



CONTINUING LEADERSHIP IN
DEVELOPING AND DELIVERING **TECHNOLOGY -
DRIVEN SOLUTIONS**

MANAGEMENT REVIEW

FLOOR CARE APPLIANCE DIVISION

The Division designs, engineers, manufactures and markets a variety of floor care appliance. Products include stick vacuums, extractor vacuums, upright vacuums, canister vacuums and portable hand vacuums, both rechargeable and corded. The Division is a principal manufacturer of the Bissell and Royal Appliance Manufacturing's Dirt Devil floor care appliance brands, both leading brands in North America. The Division markets under its own Vax brand in the United Kingdom, Australia and several other countries; and has licensed the Dirt Devil brand for Germany.

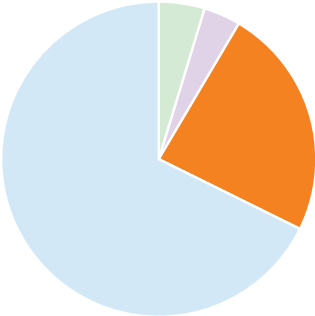
The Division experienced strong 25.8 % growth in 2000 and accounted for 23.8 % of the total Group turnover. Investments in new product development resources and capabilities have been successful in meeting the innovation demands of the floor care appliance market. As a result, the Division has produced an excellent five-year compound annual growth rate of 29.4%.

The Vax brand business made significant strides in the European and Australian markets. Progress was made implementing a strategy to expand the well-respected Vax

name beyond the extractor segment into a full range provider of mid to premium vacuums, thus leveraging the product development and low-cost manufacturing capabilities of the Division. Vax strengthened relationships with the high volume retailers in their key markets, through improved services, better merchandizing and broader product selection. Additionally, the integration of the Vax operations into the Group that took place in 2000 will contribute positively to the Division in 2001.

The Division's business in North America was robust in 2000. The customer base of leading brand name manufacturers significantly increased the level of new product development projects with the Division. The full year impact of these new products will occur in 2001. A new factory was opened, adding over 275,000 square feet of manufacturing space,

to support the increased level of business. The Division anticipates the higher level of new product development projects will continue, thus maintaining the focus on strengthen engineering and technical capabilities to support future customer new product programs.



23.8% OF TOTAL TURNOVER

FIVE-YEAR COMPOUND ANNUAL GROWTH = 29.4%



BRING TECHNOLOGY AND ENGINEERING
TOGETHER FOR
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MANAGEMENT REVIEW

SOLAR POWERED AND ELECTRONIC PRODUCTS DIVISION

The Division delivered a record-breaking year, outperforming every financial milestone in its twelve-year history. Turnover was up 23.1% over an excellent performance in 1999. The turnover for the Division was 3.8% of the total Group turnover.

The products of this Division are primarily divided into two categories, solar powered lighting and electronic measuring devices. The Division designs, engineers and manufactures for many high volume retailers and leading international brands in these two business categories.

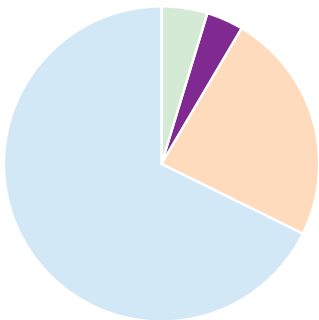
The turnover exhibited global market strength with well-balanced sales geographically. The sales breakdown was 55% to Europe, 32.5% to North America, and 12.5% to Australasia.

Similarly, turnover breakdown by product category

shows that total growth was achieved across the major product categories with 47% of sales originating from the measuring device category, 38% of sales originating from the solar powered lighting category and 15% of sales originating from other electronic items.

Aggressive new product introductions and range extensions with the Division's traditional Original Design Manufacturing (ODM) customers were drivers behind the continuing turnover growth. Additionally, 2000 was a good year for the acquisition of new customers, positioning the Division well for the future.

Going forward, 2001 should see further expansion, thanks to new product programs, with leading brands in the industry. We expect further expansion of the customer base for current products both in Europe and North America, hence maintaining a healthy revenue balance across key markets and product categories.



3.8% OF TOTAL TURNOVER