



2007

Interim Results Announcement

Aug 2007



Agenda

○ **Overview**

Mr. David Butts
(Group Senior Vice President)

○ **Financial review**

Mr. Frank Chan
(Group Executive Director, CFO)

○ **Business review**

Mr. David Butts
(Group Senior Vice President)

Mr. Joe Galli
(CEO, TAH)

○ **Outlook**

Mr. Horst Pudwill
(Chairman & CEO)



Overview

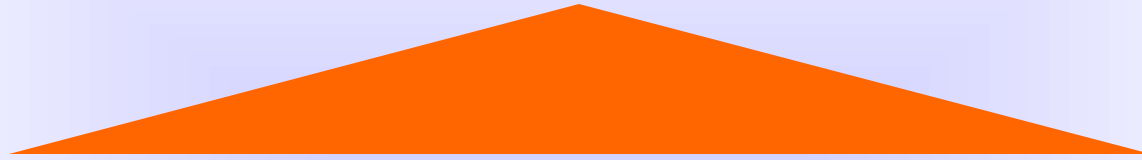
Mr. David Butts
(Group Senior Vice President)

1

*TTI has the vision to be **number one** in the industries we serve.*



Business Platforms



**Power Tools
&
Accessories**

**Outdoor
Products
&
Accessories**

**Floor Care
&
Accessories**

Brand Platforms

Power Tools & Accessories



Outdoor Products & Accessories



Floor Care & Accessories





Powerful Brands



Powerful Brands



**Innovative
Products**

Powerful Brands



Innovative
Products

Best Cost

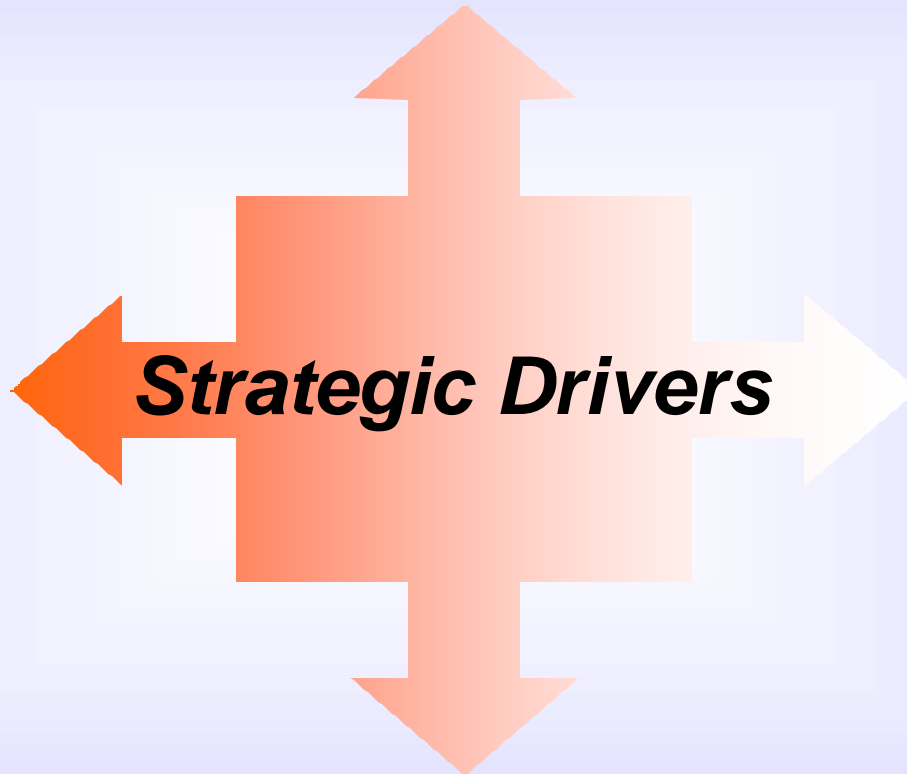
Powerful Brands

**Exceptional
People**

Strategic Drivers

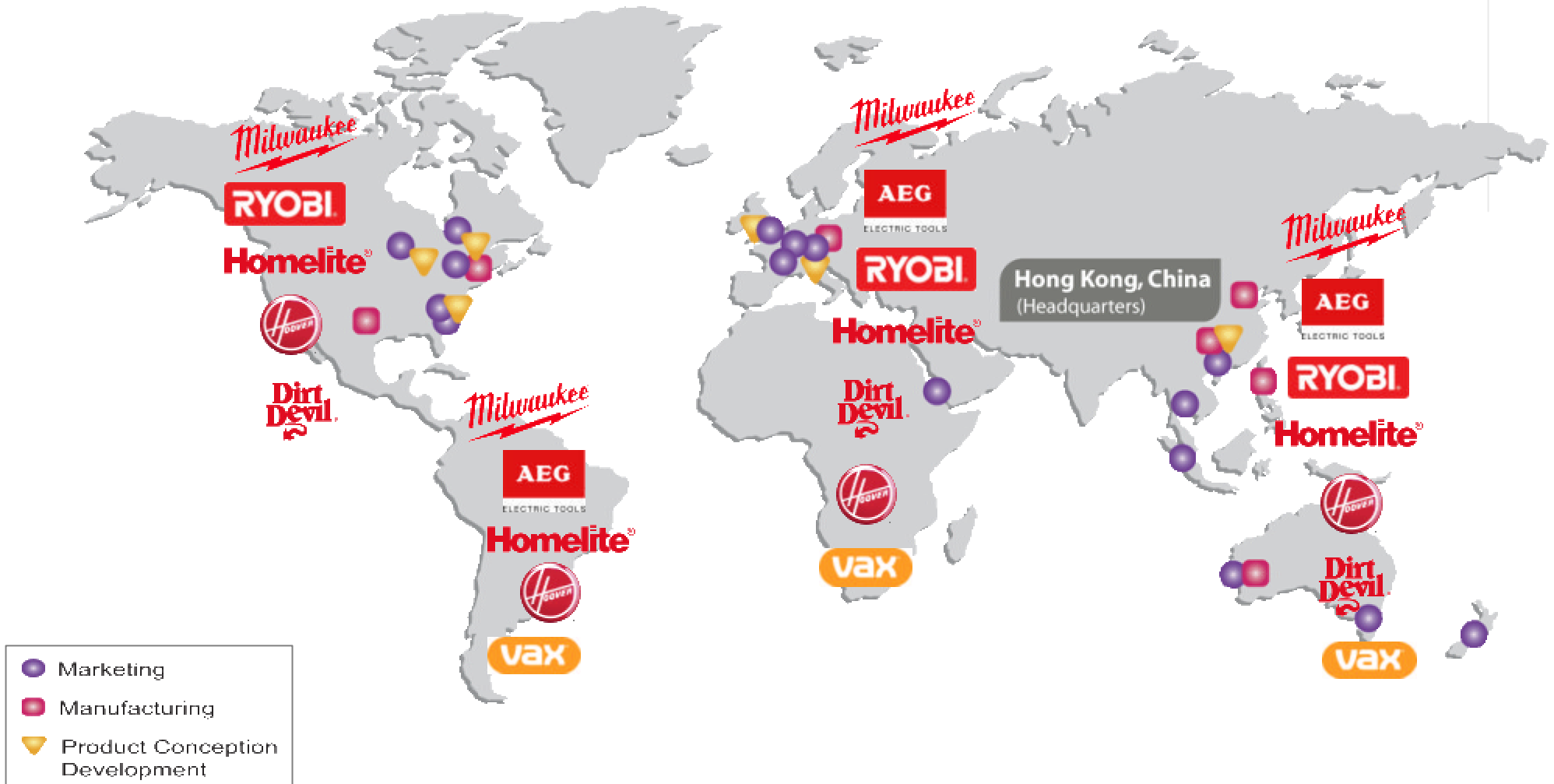
Innovative
Products

Best Cost





Expanding Geographical Reach





2007 1st Half highlights

- **Record Turnover and Profits**
- **Global leader** – Hoover integration on target
- **Growth** – Power Tool brands
- **Growth** – Floor Care brands
- **Growth** – Europe
- **Future** – Strategic Repositioning Plan



Strategic repositioning plan

Includes 3 Major Initiatives:

1. Re-deploy global manufacturing & product development
 - a) Hoover integration
 - b) Redeployment of power tool manufacturing
 - c) Creation of best cost manufacturing vision
2. Expansion of our brands and product categories
3. Rationalization of business structures

Financial Overview:

Annualized savings	\$ +550 million
Restructuring costs	\$ 1,170 million
Non-cash	\$ 429 million
Transition costs	\$ 195 million
Timeframe	Within 3 years



Financial Review

Mr. Frank Chan
(Group Executive Director, CFO)



Financial highlights

For the 6 months period ended 30th, June 2007

	2007 HK\$m	2006 HK\$m	Changes %
Turnover	11,928	10,737	↑ 11.1
Gross Profit	3,790	3,360	↑ 12.8
EBITDA	1,093	1,010	↑ 8.2
Operating profit	808	767	↑ 5.3
Profit attributable to equity holders of the parent	509	504	↑ 1.1
Basic EPS (HK cents)	34.50	34.40	↑ 0.3
DPS (HK cents)	6.50	6.50	-
NBVPS (HK\$)	4.98	4.44	↑ 12.2



Margin analysis

%		%
31.8	Gross	31.3
9.2	EBITDA	9.4
6.3	EBIT	6.7
5.0	Pretax	5.4
4.3	Net	4.7
2007		2006

- Gross margin improved because of favorable currency gains in the Euro Zone
- Increase of raw material costs and RMB appreciation were partially offset by new products, cost containment programs, and Group synergies
- Higher SG&A expenses from the Hoover acquisition and Integration
- Higher finance costs as a result of additional borrowings for acquisition impacted the Pretax margin
- Effective tax rate increased to 13.3% from 13.1% in 2006 as a result of profit contributions from operations at higher tax jurisdiction



Analysis by product

For the 6 months period ended 30th, June 2007

Sales contributions by product



(%) – June 2006 figures

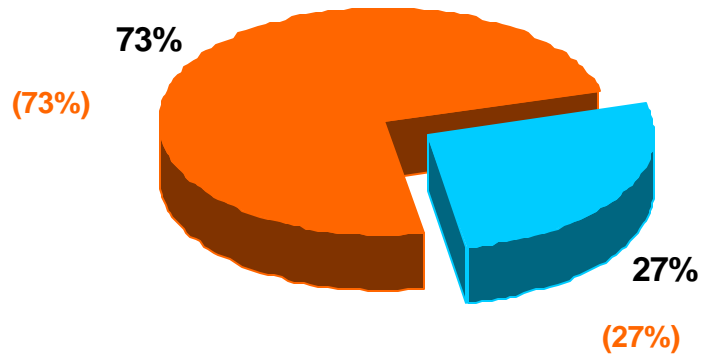
	Power equipment	Floor care & Others
Revenue (HK\$m)	8,249	3,679
Change (%YoY)	-5.8	85.7
Result (HK\$m)	686	122
Change (%YoY)	1.2	36.3
Margin (%) - 2007	8.3	3.3
Margin (%) - 2006	7.7	4.5



Analysis by market location

For the 6 months period ended 30th, June 2007

Sales contributions by market location



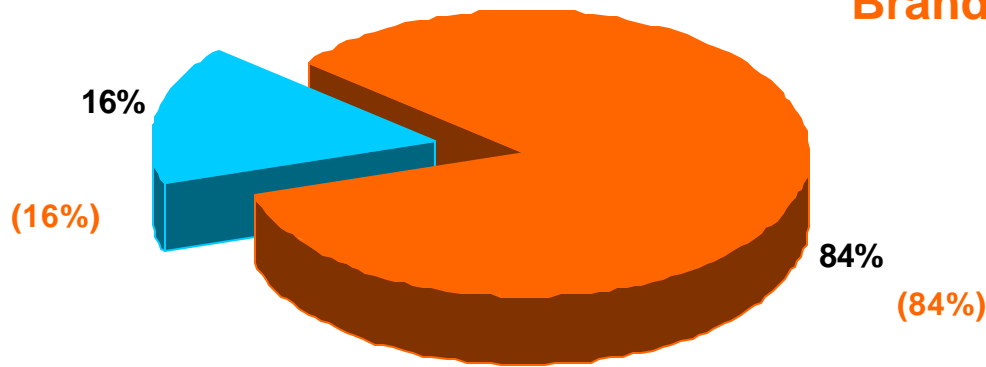
(%) – June 2006 figures

	North America	Europe & other countries
Revenue (HK\$m)	8,742	3,186
Change (%YoY)	11.3	10.6
Result (HK\$m)	617	191
Change (%YoY)	4.9	6.7
Margin (%) - 2007	7.1	6.0
Margin (%) - 2006	7.4	6.2



Analysis by brand

OEM &
Private Label



(%) – June 2006 figures

Own & Licensed
Brands

Milwaukee®

AEG
ELECTRIC TOOLS

RYOBI®

Homelite®

SHRETT®

HOVER

Dirt
Devil®

VAX

New
in
2007



Financial position

<u>Dec 2006</u>	<u>1H 2007</u>	(HK\$m)	<u>1H 2006</u>
<u>8,464</u>	<u>9,195</u>	Non-current assets	<u>8,310</u>
12,856	15,107	Current assets	11,822
<u>7,214</u>	<u>9,728</u>	Current liabilities	<u>6,574</u>
5,642	5,379	Net current assets	5,248
7,028	6,992	Long-term liabilities	6,978
6,997	7,497	Shareholders' funds	6,503
1.78	1.55	Current ratio	1.80
1.22	1.02	Quick Ratio	1.16
74.1%	79.3%	Gearing	76.2%
5.2	4.5	Interest coverage(x)	5.1



Healthy working capital position

Turnover days	<u>Jun-07</u>	<u>Dec-06</u>	<u>Jun-06</u>
Inventory (1)	71	67	69
Trade receivables (2)	60	54	51
Trade & other payables (3)	57	56	56

- Working capital position remains healthy.
- Higher inventory in preparation for peak shipment in 2H.
- Negotiated better terms with suppliers.

(1) Average inventory / sales x 365

(2) Average trade receivables / sales x 365

(3) Average trade & other payables / sales x 365

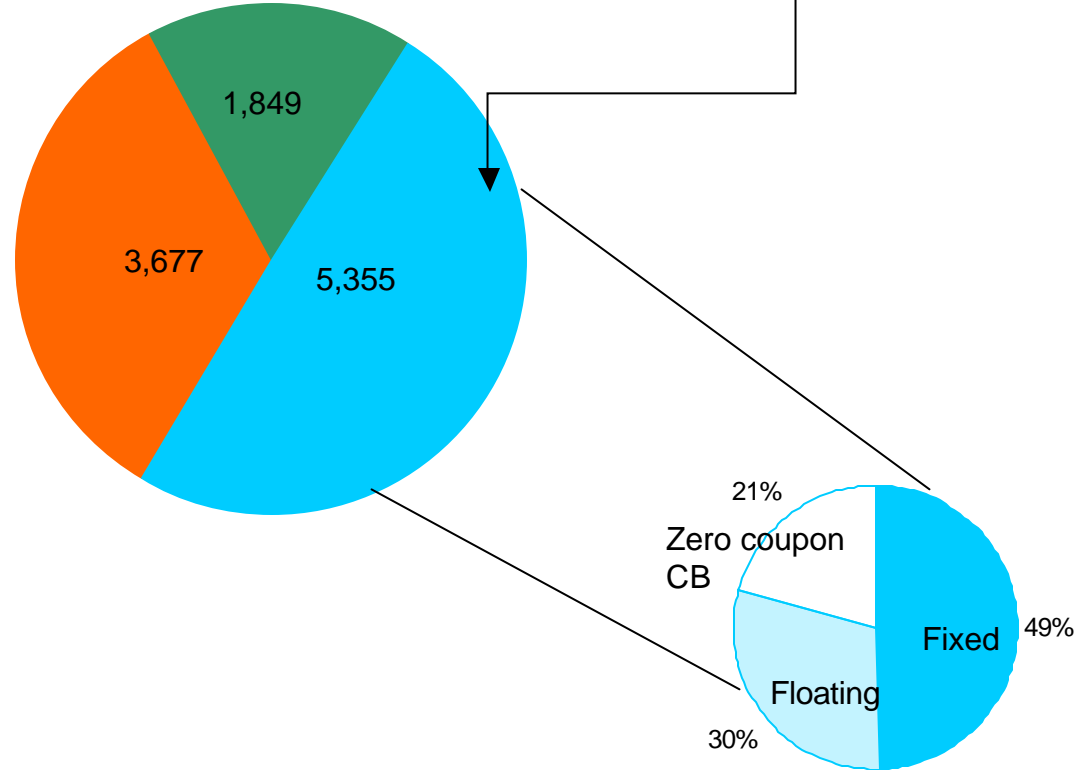


Cash and borrowing profile

Well-balanced loan portfolio for long-term growth

LT borrowings added in 2005:

- US\$200m fixed interest rate Notes
- US\$200m syndicated loan





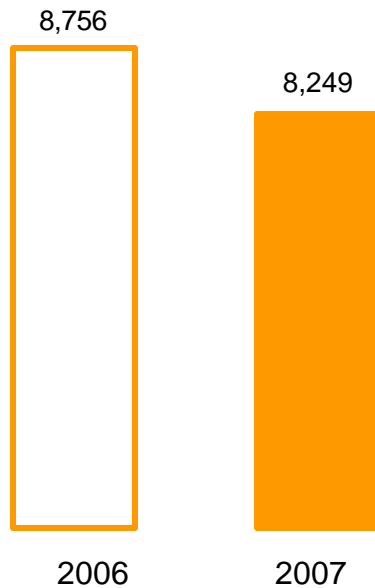
Business Review – Power Tools and Accessories

Mr. David Butts

(Group Senior Vice President)



Business review Power equipment



Divisional turnover
(HK\$m)

69%

of Group sales

- Turnover declined with Outdoor Products
 - ✓ Exited low margin product categories
- Turnover growth in Power Tool brands
 - ✓ Europe and ROW continued growth trend
- Improved margin to 8.3% from 7.7% in 2006
 - ✓ Efficiency gains in Outdoor Products
 - ✓ Innovative new products
 - ✓ Growth of higher value brands
 - ✓ Product transfer programs & cost savings initiatives



Business review
Power tools





AEG



Business review
Power tools





Business review
Power tools





Business Review – Outdoor Products and Floor Care

Mr. Joe Galli
(CEO, TTA)



Power equipment
Outdoor products

Homelite®



○ Turnover growth in 1H

- ✓ Continued double digit expansion in Europe
- ✓ Hoover contribution
- ✓ Increased marketing efforts

○ Hoover Integration

- ✓ On target

○ Global R&D Center

	Floor care & Others
Revenue (HK\$m)	3,679
Change (%YoY)	85.7
Result (HK\$m)	122
Change (%YoY)	36.3
Margin (%) - 2007	3.3
Margin (%) - 2006	4.5

31%

of Group sales



Business Review
Floor care





Business Review
Floor care





Business Review
Floor care





Business Review
Floor care





Outlook

Mr. Horst Pudwill
(Chairman and CEO)





Disclaimer

This presentation includes forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Changes in the following important factors, among others, could cause Techtronic Industries Co. Ltd.'s actual results to differ materially from those expressed in the forward-looking statements: competitive products and pricing; production costs; fluctuations in demand; governmental policies and regulations affecting the environment; interest rates; currency translation movements; and other risks that are detailed from time to time in reports filed by the Company with the Securities and Exchange Commission.

This presentation speaks only as of the date of this presentation and Techtronic Industries Co. Ltd. assumes no obligation to update the presentation. Users of the presentation are encouraged to review public disclosure by Techtronic Industries Co. Ltd. subsequent to the date of this presentation.

Trademarks

All trademarks are registered trademarks of their respective owners.

RIDGID® is a registered trademark of RIDGID, Inc., part of Emerson Professional Tools, a business of St. Louis-based Emerson (NYSE:EMR). The orange color used on these products and the combination of orange and grey are trademarks for RIDGID® brand power tools.

The use of the mark RYOBI® is pursuant to a license granted by Ryobi Limited.