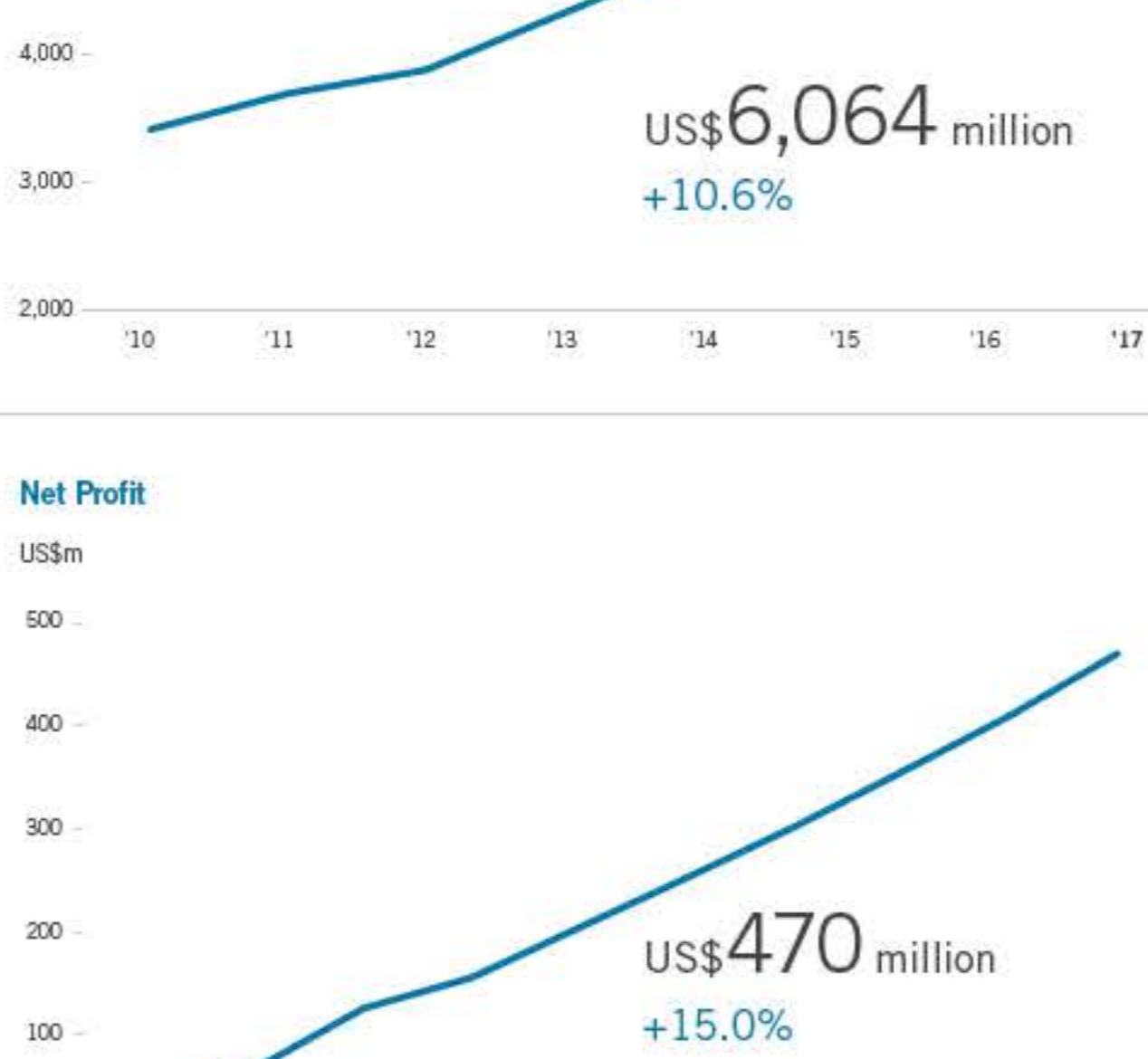


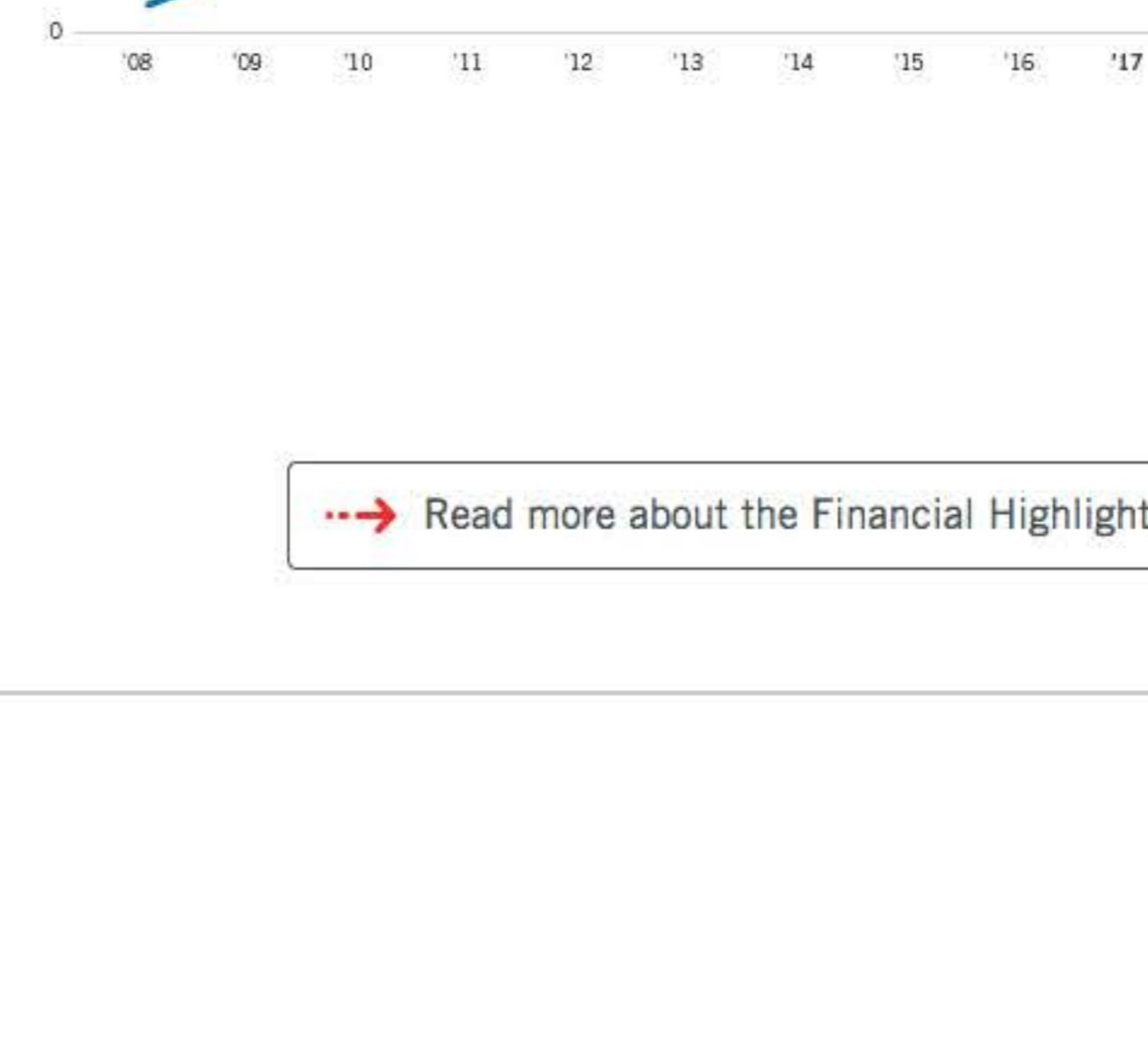
Financial Highlights

- Revenue increased 10.6% to a record US\$6.1 billion
- MILWAUKEE continues to grow with strong global momentum and double-digit growth
- RYOBI delivered double-digit revenue growth
- Gross margin expanded from 36.2% to 36.7%, an increase of 50 basis points
- Net profit increased 15.0% for the year, delivering double-digit growth for ten consecutive years
- Efficient working capital management at 16.5% of revenue

8th consecutive year of record revenue



10th consecutive year of record profit



Chairman's Statement



"We have a bold, disciplined strategic plan for the next five years that focuses on the global leadership in our existing and future markets."

Horst Julius Pudwill
Chairman

I am pleased to announce that in 2017 we delivered another year of record profit and our eighth consecutive year of record revenue. We have delivered impressive growth through the years while continuing to drive gross margin expansion. Our momentum couldn't be stronger and we are highly confident in our disciplined focus on the key strategic drivers of powerful brands, innovative products, exceptional people, and operational excellence.

Record Performance
Revenue for the year ended December 31, 2017 increased 10.6% over 2016 to US\$6.1 billion. We generated solid growth in all core geographic regions fueled by exciting new product launches across the divisions. Our largest business, Power Equipment, had another impressive year with sales growth of 14.9% to US\$5.1 billion, accounting for 84.7% of total sales, and an increase in operating profit of 18.9% to US\$512 million from US\$430 million in 2016. The Floor Care and Appliance business made progress in enhancing its cordless product range while exiting certain non-strategic corded vacuums. With the cordless Floor Care business up double-digit, it is a testament to the effectiveness of our strategy to meet the consumer's preference as the industry transitions from corded to cordless. We remain confident our direction will deliver improved returns in the coming years.

Continuous Operational Improvement
Gross profit margin improved for the ninth consecutive year from 36.2% in 2016 to 36.7% on positive impacts from the flow of new product introductions, volume leverage and productivity gains. Our continued investment in automation, value engineering programs and relentless focus on global supply chain are also contributing to helping us achieve our exceptional results. Earnings before interest and taxes, increased by 15.3% to US\$519 million, with the margin improving by 40 basis points to 8.6%. Shareholders' profits rose 15.0% to US\$470 million, with earnings per share increasing by 15.0% over 2016 to US\$2.66 cents. Working capital as a percent of sales continues to be very well managed and remained low at 16.5% and in a net cash position.

[Read more about the Financial Highlights](#)

Chief Executive Officer's Message



"We have an ambitious vision for a cordless future, a clear strategy going forward, strong business momentum and an inspired organization."

Joseph Galli Jr
Chief Executive Officer

TTI delivered another year of outstanding performance in 2017. We are thriving as we ambitiously continue executing our laser focused strategy that delivered the platform for our industry-leading growth. TTI is leading the world's rapid transition to cordless, displacing old technologies, entering new categories and expanding our served industries. Our vision for a cordless future is vast.

Global Cordless Leadership
Early on TTI identified the once in a generation shift from traditional power sources to cordless labor saving devices. We are driving the revolutionary change to cordless products away from traditional corded, pneumatic, hydraulic and gas power. We set a course to be the industry leader by bringing the disruptive cordless revolution with breakthrough innovative products into our product categories.

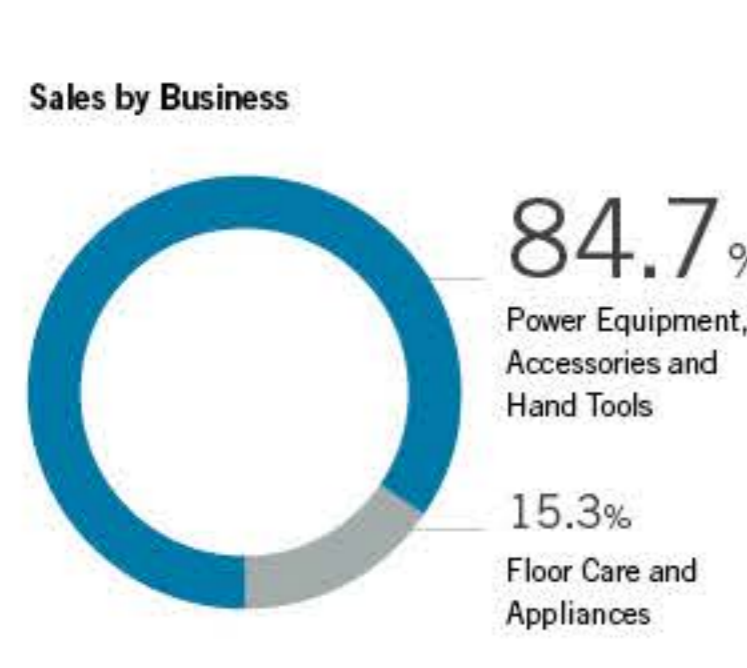
Our strategic bedrock is the disciplined R&D investment necessary to deliver innovative product development which has been the key to our sustained performance. The advancements we have made in battery and motor technology coupled with new sophisticated electronic and charging systems have accelerated the corded to cordless transition into a true system wide expansion of cordless possibilities. This in turn has fueled cordless growth across all product categories. Whether it is RYOBI as the largest cordless DIY brand in the world, MILWAUKEE with its dominant industrial and professional tools leadership position, or HOOVER, VAX, and DIRT DEVIL brands commanding presence in global floor care, TTI is redefining how the world works at home and on the job site.

Powerful Brand Platforms
RYOBI is the number one DIY power tool brand in the world. The overarching reach of the RYOBI ONE+ system is a powerful platform for users, with over 120 power tools and outdoor products for use around the home and worksite. RYOBI ONE+ system has not changed in compatibility since introduction, generating a joyful network effect allowing existing users to upgrade, expand, and join the

[Read more about the Chief Executive Officer's Message](#)

Power Equipment, Accessories and Hand Tools

us\$ 5.1 billion
Sales in Power Equipment, Accessories and Hand Tools



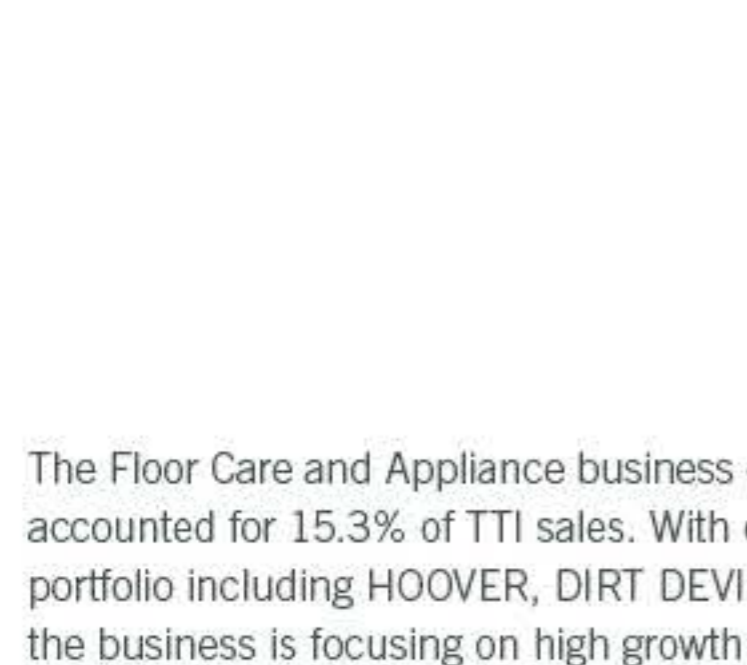
The Power Equipment business grew to US\$5.1 billion and 84.7% of total Group sales. The business also delivered operating profit of US\$512 million, a 18.9% increase over the previous year. The MILWAUKEE and RYOBI brands both delivered double-digit sales growth and outpaced the market.



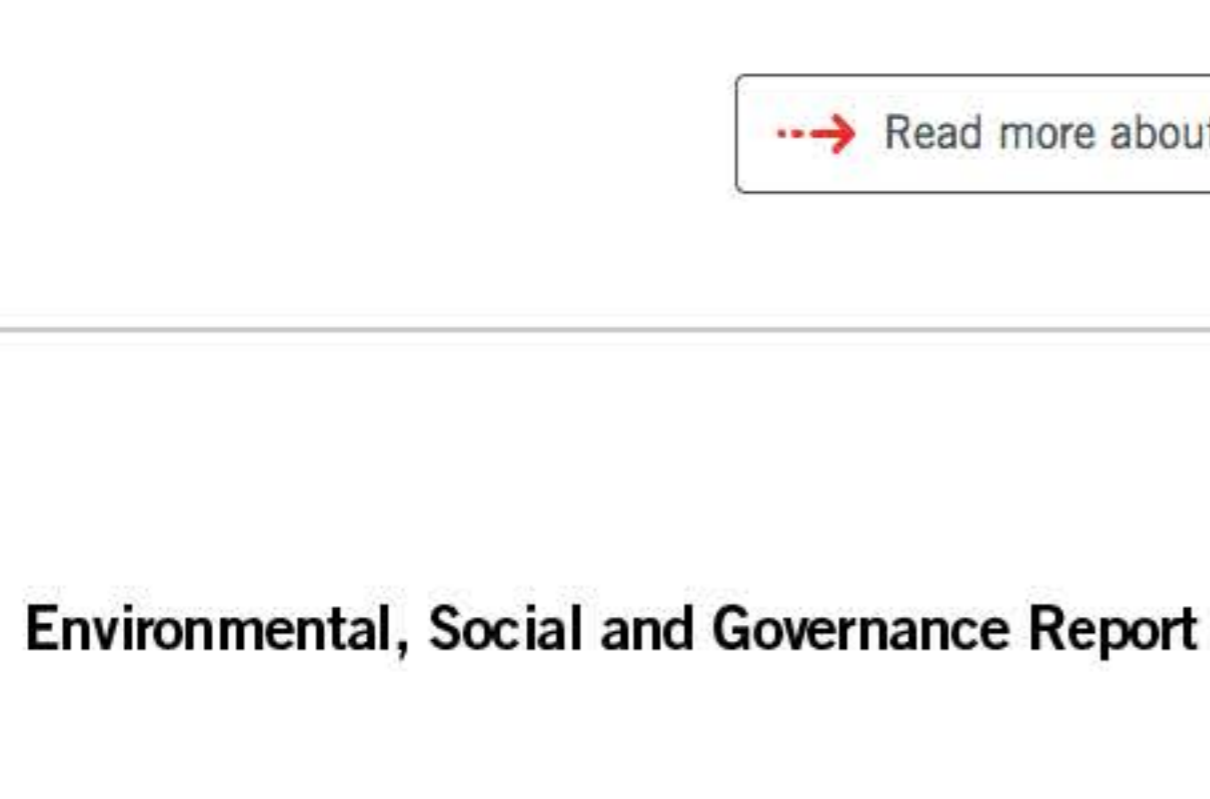
[Read more about the Power Equipment, Accessories and Hand Tools Overview](#)

Floor Care and Appliances

us\$ 926 million
Sales in Floor Care and Appliances



The Floor Care and Appliance business declined 8.3% and accounted for 15.3% of sales. With our outstanding brand portfolio including HOOVER, DIRT DEVIL, ORECK and VAX, the business is focusing on high growth cordless products and leveraging the TTI cordless technology. Sales of cordless vacuums grew double-digit across all geographies, validating our strategic plan aimed at increased profitability and a return to top line growth in the long term. The business is making progress executing the strategic changes by investing in R&D for cordless technology and new product development, discontinuation of non-strategic products and streamlining operations.



[Read more about the Floor Care and Appliances Overview](#)

Environmental, Social and Governance Report

Environmental

<p>TTI AIP has reduced carbon dioxide emissions by 781 tonnes over 2016</p>	<p>Continuous Improvement Program (CIP) at TTI AIP has saved electric power consumption 846,313 kWh</p>
<p>TTI Canada has saved 81,000 litres of fuel by switching to more efficient engines for its workforce vehicles</p>	<p>TTI HK has reduced GHG emissions by 5 %</p>

Social

<p>39% In Hong Kong, 39% of men and 32% of women took additional non-mandatory training</p>	<p>New supply chain compliance platform launched in December 2017</p>
<p>TTI partners with 50+ worldwide programs and charities worldwide</p>	<p>Thousands of volunteer hours and hundreds of thousands of US dollars invested in local communities around the world</p>

[Read more about Environmental, Social and Governance Report](#)

Downloads

Full Report (PDF)



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