

BRIGGS & STRATTON CORPORATION REPORTS IMPROVED FIRST QUARTER RESULTS FOR FISCAL 2003

MILWAUKEE, October 17, 2002/PR Newswire/-Briggs & Stratton Corporation (NYSE:BGG)

Briggs & Stratton today announced a first quarter loss of \$7.0 million or \$.32 per diluted share. The results represent a 60% improvement over the \$17.4 million or \$.81 per diluted share loss experienced in the first quarter of last year.

The improved first quarter earnings were primarily the result of an increase in engine production and engine sales. Production in last year's first quarter was curtailed significantly to lower engine inventories. Last year's program of lowering our investment in finished engine inventory was successful and has permitted us to produce engines in the first quarter of fiscal 2003 that is more in line with historic levels.

Engines:

First quarter sales were \$197.1 million, a \$19.1 million or 11% improvement over the prior year. The increase is primarily due to increased unit volume of 8%, which resulted from lower inventories of powered product at equipment manufacturers and retailers at the beginning of this past summer versus one year ago. A combination of summer retail demand and the lower inventories resulted in increased engine orders.

Income from operations improved from an \$18.0 million loss last year to a loss of \$.5 million this year. A 56% increase in engine production between years and increased sales were the primary drivers of the improvement. We project that we will produce 8-10% more engines in the current fiscal year versus last year. The majority of this projected increased production already has occurred in the first quarter.

Power Products:

First quarter sales were \$53.2 million, a \$.6 million or 1% decline from last year. Generator unit increases were offset by a decline in pressure washer units. Our expectations for increased pressure washer unit sales for the year remain unchanged.

First quarter generator sales were not significantly affected by the recent tropical storm and hurricane activity because these events developed so late in the quarter. We expect the second quarter will reflect the majority of the storm impact.

Income from operations in the first quarter was \$1.8 million in both fiscal years. Cost savings experienced in manufacturing were offset by lower margins on generator unit shipments. The lower margins were caused by the mix of the product shipped during the quarter.

Outlook:

Our current estimate for fiscal 2003 continues to anticipate net income of approximately \$72 million. We are still forecasting consolidated sales to be up approximately 4%, gross profit margins to be close to 19.6% and operating expenses in the \$167 million range. Interest expense and the effective tax rate continue to be projected at \$42 million and 34%, respectively. Our EBITDA estimate for fiscal 2003 is unchanged at approximately \$210 million. Our estimate for full year depreciation is in the range of \$60-\$65 million and a range of \$55-\$60 million for capital expenditures.

Second quarter sales are projected to be up over last year by approximately 3%. We are anticipating gross profit margins of approximately 20% and operating expenses of \$44 million.

The Company will host a conference call today at 10:00 AM (EDT) to review this information. A live web cast of the conference call will be available on its corporate website: <http://www.briggsandstratton.com/shareholders>. Also available is a dial-in number to access the call real-time at (877) 679-9045. A replay will be offered beginning approximately two hours after the call ends and will be available for one week. Dial (800) 615-3210 to access the replay. The pass code will be 6200829.

This release contains certain forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those projected in the forward-looking statements. The words "anticipate", "believe", "estimate", "expect", "intend", "may", "objective", "plan", "seek", "think", "will", and similar expressions are intended to identify 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, our ability to successfully forecast demand for our products and appropriately adjust our manufacturing and inventory levels; changes in our operating expenses; the effects of weather on the purchasing patterns of consumers and original equipment manufacturers (OEMs); actions of engine manufacturers and OEMs with whom we compete; the seasonal nature of our business; changes in laws and regulations, including environmental and accounting standards; work stoppages or other consequences of any deterioration in our employee relations; work stoppages by other unions that affect the ability of suppliers or customers to manufacture; changes in customer and OEM demand; changes in prices of purchased raw materials and parts that we purchase; changes in domestic economic conditions, including housing starts and changes in consumer disposable income; changes in foreign economic conditions, including currency rate fluctuations; new facts that come to light in the future course of litigation proceedings which could affect our assessment of those matters; and other factors that may be disclosed from time to time in our SEC filings or otherwise. Some or all of the factors may be beyond our control. We caution you that any forward-looking statement reflects only our belief at the time the statement is made. We undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made.

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES
Consolidated Statements of Earnings
(In Thousands)

	<u>Three Months Ended Fiscal September</u>	
	<u>2002</u>	<u>2001</u>
NET SALES	\$ 238,218	\$ 219,629
COST OF GOODS SOLD	<u>198,804</u>	<u>199,807</u>
Gross Profit on Sales	39,414	19,822
ENGINEERING, SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>38,376</u>	<u>36,524</u>
Income (Loss) from Operations	1,038	(16,702)
INTEREST EXPENSE	(10,089)	(10,422)
OTHER INCOME (EXPENSE), Net	<u>(1,596)</u>	<u>315</u>
Loss Before Credit for Income Taxes	(10,647)	(26,809)
CREDIT FOR INCOME TAXES	<u>(3,620)</u>	<u>(9,385)</u>
Net Loss	<u>\$ (7,027)</u>	<u>\$ (17,424)</u>
Average Shares Outstanding	<u>21,643</u>	<u>21,600</u>
BASIC EARNINGS PER SHARE	<u>\$ (0.32)</u>	<u>\$ (0.81)</u>
Diluted Average Shares Outstanding	<u>21,654</u>	<u>21,613</u>
DILUTED EARNINGS PER SHARE	<u>\$ (0.32)</u>	<u>\$ (0.81)</u>

Segment Information
(In Thousands)

	<u>Three Months Ended Fiscal September</u>	
	<u>2002</u>	<u>2001</u>
NET SALES:		
Engines	\$ 197,098	\$ 177,992
Power Products	53,190	53,796
Other	<u>(12,070)</u>	<u>(12,159)</u>
Total	<u>\$ 238,218</u>	<u>\$ 219,629</u>
International Sales (included in the above)	<u>\$ 61,293</u>	<u>\$ 54,451</u>
GROSS PROFIT ON SALES:		
Engines	\$ 33,457	\$ 13,621
Power Products	6,245	6,718
Other	<u>(288)</u>	<u>(517)</u>
Total	<u>\$ 39,414</u>	<u>\$ 19,822</u>
INCOME (LOSS) FROM OPERATIONS:		
Engines	\$ (455)	\$ (17,985)
Power Products	1,781	1,800
Other	<u>(288)</u>	<u>(517)</u>
Total	<u>\$ 1,038</u>	<u>\$ (16,702)</u>

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets as of the End of Fiscal September 2002 and 2001
(In Thousands)

CURRENT ASSETS:	<u>2002</u>	<u>2001</u>	CURRENT LIABILITIES:	<u>2002</u>	<u>2001</u>
Cash and Cash Equivalents	\$ 137,759	\$ 24,600	Accounts Payable	\$ 79,702	\$ 104,282
Accounts Receivable	164,342	156,315	Domestic Notes Payable	2,625	3,300
Inventories	265,384	345,905	Foreign Loans	13,114	16,427
Other	<u>58,816</u>	<u>57,233</u>	Accrued Liabilities	<u>131,558</u>	<u>119,355</u>
Total Current Assets	<u>626,301</u>	<u>584,053</u>	Total Current Liabilities	<u>226,999</u>	<u>243,364</u>
 			OTHER LIABILITIES:		
OTHER ASSETS:			Deferred Revenue on Sale of		
Goodwill, Net	161,030	152,062	Plant & Equipment	15,320	15,498
Investments	47,582	46,330	Deferred Income Tax Liability	30,856	7,794
Prepaid Pension	63,838	43,835	Accrued Pension Cost	16,157	15,067
Deferred Loan Costs, Net	8,815	10,371	Accrued Employee Benefits	13,060	13,001
Other Long-Term Assets, Net	<u>6,076</u>	<u>6,648</u>	Postretirement Health Care		
Total Other Assets	<u>287,341</u>	<u>259,246</u>	Obligation	61,871	61,328
 			Long-Term Debt	<u>499,235</u>	<u>508,280</u>
PLANT AND EQUIPMENT:			Total Other Liabilities	<u>636,499</u>	<u>620,968</u>
At Cost	874,767	903,899	SHAREHOLDERS' INVESTMENT:		
Less - Accumulated			Common Stock and Additional		
Depreciation	<u>487,724</u>	<u>484,283</u>	Paid-in Capital	35,748	36,277
Net Plant and Equipment	<u>387,043</u>	<u>419,616</u>	Retained Earnings	755,184	719,115
			Accumulated Other Comprehensive		
			Loss	(5,164)	(6,323)
			Unearned Compensation on		
			Restricted Stock	(173)	(278)
			Treasury Stock, at Cost	<u>(348,408)</u>	<u>(350,208)</u>
			Total Shareholders' Investment	<u>437,187</u>	<u>398,583</u>
	<u>\$ 1,300,685</u>	<u>\$ 1,262,915</u>		<u>\$ 1,300,685</u>	<u>\$ 1,262,915</u>

Consolidated Statements of Cash Flows
(In Thousands)

	<u>Three Months Ended Fiscal September</u>	
	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	\$ (7,027)	\$ (17,424)
Depreciation and Amortization	16,051	15,023
Loss on Disposition of Plant and Equipment	2,174	702
Provision for Deferred Income Taxes	4,223	3,534
(Increase) Decrease in Accounts Receivable	37,568	(11,101)
Increase in Inventories	(74,425)	(24,205)
(Increase) Decrease in Other Current Assets	1,568	(734)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(35,315)	1,564
Increase in Prepaid Pension	(3,088)	(6,986)
Other, Net	<u>(1,984)</u>	<u>(1,282)</u>
Net Cash Used in Operating Activities	<u>(60,255)</u>	<u>(40,909)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to Plant and Equipment	(8,812)	(18,155)
Proceeds Received on Disposition of Plant and Equipment	90	287
Net Cash Used in Investing Activities	<u>(8,722)</u>	<u>(17,868)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Borrowings on Loans and Notes Payable	(2,156)	136
Issuance Costs of Long-Term Debt	-	(240)
Dividends	(6,920)	(6,691)
Proceeds from Exercise of Stock Options	-	52
Net Cash Used in Financing Activities	<u>(9,076)</u>	<u>(6,743)</u>
EFFECT OF EXCHANGE RATE CHANGES	<u>(133)</u>	<u>1,377</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(78,186)</u>	<u>(64,143)</u>
CASH AND CASH EQUIVALENTS, Beginning	<u>215,945</u>	<u>88,743</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 137,759</u>	<u>\$ 24,600</u>