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Techtronic Industries Co. Ltd.

(Incorporated in Hong Kong with limited liability)

(Stock Code : 669)

FURTHER ANNOUNCEMENT

The Stock Exchange has requested the Company make an announcement providing further details in respect of the Company's announcement dated 27th January, 2006 and accordingly this announcement is made by the Company pursuant to Rule 13.10 of the Listing Rules.

Unless otherwise defined herein, terms in this announcement shall have the same meaning as those defined in the Previous Announcement.

Shareholders and potential investors of the Company are reminded that any financial and operational information described in this announcement is based on the Company's internal records and management accounts and has not been reviewed or audited by the auditors. Shareholders and investors are cautioned not to rely unduly on this information and are advised to exercise caution when dealing in the shares of the Company.

The Stock Exchange of Hong Kong Limited (the "Stock Exchange") has requested Techtronic Industries Company Limited ("TTI" or the "Company") make an announcement providing further details in respect of the Company's announcement dated 27th January, 2006 (the "Previous Announcement") and accordingly this announcement is made by the Company pursuant to Rule 13.10 of the Listing Rules.

Unless otherwise defined herein, terms in this announcement shall have the same meaning as those defined in the Previous Announcement.

FURTHER DETAILS

Further details in respect of the Previous Announcement are as follows:

1. Unexpected inventory reduction by major customers of the Company

In the final weeks of the year 2005, there was an unexpected industry wide inventory reduction by major retailers in North America. This included major customers of the Company and such inventory reduction affected the Company's sales during the corresponding period. The Company's shipments in the 4th quarter of 2005 were affected in volumes of approximately 4-6 weeks in shipments, on which basis the realignment approximated to 10% of TTI's annual sales to those customers. TTI believes this inventory alignment to be a one-off event.

2. Lower OEM sales

The Company experienced an accelerated reduction in its OEM sales in the second half of 2005 as compared to the first half of 2005. The Company's OEM sales target is an internal sales target for the year ended 31st December, 2005 and the reduction may result in a shortfall against this internal sales target of approximately US\$100 million. This is however in line with the Company's strategy to increase its own brand business.

3. Supply Constraint in Lithium-Ion Batteries

The Company launched the new V28™ lithium-ion battery powered tools in April 2005 and had an internal sales forecast for the first year of approximately US\$33 million (the "Li-ion Sales Target"). Demand for these products has been strong and has exceeded this forecast. However, supply constraints in lithium-ion batteries has resulted in the Company being able to meet the Li-ion Sales Target but only satisfy some but not all of the demand over and above the Li-ion Sales Target. The supply issues have been resolved and the Company does not anticipate a shortfall in supply to meet the growing demand.

4. Net debt position

The Company's net debt position is expected to be in the range of around 65-70% for the year ended 31st December, 2005.

5. Milwaukee acquisition

As previously announced by the Company, the acquisition of Milwaukee and AEG professional power tool brands and businesses was completed in January 2005. The production facilities for Milwaukee products are being integrated into the Company's China operations. This will result in a non-reoccurring restructuring charge which should not be more than US\$10 million in 2005.

The savings expected from the integration of production facilities for Milwaukee products will accrue from 2006 and are expected to be in the range of US\$20-25 million on an annualized basis and will result in an improvement of the gross profit margins in relation to such products by approximately 7-10%.

This announcement should be read in conjunction with the Previous Announcement. Shareholders and potential investors of the Company are reminded that any financial and operational information described in this announcement is based on the Company's internal records and management accounts and has not been reviewed or audited by the auditors. Shareholders and investors are cautioned not to rely unduly on this information and are advised to exercise caution when dealing in the shares of the Company.

As at the date of this announcement, the Board comprises four Group Executive Directors, namely Mr. Horst Julius Pudwill (Chairman and Chief Executive Officer), Mr. Roy Chi Ping Chung (Managing Director), Mr. Patrick Kin Wah Chan and Mr. Frank Chi Chung Chan, one Non-Executive Director, namely, Mr. Vincent Ting Kau Cheung and three Independent Non-Executive Directors, namely, Mr. Christopher Patrick Langley, Mr. Joel Arthur Schleicher and Mr. Manfred Kuhlmann.

By Order of the Board
Techtronic Industries Company Limited
Chi Chung Chan
Company Secretary

Hong Kong, 23rd February, 2006

*Please also refer to the published version of this announcement in
The Standard and Hong Kong Economic Times.*