Dialight plc 2006 AGM
9th May 2006
Highlights of 2005

- Divested Solartron Businesses for gross proceeds of £72.1m
- Returned £46.5M to Shareholders (£90m since 2003)
- Renamed and Refocussed company: Dialight plc
- Appointed new Executive Management Team
- Year end cash position £9.8m
- Early 2006 acquisition of Lumidrives
Highlights - Continuing Businesses

- Strong increase in sales and profit in H2 over H1
- Profit before tax £4.5m versus £4.3m in 2004
- Operating Cash Flow £5.3m for Continuing Group before Capex and Pension Payment
- Strong year-end balance sheet
- Increased order intake in 2006
## Proforma 2005 group profit and loss account

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>56.1</td>
</tr>
<tr>
<td>Operating profit</td>
<td>5.0</td>
</tr>
<tr>
<td>Interest</td>
<td>0.4</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>5.4</td>
</tr>
<tr>
<td>Taxation</td>
<td>(1.9)</td>
</tr>
<tr>
<td></td>
<td>3.5</td>
</tr>
<tr>
<td>Dividend – say 4.5 pence full year</td>
<td>1.4</td>
</tr>
<tr>
<td>EPS</td>
<td>11p</td>
</tr>
<tr>
<td>Dividend Cover</td>
<td>2.46x</td>
</tr>
</tbody>
</table>
### Dialight – continuing group cash flow

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating profit</strong></td>
<td>3.9</td>
<td>4.4</td>
</tr>
<tr>
<td><strong>Depreciation / amortisation</strong></td>
<td>1.8</td>
<td>1.7</td>
</tr>
<tr>
<td><strong>Movement in working capital</strong></td>
<td>(0.4)</td>
<td>(0.1)</td>
</tr>
<tr>
<td><strong>Cash from operations</strong></td>
<td>5.3</td>
<td>6.0</td>
</tr>
<tr>
<td><strong>Capital expenditure</strong></td>
<td>(1.1)</td>
<td>(0.7)</td>
</tr>
<tr>
<td><strong>Tax</strong></td>
<td>(1.6)</td>
<td>(1.5)</td>
</tr>
<tr>
<td><strong>Before one-off pension contributions</strong></td>
<td>2.6</td>
<td>3.8</td>
</tr>
</tbody>
</table>

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Dialight plc AGM 2006
Reporting Segments

- Components- Traditional Indicator Business + Electromagnetic Based Products

- Signals/Illumination – High Brightness LED Business comprising Traffic Lights, Rail Signals, Obstruction Lights and Solid State Lighting
## 2005 Sales and Contribution by Segment

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
<th>%</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sales £m</td>
<td>Contribution £m</td>
<td>Sales £m</td>
<td>Contribution £m</td>
</tr>
<tr>
<td>Components</td>
<td>26.6</td>
<td>13.3</td>
<td>27.2</td>
<td>14.7</td>
</tr>
<tr>
<td>Signals/Illumination</td>
<td>29.6</td>
<td>9.9</td>
<td>28.0</td>
<td>9.2</td>
</tr>
<tr>
<td>Total</td>
<td>56.2</td>
<td>23.2</td>
<td>55.2</td>
<td>23.9</td>
</tr>
</tbody>
</table>
Components

- Orders up 4% on year and 18% on H2
- Sales down 2% on year
- H2 Sales up 5% on H2/04
- Contribution down on year
- Electromagnetic Components responsible for adverse swing in contribution year on year
Components

- North American Distributor Point of Sales 5% growth in 2005
- Continued strong Preferred Vendor Status at OEMs
- Awarded Wing Mirror Contract for major Japanese Auto Manufacturer- will ship in 2006
- Booked £1.5m+ orders for Meter Disconnects in January/February 2006
- 2006 to date Order Input up over H2/05
Signals /Illumination

- Orders up 4.6% on year
- Orders in H2/05 up 10% on H2/04
- Sales up 5.5% on year
- Sales in H2/05 up 13% on H2/04
- Contribution up 7.3% on year
- Obstruction showing good growth year on year
- Traffic flat in 2005
Drivers for Growth

- Components Segment expected to show mid single digit growth over time
- Signals/Illumination expected to demonstrate double digit growth through focus on
  1. European Traffic
  2. European/Asia Rail
  3. Obstruction Lights
  4. Niche opportunities in Industrial Applications for white light
  5. Architectural/Entertainment Lighting for coloured lights
Acquisition of Lumidrives Ltd.

- Completed on 11 January 2006 for £3m
  - £2.45m in cash
  - £0.55m in Dialight shares (223,578 shares)
- 2005 draft results show sales of £3.2m with a double digit return
- Consistent growth in sales from 2002 to 2005
- Net assets of approximately £0.5m at acquisition – fair value review to be completed
- Strong position in Architectural Lighting Markets
Architectural Lighting Products
Modules – Light Engines, Drivers and Optics
The Light – Leeds, UK
Lacoste Retail Outlets – Nationwide UK
Prospects for 2006

- European Traffic positioned to grow
- Obstruction continued growth with new products and more adoption
- White Light- hazardous location launched
- Coloured Light- exploitation of Lumidrives acquisition on a worldwide basis
- Promising signs in Components Segment
DIALIGHT

Uniquely Positioned to Exploit the Lighting Revolution