



**REUNERT**  
REUNERT LIMITED

**Reunert Interim Results**

6 months ended 31 March 2010

**Financial summary**

|                          |                                 |
|--------------------------|---------------------------------|
| ○ Revenue                | <b>R 5,1 billion (-)</b>        |
| ○ Operating profit       | <b>R582 million (+9%)</b>       |
| ○ EBITDA                 | <b>R609 million (+7%)</b>       |
| ○ EBITDA as % of revenue | <b>12% (+10%)</b>               |
| ○ Cash                   | <b>R1,4 billion</b>             |
| ○ Normalised HEPS        | <b>238,9 c (+3%)</b>            |
| ○ Dividend               | <b>67 cents per share (+3%)</b> |

**REUNERT**  
REUNERT LIMITED

2

## Condensed Income Statement

for the six months ended 31 March

| <b>R Millions</b>                   | <b>2010</b> | <b>%<br/>Change</b> | <b>2009</b> |
|-------------------------------------|-------------|---------------------|-------------|
| TURNOVER                            | 5 114       | 0                   | 5 119       |
| EBITDA                              | 632         | 9                   | 577         |
| Depreciation                        | (50)        | (10)                | (46)        |
| Operating Profit                    | 582         | 9                   | 531         |
| Interest & Dividends                | 48          | (6)                 | 52          |
| Profit before abnormal items        | 630         | 8                   | 583         |
| Abnormal items                      | (34)        |                     | 0           |
| Profit before taxation              | 596         | 2                   | 583         |
| Taxation                            | (193)       | (18)                | (164)       |
| Profit after taxation               | 403         | (4)                 | 419         |
| Minorities                          | (4)         | (68)                | (3)         |
| Headline earnings                   | 399         | (4)                 | 416         |
| Headline earnings per share (cents) | 223.0       | (5)                 | 233.5       |
| Normalised Headline EPS (cents)     | 238.9       | 3                   | 232.2       |
| EBITDA %                            | 12.4        | 10                  | 11.3        |
| Tax rate %                          | 32.3        | (15)                | 28.0        |
| No. of Shares (million)             | 179         |                     | 179         |

3

## Summarised balance sheet

| <b>R Millions</b>                    | <b>March<br/>2010</b> | <b>Sept<br/>2009</b> | <b>March<br/>2009</b> |
|--------------------------------------|-----------------------|----------------------|-----------------------|
| Fixed assets                         | 632                   | 588                  | 608                   |
| Goodwill                             | 492                   | 461                  | 415                   |
| Investments & loans                  | 841                   | 854                  | 867                   |
| Long-Term receivables                | 86                    | 0                    | 0                     |
| Quince receivables                   | 839                   | 993                  | 1 253                 |
| Deferred tax assets                  | 29                    | 29                   | 23                    |
| <b>Non-Current Assets</b>            | <b>2 919</b>          | <b>2 925</b>         | <b>3 166</b>          |
| Stock                                | 734                   | 696                  | 799                   |
| Accounts receivable                  | 1 417                 | 1 261                | 1 284                 |
| Other debit balances                 | 286                   | 405                  | 314                   |
| Quince receivables                   | 746                   | 710                  | 617                   |
| Net cash                             | 1 397                 | 1 600                | 962                   |
| Quince cash                          | 124                   | 97                   | 100                   |
| <b>Current Assets</b>                | <b>4 704</b>          | <b>4 769</b>         | <b>4 076</b>          |
| <b>Total Assets</b>                  | <b>7 623</b>          | <b>7 694</b>         | <b>7 242</b>          |
| Shareholders' Funds                  | (4 172)               | (4 061)              | (3 692)               |
| Deferred tax liabilities             | (128)                 | (140)                | (183)                 |
| Long-term borrowings                 | (11)                  | (11)                 | (11)                  |
| Quince long-term borrowings          | (700)                 | (700)                | (700)                 |
| <b>Non-Current Liabilities</b>       | <b>(839)</b>          | <b>(851)</b>         | <b>(894)</b>          |
| Non-Interest-Bearing Liabilities     | (1 767)               | (1 770)              | (1 621)               |
| Quince Capital Short-Term Borrowings | (845)                 | (1 012)              | (1 035)               |
| <b>Total Equity and Liabilities</b>  | <b>(7 623)</b>        | <b>(7 694)</b>       | <b>(7 242)</b>        |

4

## Summarised cash flow statement

for the six months ended 31 March

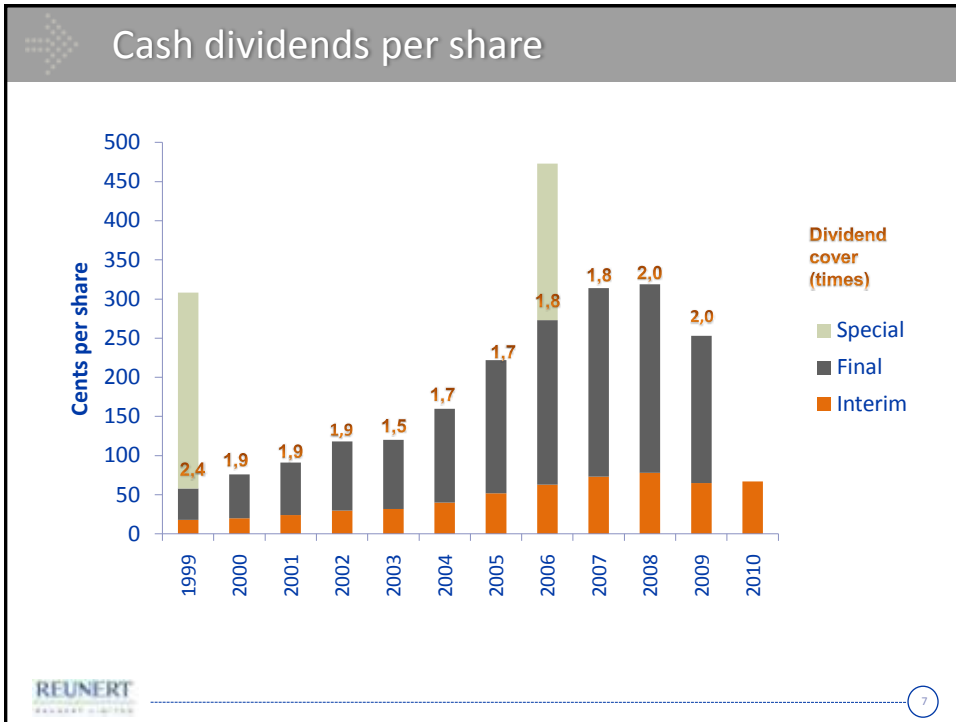
| <b>R Millions</b>                                   | <b>2010</b>    | <b>2009</b> |                 |
|---|----------------|-------------|-----------------|
| EBITDA  | <b>632</b>     | 578         |                 |
| Working Capital change:                             |                |             |                 |
| Quince receivables                                  | <b>119</b>     | 86          |                 |
| Trading   | <b>(21)</b>    | 394         |                 |
| Net interest & dividends received                   | <b>48</b>      | 52          |                 |
| Taxation Paid                                       | <b>(214)</b>   | (317)       |                 |
| Dividends Paid                                      | <b>(337)</b>   | (434)       |                 |
| <b>CASH GENERATED BY OPERATIONS</b>                 | <b>228</b>     | 358         |                 |
| Capital Expenditure                                 | <b>(73)</b>    | (38)        |                 |
| Acquisition of SEN (Nashua Communications)          | <b>(180)</b>   | (21)        |                 |
| Other Movements                                     | <b>14</b>      | 28          |                 |
| Actual Net Cash Flow                                | <b>(12)</b>    | 327         |                 |
| Movement in Quince borrowings*                      | <b>(194)</b>   | (147)       |                 |
| <b>Net Cash Flow adjusted for Quince borrowings</b> | <b>(206)</b>   | 180         |                 |
| <b>Calculation of movement in</b>                   | <b>March</b>   | <b>Sept</b> | <b>Movement</b> |
| <b>Finco borrowings*</b>                            | <b>2010</b>    | <b>2009</b> |                 |
| Finco Cash  | <b>124</b>     | 97          | 27              |
| Finco long term borrowings                          | <b>(700)</b>   | (700)       | 0               |
| Finco short term borrowings                         | <b>(845)</b>   | (1 012)     | 167             |
| <b>Total Finco borrowings</b>                       | <b>(1 421)</b> | (1 615)     | 194             |

5

## Market Conditions

- Stable, drifting along the bottom
- Strong rand impacted on profitability
- Bad debt levels contained and back at normal levels
- Credit slightly easier to obtain

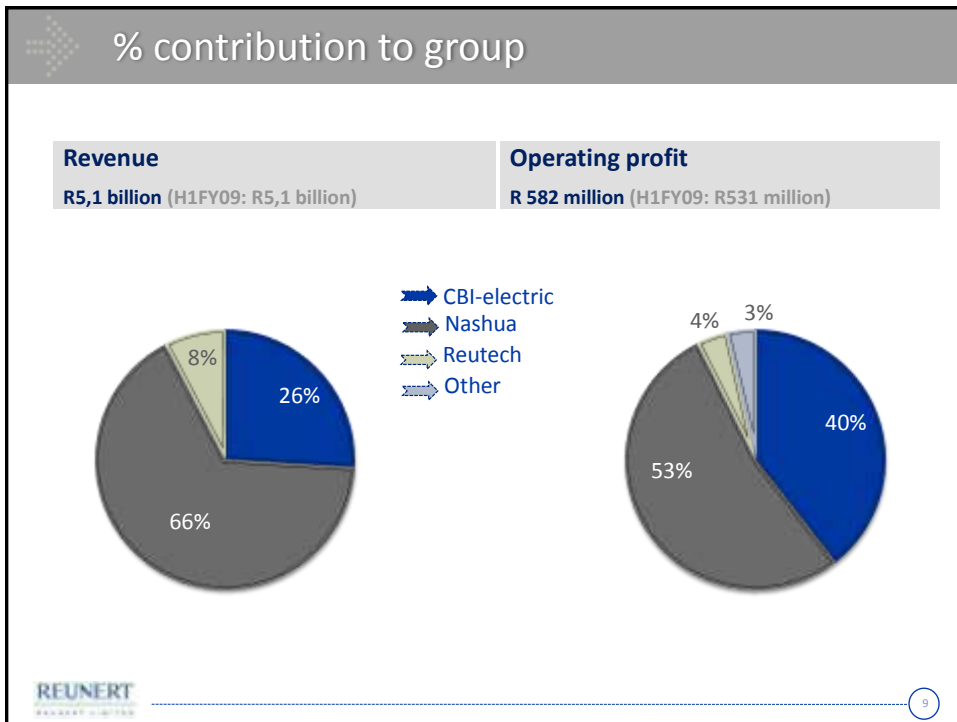
6



Investments

40%

|         |         |       |                  |      |
|---------|---------|-------|------------------|------|
| R1 320m | R3 376m | R386m | Revenue          | 2010 |
| R 218m  | R 292m  | R21m  | Operating Profit |      |
| R1 611m | R3 168m | R281m | Revenue          | 2009 |
| R 201m  | R 286m  | R50m  | Operating Profit |      |




## Nashua Electronics

- Nashua Communications
  - Siemens Enterprise Communications fully integrated past six months
  - Now trading as Nashua Communications
- PanSolutions
  - Office equipment
  - Panels
  - Car audio
- NashuaElectronics.com

 11


## Nashua Office Automation

- Market position has improved
- No change to overall strategy
- Document volumes improved past 6 months
  - March 2010: **2,078 billion** (13%+ Y-o-Y)
  - Sept 2009: total document volume was 4,214 billion
  - Sept 2008: 4,284 billion
- Colourisation ratio improved
  - Colour multi-function printers (mfp's) vs total mfp's sold improved from 15% to **22%** during the past 6 months

 12


## Nashua Mobile

- Revenue 6% up
- Margins slightly down
- Least cost routing
  - Termination rates not expected to have a material impact during FY10
  - Reduction in interconnect rates
    - 125c to 89c
  - Call rates changed
    - 125c to 123c
  - Further reductions envisaged
  - Telkom effective rate still high
    - Application of per second billing
  - Arbitrage opportunity may still exist
  - Over longer term (2-3 years) without an alternative product offering the impact will be substantial

 13

## Nashua Mobile

| Six months                      | 31 March 2010 | 30 Sept 2009 | 31 March 2009 | % Change Y-o-Y |
|---------------------------------|---------------|--------------|---------------|----------------|
| Contract connections for period | 91 818        | 75 425       | 60 857        | 51             |
| 3G/HSDPA connections            | 12 537        | 11 498       | 11 782        | 6              |
| Total connections               | 104 355       | 86 923       | 72 639        | 44             |
| Closing company base            | 779 101       | 722 638      | 683 580       | 14             |
| ARPU                            | 471           | 483          | 499           | (6)            |
| Churn %                         | 13            | 14           | 14            | 8              |
| Net bad debts as % turnover     | 1.03          | 1.29         | 1.18          | 13             |
| Number of retail outlets        | 147           | 155          | 148           | (1)            |

 14

|                  |                     |
|------------------|---------------------|
| Revenue          | R1,3 billion (-18%) |
| Operating profit | R218 million (+8%)  |



The logo for HBI electric features the letters 'HBI' in a stylized, bold, black font with a red square above the 'I'. To the right of 'HBI', the word 'electric' is written in a lowercase, black, sans-serif font with a red square above the 'i'.

## Low & Medium Voltage

- **Low voltage**
  - Since Nov 2009, export has consistently exceeded local sales
  - Dollar revenues lead to lower rand income
  - Australia doing well
- **Medium voltage**
  - Current year's sales expected to double (FY2009: R36m)
  - All profits are reinvested
  - Product line-up now includes medium-voltage switchgear
  - Strong order book


REUNERT  
MANAGEMENT CONSULTANTS

16



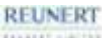
## Energy Cables

- High copper price offset by strong rand
- High voltage & aluminium conductor steel reinforced running at capacity
  - Firm orders on hand – End October 2010
- Medium & low voltage running below capacity
- Installation of high-voltage cable
  - Firm orders on hand – End of financial year 2011

 17

## Telecommunications Cables

- All production moved to Brits
- Supply of ducts commenced
- Telkom copper demand remains low
- Fibre roll-out projects started

 18



## Reutech

- Reutech BEE deal
  - 20% of Reutech sold to BEE partner for R100 million
  - Effective 1 Oct 2009
  - Excludes Fuchs Electronics
- Rand/dollar conversion mark-to-market
- Still awaiting Fuchs Electronics export order
  - Patience is a virtue

REUNERT  
MARKET LISTING



## Reutech Mining

- Mining surveillance radars strong growth
  - 120% Y-o-Y
  - New product to be launched soon
  - Will reinforce Reutech's technological leadership



REUNERT  
MINING LIMITED

21

# General

## Set-top Box development

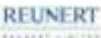
- Uncertainty not conducive to job creation & investment
- Our initiative
  - Product has been developed
  - Manufacturing company Divitech established
    - 95% black owned by the Nozala Consortium
    - Reunert 5%
  - Manufacturing plant located in Parow



23

## Nokia Siemens Networks

- Commission income on comparable basis decreased from R64 million to R31 million
- Commission income for FY09 was R97 million



24

## Prospects

- Businesses have been appropriately sized for current levels of demand.
- Sufficient capacity exists to take advantage of any improvement in the economy.
- Exports are strong, albeit at lower margins, because of a stronger rand.
- Reutech is expected to be down on last year since most of its earnings are US\$ based. Delays in the placement of certain orders will lead to lower sales.
- Based on the above and assuming stable economic conditions and given no surprises, the group's second half performance should be better than that of the first half.

The financial information provided above has not been reviewed or reported on by the company's external auditors.

REUNERT  
REUNERT LIMITED

25

## Shareholder value

| Reunert growth 1994 - 2009       | 1994        | 2009          |
|----------------------------------|-------------|---------------|
| Market Cap                       | R2,7bn      | R10bn         |
| Share Price (cents/share)        | 800         | 5 600         |
| CAGR                             |             | 16,06%        |
| <b>Special dividends</b>         | <b>1999</b> | <b>2006</b>   |
|                                  | 250c/share  | 200c/share    |
| <b>Compulsory share buy-back</b> |             | <b>2004</b>   |
|                                  |             | R25/share     |
| <b>Proceeds reinvested</b>       | <b>CAGR</b> | <b>25,28%</b> |

REUNERT  
REUNERT LIMITED

26

## Statement of intent

Reunert will manage businesses in the services, electronics and electrical engineering sectors, supplying value added products, solutions and systems to local and international markets. Each of these businesses will remain capable of meeting the group's objectives for sustainable growth and earnings.

We will consider investing in businesses that operate outside our historic business areas, provided that all our criteria for investment returns and growth are met.

**REUNERT**  
REUNERT LIMITED

27



**REUNERT**  
REUNERT LIMITED

**Contact details**  
Carina de Klerk  
Reunert Investor Relations  
[carina@reunert.co.za](mailto:carina@reunert.co.za)  
+27 (0)83 631 5743  
+27 (0)11 517 9000

28