REUNERT

Headline earnings per share +30%

Dividend per share 30 cents

30 Sept

31 March

LIMITED REUNERT Interim report

TO SHAREHOLDERS FOR THE SIX MONTHS ENDED 31 MARCH 2002

Group balance sheet

		Six months ended Year e 31 March 30				
	2002	2001 R million		30 Sept 2001 R million		
Notes	R million (Unaudited)	(Unaudited and restated)(8)	% change	(Audited and restated)		
Revenue	2 469.4	2 112.2	17	4 229.8		
Earnings before interest, tax, depreciation and amortisation (EBITDA)	242,9	200,4	21	425,3		
Depreciation Amortisation of goodwill	23,8 14,0	16,7	43	43,8 2,3		
Operating profit 1	205,1	183,7	12	379,2		
Net interest and dividend income 2	15,5	33,5	(54)	59,1		
Profit before taxation Taxation	220,6 79,2	217,2 73,8	2	438,3 145,6		
Profit after taxation Share of associate companies' profits	141,4 48,3	143,4 28,6	69	292,7 81,8		
Profit after tax including associate companies	189,7	172,0		374,5		
Earnings attributable to outside shareholders in subsidiaries	14,5	19,3		42,3		
Earnings attributable to ordinary shareholders in Reunert Limited	175,2	152,7	15	332.2		
Basic earnings per share (cents) 3	93,7	77,8	20	173,3		
Diluted earnings per share (cents) 3 Headline earnings per share (cents) 4	92,0 101.2	76,8 77,7	20 30	170,9 174,8		
Diluted headline earnings per share (cents) 4	99,2	76,7	29	172,4		
Dividend per ordinary share (cents) Taxation rate excluding amortisation (%)	30,0 33.8	24,0 34,0	25	91,0 33,0		
EBITDA as a % of turnover	9,8	9,5		10,1		
Note 1 Operating profit						
Operating profit is stated after:						
- Cost of sales	1 795,6	1 509,5		3 036,6		
- Other income - Other expenses excluding depreciation and amortisation	(16,4) 447,4	(13,4) 408,1		(9,6) 777,5		
Note 2						
Interest received	43,9	36,8		64,5		
- from RC&C Finance Company - external	32,5 11,4	24,2 12,6		32,1 32,4		
Interest paid	(31,5)	(7,1)		(13,1)		
Dividend income other than from associates Total	3,1 15,5	3,8		7,7 59,1		
	.0,0	00,0		07,1		
Dividend income from associates included in share of associate companies' profits	16,4	22,8		70,9		
Note 3 Basic earnings per share and diluted earnings per share						
The earnings used to determine both basic earnings per share	e and					
diluted earnings per share being the earnings attributable to shareholders in Reunert (Rm)		152,7		332,2		
The weighted average number of shares in issue used to dete		132,7		332,2		
basic earnings per share and headline earnings per share		10/ 0		101.7		
(millions of shares) Adjusted by the dilutive effect of unexercised share options a	186,9 available	196,3		191,7		
to executives employed in the group (millions of shares)	3,6	2,6		2,7		
Weighted average number of shares used to determine dilute earnings per share and diluted headline earnings per share (r						
(millions of shares)	190,5	198,9		194,4		
Note 4 Headline earnings per share and diluted headline earnings per	SHARE					
Headline earnings per share and diluted headline earnings pe						
have been calculated using the weighted average number of in issue as detailed in note 3.	shares					
Headline earnings are determined by eliminating the effect o	of capital					
items in attributable earnings as follows:	175.2	152.7		222.2		
Earnings attributable to ordinary shareholders Amortisation of goodwill	175,2 14,0	152,7		332,2		
Other (net)	(0,1)	(0,1)		0,7		
Headline earnings	189,1	152,6		335,2		
Note 5 Goodwill						
Carrying value at the beginning of the period	10,9	=		-		
Add: Acquisitions of businesses/investments Less: Amortisation for the period	389,1 (14,0)	= -		13,2 (2,3)		
Carrying value at the end of the period	386,0	-		10,9		
Goodwill is written off over periods varying between one						
and ten years. Note 6						
NVESTMENTS						
At cost excluding goodwill At directors' valuation	237,9 653,0	179,4 179,4		188,4 188,4		
Note 7				,		
FINANCE COMPANY ACCOUNTS RECEIVABLE	070 4	040.0		070 -		
Collectable within one year	278,0 554,9	312,8 435,4		278,0 467,1		
Collectable after one year	001/7			,.		

Note 8	
Accounting	POLICIES

Reunert has adopted the South African Statements of Generally Accepted Accounting Practice (SA GAAP) which became effective during the current financial year. This has resulted in changes to accounting policies, requiring the restatement of the comparative figures for 2001. The main change involves the depreciation of properties. Previously, all properties which the group regarded as investment properties were not depreciated. Now, in terms of AC 123, the group is depreciating all properties

In accordance with AC 107, distributions to shareholders are now accounted for in the period the distribution takes place. This change does not require the restatement of information previously reported.

The group's accounting policies are in accordance with SA GAAP and, except for the above changes, are consistent with those of the prior period.

In December 2001 the group acquired Marconi's 21,5% shareholding in Siemens Telecommunications (Pty) Ltd ("Sietel"). During January 2002, Siemens exercised an option to purchase 9% of Marconi's 21,5% from Reunert. The net effect of this transaction was that Reunert purchased an extra 12,5% of Sietel at a cost of R161,3 million, including goodwill of R137,7 million. In December 2001 Reunert purchased the remaining 42% of Nashua Nedtel Communications (Pty) Ltd (*NNC*) not previously held by it for R261,6 million, including goodwill of R220,7 million. The name of NNC was subsequently changed to Nashua Mobile (Pty) Ltd.

		31 March	2001	2001
		2002	R million	R million
		R million	(Unaudited	(Audited
	Notes	(Unaudited)	and restated)(8)	and restated)(8)
Non-current assets				
Property, plant and equipment		152,2	155,6	161,8
Goodwill	5	386,0	-	10,9
nvestments	6	237,9	179,4	188,4
RC&C Finance Company accounts receivable	7	832,9	748,2	745,1
Deferred taxation assets		41,3	22,6	42,0
		1 650,3	1 105,8	1 148,2
CURRENT ASSETS				
nventory and contracts in progress		509,6	432,2	496,5
Accounts receivable		673,2	570,5	595,9
Cash and cash equivalents (net)		197,5	522,7	584,5
		1 380,3	1 525,4	1 676,9
Total assets		3 030,6	2 631,2	2 825,1
Shareholders' funds				
Ordinary		1 146,9	912,6	971,7
Reunert Limited shares bought by a subsidiary		(234,6)	(226,2)	(234,6)
Preference		0,7	0,7	0,7
		913,0	687,1	737,8
Outside shareholders in subsidiaries		94,8	112,1	120,7
		1 007,8	799,2	858,5
NON-CURRENT LIABILITIES				
Deferred taxation liabilities		49,0	33,1	48,6
ong-term borrowings		1,8	2,7	2,7
		50,8	35,8	51,3
CURRENT LIABILITIES				
RC&C Finance Company short-term borrowings		734,6	636,6	618,8
Accounts payable, provisions and taxation		1 237,4	1 112,7	1 171,3
Shareholders for normal dividend	8	-	46,9	125,2
		1 972,0	1 796,2	1 915,3
Total equity and liabilities		3 030,6	2 631,2	2 825,1
R million (unless otherwise stated)				
Net asset value per share (cents) including intangible assets		489	367	395
Net asset value per share (cents) excluding intangible assets		282	367	389
Current ratio including short-term portion of				
RC&C Finance Company accounts receivable (:1)		1,3	1,4	1,3
Net number of ordinary shares in issue (million)		186,9	187,4	186,9
* ' '				

204,1 (17,2)

13,2

9,0 4,2

14,6

53.8

53,7

3,7

Six months ended

204,0

(16,6)

18,6

4.7

13,9

15,6

69.8

69,8

0,3

204,1

(17,2)

52,8

32,4

20,4

20,7

17,4

64.4

64,4

0,3

Group cash flow information

Number of ordinary shares in issue (million)

Less: held by subsidiary

Capital expenditure

Capital commitments

Contingent liabilities

- authorised not yet contracted

Commitments in respect of leases

- expansion

- replacement

- contracted

- operating

	31	31 March		
	2002	2001	2001	
	R million	R million	R million	
	(Unaudited)	(Unaudited and restated)(8)	(Audited	
EBITDA	242,9	200,4	425,3	
(Increase)/reduction in net working capital	(2,7)	7,7	(55,4)	
(Increase)/reduction in RC&C Finance Company accounts receivable	ole (87,8)	3,4	6,5	
Other working capital changes (net)	85,1	4,3	(61,9)	
Cash generated from operations	240,2	208,1	369,9	
Net interest and dividends received (including associates)	31,9	56,3	130,0	
Taxation paid	(165,4)	(105,0)	(133,0)	
Dividends paid	(143,7)	(120,2)	(169,0)	
Net cash (outflow)/inflow from operating activities	(37,0)	39,2	197,9	
Net asset additions	(12,9)	(16,7)	(48,6)	
Other (net)	3,9	2,1	5,0	
Net cash (outflow)/inflow from operations	(46,0)	24,6	154,3	
Reunert Limited shares purchased by subsidiary	-	(209,5)	(217,9)	
Other acquisitions	(456,8)	(1,8)	(43,5)	
NET DECREASE IN CASH AND CASH EQUIVALENTS	(502,8)	(186,7)	(107,1)	
NET (BORROWINGS)/CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PER	RIOD (34,3)	72,8	72,8	
NET BORROWINGS AT END OF THE PERIOD	(537,1)	(113,9)	(34,3)	
NET CASH RESOURCES OF THE GROUP EXCLUDING THE RC&C FINANCE COM	PANY BORROWINGS			
 Deposit on call with RC&C Finance Company 	110,6	220,7	294,8	
- Other cash reserves	86,9	302,0	289,7	
	197,5	522,7	584,5	
RC&C Finance Company borrowings	(734,6)	(636,6)	(618,8)	
NET BORROWINGS AT END OF THE PERIOD	(537,1)	(113,9)	(34,3)	

Group statement of changes in equity

term banking facilities which can be utilised to replace these funds

	Six months ended 31 March 2002 R million (Unaudited)	Six months ended 31 March 2001 R million (Unaudited and restated) ⁽⁸⁾	Year ended 30 Sept 2001 R million (Audited and restated)(8)
Balance at beginning of period as previously reported Adjustment to opening accumulated profit due to changes in accounting policies (note 8)	737,8	810,7 (19,9)	810,7 (19,9)
Net profit for the period Dividends declared Shares issued in terms of the Poupert Share Option Scheme	175,2 -	152,7 (46,9)	332,2 (168,3)
Shares issued in terms of the Reunert Share Option Scheme Reunert Limited shares bought by subsidiary Translation reserve movement during the year	-	(209,5) -	0,4 (217,9) 0,6
Balance at end of period	913,0	687,1	737,8

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	Six months ended 31 March 2002 R million (Unaudited) 419,8 1 386,7 866,9 186,4	% 12 41 25 5	ended 31 March 2001 R million (Unaudited) and restated) ⁽⁸⁾ 324,6 1153,2 401,0 253,2	% 13 44 15 10	% change 29 20 116 (26)	Year ended 30 Sept 2001 R million (Audited and restated) ⁽⁴⁾ 694,3 2 335,3 922,5 399,7	13 44 17 7
Total Electronics	2 859,8	83	2 132,0	82	34	4 351,8	81
ELECTRICAL ENGINEERING AND CABLE Low-voltage electrical Cables Total Electrical Engineering and Cables	268,9 295,6 564,5	8 9	183,6 292,9 476,5	7 11	46 1	399,2 607,8	8 11
Total operations	3 424,3	100	2 608,5	100	31	5 358,8	100
Less: Reunert's attributable portion of associate companies' revenue Revenue as reported	(954,9) 2 469,4		(496,3) 2 112,2		17	(1 129,0)	
OPERATING PROFIT BEFORE AMORTISATION ELECTRONICS Office systems Consumer products and services Telecommunications Reutech	70,9 78,4 100,3 12,0	23 25 33 4	37,2 55,2 35,1 44,7	16 23 15 19	91 42 186 (73)	104,5 123,2 102,7 40,0	20 24 20 8
Total Electronics	261,6	85	172,2	73	52	370,4	72
ELECTRICAL ENGINEERING AND CABLE Low-voltage electrical Cables	41,9 6,0	13 2	30,1 32,5	13 14	39 (82)	74,0 70,4	14 14
Total Electrical Engineering and Cables	47,9	15	62,6	27	(23)	144,4	28
Total operations	309,5	100	234,8	100	32	514,8	
Less: Reunert's attributable portion of associate companies' operating profil	t (90,4)		(51,1)			(133,3)	
Operating profit before amortisation of goodwill as reported	219,1		183,7		19	381,5	

Six months

Commentary

REVIEW OF RESULTS

Reunert has produced strong results for the six months ended 31 March 2002 with headline earnings per share increasing by 30%. Turnover grew 17% while cost controls and improved efficiencies led to an increase in operating profit before depreciation and amortisation of 21%.

All the Group's operations, with the exception of ATC and Reutech, have achieved topline and operating profit growth. The acquisition in November 2001 of additional stakes in Sietel and Nashua Mobile together with last year's share buyback programme contributed to Reunert's growth in headline earnings per share.

REVIEW OF OPERATIONS

The Office Systems businesses capitalised further on the strength of the Nashua brand. The strong demand for Nashua's digital products and systems solutions has continued.

The Consumer Products and Services businesses reported strong growth. The Nashua Mobile customer base has continued to expand in the corporate and commercial market. Average revenue per subscriber continues to grow with the focus on improving customer service. Panasonic has achieved encouraging sales growth in the period under review. This market, however, remains highly competitive and the Consumer and Commercial division has responded by launching key mass market consumer products under the Futronic brand to complement the premium Panasonic line-up.

The Telecommunications Division's contribution to Reunert's results has more than doubled in the period under review. This increase has been achieved through organic growth and as a consequence of Reunert increasing its investment in Sletel to 40%. Sletel's successful expansion into Africa as well as its award of the supply contract for Cell-C and its preferred supplier status for Eskom Enterprises has enhanced its position as the leading telecommunications equipment supplier in southern Africa.

 $Reutech's\ turnover\ declined\ by\ 26\%\ and\ operating\ profit\ by\ 73\%.\ This\ was\ caused\ by\ the\ lower\ order\ book\ noted$ in last year's annual report. The recent receipt of a large export contract has improved the outlook for Reutech and revenue and income will return to more normal levels during the second half of the financial year. The bulk of the export contract will run into the 2003 financial year and prospects for further increases in the order book remain

Electrical engineering and cables

CBI's low voltage electrical business has continued to expand with 46% growth in revenue. Operating profit growth was lower at 39%. The margins on meter products and the newly acquired Mitsubishi product range are at a lower level than achieved by the other operations in CBI. The domestic and industrial market is likely to ontinue at the current lower levels but growth will continue to be achieved from the new product offerings and

African Cables' order book has remained strong and the company continues to increase market share. Continued improvements in factory output and a reduction in scrap and overconsumption has enabled African Cables to achieve a satisfactory operating margin in this period.

The demand for ATC's optical fibre was weak, resulting in a loss for the half-year. Major restructuring of the business has taken place to reduce costs in the light of expected weak demand.

Continued strong growth in the second half is expected.

DIRECTORATE

In terms of the Company's mandatory retirement rules. Mr P T W Curtis retired at the annual general meeting on 29 January 2002. The board wishes to thank him for his enthusiasm and commitment over the last nine years. DIVIDEND

Notice is hereby given that an interim dividend No 152 of 30 cents per share (2001: 24 cents per share) has been declared by the directors for the half year ended 31 March 2002. In compliance with the req dates are applicable:

First date of trading (ex dividend) Wednesday, 12 June 2002 Wednesday, 19 June 2002

Payment date Share certificates may not be dematerialised or rematerialised between Wednesday, 5 June 2002, and Wednesday, 19 June 2002, both dates inclusive.

Derek Cooper **Gerrit Pretorius**

Reunert Limited Incorporated in the Republic of South Africa Registration number 1913/004355/06

Share code: RLO ISIN code: 7AF000005914

D E Cooper (Chairman)*, G Pretorius (Chief Executive), B P Connellan*, B P Gallagher, S D Jagoe*, K J Makwetla*, G J Oosthuizen, D J Rawlinson, M J Shaw*, C L Valkin*, Dr J C van der Horst* "Non-executive"

Lincoln Wood Office Park, 6 - 10 Woodlands Drive, Woodmead, Sandton, PO Box 784391, Sandton, 2146, Telephone (011) 517-9000

Rand Merchant Bank, Corporate Finance

Share transfer secretaries

Company secretary Reunert Management Services Limited

