

## ARB HOLDINGS LIGHTS UP JSE

**As the fastest-growing supplier to the electrification of homes and buildings in South Africa, black empowered electrical wholesaler ARB Holdings (“ARB”) is set to benefit from its successful debut this morning on the JSE main board.**

The share listed strongly at R5.65, above the R5.10 private placement price, to give ARB a market capitalisation on listing of R1.3 billion. In light of World Bank and local government commitments to the electricity industry that will see a dramatic increase in demand for products, ARB intends to expand its footprint across the country and into Africa and to target new client sectors such as mining.

Investor interest was evident from the substantial oversubscription of the pre-listing private placement which raised R370 million in total. Chairman and founder Alan Burke says the healthy trade since listing this morning “affirms that the listing has started to elevate the company’s profile, which together with the R179 million new capital raised should facilitate ARB’s further expansion nationally and into sub-Saharan Africa.”

CEO Craig Robertson adds: “We plan to roll-out more branches nationally and strengthen our presence specifically in Gauteng, to broaden our exposure to this lucrative market and serve as a springboard into neighbouring regions”. ARB has a head office in Durban and further branches in Johannesburg, Cape Town, Richards Bay, Pietermaritzburg and East London. He says that this expansion could be achieved organically, as well as through acquisitions to which a substantial part of the new capital raised has been allocated.

He explains that the group plans to leverage its expertise in supplying rural infrastructure expansion to capture markets across the border. “While we have begun working in a number of African countries, this is currently a very small part of ARB’s overall business. We intend to use a portion of the capital raised to expand into these regions targeting rural infrastructure as well as corporate electrification and the new mines in the pipeline.”

Robertson is confident the group’s growth trend will continue into 2008 with forecast increases in revenue from R1 billion to R1,3 billion and in headline earnings from R84,2 million to R101,4 million. “As one key driver of growth, Eskom has committed R1 trillion over the next 20 years to address challenges related to the distribution and transmission of electricity. This together with government’s multi-billion infrastructure budget and burgeoning low-cost housing development, bodes well for ARB’s long-term growth prospects.”

As CEO, Robertson remains heavily invested in the company with his and fellow directors’ and management’s stake amounting to 70%. “The incentivisation of key executive managers is a further step to ensuring that the group is well-guided to achieve its growth forecasts.”

Burke concludes: “A 27-year record of profitability, long-standing client relationships and an expanding footprint in a market that is integral to South Africa’s growth and the development of the continent, should position ARB to continue achieving solid bottom line growth and to generate sustainable returns for its new stakeholders.”

ARB offers a wide range of products including power and instrumentation cabling, conductors, overhead line hardware, insulators and transformers and general electrical contracting materials. Clients include major construction companies, parastatals, electrical contractors including those working on government's overhead electrification programme and independents.

**Ends.**

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