



ARGENT INDUSTRIAL LIMITED

(Incorporated in the Republic of South Africa) (Registration number 1993/002054/06)

Share code: ART ISIN: ZAE000019188

("Argent" or "the Company")

~~EXCALIBUR~~

Acquisition by Argent of the entire issued share capital of Excalibur Vehicle Accessories (Proprietary) Limited ("Excalibur") ("the Acquisition")

1. INTRODUCTION

Further to the cautionary announcement published on 14 January 2003, the directors of Argent are pleased to announce that Argent has concluded an agreement to acquire the entire issued share capital of Excalibur.

2. NATURE OF BUSINESS

Excalibur is the leading manufacturer of running boards/side steps for motor vehicles in South Africa. Excalibur's product range includes running boards/side steps, roof racks, rear bumpers and hydraulic hose assemblies. Excalibur's products dominate the local market and are protected by registered designs and patents.

3. RATIONALE FOR THE ACQUISITION

Argent has a large understanding of the vehicle accessories business and has made huge inroads into the US market through its subsidiary, Giflo Engineering (BOP) (Pty) Limited, and will focus Excalibur's complementary product ranges into this lucrative export market. Early indications are that the Excalibur products will be very well received in the US.

4. TERMS OF THE ACQUISITION

The effective date of the acquisition is 30 January 2003. The aggregate purchase consideration is R22 million (including property of R3,5 million) which will be satisfied as follows:

- the allotment of 1 000 000 Argent shares issued at 330 cents per share to the vendor of Excalibur, being "The Excalibur Investment Trust" ("the vendor"); and
- the allotment of 3 920 000 renounceable Argent shares at 300 cents per share (R11,76m) to the vendor; and
- short term loan finance of approximately R6,94 million bearing interest at prime less 2% over 12 months.

Application has accordingly been made to the JSE Securities Exchange SA to issue an additional 4 920 000 Argent shares 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 2002, and Excalibur's interim financial statements for the 6 months ended 31 August 2002:

	Before acquisition	After acquisition	Percentage change
EPS (cents)	48,0	52,1	8,5
HEPS (cents)	48,8	52,9	8,4
NAV per share (cents)	315,8	314,7	(0,3)
NTAV per share (cents)	292,9	278,7	(4,8)

1. The information in the "before" column has been extracted from the interim financial information of Argent as at 30 September 2002.
2. 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 2002.
3. The effect on net asset value per share ("NAV") has been calculated on the assumption that the acquisition was effective on 30 September 2002.
4. Net tangible asset value per share ("NTAV") after the acquisition is based on the gross purchase consideration for Excalibur of R22 million and its net tangible asset value at 31 August 2002 of R13,7 m.

6. WITHDRAWAL OF CAUTIONARY

Shareholders are referred to the cautionary announcement dated 14 January 2003 and are advised that as a result of this announcement the cautionary is now withdrawn.

7. DOCUMENTATION

The acquisition (including the property) constitutes approximately 13% of Argent's current market capitalisation and is categorised as a Category 3 transaction by the JSE Securities Exchange South Africa and 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.

Germiston
30 January 2003

Sponsor

LPC MANHATTAN

LPC Manhattan Sponsors (Pty) Ltd
(Registration number 1999/024792/07)

Attorneys to
Excalibur

WB

WEBBER WENTZEL BOWENS

Corporate Advisor to
Excalibur

SPIRIT
CAPITAL