
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

October 14, 2004

The Toro Company

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

1-8649

(Commission
File Number)

41-0580470

(I.R.S. Employer
Identification No.)

8111 Lyndale Avenue South, Bloomington, Minnesota

(Address of principal executive offices)

55420

(Zip Code)

Registrant's telephone number, including area code:

952-888-8801

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

On October 14, 2004, The Toro Company ("Toro") offered Michael J. Hoffman, Toro's Group Vice President, pursuant to the terms of an offer letter (the "Offer Letter"), a new officer position as President and Chief Operating Officer of Toro, effective as of October 18, 2004, with the expectation that Mr. Hoffman would transition to the position of Chief Executive Officer of Toro sometime in 2005. Mr. Hoffman accepted the new position on October 15, 2004.

Pursuant to the terms of the Offer Letter, Mr. Hoffman's fiscal 2005 base compensation, annual incentive payout target and any other compensation will be determined by Toro's Board of Directors, or a committee thereof, in December 2004.

The description of the Offer Letter set forth above is qualified in its entirety by the Offer Letter filed as Exhibit 10.39 to this Current Report on Form 8-K and is hereby incorporated herein by this reference.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

On October 14, 2004, the Board of Directors of Toro appointed Michael J. Hoffman, as Toro's President and Chief Operating Officer, effective as of October 18, 2004, with the expectation that Mr. Hoffman would transition to the position of Chief Executive Officer sometime in 2005. Mr. Hoffman accepted the new position on October 15, 2004.

Mr. Hoffman has held various positions with Toro. Prior to his promotion to President and Chief Operating Officer, Mr. Hoffman held the position of Group Vice President, responsible for the Consumer, Exmark, Landscape Contractor and International Businesses, a position he had served since November 2002. From May 2001 to October 2002, he served as Group Vice President, Consumer and Landscape Contractor Businesses. From May 2000 to May 2001, he served as Vice President and General Manager, Consumer Business. From November 1997 to April 2000, he served as Vice President and General Manager, Commercial Business. Mr. Hoffman is 49 years old.

As discussed in more detail above under the heading "Section 1 – Registrant's Business and Operations – Item 1.01 Entry into a Material Definitive Agreement," Toro offered Mr. Hoffman the new officer position, effective as of October 18, 2004, pursuant to the terms of the Offer Letter. Pursuant to the terms of the Offer Letter, Mr. Hoffman's fiscal 2005 base compensation, annual incentive payout target and any other compensation will be determined by Toro's Board of Directors, or a committee thereof, in December 2004. There are no other arrangements or understandings between Mr. Hoffman and any other person pursuant to which Mr. Hoffman was selected as an officer. Officers of Toro are generally elected by Toro's Board of Directors annually. Mr. Hoffman will serve in his new position until his successor is elected by Toro's Board of Directors. There are no family relationships between Mr. Hoffman and any director or executive officer of Toro.

Like other executive officers of Toro, Mr. Hoffman is party to a change in control agreement with Toro, which was adopted in fiscal 1995 and amended in fiscal 1998, and applies only upon the occurrence of a "change in control" of Toro. Generally, and subject to certain exceptions, a change in control is deemed to have occurred if: (1) a majority of Toro's Board of Directors becomes comprised of persons other than persons for whose election proxies have been solicited by the Board, or who are then serving as directors appointed by the Board to fill vacancies caused by death or resignation (but not removal) of a director or to fill newly created directorships; (2) another party becomes the beneficial owner of at least 15% of Toro's outstanding voting stock; or (3) Toro's stockholders approve a definitive agreement or plan to merge or consolidate Toro with another party (other than certain limited types of mergers), to exchange shares of voting stock of Toro for shares of another corporation pursuant to a statutory exchange, to sell or otherwise dispose of all or substantially all of Toro's assets, or to liquidate or dissolve Toro.

Mr. Hoffman's change in control employment agreement with Toro provides that for three years after a change in control, there will be no adverse change in Mr. Hoffman's salary, bonus opportunity, benefits or location of employment. If during this three year period, Mr. Hoffman's employment is terminated by Toro other than for cause, or if he terminates his employment for good reason (as defined in the change in control agreement, and including compensation reductions, demotions, relocation and excess travel), or voluntarily during the 30 day period following the first anniversary of the change in control, Mr. Hoffman is entitled to receive all accrued salary and annual incentive payments through the date of termination and, except in the event of death or disability, a lump sum severance payment equal to three times the sum of his base salary and annual bonus (and certain insurance and other welfare plan benefits). Further, in the event an excise tax is imposed on the payment under the change in control agreement, an additional payment ("gross-up") is required in an amount such that after the payment of all taxes, both income and excise, Mr. Hoffman will be in the same after-tax position as if no excise tax under the Internal Revenue Code had been imposed. Toro has established a trust for the benefit of Mr. Hoffman, and the other officers of Toro who have a change in control agreement, which, in the event of a change of control, must be funded in an amount equal to Toro's accrued liability related to the change in control agreements.

Mr. Hoffman is not a party to any other employment agreement with Toro. Absent a change in control of Toro, neither the change in control agreement nor any other agreement requires Toro to retain Mr. Hoffman as an officer or employee for a certain period of time or to pay him any specified level of compensation or benefits.

Item 9.01. Financial Statements and Exhibits.

(c)Exhibit. The following exhibits are filed herewith:

Exhibit No. Description

10.39 Offer Letter dated October 14, 2004 between The Toro Company and Michael J. Hoffman

99.1 Press Release issued by The Toro Company on October 18, 2004 announcing the appointment of Michael J. Hoffman as President and Chief Operating

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 hereunto duly authorized.

The Toro Company

October 18, 2004

By: *J. Lawrence McIntyre*

Name: J. Lawrence McIntyre

Title: Vice President, Secretary and General Counsel

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
10.39	Offer Letter dated October 14, 2004 between The Toro Company and Michael J. Hoffman
99.1	Press Release issued by The Toro Company on October 18, 2004 announcing the appointment of Michael J. Hoffman as President and Chief Operating Officer

October 14, 2004

Michael J. Hoffman

Dear Mike:

It is with great pleasure that I am able to offer you the position of President & Chief Operating Officer of The Toro Company.

On October 14, 2004, The Toro Board of Directors elected you into this position with the expectation that sometime during F'05 you will replace me as Chief Executive Officer.

The following confirms the terms and conditions of this offer:

Title: President & Chief Operating Officer (COO)

Effective Date: October 18, 2004

Board Status: In your role as COO you will not be a member of The Toro Board of Directors, but you will work closely with me on all Board matters and will attend all Board meetings. It is expected that you will become a Board Member at the time you are elected Chief Executive Officer.

Salary Grade: Your new salary grade level will be S.G. 26.

Base Compensation: Your Base Compensation effective November 1, 2004 will be approved at the December 2, 2004, Board Meeting.

Annual Incentive Plan: Your F'05 Annual Incentive Payout Target will be approved at the December 2, 2004, Board Meeting.

Long Term Incentive: Your F'05 Long-term payout target will be presented at the December Board meeting and will be valued to reflect your new responsibilities. As in the past your long-term incentive will be a combination of stock options and performance shares and the shares will be granted on December 2, 2004.

Perquisite: Will remain at the current level.

On behalf of The Toro Board of Directors and myself, I want to congratulate you on this achievement and let you know that we have total confidence in your ability to lead this company through the next phase of its success. If you accept this position I look forward to working with you as Toro's COO and President, to ensure a successful transition during F'05.

Again, congratulations, and I look forward to your acceptance of this offer.

Sincerely,

/s/Ken Melrose

Kendrick B. Melrose
Chairman and CEO
The Toro Company

I consent to being named President and Chief Operating Officer of The Toro Company.

10/15/04
Date:

/s/ Michael J. Hoffman
Signature:

The Toro Company

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Exhibit No. 99.1

THE TORO COMPANY NAMES MICHAEL J. HOFFMAN PRESIDENT AND CHIEF OPERATING OFFICER

KENDRICK B. MELROSE TO CONTINUE AS CEO AND CHAIRMAN

BLOOMINGTON, Minn. (October 18, 2004) – The Toro Company (NYSE: TTC) today announced the election of Michael J. Hoffman, 49, to the position of President and Chief Operating Officer. Hoffman is a 27-year veteran with the company and most recently had been Group Vice President of the consumer, landscape contractor and international businesses representing over 65 percent of the company's revenue. Kendrick B. Melrose will continue in his role as Chief Executive Officer and Chairman.

This appointment is the latest step in a comprehensive succession plan that Toro's Board of Directors has had in place for a number of years and is designed to culminate in the appointment of a new CEO in 2005. As part of this plan, Melrose is expected to step down as CEO sometime in 2005 and assume the role of Executive Chairman for Toro's Board of Directors. "I am delighted that Mike Hoffman has been named COO," said Melrose. "He is uniquely qualified and experienced to lead the Toro businesses with his broad knowledge of the company, our markets, and the industry. I have worked with Mike for over 25 years, and I am confident that he has the vision and leadership to move the company forward, continuing both its strong financial and market performance."

Hoffman joined Toro in 1977 and spent his first 12 years in sales, service, and marketing roles for the commercial and consumer businesses. During the past 10 years at Toro, he has held a number of top executive positions including managing the commercial and consumer businesses. He has also played an instrumental role in developing the strategic direction of the Company's landscape contractor and international businesses. He was appointed group vice president of the Company's consumer, landscape contractor and international businesses in 2002. He holds a bachelor's degree in marketing management from the University of St. Thomas in St. Paul, Minn., and an MBA from the Carlson School of Management at the University of Minnesota.

"It is truly an honor to be named President and COO of The Toro Company," said Hoffman. "I look forward to continuing the legacy of market leadership and financial success which has always been driven by a strong management team and a dedicated and loyal group of employees."

The Toro Company is a leading worldwide provider of outdoor maintenance and beautification products for home, recreation and commercial landscapes.

Safe Harbor

Statements made in this news release, which are forward-looking, are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties. These uncertainties include factors that affect all businesses operating in a global market as well as matters specific to Toro. Particular risks and uncertainties facing the company's overall financial position at the present include the threat of further terrorist acts and war, which may result in contraction of the U.S. and worldwide economies; higher interest rates; slow growth rate in global and domestic economies, resulting in rising unemployment and weakened consumer confidence; our ability to achieve the goals for the "6+8" profit improvement and growth initiative which is intended to improve our revenue growth and after-tax return on sales; the company's ability to implement lean manufacturing; our ability to manage assets, such as reducing inventories and receivables; the company's ability to achieve sales growth and double-digit diluted earnings per share growth in fiscal 2004; unforeseen product quality problems in the development and production of new and existing products; potential issues with moving production between facilities; continued slow growth in the rate of new golf course construction or existing golf course renovations; increased dependence on a major national retailer as a customer for the residential segment; reduced government spending for grounds maintenance equipment due to reduced tax revenue and tighter government budgets; elimination of shelf space for our products at retailers; changes in raw material costs, including higher oil, steel, aluminum and other commodity prices; financial viability of distributors and dealers; governmental restriction on water usage and water availability; market acceptance of existing and new products; and increased and adverse changes in currency exchange rates or raw material commodity prices and the costs we incur in providing price support to international customers and suppliers. In addition to the factors set forth in this paragraph, market, economic, financial, competitive, weather, production and other factors identified in Toro's quarterly and annual reports filed with the Securities and Exchange Commission, could affect the forward-looking statements in this press release. Toro undertakes no obligation to update forward-looking statements made in this release to reflect events or circumstances after the date of this statement.