



ARGENT INDUSTRIAL LIMITED

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

Share code: ART ISIN: ZAE000019188

("Argent" or "the Company")



Acquisition by Argent of the entire issued share capital of Jetmaster (Proprietary) Limited ("Jetmaster")

1. INTRODUCTION

Further to the announcement published on 29 July 2002, the directors of Argent are pleased to announce that Argent has, subject to the conditions precedent detailed below, concluded an agreement to acquire the entire issued share capital of Jetmaster.

2. NATURE OF BUSINESS

Jetmaster is the leading manufacturer of fireplaces in South Africa, and has been in operation for over 50 years. Jetmaster manufactures, imports and markets the following lifestyle products:

- Jetmaster built-in convector fireplaces and accessories;
- Jetmaster free-standing fireplaces and accessories;
- Jetmaster built-in barbecues and accessories; and
- Jotul slow-combustion stoves.

3. RATIONALE FOR THE ACQUISITION

- Argent sources and distributes steel throughout South Africa, which is the chief raw material utilised by Jetmaster. The synergistic spin-offs will provide both entities with benefits in the long term.
- The acquisition will provide Jetmaster with local strong ownership that has a good track record growing its core businesses.

4. TERMS OF THE ACQUISITION

The effective date of the acquisition is 16 August 2002, and the purchase consideration is the aggregate of:

- R9 247 500 cash; and
- the allotment of 7 853 403 renounceable Argent shares at 191 cents per share (R15 million) to the vendors of Jetmaster.

5. FINANCIAL EFFECTS OF THE TRANSACTION

The table below sets out the *pro forma* financial effects of the acquisition on an Argent shareholder, for illustrative purposes, based on Argent's audited financial statements for the year ended 31 March 2002 and Jetmaster's audited financial statements for the year ended 30 September 2001.

	Before acquisition	After acquisition	Percentage change
EPS (cents)	55,1	53,5	(2,9)
HEPS (cents)	55,8	54,1	(3,0)
NAV per share (cents)	303,2	286,3	(5,6)
NTAV per share (cents)	303,2	274,2	(9,5)
Number of shares in issue – weighted	44 082	52 262	
Number of shares in issue – closing	44 409	52 262	

1. The information in the "Before" column has been extracted from the audited financial information of Argent as at 31 March 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 on 1 April 2001.
3. The effect on net asset value ("NAV") and net tangible asset value ("NTAV") per share has been calculated on the assumption that the acquisition was effective on 31 March 2002.
4. NTAV per share after the acquisition is based on the gross purchase consideration for Jetmaster of R24 247 500 and its net tangible asset value at 30 September 2001 of R17 906 468.

6. SUSPENSIVE CONDITIONS

The acquisition is subject to the fulfilment of the necessary regulatory approval being received from the JSE, and such approvals as may be necessary from the Competition Commission.

7. DOCUMENTATION

A circular, containing full details of the acquisition, is being prepared and will be posted to Argent shareholders within 28 days of the publication of this announcement.

Germiston
22 August 2002

Sponsor

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LPC Manhattan Sponsors (Pty) Ltd
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