

TEN YEAR SUMMARY

| Year ended 31st March | 1999 Rs. '000 | 2000 Rs. '000 | 2001 Rs. '000 | 2002 Rs. '000 | 2003 Rs. '000 | 2004 Rs. '000 | 2005 Rs. '000 | 2006 Rs. '000 | 2007 Rs. '000 | 2008 Rs. '000 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| Results | | | | | | | | | | |
| Group turnover | 1,592,399 | 1,494,939 | 2,686,939 | 1,843,662 | 3,404,734 | 4,796,905 | 7,565,327 | 10,512,326 | 12,989,916 | 12,687,289 |
| Profit before taxation | 73,961 | 115,140 | 119,992 | 38,753 | 58,912 | 148,396 | 253,633 | 382,235 | 512,895 | 344,444 |
| Taxation | (28,122) | (36,762) | (46,102) | (10,523) | (20,119) | (48,131) | (76,431) | (117,062) | (211,118) | (139,351) |
| Profit after taxation | 45,839 | 78,378 | 73,890 | 28,230 | 38,793 | 100,265 | 177,202 | 265,173 | 301,777 | 205,093 |
| Capital Employed | | | | | | | | | | |
| Stated capital | - | - | - | - | - | - | - | - | - | 182,500 |
| Share capital | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 | 90,000 | 90,000 | 90,000 | 121,000 | - |
| Share premium | 19,500 | 19,500 | 19,500 | 19,500 | 19,500 | 37,500 | 37,500 | 37,500 | 61,500 | - |
| Revaluation reserves | 182,301 | 182,301 | 182,301 | 182,301 | 182,301 | 182,301 | 311,522 | 311,522 | 311,522 | 311,522 |
| Revenue reserves | 200,978 | 264,956 | 314,846 | 325,076 | 363,869 | 432,634 | 566,836 | 777,009 | 1,012,486 | 1,163,129 |
| Shareholders' Funds | 450,779 | 514,757 | 564,647 | 574,877 | 613,670 | 742,435 | 1,005,858 | 1,216,031 | 1,506,508 | 1,657,151 |
| Total borrowings | 368,851 | 407,561 | 458,146 | 596,514 | 866,946 | 958,049 | 1,608,915 | 2,796,158 | 2,864,688 | 2,802,374 |
| Net Capital Employed | 819,630 | 922,318 | 1,022,793 | 1,171,391 | 1,480,616 | 1,700,484 | 2,614,773 | 4,012,189 | 4,371,196 | 4,459,525 |
| Assets Employed | | | | | | | | | | |
| Non-current assets | 454,933 | 454,940 | 480,468 | 517,030 | 528,826 | 559,752 | 734,720 | 775,323 | 1,005,370 | 1,463,068 |
| Current assets | 739,792 | 786,502 | 803,832 | 952,905 | 1,197,756 | 1,692,349 | 2,460,687 | 3,794,288 | 4,193,262 | 4,368,090 |
| Deferred income | - | - | - | - | - | (1,995) | (1,441) | (932) | (3,218) | (1,222) |
| Total liabilities (excluding borrowings) | (375,095) | (319,124) | (261,507) | (298,544) | (245,966) | (549,622) | (579,193) | (556,490) | (824,218) | (1,370,411) |
| Net Assets Employed | 819,630 | 922,318 | 1,022,793 | 1,171,391 | 1,480,616 | 1,700,484 | 2,614,773 | 4,012,189 | 4,371,196 | 4,459,525 |
| Net Cash Flow | | | | | | | | | | |
| from operating activities | 20,714 | 87,912 | 88,131 | (102,684) | (153,014) | (39,915) | (587,299) | (990,433) | 383,134 | 520,706 |
| from Investing activities | (11,542) | (15,746) | (53,658) | (56,104) | (57,827) | (75,584) | (97,584) | (91,474) | (287,636) | (519,212) |
| from Financing activities | (56,729) | (108,476) | (201,671) | (12,640) | (17,488) | 26,434 | 92,125 | 305,800 | (49,458) | 179,289 |
| Net Cash Inflow/(Outflow) | (47,557) | (36,310) | (167,198) | (171,428) | (228,329) | (89,065) | (592,758) | (776,107) | 46,040 | 180,783 |
| Key Indicators | | | | | | | | | | |
| Earnings per share (Rs.)(*)(**) | 3.97 | 6.79 | 6.40 | 2.44 | 3.36 | 8.68 | 15.34 | 22.96 | 25.76 | 16.95 |
| Net assets per share (Rs.) | 93.91 | 107.24 | 94.11 | 95.81 | 102.28 | 82.49 | 100.59 | 101.60 | 124.50 | 136.95 |
| Market value per share (Rs.) | 35.00 | 39.00 | 38.00 | 30.00 | 50.00 | 53.00 | 103.00 | 138.50 | 120.00 | 88.75 |
| Return on average shareholders' equity (%) | 11 | 16 | 14 | 5 | 7 | 15 | 20 | 24 | 22 | 13 |
| Dividends (Rs.) | 14,400 | 14,400 | 24,000 | 18,000 | 18,000 | 31,500 | 50,000 | 60,000 | 72,600 | 48,400 |
| Dividends cover (time cover) | 3 | 5 | 3 | 2 | 2 | 3 | 4 | 4 | 4 | 4 |
| Price earnings ratio (times) | 9 | 6 | 6 | 12 | 15 | 6 | 7 | 6 | 5 | 5 |
| Dividend per share | 3.00 | 3.00 | 4.00 | 3.00 | 3.00 | 3.50 | 5.00 | 6.00 | 6.00 | 4.00 |
| Annual sales growth (%) | 9 | (6) | 80 | (31) | 85 | 41 | 58 | 39 | 24 | (2) |
| Current ratio (time) | 1.39 | 1.18 | 1.24 | 1.16 | 1.16 | 1.20 | 1.24 | 1.33 | 1.30 | 1.26 |
| Turnover to capital employed (times) | 1.94 | 1.62 | 2.63 | 1.57 | 2.30 | 2.82 | 2.89 | 2.62 | 2.97 | 2.84 |

* Scrip issue of one for every four shares held was made during the year 2000/01. Scrip issue of one for every nine shares held was made during the year 2004/05. Scrip issue of one for every ten shares was made during the year 2006/07.

** Rights issue of one ordinary share for every two ordinary shares held was made in August 2003. Earning per share has been adjusted accordingly.

SHARE INFORMATION

1. STOCK EXCHANGE LISTING

The issued ordinary shares of Diesel & Motor Engineering PLC, are listed with the Colombo Stock Exchange of Sri Lanka. The audited Consolidated Income Statements for the year ended 31st March 2008 and the audited Balance Sheets at that date have been submitted to the Colombo Stock Exchange within three months of the Balance Sheet date.

2. SHAREHOLDERS

The number of Shareholders as at 31st March 2008 was 1,224 (1,137 as at 31st March 2007).

| Number of Shares held | Residents | | | Non-Residents | | | Total | | |
|-----------------------|----------------------|-------------------|--------------|----------------------|----------------|-------------|----------------------|-------------------|---------------|
| | No. of Share-holders | No. of Shares | % | No. of Share-holders | No. of Shares | % | No. of Share-holders | No. of Shares | % |
| 0 - 500 | 846 | 96,064 | 0.79 | 12 | 2,307 | 0.02 | 858 | 98,371 | 0.81 |
| 501 - 1,000 | 110 | 79,902 | 0.66 | 4 | 3,029 | 0.03 | 114 | 82,931 | 0.69 |
| 1,001 - 5,000 | 157 | 319,427 | 2.64 | 7 | 13,012 | 0.11 | 164 | 332,439 | 2.75 |
| 5,001 - 10,000 | 22 | 159,738 | 1.32 | 1 | 5,500 | 0.05 | 23 | 165,238 | 1.37 |
| 10,001 - 20,000 | 12 | 162,074 | 1.34 | 1 | 12,222 | 0.1 | 13 | 174,296 | 1.44 |
| 20,001 - 30,000 | 6 | 140,131 | 1.16 | - | - | - | 6 | 140,131 | 1.16 |
| 30,001 - 40,000 | 7 | 244,551 | 2.02 | 1 | 31,649 | 0.26 | 8 | 276,200 | 2.28 |
| 40,001 - 50,000 | 9 | 348,448 | 2.88 | - | - | - | 9 | 348,448 | 2.88 |
| 50,001 - 100,000 | 9 | 668,356 | 5.52 | - | - | - | 9 | 668,356 | 5.52 |
| 100,001 - 1,000,000 | 17 | 5,105,553 | 42.19 | 1 | 114,759 | 0.95 | 18 | 5,220,312 | 43.14 |
| 1,000,001 & Over | 2 | 4,593,278 | 37.96 | - | - | - | 2 | 4,593,278 | 37.96 |
| Total | 1,197 | 11,917,522 | 98.48 | 27 | 182,478 | 1.52 | 1,224 | 12,100,000 | 100.00 |

Over 98% of the shares issued is held by residents of Sri Lanka.

| Categories of Shareholders | 31st March 2008 | | | 31st March 2007 | | |
|----------------------------|----------------------|-------------------|---------------|----------------------|---------------|--------|
| | No. of Share-holders | No. of Shares | % | No. of Share-holders | No. of Shares | % |
| Individuals | 1,138 | 6,890,686 | 56.95 | 818 | 5,746,734 | 57.47 |
| Institutions | 86 | 5,209,314 | 43.05 | 69 | 4,253,266 | 42.53 |
| Total | 1,224 | 12,100,000 | 100.00 | 887 | 10,000,000 | 100.00 |

3. MARKET VALUE OF SHARES

The market value of an ordinary share of Diesel & Motor Engineering PLC, as at 31st March 2008 was Rs. 88.75 (Rs. 120.00 as at 31st March 2007).

4. DIVIDEND PAYMENTS

| | 2008 Rs. mn | 2007 Rs. mn |
|---|----------------|----------------|
| Interim dividend - Rs. 1.50 per share (Rs. 3.00 per share 2007) | 18.15 | 36 |
| Final dividend - Rs. 2.50 per share (Rs. 3.00 per share 2007) | 30.25 | 36 |
| Final dividend was approved by the Directors on 9th May 2008 | | |
| Final dividend payable on 27th June 2008 | | |

SHARE INFORMATION

5. SHARE TRADING INFORMATION FROM 1ST APRIL TO 31ST MARCH

| | 2008 | 2007 | 2006 | 2005 |
|------------------------------|---|------------------------|-----------------------|-----------------------|
| Highest (Rs.) | 125.00 (April 16,2007) (April 19,2007) (April 21,2007) | 155.00 (Jun. 20, 2006) | 153.00 (Feb. 6, 2006) | 150.00 (Jan. 4, 2005) |
| Lowest (Rs.) | 78.00 (Dec. 28,2007) | 100.00 (Dec. 29, 2006) | 102.25 (Jan. 5, 2006) | 50.00 (Apr. 6, 2004) |
| No. of transactions | 602 | 902 | 2,241 | 1,536 |
| No. of shares traded (Rs.) | 319,000 | 400,000 | 1,249,300 | 728,000 |
| Value of shares traded (Rs.) | 30,051,050 | 50,471,950 | 163,854,550 | 66,423,875 |
| No. of days traded | 162 | 197 | 213 | 174 |
| No. of market days | 239 | 240 | 241 | 234 |
| Liquidity (%) | 2.64 | 3.31 | 12.49 | 7.28 |
| CSE All Share Price Index | 2,550.5 | 2,789.8 | 2,264.40 | 1,751.88 |
| Milanka Price Index | 3,181.3 | 3,837.6 | 2,877.70 | 2,392.19 |
| Motor Sector | 2,873.2 | 3,360.9 | 2,067.30 | 1,153.75 |

6. PUBLIC SHAREHOLDING

| | | | | |
|------------------|------------------|-----------|-----------|-----------|
| Number of Shares | 5,318,912 | 5,302,892 | 3,388,464 | 3,373,364 |
| % | 43.96 | 43.83 | 33.88 | 33.73 |

7. HISTORY OF SHARE ISSUES

| Year | Issue | No. of Shares | Price |
|---------|--|---------------|-----------|
| 2006/07 | Rights (one share per every ten shares held) | 1,100,000 | Rs. 55.00 |
| 2006/07 | Scrip (one share per every ten shares held) | 1,000,000 | Nil |
| 2004/05 | Scrip (one share per every nine shares held) | 1,000,000 | Nil |
| 2003/04 | Rights (one share per every two shares held) | 3,000,000 | Rs. 20.00 |
| 2000/01 | Scrip (one share per every four shares held) | 1,200,000 | Nil |
| 1995/96 | Scrip (one share per every three shares held) | 1,200,000 | Nil |
| 1994/95 | Scrip (one share per every five shares held) | 600,000 | Nil |
| 1992/93 | Rights (one share per every five shares held) | 500,000 | Rs. 75.00 |
| 1991/92 | Rights (one share per every three shares held) | 500,000 | Rs. 30.00 |
| 1991/92 | Scrip (one share per every four shares held) | 500,000 | Nil |
| 1989/90 | Rights (one share per every two shares held) | 500,000 | Rs. 10.00 |
| 1987/88 | Scrip (one share per every share held) | 500,000 | Nil |
| 1980/81 | Scrip (one share per every share held) | 250,000 | Nil |

8. CHANGES IN SHAREHOLDINGS OF DIRECTORS AND THEIR SPOUSES DURING 2007/08

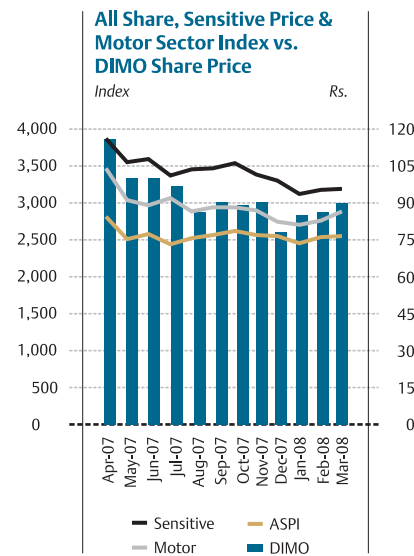
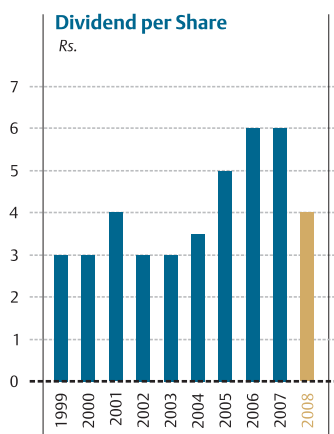
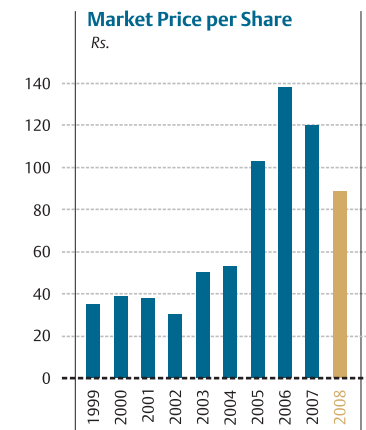
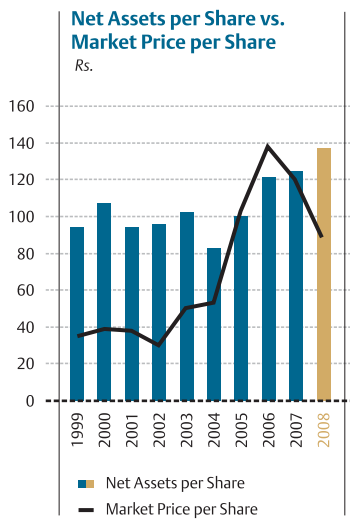
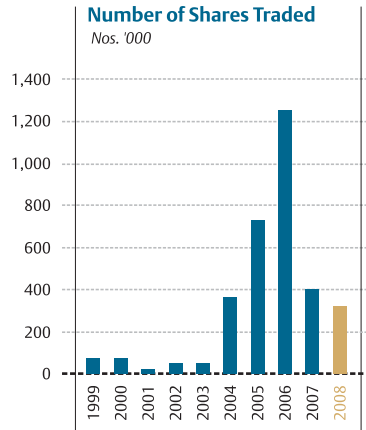
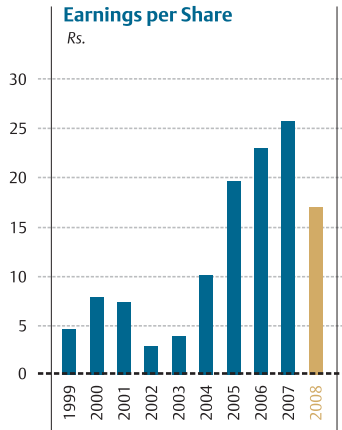
| Name | As at 31.03.07 | Movement | As at 31.03.08 | % |
|-----------------|------------------|-----------------|------------------|--------------|
| A.R. Pandithage | 1,874,661 | 7,434 | 1,882,095 | 15.55 |
| A.N. Algama | 187,455 | (16,700) | 170,755 | 1.41 |
| S.C. Algama | 399,134 | – | 399,134 | 3.30 |
| A.G. Pandithage | 383,545 | – | 383,545 | 3.17 |
| A.M. Pandithage | 219,778 | – | 219,778 | 1.82 |
| T.G.H. Peries | 334,924 | (6,754) | 328,170 | 2.71 |
| | 3,399,497 | (16,020) | 3,383,477 | 27.96 |

SHARE INFORMATION

9. MAJOR SHAREHOLDERS AS AT

| Name of Shareholder | 31st March 2008 | | Name of Shareholder | 31st March 2007 | |
|---------------------------|------------------|--------------|---------------------------|------------------|--------------|
| | Total Shares | % | | Total Shares | % |
| Hayleys PLC | 3,397,611 | 28.08 | Hayleys PLC | 3,397,611 | 28.08 |
| Thurston Investments Ltd. | 1,195,667 | 9.88 | Thurston Investments Ltd. | 1,136,867 | 9.40 |
| Mr. A.R. Pandithage | 971,798 | 8.03 | Mr. A.R. Pandithage | 971,798 | 8.03 |
| Mrs. J.C. Pandithage | 910,297 | 7.52 | Mrs. J.C. Pandithage | 902,863 | 7.46 |
| Mr. A.K. Pandithage | 417,640 | 3.45 | Mr. A.K. Pandithage | 417,640 | 3.45 |
| Mr. S.C. Algama | 392,278 | 3.24 | Mr. S.C. Algama | 392,276 | 3.24 |
| The Estate of the Late | | | The Estate of the Late | | |
| Mrs. D.G. Pandithage | 352,249 | 2.91 | Mrs. D.G. Pandithage | 352,249 | 2.91 |
| Mr. A.G. Pandithage | 339,380 | 2.80 | Mr. A.G. Pandithage | 339,380 | 2.80 |
| Mr. K. Aloysius | 327,476 | 2.71 | Mr. K. Aloysius | 327,476 | 2.71 |
| Mr. T.G.H. Peries | 191,284 | 1.58 | Mr. T.G.H. Peries | 198,038 | 1.64 |
| Mr. A.M. Pandithage | 178,745 | 1.48 | Mr. A.N. Algama | 187,455 | 1.55 |
| Mr. A.N. Algama | 170,755 | 1.41 | Mr. A.M. Pandithage | 178,745 | 1.48 |
| The Estate of the Late | | | The Estate of the Late | | |
| Mr. A.A.C.A. Algama | 164,376 | 1.36 | Mr. A.A.C.A. Algama | 164,376 | 1.36 |
| Dr. D. Jayantha | 154,100 | 1.27 | Dr. D. Jayantha | 154,100 | 1.27 |
| Mrs. M.S. Peries | 136,886 | 1.13 | Mrs. M.S. Peries | 136,886 | 1.13 |
| Mr. L.P. Algama | 131,931 | 1.09 | Mr. L.P. Algama | 131,931 | 1.09 |
| Mr. A.C. Pandithage | 109,632 | 0.91 | Mr. A.C. Pandithage | 126,332 | 1.04 |
| The Estate of the Late | | | The Estate of the Late | | |
| Mr. N.U. Algama | 116,515 | 0.96 | Mr. N.U. Algama | 116,515 | 0.96 |
| Elgin Investments Ltd. | 114,759 | 0.95 | Elgin Investments Ltd. | 114,759 | 0.95 |
| JB Cocoshell (Pvt) Ltd. | 103,500 | 0.86 | JB Cocoshell (Pvt) Ltd. | 103,500 | 0.86 |
| | 9,876,879 | 81.62 | | 9,850,797 | 81.41 |

SHARE INFORMATION



BRANCH NETWORK



Dimo continues to expand and enhance the branch network to ensure convenience to our customers.

1. Head Office -
65, Jetawana Road, Colombo 14
2. TATA Light, Commercial Vehicle Showroom -
61, Jetawana Road, Colombo 14
3. TATA Passenger Car Showroom and Workshop -
467, Sirimavo Bandaranaike Mawatha, Colombo 14
4. Mercedes-Benz & Chrysler Showroom -
378 - 385, R.A. De Mel Mawatha, Colombo 3
5. TATA Passenger Car Showroom -
385 A, R.A. De Mel Mawatha, Colombo 3
6. Siyambalapa Complex -
135, Mahena Road, Siyambalapa, Biyagama
7. Kurunegala Branch -
27 A, Colombo Road, Malpitiya, Boyagane, Kurunegala
8. Dima Mart -
50, 51, Jetawana Road, Colombo 14
9. Matarata Branch -
401, Kumaratunga Munidasa Mawatha, Pamburana, Matarata
10. Commercial & Heavy Machinery Workshop -
562/126, D.S. Senanayake Mawatha, Anuradhapura.
11. Dima Logistics Centre -
Kirindaiwela Road, Weliveriya.
12. TATA Spare Parts Showroom -
74, 74/1, Jetawana Road, Colombo 14

HISTORICAL NOTE



Diesel & Motor Engineering PLC is probably the oldest sole distributor for Mercedes-Benz Passenger and Commercial Vehicles, in the Asian Region. In Sri Lanka, DIMO is colloquially known as the 'Benz Company'.

The Company was established in 1939 as a partnership by the late Messrs T.S. Peries, P.D. Alexander, C.A. Algama and H.A. Algama who were entrepreneurs in their own right, along with the late Mr. F.K. Heller.

Initially, the Company commenced operations with the staff of 29 and was only confined to automobile sales and servicing. In 1945, DIMO was incorporated as a Private Limited Liability Company.

In 1964, DIMO was converted into a Public Quoted Company by obtaining a listing at the Colombo Brokers' Association, as it was then known. Since its modest beginning, the Company has grown in size as well as in scope, and presently has a workforce of over 800. With almost seven decades of experience in the automobile and engineering industry the Company over the years has made a significant contribution towards the development of the transportation sector in Sri Lanka.

Dimo Industries Pvt Ltd. and Dimo Pvt Ltd., were incorporated as wholly owned subsidiaries in the early 70s. Dimo Industries Pvt Ltd., was established to

manufacture automobile parts, while Dimo Pvt Ltd., was for the sale and service of Telecommunications, Power Engineering and Medical Equipment.

In 1986, Hayleys Group acquired a stake in the equality capital making DIMO an Associate Company of it. Hayleys Group current holding is 28% of the equity. The present divisional organisational structure was introduced in 1987 to support and nurture the development of the Company and to institutionalise the corporate management process.

The Dimo automobile training school, which is the only one of its kind in the private sector was established in 1990 and sets a two-year course designed by the Mercedes-Benz, to international standards.

Dimo's portfolio consist of 'best in class' brands such as Daimler Chrysler, TATA, MTU, Bosch, Komatsu, Siemens, Michelin, Osrar and Mahindra & Mahindra to name but a few.

In 1996, the Company relocated its after sales and service activities of commercial vehicles, construction machinery and power systems at Siyambalape, Biyagama which is about ten kilo metres away from Colombo city limits. The workshop complex is equipped with state-of-the-art machinery and equipment.

The Company continues to expand its branch network and presently has five showrooms within Colombo city limits and three outstation branches located at Anuradhapura, Kurunegala and Matara.

The Head office is conveniently and spaciouly remains located in an area of approximately 10,000 sq. metres in a central commercial sector in Colombo. The complex houses the Company's administrative and sales offices, passenger car and automotive workshops with its showrooms.

In 1998, Browns Dimo Industrial Products (Pvt) Ltd., was formed with Brown Group and DFCC Bank to undertake the activities of fabricating heat exchanges. During 2006, Company invested in Tyre rethreading and filter manufacturing ventures namely Dimo Industries Pvt Ltd. and Dimo KLN Industries Pvt Ltd. respectively. These factories were located in Homagama and Kandana.

The Company's logistic operation is being carried out from the property acquired at Weliveriya in Gampaha district in February 2008.

KEY PRINCIPALS



CHINA

Challenger Electronics
Infinite Shanghai Communication
Terminals Ltd.

FRANCE

Carl Zeiss Meditec
Michelin

GERMANY

Blaupunkt Werke GmbH
Bomag GmbH
Carl Zeiss AG
Daimler AG
Draeger Medical
Fischer Werke GmbH
KHD Humboldt Wedag AG
KSB AG
Mannesmann Dematic AG
OSRAM GmbH
Robert Bosch Ew.
Robert Bosch GmbH
Siemens AG
SiTeco Lighting (M) Sdn Bhd
Tognam GmbH
Vossloh-Schwabe GmbH

INDIA

Bhagat Forge Ltd.
Bimetal Bearings Ltd.
Bosch Chassies Systems India Ltd.
Bosch Ltd.
Claas India Ltd.
Eicher Dem (Eicher Motors Ltd.)
Fenner (India) Ltd.
Gabriel India Ltd.
India Pistons Ltd.
KLN Engineering Products (Pvt) Ltd.
Luk India Pvt Ltd.
Mahindra & Mahindra Ltd.
MRF Ltd.
Rane Brake Linings Ltd.
Rane Engine Valves Ltd.
Schwing Stetter
Shardlow India Ltd.
Sri Bhavan Castings Ltd.
Tata Motors Ltd.
Victor Gaskets India Ltd.

ITALY

VM MOTORI S.P.A.

JAPAN

Bosch Automotive Systems Corporation
Komatsu Ltd.
Zenoah

MALAYSIA

Davex Engineering (M) SDN Bhd.
PK Electronics
SSI Schaefer Systems International Pte Ltd.

SINGAPORE

Chrysler South East Asia Pte. Ltd
Daimler Regional Logistic Centre
Daimler South East Asia Ptd Ltd.
John Deere Asia (Pvt) Ltd
Johnson Controls
Komatsu Asia & Pacific Pte Ltd
Komatsu Forklift Asia Pte Ltd
MTU Asia Pte Ltd
Power Source International Pte. Ltd.

SOUTH KOREA

Everdigm

UK

Interpower International Ltd.
Wartsila Seals & Bearing UK

USA

BF Goodrich
Snap-on Tools Private Limited

KEY PRINCIPALS

PRINCIPALS REPRESENTED AND DURATION OF RELATIONSHIP

| Name | Country | Brands | No. of Years |
|--|-------------|-----------------------------|----------------|
| Daimler AG | Germany | Mercedes-Benz | 69 |
| Robert Bosch GmbH | Germany | Bosch | 54 |
| KHD Humboldt Wedag AG | Germany | KHD | 48 |
| Siemens AG | Germany | Siemens | 48 |
| Tata Motors Ltd. | India | Tata | 47 |
| Komatsu Forklift Asia Pte Ltd. | Singapore | Komatsu | 39 |
| Komatsu Asia & Pacific Pte Ltd. | Singapore | Komatsu | 39 |
| KSB AG | Germany | KSB | 39 |
| Bosch Ltd. | India | Mico | 39 |
| Komatsu Ltd. | Japan | Komatsu | 39 |
| Johnson Controls | Singapore | York/Sabro/Stal/Frick/Gram | 32 |
| Bomag GmbH | Germany | Bomag | 29 |
| Mannesmann Dematic AG | Germany | Mannesmann | 29 |
| Bosch Automotive Systems Corporation | Japan | Zexel | 24 |
| Robert Bosch Ew. | Germany | Bosch | 24 |
| Carl Zeiss AG | Germany | Zeiss | 23 |
| MTU Asia Pte Ltd. | Singapore | Mtu/DDC | 21 |
| Tognam GmbH | Germany | Mtu/DDC | 21 |
| Mahindra & Mahindra Ltd. | India | Mahindra | 18 |
| Michelin | France | Michelin | 15 |
| OSRAM GmbH | Germany | OSRAM | 14 |
| Rane Brake Linings Ltd. | India | Rane | 14 |
| Blaupunkt Werke GmbH | Germany | Blaupunkt | 13 |
| Daimler South East Asia Ptd Ltd. | Singapore | Mercedes-Benz/Chrysler/Jeep | 13 |
| India Pistons Ltd. | India | IPL | 13 |
| Luk India Pvt Ltd. | India | LUK | 13 |
| KLN Engineering Products (Pvt) Ltd. | India | KLN | 12 |
| Shardlow India Ltd. | India | Shardlow | 12 |
| Fenner (India) Ltd. | India | Fenner/Pioneer | 11 |
| PK Electronics | Malaysia | PK | 11 |
| Rane Engine Valves Ltd. | India | EVL | 11 |
| Vossloh-Schwabe GmbH | Germany | VS | 11 |
| Bimetal Bearings Ltd. | India | Bimite | 10 |
| SiTeco Lighting (M) Sdn Bhd | Germany | SiTeco | 9 |
| BF Goodrich | USA | BF Goodrich | 8 |
| Infinite Shanghai Communication Terminals Ltd. | China | Siemens/Infinite | 7 |
| John Deere Asia (Pvt) Ltd. | Singapore | John Deere | 7 |
| MRF | India | MRF | 7 |
| Davex Engineering (M) SDN Bhd | Malaysia | Davis | 6 |
| Draeger Medical | Germany | Draeger | 6 |
| Interpower International Ltd. | UK | Interpower | 6 |
| Power Source International Pte. Ltd. | Singapore | Europower | 6 |
| SSI Schaefer Systems International Pte Ltd. | Malaysia | Schaefer | 6 |
| Claas India Ltd. | India | CLAAS | 5 |
| Daimler Regional Logistic Centre | Singapore | Mercedez-Benz/Chrysler/Jeep | 5 |
| Chrysler South East Asia Pte. Ltd | Singapore | Chrysler/Jeep | 4 |
| Everdigm | South Korea | Rhino | 4 |
| Zenoah | Japan | Zenoah | 3 |
| Schwing Stetter | India | Stetter | 3 |
| Gabriel India Ltd. | India | Gabriel | 2 |
| Carl Zeiss Meditec | France | Zeiss | 2 |
| Snap-on Tools Private Limited | USA | Hoffmann/JBC | 2 |
| Watsila Seals & Bearing UK | UK | Wartsila | 2 |
| Bhagat Forge Ltd. | India | Bhagat Forge | 2 |
| Bosch Chassies Systems India Ltd. | India | KBX | 2 |
| Eicher Dem (Eicher Motors Ltd.) | India | Eicher Dem | 2 |
| Sri Bhavan Castings Ltd. | India | SBP | 2 |
| Victor Gaskets India Ltd. | India | Victor | 2 |
| VM MOTORI S.P.A. | Italy | VM MOTORI | 2 |
| Fischer Werke GmbH | Germany | Fischer | 2 |
| Challenger Electronics | China | Challenger (CLG) | Just commenced |

COUNTRY INFORMATION

PHYSICAL FEATURES

| | |
|--------------------|---------------------|
| Total area | 65,610 Sq. K.M. |
| Land area | 62,705 Sq. K.M. |
| Capital | Sri Jayawardenapura |
| Commercial Capital | Colombo |



| | 2007 | 2006 | 2005 | 2004 | 2003 |
|--|------|------|------|------|------|
|--|------|------|------|------|------|

DEMOGRAPHICS

| | | | | | |
|---------------------------------------|------|------|------|------|------|
| Mid-year population (mn persons) | 20 | 19.8 | 19.7 | 19.5 | 19.3 |
| Labour force (mn persons) | 7.4 | 7.5 | 8.1 | 8.0 | 7.6 |
| Labour force participation rate (%) | 49.8 | 51.2 | 48.3 | 48.6 | 48.9 |
| Unemployment rate (% of labour force) | 6 | 6.5 | 7.7 | 8.3 | 8.4 |

KEY ECONOMIC INDICATORS

| | | | | | |
|--|-------|-------|-------|-------|-------|
| GDP at market prices (Rs. bn) | 3,540 | 2,898 | 2,423 | 2,070 | 1,806 |
| GDP per capita (US \$) | 1,617 | 1,421 | 1,241 | 1,062 | 981 |
| GDP growth (%) | 6.8 | 7.7 | 6.2 | 5.4 | 5.9 |
| Inflation rate (%) | 17.5 | 13.7 | 11.6 | 7.6 | 6.33 |
| Fiscal deficit (% of GDP) | (7.7) | (8) | (8.4) | (7.9) | (7.7) |
| Current account balance (% of GDP) | (4.2) | (5.3) | (2.7) | (3.1) | (0.4) |
| External assets (months of same year imports) | 5.3 | 4.7 | 5.7 | 5.2 | 5.8 |
| Overall debt service ratio (% of export of goods & services) | 13 | 12.7 | 7.9 | 11.6 | 11.6 |
| Total external debt & liabilities (% of GDP) | 51.8 | 50.3 | 53.3 | 61.8 | 62.4 |

INTEREST RATES

(percentage per annum at end-year)

| | | | | | |
|-------------------------------------|-------|-------|-------|------|------|
| Treasury bill rate | | | | | |
| 91 days | 21.3 | 12.76 | 10.10 | 7.25 | 7.35 |
| 364 days | 19.96 | 12.96 | 10.37 | 7.65 | 7.24 |
| Repurchase rate (overnight) | 10.5 | 10 | 8.75 | 7.5 | 7 |
| Reverse repurchase rate (overnight) | 12 | 11.5 | 10.25 | 9 | 8.5 |

Commercial Banks

| | | | | | |
|---------------------------------------|-------|-------|------|------|-----|
| Weighted average - prime lending rate | 17.95 | 15.19 | 12.2 | 10.2 | 9.3 |
| Weighted average - deposit rate | 10.31 | 7.6 | 6.2 | 5.3 | 5.3 |

EXCHANGE RATES

| | | | | | |
|-------------------------|--------|--------|--------|--------|-------|
| Annual average Rs./US\$ | 110.62 | 103.96 | 100.5 | 101.19 | 96.52 |
| End-year Rs./US\$ | 108.72 | 107.71 | 102.12 | 104.61 | 96.74 |

CAPITAL MARKETS

| | | | | | |
|---------------------------------|---------|---------|---------|---------|---------|
| All share price index | 2,541 | 2,722.4 | 1,922.2 | 1,506.9 | 1,062.1 |
| Sensitive price index | 3,291.9 | 3,711.8 | 2,451.1 | 2,073.7 | 1,897.8 |
| Value of shares traded (Rs. mn) | 104,985 | 105,154 | 114,599 | 59,052 | 73,6577 |
| Market capitalisation (Rs. bn) | 820.7 | 834.8 | 584.0 | 382.1 | 262.8 |
| Market capitalisation (% GDP) | 29 | 30 | 25 | 19 | 15 |

KEY SOCIAL INDICATORS

Population & Vital Statistics

| | |
|----------------------------------|---------------------------|
| Age distribution (%) (2007) | |
| 0-14 years | 26.6% |
| 15-64 years | 67.0% |
| 65 years & over | 6.4% |
| Population density (2007) | 319 persons per sq. km. |
| Crude birth rate (2007) | 19.0 per 1000 |
| Crude death rate (2007) | 5.8 per 1000 |
| Rate of natural increase (2006) | 12.9 per 1000 |
| Infant mortality rate (2004) | 12.0 per 1000 live births |
| Dependency ratio (2003) | 49.3% |
| Average household size (2006/07) | 4.1 |

EXPECTATION OF LIFE AT BIRTH (2004)

| | |
|--------|------------|
| Male | 71.7 years |
| Female | 77.0 years |

LITERACY RATE (2003/04)

| | |
|---------|--------|
| Overall | 92.50% |
| Male | 94.50% |
| Female | 90.60% |

HUMAN DEVELOPMENT INDEX (2005)

| | |
|-----------------------------|----|
| Ranking among 177 countries | 99 |
|-----------------------------|----|

EMPLOYMENT (2007)

| | |
|-------------|-------|
| Agriculture | 33.3% |
| Industry | 26.6% |
| Service | 41.1% |

POVERTY

| | |
|--|-------|
| Population below US \$ 1 a day (1990 - 2005) | 5.6% |
| Population below US \$ 2 a day (1990 - 2005) | 41.6% |

COUNTRY INFORMATION

SECTORIAL COMPOSITION AND INCREASE IN GROSS DOMESTIC PRODUCT (GDP)

| | As a Share of GDP (%) | | | Rate of Change (%) | |
|------------------------------|-----------------------|--------|--------|--------------------|------|
| | 2007 | 2006 | 2005 | 2007 | 2006 |
| Agriculture Sector | 6.00 | 10.30 | 17.20 | 3.30 | 6.30 |
| Industrial Sector | 31.60 | 29.70 | 27.00 | 7.60 | 8.10 |
| Services Sector | 62.40 | 60.00 | 55.80 | 7.70 | 7.70 |
| Gross Domestic Product (GDP) | 100.00 | 100.00 | 100.00 | 6.8 | 7.7 |

PHYSICAL & SOCIAL INFRASTRUCTURE FACILITIES

| | Unit | 2005 |
|---|---------------------|-------|
| Water Supply & Sanitation | | |
| Access to safe drinking water | per cent | 84.8 |
| Access to pipe borne water | per cent | 32 |
| Electricity | | |
| Households with electricity | per cent | 80 |
| Per capita electricity consumption | kWh/person | 414 |
| Communications | | |
| Telephone Density | | |
| Fixed lines | per 100 persons | 13.7 |
| Including cellular phones | per 100 persons | 53.6 |
| Internet and e-mail | per 1,000 persons | 10.1 |
| Public Health | | |
| Hospital beds | per 1,000 persons | 3.3 |
| Persons per doctor | Number | 1,749 |
| Nurses | per 10,000 persons | 11 |
| Government expenditure on health | per cent of GDP | 1.9 |
| General Education | | |
| School density (<i>area covered by a school</i>) | sq. km. | 6 |
| Pupil/teacher ratio (<i>Government schools</i>) | Number | 19 |
| Age specific enrolment ratio (<i>Age 5-19 years</i>) | per cent | 71.5 |
| University Education | | |
| Pupil/teacher ratio | Number | 15 |
| Age specific enrolment ratio (<i>Age 20-24 years</i>) | per cent | 3.5 |
| Progression to University from GCE (A/L) | | |
| Eligibility for university admission | per cent | 59.5 |
| Admission as a percentage of eligibility | per cent | 14.3 |
| Government expenditure on education | per cent of GDP | 2.6 |
| Banking | | |
| Total number of commercial banks | Number | 23 |
| Domestic banks | Number | 11 |
| Foreign banks | Number | 12 |
| ATMs | per 100,000 persons | 7.1 |
| Credit card issued | per 100,000 persons | 4,447 |
| Banking Density | | |
| No. of bank branches | per 100,000 persons | 9.7 |

Source: Central Bank Annual Report 2007 of Sri Lanka.

COUNTRY INFORMATION

KEY EXTERNAL

- Foreign Country Funds, Regional Funds and Mutual Funds approved by the Securities and Exchange Commission of Sri Lanka, Corporate bodies incorporated outside Sri Lanka and citizens of foreign states were permitted to purchase and hold rupee denominated Treasury Bonds up to a level of 10% of the total value of Treasury Bonds outstanding at any given point of time.
- Directions on Corporate Governance for Licensed banks were issued with a view to making Board of Directors responsible and accountable for the business of banks and to promote a robust risk management framework was introduced.
- The Government successfully launches its debut international bond issue for US dollars 500 mn which was oversubscribed by over three times.
- The Sovereign rating of Sri Lanka was for 2007 maintained at the same level as in the previous year. Fitch Rating assigned a long-term foreign and local currency rating of 'BB-' (BB minus), while Standard and Poor's (S&P) assigned a rating of 'B+' (B plus).

The following proposals were made during the Government's Budget presented on 8th December 2007:

- Exempting new investment undertaking in the Eastern Province from income tax for a period of 5 years, if the investment is over Rs. 50 mn and providing employment opportunities to more than 50 persons
- Increasing ESC rate applicable on the sale of liquor and motor vehicles to 1% from 0.50%
- Before granting a tax holiday available under any of the Acts, approval from the Ministry of Finance and Planning has to be obtained
- SRL to be increased from 1% to 1.5%
- Excise Duty on Motor Vehicles to be amended by increasing Import Duty License Fees
- Excise duty on Petrol to be removed
- Regional Infrastructure Development Levy (RIDL) was revised to apply different rates based on cylinder capacity of the vehicles
- The 10% Cellular Phone Subscriber Levy to be extended to mobile wireless phones
- An Environmental Conservation Levy of Rs. 20/- per month is to be introduced for permanent household and businesses.

Sources: Central Bank of Sri Lanka Annual Reports/KMPG Budget Highlights

GRI COMPLIANCE INDEX

| | Section/Details | Page(s) |
|--|--|------------------|
| 1. STRATEGY AND ANALYSIS | | |
| CEO Statement | <i>Chairman & CEO's Review Sustainability Report</i> | 6-9/45-70 |
| 2. ORGANISATIONAL PROFILE | | |
| Name of the Organisation | <i>Corporate Information</i> | Inner back cover |
| Primary brands, products and/or services | <i>Business Performance</i> | 16-36 |
| Location of organisation's headquarters | <i>Corporate Information</i> | Inner back cover |
| Countries where the organisation operates | <i>Not applicable</i> | |
| Nature of ownership; legal form | <i>Corporate Information</i> | Inner back cover |
| Markets served | <i>Business Performance</i> | 16-36 |
| Scale of organisation | <i>Group Structure</i> | 93 |
| Significant changes during the reporting period | <i>Business Performance</i> | 16-36 |
| Awards received | <i>Chairman's & CEO's Review</i> | 6-9 |
| 3. REPORT PARAMETERS | | |
| Reporting period | <i>31st March 2008</i> | N/A |
| Date of most recent previous report | <i>31st March 2007</i> | N/A |
| Reporting cycle | <i>Twelve Months</i> | N/A |
| Point(s) of contact for the report | <i>Sustainability Report</i> | 45-70 |
| Report Scope and Boundary | <i>Sustainability Report</i> | 45-70 |
| Defining Report Content | <i>Sustainability Report</i> | 45-70 |
| External Assurance | <i>Assurance Report on Sustainability Report</i> | 70 |
| 4. GOVERNANCE, COMMITMENTS AND ENGAGEMENT | | |
| Governance | | |
| Governance structure of the organisation | <i>Enterprise Governance</i> | 71-81 |
| Indicate whether Supervisory Board member is also an Executive Officer | <i>Enterprise Governance</i> | 71-81 |
| Independence of Board | <i>Enterprise Governance</i> | 71-81 |
| Mechanisms for shareholders to provide recommendations | <i>Enterprise Governance</i> | 71-81 |
| Performance-linked executive compensation | <i>Remuneration Committee Report</i> | 91 |
| Processes in place to ensure conflicts of interest are avoided | <i>Enterprise Governance</i> | 71-81 |
| Determination of expertise of board members | <i>Enterprise Governance</i> | 71-81 |
| Statements and implementation of mission or values, codes of conduct | <i>Vision & Strategy/Sustainability Report</i> | 13 |
| Risk management and internal controls for | | |
| Supervisory Board (Management of Performance) | <i>Enterprise Risk Management</i> | 84-88 |
| Processes in place to evaluate the Supervisory Board (Evaluating the Performance) | <i>Enterprise Governance</i> | 71-81 |

GRI COMPLIANCE INDEX

| | Section/Details | Page(s) |
|---|------------------------------|---------|
| Commitments to External Initiatives | | |
| Memberships in industry/business associations | <i>Not Reported</i> | |
| List of stakeholder groups engaged by the organisation | <i>Sustainability Report</i> | 45-70 |
| Approaches to stakeholder engagement | <i>Sustainability Report</i> | 45-70 |
| Key topics and concerns that have been raised | <i>Sustainability Report</i> | 45-70 |
| 5. ECONOMIC PERFORMANCE INDICATORS | | |
| Direct economic value generated and distributed | <i>Sustainability Report</i> | 45-70 |
| Financial implications due to climate change | <i>Not Applicable</i> | |
| Coverage of defined benefit plan obligations | <i>Notes to the Accounts</i> | 124 |
| Significant financial assistance received from government | <i>None</i> | |
| Infrastructure investments and services provided primarily for public benefit | <i>Sustainability Report</i> | 45-70 |
| Indirect Economic impacts | <i>Sustainability Report</i> | 45-70 |
| 6. ENVIRONMENTAL PERFORMANCE INDICATORS | | |
| Direct energy use by primary energy source | <i>Sustainability Report</i> | 45-70 |
| Energy saved due to conservation and efficiency improvements | <i>Sustainability Report</i> | |
| Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives | <i>Sustainability Report</i> | 45-70 |
| Total water withdrawal by source | <i>Sustainability Report</i> | 45-70 |
| Water sources significantly affected by withdrawal of water | <i>Sustainability Report</i> | 45-70 |
| Total water discharge by quality and destination | <i>Sustainability Report</i> | 45-70 |
| Total weight of waste by type and disposal method | <i>Sustainability Report</i> | 45-70 |
| Total number and volume of significant spills | <i>Sustainability Report</i> | 45-70 |
| Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation | <i>Sustainability Report</i> | 45-70 |
| Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations | <i>Not Applicable</i> | |
| Total environmental protection expenditures and investments by type | <i>Not Reported</i> | |
| 7. SOCIAL PERFORMANCE INDICATORS | | |
| a) Labour Practices and Decent Work | | |
| Total workforce by employment type and employment contract | <i>Sustainability Report</i> | 45-70 |
| Minimum benefits | <i>Sustainability Report</i> | 45-70 |
| Occupational Health & Safety rates of injury, occupational diseases and number of work-related fatalities by region | <i>Sustainability Report</i> | 45-70 |
| Average hours of training per year | <i>Sustainability Report</i> | 45-70 |
| Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings | <i>Sustainability Report</i> | 45-70 |
| Percentage of employees receiving regular performance and career development reviews | <i>Not Reported</i> | |

GRI COMPLIANCE INDEX

| | Section/Details | Page(s) |
|---|------------------------------|---------|
| b) Human Rights | | |
| Investment and Procurement Practices | | |
| Significant investment agreements that include human right clauses | <i>Not Reported</i> | |
| Total number of incidents of discrimination and action taken | <i>Nil</i> | |
| Non-Discrimination | | |
| Number of incidents of discrimination | <i>Not Reported</i> | |
| Freedom of Association and Collective Bargaining | <i>Not Reported</i> | |
| Child Labour | | |
| Operation identified as having a significant risk for accidents of child labour and measure taken to contribute to the elimination of child labour | <i>Sustainability Report</i> | 45-70 |
| Forced and Compulsory Labour | <i>Not Reported</i> | |
| Security Practices | <i>Not Reported</i> | |
| Indigenous Rights | <i>Nil</i> | |
| c) Society | | |
| Community | | |
| Programmes and policies to assess and manage the impact on communities | <i>Sustainability Report</i> | 45-70 |
| Corruption | <i>Not Reported</i> | |
| Public Policy | | |
| Total value of financial and in-kind contributions to political parties, politicians and related institutions by country | <i>Not Applicable</i> | |
| d) Product Responsibility | | |
| Product and Service Labelling | | |
| Type of product and service information (labelling) | <i>Sustainability Report</i> | 45-70 |
| Non-compliance with the regulations and voluntary codes concerning products and services labelling | <i>None</i> | |
| Marketing Communications | | |
| Programmes for compliance with market communication laws | <i>Sustainability Report</i> | 45-70 |
| Non-compliance with regulations and voluntary codes concerning marketing communications | <i>None</i> | |
| Customer Privacy | | |
| Number of complaints regarding breaches of customer privacy | <i>None</i> | |
| Monetary value of significant fines for non-compliance with laws and regulations | <i>Nil</i> | |

GLOSSARY OF FINANCIAL TERMS

Accounting Policies

Specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting Financial Statements.

Accrual Basis

The principle that revenues and costs are matched with one another, irrespective of the period of receipt or payment.

Basic Earnings per Share

Profit attributable to ordinary shareholders divided by the weighted average number of shares in issue.

Borrowings

All interest bearing liabilities.

Capital Employed

Total assets less interest free liabilities, deferred income and provisions.

Capital Reserves

Reserves identified for a specific purpose. These reserves cannot be distributed to shareholders in the form of dividends. It consist of Revaluation Reserve arising from the revaluation of properties owned by the Company.

Cash Equivalents

Liquid investments with original maturity periods of three months or less.

Contingent Liabilities

A condition or situation at the Balance Sheet date of which the financial effect will be determined only on the occurrence, or non-occurrence of one or more uncertain future events.

Current Ratio

Current assets divided by current liabilities.

Deferred Taxation

The net effect on items which have been included in the Income Statements, which would only qualify for inclusion on a tax return at a further date.

Dividends

is a distribution out of profits of the Company, other than an acquisition by the Company of its own shares or a redemption of shares by the Company.

Dividend Cover

Profit after taxation divided by gross dividend. This ratio is a measure of the number of times gross dividend is covered by profit after taxation.

Dividend Yield

Gross dividend per share as a percentage of the market price. A measure of return on investment.

Effective Rate of Tax

Provision for tax excluding deferred tax, divided by net profit before tax.

Equity

Shareholders' funds.

Exchange Gain/Loss

The increase/decrease in value of foreign currency denominated assets and liabilities when converted to or realised in local currency during the year.

Gearing

Borrowings to capital employed.

General Reserve

Reserves available for distributions and investment.

Gross Dividend

The portion of profit including tax withheld distributed to shareholders.

Gross Profit Ratio

The percentage of gross profit to net turnover.

Interest Cover

Profit before taxation plus financing cost divided by financing cost.

Key Management Personnel

Those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Key Performance Indicators (KPI)

Are quantifiable measurements, agreed to before hand that reflect the critical success factors of a company.

Market Capitalisation

The number of ordinary shares issued multiplied by the market price of each share at a given date. This is also known as the Market Value of a Company.

Materiality

The principle that Financial Statements should separately disclose items which are significant enough to affect evaluation or decisions of users.

GLOSSARY OF FINANCIAL TERMS

Net Assets per Share

Shareholders' funds divided by the number of ordinary shares in issue.

Price Earnings Ratio

Market price of a share divided by earnings per share as reported at that date. Generally companies with a high rate of growth tend to have high PERs, while those with low rates of growth have low PERs.

Price to Book Value (PBV)

Is the current market price of a share divided by the book value. The PBV indicates how high the share's current price is compared to the company's book value. A high PBV ratio generally will indicate that investors expect the Company to have high growth prospects.

Related Parties

Parties who could control or significantly influence the financial and operating policies of the business.

Return on Average Capital Employed

Profit before tax plus net interest cost divided by average capital employed.

Return on Average Shareholders' Funds

Profit after taxation divided by average shareholders' funds.

Revenue Reserves

Reserves available for distribution to shareholders and investments.

Rights Issue

The raising of new capital by granting existing shareholders the right to subscribe to new shares in proportion to their current holdings. These shares are normally issued at a discount on their market price.

Segment

A Business unit that is a distinguishable component of the Group and engaged in similar operations.

Solvency Test

The Company is deemed to have satisfied the solvency test if

- (a) it is able to pay its debts as they fall due in the normal course of business; and
- (b) the value of its assets is greater than the sum of the value of its liabilities and its stated capital.

Stated Capital

Stated capital in relation to a company means the total of all amounts received by the Company or due and payable to the Company

- (a) in respect of the issue of shares; and
- (b) in respect of calls on shares.

Substance Over Form

Whether the accounting treatment in the Financial Statements of transactions reflect the financial reality and substance, rather than the legal form of the transaction and events which underlies them.

Strategy

A course of action, including the specification of resources required, to achieve a specified objective.

Total Shareholder Return

Represents the change in share value of a listed Company over a period of time (typically 1 year), plus dividends, expressed as a percentage of the opening share value.

Treasurership

The function concerned with the provision and use of finance. It also includes provision of capital, short-term borrowings, foreign currency management, banking, collections and money market investments.

Triple Bottom Line Reporting

Is a framework for measuring and reporting corporate performance against Economic, Social and Environmental parameters.

Turnover per Employee

Consolidated turnover of the Company for the year divided by the number of employees at the year end.

Value Added

Value added is the wealth created by the operations of the Group. The value is distributed among the employees, shareholders, as financing cost, to the Government by way of taxes and the balance retained within the business.

Working Capital

Capital required to finance the day-to-day operations computed as the excess of current assets over current liabilities.