

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

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FORM 8-K  
CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): April 25, 2013



BRUNSWICK CORPORATION

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(Exact Name of Registrant Specified in Charter)

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Delaware  
(State or Other  
Jurisdiction of  
Incorporation)

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001-01043  
(Commission File  
Number)

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36-0848180  
(I.R.S. Employer  
Identification No.)

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1 N. Field Court  
Lake Forest, Illinois  
(Address of Principal Executive Offices)

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60045-4811  
(Zip Code)

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Registrant's telephone number, including area code: (847) 735-4700

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N/A

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(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240, 14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240, 13e-4(c))
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**Item 2.02. Results of Operations and Financial Condition.**

On April 25, 2013, Brunswick Corporation (“Brunswick”) announced its financial results for the first quarter 2013. The news release issued by Brunswick announcing its first quarter 2013 earnings is incorporated herein by reference and is included as Exhibit 99.1 to this Current Report on Form 8-K.

In the news release, Brunswick uses non-GAAP financial measures. For purposes of SEC Regulation G, a “non-GAAP financial measure” is a numerical measure of a registrant’s historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statements of operations, balance sheets or statements of cash flows of the issuer; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. Operating and statistical measures and certain ratios and other statistical measures are not non-GAAP financial measures. GAAP refers to generally accepted accounting principles in the United States.

Brunswick has used certain of the financial measures that are included in the news release for several years, both in presenting its results to shareholders and the investment community and in its internal evaluation and management of its businesses. Brunswick’s management believes that these measures (including those that are non-GAAP financial measures) and the information they provide are useful to investors because they permit investors to view Brunswick’s performance using the same tools that Brunswick uses and to better evaluate Brunswick’s ongoing business performance. Brunswick’s management believes that the non-GAAP financial measure “free cash flow” is useful to investors because it is an indication of cash flow that may be available to fund investments in future growth initiatives. Brunswick defines free cash flow as cash flow from operating and investing activities (excluding cash provided by or used for acquisitions, investments, transfers to restricted cash and purchases or sales of marketable securities). The measure “diluted earnings per common share from continuing operations, as adjusted” is also believed to be useful to investors because it represents a measure of Brunswick’s earnings, without the impact of restructuring, exit and impairment charges, loss on early extinguishment of debt and special tax items and the results of discontinued operations. Brunswick defines diluted earnings per common share from continuing operations, as adjusted, as diluted earnings per common share, excluding the earnings per share impact for restructuring, exit and impairment charges, as well as the loss on early extinguishment of debt and special tax items and the results of discontinued operations. Additionally, Brunswick’s management believes that the measure “net debt” is useful to investors because it is an indication of Brunswick’s ability to repay its outstanding debt using its current cash, cash equivalents and marketable securities. Brunswick defines net debt as the sum of short-term and long-term debt, less cash and cash equivalents, short-term investments in marketable securities and long-term investments in marketable securities as presented in its condensed consolidated balance sheets. Finally, Brunswick’s management believes that the measure “adjusted operating earnings” is useful to investors because it provides a necessary and important perspective on Brunswick’s operating performance and improves comparability of performance against prior periods. Brunswick defines adjusted operating earnings as operating earnings, excluding the earnings impact for restructuring, exit and impairment charges.

The information in this report and the exhibit attached hereto shall not be deemed to be “filed” for purposes of Section 18 of the Securities and Exchange Act of 1934, or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

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**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits:

| <b><u>Exhibit No.</u></b> | <b><u>Description of Exhibit</u></b> |
|---------------------------|--------------------------------------|
|---------------------------|--------------------------------------|

|      |   |
|------|---|
| 99.1 | News Release, dated April 25, 2013, of Brunswick Corporation, announcing its first quarter 2013 earnings. |
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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**BRUNSWICK CORPORATION**

Dated: April 25, 2013

By: /s/ ALAN L. LOWE  
Alan L. Lowe  
Vice President and Controller

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**EXHIBIT INDEX:**

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|--------------------|---|
| 99.1               | News Release, dated April 25, 2013, of Brunswick Corporation, announcing its first quarter 2013 earnings. |



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Release: IMMEDIATE  
Contact: Bruce Byots  
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**Brunswick Reports First Quarter Results**  
**Solid Revenue Growth and Improved Operating and Net Earnings**  
**2013 Guidance: EPS from Continuing Operations, as Adjusted, Increased to \$2.30 to \$2.50**

**LAKE FOREST, Ill., April 25, 2013** -- Brunswick Corporation (NYSE: BC) today reported results for the first quarter of 2013:

- Net sales increased four percent versus first quarter 2012.
- Gross margin was 150 basis points higher versus prior year.
- Adjusted operating earnings increased 26 percent from first quarter 2012. On a GAAP basis, operating earnings up 19 percent.
- Diluted earnings per common share from continuing operations, as adjusted, of \$0.76; a \$0.24 increase versus the same period of 2012. On a GAAP basis, \$0.59 per diluted share, an \$0.08 increase from prior year.

"Our first quarter results reflected solid top-line growth combined with excellent improvements in operating and net earnings," said Brunswick Chairman and Chief Executive Officer Dustan E. McCoy. "Revenue growth in the quarter was led by U.S. outboard marine products, marine parts and accessories and fitness equipment, partially offset by declines in fiberglass sterndrive/inboard products and in our bowling businesses.

"Our first quarter gross margin of 26.3 percent reflected an increase of 150 basis points from the prior year, with the majority of the increase coming from the Marine Engine segment. Operating expenses increased by 2 percent, due to higher research and development and SG&A expenses

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primarily associated with company-wide investments in growth initiatives, partially offset by a gain on the sale of real estate. Lower net interest expense and a reduced effective tax rate (excluding the impact of restructuring charges and special tax items) during the quarter contributed to our higher diluted earnings per common share, as adjusted," McCoy said.

On Jan. 3, 2013, the Company announced its intention to exit its Hatteras and CABO boat businesses. As a result, these businesses are reported as discontinued operations for all periods presented in this release and all figures reflect continuing operations only, unless otherwise noted.

A reconciliation of GAAP to non-GAAP financial measures is provided in the supplemental information sections of the consolidated financial statements accompanying this release.

#### **First Quarter Results**

For the first quarter of 2013, the Company reported net sales of \$995.3 million, up from \$959.6 million a year earlier. For the quarter, the Company reported operating earnings of \$89.9 million, which included \$5.6 million of restructuring, exit and impairment charges. In the first quarter of 2012, the Company had operating earnings of \$75.3 million, which included \$0.2 million of restructuring, exit and impairment charges.

For the first quarter of 2013, Brunswick reported net earnings from continuing operations of \$54.9 million, or \$0.59 per diluted share, compared with net earnings from continuing operations of \$47.0 million, or \$0.51 per diluted share, for the first quarter of 2012. The diluted earnings per share for the first quarter of 2013 included \$0.05 per diluted share of restructuring, exit and impairment charges and a \$0.12 per diluted share charge from special tax items. The diluted earnings per share for the first quarter of 2012 included a \$0.01 per diluted share charge from special tax items.

#### **Review of Cash Flow and Balance Sheet**

Cash and marketable securities totaled \$305.2 million at the end of the first quarter, down \$123.5 million from year-end 2012 levels. This decrease primarily reflects net cash used for operating activities, including discontinued operations, of \$108.2 million. Net cash used for operating activities was affected by changes in working capital during the quarter. These changes in working capital were largely the result of increases in accounts and notes receivable

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and inventory to support the seasonal requirements of our marine customers, and decreases in accrued expenses, partially offset by increases in accounts payable.

Net debt (defined as total debt, less cash and marketable securities) at the end of the first quarter was \$264.5 million, an increase of \$121.4 million from year-end 2012 levels. The increase in net debt primarily reflects the seasonal decrease in total cash and marketable securities.

#### **Marine Engine Segment**

The Marine Engine segment, consisting of the Mercury Marine Group, including the marine parts and accessories businesses, reported net sales of \$521.8 million in the first quarter of 2013, up 7 percent from \$489.4 million in the first quarter of 2012. International sales, which represented 36 percent of total segment sales in the quarter, were flat compared to the prior year. For the quarter, the Marine Engine segment reported operating earnings of \$71.5 million. This compares with operating earnings of \$47.9 million in the first quarter of 2012, which included \$1.7 million of restructuring charges.

Sales were higher in the segment's outboard and parts and accessories businesses, partially offset by global sales declines in the segment's sterndrive engine product category.

Higher sales, the absence of prior year inefficiencies that resulted from sterndrive production ramp-up related to the completion of plant consolidation activities, a gain on a sale of real estate, and a decrease in restructuring charges contributed to the increase in operating earnings in the first quarter of 2013. Partially offsetting these factors was the effect of increased investments for long-term growth.

#### **Boat Segment**

The Boat segment is comprised of the Brunswick Boat Group, and includes 15 boat brands. The Boat segment reported net sales of \$289.7 million for the first quarter of 2013, a decrease of one percent compared with \$291.8 million in the first quarter of 2012. International sales, which represented 34 percent of total segment sales in the quarter, decreased by 13 percent during the period. For the first quarter of 2013, the Boat segment reported operating earnings of \$2.4 million, including restructuring charges of \$4.9 million. This compares with operating earnings of \$10.5 million in the first quarter of 2012, including a gain of \$1.5 million from restructuring activities.

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Boat segment wholesale unit shipments increased slightly during the quarter, compared with the first quarter of 2012, as increases in outboard aluminum boats were mostly offset by lower sales of fiberglass sterndrive/inboard boats. The resulting impact on margins from this change in sales mix, along with higher restructuring, exit and impairment charges and investments for long-term growth, had a negative effect on the segment's quarterly results. Partially offsetting these factors were the benefits from successful cost reduction activities.

#### **Fitness Segment**

The Fitness segment is comprised of the Life Fitness Division, which designs, manufactures, and sells Life Fitness and Hammer Strength fitness equipment. Fitness segment sales in the first quarter of 2013 totaled \$166.2 million, up 6 percent from \$157.1 million in the first quarter of 2012. International sales, which represented 50 percent of total segment sales in the quarter, increased by 11 percent. For the quarter, the Fitness segment reported operating earnings of \$24.5 million. This compares with operating earnings of \$23.7 million in the first quarter of 2012.

The increase in sales reflected gains in international markets and growth to U.S. health club customers. Operating earnings increased by 3 percent in the first quarter of 2013, when compared with 2012, as a result of higher sales combined with a favorable insurance settlement, partially offset by investments in growth initiatives.

#### **Bowling & Billiards Segment**

The Bowling & Billiards segment is comprised of Brunswick retail bowling centers, bowling equipment and products, and billiards tables and accessories. Segment sales in the first quarter of 2013 totaled \$85.2 million, down 5 percent compared with \$89.9 million in the year-ago quarter. International sales, which represented 19 percent of total segment sales in the quarter, decreased by 4 percent. For the quarter, the segment reported operating earnings of \$14.9 million, compared with operating earnings of \$14.4 million in the first quarter of 2012.

Sales decreased in the quarter as a result of lower bowling products sales and a reduced retail center count. Partially offsetting the decline was an increase in U.S. equivalent retail center sales. The increase in operating earnings in the first quarter of 2013, when compared with 2012, reflects improved operating efficiencies, partially offset by lower sales in bowling products.

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**2013 Outlook**

"As a result of our solid performance in the first quarter and a more favorable anticipated tax rate, we are increasing our 2013 diluted earnings per share from continuing operations, as adjusted, expectation to a range of \$2.30 to \$2.50 per diluted share," McCoy said.

"Although very early in the selling season, first quarter U.S. marine retail demand was below our expectations as a result of weather conditions in important boating markets and perhaps other economic factors. Our operating plans for the remainder of the year remain consistent with the planning assumptions we communicated at the outset of the year, which reflected global economic conditions generally comparable to 2012, with weakness continuing in Europe.

"We expect to continue to experience an uneven recovery in the U.S. powerboat market, with our outboard boat and engine products and global parts and accessories businesses generating solid growth. Our assumptions continue to reflect weak market conditions challenging the large fiberglass boat category, which will affect both fiberglass boat and sterndrive engine sales and production.

"Positive health and wellness trends, combined with exciting new products, have positioned our fitness business to deliver excellent results again in 2013, and our bowling business should further leverage its competitive advantages with improving top- line performance expected in the second half of the year.

"Against this backdrop, we continue to target 3 percent to 5 percent growth in overall revenue in 2013. Our current plan reflects a modest improvement in gross margin levels, as the strong increase experienced in the first quarter is expected to moderate over the remainder of the year. Our organic growth platform will benefit from increased 2013 investments in capital projects and research and development programs, along with the SG&A to support them. As a result of these initiatives, full-year operating expenses, as a percentage of sales, are expected to be comparable to 2012 levels.

"For the full-year, we expect to generate positive free cash flow and execute against our ongoing strategic financial objective of further lowering debt levels, thereby reducing interest expense," McCoy concluded.

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**Conference Call Scheduled**

Brunswick will host a conference call today at 10 a.m. CDT, hosted by Dustan E. McCoy, chairman and chief executive officer, William L. Metzger, senior vice president and chief financial officer, and Bruce J. Byots, vice president - corporate and investor relations.

The call will be broadcast over the Internet at [www.brunswick.com](http://www.brunswick.com). To listen to the call, go to the website at least 15 minutes before the call to register, download and install any needed audio software.

**See Brunswick's Website for slides used to supplement conference call remarks at [www.brunswick.com/investors/investorinformation/events-presentations.php](http://www.brunswick.com/investors/investorinformation/events-presentations.php)**

Security analysts and investors wishing to participate via telephone should call (877) 474-9502 (passcode: Brunswick Q1). Callers outside of North America should call (857) 244-7555 (passcode: Brunswick Q1) to be connected. These numbers can be accessed 15 minutes before the call begins, as well as during the call. A replay of the conference call will be available through midnight CDT Thursday, May 2, 2013, by calling (888) 286-8010 or international dial (617) 801-6888 (passcode: 90102614). The replay will also be available at [www.brunswick.com](http://www.brunswick.com).

**Forward-Looking Statements**

Certain statements in this news release are forward-looking as defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on current expectations, estimates and projections about Brunswick's business. These 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 news release. These risks include, but are not limited to: the effect of adverse general economic conditions, including the amount of disposable income available to consumers for discretionary purchases, tight consumer credit markets, and the level of consumer confidence on the demand for marine, fitness, billiards and bowling equipment, products and services; the ability of dealers and customers to secure adequate access to financing and the Company's ability to access capital and credit markets; the ability to maintain strong relationships with dealers, distributors and independent boat builders; the ability to maintain effective distribution and develop alternative distribution channels without disrupting incumbent distribution partners; the ability to successfully manage pipeline inventories and respond to any excess supply of repossessed and aged boats in the market; credit and collections risks, including the potential obligation to repurchase dealer inventory; the risk of losing a key account or a critical supplier; the strength and protection of the Company's brands and other intellectual property; the ability to spread fixed costs while establishing a smaller manufacturing footprint; the ability to successfully complete restructuring efforts in accordance with projected timeframes and costs; the ability to obtain components, parts and raw materials from suppliers in a timely manner and for a reasonable price; the need to meet pension funding

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obligations; the effect of higher energy and logistics costs, interest rates and fuel prices on the Company's results; competitive pricing pressures, including the impact of inflation and increased competition from Asian competitors; the ability to develop new and innovative products in response to changing retail demands and expectations that are differentiated for the global marketplace at a competitive price and in compliance with applicable laws; the effect of competition from other leisure pursuits on the level of participation in boating, fitness, bowling and billiards activities; the risk of product liability, warranty and other claims in connection with the manufacture and sale of products; the ability to respond to and minimize the negative financial impact of legislative and regulatory developments, including those related to environmental restrictions, climate change, healthcare costs, taxes and employee benefits; the ability to maintain market share, particularly in high-margin products; fluctuations in the Company's stock price due to external factors; the ability to maintain product quality and service standards expected by customers; the ability to increase manufacturing operations and meet production targets within time and budgets allowed; negative currency trends, including shifts in exchange rates; competition from new technologies; the ability to complete environmental remediation efforts and resolve claims and litigation at the cost estimated; the uncertainty and risks of doing business in international locations, including international political instability, civil unrest and other risks associated with operations in emerging markets; the risk of having to record an impairment to the value of goodwill and other assets; the effect that catastrophic events may have on consumer demand and the ability to manufacture products, including hurricanes, floods, earthquakes, and environmental spills; the effect of weather conditions on demand for marine products and retail bowling center revenues; the risk of losing individuals who are key contributors to the organization; and risks associated with the Company's information technology systems, including the continued use of legacy systems and the risk of a failure of or attacks on the Company's information systems, which could result in data security breaches, lost or stolen assets or information, and associated remediation costs.

Additional risk factors are included in the Company's Annual Report on Form 10-K for 2012. Such forward-looking statements speak only as of the date on which they are made and Brunswick does not undertake any obligation to update any forward-looking statements to reflect events or circumstances after the date of this news release, or for changes made to this document by wire services or Internet service providers.

#### **About Brunswick**

Headquartered in Lake Forest, Ill., Brunswick Corporation endeavors to instill "Genuine Ingenuity"(TM) in all its leading consumer brands, including Mercury and Mariner outboard engines; Mercury MerCruiser sterndrives and inboard engines; MotorGuide trolling motors; Attwood marine parts and accessories; Land 'N' Sea, Kellogg Marine, and Diversified Marine parts and accessories distributors; Bayliner, Boston Whaler, Brunswick Commercial and Government Products, Crestliner, Cypress Cay, Harris FloteBote, Lowe, Lund, Meridian, Princecraft, Quicksilver, Rayglass, Sea Ray, Uttern and Valiant boats; Life Fitness and Hammer Strength fitness equipment; Brunswick bowling centers, equipment and consumer products; Brunswick billiards tables and foosball tables. For more information, visit <http://www.brunswick.com>.

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**Brunswick Corporation**  
**Comparative Condensed Consolidated Statements of Operations**  
(in millions, except per share data)  
(unaudited)

|  | Three Months Ended |                   |              |
|--|--------------------|-------------------|--------------|
|  | March 30,<br>2013  | March 31,<br>2012 | % Change     |
| <b>Net sales</b>   | <b>\$ 995.3</b>    | <b>\$ 959.6</b>   | <b>4 %</b>   |
| Cost of sales  | 733.4              | 721.4             | 2 %          |
| Selling, general and administrative expense  | 139.1              | 138.6             | 0 %          |
| Research and development expense   | 27.3               | 24.1              | 13 %         |
| Restructuring, exit and impairment charges   | 5.6                | 0.2               | NM           |
| <b>Operating earnings</b>  | <b>89.9</b>        | <b>75.3</b>       | <b>19 %</b>  |
| Equity loss  | (1.2)              | (1.2)             | 0 %          |
| Other income, net  | 2.2                | 0.9               | NM           |
| <b>Earnings before interest, loss on early extinguishment of debt and income taxes</b> | <b>90.9</b>        | <b>75.0</b>       | <b>21 %</b>  |
| Interest expense   | (14.4)             | (18.1)            | -20 %        |
| Interest income  | 0.4                | 1.0               | -60 %        |
| Loss on early extinguishment of debt   | (0.1)              | —                 | NM           |
| <b>Earnings before income taxes</b>  | <b>76.8</b>        | <b>57.9</b>       | <b>33 %</b>  |
| Income tax provision   | 21.9               | 10.9              |              |
| <b>Earnings from continuing operations</b>   | <b>54.9</b>        | <b>47.0</b>       | <b>17 %</b>  |
| <b>Net loss from discontinued operations, net of tax</b>                               | <b>(5.1)</b>       | <b>(7.3)</b>      | <b>-30 %</b> |
| <b>Net earnings</b>  | <b>\$ 49.8</b>     | <b>\$ 39.7</b>    | <b>25 %</b>  |
| <b>Earnings (loss) per common share:</b>   |                    |                   |              |
| Basic  |                    |                   |              |
| Earnings from continuing operations  | \$ 0.61            | \$ 0.52           |              |
| Loss from discontinued operations  | (0.06)             | (0.08)            |              |
| <b>Net earnings</b>  | <b>\$ 0.55</b>     | <b>\$ 0.44</b>    | <b>25 %</b>  |
| Diluted  |                    |                   |              |
| Earnings from continuing operations  | \$ 0.59            | \$ 0.51           |              |
| Loss from discontinued operations  | (0.06)             | (0.08)            |              |
| <b>Net earnings</b>  | <b>\$ 0.53</b>     | <b>\$ 0.43</b>    | <b>23 %</b>  |
| <b>Weighted average shares used for computation of:</b>                                |                    |                   |              |
| Basic earnings (loss) per common share   | 90.6               | 89.5              |              |
| Diluted earnings (loss) per common share   | 93.5               | 92.3              |              |
| <b>Effective tax rate from continuing operations</b>                                   | <b>28.5 %</b>      | <b>18.8 %</b>     |              |
| <b>Supplemental Information</b>  |                    |                   |              |
| <b>Continuing Operations:</b>  |                    |                   |              |
| Operating earnings   | \$ 89.9            | \$ 75.3           | 19 %         |
| Restructuring, exit and impairment charges   | 5.6                | 0.2               | NM           |
| <b>Adjusted operating earnings</b>   | <b>\$ 95.5</b>     | <b>\$ 75.5</b>    | <b>26 %</b>  |
| <b>Earnings per common share:</b>  |                    |                   |              |
| Diluted earnings from continuing operations  | \$ 0.59            | \$ 0.51           |              |
| Restructuring, exit and impairment charges from continuing operations <sup>(1)</sup>   | 0.05               | 0.00              |              |
| Special tax items  | 0.12               | 0.01              |              |
| <b>Diluted earnings from continuing operations, as adjusted</b>                        | <b>\$ 0.76</b>     | <b>\$ 0.52</b>    | <b>46 %</b>  |

NM = not meaningful

(1) The 2013 Restructuring, exit and impairment charges include a tax benefit, while the 2012 Restructuring, exit and impairment charges assume no tax benefit.

**Brunswick Corporation**  
**Selected Financial Information**  
(in millions)  
(unaudited)

**Segment Information - Continuing Operations**

|                                    | Three Months Ended |                   |          |  |                   |          |                   |                   |  |
|------------------------------------|--------------------|-------------------|----------|--|-------------------|----------|-------------------|-------------------|--|
|                                    | Net Sales          |                   |          | Operating Earnings (Loss) <sup>(1)</sup> |                   |          | Operating Margin  |                   |  |
|                                    | March 30,<br>2013  | March 31,<br>2012 | % Change | March 30,<br>2013                        | March 31,<br>2012 | % Change | March 30,<br>2013 | March 31,<br>2012 |  |
| <b>Marine Engine</b>               | \$ 521.8           | \$ 489.4          | 7 %      | \$ 71.5                                  | \$ 47.9           | 49 %     | 13.7%             | 9.8%              |  |
| <b>Boat</b>                        | 289.7              | 291.8             | -1 %     | 2.4                                      | 10.5              | -77 %    | 0.8%              | 3.6%              |  |
| <b>Marine eliminations</b>         | (67.6)             | (68.6)            | -1 %     | —  | —                 |          |                   |                   |  |
| <b>Total Marine</b>                | 743.9              | 712.6             | 4 %      | 73.9                                     | 58.4              | 27 %     | 9.9%              | 8.2%              |  |
| <b>Fitness</b>                     | 166.2              | 157.1             | 6 %      | 24.5                                     | 23.7              | 3 %      | 14.7%             | 15.1%             |  |
| <b>Bowling &amp; Billiards</b>     | 85.2               | 89.9              | -5 %     | 14.9                                     | 14.4              | 3 %      | 17.5%             | 16.0%             |  |
| <b>Pension - non-service costs</b> | —                  | —                 | NM       | (4.9)                                    | (5.7)             | -14 %    |                   |                   |  |
| <b>Corp/Other</b>                  | —                  | —                 | NM       | (18.5)                                   | (15.5)            | 19 %     |                   |                   |  |
| <b>Total</b>                       | \$ 995.3           | \$ 959.6          | 4 %      | \$ 89.9                                  | \$ 75.3           | 19 %     | 9.0%              | 7.8%              |  |

NM = not meaningful

(1) Operating earnings (loss) in the first quarter of 2013 includes \$5.6 million of pretax restructuring, exit and impairment charges. The \$5.6 million charge consists of \$4.9 million in the Boat segment and \$0.7 million in Corp/Other. Operating earnings (loss) in the first quarter of 2012 includes \$0.2 million of pretax restructuring, exit and impairment charges (gains). The \$0.2 million charge consists of \$1.7 million in the Marine Engine segment and \$(1.5) million gain in the Boat segment.

**Brunswick Corporation**  
**Comparative Condensed Consolidated Balance Sheets**  
(in millions)

|  | March 30,<br>2013<br>(unaudited) | December 31,<br>2012 | March 31,<br>2012<br>(unaudited) |
|--|----------------------------------|----------------------|----------------------------------|
| <b>Assets</b>  |                                  |                      |                                  |
| <b>Current assets</b>  |                                  |                      |                                  |
| Cash and cash equivalents  | \$ 242.0                         | \$ 284.3             | \$ 307.1                         |
| Short-term investments in marketable securities                                  | 34.7                             | 92.3                 | 63.9                             |
| Total cash, cash equivalents and short-term investments in marketable securities | 276.7                            | 376.6                | 371.0                            |
| Restricted cash  | 13.0                             | 13.0                 | 20.0                             |
| Accounts and notes receivable, net   | 471.7                            | 349.2                | 440.8                            |
| Inventories  |                                  |                      |                                  |
| Finished goods   | 369.2                            | 363.3                | 298.0                            |
| Work-in-process  | 160.4                            | 142.4                | 145.2                            |
| Raw materials  | 75.2                             | 70.1                 | 79.1                             |
| Net inventories  | 604.8                            | 575.8                | 522.3                            |
| Deferred income taxes  | 18.7                             | 18.8                 | 15.0                             |
| Prepaid expenses and other   | 26.5                             | 26.7                 | 24.0                             |
| Current assets held for sale   | —                                | —                    | 49.8                             |
| <b>Current assets</b>  | <b>1,411.4</b>                   | <b>1,360.1</b>       | <b>1,442.9</b>                   |
| <b>Net property</b>  | <b>578.1</b>                     | <b>581.4</b>         | <b>560.2</b>                     |
| <b>Other assets</b>  |                                  |                      |                                  |
| Goodwill   | 290.5                            | 291.7                | 291.2                            |
| Other intangibles, net   | 37.4                             | 38.1                 | 42.5                             |
| Long-term investments in marketable securities                                   | 28.5                             | 52.1                 | 55.9                             |
| Equity investments   | 42.9                             | 42.4                 | 46.9                             |
| Other long-term assets   | 55.3                             | 58.4                 | 67.4                             |
| Long-term assets held for sale   | —                                | —                    | 25.0                             |
| <b>Other assets</b>  | <b>454.6</b>                     | <b>482.7</b>         | <b>528.9</b>                     |
| <b>Total assets</b>  | <b>\$ 2,444.1</b>                | <b>\$ 2,424.2</b>    | <b>\$ 2,532.0</b>                |
| <b>Liabilities and shareholders' equity</b>                                      |                                  |                      |                                  |
| <b>Current liabilities</b>   |                                  |                      |                                  |
| Short-term debt  | \$ 6.8                           | \$ 8.2               | \$ 7.3                           |
| Accounts payable   | 376.9                            | 334.4                | 332.7                            |
| Accrued expenses   | 506.6                            | 576.2                | 529.7                            |
| Current liabilities held for sale  | 10.4                             | 18.4                 | 21.2                             |
| <b>Current liabilities</b>   | <b>900.7</b>                     | <b>937.2</b>         | <b>890.9</b>                     |
| <b>Long-term debt</b>  | <b>562.9</b>                     | <b>563.6</b>         | <b>688.7</b>                     |
| <b>Other long-term liabilities</b>   | <b>846.9</b>                     | <b>842.8</b>         | <b>866.9</b>                     |
| <b>Long-term liabilities held for sale</b>                                       | <b>3.0</b>                       | <b>2.9</b>           | <b>3.1</b>                       |
| <b>Shareholders' equity</b>  | <b>130.6</b>                     | <b>77.7</b>          | <b>82.4</b>                      |
| <b>Total liabilities and shareholders' equity</b>                                | <b>\$ 2,444.1</b>                | <b>\$ 2,424.2</b>    | <b>\$ 2,532.0</b>                |
| <b>Supplemental Information</b>  |                                  |                      |                                  |
| Debt-to-capitalization rate  | 81.4%                            | 88.0%                | 89.4%                            |
| Cash and cash equivalents  | \$ 242.0                         | \$ 284.3             | \$ 307.1                         |
| Short-term investments in marketable securities                                  | 34.7                             | 92.3                 | 63.9                             |
| Long-term investments in marketable securities                                   | 28.5                             | 52.1                 | 55.9                             |
| Total cash and marketable securities   | \$ 305.2                         | \$ 428.7             | \$ 426.9                         |

**Brunswick Corporation**  
**Comparative Condensed Consolidated Statements of Cash Flows**  
(in millions)  
(unaudited)

|  | Three Months Ended |                   |
|--|--------------------|-------------------|
|  | March 30,<br>2013  | March 31,<br>2012 |
| <b>Cash flows from operating activities</b>  |                    |                   |
| Net earnings from continuing operations  | \$ 54.9            | \$ 47.0           |
| Depreciation and amortization  | 21.6               | 22.7              |
| Pension expense, net of funding  | 4.0                | 5.3               |
| Gains on sale of property, plant and equipment, net                                  | (5.3)              | (1.5)             |
| Other long-lived asset impairment charges (gains)                                    | 2.3                | (1.3)             |
| Deferred income taxes  | 2.1                | 2.8               |
| Loss on early extinguishment of debt   | 0.1                | —                 |
| Changes in certain current assets and current liabilities                            | (175.9)            | (148.4)           |
| Income taxes   | 10.8               | 3.4               |
| Other, net   | (8.4)              | 8.3               |
| <b>Net cash used for operating activities of continuing operations</b>               | <b>(93.8)</b>      | <b>(61.7)</b>     |
| <b>Net cash used for operating activities of discontinued operations</b>             | <b>(14.4)</b>      | <b>(8.0)</b>      |
| <b>Net cash used for operating activities</b>  | <b>(108.2)</b>     | <b>(69.7)</b>     |
| <b>Cash flows from investing activities</b>  |                    |                   |
| Capital expenditures   | (21.2)             | (16.7)            |
| Purchases of marketable securities   | —                  | (60.5)            |
| Sales or maturities of marketable securities   | 80.6               | 109.5             |
| Investments  | (2.3)              | (0.7)             |
| Proceeds from the sale of property, plant and equipment                              | 6.1                | 9.0               |
| <b>Net cash provided by investing activities of continuing operations</b>            | <b>63.2</b>        | <b>40.6</b>       |
| <b>Net cash used for investing activities of discontinued operations</b>             | <b>—</b>           | <b>(0.8)</b>      |
| <b>Net cash provided by investing activities</b>                                     | <b>63.2</b>        | <b>39.8</b>       |
| <b>Cash flows from financing activities</b>  |                    |                   |
| Net (payments) issuances of short-term debt  | (0.8)              | 0.3               |
| Payments of long-term debt including current maturities                              | (1.4)              | (1.7)             |
| Net premium paid on early extinguishment of debt                                     | (0.1)              | —                 |
| Net proceeds from stock compensation activity, including excess tax benefits         | 5.0                | 0.2               |
| <b>Net cash provided by (used for) financing activities of continuing operations</b> | <b>2.7</b>         | <b>(1.2)</b>      |
| <b>Net cash provided by financing activities of discontinued operations</b>          | <b>—</b>           | <b>—</b>          |
| <b>Net cash provided by (used for) financing activities</b>                          | <b>2.7</b>         | <b>(1.2)</b>      |
| <b>Net decrease in cash and cash equivalents</b>                                     | <b>(42.3)</b>      | <b>(31.1)</b>     |
| <b>Cash and cash equivalents at beginning of period</b>                              | <b>284.3</b>       | <b>338.2</b>      |
| <b>Cash and cash equivalents at end of period</b>                                    | <b>\$ 242.0</b>    | <b>\$ 307.1</b>   |
| <b>Supplemental Information</b>  |                    |                   |
| <b>Free Cash Flow</b>  |                    |                   |
| <b>Net cash used for operating activities of continuing operations</b>               | <b>\$ (93.8)</b>   | <b>\$ (61.7)</b>  |
| <b>Net cash provided by (used for):</b>  |                    |                   |
| Capital expenditures   | (21.2)             | (16.7)            |
| Proceeds from the sale of property, plant and equipment                              | 6.1                | 9.0               |
| <b>Total free cash flow</b>  | <b>\$ (108.9)</b>  | <b>\$ (69.4)</b>  |