FORM 10-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended JUNE 30, 1996

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from ________ to ________

Commission file number 1-1370

BRIGGS & STRATTON CORPORATION
(Exact name of registrant as specified in its charter)

A Wisconsin Corporation	39-0182330
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
12301 WEST WIRTH STREET WAUWATOSA, WISCONSIN	53222
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 414-259-5333

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock (par value $0.01 per share)	New York Stock Exchange
Common Share Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of voting stock held by nonaffiliates of the registrant was approximately $1,135,295,000 based on the reported last sale price of such securities as of September 9, 1996.

Number of Shares of Common Stock Outstanding at September 9, 1996: 28,927,000.

DOCUMENTS INCORPORATED BY REFERENCE

Document	Part of Form 10-K Into Which Portions of Document are Incorporated
Annual Report to Shareholders for year ended June 30, 1996	Parts I (Item 1) and II
Proxy Statement for Annual Meeting on October 16, 1996	Part III

The Exhibit Index is located on page 9.

TABLE OF CONTENTS

PART I

Item 1. Business

Basic Business

Briggs & Stratton Corporation is the world's largest producer of air cooled gasoline engines for outdoor power equipment. The Company designs, manufactures, markets and services these products for original equipment manufacturers worldwide. These engines are air cooled aluminum alloy gasoline engines ranging from 3 through 20 horsepower.

Engines

In fiscal 1996, approximately 83% of original equipment gasoline engine sales were to manufacturers of lawn and garden equipment; approximately 17% were to manufacturers of other powered equipment, primarily for commercial applications in the construction industry and for agriculture. In the United States and Canada, where the majority of the Company's engines are sold, engine sales are primarily made directly to original equipment manufacturers.

Sales to the Company's largest engine customer, MTD Products Inc., were 21% of total sales in fiscal 1996. Sales to its second largest customer, A B Electrolux, were 14% of sales and sales to its third largest customer, Tomkins PLC, were 13% of sales. Under purchasing plans available to all gasoline engine customers, the Company normally enters into annual engine supply agreements with these producers of end products powered by the Company's gasoline engines. Company management has no reason to anticipate a change from the continuation of this practice or in its historical business relationships with these companies.

The major domestic competitors of the Company in engine manufacturing are Tecumseh Products Company, Kohler Co., Kawasaki Heavy Industries, Ltd., Honda Motor Co., Ltd. and Onan Corporation. Also, two domestic lawn mower manufacturers, Toro Co. under its Lawn-Boy brand and Honda, manufacture their own engines. Eight Japanese small engine manufacturers, of which Honda and Kawasaki are the largest, are worldwide competitors not only in the sale of engines, but end products as well. Tecumseh Europa S.p.A., located in Italy, is a major competitor in Europe. Major areas of competition from all engine manufacturers are product quality, price, timely delivery and service. The Company believes its product quality and service reputation have given it the strong brand name identification it enjoys.

Servicing of all the Company's gasoline engine products is done primarily by a network of over 30,000 independent service parts distribution and repair outlets in the United States and Canada and most foreign countries.

Manufacturing activity in the lawn and garden industry is driven by the need to deliver new lawn mowers, garden tractors and tillers for retail sales in the spring and early summer. Thus, demand from customers is at its peak in their winter and spring manufacturing season. Most engines are manufactured to individual customer specifications. The Company's production capacities are not sufficient to meet customer peak season needs. Therefore, many engines manufactured during the first half of the fiscal year are for shipments in the second half of the year. Thus, sales generally are highest in the March quarter and weakest in the September quarter. Customer orders in the last three months of the fiscal year depend on spring retail sales, so the June quarter is the least predictable.

General

The Company manufactures a majority of the components used in its products and purchases the balance of its requirements. The Company manufactures its own ductile and grey iron castings, aluminum die castings and a high percentage of other major components, such as carburetors and ignition systems. The Company also purchases certain finished standard commercial parts such as piston rings, spark plugs, valves, zinc die castings and plastic components, some stampings and screw machine parts and smaller quantities of other components. Raw material purchases are for aluminum, steel, and brass. The Company believes its sources of supply are adequate.

The Company holds certain patents on features incorporated in its products; however, the success of the Company's business is not considered to be primarily dependent upon patent protection. Licenses, franchises and concessions are not a material factor in the Company's business.

For the years ending June 30, 1996, July 2, 1995 and July 3, 1994, the Company spent approximately $12,737,000, $13,112,000 and $12,520,000, respectively, on Company sponsored research activities relating to the development of new products or the improvement of existing products.

The average number of persons employed by the Company during the fiscal year was 7,507. Employment ranged from a low of 7,011 in July 1995 to a high of 7,823 in December 1995.

Financial Information About Industry Segments

Financial information about industry segments prior to the spin-off of the automotive lock division in February 1995 appears in Note 4 of the Notes to Consolidated Financial Statements in the 1996 Annual Report to Shareholders and is incorporated herein by reference.

Export Sales

Export sales for fiscal 1996 were $323,747,000 (25% of total sales), for fiscal 1995 were $312,234,000 (23% of total sales) and for fiscal 1994 were $264,866,000 (21% of total sales). These sales were principally to customers in European countries.

Item 2. Properties

The corporate offices and four of the Company's manufacturing facilities are located in suburbs of Milwaukee, Wisconsin. Subsequent to year-end, the Company entered into a contract to sell one of these facilities. The Company will vacate the manufacturing portion of the facility (approximately 444,000 square feet) by December 31, 1996 but will have the right to occupy the warehouse portion (approximately 414,000 square feet) for up to 10 years. The Company also has facilities in Murray, Kentucky; Poplar Bluff and Rolla, Missouri; Auburn, Alabama; Statesboro, Georgia; and Ravenna, Michigan. These are owned facilities containing over 4.9 million square feet of office, warehouse and production area, including the facility under contract.

The engine business is seasonal, with demand for engines at its height in the winter and early spring. Engine manufacturing operations run at capacity levels during the peak season, with many operations running three shifts. Engine operations generally run one shift in the summer, when demand is weakest and production is considerably under capacity. During the winter, when finished goods inventories reach their highest levels, owned warehouse space may be insufficient and capacity may be expanded through rented space. Excess warehouse space exists in the spring and summer seasons. The Company's owned properties are well maintained.

The Company leases 177,000 square feet of space to house its European warehouse in the Netherlands and its foreign sales and service operations in Australia, Canada, France, Germany, Ireland, New Zealand, Sweden, Switzerland and the United Kingdom.

Item 3. Legal Proceedings

There are no pending legal proceedings that are required to be reported under this item.

Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted to a vote of security holders, through the solicitation of proxies or otherwise, during the three months ended June 30, 1996.

Executive Officers of the Registrant

Name, Age, Position	Business Experience for Past Five Years
FREDERICK P. STRATTON, JR., 57 Chairman and Chief Executive Officer (1) (2) (3)	Mr. Stratton was elected to the position of Chief Executive Officer in May 1977 and Chairman in November 1986. He also served in the position of President from January 1992 to August 1994.
JOHN S. SHIELY, 44 President and Chief Operating Officer (1) (2)	Mr. Shiely was elected to his current position in August 1994 after serving as Executive Vice President - Administration since November 1991. He served as Vice President and General Counsel from November 1990 to November 1991.
ROBERT H. ELDRIDGE, 58 Executive Vice President and Chief Financial Officer, Secretary-Treasurer (1)	Mr. Eldridge was elected to his current position effective April 1995. He has served as Secretary-Treasurer since January 1984.
MICHAEL D. HAMILTON, 54 Executive Vice President - Sales and Service	Mr. Hamilton was elected to his present position effective June 1989.
JAMES A. WIER, 53 Executive Vice President - Operations	Mr. Wier was elected to his current position in April 1989.
ERIK ASPELIN, 55 Vice President - POWERCOM-2000	Mr. Aspelin assumed his current position in October 1995, after serving as Vice President - Distribution Sales and Service since July 1989.
JAMES E. BRENN, 48 Vice President and Controller	Mr. Brenn was elected to his current position in November 1988.
RICHARD J. FOTSCH, 41 Vice President; General Manager - Small Engine Division	Mr. Fotsch was elected an executive officer in May 1993 after serving the Small Engine Division as Vice President and General Manager from July 1990 to May 1993.

HUGO A. KELTZ, 48 Vice President - International	Mr. Keltz was elected an executive officer in May 1992 after serving as Vice President - International since June 1991.
CURTIS E. LARSON, JR., 48	Mr. Larson was elected to this

Vice President - Distribution Sales and Service	executive officer position in October 1995 after serving as Vice President - Industrial Engine Division since January 1993. He held the position of Vice President - Sales and Marketing of the Company's automotive lock division from December 1988 to January 1993.
PAUL M. NEYLON, 49 Vice President; General Manager - Specialty Products Division	Mr. Neylon was elected an executive officer in May 1993, after serving the Vanguard Division as Vice President and General Manager since November 1991. This division has since been renamed the Specialty Products Division. He previously served the Castings Division as Vice President and General Manager from July 1989 to November 1991.
STEPHEN H. RUGG, 49 Vice President - Sales	Mr. Rugg was elected to his current position in November 1995, after serving as Vice President - Sales and Marketing since November 1988.
THOMAS R. SAVAGE, 48 Vice President - Administration and General Counsel	Mr. Savage was elected to this executive officer position in November 1994 after serving as General Counsel since joining the Company in April 1992. He held the position of Vice President, Secretary and General Counsel at Sta-Rite Industries, Inc., a manufacturer of pumps and other fluids-handling equipment and controls, from 1984 to 1992.
GREGORY D. SOCKS, 47 Vice President; General Manager - Large Engine Division	Mr. Socks was elected an executive officer in May 1993 after serving the Large Engine Division as Vice President and General Manager from July 1990 to May 1993.
GERALD E. ZITZER, 49 Vice President - Human Resources	Mr. Zitzer was elected to his current position in November 1988.

(1) Officer is also a Director of the Company.

(2) Member of Executive Committee.

(3) Member of Planning Committee.

Officers are elected annually and serve until their successors are elected and qualify.

PART II

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters

Information required by this Item is incorporated by reference to "Quarterly Financial Data, Dividend and Market Information" on page 31 of the 1996 Annual Report to Shareholders.

Item 6. Selected Financial Data

Information required by this Item appears under the heading "Ten Year Comparisons" on pages 32 and 33 of the 1996 Annual Report to Shareholders and is incorporated herein by reference.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's discussion and analysis of results of operations and financial condition of the Company appears on pages 27 through 30 of the 1996 Annual Report to Shareholders and is incorporated by reference in this Form 10-K.

Item 8. Financial Statements and Supplementary Data

The information required by Item 8 is incorporated by reference from the Consolidated Financial Statements and Notes to Consolidated Financial Statements appearing on pages 12 through 24 and page 31 of the 1996 Annual Report to Shareholders.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company has not changed independent accountants in the last two years.

PART III

Item 10. Directors and Executive Officers of the Registrant

Information pertaining to directors is incorporated herein by reference from pages 2 and 3 of the Company's 1996 Annual Meeting Proxy Statement dated September 9, 1996. Information regarding executive officers required by Item 401 of Regulation S-K is furnished in Part I of this Form 10-K. Information required by Item 405 of Regulation S-K is incorporated by reference from page 6 of the Company's 1996 Annual Meeting Proxy Statement.

Item 11. Executive Compensation

The information required by Item 11 is incorporated by reference from the section entitled Election of Directors on page 2, the final two paragraphs of the Nominating and Salaried Personnel Committee Report on Executive Compensation found on page 11 and the Executive Compensation section found on pages 12-16 of the Company's 1996 Annual Meeting Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information required by Item 12 is incorporated by reference from pages 5 and 6 of the Company's 1996 Annual Meeting Proxy Statement.

Item 13. Certain Relationships and Related Transactions

The information required by Item 13 is incorporated by reference from page 4 of the Company's 1996 Annual Meeting Proxy Statement.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) The following documents are filed as a part of this report:

	Page Reference	
	1996 Form 10-K	1996 Annual Report to Shareholders
1. Financial Statements		
Consolidated Balance Sheets, June 30, 1996 and July 2, 1995		13*

*Incorporated herein by reference to the Registrant's 1996 Annual Report to Shareholders for the fiscal year ended June 30, 1996.

2. Financial Statement Schedules

All financial statement schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions.

3. Exhibits

See Exhibit Index on page 9 of this report, which is incorporated herein by reference. Each management contract or compensatory plan or arrangement required to be filed as an exhibit to this report is identifed in the Exhibit Index by an asterisk following the Exhibit Number.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the last quarter of the period covered by this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BRIGGS & STRATTON CORPORATION

By /s/ R. H. Eldridge

R. H. Eldridge

September 19, 1996

Executive Vice President and
Chief Financial Officer,
Secretary-Treasurer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Frederick P. Stratton, Jr. and Robert H. Eldridge, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ F. P. Stratton, Jr.	/s/ John L. Murray
F. P. Stratton, Jr. September 19, 1996 Chairman and Chief Executive Officer and Director (Principal Executive Officer)	John L. Murray September 19, 1996 Director
/s/ R. H. Eldridge	/s/ C. B. Rogers, Jr.
Robert H. Eldridge September 19, 1996 Executive Vice President and Chief Financial Officer, Secretary-Treasurer and Director (Principal Financial Officer)	C. B. Rogers, Jr. September 19, 1996 Director
/s/ James E. Brenn	/s/ John S. Shiely
James E. Brenn September 19, 1996 Vice President and Controller (Principal Accounting Officer)	John S. Shiely September 19, 1996 President and Chief Operating Officer and Director
/s/ Michael E. Batten	/s/ Charles I. Story
Michael E. Batten September 19, 1996 Director	Charles I. Story September 19, 1996 Director
/s/ Peter A. Georgescu	/s/ Elwin J. Zarwell
Peter A. Georgescu September 19, 1996 Director	Elwin J. Zarwell September 19, 1996 Director

BRIGGS & STRATTON CORPORATION
(Commission File No. 1-1370)

EXHIBIT INDEX
1996 ANNUAL REPORT ON FORM 10-K

Exhibit Number	Description
3.1	Articles of Incorporation. (Filed as Exhibit 3.2 to the Company's Report on Form 10-Q for the quarter ended October 2, 1994, and incorporated by reference herein.)
3.2	Bylaws. (Filed as Exhibit 3.2 to the Company's Registration Statement on Form 8-B dated October 12, 1992 and incorporated by reference herein.)
4.0	Rights Agreement dated as of August 7, 1996, between Briggs & Stratton Corporation and Firstar Trust Company which includes the form of Right Certificate as Exhibit A and the Summary of Rights to Purchase Common shares as Exhibit B. (Filed as Exhibit 4.1 to the Company's Registration Statement on Form 8-A, dated as of August 7, 1996 and incorporated by reference herein.)
10.0*	Forms of Officer Employment Agreements. (Filed as Exhibit 10.0 to the Company's Annual Report on Form 10-K for fiscal year ended June 27, 1993 and incorporated by reference herein.)
10.1*	Survivor Annuity Plan. (Filed as Exhibit 10.1 to the Company's Annual Report on Form 10-K for fiscal year ended June 30, 1986 and incorporated by

reference herein.)

10.2* Supplemental Retirement Program.
(Filed as Exhibit 10.3 to the Company's Annual Report on Form 10-K for fiscal year ended June 30, 1990 and incorporated by reference herein.)

10.3(a)* Economic Value Added Incentive Compensation Plan, as amended and restated effective April 18, 1995.
(Filed as Exhibit 10.3 (b) to the Company's Annual Report on Form 10-K for fiscal year ended July 2, 1995 and incorporated by reference herein.)

10.3(b)* Amendment to Economic Value Added Incentive Compensation Plan.
(Filed as Exhibit 10.3 (c) to the Company's Report on Form 10-Q for the quarter ended December 31, 1995 and incorporated by reference herein.)

10.4* Form of Change of Control Employment Agreements.
(Filed as Exhibit 10.4 to the Company's Annual Report on Form 10-K for fiscal year ended June 27, 1993 and incorporated by reference herein.)

10.5(a)* Trust Agreement with an independent trustee to provide payments under various compensation agreements with company employees upon the occurrence of a change in control.
(Filed as Exhibit 10.5 (a) to the Company's Annual Report on Form 10-K for fiscal year ended July 2, 1995 and incorporated by reference herein.)

10.5(b)* Amendment to Trust Agreement with an independent trustee to provide payments under various compensation agreements with company employees.
(Filed as Exhibit 10.5 (b) to the Company's Annual Report on Form 10-K for fiscal year ended July 2, 1995 and incorporated by reference herein.)

10.6* Stock Incentive Plan.
(Filed as Exhibit A to the Company's 1993 Annual Meeting Proxy Statement, which was filed as Exhibit 100A to the Company's Annual Report on Form 10-K for fiscal year ended June 27, 1993 and incorporated by reference herein.)

Exhibit Number	Description
10.7(a)*	Leveraged Stock Option Program. (Filed as Exhibit 10.7 to the Company's Annual Report on Form 10-K for fiscal year ended June 27, 1993 and incorporated by reference herein.)
10.7(b)*	Amendment to Leveraged Stock Option Program. (Filed as Exhibit 10.7 (b) to the Company's Annual Report on Form 10-K for fiscal year ended July 2, 1995 and incorporated by reference herein.)
10.8*	Amended and Restated Deferred Compensation Agreement for Fiscal 1995. (Filed as Exhibit 10.9 to the Company's Annual Report on Form 10-K for fiscal year ended July 2, 1995 and incorporated by reference herein.)
10.9*	Deferred Compensation Agreement for Fiscal 1996. (Filed as Exhibit 10.10 to the Company's Annual Report on Form 10-K for fiscal year ended July 2, 1995 and

incorporated by reference herein.)

10.10*	Deferred Compensation Agreement for Fiscal 1997. (Filed herewith.)
10.11*	Officer Employment Agreement. (Filed as Exhibit 10.11 to the Company's Report on Form 10-Q for the quarter ended December 31, 1995 and incorporated by reference herein.)
10.12*	Deferred Compensation Plan for Directors. (Filed as Exhibit 10.12 to the Company's Report on Form 10-Q for the quarter ended December 31, 1995 and incorporated by reference herein.)
11	Computation of Earnings Per Share of Common Stock. (Filed herewith.)
13	Annual Report to Shareholders for Year Ended June 30, 1996. (Filed herewith solely to the extent specific portions thereof are incorporated herein by reference.)
21	Subsidiaries of the Registrant. (Filed as Exhibit 21 to the Company's Annual Report on Form 10-K for fiscal year ended July 2, 1995 and incorporated by reference herein.)
23	Consent of Independent Public Accountants. (Filed herewith.)
24	Power of Attorney (Included in the Signatures Page of this report.)
27	Financial Data Schedule (Filed herewith.)

---

* Management contracts and executive compensation plans and arrangements required to be filed as exhibits pursuant to Item 14 (c) of Form 10-K.

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES

EXHIBIT NO. 10.10

DEFERRED COMPENSATION AGREEMENT FOR FISCAL 1997

AGREEMENT made this 19th day of June, 1996, between Briggs & Stratton Corporation (the "Company") and Frederick P. Stratton, Jr. (the "Executive").

1. Deferral of Compensation. This Agreement shall operate to defer, on an unfunded basis, compensation earned by the Executive as an employee of the Company for the Company's fiscal year ending in 1997, to the extent that such compensation would otherwise be non-deductible under Section 162(m) of the Internal Revenue Code, as amended from time to time. The amount deferred hereunder shall be paid to the Executive as soon as practicable following the Company fiscal year in which the Executive terminates employment with the Company, such payment to be made in one lump sum, or in such other manner as may be agreed upon between the Executive and the Company's Nominating and Salary Personnel Committee of the Board. Such agreement, if any, must occur before the termination of employment by the Executive, or such payment shall be in a lump sum.

2. Death of Executive. If the Executive dies prior to receiving all funds payable hereunder, the entire unpaid balance shall be paid in the same manner as provided for the Executive under the Company's Economic Value Added Incentive Compensation Plan.

3. Binding Effect. This Agreement has been approved by the Company's Board of Directors and its Nominating and Salaried Personnel Committee, and shall be binding and inure to the benefit of the Company, its successors and assigns and the Executive and his heirs, executors, administrators, and legal representatives.

4. Earnings on Deferrals. On or before June 29, 1997, the Executive shall elect to have any deferrals hereunder credited with earnings in accordance with (a) or (b) below:

(a) Earnings on a book (unfunded) basis beginning on the date the deferred amount would otherwise have been paid, and continuing thereafter at a rate equal to 80% of the prime rate made available to the best customers of Firstar Bank Milwaukee, N.A., and adjusted and compounded annually as of the last day of each subsequent Company fiscal year until paid;

(b) Earnings at a rate designed to reflect the performance of Company stock. Under this alternative, the amount deferred shall be converted into shares of phantom Company stock as soon as practicable following the determination of the amount deferred under this Agreement. Each year, the Committee shall determine the amount of dividends that would have been paid on the phantom stock and convert such dividends into additional shares of phantom stock. Following the conversions described above, the Company shall promptly advise Executive of the number of phantom shares acquired. If Executive chooses this investment alternative, Executive may elect to receive distributions in cash or stock; provided that any stock distributions shall be subject to any necessary approvals under securities laws or exchange requirements.

5. Section 16 Consequences. Executive acknowledges that an election under Section 4(b) above will have implications under Section 16 of the Securities Exchange Act of 1934, including potential Section 16(b) liability if Executive or an affiliate has a matching transaction. Executive

acknowledges that he will be responsible for reporting transactions under this Agreement on the applicable Form 4 or Form 5.

6. Unfunded Status of Agreement. It is intended that this Agreement

constitute an "unfunded" arrangement for deferred compensation. The Committee may authorize the creation of a trust or other arrangement to meet the obligations created under this Agreement provided, however, that unless the Committee otherwise determines, the existence of such trust or other arrangement is consistent with the "unfunded" status of the Agreement.

7. Miscellaneous. Payment of deferrals hereunder shall be subject to tax or other withholding requirements as may be required by law. The Company's Board, or its Nominating and Salaried Personnel Committee, shall have the power to modify or terminate this Agreement, but only with consent of the Executive.

IN WITNESS WHEREOF, Briggs & Stratton Corporation has caused this Deferred Compensation Agreement to be executed by its duly authorized Director and Frederick P. Stratton, Jr., together with his spouse, Anne Y. Stratton, hereunto have set their hands as of the date first above written.

BRIGGS & STRATTON CORPORATION

By: /s/ John L. Murray

John L. Murray
Chairman, Nominating and
Salaried Personnel Committee

/s/ Frederick P. Stratton, Jr.

Frederick P. Stratton, Jr.

/s/ Anne Y. Stratton

Anne Y. Stratton

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES

EXHIBIT NO. 11

COMPUTATION OF EARNINGS PER SHARE OF COMMON STOCK

	Fiscal Year Ended		
	June 30, 1996	July 2, 1995	July 3, 1994
Computations for Statements of Income			
Primary earnings per share of common stock:			
Income before cumulative effect of changes in accounting principles	$ 92,412,000	$ 104,805,000	$ 102,481,000
Cumulative effect of changes in accounting principles	-	-	(32,558,000)
Net income	$ 92,412,000	$ 104,805,000	$ 69,923,000
Average shares of common stock outstanding	28,927,000	28,927,000	28,927,000
Incremental common shares applicable to common stock options based on the average market price during the period	131,567	144,550	192,596
Average common shares, as adjusted	29,058,567	29,071,550	29,119,596
Earnings per share of common stock:			
Net income before cumulative effect of changes in accounting principles	$ 3.18	$ 3.61	$ 3.52
Cumulative effect of changes in accounting principles	-	-	(1.12)
Net earnings per share of common stock	$ 3.18	$ 3.61	$ 2.40
Fully diluted earnings per share of common stock:			
Average shares of common stock outstanding	28,927,000	28,927,000	28,927,000
Incremental common shares applicable to common stock options based on the more dilutive of the common stock ending or average market price during the period	131,567	144,550	192,596
Average common shares assuming full dilution	29,058,567	29,071,550	29,119,596
Fully diluted earnings per average share of common stock, assuming conversion of all applicable securities:			
Net income before cumulative effect of changes in accounting principles	$ 3.18	$ 3.61	$ 3.52
Cumulative effect of changes in accounting principles	-	-	(1.12)
Net earnings per share of common stock	$ 3.18	$ 3.61	$ 2.40

Note 1: The dilutive effect of stock options is less than 3% and, accordingly, presentation is not required under Accounting Principles Board Opinion No. 15. The above is presented to comply with Securities and Exchange Commission regulations.

Note 2: The calculations for fiscal 1995 and 1994 have been adjusted to reflect a two-for-one stock split.

1

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES

EXHIBIT NO. 13
ANNUAL REPORT TO SHAREHOLDERS FOR YEAR ENDED JUNE 30, 1996

2

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED JUNE 30, 1996, JULY 2, 1995 AND JULY 3, 1994

	1996	1995	1994
NET SALES	$ 1,287,029,000	$ 1,339,677,000	$ 1,285,517,000
COST OF GOODS SOLD	1,025,281,000	1,068,059,000	1,018,977,000
Gross Profit on Sales	261,748,000	271,618,000	266,540,000
ENGINEERING, SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	108,339,000	101,852,000	94,795,000
Income from Operations	153,409,000	169,766,000	171,745,000
INTEREST EXPENSE	(10,069,000)	(8,580,000)	(8,997,000)
OTHER INCOME, Net	5,712,000	9,189,000	6,973,000
Income Before Provision for Income Taxes	149,052,000	170,375,000	169,721,000
PROVISION FOR INCOME TAXES	56,640,000	65,570,000	67,240,000
Net Income Before Cumulative Effect of Accounting Changes	92,412,000	104,805,000	102,481,000
CUMULATIVE EFFECT OF ACCOUNTING CHANGES FOR:			
Postretirement Health Care, Net of Income Taxes of $25,722,000	-	-	(40,232,000)
Postemployment Benefits, Net of Income Taxes of $430,000	-	-	(672,000)
Deferred Income Taxes	-	-	8,346,000

	-	-	(32,558,000)
NET INCOME	$ 92,412,000	$ 104,805,000	$ 69,923,000
PER SHARE DATA:			
Net Income Before Cumulative Effect of Accounting Changes	$ 3.19	$ 3.62	$ 3.54
Cumulative Effect of Accounting Changes	-	-	(1.12)
Net Income	$ 3.19	$ 3.62	$ 2.42

The accompanying notes to consolidated financial statements are an integral part of these statements.

CONSOLIDATED BALANCE SHEETS

AS OF JUNE 30, 1996 AND JULY 2, 1995

ASSETS	1996	1995
CURRENT ASSETS:		
Cash and Cash Equivalents	$ 150,639,000	$ 170,648,000
Receivables, Less Reserves of $1,544,000 and $1,537,000, Respectively...	119,346,000	94,116,000
Inventories -		
Finished Products and Parts	96,078,000	96,540,000
Work in Process	36,932,000	40,107,000
Raw Materials	4,393,000	4,027,000
Total Inventories	137,403,000	140,674,000
Future Income Tax Benefits	29,589,000	31,376,000
Prepaid Expenses	19,410,000	16,516,000
Total Current Assets	456,387,000	453,330,000
PREPAID PENSION COST	4,682,000	-
DEFERRED INCOME TAX ASSET	2,883,000	1,866,000
PLANT AND EQUIPMENT:		
Land and Land Improvements	15,603,000	9,499,000
Buildings	147,670,000	105,844,000
Machinery and Equipment	594,608,000	507,606,000
Construction in Progress	18,757,000	103,382,000
	776,638,000	726,331,000
Less - Accumulated Depreciation and Unamortized Investment Tax Credit	402,426,000	383,034,000
Total Plant and Equipment, Net	374,212,000	343,297,000
	$ 838,164,000	$ 798,493,000
LIABILITIES AND SHAREHOLDERS' INVESTMENT		
CURRENT LIABILITIES:		
Accounts Payable	$ 65,642,000	$ 63,913,000
Domestic Notes Payable	5,000,000	6,750,000
Foreign Loans	14,922,000	19,653,000
Current Maturities on Long-Term Debt	15,000,000	-
Accrued Liabilities -		
Wages and Salaries	25,488,000	44,900,000
Warranty	26,257,000	30,353,000
Other	31,187,000	33,564,000
Total Accrued Liabilities	82,932,000	108,817,000
Federal and State Income Taxes	6,683,000	(1,878,000)
Total Current Liabilities	190,179,000	197,255,000
ACCRUED PENSION COST	-	1,606,000
ACCRUED EMPLOYEE BENEFITS	18,431,000	16,447,000
ACCRUED POSTRETIREMENT HEALTH CARE OBLIGATION	69,049,000	68,707,000
LONG-TERM DEBT	60,000,000	75,000,000
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' INVESTMENT:		

Common Stock - Authorized 60,000,000 shares $.01 Par Value, Issued and Outstanding 28,927,000 in 1996 and 1995	289,000	289,000
Additional Paid-In Capital	40,898,000	41,698,000
Retained Earnings	459,666,000	397,627,000
Cumulative Translation Adjustments	(348,000)	(136,000)
Total Shareholders' Investment	500,505,000	439,478,000
	$ 838,164,000	$ 798,493,000

The accompanying notes to consolidated financial statements are an integral part of these balance sheets.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' INVESTMENT

FOR THE YEARS ENDED JUNE 30, 1996, JULY 2, 1995 AND JULY 3, 1994

	Common Stock	Additional Paid-In Capital	Retained Earnings	Cumulative Translation Adjustments
BALANCES, JUNE 27, 1993	$ 145,000	$ 42,883,000	$ 318,247,000	$ (1,317,000)
Net Income	-	-	69,923,000	-
Cash Dividends Paid ($.90 per share)	-	-	(26,034,000)	-
Purchase of Common Stock for Treasury	-	(791,000)	-	-
Proceeds from Exercise of Stock Options	-	266,000	-	-
Currency Translation Adjustments	-	-	-	470,000
BALANCES, JULY 3, 1994	145,000	42,358,000	362,136,000	(847,000)
Net Income	-	-	104,805,000	-
Cash Dividends Paid ($.98 per share)	-	-	(28,348,000)	-
Distribution of Shares of STRATTEC SECURITY CORPORATION	-	-	(40,966,000)	1,226,000
Two-for-One Stock Split	144,000	(144,000)	-	-
Purchase of Common Stock for Treasury	-	(915,000)	-	-
Proceeds from Exercise of Stock Options	-	399,000	-	-
Currency Translation Adjustments	-	-	-	(515,000)
BALANCES, JULY 2, 1995	289,000	41,698,000	397,627,000	(136,000)
Net Income	-	-	92,412,000	-
Cash Dividends Paid ($1.05 per share)	-	-	(30,373,000)	-
Purchase of Common Stock for Treasury	-	(1,185,000)	-	-
Proceeds from Exercise of Stock Options	-	385,000	-	-
Currency Translation Adjustments	-	-	-	(212,000)
BALANCES, JUNE 30, 1996	$ 289,000	$ 40,898,000	$ 459,666,000	$ (348,000)

The accompanying notes to consolidated financial statements are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOW

FOR THE YEARS ENDED JUNE 30, 1996, JULY 2, 1995 AND JULY 3, 1994

Increase (Decrease) in Cash and Cash Equivalents

	1996	1995	1994
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income	$ 92,412,000	$ 104,805,000	$ 69,923,000
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities -			
Cumulative Effect of Accounting Changes, Net of Income Taxes	-	-	32,558,000
Depreciation	43,032,000	44,445,000	42,950,000
(Gain) Loss on Disposition of Plant and Equipment	2,692,000	1,452,000	(96,000)
Change in Operating Assets and Liabilities -			
(Increase) Decrease in Receivables	(25,230,000)	11,125,000	2,384,000
(Increase) Decrease in Inventories	3,271,000	(62,753,000)	(11,605,000)
(Increase) in Other Current Assets	(1,107,000)	(4,720,000)	(10,593,000)
Increase (Decrease) in Accounts Payable, Accrued Liabilities and Income Taxes	(15,595,000)	(8,220,000)	38,132,000
Other, Net	(4,979,000)	9,633,000	1,420,000
Net Cash Provided by Operating Activities	94,496,000	95,767,000	165,073,000
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to Plant and Equipment	(77,746,000)	(131,034,000)	(40,804,000)
Proceeds Received on Sale of Plant and Equipment	1,069,000	2,055,000	7,268,000
Sale of Short-Term Investments	-	-	70,422,000
Decrease in Cash Due to Spin-Off of Lock Business	-	(174,000)	-
Net Cash Provided by (Used in) Investing Activities	(76,677,000)	(129,153,000)	36,886,000
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net Borrowings (Repayments) on Loans and Notes Payable	(6,481,000)	12,080,000	5,396,000
Cash Dividends Paid	(30,373,000)	(28,348,000)	(26,034,000)
Purchase of Common Stock for Treasury	(1,185,000)	(915,000)	(791,000)
Proceeds from Exercise of Stock Options	385,000	399,000	266,000
Net Cash Used in Financing Activities	(37,654,000)	(16,784,000)	(21,163,000)
EFFECT OF FOREIGN CURRENCY EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(174,000)	(283,000)	804,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(20,009,000)	(50,453,000)	181,600,000
CASH AND CASH EQUIVALENTS:			
Beginning of Year	170,648,000	221,101,000	39,501,000
End of Year	$ 150,639,000	$ 170,648,000	$221,101,000
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Interest Paid	$ 10,137,000	$ 8,501,000	$ 8,997,000
Income Taxes Paid	$ 48,865,000	$ 88,935,000	$ 77,748,000

The accompanying notes to consolidated financial statements are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 1996, JULY 2, 1995 AND JULY 3, 1994

(1) NATURE OF OPERATIONS:

Briggs & Stratton Corporation (the Company) is a U.S. based producer of air cooled gasoline engines. These engines are sold primarily to original equipment manufacturers of lawn and garden equipment and other gasoline engine powered equipment worldwide.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Fiscal Year: The Company's fiscal year consists of 52 or 53 weeks, ending on the Sunday nearest the last day of June in each year. Therefore, the 1996 and 1995 fiscal years were 52 weeks long and the 1994 fiscal year was 53 weeks long. All references to years relate to fiscal years rather than calendar years.

Principles of Consolidation: The consolidated financial statements include the accounts of Briggs & Stratton Corporation and its wholly owned domestic and foreign subsidiaries after elimination of intercompany accounts and transactions.

Accounting Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: This caption includes cash and certificates of deposit. The Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Inventories: Inventories are stated at cost, which does not exceed market. The last-in, first-out (LIFO) method was used for determining the cost of approximately 93% of total inventories at June 30, 1996 and at July 2, 1995 and 89% at July 3, 1994. The cost for the remaining portion of the inventories was determined using the first-in, first-out (FIFO) method. If the FIFO inventory valuation method had been used exclusively, inventories would have been $48,125,000, $43,582,000 and $42,268,000 higher in the respective years. The LIFO inventory adjustment was determined on an overall basis, and accordingly, each class of inventory reflects an allocation based on the FIFO amounts.

Plant and Equipment and Depreciation:
Plant and equipment is stated at cost, and depreciation is computed using the straight-line method at rates based upon the estimated useful lives of the assets.

Expenditures for repairs and maintenance are charged to expense as incurred. Expenditures for major renewals and betterments, which significantly extend the useful lives of existing plant and equipment, are capitalized and depreciated. Upon retirement or disposition of plant and equipment, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in other income.

Investment Tax Credits: The Company follows the deferral method of accounting for the Federal investment tax credit. The credit, which was eliminated in 1986, has been recorded as an addition to accumulated depreciation and is being amortized over the estimated useful lives of the related assets via a reduction of depreciation expense.

The amounts amortized into income in each of the three years were $672,000 in 1996, $759,000 in 1995 and $830,000 in 1994. During 1995, $217,000 was eliminated in the spin-off, as described in subsequent footnotes. At the end of fiscal years 1996 and 1995, unamortized deferred investment tax credits aggregated $1,577,000 and $2,249,000, respectively.

Income Taxes: The Provision for Income Taxes includes Federal, state and foreign income taxes currently payable and those deferred or prepaid because of temporary differences between financial statement and tax bases of assets and liabilities. The Future Income Tax Benefits represent temporary differences relating to current assets and current liabilities and the Deferred Income Taxes represent temporary differences relating to noncurrent assets and liabilities.

Research and Development Costs: Expenditures relating to the development of new products and processes, including significant improvements and refinements to existing products, are expensed as incurred. The amounts charged against income were $12,737,000 in 1996, $13,112,000 in 1995 and $12,520,000 in 1994.

Accrued Employee Benefits: The Company's life insurance program includes payment of a death benefit to beneficiaries of retired employees. The Company accrues for the estimated cost of these benefits over the estimated working life of the employee. Past service costs for all retired employees have been fully provided for. The Company also accrues for the estimated cost of supplemental retirement and death benefit agreements with executive officers.

Accrued Postretirement Health Care Obligation: During the 1994 fiscal year, the Company adopted Financial Accounting Standard (FAS) No. 106 (Postretirement Benefits Other Than Pensions). This change and the amounts associated with it are more fully described in subsequent footnotes.

Advertising Costs: Advertising costs, included in Engineering, Selling, General and Administrative Expenses on the accompanying Consolidated Statement of Income, are expensed as incurred. These expenses totaled $7,066,000 in 1996, $6,357,000 in 1995 and $5,411,000 in 1994.

Foreign Currency Translation: Foreign currency balance sheet accounts are translated into United States dollars at the rates of exchange in effect at fiscal year end. Income and expenses are translated at the average rates of exchange in effect during the year. The related translation adjustments are made directly to a separate component of shareholders' investment.

Derivatives: Potential gains and losses on foreign currency hedges with controlled subsidiaries are carried on the balance sheet. Gains and losses related to all other hedges of anticipated transactions are deferred and recognized as adjustments of carrying amounts when the hedged transaction occurs.

Start-Up Costs: It is the Company's policy to expense all start-up costs for new manufacturing plants. Under this policy, the Company expensed $11,660,000 in fiscal 1996 and $5,300,000 in fiscal 1995.

Impairment of Assets: In 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of ". This new standard requires companies to assess the need for adjustment to carrying values of assets when an indicator of impairment is present. The Company adopted this standard during the 1996 fiscal year and determined that it has no impaired assets.

(3) INCOME TAXES:

The provision for income taxes consists of the following (in thousands of dollars):

	1996	1995	1994
Current			
Federal	$ 46,448	$ 67,255	$ 62,795
State	7,768	10,644	10,482
Foreign	1,654	873	2,059
	55,870	78,772	75,336
Deferred	770	(13,202)	(8,096)
Total	$ 56,640	$ 65,570	$ 67,240

A reconciliation of the U.S. statutory tax rates to the effective tax rates follows:

	1996	1995	1994
U.S. statutory rate	35.0%	35.0%	35.0%
State taxes, net of Federal tax benefit	3.4%	3.5%	3.6%
Foreign Sales Corporation tax benefit	(.7%)	(.6%)	(.5%)
Other	.3%	.6%	1.5%
Effective tax rate	38.0%	38.5%	39.6%

NOTES . . .

At the beginning of fiscal year 1994, the Company adopted FAS No. 109 (Accounting For Income Taxes) which required a change in the recording of deferred taxes. The former method emphasized provisions which were made in the income statement. The emphasis in the new method is on the balance sheet and requires that the amounts to be recorded are the amounts which will eventually be paid out. The adoption of this standard resulted in a cumulative adjustment which was recorded as income totaling $8,346,000 or $ .29 per share.

The components of deferred tax assets and liabilities at the end of the fiscal year were (in thousands of dollars):

	1996	1995
Future Income Tax Benefits:		
Inventory	$ 2,518	$ 3,710
Prepaid Expenses	(158)	167
Payroll Related Accruals	4,658	4,153
Warranty Reserves	10,240	11,838
Other Accrued Liabilities	8,453	8,255
Miscellaneous	3,878	3,253
	$ 29,589	$ 31,376
Deferred Income Taxes:		
Difference between book and tax methods applied to maintenance and supply inventories	$ 9,982	$ 6,618
Pension Cost	(1,679)	400
Accumulated Depreciation	(41,768)	(39,176)
Accrued Employee Benefits	7,232	6,469
Postretirement Health Care Obligation	26,929	26,796
Miscellaneous	2,187	759
	$ 2,883	$ 1,866

The Company has not recorded deferred income taxes applicable to undistributed earnings of foreign subsidiaries that are indefinitely reinvested in foreign operations. These undistributed earnings amounted to approximately $5,200,000 at June 30, 1996. If these earnings were remitted to the U.S., they would be subject to U.S. income tax. However, this tax would be substantially less than the U.S. statutory income tax because of available foreign tax credits.

(4) INDUSTRY SEGMENTS:
Certain information concerning the Company's industry segments is presented below (in thousands of dollars):

	1995	1994
SALES -		
Engines & parts	$ 1,276,264	$ 1,197,744
Locks	63,413	87,773
	$ 1,339,677	$ 1,285,517

INCOME FROM OPERATIONS -		
Engines & parts	$ 162,903	$ 158,900
Locks	6,863	12,845
	$ 169,766	$ 171,745
ASSETS -		
Engines & parts	$ 798,493	$ 467,561
Locks	-	46,832
Unallocated	-	262,962
	$ 798,493	$ 777,355
DEPRECIATION EXPENSE -		
Engines & parts	$ 42,746	$ 40,605
Locks	1,699	2,345
	$ 44,445	$ 42,950
EXPENDITURES FOR PLANT AND EQUIPMENT -		
Engines & parts	$ 124,604	$ 37,398
Locks	6,430	3,406
	$ 131,034	$ 40,804

On February 27, 1995, the Company spun off its lock business to its shareholders in a tax-free distribution. This spin-off was accomplished by distributing shares in a newly created corporation on the basis of one share in the new corporation for each five shares of Briggs & Stratton Corporation stock held on February 16, 1995. The newly created corporation, STRATTEC SECURITY CORPORATION, is publicly traded. This distribution resulted in a charge of $40,966,000 against the retained earnings account and represented the total of the net assets transferred to STRATTEC. The financial statements of Briggs & Stratton Corporation have not been restated to deal with this distribution as a discontinued operation because the amounts were not material. Because of the spin-off, no industry segment data is being presented for 1996.

NOTES . . .

The preceding Sales, Income From Operations, Depreciation Expense, and Expenditures For Plant and Equipment reflect 1995 data for the lock business from the beginning of the fiscal year to the date of spin-off.

Unallocated assets include cash and cash equivalents, short-term investments, future income tax benefits, prepaid pension costs and other assets.

Export sales for fiscal 1996 were $323,747,000 (25% of total sales), for fiscal 1995 were $312,234,000 (23%) and for fiscal 1994 were $264,866,000 (21%). These sales were principally to customers in European countries.

In the fiscal years 1996, 1995 and 1994, there were sales to three major engine customers that exceeded 10% of total Company net sales. The sales to these customers are summarized below (in thousands of dollars and percent of total Company sales):

	1996		1995		1994	
Customer	Sales	%	Sales	%	Sales	%
A	$267,257	21%	$237,241	18%	$234,363	18%

B	$177,314	14%	$155,072	12%	$148,091	12%
C	$163,065	13%	$189,916	14%	$149,397	12%
	$607,636	48%	$582,229	44%	$531,851	42%

(5) INDEBTEDNESS:

The Company had access to domestic lines of credit totaling $47,000,000 at June 30, 1996. These lines will remain available until cancelled by either party. They provide amounts for short-term use at the then prevailing rate. There are no significant compensating balance requirements and no borrowings at June 30, 1996 using these lines of credit.

The following data relates to domestic notes payable:

	1996	1995
Balance at Fiscal Year End	$ 5,000,000	$ 6,750,000
Weighted Average Interest Rate at Fiscal Year End	6.10%	5.00%

The lines of credit available to the Company in foreign countries are in connection with short-term borrowings and bank overdrafts used in the normal course of business. These amounts total $18,500,000, expire at various times through November, 1997 and are renewable. None of these arrangements had material commitment fees or compensating balance requirements.

The following information relates to the foreign loans:

	1996	1995
Balance at Fiscal Year End	$ 14,922,000	$ 19,653,000
Weighted Average Interest Rate at Fiscal Year End	4.60%	5.80%

The Company's long-term debt consists of 9.21% Senior Notes due June 15, 2001. Payments on these notes are due in five equal annual installments beginning in 1997. The notes include covenants that limit total borrowings, require maintenance of $200,000,000 minimum net worth and set certain restrictions on the sale or collateralizing of the Company's assets.

(6) OTHER INCOME (EXPENSE):

The components of other income (expense) are (in thousands of dollars):

	1996	1995	1994
Interest income	$ 4,477	$ 6,840	$ 3,527

Gain on sale of German land and buildings	-	-	2,819
Loss on the disposition of plant and equipment	(2,692)	(1,452)	(2,723)
Income from joint ventures	2,957	2,842	2,307
Other items	970	959	1,043
Total	$ 5,712	$ 9,189	$ 6,973

(7) COMMITMENTS AND CONTINGENCIES:

The Company is a 50% guarantor on bank loans of two unconsolidated joint ventures. One is in Japan for the manufacture of engines and the second in the United States for the manufacture of parts. These bank loans totaled approximately $13,000,000 at the end of 1996.

Product and general liability claims arise against the Company from time to time in the ordinary course of business. The Company is self-insured for future claims up to $1 million per claim. Accordingly, a reserve is maintained for the estimated costs of such claims. At June 30, 1996, the reserve for product and general liability claims was $6.5 million based on available information. There is inherent uncertainty as to the eventual resolution of unsettled claims. Management, however, believes that any losses in excess of established reserves will not have a material effect on the Company's financial position or results of operations.

The Company has no material commitments for materials or capital expenditures at June 30, 1996.

(8) STOCK OPTIONS:

In 1990, shareholders approved the Stock Incentive Plan under which 400,000 shares of the Company's common stock were reserved for issuance. In fiscal 1994, shareholders approved an additional 1,250,000 shares for issuance under the Plan, bringing the total shares reserved for issuance to 1,650,000. In fiscal 1995, pursuant to the terms of the Plan, the number of shares reserved for issuance was adjusted to 3,361,935 to reflect the two-for-one stock split and the spin-off of its lock business.

Information on the options outstanding is as follows:

	Options Outstanding in Number of Common Stock Shares		
	1996	1995	1994
Balance, beginning of year......	1,169,620	606,864	390,184
Granted during the year -			
1994 at $48.369..............	-	-	253,420

1995 at $45.854..............	-	552,000	-
1996 at $49.080..............	600,000	-	-
Increase due to spin-off........	-	83,843	-
Exercised during the year.......	(65,089)	(43,827)	(19,000)
Terminated during the year......	-	(29,260)	(17,740)
Balance, end of year...........	1,704,531	1,169,620	606,864

Grant Summary

Fiscal Year	Grant Date	Exercise Price (a)	Date Exercisable	Options Outstanding	Expiration Date
1990	2-20-90	$13.014	50%, 1-1-94; 50%, 1-1-95	6,782	2-19-00
1991	2-19-91	14.524	50%, 1-1-95; 50%, 1-1-96	90,613	2-18-01
1992	5-18-92	21.525	50%, 1-1-96; 50%, 1-1-97	181,546	5-17-02
1994	8-16-93	48.369	8-16-96	258,085	8-16-98
1995	8-12-94	45.854	8-12-97	567,505	8-12-99
1996	8-7-95	49.080	8-7-98	600,000	8-7-00

There were no options granted in fiscal 1993.

(a) Exercise prices have been adjusted as appropriate to reflect a two-for-one stock split and the spin-off of the Company's lock business.

In October 1995, the Financial Accounting Standards Board issued SFAS No. 123 "Accounting for Stock-Based Compensation." This standard establishes financial accounting and reporting standards for stock-based employee compensation. The Company plans to adopt the pro forma disclosure requirements of the statement, and will continue to apply the accounting provisions of Accounting Principles Board Opinion No. 25, as allowed by the new standard. This disclosure will be effective for the fiscal 1997 financial statements.

(9) SHAREHOLDER RIGHTS PLAN:

On August 6, 1996, the Board of Directors declared a dividend distribution of one common stock purchase right (a "right") for each share of the Company's common stock outstanding on August 19, 1996. Each right would entitle shareowners to buy one-half of one share of the Company's common stock at an exercise price of $160.00 per full common share, subject to adjustment. The rights are not currently exercisable, but would become exercisable if certain events occurred relating to a person or group acquiring or attempting to acquire 15 percent or more of the outstanding shares of common stock. The rights expire on August 19, 2006, unless redeemed or exchanged by the Company earlier. Rights granted under a previous plan expired July 1, 1996.

NOTES . . .

(10) RETIREMENT PLANS AND POSTRETIREMENT COSTS:

The Company has noncontributory, defined benefit retirement plans covering most Wisconsin employees. The following tables summarize the plans' income and expense, actuarial assumptions, and funded status for the three years indicated (dollars in thousands):

	Qualified Plans			Supplemental Plans		
	1996	1995	1994	1996	1995	1994
Income and Expense:						
Service Cost-Benefits Earned During the Year	$ 13,143	$ 15,098	$ 13,079	$ 456	$ 453	$ 296
Interest Cost on Projected Benefit Obligation	41,722	39,877	36,408	926	904	706
Actual Return on Plan Assets	(104,872)	(89,941)	(7,152)	(9)	(3)	(3)
Net Amortization, Deferral and Windows	51,830	37,078	(42,978)	462	333	380
Net Periodic Pension Expense (Income)	$ 1,823	$ 2,112	$ (643)	$ 1,835	$ 1,687	$ 1,379
Actuarial Assumptions:						
Discount Rate Used to Determine Present Value of Projected Benefit Obligation	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%
Expected Rate of Future Compensation Level Increases	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Expected Long-Term Rate of Return on Plan Assets	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Funded Status:						
Actuarial Present Value of Benefit Obligations:						
Vested	$ 413,035	$389,117	$359,383	$ 8,286	$ 7,991	$ 6,560
Non-Vested	34,268	36,144	34,382	21	6	23
Accumulated Benefit Obligation	447,303	425,261	393,765	8,307	7,997	6,583
Effect of Projected Future Wage and Salary Increases	120,083	124,651	112,771	4,766	4,679	3,267
Projected Benefit Obligation	567,386	549,912	506,536	13,073	12,676	9,850
Plan Assets at Fair Market Value	681,819	609,385	560,585	126	100	103
Plan Assets in Excess of (Less Than) Projected Benefit Obligation	114,433	59,473	54,049	(12,947)	(12,576)	(9,747)
Remaining Unrecognized Net Obligation (Asset) Arising from the Initial Application of SFAS No. 87	(31,321)	(36,902)	(43,776)	179	258	336
Unrecognized Net Loss (Gain)	(75,983)	(21,992)	(502)	4,494	5,277	3,416
Unrecognized Prior Service Cost	(2,447)	(2,185)	(1,090)	1,029	1,102	1,176
Prepaid (Accrued) Pension Cost	$ 4,682	$ (1,606)	$ 8,681	$ (7,245)	$ (5,939)	$(4,819)

As part of the spin-off of the lock business as described in Note 4, the Company's pension trust transferred $15,872,000 in plan assets to STRATTEC SECURITY CORPORATION in 1995. This resulted in an increase of $5,000,000 in the prepaid pension cost account due to the Company transferring certain benefit obligations and unrecognized amounts.

The Company offered early retirement windows to certain of its Milwaukee union members during the 1995 fiscal year. As a result, $13,806,000 was added to pension expense and $5,253,000 was added to postretirement health care expense in the fourth quarter of the 1995 fiscal year. When the retirements were scheduled to occur in the first fiscal quarter of 1996, a number of these union members canceled their acceptance, and thus credits totaling $3,477,000 were recorded as a change in the original accounting estimate.

During fiscal 1996, the defined benefit pension plan which covered employees at two of the Company's plants was terminated and replaced by a defined contribution retirement plan that includes most U.S. non-Wisconsin employees. The impact of the termination was not material. Under the new plan, the Company will make a contribution on behalf of covered employees equal to 2% of each participant's gross income, as defined. For the portion of fiscal 1996 in which the plan was in effect, the cost to the Company was $757,000.

Most U.S. employees of the Company may participate in a salary reduction deferred compensation retirement plan. The Company makes matching contributions of $.50 for every $1.00 deferred by a participant to a maximum of 1-1/2% or 3% of each participant's salary, depending upon the participant's group. Company contributions totaled $2,825,000 in 1996, $1,756,000 in 1995 and $1,630,000 in 1994.

At the beginning of fiscal year 1994, the Company adopted two Financial Accounting Standards as follows:

FAS 106 - Postretirement Benefits Other Than Pensions -

This standard requires that the Company record the expected cost of health care and life insurance benefits during the years that the employees render service - a significant change from the preceding method which recognized health care benefits on a cash basis. Postretirement life insurance benefits were previously being accounted for in a manner substantially emulating the new standards, so no adjustment was necessary. The cumulative effect of this change in accounting for postretirement health care benefits was a charge totaling $65,954,000 on a before tax basis or $40,232,000 on an after tax basis ($1.39 per share).

For measurement purposes, a 10.5% annual rate of increase in the per capita cost of covered health care claims was assumed for the years 1995 through 1997, decreasing gradually to 6% for the year 2007. The health care cost trend rate assumption has a significant effect on the amounts reported. The rates, if increased by one percentage point, would add $7,172,000 to the accumulated postretirement benefit and $846,000 to the service and interest cost for the year.

The discount rate used in determining the accumulated postretirement benefit obligations was 7.75% compounded annually. Both the health care and life insurance plans are unfunded.

The components of the accumulated postretirement benefit obligations were (in thousands of dollars):

	Health Care	
	1996	1995
Retirees	$33,044	$33,801
Fully Eligible Plan Participants	4,077	4,990
Other Active Participants	32,628	34,616
	$69,749	$73,407
Unrecognized net obligation ...	-	-
Unrecognized gain	4,000	-
	$73,749	$73,407
Less current portion	4,700	4,700
	$69,049	$68,707

	Life Insurance	
	1996	1995
Retirees	$ 8,840	$ 8,553
Fully Eligible Plan Participants	2,226	1,453
Other Active Participants	1,736	1,588

	$12,802	$11,594
Unrecognized net obligation ...	(553)	(600)
Unrecognized prior service cost	(898)	-
Unrecognized loss	(908)	(1,096)
	$10,443	$ 9,898
Less current portion	-	-
	$10,443	$ 9,898

NOTES . . .

The current portion of the health care component above represents the benefits expected to be paid within the next twelve months and is included in the caption Accrued Liabilities in the accompanying balance sheet. The net health care balance has its own caption in this balance sheet. The life insurance component is included in the caption Accrued Employee Benefits.

The net periodic postretirement costs recorded were (in thousands of dollars):

	Health Care	
	1996	1995
Service Cost-Benefits attributed to service during the year	$1,596	$1,680
Interest cost on accumulated benefit obligation	5,480	5,150
Other	(91)	-
	$6,985	$6,830

	Life Insurance	
	1996	1995
Service Cost-Benefits attributed to service during the year	$ 90	$ 73
Interest cost on accumulated benefit obligation	947	801
Other	118	47
	$1,155	$ 921

FAS 112 - Postemployment Benefits -

This standard was also adopted in fiscal 1994 and required that the Company record the expected cost of postemployment benefits (not to be confused with the postretirement benefits described in the preceding paragraphs), also over the years that employees render service. These benefits are substantially smaller amounts because they apply only to employees who permanently terminate employment prior to retirement. The cumulative effect of this change was a charge totaling $1,102,000 or $672,000 after taxes ($ .02 per share). There will be no significant increase in the annual costs of these plans.

The items included in this amount are disability payments, life insurance and medical benefits, and these amounts are also discounted using a 7.75% interest rate.

The balance in this reserve at the end of fiscal 1996 was $1,245,000 and at the end of fiscal 1995 was $1,106,000. Both were included in the caption Accrued Employee Benefits in the accompanying balance sheets.

(11) DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS:

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Cash Equivalents, Domestic Notes Payable and Foreign Loans: The carrying amount approximates fair value because of the short maturity of those instruments.

Long-Term Debt: The fair value of the Company's long-term debt is estimated based on quotations made on similar issues.

The estimated fair values of the Company's financial instruments are as follows (in thousands of dollars):

	1996	
	Carrying Amount	Fair Value
Cash and Cash Equivalents ..	$ 150,639	$ 150,639
Domestic Notes Payable	$ 5,000	$ 5,000
Foreign Loans	$ 14,922	$ 14,922
Long-Term Debt, including current maturities	$ 75,000	$ 77,365

	1995	
	Carrying Amount	Fair Value
Cash and Cash Equivalents ..	$ 170,648	$ 170,648
Domestic Notes Payable	$ 6,750	$ 6,750
Foreign Loans	$ 19,653	$ 19,653
Long-Term Debt	$ 75,000	$ 81,500

(12) STOCK SPLIT:

On October 19, 1994, shareholders approved a doubling of the authorized common stock shares to 60,000,000. This allowed the Company to effect a 2-for-1 stock split previously authorized by the Board of Directors. The distribution on November 14, 1994 increased the number of shares outstanding from 14,463,500 to 28,927,000. The amount of $144,000 was transferred from the additional paid-in capital account to the common stock account to record this distribution. All per share amounts in this report have been restated to reflect this stock split.

(13) FOREIGN EXCHANGE RISK MANAGEMENT:

The Company enters into forward exchange contracts to hedge purchase and sale commitments denominated in foreign currencies. The term of these currency derivatives never exceeds one year and the purpose is to protect the Company from the risk that the eventual dollars being transferred will be adversely affected by changes in exchange rates.

The Company has forward foreign currency exchange contracts to purchase 4.8 billion Japanese yen for $46 million through June, 1997. These contracts are used to hedge the commitments to purchase engines from the Company's Japanese joint venture and accordingly any gain or loss has been deferred at the end of the 1996 fiscal year. The amount deferred was a loss of approximately $2.3 million.

The Company's foreign subsidiaries have the following forward currency contracts outstanding at the end of fiscal 1996:

	In Millions		
Currency	Local Currency	U.S. Dollars	Latest Expiration Date
German Deutschemarks...	1.9	1.3	July, 1996
Canadian Dollars.......	4.8	3.5	June, 1997

There are no significant gains or losses included in the above amounts.

(14) SUBSEQUENT EVENT:

On July 1, 1996, the Company entered into a contract to sell its Menomonee Falls, Wisconsin warehouse and manufacturing facility for $16.3 million. The closing on this property is scheduled to occur on September 30, 1996. The provisions of the contract state that the Company will continue to own and occupy the warehouse portion of the facility for a period of up to ten years (the "Reservation Period"). The contract also contains a buyout clause, at the buyer's option, of the remaining Reservation Period under certain circumstances. Given the provisions of the contract, the Company will be required to account for this as a financing transaction and, therefore, any cash received will be reflected as a liability and the net book value of the facility will continue to be shown as an asset with depreciation expense recorded each period. The pre-tax gain, which will be recognized at the earlier of the exercise of the buyout option or the expiration of the Reservation Period, is estimated to be $10 million to $12 million.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders of
Briggs & Stratton Corporation:

We have audited the accompanying consolidated balance sheets of Briggs & Stratton Corporation (a Wisconsin Corporation) and subsidiaries as of June 30, 1996 and July 2, 1995, and the related consolidated statements of income, shareholders' investment and cash flows for each of the three years in the period ended June 30, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Briggs & Stratton Corporation and subsidiaries as of June 30, 1996 and July 2, 1995, and the results of their operations and their cash flows for each of the three years in the period ended June 30, 1996, in conformity with generally accepted accounting principles.

As discussed in Notes 3 and 10 to the consolidated financial statements, effective at the beginning of the 1994 fiscal year, the Company changed its methods of accounting for postretirement benefits other than pensions, postemployment benefits and income taxes.

ARTHUR ANDERSEN LLP

Milwaukee, Wisconsin,
August 7, 1996.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

FISCAL 1996 COMPARED TO FISCAL 1995

Sales for fiscal 1996 totaled $1,287,029,000, down 4% or $52,648,000 from the preceding year. The reason for this decrease was the absence of sales from the automotive lock business, which was spun off after eight months in the preceding fiscal year. These sales amounted to $63,413,000 in fiscal 1995.

Excluding the lock business sales, engine business sales increased $10,765,000 between years. This change was caused by an approximate 1.8% improvement in selling prices to the original equipment manufacturing customers, offset by a 1% decrease in engine unit sales that was almost entirely in the service sales area.

The gross profit percentage remained consistent between years. This was the result of several factors: increased startup costs of $6,360,000 and inefficiencies related to the new plants, and less absorption of fixed costs due to fewer engines produced were offset by lower profit sharing provisions and a decrease of 5% in the unit price of aluminum, the major raw material used in the manufacture of engines. In addition, the 1995 gross profit included a $19,059,000 charge for the retirement window, of which $3,477,000 was reversed in 1996 due to a change in circumstances (see Note 10).

Engineering, selling, general and administrative expenses increased $6,487,000 or 6% between years. This was due to increases in salaries, planned increases in manpower costs relating to new venture activities, and higher advertising expenses. Offsetting these, in part, was a reduction in profit sharing accruals and the lack of engineering and selling expenses from the spun off lock business.

Interest expense for the 1996 fiscal year was 17% higher than in 1995. This was the result of using domestic short-term borrowing to finance increases in accounts receivable and inventories in mid-year. Seasonal borrowings were paid off by the end of the fiscal year. The preceding year had minimal seasonal short-term borrowings.

The Company has available $47,000,000 in non-seasonal lines of credit and $76,000,000 in seasonal lines, most of which were used in mid-year as described above. The Company also makes extensive use of its foreign lines of credit through its foreign subsidiaries. Management believes its lines of credit will be adequate to fund its operations. Throughout the year, the Company was in compliance with the covenants of its long-term loan agreement.

Other income decreased $3,477,000 between years, primarily because of a reduction in interest income due to lower available investable funds. Funds were used for seasonal working capital and the construction of the new manufacturing plants. There also was an increase in the loss on disposition of plant and equipment between years.

The effective income tax rate decreased to 38% in 1996 from 38.5% in the previous year due to lower state income taxes, increased Foreign Sales Corporation tax benefits, and reductions in other tax related items.

Cash and equivalents declined $20,009,000 between years because cash provided by operating activities was more than offset by cash used in investing activities and in financing activities.

Cash flow from operating activities of $94,496,000 was generated from net income and depreciation, and an increase in federal and state income taxes payable as a result of the timing of payments, offset in part by an increase in accounts receivable of $25,230,000 related to higher sales late in the fiscal year and a decrease in accrued liabilities of $25,885,000 primarily due to decreased profit sharing provisions. Inventories were relatively consistent between years.

Cash used in investing activities amounted to $76,677,000, substantially all of which related to additions to plant and equipment. The major additions to plant and equipment were for the construction of three new engine manufacturing plants, a foundry, and plant expansions. Estimated capital expenditures of $65,000,000 in fiscal 1997 are expected to be financed from cash balances, operating cash flow and available lines of credit.

Cash flows used in financing activities amounted to $37,654,000. The significant items were cash dividends of $30,373,000 and repayment of loans and notes payable of $6,481,000.

During the fourth fiscal quarter, $15,000,000 was reclassified from long-term debt to current liabilities. This represents the first payment of principal on $75,000,000 of long-term debt to be repaid in equal annual amounts beginning in June 1997 through the year 2001.

FISCAL 1995 COMPARED TO FISCAL 1994

Sales increased 4% or $54,160,000 in the 1995 fiscal year. Total sales in 1995 reached $1,339,677,000, a new record for the Company. The number of engines sold increased 3% in this fiscal year. The unit sales increase was the primary reason for the sales dollar change. The vast majority of the sales increase was in export markets due to improving economies in Europe and better product availability. There was a very small increase in domestic engine sales.

Service sales increased 17% between years. Lock sales declined between years, as expected, because of the spin-off of the lock business after eight months of the fiscal year.

Product mix changed in fiscal 1995. Sales moved from higher priced to lower priced engines in the Company's small engine line. Increases in the Company's large engine line which carries higher selling prices more than offset the activity in the small engine line. A modest price increase also contributed to improved sales revenues between years.

Gross profit increased $5,078,000 or 2% between years. The gross profit rate declined from 21% in 1994 to 20% in 1995 primarily because of an early retirement window offered to and elected by some members of the United Paperworkers International Union Local 7232 as part of the contract agreement reached in December 1994. The $19,059,000 charge was reflected in the fourth quarter of 1995 for a June or October 1995 window. Without this charge, the Company's gross profit rate would have been higher in 1995.

The improvement in the gross profit rate, after adjusting for the cost of the window, was the net result of several factors. The spreading of fixed costs over a larger number of engine units was partially offset by a significant increase in aluminum costs. The 1995 fiscal year also contained start-up costs at new plants (discussed later in this comparison) totaling $5,300,000, and accelerated depreciation of $5,600,000 on fixed assets not being moved to the new plants.

Engineering, selling, general and administrative expenses increased $7,057,000 or 7% between years. This was a result of increased marketing and advertising expenses and costs connected with the spin-off.

Interest expense declined modestly. Other income increased $2,216,000 primarily because of increased interest income resulting from higher average cash balances between years. The decline in cash balances occurred late in the fiscal year.

The effective rate for the income tax provision was reduced from 39.6% in 1994 to 38.5% in 1995. This reduction was due to various miscellaneous differences.

Cash and cash equivalents decreased $50,453,000 between years. This was due primarily to additional investment in finished goods inventories at fiscal year end and capital expenditures for the new plants under construction. This cash decrease was partially offset by funds generated from profitable operations in 1995.

Accounts receivable decreased between years due to the accounts spun off with the lock business and lower sales late in the fourth quarter of fiscal 1995.

Inventories increased $62,753,000 between years. This was primarily due to two factors. The Company maintained a stable rate of production while experiencing a reduction in orders from equipment manufacturers due to less favorable spring weather. In addition, the Company planned an increase in inventories to provide a cushion for the transfer of engine assembly to the three new plants under construction.

Additions to plant and equipment were significantly higher in 1995 than in 1994 or 1993. This was primarily due to the $101,500,000 that was spent on the construction of the new plants.

OTHER MATTERS

The Company will offer a final early retirement window in late fiscal 1997, in accordance with the union contract with its Milwaukee hourly employees. It is unknown how many employees will accept this offer. All elections under this window must be completed in June 1997. If all eligible employees elect to take this window, the charge to earnings could total a maximum of $53 million before taxes.

In October 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123 "Accounting for Stock-Based Compensation." This standard establishes financial accounting and reporting standards for stock-based employee compensation. The Company plans to adopt the pro forma disclosure requirements of the statement, and will continue to apply the accounting provisions of Accounting Principles Board Opinion No. 25, as allowed by the new standard. This disclosure will be effective for the fiscal 1997 financial statements.

On July 1, 1996, the Company entered into a contract to sell its Menomonee Falls, Wisconsin warehouse and manufacturing facility for $16.3 million. The closing on this property is scheduled to occur on September 30, 1996. The provisions of the contract state that the Company will continue to own and occupy the warehouse portion of the facility for a period of up to ten years (the "Reservation Period"). The contract also contains a buyout clause, at the buyer's option, of the remaining Reservation Period under certain circumstances. Given the provisions of the contract, the Company will be required to account for this as a financing transaction and, therefore, any cash received will be reflected as a liability and the net book value of the facility will continue to be shown as an asset with depreciation expense recorded each period. The pre-tax gain, which will be recognized at the earlier of the exercise of the buyout option or the expiration of the Reservation Period, is estimated to be $10 million to $12 million.

The U.S. Environmental Protection Agency (EPA) is developing national emission standards under a two phase process for equipment powered by small air cooled engines. In 1995, the EPA promulgated its Phase One emission standards, which will be reflected in the Company's 1997 model year engines. The industry expects Phase Two of the emission standards to be proposed within the next year. It is expected that they will be phased in over several years. While it is impossible to precisely quantify the cost of compliance until the standards are issued, the Company believes compliance with the new standards will not have a material effect on its financial position or results of operations.

The California Air Resources Board (CARB) has also adopted emission standards to be effective in two tiers. Tier One was effective as of August 1995. Changes to engine models that were necessary to comply with Tier One have been made. Recently CARB has granted the Company's request that the California standard for carbon monoxide be modified to harmonize it with that adopted by the EPA. As a result of this change, a wider range of the Company's engines will meet California's current emission standards. The costs to comply with the Tier One California standards did not have a material effect on the financial position or results of operations of the Company.

Tier Two of California engine emission standards will not be effective until 1999 or later. CARB has directed its staff to review its Tier Two standards in light of technological and economic issues raised by the industry. In the event the Company is unable to comply with future standards and they remain unchanged, any resulting downturn in sales will not be material to the Company.

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

Certain statements in Management's Discussion and Analysis, in the Letter to Shareholders on pages 2 through 4 and in About Briggs & Stratton on pages 5 through 11 may contain forward-looking information (as defined in the Private Securities Litigation Reform Act of 1995) that involves risk and uncertainty. The words "anticipate", "believe", "estimate", "expect", "objective", and "think" or similar expressions are intended to identify forward-looking statements. Company results may differ materially from those projected in the forward-looking statements. Any forward-looking statements are based on management's current views and assumptions and involve risks and uncertainties that could significantly affect final results. These uncertainties could include, among other things, the effects of weather; actions of competitors; changes in laws and regulations, including accounting standards; 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.

QUARTERLY FINANCIAL DATA, DIVIDEND AND MARKET INFORMATION (UNAUDITED)

	In Thousands			Per Share of Common Stock			
Quater Ended	Net Sales	Gross Profit	Net Income (Loss)	(1) Net Income (Loss)	(1) Dividends Declared	Market Price Range on New York Stock Exchange(1) High	Low
Fiscal 1996							
September	$ 189,477	$ 19,141	$ (3,300)	$ (.11)	$ .26	41	32-3/4
December	329,357	65,763	23,924	.82	.26	44-1/8	39
March	460,201	104,082	45,226	1.57	.26	44-3/4	39-3/4
June	307,994	72,762	26,562	.91	.27	46-7/8	40-1/2
Total	$1,287,029	$ 261,748	$ 92,412	$ 3.19	$1.05		
Fiscal 1995							
September	$ 227,845	$ 39,799	$ 11,424	$ .39	$ .23	39-1/4	33-1/8
December	366,717	83,524	33,713	1.17	.25	36-1/2	30-1/2
March	450,163	105,438	47,331	1.64	.25	37-3/4	32-1/4
June	294,952	42,857	12,337	.42	.25	38	34
Total	$1,339,677	$ 271,618	$104,805	$ 3.62	$ .98		

The number of record holders of Briggs & Stratton Corporation Common Stock on August 15, 1996 was 6,471.
(1) Adjusted for 2-for-1 stock split effective November 14, 1994.

TEN YEAR COMPARISONS

Fiscal Year	1996	1995
(All dollar amounts other than per share data are stated in thousands)		
SUMMARY OF OPERATIONS		
NET SALES	1,287,029	1,339,677
GROSS PROFIT ON SALES	261,748	271,618
PROVISION (CREDIT) FOR INCOME TAXES	56,640	65,570
NET INCOME (LOSS) before cumulative effect of accounting changes	92,412	104,805
NET INCOME (LOSS)	92,412	104,805
AVERAGE NUMBER OF SHARES OF COMMON STOCK OUTSTANDING	28,927	28,927
PER SHARE OF COMMON STOCK:		
Net Income (Loss) before cumulative effect of accounting changes	3.19	3.62
Net Income (Loss)	3.19	3.62

Cash Dividends	1.05	.98
Shareholders' Investment	17.30	15.19
OTHER DATA		
SHAREHOLDERS' INVESTMENT	500,505	439,478
LONG-TERM DEBT	60,000	75,000
TOTAL ASSETS	838,164	798,493
PLANT AND EQUIPMENT	776,638	726,331
PLANT AND EQUIPMENT NET OF RESERVES	374,212	343,297
PROVISION FOR DEPRECIATION	43,032	44,445
EXPENDITURES FOR PLANT AND EQUIPMENT	77,746	131,034
WORKING CAPITAL	266,208	256,075
Current Ratio	2.4 to 1	2.3 to 1
NUMBER OF EMPLOYEES AT YEAR END	7,199	6,958
NUMBER OF SHAREHOLDERS AT YEAR END	5,879	6,792
QUOTED MARKET PRICE:		
High	46-7/8	39-1/4
Low	32-3/4	30-1/2

NOTES:

(1) The number of shares of common stock and per share data have been adjusted for a 2-for-1 stock split in 1995.

(2) The cumulative effects of accounting changes in 1994 were for postretirement health care, postemployment benefits and deferred income taxes.

1994	1993	1992	1991	1990	1989	1988	1987
1,285,517	1,139,462	1,041,828	950,747	1,002,857	876,379	914,057	784,665
266,540	212,601	174,048	132,431	132,438	59,629	115,113	111,618
67,240	44,060	28,700	16,500	18,290	(13,980)	12,950	18,950
102,481	70,345	51,503	36,453	35,375	(20,032)	30,211	26,614
69,923	70,345	51,503	36,453	35,375	(20,032)	30,211	26,614
28,927	28,927	28,927	28,927	28,927	28,927	28,927	28,927
3.54	2.43	1.78	1.26	1.23	(.70)	1.05	.92
2.42	2.43	1.78	1.26	1.23	(.70)	1.05	.92
.90	.85	.80	.80	.80	.80	.80	.80

13.96	12.45	10.80	9.85	9.38	8.96	10.49	10.24
403,792	359,958	312,404	284,715	271,383	259,226	303,305	296,260
75,000	75,000	75,000	75,000	75,000	75,000	-	-
777,355	656,107	613,853	556,791	535,040	560,816	510,600	451,879
669,593	658,120	643,433	632,488	606,863	580,184	513,700	470,586
285,890	295,542	309,698	320,364	326,288	330,198	295,573	273,903
42,950	47,222	41,113	36,447	39,889	38,995	29,955	24,502
40,804	38,110	40,224	32,036	37,797	79,513	57,001	52,235
276,040	195,019	137,008	105,298	84,082	63,757	63,372	77,281
2.3 to 1	2.2 to 1	1.9 to 1	1.8 to 1	1.7 to 1	1.4 to 1	1.4 to 1	1.8 to 1
8,628	7,950	7,799	7,242	7,994	7,316	9,827	8,611
6,228	6,651	7,118	7,943	8,466	9,222	6,923	7,206
45-1/8	34-1/4	27-3/8	16-7/8	17	17-3/8	21	21
32-1/2	21	16-3/8	10-1/4	12	12-3/8	10-1/8	15-3/4

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES

EXHIBIT NO. 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our reports included (or incorporated by reference) in this Form 10-K, into the Company's previously filed Registration Statements, File No. 33-39113 and File No. 33-54357.

ARTHUR ANDERSEN LLP

Milwaukee, Wisconsin,
September 23, 1996.

<ARTICLE> 5
<LEGEND>
THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE AUDITED FINANCIAL STATEMENTS OF BRIGGS & STRATTON CORPORATION FOR THE FISCAL YEAR ENDED JUNE 30, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

<PERIOD-TYPE>	12-MOS	
<FISCAL-YEAR-END>		JUN-30-1996
<PERIOD-START>		JUL-03-1995
<PERIOD-END>		JUN-30-1996
<CASH>		150,639,000
<SECURITIES>		0
<RECEIVABLES>		119,346,000
<ALLOWANCES>		0
<INVENTORY>		137,403,000
<CURRENT-ASSETS>		456,387,000
<PP&E>		776,638,000
<DEPRECIATION>		402,426,000
<TOTAL-ASSETS>		838,164,000
<CURRENT-LIABILITIES>		190,179,000
<BONDS>		0
<PREFERRED-MANDATORY>		0
<PREFERRED>		0
<COMMON>		289,000
<OTHER-SE>		500,216,000
<TOTAL-LIABILITY-AND-EQUITY>		838,164,000
<SALES>		1,287,029,000
<TOTAL-REVENUES>		1,287,029,000
<CGS>		1,025,281,000
<TOTAL-COSTS>		1,025,281,000
<OTHER-EXPENSES>		102,627,000
<LOSS-PROVISION>		0
<INTEREST-EXPENSE>		10,069,000
<INCOME-PRETAX>		149,052,000
<INCOME-TAX>		56,640,000
<INCOME-CONTINUING>		92,412,000
<DISCONTINUED>		0
<EXTRAORDINARY>		0
<CHANGES>		0
<NET-INCOME>		92,412,000
<EPS-PRIMARY>		3.19
<EPS-DILUTED>		3.19