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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the Quarter Ended FEBRUARY 3, 1995 Commission File Number 1-8649

THE TORO COMPANY
(Exact name of registrant as specified in its charter)

DELAWARE
(State of Incorporation)

41-0580470
(I.R.S. Employer Identification Number)

8111 LYNDAL AVENUE SOUTH
BLOOMINGTON, MINNESOTA 55420
TELEPHONE NUMBER: (612) 888-8801

(Address, including zip code, and telephone number, including area code, of
registrant's principal executive offices)

Indicate by check mark whether the registrant (1) has filed all reports required
to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during
the preceding 12 months (or for such shorter period that the registrant was
required to file such reports), and (2) has been subject to such filing
requirements for the past 90 days.

Yes X No
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The number of shares of Common Stock outstanding as of February 3, 1995 was
12,770,584.

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THE TORO COMPANY
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PART I. FINANCIAL INFORMATION

THE TORO COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS (UNAUDITED)
(DOLLARS IN THOUSANDS, EXCEPT PER-SHARE DATA)

	Three Months Ended		Six Months Ended	
	February 3, 1995	January 28, 1994	February 3, 1995	January 28, 1994
Net sales.	\$ 213,950	\$ 189,413	\$ 419,654	\$ 325,174
Cost of sales.	137,882	122,826	267,521	209,552
Gross profit.	76,068	66,587	152,133	115,622
Selling, general and administrative expense	63,994	56,805	126,295	108,801
Earnings from operations.	12,074	9,782	25,838	6,821
Interest expense	2,595	3,210	5,075	6,548
Other income, net.	(1,852)	(889)	(4,405)	(4,030)
Earnings before income taxes.	11,331	7,461	25,168	4,303
Provision for income taxes	4,532	2,984	10,067	1,721
Net earnings.	\$ 6,799	\$ 4,477	\$ 15,101	\$ 2,582
Retained earnings at beginning of period	116,482	90,078	109,688	93,451
Dividends on common stock of \$0.12, \$0.12, \$0.24 and \$0.24 per share, respectively	(1,530)	(1,492)	(3,038)	(2,970)
Retained earnings at end of period	\$ 121,751	\$ 93,063	\$ 121,751	\$ 93,063
Net earnings per share of common stock and common stock equivalent	\$ 0.51	\$ 0.35	\$ 1.15	\$ 0.20

See accompanying notes to condensed consolidated financial statements.

THE TORO COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(DOLLARS IN THOUSANDS)

	February 3, 1995	January 28, 1994	July 31, 1994
	-----	-----	-----
ASSETS			

Cash and cash equivalents	\$ 9,198	\$ 9,141	\$ 36,231
Receivables (net)	221,924	215,663	183,683
Inventories	165,053	128,477	118,764
Prepaid expenses	31,216	24,014	25,817
	-----	-----	-----
Total current assets	427,391	377,295	364,495
	-----	-----	-----
Property, plant and equipment	196,816	177,339	185,478
Less accumulated depreciation and amortization . . .	133,752	120,643	126,635
	-----	-----	-----
	\$63,064	\$56,696	\$58,843
	-----	-----	-----
Other assets	19,150	17,941	20,301
	-----	-----	-----
Total assets	\$ 509,605	\$ 451,932	\$ 443,639
	=====	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY			

Current portion of long-term debt	\$ 16,055	\$ 35,645	\$ 20,300
Short-term debt	55,854	25,361	-
Accounts payable	41,957	36,066	37,035
Other accrued liabilities	140,147	119,883	131,377
	-----	-----	-----
Total current liabilities	254,013	216,955	188,712
	-----	-----	-----
Deferred income taxes	-	758	-
Long-term debt, less current portion	65,384	87,325	81,025
Deferred income	5,250	-	5,250
	-----	-----	-----
Common stockholders' equity:			
Common stock par value \$1.00, authorized 35,000,000 shares; issued and outstanding 12,770,584 shares at February 3, 1995 (net of 4,467 treasury shares), 12,466,881 shares at January 28, 1994 (net of 110,992 treasury shares), and 12,561,204 shares at July 31, 1994 (net of 76,153 treasury shares)	12,771	12,467	12,561
Additional paid-in capital	53,063	47,374	49,420
Retained earnings	121,751	93,063	109,688
Foreign currency translation adjustment	(15)	(787)	(405)
	-----	-----	-----
Total common stockholders' equity	187,570	152,117	171,264
Receivable from ESOP	(2,612)	(5,223)	(2,612)
	-----	-----	-----
Total common stockholders' equity	184,958	146,894	168,652
	-----	-----	-----
Total liabilities and common stockholders' equity .	\$ 509,605	\$ 451,932	\$ 443,639
	=====	=====	=====

See accompanying notes to condensed consolidated financial statements.

THE TORO COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(DOLLARS IN THOUSANDS)

	Six Months Ended	
	February 3, 1995	January 28, 1994
Cash flows from operating activities:		
Net earnings	\$ 15,101	\$ 2,582
Adjustments to reconcile net earnings to net cash used in operating activities:		
Provision for depreciation and amortization	8,400	8,543
Loss on disposal of property, plant and equipment	(127)	-
Deferred income taxes	(297)	(614)
Changes in operating assets and liabilities:		
Receivables (net)	(44,168)	(41,890)
Inventories	(46,289)	(49,769)
Prepaid expenses	(5,399)	(748)
Accounts payable and accrued expenses	18,813	21,074
Accrued income taxes	(5,121)	(385)
Net cash used in operating activities	(59,087)	(61,207)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(12,115)	(4,174)
Proceeds from asset disposals	269	15
(Increase) decrease in other assets	800	(3,948)
Net cash used in investing activities	(11,046)	(8,107)
Cash flows from financing activities:		
Increase in short-term debt	55,854	25,361
Increase in sale of receivables	5,927	6,590
Repayments of long-term debt	(19,886)	(15,000)
Proceeds from sale of common stock	5,134	3,587
Purchases of common stock	(1,281)	(914)
Dividends on common stock	(3,038)	(2,970)
Net cash provided by financing activities	42,710	16,654
Foreign currency translation adjustment	390	8
Net decrease in cash and cash equivalents	(27,033)	(52,652)
Cash and cash equivalents at beginning of period	36,231	61,793
Cash and cash equivalents at end of period	\$ 9,198	\$ 9,141

See accompanying notes to condensed consolidated financial statements.

THE TORO COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FEBRUARY 3, 1995

1. BACKGROUND

The information furnished reflects all adjustments which, in the opinion of management, are necessary for a fair presentation of the interim periods. The Toro Company's business is seasonal. Operating results for the three months and six months ended February 3, 1995 are not necessarily indicative of the results that may be expected for the year ending July 31, 1995.

These statements should be read in conjunction with the financial statements and footnotes included in the Company's Annual Report for the year ended July 31, 1994. The policies described in that report are used in preparing quarterly reports.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES

Total assets for the Company as of February 3, 1995 were \$509.6 million, an increase of \$57.7 million, or 12.8%, from the \$451.9 million reported at the end of the second quarter last year. The increase resulted primarily from increases in inventory and trade receivables. Inventory increased as a result of increased production of riding products to meet anticipated demand and a reduction in walk power mower shipments in response to excess retail inventory levels. In addition, a joint venture with a distributor and the acquisition of recycling equipment products that were added subsequent to the second quarter of 1994 resulted in new inventories on hand in the current year which were not on hand in the prior year. The increase in trade receivables reflected an increase in dealer receivables financed by the Company as well as an overall increase in sales volume.

Total debt as of February 3, 1995 was \$137.3 million, or \$11.0 million less than the \$148.3 million reported at the end of the second quarter last year. The ratio of total debt to total debt plus equity of 42.6% has improved from the 50.2% reported as of January 28, 1994. The lower debt ratio resulted from the reduced debt levels combined with an increase in equity as a result of earnings in the past two years.

The Company's business is seasonal. Historically, accounts receivable balances increase throughout the winter months as a result of extended payment terms made available to customers and decrease in the late spring when payments become due. Peak borrowing usually occurs in the third quarter. The seasonal working capital requirements of the business are financed primarily with short-term debt. Management believes that the combination of funds available through existing financing options, coupled with forecasted cash flows, will provide the capital resources necessary to meet the Company's working capital requirements.

RESULTS OF OPERATIONS

The following table sets forth sales by product line:

(Dollars in thousands)	Three Months Ended			
	February 3, 1995	January 28, 1994	\$ Change	% Change
Consumer products.	\$ 111,979	\$ 97,250	\$ 14,729	15.1%
Commercial products.	73,842	66,472	7,370	11.1
Irrigation products.	28,129	25,691	2,438	9.5
Total *.	\$ 213,950	\$ 189,413	\$ 24,537	13.0%
* Includes International sales of: .	\$ 34,782	\$ 30,529	\$ 4,253	13.9%

(Dollars in thousands)	Six Months Ended			
	February 3, 1995	January 28, 1994	\$ Change	% Change
Consumer products.	\$ 238,735	\$ 172,290	\$ 66,445	38.6%
Commercial products.	122,498	107,375	15,123	14.1
Irrigation products.	58,421	45,509	12,912	28.4
Total *.	\$ 419,654	\$ 325,174	\$ 94,480	29.1%
* Includes International sales of: .	\$ 58,522	\$ 43,627	\$ 14,895	34.1%

Changes in net sales for the second quarter and year to date were attributed to the following factors. Consumer product sales reflected exceptional sales of snow removal equipment as well as increased demand and improved availability of riding products. Walk power mower sales declined as a result of reduced shipments in response to excess retail inventory. The increase in commercial product sales reflected continued strength in the golf and tax-supported markets as well as the addition of recycling equipment products in 1995. Irrigation product sales reflected continued growth in the golf market as well as the positive impact of a distribution change implemented by the Company in the prior year. International product sales increased because of rebounding economies in Europe and the Pacific Rim which resulted in increased golf course irrigation equipment sales as well as increased sales of riding products. In addition, the change to dealer direct distribution in Canada resulted in increased sales of walk power mowers.

Gross profit of \$76.1 million was \$9.5 million (14.3%) higher than the \$66.6 million reported for the second quarter of 1994. As a percent of sales, gross profit increased to 35.6% for the second quarter of 1995 compared to 35.2% for the second quarter last year. Year to date gross profit was \$152.1 million, \$36.5 million (31.6%) higher than the \$115.6 million reported last year. The dollar increase was attributed to increased sales volume and a favorable product mix which was offset partially by an increase in the cost of certain raw materials such as aluminum ingot and raw steel.

Selling, general and administrative (S G & A) expenses increased \$7.2 million, or 12.7%, to \$64.0 million from the \$56.8 million for the second quarter last year. Year to date S G & A of \$126.3 million increased \$17.5 million from the \$108.8 million reported a year ago. As a percent of sales, year to date S G & A decreased to 30.1% compared to 33.5% for the prior year. The dollar increases occurred principally as a result of increased marketing expenditures, increased research and development and increased administrative expense for distribution enhancement and support, information system advancements, various employee incentive programs as well as the addition of a joint venture with a distributor.

Interest expense of \$2.6 million for the quarter was \$0.6 million, or 18.8%, less than the \$3.2 million the same period last year. Year to date interest expense decreased \$1.4 million to \$5.1 million from the \$6.5 million reported a year ago. These decreases were principally because of the reduction in long-term debt.

Other income, net increased \$1.0 million to \$1.9 million from \$0.9 million from the second quarter last year. The increase resulted primarily from increased finance revenues from the Company's wholly-owned finance subsidiary which implemented a new dealer financing business initiative during the year. This was offset slightly by foreign currency exchange losses. Year to date other income, net of \$4.4 million was \$0.4 million higher than the \$4.0 million reported a year ago. 1994 other income, net included a one-time lawsuit settlement of \$1.85 million related to the purchase of Lawn-Boy. Excluding the effect of the \$1.85 million lawsuit settlement, 1995 other income, net would have increased \$2.3 million because of increased finance revenue, foreign currency exchange gains and gains resulting from joint venture activity.

PART II. OTHER INFORMATION

Item 4 Results of Votes of Security Holders

The Annual Meeting of Stockholders was held on December 15, 1994 involving election of directors, adoption of the CEO Succession Incentive Plan and the appointment of auditors.

The results of the stockholder votes were as follows: on the election of directors, 10,318,065 were voted for election and some of the proxies were cast against the two directors, but not more than 3.7% of the shares represented in person or by proxy at the meeting; on the CEO Succession Incentive Plan 7,440,358 shares were voted for, 3,001,434 shares were voted against and 186,542 shares abstained; and on the appointment of the independent auditors 10,463,399 shares were voted for, 75,240 shares were voted against and 89,695 shares abstained.

Item 6 Exhibits and Reports on Form 8-K

- (a) Exhibit 11 Computation of Earnings per Common Share
- (b) Reports on Form 8-K

The Company did not file any Form 8-K reports during the second quarter of 1995.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE TORO COMPANY
(Registrant)

By /s/ Gerald T. Knight

Gerald T. Knight
Vice President, Finance
Chief Financial Officer
(principal financial officer)

Date: March 17, 1995

THE TORO COMPANY AND SUBSIDIARIES
 COMPUTATION OF EARNINGS PER COMMON SHARE (UNAUDITED)
 (DOLLARS IN THOUSANDS, EXCEPT PER-SHARE DATA)

	Three Months Ended		Six Months Ended	
	February 3, 1995	January 28, 1994	February 3, 1995	January 28, 1994
Net earnings	\$ 6,799	\$ 4,477	\$ 15,101	\$ 2,582
Primary:				
Shares of common stock and common stock equivalents: Weighted average number of common shares outstanding	12,748,891	12,414,115	12,670,796	12,368,710
Dilutive effect of outstanding stock options (1)	505,812	551,840	481,057	539,633
	13,254,703	12,965,955	13,151,853	12,908,343
Net earnings per share of common stock and common stock equivalent	\$ 0.51	\$ 0.35	\$ 1.15	\$ 0.20
Fully Diluted:				
Shares of common stock and common stock equivalents: Weighted average number of common shares outstanding	12,748,891	12,414,115	12,670,796	12,368,710
Dilutive effect of outstanding stock options (2)	519,207	565,762	542,683	585,798
	13,268,098	12,979,877	13,213,479	12,954,508
Net earnings per share of common stock and common stock equivalent	\$ 0.51	\$ 0.35	\$ 1.14	\$ 0.20

1) Outstanding stock options and options exercised in the current period are converted to common stock equivalents by the treasury stock method using the average market price of the company's stock during each period.

2) Outstanding stock options and options exercised in the current period are converted to common stock equivalents by the treasury stock method using the greater of the average market price or the period-end market price of the company's stock during each period.

This schedule contains year-to-date information extracted from the 10-Q, second quarter filing, Condensed Consolidated Statement of Operations and Retained Earnings, Condensed Consolidated Balance Sheet and Exhibit 11.

1,000

6-MOS	JUL-31-1994	AUG-01-1994	FEB-03-1995
			9,198
			0
		221,924	0
			165,053
	427,391		196,816
		133,752	
	254,013	509,605	
			81,439
			12,771
	0		0
		172,187	
509,605			419,654
		419,654	
			267,521
		126,295	
		(4,405)	
		0	
	5,075		
		25,168	
			10,067
	15,101		
		0	
		0	
			0
		15,101	
		1.15	
		1.14	

Total net receivables
 Not included in quarterly financial information
 Total debt
 Does not include additional paid-in-capital
 Other income, net