Trading Statement

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Acal PLC
26 September 2005

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ACAL plc

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

Pre-Close Period Trading Update

As anticipated at the time of the publication of our preliminary results in June 2005, trading conditions have continued to be tough, particularly in Continental Europe for Electronic Components and in our IT Products division. The Group's other activities have performed to expectations.

With shortfalls in sales in the Group's IT Products and Continental European Electronic Components activities, and margin pressure in the former, Acal's profit before tax for the six months ending 30 September 2005 will be around a third lower than the corresponding period in the prior year. The sales shortfalls seen in the first half will not be recovered in the second half. As difficult trading conditions persist in some of our activities, the performance for the second half is also likely to be affected.

Electronic Components

Although the UK Electronic Components activities have to date performed in line with our expectations, trading conditions in Continental Europe deteriorated in the first half of the current year and sales to date have fallen significantly short of our expectations. However, in the past three months, orders in this division showed growth of over 15% compared to the corresponding period in the prior year. Whilst this growth is encouraging, the sales shortfall of the first half will not be recovered in the second half.

We have made progress in obtaining new product lines and extending the geographic coverage of existing ones, particularly in the Nordic region and the UK, albeit later than expected. There have been no benefits in terms of sales from these in the first half, whereas there have been additional costs in hiring the relevant product specialists.

With an increasing need for pan-European coverage and product marketing support, we have reorganised our Electronic Components activities into a single unit.

IT Products

In June 2005, we said "Demand in the IT Products activities remains weak and often volatile, but we continue to develop our product range, concentrating on higher margin value-added activities." These conditions have deteriorated during the first half of the current year, with additional pressure on pricing and margins, particularly in our Storage Networking activities. Sales have fallen significantly short of our expectation, with further slippage in gross margins. The UK activities will in future act as a centre of excellence with centralised purchasing, technical and support functions and logistics. The overseas presence will be limited to "customer-facing" activities. There have already been management changes to reflect this structure.

IT Parts Services

Acal's IT Parts Services activities have performed ahead of last year, in line with our expectations; further opportunities are arising for us to benefit from

the emerging trend for service organisations to outsource their parts management and procurement.

Industrial Controls

This too has performed as expected.

The reorganisation of the Electronic Components and IT Products activities described above will, over time, enable Acal to eliminate some duplication of infrastructure across geographical territories, enabling better returns to be produced.

The interim results for the half year ending 30 September 2005 will be announced on 5 December 2005.

Acal will be releasing on 28 September 2005 an announcement which provides unaudited summaries, re-stated in accordance with International Financial Reporting Standards ("IFRS"), of its interim and full year consolidated income statements and balance sheets for the financial year ended 31 March 2005. The interim results for the half year ending 30 September 2005 will be the first prepared by the Group under IFRS.

For further information:-

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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, Spain, Scandinavia and the USA.

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