



**2010**

# **Annual Results Presentation**

*March 25, 2011*

# 2010 Full Year Results

	2009 <u>US\$m</u>	2010 <u>US\$m</u>	<u>Change</u>
Sales	3,075	3,383	+10.0%
Gross Profit Margin%	31.3%	32.2%	+0.9pt
SG&A % of Sales	27.7%	26.9%	-0.8pt
EBIT	125	167	+33.1%
<i>margin</i>	4.1%	4.9%	
EBIT before restructuring	125	194	+54.4%
<i>margin</i>	4.1%	5.7%	
Net Profit	63	95	+50.7%
<i>margin</i>	2.0%	2.8%	
EPS (cents)	4.09	5.93	+45.1%

# 2010 Income Statement

	2009 US\$m	2010 US\$m	Change
<b>Total Revenue</b>	3,075	3,383	10.0%
<b>Gross Profit</b>	961	1,089	13.3%
<i>% of sales</i>	31.3%	32.2%	
Selling, distribution, advertising & warranty exp	427	481	12.4%
Administrative expenses	357	366	2.5%
Research & development cost	66	65	-1.8%
<b>Total SG&amp;A Expenses</b>	851	911	7.1%
<i>% of sales</i>	27.7%	26.9%	
Finance Cost	73	74	2.5%
<i>% of sales</i>	2.4%	2.2%	
<b>Profit before Income Tax</b>	55	96	73.8%
Income Tax Expenses	-8	0	-99.1%
<b>Net Income before Minority Interest</b>	63	96	51.8%
Minority Interest	0	1	354.2%
<b>Net Profit</b>	63	95	50.7%
<i>% of sales</i>	2.0%	2.8%	
<b>EBITDA</b>	229	280	22.6%
<i>% of sales</i>	7.4%	8.3%	

## 2010 Financial Position

	2009 US\$m	2010 US\$m	Change
Non-current Assets	1,310	1,352	+3.2%
Current Assets	1,739	1,914	+10.1%
Current Liabilities	1,393	1,423	+2.2%
Net Current Assets	346	491	+41.9%
Long-term Liabilities	606	713	+17.7%
Shareholders' Funds	1,036	1,115	+7.6%
<b>Current Ratio</b>	1.25	1.34	
<b>Quick Ratio</b>	0.8	0.9	

## 2010 Key Financial Figures

	2009 US\$m	2010 US\$m	Change
Inventory	611	645	+5.5%
<i>Days</i>	73	70	-3 days
Trade Receivables	456	508	+11.4%
<i>Days</i>	54	55	+1 day
Trade Payables	-494	-483	-2.3%
<i>Days</i>	59	52	-7 days
Net Working Capital	573	670	+16.9%
<i>% of Sales</i>	18.6%	19.8%	+1.2pts
Cash Balance	426	513	+20.4%
CAPEX	89	93	+4.0%

## 2010 Debts with Fixed Maturity Profile

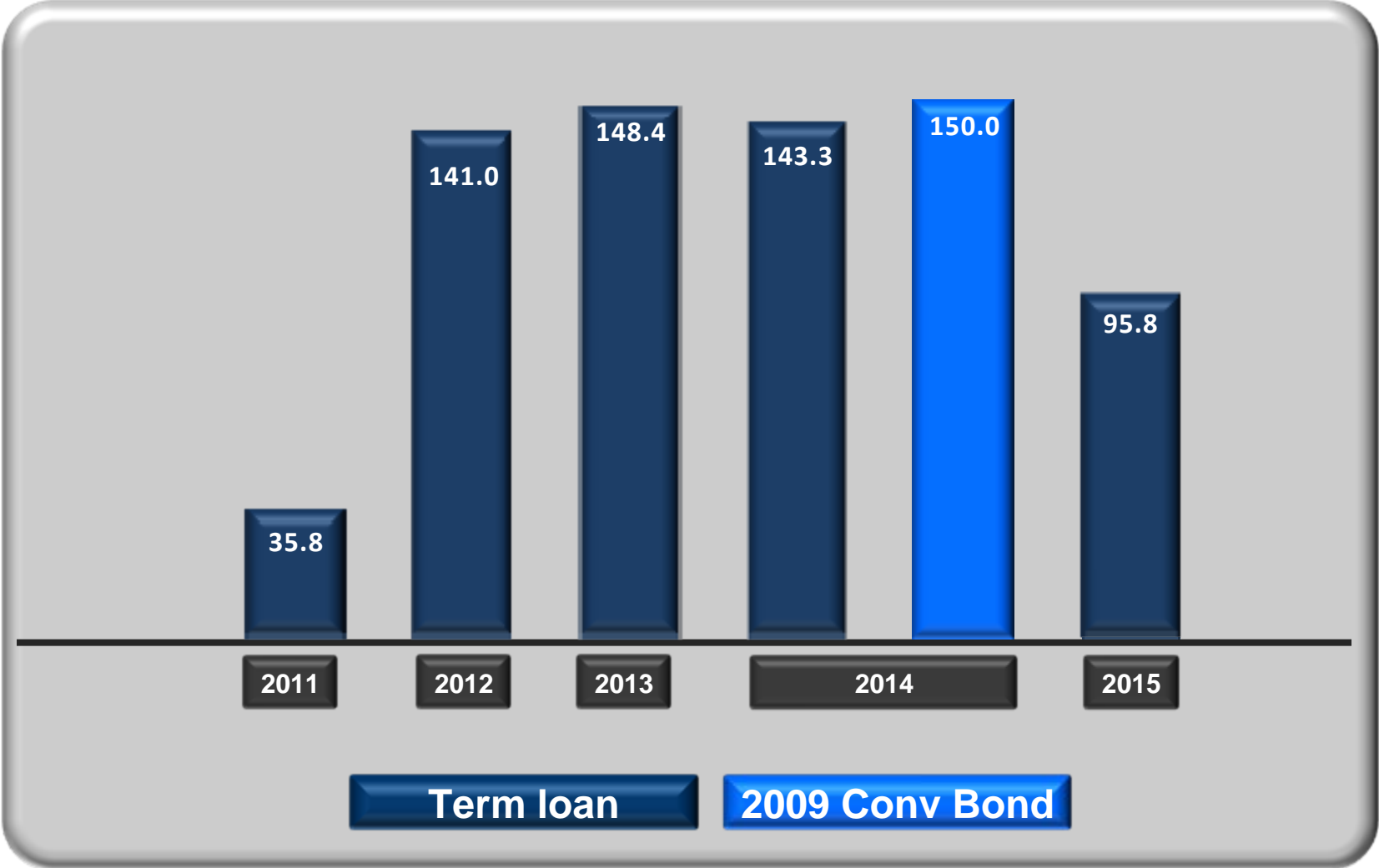
		2009 US\$m		2010 US\$m	Change
Cash		426		513	+20.4%
Short-term Debt		342		312	-9.0%
Short-term Debt Total	43%	342	33%	312	-9.0%
Long-term Debt - Fixed		315		168	-46.7%
Long-term Debt - Floating		17		298	+1,613.5%
Long-term Debt - CB		122		127	+4.4%
Long-term Debt Total	57%	454	67%	593	+30.6%
Total Debt		797		905	+13.6%
Interest Coverage (x)		3.2x		3.8x	

*Interest cover = EBITDA/Interest expense*

## Proforma Debt to Equity Ratio Assuming CB converted

(US\$m)	<u>Dec 2010</u>	<u>CB</u>	<u>Dec 2010 Proforma</u>
Net Debt	812	-150	662
Equity	1,115	150	1,265
Debt-to-Equity Ratio	72.9%		52.3%

# Proforma Debt Maturity Profile as at 28 Feb 2011





# 2010 Full Year Results

	2009 <u>US\$m</u>	2010 <u>US\$m</u>	<u>Change</u>
Sales	3,075	3,383	+10.0%
GM%	31.3%	32.2%	+0.9pt
SG&A%	27.7%	26.9%	-0.8pt
EBIT <i>before restructuring</i>	125	194	+54.4%
<i>% of sales</i>	<i>4.1%</i>	<i>5.7%</i>	<i>+1.6pts</i>

# 2010 Full Year Results

	2009 <u>US\$m</u>	2010 <u>US\$m</u>	<u>Change</u>
<b>EBITDA</b> <i>before restructuring</i>	229	307	+34.3%
<b>EBIT</b> <i>before restructuring</i>	125	194	+54.4%
<b>Net Profit</b>	63	95	+50.7%
<b>EPS</b>	4.09	5.93	+45.1%

## 2010 Sales Growth

	<u>2009</u> <u>US\$m</u>	<u>2010</u> <u>US\$m</u>	<u>% Growth</u>
North America	2,322	2,461	+6.0%
ROW	753	922	+22.4%
Total	3,075	3,383	+10.0%



# Power Tool Market Share

<u>Region</u>	<u>2009</u>	<u>2010</u>
US	↑	↑
Canada	↑	↑
Europe	↑	↑
Australasia	↑	↑
Latin America	↑	↑



**Power Tool  
Accessories**

**+16%**

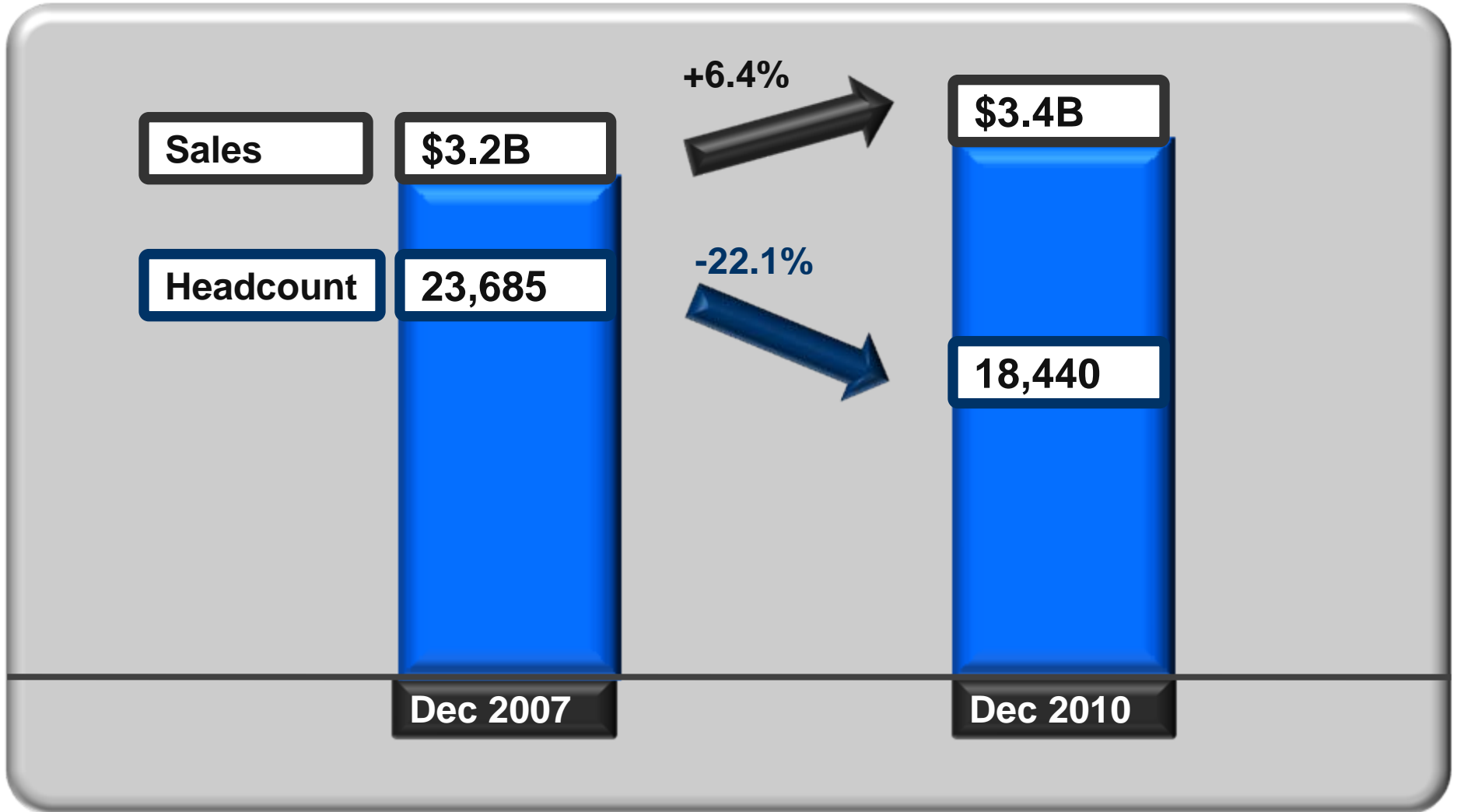


# INDUSTRIAL PARK





# Productivity Progress





# INNOVATION CENTRE





Milwaukee<sup>®</sup>

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, also slanted upwards from left to right, with its tip pointing towards the bottom left. A registered trademark symbol (®) is located at the top right of the word.



**AEG**

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*New Product Machine*