

# ARB

## Holdings Limited

("ARB" or "the company")  
 (Registration number: 1986/002975/06)  
 Share code: ARH ISIN: ZAE000109435

# UNAUDITED INTERIM RESULTS

For the six months ended  
31 December 2007

### HIGHLIGHTS

- Revenue up 17%
- Attributable profit ahead of pre-listing forecast
- Successful listing on JSE – November 2007

### ABRIDGED GROUP INCOME STATEMENT

	Unaudited 6 Months Dec 2007 R000's	Unaudited 6 Months Dec 2006 R000's	Audited Year to June 2007 R000's
<b>Revenue</b>	<b>596 388</b>	508 598	1 047 642
<b>Profit before interest and taxation</b>	<b>90 301</b>	82 148	193 084
Interest received	2 572	665	1 416
Interest paid	(5 329)	(6 028)	(13 595)
<b>Profit before taxation</b>	<b>87 544</b>	76 785	180 905
Taxation	28 668	22 268	53 275
<b>Profit for the period</b>	<b>58 876</b>	54 517	127 630
Minority interest	13 757	13 109	26 027
<b>Profit attributable to ordinary shareholders</b>	<b>45 119</b>	41 408	101 603
Headline earnings adjustment	–	–	(24 521)
Taxation on adjustments	–	–	7 111
<b>Headline earnings</b>	<b>45 119</b>	41 408	84 193
Number of ordinary shares in issue (000's)	235 000	200 000	200 000
Weighted average number of shares (000's)	207 989	200 000	200 000
Diluted number of shares (000's)	207 989	200 000	200 000
Earnings per share (cents)	21,7	20,7	50,8
Headline earnings per share (cents)	21,7	20,7	42,1

Comparative numbers of *pro forma* ordinary shares are stated after taking into account the share split on 15 October 2007 of 10 000 for 1.

The headline earnings adjustment relates to the revaluation of land and buildings.

No segmental report has been prepared as the group does not have separately identifiable reporting segments.

### ABRIDGED GROUP CASH FLOW STATEMENT

	Unaudited 6 Months Dec 2007 R000's	Unaudited 6 Months Dec 2006 R000's	Audited Year to June 2007 R000's
<b>Cash generated by operating activities</b>	<b>96 158</b>	(40 143)	81 543
Interest received	2 572	665	1 416
Interest paid	(5 329)	(6 028)	(13 595)
Taxation paid	(41 663)	(5 357)	(41 260)
Secondary taxation on companies paid	(3 275)	–	–
<b>Cash flows from operating activities</b>	<b>48 463</b>	(50 863)	28 104
<b>Cash flows from investing activities</b>	<b>(6 879)</b>	(13 156)	(19 455)
<b>Cash flows from financing activities</b>	<b>171 444</b>	–	–
Net proceeds of share issue	171 444	–	–
Dividends paid	(57 700)	–	–
Interest-bearing loans repaid	(78 776)	13 451	29 075
<b>Net increase in cash resources</b>	<b>76 552</b>	(50 568)	37 724
Cash borrowings at beginning of period	(22 000)	(59 724)	(59 724)
<b>Cash resources at end of period</b>	<b>54 552</b>	(110 292)	(22 000)

### ABRIDGED STATEMENT OF CHANGES IN EQUITY

	Share capital and share premium R000's	Revaluation reserve R000's	Non-distributable reserve R000's	Minority interest R000's	Accumulated profits R000's	Total R000's
<b>Balance at 1 July 2006 (Audited)</b>	20	6 483	9 374	7 560	67 927	91 364
Profit for the period	–	–	–	13 109	41 408	54 517
<b>Balance at 31 December 2006 (Unaudited)</b>	20	6 483	9 374	20 669	109 335	145 881
Profit for the period	–	–	–	12 918	60 195	73 113
Revaluation of property, plant and equipment net of taxation	–	17 410	–	–	(17 410)	–
<b>Balance at 30 June 2007 (Audited)</b>	20	23 893	9 374	33 587	152 120	218 994
Net proceeds of share issue	171 444	–	–	–	–	171 444
Profit for the period	–	–	–	13 757	45 119	58 876
Dividends paid	–	–	–	(1 040)	(56 660)	(57 700)
<b>Balance at 31 December 2007 (Unaudited)</b>	171 464	23 893	9 374	46 304	140 579	391 614

### COMMENTS

#### Introduction

The Board is pleased to present the maiden interim results since listing for the six months ended 31 December 2007 ("the period"), which reflect adequate growth in key performance indicators from the previous comparative interim period and are in line with the financial forecasts set out in ARB's prospectus.

On 20 November 2007 the company successfully debuted on the JSE Limited's main board in the "Electronics and Electrical Equipment" sector.

#### Basis of preparation

The unaudited interim financial statements for the period have been prepared in compliance with *International Accounting Standard (IAS 34) – Interim Financial Reporting*. The accounting policies applied in preparing these unaudited interim financial statements are consistent with those applied in the annual financial statements for the year ended 30 June 2007 and comply with the statements of International Financial Reporting Standards and the South African Companies Act.

#### Financial review

Revenue, increased by 17,3% to R596,4 million from R508,6 million in the comparative interim period, generating a 9% growth in profit attributable to ordinary shareholders to R45,1 million from R41,4 million, ahead of the forecast in the prospectus. As forecast, profit margins have declined to 15,1%. Headline earnings per share increased to 21,7 cents from 20,7 cents.

The majority of borrowings has been repaid utilising the funds raised on listing leaving ARB in a cash-positive position to finance any expansion plans. The company's financing facilities remain available to fund any additional working capital.

#### Operational review

Despite the current power crisis in South Africa the electrification project in rural areas has continued unabated. All of the group's branches maintained the anticipated levels of growth during the period. The Gauteng branch accounted for 34% (2006: 23%) of revenue, reflecting the group's continued penetration into this market. ARB has successfully won orders from regions where it has no established presence and these regions are accordingly being prioritised in the group's geographic expansion programme.

#### Prospects

The directors anticipate further growth in market share.

### ABRIDGED GROUP BALANCE SHEET

	Unaudited 6 Months Dec 2007 R000's	Unaudited 6 Months Dec 2006 R000's	Audited Year to June 2007 R000's
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	82 518	48 440	77 310
Deferred taxation	1 659	2 243	2 373
<b>Current assets</b>			
Inventory	220 962	232 449	213 500
Trade and other receivables	155 465	135 302	195 854
Cash resources	54 552	21	23
<b>Total assets</b>	<b>515 156</b>	418 455	489 060
<b>EQUITY and LIABILITIES</b>			
<b>Equity and reserves</b>			
Share capital and share premium	171 464	20	20
Non-distributable reserve	9 374	9 374	9 374
Revaluation reserve	23 893	6 483	23 893
Accumulated profits	140 579	109 335	152 120
<b>Total ordinary shareholders' funds</b>	<b>345 310</b>	125 212	185 407
Minority interest	46 304	20 669	33 587
<b>Total shareholders' funds</b>	<b>391 614</b>	145 881	218 994
<b>Non-current liabilities</b>			
Interest-bearing borrowings	6 492	41 376	40 070
Deferred taxation	8 941	–	8 580
<b>Current liabilities</b>			
Trade and other payables	104 295	58 062	133 024
Current portion interest-bearing borrowings	1 897	9 930	9 930
Current portion deferred lease payments	12	62	24
Shareholders' loans	–	20 235	37 165
Taxation payable	1 905	32 596	19 250
Bank overdraft	–	110 313	22 023
<b>Total equity and liabilities</b>	<b>515 156</b>	418 455	489 060
Number of ordinary shares in issue (000's)	235 000	200 000	200 000
Net asset value per share (cents)	146,94	62,61	92,70

Comparative numbers of *pro forma* ordinary shares are stated after taking into account the share split on 15 October 2007 of 10 000 for 1.

Eskom has confirmed that there will be no budget cut in the planned low-cost housing connections in 2008. Furthermore, the Department of Mineral & Energy Affairs has confirmed a planned R1 billion spend for 2008/9 for electrical connectivity particularly in schools and clinics nationwide as well as low-cost housing.

In addition, the directors continue to investigate and assess potential acquisition opportunities to enhance ARB's planned geographical expansion.

#### Dividend

Prior to the listing, a dividend of R57,7 million was declared and paid to shareholders.

In line with the policy set out in the prospectus, no interim dividend has been declared. ARB's dividend policy is to distribute a final dividend for the full year of up to a maximum of one third of net profit after taxation.

#### Appreciation

We thank the management teams and employees of ARB for their commitment and hard work that contributed to the company's successful listing on the JSE. We also welcome our new stakeholders and thank our advisors, suppliers and clients for their invaluable ongoing support.

For and on behalf of the Board.

Alan R Burke  
Chairman

Craig Robertson  
CEO

12 February 2008

**Directors:** AR Burke (Chairman)\*; CC Robertson (CEO); WR Neasham (Financial Director); JR Modise\*; DF Muhlwa\*; ST Downes \* >non-executive >independent

**Registered office:** 10 Mack Road, Prospecton, Durban, 4110 (PO Box 26426, Isipingo Beach, 4115)

**Corporate advisor and sponsor:** Bridge Capital Advisors (Pty) Limited

**Transfer secretaries:** Computershare Investor Services 2004 (Pty) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107)

**Company secretary:** WR Neasham CA(SA), 10 Mack Road, Prospecton, Durban, 4110 (PO Box 26426, Isipingo Beach, 4115)

**Investor relations:** Envisage Investor and Corporate Relations