UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended JULY 3, 2005

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 (State or other jurisdiction of incorporation or organization)	**39-0182330** (I.R.S. Employer Identification No.)
12301 WEST WIRTH STREET **WAUWATOSA, WISCONSIN** (Address of principal executive offices)	**53222** (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 ☒ 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. ☐

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes ☒ No ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of Common Stock held by nonaffiliates of the registrant was approximately $2,061,460,445 based on the reported last sale price of such securities as of December 26, 2004, the last business day of the most recently completed second fiscal quarter.

Number of Shares of Common Stock Outstanding at August 17, 2005: 51,845,825.

DOCUMENTS INCORPORATED BY REFERENCE

Document	Part of Form 10-K Into Which Portions of Document are Incorporated
Proxy Statement for Annual Meeting on October 19, 2005	Part III

The Exhibit Index is located on page 55.

BRIGGS & STRATTON CORPORATION
FISCAL 2005 FORM 10-K
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Cautionary Statement on Forward-Looking Statements

Certain statements in Management's Discussion and Analysis of Financial Condition and Results of Operations and other statements located elsewhere in this Annual Report 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," "forecast," "intend," "may," "objective," "plan," "project," "seek," "think," "will" and similar expressions are intended to identify forward-looking statements. The forward-looking statements are based on Briggs & Stratton'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; 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, tax, pension funding and accounting standards; work stoppages or other consequences of any deterioration in our employee relations; work stoppages by other unions that affect the ability of suppliers or customers to manufacture; acts of war or terrorism that may disrupt our business operations or those of our customers and suppliers; changes in customer and OEM demand; changes in prices of purchased raw materials and parts that we purchase; changes in domestic economic conditions, including housing starts and changes in consumer disposable income; changes in foreign economic conditions, including currency rate fluctuations; new facts that come to light in the future course of litigation proceedings which could affect our assessment of those matters; a successful transition supply agreement with Murray; the actions of other suppliers and the customers of Murray; the ability to successfully realize the maximum market value of acquired assets; work stoppages or other consequences of any deterioration in Murray's employee relations; 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 is the world's largest producer of air cooled gasoline engines for outdoor power equipment. Briggs & Stratton designs, manufactures, markets and services these products for original equipment manufacturers (OEMs) worldwide. These engines are primarily aluminum alloy gasoline engines ranging from 3 to 31 horsepower.

Additionally, through its wholly owned subsidiary, Briggs & Stratton Power Products Group, LLC, Briggs & Stratton is a leading designer, manufacturer and marketer of generators (portable and home standby), pressure washers, snow throwers, lawn and garden powered equipment (riding and walk behind mowers, tillers, chipper/shredders, leaf blowers and vacuums) and related accessories.

Briggs & Stratton conducts its operations in two reportable segments: Engines and Power Products. Further information about Briggs & Stratton's business segments is contained in Note 6 of the Notes to Consolidated Financial Statements.

The Company's Internet address is www.briggsandstratton.com. The Company makes available free of charge (other than an investor's own Internet access charges) through its Internet website the Company's Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as soon as reasonably practicable after it electronically files such material with, or furnishes such material to, the Securities and Exchange Commission. Charters of the Audit, Compensation, Nominating and Governance Committees; Corporate Governance Guidelines and code of business conduct and ethics contained in the Briggs & Stratton Business Integrity Manual are available on the Company's website and are available in print to any shareholder upon request to the Corporate Secretary.

Engines

General

Briggs & Stratton's engines are used primarily by the lawn and garden equipment industry, which accounted for 80% of fiscal 2005 engine sales to OEMs. Major lawn and garden equipment applications include walk-behind lawn mowers, riding lawn mowers and garden tillers. The remaining 20% of OEM sales in fiscal 2005 were for use on products for industrial, construction, agricultural and other consumer applications, that include generators, pumps, pressure washers and snow throwers. Many retailers specify Briggs & Stratton'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 only a component. Briggs & Stratton engines are marketed under various brand names including Classic™, Sprint™, Quattro™, Quantum®, INTEK™, I/C®, Industrial Plus™ and Vanguard™.

In fiscal 2005, approximately 23% of Briggs & Stratton's Engine Segment 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, Brazil, Canada, China, the Czech Republic, England, France, Germany, Italy, Japan, Mexico, New Zealand, Russia, South Africa, Spain, Sweden and United Arab Emirates. Briggs & Stratton is a leading supplier of gasoline engines in developed countries where there is an established lawn and garden equipment market. Briggs & Stratton also exports engines to developing nations where its engines are used in agricultural, marine, construction and other applications. More detailed information about our foreign operations is in Note 6 of the Notes to Consolidated Financial Statements.

Briggs & Stratton engines are sold primarily by its worldwide sales force through direct calls on customers. Briggs & Stratton'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. Briggs & Stratton 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 40,000 independently owned, authorized service dealers throughout the world. These distributors and service dealers implement Briggs & Stratton's commitment to reliability and service.

Customers

Briggs & Stratton's engine sales are made primarily to OEMs. Briggs & Stratton's three largest engine customers in fiscal year 2005 were AB Electrolux (principally its Electrolux Outdoor Products Group, EOP), MTD Products Inc. (MTD) and Global Garden Products. Briggs & Stratton's three largest engine customers in fiscal 2004 and 2003 were EOP, MTD and Murray Inc. Sales to EOP and MTD were more than 10% of consolidated net sales in fiscal 2005, 2004 and 2003, respectively. Sales to the top three customers combined were 44%, 51% and 48% of Engine Segment net sales in fiscal 2005, 2004 and 2003, respectively. Under purchasing plans available to all of its gasoline engine customers, Briggs & Stratton typically enters into annual engine supply arrangements.

Briggs & Stratton believes that in fiscal 2005 more than 80% of all lawn and garden powered equipment sold in the United States was sold through mass merchandisers such as Sears Holdings Corporation (Sears), The Home Depot, Inc. (The Home Depot), Wal-Mart Stores, Inc. (Wal-Mart) and Lowe's Companies, Inc. (Lowe's). Given the buying power of the mass merchandisers, Briggs & Stratton, through its customers, has continued to experience pricing pressure. Briggs & Stratton expects that this pricing trend will continue in the foreseeable future. Briggs & Stratton believes that a similar trend has developed for its products in industrial and consumer applications outside of the lawn and garden market.

Competition

Briggs & Stratton's major domestic competitors in engine manufacturing are Honda Motor Co., Ltd. (Honda), Kawasaki Heavy Industries, Ltd. (Kawasaki), Kohler Co. (Kohler) and Tecumseh Products Company (Tecumseh). Several Japanese small engine manufacturers, of which Honda and Kawasaki are the largest, compete directly with Briggs & Stratton 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. Additionally, some Chinese competitors have begun to sell product in Europe.

Briggs & Stratton believes it has a significant share of the worldwide market for engines that power outdoor equipment.

Briggs & Stratton 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, 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 OEMs are highly seasonal because of consumer buying patterns. 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. Engine sales in Briggs & Stratton'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, Briggs & Stratton pursues a relatively balanced production schedule throughout the year. The schedule is adjusted to reflect changes in estimated demand, customer inventory levels and other matters outside the control of Briggs & Stratton. Accordingly, inventory levels generally increase during the first and second fiscal quarters in anticipation of customer demand. Inventory levels begin to decrease as sales increase in the third fiscal quarter. This seasonal pattern results in high inventories and low cash flow for Briggs & Stratton in the second and the beginning of the third fiscal quarters. The pattern results in 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: Auburn, Alabama; Statesboro, Georgia; Murray, Kentucky; Poplar Bluff and Rolla, Missouri; Wauwatosa, Wisconsin; and Chongqing, China. Briggs & Stratton 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, carburetors and ignition systems. Briggs & Stratton 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 consist primarily of aluminum and steel. Briggs & Stratton believes its sources of supply are adequate.

Briggs & Stratton has joint ventures with Daihatsu Motor Company for the manufacture of engines in Japan and with Starting Industrial of Japan for the production of rewind starters in the United States.

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

Power Products

General

Briggs & Stratton Power Products Group, LLC's (BSPPG) four principal product lines include generators, pressure washers, snow throwers and lawn and garden powered equipment. BSPPG sells its products through multiple channels of retail distribution, including consumer home centers, warehouse clubs, mass merchants and independent dealers. BSPPG product lines are marketed under various brands including Briggs & Stratton, Craftsman®, Ferris, Giant Vac, Murray, Simplicity, Snapper and Troybuilt®.

BSPPG has a network of 9,500 independent dealers worldwide for the sale and service of snow throwers and lawn and garden powered equipment.

To support its international business, BSPPG has leveraged the existing Briggs & Stratton worldwide distribution network.

Customers

BSPPG sells to consumer home centers and warehouse clubs, as well as mass merchants and independent dealers. Historically, BSPPG's major customers have been Lowe's, The Home Depot and Sears. Other U.S. retail customers include Tractor Supply Inc., True Value Company, Sam's Club and Wal-Mart.

Competition

The principal competitive factors in the power products industry include price, service, product performance, technical innovation and delivery. In the manufacture and sale of generators, BSPPG competes primarily with Coleman Powermate and Honda. BSPPG has various competitors, depending on the type of equipment. Primary competitors include: Honda (generators, pressure washers and lawn and garden equipment), Coleman Powermate Corporation (generators), DeVilbiss Air Power Company, a Division of Black & Decker (pressure washers), Alfred Karcher GmbH & Co. (pressure washers), John Deere (lawn mowers), MTD (lawn mowers), the Toro Company (lawn mowers), and Scag Power Equipment, a Division of Metalcraft of Mayville, Inc. (commercial lawn mowers).

BSPPG believes it has a significant share of the North American market for generators and consumer pressure washers.

Seasonality of Demand

Sales of BSPPG's products are subject to seasonal patterns. Due to seasonal and regional weather factors, sales of pressure washers and lawn and garden powered equipment are typically higher during the fiscal third and fourth quarters than at other times of the year. Sales of generators and snow throwers are typically higher during the summer and fall seasons.

Manufacturing

BSPPG's manufacturing facilities are located in Jefferson, Watertown and Port Washington, Wisconsin; McDonough, Georgia and Munnsville, New York. BSPPG also purchases certain powered equipment under contract manufacturing agreements.

BSPPG manufactures core components for its products, where such integration improves operating profitability by providing lower costs.

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

To service BSPPG's international customer base more effectively, BSPPG designs and assembles its international products at its U.S. locations and through a contract manufacturing arrangement in the Netherlands. In addition, Briggs & Stratton has a facility in China that serves both U.S. and international markets.

Consolidated

General Information

Briggs & Stratton holds patents on features incorporated in its products; however, the success of Briggs & Stratton's business is not considered to be primarily dependent upon patent protection. The Company owns several trademarks which it believes significantly affect a consumer's choice of outdoor powered equipment and therefore create value. Licenses, franchises and concessions are not a material factor in Briggs & Stratton's business.

For the years ending July 3, 2005, June 27, 2004 and June 29, 2003, Briggs & Stratton spent approximately $33.5 million, $25.9 million and $26.4 million, respectively, on research activities relating to the development of new products or the improvement of existing products.

The average number of persons employed by Briggs & Stratton during the fiscal year was 9,169. Employment ranged from a low of 9,084 in June 2005 to a high of 9,230 in January 2005.

Export Sales

Export sales for fiscal 2005, 2004 and 2003 were $477.4 million (18% of net sales), $362.4 million (19% of net sales) and $400.5 million (24% of net sales), respectively. These sales were principally to customers in European countries. Refer to Note 6 of the Notes to Consolidated Financial Statements for financial information about geographic areas. Also, refer to Item 7A of this Form 10-K and Note 13 of the Notes to Consolidated Financial Statements for information about Briggs & Stratton's foreign exchange risk management.

ITEM 2. PROPERTIES

The corporate offices and one of Briggs & Stratton's engine manufacturing facilities are located in Wauwatosa, Wisconsin. Briggs & Stratton also has engine manufacturing facilities in Auburn, Alabama; Statesboro, Georgia; Murray, Kentucky; Poplar Bluff and Rolla, Missouri and Chongqing, China. These are owned facilities containing approximately 3.3 million square feet of office and production area. Briggs & Stratton occupies warehouse space totalling approximately 380,000 square feet in Menomonee Falls, Wisconsin under a reservation of interest agreement. Briggs & Stratton also leases warehouse space in the localities of its engine manufacturing facilities, except Wisconsin and China, totalling approximately 500,000 square feet.

BSPPG maintains office space and manufacturing facilities in Jefferson and Port Washington, Wisconsin; McDonough, Georgia; Munnsville, New York and Qingpu, China. Of these, the domestic facilities are owned and contain approximately 1.5 million square feet. BSPPG also leases warehouse space in Jefferson, Watertown and Port Washington, Wisconsin; McDonough, Georgia; Grand Prairie, Texas; Greenville, Ohio and Reno, Nevada totalling approximately 1.1 million square feet. Additionally, the Qingpu, China facility is leased and contains approximately 124,000 square feet.

The engine business is seasonal, with demand for engines at its height in the winter and early spring. Engine manufacturing operations run at capacity levels during the peak season, with many operations running three shifts. Engine operations generally run fewer shifts in the summer, when demand is weakest and production levels are lower. During the winter, when finished goods inventories reach their highest levels, owned warehouse space may be insufficient and warehouse capacity may be expanded through rented space.

Briggs & Stratton leases approximately 290,000 square feet of space to house its foreign sales and service operations in Australia, Austria, Brazil, Canada, the Czech Republic, England, France, Germany, Italy, Japan, Mexico, the Netherlands, New Zealand, Russia, South Africa, Spain, Sweden, Switzerland and United Arab Emirates.

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

ITEM 3. LEGAL PROCEEDINGS

Briggs & Stratton is subject to various unresolved legal actions which arise in the normal course of its business, the most prevalent of which relate to product liability (including asbestos-related liability) and patent and trademark matters.

On June 3, 2004, eight individuals who claim to have purchased lawnmowers in Illinois and Minnesota filed a lawsuit *(Ronnie Phillips et al. v. Sears Roebuck Corporation et al.*, No. 04-L-334 (20th Judicial Circuit, St. Clair County, IL)) against the Company and other defendants alleging that the horsepower labels on the products they purchased were inaccurate. The plaintiffs seek certification of a class of all persons in the United States who, beginning January 1, 1995 through the present, purchased a lawnmower containing a two stroke or four stroke gas combustible engine up to 20 horsepower that was manufactured by defendants. The complaint seeks an injunction, compensatory and punitive damages, and attorneys' fees. The Company intends to vigorously defend this case. On April 20, 2005, the court issued an order staying proceedings in the case pending settlement negotiations.

Although it is not possible to predict with certainty the outcome of these unresolved legal actions or the range of possible loss, Briggs & Stratton believes these unresolved legal actions will not have a material effect on its financial position.

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 3, 2005.

Executive Officers of the Registrant

Name, Age, Position	Business Experience for Past Five Years
JOHN S. SHIELY, 53 Chairman, President and Chief Executive Officer (1)(2)(3)	Mr. Shiely was elected to his current position effective January 2003, after serving as President and Chief Executive Officer since July 2001 and President and Chief Operating Officer since August 1994.
TODD J. TESKE, 40 Executive Vice President and Chief Operating Officer	Mr. Teske was elected to his current position effective September 2005 after serving as Senior Vice President and President – Briggs & Stratton Power Products Group, LLC since September 2003. He previously served as Vice President and President – Briggs & Stratton Power Products Group, LLC since February 2003. He also served as Vice President – Corporate Development from March 2001 after serving as Controller since October 1998.
JAMES E. BRENN, 57 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.
DAVID G. DEBAETS, 42 Vice President and General Manager – Large Engine Division	Mr. DeBaets was elected to his current position effective September 2003. He has served as Vice President and General Manager – Large Engine Division since April 2000. He also served as Vice President and General Manager – Die Cast Components from May 1996 to April 2000.
RICKY T. DILLON, 34 Controller	Mr. Dillon was elected an executive officer effective September 1, 2004. He has served as Controller since March 2002. He was previously employed by Arthur Andersen LLP for 9 years.
MARK R. HAZELTINE, 62 Vice President and Sales Manager – Consumer Products	Mr. Hazeltine was elected to his current position in May 2002, after serving as Vice President and Sales Manager – Consumer Lawn & Garden since July 1999. He also served as Sales Manager from February 1995 to June 1999.
ROBERT F. HEATH, 57 Secretary	Mr. Heath was elected to his current position in January 2002. He served as Assistant Secretary from January 2001 to December 2001. In addition, Mr. Heath is Vice President and General Counsel and has served in these positions since January 2001. He also served as General Counsel since December 1997.
PAUL M. NEYLON, 58 Senior Vice President and President – Engine Power Products Group	Mr. Neylon was elected to his current position effective September 2005, after serving as Senior Vice President – Engine Products Group since October 2001. He previously served as Senior Vice President – Production, from August 2000 to October 2001 and as Vice President – Production from May 1999 to July 2000. He also served as Vice President – Operations Support since January 1999 and prior to that held the position of Vice President and General Manager – Spectrum Division.

WILLIAM H. REITMAN, 49 Vice President – Sales & Marketing	Mr. Reitman was elected to his current position effective October 2004, after serving as Vice President – Marketing since November 1995.
THOMAS R. SAVAGE, 57 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, 45 Senior Vice President and President – International Power Products Group	Mr. Schoen was elected to his current position effective September 2005 after serving as Vice President – International Group since 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.
VINCENT R. SHIELY, 45 Vice President and President – Home Power Products Group (3)	Mr. Shiely was elected to his current position effective September 2005, after serving as Vice President and General Manager – Home Power Products Division since October 2004. He previously served as Vice President and General Manager – Engine Products Group since September 2002. He has also served as Vice President and General Manager – Business Units since December 2001, and as Vice President and General Manager – Electrical Products Division since October 1998.
CARITA R. TWINEM, 50 Treasurer	Ms. Twinem was elected to her current position in February 2000, after serving as Tax Director since July 1994.
JOSEPH C. WRIGHT, 46 Vice President and President – Yard Power Products Group	Mr. Wright was elected to his current position in September 2005 after serving as Vice President and General Manager – Lawn and Garden Division. He was elected an executive officer effective September 2002. He previously served as Vice President and General Manager – Small Engine Division since July 1997.

(1) Officer is also a Director of Briggs & Stratton.
(2) Member of Executive Committee.
(3) John S. Shiely and Vincent R. Shiely are brothers.

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, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Briggs & Stratton common stock and its common share purchase rights are traded on the NYSE under the symbol "BGG". Information required by this Item is incorporated by reference from the "Quarterly Financial Data, Dividend and Market Information" (unaudited) on page 50.

Changes in Securities, Use of Proceeds and Issuer Purchases of Equity Securities

Briggs & Stratton did not make any purchases of equity securities registered by the Company pursuant to Section 12 of the Exchange Act.

ITEM 6. SELECTED FINANCIAL DATA

Fiscal Year (dollars in thousands, except per share data)	2005	2004	2003	2002	2001
SUMMARY OF OPERATIONS (1) (2)					
NET SALES	**$ 2,654,875**	$ 1,947,364	$ 1,657,633	$ 1,529,300	$ 1,306,638
GROSS PROFIT ON SALES	**504,891**	439,872	328,079	269,964	233,255
PROVISION FOR INCOME TAXES	**57,548**	68,890	37,940	27,390	23,860
INCOME BEFORE EXTRAORDINARY GAIN	**116,767**	136,114	80,638	53,120	48,013
INCOME BEFORE EXTRAORDINARY GAIN PER SHARE OF COMMON STOCK:					
Basic Earnings	**2.27**	3.01	1.86	1.23	1.11
Diluted Earnings	**2.25**	2.77	1.74	1.18	1.11
PER SHARE OF COMMON STOCK:					
Cash Dividends	**.68**	.66	.64	.63	.62
Shareholders' Investment	**$ 17.22**	$ 16.03	$ 11.83	$ 10.39	$ 9.79
WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK OUTSTANDING (in 000's)	**51,472**	45,286	43,279	43,230	43,196
DILUTED NUMBER OF SHARES OF COMMON STOCK OUTSTANDING (in 000's)	**51,954**	50,680	48,959	48,904	43,932
OTHER DATA (1) (2)					
SHAREHOLDERS' INVESTMENT	**$ 889,186**	$ 817,595	$ 514,987	$ 449,646	$ 422,752
LONG-TERM DEBT	**486,321**	360,562	503,397	499,022	508,134
CAPITAL LEASES	**1,988**	—	—	—	—
TOTAL ASSETS	**1,998,968**	1,637,153	1,475,193	1,356,601	1,306,243
PLANT AND EQUIPMENT	**981,943**	867,987	876,664	879,635	890,191
PLANT AND EQUIPMENT, NET OF RESERVES	**434,830**	356,542	370,784	395,215	416,361
PROVISION FOR DEPRECIATION	**66,348**	59,816	58,325	61,091	56,117
EXPENDITURES FOR PLANT AND EQUIPMENT	**86,075**	52,962	40,154	43,928	61,322
WORKING CAPITAL	**$ 766,537**	$ 681,432	$ 505,752	$ 411,241	$ 381,443
Current Ratio	**3.2 to 1**	3.3 to 1	2.7 to 1	2.6 to 1	2.6 to 1
NUMBER OF EMPLOYEES AT YEAR-END	**9,073**	7,732	7,249	6,971	6,974
NUMBER OF SHAREHOLDERS AT YEAR-END	**4,058**	4,230	4,503	4,686	4,129
QUOTED MARKET PRICE:					
High	**$ 44.50**	$ 44.22	$ 25.75	$ 24.20	$ 24.19
Low	**$ 30.83**	$ 24.68	$ 15.38	$ 14.83	$ 15.19

(1) The amounts include the acquisitions of Generac Portable Products, Inc. since May 15, 2001, Simplicity Manufacturing, Inc. since July 7, 2004, and certain assets of Murray, Inc. and Murray Canada Co. since February 11, 2005. Refer to the Notes to Consolidated Financial Statements.

(2) Share data adjusted for effect of 2-for-1 stock split effective October 29, 2004.

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

Acquisitions

On July 7, 2004, Briggs & Stratton Corporation and its subsidiary, Briggs & Stratton Power Products Group, LLC, acquired Simplicity Manufacturing, Inc. ("Simplicity") for $227 million plus certain transaction related expenses. Simplicity designs, manufactures and markets a wide variety of premium yard and garden tractors, lawn tractors, riding mowers, snow throwers, attachments, and other lawn and garden products like rototillers and chipper shredders. On February 11, 2005, Briggs & Stratton Corporation and its subsidiaries Briggs & Stratton Power Products Group, LLC and Briggs & Stratton Canada Inc. acquired certain assets of Murray, Inc. and Murray Canada Co (collectively "Murray") for $121 million and entered into a transition supply agreement ("TSA"). The TSA gave Briggs & Stratton the right to purchase finished lawn, garden and snow products from Murray for a period up to eighteen months. Briggs & Stratton has reached an agreement with Murray to end the TSA effective September 30, 2005. See Note 3 of the Notes to Consolidated Financial Statements for detailed information on these acquisitions.

Results of Operations

FISCAL 2005 COMPARED TO FISCAL 2004

Net Sales

Fiscal 2005 consolidated net sales were approximately $2.7 billion, an increase of $708 million, or 36% compared to the previous year. The increase is attributable almost entirely to growth within the Power Products Segment.

Engine Segment net sales were $1.7 billion versus $1.6 billion in the prior year, an improvement of $122 million or 8%. The improvement was the result of a 10% engine unit shipment increase, which contributed $148 million; and $35 million from pricing and a favorable Euro exchange rate. The increase in Engine unit shipments was driven by market share gains as well as $119 million in increased shipments to our Power Products Segment, that were eliminated in consolidation. These favorable items were offset by: a mix of product that favored lower priced units and $22 million of lower service and component sales.

Power Products net sales were $1.2 billion versus $489 million in the prior year, a $704 million increase. The acquisition of Simplicity and Murray contributed $389 and $214 million respectively to the Segment's growth. In addition, increased generator demand sparked by unprecedented hurricane activity early in the year, as well as Florida legislation that provided for a tax holiday on purchases of hurricane related supplies late in the fiscal year, resulted in increased segment sales of $102 million.

Gross Profit

Consolidated gross profit increased $65 million between years. The acquisition of Simplicity added $69 million. The sales of Murray branded products and components added $2 million. These increases along with other volume and price improvements in both segments were offset by significant cost increases, which led to margin percentage decreases in both segments.

Engine Segment margins decreased from 24% in fiscal 2004 to 21% in fiscal 2005. Pricing improvements, including the impact of the Euro, added $35 million to the Engine Segment margin. Manufacturing cost reduction programs contributed an additional $12 million. These positive margin enhancers were not enough to overcome a $59 million increase in manufacturing costs, primarily overhead, raw materials and component costs, and a $19 million decrease from a mix of lower margined product. Consistent with the prior year, the cost increases reflect initiatives by many vendors to pass along higher costs due to price pressures on scrap aluminum and steel. We currently anticipate that our 4.5% price increase and continued manufacturing cost reduction efforts should offset these costs in fiscal 2006.

The Power Products Segment margin decreased to 11% in fiscal 2005 from 12% in fiscal 2004. The acquisition of Simplicity contributed 9% gross margin in fiscal 2005 after the application of purchase accounting on acquired inventory. Murray sales were essentially at a zero margin after the application of purchase accounting, which reduced the overall segment margin by 3%. The margins on generators and pressure washers declined between years as the $10 million impact of pricing improvements was offset by component and freight costs on expedited shipments to meet generator demand early in the year. In addition, Euro purchases reduced the gross margin of the Power Products Segment by $4 million. Under the Company's foreign currency management program, this negative impact on margins was offset by the positive impact of the Euro discussed for the Engine Segment.

Engineering, Selling, General and Administrative Costs

Engineering, selling, general and administrative costs increased $108 million or 53% compared to fiscal 2004. The write-off of a trade receivable from Murray, Inc. accounts for $39 million of the increase. The acquisition of Simplicity added another $56 million to the category. The remaining increase is attributable to planned increases in advertising expenses, increased salaries and fringe benefits, and increased international variable selling costs, including $1 million from the impact of a stronger Euro.

Interest Expense

Interest expense decreased approximately $1 million in fiscal 2005 compared to fiscal 2004. The decrease is attributable to lower borrowings between years.

Other Income

Other income increased $12 million between fiscal years 2005 and 2004. The increase is due to the receipt of $12 million in cash dividends from an equity investment in preferred stock of Metal Technologies, Inc., the entity that acquired two ductile foundries from the Company in August of 1999. Refer to Note 9 of the Notes to Consolidated Financial Statements for the details of the components of other income.

Provision for Income Taxes

The effective tax rate decreased from 34% in fiscal 2004 to 33% in fiscal 2005. The decrease is primarily attributable to a tax benefit on dividend income in the current year.

Extraordinary Gain

The extraordinary gain represents the difference between the estimated fair value of the selected assets acquired from Murray and the cash paid, after all tax considerations. See Note 3 of the Notes to Consolidated Financial Statements for additional information on this acquisition.

FISCAL 2004 COMPARED TO FISCAL 2003

Net Sales

Fiscal 2004 consolidated net sales were approximately $1.9 billion, an increase of $290 million, or 17% compared to the previous year. The improvement was driven primarily by increased sales volume in both Segments.

Engine Segment net sales were $1.6 billion in fiscal 2004, an increase of $189 million or 13% compared to the prior year. Engine Segment increases were driven by an 11% increase in unit volume resulting in $163 million in net sales. $59 million or 4% of the increase in engine unit volume is attributable to sales to our Power Products Segment. Lawn and garden sales volume gains were driven by a strong selling season at retail. Inventory levels were low at the major original equipment manufacturers going into this fiscal year. As a result, the demand for engines was high all year long in anticipation of a strong season, which materialized. We believe the volume increase is reflective of market growth and market penetration in the U.S. While our European sales unit volume was down due to the drought conditions in Europe during much of fiscal 2004, the Euro exchange rate drove a $26 million increase in net sales.

Power Products net sales were $489 million in fiscal 2004, an increase of $160 million, or 48%, over fiscal 2003. Generator volume benefited significantly by the wide spread power outages that occurred in the first quarter of fiscal 2004, as a result of the eastern electrical grid failure and the landfall of a major hurricane. There were no major power outages in fiscal 2003. These events, along with increased marketing efforts, increased consumer awareness which continued to drive the demand for generators higher in fiscal 2004. Pressure washer net sales gains were driven by continued advertising and promotions at major retailers, consistent with programs launched in the prior year and increased placement at a major retailer.

Gross Profit

Consolidated gross profit increased $112 million between years. Volume increases generated $76 million of the improvement; with approximately $60 million from increases in the Engine Segment and the remainder from the Power Products Segment. The remaining $36 million of gross margin increases came from gross margin percentage improvements in the Engine Segment.

Engine Segment margins improved from 20% to 24%. Pricing improvement due to the impact of a stronger Euro on European sales contributed $26 million to the improvement. A 14% increase in production volume contributed $18 million in absorption benefits and our manufacturing cost reduction programs contributed an additional

$14 million to the improvement. These positive margin enhancers were partially offset by a $22 million net increase in manufacturing costs, primarily overhead, raw materials and component costs. These cost increases reflect initiatives by many vendors to pass along higher costs due to price pressures on scrap aluminum and steel.

The Power Products Segment margin was at 12% in both fiscal 2004 and fiscal 2003. A 55% production volume improvement and manufacturing cost reduction efforts were offset by increased purchased component costs. The Power Products Segment purchases a major pressure washer component from a European supplier in Euros. In fiscal 2004 the Euro purchases reduced gross margins of the Power Products Segment by approximately $12 million. Under the Company's foreign currency management program, this negative impact on margins was offset by the positive impact of the Euro discussed for the Engine Segment.

Engineering, Selling, General and Administrative Costs

Engineering, selling, general and administrative costs increased $28 million or 15% compared to fiscal 2003. Increases in this category include salaries and fringe benefit cost increases of approximately $6 million, professional services of $6 million, marketing cost increases of $5 million and international variable selling cost increases of $6 million. In addition, $2 million of the increase is attributable to bad debt expense associated with a prior fiscal year customer bankruptcy. The increases in salaries and fringe benefits reflect increased incentive compensation awards in the current year, as well as increased employee benefit costs, essentially pension and health care. The increase in professional services is attributable to several consulting projects related to our distributor channels, emissions regulations and Sarbanes-Oxley compliance efforts. Increased marketing costs were driven by increased spending on Power Products' market expansion and international marketing efforts. Increases in international variable selling costs include $2 million attributable to translating Euro denominated expenditures by a stronger Euro.

Interest Expense

Interest expense decreased $3 million in fiscal 2004 compared to fiscal 2003. The decrease is essentially the result of reduced working capital borrowings in the current year and the impact of a fixed to variable interest rate swap. On March 16, 2004, the Company called for the redemption of its $140 million 5% convertible senior notes due in 2006. Substantially all of the holders of the notes exercised their conversion rights prior to the redemption date of May 15, 2004. This resulted in the issuance of approximately three million treasury shares in May 2004 and the write-off of approximately $2 million in deferred financing costs. The redemption of these bonds eliminated all convertible debt and reduced our long-term debt to approximately $361 million. The redemption will also eliminate approximately $7 million in interest expense in fiscal 2005. In April 2004, all interest rate swaps were terminated resulting in a net gain of approximately $500 thousand.

Other Income

Other income remained at approximately $9 million in fiscal 2004, consistent with prior years. Refer to Note 9 of the Notes to Consolidated Financial Statements for detail of the components of other income.

Provision for Income Taxes

The effective tax rate increased from 32% in fiscal 2003 to 34% in fiscal 2004. The rate reflects less of a benefit from foreign and state tax credits. Earnings from some of our foreign subsidiaries were down due to market conditions, while the domestic income contribution increased. The impact of lower tax credits was offset by a reduction in the tax provision due to the closing of a tax audit year and recording additional tax benefits related to the filing of our fiscal 2003 income tax return.

Liquidity and Capital Resources

FISCAL YEARS 2005, 2004 AND 2003

Cash flows from operating activities were $149 million, $50 million and $174 million in fiscal 2005, 2004 and 2003 respectively.

The fiscal 2005 cash flows from operations were $98 million higher than the prior year. Fiscal 2005 did not experience the significant increase in inventories experienced in 2004, resulting in a $142 million improvement in cash flows in fiscal 2005. During fiscal 2004, inventories for engines and power products were increased to what management believes are a more normal level. Accordingly, no such incremental inventory build-up was required in fiscal 2005. Offsetting the favorable impact of inventory levels on cash flows was a $27 million reduction in accounts payable and accrued liabilities between years. The decrease is primarily attributable to a $19 million reduction in incentive compensation accruals between years and $5 million in lower rebate accruals.

The fiscal 2004 cash flows from operating activities were $123 million lower than the prior year. Fiscal 2004 experienced a significant increase in inventory levels, which reduced cash flows from operating activities by $129 million in fiscal 2004 and $117 million between years. Engine inventories increased $76 million between years. This increase is attributable to strong production levels through the end of the fiscal year driven by a strong selling season at retail. In addition, we believed that the increased inventory was needed to meet our forecast for fiscal 2005. Our Power Products Segment also experienced an increase in inventory levels of $53 million between years. This increase in inventory reflects strong production levels throughout the year in order to replenish depleted inventories after the demand creating events for generators in fiscal 2004. Pressure washer inventory levels reflected increasing demand for the product due to significant market growth in the category. Inventory on hand will always reflect demand and our ability to respond to market changes at our production facilities in a timely manner.

Also contributing to the lower cash flows from operating activities in fiscal 2004 were increased receivables growth between years of $23 million, which reflects our sales growth at both Segments and timing of payments, lower payable increases between years of $40 million and lower deferred tax provisions between years of $11 million. Offsetting these reductions in cash flows in fiscal 2004 were increased earnings of $55 million, a reduction in prepaid expenses between years of $7 million and lower pension income of $7 million.

The fiscal 2003 cash flows from operating activities were $26 million lower than the prior year. Fiscal 2003 did not experience the significant reduction in inventory investment experienced in fiscal 2002, which caused cash flows to be $134 million less between years. Inventory levels are a function of planned production levels based on anticipated demand, contrasted with actual sell through of product at retail. In fiscal 2001 the market was soft resulting in lower than anticipated sales for the year and increased inventory levels throughout the channel. As a result of the unusually high inventory levels at the end of fiscal 2001, we lowered our planned production in 2002. The 2002 lawn and garden selling season was strong, and we were successful in getting our inventory levels back to a level we considered normal. The fiscal 2003 selling season was also strong resulting in no significant change in our inventory levels.

Offsetting this reduction in cash flows in fiscal 2003 were improved cash flows related to increased earnings of $28 million, a lower accounts receivable increase between years of $51 million and higher current liabilities of $19 million. Accounts receivable levels increased in fiscal 2002 because of strong fourth quarter sales versus the prior year. Sales strength in the fourth quarter was similar between fiscal 2003 and 2002 resulting in an accounts receivable balance that did not change significantly. Current liabilities, primarily accruals for profit sharing were greater between years because better performance in fiscal 2003 resulted in larger bonus awards than the prior year.

Cash used in investing activities was $437 million, $47 million and $33 million in fiscal 2005, 2004 and 2003, respectively. These cash flows include capital expenditures of $86 million, $53 million and $40 million in fiscal 2005, 2004 and 2003, respectively. The capital expenditures relate primarily to reinvestment in equipment, capacity additions and new products.

In fiscal 2005, cash used in investing activities also includes $232 million in cash paid for the Simplicity acquisition and $122 million for the acquisition of certain Murray assets.

In fiscal 2004, Briggs & Stratton received $6 million as a refund of a portion of the cash paid for the BSPPG acquisition in fiscal 2001. The amount was to adjust the original purchase price for the actual value received in acquired receivables and inventory.

In fiscal 2003, Briggs & Stratton increased its investment in its China joint venture from 52% to 90%. This increase in ownership interest gave Briggs & Stratton control over the joint venture. Accordingly, its operating results are now reflected in Briggs & Stratton's consolidated financial statements. The actual cash outlay in fiscal 2003 for the restructuring was $343 thousand; however, the consolidation resulted in an increase in cash of approximately $4 million.

Briggs & Stratton provided cash from financing activities totaling $106 million and $13 million in fiscal 2005 and 2004 respectively. Briggs & Stratton used $37 million of cash in financing activities in fiscal 2003. Early in fiscal 2005 the Company used its available cash to finance the acquisition of Simplicity. To finance the acquisition of the Murray assets the Company issued $125 million in term notes in fiscal 2005. The Company incurred $1 million in fees in fiscal 2005 negotiating the term notes and an amendment to its revolving credit facility. During fiscal 2004, Briggs & Stratton did not use its revolver to finance working capital needs. In fiscal 2003 the Company used available cash to pay off its short-term loans and notes payable of $15 million.

During fiscal 2005, the Company received $20 million from the exercise of stock options compared to $45 million in fiscal 2004 and $5 million in fiscal 2003. The stock and option activity is a direct reflection of the market value of the Company's stock and option strike prices that encourage the exercise of the options.

During fiscal 2003, the Company paid down $15 million of its short-term loans and notes payable. These loans were primarily used to fund the short-term working capital needs of Briggs & Stratton's foreign operations. Given the level of cash flows the last two fiscal years and the available cash on hand, Briggs & Stratton made the decision to pay off these borrowings and fund these operations with available cash. Briggs & Stratton did not use its revolver to finance working capital needs during fiscal 2004. In fiscal 2004, Briggs & Stratton also incurred $2 million to negotiate a new revolving credit agreement.

Future Liquidity and Capital Resources

Briggs & Stratton has a $350 million revolving credit facility that expires in May 2009. This credit facility will be used to fund seasonal working capital requirements and other financing needs. This facility and Briggs & Stratton's other indebtedness contain certain restrictive covenants described in Note 8 of the Notes to Consolidated Financial Statements.

Briggs & Stratton expects capital expenditures to be $80 million in fiscal 2006. These anticipated expenditures reflect our plans to continue to reinvest in equipment, new products, and capacity enhancements.

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

Financial Strategy

Management believes that the value of Briggs & Stratton is enhanced if the capital invested in operations yields a cash return that is greater than the cost of capital. Consequently, management's first priority is to reinvest capital into physical assets and products that maintain or grow the global cost leadership and market positions that Briggs & Stratton has achieved, and drive the economic value of the Company. Management's next financial objective is to identify strategic acquisitions or alliances that enhance revenues and provide a superior economic return. Several successful joint ventures and the acquisition of Generac Portable Products, Inc. and Simplicity are examples of our successful execution of this strategy. Finally, management believes that when capital cannot be invested for returns greater than the cost of capital, we should return capital to the capital providers through dividends and/or stock buy-back.

Off-Balance Sheet Arrangements

Briggs & Stratton has no off-balance sheet arrangements or significant guarantees to third parties not fully recorded in our Balance Sheets or fully disclosed in our Notes to Consolidated Financial Statements. Briggs & Stratton's significant contractual obligations include our debt agreements and certain employee benefit plans.

Briggs & Stratton is subject to financial and operating restrictions in addition to certain financial covenants under its domestic debt agreements. As is fully disclosed in Note 8 of the Notes to Consolidated Financial Statements, these restrictions could limit our ability to: pay dividends; incur further indebtedness; create liens; enter into sale and/or leaseback transactions; consolidate, sell or lease all or substantially all of our assets; and dispose of assets or the proceeds of our assets. We believe we will remain in compliance with these covenants in fiscal 2006. Briggs & Stratton has obligations concerning certain employee benefits including its pension plans, post retirement benefit obligations and deferred compensation arrangements. All of these obligations are recorded on our Balance Sheets and disclosed more fully in the Notes to Consolidated Financial Statements.

Contractual Obligations

A summary of the Company's expected payments for significant contractual obligations as of July 3, 2005 is as follows (in thousands):

	2006	2007-2008	2009-2010	Thereafter	Total
Long-Term Debt	$ —	$ 215,000	$ —	$ 275,000	$ 490,000
Interest on Long-Term Debt	36,530	63,327	48,813	17,288	165,958
Capital Leases	758	1,539	—	—	2,297
Operating Leases	11,508	16,578	9,609	7,019	44,714
Consulting Agreement	288	175	—	—	463
Transition Supply Agreement	92,513	—	—	—	92,513
	$ 141,597	$ 296,619	$ 58,422	$ 299,307	$ 795,945

As of July 3, 2005, the Company had no material purchase obligations other than those created in the ordinary course of business related to inventory and property, plant and equipment which generally have terms of less than 90 days.

Other Matters

Labor Agreement

Briggs & Stratton has collective bargaining agreements with its unions. These agreements expire at various times ranging from 2006-2008.

Emissions

The U.S. Environmental Protection Agency (EPA) has developed national emission standards under a two phase process for small air cooled engines. Briggs & Stratton currently has a complete product offering which complies with the EPA's Phase I engine emission standards. The Phase II program imposes more stringent standards over the useful life of the engine and has been phased in for Class II (225 or greater cubic centimeter) displacement engines and will be phased in through 2008 for Class I (under 225 cubic centimeter) displacement engines. The majority of Briggs & Stratton's engines are certified to be compliant with the EPA's Phase II standards. Accordingly, Briggs & Stratton does not believe compliance with the new standards will have a material adverse effect on its financial position or results of operations.

EPA is also evaluating the development of Phase III standards to further reduce engine exhaust emissions and to control evaporative emissions from small off-road engines and equipment they are used in. A draft regulation is scheduled for publication in early calendar year 2006. We cannot predict the scope of any proposal or of the final regulations that EPA may ultimately adopt, and accordingly cannot estimate what, if any, impact such regulations could have on future financial performance.

The California Air Resources Board (CARB) staff issued a revised proposed Tier 3 regulation requiring additional reductions to engine exhaust emissions and also requiring new controls on evaporative emissions from small engines. The CARB staff proposal is phased in between 2006 and 2008 depending upon the size of the engine and type of control. While Briggs & Stratton believes the cost of the proposed regulation on a per engine basis may be significant, Briggs & Stratton does not believe the CARB staff proposal will have a material effect on its financial condition or results of operations. This assessment is based on a number of factors, including federal regulation, which precludes other states from opting into the California standard, revisions CARB made to its proposal from that published in September 2003 in response to recommendations from Briggs & Stratton and others in the regulated category, the fact that California represents a relatively small percentage of Briggs & Stratton's engine sales and our ability and intention to pass increased costs associated with the CARB regulation on to California consumers.

The European Commission adopted an engine emission Directive regulating exhaust emissions from engines manufactured by Briggs & Stratton. The Directive parallels the regulation previously promulgated by the U.S. EPA. Stage 1 was effective in February, 2004 and Stage 2 will be phased in from 2005 to 2007, with some limited extensions available for specific size and type engines until 2010. Briggs & Stratton's full European product line has been compliant with Stage 1 since 2004. Briggs & Stratton intends to have a full European product line compliant with Stage 2. Briggs & Stratton does not believe compliance with the Directive will have a material adverse effect on its financial position or results of operations.

Critical Accounting Policies

Briggs & Stratton's critical accounting policies are more fully described in Note 2 and Note 14 of the Notes to Consolidated Financial Statements. As discussed in Note 2, the preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions about future events that affect the amounts reported in the financial statements and accompanying notes. Future events and their effects cannot be determined with absolute certainty. Therefore, the determination of estimates requires the exercise of judgment. Actual results inevitably will differ from those estimates, and such differences may be material to the financial statements.

The most significant accounting estimates inherent in the preparation of our financial statements include estimates as to the recovery of accounts receivable and inventory reserves, as well as those used in the determination of liabilities related to customer rebates, pension obligations, postretirement benefits, warranty, product liability, litigation and taxation.

The reserves for customer rebates, warranty, product liability, inventory reserves and doubtful accounts are fact specific and take into account such factors as specific customer situations, historical experience, and current and expected economic conditions. Changes in these reserves may be required if actual experience differs from the original estimates.

The Company's estimate of income taxes payable, deferred income taxes, and the effective tax rate is based on a complex analysis of many factors including interpretations of Federal, state and foreign income tax laws, the difference between tax and financial reporting bases of assets and liabilities, estimates of amounts currently due or owed in various jurisdictions, and current accounting standards. We review and update our estimates on a quarterly basis as facts and circumstances change and actual results are known. In addition, Federal, state and foreign taxing authorities periodically review the Company's estimates and interpretation of income tax laws. Adjustments to the effective income tax rate and recorded assets and liabilities may occur in future periods if actual results differ significantly from original estimates and interpretations.

The pension benefit obligation and related pension income are calculated in accordance with Statement of Financial Accounting Standard (SFAS) No. 87, "Employer's Accounting for Pensions", and are impacted by certain actuarial assumptions, including the discount rate and the expected rate of return on plan assets. These rates are evaluated on an annual basis considering such factors as market interest rates and historical asset performance. Actuarial valuations at July 3, 2005 used a discount rate of 5.25% and an expected rate of return on plan assets of 8.75%. Our discount rate was selected using a benchmark approach against the Moody's Aa Corporate Bond rate and the Citigroup Pension Liability Index. A .25% decrease in the discount rate would increase annual pension expense by approximately $1.2 million. A .25% decrease in the expected return on plan assets would increase our annual pension expense by approximately $2.0 million.

The other postretirement benefits obligation and related expense charge are calculated in accordance with SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" and are impacted by certain actuarial assumptions, including the health care trend rate. An increase of one percentage point in health care costs would increase the accumulated postretirement benefit obligation by $22.2 million and would increase the service and interest cost by $1.7 million. A corresponding decrease of one percentage point, would decrease the accumulated postretirement benefit by $20.3 million and decrease the service and interest cost by $1.5 million.

New Accounting Pronouncements

In December 2004, the Financial Accounting Standards Board ("FASB") issued revised Statement 123R, "Share-Based Payment," to be effective for annual periods beginning after June 15, 2005; thereby, becoming effective for Briggs & Stratton in the first quarter of fiscal 2006. Statement 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized as compensation expense in the income statement. The cost is recognized over the requisite service period based on fair values measured on grant dates. The new standard may be adopted using either the modified prospective transition method or the modified retrospective method. We are currently evaluating our share-based employee compensation programs, the potential impact of this statement on our consolidated financial position and results of operations, and the alternative adoption methods.

In November 2004, the FASB issued SFAS No. 151, "Inventory Costs – an amendment of ARB No. 43, Chapter 4." SFAS No. 151 seeks to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs and wasted material (spoilage) in the determination of inventory carrying costs. The statement requires such costs to be treated as a current period expense. This statement is effective for the company on July 2, 2006. The company does not believe the adoption of SFAS No. 151 will have a material impact on its Consolidated Financial Statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

Foreign Currency

Briggs & Stratton's earnings are affected by fluctuations in the value of the U.S. dollar against the Japanese Yen and the Euro. The Yen is used to purchase engines from Briggs & Stratton's joint venture. Briggs & Stratton purchases components in Euros from third parties and receives Euros for certain products sold to European customers. Briggs & Stratton'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 3, 2005, Briggs & Stratton had the following forward foreign exchange contracts outstanding with the Fair Value (Gains) Losses shown (in thousands):

Hedge Currency	Notional Value	Fair Market Value	Conversion Currency	(Gain)/Loss at Fair Value
Japanese Yen	2,550,000	$ 23,240	U.S.	$ 1,221
Euro	35,000	$ 42,319	U.S.	$ (1,585)
Australian Dollars	2,391	$ 1,781	U.S.	$ (11)

All of the above contracts expire within twelve months.

Fluctuations in currency exchange rates may also impact the shareholders' investment in Briggs & Stratton. Amounts invested in Briggs & Stratton's non-U.S. subsidiaries and joint ventures are translated into U.S. dollars at the exchange rates in effect at fiscal year-end. The resulting cumulative translation adjustments are recorded in Shareholders' Investment as Accumulated Other Comprehensive Income. The cumulative translation adjustments component of Shareholders' Investment increased $0.9 million during the year. Using the year-end exchange rates, the total amount invested in non-U.S. subsidiaries on July 3, 2005 was $87.3 million.

Interest Rates

Briggs & Stratton is exposed to interest rate fluctuations on its borrowings, depending on general economic conditions.

On July 3, 2005, Briggs & Stratton had the following short-term loans outstanding (in thousands):

Currency	Amount	Weighted Average Interest Rate
Australian Dollars	250	7.19%
Euro	214	5.00%

These loans carry variable interest rates. Assuming borrowings are outstanding for an entire year, an increase (decrease) of one percentage point in the weighted average interest rate, would increase (decrease) interest expense by $5 thousand.

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

Description	Amount	Maturity
7.25% Senior Notes	$ 89,589	2007
8.875% Senior Notes	$ 271,732	2011
Variable Rate Term Notes	$ 125,000	2008

The Senior Notes carry fixed rates of interest and are therefore not subject to market fluctuation. The Variable Rate Term Note is subject to interest rate fluctuations, therefore an increase (decrease) of one percentage point in the weighted average interest rate would increase (decrease) interest expense by $1.25 million.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Consolidated Balance Sheets

AS OF JULY 3, 2005 AND JUNE 27, 2004
(in thousands)

	2005	2004
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	**$ 161,573**	$ 342,394
Receivables, Less Reserves of $5,461 and $1,584, Respectively	**360,786**	230,510
Inventories:		
Finished Products and Parts	**283,405**	206,638
Work in Process	**174,648**	124,483
Raw Materials	**11,612**	6,610
Total Inventories	**469,665**	337,731
Deferred Income Tax Asset	**92,251**	47,623
Prepaid Expenses and Other Current Assets	**34,930**	23,735
Total Current Assets	**1,119,205**	981,993
GOODWILL	**253,066**	151,991
OTHER INTANGIBLE ASSETS, Net	**96,445**	175
INVESTMENTS	**49,783**	49,259
PREPAID PENSION	**—**	81,730
DEFERRED LOAN COSTS, Net	**6,016**	6,325
OTHER LONG-TERM ASSETS, Net	**39,623**	9,138
PLANT AND EQUIPMENT:		
Land and Land Improvements	**20,554**	16,027
Buildings	**172,093**	163,621
Machinery and Equipment	**768,091**	674,047
Construction in Progress	**21,205**	14,292
	981,943	867,987
Less - Accumulated Depreciation	**547,113**	511,445
Total Plant and Equipment, Net	**434,830**	356,542
	$ 1,998,968	$ 1,637,153

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

AS OF JULY 3, 2005 AND JULY 27, 2004
(in thousands, except per share data)

LIABILITIES AND SHAREHOLDERS' INVESTMENT	2005	2004
CURRENT LIABILITIES:		
Accounts Payable	**$ 155,973**	$ 120,409
Short-term Debt	**443**	3,127
Accrued Liabilities:		
Wages and Salaries	**42,715**	55,528
Warranty	**59,625**	43,148
Accrued Postretirement Health Care Obligation	**26,000**	22,000
Other	**67,912**	56,349
Total Accrued Liabilities	**196,252**	177,025
Total Current Liabilities	**352,668**	300,561
DEFERRED INCOME TAX LIABILITY	**113,794**	70,454
ACCRUED PENSION COST	**47,944**	20,603
ACCRUED EMPLOYEE BENEFITS	**15,125**	14,201
ACCRUED POSTRETIREMENT HEALTH CARE OBLIGATION	**77,607**	38,248
LONG-TERM DEBT	**486,321**	360,562
OTHER LONG-TERM LIABILITIES	**16,323**	14,929
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' INVESTMENT:		
Common Stock - Authorized 120,000* and 60,000 Shares $.01 Par Value, Issued 57,854* and 28,927 Shares	**579**	289
Additional Paid-In Capital	**55,793**	48,657
Retained Earnings	**1,029,329**	927,766
Accumulated Other Comprehensive (Loss) Income	**(48,331)**	4,028
Unearned Compensation on Restricted Stock	**(1,985)**	(1,490)
Treasury Stock at cost, 6,114* Shares in 2005 and 3,382 Shares in 2004	**(146,199)**	(161,655)
Total Shareholders' Investment	**889,186**	817,595
	$ 1,998,968	$ 1,637,153

* Share data adjusted for effect of 2-for-1 stock split effective October 29, 2004.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statements of Earnings

FOR THE FISCAL YEARS ENDED JULY 3, 2005, JUNE 27, 2004 AND JUNE 29, 2003
(in thousands, except per share data)

	2005	2004	2003
NET SALES	**$ 2,654,875**	$ 1,947,364	$ 1,657,633
COST OF GOODS SOLD	**2,149,984**	1,507,492	1,329,554
Gross Profit	**504,891**	439,872	328,079
ENGINEERING, SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	**314,123**	205,663	178,157
Income from Operations	**190,768**	234,209	149,922
INTEREST EXPENSE	**(36,883)**	(37,665)	(40,389)
OTHER INCOME, Net	**20,430**	8,460	9,045
Income Before Provision for Income Taxes	**174,315**	205,004	118,578
PROVISION FOR INCOME TAXES	**57,548**	68,890	37,940
Income Before Extraordinary Item	**116,767**	136,114	80,638
EXTRAORDINARY GAIN - NEGATIVE GOODWILL	**19,800**	—	—
NET INCOME	**$ 136,567**	$ 136,114	$ 80,638
EARNINGS PER SHARE DATA*			
Weighted Average Shares Outstanding	**51,472**	45,286	43,279
Income Before Extraordinary Item	**$ 2.27**	$ 3.01	$ 1.86
Extraordinary Gain	**.38**	—	—
Basic Earnings Per Share	**$ 2.65**	$ 3.01	$ 1.86
Diluted Average Shares Outstanding	**51,954**	50,680	48,959
Income Before Extraordinary Item	**$ 2.25**	$ 2.77	$ 1.74
Extraordinary Gain	**.38**	—	—
Diluted Earnings Per Share	**$ 2.63**	$ 2.77	$ 1.74

* Share data adjusted for effect of 2-for-1 stock split effective October 29, 2004.

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 3, 2005, JUNE 27, 2004 AND JUNE 29, 2003
(in thousands, except per share data)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Unearned Compensation on Restricted Stock	Treasury Stock	Comprehensive Income
BALANCES, JUNE 30, 2002	$ 289	$ 35,459	$ 769,131	$ (6,626)	$ (199)	$ (348,408)	
Comprehensive Income:							
Net Income	—	—	80,638	—	—	—	$ 80,638
Foreign Currency Translation Adjustments	—	—	—	4,454	—	—	4,454
Unrealized Gain on Marketable Securities, net of tax of $581	—	—	—	901	—	—	901
Unrealized Gain on Derivatives	—	—	—	3,100	—	—	3,100
Minimum Pension Liability Adjustment, net of tax of $(1,638)	—	—	—	(2,563)	—	—	(2,563)
Total Comprehensive Income	—	—	—	—	—	—	$ 86,530
Cash Dividends Paid ($0.64* per share)	—	—	(27,709)	—	—	—	
Stock Option Activity, net of tax	—	(234)	—	—	—	5,835	
Restricted Stock Issued	—	(97)	—	—	(238)	335	
Amortization of Unearned Compensation	—	—	—	—	150	—	
Issuance of Treasury Shares	—	(44)	—	—	—	760	
Shares Issued to Directors	—	(10)	—	—	—	63	
BALANCES, JUNE 29, 2003	$ 289	$ 35,074	$ 822,060	$ (734)	$ (287)	$ (341,415)	
Comprehensive Income:							
Net Income	—	—	136,114	—	—	—	$ 136,114
Foreign Currency Translation Adjustments	—	—	—	3,042	—	—	3,042
Unrealized Gain on Derivatives	—	—	—	487	—	—	487
Minimum Pension Liability Adjustment, net of tax of $788	—	—	—	1,233	—	—	1,233
Total Comprehensive Income	—	—	—	—	—	—	$ 140,876
Cash Dividends Paid ($0.66* per share)	—	—	(30,408)	—	—	—	
Stock Option Activity, net of tax	—	7,667	—	—	—	41,194	
Restricted Stock Issued	—	322	—	—	(1,494)	1,171	
Amortization of Unearned Compensation	—	—	—	—	291	—	
Issuance of Treasury Shares	—	5,546	—	—	—	137,270	
Shares Issued to Directors	—	48	—	—	—	125	
BALANCES, JUNE 27, 2004	**$ 289**	**$ 48,657**	**$ 927,766**	**$ 4,028**	**$ (1,490)**	**$ (161,655)**	
Comprehensive Income:							
Net Income	**—**	**—**	**136,567**	**—**	**—**	**—**	**$ 136,567**
Foreign Currency Translation Adjustments	**—**	**—**	**—**	**881**	**—**	**—**	**881**
Unrealized Gain on Derivatives	**—**	**—**	**—**	**419**	**—**	**—**	**419**
Minimum Pension Liability Adjustment, net of tax of $(34,306)	**—**	**—**	**—**	**(53,659)**	**—**	**—**	**(53,659)**
Total Comprehensive Income	**—**	**—**	**—**	**—**	**—**	**—**	**$ 84,208**
Cash Dividends Paid ($0.68* per share)	**—**	**—**	**(35,004)**	**—**	**—**	**—**	
Stock Option Activity, net of tax	**—**	**6,990**	**—**	**—**	**—**	**14,752**	
Restricted Stock Issued	**—**	**316**	**—**	**—**	**(1,006)**	**688**	
Amortization of Unearned Compensation	**—**	**—**	**—**	**—**	**511**	**—**	
Stock Split	**290**	**(290)**	**—**	**—**	**—**	**—**	
Deferred Stock	**—**	**3**	**—**	**—**	**—**	**—**	
Shares Issued to Directors	**—**	**117**	**—**	**—**	**—**	**16**	
BALANCES, JULY 3, 2005	**$ 579**	**$ 55,793**	**$ 1,029,329**	**$ (48,331)**	**$ (1,985)**	**$ (146,199)**	

* Share data adjusted for effect of 2-for-1 stock split effective October 29, 2004.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statement of Cash Flows

FOR THE FISCAL YEARS ENDED JULY 3, 2005, JUNE 27, 2004 AND JUNE 29, 2003
(in thousands)

	2005	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income	**$ 136,567**	$ 136,114	$ 80,638
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Extraordinary Gain	**(19,800)**	—	—
Depreciation and Amortization	**73,543**	66,898	63,526
Earnings of Unconsolidated Affiliates, Net of Dividends	**678**	(3,484)	1,106
Loss on Disposition of Plant and Equipment	**2,418**	7,390	3,850
Provision for Deferred Income Taxes	**(3,896)**	12,800	24,278
Change in Operating Assets and Liabilities, Net of Effects of Acquisition:			
Increase in Receivables	**(26,892)**	(28,588)	(5,958)
Decrease (Increase) in Inventories	**12,784**	(128,594)	(11,932)
Decrease (Increase) in Prepaid Expenses and Other Current Assets	**2,650**	2,017	(4,663)
(Decrease) Increase in Accounts Payable, Accrued Liabilities and Income Taxes	**(27,673)**	4,696	44,321
Increase in Accrued/Prepaid Pension	**(1,050)**	(6,070)	(13,566)
Other, Net	**(771)**	(13,023)	(7,875)
Net Cash Provided by Operating Activities	**148,558**	50,156	173,725
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to Plant and Equipment	**(86,075)**	(52,962)	(40,154)
Proceeds Received on Disposition of Plant and Equipment	**1,940**	720	3,464
Proceeds Received on Sale of Certain Assets of a Subsidiary	**4,050**	—	—
Refund of Cash Paid for Acquisition	**—**	5,686	—
Cash Paid for Acquisitions, Net of Cash Acquired	**(355,094)**	—	—
Investment in Joint Venture	**(1,500)**	—	3,531
Net Cash Used by Investing Activities	**(436,679)**	(46,556)	(33,159)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net (Repayments) Borrowings on Loans and Notes Payable	**(2,684)**	187	(14,955)
Net Borrowings (Repayments) on Long-Term Debt	**125,000**	(22)	—
Issuance Cost of Debt	**(925)**	(1,789)	—
Cash Dividends Paid	**(35,065)**	(30,408)	(27,709)
Proceeds from Exercise of Stock Options	**20,139**	45,314	5,490
Net Cash Provided by (Used by) Financing Activities	**106,465**	13,282	(37,174)
EFFECT OF FOREIGN CURRENCY EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**835**	697	5,478
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(180,821)**	17,579	108,870
CASH AND CASH EQUIVALENTS:			
Beginning of Year	**342,394**	324,815	215,945
End of Year	**$ 161,573**	$ 342,394	$ 324,815
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Interest Paid	**$ 36,357**	$ 38,884	$ 39,448
Income Taxes Paid	**$ 66,410**	$ 53,253	$ 20,724

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 3, 2005, JUNE 27, 2004 AND JUNE 29, 2003

(1) Nature of Operations:

Briggs & Stratton (the "Company") is a U.S. based producer of air cooled gasoline engines and engine powered outdoor equipment. The engines are sold worldwide, primarily to original equipment manufacturers of lawn and garden equipment and other gasoline engine powered equipment. The Company's wholly owned subsidiary, Briggs & Stratton Power Products Group, LLC ("BSPPG"), is a designer, manufacturer and marketer of a wide range of outdoor power equipment and related accessories. BSPPG's products are sold worldwide.

(2) Summary of Significant Accounting Policies:

Fiscal Year: The Company's fiscal year consists of 52 or 53 weeks, ending on the Sunday nearest the last day of June in each year. Therefore, the 2005 fiscal year was 53 weeks long and the 2004 and 2003 fiscal years were 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 the Company and its majority 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 may 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 an original maturity of three months or less to be cash equivalents.

Receivables: Receivables are recorded at the original carrying value less reserves for estimated uncollectible accounts. In fiscal 2005, Briggs & Stratton wrote off a $38.9 million trade receivable from Murray, Inc., a major original equipment manufacturer. See Note 3 for additional discussion of Murray, Inc.

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 48% of total inventories at July 3, 2005 and 56% of total inventories at June 27, 2004. The cost for the remaining portion of the inventories was determined using the first-in, first-out (FIFO) method. During fiscal 2003, a reduction in inventory quantities resulted in a liquidation of LIFO inventories carried at lower costs prevailing in prior years. The liquidation of these inventories reduced cost of goods sold by $0.2 million in 2003. There was no such reduction of inventory in fiscal 2005 and 2004. If the FIFO inventory valuation method had been used exclusively, inventories would have been $52.5 million and $51.4 million higher in 2005 and 2004, respectively. The LIFO inventory adjustment was determined on an overall basis, and accordingly, each class of inventory reflects an allocation based on the FIFO amounts.

Goodwill and Other Intangible Assets: Goodwill reflects the cost of an acquisition in excess of the fair values assigned to identifiable net assets acquired. Other Intangible Assets reflect identifiable intangible assets that arise from purchase acquisitions. Other Intangible Assets are comprised of trademarks, patents and customer relationships. Goodwill and trademarks, which are considered to have indefinite lives are not amortized; however, both must be tested for impairment annually. Amortization is recorded on a straight line basis for other intangible assets with finite lives. Patents have been assigned an estimated weighted average useful life of thirteen years. The customer relationships have been assigned an estimated useful life of twenty-five years. The Company is subject to financial statement risk in the event that goodwill and intangible assets become impaired. The Company performed the required impairment tests in fiscal 2005, 2004 and 2003, and found no impairment of the assets.

Investments: This caption represents the Company's investment in its 50%-owned joint ventures and preferred stock in a privately held iron castings business. The investments in the joint ventures are accounted

for under the equity method. In fiscal 2003, the Company determined losses on an investment in common stock of a publicly traded software company were "other than temporary", and as a result, the Company reclassified the pretax unrealized loss of $1.8 million to earnings.

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 straight-line method over periods ranging from three to ten years. Accumulated amortization related to open issues amounted to $7.7 million as of July 3, 2005 and $5.9 million as of June 27, 2004.

Other Long-Term Assets: This caption includes 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 $11.3 million as of July 3, 2005 and $8.7 million as of June 27, 2004.

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 (20-30 years for land improvements, 20-50 years for buildings and 3-16 years for machinery and equipment).

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 income from operations.

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 2005, 2004 or 2003.

Warranty: The Company recognizes the cost associated with its standard warranty on engines and power products at the time of sale. The amount recognized is based on historical failure rates and current claim cost experience. The following is a reconciliation of the changes in accrued warranty costs for fiscal 2005 and 2004 (in thousands):

	2005	2004
Balance, Beginning of Period	**$ 43,148**	$ 47,590
Adjustment Related to Acquisitions	**10,623**	—
Payments	**(35,796)**	(30,761)
Provision for Current Year Warranties	**41,761**	29,150
Credit for Prior Years Warranties	**(111)**	(2,831)
Balance, End of Period	**$ 59,625**	$ 43,148

Deferred Revenue on Sale of Plant and 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 long as it 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 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-Briggs & Stratton occupied portion of the building. A pretax gain, which will be recognized at the earlier of the exercise of the buyout option or when the Company no longer has substantial

involvement with the facility, is estimated to be $6.2 million. As management believes it may cease operations at this facility by the end of fiscal 2006, this gain could be recognized during fiscal 2006, but will be recognized no later than the first quarter of fiscal 2007, when the Reservation Period expires. The annual cost of operating the warehouse portion of the facility is not material.

Revenue Recognition: Net sales include sales of engines, power products, and related service parts and accessories, net of allowances for cash discounts, customer volume rebates and discounts, and advertising allowances. In accordance with Staff Accounting Bulletin No. 104 as amended, the Company recognizes revenue when all of the following criteria are met: persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or determinable, and collectibility is reasonably assured. This is generally upon shipment, except for certain international shipments, where revenue is recognized when the customer receives the product.

Included in net sales are costs associated with programs under which Briggs & Stratton shares the expense of financing certain dealer and distributor inventories, referred to as floor plan expense. This represents interest for a pre-established length of time based on a variable rate from a contract with a third party financing source for dealer and distributor inventory purchases. Sharing the cost of these financing arrangements is used by Briggs & Stratton as a marketing incentive for customers to buy inventory. The financing costs included in net sales in fiscal 2005 were $10.6 million. There were no similar costs in fiscal 2004 and fiscal 2003.

The Company also offers a variety of customer rebates and sales incentives. The Company records estimates for rebates and incentives at the time of sale, as a reduction in net sales.

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

Retirement Plans: The Company has noncontributory, defined benefit retirement plans and postretirement benefit plans covering certain employees. Retirement benefits represent a form of deferred compensation, which are subject to change due to changes in assumptions. Management reviews underlying assumptions on an annual basis. Refer to Note 14 of the Notes to Consolidated Financial Statements.

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 $33.5 million in fiscal 2005, $25.9 million in fiscal 2004 and $26.4 million in fiscal 2003.

Advertising Costs: Advertising costs, included in Engineering, Selling, General and Administrative Expenses in the accompanying Consolidated Statements of Earnings, are expensed as incurred. These expenses totaled $35.8 million in fiscal 2005, $15.0 million in fiscal 2004 and $13.2 million in fiscal 2003.

The Company reports co-op advertising expense as a reduction in net sales. Co-op advertising expense reported as a reduction in net sales totaled $23.6 million in fiscal 2005, $12.8 million in fiscal 2004 and $9.5 million in fiscal 2003.

Shipping and Handling Fees and Costs: Revenue received from shipping and handling fees is reflected in net sales. Shipping fee revenue for fiscal 2005, 2004 and 2003 was $4.1 million, $1.8 million and $1.6 million, respectively. Shipping and handling costs are included in cost of goods sold.

Foreign Currency Translation: Foreign currency balance sheet accounts are translated into dollars at the rates of exchange in effect at fiscal year-end. Income and expenses incurred in a foreign currency 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: Basic earnings per share, for each period presented, is 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, is computed reflecting the potential dilution that would occur if options or other contracts to issue common stock were exercised or converted into common stock at the beginning of the period.

The fiscal 2005 diluted earnings per share calculation includes all options outstanding as of July 3, 2005. The shares outstanding used to compute diluted earnings per share for fiscal 2004 and 2003 excludes outstanding options to purchase 428,520* and 3,351,580* shares of common stock, respectively, with weighted-average exercise prices of $37.27* and $26.70*, respectively. The options are excluded because their exercise prices are greater than the average market price of the common shares, and their inclusion in the computation would be antidilutive.

Information on earnings per share is as follows (in thousands):

	Fiscal Year Ended		
	July 3, 2005	**June 27, 2004**	**June 29, 2003**
Net Income Before Extraordinary Gain Used in Basic Earings Per Share	**$ 116,767**	$ 136,114	$ 80,638
Adjustment to Net Income Before Extraordinary Gain to Add After-tax Interest Expense on Convertible Notes	—	4,053	4,760
Adjusted Net Income Before Extraordinary Gain Used in Diluted Earnings Per Share	**$ 116,767**	$ 140,167	$ 85,398
Extraordinary Gain Used in Basic and Diluted Earinings Per Share	**$ 19,800**	$ —	$ —
Net Income Used in Basic Earnings Per Share	**$ 136,567**	$ 136,114	$ 80,638
Adjustment to Net Income to Add After-tax Interest Expense on Convertible Notes	—	4,053	4,760
Adjusted Net Income Used in Diluted Earnings Per Share	**$ 136,567**	$ 140,167	$ 85,398
Average Shares of Common Stock Outstanding*	**51,472**	45,286	43,279
Incremental Common Shares Applicable to Common Stock Options Based on the Common Stock Average Market Price During the Period*	**446**	360	—
Incremental Common Shares Applicable to Restricted Common Stock Based on the Common Stock Average Market Price During the Period*	**36**	26	28
Incremental Common Shares Applicable to Convertible Notes Based on the Conversion Provisions of the Convertible Notes*	—	5,008	5,652
Diluted Average Common Shares Outstanding*	**51,954**	50,680	48,959

* Share data adjusted for effect of 2-for-1 stock split effective October 29, 2004.

Comprehensive Income: Comprehensive income is a more inclusive financial reporting method that includes disclosure of 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, cumulative translation adjustments, unrealized gain (loss) on derivatives and minimum pension liability adjustments in the Consolidated Statements of Shareholders' Investment. Information on Accumulated Other Comprehensive Income (Loss) is as follows (in thousands):

	Unrealized Gain (Loss) on Marketable Securities	Cumulative Translation Adjustments	Unrealized Gain (Loss) on Derivatives	Minimum Pension Liability Adjustment	Accumulated Other Comprehensive Income (Loss)
Balance at June 30, 2002	$ (901)	$ (2,638)	$ (3,087)	$ —	$ (6,626)
Fiscal Year Change	901	4,454	3,100	(2,563)	5,892
Balance at June 29, 2003	—	1,816	13	(2,563)	(734)
Fiscal Year Change	—	3,042	487	1,233	4,762
Balance at June 27, 2004	—	**4,858**	**500**	**(1,330)**	**4,028**
Fiscal Year Change	—	**881**	**419**	**(53,659)**	**(52,359)**
Balance at July 3, 2005	**$ —**	**$ 5,739**	**$ 919**	**$ (54,989)**	**$ (48,331)**

Derivatives: Derivatives are recorded on the balance sheet as assets or liabilities, measured at fair value. Briggs & Stratton 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. Briggs & Stratton has used interest rate swaps designated as fair value hedges to manage its debt portfolio. These instruments generally have maturities and terms consistent with the underlying debt instrument.

Changes in the fair value of cash flow hedges are recorded on the Consolidated Statement of Earnings or as a component of Accumulated Other Comprehensive Income (Loss). The amounts included in Accumulated Other Comprehensive Income (Loss) will be reclassified into income when the forecasted transactions occur, generally within the next twelve months. These forecasted transactions represent the exporting of products for which Briggs & Stratton will receive foreign currency and the importing of products for which it will be required to pay in a foreign currency. Changes in the fair value of fair value hedges related to interest rate swaps are recorded as an increase/decrease to long-term debt. Changes in the fair value of all derivatives deemed to be ineffective are recorded as either income or expense in the accompanying Consolidated Statements of Earnings. See discussion in Note 13.

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

(3) Acquisitions:

On July 7, 2004, Briggs & Stratton and its subsidiary, Briggs & Stratton Power Products Group, LLC ("BSPPG") acquired Simplicity Manufacturing, Inc. ("Simplicity"). Simplicity designs, manufactures and markets a wide variety of premium yard and garden tractors, lawn tractors, riding mowers, snow throwers, attachments, and other lawn and garden products like rototillers and chipper shredders. The purchase price included $250.2 million of cash, a $2.3 million liability for future tax benefits, and $135.3 million of liabilities assumed. The cash paid included $17.8 million of cash acquired and $9.4 million of direct acquisition costs.

The Simplicity acquisition has been accounted for using the purchase method of accounting. The purchase price was allocated 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, which will include the resolution of certain tax matters, are not expected to be material to the consolidated financial statements.

The following table summarizes the fair value of the assets acquired and liabilities assumed at the date of acquisition (in thousands):

Assets Acquired:		
Current Assets	$	123,055
Property, Plant and Equipment		62,960
Goodwill		102,853
Other Intangible Assets		98,120
Other Noncurrent Assets		867
Total Assets		387,855
Liabilities Assumed:		
Current Liabilities		51,299
Deferred Tax Liabilities		46,846
Post Retirement Benefits		36,665
Other Noncurrent Liabilities		503
Total Liabilities		135,313
Net Assets	$	252,542

The following table summarizes pro forma results for the twelve months ended June 27, 2004, as though the business combination had been completed at the beginning of the earliest comparable period (in thousands, except per share data):

		Twelve Months Ended June 27, 2004
Net Sales	$	2,267,222
Net Income	$	142,815
Basic Earnings Per Share	$	3.15
Diluted Earnings Per Share	$	2.90

On February 11, 2005, Briggs & Stratton Corporation and its subsidiaries, Briggs & Stratton Power Products Group, LLC and Briggs & Stratton Canada, Inc. acquired certain assets of Murray, Inc. and Murray Canada Co. (collectively "Murray") and entered into a transition supply agreement ("TSA"). The TSA gives Briggs & Stratton the right to purchase finished lawn, garden and snow products from Murray for a period up to eighteen months. Briggs & Stratton has reached an agreement with Murray to end the TSA effective September 30, 2005. The cash purchase price was $122.7 million, including direct acquisition costs of $1.8 million. Briggs & Stratton financed the acquisition through the issuance of $125 million variable rate Term Notes due February 11, 2008, with no prepayment penalty. The Term Notes have financial and operating restrictions consistent with other debt agreements, as disclosed in Note 8. Although no liabilities were assumed pursuant to the asset purchase agreement, there are certain consumer and customer related obligations incident to the acquisition that have been considered. In addition, there were certain obligations created by the TSA that have been considered in purchase accounting.

The Murray acquisition has been accounted for using the purchase method of accounting. The purchase price was allocated on a preliminary basis to identifiable assets acquired and liabilities recognized (as discussed above) based upon their estimated fair values. The estimated fair value of Murray assets acquired exceeded the acquisition cost by $19.8 million, after all tax considerations, and this amount was recognized as an extraordinary gain. Final adjustments to the purchase price allocation are not expected to be material to the consolidated financial statements.

The following table summarizes the fair value of the assets acquired, liabilities assumed and extraordinary gain recognized at the date of acquisition (in thousands):

Assets Acquired:		
Accounts Receivable, net	$	78,851
Inventory, net		83,286
Deferred Tax Asset		3,263
Total Assets		165,400
Liabilities Recognized:		
Federal and State Taxes Payable		13,015
Rebates		4,241
Warranty		1,850
TSA Obligations		3,810
Total Liabilities		22,916
Net Assets		142,484
Cash Paid		122,684
Extraordinary Gain:	$	19,800

Subsequent to fiscal year 2005, Briggs & Stratton received a refund of $6.3 million of its purchase price for receivables identified as uncollectible. All remaining acquired receivables, net, have been collected.

(4) Goodwill and Other Intangible Assets:

The changes in the carrying amount of goodwill for the fiscal years ended July 3, 2005 and June 27, 2004 are as follows (in thousands):

	2005	2004
Beginning Goodwill Balance	**$ 151,991**	$ 159,756
Goodwill Acquired During the Period	**102,853**	—
Tax Benefit on Amortization	**(1,778)**	(2,079)
Purchase Accounting Adjustments	**—**	(5,686)
Ending Goodwill Balance	**$ 253,066**	$ 151,991

See Note 3 for a discussion of goodwill from business acquisitions during fiscal 2005.

The Company's other intangible assets, primarily from acquisitions, are valued based on independent appraisals and, for the years ended July 3, 2005 and June 27, 2004 are as follows (in thousands):

	2005			2004		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Amortized Intangible Assets:						
Patents	**$ 13,280**	**$ (1,116)**	**$ 12,164**	$ 70	$ (29)	$ 41
Customer Relationships	**17,910**	**(716)**	**17,194**	—	—	—
Miscellaneous	**279**	**(192)**	**87**	279	(145)	134
Total Amortized Intangible Assets	**31,469**	**(2,024)**	**29,445**	349	(174)	175
Unamortized Intangible Assets:						
Trademarks/Brand Names	**67,000**	**—**	**67,000**	—	—	—
Total Unamortized Intangible Assets	**67,000**	**—**	**67,000**	—	—	—
Total Intangible Assets	**$ 98,469**	**$ (2,024)**	**$ 96,445**	$ 349	$ (174)	$ 175

Amortization expense of other intangible assets amounts to approximately $1,850,000, $56,000, and $56,000 in 2005, 2004, and 2003, respectively.

The estimated amortization expense of other intangible assets for the next five years is (in thousands):

2006	$ 1,850
2007	1,844
2008	1,804
2009	1,798
2010	1,794
	$ 9,090

(5) Income Taxes:

The provision for income taxes on income before extraordinary gain consists of the following (in thousands):

	2005	2004	2003
Current			
Federal	**$ 51,144**	$ 46,506	$ 11,404
State	**7,948**	8,039	291
Foreign	**2,352**	1,545	1,967
	61,444	56,090	13,662
Deferred	**(3,896)**	12,800	24,278
	$ 57,548	$ 68,890	$ 37,940

A reconciliation of the U.S. statutory tax rates to the effective tax rates on income before extraordinary gain follows:

	2005	2004	2003
U.S. Statutory Rate	**35.0%**	35.0%	35.0%
State Taxes, Net of Federal Tax Benefit	**2.4%**	3.0%	1.8%
Foreign Tax Benefits	**(0.8)%**	(0.9)%	(3.3)%
Resolution of Prior Period Tax Matters	—	(2.2)%	—
Benefit on Dividends Received	**(4.0)%**	—	—
Other	**0.4%**	(1.3)%	(1.5)%
Effective Tax Rate	**33.0%**	33.6%	32.0%

The components of deferred income taxes were as follows (in thousands):

	2005	2004
Current Asset (Liability):		
Difference Between Book and Tax Methods Applied to:		
Inventory	**$ 11,798**	$ 13,443
Payroll Related Accruals	**4,702**	2,627
Warranty Reserves	**22,605**	16,768
Workers Compensation Accruals	**3,611**	4,257
Other Accrued Liabilities	**17,365**	12,338
Minimum Pension Liability	**35,157**	850
Miscellaneous	**(2,987)**	(2,660)
Deferred Income Tax Asset	**$ 92,251**	$ 47,623
Long-Term Liability (Asset):		
Difference Between Book and Tax Methods Applied to:		
Pension Cost	**$ 32,945**	$ 31,875
Accumulated Depreciation	**79,029**	59,271
Intangibles	**58,473**	16,401
Accrued Employee Benefits	**(13,840)**	(12,333)
Postretirement Health Care Obligation	**(29,940)**	(14,917)
Deferred Revenue on Sale of Plant & Equipment	**(5,717)**	(5,822)
Miscellaneous	**(7,156)**	(4,021)
Deferred Income Tax Liability	**$ 113,794**	$ 70,454

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 $11.1 million at July 3, 2005. If these earnings were remitted to the U.S., they would be subject to U.S. income tax. However, this tax would be less than the U.S. statutory income tax because of available foreign tax credits.

(6) Segment and Geographic Information and Significant Customers:

The Company has concluded that it operates two reportable business segments that are managed separately based on fundamental differences in their operations. Summarized segment data is as follows (in thousands):

	2005	2004	2003
NET SALES:			
Engines	**$ 1,739,184**	$ 1,617,409	$ 1,428,411
Power Products	**1,193,616**	489,250	329,488
Eliminations	**(277,925)**	(159,295)	(100,266)
	$ 2,654,875	$ 1,947,364	$ 1,657,633

	2005	2004	2003
GROSS PROFIT ON SALES:			
Engines	**$ 372,162**	$ 382,713	$ 291,937
Power Products	**133,888**	57,846	38,233
Eliminations	**(1,159)**	(687)	(2,091)
	$ 504,891	$ 439,872	$ 328,079
INCOME FROM OPERATIONS:			
Engines	**$ 142,653**	$ 204,468	$ 134,775
Power Products	**49,274**	30,428	17,238
Eliminations	**(1,159)**	(687)	(2,091)
	$ 190,768	$ 234,209	$ 149,922
ASSETS:			
Engines	**$ 1,297,789**	$ 1,435,016	$ 1,150,607
Power Products	**877,933**	402,618	339,970
Eliminations	**(176,754)**	(200,481)	(15,384)
	$ 1,998,968	$ 1,637,153	$ 1,475,193
CAPITAL EXPENDITURES:			
Engines	**$ 67,802**	$ 47,408	$ 35,903
Power Products	**18,273**	5,554	4,251
	$ 86,075	$ 52,962	$ 40,154
DEPRECIATION & AMORTIZATION:			
Engines	**$ 59,819**	$ 63,744	$ 60,875
Power Products	**13,724**	3,154	2,651
	$ 73,543	$ 66,898	$ 63,526

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

	2005	2004	2003
United States	**$ 2,481,374**	$ 1,795,128	$ 1,546,520
All Other Countries	**173,501**	152,236	111,113
Total	**$ 2,654,875**	$ 1,947,364	$ 1,657,633

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

Sales to the following customers in the Company’s Engine Segment amount to greater than or equal to 10% of consolidated net sales, respectively:

	2005 Net Sales	%	2004 Net Sales	%	2003 Net Sales	%
Customer:						
EOP	**$ 374,941**	**14%**	$ 318,705	16%	$ 260,253	16%
MTD	**316,911**	**12%**	334,748	17%	253,066	15%
Murray					168,928	10%
	$ 691,852	**26%**	$ 653,453	33%	$ 682,247	41%

(7) Leases:

The Company leases certain facilities, vehicles, and equipment under both capital and operating leases. Assets held under capital leases are included in Other Long-Term Assets and Plant and Equipment and are charged to depreciation and interest over the life of the lease. Related liabilities are included in Other Accrued Liabilities and Other Long-Term Liabilities. Operating leases are not capitalized and lease payments are expensed on a straight-line basis over the life of the lease. Terms of the leases, including purchase options,

renewals, and maintenance costs, vary by lease. Rental expense for fiscal 2005, 2004 and 2003 was $16.1 million, $10.2 million and $8.1 million, respectively.

Future minimum lease commitments for all non-cancelable leases as of July 3, 2005 are as follows (in thousands):

Fiscal Year	Operating	Capital
2006	$ 11,508	$ 758
2007	9,365	686
2008	7,213	853
2009	5,163	—
2010	4,446	—
Thereafter	7,019	—
Total future minimum lease commitments	$ 44,714	2,297
Less: Interest		(309)
Present value of minimum capital lease payments		$ 1,988

(8) Indebtedness:

On March 18, 2005, the Company amended its unsecured five-year $275 million revolving credit facility (the credit facility) that expires in May 2009 to increase the aggregate amount of the credit facility to $350 million. There were no borrowings under the credit facility as of July 3, 2005 or June 27, 2004.

Borrowings under the credit facility by the Company bear interest at a rate per annum equal to, at its option, either:

(1) a 1, 2, 3 or 6 month LIBOR rate plus a margin varying from 0.50% to 2.00%, depending upon the rating of the Company's long-term debt by Standard & Poor's Rating group, a division of McGraw-Hill Companies (S&P) and Moody's Investors Service, Inc. (Moody's); or

(2) the higher of (a) the federal funds rate plus 0.50% or (b) the bank's prime rate.

In addition, the Company is subject to a 0.10% to 0.375% commitment fee and a 0.50% to 2.00% letter of credit fee, depending on the Company's long-term credit ratings.

The following data relates to domestic notes payable (in thousands):

	2005	2004
Balance at Fiscal Year-End	$ —	$ 1,220
Weighted Average Interest Rate at Fiscal Year-End	—	2.98%

The domestic notes payable balance was paid in full as of December 22, 2004.

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 $11.6 million, expire at various times through November 2005 and are renewable. None of these arrangements had material commitment fees or compensating balance requirements. Borrowings using these lines of credit are included in short-term debt. Outstanding balances are as follows (in thousands):

	2005	2004
Balance at Fiscal Year-End	**$ 443**	$ 1,907
Weighted Average Interest Rate at Fiscal Year-End	**5.93%**	7.64%

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

	2005	2004
7.25% Senior Notes Due 2007, Net of Unamortized Discount of $411 in 2005 and $597 in 2004	**$ 89,589**	$ 89,403
8.875% Senior Notes Due 2011, Net of Unamortized Discount of $3,268 in 2005 and $3,841 in 2004	**271,732**	271,159
Variable Rate Term Notes Due 2008	**125,000**	—
Total Long-Term Debt	**$ 486,321**	$ 360,562

On February 11, 2005, the Company entered into an unsecured three-year $125 million term loan agreement that expires on February 11, 2008. The Company is required to repay the loans under the agreement in two installments as follows: (a) $40 million on August 11, 2006 (eighteen month anniversary of the closing date); and (b) the aggregate principal amount of the remaining loan on February 11, 2008 (maturity date). The outstanding balance of the loans as of July 3, 2005 was $125 million.

Borrowings under the term loan by the Company bear interest at a rate per annum equal to, at its option, either:

(1) a 1, 2, 3 or 6 month LIBOR rate plus a margin varying from 0.50% to 1.75%, depending upon the rating of the Company's long-term debt by Standard & Poor's Rating group, a division of McGraw-Hill Companies (S&P) and Moody's Investors Service, Inc. (Moody's); or

(2) the higher of (a) the federal funds rate plus 0.50% or (b) the bank's prime rate.

In May 2004, the Company initiated and completed the redemption of its 5.00% Convertible Senior Notes due 2006 ("Notes"). With the exception of $22,000 principal amount of Notes which were redeemed for cash, all holders exercised their conversion rights prior to the redemption dates and were issued 2,825,363 shares of Briggs & Stratton Corporation common stock from shares held in treasury.

In April 2004, the Company terminated all outstanding interest rate swaps relating to its 8.875% Senior Notes due 2011. Prior to termination, the swaps converted $50 million of notional amounts from a fixed rate to a floating rate (LIBOR-set-in-arrears), and had a maturity of 2011. The swaps were terminated at a gain of $0.5 million.

In May 2001, the Company issued $275.0 million of 8.875% Senior Notes due March 15, 2011. No principal payments are due before the maturity date.

The 7.25% senior notes are due September 15, 2007. In accordance with the agreement, no principal payments are due before the maturity date; however, the Company repurchased $10 million of the bonds in the fourth quarter of fiscal year 2002 after receiving unsolicited offers from bondholders.

The separate indentures provided for the 7.25% senior notes and the 8.875% senior notes, and the Credit Agreements for the variable rate term notes and the Company's revolving credit facility (collectively, the "Domestic Indebtedness") each include a number of financial and operating restrictions. These covenants include 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. The credit facility contains financial covenants that require the Company to maintain a minimum interest coverage ratio and net worth (as of fiscal year end 2005 the Company was required to maintain a minimum net worth of $634.0 million) and impose a maximum leverage ratio. As of July 3, 2005, the Company was in compliance with these covenants.

Additionally, under the terms of the indentures and Credit Agreements governing the Domestic Indebtedness, BSPPG and its wholly owned subsidiary, Simplicity became joint and several guarantors of amounts outstanding under the Domestic Indebtedness. Refer to Note 16 of the Notes to Consolidated Financial Statements for subsidiary guarantor financial information.

(9) Other Income:

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

	2005	2004	2003
Interest Income	$ **1,155**	$ 2,970	$ 2,500
Income on Preferred Stock and Equity in Earnings from Unconsolidated Affiliates	**17,781**	7,876	5,224
Deferred Financing Costs	**(1,233)**	(3,778)	(1,519)
Gain on Investment in China	—	386	2,972
Other Items	**2,727**	1,006	(132)
Total	$ **20,430**	$ 8,460	$ 9,045

(10) 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 $2.0 million per claim. Accordingly, a reserve is maintained for the estimated costs of such claims. On July 3, 2005 and June 27, 2004 the reserve for product and general liability claims (which includes asbestos-related liabilities) was $8.0 million and $6.3 million, respectively. Because there is inherent uncertainty as to the eventual resolution of unsettled claims, no reasonable range of possible losses can be determined. Management does not anticipate that 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.

In October 1998, the Company joined seventeen other companies in guaranteeing a $17.9 million letter of credit issued as a guarantee of certain City of Milwaukee Revenue Bonds used to develop a residential rental property. The Revenue Bonds were issued on behalf of a not-for-profit organization established to manage the project and rental property post construction. The revenues from the rental property are used to fund operating expenses and all debt service requirements. The Company's share of the guarantee and the maximum exposure to the Company under the agreement is $1.8 million. The letter of credit and underlying guarantee expires August 15, 2008. Management believes the likelihood is remote that material payments will be required under this guarantee. Accordingly, no liability has been reflected in the accompanying Consolidated Balance Sheets related to this item.

Certain Independent Dealers and Distributors finance inventory purchases through a third party financing company. Briggs & Stratton has indemnified the third party finance company against credit default. The Company's maximum exposure under this agreement due to customer credit default in a fiscal year is $1.6 million. In fiscal 2005, the third party financing company provided financing for $339.4 million of Briggs & Stratton product in fiscal 2005. As of the end of fiscal 2005 there were $188.1 million in receivables outstanding under this arrangement. Briggs & Stratton made no payments under this indemnity in fiscal 2005.

The Company has no material commitments for materials or capital expenditures as of July 3, 2005.

(11) Stock Incentives:

The Company had a Stock Incentive Plan under which 5,361,935 shares of common stock were reserved for issuance. Effective October 20, 2004, the Company adopted an Incentive Compensation Plan under which 4,000,000 shares of common stock (8,000,000 shares as a result of the 2-for-1 stock split) were reserved for future issuance. The adoption of this Plan reduced the number of shares available for future issuance under the Stock Incentive Plan to zero. However, as of July 3, 2005, there were 3,092,168 outstanding option and restricted stock awards granted under the Stock Incentive Plan that are or may become exercisable in the future. In accordance with both plans, the Company can issue eligible employees stock options, stock appreciation rights, restricted stock, deferred stock and cash bonus awards subject to certain annual limitations. The plans also allow the Company to issue directors non-qualified stock options and directors' fees in stock.

The Company has issued stock options to certain employees and directors in accordance with the plans, which are accounted for under Accounting Principles Board Opinion No. 25 “Accounting for Stock Issued to Employees”, and 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:

	2005	2004	2003
Net income as reported (in thousands):	**$ 136,567**	$ 136,114	$ 80,638
Basic EPS:			
Deduct employee compensation expense determined under a fair value based method, net of related tax effects	**(5,837)**	(3,528)	(3,056)
Income Available to Common Stockholders:	**130,730**	132,586	77,582
Diluted EPS:			
Add reduction in interest expense related to convertible debt	—	4,053	4,760
Income Available to Common Stockholders:	**$ 130,730**	$ 136,639	$ 82,342
Basic Earnings Per Share:*			
As Reported	**$ 2.65**	$ 3.01	$ 1.86
Pro Forma	**$ 2.54**	$ 2.93	$ 1.79
Diluted Earnings Per Share:*			
As Reported	**$ 2.63**	$ 2.77	$ 1.74
Pro Forma	**$ 2.52**	$ 2.70	$ 1.69

The exercise price of each stock option issued is in excess of the market value of the stock on the date of grant. 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:

Options Granted During	**2005**	**2004**	**2003**
Grant Date Fair Value*	**$ 12.12**	$ 9.98	$ 5.31
Assumptions:			
Risk-free Interest Rate	**4.2%**	4.6%	4.3%
Expected Volatility	**28.4%**	33.1%	38.4%
Expected Dividend Yield	**1.9%**	2.3%	3.3%
Expected Term (In Years)	**10.0**	10.0	7.0

* Share data adjusted for effect of 2-for-1 stock split effective October 29, 2004.

Information on the options outstanding is as follows:

	Shares*		Wtd. Avg. Ex. Price
Balance, June 30, 2002	3,773,280	$	27.60
Granted During the Year	411,960		23.35
Exercised During the Year	(244,120)		22.49
Expired During the Year	(589,540)		31.86
Balance, June 29, 2003	3,351,580	$	26.70
Granted During the Year	876,100		30.44
Exercised During the Year	(1,723,390)		26.29
Expired During the Year	(6,000)		37.27
Balance, June 27, 2004	**2,498,290**	**$**	**28.27**
Granted During the Year	**1,149,340**		**36.68**
Exercised During the Year	**(622,262)**		**32.67**
Expired During the Year	**(18,200)**		**37.27**
Balance, July 3, 2005	**3,007,168**	**$**	**30.52**

Grant Summary*

Fiscal Year	Grant Date	Date Exercisable	Expiration Date		Exercise Price	Options Outstanding
2001	8-3-00	8-3-03	8-3-07	$	23.11	326,348
2002	8-7-01	8-7-04	8-7-08		24.60	402,200
2003	8-13-02	8-13-05	8-13-09		23.35	302,580
2004	8-15-03	8-15-06	8-15-13		30.44	826,700
2005	8-13-04	8-13-07	8-13-14		36.68	1,149,340

Under the plans, the Company has issued restricted stock to certain employees. During fiscal years 2005, 2004 and 2003, the Company issued 26,000, 49,000* and 14,000* shares, respectively. The restricted stock vests on the fifth anniversary date of issue provided that the recipient is still employed by the Company. The aggregate market value on the date of issue of $1.0 million in fiscal 2005, $1.5 million in fiscal 2004 and $0.2 million in fiscal 2003 has been recorded as unearned compensation, a separate component of the Shareholders' Investment section of the Consolidated Balance Sheets, and is being amortized over the five-year vesting period.

Under the plans, the Company may also issue stock to its directors in lieu of directors fees. The Company has issued 3,463 shares, 5,250* shares and 2,634* shares in fiscal 2005, 2004 and 2003, respectively under this provision of the plans.

Under the Incentive Compensation Plan, the Company may also issue deferred stock to its officers and key employees. During fiscal 2005, the Company has issued 1,000 shares under this provision. The aggregate market value on the date of issue was $34,000. Expense is recognized ratably over the five-year vesting period.

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* Share data adjusted for effect of 2-for-1 stock split effective October 29, 2004.

(12) 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 ($80.00 per full common share after taking into consideration the effect of 2-for-1 stock split effective October 29, 2004), subject to adjustment. The rights are not currently exercisable, but would become exercisable if 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.

(13) Foreign Exchange Risk Management:

The Company enters into forward exchange contracts to hedge purchases and sales that are denominated in foreign currencies. The terms of these currency derivatives do 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 Japanese yen. These contracts are used to hedge the commitments to purchase engines from the Company's Japanese joint venture. The Company also has forward contracts to sell foreign currency. These contracts are used to hedge foreign currency collections on sales of inventory. The Company's foreign currency forward contracts are carried at fair value based on current exchange rates.

The Company has the following forward currency contracts outstanding at the end of fiscal 2005:

Hedge		In Millions					
Currency	Contract	Notional Value	Contract Value	Fair Market Value	(Gain)/Loss at Fair Value	Conversion Currency	Latest Expiration Date
Japanese Yen	Buy	2,550.0	24.4	23.2	1.2	U.S.	June 2006
Euro	Sell	35.0	43.9	42.3	(1.6)	U.S.	June 2006
Australian Dollar	Sell	2.4	1.8	1.8	0	U.S.	May 2006

The Company had the following forward currency contracts outstanding at the end of fiscal 2004:

Hedge		In Millions					
Currency	Contract	Notional Value	Contract Value	Fair Market Value	(Gain)/Loss at Fair Value	Conversion Currency	Latest Expiration Date
Japanese Yen	Buy	1,680.0	15.5	15.7	(0.2)	U.S.	March 2005
Euro	Sell	87.0	103.0	105.8	2.8	U.S.	April 2005
Australian Dollar	Sell	0.4	0.2	0.3	0.1	U.S.	September 2004

The Company continuously evaluates the effectiveness of its hedging program by evaluating its foreign exchange contracts compared to the anticipated underlying transactions. In fiscal 2004, the Company reclassified approximately $1.1 million of unrealized loss into earnings as forecasted transactions did not materialize in accordance with the hedging plan. The Company did not have any ineffective hedges in fiscal 2005.

(14) Employee Benefit Costs:

Retirement Plan and Other Postretirement Benefits

The Company has noncontributory, defined benefit retirement plans and other postretirement benefit plans covering certain employees. The Company uses a June 30 measurement date for all of its plans. The following provides a reconciliation of obligations, plan assets and funded status of the plans for the two years indicated, (in thousands):

	Pension Benefits		Other Postretirement Benefits	
	2005	**2004**	**2005**	**2004**
Actuarial Assumptions:				
Discounted Rate Used to Determine Present Value of Projected Benefit Obligation	**5.25%**	6.25%	**5.25%**	6.25%
Expected Rate of Future Compensation Level Increases	**3.0-5.0%**	3.0-5.0%	**n/a**	n/a
Expected Long-Term Rate of Return on Plan Assets	**8.75%**	8.75%	**n/a**	n/a
Change in Benefit Obligations:				
Projected Benefit Obligation at Beginning of Year	**$ 902,325**	$ 879,588	**$ 243,457**	$ 190,410
Service Cost	**12,993**	13,188	**2,734**	1,673
Interest Cost	**54,448**	51,089	**16,703**	10,766
Plan Amendments	**—**	1,048	**—**	—
Acquisition	**—**	—	**36,665**	—
Plan Participant Contributions	**—**	—	**3,730**	4,018
Actuarial Loss	**124,756**	21,171	**31,744**	65,629
Benefits Paid	**(62,508)**	(63,759)	**(29,942)**	(29,039)
Projected Benefit Obligation at End of Year	**$ 1,032,014**	$ 902,325	**$ 305,091**	$ 243,457
Change in Plan Assets:				
Fair Value of Plan Assets at Beginning of Year	**$ 916,280**	$ 851,918	**$ —**	$ —
Actual Return on Plan Assets	**62,165**	126,575	**—**	—
Plan Participant Contributions	**—**	0	**3,730**	4,018
Employer Contributions	**1,506**	1,546	**26,212**	25,021
Benefits Paid	**(62,508)**	(63,759)	**(29,942)**	(29,039)
Fair Value of Plan Assets at End of Year	**$ 917,443**	$ 916,280	**$ —**	$ —
Funded Status:				
Plan Assets (Less Than) in Excess of Projected Benefit Obligation	**$ (114,571)**	$ 13,955	**$ (305,091)**	$ (243,457)
Remaining Unrecognized Net Obligation	**65**	74	**135**	182
Unrecognized Net Loss	**155,308**	22,682	**187,056**	169,559
Minimum Pension Liability	**(113,185)**	(3,063)	**—**	—
Unrecognized Prior Service Cost	**23,039**	26,179	**(22)**	9
Net Amount Recognized at End of Year	**$ (49,344)**	$ 59,827	**$ (117,922)**	$ (73,707)
Amounts Recognized on the Balance Sheets:				
Prepaid Pension	**$ —**	$ 81,730	**$ —**	$ —
Accrued Pension Cost	**(47,944)**	(20,603)	**—**	—
Accrued Wages and Salaries	**(1,400)**	(1,300)	**—**	—
Accrued Postretirement Health Care Obligation	**—**	—	**(77,607)**	(38,248)
Accrued Liabilities	**—**	—	**(26,000)**	(22,000)
Accrued Employee Benefits	**—**	—	**(14,315)**	(13,459)
Net Amount Recognized at End of Year	**$ (49,344)**	$ 59,827	**$ (117,922)**	$ (73,707)

The accumulated benefit obligation for all defined benefit pension plans was $967 million and $856 million at June 30, 2005 and 2004, respectively.

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

	Pension Benefits			Other Postretirement Benefits		
	2005	**2004**	**2003**	**2005**	**2004**	**2003**
Components of Net Periodic (Income) Expense:						
Service Cost-Benefits Earned During the Year	**$ 12,993**	$ 13,188	$ 11,263	**$ 2,734**	$ 1,673	$ 1,594
Interest Cost on Projected Benefit Obligation	**54,448**	51,089	52,276	**16,703**	10,766	8,258
Expected Return on Plan Assets	**(70,806)**	(72,458)	(76,403)	**—**	—	—
Amortization of:						
Transition Obligation (Asset)	**8**	8	8	**46**	46	46
Prior Service Cost	**3,140**	3,080	2,965	**31**	31	31
Actuarial Loss (Gain)	**772**	607	(2,398)	**14,249**	8,354	2,428
Net Periodic (Income) Expense	**$ 555**	$ (4,486)	$ (12,289)	**$ 33,763**	$ 20,870	$ 12,357

Significant assumptions used in determining net periodic benefit cost for the fiscal years ended are as follows:

	Pension Benefits			Other Postretirement Benefits		
	2005	**2004**	**2003**	**2005**	**2004**	**2003**
Discount Rate	**6.25%**	6.0%	7.25%	**6.25%**	6.0%	7.25%
Expected Return on Plan Assets	**8.75%**	8.75%	9.0%	**n/a**	n/a	n/a
Compensation Increase Rate	**3.0-5.0%**	3.0-5.0%	4.0-5.0%	**n/a**	n/a	n/a

An additional pension obligation is required when the accumulated benefit obligation exceeds the sum of the fair value of plan assets and the accrued pension expense. At July 3, 2005, the Company's additional pension obligation was $113.2 million, of which $55.0 million was included as a reduction in accumulated other comprehensive income, net of tax benefit of $35.2 million, and $23.0 million was included as an intangible asset as part of the other assets in the consolidated balance sheet. At June 27, 2004, the Company's additional pension obligation was $3.1 million, of which $1.3 million was included as a reduction in accumulated other comprehensive income, net of tax benefit of $0.9 million, and $0.9 million was included as an intangible asset as part of the other assets in the consolidated balance sheet.

The "other postretirement benefit" plans are essentially unfunded.

For measurement purposes an 11% annual rate of increase in the per capita cost of covered health care claims was assumed for Briggs & Stratton for the fiscal year 2005 decreasing gradually to 5% for the fiscal year 2011. In fiscal 2005, Briggs & Stratton acquired the liabilities associated with the Simplicity Post-Retirement Benefit Plan covering certain Port Washington, Wisconsin employees. For measurement purposes this plan assumes a 6.875% annual rate of increase in the per capita cost decreasing gradually to 5% for the fiscal year 2011. The health care cost trend rate assumptions have a significant effect on the amounts reported. An increase of one percentage point, would increase the accumulated postretirement benefit by $22.2 million and would increase the service and interest cost by $1.7 million for the year. A corresponding decrease of one percentage point, would decrease the accumulated postretirement benefit by $20.3 million and decrease the service and interest cost by $1.5 million for the fiscal year.

Plan Assets

A Board of Directors appointed Investment Committee ("Committee") manages the investment of the pension plan assets. The Committee has established and operates under an Investment Policy. It determines the asset allocation and target ranges based upon periodic asset/liability studies and capital market projections. The Committee retains external investment managers to invest the assets. The Investment Policy prohibits certain investment transactions, such as lettered stock, commodity contracts, margin transactions and short

selling, unless the Committee gives prior approval. Briggs & Stratton's pension plans weighted-average asset allocations and target allocations at June 30, 2005, and 2004, by asset category are as follows:

Asset Category	Target %	Plan Assets at Year-end 2005	Plan Assets at Year-end 2004
Domestic Bonds	12%-30%	**15%**	26%
Non-Investment Grade Bonds	0%-15%	**10%**	7%
Non-US Bonds	0%-10%	**5%**	—
Domestic Equities	24%-46%	**41%**	48%
Global & International Equities	8%-22%	**15%**	10%
Alternative & Absolute Return	5%-25%	**9%**	5%
Real Estate	4%-10%	**5%**	4%
		100%	100%

The plan's investment strategy is based on an expectation that, over time, equity securities will provide higher total returns than debt securities. The plan primarily minimizes the risk of large losses through diversification of investments by asset class, by investing in different types of styles within the classes and by using a number of different managers. The Committee monitors the asset allocation and investment performance monthly, with a more comprehensive quarterly review with its consultant.

The plan's expected return on assets is based on management's and the Committee's expectations of long-term average rates of return to be achieved by the plan's investments. These expectations are based on the plan's historical returns and expected returns for the asset classes in which the plan is invested.

Contributions

The Company is not required to make any contributions to the pension plans in fiscal 2006.

Estimated Future Benefit Payments

Projected benefit payments from the plans as of July 3, 2005 are estimated as follows (in thousands):

	Pension Benefits		Other Postretirement Benefits		
Year Ending	Qualified	Non-Qualified	Retiree Medical	Retiree Life	LTD
2006	$ 59,890	$ 1,494	$ 25,047	$ 1,283	$ 149
2007	60,309	1,487	25,893	1,303	105
2008	61,212	1,487	26,235	1,323	107
2009	62,344	1,487	26,148	1,342	110
2010	63,256	1,487	24,653	1,360	111
2011-2015	331,975	7,436	114,807	7,018	378

Defined Contribution Plans

Employees of the Company may participate in various defined contribution savings plans that allow participants to contribute a portion of their earnings in accordance with plan specifications. A maximum of 1-1/2% or 3% of each participant's salary, depending upon the participant's group, is matched by the Company. For certain employees, this Company matching contribution is discretionary. The Company contributions totaled $5.5 million in 2005, $4.6 million in 2004 and $4.3 million in 2003.

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 an interest rate of 5.25% and 6.25% for fiscal year 2005 and 2004, respectively. Amounts are included in Accrued Employee Benefits in the Consolidated Balance Sheets.

(15) 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, Receivables, Accounts Payable, Domestic Notes Payable, Foreign Loans, Accrued Liabilities and Income Taxes Payable: The carrying amounts approximate fair market value because of the short maturity of these instruments.

Long-Term Debt: The fair market value of the Company's long-term debt is estimated based on market quotations at year-end.

The estimated fair market values of the Company's Long-Term Debt is (in thousands):

	2005		2004	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Long-term Debt -				
7.25% Notes Due 2007	**$ 89,589**	**$ 95,209**	$ 89,403	$ 98,683
8.875% Notes Due 2011	**$ 271,732**	**$ 321,457**	$ 271,159	$ 328,502
Variable Term Notes Due 2008	**$ 125,000**	**$ 125,000**	$ —	$ —

(16) Separate Financial Information of Subsidiary Guarantors of Indebtedness

In June of 1997, Briggs & Stratton issued $100 million of 7.25% senior notes, in May 2001, the Company issued $275 million of 8.875% senior notes and in February 2005, the Company issued $125 million of variable rate term notes. In addition, Briggs & Stratton has a $350 million revolving credit facility that expires in May 2009 used to finance seasonal working capital needs.

Under the terms of Briggs & Stratton's 8.875% senior notes, 7.25% senior notes, variable rate term notes and revolving credit agreement, (collectively, the "Domestic Indebtedness"), BSPPG and effective July 7, 2004, its wholly owned subsidiary Simplicity Manufacturing, Inc., are joint and several guarantors of the Domestic Indebtedness (the "Guarantor"). The guarantees are full and unconditional guarantees. Additionally, if at any time a domestic subsidiary of Briggs & Stratton constitutes a significant domestic subsidiary, then such domestic subsidiary will also become a guarantor of the Domestic Indebtedness. Currently all of the Domestic Indebtedness is unsecured. If Briggs & Stratton were to fail to make a payment of interest or principal on its due date, the Guarantor is obligated to pay the outstanding Domestic Indebtedness. Briggs & Stratton had the following outstanding amounts related to the guaranteed debt (in thousands):

	July 3, 2005 Carrying Amount	**Maximum Guarantee**
8.875% Senior Notes, due March 15, 2011	$ 271,732	$ 275,000
Variable Rate Term Notes, due February 11, 2008	$ 125,000	$ 125,000
7.25% Senior Notes, due September 15, 2007	$ 89,589	$ 90,000
Revolving Credit Facility, expiring May 2009	$ —	$ 350,000

The following condensed supplemental consolidating financial information reflects the summarized financial information of Briggs & Stratton, its Guarantors and Non-Guarantor Subsidiaries (in thousands):

BALANCE SHEET:

	Briggs & Stratton Corporation	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Consolidated
As of July 3, 2005					
Current Assets	$ 702,178	$ 424,473	$ 185,436	$ (192,882)	$ 1,119,205
Investment in Subsidiary	770,539	—	—	(770,539)	—
Noncurrent Assets	416,503	447,986	15,274	—	879,763
	$ 1,889,220	$ 872,459	$ 200,710	$ (963,421)	$ 1,998,968
Current Liabilities	$ 328,914	$ 74,890	$ 130,483	$ (181,619)	$ 352,668
Long-Term Debt	486,321	—	—	—	486,321
Other Long-Term Obligations	173,536	96,974	283	—	270,793
Shareholders' Equity	900,449	700,595	69,944	(781,802)	889,186
	$ 1,889,220	$ 872,459	$ 200,710	$ (963,421)	$ 1,998,968
As of June 27, 2004					
Current Assets	$ 739,007	$ 243,300	$ 227,786	$ (228,100)	$ 981,993
Investment in Subsidiary	352,207	—	—	(352,207)	—
Noncurrent Assets	471,395	175,439	8,326	—	655,160
	$ 1,562,609	$ 418,739	$ 236,112	$ (580,307)	$ 1,637,153
Current Liabilities	$ 226,627	$ 111,992	$ 180,791	$ (218,849)	$ 300,561
Long-Term Debt	360,562	—	—	—	360,562
Other Long-Term Obligations	148,574	9,861	—	—	158,435
Shareholders’ Equity	826,846	296,886	55,321	(361,458)	817,595
	$ 1,562,609	$ 418,739	$ 236,112	$ (580,307)	$ 1,637,153

STATEMENT OF EARNINGS:

	Briggs & Stratton Corporation	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Consolidated
For the Fiscal Year Ended July 3, 2005					
Net Sales	$ 1,687,476	$ 1,240,377	$ 173,501	$ (446,479)	$ 2,654,875
Cost of Goods Sold	1,341,686	1,112,885	139,269	(443,856)	2,149,984
Gross Profit	345,790	127,492	34,232	(2,623)	504,891
Engineering, Selling, General and Administrative Expenses	200,086	80,888	33,149	—	314,123
Income from Operations	145,704	46,604	1,083	(2,623)	190,768
Interest Expense	(36,352)	(31)	(109)	(391)	(36,883)
Other (Expense) Income, Net	64,312	844	1,227	(45,953)	20,430
Income Before Provision for Income Taxes	173,664	47,417	2,201	(48,967)	174,315
Provision for Income Taxes	59,046	18,099	2,352	(21,949)	57,548
Income Before Extraordinary Item	114,618	29,318	(151)	(27,018)	116,767
Extraordinary Gain	—	19,800	—	—	19,800
Net Income (Loss)	$ 114,618	$ 49,118	$ (151)	$ (27,018)	$ 136,567
For the Fiscal Year Ended June 27, 2004					
Net Sales	$ 1,562,114	$ 460,122	$ 152,236	$ (227,108)	$ 1,947,364
Cost of Goods Sold	1,205,950	405,720	120,253	(224,431)	1,507,492
Gross Profit	356,164	54,402	31,983	(2,677)	439,872
Engineering, Selling, General and Administrative Expenses	155,830	24,029	25,804	—	205,663
Income from Operations	200,334	30,373	6,179	(2,677)	234,209
Interest Expense	(37,236)	(2)	(84)	(343)	(37,665)
Other (Expense) Income, Net	28,787	(55)	983	(21,255)	8,460
Income Before Provision for Income Taxes	191,885	30,316	7,078	(24,275)	205,004
Provision for Income Taxes	64,473	11,574	1,545	(8,702)	68,890
Net Income	$ 127,412	$ 18,742	$ 5,533	$ (15,573)	$ 136,114
For the Fiscal Year Ended June 29, 2003					
Net Sales	$ 1,369,785	$ 319,000	$ 116,875	$ (148,027)	$ 1,657,633
Cost of Goods Sold	1,107,515	279,436	88,158	(145,555)	1,329,554
Gross Profit	262,270	39,564	28,717	(2,472)	328,079
Engineering, Selling, General and Administrative Expenses	141,497	20,776	15,884	—	178,157
Income from Operations	120,773	18,788	12,833	(2,472)	149,922
Interest Expense	(39,912)	(10)	(644)	177	(40,389)
Other (Expense) Income, Net	28,177	(346)	(8,941)	(9,845)	9,045
Income Before Provision for Income Taxes	109,038	18,432	3,248	(12,140)	118,578
Provision for Income Taxes	34,892	6,328	2,856	(6,136)	37,940
Net Income	$ 74,146	$ 12,104	$ 392	$ (6,004)	$ 80,638

STATEMENT OF CASH FLOWS:

	Briggs & Stratton Corporation	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Consolidated
For the Fiscal Year Ended July 3, 2005					
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net Income (Loss)	$ 114,618	$ 49,118	$ (151)	$ (27,018)	$ 136,567
Adjustments to Reconcile Net Income to Net Cash Provided by (Used by) Operating Activities:					
Extraordinary Gain	—	(19,800)	—	—	(19,800)
Depreciation and Amortization	58,821	13,693	1,029	—	73,543
Earnings of Unconsolidated Affiliates, Net of Dividends	(17,090)	—	(745)	18,513	678
Loss (Gain) on Disposition of Plant and Equipment	2,702	109	(393)	—	2,418
Provision for Deferred Income Taxes	(4,829)	2,790	(1,857)	—	(3,896)
Change in Operating Assets and Liabilities, Net of Effects of Acquisition:					
(Increase) Decrease in Receivables	(91,296)	23,037	67,106	(25,739)	(26,892)
(Increase) Decrease in Inventories	(16,956)	34,470	(6,740)	2,010	12,784
(Increase) Decrease in Prepaid Expenses and Other Current Assets	(218)	4,184	(1,316)	—	2,650
(Decrease) Increase in Accounts Payable, Accrued Liabilities and Income Taxes	(30,142)	25,720	(61,468)	38,217	(27,673)
(Increase) Decrease in Accrued/Prepaid Pension	(1,056)	6	—	—	(1,050)
Other, Net	4,460	(5,214)	29	(46)	(771)
Net Cash Provided by (Used by) Operating Activities	19,014	128,113	(4,506)	5,937	148,558
CASH FLOWS FROM INVESTING ACTIVITIES:					
Additions to Plant and Equipment	(60,117)	(17,206)	(8,752)	—	(86,075)
Proceeds Received on Disposition of Plant and Equipment	908	16	1,016	—	1,940
Proceeds Received on Sale of Certain Assets of a Subsidiary	—	—	4,050	—	4,050
Cash Investment in Subsidiary	(375,799)	—	(14,069)	389,868	—
Cash Paid for Acquisitions, Net of Cash Acquired	(719)	(337,713)	(16,662)	—	(355,094)
Investment in Joint Venture	(1,500)	—	—	—	(1,500)
Net Cash Used by Investing Activities	(437,227)	(354,903)	(34,417)	389,868	(436,679)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Net Borrowings (Repayments) on Loans and Notes Payable	125,289	(125,434)	9,937	(12,476)	(2,684)
Net Borrowings on Long-Term Debt	125,000	—	—	—	125,000
Issuance Cost of Debt	(925)	—	—	—	(925)
Cash Dividends Paid	(35,065)	—	(6,539)	6,539	(35,065)
Capital Contributions Received	—	354,593	35,275	(389,868)	—
Proceeds from Exercise of Stock Options	20,139	—	—	—	20,139
Net Cash Provided by Financing Activities	234,438	229,159	38,673	(395,805)	106,465
EFFECT OF FOREIGN CURRENCY EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	—	—	835	—	835
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(183,775)	2,369	585	—	(180,821)
Cash and Cash Equivalents, Beginning of Year	326,809	4,007	11,578	—	342,394
Cash and Cash Equivalents, End of Year	$ 143,034	$ 6,376	$ 12,163	$ —	$ 161,573

	Briggs & Stratton Corporation	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Consolidated
For the Fiscal Year Ended June 27, 2004					
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net Income	$ 127,412	$ 18,742	$ 5,533	$ (15,573)	$ 136,114
Adjustments to Reconcile Net Income to Net Cash Provided by (Used by) Operating Activities:					
Depreciation and Amortization	62,995	3,154	749	—	66,898
Earnings of Unconsolidated Affiliates, Net of Dividends	(12,657)	—	(725)	9,898	(3,484)
Loss on Disposition of Plant and Equipment	6,252	163	975	—	7,390
Provision for Deferred Income Taxes	5,604	7,196	—	—	12,800
Change in Operating Assets and Liabilities:					
Increase in Receivables	(34,485)	(10,492)	(132,053)	148,442	(28,588)
Increase in Inventories	(61,003)	(63,860)	(5,475)	1,744	(128,594)
(Increase) Decrease in Prepaid Expenses and Other Current Assets	(76)	645	1,448	—	2,017
Increase in Accounts Payable, Accrued Liabilities and Income Taxes	24,386	2,144	108,539	(130,373)	4,696
Increase in Accrued/Prepaid Pension	(6,022)	(10)	(38)	—	(6,070)
Other, Net	(15,086)	(160)	2,223	—	(13,023)
Net Cash Provided by (Used by) Operating Activities	97,320	(42,478)	(18,824)	14,138	50,156
CASH FLOWS FROM INVESTING ACTIVITIES:					
Additions to Plant and Equipment	(43,526)	(5,518)	(3,918)	—	(52,962)
Proceeds Received on Disposition of Plant and Equipment	659	61	—	—	720
Refund of Cash Paid for Acquisition	5,686	—	—	—	5,686
Net Cash Used by Investing Activities	(37,181)	(5,457)	(3,918)	—	(46,556)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Net (Repayments) Borrowings on Loans and Notes Payable	(50,528)	51,042	17,740	(18,067)	187
Net Repayments on Long-Term Debt	(22)	—	—	—	(22)
Issuance Cost of Debt	(1,789)	—	—	—	(1,789)
Cash Dividends Paid	(30,408)	—	(3,929)	3,929	(30,408)
Proceeds from Exercise of Stock Options	45,314	—	—	—	45,314
Net Cash (Used by) Provided by Financing Activities	(37,433)	51,042	13,811	(14,138)	13,282
EFFECT OF FOREIGN CURRENCY EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	—	(675)	1,372	—	697
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	22,706	2,432	(7,559)	—	17,579
Cash and Cash Equivalents, Beginning of Year	304,103	1,575	19,137	—	324,815
Cash and Cash Equivalents, End of Year	$ 326,809	$ 4,007	$ 11,578	$ —	$ 342,394

	Briggs & Stratton Corporation	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Consolidated
For the Fiscal Year Ended June 29, 2003					
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net Income	$ 74,146	$ 12,104	$ 392	$ (6,004)	$ 80,638
Adjustments to Reconcile Net Income to Net Cash Provided by (Used by) Operating Activities:					
Depreciation and Amortization	60,268	2,651	607	—	63,526
Earnings of Unconsolidated Affiliates, Net of Dividends	(2,974)	—	427	3,653	1,106
Loss (Gain) on Disposition of Plant and Equipment	4,900	(1,005)	(45)	—	3,850
Provision for Deferred Income Taxes	17,569	6,709	—	—	24,278
Change in Operating Assets and Liabilities:					
(Increase) Decrease in Receivables	(1,122)	(29,141)	449	23,856	(5,958)
Decrease (Increase) in Inventories	9,542	(14,217)	(9,608)	2,351	(11,932)
Increase in Prepaid Expenses and Other Current Assets	(2,098)	(807)	(1,758)	—	(4,663)
Increase in Accounts Payable, Accrued Liabilities and Income Taxes	21,130	12,331	34,716	(23,856)	44,321
(Increase) Decrease in Accrued/Prepaid Pension	(13,609)	43	—	—	(13,566)
Other, Net	(5,700)	42	(2,217)	—	(7,875)
Net Cash Provided by (Used by) Operating Activities	162,052	(11,290)	22,963	—	173,725
CASH FLOWS FROM INVESTING ACTIVITIES:					
Additions to Plant and Equipment	(34,855)	(4,251)	(1,048)	—	(40,154)
Proceeds Received on Disposition of Plant and Equipment	255	3,135	74	—	3,464
Investment in Joint Venture	—	—	3,531	—	3,531
Net Cash (Used by) Provided by Investing Activities	(34,600)	(1,116)	2,557	—	(33,159)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Net (Repayments) Borrowings on Loans and Notes Payable	(12,741)	12,191	(14,405)	—	(14,955)
Cash Dividends Paid	(27,709)	—	—	—	(27,709)
Proceeds from Exercise of Stock Options	5,490	—	—	—	5,490
Net Cash (Used by) Provided by Financing Activities	(34,960)	12,191	(14,405)	—	(37,174)
EFFECT OF FOREIGN CURRENCY EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	—	835	4,643	—	5,478
NET INCREASE IN CASH AND CASH EQUIVALENTS	92,492	620	15,758	—	108,870
Cash and Cash Equivalents, Beginning of Year	211,611	955	3,379	—	215,945
Cash and Cash Equivalents, End of Year	$ 304,103	$ 1,575	$ 19,137	$ —	$ 324,815

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Briggs & Stratton Corporation:

We have completed an integrated audit of Briggs & Stratton Corporation's 2005 consolidated financial statements and of its internal control over financial reporting as of July 3, 2005 in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions, based on our audits, are presented below.

Consolidated financial statements and financial statement schedule

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of Briggs & Stratton Corporation and its subsidiaries at July 3, 2005, and the results of their operations and their cash flows for the year ended July 3, 2005 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule for the year ended July 3, 2005 listed in the accompanying index appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audit. We conducted our audit of these statements in accordance with the standards of the Public Company Accounting Oversight Board (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 of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Internal control over financial reporting

Also, in our opinion, management's assessment, included in the accompanying Management's Report on Internal Control over Financial Reporting, that the Company maintained effective internal control over financial reporting as of July 3, 2005 based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), is fairly stated, in all material respects, based on those criteria. Furthermore, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of July 3, 2005, based on criteria established in *Internal Control – Integrated Framework* issued by the COSO. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express opinions on management's assessment and on the effectiveness of the Company's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of

unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP

Milwaukee, Wisconsin
September 15, 2005

Report of Independent Registered Public Accounting Firm

To the Shareholders of Briggs & Stratton Corporation:

We have audited the accompanying consolidated balance sheet of Briggs & Stratton Corporation (a Wisconsin Corporation) and subsidiaries as of June 27, 2004, and the related consolidated statements of earnings, shareholders' investment and cash flows for each of the two years in the period ended June 27, 2004. 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 the standards of the Public Company Accounting Oversight Board (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, such consolidated financial statements present fairly, in all material respects, the financial position of Briggs & Stratton Corporation and subsidiaries as of June 27, 2004, and the results of their operations and their cash flows for each of the two years in the period ended June 27, 2004, in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

Milwaukee, Wisconsin
July 22, 2004

Quarterly Financial Data, Dividend and Market Information (Unaudited)

Quarter Ended		Net Sales		Gross Profit		Income (Loss) Before Extraordinary Gain		Extraordinary Gain		Net Income (Loss)
	In Thousands									
Fiscal 2005										
September	**$**	**438,995**	**$**	**70,818**	**$**	**(1,488)**	**$**	**—**	**$**	**(1,488)**
December		**503,700**		**106,142**		**7,060**		**—**		**7,060**
March		**840,463**		**165,728**		**60,824**		**19,800**		**80,624**
June		**871,717**		**162,203**		**50,371**		**—**		**50,371**
Total	**$**	**2,654,875**	**$**	**504,891**	**$**	**116,767**	**$**	**19,800**	**$**	**136,567**
Fiscal 2004										
September	$	331,395	$	60,195	$	4,016	$	—	$	4,016
December		415,984		90,846		20,635		—		20,635
March		654,681		167,767		71,268		—		71,268
June		545,304		121,064		40,195		—		40,195
Total	$	1,947,364	$	439,872	$	136,114	$	—	$	136,114

Quarter Ended		Income (Loss) Before Extraordinary Gain		Extraordinary Gain		Net Income (Loss)		Dividends Declared		Market Price Range on New York Stock Exchange High		Low
	Per Share of Common Stock*											
Fiscal 2005												
September	**$**	**(.03)**	**$**	**—**	**$**	**(.03)**	**$**	**.17**	**$**	**44.50**	**$**	**34.60**
December		**.14**		**—**		**.14**		**.17**		**42.40**		**33.63**
March		**1.18**		**.38**		**1.56**		**.17**		**42.20**		**36.91**
June		**.98**		**—**		**.98**		**.17**		**37.36**		**30.83**
Total	**$**	**2.25(1)**	**$**	**.38**	**$**	**2.63(1)**	**$**	**.68**				
Fiscal 2004												
September	$	.09	$	—	$	.09	$	.165	$	30.43	$	24.68
December		.43		—		.43		.165		34.32		29.38
March		1.44		—		1.44		.165		35.28		31.68
June		.81		—		.81		.165		44.22		33.30
Total	$	2.77(1)	$	—	$	2.77(1)	$	.66				

The number of record holders of Briggs & Stratton Corporation Common Stock on August 17, 2005 was 4,039.

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

The Company declared a first quarter fiscal 2006 dividend of $.22 per share and expects to pay comparable quarterly dividends during the remainder of fiscal 2006.

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(1) Refer to Note 2 of the Notes to Consolidated Financial Statements, for information about Diluted Earnings per Share. Amounts may not total because of differing numbers of shares outstanding at the end of each quarter.

* Share data adjusted for effect of 2-for-1 stock split effective October 29, 2004.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Briggs & Stratton changed independent accountants in August 2004 from Deloitte & Touche LLP to PricewaterhouseCoopers LLP. Information regarding the change in independent accountants was reported in Briggs & Stratton's Current Report on Amended Form 8-K dated August 4, 2004. There were no disagreements or any reportable events subject to Item 304(b) requiring disclosure.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("the Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective in recording, processing, summarizing, and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act.

Management's Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's internal control over financial reporting based on the framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, the Company's management has concluded that, as of the end of the period covered by this report, the Company's internal controls over financial reporting were effective.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of the effectiveness to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP, an independent registered public accounting firm, who has audited the Company's consolidated financial statements, has also audited management's assessment of the effectiveness of the Company's internal control over financial reporting as of July 3, 2005, and the effectiveness of internal controls over financial reporting as of July 3, 2005 as stated in their report which is included herein.

Changes in Internal Control Over Financial Reporting

There has not been any change in the Company's internal control over financial reporting during the fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. Subsequent to the fiscal year end, the Company integrated Simplicity Manufacturing, Inc. onto its existing enterprise-wide information system.

ITEM 9B. OTHER INFORMATION

Briggs & Stratton has no information to report pursuant to Item 9B.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

(a) Executive Officers. Reference is made to "Executive Officers of Registrant" in Part I after Item 4.

(b) Directors. The information required by this Item is in Briggs & Stratton's definitive Proxy Statement, prepared for the 2005 Annual Meeting of Shareholders, under the caption "Election of Directors", and is incorporated herein by reference.

(c) Section 16 Compliance. The information required by this Item is in Briggs & Stratton's definitive Proxy Statement, prepared for the 2005 Annual Meeting of Shareholders, under the caption "Section 16(a) Beneficial Ownership Reporting Compliance", and is incorporated herein by reference.

(d) Audit Committee Financial Expert. The information required by this Item is in Briggs & Stratton's definitive Proxy Statement, prepared for the 2005 Annual Meeting of Shareholders, under the caption "Corporate Governance- Audit Committee", and is incorporated herein by reference.

(e) Identification of Audit Committee. The information required by this Item is in Briggs & Stratton's definitive Proxy Statement, prepared for the 2005 Annual Meeting of Shareholders, under the caption "Corporate Governance- Audit Committee", and is incorporated herein by reference.

(f) Code of Ethics. Briggs & Stratton has adopted a written code of ethics, referred to as the Briggs & Stratton Business Integrity Manual applicable to all directors, officers and employees, which includes provisions related to accounting and financial matters applicable to the Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Controller. The Briggs & Stratton Business Integrity Manual is available on the Company's corporate website at www.briggsandstratton.com. If the Company makes any substantive amendment to, or grants any waiver of, the code of ethics for any director or officer, Briggs & Stratton will disclose the nature of such amendment or waiver on its corporate website or in a Current Report on Form 8-K.

ITEM 11. EXECUTIVE COMPENSATION

The information in Briggs & Stratton's definitive Proxy Statement, prepared for the 2005 Annual Meeting of Shareholders, concerning this item, in the subsection titled "Director Compensation" under the caption "Corporate Governance" and the "Executive Compensation" section, is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

There are no shareholders who own in excess of five percent (5%) of the Company's common stock.

The information in Briggs & Stratton's definitive Proxy Statement, prepared for the 2005 Annual Meeting of Shareholders, concerning this item, under the captions "Security Ownership of Directors & Executive Officers" and "Equity Compensation Plan Information" is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Briggs & Stratton has no relationships or related transactions to report pursuant to Item 13.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item is in Briggs & Stratton's definitive Proxy Statement, prepared for the 2005 Annual Meeting of Shareholders, under the caption "Independent Auditors Fees", and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) 1. Financial Statements

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

Consolidated Balance Sheets, July 3, 2005 and June 27, 2004

For the Fiscal Years Ended July 3, 2005, June 27, 2004 and June 29, 2003:
Consolidated Statements of Earnings
Consolidated Statements of Shareholders' Investment
Consolidated Statements of Cash Flows
Notes to Consolidated Financial Statements

Reports of Independent Registered Public Accounting Firms

2. Financial Statement Schedules

Schedule II – Valuation and Qualifying Accounts
Report of Independent Registered Public Accounting Firm

All other financial statement schedules provided for in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions.

3. Exhibits

Refer to the Exhibit Index 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.

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

FOR FISCAL YEARS ENDED JULY 3, 2005, JUNE 27, 2004 AND JUNE 29, 2003

Reserve for Doubtful Accounts Receivable	Balance Beginning of Year	Additions Changed to Earnings	Changes to Reserve, Net	Adjustment Related to Acquisitions	Balance End of Year
2005	$ 1,584,000	$ 39,681,000*	$ (39,382,000)*	$ 3,578,000	$ 5,461,000
2004	1,780,000	1,899,000	(2,095,000)	—	1,584,000
2003	1,703,000	129,000	(52,000)	—	1,780,000

* Reflects the write-off of a trade receivable of Murray, Inc.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of Briggs & Stratton Corporation:

We have audited the consolidated financial statements of Briggs & Stratton Corporation and subsidiaries as of June 27, 2004, and for each of the two years in the period ended July 27, 2004, and have issued our report thereon dated July 22, 2004; such report is included elsewhere in this Form 10-K. Our audits also included the consolidated financial statement schedule of Briggs & Stratton Corporation for the years ended June 27, 2004 and June 29, 2003, listed in Item 15. This consolidated financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

Deloitte & Touche LLP

Milwaukee, Wisconsin
July 22, 2004

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 16, 2005

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
John S. Shiely
Chairman, President and Chief Executive Officer and Director (Principal Executive Officer)

/s/ James E. Brenn
James E. Brenn
Senior Vice President and Chief Financial Officer (Principal Financial Officer)

/s/ Ricky T. Dillon
Ricky T. Dillon
Controller (Principal Accounting Officer)

/s/ William F. Achtmeyer
William F. Achtmeyer
Director

/s/ Jay H. Baker
Jay H. Baker
Director

/s/ Michael E. Batten
Michael E. Batten
Director

/s/ David L. Burner
David L. Burner
Director

/s/ Mary K. Bush
Mary K. Bush
Director

/s/ Robert J. O’Toole
Robert J. O’Toole
Director

/s/ Charles I. Story
Charles I. Story
Director

/s/ Brian C. Walker
Brian C. Walker
Director

*Each signature affixed as of September 16, 2005.

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

EXHIBIT INDEX
2005 ANNUAL REPORT ON FORM 10-K

Exhibit Number	Document Description
3.1	Articles of Incorporation. (Filed as Exhibit 3.2 to the Company's Report on Form 10-Q for the quarter ended October 2, 1994 and incorporated by reference herein.)
3.1(a)	Amendment to Articles of Incorporation. (Filed as Exhibit 3.1 to the Company's Report on Form 10-Q for the quarter ended September 26, 2004 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.)
3.2 (a)	Amendment to Bylaws Adopted by Resolution of the Board of Directors on April 21, 2004. (Filed as Exhibit 3.2 to the Company's Report on Form 10-Q for the quarter ended March 28, 2004 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.)
4.0 (a)	First Amendment to the Rights Agreement. (Filed as Exhibit 4 to the Company's Report on Form 10-Q for the quarter ended December 29, 2002 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 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.)
4.7	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 4.10 to the Company's Registration Statement on Form S-3 filed on July 3, 2001, Registration No. 333-64490, and incorporated herein by reference.)
4.8	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.)
4.9	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*	Amended and Restated Supplemental Executive Retirement Plan. (Filed as Exhibit 10.1 to the Company's Report on Form 10-Q for the quarter ended March 31, 2002 and incorporated by reference herein.)
10.1(a)*	Amendment to Supplemental Executive Retirement Plan. (Filed as Exhibit 10.1 (a) to the Company's Report on Form 10-K for fiscal year ended June 29, 2003 and incorporated by reference herein.)
10.2*	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.)
10.3 (a)*	Amendment to Change in Control Employment Agreements. (Filed as Exhibit 10.3 (a) to the Company's Report on Form 10-K for fiscal year ended June 27, 2004 and incorporated by reference herein.)
10.4*	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.)

Exhibit Number	Document Description
10.4 (a)*	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*	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 (a)*	Amendment to Stock Incentive Plan. (Filed as Exhibit 10.2 to the Company's Report on Form 10-Q for the quarter ended March 30, 2003 and incorporated by reference herein.)
10.5 (b)*	Amendment to Stock Incentive Plan. (Filed as Exhibit 10.5 (c) to the Company's Report on Form 10-K for fiscal year ended June 27, 2004 and incorporated by reference herein.)
10.5 (c)*	2004 Amended and Restated Briggs & Stratton Corporate Incentive Compensation Plan. (Filed as Exhibit B to the Company's 2004 Annual Meeting Proxy Statement and incorporated by reference herein.)
10.5 (d)*	Amended and Restated Briggs & Stratton Corporation Incentive Compensation Plan as Modified October 29, 2004. (Filed as Exhibit 10.5 to the Company's Report on Form 10-Q for quarter ended September 26, 2004 and incorporated by reference herein.)
10.6*	Premium Option and Stock Award Program. (Filed as Exhibit 10.1 to the Company's Report on Form 8-K dated August 9, 2005 and incorporated by reference herein.)
10.6 (a)*	Form of Stock Option Agreement under the Premium Option and Stock Award Program. (Filed herewith.)
10.6 (b)*	Form of Restricted Stock Award Agreement under the Premium Option and Restricted Stock Program. (Filed as Exhibit 10.6 (b) to the Company's Report on Form 10-K for fiscal year ended June 27, 2004 and incorporated by reference herein.)
10.6 (c)*	Amended Form of Restricted Stock Award Agreement Under the Premium Option and Stock Award Program. (Filed herewith.)
10.6 (d)*	Form of Deferred Stock Award Agreement Under the Premium Option and Stock Award Program. (Filed herewith.)
10.11*	Amended and Restated Deferred Compensation Plan for Directors. (Filed as Exhibit 10.11 to the Company's Report on Form 10-K for fiscal year ended June 27, 2004 and incorporated by reference herein.)
10.12*	Amended and Restated Director's Premium Option and Stock Grant Program. (Filed herewith.)
10.12 (a)*	Form of Director's Stock Option Agreement under the Director's Premium Option and Stock Grant Program. (Filed as Exhibit 10.12 (a) to the Company's Report on Form 10-K for fiscal year ended June 27, 2004 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.)

Exhibit Number	Document Description
10.14 (a)*	Amendment to Executive Life Insurance Program. (Filed as Exhibit 10.14 (a) to the Company's Report on Form 10-K for fiscal year ended June 29, 2003 and incorporated by reference herein.)
10.14 (b)*	Amendment to Executive Life Insurance Plan. (Filed as Exhibit 10.14 (b) to the Company's Report on Form 10-K for fiscal year ended June 27, 2004 and incorporated by reference herein.)
10.15*	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 (a)*	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.)
10.15 (b)*	Amendment to Key Employee Savings and Investment Plan. (Filed as Exhibit 10.1 to the Company's Report on Form 10-Q for the quarter ended March 30, 2003 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.)
10.17*	Briggs & Stratton Product Program. (Filed as Exhibit 10.18 to the Company's Annual Report on Form 10-K for fiscal year ended June 30, 2002 and incorporated by reference herein.)
10.18*	Consulting Agreement entered into on May 4, 2005 between Briggs & Stratton Corporation and Stephen H. Rugg. (Filed as Exhibit 10.5 to the Company's Report on Form 8-K dated May 4, 2005 and incorporated by reference herein.)
10.19	Asset Purchase Agreement, dated January 25, 2005, by and among Briggs & Stratton Power Products Group, LLC, Briggs & Stratton Canada Inc., Murray, Inc. and Murray Canada Co. (Filed as Exhibit 10.1 to the Company's Report on Form 8-K dated January 25, 2005 and incorporated by reference herein.)
10.20	Transition Supply Agreement, dated February 11, 2005, between Briggs & Stratton Power Products Group, LLC and Murray, Inc. (Form of Transition Supply Agreement filed as Exhibit 10.2 to the Company's Report on Form 8-K dated January 25, 2005 and incorporated by reference herein.)
10.21	Term Loan Agreement, dated February 11, 2005, among Briggs & Stratton Corporation and LaSalle Bank N.A., as syndication agent, and Bank of America, N.A., as administrative agent. (Filed as Exhibit 10.1 to the Company's Report on Form 8-K dated February 11, 2005 and incorporated by reference herein.)
10.21 (a)	Term Loan Agreement Amendment, dated March 18, 2005, among Briggs & Stratton Corporation, various financial institutions and Bank of America, N.A., as administrative agent. (Filed as Exhibit 10.1 to the Company's Report on Form 8-K dated March 18, 2005 and incorporated by reference herein.)

Exhibit Number	Document Description
10.22	Multicurrency Credit Agreement, dated May 28, 2004, among Briggs & Stratton Corporation, the financial institutions party hereto, and LaSalle Bank National Association, M&I Marshall & Ilsley Bank and U.S. Bank National Association, as co-documentation agents, and Bank of America, N.A., as administrative agent, issuing bank and swing line bank. (Filed as Exhibit 10.2 to the Company's Report on Form 8-K dated March 18, 2005 and incorporated by reference herein.)
10.22 (a)	Multicurrency Credit Agreement Amendment, dated March 18, 2005, among Briggs & Stratton Corporation, various financial institutions and Bank of America, N.A., as administrative agent. (Filed as Exhibit 10.3 to the Company's Report on Form 8-K dated March 18, 2005 and incorporated by reference herein.)
12	Computation of Ratio of Earnings to Fixed Charges. (Filed herewith.)
16	Letter Regarding Change in Certifying Accountant (Filed as Exhibit 16.2 to the Company's Report on Form 8-K/A filed on September 9, 2004 and incorporated by reference herein.)
21	Subsidiaries of the Registrant. (Filed herewith.)
23.1	Consent of PricewaterhouseCoopers LLP, an Independent Registered Public Accounting Firm. (Filed herewith.)
23.2	Consent of Deloitte & Touche LLP, an Independent Registered Public Accounting Firm. (Filed herewith.)
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (Filed herewith.)
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (Filed herewith.)
32.1	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (Furnished herewith.)
32.2	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (Furnished herewith.)

* Management contracts and executive compensation plans and arrangements required to be filed as exhibits pursuant to Item 15(b) of Form 10-K.

EXHIBIT 10.2

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES

2005 Annual Report on Form 10-K

AMENDED AND RESTATED ECONOMIC VALUE ADDED INCENTIVE COMPENSATION PLAN

As Amended and Restated
Effective 8-9-05

BRIGGS & STRATTON CORPORATION

ECONOMIC VALUE ADDED
INCENTIVE COMPENSATION PLAN

As adopted by the Compensation Committee on April 20, 2004 and amended on August 9, 2005

BRIGGS & STRATTON CORPORATION
ECONOMIC VALUE ADDED INCENTIVE COMPENSATION PLAN

I. Plan Objectives

A. To promote the maximization of shareholder value over the long term by providing incentive compensation to key employees of Briggs & Stratton Corporation (the "Company") in a form which is designed to financially reward participants for an increase in the value of the Company to its shareholders.

B. To provide competitive levels of compensation to enable the Company to attract and retain employees who are able to exert a significant impact on the value of the Company to its shareholders.

C. To encourage teamwork and cooperation in the achievement of Company goals.

D. To recognize differences in the performance of individual participants.

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.

III. Definitions

A. "Accrued Bonus" means the bonus, which may be negative or positive, which is calculated in the manner set forth in Section V.A.

B. "Actual EVA" means the EVA as calculated for the relevant Plan Year.

C. "Base Salary" means the amount of a Participant's base compensation earned during the Plan Year without adjustment for bonuses, salary deferrals, value of benefits, imputed income, special payments, amounts contributed to a savings plan or similar items.

D. "Capital" means the Company's weighted average monthly operating capital for the Plan Year, calculated as follows:

	Current Assets
-	Non-operating Investments
+	Bad Debt Reserve
+	LIFO Reserve
-	Deferred Tax Liabilities or Assets Classified as Current Assets
-	Current Noninterest-Bearing Liabilities
+	Warranty Reserve
+	Environmental Reserve
+	Property, Plant, Equipment, Net
-	Construction in Progress
+	Other Assets (not including prepaid Pension Costs)
(+/-)	Unusual Capital Items

E. "Capital Charge" means the deemed opportunity cost of employing Capital in the Company's businesses, determined as follows:

Capital Charge = Capital X Cost of Capital

F. Cost of Capital" means the weighted average of the cost of equity and the after tax cost of debt for the relevant Plan Year on a market value basis. The Cost of Capital will be determined (to the nearest tenth of a percent) by the Committee prior to each Plan Year, consistent with the following methodology:

a) Cost of Equity = Risk Free Rate + (Business Risk Index X Average Equity Risk Premium)

b) Debt Cost of Capital = Debt Yield X (1 - Tax Rate)

c) The weighted average of the Cost of Equity and the Debt Cost of Capital is determined by reference to the actual debt-to-capital ratio

where the Risk Free Rate is the average daily closing yield rate on 10 year U.S. Treasury Bonds for the month of March immediately preceding the relevant Plan Year, the Business Risk Index is determined by using an average of the Beta available in the four (4) most recent Value Line reports on the Company. The Average Equity Risk Premium is 6%, the Debt Yield is the weighted average yield of all borrowing included in the Company's permanent capital, and the tax rate is the combination of the relevant federal and state income tax rates.

G. "Designated Key Contributor" means those Participants named by the Chief Executive Officer as a Designated Key Contributor under the Plan.

H. "Divisional EVA Performance Factor" means an Individual Performance Factor calculated in the same manner as the Company Performance Factor as set forth in Section VI.A., except that EVA, Actual EVA, Target EVA, EVA Leverage Factor, NOPAT, Capital, Capital Charge and other relevant terms shall be defined by reference to the particular operating division, service division or sales group, not by reference to the entire Company.

I. "Economic Value Added" or "EVA" means the NOPAT that remains after subtracting capital Charge, expressed as follows:

NOPAT	
Less:	Capital Charge
Equals:	EVA

EVA may be positive or negative.

J. "EVA Leverage Factor" means the expected deviation in EVA from the average EVA, generally reflected as a percentage of capital employed. For purposes of this Plan, the Company's EVA Leverage Factor is determined to be $27 million.

K. "NOPAT" means cash adjusted net operating profits after taxes for the Plan Year, calculated as follows:

	Pretax Income
+	Interest Expense
-	Normal Pension Costs
+/-	Pension Income/Expense
+/-	Change in LIFO Reserve
+/-	Change in Bad Debt Reserve
+/-	Change in Post Retire Health Care Reserve
+/-	Change in Warranty Reserve
+/-	Other Income & Expense on Non-Operating Investments
+/-	Unusual Charges
+/-	Amortization of Unusual Income or Expense Items
-	Cash Taxes on the above (+/-changes in Deferred Taxes)

L. "Plan Year" means the one year period coincident with the Company's fiscal year.

M. "Senior Executives" means those Participants designated as Senior Executives by the Committee with respect to any Plan Year.

N. “Target EVA” means the target level of EVA for the Plan Year, determined as follows:

$$\text{Target EVA} = \frac{\text{Prior Year Target EVA} + \text{Prior Year Actual EVA}}{2}$$

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 of the Company and its subsidiaries and affiliates 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.

V. Individual Participation Levels

A. Calculation of Accrued Bonus. Each Participant’s Accrued Bonus will be determined as a function of the Participant’s Base Salary, the Participant’s Target Incentive Award (provided in paragraph V.B., below), Company Performance Factor (provided in Section VI.A.) and the Individual Performance Factor (provided in Section VI.B.) for the Plan Year. Each Participant’s Accrued Bonus will be calculated as follows:

$$30\% \quad \text{Participant's Base Salary} \times \text{Target Incentive Award} \times \text{Company Performance Factor} + 70\% \quad \text{Participant's Base Salary} \times \text{Target Incentive Award} \times \text{Individual Performance Factor}$$

In no case may the Accrued Bonus exceed three times the Target Incentive Award or be less than negative one times the Target Incentive Award.

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

Executive Position	**Target Incentive Award (% of Base Salary)**
Chief Executive Officer	100%
Chief Operating Officer	80%
Executive Vice President & Senior Vice President	60%
Other Elected Officers	40%
Division General Manager	40%
Designated Key Contributors	25%
All Others	20%

VI. Performance Factors

A. Company Performance Factor Calculation. For any Plan Year, the Company Performance Factor will be calculated as follows:

$$\text{Company Performance Factor} = 1.00 + \frac{\text{Actual EVA - Target EVA}}{\text{EVA Leverage Factor}}$$

B. Individual Performance Factor Calculation. Determination of the Individual Performance Factor will be the responsibility of the individual to whom the participant reports. This determination will be subject to approval by the Committee and should be in conformance with the process set forth below:

(1) Quantifiable Supporting Performance Factors. The Individual Performance Factor of the Accrued Bonus calculation will be based on the accomplishment of individual, financial and/or other goals ("Supporting Performance Factors"). Whenever possible, individual performance will be evaluated according to quantifiable benchmarks of success. These Supporting Performance Factors will represent an achievement percentage continuum that ranges from 50% to 150% of the individual target award opportunity, and will be enumerated from .5 to 1.5 based on such continuum. Provided, however, that if the Quantifiable Supporting Performance Factor is based on divisional EVA and is calculated in the same manner as the Company Performance Factor as set forth in Section VI.A. with respect to such division (such Supporting Performance Factor referred to herein as a Divisional EVA Performance Factor), then the Supporting Performance Factor may be unlimited, if so approved by the Committee. A Quantifiable Supporting Performance Factor may also be unlimited if the Quantifiable Supporting Performance Factor as approved by the Committee for such individual is the same as the Company Performance Factor determined in accordance with Section VI.A.

(2) Non-Quantifiable Supporting Performance Factors. When performance cannot be measured according to a quantifiable monitoring system, an assessment of the Participant's overall performance may be made based on a Non-Quantifiable Supporting Performance Factor (or Factors). The person to whom the Participant reports will evaluate the Participant's performance, and this evaluation will determine the Participant's Supporting Performance Factor (or Factors) according to the following schedule:

Individual Performance Rating	**Supporting Performance Factor**
Outstanding	1.3 - 1.5
Excellent	1.1 - 1.3
Good	.9 - 1.1
Satisfactory	.5 -.9
Unsatisfactory	0

(3) Aggregate Individual Performance Factor. The Individual Performance Factor to be used in the calculation of the Accrued Bonus shall be equal to the average (or weighted average) of one or more Quantifiable and/or Non-Quantifiable Supporting Performance Factors according to relative importance, except that the Non-Quantifiable Supporting Performance Factor shall account for no more than 15% of the Accrued Bonus.

VII. Change in Status During the Plan Year

A. New Hire, Transfer, Promotion, Demotion

A newly hired employee or an employee transferred, promoted, or demoted during the Plan Year to a position qualifying for participation (or leaving the participating class) may accrue (subject to discretion of the Committee) a pro rata Accrued Bonus based on the percentage of the Plan Year (actual weeks/full year times a full year award amount for that position) the employee is in each participating position.

B. Discharge

An employee discharged during the Plan Year shall not be eligible for an Accrued Bonus, even though his or her service arrangement or contract extends past year-end, unless the Committee determines that the conditions of the termination indicate that a prorated Accrued Bonus is appropriate. The Committee shall have full and final authority in making such a determination.

C. Resignation

An employee who resigns during the Plan Year to accept employment elsewhere (including self-employment) will not be eligible for an Accrued Bonus.

D. Death, Disability, Retirement

If a Participant's employment is terminated during a Plan Year by reason of death, disability, or normal or early retirement under the Company's retirement plan, a tentative Accrued Bonus will be calculated as if the Participant had remained employed as of the end of the Plan Year. The final Accrued Bonus will be calculated by multiplying the tentative Accrued Bonus by a proration factor. The proration factor will be equal to the number of full weeks of employment during the Plan Year divided by fifty-two. For purposes of this section, the date a participant is deemed to be terminated pursuant to disability shall be the date the employee begins receiving a monthly Long Term Disability Benefit under the Company's Group Insurance Plan.

Each employee may name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Plan is to be paid in case of the employee's death.

Each such designation shall revoke all prior designations by the employee, shall be in the form prescribed by the Committee, and shall be effective only when filed by the employee in writing with the Committee during his or her lifetime.

In the absence of any such designation, benefits remaining unpaid at the employee's death shall be paid to the employee's estate.

E. Leave of Absence

An employee whose status as an active employee is changed during a Plan Year as a result of a leave of absence may, at the discretion of the Committee, be eligible for a pro rata Accrued Bonus determined in the same way as in paragraph D. of this Section.

VIII. Bonus Paid and Bonus Bank

All or a portion of the Accrued Bonus will be either paid to the Participant or credited to or charged against the Bonus Bank as provided in this Article.

A. Participants Who Are Not Senior Executives. All positive Accrued Bonuses of Participants who are not Senior Executives for the Plan Year shall be paid in cash, less amounts required by law to be withheld for income and employment tax purposes, on or before the end of the second month following the end of the Plan Year in which the Accrued Bonus was earned. Participants who are not Senior Executives shall not be charged or otherwise assessed for negative Accrued Bonuses nor shall such Participants have any portion of their Accrued Bonuses banked.

B. Participants Who Are Senior Executives. The Total Bonus Payout to Participants who are Senior Executives for the Plan Year shall be as follows:

	Accrued Bonus
Less:	Extraordinary Bonus Accrual
Plus:	Bank Payout
Equals:	Total Bonus Payout

The Total Bonus Payout for each Plan Year, less amounts required by law to be withheld for income tax and employment tax purposes, shall be paid on or before the end of the second month following the end of the Plan Year in which it was earned.

C. Establishment of a Bonus Bank. To encourage a long term commitment to the enhancement of shareholder value by Senior Executives, “Extraordinary Bonus Accruals” shall be credited to an “at risk” deferred account (“Bonus Bank”) for each such Participant, and all negative Accrued Bonuses shall be charged against the Bonus Bank, as determined in accordance with the following:

1. “Bonus Bank” means, with respect to each Senior Executive, a bookkeeping record of an account to which Extraordinary Bonus Accruals are credited, and negative Accrued Bonuses debited as the case may be, for each Plan Year, and from which bonus payments to such Senior Executive are debited.

2. “Bank Balance” means, with respect to each Senior Executive, a bookkeeping record of the net balance of the amounts credited to and debited against such Senior Executive’s Bonus Bank. The Bank Balance shall initially be equal to zero.

3. “Extraordinary Bonus Accrual” shall mean the amount of the Accrued Bonus for any year that exceeds the Senior Executive’s Target Incentive Award.

4. Annual Allocation. Each Senior Executive’s Extraordinary Bonus Accrual or negative Accrued Bonus is credited or debited to the Bonus Bank maintained for that Senior Executive. Such Annual Allocation will occur as soon as possible after the conclusion of each Plan Year. Although a Bonus Bank may as a result of negative Accrual Bonuses have a deficit, no Senior Executive shall be required, at any time, to reimburse his/her Bonus Bank for such deficit other than by crediting an Extraordinary Bonus Accrual to a deficit balance.

5. “Available Balance” means that the Bank Balance at the point in time immediately after the Annual Allocation has been made.

6. “Payout Percentage” means the percentage of the Available Balance that may be paid out in cash to the Participant. The Payout Percentage will equal 33%.

7. “Bank Payout” means the amount of the Available Balance that may be paid out in cash to the Senior Executive for each Plan Year. The Bank Payout is calculated as follows:

   Bank Payout = Available Balance X Payout Percentage

   The Bank Payout is subtracted from the Bank Balance.

8. Treatment of Available Balance Upon Termination

   a) Resignation or Termination With Cause. Senior Executives leaving voluntarily to accept employment elsewhere (including self-employment) or who are terminated with cause will forfeit their Available Balance.

   b) Retirement, Death, Disability or Termination Without Cause. In the event of a Senior Executive’s normal or early retirement under the Company’s retirement plan, death, disability, or termination without cause, the Available Balance, less amounts required by law to be withheld for income tax and employment tax purposes, shall be paid to the Senior Executive on or before the end of the second month following the end of the Plan Year in which the termination for one of such events occurred.

   c) For purposes of this Plan “cause” shall mean:

      (i) any act or acts of the Participant constituting a felony under the laws of the United States, any state thereof or any foreign jurisdiction;

      (ii) any material breach by the Participant of any employment agreement with the Company or the policies of the Company or the willful and persistent (after written notice to the Participant) failure or refusal of the Participant to comply with any lawful directives of the Board;

(iii) a course of conduct amounting to gross neglect, willful misconduct or dishonesty; or

(iv) any misappropriation of material property of the Company by the Participant or any misappropriation of a corporate or business opportunity of the Company by the Participant.

IX. Administrative Provisions

A. Amendments. The Board of Directors of the Company shall have the right to modify or amend this Plan from time to time, or suspend it or terminate it entirely; provided that no such modification, amendment, suspension, or termination may, without the consent of any affected participants (or beneficiaries of such participants in the event of death), reduce the rights of any such participants (or beneficiaries, as applicable) to a payment or distribution already earned under Plan terms in effect prior to such change.

B. Interpretation of Plan. Any decision of the Committee with respect to any issues concerning individual selected for awards, the amount, terms, form and time of payment of awards, and interpretation of any Plan guideline, definition, or requirement shall be final and binding.

C. Effect of Award on Other Employee Benefits. By acceptance of a bonus award, each recipient agrees that such award is special additional compensation and that it will not affect any employee benefit, e.g., life insurance, etc., in which the recipient participates, except as provided in paragraph D. below.

D. Retirement Programs. Awards made under this Plan shall be included in the employee's compensation for purposes of the Company Retirement Plans and Savings Plan.

E. Right to Continued Employment; Additional Awards. The receipt of a bonus award shall not give the recipient any right to continued employment, and the right and power to dismiss any employee is specifically reserved to the Company. In addition, the receipt of a bonus award with respect to any Plan Year shall not entitle the recipient to an award with respect to any subsequent Plan Year.

F. Adjustments to Performance Goals. When a performance goal is based on Economic Value Added or other quantifiable financial or accounting measure, it may be necessary to exclude significant nonbudgeted or noncontrollable capital investments or gains or losses from actual financial results in order to properly measure performance. The Committee will decide those items that shall be considered in adjusting actual results. For example, some types of items that may be considered for exclusion are:

(1) Any gains or losses which will be treated as extraordinary in the Company's financial statements.

(2) Profits or losses of any entities acquired by the Company during the Plan Year, assuming they were not included in the budget and/or the goal.

(3) Material gains or losses not in the budget and/or the goal which are of a nonrecurring nature and are not considered to be in the ordinary course of business. Some of these would be as follows:

(a) Gains or losses from the sale or disposal of real estate or property.

(b) Gains resulting from insurance recoveries when such gains relate to claims filed in prior years.

(c) Losses resulting from natural catastrophes, when the cause of the catastrophe is beyond the control of the Company and did not result from any failure or negligence on the Company's part.

(4) Capital incurred for a major acquisition for a reasonable period following such acquisition.

G. Vesting. All amounts due but unpaid to any Participant under this plan shall vest, subject to the terms of this EVA Plan, upon actual termination of employment of the Participant.

X. Miscellaneous

A. Indemnification. Each person who is or who shall have been a member of the Committee or of the Board, or who is or shall have been an employee of the Company, shall not be liable for, and shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with any claim, action, suit, or proceeding to which he or she may be a party by reason of any action taken or failure to act under this Plan. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

B. Expenses of the Plan. The expenses of administering this Plan shall be borne by the Company.

C. Withholding Taxes. The Company shall have the right to deduct from all payments under this Plan any Federal or state taxes required by law to be withheld with respect to such payments.

D. Governing Law. This Plan shall be construed in accordance with and governed by the laws of the State of Wisconsin.

EXHIBIT 10.6(a)

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES

2005 Annual Report on Form 10-K

FORM OF STOCK OPTION AGREEMENT UNDER THE
PREMIUM OPTION AND STOCK AWARD PROGRAM

[Date]

[Name]

You have been awarded a stock option, restricted stock and/or deferred stock under the Briggs & Stratton Corporation Premium Option and Stock Award Program ("Program") as follows:

Stock Option:	
Type of Option:	Premium Stock Option
Date of Grant:	[Date]
Exercise Price:	$[110% of Fair Market Value on grant date]
Number of Shares:	[Number] shares - Incentive stock option under IRC Sec. 422 [Number] shares - Non-qualified stock options
Exercise Period:	[Date] to [Date]
Restricted Stock:	
Date of Grant:	[Date]
Number of Shares:	
Vesting Date:	[Date]
Deferred Stock:	
Date of Grant	[Date]
Number of Shares:	
Vesting Date:	[Date]

These stock awards are subject to the terms and conditions of the Program. In addition, stock options are subject to the Stock Option Agreement, restricted stock is subject to the Restricted Stock Award Agreement, and deferred stock is subject to the Deferred Stock Award Agreement.

Please acknowledge your acceptance of the terms of these awards by signing two copies of each of the attached agreements and returning one signed copy of each to the company's Secretary.

Very truly yours,

BRIGGS & STRATTON CORPORATION

By: ______________________________

John S. Shiely
Chairman, President and
Chief Executive Officer

BRIGGS & STRATTON CORPORATION
INCENTIVE COMPENSATION PLAN
STOCK OPTION AGREEMENT

Optionee:	[Name]
No. of Shares:	[Number]
Date of Grant:	[Date]
Expiration Date:	[Date]
Exercise Price:	$[110% of Fair Market Value on grant date]

BRIGGS & STRATTON CORPORATION (the "Company"), a Wisconsin corporation, hereby grants to the above-named employee (the "Optionee") under The Briggs & Stratton Corporation Stock Incentive Plan as amended and restated in the Incentive Compensation Plan (the "Plan") a stock option to purchase from the Company during the period commencing (except as otherwise provided herein) on [Date] and ending (except as otherwise provided herein) on the expiration date set forth above (the "option term") up to but not exceeding in the aggregate the number of shares set forth above of the Common Stock, $0.01 par value, of the Company ("Common Stock") at the price per share set forth above, all in accordance with and subject to the following terms and conditions:

1. No shares subject to this option may be purchased before [Date]. On such date and from time to time thereafter, the shares subject to this option may be purchased during the option term. If the Optionee's employment is terminated for any reason prior to [Date], then, unless otherwise determined by (or pursuant to authority granted by) the Compensation Committee (the "Committee") of the Board of Directors of the Company, this option shall not be exercisable.

2. If the effective date of retirement of the Optionee is before [Date], the Optionee may make application (at least one month prior to retirement) to the Committee for this option to become exercisable on such effective date. Such application may be denied or granted in whole or in part.

The following additional provisions shall apply with respect to the exercise of the option following termination of employment: (i) In the event that the Optionee's employment shall be terminated by reason of death before the option is exercisable, the option may thereafter be exercised for a period of one year from the date of death. (ii) In the event that the Optionee's employment shall be terminated by reason of Disability or Retirement, no shares may be purchased after a period of three years from the date of termination of employment; provided, however, that if the Optionee's employment is terminated by reason of Disability or Retirement and if the Optionee dies within three years of such termination of employment, this option shall continue to be exercisable for a period of 12 months from the date of death of the Optionee. (iii) In the event that an Optionee's employment is terminated for any other reason, no shares may be purchased after the date of termination of employment; except that the option, to the extent then exercisable, may be exercised for the balance of the option term. However, nothing in (i), (ii) or (iii) above shall permit the purchase of any shares after the expiration date set forth above. The Optionee's employment shall be deemed to be terminated when he or she is no longer employed by (i) the Company, a subsidiary or an affiliate thereof, or (ii) a corporation, or a parent or subsidiary thereof, substituting a new option for the option granted by this Agreement (or assuming the option granted by this Agreement) by reason of a merger, consolidation, acquisition of property or stock, separation, reorganization or liquidation. Leaves of absence shall not constitute termination of employment.

Notwithstanding anything in the foregoing to the contrary, to the extent permitted under Section 422 of the Code, if the Optionee's employment is terminated by reason of death, Disability or Retirement and the portion of this option that is otherwise exercisable during the post-termination period as provided above and as specified under Sections 5(f), (g) or (h) of the Plan, applied without regard to Section 5(j) of the Plan, is greater than the portion that is exercisable as an incentive stock option during such post-termination period under Section 422, such post-termination period shall automatically be extended (but not beyond the original option term) to the extent necessary to permit the Optionee to exercise this option either as an incentive stock option or, if exercised after the expiration periods that apply for purposes of Section 422, as a non-qualified stock option.

3. Exercise of this option shall occur on the date (the "Date of Exercise") the Company receives at its principal executive offices (i) a written notice (the "Notice of Exercise") specifying the number of shares to be purchased, and (ii) payment by certified check, cashier's check or confirmation of a wire transfer for the purchase price for such shares. In lieu of such payment by certified check, cashier's check or wire transfer, the Optionee may tender to the Company (i) outstanding shares of Common Stock, having a Fair Market Value, determined on the Date of Exercise, equal to the purchase price for the number of shares being purchased, or (ii) a combination of shares of outstanding Common Stock, as described above, so valued and payment as aforesaid which equals said purchase price, together, in each case, with payment of any applicable stock transfer tax. If the Fair Market Value, as so determined, of the shares tendered to the Company shall exceed the purchase price applicable to the number of shares being purchased, an appropriate cash adjustment will be made by the Company for any fractional share remaining. The Company will not deliver shares of Common Stock being purchased upon any exercise of this option unless it has received an acceptable form of payment for all applicable withholding taxes or arrangements satisfactory to the Company for the payment thereof have been made. Withholding taxes may be paid with outstanding shares of Common Stock (including Common Stock delivered upon exercise of this option), such Common Stock being valued at Fair Market Value on Date of Exercise. The Optionee shall have no rights as a stockholder with respect to any shares covered by this option until the date of the issuance of a stock certificate for such shares.

4. This option is not transferable by the Optionee otherwise than by will or the laws of descent and distribution and is exercisable during the Optionee's lifetime only by the Optionee or by the guardian or legal representative of the Optionee.

5. The terms and provisions of this Agreement (including, without limiting the generality of the foregoing, terms and provisions relating to the option price and the number and class of shares subject to this option) shall be subject to appropriate adjustment in the event of any recapitalization, merger, consolidation, disposition of property or stock, separation, reorganization, stock dividend, issuance of rights, combination or split-up or exchange of shares, or the like.

6. Whenever the word "Optionee" is used herein under circumstances such that the provision should logically be construed to apply to the executors, the administrators, or the person or

persons to whom this option may be transferred by will or by the laws of descent and distribution, it shall be deemed to include such person or persons.

7. The terms and provisions of the Plan (a copy of which will be furnished to the Optionee upon written request to the Briggs & Stratton Corporation, 12301 West Wirth Street, Wauwatosa, Wisconsin 53222) are incorporated herein by reference. To the extent any provision of this Agreement is inconsistent or in conflict with any term or provision of the Plan, the Plan shall govern. Capitalized terms not otherwise defined herein have the meaning set forth in the Plan.

IN WITNESS WHEREOF, this Incentive Stock Option Agreement has been duly executed as of [Date].

BRIGGS & STRATTON CORPORATION

By ______________________________

John S. Shiely
Chairman, President and
Chief Executive Officer

____

[Optionee Name]

EXHIBIT 10.6(c)

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES

2005 Annual Report on Form 10-K

AMENDED FORM OF RESTRICTED STOCK AWARD AGREEMENT UNDER THE
PREMIUM OPTION AND STOCK AWARD PROGRAM

Effective: April 2005

BRIGGS & STRATTON CORPORATION
RESTRICTED STOCK AWARD AGREEMENT

THIS RESTRICTED STOCK AWARD AGREEMENT, dated as of this ____ day of _______, 200_, is made by BRIGGS & STRATTON CORPORATION (the "Company") to ___________ (the "Employee").

WHEREAS, the Company believes it to be in the best interests of the Company and its shareholders to provide an incentive for certain of its key employees to work for and manage the affairs of the Company in such a way that its shares become more valuable; and

WHEREAS, the Employee is a key employee of the Company or one of its subsidiaries or affiliates.

NOW, THEREFORE, in consideration of the premises, the Company hereby awards Restricted Stock to the Employee on the terms, conditions and restrictions hereinafter set forth.

1. **AWARD**. The Company hereby awards to the Employee _____ shares of Restricted Stock on the date hereof (the "Award Date"). Restricted Stock means shares of the common stock of the Company, par value $0.01 per share, granted in accordance with this Agreement and section 7 of the Company's Incentive Compensation Plan.

2. **RESTRICTION**. The Restricted Stock shall be forfeitable as described below until the shares become vested upon the first to occur, if any, of the following events:

(a) The termination of the Employee's employment with the Company or a subsidiary by reason of disability or death. For these purposes, "disability" shall mean separation from the service of the Company or such subsidiary because of such illness or injury as renders the Employee unable to perform the material duties of the Employee's job.

(b) Five (5) years from the Award Date.

(c) A change in control of the Company as defined in section 11(b) of the Company's Incentive Compensation Plan.

The period of time during which the Restricted Stock is forfeitable is referred to as the "Restricted Period." If the Employee's employment with the Company or one of its subsidiaries terminates during the Restricted Period for any reason other than retirement, early retirement, disability or death, the Restricted Stock shall be forfeited to the Company on the date of such termination, without any further obligations of the Company to the Employee and all rights of the Employee with respect to the Restricted Stock shall terminate. The Company may, in its sole discretion, choose to accelerate the vesting of the Restricted Stock upon termination of the Employee's employment or

otherwise. Notwithstanding any provisions to the contrary, the Employee may not extend the Restricted Period.

3. **RIGHTS DURING RESTRICTED PERIOD**. During the Restricted Period, the Employee shall have the right to vote the Restricted Stock and to receive cash dividends, stock dividends and other distributions made with respect to the Restricted Stock; however, all such stock dividends and other non-cash distributions shall be forfeitable and subject to the same restrictions as exist regarding the original shares of Restricted Stock. The Restricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered during the Restricted Period, except by will or the laws of descent and distribution.

4. **CUSTODY**. The Restricted Stock may be credited to the Employee in book entry form and held, along with any stock dividends relating thereto, in custody by the Company or an agent for the Company until the applicable restrictions have expired. If any certificates are issued for shares of Restricted Stock or any such stock dividends during the Restricted Period, such certificates shall bear an appropriate legend as determined by the Company referring to the applicable terms, conditions and restrictions and the Employee shall deliver a signed, blank stock power to the Company relating thereto. In no event will the issuance of shares occur later than two and one-half months after the end of the fiscal year.

5. **TAX WITHHOLDING**. The Employee may satisfy any tax withholding obligations arising with respect to the Restricted Stock in whole or in part by tendering a check to the Company for any required amount, by election to have a portion of the shares withheld to defray all or a portion of any applicable taxes, or by election to have the Company or its subsidiaries withhold the required amounts from other compensation payable to the Employee.

6. **IMPACT ON OTHER BENEFITS**. The value of the Restricted Stock awarded hereunder, either on the Award Date or at the time such shares become vested, shall not be includable as compensation or earnings for purposes of any other benefit plan or program offered by the Company or its subsidiaries.

IN WITNESS WHEREOF, this Restricted Stock Award Agreement is executed by the parties as of the date set forth above.

BRIGGS & STRATTON CORPORATION

By: ______________________________

John S. Shiely
Chairman, President and
Chief Executive Officer

____

(Employee)

EXHIBIT 10.6(d)

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES

2005 Annual Report on Form 10-K

FORM OF DEFERRED STOCK AWARD AGREEMENT UNDER THE
PREMIUM OPTION AND STOCK AWARD PROGRAM

Effective: April 2005

BRIGGS & STRATTON CORPORATION
DEFERRED STOCK AWARD AGREEMENT

THIS DEFERRED STOCK AWARD AGREEMENT, dated as of this ____ day of _______, 200_, is made by BRIGGS & STRATTON CORPORATION (the "Company") to ___________ (the "Employee").

WHEREAS, the Company believes it to be in the best interests of the Company and its shareholders to provide an incentive for certain of its key employees to work for and manage the affairs of the Company in such a way that its shares become more valuable; and

WHEREAS, the Employee is a key employee of the Company or one of its subsidiaries or affiliates.

NOW, THEREFORE, in consideration of the premises, the Company hereby awards Deferred Stock to the Employee on the terms, conditions and restrictions hereinafter set forth.

1. **AWARD**. The Company hereby awards to the Employee _____ shares of Deferred Stock on the date hereof (the "Award Date"). Deferred Stock means the right to receive in the future common stock of the Company in accordance with this Agreement and section 8 of the Company's Incentive Compensation Plan.

2. **DEFERRAL PERIOD**. The Deferred Stock shall be forfeitable as described below until it becomes vested upon the first to occur, if any, of the following events:

(a) The termination of the Employee's employment with the Company or a subsidiary by reason of disability or death. For these purposes, "disability" shall mean separation from the service of the Company or such subsidiary because of such illness or injury as renders the Employee unable to perform the material duties of the Employee's job.

(b) Five (5) years from the Award Date.

(c) A change in control of the Company as defined in section 11(b) of the Company's Incentive Compensation Plan.

The period of time during which the Deferred Stock is forfeitable is referred to as the "Deferral Period." If the Employee's employment with the Company or one of its subsidiaries or affiliates terminates during the Deferral Period for any reason other than retirement, early retirement, disability or death, the Deferred Stock shall be forfeited to the Company on the date of such termination, without any further obligations of the Company to the Employee and all rights of the Employee with respect to the Deferred Stock shall terminate. The Company may, in its sole discretion, choose to accelerate the vesting of the Deferred Stock upon termination of the Employee's employment or

otherwise. Notwithstanding any provisions to the contrary, the Employee may not extend the Deferral Period.

3. **RIGHTS DURING DEFERRAL PERIOD**. During the Deferral Period, the Employee shall not receive any certificate with respect to Deferred Stock and shall have no right to vote the Deferred Stock or to receive cash dividends, stock dividends and other distributions made with respect to the Deferred Stock; however, amounts equal to any dividends or other distributions declared during the Deferral Period with respect to the Deferred Stock will be awarded, automatically deferred and deemed to be reinvested in additional Deferred Stock. The Deferred Stock may not be sold, assigned, transferred, pledged or otherwise encumbered during the Deferral Period, except by will or the laws of descent and distribution.

4. **BOOK ACCOUNTS AND SHARE CERTIFICATES**. The Deferred Stock, including the original award and any additional shares attributable to cash dividends, stock dividends or distributions relating to the Deferred Stock, shall be credited to a book account for the Employee. Upon expiration of the Deferral Period, the Company shall issue and deliver to the Employee certificates for shares of the Company's common stock, par value $0.01 per share, equal to the total number of shares of Deferred Stock then credited to the Employee, subject to Section 5 below. In no event will the issuance of shares occur later than two and one-half months after the end of the fiscal year.

5. **TAX WITHHOLDING**. The Employee may satisfy any tax withholding obligations arising with respect to the Deferred Stock in whole or in part by tendering a check to the Company for any required amount, by election to have a portion of the shares withheld to defray all or a portion of any applicable taxes, or by election to have the Company or its subsidiaries withhold the required amounts from other compensation payable to the Employee.

6. **IMPACT ON OTHER BENEFITS**. The value of the Deferred Stock shall not be includable as compensation or earnings for purposes of any other benefit plan or program offered by the Company or its subsidiaries or affiliates.

IN WITNESS WHEREOF, this Deferred Stock Award Agreement is executed by the parties as of the date set forth above.

BRIGGS & STRATTON CORPORATION

By: ____________________________

John S. Shiely
Chairman, President and
Chief Executive Officer

____

(Employee)

EXHIBIT 10.12

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES

2005 Annual Report on Form 10-K

AMENDED AND RESTATED
DIRECTOR'S PREMIUM OPTION AND STOCK GRANT PROGRAM

Effective August 10, 2005

As Amended and Restated
Effective 8-10-05

BRIGGS & STRATTON CORPORATION

DIRECTOR'S PREMIUM OPTION AND STOCK GRANT PROGRAM

As adopted by the Board of Directors on April 21, 2004 and amended
on October 20, 2004 and August 10, 2005

BRIGGS & STRATTON CORPORATION
DIRECTOR'S PREMIUM OPTION AND STOCK GRANT PROGRAM

1.0 Objectives

The Director's Premium Option and Stock Grant Program ("Program") is designed to tie the interests of the Company's directors to the long term market value added performance of the Company. In this way, the objectives of directors will be more closely aligned with those of the Company's Shareholders. The Program will allow nonemployee directors to participate in the long-term appreciation in the equity value of the Company. In general, the Program is structured such that each nonemployee director receives unrestricted shares and premium options on the Company's Stock ("PSOs") as elements of annual compensation. The PSOs become exercisable after they have been held for three years, and they expire at the end of five years. The PSOs are structured so that a fair return must be provided to the Company's Shareholders before they become valuable.

2.0 Administration

The Program shall be administered by the Board of Directors ("Board").

3.0 Stock Subject to Plan

The total number of shares reserved and available for distribution as PSOs under the Program with respect to fiscal 2005 and subsequent years shall be 200,000 shares of the Company's common stock, par value $0.01 per share ("Stock"). Such shares may consist, in whole or in part, of treasury or market purchase shares.

In the event of any merger, reorganization, consolidation, recapitalization, stock dividend, stock split or other change in corporate structure affecting the Stock, such substitution or adjustments shall be made in the aggregate number of shares reserved for issuance under the Program, and in the number and option price of shares subject to outstanding PSOs, as may be determined to be appropriate by the Board, in its sole discretion; provided, however, that the number of shares subject to any award shall always be a whole number.

4.0 Eligibility

Each nonemployee director of the Company shall be eligible to participate in the Program.

5.0 Stock Grant

For fiscal 2005 and subsequent fiscal years, each nonemployee director of the Company who serves as a director through the end of the fiscal year shall receive 400 shares of the Company's Stock and 4,000 PSOs.

PSO grants shall be evidenced by option agreements, the terms and provisions of which shall be determined by this Program or the Board. These grants will be awarded at the same time the Company awards grants to Senior Executives. The PSOs shall constitute non-qualified stock options. Unrestricted shares will be awarded when the PSOs are awarded.

No PSO shall be transferable by the optionee other than by will or by the laws of descent and distribution, and all PSOs shall be exercisable, during the optionee's lifetime, only by the optionee or by the guardian or legal representative of the optionee, it being understood that the terms "holder" and "optionee" include the guardian and legal representative of the optionee named in the option agreement and any person to whom an option is transferred by will or the laws of descent and distribution.

If an optionee's service as a director terminates by reason of death, any PSO held by such optionee may thereafter be exercised, to the extent then exercisable or on such accelerated basis as the Board may determine, for a period of one year (or such other period as the Board may specify at grant) from the date of such death or until the expiration of the stated term of such PSO, whichever period is shorter.

When an optionee's service as a director terminates due to reaching the mandatory retirement age or due to retirement upon reaching the end of the term for which elected, a PSO held by such optionee may thereafter be exercised by the optionee, to the extent it was exercisable at the time of such retirement or on such accelerated basis as the Board may determine, for a period of three years (or such shorter period as the Board may specify at grant) from the date of such retirement or until the expiration of the stated term of such PSO, whichever period is shorter; provided, however, that if the optionee dies within such three-year (or such shorter) period, any unexercised PSO held by such optionee shall, notwithstanding the expiration of such three-year (or such shorter) period, continue to be exercisable to the extent to which it was exercisable at the time of death for a period of one year from the date of such death or until the expiration of the stated term of such PSO, whichever period is shorter.

When an optionee's service as a director terminates for any reason other than death or retirement as described above, unless otherwise determined by the Board at grant, the PSO shall thereupon terminate, except that such PSO, to the extent then exercisable, may be exercised for the lesser of three months or the balance of the term. Notwithstanding the foregoing, if an optionee's service as a director terminates at or after a Change in Control (as defined in the Company's Stock Incentive Plan), other than by death or retirement (as described above), any PSO held by such optionee shall be exercisable for the lesser of (x) six months and one day, and (y) the balance of such PSO's term.

6.0 Term

All PSOs shall be exercisable beginning on the third anniversary of the date of grant, and shall terminate on the fifth anniversary of the date of grant, unless sooner exercised or the Board determines other dates at grant.

7.0 Exercise Price

The exercise price for PSOs granted hereunder shall be the exercise price for PSOs granted under the Premium Option and Restricted Stock Program for Senior Executives for that fiscal year.

8.0 Definitions

All capitalized terms used herein that are not otherwise defined shall have the same meaning given to them in the EVA Plan, Premium Option and Stock Award Program or Incentive Compensation Plan.

9.0 Amendments and Termination

The Board may amend, alter, or discontinue the Program but no amendment, alteration or discontinuation shall be made which would impair the rights of an optionee under a PSO granted without the optionee's or recipient's consent.

The Board may amend the terms of any PSO theretofore granted, prospectively or retroactively, but no such amendment shall impair the rights of any holder without the holder's consent.

Subject to the above provisions, the Board shall have authority to amend the Program to take into account changes in law and tax and accounting rules, as well as other developments.

10.0 Unfunded Status of Program

It is presently intended that the Program constitute an "unfunded" plan for incentive and deferred compensation. The Board may authorize the creation of trusts or other arrangements to meet the obligations created under the Program to deliver Stock; provided, however, that, unless the Board otherwise determines, the existence of such trusts or other arrangements is consistent with the "unfunded" status of the Program.

11.0 General Provisions

(a) The Board may require each person purchasing shares pursuant to a PSO grant to represent to and agree with the Company in writing that the optionee or participant is acquiring the shares without a view to the distribution thereof.

All certificates for shares of Stock or other securities delivered under the Program shall be subject to such stock transfer orders and other restrictions as the Board may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Stock is then listed and any applicable Federal or state securities law, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(b) Nothing contained in this Program shall prevent the Company, a subsidiary or affiliate from adopting other or additional compensation arrangements for its nonemployee directors.

(c) The adoption of the Program shall not confer upon any director any right to continue to serve as a director.

(d) The Program and all awards made and actions taken thereunder shall be governed by and construed in accordance with the laws of the State of Wisconsin.

EXHIBIT 12

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES

2005 Annual Report on Form 10-K

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

	Fiscal Year Ended				
	July 3, 2005	**June 27, 2004**	**June 29, 2003**	**June 30, 2002**	**July 1, 2001**
Earnings					
Income before income taxes	$ 174,315	$ 205,004	$ 118,578	$ 80,510	$ 71,873
Less: Equity income from equity investees	(5,336)	(7,876)	(5,224)	(6,181)	(5,041)
Add: Fixed charges	39,232	42,166	42,483	46,448	31,374
Distributed income of equity investees	5,967	4,392	4,080	2,426	2,933
Earnings as defined	$ 214,178	$ 243,686	$ 159,917	$ 123,203	$ 101,139
Fixed Charges					
Interest expense	$ 34,929	$ 35,694	$ 38,380	$ 42,305	$ 29,268
Amortization of discounts related to indebtedness	758	758	782	888	251
Imputed interest on deferred revenue	1,196	1,213	1,227	1,240	1,146
Interest expense as reported	36,883	37,665	40,389	44,433	30,665
Amortization of deferred financing fees	1,233	3,778	1,519	1,420	133
Portion of rent expense relating to interest	1,116	723	575	595	576
Fixed charges as defined	$ 39,232	$ 42,166	$ 42,483	$ 46,448	$ 31,374
Ratio of earnings to fixed charges	5.5	5.8x	3.8x	2.7x	3.2x

EXHIBIT 21

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES

2005 Annual Report on Form 10-K

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 (Chongqing) Engine Co., Ltd.	China	95%
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 Iberica, S.L.	Spain	100%
Briggs & Stratton International, Inc.	Wisconsin	100%
Briggs & Stratton International Sales Corp.	Virgin Islands	100%
Briggs & Stratton Italy S.r.l.	Italy	100%
Briggs & Stratton Japan YK	Japan	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 Power Products Group, LLC	Delaware	100%
Briggs & Stratton Representacao de Motores e Produtos de Forca do Brasil Ltda.	Brazil	100%
Briggs & Stratton RSA (Pty.) Ltd.	South Africa	100%
Briggs & Stratton (Shanghai) International Trading Co., Ltd.	China	100%

Briggs & Stratton (Shanghai) Power Products Co., Ltd.	China	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%
Simplicity Manufacturing, Inc.	Delaware	100%

EXHIBIT 23.1

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES

2005 Annual Report on Form 10-K

CONSENT OF PRICEWATERHOUSECOOPERS LLP, AN INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (Nos. 33-39113, 33-54357, 333-42842, and 333-123512) of Briggs & Stratton Corporation of our report dated September 15, 2005 relating to the financial statements, financial statement schedule, management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Milwaukee, Wisconsin
September 15, 2005

EXHIBIT 23.2

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES

2005 Annual Report on Form 10-K

CONSENT OF DELOITTE & TOUCHE LLP, AN INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement Nos. 33-39113, 33-54357, 333-42842, and 333-123512 on Form S-8 of our reports dated July 22, 2004, relating to the consolidated financial statements and consolidated financial statement schedule of Briggs & Stratton Corporation appearing in this Annual Report on Form 10-K of Briggs & Stratton Corporation for the fiscal year ended July 3, 2005.

DELOITTE & TOUCHE LLP
Milwaukee, Wisconsin
September 15, 2005

EXHIBIT 31.1

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES

2005 Annual Report on Form 10-K

Certification of Principal Executive Officer

I, John S. Shiely, certify that:

1. I have reviewed this annual report on Form 10-K of Briggs & Stratton Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 16, 2005

/s/ John S. Shiely
John S. Shiely
Chief Executive Officer

EXHIBIT 31.2

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES

2005 Annual Report on Form 10-K

Certification of Principal Financial Officer

I, James E. Brenn, certify that:

1. I have reviewed this annual report on Form 10-K of Briggs & Stratton Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 16, 2005

/s/ James E. Brenn
James E. Brenn
Chief Financial Officer

Exhibit 32.1

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES

2005 Annual Report on Form 10-K

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Briggs & Stratton Corporation (the "Company") on Form 10-K for the fiscal year ended July 3, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John S. Shiely, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ John S. Shiely
John S. Shiely
Chief Executive Officer
September 16, 2005

This certification accompanies this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES

2005 Annual Report on Form 10-K

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Briggs & Stratton Corporation (the “Company”) on Form 10-K for the fiscal year ended July 3, 2005, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, James E. Brenn, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ James E. Brenn
James E. Brenn
Chief Financial Officer
September 16, 2005

This certification accompanies this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.