



[For Immediate Release]

**TTI Signs Agreement to Acquire Milwaukee®, AEG® and DreBo®
From Atlas Copco AB**

Acquisition bolsters TTI's global brand portfolio

Acquisition follows TTI's recent first half 2004 record earnings announcement of 41.8% net profit growth; nine straight years of double-digit earnings and revenue growth

(HONG KONG, 30th August, 2004) – **Techtronic Industries Co. Ltd.** ("TTI") (HKEx stock code 669; ADR symbol: TTNDY) today announced that it entered into a stock purchase agreement to acquire Atlas Copco AB's electric power tool and accessories business, currently conducted through Milwaukee Electric Tool Corporation and Atlas Copco Electric Tools GmbH and certain other entities under the brand names "Milwaukee®" and "AEG®." The net cash consideration for the purchase is US \$626.6 million on a debt-free basis, consisting of a total pre-adjustment purchase price of US\$712.8 million less agreed pre-closing adjustment of US\$86.2 million.

The transaction, which is subject to regulatory clearances and customary closing conditions, is expected to close prior to the end of 2004.

Mr. Horst J. Pudwill, Chairman and CEO of TTI said, "We are pleased to add the Milwaukee® and AEG® brands of power tools and DreBo® carbide drill bits to our growing family of global brands. With their 80-year histories, Milwaukee® is one of the most widely respected brands in the professional contractor market segment and in Europe, AEG® brings an additional highly respected brand to our portfolio. This acquisition takes advantage of our marketing and distribution networks and enhances our reach into the industrial/construction channel and power tool accessory market. The TTI Group is confident in its ability to continue generating strong double-digit returns for its shareholders."

“TTI Group welcomes Milwaukee®, AEG®, DreBo® and their employees to our global team consisting of Ryobi® power tools and outdoor products, Homelite® consumer products and Dirt Devil® floor care appliances,” said Horst J. Pudwill. “The TTI Group is particularly excited about the superb engineering and manufacturing expertise represented at Milwaukee® and AEG®. This acquired expertise will further enhance our global ability to expand our entire product portfolio and enables us to work with Milwaukee®’s strong dealer base in the U.S., an important distribution channel for the professional contractor. Additionally, the Milwaukee®, AEG® and DreBo® complement our Ryobi® brand of consumer power tools and accessories.”

“The TTI North America Group and its 1,800 employees has continued to deliver record results in the first half of 2004,” said Mr Bob Freitag, President of North American Hardware Group. “Results over the past six months continue to significantly outpace our competitors and we are proud of our continued ability to return high double-digit revenue growth across all lines of our power tool equipment business.” Growth was seen in all key markets and all product segments, as TTI continued to gain market share in all brand categories.

Earnings

On 12th August, 2004, TTI reported net profit of US \$38 million (HK\$299 million) for the six months ended 30th June, 2004, representing 41.8% growth over the same period last year.

TTI’s full earnings announcement and Investor Presentation Broadcasting are available at www.ttigroup.com

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About TTI

Founded in 1985, TTI is a leading manufacturer and supplier of home improvement and floor care products, employing over 16,000 people worldwide. TTI's global brand portfolio includes Ryobi® power tools, Homelite® and Ryobi® outdoor power equipment, Royal®, Dirt Devil®, Regina® 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 nine consecutive years. TTI is one of the constituent stocks on the Hang Seng HK MidCap Index under the Hang Seng Composite Index, the MSCI Hong Kong Index, the FTSE All-World Hong Kong Index and the FTSE/Hang Seng Asian Cyclical Index. For more information, please visit www.ttigroup.com.

About Milwaukee® and AEG®

Milwaukee® is a leading producer and seller of heavy-duty portable electric tools and accessories. It designs and sells a substantial range of professional drills, Sawzalls®, circular saws, grinders and hammers to tools designed for specific applications such as diamond drill rigs and Steel Hawg cutting systems. In addition, over 3,500 accessories are available to support every product. End user customers are primarily sophisticated professional tool users. The geographical focus has mainly been North America, but during 2001 and 2002 the brand has also been launched in Australia and Europe complementing the AEG® brand of tools.

Atlas Copco Electric Tools GmbH is located in Winnenden near Stuttgart/Germany and is responsible for developing, manufacturing and distribution of high-quality portable power tools under the AEG® and Milwaukee® brands and accessories. The products are marketed through a number of sales companies worldwide, with a main business focus on Europe, Asia, Australia, and South Africa and target mainly the professional market such as the construction industry and high-end user.

For enquiries:

Techtronic Industries Co. Ltd.

Yammie Tang

Tel: + (852) 2402 6653

Fax: + (852) 2413 5971

Email: yammietang@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

Annisa Tong + (852) 2864 4836 annisa@strategic.com.hk

Fax: + (853) 2804 2789 / 2527 1196