

**Powerful Brands
Innovative Products
Exceptional People
Operational Excellence**



2013 1H Interim Results Presentation

August 22, 2013

Frank Chan

1H 2013 Results

2013 1H Results

(US\$ m)	<u>1H 2012</u>	<u>1H 2013</u>	<u>Change</u>
Sales	\$1,855	\$2,042	+10.1%
Gross Margin %	33.5%	34.0%	+0.5pts
EBIT	\$127	\$142	+12.2%
<i>% of sales</i>	<i>6.8%</i>	<i>7.0%</i>	
Net Profit	\$96	\$118	+22.0%
<i>% of sales</i>	<i>5.2%</i>	<i>5.8%</i>	
EPS (cents)	5.69¢	6.43¢	+13.0%
Dividend (HK cents)	6.75¢	10.00¢	+48.1%

2013 1H Segment Results

(US\$ m)		<u>1H 2012</u>	<u>1H 2013</u>	<u>Change</u>
<u>Segment</u>				
Power	Sales	\$1,407	\$1,519	+7.9%
Equip.	Op Profit	\$115	\$128	+11.7%
	<i>% of sales</i>	<i>8.2%</i>	<i>8.4%</i>	
Floor Care	Sales	\$447	\$523	+17.0%
Appliance	Op Profit	\$16	\$19	+18.2%
	<i>% of sales</i>	<i>3.6%</i>	<i>4.2% *</i>	

* 4.2% excludes one time expenses of relocating a portion of the Floor Care Manufacturing.

2013 1H Sales

REGION	<u>1H 2012</u>	<u>1H 2013</u>	<u>Change</u>
NA	\$1,340	\$1,479	+10.3%
EMEA	\$391	\$426	+9.1%
ROW	\$124	\$138	+11.2%

2013 1H Income Statement

(US\$ m)	<u>1H 2012</u>	<u>1H 2013</u>	<u>Change</u>
Sales	\$1,855	\$2,042	+10.1%
Gross Margin	\$622	\$694	+11.6%
<i>% of sales</i>	<i>33.5%</i>	<i>34.0%</i>	
Selling, Distribution, & Advertising	\$256	\$279	+9.0%
Administrative Expenses	\$205	\$227	+11.1%
Research & Development	\$37	\$48	+29.0%
Total SG&A Expenses	\$498	\$554	+11.4%
<i>% of sales</i>	<i>26.8%</i>	<i>27.1%</i>	
Finance Cost	\$26	\$20	-25.6%
Profit before Income Tax	\$104	\$127	+22.2%
Income Tax Expenses	\$8	\$10	+28.8%
Net Profit	\$96	\$118	+22.0%
<i>% of sales</i>	<i>5.2%</i>	<i>5.8%</i>	

2013 1H Financial Position

(US\$ m)	<u>1H 2012</u>	<u>1H 2013</u>	<u>Change</u>
Non-current Assets	\$1,413	\$1,464	+3.6%
Current Assets	\$2,144	\$2,356	+9.9%
Current Liabilities	\$1,617	\$1,741	+7.7%
Net Current Assets	\$527	\$615	+16.7%
Long-term Liabilities	\$475	\$435	-8.4%
Equity	\$1,456	\$1,636	+12.4%
Interest Coverage (x)	7.2x	10.8x	

2013 1H Gearing

	<u>1H 2011</u>	<u>1H 2012</u>	<u>1H 2013</u>
Gearing	66.1%	37.4%	26.2%

2013 1H Key Financial Figures

(US\$ m)	<u>1H 2012</u>	<u>1H 2013</u>	<u>Change</u>
Inventory	\$752	\$818	
<i>Days</i>	73	74	+1 day
Receivables	\$659	\$788	
<i>Days</i>	64	71	+7 days
Payables	(\$705)	(\$861)	
<i>Days</i>	69	78	+9 days
Net Working Capital	\$706	\$745	
<i>% of Sales</i>	18.9%	18.4%	-0.5pts
Cash Balance	\$530	\$573	+8.2%
CAPEX	\$37	\$47	+27.3%

2013 1H Debts with Fixed Maturity Profile

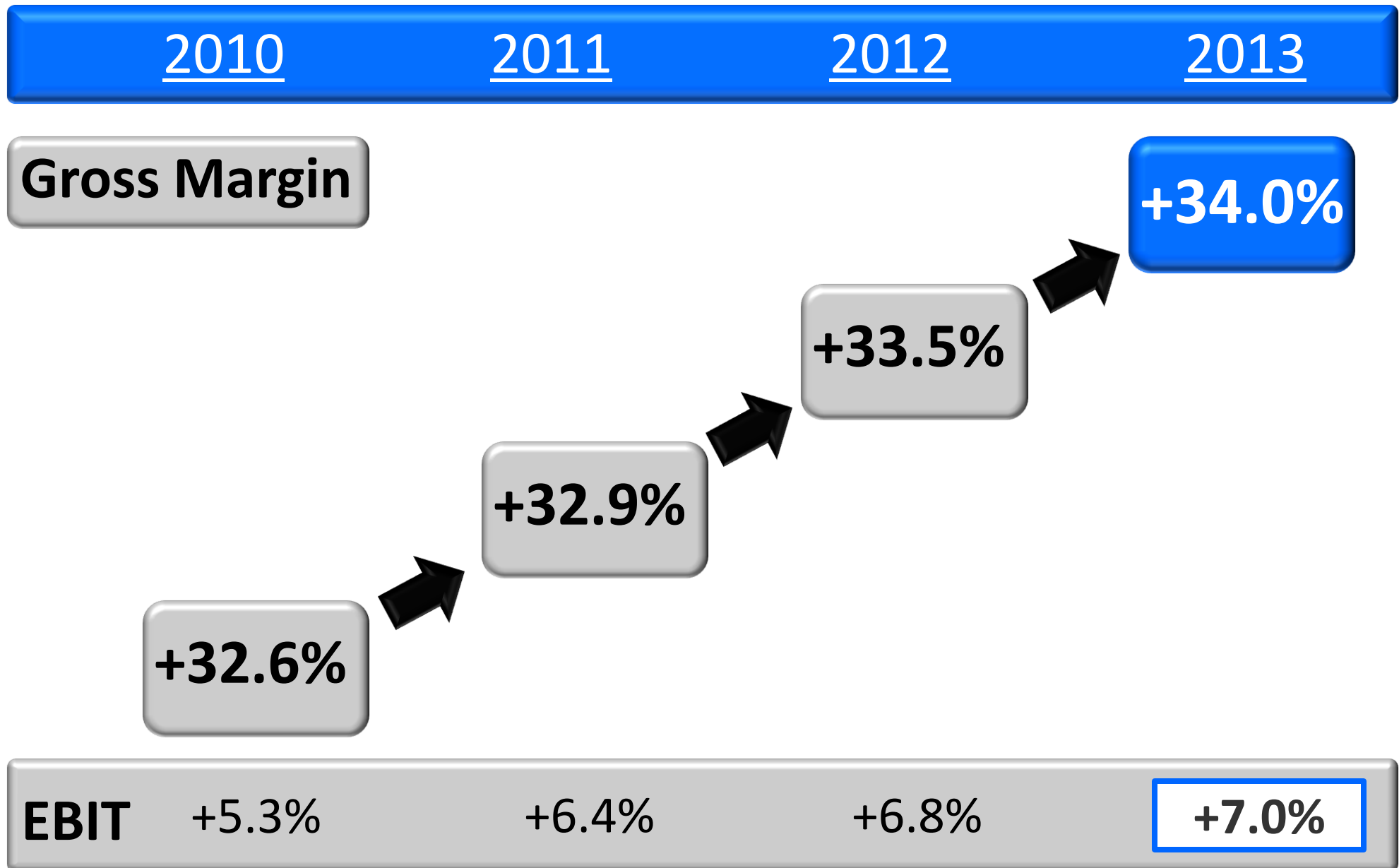
(US\$ m)		<u>1H 2012</u>		<u>1H 2013</u>	<u>Change</u>
Cash Balance		\$530		\$573	+8.2%
Short-term Debt Total	32%	\$168	38%	\$197	+17.3%
Long-term Debt Total	68%	\$362	62%	\$318	-12.1%
Total Debt		\$530		\$515	-2.8%
Floating Rate	75%	\$396	82%	\$420	+6.1%
Fixed Rate	25%	\$134	18%	\$95	-29.0%

Joe Galli

2013 1H Results

(US\$ m)	<u>1H 2012</u>	<u>1H 2013</u>	<u>Change</u>
Sales	\$1,855	\$2,042	+10.1%
GM %	33.5%	34.0%	+0.5pts
SG&A %	26.8%	27.1%	+0.3pts
EBIT	\$127	\$142	+12.2%
<i>% of sales</i>	<i>6.8%</i>	<i>7.0%</i>	<i>+0.2pts</i>

1H Continuous Improvement



2013 1H Results

(US\$ m)	<u>1H 2012</u>	<u>1H 2013</u>	<u>Change</u>
EBIT	\$127	\$142	+12.2%
Net Profit	\$96	\$118	+22.0%
EPS (cents)	5.69¢	6.43¢	+13.0%

2013 1H Sales

REGION	<u>1H 2012</u>	<u>1H 2013</u>	<u>Change</u>
NA	\$1,340	\$1,479	+10.3%
EMEA	\$391	\$426	+9.1%
ROW	\$124	\$138	+11.2%

2013 1H Working Capital Performance

(US\$ m)	<u>1H 2012</u>	<u>1H 2013</u>	<u>Change</u>
Inventory	\$752	\$818	
<i>Days</i>	<i>73</i>	<i>74</i>	<i>+1 day</i>
Receivables	\$659	\$788	
<i>Days</i>	<i>64</i>	<i>71</i>	<i>+7 days</i>
Payables	(\$705)	(\$861)	
<i>Days</i>	<i>69</i>	<i>78</i>	<i>+9 days</i>
WC % of Sales	18.9%	18.4%	-0.5pts

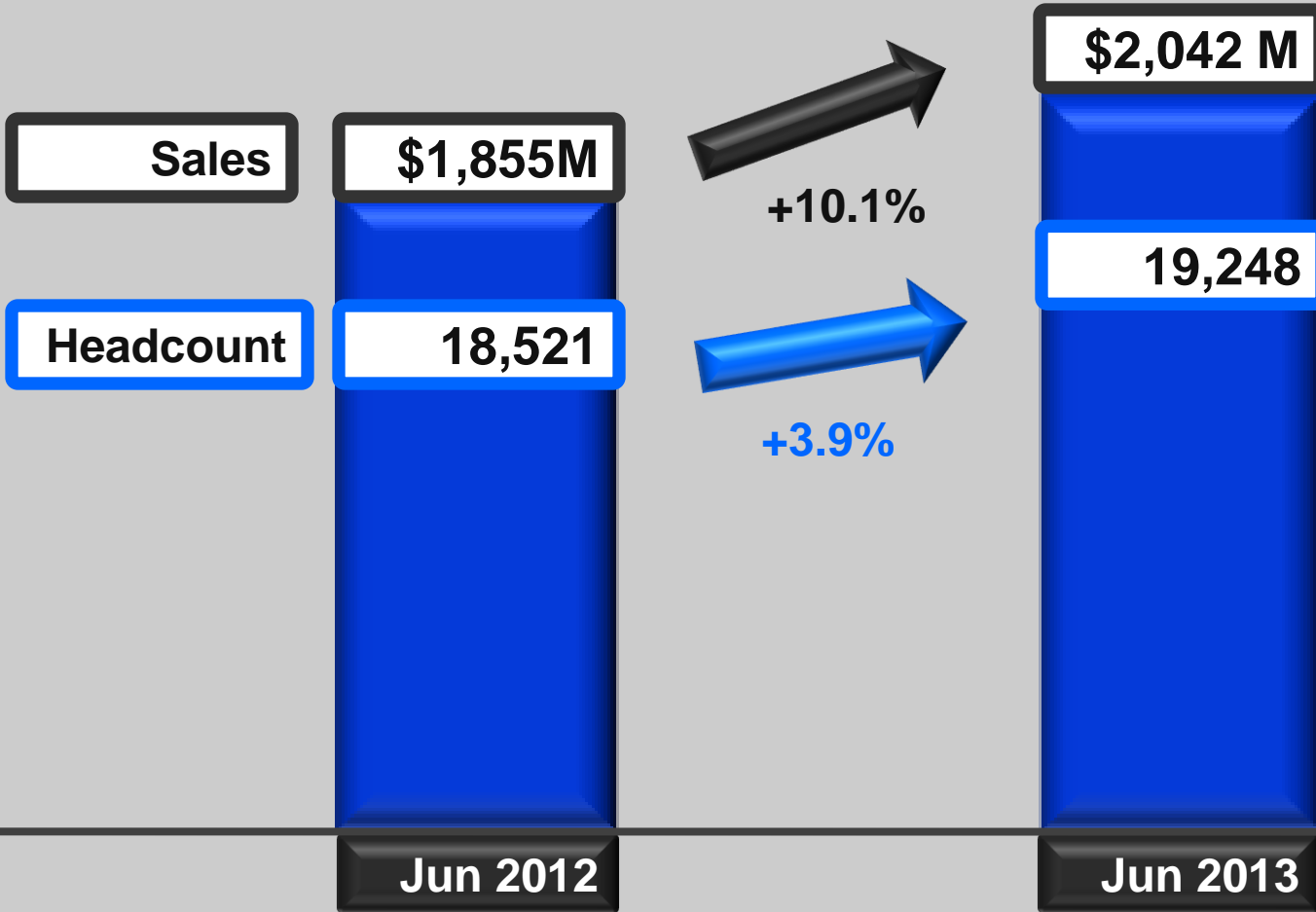


Power Tool Market Share

<u>Region</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
US	↑	↑	↑
Canada	↑	↑	↑
EMEA	↑	↑	↑
ANZ	↑	↑	↑
LA	↑	↑	↑
Asia	↑	↑	↑



Productivity Progress





®

**Dirt
Devil[®]**


RYOBI[®]

18v ONE + SYSTEM

Lithium 18V

RYOBI[®]



OUTDOOR CORDLESS PRODUCTS

RYOBI[®]

18v ONE + SYSTEM **Lithium Hybrid 18V**

OUTDOOR CORDLESS PRODUCTS

RYOBI[®]



OUTDOOR CORDLESS PRODUCTS

Milwaukee®

The Milwaukee logo is rendered in a white, stylized, gothic-style script font against a solid red background. The word "Milwaukee" is slanted upwards from left to right. A white lightning bolt graphic is positioned below the text, extending from the bottom of the letter 'M' to the bottom of the letter 'e'. A small registered trademark symbol (®) is located at the top right of the word.

Milwaukee®

The Milwaukee logo is rendered in a white, stylized, cursive font. A white lightning bolt graphic is positioned below the text, extending from the left side of the 'M' towards the right, ending under the 'e'.

M18 FUEL™

DRIVEN TO OUTPERFORM.™

Milwaukee[®]

The Milwaukee logo is rendered in a white, stylized, gothic-style script font. A white lightning bolt graphic is positioned below the text, extending from the left side of the 'M' towards the right, ending under the 'e'.

M12 FUEL[™]

DRIVEN TO OUTPERFORM.[™]

Milwaukee[®]

The Milwaukee logo is rendered in a white, stylized, gothic-style font against a solid red background. The word "Milwaukee" is slanted upwards from left to right. A white lightning bolt graphic is positioned below the text, extending from the bottom of the 'M' towards the right, ending under the 'e'. A small registered trademark symbol (®) is located at the top right of the word.

Milwaukee[®]

The Milwaukee logo is rendered in a white, stylized, gothic-style font. Below the text is a white lightning bolt graphic that extends from the bottom of the 'M' and points towards the right, ending under the 'e'.

HAND TOOLS

Milwaukee®

The Milwaukee logo is rendered in a white, stylized, gothic-style script font against a solid red background. The word "Milwaukee" is slanted upwards from left to right. A white lightning bolt graphic is positioned below the text, extending from the left side of the 'M' towards the right, ending under the 'e'. A small registered trademark symbol (®) is located at the top right of the word.

