



**POWERFUL BRANDS
INNOVATIVE PRODUCTS
EXCEPTIONAL PEOPLE
OPERATIONAL EXCELLENCE**



2014 1H Interim Results Presentation

August 21, 2014

Frank Chan

1H 2014 Results

2014 1st Half Results

(US\$ m)	<u>1H 2013</u>	<u>1H 2014</u>	<u>Change</u>
Sales	\$2,042	\$2,250	+10.2%
Gross Margin %	34.0%	35.0%	+1.0pt
EBIT	\$142	\$162	+13.6%
<i>% of sales</i>	<i>7.0%</i>	<i>7.2%</i>	
Net Profit	\$118	\$136	+15.9%
<i>% of sales</i>	<i>5.8%</i>	<i>6.1%</i>	
EPS (cents)	6.43¢	7.45¢	+15.9%

2014 1st Half Segment Results

(US\$ m)		<u>1H 2013</u>	<u>1H 2014</u>	<u>Change</u>
<u>Segment</u>				
Power Equip.	Sales	\$1,519	\$1,678	+10.5%
	<i>Segment %</i>	<i>74.4%</i>	<i>74.6%</i>	
	Op Profit	\$128	\$143	+11.2%
	<i>% of sales</i>	<i>8.4%</i>	<i>8.5%</i>	
Floorcare	Sales	\$523	\$572	+9.3%
	<i>Segment %</i>	<i>25.6%</i>	<i>25.4%</i>	
	Op Profit	\$19	\$26	+38.3%
	<i>% of sales</i>	<i>3.6%</i>	<i>4.6%</i>	

2014 1st Half Region Sales

(US\$ m)	<u>1H 2013</u>	<u>1H 2014</u>	<u>Change</u>
<u>Region</u>			
North America	\$1,479	\$1,585	+7.2%
<i>Region %</i>	<i>72.4%</i>	<i>70.5%</i>	
EMEA	\$426	\$491	+15.4%
<i>Region %</i>	<i>20.9%</i>	<i>21.8%</i>	
ROW (Rest of World)	\$138	\$174	+25.8%
<i>Region %</i>	<i>6.7%</i>	<i>7.7%</i>	

2014 1st Half Income Statement

(US\$ m)	<u>1H 2013</u>	<u>1H 2014</u>	<u>Change</u>
Sales	\$2,042	\$2,250	+10.2%
Gross Margin	\$694	\$787	+13.4%
<i>% of sales</i>	<i>34.0%</i>	<i>35.0%</i>	
Selling, Distribution, & Advertising	\$279	\$319	+14.5%
Administrative Expenses	\$227	\$251	+10.6%
Research & Development	\$48	\$57	+17.7%
Total SG&A Expenses	\$554	\$627	+13.2%
<i>% of sales</i>	<i>27.1%</i>	<i>27.9%</i>	
Net Finance Cost	\$14	\$13	-12.1%
Profit before Income Tax	\$127	\$148	+16.3%
Income Tax Expenses	\$10	\$13	+23.6%
Net Profit	\$118	\$136	+15.9%
<i>% of sales</i>	<i>5.8%</i>	<i>6.1%</i>	

2014 1st Half Financial Position

(US\$ m)	<u>1H 2013</u>	<u>1H 2014</u>	<u>Change</u>
Non-current Assets	\$1,464	\$1,588	+8.5%
Current Assets	\$2,356	\$2,735	+16.1%
Current Liabilities	\$1,741	\$2,013	+15.6%
Net Current Assets	\$615	\$722	+17.5%
Long-term Liabilities	\$435	\$489	+12.4%
Equity	\$1,636	\$1,818	+11.1%
Interest Coverage (x)	10.8x	11.5x	

2014 1st Half Gearing

	<u>1H 2011</u>	<u>1H 2012</u>	<u>1H 2013</u>	<u>1H 2014</u>
Gearing	66.1%	37.4%	26.2%	22.8%

2014 1st Half Key Financial Figures

(US\$ m)	<u>1H 2013</u>	<u>1H 2014</u>	<u>Change</u>
Inventory	\$818	\$1,025	
<i>Days</i>	74	83	+9 days
Receivables	\$788	\$846	
<i>Days</i>	71	69	-2 days
Payables	(\$861)	(\$1,043)	
<i>Days</i>	78	84	+6 days
Net Working Capital	\$745	\$828	
<i>% of Sales</i>	18.4%	18.4%	---
Cash Balance	\$573	\$656	+14.4%
CAPEX	\$47	\$64	+35.3%

2014 1st Half Debts with Fixed Maturity Profile

(US\$ m)		<u>1H 2013</u>		<u>1H 2014</u>	<u>Change</u>
Cash Balance		\$573		\$656	+14.4%
<i>Debt with Fixed Maturities</i>		\$509		\$574	+12.7%
<i>Working Capital Financing</i>		\$494		\$496	+0.4%
Total Debt		\$1,003		\$1,069	+6.6%
Total Net Debt		\$429		\$414	(3.7%)
Floating Rate	91%	\$907	91%	\$974	+7.3%
Fixed Rate	9%	\$95	9%	\$96	+0.6%

Joe Galli

2014 1st Half Sales Growth

(US \$m)	<u>1H 2013</u>	<u>1H 2014</u>
Sales	\$2,042	\$2,250
% chg		+10.2%

2014 1st Half Results

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SG&A %	27.1%	27.9%	+0.8pt
EBIT	\$ 142	\$ 162	+13.6%
<i>% of sales</i>	<i>7.0%</i>	<i>7.2%</i>	<i>+0.2pt</i>

2014 1st Half Continuous Improvement

2011

2012

2013

2014

Gross Margin

+32.9%

+33.5%

+34.0%

+35.0%

EBIT +6.4%

+6.8%

+7.0%

+7.2%

2014 1st Half Results

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2014 1st Half Sales Growth

Power Equipment: + 10.5%

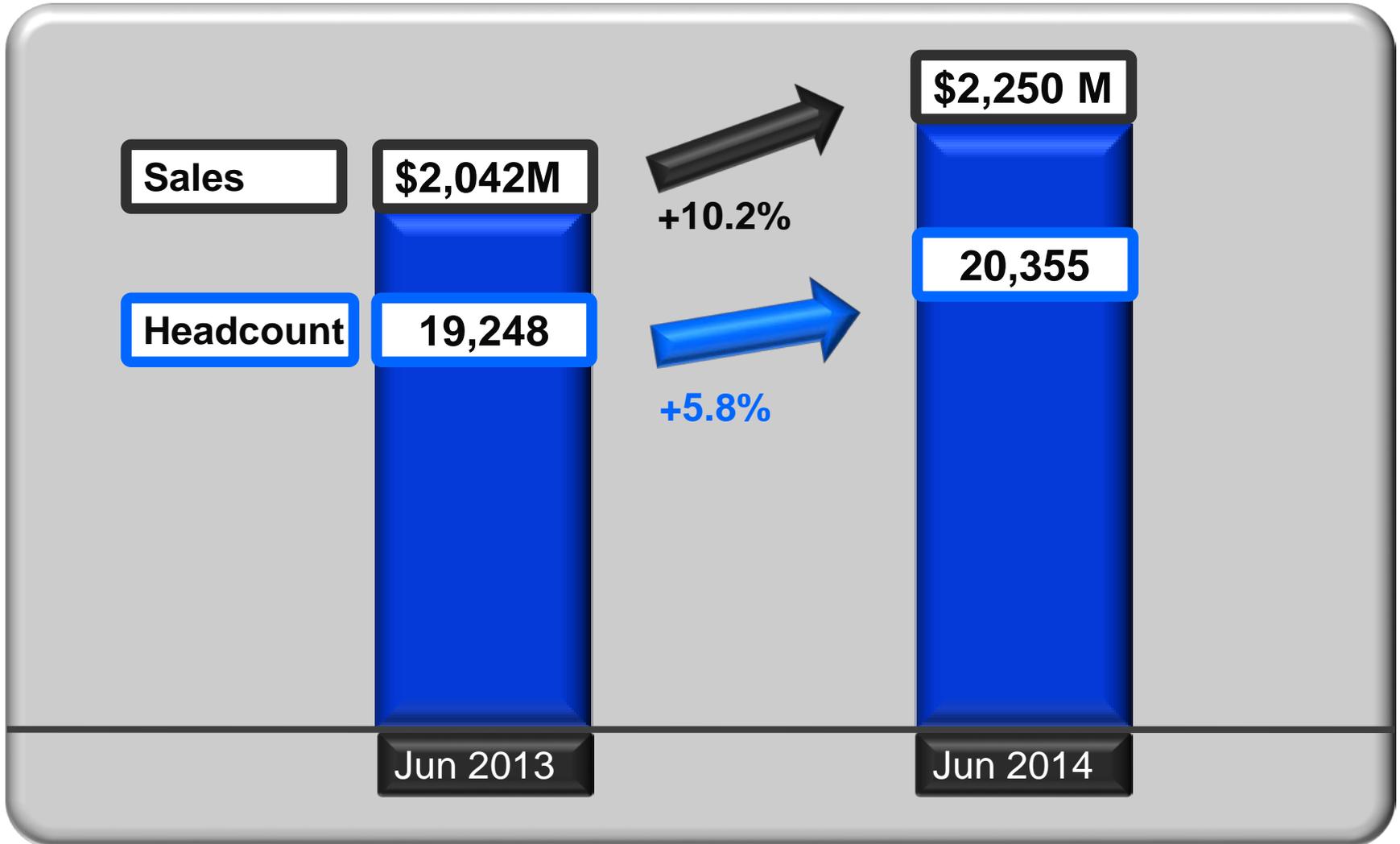
Floorcare: +9.3%

2014 1st Half Sales

REGION	<u>1H 2013</u>	<u>1H 2014</u>	<u>Change</u>
NA	\$1,479	\$1,585	+7.2%
EMEA	\$426	\$491	+15.4%
ROW	\$138	\$174	+25.8%



Productivity Progress





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DRIVEN TO OUTPERFORM.[™]



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M12 FUEL[™]

DRIVEN TO OUTPERFORM.[™]



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M12

M18

FUEL[™]

DRIVEN TO OUTPERFORM.[™]



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Lithium
18V



OUTDOOR PRODUCTS



RYOBI®

Lithium
40V

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cordless

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FLOORMATE[®]
STEAMSCRUB™ 2-IN-1



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