



Techtronic Industries

[For Immediate Release]

Techtronic Industries Reports 2003 Interim Results

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Continuous Profit Growth of 24.1% to HK\$ 211 million

Results Highlights

	<i>For the period ended 30 June</i>		Changes (%)
	2003 (HK\$ M)	2002 (HK\$ M) (As restated)	
Turnover	4,815	3,959	+ 21.6
Gross Profit	1,295	964	+ 34.3
Net Profit	211	170	+ 24.1
EPS – Basic (HK cents)	32.55	28.39	+ 14.7
Interim DPS (HK cents)	7.25	6.0	+ 20.8
Gross Profit Margin (%)	26.9	24.4	--
Net Profit Margin (%)	4.4	4.3	--

(HONG KONG, 18 August 2003) – **Techtronic Industries Co. Ltd.** (“TTI”) (stock code: 669, ADR symbol: TTNDY) today announced revenue of HK\$4,815 million and net profit of HK\$211 million for the six months ended 30 June 2003, representing a growth of 21.6% and 24.1% respectively, over the same period last year. Basic earnings per share increased 14.7% to HK cents 32.55 (2002: HK cents 28.39). The Directors recommend an interim dividend of HK cents 7.25.

Commenting on the interim results, **Mr. Horst Julius Pudwill, Chairman and CEO** of TTI said, “During the first half of the year, the global business environment was adversely affected by the war on Iraq and the SARS outbreak, which affected the confidence of consumers and retailers. Despite this, TTI still managed to record a very solid performance in all key markets and all product segments, testifying to our highly competitive position in the home improvement market and the relatively resilient nature of the market itself.

In addition, we are extremely excited about our successful expansion into the professional power tool segment with the launch of the new and comprehensive RIDGID® line, which will become another important growth driver for the Group. While continuing to build our profile in world markets, the Group will also focus on improving its cost efficiencies, particularly of the newly acquired operations. Our current order book remains robust, indicating even better performance in the second half of 2003.”

Business segment highlights

Outstanding performance was seen across the board in power tools, outdoor power equipment, floor care equipment and solar powered lighting and electronic measuring products, under both its own growing stable of brands and for private label customers.

Power Tools and Outdoor Power Equipment

Sales of the power tools and outdoor power equipment stood at HK\$3.7 billion, an increase of 13.1% as compared with the same period last year, accounting for 76.7% of the Group's total turnover.

Overall performance of the power tool division was satisfactory as the Group significantly expanded the product line and continued to align the brand in global markets. The development of a new range of professional grade power tools, under the RIDGID® brand marks another important achievement of the division. The new line will be available nationally in industrial supply channels and The Home Depot (the world's largest home improvement specialty retailer) in the United States and Canada beginning in October.

As for the sales performance of outdoor power equipment, with the relocation of the production plant of Homelite completed, the Group expanded the production capacity of the product brand, benefiting from further increased economies of scale. Several new products were introduced, with the "Expand-it" attachment system being particularly well received by the market. The division continues to move ahead of the industry in its performance.

Floor Care Appliances

Turnover of the Floor Care Appliances Division grew by 61.4% over the same period of 2002 to HK\$1.1 billion, accounting for 23.3% of the Group's turnover.

The solid growth reported by this division was mainly driven by healthy OEM sales in the US market. The performance of Royal was in line with expectations and the integration of the acquisition since April has been smooth, with the highly effective original management team remaining in place.

Turnover breakdown by products	<i>For the period ended 30 June</i>		Changes (%)
	2003 (HK\$ M)	2002 (HK\$ M)	
Power tool & outdoor products	3,693	3,264	+ 13.1
Floor care appliances	1,122	695	+ 61.4

- End -

About Techtronic Industries Co. Ltd.

Founded in 1985, Techtronic Industries Co. Ltd. (TTI) is a leading and fast-growing supplier of home improvement products, employing over 16,000 people worldwide. TTI's global brand portfolio includes RYOBI power tools, HOMELITE and RYOBI outdoor power equipment, DIRT DEVIL and VAX floor care appliances. The company has enjoyed continuous growth since its listing on the Hong Kong Stock Exchange in 1990, achieving double-digit growth for the past eight years. TTI is also one of the constituent stocks on the Hang Seng HK SmallCap Index under the Hang Seng Composite Index and on the MSCI Hong Kong Index. For more information, please visit www.tti.com.hk

For enquiries:

Techtronic Industries Co. Ltd.

Yammie Tang
Tel: + (852) 2402 6653
Fax: + (852) 2413 5971
Email: yammietang@tti.com.hk
Website: <http://www.tti.com.hk>

Strategic Financial Relations Limited

Veron Ng + (852) 2864 4831 veron@strategic.com.hk
Carol Lau + (852) 2864 4815 carol@strategic.com.hk
Fanny Jor + (852) 2864 4836 fanny@strategic.com.hk
Fax: + (853) 2804 2789 / 2527 1196

RESULTS SUMMARY

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the six months ended 30th June 2003

	<u>2003</u> HK\$' 000	<u>2002</u> HK\$' 000 (As restated)
Turnover	4,814,649	3,958,850
Cost of sales	(3,519,725)	(2,994,707)
Gross profit	1,294,924	964,143
Other operating income	38,738	38,508
Selling, distribution and advertising expenses	(438,604)	(269,562)
Administrative expenses	(532,145)	(459,431)
Research and development costs	(69,842)	(46,071)
Profit from operations	293,071	227,587
Finance costs	(38,990)	(37,548)
Profit before share of results of associates and taxation	254,081	190,039
Share of results of associates	187	(168)
Profit before taxation	254,268	189,871
Taxation	(30,437)	(15,066)
Profit before minority interests	223,831	174,805
Minority interests	(13,008)	(4,904)
Profit for the period	<u>210,823</u>	<u>169,901</u>
Dividends	<u>(65,388)</u>	<u>(45,025)</u>
Earnings per share		
Basic	<u>32.55 cents</u>	<u>28.39 cents</u>
Diluted	<u>31.82 cents</u>	<u>27.95 cents</u>