



2009

# Interim Results Presentation

*28 August 2009*

**Introduction**

**Horst Pudwill**

**Chairman**

# Frank Chan

CFO



## 2009 Interim Results

	2008 <u>US\$m</u>	2009 <u>US\$m</u>	<u>Changes</u>
Sales	1,684	1,454	(13.7%)
Gross Profit Margin%	31.5%	31.7%	
SG&A % of Sales	25.5%	27.5%	
EBIT	82	65	(20.9%)
EBITDA	128	116	(9.0%)
Net Profit	45	33	(27.3%)
EPS (US cents)	3.03	2.20	(27.3%)

## 2009 Interim Financial Position

	2008 1H <u>US\$m</u>	2008 FY <u>US\$m</u>	2009 1H <u>US\$m</u>
Non-current Assets	1,310	1,284	1,291
Current Assets	1,795	1,509	1,724
Current Liabilities	1,435	1,375	1,388
Net Current Assets	359	135	336
Long-term Liabilities	722	528	681
Shareholders' Funds	935	877	931
<b>Current Ratio</b>	1.3	1.1	1.2
<b>Quick Ratio</b>	0.7	0.7	0.8

## 2009 Debt Profile

	June 2008 US\$m	June 2009 US\$m	<u>Changes</u>
Cash	343	376	9.5%
Short-term Debt	362	213	(41.2%)
Short-term Debt - CB	-	13	
Long-term Debt - Fixed	341	340	0.0%
Long-term Debt - Floating	173	63	(63.5%)
Long-term Debt - CB	13	117	819.2%
<b>Gearing</b>	95.3%	85.0%	
<b>Interest Coverage (x)</b>	4.2x	4.1x	

## Proforma Debt to Equity Ratio After Share Placement

(US\$m)	June 2009 (as reported)	<u>Share Placement</u>	<u>June 2009 (after placement)</u>
Total Net Debt	791	(76)	715
Equity	931	76	1,007
Debt to Equity Ratio	85%		71%

## Proforma Debt to Equity Ratio Assuming CB converted and Warrant exercised

(US\$m)	June 2009 (after placement)	<u>CB</u>	<u>Warrant</u>	<u>June 2009</u> (proforma)
Total Net Debt	715	(150)	(37)	528
Equity	1,007	150	37	1,194
Debt to Equity Ratio	71%			44%



# Joe Galli

CEO



# 2009 1st Half Results

 **Sales -13.7%**

Competitor A




**-27.8%**

Competitor B

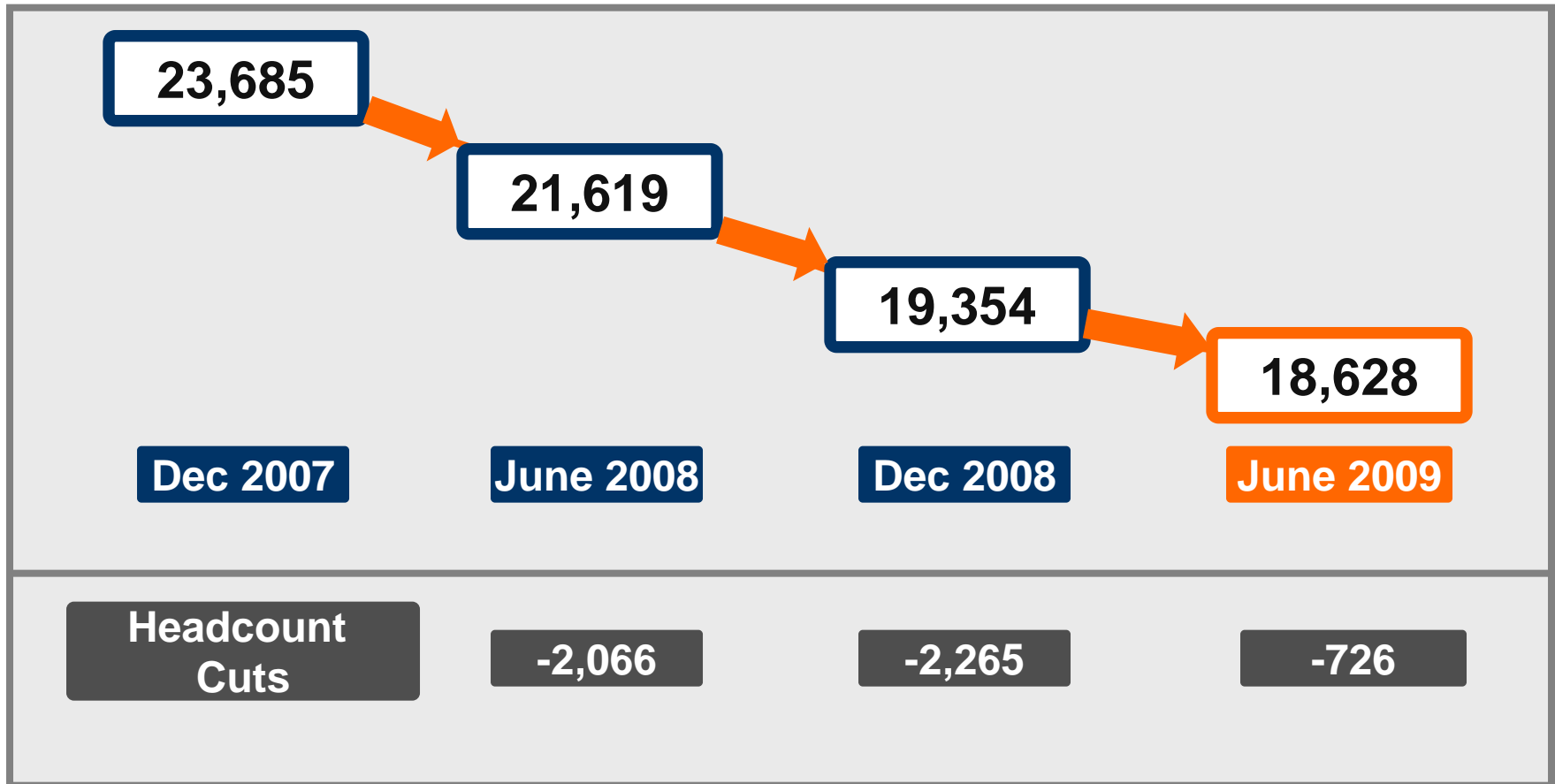
**-34.9%**



# Vs Competition

		2008 1H	2009 1H	<u>Changes</u>
Sales	Comp. A	\$3,138m	\$2,265m	-27.8%
	Comp. B	\$1,742m	\$1,134m	-34.9%
		\$1,684m	\$1,454m	-13.7%
Gross Profit Margin%	Comp. A	33.6%	31.5%	-2.1pts
	Comp. B	41.6%	38.6%	-3.0pts
		31.5%	31.7%	+0.2pt
EBIT % <small>(After one time benefit, before restructuring and relocation costs)</small>	Comp. A	8.3%	4.8%	-3.5pts
	Comp. B	19.4%	9.8%	-9.6pts
		6.2%	4.5%	-1.7pts

# Headcount Reduction



**Total Reduction since Dec 2007: 5,057**  
**21% Headcount Cut**

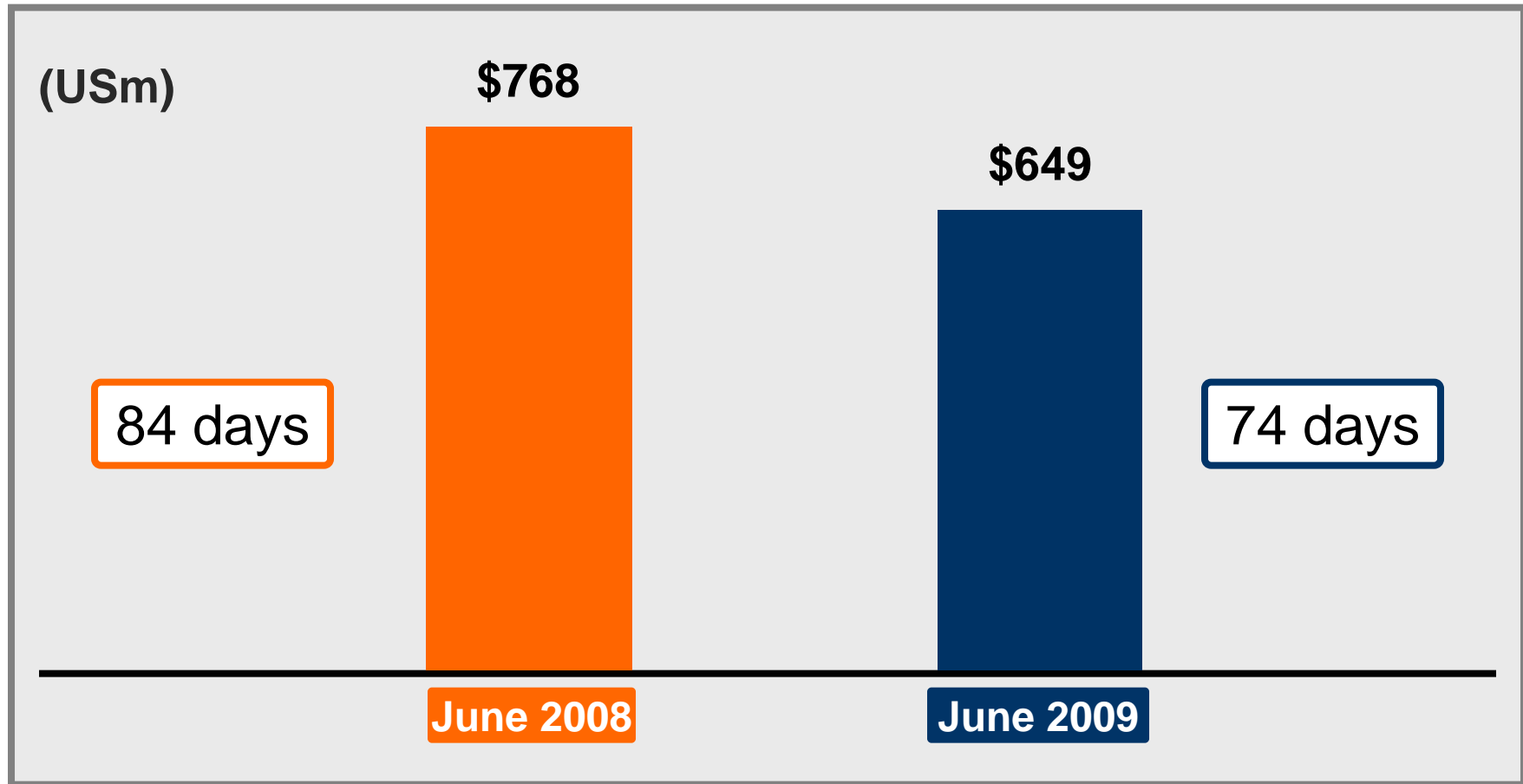




**Focus**

**Drive Free Cash  
Flow**

## 2009 Inventory



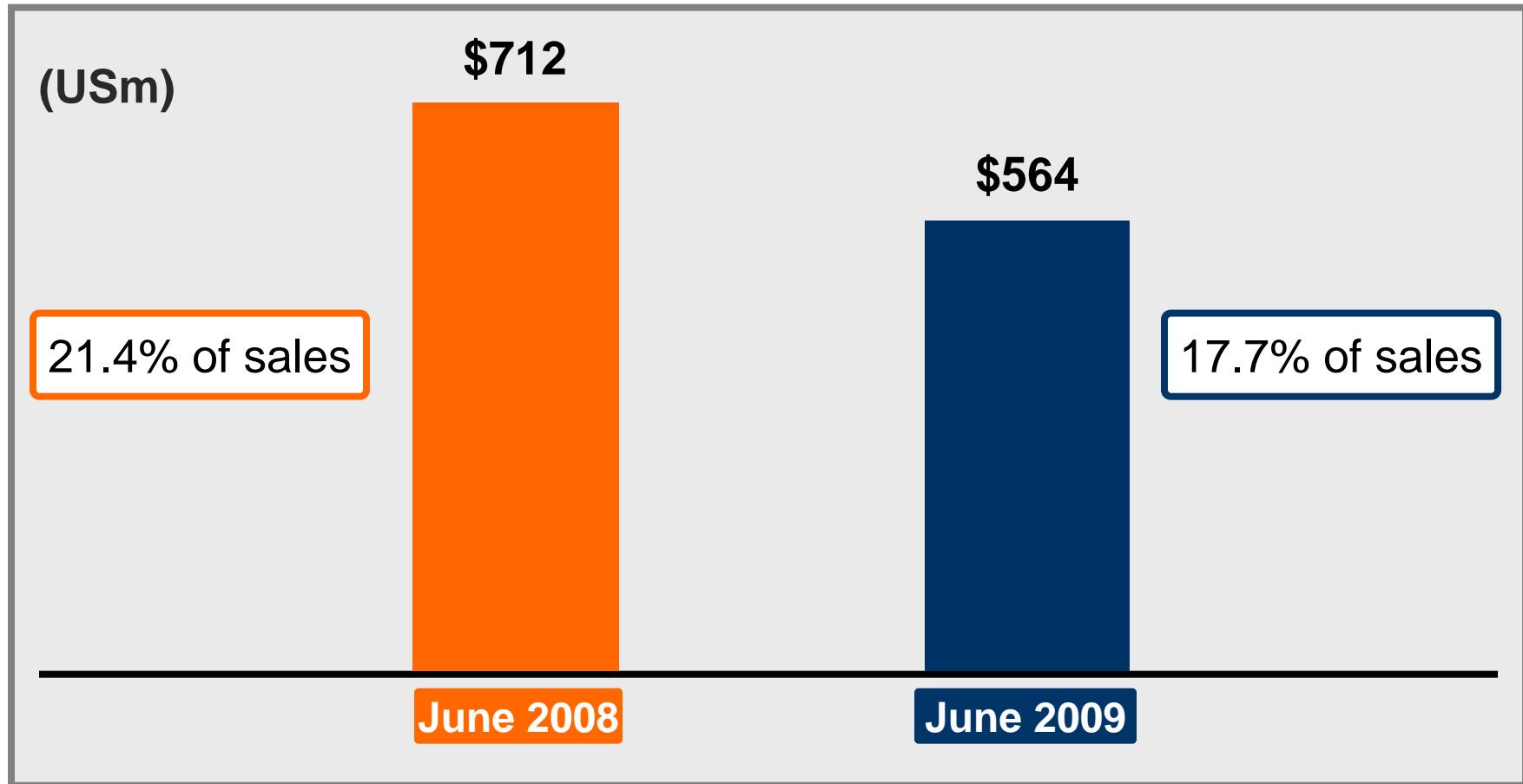
**US\$119M decrease in Inventory**

## 2009 Receivables and Payables

<u>Days</u>	<u>2008 1H</u>	<u>2009 1H</u>	<u>Improvement</u>
Receivables (DSO)	57	55	-2 days
Payables (DPO)	63	65	+2 days

**Solid Progress**

## 2009 Working Capital as a % of Sales



**US\$148M decrease in Working Capital**



## 2009 Working Capital as a % of Sales



**TTI** 17.7%

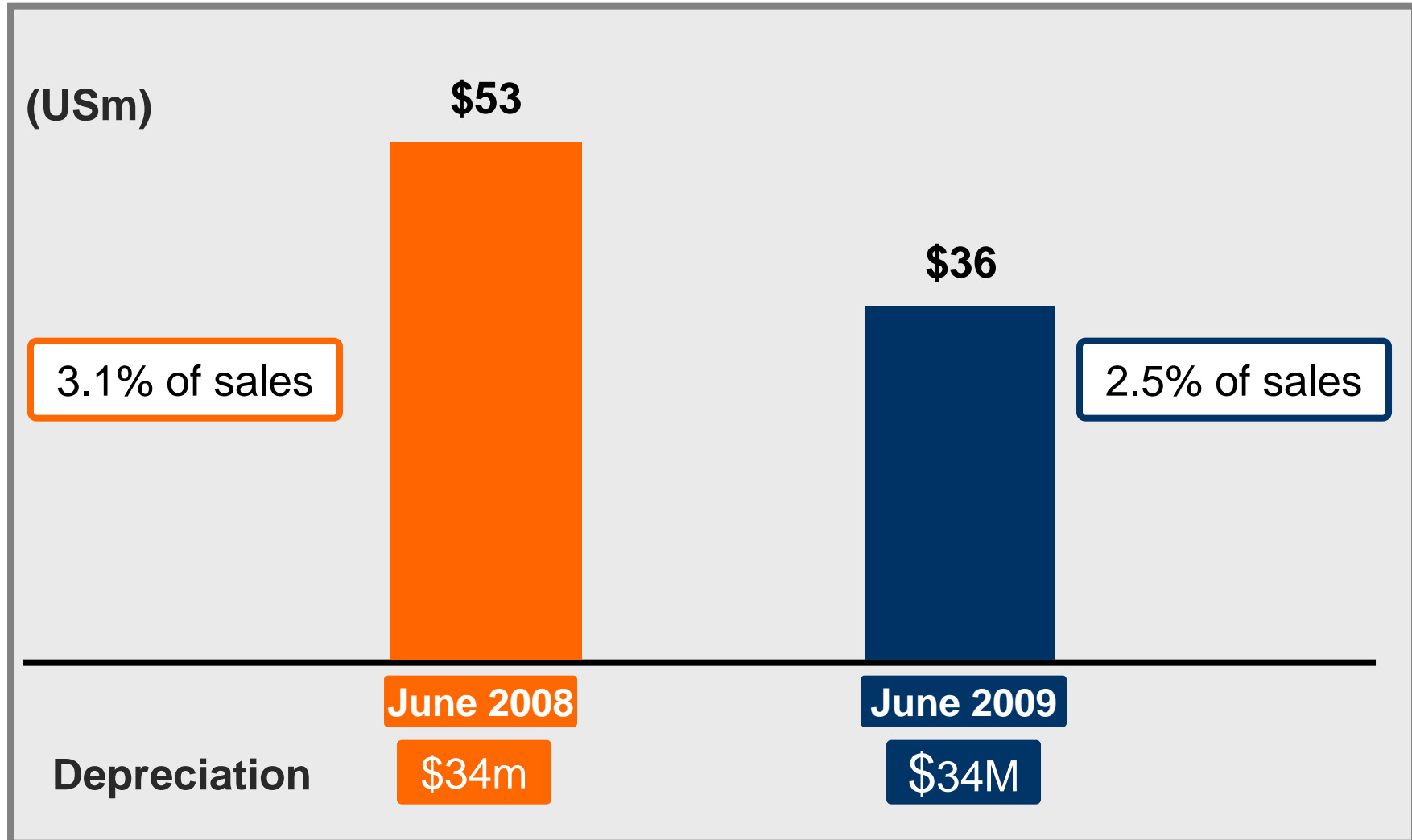
Competitor A

26.8%

Competitor B

52.2%

# 2009 CAPEX



**US\$17M decrease in CAPEX**

# Challenging economic environment



## Objective

**Outgrow the Market**



**New Product**



**Milwaukee<sup>®</sup>**

A white lightning bolt graphic with three distinct points, extending from the bottom left towards the top right, positioned behind the Milwaukee logo.

**M12**

A red lightning bolt graphic with three distinct points, extending from the bottom left towards the top right, positioned behind the M12 Lithium-Ion text.

**LITHIUM-ION**



**Test &  
Measurement**

*Milwaukee*<sup>®</sup>

A white lightning bolt graphic that starts below the 'Milwaukee' text and extends downwards and to the left, crossing the top of the 'M18' logo box.

**M18**

A red lightning bolt graphic that starts at the bottom left of the 'M18' logo box and extends upwards and to the right, crossing the bottom of the 'LITHIUM-ION' text.

**LITHIUM-ION**



**Compact  
Band Saws**



*Milwaukee<sup>®</sup>*



**SHOCKWAVE**

**IMPACT DUTY**



TM

**RYOBI®**

**18V ONE**

**+**  
SYSTEM

**RYOBI. TEK4**  
CORDLESS ELECTRONIC TOOLS

**RYOBI®**

**Tile Saws**



**Paint Systems**

**Outdoor Products**

**RYOBI**®

**4**  
**CYCLE**

Gas Power

# Outdoor Accessories





®

**T** SERIES



**TEAM**



# Team



# Team



# Team





Team









Team



# New Milwaukee Distributor





# 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 intellectual property of their respective owners and are protected under trademark law.*

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

*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.*

*Sear®, Craftsman® and Kenmore® brands are registered trademarks of Sears Brands, LLC.*

