

Trading Statement, Repurchase of Argent Shares, Automotive Sector Impairment and Group Property Update

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, REPURCHASE OF ARGENT SHARES, AUTOMOTIVE SECTOR IMPAIRMENT AND GROUP PROPERTY UPDATE

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 2015 are expected to be between 15.3 and 18.3 cents per share compared to 14.6 cents per share in the previous corresponding period, being between 5% and 25% higher. The basic earnings per share for the year ended 31 March 2015 is expected to be between 4 and 7 cents per share compared to the basic loss per share of 211.4 cents in the previous corresponding period, being an increase of between 102% and 103%.

In addition, the pre-tax results should have increased by a further R74 million had the company not been effected by the 4 week country wide industrial strike action in July 2014, as well as the below mentioned automotive sector impairments.

Repurchase of Argent shares

Argent wishes to advise shareholders that it will be commencing with repurchasing of the shares issued by the company once the results for the year ended 31 March 2015 have been released on SENS. This buy-back of shares was authorized by the shareholders at the annual general meeting held on 28 October 2014.

In terms of the special resolution the company will commence repurchasing its shares in tranches of 3% of the number of shares in issue, pursuant to which an announcement providing details thereof will be released.

The authority to repurchase is limited to a maximum of 20%, in aggregate, of the company's issued share capital at the time the authority was granted.

Automotive Sector Impairment

The Board of Directors has taken the decision to conclude operations at Giflo Engineering (Bophuthatswana) (Pty) Ltd ("Giflo").

The decision was made on the back of poor margins and a labour dispute with NUMSA which has resulted in a labour strike which started on the 12th of January 2015 and is still currently ongoing.

The strike has been incredibly violent with a number of our

working staff and staff of our suppliers and customers being hospitalized. Our trucks, as well as those of our suppliers have been damaged, working staff houses have been set alight and the factory has been brought to a halt as a result of the strikers stoning all vehicles in the vicinity of the Giflo factory and cutting off the company's water supply.

The company has reserved its rights against NUMSA and has obtained a court interdict to allow it to operate unhindered, something which is easier documented in theory than it is in reality.

Although the cash-flow effect of the above is positive, the once off impairment of assets held at Giflo has negatively affected the current reporting period results in the amount of approximately R51 million pre-tax earnings and a R6.4 million reversal of deferred tax asset.

#### Group Property Update

The Group has sold the following properties during the reporting period:

- Gammid JHB in Johannesburg for R5 million to a related party;
- Atomic Office Equipment in Cape Town for R16 million;
- Gammid Cape in Cape Town for R31 million;
- Phoenix Steel Mpumalanga in Middelburg, which is currently vacant, for R10.5 million on auction.

The following properties are currently for sale:

- Giflo Engineering (Bophuthatswana) in Ga-Rankuwa via auction on 28 May 2015 at a reserved price of R 10.5 million;
- Gammid George in George, which is currently vacant, for R6 million.

The above information has not yet been reviewed or reported on by the company's external auditors. It is anticipated that the audited results for the year ended 31 March 2015 are to be published on SENS on or about 25 June 2015.

Umhlanga  
23 April 2015

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