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Acal plc

Full Year Trading Update

Acal plc (LSE: ACL, “Acal”, the "Company" or the "Group”), a leading international supplier of customised electronics to industry, today issues its trading update for the year ended 31 March 2016, ahead of the announcement of its full year results on 1 June 2016.

Trading Update

Trading since our last update on 12 February 2016 has been better than our forecasts. Underlying earnings for the full year are therefore expected to be slightly ahead of our expectations.

Group sales for the year increased by 6% and by 14% at constant exchange rates ("CER"). The Design & Manufacturing division, which accounted for 48% of Group revenue and more than three quarters of Group profit contribution[1] for the year, saw sales grow by 3% on a like-for-like basis[2] and by 50% CER due to recent acquisitions.

As expected, overall sales in the Custom Distribution division were down, some 7% CER, as a result of strong prior year comparators arising from the previously reported three large non-repeating orders last year and the discontinuation of the final non-specialist supplier. Trading in the UK has improved following the operational changes made during the year. Adjusting for these, ongoing sales[3] in the division grew by 3% year-on-year.

Sales beyond Europe and cross-selling activities both continue to develop positively. 17% of Group sales were beyond Europe, compared with 12% last year, and there was a near doubling of the sales of Design & Manufacturing products sold through the Custom Distribution division, to around £2.8m.

Gross margins continue to be strong and ahead of last year, demonstrating the value of our differentiated offering.

New business generation was strong in the second half of the year with a number of new large customer contracts being won. These are expected to generate revenue towards the end of this new financial year and into subsequent years, driving the Group’s organic growth rates in line with our expectations.

The three acquisitions made this year, Flux in November 2015, Contour in January 2016 and Plitron in February 2016, are all performing well and as expected.

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Notes

1. Profit contribution is underlying operating profit excluding unallocated costs.

2. Like-for-like growth for the Group is calculated at constant exchange rates ("CER"), including the matching pre-acquisition periods of the Noratel Group and Foss Group, which were acquired last year, and of Flux A/S, Contour Electronics Limited and Plitron Inc, which were acquired this year.

3. Ongoing sales exclude large, non-repeating orders from last year within Custom Distribution and sales of its final major non-specialist, low margin supplier, which was discontinued last year.

4. This trading update is based upon unaudited management accounts and has been prepared solely to provide additional information on trading to the shareholders of Acal plc. It should not be relied on by any other party for other purposes. Certain statements made in this update are forward-looking statements. Such statements have been made by the Directors in good faith using information available up until the date that they approved this update. Forward-looking statements should be regarded with caution because of the inherent uncertainties in economic trends and business risks.

5. All growth rates are calculated using provisional, unaudited FY16 data which is subject to change.

Notes to Editors:

About Acal plc

Acal is a leading international supplier of customised electronics to industry. It designs, manufactures and distributes customer-specific electronic products and solutions to 25,000 industrial manufacturers and is listed on the London Stock Exchange (LSE: ACL).

Acal has two divisions: Design & Manufacturing and Custom Distribution. The majority of its sales comes from products and solutions which are created uniquely for a customer. Acal works across a range of technologies, namely Power & Magnetics; Communications & Sensors; Electromechanical; Imaging & Photonics; and Embedded Computers & Displays.

Acal operates through the following wholly-owned businesses: Acal BFi, Contour, Flux, Foss, Hectronic, MTC, Myrra, Noratel, Plitron, RSG, Stortech and Vertec. It has operating companies and manufacturing facilities in a number of markets, including the UK, Germany, France, the Nordic region, Benelux, Italy, Poland, Slovakia and Spain, as well as in Asia (China, India, Sri Lanka, South Korea and Thailand), the US, Canada and South Africa.