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Trading Statement and update regarding the restructuring of Argent

Argent Industrial Limited
(Registration number 1993/002054/06)
(Incorporated in the Republic of South Africa)
Share Code: ART
ISIN: ZAE000019188
("Argent" or "the company" or "the group")

TRADING STATEMENT, UPDATE REGARDING THE RESTRUCTURING OF
ARGENT, DISPOSAL OF NON-CORE ASSETS AND CLOSURE OF NON-
PERFORMING OPERATIONS

Argent wishes to bring to the attention of shareholders the effects of a substantial restructuring within the group.

The markets in which the group operates have been negatively affected by the poor economic environment in South Africa over the past number of years. Although the diversified nature of the group was able to compensate for these negative influences to some extent, management has thoroughly investigated various alternatives to enhance the group's performance and it has therefore been decided to restructure the group in order to ensure sustainably improved shareholder value in the medium- to longer term. The restructuring has now been finalised and will have a negative effect on the group's earnings amounting to approximately R259 million.

In terms of paragraph 3.4 (b) of the Listing Requirements of the JSE Limited, companies are required to publish a trading statement as soon as they are satisfied that there is a reasonable degree of certainty that the financial results for the next reporting period will differ by more than 20% from those of the previous corresponding period.

Headline earnings per share for the year ended 31 March 2014 are expected to be between 6 and 23 cents per share compared to 85.9 cents per share in the previous corresponding period. The basic loss per share for the year ended 31 March 2014 is expected to be between 213 and 229 cents compared to the basic earnings per share of 83.2 cents in the previous corresponding period.

The restructuring consisted of the following:

- Impairments of R150.5 million in the underperforming automotive division. The impairment was necessitated by the effects of continuing weak consumer demand, as well as the number of new entrants to our markets and a sharp increase in imported product which significantly reduced local content.
- Property impairments of R38.3 million of which R32.5 million relates to the group's automotive factory which operates in the depressed area of Ga Rankuwa.
- Impairments of R49.0 million to the investment in the highly competitive, overtraded, paint and aluminium division.
- The closure and subsequent consolidation to Durban, Cape Town and Johannesburg of four loss-generating retail

businesses in the Steel Trading and Retail division at a cost of R21.6 million.

In addition, the effects of labour strikes at various customers and suppliers, including the current platinum industry strike, are estimated to have cost the group R15.9 million.

It should be noted that the group, as part of the restructuring, is in the process of selling 12 of its 22 existing properties, which are non-core, for an amount of approximately R278.5 million. This positive offset is expected to be realised in the financial year ended March 2015. The board of directors of the company ("the board") will assess how these proceeds should be applied.

The board is confident that the above restructuring as well as the property realisation will unlock value and enable the group to focus on its core businesses of Manufacturing and Trading. These operations play to the group's skills and considerable experience and operate in the areas of potential growth in the economy.

The group net asset value as at 31 March 2014, taking into account the projected results as noted above, should be in the range of 1130 to 1260 cents per share.

Should the aforementioned abnormal write-downs be excluded, the decline in the group's headline earnings per share and earnings per share for the financial year to 31 March 2014 would have been less than 20% compared to the previous financial year.

The above information has not been reviewed or reported on by the company's external auditors. It is anticipated that the audited results for the year ended 31 March 2014 are to be published on SENS on or about 26 June 2014.

Umhlanga
9 May 2014

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