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Directors' responsibility

for the year ended 30 September 2009

RESPONSIBILITY FOR ANNUAL FINANCIAL STATEMENTS

The directors of Reunert are responsible for the integrity of the annual financial statements of the company and group and the objectivity of other information presented in the annual financial statements.

In order to fulfil this responsibility, the group maintains internal accounting and administrative control systems designed to provide reasonable assurance that assets are safeguarded and transactions are executed and recorded in accordance with the group's policies and procedures.

In presenting the accompanying annual financial statements, International Financial Reporting Standards have been followed, applicable accounting policies have been used and prudent judgements and estimates have been made. The annual financial statements are examined by our external auditors in conformity with International Standards on Auditing.

An audit and risk committee, consisting of at least three independent, non-executive directors, one of whom acts as chairman, meets at least two times per annum with both the internal and external auditors to ensure that internal financial controls provide reasonable assurance that the group's assets are safeguarded and that the financial records may be relied upon for the preparation of the financial statements.

In terms of section 11.26 and section 7 d.11 of the Listings Requirements of the JSE, the directors, whose names are given on pages 20 and 21 of the annual report of which this statement of directors' responsibility forms part, are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 months, a material effect on the group's financial position.

Other than the facts and developments reported on in the annual report, there have been no material changes in the affairs or financial position of Reunert and its subsidiaries since the date of this annual report.

The annual financial statements appearing on pages 42 to 101 were approved by the board of directors on 17 November 2009 and are signed on its behalf by:



Trevor Munday
Chairman



Gerrit Pretorius
Chief executive

Secretaries' certification

for the year ended 30 September 2009

In terms of section 268G(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 financial year ended 30 September 2009 all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.



For Reunert Management Services Limited
Company Secretaries
17 November 2009

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TO THE MEMBERS OF REUNERT LIMITED

We have audited the accompanying company and group annual financial statements of Reunert Limited, which comprise the directors' report, the balance sheets as at 30 September 2009, and the income statements, statements of changes in equity and cash flow statements for the year then ended, a summary of significant accounting policies and other explanatory notes as set out on pages 42 to 101 and the segmental analysis set out on pages 34 and 35.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements fairly present, in all material respects, the financial position of the company and the group at 30 September 2009, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

DELOITTE & TOUCHE

Deloitte & Touche

Per **Manuela Krog**

Partner

17 November 2009

National Executive: GG Gelink Chief Executive AE Swiegers Chief Operating Officer GM Pinnock Audit
DL Kennedy Tax & Legal and Risk Advisory L Geeringh Consulting L Bam Corporate Finance CK Beukman Finance
TJ Brown Clients & Markets NT Mtoba Chairman of the Board CR Qually Deputy Chairman of the Board

A full list of partners and directors is available on request

B-BBEE rating: Level 3 contributor/AA (certified by Empowerdex)

Member of Deloitte Touche Tohmatsu

Audit and risk committee report

for the year ended 30 September 2009

TO THE MEMBERS OF REUNERT LIMITED

The audit and risk committee has pleasure in submitting this report, as required in terms of the Companies Act (No 61 of 1973), as amended. The audit and risk committee consists only of non-executive directors who act independently as described in section 269A of the Companies Act.

During the year under review four audit and risk committee meetings were held. At these meetings the committee performed its duties in respect of the group, its divisions and subsidiaries as required in terms of the Companies Act, the audit and risk committee's charter and in accordance with its mandate as approved by the board. A detailed list of the functions and duties of the committee is contained in the corporate governance section on pages 15 to 19 of the report.

The audit and risk committee has satisfied itself that the external auditors of the group, its divisions and subsidiaries are independent as defined in the Companies Act and are thereby able to conduct their audit functions without any influence from the group.



Kingsley Fuller

Chairman of audit and risk committee

17 November 2009

Directors' report

for the year ended 30 September 2009

AUTHORISED AND ISSUED CAPITAL

The authorised capital of the company remained unchanged.

During the year 74 000 (2008: 454 040) ordinary shares were issued at R15,99 per share and 189 100 (2008: 154 600) at R41,90 per share. The following issues were made in the previous year: 10 000 at R14,10 per share, 40 200 at R15,80 per share, 66 800 at R17,30 per share, and 23 000 at R17,70 per share. Options exercised in terms of the Reunert 1985 Share Option Scheme accounted for this increase.

REVIEW OF OPERATIONS AND RESULTS

The performance of the divisions' and the group's results are reviewed on pages 5 to 7 and the segmental analysis is set out on pages 34 and 35.

DIVIDENDS

An interim ordinary dividend No 166 of 65 cents (2008: No 164 of 78 cents) per share was declared on 13 May 2009, and a final ordinary dividend No 167 of 188 cents (2008: No 165 of 241 cents) per share was declared on 17 November 2009.

A total distribution of 253 cents (2008: 319 cents) per ordinary share was declared relating to the 2009 financial year.

An interim 5,5% cumulative preference dividend No 48 was declared on 7 July 2009 and a final dividend No 49 will be declared on 31 December 2009.

SUBSIDIARY COMPANIES

Your directors are of the opinion that the publication of information on all the company's subsidiaries in this report would entail expense out of proportion to the value to shareholders.

Annexure A to this report, however, sets out the principal subsidiaries of the company.

SPECIAL RESOLUTIONS OF SUBSIDIARIES

During this financial year the following special resolutions were passed by subsidiaries of Reunert: Blue Lake Investments (Pty) Limited increased its share capital. Reutech Precision Products (Pty) Limited changed its name to Fuchs Electronics (Pty) Limited. Reutech Commercial Enterprises (Pty) Limited changed its name to Reutech Mining (Pty) Limited and altered its

Memorandum of Association. Reunert Limited had acquisitions by the company or its subsidiaries in terms of sections 85(2) and 85(3). Telkor Business Systems (Pty) Limited changed its name to Reunert Executive Services (Pty) Limited and altered its Memorandum of Association. Full details of these resolutions may be viewed at the company's registered office.

DIRECTORATE AND COMPANY SECRETARY

Directors are subject to retirement by rotation and re-election by shareholders at an annual general meeting at least once every three years in terms of the company's articles of association. The board charter is an integral part of the conditions of appointment of all directors. Procedures for appointments are formal and transparent and a matter for the board as a whole to consider.

Non-executive directors retire after reaching the age of 70 at the next annual general meeting. Executive directors retire from the board at 63 years of age at the following annual general meeting.

Mr R van Rooyen and Ms KW Mzondeki, having been elected to the board on 1 November 2009, are required to retire at the next annual general meeting, but being eligible, offer themselves for re-election. Messrs BP Connellan, KJ Makwetla and GH Oosthuizen retire by rotation at the next annual general meeting. The nomination committee, at its meeting held on 17 November 2009, has recommended that they be re-elected and they have offered themselves for re-election.

Mr Martin Shaw who was requested by the board to stay for another year after turning 70 last year, resigned as chairman of the board in May 2009. Mr TS Munday was appointed chairman. Mr Shaw, together with Mr KS Fuller having reached retirement age, will retire at the forthcoming annual general meeting. Mr SD Jagoe has indicated that he will resign from the board at the next board meeting to pursue his own consultancy business overseas.

The names of the directors in office at 30 September 2009 and to the date of this report, are set out on pages 20 and 21.

The name and address of the company secretaries are set out on the inside back cover.

INTERESTS OF DIRECTORS

At the reporting date, fully paid ordinary Reunert shares were held directly and indirectly by the directors as indicated in the table below:

	Direct beneficial		Indirect beneficial		Held by associates		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
BP Connellan	30 523	30 523	9 000	9 000	—	—	39 523	39 523
BP Gallagher	331 713	331 713	—	—	—	—	331 713	331 713
KJ Makwetla	—	—	—	—	150	150	150	150
TS Munday	—	—	4 700	—	—	—	4 700	—
GJ Oosthuizen	66 700	66 700	—	—	—	—	66 700	66 700
ND Orleyn*	—	—	—	—	1 554 000	1 554 000	1 554 000	1 554 000
G Pretorius	133 400	133 400	—	—	—	—	133 400	133 400
DJ Rawlinson	358 520	358 520	—	—	—	—	358 520	358 520
	920 856	920 856	13 700	9 000	1 554 150	1 554 150	2 488 706	2 484 006

* These shares are held indirectly through Bargenel's investment in Reunert which relates to the BEE deal concluded in 2007. These holdings have remained unchanged from 30 September 2009 up to 17 November 2009.

Executive directors of the company held unexercised options to subscribe for 280 000 (2008: 280 000) ordinary shares in terms of the Reunert 1985 Share Option Scheme. These options are due to expire on 29 August 2015. Executive directors of the company held unexercised options to subscribe for 250 000 (2008: 250 000) ordinary shares in terms of the Reunert 2006 Share Option Scheme. These options are due to expire on 18 June 2019.

The directors have no financial interest in contracts entered into by the group during the year. For further information on directors' share options, refer to note 28 of the annual financial statements.

SUBSEQUENT EVENTS

Reunert has concluded an agreement to acquire Siemens' remaining 60% shareholding in SEC. Final approval by the Competition Authorities was granted on 29 October 2009.

ATTRIBUTABLE INTEREST

The attributable interest of the company in the profits and losses of its consolidated subsidiaries for the year ended 30 September 2009 is:

	2009 Rm	2008 Rm
In the aggregate net income	698,9	760,1
In the aggregate net losses	(42,2)	(36,7)
	656,7	723,4

GOING CONCERN

The directors confirm that the group and company have adequate resources to operate for the foreseeable future and will remain a viable going concern in the year ahead.

Accounting policies

for the year ended 30 September 2009

The consolidated financial statements, comprising Reunert, its subsidiaries, joint ventures and associates (together referred to as "the group"), incorporate the following principal accounting policies, set out below.

STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with IFRS and interpretations of those standards

as issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, the requirements of the JSE Limited and the requirements of the Companies Act, Act 61 of 1973, as amended.

At the date of these financial statements, the following standards and interpretations were in issue but not yet effective:

Standards and interpretations	Details of amendment	Effective for annual periods beginning on or after
IFRS 1 <i>First time Adoption of International Financial Reporting Standards</i>	<ul style="list-style-type: none"> Measurement of the cost of investments in subsidiaries, jointly controlled entities and associates when adopting IFRS for the first time. 	1 July 2009
IFRS 2 <i>Share-based Payment</i>	<ul style="list-style-type: none"> Amendments to vesting conditions and cancellations Clarification of scope of IFRS 2 and IFRS 3 revised Accounting for group cash-settled share-based payment transactions – clarity of the definition of the term "group" 	1 January 2009 1 July 2009 1 January 2010
IFRS 3 <i>Business Combinations</i>	<ul style="list-style-type: none"> Amendments to accounting for business combinations 	1 July 2009
IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	<ul style="list-style-type: none"> Plan to sell the controlling interest in a subsidiary Disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations Amendments resulting from IFRIC 17 for assets held for distribution to owners 	1 July 2009 1 January 2010 1 July 2009
IFRS 7 <i>Financial Instruments: Disclosures</i>	<ul style="list-style-type: none"> Presentation of finance costs Amendments dealing with improving disclosures about financial instruments Amendments enhancing disclosures about, for value and liquidity risk 	1 January 2009 1 January 2009 1 January 2009
IFRS 8 <i>Operating Segments</i>	<ul style="list-style-type: none"> New standard on segment reporting (replaces IAS 14) Disclosure of information about segment assets 	1 January 2009 1 January 2010
IAS 1 <i>Presentation of Financial Statements</i>	<ul style="list-style-type: none"> Amendments to structure of financial statements Current/non-current classification of derivatives Current /non-current classification of convertible instruments 	1 January 2009 1 January 2010
IAS 7 <i>Statement of Cash Flows</i>	<ul style="list-style-type: none"> Cash flows from assets held for rental classified as operating activities Classification of expenditures on unrecognised assets 	1 January 2009 1 January 2010
IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	<ul style="list-style-type: none"> Status of implementation guidance 	1 January 2009
IAS 10 <i>Events after the Reporting Period</i>	<ul style="list-style-type: none"> Dividends declared after the end of the reporting period Amendment resulting from the issue of IFRIC 17 	1 January 2009 1 July 2009
IAS 16 <i>Property, Plant and Equipment</i>	<ul style="list-style-type: none"> Recoverable amount Sale of assets held for rental 	1 January 2009
IAS 17 <i>Leases</i>	<ul style="list-style-type: none"> Classification of leases of land and buildings 	1 January 2010
IAS 18 <i>Revenue</i>	<ul style="list-style-type: none"> Costs of originating a loan 	1 January 2009
IAS 19 <i>Employee Benefits</i>	<ul style="list-style-type: none"> Curtailments and negative past service costs Plan administration costs Replacement of term 'fall due' Guidance on contingent liabilities 	1 January 2009

Accounting policies continued

for the year ended 30 September 2009

Standards and interpretations	Details of amendment	Effective for annual periods beginning on or after
IAS 20 <i>Accounting for Government Grants and Disclosure of Government Assistance</i>	<ul style="list-style-type: none"> Government loans with a below-market rate of interest Consistency of terminology with other IFRS 	1 January 2009
IAS 23 <i>Borrowing Costs</i>	<ul style="list-style-type: none"> Amendment requiring capitalisation model only Components of borrowing costs 	1 January 2009
IAS 27 <i>Consolidated and Separate Financial Statements</i>	<ul style="list-style-type: none"> Amendment dealing with measurement of the cost of investments when adopting IFRS for the first time Consequential amendments from changes to business combinations Measurement of subsidiary held for sale in separate financial statements 	1 January 2009 1 July 2009
IAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	<ul style="list-style-type: none"> Description of measurement basis in financial statements Consistency of terminology with other IFRS 	1 January 2009
IAS 31 <i>Interests in Joint Ventures</i>	<ul style="list-style-type: none"> Required disclosures when interest in jointly controlled entities are accounted for at fair value through profit or loss Consequential amendments from changes to business combinations 	1 January 2009 1 July 2009
IAS 34 <i>Interim Financial Reporting</i>	<ul style="list-style-type: none"> Earnings per share disclosures in interim financial reports 	1 January 2009
IAS 36 <i>Impairment of Assets</i>	<ul style="list-style-type: none"> Disclosure of estimates used to determine recoverable amount Unit of accounting for goodwill impairment test 	1 January 2009 1 January 2010
IAS 38 <i>Intangible Assets</i>	<ul style="list-style-type: none"> Advertising and promotional activities Unit of production method of amortisation Additional consequential amendments arising from revised IFRS 3 Measuring the fair value of an intangible asset acquired in a business combination 	1 January 2009 1 July 2009
IAS 39 <i>Financial Instruments: Recognition and Measurement</i>	<ul style="list-style-type: none"> Reclassification of derivatives into or out of the classification "at fair value through profit or loss" Designation and documenting hedges at the segment level Applicable effective interest rate on cessation of fair value hedge accounting Clarifies hedge accounting issues: <ul style="list-style-type: none"> Inflation in a financial hedged item A one-sided risk in a hedged item Amendments for embedded derivatives when reclassifying financial instruments Treating loan prepayment penalties as closely related embedded derivatives Scope exemption for business combination contracts Cash flow hedge accounting 	1 January 2009 1 July 2009 Annual periods ending on or after 30 June 2009 1 January 2010
IAS 40 <i>Investment Property</i>	<ul style="list-style-type: none"> Property under construction or development for future use as investment property Consistency of terminology with IAS 8 Investment property held under lease 	1 January 2009
IFRIC 9 (amended) <i>Re-assessment of Embedded Derivatives</i>	<ul style="list-style-type: none"> Scope of IFRIC 9 and revised IFRS 3 	1 July 2009
IFRIC 16 (amended) <i>Hedges of a Net Investment in a Foreign Operation</i>	<ul style="list-style-type: none"> Amendment to the restriction on the entity that the entity can hold hedging instruments 	1 July 2009
IFRIC 17 <i>Distribution of Non-cash Assets to Owners</i>	<ul style="list-style-type: none"> Interpretation 	1 July 2009
IFRIC 18 <i>Transfers of Assets from Customers</i>	<ul style="list-style-type: none"> Interpretation 	1 July 2009

The impact of the adoption of the above standards and interpretations has not yet been determined.

BASIS OF PREPARATION

The consolidated financial statements are presented in South African rand, which is the currency in which the majority of the group's transactions are denominated. The consolidated financial statements have been prepared on the going concern and historical cost or fair value bases under IFRS.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other resources. Actual results may differ from the estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that may have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the following year, are disclosed at the end of these policies.

The accounting policies set out below have been applied, in all material respects, consistently by all group entities to all periods presented in these consolidated financial statements.

Certain amounts disclosed in the prior year financial statements have been re-classified in the comparative information in this year's financial statements.

BASIS OF CONSOLIDATION

The group annual financial statements incorporate the financial statements of the company, its subsidiaries, joint ventures and associates.

Subsidiaries

A subsidiary is an entity over which the group has control. Control exists where the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account.

The operating results of subsidiaries are included from the date that control commences to the date that control ceases.

Minority interest is measured as a percentage of the equity of relevant subsidiaries.

Intragroup transactions and balances, including any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated annual financial statements.

Associates

Associates are those entities in which investments are held which provide the group with the power to exercise significant influence over the financial and operating policies of those entities, but are not considered to be subsidiaries or joint ventures.

Associates are accounted for by the equity method from their audited or unaudited financial statements to 30 September. Investments in associates are carried in the consolidated balance sheet at cost and adjusted for post-acquisition changes in the group's share of the net assets of the associates, less any impairment in the value of the individual investments.

Losses of an associate in excess of the group's interest in that associate are not recognised, unless the group has incurred legal or constructive obligations or made payments on behalf of the associate.

Intragroup transactions with associates are eliminated to the extent of the group's interest in the relevant associate.

Joint ventures

Joint ventures are those entities which are not subsidiaries and over which the group exercises joint control, which is defined as the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

Joint ventures are accounted for using the proportionate consolidation method, whereby the group's share of each of the assets, liabilities, income, expenses and cash flows of joint ventures are included on a line-by-line basis in the consolidated annual financial statements.

On sales made by the rest of the group to a joint venture, only that portion of the gain attributable to the other venturers is recognised in accounting for intragroup transactions.

Any difference between the cost of the acquisition and the group's share of the net identifiable assets, fairly valued, is recognised and treated according to the group's accounting policy for goodwill.

Goodwill

All business combinations are accounted for by applying the purchase method. The cost of acquisition is measured at the aggregate of the fair values, at the date of acquisition, of assets acquired, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Goodwill represents amounts arising on acquisition of subsidiaries and joint ventures and is the difference between the cost of the acquisition and the fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Goodwill is allocated to cash-generating units (CGUs) expected to benefit from the synergies of the combination. Goodwill is tested annually for impairment or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a jointly controlled entity, the attributable goodwill is included in the determination of the profit or loss on disposal.

In the case of associates, any excess of the cost of acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate at the date of acquisition is recognised as goodwill. Any excess of the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the income statement.

INVESTMENTS

All investments are initially recognised at cost, which includes transaction costs. After initial recognition, investments held for trading and those available-for-sale are measured at their fair values except where stated otherwise. Where investments are held for trading purposes, gains or losses arising from changes in fair value are recognised in the income statement for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is recognised in the income statement for the period.

The fair value of the following categories of investments are measured at amortised cost using the effective interest rate method if they have a fixed maturity or at cost if there is no fixed maturity:

- Loans and receivables not held for trading;
- Held-to-maturity financial assets where the group has the ability and intention to hold the instrument to maturity; and
- Investments in financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured.

The carrying values are reduced by any impairment losses recognised to reflect irrecoverable amounts.

PROPERTY, PLANT AND EQUIPMENT

All owner-occupied property and investment property are stated at cost less accumulated depreciation and accumulated impairment losses. Land is not depreciated and is stated at cost less accumulated impairment losses. Investment properties are held to earn rental income and for capital appreciation, whereas owner-occupied properties are held for use by the group, in the supply of goods, services or for administration purposes.

All other items of plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of normal production overheads.

Where an item of property, plant and equipment comprises major components with different useful lives, these components are accounted for as separate items.

Subsequent expenditure relating to an item of property, plant and equipment is capitalised when it is probable that future economic benefits will flow to the group and the cost of the item can be measured reliably. All other subsequent expenditure (repairs and maintenance) is recognised as an expense when it is incurred. Profits or losses on disposal of property, plant and equipment are the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement.

Depreciation is provided on a straight-line basis over the estimated useful lives of property, plant and equipment in order to reduce the cost of the asset to its residual value.

Residual value is the estimated amount that the group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

The depreciation methods, estimated remaining useful lives and residual values are reviewed at least annually.

INTANGIBLE ASSETS

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on intangible assets is capitalised only when it increases future economic benefits embodied in the specific asset to which it relates. All other subsequent expenditure is expensed as incurred.

Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The amortisation methods and estimated remaining useful lives are reviewed at least annually. Intangible assets with an indefinite useful life are not amortised but are tested at least annually for impairment.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding and expenditure on internally generated goodwill and brands is recognised in the income statement as an expense when incurred.

Software

Purchased software and the direct costs associated with the customisation and installation thereof are stated at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally developed software is capitalised if it is probable that future economic benefits will flow to the group from the asset and the costs of the asset can be reliably measured. Expenditure incurred to restore or maintain the originally assessed future economic benefits of existing software systems is recognised in the income statement.

IMPAIRMENT OF ASSETS

The carrying amounts of the group's assets, other than deferred tax, are reviewed at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. For goodwill, assets with indefinite useful lives and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date. The recoverable amount is the higher of its net selling price and its value in use.

In assessing value in use, the expected future cash flows are discounted to their present value using a pre-taxation discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate cash inflows that are largely independent of those from other assets, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount.

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of goodwill allocated to the CGUs and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

A previously recognised impairment loss, other than goodwill, is reversed to the income statement if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years.

LEASES

Finance leases

Assets subject to finance lease agreements, where considered material and where the group assumes substantially all the risks and rewards of ownership, are capitalised as property, plant and equipment at the lower of fair value and the present value of the minimum lease payments at inception of the lease and the corresponding liability is raised.

The cost of the asset is depreciated at appropriate rates on the straight-line basis over the estimated useful lives of the assets in order to reduce the cost of the asset to its residual value.

Lease payments are allocated using the effective interest rate method to determine the lease finance cost, which is charged to the income statement over the term of the relevant lease, and the capital payment, which reduces the liability to the lessor.

Operating leases

Leases where the lessor retains the risks and rewards of ownership of the underlying asset are classified as operating leases. Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use and are measured at the lower of the carrying amount and fair value less costs to sell. Any change in intention to sell will immediately result in the non-current assets and disposal groups being reclassified at the lower of their carrying amount before they were first classified as held for sale adjusted for any depreciation, amortisation, revaluations and impairment losses and their recoverable amount at the date of the subsequent decision not to sell.

INVENTORY AND CONTRACTS IN PROGRESS

Inventory is stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost is determined on the first-in, first-out basis and includes direct material costs together with appropriate allocations of labour and overheads based on normal operating capacity.

Obsolete, redundant and slow-moving inventory is identified on a regular basis and is written down to its estimated net realisable value. Consumables are written down with regard to their age, condition and utility.

Contracts in progress are valued at the lower of actual cost less progress invoicing and net realisable value. Cost comprises direct materials, labour, expenses and a proportion of overhead expenditure.

TAXATION

Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. The charge for taxation is based on the results for the year as adjusted for items which are non-taxable or disallowed. Income tax comprises current and deferred tax.

Current taxation

Current taxation comprises tax payable on the taxable income for the year, using the tax rates enacted at the balance sheet date, and any adjustment of tax payable in respect of previous years.

Deferred taxation

Deferred tax is provided using the balance sheet liability method, providing for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

The effect on deferred tax of any changes in tax rates is recognised in the income statement, or in equity to the extent that it relates to items previously charged or credited to equity.

Secondary tax on companies (STC)

STC is recognised as part of the tax charge in the income statement in the period dividends are declared, net of STC credits on dividends received.

REVENUE

Revenue comprises net invoiced sales to customers, rental from leasing fixed and moveable assets, commission except from financial assets classified as available-for-sale and interest earned in the group's financing operations and excludes value added tax (VAT).

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer, there is no continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the enterprise, and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the rendering of services is recognised when the amount of revenue can be measured reliably, it is probable that the economic benefits will flow to the enterprise, the stage of completion at the balance sheet date can be measured reliably, and the costs incurred, or to be incurred, in respect of the transaction can be measured reliably.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion that the contract costs incurred for work performed to date bear to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent that contract costs incurred will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately.

Airtime sales by the cellular service provider are disclosed at the amounts charged to subscribers.

Interest is recognised on a time-proportion basis, taking account of the principal amount outstanding and the effective rates over the period to maturity using the effective interest rate method.

OTHER INCOME

Included in other income is commission income from financial assets classified as available-for-sale which is dependent on the occurrence of sales on which the commission is payable.

DIVIDENDS

Dividends are recognised when the shareholder's right to receive them has been established.

FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The Reunert group's and company's functional and presentation currency is rand and all amounts, unless otherwise stated, are stated in millions of rand (Rm).

FOREIGN CURRENCIES

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency and accounted for at the rates of exchange ruling on the date of the transaction. Gains and losses arising from the settlement of such transactions are recognised in the income statement on a net basis unless the gains and losses are material, in which case they are reported separately.

Foreign currency balances

Foreign monetary assets and liabilities of South African companies are translated into the functional currency at rates of exchange ruling at 30 September.

Unrealised differences on foreign monetary assets and liabilities are recognised in the income statement in the period in which they occur.

Foreign entities

The financial statements of foreign operations that are consolidated into the group financial statements are translated into rand as follows:

- Assets and liabilities at rates of exchange ruling at the group's financial year-end; and
- Income, expenditure and cash flow items at the average rates of exchange during the financial year, to the extent that such average rates approximate actual rates.

Differences arising on translation are reflected in non-distributable reserves as a foreign currency translation reserve.

On disposal of part or all of a consolidated foreign operation, the proportionate share of the related cumulative gains and losses previously recognised in the foreign currency translation reserve are included in determining the profit or loss on disposal of that investment recognised in the income statement.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operation and translated at closing rates at balance sheet date.

PROVISIONS

A provision is raised when a reliable estimate can be made of a present legal or constructive obligation, resulting from a past event, which will probably result in an outflow of economic benefits, and there is no realistic alternative to settling the obligation created by the event, which occurred before the balance sheet date.

Product warranties

Provision is made for the group's estimated liability on all products still under warranty at the balance sheet date. The provision is based on historical warranty data and returns and a weighting of possible outcomes against their associated probabilities.

FINANCIAL INSTRUMENTS

Financial assets

The group classifies its financial assets into the following categories:

- at fair value through profit or loss (at FVTPL);
- held-to-maturity investments;
- loans and receivables; and
- available-for-sale financial asset.

The above classification is dependent on the purpose and nature for which the financial assets have been acquired. Management determines the classification of its financial assets at the time of the initial recognition and re-evaluates such designation at least annually.

Financial instruments carried on the balance sheet include cash and cash equivalents, investments, receivables, trade payables, borrowings and derivative instruments.

Financial assets are recognised on transaction date when the group becomes party to the contract and obtains rights to receive economic benefits and derecognises these financial assets when these rights no longer exist, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the assets to another entity. A financial asset is partially derecognised when the company is only entitled to a proportionate share of the future cash flows.

Financial assets are initially measured at cost, including transaction costs on transaction date except for items carried at fair value through profit or loss. Regular way purchases and sales of financial assets are accounted for at settlement date.

Financial assets at FVTPL

Financial assets are classified as at FVTPL where the financial asset is either held for trading or designated as such upon initial recognition. Financial assets at FVTPL are stated at fair value, which initially equates cost, with any resultant gain or loss recognised in the income statement. The net gain or loss recognised in the income statement includes any dividend or interest earned on the financial asset.

The group classifies derivative instruments as held for trading if it is a derivative that is not a designated and effective hedging instrument.

Held-to-maturity investments

Held-to-maturity investments are financial instruments with fixed or determinable payments and fixed maturity dates that the group has the positive intention and ability to hold to maturity. Held-to-maturity investments are recorded at amortised cost using the effective interest rate method less any impairment, with revenue recognised on an effective yield basis.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment.

Available-for-sale financial assets

Unlisted shares held by the group are classified as available-for-sale financial assets. On initial recognition, and subsequently at the balance sheet date, the available-for-sale assets are stated at fair value. Any unrealised gains and losses arising from the changes in fair value of available-for-sale financial assets are recognised directly in equity. Where the investment is disposed of, the cumulative unrealised gain or loss previously recognised in equity is included in profit or loss for the period.

The fair values of financial assets are based on discounted cash flow models. Equity investments for which fair values cannot be measured reliably are recognised at cost less any impairment.

Premiums or discounts arising from the difference between the fair value of the financial asset and the amount receivable at maturity date are charged to the income statement based on the effective interest rate method.

At each balance sheet date, financial assets, other than those at FVTPL, are assessed for indicators of impairment. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been negatively impacted.

In the case of available-for-sale financial assets, a substantial or prolonged decrease in the fair value of the asset below its cost is considered an indicator of impairment. If any such evidence of impairment exists, the cumulative gain or loss that was previously recognised in equity is reversed and charged to the income statement. Impairment losses previously charged to the income statement are not subsequently reversed in the income statement. A change in the fair value of available-for-sale financial assets subsequent to the recognition of an impairment loss is recognised directly in equity.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying value which is deemed to be fair value.

Trade and other receivables

Trade and other receivables are stated at their invoiced value as reduced by appropriate allowances for estimated irrecoverable amounts and cost of collection. An impairment is recognised when there is evidence that the group will not be able to collect all amounts due according to the original terms of the receivable. The amount of the impairment is charged to the income statement.

Derivative instruments

The group is exposed to market risks from changes in interest rates, commodity prices, price risk and foreign exchange rates. The group uses forward exchange contracts, commodity hedges, options and interest rate instruments to hedge its exposure to fluctuations in foreign exchange rates, commodity prices, price risk and interest rates. In accordance with its treasury policy, the group does not hold or issue derivative instruments for trading purposes.

Derivative instruments are initially measured at cost at the date the derivative contract is entered into and are subsequently stated at fair value at each balance sheet date. The resulting gains or losses are charged to the income statement.

Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts, are not measured at fair value, with change in fair value recognised in profit or loss.

Hedge accounting

The group's criteria for a derivative instrument to be designated as a hedging instrument require that:

- ⇒ the hedge transaction is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk;
- ⇒ the effectiveness of the hedge can be reliably measured throughout the duration of the hedge;
- ⇒ there is adequate documentation of the hedging relationship at the inception of the hedge; and
- ⇒ for cash flow hedges, the forecast transaction that is the subject of the hedge must be highly probable.

Fair value hedges

Changes in the fair value of derivatives are recorded in profit or loss, together with changes in the fair value of the hedged item that are attributable to the hedged risk.

Hedge accounting is discontinued when the group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

When forward exchange contracts are entered into as fair value hedges, all gains and losses on such contracts are charged to the income statement.

Cash flow hedges

The effective portion of the changes in the fair value of derivatives are deferred in equity. The gain or loss relating to the ineffective portion is recognised in profit or loss and is included in other "income" or "expenses" line of the income statement.

The effective portion of the gain or loss on the hedging instrument previously recognised in equity, is subsequently removed and included in profit or loss, in the same period or periods during which the hedged item affects profit or loss.

When a forecast transaction that is hedged results in the recognition of a non-financial asset or non-financial liability, the gains or losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised in profit or loss.

Financial liabilities and equity instruments issued by the group

Debt and equity instruments are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual terms of the arrangement.

Debt instruments issued, which carry the right to convert to equity that is dependent on the outcome of uncertainties beyond the control of both the group and the holder, are classified as liabilities except where the possibility of conversion is certain. Financial liabilities include interest-bearing bank loans and overdrafts and trade and other payables.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities. Equity instruments issued by the group are recorded at the proceeds received net of any direct issue costs.

Financial guarantee contract

A financial guarantee contract requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are measured initially at their fair values and are subsequently measured at the higher of:

- ⇒ the amount of the obligation under the contract; and
- ⇒ the amount initially recognised less, where appropriate, cumulative amortisation.

Financial liabilities

Financial liabilities are either classified as:

- ⇒ financial liabilities at fair value through profit or loss (at FVTPL); or
- ⇒ other financial liabilities

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as such upon initial recognition.

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Financial liabilities, other than derivative instruments are recognised at amortised cost, using the effective interest rate method, comprising original debt less principal payments and amortisations.

Other financial liabilities

Other financial liabilities, including interest-bearing bank loans and overdrafts are initially recorded at the proceeds received, net of direct issue costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Trade and other payables are stated at their nominal value.

Derecognition

Financial liabilities are derecognised when the liability is extinguished, that is, the obligation specified in the contract is discharged, cancelled or expires.

ABNORMAL ITEMS

Abnormal items are items of income or expense that arise from ordinary activities but are of such size, nature or incidence that they are disclosed separately in order to best reflect the group's performance.

EMPLOYEE BENEFITS

Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service. The provisions for employee entitlements to wages, salaries, performance bonuses and annual leave represent the amounts which the group has a present obligation to pay as a result of the employee's services provided to the balance sheet date. The provisions have been calculated at undiscounted amounts based on current wage and salary levels.

Retirement benefits

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as defined contribution plans where the group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefit obligations

For defined benefit retirement plans, the cost of providing benefits is determined using the projected-unit credit method, with actuarial valuations being carried out annually.

Actuarial gains and losses which exceed 10 per cent of the greater of the present value of the group's pension obligations and the fair value of plan assets are amortised over the expected average remaining working lives of the participating employees.

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the amended benefits become vested.

The amount recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

SHARE-BASED PAYMENTS

The group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest.

Fair value is measured by use of the binomial pricing model. The expected lives used in the model have been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

BEE transactions

BEE transactions involving the disposal or issue of equity interests in subsidiaries are recognised when the accounting recognition criteria have been met.

Although economic and legal ownership of such instruments have transferred to the BEE partner, the accounting derecognition of such equity interest sold by the parent company or recognition of equity instruments issued in the underlying subsidiary is postponed until the significant risks and rewards of ownership of the equity have passed to the BEE partner.

SEGMENT REPORTING

A segment is a distinguishable component of the group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographic segment), which is subject to risks and rewards that are different from those of other segments. The group's primary business segmentation is based on the group's internal reporting format to management.

CRITICAL JUDGEMENTS AND ESTIMATIONS

In preparing the financial statements in conformity with IFRS, the board of directors has made the following significant judgements, estimates and assumptions:

Contracts in progress

Various assumptions are applied in arriving at the profit or loss recognised on contracts in progress. Refer to the revenue accounting policy for more detail.

Provisions

Various assumptions are applied in arriving at the carrying value of provisions that are recognised in terms of the requirements of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. This includes the provision for warranty claims and contract completion. The carrying amounts of the provisions are disclosed in note 25.

Impairments

Property, plant and equipment as well as intangible assets are considered for impairment when conditions indicate that impairment may be necessary and is considered at least annually. The discounted cash flow method is used, taking into account future expected cash flows, market conditions and the expected useful lives of the assets.

Assumptions were made in assessing any possible impairment of goodwill. Details of these assumptions and risk factors are set out in note 12.

Useful lives and residual values

The useful lives and residual values of property, plant and equipment and intangible assets are reviewed at each balance sheet date. These useful lives are estimated by management based on historic analysis and other available information. The residual values are based on the assessment of useful lives and other available information.

Deferred taxation assets

Judgement is applied by management to determine whether a deferred taxation asset should be recognised in the event of a tax loss, based on whether there will be future taxable income against which to utilise the tax loss.

Retirement benefit obligation

Various assumptions have been applied by the actuaries in the calculation of the retirement benefit obligation. The assumptions are disclosed in note 29 to the annual financial statements.

Deferred tax on fair value of available-for-sale financial asset

In management's opinion the group's available-for-sale financial asset will be realised through a sale. As a result, the capital gains tax rate has been used to determine the deferred tax liability resulting from the fair valuation of the asset.

Income statements

for the year ended 30 September 2009

	Notes	GROUP		COMPANY	
		2009 Rm	2008 Rm	2009 Rm	2008 Rm
REVENUE	1	10 270,8	10 921,1	2 379,2	2 879,1
COST OF SALES		(7 585,4)	(7 915,4)	(1 475,8)	(1 845,9)
GROSS PROFIT		2 685,4	3 005,7	903,4	1 033,2
Other income		36,5	172,0	(6,1)	138,7
Other expenses		(1 581,5)	(1 603,6)	(585,3)	(566,7)
OPERATING PROFIT BEFORE INTEREST, DIVIDENDS AND ABNORMAL ITEMS	2	1 140,4	1 574,1	312,0	605,2
Interest and dividends received	3	129,3	103,5	478,9	446,9
Interest paid	4	(21,1)	(43,2)	(1,5)	(14,3)
PROFIT BEFORE ABNORMAL ITEMS		1 248,6	1 634,4	789,4	1 037,8
Abnormal items	5	299,2	–	299,2	–
PROFIT BEFORE TAXATION		1 547,8	1 634,4	1 088,6	1 037,8
Taxation	6	(374,3)	(486,8)	(114,0)	(206,8)
PROFIT AFTER TAXATION		1 173,5	1 147,6	974,6	831,0
Share of associate companies' profits	14	–	16,1	–	–
PROFIT FOR THE YEAR		1 173,5	1 163,7	974,6	831,0
PROFIT FOR THE YEAR ATTRIBUTABLE TO:					
Minority interest		9,0	7,1	–	–
Equity holders of Reunert		1 164,5	1 156,6	974,6	831,0
		1 173,5	1 163,7	974,6	831,0
BASIC EARNINGS PER SHARE (CENTS)	7	652,4	650,1	–	–
DILUTED EARNINGS PER SHARE (CENTS)	7	646,9	646,9	–	–
CASH DIVIDEND DECLARED AND PAID PER SHARE (CENTS)					
– Interim	8	65,0	78,0	65,0	78,0
CASH DIVIDEND DECLARED PER SHARE (CENTS)					
– Final	8	188,0	241,0	188,0	241,0
TOTAL CASH DIVIDENDS DECLARED PER SHARE (CENTS)		253,0	319,0	253,0	319,0

Balance sheets

at 30 September 2009

	Notes	GROUP		COMPANY	
		2009 Rm	2008 Rm	2009 Rm	2008 Rm
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	10	559,3	569,6	193,9	215,4
Intangible assets	11	28,6	21,7	8,6	12,2
Goodwill	12	460,6	415,3	—	—
Interest in subsidiaries	13	—	—	2 509,4	2 207,0
Other investments and loans	15	853,9	865,3	846,8	858,6
RCCF accounts receivable	16	993,6	1 274,8	—	—
Deferred taxation assets	17	29,1	32,0	—	—
		2 925,1	3 178,7	3 558,7	3 293,2
CURRENT ASSETS					
Inventory and contracts in progress	18	696,2	979,7	260,7	392,0
RCCF accounts receivable	16	709,7	682,2	—	—
Other accounts receivable	16	1 624,6	1 905,1	302,1	452,0
Non-current assets held for sale	19	—	23,1	—	—
Taxation		—	—	21,3	—
Derivative assets	32	41,1	30,2	10,9	6,0
Cash and cash equivalents	20	1 603,1	794,6	90,1	124,5
RCCF bank balances and cash	20	97,6	82,0	—	—
		4 772,3	4 496,9	685,1	974,5
TOTAL ASSETS		7 697,4	7 675,6	4 243,8	4 267,7
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Share capital and premium	21	116,0	106,9	116,0	106,9
Share-based payment reserves	21	679,6	664,3	637,4	633,4
Treasury shares	21	(276,1)	(276,1)	—	—
Investment fair value reserve	22	338,4	621,1	335,8	608,3
Equity transaction with BEE partner	22	(35,3)	(35,3)	—	—
Non-distributable reserves	23	11,9	4,1	0,3	0,3
Retained earnings		3 199,9	2 590,4	2 633,8	2 262,1
Equity attributable to equity holders of Reunert		4 034,4	3 675,4	3 723,3	3 611,0
Minority interest		26,7	20,7	—	—
TOTAL EQUITY		4 061,1	3 696,1	3 723,3	3 611,0
NON-CURRENT LIABILITIES					
Deferred taxation liabilities	17	140,3	208,2	57,4	82,3
Long-term borrowings	24	11,0	12,8	44,2	45,9
RCCF long-term borrowings	24	699,9	699,9	—	—
		851,2	920,9	101,6	128,2
CURRENT LIABILITIES					
Provisions	25	83,0	59,8	24,5	4,9
Trade and other payables		1 653,3	1 729,4	386,5	483,3
Taxation		6,4	84,4	—	36,5
RCCF short-term borrowings	20	1 012,3	1 164,4	—	—
Derivative liabilities	32	27,0	7,0	6,2	2,7
Bank overdrafts and short-term portion of long-term borrowings		3,1	13,6	1,7	1,1
		2 785,1	3 058,6	418,9	528,5
TOTAL EQUITY AND LIABILITIES		7 697,4	7 675,6	4 243,8	4 267,7

Cash flow statements

for the year ended 30 September 2009

	Notes	GROUP		COMPANY	
		2009 Rm	2008 Rm	2009 Rm	2008 Rm
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations before working capital changes	A	1 279,4	1 678,6	370,6	639,3
Decrease/(increase) in net working capital		757,4	(327,7)	183,0	(133,8)
Working capital changes (excluding RCCF)*	B	513,9	(295,2)	183,0	(133,8)
Movement in RCCF accounts receivable		243,5	(32,5)		
Cash generated from operations		2 036,8	1 350,9	553,6	505,5
Interest received		128,9	99,3	12,4	30,5
Interest paid		(21,1)	(43,2)	(1,5)	(12,5)
Dividends received		0,4	91,1	466,5	416,4
Taxation paid	C	(477,5)	(410,8)	(157,5)	(158,1)
Net cash inflow from operating activities available to pay dividends		1 667,5	1 087,3	873,5	781,8
Dividends paid (including to outside shareholders in subsidiaries)	D	(550,3)	(569,0)	(602,9)	(626,2)
Net cash inflow from operating activities		1 117,2	518,3	270,6	155,6
CASH FLOWS FROM INVESTING ACTIVITIES					
Investments to maintain operating capacity		(26,9)	235,4	(8,2)	21,6
– Repayment of non-current loans*		3,6	269,9	3,5	30,6
– Non-current loans granted*		(4,7)	(1,6)	(4,2)	(2,8)
– Replacement of property, plant and equipment and intangible assets		(52,4)	(44,3)	(8,5)	(15,4)
– Proceeds on disposal of non-current assets held for sale		24,0	–	–	–
– Proceeds on disposal of property, plant and equipment, intangible assets, investments and other capital items		2,6	11,4	1,0	9,2
Investments to increase operating capacity		(103,9)	(1 156,7)	(0,1)	(479,2)
– Expansion of property, plant and equipment		(32,7)	(66,8)	(1,4)	(15,3)
– Additions of intangible assets		(2,0)	(6,0)	–	(0,4)
– Equity transaction with BEE partner		–	(35,3)	–	–
– Goodwill on minor acquisitions		(0,8)	–	–	–
– Transfer investment in subsidiary to another subsidiary		–	–	1,5	–
– Acquisition of subsidiaries and businesses	E	(68,4)	(1 048,6)	(0,2)	(463,5)
Net cash outflow from investing activities		(130,8)	(921,3)	(8,3)	(457,6)

Notes	GROUP		COMPANY	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
CASH FLOWS FROM FINANCING ACTIVITIES				
Funds provided by equity holders of Reunert	9,1	16,1	9,1	16,0
Long-term borrowings – raised*	0,1	0,1		
– repaid*	(6,7)	(396,5)	(1,1)	(0,8)
Net loans (from)/to subsidiaries			(304,7)	89,2
Net cash inflow/(outflow) from financing activities	2,5	(380,3)	(296,7)	104,4
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	988,9	(783,3)	(34,4)	(197,6)
NET (BORROWINGS)/CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	(300,5)	482,8	124,5	322,1
NET CASH AND CASH EQUIVALENTS/(BORROWINGS) AT THE END OF THE YEAR	688,4	(300,5)	90,1	124,5
MADE UP OF:				
Cash and cash equivalents	1 603,1	794,6	90,1	124,5
Bank overdrafts	–	(12,7)	–	–
Net cash resources of the group/company excluding RCCF	1 603,1 (914,7)	781,9 (1 082,4)	90,1	124,5
RCCF bank balances and cash	97,6	82,0		
RCCF short-term borrowings	(1 012,3)	(1 164,4)		
Net cash and cash equivalents/(borrowings) (refer to note 20)	688,4	(300,5)	90,1	124,5
Net cash flows from operating activities before dividends paid and excluding movements in RCCF accounts receivable	1 424,0	1 119,8		
Operating cash flow per share (cents)	797,8	629,5		
* In order to enhance disclosures the following amounts relating to discounted debtors with RCCF (refer to note 24), which did not entail a receipt or payment of cash and cash equivalents, have been included.				
Decrease in respect of short-term portion of accounts receivable (included in working capital changes (excluding RCCF))		145,3		
Decrease in respect of long-term portion of accounts receivable (included in repayment of non-current loans)		235,5		
Decrease in respect of the borrowings (included in long-term borrowings – repaid)		(380,8)		

Notes to the cash flow statements

for the year ended 30 September 2009

	GROUP		COMPANY	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
A. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS BEFORE WORKING CAPITAL CHANGES				
Profit before taxation	1 547,8	1 634,4	1 088,6	1 037,8
Adjusted for:				
– Net interest received	(107,8)	(56,1)	(10,9)	(16,2)
– Dividends received	(0,4)	(4,2)	(466,5)	(416,4)
– Depreciation and impairment of property, plant and equipment	82,4	79,3	28,2	28,1
– Amortisation of intangible assets	14,0	7,3	4,0	3,5
– Share option expense	15,0	14,4	4,0	7,5
– Net loss on disposal of property, plant and equipment and non-current assets held for sale	3,9	5,2	1,9	1,0
– Surplus on dilution in shareholding in investment in associate	–	(1,5)	–	–
– Fair valuation adjustment of financial instrument – investment in NSN	(299,2)	–	(299,2)	–
– Other non-cash movements	23,7	(0,2)	20,5	(6,0)
Cash generated from operations before working capital changes	1 279,4	1 678,6	370,6	639,3
B. WORKING CAPITAL CHANGES				
– Inventory and contracts in progress	293,2	(48,6)	131,3	14,2
– Accounts receivable, derivative assets and non-current assets held for sale	283,6	(192,6)	145,0	(106,6)
– Trade and other payables and derivative liabilities	(62,9)	(54,0)	(93,3)	(41,4)
Working capital changes	513,9	(295,2)	183,0	(133,8)
C. RECONCILIATION OF TAXATION PAID TO THE AMOUNTS DISCLOSED IN THE INCOME STATEMENT AS FOLLOWS				
– Net amounts unpaid at the beginning of the year	(84,4)	(12,1)	(36,5)	14,3
– Current taxation per the income statement	(399,5)	(478,2)	(99,7)	(208,9)
– Taxation provisions of subsidiaries purchased	–	(4,9)	–	–
– Net amounts unpaid at the end of the year	6,4	84,4	(21,3)	36,5
Cash amounts paid	(477,5)	(410,8)	(157,5)	(158,1)
D. RECONCILIATION OF CASH DIVIDENDS PAID TO THE AMOUNTS DISCLOSED IN THE STATEMENTS OF CHANGES IN EQUITY AS FOLLOWS				
– Dividends unpaid at the beginning of the year	–	–	–	–
– Dividends per the statement of changes in equity	(546,3)	(567,2)	(602,9)	(626,2)
– Dividends paid to outside shareholders in subsidiaries	(4,0)	(1,8)	–	–
Cash amounts paid	(550,3)	(569,0)	(602,9)	(626,2)

	GROUP		COMPANY	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
E. ANALYSIS OF ACQUISITION OF SUBSIDIARIES AND BUSINESSES				
Inventory	(9,7)	(16,0)	–	(11,1)
Accounts receivable	(14,3)	(245,6)	–	(12,8)
Accounts receivable – RCCF	–	(1 924,5)	–	–
Trade and other payables and provisions	5,4	40,0	–	10,3
Taxation	–	4,9	–	–
Amounts due to bankers and short-term loans	–	858,4	–	–
Property, plant and equipment	(1,4)	(11,5)	–	(6,2)
Intangible assets	(11,9)	(10,0)	–	(6,0)
Deferred taxation	–	50,6	–	–
Net cash on hand at time of the acquisition	–	(73,7)	–	–
Long-term liabilities	7,0	700,7	–	0,2
Goodwill on acquisitions	(44,5)	(137,1)	–	–
Attributable share of net assets at date of acquisition (decrease in investment in associates)	–	279,9	–	–
Shares purchased in existing business	–	–	(0,2)	(437,9)
Cost of investment	(69,4)	(483,9)	(0,2)	(463,5)
Net cash on hand at time of the acquisition	–	73,7	–	–
Amounts due to bankers and short-term loans at time of acquisition	–	(858,4)	–	–
Loan taken over from the seller	–	219,0	–	–
Loans contributed by non-controlling shareholder	1,0	1,0	–	–
Net cash paid	(68,4)	(1 048,6)	(0,2)	(463,5)

Statements of changes in equity

for the year ended 30 September 2009

GROUP

	Notes	Share capital and premium Rm	Share-based payment reserves Rm	Treasury shares Rm	Investment fair value reserve Rm	Equity transaction with BEE partner Rm	Non-distributable reserves Rm	Retained earnings Rm	Attributable to equity holders of Reunert Limited Rm	Minority interest Rm	Total Rm
Balance at 30 September 2007		90,8	649,9	(276,1)	–	–	7,3	1 997,1	2 469,0	14,4	2 483,4
Reunert share of equity accounted associate's actuarially valued surplus of medical aid provision transferred to retained income							(3,9)	3,9	–		–
Foreign currency translation reserve	23						0,7		0,7		0,7
Fair valuation of financial instrument – investment in NSN	14, 15, 22				660,3				660,3		660,3
Deferred taxation on fair value gain	14, 15, 22				(39,2)				(39,2)		(39,2)
Purchase of a portion of BEE partner's interest in a subsidiary	5, 22					(35,3)			(35,3)		(35,3)
Net income recognised directly in equity		–	–	–	621,1	(35,3)	(3,2)	3,9	586,5	–	586,5
Profit for the year								1 156,6	1 156,6	7,1	1 163,7
Total recognised income and expense for the year		–	–	–	621,1	(35,3)	(3,2)	1 160,5	1 743,1	7,1	1 750,2
Share-based payment expense	2, 21		14,4						14,4		14,4
Dividends declared and paid	8							(567,2)	(567,2)	(1,8)	(569,0)
Issue of shares – share capital	21	0,1							0,1		0,1
– share premium	21	16,0							16,0		16,0
Minority interest introduced										1,0	1,0
Balance at 30 September 2008		106,9	664,3	(276,1)	621,1	(35,3)	4,1	2 590,4	3 675,4	20,7	3 696,1
Foreign currency translation reserve	23						(0,9)		(0,9)		(0,9)
Fair valuation adjustment of financial instrument – investment in NSN	15, 22				(311,7)				(311,7)		(311,7)
Deferred taxation on fair value adjustment	15, 22				39,2				39,2		39,2
Fair valuation of financial instrument – interest rate swap	22				(10,2)				(10,2)		(10,2)
Net income recognised directly in equity		–	–	–	(282,7)	–	(0,9)	–	(283,6)	–	(283,6)
Profit for the year								1 164,5	1 164,5	9,0	1 173,5
Total recognised income and expense for the year		–	–	–	(282,7)	–	(0,9)	1 164,5	880,9	9,0	889,9
Share-based payment expense	2, 21		15,0						15,0		15,0
Deferred tax on share-based payment expense	17		0,3						0,3		0,3
Dividends declared and paid	8							(546,3)	(546,3)	(4,0)	(550,3)
Issue of shares – share capital*	21	–							–		–
– share premium	21	9,1							9,1		9,1
Net minority interest introduced									–	1,0	1,0
Transfer to reserves							8,7	(8,7)	–		–
Balance at 30 September 2009		116,0	679,6	(276,1)	338,4	(35,3)	11,9	3 199,9	4 034,4	26,7	4 061,1

* Nil due to rounding

COMPANY

	Notes	Share capital and premium Rm	Share-based payment reserves Rm	Investment fair value reserve Rm	Non-distributable reserves Rm	Retained earnings Rm	Total Rm
Balance at 30 September 2007		90,8	625,8	–	0,3	2 057,3	2 774,2
Fair valuation of financial instrument – investment in NSN				647,5			647,5
Deferred taxation on fair value gain				(39,2)			(39,2)
Net income recognised directly in equity		–	–	608,3	–	–	608,3
Net profit for the year						831,0	831,0
Total recognised income and expense for the year		–	–	608,3	–	831,0	1 439,3
Share-based payment expense	2, 5, 21		7,6				7,6
Dividends declared and paid	8					(626,2)	(626,2)
Issue of shares – share capital	21	0,1					0,1
– share premium	21	16,0					16,0
Balance at 30 September 2008		106,9	633,4	608,3	0,3	2 262,1	3 611,0
Fair valuation adjustment of financial instrument – investment in NSN				(311,7)			(311,7)
Deferred taxation on fair value adjustment				39,2			39,2
Net income recognised directly in equity		–	–	(272,5)	–	–	(272,5)
Net profit for the year						974,6	974,6
Total recognised income and expense for the year		–	–	(272,5)	–	974,6	702,1
Share-based payment expense	2, 5, 21		4,0				4,0
Dividends declared and paid	8					(602,9)	(602,9)
Issue of shares – share capital*	21	–					–
– share premium	21	9,1					9,1
Balance at 30 September 2009		116,0	637,4	335,8	0,3	2 633,8	3 723,3

* Nil due to rounding

Notes to the annual financial statements

for the year ended 30 September 2009

	GROUP		COMPANY	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
1. REVENUE				
Revenue excludes revenue of associate companies and includes export revenue of R930,6 million (2008: R791,3 million) and interest received of R290,8 million (2008: R101,2 million from the date of acquiring 100% stake in Quince) by RCCF (refer to note 33). In terms of the agreement governing the commission income (the agreement) (refer to note 15) NSN may pay a dividend to Reunert as a method of settlement of commission income. Reunert received a dividend of R80 million from NSN in the current year, which relates to sales commission income accruing of R25,7 million and R54,3 million in the previous and current financial years respectively. With effect from 1 October 2008 all commission income earned in terms of the agreement is included in revenue.				
2. OPERATING PROFIT BEFORE INTEREST, DIVIDENDS AND ABNORMAL ITEMS				
Operating profit before interest, dividends and abnormal items is stated after:				
Administration, management and other fees	41,9	38,7	23,6	28,2
Auditors' remuneration:				
Audit fees	12,1	10,4	5,1	4,8
Other fees	1,1	1,4	0,8	0,7
Expenses	0,1	0,1	—	—
	13,3	11,9	5,9	5,5
Depreciation:				
Buildings	12,7	5,7	10,4	3,8
Plant and equipment	62,9	67,5	15,5	22,2
Vehicles	6,8	6,1	2,3	2,1
	82,4	79,3	28,2	28,1
Amortisation:				
Intangible assets	14,0	7,3	4,0	3,5
Bad debt expense	162,3	55,6	8,1	2,6
Rental income from investment properties (included in revenue)	(2,8)	(2,3)	—	—
Direct operating expenses arising from investment properties that generated rental income	1,7	1,4	—	—
Commission income from NSN	—	(139,0)	—	(139,0)
Compensation income received from NSN on cancelled contracts	(12,5)		(12,5)	
The commission income reflects commission earned from the NSN group based on the sales revenue for the subregion of which South Africa forms part. The commission is related to Reunert's investment in NSN (refer to note 1). The commission arising in the current year is included in revenue. The commission income in the prior year includes R25,7 million received in the current year as part of the R80 million dividend.				
Net realised (gains)/losses on currency exchange differences	(60,1)	(13,0)	6,0	11,7
Net unrealised losses/(gains) on currency exchange differences	19,3	(23,8)	(2,3)	(6,1)
Net realised losses/(gains) on fair value adjustments to derivative instruments	22,2	(7,6)	3,6	(0,5)
Net unrealised (gains)/losses on fair value adjustments to derivative instruments	(14,5)	1,6	6,2	(3,4)
	(33,1)	(42,8)	13,5	1,7

	GROUP		COMPANY	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
2. OPERATING PROFIT BEFORE INTEREST, DIVIDENDS AND ABNORMAL ITEMS (continued)				
Net (gains)/losses on financial assets and liabilities at FVTPL				
– designated as at FVTPL	–	(0,6)	–	–
– held for trading	2,4	(7,6)	1,8	–
Income from subsidiaries:				
Fees			5,0	5,1
Rental (included in revenue)			8,9	9,1
			13,9	14,2
Operating lease charges:				
Land and buildings	56,9	40,6	33,1	22,2
Vehicles and other	1,4	1,3	0,4	0,5
	58,3	41,9	33,5	22,7
Research and development expenditure:				
Financed by revenue from customers	31,7	10,9	–	–
Not financed by revenue from customers	26,3	48,8	2,4	34,6
	58,0	59,7	2,4	34,6
Net loss on disposal of plant, equipment, intangible assets and non-current assets held for sale	3,9	5,2	1,8	1,0
Government grants	(2,0)	(1,5)	–	–
Staff costs:				
Salaries and wages	1 087,4	1 102,0	–	–
Pension fund contributions	11,0	8,1	–	–
Provident fund contributions	71,0	67,7	–	–
Other staff costs	57,6	57,1	–	–
	1 227,0	1 234,9	–	–
Share-based payment expense in respect of the group's share option scheme (refer to note 21)	15,0	14,4	4,0	7,6
Compensation of key management personnel				
The remuneration paid to directors and other key management personnel of Reunert during the year was as follows:				
Short-term benefits	43,2	36,0	–	–
Post-employment benefits	3,4	3,1	–	–
Share-based payments	5,6	13,3	–	–
	52,2	52,4	–	–
The remuneration of directors and key management personnel is determined by the remuneration committee, which is based on market trends and the performance of individuals.				
Write-down of inventory (refer to note 18)	47,6	19,0	1,2	16,0

	GROUP		COMPANY	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
3. INTEREST AND DIVIDENDS RECEIVED				
Dividends received:				
– Unlisted subsidiaries			466,1	325,3
– Unlisted associates			–	86,9
– Other	0,4	4,2	0,4	4,2
	0,4	4,2	466,5	416,4
Interest received:				
– Subsidiaries			2,9	7,6
– From RCCF	69,8	20,7		
– Other	59,1	78,6	9,5	22,9
	128,9	99,3	12,4	30,5
	129,3	103,5	478,9	446,9
Interest earned on financial assets analysed by category of asset:				
Bank deposits	43,2	62,2	3,7	16,2
Loans and receivables	80,6	15,7	4,0	6,0
Held-to-maturity investments	1,6	0,4	1,6	0,4
	125,4	78,3	9,3	22,6
Interest earned on non-financial assets	3,5	21,0	3,1	7,9
	128,9	99,3	12,4	30,5
4. INTEREST PAID				
Subsidiaries			1,3	8,1
Long-term borrowings	2,1	0,4	–	–
Short-term loans and bank overdrafts	19,0	42,8	0,2	6,2
	21,1	43,2	1,5	14,3
Interest paid by RCCF (included in cost of sales)	169,6	68,7		
5. ABNORMAL ITEMS				
Gain on fair valuation of option in terms of agreement with NSN (refer to note 15)	299,2	–	299,2	–
Taxation	(37,4)	–	(37,4)	–
Net abnormal item after taxation	261,8	–	261,8	–
6. TAXATION				
South African current taxation:				
– Current year	333,6	442,2	74,1	176,0
– Prior year	13,4	(5,8)	(8,9)	(2,6)
Deferred taxation:				
– Current year (refer to note 17)	13,2	8,8	30,6	(0,3)
– Prior year (refer to note 17)	(38,4)	2,4	(16,3)	(0,2)
– Rate change (refer to note 17)	–	(2,6)	–	(1,6)
Secondary tax on companies:				
– Current year	48,3	37,6	34,5	35,5
	370,1	482,6	114,0	206,8
Foreign normal taxation:				
– Current year	4,2	4,2	–	–
	374,3	486,8	114,0	206,8

	GROUP		COMPANY	
	2009	2008	2009	2008
6. TAXATION (continued)				
Tax rate reconciliation	%	%	%	%
South African normal tax rate	28,0	28,0	28,0	28,0
Movement in rate of taxation due to:				
– Dividends received and other exempt income	(7,8)	(0,1)	(22,1)	(11,2)
– Disallowable expenses	0,5	0,3	0,2	0,2
– Secondary tax on companies	3,1	2,3	3,2	3,4
– Capital gains tax	2,2	–	3,5	–
– Adjustments from prior year	(1,6)	(0,2)	(2,3)	(0,3)
– Temporary differences not recognised	(0,2)	–	–	–
– Foreign tax rate differential	(0,1)	(0,5)	–	–
– Tax losses not recognised	0,1	0,2	–	–
– Tax rate change	–	(0,2)	–	(0,2)
Effective rate of taxation	24,2	29,8	10,5	19,9

The group has total estimated tax losses available to be offset against future taxable income of R29,7 million (2008: R31,3 million). Deferred tax assets have not been raised unless future taxable income is probable.

The group has capital gains tax losses of R36,0 million (2008: R34,2 million) which can be offset against future capital gains. Deferred tax assets have not been raised due to the uncertainty of any future capital gains.

7. 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)	178,5	177,9		
Adjusted by the dilutive effect of:				
– Unexercised share options granted (millions of shares)	1,5	0,9		
– The notional unencumbered Reunert shares held by Bargenel (millions of shares)*	–	–		
Weighted average number of shares used to determine diluted, diluted headline and diluted normalised headline earnings per share (millions of shares)	180,0	178,8		

*The notional unencumbered Reunert shares represent the proportion of the 18,5 million treasury shares held by Bargenel that could be settled out of the year-end equity of Bargenel (being the 18,5 million shares multiplied by the Reunert ordinary share price at the end of the year (R56,00) (2008: R57,49), less the disposal value per share, as defined in the circular to shareholders dated 13 December 2006, dealing with this transaction, net of the upfront discount of 10% (R60,13)).

	Rm	Rm	Rm	Rm
8. CASH DIVIDENDS				
Ordinary dividends paid:				
Final 2008 – 241 cents per share (2007: 241 cents per share)	474,8	472,8	474,8	472,8
Interim 2009 – 65 cents per share (2008: 78 cents per share)	128,1	153,4	128,1	153,4
Attributable to Reunert shares held by a subsidiary	(56,6)	(59,0)		
	546,3	567,2	602,9	626,2
Final ordinary dividend declared:				
188,0 cents per share (2008: 241 cents per share)	370,7	474,6	370,7	474,6
Attributable to Reunert shares held by a subsidiary	(34,8)	(44,6)		
	335,9	430,0	370,7	474,6

The STC payable on the final 2009 dividend is estimated to be R33,6 million. Since the Reunert Limited dividend cycle will not close until 15 January 2010, this amount may reduce.

	Notes	GROUP		COMPANY	
		2009 Rm	2008 Rm	2009 Rm	2008 Rm
9. HEADLINE EARNINGS AND NORMALISED HEADLINE EARNINGS					
HEADLINE EARNINGS PER SHARE (CENTS)	9.1	651,6	651,9		
DILUTED HEADLINE EARNINGS PER SHARE (CENTS)	9.1	646,2	648,7		
NORMALISED HEADLINE EARNINGS PER SHARE (CENTS)	9.2	499,5	630,1		
NORMALISED DILUTED HEADLINE EARNINGS PER SHARE (CENTS)	9.2	495,3	626,9		
9.1 Headline earnings					
Profit attributable to equity holders of Reunert – IAS 33 basic earnings		1 164,5	1 156,6		
Headline earnings are determined by eliminating the effect of the following items in attributable earnings:		(1,4)	3,2		
Net surplus on dilution in and disposal of business		(1,3)	(1,5)		
Net loss on disposal of property, plant and equipment and intangible assets		3,9	5,2		
Taxation		(3,9)	(0,5)		
Minority interest		(0,1)	–		
Headline earnings attributable to equity holders of Reunert		1 163,1	1 159,8		
9.2 Normalised headline earnings					
Headline earnings attributable to equity holders of Reunert (basic and diluted) (refer to note 9.1)		1 163,1	1 159,8		
Normalised headline earnings are determined by eliminating the effect of the following items in attributable headline earnings:		(261,5)	(0,4)		
Gain arising on fair value of option in terms of agreement with NSN (refer to note 15)		(299,2)	–		
Taxation effect thereon		37,4	–		
BEE share of headline and normalised headline earnings adjustments		0,3	(0,4)		
Net economic interest in profit attributable to BEE partners (refer to note 9.3)		(10,0)	(38,5)		
Normalised headline earnings attributable to equity holders of Reunert (basic and diluted)		891,6	1 120,9		
9.3 Black economic empowerment transactions					
Interest in profit that is economically attributable to BEE partners					
Certain BEE transactions involving the disposal of equity interests have not been recognised as minority interests because the significant risks and rewards of ownership of the equity have not passed to the BEE partners under IFRS.					
Accordingly, their equity interests in subsidiaries have not been recognised in the group income statement and balance sheet.					
The effect of this has been to not recognise the following:					
Net economic interest in current year profit attributable to BEE partners (refer to note 9.2)		10,0	38,5		
Balance sheet interest that is economically attributable to BEE partners		115,0	95,3		

	GROUP			COMPANY		
	Accumulated depreciation and		Net book value	Accumulated depreciation and		Net book value
	Cost	impairments	Cost	Cost	impairments	Cost
	Rm	Rm	Rm	Rm	Rm	Rm
10. PROPERTY, PLANT AND EQUIPMENT						
2009						
Freehold land – Investment	21,0		21,0	13,4		13,4
– Owner occupied	21,9		21,9	6,8		6,8
Freehold buildings – Investment	4,0	0,6	3,4	16,5	–	16,5
– Owner occupied	79,9	16,8	63,1	27,9	10,9	17,0
Leasehold buildings – Owner occupied	67,2	23,4	43,8	49,7	14,8	34,9
Plant and equipment	918,9	533,0	385,9	282,5	182,9	99,6
Vehicles	44,8	24,6	20,2	12,3	6,6	5,7
	1 157,7	598,4	559,3	409,1	215,2	193,9
2008						
Freehold land – Investment	21,1		21,1	13,4		13,4
– Owner occupied	21,0		21,0	5,9		5,9
Freehold buildings – Investment	3,9	0,5	3,4	16,5	–	16,5
– Owner occupied	79,5	15,0	64,5	27,9	9,4	18,5
Leasehold buildings – Owner occupied	64,9	12,6	52,3	49,5	5,9	43,6
Plant and equipment	880,7	494,1	386,6	292,1	180,0	112,1
Vehicles	40,8	20,1	20,7	11,1	5,7	5,4
	1 111,9	542,3	569,6	416,4	201,0	215,4

	Land		Buildings		Plant and equipment	Vehicles	2009 Total Rm	2008 Total Rm
	Investment Rm	Owner occupied Rm	Investment Rm	Owner occupied Rm				
MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT – GROUP								
Net book value at the beginning of the year	21,1	21,0	3,4	116,8	386,6	20,7	569,6	565,7
Acquisition of businesses	–	–	–	–	1,4	–	1,4	11,5
Additions	–	0,9	–	3,4	66,2	7,6	78,1	111,1
Disposals	–	–	–	(0,7)	(5,4)	(1,3)	(7,4)	(16,3)
Classified as owner-occupied buildings	(0,1)	–	0,1	–	–	–	–	–
Classified as held for sale	–	–	–	–	–	–	–	(23,1)
	21,0	21,9	3,5	119,5	448,8	27,0	641,7	648,9
Depreciation			(0,1)	(12,6)	(62,9)	(6,8)	(82,4)	(79,3)
Net book value at the end of the year	21,0	21,9	3,4	106,9	385,9	20,2	559,3	569,6

10. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land		Buildings		Plant and equipment Rm	Vehicles Rm	2009 Total Rm	2008 Total Rm
	Invest- ment Rm	Owner occupied Rm	Invest- ment Rm	Owner occupied Rm				
MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT – COMPANY								
Net book value at the beginning of the year	13,4	5,9	16,5	62,1	112,1	5,4	215,4	216,8
Acquisition of businesses	–	–	–	–	–	–	–	6,2
Additions	–	0,9	–	0,2	5,3	3,1	9,5	30,7
Disposals	–	–	–	–	(2,3)	(0,5)	(2,8)	(10,2)
	13,4	6,8	16,5	62,3	115,1	8,0	222,1	243,5
Depreciation			–	(10,4)	(15,5)	(2,3)	(28,2)	(28,1)
Net book value at the end of the year	13,4	6,8	16,5	51,9	99,6	5,7	193,9	215,4

NOTES

1. A register of group property may be inspected at the registered office of the company.

2. The open-market value of investment properties amounts to R44,9 million (2008: R35,5 million).

The open-market values were determined in 2009 by independent valuers who hold recognised and relevant qualifications and who have recent experience in the locations and categories of the investment properties being valued.

3. Useful lives used for the following categories:

Buildings	12 to 50 years
Plant	5 to 33,3 years
Office equipment	5 to 20 years
Computer equipment	3,3 to 10 years
Furniture	5 to 20 years
Vehicles	3 to 12 years

4. The insurable value of the group's property, plant and equipment as at 30 September 2009 amounted to R4,1 billion (2008: R4,1 billion). This is based on the cost of replacement of such assets, except for motor vehicles and certain selected assets which are included at market value.

	GROUP		COMPANY	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
5. Operating leases receivable				
Total future minimum lease payments receivable for all non-cancellable leases on land and buildings				
< 1 year	–	–	4,7	4,7
1 – 5 years	–	–	2,4	7,1
	–	–	7,1	11,8
Gross carrying amount of assets leased under operating leases	–	–	26,8	26,8
Accumulated depreciation	–	–	(1,9)	(1,5)
	–	–	24,9	25,3

	GROUP			COMPANY		
	Cost Rm	Accu- mulated amor- tisation and impair- ments Rm	Net book value Rm	Cost Rm	Accu- mulated amor- tisation and impair- ments Rm	Net book value Rm
11. INTANGIBLE ASSETS						
2009						
Computer software	53,2	44,6	8,6	11,1	9,7	1,4
Customer list, restraint of trade and order book	33,1	13,1	20,0	11,0	3,8	7,2
	86,3	57,7	28,6	22,1	13,5	8,6
2008						
Computer software	48,8	36,7	12,1	10,7	7,8	2,9
Customer list, restraint of trade and order book	16,6	7,0	9,6	11,0	1,7	9,3
	65,4	43,7	21,7	21,7	9,5	12,2
				Customer list, restraint of trade and order book Rm		
			Computer software Rm		2009 Total Rm	2008 Total Rm
MOVEMENT IN INTANGIBLE ASSETS – GROUP						
Net book value at beginning of the year			12,1	9,6	21,7	13,0
Acquisition of businesses			–	11,9	11,9	10,0
Additions			4,4	4,6	9,0	6,0
			16,5	26,1	42,6	29,0
Amortisation			(7,9)	(6,1)	(14,0)	(7,3)
Net book value at the end of the year			8,6	20,0	28,6	21,7
MOVEMENT IN INTANGIBLE ASSETS – COMPANY						
Net book value at beginning of the year			2,9	9,3	12,2	9,2
Acquisition of businesses			–	–	–	6,0
Additions			0,4	–	0,4	0,5
			3,3	9,3	12,6	15,7
Amortisation			(1,9)	(2,1)	(4,0)	(3,5)
Net book value at the end of the year			1,4	7,2	8,6	12,2
NOTE						
Useful lives used for the following categories:						
Computer software			3 – 10 years			
Customer list			4 years			
Restraint of trade			2 years			
Order book			1 year			

	GROUP		COMPANY	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
12. GOODWILL				
Carrying value at the beginning of the year	415,3	372,8		
Acquisition of businesses and subsidiaries	44,5	137,1		
Minor acquisitions in existing businesses and subsidiaries	0,8	–		
Transfer of goodwill in respect of NSN to financial instrument - investment in NSN – at fair value	–	(94,6)		
Carrying value at the end of the year	460,6	415,3		
Goodwill	464,8	419,5		
Accumulated impairments	(4,2)	(4,2)		
	460,6	415,3		
Carrying value attributable to:				
– Joint ventures	10,7	10,7		
– Subsidiaries	449,9	404,6		
	460,6	415,3		

The recoverable amounts of the cash-generating units (CGUs) are determined as the greater of fair value less costs to sell or value in use.

Discounted cash flow calculations have been used to determine the recoverable amount. The key assumptions for the discounted cash flows are those regarding the discount rates and growth rates and are based on management's past experience. Management estimates discount rates using pre-tax rates that reflect the current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on sustainable growth rates in earnings.

	GROUP		
	Quince	Nashua Mobile	CBI-electric: african cables
Carrying amount of goodwill allocated to the CGU (Rm)	124,4	178,1	59,3
Pre-tax discount rates (%)	11,6	11,6	11,6
Sustainable growth rates (%)	–	7,0	7,0

The balance of goodwill of R98,8 million (2008: R73,4 million) has been allocated to other CGUs, none of which is considered significant in relation to total goodwill.

	COMPANY	
	2009 Rm	2008 Rm
13. INTEREST IN SUBSIDIARIES		
(Refer to Annexure A)		
Shares at cost	2 495,3	2 498,3
Amounts owing by subsidiaries	328,4	595,3
Provision for impairment	(124,2)	(124,9)
	2 699,5	2 968,7
Amounts owing to subsidiaries	(190,1)	(761,7)
	2 509,4	2 207,0

	GROUP	
	2009 Rm	2008 Rm
14. INTEREST IN ASSOCIATES		
Shares at cost	–	–
Attributable interest in retained earnings	–	–
Retained earnings at the beginning of the year	–	103,5
Profit after tax and abnormal items	–	16,1
Dividends	–	(18,4)
Transferred to financial instrument – investment in NSN – at fair value (refer to note 15)	–	(90,9)
Quince transferred to interest in subsidiary (refer to note 13)	–	(10,3)
Surplus on dilution of Reunert's investment in Quince	–	2,6
Quince transferred to interest in subsidiary	–	(2,6)
Total interest in associate companies	–	–

	GROUP		COMPANY	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
15. OTHER INVESTMENTS AND LOANS				
Reunert 1988 Share Purchase Trust loans – held at cost	17,4	15,1	17,4	15,1
Other loans – held at cost	34,7	37,2	34,3	37,2
Financial instrument – investment in NSN – at fair value*	494,3	806,0	494,3	806,0
Financial instrument – NSN option – at fair value*	299,2	–	299,2	–
Other unlisted investments – at cost	8,3	7,0	1,6	0,3
Total investments and loans	853,9	865,3	846,8	858,6
Directors' valuation – unlisted investments	801,8	813,0	795,1	806,3

Loans granted by Reunert Limited in respect of the share option scheme (the scheme)

Option holders are obliged to pay one cent per share for shares purchased under the scheme. Thereafter, Reunert may lend the shareholder the remainder of the funds required to purchase the shares at the option price. The loan is granted for a maximum of seven years. The interest rate applicable to the loan is determined in March and September each year for the following six months based on a formula which takes the last dividend declared prior to granting the option divided by the option price, subject to a maximum of the official interest rate as set by the South African Revenue Services from time to time.

	COMPANY	
	2009 Rm	2008 Rm
Value of loans granted during the year to scheme participants	5,2	6,3
Loans to the scheme include loans to Reunert executive directors:		
– Balance at the beginning of the year	2,1	1,5
– Advances and interest during the year	0,1	2,9
– Repaid during the year	(1,0)	(2,3)
Balance at the end of the year	1,2	2,1

*The nature of the investment in NSN and the income received from this investment (refer to note 2) changed, following post-merger restructuring within the NSN group, with effect from 1 October 2007. Significant influence ceased as Reunert no longer has representation on the board of directors, although Reunert retained a 40% legal ownership. The investment in NSN was consequently 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.

The fair value of the investment is the present value of the amount specified in the shareholders' agreement with NSN group, together with discounted cash flows of estimated future commissions. It was assumed that commission income will not grow due to the current economic climate.

An option exists whereby Reunert may put its investment in NSN to the other shareholders of NSN, similarly, the other shareholders of NSN may call on Reunert to sell its shares in NSN. During the current year R12,5 million of compensation, as defined in the agreement with NSN group, was received in respect of a country, sales to whom ceased qualifying for commission. In terms of the agreement any compensation received reduces the minimum and maximum prices of the options.

The minimum price of the put option is R793,5 million (2008: R806,0 million) and the maximum price of the call option is R947,5 million (2008: R960,0 million).

The first time the options may be exercised is on 31 December 2010, and if not exercised then, another opportunity exists for either party to exercise its option on 31 December 2012. Based on the growth rate discussed above the option value at 30 September 2009 is R299,2 million (2008: Rnil) and the value of the investment is R494,3 million (2008: R806,0 million).

For information regarding the maturity profile relating to other investments refer to note 32.

	GROUP		COMPANY	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
16. RCCF AND OTHER ACCOUNTS RECEIVABLE				
16.1 RCCF accounts receivable				
Discounted deals:				
Collectable within one year	771,3	698,2		
Provision for doubtful debts	(61,6)	(16,0)		
	709,7	682,2		
Collectable after one year	993,6	1 274,8		
	1 703,3	1 957,0		
The discounted deals comprise the present value of discounted rental agreements, which are repayable over varying periods up to a maximum of five years from the balance sheet date.				
The RCCF accounts receivable are ceded as security for the RCCF long-term borrowings (refer to note 24).				
16.2 Other accounts receivable				
Trade receivables	1 321,8	1 571,4	280,3	388,7
Retention receivables	4,6	5,0	—	—
Claims, prepayments and other receivables	363,6	384,9	49,9	79,1
Provision for doubtful debts	(65,4)	(56,2)	(28,1)	(15,8)
	1 624,6	1 905,1	302,1	452,0

Trade receivables to the value of R239,5 million (2008: R182,5 million) have been ceded as security for certain trade payables.

16.3 Movement in the allowance for doubtful debts classified into major risk types (including RCCF)

	Insured debtors Rm	Individuals/ contractors and small business Rm	Mines/ large business govern- ment - national and regional Rm	Total Rm
GROUP – 2009				
Balance at the beginning of the year	(3,7)	(53,3)	(15,2)	(72,2)
Decrease/(increase) in allowance	0,1	(146,3)	(12,3)	(158,5)
Amounts recovered during the year	0,3	—	0,3	0,6
Amounts written off during the year (against provision)	1,3	109,3	1,8	112,4
Other	—	(9,3)	—	(9,3)
Balance at the end of the year	(2,0)	(99,6)	(25,4)	(127,0)
GROUP – 2008				
Balance at the beginning of the year	(2,9)	(29,1)	(9,9)	(41,9)
Increase in allowance	(1,3)	(77,3)	(6,8)	(85,4)
Amounts written off during the year (against provision)	0,4	58,3	1,6	60,3
Other	0,1	(5,2)	(0,1)	(5,2)
Balance at the end of the year	(3,7)	(53,3)	(15,2)	(72,2)

	Insured debtors Rm	Individuals/ contractors and small business Rm	Mines/ large business govern- ment - national and regional Rm	Total Rm
16. RCCF AND OTHER ACCOUNTS RECEIVABLE (continued)				
16.3 Movement in the allowance for doubtful debts classified into major risk types (including RCCF) (continued)				
COMPANY – 2009				
Balance at the beginning of the year	–	(2,9)	(12,9)	(15,8)
Increase in allowance	(0,2)	(3,8)	(9,8)	(13,8)
Amounts written off during the year (against provision)	–	0,2	1,3	1,5
Balance at the end of the year	(0,2)	(6,5)	(21,4)	(28,1)
COMPANY – 2008				
Balance at the beginning of the year	–	(3,4)	(7,6)	(11,0)
Decrease/(increase) in allowance	–	0,2	(6,8)	(6,6)
Amounts written off during the year (against provision)	–	0,2	1,6	1,8
Other	–	0,1	(0,1)	–
Balance at the end of the year	–	(2,9)	(12,9)	(15,8)
16.4 Ageing of past due but not impaired accounts receivable classified into major risk types (including RCCF)				
GROUP – 2009				
0 – 30 days	25,0	56,0	76,4	157,4
31 – 60 days	15,5	19,6	28,3	63,4
61 – 90 days	2,7	7,2	12,0	21,9
90 + days	9,8	20,4	20,0	50,2
Total	53,0	103,2	136,7	292,9
GROUP – 2008				
0 – 30 days	48,7	29,9	91,0	169,6
31 – 60 days	25,6	19,7	24,2	69,5
61 – 90 days	6,9	13,3	12,2	32,4
90 + days	3,9	5,5	25,2	34,6
Total	85,1	68,4	152,6	306,1
COMPANY – 2009				
0 – 30 days	13,1	16,9	5,4	35,4
31 – 60 days	6,5	5,2	1,6	13,3
61 – 90 days	1,2	0,9	–	2,1
90 + days	2,8	3,5	0,2	6,5
Total	23,6	26,5	7,2	57,3
COMPANY – 2008				
0 – 30 days	2,2	10,7	10,0	22,9
31 – 60 days	13,7	11,8	2,1	27,6
61 – 90 days	–	5,7	1,7	7,4
90 + days	1,5	0,6	0,4	2,5
Total	17,4	28,8	14,2	60,4

	GROUP		COMPANY	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
17. DEFERRED TAXATION ASSETS/LIABILITIES				
MOVEMENT OF GROUP DEFERRED TAXATION				
Balance at the beginning of the year	(176,2)	(77,9)	(82,3)	(45,2)
Tax rate change (refer to note 6)	—	2,6	—	1,6
Current year charge (refer to note 6)	(13,2)	(8,8)	(30,6)	0,3
Deferred tax directly in equity (refer to notes 21 and 22)	39,5	(39,2)	39,2	(39,2)
Adjustment for prior years (refer to note 6)	38,4	(2,4)	16,3	0,2
Subsidiaries acquired	—	(50,5)	—	—
Other	0,3	—	—	—
	(111,2)	(176,2)	(57,4)	(82,3)
Deferred taxation liabilities	(140,3)	(208,2)	(57,4)	(82,3)
Deferred taxation assets	29,1	32,0	—	—
	(111,2)	(176,2)	(57,4)	(82,3)
ANALYSIS OF DEFERRED TAXATION				
Capital allowances	(79,5)	(115,5)	(15,1)	(15,9)
Provisions and accruals	7,6	(18,5)	(5,3)	(31,2)
Advance income offset by allowed future expenditure	1,0	2,3	0,4	4,0
Effect of tax losses	(3,5)	(5,5)	—	—
Capital gains tax on fair valuation of financial asset	(37,4)	(39,2)	(37,4)	(39,2)
Share-based payment reserve	0,3	—	—	—
Other (net)	0,3	0,2	—	—
	(111,2)	(176,2)	(57,4)	(82,3)
18. INVENTORY AND CONTRACTS IN PROGRESS				
Raw materials and components	174,5	171,0	51,7	59,5
Finished goods	210,0	288,3	52,7	65,4
Merchandise	173,2	291,4	154,0	264,4
Consumable stores	7,0	6,6	1,0	1,0
Contracts and other work-in-progress	131,5	222,4	1,3	1,7
	696,2	979,7	260,7	392,0
The value of inventory has been determined on the following bases:				
First-in, first-out	432,9	541,9	242,5	379,8
Weighted average cost	115,9	116,7	—	—
Net realisable value	12,8	10,4	5,9	3,9
Standard cost	134,6	310,7	12,3	8,3
	696,2	979,7	260,7	392,0
Write-down of inventory recognised in the income statement (refer to note 2)	47,6	19,0	1,2	16,0
19. NON-CURRENT ASSETS HELD FOR SALE				
A property in Port Elizabeth owned by Telecom Cables, that is no longer required for production purposes that was classified as a non-current asset held for sale in the past year, was sold in the current year.				
Property, plant and equipment	—	23,1	—	—
20. RCCF AND OTHER CASH AND CASH EQUIVALENTS				
Bank balances and cash	1 603,1	794,6	90,1	124,5
Bank overdrafts	—	(12,7)	—	—
	1 603,1	781,9	90,1	124,5
RCCF bank balances and cash	97,6	82,0	—	—
RCCF short-term borrowings	(1 012,3)	(1 164,4)	—	—
Net cash and cash equivalents/(borrowings)	688,4	(300,5)	90,1	124,5

			GROUP		COMPANY	
			2009	2008	2009	2008
			Rm	Rm	Rm	Rm
21. SHARE CAPITAL AND PREMIUM						
AUTHORISED SHARE CAPITAL						
235 000 000 ordinary shares of 10 cents each			23,5	23,5	23,5	23,5
350 000 5,5% cumulative preference shares of R2 each			0,7	0,7	0,7	0,7
31 057 729 redeemable preference shares of 1 cent each			0,3	0,3	0,3	0,3
			24,5	24,5	24,5	24,5
	Number of shares 2009	Number of shares 2008				
ISSUED SHARE CAPITAL						
Ordinary shares of 10 cents each						
At the beginning of the year			196 922 185	196 173 545		
Shares issued during the year in terms of the Reunert 1985 Share Option Scheme			263 100	748 640		
At the end of the year			197 185 285	196 922 185		
Ordinary shares of 10 cents each			19,7	19,7	19,7	19,7
350 000 5,5% cumulative preference shares of R2 each			0,7	0,7	0,7	0,7
			20,4	20,4	20,4	20,4
SHARE PREMIUM						
At the beginning of the year			86,5	70,5	86,5	70,5
Arising on the issue of ordinary shares			9,1	16,0	9,1	16,0
At the end of the year			95,6	86,5	95,6	86,5
Total issued share capital and premium			116,0	106,9	116,0	106,9
SHARE-BASED PAYMENT RESERVES						
As a result of IFRS 2						
At the beginning of the year			664,3	649,9	633,4	625,8
Share option reserve arising on the expensing of executive share options (refer to note 2)			15,0	14,4	4,0	7,6
Deferred tax on share base payment expense (refer to note 17)			0,3	–	–	–
At the end of the year			679,6	664,3	637,4	633,4
TREASURY SHARES						
Reunert shares bought back and held by Bargenel 18 500 000 (2008: 18 500 000)			(276,1)	(276,1)		

			COMPANY	
			Number of shares 2009	Number of shares 2008
UNISSUED ORDINARY SHARES				
Total shares reserved to meet the requirements of the Reunert 1985 Share Option Scheme and the Reunert 1988 Share Purchase Scheme			2 620 000	3 400 000
Shares issued during the year			(263 100)	(748 640)
Number of shares that were available for purposes of the scheme at year-end			2 356 900	2 651 360
The directors have general authority over these shares until the next annual general meeting.				

21. SHARE CAPITAL AND PREMIUM (continued)**Executive share option schemes**

Options to take up Reunert ordinary shares are granted to executives in terms of the Reunert 1985 Share Option Scheme and the new Reunert 2006 Option Scheme.

The terms of both schemes allow the recipient of the options to exercise one-third after three years and a further one-third each in years four and five. Any options unexercised lapse after 10 years from the date of initial issue or the moment an option holder resigns from the group. Should the option price exceed the market price, option holders may decline to exercise their right to have Reunert shares issued to them.

	Number of options unexercised at the beginning of the year (Thousands)	Options granted during the year (Thousands)	Options exercised during the year (Thousands)	Options* relinquished/ forfeited during the year (Thousands)	Number of options unexercised at the end of the year (Thousands)	Amount received for options exercised Rm
2009						
Exercise price						
R14,10 [†]	52	—	—	—	52	—
R15,80 [†]	54	—	—	—	54	—
R17,70 [†]	20	—	—	—	20	—
R15,99 [†]	264	—	(74)	—	190	1,2
R41,90 [†]	2 075	—	(189)	(160)	1 726	7,9
R71,30 [▲]	1 098	—	—	(1 045)	53	—
R53,50 [▲]	1 177	—	—	(947)	230	—
R39,30 [▲]	—	3 872	—	(64)	3 808	—
	4 740	3 872	(263)	(2 216)	6 133	9,1
2008						
Exercise price						
R14,10 [†]	62	—	(10)	—	52	0,1
R15,80 [†]	124	—	(40)	(30)	54	0,6
R17,70 [†]	43	—	(23)	—	20	0,4
R15,99 [†]	731	—	(454)	(13)	264	7,3
R17,30 [†]	67	—	(67)	—	—	1,2
R41,90 [†]	2 335	—	(155)	(105)	2 075	6,5
R71,30 [▲]	—	1 108	—	(10)	1 098	—
R53,50 [▲]	—	1 207	—	(30)	1 177	—
	3 362	2 315	(749)	(188)	4 740	16,1

The weighted average share price, at the dates of exercise, for share options exercised during the year was R46,90 (2008: R56,72).

* During the year certain rights to exercise 966 500 R71,30 share options and 837 500 R53,50 share options were rendered non-exercisable by mutual consent between the company and the option holders.

† Issued in terms of the Reunert 1985 Share Option Scheme.

▲ Issued in terms of the Reunert 2006 Option Scheme.

21. SHARE CAPITAL AND PREMIUM (continued)

Estimated fair value of options granted after 7 November 2002:

Share option	Fair value per option R	Total option value Rm	Share options expensed in previous periods Rm	Share option expense for the year Rm	Share options to be expensed in future periods Rm
R15,99	4,7	8,9	8,9	—	—
R17,30	5,0	1,0	1,0	—	—
R41,90	11,1	28,2	22,5	4,0	1,7
R71,30	17,4	19,3	4,0	5,0	10,3
R53,50	14,6	17,6	2,9	4,6	10,1
R39,30	8,9	18,8	—	1,4	17,4
		93,8	39,3	15,0	39,5

These fair values were calculated using a Binomial option pricing model.

The inputs into the model were as follows:

	R15,99 Share option	R17,30 Share option	R41,90 Share option	R71,30 Share option	R53,50 Share option	R39,30 Share option
Share price at issue (R)	15,99	17,30	41,90	71,30	53,50	39,30
Exercise price (R)	15,99	17,30	41,90	71,30	53,50	39,30
Expected volatility	25,14%	25,29%	25,25%	22,69%	25,34%	32,09%
Expected option life	8 years	8 years	10 years	10 years	10 years	10 years
Expected dividend yield	5,93%	5,93%	5,67%	4,37%	4,51%	7,45%
Risk-free interest rate	11,75%	10,32%	7,74%	9,70%	9,20%	BEASSA zero coupon swap curve

R15,99, R17,30 and R41,90 options

Expected volatility was determined by calculating the historical volatility of Reunert's share price from 30 September 2002 to the issue date of each option. The share price movements prior to 30 September 2002 are considered to be "abnormal" in terms of being a reasonable reflection of the volatility going forward.

The model allowed for early exercise based on rational investor behaviour. A zero forfeiture rate has been used due to the strong performance of the Reunert share and a historic forfeiture rate of 0,9% per annum. This will only affect the timing of the share option expense as opposed to the total expense being recognised in the income statement.

R71,30 and R53,50 options

Expected volatility was determined by calculating the historical volatility of Reunert's share price from 23 August 2006 to the issue date of each option. The share price movement from this date was considered to reflect a more normal pattern than the movements prior to that date.

The model allowed for early exercise based on rational investor behaviour. A 6% forfeiture rate has been used due to the performance of the Reunert share of late and a historic forfeiture rate of a similar amount.

R39,30 options

Expected volatility assumed is a five-year equally weighted volatility of the Reunert share price on the JSE and was estimated using data sourced from iNet.

The model allowed for early exercise based on rational investor behaviour. A 6% forfeiture rate has been used due to the performance of the Reunert share of late and a historic forfeiture rate of a similar amount.

The risk-free interest rate used the BEASSA zero coupon swap curve which ranges from 6,87% (NACC) for one year to 8,62% for 10 years.

3 872 000 options were issued at a strike price of R39,30 per share. 1 757 000 of these options were issued to employees who were also offered the R71,30 and R53,50 options issued in the previous financial year. The new options were granted to those who also received the options previously after the mutual consent between the company and option holder to render the R71,30s and R53,50s non-exercisable. This constitutes a modification to the original options in terms of IFRS 2 *Share-Based Payments*. Under these circumstances, the fair value of the original options will continue to be expensed over the vesting period in terms of the original grant. The granting of the 2 115 000 options to employees who did not receive the R71,30 or R53,50 options amounts to a new issue and the value of this issue is expensed over the vesting period of this new issue.

	GROUP		COMPANY	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
22. TRANSACTIONS RECOGNISED DIRECTLY IN EQUITY				
INVESTMENT FAIR VALUE RESERVE				
At the beginning of the year	621,1	–	608,3	–
Fair valuation adjustment on financial instrument – investment in NSN (refer to note 15)	(311,7)	660,3	(311,7)	647,5
Deferred taxation on fair value adjustment	39,2	(39,2)	39,2	(39,2)
Fair valuation of financial instrument – interest rate swap	(10,2)	–	–	–
At the end of the year	338,4	621,1	335,8	608,3
EQUITY TRANSACTION WITH BEE PARTNER				
Payment to BEE partner in excess of amount owed by them (refer to statement of changes in equity and notes 24 and 33)	(35,3)	(35,3)		
23. NON-DISTRIBUTABLE RESERVES				
Statutory and other reserves				
At the beginning of the year	1,2	4,4	–	–
Movement	7,8	(3,2)	–	–
At the end of the year	9,0	1,2	–	–
Capital redemption reserve at the end of the year	2,9	2,9	0,3	0,3
Total non-distributable reserves	11,9	4,1	0,3	0,3

	GROUP		COMPANY	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
24. LONG-TERM BORROWINGS				
SECURED – AT AMORTISED COST (NON-RCCF)				
Long-term loans	0,2	0,2	–	–
Less: Short-term portion	–	–	–	–
	0,2	0,2	–	–
Finance leases	0,1	0,2	45,9	47,0
Less: Short-term portion	(0,1)	(0,1)	(1,7)	(1,1)
Total secured	0,2	0,3	44,2	45,9
UNSECURED – AT AMORTISED COST (NON-RCCF)				
Long-term loans	10,8	13,3	–	–
Less: Short-term portion	–	(0,8)	–	–
Total unsecured	10,8	12,5	–	–
Long-term borrowings	11,0	12,8	44,2	45,9
RCCF LONG-TERM BORROWINGS SECURED – AT AMORTISED COST				
Long-term loans	699,9	699,9	–	–
Less: Short-term portion	–	–	–	–
RCCF long-term borrowings	699,9	699,9	–	–

The long-term loan relates to AA Notes issued in RCCF. This loan bears interest at JIBAR plus 0,39% per annum and final payment will be made in 2012.

The loan is secured by the RCCF accounts receivable (refer to note 16).

Amounts payable under finance leases

Total minimum lease payments	0,1	0,2	72,8	78,8
< 1 year	0,1	0,1	6,5	6,0
1 – 5 years	–	0,1	30,9	28,8
> 5 years	–	–	35,4	44,0
Less: Future finance charges	–	–	(26,9)	(31,8)
< 1 year	–	–	(4,8)	(4,9)
1 – 5 years	–	–	(16,0)	(17,4)
> 5 years	–	–	(6,1)	(9,5)
Present value of minimum lease payments	0,1	0,2	45,9	47,0
< 1 year	0,1	0,1	1,7	1,1
1 – 5 years	–	0,1	14,9	11,4
> 5 years	–	–	29,3	34,5

Reunert entered into a lease agreement with RCCF, taken over by RFCL on 1 September 2007, whereby the new Nashua building is leased over a period of 12 years at an interest rate of 10,5% per annum.

The other finance leases relate to minor equipment with average lease terms of three to five years. The group has options to purchase the equipment for nominal amounts at the conclusion of the lease agreement.

The group's obligations under finance leases are secured by the lessors' title to the leased assets.

The fair value of the lease liabilities are approximately equal to their carrying amount.

25. PROVISIONS

Description of nature of obligation	Carrying amounts at the beginning of the year Rm	Additional provisions created in the year Rm	Amounts utilised during the year Rm	Unutilised amounts reversed during the year Rm	Carrying amounts at the end of the year Rm
GROUP					
Warranty	45,5	1,1	(4,7)	(0,5)	41,4
Contract completion	4,4	2,2	(0,1)	(1,9)	4,6
Other	9,9	32,1	(5,0)	–	37,0
	59,8	35,4	(9,8)	(2,4)	83,0
COMPANY					
Warranty	0,6	1,0	(1,0)	(0,1)	0,5
Other	4,3	20,1	(0,4)	–	24,0
	4,9	21,1	(1,4)	(0,1)	24,5

The provisions have been determined based on assessments and estimates made by management. Actual results could differ from estimates and there are no fixed terms of utilisation relating to the warranty provisions. It has been assumed that the provisions are short term in nature.

	GROUP		COMPANY	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
26. COMMITMENTS				
Expenditure on property, plant and equipment				
– Contracted	17,9	9,0	4,6	1,5
– Authorised not yet contracted	38,6	65,2	24,8	10,4
Total expenditure on property, plant and equipment	56,5	74,2	29,4	11,9
The above expenditure, to occur in 2010 and 2011 will be financed from existing group resources.				
Operating lease commitments in respect of land and buildings, vehicles and other assets				
< 1 year	39,4	30,3	20,1	11,6
1 – 5 years	51,8	56,1	32,8	35,2
> 5 years	–	4,5	3,5	4,4
Total operating lease commitments	91,2	90,9	56,4	51,2
Comprising				
Land and buildings	90,7	90,0	56,3	51,1
Motor vehicles and other assets	0,5	0,9	0,1	0,1
Total operating lease commitments	91,2	90,9	56,4	51,2
Certain immaterial operating leases for office equipment have not been included in calculating the operating lease commitments as the cost of obtaining that information outweighs the benefit of that information.				
27. CONTINGENT LIABILITIES				
Guarantees for advance payments on behalf of subsidiary companies	–	–	49,3	26,1
	–	–	49,3	26,1

28. DIRECTORS' REMUNERATION AND INTERESTS

Payable to the directors of the company by the company and its subsidiaries for services as directors:

EXECUTIVE DIRECTORS

	Salary R'000	Bonus and performance related payments R'000	Travel allowances R'000	Retirement contributions R'000	Medical contributions R'000	Total R'000
2009						
G Pretorius	3 291	1 000	98	342	19	4 750
BP Gallagher	1 667	500	139	184	20	2 510
GJ Oosthuizen	1 504	500	108	159	19	2 290
DJ Rawlinson	1 645	500	102	174	59	2 480
	8 107	2 500	447	859	117	12 030
2008						
G Pretorius	2 593	3 396	312	473	18	6 792
BP Gallagher	1 409	1 829	139	263	18	3 658
GJ Oosthuizen	1 265	1 629	125	222	18	3 259
DJ Rawlinson	1 348	1 786	144	243	51	3 572
	6 615	8 640	720	1 201	105	17 281

NON-EXECUTIVE DIRECTORS

	COMPANY	
	2009 R'000	2008 R'000
	Total paid for the year (all directors' and committee fees)	
MJ Shaw	366	425
BP Connellan	178	162
KS Fuller	208	188
SD Jagoe	231	209
KJ Makwetla	108	98
KC Morolo (resigned 1 February 2008)	—	33
TJ Motsosi (appointed 1 June 2008)	108	33
TS Munday (appointed 1 June 2008)	228	36
KW Mzondeki (appointed 1 November 2009)	—	—
ND Orleyn	108	98
JC van der Horst	154	139
R van Rooyen (appointed 1 November 2009)	—	—
	1 689	1 421

28. DIRECTORS' REMUNERATION AND INTERESTS (continued)

SHARE OPTIONS

EXECUTIVE DIRECTORS

	Balance of* unexercised share options as at 1 October 2008	Number of options granted during the year	Balance of unexercised share options as at 30 September 2009	Option price R	Date of allocation	Date from which exercisable
G Pretorius	120 000		120 000	41,90	29/8/2005	29/8/2008
		100 000	100 000	39,30	18/6/2009	18/6/2012
BP Gallagher	50 000		50 000	41,90	29/8/2005	29/8/2008
		50 000	50 000	39,30	18/6/2009	18/6/2012
GJ Oosthuizen	50 000		50 000	41,90	29/8/2005	29/8/2008
		50 000	50 000	39,30	18/6/2009	18/6/2012
DJ Rawlinson	60 000		60 000	41,90	29/8/2005	29/8/2008
		50 000	50 000	39,30	18/6/2009	18/6/2012
	280 000	250 000	530 000			

* The opening balance of share options does not include the R71,30 and R53,50 shares which were rendered non-exercisable by mutual consent between the company and the option holders.

No options were exercised during the year by executive directors. Loans granted to BP Gallagher and GJ Oosthuizen to finance options exercised during 2008 to purchase 33 400 shares each at a strike price of R15,99 per share were not fully repaid by the end of the financial year. The shares are held as security for the loans.

None of the directors' service contracts expressly provides for a notice period and in the circumstances that such service contracts are terminable on reasonable notice, the notice period will be less than one year.

A predetermined compensation on termination of service will be payable to executive directors in line with circumstances which would ordinarily give rise to an obligation requiring an employer to pay severance pay in terms of the provisions of the Labour Relations Act, 1995 or the Basic Conditions of Employment Act, 1997. In such event, a severance package shall be equal to the multiple of the relevant individual's monthly remuneration, such multiple ranging between 12 and 36 months. However, the multiple is limited to the number of months that remains from the termination date to the date on which the relevant individual would have reached normal retirement age. This payment is calculated by reference to the relevant individual's cash earnings plus the value of medical aid, pension contributions and pensionable service, group life and permanent health insurance benefits and the performance bonus earned by the employee in the preceding year. In addition, the relevant employee will be granted permission to exercise share options and to repay loans which may be due to a share purchase scheme.

29. RETIREMENT BENEFIT INFORMATION

In line with the group's policy to provide retirement benefits to its employees, 80% (2008: 72%) of the group's employees belong to various retirement schemes.

Industrial legislation requires that certain employees be members of designated industry schemes. At year end 14% (2008: 14%) of the group's employees were members of such schemes, most notably the Engineering Industries' Pension Fund and Metal Industries' Provident Fund. The total employer contributions for the year to these funds amounted to R7,6 million (2008: R7,9 million).

38% (2008: 34%) of the group's total employees, are members of the Reunert Retirement Fund, which consists of both the Reunert Pension Fund and Reunert Provident Fund.

The Reunert Retirement Fund is a defined contribution plan, apart from death benefits that are paid by the Pension Fund, which is registered in terms of the Pension Funds Act, 1956. The fund was last reviewed by the actuary at 28 February 2007 and found to be in a sound financial position. The total employer contribution to this fund amounted to R48,3 million (2008: R43,1 million).

The Lincolnwood Provident Fund, a defined benefit plan registered in terms of the Pensions Fund Act, 1956, was closed during 2009. This is consistent with the group's policy to phase out all defined benefit plans and to provide retirement benefits for staff in terms of defined contribution plans.

The normal employer contributions to the fund amounted to Rnil (2008: R2,2 million).

The fund was actuarially valued in terms of the Pension Funds Second Amendments Act, 2001 at February 2008, at which date the fund was found to be in a sound financial position.

The remaining 28% (2008: 24%) of the group's total employees, who are not members of the abovementioned schemes, participate in other benefit plans, which consist of 11 defined contribution plans. All of these funds are subject to the Pension Funds Act, 1956. The total employer contributions to these funds amounted to R26,0 million (2008: R22,8 million).

30. SUMMARISED FINANCIAL INFORMATION OF JOINT VENTURES

	JOINT VENTURES			
	2009		2008	
	Total Rm	Reunert share Rm	Total Rm	Reunert share Rm
INCOME STATEMENT				
Revenue	785,2	392,6	761,1	380,6
Profit after taxation	82,2	41,1	55,0	27,5
Dividends	25,0	12,5	–	–
BALANCE SHEET				
Non-current assets	221,1	110,6	214,8	107,4
Current assets (excluding cash)	207,5	103,8	316,1	158,1
Cash and cash equivalents	96,5	48,2	50,0	25,0
Current liabilities	(88,6)	(44,3)	(162,4)	(81,2)
Non-current liabilities	(25,4)	(12,7)	(64,7)	(32,4)
Equity	(411,1)	(205,6)	(353,8)	(176,9)

	Interest	
	2009 %	2008 %
JOINT VENTURES		
Lexshell 661 Investments (Pty) Limited	50,0	50,0
Telecom Cables	50,0	50,0

31. RELATED PARTY TRANSACTIONS

Counterparty	Relationship	Sales Rm	Commission income Rm	Purchases Rm	Compen- sation Rm	Short-term borrowings Rm	Net interest paid/ (received) Rm	Treasury shares Rm
GROUP 2009								
Telecom Cables NSN	A joint venture Reunert owns 40% of NSN	8,7	—	7,1	—	1,8	(1,2)	—
Bargenel	Owens 18,5 million Reunert shares	—	54,3	—	12,5	—	—	—
		—	—	—	—	—	—	276,1
GROUP 2008								
CAFCA	ATC owns 72% of CAFCA	2,2	—	5,7	—	—	—	—
Telecom Cables NSN	A joint venture Reunert owns 40% of NSN	5,9	—	3,8	—	13,2	(3,9)	—
Quince	Reunert owned 48% of Quince (now 100%)	—	139,0	—	—	—	—	—
Bargenel	Owens 18,5 million Reunert shares	82,6	—	—	—	—	—	—
		—	—	—	—	—	—	276,1

Counterparty	Relationship	Sales Rm	Commission income Rm	Purchases Rm	Compen- sation Rm	Lease payments made Rm	Lease payments received Rm	Net adminis- tration fees paid Rm	Other paid/ (received) Rm
COMPANY 2009									
Subsidiaries of Reunert		279,3	—	34,3	—	0,7	0,1	351,6	2,8
NSN	Reunert owns 40% of NSN	—	54,3	—	12,5	—	—	—	—
COMPANY 2008									
Subsidiaries of Reunert		355,1	—	176,9	—	0,4	—	372,0	—
NSN	Reunert owns 40% of NSN	—	139,0	—	—	—	—	—	—
Transactions with key management personnel		2009 Rm	2008 Rm						
- Payments to a post-employment benefit plan		3,4	3,1						
- Services rendered (cell phone contracts and other)		0,6	0,3						
- Loans from key management personnel		—	3,5						

Refer to note 2 for information on compensation of key management personnel.

	GROUP		COMPANY	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
32. FINANCIAL INSTRUMENTS				
CATEGORIES OF FINANCIAL INSTRUMENTS				
Financial assets				
Fair value through profit or loss (FVTPL)				
Held for trading (included in derivative assets)	41,1	14,7	10,9	6,0
Designated as at FVTPL (RCCF hedge accounting) (included in derivative assets and long and short-term RCCF accounts receivable)	—	534,0	—	—
Held-to-maturity investments (included in investments)	6,8	6,8	—	—
Loans and receivables (included in cash and cash equivalents, accounts receivable (including RCCF) and other investments and loans)	5 001,2	4 146,7	415,5	583,8
Available-for-sale financial asset (included in investments)	494,3	806,0	494,3	806,0
Derivative assets	41,1	30,2	10,9	6,0
FECs	20,5	12,3	—	6,0
Other	11,1	—	10,9	—
Interest rate swaps – non-RCCF	0,6	2,4	—	—
Fair value through profit or loss	32,2	14,7	10,9	6,0
Interest rate swaps – RCCF	8,9	15,5	—	—
NSN option (refer to note 15)	299,2	—	299,2	—
Financial liabilities				
Fair value through profit or loss (FVTPL)				
Held for trading (included in derivative liabilities)	(27,0)	(5,8)	(6,2)	(2,7)
Designated as at FVTPL (included in derivative liabilities)	—	(1,2)	—	—
Amortised cost (included in long-term borrowings, bank overdrafts and short-term portion of long-term borrowings and accounts payable)	(3 063,1)	(3 326,5)	(408,0)	(472,6)
Derivative liabilities	(27,0)	(7,0)	(6,2)	(2,7)
FECs	(7,5)	(2,8)	(6,2)	(2,7)
Interest rate swaps – RCCF	(18,1)	(1,2)	—	—
Other	(1,4)	(3,0)	—	—

RISK MANAGEMENT

The Reunert group is exposed to liquidity, credit, foreign currency, interest rate and commodity price risks arising from its financial instruments.

The risk management relating to each of these risks is discussed under the headings below. The group's objective in using derivative instruments for hedging purposes is to reduce the uncertainty over future cash flows arising from foreign currency, interest rate and commodity price risk exposures.

32. FINANCIAL INSTRUMENTS (continued)

LIQUIDITY RISK

Liquidity risk is the risk that an entity in the group will be unable to meet its obligations in respect of financial liabilities when they become due.

The group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities and by continuously monitoring forecast and actual cash flows.

All of the group's short-term borrowings or excess cash is directed through RFCL, which is managed by senior management from the head office of the group.

The overnight call market is mainly used for short-term borrowings, with three to six-month borrowings used when deemed appropriate. Excess cash is only deposited with reputable banks and is spread over more than one bank to reduce exposures to any one institution.

The following table details the group's remaining contractual maturity for its financial liabilities. The table reflects the undiscounted cash flows of financial liabilities based on the earliest date on which the group is required to pay. The table includes both interest and principal cash flows.

	GROUP					Total Rm
	0 – 30 days Rm	31 – 180 days Rm	181 days – 1 year Rm	1 – 5 years Rm	> 5 years Rm	
2009						
Financial liabilities included in trade and other payables	(779,1)	(555,5)	(0,7)	(1,3)	(0,2)	(1 336,8)
Bank overdrafts and short-term portion of long-term borrowings – excluding RCCF	(1,7)	–	(1,4)	–	–	(3,1)
Long-term borrowings – excluding RCCF	–	–	–	(7,3)	(3,7)	(11,0)
RCCF borrowings	(1 012,3)	–	–	(699,9)	–	(1 712,2)
Derivative instruments						
FECs (gross settled)	(3,4)	(4,1)	–	–	–	(7,5)
Interest rate swaps – RCCF	–	–	–	(18,1)	–	(18,1)
Other derivative instruments (net settled)	(1,4)	–	–	–	–	(1,4)
	(1 797,9)	(559,6)	(2,1)	(726,6)	(3,9)	(3 090,1)
2008						
Financial liabilities included in trade and other payables	(927,7)	(489,2)	(18,8)	–	–	(1 435,7)
Bank overdrafts and short-term portion of long-term borrowings – excluding RCCF	(1,2)	(11,5)	(0,9)	–	–	(13,6)
Long-term borrowings – excluding RCCF	–	–	–	(12,8)	–	(12,8)
RCCF borrowings	(375,1)	–	(789,3)	–	(699,9)	(1 864,3)
Loan commitments	–	(2,3)	–	–	–	(2,3)
Derivative instruments						
FECs (gross settled)	(2,8)	–	–	–	–	(2,8)
Interest rate swaps – RCCF	–	–	–	(1,2)	–	(1,2)
Other derivative instruments (net settled)	(3,0)	–	–	–	–	(3,0)
	(1 309,8)	(503,0)	(809,0)	(14,0)	(699,9)	(3 335,7)

32. FINANCIAL INSTRUMENTS (continued)
LIQUIDITY RISK (continued)

	COMPANY					Total Rm
	0 – 30 days Rm	31 – 180 days Rm	181 days – 1 year Rm	1 – 5 years Rm	> 5 years Rm	
2009						
Financial liabilities included in trade and other payables	(124,4)	(237,6)	(0,1)	–	–	(362,1)
Bank overdrafts and short-term portion of long-term borrowings	–	–	(1,7)	–	–	(1,7)
Long-term borrowings	–	–	–	(14,9)	(29,3)	(44,2)
Derivative instruments						
FECs (gross settled)	(3,1)	(3,1)	–	–	–	(6,2)
	(127,5)	(240,7)	(1,8)	(14,9)	(29,3)	(414,2)
2008						
Financial liabilities included in trade and other payables	(155,0)	(270,6)	–	–	–	(425,6)
Bank overdrafts and short-term portion of long-term borrowings	–	–	(1,1)	–	–	(1,1)
Long-term borrowings – excluding RCCF	–	–	–	(12,5)	(33,4)	(45,9)
Derivative instruments						
FECs (gross settled)	(2,5)	(0,2)	–	–	–	(2,7)
	(157,5)	(270,8)	(1,1)	(12,5)	(33,4)	(475,3)

The following table details the group's expected maturity for its financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets.

	GROUP			Total Rm
	<1 year Rm	1 – 5 years Rm	> 5 years Rm	
2009				
Cash and cash equivalents	1 700,7	–	–	1 700,7
Financial assets included in accounts receivable – excluding RCCF	1 519,9	23,7	–	1 543,6
RCCF accounts receivable	709,7	993,6	–	1 703,3
Other investments and loans	0,4	554,3	–	554,7
Derivative instruments				
FECs	30,6	–	–	30,6
Interest rate swaps – excluding RCCF	–	–	0,6	0,6
Interest rate swaps RCCF	–	9,9	–	9,9
NSN option	–	299,2	–	299,2
	3 961,3	1 880,7	0,6	5 842,6
2008				
Cash and cash equivalents	876,6	–	–	876,6
Financial assets included in accounts receivable – excluding RCCF	1 804,3	–	–	1 804,3
RCCF accounts receivable	682,2	1 274,8	–	1 957,0
Other investments and loans	–	855,1	10,2	865,3
Derivative instruments				
FECs	12,3	–	–	12,3
Interest rate swaps – excluding RCCF	–	–	2,4	2,4
Interest rate swaps RCCF	1,1	14,4	–	15,5
	3 376,5	2 144,3	12,6	5 533,4

32. FINANCIAL INSTRUMENTS (continued)

LIQUIDITY RISK (continued)

	COMPANY			Total Rm
	<1 year Rm	1 – 5 years Rm	> 5 years Rm	
2009				
Cash and cash equivalents	90,1	–	–	90,1
Financial assets included in accounts receivable	272,1	–	–	272,1
Other investments and loans	–	547,6	–	547,6
Derivative instruments	10,9	–	–	10,9
NSN option	–	299,2	–	299,2
	373,1	846,8	–	1 219,9
2008				
Cash and cash equivalents	124,5	–	–	124,5
Financial assets included in accounts receivable	406,7	–	–	406,7
Other investments and loans	30,0	812,6	16,0	858,6
Derivative instruments	6,0	–	–	6,0
	567,2	812,6	16,0	1 395,8

BORROWING CAPACITY

The borrowings of the group are limited in terms of the company's articles of association.

	GROUP		COMPANY	
	2009 Actual Rm	2008 Actual Rm	2009 Actual Rm	2008 Actual Rm
Long-term borrowings	710,9	712,7	44,2	45,9
Bank overdrafts and short-term portion of long-term borrowings	1 015,4	1 178,0	1,7	1,1
	1 726,3	1 890,7	45,9	47,0

The group's maximum borrowings in terms of the articles of association are R3 836,4 million (2008: R3 442,3 million).

The company's maximum borrowings in terms of the articles of association are R3 410,0 million (2008: R3 218,7 million).

32. FINANCIAL INSTRUMENTS (continued)

CREDIT RISK

Credit risk refers to the risk of financial loss due to counterparties to financial instruments, including debtors, not meeting their contractual obligations. This risk is managed through ongoing credit evaluations of the financial condition of all customers. The granting of credit is controlled by application and credit vetting procedures which are updated and reviewed on an ongoing basis.

Where considered necessary, exports are covered by letters of credit and where appropriate, credit insurance is also obtained.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings.

	GROUP		COMPANY	
	2009 %	2008 %	2009 %	2008 %
Total cash and cash equivalents, investments, accounts receivable and derivative instruments (net market value of these contracts), by geographic region exposed to:				
South Africa	96,1	92,5	92,6	90,3
Rest of Africa	1,4	2,1	6,2	7,7
Europe	0,7	3,2	0,3	1,1
Australasia	0,5	0,5	—	—
USA	0,4	0,4	0,2	—
Other	0,9	1,3	0,7	0,9
	100,0	100,0	100,0	100,0

The maximum exposure to credit risk of financial assets included in trade and other receivables before any impairment losses or credit enhancements and excluding any collateral held, classified into major risk types:

	GROUP		COMPANY	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
Trade and other receivables (including RCCF)	2 380,2	2 558,6	300,2	422,5
Insured debtors	196,3	419,8	106,9	180,4
Contractors	13,8	3,8	0,4	0,9
Individuals/small businesses	756,3	405,2	70,9	124,0
Mines/large businesses/government and parastatals	1 354,2	1 620,4	118,6	110,2
Municipalities	59,6	109,4	3,4	7,0
Derivative contracts	41,1	30,2	10,9	6,0
Insured debtors	20,4	6,7	—	6,0
Mines/large businesses/government and parastatals	20,7	23,5	10,9	—
	2 421,3	2 588,8	311,1	428,5

32. FINANCIAL INSTRUMENTS (continued)

FOREIGN CURRENCY RISK

Foreign currency risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

The group has appointed a foreign currency management firm to manage its major currency exposures. A mandate is agreed with the firm from time to time which then manages the exposure within this mandate.

Forward exchange contracts at 30 September 2009 and 2008 are summarised below:

	GROUP			
	Foreign amount million	Fair value Rm	Contract value Rm	Unrealised (gains)/ losses Rm
2009				
Imports – trade				
USD	(11,3)	(86,2)	(89,2)	3,0
Euro	(14,2)	(158,2)	(161,6)	3,4
GBP	(0,5)	(6,2)	(6,4)	0,2
Yen	(178,2)	(15,1)	(15,7)	0,6
CHF	(0,6)	(4,5)	(4,7)	0,2
Imports – capital				
Euro	(0,2)	(1,7)	(1,7)	–
		(271,9)	(279,3)	7,4
Exports – trade				
USD	5,7	43,2	63,4	(20,2)
Euro	0,5	5,1	5,3	(0,2)
		48,3	68,7	(20,4)
Total net forward exchange contracts		(223,6)	(210,6)	(13,0)
			Rm	
Accounts payable in foreign currencies			(214,6)	
Of which covered by forward exchange contracts			204,0	
Accounts receivable in foreign currencies			58,4	
Of which covered by forward exchange contracts			(48,2)	
2008				
Imports – trade				
USD	(21,3)	(177,1)	(168,3)	(8,8)
Euro	(15,5)	(184,9)	(187,9)	3,0
GBP	(1,4)	(21,3)	(21,4)	0,1
Yen	(706,7)	(56,6)	(53,3)	(3,3)
CHF	(1,3)	(9,9)	(9,7)	(0,2)
AUD	(0,2)	(1,3)	(1,4)	0,1
Imports – capital				
Euro	(0,2)	(2,5)	(2,5)	–
		(453,6)	(444,5)	(9,1)
Exports – trade				
USD	4,2	34,8	35,2	(0,4)
Euro	0,2	2,8	2,8	–
Yen	3,1	0,2	0,2	–
		37,8	38,2	(0,4)
Total net forward exchange contracts		(415,8)	(406,3)	(9,5)
			Rm	
Accounts payable in foreign currencies			(343,8)	
Of which covered by forward exchange contracts			332,2	
Accounts receivable in foreign currencies			106,0	
Of which covered by forward exchange contracts			(17,9)	

32. FINANCIAL INSTRUMENTS (continued)

Forward exchange contracts at 30 September 2009 and 2008 are summarised below:

	COMPANY			
	Foreign amount million	Fair value Rm	Contract value Rm	Unrealised (gains)/ losses Rm
2009				
Imports – trade				
USD	(4,6)	(35,4)	(37,8)	2,4
Euro	(13,3)	(148,1)	(151,1)	3,0
GBP	(0,3)	(3,7)	(3,9)	0,2
Yen	(170,8)	(14,5)	(15,1)	0,6
CHF	(0,1)	(0,3)	(0,3)	–
		(202,0)	(208,2)	6,2
			Rm	
Accounts payable in foreign currencies			(199,6)	
Of which covered by forward exchange contracts			189,0	

	COMPANY			
	Foreign amount million	Fair value Rm	Contract value Rm	Unrealised (gains)/ losses Rm
2008				
Imports – trade				
USD	(9,9)	(82,7)	(79,9)	(2,8)
Euro	(13,8)	(164,1)	(166,7)	2,6
GBP	(0,6)	(8,2)	(8,3)	0,1
Yen	(702,4)	(56,3)	(52,9)	(3,4)
CHF	(0,3)	(2,5)	(2,5)	–
AUD	(0,2)	(1,3)	(1,4)	0,1
		(315,1)	(311,7)	(3,4)
			Rm	
Accounts payable in foreign currencies			(294,2)	
Of which covered by forward exchange contracts			283,2	

FOREIGN CURRENCY SENSITIVITY ANALYSIS

The following table details the group's sensitivity to a 10% weakening (2008: 10% weakening) in the rand against the relevant foreign currencies. A 10% (2008: 10%) decrease represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and FECs and adjusts their translation at the year-end for a 10% change in foreign currency rates.

	GROUP		COMPANY	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
(Profit)/loss before tax impact				
USD	(13,7)	(11,7)	(3,5)	(7,6)
Euro	(6,1)	(16,7)	(0,5)	(7,6)
GBP	(0,5)	(2,1)	(0,3)	(0,8)
Yen	1,6	–	1,6	–
CHF	(0,3)	(1,0)	0,1	(0,2)
AUD	(0,2)	(3,0)	–	(3,0)
Profit before tax	(19,2)	(34,5)	(2,6)	(19,2)
Taxation	5,4	9,7	0,7	5,4
Profit after taxation impact	(13,8)	(24,8)	(1,9)	(13,8)

32. FINANCIAL INSTRUMENTS (continued)**INTEREST RATE RISK**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The group, excluding RCCF, is exposed to interest rate risk as it operates on a net cash basis. RCCF is financed out of this net cash and external borrowings at variable rates.

RCCF receivables may either be fixed or variable rate instruments. When deemed necessary, RCCF may enter into various interest rate instruments to mitigate the risk posed by financing fixed rate receivables with variable rate borrowings.

The company has not entered into any interest rate hedging instruments.

Details of the interest rate hedging instruments are:

	GROUP			
	<1 year Rm	1 – 5 years Rm	> 5 years Rm	Total Rm
2009				
Contract value	–	850,0	39,6	889,6
	–	1,0	0,6	1,6
Derivative asset	–	–	0,6	0,6
Derivative asset (RCCF)	–	19,1	–	19,1
Derivative liability (RCCF)	–	(18,1)	–	(18,1)
Average fixed interest rate (%)	–	12,7	10,5	
2008				
Contract value	100,0	500,0	48,0	648,0
	1,1	13,2	2,4	16,7
Derivative asset	–	–	2,4	2,4
Derivative asset (RCCF)	1,1	14,4	–	15,5
Derivative liability (RCCF)	–	(1,2)	–	(1,2)
Average fixed interest rate (%)	8,9	11,1	10,5	

The interest rate hedges settle on a quarterly basis. The floating rate on the interest rate hedge is the three-month JIBAR. The group will settle the difference between the fixed and floating interest rate on a net basis.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance sheet date.

The analysis is prepared assuming the amount of net assets outstanding at the balance sheet date was outstanding for the whole year. A 2% increase is used for both the current year and prior year and represents management's assessment of the reasonable possible change in interest rates.

A 2% decrease would have the opposite effect on net profit after tax.

32. FINANCIAL INSTRUMENTS (continued)

INTEREST RATE RISK (continued)

The group's exposure to interest rate risk and the effective interest rates on financial instruments at balance sheet date are:

	GROUP				
	Weighted average effective interest rate %	Floating interest rate Rm	Fixed interest rate Rm	Non- interest- bearing Rm	Total Rm
2009					
Assets					
Cash and cash equivalents	6,7	1 700,7	–	–	1 700,7
Financial assets included in accounts receivable – excluding RCCF	14,5	99,2	61,1	1 383,3	1 543,6
RCCF accounts receivable	14,5	237,5	1 465,8	–	1 703,3
Other investments and loans	8,0	21,1	–	533,6	554,7
NSN option	–	–	–	299,2	299,2
		2 058,5	1 526,9	2 216,1	5 801,5
Liabilities					
Financial liabilities included in trade and other payables	10,0	(7,9)	–	(1 328,9)	(1 336,8)
Bank overdrafts and short-term portion of long-term borrowings – excluding RCCF	8,1	(0,1)	(1,7)	(1,3)	(3,1)
Long-term borrowings – excluding RCCF	8,4	(2,5)	–	(8,5)	(11,0)
RCCF borrowings – long term	8,4	(699,9)	–	–	(699,9)
RCCF borrowings – short term	8,1	(1 012,3)	–	–	(1 012,3)
		(1 722,7)	(1,7)	(1 338,7)	(3 063,1)
Net financial assets		335,8	1 525,2	877,4	2 738,4
2008					
Assets					
Cash and cash equivalents	10,0	872,9	–	3,7	876,6
Financial assets included in accounts receivable – excluding RCCF	13,0	100,5	–	1 665,9	1 766,4
RCCF accounts receivable	15,6	682,2	1 274,8	–	1 957,0
Other investments and loans	15,0	21,6	–	843,7	865,3
		1 677,2	1 274,8	2 513,3	5 465,3
Liabilities					
Financial liabilities included in trade and other payables	15,0	(12,1)	–	(1 423,6)	(1 435,7)
Bank overdrafts and short-term portion of long-term borrowings – excluding RCCF	14,5	(13,6)	–	–	(13,6)
Long-term borrowings – excluding RCCF	13,8	(12,8)	–	–	(12,8)
RCCF borrowings – long term	12,6	(699,9)	–	–	(699,9)
RCCF borrowings – short term	13,9	(1 164,4)	–	–	(1 164,4)
		(1 902,8)	–	(1 423,6)	(3 326,4)
Net financial (liabilities)/assets		(225,6)	1 274,8	1 089,7	2 138,9

If the group's interest rates had been 2% higher and all other variables remained constant, the group's profit after tax for the year ended 30 September 2009 would decrease by R4,6 million (2008: decrease by R3,2 million). This is mainly attributable to the group's exposure to interest rates on its variable rate deposits.

32. FINANCIAL INSTRUMENTS (continued)**INTEREST RATE RISK (continued)**

The company's exposure to interest rate risk and the effective interest rates on financial instruments at balance sheet date are:

	COMPANY				Total Rm
	Weighted average effective interest rate %	Floating interest rate Rm	Fixed interest rate Rm	Non- interest- bearing Rm	
2009					
Assets					
Cash and cash equivalents	6,7	90,1	—	—	90,1
Financial assets included in accounts receivable	—	—	—	272,1	272,1
Other investments and loans	8,0	21,1	—	526,5	547,6
NSN option	—	—	—	299,2	299,2
		111,2	—	1 097,8	1 209,0
Liabilities					
Financial liabilities included in trade and other payables	—	—	—	(362,1)	(362,1)
Bank overdrafts and short-term portion of long-term borrowings	11,0	—	(1,7)	—	(1,7)
Long-term borrowings	10,5	—	(44,2)	—	(44,2)
		—	(45,9)	(362,1)	(408,0)
Net financial assets/(liabilities)		111,2	(45,9)	735,7	801,0
2008					
Assets					
Cash and cash equivalents	10,0	124,5	—	—	124,5
Financial assets included in accounts receivable	—	—	—	406,7	406,7
Other investments and loans	15,0	21,6	—	837,0	858,6
		146,1	—	1 243,7	1 389,8
Liabilities					
Financial liabilities included in trade and other payables	15,0	—	—	(425,6)	(425,6)
Bank overdrafts and short-term portion of long-term borrowings	14,5	—	(1,1)	—	(1,1)
Long-term borrowings	13,9	—	(45,9)	—	(45,9)
		—	(47,0)	(425,6)	(472,6)
Net financial assets/(liabilities)		146,1	(47,0)	818,1	917,2

If the company's interest rates had been 2% higher and all other variables remained constant, the company's profit after tax for the year ended 30 September 2009 would increase by R1,6 million (2008: increase by R2,1 million). This is mainly attributable to the company's exposure to interest rates on its variable rate deposits.

32. FINANCIAL INSTRUMENTS (continued)

COMMODITY PRICE RISK (GROUP AND COMPANY)

The group makes use of copper, lead and aluminium hedges of short duration, when we have fixed price contracts, as a means of mitigating the price risks on these commodity purchases.

The decision to hedge is made at operational level by senior management.

Should the commodity prices decrease by 30% and the rand strengthen by 10%, the group's profit after tax would decrease by R8,6 million. Should the commodity prices increase by 30% and the rand weaken by 10%, the group's profit after tax would increase by an equivalent amount.

This sensitivity analysis is based on management's best assessment of the possible change in the commodity prices and the rand/US\$ exchange rate.

FAIR VALUE OF FINANCIAL INSTRUMENTS (GROUP AND COMPANY)

The fair value of financial assets and liabilities is based on the following methods and assumptions and is determined as follows:

CASH AND CASH EQUIVALENTS

The carrying amounts approximate fair value because of the short-term nature of these instruments.

ACCOUNTS RECEIVABLE

The carrying amounts of rand denominated receivables approximate fair value because of the short-term nature of these instruments. The carrying amounts of foreign currency denominated receivables have been converted at the rate of exchange ruling on the last day of the financial year. These amounts approximate fair value because of the short-term nature of these instruments.

The carrying amount of the RCCF long-term accounts receivable and discounted deals approximate fair value because the rates inherent in the deals are market related and are the same rates used to discount back to their carrying values.

OTHER INVESTMENTS AND LOANS

The fair value of the interest-bearing loans has been determined by discounting the future cash flows of these loans back to present values using current market-related interest rates.

The remainder of the investments are non-interest-bearing. The fair value of these loans cannot be determined as they have no repayment terms. These loans and minor unlisted share investments are assumed to have a carrying value that approximates fair value.

TRADE AND OTHER PAYABLES

The carrying amounts of accounts payable denominated in rand approximate fair value because of the short-term nature of these liabilities. The carrying values of accounts payable denominated in foreign currencies have been converted at the rate of exchange ruling on the last day of the financial year. These amounts approximate fair value because of the short-term nature of these instruments.

The RCCF short-term borrowings approximate fair value because of their short-term nature.

FORWARD EXCHANGE CONTRACTS

Fair value represents the foreign currency value of the exchange contracts converted at the forward rate that could have been obtained at the year-end on a similar contract to the same maturity date.

INTEREST RATE SWAPS

Fair value represents the net market value of equivalent instruments at balance sheet date.

OPTIONS (GROUP AND COMPANY)

NSN

(Refer to note 15)

POWERHOUSE/ATC TRANSACTIONS

Refer to note 24 for more information on this transaction.

The agreement with Powerhouse contains certain conditions which result in options for Reunert:

Upon the occurrence of certain events (for example, if Powerhouse ceases to be a black economic empowerment entity), Powerhouse will be deemed to have offered its equity for sale to RES (a wholly owned subsidiary of Reunert). The purchase consideration payable by RES is dependent on whether the loan between Powerhouse and Reunert has been repaid in full or not. RES, therefore, has the option to acquire the shares Powerhouse holds in ATC under these circumstances.

A fair value for this option cannot be reliably determined, since the equity instrument does not have a quoted market price in an active market and other methods of reasonably estimating the fair value are at this stage inappropriate or unworkable.

33. ACQUISITION OF BUSINESSES**2009****Acquisition of Blue Lake Investments**

With effect from 1 October 2008 Nashua Mobile purchased 75% of the business of Blue Lake Investments which is involved in least cost routing. The company was valued at R28,0 million.

Nashua Mobile has provided R21,0 million in loan finance and the non-controlling shareholder has provided R7,0 million (refer to note 32).

Acquisition of Nashua franchise

With effect from 1 July 2009 Nashua Holdings has acquired a 60% share in the Nashua Central franchise. RCCF provided R43,4 million in loan finance. Nashua Holdings contributed R3,0 million and the minority shareholders R2,0 million of equity.

	A	B	(A and B)
	Blue Lake	Nashua	Group
	Rm	Central	Rm
Net assets acquired			
Property, plant and equipment	—	1,4	1,4
Intangible assets	8,7	3,2	11,9
Goodwill	19,3	25,2	44,5
Inventory	—	9,7	9,7
Accounts receivable	—	14,3	14,3
Payables and provisions	—	(5,4)	(5,4)
Shareholder's loan	(7,0)	—	(7,0)
Cost of investment	21,0	48,4	69,4
Profit since acquisition	4,9	2,9	7,8
Revenue for the full year ended 30 September 2009 as though the acquisition date had been 1 October 2008	25,5	133,1	158,6
Profit for the full year ended 30 September 2009 as though the acquisition date had been 1 October 2008	4,9	14,7	19,6

No acquisitions were made by the company in 2009.

33. ACQUISITION OF BUSINESSES (continued)

2008

Acquisition of Nashua franchise

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

Acquisition of Moeller

With effect from 1 April 2008 the business and net assets of Moeller were purchased by CBI-electric: low voltage division of Reunert Limited for R25,6 million.

Acquisition of Quince

With effect from 1 June 2008 Reunert Limited bought 53% of Quince's share capital not previously owned by it. Simultaneously Quince sold its investments in ZS Rational and Scripfin to PSG.

Quince retained its 100% ownership of RCCF. The values placed on the respective businesses were the same as those used when the businesses were sold to Quince.

Reunert paid cash of R218,9 million to the previous shareholders and took over a loan obligation of R219 million from PSG.

	A Nashua franchises Rm	B Moeller Rm	C Quince (Group) Rm	D Quince (Company) Rm	(A to C) Group Rm	(B and D) Company Rm
Net assets acquired						
Property, plant and equipment	2,2	6,2	3,1	–	11,5	6,2
Intangible assets	–	6,0	4,0	–	10,0	6,0
Goodwill	12,7	–	124,4	–	137,1	–
Inventory	4,9	11,1	–	–	16,0	11,1
Accounts receivable	5,0	12,8	227,8	–	245,6	12,8
RCCF accounts receivable	–	–	1 924,5	–	1 924,5	–
Net cash	–	–	73,7	–	73,7	–
Payables and provisions	(4,2)	(10,3)	(25,5)	–	(40,0)	(10,3)
Amounts due to bankers and short-term loans	–	–	(858,4)	–	(858,4)	–
Long-term liability	(0,2)	(0,2)	(700,3)	–	(700,7)	(0,2)
Taxation	–	–	(4,9)	–	(4,9)	–
Deferred tax	–	–	(50,6)	–	(50,6)	–
Attributable share of net assets at date of acquisition (decrease in investment in associates)	–	–	(279,9)	–	(279,9)	–
Shares purchased in Quince	–	–	–	437,9	–	437,9
Cost of investment	20,4	25,6	437,9	437,9	483,9	463,5
(Loss)/profit since acquisition	(1,3)	1,5	16,5	–	16,7	1,5
Revenue for the full year ended 30 September 2008 as though the acquisition date had been 1 October 2007	58,7	80,4	295,6	–	434,7	80,4
(Loss)/profit for the full year ended 30 September 2008 as though the acquisition date had been 1 October 2007	(1,3)	1,4	39,5	–	39,6	1,4

Acquisition of 15% in ATC

With effect from 1 April 2008, Reunert purchased 15,0% of ATC's share capital from Powerhouse for R117,0 million, which resulted in R35,3 million charge to equity (refer to note 22).

Principal subsidiaries – Annexure A

at 30 September 2009

	Issued capital R (unless otherwise stated)	Effective percentage holding		Interest of holding company			
		2009 %	2008 %	Shares		Indebtedness	
		2009 %	2008 %	2009 Rm	2008 Rm	2009 Rm	2008 Rm
CBI-ELECTRIC							
CBI-electric: energy cables							
Afcab Holdings (Pty) Limited*	4 000	100	100	67,7	67,7	34,3	64,8
African Cables Limited	9 886 098	100	100	–	–	–	–
ATC (Pty) Limited	751 197	89,9	89,9	48,0	48,0	(53,6)	–
Reutech Engineering Services (Pty) Limited	64 000	100	100	1,7	1,7	174,5	174,2
CBI-electric: low and medium voltage							
Circuit Breaker Industries GmbH (incorporated in Germany)	Euro 25 565	100	100	–	–	0,3	4,4
Circuit Breaker Industries Inc. (incorporated in USA)	\$50 000	100	100	–	–	17,7	8,9
Circuit Breaker Industries Lesotho (Pty) Limited (incorporated in Lesotho)	Moloti 1 000	100	100	–	–	(31,2)	–
Circuit Breaker Industries Qwa Qwa (Pty) Limited	200	100	100	–	–	(7,5)	–
Circuit Breaker Industries Limited	46	100	100	–	–	(12,7)	(45,1)
Heinemann Electric (incorporated in Australia)	AUD 2	100	100	–	–	24,4	59,7
Heinemann Holdings Limited	35 000	100	100	16,4	16,4	(4,5)	(3,8)
CBI-electric: telecom cables							
CBI-electric Aberdare ATC Telecom Cables (Pty) Limited	378	44,95	44,95	–	–	–	23,0
NASHUA							
Nashua Electronics							
Futronic (Pty) Limited	100	100	100	–	–	0,7	(0,3)
NPC (Airconditioning) Limited	200 000	100	100	2,2	2,2	(0,4)	–
NPC (Electronics) Limited	33 000	100	100	0,2	0,2	(4,8)	(5,0)
Pansolutions (Pty) Limited	1 000	100	74	0,2	–	5,6	2,5
Pansolutions Holdings Limited	100	100	100	45,0	45,0	(48,6)	(47,4)
RC&C (Parow Factory) Properties (Pty) Limited	2	100	100	0,5	0,5	–	–
RC&C Manufacturing Company (Pty) Limited	100	100	100	–	–	(2,7)	(14,8)
Nashua Mobile							
Nashua Mobile (Pty) Limited	9 741 983	100	100	267,8	267,8	(1,4)	2,6
Blue Lake Investments (Pty) Limited	10 000	75		–	–	–	
Nashua Office Automation							
Acuo Technologies (Pty) Limited	4 000	100	100	–	–	32,5	19,8
Algoa Office Automation (Pty) Limited	200	51	51	–	–	1,4	3,7
Circular Drive Property (Pty) Limited	200	51	51	–	–	–	–
Classic Number Trading 80 (Pty) Limited	100	51	51	–	–	–	–
Kopano Copier Company (Pty) Limited	100	74	74	–	1,5	13,9	12,5
Nashua Connect (Pty) Limited†	1 000	100	100	–	–	27,1	9,8
Nashua Holdings (Pty) Limited	2 000	100	100	–	–	28,1	33,7
Nashua Limited	947 794	100	100	6,3	6,3	(13,4)	(14,6)
Royce Imaging Industries (Pty) Limited	100	100	100	–	–	(2,8)	(4,5)
Santogyn (Pty) Limited	100	60		–	–	–	
Zevoli 151 (Pty) Limited	100	51	51	–	–	2,3	4,6

	Issued capital R (unless otherwise stated)	Effective percentage holding		Interest of holding company			
		2009 %	2008 %	Shares		Indebtedness	
				2009 Rm	2008 Rm	2009 Rm	2008 Rm
RC&C Finance Company/Quince Capital Holdings							
Quince Capital Holdings Limited	79 491 911	100	100	812,7	812,7	–	(431,5)
RC&C Finance Company (Pty) Limited	694	100	100	–	–	(14,1)	0,1
REUTECH							
Fuchs Electronics							
Fuchs Electronics (Pty) Limited	50 000	100	100	–	–	–	–
Reutech Defence Industries (Pty) Limited	600 000	100	100	0,3	0,3	0,4	0,4
Reutech Communications							
Reutech Communications (Pty) Limited	2	100	100	–	–	–	–
Reutech Radar Systems							
Reutech Radar Systems (Pty) Limited	200	100	100	42,5	42,5	–	–
Reutech Solutions							
Reutech Solutions (Pty) Limited	2 000	100	100	14,6	14,6	–	–
Saco Systems (Pty) Limited	96 000	100	100	–	–	(0,1)	(0,1)
Saco Systems Limited (incorporated in UK)	£16 556	100	100	–	–	–	–
Reutech Limited	30 000 000	100	100	5,0	5,0	–	–
INVESTMENTS AND SERVICES							
Bargenel Investments Limited *		*	*	1 112,4	1 112,4	–	–
Reunert Finance Company Limited	4 000 000	100	100	4,0	4,0	(15,6)	(7,5)
Reunert Management Services Limited†	4 000	100	100	–	–	1,0	(0,8)
Sundry companies				3,3	5,0	(12,5)	(15,7)
Investment in terms of a broad-based share-based payment transaction encompassing group employees **				44,5	44,5		
				2 495,3	2 498,3	138,3	(166,4)
Owing by (net)				138,3	(166,4)		
Provision for losses				(124,2)	(124,9)		
Interest in subsidiaries				2 509,4	2 207,0		

† Reunert Limited has subordinated its loan accounts with these subsidiaries for a period of one year from the signature date of the annual financial statements or until the assets of the subsidiaries, fair valued, exceed its liabilities.

* Reunert owns Bargenel's entire issued cumulative "A" preference shares (1 112 405 shares of R0,01 each, issued at a premium of R999,99 per share). Reunert sold its investment in Bargenel's ordinary shares in 2007.

** In terms of IFRIC 11 Group and Treasury Share Transactions, the share premium of R83,80 per share on the 530 900 shares issued has been allocated to Reunert's investment in subsidiaries.

Unconsolidated subsidiary – Annexure B

at 30 September 2009

CAFCA

The financial statements of CAFCA, a company incorporated in Zimbabwe, have not been consolidated in the group financial statements 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.

	%
Effective holding (held via ATC)	71,5
Attributable Reunert group holding	64,3
	Rm
Shares at cost	7,3
Less: Amount written off	(7,3)
Carrying value of investment	–

	2009 US\$
INCOME STATEMENT	
Revenue	1 906 024
Operating profit	145 296
Net finance income	345
Profit before taxation	145 641
Taxation charge	(47 384)
Profit after taxation	98 257
Profit attributable to Reunert shareholders (Rm)	–
BALANCE SHEET	
ASSETS	
Non-current assets	3 204 831
	3 204 831
Current assets	
Inventory	1 528 270
Accounts receivable	431 074
Cash	82 714
	2 042 058
TOTAL ASSETS	5 246 889
EQUITY AND LIABILITIES	
Share capital and reserves	4 939 670
Current liabilities	307 219
TOTAL EQUITY AND LIABILITIES	5 246 889

Share ownership analysis

at 30 September 2009

	Ordinary shares			
	2009		2008	
	Number of shares (millions)	%	Number of shares (millions)	%
Major holdings through managers in excess of 5% (current and prior year)				
Old Mutual Investment Group SA	25,1	12,7	27,6	14,0
Public Investment Commissioners (SA)	23,6	12,0	19,6	9,9
Investec Asset Management	16,0	8,1	13,6	6,9
Polaris Capital (Pty) Limited (SA)			13,2	6,7

	Ordinary shares		5,5% cumulative preference shares	
	Number of shareholders	% shareholding	Number of shareholders	% shareholding
Shareholder spread				
Public shareholders	15 739	88,2	45	71,2
Non-public shareholders	10	11,8	2	28,8
– Total directors	7	0,5		
– Reunert Share Purchase Trust	1	1,7		
– Reunert Staff Share Trust	1	0,2		
– Bargenel*	1	9,4		
– Old Sillery (Pty) Limited			1	15,0
– G Boerstra			1	13,8
	15 749	100,0	47	100,0

	Ordinary shares		5,5% cumulative preference shares	
	(millions)	%	(thousands)	%
Beneficial holdings in excess of 5% of issued share capital				
Public Investment Commissioners (SA)	23,6	12,0		
Bargenel*	18,5	9,4		
Old Mutual Life Assurance Company Limited	15,6	8,0		
Old Sillery (Pty) Limited			52,5	15,0
G Boerstra			48,4	13,8
The Richardson Trust			31,9	9,1
DF Foster			24,4	7,0
RS Glyn			21,8	6,2
J Fisher			19,9	5,7
JEG Wright			18,2	5,2

*Treasury shares (refer to note 21).

REPORTING

Annual general meeting	2 February 2010
Financial year-end	30 September 2010
Announcement of interim results for 2010	13 May 2010
Announcement of final results for 2010	17 November 2010
Annual report posted by	24 December 2010

FINAL DIVIDENDS FOR 2009

Ordinary shares

Declared	Tuesday, 17 November 2009
Last date to trade (cum dividend)	Friday, 15 January 2010
First date of trading (ex dividend)	Monday, 18 January 2010
Record date	Friday, 22 January 2010
Payment date	Monday, 25 January 2010

Shareholders may not dematerialise or rematerialise their holdings of Reunert shares between Monday, 18 January 2010 and Friday, 22 January 2010, both days inclusive.

5,5% cumulative preference shares

Declared	31 December 2009
	30 June 2010
Payable	30 January 2010
	31 July 2010

Please note that the reporting dates are subject to change

Currency conversion table

To assist foreign investors, the table below gives the approximate value of R1,00 against selected currencies at 30 September:

	2009	2008
US dollar	0,1322	0,1210
Pound sterling	0,0826	0,0680
Swiss franc	0,1375	0,1355
Japanese yen	11,8858	12,8242
Euro	0,0905	0,0857
Australian dollar	0,1499	0,1514

REUNERT LIMITED

Incorporated in the Republic of South Africa

(Registration number 1913/004355/06)

Share code: RLO ISIN code: ZAE000057428

("Reunert" or "the company")

Notice is hereby given that the ninety-sixth annual general meeting of shareholders of Reunert Limited will be held in the Reunert boardroom, Lincoln Wood Office Park, 6 – 10 Woodlands Drive, Woodmead, on Tuesday, 2 February 2010 at 09:30 for the following purposes:

1. To receive and adopt the audited group annual financial statements for the year ended 30 September 2009.
2. To elect the following directors:
 - 2.1 Mr BP Connellan who retires in terms of the company's articles of association and being eligible, offers himself for re-election.
 - 2.2 Mr KJ Makwetla who retires in terms of the company's articles of association and being eligible, offers himself for re-election.
 - 2.3 Ms K Mzondeki who was appointed a non-executive director on 1 November 2009 is required to retire in terms of the company's articles of association and being eligible, offers herself for re-election.
 - 2.4 Mr GJ Oosthuizen who retires in terms of the company's articles of association and being eligible, offers himself for re-election.
 - 2.5 Mr R van Rooyen who was appointed a non-executive director on 1 November 2009 is required to retire in terms of the company's articles of association and being eligible, offers himself for re-election.

A brief curriculum vitae in respect of each director referred to above appears on pages 20 and 21 of the annual report.

3. To determine the remuneration of non-executive directors with effect from 1 October 2009 in accordance with the company's articles of association as follows:

	Current per annum	Proposed per annum
Chairman	R468 000	R505 500
Non-executive directors	R108 000	R117 000
Audit and risk committee chairman	R100 000	R108 000
Audit and risk committee member	R70 000	R76 000
Remuneration and nomination committee chairman	R52 000	R56 000
Remuneration and nomination committee member	R45 000	R49 000

4. To re-elect Deloitte Et Touche as independent auditor of the company and to appoint Ms Manuela Krog as the individual designated auditor to hold office for the ensuing year.

5. ORDINARY RESOLUTION NO 1

To consider and, if deemed fit, to pass, with or without modification, the following ordinary resolution:

"That 2 041 900 (two million forty one thousand nine hundred) of the unissued ordinary shares of 10 cents each in the authorised capital of the company be reserved to meet the requirements of the Reunert 1985 Share Option Scheme and the Reunert 1988 Share Purchase Scheme and that the directors be and they are hereby specifically authorised to allot and issue those shares in terms of the scheme for the purposes of the Reunert 1985 Share Option Scheme and the 1988 Share Purchase Scheme."

6. ORDINARY RESOLUTION NO 2

To consider and, if deemed fit, to pass, with or without modification, the following ordinary resolution:

"That 500 000 (five hundred thousand) of the unissued ordinary shares of 10 cents each in the authorised capital of the company be reserved to meet the requirements of the Reunert 2006 Option Scheme and that the directors be and are hereby specifically authorised to allot and issue those shares in terms of the scheme for the purposes of the Reunert 2006 Option Scheme."

7. ORDINARY RESOLUTION NO 3

To consider and, if deemed fit, to pass, with or without modification, the following ordinary resolution:

"That the executive remuneration policy as contained on pages 17 and 18 of the annual report under the corporate governance section be and it is hereby approved."

8. ORDINARY RESOLUTION NO 4

To consider and, if deemed fit, to pass, with or without modification, the following ordinary resolution:

"That in terms of Schedule 14 of the JSE Listings Requirements and in accordance with Section 222 of the Companies Act, Act 61 of 1973, as amended, where applicable that the provisions of the Reunert 2006 Option Scheme are amended as follows:

8.1 by the insertion of the following new clause 1.1.7:

"Control" means in relation to the Company, that a natural person or persons or juristic person or persons (individually or collectively):

- (i) owns or own (directly or indirectly) over 50% (fifty percent), calculated on a full and effective flow through basis, of the Shares (together with a proportionate economic interest) or other equity interest (together with a proportionate economic interest) of the Company; or

- (ii) controls or control (directly or indirectly) over 50% (fifty percent), calculated on a full and effective flow through basis, of the voting rights, in relation to the Shares or other equity interest of the Company, exercisable by members in general meeting or otherwise of the Company; or

- (iii) is or are entitled (directly or indirectly) to appoint and remove a majority of the directors of the Reunert Board or other governing body of the Company, or to appoint or remove directors or similar representatives having the majority of the votes exercisable at meetings of the Reunert Board or other governing body of the Company"

8.2 by the deletion of the following words in clause 3.1:

"or 1.02% of the issued share capital of the Company at any time"

8.3 by the deletion of the following words in clause 3.4:

"such percentage of the total issued ordinary Shares of the Company as agreed with the JSE Limited from time to time (which percentage is, at present 15 percent" and the replacement of these words with the following number and words
"exceed 20 000 000 (twenty million) Shares"

8.4 by the deletion of the following words in clause 3.4.1:

"in respect of which an Option has been exercised by a retired or former employee; or"

8.5 by the insertion of a new clause 4.1A as follows:

"The Reunert Board, in consultation with the Boards, shall establish criteria for the award of Options in terms of the Scheme. The criteria shall be aligned with the strategic objectives of the Company and the Employer Company, and shall include the aim of incentivising Eligible Employees for good performance and contributing to the continued growth of the Reunert Group with a long term horizon"

8.6 by the insertion of a new clause 14.4 as follows:

"If an offer is made, which if successful will result in a change of Control of the Company, the Reunert Board shall be entitled to determine that the Options may be exercised from the date that the offer is made"

The reason for the above ordinary resolution is that the provisions of Schedule 14 of the Listings Requirements of the JSE Limited, which prescribe the requirements for share incentive schemes of companies listed on the JSE Limited were amended during 2008. Reunert Limited is required to make appropriate amendments to the Reunert 2006 Option Scheme by no later than 1 January 2011. The resolution listed above is required in order for the Reunert 2006 Option Scheme to comply with the provisions of Schedule 14. In terms of Schedule 14, the resolution must be approved by equity security holders passing an ordinary resolution requiring a 75% majority of the votes cast in favour of the resolution by all equity security holders represented by proxy at the general meeting to approve the resolution. In addition for the purposes of determining the 75% majority, the votes attaching to all equity securities owned or controlled by persons who are existing participants in the scheme must be excluded, but only in so far as those equity securities have been acquired in terms of the scheme.

The amended Reunert 2006 Option Scheme will be available for inspection by the shareholders of the Company at the Company's principal place of business for a period of not less than 14 days prior to the annual general meeting.

9. SPECIAL RESOLUTION NO 1

To consider and, if deemed fit, to pass, with or without modification, the following resolution as a special resolution: "That the company hereby approves, as a general approval contemplated in sections 85(2) and 85(3) of the Companies Act (Act 61 of 1973), as amended ("the Companies Act") the acquisitions by the company, and/or any subsidiary of the company, from time to time, of the issued ordinary shares of

the company, upon such terms and conditions and in such amounts as the directors of the company may from time to time determine, but subject to the articles of association of the company, the provisions of the Companies Act and the Listings Requirements of the JSE Limited ("JSE"), when applicable, and provided that:

- the general repurchase of securities being effected through the order book operated by the JSE trading system and done without any prior arrangement between the company and the counterparty (reported trades are prohibited);
- this general authority shall not extend beyond 15 (fifteen) months from the date of this meeting or the date of the next annual general meeting, whichever is the earlier date;
- any such repurchase be implemented on the open market of the JSE;
- at any point in time, the company only appoints one agent to effect any repurchase(s) on its behalf;
- the company or its subsidiaries are not repurchasing securities during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement on SENS prior to the commencement of the prohibited period;
- when the company or its subsidiaries have cumulatively repurchased 3% (three per cent) of the shares in issue and for every 3% (three per cent) in aggregate of the initial number of that class acquired thereafter, an announcement will be made;
- the general repurchase(s) may not in the aggregate in any one financial year exceed 20% (twenty per cent) of the number of shares in the company's issued share capital at the beginning of the financial year provided that a subsidiary of the company may not hold at any one time more than 10% (ten per cent) of the number of issued shares of the company at the relevant times;
- in determining the price at which the company's ordinary

shares are acquired by the company in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be no higher than 10% (ten per cent) of the weighted average of the market price at which such ordinary shares are traded on the JSE, as determined over the 5 (five) trading days immediately preceding the date of the repurchase of such ordinary shares by the company;

⇒ after such repurchase the company will still comply with paragraphs 3.37 to 3.41 of the JSE Listings Requirements concerning shareholder spread requirements;

⇒ the directors undertake that, they will not effect a general repurchase of shares unless, for a period of 12 (twelve) months following the date of such repurchase;

– the company and the group will, after payment for such repurchase, be able to repay their debts in the ordinary course of business;

– the company's and the group's assets, fairly valued according to International Financial Reporting Standards and on a basis consistent with the last financial year of the company, will, after payment for such repurchase, exceed the liabilities of the company and the group;

– the company's and the group's share capital and reserves will, after payment for such repurchase, be adequate for ordinary business purposes; and

– the available working capital of the company and the group will, after payment for such repurchase, be adequate for ordinary business purposes.

⇒ the sponsor to the company provides a letter on the adequacy of working capital of the company and the group in terms of section 2.12 of the JSE Listings Requirements prior to any repurchases being implemented on the open market of the JSE.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are given on pages 20 and 21 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this resolution and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this resolution contains all information required by law and by the Listings Requirements of the JSE.

The board has no immediate intention to use this authority to repurchase ordinary shares in the company. However, the board is of the opinion that this authority should be in place should it become appropriate to undertake a share repurchase in the future.

The reason for and the effect of the special resolution is to grant the company's directors a general authority, up to and including the date of the following annual general meeting of the company, to approve the company's purchase of ordinary shares in itself, or to permit a subsidiary of the company to purchase ordinary shares in the company.

ADDITIONAL DISCLOSURES

Other disclosures in terms of the JSE Listings Requirements:

The JSE Listings Requirements require the following disclosure, some of which are elsewhere in the annual report of which this notice forms part as set out below:

- Directors and management pages 20 to 23;
- Major shareholders of Reunert page 103;
- Directors' interests and securities pages 20 and 21, 44 and note 28;
- Share capital of the company note 21;
- Litigation statement page 40;
- Material change page 40.

VOTING AND PROXIES

A shareholder entitled to attend and vote at the annual general meeting is entitled to appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the company. For the convenience of registered shareholders of the company, a form of proxy is enclosed herewith. Proxy forms must be forwarded to reach the share transfer secretaries, Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107, Johannesburg) so as to be received by them not later than 24 hours before the time fixed for the meeting (excluding Saturdays, Sundays and public holidays).

On a show of hands, every shareholder of the company present in person or represented by proxy shall have one vote only. On a poll, every shareholder of the company shall have one vote for every share held in the company by such shareholder.

Shareholders who have dematerialised their shares through a Central Securities Depository Participant (CSDP) or broker and wish to attend the annual general meeting, must instruct their CSDP or broker to provide them with a letter of representation, or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement/mandate entered into between them and the CSDP or broker.

Shares held by a share trust or scheme will not have their votes at annual general meetings taken into account for the purposes of the resolutions proposed in terms of the JSE Listings Requirements.

By order of the board

Reunert Management Services Limited

Company Secretaries

Sandton

17 November 2009

CHANGE OF ADDRESS AND BANKING DETAILS

Shareholders are requested to notify any change of address or banking details to the share transfer secretaries.

Proxy form

REUNERT LIMITED

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

REUNERT

R E U N E R T L I M I T E D

Only to be completed by those shareholders who are:

- holding Reunert ordinary shares in certificated form; or
- are recorded on the electronic subregister in "own name" dematerialised form.

I/We (full names) _____

of (address) _____

being a shareholder/s of _____ ordinary shares in the company, hereby appoint:

1. _____ or failing him/her

2. _____ or failing him/her

3. _____ or failing him/her

the chairman of the meeting as my/our proxy to attend, speak and on a poll to vote or abstain from voting on my/our behalf at the annual general meeting of the company to be held in the Reunert boardroom, Lincoln Wood Office Park, 6 – 10 Woodlands Drive, Woodmead, Sandton, on Tuesday, 2 February 2010 at 09:30 or at any adjournment thereof.

I/We desire to vote as follows:

	For*	Against*	Abstain*
1. Adopt annual financial statements			
2. Election of directors:			
2.1 – Mr BP Connellan			
2.2 – Mr KJ Makwetla			
2.3 – Ms K Mzondeki			
2.4 – Mr GJ Oosthuizen			
2.5 – Mr R van Rooyen			
3. Directors' remuneration			
4. Re-election of the independent auditor(s).			
5. Ordinary resolution No 1 Reservation of shares for the purposes of the 1985 Reunert Share Option Scheme			
6. Ordinary resolution No 2 Reservation of shares for the purpose of the Reunert 2006 Option Scheme			
7. Ordinary resolution No 3 Approval of the executive remuneration policy			
8. Ordinary resolution No 4 Amendments to the rules of the Reunert 2006 Option Scheme			
9. Special resolution No 1 General authority to repurchase shares			

*Please see notes on the reverse side hereof for further instructions.

Signed this _____ day of _____ 20

Signature _____ Number of shares _____

1. A shareholder entitled to attend and vote at the aforementioned meeting is entitled to appoint one or more proxies to attend, speak and upon a poll, vote in his/her stead or abstain from voting. The proxy need not be a member of the company.
2. To be valid this form of proxy must be completed and returned to Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg 2001, Republic of South Africa, not later than 24 (twenty four) hours (excluding Saturdays, Sundays and public holidays) prior to the meeting.
3. In case of a joint holding, the first-named only need sign.
4. A minor must be assisted by his/her guardian, unless proof of competency to sign has been recorded by the company.
5. The authority of a person signing a proxy in a representative capacity must be attached to the proxy unless that authority has already been recorded by the company.
6. Any alteration or correction made to this form of proxy must be initialled by the signatory/(ies).
7. If this form of proxy is returned without any indication of how the proxy should vote, the proxy will exercise his/her discretion both as to how he/she votes and as to whether or not he/she abstains from voting.