



Techtronic Industries Company Limited

[For Immediate Release]

TECHTRONIC Acquires RYOBI Power Tools Business in Europe

*Additional Milestone En Route to Becoming a
Global Brand Name Company, Builds Upon
Successful North American RYOBI acquisition*

(Hong Kong, August 8, 2001) - The world-leading manufacturer of power tools, **TECHTRONIC INDUSTRIES CO., LTD.** ("TTI") (HKEx: 669) today entered an agreement with Ryobi Limited to acquire their Ryobi Power Tools businesses in Europe.

The acquisition includes Ryobi Limited's European Power Tools and Outdoor Products marketing and distribution businesses located in France and the United Kingdom together with the perpetual right for the "RYOBI" brand name in Europe. The total consideration is US\$6.7 million, based on the net asset value of the businesses acquired, and will be financed by internal resources.

"The European Ryobi acquisition follows our successful purchase and integration of Ryobi in North America. This acquisition moves TTI closer to the fulfillment of our vision to become a global Own Brand Manufacturer (OBM). Ryobi is the foundation for our brand strategy in Power Tools. This acquisition effectively provides TTI with a major brand presence in the world's two largest power tool markets, North America and Europe," said Mr. Horst Pudwill, Chairman and CEO of TTI.

According to TTI Managing Director, Roy Chung, "The North American Ryobi acquisition completed in August last year, was a landmark event for the Group. The successful integration has substantially strengthened the scale and scope of the Group's power tool business. Europe is the second largest market for power tools in the world after North America, sales reached US\$4.6 billion in 2000 and expected to reach US\$6 billion by 2005. We see significant potential in penetrating this market with the strengthening of the Ryobi brand and our customer relationships as we leverage our research, design and product development, and capitalize on our low cost manufacturing base."

"The acquisition provides resources in marketing and product knowledge, plus valuable logistic capabilities in Europe for the Group. The business model for Ryobi in Europe will be similar to the North American Ryobi operation, where primary engineering and productions are carried out in the low manufacturing

cost region of Asia, while frontline marketing operations and product concept development are situated in local markets, next to our customers," added Mr. Pudwill.

"Plans to expand Ryobi's market presence in Europe are already being implemented. We have recruited senior management to focus on the development of the European market and are actively negotiating with our existing and potential customers in Europe to widen the scope of our activities. We have every confidence in our European Ryobi business and envisage positive growth in the years ahead," concluded Mr. Pudwill.

About TTI

Founded in the 1980s, TTI is a world leader in customer-focused design, engineering, manufacturing and marketing of power tools, floor care appliances, and solar and electronic products. TTI is a provider of many well-known private label brands. The Group operates manufacturing plants, totaling over 2.3 million sq. ft. of space throughout the world and has a total work-force of approximately 10,000 people with offices and operational bases in the Asia-Pacific, Europe and North America. In August 2000, TTI acquired the RYOBI brand of power tools in North America and its corresponding US operations. TTI has enjoyed continuous growth since its listing on the Hong Kong Stock Exchange in 1990, achieving a CAGR of over 25% for the past five years in both turnover and profit.

About Ryobi Limited

Ryobi Limited is a world-class manufacturer of die-castings with a lineup of finished products that includes printing equipment, power tools, builder's hardware, fishing tackle and golf equipment. Ryobi Limited is publicly listed on the Tokyo Stock Exchange.

For more details about Ryobi power tools products, please visit www.ryobi.com.

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