director and Chairman with effect from 1 October 2013.
2.2 Thoko Mnyango as Non-executive Director with effect from 18 June 2013.
2.3 Danny Mackay as Non-executive Director with effect from 1 November 2013."

3. "**Resolved** that, in terms of the Memorandum of Incorporation of the Company, the following directors are obliged to retire by rotation at this Annual General Meeting. Having so retired and who, being eligible, have offered themselves for re-election by way of separate resolutions:

3.1 Prof Tshilidzi Marwala.
3.2 Lucky Khumalo.
3.3 Tebogo Mapula Skwambane."

4. **"Resolved** that the shareholders appoint, each by way of a separate resolution, the following independent, non-executive directors, as members of the Company's Audit Committee until the conclusion of the next Annual General Meeting.

4.1 Robert Michael Maria Sporen as a member and Chairman of the Audit Committee.
4.2 Prof Tshilidzi Marwala as a member of the Audit Committee.
4.3 Tebogo Mapula Skwambane as a member of the Audit Committee."

Refer to Annexure A for their individual CVs.

5. "**Resolved** that Mazars (Gauteng) Inc. (formerly PKF (Gauteng) Inc. prior to the merger with Mazars) be re-appointed (on recommendation by the Audit Committee and the Board of Directors) as independent external auditors of the Company and to note that Mazars has assigned Sanjay Ranchhoojee to undertake the audit for the financial year ending 31 July 2014."

The minimum percentage of voting rights required for each of the resolutions set out in item number 1 to 5 above to be adopted is more than 50% (fifty percent) of the voting rights exercised on each of the resolutions by shareholders present or represented by proxy at the Annual General Meeting.

6. Special resolution number 1

Non-executive Directors' remuneration

"**Resolved** that, in terms of the provisions of section 66(9) of the Companies Act, the annual remuneration payable to the non-executive directors of EOH Holdings Limited ('the Company') for their services as directors of the Company for the financial year ending 31 July 2015, be and is hereby approved as follows:"

Type of fee	Approved fee in ZAR for the year 1 August 2013 to 28 February 2014	Proposed fee in ZAR for the year 1 March 2014 to 28 February 2015
Board		
Chairperson	TBD	500 000
Member	115 500	130 000
Audit Committee		
Chairperson	17 000	40 000
Member	11 150	20 000
Remuneration and Nominations Committee		
Chairperson	17 000	30 000
Member	11 150	15 000
Risk Committee		
Chairperson	17 000	30 000
Member	11 150	15 000
Social and Ethics Committee		
Chairperson	11 150	25 000
Member	8 500	12 500
IT Governance Committee		
Chairperson	11 150	25 000
Member	8 500	12 500

Explanatory note

In terms of section 66(9) of the Companies Act, a company is required to pre-approve the payment of remuneration to non-executive directors for their services as directors for the ensuing financial year by means of a special resolution passed by shareholders of the Company within the previous two years.

It should be noted that pre-approval of remuneration to independent and non-executive directors for their services as directors for the year ending 31 July 2014 was obtained at the Annual General Meeting held on 5 February 2013 and consequently pre-approval of remuneration to non-executive directors for their services as directors for the year ending 31 July 2015 is being sought at this Annual General Meeting.

Special resolutions to be adopted at the Annual General Meeting require approval from at least 75% (seventy-five percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the AGM.

7. Special resolution number 2

General approval to acquire shares

"**Resolved** that, by way of a general approval that the Company and/or any of its subsidiaries from time to time be and are hereby authorised to acquire ordinary shares in the Company in terms of sections 46 and 48 of the Companies Act, the Memorandum of Incorporation of the Company and its subsidiaries and the Listings Requirements of JSE Limited ('the JSE'), as amended from time to time.

The JSE Listings Requirements currently provide, inter alia, that:

- The acquisition of the ordinary shares must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counter-party;
- This general authority shall only be valid until the earlier of the Company's next Annual General Meeting or the expiry of a period of 15 (fifteen) months from the date of passing of this special resolution;
- In determining the price at which the Company's ordinary shares are acquired in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the weighted average of the market value at which such ordinary shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date on which the transaction is effected;
- At any point in time, the Company may only appoint one agent to effect any acquisition/s on its behalf;
- The acquisition of ordinary shares in the aggregate in any one financial year may not exceed 20% (twenty percent) of the Company's issued ordinary share capital;
- The Company may only effect the repurchase once a resolution has been passed by the Board of Directors of the Company ('the Board') confirming that the Board has authorised the repurchase, that the Company has passed the solvency and liquidity test ('test') and that since the test was done there have been no material changes to the financial position of the Group;
- The Company or its subsidiaries may not acquire ordinary shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements;
- An announcement will be published once the Company has cumulatively repurchased 3% (three percent) of the number of the ordinary shares in issue at the time this general authority is granted ('initial number'), and for each 3% (three percent) in aggregate of the initial number acquired thereafter."

Explanatory note

The purpose of this special resolution number 2 is to obtain an authority for, and to authorise, the Company and the Company's subsidiaries, by way of a general authority, to acquire the Company's issued ordinary shares.

It is the intention of the directors of the Company to use such authority should prevailing circumstances (including tax dispensations and market conditions) in their opinion warrant it.

Special resolutions to be adopted at this Annual General Meeting require approval from at least 75% of the votes exercised on such resolutions by shareholders present or represented by proxy at the AGM.

7.1 Other disclosure in terms of Section 11.26 of the JSE Listings Requirements

The JSE Listings Requirements require the following disclosure, which are contained in the annual report of which this notice forms part:

- Directors and management – pages 6 and 7;
- Major shareholders of the Company – page 58;
- Directors' interests in securities – page 59;
- Stated capital of the Company – page 57; and
- Litigation statement – page 61.

7.2 Material change

There have been no material changes in the affairs or financial position of the Company and its subsidiaries since the Company's financial year end and the date of this notice.

7.3 Directors' responsibility statement

The directors, whose names are given on pages 6 and 7 of the Integrated Annual Report of which this notice forms part, collectively and individually, accept full responsibility for the accuracy of the information pertaining to special resolution number 2 and certify that, to the best of their knowledge and belief, there are no facts in relation to special resolution number 2 that have been omitted which would make any statement in relation to special resolution number 2 false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that special resolution number 2 together with this notice contains all information required by law and the JSE Listings Requirements in relation to special resolution number 2.

7.4 Adequacy of working capital

At the time that the contemplated repurchase is to take place, the directors of the Company will ensure that, after considering the effect of the maximum repurchase and for a period of twelve months thereafter:

- The Company and its subsidiaries will be able to pay their debts as they become due in the ordinary course of business;
- The consolidated assets of the Company and its subsidiaries, fairly valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the Company and its subsidiaries;
- The issued share capital and reserves of the Company and its subsidiaries will be adequate for the purpose of the ordinary business of the Company and its subsidiaries; and
- The working capital available to the Company and its subsidiaries will be sufficient for the Group's requirements.

The Company may not enter the market to proceed with the repurchase until its Sponsor, Merchantec (Proprietary) Limited, has discharged of all of its responsibilities in terms of the JSE Listings Requirements insofar as they apply to working capital statements for the purposes of undertaking an acquisition of its issued ordinary shares.

Special resolution number 3

Financial assistance for the subscription of securities

"**Resolved** that, as a special resolution, in terms of section 44 of the Companies Act, the shareholders of the Company hereby approve of the Company providing, at any time and from time to time during the period of two years commencing on the date of this special resolution number 3, financial assistance by way of a loan, guarantee, the provision of security or otherwise, as contemplated in section 44 of the Companies Act, to any person for the purpose of, or in connection with, the subscription for any option, or any securities, issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related company, provided that:

(i) the board of directors of the Company ('the Board'), from time to time, determines: (i) the specific recipient, or general category of potential recipients of such financial assistance; (ii) the terms and conditions under which such financial assistance is provided; and

(ii) the Board may not authorise the Company to provide any financial assistance pursuant to this special resolution number 3 unless the Board meets all those requirements of section 44 of the Companies Act which it is required to meet in order to authorise the Company to provide such financial assistance."

Explanatory note

Section 44

The purpose of this special resolution number 3 is to grant the Board the authority to authorise the Company to provide financial assistance to any person for purpose of, or in connection with, the subscription of any option or securities issued or to be issued by the Company or a related or inter-related company.

Special resolutions to be adopted at this Annual General Meeting required approval from at least 75% (seventy-five percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the AGM.

Special resolution number 4

Loans or other financial assistance to directors

"**Resolved** that, as a special resolution, in terms of section 45 of the Companies Act, the shareholders of the Company hereby approve the Company providing, at any time and from time to time during the period of two years commencing on the date of this special resolution number 4, any direct or indirect financial assistance (which includes the lending money, guaranteeing a loan or other obligation, and securing debt or obligation) as contemplated in section 45 of the Companies Act to a director or prescribing officer of the Company, or to be related or inter-related company or corporation or to a member of any such related or inter-related corporation of to a person related to any such company, corporation, director, prescribed officer or member, provided that:

(i) The Board, from time to time, determines:
(i) the specific or general category of potential recipients of such financial assistance; (ii) the form, nature and extent of such financial assistance; and (iii) the terms and conditions under which such assistance is provided, and

(ii) The Board may not authorise the Company to provide financial assistance pursuant to this special resolution number 4 unless the Board meets all those requirements of section 45 of the Companies Act which it is required to meet in order to authorise the Company to provide such financial assistance."

Explanatory note

The purpose of special resolution number 4 is to grant the Board the authority to authorise the Company to provide financial assistance as contemplated in section 45 of the Companies Act to a director of prescribed officer of the Company, or to a related or inter-related company or corporation, or to a person related to any such company, corporation, director, prescribed officer or member.

Special resolutions to be adopted at this Annual General Meeting require approval from at least 75% (seventy-five percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the AGM.

Notice given to shareholders of the Company in terms of section 45(5) of the Companies Act of a resolution adopted by the Board authorising the Company to provide such direct or indirect financial assistance in respect of special resolution number 4:

(a) By the time this notice of Annual General Meeting is delivered to shareholders of the Company, the Board will have adopted a resolution ('Section 45 Board Resolution') authorising the Company to provide, at any time and from time to time during the period of two years commencing on the date on which special resolution number 4 is adopted, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act (which includes lending money, guaranteeing a loan or other obligation, and securing any debt or obligation) to a director or prescribed officer of the Company or of a related or inter-related company, or to a related or inter-related company or corporation, or to a member of any such related or inter-related corporation, or to a person related to any such company, corporation, director, prescribed officer or a member;

(b) The Section 45 Board Resolution will be effective only if and to the extent that special resolution number 4 is adopted by the shareholders of the Company, and the provision of any such direct or indirect financial assistance by the Company, pursuant to such resolution, will always be subject to the Board being satisfied that: (i) immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act and (ii) the terms under which such financial assistance is to be given are fair and reasonable to the Company as referred in section 45 (3)(b)(ii) of the Companies Act; and

(c) In as much as the Section 45 Board Resolution contemplates that such financial assistance will in the aggregate exceed one-tenth of one percent of the Company's net worth at the date of adoption of such resolution, the Company hereby provides notice of the Section 45 Board Resolution to the shareholders of the Company. Such notice will also be provided to any trade union representing any employees of the Company.

8. Ordinary resolution number 1

Endorsement of the Company's remuneration policy

"Resolved that, as an ordinary resolution, the Company's remuneration policy as set out in page 30 of this Integrated Annual Report be and is hereby endorsed by way of a non-binding advisory vote. This non-binding advisory vote is being proposed in accordance with the recommendations of King III."

Ordinary resolutions to be adopted at this Annual General Meeting require approval from a simple majority, which is more than 50% of the votes exercised on such resolutions by shareholders present or represented by proxy at the AGM.

9. Ordinary resolution number 2

Control of authorised but unissued ordinary shares

"**Resolved** that the authorised but unissued ordinary shares in the capital of the Company be and are hereby placed under the control and authority of the directors of the Company ('directors') and that the directors be and are hereby authorised and empowered to allot and issue all or any of such ordinary shares, or to issue any options in respect of all or any of such ordinary shares, to such person/s on such terms and conditions and at such times as the directors may from time to time and in their discretion deem fit, subject to the provisions of Sections 38 and 41 of the Companies Act, the Memorandum of Incorporation of the Company and the JSE Listings Requirements, as amended from time to time."

Ordinary resolutions to be adopted at this Annual General Meeting require approval from a simple majority, which is more than 50% of the votes exercised on such resolutions by shareholders present or represented by proxy at the AGM.

10. Ordinary resolution number 3

Approval to issue ordinary shares, and to sell treasury shares, for cash

"Resolved that the directors of EOH Holdings Limited ('the Company') and/or any of its subsidiaries from time to time be and are hereby authorised, by way of a general authority, to:

- Allot and issue, or to issue any options in respect of, all or any of the authorised but unissued ordinary shares in the capital of the Company; and/or
- Sell or otherwise dispose of or transfer, or issue any options in respect of, ordinary shares in the capital of the Company purchased by subsidiaries of the Company,

for cash, to such person/s on such terms and conditions and at such times as the directors may from time to time in their discretion deem fit, subject to the Companies Act, 2008 (Act 71 of 2008), as amended, the Memorandum of Incorporation of the Company and its subsidiaries and the JSE Listings Requirements from time to time.

The JSE Listings Requirements currently provide, *inter alia*, that:

- This general authority will be valid until the earlier of the Company's next Annual General Meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given;
- The securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- Any such issue may only be made to 'public shareholders' as defined in the JSE Listings Requirements and not to related parties;
- The securities which are the subject of a general issue for cash may not exceed 10% (ten percent) of the number of listed securities, excluding treasury shares, as at the date of this notice, being 10 838 717securities. Any securities issued under this authorisation will be deducted from the aforementioned 10 838 717 listed securities. In the event of a sub-division or a consolidation the authority will be adjusted to represent the same allocation ratio;
- In determining the price at which securities may be issued in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price of such securities measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed in writing between the issuer and the party/ies subscribing for the securities;

- An announcement giving full details, including the number of securities issued, the average discount to the weighted average traded price of the securities over 30 (thirty) business days prior to the date that the issue is agreed in writing being the issue and the parties subscribing for the securities and the impact on net asset value per share, net tangible asset value per share, earnings per share and headline earnings per share and, if applicable, diluted earnings and headline earnings per share, will be published when the Company has issued securities representing, on a cumulative basis within the earlier of the Company's next Annual General Meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given, 5% (five percent) or more of the number of securities in issue prior to the issue; and
- Whenever the Company wishes to use repurchased shares, held as treasury stock by a subsidiary of the Company, such use must comply with the JSE Listings Requirements as if such use was a fresh issue of ordinary shares."

Under the JSE Listings Requirements, ordinary resolution number 3 must be passed by a 75% (seventy five percent) majority of the votes cast in favour of the resolution by all members present or represented by proxy at the Annual General Meeting.

11. Ordinary resolution number 4

Signature of documents

"**Resolved** that each director of the Company be and is hereby individually authorised to sign all such documents and do all such things as may be necessary for or incidental to the implementation of those resolutions to be proposed at the Annual General Meeting convened to consider the resolutions which are passed, in the case of ordinary resolutions, or are passed and registered by the Companies and Intellectual Property Commission, in the case of special resolutions."

Ordinary resolutions to be adopted at this Annual General Meeting require approval from a simple majority, which is more than 50% of the votes exercised on such resolutions by shareholders present or represented by proxy at the AGM.

12. Other business

To transact such other business as may be transacted at the Annual General Meeting of the Company.

Voting and proxies

Special resolutions to be adopted at this Annual General Meeting require approval of at least 75% (seventy-five percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the meeting. Ordinary resolutions to be adopted at this Annual General Meeting require approval from a simple majority, which is more than 50% of the votes exercised on such resolutions by shareholders present or represented by proxy at the meeting.

A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or proxies to attend and act in his/her stead. A proxy need not be a member of the Company. For the convenience of registered members of the Company, a form of proxy is attached hereto. The attached form of proxy is only to be completed by those ordinary shareholders who:

- hold ordinary shares in certificated form; or
- are recorded on the sub-register in 'own name' dematerialised form.

Ordinary shareholders who have dematerialised their ordinary shares through a CSDP or broker without 'own name' registration and who wish to attend the Annual General Meeting, must instruct their CSDP or broker to provide them with the relevant letter of representation to attend the AGM in person or by proxy and vote. If they do not wish to attend in person or by proxy, they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

Forms of proxy should be forwarded to reach the transfer secretaries, Computershare Investor Services (Proprietary) Limited, at least 48 hours, excluding Saturdays, Sundays and South African public holidays, before the time of the AGM.

Kindly note that AGM participants, which includes proxies, are required to provide reasonably satisfactory identification before being entitled to attend or participate in a shareholders' meeting. Forms of identification include valid identity documents, driver's licenses and passports.

By order of the Board

Adri Els
Company Secretary

25 November 2013
Johannesburg

Annexure A – Curricula Vitae of non-executive directors nominated for reappointments

Sandile Zungu

Sandile is the Executive Chairman of Zungu Investments Company (Zico), a diversified industrial holdings organisation with interests that include financial services, media, automotive, resources and gaming. He holds several non-executive directorships and serves on the Council of the University of Cape Town (UCT), the Council of University of South Africa (UNISA) and the Advisory Board of the UCT Graduate School of Business. He is a member of the Presidential BEE Advisory Council, a trustee on the Mapungubwe Institute for Strategic Reflections (MISTRA) and a trustee of Brand South Africa.

Sandile has a BSc (Mechanical Engineering) from UCT and MBA from UCT's Graduate School of business. He also completed the Global Leadership Programme at Harvard Business School. He has held various positions at Richards Bay Minerals (RBM), Engen Refinery, National Sorghum Breweries (NSB) and South African Breweries (SAB). Shortly after leaving the corporate finance division of African Merchant Bank (AMB), he became the founding Chief Executive Officer of SARHWU Investment Holdings (SIH).

Thoko Mnyango

Thoko is a lawyer, business leader and entrepreneur and has been in the IT industry since 1998, seven years of which as an executive in a listed company fulfilling many roles from marketing and communication to investor relations. She now manages her own communications company.

Thoko has a BJuris from the university of Transkei. She also completed a diploma in the 'role of people's organisations in community and nation building' from the International Institute for Development Co-operation and Labour Studies (Tel Aviv) and a programme in marketing management from the University of South Africa.

Danny Mackay

Danny is the Executive Chairman and primary shareholder of Tactical Software Systems Proprietary Limited ('TSS') and has operated in the IT industry for 29 years. He started his IT career in the mining sector before moving to a large petrochemical organisation. He held various senior positions in this company before starting TSS in 2001. He has also held various positions at Infogold (Anglo American), Debswana (De Beers Botswana), AECI Information Services and UCS Solutions Holdings and is a director at Ariba (SA) and Blitec.

In 2001 Danny received recognition for his contributions to the ICT sector and received the 'Top 20 Black Achievers Award'.

Lucky Khumalo

Lucky started his career in 1994 as a programmer and has stayed in the ICT sector since then. He has been involved with project management, business analysis and overall business management during his 15 years in the ICT world.

In June 2000, Lucky become one of three entrepreneurs to start an IT Services company Mthombo IT ('M-IT'), which grew from 7 people to over 250 employees nationwide within 5 years before the merger with EOH in 2005.

In 2001, Lucky was voted the Top Black ICT Individual in the country for the role he played within one of South Africa's most successful BEE services companies, M-IT. In 2004 M-IT was voted the Top Black ICT Company in SA.

Within the last 10 years Lucky has been a founder or co-founder of various successful businesses in SA: Nature's Best Foods, RF ID services, Serengeti Beef Farming and RF Scanning Investments.

Tshilidzi Marwala

Professor Tshilidzi Marwala is a Deputy Vice Chancellor Research at the University of Johannesburg. He was previously Executive Dean of Engineering at the University of Johannesburg, a full Professor of Electrical Engineering at the University of the Witwatersrand and executive assistant at South African Breweries. He has served as the Chair of the Local Loop Unbundling Committee, non-executive director of SITA (Pty) Limited, Chair of Pikitup, Deputy Chair of Limpopo Business Support Agency and a board member of City Power Johannesburg. He is currently on the boards of EOH Holdings Limited and Denel.

He is the youngest recipient of the Order of Mapungubwe and was awarded the President Award by the National Research Foundation of South Africa. He matriculated from Mbilwi School, completed A-level studies at St John's College (Johannesburg) and holds a Bachelor of Science in Mechanical Engineering (magna cum laude) from Case Western Reserve University (USA), a Master of Engineering from the University of Pretoria, a PhD in Engineering from Cambridge University, was a post doctorate at the Imperial College (London) and successfully completed a Program for Leadership Development at Harvard Business School.

His research interests include the application of computational Intelligence to engineering, computer science, finance, social science and medicine. He has supervised 42 Masters and 13 PhD students to completion and has published six books, 260 papers in journals, proceedings and book chapters and holds three international patents. He is a Fellow of TWAS, The Academy of Sciences for the Developing World, and a distinguished member of the Association for Computing Machinery.

Tebogo Skwambane

In 2005 Tebogo co-founded North Road Consulting, a strategy and operational consulting firm in South Africa. North Road Consulting has worked with listed and private companies and for-profit and not-for-profit organisations in mining, manufacturing, logistics, financial services and advertising. Tebogo has worked with clients on growth strategies, operational turnarounds, performance improvement, organisational restructuring and organisational effectiveness. In addition Tebogo has managed strategy and organisational design projects in the public sector. In 2011 North Road Consulting merged with The Monitor Group. Tebogo Skwambane was formerly a Monitor Group Global Partner and Managing Partner of Monitor South Africa.

Before founding North Road Consulting Tebogo worked for Bain and Company, in the US, UK and South Africa.

Tebogo has held managerial positions at Eskom Enterprises where she was Strategy Manager in the CEO's office, and in financial services at the International Finance Corporation, World Bank and at Brown Brothers Harriman, a company in Boston.

Corporate information

EOH Holdings Limited

Registration number 1998/014669/06

Share code: EOH

ISIN: ZAE000071072

Directorate

Non-executive

Sandile Zungu (Chairman) (1 October 2013)
Lucky Khumalo
Tshilidzi Marwala
Tebogo Skwambane
Rob Sporen (Dutch)
Thoko Mnyango (18 June 2013)
Danny Mackay (1 November 2013)

Executive

Asher Bohbot (Chief Executive Officer)
John King (Financial Director)
Pumeza Bam
Dion Ramoo
Jane Thomson

Company Secretary

Adri Els

Registered address

Block D, Gillooly's View Office Park,
Osborne Lane,
Bedfordview,
2007

Telephone number

+27 (0) 11 607 8100

Postal address

PO Box 59, Bruma, 2026

Website

www.eoh.co.za

Auditors

Mazars (Gauteng) Inc

Transfer secretaries

Computershare Investor Services (Pty) Limited

Sponsor

Merchantec Capital

Form of proxy

EOH Holdings Limited

Incorporated in the Republic of South Africa
(Registration number 1998/014669/06)
Share code: EOH ISIN: ZAE000071072
("EOH" or "the Company" or "the Group")

Systems make it possible...
People make it happen

For use only by ordinary shareholders who:

- hold ordinary shares in certificated form ("certificated ordinary shareholders"); or
- have dematerialised their ordinary shares ("dematerialised ordinary shareholders") and are registered with "own-name" registration,

at the fifteenth Annual General Meeting of shareholders of the Company to be held in the boardroom of the Company, Ground Floor, Block D, Gillooly's View, 1 Osborne Lane, Bedfordview, 2007, at 11:00 on Tuesday, 11 February 2014 and any adjournment thereof.

Dematerialised ordinary shareholders holding ordinary shares, other than with "own-name" registration who wish to attend the Annual General Meeting, must inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the Annual General Meeting and request their CSDP or broker to issue them with the relevant letter of representation to attend the Annual General Meeting in person or by proxy and vote. If they do not wish to attend the Annual General Meeting in person or by proxy, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. **These ordinary shareholders must not use this form of proxy.**

Name of beneficial shareholder

Name of registered shareholder

Address

Telephone work ( ) Telephone home ( ) Cell:

being the holder/custodian of ordinary shares in the Company, hereby appoint (see note):

1. or failing him/her,

2. or failing him/her,

3. the Chairperson of the Annual General Meeting,

as my/our proxy to attend and act for me/us on my/our behalf at the Annual General Meeting of the Company convened for purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat ("resolutions") and at each postponement or adjournment thereof and to vote for and/or against such resolutions, and/or abstain from voting, in respect of the ordinary shares in the issued share capital of the Company registered in my/our name/s in accordance with the following instructions:

		Number of ordinary shares		
		For	Against	Abstain
1.	To receive, consider and adopt the Annual Financial Statements of the Company and Group for the financial year ended 31 July 2013.			
2.1	To confirm the appointment of Sandile Donald Muzinenkosi Zungu as Independent Non-Executive Director and Chairman of the Board of Directors.			
2.2	To confirm the appointment of Thoko Mnyango as Non-Executive Director.			
2.3	To confirm the appointment of Danny Mackay as Non-Executive Director.			
3.1	To approve the re-election as director of Prof Tshilidzi Marwala who retires by rotation.			
3.2	To approve the re-election as director of Lucky Khumalo who retires by rotation.			
3.3	To approve the re-election as director of Tebogo Mapula Skwambane who retires by rotation.			
4.1	To appoint Michael Robert Maria Sporen as chairman and member of the Audit Committee.			
4.2	To re-appoint Prof Tshilidzi Marwala as member of the Audit Committee.			
4.3	To appoint Tebogo Mapula Skwambane as member of the Audit Committee.			
5.	To re-appoint Mazars Inc (previously PKF (Gauteng Inc.) as independent external auditors of the Company together with Sanjay Ranchhoojee for the ensuing financial year.			
6.	**Special resolution number 1** Approval of the non-executive directors' remuneration.			
7.	**Special resolution number 2** General approval to acquire shares.			
8.	**Special resolution number 3** Financial assistance in terms of section 44.			
9.	**Special resolution number 4** Financial assistance in terms of section 45.			
10.	**Ordinary resolution number 1** Endorsement of the Company's remuneration policy.			
11.	**Ordinary resolution number 2** Control of authorised but unissued ordinary shares.			
12.	**Ordinary resolution number 3** Approval to issue ordinary shares, and to sell treasury shares, for cash.			
13.	**Ordinary resolution number 4** Signature of documents.			

Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable.

A member entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend and act in his/her stead. A proxy so appointed need not be a member of the Company.

Signed at on 2013/2014

Signature

Assisted by (if applicable)

Please read the notes on the reverse hereof

Notes to proxy

1. The form of proxy must only be completed by shareholders who hold shares in certificated form or who are recorded on the sub-register in electronic form in "own name".
2. All other beneficial owners who have dematerialised their shares through a CSDP or broker and wish to attend the Annual General Meeting must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.
3. A shareholder entitled to attend and vote at the Annual General Meeting may insert the name of a proxy or the names of two alternate proxies (none of whom need be a shareholder of the Company) of the shareholder's choice in the space provided, with or without deleting "the Chairperson of the Annual General Meeting". The person whose name stands first on this form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those proxy(ies) whose names follow. Should this space be left blank, the proxy will be exercised by the Chairperson of the Annual General Meeting.
4. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each ordinary share held. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. If an "X" has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she deems fit in respect of all the shareholders' votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholders or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
5. A vote given in terms of an instrument of proxy shall be valid in relation to the Annual General Meeting, notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the ordinary shares in respect of which the proxy is given, unless an intimation as to any of the aforementioned matters shall have been received by the transfer secretaries not less than forty-eight hours before the commencement of the Annual General Meeting.
6. If a shareholder does not indicate on this form of proxy that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the Annual General Meeting be proposed, such proxy shall be entitled to vote as he/she thinks fit.
7. The Chairperson of the Annual General Meeting may reject or accept any form of proxy which is completed and/or received, other than in compliance with these notes.
8. A shareholder's authorisation to the proxy including the Chairperson of the Annual General Meeting, to vote on such shareholder's behalf, shall be deemed to include the authority to vote on procedural matters at the Annual General Meeting.
9. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
10. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company's transfer secretaries or waived by the Chairperson of the Annual General Meeting.
11. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the transfer secretaries of the Company.
12. Where there are joint holders of ordinary shares:
    - any one holder may sign this form of proxy; and
    - the vote(s) of the senior ordinary shareholders (for that purpose seniority will be determined by the order in which the names of ordinary shareholders appear in the Company's register of ordinary shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
13. Forms of proxy should be lodged with or mailed to Computershare Investor Services (Pty) Limited:

Hand deliveries to:	**Postal deliveries to:**
Computershare Investor Services (Pty) Limited Ground Floor, 70 Marshall Street Johannesburg, 2001	Computershare Investor Services (Pty) Limited PO Box 61051 Marshalltown, 2107

    to be received by no later than 11:00 on Friday, 7 February 2014 (or 48 hours before any adjournment of the Annual General Meeting which date, if necessary, will be released on SENS).

14. A deletion of any printed matter and the completion of any blank space need not be signed or initialled. Any alteration or correction must be signed and not merely initialled.
15. Summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act:

    A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the relevant shareholders' meeting.

    A proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.

    The appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder.

    The appointment of a proxy is revocable by the shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of: (a) the date stated in the revocation instrument, if any and (b) the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph.
16. If the instrument appointing the proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Company's Memorandum of Incorporation to be delivered by the Company to the shareholder must be delivered by the Company to: (a) the shareholder, or (b) the proxy or proxies, if the shareholder has: (i) directed the Company to do so in writing and (ii) paid any reasonable fee charged by the Company for doing so.
17. Attention is also drawn to the "Notes to form of proxy".
18. The completion of a form of proxy does not preclude any shareholder from attending the Annual General Meeting.

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EOH

Systems make it possible...
People make it happen

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