

MANAGEMENT FORUM



David Butts, Group Senior Vice President



TTI, North America
Lee Sowell, President – Outdoor Power Equipment
Jeff Dils, President – Power Tools and Accessories
Philippe Buisson, Chief Financial Officer

Q1 : How is TTI able to sustain its growth in the different cycles of the US housing market, given its North America geographic mix?

At TTI, we believe innovation is the key to sustain growth in almost any market condition. In fact, innovation is often the ignition that reinvigorates a lagging market segment. The goal of any excellent company is to lead the market; not to follow the market. We have R&D capabilities which capture the imagination of and drive excitement with end users. The V28™ line of power tools from Milwaukee® is an example of innovation delivering a step change in a very crowded industry. This is what it means to lead; this is how we sustain growth.

In addition, TTI has a very diversified product portfolio and a powerful portfolio of trusted brands allowing us to face market challenges in a more efficient and flexible manner. While we believe North America will continue to be a healthy market for us, we are also very focused on expanding markets other than North America and have been

delivering very solid growth in these markets. We are beginning to see results of the large potential for our European business.

Q2 : TTI has been expanding rapidly over the past 5 years. How are management resources coping with this expansion, especially with the integration of acquisitions?

TTI has been investing in and developing our management resources and processes throughout our worldwide organization. Each of our business leaders is empowered to develop strong teams within their units that possess the qualities needed to compete at a global level. Our operational review process encompasses organization and management planning and performance. Most of our acquisitions were divisions of multinational companies and have been an excellent source for adding talent and strengthening the management structure of the Group through the incorporation of any best practices of the acquired companies. The timely and

smooth integration of our acquisitions are a tribute to the sound management processes throughout the company and the professional depth of our team. In addition, having clear strategies and purpose is a key to management effectiveness. This not only focuses the work, but also helps identify the managers we need in both experience and management style.

Q3 : What are TTI's plans of expanding into the industrial and professional power tool segment?

We have been focusing on expanding our product reach into multiple market segments. The industrial and professional segment is an important end user segment for power tools. Consequently, in addition to their R&D capabilities, brand and product strengths, we targeted the acquisition of Milwaukee® and AEG® on their strength in the professional contractor distribution channel, which not only provided a new channel for us but also helped further diversify our customer base.

This is in line with our leading brand strategy. Each brand targets a different market



Stephan Pudwill, Director
– Business Development



A&M Electric Tools
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segment ranging from consumer DIY to professional and industrial. Both Milwaukee® and AEG® are well recognized brands in the industrial and professional power tool market. Ryobi® is a well established brand in the DIY segment of “Pro Features. Affordable Prices.™” and reaches users that are looking for performance and value. We will capitalize on all of our brands by expanding and strengthening their product platform to meet the needs of the end users in each segment.

Q4 : How does TTI focus on maintaining a strong relationship with its critical top customers?

As a world class manufacturing company, TTI recognizes that to be a leader in our industry, innovation needs to come not only from products but also from the services we provide our customers. To be a preferred supplier, we must be most efficient in supply chain management. We will continue to strengthen our customer relationships with important initiatives in logistics and inventory management. In fact, our relationships with high volume retail partners are reaching new levels in joint supply chain management.

We also work closely with the entire supply chain, from material suppliers to logistics at every level and from in-store research to linking production to customer demand. We continue to strengthen our supply network beyond our Asian base and now have operations in Mexico and Eastern Europe. We utilize flexible, lean assembly in our own production facilities to maximize operational efficiency. All these efforts target at shortening response time to our partners and creating greater efficiency on a global scale.

Q5 : How does TTI maintain its Best Cost Position in the competitive environment today?

TTI understands that in order to compete in the global economy today, a company must deliver products and services at a competitive price that meet the highest standards in quality. TTI was founded on this principle as an OEM manufacturer. We are dedicated to improving our already aggressive cost containment and quality programs. We systematically look for opportunities to improve our operational

processes such as moving production to low cost regions, leveraging our purchasing scale, and building quality into our products at the onset of product design. Our foundation of best cost is integrated into the operational review process of the Group.

In addition to our ongoing productivity improvements, we have expanded and refined our Continuous Improvement Quality system. This Total Quality Focus reaches our entire organization from the supplier base to end users in the field. The quality management system is also tied to our acquisition process and delivers benefits throughout the supply chain. Finally, once again, innovation is a key ingredient in maintaining best cost position. Our culture of innovation delivers breakthroughs in operations which helps to eliminate unnecessary costs while improving the quality and uniqueness of our line of products.



CULTURE OF

INNOVATION

Robust end user research drives innovations that revolutionize the market and capture share with customer driven solutions.



The Milwaukee® V28™ Rotary Hammer Drill is the most powerful cordless drill in its weight class using Milwaukee® V28™ powerful lithium ion battery technology.

Milwaukee

V28
LITHIUM-ION

LEADING

BRANDS

Globally recognized and trusted brands by household and professional end users provide long term, sustainable growth.

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Milwaukee

NOTHING BUT HEAVY DUTY

SAWZALL® KIT
JUEGO DE SAWZALL®

28 VOLT POWER
at 18 VOLT BATTERY WEIGHT!

2X RUNTIME
V28
LITHIUM-ION

TECHNOLOGY

RYOBI

3000 psi

7 HP

2.7 GPM

RYOBI

3 YEAR WARRANTY

Premium Features Come Standard!

- Performance: 100% Commercial Grade 5.0cc/2" DC Engine with Flow Control System
- Easy Storage: Compact "Fold & Store" Design
- Convenience: On-Board Storage for all accessories
- Quality: Durable Construction

This RYOBI pressure washer is easily flexible virtually any outdoor job, no matter how large. It also finds many useful features. This pressure washer which will save you time and money on your cleaning projects. It's never been used with much less effort. It never breaks down. So, let's do it.

Applications:

- Driveways: Wipes off excess. Cleans the tracks.
- Siding: Removes dirt. Cleans the surface.
- Decks: Removes dirt. Cleans the surface.
- Vehicles: Cleans the surface.

WARRANTY

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Dirt Devil

REACTION

Advanced Design for Exceptional Performance and Quality

Superior Suction Power That Lasts!

NEW

D2

DUAL CYCLONIC ACTION

means sustained suction and excellent performance at the nozzle

Filterless Dirt Cup

New Filtration Design
No messy interaction with filter
Easy, bottom empty dirt cup

Faster. Easier. Cleaner.

- Extraction 12 Card
- Rotating Power Brush Tool
- Lifetime available HEPA filter

Standard Dirt Devil Features:

- Powerful 12 amp motor
- On-Board Tools

HEPA DUST GUARD



vax X3

Designed with you in mind.

All floors
2-year warranty
12-amp dual motors
Advanced **NEXT CLEAN** design

RYOBI 700W

RHT-700R

1050W

RYOBI

BBM 14 STX

14,4 V
63 Nm

Aktív Dolérschrauber
Battery Cells & Gear Drive
Tlačítko vstavené do batérie
Pákové a Vrhákové kľúč
Trigap a Avulstati a batéria
Accu-batterochromschrauber
Akkuaparátok je v našej výbave
AKKU bora-Nikadmastika
Getriebeset bor-Nikadmastika
Dvočíslo bormosť a škrutky
Akumulátorová vlnitá-merania
Akumulátorové západky
Batériová tržka a bočový
Akumulátorové kľúč- a ovládacie
APRILIAKATSAKIAK MITATAPAZ

PERCUSSION + PERCUSSION
IMPACT ORBIT
SCHLAGBOHRMASCHINE
TALONADORA DE PERCUSSION

TRAMPING + PERCUSSION
4.000 RPM
REBREMQUE DE PERCUSSION
O ACCIONAMIENTO

SLIDING
150 RPM
SLIDING
1.1 RPM

AEG

ACTIVE BATTERY BRACKETS

RAMBOUR GEAR

Homelite
Simply Reliable™

VacAttack II™

Powerful
200 MPH, 420 CFM

Puissant
322 km/h (200 mph)
11,9 m³/min (420 cfm)

Potente
322 KPH (200 MPH),
11,9 MCM (420 FCM)

RYOBI

18V

ONE+

4-Piece Combo Kit

OPERATIONAL

LEADERSHIP

Scale creating competitive advantages, enhancing organizational agility and strengthening financial flexibility to better serve our customers.



RYOBI®



Ryobi® branded 12 AMP electric cultivator features Just Add Sand™ weight system allowing the unit to dig deeper without bouncing. It is also features Fold n' Store™ for convenient compact storage.

FOCUSED

EXECUTION

Important customer relationships strengthened by attention to detail and delivering on time, on strategy and on budget.





The new AEG® 14.4V cordless drill features the patented FIXTEC-System for quick one handed bit changes. The all metal, heavy duty keyless chuck easily withstands the rigours of intensive industrial use.