

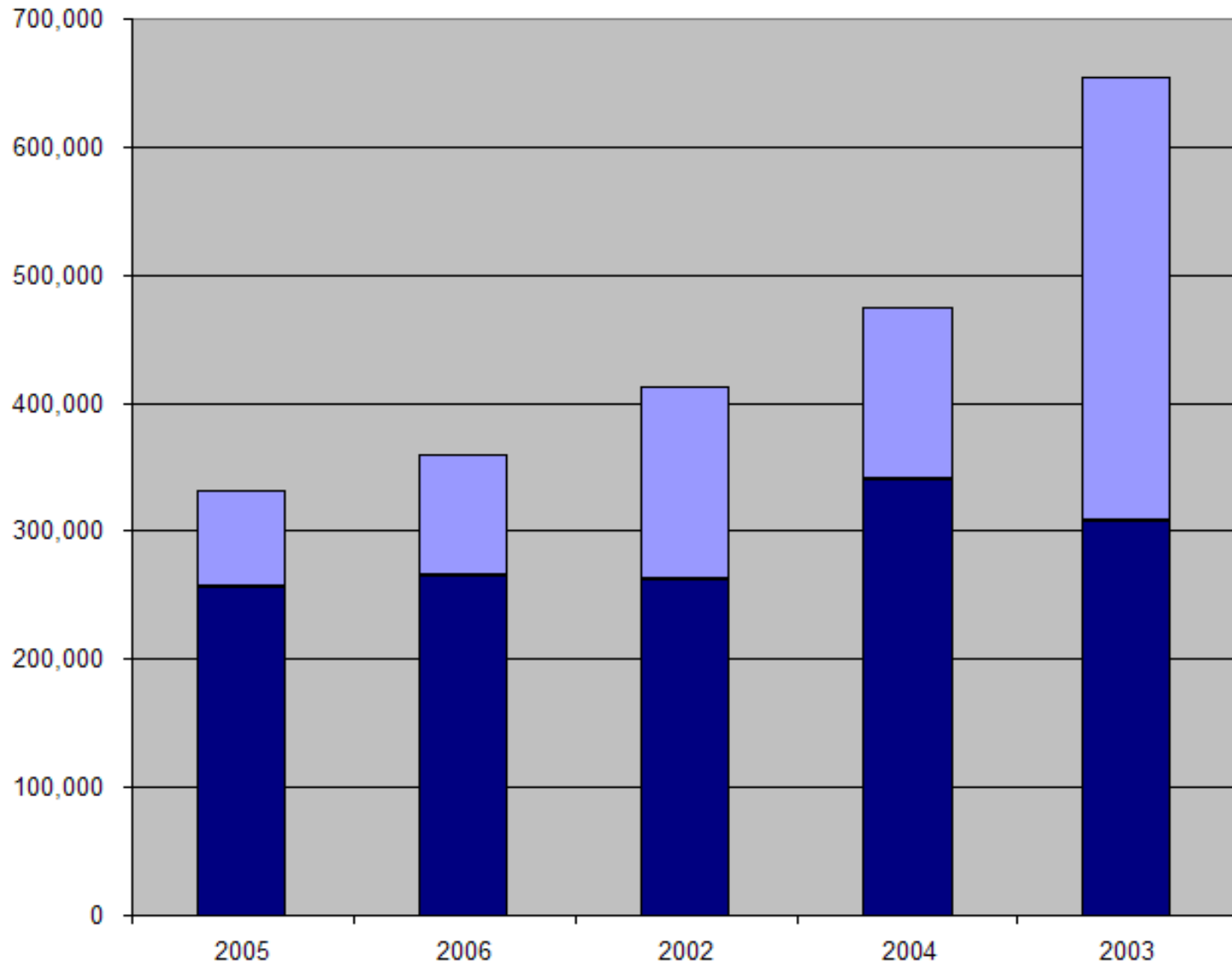
Reutech

Investors' day presentation

26 September 2007

Piet Smit

This could be a "normal" business – if the timing is right!



Information Brief to the Portfolio Committee on Defence

Department of Defence's 2007/08 MTEF budget (Vote 20).

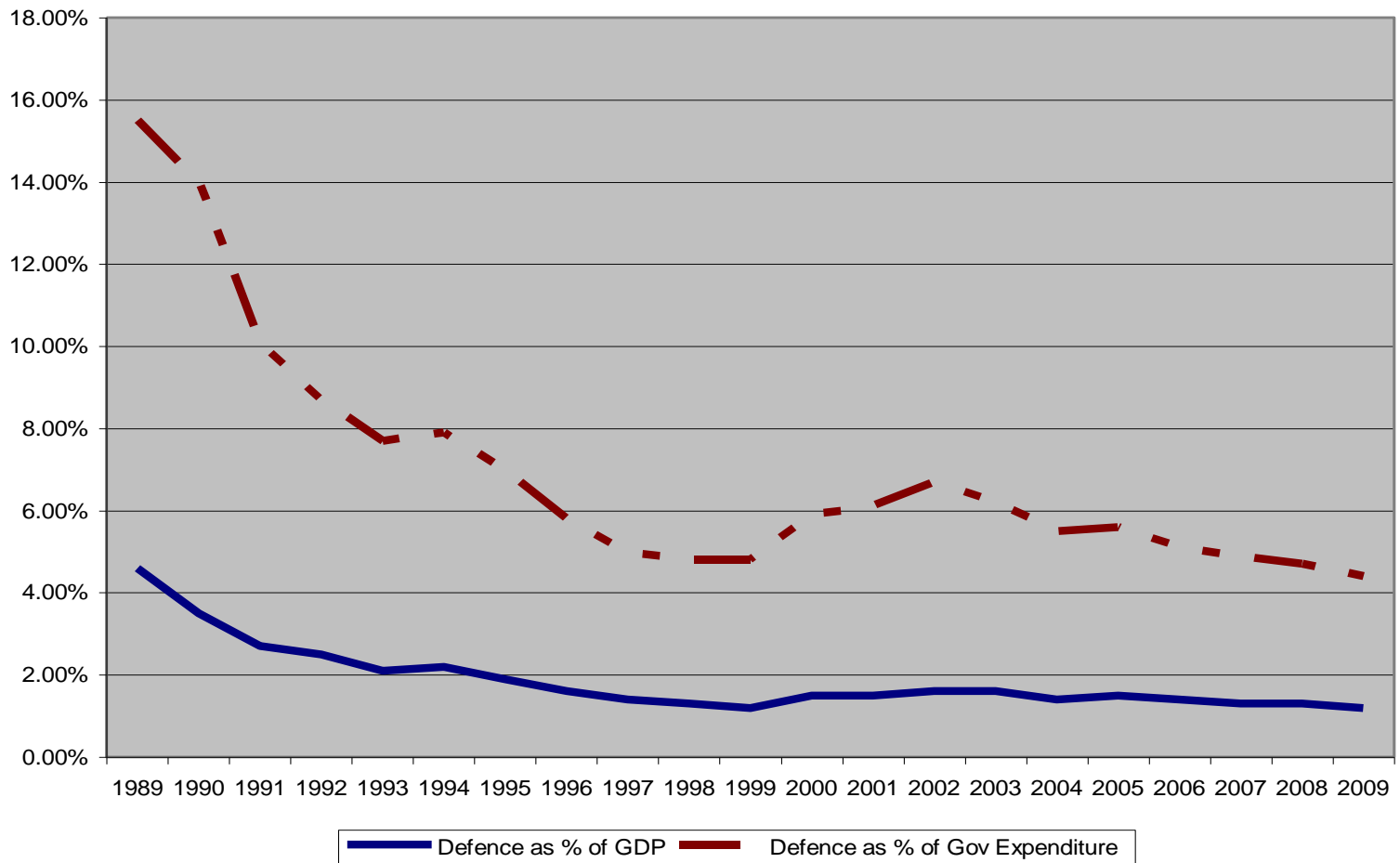
Presented by
Mr B.J. Engelbrecht
Director Budgeting



Defence

Department of Defence

DOD Budget Analysis



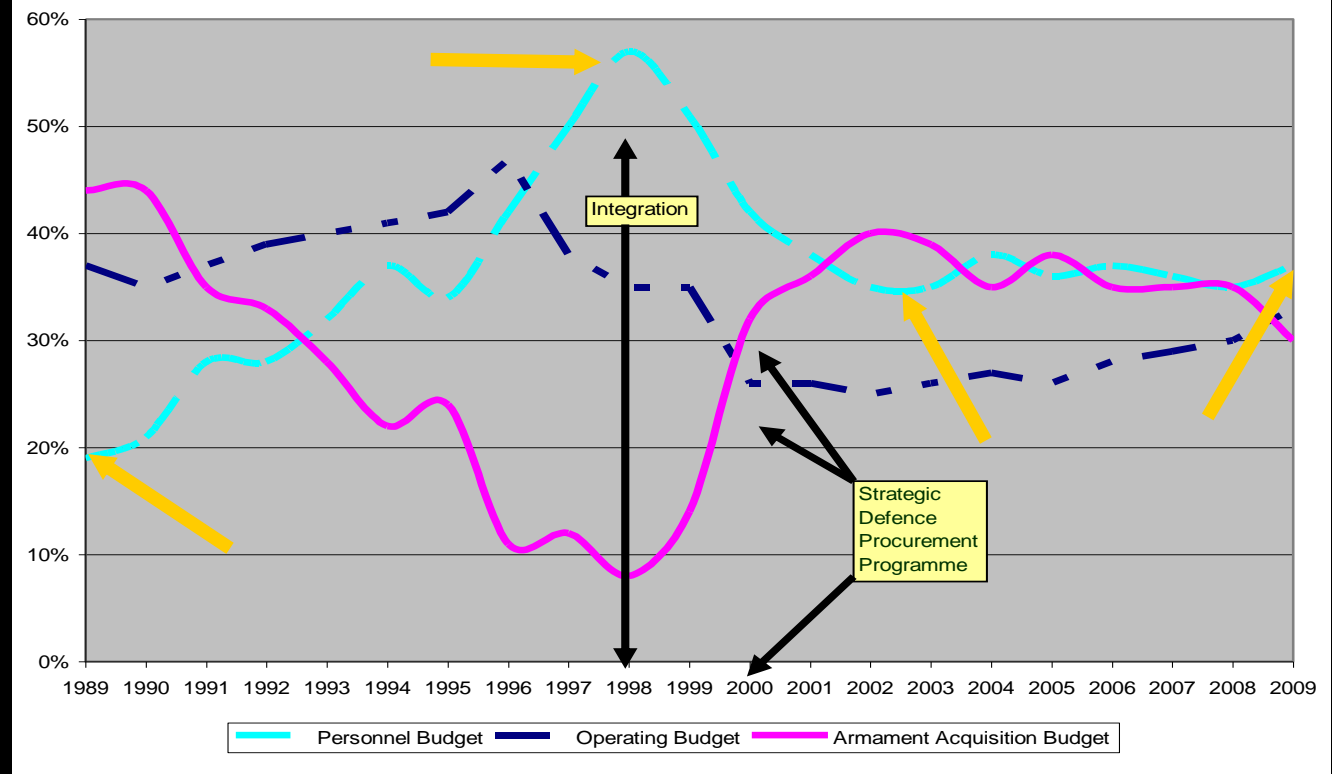
- Declined from 15,5% of GE (1989) to projected 4,4% in 2009
- Declined from 4,4% of GDP (1989) to projected 1,2% in 2009



Defence

Department of Defence

DOD HR BUDGET



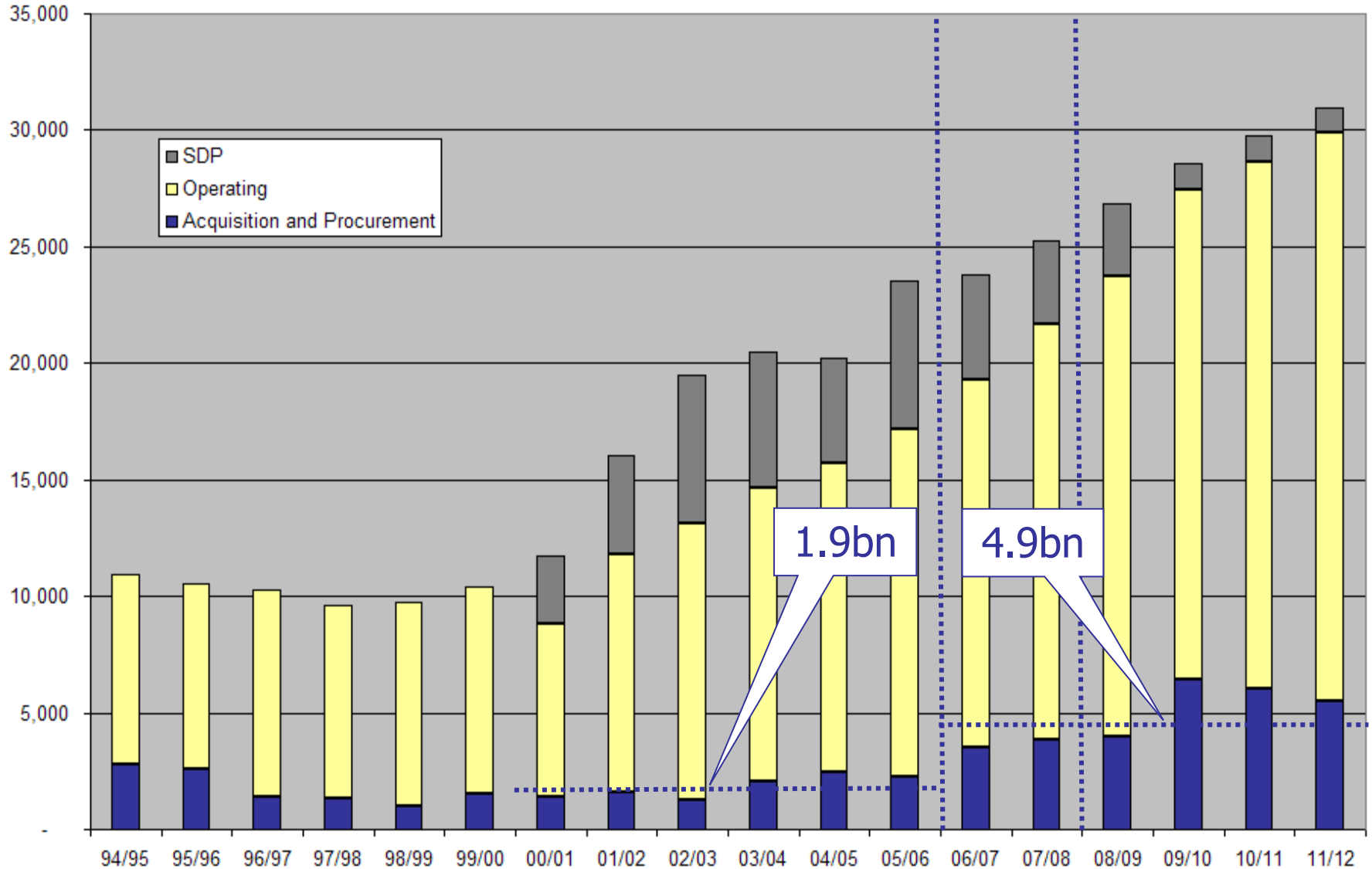
- Budget principle – (HR Commitment)
- 19% (89) → 58% (98) → 35% (02) → projected 40% (09)
- Changes to accounting policy – impact
- MSDS policy impact
- Impact of incentive schemes
- Perception



Defence

Department of Defence

SA Defence Spending – 15 year overview





PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA



AMD PRESENTATION
TO THE PARLIAMENTARY PORTFOLIO
COMMITTEE ON DEFENCE:
26 JUNE 2007

by Simphiwe Hamilton, Executive Director – AMD

A STRONG DEMOCRACY NEEDS THE SUPPORT OF A STRONG DEFENCE INDUSTRY

SADRI MEMBERSHIP IN AMD

The South African Defence Related Industries (SADRI) is a cluster of those organisations in the South African Private and Public Sector which are directly or indirectly involved in activities related to the industrial and trade processes of defence related materials, goods and services.

CLASS A COMPANIES [Yearly Turnover More Than R250M]



CLASS B COMPANIES [R50M < Yearly Turnover < R250M]



CLASS C & D COMPANIES [R10M < Yearly Turnover < R50M]



CLASS E & SPECIAL MEMBERS
[Yearly Turnover less than R10M]

ASSOCIATE MEMBERS
[Vested Defence Interest]

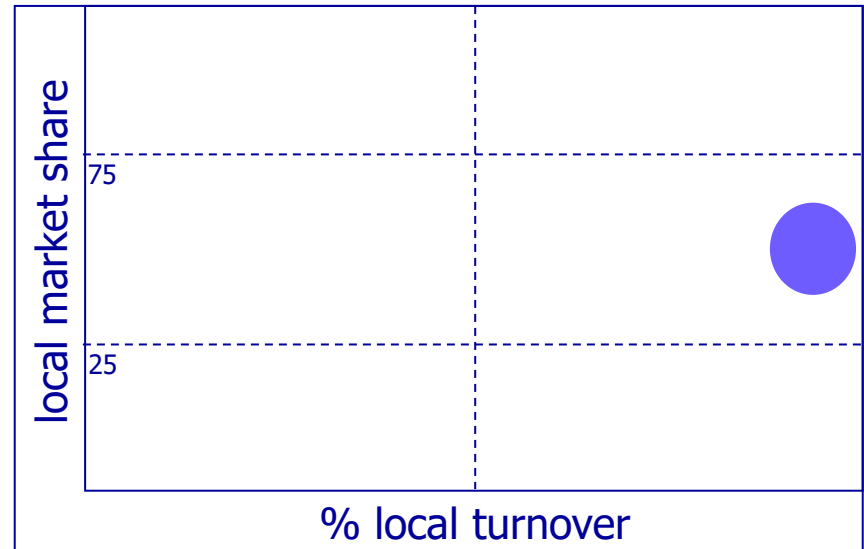
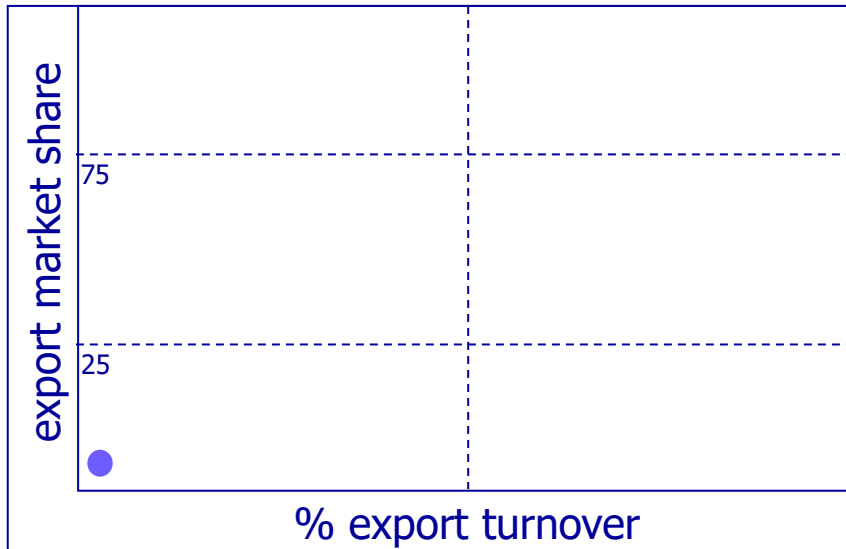
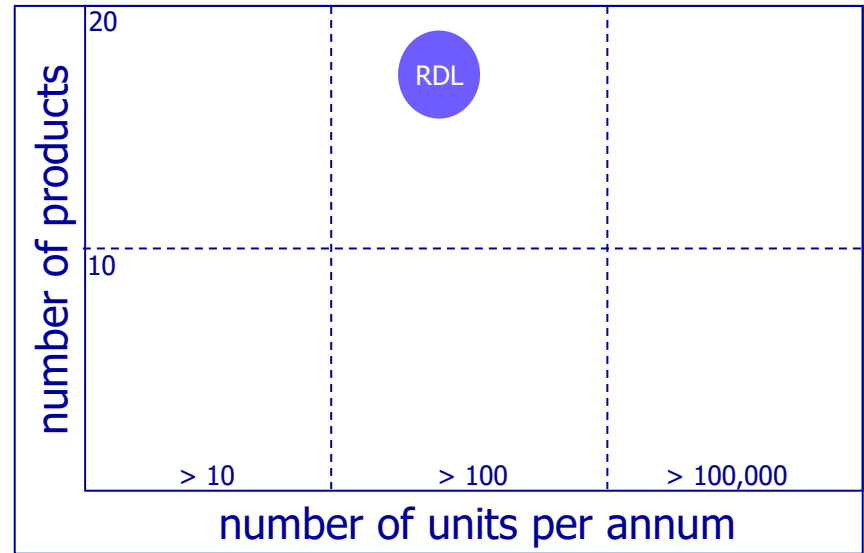
TOTAL 42

Members of AMD

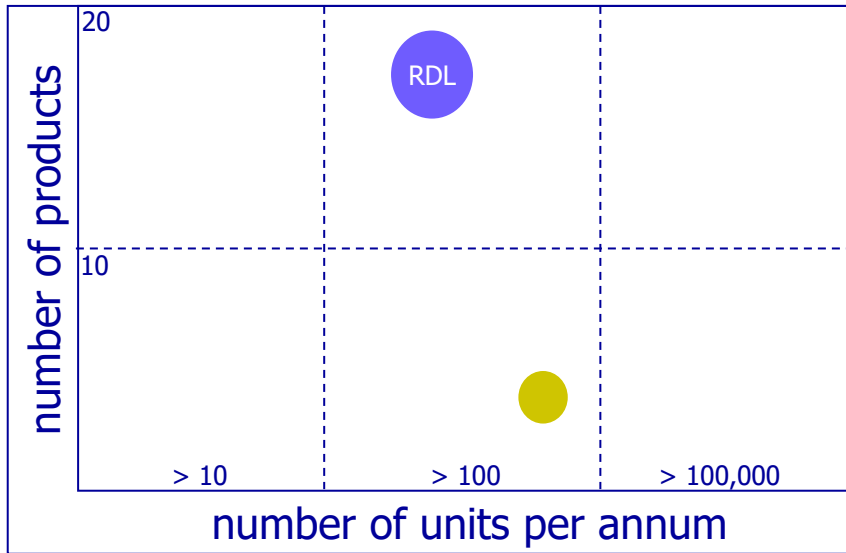


Products and Services – RDL Technologies

- RDL Technologies
 - Logistic Engineering
 - Supply, Support and Maintenance
 - Weapon Systems
 - Saco Systems



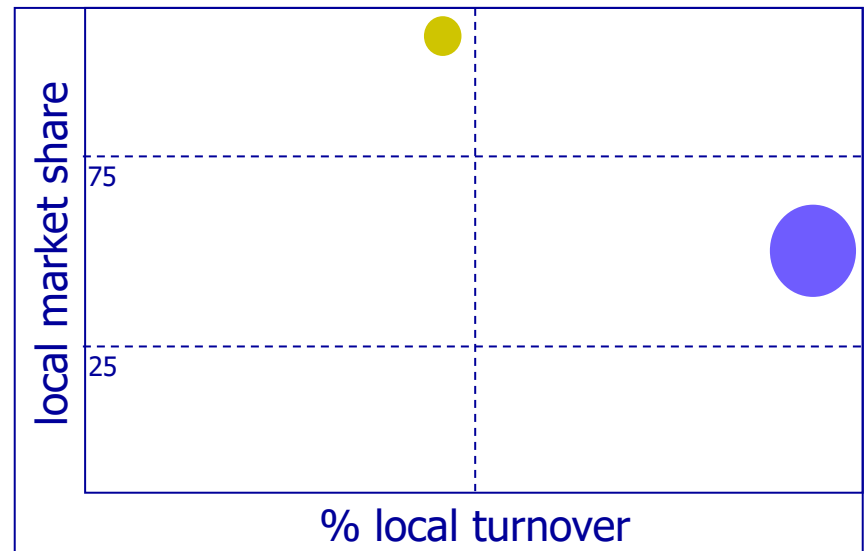
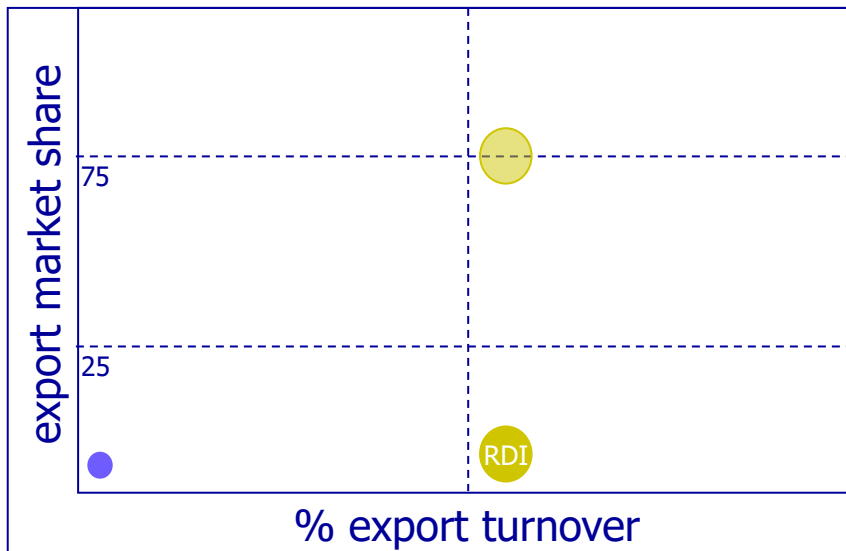
Products and Services – RDI Communications



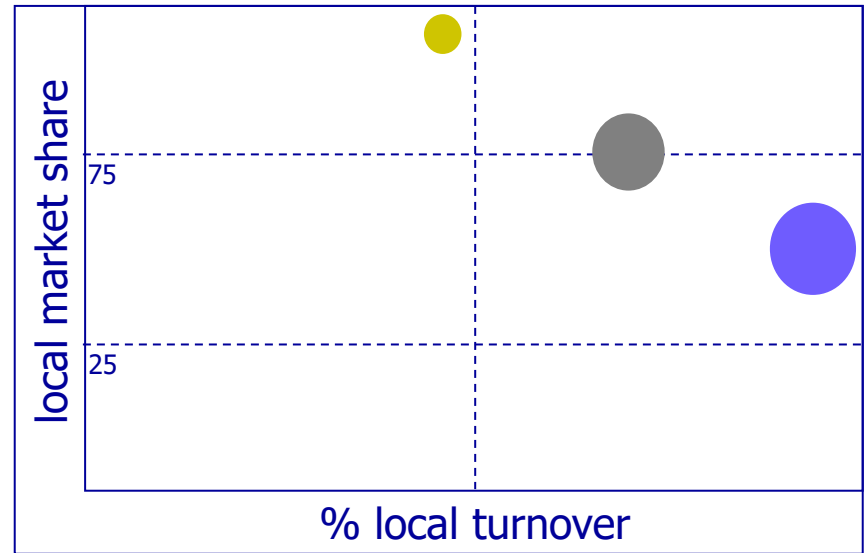
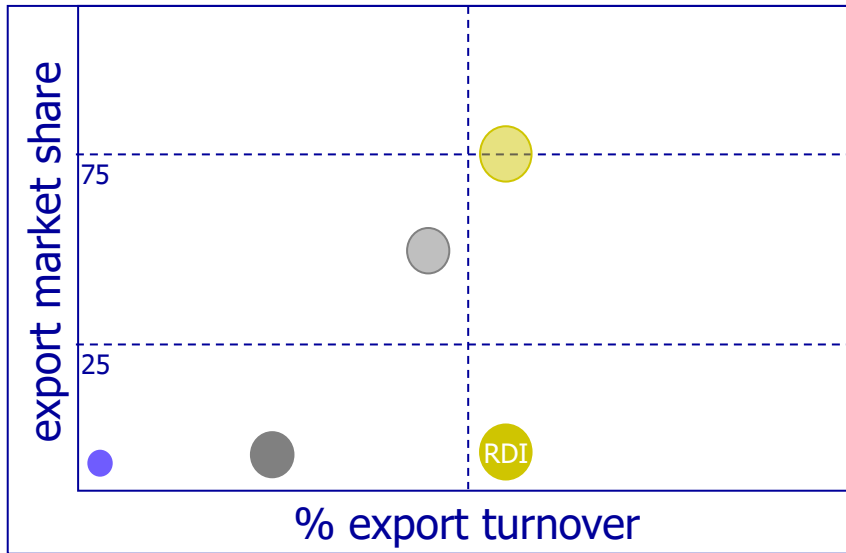
- RDI Communications
 - Tactical Military Radio



- Airborne
- Ground based



Products and Services – Reutech Radar Systems

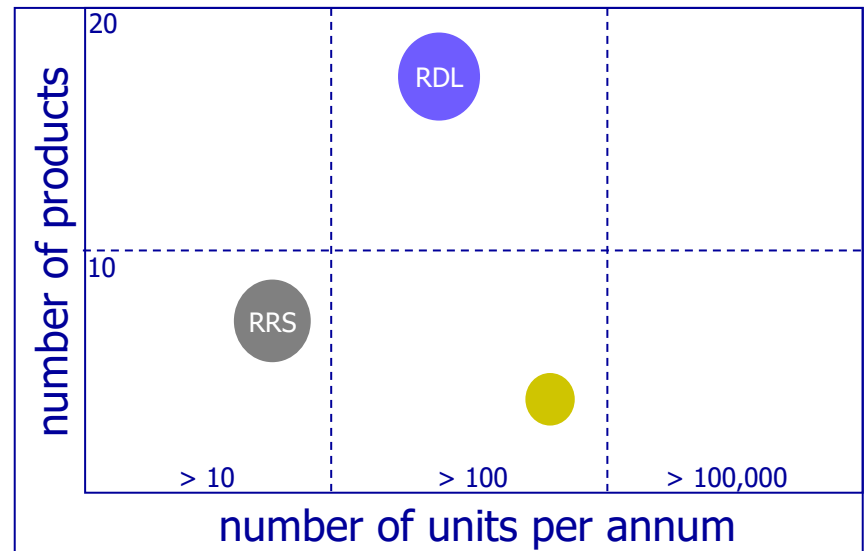


- Reutech Radar Systems

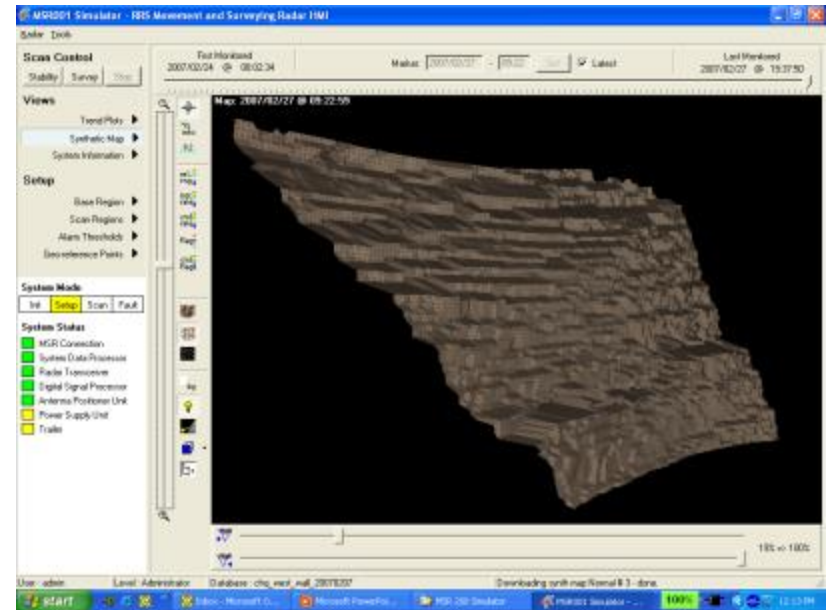
- Radar Systems

- Land based
 - Ship borne

- Mining Products

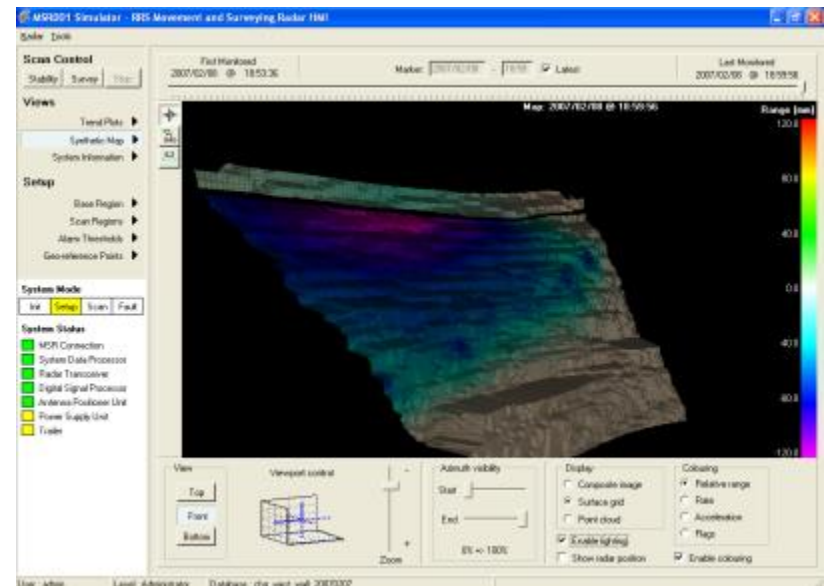


RRS – Movement and Surveying Radar

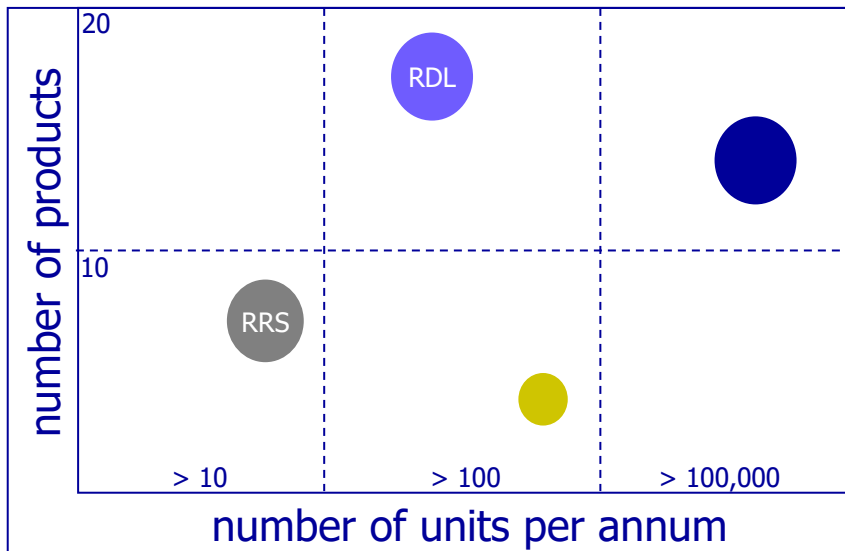
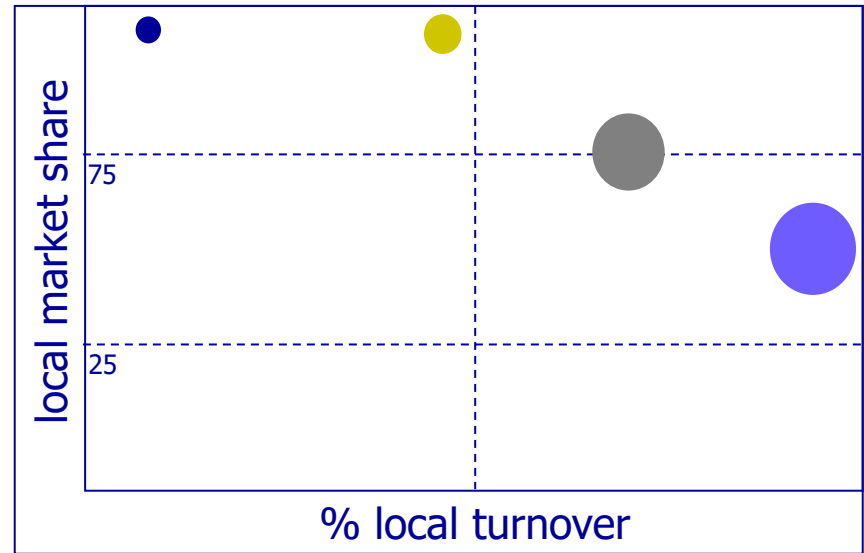
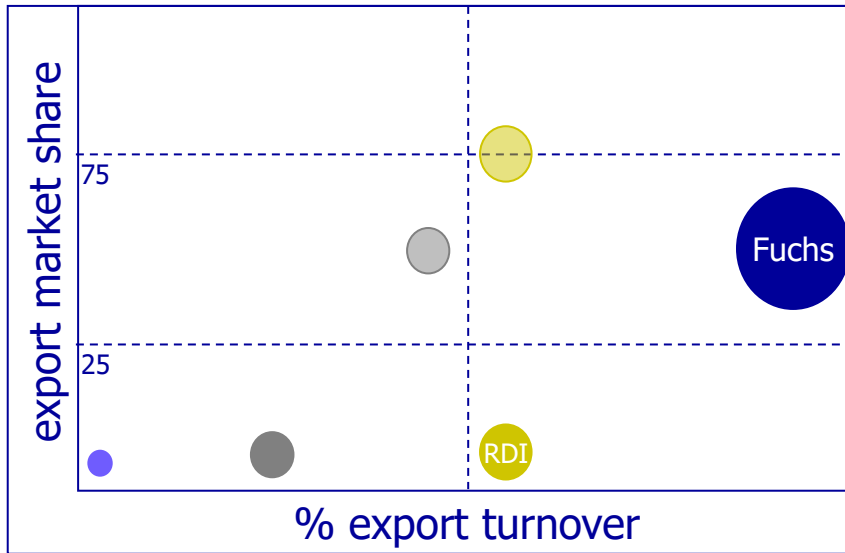


- Reutech Radar Systems

- Radar Systems
 - Land based
 - Ship borne
- Mining Products



Products and Services – Fuchs Electronics



- Fuchs Electronics
 - Electronic fuzes
 - Rocket, Artillery, Mortar, Naval, Air Weapons
 - Air Weapons
 - Handset repairs



Fuchs Electronics – Nokia Repair Centre



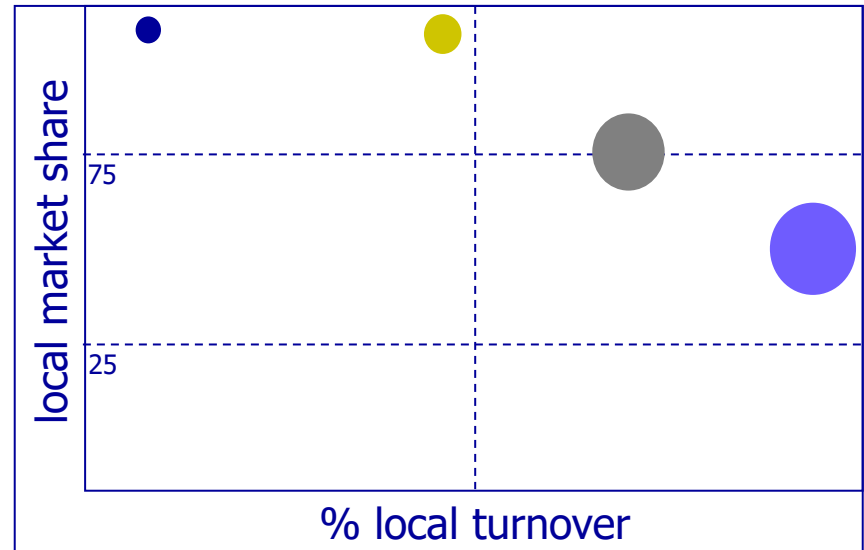
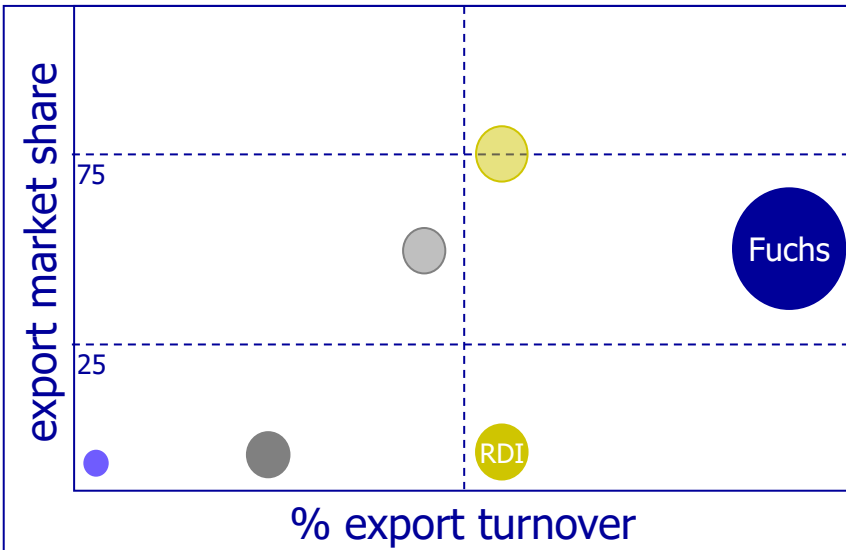
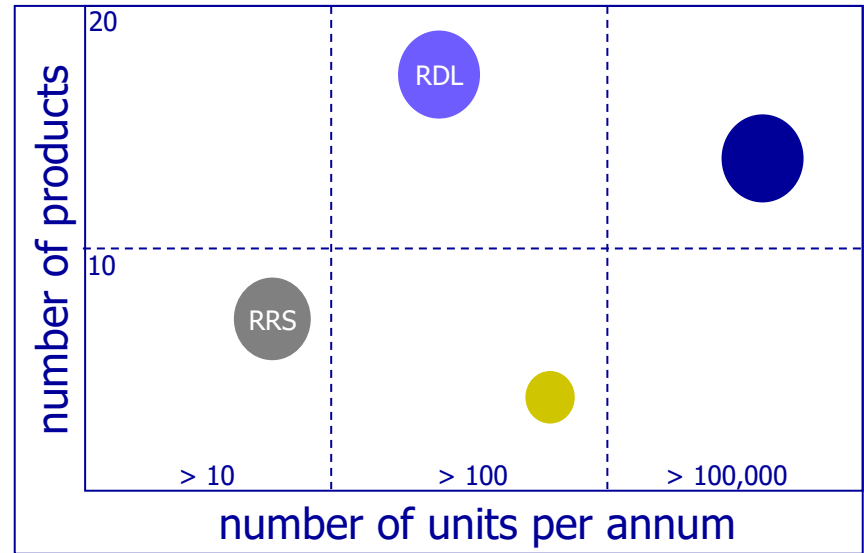
- Fuchs Electronics
 - Electronic fuzes
 - Rocket, Artillery, Mortar, Naval, Air Weapons
 - Air Weapons
 - Handset repairs



This is Reutech today but what about the future ?

	Min	Average	Max
Turnover	330	465	655
Export	75	175	345
Local	255	290	340
PBIT	4	57	119

financial history from 2002



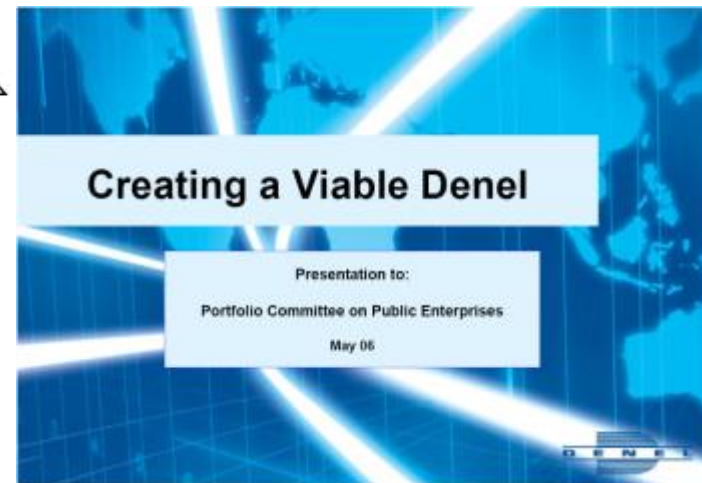
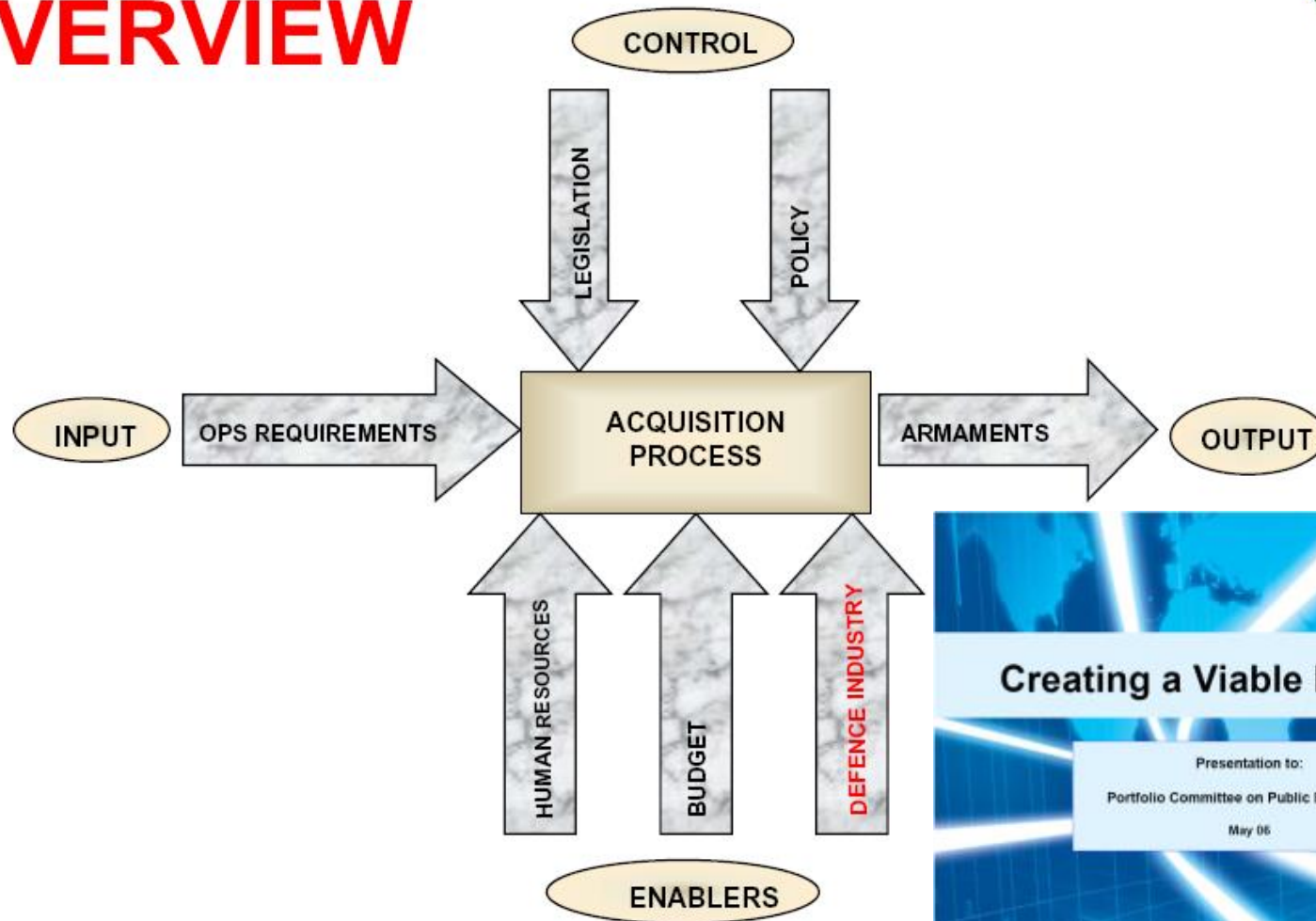


**PRESENTATION ON
DEPARTMENT OF DEFENCE
ACQUISITION PROCESS,
REVISED ACQUISITION PRIORITIES
AND
STRATEGIC INDUSTRY REQUIREMENTS**

**MAJOR GENERAL O.A. SCHÜR
CHIEF DIRECTOR ACQUISITION**

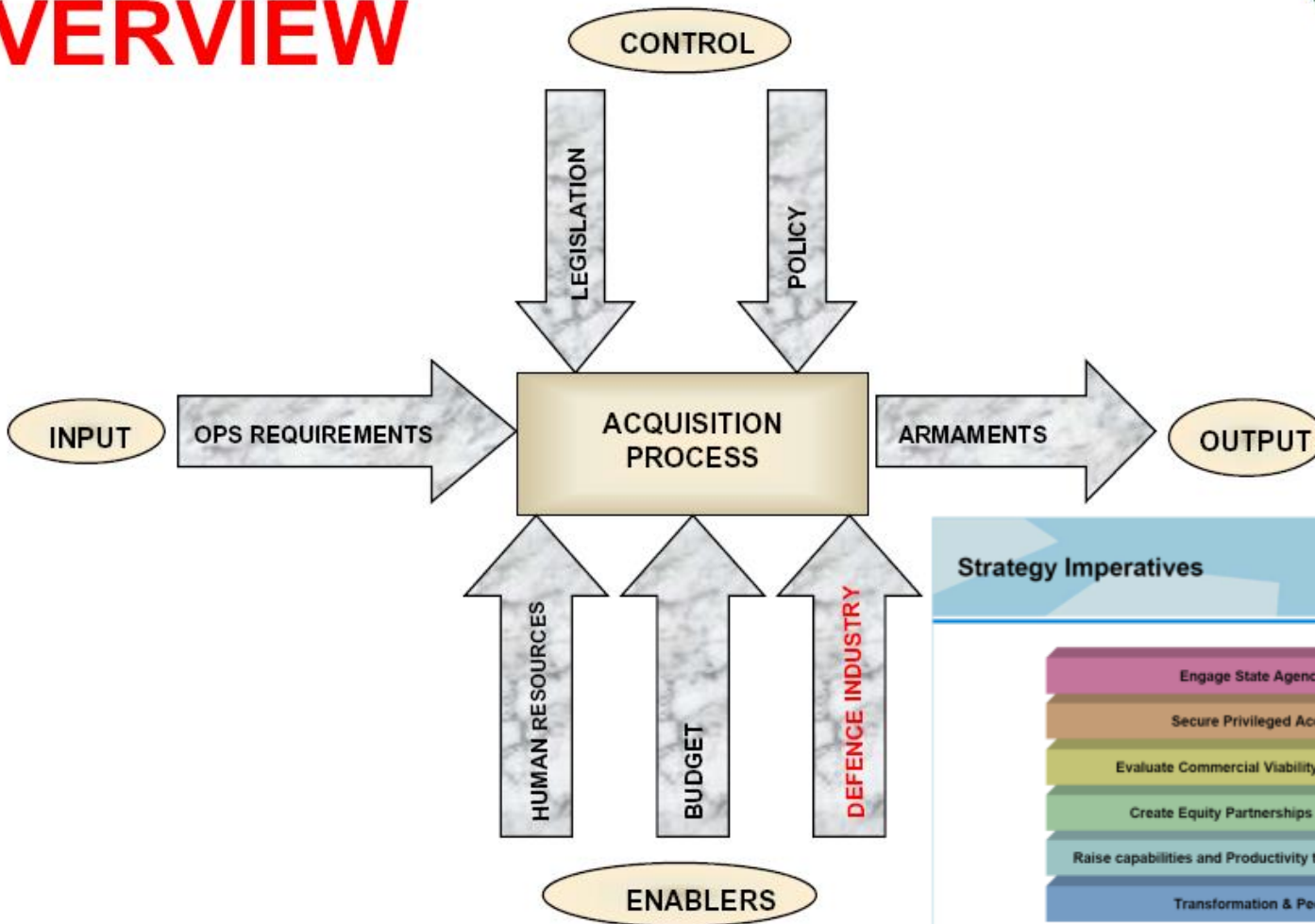


ACQUISITION PROCESS OVERVIEW





ACQUISITION PROCESS OVERVIEW



Strategy Imperatives

- Engage State Agencies
- Secure Privileged Access
- Evaluate Commercial Viability (Fix or Exit)
- Create Equity Partnerships / Alliances
- Raise capabilities and Productivity to World Standards
- Transformation & People

13



STRATEGIC INDUSTRY DEFINITION

- WEAPONS TESTING FACILITIES
- STRATEGIC RESEARCH FACILITIES (**DERI Plus**)
- STABILISING SYSTEMS
- ARTILLERY SYSTEMS
- BALLISTIC PROTECTION AND ARMOUR TECHNOLOGY
- TURRETS
- HEAVY/MEDIUM AMMUNITION
- MISSILES
- UNMANNED AERIAL VEHICLES



STRATEGIC INDUSTRY DEFINITION (CONT)



- ELECTRONIC WARFARE
- SECURE COMMUNICATIONS
- SENSOR SYSTEMS
- NIGHT VISION EQUIPMENT
- SYSTEM INTEGRATION
- SOFTWARE DEVELOPMENT AND OPTIMISATION
- **LIFECYCLE LOGISTIC SUPPORT CAPABILITIES**

Reutech

Investors' day presentation

26 September 2007