December 27, 2018

Brunswick granted exclusions from Section 301 tariffs for Mercury Marine 40, 50 and 60hp engines

METTAWA, IL, Dec. 27, 2018 (GLOBE NEWSWIRE) -- Brunswick Corporation (NYSE: BC) announced today that the Company has been granted exclusions from Section 301 tariffs for its 40, 50 and 60hp Mercury Marine engines. The engines are assembled by Mercury in China and sold globally.

The exclusions reduce Brunswick's estimated net pretax tariff impact in 2019 to approximately $17 million to $22 million, down from the estimate of $30 million to $35 million provided in the recent third quarter earnings call. With the retroactive nature of the exclusions (dating back to an effective date of July 6, 2018), the Company anticipates a favorable change in 2018 pretax earnings, versus previous estimates, of approximately $4 million to $6 million. This estimated impact for 2018 is based upon the eventual refund of the tariffs paid to date on these engines since July, net of customer tariff surcharges that will be refunded to customers by Mercury Marine, as soon as practical. Mercury's engines were among the 1,300 products originally targeted for the 25 percent tariff.

The exclusion requests were reviewed and approved by both the United States Trade Representative (USTR) and the U.S. Customs and Border Protection (CBP).

"We are pleased that the USTR and CBP have approved the exclusion requests for these three classes of outboard engines, which are very popular choices for fishing and family boating activities," Brunswick Chairman and Chief Executive Officer Mark Schwabero said. "It is good for consumers as well as for American manufacturers. We remain hopeful that the trade issues which led to the imposition of tariffs and subsequent retaliatory tariffs can be resolved quickly and amicably between the U.S. and its trading partners."

Forward-Looking Statement
Certain statements in this press release are forward-looking as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on current expectations, estimates, and projections about Brunswick's business and by their nature address matters that are, to different degrees, uncertain. Words such as "may," "could," "expect," "anticipate," "intend," "target," "plan," "seek," "estimate," "believe," "predict," "outlook," and similar expressions are intended to identify forward-looking statements. Forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties that may cause actual results to differ materially from expectations as of the date of this release. These risks include, but are not limited to: adverse general economic conditions, including reductions in consumer discretionary spending; our ability to implement our strategic plan and growth initiatives; the risk that strategic acquisitions or divestitures may not provide business benefits; the possibility that the proposed Fitness business separation will not be consummated within the anticipated time period or at all; our ability to integrate targeted acquisitions, including the Global Marine & Mobile Business of

Power Products; the potential for disruption to our business in connection with the Fitness business separation or Global Marine & Mobile Business of Power Products acquisition, making it more difficult to maintain business and operational relationships; the risk that unexpected costs will be incurred in connection with these transactions; the possibility that the expected synergies and value creation from these transactions will not be realized or will not be realized within the expected time period; changes to U.S. trade policy and tariffs; actual or anticipated increases in costs, disruptions of supply, or defects in raw materials, parts, or components we purchase from third parties, including as a result of new tariffs on raw materials; negative currency trends; fiscal policy concerns; adequate financing access for dealers and customers and our ability to access capital and credit markets; maintaining effective distribution; loss of key customers; inventory reductions by dealers, retailers, or independent boat builders; requirements for us to repurchase inventory; attracting and retaining skilled labor and implementing succession plans for key leadership; our ability to meet supply objectives; higher energy and fuel costs; our ability to protect our brands and intellectual property; absorbing fixed costs in production; managing expansion or consolidation of manufacturing facilities; outages or breaches of technology systems, which could result in lost or stolen information and associated remediation costs; our ability to meet pension funding obligations; managing our share repurchases; competitive pricing pressures; our ability to develop new and innovative products and services at a competitive price, in legal compliance with existing rules; maintaining product quality and service standards; product liability, warranty, and other claims risks; legal and regulatory compliance, including increased costs, fines, and reputational risks; changes in income tax legislation or enforcement; having to record an impairment to the value of goodwill and other assets; certain divisive shareholder activist actions; international business risks; and weather and catastrophic event risks.

Additional risk factors are included in the Company's Annual Report on Form 10-K for 2017 and the Quarterly Reports on Form 10-Q for the periods ended March 31, 2018; June 30, 2018 and September 29, 2018. Forward-looking statements speak only as of the date on which they are made, and Brunswick does not undertake any obligation to update them to reflect events or circumstances after the date of this release.

About Brunswick

Headquartered in Mettawa, Ill., Brunswick Corporation's leading consumer brands include Mercury Marine outboard engines; Mercury MerCruiser sterndrive and inboard packages; Mercury global parts and accessories including propellers, and SmartCraft electronics; Power Products Integrated Solutions; MotorGuide trolling motors; Attwood, Garelick and Whale marine parts; Land 'N' Sea, BLA, Payne's Marine, Kellogg Marine & Lankhorst Taselaar marine parts distribution; and Mercury and Quicksilver parts and oils; Bayliner, Boston Whaler, Brunswick Commercial and Government Products, Crestliner, Cypress Cay, Harris, Lowe, Lund, Princecraft, Quicksilver, Rayglass, Sea Ray, Thunder Jet and Uttern boats; Life Fitness, Hammer Strength, Cybex, Indoor Cycling Group and SCIFIT fitness equipment; and Brunswick billiards tables, accessories and game room furniture. For more information, visit http://www.brunswick.com.

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