

OPEESA'S

Outdoor Power Equipment and Engine Service Association's

OPE-IN-THE-KNOW

"The Business of Outdoor Power Equipment"

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1) A NEW ERA AT JACOBSEN

www.golfcourseindustry.com

December 19 -- David Withers, the newly minted president of Jacobsen, intends to focus on three things: customers, customers, customers.

We caught up with the man who now leads the Orange team in golf's Big 3 as he was entering his fourth month in the job and beginning to implement some of the changes he believes will restore the manufacturer's reputation and market share to its previous highs.

You came up from the technical side. Do you find yourself still poking around engines?

It's too true! I have to stop myself from designing during product meetings. I love working with machines. That's been a labor of love for me so I've had to spend far more time learning the business side."

What's priority one for you at the helm?

A lot of the issues that had hurt us were already fixed, particularly the parts and service problems. The challenge now is that we're simply not externally focused enough. We need to be more involved and focused on the customers. You grow credibility by being out there and being involved. You have to be visible so we're doing a lot more customer interaction. We're going to put more feet on the street, so to speak. We've freed up money to hire more 'forward-facing' people and we've just named a new vice president of customer care, Tony Brown who'd been with Kioti tractors, who will be 100-percent focused on that.

What's standing in the way of your business goals for Jacobsen?

Time, mainly. We can do it. It's just a matter of how quickly. Unfortunately, we're still suffering from the perception that our parts, service and backup isn't as good as others. If anything, we've gone over the top on the inventory we carry and, as I said, fixed the reality. But to change the perceptions, we need to build relationships and confidence to the point where superintendents will say, 'I'll switch.' We have to build relationships first at our level – the corporate level. We may have relied too heavily on dealers for that in the past. They look after existing customers well. We need to do a better job to help them bring new ones in.

What's your take on the "new normal" in the U.S. golf market and how it impacts companies like Jacobsen?

There has been a structural shift in buying habits. We used to be able to count on equipment churning every five years. In today's market, they just don't churn as fast so it's six or seven years. My guess is that (the market) will settle but with a longer replacement cycle. But, given our position, we can still grow. It's actually advantageous to have lower market share in a shrinking market to achieve growth. The bottom line for us is to focus on the "three Bs": Build good relations, Build a good machine and Back it up. It's just a matter of execution from there.

How do you segment the market and where to focus your sales efforts?

My belief is that the market is splitting. You cannot serve it with one product per category. The high end is very interested in quality and new technologies. There, for example, we offer the Eclipse 322 with a higher sticker but noticeable, measurable and provable improvement in quality of cut. But, we also have value offerings for courses out there that are doing the very best they can with limited budgets. Those guys still need machinery that's within their reach. Our portfolio moving forward will reflect the fact that we have to lead in both premium and value product lines.

What are you hearing from dealers?

I've met quite a few of them but not all of them quite yet. The ones I've met are very supportive of us being more active, more aggressive and more focused on building new customer relationships. I also know from them that I'm very lucky that I've come into this at a time when Dan (Wilkinson) had fixed a lot of the issues that troubled them.

So what can the golf market expect from David Withers at the helm of Jacobsen?

Well, as I mentioned earlier, I will stick to the Three Bs. I try to keep the business simple so everything flows from that. Golf is a relationship industry. We've done the hard work on the product, parts and service side...now it's a matter for us to be visible, meet more of our customers and build relationships with them. They want Jacobsen to succeed because they like our products and they want a valid choice. We will be out there every day in front of customers to give them that choice.

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2) THE NEXT TIME A 16 FOOT, 1,100 POUND SALTWATER CROCODILE WANTS YOUR LAWNMOWER, JUST LET HIM HAVE IT. YOU'LL BE GLAD YOU DID!



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3) DIXIE SALES COMPANY ADDS SERVANTAGE™ TO BUSINESS NAME

Grown built on strong service that provides our customers an advantage inspired a new name.

Greensboro, N.C. — January 16, 2012 — Dixie Sales Company, an independent, full service, value-added distributor announced that effective immediately the company will do business as Servantage™ Dixie Sales.

Harold Reiter, CEO explained the name change does not indicate a change in ownership, but more accurately represents the comprehensive and innovative customer-support services the company provides its partners as well as its rapidly growing sales and expanding customer base and market areas it serves. Established in 1914, Dixie Sales Company originally focused its sales and marketing efforts on the southeastern U.S., but has since successfully expanded throughout the U.S. and Canada in support of its key business partners.

While it will continue to use the established name “Dixie Sales” with Servantage™, the addition of Servantage™ better reflects the company’s unique position as a trusted partner and reliable resource for manufacturers and national multiple-store retailers. Reiter went on to explain, “By delivering responsive and dependable service, our partners have a competitive advantage; in reality, a service advantage, thus Servantage™ Dixie Sales.”

“Our employees are valued for their knowledge and ability to anticipate needs. Coupled with their capacity to connect with our partners on a personal level, they’ve enabled us to grow and expand internationally, despite the challenging economic climate of the past few years,” said Mike Rounsavall, president. “The high-quality service we’re able to provide gives our partners an advantage in the market, which makes everyone successful.”



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4) THOUGHTS FOR THE DAY

LOVE

Love is something you can't describe
like the look of a rose,
the smell of the rain,
or the feeling of forever.

-- Kristen Kappel

LIFE

To be able to look back
upon one's life in satisfaction,
is to live it twice.

- Kahlil Gibran

THE POWER OF MONEY

It is said that for money you can have everything, but you cannot.
You can buy food, but not appetite;
medicine, but not health;
knowledge, but not wisdom;
glitter, but not beauty;
fun, but not joy;
acquaintances, but not friends;
servants, but not faithfulness;
leisure, but not peace.
You can have the husk of everything, but not the kernel.

-- Arne Garborg

LOVE

Love is like playing the piano.
First you must learn to play by the rules,
and then you must forget the rules and play from your heart.

-- Author Unknown

GOVERNMENT

"Government is instituted for the common good;
for the protection, safety, prosperity and happiness of the people;
and not for profit, honor, or private interest of any one man, family, or class of men."

--John Adams, 1776

MEN AND WOMEN

There are three things men can do with women:
love them, suffer for them, or turn them into literature.

-- Stephen Stills

WORKING

Working focused, working smart, and working together,
Makes anything possible, and success certain.

--Anonymous

EQUALITY

After the game,
the king and the pawn
go into the same box.

- Italian Proverb

IMAGINATION

Imagination gives you the picture.
Vision gives you the impulse
to make the picture your own.

- Robert Collier

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5) MAN VS. MACHINE, A JOBLESS RECOVERY

U.S. Companies Are Spending to Upgrade Factories but Hiring Lags; Robots Pump Out Sunny Delight
www.online.wsj.com

January 17 -- In no other U.S. recovery since World War II have companies been simultaneously faster to boost spending on machines and software, while slower to add people to run them.

Part of this is the old story of substituting capital for labor. But a combination of temporary tax breaks that allowed companies in 2011 to write off 100% of investments in the first year and historically low short- and long-term interest rates have pushed that process into overdrive.

Hiring, meanwhile, is too slow to bring the unemployment rate down rapidly. Employers have added workers at a monthly rate of 142,000 for the past six months, half the pace needed to significantly reduce unemployment, which is now at 8.5%.

Billy Cyr, chief executive of Sunny Delight Beverage Co., a Cincinnati-based beverage company, says he is buying new machinery partly because it is a bargain. "When the cost of capital goes up, it is harder to justify an equipment purchase and may, instead, result in higher employment using existing equipment," he says, such as by adding shifts or overtime for existing workers. Today, the opposite is happening.

Instead of hiring, companies such as Sunny Delight and chain-saw maker Stihl Holding AG are investing in technology or other ways to make existing operations faster and more productive. History suggests that investment that increases productivity eventually will create jobs and raise living standards. The mechanization of the farm and the automation of the factory both raised fears of permanent unemployment that were unrealized, as efficiencies in production of basic commodities created jobs in all sorts of services.

Most economists say today's surge in productivity will have the same beneficial effect—in the long run. In the short-term, however, this burst of efficiency allows companies to delay hiring.

And that is happening more in this recovery than in the recent past. Spending on gear and hiring usually are more synchronized. Since the economy began growing again in 2009, spending on equipment and software has surged 31%, adjusted for inflation. In the postwar period, only in the wake of the 1982 and 1970 recessions has such spending grown faster. Private-sector jobs have grown just 1.4% over the same span. Only recoveries following the 1980 and 2001 recessions saw slower job growth.

Erik Brynjolfsson, a Massachusetts Institute of Technology economist, says companies began stepping up labor-saving investments in the first half of the last decade. The turning point, he says, came during the recession, when companies realized they could do far more than they expected with fewer people.

Even as demand has drifted back, companies are keeping that ball rolling by spending more money on machinery that automate functions. "It's as if the economy had a pent-up potential for labor savings that hadn't been harvested until the recession," says Mr. Brynjolfsson, author of a new book on automation.

Of course, the surge in capital spending isn't the only impediment to hiring. Some employers say they would hire more if there wasn't so much uncertainty, about everything from the durability of demand to tax and regulatory policy. Others complain they can't find qualified workers for the vacancies they have.

Sunny Delight is spending \$70 million to upgrade its five U.S. juice factories, a record annual investment for the company, which was split off from Procter and Gamble Co. in 2004. A big chunk of that spending goes toward upgrading an aging complex that sits astride a railroad siding in Littleton, Mass., outside Boston. Improvements there include a new, brightly lit "filler room" where machines fill four flavors of juice simultaneously on one high-speed line. Previously, flavors were filled on separate lines, scattered in different corners of the plant. Each line required its own operator. Only two people tend the new combined line.

"Some people who drive forklifts now will shift to supervise the automated vehicles," says plant manager Dan Gray, leading the way through the cavernous facility, where the heated mix of liquid coursing through overhead pipes gives the air a sweet smell. "But others will have to move to other jobs in the plant."

The upshot will be fewer people. Littleton will shed 30% of its original 140 workers by the time the renovations are done.
The Flip Side

The White House says the employment picture would have been worse if not for the jump in business investment. Jason Furman, deputy director of the White House's National Economic Council, says spending on equipment and software has created jobs at businesses that are expanding as well as at companies that make and install equipment. Hiring, however, is driven mainly by demand growth—and that side of the equation has been more muted.

"For the economy as a whole, we're getting about the level of job growth we'd expect, given the economic growth we've had," he says.

The tax break that Congress legislated for last year is having the desired effect, executives say.

"It just makes the decision easier," Brandyn Chapman, president of Phoenix Stamping Group LLC. The closely held company is getting tax breaks on \$1.5 million in machines he bought for his two Atlanta-area factories.

Mr. Chapman is buying equipment because there's growing demand for his products, which include parts used in farm machines and heavy-duty trailers. "The cost of capital certainly helps that decision," he says. Phoenix is hiring because of the demand growth. He plans to add 12 production jobs to his current staff of 115.

The trend toward using labor-saving machines and software isn't limited to factories. W. Brian Arthur, an economist at Xerox Corp.'s Palo Alto Research Center, says businesses are increasingly using computers and software in the place of people in the nation's vast service sector. Many companies, for instance, use automation to process orders or send bills.

"It's not just machines replacing people, though there's some of that," Mr. Arthur says. "It's much more the digitization of the whole economy."

Calling the Robots

The U.S. today is second only to Japan in the use of industrial robots. Orders for new robots were up 41% through September from a year earlier, according to the Robotics Industries Association trade group. That has helped fuel a larger boom in productivity. Output per hour worked in nonfarm businesses has increased 6% during the recovery. Hours worked are up only 1.5%.

Mitch Free, chief executive of MFG.com, a website that manufacturers use to buy and sell parts and packaging, says the weak economy has produced a buyer's market for businesses shopping for equipment and software.

"We're still hearing that companies are having a tough time getting credit," he says, "but those that are able to buy are loving the deals they get on equipment right now." Machinery is a bit like housing, he says, "there's a glut."

Peter Mueller, executive vice president of the U.S. arm of Germany's Stihl, says he would buy robots and other machines even if they were far more costly. In Virginia Beach, Va., he recently opened the company's most advanced factory for making chain-saw guide bars, the metal frames that hold the chains in place.

The plant has 120 robots that run around the clock every day, with only seven workers on each shift. Next year, the company plans to spend \$10 million for machines and software that will allow the plant to double its output. It will only need six more workers to do that.

Mr. Mueller says companies that want to produce in the U.S. and compete globally against low-cost producers in places like China need the latest technology or risk getting steamrolled by the competition. Mr. Mueller says the cost for a chain saw made in Virginia is just 1.8% higher than one his company makes in China. "It shows you the power of automation."

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6) 3 REASONS TORO'S GOING FOR THE GREEN

www.stocks.investopedia.com

Margins

Fiscal 2011 was the first year in Toro's four-year plan to take the company into its second century as a more efficient, well-run business. Operating earnings is one of the areas where it feels progress is possible. Toro intends to deliver operating margins of 12% by the end of fiscal 2014. Dubbed "Destination 2014" by senior management, it lies 220 basis points from its audacious goal with three fiscal years left in which to accomplish the task. Is it doable? I don't see why not. In the past three fiscal years, its operating margin has risen from 7.6% in 2009 to 9.8% in 2011. That's a 220 basis point improvement in just two years, at a time when the economy was anything but solid.

Furthermore, Toro's best year in terms of operating margins is fiscal 2007, when its operating margin was 11.9%, exactly the same as its stated 2014 goal. In 2007, its professional segment, which provides products and services to turf professionals including golf course superintendents, produced operating margins of 20%. In 2011, those same margins were 350 basis points lower. When you consider that its professional segment accounts for 66% of revenue, coming anywhere close by 2014 would make a big difference to the bottom line. On the residential side, all it has to do is hold the line on revenues and margins and its stock will be more than ready to take off.

Revenues

Toro's second main goal under Destination 2014 is to increase organic sale by \$100 million in four consecutive years, beginning with 2011 and ending in 2014. Excluding incremental acquisition revenue of \$19 million in 2011, its organic revenue grew \$175 million year-over-year, which is an increase of 10.3%. A 10% increase in each of the next three years (not including revenue from acquisitions), combined with a 12% operating margin, translates into a 2014 earnings estimate of \$5.75 a share and a forward P/E of 11.2. If it were to hit \$5.75 in earnings per share, its profits would be 69% higher than in 2007, its most profitable year on record.

Acquisitions

The funny thing about golf courses is that the putting greens need to be rolled on a frequent basis; perhaps not daily, but several times a week, especially in the summer. In December, Toro acquired a line of green rollers from Graden USA for an undisclosed amount. Darren Redetzke, Vice President of its commercial business, stated, "This acquisition fills an important product gap in our core golf business and helps further strengthen our offering in the greens care category." That's a big understatement. Go to their website and you'll see that it offers pretty much every type of mower a golf course superintendent needs to get the job done, except rollers for the putting surface.

Toro already has a strong brand in the golf business and this will complete the package. It's not easy operating golf courses these days and if you don't have a well maintained track, you can forget charging the big bucks, whether we're talking public or private golf clubs. This acquisition likely wasn't expensive, yet it should make the selling process a little easier.

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7) 2012 OPE INDUSTRY EVENTS AND MEETINGS CALENDAR

2012 OPE INDUSTRY MEETING AND EVENTS CALENDAR	
January 22-24, 2013	BTME-BIGGA , British Turf Management and the British International Golf & Greenkeepers Association Show, Harrogate International Center, England
February 5-8, 2013	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, Arizona Biltmore, 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, 11 th Annual Members Meeting, Arizona Biltmore, Phoenix, AZ
March 11, 2012	Daylight Savings Time Begins
April 12-15, 2012	EETC , Equipment and Engine Training Council 17 th Annual Conference, Dallas, TX
May 1-3, 2012	National Hardware Show , Las Vegas Convention Center and Sands Convention Center
June 20-22, 2012	OPEI , Outdoor Power Equipment Institute Annual Meeting, Colorado Springs, CO
June 23-27, 2012	Skills USA , National Leadership and Skills Conference, Kansas City, MO
September 2-4, 2012	GAFA (with SPOGA) , International Garden Trade Fair with the International Trade Fair for Sport, Camping and Garden Lifestyle, Cologne, Germany
September 4-6, 2012	IOG SALTEX , Grounds Care, Sports Facilities, Amenities, Landscaping And Estate Management Outdoor Trade Show, Windsor Race Track, Windsor, Berkshire, England
September 17-19, 2012	GLEE , International Garden and Leisure Show, NEC Birmingham, England
October 24-27, 2012	FFA , Future Farmers of America Annual Convention, Indianapolis, IN
October 24-26, 2012	GIE+EXPO , Green Industry and Equipment Expo, Louisville, KY (combining EXPO and the GIE Show)
November 4, 2012	Daylight Savings Time Ends

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8) CPSC, BLOUNT RECALLS REPLACEMENT BLADES USED WITH ARIENS LAWMOWERS

WASHINGTON, D.C. – January 25 -- The U.S. Consumer Product Safety Commission, 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: Oregon® Replacement Lawnmower Blades

Units: About 950

Manufacturer: Blount International Inc., of Kansas City, Mo.

Hazard: The replacement lawnmower blades can break during normal use, posing a laceration hazard to the user and bystanders.

Incidents/Injuries: Blount has received seven reports of replacement blades breaking during use. No injuries have been reported.

Description: This recall involves Blount lawnmower replacement blades for Ariens 48-inch lawnmowers. The replacement blades are sold under the Oregon® brand name. "Oregon®," part number "91-003" and "PA" or "PJ" are printed on the surface of the recalled blades.

Sold at: Independent lawn and garden sales and service stores nationwide from January 2010 through September 2011 for about \$20.

Manufactured in: United States

Remedy: Consumers should immediately stop using lawnmowers with the recalled blades and return the blades to the store where purchased or directly to Blount for a free replacement.

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9) BRIGGS REPORTS RESULTS FOR THE 2nd QUARTER AND FIRST 6 MONTHS OF FISCAL 2012

MILWAUKEE, January 26 -- Briggs and Stratton Corporation today announced financial results for its second fiscal quarter and first six months ended January 1, 2012.

Highlights:

- Second quarter fiscal 2012 consolidated net sales decreased \$2.4 million or 0.5% from the second quarter of fiscal 2011.
- Second quarter net income of \$2.7 million, or \$0.05 per diluted share.
- Significant improvement in Products Segment manufacturing operations.
- Completed the acquisition of Premier Power Equipment and Products Private Ltd. of Tamil Nadu, India, providing a platform for future growth in India.
- Restructuring actions to consolidate manufacturing facilities and reduce capacity to save \$18 million to \$20 million annually.

Consolidated Results:

Consolidated net sales for the second quarter of fiscal 2012 were \$447.9 million, a decrease of \$2.4 million or 0.5% when compared to the same period a year ago. Fiscal 2012 second quarter consolidated net income was \$2.7 million or \$0.05 per diluted share. The second quarter of fiscal 2011 consolidated net loss was \$1.3 million or \$0.03 per diluted share.

Included in consolidated net income for the three and six months of fiscal 2011 was a \$3.5 million pre-tax charge (\$2.2 million after tax or \$0.04 per diluted share) related to organization changes and \$3.9 million of pre-tax costs (\$2.4 million after tax or \$0.05 per diluted share) associated with the redemption premium of the 8.875% Senior Notes and the write-off of the related deferred financing costs. After considering the impact of such items related to the organization changes and debt redemption, adjusted consolidated net income for the second quarter of fiscal 2011 was \$3.3 million or \$0.06 per diluted share. Consolidated net income for the second quarter of fiscal 2012 was lower by \$0.6 million or \$0.01 per diluted share compared to the second quarter of fiscal 2011 adjusted consolidated net income.

"The economic environment and the levels of consumer spending for outdoor power equipment continues to be challenging in the United States and in Europe," commented Todd J. Teske, Chairman, President and Chief Executive Officer of Briggs and Stratton Corporation. "We continue to execute our strategy of diversifying our product portfolio and seeking growth in other regions of the world." Teske continued, "We are encouraged with the operational improvements we are making in our Products business which are yielding improved financial results."

For the first six months of fiscal 2012, consolidated net sales were \$845.2 million, an increase of \$60.8 million or 7.8% when compared to the same period a year ago. The consolidated net loss for the first six months of fiscal 2012 was \$2.5 million or \$0.05 per diluted share. The consolidated net loss for the first six months of fiscal 2011 was \$9.4 million or \$0.19 per diluted share.

After considering the impact of items related to the aforementioned organization changes and debt redemption, the consolidated net loss for the first six months of fiscal 2012 was improved by \$2.3 million or \$0.05 per diluted share compared to the first six months of fiscal 2011 adjusted consolidated net loss of \$4.8 million or \$0.10 per diluted share.

Engines Segment:

Engines Segment fiscal 2012 second quarter net sales were \$286.1 million, which was \$11.7 million or 3.9% lower than the same period a year ago. This decrease in net sales was primarily driven by lower shipments to the European market, partially offset by a favorable mix of product shipped that reflected proportionally larger volumes of units used on snow throwers and portable and standby generators.

The Engines Segment gross profit was \$49.4 million in the second quarter of fiscal 2012, a decrease of \$19.2 million from the second quarter of fiscal 2011. Gross profit decreased primarily due to lower net sales, higher manufacturing spending and unfavorable absorption on lower production volumes. Higher manufacturing spending is attributed to start-up costs of \$5.0 million associated with launching our Phase III emissions compliant engines. Increased pricing offset increased commodity costs.

The Engines Segment engineering, selling, general and administrative expenses were \$47.1 million in the second quarter of fiscal 2012, a decrease of \$1.3 million from the second quarter of fiscal 2011 due primarily to the absence of \$0.6 million of organization change costs in the current fiscal year and reduced selling expenses.

Engines Segment net sales for the first six months of fiscal 2012 were \$489.5 million, which was \$14.0 million or 2.8% lower than the same period a year ago. This decrease in net sales was primarily driven by lower shipment volumes of engines due to reduced consumer demand for lawn and garden products in the North America and European markets, partially offset by a favorable mix of product shipped that reflected proportionally larger volumes of units used on riding lawn mowers, snow throwers and portable and standby generators.

The Engines Segment gross profit was \$86.2 million for the first six months of fiscal 2012, a decrease of \$25.0 million from the first six months of fiscal 2011. Gross profit decreased primarily due to lower net sales, unfavorable foreign exchange of \$4.0 million primarily related to the Euro, and higher manufacturing spending associated with rising commodity costs and start-up costs of \$6.0 million associated with launching our Phase III emissions compliant engines, partially offset by improved engine pricing.

The Engines Segment engineering, selling, general and administrative expenses were \$89.4 million in the first six months of fiscal 2012, a decrease of \$6.9 million from the first six months of fiscal 2011 primarily due to lower stock based compensation expense, reduced selling expenses and the absence of \$0.6 million of organization change costs in the current fiscal year.

Products Segment:

Products Segment fiscal 2012 second quarter net sales were \$215.4 million, an increase of \$29.1 million or 15.6% from the same period a year ago. The increase in net sales was primarily due to increased sales of portable and standby generators as channel inventories continue to be replenished following the recent storm activity, as well as higher shipments of snow equipment after channel inventories were depleted from the prior selling season.

The Products Segment gross profit was \$26.8 million for the second quarter of fiscal 2012, an increase of \$14.7 million from the second quarter of fiscal 2011. The increase over the prior year was attributable to the increase in net sales, improved pricing, production operational improvements of \$5.8 million, and favorable absorption of \$4.1 million on improved plant utilization, partially offset by increased commodity costs.

The Products Segment fiscal 2012 second quarter engineering, selling, general and administrative expenses were \$26.2 million, which was comparable to the fiscal 2011 second quarter. Increased sales and marketing expenses and salaries expense were offset by the absence of \$3.0 million of organization change costs in the current fiscal year.

Products Segment net sales for the first six months of fiscal 2012 were \$450.7 million, an increase of \$96.7 million or 27.3% from the same period a year ago. The increase in net sales was primarily due to increased sales of portable and standby generators due to widespread power outages in the U.S. as a result of a landed hurricane and subsequent snow storm on the United States East Coast earlier in the fiscal year, as well as increased shipments of snow equipment after channel inventories were depleted from the prior selling season. There were no landed hurricanes in fiscal 2011.

The Products Segment gross profit was \$54.4 million for the first six months of fiscal 2012, an increase of \$25.0 million from the first six months of fiscal 2011. The increase over the prior year was primarily attributable to the increase in net sales, favorable foreign exchange of \$1.7 million primarily related to the Australian dollar, improved pricing, production operational improvements of \$11.9 million and favorable absorption of \$4.8 million on improved plant utilization, partially offset by increased commodity costs.

The Products Segment engineering, selling, general and administrative expenses were \$51.6 million in the first six months of fiscal 2012, an increase of \$2.9 million from the first six months of fiscal 2011 primarily due to higher sales and marketing and salaries expense, partially offset by the absence of \$3.0 million of organization change costs in the current fiscal year.

Corporate Items:

Interest expense was lower compared to the prior year periods by \$4.2 million and \$5.0 million for the second quarter and first six months of fiscal 2012, respectively. The decrease was due to \$3.9 million of pre-tax charges associated with the refinancing of Senior Notes during the second quarter of fiscal 2011, which did not recur in the current fiscal year as well as lower average outstanding borrowings at lower interest rates in the current periods compared to the same periods a year ago.

The effective tax rate for the second quarter and first six months of fiscal 2012 was 195.6% and 63.9%, respectively, compared to 65.3% and 40.7% in the same respective periods last year. The variation reflected between years was

primarily the result of a net benefit of \$5.0 million due to the settlement of U.S. audits and the expiration of a non-US statute of limitation period in the second quarter of fiscal 2012.

Financial Position:

Net debt at January 1, 2012 was \$229.1 million (total debt of \$243.0 million less \$13.9 million of cash), an improvement of \$22.5 million from the \$251.5 million (total debt of \$283.0 million less \$31.5 million of cash) at December 26, 2010. Cash flows used by operating activities for the fiscal 2012 first six months were \$165.0 million compared to \$128.7 million in the first six months of fiscal 2011. Cash used in operating activities for the first six months of fiscal 2012 was primarily related to seasonal build of inventory levels and an increase of accounts receivable during the period. Approximately \$23 million of the increase in accounts receivable is due to delayed funding under the Company's new dealer inventory financing facility with GE Capital, Commercial Distribution Finance. The delayed funding to the Company reduces the overall cost of funds.

During the second quarter of fiscal 2012, as previously announced, the Company closed on a new 5-year \$500 million Senior Unsecured Revolving Credit Facility. This credit facility replaced the Company's \$500 million credit facility that was scheduled to expire in July 2012.

As previously announced during the first quarter of fiscal 2012, the Board of Directors of the Company authorized up to \$50 million in funds for use in a common share repurchase program with an expiration of June 30, 2013. The common share repurchase program authorizes the purchase of shares of the Company's common stock on the open market or in private transactions from time to time, depending on market conditions and certain governing loan covenants. As of the end of the second quarter of fiscal 2012, the Company repurchased 801,843 shares on the open market at a total cost of \$11.4 million. There were no shares repurchased in fiscal 2011.

Restructuring Actions:

In addition to its quarterly financial results, Briggs and Stratton announced today that it will move existing manufacturing from its Newbern, Tennessee facility to its McDonough, Georgia facility. The Company will also close its Ostrava, Czech Republic plant, shifting production to the Company's Murray, Kentucky facility. Also, the Company will continue reducing capacity by reconfiguring and idling certain assets at its Poplar Bluff, Missouri facility.

"We continually evaluate our manufacturing footprint as we consider productivity and efficiency gains along with changes in the markets we serve. Since 2004, the U.S. lawn and garden market has declined over 33%. This significant and prolonged market decline is unlike any other this industry has seen in decades. As a result of these market changes and evaluation of our manufacturing operations, we have taken difficult, but necessary actions over the past four years in order to reduce capacity. Between 2007 and 2010, we closed an engine plant in Rolla, Missouri, and products plants in Port Washington and Jefferson, Wisconsin. In addition, we have taken actions over the past year to reconfigure and reduce our capacity and costs at our Poplar Bluff, Missouri engine plant. The actions announced today to consolidate our manufacturing footprint further, will better align our production capacity to the markets we serve," continued Todd Teske. "It was a very difficult decision to close these production facilities; however, these changes are a necessary step in executing our strategy to grow the profitability of our business and invest our resources in high margin and margin expanding areas. We will make a dedicated effort to minimize the impact of these closings on our employees and the surrounding communities."

The Newbern, Tennessee facility currently manufactures walk behind lawn mowers and snow throwers for the U.S. domestic market. The Ostrava, Czech Republic facility currently manufactures small engines for the outdoor power equipment industry.

These changes will result in the closing of the Company's facility in Newbern, Tennessee, affecting approximately 240 regular employees and 450 temporary employees. Additionally, the closing of the Ostrava, Czech Republic facility will affect approximately 77 regular employees. The Company does not anticipate significant employment changes at its Poplar Bluff, Missouri facility. The Company will provide assistance programs, continued benefits and outplacement services for the affected employees.

Operations in Ostrava and Newbern are expected to wind down by March 15, 2012 and May 15, 2012, respectively. The pre-tax expense related to the restructuring activities is estimated to be \$50 million to \$55 million, of which, \$45 million to \$50 million is expected to be realized in fiscal 2012. The Company anticipates annualized pre-tax savings of \$18 million to \$20 million due to the restructuring actions.

Outlook:

For fiscal 2012, the Company has revised its guidance to include the restructuring actions announced today. Including \$45 million to \$50 million of pre-tax charges (\$27 million to \$30 million after taxes) related to the restructuring activities, consolidated net income is expected to be in the range of \$28 million to \$41 million or \$0.55 to \$0.81 per diluted share prior to the potential impact of any share repurchases under the Company's previously announced share repurchase program. Excluding the restructuring actions, consolidated net income is expected to be in the range of \$58 million to \$68 million, or \$1.15 to \$1.35 per diluted share.

Consolidated net sales for fiscal 2012 are projected to be higher than fiscal 2011 by approximately 4% to 6% depending on the level of recovery of consumer spending within the outdoor power equipment category. Engines Segment sales are forecasted to be comparable to fiscal 2011 on lower volume and improved pricing while the Products Segment sales are forecasted higher primarily due to higher volumes of lawn and garden equipment, pressure washers, and portable and standby generators.

Operating income margins, excluding the restructuring charges, are projected to be in the range of 4.5% to 5.0%, and interest expense and other income are forecasted to be \$18 million and \$5 million, respectively. The effective tax rate for the full year, excluding the restructuring charges, is projected to be in a range of 29% to 32%. Capital expenditures for the year are projected to be approximately \$55 million to \$60 million.

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10) GENERAC SUES KOHLER OVER MARKETING BROCHURE

www.jsonline.com

Milwaukee – January 26 -- Waukesha's Generac Power Systems Inc. has sued Kohler Co., alleging that Kohler is misrepresenting one of Generac's products in a marketing brochure.

The allegations - denied by Kohler - are the latest twist in a running dispute between the two Wisconsin-based generator manufacturers.

At issue in the new lawsuit, filed this week in federal court in Milwaukee, are what Generac describes as false statements by Kohler about Generac's 20-kilowatt generator. The machine is among those aimed at homeowners, a key business segment for Generac.

In its complaint, Generac alleges that the Kohler brochure describes its 20-kilowatt generator as providing features not included on the Generac counterpart, including a commercial-grade engine and corrosion-proof enclosure.

Generac argues that it does in fact offer those features. But what the Waukesha company alleges is particularly bothersome is that Kohler's brochure portrays Generac's equipment as not offering something called "low-speed diagnostic exercise."

A standby generator typically is "exercised" periodically - fired up and run for a while to make sure it will operate properly when needed. That, however, can produce a lot of noise and annoy neighbors.

In June 2007, Generac was awarded a patent on a noise-reducing method for exercising a stand-by generator. That innovation and others, Generac has said, have led to its capture of "70% of the residential standby generator market."

But Kohler has infringed on the patent, Generac alleges. In separate litigation filed in October 2010, Generac charged that Kohler has been selling generators that unfairly use Generac's patented method for reducing engine speed - and thus noise - during weekly exercise.

Kohler has fought back. Denying any infringement, it has charged that Generac's noise-reduction method is not truly novel and shouldn't have been granted a patent. Kohler asked the U.S. Patent and Trademark Office to re-examine Generac's

application for a patent on the method. The federal agency is doing that now, and in the meantime U.S. District Judge Rudolph Randa has put Generac's infringement lawsuit on hold.

Given the patent litigation, however, Kohler was well aware that Generac's 20-kilowatt generator could be exercised at low speed, the Waukesha company said in its latest lawsuit. So Kohler's failure to indicate in its brochure that the Generac generator has the feature "is willful and malicious and done with a clear intent to deceive the public and damage Generac," the firm alleges.

In an email, Kohler spokeswoman Jennifer Taylor said that while the company does not discuss specific lawsuits, it "takes the obligation of accurately portraying our products through our advertising efforts seriously. Kohler Co. denies that our advertising is misleading in any way and looks forward to the opportunity to defend ourselves."

Meanwhile, Generac last month filed another infringement lawsuit, this one alleging that Kohler has trampled on a 2003 Generac patent on a method for monitoring and controlling multiple generators.

Kohler denies any infringement. Among its arguments, again, is that at least some of what Generac claims to have invented is not novel and not worthy of a patent. That lawsuit is pending.

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11) CORD MAKER FINDS NICHE www.rockymounttelegram.com

ROCKY MOUNT, NC – January 27 -- As thousands of textile businesses migrated overseas from the United States in recent years, Rocky Mount Cord Co. has stayed put.

The company produces round, braided cord and twisted ropes made of cotton, nylon, polypropylene, polyester and other synthetics at its plant at 381 N. Grace St. Its orders include made-to-order cords for companies such as Briggs & Stratton.

"What makes us unusual is we are still a textile manufacturing company in the South," said Andy Barker, executive vice president of the company. "We aren't big enough to go overseas. We have some niche markets. That is where we find our longevity. If we get too large with a product or a particular production item, then it will be picked up overseas. For years, we were one of the largest manufacturers of rope for hammocks."

Barker said the primary way they land customers is by going to numerous trade shows throughout the country.

This company was started in 1934.

"Prior to that, there was a lot of the migration of Northeast textiles coming South," Barker said.

The company was created after three principals of Rocky Mount Mills – the Bunn, Battle and Stephens families – bought the bankrupt Buckeye Cordage Co.

"That was located down where the old Pepsi plant is. That cord company started probably in the mid-1920s, and they went bankrupt," Barker said. "North Carolina State Bank had it for sale a couple of times, and some former principals of Rocky Mount Mills bought it and started the Rocky Mount Cord Co. We've been around a while."

The plant produces more than 6 million yards of cord a week. If this length of cord were stretched out, it would extend from 26 miles off the Pacific coast of the United States, cross the continent and end 26 miles off the Atlantic Coast, Barker said.

Q: What products or services do you provide?

A: We make braided cord and twisted rope. It can go into small engines like Weed Eaters, lawn mowers, blowers and trimmers. We manufacture commercial fishing cord line, but not normal fishing line. It goes in crab pots, lobster pots and fish netting, but not rod-and-reel fishing line. We produce tent line and parachute lines, anything where a small diameter line could be used.

Q: Who are your key leaders?

A: President Joe Bunn, whose father started the company and was the only other president, Executive Vice President Andy Barker, Vice President of Manufacturing Louis Hinson, and salesman Alden Love.

Q: How many people do you employ?

A: 75

Q: When were you established?

A: 1934

Q: What's your business philosophy?

A: Quality, consistency and on-time delivery.

Q: What makes your business unique?

A: One, that we are manufacturing it here in the United States, and we have the versatility and equipment to be able to run a wide range of fibers and diameters of cord, braided or twisted types. We cut to length for Briggs & Stratton and put a lubricating finish on the cord.

A lot of our customers have gone to China, not to get cord made, but to have their finished products made. They used to produce here or in Mexico, but the Chinese have taken over production for finished products.

Q: What changes do you expect for your company in coming years?

A: The big thing is to be able to keep up with what the market demands and keep our response time to a minimum. That is where we have the advantage. All of our production is made to specification, whether it's a government specification or a Cordage Institute specification or customer specifications.

Q: How has your company grown in the last several years?

A: We have actually been growing well, finding new markets over the last couple of years. We've expanded our presence in the poultry market. We've expanded our presence in the parachute market. Those have been good. We've got a lot of governmental defense contracts, either as a contractor or subcontractor. Most of our business is as subcontractor.

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12) GENERAC ACQUIRES GEORGIA MANUFACTURER
www.biztimes.com

Waukesha, WI -- February 1 -- The growth continues for Generac Holdings Inc. a Waukesha-based designer and manufacturer of generators and other engine powered products, which announced today that one of its subsidiaries has acquired substantially all of the assets and certain liabilities of Gen-Tran Corp., a leading transfer switch and portable generator accessory manufacturer located in Alpharetta, Ga.

Gen-Tran's product offering fits strategically between Generac's existing portable generator and home standby product offering, providing a broader set of solutions for consumers and allowing the combined companies to capture additional accessory sales.

Steve Goran, vice president of business development for Generac, said, "Adding Gen-Tran products to our offering will better position our portable products as safe, reliable backup solutions while complementing our fully automatic home standby solutions. By merchandising our products together across broadened distribution channels, we believe we can capture incremental sales opportunities through a more informed consumer, further building on our position as the leader in residential backup power"

Gen-Tran president Jack Mandula will continue to manage Gen-Tran's operations in Alpharetta. Gen-Tran's current management team and staff have joined Generac upon closing and will help lead the integration of the company's products and operations.

Mandula said, "As we transition under Generac's ownership, we will continue to provide high-quality products and support to our customers. We are excited to be a part of a well-resourced company whose broad product offering and distribution channels offer tremendous opportunities for our products and customers."

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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

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