



Promoting the Value of Genuine Toro Parts

Kim Wellman, Marketing Manager - Parts

2012 National Sales Meeting

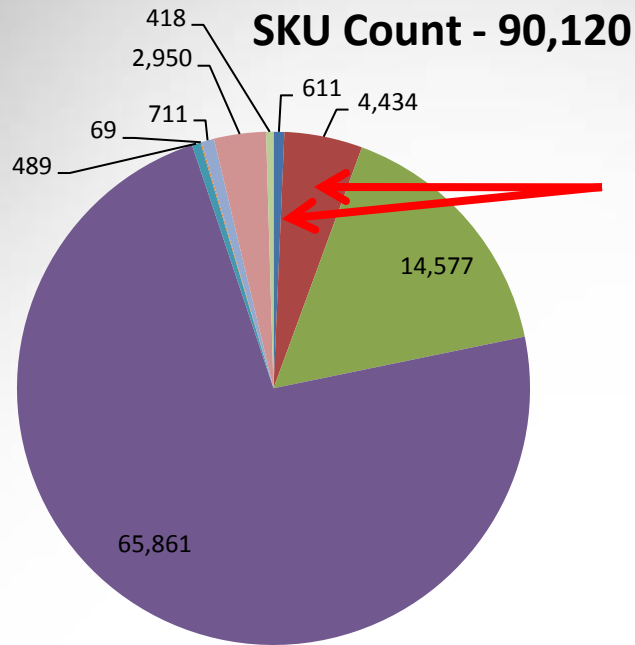
Why should customers buy Toro Parts?

- What does Toro provide that the will-fitters do not?

Competitive Advantage – Toro Parts

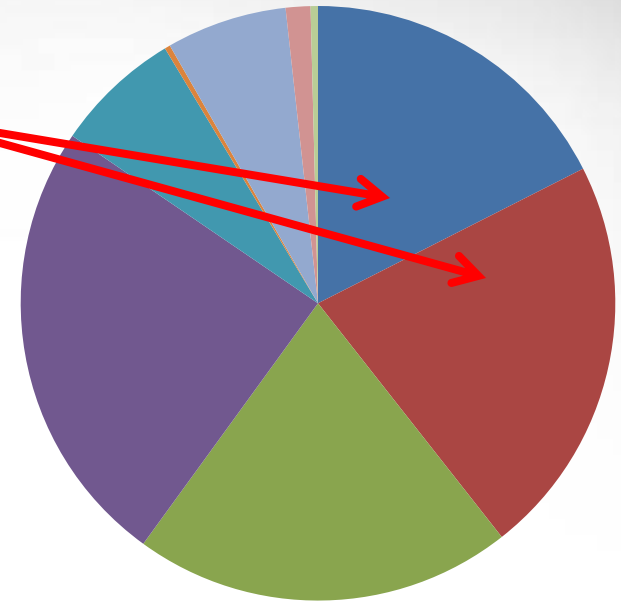
- Toro's investment in inventory and high fill rate
- Toro's service support
- Toro's profit re-investment in new technology
- Toro's customer service and parts delivery
- Toro's manufacturing of parts

Inventory Investment



- A - 55% of Cogs
- B - 35% of Cogs
- C - 9 % of Cogs
- D - 1% of cogs
- E - Exception Buys
- F - Field Fix
- M - Accessories
- N - New Parts
- X - Non-service parts

Inventory at Retail - \$175,000,000



Class A&B
5,045 skus
(5.5%)

Weekly Fill Measuring and Reporting

| <u>Wk Of</u> | <u>TORO ONLY WEEK</u> | <u>OVERALL WEEK</u> | <u>OVERALL YTD</u> | <u>OVERALL # OF BO'S</u> | <u>OVERALL BO COST \$</u> |
|--------------|-----------------------|---------------------|--------------------|--------------------------|---------------------------|
| 8/8 | .9874 | .9869 | .9826 | 353 | 182,708 |
| 8/15 | .9902 | .9899 | .9827 | 289 | 140,574 |
| 8/22 | .9906 | .9903 | .9829 | 327 | 144,563 |
| 8/29 | .9903 | .9901 | .9831 | 379 | 260,448 |

FILL RATE BY DIVISION

| <u>Wk Of</u> | <u>LCE</u> | <u>SWS</u> | <u>COML</u> | <u>CONS</u> | <u>L BOY</u> | <u>IRRGN</u> | <u>EXMARK</u> |
|--------------|------------|------------|-------------|-------------|--------------|--------------|---------------|
| 8/8 | .9898 | .8879 | .9829 | .9926 | .9979 | .9538 | .9862 |
| 8/15 | .9917 | .9517 | .9835 | .9954 | .9992 | .9729 | .9891 |
| 8/22 | .9919 | .9740 | .9822 | .9966 | .9974 | .9779 | .9904 |
| 8/29 | .9914 | .9815 | .9808 | .9973 | .9985 | .9809 | .9901 |
| YTD | .9889 | .9220 | .9783 | .9857 | .9941 | .9734 | .9857 |

FILL RATE BY SUPPLIER

| <u>Wk Of</u> | <u>WIN</u> | <u>TOMAH</u> | <u>SHKP</u> | <u>EL PASO</u> | <u>JRZ1</u> | <u>JRZ2</u> | <u>BEATR</u> | <u>PURCH MATL</u> |
|--------------|------------|--------------|-------------|----------------|-------------|-------------|--------------|-------------------|
| 8/8 | .9824 | .9875 | .9629 | .9892 | .9603 | .9972 | .9757 | .9879 |
| 8/15 | .9949 | .9874 | .9654 | .9984 | .9772 | .9984 | .9850 | .9896 |
| 8/22 | .9926 | .9823 | .9758 | 1.000 | .9826 | .9972 | .9786 | .9905 |
| 8/29 | .9915 | .9788 | .9746 | 1.000 | .9770 | .9976 | .9819 | .9906 |
| YTD | .9740 | .9787 | .9648 | .9936 | .9730 | .9957 | .9783 | .9840 |

World Wide YTD **.9831**

Daily Root Cause on Backorders

| Part | MRP | Buy Code | Disc | BO Hits | Div | BO | |
|-------------|-----|----------|------------------------|---------|-----|-----|--|
| 99-2916 | ML1 | 207 | CD Ign replacement pac | 17 | 62 | 227 | Overconsume - PVL Electronics has 2700 pcs due 9/26 - new eta is 10/10. |
| 104-4216 | JK1 | 207 | CHARGER-12 VOLT [UNREG | 4 | 61 | 19 | Overconsume and past due - Sirius Elect. Is past due on 330 pcs New eta is 9/21 |
| 100-1186 | VV1 | 227 | CABLE-BRAKE | 4 | 61 | 84 | Overconsume and past due - Wescon is past due on 1000 pcs - new eta is 9/22 |
| 83-1630-03 | RM1 | 999 | BRACKET-SUPPORT, MUFFL | 4 | 31 | 5 | Overconsume - Now have 20 pcs in recv |
| 116-0236 | DSS | 308 | DIPSTICK-HYDRO W/GASKE | 4 | 14 | 0 | Plymouth was short 91 pcs - now have 25 ATP and 142 more with a 9/26 eta. |
| 108-9180 | VV1 | 206 | TINE-SIDE EJECT, CARBI | 4 | 31 | 325 | Overconsume - the next 1100 pcs will be late due to Heat Treating best eta is 11/2 for 1100 pcs |
| 107-7635 | RM1 | 999 | 11 BLADE REEL(GREENS S | 3 | 31 | 16 | Overconsume - Tomah shipped 89 pcs on 9/15 |
| 79018 | RM1 | 999 | RECYCLER KIT-42IN [MY2 | 3 | 61 | 0 | Windom was past due on 575 pcs - now have 48 ATP but still past due on 342 pcs - need soon |
| 56-6180 | JK1 | 227 | PULLEY-DRIVER | 3 | 61 | 28 | Overconsume and past due - Burgess-Norton is past due on 425 pcs New eta is 9/23 |
| 42-6890 | RM1 | 999 | HUB ASM [(BBC)] | 3 | 61 | 0 | Overconsume - now have 30 pcs ATP and 30 more in packaging |
| 253-83 | VV1 | 227 | SEAL-OIL [5/8 X .125] | 3 | 31 | 0 | Overconsume - now have 475 ATP |
| 117-9245-03 | RM1 | 999 | GEARBOX ASM [BLACK] | 3 | 31 | 21 | Overconsume -only eta is 20 pcs on 9/22 from Tomah - need more asap |
| 115-7679 | VV1 | 227 | TENSION CABLE CONTROL | 3 | 31 | 0 | Overconsume - now have 32 ATP |

Customer Help For Critical Backordered Parts

- Call Toro customer service department
- Toro will do their best to find the part your customer needs!

Toro Shakopee- Manufacturing

- Located in Minnesota about 10 miles from the Toro Lyndale location
- Toro's largest supplier of parts

Spindle Housing Assembly Cell



- This is the first Spindle Assembly Cell at Shakopee. There are now four separate spindle housings machined and assembled at Shakopee
- The operator loads a spindle housing / casting into the lathe machine.



- Multiple machining operations occur during the approximate four minute cycle time



- During the machining cycle time, the operator loads the previous spindle housing into the assembly machine
- The assembly machine has sensors at each station to ensure all components are included or it will not begin the assembly process
- The assembly time is approximately 30 seconds less than the machining time



Competitive Analysis-Rotary Blades

2012 National Sales Meeting

Background

- A total of 10 blades from two different competitors were purchased and reviewed against Toro Specifications

| Toro p/n | Description | Corresponding Model |
|----------------------------------|-----------------|--|
| 54-0010-03 | 15.5" Blade | 44" SFS Deck Mowers |
| 108-3762-03 | Recycling Blade | Super Recycler Lawn Mower Series & PT21 Trim Mower |
| 14-7799 - kit 79-3061 - blade | 19.25" Blade | 38" Recycler & 260 Series |
| 108-9764-03 | 22" Blade | 22" Recycler Steel Deck Mower |
| 91-2256-03 | 21" Blade | 21" Recycler/21" Heavy Duty |
| 612543-03 | 20.88" Blade | 21" Lawn Boy/21" Heavy Duty |

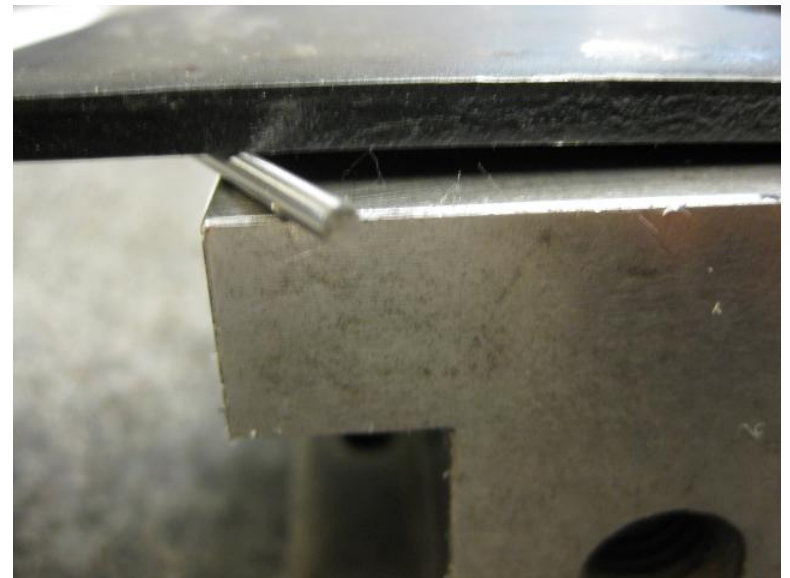
Visual Review

- Toro 54-0010-03 (15.5"blade) VS Competitor A and Competitor B
 - Both competitors had a warped mounting surface.
 - A 2.3mm diameter pin fit under both mounting surfaces

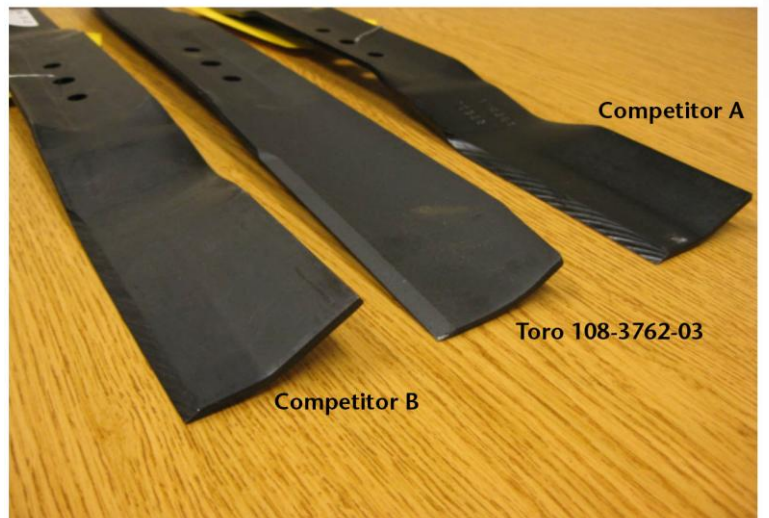
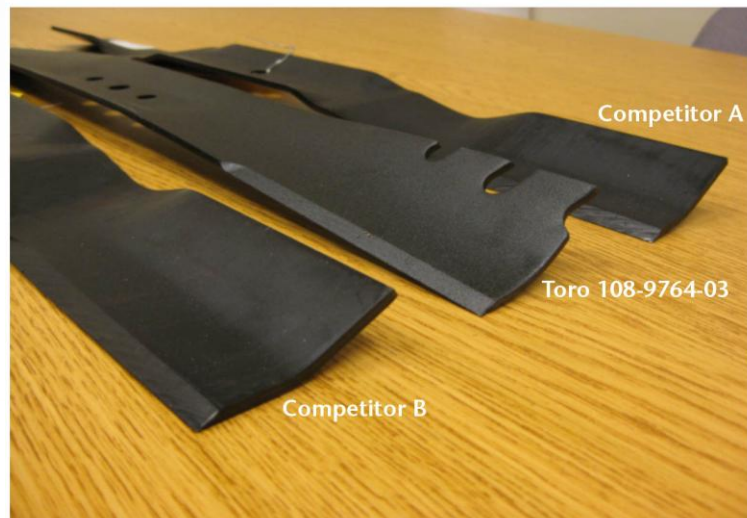
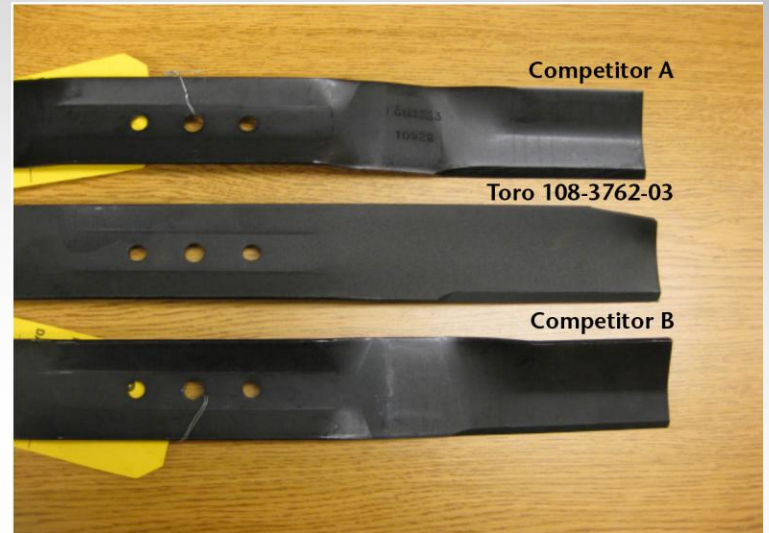
Competitor A and Competitor B



Competitor A and Competitor B



Visual Review



Visual Review



Toro 108-3762-03



Competitor B

Lack of blade rake
causes grass
damage

Visual Review

- Both competitors blades appear to be made from the exact same tooling
 - Same defects
 - Same tool marks
 - Part numbers from one competitor are shown in the other competitor's catalog



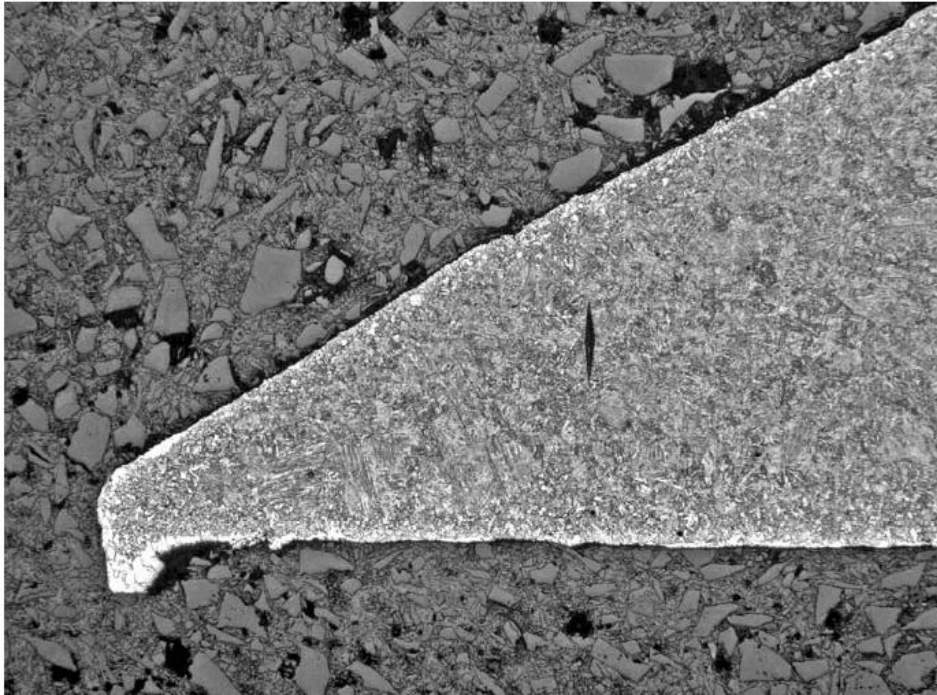
Print Specifications

- Blades were measured for 4 key elements
 - Length
 - Sail height
 - Blade tip offset
 - Tip to tip tracking
- 3 out of 4 Competitor A blades were out of spec
 - Sail height off by as much as 7mm on 1 blade
 - Tip to tip tracking off by as much as 2.5mm on 1 blade
 - 2 blades were out of spec on at least 2 of the 4 measured items
- 5 out of 6 Competitor B blades were out of spec
 - Sail height off by as much as 7mm on 1 blade and 6 mm on another blade
 - Tip to tip tracking off as much as 2mm on 2 blades
 - 3 blades were out on at least 2 of the 4 measured items

Metallurgical Review

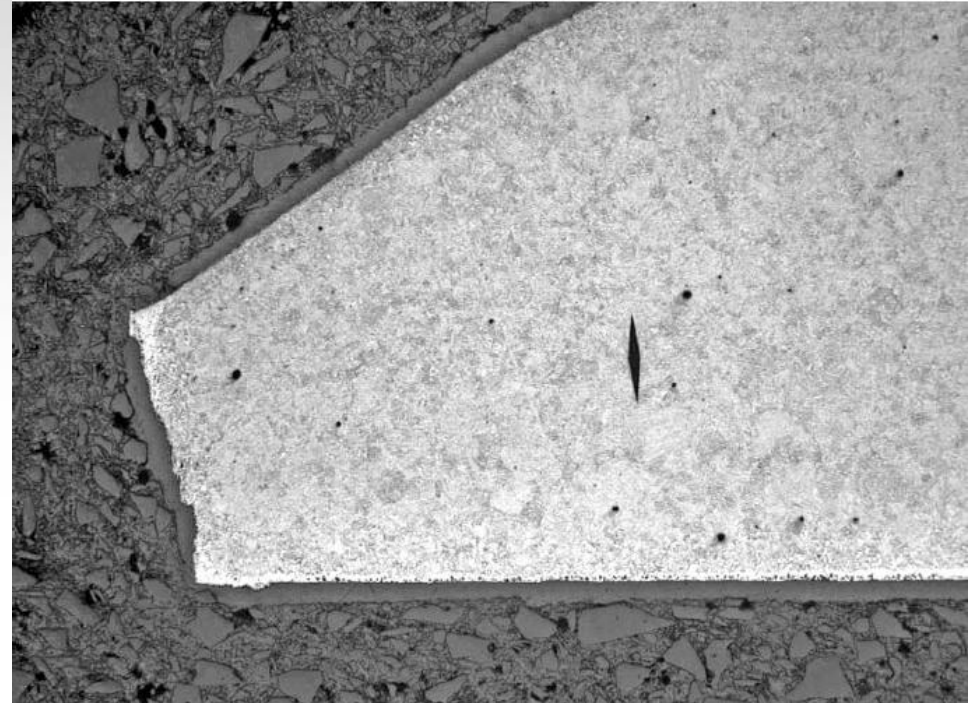
- Carbon content is .26 % vs Toro spec of .38% on both competitor A and B
 - Potential heat treatment issues leading to brittleness
- Surface decarburization is higher than spec on both competitor A and B
 - Surface of the steel is soft due to lack of carbon
 - Can cause early wear, rolling or breaking of the cutting edge
- Highly variable response to etching between competitor A and B
 - Metallurgical properties are not consistent

Metallurgical Review



Cutting tip of the Competitor A blade possibly caused by the decarburization (white surfaces).

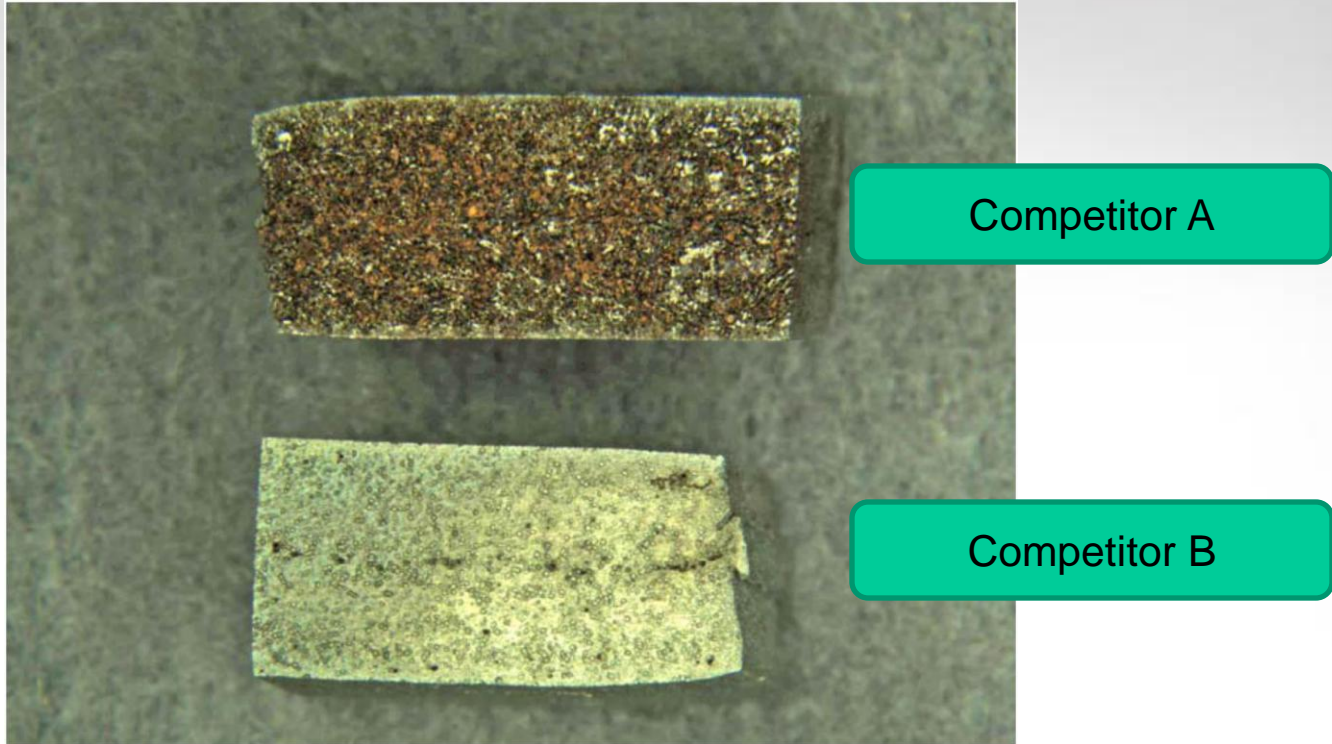
Magnification 100X



Cutting tip of the Competitor B blade possibly caused by the decarburization (white surfaces).

Magnification 100X

Metallurgical Review



End view of grain direction specimens etched in a 50% solution of hydrochloric acid at 160 degrees F for 30 minutes. Chemical attack to the Competitor A specimen may indicate it to be more brittle.

Quality of Cut – Recycling

- Toro 108-3672-03 VS Competitor A
- Toro 108-9764-03 VS Competitor A
 - Blade geometry not to specification on replacement blades
 - Toro has patent protection on this “Venetian Blind” Recycler blade style
 - Bagging only style sail not expected to do well in Recycling mode
 - Both tested side by side in various heights in Recycling and bagging
 - Grass height 6 inches , cut height 3.5 inches

*Competitor B not tested but inspection measurements were very close and results would be expected to be similar

Quality of Cut – Recycling



Clean flat cut across width of mower
Very few stragglers



Competitor A Stragglers in
Cut Path



Quality of Cut – Recycling



Toro blade minor dribbling of grass along wheel tracks

Competitor A significant dribbling of clippings in wheel tracks

TORO.

Quality of Cut – Recycling, First Direction



Toro overall view from first direction



Competitor A overall view from first direction

Quality of Cut – Recycling, Second Direction



Toro overall view from opposite direction



Competitor A overall view from opposite direction, significant grass accumulated in wheel tracks

Quality of Cut – Bagging, Toro



100% Bag fill

No loss of bagging performance with Recycling blade



Quality of Cut – Bagging, Competitor A



100% Bag fill

To be expected with a bagging only style sail

*Competitor B not tested but inspection measurements were very close and results would be expected to be similar

Sound Power Testing

- Noise test VS Toro 108-9764-03
 - Competitor A blade sound power 1dB higher than Toro. This eliminates the “K-factor” margin of error and would likely cause the machine to fail the limits on noise emissions.
- *Competitor B not tested but inspection measurements were very close and results would be expected to be similar

Conclusion

- Competitor blades do not meet dimensional specifications
- Competitor blades do not meet Metallurgical requirements
- Competitor blades do not provide good quality of cut
- What else could possibly go wrong?
 - Unhappy customers
 - Damage Toro reputation

New Parts Brochures coming soon!



Keep Your Equipment Running Longer with Toro Genuine Parts.



Walk Power Mower Maintenance Kit

Everything you need to keep your Toro mower running like new each spring season. Includes 20 oz 4-cycle engine oil, spark plug, air filter and fuel stabilizer. Available for Toro Recycler® and Super Recycler® mowers with Tecumseh®, Briggs & Stratton®, and Toro engines.



Toro Full Synthetic Oil

Offers the ultimate in protection and versatility in all OPE engines. Perfect for ZTR engine configurations. New breakthrough formula meets SAE specifications for engines requiring 10W-30 or SAE 30. Compatible with liquid cooled, air cooled, gasoline and diesel engines.



Toro Flat-Free Tires

Semi-pneumatic "flat-free" castor tires help landscapers avoid the huge drain on productivity that results from flat tires. Engineered to deliver the durability of solid tires with the soft, cushioned ride of air-filled tires.



Toro T-150 Spray

Keeps tools and equipment working like new! Use it on snowthrower blades and chutes, garden tools, car wheel wells, lawn mower decks and other metal surfaces that need protection from grass, dirt, ice and snow.



Genuine Toro Blades

Using sharp, genuine Toro mower blades will help produce a crisp, quality of cut and contribute to the ongoing vitality of your lawn—every time you mow.



TORO WALK POWER MOWER LAWN STRIPING SYSTEM



Pattern Your Lawn Like the Pros!
Add professional stripes while you mow.



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Scan this image with a QR Reader app to see the Toro Lawn Stripper in action! www.toro.com/lawnstriping

TORO WALK POWER MOWER LAWN STRIPING SYSTEM

MVP BLADE & BELT PACKS

MVP Blade & Belt Packs are available for most Toro® Z Master® zero turn riders. We include the most frequently replaced parts in Toro MVP Blade & Belt Packs to maximize your productivity and minimize your downtime. By keeping a ready supply of maintenance parts on hand, you'll always be ready to mow.

Toro MVP Packs include:

- ONE HYDRAULIC OIL FILTER
- ONE DECK DRIVE BELT & ONE TRACTION OR PUMP DRIVE BELT
- THREE STANDARD BLADES

Regular Maintenance LEADS TO LONGER MACHINE LIFE

Include maintenance essentials here for blades, filters and belts! Maintain your machines with Toro Genuine Parts. Save money when you buy in bulk, and optimize performance when you use essential OEM parts.

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MVP Packs

MAINTENANCE VALUE PERFORMANCE

Maintain your machines with Toro Genuine Parts, save money when you buy in bulk, and optimize performance when you use essential OEM parts.





Selling Toro Oil

Jon Oiseth and Adam Sylvester- Lubetech

2012 National Sales Meeting

Top 3 things to know about Toro oil!

1. All oils are Toro engineering approved for Toro products.
2. Toro has introduced “new” Industry leading products!
3. Toro has the sales tools you need to increase oil sales!

TORO. Count on it.

SAE 30 4-CYCLE ENGINE OIL

This isn't your average SAE 30 engine oil...

Part #38916
Case of 24/20 U.S. FL.OZ

- Toro engineering tested and approved
- Oil meets or exceeds performance requirements of all OEM products (Toro, Briggs & Stratton, Kohler, Honda & Tecumseh)
- Use of Toro SAE 30 lawn mower oil minimizes molecular shearing for extended life in hot-air cooled applications vs. multi-grades (e.g. 10W-30).
- Reduces oil consumption vs. multi-grades

2-CYCLE ENGINE OIL

All New Low Smoke Ultra Clean Burning Formula!

Part # 38901
Case of 48/2.6 U.S. FL.OZ.
Part #38902
Case of 48/5.2 U.S. FL.OZ.

NEW FORMULA

- New additive technology provides the best possible engine protection with easy starting
- Includes Ethanol compatible fuel stabilizers for easy starting and extended fuel storage for 6-12 months.
- Fuel stabilizers help minimize the negative effects of corrosion caused by ethanol blended gasoline
- Increased lubricity for better engine protection

5W-30 WINTER ENGINE OIL

Ready to get you started this winter!

Part # 38907
Case of 24/12 U.S. FL.OZ.
Part #38908
Case of 24/20 U.S. FL.OZ.
Part #38910
Case of 12/32 U.S. FL.OZ.

Specially formulated for cold weather starting.

- Optimized for easy starting in cold weather!
- Developed and tested with Toro engineering to maximize protection in all weather conditions
- Wider viscosity range vs. competing SAE 30 and 10W-30 products (easier starting)

FULL SYNTHETIC

All New Flagship Synthetic Oil Offers the Ultimate Protection & Versatility for all 4-Cycle OPE Engines.

Part # 117-0066
Case of 12
1 U.S. QT / 32 FL.OZ.

ALL NEW

- Optimized for all Zero Turn Riding Mower Engine Configurations (TimeCutter*SS, TimeCutter*MX, Titan*, and Titan*MX)
- Developed with Toro engineering to meet the standards for all air cooled, liquid cooled and diesel engines
- Meets SAE specifications for 10W-30 and SAE 30 engines including Kohler, Kawasaki, Tecumseh, Briggs and Stratton and Toro engines.
- 100% more shear stable than competing 10W-30 products (longer life)

www.toro.com

4-cycle Engine Oil Basics

Base oil: 3 main types, (80% of the formula)

Synthetic: **Best** in every way

Semi-Synthetic: **Better** if from an OEM or trusted brand

Mineral: **Good** but quality can vary depending on the base oil used

Product description and application:

Viscosity Grade:

The smaller the number the thinner the oil.

Thinner starts easier thicker offers better protection

10W = the first number is the cold (winter) viscosity

30 = the second number is the hot temp viscosity

API Rating:

Rating by the American Petroleum Institute

SM is newer than SJ which is newer than SG etc

Newer is not always better due to new automotive MPG standards. Toro has chosen the best rating

Full Synthetic

4-Cycle Engine Oil

10W-30



1 U.S. Quart

API SJ

1. All oils are Toro engineering approved for Toro products.

- Keep it simple, use the oil engineered for your product
- All oils are not the same (different formulas and QC standards)
- These formulas are much different than automotive oils
- These formulas are higher quality vs. aftermarket or generic oils



VS.



VS.



Toro SAE 30

Automotive 10W-30

Generic SAE 30

- Resists Molecular Shearing
- Heat Resistant
- Reduced oil consumption

- Wrong application
- Oil will break down
- Oil will burn easier

- Can use line flush base oil
- Can use low grade additives
- Not engineering approved

SAE 30 Lawn Mower Oil

Trusted protection for hot applications:

- Toro engineering tested and approved
- Oil meets or exceeds performance requirements of all OEM products
- Use of Toro SAE 30 lawn mower oil minimizes shearing for extended life in hot-air-cooled applications vs. multi-grades (i.e. 10W-30).
- Reduces oil consumption vs. multi-grades
- Uses only premium base stocks and additive packages, generic aftermarket 30-weight can use mixed feed off spec raw materials without disclosure



TORO.

All New “Super Synthetic”

Multi Viscosity Full Synthetic:

- Designed for ALL 4-cycle OPE engines, air cooled, liquid cooled, and diesel.
- Meets the standards for 10W-30 and SAE 30
- 100% more shear stable vs. 10W-30 (longer life)
- 30% wider VI range vs. SAE 30 (easier starting)
- Synthetic base stocks significantly reduce oil consumption
- Increased oxidative stability (reduced sludge and longer life)
- Inherently Biodegradable
- Perfect for all ZTRs,
- ***A true flagship oil!***

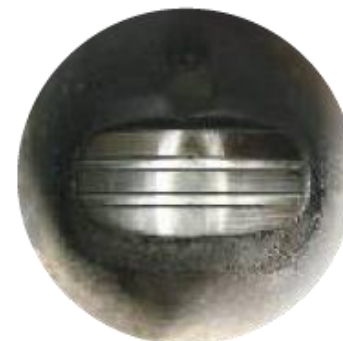


TORO.

“All New” Ultra Clean 2-Cycle

New Formula ultra clean 2-Cycle:

- New technology keeps rings ultra clean
- Includes ethanol compatible fuel stabilizers
- Keeps fuel fresh 6-12 months
- Easy starting and excellent protection
- One of the best formulas on the market
- Low smoke, low smell, low carbon
- Exceeds JASO FD specs for all 2-cycle products (Chain saws, weed whips, snow throwers etc.)



Toro 2-cycle



Other Brands

5W-30 Snowthrower oil

Easy starting in cold weather!

- Toro engineering to maximize protection in all weather conditions
- Wider viscosity range vs. SAE 30 and 10W-30 products (easier starting)
- Formulated with high quality base oils
- Protects against thermal break down



TORO.

Oil Change Kits

- Everything you need in one package
- A top selling sku
- Includes oil, air filter, spark plug and fuel stabilizer
- Kits are designed to be engine specific (Briggs, Tecumseh etc.)



TORO

3. Toro has the sales tools you need to increase oil sales!

Oil is now available on the PWP program:

- Makes ordering easy and free shipping is available!
- Use oil to help dealers meet their target or bump up to the next level
- Add oil to every order it always sells and crude is always increasing

Sales Tools under development:

- Every dealer is buying oil we want to them to buy it from you!
- Single page dealer sell sheet and counter mat
- Individual sell sheets for each product



The TORO logo is a red rounded square with the word "TORO" in white, bold, serif capital letters. A registered trademark symbol (®) is located at the bottom right of the word.

Questions?

A close-up photograph of green grass, slightly out of focus, filling the bottom half of the slide.

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