ARGENT
Industrial Limited

Unaudited Interim Results

for the six months ended 30 September 2010

Registration number: 1993/002054/06 (Incorporated in the Republic of South Africa)
("the Group" or "the Company") Share code: ART ISIN code: ZAE000019188

Jetmaster
Xpanda Real Security
EXCALIBUR ARMOUR FOR ALL ROUND PROTECTION
CEDAR Paint
Life 'n Leisure CENTRE
Castor & Ladder Incorp. Forlezer & Aldek
New Joules Engineering North America Inc.
Phoenix Steel Group
ALLAN MASKEW
All-Lite Steel Products
ARGENT Industrial Investments
atomic OFFICE EQUIPMENT (PTY) LTD
BARRIER ANGELUCCI
BIC BURBAGE IRON CRAFT LTD
GAMMID
Giflo Engineering
Hendor Mining Supplies
Koch's Cut & Supply Steel Centre
Megamix (Pty) Ltd
SENTECH INDUSTRIES Motor Component Manufacturers
SSP SPECIALIST STEEL PROFILES
TOOLROOM SERVICES
TRICKS WROUGHT IRON SERVICES (PTY) LTD
Villiersdorp Quarries

Financial Highlights

Interim dividend	4 cents
Revenue Up	16.5%
Headline Earnings per Share	36 cents
Basic Earnings per Share	36.4 cents
Gearing	27.9%
Net Asset Value per Share	1397.7 cents

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The unaudited financial statements are presented on a consolidated basis

Condensed Consolidated Income Statement

for the period ended	Unaudited six months 30 Sept 2010 R 000	Unaudited six months 30 Sept 2009 R 000	Audited year ended 31 Mar 2010 R 000
Revenue	869,492	746,099	1,464,494
Operating profit before interest	61,077	21,666	49,447
Finance costs	20,358	20,388	41,061
Profit before taxation	40,719	1,278	8,386
Taxation	7,816	(128)	(3,269)
Profit for the period	32,903	1,406	11,655
Attributable to non-controlling interest	(316)	(132)	76
Attributable to owners of the parent	33,219	1,538	11,579
Basic earnings per share (cents)	36.4	1.7	12.7
Headline earnings per share (cents)	36.0	1.8	14.9
Dividends per share (cents)	4.0		9.0
Supplementary information			
Shares in issue (000)			
- at end of period	91,350	91,157	91,350
- weighted average	91,350	91,157	91,221
Cost of sales (R 000)	654,637	575,802	1,111,726
Depreciation and amortisation (R 000)	19,845	19,997	37,723
Calculation of headline earnings (R 000)			
Earnings attributable to ordinary shareholders	33,219	1,538	11,579
Profit on disposal of property, plant and equipment	(487)	-	(1,264)
Impairment of property, plant and equipment	-	-	3,194
Loss on disposal of property, plant and equipment	-	103	461
Total tax effects of adjustments	136	-	(364)
Headline earnings attributable to ordinary shareholders	32,868	1,641	13,606

Condensed Consolidated Statement of Comprehensive Income

for the period ended	Unaudited six months 30 Sept 2010 R 000	Unaudited six months 30 Sept 2009 R 000	Audited year ended 31 Mar 2010 R 000
Profit for the period	32,903	1,406	11,655
Other comprehensive income for the period, net of tax			
Exchange differences on translating foreign operations	(1,525)	(4,595)	(6,060)
Realisation of revaluation of properties	-	-	(2,175)
Total comprehensive income for the period	31,378	(3,189)	3,420
Attributable to equity holders of the			
- Parent	31,694	(3,057)	3,344
- Non-controlling interest	(316)	(132)	76
	31,378	(3,189)	3,420

Condensed Consolidated Statement of Financial Position

for the period ended	Unaudited at 30 Sept 2010 R 000	Unaudited at 30 Sept 2009 R 000	Audited at 31 Mar 2010 R 000
Assets			
Non-current assets			
Property, plant and equipment	891,677	888,840	888,582
Intangibles	289,676	291,095	291,042
Long term loan	10,265	9,365	9,817
	1,191,618	1,189,300	1,189,441
Current assets			
Inventories	518,519	445,896	474,230
Trade and other receivables	333,389	308,921	296,985
Taxation	-	1,392	1,730
Bank balance and cash	271	276	277
	852,179	756,485	773,222
Total Assets	2,043,797	1,945,785	1,962,663
Equity and Liabilities			
Capital and reserves			
Share capital and premium	451,129	451,113	451,129
Reserves	127,911	137,215	127,946
Retained earnings	697,740	652,151	664,521
Ordinary shareholders' funds	1,276,780	1,240,479	1,243,596
Non-controlling interest	8,289	8,397	8,605
Total shareholders' funds	1,285,069	1,248,876	1,252,201
Non-current liabilities			
Interest-bearing borrowings	237,632	251,335	199,588
Deferred tax	59,253	58,315	53,666
	296,885	309,650	253,254
Current liabilities			
Trade and other payables	189,680	195,056	216,056
Taxation	1,952	-	-
Bank overdraft	149,818	71,912	126,171
Current portion of interest-bearing borrowings	120,393	120,291	114,981
	461,843	387,259	457,208
Total Equity and Liabilities	2,043,797	1,945,785	1,962,663
Net asset value per share (cents)	1,397.7	1,360.8	1361.4

Condensed Consolidated Statement of Cash Flows

for the period ended	Unaudited six months 30 Sept 2010 R 000	Unaudited six months 30 Sept 2009 R 000	Audited year ended 31 Mar 2010 R 000
Cash (utilised in)/generated from operations	(27,142)	120,228	163,428
Interest paid	(20,358)	(20,388)	(41,061)
Dividends paid	-	(8,201)	(8,201)
Taxation refunded (paid)	1,693	3,697	3,626
Cash flows from operating activities	(45,807)	95,336	117,792
Cash flows from investing activities	(21,302)	(97,861)	(114,811)
Cash flows from financing activities	43,456	(5,361)	(65,125)
Net decrease in cash and cash equivalents	(23,653)	(7,886)	(62,144)
Cash and cash equivalents at beginning of period	(125,894)	(63,750)	(63,750)
Cash and cash equivalents at end of period	(149,547)	(71,636)	(125,894)

Consolidated Statement of Changes in Equity
for the period ended 30 September 2010

	Share capital	Share premium	Employee share incentive reserve	Treasury shares	Revaluation reserve	Reserve on translation of foreign operation	Retained earnings	Minority interest	Total ordinary shareholders' funds
	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000
Balance at 31 March 2009	4,825	540,818	17,042	(94,530)	126,572	(1,804)	654,427	8,529	1,255,879
Total comprehensive income for the period	-	-	-	-	-	(4,595)	1,538	(132)	(3,189)
Dividends	-	-	-	-	-	-	(8,684)	-	(8,684)
Less dividend on treasury shares	-	-	-	-	-	-	483	-	483
Balance at 30 September 2009 - unaudited	4,825	540,818	17,042	(94,530)	126,572	(6,399)	647,764	8,397	1,244,489
Net treasury movement	-	-	-	16	-	-	-	-	16
Share based payments	-	-	1,087	-	-	-	-	-	1,087
Transfer of reserve to Retained earnings	-	-	(6,716)	-	-	-	6,716	-	-
Total comprehensive income for the period	-	-	-	-	(2,175)	(1,465)	10,041	208	6,609
Balance at 31 March 2010	4,825	540,818	11,413	(94,514)	124,397	(7,864)	664,521	8,605	1,252,201
Share based payments	-	-	1,490	-	-	-	-	-	1,490
Total comprehensive income for the period	-	-	-	-	-	(1,525)	33,219	(316)	31,378
Balance at 30 September 2010	4,825	540,818	12,903	(94,514)	124,397	(9,389)	697,740	8,289	1,285,069

Segmental Review

	Steel trading	Automotive products	Manufacture of home and office products	Fabricators	Non-steel related products	Consolidated
	R 000	R 000	R 000	R 000	R 000	R 000
Business segments						
for the six months ended 30 September 2010 - unaudited						
Revenue from external sales	383,965	70,946	275,346	64,780	74,455	869,492
Profit before tax	18,031	(8,516)	12,792	9,019	9,393	40,719
Taxation						7,816
Profit for the period						32,903
for the six months ended 30 September 2009 - unaudited						
Revenue from external sales	222,243	48,619	281,600	60,637	133,000	746,099
Profit before tax	6,863	(12,377)	10,950	3,790	(7,948)	1,278
Taxation						(128)
Profit for the period						1,406
for the year ended 31 March 2010 - audited						
Revenue from external sales	594,559	132,667	504,071	117,738	115,459	1,464,494
Profit before tax	16,627	(26,655)	14,269	4,581	(436)	8,386
Taxation						(3,269)
Profit for the year						11,655

	South Africa	Rest of the world	Consolidated
	R 000	R 000	R 000
Geographical segments			
for the six months ended 30 September 2010 - unaudited			
Revenue from external sales	838,576	30,916	869,492
Profit before tax	39,804	915	40,719
Taxation			7,816
Profit for the period			32,903
for the six months ended 30 September 2009 - unaudited			
Revenue from external sales	716,218	29,881	746,099
Profit before tax	2,139	(861)	1,278
Taxation			(128)
Profit for the period			1,406
for the year ended 31 March 2010 - audited			
Revenue from external sales	1,418,350	46,144	1,464,494
Profit before tax	10,967	(2,581)	8,386
Taxation			(3,269)
Profit for the year			11,655

Financial Overview

Significantly better results were achieved for the period ended 30 September 2010 compared to the six months ended 30 September 2009, even against the backdrop of extended recessionary conditions and a strong South African Rand. The recovery from the global financial crisis has been encouraging, but to date, this has only had a minor effect on Argent's Steel and Automotive sectors which materially influenced the Group's financial performance for the period under review.

Revenue rose by 16.5%, while margins were still under pressure due to a very competitive environment, depressed steel prices and the impact of the appreciating Rand. Deflation was evident in all sectors as suppressed demand drove product prices down. However, the majority of Argent's operations achieved gains in market share as they traded aggressively and took advantage of any evidence of market weakness. Operating expenses were well controlled across the Group, reflecting a decline on the prior year.

The Group's balance sheet position remains strong and appropriately capitalised. Argent's attitude to gearing remains appropriate in the current climate.

Herewith a summary of the Group's results for the six months:

- Revenue increased by R123.4 million
- Operational profit increased by R39.4 million
- Headline earnings up by 1902.9%
- Headline earnings per share up 1898.7%
- Gearing contained to 27.9%

Operational Review

The Group delivered a much improved trading performance. Consumer demand for products from the Group's Home and Office sector held up quite well, particularly in the case of Xpanda Security and Toolroom Services. Exports however, declined particularly on the automotive front. The infrastructure and construction industry remains subdued, impacting demand for steel and concrete products. Concerted efforts by operations management to optimise inventory levels and manage debtor delinquencies ensured an improvement in returns on funds employed across all regions. The 2010 FIFA World Cup, which was a success as a sporting event, did offer Argent an opportunity to host customers from abroad, but did not have a material impact on the reported results.

Steel Trading

The Group's steel trading division incorporates both Phoenix Steel and Gammid Trading.

Phoenix Steel, which trades and beneficiates mostly mild steel products, experienced a very difficult six months with both market demand and prices being depressed. This resulted in margins remaining under pressure throughout the period under review. While demand and pricing in the local steel market remain uncertain, Phoenix's overall position has improved with steel margins showing signs of some improvement of late. Stock levels have been reduced to more manageable levels and valued at current market prices. Phoenix's steel imports have been continuing at very competitive prices and this has alleviated some of the margin pressure experienced during the period under review. The Group has made a decision to close Phoenix Steel East London due to the demand for all products in this area remaining exceedingly poor.

Gammid Trading, a specialist aluminium and stainless steel trader, suffered similar market conditions with both demand and pricing under pressure. The Company has, however, experienced a marked improvement in both margins and demand over the past few months and is expecting a much improved result for the final six months of the 2011 financial year. The importing of stainless steel has opened up many new markets for Gammid and this is expected to continue going forward, while the price of aluminium is also beginning to climb, which will have a positive effect on the top line.

Manufacturing of Home and Office products

The sector performed well with good results achieved by most of its divisions.

Cedar Paints achieved a more than satisfactory set of results and the Company's management is confident that Cedar Paints' growth pattern will continue. The Company successfully launched the new branding for its complete range of domestic and industrial paints. This, together with a drive to recruit experienced professionals from within the industry, has led the Company to make significant inroads into the local market, substantially increasing its market share.

Castor and Ladder held its own through the financial crisis and while retail sales trended upwards, the industrial access market was under some pressure. Aluminium prices have increased over recent months and this is leading to increased sales of aluminium-based products as customers are moving quickly to take advantage of the lower prices while stocks last.

Jetmaster's local sales were disappointing, but in line with consumer spending patterns. However, exports to Australia and New Zealand remained buoyant. A new and innovative "go-green" product that is a world leader in heat output with low emission levels has been developed and is showing strong acceptance in the local and international market. Overall sales are showing a positive trend and the second half year is expected to be far better than the first half.

At **Toolroom Services** and **Atomic Office Equipment** the impact of slower consumer demand has eased and revenue is showing a return to previous levels. The order books for both companies are strong heading into the festive season. Toolroom Services is developing a new range of racking to be launched in January 2011 which will offer a lucrative new revenue stream. Argent is also in the process of purchasing the building that Atomic Office Equipment currently leases for a purchase price of R12.7 million.

Tricks Wrought Iron Services has proven to be the star performer of the sector and is proving to be a very valuable acquisition for the Group. The Company continues to be very active in its various areas of expertise with exports to the United Kingdom also still at satisfactory levels. Tricks has a full order book for both its fabricated and palisade fencing products, and have been very involved in the New Multi-Product Pipeline Project and the Dube Trade Zone near the new King Shaka International Airport. In addition, the Company has grown its market share in the manufacturing of pallets and associated items used in the transportation of goods, while still performing extremely strongly in its traditional markets including the supply of structures for the sanitation industry and the manufacture and supply of fencing and gates for cellular communication installations.

Burbage Iron Craft has started experiencing an increase in consumer demand and sales are certainly improving. It is expected that the Company's performance during second half will outperform the first six months.

Barrier Angelucci, a company that specialises in the manufacture and distribution of roller shutter doors and the modification and installation of automatic teller machines, has proven to be a great fit for Argent and is now fully integrated into the Group. The company contributed positively to the Group's results for the six months and has also now penetrated new markets in Southern Africa with new and innovative products, which will ensure even better future results.

Xpanda Security performed very well in the local market through the economic downturn and has a satisfactory order book going forward. This can partly be attributed to the fact that security barriers have become a basic necessity, even in an economic downturn. Export sales have been somewhat disappointing but there are definite signs that volumes will soon revert to the levels experienced a few years back. Xpanda's performance going forward will be underpinned by its ability to keep developing new, innovative and cost effective products, while at the same time being the only security barrier company in South Africa able to secure just about any opening with just about any type of product.

Fabricators

Koch's Cut & Supply Steel Centre continues to perform solidly in what has become a very competitive market segment while Hendor Mining Supplies has enjoyed an excellent set of results in line with the reasonably strong level of local mining activity. In addition, Hendor has managed to enhance its operating margins through better working capital management, improved purchasing policies and enhanced production efficiencies. The outlook for both companies indicates an even stronger second half, with improving margins.

Automotive Sector
This sector is still the worst affected by the financial crisis. Cumulatively the automotive businesses produced a net loss of R8.5 million for the period under review all due to a poor order book and industry strikes. In light of this reality it has been decided to amalgamate **Giflo Engineering** and **Excalibur Vehicle Accessories** into one business and premises. This will directly result in a reduction of overall cost and an optimisation of synergies and resources. **All Lite Steel Products** has similarly been affected by the depressed automotive sector while **Sentech Industries** has managed to increase revenue to the point that they are now in a profitable position. Due to the aforementioned substantial overhead reductions and the enhanced allocation of resources, Argent is expecting far better results from all of these operations over the balance of the 2011 financial year, while significant improvement will continue into the first quarter of the 2012 financial year.

Non-Steel Related Products
Megamix and **Villiersdorp Quarries** have experienced a steady decline in margin over the period under review. This, together with the sluggish construction industry, has naturally negatively affected operating profitability. The Company has repositioned itself back into the low cost housing market which has improved the order book.

Allan Maskew has enjoyed a strong recovery in both sales and profitability due to the recovery in the transport and heavy earthmoving industries, and more specifically as a result of the Company's diversification into the mining industry through the manufacture of the rubber and polyurethane screen panels. The outlook for the remainder of the year is also positive especially in light of the increased range of panels being introduced.

New Joules Engineering has seen a decline in capital tenders due to a number of new railroad projects being placed on the backburner, but has a more than a sufficient work load due to maintenance and replacement work.

Retrenchments
There were no further retrenchments during the reporting period and the Group is now correctly staffed. The Group is committed to retrench 14 employees in East London at a cost of R104,000 due to the closure of this branch.

Subsequent events
No significant events have occurred in the period between the reporting date and the date of this report.

Outlook
Both the local and international economies are showing signs of recovery, and this is reflected in the overall performance of Argent when comparing the period under review to the same period during the previous financial year. Argent has taken this opportunity to reduce inventory levels and trim away inefficiencies in the businesses to ensure a strong and sustained recovery as market conditions continue to improve to any degree. With the reduction in stock levels being evident at the end of October, it is fair to say that Argent has never before been so well positioned and prepared to benefit from an upturn in the South African and international economies. The overall outlook for the Group is very positive, particularly now that a more focused strategy for the automotive sector is being implemented. Lagging steel prices remain a concern for Argent and the industry as a whole. Traditionally the second half of the financial year is better than the first half and this is again evident in the latest financial reports being received from the various operations as this report is being written, so overall the Group expects a significantly better full year compared to last year.

Dividend
An interim dividend of 4 cents has been declared, subsequent to 30 September 2010, payable on Monday, 17 January 2011 to shareholders recorded in the register at close of business on Friday, 14 January 2011, being the record date in order to participate in such dividend. The last day to trade cum-div is Friday, 7 January 2011. The shares will trade ex-div on Monday, 10 January 2011.

Share certificates may not be dematerialised or rematerialised between Monday, 10 January 2011 and Friday, 14 January 2011, both days inclusive.

Basis of Presentation
The condensed financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 - Interim Financial Reporting, AC 500 standards as issued by the Accounting Practices Board and in compliance with the South African Companies Act, 1973 (Act No. 61 of 1973) and the Listing Requirments of the JSE Limited. The accounting policies are consistent with those of the previous financial period, with the exception of the adoption of the following new and amended standards and interpretations, in response to changes to IFRS. These amendments had no significant impact on these results.

- IAS 7 - (revised) Statement of Cash flows
- IAS 38 - (revised) Intangible Assets
- IAS 27 - (revised) Consolidated and Separate Financial Statements
- IFRS 3 - (revised) Business Combinations

The condensed interim financial statements, including any reference to future financial performance included herein, have not been reviewed or audited by the Group's auditors.

On behalf of the Board

TR Hendry CA (SA)	Umhlanga Rocks
Chief Executive Officer	9 November 2010

Registered office:	First floor, Ridge 63, 8 Sinembe Crescent, La Lucia Ridge, 4019 Tel: +27 31 584 7702
Auditors:	Grant Thornton
Sponsors:	PSG Capital (Pty) Ltd
Transfer secretaries:	Link Market Services South Africa, 5th floor, 11 Diagonal Street, Johannesburg, 2000

Directors: MP Allen, MJ Antonic, Ms SJ Cox, PA Day (Non-executive), JA Etchells (Financial Director), TR Hendry (Chief Executive Officer), PH Lawson (Non-executive), AF Litschka, K Mapasa (Non-executive), T Scharrighuisen (Non-executive Chairman), D Smith, GK Youngman (Alternate).