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**FOR IMMEDIATE RELEASE**

## **TecumsehPower Company Sells Peerless Transmissions Business to Husqvarna Outdoor Products**

### ***Company Restructuring Efforts Continue As Planned***

Grafton, WI (February 5, 2009) – TecumsehPower Company, provider of powertrain solutions to the global outdoor power equipment industry, announced today it has sold the assets of its Peerless transmissions business to Husqvarna Outdoor Products. Financial terms of the transaction were not disclosed.

The Peerless transmissions business, located primarily in Salem, IN, with limited operations in Grafton, WI, designs, manufactures and sells transmissions to outdoor power equipment OEM customers, and aftermarket service parts to OEMs and central warehouse distributors.

The transaction announced today represents the latest in a series of initiatives TecumsehPower's management team is taking in response to significant declines in customer volume in the engine business.

"In response to a very difficult situation we are executing an orderly plan that protects our customers, creates value for our investors and preserves as many jobs as possible," explained TecumsehPower Company President and CEO Rudolf Strobl. "The successful divestiture of the Peerless transmissions business was a critical step in that process and is good news for everyone involved."

In October 2008 TecumsehPower informed its customers that the company would shut down manufacturing operations related to its engine business, a process that was largely completed by the end of 2008. And while engine production lines have stopped, the company has maintained its commitment to existing customers with full support for engine parts and services. Husqvarna is not acquiring any assets or operations of TecumsehPower's engine business.

"We have sought and found solutions that preserve the commitment we made to our customers," said Strobl. "We have kept them informed every step of the way and will continue to evaluate every alternative with their long-term interest in mind."

#### **About TecumsehPower Company**

TecumsehPower Company is a global provider of powertrain solutions for snow throwers, generators, other lawn and garden, industrial and agricultural applications. Manufacturers of leading brands worldwide continue to use our powertrain solutions in their most demanding applications.

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