Interim Management Statement

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Acal plc
Second Interim Management Statement

Acal plc (LSE : ACL, "The Group"), Europe's leading specialist electronics distributor, is today issuing its Second Interim Management Statement for the year ending 31st March 2012, which covers the period 1st October 2011 to date.

Progress has continued since the half year. In the Electronics division, which accounts for approximately 90% of Group profitability, reported gross profit[(1)] has grown by 4% year-on-year, driven by further growth in gross margins. This is a result of the Group's ongoing focus on sales of specialist, more highly differentiated products and solutions. Development of the nine new suppliers reported at the half year and the cross-selling initiatives related to recent acquisitions are progressing well with a number of early wins, as well as an encouraging build-up of new projects.

Development of the new web platform is progressing as planned, with roll-out on track and expected to begin after the summer period.

Trading in the Supply Chain division continues to be stable, with ongoing margin improvement. The division has recently won a significant new contract with an international IT hardware provider to manage the processing and provision of spare parts. This will become active during the next financial year.

The Group remains on track to deliver full year results in line with management's expectations.

There have been no significant changes to the Group's financial position during the period.

Acquisition of MTC

As previously announced, the Group acquired MTC Micro Tech Components GmbH ("MTC") for up to £3.1m with effect from 5 October 2011, further enhancing the Group's German specialist electronics business. Business performance since acquisition has been in line with expectations, showing strong growth in new projects.

Nick Jefferies, Group Chief Executive commented:

"The Group is making continued progress with growth in gross profits and margins, and remains on track to deliver full year results in line with management's expectations.

This progress is a reflection of the strategy to provide highly specialist electronic and photonic products to our customers across Europe, taking share from local specialists. The development of the new website will create a leading platform for engineers to search, learn about and find specialist technologies and products on-line, and aims to put further distance between us and our smaller competitors.

Whilst the economic conditions have been challenging during the period, we have managed our cost base tightly and reduced ongoing costs where appropriate.

With improving manufacturing PMI data as well as some signs of better economic conditions internationally, we are in a strong position to benefit from any recovery in our European markets. The Group will continue to focus on strong organic development and expects to see further opportunities for value enhancing acquisitions.

With a robust balance sheet, low levels of debt, and high levels of committed banking facilities, the Group is well positioned to continue its development as the leading specialist electronics distributor in Europe."

For further information please contact:

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Notes to the Interim Management Statement

1. As previously communicated, the Group's continuing shift away from lower margin, non specialist distribution, means that gross profit is considered by Management to be a better performance indicator than sales.

2. This Interim Management Statement has been prepared solely to provide additional information to the shareholders of Acal plc, as a body, in order to meet the requirements of the UK Listing Authority's Disclosure and Transparency Rules.

Notes to Editors:

About Acal plc

Acal is a European specialist provider of technology products and services providing products and engineering 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, the Nordic region and South Korea.

This information is provided by RNS
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