BRIGGS & STRATTON CORPORATION

August 23, 2005

Dear Shareholder:

Fiscal 2005 was an extraordinarily challenging year for our Company. On the positive side, we made significant progress in the integration and growth of our Power Products segment, and we achieved record production of products in our Engine segment. On the negative side of the ledger, we faced substantial unanticipated costs for material, component and energy related purchases, the bankruptcy of Murray, Inc., our third largest customer, and the attendant bad debt expense that we were only partly able to offset with our active participation in the wind-up of Murray's corporate affairs.

Overall, consolidated net revenues increased 36% with a remarkable 144% increase in sales in the Power Products segment, driven by the addition of Simplicity/Snapper and Murray businesses, hurricane-driven sales of generators and strong market growth of pressure washers. Net income of $137 million was basically flat year over year. The clear mandate for fiscal 2006 is to convert our top line growth into an equally impressive bottom line improvement.

It is critical to process all of these developments through the prism of our long-term "powerful solution" strategy, which is an effort to integrate more effectively with our traditional power products customers. This shared strategy with our customers is intended to meet the primary industry challenges of retail commoditization pressures and the competition of integrated producers from low-cost countries. It involves creating a very compelling value proposition for consumers by (i) more closely integrating with our retail and Original Equipment Manufacturer (OEM) customers on the operational, sales and marketing fronts, (ii) more effectively marketing our strong brand to ultimate consumers for your benefit and the benefit of our customers, (iii) engaging our industry leading service network in a more effective customer support effort, and (iv) extending our cost leadership value discipline to end product markets.

As previously referenced in February 2005, we acquired the business assets of the bankrupt estate of Murray, Inc., including its working capital, manufacturing equipment, brands and sales and distribution network. Murray was one of the three leading producers of power equipment for the mass retail market in the United States. It was not a key element of our strategy to acquire the Murray business, as evidenced by the fact that we had several opportunities to acquire Murray well in advance of its dissolution, and we passed on all of them. It would have been our preference to work through the Murray situation in a collaborative effort with one of our traditional OEM customers.

When it became obvious that the insolvency of Murray was imminent, we intervened for two reasons: First, we believed that the asset acquisition was the only way to minimize the impact of the $39 million Murray bad debt loss. Secondly, we believed that owning the Murray business and brand would represent a unique opportunity to advance our integration strategy with our traditional power products customers.

How has this initiative been received by our key customers? It is probably understandable that some customers continue to hew to a more or less independent approach to the marketplace, and that is their prerogative. But several customers have engaged us in an effort to meet market challenges with a more integrative approach. For example, Electrolux Outdoor Products has committed to a relationship with Briggs & Stratton for the high-volume production of snow throwers. The burden is on us to prove that, in the long run, it is the preferred economic alternative for our customers to integrate with us. To date, we can point to a number of market successes that prove the point. We have an enormous stake in the success of our traditional OEM power products customers, and we are committed to developing high-value relationships with them for mutual benefit.

Another critical element of our strategy is to maintain our position as the broad-scope cost leader in the industry. We believe this is achieved through a combination of our "focused factories" located predominately in the southern United States, which produce engines for the highly seasonal lawn and garden market. We also believe our China strategy, which involves (i) the production of less seasonal utility engines in

Chongqing, China for commercial and agricultural applications and (ii) the China sourcing of low-cost tooling and components, will assist in our efforts to be the cost leader of the industry. In this regard, an important milestone was reached this year when we brought the new, high-volume Chongqing engine facility online, both on time and on budget. Moreover, we dedicated a new facility outside of Shanghai to produce Power Products. And our U.S. focused factories continue to achieve the cost and efficiency levels required to maintain their competitive advantage.

Our brand development tactics are another key element of our strategy designed to meet the challenge of cheap commodity competition. Fiscal 2005 developments on this front are notable. In advance of the acquisitions which fueled the growth of our Power Products segment in the last few years, our research showed that the Briggs & Stratton brand was among the top five brands in all relevant categories of power products, including walk-behind and riding mowers, generators and compressors. For fiscal 2005, we continued to expand the range of products carrying the Briggs & Stratton brands. Similarly, the Snapper brand we acquired this year has been shown by our customer research to be one of the top five brands of both rider and walk-behind mowers in the minds of consumers, and we have several initiatives in place to mine that value. Finally, our research shows that the Murray brand we acquired this year is one of the top brands for low cost, high value power equipment. We have well established plans for developing and exploiting this valuable brand on behalf of our customers and shareholders.

Allow me to reiterate what I said last year regarding these recent developments in our industry. If important consumer brands become available in the market place, we will invest in acquiring those brands on behalf of our key customers and ourselves. If our customers are interested in cooperative product development initiatives, we are prepared to make the required investments. If our customers wish to pursue investments in efficient capacity of high value consumer products, we are an interested partner. If our customers see integrating efficiencies in a merger of complementary industry players, we are prepared to support such business combinations as a co-investor and, if our customers are so disposed, we will invest in cooperative marketing initiatives that have a high probability of producing a positive economic value.

Outlook for 2006

We believe fiscal 2006 could be a breakthrough year for both our Company and the industry in general. We all face both the opportunity and challenge of serving the market segments formerly served by Murray, Inc. Some of the factors that held down our economic performance in fiscal 2005 should disappear this year. While we do not anticipate a significant roll back of the costs for materials and energy, we have implemented a significant price increase to cover this burden that should be absorbed by all participants in our industry. We hope to retain our market position in all segments of our existing business, despite our appeal for price relief.

We are humbled by all the support we have received from our employees, key customers, suppliers and the communities in which we operate, in these most difficult of times for our industry, and the economy in general. Our often-repeated mission is to run our business in a way that creates value for all of you, and we promise we will work night and day to make good on that promise.

John S. Shiely
Chairman, President and Chief Executive Officer