

OPEESA'S

Outdoor Power Equipment and Engine Service Association

OPE-IN-THE-KNOW

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“The Business of Outdoor Power Equipment”

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No product news please.

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1) OPEI SAYS PREMATURE RUSH TO E15 FUEL COULD INJURE CONSUMERS, THEIR PRODUCTS AND THE ENVIRONMENT

ALEXANDRIA, Va., Mar 06, 2009 -- The Outdoor Power Equipment Institute (OPEI) today announced that it has serious concerns with a premature rush to 15 percent ethanol (E15) or other mid-level fuel blends as being suggested by pro-ethanol producers. Without a formal waiver process through the Environmental Protection Agency (EPA), and a continued misinterpretation of test results from a recent Department of Energy (DOE) report, introducing E15 and higher fuels to the marketplace for existing equipment pose serious risks to American consumers and businesses.

The DOE report, in fact, indicates that mid-level ethanol fuels could damage millions of forestry, lawn and garden, and other small engine products currently housed in consumers' garages, boat slips, warehouses or being used by small businesses. Higher ethanol blends can cause performance irregularities and pose substantial safety and environmental hazards.

"The fact is that the use of E15 and higher levels of ethanol is a complex issue, and it can't be rushed by efforts that overlook the impacts on consumer safety and economic interests," said Kris Kiser, Executive Vice President at Outdoor Power Equipment Institute. "OPEI fully supports congressional efforts to increase the use of cellulosic fuels. We can design products to run on higher levels of ethanol."

But, Kiser points out that existing small-engine equipment will likely experience performance irregularities and possible failure. Therefore the public's awareness, education and safety should be at the forefront of any discussion of introducing new cellulosic fuel blends.

Added Kiser, "We need to acknowledge that current equipment -- including boats, chainsaws, lawn mowers, snow mobiles, motorcycles, generators and other small engine equipment -- may be permanently damaged and poses a safety risk if E15 fuel is used. Current equipment is neither designed, built or warranted for mid-level blends."

In a new report, independent environmental researcher Dr. Ron Sahu carefully critiques the DOE report that tested a small sample size of legacy vehicles and small non-road engines. DOE's engine test results (but not the report's summary) documents why the current push to E15 for existing equipment is not in consumers' or the environment's best interest:

- Engine exhaust temperatures rose to an extent that may cause premature engine and equipment failure,
- Safety hazards dramatically increased due to unintentional clutch engagement caused by high idle speeds,
- Products were damaged to the point they could no longer operate, and
- Numerous adverse operational issues arose - such as erratic engine and equipment operation, stalling of engines, and dramatic power reduction.

"The DOE study shows that of the 28 engines tested, all 28 had some significant problems with higher ethanol blends that the machines were not designed to operate on," added Kiser.

OPEI will be submitting a letter to the EPA and DOE urging both agencies to utilize the existing formal waiver process. The process will provide the necessary studies and data to fully understand effects of introducing new fuel types into the marketplace. The studies also will provide information necessary to educate consumers about the use of mid-level ethanol fuels on existing and future products.

"OPEI is not anti-ethanol," insisted Kiser. "We support congressional efforts to get the U.S. off foreign sources of oil. But, we will not put people's safety at risk in the process."

Kiser agrees that given adequate lead-time, outdoor power equipment manufacturers can and will build future products to run on higher than E10, "but we can't put our customers safety and the economic environment at risk by putting higher blends into current equipment that simply isn't built to run under those conditions," noted Kiser.

Kiser also expressed concern that "current equipment on the market is designed to run on E0 to E10 fuel in order to meet EPA emissions and evaporative requirements. Changing the legal fuel may change the emissions profile, making it non-compliant."

To read OPEI's own study of the DOE testing report, go to <http://www.opei.org/ht/a/GetDocumentAction/i/1926>

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2) BLOUNT, INC. WINS PATENT INFRINGEMENT SUIT AGAINST TRILINK SAW CHAIN

PORTLAND, Ore., March 9 -- U.S. District Court -- A Portland jury has found in favor of Blount, Inc., which makes and sells chain saw chain, bar and accessories under its Oregon® brand, in a patent infringement action against TriLink Saw Chain, LLC, TriLink Global, LLC, Jinhua TriLink Huihuang Co., and Jinhua Huihuang Hardware Co.

The jury found claim 1 of U.S. Patent No. 5,136,783 to be valid and infringed and awarded Blount nearly two million dollars in damages for defendants' past infringement of the patent.

The patent, still in effect, discloses a novel design for the nose sprocket in a chain saw guide bar. A guide bar is the bar that supports the chain on a chain saw. According to the testimony at trial, nose sprockets containing this technology, also called the CRADLE® technology, last two to three times longer than nose sprockets using more conventional technology, allowing purchasers to enjoy both greater value and increased safety.

During trial, defendants' representatives claimed they had copied or "modeled" their accused products on the guide bars from another company, the Carlton Company, and that they did not copy Blount's bars. An important moment in the case came on March 3, 2009, when Carlton's chief engineer testified that, based on their respective date codes, the specific Carlton guide bars defendants claimed to have copied could not have existed at the time defendants' representatives claimed to have copied them.

Reached at the Portland, Oregon headquarters of Blount, Chairman and C.E.O. James S. Osterman stated, "This is an important victory for Blount and for innovators throughout the United States. Blount has worked very hard to be the leading innovator in saw chain, guide bar, and sprocket technology over the years. Blount International has more than 50 patents. This victory emphasizes that we will not allow companies to misappropriate our intellectual property. Our hard-working employees came up with the CRADLE® technology found in the '783 patent through years of dedicated effort, and Blount should enjoy the fruits of that labor for the term of the patent."

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3) TORO ANNOUNCES LAYOFFS AT TOMAH, WI PLANT

www.weau.com

TOMAH, WI – March 10 -- The Toro Company in Tomah made the announcement Tuesday (March 10) and says the 235 people will be out of a job by April 20. Toro says the global recession makes it hard to say when the employees could return to work, but hopes to have them return between June and August. Toro says the employees will get extended health insurance coverage and be able to use the company's employee assistance program.

"These are extraordinary times with conditions we haven't seen in decades," said Sandy Meurlot, vice president of operations. "Ultimately, this was a very difficult decision but one that became necessary to ensure Toro remains well positioned for the long term."

In 2008, Toro started a voluntary retirement program and froze all open positions to manage costs and deal with lower production inventories. The Tomah plant also eliminated seasonal hiring and all overtime.

About 650 people work at the plant which makes turf maintenance equipment for golf courses, sports fields, municipalities, and commercial properties in the U.S. and overseas.

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4) MOTOR MAKERS WARY OF ETHANOL INCREASE

Rick Barrett www.jsonline.com

MILWAUKEE -- March 10 -- An effort to raise the 10% limit on ethanol in motor fuel has misfired with engine-makers.

Last week, the nation's ethanol producers asked the Environmental Protection Agency to allow a 15% blend of the fuel additive with gasoline, which could increase its use by billions of gallons a year.

Ethanol is a fuel additive made from corn. A U.S. Department of Energy study has shown that a 15% blend has no adverse effects on an automobile's performance, maintenance or emissions controls, according to Growth Energy, a coalition of ethanol producers.

Increasing the ethanol blend also is a common-sense solution to economic, energy and environmental challenges, retired Gen. Wesley Clark, Growth Energy's co-chairman, said in a statement. Increasing its use could create thousands of jobs in the biofuels industry, which has been hammered by overbuilding of ethanol refineries.

"If the EPA acts swiftly, a higher blend of ethanol will help us jump-start the economy while further reducing our dependence on foreign oil," Clark said.

But automakers and the makers of outdoor power equipment say that science has not yet shown whether higher levels of ethanol in gasoline are acceptable for engines.

Boat engines, chain saws, lawn mowers, snowmobiles, motorcycles, generators and other small-engine equipment could be permanently damaged from using a 15% ethanol blend, said Kris Kiser, executive director of the Outdoor Power Equipment Institute, which represents Wisconsin engine manufacturers Briggs & Stratton Co. and Kohler Co.

"We have very real concerns," Kiser said, including poor engine performance and overheating.

Of 28 engines tested by the Department of Energy using 15% ethanol, all had significant problems, he said.

Ford Motor Co. has said it would endorse a 15% ethanol blend, although others in the automotive industry aren't convinced that it wouldn't damage vehicle engine parts.

"We don't know what the cumulative effects are over thousands of miles," said John Cabaniss, energy and environment director for the Association of International Automobile Manufacturers.

'Flex-fuel' vehicles

The best way to increase ethanol use is through "flex-fuel" vehicles that can handle blends of up to 85% ethanol, according to automakers. Otherwise the blend shouldn't be increased without testing on all products.

"We aren't against the use of more ethanol as long as it's compatible with everything out there," Cabaniss said. "Consumers shouldn't have to go from gas station to gas station, checking the pumps for the type of fuel they need."

The EPA regulates fuel additives, including ethanol blends.

Some ethanol producers are pressing the agency for a quick decision on raising the limit to 15%, saying it would advance the use of renewable energy and would reduce the nation's dependence on foreign oil.

About 20% of Wisconsin's corn crop has been destined for the fuel additive, which is significant considering the state didn't even have an ethanol plant eight years ago.

Raising the cap on an ethanol fuel blend would give consumers more choices, said Josh Morby, executive director of Wisconsin Bio Industry Alliance, an ethanol producers trade group.

"We aren't asking for a mandate or a requirement," he said.

Kohler Engine Products is developing flex-fuel engines that would be able to run on high blends of ethanol.

But the company said it would have to run many tests to see how the 15% and higher blends would affect other engines.

"There could be some engine components that would have to be changed," said Cam Litt, marketing manager for Kohler Engine Products in Kohler.

Outboard marine engines

Mercury Marine has designed its outboard marine engines to run on 10% ethanol but not higher blends, according to the Fond du Lac engine-maker.

"At this point, no tests regarding the use of these fuels in marine engines have been conducted, and very few tests have been conducted for non-marine engines," said Steve Fleming, Mercury Marine communications director.

A government mandate requires fuel companies to blend about 11 billion gallons of ethanol with gasoline this year. The fuel additive is subsidized by a federal tax credit, which blenders can keep or pass the savings on to consumers.

Ethanol producers say the current 10% content limit may make it difficult to achieve the federal mandate because the fuel additive isn't used much in some areas of the nation. They also say that even if the blend were increased, plenty of 10% ethanol blended gasoline would still be available.

To approve the request for 15% ethanol content, the EPA needs to determine whether it will affect emission control systems in vehicles. In a statement, the agency said it will review the request and will act based on the best available science.

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5) THREE COMPANIES TO INJECT JOBS, MONEY INTO VIRGINIA BEACH ECONOMY

VIRGINIA BEACH – March 12 -- Three companies will create 85 jobs and spend as much as \$73 million to expand or improve their operations in the city, Mayor Will Sessoms is expected to announce today in his State of the City address.

The Carraro Group, an Italian manufacturer of gears and axles for earth-moving equipment, will move its North American headquarters to the Beach, spend \$8 million, hire 35 workers, and eventually begin producing turbines for wind energy farms, according to city leaders.

"We're very excited to see this happening," Sessoms said. "If you look along the East Coast, there's very little of wind energy occurring. We need to make it happen here on the East Coast, and preferably off the coast of Virginia Beach."

City officials also announced that Busch Manufacturing, a German company that produces vacuum pumps, will add 50 jobs as it expands its Virginia Beach operation. The company recently purchased 3.3 acres for \$850,000 to build a \$10 million, 50,000-square-foot expansion by 2010 in the Oceana West Corporate Park near Lynnhaven Mall.

*And the city's largest manufacturer, German power tools maker **Stihl Inc.**, is planning major replacements and machinery upgrades for its Virginia Beach plant. The company could spend as much as \$55 million for the new equipment, city officials estimated, but a Stihl spokeswoman would not confirm the figure. City officials said Stihl's plans to replace machinery at the plant will help the firm save local jobs.*

The new machinery would be the third major investment for Stihl in the past four years. In 2007, the company spent \$25 million at its guide bar production plant and two years earlier began a \$78.4 million expansion.

The three expansion announcements represent a boon for the city amid the national economic slowdown and recent announcements of job losses throughout Hampton Roads.

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6) VIRGINIA BEACH TABS STIHL FOR SUSTAINABLE DEVELOPMENT

Virginia Beach - March 16 -- STIHL Inc.'s 60,000-square-foot green roof on its new guide bar plant, recently garnered the City of Virginia Beach Planning Commission's first ever award for Sustainable Development.

The company cites the new guide bar facility roof as an efficient use of space. "More than 56,000 sedum plants make it a 'living' roof, which cools the building in the summer and retains heat in the cooler months, lowering energy usage," said Dan Beck of Beck Roofing in Norfolk, Va. The roof is the largest privately-owned roof in Virginia and has been paying dividends since the installation according to Beck.

"We are very pleased that the City of Virginia Beach singled out our effort in reducing our environmental footprint. We look forward to including these types of efforts in our expansion plans where there is a fit," said Fred Whyte, STIHL Inc. president.

The green roof reduces energy consumption and costs, extends roof life, improves sound insulation and decreases storm water runoff. The STIHL campus boasts two such roofs on new construction.

STIHL has invested considerable resources in making energy-efficient products that minimize their impact on the environment. They are committed to developing powerful, fuel-efficient outdoor power equipment while using production practices that are environmentally responsible.

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7) TORO STRIVES TO INNOVATE AS RECESSION HURTS SALES

By Liz Fedor, www.startribune.com

MINNEAPOLIS – March 18 - Executives at Toro Co. expressed optimism Wednesday that a new line of mower products will help them ride out the recession.

Bright red mowers, including the new GrandStand stand-on commercial mower, were on display at the company's Bloomington headquarters during Toro's annual meeting.

Michael Hoffman, CEO and chairman, told shareholders that the GrandStand is quick and has the "mobility of a walk-behind" mower. It's targeted to professional landscapers and has a list price of \$7,000 to \$7,500.

A month ago, Hoffman projected that revenue will decline 15 percent in Toro's fiscal 2009, which ends in October. Sales of big-ticket equipment, such as mowers used on golf courses, are being hurt by the global recession.

So Hoffman said Wednesday that Toro is preparing to temporarily lay off 235 employees at its Tomah, Wis., plant. The layoffs will occur in mid-April, and workers are expected to return to their jobs sometime between June and August.

Hoffman, a 32-year Toro veteran, said the current economic woes remind him of 1981, when then-president Ken Melrose guided the company when it appeared to be on "its last legs."

In an interview, Hoffman recalled that Melrose "regrounded us back to our values, the values of customer relationships and product innovation."

When he spoke to Toro employees at a recent town hall meeting, Hoffman said he stressed those core values. He urged employees to focus on listening to customers and meeting their needs during these "unprecedented" and "uncertain" times.

In Toro's fiscal 2009 first quarter that ended in January, the company produced net income of \$6.7 million on net sales of \$340 million. Residential sales were up slightly, but sales in the professional products division plunged 22.3 percent.

In such a tough climate, Hoffman said that it's even more important to invest in research and development. He emphasized that Toro has increased its spending on new product development for seven years in a row, passing \$60 million in 2008.

The result: A variety of new products being marketed ahead of another new mowing season.

For commercial users, Toro is introducing a 16-foot Toro Groundsmaster rotary mower that Hoffman said can mow an acre in less than 5 minutes.

Toro, which sells lawn mowers at Home Depot and Toro dealerships, has a new lineup of residential steel-deck power mowers.

Toro is selling a patented spray nozzle that reduces overall water use by up to 30 percent. The company says the nozzle saves money as well as preserves a natural resource.

Toro, which got its start in 1914 by manufacturing tractor engines, has been steadily building its international sales, which now account for about one-third of its revenue. Toro provided equipment and irrigation systems for the "Birds Nest" stadium at the 2008 Beijing Olympic Games.

But the world economy has slowed considerably since then. "Liquidity is paramount," Hoffman told shareholders. "We are using significantly less of our credit lines, and currently have nearly \$200 million of borrowing capacity available."

On Wednesday, Toro's board declared a regular quarterly cash dividend of 15 cents per share.

During the brief annual meeting, three board members were reelected to three-year terms. They are Janet Cooper, 55, former senior vice president and treasurer of Qwest Communications; Gary Ellis, 52, chief financial officer of Medtronic Inc., and Gregg Steinhafel, 54, CEO of Target Corp.

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8) THOUGHTS FOR THE DAY

HAPPINESS

The three essentials of happiness are:
Something to do,
Someone to love,
And something to hope for.

- Alexander Chalmers

DISCOVERY

Discovery is seeing what everybody else has seen,
And thinking what nobody else has thought.

- Albert Szent-Gyorgi

THE BEST

If you refuse to accept anything but the best,
You very often get it.

- W. Somerset Maugham

PRINTED WORDS

Words once printed
Assume a life of their own.

- Wilma Askinas

BRAIN SUBSTITUTE

There is no wholly satisfactory substitute for brains,
But silence does pretty well.

- Anonymous

HOPE

Man can live about forty days with food,
About three days without water,
About eight minutes without air.....
But only for one second without hope.

- Hal Lindsey

YOUR VIEW

We all live under the same sky,
But we don't all have the same horizon.

- Konrad Adenauer

LAZINESS

Laziness is nothing more than the
Habit of resting before you get tired.

- Jules Renard

YOUTH

Youth is young life plus curiosity minus understanding.

- Anthony Brooks

DIETS

A successful diet is the triumph of mind over platter.

- Anonymous

9) 2009-2010 OPE INDUSTRY EVENTS CALENDAR

2009 OPE INDUSTRY MEETING AND EVENTS CALENDAR	
January 19-21, 2010	BTME-BIGGA , British Turf Management and the British International Golf & Greenkeepers Association Show, Harrogate International Center, England
February 2-5, 2010	World of Concrete , Las Vegas Convention Center, Las Vegas, NV
February 8-11, 2010	The Rental Show , American Rental Association Conference and Trade Show, Georgia World Congress Center, Atlanta, Georgia
February 10-11, 2010	GIS , Golf Industry Show, San Diego Convention Center, San Diego, CA
February 13-16, 2010	OPEAA , Outdoor Power Equipment Aftermarket Association Annual Meeting, Fairmont Southampton Hotel, Bermuda
February 28 - March 3, 2010	OPEESA , Outdoor Power Equipment and Engine Service Association, Wigwam Resort, Phoenix, AZ
March 14, 2010	Daylight Savings Time Begins
April 16-18, 2009	EETC , Equipment and Engine Training Council 13 th 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 21-26, 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

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10) ECHO AND SHINDAIWA TO MERGE OPERATIONS

TOKYO – MARCH 16 – Yamabiko Corporation, the recently formed parent company of Kioritz Corporation and Shindaiwa Corporation, announced plans to merge the two companies and operate as Yamabiko. Initially, Yamabiko Corporation was created as a holding company on December 1, 2008 to take advantage of management integration, sourcing, engineering, manufacturing and other efficiencies.

The new plan is to expand the scope of the merger to include streamlining all functions. “We have already made significant progress in gaining synergy with the two companies since our 2007 alliance,” said Chuck Kitazume, President and CEO of Yamabiko. “However, continued weakening of world markets, rising costs and declining exchange rate between the dollar and yen dictate that we accelerate the consolidation process.” Operations of both companies will be merged in Japan by October 1, 2009.

This consolidation will also impact the North American operations of both companies. Shindaiwa Incorporated of Tualatin, OR will transfer sales and marketing responsibilities for Europe, Asia and the Middle East back to Japan as of April 1, 2009. Eventually, all Shindaiwa operations will be merged with ECHO Incorporated, subsidiary of Kioritz Corporation, in Lake Zurich, IL. Consolidation of the US operations should be completed by October 1, 2009.

“Both ECHO and Shindaiwa are well respected premium brands in the outdoor power equipment industry. The merger of these operations will result in an efficient organization with lower costs, allowing both brands to be even more competitive in the North and South American markets,” said Yasushi Asamoto, Chairman of Yamabiko Corporation.

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11) SHINDAIWA'S PRESIDENT TOM BUNCH TO RETIRE

TUALATIN, OR – March 16 -- After building one of the market's most favored brands in commercial handheld power equipment, Tom Bunch is announcing his retirement from Shindaiwa Inc. effective March 31, 2009. Bunch entered into an agreement with Shin-Daiwa Kogyo in 1981 to join the company and develop a market position for the commercial-quality line of Shindaiwa power equipment in North and South America.

Replacing Bunch as president of Shindaiwa Inc. will be Jorge Lazo. He also joined the company in 1981 and was charged with developing business in Latin America. Most recently serving as the company's Executive Vice President and Chief Operating Officer, Lazo will assume the post of president effective April 1, 2009.

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12) BLOUNT INTERNATIONAL – 4TH QUARTER 2008 EARNINGS CALL EXCERPTS

Jim Osterman, Chairman and CEO

Our fiscal year 2008 was a good year for the company. We achieved a record sales level for continuing operations and posted a solid increase in profits, despite some challenging cost pressures. Additionally, we invested significantly for future profit and growth with the acquisition of Carlton and R&D efforts on new products. Although we are pleased with our full-year results, our fourth quarter performance reflected the first time in 2008 that Blount was significantly impacted by the global economic downturn.

In the fourth quarter, we experienced a slowdown in sales from our international customer base for the first time in nearly three years and began to see customers delay orders. Comparable year-over-year unit volume decreases were more significant as the fourth quarter progressed, and have continued into 2009. Domestic sales growth in the first quarter of 2008, aided by storm activities and our heavy replacement mix helped to dampen the affect of the international slowdown. However, international and OEM customers continue to be impacted by the stronger US dollar and the economy.

Overall, Carlton added approximately 11% to sales compared to the fourth quarter of 2007. Our comparable sales order backlog was 4% above the level at the end of 2007. However, many customers have requested shipping dates that are farther out than normal, as both OEM and international customers remain cautious about inventory levels as they enter 2009.

We expect 2009 to be a challenging year for the company. Comparable sales volumes in the first half of the year are expected to trail 2008, requiring us to reduce headcount and production levels. We believe that our replacements business, which represents approximately 76% of our sales, should improve as the year progresses and field inventories need to be replenished. Although we should see some healthy operating margin relief from foreign currency exchange rates and commodity cost, we expect the decline in the first half of 2009 volumes will result in full-year revenue and profit decreases from 2008.

Accordingly, we have implemented several cost control actions to minimize the impact of the unit volume decline. To date, we have initiated the permanent closure of a manufacturing facility, reduced worldwide headcount by approximately 8%, and have frozen certain salaries and wages. As experienced in prior downturns, we expect to continue to generate healthy cash flow that will be available for debt reduction. Cal will cover some of the details of our 2009 outlook later in this call.

Let me now cover a few of the fourth quarter operating highlights of our core business, the Outdoor Products segment. The Outdoor Products segment accounted for 95% of the company's sales in the fourth quarter. Sales were nearly \$127 million and were \$1 million above last year's fourth quarter. Sales from the Carlton business slightly more than offset comparable quarterly sales declines in the other outdoor products segment's component businesses.

Comparable year-over-year sales were down 11% in the fourth quarter of 2007. The majority of the sales decrease was volume-related with foreign currency fluctuations adding to the decline. Higher selling prices helped offset the volume and currency impact on sales. Base unit volume declines were experienced in the international markets for our wood cutting products, slightly offset by domestic growth. So segment domestic sales were up 3.5 from 2007's fourth quarter, excluding the effects of Carlton sales. However, this was a slower growth rate than we experienced over the first nine months of 2008.

The storm activity in the US Gulf Coast continued to help sales as customers reloaded inventories in the early part of the fourth quarter. International sales declined by 17.6% in the fourth quarter, excluding Carlton and reflect volume declines and the impact of a stronger US dollar. Pricing actions we took earlier in the year partially offset the volume and currency impacts. Currency translation reduced sales in the fourth quarter by approximately \$2 million in comparison to last year's fourth quarter.

Sales at OEMs were down 2.1% as compared to last year's fourth quarter, excluding the effects of the Carlton acquisition. Comparable sales for the replacement market were down 13.5% from the fourth quarter of 2007. Sales of concrete cutting equipment were down about 23% from the fourth quarter of 2007, as the pace of demand weakness accelerated in the domestic construction market.

Segment order backlog was \$98.9 million at quarter end. This was up \$1.2 million from the end of the third quarter of 2008. Compared to the year end of last year, order backlog was up 7% excluding the Carlton business. However, customers are requesting shipping dates that are slightly longer than historical standards. We believe this reflects

cautiousness from our customers as they manage inventory levels and their desire to ensure that they have product available if demand picks up.

Contribution of operating income from the Outdoor Products segment was \$22.1 million. Margin was 17.4% of sales, a decrease from last year's fourth quarter margin of 19.5% and the 18.3% margin recorded in the first nine months of 2008. The decline in margin can be attributed to the decline in unit volumes and associated inefficiencies at our manufacturing facilities and the continued high raw material cost in the fourth quarter. The impact of our earlier selling price actions and a favorable foreign currency impact in the fourth quarter partially offset the effects of volume decreases and higher raw material costs on the segment's contribution margin.

The raw material increase is predominantly for steel, as suppliers increased prices to us throughout 2008. In the fourth quarter, we estimate that the impact of higher steel costs on the segment's contribution was a negative \$4.2 million, with the full-year total being negative \$7.9 million. We expect the year-over-year impact of higher steel cost will continue to increase in the first half of 2009, as we lack the relatively lower cost in the comparable quarters of 2008 and as the higher costs of materials roll through our inventory in early 2009. After that, we should see some relief in steel prices as our purchase cost is expected to decline in concert with the declines already prevalent in the broader metals market.

Foreign currency rate changes improved year-over-year segment contribution in the fourth quarter. This is a change in trend from recent years when stronger Canadian and Brazilian dollars currencies resulted in higher manufacturing costs. With a stronger US dollar relative to these currencies expected to continue through 2009, we should see additional margin relief.

In the fourth quarter of 2008, foreign currency fluctuations increased year-over-year segment contribution by approximately \$2.3 million. In the fourth quarter of 2008, the Brazilian and Canadian currencies were 22% and 19% weaker than the fourth quarter of 2007 respectively. While the recent strength in the US dollar against most currencies should continue to benefit segment contribution going forward, it can result in lower revenues due to the impact on cost to our international customers.

Cal Jenness, Senior Vice President and CFO

We remain cautious in our **outlook for 2009**. Our current view for 2009 is that sales will range between \$510 million and \$560 million. Additionally, we estimate that operating income will range between \$65 million and \$75 million. Included in operating income range is between \$6 million and \$7 million in expenses related to the closure of Milan, Tennessee production facility and severance for positions eliminated at the company's other locations. Approximately 60% of this charge is non-cash and reflects write down of obsolete assets.

Volume declines experienced in the last half of the fourth quarter of 2008 have continued into 2009, and as customers remain cautious about inventory levels and the decline in the economy. Operating income should benefit from a stronger US dollar, but continued to be negatively impacted as we sell through inventory held at the end of 2008 would be higher embedded steel costs.

We have made adjustments to our workforce to reflect the weaker demand experienced in recent months. We have eliminated a majority of temporary workers, reduced production and administrative headcount, in short (inaudible) company's inventory levels. Additional reductions may be required if order intake does not pick up in the second half of 2009 as anticipated.

The shutdown of the Milan, Tennessee facility is expected to be completed by mid-year and should result in efficiency gains worth \$3 million to \$4 million per year in the future.

We expect full-year net interest expense to range between \$25 million and \$27 million under the existing terms of our credit agreements. We expect interest expense to increase on that level and will depend on the terms we reach in the connection with the maturity of our revolving line of credit. Our income tax rate on continuing operations are expected to be between 37% and 39% in 2009. Cash flow available for debt repayment is estimated to be between \$25 million and \$30 million.

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13) SHINDAIWA LAYS OFF 37 IN TUALATIN, OREGON

TUALATIN, OR – March 31 -- Shindaiwa Inc., a Tualatin seller of outdoor power equipment, will lay off of 37 of its 92 employees because it will surrender sales and marketing in Europe, Asia and the Middle East to its Japanese parent company, a Shindaiwa executive said today.

Also, Shindaiwa Inc. will close entirely by Oct. 1 after it merges with ECHO Inc. of Lake Zurich, Ill. Echo Inc. is also a subsidiary of Shindaiwa's parent, Yamabiko Corp. of Tokyo.

The layoffs were announced to employees on March 16 and will be complete by Wednesday, said Greg Imus, Shindaiwa's vice president of sales, marketing and technical services. He said the company had not decided how many of Shindaiwa Inc.'s remaining 55 employees will be offered the chance to transfer to ECHO.

"This whole merger was just decided on in January," Imus said. "We're kind of on the fast track of trying to organize everything."

The merger is being accelerated because of weakening world markets and rising costs, Yamabiko executives said in a statement.

"Both ECHO and Shindaiwa are well respected premium brands in the outdoor power equipment industry, " said Yasushi Asamoto, Chairman of Yamabiko Corporation.

"The merger of these operations will result in an efficient organization with lower costs, allowing both brands to be even more competitive in the North and South American markets."

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14) BRIGGS & STRATTON TO LAY OFF 114 AT MISSOURI PLANT

www.semissourian.com

POPLAR BLUFF, Mo. – April 2 -- Briggs & Stratton has announced a layoff will occur at its Poplar Bluff, MO plant beginning April 17, according to the Daily American Republic.

"The layoff is expected to affect approximately 114 employees," plant manager Mark Melloy said. Briggs & Stratton's Poplar Bluff facility manufactures small engines for the outdoor power equipment industry.

"The softer demand for lawn and garden equipment and efforts by retailers to maintain reasonable inventory levels in the distribution channels have contributed to the slowdown in shipping product," Melloy said.

When Briggs & Stratton celebrated the company's 100th anniversary last year, the Poplar Bluff plant had 1,300 workers. Briggs & Stratton built the plant in 1989 and is the area's largest industrial employer.

"We look to hire additional folks this fall as we prepare for the next busy season," Melloy said. "The seasonal cycle is not unfamiliar to the company. We continue to be healthy and profitable."

Construction will continue on a new Briggs & Stratton warehouse.

"We expect the warehouse will be completed in May or June," Melloy said. "We will staff the warehouse with existing employees."

The new warehouse will save transportation and rental costs. Briggs & Stratton currently leases space in area warehouses.

Briggs & Stratton is the world's largest producer of gasoline engines for outdoor power equipment.

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15) KOHLER ENGINES APPOINTS CROMWELL PRESIDENT

KOHLER, WI — April 8 -- Thomas G. Cromwell has been appointed President-Kohler Engine business for Kohler Co.

Cromwell will lead and manage the Kohler Engines business, including its operations in Kohler, WI, Hattiesburg, MS, Mexico and China. He will be responsible for driving business improvement initiatives that optimize capacity, cost, quality and customer service. Cromwell reports to Dick Fotsch, president of Kohler Global Power Group.

"I am confident that the experience, capabilities and management style that Tom brings will be a great addition to our Kohler Engine Business," says Fotsch. "Throughout his career, he's held diverse assignments that involved product launches, growth, reorganization and international business challenges, all of which he handled successfully and will provide great experience in his position as president here at Kohler."

Cromwell joins Kohler after a successful career at Modine Manufacturing Co., in Racine, WI. There, he last served as regional vice president-Americas, responsible for Modine's OEM business operations. During his 18 years with the company, he also held a series of general management positions in Modine's commercial products division, electronics cooling division, and heavy-duty division.

Cromwell earned his bachelor's degree in industrial technology management from the University of Wisconsin-Platteville, and will complete his executive MBA this spring from the University of Wisconsin-Milwaukee.

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16) DEERE TO COMBINE DIVISIONS, CUT 200 JOBS

Daniel Lovering, www.boston.com

PITTSBURGH –April 14 -- Deere & Co. said Tuesday it plans to combine operations that make its iconic green and yellow tractors with another unit that manufactures products like riding lawn mowers, resulting in about 200 job cuts.

The world's largest maker of farm machinery said the restructured unit will help it better meet customer needs, cut costs and boost global sales of products like riding mowers. Sales of such products have tumbled as the global economic downturn has slowed spending and made it harder to get loans. And while Deere's farm machinery sales have been strong, the company has slashed its 2009 earnings outlook.

The company's agricultural equipment division, with sales of about \$3.26 billion, accounted for about 63 percent of total revenue for the first quarter ended Jan. 31, while sales of \$558 million from its commercial and consumer equipment unit represented some 11 percent.

As a result of the units' combination, the Moline, Ill.-based company expects to record pretax charges of about \$25 million, mainly in the fourth quarter of 2009.

The new unit, which has been in planning stages since early 2008, will be called the agriculture and turf division and will have two presidents. David C. Everitt will be responsible for tractors and turf and utility products. Markwart von Pentz will oversee crop harvesting, hay and forage and crop care products.

The job cuts, involving salaried workers, are expected by the end of September and will be made through voluntary separations. As of March 29, Deere employed about 55,000 people, about half of them salaried positions. The divisions to be combined employ a total of about 38,000 people, including 15,000 salaried workers.

The cuts will be the latest at Deere, which has laid off more than 1,000 workers since the beginning of the year as the world financial crisis saps demand for its products, particularly construction and forestry equipment.

Deere spokesman Ken Golden said the company will decide which 200 salaried jobs will be let go as the two operations start to merge.

No factories are expected to close and Deere's product line will remain unchanged, but the company said it would consolidate its six U.S. sales branch offices to two locations in Lenexa, Kan., and Cary, N.C.

"This should make it easier to do business with Deere," Golden said, referring to the anticipated streamlining of communication between the company and Deere customers.

Those customers may own Deere products made by the different divisions and may have to contact different sources for parts and services.

Deere's worldwide agricultural equipment sales -- its biggest operation -- leaped 18 percent during the company's first fiscal quarter ended Jan. 31 as higher prices and volumes offset greater raw material costs and a stronger dollar.

But sales of commercial and consumer equipment -- including products like riding mowers and utility vehicles used on golf courses and in parks -- slumped 25 percent, hurt partly by lower volumes amid the continued housing slump. Its construction and forestry sales slid 28 percent.

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17) BRIGGS REPORTS RESULTS FOR THE 3rd QUARTER OF FISCAL 2009

MILWAUKEE -- April 16 -- Briggs & Stratton today announced third quarter fiscal 2009 consolidated net sales of \$673.8 million and consolidated net income of \$25.4 million or \$0.51 per diluted share. The third quarter of fiscal 2008 had consolidated net sales of \$725.7 million and consolidated net income of \$38.9 million or \$0.78 per diluted share. Consolidated net sales decreased \$51.9 million or 7%.

The entire decrease was due to lower sales volumes in the Engines Segment. Third quarter consolidated net income decreased \$13.5 million between years. Engines Segment operating results and a higher effective tax rate between years were the primary cause of the lower net income.

For the first nine months of fiscal 2009, consolidated net sales were \$1.609 billion and consolidated net income was \$26.6 million or \$0.54 per diluted share. For the same period a year ago, consolidated net sales were \$1.570 billion, and consolidated net income was \$22.1 million or \$0.45 per diluted share. The \$39.0 million or 2% increase in consolidated net sales was primarily the result of improved sales volume in the Power Products Segment. The nine-month consolidated net income increased by \$4.5 million between years.

Net income for the first nine months of fiscal 2008 included a \$29.0 million after tax gain resulting from the redemption of an investment in preferred stock and the impact of a \$19.8 million (\$12.7 million after tax) warranty expense for a snow engine recall. Excluding the aforementioned items consolidated net income in fiscal 2009 improved by \$20.8 million over the prior year. The improvement is primarily the result of the improved sales and production volumes experienced in the Power Products Segment.

Engines:

Third quarter net sales for fiscal 2009 were \$480.2 million versus \$546.4 million for the same period a year ago, a decrease of \$66.2 million or 12%. The decrease in net sales was primarily the result of an engine unit shipment decrease of 13% from the same period a year ago. Shipments of engines decreased in the third quarter for lawn and garden applications due to an uncertainty as to the amount of retail demand that will occur this season and the desire by the channel participants to control their working capital commitments.

Net sales for the first nine months of fiscal 2009 were \$1.078 billion versus \$1.070 billion in the prior year, an increase of \$8.0 million or 1%. Unit volume increases of 16% through the first six months, the result of market share gains and higher engine demand for portable generators, were negated by the soft engine demand discussed for the third quarter.

Income from operations for the third quarter of fiscal 2009 was \$46.6 million, down \$21.1 million from \$67.7 million during the same period in the prior year. The lower income from operations was the result of the negative impact of currency exchange rates, primarily on sales denominated in Euros, lower sales volume and lower utilization of the production facilities.

Income from operations for the first nine months of fiscal 2009 was \$63.1 million, up \$12.5 million from \$50.6 million during the same period a year ago. Income from operations in fiscal 2008 was impacted by the \$19.8 million warranty expense associated with the snow engine recall. After giving consideration to the warranty expense, income from operations was lower by \$7.3 million between years.

The decrease was the result of higher commodity costs, the negative impact of currency exchange rates experienced in the third quarter and lower production volumes. Partially offsetting these decreases were the increased sales volume, the benefit from a plant closure in fiscal 2008, lower expenditures for several operating costs and certain price increases between years.

Power Products:

Fiscal 2009 third quarter net sales were \$250.2 million versus \$241.7 million for the same period a year ago, an increase of \$8.5 million. The net sales increase was primarily the result of \$8.4 million of sales related to our June 30, 2008 acquisition of Victa LawnCare Pty. Ltd. ("Victa"). Lower shipment volumes in almost every product category in the Segment, except portable generators, offset pricing enhancements implemented to offset commodity cost increases. Similar to the Engines Segment, the lower shipments reflect uncertainty as to the amount of retail demand that will occur this spring and the desire by the channel participants to control their working capital commitments.

Net sales for the first nine months of fiscal 2009 were \$697.7 million versus \$624.8 million in the prior year, a \$72.9 million increase. Victa sales in this period accounted for \$33.6 million of the sales increase. The remaining sales improvement was the result of pricing enhancements implemented to counter commodity cost increases and a net unit volume increase driven by stronger portable generator shipments.

There was a loss from operations of \$2.9 million in the third quarter of fiscal 2009, an improvement of \$6.0 million between years. The improvement resulted primarily from better plant utilization. Pricing enhancements experienced in the third quarter were effectively offset by higher costs to manufacture, primarily the cost of commodities.

The loss from operations for the first nine months of fiscal 2009 was \$8.9 million, an improvement of \$27.1 million from the operating loss generated for the same period a year ago. The improvement resulted partially from better plant utilization because of higher production volumes, primarily for portable generator product. Pricing enhancements in several product categories was the other primary contributor to the improvement.

General:

Other income for the first nine months of fiscal 2009 is lower than last year by \$37.1 million because last year had a gain from the redemption of preferred stock and their associated dividends. Interest expense was less in the third quarter and nine months of fiscal 2009 due to lower borrowings for working capital and lower average interest rates.

The effective tax rate was 31.4% for the third quarter and 23.4% for the first nine months of fiscal 2009 versus 18.3% and 2.2% for the same periods last year, respectively. The variation reflected between years was due to the required recognition of the tax effects of certain events as discrete items in the quarter that they occur rather than in the overall expected annual tax rate. In addition, the impact of expected tax credits and exclusions as a percentage of annual earnings for fiscal 2008 resulted in a lower effective tax rate for the first nine months of fiscal 2008. We expect the effective rate for the full fiscal 2009 to be in the 24.0% to 26.0% range.

Outlook:

The Engines Segment unit volume is projected to soften globally in the fourth quarter, with units potentially being down 5% compared to the previous year. Our annual shipment volume, rather than being greater than last year, is now projected to be similar to slightly down from last year.

In addition, the mix of the engine shipments will shift to smaller displacement engines as the forecast for consumer and commercial riding equipment, which use larger displacement engines, has been revised downward. Besides reducing our revenues and gross margins, this sales volume and mix challenge will cause us to contract our production schedules to manage our working capital commitment for inventory at fiscal year end.

The lawn and garden equipment component of the Power Products Segment is also significantly affected by the revised projections, especially those for consumer and commercial riding equipment. We sell the majority of our lawn and garden equipment through dealers that carry premium consumer and commercial riding equipment. In addition to projected lower consumer demand, we can see that dealers and retailers are controlling their working capital levels due to the uncertainty

in the U.S. economy. As in the Engines Segment, we are reducing our outlook for operating profit on lower sales and production volumes.

Finally, our forecast now reflects an estimate of a stronger dollar by fiscal year end that will cause a greater loss, especially as it relates to our European sales and operations. All of the aforementioned considerations result in a net income forecast for the year in the range of \$23 to \$32 million or \$0.46 to \$0.65 per diluted share for the full year. The range reflects that various industry forecasts now call for the lawn and garden market to be down anywhere from high single to low double digits. Consolidated net sales are projected to be similar to last year, with improved gross margins, lower operating expenses and interest expense of approximately \$32 million.

Dividend Declaration:

At its regular quarterly meeting held yesterday, the Board of Directors of Briggs & Stratton Corporation declared a quarterly dividend of eleven cents (\$0.11) per share on the common stock of the Corporation. The dividend is payable June 26, 2009 to shareholders of record at the close of business June 1, 2009.

The quarterly dividend has been reduced 50% from the prior quarter's level. The reduced dividend is more comparable with our historical payout ratio of 50% of net income and dividend yield of 3.5%. In addition, a reduced dividend preserves cash in light of the continuing uncertainty in the credit markets. This action, along with other cash preserving initiatives, should reduce our need for additional borrowings for working capital in the near to medium term future.

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18) KOHLER TRYING TO SAVE BROWNWOOD JOBS, QUALIFY FOR FUNDS

Celinda Emison www.reporternews.com

BROWNWOOD, TX -- April 15 -- The Kohler Company in Brownwood is seeking designation as a Texas Enterprise Zone project in an effort to help retain the jobs at the Brownwood plant.

On Tuesday the Brownwood City Council nominated Kohler as a Texas Enterprise Zone project after a public hearing. The deadline for the application is June 1, and the approval process takes about 60 days.

During a presentation Tuesday, the council learned that Kohler plans to invest about \$7.7 million in improvements to the plant.

Kohler's improvements qualify as an Enterprise Zone project if the company is able to retain 500 jobs over the next five years and invest \$5 million in improvements. If Kohler is designated as an Enterprise Zone project, the company will be eligible for up to \$1.25 million in sales tax rebates over the next five years.

"We are feeling pretty confident this will be approved," said James Campbell, executive director of the Brownwood Economic Development Corp.

Currently, Kohler has about 1,100 employees and an annual payroll of about \$38.5 million. Since October, 52 employees have been laid off at the Brownwood plant, which manufactures vitreous china for bath products. Company officials sited a weakened demand for products as the reason for the layoffs.

The Texas Enterprise Zone program began in 1988 and is overseen by the governor's office. Since the program began more than \$27.8 billion in capital investments have been attracted to the state, and the program has helped create more than 126,000 new jobs and helped retain almost 66,000 jobs, according the governor's office.

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