



Dialight plc AGM
9th May 2007





Financial Review 2006





Group profit and loss account £m

	2006	2005	Movement
● Turnover	62.3	56.1	11.0%
● Contribution	25.4	23.2	9.3%
● Unallocated expenses	(20.1)	(19.3)	4.1%
● Operating profit **	5.3	3.9	34.9%
● Profit before tax	5.8	4.5	30.5%
● Earnings per share	11.8p	10.1p	16.8%

** 2005 Operating Profit pro forma £5.0m





Sales and Contribution (£m)

	2006		2005		% Movement	
	<u>Sales</u>	<u>Contribution</u>	<u>Sales</u>	<u>Contribution</u>	<u>Sales</u>	<u>Contribution</u>
Components	32.0	14.8	26.6	13.3	20.5%	11.0%
Signals/Illumination	30.3	10.6	29.5	9.9	2.4%	7.1%
	<u>62.3</u>	<u>25.4</u>	<u>56.1</u>	<u>23.2</u>	<u>16.2%</u>	<u>15.9%</u>





Contribution Margin

	2006	2005
Components	46.2%	50.1%
Signals/Illumination	35.0%	33.5%





Significant Cashflow Items

- £2.5m acquisition of Lumidrives
- £0.8m ongoing cash contribution to DB pension schemes
- £0.3m funding of Employee Share Plan
- Working capital absorption £4.1m
- Dividend payment of £1.5m



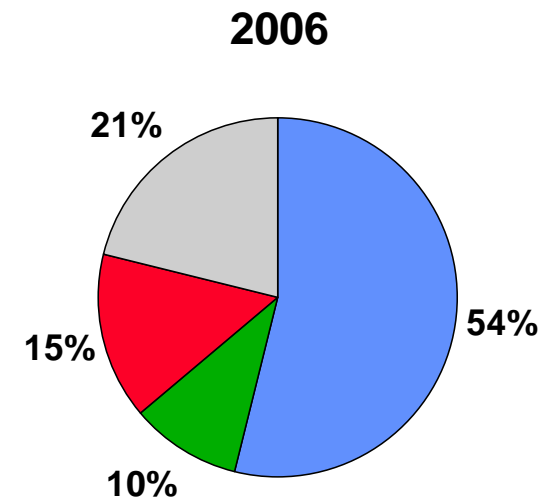
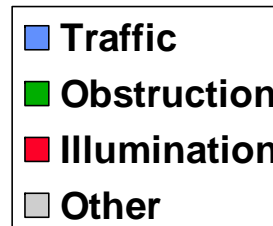
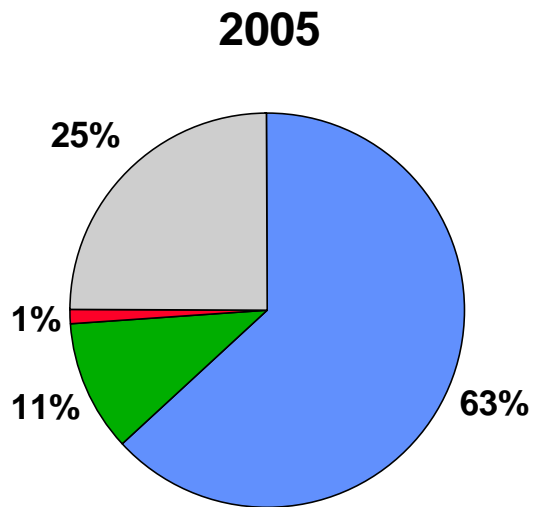


Components

- Good overall growth in 2006
- Major “one time” disconnect contracts
- Distributor POS growth 6%
- Continued strong position with key accounts
- Market slowdown in December 2006 continued through the first quarter
- Good opportunities for Meter Disconnects in the US



Signals/Illumination





Signals/Illumination 2006

Disappointing revenue affected by:

- Deferral of big city Traffic Light contracts in USA
- Obstruction Light market in Poland slow
- Cautious adoption of LEDs by major US Lighting OEMs
- Strategy for growth still valid with major expansion expected to come from European Traffic, Obstruction, Coloured Lighting and Industrial White Lighting





2006 New Products for Growth

- US Traffic New ITE Range of Signals
- European Traffic
 - New range of Signals for Siemens Germany
 - New 40 volt Signals for Netherlands
 - New 40 volt Signals for Germany
 - New versatile driver for general European Market



2006 New Products for Growth

- Obstruction
 - Generation 3 Red Beacon
 - Hazardous Location Red Beacon
 - Hazardous Location Signal Lights
 - Universal Tower Adaptor



2006 New Products for Growth

- Obstruction continued....
 - 20,000 Candela White Strobe for US Cellular and European Wind Markets





2006 New Products for Growth

- Obstruction continued....
 - 20,000 Candela White Strobe for US Cellular and European Wind Markets
 - Synchronised Red Beacon for US Wind Market



2006 New Products for Growth

- Illumination
 - Hazardous Location White Downlight
 - Colourdriver RF



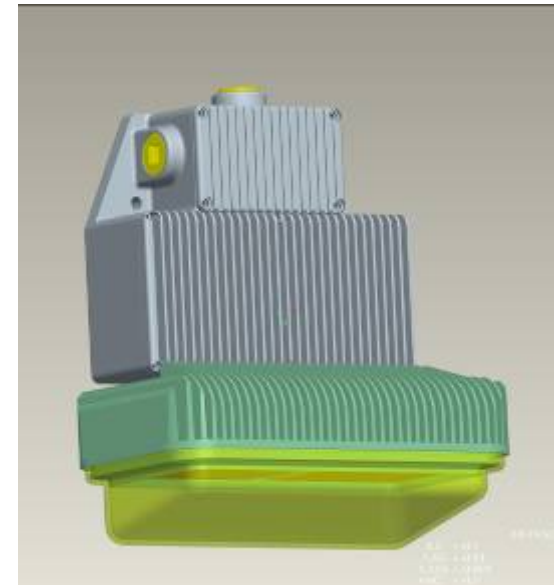


2007 New Products for Growth

- “Safesite” Hazardous Location Downlight for 100watt HID replacement

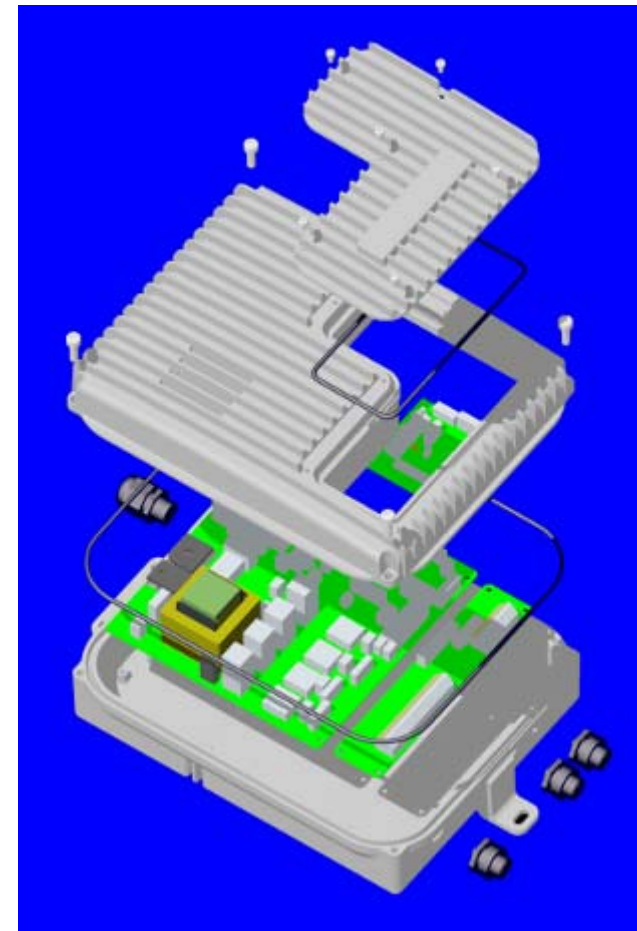
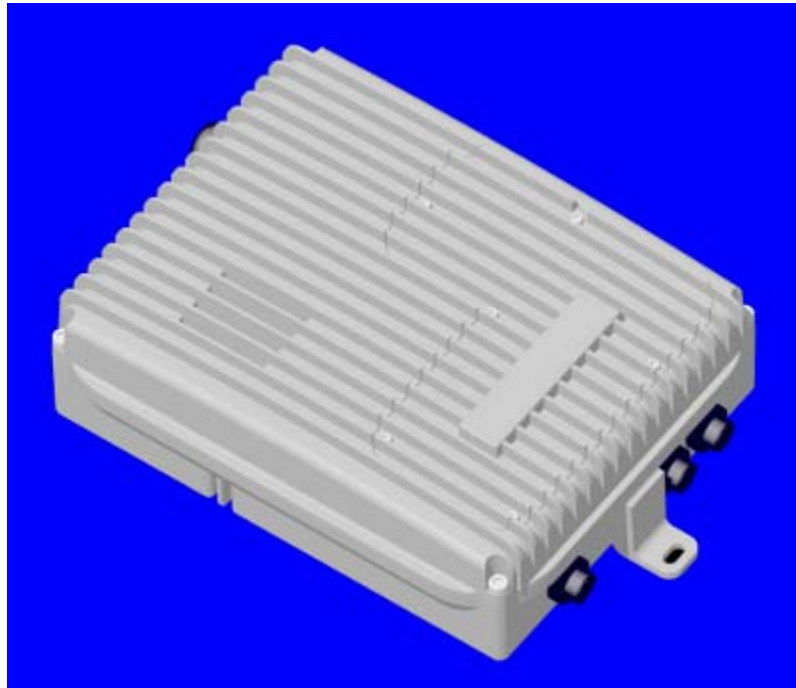


- Light engine launch at Lightfair 2007
- Product submitted to UL/ETL 4/16 for C1/D2 approval (mid May completion)
- Beta sites May/June



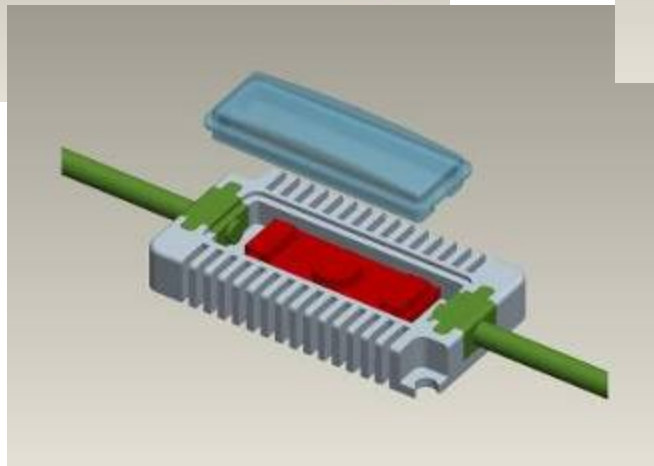
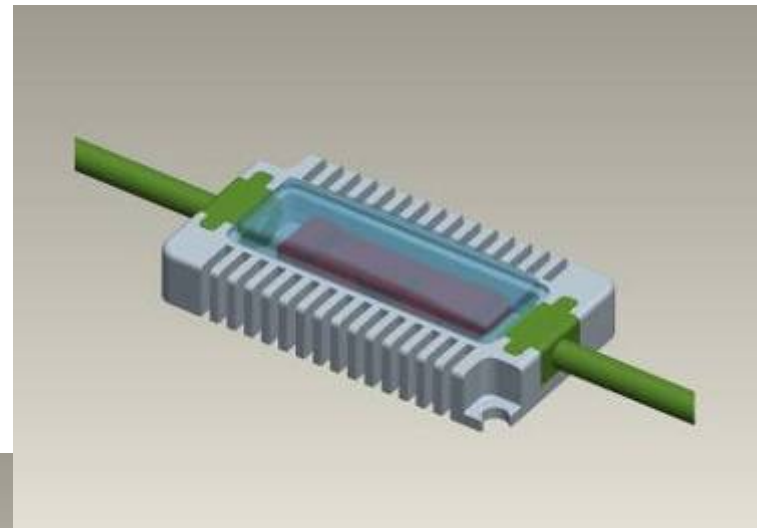
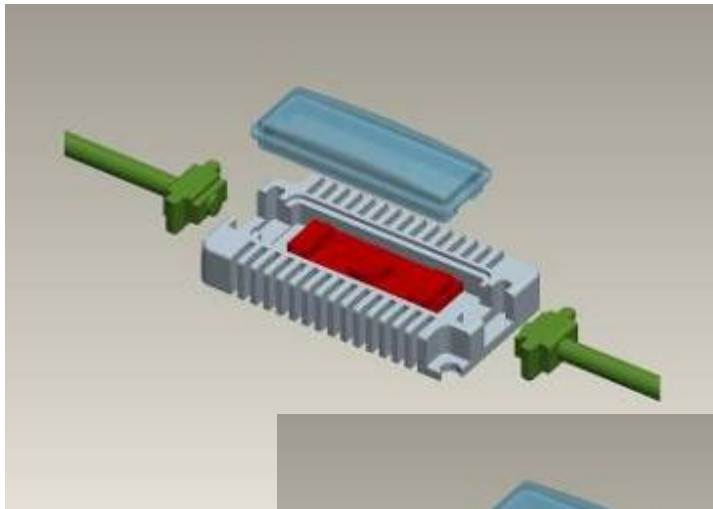
2007 New Products for Growth

- Colourdriver XP
 - Next Generation product with added value features for colour



2007 New Products for Growth

- Linkled IP



Patent applied for:
Multi use cable grommet,
secures cable, retains resin
and maintains IP seal.





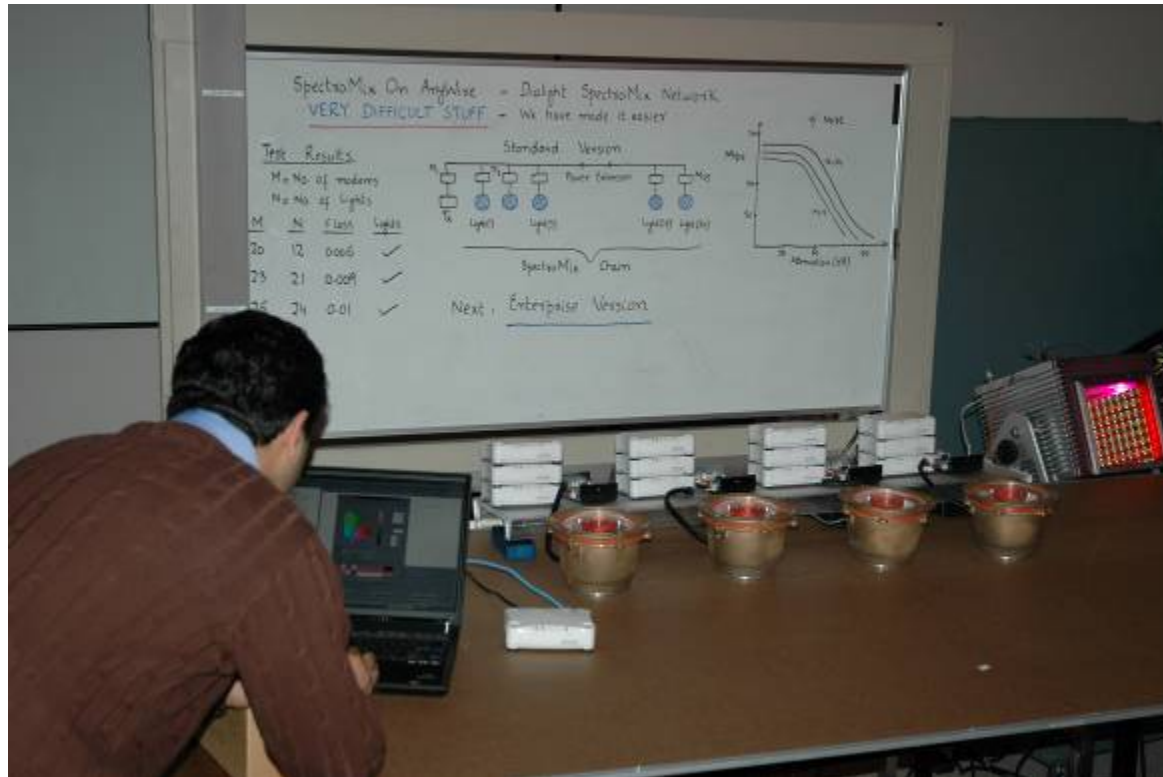
2007 New Products for Growth

- Fluorescent replacement for bus interiors



2007 New Products for Growth

- Spectramix fixtures using Power Line Modems





2008 (?) New Products for Growth

- DTI Light Engine project
 - 12,000 Lumen Light Engine for Low Energy Street Lighting
 - Project in association with University of Manchester
 - Objective to produce cost effective solution





Research & Development

Intellectual Property essential to protect innovation

- 25 Patents filed
- 32 Patents pending
- 10 Patents issued

Covering Optics, Thermal Management, Software,
Communications, Packaging, Electronics.





Operations

- Mexico transitioned to new site
- ISO 9000 for Mexico as well as Farmingdale, Roxboro and Newmarket
- Newmarket recommended for TS16949
- Successful transition of Traffic Light Manufacturing from Germany to Newmarket
- Lumidrives moved to larger facility
- Over 60% of workforce in low cost labour area
- Material cost reduction programmes in place





Summary

- Components orders expected to continue at current levels throughout the year
- Potential for Smart Meter Disconnect in US Market
- Continued growth in European Traffic
- Continued growth of Obstruction red lights
- White Strobe to drive Obstruction in Wind and Cellular Markets
- Continued growth in Lighting both coloured and white as new products introduced and customer projects launch through 2007 after Lightfair
- Engineering focus on new products and patents
- Operations to focus on maintaining/improving margins and improving supply chain

