



**Argent
Industrial Limited**

ARGENT INDUSTRIAL LIMITED

(Registration number 1993/002054/06)

Share code: ART
ISIN: ZAE000019188
("Argent")

ACQUISITION BY ARGENT OF THE ENTIRE ISSUED SHARE CAPITAL OF AND SHAREHOLDER CLAIMS AGAINST TOOLROOM SERVICES (PTY) LIMITED ("TOOLROOM") ("THE ACQUISITION")

1. INTRODUCTION

Further to the cautionary announcement published on 23 November 2005 and the renewal thereof on 5 January 2006, the directors of Argent are pleased to announce that Argent has concluded an agreement to acquire the entire issued share capital of and shareholders claims against Toolroom.

2. NATURE OF BUSINESS OF TOOLROOM

Toolroom Services (Pty) Ltd is one of the leading manufacturers of steel office furniture, steel kitchen cupboards and retail shelving in South Africa.

3. RATIONALE FOR THE ACQUISITION

Argent's long term strategy is to build a portfolio of branded steel product companies. To this end, Toolroom is a significant steel consumer and will benefit from Argent's purchasing power, infrastructure and logistical network. Argent will further enhance Toolroom's business by expanding their presence in the growing market of steel kitchen cupboard sets and the retail shelving market.

4. TERMS OF THE ACQUISITION

The effective date of the transaction is 30 January 2006. The aggregate purchase consideration is approximately R54 988 686, which will be settled by the allotment of 4 640 396 renounceable ordinary Argent shares of a par value of 5 cents each and issued at 1185 cents per share to the vendors of Toolroom, being S Arumugam, DM Drennan, GW Hennessy, SB Hennessy, A Peramaul, M Peramaul and J Sewsankar ("the vendors").

Application has been made to the JSE Securities Exchange South Africa, to issue a further 4 640 396 Argent ordinary shares of a par value of 5 cents each.

5. FINANCIAL EFFECTS OF THE TRANSACTION

The table below sets out the pro forma financial effects of the acquisition on an Argent share, for illustrative purposes, based on Argent's interim financial statements for the 6 months ended 30 September 2005, and Toolroom's interim financial statements for the 6 months ended 31 August 2005:

	Before acquisition	After acquisition	Percentage change (%)
EPS (cents)	74.3	79.6	7.1
HEPS (cents)	74.7	80.0	7.0
NAV per share (cents)	602.0	637.2	5.8
NTAV per share (cents)	508.3	508.6	0.1

Notes:

- The information in the "before" column has been extracted from the interim financial information of Argent as at 30 September 2005.
- The effect on earnings per share ("EPS") and headline earnings per share ("HEPS") has been calculated on the assumption that the acquisition was effective for 6 months with effect from 1 April 2005.
- The effect on net asset value per share ("NAV") has been calculated on the assumption that the acquisition was effective on 30 September 2005.
- Net tangible asset value per share ("NTAV") after the acquisition is based on the gross purchase consideration for Toolroom of R54 988 686 and its net tangible asset value at 31 August 2005. (R23.8 million).

6. SUSPENSIVE CONDITIONS

There are no suspensive conditions.

7. WITHDRAWAL OF CAUTIONARY

Shareholders are referred to the cautionary announcement dated 23 November 2005 and the renewal thereof on 5 January 2006 and are advised that as a result of this announcement the cautionary is now withdrawn.

8. DOCUMENTATION

The acquisition constitutes approximately 6.12% of Argent's current issued share capital, and is categorised as a Category 3 transaction by the JSE. Thus, this announcement appears for information purposes only. The transaction is at arms length and does not require shareholder approval or a circular to be sent to shareholders.

Roodepoort
8 February 2006

Corporate Advisor



Attorneys



Sponsor

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JSE SECURITIES EXCHANGE SOUTH AFRICA
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