



March 27, 2014

DEAR FELLOW SHAREHOLDERS:

At Brunswick Corporation, we are happy to report our fourth consecutive year of strong improvements in earnings during 2013. Operating earnings, pretax earnings and diluted earnings per common share, all on an as adjusted basis, increased by 12 percent, 27 percent, and 31 percent, respectively, for the year. Net sales increased by 5 percent to \$3,887.5 million.

Our 2013 gross margin of 26.1 percent reflected an increase of 70 basis points from the prior year and represented the highest annual level achieved since 2000. Operating expenses increased by 5 percent, due to higher investment spending on growth-related strategic initiatives. Reductions in net interest expense, resulting from our successful debt reduction strategy, and a lower effective tax rate (excluding the impact of restructuring charges, losses on early extinguishment of debt, reversal of deferred tax valuation allowance reserves and special tax items) also contributed to our higher diluted earnings per common share, as adjusted.

We believe these outstanding results are the product of strong execution of our business strategy by our 16,000 global employees. In addition to producing excellent 2013 results, we also continued to create a solid platform for continued improvement in future financial results.

Our accomplishments were many and evident across all segments of our business at Brunswick. At Mercury Marine, new products and improved quality contributed to share gains in most major markets and product categories. We made outstanding progress in our outboard engine business. Mercury's award-winning 150hp FourStroke engine has been extraordinarily successful and has set the standard for new engine systems under development. In our parts and accessories businesses, Attwood and Land 'N' Sea achieved record sales for the year, reflecting new product launches and market share gains. Mercury Marine also continued its multi-year plan to invest in its Fond du Lac, Wisconsin campus to increase both outboard manufacturing capacity and its research and development capabilities.

The Brunswick Boat Group also continued to invest for the future, as product development and innovation remained in the forefront as evidenced by Innovation Award wins at the 2013 Miami Boat Show for the Sea Ray 370 Venture, Whaler 230 Vantage and Harris 250 Crowne. The 370 Venture was also named Boating Magazine's Boat of the Year. Harris FloteBote and Cypress Cay, both manufactured at our new Fort Wayne facility opened in 2013, were the industry's fastest growing pontoon brands at retail. Meanwhile, Boston Whaler and Lund, a leader in fish boats, also registered outstanding results, significantly growing sales and earnings.

Our recreation businesses, Life Fitness and Brunswick Bowling & Billiards, also turned in solid performances for the year. Again, its ability to innovate and produce a steady stream of new products that resonate and excite the fitness equipment marketplace, both commercial and for the home, played a key role in Life Fitness' success. For example, the extension of the Synrgy360 line, the popular multi-purpose training system, offered more scalable solutions for both large and small facilities. Life Fitness' Track+ Console, introduced in 2013, is compatible with devices using Apple or Android operating systems, and allows users to customize and track their workouts using popular fitness apps. As the technology frontrunner in the fitness equipment industry, Life Fitness' goal is to enhance the workout experience by giving exercisers a more customizable, enjoyable experience by incorporating the use of personal mobile devices with its machines.

Meanwhile, Brunswick Bowling & Billiards launched an exciting new retail bowling concept with three *Brunswick's* pilot locations. On the Products side of the bowling business, Brunswick continued to innovate and develop several new products, and after several difficult years, our Billiards business in 2013 grew net sales for the first time since 2007.

In addition to these accomplishments by our operating segments, Brunswick strengthened its balance sheet during 2013. Our debt outstanding, which at the end of 2013 was \$460 million, represented a reduction of \$112 million versus year-end 2012. This ending balance is our lowest debt level since 1996. In December, Brunswick increased its dividend to shareholders from \$0.05, which had been paid annually, to a quarterly dividend on its common stock of \$0.10 per share. With this action, Brunswick returns to paying its dividend quarterly, having paid an annual dividend since 2002. Increasing the amount of the dividend reflects the confidence we have in our business strategy and our demonstrated ability to execute against that strategy.

That strategy was the basis for the three-year outlook from 2014 through 2016, which was shared with the financial community and others during an investor event in November in New York City. During this event, the management team described a plan that targets revenue to grow at a compound annual rate of 5 to 7 percent, while producing operating margins at the end of the period of between 10 to 11 percent and earnings per share in the range of \$3.00 to \$3.40 in 2016.

In 2014, we are initially targeting 5 percent to 7 percent sales growth. This improvement in our top-line growth rate is, in part, the result of our increasing investment in capital projects, process improvements and new product introductions which will enable product and innovation leadership in all our segments.

Our 2014 targets and plans are based on global economic conditions that are generally comparable to 2013. As a result, we expect to benefit from the continuation of the modest recovery in the global marine market, with solid growth in outboard boat and engine products, as well as in the global parts and accessories marketplace. In the fiberglass sterndrive/inboard boat category, which also affects sterndrive/inboard engine production, we are currently planning for a modestly declining market, with stability in large boats.

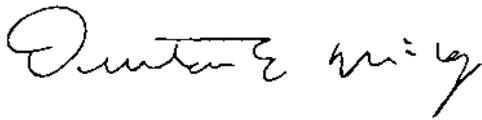
Further, we believe that our Fitness segment should continue to benefit from favorable health and fitness trends, as well as solid growth rates in global health club and hospitality businesses. These market conditions, combined with exciting new products, have positioned our Fitness business to continue to deliver excellent results and support our increased level of investment spending. We expect our bowling businesses should perform well in a stable market and will focus our efforts on providing new and innovative concepts and products to consumers and retail center operators.

Against the backdrop of our revenue targets, our plan reflects solid improvement in gross margin levels. As a result of our commitment to growth, we estimated that our operating expenses will continue to increase in 2014, but are expected to be at slightly lower levels than 2013 on a percentage of sales basis.

For the full-year 2014, we expect to generate positive free cash flow in the range of \$150 million to \$175 million, in spite of increasing levels of investment spending. Also, due to our strong free cash flow, combined with the debt reduction already achieved, 2014 net interest expense should be lower than 2013 by approximately \$10 million to \$12 million. As projected, our effective book tax rate will increase to an estimated 34 percent in 2014. Including the effects of this significant increase in the effective book tax rate, 2014 diluted earnings per common share, as adjusted, are estimated to be in the range of \$2.40 to \$2.55. Our initial outlook reflects another year of strong growth in adjusted operating earnings, as well as adjusted pretax earnings growth of 24 percent to 30 percent.

In closing, let me thank you again for your trust and support of Brunswick Corporation. As stewards of a successful and vibrant enterprise with a legacy reaching back to 1845, we look forward with excitement to the opportunities ahead, confident that we have the resources, people and energy to fulfill our aspirations.

Sincerely,

A handwritten signature in black ink, appearing to read "Dustan E. McCoy". The signature is written in a cursive style with a large initial "D" and a long horizontal stroke.

Dustan E. McCoy
Chairman and Chief Executive Officer
Brunswick Corporation