

Audited results for the year ended 30 September 2001

Headline earnings per share +25%
Operating profit +38%

REUNERT

REUNERT LIMITED

GROUP INCOME STATEMENT

	Notes	2001 R million	2000 R million	% change
Revenue		4 229,8	3 340,1	27
Operating profit	1	381,5	275,5	38
Net interest and dividend income	2	59,1	58,8	1
Profit before abnormal items		440,6	334,3	32
Abnormal items		-	77,4	
Profit before taxation		440,6	411,7	
Taxation		145,6	114,0	
Profit after taxation		295,0	297,7	
Share of associate companies' profits	2	81,8	73,8	11
Profit after tax including associate companies		376,8	371,5	
Earnings attributable to outside shareholders in subsidiaries		42,4	4,3	
Earnings attributable to ordinary shareholders in Reunert Limited		334,4	367,2	
Basic earnings per share (cents)	4	174,4	180,3	
Diluted earnings per share (cents)	4	172,0	178,6	
Headline earnings per share (cents)	5	176,0	140,7	25
Diluted headline earnings per share (cents)	5	173,6	139,4	25
Dividends per ordinary share (cents)		91,0	76,0	20
Taxation rate excluding abnormal items (%)		33,1	34,1	
Operating profit as a % of turnover		9,0	8,2	

Note 1

OPERATING PROFIT

Operating profit is stated after charging:

- Cost of sales	3 036,6	2 432,4
- Other income	(9,6)	(25,0)
- Other expenses	777,5	620,5
- Depreciation	41,5	36,7
- Amortisation of goodwill	2,3	-

Note 2

NET INTEREST AND DIVIDEND INCOME

Interest received	64,5	77,0
- from RC&C Finance Company	32,1	56,9
- external	32,4	20,1
Interest paid	(13,1)	(33,4)
Dividend income other than from associates	7,7	15,2
Total	59,1	58,8

Dividend income from associates included in share of associate companies' profits

	70,9	47,6
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Note 3

ACCOUNTING POLICIES

Reunert has adopted South African Statements of Generally Accepted Accounting Practice (SA GAAP) which have become effective during the current financial year. This has resulted in changes of accounting policies, requiring the restatement of the comparative figures for 2000. The main change involves the consolidation of RC&C Finance Company (Pty) Limited which was previously equity accounted as an associate company.

Had the new policies been used in 2000 the group's attributable earnings and retained income would not have been affected.

The group's accounting policies are in accordance with SA GAAP and, except for the above changes, are consistent with those of the prior year.

Note 4

BASIC EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE

The earnings used to determine both basic earnings per share and diluted earnings per share are the earnings attributable to ordinary shareholders in Reunert Limited (Rm)

	334,4	367,2
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The weighted average number of shares in issue used to determine basic earnings per share and headline earnings per share (millions of shares)

	191,7	203,7
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Adjusted by the dilutive effect of unexercised share options available to executives employed in the group (millions of shares)

	2,7	1,9
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Weighted average number of shares used to determine diluted earnings per share and diluted headline earnings per share (note 5) (millions of shares)

	194,4	205,6
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Note 5

HEADLINE EARNINGS PER SHARE AND DILUTED HEADLINE EARNINGS PER SHARE

Headline earnings per share and diluted headline earnings per share have been calculated using the weighted average number of shares in issue as detailed in note 4.

Headline earnings are determined by eliminating the effect of capital items in attributable earnings as follows:

Earnings attributable to ordinary shareholders	334,4	367,2
Capital profit on disposal of businesses	-	(89,0)
Other (net)	3,0	8,3
Headline earnings	337,4	286,5

Note 6

RC&C FINANCE COMPANY ACCOUNTS RECEIVABLE

Collectable within one year	278,0	302,9
Collectable after one year	467,1	448,7
	745,1	751,6

SEGMENTAL ANALYSIS

REVENUE INCLUDING ASSOCIATE COMPANIES

	2001 R million	%	2000 R million	%	% change
Electronics					
Nashua Office Automation	554,4	10	487,5	11	14
Nashua Mobile	1 445,8	27	771,0	17	88
Panasonic	853,3	16	840,0	19	2
Telecommunications	922,5	17	977,7	22	(6)
Reutech	399,7	8	422,2	9	(5)
Saco	36,2	1	52,5	1	(31)
Total Electronics	4 211,9	79	3 550,9	79	19
Electrical Engineering and Cables					
ATC	201,6	4	196,9	4	2
CBI	399,2	7	316,2	7	26
African Cables	406,2	8	294,7	7	38
Total Electrical Engineering and Cables	1 007,0	19	807,8	18	25
Financial Services	139,9	2	153,9	3	(9)
Total operations	5 358,8	100	4 512,6	100	19
Less: Reunert's attributable portion of associate companies' revenue	(1 129,0)		(1 172,5)		
Revenue as reported	4 229,8		3 340,1		27

OPERATING PROFIT INCLUDING ASSOCIATE COMPANIES

	2001 R million	%	2000 R million	%	% change
Electronics					
Nashua Office Automation	63,9	12	42,7	11	50
Nashua Mobile	85,6	17	35,2	9	143
Panasonic	29,8	6	23,2	6	28
Telecommunications	102,7	20	88,6	22	16
Reutech	40,3	8	71,8	18	(44)
Saco	7,9	1	13,0	3	(39)
Total Electronics	330,2	64	274,5	69	20
Electrical Engineering and Cables					
ATC	32,5	6	30,1	7	8
CBI	74,1	15	55,3	14	34
African Cables	38,0	7	3,9	1	874
Total Electrical Engineering and Cables	144,6	28	89,3	22	62
Financial Services	40,0	8	35,5	9	13
Total operations	514,8	100	399,3	100	29
Less: Reunert's attributable portion of associate companies' operating profit	(133,3)		(123,8)		
Operating profit as reported	381,5		275,5		38

GROUP CASH FLOW INFORMATION

THE ABRIDGED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2001 IS SET OUT BELOW:

	2001 R million	2000 R million
Operating cash flows before working capital changes	425,0	312,9
(Increase)/reduction in net working capital	(55,4)	164,5
Reduction in RC&C Finance Company accounts receivable	6,5	121,5
Other working capital changes (net)	(61,9)	43,0
Cash generated from operations	369,6	477,4
Net interest and dividends received (including associates)	130,0	106,4
Taxation paid	(133,0)	(96,0)
Dividends paid	(169,0)	(127,4)
Net cash inflow from operating activities	197,6	360,4
Net asset additions	(48,6)	(19,9)
Other (net)	5,3	(21,5)
Net cash flows from operations	154,3	319,0
Reunert Limited shares purchased by subsidiary	(217,9)	(16,7)
Other acquisitions	(43,5)	(61,2)
Net proceeds on disposal of non-core operations, other assets and related working capital	-	154,5
Net (decrease)/increase in cash and cash equivalents	(107,1)	395,6
Net cash and cash equivalents at beginning of the year	72,8	(322,8)
Net (borrowings)/cash equivalents at end of the year	(34,3)	72,8
Net cash resources of the group excluding RC&C Finance Company borrowings		
- Deposit on call with RC&C Finance Company	294,8	483,4
- Other cash reserves	289,7	220,0
	584,5	703,4
RC&C Finance Company borrowings	(618,8)	(630,6)
Net (borrowings)/cash equivalents at end of the year	(34,3)	72,8

The deposits on call with RC&C Finance Company are repayable on demand, RC&C Finance Company has long-term banking facilities which can be utilised to replace these funds.

The remainder of the electronics group experienced a drop in turnover, but profits remained at the same level as the previous year. The selection of Siemens Telecommunications to supply the Cell C infrastructure and the Eskom Enterprises fibre optic network for the second fixed-line operator confirms its position as the leading telecommunications network supplier in Southern Africa.

Reutech had a difficult year with turnover declining by 5% and operating profits by 44% due to a drop in customer orders. We are, however, confident that order books will be restored to acceptable levels, although this might only happen in the 2003 financial year.

Electrical engineering and cables

Circuit Breaker Industries' (CBI) turnover increased by 26%, with export growth of 48%. Several acquisitions broadened the company's product offering providing a strong base for future growth.

The telecommunications cable market was difficult with the downturn in international spend impacting on fibre optic sales. The slump is expected to be temporary and ATC, which is expanding its capacity to one-million fibre kilometres, will be well positioned to take advantage of the upturn anticipated for 2003.

African Cables had a good year with revenue improving by 38%. Due to increased efficiencies, its operating margin increased almost tenfold from R3,9 million to R38 million. The scope for further improvements is limited.

PROSPECTS

Focused investment in market and product development will continue in key areas such as the Nashua operations and CBI. Reunert will increasingly concentrate on the lucrative export markets as it already enjoys high local market shares in most of its businesses.

Real growth is expected to continue in the 2002 financial year, albeit at a lower level than that achieved in the year under review.

GROUP BALANCE SHEET

THE CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 2001 IS SET OUT BELOW:

	Notes	2001 R million	2000 R million
Non-current assets			
Fixed assets		185,2	175,3
Goodwill		10,9	-
Investments - at cost and directors' valuation		188,4	176,4
RC&C Finance Company accounts receivable	6	745,1	751,6
Deferred taxation assets		42,0	22,6
		1 171,6	1 125,9
Current assets			
Inventory and contracts in progress		496,5	417,0
Accounts receivable		595,9	528,0
Cash and cash equivalents (net)		584,5	703,4
		1 676,9	1 648,4
Total assets		2 848,5	2 774,3
Shareholders' funds			
Ordinary		993,8	826,7
Reunert Limited shares bought by a subsidiary		(234,6)	(16,7)
Preference		0,7	0,7
		759,9	810,7
Outside shareholders in subsidiaries		122,0	99,2
		881,9	909,9
Non-current liabilities			
Deferred taxation liabilities		48,6	31,3
Long-term borrowings		2,7	4,1
		51,3	35,4
Current liabilities			
RC&C Finance Company short-term borrowings		618,8	630,6
Accounts payable, provisions, taxation and shareholders for normal dividend		1 296,5	1 198,4
		1 915,3	1 829,0
Total equity and liabilities		2 848,5	2 774,3

SUPPLEMENTARY INFORMATION

R MILLION (UNLESS OTHERWISE STATED)

Net asset value per share (cents)	406	400
Current ratio including short-term portion of RC&C Finance Company accounts receivable (-1)	1,3	1,2
	186,9	202,5
Number of ordinary shares in issue (million)	204,1	204,0
Less: held by subsidiary	(17,2)	(1,5)
Capital expenditure	52,8	22,3
- expansion	32,4	10,3
- replacement	20,4	12,0
Capital commitments	20,7	20,4
- contracted	3,3	8,5
- authorised not yet contracted	17,4	11,9
Commitments in respect of operating leases	82,5	46,5
Contingent liabilities	0,3	1,4
Guarantees on behalf of third parties	-	1,0
Other	0,3	0,4

GROUP STATEMENT OF CHANGES IN EQUITY

THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 30 SEPTEMBER 2001 IS SET OUT BELOW:

	2001 R million	2000 R million
Balance at beginning of year	810,7	674,4
Net profit for the year	334,4	367,2
Dividends declared	(168,3)	(158,3)
Goodwill written off*	-	(83,4)
Shares issued in terms of the Reunert Share Option Scheme	0,4	27,4
Reunert Limited shares bought by subsidiary	(217,9)	(16,7)
Translation reserve movement during the year	0,6	0,1
Balance at end of the year	759,9	810,7

* With effect from 1 October 2000 the policy relating to goodwill was changed to conform to AC 131 on Business Combinations. Goodwill is now capitalised and amortised. The cost of amortisation is included in the net profit for 2001.

Reunert Limited

Incorporated in the Republic of South Africa (Reg No 1913/004355/06)

Share code: RLO ISIN code: ZAE00005914

Directors
D E Cooper (Chairman)*, G Pretorius (Chief Executive), B P Connellan*, P T W Curtis*, B P Gallagher, S D Jagoe*, K J Makweta*, G J Oosthuizen, D J Rawlinson, M J Shaw*, C L Valkin*, Dr J C van der Horst* *Non-executive

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Hierdie verslag is ook in Afrikaans verkrygbaar.

Visit our website at
www.reunert.com

REVIEW OF RESULTS

Reunert has produced strong results for the financial year ending 30 September 2001. Turnover grew by 27%, while improved margins and cost control led to an increase in operating profit of 38%.

Headline earnings per share increased by 25% to 176 cents per share and the dividend by 20% to 91 cents per share. Since the commencement of the share buyback in July 2000, the group has repurchased a total of 17,2 million shares at a cost of R235 million. The average price paid was R13,67, inclusive of all costs.

REVIEW OF OPERATIONS

Electronics

Nashua office automation had a good year with strong growth in earnings. The Nashua name continues to be recognised as one of the premier brands in the country based on its products and service delivery.

The successful merger of Nashua Cellular and NedTel Cellular into Nashua Mobile led to 15% growth in market share in an increasingly competitive industry. It has established itself as the leading independent contract service provider to corporate South Africa. The large increase in revenue and operating profit reflected in the segmental analysis is due to the merger that took place in July 2000.

Panasonic continues to improve with a 28% increase in profit on a 2% increase in turnover. This was partially due to improved asset management and tighter government control on the unlawful importation of goods by third parties.

RC&C Finance Company has been consolidated for the first full year. This has resulted in an apparent increase in the group's gearing; however, all borrowings are more than adequately covered by amounts payable to the finance company. The company has direct long-term banking facilities in place to cover its borrowings.

DIVIDEND

Notice is hereby given that a final dividend No 151 of 67 cents per share (2000: 56 cents per share) has been declared for the year ended 30 September 2001.

In compliance with the requirements of Strate, the following dates are applicable:

Last date to trade (cum dividend)</
