

BRIGGS & STRATTON CORPORATION REPORTS RESULTS FOR THE THIRD QUARTER OF FISCAL 2001

MILWAUKEE, April 19/PR Newswire/—Briggs & Stratton Corporation (NYSE:BGG)

Briggs & Stratton today announced third quarter net income of \$29.9 million or \$1.38 per diluted share. Third quarter net income from the prior year was \$42.1 million or \$1.84 per share.

Major contributing factors to the 29% decrease in net income were lower production levels, the impact of a strong dollar on exports to Europe, lower shipments of service components and greater interest expense. Net sales for the third quarter were \$430.2 million or 8% lower than last year's third quarter net sales of \$468.7 million.

For the first nine months of fiscal 2001, net income was \$43.5 million or \$2.01 per diluted share compared to \$98.5 million or \$4.28 per share in fiscal 2000, excluding a \$10.4 million gain on a foundry disposition in fiscal 2000. Net sales for nine months were \$978.9 or 18% lower than the \$1,189.8 million in the comparable prior year period.

The net income decrease for nine months was the result of the shift in sales mix to smaller engines which contribute less gross profit dollars, the impact of a strong dollar on exports to Europe, an engine unit sales decrease of 7% and lower production levels.

We presently estimate that fourth quarter net sales for our engine business may be 6-8% lower than those of the same period last year. Current projections for earnings for the fourth quarter fall in a range of \$.52 to \$.72 per diluted share. The primary reasons for our expectation of lower earnings are the projected lower utilization of production facilities this year as we try to reduce finished goods inventory by fiscal year-end, the lower sales volume and higher interest expense.

As previously reported, we do not expect the acquisition of Generac Portable Products, Inc., which is expected to close in the fiscal fourth quarter, to significantly impact our fourth quarter results.

The reason for the wide range of earnings estimates in the fourth quarter is our inability to predict how the weather for the remainder of the fourth quarter will affect consumer demand. At this time we can only estimate different scenarios for demand and production because neither we, nor our customers have a good sense of how the spring selling season will play out.

Fiscal 2002 will be the first full year with Generac included in our results. Our current estimates project our net income to be in a range of \$3.30 - \$3.50 per share. In addition to our previously disclosed Generac projections for fiscal 2002, we anticipate slightly higher engine sales and production levels and increases in interest expense. Sales are projected to approach \$1.7 billion. Operating income margins, which include an estimate of \$66 million for depreciation and amortization, will be approximately 9%. Interest expense is projected at \$52 million and we are assuming the same tax rate between years.

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) 679-9054. 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 5078873.

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES
Consolidated Statements of Earnings for the Fiscal Periods Ended March
(In Thousands, Except Per Share Data)

	<u>Third Quarter</u>		<u>Nine Months</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
NET SALES	\$ 430,221	\$ 468,678	\$ 978,857	\$1,189,849
COST OF GOODS SOLD	<u>343,826</u>	<u>366,838</u>	<u>797,058</u>	<u>932,904</u>
Gross Profit on Sales	86,395	101,840	181,799	256,945
ENGINEERING, SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>33,649</u>	<u>33,285</u>	<u>100,017</u>	<u>96,121</u>
Income from Operations	52,746	68,555	81,782	160,824
INTEREST EXPENSE	(8,804)	(6,816)	(21,689)	(15,151)
GAIN ON DISPOSITION OF ASSETS	-	-	-	16,545
OTHER INCOME, Net	<u>3,497</u>	<u>5,027</u>	<u>8,970</u>	<u>10,645</u>
Income Before Provision for Income Taxes	47,439	66,766	69,063	172,863
PROVISION FOR INCOME TAXES	<u>17,550</u>	<u>24,710</u>	<u>25,550</u>	<u>63,960</u>
NET INCOME	<u>\$ 29,889</u>	<u>\$ 42,056</u>	<u>\$ 43,513</u>	<u>\$ 108,903</u>
Average Shares Outstanding	<u>21,599</u>	<u>22,842</u>	<u>21,600</u>	<u>23,021</u>
BASIC EARNINGS PER SHARE	<u>\$ 1.38</u>	<u>\$ 1.84</u>	<u>\$ 2.01</u>	<u>\$ 4.73</u>
Diluted Average Shares Outstanding	<u>21,612</u>	<u>22,866</u>	<u>21,614</u>	<u>23,104</u>
DILUTED EARNINGS PER SHARE	<u>\$ 1.38</u>	<u>\$ 1.84</u>	<u>\$ 2.01</u>	<u>\$ 4.71</u>

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 levels; changes in our operating expenses; our ability to complete our proposed acquisition of Generac Portable Products, Inc. and successfully integrate it into our operations; changes in interest rates; the effects of weather on the purchasing patterns of consumers and original equipment manufacturers ("OEMs"); changes in the expected speed and timing of the reduction of generator inventories of Generac and other generator manufacturers and retailers which had been built up in anticipation of Y2K concerns; actions of engine manufacturers and OEMs with whom we compete; the seasonal nature of our business; changes in laws and regulations, including accounting standards; work stoppages or other consequences of any deterioration in our employee relations; changes in consumer and OEM demand; changes in prices of 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; 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 Balance Sheets as of the End of Fiscal March 2001 and 2000
(In Thousands)

CURRENT ASSETS:	<u>2001</u>	<u>2000</u>	CURRENT LIABILITIES:	<u>2001</u>	<u>2000</u>
Cash and Cash Equivalents	\$ 30,126	\$ 13,805	Accounts Payable	\$ 106,030	\$ 134,957
Accounts Receivable	386,617	433,866	Domestic Notes Payable	336,770	216,469
Inventories	294,901	239,941	Foreign Loans	13,908	18,647
Other	<u>61,322</u>	<u>58,825</u>	Current Maturities on Long-Term Debt	-	15,000
Total Current Assets	<u>772,966</u>	<u>746,437</u>	Accrued Liabilities	<u>156,037</u>	<u>171,545</u>
			Total Current Liabilities	<u>612,745</u>	<u>556,618</u>
			OTHER LIABILITIES:		
OTHER ASSETS:			Deferred Revenue on Sale of		
Investments	49,631	48,207	Plant & Equipment	15,574	15,711
Prepaid Pension	27,018	2,100	Deferred Income Tax Liability	12,226	2,565
Capitalized Software	<u>6,808</u>	<u>6,820</u>	Accrued Pension Cost	12,557	10,740
Total Other Assets	<u>83,457</u>	<u>57,127</u>	Accrued Employee Benefits	13,180	13,892
			Postretirement Health Care		
			Obligation	65,584	65,706
PLANT AND EQUIPMENT,			Long-Term Debt	<u>98,666</u>	<u>113,461</u>
at Cost	863,549	825,014	Total Other Liabilities	<u>217,787</u>	<u>222,075</u>
Less - Accumulated			SHAREHOLDERS' INVESTMENT:		
Depreciation	<u>464,031</u>	<u>432,198</u>	Common Stock and Additional		
Net Plant and Equipment	<u>399,518</u>	<u>392,816</u>	Paid-in Capital	36,332	36,767
			Retained Earnings	745,421	701,027
			Accumulated Other Comprehensive		
			Loss	(5,690)	(633)
			Unearned Compensation on		
			Restricted Stock	(331)	(244)
			Treasury Stock, at Cost	<u>(350,323)</u>	<u>(319,230)</u>
			Total Shareholders' Investment	<u>425,409</u>	<u>417,687</u>
	<u>\$1,255,941</u>	<u>\$1,196,380</u>		<u>\$ 1,255,941</u>	<u>\$ 1,196,380</u>

Consolidated Statements of Cash Flows
(In Thousands)

	<u>Nine Months Ended Fiscal March</u>	
	<u>2001</u>	<u>2000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 43,513	\$ 108,903
Depreciation and Amortization	41,685	38,158
(Gain) Loss on Disposition of Plant and Equipment	371	(16,271)
Provision (Credit) for Deferred Income Taxes	6,611	(4,062)
Increase in Accounts Receivable	(249,365)	(239,750)
Increase in Inventories	(37,128)	(103,852)
(Increase) Decrease in Other Current Assets	2,341	(1,928)
Increase in Accounts Payable and Accrued Liabilities	12,457	57,160
Other, Net	<u>(25,033)</u>	<u>(17,609)</u>
Net Cash Used in Operating Activities	<u>(204,548)</u>	<u>(179,251)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to Plant and Equipment	(48,645)	(53,861)
Proceeds Received on Disposition of Plant and Equipment	2,770	23,882
Other, Net	<u>2,933</u>	<u>5,141</u>
Net Cash Used in Investing Activities	<u>(42,942)</u>	<u>(24,838)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Borrowings on Loans and Notes Payable	288,513	216,957
Dividends	(20,072)	(20,683)
Purchase of Common Stock for Treasury	(6,118)	(43,188)
Proceeds from Exercise of Stock Options	275	5,561
Net Cash Provided by Financing Activities	<u>262,598</u>	<u>158,647</u>
EFFECT OF EXCHANGE RATE CHANGES	<u>(1,971)</u>	<u>(1,559)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	13,137	(47,001)
CASH AND CASH EQUIVALENTS, Beginning	16,989	60,806
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 30,126</u>	<u>\$ 13,805</u>