

## REUNERT LIMITED

Incorporated in the Republic of South Africa  
Registration number 1913/004355/06  
Ordinary share code: RLO  
ISIN code: ZAE000057428  
("Reunert", "the group" or "the company")

# AUDITED GROUP RESULTS<sup>1</sup> FOR THE YEAR ENDED 30 SEPTEMBER 2016 AND CASH DIVIDEND DECLARATION

# REUNERT

REUNERT LIMITED

## INTRODUCTION

The contents of this short form announcement are the responsibility of the Board of directors of the company.

Shareholders are advised that this short form announcement represents a summary of the information contained in the full announcement, published on the Stock Exchange News Service (SENS)

and on Reunert's website ([www.reunert.com](http://www.reunert.com)) yesterday, 22 November 2016.

Shareholders and investors are encouraged to review the full announcement in making any investment decisions.

The full announcement is also available for inspection at the registered office of the company and at the

offices of Reunert's sponsors, Rand Merchant Bank (a division of FirstRand Bank Limited), 1 Merchant Place, Corner Fredman Drive and Rivonia Road, Sandton, 2146. Inspection of the full announcement is available to investors and/or shareholders at no charge, during normal business hours from today, 23 November 2016.

## FINANCIAL HIGHLIGHTS

12%↑

**EBITDA\***  
**R1 433m**  
2015: R1 284m

13%↑

**Operating profit\***  
**R1 315m**  
2015: R1 167m

17%↑

**NHEPS\***  
**662 cents**  
2015: 568 cents

8%↑

**Final dividend per share**  
**326 cents**  
2015: 302 cents

\* For the year from continuing operations

R million	2016	2015	% change
Revenue*	<b>8 511</b>	8 300	3
EBITDA*	<b>1 433</b>	1 284	12
Operating profit*	<b>1 315</b>	1 167	13
Profit*	<b>963</b>	959	–
EPS* (cents)	<b>577</b>	579	–
HEPS* (cents)	<b>570</b>	576	(1)

\* For the year from continuing operations

Reunert is pleased to announce a second year of double digit increase in its operating profit from continuing operations.

## GROUP REVENUE

Overall group revenue from continuing operations increased by 3% to R8,5 billion (2015: R8,3 billion). This was underpinned by significant growth of 39% in the Applied Electronics segment, mainly due to the successful completion of the export fuze order. On the back of sales mix changes in the cable operations and the delay in certain large infrastructure projects, revenue from the Electrical Engineering segment remained static at R4,1 billion. Revenue in the ICT segment was down 3% as the economic conditions resulted in weaker unit sales offset by an increase in average selling prices, in part due to a weaker Rand and a change in sales mix towards more expensive units. Voice minutes increased to 1,1 billion minutes (2015: 1 billion minutes), offsetting the impact of the reduced interconnect rates

## GROUP OPERATING PROFIT

The 3% increase in group revenue was leveraged to a 13% increase in operating profit through improved margins. This can be ascribed to the positive impact from Applied Electronics arising from large export orders and a good performance in the Electrical Engineering segment. Gains were tempered by the impact of the difficult trading conditions in the ICT segment.

## HEPS AND NHEPS

The 13% growth in operating profit included merger and acquisition costs of R39 million. This growth in operating profit was offset largely by the impact of empowerment transactions (R113 million) resulting in HEPS reducing by 1%. The 17% increase in NHEPS is determined after removing the effect of both the empowerment transactions and the merger and acquisition costs.

## STRATEGY EXECUTION

The progress made in the execution of the group's strategy yielded pleasing results, with the conclusion of three complementary acquisitions that should deliver geographically diversified revenue streams and provide good growth opportunities. This, together with the improving equity profile and the empowerment transactions undertaken in the Applied Electronics and Electrical Engineering segments, will appropriately position the segments in the local markets in which they operate.

## PROSPECTS

The progress on the execution of the group strategy, underpinned by our ongoing programme of strategic acquisitions, positions the group positively for real growth. In the short term, our concentration in South Africa will continue to expose the group to the local macro-economic drivers resulting from the country's current and emerging economic and political environment.

## CASH DIVIDEND

Notice is hereby given that a gross final cash dividend No 181 of 326,0 cents per ordinary share (2015: 302,0 cents per share) has been declared by the directors for the year ended 30 September 2016.

The dividend has been declared from income reserves.

A dividend withholding tax of 15% will be applicable to all shareholders who are not exempt from, or who do not qualify for, a reduced rate of withholding tax. The net dividend payable to shareholders is subject to withholding tax at a rate of 15%, and thus amounts to 277,10 cents per share.

The issued share capital at the declaration date is 184 005 796 ordinary shares.

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

Last date to trade (cum dividend)	Tuesday, 10 January 2017
First date of trading (ex dividend)	Wednesday, 11 January 2017
Record date	Friday, 13 January 2017
Payment date	Monday, 16 January 2017

Shareholders may not dematerialise or rematerialise their share certificates between Wednesday, 11 January 2017 and Friday, 13 January 2017, both days inclusive.

On behalf of the board

<b>Trevor Munday</b> Chairman	<b>Alan Dickson</b> Chief executive officer	<b>Nick Thomson</b> Chief financial officer
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Sandton  
21 November 2016

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For more information, log on to the Reunert website at [www.reunert.com](http://www.reunert.com).

<sup>1</sup> Extracted financial information from the audited results for the year ended 30 September 2016.

Directors: TS Munday (chairman)\*, T Abdool-Samad\*, AE Dickson (chief executive officer), SD Jagoe\*, S Martin\*, P Mahanyele\*, M Moodley, TJ Motsohi\*, NDB Orleyn\*\*, SG Pretorius\*, MAR Taylor, N Thomson (chief financial officer), R van Rooyen\*  
\* independent non-executive; \*\* non-executive