



For Immediate Release

ARB HOLDINGS' ACQUISITION STRATEGY PAYS OFF

- Revenue up 39% for the six months ended 31 December 2012 to R965 million
- Operating profit up 27% to R77 million
- Headline earnings per share increased by 17% to 18,43 cents
- Ungeared net cash position of R153 million
- Recent acquisitions include Eurolux, Industrial Cable Suppliers and Elektro Vroomen

Johannesburg, 14 February 2013. ARB Holdings Limited (ARB Holdings), South Africa's largest independent distributor of electrical and lighting products, delivered a solid set of results for the six months ended 31 December 2012. Byron Nichles, Chief Executive Officer of ARB Holdings, commented: "The recent acquisitions, Eurolux (Pty) Ltd (Eurolux) and Industrial Cable Suppliers (Pty) Ltd (ICS), have significantly contributed to the growth and profitability of ARB Holdings for the period under review as well as diversifying its product offering. The acquisition of Elektro Vroomen (Pty) Ltd (Elektro Vroomen) only became effective 1 January 2013 and did not contribute to this set of results."

The Group achieved an overall increase in revenue of 39% to R965 million for the six months ended 31 December 2012 compared to the R693 million achieved in the prior period. The increase in revenue was primarily due to the above mentioned acquisitions. The gross margin of the Group also improved to 20,3% (December 2011: 18,8%), mainly as a result of Eurolux being a higher margin business.

Operating profit increased by 27% to R77 million for the period under review (December 2011: R60 million). The lag in growth to that of revenue growth reflects the margin pressure experienced by the Electrical Wholesaling segment as a result of the highly competitive trading environment as well as the costs associated with the implementation of the new ERP software and ICS integration. As a result of the Eurolux and ICS acquisitions being settled in cash, the net interest received decreased for the reported period.

Headline earnings per share (HEPS) was up 17% to 18,43 cents (December 2011: 15,69 cents).



ARB Holdings once again reported strong cash flow generated from operating activities, after working capital, of R111 million (December 2011: R25 million). “The Group’s net working capital as a percentage of revenue was kept below 20%, reflecting our disciplined approach to cash management,” stated Nichles. He further said that the Group’s financial position remains robust with a net asset value per share of 253,47 cents at 31 December 2012 and an ungeared net cash position of R153 million.

Nichles concluded: “We are expecting market conditions to remain tough, but we have diversified our revenue and profit base with the recent acquisitions, which should positively influence the Group’s results for the remainder of the financial year ending 30 June 2013. Our net cash position and strong cash generating abilities of our operations allow us to continue to explore acquisition opportunities aligned to our long-term strategy of offering a diversified range of electrical and related industrial products to a broad spectrum of industries and market segments.”

Ends

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