

TechTronic Industries Announces 2000 Annual Results

All Divisions Report Excellent Growth

* * * * *

Consolidates Position as Leading Company in Global Power Tool Market

(HONG KONG, April 2, 2001) – A leading global supplier of power tools, TechTronic Industries Company Limited (“TTI”) (stock code: 669) today announced its annual results for the year ended December 31, 2000. This is the sixth consecutive year of double-digit growth. Consolidated turnover for the Group in 2000 substantially increased 68.6% over the previous year to reach HK\$4.55 billion. The Group’s turnover reports a favorable compound annual growth rate of 27.0% over the past five years. Profit for the year achieved a growth of 21.4%, amounting to HK\$190.5 million.

Basic earnings per share for the year rose from 28.15 HK cents per share in 1999 to 34.02 HK cents per share in 2000, recording an increase of 21%. The Board of Directors recommends a final dividend of 6.0 HK cents (1999: 5.5 HK cents) per share payable to shareholders on July 30, 2001, making a total dividend payment of 10.0 HK cents (1999: 9.3 HK cents) per share for the year ended December 31, 2000.

“2000 was a remarkable year for the Group. The successful acquisition of Ryobi Power Tools of North America in August 2000 positioned TTI as a leading company in the global power tool market. Turnover for the Group was boosted by this acquisition, with the Power Tool Division delivering vibrant growth rate of 95.1% as compared to that of last year. Although interest rates rose during the year 2000, the North American housing starts were at new highs, the remodeling market exhibited no signs of slowing down, and the do-it-yourself (“DIY”) market in North America continues from strength to strength. We are enhancing our Power Tool Division’s relationships with our retail partners and introducing new products at competitive prices in order to drive further increased market share in a softening market,” said Mr. Horst Julius Pudwill, Chairman and Chief Executive Officer of TTI.

Mr. Pudwill continued, “The successful Ryobi acquisition reflects our management’s strategic vision in identifying trends and opportunities. This acquisition not only expands our Group’s core power tool business and provides the powerful Ryobi brand in North America, but also turns TTI into one of the leading power tool manufacturers in the world. This has laid the foundation for new alliances with some of the world’s most powerful retailers, and will contribute to our ability to capture profitable business opportunities in the future.”

The integration of the Ryobi acquisition will contribute positive impact to our operations during the second half of 2001. Key benefits of the integration include leveraging the Group’s low cost manufacturing base in Asia, expansion of the Ryobi and private label product range through increased product development capabilities, and strengthening customer relationships.

The Floor Care Appliance Division experienced strong 21.3% growth in 2000 and accounted for 23.8% of the total Group turnover. “Our investments in new product development were successful in meeting the innovation demands of the floor care appliance market. The key to our success continues to rest with the close relationships we have with the major floor care brands around the world. We work closely with our customers in a joint effort to develop new products, based on end user needs, and as a manufacturing service provider” stated Mr. Pudwill.

Its own Vax brand, acquired in the fourth quarter 1999, made strides in the United Kingdom and Australian markets. Progress was made implementing the Group’s strategy to expand the well-respected Vax brand beyond the extractor segment into a full range provider of mid to premium vacuums, thus leveraging the product development and low-cost manufacturing capabilities of the Division. Vax strengthened their relationships with the high volume retailers in their key markets, through improved services, merchandising and product selection. Additionally, the integration of the Vax operations into the Group that took place in 2000 will contribute positively to the Division in 2001.

The Solar and Electronic Products Division delivered a record-breaking year, outperforming every financial milestone in its twelve-year history. Turnover was up 23.1% over an excellent performance in 1999. The turnover for the Division represented 3.8% of the total company turnover. Aggressive new product introductions and range extensions with the Division's traditional original design manufacturing (ODM) customers were drivers behind the continuing turnover growth. Additionally, 2000 was a good year for the acquisition of new customers, positioning the Division well for the future.

The Group is examining opportunities to expand its core businesses into Europe and add to our brand portfolio. "We are confident that our initiatives in brand acquisition will deliver powerful benefits to our customers, our employees and, most of all, our shareholders. The ability to compete for leadership positions on a global market demands independent, dedicated management teams within each division. Our new structure creates the dynamic environment needed for aggressive growth and healthy profitability," Mr. Pudwill stated.

- end -

About TechTronic Industries Company Limited

Founded in 1980, TTI was listed on the Hong Kong Stock Exchange in 1990 and is a world leader in customer-focused design, engineering, manufacturing and marketing of power tools, floor care appliance, solar and electronic products. The Group owns the powerful Ryobi brand of power tools in North America and is the provider of many of the Sears, Roebuck and Company's Craftsman line of power tools. The Group operates manufacturing plants throughout the world totaling over 2.3 million square feet and has a total work-force of nearly 8,000, with offices and operation bases in Asia-Pacific, Europe and North America. Since the listing in 1990, the Group enjoys double-digit growth of the turnover, from HK\$490 million to HK\$4.55 billion in 2000.

For more information:
Strategic Financial Relations Limited
Veron Ng veron@strategic.com.hk /
Carol Lau carol@strategic.com.hk /
Tel: 2527 0490 Fax: 2527 1196