



2009

Annual Results Presentation

April 2009

Frank Chan

CFO



2008 Financial Results

	2007 US\$m	2008 US\$m	<u>Changes</u>
Sales	3,184	3,421	+7.4%
Gross Profit Margin%	31.5%	30.8%	
SG&A % of Sales	27.9%	25.9%	
EBIT (Before one time benefit, restructuring and relocation costs, and goodwill impairment)	115	166	+44.3%

2008 Financial Results

	2007 <u>US\$m</u>	2008 <u>US\$m</u>	<u>Changes</u>
EBIT (Before one time benefit, restructuring and relocation costs, and goodwill impairment)	115	166	+44.3%
One Time Benefit	49	9	(80.8%)
EBIT (After one time benefit, before restructuring and transition costs, and goodwill impairment)	163	175	+7.2%
Restructuring and Relocation Costs	96	92	(3.4%)
Goodwill Impairment	-	10	
Net Profit	16	22	+39.6%
EPS (US cents)	1.08	1.50	+38.4%

2008 Strategic Repositioning Plan

	Original Projection	Actual
(US\$m)	<u>2008 Full Year</u>	<u>2008 Full Year</u>
Cash	49.9	56.7
Non cash	22.5	35.6
Total	72.4	92.3
Savings	25.0	48.5

Strategic Repositioning Plan Completed

	Actual			Plan	
(US\$m)	<u>2007</u>	<u>2008</u>	<u>Total</u>	<u>Total</u>	<u>Change</u>
Cash	63.1	56.7	119.8	117.0	2.8
Non cash	32.4	35.6	68.0	55.0	13.0
Total	95.5	92.3	187.8	172.0	15.8

2008 Financial Position

	2007 US\$m	2008 US\$m	<u>Changes</u>
Non-current Assets	1,284	1,284	0.0%
Current Assets	1,917	1,509	(21.3%)
Current Liabilities	1,536	1,375	(10.5%)
Net Current Assets	381	135	(64.7%)
Long-term Liabilities	766	528	(31.0%)
Shareholders' Funds	887	878	(1.2%)
Current Ratio	1.3	1.1	
Quick Ratio	0.8	0.7	

2008 Debt Profile

	2007 US\$m	2008 US\$m	<u>Changes</u>
Cash	422	307	(27.3%)
Short-term Debt	383	430	+12.4%
Short-term Debt - CB	-	13	
Long-term Debt - Fixed	340	340	0.0%
Long-term Debt - Floating	204	28	(86.3%)
Long-term Debt - CB	13	-	(100.0%)
Gearing	104.3%	94.6%	
Interest Coverage (x)	4.5x	4.4x	

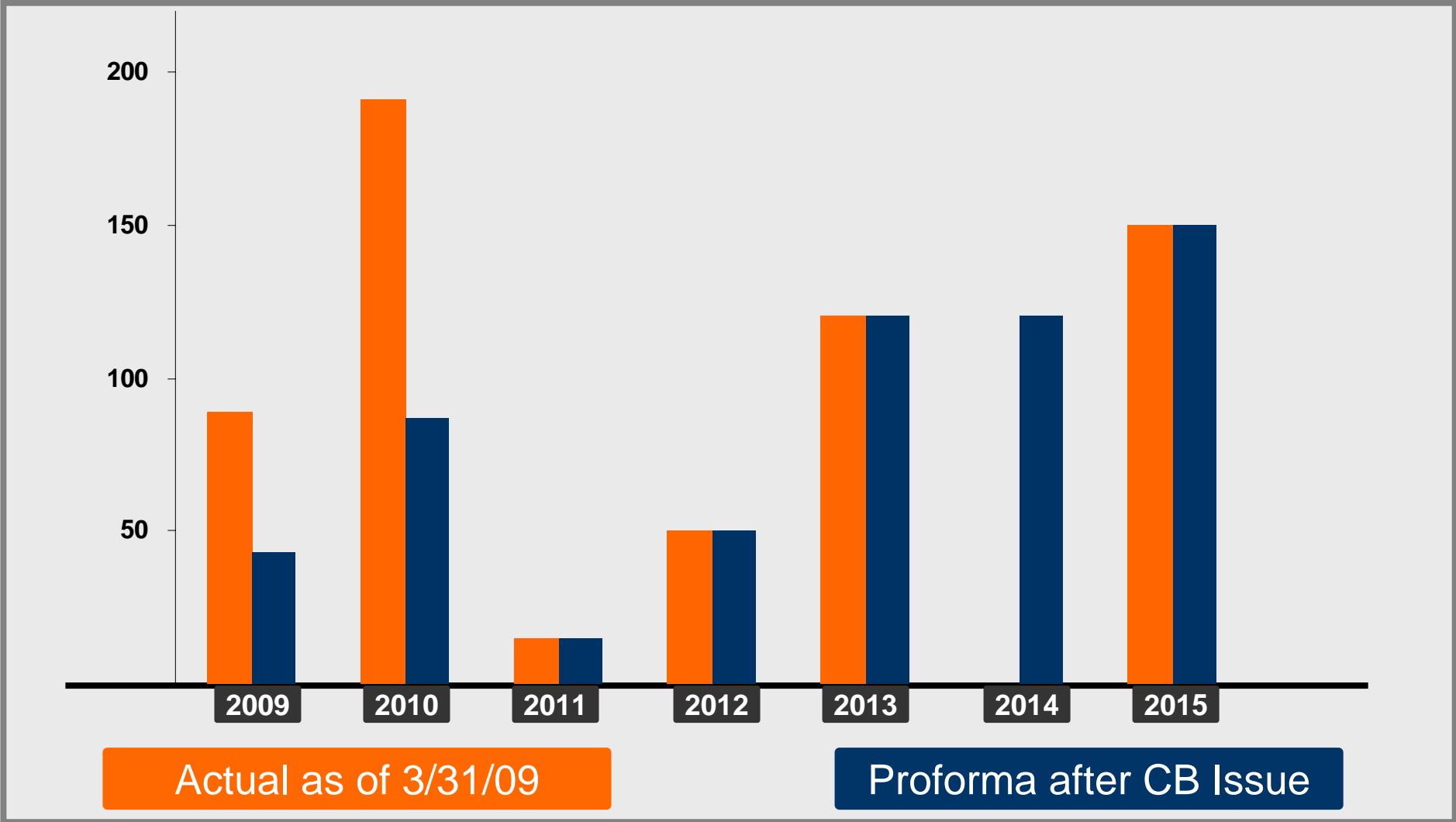
US\$125m 8.5% Convertible Bonds with Warrants

(US\$m)	<u>Tranche 1</u>	<u>Tranche 2</u>	<u>Total</u>
<u>Convertible Bonds</u>			
Size	74	51	125
Upsize Option	-	25	25
<u>Warrants</u>			
Size	18	13	31
Upsize Option	-	6	6

Proforma Debt Portfolio after CB Issue

(US\$m)	2008 (as reported)	CB	2008 (proforma)
Borrowing due within one year	396 52%	(150)	246 32%
Borrowing due after one year	368 48%	150	518 68%
Total	764** 100%		764 100%
**Working capital financing excluded			

Current and Proforma Debt Maturity Profile



Balanced maturity profile



Proforma Debt to Equity Ratio Assuming CB converted and Warrant exercised

(US\$m)	2008 (as reported)	<u>CB</u>	<u>Warrant</u>	2008 (proforma)
Total Net Debt	830	(150)	(37)	643
Equity	877	150	37	1,064
Debt to Equity Ratio	95%			60%

Joe Galli

CEO



2008 Results



Sales Up +7.4%

2008 Results

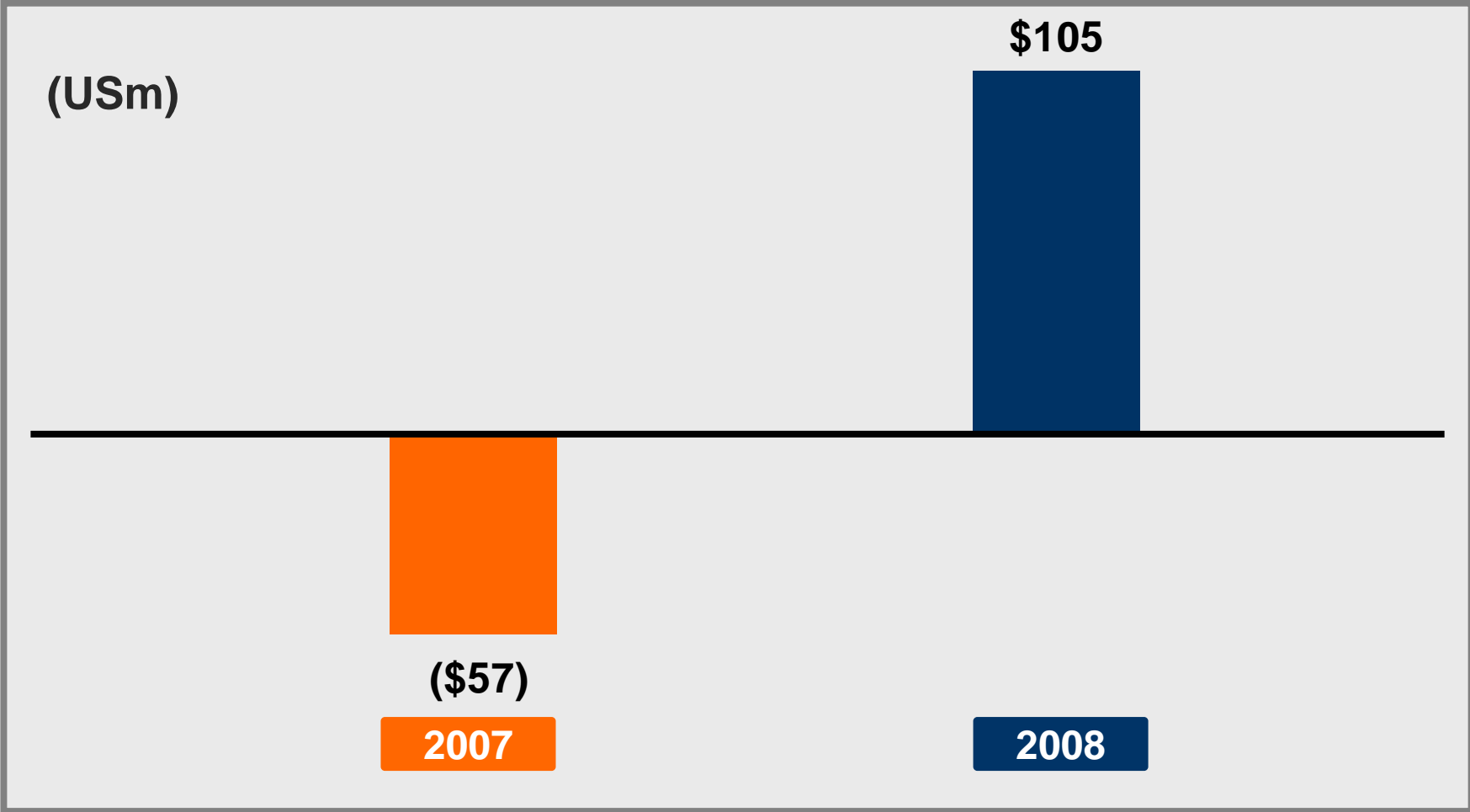
	<u>2007</u> <u>US\$m</u>	<u>2008</u> <u>US\$m</u>	<u>Change</u>
EBIT*	115	166	+44.3%
%	3.6%	4.8%	
<p>*Before one time benefit, restructuring and relocation cost, and goodwill impairment</p>			



Focus

**Drive Free Cash
Flow**

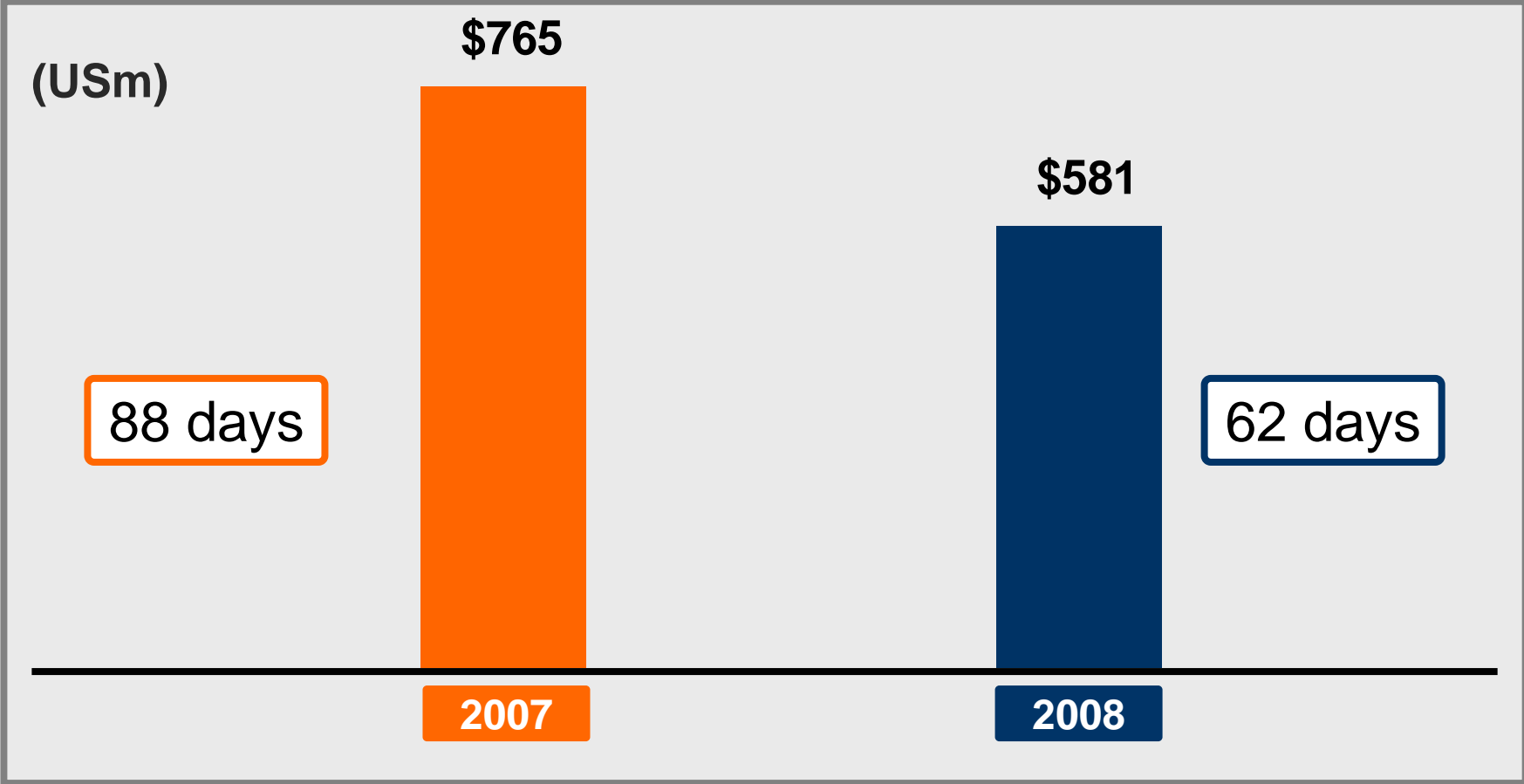
2008 Free Cash Flow



US\$162M increase in FCF



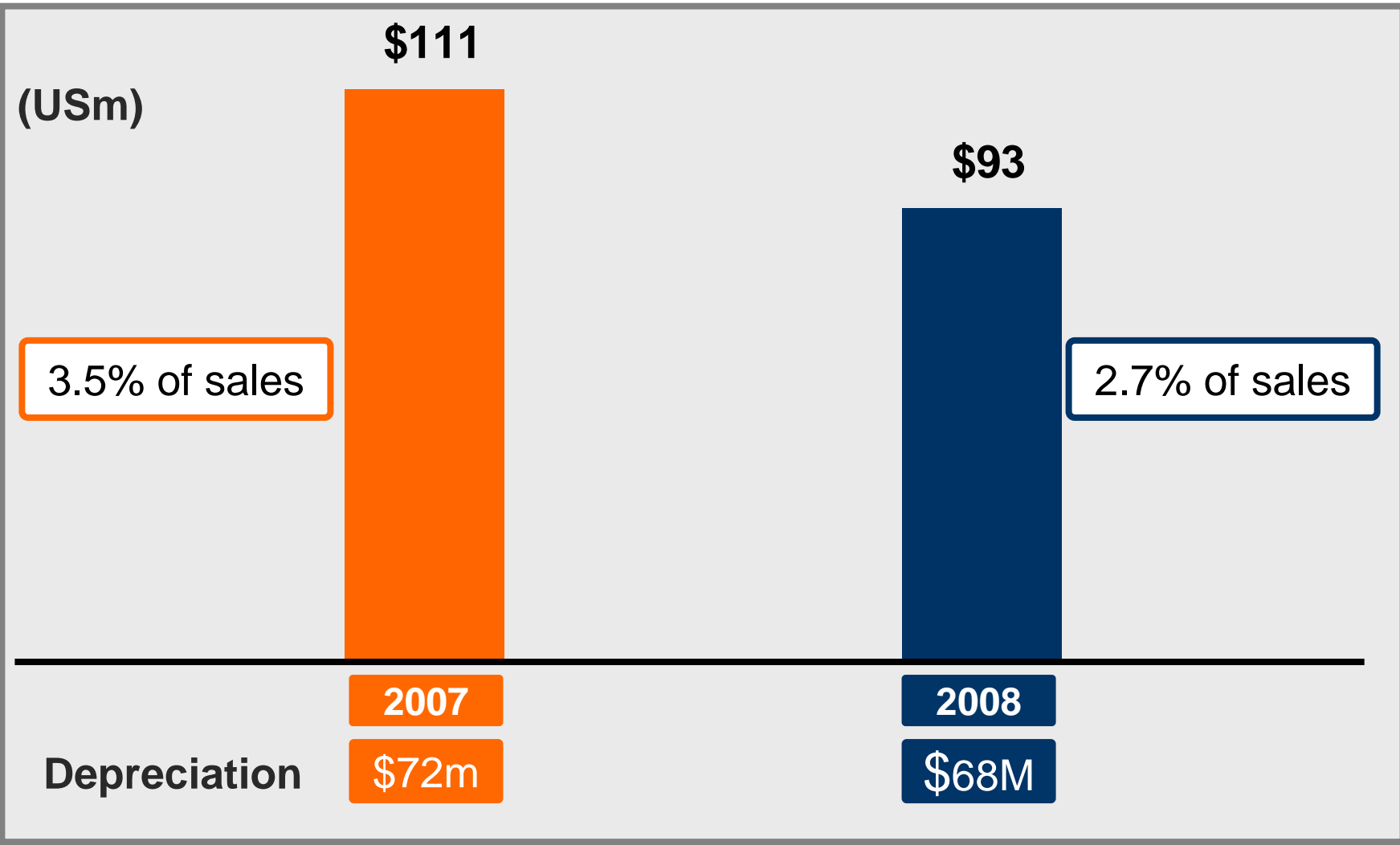
2008 Inventory



US\$184M decrease in Inventory



2008 CAPEX



US\$18M decrease in CAPEX

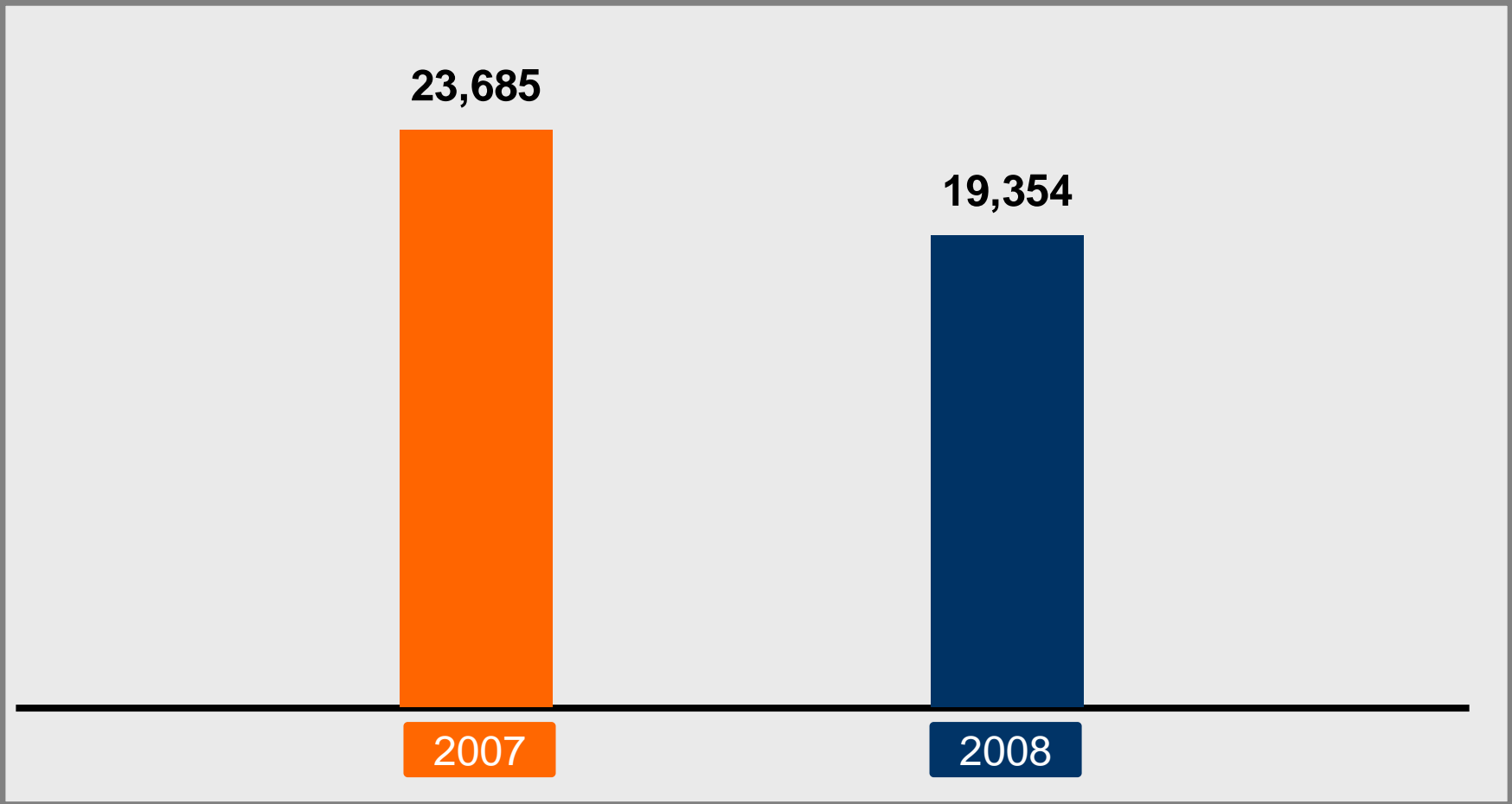




Manufacturing and Innovation Campus



2008 Headcount



18% reduction in Headcount



2009

Challenging economic environment



Objective

Outgrow the Market



2009 Focus

Sales

Outperform Market

GM%

Improve

SG&A

**Cut Aggressively
- Protect Strategic SG&A**


Cash Flow

Continue Driving

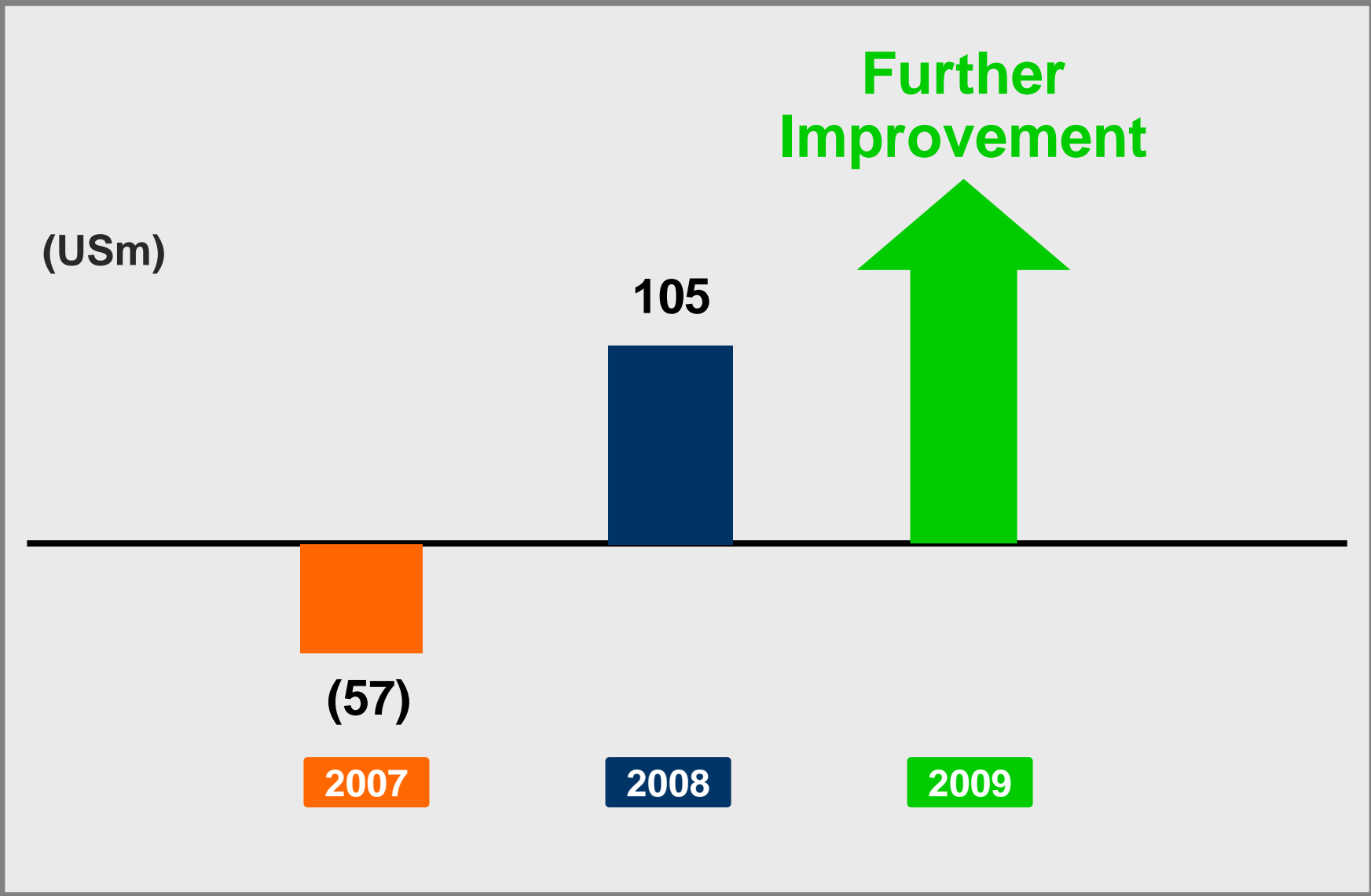




Financial Targets

	<u>2007</u>	<u>2008</u>		<u>2011</u>
GM %	31.5%	30.8%		34%+
SG&A %	27.9%	25.9%		
EBIT%	3.6%	4.8%		10%+

Continue Driving Free Cash Flow



Team



Store Coverage Team





IN STORE SALES





IN STORE SALES





IN STORE SALES





IN STORE SALES





New Product Strategy

Cordless

New Businesses



CORDLESS LEADERSHIP

LITHIUM

AEG



Milwaukee



M12
LITHIUM-ION

M18
LITHIUM-ION

M28
LITHIUM-ION

RYOBI



RYOBITEK4
CORDLESS ELECTRONIC TOOLS



18V

LiNX
SYSTEM
LITHIUM

LITHIUM ION
3.5x POWER

LITHIUM ION
3.5x POWER

Lithium
12V

Lithium
18V

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18V

RYOBI®

 **Lithium**
12V

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4
CYCLE
Gas Power



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