For Immediate Release

ARB SUSTAINS GROWTH THROUGH STRATEGIC EXPANSION

- **Revenue up 24% to R1.94 billion**
- **Operating profit up 26% to R160 million**
- **Headline earnings per share increased by 15% to 39.55 cents**
- **Ungeared net cash position of R203 million**
- **Annual dividend up 18% to 16.2 cents per share**
- **Special dividend of 10 cents per share**

Johannesburg, 15 August 2013. ARB Holdings Limited ("ARB"), South Africa's largest independent distributor of electrical and lighting products, delivered a pleasing set of results for the year ended 30 June 2013. Byron Nichles, Chief Executive Officer of ARB Holdings, commented: "Despite an increasingly competitive market place and uncertain macro-economic environment, the Group was able to achieve double-digit top and bottom line growth throughout the year, and the board is pleased with the overall results achieved."

Group financial performance

The Group achieved an overall increase in revenue of 24% to R1.94 billion, compared to the R1.56 billion in the prior year. The growth in revenue can be attributed to a strong trading performance by the Lighting division, as well as the acquisitions of Industrial Cable Suppliers ("ICS") and Elektro Vroomen. Gross profit margin for the period increased from 19.6% to 21.9%, primarily due to the higher margin Lighting division included for the full year.

ARB was able to increase operating profit by 26% to R160 million (2012: R127 million).

Headline earnings per share for the year increased by 15% to 39.55 cents (2012: 34.25 cents).

The Group reported an impressive 106% increase in cash generated by operating activities to R196.2 million (2012: R95.2 million) and remains ungeared with R203 million cash on hand. "Given the strongly cash generative nature of ARB, the annual dividend has been increased by 18% to 16.2 cents per share and a special dividend of 10 cents per share declared, to return excess cash to shareholders whilst still being able to retain sufficient cash to fund our growth and expansion strategy," said Nichles.

Divisional review

Electrical division

The Electrical division was able to increase revenue by 16% to R1.68 billion, boosted by the acquisitions of ICS and Elektro Vroomen. Operating profit increased by a more modest 5% as a result of less than expected profit contributions from ICS and Elektro Vroomen due, in part, to restructuring and integration costs incurred.

Lighting division

An excellent set of results for its first full year of inclusion was achieved by the Lighting division, reporting revenue of R281.0 million and operating profit of R30.5 million, primarily due to a combination of strong market share gains, a focus on margin improvement and strict cost control measures. No comparative numbers are provided as the Lighting division only formed part of ARB for the last six months of the 2012 year.

Prospects

Electrical division

Trading conditions are expected to remain tough for the next financial year, with low levels of construction spend, continued labour action and declining commodity prices impacting the mining and public sectors. The Electrical division is however well placed to benefit from recovery in any of the above sectors.

Lighting division

Despite increased pressure on consumer spending, the Lighting division will continue to deliver top and bottom line growth from the expansion of its product range to include electrical accessories as well as commercial and project lighting.

"In line with our growth and expansion strategy, and with an ungeared balance sheet and significant cash resources, ARB will continue to pursue further strategically aligned acquisitions to expand the business and product offering," concluded Nichles.

Ends

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