

## Group profile



Reunert is a leading South African company, listed on the JSE in the industrial goods and services (electronic and electrical equipment) sector. Reunert manages a number of businesses focused on electronics and electrical engineering and regularly ranks among the country's top companies.

Established in 1888 by pioneers Theodore Reunert and Otto Lenz, the group has played a major role in the South African economy for more than a century. Reunert & Lenz was first listed in the engineering sector of the JSE in 1948. In 1980 the company was acquired by Barlows and listed in the electronics sector three years later. Reunert was unbundled from Barlows in 1993 and completed a major restructuring in the late 1990s when various non-core or unprofitable businesses were sold or closed.

Reunert strives to achieve first or second position in its key markets through its brands CBI-electric, Nashua and Reutech. The group's telecommunication interest is through a 40% stake in NSN.

Reunert promotes a decentralised management style. While operating decisions are made by the business units, the Reunert executive team defines and monitors long-term strategic plans and investment decisions. Significant capital allocation is approved by the Reunert board.

Reunert's revenue in 2008 from local and international markets exceeded R10,9 billion. The group has over 7 000 employees, including many highly qualified and experienced engineers, technicians, research and development professionals and field support staff.

## Abbreviations

Abbreviation	Full name	Abbreviation	Full name
Aberdare	Aberdare Cables (Pty) Limited	Peotona	Peotona Group Holdings (Pty) Limited
Acuo	Acuo Technologies (Pty) Limited	Powerhouse	Powerhouse Utilities (Pty) Limited
ATC	ATC (Pty) Limited	PSG	PSG Group Limited
Bargenel	Bargenel Investments Limited	Quince	Quince Capital Holdings (Pty) Limited
Barlows	Barloworld Limited	RCCF	RC&C Finance Company (Pty) Limited
BBBEE	Broad-based black economic empowerment	RDL	Reutech Solutions (Pty) Limited
BEE	Black economic empowerment	RES	Reutech Engineering Services (Pty) Limited
CAFCA	Cafca Limited	RFCL	Reunert Finance Company Limited
JSE	JSE Limited	RMB	Rand Merchant Bank (A division of FirstRand Bank Limited)
Kgorong	Kgorong Investment Holdings (Pty) Limited	RMS	Reunert Management Services Limited
Moeller	Moeller-Electric (Pty) Limited	RRS	Reutech Radar Systems (Pty) Limited
Nashua Holdings	Nashua Holdings (Pty) Limited	Reunert	Reunert Limited
Nashua Kopano	Kopano Copiers (Pty) Limited	Reutech	The group's defence businesses
Nashua Mobile	Nashua Mobile (Pty) Limited	SANDF	South African National Defence Force
NSN group	Nokia Siemens Networks Group	Telecom Cables	CBI-Electric Aberdare ATC Telecom Cables (Pty) Limited
NSN	Nokia Siemens Networks SA (Pty) Limited	tr	Trillion (US notation)
PanSolutions	Pansolutions (Pty) Limited		

## AT A GLANCE

Established in 1888 by pioneers Theodore Reunert and Otto Lenz

Listed on the JSE Limited on 1 January 1948

Corporate headquarters in Woodmead, Sandton, South Africa

International operations in Australia, Germany, USA

7 196 employees

Chairman: Martin Shaw

Group chief executive: Gerrit Pretorius

Group finance director: David Rawlinson

Three operational segments:

- Electrical Engineering
- Electronics
- Defence

Investments: 40% interest in NSN

Effective broad-based black economic empowerment shareholding is 23%

### Group at a glance

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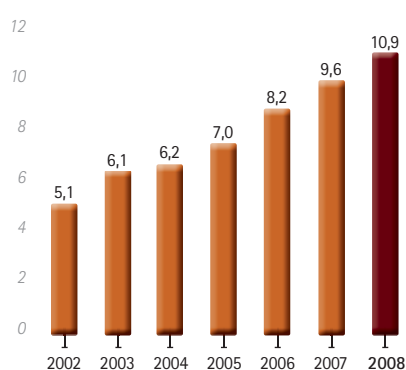
# Financial highlights

## Vision

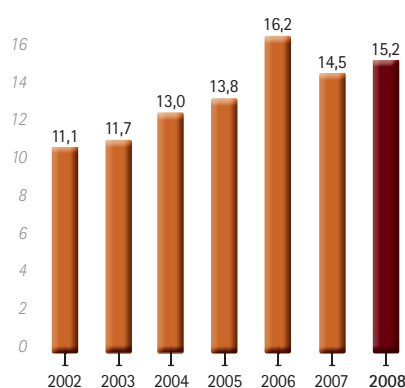
Reunert will manage businesses in the electronics and electrical engineering sectors, supplying value-added products, systems and solutions to local and international growth markets.

Each of these businesses will remain capable of meeting the group's objectives for sustainable growth and earnings.

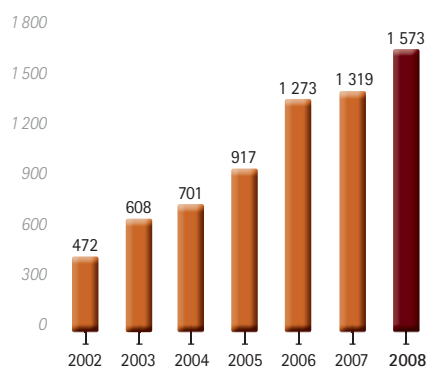
Rbn: Revenue



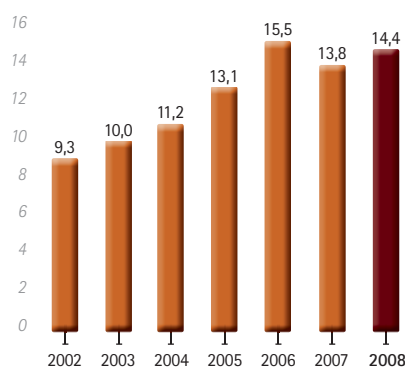
%: EBITDA as a percentage of revenue



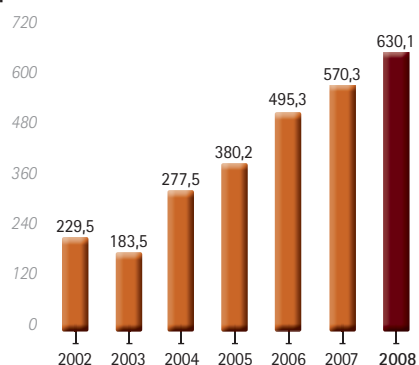
Rm: Operating profit



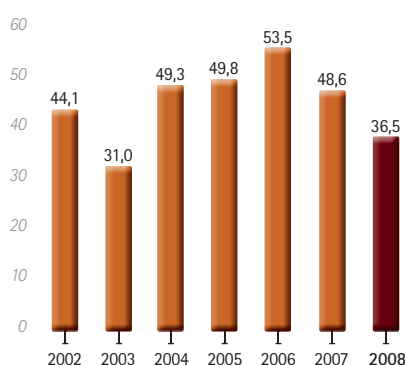
%: Operating margin



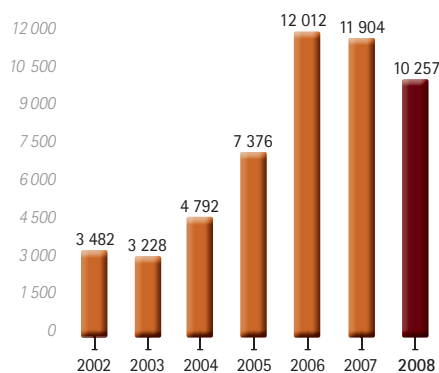
Cents: Normalised headline earnings per share



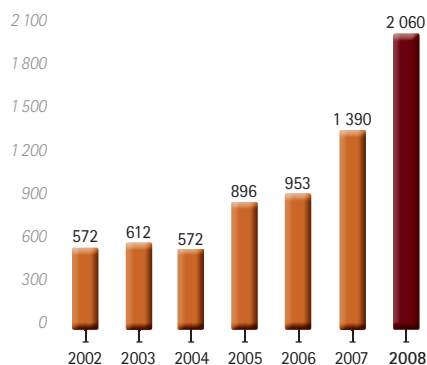
%: Return on equity



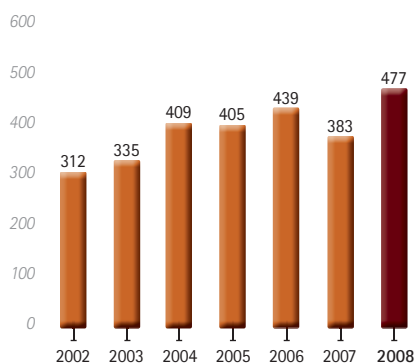
### Rm: Market capitalisation (net of treasury shares)



### Cents: Net asset value per share



### R'000: Wealth created per employee



### Financial calendar

Financial year-end: 30 September

Annual general meeting: 4 February 2009

### Cash dividend to shareholders

Payment date for the 2008 year: 19 January 2009

Date trading commences ex-dividend: 12 January 2009

Dates are subject to change.

Revenue up 14% to R10,9 billion

Operating profit up 19% to R1,6 billion

Marginal improvement in operating margin

Normalised headline earnings up 10% to 630 cents per share

Total cash dividend up 2% to 319 cents per share

## Code of ethics

- Conduct yourself honourably and in the best interests of the company
- Abide by all laws and regulations
- Avoid all conflicts of interest between work and personal affairs
- Act in good faith, with integrity and honesty
- Foster an environment in which people are encouraged to be open
- Respect one another and act in a non-discriminatory manner
- Act in a socially responsible way
- Protect the environment and our natural resources

# REUNERT

REUNERT LIMITED

### CBI-ELECTRIC



Energy cables

Telecom cables

Low voltage

### NASHUA



Office systems

Mobile

Electronics

### REUTECH



Precision products

Communications

Radar systems

Solutions

### INVESTMENTS



NSN (40%)

## Segmental overview

### **CBI-ELECTRIC**

Revenue R4 billion  
Operating profit R675 million

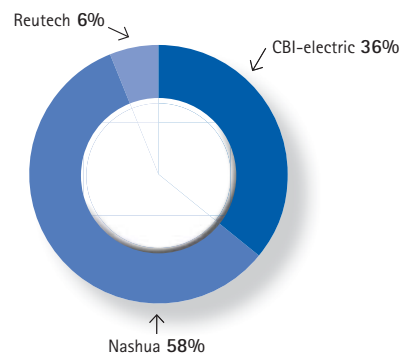
### **NASHUA**

Revenue R6,4 billion  
Operating profit R653 million

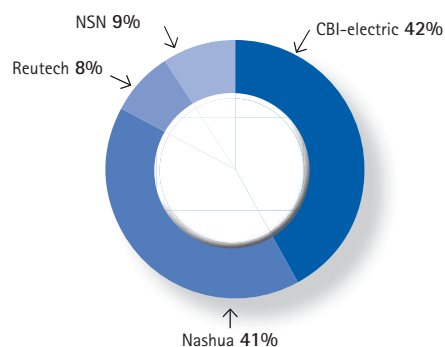
### **REUTECH**

Revenue R622 million  
Operating profit R137 million

%: Contribution to revenue



%: Contribution to operating profit

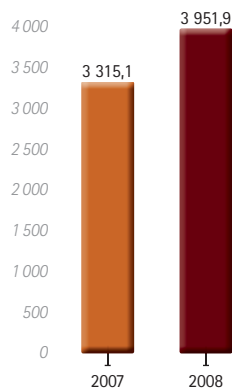


# Group at a glance

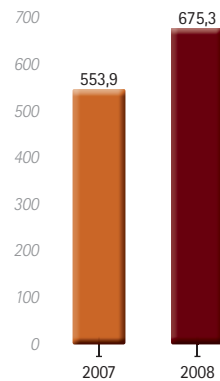
## CBI-ELECTRIC

### Revenue and operating profit

Rm: Revenue



Rm: Operating profit



Managing director: Ernst Schutte



Managing director: Koos Vorster



Managing director: Chris Oliver

### Description of business

#### Energy cables

Designs, manufactures, installs and maintains a comprehensive range of electric power cables. Main users include Eskom, local municipalities and major players in the industrial, mining and manufacturing sectors as well as general electrical contractors.

ISO 9001 accreditation

ISO 14001 accreditation

ISO 18001 accreditation

#### Telecommunications cables

Manufacturer and supplier of copper and optical fibre telecommunications cables.

The cables are used by public network operators, whilst a range of measurement, control, data and security cables are supplied to commerce and industry.

ISO 9001 and OHSAS 18001 certification, UL listing, EC verification, Soncap (Nigeria)

#### Low voltage

Supplies and manufactures low voltage distribution-, protection- and control equipment. Products include miniature circuit breakers, moulded case circuit breakers, residual current devices, circuit breakers for equipment, wiring accessories, surge protection, and industrial control and automation equipment. Products destined for export markets hold safety approvals from Europe, Germany, Russia, Ukraine, China, Japan, Canada and the United States of America. Export markets are served by subsidiaries in Germany, Australia and the United States of America.

ISO 9001 and EN 29001 certification

#### Medium voltage

The supply to the local market of:

- miniature substations
- pole distribution transformers
- medium voltage metal-clad switchgear
- power transformers
- high-voltage switchgear
- complete outdoor substations up to 132 kV

All products comply with local standards.

### Operational performance

Revenue up 43%

Operating profit up 18%

Revenue down 19%

Operating profit down 18%

Revenue up 19%

Operating profit up 45%

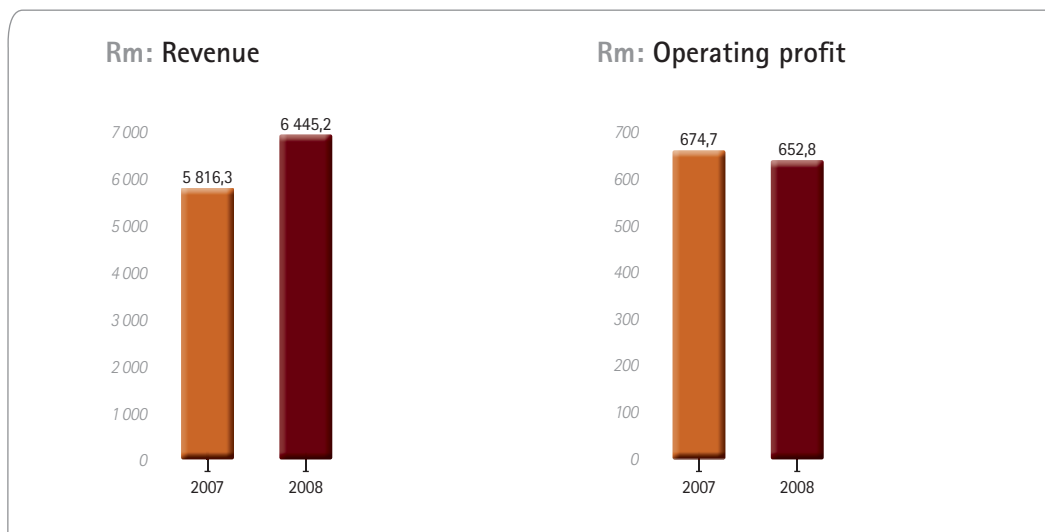
### Employees

810

689

2 306

# NASHUA



 <i>Managing director: Graham Rhodes</i>	 <i>Managing director: Chris Scoble</i>	 <i>Managing director: Martin Maddox</i>
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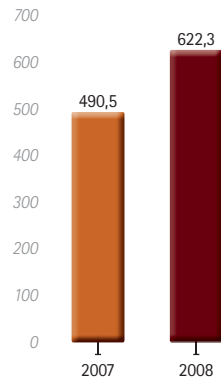
<p><b>Office systems</b></p> <p>A leading supplier of office multifunctional devices in southern Africa. Products are sourced from Ricoh, the world's leading manufacturer of office automation equipment and branded Nashua. Nashua has a well-established network of 56 franchises in South Africa, Namibia, Swaziland, Lesotho, Botswana, Zimbabwe and Zambia.</p> <p><i>ISO 9002 accreditation</i></p> <p><b>Finance</b></p> <p>RCCF trading as Nashua Finance and Quince Asset Rentals, provides asset-based financial solutions. Since 1 June 2008, the company is wholly owned by Reunert.</p>	<p><b>Telecommunications services provider</b></p> <p>One of South Africa's largest independent cellular solutions providers offering consumers the choice of all three networks (Vodacom, MTN and Cell C). Growing into a telecommunications solutions service provider, Nashua Mobile aids customers to make sense of a complex, fast-moving environment with a choice of suppliers and new offerings, including broadband and ISP. Nashua Mobile has more than 660 000 contract subscribers.</p>	<p><b>Electronics distributor</b></p> <p><b>Business systems:</b> Imports, markets and distributes business system products under the Panasonic, PanSolutions and Nashua brands. Product categories include office automation, IT, telecommunications, security systems, broadcast systems, presentation systems and air-conditioning.</p> <p><b>Consumer electronics:</b> The exclusive importer and distributor of a wide range of Panasonic products manufactured by Matsushita and Futronic products in southern Africa.</p>
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<b>Revenue up 12%</b> <b>Operating profit down 12%</b>	<b>Revenue up 15%</b> <b>Operating profit up 8%</b>	<b>Revenue down 3%</b> <b>Operating profit down 16%</b>
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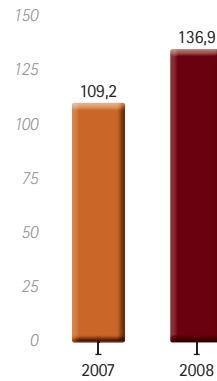
748	818	830
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# REUTECH

Rm: Revenue



Rm: Operating profit



## REUTECH COMMUNICATIONS

Managing director: Martin de Beer

## REUTECH PRECISION PRODUCTS

Managing director: Mike Tucker

## REUTECH RADAR SYSTEMS

Managing director: James Verster

## REUTECH SOLUTIONS

Managing director: Selwyn Newnes

### Communications

Located at Pinetown in KwaZulu-Natal, Reutech Communications specialises in technologically advanced tactical VHF/UHF communication systems for the defence environment. Products and services supplied are:

- Tactical airborne VHF/UHF radios
- Mobile/static ground-based VHF/UHF radios
- Tactical ground-based VHF/UHF radios
- System integration and support

Reutech Communications has been a strategic supplier for communication products to the SANDF for more than 40 years. The company is an approved supplier to many international customers.

ISO 9001: 2000 accredited via BVC

### Precision products

Precision Products is based at Alberton in Gauteng, also known as "Fuchs Electronics". The company designs and manufactures the internationally recognised range of Fuchs electronic fuses and related defence products for artillery, mortar, naval and aircraft weapons applications. Capabilities include electronic and precision mechanical design, and high volume production of electromechanical assemblies. Reutech owns the intellectual property of all products produced. More than 95% of the company's revenue is generated from export sales.

This division undertakes cellular handset repairs for Nokia.

ISO 9001: 2000 accredited

### Radar systems

Develops and manufactures ground and naval search and tracking radar systems and subsystems for the SANDF, as well as customers in the export market. Significant contracts include the supply of sensors and software for the country's Ground Based Air Defence System programme, tracking sensors for the Valour-class frigates and more recently, helicopter management radar for the Royal Norwegian Navy. Mining radar sensor systems used in open-cast mining operations are also supplied internationally.

Holds certified registration as an SABS ISO 9001: 2000 company

### Solutions

Solutions is a systems engineering and logistic support company. The company provides a full "cradle-to-grave" spectrum of services on electronic equipment to the SANDF, governmental agencies, global system for mobile service providers and clients in the mining industry. Such electronic equipment and services includes telecommunications, satellite, radar, fare management equipment for transportation services and resource and asset management. It also manufactures and supplies the Rogue remote controlled weapons platform which is used for vehicle and vessel application, to the SANDF and international clients. Solutions is based at Midrand and has support facilities throughout South Africa.

ISO 9001: 2000 accredited and a quality system has been implemented at its facilities throughout the country

Revenue up 27%

Operating profit up 25%

136

436

125

298

## Value added statement

	2008 Rm	%	2007 Rm	%	% change 2008 over 2007
Revenue	10 921,1		9 574,4		14
Paid to suppliers for materials and services	7 606,6		7 337,0		4
Value added	3 314,5	97	2 237,4	90	48
Income from investments and associates	119,6	3	260,4	10	(54)
<b>TOTAL WEALTH CREATED</b>	<b>3 434,1</b>	<b>100</b>	<b>2 497,8</b>	<b>100</b>	<b>37</b>
<b>DISTRIBUTED AS FOLLOWS:</b>					
<b>EMPLOYEES</b>					
Remuneration and service benefits	1 053,3		916,5		
Add PAYE collected on behalf of government	181,6		168,1		
Gross remuneration and service benefits	1 234,9	36	1 084,6	44	14
<b>PROVIDERS OF CAPITAL</b>					
Dividends to Reunert shareholders	567,2	17	468,3	19	21
Dividends economically attributable to BEE partners (as defined in note 9.3 to the annual financial statements)	—	—	15,8	1	
Dividends to outside shareholders in subsidiaries	1,8	—	4,5	—	(60)
Interest paid on borrowings	43,2	1	57,2	2	(24)
	612,2	18	545,8	22	12
<b>PAYMENTS TO GOVERNMENT</b>					
Taxation on profits and dividends	486,8		427,4		
VAT, customs duties and other taxes	418,9		207,4		
	905,7	26	634,8	25	43
<b>RETAINED IN THE GROUP TO DEVELOP FUTURE GROWTH</b>					
Amortisation of intangible assets and depreciation	86,6	3	74,3	3	17
Accumulated profit	594,7	17	158,3	6	276
	681,3	20	232,6	9	193
<b>TOTAL WEALTH DISTRIBUTED</b>	<b>3 434,1</b>	<b>100</b>	<b>2 497,8</b>	<b>100</b>	<b>37</b>

