



EARNINGS RELEASE

BRIGGS & STRATTON CORPORATION • P.O. Box 702 • Milwaukee, Wisconsin 53201

BRIGGS & STRATTON CORPORATION REPORTS RESULTS FOR THE FIRST QUARTER OF FISCAL 2000

MILWAUKEE, October 14/PR Newswire/—Briggs & Stratton Corporation (NYSE:BGG)

Net income for the first quarter increased to \$25.7 million, but this included a \$10.4 million gain from the disposition of all ductile iron foundry operations. Excluding this one-time gain, net income increased to \$15.3 million or \$.66 per share. This was significantly higher than the \$4.4 million or \$.19 per share earned in the first quarter of fiscal 1999. The improvement was largely a result of a 33% sales increase and an increase in engine production. Engine unit shipments increased 36%; the greatest increase was in engines for walk-behind lawn mowers. Customers, particularly European customers, are taking delivery earlier in the fiscal year because of a concern that engines could be in short supply later in the year. Equipment manufacturers and retailers continue to be optimistic, and we continue to believe that the fiscal year will be a good one if weather conditions are normal.

At the end of August we contributed our two ductile iron foundries to Metal Technologies Holding Company, Inc. in exchange for cash and convertible preferred stock. The foundries had sales to outside customers of \$58.3 million in fiscal 1999 and \$9.8 million in the two months before the disposition in fiscal 2000.

F. P. Stratton, Jr.
Chairman and Chief Executive Officer

Consolidated Statements of Earnings

(In Thousands)

	<u>Three Months Ended September</u>	
	<u>1999</u>	<u>1998</u>
NET SALES	\$ 298,933	\$ 223,981
COST OF GOODS SOLD	<u>243,551</u>	<u>186,369</u>
Gross Profit on Sales	55,382	37,612
ENGINEERING, SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>29,640</u>	<u>29,248</u>
Income from Operations	25,742	8,364
INTEREST EXPENSE	(3,127)	(3,410)
GAIN ON DISPOSITION OF FOUNDRY ASSETS	16,545	—
OTHER INCOME, Net	<u>1,633</u>	<u>2,147</u>
Income Before Provision for Income Taxes	40,793	7,101
PROVISION FOR INCOME TAXES	<u>15,090</u>	<u>2,660</u>
Net Income	<u>\$ 25,703</u>	<u>\$ 4,441</u>
Average Shares Outstanding	<u>23,132</u>	<u>23,635</u>
BASIC EARNINGS PER SHARE	<u>\$ 1.11</u>	<u>\$.19</u>
Diluted Average Shares Outstanding	<u>23,281</u>	<u>23,701</u>
DILUTED EARNINGS PER SHARE	<u>\$ 1.10</u>	<u>\$.19</u>

This release contains certain forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. The forward-looking statements are based on the Company's current views and assumptions and involve risks and uncertainties that include, among other things, the effects of weather on the purchasing patterns of the Company's customers and end use purchasers of the Company's engines; the seasonal nature of the Company's business; actions of competitors; changes in laws and regulations, including accounting standards; employee relations; customer demand; prices of purchased raw materials and parts; domestic economic conditions, including housing starts and changes in consumer disposable income; foreign economic conditions, including currency rate fluctuations; the ability of the Company's customers and suppliers to meet year 2000 compliance; and unanticipated internal year 2000 issues. Some or all of the factors are beyond the Company's control.

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets as of the End of September 1999 and 1998

(In Thousands)

CURRENT ASSETS:	1999	1998	CURRENT LIABILITIES:	1999	1998
Cash and Cash Equivalents	\$ 12,970	\$ 7,108	Accounts Payable	\$110,531	\$ 65,966
Accounts Receivable	222,478	149,072	Domestic Notes Payable	43,746	15,653
Inventories	209,498	156,683	Foreign Loans	12,225	15,867
Other	<u>52,720</u>	<u>43,534</u>	Current Maturities on Long-Term Debt	15,000	15,000
Total Current Assets	<u>497,666</u>	<u>356,397</u>	Accrued Liabilities	<u>150,807</u>	<u>113,544</u>
			Total Current Liabilities	<u>332,309</u>	<u>226,030</u>
			OTHER LIABILITIES:		
OTHER ASSETS:			Deferred Revenue on Sale of		
Marketable Securities and			Plant & Equipment	15,773	15,874
Other Investments	43,339	13,522	Accrued Pension Cost	15,456	24,322
Deferred Income Tax Assets	1,534	8,260	Accrued Employee Benefits	13,421	12,700
Capitalized Software	<u>7,156</u>	<u>7,555</u>	Postretirement Health Care		
Total Other Assets	<u>52,029</u>	<u>29,337</u>	Obligation	66,281	70,248
			Long-Term Debt	<u>113,359</u>	<u>128,154</u>
			Total Other Liabilities	<u>224,290</u>	<u>251,298</u>
PLANT AND EQUIPMENT:			SHAREHOLDERS' INVESTMENT:		
At Cost	805,301	820,747	Common Stock and Additional		
Less - Accumulated			Paid-in Capital	38,018	37,774
Depreciation	<u>418,222</u>	<u>429,015</u>	Retained Earnings	631,576	531,393
Net Plant and Equipment	<u>387,079</u>	<u>391,732</u>	Unearned Compensation on		
			Restricted Stock	(279)	(278)
			Unrealized Gain on Marketable		
			Securities	1,473	-
			Cumulative Translation Adjustments	(2,401)	(1,584)
			Treasury Stock, at Cost	<u>(288,212)</u>	<u>(267,167)</u>
			Total Shareholders' Investment	<u>380,175</u>	<u>300,138</u>
				<u>\$936,774</u>	<u>\$777,466</u>
	<u>\$936,774</u>	<u>\$777,466</u>			

Consolidated Statements of Cash Flows

(In Thousands)

	<u>Three Months Ended September</u>	
	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 25,703	\$ 4,441
Depreciation and Amortization	12,398	12,394
(Gain) Loss on Disposition of Plant and Equipment	(16,453)	147
Provision (credit) for Deferred Income Taxes	(1,914)	3,174
Increase in Accounts Receivable	(28,361)	(13,714)
Increase in Inventories	(73,409)	(48,805)
Increase in Other Current Assets	(884)	(1,773)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	11,995	(8,136)
Other, Net	<u>(4,095)</u>	<u>(2,676)</u>
Net Cash Used for Operating Activities	<u>(75,020)</u>	<u>(54,948)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to Plant and Equipment	(21,661)	(13,609)
Proceeds Received on Disposition of Plant and Equipment	23,389	771
Other, Net	-	(1,596)
Net Cash Provided from (Used for) Investing Activities	<u>1,728</u>	<u>(14,434)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Borrowings on Loans and Notes Payable	37,812	12,960
Cash Dividends Paid	(6,934)	(6,853)
Purchase of Common Stock for Treasury	(9,138)	(14,556)
Proceeds from Exercise of Stock Options	<u>3,814</u>	<u>82</u>
Net Cash Provided from (Used for) Financing Activities	<u>25,554</u>	<u>(8,367)</u>
EFFECT OF EXCHANGE RATE CHANGES	<u>(98)</u>	<u>330</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(47,836)</u>	<u>(77,419)</u>
CASH AND CASH EQUIVALENTS, Beginning	<u>60,806</u>	<u>84,527</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 12,970</u>	<u>\$ 7,108</u>