OPEESA'S

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"The Business of Outdoor Power Equipment"

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1) BRIGGS & STRATTON: BAD WEATHER MEANS GOOD BUSINESS

www.seekingalpha.com

"Ice storm leaves one million without power in US northeast" - AFP, December 14, 2008.

December 15 -- For retailers, the thought of one million potential shoppers iced in with no power over a weekend in December is the worst form of nightmare. And that's in normal times. For Briggs & Stratton however, ice storms create power outages, and power outages create opportunity.

Power outages fuel demand for Briggs & Stratton generators. And not just ordinary demand -- the kind of demand that tends to be inelastic and lasts as long as the memory of the pain and cost of days and (possibly) weeks with no electricity. Known in the industry as the "snow blower effect," last year's weather tends to drive strong demand for snow products and generators at the start of next year's selling season. The same holds true for hurricanes.

For BGG, last year's heavy Midwest snows and the damage from Hurricane's Ike and Gustav drove strong and continuing demand for its generators and snow products. This demand translated into strong sales as noted in the Q1/2009 earnings release.

Engines: Fiscal 2009 first quarter net sales were $258.6 million, $50.2 million or 24% greater than the prior year. This increase reflects a 27% increase in engine unit shipments compared to the same period a year ago.

Power Products: Fiscal 2009 first quarter net sales were $255.5 million, $68.1 million or 36% greater than the prior year. The increase in sales was primarily due to increased sales of portable generators due to a number of hurricanes making landfall in the United States in our first quarter.

For the balance of the winter and looking ahead to the 2009 hurricane season, the consensus outlook for a snowy winter in the heavily populated northeastern US and another above average hurricane season is good news for BGG.

Assuming the company is able meet the demand and fulfill the orders, the forecasts of continuing bad weather bode well for Briggs & Stratton.

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2) FAKE HONDA ENGINES DESTROYED IN PHILIPPINES

www.gmanews.tv

MANILA, Philippines - December 16, 2008 - Customs authorities on Tuesday destroyed 716 fake Honda general purpose engines allegedly manufactured in China.

Present to witness Customs officials ld Commissioner Napoleon Morales destroy the fake Honda products were representatives of Honda Motors Co., and Honda Philippines, Inc. And that was just the ceremonial part.

A bigger event held simultaneously held at San Rafael, Bulacan, saw officials destroying 1,831 phony machines, estimated to be worth P24,9 million. These were composed of gasoline engines, gasoline engines with water pump, gasoline marine engines, water pump engines, piston rings, fuel tanks, fan cases, carburetors, and starters.

Morales said the machines were intended for use in agriculture, fishing, and in motorized pedicabs, among others.

Morales said the destruction would serve as the bureau's warning against the dangers of using counterfeit products, which not only causes loss of revenue but more importantly, this may also pose a great danger on public health and safety.

"Through this activity, we would like to inform the public of the progress of our initiatives in making our country counterfeit-free. Step by step, through partnerships such as this, we will be able to achieve our goal to fully put a stop on the importation of the counterfeit products," he said.

Morales also encouraged other private companies to follow the actions of Honda and avail themselves of the IPR recordation program of the customs for their copyrights and trademarks, which serves as a continuing complaint against any and all counterfeit and infringing goods.

Morales said such complaint is important as it will allow the bureau to seize such counterfeit goods without prior formal complaint lodged by the copyright owners against the shipment.

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3) TESKE TAKING TEAM APPROACH TO LEADING BRIGGS

Rich Rovito *The Milwaukee Business Journal* www.milwaukee.bizjournals.com

December 12 - While working as an accountant at Arthur Andersen's Milwaukee office, Todd Teske counted Briggs & Stratton Corp. among his clients.

After scrutinizing the financial operations of the Wauwatosa-based small engine and outdoor power equipment manufacturer for a few years, Teske ended up landing a job with the company.

"They put me on the account and one thing led to another and I got a job offer," said Teske, a certified public accountant who worked in Arthur Andersen's audit group.

During his 12-year stint at Briggs & Stratton, Teske has climbed to near the top of the corporate ladder and in September added the role of president to his job duties. The president's title previously had been held by John Shiely, who continues to serve as chairman and chief executive officer at Briggs & Stratton.

"The board had the confidence to give me the title of president, which really reflects on our entire team,' said Teske, 43, who also holds the titles of chief operating officer at Briggs & Stratton and president of the company's Power Products Group. "The board has a lot of confidence I what we can do and even though financial times are tough right now, I think we're doing the right things."

Teske began his career at Briggs & Stratton as assistant controller in charge of special projects before being promoted to corporate controller in 1998. Three years later, he became vice president of corporate development. He later became a senior vice president at Briggs and president of the company's Power Products unit.

In 2005, he was promoted to executive vice president and chief operating officer at Briggs.

"I'm either doing OK here or I can't hold a job because every few years I get a new one," he said. "When I was at Arthur Andersen, I got to see a lot of different companies because I was in the audit group. There are some cultures where you know immediately if you'll fit in , but I never thought I'd leave the firm."

In his various roles at Briggs & Stratton, Teske works directly with Shiely.

"The one thing I've learned from John that stands out is that you bring in good people and let them do their thing," Teske said. "You stay involved, no question, but what you don't do is micromanage them and look over their shoulders every 10 minutes."

Is Teske being groomed to eventually take over for Shiely, 54, who has served as Briggs & Stratton's chief executive since 2001 and served as president and chief operating officer prior to taking over for Frederick Stratton Jr.

"We talk succession planning all the time," Teske said. "I'm trying to get out a little bit more in front of the (media) and analysts and if the right things happen and the right opportunities occur then perhaps I will be in a position to do something like that if in fact that's what the board wants us to do."

Shiely praised Teske's leadership ability.

"Todd is a fine leader and has a clear sense of where we need to take the corporation," Shiely said.

Teske described his management style as "team oriented," which he said can be traced back to his days as a basketball and baseball player at Green Bay Southwest High School.

"Throughout the years I've played on a lot of sports teams and what you eventually learn is that you put the team together and everyone has a role on the team," he said. "In basketball, if everyone wants to the leading scorer on the team, you're not going to win, but if you bring in a person who will dish out the assists and another who will get the rebounds and a person who will shut down the other team's leading scorer, then you're going to have a much better chance of winning."

Briggs & Stratton, like most manufacturers, is faced with a variety of challenges, Teske said.

"The overall economic situation is an issue," he said. "If you take it down to our industry, Chinese competition has been an issue over the last few years, but we've seen this before, back in the 1980's with Japan. Everyone thought the Japanese were going to come in and eat our lunch, but it really didn't happen. We are doing a lot of things to make sure we are positioned appropriately against China. We have a plant in China, so we are taking advantage of the situation."

Another major issue is tied to increasing demands from mass retailer that sell lawn and garden equipment.

Teske also spoke of the need for Briggs to continue to focus on integration.

"Part of that is vertically integrating into the lawn and garden space or the generator or pressure washer space," he said. "As companies come up and if they fit into that strategy, we will go ahead and look at them. We may co-invest, buy the company or form a strategic alliance."

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4) TORO TO INSTALL EMISSION CONTROL SYSTEM AT BLOOMINGTON FACILITY

BLOOMINGTON, MN-- Jan. 6, 2009 -- The Toro Company recently reached an agreement with the Minnesota Pollution Control Agency (MPCA) to install a catalytic oxidizer system to control emissions at the company's Bloomington engineering test facility. When fully operational, the new system will reduce carbon monoxide and other contaminants in the exhausted air by more than 90 percent.

In January 2008, Toro discovered an issue with its current exhaust system, reported it to the MPCA, and started discussions on how to manage emission levels. The new system not only maximizes the benefit of Toro's engineering test group which is key to the company's innovation, but also goes a step further to help reduce other contaminants not currently regulated. Under terms of the agreement with the MPCA, Toro will pay a penalty of $30,000 and the system must be up and running by August 31, 2009.

"This investment supports our commitment to responsible environmental practices and allows us to fully meet the agency's requirements," said Tom Hawkinson, corporate environmental, health and safety manager at Toro. "Much like a catalytic converter on an automobile, this new system helps reduce emission levels and other organic pollutants by converting them to water and carbon dioxide."

Michael Drazan, vice president of corporate services, added, "We cooperated with the agency in solving the emissions issue we faced as we fully qualified our new line of professional mowers. It's only through extensive testing that we can provide customers the high quality products they expect from Toro."

Toro is partnering with Wenck Associates, an environmental engineering firm based in Maple Plain, MN, to design and install the scrubber technology. The total investment is approximately $1 million.

About The Toro Company
The Toro Company (NYSE: TTC) is a leading worldwide provider of turf and landscape maintenance equipment, and precision irrigation systems. With sales of nearly $1.9 billion in fiscal 2008, Toro's global presence extends to more than 140 countries through its reputation of world-class service, innovation and turf expertise. Since 1914, the company has built a tradition of excellence around a number of strong brands to help customers care for golf courses, sports fields, public green spaces, commercial and residential properties, and agricultural fields.

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5) ENGINE AND OPE OEM'S FACE NEW LAWSUITS REGARDING HORSEPOWER LABELING

Rick Barrett, www.jsonline.com Milwaukee Journal Sentinel

MILWAUKEE – January 6 -- Briggs & Stratton Corp. and other small-engine makers are facing a new round of lawsuits that claim the companies lied about horsepower ratings and misled consumers.

The lawsuits have been consolidated in U.S. District Court in Milwaukee, with 39 of the cases on file now and three more coming, according to court officials.

Attorneys for the plaintiffs are seeking class-action status, meaning a favorable outcome for them could have implications for thousands of consumers and cost the engine manufacturers millions of dollars.

Judge Lynn Adelman's rulings could apply to all of the cases, since they have been consolidated in his court.

By Jan. 15, attorneys for the plaintiffs and defendants are supposed to file brief statements of the facts involved in the litigation and the critical issues.

The cases allege that small-engine manufacturers and companies selling outdoor power equipment misrepresented and overstated horsepower ratings in advertising and marketing.

Identical engines were labeled with different horsepower ratings, misleading consumers into believing they were getting more power by purchasing more expensive models, according to one of the lawsuits.

"You had people buying a certain horsepower engine when, in fact, it wasn't as powerful as they thought," said Edward Kirk Wood, one of the plaintiff attorneys from Birmingham, Ala.

Briggs & Stratton, the world's largest manufacturer of small gasoline engines, declined to comment on the lawsuits.

For Kohler engines, horsepower ratings are based on meeting or exceeding the Society of Automotive Engineers' small-engine standard, Kohler said in a written statement.

The horsepower lawsuits in U.S. District Court have not been certified as class-action litigation, but that's one of the first issues to be decided, according to attorneys.

The cases are in their early stages and could last a year or more, attorneys said.

Similar lawsuits have been dismissed, including an Illinois case that included Wisconsin residents as plaintiffs.

Sears Roebuck & Co. and other lawn-and-garden equipment companies are included among the defendants, as well as the engine manufacturers.

The engine makers have defended horsepower labeling practices, saying there was never any intent to mislead consumers.

There are different ways to calculate horsepower depending on operating conditions, according to the manufacturers.

But horsepower is no longer the gold standard for rating small gasoline engines.

Briggs and other manufacturers now use torque as their rating system for push mowers, snow throwers, pressure washers and generators.

In basic terms, torque is a measurement of the force needed to turn something such as a wrench or a lawn mower blade.

It's a better measurement of a mower's ability to cut grass, Briggs executives said in a Journal Sentinel interview in 2008.

Over the years, companies in the intensely competitive outdoor power equipment industry have used horsepower ratings as a marketing tool.

In reporting to the Environmental Protection Agency, engine manufacturers had some leeway to fudge horsepower ratings by about 15%, according to earlier lawsuits.

Testing protocols for the EPA were different from those for the general public. The EPA ratings were based on a composite of test results at different engine loads, while results for the general public were based on an engine's full power capabilities.

Sometimes, the same engine was advertised as having different horsepower ratings depending on how it was sold.

But many horsepower labeling practices amounted to confusing and misleading advertising, said Doug Janisch, a retired engineer from Mequon who worked for Briggs & Stratton and other engine companies but is not associated with the lawsuits.

"Marketing people would put any horsepower rating they wanted on an engine," Janisch said. "Engineering departments long fought this trend and simply dismissed this foolishness as sales horsepower, decal power or fairy dust."

In technical terms, a unit of horsepower is equal to 745.7 watts, another measurement of power.

It's not difficult to accurately represent engine power for something like a lawn mower, according to Janisch.

"It could, should and ought to be based on a power test of the governed engine. Running a simple horsepower test on the governed engine will yield the maximum useful power available from that engine in that application. Mower deck design, blade design, and features like self-propelled, baggers and mulchers would further influence the consumer experience, but at least they would have a useful engine comparison."

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6) THOUGHTS FOR THE DAY

THE RULES OF COMPETITION

It's a little like wrestling a gorilla.
You don't quit when you're tired.
You quit when the gorilla is tired."

-- Robert Strauss

ACHIEVEMENT

It is easier to go down a hill than up,
but the view is from the top.

- Arnold Bennett

PERSONALITY

The meeting of two personalities
is like the contact of two chemical substances:
if there is any reaction,
both are transformed.

- Carl Jung

HELPING

You can have anything you want in life
if you just help enough other people
get what they want.

- Zig Ziglar

OPTIMISM

The pessimist sees difficulty in every opportunity.
The optimist sees the opportunity in every difficulty.

- Winston Churchill

DREAMING

It may be that those who do most,
dream most.

- Stephen Leacock

HUSTLE

Things may come to those who wait.
But only the things left by those who hustle."

-- President Abraham Lincoln.

DETERMINATION

The difference between a successful person and others
is not a lack of strength, not a lack of knowledge,
but rather a lack of determination."

-- Vince Lombardi

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7) TORO SEC FORM 10-K EXCERPTS Filed December 22, 2008

OVERVIEW

We design, manufacture, and market professional turf maintenance equipment and services, turf and agricultural micro-irrigation systems, landscaping equipment, and residential yard and irrigation products worldwide. We sell our products through a network of distributors, dealers, hardware retailers, home centers, mass retailers, and over the Internet. Our businesses are organized into two reportable business segments: professional and residential. A third reportable segment called "other" consists of domestic company-owned distribution companies and corporate activities, including corporate financing activities. Our emphasis is to provide well-built, dependable, and innovative products supported by an extensive service network. A significant portion of our revenues has historically been, and we expect it to continue to be, attributable to new and enhanced products.

Summary of Fiscal 2008 Results

Fiscal 2008 was a difficult year with a slight increase in net sales and a decline in net earnings. Our fiscal 2008 results included the following items of significance:

- Net sales for fiscal 2008 increased slightly by 0.1 percent compared to fiscal 2007 due primarily to strong international sales, which were offset by lower domestic sales as a result of the continued weakening of the domestic economy.
- International net sales continued to grow with a double digit increase of 11.9 percent compared to fiscal 2007. Approximately $28 million of this increase was the result of the weaker U.S. dollar compared to other currencies in which we transact business. This increase was also attributable to our continued investments in new products and growth in the international golf market, mainly in Asia and Canada. International net sales comprised 32.4 percent of our total consolidated net sales in fiscal 2008 compared to 29.0 percent in fiscal 2007 and 27.0 percent in fiscal 2006.
- Professional segment net sales, which represented over two-thirds of our total consolidated net sales in fiscal 2008, increased 1.0 percent in fiscal 2008 compared to fiscal 2007 due primarily to the continued growth and demand in international markets, particularly the golf market, as well as our successful introduction of new products. However, our professional segment net sales growth rate was hampered by the continued weakening of the domestic economy and the poor domestic housing market.
- Our residential segment net sales slightly rose by 0.1 percent in fiscal 2008 compared to fiscal 2007. This increase was primarily attributable to strong demand of snow thrower products in North America due to heavy snow falls during the 2007-2008 winter season, which was partially offset by lower demand for walk power mowers as a result of the continued weakening of the domestic economy and poor spring weather.
- Fiscal 2008 net earnings decreased 16.0 percent compared to fiscal 2007, and diluted net earnings per share declined 8.8 percent compared to fiscal 2007. Our after-tax return on sales for fiscal 2008 was 6.4 percent compared to 7.6 percent in fiscal 2007.
- Gross margin was 34.8 percent in fiscal 2008, down from 36.1 percent in fiscal 2007. During fiscal 2008, we experienced significant increases in commodity and fuel costs which hindered our gross margin as compared to fiscal 2007. We were not able to offset the higher costs paid for commodities and fuel, despite increasing prices on most of our products and continued use of Lean methods to reduce costs. In addition, our gross margin for fiscal 2008 was negatively impacted by higher manufacturing costs from lower plant utilization as we cut production in an effort to lower inventory levels.
- Selling, general, and administrative expense as a percentage of net sales in fiscal 2008 remained unchanged at 24.2 percent compared to fiscal 2007.
- We continued to generate strong cash flows from operations. Net cash provided by operating activities was $215.7 million in fiscal 2008 compared to $183.6 million in fiscal 2007, an increase of 17.5 percent. This allowed us to continue to

reinvest in product development, brand building, and new technologies; repurchase shares of our stock; fund acquisitions; and increase our cash dividend in fiscal 2008.

- We increased our fiscal 2008 quarterly cash dividend for the fourth consecutive year.

- We continued with our stock repurchase program in fiscal 2008 which reduced our number of shares outstanding. This reduction resulted in an increase in diluted net earnings per share of approximately $0.24 in fiscal 2008 compared to fiscal 2007.

- Despite the difficult domestic economic conditions we faced in fiscal 2008, we improved our asset management with a 17.6 percent decline in our inventory and our domestic field inventory levels were lower as of the end of fiscal 2008 as compared to the end of fiscal 2007.

GrowLean Initiative

In fiscal 2007, we launched our "GrowLean" initiative. This three-year initiative focuses our efforts more intensely on revenue growth and asset management while maximizing our use of Lean methods to reduce costs and improve quality and efficiency in our manufacturing facilities and corporate offices. We believe we have opportunities to create a leaner, cohesive enterprise that has the potential to deliver long-term positive financial performance.

Building a Growth Enterprise. We have identified several strategic focus areas to drive revenue growth in our businesses and accelerate opportunities to expand our global presence through stronger customer relations, acquisitions, alliances, and new partnerships. Our revenue growth GrowLean initiative goal is to grow net sales at an average annual rate of 8 percent or more over the three-year period ending October 31, 2009. For the first two years of our GrowLean initiative, our average annual net sales growth rate was 1.1 percent. Based on our average annual net sales growth rate for fiscal 2007 and 2008, as well as our anticipated net sales growth for fiscal 2009, excluding the impact of any potential acquisitions, we do not expect to achieve the 8 percent average annual revenue growth goal of our GrowLean initiative. However, we are investing in new product development, marketing, distribution, and other strategies to help build market share and strengthen our brands worldwide. At the same time, we are pursuing targeted acquisitions using a disciplined approach that will add value to our existing brands and product portfolio. We also expect to invest in developing innovative, customer-valued products to generate revenue growth.

Building a Lean Enterprise. Our continuous improvement journey, which was part of our two previous three-year initiatives, created awareness on our part of the root causes of waste and inefficiency throughout our entire organization. We believe we now have a strong foundation on which to elevate our internal use of Lean tools while expanding them externally to our suppliers and distribution partners. The profitability goal within our GrowLean initiative is to achieve a consistent after-tax return on sales of 7 percent or more over the three-year period ending October 31, 2009. For the first two years of our GrowLean initiative, our average after-tax return on sales was 7.0 percent. However, given the current recessionary conditions and our anticipated after-tax return on sales for fiscal 2009, excluding the impact of any potential acquisitions, we do not expect to achieve the 7 percent or more profitability goal of our GrowLean initiative. However, we plan to continue to employ Lean methods, such as Value Stream Mapping, to identify and eliminate constraints and barriers within and across our businesses and functions. In addition, we plan to continue to fine-tune enterprise-wide systems, such as Design for Manufacturing and Assembly, to deliver products more competitively and efficiently.

Improving Asset Management. In our quest to become an integrated Lean enterprise, we have placed additional emphasis on asset management. This is an endeavor that we believe will fundamentally change the way we do business. Our long-term asset management GrowLean initiative goal is to reduce average net working capital as a percent of net sales below 20 percent, or in the "teens." We define net working capital as accounts receivable plus inventory less trade payables. In fiscal 2008 and 2007, our average net working capital as a percentage of net sales was 27.5 percent and 29.4 percent, respectively.

We have reduced and plan to continue reducing inventory in our distribution channels – within our plants and warehouses, as well as at our distributors. Throughout the supply chain, we expect to reduce our costs as more of our products use the same components and we negotiate better supplier agreements. In fiscal 2008, we continued to roll-out a pull-based production system that we plan to implement in all of our plants over time. The pull model is based on retail sales that trigger replenishment cycles throughout the supply chain. As manufacturing is then better synchronized with customer demand, we expect significant inventory reductions at our production facilities. We expect that our focus on asset management will improve customer satisfaction by delivering the right products to the right customer – at just the right time – to meet current demand.

Outlook for Fiscal 2009

Fiscal 2008 was a difficult year as we faced a weakening domestic economy and a poor domestic housing market. We are uncertain how deep, long, or widespread this current recession will be, and we also expect economic conditions in key international markets to weaken in fiscal 2009 compared to fiscal 2008. However, we have taken and continue to take proactive measures to manage through this tough economic environment. We believe the key drivers for our fiscal 2009 financial performance will include, among many others, the following main factors:

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International markets will continue to be a long-term focus for us to grow our revenues. We plan to continue investing in new products designed specifically for international markets and in infrastructure around the world that will connect us closer to international customers, increasing our global presence. Our goal is for international sales to continue to comprise a larger percentage of our total consolidated net sales. However, as we experienced the weakening of the domestic economy during fiscal 2008, we also anticipate international economic growth to slow down in fiscal 2009, and coupled with the recent strengthening of the U.S. dollar compared to other currencies in which we transact business, we expect a lower growth rate for our international business in fiscal 2009 compared to the growth rates we experienced in the past three fiscal years.

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We anticipate net sales in our professional segment to decrease in fiscal 2009 compared to fiscal 2008 as we anticipate the weakening of worldwide economies and tight credit markets to continue in fiscal 2009. However, we plan to increase our market share by enhancing our product offering with innovative new and improved products. For example, in fiscal 2009 we plan to increase our product offering of landscape contractor equipment with a next generation line of zero-turn radius riding mowers and GrandStand™ premium stand-on mowers. In addition, we anticipate growth in the micro-irrigation market as the need to become more efficient in water use is expected to drive demand for our micro-irrigation systems.

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Fiscal 2008 was a challenging year for our residential segment as economic and poor spring weather conditions were unfavorable to our business. These conditions continue to be a concern for us as we enter fiscal 2009. However, we are facing the challenge with a broad array of new product offerings and expanded product placement at a key retailer in fiscal 2009.

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During fiscal 2008, we again experienced increased costs for commodities, and we anticipate average prices paid for commodities to be higher in fiscal 2009 as compared to fiscal 2008, namely steel, despite recent commodity cost declines. In addition, we expect higher manufacturing costs from lower plant utilization in fiscal 2009 compared to fiscal 2008 due to anticipated lower sales volumes and continued efforts to reduce inventory levels. These anticipated higher costs are expected to impede our gross margin growth rate in fiscal 2009 compared to fiscal 2008. We have implemented price increases on most products, and we continue to make progress using Lean methods and principles as part of our GrowLean initiative to offset these anticipated higher costs.

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We anticipate net earnings and diluted net earnings per share in fiscal 2009 to be down compared to fiscal 2008, as we expect net sales and gross margins to decline in fiscal 2009 compared to fiscal 2008. In addition, we expect our net sales and earnings will be hampered from foreign currency exchange rate translation as the U.S. dollar has significantly strengthened compared to other currencies in which we transact business.•

In fiscal 2009, we plan to continue our focus on improving asset utilization as part of our GrowLean initiative. We anticipate reducing our net working capital as a percentage of net sales in fiscal 2009 compared to fiscal 2008 through prudent inventory management. Consistent with our focus on asset management, our current overall domestic field inventory levels are within our expectations.

We will continue to keep a cautionary eye on domestic and international economies, commodity prices, weather conditions, field inventory levels, retail demand, competitive actions, and other factors identified in Part I, Item 1A, "Risk Factors" of this report, which could cause our actual results to differ from our anticipated outlook.

RESULTS OF OPERATIONS

Fiscal 2008 net earnings were $119.7 million compared to $142.4 million in fiscal 2007, a decrease of 16.0 percent. Fiscal 2008 diluted net earnings per share were $3.10, a decrease of 8.8 percent from $3.40 per share in fiscal 2007. The primary factors contributing to the net earnings decline were lower gross margins, a higher effective tax rate, and a decline in other income. However, our net earnings per diluted share were benefited by approximately $0.24 per share in fiscal 2008 compared to fiscal 2007 as a result of reduced shares outstanding from repurchases of our common stock.

Fiscal 2007 net earnings were $142.4 million compared to $129.1 million in fiscal 2006, an increase of 10.3 percent. Fiscal 2007 diluted net earnings per share were $3.40, an increase of 16.8 percent over $2.91 per share in fiscal 2006.

The primary factors contributing to the net earnings increase were higher net sales and an increase in gross margins, somewhat offset by higher selling, general, and administrative expenses and an increase in our effective tax rate. In addition, our share repurchase program resulted in an increase in diluted net earnings per share of approximately $0.19 per share in fiscal 2007 compared to fiscal 2006.

The following table summarizes our results of operations as a percentage of our consolidated net sales.

Fiscal years ended October 31	**2008**	2007	2006
Net sales	**100.0%**	100.0%	100.0%
Cost of sales	**(65.2)**	(63.9)	(65.0)
Gross margin	**34.8**	36.1	35.0
Selling, general, and administrative expense	**(24.2)**	(24.2)	(24.0)
Interest expense	**(1.0)**	(1.0)	(1.0)
Other income, net	**0.1**	0.5	0.5
Provision for income taxes	**(3.3)**	(3.8)	(3.5)
Net earnings	**6.4%**	7.6%	7.0%

Fiscal 2008 Compared With Fiscal 2007

Net Sales. Worldwide net sales in fiscal 2008 were $1,878.2 million compared to $1,876.9 million in fiscal 2007, a slight increase of 0.1 percent. This net sales increase was primarily driven by:

- Strong international net sales that increased 11.9 percent as a result of continued growth and demand for our products in international markets, particularly in the golf market, and the successful introduction of new products.
- A weaker U.S. dollar during most of fiscal 2008 compared to other currencies in which we transact business accounted for approximately $28 million of our sales growth.

Partially offsetting those positive factors were:

- Lower domestic shipments as a result of the continued weakening of the domestic economy and customers' reluctance to place orders due to the uncertain economic environment, which has resulted in lower field inventory levels for our domestic businesses.

Looking ahead, we expect our net sales to decrease in fiscal 2009 compared to fiscal 2008 as we are uncertain how deep or long this current recession will be. We also anticipate international economic growth to slow down in fiscal 2009, and we expect a negative impact on net sales in fiscal 2009 compared to fiscal 2008 as a result of the recent strengthening of the U.S. dollar compared to other currencies in which we transact business.

Gross Margin. Gross margin represents gross profit (net sales less cost of sales) as a percentage of net sales. See Note 1 of the notes to our consolidated financial statements, in the section entitled "Cost of Sales," for a description of expenses included in cost of sales. Gross margin decreased by 1.3 percentage points to 34.8 percent in fiscal 2008 from 36.1 percent in fiscal 2007. This decline was mainly the result of the following factors:

- Increased commodity and fuel costs.
- Higher manufacturing costs from lower plant utilization as we cut production in an effort to lower inventory levels.
- Increased tooling costs from accelerated depreciation of tooling no longer used and investments in tooling for new products.

Somewhat offsetting those negative factors were:

- Price increases introduced on most products.
- A weaker average U.S. dollar compared to most other currencies in which we transact business.
- Continued focus on cost reduction efforts and productivity improvements as part of our GrowLean initiative.

Looking ahead, we expect gross margin for fiscal 2009 compared to fiscal 2008 to decline due to anticipated higher average costs for commodities, higher manufacturing costs from lower plant utilization, and an unfavorable impact from

the strengthening of the U.S. dollar compared to other currencies in which we transact business. However, price increases and benefits from our ongoing profit improvement initiatives, driven by our emphasis on Lean manufacturing, should in part offset these anticipated higher costs.

Selling, General, and Administrative (SG&A) Expense. SG&A expense decreased $0.4 million or 0.1 percent from fiscal 2007. See Note 1 of the notes to our consolidated financial statements, in the section entitled "Selling, General, and Administrative Expense," for a description of expenses included in SG&A expense. SG&A expense rate represents SG&A expenses as a percentage of net sales. SG&A expense rate in fiscal 2008 remained unchanged at 24.2 percent compared to fiscal 2007.

The following factors increased our SG&A expense:

- Increased spending for marketing.
- Higher level of investments in engineering.
- Costs incurred in fiscal 2008 for workforce adjustments.

Offsetting those increases were:

- A decline in incentive compensation expense due to lower than planned financial performance in fiscal 2008.
- A decrease in product liability and self-insurance costs attributable to favorable claims experience.

Looking ahead, SG&A expense is expected to decrease as we reduce spending in response to anticipated difficult economic conditions continuing in fiscal 2009. However, our SG&A expense rate is expected to be higher in fiscal 2009 compared to fiscal 2008 due to fixed SG&A costs spread over anticipated lower sales volumes.

Interest Expense. Interest expense for fiscal 2008 decreased slightly by 0.6 percent compared to fiscal 2007 due to interest expense paid in fiscal 2007 on $75 million of notes that were repaid in June 2007 and a decline in average interest rates, somewhat offset by higher average debt levels.

Other Income, Net. Other income, net consists mainly of interest income, financing revenue, litigation settlements and recoveries, currency exchange rate gains and losses, and equity losses from investments. Other income, net for fiscal 2008 decreased $6.8 million compared to fiscal 2007. This decrease was due mainly to the following factors:

- Foreign currency exchange rate losses in fiscal 2008 compared to foreign currency exchange gains in fiscal 2007.
- Lower interest income.
- A decline in financing revenue.

Somewhat offsetting those decreases was:

- Higher litigation settlement recovery in fiscal 2008 compared to fiscal 2007.

PERFORMANCE BY BUSINESS SEGMENT

As more fully described in Note 11 of the notes to consolidated financial statements, we operate in two reportable business segments: professional and residential. A third reportable segment called "other" consists of company-owned distribution companies and corporate activities, including corporate financing functions. Operating earnings for each of our two business segments is defined as earnings from operations plus other income, net. Operating loss for the "other" segment includes earnings (loss) from domestic wholly owned distribution company operations, corporate activities, including corporate financing activities, other income, and interest expense.

The following information provides perspective on our business segments' net sales and operating results.

Professional

Professional segment net sales represented 68 percent of consolidated net sales for each of fiscal 2008 and 2007, and 67 percent for fiscal 2006. The following table shows the professional segment net sales, operating earnings, and operating earnings as a percent of net sales.

(Dollars in millions) Fiscal years ended October 31	2008	2007	2006
Net sales	**$ 1,283.1**	$ 1,270.5	$ 1,224.8
% change from prior year	**1.0%**	3.7%	6.9%
Operating earnings	**$ 234.8**	$ 254.2	$ 227.7
As a percent of net sales	**18.3%**	20.0%	18.6%

Net Sales. Worldwide net sales for the professional segment in fiscal 2008 were up 1.0 percent compared to fiscal 2007 primarily as a result of the following factors:

- Higher international net sales as a result of continued strong demand and growth in international markets, particularly in the golf market, as well as a weaker average U.S. dollar compared to the other currencies in which we transact business.
- The success of new products introduced within the past two years.
- Incremental sales from strategic acquisitions.

Partially offsetting those positive factors were:

- Lower domestic product shipments as a result of decreased demand due to the weak domestic economy, as well as the poor domestic housing market that led to a decline in professionally installed irrigation systems. The lower shipments also resulted in a decline of our domestic field inventory levels, which were down as of the end of fiscal 2008 as compared to the end of fiscal 2007.

Worldwide net sales for the professional segment in fiscal 2007 were up 3.7 percent compared to fiscal 2006. Higher international shipments led this increase as a result of strong demand and growth in international markets, particularly in the golf market, as well as a weaker U.S. dollar compared to the other currencies in which we transact business. In addition, strong worldwide demand and growth in the sports fields and grounds markets resulted in higher equipment product sales, as well as the success of new products introduced within the past two years. Somewhat offsetting those positive factors were lower shipments of landscape contractor equipment due mainly to efforts to reduce field inventory levels.

Looking ahead, net sales for the professional segment are expected to decrease in fiscal 2009 compared to fiscal 2008 as we anticipate the current recessionary domestic economy to continue through fiscal 2009, and we also anticipate international economic growth to slow down in fiscal 2009. However, we expect new products to be well received and we plan to increase our market share in fiscal 2009.

Operating Earnings. Operating earnings for the professional segment in fiscal 2008 decreased 7.6 percent compared to fiscal 2007. Expressed as a percentage of net sales, professional segment operating margins decreased to 18.3 percent in fiscal 2008 compared to 20.0 percent in fiscal 2007. The following factors negatively impacted professional segment operating earnings:

- Lower gross margins in fiscal 2008 compared to fiscal 2007 due to increased commodity costs and fuel prices, as well as higher manufacturing costs from lower plant utilization, which were somewhat offset by price increases on most products, continued cost reduction efforts, and a weaker average U.S. dollar compared to most other currencies in which we transact business.
- Higher SG&A expense rate in fiscal 2008 compared to 2007 due to continued investments in engineering and marketing, partially offset by a decline in product liability and warranty expense from favorable claims experience.

Operating earnings for the professional segment in fiscal 2007 increased 11.6 percent compared to fiscal 2006. Expressed as a percentage of net sales, professional segment operating margins increased to 20.0 percent in fiscal 2007 compared to 18.6 percent in fiscal 2006. The operating profit improvement was due mainly to higher gross margins as a result of increased sales of higher margin products, price increases on some products, cost reduction efforts, and a weaker U.S. dollar compared to most other currencies in which we transact business. However, higher manufacturing costs from lower plant utilization somewhat tempered the increase in gross margins and operating earnings. A higher SG&A expense rate also hampered the increase in operating earnings due to increased investments in engineering and marketing, somewhat offset by a decline in warranty expense.

Looking ahead, professional segment operating earnings are expected to be down in fiscal 2009 compared to fiscal 2008 due to anticipated lower sales volumes and a decline in gross margins from anticipated higher average costs for

commodities, higher manufacturing costs from lower plant utilization, and an unfavorable impact from the strengthening of the U.S. dollar compared to other currencies in which we transact business.

Residential

Residential segment net sales represented 30 percent of consolidated net sales for each of fiscal 2008 and 2007, and 31 percent for fiscal 2006. The following table shows the residential segment net sales, operating earnings, and operating earnings as a percent of net sales.

(Dollars in millions) Fiscal years ended October 31	**2008**	2007	2006
Net sales	**$ 563.9**	$ 563.5	$ 566.6
% change from prior year	**0.1%**	(0.6)%	(2.9)%
Operating earnings	**$ 33.9**	$ 41.8	$ 34.1
As a percent of net sales	**6.0%**	7.4%	6.0%

Net Sales. Worldwide net sales for the residential segment in fiscal 2008 were slightly up by 0.1 percent compared to fiscal 2007 primarily as a result of the following factors:

- Strong snow thrower product sales in North America due to heavy snow falls during the winter season of 2007-2008 and low field inventory levels entering the upcoming 2008-2009 winter season.
- Continued strong demand in international markets, mainly for riding products and Pope products sold in Australia.

Somewhat offsetting those positive factors were:

- Lower demand for walk power mowers as a result of the continued weakening of the domestic economy and poor spring weather, as well as a reduction in product placement and increased competitive pressure for walk power mowers.
- A continued decline in electric trimmer product shipments due to additional lost placement at a key retailer.

Worldwide net sales for the residential segment in fiscal 2007 were slightly down by 0.6 percent compared to fiscal 2006. This decline was due primarily to a reduction in shipments of snow thrower products as a result of lower levels of snow fall during the 2006-2007 winter season in key markets and lower electric trimmer sales due to lost placement at a key retailer. Those net sales decreases were somewhat offset by strong worldwide demand of riding products, as we introduced our redesigned Toro Timecutter Z series of zero-turning radius riding mowers in fiscal 2007, and higher shipments of walk power mowers due to the successful introduction of new and enhanced models.

Looking ahead, residential segment net sales are expected to decline fiscal 2009 compared to fiscal 2008 as we anticipate the current recessionary domestic economy to continue through fiscal 2009. However, we anticipate customer acceptance of new product introductions and expanded product placement at a key retailer to somewhat mitigate the expected sales decline.

Operating Earnings. Operating earnings for the residential segment in fiscal 2008 decreased 19.1 percent compared to fiscal 2007. Expressed as a percentage of net sales, residential segment operating margins declined to 6.0 percent in fiscal 2008 compared to 7.4 percent in fiscal 2007. The following factors negatively impacted residential segment operating earnings:

- Lower gross margins primarily from increased commodity costs and increased tooling expense.
- Higher SG&A expense rate due mainly to increased spending for marketing.

Operating earnings for the residential segment in fiscal 2007 increased 22.7 percent compared to fiscal 2006. Expressed as a percentage of net sales, residential segment operating margins rose to 7.4 percent compared to 6.0 percent in fiscal 2006 due to higher gross margins as a result of improved margins on new products and a weaker U.S. dollar compared to most other currencies in which we transact business. In addition, fiscal 2006 gross margins were hampered by a charge for customs duties. A lower

SG&A expense rate also contributed to the operating earnings improvement due primarily to a decline in warranty expense and lower spending for marketing.

Looking ahead, residential segment operating earnings in fiscal 2009 are expected to be down compared to fiscal 2008 due to anticipated lower sales volumes and a decline in gross margins from anticipated higher average costs for commodities, higher manufacturing costs from lower plant utilization, and an unfavorable impact from the strengthening of the U.S. dollar compared to other currencies in which we transact business.

Other

(Dollars in millions) Fiscal years ended October 31	**2008**	2007	2006
Net sales	**$ 31.2**	$ 42.9	$ 44.6
% change from prior year	**(27.2)%**	(3.9)%	(12.1)%
Operating loss	**$ (87.4)**	$ (82.8)	$ (69.0)

Net Sales. Net sales for the other segment includes sales from our wholly owned domestic distribution companies less sales from the professional and residential segments to those distribution companies. In addition, elimination of the professional and residential segments' floor plan interest costs from the Toro Credit Company are also included in this segment. The other segment net sales in fiscal 2008 decreased 27.2 percent compared to fiscal 2007 as a result of the continued weakening of the domestic economy and the sale of a portion of the operations of one of our company-owned distributorships in the first quarter of fiscal 2008. Effective November 1, 2008, our two company-owned domestic distributorships were merged together.

The other segment net sales in fiscal 2007 decreased 3.9 percent compared to fiscal 2006 due mainly to lower sales at a company-owned distributor.

Other Segment Operating Loss. Operating loss for the other segment in fiscal 2008 increased by 5.6 percent compared to fiscal 2007. This loss increase was primarily attributable to foreign currency exchange rate losses in fiscal 2008 compared to foreign currency exchange rate gains in fiscal 2007 and costs incurred in fiscal 2008 for workforce adjustments, somewhat offset by a decrease in incentive compensation expense.

Operating loss for the other segment in fiscal 2007 increased by 19.9 percent compared to fiscal 2006. This loss increase was primarily the result of higher self-insurance costs in fiscal 2007 compared to fiscal 2006 because we did not have the same reduction of insurance costs

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8) LOWERING THE VOLUME ON LEAF BLOWERS

www.wsjonline.com

January 7 -- For years, noisy -- and pollution-spewing -- leaf blowers have served as a source of morning aggravation and have spawned endless quarrels among neighbors. But now, in response to a flurry of new ordinances restricting the gadgets' use, leaf-blower makers are bringing out quieter and more fuel-efficient models.

Manufacturers are introducing blowers that operate at noise levels between 65 and 70 decibels as opposed to older models that operate at 70 decibels or higher. They are also rolling out products with lower emissions to comply with new federal standards. Last fall, the Environmental Protection Agency adopted new emissions limits for small non-road engines -- which include leaf blowers -- that it says will reduce emissions of volatile organic compounds that contribute to air pollution by 34% by 2030.

In January, Shindaiwa Inc. plans to release its EB8520RT blower, which has a 65-decibel-level "hush mode" and which the company says is more fuel efficient than older models. Last summer, Echo Inc. released its PB-255 leaf blower, which operates at 65 decibels. Husqvarna Professional Products Inc. came out with a new version of its 356BT backpack blower in 2007, which operates at 64 decibels and has lower emissions than previous models. (Husqvarna says that 70 decibels is about as loud as when a bus or car drives close by.)

Consumers may pay a premium for quieter models. For instance, the Husqvarna blower costs $470, whereas a comparable blower offered by the same manufacturer with a 74-decibel level costs $400. (The manufacturer attributes some of the cost difference to the design of the 356BT model.)

The new models seem to be spurring sales. Sales of leaf blowers have increased in recent years, according to a report by market research firm Mintel International. Combined, hand-held and backpack blowers accounted for over 2.8 million shipments in 2007 -- the latest data available -- up from 2.3 million in 2002. The report says that ownership of leaf blowers is highest in the Midwestern and Southern regions of the country.

In the Northeast, the season for leaf blowers is over, but in warmer climates in the South and on the West coast, they are used year-round. People even use them on light snow, manufacturers say.

Environmental groups argue that even blowers that have lower emissions still contribute to the production of ozone and that people who use leaf blowers can accomplish most of the same tasks with a rake. But lawn enthusiasts, manufacturers and landscapers say that the devices save time and human effort. "One of the reasons they sell so well is because they are very effective," says Kris Kiser, spokesman for the Outdoor Power Equipment Institute, a manufacturers' trade group in Alexandria, Va.

People who use leaf blowers regularly on their own lawns say they notice the difference in noise level with the newer models -- but they still have to be careful not to bother the neighbors. Todd Provence, of Redding, Calif., bought a new Husqvarna model in 2007. "This is definitely quieter," says Mr. Provence. He says he uses the blower both for leaves and to clear the sidewalk after he mows his lawn.

But since he lives in a cul-de-sac, certain leaf-blower etiquette still has to be observed. "When you are using power tools in a neighborhood like the one we live in, you definitely don't get up at five in the morning and gas it up," he says.

In the Northeast in 2008, cities including Yonkers, N.Y., and Rye, N.Y., citing noise and environmental concerns, banned leaf blowers for certain months out of the year and set noise limits for the machines. Such ordinances have already proliferated in other parts of the country such as California. The landscape contractors association says 27 cities in the state -- including Los Angeles, Palo Alto and Menlo Park -- have passed leaf-blower bans or restrictions.

Some organizations are encouraging residents to buy the newer, more fuel-efficient models. For instance, South Coast Air Quality Management District, an agency that regulates air pollution in parts of Southern California, runs an annual program that allows landscapers to exchange up to 10 older gas-powered leaf blowers for new models with lower emissions for a fee of just $200 per blower.

Noisy -- and polluting -- leaf blowers can cause conflict among neighbors. "Kids are breathing in blower exhaust constantly because they are everywhere you go," says Molly Roffman, 47, a Yonkers resident with two children.

The problem is worse in the summer when children are at home during the day, says Ms. Roffman, who brought the issue to the attention of a city council member. Yonkers passed an ordinance in January of last year banning leaf blowers from June through September of each year.

Some health experts also say leaf blowers can cause medical issues. Leaf blowers are not among the largest sources of particle pollution, says Janice Nolen, assistant vice president for national policy and advocacy at the American Lung Association. But they can leak gases that combine to produce ozone. That can especially affect children and people with respiratory problems. Kids are more likely to be affected by high ozone levels because "they have higher respiratory rates than adults," says Sheila Palevsky, president of a New York chapter of the American Academy of Pediatrics. "Kids who have asthma or reactive airway disease are going to have more respiratory tract irritation, which results in wheezing."

Landscapers, however, say bans will cost them time and money. The devices "save enormous amounts of time," says Larry Rohlfes, assistant executive director of the California Landscape Contractors Association. "Most landscape-industry estimates suggest it takes five times as long to do the job with a rake."

Critics of leaf-blower bans also point out that enforcement is tricky. Many cities enforce the ordinances through a complaint system, but by the time an officer arrives at the scene, the perpetrator has often packed up and left. In Palo Alto, enforcing the leaf-blower ban is "not the highest priority for the city," says Mayor Larry Klein. "The city could never hire enough people to be checking every gardener in town."

Chuck Lesnick, the city council president in Yonkers, says when he sees someone violating the city's new summer leaf-blower ban, he has "stopped and pulled over and handed them a piece of paper in English and Spanish that says what

the law is." Still, enforcing the ban isn't a police priority, he says. "We do have crime problems," Mr. Lesnick says. "We are not going to dispatch our police to enforce this stuff."

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9) HOUSING SLUMP COULD LEAD TO JOB CUTS AT KOHLER

Eric Litke www.sheboyganpress.com

January 9 -- An unprecedented slump in product orders because of the poor housing market could bring major changes at Kohler Co. by the end of the month, a union official said Friday.

The company — Sheboygan County's largest employer with 7,500 local workers — will likely cut shifts or employees across many of its eight divisions by the end of the month, said Pete Behrensprung, president of United Auto Worker Local 833.

"We're looking at either (instituting) short work weeks or doing layoffs on a weekly basis throughout the plant," he said. "I've been (union) president since 2002 and I was chief steward from 1993 on, and we've never seen anything as bad as it is right now."

Behrensprung said layoffs are less likely than a shortened work week, which would limit workers to four eight-hour days per week. The union contract allows up to 13 such weeks per year, unless the union agrees to more.

"The only other option would be to do more layoffs, and the company and the union really don't want to do more layoffs if we can avoid it," Behresprung said.

Kohler Co. laid off more than 200 employees in three separate moves between mid-October and mid-November, boosting to about 500 the number of union workers on layoff.

Kohler has decided to shut down the engine plant Jan. 19 to 23, but more cutbacks are likely coming.

According to the latest data from the U.S. Census Bureau, new housing construction fell 18.9 percent from October to November, coming in at 47 percent of the November 2007 rate. Permit issuance — an indicator of future building activity — dropped 15.6 percent from October to November and sits 48 percent below the November 2007 level.

Union and company officials are in preliminary discussions about how to deal with the slowdown, so it is not yet clear how many employees may be affected or in what divisions. Kohler spokesman Todd Weber did not return messages left Friday afternoon.

The company had already extended the holiday layoff for several divisions. Kohler's scheduled holiday break ran Dec. 24 to Jan. 4, but the enamel shop and foundry shut down Dec. 12, and the generator division left on time but remained closed through this week.

Workers in the enamel shop came back to an added problem, as a 200-by-100-foot section of roof collapsed from the weight of ice and snow over the holiday.

Behrensprung said workers have had to make adjustments, but no further jobs have been lost.

"We didn't lose any people over there," he said. "They just had to move some bodies from first and third shift to second shift to be able to keep production going."

Kohler Co., the fifth-largest non-government employer in Wisconsin, manufactures kitchen and bath products, home interiors, engines and power generation systems, as well as providing hospitality services.

The latest round of layoffs hit Nov. 18, when 79 administrative employees were laid off in kitchen and bath and corporate operations at the Kohler headquarters, Weber has said.

Kohler Co. also cut about 80 union positions in the brass division, distribution center and foundry beginning around Nov. 7. Thirty-eight administrators and 12 production workers were let go Oct. 14.

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10) EVEN DURING RECESSION, SOME WISCONSIN COMPANIES ARE HIRING

Joe Taschler www.jsonline.com

January 11 -- Amid all the talk of recession, bailouts, layoffs and scorched investments, there is this: InPro Corp. in Muskego is hiring.

So is Generac Power Systems in the Town of Genesee. And Yale Equipment & Services in Menomonee Falls.

Same for Sullivan Manufacturing in Mequon. Ditto Northern Lake Service in Crandon.

They are exceptions, to be sure, but they also are evidence that the economy in Wisconsin has not ground to a complete halt.

"I think that's one of the interesting things about this period of recession," said David J. Ward, president of NorthStar Economics Inc. in Madison. "Some sectors are in absolute disarray. Others are doing just fine, thank you."

The nation's unemployment rate in December was 7.2%, the Labor Department reported Friday - the highest since 1993. The latest statistics for Wisconsin, meanwhile, put the state's unemployment rate at 5.3% in November; metro Milwaukee's rate stood at 5.5%.

As of the end of October, there still were 3.1 million job openings in the United States, and 685,000 of those were in the Midwest, according to the federal Bureau of Labor Statistics. At the same time a year earlier, there were 4 million job openings in the U.S., including 747,000 in the Midwest.

"Right now, I've got all kind of jobs I'm trying to find people for," said Tom Krist, president of Milwaukee-based WFA Staffing, an employment agency that deals in entry- to executive-level placement, mostly with companies that have fewer than 500 employees.

"I've got plenty of jobs for people with skills and people willing to be trained who have good work records," Krist said.

Job growth in Wisconsin during a recession is not without precedent. The state's job market grew by 55,000 jobs in 1990, during a recession that ran from July 1990 to March 1991, according to the state Department of Workforce Development. But the number of jobs shrank during other slowdowns, and recovery took years, the department points out.

Wisconsin is faring better than some other parts of the nation in the current downturn, said Dennis Winters, chief economist for the department. That's due largely to the state's tendency to stay on an even keel, not overheating in good times and not dropping so far when the economy contracts, Winters said.

Still, "We're up against a pretty fierce headwind," Winters said. Through November, 32,400 jobs had been lost in the state in 2008.

While jobs are out there, the competition for them is becoming more intense.

"There are fewer opportunities available, so the competition for employment is high," said Jill Coates, recruitment manager for Generac Power Systems, a power equipment manufacturer in Waukesha County.

The company, which employs about 1,500, plans to add workers this year, Coates said.

"From a professional-technical standpoint alone, we hope to fill 50-plus positions in the first quarter," Coates said. "We will then begin to ramp up for our peak manufacturing period during the summer months and would anticipate adding additional manufacturing personnel at that time."

Among the positions the company is seeking to fill are sales, product design, and manufacturing/industrial engineering jobs.

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11) SHUTDOWN OF U.S. ENGINE MFG LEAVES MANY RETAILERS SOLD OUT OF SNOWTHROWERS

Joshua Freeman www.theglobeandmail.com

TORONTO – January 12 -- Jobs and credit aren't the only items in short supply lately. It's getting tough to find a snow blower in the Toronto region. Blame the shutdown of a U.S. motor-maker and a surge in sales after this winter's first snowfalls have left many retailers sold out for the season.

"It's been a phenomenal year," said Frank Raimondo, president of Current Power Machinery Inc., in Mississauga.

Soaring sales may have something to do with last year's record-setting winter. Fearing a repeat, many decided not to wait this year and stocked up when heavy snow struck in November and December.

"The more snow you get, the more snow blowers you sell," said Stan Benson, operations manager at Drive Products in Scarborough. "Everyone's tired of breaking their backs."

Retailers big and small across the Greater Toronto Area, from Peel Region to Oshawa and Pickering, said they were sold out or very low on inventory. For stores that run out, finding more stock is proving difficult.

"After 40 years in the business, it's been a different kind of year for snow blowers," said Sandra Ypelaar, who along with her husband owns Luke's Mower & Machine Ltd., in Mississauga.

They sold out of snow blowers before Christmas, she says and now "we can't get stock. Every time we ran out, we ordered another batch and finally they told us no more [are] coming for this year. They're not making any more."

According to Mr. Raimando, that's because "the snow-blower business is a funny business – manufacturers will only produce what the dealer requests." Dealers place orders in March or April, which forces them to guess how many units they'll need, he said.

Dealers agree on the other cause of the shortfall: Wisconsin-based Tecumseh Power. The company built engines for many snow-blower brands until it changed hands and began closing factories last year.

The shortage is also hitting big retailers such as Wal-Mart and Canadian Tire.

"Given last year's demand, we have significantly increased supply for this year so we were well positioned for the season," said Karin Campbell, manager of corporate affairs for Wal-Mart Canada.

At Canadian Tire, "demand significantly increased this year," said spokeswoman Lisa Gibson. "The increased demand combined with a shortage of engines for snow blowers has led to some challenges at times in securing adequate product to meet that demand," she said, advising customers to call ahead before going to a store.

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12) 2009 OPE INDUSTRY EVENTS AND MEETING CALENDAR

2009 OPE INDUSTRY MEETING AND EVENTS CALENDAR

Click On Link For More Information

Date	Event
February 3-6, 2009	***World of Concrete***, Las Vegas Convention Center
January 20-22, 2009	***BTME-BIGGA***, British Turf Management and the British International Golf & Greenkeepers Association Show, Harrogate International Center, England
February 5-7, 2009	***GIS***, Golf Industry Show, New Orleans, LA
February 7-10, 2009	***OPEAA***, Outdoor Power Equipment Aftermarket Association Annual Meeting, Amelia Island Plantation, Amelia Island, FL
March 1-4, 2009	***OPEESA***, Outdoor Power Equipment and Engine Service Association, Walt Disney World Swan Hotel, Orlando, Florida
March 2-5, 2009	***The Rental Show,*** American Rental Association Conference and Trade Show, Georgia World Congress Center, Atlanta, Georgia
March 8, 2009	***Daylight Savings Time Begins***
April 16-18, 2009	***EETC***, Equipment and Engine Training Council 13th Annual Conference, Monarch Hotel, Clackamas (Portland,) Oregon, Co-Sponsored by Shindaiwa and Oregon Cutting Systems
May 5-7, 2009	***National Hardware Show***, Las Vegas Convention Center and Sands Convention Center
June 21-27, 2009	***Skills USA***, National Leadership and Skills Conference, Kansas City, Missouri
June 25-27, 2009	***OPEI***, Outdoor Power Equipment Institute Annual Meeting, Ritz-Carlton Reynolds Plantation, Greensboro, GA.
GAFA not offered in 2009	*GAFA (with SPOGA),* International Garden Trade Fair with the International Trade Fair for Sport, Camping and Garden Lifestyle, Cologne, Germany
September 8-10, 2009	**IOG SALTEX**, Grounds Care, Sports Facilities, Amenities, Landscaping And Estate Management Outdoor Trade Show, Windsor Race Track, Windsor, Berkshire, England
	.
September 20-22, 2009	***GLEE***, International Garden and Leisure Show, NEC Birmingham, England
October 29-31, 2009	***GIE+EXPO***, Green Industry and Equipment Expo, Louisville, KY **(combining EXPO and the GIE Show)**
October 21-24, 2009	***FFA***, Future Farmers of America Annual Convention, Indianapolis, IN
November 1, 2009	***Daylight Savings Time Ends***
	Please contact opeintheknow@yahoo.com with any corrections or if any links in this calendar do not work.

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13) BUSH HOG MAY BE UP FOR SALE

Douglas Watson www.greenevillesun.com

January 14 -- The Bush Hog manufacturing company in nearby Washington County, where a number of Greene Countians are employed, may be sold, its owner has announced.

The $27 million, 360,000-square-foot factory earlier this month "suspended operations" for at least two weeks as a result of slow sales nationally of Bush Hog equipment.

Bush Hog is owned by CC Industries, Inc., of Chicago, a corporation which, in turn, is owned by Henry Crown & Co., also of Chicago.

CC Industries (CCI) has announced, "The decision has been made to explore strategic options with respect to their continued investment in Bush Hog, LLC.

"CCI is currently in the process of hiring financial advisers who will assist in this effort, which may include sale of the business."

The announcement continued, "As these options are being evaluated, Bush Hog will be taking actions to make the business more attractive to potential buyers. This will include, but not be limited to, reducing the amount of working capial currently invested in the business."

The plant was opened in 2001 amid celebrations.

As of a year ago, about one-fourth of the plant's then 230 employees resided in Greene County, according to the plant's human resources director.

Rumors have circulated in recent months that the Bush Hog plant might be sold, possibly to a European company that would make different products.

However, calls to the Bush Hog plant recently have been referred to the company's headquarters in Alabama, where Bush Hog executives have had little or nothing to say publicly.

Asked earlier this month when, or if, Bush Hog's operations would resume this winter, David Middlebrooks, the company's director of human resources, declined even to say how many people are now employed at the Bush Hog plant.

Today's corporate press release concluded, "Bush Hog is the leader in the design, manufacture, distribution and service of rotary cutters and other agricultural implements and equipment.

"Bush Hog's product line includes rotary cutters, finishing mowers, zero-turn mowers, front-end loaders, backhoes, utility vehicles, landscape equipment and a wide variety of other implements."

Bush Hog also has three manufacturing plants in Alabama and another in Great Bend, Kansas.

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14) BRIGGS & STRATTON CORPORATION REPORTS RESULTS FOR THE SECOND QUARTER OF FISCAL 2009

MILWAUKEE – January 15 -- Briggs & Stratton today announced second quarter fiscal 2009 consolidated net sales of $477.5 million and consolidated net income of $3.2 million or $0.06 per diluted share.

The second quarter of fiscal 2008 had consolidated net sales of $477.5 million and consolidated net income of $4.1 million or $0.08 per diluted share. Consolidated net sales were essentially the same between years; however, the Engines Segment sales were greater than last year and the Power Products Segment sales were lower.

The prior year's second quarter results included two significant items, a $37.0 million gain ($25.0 million after tax) resulting from the sale of an investment in preferred stock including the final dividend paid on the preferred stock, offset by a $17.7 million warranty expense ($12.7 million after tax) for a snow engine recall.

Excluding these items, net income improved $11.4 million from last year resulting from a more favorable mix of product both shipped and manufactured, offset in part by commodity costs that were higher than in the same period a year ago.
For the first six months of fiscal 2009, the company had consolidated net sales of $935.6 million and consolidated net income of $1.2 million or $0.02 per diluted share. For the same period a year ago, consolidated net sales were $844.6 million and there was a consolidated net loss of $16.7 million or $0.34 per diluted share.

The increase in the first six months' consolidated net sales of $91.0 million, or 11%, was attributable to stronger shipments of both engines and portable generators. Excluding the preferred stock event and snow engine recall, net income improved $29.4 million reflecting improved sales results and higher production volumes in both operating segments, offset in part by commodity costs that were higher than in the same period a year ago.

Engines:

Fiscal 2009 second quarter net sales were $339.3 million versus $315.5 million for the same period a year ago, an increase of 8%. The increase resulted primarily from an 11% increase in engine unit shipments between quarters driven by increased engine requirements for portable generator and snow removal equipment.

Net sales for the first half of fiscal 2009 were $597.9 million versus $524.0 million in the prior year, a 14% increase. This improvement reflects a 16% increase in engine unit shipments between years.

The first six months sales improvement in engine unit volume resulted from strong demand for engines for portable generators due to weather events, and snow removal product for the current snow season. In addition, engine demand resulted from low channel inventories of lawn and garden equipment that needed to be replenished because of retail demand during the first fiscal quarter.

The second quarter of fiscal 2009 had income from operations of $22.0 million, up $27.9 million from the same period a year ago. The year over year increase in income from operations was positively impacted by the absence of the $17.7 million warranty expense associated with the snow engine recall in fiscal 2008.

The remainder of the improved income from operations resulted from an 11% increase in shipments, production volumes that were 3% greater than the prior year and planned reductions of selected operating expenses. The improvements to income from operations were offset by commodity costs that continue to be higher than they were in the previous year.

Income from operations for the first half of fiscal 2009 was $16.5 million, a $33.6 million increase over the loss from operations of $17.1 million for the same period a year ago.

For the six-month period, the absence of $19.8 million of warranty expense associated with the snow engine recall in the same period in fiscal 2008 contributed positively to the improvement in income from operations. Additionally, the improved income from operations resulted primarily from the 16% increase in sales volume, with 3% greater production volumes and planned reductions of selected operating expenses.

Again, a major offset to the improvement in income from operations was commodity costs that were higher than they were in the previous year. In addition, pricing on engines sold to Europe was less favorable than last year due to currency fluctuations.

Power Products:

Fiscal 2009 second quarter net sales were $192.0 million, a $3.7 million decrease from the same period a year ago. The lower net sales were primarily the result of decreased shipments of pressure washer product. Demand for this product softened between years as consumer sentiment weakened. An offset to the net sales decrease was $12.0 million of sales related to our June 30, 2008 acquisition of Victa Lawncare Pty. Ltd. ("Victa").

Net sales for the first six months of fiscal 2009 were $447.5 million, a $64.4 million increase over the same period a year ago. The sales improvement was the result of the Victa acquisition ($25.2 million) and increased sales of portable generators due to a number of hurricanes making landfall in the United States in our first quarter of fiscal 2009. The strong portable generator demand was partially offset by the weaker pressure washer product demand in the second quarter.

The loss from operations for the second quarter of fiscal 2009 was $8.6 million, an improvement of $8.3 million over the loss for the same period a year ago. The improvement was primarily the result of a favorable mix of portable generator unit shipments and better plant utilization caused by ongoing portable generator demand. Pricing improvement experienced in the quarter was offset by the increased cost of commodities and components.

The loss from operations for the first six months of fiscal 2009 was $6.0 million, a $21.1 million improvement over the loss from operations for the same period a year ago. The improvement in income from operations between years resulted in part from higher sales and production volumes combined with an improvement year over year in margins resulting from a favorable product mix and lower engineering, selling and administrative expenses.

General:

Interest expense was lower in the second quarter of fiscal 2009 because of lower average borrowings and interest rates. The second quarter and year to date fiscal 2009 effective tax rates are at 30% and 155%, respectively versus the 23% and 33% used in the same respective periods last year. The effective tax rate fluctuation between the second quarters was due to the difference in dividends. The difference between the year to date rates was due to the resolution of federal tax matters.

Other income in the second quarter and first six months of fiscal 2008 reflects the gain on the redemption of an investment in preferred stock and the associated dividends.

Other Matters:

On December 1, 2008, a fire destroyed inventory and equipment in a leased warehouse facility in Dyersburg, TN. The destroyed facility supported our lawn and garden manufacturing operations in Newbern, TN where production was temporarily suspended as replacement parts and components were expedited. Production at the Newbern plant has since resumed to normal levels. We believe the property losses incurred are covered under our property insurance policies subject to customary incurred loss deductibles.

Outlook:

The company continues to estimate net income in a range from $40 to $50 million or $0.81 to $1.01 per diluted share for the full year.

This range reflects our belief that channel inventories of lawn and garden products are at normal levels after the 2008 season and our projections related to our product placement for fiscal 2009 are still valid.

The forecast continues to reflect the uncertainty of the upcoming spring selling season for outdoor power equipment given the current economic conditions.

The company also projects that the third quarter's results will lag the comparable period from a year ago because major retailers will control their working capital commitment to the category and be more comfortable with chasing demand this year while they assess the strength of consumer demand during the spring.

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15) OPEESA OFFICERS, BOARD, EXECUTIVE DIRECTOR CONTACT INFORMATION

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