



LIGHTING & POWER TOOLS



BUSINESS PERFORMANCE

(LIGHTING & POWER TOOLS)

Sale of Power Tools & Accessories, Lamps, Lighting Fittings & Accessories

Key Figures

	2006/07	2005/06	Change %
Segment Turnover (Rs. mn)	354	272	30
Segment Result (Rs. mn)	50	45	11
% Contribution to the Group Turnover	3	3	-
Segment Result/Segment Net Assets (%)	38	37	1

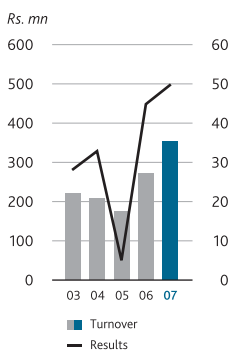
Key Principals

- Osram GmbH
- Vossloh-Schwabe GmbH
- SiTeco Lighting (M) Sdn.Bhd.
- Robert Bosch Ew.
- Shindaiwa Corporation
- Snapon Tools
- Komatsu Zenoah

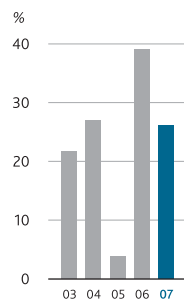
Customer Profile

	B2C	B2B	B2G	Total
No. of Customers (accumulated)	59	1536	190	1,785
Customer Satisfaction Index (weighted average %)				89.03

Business Segment Turnover vs. Results



Return on Total Assets



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Lighting

According to the Central Bank Annual Report, the total electricity consumption increased by 8% in 2006. Electricity consumption in the industrial sector grew by 6% while in the domestic and general purposes sectors consumption decreased because of an increase in the tariff rates.

Dimo provides lighting solutions which include lighting designs, and markets a range of lamps, lighting fittings and lighting solutions from well-known brands such as Osram, Siemens, Siteco, Davis and Vossloh- Schwabe. These products are targeted at both domestic and industrial users.

Turnover grew by 40% (73% in 2005/06) during the year. The distribution network was reorganised to make our products more easily accessible. The rising cost of energy and the growth of activity in the construction sector (which grew by 8% in 2006), should help to maintain the growth momentum this year too.

Energy saving lamp import saw a significant increase during the year. A corresponding decline in the standard GLS lamps is also noted. This could be mainly attributed to the increasing cost of energy and the high awareness of the need for energy saving among consumers.

A number of new products were introduced last year. This included a new range of Osram CFLs and Siemens Low Voltage Switch Gear.

There is a growing demand for sophisticated decorative lighting solutions especially in the domestic and commercial sector with value added solutions. Both these trends are likely to drive the demand for effective, energy efficient and state-of-the-art lighting solutions.

Efficient use of energy is considered to be a key theme in the National Energy Policy for Sri Lanka, signalling positive signs for energy efficient lighting.



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Power Tools

The Company markets a range of products under this category including professional power tools, accessories, and outdoor power equipment. During the year under review, the portfolio of products was enhanced with the introduction of garage diagnostic equipment and hand tools from 'Snap-On'. The growth in turnover was 18% (35% in 2005/06) over the previous year.

There was a strong demand for 'Zenoah' outdoor products, 'Snap-On' tools and equipment and the 'Skill' range of power tools.

The Government's focus on improving vocational training facilities have stimulated a demand for tools and related equipment. Competing with 'unbranded' low-priced tools and equipment from China remains a major challenge.

Activity in the construction sector and the planned infrastructure projects, including road projects, are likely to generate a demand for power tools. The planned mechanisation of the plantations will create an additional demand as will the influx of foreign assistance into the Vocational Training system.

