

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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1) HUSQVARNA HEADQUARTERS WILL LEAVE AUGUSTA

Tim Rausch www.chronicle.augusta.com

AUGUST – August 18, 2009 -- An icon is leaving Augusta.

Husqvarna Outdoor Products Inc. has already started the relocation of its North American headquarters from Augusta to Charlotte, N.C., the result of a global reorganization plan by the Swedish-based lawn and garden equipment maker.

"It has been home to a lot of us for a long time. It's a tough decision to make. It is difficult for a lot of the people involved," said Roger Leon, Husqvarna's director of sales for North and Latin America.

Mr. Leon has worked for the company, and its former owner Electrolux, in Augusta since 1992.

About 100 employees work at the Stevens Creek Road facility, he said.

"Not all of the employees will be asked to relocate. Through the consolidation of the offices, there are some people here that are doing functions that were very similar to what we're doing in Augusta," Mr. Leon said.

He said he is not sure how many Augusta employees will lose their jobs.

Augusta was home to the company's North American administrative staff, sales and service staff for consumer products division, purchasers for wheeled products and the industrial design center.

In June, the company's global headquarters in Stockholm implemented a reorganization plan that consolidated six business sectors into five operating units -- one of the reasons for the consolidation of sales and service personnel to its existing Charlotte office.

"The other factor is just the general economic conditions that are driving us to find synergies throughout the company," Mr. Leon said.

Mr. Leon said the transition will take place over the next six to 12 months, although some Augusta employees are already being shifted.

The company's lease for office space on Stevens Creek Road will expire in the middle of 2010, he said.

"Ouch," said Phil Wahl Jr., the chairman-elect of the Metro Augusta Chamber of Commerce. "This is surprising."

Augusta has been home to the company's headquarters since its spinoff in 2006 from former owner Electrolux.

Despite Husqvarna's plans to move, Electrolux has no plans to relocate its offices, company spokesman Tony Evans said. The appliance manufacturer maintains its North American headquarters on Bobby Jones Expressway.

Electrolux located in Augusta in 1987.

Husqvarna is the world's largest producer of lawn mowers, chain saws and portable gas-powered garden equipment such as trimmers and blowers. Its brand names are Husqvarna, Gardena, Flymo, Partner, McCulloch, Poulan and Weed Eater.

Globally it has 15,000 employees.

"Despite the difficult environment, sales for consumer products in North America increased for the third consecutive quarter," said Magnus Yngen, Husqvarna's CEO.

Internationally, however, the company reported lower income and product demand.

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2) RETAIL IN DROUGHT, BUT GARDENING YIELDS GREEN

Jeanine Poggi www.thestreet.com

NEW YORK – August 17 – Although retail might be struggling these days to coax even the smallest of green shoots, it appears lawn care and gardening are, appropriately enough, yielding some growth in sector.

Granted, major home improvement overhauls are not an option for most consumers, as they look to cut back amid the recession. But that apparently doesn't mean they don't want to keep their homes -- the ones they are most likely stuck with for several more years -- in fine trim.

As a result, do-it-yourself improvements, specifically in lawn and gardening, are flourishing. According to the National Gardening Association, seven million more households planned to grow their own gardens in 2009, up 19% from 2008.

Whether consumers are letting go of their gardeners, getting in on the organic food fad or look for a cheap hobby, more are opting to care for gardens and lawns themselves.

Thus, while home improvement retailers like Lowe's and Home Depot are still struggling on the whole, they are seeing an uptick in seeds, fertilizers, soil and gardening tools.

Lowe's reported a 19% decline in second-quarter profit on Monday and released a weak full-year forecast, but continued to see strength in its outdoor products.

"We had positive [comparable store sales] in our nursery category and above average comps in lawn and landscape and outdoor power equipment," CEO Robert Niblock said on a conference call.

Out of the 20 product categories Lowe's carries, nursery and paint were the only two that posted positive same-store sales.

"More Americans are recognizing the benefits of growing their own produce, including improved quality, taste and cost savings," the NGA said in a release. According to its estimates, on average, a well-maintained food garden yields a \$500 return when considering a typical gardener's investment and the market price of produce.

And whether the monetary benefits of growing your own garden are real or perceived, shoppers still feel like they are being thrifty by growing their own produce.

Last month Scotts Miracle-Gro, the maker of lawn and garden-care products, saw its profit for the quarter that ended June 27 surge to \$147.8 million, or \$2.23 per share, from \$22.6 million, or 35 cents, in the year prior.

Sales also jumped 9% to \$1.28 billion from \$1.17 billion, including a 23% increase in sales of Miracle-Gro Moisture Control Potting Mix.

At the time the company reiterated earnings guidance of \$2.35 to \$2.45 per share for the fiscal year.

Rival Central Garden & Pet saw profit in its third-quarter, which ended June 27, nearly double to \$31.1 million, or 44 cents a share.

While total sales for the quarter slipped 2% to \$482.2 million, sales at the Garden Products division grew 5% to \$267 million.

This interest in gardening isn't expected to wane moving forward. U.S. demand for lawn and garden consumables is expected to grow 4.5% annually through 2012, according to a report by Bharatbook.com, a market research firm.

And even the actuarial tables are on the side of the trend: observers expect the aging of the baby boomer generation to bring a huge demographic into peak gardening years, guaranteeing future growth in the sector.

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3) YEAR LATER, PRAMAC AMERICA IS GOING STRONG

Todd Gottula www.kearneyhub.com

KEARNEY –August 20 --.When longtime manufacturer Powermate Corp. went bankrupt and closed its plant in March 2008 after 22 years in business, it cost 200 people their jobs and left behind a lot of questions and uncertainty.

The closure added Kearney to the list of cities hit by the weakening economy. No longer was the city able to tout its unwavering business climate and ability to buck negative business trends that usually hit "other" cities.

Losing Powermate forced Kearney officials to deal with some of the tough issues they had managed to avoid for so long.

"Coleman had been a cornerstone in Kearney's manufacturing community for many, many years, and the impact of the plant closing was heartbreaking and significant," said Mayor Stan Clouse, referring to the company that for many years operated as Coleman Powermate.

The heartbreak didn't last long. After the factory sat vacant for about four months, Pramac America purchased the assets of Powermate and re-opened in August 2008.

"Keeping bench assembly production in Kearney is an important part of a diverse economy," said Jon Krebs, president of Buffalo County's Economic Development Council. "It would have been a real shame if the plant had remained dormant."

Today, the factory is far from dormant. It has diversified its product lines to include more than portable generators, and staffing levels have increased from about 40 when the plant reopened a year ago to between 50 and 100 today. The company declined to share exact employment figures.

Plant Manager Ward Jorgenson, who was hired by Pramac after running the Powermate plant for many years, said many employees who lost their jobs with Powermate returned to work for the new company.

"The team of employees that came back here has played a huge role in our success. They were here before, so we were able to start right up and take on any challenges that came up," said Jorgenson.

In fact, a month after opening, the plant began taking orders to accommodate the hurricane season.

"Our employees knew exactly what to do in that situation. It definitely was a shock to our system and got us kick-started, whether we were ready or not," Jorgenson said. "I have a great team of people who require very little supervision. They move around on their own and get things done."

Krebs said he's glad to see a strong, reputable company such as Pramac running the plant.

"The fact that Pramac purchased the plant and product line, and has now hired the skilled labor, is the first time the company has been owned by a real production company since Coleman had the business many years ago," said Krebs.

"After Coleman sold the plant, the company was owned by a succession of poorly run companies and private equity investors like Sun Capital Partners, whose only interest was dipping into the company and bleeding it dry."

Pramac America has its U.S. headquarters in Long Grove, Ill., and is using the Kearney plant to manufacture generators for home, commercial and recreational uses. Earlier this year, it expanded its product line to include pressure washers, home standby generators and large industrial generators.

The company will add a line of diesel generators at the Kearney plant in the future.

"One of our earliest goals was to become re-established and just get the factory up and going again. The fact that we've been able to integrate new products is an added bonus," Jorgenson said. "The manufacturing world was, and still is, really tough.

"But we're fortunate in that we haven't had to cut any jobs and have been able to work every day without shutting down. There are a lot of success stories we can share."

Pramac did not purchase Powermate's existing business and inherit customers, so the company had to create its own customer base and re-establish pricing and contracts with more than 300 suppliers.

"Getting that supply chain in order was a challenge," said Jorgenson. "There was a lot of work that went into setting up a new business. We weren't necessarily continuing the former business, although it probably appeared that way to the general public. We started over completely.

"It wasn't until the end of the first quarter in 2009 that we felt like everything was re-established and in place again."

Mayor Clouse said Kearney and surrounding communities anticipate having a "long and lasting relationship" with Pramac.

"We are grateful that a company like Pramac re-opened the plant and is secure in its operation," he said. "We are excited they have weathered the economic storm to date and will continue to provide good jobs and economic growth."

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4) MELTDOWN 101: WHAT ARE PEOPLE BUYING NOW? EXCERPTS

AP

August 20 -- What we're buying—and not buying—says a lot about how consumers are feeling these days.

It also says a lot about the American economy, considering that consumer spending accounts for 70 percent of all U.S. economic activity. Every time we go out to lunch, buy a new sweater or pick up a DVD, we're contributing to the retail sector, the biggest sector in the economy.

This week, companies from Home Depot to Target to Saks reported results for their latest quarters. Some were strong, some were weak. All tell tales of the consumer: thrifty, staying close to home, and focusing on basics. Here's a look at what people are and aren't buying.

HOME

WHAT WE'RE BUYING: People are buying more garden products and paint, especially in areas with high foreclosure rates like California, according to Home Depot. CEO Frank Blake told investors that as homes are sold as part of the foreclosure process, that spurs sales of paint and carpet upgrades, since owners want to improve their new homes.

Lowe's reported that small projects were big winners in the second quarter—only the paint and nursery categories were doing better than a year earlier. The company said consumers—with an eye toward boosting the appearance of their homes—bought a lot of mulches, seed, and patio blocks.

There was also solid demand in faucet repair and for repair parts for outdoor power equipment. Tiller sales were also strong as consumers planted more gardens.

WHAT WE'RE NOT: Home Depot said consumers continued to limit their purchases of bigger items like appliances.

Purchases above \$500 fell 16 percent compared to last year for Lowe's, which also noted last year's second quarter included the effects of a federal stimulus package that gave most consumers about \$600, prompting sales of big-ticket items.

Sears said its decline in its home business, including appliances, continues to be affected by the state of the housing market.

Target said people limited their purchases of decorative home and garden items, with patio furniture a standout weakness. Target noted it had planned very conservatively for that category this year.

CONCLUSIONS: Consumers are staying close to home and they want it to look nice. But they're not committing to big purchases like patio furniture to spruce up their home.

They're tackling more projects themselves, especially smaller ones, and opting to fix a faucet themselves rather than call a plumber. They're also planting gardens, perhaps with an eye toward trimming their food budgets. And forget new appliances—they're making do with what they have.

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5) TORO REPORTS FISCAL 2009 THIRD QUARTER RESULTS

- Residential segment sales up on higher retail demand for walk power mowers and riding products
- Company posts net earnings per share of \$0.54
- Working capital further strengthened as inventories reduced to lowest level in more than a decade
- Improved asset management continues to drive strong operating cash flow

BLOOMINGTON, Minn.-- Aug. 20, 2009-- The Toro Company (NYSE: TTC) today reported net earnings of \$19.8 million, or \$0.54 per share, on net sales of \$394.9 million for its fiscal third quarter ended July 31, 2009. In the comparable fiscal 2008 period, the company posted net earnings of \$38.2 million, or \$0.99 per share, on net sales of \$492.6 million.

For the fiscal year to date, Toro reported net earnings of \$63.4 million, or \$1.73 per share, on net sales of \$1,234.9 million. In the comparable fiscal 2008 period, the company posted net earnings of \$119.6 million, or \$3.06 per share, on net sales of \$1,536.9 million.

"Despite a persistently difficult economic environment, we've been able to offset some of the impact through aggressive and disciplined actions," said Michael J. Hoffman, Toro's chairman and chief executive officer. "We are focused on driving retail demand and have improved our market share in many product categories.

Additionally, we are continuing to realign our cost structure and execute against our working capital initiative, which has resulted in significant reductions in inventory for both Toro and our channel partners. While we cannot insulate ourselves from the broad economic downturn, we believe these actions put us in a better position when our industry starts heading in the right direction."

To provide additional resources to support strategic growth, the company recently announced the creation of Red Iron Acceptance, LLC, a new joint venture with an indirect subsidiary of TCF Financial Corporation (NYSE:TCB). This new commercial finance entity will provide floor plan and open account financing for the company's U.S. and select Canadian channel partners. For Toro, the venture will help improve working capital and free up cash to deliver increased value to shareholders.

SEGMENT RESULTS

Professional

- Professional segment net sales for the fiscal 2009 third quarter totaled \$260.9 million, down 27.3 percent from the comparable fiscal 2008 period. Sales declined across most product categories as the equipment replacement cycle extends. Worldwide demand for golf maintenance equipment remains particularly weak in an extremely tough environment. And, while market conditions dampened demand for commercial and landscape contractor equipment, the new Toro® GrandStand™ stand-on mower continues to gain ground on the competition. For the first nine months, professional segment net sales declined 26.7 percent to \$800.6 million.
- Professional segment earnings for the fiscal 2009 third quarter were \$39.4 million, down 44.6 percent from last year's third quarter. For the first nine months, professional segment earnings totaled \$126.4 million, down 42.4 percent compared with the prior year period.

Residential

- Residential segment net sales for the fiscal 2009 third quarter totaled \$126.2 million, up 1.2 percent from the comparable fiscal 2008 period. Strength in walk power mowers and riding products were somewhat offset by lower shipments of snowthrower products that are anticipated to occur later due to timing of a new offering. Specific to walk power mowers the company has increased market share, primarily the result of expanded retail placement and a wider range of price points to better meet the needs of customers. For the first nine months, residential segment net sales declined 1.6 percent to \$416.8 million.
- Residential segment earnings for the fiscal 2009 third quarter were \$10.7 million, up \$7.3 million from last year's third quarter. For the first nine months, residential segment earnings totaled \$32.1 million, up 15.0 percent from the prior year period.

REVIEW OF OPERATIONS

Gross margin for the fiscal 2009 third quarter was 33.9 percent compared with 35.3 percent in the comparable fiscal 2008 period. For the first nine months of fiscal 2009, gross margin was 33.5 percent, compared with 35.8 percent in the same period of fiscal 2008. For the quarter and year to date, the decline in gross margin was primarily due to the impact of production cuts to adjust for reduced demand and unfavorable product mix.

Selling, general and administrative (SG&A) expenses for the fiscal 2009 third quarter declined \$16.7 million, or 15.1 percent, but increased to 23.9 percent of net sales from 22.5 percent in last year's third quarter. For the first nine months of fiscal 2009, SG&A expenses were down \$52.0 million, or 14.7 percent, but increased to 24.4 percent of net sales from 23 percent in the comparable fiscal 2008 period.

Other expense for the fiscal 2009 third quarter was \$4.0 million compared with \$0.4 million in the prior year period. The increase was mainly due to one-time expenses for several legal matters, somewhat offset by higher foreign currency gains.

Interest expense for the fiscal 2009 third quarter was \$4.4 million compared with \$4.6 million in the prior year's third quarter. For the first nine months of fiscal 2009, interest expense totaled \$13.2 million compared with \$14.9 million in the comparable fiscal 2008 period. The decline in interest expense reflects lower borrowing rates and reduced levels of average debt outstanding.

The effective tax rate for the fiscal 2009 third quarter was 36.6 percent compared with 34.2 percent in the comparable fiscal 2008 period. The tax rate increase was mainly the result of a one-time valuation allowance related to a foreign subsidiary.

Accounts receivable at the end of the fiscal 2009 third quarter totaled \$269.9 million, down 26.1 percent, on a sales decline of 19.8 percent. Net inventories in the fiscal 2009 third quarter declined by \$51.2 million, or 24.2 percent, from the comparable 2008 period.

The company's solid cash flow enabled it to return value to shareholders through dividend payments and share repurchases. During the fiscal 2009 third quarter, the company repurchased 1.6 million common shares and, as previously announced, received authorization in July to repurchase an additional 5 million common shares.

BUSINESS OUTLOOK

"We will manage the business with the expectation of no significant improvement in our end markets in the near future," said Hoffman. "While we continue to carefully manage costs, we will also maintain our focus on driving market share improvements by bringing innovation to our customers. We will also invest in new initiatives that enable future growth when our markets recover."

The company continues to expect fiscal 2009 revenues to decline about 18 percent from fiscal 2008. However, due to one-time charges of \$0.15 per share in the fiscal 2009 third quarter to account for workforce adjustments, valuation allowance for taxes, and expenses for several legal matters, the company now expects net earnings per share for fiscal 2009 to be approximately \$1.53 to \$1.63.

The Toro Company is a leading worldwide provider of outdoor maintenance equipment and beautification products to help customers care for golf courses, sports fields, public green spaces, commercial and residential properties, and agricultural fields.

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6) SEC ANNUAL FORM 10-K FOR BRIGGS & STRATTON FILED AUGUST 27, 2009 Excerpts
FOR FISCAL YEAR ENDING JUNE 28, 2009

Briggs & Stratton (the "Company") is the world's largest producer of air cooled gasoline engines for outdoor power equipment. Briggs & Stratton designs, manufactures, markets and services these products for original equipment manufacturers (OEMs) worldwide. These engines are aluminum alloy gasoline engines with displacements ranging from 141 cubic centimeters to 993 cubic centimeters.

Additionally, through its wholly owned subsidiary, Briggs & Stratton Power Products Group, LLC, Briggs & Stratton is a leading designer, manufacturer and marketer of generators (portable and home standby), pressure washers, snow throwers, lawn and garden powered equipment (riding and walk behind mowers, tillers, chopper/shredders, leaf blowers and vacuums) and related accessories.

Briggs & Stratton conducts its operations in two reportable segments: Engines and Power Products. Further information about Briggs & Stratton's business segments is contained in Note 7 of the Notes to Consolidated Financial Statements.

The Company's Internet address is www.briggsandstratton.com. The Company makes available free of charge (other than an investor's own Internet access charges) through its Internet website the Company's Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as soon as reasonably practicable after it electronically files such material with, or furnishes such material to, the Securities and Exchange Commission. Charters of the Audit, Compensation, Nominating and Governance Committees; Corporate Governance Guidelines and code of business conduct and ethics contained in the Briggs & Stratton Business Integrity Manual are available on the Company's website and are available in print to any shareholder upon request to the Corporate Secretary.

Engines

General

Briggs & Stratton's engines are used primarily by the lawn and garden equipment industry, which accounted for 81% of the segment's fiscal 2009 engine sales to OEMs. Major lawn and garden equipment applications include walk-behind lawn mowers, riding lawn mowers, garden tillers and snow throwers.

The remaining 19% of engine sales to OEMs in fiscal 2009 were for use on products for industrial, construction, agricultural and other consumer applications, that include generators, pumps and pressure washers. Many retailers specify Briggs & Stratton's engines on the power equipment they sell, and the Briggs & Stratton name is often featured prominently on a product despite the fact that the engine is a component.

In fiscal 2009, approximately 28% of Briggs & Stratton's Engines segment net sales were derived from sales in international markets, primarily to customers in Europe. Briggs & Stratton serves its key international markets through its European regional office in Switzerland, its distribution center in the Netherlands and sales and service subsidiaries and offices in Australia, Austria, Brazil, Canada, China, the Czech Republic, England, France, Germany, Italy, Japan, Mexico, New Zealand, Poland, Russia, South Africa, Sweden and the United Arab Emirates.

Briggs & Stratton is a leading supplier of gasoline engines in developed countries where there is an established lawn and garden equipment market. Briggs & Stratton also exports engines to developing nations where its engines are used in agricultural, marine, construction and other applications. More detailed information about our foreign operations is in Note 7 of the Notes to Consolidated Financial Statements.

Briggs & Stratton engines are sold primarily by its worldwide sales force through direct calls on customers. Briggs & Stratton's marketing staff and engineers in the United States provide support and technical assistance to its sales force.

Briggs & Stratton also manufactures replacement engines and service parts and sells them to sales and service distributors. Briggs & Stratton owns its principal international distributors. In the United States the distributors are independently owned and operated. These distributors supply service parts and replacement engines directly to independently owned, authorized service dealers throughout the world. These distributors and service dealers incorporate Briggs & Stratton's commitment to reliability and service.

Customers

Briggs & Stratton's engine sales are made primarily to OEMs. Briggs & Stratton's three largest external engine customers in fiscal years 2009, 2008 and 2007 were Husqvarna Outdoor Products Group (HOP), MTD Products Inc. (MTD) and Deere & Company. Sales to the top three customers combined were 41%, 42% and 54% of Engines segment net sales in fiscal 2009, 2008 and 2007, respectively. Under purchasing plans available to all of its gasoline engine customers, Briggs & Stratton typically enters into annual engine supply arrangements.

Briggs & Stratton believes that in fiscal 2009 more than 80% of all lawn and garden powered equipment sold in the United States was sold through mass merchandisers such as The Home Depot, Inc. (The Home Depot), Lowe's Companies, Inc. (Lowe's), Sears Holdings Corporation (Sears) and Wal-Mart Stores, Inc. (Wal-Mart). Given the buying power of the mass merchandisers, Briggs & Stratton, through its customers, has continued to experience pricing pressure; however, the Company attempts to recover increases in commodity costs through increased pricing. Briggs & Stratton believes that a similar trend has developed for its products in industrial and consumer applications outside of the lawn and garden market.

Competition

Briggs & Stratton's major domestic competitors in engine manufacturing are Honda Motor Co., Ltd. (Honda), Kawasaki Heavy Industries, Ltd. (Kawasaki) and Kohler Co. (Kohler). Several Japanese and Chinese small engine manufacturers, of which Honda and Kawasaki are the largest, compete directly with Briggs & Stratton in world markets in the sale of engines to other OEMs and indirectly through their sale of end products.

Briggs & Stratton believes it has a significant share of the worldwide market for engines that power outdoor equipment.

Briggs & Stratton believes the major areas of competition from all engine manufacturers include product quality, brand strength, price, timely delivery and service. Other factors affecting competition are short-term market share objectives, short-term profit objectives, exchange rate fluctuations, technology, product support and distribution strength. Briggs & Stratton believes its product value and service reputation have given it strong brand name recognition and enhance its competitive position.

Seasonality of Demand

Sales of engines to lawn and garden OEMs are highly seasonal because of consumer buying patterns. The majority of lawn and garden equipment is sold during the spring and summer months when most lawn care and gardening activities are performed. Sales of lawn and garden equipment are also influenced by consumer sentiment, housing starts and weather conditions. Engine sales in Briggs & Stratton's fiscal third quarter have historically been the highest, while sales in the first fiscal quarter have historically been the lowest.

In order to efficiently use its capital investments and meet seasonal demand for engines, Briggs & Stratton pursues a relatively balanced production schedule throughout the year. The schedule is adjusted to reflect changes in estimated demand, customer inventory levels and other matters outside the control of Briggs & Stratton. Accordingly, inventory levels generally increase during the first and second fiscal quarters in anticipation of customer demand. Inventory levels begin to decrease as sales increase in the third fiscal quarter. This seasonal pattern results in high inventories and low cash flow for Briggs & Stratton in the second and the beginning of the third fiscal quarters. The pattern results in higher cash flow in the latter portion of the third fiscal quarter and in the fourth fiscal quarter as inventories are liquidated and receivables are collected.

Manufacturing

Briggs & Stratton manufactures engines and parts at the following locations: Auburn, Alabama; Statesboro, Georgia; Murray, Kentucky; Poplar Bluff, Missouri; Wauwatosa, Wisconsin; Chongqing, China; and Ostrava, Czech Republic. Briggs & Stratton has a parts distribution center in Menomonee Falls, Wisconsin.

As announced in April 2007, the Company discontinued operations at the Rolla, Missouri facility during the second fiscal quarter of 2008. Engine manufacturing performed in Rolla has been moved to the Chongqing, China and Poplar Bluff, Missouri plants.

Briggs & Stratton manufactures a majority of the structural components used in its engines, including aluminum die castings, carburetors and ignition systems. Briggs & Stratton purchases certain parts such as piston rings, spark plugs, valves, ductile and grey iron castings, plastic components, some stampings and screw machine parts and smaller quantities of other components. Raw material purchases consist primarily of aluminum and steel. Briggs & Stratton believes its sources of supply are adequate.

Briggs & Stratton has joint ventures with Daihatsu Motor Company for the manufacture of engines in Japan, with Starting Industrial of Japan for the production of rewind starters and punch press components in the United States, and The Toro Company for the manufacture of two-cycle engines in China.

Briggs & Stratton has a strategic relationship with Mitsubishi Heavy Industries (MHI) for the global distribution of air cooled gasoline engines manufactured by MHI in Japan under Briggs & Stratton's Vanguard™ brand.

Power Products

General

Power Products segment's (Power Products) principal product lines include portable and standby generators, pressure washers, snow throwers and lawn and garden powered equipment. Power Products sells its products through multiple channels of retail distribution, including consumer home centers, warehouse clubs, mass merchants and independent dealers. Power Products product lines are marketed under various brands including Briggs & Stratton, Brute, Craftsman[®], Ferris, Giant Vac, John Deere, Murray, Simplicity, Snapper, Victa and Troy-Bilt

Power Products has a network of independent dealers worldwide for the sale and service of snow throwers, standby generators and lawn and garden powered equipment.

To support its international business, Power Products has leveraged the existing Briggs & Stratton worldwide distribution network.

Customers

Historically, Power Products' major customers have been Lowe's, The Home Depot and Sears. Sales to these three customers combined were 35%, 34% and 38% of Power Products segment net sales in fiscal 2009, 2008 and 2007, respectively. Other U.S. customers include Wal-Mart, Deere & Company, Tractor Supply Inc., and a network of independent dealers.

Competition

The principal competitive factors in the power products industry include price, service, product performance, technical innovation and delivery. Power Products has various competitors, depending on the type of equipment. Primary competitors include: Honda (portable generators, pressure washers and lawn and garden equipment), Generac Power Systems, Inc. ("Generac") (portable and standby generators), Alfred Karcher GmbH & Co. (pressure washers), Techtronic Industries (pressure washers and portable generators), Deere & Company (commercial and consumer lawn mowers), MTD (commercial and consumer lawn mowers), the Toro Company (commercial and consumer lawn mowers), Scag Power Equipment, a Division of Metalcraft of Mayville, Inc. (commercial lawn mowers), and Husqvarna Outdoor Power Equipment (commercial and consumer lawn mowers).

Power Products believes it has a significant share of the North American market for portable generators and consumer pressure washers.

Seasonality of Demand

Sales of Power Products' products are subject to seasonal patterns. Due to seasonal and regional weather factors, sales of pressure washers and lawn and garden powered equipment are typically higher during the fiscal third and fourth quarters than at other times of the year. Sales of portable generators and snow throwers are typically higher during the first and second fiscal quarters.

Manufacturing

Power Products' manufacturing facilities are located in Jefferson and Watertown, Wisconsin; McDonough, Georgia; Munnsville, New York; Newbern, Tennessee; and Sydney, Australia. Power Products also purchases certain powered equipment under contract manufacturing agreements.

As previously disclosed, Power Products ceased operations at the Port Washington, Wisconsin facility during the second quarter of fiscal 2009 and moved production to the McDonough, Georgia; Newbern, Tennessee and Munnsville, New York facilities.

In July 2009, the Company announced plans to close its Jefferson and Watertown, Wisconsin facilities. This production will be consolidated into existing United States engine and lawn and garden product facilities.

Power Products manufactures core components for its products, where such integration improves operating profitability by providing lower costs.

Power Products purchases engines from its parent, Briggs & Stratton, as well as from Honda, Kawasaki and Kohler. Power Products has not experienced any difficulty obtaining necessary engines or other purchased components.

Power Products assembles products for the international markets at its U.S. and Australian locations and through contract manufacturing agreements with other OEMs.

Consolidated

General Information

Briggs & Stratton holds patents on features incorporated in its products; however, the success of Briggs & Stratton's business is not considered to be primarily dependent upon patent protection. The Company owns several trademarks which it believes significantly affect a consumer's choice of outdoor powered equipment and therefore create value. Licenses, franchises and concessions are not a material factor in Briggs & Stratton's business.

For the fiscal years ended June 28, 2009, June 29, 2008 and July 1, 2007, Briggs & Stratton spent approximately \$23.0 million, \$26.5 million and \$25.7 million, respectively, on research activities relating to the development of new products or the improvement of existing products.

The average number of persons employed by Briggs & Stratton during fiscal 2009 was 7,024. Employment ranged from a low of 6,847 in June 2009 to a high of 7,212 in September 2008.

Export Sales

Export sales for fiscal 2009, 2008 and 2007 were \$399.6 million (19% of net sales), \$469.9 million (22% of net sales) and \$388.9 million (18% of net sales), respectively. These sales were principally to customers in European countries. Refer to Note 7 of the Notes to Consolidated Financial Statements for financial information about geographic areas. Also, refer to Item 7A of this Form 10-K and Note 14 of the Notes to Consolidated Financial Statements for information about Briggs & Stratton's foreign exchange risk management.

Briggs & Stratton maintains leased and owned manufacturing, office, warehouse, distribution and testing facilities throughout the world. The Company believes that its owned and leased facilities are adequate to perform its operations in a reasonable manner.

As Briggs & Stratton's business is seasonal, additional warehouse space may be leased when inventory levels are at their peak. Facilities in the United States occupy approximately 7.1 million square feet, of which 55% is owned, including its corporate offices and an engine manufacturing facility located in Wauwatosa, Wisconsin.

Facilities outside of the United States occupy approximately 878 thousand square feet, of which 45% is owned. Certain of the Company's facilities are leased through operating and capital lease agreements. See Note 8 to the Consolidated Financial Statements for information on the Company's operating and capital leases.

Results of Operations

FISCAL 2009 COMPARED TO FISCAL 2008

Net Sales

Fiscal 2009 consolidated net sales were approximately \$2.09 billion, a decrease of \$59.2 million compared to the previous year. This decrease is attributable to the net effect of reduced shipment volumes, primarily related to lawn and garden equipment in the Power Products segment, unfavorable currency exchange rates, primarily the Euro, and a mix of shipments reflecting lower priced units. Partially offsetting the consolidated net sales decrease were sales of \$39.5 million included in the results for the first time this year from the June 30, 2008 acquisition of Victa Lawncare Pty. Ltd., increased portable generator sales volume due to weather events and pricing improvements on certain products.

Engines segment net sales were \$1.41 billion compared to \$1.46 billion in the prior year, a decrease of \$45.8 million or 3%. This decrease is primarily the result of product shipment mix reflecting lower priced units, a small decrease in engine shipments and unfavorable currency exchange rates. Softer demand for engines for powered lawn and garden equipment was offset by the improvement in demand for engines for portable generators.

Power Products segment net sales were \$892.9 million in fiscal 2009 compared to \$870.4 million in fiscal 2008, an increase of \$22.5 million or 3%. This increase was the result of improved pricing on certain products and favorable mix improvements, the addition of \$39.5 million from the Victa Lawncare Pty. Ltd. acquisition and a 58% increase in portable generator sales volume due to weather events. Offsetting these improvements was a 45% volume decline in our shipment of premium lawn and garden equipment that was comparable to the overall industry decline.

Gross Profit

Consolidated gross profit was \$333.7 million in fiscal 2009 compared to \$307.3 million in fiscal 2008, an increase of \$26.4 million or 9%. In fiscal 2009 a \$5.8 million pretax (\$3.5 million after tax) expense was recorded associated with the closing of the Jefferson and Watertown, WI manufacturing facilities.

In fiscal 2008, the Company recorded a \$13.3 million pretax (\$8.1 million after tax) gain associated with the reduction of certain post closing employee benefit costs related to the closing of the Port Washington, Wisconsin manufacturing facility and a \$19.8 million pretax (\$13.5 million after tax) expense from a snow engine recall. In addition to the above items, consolidated gross profit increased primarily from enhanced pricing, lower spending and improved productivity, that was partially offset by the impact of unfavorable currency exchange rates, higher commodity costs and a mix of shipments reflecting lower margined product.

Engines segment gross profit decreased to \$266.3 million in fiscal 2009 from \$271.0 million in fiscal 2008, a decrease of \$4.7 million. Engines segment gross profit margins increased to 18.8% in fiscal 2009 from 18.6% in fiscal 2008. As mentioned above, a \$19.8 million expense was recorded in fiscal 2008 from a snow engine recall. In addition to the snow engine recall, the gross profit decrease year over year primarily resulted from \$27.3 million in less favorable Euro exchange rates and higher commodity costs, partially offset by improved productivity.

The Power Products segment gross profit increased to \$67.5 million in fiscal 2009 from \$39.4 million in fiscal 2008, an increase of \$28.1 million. The Power Products segment gross profit margins increased to 7.6% in fiscal 2009 from 4.5% in fiscal 2008.

As previously mentioned, a \$5.8 million expense was recorded in fiscal 2009 associated with the closing of the Jefferson and Watertown, WI manufacturing facilities and a \$13.3 million gain associated with the reduction of certain post closing employee benefit costs related to the closing of the Port Washington, Wisconsin manufacturing facility was recorded in fiscal 2008.

In addition to the above items, the gross profit increase primarily resulted from pricing improvements, a more favorable product mix and \$9.4 million related to lower spending and improved productivity, which were partially offset by increased commodity costs and a 12% decline in sales volumes.

Engineering, Selling, General and Administrative Costs

Engineering, selling, general and administrative costs decreased to \$265.3 million in fiscal 2009 from \$281.0 million in fiscal 2008, a decrease of \$15.7 million. Engineering, selling, general and administrative costs as a percent of sales decreased to 12.7% in fiscal 2009 from 13.1% in fiscal 2008.

The decrease in engineering, selling, general and administrative expenses was primarily due to planned decreases in advertising and professional services of \$14.8 million and \$5.5 million, respectively, offset by an additional \$7.3 million related to the Victa Lawncare Pty. Ltd. acquisition.

Interest Expense

Interest expense decreased \$7.0 million in fiscal 2009 compared to fiscal 2008. The decrease is attributable to lower average borrowings between years for working capital requirements and lower average interest rates.

Other Income

Other income decreased \$38.2 million in fiscal 2009 as compared to fiscal 2008. This decrease is primarily due to the \$8.6 million gain on the redemption of preferred stock and \$28.3 million of dividends received on this stock in 2008.

Provision for Income Taxes

The effective tax rate was 20.9% for fiscal year 2009 and 23.7% for fiscal 2008. The fiscal 2009 effective tax rate is less than the statutory 35% rate primarily due to the Company's ability to exclude from taxable income a portion of the distributions received from investments from the resolution of prior year tax matters and increased foreign tax credits. In 2008, the effective rate was reduced due to the Company's ability to exclude a portion of distributions received from investments and the research credit.

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7) FALLBROOK STRIKES HYDRO-GEAR LICENSING DEAL

www.xconomy.com

August 31 -- San Diego's Fallbrook Technologies says it has struck a deal for what is literally a "greenfield" application of its NuVinci continuously variable transmission.

The venture-backed company, which has been steadily expanding the market for its transmission technology, has signed a licensing agreement with Hydro-Gear of Sullivan, IL, a leading maker of drive systems for lawnmowers and the outdoor power equipment market.

Under the agreement, Fallbrook and Hydro-Gear say they will develop a new application—an infinitely variable transmission (IVT) for zero turn radius (ZTR) riding mowers, which pivot rather than turn, as well as other types of mowers, and garden equipment.

The IVT transmission, which includes forward, reverse, and zero output (idling) within its range of gearless input-to-output ratios, enables the mower to move quickly forward and backward without manual shifting.

The innovation represents the latest in a series of technological advances over the past decade that have transformed riding mowers into more powerful, sophisticated, and versatile machines that also are used to plow snow, haul firewood, and carry out other chores.

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8) THOUGHTS FOR THE DAY

MISTAKES

If I had to live my life again,
I'd make the same mistakes,
Only sooner.

-- Tallulah Bankhead

COMMUNICATION

The single biggest problem in communication
Is the illusion that it has taken place.

-- George Bernard Shaw

HELPING

After the verb 'to love,'
'to help' is the most beautiful verb
In the world.

-- Bertha von Suttner

MEMORIES

Some memories are realities,
And are better than anything
That can ever happen to one again.

-- Willa Cather

LEADERSHIP

Leadership is all about love:
Passion, enthusiasms, appetite for life,
Engagement, commitment,
Great causes & determination to make a damn difference,
Shared adventures, bizarre failures, growth,
Insatiable appetite for change.

-- Tom Peters

TIME MACHINES

We all have our time machines.
Some take us back, they're called memories.
Some take us forward, they're called dreams.

-- Jeremy Irons

HAPPINESS

It is not easy to find happiness in ourselves,
And it is not possible to find it anywhere else.

-- Agnes Repplier

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9) 2009-2010 OPE INDUSTRY MEETING AND EVENTS CALENDAR

2009 - 2010 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, Arizona Biltmore Spa & Resort, Phoenix, AZ
March 14, 2010	Daylight Savings Time Begins
April 7-11, 2010	EETC , Equipment and Engine Training Council 14 th Annual Conference, Sponsored by Dixie Sales Company, Greensboro, NC
May 4-6, 2010	National Hardware Show , Las Vegas Convention Center and Sands Convention Center
June 20-25, 2010	Skills USA , National Leadership and Skills Conference, Kansas City, Missouri
TBD	OPEI , Outdoor Power Equipment Institute Annual Meeting,
August 29-31, 2010	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) OPEESA CONTACT INFORMATION

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OPEESA
Officers and Board of Directors
2009 – 2010

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