

## Disposal

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Acal PLC

15 October 2013

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### Acal plc

Proposed disposal of the European Supply Chain Parts Business

#### Introduction

Acal plc (LSE: ACL, "Acal", the "Group" or the "Company"), a leading European specialist electronics supplier, announces the proposed disposal of its European Supply Chain IT parts business (the "Disposal").

The Company has agreed to sell its German based IT parts distribution business (the "European Parts Business"), being one of the two remaining businesses contained within its Supply Chain Division, to a company in which the European Parts Business' management team is participating. The Disposal is subject to shareholder approval. For the year ended 31 March 2013, the European Parts Business had revenues of €23.6m (£19.2m or 9% of Group revenues) and generated profit before tax of €0.8m (£0.7m).

The Disposal of this non core business reflects Acal's continued strategy of building a specialist industrial electronics group and follows on from the disposal in January this year of its UK Parts Business. The disposal would further enable the Group to focus its resources on enhancing the value of its core Electronics Division, which comprised 88% of Group revenues for the first quarter of the financial year ending 31 March 2014.

Consideration for the Disposal, if approved, will be €4.4m (£3.7m), comprising initial consideration of €4.0m (£3.4m) payable on completion of the Disposal and deferred consideration of €0.4m (£0.3m), payable on 31 March 2014. The Disposal is expected to result in a nil profit on disposal (before transaction costs). Sale proceeds from the Disposal will be retained for working capital purposes, for future investment within the Group or as consideration for future acquisitions by the Electronics Division.

Nick Jefferies, Group Chief Executive of Acal plc said:

"The proposed disposal of the European IT parts business is another step in our stated strategy of focusing on the specialist industrial electronics market and provides additional resources to invest in this area. We wish the EAF management team every success in the future."

The Company will announce its results for the half year ended 30 September 2013 on Friday 29 November 2013. On the day, a presentation will be held for analysts at 9.30am at Oriel Securities, 150 Cheapside, London, EC2V 6ET.

For further information please contact:

**Acal plc** 01483 544500  
Nick Jefferies - Group Chief Executive

Simon Gibbins - Group Finance Director

**College Hill** 020 7457 2020

Mark Garraway

Helen Tarbet

### The disposal of the European Parts Business

The European Parts Business, which is based in Germany, provides distribution, repair and management services for computing OEMs and IT maintenance companies principally serving the European market. Although the European Parts Business is currently profitable, it is capital intensive, generates lower operating margins than the Group's Electronics Division and is considered non-core to the Group.

The Disposal will involve the sale of the Company's German subsidiary, EAF Computer Service Supplies GmbH ("EAF"), to EAF Holding GmbH, a company in which the EAF management team are participating, together with certain other third party investors. The EAF management team are considered a related party for the purposes of the Listing Rules and the Disposal is therefore a related party transaction and subject to shareholder approval. No material transitional arrangements are expected to be required as a result of the Disposal.

The Board believes that the Disposal represents good value for shareholders and is in their best interests.

### Summary financials relating to the European Parts Business

	<i>Financial year ended 31 March 2013</i>	<i>Profit before tax</i>	<i>As at 31 Mar 2013</i>
	Revenues		Gross Assets
European Parts Business	€23.6m	€0.8m	€6.8m

### Related Party Transaction

The Disposal is classified as a class 2 transaction under Chapter 10 of the Listing Rules.

Under Listing Rule 11.1.4, the EAF management team meets the definition of a related party because of the directorships of the Company's subsidiary, EAF, of certain members of that team. As such, the Company is required to send a circular to its shareholders, in accordance with Listing Rule 13.3 and Listing Rule 13.6 and to obtain approval from shareholders for the Disposal. The EAF management team will not vote on the resolution to be put to shareholders and have agreed to take all reasonable steps to ensure that none of their associates will vote on that resolution.

Details of the key individuals of the European Parts Business are as follows:

Herbert Schiffer      Managing Director  
Martina Helmus-Fritz      Financial Controller

### Expected Timetable

The expected timetable for the principal events is set out below:

Circular posted to shareholders	15 October 2013
Expected latest time and date for receipt of Forms of Proxy and receipt of electronic proxy appointments via the CREST system	11.00a.m. on 30 October 2013
Voting Record Time for General Meeting	30 October 2013
General Meeting	11.00a.m. on 1 November 2013

The General Meeting will be held at 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH.

### Recommendation

The Board, having been so advised by Oriel Securities, considers the Disposal to be fair and reasonable so far as shareholders are concerned. The Board also considers that the Disposal is in the best interests of the Company and its shareholders as a whole and, therefore, recommends that shareholders vote in favour of the resolution to be proposed at the General Meeting, as each member of the Board who holds Ordinary Shares intends to do in respect of his own beneficial holdings of Ordinary Shares, such holdings comprising, in aggregate, 121,400 Ordinary Shares, representing approximately 0.39% of the Company's existing issued share capital. In giving its advice, Oriel Securities has taken into account the commercial assessment of the Directors.

### Notes

1. Shareholders should read the whole of the Circular to be sent to them and not just rely on the summarised information set out in this announcement.

2. Terms used in this announcement shall have the same meanings as set out in the Circular.

**Notes to Editors:**

**About Acal plc**

Acal is a European leader in advanced technology solutions, providing marketing, engineering, design, manufacturing and other services through two divisions: Specialist Electronics and Supply Chain.

The Specialist Electronics division is a leading European specialist electronics supplier and the only such provider with an infrastructure to deliver a broad complementary range of specialist products and bespoke solutions across Europe. The Electronics division has completed six acquisitions in the last four years, more than doubling its underlying Electronics revenues. Acal's long term strategy is to gain significant additional market share through both organic growth and acquisition and to further enhance its value adding capabilities. The Supply Chain division provides inventory optimisation and outsource solutions to leading technology service providers.

Acal has operating companies across Europe including the UK, Germany, France, Benelux, Italy, Poland, Spain and the Nordic region. Additionally, Acal has operating companies in Asia (China and South Korea) and Africa (South Africa).

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

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