Trading Statement

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Acal PLC
29 September 2003

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ACAL plc

(A leading pan-European, value added distributor providing specialist design-in, sales and marketing services for international suppliers)

Trading Update

In parallel with meetings with investors and analysts, we are updating the market on trading since the last statement made in the Annual Report in June 2003.

Although the bookings remain above billings in the Electronic Components Division, the improvement seen in the first quarter of our financial year has not been sustained in the first two months of the second quarter, particularly in Continental Europe where the year-on-year decline has not yet been reversed. In the UK we are in line with our expectations.

Within the IT Products Group we have not achieved the growth we were expecting in document management and networking products, although our Fibre Channel products continue growth in line with expectations.

The smaller companies in IT Parts Services in France and the Netherlands continue to have structural problems which we are addressing; elsewhere the business remains flat year-on-year. The impact of this has been compensated for by the successful acquisition of Computer Parts International Ltd in May this year.

Finally, Industrial products continue to perform in line with expectations.

Gross margins continue to be strong and whilst tight control is being maintained on overheads, they include this year higher costs relating to our new ERP system - the benefits from which will show in future periods. Disappointingly there have been two bad debts in the Netherlands totalling £0.5m which are well above the level of bad debts incurred in a normal year.

Although there are some early signs of an economic recovery, overall we will not see progress in the current financial year.

The results for the half year to 30th September 2003 will be announced on

1st December 2003.

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Notes to Editors:-

1 The Acal Group is a leading European, value-added distributor providing specialist design-in, sales and marketing services for international suppliers in the fields of Electronic Components, Information Technology Products, IT Parts Services and Industrial Controls. Its value-added philosophy and geographic coverage enables Acal to provide specialist knowledge and support to customers on a pan-European basis.

2 Design-in is the process by which Acal's sales engineers work with customers and suppliers to procure components which meet the specific technical and performance needs of the customers.

3 Acal has operating companies in the UK, Netherlands, Belgium, Germany, France, Italy, Scandinavia and the USA.

This information is provided by RNS
The company news service from the London Stock Exchange