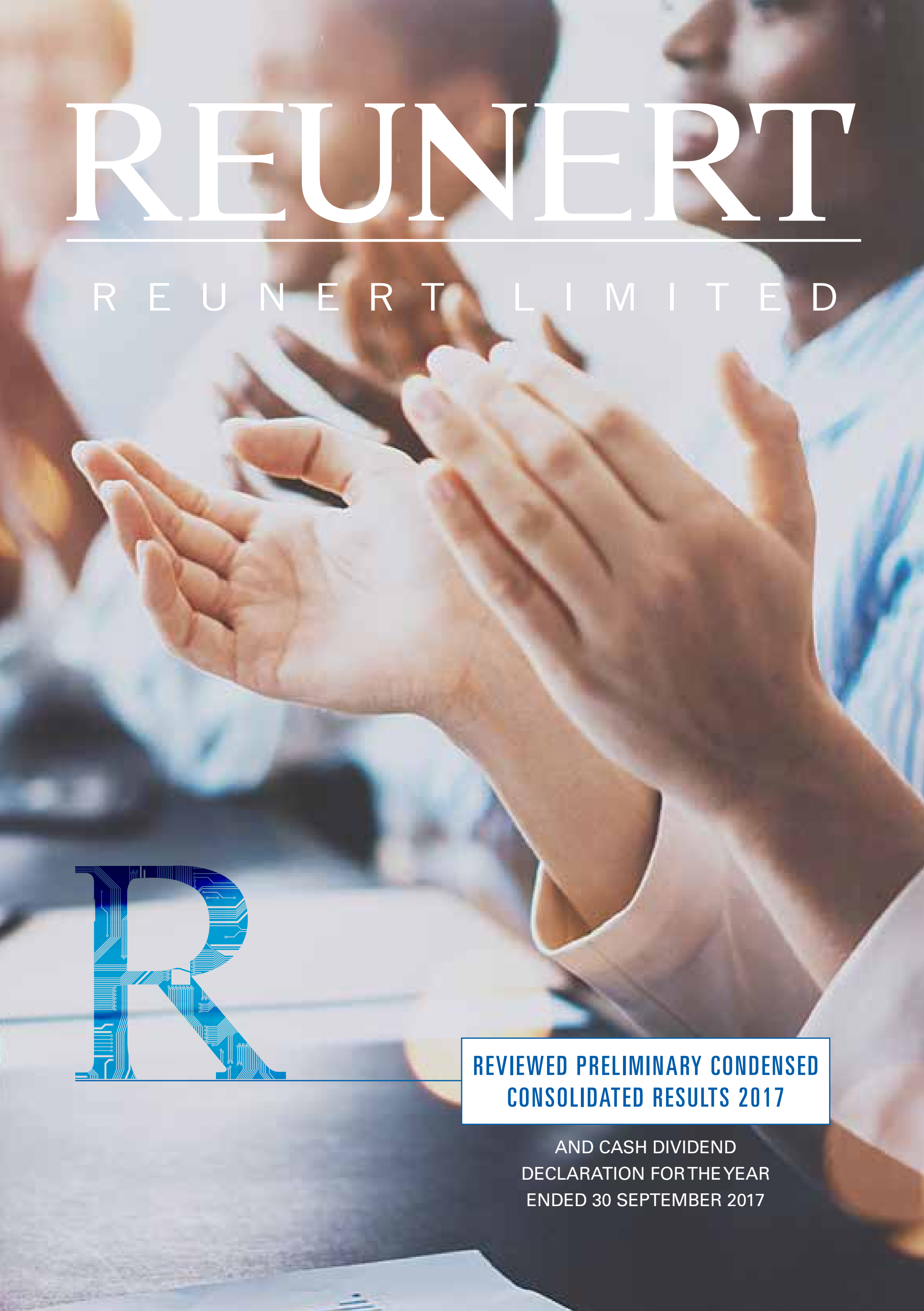


REUNERT

REUNERT LIMITED

REVIEWED PRELIMINARY CONDENSED CONSOLIDATED RESULTS 2017

AND CASH DIVIDEND DECLARATION FOR THE YEAR ENDED 30 SEPTEMBER 2017

CONTENTS

GROUP PROFILE

Reunert manages a diversified portfolio of businesses in the fields of electrical engineering, information communication technologies (ICT), and applied electronics. The group was established in 1888, by Theodore Reunert and Otto Lenz, and has contributed to the South African economy in numerous ways over the past 129 years. Reunert was listed on the JSE in 1948 and is included in the industrial goods and services (electronic and electrical equipment) sector of the JSE. The group operates mainly in South Africa with minor operations in Australia, Lesotho, Sweden, the USA, Zambia and Zimbabwe. Reunert's offices are located in Woodmead, Johannesburg, South Africa.

COMMENTARY

OVERVIEW

Reunert's 2017 results reflect a 14% growth in operating profit and a 19% growth in profit for the year. This improvement in profitability flowed through to headline earnings per share which also grew by 19%. This was achieved, as highlighted in our previous prospects statements, through a strong second half performance across all segments, including the export businesses.

The execution of the group strategy led to three further acquisitions in the year and a continued focus on customer service and operational efficiencies.

Measure	Units	2017	2016	% change
Revenue	R million	**9 773**	8 511	15
Operating profit (before net interest income and dividends, and empowerment transactions)	R million	**1 497**	1 315	14
Profit for the year	R million	**1 142**	963	19
Headline earnings per share	Cents	**679**	570	19
Normalised headline earnings per share	Cents	**697**	662	5

FINANCIAL PERFORMANCE

Group revenue

Group revenue increased by 15% to R9,8 billion (2016: R8,5 billion). The major area of growth was in the Electrical Engineering segment, where segment revenue grew by 28%. Revenue in the Applied Electronics segment grew by 14%, despite a stronger Rand impacting export revenue, and full export fuze production only resuming in the second half. Revenue in the ICT segment was flat. In the office automation business, revenue increased from the sales of fewer, but higher-value units. In the voice-over-internet business, the final statutory reduction in interconnect rates resulted in lower income despite the positive customer growth.

Group operating profit

Group operating profit increased by 14% from R1,3 billion to R1,5 billion. The 16% increase in the ICT segment was mainly due to the successful implementation of margin enhancement programmes, in both Nashua and ECN and volume growth on higher-volume office automation equipment and voice minutes.

The Electrical Engineering segment's operating profit improved by 14%, driven by strong performance in our cable businesses and the incorporation of Zamefa, our acquisition in Zambia. The stronger Rand negatively impacted our circuit breaker business.

Despite profit growth in the majority of Applied Electronics segment's businesses, the segment returned a 10% decline in operating profit because of reduced export sales in the fuze business. The fuze business returned to full production in the second half of the year after securing new long-term contracts.

Group cash resources

We continued our share buyback programme under general authority from shareholders. During the year, we repurchased a further 2,9 million (2016: 0,4 million) shares at an average price of 6 739 (2016: 6 269 cents) cents per share, including transaction costs. This brings the total shares repurchased since commencing the programme in September 2016 to 3,3 million or 2% of shares in issue.

Capital of R199 million was allocated for the share buyback programme and R241 million was invested in acquisitions, reflecting the execution of the Board's dual mandate to return surplus cash to shareholders and seek appropriate acquisitions.

At year end, we had combined money market deposits and other liquid resources totalling R1 455 million (2016: R1 982 million). This provides sufficient residual cash resources to continue the implementation of our strategy.

SEGMENTAL RESULTS

Despite the challenging local political and economic conditions, Reunert's operating profit from our traditional businesses in the Electrical Engineering and ICT segments again increased in real terms. Applied Electronics only returned to full export production in the second half of the year, but still delivered a solid segmental performance. The positive contribution from our acquisitions assisted in the delivery of a strong overall operational result.

Electrical Engineering

The double-digit growth in Electrical Engineering was driven by the acquisition of Zamefa and the strong performance of the power and telecommunications cable business units. Revenue increased by 28% to R5,2 billion (2016: R4,1 billion) and operating profit by 14% from R610 million to R696 million.

Telecom Cables continued to benefit from the local FTTX[1] roll-out and enjoyed strong production volumes. The diverse market position of the South African power cable business allowed it to secure meaningful volumes, despite the weak general infrastructure demand. The integration of the Zambian operation, Zamefa, progressed well and many of the vertical integration benefits are being realised. All of the cable business units have implemented long-term continuous improvement projects, and efficiency gains were realised in all factories.

Low Voltage, our circuit breaker business, faced a challenging year as local investor sentiment slowed residential and commercial building activity. The strong Rand softened export margins, which added pressure. Several new product releases, including high-capacity DC breakers for telecommunication and renewable energy applications, supported this business unit's performance, which ended the year slightly down on the prior year.

Information Communication Technologies

The ICT segment delivered a strong performance underpinned by positive margin movement in both the office automation and voice business portfolios, despite segment revenue remaining flat at R3,3 billion. Operating profit increased by 16% from R549 million to R635 million.

[1] *Fibre-to-the-x: Collective term for various optical fibre delivery topologies that are categorised according to where the fibre terminates.*

Nashua progressed well in the execution of its strategy to change from an office automation hardware supplier to a total office services provider to its 28 000-strong customer base. A continued move to larger machines underpinned its positive market share movement, and a strong Rand supported the hardware margins. Several newly launched services increased cross-sell revenue and improved the performance of the franchise channel.

Our voice business, ECN, enjoyed a 9% growth to 1,2 billion minutes carried on the network. The impact of lower business confidence reduced demand per customer. This was offset by substantial growth in the number of customers serviced. We invested R12 million into the ECN network, and the upgrade has resulted in a more robust, high-quality and simplified network, creating scale for our new business-internet-access product suite. The ability to provide both voice and data to our customers offers a new diversified sales stream and underpins the continued growth rate of this business.

Our in-house finance book in Quince Capital increased from R2,1 billion to R2,4 billion on the back of improved office automation sales. The quality of the book remains high and, despite the tough economic times, bad debts remain well below industry norms.

Applied Electronics

The Applied Electronics segment's revenue increased by 14% to R1,7 billion (2016: R1,5 billion), and operating profit reduced by 10% to R276 million (2016: R305 million), due to lower export orders in the first six months. As the year progressed, the order position improved significantly. The strong Rand negatively impacted export margins particularly in the areas of export fuzes, mining surveillance radars and electronic subassemblies. Fuchs Electronics is now at full production with large-scale export orders.

Reutech Radar Systems had a record year in the mining and commercial market sectors. The increased volume improved production efficiencies and this, to a large degree, offset the stronger Rand's impact on its export margins. The business unit secured a large defence export order which improved our year-on-year performance and will support sales throughout the next financial year.

Reutech Communications completed the industrialisation of its new range of tactical communication products. While this took longer than expected, record production levels during the second half of the year were achieved. Efficiencies are reaching the levels envisaged at the start of the capital investment project. Securing the next phase of orders from the local customer remains an important element of this unit's business case.

Reutech Solutions responded well to their major customers' ongoing budget reductions and delivered a solid result.

The acquired businesses performed well. Omnigo executed their advanced PCB export orders successfully and, as a result, received further hard currency orders. This allows them to continue operating at full capacity. More equipment was deployed into the business unit which increased their capability to manufacture high-specification electronic sub-assemblies and, in turn, to enter new geographic markets. Nanoteq, our specialist encryption business, performed in line with its business case despite key customers in a new geography having budget constraints that delayed the placement of a large order.

DIRECTORATE

Phuti Mahanyele resigned as an independent non-executive director and member of the Audit and the Social, Ethics and Transformation committees with effect from 1 November 2017 due to her growing commitments as the owner of an investment company. The Board would like to express its gratitude to Ms Mahanyele for her tenure.

There were no other changes to the composition of either the Board or Board committees during the year under review.

PROSPECTS

Reunert's traditional businesses have continued to deliver real growth in tough local economic conditions. Applied Electronics' export orders are at record high levels and should translate into a strong operating performance, with exchange rates providing some uncertainty in the financial results. Subject to no adverse changes in the local economic, social and political environment, we expect another year of real growth in 2018. The order mix of the group again favours a stronger financial performance in the second half of the financial year.

CASH DIVIDEND

Notice is hereby given that a gross final cash dividend No 183 of 354,0 cents per ordinary share (2016: 326,0 cents per share) has been declared by the directors for the year ended 30 September 2017.

The dividend has been declared from retained earnings, bringing the total dividends declared out of 2017 profit for the year to 474 cents per share.

A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt from, or who do not qualify for a reduced rate of withholding tax.

Accordingly for those shareholders subject to withholding tax, the net dividend amounts to 283,20 cents per share.

The issued share capital at the declaration date is 184 324 396 ordinary shares.

In compliance with the requirements of Strate, the following dates are applicable:

Last date to trade (cum dividend)	Tuesday, 16 January 2018
First date of trading (ex dividend)	Wednesday, 17 January 2018
Record date	Friday, 19 January 2018
Payment date	Monday, 22 January 2018

Shareholders may not dematerialise or rematerialise their share certificates between Wednesday, 17 January 2018 and Friday, 19 January 2018, both days inclusive.

On behalf of the board

Trevor Munday
Chairman

Alan Dickson
Chief Executive Officer

Nick Thomson
Chief Financial Officer

Sandton, 20 November 2017

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

R million	Notes	Reviewed 2017	Audited 2016	% change
Revenue		**9 773**	8 511	15
EBITDA*		**1 635**	1 433	14
Depreciation and amortisation		**(138)**	(118)	17
Operating profit before net interest income and dividends, and empowerment transactions	2	**1 497**	1 315	14
Net interest income and dividends	3	**65**	137	(53)
Profit before empowerment transactions		**1 562**	1 452	8
Empowerment transactions	4	**(20)**	(113)	
Profit before taxation		**1 542**	1 339	15
Taxation		**(437)**	(404)	8
Profit after taxation		**1 105**	935	18
Share of joint ventures' and associate's profit		**37**	28	32
Profit for the year		**1 142**	963	19
Profit attributable to:				
Non-controlling interests		**30**	9	233
Equity holders of Reunert		**1 112**	954	17
Cents				
Basic earnings per share	5, 6	**680**	577	18
Diluted earnings per share	5, 6	**670**	572	17

* *Earnings before net interest income and dividends; taxation; depreciation and amortisation; and empowerment transactions.*

Other measures of earnings per share

Cents	Notes	Reviewed 2017	Audited 2016	% change
Headline earnings per share	5, 6	679	570	19
Diluted headline earnings per share	5, 6	670	565	19
Normalised headline earnings per share	5, 6	697	662	5
Diluted normalised headline earnings per share	5, 6	687	656	5
Total cash dividend per share for the year		474	439	8

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2017

R million	Reviewed 2017	Audited 2016
Profit for the year	**1 142**	963
Other comprehensive income, net of taxation:		
Items that may be reclassified subsequently to profit or loss		
Gains/(losses) arising from translating the financial results of foreign subsidiaries	**8**	(19)
Total comprehensive income	**1 150**	944
Total comprehensive income attributable to:		
Non-controlling interests	**34**	3
– Share of comprehensive income	**30**	9
– Share of translation gains/(losses)	**4**	(6)
Equity holders of Reunert	**1 116**	941

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2017

R million	Notes	Reviewed 2017	Audited 2016
Non-current assets			
Property, plant and equipment, investment properties and intangible assets		**1 095**	1 019
Goodwill	7	**921**	737
Investments and loans		**55**	53
Investment in joint ventures and associate		**159**	152
Rental and finance lease receivables		**1 682**	1 449
Deferred taxation		**105**	104
		4 017	3 514
Current assets			
Inventory		**1 439**	1 295
Rental and finance lease receivables		**747**	695
Accounts receivable and taxation		**2 222**	2 008
Derivative assets		**12**	15
Money market instruments		**130**	670
Cash and cash equivalents		**1 522**	1 712
		6 072	6 395
Total assets		**10 089**	9 909
Equity attributable to equity holders of Reunert		**7 138**	7 011
Non-controlling interests		**105**	81
Total equity		**7 243**	7 092
Non-current liabilities			
Deferred taxation		**112**	102
Put option liability	8	**121**	–
Long-term borrowings	9	**73**	43
		306	145
Current liabilities			
Accounts payable, provisions and taxation		**2 304**	2 037
Derivative liabilities		**28**	6
Bank overdrafts and short-term loans		**197**	400
Current portion of long-term borrowings	9	**11**	229
		2 540	2 672
Total equity and liabilities		**10 089**	9 909

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2017

R million	Reviewed 2017	Audited 2016
Share capital	**359**	343
Balance at the beginning of the year	**343**	318
Issue of shares	**16**	25
Share-based payment reserves	**176**	136
Balance at the beginning of the year	**136**	16
Equity-settled share-based payments	**40**	120
Equity transactions/put option with empowerment partners and non-controlling shareholders	**(116)**	–
Balance at the beginning of the year	**–**	–
Put option	**(116)**	–
Net changes in non-controlling interests	**–**	(40)
Transferred from retained earnings	**–**	40
Empowerment shares*	**(276)**	(276)
Treasury shares**	**(227)**	(28)
Balance at the beginning of the year	**(28)**	–
Shares bought back during the year	**(203)**	(28)
Shares used for incentive scheme	**4**	–
Foreign currency translation reserves	**(3)**	(7)
Balance at the beginning of the year	**(7)**	6
Other comprehensive income	**4**	(13)
Retained earnings	**7 225**	6 843
Balance at the beginning of the year	**6 843**	6 615
Total comprehensive income attributable to equity holders of Reunert	**1 112**	954
Cash dividends declared and paid	**(730)**	(687)
Other	**–**	1
Transfer to equity transactions	**–**	(40)

* *These are Reunert Limited shares held by Bargenel Investments Proprietary Limited (Bargenel), a company sold by Reunert to its empowerment partner in 2007.*
Until the amount owing by the empowerment partner is repaid to Reunert, Bargenel is consolidated by the group as the significant risks and rewards of ownership of the equity have not passed to the empowerment partner.

** *Reunert shares bought back and held by a subsidiary: 3 392 422 (2016: 443 331)*

R million	Reviewed 2017	Audited 2016
Equity attributable to equity holders of Reunert	**7 138**	7 011
Non-controlling interests	**105**	81
Balance at the beginning of the year	**81**	46
Share of total comprehensive income	**34**	3
Dividends declared and paid	**(15)**	(3)
Net changes in non-controlling interests	**5**	35
Total equity at the end of the year	**7 243**	7 092

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

R million	Notes	**Reviewed 2017**	Audited 2016
EBITDA		**1 635**	1 433
Increase in net working capital		**(225)**	(396)
Other net non-cash movements		**60**	50
Cash generated from operations		**1 470**	1 087
Net interest income and dividends		**70**	137
Taxation paid		**(375)**	(431)
Dividends paid (including to non-controlling interests)		**(745)**	(690)
Net inflow from operating activities		**420**	103
Net outflow from investing activities		**(21)**	(1 205)
Capital expenditure		**(143)**	(222)
Net inflow arising from disposal of businesses		**15**	–
Gross cashflows on acquisition of businesses*	10	**(241)**	(462)
(Increase)/decrease in total rental and finance lease receivables		**(231)**	14
Net other investments and loans (granted)/repaid		**(2)**	43
Proceeds from investment in insurance cell captive		**–**	48
Dividends received from joint venture		**30**	35
Investments net of other capital proceeds**		**551**	(638)
Other		**–**	(23)
Net outflow from financing activities		**(386)**	(222)
Shares issued		**16**	25
Investment in treasury shares		**(203)**	(28)
Net long-term borrowings repaid		**(199)**	(181)
Equity transactions with non-controlling interests		**–**	(40)
Other		**–**	2
Increase/(decrease) in net cash resources		**13**	(1 324)
Net cash resources at the beginning of the year		**1 312**	2 636
Net cash resources at the end of the year		**1 325**	1 312
Cash and cash equivalents		**1 522**	1 712
Bank overdrafts		**(138)**	(327)
Short-term borrowings		**(59)**	(73)
Net cash resources at the end of the year		**1 325**	1 312

* *Including debt assumed of R23 million (2016: R282 million).*

** *This includes R540 million withdrawal from investments in long-dated money market instruments (2016: Investments made R670 million).*

CONDENSED SEGMENTAL ANALYSIS

AT 30 SEPTEMBER 2017

R million	Reviewed 2017	% of total	Audited 2016	% of total	% change
Revenue[1]					
Electrical Engineering	**5 247**	51	4 106	46	28
ICT	**3 307**	32	3 332	37	(1)
Applied Electronics	**1 720**	17	1 505	17	14
Other	**14**	–	21	–	(33)
Total segment revenue	**10 288**	100	8 964	100	15
Revenue from equity-accounted joint venture – Electrical Engineering	**(489)**		(453)		
Revenue from equity-accounted associate – ICT	**(26)**		–		
Revenue as reported	**9 773**		8 511		15
Operating profit					
Electrical Engineering	**696**	45	610	45	14
ICT[2]	**635**	41	549	41	16
Applied Electronics	**276**	18	305	23	(10)
Other	**(59)**	(4)	(111)	(9)	47
Total segment operating profit	**1 548**	100	1 353	100	14
Operating profit from equity-accounted joint venture – Electrical Engineering	**(48)**		(38)		
Operating profit from equity-accounted associate – ICT	**(3)**		–		
Operating profit as reported	**1 497**		1 315		14

[1] *Inter-segment revenue is immaterial and has not been separately disclosed.*

[2] *Net interest charged on group funding provided to Quince has been eliminated in line with the consolidation principles of IFRS. This elimination amounted to R125 million (2016: R95 million).*

R million	Reviewed 2017	% of total	Audited 2016	% of total
Total assets				
Electrical Engineering	**3 115**	31	2 699	27
ICT	**3 952**	39	4 084	41
Applied Electronics	**1 854**	18	1 477	15
Other[3]	**1 168**	12	1 649	17
Total assets as reported	**10 089**	100	9 909	100

[3] *Other consists mainly of group treasury cash balances.*

NOTES

1 Basis of preparation

These preliminary condensed consolidated financial statements have been prepared in compliance with the framework concepts and the recognition and measurement requirements of International Financial Reporting Standards (IFRS) in effect for the group at 30 September 2017, and further comply with the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committees and the Financial Reporting pronouncements as issued by the Financial Reporting Standards Council. These condensed consolidated financial statements contain the minimum information as required by IAS 34 – Interim Financial Reporting, and complies with the Listings Requirements of the JSE Limited and the requirements of the Companies Act, 71 of 2008, of South Africa. This report was compiled under the supervision of NA Thomson CA(SA) (chief financial officer).

The group's accounting policies applied for the year ended 30 September 2017 were consistent with those applied in the prior year's audited consolidated annual financial statements. These accounting policies comply with IFRS.

	R million	Reviewed 2017	Audited 2016
2	**Operating profit**		
	Operating profit includes:		
	– Cost of sales	6 366	5 402
	– Other expenses excluding depreciation and amortisation	1 759	1 710
	– Other income	30	45
	– Realised (loss)/gain on foreign exchange and derivative instruments	(20)	26
	– Unrealised gain/(loss) on foreign exchange and derivative instruments	1	(16)
	– Auditors' remuneration	24	21
3	**Net interest income and dividends**		
	Interest income and dividends	113	164
	Interest expense	(48)	(27)
	Total	65	137
4	**Empowerment transactions**		
	IFRS 2 share based payment cost of BBBEE transaction*	20	113
	Taxation thereon	–	–
	Net empowerment transactions after taxation	20	113

* *Included in the current year charge is a donation to create an empowerment structure for R1 million.*

	R million/millions of shares	Reviewed 2017	Audited 2016
5	**Number of shares and earnings 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)	**164**	165
	Adjusted by the dilutive effect of unexercised share options granted (millions of shares)	**2**	2
	Weighted average number of shares used to determine diluted basic, headline and normalised headline earnings per share (millions of shares)	**166**	167
	Profit attributable to equity holders of Reunert	**1 112**	954
6	**Headline earnings**		
6.1	**Profit attributable to equity holders of Reunert**	**1 112**	954
	Headline earnings are determined by eliminating the effect of the following items from attributable earnings:		
	Net gain on disposal of assets (after a tax charge of Rnil and non-controlling interest (NCI) portion of Rnil) (2016: tax charge of R2 million, NCI of Rnil)	**(1)**	(20)
	Impairment of intangible asset (tax and NCI of Rnil) (2016: tax credit of R3 million and NCI of R2 million)	**–**	8
	Headline earnings	**1 111**	942

	R million	Reviewed 2017	Audited 2016
6	**Headline earnings** continued		
6.2	**Normalised headline earnings***		
	Headline earnings	1 111	942
	Normalised headline earnings are determined by eliminating the effect of the following items from headline earnings:		
	Empowerment transactions	20	113
	Once off IFRS 2 share-based payment cost of BBBEE transactions (tax and NCI of Rnil) (2016: tax and NCI of Rnil)	19	113
	Once off donation to create empowerment structure (tax and NCI of Rnil)	1	–
	Recurring merger and acquisition costs (tax and NCI of Rnil) (2016: tax and NCI of Rnil)	9	39
	Normalised headline earnings	**1 140**	**1 094**

* *The pro forma financial information above has been prepared for illustrative purposes only to provide information on how the normalised earnings adjustments might have impacted on the financial results of the group. Because of its nature, the pro forma financial information may not be a fair reflection of the group's results of operation, financial position, changes in equity or cash flows.*

The summarised pro forma financial effects have been prepared in a manner consistent in all respects with IFRS, the accounting policies adopted by Reunert Limited as at 30 September 2017, the revised SAICA guide on pro forma financial information, and the Listings Requirements of the JSE Limited.

There are no post-balance sheet events which require adjustment to the pro forma financial information.

The directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the JSE Listings Requirements.

The pro forma financial information should be read in conjunction with the unmodified Deloitte & Touche independent reporting accountants' reasonable assurance report thereon, which is available for inspection at the company's registered office.

	R million	Reviewed 2017	Audited 2016
7	**Goodwill**		
	Carrying value at the beginning of the year	737	653
	Acquisition of businesses[1]	171	90
	Adjustment to goodwill on finalisation of acquisition made in prior year	33	–
	Disposal of a controlling interest in a subsidiary	(12)	–
	Disposal of businesses	(9)	–
	Exchange differences on consolidation of foreign subsidiaries	1	(6)
	Carrying value at the end of the year	921	737

[1] *At 30 September 2017, the purchase price allocation of the acquisitions made in 2017 have not been finalised and therefore the amounts reported are provisional and subject to change.*

	R million	Reviewed 2017	Audited 2016
8	**Put option liability**		
	As part of the Terra Firma and Ryonic acquisitions, the group has granted put options in favour of the non-controlling shareholders for 25% of the issued share capital, in both cases.		
	A reconciliation of the closing balance is as below:		
	Balance at the beginning of the year	**–**	–
	Raised at acquisition at fair value	**116**	–
	Fair value remeasurements	**–**	–
	Unwinding of interest expense	**5**	–
	Balance at the end of the year	**121**	–

The obligations were classified as level 3 instruments in the fair value hierarchy.

For Terra Firma, the fair value of the put option liability has been determined using a discounted cash flow valuation technique and is based on multiples stipulated in the sales and purchase agreement.

Significant unobservable inputs include:

- The 2020 forecast revenue and net profit after tax (NPAT) have been used. This forecast is based on management's best estimate of the revenue and NPAT likely to be achieved in 2020.
- The multiples stipulated in the sales and purchase agreement.
- The discount rate of 8%, being the average cost of borrowing.

The put option for Ryonic is immaterial.

If the key unobservable inputs to the valuation model being estimated were 1% higher/lower while all the other variables were held constant, the carrying amount of the put option liabilities would decrease/increase by R3 million respectively.

	R million	Reviewed 2017	Audited 2016
9	**Long-term borrowings**		
	Total long-term borrowings (including finance leases)[2]	**84**	272
	Less: short-term portion (including finance leases)	**(11)**	(229)
		73	43

[2] *In 2016, these borrowings included R200 million in respect of the Quince rental book, which was repaid in May 2017.*

	R million	Reviewed 2017
10	**Acquisition of businesses**	
	During the current year, the group obtained control over the following entities through the acquisition of a majority interest in the equity shares:	
	– **Nanoteq Proprietary Limited:** With effect from 1 October 2016, the group acquired 100% of the share capital of Nanoteq Proprietary Limited. The acquisition and related goodwill of R69 million is attributable to the synergies from the vertical integration with the group's other businesses in the Applied Electronics segment.	**95**
	– **Terra Firma Solutions Proprietary Limited:** With effect from 1 March 2017, the group accounted for its acquisition of 51% of the share capital of Terra Firma Solutions Proprietary Limited. The acquisition and related goodwill of R88 million is attributable to the expected high growth in this business and the ability for the group to diversify into new products and geographical areas. The following options exist: a call option in favour of Reunert Limited for a further 9% (exercisable in September 2018); and a put at the option of the non-controlling interests for 25% (exercisable in either September 2019 or September 2020), which if all are exercised, will increase the group's holding of Terra Firma's share capital to 85%. At the reporting date, it is estimated that the fair value of the call option is Rnil and the fair value of the put option is R112 million. A put obligation liability has been recognised in non-current liabilities with a corresponding entry to equity. Refer to note 8.	**102**
	– **Ryonic Robotics Proprietary Limited:** With effect from 1 March 2017, the group accounted for its acquisition of 74,9% of the share capital of Ryonic Robotics Proprietary Limited. The acquisition and related goodwill of R14 million is attributable to the ability of the group to leverage its interest in Ryonic into new products and geographical areas in the rapidly advancing field of robotics, automation, machine learning and autonomous machine control. A put option has been granted in favour of the non-controlling interests for some or all of the non-controlling interest's equity in the company. The put option is exercisable at any time after the fifth anniversary of the effective date of the acquisition. At the reporting date, it is estimated that the fair value of the put option is R9 million. A put obligation liability has been recognised in non-current liabilities with a corresponding entry to equity. Refer to note 8.	**21**
	Cost of investments	**218**
	Net borrowings acquired on acquisition	**23**
	Gross cash flows on acquisition of businesses	**241**
	Non-controlling interest*	**14**
	Total funding of acquisitions	**255**

* *Non-controlling interests have been recognised using the proportionate share basis.*

R million	Reviewed 2017
10 Acquisition of businesses continued	
Gross assets acquired and liabilities taken over:	
Property, plant and equipment and intangible assets	82
Non-current receivables	2
Inventory	4
Gross accounts receivable and taxation**	69
Short-term borrowings	(7)
Deferred taxation	(10)
Accounts payable, provisions and taxation	(56)
Goodwill	171
Net assets acquired	255
Revenue since acquisition	170
Profit after taxation since acquisition	19
Revenue for the 12 months ended 30 September 2017 as though the acquisition dates had been 1 October 2016	270
Profit after taxation for the 12 months ended 30 September 2017 as though the acquisition dates had been 1 October 2016	29

*** The value of uncollectible debtors receivable at acquisition was negligible.*

Change made to prior year acquisition accounting

Metal Fabricators of Zambia Plc (Zamefa): The goodwill arising on the 2016 acquisition of Zamefa was increased by R33 million due to the reassessment of the trade receivables at acquisition. There was no impact on the actual purchase price.

2016

Refer to 2016 published results.

11 Unconsolidated subsidiary

The financial results of Cafca Limited (Cafca), a subsidiary incorporated in Zimbabwe, have not been consolidated into the group results as the group does not exercise management control:

- Reunert has not appointed a majority of the directors to the board of directors of Cafca and therefore does not control the board; and
- the difficult economic circumstances in Zimbabwe have resulted in a major liquidity crisis which renders Reunert's access to economic benefits from Cafca (e.g. dividends) such that it does not have the ability to affect its variable returns through its powers over Cafca.

The amounts involved are not material to the group's results.

At 30 September 2017, Cafca's share capital and reserves amounted to US$15 million.

12 Related-party transactions

Counterparty R million	Relationship	Sales	Purchases	Lease payments	Treasury shares
All related-party transactions, trading account and loan balances are on the same terms and conditions as those with non-related parties.					
September 2017					
CBI-electric Telecom Cables Proprietary Limited	A joint venture	3	35	–	–
Oxirostax Proprietary Limited (Nashua Winelands)	An associate	2	22	–	–
Bargenel Investments Proprietary Limited	Owns 18,5m Reunert shares	–	–	–	276
Lexshell 661 Investment Proprietary Limited	A joint venture	–	–	1	–
September 2016					
CBI-electric Telecom Cables Proprietary Limited	A joint venture	1	–	–	–
Bargenel Investments Proprietary Limited	Owns 18,5m Reunert shares	–	–	–	276
Lexshell 661 Investment Proprietary Limited	A joint venture	–	–	–	–

13 Litigation

There is no material litigation being undertaken against the group. The group has made adequate provision against any cases where the group considers there are reasonable prospects for the litigation to succeed. The group has adequate resources and good grounds to defend any litigation it is aware of.

14 Events after reporting date

No events have occurred after the reporting date that require additional disclosure or adjustment to the results presented.

15 External auditors review opinion

Deloitte & Touche has issued its unmodified review report on the reviewed condensed consolidated financial statements for the year ended 30 September 2017. The review was concluded in accordance with ISRE 2410 – Review of Interim Financial Information performed by the independent auditor of the entity. A copy of their unmodified review report is available for inspection at Reunert's registered office. The auditor's review report does not necessarily report on all information contained in this announcement. Investors are, therefore, advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of that report from Reunert's registered office. Any reference to future performance included in this announcement has not been reviewed or reported on by the auditors.

ADDITIONAL INFORMATION

R million (unless otherwise stated)	Reviewed 2017	Audited 2016
Current ratio (:1)	**2,4**	2,4
Quick ratio (:1)	**1,8**	1,9
Dividend yield (%)*	**7,0**	7,2
Return on capital employed (%)	**19,8**	18,2
Net number of ordinary shares in issue (million)	**162**	165
Number of ordinary shares in issue (million)	**185**	184
Less: Empowerment shares (million)	**(19)**	(19)
Less: Treasury shares (million)	**(4)**	–
Capital expenditure	**143**	222
– expansion	**98**	174
– replacement	**45**	48
Capital commitments in respect of property, plant and equipment	**39**	60
– contracted	**20**	10
– authorised not yet contracted	**19**	50
Commitments in respect of operating leases	**126**	63
Contingent liabilities**	**–**	–

* *Calculated as the total dividend declared out of the 2017 profits (interim 120 cents per share and final 354 cents per share) (2016: 113 cents and 326 cents respectively) divided by the closing Reunert share price of 6 772 cents (2016: 6 110 cents).*

** *The directors are confident that Reunert Limited and its subsiaries have no exposure arising from the guarantees and sureties in issue, beyond the liabilities recognised in the condensed consolidated statement of financial position at financial year-end.*

Definitions of ratios and other financial terms are incorporated in the Integrated Report.

ADMINISTRATION

REUNERT LIMITED
Incorporated in the Republic of South Africa
Reg. No 1913/004355/06
Ordinary share Code: RLO ISIN code: ZAE000057428
("Reunert", "the group" or "the company")

Directors: TS Munday (Chairman) *,T Abdool-Samad*, AE Dickson (chief executive officer), SD Jagoe*, S Martin*, M Moodley, TJ Motsohi*, NDB Orleyn**, SG Pretorius*, MAR Taylor, NA Thomson (chief financial officer), R Van Rooyen*
** Independent non-executive ** Non-executive*

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

Income taxation reference number
9100/101/71/7P

Transfer secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
P O Box 61051
Marshalltown, 2107

Sponsor
Rand Merchant Bank (A division of FirstRand Bank Limited)

Registered auditors
Deloitte & Touche

Secretaries' certification
In terms of section 88(2)(e) of the Companies Act, 71 of 2008, I, Karen Louw, duly authorised on behalf of the company secretary, Reunert Management Services Proprietary Limited (Registration number 1980/007949/07) certify that, to the best of my knowledge and belief, the company has lodged with the Companies and Intellectual Property Commission for the financial year ended 30 September 2017 all such returns and notices as are required in terms of the aforesaid Act and that all such returns and notices appear to be true and correct.

Karen Louw
for Reunert Management Services Proprietary Limited
Group Company Secretaries

Investor enquiries
Carina de Klerk +27 11 517 9000 or e-mail invest@reunert.co.za.
For additional information log on to the Reunert website at www.reunert.com.

21 November 2017 (publication date)

NOTES

REUNERT

REUNERT LIMITED

PRESENTATION TO INVESTORS

FOR THE YEAR ENDED
30 SEPTEMBER 2017

REUNERT
REUNERT LIMITED

PRESENTATION TO INVESTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

AGENDA

REUNERT
REUNERT LIMITED

SALIENT FEATURES

REUNERT
REUNERT LIMITED

Good operational performance delivering real organic growth

- Revenue up 15% to R9 773 million
- Operating profit up 14% to R1 497 million
- Real operating profit growth in traditional businesses
- All three segments delivering positive revenue growth

Strategy execution yielding positive results

- Geographic diversification
  - Material improvement in non-ZAR revenue
- ICT strategy results in much improved product and service offerings
- Transformation
  - 2nd 10% Black ownership deal completed in Applied Electronics
  - Majority of business units maintained or improved BBBEE points on new Codes
  - 69% improvement in employment equity at top and senior management levels since 2014

Continued focus on improving returns to shareholders

- R203 million returned via shares repurchased
- Total dividend of 474 cps
  - 8% increase (2016: 439 cps)
  - 7% dividend yield
  - R772 million dividends declared
- TSR 18,6%

FINANCIAL OVERVIEW

REUNERT
REUNERT LIMITED

TWELVE MONTHS ENDED 30 SEPTEMBER		2017		2016		2015
Revenue	R million	9 773	15%	8 511	3%	8 300
Operating profit	R million	1 497	14%	1 315	13%	1 167
Net interest income and dividends	R million	65	-53%	137	0%	135
Profit for the year	R million	1 142	19%	963	1%	959
Total dividend per share	Cents	474	8%	439	8%	407

STRATEGY EXECUTION | MATERIAL MATTERS

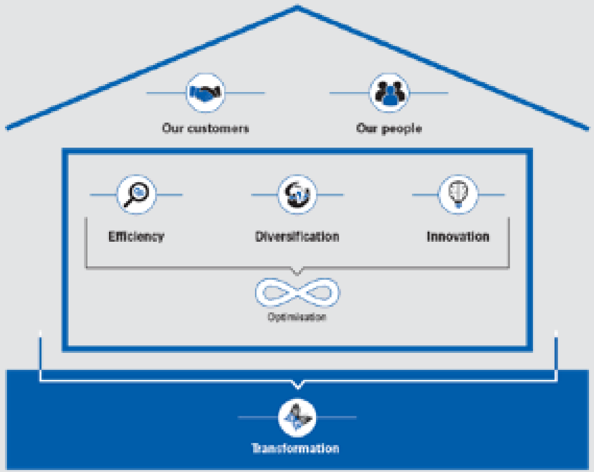
REUNERT
REUNERT LIMITED

2014:
84% revenue
generated in South Africa
(R1,2 billion non-ZAR)

Concentration risk

- Growing competition
- Late life cycle products
- Margin pressures

Slow top-line growth



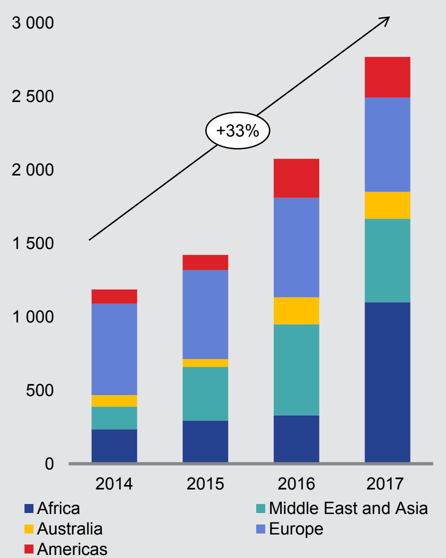
5

DIVERSIFICATION | GEOGRAPHIC

- 33% CAGR in non-ZAR revenue to R2,8 billion (2014: R1,2 billion)
- Electrical Engineering
  - 28% of revenue now from non-ZAR
  - CBI-electric: Low Voltage focus resulting in significant improvement in hard currency operating profit in Australia and USA
- Applied Electronics
  - Export revenues increased by 72% since 2014 (2014: R490 million to 2017: R843 million)
  - Export order books at record levels at year-end
  - Multi-year contracts in Fuchs, Radar and Omnigo
- 2018 non-ZAR revenue expected to increase further

REUNERT

NON-ZAR REVENUE GROWTH (Rm)



6

DIVERSIFICATION | ICT SEGMENT STRATEGY

OFFICE AUTOMATION CLUSTER

- Material progress in migrating to a service focused segment
- 28 000 Nashua and 12 000 ECN customers present a key competitive advantage
  - Only a 25% overlap between two customer bases
- OA has maintained its strong annuity base despite hardware margin pressures
- Successfully launched new revenue streams:
  - Voice (2015), Smart Solutions (2016), Access Control (2017), Connectivity (2017)

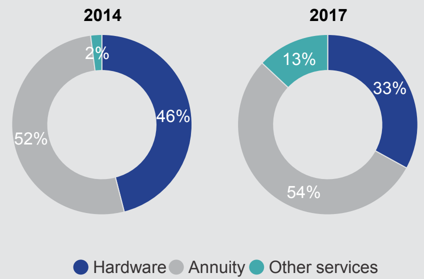
COMMUNICATIONS CLUSTER

- ECN is the largest independent VoIP provider in South Africa
  - Launched virtual PBX (2016)
  - Launched business-internet-access (2016)
- Outlook
  - Communications cluster will increase both its offering and contribution to the segment
  - Non-OA sales expected to continue to grow
  - Traditional OA is now less than 50% of the segment contribution

REUNERT
REUNERT LIMITED

OA CLUSTER	COMMS CLUSTER	FINANCE
Nashua Prodoc PanSolutions	ECN Nashua Comms	Quince Capital

OFFICE AUTOMATION REVENUE STREAMS (%)



7

ACQUISITIONS

REUNERT
REUNERT LIMITED

- Acquisitions remain a key driver of Reunert's growth strategy
  - R749 million investment over past 24 months
- Acquisitive growth contribution this year
  - R1,1 billion revenue
  - R104 million operating profit
- Several other opportunities at various stages of engagement

Omnigo	Zamefa	Nanoteq	Terra Firma Solutions	Ryonic Robotics
100%	74,4%	100%	51%	74,9%
Dec 2015	Aug 2016	Oct 2016	Mar 2017	Mar 2017

8

STRATEGY EXECUTION

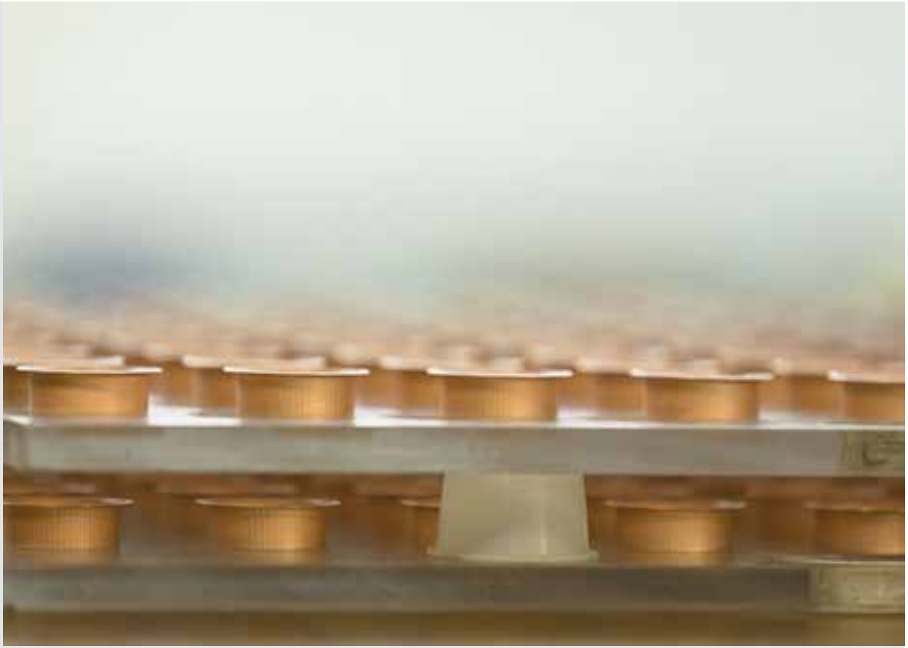
REUNERT
REUNERT LIMITED

- Reduced concentration risk by improving geographic diversification and improved product and service offerings
- Both acquisitive and organic growth contributed to double digit revenue and operating profit growth
- Accessed new markets with high growth potential
  - Renewable energy
  - Robotics
  - Encryption
- Good capital allocation enhancing shareholder value

	2017	2016	2015
ROCE	**19,8%**	18,2%	16,5%
TSR	**18,6%**	6,9%	6,1%

FINANCIAL RESULTS

NICK THOMSON



10

CONDENSED PROFIT / LOSS STATEMENT

		2017	2016	% change	
Revenue	Rm	**9 773**	8 511	15	↑
Operating profit	Rm	**1 497**	1 315	14	↑
Net interest income	Rm	**65**	137	(53)	↓
Empowerment transactions	Rm	**(20)**	(113)		
Profit before tax	Rm	**1 542**	1 339	15	↑
Tax	Rm	**(437)**	(404)	8	↑
Profit after tax	Rm	**1 105**	935	18	↑
Share of joint venture profit	Rm	**37**	28	32	↑
Profit for the year	Rm	**1 142**	963	19	↑
HEPS	Cents	**679**	570	19	↑
NHEPS	Cents	**697**	662	5	↑

REUNERT
REUNERT LIMITED

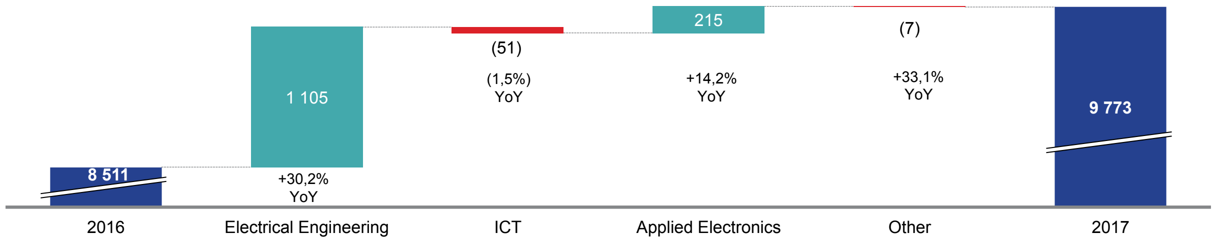
- Revenue up 15%
  - R1,1 billion from acquisitions
  - Improved volumes in last quarter
- Operating profit up 14%
  - Acquisitions: R104 million
  - Continued focus on efficiency and cost management
  - Export fuze order in H2
- Net interest income is lower due to:
  - Acquisitions: R241 million
  - Expansion capital: R98 million
  - Investment in working capital: R225 million
  - Share buybacks: R203 million
- Minorities increased as a result of acquisitions and BBBEE shareholding

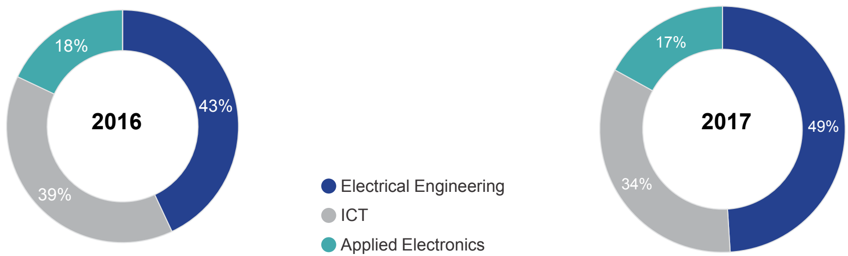
11

FINANCIAL RESULTS | REVENUE ANALYSIS

REUNERT
REUNERT LIMITED

MOVEMENT IN REVENUE (Rm)



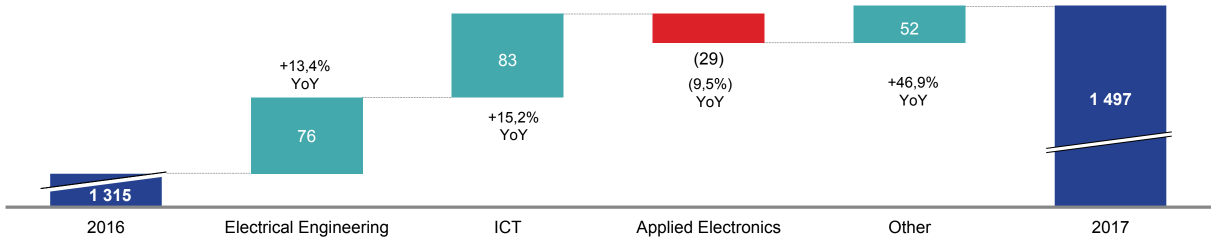


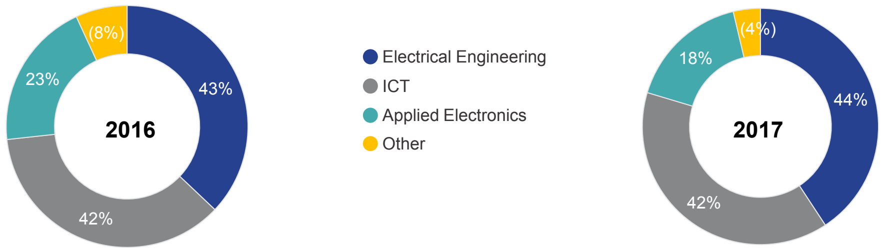
12

FINANCIAL RESULTS | OPERATING PROFIT ANALYSIS

REUNERT
REUNERT LIMITED

MOVEMENT IN OPERATING PROFIT (Rm)





13

CONDENSED FINANCIAL POSITION

	2017 Rm	2016 Rm
Property, plant and equipment, investment properties & intangible assets	1 095	1 019
Goodwill	921	737
Other long term assets	2 001	1 758
Non-current assets	**4 017**	3 514
Inventory	1 439	1 295
Receivables	2 981	2 718
Cash and cash equivalents including money market instruments	1 652	2 382
Current assets	**6 072**	6 395
Accounts payable	2 332	2 043
Bank overdraft	208	629
Current liabilities	**2 540**	2 672
Net current assets	**3 532**	3 723
Net assets	**7 549**	7 237
Equity and put options	7 364	7 092
Deferred tax	112	102
Long-term borrowings	73	43
Equity and long-term funding	**7 549**	7 237

REUNERT

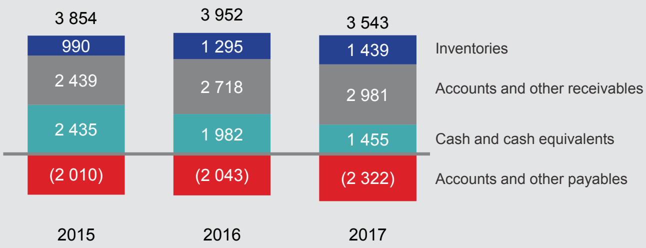
REUNERT LIMITED

MAJOR MOVEMENT IN BALANCE SHEET DUE TO ACQUISITIONS	Rm
PPE and intangible assets	82
Goodwill	171
Inventory	4
Accounts receivable	69
Non-current receivables	2
Deferred taxation	(10)
Short-term borrowings	(7)
Payables and provisions	(56)
	255
Cash paid	218
Borrowings assumed	23
Minority interest	14
	255

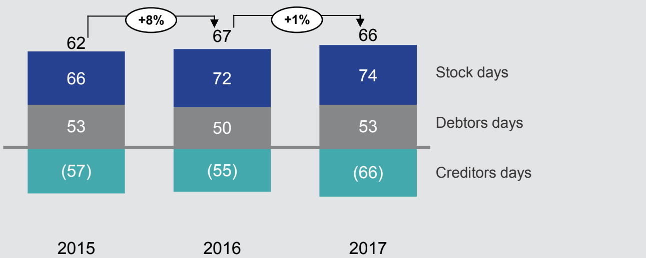
FINANCIAL RESULTS | WORKING CAPITAL

- Acquisitions had a limited impact on working capital
- Inventory
  - Pre-stocking in Electrical Engineering for 2018 orders
  - Commodity prices up 30%
- Accounts Receivable
  - Good Q4 sales and pass through of commodity price increases
  - Return to full export fuze production
- Accounts Payable
  - Focused creditor management at year end
- Long-term receivables
  - Increased from R1 449 million to R 1 682 million
  - Representing an increase of 16,1% (R233 million)

WORKING CAPITAL



TRADE WORKING CAPITAL DAYS

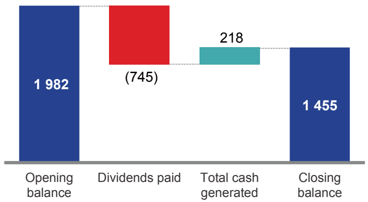


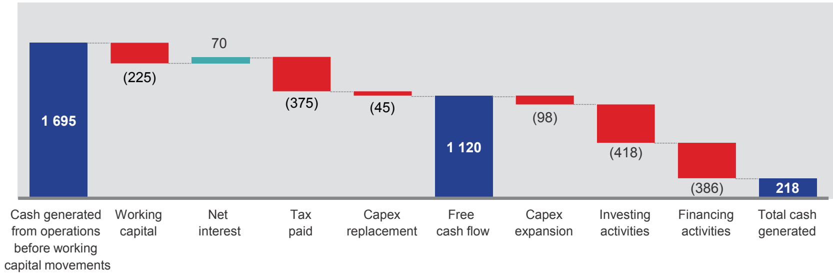
15

FINANCIAL RESULTS | CASH FLOW

REUNERT
REUNERT LIMITED

MOVEMENT IN CASH FLOW (Rm)





	Rm
On call	**1 522**
Long dated (>3 months)	**130**
Sub total	**1 652**
Bank overdraft	**(197)**
Total	**1 455**

- Investing activities
  - Acquisitions of Terra Firma, Nanoteq and Ryonic (R241 million)
  - Increase in rental/lease book (R231 million)
- Financing activities
  - Repayment of external loans in Quince (R199 million)
  - Share buyback programme (R203 million)

16

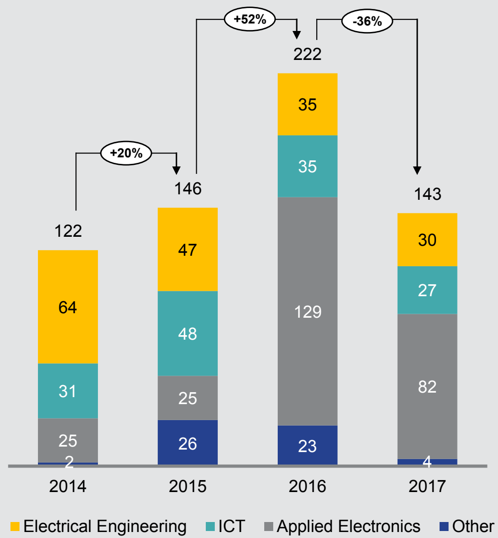
FINANCIAL RESULTS | CAPITAL EXPENDITURE

- Capital expenditure in 2017 amounted to R143 million (2016: R222 million)
  - replacement capital R45 million (2016: R48 million)
  - expansion capital R98 million (2016: R174 million)
- All capex was funded from internal resources

	Rm
PPE	72
IT	12
Intangibles	43
Other	16
Total	143

REUNERT
REUNERT LIMITED

CAPITAL EXPENDITURE (Rm)



17

SEGMENTAL RESULTS

ALAN DICKSON

18

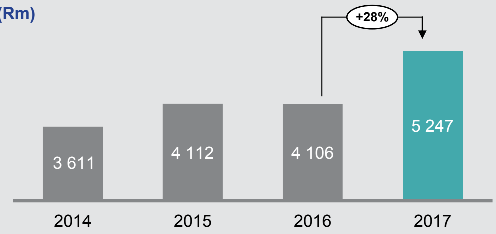
ELECTRICAL ENGINEERING | CABLES

- Zamefa successfully integrated into the group
  - Contributed 18% of segment revenue
  - Vertical integration benefits being realised
  - Segment margins reduced due to lower margin Zamefa products
  - Liquidity in Zambia remains a challenge
- African Cables increased market share and an improved product mix resulted in a strong performance despite the challenging local conditions
- Excellent performance from Telecom Cables driven by the FTTX roll-out
- Formal continuous improvement programmes at power and telecommunications cable factories in South Africa delivered efficiency benefits

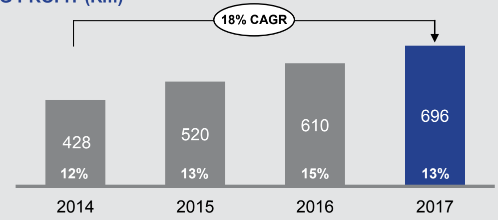
REUNERT

REUNERT LIMITED

REVENUE (Rm)



OPERATING PROFIT (Rm)

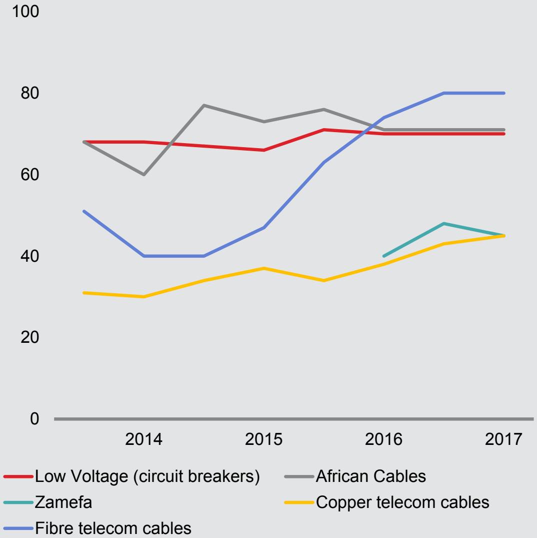


ELECTRICAL ENGINEERING | CIRCUIT BREAKERS

- Depressed local conditions weakened local residential and commercial product volumes
- Stronger ZAR impacted export margins and foreign subsidiary ZAR earnings
- Export markets
  - Good performance from international subsidiaries in USA and Australia
  - Several new product releases including high-capacity DC circuit breakers for telecommunications and renewable energy application to OEMs

REUNERT
REUNERT LIMITED

ELECTRICAL ENGINEERING:
% FACTORY CAPACITY UTILISATION

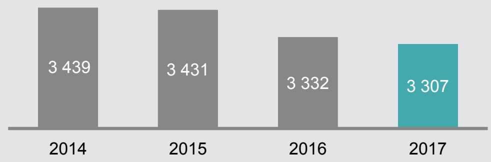


20

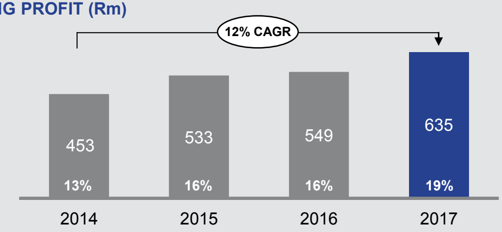
ICT | OFFICE AUTOMATION CLUSTER

- Improvement in operating profit margins
- Cross-selling strategy is gaining impetus
- Nashua market share improved to 15,5% from 13,7% in 2016
- Launched three new product lines
  - Access control and surveillance using biometric fingerprint and facial recognition
  - Connectivity
  - Smart Solutions: interactive whiteboards and video conferencing facilities
- Implementation of 'Service Now' IT service desk for all services sold to customers in the segment
- Quince Capital
  - Advances book increased by 12,2% to R2 375 million
  - Recurring business 67% (2015: 65%)
  - Despite tough economy bad debts are well below market norms

REVENUE (Rm)



OPERATING PROFIT (Rm)



21

ICT | OFFICE AUTOMATION CLUSTER

NASHUA

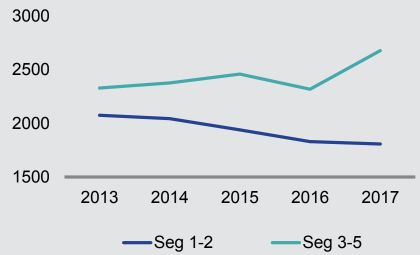
- Selling more and higher category multi-functional printers (MFP) but hardware margins remain under pressure
- Downward trend on total document volumes (TDV) (clicks) as result of exiting lower margin accounts
- Annuity revenue increased by 10% since 2015 driven by colour printing
- Nashua franchise channel now selling 9% of ECN's total voice minutes

PRODOC

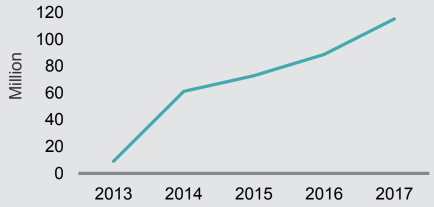
- Sales increased by 10%, but 4% lower in ZAR
  - Secured largest contracts ever in Scandinavia and Baltics region
  - Non-traditional markets increase by 5% to 25% of revenue

REUNERT
REUNERT LIMITED

MORE UNIT SALES TO HIGHER-END MFPs



VOICE MINUTES SOLD BY FRANCHISES



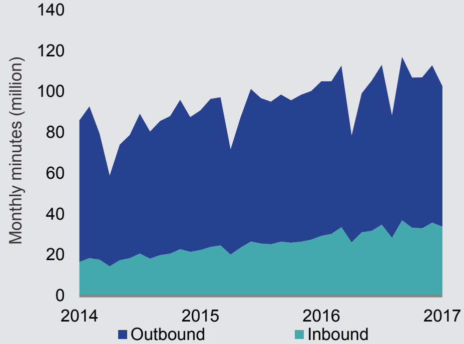
22

ICT | COMMUNICATIONS CLUSTER

- ECN voice minutes grew by 9% to 1,2 billion minutes for the year
- Revenue 3% lower due to the drop in interconnect rates from 16 cents to 13 cents per minute effective 1 October 2016
- Strong customer growth continues
- Customer numbers ported onto ECN network increased by 45% to 36 744
- ECN business systems architecture upgraded to facilitate new offerings
  - R12 million capex on network
  - R6 million on systems
- Bundled offering
  - Virtual PBX and data solutions gaining traction
  - Business-internet-access product suite launched

REUNERT
REUNERT LIMITED

VOICE MINUTES GROWTH



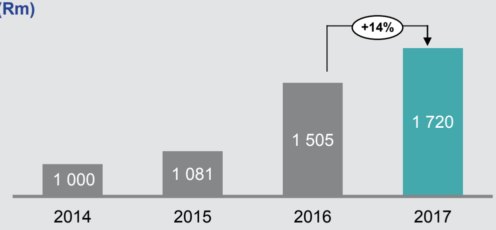
23

APPLIED ELECTRONICS

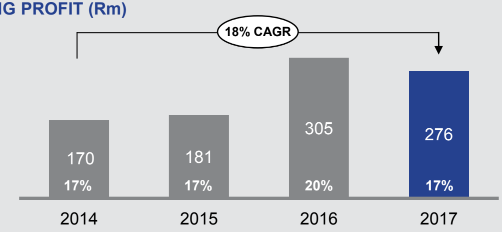
- Positive movement in revenue growth
  - Acquisitions contributed 25% of revenue
  - Enhanced stability of revenue base
- Segment operating margin impacted by lack of fuze production in first half and the stronger rand
- Local defence and SOE budgets' under pressure
  - Adversely impacted receipt of external R&D funding
- Focus on R&D continues
  - 9% of revenue
- International offerings yielding positive returns

REUNERT
REUNERT LIMITED

REVENUE (Rm)



OPERATING PROFIT (Rm)



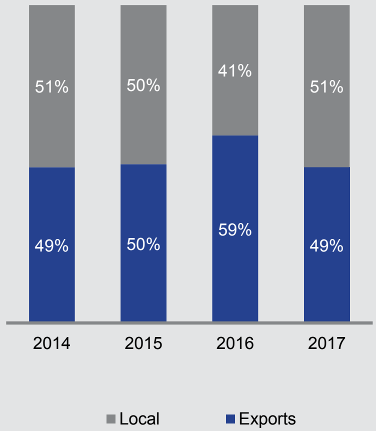
24

APPLIED ELECTRONICS | SECURE COMMUNICATIONS CLUSTER

- Reutech Communications
  - Ramp-up of the tactical radio production slower than anticipated, but now at full production
  - Phase 2 of the order not yet secured, but funded
- Omnigo
  - New capacity installed to meet higher quality standards
  - Extended export orders
  - Effectively fully loaded for FY2018
- Nanoteq
  - Performed in line with investment case
  - New geography is proving challenging
  - Commercial encryption, H10, has been launched

REUNERT
REUNERT LIMITED

APPLIED ELECTRONICS REVENUE DISTRIBUTION



25

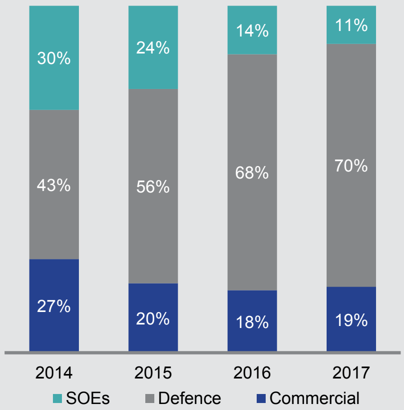
APPLIED ELECTRONICS

- Fuchs Electronics
  - Secured follow-on option order and two significant additional export contracts which will ensure full production in 2018
- Reutech Solutions
  - Marginal improvement in revenue, offset by inflationary cost increases
  - Development of dynamic control production is showing promise into significant Middle Eastern export markets
- Reutech Radar Systems
  - Record year for mining and commercial radars
    - Total mining and commercial revenue increased by 28%
    - Competition is increasing in this market
  - Export naval surveillance radar order secured in Southeast Asia
    - First delivery in 2019 with enhanced product development

REUNERT

REUNERT LIMITED

APPLIED ELECTRONICS MARKET SECTOR BY REVENUE SPLIT



26

REUNERT

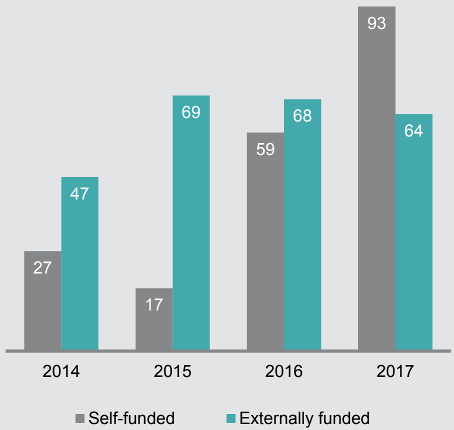
REUNERT LIMITED

APPLIED ELECTRONICS

NEW ACQUISITIONS

- Terra Firma Solutions
  - Increased order book via large group multi-site installations
  - Solar PV expansion into build-own-operate solutions via joint ventures
- Ryonic Robotics
  - Time is still required to complete development of product for pipe inspection market via R&D investment
  - Rugged terrain Armadillo robot achieves record performance in mining and sub-terrain environments

APPLIED ELECTRONICS RESEARCH AND DEVELOPMENT (Rm)



PROSPECTS

ALAN DICKSON

PROSPECTS

REUNERT
REUNERT LIMITED

- The group is well positioned for future growth
  - Good market positions in all Electrical Engineering and ICT businesses
  - Diversified revenue streams will further augment traditional businesses
  - Robust long-term export orders secured should result in a strong performance in Applied Electronics
  - South African uncertainty is difficult to quantify with a high degree of confidence
  - The order mix of the group again favours a stronger 2H2018
- Continued progress on the execution of the group strategy
  - Strategic acquisitions remain a key focus area and underpin our ability to sustain our growth projections
  - Acquisitions will continue to positively contribute to performance
- Subject to local economic growth and exchange rate uncertainty, the group should deliver a positive result in 2018

REUNERT

REUNERT LIMITED

Diversification

Our customers

Efficiency

Our people

Innovation

Transformation

30

NOTES

WWW.REUNERT.CO.ZA