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

For the fiscal year ended JULY 1, 2001

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

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 $799,176,000 based on the reported last sale price of such securities as of August 23, 2001.

Number of Shares of Common Stock Outstanding at August 23, 2001: 21,598,983.

DOCUMENTS INCORPORATED BY REFERENCE

Document	Part of Form 10-K Into Which Portions of Document are Incorporated
Proxy Statement for Annual Meeting on October 17, 2001	Part III

The Exhibit Index is located on page 40.

BRIGGS & STRATTON CORPORATION
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CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

Certain statements in Item 1. Business, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, and the Letter to Shareholders may contain forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those projected in the forward-looking statements. The words "anticipate", "believe", "estimate", "expect", "intend", "may", "objective", "plan", "seek", "think", "will" and similar expressions are intended to identify forward-looking statements. The forward-looking statements are based on the Company's current views and assumptions and involve risks and uncertainties that include, among other things, our ability to successfully forecast demand for our products and appropriately adjust our manufacturing and inventory levels; changes in our operating expenses; our ability to successfully integrate the acquisition of Generac Portable Products, Inc. into our operations; changes in interest rates; the effects of weather on the purchasing patterns of consumers and original equipment manufacturers (OEMs); actions of engine manufacturers and OEMs with whom we compete; the seasonal nature of our business; changes in laws and regulations, including environmental and accounting standards; work stoppages or other consequences of any deterioration in our employee relations; 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.

PART I

ITEM 1. BUSINESS

Briggs & Stratton Corporation (the Company) 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 (OEMs) worldwide. These engines are primarily aluminum alloy gasoline engines ranging from 3 through 25 horsepower.

Additionally, through the Company's wholly-owned subsidiary, Generac Portable Products, Inc. (Generac), acquired on May 15, 2001, the Company is a leading designer, manufacturer and marketer of portable generators, pressure washers and related accessories.

Since its acquisition of Generac, the Company conducts its operations in two reportable segments: engines and Generac Portable Products. Further information about the Company's business segments is contained in Note 5 of the Notes to Consolidated Financial Statements in Item 8 of this report.

ENGINES

GENERAL

The Company's engines are used primarily by the lawn and garden equipment industry, which accounted for 84% of fiscal 2001 OEM engine sales. Major lawn and garden equipment applications include walk-behind lawn mowers, riding lawn mowers and garden tillers. The remaining 16% of OEM sales in fiscal 2001 were for use on many products for industrial, construction, agricultural and consumer applications, including generators, pumps and pressure washers. Many retailers specify the Company's engines on the powered equipment they sell and the Briggs & Stratton name is often featured prominently on a product despite the fact that the engine is just a component. Briggs & Stratton engines are marketed under various brand names including Classic(TM), Sprint(TM), Quattro(TM), Quantum(R), INTEK(TM), I/C(R), Industrial Plus(TM) and Vanguard(TM).

In fiscal 2001, approximately 25% of the Company's net sales were derived from sales in international markets, primarily to customers in Europe. Briggs & Stratton serves its key international markets through its European regional office in Switzerland, its distribution center in the Netherlands and sales and service subsidiaries in Australia, Austria, Canada, the Czech Republic, France, Germany, Mexico, New Zealand, South Africa, Sweden and the United Kingdom. The Company is a leading supplier of gasoline engines in developed countries where there is an established lawn and garden equipment market. The Company also exports engines to developing nations where its engines are used in agricultural, marine, construction and other applications.

Briggs & Stratton engines are sold primarily by its worldwide sales force through direct calls on customers. The Company's marketing staff and engineers in the United States provide support and technical assistance to its sales force.

Briggs & Stratton also manufactures replacement engines and service parts and sells them to sales and service distributors. The Company owns its principal international distributors. In the United States the distributors are independently owned and operated. These distributors supply service parts and replacement engines directly to approximately 34,000 independently owned, authorized service dealers throughout the world. These distributors and service dealers implement Briggs & Stratton's commitment to reliability and service.

CUSTOMERS

The Company's engine sales are made primarily to original equipment manufacturers. The Company's three largest engine customers in each of the last three fiscal years were AB Electrolux (principally its Electrolux Home Products group), MTD Products Inc. and the Murray Group (owned by Summersong Investments, Inc.). Sales to each of these customers were more than 10% of net sales in fiscal 2001, 2000, and 1999. Sales to all three combined were 46% of net sales in fiscal 2001, 44% of net sales in fiscal 2000 and 42% of net sales in fiscal 1999. Under purchasing plans available

to all of its gasoline engine customers, the Company typically enters into annual engine supply arrangements with these large customers. The Company has no reason to anticipate a change in this practice.

Over the past several years, sales in the United States of lawn and garden equipment by mass merchandisers have increased significantly, while sales by independent distributors and dealers have declined. The Company believes that in fiscal 2001 more than 75% of all lawn and garden equipment sold in the United States was sold through mass merchandisers such as Sears, The Home Depot, Inc. (The Home Depot), Wal*Mart Stores, Inc. and Lowe's Home Centers, Inc. (Lowe's). Given the buying power of the mass merchandisers, the Company, through its customers, has continued to experience pricing pressure. The Company expects that this pricing trend will continue in the foreseeable future. The Company believes that a similar trend has developed for engine products for industrial and consumer applications outside of the lawn and garden market.

COMPETITION

The small gasoline engine industry is highly competitive. The Company's major domestic competitors in engine manufacturing are Tecumseh Products Company (Tecumseh), Honda Motor Co., Ltd. (Honda), Kohler Co. and Kawasaki Heavy Industries, Ltd. (Kawasaki). Also, a domestic lawn mower manufacturer, Toro Co. under its Lawn-Boy brand, manufactures some of their own engines. Eight Japanese small engine manufacturers, of which Honda and Kawasaki are the largest, compete directly with the Company in world markets in the sale of engines to other OEMs and indirectly through their sale of end products. Tecumseh Europa S.p.A., located in Italy, is a major competitor in Europe.

The Company believes the major areas of competition from all engine manufacturers include product quality, brand strength, price, timely delivery and service. Other factors affecting competition are short-term market share objectives, short-term profit objectives, exchange rate fluctuations, technology and product support and distribution strength. Briggs & Stratton believes its product value and service reputation have given it strong brand name recognition and enhance its competitive position.

SEASONALITY OF DEMAND

Sales of engines to lawn and garden equipment manufacturers are highly seasonal because of the buying patterns of retail customers. The majority of lawn and garden equipment is sold during the spring and summer months when most lawn care and gardening activities are performed. Sales of lawn and garden equipment are also influenced by weather conditions. Sales in the Company's fiscal third quarter have historically been the highest, while sales in the first fiscal quarter have historically been the lowest.

In order to efficiently use its capital investments and meet seasonal demand for engines, the Company pursues a relatively balanced production schedule throughout the year, subject to ongoing adjustment to reflect changes in estimated demand, customer inventory levels and other matters outside the control of the Company. Accordingly, inventory levels are generally higher during the first and second fiscal quarters in anticipation of increased customer demand in the third fiscal quarter, at which time inventory levels begin to decrease as sales increase. This seasonal pattern, which results in high inventories and low cash flow for the Company in the second and the beginning of the third fiscal quarters, shifts ultimately to higher cash flow in the latter portion of the third fiscal quarter and in the fourth fiscal quarter as inventories are liquidated and receivables are collected.

MANUFACTURING

Briggs & Stratton manufactures engines and parts at the following locations in the United States: Wauwatosa, Wisconsin; Murray, Kentucky; Poplar Bluff and Rolla, Missouri; Auburn, Alabama; and Statesboro, Georgia. The Company has a parts distribution center in Menomonee Falls, Wisconsin.

Briggs & Stratton manufactures a majority of the structural components used in its engines, including aluminum die castings and a high percentage of other major components, such as carburetors and ignition systems. The Company purchases certain parts such as piston rings, spark plugs, valves, ductile and grey iron castings, zinc die castings and plastic components, some stampings and screw machine parts and smaller quantities of other components. Raw material purchases are principally aluminum and steel. The Company believes its sources of supply are adequate.

The Company has joint ventures with Daihatsu Motor Company for the manufacture of engines in Japan, with Puling Machinery Works and Yimin Machinery Plant for the production of engines in China and with Starting Industrial of Japan for the production of rewind starters in the U.S. The Company also has a joint venture in India with Hero Motors, part of the Hero Group, for the manufacture of engines and transmissions for use in two wheel transportation vehicles.

The Company has a strategic relationship with Mitsubishi Heavy Industries (MHI) for the global distribution of air cooled gasoline engines manufactured by MHI in Japan under the Company's Vanguard(TM) brand.

GENERAC PORTABLE PRODUCTS

GENERAL

In May 2001, Briggs & Stratton Corporation acquired Generac (the company). Generac's two principal product lines are portable generators and pressure washers. The company sells its products through multiple channels of retail distribution, including the leading home center chains, mass merchants and warehouse clubs as well as independent dealers. Generac or its predecessor has been a major supplier of portable generators to Sears since 1961 and is a major supplier to Sears of pressure washers, both marketed under the Craftsman(TM) label. The company is also a core supplier of portable generators and pressure washers, both marketed under the Generac Portable Products label, to The Home Depot and Lowe's. In addition, the company is a core supplier for many of the leading retail home centers and do-it-yourself retailers throughout the United States, Canada and Europe.

The company sells its products to mass merchants, home centers and independent dealers who sell to consumers. Generac has assembled a comprehensive after-sales service network in North America for portable generators and pressure washers comprised of approximately 3,000 authorized independent dealers. Although most independent dealers do not generate the traffic to be competitive with mass merchants, home centers or warehouse clubs, Generac continues to maintain its independent dealer network for the express purpose of providing the after sales service capability that supports its products.

To support the company's European power generator business, local sales offices have been established in the United Kingdom, Germany and Spain.

CUSTOMERS

The company sells to consumer home centers and warehouse clubs, as well as mass merchants, hardware stores and outdoor power equipment dealers. Historically, the major customers have been Costco, The Home Depot and Sears. Other U.S. retail customers include B.J.'s Wholesale Club, Lowe's, Sam's Club and Tru-Serv Incorporated.

COMPETITION

The U.S. engine powered tools industry has experienced significant consolidation over the last 10 to 15 years. The number of competitors in its product categories has decreased from approximately 20 in 1985 to approximately 10 today, of which only four companies have national distribution capabilities. The principal competitive factors in the engine powered tools industry include price, service, product performance, technical innovation and delivery. In the manufacture and sale of

portable generators, Generac competes primarily with Coleman Powermate (a division of The Coleman Company, Inc.) and Honda. In the manufacture and sale of pressure washers, Generac competes primarily with DeVilbiss Air Power Company (an affiliate of Pentair, Inc.) and to a lesser extent, with The Coleman Company, Inc., Alfred Karcher GmbH & Co. and Campbell Hausfeld (an affiliate of Berkshire Hathaway, Inc.).

The company believes it has the largest North American market share of portable generators and a significant share of consumer pressure washers.

SEASONALITY OF DEMAND

Sales of Generac's products are subject to seasonal patterns. Due to seasonal and regional weather factors, sales of pressure washers and related working capital requirements are typically higher during the fiscal third and fourth quarters than at other times of the year. Sales of generators are typically higher during the summer storm season. The residential and commercial construction markets are sensitive to cyclical changes in the economy.

MANUFACTURING

Generac's manufacturing location in the United States is in Jefferson, Wisconsin. In this facility the company primarily produces portable generators and pressure washers. Generac manufactures core components for portable generators and pressure washers, including alternators and pressure washer pumps, where such integration improves operating profitability by providing lower costs.

Generac purchases engines from its parent, Briggs & Stratton Corporation, as well as from Generac Power Systems, Inc., Tecumseh and Honda. The company has not experienced any difficulty obtaining necessary purchased components.

To service Generac's European customer base more effectively, the company designs and assembles its European products in its Cheshire, England facility. This facility imports alternators, engines and other components and assembles portable generators to meet European product requirements.

CONSOLIDATED

GENERAL INFORMATION

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 July 1, 2001, July 2, 2000 and June 27, 1999, the Company spent approximately $21.5 million, $24.3 million and $17.9 million, 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 7,160. Employment ranged from a low of 6,447 in May 2001 to a high of 7,489 in October 2000.

EXPORT SALES

Export sales for fiscal 2001 were $325.6 million (25% of total sales), for fiscal 2000 were $358.1 million (23% of total sales) and for fiscal 1999 were $316.1 million (21% of total sales). These sales were principally to customers in European countries. See Note 5 of Notes to Consolidated Financial Statements for financial information about geographic areas. Also, see Item 7A and Note 12 of Notes to Consolidated Financial Statements for information about the Company's foreign exchange risk management.

ITEM 2. PROPERTIES

The corporate offices and one of the Company's engine manufacturing facilities are located in a suburb of Milwaukee, Wisconsin. The Company also has engine manufacturing facilities in Murray, Kentucky; Poplar Bluff and Rolla, Missouri; Auburn, Alabama and Statesboro, Georgia. These are owned facilities containing 3.6 million square feet of office and production area. The Company occupies warehouse space totalling 400,000 square feet in a suburb of Milwaukee, Wisconsin under a reservation of interest agreement. The Company also leases 80,000 square feet of engine component manufacturing space in the Milwaukee area.

Generac's offices and one of its manufacturing facilities are located in Jefferson, Wisconsin. Generac also has a manufacturing facility in Cheshire, England. These are owned facilities containing 295,000 square feet of office and production area. Generac leases warehouse space totalling 270,000 square feet in 5 communities in Wisconsin.

The engine business with the OEMs 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 fewer shifts 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 leases approximately 207,000 square feet of space to house its foreign sales and service operations in Australia, Austria, Canada, China, the Czech Republic, France, Germany, Mexico, the Netherlands, New Zealand, Russia, South Africa, Spain, Sweden, Switzerland, United Arab Emirates and the United Kingdom.

The Company's owned properties are well maintained. The Company believes that its owned and leased facilities are adequate to perform its operations in a reasonable manner.

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 July 1, 2001.

EXECUTIVE OFFICERS OF THE REGISTRANT

Name, Age, Position	Business Experience for Past Five Years
FREDERICK P. STRATTON, JR., 62 Chairman (1)(2)	Mr. Stratton was elected to the position of Chairman in November 1986. Mr. Stratton also held the position of Chief Executive Officer from May 1977 through June 2001.
JOHN S. SHIELY, 49 President and Chief Executive Officer (1)(2)	Mr. Shiely was elected to his current position effective July 2001, after serving as President and Chief Operating Officer since August 1994.
MICHAEL D. HAMILTON, 59 Executive Vice President and President - Briggs & Stratton Asia	Mr. Hamilton was elected to his current position effective July 2001, after serving as Executive Vice President - Sales and Service since June 1989.
JAMES E. BRENN, 53 Senior Vice President and Chief Financial Officer	Mr. Brenn was elected to his current position in October 1998, after serving as Vice President and Controller since November 1988. He also served as Treasurer from November 1999 until January 2000.
RICHARD J. FOTSCH, 46 Senior Vice President and General Manager	Mr. Fotsch was elected to his current position in May 1999 after serving as Senior Vice President - Operations since January 1999. He had previously held the position Senior Vice President - Engine Group since July 1997 and prior to that Vice President; General Manager - Small Engine Division.
HUGO A. KELTZ, 53 Vice President and Managing Director - Briggs & Stratton Europe	Mr. Keltz was elected to his current position effective July 2001, after serving as Vice President - International since May 1992.
CURTIS E. LARSON, JR., 53 Vice President - Distribution Sales and Customer Support	Mr. Larson was elected to his current position in October 1995.
PAUL M. NEYLON, 54 Senior Vice President - Production	Mr. Neylon was elected to his current position in August 2000, after serving as Vice President - Production since May 1999. He previously served as Vice President - Operations Support since January 1999 and prior to that held the position of Vice President; General Manager - Spectrum Division.

DORRANCE J. NOONAN, JR., 48 Senior Vice President and President - Briggs & Stratton Home Power Products	Mr. Noonan was elected to his current position effective upon completion of the Company's acquisition of Generac Portable Products, Inc. in May 2001. Prior to the acquisition, he held the position of President, Chief Executive Officer and Director of Generac Portable Products, LLC and Director of Generac Portable Products, Inc. since July 1998 and was Vice President of Generac Portable Products, Inc. since September 1999. He served in various management positions with Generac Corporation from 1990 to 1998, most recently as Chief Operating Officer of the Portable Products Division from 1997 to 1998.
KASANDRA K. PRESTON, 57 Vice President and Secretary	Ms. Preston was elected to her current position in July 2000, after serving as Director of Corporate Compliance and Shareholder Relations since June 1995.
WILLIAM H. REITMAN, 45 Vice President - Marketing	Mr. Reitman was elected an executive officer effective April 1998. He has served as Vice President - Marketing since November 1995.
STEPHEN H. RUGG, 54 Senior Vice President - Sales and Service	Mr. Rugg was elected to his current position in May 1999, after serving as Vice President - Sales since November 1995.
THOMAS R. SAVAGE, 53 Senior Vice President - Administration	Mr. Savage was elected to his current position effective July 1997, after serving as Vice President - Administration and General Counsel since November 1994. He also served as Secretary from November 1999 to June 2000.
MICHAEL D. SCHOEN, 41 Vice President - International	Mr. Schoen was elected to his current position effective July 2001. He was elected an executive officer in August 2000, after serving as Vice President - Operations Support since July 1999. He previously held the position of Vice President - International Operations since July 1996.
TODD J. TESKE, 36 Vice President - Corporate Development	Mr. Teske was elected to his current position effective March 2001 after serving as Controller since October 1998. He previously served as Assistant Controller.
CARITA R. TWINEM, 46 Treasurer	Ms. Twinem was elected to her current position in February 2000, after serving as Tax Director since July 1994.

(1) Officer is also a Director of the Company. (2) Member of Executive Committee.

Officers are elected annually and serve until they resign, die, are removed, or a different person is appointed to the office.

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 35.

Private Offering of Convertible Senior Notes. On May 14, 2001, Briggs & Stratton Corporation issued and sold, in a private placement, $140 million aggregate principal amount of its 5.00% Convertible Senior Notes due May 15, 2006. The convertible notes are convertible at the option of the holders into shares of Briggs & Stratton common stock, at any time prior to their maturity or redemption, at the conversion rate of 20.1846 shares of common stock per $1,000 principal amount of convertible notes, subject to adjustment in certain circumstances. This is equivalent to a conversion price of approximately $49.54 per share.

The convertible notes were sold to Goldman, Sachs & Co. and Banc of America

Securities LLC, as "accredited investors" within the meaning of Rule 501 under the Securities Act of 1933, in reliance on the exemption from registration afforded by Section 4(2) of the Securities Act for transactions by an issuer not involving any public offering, and were offered and sold by the initial purchasers to "qualified institutional buyers" in reliance on Rule 144A under the Securities Act. Pursuant to a registration rights agreement entered into in connection with the private offering, Briggs & Stratton has filed a shelf registration statement to permit the registered resale of the convertible notes and the common stock issuable upon conversion of the convertible notes.

The aggregate offering price of the convertible notes was $140 million, 100% of the principal amount thereof. The purchase price paid to the Company by the initial purchasers was the initial offering price less an underwriting discount of $3.675 million, 2.625% of the principal amount of the convertible notes.

Concurrently with the offering of the convertible notes, the Company offered and sold $275 million aggregate principal amount of our 8.875% Senior Notes due March 15, 2011, which are not convertible, in a private placement to the same initial purchasers for offering to qualified institutional buyers in reliance on Rule 144A, with exchange and registration rights.

The net proceeds from the sale of the senior notes and convertible senior notes were used to fund the acquisition of Generac, including the replacement of Generac's outstanding debt, and to repay a portion of our unrated commercial paper and short-term borrowings under our credit facilities. The senior notes and the convertible senior notes are guaranteed by Generac and its subsidiaries.

ITEM 6. SELECTED FINANCIAL DATA

Fiscal Year	2001	2000	1999	1998	1997
(dollars in thousands, except per share data)					
SUMMARY OF OPERATIONS (1)					
NET SALES (2)	$ 1,312,446	$ 1,592,564	$ 1,503,964	$ 1,329,457	$ 1,318,337
GROSS PROFIT ON SALES	239,063	339,454	305,355	254,674	221,216
PROVISION FOR INCOME TAXES	23,860	80,150	63,670	42,500	37,740
NET INCOME	48,013	136,473	106,101	70,645	61,565
PER SHARE OF COMMON STOCK:					
Basic Earnings	2.22	5.99	4.55	2.86	2.16
Diluted Earnings	2.21	5.97	4.52	2.85	2.15
Cash Dividends	1.24	1.20	1.16	1.12	1.09
Shareholders' Investment	$ 19.57	$ 18.83	$ 15.77	$ 13.28	$ 13.82
WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK OUTSTANDING (in 000's)	21,598	22,788	23,344	24,666	28,551
DILUTED NUMBER OF SHARES OF COMMON STOCK OUTSTANDING (in 000's)	21,966	22,842	23,459	24,775	28,678
OTHER DATA (1)					
SHAREHOLDERS' INVESTMENT	$ 422,752	$ 409,465	$ 365,910	$ 316,488	$ 351,097
LONG-TERM DEBT	508,134	98,512	113,307	128,102	142,897
TOTAL ASSETS	1,296,195	930,245	875,885	793,409	842,189
PLANT AND EQUIPMENT	890,191	838,655	859,848	812,428	796,714
PLANT AND EQUIPMENT, NET OF RESERVES	416,361	395,580	404,454	391,927	396,266
PROVISION FOR DEPRECIATION	56,117	51,097	49,346	47,511	43,345
EXPENDITURES FOR PLANT AND EQUIPMENT	61,322	71,441	65,998	45,893	71,262
WORKING CAPITAL	$ 371,248	$ 158,516	$ 160,350	$ 149,846	$ 199,039
Current Ratio	2.5 TO 1	1.5 to 1	1.6 to 1	1.7 to 1	1.9 to 1
NUMBER OF EMPLOYEES AT YEAR END	6,974	7,233	7,994	7,265	7,661
NUMBER OF SHAREHOLDERS AT YEAR END	4,129	4,385	4,628	4,911	5,336
QUOTED MARKET PRICE:					
High	$ 48.38	$ 63.63	$ 70.94	$ 53.38	$ 53.63
Low	$ 30.38	$ 31.00	$ 33.69	$ 36.88	$ 36.50

(1) The above amounts include the acquisition of Generac Portable Products since May 15, 2001. See Notes to Consolidated Financial Statements.

(2) Reflects the adoption of EITF No. 00-10 for all fiscal years presented. See Notes to Consolidated Financial Statements.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Acquisition

On May 15, 2001, the Company acquired Generac Portable Products for net cash of $267 million. See Note 3 to the Consolidated Financial Statements for additional information on the acquisition.

RESULTS OF OPERATIONS

FISCAL 2001 COMPARED TO FISCAL 2000

Sales

Net sales for fiscal 2001 totaled $1,312 million, a decrease of $280 million or 18% compared to the preceding year. The primary factors were a 10% decline in engine unit volume, 15% lower sales of service components due to the Company's distributors having adequate stocks of parts, and an unfavorable sales mix as the entire 10% engine unit decline was made up of larger horsepower engines. Inventories of riding equipment at the OEMs and retail were more than adequate to address soft demand for riding lawn and garden equipment.

The other major factor adversely affecting the fiscal year was the weak Euro which lowered revenues by $24 million. These revenues decreased because the Company's pricing reflected the need to remain competitive in the European market.

The acquisition of Generac added $30 million in sales.

Gross Profit

The gross profit rate decreased to 18% from 21% in fiscal 2000. The major reasons for the decrease were lower plant utilization having a $32 million impact and the weak Euro of $24 million. Offsetting these factors was the favorable pension income impact of $12 million. Pension income included in gross profit totaled $24 million in fiscal 2001.

Engineering, Selling, General and Administrative Expenses

Engineering, selling, general and administrative expenses increased $6 million or 4% compared to fiscal 2000. Expenses in this category increased almost $20 million. The majority of the increase was due to the following factors: a $16 million planned expansion of staff and expenditures for business development and introduction of new product, a $3 million bad debt write-off, and $3 million of Generac's operating costs incurred since the acquisition. The increased costs were offset by $14 million of lower employee benefit costs for profit sharing and increased pension income. Pension income in this category was $4 million in fiscal 2001.

Interest Expense

Interest expense increased $9 million or 44% in fiscal 2001 compared to fiscal 2000 because the level of borrowings was greater in fiscal 2001. The increased level of borrowings resulted from increased seasonal working capital needs and the funding of the Generac acquisition.

Other Income

Other income decreased $13 million in fiscal 2001 compared to fiscal 2000. This decrease is attributed primarily to an $8 million reduction in equity income from joint ventures and investments and $5 million in translation losses.

Provision for Income Taxes

The effective tax rate decreased to 33.2% in fiscal 2001 from 37.0% in the previous year. The majority of the decrease was the result of the finalization and approval by the Congressional Joint Committee on Taxation of a refund on our Federal taxes related to Foreign Sales Corporation tax benefits.

FISCAL 2000 COMPARED TO FISCAL 1999

Sales

Net sales for fiscal 2000 totaled $1,593 million, an increase of $89 million or 6% compared to the preceding year. The primary factors were a $104 million increase in sales dollars related to a 6% increase in engine unit shipments, a favorable mix of engines sold amounting to $24 million and $9 million from increased prices. Offsetting these factors was a $48 million decrease of castings sales resulting from the disposition of the Company's ductile iron foundries in the first quarter of fiscal 2000.

Gross Profit

The gross profit rate increased to 21% in fiscal 2000 from 20% in fiscal 1999. Favorable factors to the gross profit were $18 million attributed to the benefit of higher production during the year and $9 million of price increases. Offsetting these improvements were $6 million of higher costs for purchased items including increased costs for imported engines due to currency exchange rates.

Engineering, Selling, General and Administrative Expenses

Engineering, selling, general and administrative expenses increased $9 million or 7% compared to fiscal 1999. This increase was primarily from a $6 million increase in research and development costs and a $3 million increase in profit sharing expenses due to improved results. These increases were offset by a $2 million decrease in costs related to the Company's POWERCOM software business that was sold in the first quarter of the preceding year.

Interest Expense

Interest expense increased $4 million or 25% in fiscal 2000 compared to fiscal 1999. These increases were the result of the Company's higher level of short-term borrowings during the year to fund working capital needs.

Gain on Disposition of Foundry Assets

At the end of August 1999, the Company contributed its two ductile iron foundries to Metal Technologies Holding Company, Inc. (MTHC) in exchange for $24 million in cash and $45 million aggregate par value convertible preferred stock. The provisions of the preferred stock include a 15% cumulative dividend and conversion rights into a minimum of 31% of MTHC common stock. Pursuant to Emerging Issues Task Force Abstract No. 86-29, the Company considered this contribution to be a monetary transaction, given the significant amount of cash received and recorded the consideration received at fair value. The preferred stock received was determined to have a fair value of $22 million based on provisions of the stock and the prevailing market returns for similar investments, estimated to be 30%, as of the date of the transaction.

Other Income

Other income increased $9 million in fiscal 2000 compared to fiscal 1999. This increase is primarily attributed to increased equity income from joint ventures.

Provision for Income Taxes

The effective tax rate used in fiscal 2000 was 37.0% compared with 37.5% in fiscal 1999.

LIQUIDITY AND CAPITAL RESOURCES

FISCAL YEARS 2001, 2000 AND 1999

Cash flow from operating activities was $68 million, $77 million and $116 million, in fiscal 2001, 2000 and 1999, respectively.

The fiscal 2001 cash flow from operating activities decreased $10 million, which reflects lower gains on the disposition of plant and equipment of $16 million. The lower gains from disposition of plant and equipment were because fiscal 2000 contained the disposition of the foundry assets. The increase in inventories was $114 million less in fiscal 2001 compared to the fiscal 2000 increase. This decrease was the result of planned inventory increases in fiscal 2000 to replenish abnormally low inventories to more normal levels. The change in accounts payable and accrued liabilities was $48 million less in fiscal 2001 due to timing of payments and lack of accruals for profit sharing due to lower performance. The $18 million increase in pension income is attributable to the Company's over funded pension plan.

The fiscal 2000 cash flow from operating activities decreased $38 million. This reflects increased net income of $30 million offset by the gain on disposition of foundry assets of $17 million and an increased requirement for operating capital of $41 million caused by increases in inventories at the end of fiscal 2000 offset by lower accounts receivable. The increase in inventories was planned as inventories at the end of fiscal 1999 were unusually low. Lower accounts receivable was caused by lower sales in June 2000 compared to June 1999.

The fiscal 1999 cash flow from operating activities declined $20 million. This reflects improved net income of $35 million, offset by an increased requirement for operating capital of $49 million, caused primarily by strong fourth quarter business which increased year-end receivables and a restoration of inventories to higher year-end levels.

Net cash used in investing activities amounted to $318 million, $43 million and $67 million in fiscal 2001, 2000 and 1999, respectively. These cash flows included additions to plant and equipment of $61 million, $71 million and $66 million in fiscal 2001, 2000 and 1999, respectively. Fiscal 2001 and 1999 capital expenditures relate primarily to reinvestment in equipment and new products. The fiscal 2000 capital expenditures related primarily to reinvestment in equipment, capacity additions and new products. The fiscal 2001 cash used in investing activities includes $267 million of cash paid for the Generac acquisition net of cash acquired. The fiscal 2000 cash used in investing activities is net of $24 million of proceeds received on the disposition of plant and equipment.

Net cash provided by financing activities amounted to $324 million in fiscal 2001. In fiscal 2000 and 1999 cash used by financing activities was $77 million and $73 million, respectively. Fiscal 2001 included $399 million of proceeds received from issuing the 5.00% Convertible Senior Notes due 2006 and the 8.875% Senior Notes due 2011 to fund the acquisition of Generac and payment of short term-borrowings. During fiscal 2000, the Company repaid the remaining $30 million on the 9.21% Senior Notes due 2001. There was no gain or loss associated with this repayment. In fiscal 1999 the Company paid $15 million on these notes. Proceeds from the exercise of stock options amounted to $45 million in fiscal 1999, substantially higher than in fiscal 2001 and 2000. Also, the Company repurchased fewer common shares in fiscal 2001 compared to fiscal 2000 and 1999.

Future Liquidity and Capital Resources

The Company has in place a $250 million revolving credit facility to be used to fund seasonal working capital requirements and other financing needs. While this credit facility expires in April 2002, the Company is currently negotiating its replacement and expects to be completed during the second quarter of fiscal

2002. This facility and the Company's other indebtedness contain certain restrictive covenants, see Note 6 to the Consolidated Financial Statements.

The Company expects capital expenditures to be $67 million for fiscal 2002. These anticipated expenditures are for continued investments in equipment and new products.

Management believes that available cash, the credit facility, cash generated from operations, existing lines of credit and access to debt markets will be adequate to fund the Company's capital requirements for the foreseeable future.

FINANCIAL STRATEGY

Management of the Company subscribes to the premise that the value of the Company is enhanced if the capital invested in the Company's operations yields a cash return that is greater than the Company's cost of capital. Given this belief, the Company implemented this financial strategy by means of a "dutch auction" tender offer and a public debt offering in fiscal 1997. The Company also continued the repurchase of its outstanding common stock in the open market in fiscal years 1998 through 2001. The Company believes this will provide a capital structure that makes greater use of financial leverage without imposing excessive risk on either the Company's shareholders or creditors. The Company also believes that the substitution of lower (after-tax) cost debt for equity in its permanent capital structure will reduce its overall cost of capital and that its profitability and strong cash flows will accommodate the increased use of debt without impairing its ability to finance growth or increase cash dividends per share on its common stock.

The Company has remaining authorization to buy up to 1.8 million shares of company stock in open market or private transactions under the June 2000 Board of Directors' authorization to repurchase up to 2.0 million shares. The Company does not anticipate repurchasing shares in fiscal 2002.

Also as a part of its financial strategy, subject to the discretion of its Board of Directors and the requirements of applicable law and debt covenants, the Company currently intends to increase future cash dividends per share at a rate approximating the inflation rate.

OUTLOOK

The Company projects sales to increase by almost 30% in fiscal 2002. A majority of the increase is because Generac's sales will be in the numbers for a full year at approximately $310 million. Engine sales are anticipated to increase 7% due to engine volume, sales mix and some new products and services.

The gross profit percentage is projected to be approximately 17.5% for the year. This is down from fiscal 2001, because of the weighting of Generac sales which are projected to have lower gross margins than the Company's engine business. The other negative impact on gross margins is the anticipated lower engine production between years and the new product and service introductions that are projected to have negative margins during startup.

Engineering, selling, general and administrative expenses are projected to increase from $140 million to $165 million. Generac's expenses in this category are $24 million of the anticipated $25 million increase.

Interest expense is anticipated to be $45 million, depreciation $60 million and capital expenditures $67 million. The Company currently expects to have an effective tax rate of 35.0%.

The Company anticipates the first quarter operating results to be significantly lower than the prior years, due to slower sales and significantly lower production levels. The Company expects both sales and production levels to peak in a more historical pattern in fiscal 2002, which is basically late in the second fiscal quarter and then during the full third fiscal quarter.

OTHER MATTERS

General

On October 5, 2000, it was announced that one of the Company's largest customers, the Murray Group, was acquired by Summersong Investments, Inc. The Company does not expect this acquisition to adversely impact its annual supply arrangement with the Murray Group for the fiscal 2002 outdoor power equipment selling season, as there was no adverse impact in fiscal 2001.

In July 2001, the Company extended its collective bargaining agreement with one of its unions. This agreement expires in 2006, and contains provisions for future wage increases, medical cost sharing and increased pension benefits.

Emissions

The U.S. Environmental Protection Agency (EPA) has developed national emission standards under a two phase process for small air cooled engines. The Company currently has a complete product offering which complies with EPA's Phase I engine emission standards. The EPA finalized its Phase II emission standards in March of 1999. The Phase II program will impose more stringent standards over the useful life of the engine and will be phased in from 2001 to 2005 for Class II (225 or greater cubic centimeter displacement) engines and from 2003 to 2008 for Class I (under 225 cubic centimeter displacement) engines. The Company does not believe compliance with the new standards will have a material adverse effect on its financial position or results of operations.

The Company implemented a supplemental compliance plan for model years 2000 and 2001 with the California Air Resources Board (CARB), as required of companies which sell more than a threshold number of Class I engines into California. The objective of the plans is to achieve additional reductions in extreme non-attainment areas. While CARB's aggressive program resulted in a reduced product offering by the Company in California, the California program did not have a material effect on the financial condition or results of operations of the Company.

New Accounting Pronouncements

The Emerging Issues Task Force (EITF) issued EITF Abstract No. 00-10, "Accounting for Shipping and Handling Fees and Costs", and EITF Abstract No. 00-22, "Accounting for Points and Certain Time-Based and Volume-Based Sales Incentive Offers and Offers for Free Products or Services to be Delivered in the Future". These were adopted during fiscal 2001. The impact of adopting of EITF No. 00-10 was to reclassify approximately $2 million of shipping revenue from cost of sales into revenue in each of fiscal 2001, 2000 and 1999. There was no impact of adopting EITF No. 00-22.

EITF Abstract No. 00-25, "Vendor Income Statements Characterization of Consideration Paid to a Re-Seller of a Vendor's Products", is to be adopted as of December 31, 2001. The Company will be required to reclassify co-op advertising expense from selling expense to sales as a reduction of gross sales. The reclassification will not have a material adverse effect on the Company's results of operations.

In June 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets". SFAS No. 141 provides for the elimination of the pooling-of-interests method of accounting for business combinations with an acquisition date of July 1, 2001 or later. SFAS No. 142 prohibits the amortization of goodwill and other intangible assets with indefinite lives and requires periodic reassessment of the underlying value of such assets for impairment. SFAS No. 142 is effective for fiscal years beginning after December 15, 2001. An early adoption provision exists for companies with fiscal years beginning after March 15, 2001. On July 2, 2001, the Company adopted SFAS No. 142. Application of the nonamortization provision of SFAS No. 142 is expected to result in an increase in net income of approximately $.7 million in fiscal 2002.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to market risk from changes in foreign exchange and interest rates. To reduce the risk from changes in foreign exchange rates, the Company selectively uses financial instruments. The Company does not hold or issue financial instruments for trading purposes.

FOREIGN CURRENCY

The Company's earnings are affected by fluctuations in the value of the U.S. dollar against the Japanese Yen and Euro. The Yen is used to purchase engines from the Company's joint venture, while the Company receives Euros for certain products sold to European customers. The Company's foreign subsidiaries' earnings are also influenced by fluctuations of the local currency against the U.S. dollar as these subsidiaries purchase inventory from the parent in U.S. dollars. Forward foreign exchange contracts are used to partially hedge against the earnings effects of such fluctuations. At July 1, 2001, the Company had the following forward foreign exchange contracts outstanding with the Fair Value Gains (Losses) shown (in thousands):

Currency	Notional Value	Currency Amount	Currency Type	Fair Value $
Japanese Yen	1,330,024	11,375	U.S.	(622)
Euro	36,000	33,569	U.S.	3,056
Japanese Yen	27,638	443	Australian	(4)
U.S. Dollars	5,242	9,733	Australian	275
U.S. Dollars	3,290	5,021	Canadian	(25)
British Pounds	682	1,921	Australian	(15)

All of the above contracts expire within twelve months.

Fluctuations in currency exchange rates may also impact the shareholders' investment in the Company. Amounts invested in the Company's non-U.S. subsidiaries are translated into U.S. dollars at the exchange rates in effect at year end. The resulting translation adjustments are recorded in shareholders' investment as cumulative translation adjustments. The cumulative translation adjustments component of shareholders' investment decreased $2.5 million during the year. Using the year-end exchange rates, the total amount invested in non-U.S. subsidiaries at July 1, 2001 was approximately $21.7 million.

INTEREST RATES

The Company is exposed to interest rate fluctuations on its borrowings. The Company manages its interest rate exposure through a combination of fixed and variable rate debt. Depending on general economic conditions, the Company has typically used variable rate debt for short-term borrowings and fixed rate debt for longer-term borrowings.

At July 1, 2001, the Company had the following short-term loans outstanding (amounts in thousands):

Currency	Amount	Weighted Average Interest Rate

German Mark	33,062	5.85%
Dutch Guilder	1,277	6.32%
Canadian Dollars	2,120	5.10%
U.S. Dollars	3,300	5.18%
French Franc	208	4.54%

All of the above loans carry variable interest rates.

Long-term loans, net of unamortized discount, consisted of the following (amounts in thousands):

Description	Amount	Maturity
5.00% Convertible Notes	$ 140,000	2006
7.25% Notes	$ 98,718	2007
8.875% Notes	$ 269,416	2011

The above loans carry fixed rates of interest.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

CONSOLIDATED STATEMENTS OF EARNINGS

FOR THE FISCAL YEARS ENDED JULY 1, 2001, JULY 2, 2000 AND JUNE 27, 1999
(in thousands, except per share data)

	2001	2000	1999
NET SALES	$ 1,312,446	$ 1,592,564	$ 1,503,964
COST OF GOODS SOLD	1,073,383	1,253,110	1,198,609
Gross Profit on Sales...	239,063	339,454	305,355
ENGINEERING, SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	139,957	134,225	125,219
Income from Operations	99,106	205,229	180,136
INTEREST EXPENSE	(30,665)	(21,267)	(17,024)
GAIN ON DISPOSITION OF FOUNDRY ASSETS	--	16,545	--
OTHER INCOME, Net	3,432	16,116	6,659
Income Before Provision for Income Taxes	71,873	216,623	169,771
PROVISION FOR INCOME TAXES	23,860	80,150	63,670

NET INCOME	$ 48,013	$ 136,473	$ 106,101
	===========	===========	===========
Weighted Average Shares Outstanding	21,598	22,788	23,344
BASIC EARNINGS PER SHARE	$ 2.22	$ 5.99	$ 4.55
	===========	===========	===========
Diluted Average Shares Outstanding	21,966	22,842	23,459
DILUTED EARNINGS PER SHARE	$ 2.21	$ 5.97	$ 4.52
	===========	===========	===========

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

CONSOLIDATED BALANCE SHEETS

AS OF JULY 1, 2001 AND JULY 2, 2000
(in thousands)

ASSETS	2001	2000
CURRENT ASSETS:		
Cash and Cash Equivalents	$ 88,743	$ 16,989
Receivables, Less Reserves of $1,599 and $1,544, Respectively	145,138	140,097
Inventories -		
Finished Products and Parts	218,671	181,800
Work in Process	99,247	70,908
Raw Materials	3,782	5,066
	----------	----------
Total Inventories	321,700	257,774
Future Income Tax Benefits	38,434	39,138
Prepaid Expenses and Other Current Assets	19,415	17,296
	----------	----------
Total Current Assets	613,430	471,294
INVESTMENTS	46,071	50,228
PREPAID PENSION	36,275	5,506
DEFERRED LOAN COSTS	10,429	703
CAPITALIZED SOFTWARE	6,552	6,934
INTANGIBLE ASSETS	167,077	-
PLANT AND EQUIPMENT:		
Land and Land Improvements	16,308	15,087
Buildings	150,396	139,588
Machinery and Equipment	694,416	651,740
Construction in Progress	29,071	32,240
	----------	----------
	890,191	838,655
Less - Accumulated Depreciation	473,830	443,075
	----------	----------
Total Plant and Equipment, Net	416,361	395,580
	----------	----------
	$1,296,195	$ 930,245
	=========	=========

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

AS OF JULY 1, 2001 AND JULY 2, 2000
(in thousands)

LIABILITIES AND SHAREHOLDERS' INVESTMENT	2001	2000
CURRENT LIABILITIES:		
Accounts Payable	$ 102,559	$ 117,556
Domestic Notes Payable	3,300	48,809
Foreign Loans	16,291	13,356
Accrued Liabilities -		
Wages and Salaries	21,084	39,464
Warranty	47,480	46,352
Other	47,161	42,622
Total Accrued Liabilities	115,725	128,438
Federal and State Income Taxes	4,307	4,619
Total Current Liabilities	242,182	312,778
DEFERRED REVENUE ON SALE OF PLANT AND EQUIPMENT	15,536	15,679
DEFERRED INCOME TAX LIABILITY	18,351	4,011
ACCRUED PENSION COST	14,494	11,428
ACCRUED EMPLOYEE BENEFITS	12,979	12,607
ACCRUED POSTRETIREMENT HEALTH CARE OBLIGATION	61,767	65,765
LONG-TERM DEBT	508,134	98,512
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' INVESTMENT:		
Common Stock -		
Authorized 60,000 Shares $.01 Par Value,		
Issued 28,927 in 2001 and 2000	289	289
Additional Paid-In Capital	36,043	36,478
Retained Earnings	743,230	721,980
Accumulated Other Comprehensive Loss	(6,182)	(3,931)
Unearned Compensation on Restricted Stock	(305)	(226)
Treasury Stock at cost,		
7,328 Shares in 2001 and 7,181 Shares in 2000	(350,323)	(345,125)
Total Shareholders' Investment	422,752	409,465
	$ 1,296,195	$ 930,245

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

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' INVESTMENT

FOR THE FISCAL YEARS ENDED JULY 1, 2001, JULY 2, 2000 AND JUNE 27, 1999
(in thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Unearned Compensation on Restricted Stock	Treasury Stock	Comprehensive Income
BALANCES, JUNE 28, 1998	$289	$ 37,776	$ 533,805	$(2,110)	$--	$(253,272)	
Comprehensive Income -							
Net Income	--	--	106,101	--	--	--	$ 106,101
Foreign Currency Translation Adjustments	--	--	--	(199)	--	--	(199)
Unrealized Gain on Marketable Securities, net of tax of $368	--	--	--	577	--	--	577
Total Comprehensive Income	--	--	--	--	--	--	$ 106,479
Cash Dividends Paid ($1.16 per share)	--	--	(27,099)	--	--	--	
Purchase of Common Stock for Treasury	--	--	--	--	--	(75,141)	
Exercise of Stock Options	--	(13)	--	--	--	45,143	
Restricted Stock Issued	--	(106)	--	--	(288)	394	
Amortization of Unearned Compensation	--	--	--	--	53	--	
BALANCES, JUNE 27, 1999	$289	$ 37,657	$ 612,807	$(1,732)	$(235)	$(282,876)	
Comprehensive Income -							
Net Income	--	--	136,473	--	--	--	$ 136,473
Foreign Currency Translation							

Adjustments	--	--	--	(1,816)	--	--	(1,816)
Unrealized Loss on Marketable Securities, net of tax of $247	--	--	--	(383)	--	--	(383)
Total Comprehensive Income	--	--	--	--	--	--	$ 134,274
Cash Dividends Paid ($1.20 per share)	--	--	(27,300)	--	--	--	
Purchase of Common Stock for Treasury	--	--	--	--	--	(69,083)	
Exercise of Stock Options	--	(1,194)	--	--	--	6,755	
Restricted Stock Issued	--	10	--	--	(60)	50	
Amortization of Unearned Compensation	--	--	--	--	69	--	
Shares Issued to Directors	--	5	--	--	--	29	
BALANCES, JULY 2, 2000	$289	$ 36,478	$ 721,980	$(3,931)	$(226)	$(345,125)	
Comprehensive Income -							
Net Income	--	--	48,013	--	--	--	$ 48,013
Foreign Currency Translation Adjustments	--	--	--	(2,530)	--	--	(2,530)
Unrealized Loss on Marketable Securities, net of tax of $607	--	--	--	(947)	--	--	(947)
Unrealized Gain on Derivatives	--	--	--	1,226	--	--	1,226
Total Comprehensive Income	--	--	--	--	--	--	$ 45,762
Cash Dividends Paid ($1.24 per share)	--	--	(26,763)	--	--	--	
Purchase of Common Stock for Treasury	--	--	--	--	--	(6,118)	
Exercise of Stock Options	--	(368)	--	--	--	643	
Restricted Stock Issued	--	(58)	--	--	(181)	239	
Amortization of Unearned Compensation	--	--	--	--	102	--	
Shares Issued to Directors	--	(9)	--	--	--	38	
BALANCES, JULY 1, 2001	$289	$ 36,043	$ 743,230	$(6,182)	$(305)	$(350,323)	

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

CONSOLIDATED STATEMENTS OF CASH FLOW

FOR THE FISCAL YEARS ENDED JULY 1, 2001, JULY 2, 2000 AND JUNE 27, 1999
(in thousands)

	2001	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income	$ 48,013	$ 136,473	$ 106,101
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities -			
Depreciation and Amortization	59,711	53,277	51,687
Equity in Earnings of Unconsolidated Affiliates	(5,041)	(13,333)	(5,275)
(Gain) Loss on Disposition of Plant and Equipment	1,493	(14,167)	2,355
Provision for Deferred Income Taxes	17,973	1,542	4,052
Pension Income, Net	(28,378)	(10,509)	(8,389)
Change in Operating Assets and Liabilities, Net of Effects of Acquisition -			
(Increase) Decrease in Receivables	34,686	51,837	(58,738)
Increase in Inventories	(7,307)	(121,685)	(29,570)
Increase in Prepaid Expenses and Other Current Assets	(50)	(2,488)	(3,863)
Increase (Decrease) in Accounts Payable, Accrued Liabilities and Income Taxes	(46,740)	1,519	61,890
Other, Net	(6,392)	(4,984)	(4,538)
Net Cash Provided by Operating Activities	67,968	77,482	115,712
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to Plant and Equipment	(61,322)	(71,441)	(65,998)
Proceeds Received on Disposition of Plant and Equipment	4,152	23,511	1,142
Cash Paid for Acquisition, Net of Cash Acquired	(267,174)	--	--
Other, Net	6,296	5,142	(1,764)
Net Cash Used in Investing Activities	(318,048)	(42,788)	(66,620)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net Borrowings (Repayments) on Loans and Notes Payable	(42,574)	44,005	(401)
Proceeds from Issuance of Long-Term Debt	399,415	--	--
Repayment on 9.21% Senior Notes Due 2001	--	(30,000)	(15,000)
Cash Dividends Paid	(26,763)	(27,300)	(27,099)
Purchase of Common Stock for Treasury	(6,118)	(69,083)	(75,141)
Proceeds from Exercise of Stock Options	275	5,561	45,130
Net Cash Provided by (Used in) Financing Activities	324,235	(76,817)	(72,511)
EFFECT OF FOREIGN CURRENCY EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(2,401)	(1,694)	(302)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	71,754	(43,817)	(23,721)

CASH AND CASH EQUIVALENTS:			
Beginning of Year	16,989	60,806	84,527
End of Year	$ 88,743	$ 16,989	$ 60,806
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Interest Paid	$ 26,339	$ 21,202	$ 16,820
Income Taxes Paid	$ 7,831	$ 84,535	$ 54,491

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JULY 1, 2001, JULY 2, 2000 AND JUNE 27, 1999

(1) NATURE OF OPERATIONS:

Briggs & Stratton Corporation (the Company) is a U.S. based producer of air cooled gasoline engines. These engines are sold worldwide, primarily to original equipment manufacturers of lawn and garden equipment and other gasoline engine powered equipment. Additionally, through the Company's wholly-owned subsidiary, Generac Portable Products, Inc., the company is a designer, manufacturer and marketer of portable generators, pressure washers and related accessories.

(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 2001 fiscal year was 52 weeks long, the 2000 fiscal year was 53 weeks long and the 1999 fiscal year was 52 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 accounting principles generally accepted in the United States 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, commercial paper 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 77% of total inventories at July 1, 2001, 91% of total inventories at July 2, 2000 and 89% at June 27, 1999. 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 $51.2 million, $45.2 million and $43.9 million 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.

Investments: This caption represents the Company's investments in four 50%-owned foreign joint ventures, preferred stock in a privately-held iron castings business and common stock in a publicly traded software company. The common stock in the publicly traded company is being classified as available-for-sale and is reported at a fair market value of $.5 million as of July 1, 2001, $2.1 million as of July 2, 2000 and $2.7 million as of June 27, 1999. The unrealized loss incurred on this stock is recorded as Accumulated Other Comprehensive Loss in the Shareholders' Investment section of the balance sheet. The investments in the joint ventures and the privately held business are accounted for under the equity method.

Deferred Loan Costs: Expenses associated with the issuance of debt instruments are capitalized and are being amortized over the terms of the respective financing arrangement using the effective interest rate method over periods ranging from five to ten years.

Capitalized Software: This caption represents costs of software used in the Company's business. Amortization of Capitalized Software is computed on an item-by-item basis over a period of three to ten years, depending on the estimated useful life of the software. Accumulated amortization amounted to $7.4 million as of July 1, 2001, $6.2 million as of July 2, 2000 and $5.7 million as of June 27, 1999.

Intangible Assets: This caption represents primarily goodwill, the recognized portion of the cost of an acquisition in excess of the fair values assigned to identifiable net assets acquired which is amortized on a straight-line basis over twenty years and other identifiable intangible assets, which are amortized

on a straight-line basis over periods of six to seven years. As of July 1, 2001, accumulated amortization was $1.1 million. The Company assesses the carrying value of goodwill and other intangibles for possible impairment at each balance sheet date.

Plant and Equipment and Depreciation: Plant and equipment are 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.

Impairment of Long-Lived Assets: Property, plant and equipment and other long-term assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the sum of the expected undiscounted cash flows is less than the carrying value of the related asset or group of assets, a loss is recognized for the difference between the fair value and carrying value of the asset or group of assets. There were no adjustments to the carrying value of long-lived assets in fiscal 2001.

Revenue Recognition: Revenue is recognized when title to the products being sold transfers to the customer, which is generally upon shipment. The impact of Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements", did not have an impact on the results of operations.

Deferred Revenue on Sale of Plant & Equipment: In fiscal 1997, the Company sold its Menomonee Falls, Wisconsin facility for approximately $16.0 million. 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 and under certain circumstances, of the remaining Reservation Period. Under the provisions of SFAS No. 66, "Accounting for Sales of Real Estate," the Company is required to account for this as a financing transaction as the Company continues to have substantial involvement with the facility during the Reservation Period or until the buyout option is exercised. Under this method, the cash received is reflected as a deferred revenue and the assets and the accumulated depreciation remain on the Company's books. Depreciation expense continues to be recorded each period and imputed interest expense is also recorded and added to deferred revenue. Offsetting this is the imputed fair value lease income on the non-Company occupied portion of the building. A pretax 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 annual cost of operating the warehouse portion of the facility is not material.

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 the financial statement and tax basis of assets and liabilities. The Future Income Tax Benefits represent temporary differences relating to current assets and current liabilities and the Deferred Income Tax Assets/Liabilities 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 $21.5 million in 2001, $24.3 million in 2000 and $17.9 million in 1999.

Advertising Costs: Advertising costs, included in Engineering, Selling, General and Administrative Expenses on the accompanying Consolidated Statements of Earnings, are expensed as incurred. These expenses totaled $10.1 million in 2001, $8.1 million in 2000 and $7.7 million in 1999.

EITF Abstract No. 00-25, "Vendor Income Statements Characterization of Consideration Paid to a Re-Seller of a Vendor's Products", is to be adopted as of December 31, 2001. The Company will be required to reclassify co-op advertising expense from selling expense to sales as a reduction of gross sales. The reclassification will not have a material adverse effect on results of operations.

Shipping and Handling Fees and Costs: During the fourth quarter of 2001, the company adopted the provisions of the EITF Abstract No. 00-10, "Accounting for Shipping and Handling Fees and Costs." In accordance with EITF No. 00-10, revenue received from shipping and handling fees is reflected in net sales. The reclassification of shipping fee revenue out of cost of sales for the years ended July 1, 2001, July 2, 2000 and June 27, 1999 was $1.7 million, $2.0 million and $2.2 million respectively.

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.

Earnings Per Share: The Company's earnings per share were computed by dividing net income by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share, for each period presented, were computed on the assumption that stock options were exercised at the beginning of the periods reported. The difference between weighted average shares outstanding and diluted average shares outstanding reflects the dilutive effects of stock options and the convertible senior notes. The Company's share repurchase program may affect the year-to-date comparisons.

The shares outstanding used to compute diluted earnings per share for fiscal 2001, 2000 and 1999 excluded outstanding options to purchase 1,679,564, 1,079,564 and 348,530 shares of common stock, respectively, with weighted-average exercise prices of $56.33, $61.95 and $61.90, respectively. The options were excluded because their exercise prices were greater than the average market price of the common shares and their inclusion in the computation would have been antidulitive.

Comprehensive Income: Comprehensive income is a more inclusive financial reporting method that includes disclosure of certain financial information that historically has not been recognized in the calculation of net income. The Company has chosen to report Comprehensive Income and Accumulated Other Comprehensive Income (Loss) which encompasses net income, unrealized gain (loss) on marketable securities, foreign currency translation, and unrealized gain on derivatives in the Consolidated Statements of Shareholders' Investment. Information on accumulated other comprehensive income (loss) is as follows (in thousands of dollars):

	Unrealized Gain (Loss) on Marketable Securities	Cumulative Translation Adjustments	Unrealized Gain on Derivatives	Accumulated Other Comprehensive Income (Loss)
Balance at June 28, 1998	$ -	$(2,110)	$ -	$(2,110)
Current year change	577	(199)	-	378
Balance at June 27, 1999	577	(2,309)	-	(1,732)
Current year change	(383)	(1,816)	-	(2,199)
BALANCE AT JULY 2, 2000	194	(4,125)	-	(3,931)
CURRENT YEAR CHANGE	(947)	(2,530)	1,226	(2,251)
BALANCE AT JULY 1, 2001	$ (753)	$(6,655)	$ 1,226	$(6,182)

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Derivatives: On July 2, 2000, the Company adopted SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities". This statement requires companies to record derivatives on the balance sheet as assets or liabilities, measured at fair value. Any changes in fair value of these instruments are recorded in the income statement or other comprehensive income. The impact of adopting SFAS No. 133 on Accumulated Other Comprehensive Loss resulted in a loss of $15 thousand. The Company reclassified derivative gains of $1.8 million to the income statement during the fiscal year. The cumulative effect of adopting SFAS No. 133 on the results of operations was immaterial.

The Company enters into derivative contracts designated as cash flow hedges to manage its foreign currency exposures. These instruments generally do not have a maturity of more than twelve months. During the fiscal year, there were no derivative instruments that were deemed to be ineffective. The amounts included in Accumulated Other Comprehensive Loss will be reclassified into income when the forecasted transaction occurs, generally within the next twelve months. These forecasted transactions represent the exporting of products for which the Company will receive foreign currency and the importing of products for which the Company will be required to pay in a foreign currency.

Sales Incentives: In January 2001, EITF Abstract No. 00-22 "Accounting for 'Points' and Certain Other Time-Based or Volume-Based Sales Incentive Offers and Offers for Free Products or Services to be Delivered in the Future" was issued. EITF No. 00-22 prescribes guidance requiring certain rebate offers and free products that are delivered subsequent to a single exchange transaction to be recognized when incurred and reported as a reduction of revenue. The Company adopted EITF No. 00-22 in the fourth quarter of fiscal 2001. It did not impact the results of operations because the Company's past and current accounting policy is to report such costs as reductions of revenue.

Reclassification: Certain amounts in prior year financial statements have been reclassified to conform to current year presentation.

Business Combinations: In June 2001, the Financial Accounting Standards Board issued SFAS No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets" having a required effective date for fiscal years beginning after December 31, 2001. Under certain circumstances companies are permitted to adopt these statements before the required date. Under the new rules, goodwill and other intangible assets deemed to have indefinite lives will no longer be amortized but will be subject to annual impairment tests in accordance with the Statements. Other intangible assets will continue to be amortized over their useful lives.

The Company adopted the new rules on accounting for goodwill and other intangible assets in the first quarter of fiscal 2002. Application of the nonamortization provisions of the SFAS No. 142 is expected to result in an increase in net income of approximately $.7 million in fiscal 2002. The Company will perform the first of the required impairment tests of goodwill and indefinite lived intangible assets during fiscal 2002.

(3) ACQUISITION:

On May 15, 2001, the Company acquired Generac, a designer, manufacturer and marketer of portable generators, pressure washers and related accessories. The aggregate purchase price of $288.1 million included $267.6 million of cash and $20.5 million of liabilities assumed. The cash paid included $.5 million of cash acquired and $4.5 million of direct acquisition costs, and was funded through the issuance of the 8.875% senior notes as more fully described in Footnote 6.

The provisions of the acquisition include a contingent purchase price based on the operating results of Generac. The Company does not expect to pay any additional purchase price pursuant to these provisions.

The acquisition has been accounted for using the purchase method of accounting and accordingly, the purchase price was allocated on a preliminary basis to identifiable assets acquired and liabilities assumed based upon their estimated fair values, with the excess purchase price recorded as goodwill. Final adjustments to the purchase price allocation are not expected to be material to the consolidated financial statements. Goodwill of approximately $167.7 million has been recorded as a result of the acquisition and has been amortized on a straight-line basis over twenty years. The following table sets forth the unaudited pro forma information for the Company as if the acquisition of Generac had occurred on June 28, 1999 (in millions, except per share data):

	2001	2000
Net Sales	$1,465.3	$1,911.2
Net Income	$ 26.6	$ 136.0
Basic Earnings Per Share	$ 1.23	$ 5.96
Diluted Earnings Per Share	$ 1.21	$ 5.96

In the first quarter of fiscal 2002, the Company adopted SFAS No. 142. Under the new rules, goodwill and other intangible assets with indefinite lives will no longer be amortized but will be subject to annual impairment tests.

(4) INCOME TAXES:

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

Current	2001	2000	1999
Federal	$ 4,042	$66,169	$51,344
State	594	10,425	7,014

Foreign	1,251	2,014	1,260
	5,887	78,608	59,618
Deferred	17,973	1,542	4,052
	$23,860	$80,150	$63,670

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

	2001	2000	1999
U.S. statutory rate	35.0%	35.0%	35.0%
State taxes, net of Federal tax benefit	2.5%	3.2%	2.9%
Foreign Sales Corporation tax benefit	(3.5%)	(.5%)	(.5%)
Other	(.8%)	(.7%)	.1%
Effective tax rate	33.2%	37.0%	37.5%

The increase in the Foreign Sales Corporation tax benefit was attributable to a significant refund recorded by the Company. The components of deferred income taxes at the end of the fiscal year were (in thousands of dollars):

	2001	2000
Future Income Tax Benefits:		
Inventory	$ 3,424	$ 4,152
Payroll related accruals	3,846	4,539
Warranty reserves	18,311	18,077
Other accrued liabilities	10,769	11,011
Miscellaneous	2,084	1,359
	$ 38,434	$ 39,138
Deferred Income Taxes:		
Difference between book and tax methods applied to maintenance and supply inventories	$ 10,723	$ 11,429
Pension cost	(13,187)	(1,338)
Accumulated depreciation	(55,163)	(53,719)
Accrued employee benefits	10,060	9,405
Postretirement health care obligation	24,089	25,649
Deferred revenue on sale of plant & equipment	6,059	6,115
Miscellaneous	(932)	(1,552)
	$(18,351)	$ (4,011)

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 $8.4 million at July 1, 2001. 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.

(5) SEGMENT AND GEOGRAPHIC INFORMATION AND SIGNIFICANT CUSTOMERS:

In accordance with SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information" and subsequent to the May 15, 2001 acquisition described in Footnote 3, the Company has concluded that it operates two reportable business segments which are managed separately based on fundamental differences in their operations. Certain information concerning the Company's business segments is presented below (in thousands of dollars):

	2001	2000	1999
NET SALES -			
Engines	$ 1,291,649	$ 1,592,564	$ 1,503,964
Generac Portable Products	30,069	-	-
Eliminations	(9,272)	-	-
	$ 1,312,446	$ 1,592,564	$ 1,503,964
INCOME FROM OPERATIONS -			
Engines	$ 99,156	$ 205,229	$ 180,136
Generac Portable Products	1,118	-	-
Eliminations	(1,168)	-	-
	$ 99,106	$ 205,229	$ 180,136
ASSETS -			
Engines	$ 1,012,438	$ 930,245	$ 875,885
Generac Portable Products	287,058	-	-
Eliminations	(3,301)	-	-
	$ 1,296,195	$ 930,245	$ 875,885
CAPITAL EXPENDITURES -			
Engines	$ 60,841	$ 71,441	$ 65,998
Generac Portable Products	481	-	-
	$ 61,322	$ 71,441	$ 65,998
DEPRECIATION & AMORTIZATION -			
Engines	$ 58,362	$ 53,277	$ 51,687
Generac Portable Products	1,349	-	-
	$ 59,711	$ 53,277	$ 51,687

Information regarding the Company's geographic sales by the location in which the sale originated is as follows (in thousands of dollars):

	2001	2000	1999
United States	$1,228,307	$1,503,730	$1,425,226
All Other Countries	84,139	88,834	78,738
Total	$1,312,446	$1,592,564	$1,503,964

The Company has no material long lived assets in an individual foreign country.

In the fiscal years 2001, 2000 and 1999, there were sales to three major engine customers that individually 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):

	2001		2000		1999	
Customer	SALES	%	Sales	%	Sales	%
A	$267,516	20%	$287,769	18%	$250,755	17%
B	$187,001	14%	$229,873	14%	$219,209	14%
C	$150,682	12%	$190,659	12%	$161,857	11%
	$605,199	46%	$708,301	44%	$631,821	42%

(6) INDEBTEDNESS:

The Company has access to a $250.0 million revolving credit facility (the Credit Facility) which expires in April 2002. The Company also has access to additional domestic lines of credit totaling $18.0 million which remain in effect until canceled by either party. They provide amounts for short-term use at the then prevailing rate. There are no significant compensating balance requirements for any of these lines. There were no borrowings at July 1, 2001 using these lines or the Credit Facility. On July 2, 2000, there were $45 million of borrowings that were included in the domestic notes payable.

Borrowings under the Credit Facility by the Company bear interest at a rate per annum equal to, at its option, either:
(1) the higher of (a) the bank's reference rate or (b) 0.5% per annum above the Federal Funds rate; or
(2) LIBOR plus a margin that may be adjusted up or down based on the Company's debt ratings. The following data relates to domestic notes payable (in thousands of dollars):

	2001	2000
Balance at Fiscal Year End	$ 3,300	$ 48,809
Weighted Average Interest Rate at Fiscal Year End	5.18%	6.91%

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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 $5.9 million, expire at various times through April, 2002 and are renewable. There were borrowings of $1.4 million at July 1, 2001 using these lines of credit and are included in foreign loans. None of these arrangements had material commitment fees or compensating balance requirements.

The following information relates to foreign loans (in thousands of dollars):

	2001	2000
Balance at Fiscal Year End	$16,291	$13,356
Weighted Average Interest Rate at Fiscal Year End	5.80%	5.40%

The Long-Term Debt caption consists of the following (in thousands of dollars):

	2001	2000
8.875% Senior Notes Due 2011, Net of Unamortized Discount of $5,584 in 2001	$269,416	$ -
5.00% Convertible Senior Notes Due 2006	140,000	-
7.25% Senior Notes Due 2007, Net of Unamortized Discount of $1,282 in 2001 and $1,488 in 2000	98,718	98,512
Total Long-Term Debt	$508,134	$ 98,512

In May 2001 the Company issued $275.0 million of 8.875% Senior Notes due March 15, 2011 and $140.0 million of 5.00% Convertible Senior Notes due May 15, 2006. The convertible senior notes are convertible at the option of the holders into the Company's common stock at the conversion rate of 20.1846 shares per each $1,000 of convertible notes. Interest is paid semi-annually on both series of notes. No principal payments are due before the maturity dates.

The net proceeds from the sale of the 8.875% senior notes and 5.00% convertible senior notes were used to fund the Company's acquisition of Generac including the replacement of Generac's outstanding debt and to repay a portion of the Company's unrated commercial paper and short-term borrowings under its credit facilities.

The 7.25% senior notes are due September 15, 2007. No principal payments are due before that date.

The separate indentures providing for the 7.25% senior notes, the 8.875% senior notes and the 5.00% convertible senior notes and the Company's revolving credit agreement (collectively, the Domestic Indebtedness) each include a number of financial and operating restrictions. These covenants include, among other things, restrictions on the Company's ability to: pay dividends; incur indebtedness; create liens; enter into sale and leaseback transactions; consolidate, merge, sell or lease all or substantially all of its assets; and dispose of assets or the proceeds of sales of its assets. In addition, the revolving credit facility contains financial covenants that, among other things, require the Company to maintain a minimum interest coverage ratio and that impose a maximum leverage ratio. As of July 1, 2001, the Company was in compliance with these covenants.

Additionally, under the terms of the indentures governing the Domestic Indebtedness, Generac and its subsidiaries became joint and several guarantors of amounts outstanding under the Domestic Indebtedness.

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(7) SEPARATE FINANCIAL INFORMATION OF SUBSIDIARY GUARANTORS OF INDEBTEDNESS

Under the terms of the Company's Domestic Indebtedness as described in Footnote 6, Generac and its subsidiaries became joint and several guarantors of the Domestic Indebtedness. Additionally, if at any time a domestic subsidiary of the Company constitutes a significant domestic subsidiary, then such domestic subsidiary will also become a guarantor of the Domestic Indebtedness. Each guarantee of the Domestic Indebtedness is the obligation of the guarantor and ranks equally and ratably with the existing and future senior unsecured obligations of that guarantor accordingly, Generac has provided a full and unconditional guarantee of the Domestic Indebtedness. The following condensed supplemental consolidating financial information reflects the operations of Generac since the acquisition date of May 15, 2001 (in thousands of dollars):

BALANCE SHEET: AS OF JULY 1, 2001	BRIGGS & STRATTON CORPORATION	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATIONS	CONSOLIDATED
Current Assets	$ 482,158	$ 98,523	$ 52,182	$ (19,433)	$ 613,430
Investment in Subsidiary	292,543	-	-	(292,543)	-
Noncurrent Assets	491,624	188,535	2,606	-	682,765
	$ 1,266,325	$ 287,058	$ 54,788	$ (311,976)	$ 1,296,195
Current Liabilities	$ 207,336	$ 18,737	$ 29,731	$ (13,622)	$ 242,182
Long-Term Debt	508,134	-	-	-	508,134
Other Long-Term Obligations	122,292	835	-	-	123,127
Stockholders' Equity	428,563	267,486	25,057	(298,354)	422,752
	$ 1,266,325	$ 287,058	$ 54,788	$ (311,976)	$ 1,296,195
STATEMENT OF EARNINGS: FOR THE FISCAL YEAR ENDED JULY 1, 2001					
Net Sales	$ 1,253,253	$ 30,069	$ 80,701	$ (51,577)	$ 1,312,446
Cost of Goods Sold	1,037,817	25,814	61,159	(51,407)	1,073,383
Gross Profit	215,436	4,255	19,542	(170)	239,063
Engineering, Selling, General and Administrative Expenses	125,937	3,138	10,882	-	139,957
Income from Operations	89,499	1,117	8,660	(170)	99,106
Interest Expense	(28,024)	(23)	(2,642)	24	(30,665)
Other (Expense) Income, Net	8,574	(1,073)	8,841	(12,910)	3,432
Income Before Provision for Income Taxes	70,049	21	14,859	(13,056)	71,873
Provision for Income Taxes	22,036	7	1,817	-	23,860
Net Income	$ 48,013	$ 14	$ 13,042	$ (13,056)	$ 48,013

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STATEMENT OF CASH FLOWS: FOR THE FISCAL YEAR ENDED JULY 1, 2001	BRIGGS & STRATTON CORPORATION	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATIONS	CONSOLIDATED
Cash Flows from Operating Activities:					
Net Income	$ 48,013	$ 14	$ 13,042	$ (13,056)	$ 48,013
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities- Depreciation and Amortization	57,724	1,349	638	-	59,711
Equity (Earnings) Loss of Affiliates and Subsidiaries	(5,762)	-	159	562	(5,041)
(Gain) Loss on Disposition of Plant and Equipment	1,499	-	(6)	-	1,493
Pension (Income) Expense, Net	(28,646)	268	-	-	(28,378)
Provision for Deferred Taxes	17,691	282	-	-	17,973
Change in Operating Assets and Liabilities- Decrease in Receivables	35,479	1,868	5,375	(8,036)	34,686
(Increase) Decrease in Inventories	(6,325)	(2,811)	1,659	170	(7,307)
(Increase) Decrease in Other Current Assets	22	89	(161)	-	(50)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(47,372)	4,349	(11,753)	8,036	(46,740)
Other, Net	(6,183)	(209)	-	-	(6,392)
Net Cash Provided by (Used in) Operating Activities	$ 66,140	$ 5,199	$ 8,953	$ (12,324)	$ 67,968
Cash Flows from Investing Activities: Additions to Plant and Equipment	$ (60,262)	$ (481)	$ (579)	$ -	$ (61,322)
Proceeds Received on Disposition of Plant and Equipment	4,113	-	39	-	4,152
Investments in Subsidiaries, Net of Cash Acquired	(270,632)	456	3,002	-	(267,174)
Other, Net	6,434	-	(138)	-	6,296
Net Cash Provided by (Used in) Investing Activities	$(320,347)	$ (25)	$ 2,324	$ -	$(318,048)
Cash Flows from Financing Activities: Net Borrowings (Repayments) on Loans and Notes Payable	$ (41,175)	$ (4,334)	$ 2,935	$ -	$ (42,574)
Net Proceeds from Issuance of Long-Term Debt	399,415	-	-	-	399,415
Dividends	(26,763)	-	(12,324)	12,324	(26,763)
Net Common and Treasury Stock Activities	(5,843)	-	-	-	(5,843)
Net Cash Provided by (Used in) Financing Activities	$ 325,634	$ (4,334)	$ (9,389)	$ 12,324	$ 324,235
Effect of Exchange Rate Changes	$ -	$ (157)	$ (2,244)	$ -	$ (2,401)
Net Increase (Decrease) in Cash and Cash Equivalents	$ 71,427	$ 683	$ (356)	$ -	$ 71,754
Cash and Cash Equivalents, Beginning	13,855	-	3,134	-	16,989
Cash and Cash Equivalents, Ending	$ 85,282	$ 683	$ 2,778	$ -	$ 88,743

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(8) OTHER INCOME:

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

	2001	2000	1999

Interest income	$ 2,069	$ 1,589	$ 1,993
Loss on the disposition of plant and equipment	(1,493)	(2,378)	(2,355)
Income from joint ventures	5,485	14,364	5,442
Translation gain (loss)	(4,973)	206	(364)
Amortization of intangibles	(1,052)	-	-
Other items	3,396	2,335	1,943
Total	$ 3,432	$ 16,116	$ 6,659

(9) COMMITMENTS AND CONTINGENCIES

Product and general liability claims arise against the Company from time to time in the ordinary course of business. The Company is generally self-insured for claims up to $1 million per claim. Accordingly, a reserve is maintained for the estimated costs of such claims. At July 1, 2001 and July 2, 2000 the reserve for product and general liability claims was $3.6 million and $4.0 million, respectively, based on available information. No reasonable range of possible losses can be determined, because there is inherent uncertainty as to the eventual resolution of unsettled claims. Management does not expect that the likely outcome of these claims, excluding the impact of insurance proceeds and reserves, will have a material adverse effect on the financial condition or results of operations of the Company.

The Company has no material commitments for materials or capital expenditures at July 1, 2001.

(10) STOCK OPTIONS:

The Company has a Stock Incentive Plan under which 5,361,935 shares of common stock have been reserved for issuance. The Company accounts for the plan under Accounting Principles Board Opinion No. 25, under which no compensation cost has been recognized. Had compensation cost for these plans been determined consistent with SFAS No. 123, "Accounting for Stock-Based Compensation," the Company's net income and earnings per share would have been reduced to the following pro forma amounts:

	2001	2000	1999
Net Income (in thousands):			
As Reported	$ 48,013	$ 136,473	$ 106,101
Pro Forma	$ 44,814	$ 134,600	$ 105,283
Basic Earnings Per Share:			
As Reported	$ 2.22	$ 5.99	$ 4.55
Pro Forma	$ 2.07	$ 5.91	$ 4.51
Diluted Earnings Per Share:			
As Reported	$ 2.21	$ 5.97	$ 4.52
Pro Forma	$ 2.04	$ 5.89	$ 4.49

Because the SFAS No. 123 method of accounting has not been applied to options granted prior to July 2, 1995, the resulting pro forma compensation cost may not be representative of that to be expected in future years.

Information on the options outstanding is as follows:

	Shares	Wtd. Avg. Ex. Price
Balance, June 28, 1998	1,791,819	$ 47.98

Granted during the year	354,020	44.98
Exercised during the year	(926,000)	45.30
Expired during the year	(177,828)	48.37
Balance, June 27, 1999	1,042,011	$ 49.28
Granted during the year	471,020	$ 74.53
Exercised during the year	(151,033)	38.49
Expired during the year	(58,970)	67.55
BALANCE, JULY 2, 2000	1,303,028	$ 58.83
GRANTED DURING THE YEAR	600,000	$ 46.22
EXERCISED DURING THE YEAR	(13,449)	20.45
EXPIRED DURING THE YEAR	(180,738)	49.08
BALANCE, JULY 1, 2001	1,708,841	$ 55.73

Grant Summary

Fiscal Year	Grant Date	Exercise Price	Date Exercisable	Options Outstanding	Expiration Date
1992	5-18-92	21.525	50%, 1-1-96; 50%, 1-1-97	29,277	5-17-02
1997	8-6-96	53.300	8-6-99	86,584	8-6-01
1998	8-5-97	65.690	8-5-00	233,480	8-5-02
1999	8-5-98	44.980	8-5-01	327,560	8-5-03
2000	8-4-99	74.530	8-4-02	431,940	8-4-04
2001	8-3-00	46.220	8-3-03	600,000	8-3-07

The exercise price of the 1992 grant has been adjusted as appropriate to reflect a two-for-one stock split in October 1994 and the spin-off of the Company's lock business in February 1995.

The fair value of each option is estimated using the Black-Scholes option pricing model. The grant-date fair market value of the options and assumptions used to determine such value are as follows:

Options granted during	2001	2000	1999
Grant date fair value	$ 11.47	$ 13.07	$ 5.04
Assumptions:			
Risk-free interest rate	6.0%	6.0%	5.4%
Expected volatility	37.6%	30.1%	22.3%
Expected dividend yield	2.6%	2.5%	2.5%
Expected term (in years)	7.0	5.0	5.0

(11) 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.

(12) FOREIGN EXCHANGE RISK MANAGEMENT:

The Company enters into forward exchange contracts to hedge purchase commitments denominated in foreign currencies. The term of these currency derivatives does not exceed twelve months 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 1.3 billion Japanese yen for $11.4 million through December, 2001. These contracts are used to hedge the commitments to purchase engines from the Company's Japanese joint venture. At July 1, 2001 the loss on these contracts at fair value totaled $.6 million.

The Company also has forward contracts to sell 36 million Euros for $33.6 million through October, 2001. The gain on these contracts on July 1, 2001 at fair market value totaled $3.1 million.

The Company's foreign subsidiaries have the following forward currency contracts outstanding at the end of fiscal 2001:

	In Millions			
Currency	Local Currency	Amount	Dollars	Latest Expiration Date
Japanese Yen	27.6	.4	Australian	July 2001
U.S. Dollars	5.2	9.7	Australian	January 2001
British Pounds	.7	1.9	Australian	January 2001
U.S. Dollars	3.3	5.0	Canadian	June 2002

At July 1, 2001 the gain on these contracts at fair value totaled $.2 million.

The Company continuously evaluates the effectiveness of its hedging program by evaluating its foreign exchange contracts compared to the anticipated underlying transactions.

NOTES...

(13) EMPLOYEE BENEFIT COSTS:

Retirement Plan and Postretirement Benefits

The Company has noncontributory, defined benefit retirement plans and postretirement benefit plans covering most Wisconsin employees. The following provides a reconcilation of obligations, plan assets and funded status of the plans for the two years indicated, (dollars in thousands):

	Pension Benefits		Other Postretirement Benefits	
	2001	2000	2001	2000
Actuarial Assumptions:				
Discounted Rate Used to Determine Present Value of Projected Benefit Obligation	7.5%	7.5%	7.5%	7.5%
Expected Rate of Future Compensation Level Increases	4.0-5.0%	5.0%	n/a	n/a
Expected Long-Term Rate of Return on				

Plan Assets	9.0%	9.0%	n/a	n/a
Change in Benefit Obligations:				
Actuarial Present Value of Benefit Obligations at Beginning of Year	$ 666,392	$ 689,397	$ 99,793	$ 109,485
Service Cost	9,482	10,622	1,215	1,307
Interest Cost	48,079	47,475	7,091	7,343
Plan Amendments	29,190	-	-	-
Acquisition	2,671	-	-	-
Actuarial (Gain) Loss	(10,478)	(37,124)	13,035	(6,657)
Benefits Paid	(42,061)	(43,978)	(12,577)	(11,685)
Actuarial Present Value of Benefit Obligation at End of Year	$ 703,275	$ 666,392	$ 108,557	$ 99,793
Change in Plan Assets:				
Plan Assets at Fair Value at Beginning of Year	$ 951,757	$ 886,422	$ -	$ -
Actual Return on Plan Assets	29,084	108,544	-	-
Acquisition	1,018	-	-	-
Employer Contributions	784	769	12,577	11,685
Benefits Paid	(42,061)	(43,978)	(12,577)	(11,685)
Plan Assets at Fair Value at End of Year	$ 940,582	$ 951,757	$ -	$ -
Plan Assets in Excess of (Less Than) Projected Benefit Obligation	$ 237,307	$ 285,365	$(108,557)	$ (99,793)
Remaining Unrecognized Net Obligation (Asset)	(4,517)	(9,995)	321	368
Unrecognized Net Loss (Gain)	(244,579)	(285,144)	29,673	17,221
Unrecognized Prior Service Cost	32,739	3,024	103	134
Net Amount Recognized at End of Year	$ 20,950	$ (6,750)	$ (78,460)	$ (82,070)
Amounts Recognized on the Balance Sheets:				
Prepaid Pension	$ 36,275	$ 5,506	$ -	$ -
Accrued Pension Cost	(14,494)	(11,428)	-	-
Accrued Wages and Salaries	(831)	(828)	-	-
Accrued Post Retirement Health Care Obligation	-	-	(61,767)	(65,765)
Other Accruals	-	-	(4,800)	(4,800)
Accrued Employee Benefits	-	-	(11,893)	(11,505)
Net Amount Recognized at End of Year	$ 20,950	$ (6,750)	$ (78,460)	$ (82,070)

NOTES...

The following table summarizes the plans' income and expense for the three years indicated (dollars in thousands):

	Pension Benefits			Other Postretirement Benefits		
	2001	2000	1999	2001	2000	1999
Components of Net Periodic Benefit Cost:						
Service Cost-Benefits Earned During the Year	$ 9,482	$ 10,622	$ 10,073	$ 1,215	$ 1,307	$ 1,437
Interest Cost on Projected Benefit Obligation	48,079	47,475	44,911	7,091	7,343	6,466
Expected Return on Plan Assets	(73,053)	(63,845)	(58,252)	-	-	-
Amoritization of:						
Transition Obligation (Asset)	(5,306)	(5,306)	(5,306)	47	46	47

Prior Service Cost	242	186	(106)	31	31	71
Actuarial (Gain) Loss	(7,822)	359	291	583	1,111	41
Net Periodic Benefit Expense (Income)	$(28,378)	$(10,509)	$ (8,389)	$ 8,967	$ 9,838	$ 8,062

In July 2001, the Company extended its collective bargaining agreement with one of its unions. As part of this contract extension, the Company agreed to pay certain amounts to employees who were hired prior to January 1, 1980 upon their retirement. The impact of this plan amendment is included in the above tables.

As described in Note 15, the Company contributed its two ductile iron foundries to MTHC. In connection with the contribution, MTHC agreed to assume pension and postretirement benefit obligations related to employees working at the foundries at the time of the transaction. The Company transferred to MTHC pension assets amounting to $11.3 million in fiscal 2001. The assumption of obligations by MTHC and transfer of pension assets did not result in a gain or loss to the Company.

The Company's supplemental pension plan has benefit obligations in excess of plan assets. The benefit obligation, accumulated benefit obligation and fair value of plan assets were $19.0 million, $14.9 million and $0 respectively for the 2001 fiscal year and $17.7 million, $14.9 million and $0 respectively for the 2000 fiscal year. The postretirement benefit plans are unfunded.

For measurement purposes a 10% annual rate of increase in the per capita cost of covered health care claims was assumed for the year 2002 decreasing gradually to 5% for the year 2008. The health care cost trend rate assumption has a significant effect on the amounts reported. An increase of one percentage point, would increase the accumulated postretirement benefit by $6.7 million and would increase the service and interest cost by $.7 million for the year. A corresponding decrease of one percentage point, would decrease the accumulated postretirement benefit by $6.4 million and decrease the service and interest cost by $.6 million for the year.

Defined Contribution Plans

The Company has a defined contribution retirement plan that includes most U.S. non-Wisconsin employees. Under the plan the Company makes an annual contribution on behalf of covered employees equal to 2% of each participant's gross income, as defined. For the fiscal years 2001, 2000 and 1999, the net expense related to these plans was $.2 million, $2.1 million and $1.9 million, respectively.

Wisconsin employees of the Company may participate in a salary reduction deferred compensation retirement plan. A maximum of 1-1/2% or 3% of each participant's salary, depending upon the participant's group is matched by the Company. Company contributions totaled $4.7 million in 2001, $4.6 million in 2000 and $4.2 million in 1999.

Postemployment Benefits

The Company accrues the expected cost of postemployment benefits over the years that the employees render service. These benefits are substantially smaller amounts because they apply only to employees who permanently terminate employment prior to retirement. The items include disability payments, life insurance and medical benefits. These amounts are also discounted using a

7.5% interest rate. Amounts are included in Accrued Employee Benefits in the balance sheet.

(14) 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 amounts approximate fair value because of the short maturity of these 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):

	2001	
	CARRYING AMOUNT	FAIR VALUE
CASH AND CASH EQUIVALENTS	$ 88,743	$ 88,743
DOMESTIC NOTES PAYABLE	$ 3,300	$ 3,300
FOREIGN LOANS	$ 16,291	$ 16,291
LONG-TERM DEBT -		
7.25% NOTES DUE 2007	$ 98,718	$ 96,237
5.00% CONVERTIBLE NOTES DUE 2006	$140,000	$150,066
8.875% NOTES DUE 2011	$269,416	$277,608

	2000	
	Carrying Amount	Fair Value
Cash and cash equivalents	$16,989	$16,989
Domestic notes payable	$48,809	$48,809
Foreign loans	$13,356	$13,356
Long-term debt -		
7.25% Notes due 2007	$98,512	$98,633

(15) DISPOSITION OF BUSINESS:

At the end of August 1999, the Company contributed its two ductile iron foundries to MTHC in exchange for $23.6 million in cash and $45.0 million aggregate par value convertible preferred stock. The provisions of the preferred stock include a 15% cumulative dividend and conversion rights into a minimum of 31% of MTHC common stock. Pursuant to EITF Abstract No. 86-29, the Company considered this contribution to be a monetary transaction, given the significant amount of cash received and recorded the consideration received at fair value. The preferred stock received was determined to have a fair value of $21.6 million based on provisions of the stock and the prevailing market returns for similar investments, estimated to be 30%, as of the date of the transaction.

MTHC is the primary supplier to the Company for iron castings. There are no other material arrangements between the Company and MTHC.

Based on the above and the fair value of all consideration received, the transaction resulted in a $16.5 million gain.

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 July 1, 2001 and July 2, 2000 and the related consolidated statements of earnings, shareholders' investment and cash flow for each of the three years in the period ended July 1, 2001. 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 auditing standards generally accepted in the United States. 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 July 1, 2001 and July 2, 2000 and the results of their operations and their cash flows for each of the three years in the period ended July 1, 2001, in conformity with accounting principles generally accepted in the United States.

ARTHUR ANDERSEN LLP

Milwaukee, Wisconsin
July 26, 2001

QUARTERLY FINANCIAL DATA, DIVIDEND AND MARKET INFORMATION (UNAUDITED)

	In Thousands			Per Share of Common Stock			
						Market Price Range on New York Stock Exchange	
Quarter Ended	Net Sales	Gross Profit	Net Income (Loss)	Net Income (Loss)	Dividends Declared	High	Low
FISCAL 2001							
SEPTEMBER	$ 181,251	$ 25,798	$ (6,304)	$ (.29)	$ .31	$ 44.56	$ 32.13
DECEMBER	368,207	69,606	19,928	.92	.31	46.00	30.38
MARCH	430,683	86,395	29,889	1.38	.31	48.38	36.50
JUNE	332,305	57,264	4,500	.21	.31	45.90	35.00
TOTAL	$1,312,446	$239,063	$ 48,013	$ 2.21 *	$ 1.24		
Fiscal 2000							
September	$ 299,404	$ 55,382	$ 25,703	$ 1.10	$ .30	$ 63.63	$ 55.88
December	422,879	99,723	41,144	1.77	.30	59.63	49.75
March	469,289	101,840	42,056	1.84	.30	53.88	31.00
June	400,992	82,509	27,570	1.24	.30	44.63	34.25
Total	$1,592,564	$339,454	$ 136,473	$ 5.97 *	$ 1.20		

The number of record holders of Briggs & Stratton Corporation Common Stock on August 23, 2001 was 4,101.

Net Income per share of Common Stock represents Diluted Earnings per Share.

* See Note 2 to Consolidated Financial Statements, for information about earnings per share. Amounts do not total because of differing numbers of shares

outstanding at the end of each quarter.

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

The information in the Corporation's definitive Proxy Statement, prepared for the 2001 Annual Meeting of Shareholders, under the captions "Election of Directors" and "Security Ownership of Management - Section 16(a) Beneficial Ownership Reporting Compliance", is incorporated herein by reference. The information concerning "Executive Officers of the Registrant", as a separate item, appears in Part I of this Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

The information in the Corporation's definitive Proxy Statement, prepared for the 2001 Annual Meeting of Shareholders, concerning this item, in the subsection titled "Director Compensation" under the caption "Election of Directors" and the "Executive Compensation" section, is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information in the Corporation's definitive Proxy Statement, prepared for the 2001 Annual Meeting of Shareholders, concerning this item, under the captions "Security Ownership of Certain Beneficial Owners" and "Security Ownership of Management", is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company has no relationships or related transactions to report pursuant to Item 13.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) 1. Financial Statements
The following financial statements are included under the caption "Financial Statements and Supplementary Data" in Part II, Item 8 hereof and are incorporated herein by reference:

Consolidated Balance Sheets, July 1, 2001 and July 2, 2000

For the Years Ended July 1, 2001, July 2, 2000 and June 27, 1999:

Consolidated Statements of Earnings
Consolidated Statements of Shareholders' Investment
Consolidated Statements of Cash Flow
Notes to Consolidated Financial Statements

Report of Independent Public Accountants

2. Financial Statement Schedules
Schedule II - Valuation and Qualifying Accounts
Report of Independent Public Accountants

All other 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 following the Signature Page, 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 identified in the Exhibit Index by an asterisk following the Exhibit Number.

(b) Reports on Form 8-K

On April 30, 2001, the Company filed a report on Form 8-K dated April 27, 2001, to report its intent to offer $275,000,000 of senior notes due 2011 and $125,000,000 of convertible senior notes due 2006, to be convertible into the Company's common stock, in separate private placements.

On May 15, 2001, the Company filed a report on Form 8-K dated May 14, 2001, to report it had completed the previously announced proposed offerings of $275,000,000 of 8.875% senior notes due 2011 and $140,000,000 of 5.00% convertible senior notes due 2006 in separate private placements.

On May 29, 2001, the Company filed a report on Form 8-K dated May 15, 2001, to report that the previously reported pending acquisition of Generac was completed on May 15, 2001 and Generac was now a wholly owned subsidiary of the Company.

On June 19, 2001, the Company filed a report on Form 8-K dated June 14, 2001, to report that on June 14, 2001, the Board of Directors of the Company had adopted amended and restated Bylaws of the Company.

On June 28, 2001, the Company filed Amendment No. 1 on Form 8-K/A to amend and restate its Form 8-K dated May 15, 2001, reporting the Company's acquisition of Generac Portable Products, Inc. to include the historical financial statements and pro forma financial information required to be filed in connection with the acquisition.

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

FOR FISCAL YEARS ENDED JULY 1, 2001, JULY 2, 2000 AND JUNE 27, 1999

Reserve for Doubtful Accounts Receivable	Balance Beginning of Year	Additions Charged to Earnings	Charges to Reserve, Net	Other	Balance End of Year
2001	$ 1,544,000	3,631,000	(3,667,000)	91,000*	$ 1,599,000
2000	$ 1,516,000	52,000	(24,000)	-	$ 1,544,000
1999	$ 1,537,000	(277,000)	256,000	-	$ 1,516,000

*Consists of additions to the reserve related to the acquisition of Generac.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

We have audited, in accordance with auditing standards generally accepted in the United States, the consolidated financial statements included in the Briggs & Stratton Corporation annual report to shareholders on Form 10-K, and have issued our report thereon dated July 26, 2001. Our audit was made for the purpose of forming an opinion on those statements taken as a whole. The schedule listed in the index in item 14(a)(2) is the responsibility of the Corporation's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. The schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP
Milwaukee, Wisconsin
July 26, 2001

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/ James E. Brenn

James E. Brenn
Senior Vice President and
Chief Financial Officer

September 11, 2001

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/ John S. Shiely	/s/ David L. Burner
John S. Shiely President and Chief Executive Officer and Director (Principal Executive Officer)	David L. Burner Director

/s/ James E. Brenn	/s/ E. Margie Filter
James E. Brenn Senior Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	E. Margie Filter Director
/s/ F.P. Stratton, Jr.	/s/ Peter A. Georgescu
F.P. Stratton, Jr. Chairman and Director	Peter A. Georgescu Director
/s/ Jay H. Baker	/s/ Robert J. O'Toole
Jay H. Baker Director	Robert J. O'Toole Director
/s/ Michael E. Batten	/s/ Charles I. Story
Michael E. Batten Director	Charles I. Story Director

*Each signature affixed as of September 11 , 2001.

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

EXHIBIT INDEX
2001 ANNUAL REPORT ON FORM 10-K

Exhibit Number	Document Description
2	Agreement and Plan of Merger, dated as of March 21, 2001, by and among Briggs & Stratton Corporation, GPP Merger Corporation, Generac Portable Products, Inc. and The Beacon Group III - Focus Value Fund, L.P. (Filed as Exhibit 2 to the Company's Report on Form 8-K dated March 21, 2001 and incorporated by reference herein.)
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, as amended and restated June 14, 2001. (Filed as Exhibit 99 to the Company's Report on Form 8-K dated June 14, 2001 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.)
4.1	Indenture dated as of June 4, 1997 between Briggs & Stratton Corporation and Bank One, N.A., as Trustee. (Filed as Exhibit 4.1 to the Company's Report on Form 8-K dated May 30, 1997 and incorporated by reference herein.)
4.2	Form of 7-1/4% Note due September 15, 2007 of Briggs & Stratton Corporation issued pursuant to the Indenture dated as of June 4, 1997 between Briggs & Stratton Corporation and Bank One, N.A., as Trustee. (Filed as Exhibit 4.2 to the Company's Report on Form 8-K dated May 30, 1997 and incorporated by reference herein.)
4.3	Resolutions of the Board of Directors of Briggs & Stratton Corporation authorizing the public offering of debt securities of Briggs & Stratton Corporation in an aggregate principal amount of up to $175,000,000. (Filed as Exhibit 4.3 to the Company's Report on Form 8-K dated May 30, 1997 and incorporated by reference herein.)
4.4	Actions of the Authorized Officers of Briggs & Stratton Corporation authorizing the issuance of $100,000,000 aggregate principal amount of 7-1/4% Notes due September 15, 2007. (Filed as Exhibit 4.4 to the Company's Report on Form 8-K dated May 30, 1997 and incorporated by reference herein.)
4.5	Officers' Certificate and Company Order of Briggs & Stratton Corporation executed in conjunction with the issuance of $100,000,000 aggregate principal amount of 7-1/4% Notes due September 15, 2007. (Filed as Exhibit 4.5 to the Company's Report on Form 8-K dated May 30, 1997 and incorporated by reference herein.)

Exhibit Number	Document Description
4.6	Indenture dated as of May 14, 2001 between Briggs & Stratton Corporation, the Guarantors listed on Schedule I thereto and Bank One, N.A., as Trustee, providing for 5.00% Convertible Senior Notes due May 15, 2006 (including form of Note, form of Notation of Guarantee and other exhibits). (Filed as Exhibit 4.6 to the Company's Registration Statement on Form S-3 filed on July 3, 2001, Registration No. 333-64490 and incorporated herein by reference.)
4.7	Form of Supplemental Indenture dated as of May 15, 2001 between Subsequent Guarantors (Generac Portable Products, Inc., GPPD, Inc., GPPW, Inc. and Generac Portable Products, LLC), Briggs & Stratton Corporation, and Bank One, N.A., as Trustee. (Filed as Exhibit 4.7 to the Company's Registration Statement on Form S-3 filed on July 3, 2001, Registration No. 333-64490 and incorporated herein by reference.)
4.8	Registration Rights Agreement dated as of May 8, 2001 between Briggs & Stratton Corporation and Goldman, Sachs & Co. and Banc of America Securities LLC, as Representatives of the Several Purchasers, providing for the registration of the 5.00% Convertible Senior Notes due May 15, 2006. (Filed as Exhibit 4.8 to the Company's Registration

Statement on Form S-3 filed on July 3, 2001, Registration No. 333-64490 and incorporated herein by reference.)

4.9	Indenture dated as of May 14, 2001 between Briggs & Stratton Corporation, the Guarantors listed on Schedule I thereto and Bank One, N.A., as Trustee, providing for 8.875% Senior Notes due March 15, 2011 (including form of Note, form of Notation of Guarantee and other exhibits). (Filed as Exhibit 4.9 to the Company's Registration Statement on Form S-3 filed on July 3, 2001, Registration No. 333-64490 and incorporated herein by reference.)
4.10	Form of Supplemental Indenture dated as of May 15, 2001 between Subsequent Guarantors (Generac Portable Products, Inc., GPPD, Inc., GPPW, Inc. and Generac Portable Products, LLC), Briggs & Stratton Corporation, and Bank One, N.A., as Trustee. (Filed as Exhibit 4.10 to the Company's Registration Statement on Form S-3 filed on July 3, 2001, Registration No. 333-64490 and incorporated herein by reference.)
4.11	Exchange and Registration Rights Agreement dated as of May 9, 2001 between Briggs & Stratton Corporation and Goldman, Sachs & Co. and Banc of America Securities LLC, as Representatives of the Several Purchasers, providing for the registration or exchange of the 8.875% Senior Notes due March 15, 2011. (Filed as Exhibit 4.11 to the Company's Registration Statement on Form S-3 filed on July 3, 2001, Registration No. 333-64490 and incorporated herein by reference.)
4.12	First Supplemental Indenture dated as of May 14, 2001 between Briggs & Stratton Corporation and Bank One, N.A., as Trustee under the Indenture dated as of June 4, 1997. (Filed as Exhibit 4.12 to the Company's Registration Statement on Form S-3 filed on July 3, 2001, Registration No. 333-64490 and incorporated herein by reference.)

Exhibit Number	Document Description
4.13	Form of Indenture Supplement to Add a Subsidiary Guarantor dated as of May 15, 2001 among each Subsidiary Guarantor (Generac Portable Products, Inc., GPPD, Inc., GPPW, Inc. and Generac Portable Products, LLC), Briggs & Stratton Corporation, and Bank One, N.A., as Trustee. (Filed as Exhibit 4.13 to the Company's Registration Statement on Form S-3 filed on July 3, 2001, Registration No. 333-64490 and incorporated herein by reference.)
10.0*	Form of Officer Employment Agreement. (Filed as Exhibit 10.0 to the Company's Report on Form 10-Q for the quarter ended March 29, 1998 and incorporated by reference herein.)
10.1*	Executive Supplemental Retirement Plan. (Filed as Exhibit 10.0 to the Company's Report on Form 10-Q for the quarter ended March 26, 2000 and incorporated by reference herein.)
10.2 (a)*	Economic Value Added Incentive Compensation Plan, as amended and restated. (Filed as Exhibit 10.3 to the Company's Annual Report on Form 10-K for fiscal year ended June 27, 1999 and incorporated by reference herein.)
10.2 (b)*	Amendment to Amended and Restated Economic Value Added Incentive Compensation Plan. (Filed as Exhibit 10.0 to the Company's Report on Form

10-Q for the quarter ended December 31, 2000.)

10.2 (c)*	Amendment to Amended and Restated Economic Value Added Incentive Compensation Plan. (Filed herewith.)
10.3*	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.)
10.4 (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.)
10.4 (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.)
10.5 (a)*	1999 Amended and Restated Stock Incentive Plan. (Filed as Exhibit A to the Company's 1999 Annual Meeting Proxy Statement and incorporated by reference herein.)
10.5 (b)*	Amendment to Amended and Restated Stock Incentive Plan. (Filed as Exhibit 10.0(b) to the Company's Report on Form 10-Q for the quarter ended September 26, 1999 and incorporated by reference herein.)
10.6 (a)*	Amended and Restated Leveraged Stock Option Program. (Filed as Exhibit 10.7(c) to the Company's Annual Report on Form 10-K for fiscal year ended June 27, 1999 and incorporated by reference herein.)
10.6 (b)*	Amendment to Amended and Restated Leveraged Stock Option Program. (Filed herewith.)
10.7*	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.)

Exhibit Number	Document Description
10.8*	Deferred Compensation Agreement for Fiscal 1998. (Filed as Exhibit 10.11 to the Company's Annual Report on Form 10-K for fiscal year ended June 29, 1997 and incorporated by reference herein.)
10.9*	Deferred Compensation Agreement for Fiscal 1999. (Filed as Exhibit 10.11 to the Company's Annual Report on Form 10-K for fiscal year ended June 28, 1998 and incorporated by reference herein.)
10.10*	Deferred Compensation Agreement for Fiscal 2000. (Filed as Exhibit 10.12 to the Company's Annual Report on Form 10-K for fiscal year ended June 27, 1999 and incorporated by reference herein.)
10.11*	Amended and Restated Deferred Compensation Plan for Directors. (Filed as Exhibit 10.00 to the Company's Report on Form 10-Q for the quarter ended December 26, 1999 and incorporated by

reference herein.)

10.12 (a)*	Director's Leveraged Stock Option Plan. (Filed as Exhibit 10.14 to the Company's Annual Report on Form 10-K for fiscal year ended June 29, 1997 and incorporated by reference herein.)
10.12 (b)*	Amendment to Director's Leveraged Stock Option Plan. (Filed as Exhibit 10.14(b) to the Company's Annual Report on Form 10-K for fiscal year ended June 27, 1999 and incorporated by reference herein.)
10.13*	Agreement with Executive Officer. (Filed as Exhibit 10.2 to the Company's Report on Form 10-Q for the quarter ended December 27, 1998 and incorporated by reference herein.)
10.14*	Executive Life Insurance Plan. (Filed as Exhibit 10.17 to the Company's Annual Report on Form 10-K for fiscal year ended June 27, 1999 and incorporated by reference herein.)
10.15 (a)*	Key Employees Savings and Investment Plan. (Filed as Exhibit 10.18 to the Company's Annual Report on Form 10-K for fiscal year ended June 27, 1999 and incorporated by reference herein.)
10.15 (b)*	Amendment to Key Employees Savings and Investment Plan. (Filed as Exhibit 10.1 to the Company's Report on Form 10-Q for the quarter ended December 31, 2000 and incorporated by reference herein.)
10.16*	Consultant Reimbursement Arrangement. (Filed as Exhibit 10.19 to the Company's Annual Report on Form 10-K for fiscal year ended June 27, 1999 and incorporated by reference herein.)
11	Computation of Earnings Per Share of Common Stock. (Filed herewith.)
12	Computation of Ratio of Earnings to Fixed Charges. (Filed herewith.)
21	Subsidiaries of the Registrant. (Filed herewith.)
23	Consent of Independent Public Accountants. (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.

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EXHIBIT 10.2(c)

AMENDMENT TO AMENDED AND RESTATED
ECONOMIC VALUE ADDED INCENTIVE COMPENSATION PLAN

WHEREAS, Briggs & Stratton Corporation desires to amend the Briggs & Stratton Corporation Economic Value Added Incentive Compensation Plan in certain respects;

NOW THEREFORE, the Plan is amended as follows, effective July 1, 2001:

1. Section II is deleted and replaced with the following Section II:

"II. Plan Administration
The Compensation Committee of the Board of Directors (the `Committee') shall be responsible for the design, administration, and interpretation of the Plan."

2. Section IV is deleted and replaced with the following Section IV:

"IV. Eligibility

A. Eligible Positions. In general, all Company Officers, Division General Managers, and members of the corporate operations group, and certain direct reports of such individuals may be eligible for participation in the Plan. However, actual participation will depend upon the contribution and impact each eligible employee may have on the Company's value to its shareholders, as determined by the Chief Executive Officer of the Company, and approved by the Committee.

B. Nomination and Approval. Each Plan year, the Chief Executive Officer of the Company will nominate eligible employees to participate in the Plan for the next Plan Year. The Committee will have the final authority to select Plan participants (the "Participants") among the eligible employees nominated by the Chief Executive Officer of the Company. Continued participation in the Plan is contingent on approval of the Committee. Selection normally will take place, and will be communicated to each Participant, prior to the beginning of the pertinent Plan Year."

3. Section V is amended by deleting paragraph B and replacing it with the following paragraph B.

"B. Target Incentive Awards. The Target Incentive Awards will be determined according to the following schedule:

Executive Position	Target Incentive Award (% of Base Salary)

Chairman	100%
Chief Executive Officer	100%
Executive Vice President & Senior Vice President	60%
Other Elected Officers	40%
Division General Managers	40%
Designated Key Contributors	25%
All Others	20%"

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EXHIBIT 10.6(b)

AMENDMENT TO AMENDED AND RESTATED
LEVERAGED STOCK OPTION PROGRAM

Adopted July 25, 2001

RESOLVED, that the Briggs & Stratton Corporation Leveraged Stock Option Program is hereby amended to increase the number of LSOs that can be granted under the Program by 2,000,000 to 4,539,986.

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EXHIBIT 11

COMPUTATION OF EARNINGS PER SHARE OF COMMON STOCK
(In thousands except per share data)

	Fiscal Year Ended		
	July 1, 2001	July 2, 2000	June 27, 1999
COMPUTATIONS FOR STATEMENTS OF INCOME			
Basic earnings per share of common stock:			
Net income	$ 48,013	$ 136,473	$ 106,101
Average shares of common stock outstanding	21,598	22,788	23,344
Basic earnings per share of common stock	$ 2.22	$ 5.99	$ 4.55
Diluted earnings per share of common stock:			
Net income	$ 48,013	$ 136,473	$ 106,101
Adjustment to net income to add after-tax interest expense on convertible notes	576	-	-
Adjusted net income	$ 48,589	$ 136,473	$ 106,101
Average shares of common stock outstanding	21,598	22,788	23,344
Incremental common shares applicable to common stock options based on the common stock average market price during the period	10	52	115
Incremental common shares applicable to restricted common stock based on the common stock average market price during the period	5	2	-
Incremental common shares applicable to convertible notes based on the conversion provisions of the convertible notes	353	-	-
Average common shares assuming dilution	21,966	22,842	23,459
Fully diluted earnings per average share of common stock, assuming conversion of all applicable securities	$ 2.21	$ 5.97	$ 4.52

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EXHIBIT 12

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(Dollars in thousands)

	Fiscal Year Ended				
	July 1, 2001	July 2, 2000	June 27, 1999	June 28, 1998	June 29, 1997
Net income	$ 48,013	$ 136,473	$ 106,101	$ 70,645	$ 61,565
Add:					
Interest	30,665	21,267	17,024	19,352	9,880
Income tax expense and other taxes on income	23,860	80,150	63,670	42,500	37,740
Fixed charges of unconsolidated subsidiaries	-	119	279	510	668
Earnings as defined	$ 102,538	$ 238,009	$ 187,074	$ 133,007	$ 109,853
Interest	$ 30,665	$ 21,267	$ 17,024	$ 19,352	$ 9,880
Fixed charges of unconsolidated subsidiaries	-	119	279	510	668
Fixed charges as defined	$ 30,665	$ 21,386	$ 17,303	$ 19,862	$ 10,548
Ratio of earnings to fixed charges	3.3 x	11.1 x	10.8 x	6.7 x	10.4 x

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EXHIBIT 21

SUBSIDIARIES OF THE REGISTRANT

Subsidiary	State or Country of Incorporation	Percent Voting Stock/Interests owned
Briggs & Stratton AG	Switzerland	100%
Briggs & Stratton Australia Pty. Limited	Australia	100%
Briggs & Stratton Austria GmbH	Austria	100%
Briggs & Stratton Canada Inc.	Canada	100%
Briggs & Stratton CZ, s.r.o.	Czech Republic	100%
Briggs & Stratton France, S.A.R.L.	France	100%
Briggs & Stratton Germany GmbH	Germany	100%
Briggs & Stratton International, Inc.	Wisconsin	100%
Briggs & Stratton International Sales Corp.	Virgin Islands	100%
Briggs & Stratton Mexico S.A. de C.V.	Mexico	100%
Briggs & Stratton Netherlands B.V.	Netherlands	100%
Briggs & Stratton New Zealand Limited	New Zealand	100%
Briggs & Stratton RSA (Pty.) Ltd.	South Africa	100%
Briggs & Stratton Sweden AB	Sweden	100%
Briggs & Stratton Tech, LLC	Wisconsin	100%
Briggs & Stratton U.K. Limited	United Kingdom	100%
BSD, Inc.	Wisconsin	100%
Generac Portable Products, LLC	Delaware	100%
GPPD, Inc.	Delaware	100%
GPPW, Inc.	Wisconsin	100%
Generac Portable Products, LLC	Delaware	100%

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EXHIBIT 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, File No. 33-54357, File No. 333-42842, File No. 333-64490, and File No. 333-64546.

ARTHUR ANDERSEN LLP

Milwaukee, Wisconsin
September 7, 2001