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BRUNSWICK

Brunswick Buys North Carolina Boat Plant to Boost Capacity for Large Boats

LAKE FOREST, Ill., July 2 /PRNewswire-FirstCall/ -- Brunswick Corporation (NYSE: BC) today announced it will expand its manufacturing presence in North Carolina with the purchase of a boat manufacturing facility in Navassa, N.C., near Wilmington, from KCS International, Inc. Terms of the transaction were not disclosed.

The Navassa site will offer Brunswick additional and needed capacity to build larger boats -- a growing market segment -- as well as the ability to manufacture several brands of cruisers at the facility, increasing production flexibility, productivity and efficiency. In a related action, Brunswick will close its Salisbury, Md., plant and transfer cruiser production to the new North Carolina facility.

"The market segment for boats 45 feet and above is growing, and we are stretched for capacity," explained Dustan E. McCoy, Brunswick's chairman and chief executive officer. "The Navassa facility, with its ample space and deep water access, will help Brunswick meet this demand, particularly for our popular Meridian Yachts, which is one of the brands we intend to produce at this facility. We will also transfer Salisbury production of Bayliner and Maxum cruisers to this plant, where we will have the ability to more easily adjust model production to demand by more efficiently utilizing common manufacturing capabilities."

"We are pleased to be expanding Brunswick's presence in North Carolina, where we already have several manufacturing facilities," McCoy continued. "With its maritime heritage, skilled marine work force and hospitable business climate, our partnership and presence in North Carolina are highly valued by Brunswick."

Located at the juncture of the Brunswick and Cape Fear rivers, the plant offers deep water access -- important for testing and efficient delivery of large boats -- and more than 336,000 square feet of existing production space. The site's 60 acres also offer room for further expansion, McCoy noted.

"We hope to retain the current Navassa work force of approximately 250, and plan to add employment as we ramp up production," McCoy said. "Within five years, we anticipate that Brunswick will employ more than 850 people at the Navassa facility, and the total retail value of the plant's anticipated annual production will be among the highest of any boat plant in the world."

Transfer of cruiser production

Initially, Brunswick will produce Bayliner and Maxum cruisers at the Navassa site, which will improve efficiencies and reduce costs. It will also offer better geographic balance for Bayliner cruisers, now made largely on the West Coast.

"We also will transfer cruiser production from our Salisbury, Md., plant to Navassa, which will precipitate the closing of the Salisbury manufacturing facility," McCoy said. "Unfortunately,

this move will eventually eliminate 180 production and support positions in a phased shutdown at Salisbury, expected to be completed in 2008."

"While we regret having to take this action in Salisbury, we recognize the need for more efficient and cost effective manufacturing," McCoy said. "This decision is no reflection upon the Salisbury work force or product, but the result of our need to better serve our markets with a more efficient manufacturing footprint, while building long-term value for our shareholders."

Larger Meridian Yachts Planned

"Part of building that value means pursuing market opportunities, and we plan to put this additional manufacturing capacity to good use by expanding production of our popular Meridian brand of yachts," McCoy said. "Currently, Meridian is produced exclusively at our plant in Arlington, Wash., and we are at capacity. We will use the Navassa plant to increase capacity, manufacture larger models we plan to introduce, and better balance our production geographically by making some boats closer to our dealers in the East and Midwest."

"We are particularly excited because Navassa will provide the manufacturing space to allow us to build larger Meridian sedan bridge and pilothouse models in the 48- to 65-foot range," McCoy said. "Since its introduction in 2002, Meridian has developed a loyal following. We want to retain those customers, offer them choices as their boating needs change and also attract others to the boating lifestyle. Combined with our Arlington facility, which will see little change in its production volume, our Navassa plant will help us to grow Meridian and better serve the large boat market segment."

Financial Effect

The company said that severance and other costs associated with the Salisbury plant closure, as well as start-up expenses and product development costs for new boat models to be manufactured in the facility in North Carolina, will reduce operating earnings by approximately \$11 million over the next 12 months. Approximately half of the costs will come through in the second half of 2007 with the remainder in the first half of 2008.

Forward-Looking Statements

Certain statements in this news release are forward looking as defined in the Private Securities Litigation Reform Act of 1995. These statements 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 a weak economy and stock market on consumer confidence and thus the demand for marine, fitness, billiards and bowling equipment and products; competitive pricing pressures; the success of new product introductions; the ability to maintain market share in high-margin products; competition from new technologies; imports from Asia and increased competition from Asian competitors; the ability to obtain component parts from suppliers; the ability to maintain effective distribution; the financial strength of dealers, distributors and independent boat builders; the ability to transition and ramp up certain manufacturing operations within time and budgets allowed; the ability to maintain product quality and service standards expected by our customers; the ability to successfully manage pipeline inventories; the success of global sourcing and supply chain initiatives; the ability to successfully integrate

acquisitions; the ability to successfully complete announced divestitures; the success of marketing and cost management programs; the ability to develop product technologies that comply with regulatory requirements; the ability to complete environmental remediation efforts and resolve claims and litigation at the cost estimated; the impact of weather conditions on demand for marine products and retail bowling center revenues; shifts in currency exchange rates; adverse foreign economic conditions; and the impact of interest rates and fuel prices on demand for marine products. Additional factors are included in the company's Annual Report on Form 10-K for 2006 and Quarterly Report on Form 10-Q for the quarter ended March 30, 2007.

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; Teignbridge propellers; MotoTron electronic controls; Albemarle, Arvor, Baja, Bayliner, Bermuda, Boston Whaler, Cabo Yachts, Crestliner, Harris, Hatteras, Kayot, Laguna, Lowe, Lund, Maxum, Meridian, Ornvik, Palmetto, Princecraft, Quicksilver, Savage, Sea Boss, Sea Pro, Sea Ray, Sealine, Triton, Trophy, Uttern and Valiant boats; Attwood marine parts and accessories; Land 'N' Sea, Kellogg Marine, Diversified Marine and Benrock parts and accessories distributors; IDS dealer management systems; Life Fitness, Hammer Strength and ParaBody fitness equipment; Brunswick bowling centers, equipment and consumer products; Brunswick billiards tables; and Dynamo, Tornado and Valley pool tables, Air Hockey and foosball tables. For more information, visit <http://www.brunswick.com>.

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