

HARLEY-DAVIDSON PROFITS DROP 58%; WILL CUT 1,100 JOBS



Milwaukee's Harley-Davidson, the biggest US motorcycle manufacturer, said Q4 profit fell 58%, pushing shares to the lowest level in almost 12 years. The company will cut 1,100 jobs and close three facilities; and it's reducing shipments by 13% to prevent excess inventory. List prices for Harleys range from \$6,999 to \$35,499. Harley is the world's largest seller of cruisers, models for leisure riding that are often equipped with engines 1000cc or larger, chrome exhaust pipes and 1950s styling. Net income declined to \$77.8 million, from \$186.1 million a year earlier, when sales totaled \$1.48 billion. Quarterly profit was the lowest in nine years. About 70 percent of the job cuts will take place this year, with the rest in 2010. The employment reductions equal 11% of Harley's workforce. The company will close two engine and transmission plants near Milwaukee, and move work to a plant in Menomonee Falls, Wisconsin. It will consolidate paint and frame operations at its York, Pennsylvania, assembly plant, close a distribution facility in Franklin, Wisconsin, and stop its domestic transportation fleet operation.

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