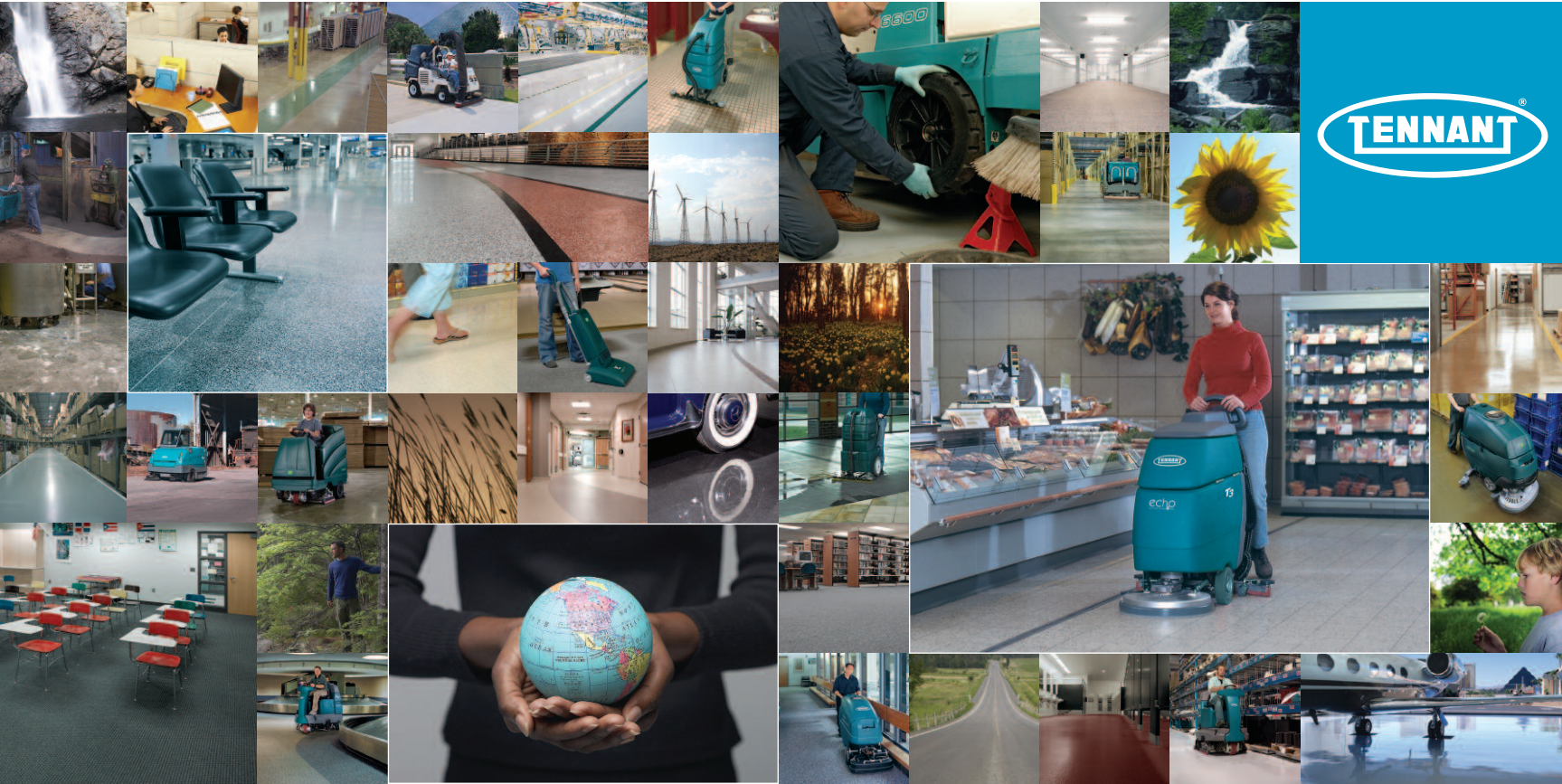


TENNANT COMPANY 2007 ANNUAL REPORT



**Better Ways to Clean.
More Spaces. More Places.**

Financial Highlights

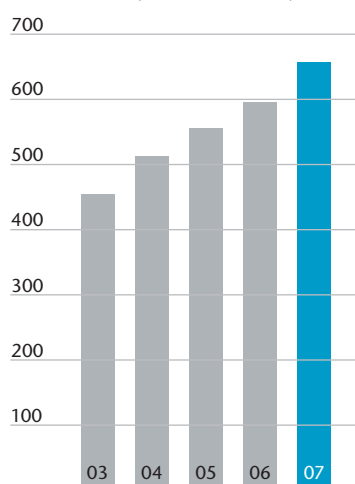
	2007	2006	% Change
FOR THE YEAR			
Net sales	\$ 664,218	\$ 598,981	10.9%
Profit from operations	\$ 54,845 ⁽¹⁾	\$ 39,964	37.2%
% of net sales	8.3% ⁽¹⁾	6.7%	—
Net earnings	\$ 39,867 ^{(1) (2)}	\$ 29,809	33.7%
% of net earnings	6.0% ^{(1) (2)}	5.0%	—
Basic earning per share	\$ 2.14 ^{(1) (2)}	\$ 1.61	32.9%
Diluted earnings per share	\$ 2.08 ^{(1) (2)}	\$ 1.57	32.5%
Dividends per share	\$ 0.48	\$ 0.46	4.3%
Average shares outstanding – diluted	19,146,000	18,989,000	0.8%
AT YEAR-END			
Total assets	\$ 382,070	\$ 354,250	7.9%
Total debt	\$ 4,597	\$ 3,719	23.6%
Shareholders' equity	\$ 252,431	\$ 229,664	9.9%
Ratio of total debt to total capital	1.8	1.6	—
Shareholders' equity per share (ending)	\$ 13.65	\$ 12.25	11.4%

In thousands, except shares and per share data

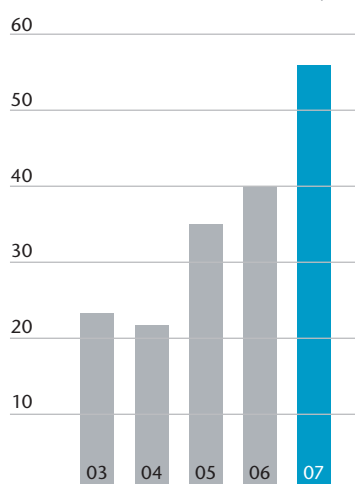
(1) Includes restructuring charge and associated expenses of \$2.5 million pretax (\$1.7 million aftertax or \$0.09 per diluted share), and gain on the sale of the Maple Grove facility of \$6.0 million pretax (\$3.7 million aftertax or \$0.19 per diluted share).

(2) Includes one-time tax benefit primarily related to a tax valuation allowance reduction of \$3.6 million aftertax or \$0.19 per diluted share.

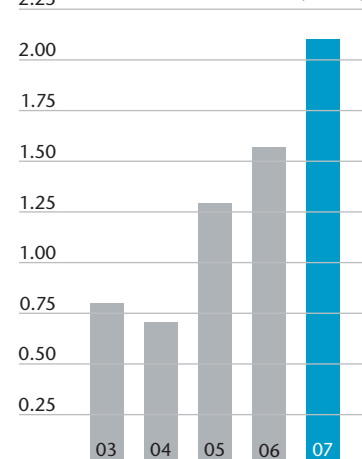
NET SALES (millions of dollars)



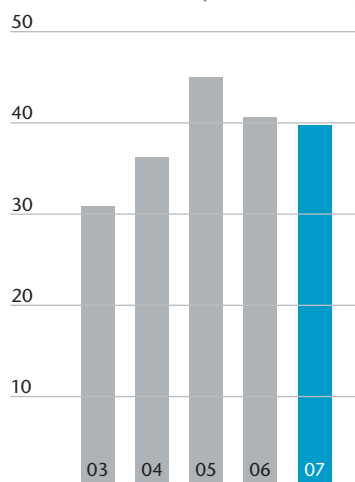
PROFIT FROM OPERATIONS (millions of dollars)



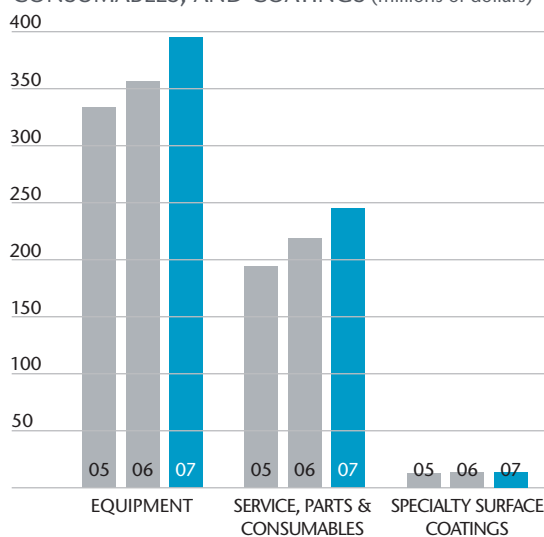
DILUTED EARNINGS PER SHARE (dollars)



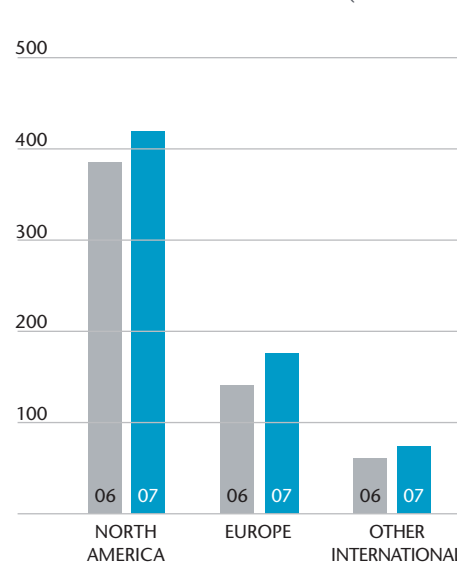
CASH FLOW FROM OPERATIONS (millions of dollars)



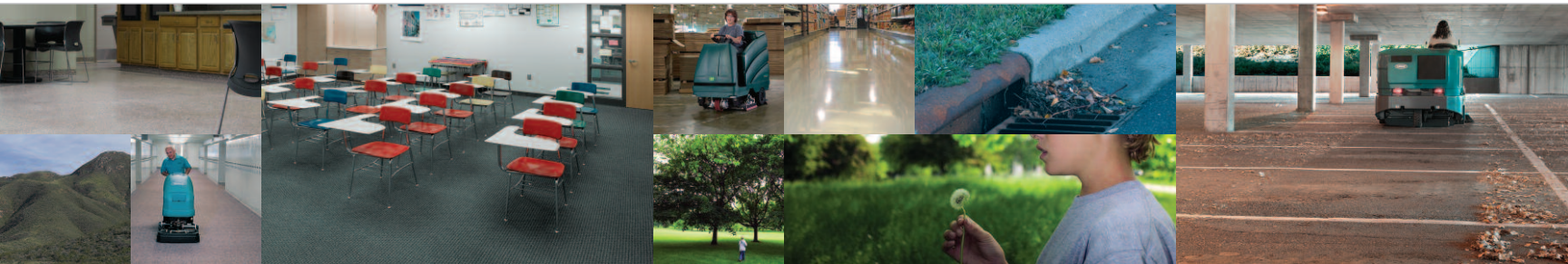
SALES OF EQUIPMENT, SERVICE & PARTS/
CONSUMABLES, AND COATINGS (millions of dollars)



SALES BY GEOGRAPHIC AREAS (millions of dollars)



Tennant Company At-A-Glance



Year Founded: 1870

Employees: 2,900

NYSE Trading Symbol: TNC

Headquarters: Minneapolis, Minnesota, USA

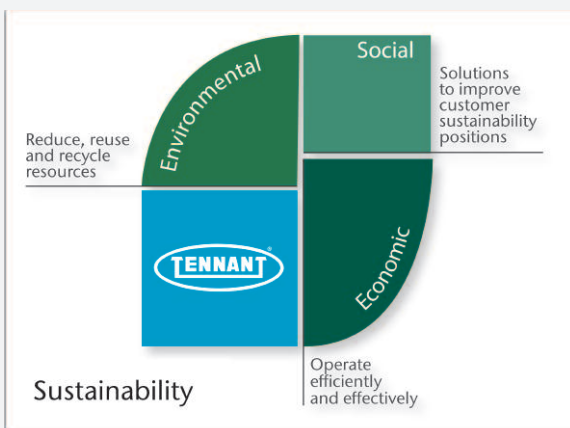
Manufacturing: Minneapolis, Minnesota, USA
Holland, Michigan, USA
Northampton and Scotland, United Kingdom
Uden, The Netherlands
Shanghai, China

What do we sell? We offer cleaning solutions that help to create clean, safe and healthy environments. Our products and solutions include commercial and industrial cleaning equipment, parts and service, and specialty surface coatings.

Where do we sell? We reach customers through four channels: direct sales, distributors, field service and centralized customer care. We have market coverage through sales and/or distribution in every key region of the world.

Who are our customers? Corporations, property managers, building service contractors and others who are responsible for keeping indoor and outdoor environments clean and safe. Tennant, Nobles and Green Machines branded products are found in all types of environments: schools, retail, airports, hospitals, stadiums, offices and more.

Why Tennant Company? A market leader in the cleaning industry, Tennant Company commits to innovation to improve the way professionals clean. Our company is an Environmental Cleaning Solutions provider. We provide solutions that clean our customers' many environments (indoor, outdoor) and we develop solutions that offer superior cleaning with little or no negative environmental impact. We strive to meet our customers' broad set of expectations for innovative solutions, service and support, financing and leasing options, and high-quality products.



At Tennant Company, our core value is stewardship which drives our commitment to sustainability. For us, sustainability means that we strive to balance the economic, environmental, and social implications of the business decisions we make.

We aim to produce a superior return for our shareholders because sustainability drives lean operations. We work to decrease our impact on the eco-system in everything we do, while delivering on our commitments of quality and value to our stakeholders. We are focused on creating a supportive workplace for our employees and providing a great place to do business for our partners.

We aspire to be stewards of all that we touch – people, products, places and profits... for today and tomorrow.



Better Ways to Clean.

CHRIS KILLINGSTAD
President and Chief Executive Officer



In 2007, Tennant Company was focused on growing the business by cleaning more spaces and capitalizing on new places. We continued to operate with the conviction that the future of our business is linked to the investment in today. Driven by this conviction, I am pleased to report that Tennant Company posted its third consecutive year of record sales and improved earnings in 2007. This was an exciting year in which we not only grew the business, but continued to redefine the industry through product innovation, market expansion and operational excellence.

RECORD 2007 RESULTS

Net sales in 2007 grew to \$664.2 million, up 11 percent from 2006, fueled by new product launches and expansion in new markets. Net earnings rose 34 percent to \$39.9 million, or \$2.08 per diluted share. Contributing to net earnings were higher sales in all of the company's geographic regions and continued operating profit margin improvements. Also impacting 2007 results were the net benefits of the following one-time items: a net tax benefit of \$3.6 million, or 19 cents per diluted share; a workforce restructuring charge of \$2.5 million pretax, or 9 cents per diluted share; and a gain on the sale of our Maple Grove facility of \$6.0 million pretax, or 19 cents per diluted share. Together, the net effect of these one-time items added 29 cents per diluted share to results in 2007.

The company's 2007 operating margin was 8.3 percent, or 7.4 percent excluding the gain on the Maple Grove facility sale, up from 6.7 percent in 2006. We remain confident that we can achieve our stated goal of reaching an operating margin of 9.5 percent in the 2008 fourth quarter.

Strategy is Nothing Without Execution.

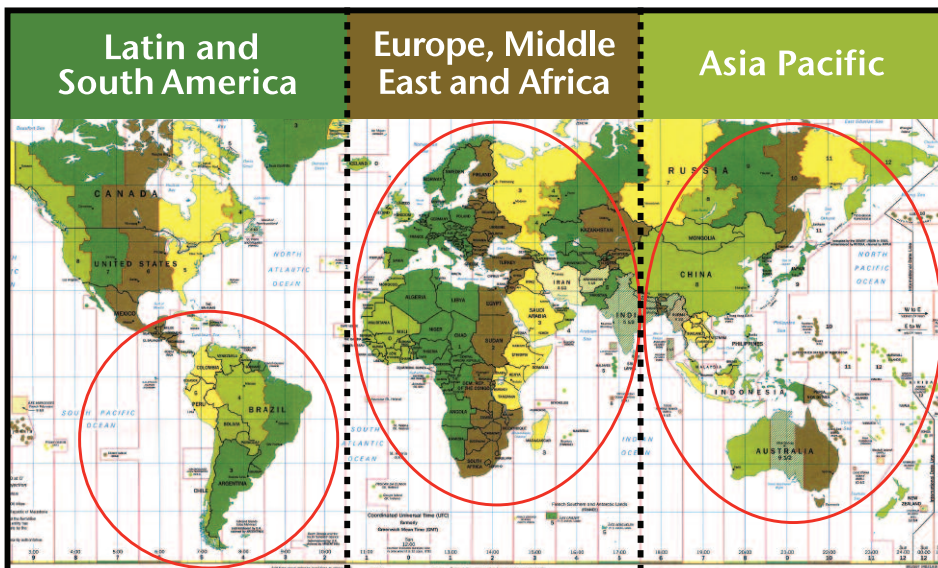
Overall, this was a year of significant growth and investment in the business. We successfully executed our strategic priorities throughout the year. These priorities included leveraging the company's cost structure through continuous process improvement and operational excellence. On the growth side, we focused on introducing innovative new products and solutions, and expanding into new markets, such as China and Brazil.

Managing Spaces. Going Places.

Our goals to leverage our cost structure and focus on operational excellence centered on consolidating our manufacturing footprint, expanding our presence in China and establishing global sourcing capabilities. During the year, we invested approximately \$4.2 million to support these programs. As a result, we expect to significantly reduce product costs and enhance our operating

efficiency over the next three to five years. In the near-term, I am encouraged that the initial benefits of our global sourcing and operating excellence initiatives allowed us to maintain gross margins in 2007, despite rising material costs and investments in the business.

As we exited 2007, our manufacturing footprint consolidation was complete. We moved all operations from our facility in Maple Grove, Minn., integrated them into our other North



To carry out our international strategy, we have reorganized International into three geographic operating divisions.



American facilities and sold the Maple Grove building. In Europe, we successfully integrated the former Hofmans plant in Schaijck, Netherlands, into our Uden facility. The move enabled us to gain efficiencies by leveraging existing plant facilities and indirect support. In addition, we expanded and improved our Uden distribution center to better serve our European markets.

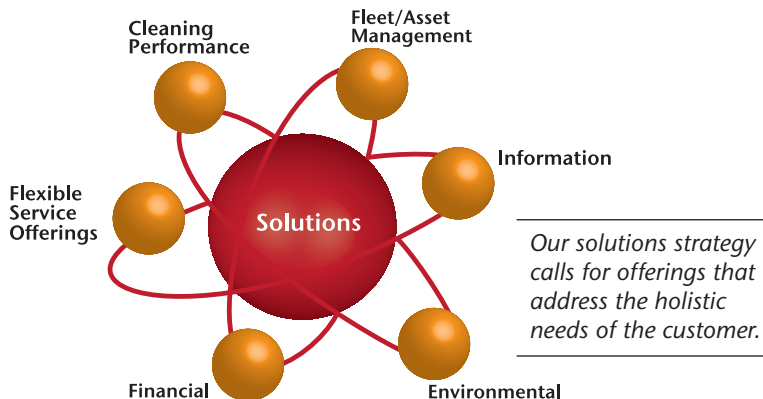
We are pleased with our progress and results to date in China. We just began production there in 2006. Sales in China continued to ramp in 2007, posting an annual growth rate of 39 percent. By the end of 2007, our China facility was manufacturing two products and a select number of subassemblies for local and worldwide distribution. We also have another product platform in China ready for production in early 2008.

In addition, China is an important part of our global sourcing initiative. We began seeing the benefits of this initiative in 2007, as our global sourcing efforts contributed just over \$4 million in gross savings during the year. This was achieved in part by doubling the percentage of materials and components sourced from low-cost regions, including China, from approximately 7 percent in 2006 to 14 percent in 2007. In 2008, we expect to exceed the savings from global sourcing that were realized in 2007.

Instilling a powerful culture of excellence requires having the right people in the right jobs. The worldwide workforce restructuring that we announced in 2007 was designed to better match the company's talent to the needs of our business, as we evolve from a focus on cleaning floors and expand into new spaces and new places.

More Innovation. More Markets. More Sales.

Customers are demanding more and Tennant Company is delivering with innovative product developments to clean more customer environments. In 2007, we launched five new products targeting all of our markets and introduced a breakthrough new cleaning technology called *ech₂o*[™], which we unveiled in the fourth quarter. What we saw – and continue to see – as a significant market opportunity compelled us to announce *ech₂o* nine months earlier than planned. Our customers' growing interest in cleaning with



environmentally friendly solutions fueled our drive to introduce *ech₂o* at our industry's largest tradeshow in North America where it received the show's Innovation Award.

Our patent-pending *ech₂o* technology cleans by electrically activating plain tap water to perform like a powerful detergent. Only tap water goes into the machine. There is no added detergent. In addition to being environmentally friendly, *ech₂o* offers significant customer advantages, including lower costs, ease of use and improved operator safety.

The *ech₂o* technology is a significant advancement for our industry and for Tennant Company. It reinforces our technology leadership in the cleaning industry and continues our evolution and growth as a provider of environmental cleaning solutions.



Global shipments of machines equipped with *ech₂o* technology are planned to begin during the 2008 second quarter. Initially, the *ech₂o* system will be available on six walk-behind scrubbers, including the Tennant T5, T3, 5680 and 5700, as well as the Nobles Speed Scrub[®] walk-behind scrubbers. We plan to extend *ech₂o* to other Tennant and Nobles brand scrubbers, as well. This technology is a particularly good fit for general purpose cleaning, which encompasses about 70 percent of our scrubber cleaning applications. We believe *ech₂o* will give us a competitive advantage, especially in targeted vertical markets such as hospitality, schools and hospitals.

Our continued commitment to innovation is demonstrated by our investment of 3 to 4 percent of annual sales into product development and environmental cleaning solutions. The investment is paying off. In 2007, approximately 35 percent of Tennant Company's equipment sales were generated by new products launched in the past three years, which is above our 30 percent goal.

Our new product pipeline remains robust, and we anticipate offering an expanding number of environmentally friendly products

and solutions in the future. We plan to launch six to seven new products in 2008 that will further enhance our product portfolio and provide continued growth opportunities.

In January, we announced our first new 2008 product, which is the Tennant branded S30 Mid-Sized Rider Sweeper. The S30 offers quiet, large-area sweeping and a patent-pending three-stage dust control system for indoor and outdoor spaces, while improving operator comfort and safety.

Taking these new products into new markets, such as China and Brazil, is a key piece of our growth strategy, as is growth through acquisitions that add complementary products or expand our global sales and service coverage. After the close of 2007, we announced two exciting acquisitions that are in line with our strategy and will help us build our business globally.

Opening Markets. Closing Gaps.

In February 2008, we completed the acquisition of Applied Sweepers, a privately held company based in Falkirk, Scotland, with revenues of approximately \$40 million. This acquisition is complementary from both a product offering and market coverage standpoint.

Applied Sweepers is the leading manufacturer of sub-compact outdoor sweeping machines in the United Kingdom used for applications such as sweeping pavements, pedestrian areas, streets and alleyways. It also operates subsidiaries in the United States, France and Germany. Like Tennant Company, Applied Sweepers has a highly regarded service organization and a stellar reputation for innovation and high-quality products. Its city cleaning products complement our current outdoor offerings, particularly in Europe, and will enhance our ability to offer a broader set of solutions to customers worldwide. This acquisition,

combined with our 2006 acquisition of Hofmans Machinefabrik in The Netherlands, provides Tennant Company greater access to the European city cleaning market – and will offer additional opportunities to further leverage both companies' existing global sales and service capabilities. We estimate the worldwide outdoor cleaning market to be approximately \$500 million.



We also expanded our presence in Latin America in 2007, which is an attractive emerging market for our products. We are pleased with the initial success of our entry into Brazil, as volume growth there was a significant contributor to the robust 29 percent sales increase in our Latin America region in 2007.

To further strengthen our presence in Brazil, we also announced in February 2008 that Tennant Company entered into a purchase agreement to acquire Sociedade Alfa Ltda. (Alfa), maker of the Alfa brand commercial cleaning machines.

Again, this acquisition fits with our strategy to expand our sales and service capabilities and acquire complementary product lines. Alfa is recognized as the Brazilian market leader in the cleaning industry, with an extensive sales and service network, as well as local manufacturing capabilities. We see tremendous opportunity to create synergies between Tennant's innovative product offerings and Alfa's service and distribution reach, in order to further our international market expansion. Alfa's strong name recognition in the commercial equipment market, combined with our industrial equipment products and specialty floor coatings, creates a tremendous foundation for growth in Brazil and throughout Latin America.

Striving For More.

As we enter 2008, we strive to capitalize on our momentum, with a focus on outperforming 2007. We are committed to efficiently running the business and generating growth, in order to achieve the following financial goals:

- 5 percent to 9 percent annual organic revenue growth;
- an operating margin of 9.5 percent in the fourth quarter of 2008; and
- double-digit earnings growth

We expect to drive 2008 sales with a strong new product pipeline and continued market expansion. We also anticipate receiving further benefits from operational investments we made in 2007.

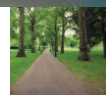
Our 2008 strategic priorities will leverage our 2007 investments to: improve operational excellence through lean manufacturing initiatives; achieve further savings through a global, low-cost sourcing program; employ continuous process improvement; and grow revenues through innovative new products and solutions, international market expansion and acquisitions.

We believe our business remains strong and is sustainable. We are confident about our growth prospects and are committed to creating value for all of our stakeholders. We have a long-term financial goal to achieve revenues of \$1 billion within three to five years as a result of both organic growth and acquisitions. The future is all about better ways to clean...more spaces and more places.

Sincerely,

A handwritten signature in black ink, appearing to read "HCK", written over a white background.

H. Chris Killingstad
President and Chief Executive Officer
March 13, 2008



Investor Information

ANNUAL MEETING

The annual meeting of Tennant Company will take place Tuesday, April 29, 2008, at 10:30 a.m. at the Golden Valley Country Club, 7001 Golden Valley Road, Golden Valley, MN 55427.

FORM 10-K AND 10-Q

The Form 10-K filed with the Securities and Exchange Commission accompanies this profile and together they constitute the company's annual report to shareholders. For additional copies of our Form 10-K or to obtain a copy of the quarterly financial reports on Form 10-Q, visit the Investor portion of our website at www.tennantco.com, or contact:

Investor Relations
Tennant Company
P.O. Box 1452
Minneapolis, MN 55440
E-mail: investors@tennantco.com

STOCK LISTING

New York Stock Exchange (TNC)

INVESTOR INQUIRIES

Individual stockholders may direct any questions to Tennant Company's Investor Relations Department at 763-540-1204.

Corporate Information

BOARD OF DIRECTORS

William F. Austen

Vice President,
Operations,
Bemis Company

Jeffrey A. Balagna

Executive Vice President,
Chief Information &
Customer Technology
Officer,
Carlson Companies

James T. Hale

Retired Executive
Vice President,
General Counsel and
Corporate Secretary,
Target Corporation

H. Chris Killingstad

President and Chief
Executive Officer,
Tennant Company

David Mathieson

Senior Vice President and
Chief Financial Officer,
RSC Holdings, Inc.

Edwin L. Russell

Chairman and
Chief Executive,
Horizon Investments

Stephen G. Shank

Chairman and Chief
Executive Officer,
Capella Education
Company

Steven A. Sonnenberg

President,
Rosemount, Inc.,
a division of Emerson
Electric Co.

OFFICERS



H. Chris Killingstad
President and
Chief Executive Officer



Heidi M. Hoard
Vice President,
General Counsel and
Secretary



Don B. Westman
Vice President,
Global Operations



Steven M. Coopersmith
Vice President,
Global Marketing



Karel Huijser
Vice President,
International

Karen A. Durant
Corporate Controller

Steven K. Weeks
Vice President,
North America
Strategic Planning



Thomas J. Dybsky
Vice President,
Administration



Thomas Paulson
Vice President and
Chief Financial Officer

Patrick J. O'Neill
Treasurer

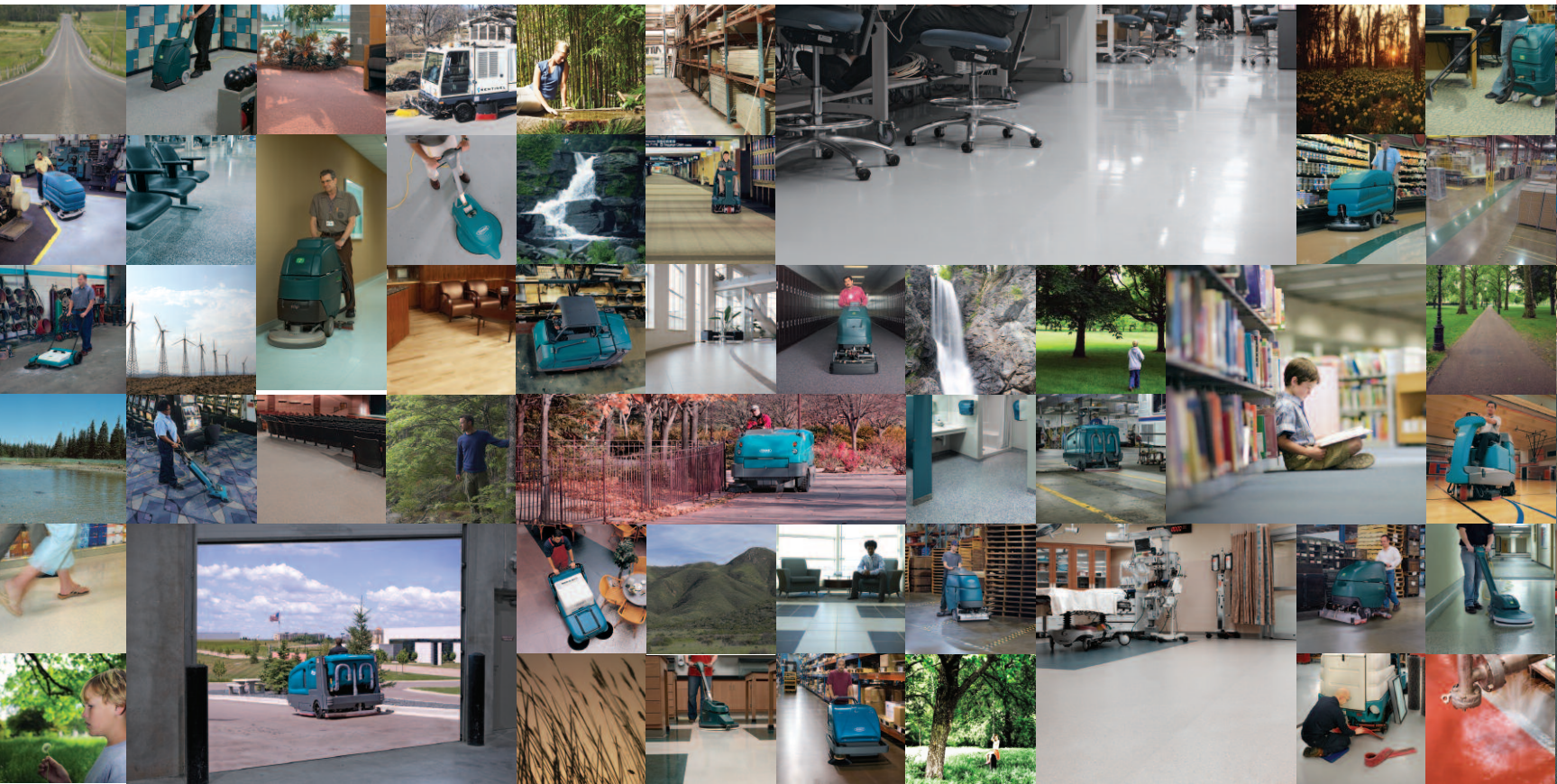


Andrew J. Eckert
Vice President,
North America



Michael W. Schaefer
Vice President and
Chief Technical Officer

Steven G. Ulvi
Vice President,
Global Sourcing



TENNANT COMPANY

701 North Lilac Drive
 P.O. Box 1452
 Minneapolis, MN 55440
www.tennantco.com



Forward-Looking Statements

Certain statements contained in this document as well as other written and oral statements made by us from time to time are considered "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act. These statements do not relate to strictly historical or current facts and provide current expectations or forecasts of future events. Any such expectations or forecasts of future events are subject to a variety of factors. These include factors that affect all businesses operating in a global market as well as matters specific to us and the markets we serve. Particular risks and uncertainties presently facing us include: geopolitical and economic uncertainty throughout the world; changes in laws, including changes in accounting standards and taxation changes; inflationary pressures; the potential for increased competition in our business; the relative strength of the U.S. dollar, which affects the cost of our materials and products bought and sold internationally; fluctuations in the cost or availability of raw materials and purchased components; the success and timing of new products; our ability to achieve projections of future financial and operating results; successful integration of acquisitions, including the ability to carry acquired goodwill at current values; the ability to achieve operational efficiencies, including synergistic and other benefits of acquisitions; the ability to achieve anticipated global sourcing cost reductions; unforeseen product quality problems; our ability to acquire, retain and protect proprietary intellectual property rights; the effects of litigation, including threatened or pending litigation; our ability to benefit from production reallocation plans, including benefits from our expansion in China; and our plans for growth.

We caution that forward-looking statements must be considered carefully and that actual results may differ in material ways due to risks and uncertainties both known and unknown. Shareholders, potential investors and other readers are urged to consider these factors in evaluating forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. For additional information about factors that could materially affect Tennant's results, please see our other Securities and Exchange Commission filings, including disclosures under "Risk Factors."

We do not undertake to update any forward-looking statement, and investors are advised to consult any further disclosures by us on this matter in our filings with the Securities and Exchange Commission and in other written statements we make from time to time. It is not possible to anticipate or foresee all risk factors, and investors should not consider any list of such factors to be an exhaustive or complete list of all risks or uncertainties.