Dialight plc
AGM
7th May 2008
2007 Highlights

- Signals/Illumination sales up 17%
- Profit before tax £4.5m
- Operating Cash Flow £5.8m
- Decision to sell LED Components Business following Strategic Review
- Focus on high growth Signals/Illumination Business
2008 Update

- Indication Components at run rate for H2 2007
- Good order position for Meter Disconnect
- Strong order intake for Signals/Illumination
- Margins stable
- Sale of Indication business on track
- Overall trading in line with expectations
## Segment Results

<table>
<thead>
<tr>
<th></th>
<th>Electromagnetic Components</th>
<th>Indication Business</th>
<th>Signals/Illumination</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007 (£m)</td>
<td>2007 (£m)</td>
<td>2007 (£m)</td>
</tr>
<tr>
<td>Revenue</td>
<td>11.0</td>
<td>19.0</td>
<td>33.4</td>
</tr>
<tr>
<td>Contribution</td>
<td>2.7</td>
<td>10.5</td>
<td>10.8</td>
</tr>
<tr>
<td>Overhead costs</td>
<td>(2.8)</td>
<td>(5.1)</td>
<td>(10.7)</td>
</tr>
<tr>
<td>Segment results</td>
<td>(0.1)</td>
<td>5.4</td>
<td>0.1</td>
</tr>
<tr>
<td>Contribution %</td>
<td>24.1%</td>
<td>55.3%</td>
<td>32.3%</td>
</tr>
</tbody>
</table>
Components/Indication

- Business continues sound year on year
- Distributor POS growth in 2007 3% after slow start
- Continued strong position with key accounts
- Orders continue at run rate into 2008
- Continued high margins and strong cash generation
- No change for 2008 – indications from our customers and distributors are cautiously positive
Components – Meter Disconnects

- Implementation of Advanced Meter Infrastructure in USA will drive demand.
- Market potential for 18 million switches between 2008 and 2010 giving a market of over $200m
- Dialight in strong market position and starting to deliver switches in production volumes to two of the top meter manufacturers
- Dialight’s 200 amp switch acknowledged by users to be the premium product in the market
- Order received for up to 200,000 switches from Elster value over $4m and production order from second OEM
- Potential to more than double this business by 2010
Lights/Illumination

- Strategy for growth - pick defensible and sizeable niche markets with emerging LED value propositions
- Segment grew 17% in 2007
- Traffic sales grew 20%
- Obstruction grew by 25% in North America
- Launched strategic white light products
- 2008 double digit growth continues
20% Sales Growth in 2007
- Growth of European customer base
- First orders for UK based product
- Won Miami Dade contract for over 70,000 signals
- 2008 strong start in Europe – Miami shipping to plan
- North American Sales grew 25% in 2007
- Good progress in US Wind Tower market
- First sales of White LED Strobe
- 2008 growth continues with Wind Market particularly strong
Coloured Lighting

- Establishment of European Partnerships
- New products in approval for US market
- Range retooled for 2008
- Good start to 2008
Signals/Illumination/White Lighting
“The Opportunity!”

- Safesite – Hazardous Location Downlight
  - Sales of 300 in Q4
  - 40% energy saving over conventional light
  - Adopted for Rio Tinto mining
  - Installed on Oil Exploration Rig
  - Several Oil Refinery installs

- Bus light
  - Shipping white fluorescent replacement light for Transit Buses

- Ledpak – fluorescent replacement light for industrial applications introduced in early 2008
Safesite Application
Cost Reductions

- Inflationary price pressures particularly in metals and plastics
- Continued cost reduction programmes
- Improved costs through vendor programmes
- Improved costs through innovative design
- Margins maintained
Summary

- Strategy playing out
- Strong Signals/Illumination Sales growth through 2007 and into 2008
- Return of LED Components to normal levels and continuing in 2008
- First major order for Meter Disconnects -200,000 pieces with follow on from other customers
- Continued Engineering focus on new products
- Divestment of LED Components on plan