

2007 European UPS Company of the Year Award

Award Recipient: Chloride Group PLC

2007

FROST & SULLIVAN

European Company of the Year Award

AWARD DESCRIPTION

The Frost & Sullivan Award for Company of the Year is presented each year to the company that has demonstrated excellence within its industry. The Award is based on numerous factors including the company's business development, competitive strategy, and leadership within a particular Frost & Sullivan Industry Research Group (IRG). This company is perceived to exhibit outstanding management, high growth, and positive social and economic impact on local and national communities and customers. Exceptional customer service has been noted as crucial to success, coupled with the ability to combine technology and successful strategic initiatives. The Award recipient has also demonstrated superior market growth skills through significant gains in the market during the research period. This company has the exceptional know-how to take advantage of market changes through the execution of innovative strategies within the existing competitive landscape.

RESEARCH METHODOLOGY

In order to select the Award recipient, analysts quantify several market factors for each market participant according to predetermined criteria, paying close attention to their combined operations efforts. This process includes interviews with all the market participants, customers, and suppliers, along with extensive secondary and technology research. The companies' efforts are then analyzed based on the number of new customers, new segments, and commitment to business expansion coupled with market growth. Industry participants are then ranked based on the predetermined measurement criteria.

MEASUREMENT CRITERIA

In addition to the methodology described, there are specific criteria used to determine final competitor rankings in this industry. The recipient of this Award has excelled based on one or more of the following criteria:

- Market potential
- Proof of success executing a restructuring, marketing strategy, and revenue growth
- New market penetration
- Marketing, promotion, and visibility of the company
- Degree of strategy innovation
- Improvement in patient satisfaction level
- Technological innovation and leadership
- Increased name recognition

CHLORIDE

The 2007 European UPS Company of the Year Award is presented to the Chloride Group for an exceptional growth in all aspects of its business.

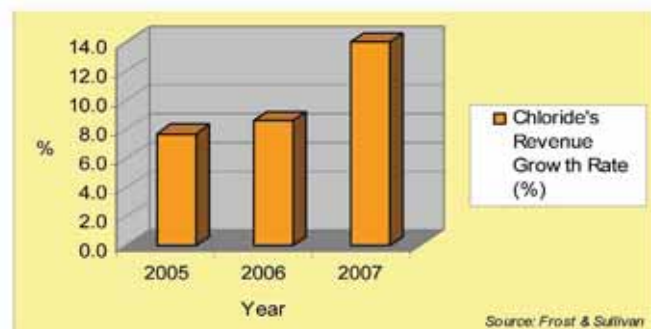
Company Overview and Growth

"Chloride began its operations as a leading battery manufacturer over 100 years ago before diversifying into power protection in the 1970s. Since 2000 it has been exclusively focused on power protection solutions. Today it is a leading provider of complete solutions encompassing UPS, industrial systems and power conditioning along with top quality pre and post sales services."

The reputation of the company is built on its varied and reliable product offering as well as the highly skilled technical staff providing the best-in-class service to its customers. Chloride's commitment to product innovation is demonstrated by its high vitality index wherein 70.0 percent of its product sales were generated by products introduced less than 3 years ago. Moreover, revenues from services grew by 13.0 percent in 2007 as compared to the previous year and accounted for 33% of the total company revenues. Such a high share of revenues from services indicates the company's commitment to keeping its customers happy.

Chloride is a Tier 1 player in the European medium to large UPS market and holds the second largest market share specifically in the European three-phase UPS market. It is also a market leader globally for industrial UPS systems. 72% of the company's business is concentrated in Europe and it grew by an exceptional three times the market average growth rate of 7.0 percent in this region in 2007.

The chart below represents Chloride's worldwide percentage increase in sales for the years 2005, 2006 and 2007.



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New Product Introductions

In a highly competitive UPS market, it is essential for manufacturers to differentiate themselves from their competitors by introducing state-of-the-art products with added or advanced features. Currently, the demand is for UPS systems that are reliable, efficient, cost effective and compact. Chloride has introduced new products keeping in mind the requirements of the consumers.

The company increased the power range of its 80-NET transformer free UPS systems to 200 kVA and its outstanding value diagnostics service LIFE.net can provide remote monitoring not only to Chloride UPS but multi-vendor UPS and standby generator sets. This is expected to enable the company to work in tandem with facility management companies thereby adding immense value to the end-users by ensuring complete involvement.

Energy efficiency has come to occupy a central position for UPS systems, as efficient systems lead to huge savings in energy costs and are also environment friendly. Chloride introduced the Power Lan Green 5-7 kVA UPS systems suitable for protecting small to medium sized servers, control systems and laboratory instrumentation, with an energy efficiency of 97% in AC/AC mode. The recent Frost & Sullivan research on UPS and Energy Efficiency found that there is a direct correlation between the type of energy storage solution used in a UPS and its efficiency. Chloride is devoting efforts to find alternative energy storage solutions by partnering with a leading flywheel supplier and has signed a marketing agreement with Idatech to provide fuel cell based backup systems. In a further proof of its dedication to reduce carbon emissions, the company is partnering with Siemens AG by providing them with high quality components to be used in their SINVERT solar inverters.

'Green' Efforts

Governments across the world are undertaking various measures to cut carbon emissions in order to tackle global warming and Europe is pioneering this effort. There is an urgent need for industries, organisations, companies and people to start adopting energy efficient products that have low or reduced carbon footprint. Chloride has become the first and only UPS company yet to sign the European Code

of Conduct to improve energy efficiency and minimize energy consumption of the UPS. Moreover, a commendable move by the company is the recycling of energy used in UPS witness testing at its Bologna facility. In fact, environmental and sustainability issues are at the heart of its core values.

Growth through Mergers and Acquisitions

2007 saw Chloride experiencing 11% organic growth in sales. However, acquisitions form a key part of the company strategy to diversify into newer regions, products and markets, add to its services package and capability and realize its aim of becoming a total solutions provider.

It acquired Masterpower Electronics Limited, a UK based industrial power protection solutions manufacturer in 2007, thus strengthening the industrial part of its business and aspires to achieve an organic annual growth of over 20% in the coming years.

Acquisition of AST Electronique Services SARL (ASTE), a services company, has improved the company's servicing infrastructure in France while the company has been catapulted into the top position in Spain after its acquisition of Cener.

Looking at Chloride's activities outside Europe, it has increased its investment in DB Power Electronics India to 20% of its share capital, while the acquisition of its Singapore distributor Ascor Power Systems PTE Limited (Ascor) has placed the company in the driver's seat in terms of exploiting the upcoming opportunities in this fast growing region.

The table below shows the various acquisitions that have been made by Chloride over the past few years.

Year	Acquisitions
2005	<ul style="list-style-type: none"> Acquisition of Harath Engineering Services Limited, UK Strategic alliance with DB Power, India
2006 2007	<ul style="list-style-type: none"> Acquisition of Cener, Spain Acquisition of Masterpower Electronics Limited, UK Acquisition of Ascor, Singapore Acquisition of ASTE, France Increased investment in DB Power, India to 20% of share capital

Source: Frost & Sullivan

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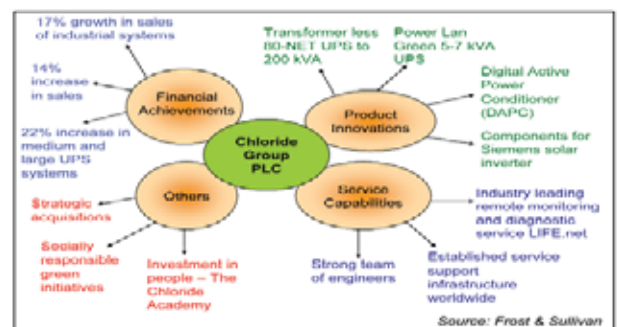
CHLORIDE

Other Strengths and Capabilities

Chloride offers power protection solutions to a wide variety of applications such as manufacturing and construction, energy and petrochemicals, telecoms, healthcare, government, retail, transport, IT and others. In spite of such a broad presence, the company constantly strives to enter new markets. A few examples of projects undertaken in various sectors are:

- Chloride UPS systems have been used at Heathrow's new Terminal 5 to protect the main terminal, satellite buildings, communications network and so on.
- Critical power infrastructure supplied to protect 1000 servers at one of the largest Vodafone datacentres in Germany.
- Chloride's wide geographic reach enabled it to win the Cable & Wireless contract for maintenance of critical power, cooling and lighting systems at Cable & Wireless sites across Europe.
- 2 x 250 kVA UPS systems supplied in air-conditioned trailers to EUMETSAT in Germany, the earth station for weather and environmental satellites.
- Chloride has supplied Dubai International Airport with the biggest concentration of large UPS systems at any location in the Middle East.

The company's winning formula has been their focus on providing exceptional customer support and service. Chloride boasts of over 250 highly experienced, factory trained technical service engineers in Europe and over 500 engineers worldwide. The presence of direct service support in 18 countries and authorized service providers in another 60 countries ensures prompt provision of services. Chloride does not believe in simply supplying products but seeks to build a long lasting relationship with the customer by interacting with them at each and every step and ensuring that the power equipment is customized to suit their requirements.



The recently created Chloride Academy is a key element of customer service excellence and will arm the staff as well as business partners worldwide with the appropriate skills and knowledge in the power protection arena. Such efforts by the company show the value it places in its people as well as promoting its image to outsiders.

Chart below summarises the various factors that have contributed to the achievements of Chloride in 2007.

Concluding Remarks

Chloride Group PLC - consisting of UPS, industrial systems and power conditioning businesses - has witnessed consistently high growth in the past 2-3 years. An increase of 18% in product orders in 2007 is indicative that its strategy to grow in a highly competitive UPS market through mergers and acquisitions, technologically advanced and wide product base, unrivalled service, complete solutions and investment in its people, is successful and generating top quality results in terms of sales, overall business performance and enhancing the value of the company. All these factors make Chloride Group PLC a highly deserving recipient of the 2007 European UPS Company of the Year Award.