Unaudited Interim Resu

for the six months ended 30 September 2007

Abridged Consolidated Income Statement
for the six months ended 30 September 2007

	Unaudited six months 30 Sept 2007	Unaudited six months 30 Sept 2006	Audited year ended 31 Mar 2007
	R 000	R 000	R 000
Revenue	877 511	629 218	1 296 312
Operating profit before financing costs	145 066	97 887	243 386
Financing costs	23 110	10 822	25 929
Profit before taxation	121 956	87 065	217 457
Taxation	36 411	21 601	60 236
Profit after taxation	85 545	65 464	157 221
Minority interest	1 129		
Earnings attributable to ordinary shareholders	84 416	65 464	157 221
Attributable earnings per share (cents)	100.0	83.2	199.4
Headline earnings per share (cents)	95.3	83.0	174.0
Dividends per share (cents)	16.0	14.0	29.0

Supplementary information

Shares in issue (000)			
- at end of period	93 965	80 462	80 462
- weighted average	84 424	78 664	78 844
Interest received (R 000)	15 656	6 546	15 150
Cost of sales (R 000)	510 647	367 185	718 270
Depreciation (R 000)	12 508	8 962	18 835
Net profit on foreign exchange transactions (R 000)	885	4 651	4 383
Calculation of headline earnings (R 000)			
Earnings attributable to ordinary shareholders	84 416	65 464	157 221
Profit on disposal of property, plant and equipment	(3 949)	(181)	(1 500)
Profit on disposal of minority share in subsidiary			(18 950)
Loss on disposal of property, plant and equipment	16	28	396
Headline earnings attributable to ordinary shareholders	80 483	65 311	137 167

Abridged Consolidated Balance Sheet
for the six months ended 30 September 2007

	Unaudited at 30 Sept 2007	Unaudited at 30 Sept 2006	Audited at 31 Mar 2007
	R 000	R 000	R 000
Assets			
Non-current assets			
Property, plant and equipment	507 966	386 793	449 175
Intangibles	207 408	113 863	113 785
Long term loan	28 080		28 623
	743 454	500 656	591 583
Current assets			
Inventories	438 873	243 273	332 618
Trade and other receivables	311 997	274 149	287 739
Bank balance and cash	13 969	25 789	14 272
	764 839	543 211	634 629
Total Assets	1 508 293	1 043 867	1 226 212
Equity and Liabilities			
Capital and reserves			
Share capital and premium	391 799	231 083	235 561
Reserves	69 293	71 799	70 379
Retained earnings	493 416	342 100	422 506
Ordinary shareholders' funds	954 508	644 982	728 446
Minority interest	10 801		9 673
Total shareholders' funds	965 309	644 982	738 119
Non-current liabilities			
Interest-bearing borrowings	138 266	97 075	111 442
Deferred tax	46 048	47 039	44 730
	184 314	144 114	156 172
Current liabilities			
Trade and other payables	243 197	199 168	231 088
Taxation	35 242	13 088	11 972
Current portion of interest-bearing borrowings	80 231	42 515	88 861
	358 670	254 771	331 921
Total Equity and Liabilities	1 508 293	1 043 867	1 226 212
Net asset value per share (cents)	1 015.8	801.6	905.3

Abridged Consolidated Cash Flow Statement
for the six months ended 30 September 2007

	Unaudited six months 30 Sept 2007	Unaudited six months 30 Sept 2006	Audited year ended 31 Mar 2007
	R 000	R 000	R 000
Cash generated from operations	77 691	40 331	96 224
Interest paid	(23 110)	(10 822)	(25 929)
Interest received	15 656	6 546	15 150
Dividends paid	(13 506)	(10 435)	(21 786)
Taxation paid	(13 874)	(11 308)	(52 525)
Cash flows from operating activities	42 857	14 312	11 134
Cash flows from investing activities	(210 771)	(37 695)	(111 225)
Cash flows from financing activities	167 611	4 636	69 827
Net decrease in cash and cash equivalents	(303)	(18 747)	(30 264)
Cash and cash equivalents at beginning of period	14 272	44 536	44 536
Cash and cash equivalents at end of period	13 969	25 789	14 272

Statement of Changes in Equity
for the six months ended 30 September 2007

	Share capital	Share premium	Treasury shares	Revaluation reserve	Reserve on subsidiary acquisition	Reserve on translation of foreign operation	Retained earnings
	R 000	R 000	R 000	R 000	R 000	R 000	R 000
Balance at 30 September 2006	4 023	271 622	(44 562)	49 650	23 209	(1 060)	342 100
Net treasury movement			4 478				
Foreign currency translation adjustment						154	
Revaluation of properties				(1 574)			
Net profit for the period							91 757
Dividends							(12 070)
Less treasury shares							719
Balance at 31 March 2007	4 023	271 622	(40 084)	48 076	23 209	(906)	422 506
Shares issued	675	228 488					
Net treasury movement			(72 925)				
Foreign currency translation adjustment						213	
Reversal of revaluation of properties				(1 299)			
Net profit for the period							84 416
Dividends							(14 954)
Less treasury shares							1 448
Balance at 30 September 2007	4 698	500 110	(113 009)	46 777	23 209	(693)	493 416

Segment Report
for the six months ended 30 September 2007

Business Segments	Revenue unaudited six months ended 30 Sept 2007	Results unaudited six months ended 30 Sept 2007	Revenue unaudited six months ended 30 Sept 2006	Results unaudited six months ended 30 Sept 2006
	R 000	R 000	R 000	R 000
Steel and steel related products	645 825	87 749	453 291	55 811
Automotive products	147 410	20 222	130 888	21 604
Non steel related products	83 658	9 867	45 039	9 566
Properties	618	4 118		84
Total	877 511	121 956	629 218	87 065

Commentary

Chief executive officer's review

On behalf of the board of directors of Argent Industrial Limited, the unaudited results for the six months ended 30 September 2007 are hereby presented.

Salient features

- Revenue increased by 39.5% to R877.5 million (2006 – R629.2 million)
- Attributable earnings increased by 28.9% to R84.4 million (2006 – R65.5 million)
- Attributable earnings per share increased by 20.2% to 100.0 cents per share (2006 – 83.2 cents per share)
- Headline earnings increased by 23.2% to R80.5 million (2006 – R65.3 million)
- Headline earnings per share increased by 14.8% to 95.3 cents per share (2006 – 83.0 cents per share)
- Group gearing increased to 22.6% (2006 – 21.6%)

Financial Highlights

Revenue	39.5%
Attributable Earnings	28.9%
Attributable Earnings per share	20.2%
Headline Earnings	23.2%
Headline Earnings per share	14.8%
Gearing	22.6%

Argent Industrial Limited
Reg no 1993/002054/06
(Incorporated in the Republic of South Africa)
("Argent" or "The Group")
Share code : ART
ISIN code : ZAE000019188

www.argent.co.za

ARGENT
Industrial Limited

The overall performance of the Group for the six months ended 30 September 2007 has been pleasing especially in light of the fact that the Group was directly affected by the national steel, engineering and automotive industrial action which occurred in July and September, as well as indirectly by the public sector strike.

Divisional performance

Steel and Steel Related Products

The national **Phoenix Steel** operations experienced a relatively buoyant start to the financial year, despite the aforementioned industrial action and the existence of variable steel prices. Phoenix nevertheless managed to grow its overall market share and has embarked on a number of capital projects which, amongst others, include the following:

- Phoenix Steel Gauteng has completed the upgrade of one of its two older tube mills and is fifty percent complete with the upgrade of another. Apart from this, only the commissioning of the new cut-to-length/ blanking line is outstanding. This will be fully commissioned in December 2007 during the shutdown period.
- Phoenix Steel East London's warehouse size has been substantially increased which has facilitated a more diverse stock holding. This has in turn enabled the company to enter markets previously unavailable to them.
- The investment in new premises for Phoenix Steel Natal in the previous financial year has paid off and the company has grown from strength to strength. Phoenix Steel Natal will become the logistics base for the Group's future stainless steel and mild steel coil imports. To this end, the company's new cut-to-length/blanking line (to be commissioned in March 2008) will convert imported coil into sheets and blanks, which will then be consigned to the rest of the Group for either resale or the manufacture of end products.

The acquisition of **Gammid Trading** represented a significant milestone for Argent as the same proven philosophies used by the Group in its mild steel operations can now be replicated in the stainless steel and aluminium industry. Gammid is situated in Gauteng, Durban, George and Cape Town. The company has recently entered the Port Elizabeth market and both stainless steel and aluminium are sold by Phoenix Steel Port Elizabeth. The next area to be entered will be Richards Bay, where the facilities of the existing Phoenix Steel Richards Bay operation will be used.

Jetmaster and **Xpanda Security** have both experienced very good starts to the financial year. Although interest rate hikes and the introduction of the National Credit Act have definitely led to a slowdown in consumer spending over the past 6 months, both companies have experienced significant growth within the commercial sectors. Jetmaster is becoming increasingly successful in securing contracts for developments while Xpanda is experiencing a huge upswing in retail and made-to-order exports. Additional capacity is being created at the Jetmaster factory through a 1,000 square metre extension which will be completed by the end of December 2007. These changes will contribute to greater efficiency and improved throughput which will alleviate the current production pressures. Jetmaster has recently launched a range of affordable slow combustion stoves and fireplaces which will offer a greater product range and lead to increased market share. These new units will be released into the market in early 2008.

Koch's Cut and Supply has experienced an extraordinary start to the financial year with turnover exceeding all expectations. Due to the ongoing expansion of industrial operations such as sugar mills both within South Africa and in Africa, the company has benefited directly in terms of the business opportunities presented. The increased development and construction spending leading up to 2010 has also seen a lot of business coming the way of Koch's Cut and Supply.

Construction of the new 13,400 square metre premises for **Toolroom Services** is progressing smoothly, with the company set to move in June 2008. The company continues to grow and remains the leading manufacturer of steel furniture, steel kitchen units and allied products in South Africa. The purchase of a number of new manufacturing machines as well as the upgrading of its vehicle fleet has assisted the company to achieve and surpass its targets.

Atomic Office Equipment, a steel office furniture manufacturer situated in Cape Town, was acquired by the Group from Bidvest in June 2007. Investment in new and technologically advanced machinery, as well as the acquisition of 3 new commercial vehicles, has assisted the company in increasing its turnover by approximately thirty five percent year on year.

With the mining industry gaining momentum and commodity prices continuing to climb rapidly, **Hendor Mining Supplies** has experienced a fantastic start to the financial year, with market share steadily increasing and monthly turnover records having been broken twice. The order book is currently at an all time high and, due to Hendor utilising the old B.M.I. building in Benoni, capacity is available for further growth and expansion going forward. The company is looking forward to another strong six months.

Automotive Products

Giflo Engineering, Sentech Industries and **Excalibur Vehicle Accessories** all experienced a challenging start to the financial year in terms of maintaining production levels in the face of nationwide motor industry industrial action. However, a number of plans were timeously put into place to partially alleviate the strain on production while at the same time continuing to satisfy customer requirements. August 2007 saw Excalibur move to its new premises which boasts a factory area of 11,000 square metres and an additional platform area of 35,000 square metres for future factory extension. Excalibur's new laser machine, wire-forming machine and jig welder have been commissioned which will increase Excalibur's production capacity and scope.

All Lite Steel Products, a company which specialises in anti-corrosion processes as well as powder coating applications, was acquired by Argent in June 2007. The acquisition was positively received and supported by the company's existing clients, workforce and trade unions. All Lite has benefited from business sourced through the Group's other companies and as a result achieved an 18 year record high turnover in October 2007. By the end of March 2008, business from the companies within Argent will make up the majority of All Lite's turnover.

Non Steel Related Products

New Joules Engineering North America had an excellent first six months and has an order book in excess of US$ 4 million. The company is now the market leader in the United States of America and has expanded its services to include the design of new rail yards as well as the installation and commissioning of the automated New Joules Retarder system.

Megamix and **Villiersdorp Quarries** have not performed as expected, due mainly to the new batch plant not coming on line as previously anticipated. The location of the new batch plant was opposed by the Cape Town City Council and as a result was moved to an existing Megamix facility, situated adjacent to Cape Town International Airport. With a satisfactory value of orders on hand, as well as a large number of tenders submitted, performance will improve during the balance of the financial year.

Prior to the acquisition of **Allan Maskew** by Argent, the company had 19 compression moulding machines and 3 state-of-the-art injection machines. Since the acquisition, a further 5 injection machines have been purchased. Three of these are in operation and the other two are due to arrive in November 2007. These injection machines have enabled the company to increase production capacity, reduce lead times and reduce scrap levels which has resulted in increased margins. One of the new machines will be the biggest in the country and will allow the company to manufacture the side step rubbers for the new Defender 110 for Land Rover in the U.K. as well as other larger mass items. Group synergies have also improved Allan Maskew's margins via improved steel purchasing and logistics. The loss of production in September, due to industrial action, was regained in October.

Prospects

While the Group is somewhat concerned about the short term impact of the latest inflation figures, the recent interest rate hikes and the introduction of the National Credit Act on consumer spending, the long term outlook is still very positive as a whole. The level of government infrastructure spending, the level of construction activity in the run up to 2010, the vastly improved prices of precious minerals, as well as the emergence of a huge number of new middle class citizens in the country, can only lead to a mass of new opportunities for a group such as Argent. The Group is especially excited about the level of infrastructure and logistics capabilities that it now has in place throughout South Africa. This makes the exploiting of opportunities far easier and cost-effective.

In particular, substantial growth and improvements in results can be expected from operations such as Hendor Mining, Phoenix Steel East London and Natal, Sentech Industries, Excalibur, Gammid Trading and New Joules North America.

Argent will continue to deliver strong growth (both organic and via acquisitions) and impressive shareholder value. The Group's medium term goal of R2 billion in turnover for the 2009 financial year is well within reach.

Dividend

A final dividend of 16 cents per share in respect of the year ended 31 March 2007 was paid during the period.

An interim dividend of 17 cents per share has been declared, subsequent to 30 September 2007, payable on Monday 21 January 2008 to shareholders recorded in the register at close of business on Friday 18 January 2008, being the record date in order to participate in such dividend. The last day to trade cum-div is Friday 11 January 2008. The share will trade ex-div on Monday 14 January 2008.

Share certificates may not be dematerialised / rematerialised between Monday 14 January 2008 and Friday 18 January 2008, both days inclusive.

Accounting policies and presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 (Interim Financial Reporting) and in compliance with the Companies Act of South Africa of 1973 and the Listing Requirements of the JSE Limited. The accounting policies are consistent with those of the previous financial period.

On behalf of the board
T.R. Hendry CA (SA) — Maraisburg, Roodepoort
Chief Executive Officer — 15 November 2007

Registered office: 1316 Clubhouse Street, Maraisburg, Roodepoort, 1724
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Directors: MP Allen, MJ Antonic, Ms SJ Cox (Financial Director), PA Day (Non Executive), TR Hendry (Chief Executive Officer), PH Lawson, AF Litschka, K Mapasa (Non Executive), T Scharrighuisen (Non Executive Chairman), D Smith, GK Youngman (Alternate).

Motor Component Manufacturers

Giflo Engineering

New Joules Engineering North America Inc.

Hendor Mining Supplies

Argent Steel Group

Koch's Cut & Supply Steel Centre