

## Highlights

- **Headline earnings per share up 20%**
- **Dividend up 25%**

### GROUP INCOME STATEMENT

Six months ended 31 March

	2004 R million (Unaudited)	2003 R million (Unaudited)	% change	Year ended 30 Sept 2003 R million (Audited)
Revenue	3 011,9	3 047,5	(1)	6 103,9
Earnings before interest, tax, depreciation and amortisation (EBITDA)	390,4	380,5	3	712,3
Depreciation	25,7	22,1	16	58,4
Operating profit before amortisation of goodwill	364,7	358,4	2	653,9
Amortisation of goodwill	25,2	25,1	-	46,2
Operating profit	339,5	333,3	2	607,7
Net interest and dividend income	28,5	21,2	34	45,2
Profit before abnormal item	368,0	354,5	4	652,9
Abnormal item	20,3	-	-	-
Profit before taxation	388,3	354,5	10	652,9
Taxation	141,5	124,8	13	224,4
Profit after taxation	246,8	229,7	7	428,5
Share of associate companies' profits/(losses)	33,1	(21,3)	-	(82,6)
Profit after tax including associate companies	279,9	208,4	34	345,9
Earnings attributable to outside shareholders in subsidiaries	23,9	16,4	46	50,5
Earnings attributable to ordinary shareholders in Reunert Limited	256,0	192,0	33	295,4
Basic earnings per share (cents)	135,0	102,1	32	156,9
Diluted basic earnings per share (cents)	133,2	100,6	32	154,7
Headline earnings per share (cents)	138,7	115,4	20	183,5
Diluted headline earnings per share (cents)	136,9	113,6	21	181,0
Dividend per ordinary share proposed/declared for the period (cents)	40,0	32,0	25	120,0
Taxation rate excluding amortisation and abnormal items (%)	35,6	33,0	-	32,1
EBITDA as a % of turnover	13,0	12,5	-	11,7

#### Note 1

##### OPERATING PROFIT IS STATED AFTER:

- Cost of sales	2 119,1	2 172,2	4	1 857,7
- Other income	(28,1)	(20,1)	-	(14,6)
- Other expenses excluding depreciation and amortisation	530,5	514,9	-	1 220,5
- Net (profit)/loss for the period due to the effect of AC133 (included in the three categories above)	(5,2)	7,4	-	44,5

#### Note 2

##### NET INTEREST AND DIVIDEND INCOME

Interest received	25,8	37,2	-	95,1
- from RC&C Finance Company	9,8	20,8	-	51,8
- external	16,0	16,4	-	43,3
Interest paid	(8,7)	(16,0)	-	(50,1)
Dividend income other than from associates	11,4	-	-	0,2
Total	28,5	21,2	-	45,2

#### Note 3

##### ABNORMAL ITEM

Profit on the sale of properties	20,3	-	-	-
Taxation	(1,4)	-	-	-
Total	18,9	-	-	-

#### Note 4

##### NUMBER OF SHARES USED TO CALCULATE EARNINGS PER SHARE

Weighted average number of shares in issue used to determine basic earnings per share and headline earnings per share (millions of shares)	189,6	188,0	-	188,3
Adjusted by the dilutive effect of unexercised share options granted to certain group employees (millions of shares)	2,5	2,9	-	2,6
Weighted average number of shares used to determine diluted earnings per share and diluted headline earnings per share (millions of shares)	192,1	190,9	-	190,9

#### Note 5

##### HEADLINE EARNINGS

Headline earnings are determined by eliminating the effect of the following items in attributable earnings:				
Earnings attributable to ordinary shareholders	256,0	192,0	-	295,4
Goodwill	25,2	25,1	-	50,3
Profit on the sale of properties (note 3)	(18,9)	-	-	-
Other (net)	0,7	(0,2)	-	(0,1)
Headline earnings	263,0	216,9	-	345,6

#### Note 6

##### GOODWILL

Carrying value at the beginning of the year	306,9	360,0	-	360,0
Add: Acquisitions of businesses, associates and subsidiaries	31,6	3,5	-	6,4
Less: Adjustment to the purchase price of a business acquired in the prior period	(0,5)	(7,2)	-	(9,2)
Less: Amortisation for the period	(25,2)	(25,1)	-	(46,2)
Attributable to losses in associate	-	-	-	(4,1)
Carrying value at the end of the period	312,8	331,2	-	306,9
Goodwill is written off over periods varying between one and ten years.				

#### Note 7

##### INVESTMENTS

At cost plus equity accounted earnings excluding goodwill	15,5	-	-	-
- Listed	54,9	80,2	-	20,8
- Unlisted	30,5	-	-	-
At market valuation	541,9	520,0	-	520,0

#### Note 8

##### RC&C FINANCE COMPANY ACCOUNTS RECEIVABLE

Collectable within one year	54,3	399,8	-	434,2
Collectable after one year	181,9	715,0	-	785,8
Total	236,2	1 114,8	-	1 220,0

Accounts receivable mainly consists of discounted deals that comprise the present value of discounted rental agreements which are repayable over varying periods up to a maximum of five years from the balance sheet date.

#### Note 9

##### GROUP CASH RESOURCES/BORROWINGS

Total RC&C Finance Company borrowings at end of period per that company's balance sheet	44,5	1 014,6	-	1 088,0
Less: Funded out of other Reunert cash resources (see below)	-	(158,7)	-	(187,3)
RC&C Finance Company borrowings at end of the period	44,5	855,9	-	900,7

RC&C Finance Company has total long-term banking facilities of R900 million. The banks which have granted these facilities are contractually bound to provide these on a long-term basis but they may give notice to run down these facilities. Once notice has been given these facilities reduce to zero in line with the reduction in the underlying rental debtors over a maximum of five years.

Total Reunert net cash resources at end of period	688,8	338,7	-	668,7
Less: Utilised to fund RC&C Finance Company (see above)	-	(158,7)	-	(187,3)
Total	688,8	180,0	-	481,4

#### Note 10

##### ACCOUNTING POLICIES

The group's accounting policies are in accordance with South African Statements of Generally Accepted Accounting Practice and are consistent with those of the prior year. This report has been prepared in accordance with AC127 on interim financial reporting.

#### Note 11

##### MAJOR ACQUISITION

In October 2003 the group acquired the shares in CS Holdings Limited held by Getronics and Gensec. This amounted to 31,7% of the issued share capital of CS Holdings. The price paid was R42,9 million including goodwill of R31,6 million.

### GROUP BALANCE SHEET

at 31 March

	2004 R million (Unaudited)	2003 R million (Unaudited)	% change	Year ended 30 Sept 2003 R million (Audited)
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	201,4	223,3	-	213,7
Goodwill	312,8	331,2	-	306,9
Investments	70,4	80,2	-	20,8
RC&C Finance Company accounts receivable	236,2	1 114,8	-	1 220,0
Deferred taxation assets	32,6	25,9	-	33,1
	853,4	1 775,4	-	1 794,5
<b>CURRENT ASSETS</b>				
Inventory and contracts in progress	442,6	640,2	-	531,8
Accounts receivable and derivative assets	790,8	832,1	-	826,7
Cash and cash equivalents (net)	688,8	180,0	-	481,4
	1 922,2	1 652,3	-	1 839,9
<b>TOTAL ASSETS</b>	<b>2 775,6</b>	<b>3 427,7</b>		<b>3 634,4</b>
<b>SHAREHOLDERS' FUNDS</b>				
Ordinary	1 490,2	1 345,1	-	1 390,4
Reunert Limited shares held by a subsidiary	(234,6)	(234,6)	-	(234,6)
Preference	0,7	0,7	-	0,7
	1 256,3	1 111,2	-	1 156,5
Outside shareholders in subsidiaries	120,5	103,8	-	121,2
	1 376,8	1 215,0	-	1 277,7
<b>NON-CURRENT LIABILITIES</b>				
Deferred taxation liabilities	60,3	46,3	-	63,8
<b>CURRENT LIABILITIES</b>				
RC&C Finance Company short-term borrowings	44,5	855,9	-	900,7
Accounts payable, derivative liabilities, provisions and taxation	1 294,0	1 310,5	-	1 392,2
	1 338,5	2 166,4	-	2 292,9
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 775,6</b>	<b>3 427,7</b>		<b>3 634,4</b>

### SEGMENTAL ANALYSIS

Six months ended 31 March

	2004 R million (Unaudited)	%	2003 R million (Unaudited)	%	% change	Year ended 30 Sept 2003 R million (Audited)
<b>Revenue</b>						
<b>ELECTRICAL ENGINEERING</b>	667,1	19	692,6	18	(4)	1 367,7
<b>ELECTRONICS</b>						
Office systems	501,8	14	445,3	12	13	952,9
Consumer products and services	1 664,2	46	1 572,4	41	6	3 192,5
Information and communication technologies	563,5	16	771,0	20	(27)	1 413,7
Reutech	178,7	5	362,4	9	(51)	615,7
<b>TOTAL ELECTRONICS</b>	<b>2 908,2</b>	<b>81</b>	<b>3 151,1</b>	<b>82</b>	<b>(8)</b>	<b>6 174,8</b>
Total operations	3 575,3	100	3 843,7	100	(7)	7 542,5
Less: Reunert's attributable portion of associate companies' revenue	(563,4)	-	(796,2)	-	-	(1 438,6)
<b>REVENUE AS REPORTED</b>	<b>3 011,9</b>		<b>3 047,5</b>		<b>(1)</b>	<b>6 103,9</b>
<b>Operating profit before goodwill amortisation</b>						
<b>ELECTRICAL ENGINEERING</b>	114,1	27	92,9	26	23	195,2
<b>ELECTRONICS</b>						
Office systems	85,4	20	76,7	22	11	157,4
Consumer products and services	150,0	36	115,8	33	30	173,7
Information and communication technologies	56,4	13	3,8	1	1 384	(64,6)
Reutech	15,8	4	66,0	19	(76)	117,9
<b>TOTAL ELECTRONICS</b>	<b>307,6</b>	<b>73</b>	<b>262,3</b>	<b>74</b>	<b>17</b>	<b>384,4</b>
Total operations	421,7	100	355,2	100	19	579,6
Reunert's attributable portion of associate companies' net operating (profit)/loss	(57,0)	-	3,2	-	-	74,3
<b>OPERATING PROFIT BEFORE AMORTISATION OF GOODWILL AS REPORTED</b>	<b>364,7</b>		<b>358,4</b>		<b>2</b>	<b>653,9</b>

### GROUP CASH FLOW INFORMATION

Six months ended 31 March

	2004 R million (Unaudited)	2003 R million (Unaudited)	% change	Year ended 30 Sept 2003 R million (Audited)
EBITDA	390,4	380,5	3	712,3
Decrease/(increase) in net working capital	1 064,9	(123,0)	-	(59,3)
Decrease/(increase) in RC&C Finance Company accounts receivable	983,8	(160,9)	-	(269,8)
Decrease in other working capital	81,1	37,9	-	210,5
Cash generated from operations	1 455,3	257,5	-	653,0
Net interest and dividends received (including associates)	28,5	21,2	-	45,2
Taxation paid	(198,7)	(121,5)	-	(178,7)
Dividends paid (including outside shareholders)	(191,9)	(178,5)	-	(258,4)
Net cash inflow/(outflow) from operating activities	1 093,2	(21,3)	-	261,1
Fixed asset additions less disposal proceeds	7,0	(19,7)	-	(40,3)
Acquisitions of subsidiaries, businesses and other investments	(47,4)	(80,2)	-	(61,3)
Other (net)	10,8	2,6	-	(21,5)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1 063,6</b>	<b>(118,6)</b>		<b>138,0</b>
<b>NET BORROWINGS AT BEGINNING OF THE PERIOD</b>	<b>(419,3)</b>	<b>(557,3)</b>		<b>(557,3)</b>
<b>NET CASH AND CASH EQUIVALENTS/(BORROWINGS) AT END OF THE PERIOD</b>	<b>644,3</b>	<b>(675,9)</b>		<b>(419,3)</b>
<b>CASH RESOURCES OF THE GROUP</b>				
Cash and cash equivalents (net)	688,8	180,0	-	481,4
<b>BORROWINGS OF THE GROUP</b>				
RC&C Finance Company short-term borrowings	(44,5)	(855,9)	-	(900,7)
<b>NET CASH AND CASH EQUIVALENTS/(BORROWINGS) AT END OF THE PERIOD</b>	<b>644,3</b>	<b>(675,9)</b>		<b>(419,3)</b>

### GROUP STATEMENT OF CHANGES IN EQUITY

Six months ended 31 March

	2004 R million (Unaudited)	2003 R million (Unaudited)	% change	Year ended 30 Sept 2003 R million (Audited)
Balance at beginning of year as previously reported	1 156,5	1 071,1	-	1 071,1
Adjustment to opening accumulated profit due to changes in accounting policies	-	6,7	-	6,7
Net profit for the period	256,0	192,0	-	295,4
Dividends paid	(167,3)	(166,0)	-	(226,2)
Issue of shares in terms of the share option scheme	11,9	7,4	-	11,0
Other	(0,8)	-	-	(1,5)
Balance at end of the period	1 256,3	1 111,2	-	1 156,5

### SUPPLEMENTARY INFORMATION

Six months ended 31 March

	2004 R million (Unaudited)	2003 R million (Unaudited)	% change	Year ended 30 Sept 2003 R million (Audited)
<b>Net asset value per share (cents)</b>				
including goodwill	660	589	-	612
excluding goodwill	495	414	-	450
<b>Current ratio including short-term portion of RC&amp;C Finance Company accounts receivable (:1)</b>	1,5	1,7	-	1,6
<b>Net number of ordinary shares in issue (million)</b>	190,3	188,6	-	188,8
<b>Number of ordinary shares in issue (million)</b>	207,5	205,8	-	206,0
<b>Less: Held by subsidiary (million)</b>	(17,2)	(17,2)	-	(17,2