

Dividend per share up

16%

www.reunert.com

COMMENT

Reunert grew revenue by 19% to R4,65 billion in the first six months to 31 March 2007 over the comparative period in 2006. Operating profit improved by 16% from R524 million to R607,6 million. Depreciation charges increased as a result of higher capital expenditure to provide for a stronger demand in infrastructure related projects. Interest income, compared with the same period a year ago, declined due to the payment of a special dividend in December 2006. Net profit attributable to Reunert shareholders increased from R411,8 million to R516,9 million before accounting for share-based payment charges relating to the BEE deal and the issue of shares to employees. Operational results were characterised by strong performances from the Electrical Engineering, Defence and Telecommunications businesses. Electronics, and in particular, the Consumer Products segment, were affected by the gradual slowdown of spending in the consumer market. Office Systems had the benefit of a performance bonus on the finalisation of the discounting deal in the finance company.

ELECTRONICS

Nashua, the office automation business, took over management responsibility for Acuo Technologies, our high-tech computer science and networking activity based in Stellenbosch. Although dilutive in the short term, the benefits to Nashua customers are already evident.

Consumer Products and Services were adversely impacted by slow sales of consumer electronic products. Margins are under constant pressure and unlikely to improve in the near term. Cellular activity at Nashua Mobile continues at an acceptable level amid signs of increased competition for high-value customers. The provision of data services, to a certain extent, offset this negative trend.

Telecommunications, represented by our 40% interest in Siemens Telecommunications, performed well on ongoing strong demand from its major customers. The second network operator should fuel demand for the products and services of this company in the future.

The Defence division, Reutech, is well positioned for superior performance this year and going forward. Strategic repositioning is nearing completion and bodes well for the future.

ELECTRICAL ENGINEERING

Electrical Engineering experienced strong growth in revenues. Demand is expected to increase, as is competition. Emphasis is on efficiency and streamlining of distribution and sales networks.

CORPORATE ACTIVITIES

Effective 1 February 2007, the telecommunications cable business, ATC, was merged with that of Aberdare. Market conditions improved materially and, despite sharing 50% of profits going forward, the deal is expected to be earnings enhancing.

Quince Capital, the venture with PSG in financial services, became effective 1 May 2007. Access to ongoing funding has been put in place and the business is poised for growth. The transaction is expected to marginally dilute financial performance over the next 12 to 18 months.

The BEE deal in which a 10% stake in Reunert has been sold to the Rebatona Educational Trust and Peotona has been fully implemented and the financial statements reflect the cost thereof. We are confident that tangible value will be added by this partnership.

PROSPECTS

Growth in normalised headline earnings per share for the full year is anticipated to be in line with the increase achieved in the first six months.

This statement has not been audited or reviewed by the external auditors.

DIVIDEND

Notice is hereby given that interim ordinary share dividend No 162 of 73 cents per share (2006: 63 cents per share) has been declared by the directors for the six months ended 31 March 2007. In compliance with the requirements of STRATE, the following dates are applicable:

Last date to trade (cum dividend)	Friday, 15 June 2007
First date of trading (ex dividend)	Monday, 18 June 2007
Record date	Friday, 22 June 2007
Payment date	Monday, 25 June 2007

Shareholders may not dematerialise or rematerialise their share certificates between Monday, 18 June 2007 and Friday, 22 June 2007, both days inclusive.

On behalf of the board

Martin Shaw
Chairman

Gerrit Pretorius
Chief executive

Sandton, 17 May 2007

REUNERT LIMITED

Incorporated in the Republic of South Africa (Registration number 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*, KC Morolo*, GJ Oosthuizen, DJ Rawlinson, Dr JC van der Horst*

*Non-executive

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Transfer secretaries: Computershare Investor Services 2004 (Pty) Limited
70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107

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

Secretaries' certification:

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 2007 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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