



DYNAMATIC TECHNOLOGIES LIMITED

Dynamatic Park Peenya Bangalore 560 058

Note on UK Subsidiaries

During the period ended 30th September 2008, the Company's UK Subsidiaries' performance is as below –

Values in GBP 000's

	Dynamatic Ltd, UK	Oldland CNC Ltd *
Sales	6,063.05	1,245.56
Material Cost	2261.27	386.04
Labour	2295.96	406.07
Expenses	1491.8	99.51
EBITDA	14.02	353.94
Interest Charges	155.16	87.50
Depreciation	96.30	54.25
PBT	-237.44	212.19
Tax	0.00	69.96
PAT	-237.44	152.78

Dynamatic Limited, UK

Dynamatic Ltd, UK commenced trading on 15th June 2007 with the acquisition of the hydraulics business unit of Sauer-Danfoss Ltd at Swindon, UK. The company ended FY07-08 (9 ½ months trading) with Sales of GBP 10.25 Million, EBITDA of GBP 368,000 and Profit after Tax of GBP 57,000.

During the 1st half of the current year, the company set up its own distribution network in the USA, Europe and other parts of the world; transitioning from the previous arrangement of using the Sauer-Danfoss' sales network. This has resulted in a temporary drop in turnover as the pipeline stocks, which hitherto were considered as sale to distributor, is now being held as stock in company's own warehouse. This will also reduce the company's distribution overheads.

The transition is planned to be completed by end December 2008 and we expect the sales to significantly improve in the last quarter of current year.

The company has completed development of new products for CNH and has commenced supplies to CNH's plants in Europe as well as the Global Aftermarket. Supplies for these products will also commence to CNH's plant in USA. This product is expected to further add revenues during the 2nd half of the year.

Further, sourcing of ferrous and non-ferrous castings from India is progressing well and the company expects significant savings in raw material costs on account of this during the second half of the year.

Oldland CNC Ltd

The company successfully completed acquisition of Oldland CNC Ltd on 4th October 2008.

For more information, please visit <http://www.dynamics.com>

* Oldland CNC Limited's performance is for 2 months from 01 August 2008 to 30 September 2008. Historically, the accounting period of Oldland CNC Limited has been from 01 August to 31 July. Subsequent to acquisition, the accounting period of Oldland CNC Limited has been changed to be in line with the company's accounting period.