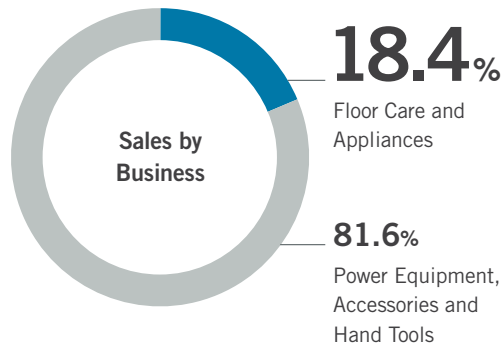


Floor Care and Appliances

We are positioning the Floor Care and Appliances business for growth. Sales declined slightly for the full year, down 5.3% largely due to negative foreign exchange impact, particularly in our UK business, and a slight slowdown in the household appliance market. The largest segment, North America, returned to growth in the second half of 2016 with HOOVER, DIRT DEVIL, and ORECK brands all delivering sales increases. At US\$1.0 billion in sales, the segment accounted for 18.4% of total Company revenue. The business improved profit margins by 10 basis points, offsetting the slight decline in sales. This was achieved through effective mix, the introduction of new products and the discontinuation of the lower margin products. Operational efficiencies were gained from global sourcing programs and the North America logistic center consolidation. The new North America headquarters in Charlotte, North Carolina is providing a world class environment for recruiting talent, new product innovation, cordless and technology development, and a creative marketing center.

Sales in Floor Care and Appliances

US\$ **1.0** billion



ORECK

vax

Dirt Devil



HOVER
COMMERCIAL

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Floor Care and Appliances