

## REUNERT LIMITED

Incorporated in the Republic of South Africa  
Registration number 1913/004355/06  
Ordinary share code: RLO  
ISIN code: ZAE000057428  
("Reunert", "the group" or "the company")

# UNAUDITED GROUP RESULTS

## FOR THE SIX MONTHS ENDED 31 MARCH 2016 AND CASH DIVIDEND DECLARATION

# REUNERT

REUNERT LIMITED

### INTRODUCTION

The contents of this short form announcement are the responsibility of the Board of directors of the company.

Shareholders are advised that this short form announcement represents a summary of the information contained in the full announcement, published on the Stock Exchange News Service

(SENS) and on Reunert's website ([www.reunert.com](http://www.reunert.com)) yesterday, 24 May 2016.

Shareholders and investors are encouraged to review the full announcement in making any investment decisions.

The full announcement is also available for inspection at the registered office of the company, Nashua

Building, Woodmead North Office Park, 54 Maxwell Drive, Woodmead, Sandton and at the offices of Reunert's sponsors, Rand Merchant Bank (a Division of FirstRand Bank Limited), 1 Merchant Place, Corner Fredman Drive and Rivonia Road, Sandton. Inspection of the full announcement is available to investors and/or shareholders at no charge, during normal business hours from 24 May 2016.

### FINANCIAL RESULTS

2%↑

**Revenue**  
from continuing operations  
**R4 022m**  
2015: R3 935m

11%↑

**EBITDA**  
from continuing operations  
**R622m**  
2015: R559m

12%↑

**Operating profit**  
from continuing operations  
**R564m**  
2015: R503m

11%↑

**Profit for the period**  
from continuing operations  
**R453m**  
2015: R409m

11%↑

**EPS**  
from continuing operations  
**272 cents**  
2015: 246 cents

5%↓\*

**EPS**  
**272 cents**  
2015: 287 cents

2%↑

**Headline earnings**  
per share  
**271 cents**  
2015: 265 cents

8%↑

**Dividend per share**  
**113 cents**  
2015: 105 cents

\* Due to Nashua Mobile discontinued earnings

Reunert is pleased to announce an improvement in its trading results for the past six months when compared to the comparative period.

Revenue from continuing operations increased by 2% from R3,9 billion to R4,0 billion, whilst operating profit increased by 12% from R503 million to R564 million.

### REVIEW OF OPERATIONS

#### ELECTRICAL ENGINEERING

Revenue in this segment, which includes the group's share from the telecoms joint venture, decreased by 7% from R2,0 billion to R1,8 billion but operating profit increased by 6% to R272 million.

In the cable operations the product mix reflected an increased demand for aluminium vs. copper based products, leading to lower revenue. Revenue was also adversely impacted by the delay in the award of key projects that are now expected to materialise in the second half of the year. Operating margins improved through continued manufacturing efficiencies.

The local market continued to tighten for circuit breakers in the low voltage business, the impact of

which was more than offset by increased revenue from exports.

#### ICT

Segmental revenue from continuing operations decreased by 1% to R1,7 billion. Operating profit increased by 2% to R250 million driven by both efficiency gains and cost control across the segment.

The rapid devaluation of the Rand placed pressure on the office automation business, whose market continues to be characterised by strong competition resulting in ongoing margin pressure. The voice component of this segment continued to grow its base while margins remain intact.

#### APPLIED ELECTRONICS

Revenue increased significantly by 64% from R424 million to R696 million and operating profit increased to R122 million. The solid performance by Applied Electronics is mainly attributable to large scale export sales assisted by the weaker exchange rate. The communications and radar businesses delivered in line with expectations.

### PROSPECTS

The economic conditions in South Africa are not expected to improve significantly in the near future. However, the continued execution of large, base load orders in the Applied Electronics segment and improved order intake in the Electrical Engineering businesses, position Reunert to deliver real growth in continuing operations for the full 2016 financial year.

#### Registered office

Nashua Building  
Woodmead North Office Park  
54 Maxwell Drive  
Woodmead, Sandton  
PO Box 784391  
Sandton, 2146  
Telephone +27 11 517 9000

#### Enquiries

Carina de Klerk +27 11 517 9000 or  
e-mail [invest@reunert.co.za](mailto:invest@reunert.co.za)

For more information, log on to the Reunert website at [www.reunert.com](http://www.reunert.com)

#### Registered auditors

Deloitte & Touche  
Deloitte Place  
The Woodlands  
20 Woodlands Drive  
Woodmead, 2191  
South Africa

Directors: T S Munday (chairman)\*, T Abdool-Samad\*, A E Dickson (chief executive), S D Jagoe\*, S Martin\*, P Mahanyele\*, M Moodley, T J Motsosi\*, N D B Orleyn\*\*, S G Pretorius\*, M A RTaylor, N A Thomson (chief financial officer), R Van Rooyen\*

\* independent non-executive; \*\* non-executive