

BRIGGS & STRATTON CORPORATION REPORTS RESULTS FOR THE FOURTH QUARTER AND TWELVE MONTHS OF FISCAL 2000

MILWAUKEE, July 31/PR Newswire/—Briggs & Stratton Corporation (NYSE:BGG)

Fourth quarter net income of \$27.6 million was 22% less than last year's \$35.2 million. Diluted earnings per share decreased 18% to \$1.24 per share. Sales decreased 9%. Engine unit shipments decreased 6%. Demand for engines for lawn and garden equipment held up surprisingly well in the fourth quarter but was weaker than it was last year, when engines were in short supply. Operating margins also held up well as we continued a high level of engine production in preparation for the 2001 selling season.

For the full fiscal year, reported net income increased 29%. If the gain on the disposition of our foundry business is excluded, net income increased 19%. Excluding that gain, diluted earnings per share increased 22%. Sales increased 6%, as did engine unit shipments. Profit margins improved because costs were spread over more units produced.

Because we do not know what power equipment inventory levels will be at the end of summer, it is too early to make a precise forecast for fiscal 2001. We can report that the outlook for retail sales of lawn and garden equipment continues to be good, assuming normal weather next spring, and that we expect continued growth in sales of other products. We are, however, somewhat concerned about the effect of interest rate increases on the outdoor power equipment business, which does depend to some degree on new housing completions. We are not aware of any changes in customer relationships that would significantly affect our business. At this time we expect results for fiscal 2001 to be similar to those for fiscal 2000 adjusted for the foundry gain. However, the seasonal pattern will be different. Because the engine shortages that were of concern to equipment manufacturers and retailers last year have disappeared, there is less incentive to take engines in the summer and early fall. As a result, our first quarter results will be well below the prior year.

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

Consolidated Statements of Earnings For Periods Ended Fiscal June

	(In Thousands)			
	Fourth Quarter		Twelve Months	
	2000	1999	2000	1999
NET SALES	\$ 400,708	\$ 441,543	\$ 1,590,557	\$ 1,501,726
COST OF GOODS SOLD	<u>318,199</u>	<u>348,102</u>	<u>1,251,103</u>	<u>1,196,371</u>
Gross Profit on Sales	82,509	93,441	339,454	305,355
ENGINEERING, SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>38,104</u>	<u>34,724</u>	<u>134,225</u>	<u>125,219</u>
Income from Operations	44,405	58,717	205,229	180,136
INTEREST EXPENSE	(6,116)	(3,841)	(21,267)	(17,024)
GAIN ON DISPOSITION OF FOUNDRY ASSETS	-	-	16,545	-
OTHER INCOME, Net	<u>5,471</u>	<u>1,461</u>	<u>16,116</u>	<u>6,659</u>
Income Before Provision for Income Taxes	43,760	56,337	216,623	169,771
PROVISION FOR INCOME TAXES	<u>16,190</u>	<u>21,127</u>	<u>80,150</u>	<u>63,670</u>
Net Income	<u>\$ 27,570</u>	<u>\$ 35,210</u>	<u>\$ 136,473</u>	<u>\$ 106,101</u>
Average Shares Outstanding	<u>22,138</u>	<u>23,185</u>	<u>22,788</u>	<u>23,344</u>
BASIC EARNINGS PER SHARE	<u>\$ 1.25</u>	<u>\$ 1.52</u>	<u>\$ 5.99</u>	<u>\$ 4.55</u>
Diluted Average Shares Outstanding	<u>22,156</u>	<u>23,383</u>	<u>22,842</u>	<u>23,459</u>
DILUTED EARNINGS PER SHARE	<u>\$ 1.24</u>	<u>\$ 1.51</u>	<u>\$ 5.97</u>	<u>\$ 4.52</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; and foreign economic conditions, including currency rate fluctuations. 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 Fiscal June 2000 and 1999
(In Thousands)

CURRENT ASSETS:	<u>2000</u>	<u>1999</u>	CURRENT LIABILITIES:	<u>2000</u>	<u>1999</u>
Cash and Cash Equivalents	\$ 16,989	\$ 60,806	Accounts Payable	\$ 117,556	\$ 117,757
Receivables	140,097	194,096	Domestic Notes Payable	48,809	4,335
Inventories	257,774	137,448	Foreign Loans	13,356	13,824
Other	<u>57,137</u>	<u>50,502</u>	Current Maturities on Long-Term Debt	-	15,000
Total Current Assets	<u>471,997</u>	<u>442,852</u>	Accrued Liabilities	<u>133,057</u>	<u>131,586</u>
			Total Current Liabilities	<u>312,778</u>	<u>282,502</u>
OTHER ASSETS:			OTHER LIABILITIES:		
Marketable Securities and Other Investments	50,228	19,024	Deferred Revenue on Sale of Plant & Equipment	15,679	15,798
Deferred Income Tax Asset	-	2,039	Deferred Income Tax Liability	4,011	-
Prepaid Pension	5,506	-	Accrued Pension Cost	11,428	17,306
Capitalized Software	<u>6,934</u>	<u>7,516</u>	Accrued Employee Benefits	12,607	13,185
Total Other Assets	<u>62,668</u>	<u>28,579</u>	Postretirement Health Care Obligation	65,765	67,877
			Long-Term Debt	<u>98,512</u>	<u>113,307</u>
			Total Other Liabilities	<u>208,002</u>	<u>227,473</u>
PLANT AND EQUIPMENT, at Cost	838,655	859,848	SHAREHOLDERS' INVESTMENT:		
Less - Accumulated Depreciation	<u>443,075</u>	<u>455,394</u>	Common Stock and Additional Paid-in Capital	36,767	37,946
Net Plant and Equipment	<u>395,580</u>	<u>404,454</u>	Retained Earnings	721,980	612,807
			Accumulated Other Comprehensive Loss	(3,931)	(1,732)
			Unearned Compensation on Restricted Stock	(226)	(235)
			Treasury Stock, at Cost	<u>(345,125)</u>	<u>(282,876)</u>
			Total Shareholders' Investment	<u>409,465</u>	<u>365,910</u>
	<u>\$ 930,245</u>	<u>\$ 875,885</u>		<u>\$ 930,245</u>	<u>\$ 875,885</u>

Consolidated Statements of Cash Flows
(In Thousands)

	<u>Twelve Months Ended Fiscal June</u>	
	<u>2000</u>	<u>1999</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 136,473	\$ 106,101
Depreciation and Amortization	51,370	49,604
(Gain) Loss on Disposition of Plant and Equipment	(14,167)	2,355
Provision for Deferred Income Taxes	1,542	4,052
(Increase) Decrease in Accounts Receivable	51,837	(58,738)
Increase in Inventories	(121,685)	(29,570)
Increase in Other Current Assets	(2,391)	(3,766)
Increase in Accounts Payable and Accrued Liabilities	1,413	61,697
Other, Net	<u>(26,910)</u>	<u>(18,992)</u>
Net Cash Provided by Operating Activities	<u>77,482</u>	<u>112,743</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to Plant and Equipment	(71,441)	(65,998)
Proceeds Received on Disposition of Plant and Equipment	23,511	1,142
Other, Net	<u>5,142</u>	<u>1,205</u>
Net Cash Used in Investing Activities	<u>(42,788)</u>	<u>(63,651)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Borrowings (Repayments) on Domestic and Foreign Loans	44,005	(401)
Repayments on Long-Term Debt	(30,000)	(15,000)
Purchase of Common Stock for Treasury	(69,083)	(75,141)
Dividends	(27,300)	(27,099)
Proceeds from Exercise of Stock Options	<u>5,561</u>	<u>45,130</u>
Net Cash Used in Financing Activities	<u>(76,817)</u>	<u>(72,511)</u>
EFFECT OF EXCHANGE RATE CHANGES	<u>(1,694)</u>	<u>(302)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(43,817)</u>	<u>(23,721)</u>
CASH AND CASH EQUIVALENTS, Beginning	<u>60,806</u>	<u>84,527</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 16,989</u>	<u>\$ 60,806</u>