

We have made an art of having a vibrant engagement regime...with training, development empowerment and reward in tandem...we continue to exist.



Because

Delivering Value to Customers...and their Value to Us



Key Performance Area	Metric	2012/13	2011/12	2010/11	2009/10
Customer service	No. of CRM personnel	35	42	4	3
Customer convenience	No. of Customer Interaction Points	52	40	25	19
	No. of business locations in the North and the East	8	4	-	-
Customer satisfaction	Average Customer Satisfaction Index (%)	85.50	89.20	85.60	86.00

A Forward Looking Note

We will continue to invest in people, systems, processes and facilities to better serve our customers' ever evolving needs. The resultant growth and enhancement derived will ensure that our customer capital is maintained at a consistently high level.

Guiding Philosophy

A customer centric business culture has always prevailed at Dimo and been passed down from one generation to the next. Tradition leads Dimo tribe members, in treating customers with respect. We are all of one mind - that the customer is indispensable to the success and sustainability of our business. We are well aware that we cannot create value without our customers.

Our constant goal is to reach that critical point where our customers come to regard Dimo as their trusted solution provider. In doing so and among other areas of initiative realised, we build customer capital.

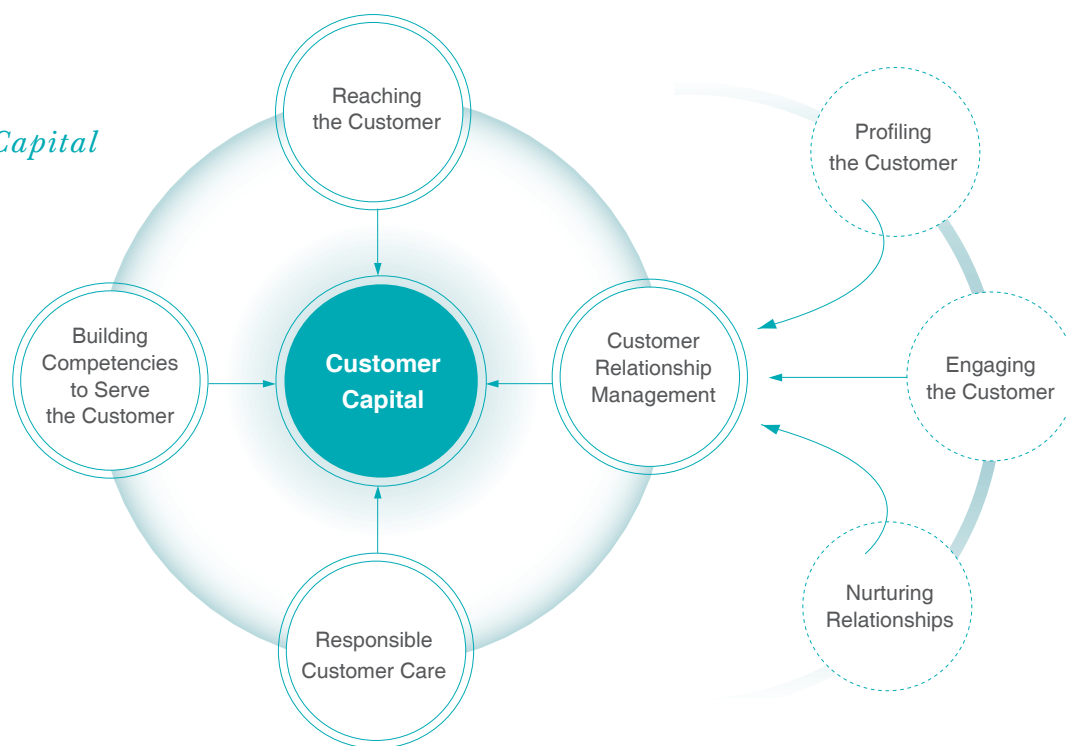
Our customers have transacted business to the value of Rs. 27.7 bn (Rs. 39.9 bn in FY 2011/12) during the financial year under review.

There are many initiatives we take in building customer capital. They include growing our customer reach, building our own competencies to serve the customer, offering responsible customer care and a comprehensive customer relationship management regime.

Our ultimate objective is to offer customers a pleasurable experience every time, which will lead them back to us many times over.

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Building Customer Capital



Staying in Touch

In reaching and fulfilling the expectations of customers, our approach is simple - it relies on gaining as complete an understanding of our customers as we can achieve and then fulfilling their personalised requirements to the best of our ability. To deliver this, we have in place several channels of contact, interaction and engagement with our customers.

Customer Portals

The Company has made significant investments over the years to bring the multi-faceted product and service portfolios of Dimo as close as possible to the customer.



Dimo Branch Network

During the year under review, Dimo operated a network of 52 (40 in 2011/12) Customer Interaction Points comprising a mixture of Branches, Customer Contact Points and Display Points - all geared to reach and serve the customer.

The concept of 'Customer Contact Points' has proved to be an efficient way of reaching potential customers. Currently 25 such points are in operation. Many of these avenues which started life as customer contact points have now been transformed into branches.

Our strategic alliances with top banks, leasing and finance companies enable us to offer our customers special rates of interest and tailor-made schemes to go with specific products.

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In addition, Dimo has other channels such as 'Riyahasara' and concepts such as Village to Village (*Gamin Gamata*) which localise the customer reach and support market penetration and customer awareness.

The Dimo web site www.dimolanka.com whilst providing information on a range of products and services also facilitates customer contact.

We also offered a special concessionary scheme to support small scale entrepreneurs registered under the Government's *Samurdhi* scheme.

Call Centre

A call centre was launched in May 2012 where all inquiries and complaints can be managed in a more structured manner. This also facilitates recording of content whilst ensuring immediate action is taken on all customer inquiries and grievances.

Building Capacities and Competencies to Serve Customers

Matching the blues...it's an apt description of what it takes; blue-chip brands require blue-chip...everything. The best must be served by the best. In other words Dimo, if we are to serve the customer well, must raise capacities and competencies to match a blue-chip portfolio of brands.

This is a constant pursuit that spans every facet of enterprise - most visibly in upgrading of infrastructure, service offerings and training. Exemplars are - the soon to be opened state-of-the-art Mercedes Benz service complex with its 300 seat auditorium, Benz museum and cafe, the new equally state-of-the-art Bosch Diesel and Car Service Centre, the accredited Lighting Solutions Division to carry out energy audits, energy saving solutions and turnkey solutions on sophisticated lighting systems for specialised applications (e.g., lighting for sports stadiums etc.), industry and staff training and so much more.

Customer Care...A Responsible Approach

Responsible enough to care...caring enough to be responsible - two sides of the same coin? Where our customer is concerned, it doesn't matter how you put it. What is important to us is looking beyond 'business as usual' to the comfort, safety and well-being of our customers as they use our products and experience our service.

Product and Service Labelling, User Manuals

Company's products are adequately labelled. Catalogue referenced and user manuals made available, where applicable. Labelling also conforms to statutory requirements in respect of providing diagrams and pictographs, expiry dates, standardisation code numbers and information on possible environmental impact where relevant. The requisite quality certification stamps are also carried.

All products marketed by us incorporate the highest levels of safety. Dimo follows principals' guidelines and globally accepted best practices to ensure that in the process of after sales care, the highest levels of safety are afforded to our customers. In addition, all health and safety measures as per ISO accredited guidelines are employed.



Sarath Algama
Executive Director



Brand specific investments of Rs. 1,540 Mn on Mercedes Benz Centre, BOSCH Service & Diesel Centre and TATA workshops in Jaffna, Trincomalee and Moratuwa

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Ethical Communications

Dimo's marketing communications are founded on transparency, honesty, ethical standards and conformity with statutory requirements.

There were no instances of non-compliance with any regulation on marketing communications during the year.

Product Responsibility

Our principals, representing leading global brands, market some of the most responsible products in their respective categories. Hence, every product offered by Dimo is often a leader in the area of product responsibility. Dimo, on its part, is committed to keeping abreast of developments and offering the latest products and innovations of its principals to the Sri Lankan market.

Let's take a few brief examples:

Our Osram lighting products offer up to 90% energy savings compared to conventional incandescent and halogen lamps and have a service life of up to 45,000 hours; they also incorporate mercury-free production.

The Dimo Lighting Solutions Division has a world class product range that permits customers to score well in the rating of LEED's (Leadership in Energy and Environmental Designs) standards. Further, we are a member of the US Green Building Council and are in position to consult/evaluate construction projects and issue rating reports as per LEED's standards.

All Bosch Power Tools are eco-friendly and recyclable. They also come fully insulated to guard the user against any hazard such as electrocution.

Mercedes Benz 'Blue Efficiency' models are up to Euro 5 environmental norms (a European environmental standard). The new S class automobile will be marketed from December 2013 and will incorporate a hybrid engine - a 'First' for Mercedes and Dimo in Sri Lanka.

The medical equipment we retail is globally approved by FDA and CE standards and also CDDA of Sri Lanka in terms of safety.

Customer Information Protection

Dimo respects customer privacy and is wholly committed to protecting customer data. We have in place systems that allow us to contact our database of customers - but only with their explicit permission and in the channel of their choice.

No complaints pertaining to breaches of customer privacy or loss of customer data were received in the year under review. Further, there were no incidents during the past year relating to transgression of health and safety, product labelling, advertising or customer confidentiality.

The Features of Managed Relationships

All of us at Dimo and particularly our Customer Relationship Management Division have developed a 'good ear'...we pick up even the faintest whisper from our customers and run it through our systems and processes in the cause of delivering a superior experience.



Dr. Harsha Cabral
Independent Non-Executive
Director

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The CRM Division conducts a series of activities to maintain regular contact with customers and is well positioned to capture effective and candid feedback.

The CRM Division currently provides a monthly data analysis service to the vehicle segment, which is subsequently circulated to all business segments. All other business segments analyse their data on a quarterly basis in consultation with senior management. This data is invaluable to the Company as it seeks constantly to enhance problem solving and product and process refinement.

The role of CRM can be displayed in three main aspects as in Profiling the Customer, Engaging the Customer and Nurturing Customer Relationships.

Our Customers' Features

To us Dimo customers are not of mere names...never lines on a graph. They're very real...and we know them well!

Currently, Dimo enjoys the patronage of 42,000 direct customers - individuals, businesses and Government - as well as a large differentiated dealer network.

Our dealers in turn serve several hundreds of thousands of consumers of our products.

During the year under review, many customer campaigns and customer profiling surveys were conducted within the Vehicle Sales and After Sales Division. Approximately 24,000 customers were reached through these surveys. A key objective of these surveys, among others, was to identify prospective customer segments with potential to generate further business opportunities for the Company. It is an interesting and important feature of our business that many of our customers are exposed to and served by more than one of our business segments. This indicates the efficacy of the 'One Dimo' concept at work, as customers are introduced to the total Dimo product and service offering.

Engagement

We engage with our customers on a variety of issues in order to understand them well. During the year under review, we conducted several one to one surveys to identify customer concerns. These concerns were then addressed in accordance with their materiality and importance.

The most material concerns identified during the survey this year was the issue of product information not being shared adequately with the customers.

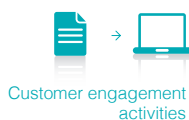
This was addressed by conducting training sessions on product knowledge to ensure sales staff have adequate knowledge of the products we offer. During 2012/13, 118 such programmes were conducted for 802 members of the sales team. In addition to the customer engagement described; we also have several industry as well as socially specific initiatives that provide excellent opportunities for close contact.



Suresh Gooneratne

Executive Director

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Initiatives such as the Mercedes Benz Club of Sri Lanka, (now in its 23rd year of existence and the oldest club of its kind in Sri Lanka) and the TATA Fleet Owners' Club offer a full calendar of customer interaction on both industry and social level.

When Things Don't Go Quite Right...

Our CRM process has been streamlined and developed in order to ensure speedy response to customer complaints. As a result, during the year under review, we were able to identify and record our customer complaints more methodically and to provide appropriate solutions.

During the year under review, Dimo received 896 (261 in FY 2011/12) customer complaints. Of these, 574 (128 in FY 2011/12) were resolved within the stipulated 3-day time frame. All other complaints were also eventually solved.

Likewise, we received 47,000 (30,000 in FY 2011/12) customer inquiries, of which about one-third were floor inquiries related to vehicle purchase, repair, usage and the like.

A High Proportion of Satisfied Customers

Our Customer Satisfaction Index revealed the following levels, by segment, for the year 2012/13 - Vehicle Sales - 91%; Vehicle After Sales - 77%; Marketing and Distribution - 87%; Construction and Materials Handling - 86% and Electro Mechanical, Bio-Medical Engineering and Marine Solutions - 88%.

Let's shift focus now to another important stakeholder group...the Dimo Tribe...our employees!



Prof. Uditha Liyanage
Independent Non-Executive
Director