•Presentation to Reunert Investors

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31 July 2008

Products and Services

Nashua Electronics

Group Finance

- Finance and accounting
- Warehousing and logistics
- Parts
- Service networks
- Distribution Creditors and debtors management

Systems Products

- OA
- Telecommunications
- Broadcast
- CCVE
- Presentation
- IT Products
- Air conditioning

Consumer Products

- Brown goods
- White goods
- Batteries and media
- Small appliances
- Lighting
- Photographic
- Hardware
- CCVE (Consumer)

E-commerce / Retail

- Electronic consumer products (top brands)
- Electronic Retail business products (top brands)
- Delivery/Installation/Advice /Support

Manufacturing

- Plasma/LCD TV
- Water Meters
- Decoders
- Floor care
- CBI Sub-assemblies
- Fuchs Sub-assemblies

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Transferring within Reunert Group

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Manufacturing

Set Top Box Opportunity

- Biggest single electronics opportunity in the country’s history
- South African Government Committed to Digital Migration
- Department of Communication/Digital Dzonga responsible for the migration process
- Compression Technology: MPEG 4
- Digital switch on: 1 November 2008
- Analogue switch off: 1 November 2011
- Over 8million household in South Africa that will require a set top box
- SADC Countries: Analogue switch off planned for 2015

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Nashua Electronics History

- 47 years relationship with Panasonic, Japan assembling a variety of consumer electronics related products
- Extensive experience in electronics manufacturing:
    - *Manufactured the first 1 000 000 Analogue Set Top Box for Multichoice South Africa.*
    - *Manufactured the world first digital Set Top Box.*
- Sub contracting electronic/electro-mechanical assembly of products for A-brand customers

NASHUA ELECTRONICS

What do we offer

- Leading consumer electronics supplier

- High volume electronics manufacturing capability
    - Flexible Manufacturing capacity.
    - 50 000 – 250 000 units/month.

- Distribution & product support

- Empowerdex rated level 4 BEE supplier

- Locally designed set top box

Nashua STB

- SA Compliant
- Reliable
- Compact
- Affordable
- Low Power
- Plug & Play

DVB-T MPEG4 Set Top Box

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The Technology

- MPEG 4 technology

- Designed for Software and Hardware Conditional Access

- Cost effective solution

- ST & NEC product experience

- Designed for low power & reliability

- SD/HD capability

- Hardware configurable

Project Status

- Nashua has been appointed as the primary supplier of DVB-T Mpeg4 set top boxes to the SABC for trials commencing 1 November 2008
- Digital Dzonga Board responsible for managing the Digital Migration Project has been appointed
- Digital Migration Policy document not yet approved by cabinet
- Sentech behind schedule on transmission roll-out
- No subsidy scheme approved yet

Distribution and Retail Businesses

Distribution vs Retail

• Limited profit opportunity (worldwide 0,5% - 2% PBT)	• Market related profitability based on added value
• Limited ability to add value	• Solutions add value
• Long lead times	• Ex-stock purchases
• Poor payment terms (creditors/debtors)	• Reasonable and manageable terms
• Continual cost pressures / squeeze	• Vertical integration / cost rationalisation
• Open book with supplier	• Local investment/ownership
• Huge advertising investment required (supplier brand)	• Building of own brand equity

Conclusion:-

• Less attractive business	• Attractive business
• Growth and profit opportunity controlled by supplier / customer	• Growth and profit opportunity controlled internally

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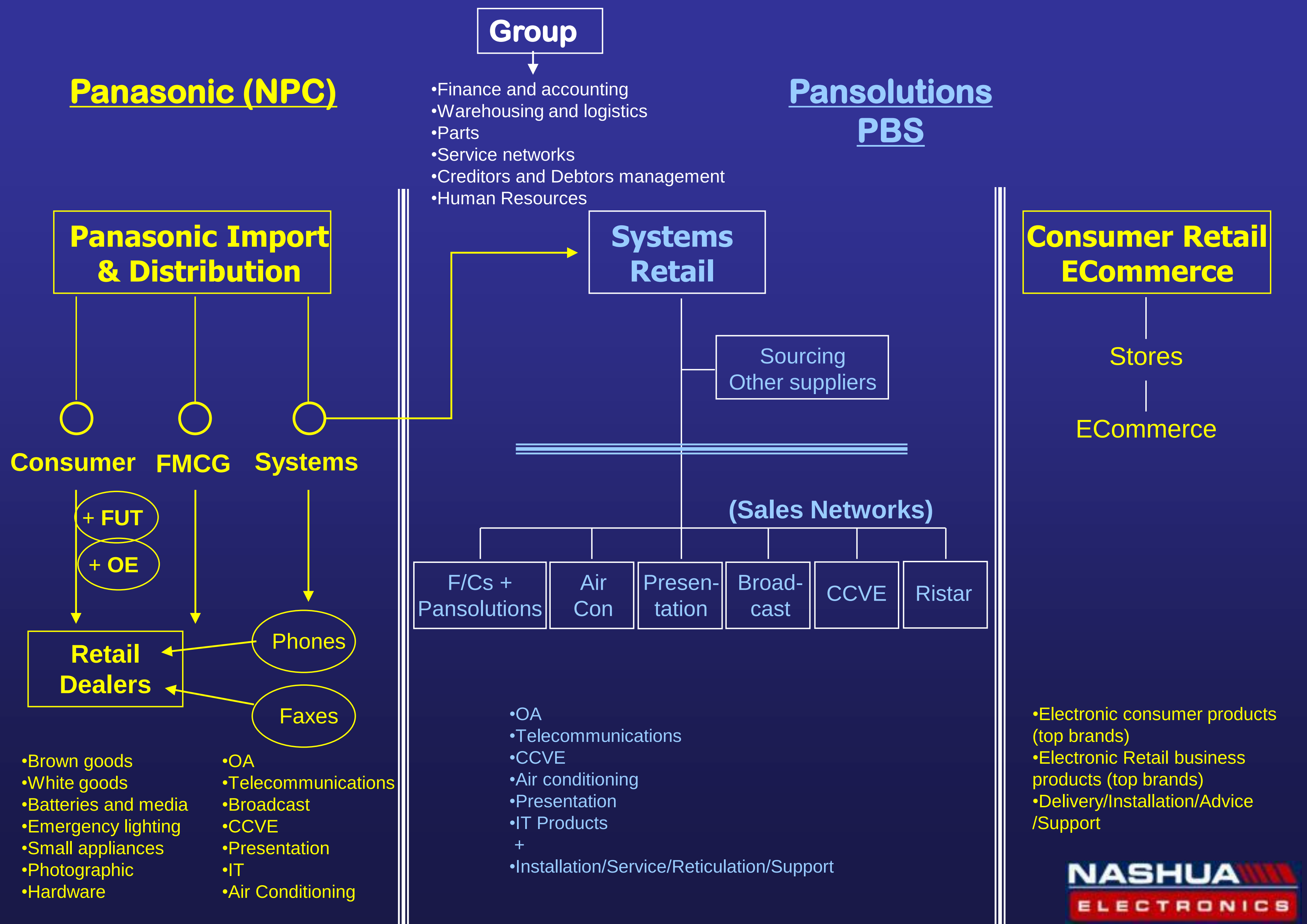


Consumer Business

Difficulties facing Consumer Electronics Import and Distribution Business (NPC)

- Ease of entry to the market
  - Digital technology
  - Speed of R&D development
  - Transfer of technology
- Market Slow Down
  - Interest Rates
  - Credit Bill / Controls
  - Reduction in housing prices

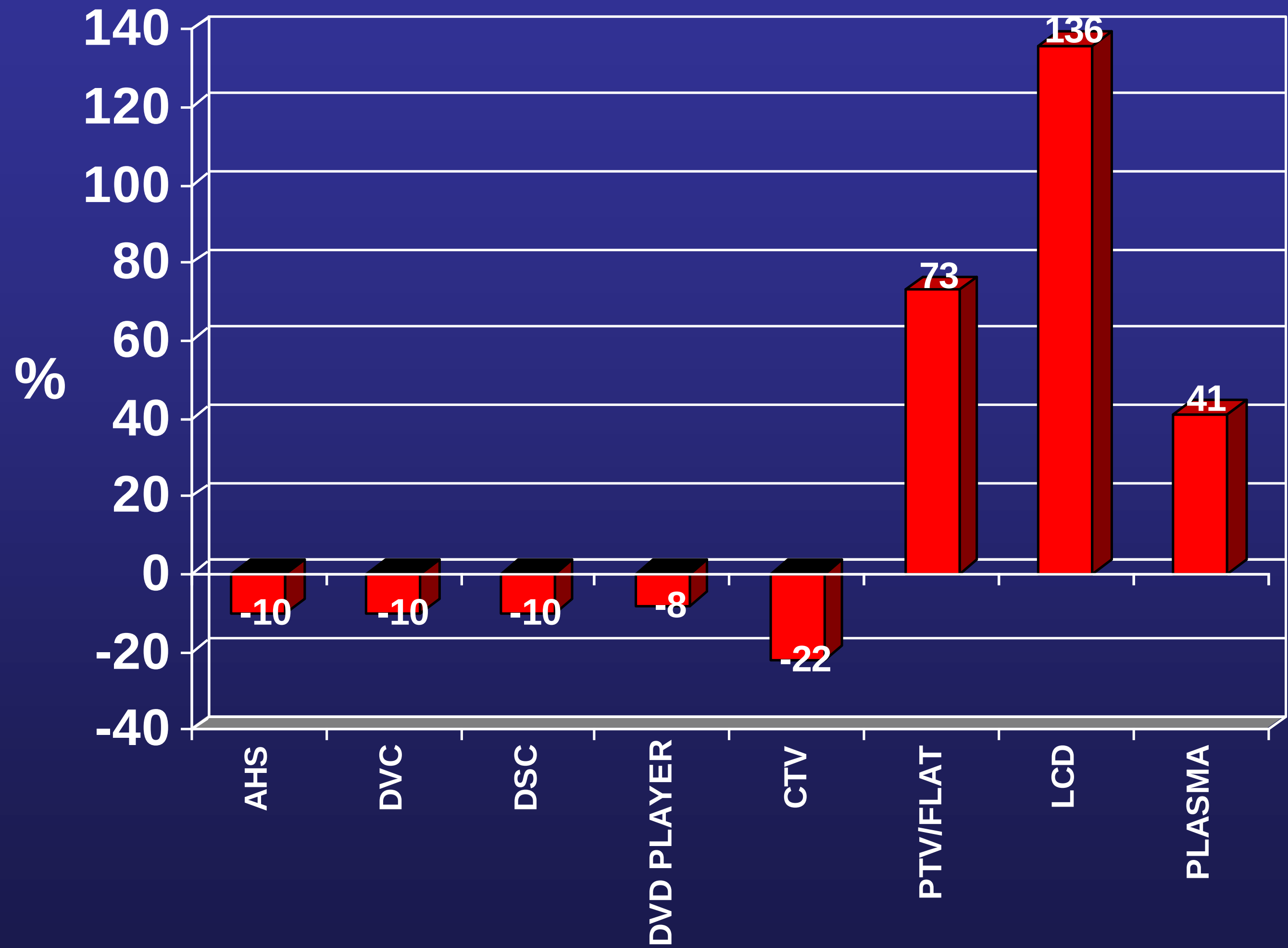
Consumer Electronics Industry Market Size

2007 vs 2008

Year on Year

Change

('07 = 0)



Apr '07 vs Apr '08 % Change	-35%	-4%	16%	-20%	-35%	12%	25%	-1%

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- Brand Premium Erosion
- Management of Forex
- Duty Evasion
- New industry competition through product convergence
  - I.T. Companies
  - Broadcasters
- Limited new Product developments
- Price Erosion

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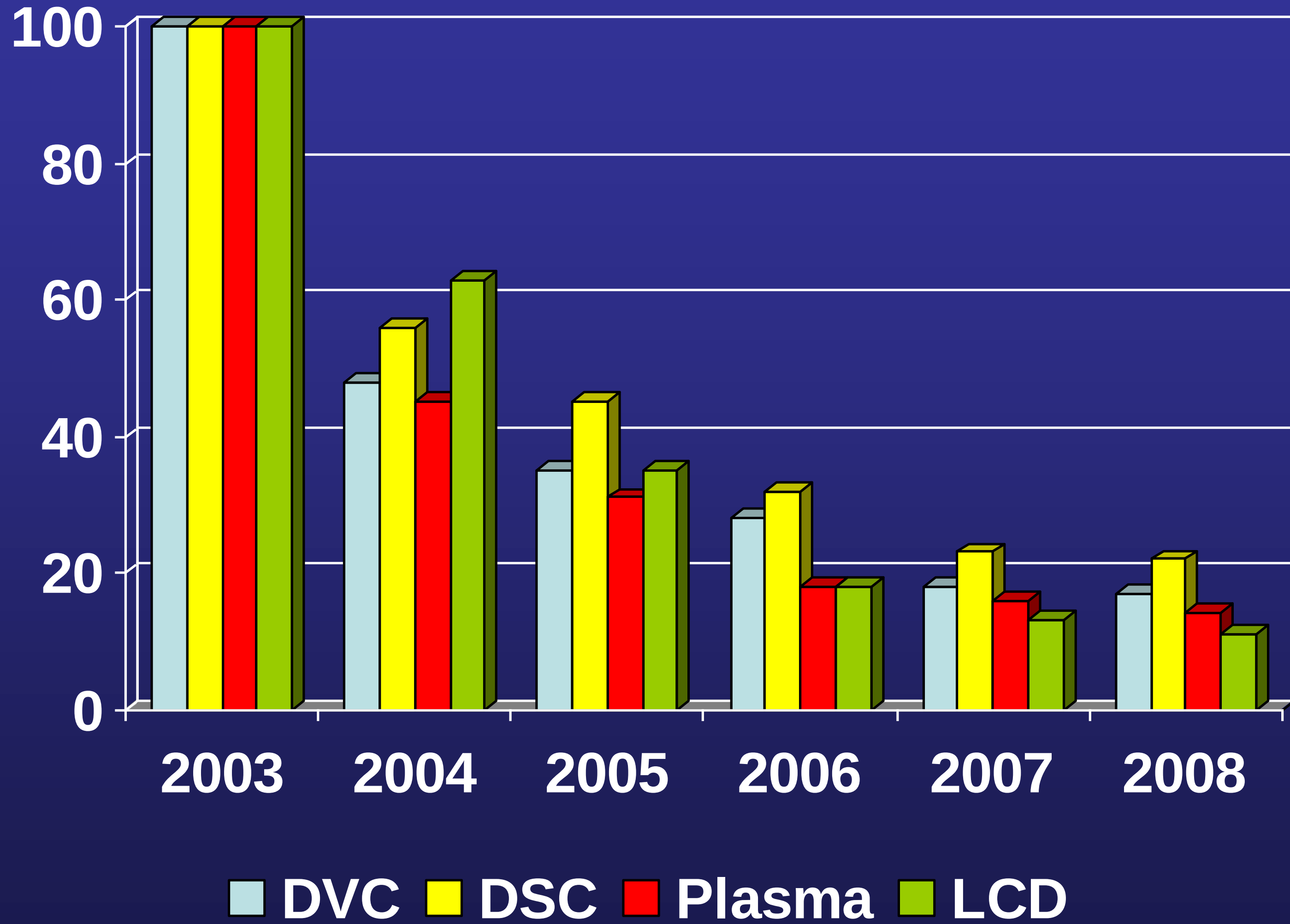
Unit Price Erosion



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- Limited new Product developments
- Price Erosion
- Excessive logistics and warranty costs
- Dominant power of retailer

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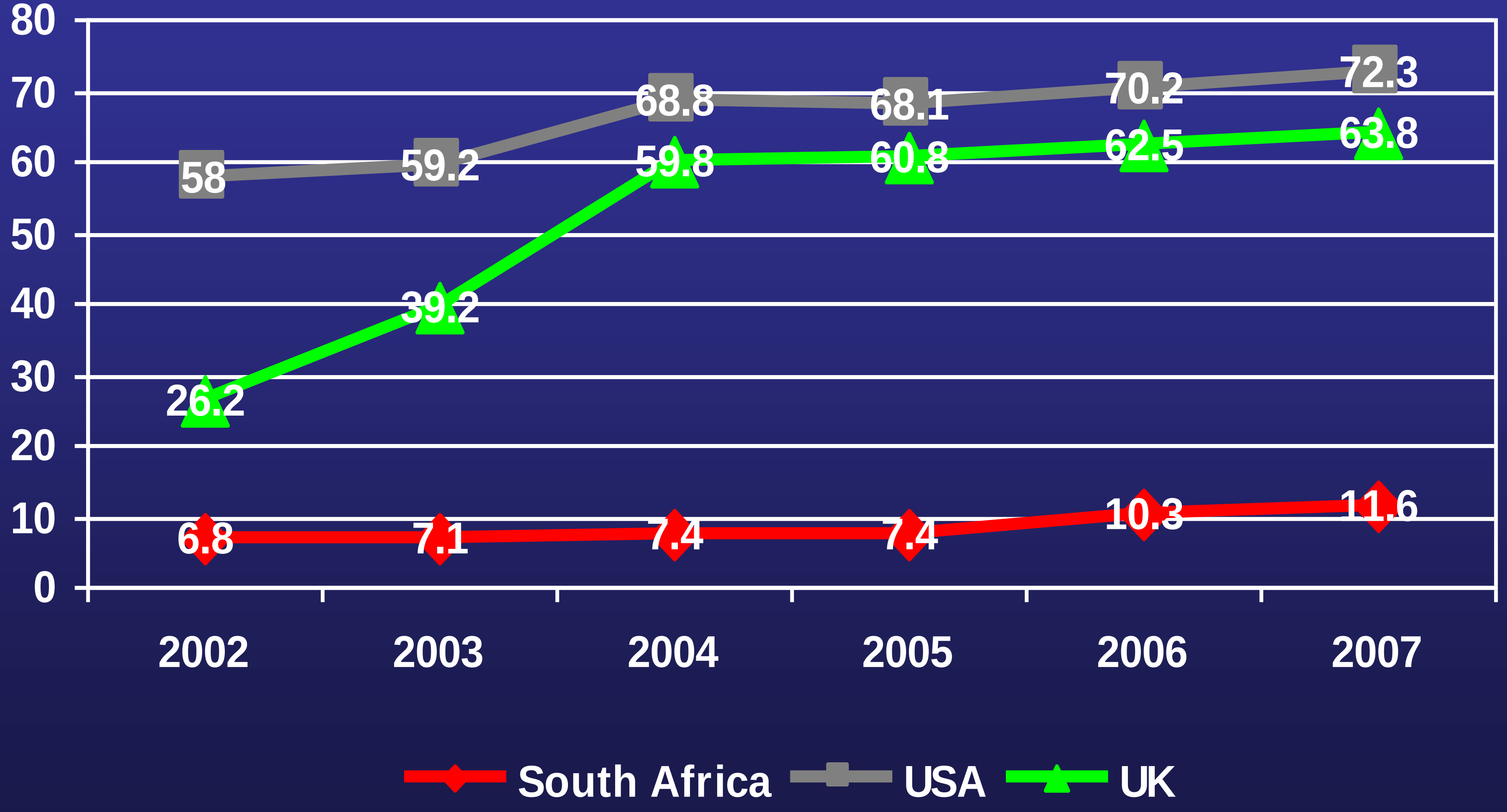
Why Agents remain under threat in Consumer Electronics

ISSUE	AGENT	SUBSIDIARY
Profit	Double profit SA industry based profit	Single profit Country of origin based profit
Decision making	Slow - investigated - following strategy - negotiated	Fast - on trust - leading strategy - instructed
Market Importance	Secondary Markets	Key Markets
Factory Relations	Indirect – not as personalised	Direct – More personalised
Processes	Late Adopters (i.e. lead time reductions)	Early Adopters
Advertising Investment	Secondary and mutually negotiated	Primary and aggressive
Inventory	Residual inventory problem	One pipeline/common concern
Product	What factory wants to sell	What Consumer wants (more flexibility)
Sales	As profitable as possible to agent (profit before Market share)	As profitable as possible to factory/whole pipeline (Market share before profit)
Brand	Your brand / Our investment “MUST ADD VALUE”	Our brand / Our investment “COST CENTRE TO FACTORY”

Percentage Internet Usage by Country



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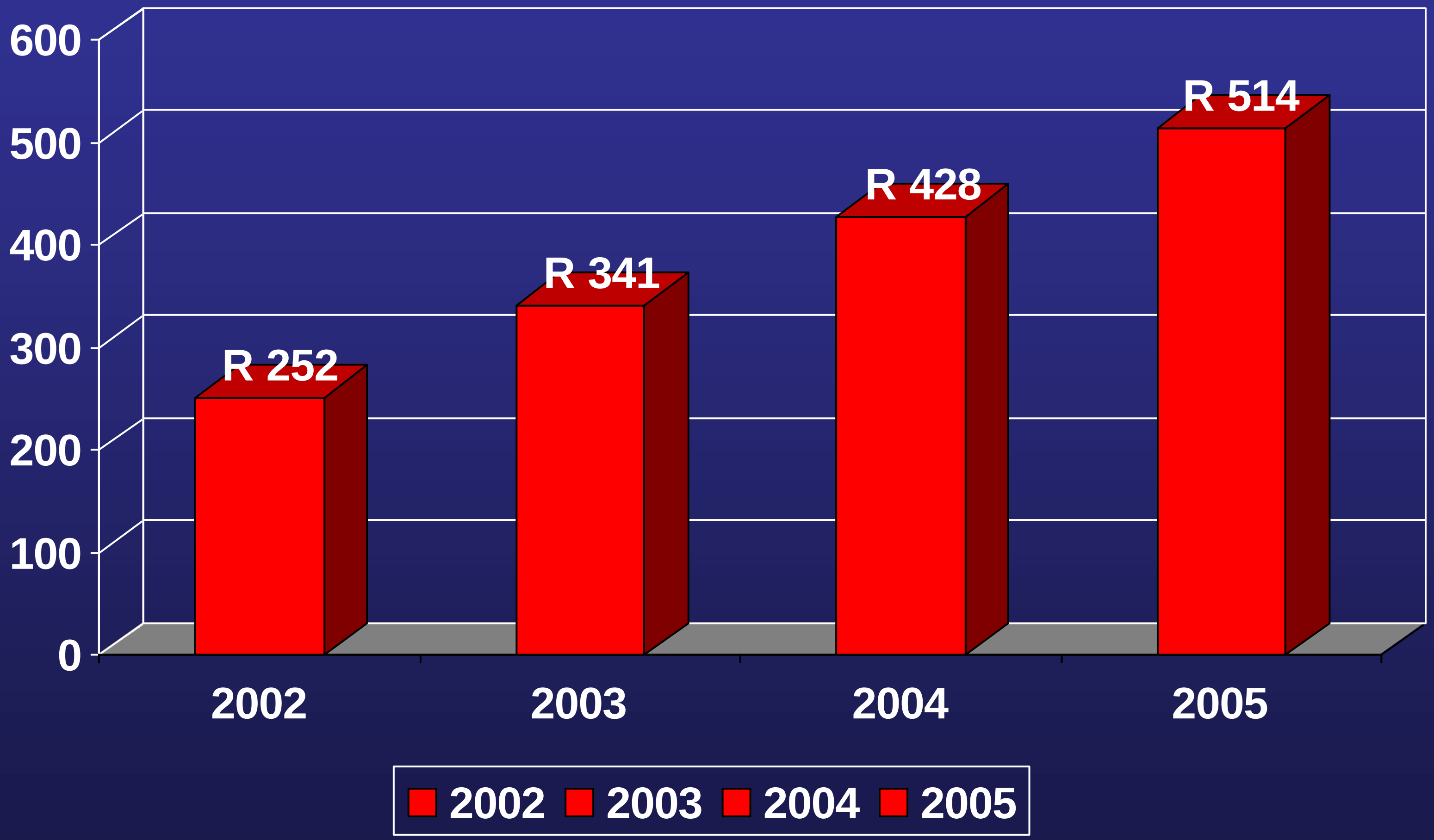
E-Commerce Retail Sales in South Africa (excludes airline ticket sales)



Key Issues

- Balance the Balance Sheet
- Small PBT
- Brand Investment
- Other Opportunities

Systems Businesses

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Group

- Finance and accounting
- Warehousing and logistics
- Parts
- Service networks
- Creditors and Debtors management
- Human Resources

Panasonic (NPC)

Panasonic Import & Distribution

Consumer FMCG Systems

+ FUT

+ OE

Phones

Faxes

Retail Dealers

- Brown goods
- White goods
- Batteries and media
- Emergency lighting
- Small appliances
- Photographic
- Hardware

- OA
- Telecommunications
- Broadcast
- CCVE
- Presentation
- IT
- Air Conditioning

Systems Retail

Sourcing
Other suppliers

(Sales Networks)

F/Cs + Pansolutions	Air Con	Presen-tation	Broad-cast	CCVE	Ristar

- OA
- Telecommunications
- CCVE
- Air conditioning
- Presentation
- IT Products

+

- Installation/Service/Reticulation/Support

Pansolutions PBS

Consumer Retail ECommerce

Stores

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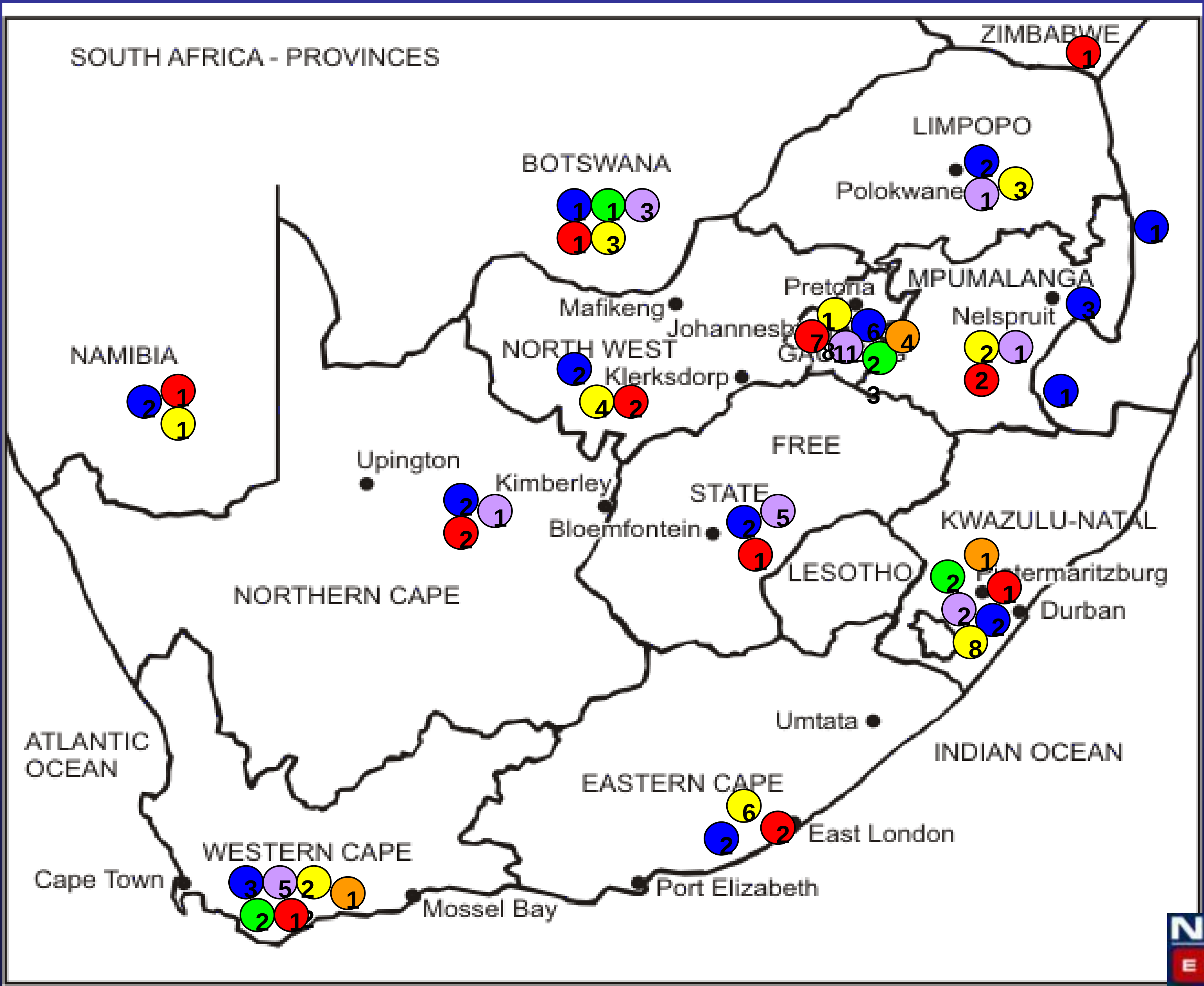
Distribution Networks



28 PBS
21 RISTAR
28 PRESENTATION SYSTEMS
67 AIRCON
29 CCVE
6 BROADCAST

TOTAL NETWORK OUTLETS = 179

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Systems Businesses

Common Key Success Factors

- Steep technological development curve (Digital Product)
- Direct dedicated distribution
- BEE requirement
- Brand identity (distribution and consumer awareness)
- Turnkey Solution
- Critical importance of software/IT
- Broadband / I.P. products

Issues currently limiting industry growth

- Discounting restrictions
- Larger pipeline required for conversion of sales
- Longer decision making time by customer
- Greater knowledge of user
- End user extends product lifespan
- New accounting regulations
- Limited product functionality improvement

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Office Automation & IT

- Colour Market Segment Growing
- New Colour MFP below 20cpm (4th quarter ‘08) allows entry into SOHO segment
- Software solutions for Document Distribution, Archiving and Cost Management

Telecommunications

- Historic uptake on VOIP slow due to broadband cost & availability – upgrading of infrastructure & competitiveness (Neotel) should stimulate demand
- New large port IPBX (2009) allows opportunity to compete in large port segment

Presentations

- Digital Signage market growing
- New Panasonic software successfully launched
- 103” Plasma introduced 2007, 150” in 2009
- New interactive whiteboard aimed at education sector (3rd quarter ‘08)
- Digital signage opportunities with 2010 and Gautrain

CCVE

- Strong IP product line-up, increased broadband availability & affordability opens new opportunities
- Infrastructure Upgrades for 2010
- Monitoring of City centres & highways
- Facial recognition software
- 360° Grand Eye Surveillance Holocam IP Camera Solutions

Broadcast

- Panasonic P2 technology adopted during ’08 by SABC for news acquisition
- International P2 users include CNN, BBC, Reuters, TF1 & RAI
- Panasonic Studio Cameras launched mid 2008; opportunity for studio and OB van upgrades for 2010 & HD

Air Conditioning

- Energy efficient product with lower power consumption
- Opportunities with infrastructure development for 2010
- Full range of Commercial products

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Key Issues

- Tighten Networks
- Broaden Solutions and Service Offerings
- Vertically Integrate and Rationalise Costs