



**Press release  
For immediate release**

## **SOLID TRADING PERFORMANCE BOOSTS RESULTS**

### **Highlights**

- Revenue up 25% to R1 565 million
- Operating profit up 16% to R128 million
- Headline earnings per share up 12% to 34.25 cents
- Ungeared with R180 million cash on hand
- Annual dividend of 13.7 cents per share declared
- Strategic acquisitions of Eurolux and Industrial Cable Suppliers

ARB Holdings Limited (ARB Holdings), South Africa's largest independent distributor of electrical products such as power cables, overhead line conductors and equipment, low and medium voltage products as well as lamps and lighting, delivered an impressive set of results despite competitive trading conditions. Byron Nichles, Chief Executive Officer of ARB Holdings, said that: "The strong trading performance coupled with the strategic acquisition of Eurolux enabled the group to once again report pleasing growth in both revenue and profits for the year ended 30 June 2012."

Revenue and operating profit for the year increased by 25% to R1.57 billion (2011: R1.3 billion) and 16% to R128 million (2011: R110 million), respectively. This was primarily due to ARB Electrical Wholesalers continued growth in market share as well as the inclusion of Eurolux's results in the second half of the year. Furthermore, the group's overall gross profit margin for the full year increased from 18.7% in the prior year to 19.6% at the end of June 2012 as a result of the higher margins generated by Eurolux.

The increase in the group's overheads reflects the consolidation of Eurolux as well as the continued investment in broadening the organisational capacity of the group. Byron Nichles commented: "The strategic acquisitions of Eurolux as well as Industrial Cable Suppliers ("ICS") (effective post year end, 2 July 2012) have enabled ARB Holdings to evolve from a single trading operation into a group of strategically aligned business units.

The group's largest contributor to revenue, ARB Electrical, delivered a stellar set of results, increasing revenue by 15% to R1.45 billion (2011: R1.26 billion), with operating profit up by 14% to R96.3 million from R84.8 million in the previous year.

Lighting, a new reporting division, which houses Eurolux's results for the six months to June 2012, contributed R120 million towards revenue and R5.1 million towards the group's operating profit. Although negatively impacted by mark-to-market losses incurred on foreign exchange contracts due to the sudden and unexpected recovery



of the Rand in January 2012 and the transaction costs relating to the Eurolux acquisition, the acquisition was earnings-enhancing.

The group continues to focus on cash management which is reflected in the strong cash balance as at 30 June 2012 of R180 million. The ARB Holdings board, taking into account the company's strong operating cash flows, declared an annual dividend of 13.7 cents, equating to an increase of 12% on the previous dividend.

Byron Nichles concluded, "Notwithstanding the tough macro economic environment, our strategic acquisitions of Eurolux and ICS, which will be included for the full year to June 2013, will enhance our continued growth in the coming years."

**Ends**

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<b>Issue date:</b>	16 August 2012

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