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Brunswick Earnings Conference Call Q2, 2016

July 28, 2016

Brunswick Corporation – Earnings Release

Forward-Looking Statements

Certain statements in this presentation 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. Forward-looking statements by their nature address matters that are, to different degrees, uncertain and often contain words such as "may," "could," "expect," "intend," "target," "plan," "seek," "estimate," "believe," "predict," "potential" or "continue." 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 presentation. 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 the Company's products and services; negative currency trends, including shifts in exchange rates; the ability to make targeted acquisitions and successfully integrate newly acquired businesses; the ability of the Company to successfully implement its strategic plan and growth initiatives; 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; credit and collections risks, including the potential obligation to repurchase dealer inventory; the risk of losing a key customer or a critical supplier; the strength and protection of the Company's brands and other intellectual property; the ability to absorb fixed costs in managing production facilities; the ability to successfully manage the expansion of the Company's manufacturing footprint; 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 obligations; uncertainties in the timing and amount of the Company's share repurchases; the effect of higher energy and fuel costs; competitive pricing pressures, including the impact of changing foreign currency exchange rates, inflation and increased competition from international competitors; the ability to develop new and innovative products at a competitive price and in compliance with applicable laws and to maintain product quality and service standards; the continued use of legacy information technology systems and the risk of a failure of or attacks on the Company's information technology systems, which could result in data breaches, lost or stolen assets or information and associated remediation costs; competition from other leisure pursuits that may affect the level of participation in boating and fitness activities; the risk of product liability, warranty and other claims in connection with the manufacture and sale of products; the ability to protect the Company's intellectual property; the ability to respond to and minimize the negative financial impact of legislative and regulatory developments, including those related to environmental restrictions and remediation efforts, climate change, healthcare costs, taxes and employment obligations; the risk of having to record an impairment to the value of goodwill and other assets; doing business in international locations, including risks of international political instability, civil unrest and operations in emerging markets; the ability to attract and retain key contributors and to successfully implement succession plans; the effect of weather conditions on demand for marine products; and the effect that catastrophic events, including hurricanes, floods, earthquakes and environmental spills, may have on consumer demand and the ability to manufacture products.

Additional risk factors are included in the Company's Annual Report on Form 10-K for 2015. 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 presentation or for changes made to this document by wire services or Internet service providers.

Bruce J. Byots, Vice President - Investor Relations
Brunswick Corporation, 1 N. Field Court, Lake Forest, IL 60045-4811
Phone: +1-847-735-4612 Fax: +1-847-735-4750
email: bruce.byots@brunswick.com

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Use of Non-GAAP Financial Information and Constant Currency Reporting

In this presentation, Brunswick uses certain non-GAAP financial measures, which are numerical measures of a registrant's historical or future financial performance, financial position or cash flows that exclude amounts, or are 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 registrant; or include amounts, or are subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented.

Brunswick has used certain non-GAAP financial measures that are included in this presentation 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. For additional information, please see Brunswick's Current Report on Form 8-K issued on July 28, 2016, which is available at www.brunswick.com.

For purposes of comparison, 2016 net sales growth is also shown using 2015 exchange rates for the comparative period to enhance the visibility of the underlying business trends, excluding the impact of translation arising from foreign currency exchange rate fluctuations.

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Mark Schwabero – Chairman and Chief Executive Officer

Bill Metzger – Chief Financial Officer

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Overview of Second Quarter 2016

- Revenue increased 8.8 percent -- on a constant currency basis¹, sales increased by 9.1 percent. Strong growth in fitness, fiberglass outboard and aluminum boats; solid growth rates in marine parts & accessories and outboard engines
- Gross margin of 28.4 percent
- Operating expenses increased by 11 percent
- Adjusted operating earnings² increased by 7 percent compared to prior year, with operating margins down 30 basis points
- Adjusted pretax earnings² increased by 6 percent
- Diluted EPS, as adjusted³, of \$1.19, up \$0.14, or 13 percent
- Year-to-date free cash flow of \$130 million reflected an improvement of \$94 million versus prior year

¹For purposes of comparison, 2016 net sales growth is also shown using 2015 exchange rates for the comparative period to enhance the visibility of the underlying business trends, excluding the impact of translation arising from foreign currency exchange rate fluctuations.

²Excludes restructuring and integration charges.

³Excludes restructuring and integration charges in 2016 and special tax items in 2015.

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U.S. Powerboat Industry – Percentage Change in Units

	Q1-16	Q2-16	1H-16	1H-15
AL – Fish	9%	2%	4%	7%
AL - Pontoon	17%	9%	11%	7%
FG - Outboard	9%	5%	6%	9%
Outboard Boats	11%	5%	7%	8%
FG – SD/IB (14-30 ft.)	4%	-6%	-3%	-10%
FG – SD/IB (31-40 ft.)	-3%	5%	2%	3%
FG – SD/IB (41-65 ft.)	25%	-4%	7%	15%
FG SD/IB Boats	5%	-5%	-2%	-8%
Main Powerboat Segments	10%	4%	6%	6%
Total Industry (NMMA)	10%	3%	6%	6%

First half preliminary U.S. Industry Retail Powerboat shipments increased 6% versus 2015

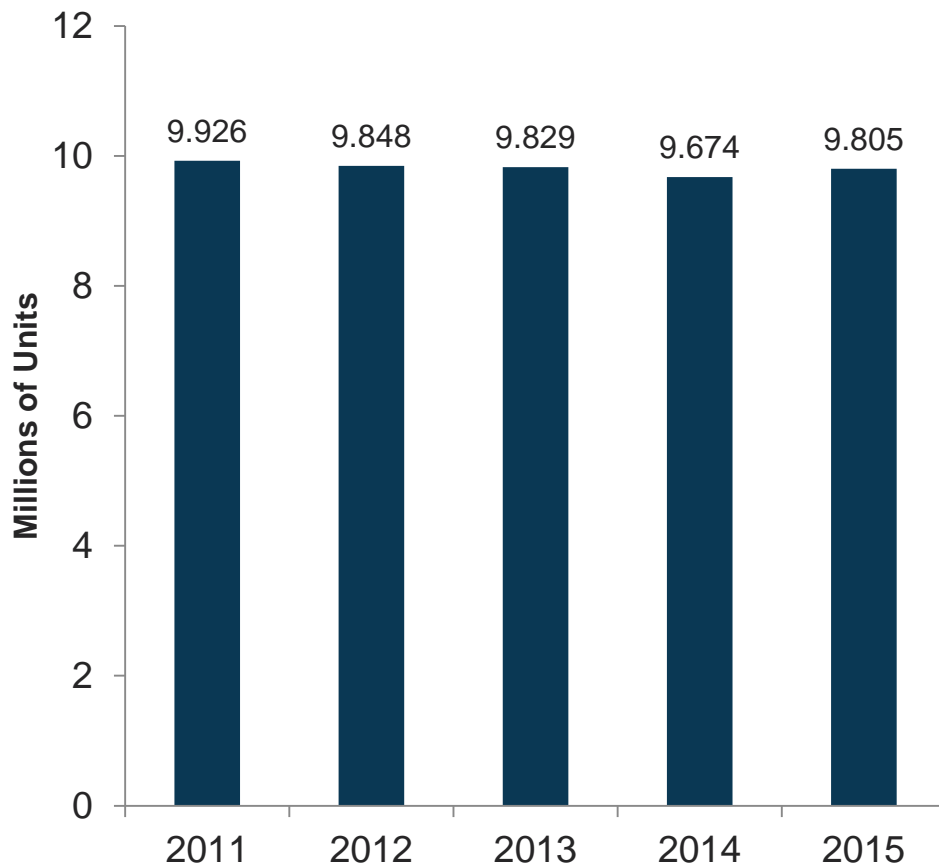
Source: Statistical Surveys, Inc.: 2016 preliminary data is based on 95% of Q1, 95% of April, 73% of May and 62% of June market reporting; Coast Guard data updated through 6/2016.

Note: Total Industry (NMMA) also includes the fiberglass and aluminum lengths outside the ranges stated above, as well as ski boats, but excludes house and jet boats.

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Favorable U.S. Powerboat Demand Dynamics

U.S. Boat Registrations Stable



2011 - 2015

- U.S. powerboat market in its 6th consecutive year of solid growth
 - Retail unit growth of 5.2% CAGR (2016 slightly above this rate)
 - Retail value growth of 8.0% CAGR
- Average total U.S. boats registered of 9.816 million
- Fleet continues to age

Source: NMMA

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Year-to-Date Revenue By Region – Marine Segments Only

Region	2016 vs. 2015 Growth Rates*	2015 Mix**
U.S.	+7%	67%
Europe	+13%	12%
Canada	-6%	8%
Asia Pacific	+2%	7%
Latin America	-16%	4%
Africa & Middle East	-20%	2%
Total	+5%	100%

Revenue* in our combined marine segments experienced 5 percent year-to-date gains

*On a constant currency basis, excluding acquisitions

**On a constant currency basis

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Year-to-Date Revenue By Region – Fitness Segment

Region	2016 vs. 2015 Growth Rates*	2015 Mix**
U.S.	+7%	52%
Europe	+6%	21%
Asia Pacific	+22%	12%
Latin America	-2%	7%
Africa & Middle East	-23%	4%
Canada	+3%	4%
Total	+6%	100%

Revenue* in our fitness segments
experienced 6 percent year-to-date growth

*On a constant currency basis, excluding acquisitions

**On a constant currency basis

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Q2 Net Sales increased by \$100.2 million, or 9%

Segment (\$'s in millions)	Net Sales				Acquisition Contribution
	Three Months Ended				
	July 2, 2016	July 4, 2015	% Change		
			GAAP ¹	Constant Currency	
Marine Engine	\$ 719.7	\$ 689.2	4 %	4 %	1 %
Boat	368.1	349.3	5 %	6 %	0 %
Marine eliminations	(75.4)	(70.3)			
Total Marine	1,012.4	968.2	5 %	5 %	1 %
Fitness	229.8	173.8	32 %	33 %	21 %
Total	\$ 1,242.2	\$ 1,142.0	9 %	9 %	4 %

Excluding impact of foreign currency translation,
net sales increased by 9 percent

¹Consolidated GAAP net sales reflected an 11% increase in the U.S., and an increase of 4% in Europe and Rest-of-World combined versus prior year.

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First-half Net Sales increased by \$184.8 million, or 9%

Segment (\$'s in millions)	Net Sales				Acquisition Contribution
	Six Months Ended				
	July 2, 2016	July 4, 2015	% Change		
			GAAP ¹	Constant Currency	
Marine Engine	\$ 1,315.2	\$ 1,251.4	5 %	6 %	1 %
Boat	704.9	667.3	6 %	6 %	0 %
Marine eliminations	(155.7)	(150.4)			
Total Marine	1,864.4	1,768.3	5 %	6 %	1 %
Fitness	448.1	359.4	25 %	26 %	19 %
Total	\$ 2,312.5	\$ 2,127.7	9 %	10 %	4 %

Excluding impact of foreign currency translation,
first-half net sales increased by 10 percent

¹Consolidated GAAP net sales reflected an 11% increase in the U.S., an increase of 4% in Europe and Rest-of-World combined versus prior year.

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Marine Engine segment – Q2 sales by region



2015 FY revenue by region*: U.S. 68%, Europe 12%, Asia Pacific 9%, Latin America 4%, Canada 4%, Africa & Middle East 3%

*Excluding sales to the Boat segment

Region	Q2 - 2016 Sales*	% Change	
		GAAP	Constant Currency
United States	71%	5 %	5 %
Europe	13%	11 %	10 %
Rest-of-World	16%	(4)%	0 %
Total	100%	4 %	4 %

Based on Constant Currency

- U.S. sales increased in outboard engine and parts and accessories categories, partially offset by continued sterndrive weakness
- European sales experienced strong growth in all major product categories
- Rest-of-World revenue markets were flat

For the second quarter, sales on a constant currency basis, excluding acquisitions, increased by 3 percent

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Q2 Outboard and Sterndrive engines



Outboard

- Favorable retail demand environment continues in overall U.S. and European outboard boat and engine categories
- Market share gain benefits in targeted saltwater, repower and commercial markets reflecting recently launched products



Sterndrive

- Unfavorable global retail demand trends continue
- Market share remains strong; growing adoption of recently introduced purpose-built engines

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Q2 Marine Engine segment's Parts & Accessories

Boating Accessories



Service Parts



Propellers



- Revenue benefited from recent acquisitions, along with new product launches and market share gains
- Lower fuel costs a positive factor
- Unfavorable weather conditions affected demand in the quarter

Oil & Lubes



Trolling Motors



Controls/Rigging



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Factors affecting Marine Engine segment's Q2 operating earnings



Key Factors

- Higher sales
- Cost reductions, including benefits from lower commodity costs and savings related to sourcing initiatives
- Foreign exchange had an unfavorable impact
- Increases in growth related investments

Q2 operating margin at 19.3%

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Boat segment – Q2 sales by region



2015 FY revenue by region: U.S. 72%, Canada 13%, Europe 8%, Latin America 4%, Asia Pacific 2%, Africa & Middle East 1%

Region	Q2 - 2016 % of Sales	% Change	
		GAAP	Constant Currency
United States	73%	10%	10%
Europe	11%	21%	21%
Rest-of-World	16%	(17)%	(16)%
Total	100%	5%	6%

Based on Constant Currency

- U.S. sales continue to benefit from recently introduced new products and continued overall retail growth in outboard boat categories
- Sales growth in Europe benefited from recent product introductions and solid retail growth
- Rest-of-World sales declined due to weaker demand in Canada and Latin America

For the second quarter, sales on a constant currency basis increased by 6 percent

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Review of Brunswick Boat segment metrics

	Second Quarter		YTD	
	Global	U.S.	Global	U.S.
Wholesale	3%	6%	-1%	3%
Retail	4%	9%	6%	11%

Pipeline Metrics

- Q2, 2016 ended with 29 weeks of product-on-hand, compared to 31 weeks at the end of Q2, 2015; units down modestly compared to last year

Wholesale unit growth rate should be more in balance with retail unit growth rate for full-year

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Factors affecting Boat segment's Q2 operating earnings



Key Factors

- Higher sales
- Lower commodity cost and savings from sourcing initiatives
- Impact of lower sales of large fiberglass sterndrive/inboard boats

Q2 operating margin at 6.2%

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Fitness segment – Q2 sales by region



2015 FY revenue by region: U.S. 54%, Europe 20%, Asia Pacific 12%, Latin America 6%, Africa & Middle East 4%, Canada 4%

Region	Q2 - 2016 % of Sales	% Change	
		GAAP	Constant Currency
United States	56%	46%	46%
Europe	17%	13%	15%
Rest-of-World	27%	23%	22%
Total	100%	32%	33%

Based on Constant Currency, Excluding Acquisitions

- U.S. sales increases reflect growth at health clubs and local and federal governments
- Solid increases in net sales to European and Asian businesses

For the second quarter, sales on a constant currency basis, excluding acquisitions, increased by 12 percent

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Factors affecting Life Fitness segment's Q2 operating earnings*



Key Factors

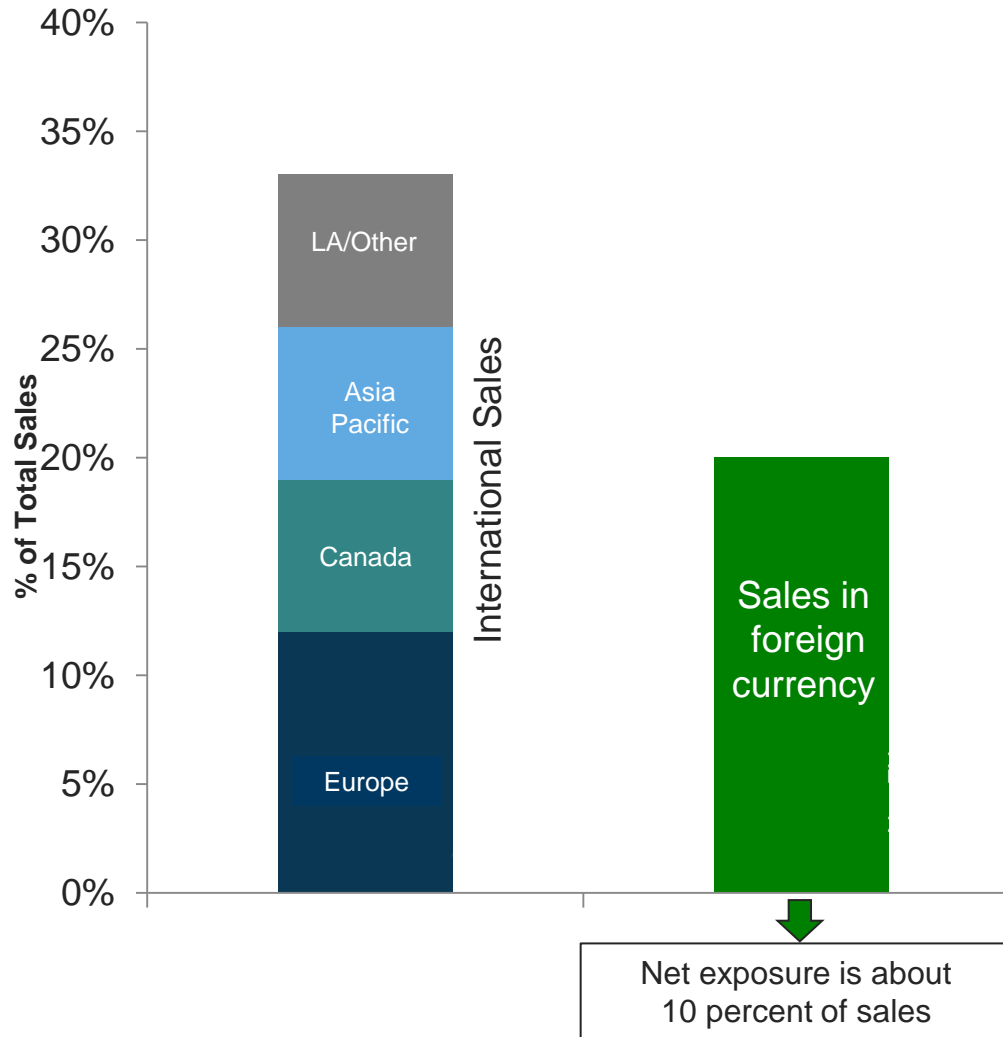
- Higher sales
- Modest contribution from Cybex acquisition
- Increased investment in growth initiatives
- Unfavorable impact of sales mix

Q2 adjusted operating margin at 11.6%;
On a GAAP basis at 10.5%

*As adjusted

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Review of foreign currency impact¹



Q2, 2016:

- Slight unfavorable impact on sales
- Unfavorable impact on operating earnings of approximately \$5 million

Outlook 2016:

- Unfavorable impact on sales of approximately one half of one percent²
- Unfavorable impact on operating earnings comparisons of approximately \$12 to \$17 million or 3.5 percent (includes the net year-over-year impact of hedging activity)²

¹Includes the impact of hedging activity.

²Estimates for the full-year assume that rates remain consistent with current rates for the remainder of the year.

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Tax provision

	Q2		First Half	
	2016	2015	2016	2015
Effective tax rate - GAAP	30.8%	28.4%	30.8%	30.2%
Effective tax rate, as adjusted*	30.9%	34.0%	30.9%	34.0%

Change in effective tax rate, as adjusted, between years reflects impact of R&D tax credit and benefits from optimizing international legal entity and cash management structures

Estimated 2016 effective book tax rate, as adjusted, is approximately 31 percent; cash tax rate to be in the low-double-digit percent range

*Tax provision, as adjusted, excludes \$0.1 million and \$7.9 million of net benefits for special tax items for Q2 2016 and Q2 2015, respectively. Tax provision, as adjusted, excludes \$0.1 million and \$9.2 million of net benefits for special tax items for the first half of 2016 and 2015, respectively.

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Cash Flow – Continuing Operations

(\$'s in millions)	Six Months Ended	
	2016	2015
Net earnings*	\$ 171.3	\$ 164.2
Depreciation and amortization	50.6	43.8
Pension funding, net of expense	(29.5)	(65.9)
Changes in certain current assets and current liabilities	(36.7)	(87.2)
Income taxes	60.4	62.9
Other, net	(3.0)	(9.0)
Net cash provided by operating activities*	\$ 213.1	\$ 108.8

Net cash provided by operating activities*
improved by \$104 million

*Continuing operations only

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Free Cash Flow – Continuing Operations

(\$'s in millions)	Six Months Ended	
	2016	2015
Net cash provided by operating activities*	\$ 213.1	\$ 108.8
Net cash provided by (used for):		
Capital expenditures	(90.0)	(64.7)
Proceeds from sale of property, plant and equipment	1.6	1.0
Effect of exchange rate changes on cash balances	5.6	(8.4)
Total free cash flow	\$ 130.3	\$ 36.7

Free cash flow was higher by \$94 million

* Continuing operations only

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2016 Outlook – P&L

- Depreciation and amortization estimate of approximately \$110 million - no change
- Pension expense of approximately \$15 million – no change
- Net interest expense of approximately \$26 million – no change
- Combined equity earnings and other income slightly less than 2015 - **updated**
- Effective book tax rate, as adjusted, of approximately 31 percent - **updated**
- Average diluted shares outstanding of approximately 92.0 million to 92.5 million – no change

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2016 Outlook: Cash Flow Assumptions

- Current plan anticipates working capital changes to result in a usage of cash of \$40 million to \$60 million - **updated**
- Capital expenditure levels of approximately 4 percent to 4.5 percent of sales – no change
- Pension cash contributions of approximately \$70 million to \$75 million, reflecting an incremental contribution in the second-half - **updated**
- Cash taxes anticipated to be in the low-double-digit percentage - **updated**
- Free cash flow expected to be in excess of \$200 million – no change
- Share repurchases on an annual basis of approximately \$100 million – no change

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Mark Schwabero – Chairman and Chief Executive Officer

Bill Metzger – Chief Financial Officer

Outlook for Brunswick 2016

2016 Financial Targets

- Revenue growth of approximately 10 percent to 11 percent
- Slight improvement in gross margin levels
- Operating expenses, as a percent of sales, to be slightly lower than prior year
- Slight gains in operating margins
- Diluted EPS, as adjusted, of \$3.40 to \$3.50

Outlook for Brunswick Q3 2016

Q3 2016 Financial Targets

- Revenue growth at approximately 12 percent
- Operating margins decline approximately 30 basis points due to increased investments to support growth

Marine Engine Segment

Strong Revenue and Strong Margins



2016 Financial Targets

- Revenue growth in the mid-to-high-single digit percent range
- Solid improvement in operating margin
- Increased investments to support growth

Boat Group Segment

Strong Revenue Growth with Improved Profitability

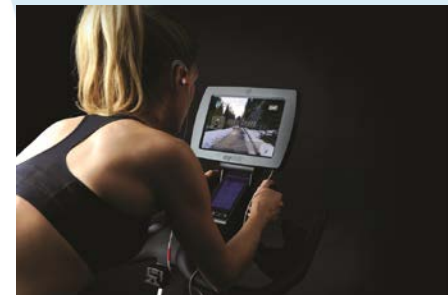


2016 Financial Targets

- Revenue growth in the high-single digit percent range
- Improvement in operating margin of approximately 100 to 120 basis points

Fitness Segment

Strong Revenue Growth with Strong Margins

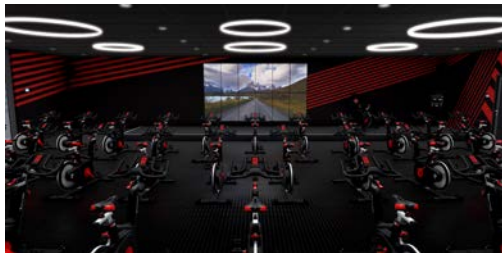


2016 Financial Targets

- Revenue growth in the mid-to-high-twenty percent range, including announced acquisitions
- Plan reflects operating margins, as adjusted, to be lower due to the impact of the Cybex acquisition, including purchase accounting adjustments

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Indoor Cycling Group Acquisition - Company Profile



- 2015 revenue was approximately \$41 million
- Founded in 1995; based in Nuremberg, Germany
- Focused on the design, distribution and programming of indoor cycling products
- Offers the strongest portfolio of group cycling products in the market
 - Consistent with our product leadership strategy
- Provides leading integrated technology solutions and total experience offering
 - These capabilities can be ported to other group exercise products, including Wattrate Powermeter, Coach by Color and My Ride

The acquisition of ICG strengthens our presence in indoor cycling and provides strong foundation to expand our position in group exercise and fast growing boutique studios

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ICG Acquisition Timing and Financial Considerations

- Acquisition is subject to regulatory approval (German competition authority) resulting in a two-step sign and close process; expected to close late in Q3
- Funding from cash on balance sheet; no anticipated adjustments to capital strategy
- Transaction generates attractive returns and meets acquisition criteria outlined at November Investor Day
- Benefits include revenue synergy opportunities, ability to leverage technology capabilities in group exercise and optimization of customer relationships and international distribution
- Transaction is projected to have a minimal impact upon Brunswick's 2016 results
 - Strong margins but slightly dilutive to current Life Fitness margins

The acquisition of ICG is consistent with our goal to achieve revenue of \$1.5 billion at Life Fitness by 2020 and included in our 2016 to 2018 growth plan targets



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Appendix

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Q2 Diluted EPS, as adjusted, increased by \$0.14, or 13%

Diluted EPS from continuing operations
Restructuring and integration charges
Special tax items
Diluted EPS from continuing operations, as adjusted

Earnings Per Share			
Three Months Ended			
July 2, 2016		July 4, 2015	
\$	1.17	\$	1.14
	0.02		-
	-		(0.09)
\$	1.19	\$	1.05

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Q2 Adjusted Pretax Earnings increased by \$8.6 million, or 6%

(\$'s in millions)	Adjusted Pretax Earnings		
	Three Months Ended		
	July 2, 2016	July 4, 2015	Change
Adjusted operating earnings	\$ 164.5	\$ 154.2	\$ 12.3
Net interest expense	(6.6)	(6.5)	(0.1)
Other income	0.9	2.5	(1.6)
Adjusted pretax earnings	158.8	150.2	8.6
Restructuring and integration charges	(2.6)	-	(2.6)
GAAP pretax earnings	<u>\$ 156.2</u>	<u>\$ 150.2</u>	<u>\$ 6.0</u>

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First half Adjusted Pretax Earnings increased by \$18.9 million, or 8%

(\$'s in millions)	Adjusted Pretax Earnings		
	Six Months Ended		
	July 2, 2016	July 4, 2015	Change
Adjusted operating earnings	\$ 264.3	\$ 242.9	\$ 21.4
Net interest expense	(13.0)	(13.0)	0.0
Other income	2.7	5.2	(2.5)
Adjusted pretax earnings	254.0	235.1	18.9
Restructuring charges	(6.4)	-	(6.4)
GAAP pretax earnings	\$ 247.6	\$ 235.1	\$ 12.5

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First half Diluted EPS, as adjusted, increased by \$0.25, or 15%

	Earnings Per Share	
	Six Months Ended	
	July 2, 2016	July 4, 2015
Diluted EPS from continuing operations	\$ 1.85	\$ 1.73
Restructuring, exit and impairment charges	0.04	-
Special tax items	-	(0.09)
Diluted EPS from continuing operations, as adjusted	<u>\$ 1.89</u>	<u>\$ 1.64</u>

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Q2 Adjusted Operating Earnings increased by \$10.3 million, or 7%

Segment (\$'s in millions)	Operating Earnings - Excluding Charges		
	Three Months Ended		
	July 2, 2016	July 4, 2015	Change
Marine Engine	\$ 139.0	\$ 131.8	\$ 7.2
Boat	22.7	20.9	1.8
Total Marine	161.7	152.7	9.0
Fitness	26.7	23.2	3.5
Pension - non-service costs	(3.7)	(3.1)	(0.6)
Corp/Other	(20.2)	(18.6)	(1.6)
Adjusted operating earnings	164.5	154.2	10.3
Restructuring and integration charges	(2.6)	-	(2.6)
GAAP operating earnings	\$ 161.9	\$ 154.2	\$ 7.7
Operating margin - excluding charges	13.2%	13.5%	-30 bps
Operating margin - including charges	13.0%	13.5%	-50 bps

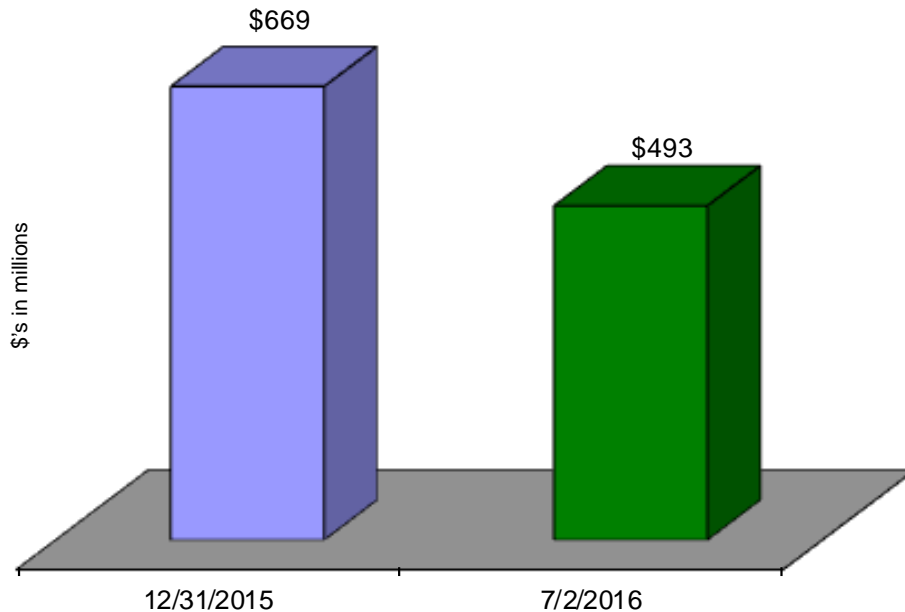
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First-half Adjusted Operating Earnings increased by \$21.4 million, or 9%

Segment (\$'s in millions)	Operating Earnings - Excluding Charges		
	Six Months Ended		
	July 2, 2016	July 4, 2015	Change
Marine Engine	\$ 217.3	\$ 206.0	\$ 11.3
Boat	39.1	28.6	10.5
Total Marine	256.4	234.6	21.8
Fitness	50.6	49.0	1.6
Pension - non-service costs	(7.4)	(6.1)	(1.3)
Corp/Other	(35.3)	(34.6)	(0.7)
Adjusted operating earnings	264.3	242.9	21.4
Restructuring charges	(6.4)	-	(6.4)
GAAP operating earnings	\$ 257.9	\$ 242.9	\$ 15.0
Operating margin - excluding charges	11.4%	11.4%	0 bps
Operating margin - including charges	11.2%	11.4%	-20 bps

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Cash and Marketable Securities



Main Factors Affecting Changes in Cash Balances

- Free cash flow of \$130 million
- Share repurchases of \$60 million (approximately 1.4 million shares)
- Dividends paid of \$27 million
- Acquisition expenditures of \$216 million