

Reunert Presents

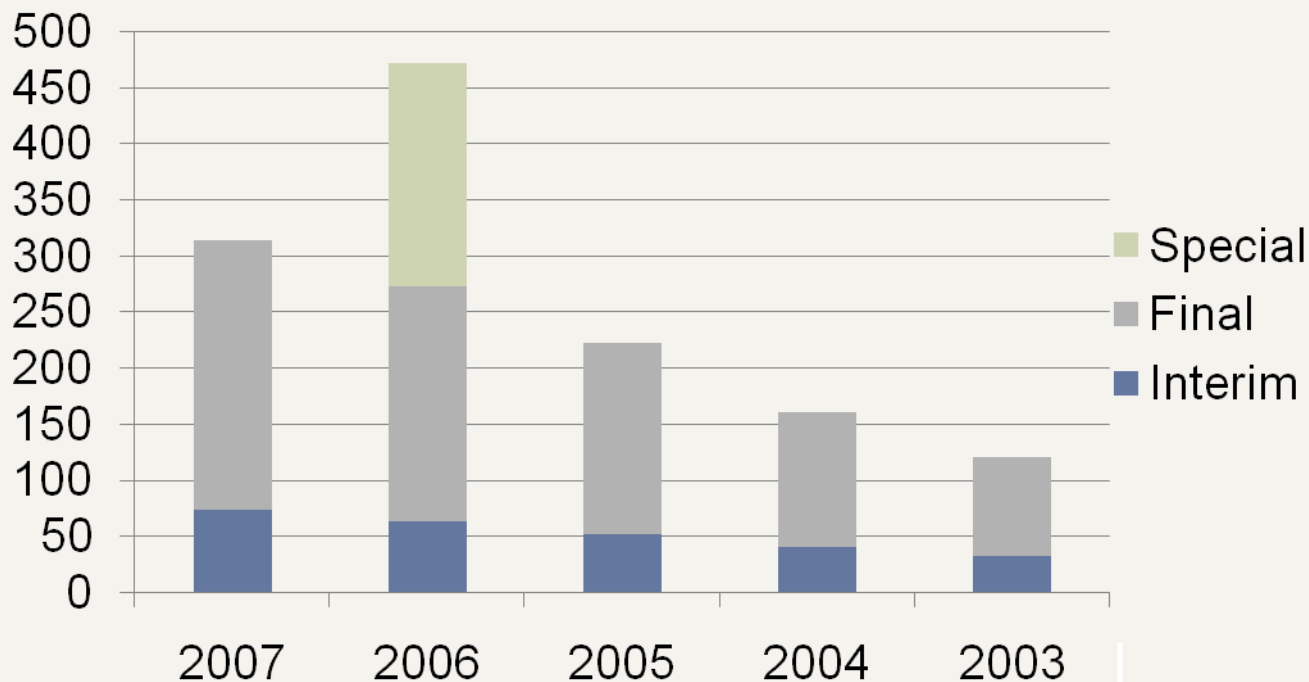
RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2007

SALIENT FEATURES

- ↑ Revenue up **16%** to **R9,6 billion**
- ↑ Operating profit up 4% to **R1,3 billion**
- ↑ Operating margin **down** from 16% to **14%**
- ↑ EBITDA as % of turnover down to 15% from 16%
- ↑ Associate profit up 56% to **R148 million**
- ↑ Dividend payments **R879 million**
 - Ordinary **R526 million**
 - Special **R353 million**
- ↑ Cash end Sep'07 R483 million
- ↑ Final cash dividend per share up 15% to 241 **cents**



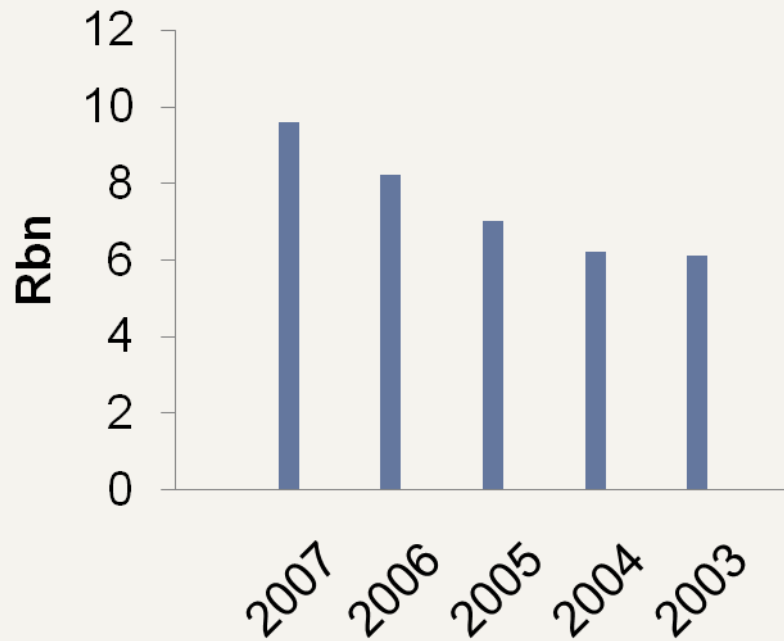
DIVIDENDS PER SHARE



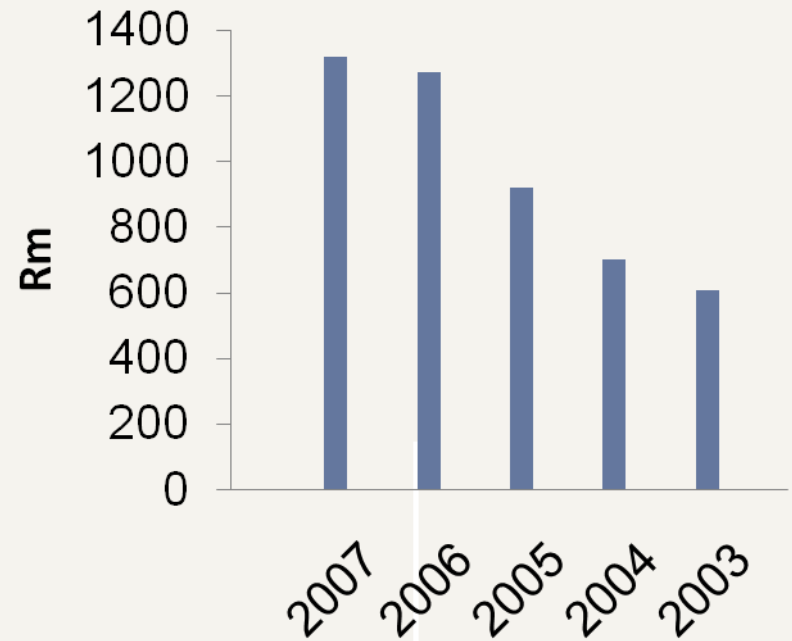
	2007	2006	2005	2004	2003
Dividend cover (times)	1,8	1,8	1,8	1,7	1,5

FIVE-YEAR PERFORMANCE

Revenue



Operating profit



INCOME STATEMENT

for the year ended 30 September 2007

R Millions	Actual 2007	Actual 2006	% Change on 2006
TURNOVER	9 574	8 236	16
EBITDA	1 393	1 336	4
Depreciation	(74)	(63)	
Operating Profit	1 319	1 273	4
Interest & Dividends	55	65	(16)
Profit before abnormal items	1 374	1 338	3
Abnormal items	(448)	2	
Profit before taxation	926	1 339	(31)
Taxation	(427)	(501)	14
Profit after taxation	499	839	9
Associates	148	95	56
Minorities	(8)	(11)	32
Headline earnings adjustments	(158)	(4)	
Headline earnings	481	919	(47)

RECONCILIATION OF HEADLINE EARNINGS PER SHARE

	2007 Cents	2007 Rm	2006 Cents	2006 Rm	% Increase
Headline earnings		481		919	
HEPS	<u>272.4</u>		<u>524.6</u>		<u>(48%</u>
BEE Cost		557		-	
Staff Share Cost		44		-	
BEE Share of Adjustments		8		-	
Tax on Adjustments		(9)		-	
Adjusted Headline Earnings		1081		919	
Adjusted HEPS	<u>611.9</u>		<u>524.6</u>		<u>17%</u>
BEE Share of Profits		(74)		(51)	
Normalised Headline Earnings		1008		867	
Normalised HEPS	<u>570.3</u>		<u>495.3</u>		<u>15%</u>
Weighted Shares in Issue (million)	176,7	175,1			

RECONCILIATION OF PROFIT AFTER TAX

	2007 Rm	2006 Rm	% Increase
Profit after Tax	498.5	838.7	
Abnormal Items	432.7	(1.6)	
BEE Deal Items	589.6	0.0	
Profit on Sale of Finco (2006 - Other)	(118.1)	(5.0)	
Profit on sale of assets to Joint Venture	(39.7)	0.0	
Impairments	0.9	3.4	
	931.2	837.1	11%
Unrealised Profits on forex and derivatives	(6.0)	(67.7)	
Adjusted Profit after Tax	925.2	769.4	20%
Profit from Associates	148.4	95.2	
Profit after Tax	1 073.6	864.6	24%

Forex and derivative instruments gains/losses

	2007			2006		
	Unrealised Rm	Realised Rm	Total Rm	Unrealised Rm	Realised Rm	Total Rm
() = loss						
CBI-electric: low voltage	1.0	(6.9)	(5.9)	10.5	5.2	15.7
Nashua Electronics	8.9	(49.5)	(40.6)	19.4	12.4	31.8
CBI-electric: african cables	0.5	(7.2)	(6.7)	3.2	23.7	26.9
Aberdare/ATC	0.3	(33.5)	(33.2)	13.5	21.8	35.3
Reunert insurance cell	(11.8)	-	(11.8)	18.6	-	18.6
Other	7.1	(9.8)	(2.7)	2.5	2.5	5.0
Total	6.0	(106.9)	(100.9)	67.7	65.6	133.3

The unrealised gains and losses arise out of the the revaluation at year end of foreign denominated monetary items eg: CFC accounts, foreign cash holdings, accounts payable and receivable and the marking to market of FEC's, interest rate swaps and copper hedges.

Investments and loans	2007 Rm	2006 Rm
Unlisted associate companies	400.3	126.0
Nokia Siemens Networks	119.7	126.0
Quince Capital	280.6	-
Other loans and investments	61.5	22.8
Long term accounts receivable	266.1	-
Deals discounted with recourse *	235.5	-
Financing of capital equipment **	30.6	-
Total investments and loans	727.9	148.8

* IFRS requires that debtors discounted with RC&C Finance Company, where the risk relating to bad debts remains with Reunert, not be derecognised from the Reunert balance sheet. This represents the long term portion of these debtors. The short term portion is included in accounts receivable.

** Financing of earthmoving and other capital equipment originally financed by RC&C Finance Company, taken over by Reunert

Long term borrowings

The long term borrowings of R386.9m largely represents the total liability to RC&C Finance Company relating to the deals discounted with recourse.

Net interest and dividend income

	2007 Rm	2006 Rm
Interest received	104.3	92.9
- From RC&C Finance Company up to date of sale *	43.5	57.2
- External	60.8	35.7
Interest paid	(57.2)	(34.9)
Dividend income other than from associate companies	7.7	6.9
Total **	54.8	64.9

* 2007 includes interest received by Reunert from RC&C Finance Company for 7 months, 2006 was for 12 months.

** Although average interest rates in 2007 were higher than in 2006, the average net cash position of the group dropped as a result of the payment of the special dividend in January 2007

Balance Sheet

at 30 September 2007

R Millions	R million Sept 2007	R million Sep 2006
Fixed Assets	579	467
Goodwill	373	327
Investments	728	149
R C & C Finance Debtors	-	1 404
Current Assets	2 596	2 274
Stock	880	809
Accounts Receivable	1 370	1 111
Other Debit Balances	346	354
Gross Assets	4 275	4 621
Net Current Liabilities	(1 788)	(2 459)
Net operating Assets	2 487	2 162
Shareholders' Funds	(2 483)	(1 719)
Deferred Tax	(78)	(83)
Long-term borrowings (incl. short-term portion)	(409)	(130)
Net Cash	483	958
R C & C Finance Borrowings	-	(1 188)
	(2 487)	(2 162)

Summarised cash flow statement

for the year ended 30 Sept

	2007	2006
	Rm	Rm
EBITDA	1 393	1 336
Dividend and interest income	201	121
	1 594	1 457
Increase in inventory	(66)	(248)
Increase in accounts receivable	(240)	(456)
(Decrease)/increase in accounts payable	(133)	451
Taxation paid	(569)	(347)
Dividend paid	(879)	(464)
Capital expenditure	(149)	(194)
Net cash flow before net corporate activity and other	(442)	199
Net corporate activity and other	(33)	(24)
(Decrease)/increase in net cash and cash equivalents	(475)	175

Other income

Rm

Standard Bank settlement - RC&C Finance	29
Export claim from EPI - African Cables	6

CAPITAL EXPENDITURE

	Rm
CBi-Electric: energy cables	49,6
CBi-Electric: telecom cables	5,5
CBi-Electric: low voltage	55,4
Nashua Office Automation	6,3
Nashua Consumer	4,0
Nashua Mobile	17,3
Reutech	9,4
Group services	1,5
	149,0

OPERATIONAL REVIEW



Reunert

CBi-electric

Energy cables (75%)

Telecom cables (37,5%)

Low voltage

Nashua

Office systems

Mobile

Electronics

Reutech

Radar systems

Electronic fuzes

Radio communications

Logistic support

Investments

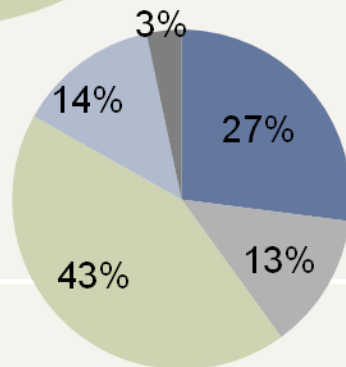
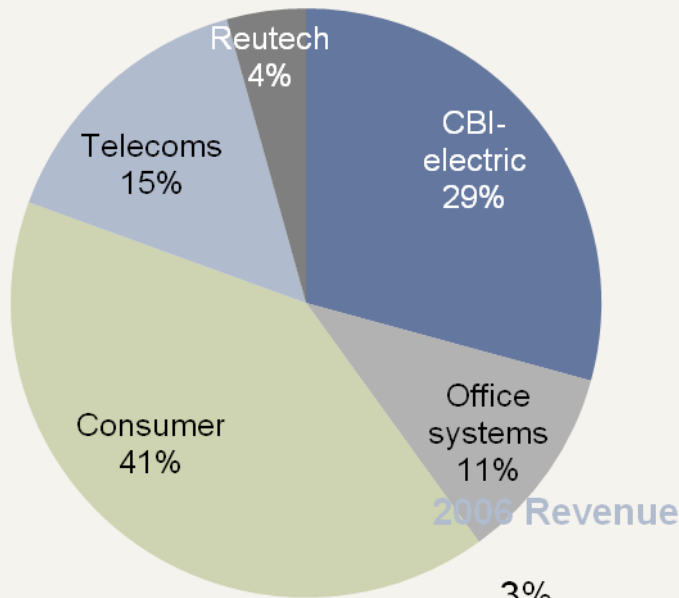
NSN (40%)

Quince Capital (48%)

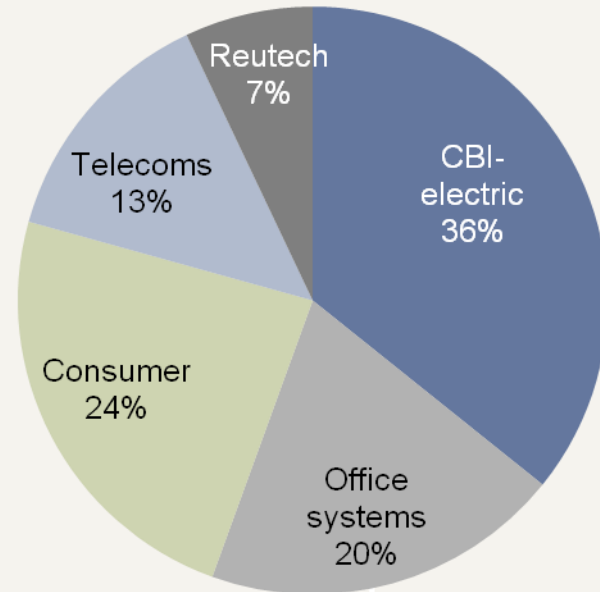
SEGMENTAL ANALYSIS

% CONTRIBUTION TO

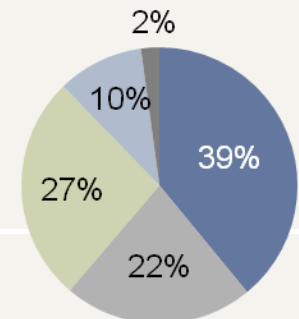
Revenue



Operating profit



2006 Operating profit



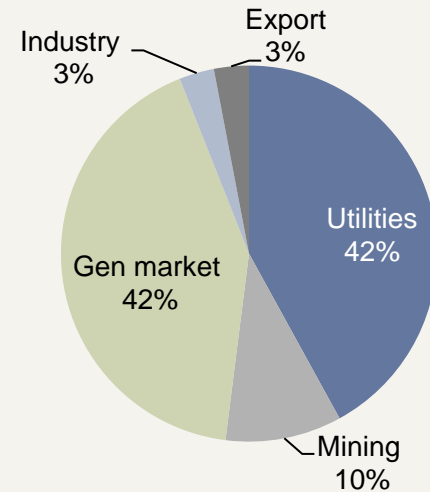
RISK FACTORS

Average euro/rand exchange rate 9.48578			%
€	High	10.16670	
	Low	8.58300	18%
	2007	2006	
Cu price	R54 346	R40 256	35%

CBI-ELECTRIC

- Revenue **up 38%**
- Operating profit **up 21%**
- Upgrading of facilities over past two years
 - Increased capacity
 - Additional XLPE MV line
 - Rod conversion upcaster
 - 16 000 ton capacity
- New product lines operational 2008 financial year
 - ACSR: Eskom 5 year contract (minimum 8 000 tons p.a.)
 - House wire: general market
- Industrial action: 4 weeks were lost
- Cafca: Supplied R50 million of Bells & Mains Cable

Market mix as % of turnover



TELECOM CABLES

- JV with Aberdare successfully implemented
- Revenue **up 45%**
- Operating profit **up 7%**
- Instrumentation UTP Cable
 - Lamda plant integrated
- Significant increase in capacity
 - Fibre capacity to reach 1 million fkm/year
 - Copper cable capacity 300 000 ckm/year
- Increased demand from telecom operators
 - Telkom, Neotel
 - Vodacom, MTN
 - Africa: Botswana, Nigeria
- Instrumentation cable
 - Local & Middle East petrochemical industry
- Telkom Tender submitted
 - 3 year tender copper & fibre
- Non-Telkom business increased 133%

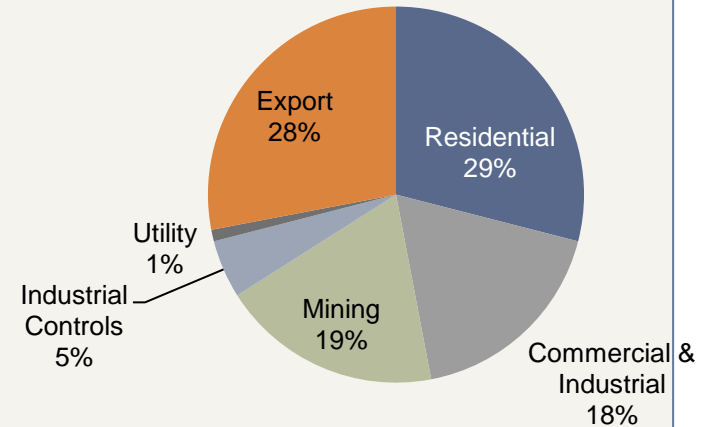
Capacity utilisation			
	2007	2006	2005
Copper	92%	78%	39%
OF Cable	62%	30%	7%

- **Types of certifications**
 - UL Listing
 - EC Verification
 - Soncap –Nigeria
 - ISO 9001:2001

LOW-VOLTAGE PRODUCTS

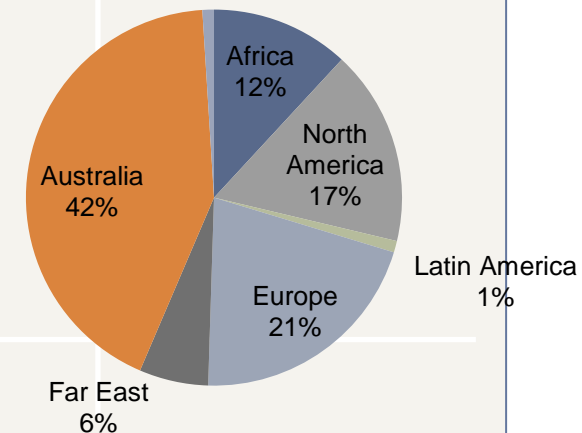
- Difficult year
 - Revenue **up 8%**
 - Operating profit **down 21%**
 - Material costs increased
 - Product lines are being rationalised
 - Reducing number of products & variations
- Chinese imports threaten residential market share
- Australia disappointing
 - Management changes

Product Mix



Middle East
1%

Export sales per region



THE NASHUA GROUP

- Nashua
 - Office systems
- Nashua Mobile
 - Telecommunications service provider
- Nashua Electronics
 - Consumer products
 - Business systems
- Revenues **up 9%**
- Operating profit **down 2%**

- Maintained volumes
- Margins down
 - Weakening of rand against euro HY01
- Uncompetitive products (Segment 3)
- Bought back two franchises
 - Tshwane
 - Port Elizabeth
- Continued expansion
- Total document volumes **>4,1 billion** (2003: 3,2 billion) copies
- Consumable sales **up 22%**, 21% of total revenue
- **86%** of sales are discounted with Finco

- Strong year
 - Revenue **up 18%**
 - Operating profit **up 12%**
- Product offering
 - Voice: cellular, VOIP, Satellite
 - Data: HSDPA, ADSL, I-burst
 - Internet services
 - Nashua Insure
 - Auto & General
- Least cost routers
 - One of only two independent licensed service providers

NASHUA MOBILE



	Sep 07	Sep 06	Growth % past year
Contract connections for year	151 285	194 832	(22%)
3G/HSDPA connections	27 534	11 095	148%
Total connections	178 819	205 927	(13%)
Closing contract base	693 432	576 820	20%
ARPU (average for period)	R443	R485	(8,6%)
Churn %	10,67%	10,51%	1,5%
Net bad debts as % of turnover	0,73%	0,58%	26%
Number of retail outlets	142	90	58%

- RC&C Holdings now included under Nashua brand
- Consumer electronics fiercely competitive
 - Revenue **down 1%**
 - Operating profit **down 49%**, however still profitable
 - Consumer & Business systems
 - Consumer contributes 63% of revenue
 - Less than 6% of profits
 - Business systems increased sales by 30%
- Direct marketing
 - E-channel www.nashuaelectronics.com
 - Opened 3 Nashua Electronic shops in Gauteng

REUTECH

- Excellent year
 - Revenue **up 55%**
 - Operating profit **up 259%**
- Terminated sale of company
- Demand for products
 - SANDF
 - Exports
 - Airborne radios
 - Electronic fuzes
 -  **New:** Mining surveillance radars
 - Africa, South America, Australia

ASSOCIATES

- Joint venture with PSG Group
 - Effective 1 May 2007
 - 48% shareholding
 - Contributed RC&C Finance
 - PSG R378 million
- Asset backed financial services
 - Nashua Finance (RC&C Finco)
 - ZS Rationale (bridging finance)
 - Scripfin (lending against securities)
- Book exceeds R1,5 billion
- Securitisation
- Transaction was dilutive in 2007
 - Excess capital
 - Expect to reverse by 2009

- Formerly Siemens Telecommunications
- Hold 40% share in Nokia Siemens Networks South Africa
- Siemens AG & Nokia merger
 - Effective 1 April 2007
 - Compete with Ericsson, Alcatel-Lucent, Huawei
- Operating profit (100%) **up 50% to R532 million**
- Revenue up 33% to **R4,3 billion** (100%)
- Future involvement

- Rising interest rates
- National Credit Act
- Slower growth
- Margin pressures especially on consumer side
- Rand volatility
- Bullish on fixed investment spending
- Have products & capacity to benefit
- Achieve real earnings growth

For more information contact
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