

Acquisition

Released : 05 Oct 2011

RNS Number : 5626P

Acal PLC

05 October 2011

7.00am, 5 October 2011

Acal plc

Acal announces the Acquisition of a German Specialist Electronics business

Acal plc (LSE: ACL, "The Group"), the European specialist provider of technology services, is pleased to announce the acquisition of 100% of MTC Micro Tech Components GmbH and its affiliate EMC Innovation Limited (together defined as "MTC"), for an upfront cash consideration of €2.4m (£2.1m) before expenses. MTC has been acquired from Mr G Bächer.

MTC is a specialist provider of Electromagnetic shielding products to the European and Asian industrial electronic markets. Based in Germany, with a manufacturing operation in South Korea, MTC employs 20 staff. The company will form a separate business unit within Acal's Electronics division and will retain its strong independent brand identity.

Additionally, a deferred cash consideration of up to €1.1m (£1.0m) will be payable in January 2013 subject to the business achieving agreed growth targets over the period to 31 December 2012. Mr G Bächer will remain with the business.

MTC's revenues for the year ended 31 December 2010 were €2.9m (£2.5m) and it generated a pre tax profit of €0.5m (£0.4m). Gross assets, excluding cash balances, at 31 December 2010 were €0.5m (£0.4m). Revenue and profitability for the nine months to 30 September 2011 were 15% ahead of the prior year. The acquisition is expected to be earnings enhancing on an underlying profits basis for the Group's year ending 31 March 2012.

Nick Jefferies, Group Chief Executive of Acal plc said:

"The acquisition of MTC is a further step in the implementation of our specialisation strategy. Operating in a rapidly growing niche, they bring a strong range of own brand Electromagnetic shielding products into the Group, which we plan to sell throughout Acal's European organisation. We are delighted to welcome MTC into the Group.

A combination of specialist acquisitions and a move towards more highly differentiated specialist products is driving higher margins which we anticipate will lead to increased profitability in the first half in line with our expectations.

With a strong balance sheet and in excess of £30m of banking facilities, the Group is well positioned to deal with changes in demand as a result of the uncertain economic conditions, as well as opportunities that may arise."

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Notes to Editors:

About Acal plc

The Acal Group is a European specialist provider of technology products and services providing sales, marketing, engineering and other services through two divisions: Electronics and Supply Chain. The Electronics Division is Europe's leading specialist distributor of electronic and photonic products to industrial manufacturing and design companies. The Supply Chain Division provides inventory optimisation and

outsource solutions to leading technology service providers. Acal has operating companies in the UK, Netherlands, Belgium, Germany, France, Italy, South Africa, Spain and the Nordic region.

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