



August 24, 2009

Dear Shareholder:

Our financial results for fiscal 2009 might be best distilled down to the phrase “doing more with less.” According to industry trade association figures, demand for walk behind rotary lawn mowers dropped 11%, and sales of front engine riding mowers were off 13%. This represents an unprecedented fifth down year for the lawn and garden power products industry. From the peak in 2004, walk behind mower sales are down 38% and riding mower sales are down 43%. This has obviously represented a daunting challenge to the operational capabilities of a company as vertically integrated as is Briggs & Stratton. But despite the fact that top line revenues for fiscal 2009 were down 3% from fiscal 2008, our company was able to increase net income by 41% to \$32 million. And if you eliminate unusual items from both years, consolidated net income was up by \$33.3 million.

As we look back five years, I’m sure our management team would have believed that a 40% drop in market demand would have eliminated all hope for your company showing a profit. How have we achieved this?

Refinement and execution of our Powerful Solution strategy has been invaluable in meeting the key challenges of the consolidation of power products retailers, the threat of competition from low cost countries, particularly China, and the slings and arrows of a down market. As recounted in previous shareholder letters, this strategy is intended to achieve virtual integration of power products by engaging industry end products producers in a cooperative effort. The strategy was supported by the Powerful Solution incentive compensation plan, a “scorecard” type program that was in place for the past two years, which rewarded achievements relative to various elements of the Powerful Solution strategy. Successful implementation of the Powerful Solution strategy has not only ensured our profitability, but also increased our presence in the category.

It might be helpful to recall the key elements of the Powerful Solution strategy:

- 1) Integration of Engine/End Product – Developing more integrative alliances with our traditional power products customers and related product producers creates powerful synergies with economic benefits in purchasing, product development, operations and market development.
- 2) Low Cost Provider – Combination of U.S. Focused Factories, Eastern Europe and China Facilities to produce lowest cost products of threshold quality for various domestic markets.
- 3) Umbrella Brand (Customer Assurance) – “Briggs & Stratton Power” – one of the most powerful brands across all channels and retailers.
- 4) Trade Brands (Differentiation) – Market focused brands (Simplicity®, Snapper®, Murray®, Brute®, Ferris®) to meet requirement of differentiation for various retail outlets.
- 5) Category Management – Broadest product scope (engines, generators, pressure washers, compressors, snow throwers, tillers, lawn mowers, lawn tractors) and integrated retailer relationships provide the most efficient and highest value power solutions in the category.
- 6) Merchandising Focus – Selling value into a category prone to commodity pressures.
- 7) Returns & Service Support – Integrated solution to most acute mass retail problem.
- 8) Logistics – Superior delivery of the most desired products.

Successful implementation of the Powerful Solution strategy has driven us to achieve the following distinctions in our industry:

- We’re #1 in engines (with record market share in small engines and better than traditional share in large engines).

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- We're #1 in portable generators.
  - We're #1 in pressure washers.
  - We're among the leaders in mowers and snowthrowers.

These achievements position us solidly for superior financial performance in future years. What are some of the developments that helped us get there that were supported by the Powerful Solution strategy?

The acquisitions of Generac, Simplicity, Snapper, Ferris and Murray gave us the foundation, with the brands and operating assets upon which we could build this market position.

Our operations people consolidated plants, cut costs and redesigned processes to give us the most efficient and cost effective manufacturing footprint in the industry; so efficient that most of our domestic competitors in engines, generators and pressure washers closed up shop. Our state-of-the-art small engine plants in the United States can produce a mower engine with little more than one-half hour of labor. This allows us to be competitive on cost with Chinese producers when logistics and other costs are included. While we have successfully defended our market position against Chinese mower engine manufacturers through superior quality and delivery, we remain wary that their pricing practices have, and will continue to, negatively impact our margins.

Moreover, our plant in Chongqing, China produces world-class engines for utility and commercial applications all around the globe. And while our plant in the Czech Republic has faced currency headwinds since its inception, it produces the mower engine preferred by European customers in terms of quality and delivery.

Superb customer integration by our operating groups, sales, engineering and marketing folks is well demonstrated by the development and production of a line of John Deere branded mowers that won the J.D. Power award for the finest mower in the industry.

Moreover, these same disciplines working together in our company have developed truly differentiated power products, which will be introduced in the coming years. In a category prone to marketing commodity products, developing and selling value is the key to success.

We now produce the broadest range of products in the power products category, and possess the best market knowledge in the industry, due to our market position and our substantial investments in market research. We are able to offer our customers true category management capabilities.

Our marketing personnel have fortified the "Briggs & Stratton Power" brand as one of the most powerful brands across all channels and retailers, with their "engines matter", viral marketing and other initiatives. Likewise they have properly positioned our Simplicity, Snapper, Murray, Brute, and Ferris brands with various retailers to maximize differentiation of our trade brands.

And coming in fiscal 2010, with the rationalization of our Jefferson and Watertown plants, will be a very exciting development. We will have the first fully integrated plant in the power products business, when we move generator production into our Auburn plant, which produces the sweet spot generator engines used to support hurricane product.

These are only a few of the initiatives that drove our successful Powerful Solution strategy – there are way too many to mention.

#### My Impending Retirement

Shortly after the end of our fiscal year, our company announced my intention to retire as CEO, effective December 31, 2009. If I am re-elected to the board of directors at the annual shareholder meeting in October, I plan to stay on as Chairman for a year to assist in the transition of senior management.

I am very proud of all our company's achievements in the last several years as mentioned above, and it is my confidence in the future viability of this company that is allowing me to ride off and pursue some other goals in

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my life. I want to thank all of our employees, customers, suppliers, board members, investors, bankers, analysts, and the communities in which we do business for the support you have given to me in my leadership position at Briggs & Stratton over the years. It is a remarkable company with extraordinary stakeholders.

As to the future, I think one of our analysts said it best: "BGG appears to have a normal earnings power that is substantially greater than what is reflected in its recent market valuation.... with diminished competition, a much improved manufacturing footprint, moderated raw materials costs and considerable pent-up demand, it will in my estimation require only a modest improvement in consumer confidence for BGG to post surprisingly strong earnings in the years just ahead."

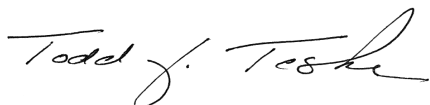
My successor, Todd Teske, is a strong leader and well understands the strategies that will drive our company's future success. And he will lead a senior management team that is, without a doubt, the best in the industry.

#### Outlook for 2010

While we believe we have positioned the company for excellent performance when the market recuperates, we are guarded in our optimism for next year. For fiscal 2010, we project that net income will be in the range of \$40 to \$50 million or \$0.80 to \$1.01 per diluted share. Consolidated net sales are projected to be approximately 4% lower between years, primarily due to an absence of planned for hurricane related sales of portable generators, and selected price reductions to reflect lower commodity costs. Global markets for engines are mixed at this time, but we anticipate that the domestic market could grow slightly, while export markets could be flat to down next spring. Significant weather events, an improvement in the housing picture, or an up tick in consumer confidence would be cause for the expectation of improved performance.



John S. Shiely  
Chairman and Chief Executive Officer



Todd J. Teske  
President and Chief Operating Officer