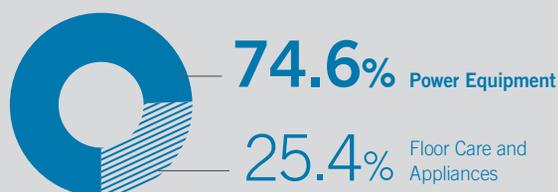


Power Equipment
US\$1,678 million –
74.6% of the total turnover

Sales by Business



Business Review

Power Equipment

Power Equipment delivered US\$1,678 million in sales, 10.5% higher than the same period in 2013. It generated 74.6% of total Group sales.

Brand	Market Segment	Major Market
	Industrial	Global
	Professional ▶ Layout & Measuring Tools	Global
	Professional	Global
	Consumer ▶ Power Tools & Accessories Garden Enthusiasts ▶ Outdoor Products & Accessories	North America, Europe, Australasia
	Consumer ▶ Outdoor Products & Accessories	Global

Industrial

Milwaukee Tool had a strong first half in 2014, outperforming the market and recording solid double-digit growth across all geographic regions. Milwaukee Tool had a continuous flow of new products across its three core product portfolios of Power Tools, Power Tool Accessories and Hand Tools. Milwaukee Tool's focus

on key user groups and industrial channels led to significant market gains. The launches of the innovative cordless products like the M18 FUEL circular saws, FUEL deep cut band saws, and the M12 FUEL HACKZALL reciprocating saws build upon the existing success of the M12 and M18 Lithium-ion cordless systems and power impressive end-user conversion rates, which remain a critical commercial component of Milwaukee Tool's business strategy. New Power Tool Accessories, including the DIAMOND PLUS hole saws and SHOCKWAVE IMPACT DUTY hole saws and the rapid expansion of the MILWAUKEE hand tool program through new products added incremental business in the first half.

Continuing our strong focus on growth and expansion in our Hand Tools business, TTI recently entered into the level and measurement business through the acquisition of the North America-based EMPIRE level business. This will enable TTI to become a fully integrated solutions provider in layout and measurement product categories. Empire is a leading U.S. manufacturer of levels, squares, layout tools and safety and utility tapes.

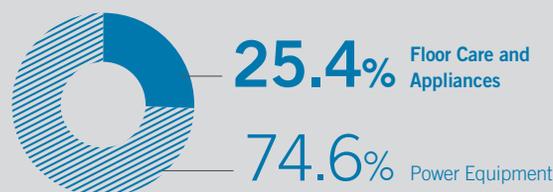
Consumer, Trade and Professional

In the first half of 2014, the North American Consumer Power Tools Division experienced strong gains within the home improvement marketplace. This growth is attributed to strong cordless sales, buoyed by new product innovations and compelling marketing campaigns. The industry-leading RYOBI® 18V ONE+ SYSTEM of tools benefited from the continued success of the Lithium-ion battery enhanced product options.

In Europe the RYOBI® brand experienced strong double-digit growth from new products for the ONE+ Lithium-ion programs and the success of targeted media campaigns across key regions. The AEG® brand also achieved double-digit sales growth in both retail and professional channels. The expansion was driven by a series of successful new Lithium-ion product introductions, in-store campaigns and the introduction of focused training events.

Floor Care and Appliances US\$572 million – 25.4% of the total turnover

Sales by Business



Outdoor Products

Outdoor Products expanded their market position in the first half of 2014. North America saw a minor impact in sales due in part to unfavourable weather conditions. The business was able to offset the challenges and maintain market position. We successfully introduced the RYOBI® 18V ONE+ hybrid blower which runs on Lithium-ion cordless power or traditional corded power and an expansion of the 40V RYOBI® platform with Lithium-ion battery power and run time that deliver “gas-like power.”

Europe and rest of the world had a very strong first half in outdoor by launching our exciting new 18V and 36V products. The positive momentum is also driven by the further development of key retail partners as the RYOBI® brand gains traction and continues to develop stronger loyalty with end-users across Europe.

Floor Care and Appliances

Floor Care and Appliances which accounts for 25.4% of group turnover achieved US\$572 million in sales, a 9.3% increase for the first half of 2014. Strong sales growth across all our geographic regions was achieved through new product launches and targeted marketing.

By applying TTI’s expertise in Lithium-ion cordless technology to the floor care sector, HOOVER has made a significant introduction in the North American market. The revolutionary HOOVER AIR cordless vacuum delivers 50 minutes of run-time and represents a breakthrough in floor care technology. HOOVER also achieved strong gains in the carpet washing segment through the launch of an extended range of high-performance carpet washers.

The newly acquired ORECK floor care business is being successfully integrated into TTI and delivered excellent first half sales and profit.

Brand	Market Segment	Major Market
	Premium Cleaning	North America, Asia, Middle East & Africa
	Commercial	North America
	High-Performance	Global
	Consumer	Global

Outlook

With our ongoing focus on generating organic growth, improving operating margins, and managing our robust balance sheet, we expect continued strong performance in the second half of 2014 and beyond. Our record performance in the first half of 2014 is on pace with expectations and is tracking into the second half with key business units and geographies continuing their strong performance. New product initiatives utilizing Lithium-ion cordless and MILWAUKEE FUEL technologies offer enormous growth opportunities. We are investing in new products and the marketing necessary to drive sales growth. Our broad focus on operational productivity is yielding cost improvements, supply chain efficiencies and strengthening our margins.

The result is powerful growth and continued excellent financial performance. We are excited about our positive momentum and are well positioned to build on our record first half.