REUNERT

REUNERT LIMITED

UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2008 AND CASH DIVIDEND DECLARATION

Revenue

+9%

Normalised headline earnings per share

+7%

Interim cash dividend per share

+7%

COMMENTARY

Compared to the prior interim reporting period, revenue for the half year ended 31 March, increased by 9% to R5,1 billion. Operating income, excluding commission earned from Nokia Siemens Networks (NSN) in terms of the new shareholders agreement, grew by 6%. Normalised headline earnings per share increased by 7% to 277,5 cents per share. Cash on hand amounted to R294 million at the end of March.

THE CBI-ELECTRIC GROUP

Revenue and operating profit grew by 8% and 9% respectively despite Reunert's interest in the telecom cable business reducing from 100% to 50% from 1 February 2007.

The low-voltage business had a good start to the new financial year although the move of the assembly operations from Qwa-Qwa to Lesotho resulted in disruptions to supply of products. The costs associated with the move were fully absorbed in the review period. Local and international demand remains strong.

CBI-electric's product range was further enhanced by the acquisition of Moeller South Africa. The acquisition was effective 1 April 2008 and it is expected to add 10% to revenue of the low-voltage business on a full year basis.

Energy cables continues to benefit from buoyant market conditions. The full benefit of the market environment was somewhat diluted by the disruptions from ongoing upgrading of capacity and continuing labour unrest which was finally resolved in February. Efficiencies were not at the desired levels and should improve shortly. Working capital is expected to reduce as efficiencies improve.

The telecommunications cable JV suffered from a collapse in demand for copper cable from Telkom. To a certain extent this was offset by strong demand for the instrumentation/data and fibre cable from other customers. Neotel and the cellular operators, in particular MTN, are beginning to buy significant quantities of fibre cable.

Going forward, CBI-electric is well positioned to benefit from expected continued strong demand for its products. Operations have been stabilised and further capital will be invested to ensure adequate capacity.

THE NASHUA GROUP

Revenue increased by 10%. On a like-for-like basis, operating income increased by 12%. However, a significant non-recurring income received by RC&C Finance in the previous period increased the base and resulted in operating income decreasing by 5%.

The office systems business experienced good growth in both revenue and operating profit. Close to 50% of revenue is now generated by our majority owned franchise outlets which positions us better to deal with competitive issues. The increase in revenue can, in the main, be attributed to that strategy.

Nashua Mobile went from strength to strength. A wide footprint, giving access to customers, resulted in growth in subscriber numbers. The sales of data products in particular were very good. Bad debts are rising and the tighter credit criteria being imposed as a result thereof will slow future growth in subscriber numbers.

Nashua Electronics, the distributor of Panasonic products in Southern Africa, held its own in a very difficult market with the consumer products division remaining marginally profitable. Business systems, on the other hand, grew at an acceptable rate from both revenue and operating profit perspective.

On a like-for-like basis, Nashua Finance, soon to be wholly owned by Reunert again, managed to achieve good growth in revenue and profit. Funding is a challenge and receives ongoing attention. The debtors book, approaching R2 billion, is of good quality and partly (R700 million) securitised. It is expected that final funding arrangements will be in place by calendar year end.

The Nashua businesses are very strong and are expected to produce real growth despite difficult prevailing economic conditions.

REUTECH

Increased export sales and healthy margins led to a very pleasing result from our defence businesses with revenue increasing by 40% and operating profit growing by 396% to R65 million.

Ongoing investment in new products should ensure a higher level of contribution from these businesses than in the past. Local sales are expected to increase steadily providing a welcome base which should reduce volatility in earnings from Reutech.

TELECOMMUNICATIONS

NSN South Africa continues to be the dominant supplier of telecommunication infrastructure equipment in South Africa. Demand from key customers, Vodacom and Telkom, is strong with Neotel beginning to add significant volumes.

Due to a change in the shareholders agreement, Reunert now earns commission on sales. Future commissions are expected to replace dividend flows. Reunert has an option to exit this investment exercisable after December 2010.

PROSPECTS

The South African economy and sentiment have been adversely affected by a decline in consumer demand, higher inflation, Eskom power outages and interest rate and fuel price increases. The sub-prime crisis has affected markets internationally which have impacted local markets negatively. On the other hand the continued high commodity prices and a weaker rand have improved export prospects. Spend on infrastructure, particularly from government and parastatals, have benefited a number of Reunert's market sectors.

For the full year we should achieve real earnings growth.

CASH DIVIDEND

Notice is hereby given that interim ordinary share dividend No 164 of 78,0 cents per share (2007: 73 cents per share) has been declared by the directors for the six months ended 31 March 2008. In compliance with the requirements of Strate, the following dates are applicable:

Last date to trade (cum dividend)	Thursday, 12 June 2008
First date of trading (ex dividend)	Friday, 13 June 2008
Record date	Friday, 20 June 2008
Payment date	Monday, 23 June 2008

Shareholders may not dematerialise or rematerialise their share certificates between Friday, 13 June 2008 and Friday, 20 June 2008, both days inclusive.

On behalf of the board

Martin Shaw	**Gerrit Pretorius**	Sandton
Chairman	Chief Executive	13 May 2008

CONDENSED GROUP INCOME STATEMENT
For the six months ended 31 March 2008

	Notes	2008 R million	2007 R million	% change	Year ended 30 Sept 2007 R million (Audited)
Revenue		**5 084,8**	4 654,3	9	9 574,4
Earnings before interest, tax, depreciation, amortisation and other income		**679,1**	616,8	10	1 340,6
Other income	1	**89,8**	26,4	240	52,4
Earnings before interest, tax, depreciation and amortisation (EBITDA)	1	**768,9**	643,2	20	1 393,0
Depreciation and amortisation		**39,9**	35,6	12	74,3
Operating profit		**729,0**	607,6	20	1 318,7
Net interest and dividend income	2	**30,6**	27,1	13	54,8
Abnormal items	3	**1,5**	(572,4)		(447,6)
Profit before taxation		**761,1**	62,3	1 122	925,9
Taxation		**247,7**	200,8	23	427,4
Profit/(loss) after taxation		**513,4**	(138,5)		498,5
Share of associate companies' profits	1 & 2	**15,6**	64,4	(76)	148,4
Profit/(loss) for the period		**529,0**	(74,1)		646,9
Profit/(loss) for the period attributable to:					
Minority interests		**2,7**	3,1	(13)	7,6
Equity holders of Reunert Limited		**526,3**	(77,2)		639,3
		529,0	(74,1)		646,9
Basic earnings/(loss) per share (cents)	4	**296,2**	(43,7)		361,7
Diluted basic earnings/(loss) per share (cents)	4	**294,0**	(42,2)		356,5
Headline earnings/(loss) per share (cents)	4 & 5	**296,1**	(66,5)		272,4
Diluted headline earnings/(loss) per share (cents)	4 & 5	**294,0**	(64,1)		268,4
Normalised headline earnings per share (cents)	4 & 5	**277,5**	258,3	7	570,3
Normalised diluted headline earnings per share (cents)	4 & 5	**275,5**	249,0	11	562,0
Cash dividend per ordinary share declared in respect of the period (cents)		**78,0**	73,0	7	314,0
Taxation rate excluding abnormal items (%)		**32,6**	34,1	4	32,2
EBITDA as a % of revenue	1	**15,1**	13,8	9	14,5

CONDENSED GROUP BALANCE SHEET

As at 31 March 2008

	Notes	2008 R million	2007 R million	30 Sept 2007 R million (Audited)
Non-current assets				
Property, plant and equipment and intangible assets		**599,9**	545,8	578,7
Goodwill	6	**291,9**	336,9	372,8
Investments and loans	7	**1 482,5**	211,3	727,9
RC&C Finance Company accounts receivable	14	**—**	1 155,4	—
Deferred taxation		**36,9**	69,4	37,9
		2 411,2	2 318,8	1 717,3
Current assets				
Inventory and contracts in progress		**961,5**	786,6	879,8
Accounts receivable and derivative assets		**1 951,3**	1 425,1	1 716,1
RC&C Finance Company accounts receivable	14	**—**	445,0	—
Cash and cash equivalents	9	**294,1**	72,5	530,6
		3 206,9	2 729,2	3 126,5
Total assets		**5 618,1**	5 048,0	4 843,8
Equity attributable to equity holders of Reunert Limited				
Ordinary		**3 125,0**	1 870,6	2 468,3
Preference		**0,7**	0,7	0,7
		3 125,7	1 871,3	2 469,0
Minority interest		**16,3**	31,4	14,4
Total equity		**3 142,0**	1 902,7	2 483,4
Non-current liabilities				
Long-term borrowings	8	**333,6**	114,4	278,8
Deferred taxation		**155,7**	147,1	115,8
		489,3	261,5	394,6
Current liabilities				
Accounts payable, derivative liabilities, provisions and taxation		**1 822,7**	1 669,8	1 787,6
RC&C Finance Company bank borrowings	9	**—**	1 198,0	—
Bank overdrafts and short-term portion of long-term borrowings		**164,1**	16,0	178,2
		1 986,8	2 883,8	1 965,8
Total equity and liabilities		**5 618,1**	5 048,0	4 843,8

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY
For the six months ended 31 March 2008

	Note	2008 R million	2007* R million	Year ended 30 Sept 2007 R million (Audited)
Share capital and premium		**92,0**	82,3	90,8
Balance at the beginning of the period		**90,8**	76,9	76,9
Issue of shares		**1,2**	5,5	14,0
Shares cancelled in terms of buy-back of treasury shares – capital portion		**—**	(0,1)	(0,1)
Share-based payment reserve		**656,1**	651,5	649,9
Balance at the beginning of the period		**649,9**	40,4	40,4
Share-based payment expense		**6,2**	611,1	607,4
Contribution by Reunert to employees of joint venture and associate in terms of broad-based scheme		**—**	—	2,1
Fair value adjustment reserve**		**552,4**	—	—
Balance at the beginning of the period		**—**	—	—
Arising on fair valuation of financial instruments		**591,7**	—	—
Deferred taxation on fair value gain		**(39,3)**	—	—
Treasury shares	10	**(276,1)**	(276,1)	(276,1)
Balance at the beginning of the period		**(276,1)**	(282,0)	(282,0)
Shares cancelled in terms of buy-back of treasury shares – capital portion		**—**	0,1	0,1
Shares cancelled in terms of buy-back of treasury shares – dividend portion		**—**	5,8	5,8
Non-distributable reserves		**2,1**	3,7	7,3
Balance at the beginning of the period – restated*		**7,3**	3,7	3,7
Balance at the beginning of the period – as previously reported		**7,3**	104,8	104,8
Share of associate company's retained earnings at the beginning of the period transferred to retained earnings		**—**	(101,1)	(101,1)
Transfer from retained earnings – restated*		**—**	—	—
Transfer from retained earnings – as previously reported		**—**	64,4	—
Transfer from retained earnings reversed		**—**	(64,4)	—
Translation reserve		**(1,3)**	—	(0,3)
Reunert's share of previously equity-accounted associate's actuarially valued surplus of medical aid provision		**—**	—	3,9
Reunert's share of previously equity-accounted associate's actuarially valued surplus of medical aid provision transferred to retained earnings***		**(3,9)**	—	—
Retained earnings		**2 099,2**	1 409,9	1 997,1
Balance at the beginning of the period – restated*		**1 997,1**	1 841,9	1 841,9
Balance at the beginning of the period – as previously reported		**1 997,1**	1 740,8	1 740,8
Share of associate company's retained earnings at the beginning of the period transferred from non-distributable reserves		**—**	101,1	101,1
Profit/(loss) for the period		**526,3**	(77,2)	639,3
Transfer to non-distributable reserves – restated*		**—**	—	—
Transfer to non-distributable reserves – as previously reported		**—**	(64,4)	—
Transfer to non-distributable reserves reversed		**—**	64,4	—
Reunert's share of previously equity-accounted associate's actuarially valued surplus of medical aid provision transferred from non-distributable reserves ***		**3,9**	—	—
Cash dividends declared		**(428,1)**	(354,8)	(478,3)
Shares cancelled in terms of buy-back of treasury shares – dividend portion		**—**	—	(5,8)
Equity attributable to equity holders of Reunert Limited		**3 125,7**	1 871,3	2 469,0
Minority interest		**16,3**	31,4	14,4
Balance at the beginning of the period		**14,4**	38,2	38,2
Profit for the period		**2,7**	3,1	7,6
Dividends declared		**(1,8)**	(4,5)	(4,5)
Net movement in minorities		**1,0**	(5,4)	(26,9)
Total equity at the end of the period		**3 142,0**	1 902,7	2 483,4

*The March 2007 information has been restated to reflect the change in accounting policy that took place in the prior year whereby the group's share of the associate company's retained earnings were previously transferred to a non-distributable reserve.
**This reserve relates to fair value adjustments on financial assets designated as "available for sale" financial assets in terms of IAS 39.
***Since Reunert's investment in NSN is no longer equity-accounted (refer to note 7) this reserve has been transferred to retained earnings.

CONDENSED GROUP CASH FLOW STATEMENT

For the six months ended 31 March 2008

	Notes	2008 R million	2007 R million	Year ended 30 Sept 2007 R million (Audited)
EBITDA		**768,9**	643,2	1 393,0
Increase in net working capital		**(292,4)**	(411,1)	(739,7)
Increase in RC&C Finance Company accounts receivable		**—**	(196,6)	—
Increase in RC&C Finance Company accounts receivable up to date of transfer	14	**—**	—	(300,7)
Increase in other working capital		**(292,4)**	(214,5)	(439,0)
Cash generated from operations		**476,5**	232,1	653,3
Net interest and dividend income (including associates)		**30,6**	27,1	200,8
Taxation paid		**(231,3)**	(340,3)	(568,6)
Dividends paid (including to minorities)		**(429,9)**	(750,1)	(879,3)
Other (net)		**6,1**	2,8	23,7
Net cash flows from operating activities		**(148,0)**	(828,4)	(570,1)
Net cash flows from investing activities		**(129,1)**	(78,2)	1 008,6
Net cash flows from financing activities		**88,4**	11,3	274,5
(Decrease)/increase in net cash resources		**(188,7)**	(895,3)	713,0
Net short-term bank borrowings at the beginning of the period		**482,8**	(230,2)	(230,2)
Net cash resources at the end of the period		**294,1**	(1 125,5)	482,8
Cash and cash equivalents	9	**294,1**	72,5	530,6
Bank overdrafts		**—**	—	(47,8)
Net cash resources excluding RC&C Finance Company bank borrowings	9	**294,1**	72,5	482,8
RC&C Finance Company bank borrowings	9	**—**	(1 198,0)	—
Net cash resources including RC&C Finance Company bank borrowings at the end of the period		**294,1**	(1 125,5)	482,8

NOTES TO THE INCOME STATEMENT AND BALANCE SHEET

	2008 R million	2007 R million	Year ended 30 Sept 2007 R million (Audited)
Note 1			
EBITDA			
EBITDA is stated after:			
– Cost of sales	**3 670,5**	3 355,5	6 763,1
– Other expenses excluding depreciation and amortisation	**793,4**	640,8	1 369,8
– Other income	**89,8**	26,4	52,4
Commission income	**86,1**	—	—
Other	**3,7**	26,4	52,4
– Realised (profit)/loss on foreign exchange and derivative instruments	**(28,0)**	50,7	106,9
– Unrealised (profit)/loss on foreign exchange and derivative instruments	**(30,2)**	(9,5)	(6,0)

The commission income is in respect of commission earned from the Nokia Siemens Networks group based on the sales revenue for the sub-region of which South Africa forms part. The commission is related to Reunert's investment in Nokia Siemens Networks South Africa (Pty) Limited (NSN). The current year's share of associate companies' profit does not include any income in respect of NSN due to the change in the nature of the investment (refer to note 2 and 7).

	2008 R million	2007 R million	Year ended 30 Sept 2007 R million (Audited)
Note 2			
Net interest and dividend income			
Interest received	**48,6**	40,0	104,3
– From RC&C Finance Company (Pty) Limited (RCCF) up to date of transfer (refer to note 14)	**—**	25,4	43,5
– External	**48,6**	14,6	60,8
Interest paid	**(21,6)**	(16,6)	(57,2)
Dividend income other than from associate companies	**3,6**	3,7	7,7
Total	**30,6**	27,1	54,8
Dividend income from associate companies included in share of associate companies' profits	**—**	—	146,0
Note 3			
Abnormal Items			
Net surplus on dilution in (refer to note 14) and disposal of business	**1,5**	—	118,1
Surplus on sale of non-current assets to the ATC/Aberdare joint venture	**—**	34,5	34,5
Black Economic Empowerment (BEE) expense – share-based payment (refer to note 10)	**—**	(556,6)	(556,6)
Share-based payment expense in terms of broad-based scheme to group employees (refer to note 10)	**—**	(50,3)	(42,2)
Net impairments	**—**	—	(1,4)
Total before taxation	**1,5**	(572,4)	(447,6)
Taxation	**—**	15,9	14,7
Minority Interest	**—**	—	0,2
Total	**1,5**	(556,5)	(432,7)
Note 4			
Number of shares used to calculate earnings per share			
Weighted average number of shares in issue used to determine basic earnings, headline earnings and normalised headline earnings per share (millions of shares)	**177,7**	176,5	176,7
Adjusted by the dilutive effect of:			
– Unexercised share options granted (millions of shares)	**1,3**	2,1	1,5
– The notional unemcumbered Reunert Limited (Reunert) shares held by Bargenel Investments Limited – (Bargenel) (millions of shares)*	**—**	4,5	1,1
Weighted average number of shares used to determine diluted basic, diluted headline and normalised diluted headline earnings per share (millions of shares)	**179,0**	183,1	179,3

*The notional unencumbered Reunert shares represent the number (based on the period's average share price) of the 18,5 million treasury shares held by Bargenel that could be settled out of the period-end equity value of Bargenel.

	2008 R million	2007 R million	Year ended 30 Sept 2007 R million (Audited)
Note 5.1			
Headline earnings			
Headline earnings are determined by eliminating the effect of the following items in attributable earnings:			
Profit/(loss) attributable to equity holders of Reunert – IAS 33 basic earnings	**526,3**	(77,2)	639,3
Net surplus on dilution in and disposal of business	**(1,5)**	—	(118,1)
Loss/(surplus) on disposal of property, plant and equipment and intangible assets	**0,9**	(36,1)	(35,2)
Net impairments	**—**	—	1,4
Taxation effect of adjustments	**0,5**	(4,1)	(6,1)
Headline earnings/(loss)	**526,2**	(117,4)	481,3
Note 5.2			
Normalised headline earnings			
Normalised headline earnings are determined by eliminating the effect of the following items in attributable headline earnings:			
Headline earnings/(loss)	**526,2**	(117,4)	481,3
BEE expense – share-based payment	**—**	556,6	556,6
Share-based payment expense in terms of broad-based scheme to group employees	**—**	50,3	42,2
BEE share of headline and normalised headline earnings adjustments	**—**	—	8,2
Contribution by Reunert to employees of joint venture and associate	**—**	—	2,1
Minority effect of adjustments	**—**	—	(0,1)
Taxation effect of adjustments	**—**	(11,4)	(9,1)
	526,2	478,1	1 081,2
Interest in profit that is economically attributable to BEE partners (refer to note 10)	**(33,0)**	(22,2)	(73,5)
Normalised headline earnings (basic and diluted)	**493,2**	455,9	1 007,7
Note 6			
Goodwill			
Carrying value at the beginning of the year	**372,8**	326,8	326,8
Acquisitions of businesses and minority interests	**13,7**	10,1	45,7
Negative goodwill taken to profit in terms of IFRS 3	**—**	—	1,1
Impairments	**—**	—	(0,8)
Unamortised goodwill arising in a previous period on a further acquisition of NSN now transferred to investment in NSN (refer to note 7)	**(94,6)**	—	—
Carrying value at the end of the year	**291,9**	336,9	372,8

	2008 R million	2007 R million	Year ended 30 Sept 2007 R million (Audited)
Note 7			
Investments and loans			
Unlisted associate companies – at cost plus equity-accounted earnings excluding goodwill	**297,7**	190,4	400,3
– NSN	**—**	190,4	119,7
– Quince (refer to note 14)*	**297,7**	—	280,6
Other unlisted investments – at cost	**7,0**	7,1	7,0
Loans – at cost	**52,4**	13,8	54,5
Long-term accounts receivable	**319,4**	—	266,1
Financial instruments – investment in NSN – at fair value*	**806,0**	—	—
Carrying value of NSN at 1 October 2007, previously an unlisted company, now a financial instrument	**119,7**	—	—
Unamortised goodwill arising on a further acquisition in a previous period (refer to note 6)	**94,6**	—	—
Fair value adjustment (refer to statement of changes in equity)	**591,7**	—	—
Total carrying value	**1 482,5**	211,3	727,9
Directors' valuation of unlisted investments			
– Unlisted associate companies (2008: Quince, 2007: NSN)	**404,0**	520,0	908,0
– Other unlisted investments (2008 includes NSN at R806,0 million)	**813,0**	7,1	7,0

*The nature of the investment in NSN and the income received from this investment (refer to note 1) has changed, following post-merger restructuring within the Nokia Siemens Networks Group, with effect from 1 October 2007. Significant influence ceased as Reunert no longer has representation on the board of directors, even though Reunert retained a 40% legal ownership. The investment in NSN has consequently been reclassified as a financial instrument, and designated as "available for sale", as defined in IAS 39 – Financial Instruments: Recognition and Measurement.

Due to a change in the shareholders agreement, Reunert now earns commission on sales of NSN products. Future commissions are expected to replace dividend flows.

Previously income relating to the investment in NSN was recognised in terms of the equity method and included in share of associate companies' profits in the income statement.

The fair value of the investment was obtained using a discounted cash flow methodology on the amount the shareholders' agreement specifies as the minimum value to be placed on Reunert's shareholding in the event of a sale to Nokia Siemens Networks Group, together with an estimation of future commissions. The first time a sale may take place in terms of the agreement is 31 December 2010.

	2008 R million	2007 R million	Year ended 30 Sept 2007 R million (Audited)
Note 8			
Long-term borrowings			
Total long-term borrowings (including finance leases)	**475,4**	108,1	386,9
Less: Short-term portion (including finance leases)	**(164,1)**	(16,0)	(130,4)
	311,3	92,1	256,5
Loan repaid by BEE partner*	**22,3**	22,3	22,3
	333,6	114,4	278,8

The long-term borrowings in the current year and at 30 September 2007 are an obligation to RCCF, which is currently owned by Quince Capital Holdings (Pty) Limited (Quince), an equity-accounted associate. Various operations in the group dealing in office equipment discounted debtors with RCCF on the basis that the risk of bad debts is carried by the Reunert group operations. In terms of current accounting practice, these debtors cannot be derecognised by the Reunert group operations, accordingly the long-term portion of the debtors are included in long-term accounts receivable (refer to note 7), the short-term portion in accounts receivable and the outstanding balance of cash received from RCCF in long-term borrowings.

The group entered into an agreement with Powerhouse Utilities (Pty) Limited (Powerhouse), whereby on 1 December 2004, 25,1% of the A shares of ATC were sold to Powerhouse at a cost of R130 million. IFRS requires that this transaction is not accounted for as a sale, since the loan has not been fully paid by Powerhouse and conditions are attached to the unpaid portion, notwithstanding that the economic reality of this transaction is, in fact, a sale.

The long-term borrowings in March 2007 related to funding provided by Nedbank Limited (Nedbank) to Powerhouse for their purchase of 25,1% of the A shares of ATC. The loan was guaranteed by Reunert and, in terms of current accounting practice for this transaction, was recognised on the Reunert balance sheet. The Nedbank loan was repaid by Reunert on 1 June 2007, with the effect that the loan is now payable by Powerhouse to Reunert and is disclosed as an investment in subsidiary.

*Loan repaid by the BEE partner represents a portion of the dividends paid by ATC to Powerhouse, which were used to repay a portion of the loan. In terms of current accounting practice, this is to be reflected as a long-term liability on the Reunert balance sheet. When the significant risks and rewards of ownership in the equity of ATC are deemed to have passed to the BEE partner, this portion of the loan repaid by Powerhouse will be transferred to minority interest.

	2008 R million	2007 R million	Year ended 30 Sept 2007 R million (Audited)
Note 9			
Group cash resources/borrowings			
Total RCCF borrowings at the end of the period (refer to note 14)	**—**	1 469,0	—
Less: Funded out of other Reunert cash resources (see below)	**—**	(271,0)	—
RCCF bank borrowings at the end of the period (refer to note 14)	**—**	1 198,0	—
Total Reunert net cash resources at the end of the period	**294,1**	343,5	482,8
Less: Utilised to fund RCCF (see above) (refer to note 14)	**—**	(271,0)	—
	294,1	72,5	482,8
Add: Bank overdrafts	**—**	—	47,8
Cash and cash equivalents	**294,1**	72,5	530,6

Note 10

BEE transactions

Reunert's BEE deal was approved by shareholders on 6 February 2007. Due to the sale of Bargenel to the BEE partners, the shareholders of Peotona Group Holdings (Pty) Limited (Peotona) and the Rebatona Educational Trust, a share-based payment expense (IFRS 2) of R556,6 million was recognised in the previous financial year. The sale by Bargenel, which holds 18,5 million shares in Reunert was done at a 10% discount to the Reunert share price. IFRS requires that this disposal is not accounted for as a sale, since the preference shares issued by Bargenel to Reunert, financing the purchase of Bargenel, have not been fully repaid and conditions are attached to the unpaid portion, notwithstanding that the economic reality of this transaction is, in fact, a sale.

All employees in the Reunert group who did not participate in any other share incentive scheme were awarded 100 Reunert shares each, which will be held in trust for a period of five years. The employees will only be able to sell the shares after five years, but have full rights to receive all dividends declared during the five-year period. The resultant expense to the Reunert group has been raised on the difference between the fair value of a Reunert share on 6 February 2007 (R83,90) and its cost price of 10 cents each. A deferred tax asset has been raised as a result of the tax deduction, which occurs in the future.

As referred to in note 8 certain BEE transactions involving the disposal of equity interests have not been recognised because the significant risk and rewards of ownership of the equity have been deemed not to have passed to the BEE partners, until the shares have been fully paid for. Accordingly, the equity interests in the affected subsidiaries have not been recognised in the group income statement and balance sheet.

The effect of this has been to not recognise the following:

– Interest in current period profit that is economically attributable to BEE partners	**33,0**	32,0	73,5
– Balance sheet interest that is economically attributable to BEE partners	**194,8**	122,7	161,8

Note 11

Basis of preparation

These condensed interim group financial statements have been prepared in terms of IAS 34-Interim Financial Reporting as well as in compliance with the Companies Act of South Africa, Act 61 of 1973, as amended, and the Listings Requirements of the JSE Limited.

The group's accounting policies, as set out in the audited annual financial statements for the year ended 30 September 2007, have been consistently applied. However, due to the change in the nature of the investment in NSN, the accounting treatment for this investment has changed. (Refer to notes 1 and 7).

These condensed interim financial statements have not been reviewed or audited by the group's auditors.

Note 12

Unconsolidated subsidiary

The financial results of Cafca Limited (Cafca), a subsidiary incorporated in Zimbabwe, have not been consolidated in the group results as the directors believe there is a lack of control as defined in IAS 27 – Consolidated and Separate Financial Statements, and the amounts involved are not material to the group's results.

Note 13

Major corporate activity

Acquisition of Nashua franchise

With effect from 1 November 2007 Nashua Holdings (Pty) Limited (Nashua) purchased 51% of the West Rand Nashua franchise. Nashua provided R20,4 million of loan finance to the other shareholders. The minority shareholders provided R1,0 million of equity.

	Nashua franchise R million
Net assets acquired:	
Property, plant and equipment	2,4
Goodwill	13,7
Inventory	4,8
Accounts receivable	3,9
Payables and provisions	(4,4)
Cost of investment	20,4
Loss since acquisition	(0,9)
Revenue for the period ended 31 March 2008 as though the acquisition date had been 1 October 2007	25,5
Loss for the period ended 31 March 2008 as though the acquisition date had been 1 October 2007	(0,9)

Note 14

Subsequent events

On 1 May 2007 RCCF was sold to Quince in exchange for equity in Quince. From that time Quince has been treated as an equity-accounted associate in the Reunert group results. Agreement has been reached with the other shareholders of Quince for Reunert to acquire the share capital of Quince not already owned by Reunert, for approximately R433 million. The valuation was on the same basis on which the original transaction was concluded. Simultaneously the other shareholders will acquire the businesses they sold to Quince last year, namely Scripfin and Quince Property Finance, for approximately R17 million. RCCF will remain a 100%-held subsidiary of Quince. Competition Commission approval of the transaction is awaited and is expected by the end of May 2008. Until that time the results of Quince will continue to be equity-accounted in the Reunert group results.

With effect from 1 April 2008 Moeller South Africa was acquired for R24,3 million. This purchase will enhance the product range of CBI-electric: low voltage.

SUPPLEMENTARY INFORMATION
For the six months ended 31 March 2008

R million (unless otherwise stated)	Note	**2008**	2007	Year ended 30 Sept 2007 (Audited)
Net asset value per share (cents)		**1 758**	1 061	1 390
Current ratio excluding interest-bearing current liabilities (:1)		**1,8**	1,6	1,7
Net number of ordinary shares in issue (million)		**177,8**	176,6	177,7
Number of ordinary shares in issue (million)		**196,3**	195,1	196,2
Less: Held by subsidiary (million)	10	**(18,5)**	(18,5)	(18,5)
Capital expenditure		**66,2**	87,0	149,0
– expansion		**36,0**	68,1	86,9
– replacement		**30,2**	18,9	62,1
Capital commitments in respect of property, plant and equipment		**33,1**	105,2	80,2
– contracted		**13,6**	52,8	54,5
– authorised not yet contracted		**19,5**	52,4	25,7
Commitments in respect of operating leases		**91,7**	81,8	97,1
Contingent liabilities		**700,0**	3,5	—
– guarantees in respect of Quince		**700,0**	—	—
– warranties on debtors sold		**—**	0,3	—
– guarantees on behalf of third parties		**—**	3,2	—

CONDENSED SEGMENTAL ANALYSIS

For the six months ended 31 March 2008

	2008 R million	%	2007 R million	%	% change	Year ended 30 Sept 2007 R million (Audited)	%
Revenue*							
CBI-electric**	**1 750,3**	34	1 615,3	32	8	3 315,1	29
Nashua	**3 125,8**	61	2 837,4	55	10	5 816,3	52
NSN***	**—**	—	454,0	9		1 712,9	15
Reutech	**281,7**	5	201,6	4	40	490,5	4
Total operations	**5 157,8**	100	5 108,3	100	1	11 334,8	100
Less: Reunert's attributable portion of associate companies' revenue	**(73,0)**		(454,0)			(1 760,4)	
Revenue as reported	**5 084,8**		4 654,3		9	9 574,4	

*Intersegment revenue is immaterial and has not been disclosed.

**Revenue for the year ended 30 September 2007 included an amount of R96,3 million for inventory sold at book value by ATC (Pty) Limited to CBI-Electric Abedare ATC Telecom Cables (Pty) Limited.

***Revenue excludes commission received attributable to the investment in NSN (refer to notes 1 and 7).

	2008 R million	%	2007 R million	%	% change	Year ended 30 Sept 2007 R million (Audited)	%
Operating profit							
CBI-electric	**289,3**	39	266,1	37	9	553,9	36
Nashua	**310,2**	41	325,1	46	(5)	674,7	44
NSN*	**86,1**	11	105,7	15	(19)	211,2	13
Reutech	**65,0**	9	16,4	2	296	109,2	7
Total operations	**750,6**	100	713,3	100	5	1 549,0	100
Less: Reunert's attributable portion of associate companies' net operating profit	**(21,6)**		(105,7)			(230,3)	
Operating profit as reported	**729,0**		607,6		20	1 318,7	

*Operating profit in 2008 represents commission received (refer to notes 1 and 7), whereas the 2007 figures represent 40% of the NSN operating profits.

REUNERT LIMITED

Incorporated in the Republic of South Africa
(Registration number 1913/004355/06)
Share code: RLO
ISIN code: ZAE000057428

Directors

MJ Shaw (Chairman)*, G Pretorius (Chief Executive), BP Connellan*, KS Fuller*, BP Gallagher, SD Jagoe*, KJ Makwetla*, GJ Oosthuizen, ND Orleyn*, DJ Rawlinson, Dr JC van der Horst*

*Non-executive

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Transfer secretaries

Computershare Investor Services (Pty) Limited
70 Marshall Street, Johannesburg, 2001

PO Box 61051, Marshalltown, 2107

Sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)

Secretaries' certification

In terms of section 268 G(d) of the Companies Act, 61 of 1973, as amended, I certify that, to the best of my knowledge and belief, the company has lodged with the Registrar of Companies for the six months ended 31 March 2008 all such returns as are required by a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

JAF Simmonds

For Reunert Management Services Limited

Company Secretaries

Enquiries

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

Online Shareholder Registration

Tired of an overfull post box? You can now receive electronic communication from Reunert.

Register on our website www.reunert.com

The information will be forwarded to our Transfer Secretaries, Computershare.

The direct link to the registration page is http://www.reunert.co.za/shareholder_registration

BASTION GRAPHICS