

Investor's day presentation

18 Sept 2008
Peter van der Bijl





REUTECH

Topics of presentation

REUTECH

- Rebranding of Reutech
- Local market outlook
- Export market outlook
- Sales analysis
- Operational highlights
- Growth areas

SA Defence Industrial Complex		REUTECH
<p>Acquisition Agents</p> <ul style="list-style-type: none"> ● DoD <ul style="list-style-type: none"> ▪ Acquisition ▪ Procurement ● Armstrong ● System Integrators e.g. <ul style="list-style-type: none"> ● Denel ● ADS 	<p>State Owned Industries</p> <ul style="list-style-type: none"> ● Denel <ul style="list-style-type: none"> ▪ Denel Land Systems ▪ Denel Munitions (49%) ⁴ ▪ Denel Aviation ▪ Denel Dynamics ▪ Mechem ▪ Denel Saab Aerostructures (80%) ² ▪ Turbomeca (49%) ¹ ▪ Carl Zeiss Optronics (30%) ⁴ ● Others <ul style="list-style-type: none"> ▪ CSIR - DPSS; ▪ Defense Institute ▪ Universities 	<p>Privately Owned Industries</p> <ul style="list-style-type: none"> ● <u>Reutech</u> ● ATE ● Paramount ● Thales – ADS ¹ • SAAB ² • BAe Land Systems ³ • Turbomeca ¹
1. French; 2. Swedish; 3. UK; 4. German		

Reutech Companies		REUTECH
	COMPANY	DESCRIPTION OF BUSINESS
	Fuchs Electronics	A world-renowned supplier of a broad range of electronic fuses for artillery, mortar, naval and air weapon applications.
	RDI Communications	Supplier of all the VHF/UHF tactical communications equipment used in South Africa & export markets.
	RDL Technologies	A systems engineering and support company for the South African Defence Force, other government agencies as well as blue-chip clients in the banking and mining industries.
	Reutech Radar Systems	Supplier of radar equipment - Specialises in ground-based and ship-borne radar systems and non-military mining sensor equipment.

Re-branding under Reutech

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- Value of a differentiated brand
 - Proudly South African owned company
 - Custodian of RSA technologies
 - Supplier in partnership with government (R&D funded)
 - Can compete freely in the export market
 - Partner with foreign OEM's per project as required
- New domains
 - Reutech Mining
 - Reutech Industrial
- Management of companies remains unchanged

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Reutech Companies

REUTECH

COMPANY



Fuchs Electronics

REUTECH
PRECISION PRODUCTS



RDI
Communications

REUTECH
COMMUNICATIONS



RDL Technologies

REUTECH
SOLUTIONS

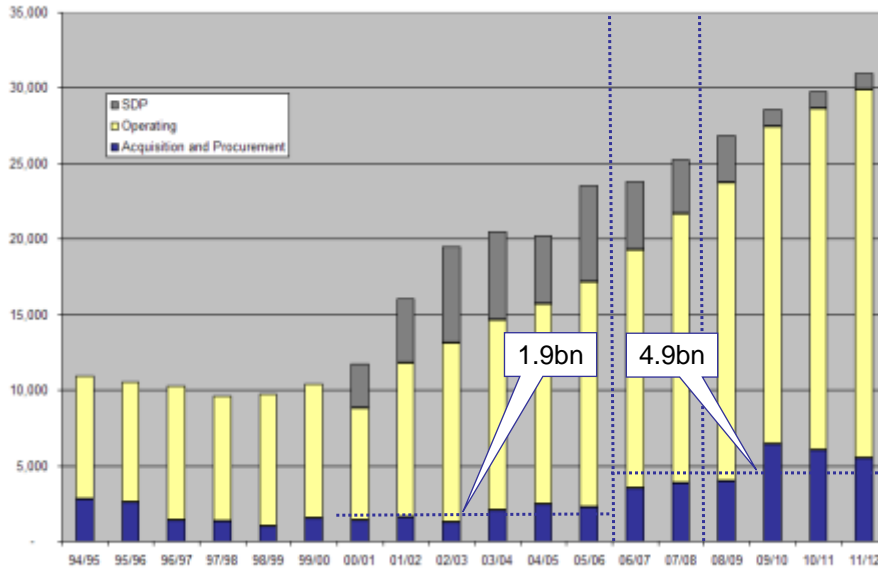


Reutech
Radar Systems

REUTECH
RADAR SYSTEMS

Local Market (SA Defence Spending – 15 year view)

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New RSA military prospects in medium term

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- Army vehicle programmes (Comms & Solutions)
 - Combat fighting vehicles replacement
 - Armored personnel carriers replacement
- Communications programmes (Comms & Solutions)
 - Tactical radios replacement
 - Fixed telecommunication installations upgrade
- Naval programmes (Radar Systems)
 - Patrol vessels acquisition
 - Landing ships acquisition
- Airforce programmes (Radar Systems)
 - Radar replacements

The export market

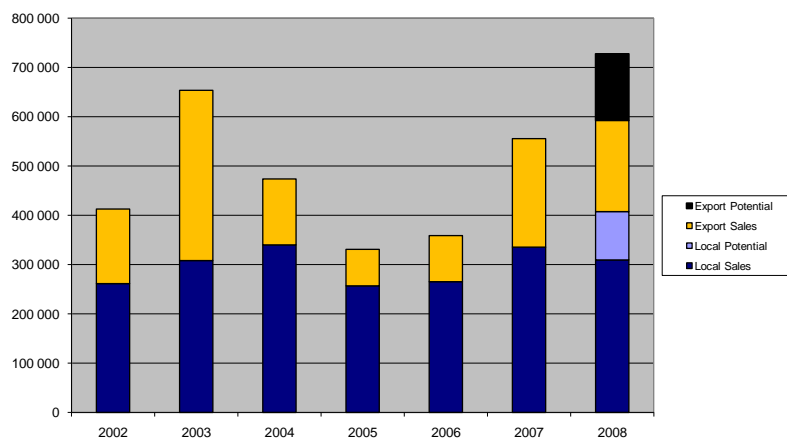
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- Reutech is a niche market player
 - Airborne radios
 - Electronic fuzes
 - Mining radars
- Military spending
 - Strong in Asia & the East
 - Technology partnership is in demand
 - Neo Cold-War noises counter an Iraq withdrawal
- Mining spend
 - Spend on safety is increasing
 - Safety spend is small compared to major CAPEX

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Reutech sales (Local and Export)

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Reutech Communications highlights

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- Local market - long term strength
 - The project for replacement of SANDF radios has commenced and we are well positioned as the traditional supplier with the correct technology
- Export market for our niche ACR 500 radio
 - Repeat orders from existing clients on hand
 - Our product has been adopted on new aircraft by OEM
- Market focus
 - New customer bases are being pursued
 - New platforms are being targeted via OEM's



Reutech Radar Systems highlights

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- World class radar solutions in niche markets
 - Lower cost structure than Euro competitors
 - Equal product performance & technology
 - Success in Norway against Euro competitors with our RSR 210N radar
- Low cost radar solutions show potential
 - StealthRad series is being offered for border protection and coastal asset surveillance
 - Many systems will be required (SANDF, Police, Fisheries ...)
- Mining radar market expansion
 - New MSR 300 product launched
 - Market share in Australia and the Americas improving



StealthRad™

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...Situational awareness through persistent surveillance...

Radar in Service on SA Navy frigates

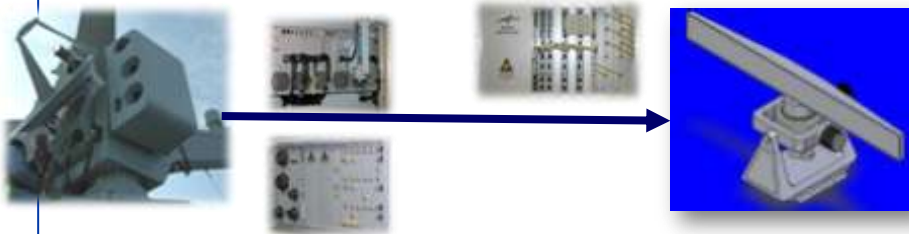
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RTS 6400 - Technology migration

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- Highly competitive, low volume export market
- Reconfiguration of RTS 6400 tracker technology into RSR 210N 2D surveillance Radar



Norwegian – Nansen class frigates

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- Scope of Offer
 - Reutech RSR 210N radar accepted
 - Ship services: Installation & Test
 - Log items: Spares, Training, Documents



Reutech Solutions highlights

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- Opportunities exist for renewals of long-term military support contracts
- Alliances with large European communications OEM's are being considered
- Our Rogue weapon system has been ordered locally and for Middle East export
- RFID tag business in Saco Systems is expanding well into market



Reutech Precision Products highlights

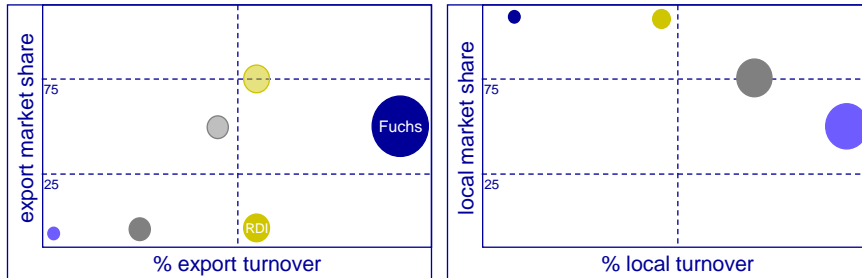
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- **FUCHS Electronic Fuzes**
 - Export projects are expanding
 - We remain one of few suppliers in the multi-mode fuze niche
 - Europe has the Thales/Junghans alliance
 - USA has KDI Precision Products in association with the DoD
 - Israel has Reshef technologies
- **Airweapons:**
 - Export potential still solid for our higher technology specialized products
- **Strategic Alliances**
 - Existing alliances bearing fruit in Asia
 - New partners will be sought in new mega markets



Market positions in retrospect

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The Nokia handset repair centre

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Questions

- Expansion of volumes
- Additional brands

Operational Overview

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- Positive contribution from all 4 businesses in 2008
- 3 of 4 businesses exhibiting a growth trend
- Technology base broadening via government and export spend

The Set Top Box opportunity

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- A large electronics manufacturing opportunity supported by government
- South African Government Committed to Digital migration
- Digital switch on: 1 November 2008
- Analogue switch off: 1 November 2011
- Over 8 million household in South Africa that will require a set top box
- SADC Countries: Analogue switch off planned for 2015

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- SA Compliant
- Market ready
- We own the IP

DVB-T MPEG4 Set Top Box

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- MPEG 4 technology
- SD/High Definition capability
- Designed for Software and Hardware Conditional Access
- Cost effective solution
- Designed for low power & reliability

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Project progress

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- Nashua has been appointed as the primary supplier of
 - DVB-T Mpeg4 set top boxes to the SABC for trials commencing
 - 1 November 2008
 - First test boxes already delivered
- Subsidy scheme widely announced by government
- Stimulation of electronics industry announced
- Multiple industry players to benefit from programme

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Other Opportunities

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- Mining supplier acquisitions to expand footprint
 - Many smaller players exist in mining supply
- Communications companies acquisitions / alliances
 - Large OEM alliances are being investigated
- Cell phone repairs can be expanded beyond Nokia

Questions and Answers?

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