

OPEESA'S

Outdoor Power Equipment and Engine Service Association

OPE-IN-THE-KNOW

“The Business of Outdoor Power Equipment”

Volume CLVI, March 21, 2011

Read Current OPE News at the "OPE-In-The-Know" Blog www.opeintheknow.blogspot.com

- 1) [CPSC, Briggs & Stratton Recalls Model 40 V-Twin Engine](#)
- 2) [Ariens Shifts Snow Throwers From Canada to Hard-Hit Northeast](#)
- 3) [Ariens Sno-Tek Snow Blowers Recalled by CPSC and Liquid Combustion Technology](#)
- 4) [The Toro Company Reports 2011 First Quarter Results](#)
- 5) [Briggs & Stratton Asset Purchase Didn't Include Liability](#)
- 6) [Generac Reports Fourth Quarter and Full Year 2010 Results](#)
- 7) [OPEESA Member Bryan Equipment Sells Five Millionth Stihl Product](#)
- 8) [Husqvarna Reports Mixed Yearly Results](#)
- 9) [Husqvarna Fourth Quarter and Annual Report for 2010](#) Excerpts
- 10) [Blount Announces 4th Quarter and Full Year 2010 Results](#)
- 11) [Blount Elects President and CEO](#)
- 12) [Worldlawn Power Purchases Encore](#)
- 13) [In a Battle For Turf, Sears Revs up the Riding Mower](#)
- 14) [2011 OPE Industry Meeting and Events Calendar](#)
- 15) [Thoughts for the Day](#)
- 16) [OPEES Officers, Board, Executive Director Contact Information](#)

Subscribed-to By Over 660 OPE Industry Leaders in 13 Countries Who Are "In-The-Know"

Australia, Belgium, Canada, China, France, Germany, Italy, Japan, Netherlands,
South Africa, Sweden, the United Kingdom and the United States

Want To Receive You Own Copy of "In-The-Know"

Send Your *Name, Title, Company Name, City, State* and *E-Mail Address* To:
opeintheknow@yahoo.com

1) CPSC, BRIGGS & STRATTON RECALL MODEL 40 V-TWIN ENGINES

February 1, 2011
Alert #11-719

The following product safety recall was voluntarily conducted by the firm in cooperation with the CPSC. Consumers should stop using the product immediately unless otherwise instructed. It is illegal to resell or attempt to resell a recalled consumer product.

Name of Product: Briggs & Stratton Model 40 V-Twin Engine

Units: About 50

Manufacturer: Briggs & Stratton Corporation, Milwaukee, Wis.

Hazard: Wear on misrouted wiring may cause it to disconnect from the shut-off device, allowing the engine to continue running when the key is in the "OFF" position or when the operator gets off the seat while the mower is engaged, posing an injury hazard to consumers.

Incidents/Injuries: None reported

Description: The recalled product is a Briggs & Stratton V-twin engine with the date code 100201Y. The engines can be found in the following lawn mowers: Craftsman, model 247:289810; Husqvarna, model 960460016; and Bad Boy, model BBM4826BS. The engine date code is bottom-most number located on the valve cover of the engine. The valve cover is located at the front of the engine near the oil dipstick.

Sold by: Sears, under the Craftsman brand; The Home Depot, under the Husqvarna brand; and Tractor Supply Company, under the Bad Boy brand. The mowers were sold in February 2010 and March 2010 for between \$1,500 and \$3,500.

Manufactured in: USA

Remedy: Consumers should immediately stop using the riding mowers and contact a Briggs & Stratton Authorized Dealer for free inspection and repair. Consumers with affected Craftsman and Husqvarna models were notified by letter from Sears and Briggs & Stratton. Tractor Supply Company has not notified the purchasers of the affected Bad Boy models.

Consumer Contact: For more information, contact Briggs & Stratton Corporation at (866) 927-3349 between 9 a.m. and 6 p.m. ET Monday through Friday, or visit the firm's website at www.briggsandstratton.com/engines/support/contact

[BACK TO THE TOP](#)

2) ARIENS SHIFTS SNOW THROWERS FROM CANADA TO HARD-HIT NORTHEAST

Joe Taschler www.jsonline.com

BRILLION -- Feb. 2 -- Things have been busy at the Ariens Co. in Brillion.

The company makes snow throwers and operates a hotline for customers. When it snows, call volume picks up. When it snows across a huge portion of the U.S., call volume soars.

"Most regional snowstorms increase our call volume by 30-40% for 2 or 3 days," Ariens spokeswoman Ann Stilp said in an e-mail. "National storms like we have this week can push it over 50%."

The No. 1 problem being called into the hotline is machines ingesting things other than snow, ". . . rugs, newspapers, tarps, etc.," Stilp said.

The company has also adjusted to a storm pattern that has continually pounded the Northeast.

"We moved Sno-Thro units from Canada (which is not getting its normal amount of snow) to a Boston dealer who sold 700 Sno-Thro machines Tuesday," Stilp said.

Boston has had more than 60 inches of snow since December, according to the National Weather Service.

[BACK TO THE TOP](#)

3) ARIENS SNO-TEK SNOW BLOWERS RECALLED BY CPSC, LIQUID COMBUSTION TECHNOLOGY

WASHINGTON, D.C. – February 17 -- The U.S. Consumer Product Safety Commission and Health Canada, in cooperation with the firm named below, today announced a voluntary recall of the following consumer product. Consumers should stop using recalled products immediately unless otherwise instructed. It is illegal to resell or attempt to resell a recalled consumer product.

Name of Product: Sno-Tek snow blowers

Units: About 1,500 in the U.S. and 300 in Canada

Importer: Liquid Combustion Technology, LLC (LCT), of Travelers Rest, S.C.

Manufacturer: Ariens, of Brillion, Wis.

Hazard: The snow blower's engine is missing a safety shield above the side mounted electric starter, posing a laceration hazard to consumer's fingers.

Injuries/Incidents: None reported.

Description: The recalled snow blowers have a LCT StormForce engine with "Sno-Tek" printed across a metal handlebar plate. Snow blowers with model numbers 920402 and 920403 and UPC codes 5105803094 and 5105803095 are included in this recall. Only snow blowers with engine model number PW1HK18650781DE-ABGOQUVE1M with serial numbers ranging from 1065H04008325A through 1065H04012104A are affected by this recall. The product model number and UPC codes are printed on a label attached to the outside of the gear box near the left wheel.

Sold at: Home Depot and Ariens authorized dealers nationwide and HD.com in Canada from August 2010 through September 2010 for between about \$700 and \$800.

Manufactured in: Snow blower in United States, engine in China

Remedy: Consumers should stop using these snow blowers and contact LCT for a free repair kit and installation instructions or return them to an authorized LCT service center location for a free repair. LCT's Service Network toll free number is (800) 558-5402

Consumer Contact: For additional information, contact LCT at (800) 552-8094 between 9 a.m. and 5 p.m. ET Monday through Friday or visit the firm's website at www.LCTUSA.com

[BACK TO THE TOP](#)

4) THE TORO COMPANY REPORTS 2011 FIRST QUARTER RESULTS

- Quarterly sales increased nearly 16 percent fueled by strong growth in all professional businesses
- Net earnings per share up 66 percent to \$0.53
- Record level of new products drives early season demand
- Company raises full-year guidance

BLOOMINGTON, Minn., Feb 17, 2011 -- The Toro Company (NYSE: TTC) today reported net earnings of \$17.3 million, or \$0.53 per share, on net sales of \$383.2 million for its fiscal first quarter ended January 28, 2011. In the comparable fiscal 2010 period, the company delivered net earnings of \$10.9 million, or \$0.32 per share, on net sales of \$331.4 million.

"Fiscal 2011 is off to a good start," said Michael J. Hoffman, Toro's chairman and chief executive officer. "We are pleased with the ongoing recovery of our professional businesses driven by excitement around our new innovations and improving market conditions. Significant snowfalls drove strong retail demand for snow products, which helped the quarter, and also provided revenue for landscape contractor customers which will support purchases of mowing equipment as we head into spring."

SEGMENT RESULTS

Professional

- Professional segment net sales for the fiscal 2011 first quarter totaled \$258.3 million, up 21.4 percent from the same period last year. Shipments were up across all professional businesses on improved customer optimism and strong acceptance for new products. Golf development and existing renovation projects around the world accelerated demand for golf equipment and precision irrigation systems. Early orders for landscape maintenance equipment to channel partners grew in anticipation of a strong selling season. Worldwide sales for micro irrigation products continued to strengthen on increased penetration of these water-saving technologies.
- Professional segment earnings for the fiscal 2011 first quarter were \$37.9 million, up 46.9 percent from last year's first quarter.

Residential

- Residential segment net sales for the fiscal 2011 first quarter totaled \$123.3 million, up 5.6 percent from the same period last year. Growing consumer confidence had a positive impact on revenues. Shipments for riding products were up on the successful introduction of a new line of innovative zero turn mowers, while strong snowfall and expanded placement drove demand for snow products. These improvements were somewhat offset by difficult weather conditions in Australia that impacted sales of Pope-branded products, along with lower initial orders of walk power mowers in an effort by retailers to time shipments closer to retail demand.
- Residential segment earnings for the fiscal 2011 first quarter were \$11.4 million, down 15.3 percent from last year's first quarter.

REVIEW OF OPERATIONS

Gross margin for the fiscal 2011 first quarter improved 60 basis points to 35.7 percent from the prior year period. The increase in gross margin was primarily driven by favorable product mix and higher production volumes, which were somewhat offset by raw material inflation.

Selling, general and administrative (SG&A) expense for the fiscal 2011 first quarter was up \$12.8 million, or 13.3 percent from the same period last year, but declined as a percent of sales to 28.6 percent from 29.2 percent. The decline in SG&A as a percent of sales reflects further leveraging of costs over increased sales volumes, which was somewhat muted by higher warranty expense.

Interest expense for the fiscal 2011 first quarter was \$4.1 million, down 3 percent compared with the same period last year.

The effective tax rate for the fiscal 2011 first quarter was 29.3 percent compared with 33.6 percent in last year's first quarter. The lower tax rate was primarily due to the retroactive extension of the Federal Research and Engineering Tax Credit.

Accounts receivable at the end of the fiscal 2011 first quarter totaled \$171.2 million, up slightly from the same period last year, on a sales increase of nearly 16 percent. Net inventories for the first quarter were \$239.7 million, up 25.5 percent from the prior year period. Trade payables were \$149.7 million, up 36.6 percent compared with last year.

BUSINESS OUTLOOK

"Customer confidence in our markets is continuing to build," said Hoffman. "Professional customers are beginning to reinvest in their businesses, and we are well positioned with a record level of new products to drive retail demand and increase our market share. While always mindful of the impact of Mother Nature on our business, we

are optimistic about the selling season ahead."

The company now expects fiscal 2011 net earnings to be about \$3.40 per share on a revenue increase of about 7 percent. For its fiscal 2011 second quarter, the company expects to report net earnings of about \$1.58 per share.

About The Toro Company

The Toro Company is a leading worldwide provider of turf and landscape maintenance equipment, and precision irrigation systems, to help customers care for golf courses, sports fields, public green spaces, commercial and residential properties, and agricultural fields.

[BACK TO THE TOP](#)

5) ASSET PURCHASE DIDN'T INCLUDE LIABILITY

www.wislawjournal.com

February 16 -- An asset purchase limited to one division of the seller doesn't include liabilities stemming from products made before the division became an entity separate from the rests of the seller's business.

Wisconsin Court of Appeals Judge Joan F. Kessler wrote for the court, "We find no provision in the Agreement by which [the buyer] assumed liability for products [the seller] manufactured and sold prior to the creation of the division."

Generac Power Systems Inc. originally manufactured only large generators. In the early 1960s, it began adding portable generators and other portable products to its product line. In early 1997, Generac created a Portable Products Division with the intent of selling it. In 1998, it did sell the division to GPPC Inc., which in turn sold it to Briggs and Stratton Corp. in 2001.

The asset purchase agreement between Generac and GPPC (which the parties agreed is binding on Briggs), provided that the buyer agreed to assume the liabilities that relate to the "Division," which is consistently defined in the agreement as Generac's Portable Products Division.

In 2005, a product liability action was filed against Generac in Alabama federal court, alleging that a portable gas generator made in 1992 was defective.

Generac tendered its defense to Briggs, but Briggs declined to accept the defense. Instead, Briggs filed suit in Wisconsin state court, seeking a declaration that it was not liable.

The circuit court granted the declaration, and on Feb. 8, the Court of Appeals affirmed.

The court began by setting forth the general rule that a corporation which purchases the assets of another corporation does not succeed to its liabilities. An exception exists when the purchasing corporation expressly or implicitly agrees to assume that liability.

In light of the agreement's consistent use of "Division," and the definition of that term in the agreement limiting it to the Portable Products Division, the court held that Briggs could not be held liable for liabilities arising from a product made before the division was created.

The court explained: "Because the Division did not exist until Jan. 1, 1997, Generac could not have owned or operated the Division before that time. The Closing Date identified in the Agreement is June 30, 1998. Thus the Assumed Liabilities for which Briggs agreed to be responsible must relate to Generac's ownership or operation of the Division between Jan. 1, 1997 and June 30, 1998."

What the court held

Case: [Briggs & Stratton Power Products Group, LLC v. Generac Power Systems, Inc., No. 2010AP344](#)

Issues: Is a corporation that purchases a division of another corporation responsible for unknown liabilities arising from products made before the division was created?

Holdings: No. Where the asset purchase agreement narrowly defined the division of the corporation being sold, the buyer cannot be liable for products not made by that division.

[BACK TO THE TOP](#)

6) GENERAC REPORTS FOURTH QUARTER AND FULL-YEAR 2010 RESULTS

WAUKESHA, WISCONSIN, (February 18, 2011) - Generac Holdings Inc., a leading designer and manufacturer of backup power generation products, today reported financial results for its fourth quarter and full year ended December 31, 2010.

Fourth Quarter 2010 Highlights

- Net sales increased year-over-year by 4.6% to \$161.0 million as compared to \$154.0 million in the fourth quarter of 2009.
- Cash flow remained strong as net cash provided by operating activities increased 6.4% to \$31.4 million as compared to \$29.5 million for the fourth quarter 2009.
- Net income increased year-over-year by 55.8% to \$18.6 million as compared to \$11.9 million for the fourth quarter of 2009; Adjusted net income increased 27.2% to \$33.0 million from \$25.9 million in the fourth quarter of 2009.
- Diluted net income per common share was \$0.28 per share; Adjusted diluted net income per common share was \$0.49 per share.
- Debt pre-payment of \$74.2 million during the fourth quarter 2010.

Full-Year 2010 Highlights

- Net sales increased year-over-year by 0.8% to \$592.9 million as compared to \$588.2 million in fiscal 2009.
- Net cash provided by operating activities totaled \$114.5 million for the full year 2010 compared to \$74.6 million in the prior year, a 53.4% increase.
- Net income increased year-over-year by 32.2% to \$56.9 million as compared to \$43.1 million for the year ending 2009; Adjusted net income increased 38.6% to \$115.9 million from \$83.6 million for the year ending 2009.
- Total debt reduction of \$434.3 million for the full year 2010, representing a 39.8% reduction from December 31, 2009.

"I am very proud of our accomplishments in 2010 which enabled us to deliver net sales growth for the third consecutive year, generate strong cash flows, and position the Company for growth moving forward," said Aaron Jagdfeld, President and Chief Executive Officer of Generac. "Despite certain headwinds, sales of our residential

generators proved resilient throughout the year and we built a strong foundation for the future through the introduction of new products and the addition of new distribution outlets. Sales of our commercial and industrial products rebounded nicely this year and delivered solid double-digit year-over-year growth in the second half of 2010. Throughout the year, we continued to invest in our business by making strong commitments to research and development and through the addition of several key hires in our sales, marketing and service functions. These investments will allow us to maintain our position as the innovation leader in the standby generator market and support our strategic growth initiatives. Our attractive cash flows and stronger balance sheet will provide us the flexibility to drive our business in 2011 and beyond."

Residential product sales of \$99.9 million for the fourth quarter of 2010 were down 1.7% on a year-over-year basis due to certain retail customers approaching their inventory levels more conservatively compared to the fourth quarter of 2009. This trend was partially offset by an increase in seasonal stocking by certain other distribution partners. For the full fiscal year 2010, residential product sales of \$372.8 million increased 0.6% from \$370.7 million in the prior year, driven by the continued expansion of the Company's residential products distribution network, successful new product launches, and a continued increase in the awareness of the product category, all of which were offset by continued weakness in U.S. residential investment.

Commercial and industrial product sales for the fourth quarter of 2010 increased 16.9% to \$52.4 million from \$44.8 million for the comparable period in 2009, driven by our expanded distribution network for these products and renewed growth in several key end markets, with health care, telecom, and data center applications showing the greatest improvement. For the full year 2010, commercial and industrial product sales were down 2.0%, but displayed strong momentum in the second half as end markets began to recover.

Fourth quarter 2010 gross profit margin decreased to 39.6% from 41.3% in the same period last year, which was primarily attributable to increased commodity and material costs. Gross margin for the full year was 40.0%, which was consistent with 2009 gross margin.

Operating expenses for the fourth quarter of 2010 were \$37.6 million compared to \$34.3 million in the same period last year. For the full year 2010, operating expenses were \$147.1 million compared to \$137.3 million in 2009. Of this increase, \$6.4 million was related to non-cash stock compensation expense to account for the time based vesting of equity awards issued in conjunction with our initial public offering. The remaining quarterly and full year operating expense increases were primarily driven by incremental engineering and product development investments and increased administrative costs associated with operating as a public company.

Adjusted EBITDA of \$42.7 million in the fourth quarter 2010 decreased from \$44.1 million in the same period last year. For the full year 2010, Adjusted EBITDA decreased to \$156.2 million, compared to \$159.1 million in 2009, as modest sales growth and consistent gross margins were more than offset by increased investment in the business. Adjusted EBITDA margins remained strong in fiscal 2010 at 26.4%.

Interest expense decreased in the fourth quarter of 2010 to \$6.6 million, compared to \$17.2 million in the same period last year, contributing to our strong net income growth. For the full year 2010, interest expense was \$27.4 million compared to \$70.9 million in 2009, due to debt repayments, lower LIBOR rates, and the termination of certain interest rate swap agreements.

Free cash flow, defined as net cash provided by operating activities less capital expenditures, was \$26.1 million in the fourth quarter of 2010, a 6.5% decrease over the same period last year as we increased working capital and capital expenditure investment during the current year quarter. For the full year 2010, free cash flow increased by 49.6% to \$104.9 million compared to \$70.1 million in 2009. In the fourth quarter of 2010, the Company used \$74.2 million of its cash flow to make a voluntary debt pre-payment on its first lien credit facility. Following this debt pre-payment, at December 31, 2010, the Company had \$657.2 million of debt outstanding with \$78.6 million of cash on hand.

OUTLOOK

Mr. Jagdfeld concluded, "Our long-term growth strategy, which we refer to as "Powering Ahead", includes four key objectives of growing the residential standby generator market, gaining industrial market share, expanding our product offering to diversify our end markets, and expanding into new geographies. We have identified and started to implement initiatives to support each of these strategic objectives, and over the next several years, we believe we will make substantial progress towards achieving our long-term growth goals."

"In 2011, while we do not expect a near-term recovery in U.S. residential investment and we are not forecasting any major outage events, we do expect growth from our residential products through additional new product introductions and increased domestic and international distribution. For our commercial and industrial products, we anticipate continued strength in 2011 led by increasing demand across certain end markets, improving market share and expanding distribution into new geographies. We are anticipating higher input costs in 2011 as a result of rising commodity prices and continued weakness in the US dollar. We intend to offset these higher costs with selective price increases and continued focus on cost reduction. As a result, we remain optimistic that we can deliver moderate sales growth overall in 2011 while maintaining attractive gross margins and continuing to invest prudently in our operating infrastructure to support our long-term strategic growth plans."

[BACK TO THE TOP](#)

7) OPEESA MEMBER BRYAN EQUIPMENT SELLS FIVE MILLIONTH STIHL PRODUCT

February 22 -- Bryan Equipment Sales Inc. recently celebrated a milestone in its history as its five millionth unit, a Stihl BG 55 handheld blower, was sold to Stihl dealer Bair's Inc. in North Canton, Ohio. The dealership will be receiving a BR 600 Stihl Magnum backpack blower signed by Fred Whyte, president of Stihl Inc. and Rick Bryan IV, president of Bryan Equipment.

"We have the greatest amount of pride in Stihl and our Stihl dealers, and it is with their support and the employees of Bryan Equipment Sales Inc. past and present, that this achievement was possible," said Bryan. "Together we have accomplished this milestone; it has and always will be an honor working for and with such wonderful people and organizations. Here is to the next five million!"

For more than 60 years, Bryan Equipment Sales Inc. has distributed outdoor power equipment tools to full-servicing retailers. As one of the leading distributors in the outdoor power equipment industry, as well as the number one distributor of Stihl power tools in the U.S., Bryan Equipment has aggressively marketed Stihl products for more than 43 years to their six-state region, consisting of Indiana, Kentucky, Michigan, Ohio, middle and western Tennessee and West Virginia.

"We are thrilled to celebrate Bryan Equipment as they mark such a milestone in their history," said Whyte. "We have been partners in this industry for more than 40 years and are proud to call them a part of the Stihl family."

[BACK TO THE TOP](#)

8) HUSQVARNA REPORTS MIXED YEARLY RESULTS

www.thetandd.com

February 28 -- Husqvarna, a leading producer of outdoor lawn equipment with a plant in Orangeburg, reported 2010 net sales and operating income for the Americas decreased while sales and income increased for Europe and Asia.

Net sales for the Americas fell about 13 percent with effects from adjusted exchange rates resulting in a 7 percent decrease, the company reported in its year-end report. Sales prices were relatively stable during the year, the report stated.

"Demand recovered during the year and we strengthened our market positions for outdoor products in Europe and for construction," Magnus Yngen, Husqvarna president and CEO, said. "After several years of decline, demand recovered also in the U.S. For the group, full-year operating income and margin were significantly above last year's levels. Innovative new products and a strong focus on our dealer network were important contributors to the positive development."

Operating income in the Americas was negatively impacted by lower volumes and costs for distribution and information technology increased as well as costs for merchandising and marketing in an effort to grow sales to dealers.

Operating income was also impacted by the closure of Husqvarna's Beatrice, Neb., plant. The Beatrice facility had about 390 employees. The company consolidated its operations to Orangeburg.

In November, Husqvarna announced it would invest \$105 million at its Old Ellore Road plant over the next decade and a half.

The first phase will involve a \$30 million investment to be completed by Dec. 31, 2013, and the second phase will involve a \$75 million investment to be completed by Dec. 31, 2024.

The total market demand in North America increased after four years of decline. Industry shipments increased for most product categories but chainsaws, the report said.

Reduced listing with a major retailer for 2010 had a negative effect on sales throughout the year. Efforts to grow sales in the dealer channel and with other retail accounts were successful but could not compensate for the reduced listings, the report said.

Americas sales in the fourth quarter decreased 5 percent.

In the meantime, sales in Europe and Asia increased by about 6 percent for the year while sales prices were stable during the year.

For 2010, Europe and Asia saw operating income and operating margin increase substantially. The increase was due to higher volumes.

Company-wide, there was a strengthened market share for park and garden products in Europe & Asia/Pacific and for construction products in North America.

There was a strong growth for dealer sales and overall operating income increased by 57 percent.

In the fourth quarter, net sales and operating income improved and operating margin improved to a negative 1.3 percent, up from a negative 10.9 percent margin. The growth for Europe & Asia/Pacific and construction offset lower sales for Americas and all operating income and operating margin improved for all business areas.

Yngen said due to the seasonality of the business, fourth-quarter results account for a relatively small share of annual sales and operating income and is mainly devoted to start-up production for the next season.

He said although market conditions are improving, retailers were still cautious to build inventory in the fourth quarter.

"We expect higher shipments to the trade in the first quarter of 2011, compared with the first quarter of 2010, due to improved listings and a continued focus on dealer sales," Yngen said. "We also expect a continued recovery of end-user demand for forest, park and garden products as well as for construction products."

[BACK TO THE TOP](#)

9) HUSQVARNA 4TH QUARTER AND ANNUAL REPORT FOR 2010 Excerpts

Stockholm February 23, 2011
Magnus Yngen, President and CEO:

"Demand recovered during the year and we strengthened our market positions for outdoor products in Europe and for Construction. After several years of decline, demand recovered also in the US. Despite the recovery, sales and profitability in the region were weak as we had significantly lower listings. For the Group, full-year operating income and margin were significantly above last year's levels. Innovative new products and a strong focus on our dealer network were important contributors to the positive development.

Due to the seasonality of our operations, the fourth quarter accounts for a small share of annual sales and operating income and is mainly devoted to start-up of production for the next season. Although market conditions are improving, retailers were still cautious to build inventory in the fourth quarter.

In the fourth quarter, Europe & Asia/Pacific and Construction continued its positive development. For the Group, adjusted net sales increased five percent and operating income also improved.

We expect higher shipments to the trade in the first quarter of 2011, compared with the first quarter of 2010, due to improved listings and a continued focus on dealer sales. We also expect a continued recovery of end-user demand for forest, park and garden products as well as for construction products. Due to the strong SEK, we expect negative currency effects in 2011."

Fourth Quarter

- Net sales increased to SEK 4,794m (4,732) and operating income improved to SEK -63m (-515).
- Operating margin improved to -1.3% (-10.9).
- Growth for Europe & Asia/Pacific and Construction offset lower sales for Americas.
- Operating income and operating margin improved for all business areas.

Full-Year

- Strengthened market shares for park and garden products in Europe & Asia/Pacific and for construction products in North America.
- Strong growth for dealer channel sales.
- Net sales and operating income for Europe & Asia/Pacific and Construction increased, but decreased for Americas.
- Operating income increased by 57% to SEK 2,445m (1,560).
- Income for the period increased significantly to SEK 1,749m (903), or SEK 3.03 (1.64) per share.
- The Board proposes a dividend of SEK 1.50 (1.00) per share.
- Adjusted dividend policy: The dividend shall normally exceed 40% of income for the year (previous policy: 25–50%).

FOURTH QUARTER

Net Sales

Net sales for the fourth quarter increased by 1% to SEK 4,794m (4,732). Adjusted for exchange-rate effects, sales increased by 5% or by SEK 213m. Sales prices were relatively stable. Europe & Asia/Pacific accounted for an adjusted sales increase of SEK 236m, Americas for an adjusted sales decrease of SEK -53m and Construction for an adjusted sales increase of SEK 30m. Efforts to grow sales in the dealer channel continued to be successful.

Operating Income

Fourth quarter operating income amounted to SEK -63m (-515). Currency changes had a positive effect of approximately SEK 20m. The comparable figure for 2009 includes items affecting comparability amounting to SEK -340m. Thus, adjusted operating income increased by SEK 92m.

The increase in adjusted operating income was mainly a result of higher volumes and favorable channel and regional mix, which was slightly offset by higher selling and administrative costs. The operating margin, excluding items affecting comparability improved to -1.3% (-3.7).

Operating income and operating margin for all business areas improved. Excluding items affecting comparability, operating income and operating margin for Europe & Asia/Pacific and Construction improved, but decreased for Americas.

Changes in exchange rates, including both translation and transaction effects net of hedging, had a total positive effect on Group operating income of SEK 20m (46). Hedging contracts had a negative effect of SEK -8m (-61).

FULL YEAR

Net Sales

Net sales declined by 5% to SEK 32,240m (34,074). Adjusted for exchange rate effects, sales increased 0.4% or by SEK 142m. Sales prices were relatively stable. Europe & Asia/Pacific accounted for an adjusted sales increase of SEK 894m, Americas for an adjusted sales decrease of SEK -913m and Construction for an adjusted sales increase of SEK 161m. Efforts to grow sales in the dealer channel were successful and dealer sales grew double digit in all markets.

Operating Income

Operating income increased by 57% and amounted to SEK 2,445m (1,560). Currency changes had a positive effect of approximately SEK 150m and the net positive effect from items affecting comparability was SEK 245m. Adjusted operating income thus increased by SEK 490m.

The increase in adjusted operating income was mainly a result of favorable channel and regional mix, higher volumes and lower material costs, which was partly offset by higher costs for distribution and IT.

The operating margin, excluding items affecting comparability, increased to 8.2% (5.9). Operating income includes restructuring charges of SEK -207m for the closure of production facilities in North America and Greece and costs related to a legal case in North America. 2009 included items affecting comparability totaling SEK -452m related mainly to restructuring charges.

Operating income and operating margin for Europe & Asia/Pacific and Construction increased, but decreased for Americas.

Changes in exchange rates, including both translation and transaction effects net of hedging, had a total positive effect on operating income with SEK 150m (30). Hedging contracts had a positive effect of SEK 80m (-109).

NET FINANCIAL ITEMS

Net financial items for the fourth quarter amounted to SEK -136m (-33) and for the full year to SEK -394m (-466). The full-year improvement is primarily due to lower net debt and lower interest rates during the first half of the year. The average interest rate on borrowings at the end of the year was 4.8% (3.2). The increase is due to a change in the currency mix of the net debt.

INCOME AFTER FINANCIAL ITEMS

Income after financial items for the fourth quarter improved to SEK -199m (-548) corresponding to a margin of -4.2% (-11.6). For the full year income after financial items increased by 87% to SEK 2,051m (1,094), corresponding to a margin of 6.4% (3.2).

TAXES

Taxes amounted to SEK -302m (-191), corresponding to a tax rate of 15% (18) of income after financial items. The tax rate is positively affected by utilization of tax-losses carried forward.

EARNINGS PER SHARE

Income for the fourth quarter improved to SEK -124m (-452), corresponding to SEK -0.21 (-0.79) per share after dilution. For the full year, income increased by 94% and amounted to SEK 1,749m (903), corresponding to SEK 3.03 per share (1.64).

OUTLOOK FOR THE FIRST QUARTER 2011

The Group's shipments to the trade in the first quarter of 2011 are expected to be higher compared to the first quarter of 2010.

Inventories of the Group's garden products at retailers and dealers at the end of the year are estimated to have been on the same low level as one year ago. The Group's listings with retailers for the 2011 season have been improved, both in North America and in Europe, in comparison to 2010. End-user demand is also expected to continue to recover. In 2010, the long winter delayed the start of the season and pre-seasonal shipments were partly pushed from the first to the second quarter.

OPERATING CASH FLOW

Operating cash flow for the full year amounted to SEK 962m (3,737). Inventories and trade receivables increased. The higher inventory resulted in a negative cash flow amounting to SEK -645m (1,678) and the higher trade receivables resulted in a negative cash flow of SEK -331m (694). The inventory increase is mainly a result of a temporary build-up of inventory to facilitate the ongoing restructuring of the manufacturing footprint. The increase in trade receivables is mainly explained by higher sales during the end of 2010 compared to end of 2009.

PERFORMANCE BY BUSINESS AREA

As of January 1, 2010, the external reporting comprises three business areas:

- Europe & Asia/Pacific (forest, park and garden products in Europe and the Asia/Pacific region)
- Americas (forest, park and garden products in North America and Latin America)
- Construction (global sales of products for the construction and stone industries).

The majority of the Group's sales are park and garden products, which show a distinct seasonality in terms of sales and income. The first half of the year normally accounts for around two thirds of annual sales, with the second quarter usually being the strongest. The fourth quarter is normally the smallest quarter in terms of both sales and income.

Forestry products show stronger demand and somewhat higher sales during the second half of the year, while equipment for the construction industry normally shows a more even distribution of sales throughout the year.

Sales for Europe & Asia/Pacific in the fourth quarter increased 5%. Adjusted for exchange-rate effects sales increased 10%. For the full year, sales were unchanged. Adjusted for exchange-rate effects, sales for the full year increased 6%. Sales prices were relatively stable during the year.

Sales to the dealer channel developed strongly throughout the year. Most countries, except for UK and France, had higher sales than in the preceding year. Several new products, including Husqvarna branded lawn mowers, riders and an expanded Automower® range, contributed to the increase. Sales of Gardena branded watering products were also strong. Total market demand in the Europe and Asia/Pacific region is estimated to have increased compared to the preceding year. It is also estimated that the Group strengthened the market shares in several product categories, including lawn mowers and riders, during the year.

Operating income and operating margin improved in the fourth quarter. The higher operating income was mainly a result of higher sales and improved mix. The fourth quarter 2009 includes items affecting comparability amounting to SEK -188m. There were no items affecting comparability in the fourth quarter 2010. Adjusted operating income for the fourth quarter 2009 amounted to SEK -82m.

For the full year, operating income and operating margin increased substantially. The increase was mainly a result of higher volumes and improved mix. The mix improved as a result of better product and channel mix, as dealer sales grew more than retail sales.

Operating income for 2009 includes items affecting comparability amounting to SEK -300m. There were no items affecting comparability in 2010. Operating income, excluding items affecting comparability, increased to SEK 2,383m (1,710) and the corresponding operating margin increased to 14.3% (10.3).

AMERICAS

Sales for Americas in the fourth quarter decreased 5%. Adjusted for exchange-rate effects the decrease was 3%. For the full year, sales decreased 13%. Adjusted for exchange-rate effects, sales for the full year decreased by 7%. Sales prices were relatively stable during the year.

Total market demand in North America increased after four years of decline. Industry shipments increased for most product categories but chainsaws. Reduced listings with a major retailer in North America for the 2010 season had a negative effect on sales throughout the year. Efforts to grow sales in the dealer channel and with other retail accounts were successful, but could not fully compensate the reduced listings. Sales in the dealer channel increased double digit, however from a low level.

Operating income in the fourth quarter improved to SEK -39m (-105). Operating income in the fourth quarter 2009 included items affecting comparability related to restructuring charges of SEK -98m. There were no items affecting comparability in the fourth quarter 2010. Adjusted operating income for the fourth quarter 2009 amounted to SEK -15m. Excluding items affecting comparability, operating income was negatively affected by lower volumes, mix and higher costs for distribution.

For the full-year, operating income was negatively affected by lower volumes which to some extent were offset by improved mix. Costs for distribution and IT increased as well as costs for merchandising and marketing in association with efforts to grow sales to dealers.

Operating income for 2010 includes items affecting comparability amounting to SEK -160m (-98) of which SEK -110m is related to the closure of the plant in Beatrice and SEK -50m to the settlement of an engine-capacity lawsuit.

CONSTRUCTION

Sales for Construction in the fourth quarter increased 1%. Adjusted for exchange-rate effects sales increased 5%. In the full year, sales increased 2%. Adjusted for exchange-rate effects, sales in the full year increased 6%, of which sales in the US accounted for the majority of the increase. Sales prices were relatively stable.

Total market demand for construction products improved in both North America and Europe during the year. Sales to all sales channels – rental companies, dealers and contractors – increased. A number of new products were successfully launched and the Group's market shares are estimated to have increased.

Operating income and margin in the fourth quarter improved, mainly as a result of higher volumes, improved mix and lower items affecting comparability. Operating income for the fourth quarter 2009 includes items affecting comparability amounting to SEK -54m. There were no items affecting comparability in the fourth quarter 2010. Adjusted operating income for the fourth quarter 2009 amounted to SEK -13m.

For the full year, operating income increased to SEK 82m (-123) and the operating margin improved to 3.1% (-4.7), mainly as a result of higher volumes as well as sales of new products with higher margins.

Operating income for the full year was charged with restructuring costs amounting to SEK -47m (-54). Operating income for the full year, excluding items affecting comparability, increased to SEK 129m (-69) and the corresponding operating margin increased to 4.8% (-2.6).

RESTRUCTURING

In 2010, the Group announced further restructuring to increase efficiency by consolidating the manufacturing footprint. The production facility in Beatrice, Nebraska, was closed and the production was transferred to the plant in Orangeburg, South Carolina. The production facility for construction products in Athens, Greece was also closed. Annual savings from the initiatives will amount to SEK 60m and will be realized gradually with full effect from the first quarter of 2012. Operating income was charged with SEK 157m, of which the closure of the Beatrice plant accounted for SEK 110m.

In October 2009, the Group announced the implementation of a number of structural changes during 2009–2011. These measures are aimed at eliminating overlaps and increase efficiency within production and administration which involves consolidation of production in Sweden and the US, and of the sales organization in Europe & Asia/Pacific. The total cost of these measures amounts to SEK 399m and annual savings are expected to approximately SEK 400m, and will be realized gradually from the second half of 2010 with full effect from the beginning of 2012. Capital expenditure related to the restructuring is expected to approximately SEK 400m, of which a new plant in Poland will account for approximately SEK 250m.

In September 2008, an initiative to reduce fixed costs through personnel cut-backs was announced. The total costs for the cut-backs were SEK 369m and the annual savings are SEK 450m as of the third quarter 2009.

[BACK TO THE TOP](#)

10) BLOUNT ANNOUNCES 2010 4th QUARTER AND FULL YEAR RESULTS, PLUS 2011 OUTLOOK

- Fourth quarter sales growth of 23% versus 2009, over 8% excluding acquisitions
- Fourth quarter and full year operating income increased 38% and 57%, respectively, from 2009
- Full year sales of \$611 million and operating income of \$86 million
- 2011 sales expected to grow 6% to 9% above 2010 pro forma levels, with operating income expected to increase between 12% and 20%

PORTLAND, Ore., March 9, 2011 -- Blount International, Inc. today announced results for the fourth quarter and full year ended December 31, 2010, and provided a financial outlook for 2011.

Results for the Quarter and Full Year Ended December 31, 2010

The Company's sales in the fourth quarter of 2010 were \$171.0 million, a 23.1% increase from the fourth quarter of 2009, and an 8.4% increase when excluding sales from acquisitions. Operating income for the fourth quarter of 2010 was \$21.5 million compared to \$15.6 million in the fourth quarter of 2009. Fourth quarter 2010 income from continuing operations was \$12.4 million (\$0.25 per diluted share) compared to \$6.3 million (\$0.13 per diluted share) in the fourth quarter of 2009.

Full year 2010 sales for the Company were \$611.5 million, a 25.5% increase from 2009. Full year sales rose 18.4% excluding SpeeCo, which was acquired on August 10, 2010. Operating income for 2010 was \$85.6 million compared to \$54.5 million in 2009, and income from continuing operations was \$41.4 million (\$0.85 per diluted share) compared to \$21.9 million (\$0.45 per diluted share) in 2009.

Josh Collins, Chairman and Chief Executive Officer, commented on the 2010 results: "We are pleased with our financial results for the fourth quarter and full year 2010. Our base business has recovered from the recession levels of 2009, and we have acted aggressively in executing our strategic initiatives over the course of 2010. As we enter 2011, our base business demand is solid and we see additional opportunities to grow sales and profit through acquisitions, cost improvement programs, and new products. Additionally, we added to our distribution capability in the first quarter of 2011 with the acquisition of KOX, a Germany based direct-to-customer distributor of forestry-related replacement parts and accessories."

Sales

Sales were 8.4% higher in the fourth quarter of 2010 compared to the fourth quarter of 2009 excluding SpeeCo (all sales growth statistics are quoted excluding sales related to SpeeCo for comparability). International sales grew 11.9% and domestic sales were up slightly on a year-over-year basis. Sales to original equipment manufacturers increased 4.9%, and replacement sales increased 9.4%. Foreign exchange rate changes had an unfavorable year-over-year impact on sales, primarily driven by a stronger U.S. Dollar compared to most European currencies. The change in sales for the comparable periods is illustrated below, with SpeeCo sales of \$20.4 million presented entirely as unit volume increase:

% Change in Sales from Fourth Quarter 2009:

Unit Volume	+23.7 %
Selling Price/Mix	0.0 %
Foreign Exchange	<u>(0.6)%</u>
Total	23.1 %

Sales order backlog increased to \$133.7 million at December 31, 2010 compared to \$78.1 million as of December 31, 2009. Excluding orders related to SpeeCo, backlog increased \$49.0 million, or 63% from the year-ago period.

Gross Profit

Fourth quarter 2010 gross profit was \$53.4 million compared to \$51.5 million in the fourth quarter of 2009. The increase in gross profit was driven primarily by the increase in sales volume, including the addition of SpeeCo. The favorable impact of higher sales volumes was partially offset by a significant year-over-year unfavorable movement in foreign exchange rates, increased steel costs, and non-cash expenses related to SpeeCo acquisition accounting. A reconciliation of the fourth quarter 2010 gross profit and gross profit margin compared to the fourth quarter of 2009 is presented below:

Change in Gross Profit and Gross Margin

<i>(dollars in millions)</i>	Gross Profit	Gross Margin
Fourth quarter 2009	\$51.5	37.1%
Increase/ (Decrease)		
Unit Volume, including SpeeCo	11.2	-0.4%
Selling Price /Mix	0.0	0.0%
Costs/Mix	(2.3)	-1.3%
Steel costs	(1.2)	-0.7%
Purchase accounting charges related to SpeeCo	(1.8)	-1.1%
Foreign Exchange	(4.0)	-2.4%
Total Change	1.9	-5.9%
Fourth quarter 2010	\$53.4	31.2%

The foreign exchange impact reflects the movement of the Canadian Dollar to near parity with the U.S. Dollar and the associated impact on manufacturing conversion costs. Steel prices rose throughout the second half of 2010 and resulted in a \$1.2 million increase in cost of sales in the fourth quarter of 2010 compared to the fourth quarter of 2009. Additionally, conversion and logistics costs increased \$2.3 million in the fourth quarter of 2010 compared to the fourth quarter of 2009, primarily as a result of incremental freight costs driven by global transportation rates impacting both inbound and outbound shipments.

Operating Income

Operating income increased to \$21.5 million in the fourth quarter of 2010 from \$15.6 million in the fourth quarter of 2009. The drivers of this change in operating income compared to the fourth quarter of 2009 are presented below:

Change in Operating Income

<i>(dollars in millions)</i>	Compared to Prior Year
Fourth quarter 2009 Operating Income	\$15.6
Change in Gross Profit	1.9
Change in SG&A Expense:	
SpeeCo	(1.9)
2009 non-recurring expenses	8.6
Foreign exchange	0.3
All other	(3.0)
Total Change	<u>5.9</u>
Fourth quarter 2010 Operating Income	<u>\$21.5</u>

SG&A declined by \$4.0 million compared to the fourth quarter of 2009. The decline was a result of fourth quarter 2009 charges related to settlement of litigation and other one-time expenses associated with the transition of the Company's Chief Executive Officer position in 2009, which were not repeated in the fourth quarter of 2010, and favorable foreign exchange rate changes. Partially offsetting these reductions were increased advertising expenses of \$1.3 million, primarily in support of the recently introduced PowerSharp® product, and approximately \$1.7 million of incremental expenses supporting the Company's business acquisition and other strategic programs.

Income from Continuing Operations

Fourth quarter 2010 income from continuing operations improved primarily due to improved operating income, a reduction in net interest expense, and a reduction in income tax rates compared to the fourth quarter of 2009. Overall, the change to income from continuing operations for the fourth quarter of 2010 compared to the fourth quarter of 2009 is illustrated in the table below:

Change in Income from Continuing Operations

	Pre-tax Income		Income from Diluted	
<i>(dollars in millions, except per share data)</i>	Income	Tax	Continuing	Earnings
	\$9.2	\$2.9	Operations	per Share
Fourth quarter 2009 Results	\$9.2	\$2.9	\$6.3	\$0.13
Change due to:				
Increased operating income	5.9	1.9	4.0	0.08
Decreased net interest expense	1.2	0.4	0.8	0.02
Change in income tax rate	-	(1.2)	1.2	0.03
Fourth quarter 2010 Results	<u>\$16.4</u>	<u>\$4.0</u>	<u>\$12.4</u>	<u>\$0.25</u>

Cash Flow and Debt

As of December 31, 2010, the Company had net debt of \$269.3 million, an increase of \$38.5 million from December 31, 2009, and a reduction of \$14.4 million compared to September 30, 2010. Net debt increased over the course of 2010 primarily as a result of the \$91 million acquisition of SpeeCo in August, partially offset by positive free cash flow generation and net proceeds from the sale of Gear Products, Inc. ("Gear"). In 2010, the

Company generated \$36 million in free cash flow excluding \$18.2 million of net proceeds from the sale of Gear. The Company defines free cash flow as cash flows from operating activities less net capital spending.

Discontinued Operations

Discontinued operations reflect the operating results of the Company's former Gear subsidiary. The Company received approximately \$25 million in cash on the September 30, 2010 closing date of the sale of Gear, resulting in net proceeds of \$18.2 million after the payment of related taxes on the sale and other transaction costs.

2011 Financial Outlook

The Company's fiscal year 2011 outlook is for sales to range between \$715 million and \$735 million and operating income to range between \$100 million and \$108 million. Our expectation for 2011 sales levels assumes a full year of SpeeCo ownership and growth for the overall business of between 6% and 9%, plus the benefit of the recently acquired KOX business, which adds net sales of approximately \$20 million. The expectation for 2011 operating income assumes that unfavorable foreign currency exchange rates and rising steel prices will increase costs between \$5 million and \$7 million and also includes estimated incremental amortization on acquired KOX intangible assets of \$2 million to \$3 million. Free cash flow is expected to range between \$40 million and \$45 million in 2011. Net interest expense is expected to be \$20 million in 2011, and the effective income tax rate for continuing operations is expected to be between 36% and 40% in 2011.

A comparison of 2010 full-year actual results, 2010 proforma results (incorporating SpeeCo's results for the full year), and the 2011 outlook mid-point estimates for Sales, Operating Income, and Adjusted EBITDA (defined below) is provided in the table below.

		2010	2011
		Pro	Mid-Point
<i>(dollars in millions)</i>	2010 Actual	Forma	Estimate
Sales	\$611.5	\$656.6	\$725.0
Operating Income	85.6	89.3	104.0
Adjusted EBITDA	118.2	125.5	140.0

The above amounts include \$4.9 million, \$8.1 million, and approximately \$8.8 million of purchase accounting amortization and acquisition related charges for 2010, pro forma 2010 full year, and 2011, respectively. Adjusted Earnings before Interest, Taxes, Depreciation, Amortization, and certain adjustments ("Adjusted EBITDA") is a non-GAAP measure and is reconciled to Operating Income in the attached financial data table.

Blount is a global manufacturer and marketer of replacement parts, equipment, and accessories for the forestry, lawn and garden; farm, ranch and agriculture; and construction industries, and is the market leader in manufacturing saw chain and guide bars for chainsaws. Blount sells its products in more than 100 countries around the world.

[BACK TO THE TOP](#)

11) BLOUNT INTERNATIONAL ELECTS PRESIDENT AND CHIEF OPERATING OFFICER

PORTLAND, Ore., March 15, 2011-- Blount International, Inc. announced today that David A. Willmott has been elected to the newly created position of President and Chief Operating Officer. Mr. Willmott was previously Senior Vice President - Corporate Development and Strategy, an executive officer position. Mr. Willmott will work with Josh Collins, Chairman and CEO, in the general oversight and management of the Company, with a particular emphasis on working with senior management to drive growth in the Company's farm, ranch & agriculture and construction end markets. In addition, Mr. Willmott will continue to be responsible for Blount's corporate development and strategy functions.

Commenting on the organizational change, Mr. Collins stated, "Over the past year, we have formulated a new growth strategy for the Company and have implemented numerous supporting initiatives aimed at sustainable profit growth through improving customer service, expanding our manufacturing footprint, driving increased new product introductions, and creating a culture of continuous improvement. With the growth of our business over the last year and the growth opportunities ahead of us, both internal and through acquisition, the scope of our global business has changed, necessitating this new position."

Mr. Collins further commented, "Since joining Blount in late 2009, David has played a major role in setting our new strategy, repositioning our business portfolio with the sale of Gear Products and the acquisitions of SpeeCo and KOX, and overseeing the implementation of several major initiatives including our supply chain reorganization, continuous improvement program, and SKU reduction. His impact on the organization to date has been far beyond his role as head of Corporate Development and Strategy."

Commenting on his new role, Mr. Willmott stated, "I look forward to continuing the work we have begun over the last year and a half. We have tremendous opportunities ahead of us for profitable growth and long-term value creation for our shareholders."

Blount is a global manufacturer and marketer of replacement parts, equipment, and accessories for the forestry, lawn and garden; farm, ranch and agriculture; and construction industries, and is the market leader in manufacturing saw chain and guide bars for chainsaws. Blount sells its products in more than 100 countries around the world.

[BACK TO THE TOP](#)

12) WORL DLAWN POWER PURCHASES ENCORE

www.beatricedailysun.com

March 18 -- Encore Manufacturing in Beatrice reached a deal to sell all its assets to Worldlawn Power Equipment Inc., a Chinese firm which currently operates out of Industry, Calif.

The company will be moving its operation from California to Beatrice, a move that could eventually bring 40 jobs to Beatrice.

Encore founder Dick Tegtmeier said he's been negotiating with Worldlawn since December of 2008.

"Because of the banking institutions, the general economy and some other things that are out of control caused us to be short-handed on money, so we had to sell it," Tegtmeier said.

Tegtmeier said Worldlawn wanted to enhance its commercial line of lawn mowers and was interested in buying Encore. Worldlawn produces and markets various sizes of walk-behind and zero-turn radius mowers along with a line of two stage snow throwers.

Tegtmeier said he had to dismiss all employees at Encore, including himself, and said Worldlawn will begin to hire back as needed. Tegtmeier said the company plans to keep the Encore name but incorporate Worldlawn's brand into it.

Tegtmeier co-founded Exmark Manufacturing with three others in 1982. In 1988, he opened his own mower company, Encore Manufacturing.

To start Encore, Tegtmeier made a triangle from Beatrice to Milwaukee and then to New York to try and sell stock in the company.

Tegtmeier said selling Encore was a difficult decision, but he had no choice. Because of his loyal employees, Tegtmeier said he wouldn't sell Encore to anyone unless they kept it in Beatrice.

"It's a thing that had to be done because of the finances," Tegtmeier said. "Otherwise it's kind of a sad state. I had some very, very loyal employees. I certainly hated to see them lose their jobs, thus my criteria was it had to stay here. I had about 42 people interested in buying and then once I announced it had to stay in Beatrice, I lost about 45 percent overnight."

According to documents in the Register of Deeds office, the transaction for Encore Manufacturing was approximately \$1.3 million.

Beatrice Chamber of Commerce President Lori Warner applauded Tegtmeier for his desire to keep the company in Beatrice.

"He didn't have to do that," Warner said. "He could have sold it to somebody else and let them take it out of Beatrice, but he was adamant on keeping it in Beatrice. And he wanted to, because he knew it was important to Beatrice."

Encore has been synonymous with the Tegtmeier name since its founding.

"Being in the industry since '66, it's hard to give up," Tegtmeier said. "And I didn't want to yet. But there comes a point of time when you've completed your circle and I've done it."

Tegtmeier said Encore once employed 42 people at its peak. Currently, the company employs two full-time workers and five part-time employees with no manufacturing taking place.

Encore service manager Billy Harms said Worldlawn officials have said they would like to eventually bring 40 jobs back to Encore.

Currently, there is no timeline on when the company will begin operation in Beatrice.

"It's kind of bittersweet," Harms said. "It's nice to see the company come back but it's hard to see an era end in working with Dick. We all hope it comes full circle and people get their jobs back. We could have all the former people back, but we know we have some contingency that we're going to have to work along with."

Warner said Encore has been a wonderful business that's been a staple in the community for over 20 years.

She said it's a big benefit for the community that the Tegtmeiers were able to make this sale happen.

"I've already heard that several people have left Los Angeles and were flying to Beatrice to look at renting a home," Warner said. "So we will get an influx of new people to our community because of this and hopefully several former employees will get their jobs back as well."

Warner said Beatrice has endured a tough year with the loss of Husqvarna Turf Care and it's nice to finally have some good news for the community.

"It just goes to show that we shouldn't give up hope," Warner said. "Positive things like this can happen, but it just takes a while. I think that this company being sold and jobs coming back is a wonderful story and it should provide hope that good things will happen in the future."

[BACK TO THE TOP](#)

13) IN A BATTLE FOR TURF, SEARS REVS UP THE RIDING MOWER

March 17 -- A retailer struggling to fend off increasing competition is borrowing a page from the marketing playbook of products like soft drinks and soup by naming its rivals in aggressive advertising.

Sears, in a campaign scheduled to begin on Sunday, will urge consumers to shop for lawn and garden products at Sears rather than Home Depot or Lowe's. A description of the campaign on a section of the Sears Web site (sears.com/turf wars) underlines its tough-talking nature: "Sears Turf Wars, fighting the Home Depot and Lowe's for the right to be on your lawn."

The campaign, being created by the Chicago office of Y&R, has an extensive presence in new media, including Web video clips, social media and a mobile application that enables comparisons of products sold by those three retailers.

" 'Turf Wars' isn't just an ad campaign," said Martin Lee, vice president and chief marketing officer for lawn and garden products at Sears Holdings in Hoffman Estates, Ill. "It's a marketing platform, an attitude, a statement of what we will do for our lawn and garden customers."

Sears, part of the Sears Holdings Corporation, is joining a lengthy list of marketers challenging competitors rather than using coy terms like "Brand X" or "another leading brand." Such direct campaigns are known in the industry as comparative advertising, but they amount to the Madison Avenue equivalent of the negative advertising that is prevalent in politics.

Comparative ads typically become more commonplace when the economy is weak, on the theory that when times are tough it may pay to hit your rival harder.

"We wanted to create disruptive advertising," Mr. Lee said. "The brief to the agency was 'shock and shatter.' "

Among brands that have been naming names in pointed ads are Pepsi Max and Sierra Mist Natural sodas, citing, respectively, Coke Zero and Sprite; Campbell's Select Harvest soups, tackling Progresso, which soon

counterattacked; Dunkin' Donuts, taking on the coffee sold by Starbucks; and the Chevrolet Cruze, proclaiming its superiority to the Honda Civic and the Toyota Corolla.

Comparative advertising is not without its risks. One is that the intended audience may be turned off by the tactic, flagging the sponsor for unnecessary roughness. Another risk is that the novelty of hearing or seeing names of other products in ads may prevent consumers from recalling who the sponsor actually was.

And comparative advertising requires "a high degree of believability about the message," said Robert Passikoff, president of Brand Keys in New York, a brand and customer-loyalty consulting company.

For instance, "if I tell you Kia is a match for Mercedes," he added, "you'd be laughing your head off."

In the Brand Keys rankings of sellers of merchandise in the categories of garden care and home repair, Sears is fifth among five retailers, Mr. Passikoff said, trailing, in order, Ace, True Value, Home Depot and Lowe's.

However, the Craftsman brand, which is a focus of the new Sears campaign, does resonate with consumers on attributes like quality and value, he added.

The initial television commercial in the campaign features an assertive, gravelly voiced actor named John Lacy, who has appeared in films like "Live Free or Die Hard" and "Zodiac." He comes across more like a pitchman in a truck ad than a retail spot.

Indeed, Mr. Lacy is first glimpsed inside the cab of a truck, part of a caravan delivering Sears lawn and garden products. The trucks drive past a Lowe's store before setting up the merchandise in a parking lot near a Home Depot.

"There's a lot of home improvement centers out there," he says, "but does paying more for less mower really improve anything? You deserve better."

Sears will "put our money where our mouth is," Mr. Lacy says, by offering a lowest-price guarantee," adding, "You won't find a better deal there or there," pointing to the Lowe's and Home Depot stores.

"It's a turf war, 'cause your lawn is worth fighting for," he concludes.

The campaign is "purposely aggressive and provocative," said Bob Winter, chief creative officer at Y&R Chicago, part of the Y&R unit of Young & Rubicam Brands, owned by WPP.

"It's definitely got a little bit of bravado," Mr. Winter said, because Sears executives "feel it's time to show bravado."

But it does not go too far, he added: "It's a war. But it's a war waged with riding mowers that max out at seven miles an hour."

The tone should appeal to potential customers, Mr. Winter said, describing them as "middle-aged suburban dudes" for whom "their lawn is their ultimate form of self-expression."

The campaign is arriving as Y&R Chicago takes part in a review for the Sears creative account, with spending last year, according to Kantar Media, of \$459.4 million, of which \$12.3 million was devoted to lawn and garden products.

Asked what it was like to produce the campaign at such a precarious time, Mr. Winter replied: "We're focused on the future, and doing the right thing for our client, no matter what. The review aside, our challenge is to provide them with innovative creative solutions to their problems, and we're going to continue to do that."

Mr. Lee declined to discuss the review but said, "Y&R really did a great job for us on this."

The Turf Wars do not seem to be prompting Sears's rivals to wave white flags. For example, Home Depot and a company called Scanbuy are introducing a print campaign using mobile bar codes, or QR codes, to provide information about Martha Stewart Living merchandise.

[BACK TO THE TOP](#)

14) 2011 OPE INDUSTRY MEETING AND EVENTS CALENDAR

2011 OPE INDUSTRY MEETING AND EVENTS CALENDAR	
January 24-26, 2012	BTME-BIGGA , British Turf Management and the British International Golf & Greenkeepers Association Show, Harrogate International Center, England
January 24-27, 2012	World of Concrete , Las Vegas Convention Center, Las Vegas, NV
February 5-8, 2012	The Rental Show , American Rental Association Conference and Trade Show, Morial Convention Center, New Orleans, LA
February 18-21, 2012	OPEAA , Outdoor Power Equipment Aftermarket Association Annual Meeting, Phoenix, AZ
February 29 – March 1, 2012	GIS, Golf Industry Show, Orange County Convention Center, Orlando, FL
February 26-29, 2012	OPEESA , Outdoor Power Equipment and Engine Service Association, 10 th Annual Members Meeting, Arizona Biltmore, Phoenix, AZ
March 11, 2012	Daylight Savings Time Begins
April 7 - 9, 2011	EETC , Equipment and Engine Training Council 15 th Annual Conference, Radisson Hotel Milwaukee West, Milwaukee, WI
May 10-12, 2011	National Hardware Show , Las Vegas Convention Center and Sands Convention Center
June 19-25, 2011	Skills USA , National Leadership and Skills Conference, Kansas City, Missouri
	OPEI , Outdoor Power Equipment Institute Annual Meeting
September 4-6, 2011	GAFA (with SPOGA) , International Garden Trade Fair with the International Trade Fair for Sport, Camping and Garden Lifestyle, Cologne, Germany
September 6-8, 2010	IOG SALTEX , Grounds Care, Sports Facilities, Amenities, Landscaping And Estate Management Outdoor Trade Show, Windsor Race Track, Windsor, Berkshire, England
September 19-21, 2011	GLEE , International Garden and Leisure Show, NEC Birmingham, England
October 19-22, 2011	FFA , Future Farmers of America Annual Convention, Indianapolis, IN
October 27-29, 2011	GIE+EXPO , Green Industry and Equipment Expo, Louisville, KY (combining EXPO and the GIE Show)
November 6, 2011	Daylight Savings Time Ends

[BACK TO THE TOP](#)

15) THOUGHTS FOR THE DAY

MISTAKES

All men make mistakes,
But married men find out about them sooner.

-- Red Skelton

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

-- Tullulah Bankhead

TALKING

There are very few people who don't become more interesting when they stop talking.

-- Mary Lowry

EXCELLENCE

We are what we repeatedly do.
Excellence, then, is not an act,
but a habit.

-- Aristotle

COACH

A coach is someone who tells you
what you don't want to hear,
who has you see
what you don't want to see,
so you can be
who you have always known you could be.

- Tom Landry

CHANGE

God grant me the serenity
to accept the things I cannot change,
the courage to change the things I can,
and the wisdom to know the difference.

- Reinhold Niebuhr

[BACK TO THE TOP](#)

16) OPEESA OFFICERS, BOARD, EXECUTIVE DIRECTOR CONTACT INFORMATION

2011-2012 OPEESA BOARD				
First Name	Last Name	Company	Email	Position/Term
Robert	Graham	EWI 7415 Empire Central Houston TX 77040	Robert.graham@engwarehouse.com	President
Pete	Yunker	Power Equipment Systems 1645 Salem Industrial Dr Salem OR 97301	petey@pesnet.com	Vice President <i>Annual Meeting</i>
Todd	Winstead	Tidewater Power Equipment 5796 Thurston Ave. Virginia Beach VA 23455	twinstead@tpeco.com	Sec/Treas.
Mark	Vining	Roberts Supply 4203 Metric Drive Winter Park FL 32792-6897	m.vining@robertssupply.com	Past President
Tim	Congdon	Congdon Associates Dist. Co. – CADCO 1365 Strykers Road Phillipsburg NJ 08865	timc@cadcodist.com	2012
Mike	Lupo	TD Retail Card Services 1000 MacArthur Boulevard Mahwah, NJ 07430	Mike.lupo@tdrcs.com	2012 <i>Manufacturer/ Affiliate Rep.</i>
Ron	Monroe	Hayward Distributing Co. 4061 Perimeter Drive Columbus OH 43228	rmonroe@haydist.com	2013
Mike	Rounsavall	Dixie Sales Co. 5920 Summit Ave. Browns Summit NC 27214	mrounsavall@dixiesales.com	2013
Denis	Bedard	Husqvarna Professional Products 9335 Harris Corners Parkway Charlotte NC 28269	Denis.bedard@husqvarna.com	2013 <i>Manufacturer/ Affiliate Rep.</i>
Robert	Smith	Smith's South-Central Sales Co. 1802 S. Arkansas St. Springhill LA 71075	rsmith@smithssc.com	2014
Rick	Bryan IV	Bryan Equipment Sales, Inc. 457 Wards Corner Road Loveland OH 45140	rbiv@bryanequipment.com	2014
Jeff	Plotka	Precision Work 75 Harbor Road Port Washington NY 11050	jeff@precisionworkinc.com	2014
Nancy	Cueroni	OPEESA 37 Pratt Street Essex CT 06426-1159	Info@opeesa.com	Executive Director

[BACK TO THE TOP](#)