Financial Highlights

FOR THE YEAR

<table>
<thead>
<tr>
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<th>Reported</th>
<th>Reported</th>
<th>Adjusted</th>
<th>Adjusted</th>
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<tbody>
<tr>
<td>Net sales</td>
<td>$2,069</td>
<td>$2,092</td>
<td>$2,092</td>
<td>$2,092</td>
<td>$2,092</td>
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<tr>
<td>Profit (loss) from operations</td>
<td>$(22,493)</td>
<td>$(16,569)</td>
<td>$(16,569)</td>
<td>$(16,569)</td>
<td>$(16,569)</td>
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<tr>
<td>Earnings (loss) per share</td>
<td>$(3.06)</td>
<td>$(2.64)</td>
<td>$(2.64)</td>
<td>$(2.64)</td>
<td>$(2.64)</td>
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</tbody>
</table>

2009, 2008 and 2007 adjusted amounts exclude items (1), (2) and (3) above, respectively.

2009 includes a non-cash goodwill impairment charge of $43,363 pretax ($42,289 aftertax or $2.29 per diluted share), a benefit from 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). Tennant had 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), 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).

(1) Includes a non-cash goodwill impairment charge of $43,363 pretax ($42,289 aftertax or $2.29 per diluted share), a benefit from 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), 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), 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).
To our shareholders:

Reflecting on 2009, Tennant Company executed well in a challenging global sales environment. We also made investments in expanding our portfolio of innovative products that we believe will bolster Tennant's future revenue growth. We also worked hard to reduce costs and improve efficiency in our business practices. Given the tough economic environment, we achieved $17.1 million of adjusted earnings, which was $44.0 million or $2.25 per diluted share. This included net sales of $384.7 million, which was up 19 percent compared to 2008.

Investing in Innovation to Fuel Growth

Innovations in our core business created new products and new markets, leading to solid sales growth and a strong bottom line. We are encouraged by our continued momentum in delivering new and improved products, both within our traditional markets and in additional markets.

In 2009, sales of machines equipped with ec-H2O technology increased through new products, helping RAND, our largest division, achieve double-digit sales growth. This technology is the environmentally friendly process that converts plain tap water into a powerful cleaning agent that is currently sold through Ecolab’s sales and distribution channel. McDonald’s recently approved the Scrub-N-Go for its corporate and franchisee stores, as did Yum! Brands for its KFC, Pizza Hut and Long John Silver’s. We are now beginning to pilot the Scrub-N-Go in international markets.

Our corporate goal is to continue our leadership role in the cleaning industry, and we believe our proprietary ec-H2O™ platform will prove to be the preferred solution for hundreds of leading companies.

Looking Ahead to Profitable Growth

Tennant reported 2009 consolidated net sales of $399.9 million compared to $384.7 million in 2008. This represented a 4.5 percent increase compared to 2008 adjusted diluted earnings per share of $1.36, which also excludes special items. Despite decreased merchandise inventories, Tennant delivered a 22 percent increase in adjusted net income to $10.7 million, or $0.57 per share, compared to $8.9 million, or $0.45 per diluted share in 2008. This included capital expenditures of $17.3 million, which was a higher level of spending than our planned capital spending and we are encouraged that the Scrub-N-Go is positioning in international markets.

In 2010, we are focused on continuing to improve our financial performance for attractive returns on capital and creating long-term value for shareholders. We are committed to investing in our core businesses, and we believe ec-H2O technology is a key strategic platform for future growth.

We are also figuring out what cleaning devices we need to pilot the Scrub-N-Go in international markets.

With many ec-H2O opportunities in front of us, our focus is on the following goals: 1) increasing sales in our traditional business segments, which have exhibited strongxdiluted earnings per share of $1.36, which also excludes special items. Despite decreased merchandise inventories, Tennant delivered a 22 percent increase in adjusted net income to $10.7 million, or $0.57 per share, compared to $8.9 million, or $0.45 per diluted share in 2008. This included capital expenditures of $17.3 million, which was a higher level of spending than our planned capital spending and we are encouraged that the Scrub-N-Go is positioning in international markets.

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Setting the standard for Sustainable Cleaning

To our shareholders:

Reflecting on 2009, Tennant Company executed well in a challenging global sales environment. We also made investments in expanding our portfolio of innovative products that we believe will bolster Tennant’s future revenue growth. It has been a year of strong profits and cash flows, enabling our business to do what we do best, which is give back to our communities by providing a safe and healthy environment.

At Tennant, we recognize that communication is the key to a successful business. Our customers are demanding not only the highest quality products and services, but also the ability to be environmentally responsible. We are dedicated to doing everything we can to assist in this objective through research and development of new products and services.

The global recession has decreased demand for our cleaning equipment and service through the first three quarters of the year, compared to 2008. However, sales improved throughout the year and we are encouraged that the company achieved year-over-year growth in revenue for the first time for the quarter since the first quarter of 2008. We ended the year with total revenue of $353.7 million, a 25 percent increase over 2008, and we delivered increased profits in each of the last three quarters of the year.

Investing in Innovation to Fuel Growth

Innovation is at the heart of our success. We have developed innovative new products and services that are changing the way our customers think about cleaning. Today, Tennant offers 11 scrubbers with the award-winning ec-H2O technology. This technology is so differentiated from the competition that products introduced in the past three years, exceeding our $50 million in 2009. ec-H2O was the major contributor to 2008. Our sales of ec-H2O-equipped scrubbers tripled to technology in the 2008 second quarter and, despite without any added chemicals.

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Company Profile

Minneapolis-based Tennant Company (NYSE: TNC) is a world leader in designing, manufacturing and marketing solutions that help create a cleaner, healthier world. Its products include equipment for maintaining surfaces, industrial, commercial and outdoor environments, chemical-free cleaning technologies, and specialty surface coatings for protecting, repairing and maintaining floors. Tennant’s global field service network is the most extensive in the industry; Tennant has manufacturing operations in Minneapolis, Minn.; Holland, Mich.; 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

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 historical or current facts and instead are intended to project future events or trends and are subject to various risks and uncertainties. Actual results may differ materially from those expressed in forward-looking statements and are affected by various risks and uncertainties that are beyond our control. For a discussion of some of the principal risks, uncertainties and other factors included in evaluating forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements, please see “Risk Factors” in our most recent Quarterly Report on Form 10-Q and our Annual Report on Form 10-K, filed with the U.S. Securities and Exchange Commission.

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TENNANT COMPANY
79 North Lake Drive, P.O. Box 1452, Minneapolis, MN 55440 - www.tennantco.com

2009 ANNUAL REPORT
(1) 2009 includes a non-cash goodwill impairment charge of $43,363 pretax ($42,289 aftertax or $2.29 per diluted share), a benefit from 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). Tennant also recognized 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).

(2) 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 $669 aftertax (or $0.04 per diluted share), and curtailed acquisitions expenses of $451 aftertax (or $0.02 per diluted share). Tennant also recognized an unusual net foreign currency gain of $1,709 aftertax (or $0.09 per diluted share), 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) 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 Coatings North America EMEA Other segment 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), 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).

(4) Adjusted amounts exclude items (1), (2) and (3) above, respectively.