

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

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 27, 2017

**BRUNSWICK**  
BRUNSWICK CORPORATION

(Exact Name of Registrant Specified in Charter)

Delaware

(State or Other  
Jurisdiction of  
Incorporation)

001-01043

(Commission File  
Number)

36-0848180

(I.R.S. Employer  
Identification No.)

1 N. Field Court  
Lake Forest, Illinois

(Address of Principal Executive Offices)

60045-4811

(Zip Code)

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

N/A

(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02. Results of Operations and Financial Condition.**

On April 27, 2017, Brunswick Corporation (“Brunswick”) announced its financial results for the first quarter of 2017. The news release Brunswick issued announcing its first quarter 2017 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. 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. The measure diluted earnings per common share (EPS), as adjusted, is believed to be useful to investors because it represents a measure of Brunswick’s earnings, without the impact of restructuring, exit and integration charges and the results of discontinued operations. Brunswick defines this measure as diluted earnings (loss) per common share from continuing operations, excluding the earnings per share impact of pension settlement charges, restructuring, exit, integration and impairment charges, impairment charges for an equity method investment, loss on early extinguishment of debt, special tax items and the results of discontinued operations. Brunswick’s management also believes that the measures adjusted operating earnings and adjusted pretax earnings are useful to investors because they provide a necessary and important perspective on Brunswick’s operating performance and improve comparability of performance against prior periods. Brunswick defines adjusted operating earnings as operating earnings, excluding the earnings impact of pension settlement charges and restructuring, exit, integration and impairment charges, and defines adjusted pretax earnings as earnings (loss) before income taxes, excluding the earnings impact of pension settlement charges, restructuring, exit, integration and impairment charges, impairment charges for an equity method investment and the loss on early extinguishment of debt. 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, reductions in or transfers to restricted cash, purchases or sales/maturities of marketable securities and other investing activities). Brunswick does not provide forward-looking guidance for certain financial measures on a GAAP basis because it is unable to predict certain items contained in the GAAP measures without unreasonable efforts. These items may include pension settlement charges, restructuring, exit and integration charges, special tax items and certain other unusual adjustments.

Percentage changes in net sales expressed in constant currency are presented to reflect the impact that changes in currency exchange rates had on net sales. To present this information, net sales transacted in currencies other than U.S. dollars are translated to U.S. dollars using 2016 exchange rates for the comparative period, using the average exchange rates in effect during that period. The percentage change in net sales expressed on a constant currency basis better reflects the changes in the underlying business trends, excluding the impact of translation arising from foreign currency exchange rate fluctuations.

The information in this report and the exhibit attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

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

(d) Exhibits:

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
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99.1	News Release, dated April 27, 2017, of Brunswick Corporation, announcing its first quarter 2017 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 27, 2017

By: /S/ DANIEL J. TANNER  
Daniel J. Tanner  
Vice President and Controller

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**EXHIBIT INDEX:**

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	News Release, dated April 27, 2017, of Brunswick Corporation, announcing its first quarter 2017 earnings.

Release: IMMEDIATE  
Contact: Phillip Haan  
Vice President - Investor Relations  
Phone: 847-735-4092

Contact: Daniel Kubera  
Director - Media Relations and Corporate Communications  
Phone: 847-735-4617  
Email: [daniel.kubera@brunswick.com](mailto:daniel.kubera@brunswick.com)

## Reports First Quarter Results

8% Growth in Revenue;

GAAP Diluted EPS of \$0.71 and Diluted EPS, as adjusted of \$0.84;

2017 Guidance: Increased Diluted EPS, as adjusted, Range to \$3.95 to \$4.10

**LAKE FOREST, Ill., April 27, 2017** -- Brunswick Corporation (NYSE: BC) today reported results for the first quarter of 2017:

- Consolidated net sales increased 8.4 percent versus first quarter 2016; excluding the impact of acquisitions, sales increased 5.9 percent.
  - On a GAAP basis, diluted EPS of \$0.71 increased by \$0.03 compared to the prior year. Diluted EPS, as adjusted of \$0.84, a \$0.13 increase.
  - Diluted EPS on a GAAP and an as adjusted basis in 2017 reflects a \$0.06 per share net income tax benefit from share-based compensation activity. This benefit relates to new accounting guidance adopted in the first quarter of 2017.
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"Our first quarter revenues increased by 8 percent," said Brunswick Chairman and Chief Executive Officer Mark Schwabero. "Our top line reflected strong growth rates in all three of our primary boat categories, as well as in our marine parts and accessories, Fitness and outboard engine businesses.

"Our performance in the first quarter reflected continued successful execution of our growth strategy, including our focus on product leadership and the associated market share gains," Schwabero continued. "Although it is still early in the marine season, initial marine market data indicates a healthy U.S. marketplace, which is consistent with our assumptions entering the year. Overall demand in non-U.S. marine markets was also strong, led by gains in Europe and improving conditions in other regions.

"Our Fitness business continues to successfully execute against its integration and transformation plans, which in 2017 include new product introductions, changes to the manufacturing footprint and further cost realignment actions. The benefits from these activities will begin to favorably impact segment growth rates and margin performance in the second half of 2017.

"Adjusted operating earnings increased by 4 percent compared to the prior year quarter. An improvement in the effective tax rate, combined with higher operating earnings and fewer shares outstanding, led to an 18 percent increase in diluted earnings per common share, as adjusted," Schwabero concluded.

#### **First Quarter Results**

For the first quarter of 2017, the Company reported net sales of \$1,160.3 million, up from \$1,070.3 million a year earlier. For the quarter, the Company reported operating earnings of \$89.0 million, which included \$15.2 million of restructuring, exit and integration charges. In the first quarter of 2016, the Company had operating earnings of \$96.0 million, which included \$3.8 million of restructuring, exit and integration charges.

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For the first quarter of 2017, Brunswick reported net earnings of \$64.9 million, or \$0.71 per diluted share, compared with net earnings of \$63.2 million, or \$0.68 per diluted share, for the first quarter of 2016. Diluted EPS for the first quarter of 2017 included \$0.14 per diluted share of restructuring, exit and integration charges and a \$0.01 per diluted share benefit from special tax items. The diluted EPS for the first quarter of 2016 included \$0.03 per diluted share of restructuring, exit and integration charges.

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

Cash and marketable securities totaled \$285.2 million at the end of the first quarter, down \$184.2 million from year-end 2016 levels. This decrease reflects net cash used for operating activities of \$86.3 million. Net cash used for operating activities was affected by seasonal changes in working capital and planned pension contributions during the quarter.

In addition, net cash used for investing and financing activities of \$65.5 million reduced cash and marketable securities balances. Investing and financing activities during the quarter included \$60.8 million of capital expenditures, \$20.0 million of common stock repurchases and \$14.8 million of dividend payments, partially offset by \$35.0 million of proceeds from the maturities of 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 \$631.8 million in the first quarter of 2017, up 6 percent from \$595.5 million in the first quarter of 2016.

International sales, which represented 31 percent of total segment sales in the quarter, were up 9 percent compared to the prior year period. For the quarter, the Marine Engine segment reported operating earnings of \$88.5 million. This compares with operating earnings of \$78.3 million in the first quarter of 2016.

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Sales increases in the quarter were led by the segment's parts and accessories businesses, which included revenue from an acquisition completed in the fourth quarter of 2016, and by the outboard engine business, partially offset by declines in the sterndrive engine business. Higher revenues, favorable product mix and improved cost efficiencies contributed to the increase in operating earnings in the first quarter of 2017. Partially offsetting these factors were the unfavorable impact from foreign exchange and planned increases in growth investments.

#### **Boat Segment**

The Boat segment is comprised of the Brunswick Boat Group, and includes 15 boat brands. The Boat segment reported net sales of \$382.7 million for the first quarter of 2017, an increase of 14 percent compared with \$336.8 million in the first quarter of 2016. International sales, which represented 24 percent of total segment sales in the quarter, increased by 9 percent compared to the prior year period. For the first quarter of 2017, the Boat segment reported operating earnings of \$3.2 million, which included \$10.4 million of restructuring, exit and integration charges. This compares with operating earnings of \$16.4 million in the first quarter of 2016.

The Boat segment's revenue reflected strong growth in the fiberglass and aluminum outboard categories. Sales of the fiberglass sterndrive/inboard boat category increased, in spite of anticipated declines in large fiberglass sterndrive/inboard boats. The decline in operating earnings included higher restructuring, exit and integration charges. In addition, comparisons were also affected by the aforementioned reduction in sales volumes and unfavorable reserve adjustments in large fiberglass sterndrive/inboard boats, along with the net unfavorable impact of changes in sales mix and higher commodity costs in our aluminum boat business. These factors more than offset favorable performance in the fiberglass outboard boat business.

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## **Fitness Segment**

The Fitness segment designs, manufactures and sells strength and cardiovascular fitness equipment and active recreation products. Fitness segment sales in the first quarter of 2017 totaled \$235.6 million, up 8 percent from \$218.3 million in the first quarter of 2016. International sales, which represented 46 percent of total segment sales in the quarter, increased by 11 percent.

Excluding the impact of acquisitions, Fitness segment sales on a constant currency basis increased by one percent in the quarter compared to the prior year. For the quarter, the Fitness segment reported operating earnings of \$18.3 million, including restructuring, exit and integration charges of \$2.4 million. This compares with operating earnings of \$20.1 million which included \$3.8 million of restructuring, exit and integration charges in the first quarter of 2016.

Sales in the U.S. were down, excluding the impact of acquisitions, reflecting anticipated declines in Cybex revenues, while overall commercial fitness revenue trends were stable. Overall international sales were strong, led by the benefits of the ICG acquisition and growth in Asia Pacific. The decline in operating earnings resulted mostly from the unfavorable impact of changes in sales mix, as well as planned costs associated with capacity expansions, new product introductions and manufacturing transitions. These factors more than offset contributions from acquisitions, including synergy benefits from the Cybex acquisition.

## **2017 Outlook**

"Our outlook for 2017 continues to be generally consistent with our three-year strategic plan and reflects another year of outstanding earnings growth, with excellent cash flow generation," said Schwabero. "We believe we are well-positioned to generate strong sales and adjusted earnings per share growth in 2017 and beyond."

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"We expect our marine businesses' top-line performance will benefit from the continuation of solid market growth in the U.S. and Europe and the success of our new products. The Fitness segment is expected to benefit from overall growth in global commercial Fitness markets, as well as contributions from new products, particularly in the second half of 2017. As a result, our consolidated plan continues to reflect revenue growth rates in 2017 in the range of 6 to 8 percent. In total, acquisitions are expected to account for about one percent of 2017's projected growth, reflecting the impact of completed transactions.

"For the full-year, we anticipate improvement in both gross margins and operating margins as we plan to continue benefiting from volume leverage and cost reductions related to efficiency initiatives. Operating expenses are estimated to increase in 2017 as we continue to fund incremental investments to support growth; however, on a percentage of sales basis, they are expected to be at slightly lower levels than 2016," Schwabero said.

"We are increasing the range for our full-year expectations of diluted EPS, as adjusted, from \$3.90 to \$4.05 to a range of \$3.95 to \$4.10. The increase in full-year guidance includes the benefits from a lower effective tax rate and reflects our overall confidence that the underlying assumptions for business performance are playing out in line with our expectations. Finally, for 2017, our expectation remains that we will generate positive free cash flow in excess of \$250 million," Schwabero concluded.

#### **Use of Non-GAAP Financial Information; Constant Currency Reporting**

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

For purpose of comparison, percentage changes in first quarter 2017 net sales are also shown using first quarter 2016 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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Brunswick does not provide forward-looking guidance for certain financial measures on a GAAP basis because it is unable to predict certain items contained in the GAAP measures without unreasonable efforts. These items may include pension settlement charges, restructuring, exit and integration costs, special tax items and certain other unusual adjustments.

#### **Conference Call Scheduled**

Brunswick will host a conference call today at 10 a.m. CDT, hosted by Mark D. Schwabero, chairman and chief executive officer, William L. Metzger, senior vice president and chief financial officer, and Phillip C. Haan, vice president - investor relations.

The call will be broadcast over the Internet at [ir.brunswick.com](http://ir.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 [ir.brunswick.com](http://ir.brunswick.com).**

Security analysts and investors wishing to participate via telephone should call 888-771-4371 (passcode: Brunswick Q1). Callers outside of North America should call 847-585-4405 (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 4, 2017, by calling 888-843-7419 or international dial 630-652-3042 (passcode: 4465 8147#). 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. 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," "intend," "target," "plan," "seek," "estimate," "believe," "predict,"

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"outlook" and similar expressions are intended to identify forward-looking statements. Such 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: adverse general economic conditions, including reductions in consumer discretionary spending; negative currency trends; our ability to complete and integrate targeted acquisitions; our ability to implement our strategic plan and growth initiatives; adequate financing access for dealers and customers and our ability to access capital and credit markets; maintaining effective distribution; retaining our relationships with dealers, distributors and independent boat builders; credit and collections risks; retaining key customers; protecting our brands and intellectual property; absorbing fixed costs in production; managing expansion or consolidation of manufacturing facilities; meeting supply objectives; meeting pension funding obligations; managing our share repurchases; higher energy and fuel costs; competitive pricing pressures; developing new and innovative products at a competitive price, in legal compliance; maintaining product quality and service standards; outages or breaches of technology systems; competitor activity; product liability, warranty and other claims risks; increased costs of legal and regulatory compliance; having to record an impairment to the value of goodwill and other assets; international business risks; attracting and retaining key contributors; and weather and catastrophic event risks.

Additional risk factors are included in the Company's Annual Report on Form 10-K for 2016. 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 news release or for changes by wire services or Internet service providers.

#### **About Brunswick**

Headquartered in Lake Forest, Ill., Brunswick Corporation's leading consumer brands include Mercury and Mariner outboard engines; Mercury MerCruiser sterndrives and inboard engines; MotorGuide trolling motors; Attwood, Garelick and Whale marine parts and accessories; Land 'N' Sea, Kellogg Marine, Payne's Marine and BLA parts and accessories distributors; Bayliner, Boston Whaler, Brunswick Commercial and Government Products, Crestliner, Cypress Cay, Harris, Lowe, Lund, Meridian, Princecraft, Quicksilver, Rayglass, Sea Ray, Thunder Jet and Uttern; Life Fitness, Hammer Strength, Cybex, Indoor Cycling Group and SCIFIT fitness equipment; InMovement products and services for productive well-being; and Brunswick billiards tables, accessories and game room furniture. 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		
	April 1, 2017	April 2, 2016	% Change
<b>Net sales</b>	\$ 1,160.3	\$ 1,070.3	8 %
Cost of sales	860.2	788.2	9 %
Selling, general and administrative expense	159.3	147.7	8 %
Research and development expense	36.6	34.6	6 %
Restructuring, exit and integration charges	15.2	3.8	NM
<b>Operating earnings</b>	<b>89.0</b>	<b>96.0</b>	<b>-7 %</b>
Equity earnings	2.3	0.8	NM
Other income, net	1.7	1.0	70 %
<b>Earnings before interest and income taxes</b>	<b>93.0</b>	<b>97.8</b>	<b>-5 %</b>
Interest expense	(6.6)	(6.8)	-3 %
Interest income	0.5	0.4	25 %
<b>Earnings before income taxes</b>	<b>86.9</b>	<b>91.4</b>	<b>-5 %</b>
Income tax provision	22.0	28.2	-22 %
<b>Net earnings from continuing operations</b>	<b>64.9</b>	<b>63.2</b>	<b>3 %</b>
<b>Net earnings from discontinued operations, net of tax</b>	<b>—</b>	<b>1.6</b>	<b>NM</b>
<b>Net earnings</b>	<b>\$ 64.9</b>	<b>\$ 64.8</b>	<b>0 %</b>
<b>Earnings per common share:</b>			
Basic			
Earnings from continuing operations	\$ 0.72	\$ 0.69	
Earnings from discontinued operations	—	0.02	
Net earnings	\$ 0.72	\$ 0.71	1 %
Diluted			
Earnings from continuing operations	\$ 0.71	\$ 0.68	
Earnings from discontinued operations	—	0.02	
Net earnings	\$ 0.71	\$ 0.70	1 %
<b>Weighted average shares used for computation of:</b>			
Basic earnings per common share	90.1	91.8	
Diluted earnings per common share	91.1	92.8	
<b>Effective tax rate from continuing operations</b>	<b>25.3 %</b>	<b>30.9 %</b>	
<b>Reconciliations</b>			
<b>Continuing Operations:</b>			
Operating earnings	\$ 89.0	\$ 96.0	-7 %
Restructuring, exit and integration charges	15.2	3.8	NM
<b>Adjusted operating earnings</b>	<b>\$ 104.2</b>	<b>\$ 99.8</b>	<b>4 %</b>
Earnings before income taxes	\$ 86.9	\$ 91.4	-5 %
Restructuring, exit and integration charges	15.2	3.8	NM
<b>Adjusted pretax earnings</b>	<b>\$ 102.1</b>	<b>\$ 95.2</b>	<b>7 %</b>
<b>Earnings per common share:</b>			
Earnings from continuing operations	\$ 0.71	\$ 0.68	
Restructuring, exit and integration charges	0.14	0.03	
Special tax items	(0.01)	0.00	
<b>Diluted earnings from continuing operations, as adjusted</b>	<b>\$ 0.84</b>	<b>\$ 0.71</b>	<b>18 %</b>

NM = not meaningful

**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		
	April 1, 2017	April 2, 2016	% Change	April 1, 2017	April 2, 2016	% Change	April 1, 2017	April 2, 2016	
<b>Marine Engine</b>	\$ 631.8	\$ 595.5	6%	\$ 88.5	\$ 78.3	13 %	14.0%	13.1%	
<b>Boat</b>	382.7	336.8	14%	3.2	16.4	-80 %	0.8%	4.9%	
<b>Marine eliminations</b>	(89.8)	(80.3)	12%	—	—				
<b>Total Marine</b>	<u>924.7</u>	<u>852.0</u>	9%	<u>91.7</u>	<u>94.7</u>	-3 %	<u>9.9%</u>	<u>11.1%</u>	
<b>Fitness</b>	235.6	218.3	8%	18.3	20.1	-9 %	7.8%	9.2%	
<b>Pension costs</b>	—	—		(2.3)	(3.7)	38 %			
<b>Corporate/Other</b>	—	—		(18.7)	(15.1)	-24 %			
<b>Total</b>	<u>\$ 1,160.3</u>	<u>\$ 1,070.3</u>	8%	<u>\$ 89.0</u>	<u>\$ 96.0</u>	-7 %	<u>7.7%</u>	<u>9.0%</u>	

(1) Operating earnings (loss) for the three months ended April 1, 2017, includes \$15.2 million of pretax restructuring, exit and integration charges. The \$15.2 million of charges consists of \$10.4 million in the Boat segment, \$2.4 million in Corporate/Other and \$2.4 million in the Fitness segment. Operating earnings (loss) for the three months ended April 2, 2016, includes \$3.8 million of pretax restructuring, exit, and integration charges in the Fitness segment.

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

	April 1, 2017	December 31, 2016	April 2, 2016
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents, at cost, which approximates fair value	\$ 273.3	\$ 422.4	\$ 282.2
Restricted cash	11.2	11.2	12.7
Short-term investments in marketable securities	0.7	35.8	0.8
Total cash and short-term investments in marketable securities	285.2	469.4	295.7
Accounts and notes receivable, net	529.5	417.3	526.3
Inventories			
Finished goods	533.5	502.7	481.8
Work-in-process	110.8	91.1	98.3
Raw materials	173.3	168.3	157.3
Net inventories	817.6	762.1	737.4
Prepaid expenses and other	38.7	39.7	50.0
<b>Current assets</b>	<b>1,671.0</b>	<b>1,688.5</b>	<b>1,609.4</b>
<b>Net property</b>	<b>653.0</b>	<b>645.3</b>	<b>550.4</b>
<b>Other assets</b>			
Goodwill	416.0	413.8	380.3
Other intangibles, net	163.3	164.8	136.8
Equity investments	26.6	20.7	27.3
Deferred income tax asset	297.6	307.8	372.1
Other long-term assets	46.4	43.8	46.4
<b>Other assets</b>	<b>949.9</b>	<b>950.9</b>	<b>962.9</b>
<b>Total assets</b>	<b>\$ 3,273.9</b>	<b>\$ 3,284.7</b>	<b>\$ 3,122.7</b>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Current maturities of long-term debt	\$ 6.4	\$ 5.9	\$ 4.8
Accounts payable	406.8	392.7	362.0
Accrued expenses	543.3	566.3	529.4
<b>Current liabilities</b>	<b>956.5</b>	<b>964.9</b>	<b>896.2</b>
<b>Debt</b>	<b>435.4</b>	<b>436.5</b>	<b>446.1</b>
<b>Other long-term liabilities</b>	<b>408.4</b>	<b>443.2</b>	<b>475.1</b>
<b>Shareholders' equity</b>	<b>1,473.6</b>	<b>1,440.1</b>	<b>1,305.3</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 3,273.9</b>	<b>\$ 3,284.7</b>	<b>\$ 3,122.7</b>
<b>Supplemental Information</b>			
Debt-to-capitalization rate	23.1 %	23.5 %	25.7 %



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

	Three Months Ended	
	April 1, 2017	April 2, 2016
<b>Cash flows from operating activities</b>		
Net earnings	\$ 64.9	\$ 64.8
Less: earnings from discontinued operations, net of tax	—	1.6
Net earnings from continuing operations	64.9	63.2
Depreciation and amortization	27.2	25.4
Pension funding, net of expense	(33.6)	(32.2)
Deferred income taxes	12.6	20.1
Equity in earnings of unconsolidated affiliates	(2.3)	(0.8)
Changes in certain current assets and current liabilities	(162.1)	(153.1)
Income taxes	1.1	(4.0)
Other, net	5.9	(1.4)
<b>Net cash used for operating activities of continuing operations*</b>	<b>(86.3)</b>	<b>(82.8)</b>
<b>Net cash used for operating activities of discontinued operations</b>	<b>(0.3)</b>	<b>(3.0)</b>
<b>Net cash used for operating activities*</b>	<b>(86.6)</b>	<b>(85.8)</b>
<b>Cash flows from investing activities</b>		
Capital expenditures	(60.8)	(46.2)
Sales or maturities of marketable securities	35.0	10.7
Investments	(3.6)	(3.6)
Acquisition of businesses, net of cash acquired	—	(195.0)
Proceeds from the sale of property, plant and equipment	7.6	0.1
Other, net	(0.5)	1.3
<b>Net cash used for investing activities</b>	<b>(22.3)</b>	<b>(232.7)</b>
<b>Cash flows from financing activities</b>		
Payments of long-term debt including current maturities	(0.2)	(0.1)
Common stock repurchases	(20.0)	(40.0)
Cash dividends paid	(14.8)	(13.6)
Proceeds from share-based compensation activity	3.2	11.6
Tax withholding associated with shares issued for share-based compensation	(11.4)	(17.4)
<b>Net cash used for financing activities*</b>	<b>(43.2)</b>	<b>(59.5)</b>
Effect of exchange rate changes	3.0	2.9
Net decrease in Cash and cash equivalents and Restricted cash	(149.1)	(375.1)
Cash and cash equivalents and Restricted cash at beginning of period	433.6	670.0
<b>Cash and cash equivalents and Restricted cash at end of period</b>	<b>284.5</b>	<b>294.9</b>
Less: Restricted cash	11.2	12.7
<b>Cash and cash equivalents at end of period</b>	<b>\$ 273.3</b>	<b>\$ 282.2</b>
<b>Reconciliation</b>		
<b>Free Cash Flow</b>		
<b>Net cash used for operating activities of continuing operations*</b>	<b>\$ (86.3)</b>	<b>\$ (82.8)</b>
<b>Net cash provided by (used for):</b>		
Capital expenditures	(60.8)	(46.2)
Proceeds from the sale of property, plant and equipment	7.6	0.1
Effect of exchange rate changes	3.0	2.9
<b>Total free cash flow*</b>	<b>\$ (136.5)</b>	<b>\$ (126.0)</b>

\* As a result of adopting new accounting guidance, both years include amounts related to net excess tax benefits or deficiencies resulting from share-based compensation activity.