

TTI DELIVERS RECORD SALES, GROSS MARGIN AND PROFIT FOR 2016
Growth Driven by Innovative New Products

Highlights	2016 US\$	2015 US\$	
	million	million	Changes
Revenue	5,480	5,038	+8.8%
Gross profit margin	36.2%	35.7%	+50 bps
EBIT	450	400	+12.6%
Profit attributable to Owners of the Company	409	354	+15.4%
Basic earnings per share (US cents)	22.32	19.37	+15.2%
Dividend per share (approx. US cents)	6.44	5.05	+27.4%

- Revenue increased 8.8% to a record US\$5.5 billion
- Revenue adjusted for foreign currency grew 9.8%
- MILWAUKEE business continues to grow with strong momentum
- RYOBI business delivered double-digit revenue growth
- Gross margin expanded from 35.7% to 36.2%, an increase of 50 basis points
- Net profit increased 15.4% for the year, delivering double-digit growth for nine consecutive years
- Efficient working capital management at 16.4% of revenue

(Hong Kong, March 14, 2017) - Hong Kong-based global power equipment and floor care company **Techtronic Industries Co. Ltd.** ("TTI" or the "Group") (stock code: 669, ADR symbol: TTNDY) announced its results for the financial year ended December 31, 2016. Revenue increased 8.8% over 2015 to US\$5.5 billion, through continued investments in new product development, R&D and marketing. Revenue before currency adjustment rose 9.8% with all geographic regions delivering solid growth. Its core strengths of innovation, execution and speed to market are the prime competitive advantages driving TTI's success. Gross profit margin improved from 35.7% to 36.2% driven by new product introductions, mix, operating leverage and productivity gains. Earnings before interest and taxes, increased by 12.6% to US\$450 million, with margin improving by 30 basis points to 8.2%. Shareholders' profits rose 15.4% to US\$409 million, with earnings per share increasing by 15.2% over 2015 to US\$22.32 cents. Working capital as a percentage of sales remained low at 16.4% and our gearing at 5.2%. The Board is recommending a final dividend of HK\$30.00 cents (approximately US\$3.86 cents) per share, which will result in a full-year dividend that is 27.4% higher than last year.

TTI's largest business, Power Equipment, had another exceptional year with sales growth of 12.6% to US\$4.5 billion, accounting for 81.6% of total sales, and an increase in operating profit of 13.4% to US\$430 million from US\$379 million in 2015. Sales from the Floor Care and Appliance business slightly below last year by 5.3%, but delivered encouraging growth in the second half in North America. The Group is confident that the strategy is driving innovation through product development with technology-driven solutions and a focus on cordless and professional cleaning will drive the turnaround in the coming years.

Mr. Horst Pudwill, Chairman of TTI, said, "I am delighted to announce that 2016 was our seventh consecutive year of record sales and ninth consecutive year of record profit. We achieved this with a disciplined focus on our four key strategic drivers of powerful brands, innovative products, exceptional people and operational excellence which enabled us to further drive our financial performance and build on our business milestones."

Mr. Joseph Galli, CEO of TTI, commented, "Our new product flow will continue and I am extremely excited about the innovation that we have coming which will feed into our product pipeline well into the future. We will continue exploring new strategic initiatives while at the same time expanding our core business into new categories and geographies."

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About TTI

Founded in 1985 and listed on the Stock Exchange of Hong Kong Limited in 1990, TTI is a world-class leader in quality consumer, professional and industrial products marketed to the home improvement, hardware, and construction industries. An unrelenting strategic focus on Powerful Brands, Innovative Products, Exceptional People and Operational Excellence drives our success. TTI's powerful brand portfolio includes MILWAUKEE, AEG and RYOBI power tools, accessories and hand tools, RYOBI and HOMELITE outdoor products, EMPIRE layout and measuring products, and HOOVER, ORECK, VAX and DIRT DEVIL Floor Care and Appliances.

TTI is one of the constituent stocks of the MSCI All Country World Index (ACWI), FTSE Developed Index and Hang Seng Composite LargeCap Index under the Hang Seng Composite Size Index. For more information, please visit www.ttigroup.com.

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