CLEANING EQUIPMENT

NEW TECHNOLOGIES

SERVICE SOLUTIONS

FLOOR COATINGS

2010 ANNUAL REPORT

FORWARD THINKING

Sustainable Cleaning. Sustainable Results.

CHRIS KILLINGSTAD
President and Chief Executive Officer

To Our Shareholders:

Tennant Company's performance in 2010 represents a significant turnaround from a year ago. Despite lingering economic uncertainty, we delivered strong results in our core business and advanced our vision of becoming a global leader in chemical-free and other sustainable cleaning technologies to help our customers create a cleaner, safer, healthier world. We believe our 2010 efforts position us for solid growth going forward.

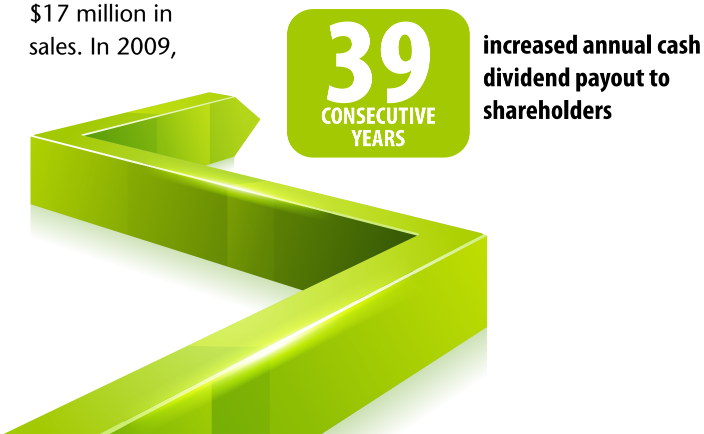
We achieved four consecutive quarters of double-digit organic sales growth in 2010, with organic sales increasing approximately 12 percent for the year, driven primarily by strategic accounts and ec-H2O™ technology. Consolidated 2010 net sales totaled $667.7 million versus $595.9 million in 2009. Profitability also improved, with the company reporting 2010 adjusted diluted earnings per share of $1.31, up from 2009 adjusted diluted earnings per share of $0.67, excluding special items. In December 2010, Tennant raised the quarterly dividend by 21 percent to $0.17 per share, marking the 39th consecutive year that Tennant has increased its annual cash dividend payout to shareholders.

Tennant's adjusted gross profit margin increased 130 basis points to 42.6 percent from 41.3 percent in 2009, primarily due to manufacturing efficiencies from increased sales volume, somewhat offset by higher commodity costs. Adjusted operating profit rose to $39.2 million, or 5.9 percent of sales, compared to $19.5 million, or 3.3 percent of sales, in 2009. We also ended 2010 with lower debt and higher cash levels than a year ago.

Growing Sales with the Power of Water

We continue to gain marketplace momentum with our proprietary ec-H2O technology and have filed more than 30 U.S. and global patent applications related to the technology. A key contributor to Tennant's sales in 2010 was strong demand for scrubbers equipped with ec-H2O. This eco-friendly technology electrically converts plain tap water so it acts as a general-purpose cleaner, without any added chemicals.

Each year since its introduction in 2008, we have achieved increasing sales traction on scrubbers equipped with this technology. In its first year, ec-H2O generated $17 million in sales. In 2009,



sales grew to $50 million. In 2010, we reached $96 million in ec-H2O sales. Our ability to win new and more deeply penetrate existing large, strategic accounts and building service contractors are key drivers of our recent success.

Our customers find that ec-H2O technology provides sustainable, chemical-free cleaning – with significant cost savings and benefits, such as greater productivity and worker safety. It is a win-win for our customers and the environment. We anticipate further growth ahead.

Water-Based Cleaning Technologies

We believe we have an opportunity to transform the cleaning industry by developing a portfolio of sustainable cleaning technologies and products. To fully capitalize on our water-based cleaning technology, we created our Orbio™ Technologies Group to drive success in this area through three phases.

Phase one was completed in 2010 by extending ec-H2O technology across our product portfolio to all appropriate walk-behind and rider scrubbers. This helped accelerate Tennant's sales and boosted our percentage of equipment sales from new products introduced in the past three years over our target of 30 percent to 47 percent.

The second phase involves cleaning more of our current customers' spaces in more environmentally friendly ways. In the first quarter of 2011, Tennant launched the revolutionary Orbio® 5000-Sc to replace most conventional cleaning chemicals. The 5000-Sc uses Orbio Split Stream Technology that combines tap water, a small amount of salt and electricity to create an effective and eco-friendly multi-purpose cleaning solution. The 5000-Sc cleaning solution effectively cleans most soils, including fats, proteins and organic oils. It matches or exceeds the performance of most conventional cleaners allowing customers to eliminate many costly and potentially harmful chemicals from their cleaning process.

Our customers, and the people who use the facilities they clean, are demanding cost-effective solutions that use fewer potentially harmful chemicals. We believe Orbio Split Stream Technology and the Orbio 5000-Sc are important steps to meeting that demand.

The third phase focuses on leveraging our water-based technology platform in new markets and applications such as healthcare, food processing and consumer markets. With the help of a leading disruptive technology consulting firm we are currently exploring many interesting opportunities.

Orbio® 5000-Sc

We are excited about the progress our Orbio Technologies Group is making to enhance and expand our electrically converted water technology platform to create a robust sustainable cleaning business.

Offering Other Sustainable Cleaning Innovations

In addition to the momentum around ec-H2O and Orbio, we expanded our innovation leadership and environmental focus in other product areas.

During 2010, we continued the launch of our new Green Machines 500ze™, an all-electric vacuum street sweeper. The innovative 500ze, with its lithium-ion-powered battery pack, is ideal for use in city centers and pedestrian areas. It offers a near-silent operating mode and zero carbon emissions. The 500ze was awarded the 2010 European Ruban d'Honneur UKTI Innovation Award for its ability to provide a powerful yet environmentally conscious sweeping option for enclosed or crowded pedestrian areas. The machine also received the 2010 Minnesota High-Tech Association Tekne Cleantech Award, which recognizes businesses that manufacture environmentally sound products or solutions that reduce costs, energy consumption, waste or pollution.

T16 Scrubber

In early 2011, we introduced Tennant's T16 battery-powered rider scrubber. The T16 has a versatile, all-new design. Its soft outer shell is suitable for commercial cleaning applications, such as shopping malls and hospitals. It also has an optional hard-shell accessory package for use in heavier industrial settings. Additionally, it is one of the quietest scrubbers on the market today, enabling around-the-clock cleaning. The T16 may be equipped with any of Tennant's cleaning solutions technologies, including ec-H2O.

Priorities Going Forward

Entering 2011, we anticipate steady, continued recovery in North America, strong growth in emerging markets and modestly improving conditions in Europe. We are closely monitoring commodity prices and are prepared to respond, as needed. We also expect that our 2010 international entity restructuring will have a positive impact on our overall 2011 tax rate and will generate long-term cash tax savings.

12% by 2013

Based on our financial results and the progress we've made on our strategic priorities, we have established an ambitious long-term goal: To achieve a 12 percent operating profit margin during the 2013 fourth quarter. We believe that the company is capable of reaching this objective by successfully executing our current strategy and assuming the global economy continues its current rate of recovery.

As we work to attain the target of 12 percent operating profit margin during the 2013 fourth quarter, we are keenly focused on:

- *Driving organic revenue growth in the mid- to high-single digits;*
- *Holding fixed costs essentially flat in our manufacturing areas as volume rises;*
- *Striving for zero net inflation at the gross profit line; and*
- *Ensuring standardization and simplification of global processes to enable the building of a scalable business model, while minimizing increases in our operating expenses.*

Other strategic priorities include:

- *Strengthening our large equipment business by developing a portfolio of innovative, high-performance, lower cost and freshly designed scrubbers and sweepers for both emerging and established markets;*
- *Continuing to expand our presence and aggressively grow in emerging markets such as China, India and Brazil; and*
- *Building a sizable, robust, sustainable cleaning business under the Orbio Technologies brand.*

Moving forward, we will continue to manage the business conservatively with a focus on operational excellence and rigorous cost controls, while making selective investments in key strategic priorities. We remain committed to profitably growing our traditional business and expanding our global footprint in water-based cleaning technologies. We believe that we have the right strategies in place to achieve our goals and accelerate growth. Tennant is strong. For more than 140 years Tennant employees have risen to the challenge with leadership, innovation and dedication. I am confident we will continue to do so!

Sincerely,

Chris Killingstad
President and Chief Executive Officer

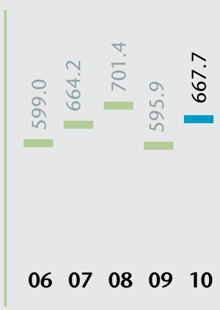
March 15, 2011

Financial Highlights

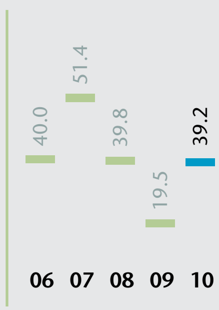
In thousands, except shares and per share data

For the Year	Reported 2010	Reported 2009	Adjusted 2010	Adjusted 2009	Adjusted % change
Net sales	$ 667,667	$ 595,875	$ 667,667	$ 595,875	12.0%
Profit (loss) from operations	$ 37,134 (1)	$ (22,493) (2)	$ 39,175 (5)	$ 19,542 (5)	100.5%
% of net sales	5.6%	-3.8%	5.9%	3.3%	–
Net earnings (loss)	$ 34,803 (1)	$ (26,241) (2)	$ 25,251 (5)	$ 12,321 (5)	104.9%
% of net sales	5.2%	-4.4%	3.8%	2.1%	–
Diluted earnings (loss) per share	$ 1.80 (1)	$ (1.42) (2)	$ 1.31 (5)	$ 0.67 (5)	95.5%
Dividends per common share	$ 0.59	$ 0.53	$ 0.59	$ 0.53	11.3%
Average shares outstanding – diluted	19,332,103	18,507,772	19,332,103	18,507,772	4.5%
At Year-End					
Total assets	$ 403,668	$ 377,726	$ 403,668	$ 377,726	6.9%
Total debt	$ 30,828	$ 34,211	$ 30,828	$ 34,211	-9.9%
Shareholders' equity	$ 216,133	$ 184,279	$ 216,133	$ 184,279	17.3%
Debt-to-capital ratio	12.5	15.7	12.5	15.7	–

NET SALES
(millions of dollars)



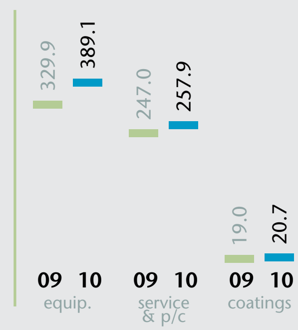
ADJUSTED PROFIT FROM OPERATIONS
(millions of dollars) (5)



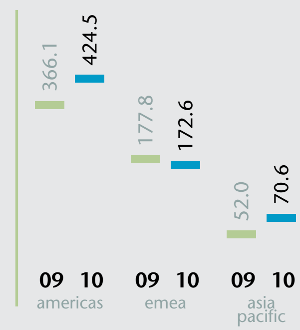
ADJUSTED DILUTED EARNINGS PER SHARE
(dollars) (5)

CASH FLOW FROM OPERATIONS
(millions of dollars)

SALES BY PRODUCT TYPE
(millions of dollars)



SALES BY GEOGRAPHIC REGION
(millions of dollars)



(1) 2010 includes a tax benefit from the international entity restructuring of $10,913 (or $0.56 per diluted share), a workforce redeployment charge of $1,671 pretax ($1,196 aftertax or $0.06 per diluted share), an inventory revaluation from change in functional currency designation due to international entity restructuring of $647 pretax ($453 aftertax or $0.02 per diluted share), and a revision of our 2008 workforce reduction reserve of $277 pretax ($173 aftertax or $0.01 per diluted share).

(2) 2009 includes a non-cash goodwill impairment charge of $43,363 pretax ($42,289 aftertax or $2.29 per diluted share), a benefit from a revision in 2009 to the 2008 workforce reduction charge of $1,328 pretax ($1,249 aftertax or $0.07 per diluted share), a net benefit from a United Kingdom business reorganization of $1,864 aftertax (or $0.10 per diluted share), and discrete net favorable tax items of $614 aftertax (or $0.03 per diluted share).

(3) 2008 includes a restructuring charge and associated expenses of $19,755 pretax ($16,287 aftertax or $0.88 per diluted share), special legal expenses of $1,721 pretax ($1,072 aftertax or $0.06 per diluted share), a gain on sale of Centurion assets of $229 pretax ($142 aftertax or $0.01 per diluted share), an unusual net foreign currency gain of $1,709 aftertax (or $0.09 per diluted share), curtailed acquisitions expenses of $451 aftertax (or $0.02 per diluted share), and discrete net favorable tax items of $1,353 aftertax (or $0.07 per diluted share).

(4) 2007 includes a restructuring charge and associated expenses of $2,507 pretax ($1,656 aftertax or $0.09 per diluted share), a gain on the sale of the Maple Grove, Minnesota, facility of $5,972 pretax ($3,720 aftertax or $0.19 per diluted share), and a one-time tax benefit related to a reduction in valuation reserves, net of the impact of tax rate changes in foreign jurisdictions on deferred taxes of $3,644 aftertax (or $0.19 per diluted share).

(5) 2010, 2009, 2008 and 2007 Adjusted amounts exclude items (1), (2), (3) and (4) above, respectively.

Company Profile

Minneapolis-based Tennant Company (NYSE: TNC) is a world leader in designing, manufacturing and marketing solutions that help create a cleaner, safer, healthier world. Its products include equipment for maintaining surfaces in industrial, commercial and outdoor environments; chemical-free and other sustainable cleaning technologies; and specialty surface coatings for protecting, repairing and upgrading floors. Tennant's global field service network is the most extensive in the industry. Tennant has manufacturing operations in Minneapolis, MN.; Holland, MI.; Louisville, KY.; Uden, The Netherlands; the United Kingdom; São Paulo, Brazil; and Shanghai, China; and sells products directly in 15 countries and through distributors in more than 80 countries.

Forward-Looking Statements
This presentation contains certain statements that are considered "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "project," or "continue" or similar words or the negative thereof. These statements do not relate to strictly historical or current facts and provide current expectations of forecasts of future events. Any such expectations or forecasts of future events are subject to a variety of factors. 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. Information about factors that could materially affect our results can be found in Part I, Item 1A, Risk Factors in our Annual Report on form 10-K for the year ended December 31, 2010. Shareholders and potential investors are urged to consider these factors in evaluating forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements.

We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Investors are advised to consult any further disclosures by us in our filings with the Securities and Exchange Commission and in other written statements on related subjects. 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.

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