



MARKET

Doshi is Kenya's brand leader in the supply of water and electricity infrastructure products, with a unique business model in combining the local manufacturing of high quality pipes, cables and structural steel with the importing of a comprehensive range of fittings; to deliver integrated solutions for utilities and the construction industry.

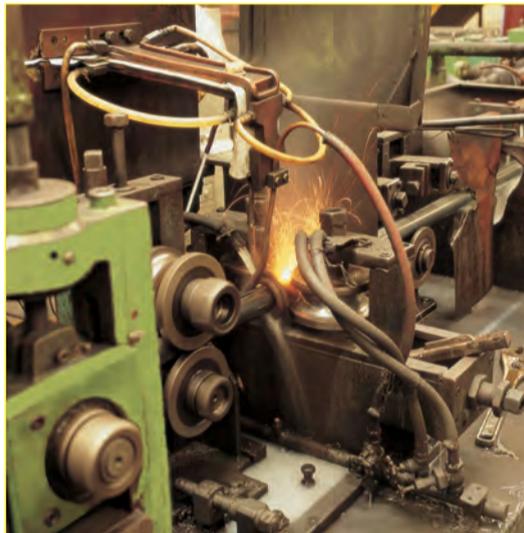


Its holistic approach to utilities has seen the Group moving to establish a strong position in supplying IT solutions and systems. Driven by the East African construction boom, which has seen the Kenyan construction industry grow by an average of 75% a year in the last seven years, the Doshi Group has thrived on the growth of the economy.

However, the principal driver of the business has been the efforts under the Millennium Goals to achieve potable water and power for the region's whole population, which has



included programmes such as Kenya's rural electrification programme. This has seen utility companies in Kenya increase infrastructure spending considerably. Nairobi City Water and Sewerage Company last year announced it was increasing its budget by 40% to connect areas that previously had no access to water. In 2010, Northern Kenya announced a Sh4.4 billion water connection programme. Altogether, spending on



the water sector has climbed from 0.5% to 1.1% of Kenya's GDP since 2004.

In rural electrification, spending from the project's start in 1973 until last year was some Sh42 billion. Some 80% of that was spent in the last six years, with the authority this year is estimated at Sh34 billion, rural electrification in recent years.

ACHIEVEMENTS

Doshi Group's emergence as the market leader in utility infrastructure has been its greatest achievement. However, underpinning this success has been the brand's swift application of international standards, leading with its electricity cabling subsidiary Metsec Cables Ltd, which was first certified as ISO 9001 compliant for Quality Management Systems. It has since been awarded ISO 14001 certification for Environmental Management and ISO 18001 for Occupational Health and Safety.

Doshi Enterprises Ltd, making steel and plastic pipes and fittings, is also ISO 9001 certified now, as is the company's newest IT business, allocated Sh7 billion to connect a further 1,500 public facilities. The total cost of connecting the remaining 7,906 facilities

The timely procurement of cables has been hailed as among the factors that have contributed to the much greater success of Cellnet Ltd.

The ongoing ISO implementation has put in place a process of continuous improvement, while the emphasis on environmental stability and auditing has further driven innovation and product development, leading to Metsec Cables



Ltd being awarded the Energy Management Award by Kenya's Ministry of Energy.

The Group's leadership in electricity cables - and the growth of the brand in the extended region through the development of new markets in Rwanda, Burundi and Congo - have all served to drive the brand regionally.

Another key set of achievements has been the Group's growing array of international partnerships and East African agencies for the world's top brands, including the distributorship for Erico Earthing protection, Havell's switch gear and Georg Fischer fittings from Switzerland; Pegler valves, Deta light switches and Dell computers.

Doshi has supported these partnerships with intensive training, achieving product certification for customer aftercare, Microsoft certification, and additional agencies, such as with 3M for telecom products.

HISTORY

The Doshi Group started nearly 75 years ago in the coastal city of Mombasa, as Doshi & Co. Ltd. It was initially a timber trading company. Through strategic acquisitions and ambitious growth, the group now supplies East Africa through eight subsidiaries spanning electrical cables, water and sewerage systems, structural steel, hardware and IT equipment.

The company first expanded into trading hardware and steel products in 1947 and within five years opened its first branch in Nairobi. Its next big strategic move came in 1973 with the launch of its own manufacturing division. Two

years later, the Group added electrical switch gear and components to its product range.

In 1993 two more subsidiary companies were formed: Metsec Ltd - a regional leader in the manufacturing and trading of cables for the telecoms and energy industry - and Doshi Hardware (Uganda) Ltd, marking the first steps towards a regional presence. The group has since expanded to Tanzania with the opening of Doshi Hardware (T) Ltd., and further expanded its product portfolio by introducing telecommunications and network products in 1999 and a plastic pipe and fittings manufacturing division in 2006.

PRODUCT

Doshi Group launched its own brand in 2003, and has since registered more than 30 brands as well as many patents. Its first, and now leading, product brand was the water heater brand Aquaheat, synonymous with water heating and used widely as a generic name for all water heaters.

Other key brands in the piping business are brands such as Aquapipe, Aqualoc and Silicore, all market leaders in their sectors.

The Group's activities are clustered around specific services. Its electrical transmission products come under its Metsec brand and subsidiary, and span from multicore cables to overhead aluminium conductors. The Superlite brand delivers lighting and other electrical products. In combination this delivers an end-to-end Doshi range of products for the transmission and distribution of power.

The Group's manufactured steel and plastic pipes and fittings are directed at the top end of the market, delivering top quality pipes built to last for decades, and subjected to rigorous quality and strength parameters and stress-testing.

The Group's branded steel products are used as roof trusses, fencing posts on farms, and water reticulation systems.



In line with the holistic water supply service structure, the Group provides end-to-end solutions from bore-hole casing and pumps, through to pipes, fittings, as well as ranges of taps and plumbing through its hardware division, many through key agencies for the world's best-known brands.

With outlets across East Africa, Doshi & Co. (H) Ltd. is one of the region's leading importers and suppliers of hardware.

The Group's third substantial leg has been the development, since 2007, of Cellnet, the division pursuing the Doshi strategy of covering corporate and government's IT needs from end-to-end. As a Safaricom distributor and Dell business partner authorised to sell enterprise solutions, Cellnet

is a supplier to the region's larger corporates, public sector, hospitals and banks.

RECENT DEVELOPMENTS

Development focus over the last year has been the introduction of customer relations management software that has transformed both sales and operational management.

The number of stock-outs has fallen sharply, while stock levels have also dropped, based on far clearer information about what is selling. The successful completion of orders is no longer impacted by staff holidays, with the system tracking all deliveries from order to fulfilment, and delivery times have been cut and sales campaigns more tightly honed.

The next step for the Group is now underway with the computerising of the upstream supply chain, which is already driving down costs and delivering further benefits both through improved customer service and in pricing.

The Group has also continued to expand its own research and development, and patenting programme, with additions including fittings for electric fencing.

PROMOTION

Doshi has promoted all its brands by opening regional sales outlets close to the customer and assigning sales agents to tight geographic areas, in order to form real relationships with local buyers and can service clients personally. The Group has more than 50 sales people based in Nairobi and promotes its products strategically through



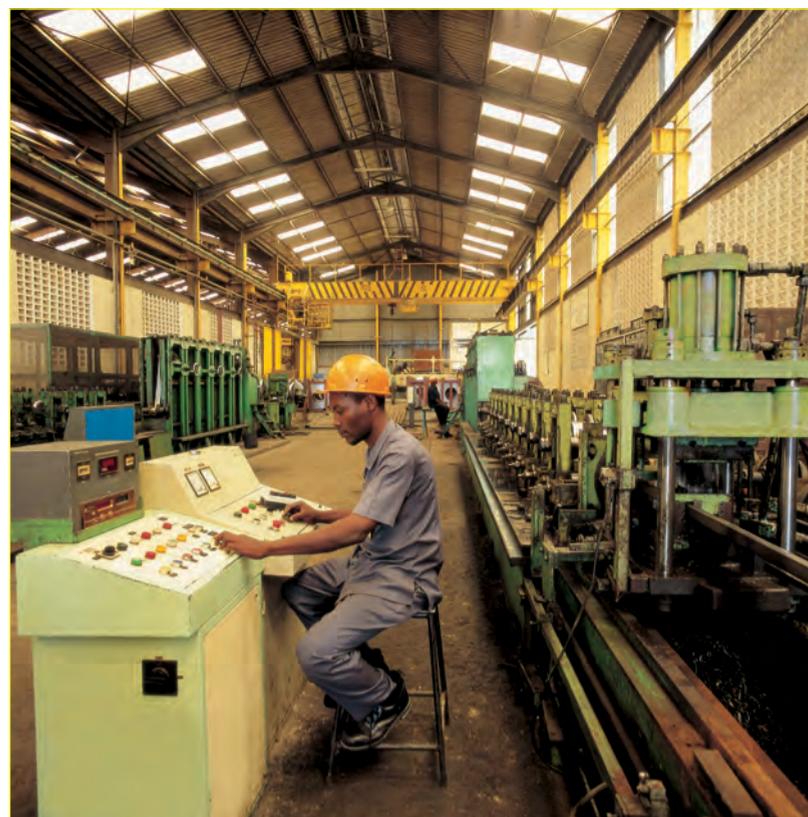
market research, identifying needs and buyers and approaching them directly with product solutions.

The entire success of Doshi's brand-building has been in identifying infrastructure needs and then supplying a whole solution so that the equipment fits together and functions.

Promotion has been a matter of explaining the solution, which has then led to buying, but also to word-of-mouth recommendations.

BRAND VALUES

Integrity in serving customers has been an overriding brand value for Doshi. The Group has never been willing to compromise on quality; or to offer price savings that would require short-



cuts in raw materials; or in the resilience and longevity of its products.

The Doshi brand represents quality: The best materials and the best knowhow, with on-site engineers involved daily in on-wards research and development, and its entire operations and sales force geared towards delivering the electrical components that work.

The Doshi Group represents a range of hundreds of "smart solutions". In all, Doshi Group has held true to the principle of identifying the best materials for the job and delivering complete solutions.

www.doshigroup.com



Things you didn't know about Doshi Group

Doshi Group's emergence as the market leader in utility infrastructure has been its greatest achievement.

The Group has distributorships for some of the world's top brands: Erico Earthing, Havell's switch gear, Georg Fischer fittings; Pegler valves, Deta light switches and Dell computers.

The Doshi Group has a 75 year history of quality products and service.

Superbrands