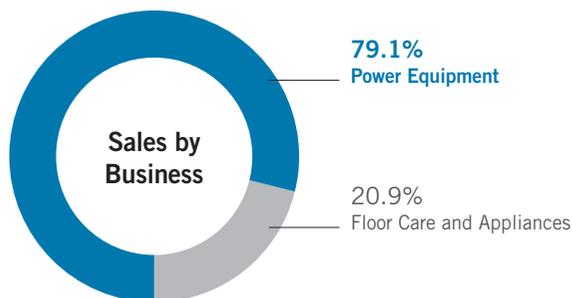


## Business Review

### Power Equipment

The Power Equipment business had a strong first half delivering US\$1,958 million in revenue, a 16.7% increase compared with the same period in 2014, accounting for 79.1% of the Group's revenue.



## Industrial

Our Milwaukee Tool business delivered another exceptional first half growing 24.4% globally with double-digit sales across all regions. We continue to take market share with a consistent flow of innovative new products, implementation of targeted end-user initiatives and a focus on operational excellence.

The MILWAUKEE M12 and M18 lithium cordless power tool platforms continued to penetrate global markets and were supported by a number of innovative new product additions. The brand's disruptive FUEL technology franchise was fortified with the introduction of breakthrough products such as the industry's first sub-compact 12 volt brushless circular saw. FUEL technology continues to receive an extremely positive response from end users and distribution channels throughout our global markets. Powered by industry-leading technology, the MILWAUKEE brand continues to accelerate professional and industrial users' transition from traditional corded tools to lithium cordless power tools. The introduction of the M18 compact brushless drill driver, hammer drill driver and impact drivers strengthened the MILWAUKEE brand's position among the cordless drilling and driving solutions segment. In the second half of the year, an extensive flow of additional M18 cordless products will be released to bolster our industrial product and productivity solutions offerings.

Our MILWAUKEE brand continues to grow in the power tool accessory business by bringing to market new products that offer productivity enhancing solutions to end-users. We introduced HOLE DOZER bi-metal hole saws, providing end users with high-performance hole-cutting solutions engineered to withstand the extreme conditions of jobsites. In addition, the new MILWAUKEE adjustable hole saw reinforces the brand's position as a leading solutions provider for challenging electrical and plumbing installations.

## Management's Discussion and Analysis

We strengthened our hand tool business with the introduction of an innovative line of lightweight and compact pliers, storage products that deliver game-changing user-focused solutions, and tape measures with longer-lasting blade life. Continued development of the tape measure business has resulted in double-digit market share gains in targeted markets.

We invested in the expansion of our layout and measurement business through EMPIRE levels, which is receiving strong commercial support throughout the U.S. and Canada, and continued expansion across global markets. In addition, operational enhancements within our hand tool business have resulted in significant productivity gains while setting the stage for rapid and sustained growth.

### Consumer Power Tools

We recorded substantial gains in our Consumer Power Tools business delivering double-digit organic growth across North America, Europe ("EMEA"), and Australia and New Zealand ("ANZ"). RYOBI is the number one do-it-yourself ("DIY") power tools brand in the world and is based on our flagship 18V ONE+ SYSTEM platform. To build on the leadership position of the ONE+ brand, we continue to expand the system through innovative products with industry-leading technological improvements such as the new 5.0ah lithium battery pack. The ONE+ brand is generating customer loyalty with backward compatible new batteries and tools that work with all previous RYOBI 18V ONE+ tools and batteries.

The AEG tradesman brand delivered exceptional growth in EMEA and ANZ. The brand gained traction with a further expansion of the 18V lithium cordless range that has best-in-class features and industry leading lithium technology including the recently launched brushless motor technology.

### Outdoor Products

The Outdoor Products business achieved outstanding double-digit growth across the North American, EMEA and ANZ markets. This growth was the result of favorable weather conditions and an exciting range of new products. We are leading the industry's transition to lithium cordless outdoor tools with new products additions to the RYOBI lithium cordless platforms. By driving the benefits of lithium cordless-powered outdoor products, the highly successful RYOBI 18V ONE+ SYSTEM platform and 40V programs generated robust sales and delivered share gains in key markets. In the traditional corded and gas product categories, a number of new additions such as the RYOBI electric pressure washers, RYOBI full crank gas trimmers, and RYOBI gas powered 2800PSI pressure washer contributed to overall business growth. Positive momentum was generated by product marketing events, product training for our retail partners and promotional marketing campaigns.