Trading Statement

Released : 26 Mar 2007

Acal PLC
26 March 2007

FOR RELEASE 7:00AM 26 MARCH 2007

ACAL plc

(Leading pan-European, value-added technology based distributor
providing specialist design-in, sales and marketing services)

Trading Update

PROFITS EXPECTED TO BE IN LINE WITH MARKET EXPECTATIONS

Acal plc has issued the following update on recent trading, prior to the end of its financial year on 31 March 2007.

The sale of Acal's Air Conditioning and Refrigeration business, announced in May 2006, was completed in early July 2006. For reporting purposes this business will be shown as a discontinued activity in the results for the year to 31 March 2007 and the comparative period to 31 March 2006.

Acal's profit before taxation from continuing activities for the year ending 31 March 2007 is expected to show an improvement over the prior year, in line with market expectations.

Electronic Components

The initial benefits of the strategy of extending Acal's technology products and geographic coverage are now beginning to show in the improved financial performance of this division, particularly in the Continental European business units. We have continued to expand our existing semiconductor portfolio and have now established dedicated teams for these products in Germany and Italy.

Parts Services

As previously reported, the first half of this year saw weaker demand for parts as a number of end-users of IT went through a "technology-refresh" process which reduced demand for out-of-warranty parts and services. The second quarter saw some of this lost demand offset by new business in the PC and PC peripheral activities. In the mid-range to higher-end computer activities, the serviced installed base for a large contract which commenced in April 2005, steadily declined over the year. Accordingly both sales and profits for the year to 31 March 2007 will be significantly lower than the prior year in this division.

Following the acquisition of the 28.4% minority interest in CPI in October 2006, for a consideration of approximately £6.7m, the customer-facing activities of the division have been reorganised so as to present a unified range of services to customers.

IT Solutions

Although the markets in our areas of operation remain competitive, the stability in pricing and margins seen in the first half year has been maintained in the second half. This together with an extending product range in the networking, SAN and security activities will result in an improved performance compared to the prior year, ahead of budget expectations.

Acal's preliminary results for the year ending 31 March 2007 are expected to be published on 4 June 2007.

For further information:-
Tony Laughton - Chief Executive 01483 544500
Jim Virdee - Finance Director 01483 544500

Brian Coleman-Smith/Leanne Denman/Jaiye Elias
Cubitt Consulting 020 7367 5100

Notes to Editors:

1 The Acal Group is a leading European, value-added technology based distributor providing specialist design-in, sales and marketing, as well as stock planning and procurement services in the fields of Electronic Components, Parts Services and IT Solutions. 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 and Scandinavia. Westech Electronics, an associated company, is based in Singapore and covers the Far East region.

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