REUNERT

REUNERT LIMITED

Incorporated in the Republic of South Africa • Reg. No 1913/004355/06 • Share Code: RLO
ISIN code: ZAE000057428 • Preference share code: RLZP • ISIN code: ZAE00005930
("Reunert", "the group" or "the company")

Audited Group Results

for the year ended 30 September 2011 and cash dividend declaration

Normalised headline earnings per share increased by **14%**

Total cash dividend per share increased by **15%**

Condensed group income statement

for the year ended 30 September

	Notes	2011 R million	% change	Restated 2010 R million
Revenue		**10 922,7**	2	10 675,1
Earnings before interest, taxation, depreciation, amortisation, other income and dividends		**1 472,7**	12	1 320,6
Other income		**40,5**		54,9
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	1	**1 513,2**	10	1 375,5
Depreciation and amortisation		**121,8**	8	112,7
Operating profit		**1 391,4**	10	1 262,8
Net interest and dividend income	2	**40,9**	(31)	59,2
Abnormal items	3	**346,4**		(34,0)
Profit before taxation		**1 778,7**	38	1 288,0
Taxation		**425,9**	13	376,6
Profit after taxation		**1 352,8**	48	911,4
Profit attributable to:				
Non-controlling interests		**15,7**	31	12,0
Equity holders of Reunert		**1 337,1**	49	899,4
Basic earnings per share (cents)	5 & 6	**809,0**	61	503,3
Diluted earnings per share (cents)	5 & 6	**803,3**	61	498,8
Headline earnings per share (cents)	5 & 6	**598,3**	18	505,5
Diluted headline earnings per share (cents)	5 & 6	**594,1**	19	501,1
Normalised headline earnings per share (cents)	5 & 6	**590,0**	14	515,7
Normalised diluted headline earnings per share (cents)	5 & 6	**585,9**	15	511,1
Cash dividend per ordinary share declared (cents)		**330,0**	15	287,0
Taxation rate including abnormal item		**23,9**	18	29,2
Taxation rate excluding abnormal item		**29,7**	4	28,5
EBITDA as a % of revenue		**13,9**	8	12,9

Condensed group statement of comprehensive income

for the year ended 30 September

	2011 R million	2010 R million
Profit after taxation	**1 352,8**	911,4
Other comprehensive income, net of taxation:		
Losses arising from translating the financial results of foreign subsidiaries	**–**	(1,9)
Gain on disposal of investment	**(348,6)**	–
Effective portion of gains on hedging instruments	**4,2**	6,0
Income tax relating to components of other comprehensive income	**(1,2)**	1,2
Total comprehensive income	**1 007,2**	916,7
Total comprehensive income attributable to:		
Non-controlling interests	**15,7**	12,0
Equity holders of Reunert	**991,5**	904,7

Condensed group balance sheet

as at 30 September

	Notes	2011 R million	Restated 2010 R million
Non-current assets			
Property, plant and equipment and intangible assets		**702,0**	635,3
Goodwill	7	**654,9**	492,1
Investments and loans	8	**46,1**	44,3
Accounts receivable		**965,9**	846,0
Deferred taxation		**32,2**	40,4
Non-current assets		**2 401,1**	2 058,1
Current assets			
Inventory and contracts in progress		**885,5**	863,3
Accounts receivable and derivative assets		**2 176,7**	2 359,8
Investment		**–**	793,5
Cash and cash equivalents		**643,0**	1 878,1
Current assets		**3 705,2**	5 894,7
Total assets		**6 106,3**	7 952,8
Equity attributable to equity holders of Reunert			
Ordinary		**3 879,7**	4 432,4
Preference		**0,7**	0,7
		3 880,4	4 433,1
Non-controlling interests		**55,2**	37,9
Total equity		**3 935,6**	4 471,0
Non-current liabilities			
Deferred taxation		**99,6**	122,0
Long-term borrowings	9	**0,7**	710,9
Non-current liabilities		**100,3**	832,9
Current liabilities			
Accounts payable, derivative liabilities, provisions and taxation		**1 984,9**	1 956,6
Bank overdrafts and short-term portion of long-term borrowings (including finance leases)		**85,5**	692,3
Current liabilities		**2 070,4**	2 648,9
Total equity and liabilities		**6 106,3**	7 952,8

Condensed group statement of changes in equity

for the year ended 30 September

	2011 R million	2010 R million
Share capital and premium		
Balance at the beginning of the year	**140,9**	116,0
Issue of shares	**59,4**	24,9
Balance at the end of the year	**200,3**	140,9
Share-based payment reserve		
Balance at the beginning of the year	**732,4**	679,6
Share-based payment expense and deferred taxation thereon	**18,6**	52,8
Balance at the end of the year	**751,0**	732,4
Fair value adjustment reserve*		
Balance at the beginning of the year	**345,6**	338,4
Other comprehensive income	**(345,6)**	7,2
Balance at the end of the year	**–**	345,6
Equity transaction with BEE partner	**(35,3)**	(35,3)
BEE shares†	**(276,1)**	(276,1)
Treasury shares#		
Balance at the beginning of the year	**(125,7)**	–
Purchases made during the year	**(1 127,9)**	(125,7)
Balance at the end of the year	**(1 253,6)**	(125,7)
Non-distributable reserves		
Balance at the beginning of the year	**10,0**	11,9
Other comprehensive income	**–**	(1,9)
Transfer to retained earnings	**(8,9)**	–
Balance at the end of the year	**1,1**	10,0
Retained earnings		
Balance at the beginning of the year	**3 641,3**	3 199,9
Profit after taxation attributable to equity holders of Reunert	**1 337,1**	899,4
Transfer from non-distributable reserves	**8,9**	–
Taxation charge on transaction with BEE partner	**–**	(2,0)
Cash dividends declared and paid	**(494,3)**	(456,0)
Balance at the end of the year	**4 493,0**	3 641,3
Equity attributable to equity holders of Reunert	**3 880,4**	4 433,1
Non-controlling interests		
Balance at the beginning of the year	**37,9**	26,7
Share of total comprehensive income	**15,7**	12,0
Dividends declared and paid	**(4,2)**	(0,8)
Non-controlling interest introduced	**2,0**	–
Other	**3,8**	–
Balance at the end of the year	**55,2**	37,9
Total equity at end of the year	**3 935,6**	4 471,0

** This reserve related to fair value adjustments on financial assets classified as "available-for-sale" financial assets.*

† These are shares held by Bargenel Investment Limited (Bargenel), a company sold by Reunert to an accredited BEE partner in 2007. Until the amount owing by the BEE partner is repaid to Reunert, Bargenel is to be consolidated by the group as the significant risks and rewards of ownership of the equity have not passed to the BEE partner.

 # Commencing in August 2010, a group subsidiary purchased Reunert shares on the open market. Up to 30 September 2010, 2,1 million shares had been bought at an average price of R59,18 per share. No further purchases were made after 4 February 2011 at which time a total of 19,2 million shares had been bought at an average price of R65,37 per share.

Condensed group cash flow statement

for the year ended 30 September

	2011 R million	Restated 2010 R million
EBITDA	**1 513,2**	1 375,5
Decrease in net working capital	**47,7**	318,3
Other (net)	**(1,6)**	26,3
Cash generated from operations	**1 559,3**	1 720,1
Net interest and dividend income	**40,9**	59,2
Taxation paid	**(438,8)**	(407,9)
Dividends paid (including to non-controlling interests)	**(498,5)**	(456,8)
Net cash flows from operating activities	**662,9**	914,6
Net cash flows from investing activities	**484,7**	(313,3)
Capital expenditure	**(99,4)**	(148,9)
Net cash flows from acquisition of businesses	**(213,6)**	(180,3)
Net proceeds on disposal of investment in NSN	**791,2**	–
Other	**6,5**	15,9
Net cash flows from financing activities	**(1 768,9)**	(103,8)
Shares issued	**59,4**	24,9
Shares repurchased during the period	**(1 127,9)**	(125,7)
Repayment of Quince long-term borrowings	**(699,9)**	–
Other	**(0,5)**	(3,0)
(Decrease)/increase in net cash resources	**(621,3)**	497,5
Net cash resources at the beginning of the year	**1 185,9**	688,4
Net cash resources at the end of the year	**564,6**	1 185,9
Cash and cash equivalents	**643,0**	1 878,1
Bank overdrafts and other short term borrowings	**(78,4)**	(692,2)
Net cash resources	**564,6**	1 185,9

Notes

Note 1

EBITDA

	2011 R million	Restated 2010 R million
EBITDA is stated after:		
– Cost of sales	**7 683,0**	7 555,5
– Other expenses excluding depreciation and amortisation	**1 773,4**	1 727,5
– Other income	**40,5**	54,9
– Realised loss on foreign exchange and derivative instruments	**(2,9)**	(15,5)
– Unrealised gain/(loss) on foreign exchange and derivative instruments	**9,3**	(56,0)

Note 2

Net interest and dividend income

	2011 R million	Restated 2010 R million
Interest received	**46,9**	65,0
Interest paid	**(6,6)**	(7,2)
Dividend income	**0,6**	1,4
Total	**40,9**	59,2

Note 3

Abnormal items

	2011 R million	Restated 2010 R million
Gain on disposal of investment	**348,2**	–
Less: Costs associated with disposal	**(1,8)**	–
Net gain on disposal of investment in Nokia Siemens Networks SA (Pty) Limited (NSN) (refer to note 8)	**346,4**	–
Taxation (refer to note 4)	**0,3**	–
BEE transaction expense	**–**	(34,0)
Net abnormal items after current year taxation	**346,7**	(34,0)

Note 4

Taxation

An estimate of the expected capital gains tax payable on the disposal of NSN was provided for in prior years through deferred taxation. The current year taxation effect of the gain (refer to note 3) is due to an adjustment between the estimate provided for previously and the amount expected to be paid.

Note 5

Number of shares used to calculate earnings per share

	2011	Restated 2010
Weighted average number of shares in issue used to determine basic earnings, headline earnings and normalised headline earnings per share (millions)	**165,3**	178,7
Adjusted by the dilutive effect of unexercised share options granted (millions)	**1,1**	1,6
Weighted average number of shares used to determine diluted basic, diluted headline and diluted normalised headline earnings per share (millions)	**166,4**	180,3

Note 6

6.1 Headline earnings

	2011 R million	Restated 2010 R million
Profit attributable to equity holders of Reunert	**1 337,1**	899,4
Headline earnings are determined by eliminating the effect of the following items from attributable earnings:		
Gain on disposal of NSN (after current year tax credit of R0,3 million) (refer to notes 3 and 4)	**(346,7)**	–
Net (gain)/loss on disposal of property, plant and equipment and intangible assets (after tax charge of R0,6 million (2010: RNil))	**(1,5)**	0,1
Non-controlling interests in loss on disposal of property, plant and equipment and intangible assets	**–**	0,1
Net surplus on dilution in and disposal of business (after tax of RNil)	**–**	(0,2)
Impairment charge recognised for property, plant and equipment (after tax charge of R1,6 million)	**–**	4,0
Headline earnings	**988,9**	903,4

6.2 Normalised headline earnings

	2011 R million	Restated 2010 R million
Headline earnings (refer to note 6.1)	**988,9**	903,4
Normalised headline earnings are determined by eliminating the effect of the following items from attributable headline earnings:		
BEE transaction expense (after tax of RNil)	**–**	34,0
IFRS 3 profit on acquisition of Nashua Communications (Pty) Limited (after tax of RNil)	**–**	(8,2)
Rate portion of revaluation of interest rate swap derivative assets and liabilities (after tax charge of R3,1 million)	**–**	8,1
BEE share of headline earnings adjustments	**–**	(6,9)
	988,9	930,4
Net economic interest in profit attributable to all BEE partners (refer to note 10)	**(13,8)**	(8,8)
Normalised headline earnings	**975,1**	921,6

Note 7

Goodwill

	2011 R million	Restated 2010 R million
Carrying value at the beginning of the year	**492,1**	460,6
Acquisition of businesses	**162,8**	31,5
Carrying value at the end of the year	**654,9**	492,1

Note 8

Investments and loans

	2011 R million	Restated 2010 R million
Loans – at cost	**44,5**	42,8
Other unlisted investments – at cost	**1,6**	1,5
Financial instrument – NSN option at fair value*	**–**	299,2
Financial instrument – investment in NSN at fair value*	**–**	494,3
Carrying value at the end of the year	**46,1**	837,8
Non-current investments and loans	**46,1**	44,3
Current investments*	**–**	793,5
Directors' valuation of unlisted investments		
– NSN option and investment	**–**	793,5
– Other unlisted investments	**1,6**	1,5

** As announced on the Securities Exchange News Service (SENS) on 4 February 2011, Reunert exercised its option to sell its investment in NSN and received R793,5 million from the Nokia Siemens Networks group.*

Note 9

Long-term borrowings

	2011 R million	Restated 2010 R million
Total long-term borrowings (including finance leases)	**7,7**	711,0
Less: Short-term portion (including finance leases)	**(7,0)**	(0,1)
	0,7	710,9

In February 2011 Quince repaid its long-term securitised borrowings.

Note 10

BEE transactions

BEE transactions, where the significant risks and rewards of ownership in respect of their equity interests have not passed to the BEE partners, are not recognised as non-controlling interests.

Had the non-controlling interests been recognised, the effect would be the following:

	2011 R million	Restated 2010 R million
– Net economic interest in current year profit that is attributable to all BEE partners	**13,8**	8,8
– Balance sheet interest that is economically attributable to all BEE partners	**77,3**	154,1

Note 11

Major Corporate Activity

All the acquisitions were funded from cash resources within the group.

Acquisition of Nashua franchises

With effect from 1 November 2010 Nashua Holdings purchased 51% of the Nashua Tygerberg and Nashua Paarl franchises for R10,6 million and R7,1 million respectively. The non-controlling shareholders of these 2 businesses provided R1,0 million of equity each.

With effect from 1 May 2011 the business and net assets of Nashua Durban were purchased by Nashua Holdings for R48,9 million. In terms of the agreement with the previous owners the balance of R47,8 million is payable six months after the acquisition date.

With effect from 1 June 2011 the business and net assets of Nashua Cape Town were purchased by Nashua Holdings for R67,0 million. In terms of the agreement with the previous owners the balance of R41,1 million is payable six months after the acquisition date.

The R41,1 million goodwill arising on these acquisitions is due to the price paid being in excess of all assets delivered, and represents the intrinsic value of the existing businesses to produce profits into the future. These purchases are in line with Nashua Office Automation's strategy of acquiring a controlling share in all key existing franchise operations.

Acquisition of ECN Telecommunications (ECN)

With effect from 1 June 2011 Reunert purchased the business and net assets of ECN for R171,9 million.

The goodwill of R107,8 million arising from the acquisition consists largely of the synergies expected from enhancing the group's ability to provide fully converged communications solutions.

Acquisition of ITmatic

With effect from 1 July 2011 the business and net assets of ITmatic were purchased by CBI-electric: low voltage division of Reunert for R1,0 million.

The R13,9 million goodwill arose on the acquisition as ITmatic is a leading process control and automation systems integrator and the acquisition is set to accelerate the division's growth into other foreign markets.

	Nashua franchises R million	ECN R million	ITmatic R million	Group R million
Net assets acquired				
Deferred taxation	(5,4)	(7,8)	–	(13,2)
Property, plant and equipment and intangible assets	28,6	67,4	1,0	97,0
Inventory	17,0	5,2	–	22,2
Accounts receivable*	74,2	49,5	4,8	128,5
Payables and provisions	(21,9)	(50,2)	(18,7)	(90,8)
Goodwill	41,1	107,8	13,9	162,8
Cost of investment	133,6	171,9	1,0	306,5
Profit/(loss) since acquisition	4,8	(0,6)	(0,3)	3,9
Revenue for the 12 months ended 30 September 2011 as though the acquisition date had been 1 October 2010	325,7	397,4	65,2	788,3
Profit/(loss) for the 12 months ended 30 September 2011 as though the acquisition date had been 1 October 2010	14,0	2,8	(7,4)	9,4
* Gross contractual amounts of accounts receivable at acquisition date	74,2	49,5	4,8	128,5
* The best estimate of contractual cashflows of accounts receivable not expected to be received	–	–	–	–

Note 12

Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with the framework concepts and the recognition and measurement criteria of IFRS and its interpretations adopted by the International Accounting Standards Board (IASB) in issue and effective for the group at 30 September 2011 and the AC500 standards issued by the Accounting Practices Board. This condensed consolidated information has been prepared using the information as required by IAS 34 – Interim Financial Reporting, and comply with the Listings Requirements of the JSE Limited and the requirements of the Companies Act, No. 71 of 2008 of South Africa. This report was compiled under the supervision of MC Krog CA (SA) (Group financial director). These financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements as at and for the year ended 30 September 2011.

The groups' accounting policies, as per the audited annual financial statements for the year ended 30 September 2010, have been consistently applied. These accounting policies comply with IFRS.

Note 13

Unconsolidated subsidiary

The financial results of Cafca Limited, a subsidiary incorporated in Zimbabwe, have not been consolidated in the group results as the directors believe there is a lack of control and the amounts involved are not material to the group's results.

At 30 September 2011 the company's retained earnings amounted to US$ 2,8 million.

Note 14

Related party transactions

The group entered into various transactions with related parties which occurred in the ordinary course of business and under terms that are no more favourable than those arranged with independent third parties.

Note 15

Events after balance sheet date

No events have occurred after the balance sheet date that require additional disclosure or adjustment to the annual financial statements.

Note 16

Audit opinion

The consolidated financial statements for the year have been audited by Deloitte & Touche. The consolidated financial statements, the accompanying unmodified audit report, as well as the unmodified audit report on this set of condensed financial information are available at the company's registered office.

Note 17

Prior year numbers

Income Statement

The prior year numbers have been restated to fully eliminate intergroup transactions between Reunert and Quince. The impact of the eliminations is reflected below:

	Previous R million	Restated R million	Difference R million
Revenue	10 679,9	10 675,1	4,8
Earnings before interest, tax, depreciation, amortisation, other income and dividends	1 281,4	1 320,6	(39,2)
EBITDA	1 336,3	1 375,5	(39,2)
Operating profit	1 223,6	1 262,8	(39,2)
Net interest and dividend income	98,4	59,2	39,2
Profit before tax	1 288,0	1 288,0	–
Profit after tax	911,4	911,4	–

REUNERT

REUNERT LIMITED

CBI-electric REUTECH NASHUA

Note 17 continued

Prior year numbers (continued)

Balance sheet

Disclosures relating to Quince have been condensed into the appropriate line items on the consolidated balance sheet. Quince non-current receivables of R821,7 million, Quince receivables of R646,3 million, Quince bank balances and cash of R72,5 million, Quince long-term borrowings of R699,9 million and Quince bank borrowings of R691,5 million have been incorporated into the relevant line items of the Reunert group balance sheet.

Supplementary information

R million (unless otherwise stated)	2011	2010
Net worth per share (cents)	**2 401**	2 502
Current ratio (:1)	**1,8**	2,2
Net number of ordinary shares in issue (million)	**161,6**	177,2
Number of ordinary shares in issue (million)	**199,3**	197,8
Less: BEE Shares (million)	**(18,5)**	(18,5)
Less: Treasury shares (million)	**(19,2)**	(2,1)
Capital expenditure	**99,4**	148,9
– expansion	**62,6**	111,0
– replacement	**36,8**	37,9
Capital commitments in respect of property, plant and equipment	**57,1**	65,1
– contracted	**7,2**	11,0
– authorised not yet contracted	**49,9**	54,1
Commitments in respect of operating leases	**170,0**	85,8

Condensed segmental analysis

	2011 R million	% of total	% change	Restated 2010 R million	% of total
Revenue*					
CBI-electric	**3 336,0**	30	13	2 961,3	28
Nashua	**6 927,5**	64	1	6 867,2	65
Reutech	**639,3**	6	(19)	791,0	7
Other	**3,0**	–	11	2,7	–
Total operations	**10 905,8**	100	3	10 622,2	100
NSN	**16,9**		(68)	52,9	
Revenue as reported	**10 922,7**		2	10 675,1	
** Inter-segment revenue is immaterial and has not been disclosed.*					
Operating profit					
CBI-electric	**592,1**	43	14	521,1	43
Nashua	**794,2**	58	21	653,7	54
Reutech	**48,7**	3	(20)	60,6	5
Other	**(60,5)**	(4)		(25,5)	(2)
Total operations	**1 374,5**	100	14	1 209,9	100
NSN	**16,9**		(68)	52,9	
Operating profit as reported	**1 391,4**		10	1 262,8	
Total assets					
CBI-electric	**1 580,8**			1 494,8	
Nashua	**3 847,7**			3 595,4	
Reutech	**355,7**			659,7	
Other*	**322,1**			2 202,9	
Total assets as reported	**6 106,3**			7 952,8	

** Included in Other are bank balances of R224,7 million (2010: R1 207,6 million) held by the group's treasury.*

COMMENTARY

Revenue for the year has remained relatively constant, with an increase of 2% from R10,7 billion to R10,9 billion. Operating profit reflected an increase of 10% to R1,4 billion, whilst normalised headline earnings per share increased by 14% to 590,0 cents. After accounting for the abnormal item of R346,4 million relating to the gain on the sale of the NSN investment, earnings per share increased by 61% to 809,0 cents.

In the current year we have condensed the presentation relating to Quince in respect of the income statement and balance sheet. Comparatives have been restated accordingly.

CBI-electric

The CBI-electric group of companies recorded a strong performance during 2011. All operations performed well in the difficult environment that has persisted over the past few years. Revenue increased by 13% to R3,3 billion and operating profit improved by 14% to R592,1 million.

Although market conditions remain challenging, the demand for energy cables has continued at levels seen in the latter half of 2010 and the beginning of 2011. The price of copper has remained high, but relatively stable during the year. The higher revenue achieved at these copper prices has a small impact on margins as we have continued to keep copper stocks as low as possible. Increased efficiency by the operations in this segment contributed to improved gross margins.

Building activity has remained subdued within South Africa, but the increased level of exports to Europe and Asia has assisted in supporting revenue and margins within the low voltage segment. The Australian operation has reflected sustained profitability, which has had a favourable impact on the results and, together with cost control and a focus on increased efficiency, has contributed to better margins.

The telecommunications cables joint venture again had a turbulent year, experiencing weak demand in the first six months, with some improvement being reflected in the second half of the year. The planned fibre optic cable connection between the major South African cities has led to demand for fibre and micro-duct increasing. However, the low demand for copper cable remains a point of concern.

Nashua

Nashua performed to expectation in a quiet market. A number of acquisitions were made in the segment which added to revenue, enabling marginal growth of 1% to be achieved. These acquisitions, which included four franchises and ECN, together with substantial increases in the contributions from Quince and Nashua Electronics, resulted in operating profit growth of 21% to R794,2 million.

The acquisition of ECN from 1 June 2011 has been very beneficial to the group. It has achieved good market penetration and is currently billing over 50 million minutes a month. The conversion of the Least Cost Routing (LCR) business to the ECN Voice over Internet Protocol (VoIP) network is meeting our customer expectations. While this migration will take another 18 months, we are confident that we will retain the majority of the customers we are targeting during this process.

Quince's profitability returned to normal levels with the reduction in bad debts. The business is now focused on financing our Office Automation and Telecommunications equipment customers. We are confident that bad debts will be negligible in the year ahead. Nashua Electronics' sales reduced due to the operation exiting the consumer market. The addition of Kyocera Mita to its product offering has been positive and has led to a return to profitability.

Nashua Mobile had a satisfactory year despite the reduction in interconnect rates. The conversion of its LCR business to ECN's VoIP platform is on-going. The focus on mobile data and voice resulted in more than 27 000 additional net connections during the year.

The Office Automation operations experienced increased unit sales, but a quiet market resulted in margins remaining under pressure. Increased offerings in the print service and data management and storage areas increased the operation's share of the tender business. The group will continue with its strategy of purchasing the larger franchises to get closer to its customers.

Reutech

Revenue for the year decreased by 19% to R639,3 million, while operating profit decreased 20% to R48,7 million. The contribution from Fuchs was substantially reduced due to the late receipt of an export order. The Radar division, through its mining surveillance radars, has had a successful year while the other businesses performed as expected.

NSN

Reunert exercised its option to sell its shares in NSN in January 2011. The sale of the investment realised R793,5 million, which resulted in an abnormal profit of R346,4 million.

CAPITAL INVESTMENT AND CASH MANAGEMENT

Our capital investment of R99,4 million on property, plant and equipment and intangible assets will ensure that we have both the capability and capacity to meet future demand. Reunert has invested R306,5 million in acquiring four Nashua franchises, ITmatic and ECN. The acquisition of the four franchises is in line with the group's strategy to acquire the larger franchises. ECN has enhanced Reunert's capability to retain the margin related to its LCR base. ECN also provides Reunert with a network which enables us to provide customers with voice and data solutions. The ITmatic acquisition by the CBI-electric low voltage division gives us the capability of being a systems integrator with an Africa wide footprint and extensive technical capability.

Cash resources of R1,1 billion were used to repurchase 17,1 million shares at an average price of R66,14. The balance sheet has remained robust with cash and cash equivalents amounting to R564,6 million. In addition, available cash of R1,1 billion is currently used to finance the Quince asset rental book.

PROSPECTS

The South African economy and the economies of most of our export markets remain fragile and 2012 is expected to be yet another challenging year. We will continue to promote innovation, a commitment to meeting our customers' requirements and sound governance principles.

Subject to prevailing economic conditions not worsening, we anticipate achieving growth in earnings per share in the year ahead.

The financial information on which the above forecast is based has not been reviewed and reported on by the company's external auditors.

DIRECTORATE AND APPRECIATION

At the annual general meeting held on 8 February 2011, Messrs BP Connellan and KJ Makwetla retired from the board. The board expresses its appreciation to them for their valuable service and insights to the group over many years.

The board is pleased to welcome Ms YZ Cuba and Mr SG Pretorius as independent non-executive directors. Yolanda was appointed with effect from 1 January 2011 and Brand with effect from 22 February 2011.

Mr NC Wentzel resigned from the board on 21 September 2011. Mr GJ Oosthuizen resigned from the board on 14 October 2011. On 21 September 2011, Mr DJ Rawlinson was appointed chief executive and Ms MC Krog, the financial director designate, was appointed financial director. The board is pleased to welcome Manuela to the board as an executive director.

CASH DIVIDENDS

Notice is hereby given that a final cash dividend, number 171 of 253 cents per share (2010: 220 cents per share) has been declared by the directors for the year ended 30 September 2011, bringing the total cash dividend for the year to 330 cents per share (2010: 287 cents per share). In compliance with the requirements of Strate, the following dates are applicable:

Last date to trade (cum dividend)	Friday, 13 January 2012
First date of trading (ex-dividend)	Monday, 16 January 2012
Record date	Friday, 20 January 2012
Payment date	Monday, 23 January 2012

Shareholders may not dematerialise or rematerialise their share certificates between Monday, 16 January 2012 and Friday, 20 January 2012, both dates inclusive.

On behalf of the board

Trevor Munday	**David Rawlinson**	Sandton
Chairman	*Chief Executive*	14 November 2011

Directors: TS Munday (Chairman)*, DJ Rawlinson (Chief Executive), YZ Cuba*, BP Gallagher, SD Jagoe*, MC Krog, TJ Motsohi*, KW Mzondeki*, SG Pretorius*, NDB Orleyn**, Dr JC van der Horst*, R van Rooyen*

** Independent non-executive; ** Non-executive*

Registered office: Lincoln Wood Office Park, 6 – 10 Woodlands Drive, Woodmead, Sandton, PO Box 784391, Sandton, 2146

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Transfer secretaries

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Sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)

Secretary's certification

In terms of section 85 of the Companies Act, 71 of 2008, I certify that, to the best of my knowledge and belief, the company has lodged with the Companies and Intellectual Property Commission for the financial year ended 30 September 2011 all such returns as are required of a public company in terms of the aforesaid Act and that all such returns are true, correct and up to date.

NG Camhee

(Appointed effective 1 April 2011)

Group Company Secretary

Enquiries

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For more information log on to the Reunert website at www.reunert.com.

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