

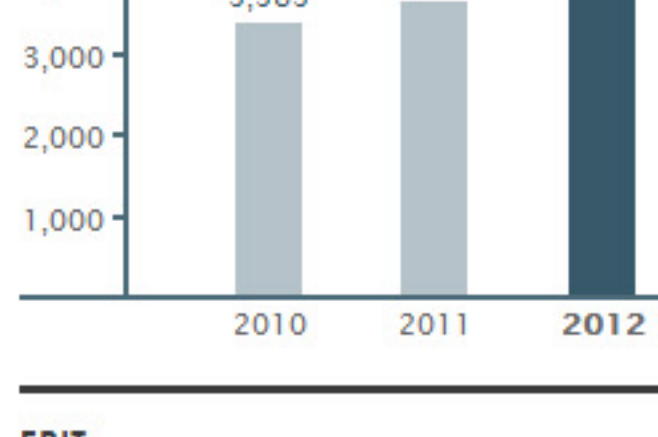
FINANCIAL HIGHLIGHTS

A thoughtful, comprehensive strategy and disciplined execution delivered record results.

- ▶ Record sales
- ▶ Record profit
- ▶ Record cash flow

SALES TURNOVER

USDm

USD**3,852m**

GROSS MARGIN

%

33.5%

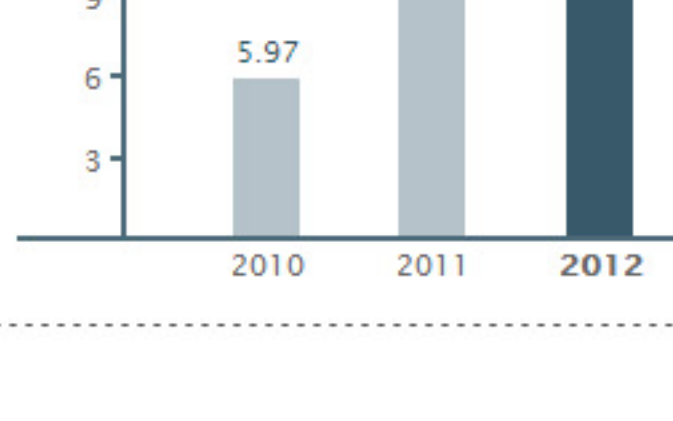
EBIT

USDm

USD**260m**

BASIC EARNINGS PER SHARE

US cents

US**11.42 cents**

CHAIRMAN'S STATEMENT

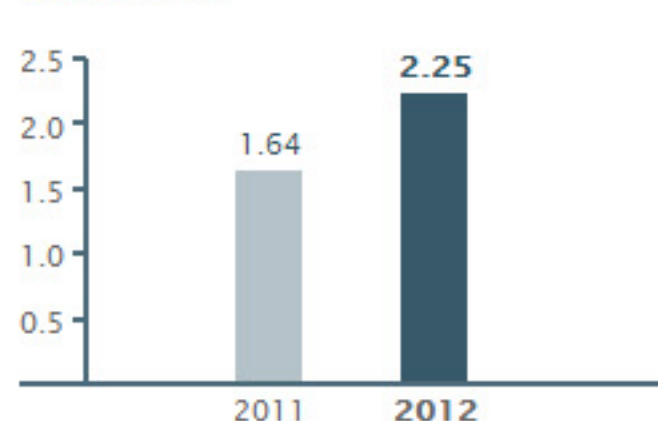


I am pleased with the sustained progress made in new product development and our excellent productivity gains, which are the catalysts for sales and profit growth.

I am pleased to announce that in 2012 TTI delivered record sales, record profit and record cash flow. Our disciplined implementation of the TTI strategic plan is yielding outstanding results across all of our business units and geographic regions. I am particularly pleased with the sustained progress made in new product development and our excellent productivity gains, which are the catalysts for sales and profit growth. These results once again demonstrate the fundamental strengths of TTI's focus on our strategic drivers of Powerful Brands, Innovative Products, Operational Excellence and Exceptional People.

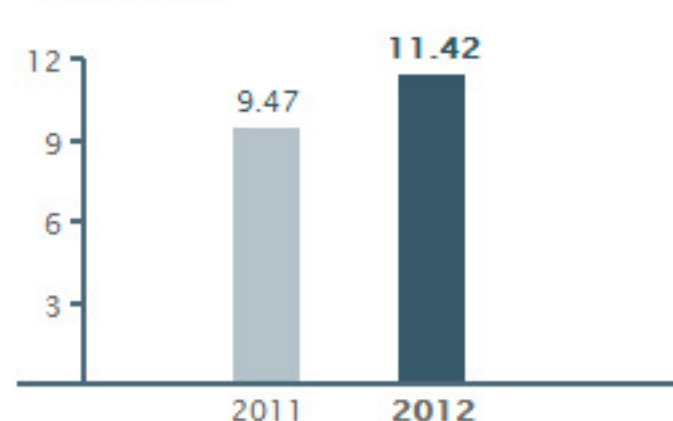
DIVIDEND PER SHARE

US cents

+37.3%

BASIC EARNINGS PER SHARE

US cents

+20.6%[▶ Read more about the Chairman's Statement](#)

CEO'S STRATEGIC REVIEW



A Bold Vision Driven by a Powerful Strategic Roadmap

TTI has a powerful strategy and a disciplined process to ensure we deliver outstanding performance in any economic environment and across all geographic regions. Our vision is to become the global leader in each of our strategic businesses through the deployment of Powerful Brands, Innovative Products, Operational Excellence and Exceptional People. Over the past few years we have raised the level of performance at TTI by focusing on executing our Strategic Roadmap. The record results in 2012 and our accomplishments over the last three years demonstrate that we are on the right path. We have achieved our record performance by consistently delivering strong organic growth. We have also increased free cash flow while strengthening our balance sheet with efficient use of working capital.

[▶ Read more about the CEO's Statement](#)

REVIEW OF OPERATIONS

Power Equipment

SALES BY BUSINESS

**USD2.9 billion**
74.4% of the total turnover

The Power Equipment business comprises power tools, hand tools, outdoor products and accessories. In 2012, sales at this business rose by 7.6% to USD2.9 billion, supported by growth in all geographic markets and the strong global expansion of MILWAUKEE®. We have solid momentum behind the MILWAUKEE® REDLITHIUM™ cordless platforms and there has been further growth in Hand Tools and Power Tool Accessories. RYOBI® cordless lithium ion power tools and outdoor products continue to make impressive gains with consumers. The business accounted for 74.4% of Group turnover, against 72.6% in 2011. We generated approximately one third of sales from new products, in line with our plans.

[Power Equipment Highlights](#)

Floor Care and Appliances

SALES BY BUSINESS

**USD1.0 billion**
25.6% of the total turnover

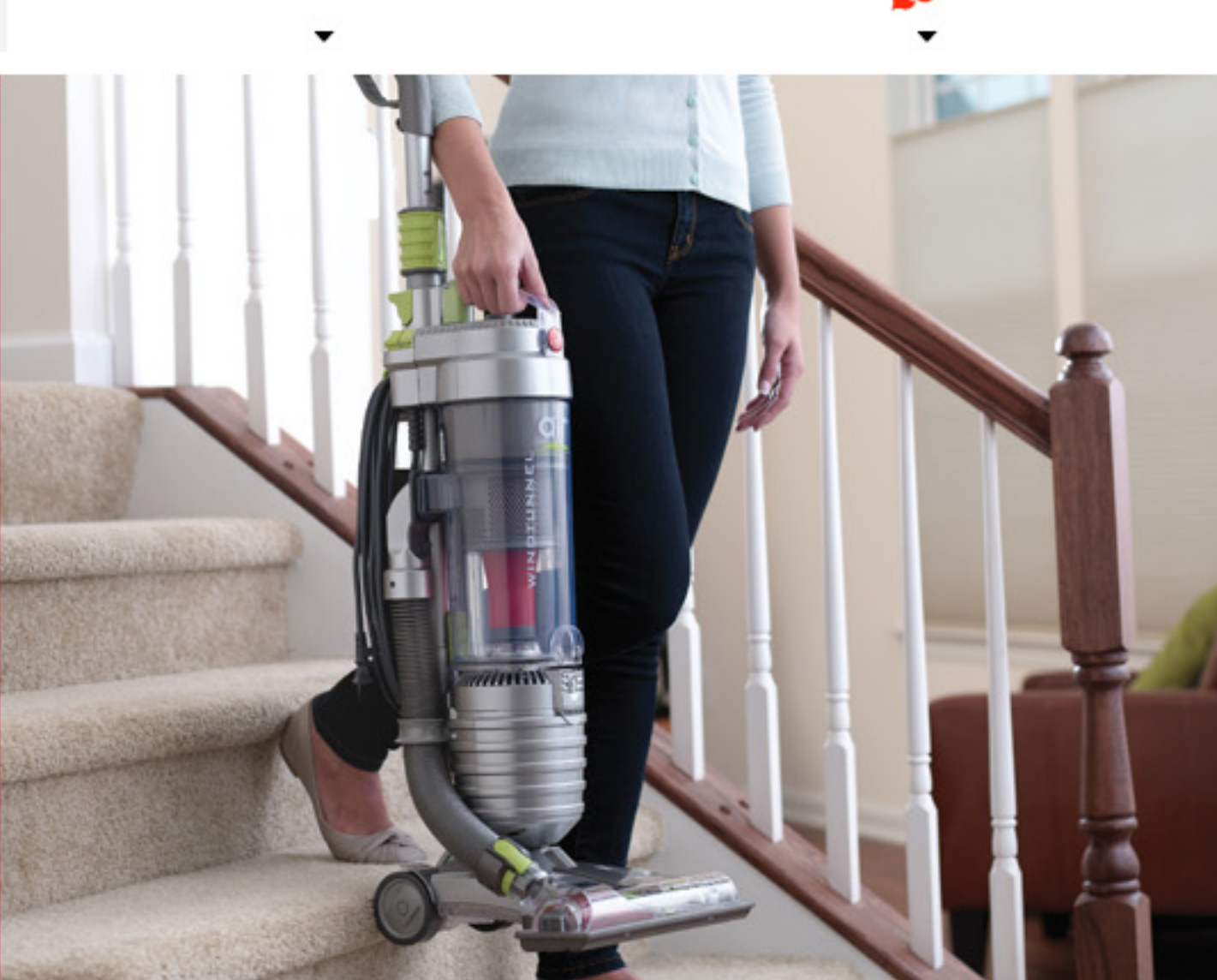
Floor care and Appliances margins improved significantly, but sales fell slightly by 1.6% over 2011 to USD1.0 billion following a rationalization of the business which has seen non-performing operations cut and expenses reduced in North America. Our global product development process and centralized purchasing initiatives are bringing benefits. Key gains were made in Europe, with double-digit revenue growth, while global new products sales were maintained at one third of total sales. The business accounted for 25.6% of Group turnover against 27.4% in 2011. [Floor Care and Appliances Highlights](#)

Our Brands

POWER EQUIPMENT



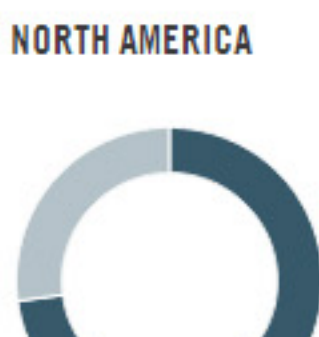
FLOOR CARE AND APPLIANCES



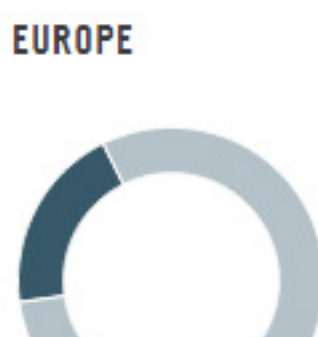
OPERATIONAL HIGHLIGHTS

SALES BY LOCATION

NORTH AMERICA

**72.9%**

EUROPE

**19.9%**

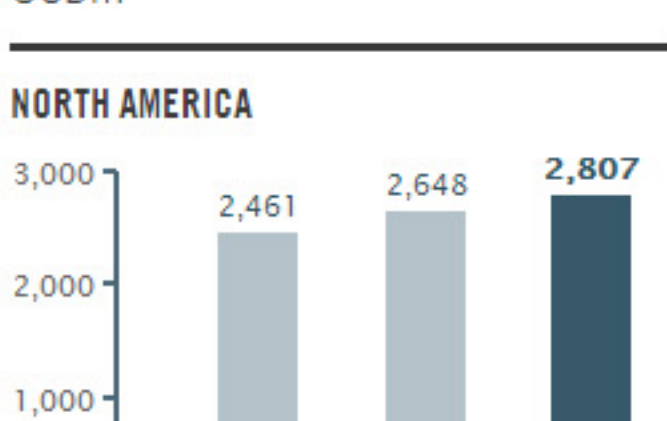
REST OF THE WORLD

**7.2%**

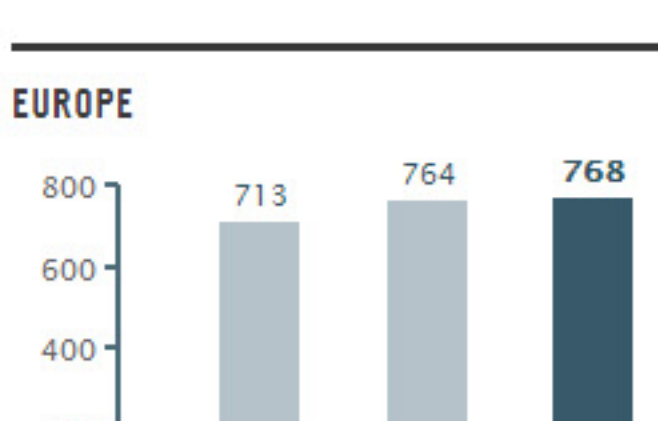
TURNOVER FROM EXTERNAL CUSTOMERS

USDm

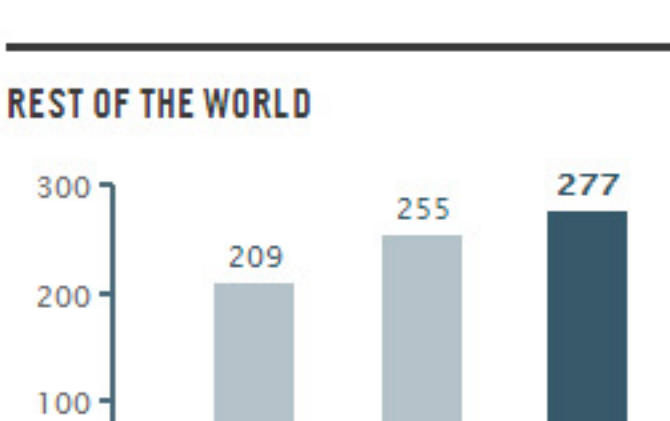
NORTH AMERICA



EUROPE



REST OF THE WORLD

[▶ Read more about the Operational Highlights](#)

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Full Report (PDF)

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Sections (PDF)

EXECUTIVE SUMMARY

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- [Chairman's Statement](#)
- [Chief Executive Officer's Strategic Review](#)
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- [Power Equipment](#)
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- [Floor Care and Appliances](#)

MD&A & GOVERNANCE

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FINANCIALS

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