

SEGMENTAL ANALYSIS

Six months ended 31 March 2006

	2006 R million	%	2005 R million (Restated)	%	change %	Year ended 30 Sept 2005 R million (Restated)
Revenue						
Electrical Engineering	1 149,1	25	876,8	23	31	1 986,7
Electronics	565,5	12	418,9	11	35	981,3
Office Systems						
Consumer products and services	2 066,1	45	1 845,9	48	12	3 769,0
Telecommunications	708,3	15	563,4	15	26	993,0
Reutech	126,1	3	133,9	3	(6)	300,3
Total Electronics	3 466,0	75	2 962,1	77	17	6 043,6
Total operations	4 615,1	100	3 838,9	100	20	8 030,3
Less: Reunert's attributable portion of associate company's revenue	(704,2)		(563,4)			(993,0)
Revenue as reported	3 910,9		3 275,5		19	7 037,3
Operating profit						
Electrical Engineering	222,5	36	166,7	35	33	332,7
Electronics	120,1	20	103,3	22	16	257,1
Office Systems						
Consumer products and services	176,5	29	160,8	34	10	324,5
Telecommunications	85,8	14	52,3	11	64	131,9
Reutech	3,8	1	(5,4)	(1)		3,7
Total Electronics	386,2	63	311,0	65	24	717,2
Total operations	608,7	100	477,7	100	27	1 049,9
Less: Reunert's attributable portion of associate company's net operating profit	(84,7)		(52,7)			(132,6)
Operating profit as reported	524,0		425,0		23	917,3

COMMENT

Reunert's headline earnings per share grew 29% during the six months ended 31 March 2006. Turnover increased by 19% from R3 275 million a year ago to R3 911 million, resulting in operating profits improving by 23% to R524 million.

These results are based on International Financial Reporting Standards (IFRS). As a consequence of the application of IFRS, in the opinion of the board, the earnings of the group from an economic perspective have been overstated. As discussed under the normalised earnings section in this announcement (note 5.2), the effect of this has been adjusted in calculating normalised earnings. On this basis, headline earnings per share grew 27%.

The higher level of activity led to net working capital increasing by R187 million. This, together with the increased dividend payment, led to a decline in the group's cash resources of R106 million to R676 million.

Review of operations

ELECTRICAL ENGINEERING

The drive in South Africa to improve infrastructure led to turnover increasing by 31% to R1 149 million. Operating profit increased by 33% to R222 million.

The order book for energy cables is supported by strong demand from local councils and the platinum mining industry. Capacity is being increased in order to meet anticipated future demand.

The market for telecommunications cable, both copper and optic fibre, improved significantly compared to a year ago. In addition to the local market improving, neighbouring countries are installing much needed bandwidth.

The ongoing drive by government to provide housing for all is underpinning CBI's performance. In addition, CBI is also reaping the rewards of building an export business over many years. Exports of breakers for equipment protection, in particular to Europe, grew significantly.

ELECTRONIC PRODUCTS AND SERVICES

Operating profits improved by 24% from R311 million to R386 million as revenue rose by 17% to R3 466 million.

Nashua Office Automation and Nashua Mobile performed well as volumes grew strongly. The related finance company debtor's book is now in excess of R1,2 billion.

Despite price deflation the consumer electronics business managed to grow both turnover and profits.

Activities at Siemens Telecommunications were at an all time high due to expansion of the mobile and fixed line networks, in particular at Vodacom and Telkom.

The defence business remains subdued but financial results improved significantly compared to a year ago.

Prospects

Most of the group's operations are expected to benefit from the current buoyant market conditions. Therefore Reunert should continue to deliver headline earnings growth in the second half of the year.

Dividend

Notice is hereby given that interim ordinary share dividend No 160 of 63cents per share (2005: 52 cents per share) has been declared by the directors for the half year ended 31 March 2006. In compliance with the requirements of STRATE, the following dates are applicable:

Last date to trade (cum dividend)	Thursday, 15 June 2006
First date of trading (ex dividend)	Monday, 19 June 2006
Record date	Friday, 23 June 2006
Payment date	Monday, 26 June 2006

Shareholders may not dematerialise or rematerialise their share certificates between Monday, 19 June 2006 and Friday, 23 June 2006, both days inclusive.

ON BEHALF OF THE BOARD

Martin Shaw <i>Chairman</i>	Gerrit Pretorius <i>Chief executive</i>
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Sandton, 15 May 2006

REUNERT LIMITED

Incorporated in the Republic of South Africa (Reg No 1913/004355/06)
Share code: RLO ISIN code: ZAE000057428

Directors: MJ Shaw (Chairman)*, G Pretorius (Chief Executive), BP Connellan*, KS Fuller*, BP Gallagher, SD Jagoe*, KJ Makwetla*, GJ Oosthuizen, KC Morolo*, DJ Rawlinson, Dr JC van der Horst*
*Non-executive

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70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107

Sponsor: Rand Merchant Bank (A division of FirstRand Limited)

Secretaries' certification:

Six months ended 31 March 2006

In terms of Section 268 G(d) of the Companies Act, 61 of 1973, as amended, I certify that, to the best of my knowledge and belief, the company has lodged with the Registrar of Companies for the six months ended 31 March 2006 all such returns as are required by a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

JAF Simmonds

For Reunert Management Services Limited
Company Secretary

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For background information on Reunert
visit our website at

www.reunert.com

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REUNERT LIMITED

BASTION GRAPHICS