



# Interim Results 10<sup>th</sup> September 2007



## Financial Highlights

	2007 H1	Movement on 2006* H1
• Revenue	£28.9m	3%
• Operating profit	£1.0m	(53%)
• Profit before tax	£1.3m	(50%)
• Earnings per share (basic)	2.5p	(53%)
• Strong cash generation		
• Dividend	Increased by 9% to 1.9 pence per share	

\*Restated to 2007 currency





## Revenue Bridge £m

2006 H1 revenue	30.0
Volume increase (3%)	0.9
Currency impact	(2.0)
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2007 H1 Revenue	<u>28.9</u>





## Revenue Bridge

### Signals/Illumination

2006 H1 revenue	£14.2m
Volume increase (12%)	£1.7m
Currency impact	£(1.1)m
	_____
2007 H1 Revenue	£14.8m
	=====

### Components

2006 H1 revenue	£15.8m
Volume reduction (5%)	£(0.8)m
Currency impact	£(0.9)m
	_____
2007 H1 Revenue	£14.1m
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## Contribution Margin

	<b><u>2007</u></b> <b><u>First Half</u></b>	<b><u>2006</u></b> <b><u>First Half</u></b>
Components	43.8%	47.9%
Signals/Illumination	33.2%	36.3%





## Bridge – Operating Profit £m

2006 H1 operating profit	2.3
Components	(0.9)
Signals/Illumination	0.6
Slippage of Cost Reduction (S/I)	(0.5)
Currency/Other	(0.5)
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2007 H1 operating profit	<u>1.0</u>

*Note:*

*USD rate movement – 18 cents*

*Euro rate movement – 3 cents*

*Effect of 1 cent movement p.a. - £30k (annualised)*





## Summarised Cashflow £m

Operating profit	1.0
Depreciation and amortisation	1.1
Working capital	1.9 *
Pension payment	(0.5)
Operating cashflow	<u>3.5</u>
Capital expenditure	(0.7)
Development spend	(0.4)
Taxation	1.1
Free cash flow	<u><u>3.5</u></u>

*\*Inventory reduced by £0.8m to £9.4m*

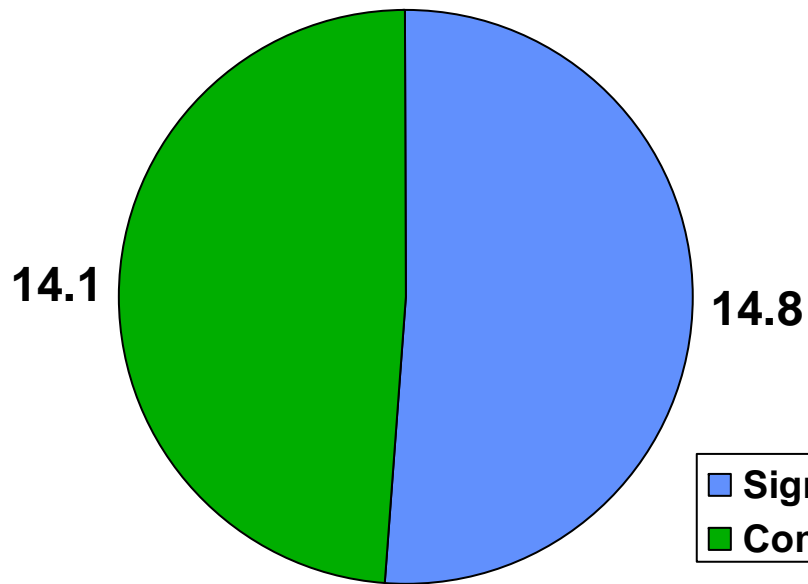


## Movement in Cash £m

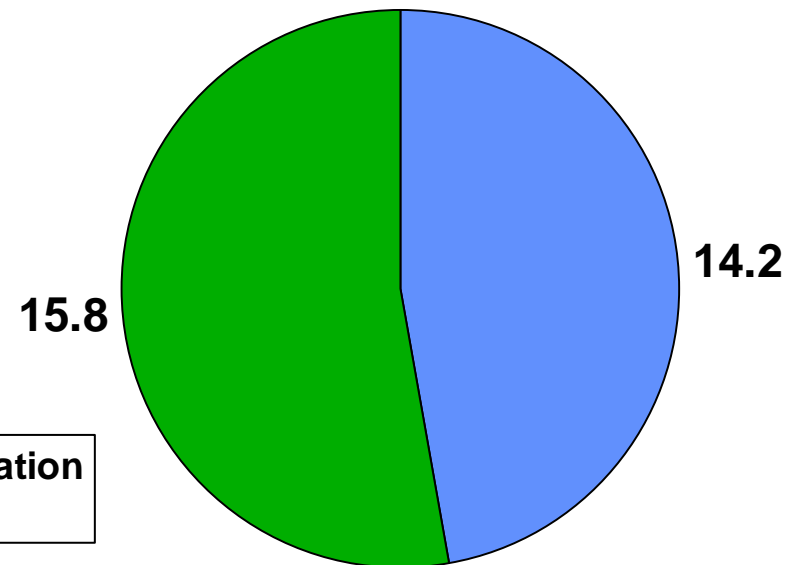
Free cash flow	3.5
■ Dividends	(1.1)
■ Interest	<u>0.3</u>
Net cash inflow	2.7
■ Opening net cash	4.3
■ Translation	<u>(0.1)</u>
Closing net cash	<u><u>6.9</u></u>

## Segment Revenues

2007 1H Sales (£M)



2006 1H Sales (£M)



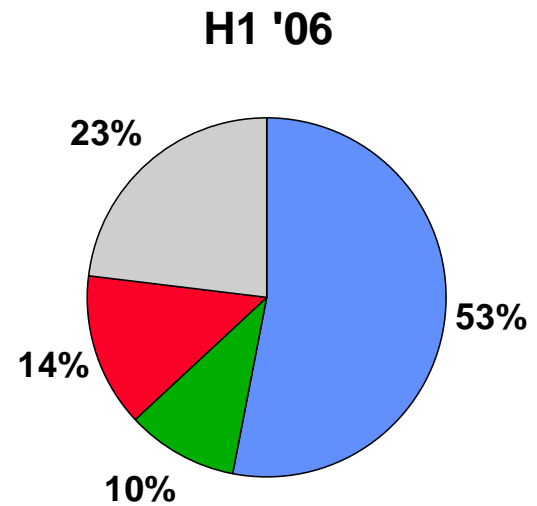
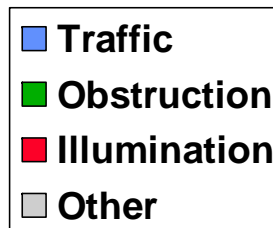
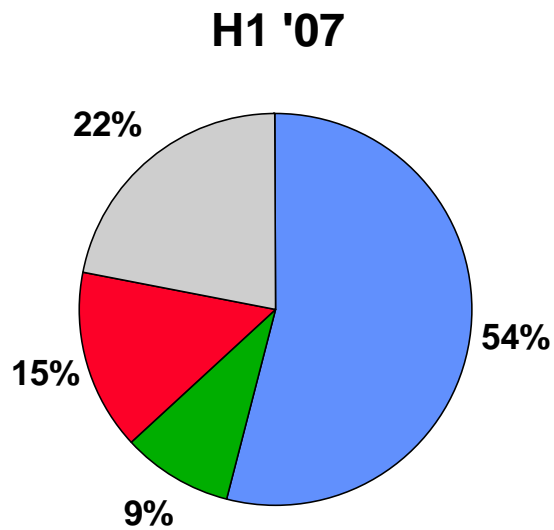


## Components

- Orders stabilised
- End user demand flat to 2006
- Outlook for Disconnects positive



## Signals/Illumination Revenues





## Traffic

- 14% Revenue growth year on year
- US “Large Bid” activity growing
- Awarded major contracts for New York State, Florida State
- Adoption of new ITE Specification stabilising
- Europe strategy continues
- Price movement to be offset by cost reduction





## Obstruction

- Revenues flat year on year
- US Orders up by 33%
- Major new product introductions to drive revenue
  1. US Wind Turbines - Synchronised Red Beacon
  2. European Wind Turbines - White LED Strobe
  3. US Telecommunications - White LED Strobe
  4. European Hazardous Market - "ATEX" Red Strobe
  5. General Obstruction Market- Low cost Obstruction Side Light





## Obstruction

- Synchronised Red Beacon - US Wind Turbine installations to run at 1000 Turbines/ year - potential of 2000 Lights per year
- White Strobe 3 Layer (Europe) - 2000 Turbines/year potential of 4000 Lights per year
- White Strobe 4 Layer(North America) - over 50,000 lighted Cell Towers in North America on a 10 year replacement cycle - potential 5000 Lights per year





## Transportation - Vehicle and Rail

- Entering H2 2007 with \$1m Order Book for Heavy Duty Vehicle Lights
- White Lights for Bus Interior Lighting - Fluorescent replacement - Potential \$2000 per bus
- Booked New York Power Authority Order for 12,000 Wayside Signals - \$2m approx.





# Lighting





## Lighting







### Architectural Lighting

- In discussions with US OEMs for private label of Lumidrive Products
- Won a “Best Product” Category at Lightfair
- Light Engines launched through Distribution
- High Power Colourdriver to be introduced in H2 for new LEDs





## How do LEDs compare to the competition ? (September 2007)

	Type	Efficiency lm/W	Life -hours x1000	Cost Per lumen \$	Colour Rendering Ra
	High Pressure Sodium	60 -120	10 - 20	0.0004	30
	Ceramic Metal Halide	60 -100	6 -12	0.0010	70 - 95
	Fluorescent	40 -100	6 - 45	0.0005	60 - 90
	Halogen & Tungsten	8 -22	2 - 10	0.0002	100
	Cool white LED 6000k	60 -100	50	0.01	70
	Warm white LED 3000k	20 - 50	50	0.04	75 -90





## White Lighting

- Introduced “Safesite” Hazardous Location Downlight
- Designed to replace 150 watt High Intensity Discharge Light
- Installed base \$250m plus for Refinery Market
- First sales to beta sites August of this year
- Strong value proposition
- Over 40% Power Saving
- Longer life - 5 year warranty
- Sealed for life concept
- Similar price as conventional fixture



# Dialight Break the Paradigm! Efficiency

Typical 150W HID HL	Typical 100W HID HL	Dialight SafeSite™ LED C1D2	
16000	9440	4310	Lamp/LED Output (lumens)
7349	4336	3344	Fixture Output (lumens)
3707	2187	3217	Target Area Illumination (lumens)
<b>167</b>	<b>110</b>	<b>95</b>	<b>Power (watts)</b>
39	39	35	Fixture Efficiency lumens/watt)
22	20	34	Target Area Efficiency (lumens/watt)

- Directional nature of LED'S mean more efficient light delivery to target area
- Energy efficiency is influenced by LED selection and drive scheme





## Where can LEDs add value today?

- By understanding applications in which we can exploit the unique properties of LEDs and engineer system level solutions which create a strong value proposition

Robust

No Mercury

Precision optics

Long Life

Low operating  
temperature

Compact

No UV or IR

New lighting applications

Easily Controlled





## Strategy

- Select the application that drives value
- Engineer the fixture to capitalise on LED properties
- Register IP to protect the future
- Take to End Users/OEMs

