



Techtronic Industries

[Press release]

## **New Products Fuel TTI's Strong First Half Performance**

**Techtronic Industries Co. Ltd.** ("TTI" or the "Group") (HKEx stock code: 669, ADR symbol: TTNDY) today announced record sales in the first half of HK\$13.1 billion, an increase of 10.1% over the same period of 2007. This growth was achieved across all business segments overcoming challenging macroeconomic conditions in key markets. The Power Equipment business had strong sales growth of 11.6% led primarily by penetration of new product categories from the Outdoor Products business and the expansion of cordless Lithium ion technology across the power tool brands. The consumer and professional power tools and accessories businesses both delivered mid-single digit growth in North America. The Floor Care business experienced sales growth of 6.8% aided by the profitable turnaround of Hoover and growth in Europe and Rest of World.

Commenting on the results, **Joseph Galli Jr., CEO of TTI** said: "Product innovation remains the primary growth driver of the Group and over the past 12 months more than 300 products were launched into the global market. Our focus on brand value creation, speed to market, and innovative product development are generating highly exciting new products for our customers and providing a tremendous platform for sustainable growth."

The Company grew earnings before restructuring and transition costs by 7.1% compared to the same period last year. The EBIT improvement was supported by savings from the Strategic Repositioning Plan, ongoing Cost Improvement Programs, selective price increases, tightly controlled operating expenses, and new product launches despite rising inflationary pressures in the key manufacturing region of China and increasing commodity prices. "The Hoover turnaround to profitability in the first half was a significant achievement and we are excited about the future for this iconic brand," stated Mr. Galli.

The Strategic Repositioning Plan delivered better than planned savings from the Hoover turnaround and Milwaukee transfer program in the first half. As part of the Plan the first phase of the new China Manufacturing and Innovation Campus opened its doors at the end of the first half. The spending in the first half was on track at HK\$166 million (US\$21.3 million) and savings were ahead of plan at HK\$246 million (US\$31.5 million). The total planned spending for the Strategic Repositioning Plan remains at HK\$1.3 billion (US\$172 million) and projected annual savings remains at HK\$550 million (US\$70 million) in the year 2010 and beyond.

**Mr. Horst Pudwill, Chairman of TTI**, concluded: "We are benefiting from the rewards of our Strategic Repositioning Plan, exciting new products, powerful brands, expanding geographic reach, exceptional people, and strengthening customer partnerships. The Company has proven ability to grow sales and expand profitably during challenging economic conditions. We expect the sales momentum generated in the first half to continue throughout the second half."

***The text of the announcement and results presentation are available at [www.ttigroup.com](http://www.ttigroup.com)***

#### **Investor Presentation Broadcasting**

Available at [www.ttigroup.com](http://www.ttigroup.com) from 7:00 pm, 22<sup>nd</sup> August, 2008 (HK Time) for a month until 21<sup>st</sup> September, 2008

- End -

#### **About TTI**

Founded in 1985 and listed on the Stock Exchange of Hong Kong Limited in 1990, TTI is a world-class leader in quality consumer and professional products marketed to the home improvement and construction industries. An unrelenting strategic focus on powerful brands, innovative products and exceptional people drives our success. TTI's powerful brand portfolio includes Milwaukee®, AEG®, Ryobi® power tools and accessories, Ryobi® and Homelite® outdoor products, and Hoover®, Dirt Devil® and Vax® floor care appliances.

TTI is one of the constituent stocks on the Hang Seng HK MidCap Index under the Hang Seng Composite Index and the FTSE All-World Hong Kong Index. For more information, please visit [www.ttigroup.com](http://www.ttigroup.com).

#### **Trademarks**

All trademarks used are intellectual property of their respective owners and are protected under trademark law.

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

AEG® is a registered trademark and its use is pursuant to a License granted by Licentia Patent-Verwaltungs-GmbH.

#### ***For enquiries:***

##### **Techtronic Industries Co. Ltd.**

Jess Cheung  
Tel: +(852) 2402 6683  
Email: [jess@tti.com.hk](mailto:jess@tti.com.hk)

##### **Strategic Financial Relations Limited**

Angela Kung +(852) 2864 4859 [angela.kung@sprg.com.hk](mailto:angela.kung@sprg.com.hk)  
Ming Chan +(852) 2864 4892 [ming.chan@sprg.com.hk](mailto:ming.chan@sprg.com.hk)  
Fax: +(852) 2804 2789 / 2527 1196