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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

Annual report pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2000
Commission file number 1-1043

BRUNSWICK CORPORATION
(Exact name of registrant in its charter)

Delaware	36-0848180
(State of incorporation)	(I.R.S. Employer Identification No.)

1 N. Field Ct., Lake Forest, Illinois	60045-4811
(Address of principal executive offices)	(zip code)

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

Securities Registered pursuant to Section 12(b) of the Act:

<TABLE>
<CAPTION>

Title of each class	Name of each exchange on which registered
Common Stock ($0.75 par value)	New York, Chicago, Pacific and London Stock Exchanges

</TABLE>

Securities Registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [_]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in the definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [_]

As of March 1, 2001, the aggregate market value of the voting stock of the registrant held by non-affiliates was $1,823,681,952. Such number excludes stock beneficially owned by officers and directors. This does not constitute an admission that they are affiliates.

The number of shares of Common Stock ($0.75 par value) of the registrant outstanding as of March 1, 2001, was 87,553,537.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this Report on Form 10-K incorporates by reference certain

information that will be set forth in the Company's definitive Proxy Statement for the Annual Meeting scheduled to be held on May 1, 2001.

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Form 10-K Report

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PART I

Item 1. Business

Brunswick Corporation (the Company) is a marketer and manufacturer of leading recreation brands including Mercury and Mariner outboard engines; Mercury MerCruiser sterndrive and inboard engines; Mercury Precision Parts and marine accessories; Sea Ray, Bayliner and Maxum pleasure boats; Baja high-performance boats; Boston Whaler and Trophy offshore fishing boats; Life Fitness, Hammer Strength and ParaBody fitness equipment; Brunswick bowling centers, equipment and consumer products; and Brunswick billiards tables.

The Company's strategy is to achieve growth by developing innovative products, identifying and deploying leading-edge technologies, pursuing aggressive marketing and brand building activities, seizing international opportunities and leveraging core competencies. Further, the Company focuses on enhancing its operating margins through effective cost management and investment in technology. The Company's objective is to enhance shareholder value by achieving returns on investments that exceed its cost of capital.

During 2000, the Company announced its intention to divest several businesses that comprised its former outdoor recreation segment and realigned its remaining segments in light of these announcements. The Company's reportable segments following these announcements are: Marine Engine, Boat and Recreation. Prior-year numbers have been restated to conform with the discontinued operations and new segment presentations. See Note 3, Segment Information, in the Notes to Consolidated Financial Statements for financial information about these segments.

Marine Engine Segment

The Marine Engine segment consists of the Mercury Marine Group. The Company believes its Marine Engine segment has the largest dollar sales volume of recreational marine engines in the world.

Mercury Marine markets and manufactures a full range of outboard engines, sterndrives, inboard engines and propless water-jet propulsion systems under the familiar Mercury, Mariner, Mercury MerCruiser, Mercury Racing, Mercury SportJet and Mercury Jet Drive brand names. A portion of Mercury Marine's outboards and parts and accessories, including steering systems, instruments, controls, propellers, service aids and marine lubricants, are sold to end-users through marine retail dealers. The remaining outboard engines and virtually all the sterndrives, inboard engines and water-jet propulsion systems are sold either to independent boat builders or to the Company's Brunswick Boat Group.

During 2000, Mercury introduced its SmartCraft system, which it believes is the only total marine electronics and controls integration system. Using the latest in computer and marine technology, SmartCraft links power, controls, and internal and external sensors to provide precise data on all essential boat functions at a glance.

Mercury Marine has six OptiMax outboard engines ranging from 135 to 250 horsepower, all of which feature Mercury's direct fuel injection (DFI) technology. DFI is part of Mercury's plan to reduce outboard engine emissions 75 percent by 2006 to comply with U.S. Environmental Protection Agency (EPA) requirements. These engines will also feature SmartCraft electronic throttle and shift scheduled for introduction in 2001. Mercury's product line of low-emission engines includes 13 four-stroke outboards ranging from 4 to 115 horsepower. These OptiMax and four-stroke outboards already achieve the EPA's mandated 2006 emission levels. The California Air Resources Board (CARB) has mandated that EPA's 2006 emission levels be met by 2001 with further emission reductions scheduled for 2004 and 2008. CARB has instituted a rating system for emissions reduction that establishes ratings of either one star (75 percent reduction), two stars (82 percent reduction) or three stars (91 percent reduction). Mercury believes that its 135-horsepower OptiMax is the only two-stroke engine in the

world with a three-star rating from CARB, and all Mercury four-stroke outboards from 50 to 115 horsepower are also three-star rated.

Mercury Marine has expanded product offerings in international markets with sales and distribution of a range of aluminum, fiberglass and inflatable boats produced either by, or for, Mercury in Australia, France, Norway, Poland, Portugal and Sweden. These boats are marketed under the brand names Armor, Arvor, Askaladden, Bermuda, Mercury, Ornvik, Quicksilver, Savage, Uttern and Valiant.

Domestic retail demand for the Marine Engine segment's products is seasonal with sales generally highest in the second quarter. Adverse weather in key geographic areas, including, but not limited to, excessive rain, prolonged below average temperatures and severe heat or drought, can significantly influence demand over the short term, particularly during the key selling season. Demand for marine engines is influenced by a number of other factors, including consumer education about boating, economic conditions in the United States and certain international regions, field inventories, technological advancements, customer purchases of the Company's boat offerings and those of other major domestic boat builders, and, to some extent, fuel costs, prevailing interest rates and consumer confidence.

Boat Segment

The Boat segment consists of the Brunswick Boat Group, which markets and manufactures fiberglass pleasure boats, high-performance boats and offshore fishing boats. The Company believes its Boat segment has the largest dollar sales volume of pleasure boats in the world.

The Brunswick Boat Group was formed in October 2000 to leverage the Company's core competencies in the marine industry by combining all of its boat brands within one operating unit. Through its Sea Ray Group and US Marine Division, the Brunswick Boat Group markets and manufactures Sea Ray luxury yachts, cruisers and sport boats; Bayliner motor yachts, cruisers and runabouts; Maxum motor yachts, cruisers and runabouts; Boston Whaler and Trophy offshore fishing boats; Baja high-performance boats; and Escort boat trailers. The Brunswick Boat Group procures outboard motors, gasoline

sterndrives and gasoline inboard engines from Mercury Marine.

On January 25, 2001, the Company announced its intention to close four of its boat manufacturing plants. The announcement involves plants in Spokane, Washington; Tallahassee, Florida; and two plants in Valdosta, Georgia. The affected plants manufacture Bayliner and Maxum runabouts and cruisers from 17 to 33 feet. The closures were made to capitalize on improved operating efficiencies at the remaining boat plants and facilitate reduction of pipeline inventories through reduced production volumes. When the closure of these plants is completed, the Boat Group will have 18 boat plants throughout the United States. In all, approximately 650 positions, including manufacturing and administrative, will be eliminated in connection with these plant closures. In March 2001, the Company announced a workforce reduction of 500 additional positions at plants that manufacture Sea Ray and Baja boats. These actions will allow the Boat Group to align production rates with expected demand for its products.

The Boat Group's products are sold to end users through dealers. Sales to the Boat Group's largest dealer, with multiple locations, comprised more than 10 percent of Boat segment sales in 2000. Domestic retail demand for pleasure boats is seasonal with sales generally highest in the second quarter. Adverse weather in key geographic areas, including, but not limited to, excessive rain, prolonged below average temperatures and severe heat or drought, can significantly influence demand over the short term, particularly during the key selling season. Demand for pleasure boats is also influenced by a number of other factors, including consumer education about boating, economic conditions, particularly in the United States, and, to some extent, fuel costs, prevailing interest rates and consumer confidence. Demand is also affected by field inventories of the Company's products and the competitiveness of the Company's product offerings.

Recreation Segment

The Recreation segment includes the Life Fitness exercise equipment and the Brunswick Bowling & Billiards (BB&B) businesses.

The Company believes Life Fitness is the largest commercial fitness equipment provider in the world. Life Fitness designs, markets and manufactures a full line of reliable, high-quality cardiovascular fitness equipment (including treadmills, total body cross trainers and stationary bikes) and strength-training fitness equipment under the Life Fitness, Hammer Strength and ParaBody brands. Life Fitness serves the commercial (health clubs, gyms, professional sports teams, military, government, corporate and university facilities) and high-end consumer markets.

BB&B is the leading manufacturer and designer of bowling products, including bowling balls and capital equipment, which includes bowling lanes, automatic pinsetters, ball returns and furniture units. BB&B also sells computerized bowling-scoring equipment, which is manufactured to BB&B's specifications.

BB&B operates 121 family bowling centers in the United States, Canada and Europe, and its joint ventures operate 24 additional centers in Asia. Bowling centers offer bowling and, depending on size and location, the following activities and services: billiards, video games, pro shops, children's playrooms, restaurants and cocktail lounges. All of the centers offer Cosmic Bowling, a glow-in-the-dark bowling experience that transforms bowling into a new and enhanced form of recreation. Approximately 50 percent of the recreation center facilities are owned by the Company.

BB&B has a 50 percent interest in Nippon Brunswick K. K., which sells bowling equipment and operates bowling centers in Japan. In addition, BB&B has a 50 percent interest in Vulcan-Brunswick Bowling Pin Company, which manufactures bowling pins in Antigo, Wisconsin. BB&B also has a minority interest in a joint venture in Thailand that owns and operates bowling centers.

BB&B designs and markets billiards tables, billiards balls, cues and related accessories under the Brunswick brand. BB&B serves the domestic and international commercial and consumer billiards markets. The Company believes it has the largest dollar sales volume of billiards tables in the world.

The Company's recreational products and services are sold through a variety of channels, including mass merchandisers, distributors, dealers, bowling centers and retailers, and directly to customers. High-end consumer fitness equipment is sold through specialty retailers, including certain chains in which the Company has ownership interests. Recreation segment products are distributed worldwide from regional warehouses, sales offices and factory stocks of merchandise. Demand for the Recreation segment's products is seasonal, with sales generally highest in the first and fourth quarters, and is influenced by economic conditions in the United States and certain international regions. Demand for Life Fitness's products is also influenced by a number of other factors, including product innovation and related patent rights, consumer demand for health clubs and other exercise facilities and product distribution. Factors influencing demand for BB&B's products and bowling centers include consumer participation in bowling and billiards, competition from alternative forms of recreation, product and facility quality and pricing, and customer service.

The following table sets forth the net sales of the Life Fitness and BB&B businesses of the Recreation segment for 2000, 1999 and 1998:

<TABLE>
<CAPTION>

<S>	2000 <C>	1999 <C>	1998 <C>
	(In millions)		
Life Fitness	$348.3	$290.5	$253.4
BB&B	422.4	442.9	429.1
	$770.7	$733.4	$682.5

</TABLE>

Discontinued Operations

The Company announced its intention to divest its bicycle, camping and fishing businesses on June 27, 2000, and its marine accessories, hunting sports accessories and cooler businesses on October 13, 2000. In conjunction with these announcements, the Company's segments were realigned to be consistent with the remaining businesses and current reporting structure.

The sales of the camping and bicycle businesses were completed during 2000, and the Company expects to complete the divestiture of the remaining discontinued businesses in 2001. Prior-year numbers have been restated to conform with the discontinued operations and new segment presentations.

International Operations

The Company's sales to customers in international markets were $838.4 million (22.0 percent of net sales) and $785.6 million (22.2 percent of net sales) in 2000 and 1999, respectively. The Company's international sales are set forth in Note 3, Segment Information, in the Notes to Consolidated Financial Statements, and are also included in the table below, which sets forth the Company's international sales by region for 2000, 1999 and 1998:

<TABLE>
<CAPTION>

<S>	2000 <C>	1999 <C>	1998 <C>
	(In millions)		
Europe	$432.1	$406.1	$380.8
Pacific Rim	166.4	151.4	134.5
Canada	149.9	138.2	134.9
Latin America	59.6	60.0	66.5
Other	30.4	29.9	37.9
	$838.4	$785.6	$754.6

</TABLE>

Mercury Marine has a product customization plant and distribution center in Belgium; sales and distribution centers in Australia, Brazil, Canada, China, Japan, Malaysia, Mexico, New Zealand and Singapore; and sales offices in Australia, Belgium, Brazil, Colombia, Denmark, France, Germany, Indonesia, Italy, the Netherlands, Norway, Russia, Sweden and Switzerland. Mercury Marine has assembly plants in Australia, France, Mexico and Sweden. Mercury Marine also operates a marina in China. Sales into these markets are predominately denominated in local currencies and costs of products manufactured or sourced are predominately denominated in U.S. dollars. Mercury Marine sales comprised approximately 49 percent of the Company's total international sales in 2000.

The Brunswick Boat Group's boats are manufactured predominately in the United States and are sold worldwide through dealers. In addition, kits for certain runabout boat models are sold to approved manufacturers outside the United States who then manufacture boats to specifications and sell the boats under certain Boat Group brand names. The Boat Group has sales offices in France and the Netherlands and product display locations in Australia, Brazil and France. The Boat Group's sales comprised approximately 23 percent of the Company's total international sales in 2000.

Life Fitness sells its products worldwide and has sales and distribution centers in Brazil, Germany, Hong Kong, Japan, the Netherlands and the United Kingdom, as well as sales offices in Austria and Italy.

BB&B sells its products worldwide, has sales offices in various countries, and a plant that manufactures pinsetters in Hungary. BB&B operates bowling centers in Austria, Canada and Germany and has a joint venture in Thailand that operates bowling centers.

Recreation segment sales comprised approximately 28 percent of the Company's total international sales in 2000.

Raw materials

Raw materials are purchased from various sources. At present, the Company is not experiencing any critical raw material shortages nor are any anticipated. General Motors Corporation is the sole supplier of engine blocks used to manufacture the Company's gasoline sterndrive engines.

Patents, trademarks and licenses

The Company has, and continues to obtain, patent rights, consisting of patents and patent licenses, covering certain features of the Company's products and processes. The Company's patent rights, by law, have limited lives and expire periodically.

In the Marine Engine segment, patent rights principally relate to features of outboard engines and inboard-outboard drives, including die-cast powerheads, cooling and exhaust systems, drive train, clutch and gearshift mechanisms, boat/engine mountings, shock absorbing tilt mechanisms, ignition systems, propellers, spark plugs and fuel and oil injection systems. Other significant patents relate to marine vessel control systems.

In the Recreation segment, patent rights principally relate to computerized bowling scorers and business information systems, bowling lanes and related equipment, bowling balls, fitness equipment and billiards table designs and components.

While the Company believes that marine engine and fitness equipment patents are important to its competitive position in these businesses, the Company also believes that future success in all of its businesses is mainly dependent upon its engineering, manufacturing and marketing capabilities.

The following are among the Company's primary trademarks or registered trademarks: Air-Hockey, Anvilane Pro Lane, Baja, Ball Wall, Bayliner, Boston Whaler, Brunswick, Brunswick Billiards, Brunswick Zone, Capri, CenterMaster, Ciera, Control Max, Cosmic Bowling, DBA Products, Engine Guardian, Frameworx, Gold Crown, Hammer Strength, Jet Drive, Lifecycle, Life Fitness, Lightworx, Mariner, Master Dealer, Maxum, MercNet, MerCruiser, Mercury, MercuryCare,

Mercury Marine, Mercury Parts Express, Mercury Precision Parts, Mercury Propellers, Mercury Racing, OptiMax, ParaBody, Precision Piloting, ProMax, Q Care, QuickFit, Quicksilver, SeaPro, Sea Ray, SmartCraft, SportJet, Throbot, Trophy, True Technologies, Typhoon, U.S. Play by Brunswick, Viz-A-Ball, WaterMouse and Zone. These trademarks have indefinite lives, and many of these trademarks are well known to the public and are considered valuable assets of the Company.

Competitive conditions and position

The Company believes that it has a reputation for quality in its highly competitive lines of business. The Company competes in its various markets by utilizing efficient production techniques, innovative technological advancements and effective marketing, advertising and sales efforts, and by providing high-quality products at competitive prices.

Strong competition exists with respect to each of the Company's product groups, but no single manufacturer competes with the Company in all product groups. In each product area, competitors range in size from large, highly diversified companies to small, single-product businesses. The following summarizes the Company's position in each segment.

Marine Engine. The Company believes it has the largest dollar sales volume of recreational marine engines in the world. The marine engine market is highly competitive among several major companies and many smaller ones. There are also many competitors in the highly competitive marine accessories business. Competitive advantage in the marine engine and accessories markets is a function of product features, technology leadership, quality, service, performance and durability, along with effective promotion, distribution and pricing.

In December 2000, Mercury Marine's largest U.S.-based competitor, Outboard Marine Corporation (OMC), filed for bankruptcy protection. OMC's assets will be acquired by other marine companies as a result of a bankruptcy auction of the assets conducted in February 2001. While the impact of OMC's bankruptcy, and the resulting auction, on demand for Mercury products remains uncertain, Mercury believes that demand for its products is likely to increase over the next several months. However, OMC or its dealers may liquidate finished goods at discounts causing short-term disruption in marine engine markets.

Boat. The Company believes it has the largest dollar sales volume of pleasure boats in the world. There are many manufacturers of pleasure and offshore fishing boats; consequently, this business is highly competitive. The Company competes on the basis of product features, technology, quality, dealer service, performance, value, durability and styling, along with effective promotion, distribution and pricing.

Recreation. The Company believes it is the world's largest manufacturer of bowling capital equipment, billiards tables and commercial fitness equipment, and one of the largest manufacturers of consumer fitness equipment. Certain bowling products, such as automatic scorers and computerized management systems, many billiards table designs and many fitness equipment products represent innovative features and developments in the market. See Item 3, Legal Proceedings for a description of certain litigation involving fitness equipment patents. Competitive emphasis also is placed on product quality, marketing activities, pricing and service. The Company believes it has the largest fitness equipment service network in the United States. The Company operates 121 retail bowling centers worldwide, where emphasis is placed on customer service and quality facilities and personnel.

Research and development

The Company's research and development investments, relating to new products or to the improvement of existing products, are shown below:

<TABLE>
<CAPTION>

	2000	1999	1998
	(In millions)		
<S>	<C>	<C>	<C>

Marine Engine	$ 60.8	$ 53.3	$ 49.7
Boat	22.5	17.7	17.6
Recreation	18.9	18.7	16.6
	$102.2	$ 89.7	$ 83.9

Number of employees

The approximate number of employees as of December 31, 2000, is shown below by segment:

Marine Engine	6,600
Boat	9,040
Recreation	7,400
Corporate	160
	23,200

There are approximately 2,200 employees in the Marine Engine segment and 330 employees in the Recreation segment who are represented by labor unions. The Company believes that it has good relations with these labor unions.

Environmental requirements

See Item 3, Legal Proceedings for a description of certain environmental proceedings in which the Company is involved.

Item 2. Properties

The Company's headquarters are located in Lake Forest, Illinois. The Company has numerous manufacturing plants, distribution warehouses, sales offices and test sites. Research and development facilities are decentralized within the Company's operating segments and most are located at individual manufacturing sites.

The Company's plants are suitable and adequate for the Company's current needs. The Company believes that all of its properties are well maintained and in good operating condition. Most plants and warehouses are of modern, single-story construction, providing efficient manufacturing and distribution operations. The Company's plants, excluding the four boat plants scheduled to close (see Item 1, Business - Boat Segment above) and those facilities associated with discontinued operations, are operating at approximately 85 percent of current capacity. The Company's headquarters and most of its principal plants are owned by the Company.

Two plants where Mercury Marine boats are manufactured, in Saint Cast, France, and Skellefthamn, Sweden, are leased.

The principal warehouse for the Life Fitness Division in Franklin Park, Illinois, is leased through 2011. A Life Fitness plant in Paso Robles, California, is leased until 2003.

Approximately 50 percent of BB&B's family bowling centers, one test facility and six distribution centers are leased.

The Company's primary facilities are in the following locations:

Marine Engine

Placida and St. Cloud, Florida; Stillwater, Oklahoma; Fond du Lac, Milwaukee and Oshkosh, Wisconsin; Melbourne, Australia; Petit Rechain, Belgium; Saint Cast, France; Juarez, Mexico; and Skellefthamn, Sweden.

Boat

Phoenix, Arizona; Edgewater, Merritt Island and Palm Coast, Florida; Cumberland and Salisbury, Maryland; Pipestone, Minnesota; Bucyrus, Ohio; Claremore and Miami, Oklahoma; Roseburg, Oregon; Knoxville and Vonore, Tennessee; and Arlington, Washington.

Recreation

Paso Robles, California; Franklin Park, Illinois; Falmouth, Kentucky; Muskegon, Michigan; Ramsey, Minnesota; Bristol, Wisconsin; Szekesfehervar, Hungary; and 121 bowling recreation centers in the United States, Canada and Europe.

Item 3. Legal Proceedings

On March 24, 2000, the United States Court of Appeals for the Eighth Circuit issued an opinion reversing and vacating a verdict entered against the Company in the case Concord Boat Corporation, et al. v. Brunswick Corporation (Concord). In June 1998, a jury had awarded the Concord plaintiffs treble damages totaling $133.2 million based on alleged antitrust violations involving the sale of sterndrive and inboard marine engines. The Concord plaintiffs were also awarded attorneys' fees and costs. The Company appealed and the appellate court reversed and vacated the judgment, including the award of fees and costs, remanding the case for entry of judgment in the Company's favor. Additionally, the appellate court ordered the release of a $133.2 million surety bond that was issued in 1998 to secure damages previously awarded in the Concord suit, relieving the Company from any further obligation to maintain the surety bond. The Concord plaintiffs sought discretionary review of the appellate court's decision by the United States Supreme Court, which the Company opposed. On November 6, 2000, the United States Supreme Court, without comment, denied review of the appellate court's decision in the Concord suit, letting stand the judgment in favor of the Company.

The Concord plaintiffs' claims involved less than one-fifth of the total sterndrive and inboard engines sold to independent boat builders during the relevant time period. Subsequent to the 1998 Concord verdict, six additional lawsuits, including five class-action suits, were filed seeking to rely on the allegations and findings in the Concord suit. The plaintiffs in these actions included independent boat builders, dealers, competitors and consumers. The Company settled these cases in the third and fourth quarters of 1999, prior to final resolution of the Concord appeal, to manage its overall exposure related to these actions. The Company recorded a $116.0 million pretax charge in 1999 relating to these settlements. The Company paid $49.4 million in 2000 and $57.6 million in 1999 related to these settlements, with the remainder to be paid in 2001.

The Federal Trade Commission (FTC) began an investigation in 1997 of certain of the Company's marketing practices related to the sale of sterndrive marine engines to boat builders and dealers. The Company believes such practices were lawful; however, they were discontinued for business reasons prior to the initiation of the FTC's investigation. In December 2000, the Company formally requested that the FTC close its investigation in light of the favorable outcome of the Concord litigation, which involved the same marketing practices. In February 2001, the Company was notified that the FTC was investigating whether the Company's bidding for certain assets relating to Outboard Marine Corporation's (OMC) engine business as a part of OMC's bankruptcy constitutes a violation of U.S. antitrust laws.

On October 26, 1999, a federal court jury in Seattle, Washington, awarded Precor, a subsidiary of Illinois Tool Works, Inc., approximately $5.2 million in a patent infringement trial against the Company, as successor in interest to the predecessor entities of its Life Fitness division, upon the basis that certain Life Fitness treadmills willfully infringed a Precor design patent. Precor was also awarded up to $5.3 million in attorneys' fees and will be entitled to prejudgment interest on the damage award. The Company has appealed the verdict and the award of attorneys' fees to the United States Court of Appeals for the Federal Circuit. The parties are awaiting oral argument of the appeal, which is scheduled for April 2001. On May 23, 2000, a $13.0 million surety bond was issued to secure damages while the Company pursues its appeal. While there can be no assurances, the Company believes it is likely to prevail on the appeal and obtain either a new trial or judgment in its favor. No reserve relating to the resolution of this case has been recorded.

In January 2000, Precor filed suit against Life Fitness in federal court in Washington alleging that certain of Life Fitness's cross trainer exercise machines infringed Precor's Miller '829 patent. In 1999, before Precor filed its lawsuit, the Miller '829 patent was re-examined by the U.S. Patent & Trademark Office (PTO) and was rejected. Precor has sought a reissuance of the Miller patent by the PTO. Pending a determination of this reissuance request, this lawsuit against Life Fitness has been stayed. The Company is unable to predict the outcome of the second Precor case. No reserve relating to the resolution of this case has been recorded.

On October 26, 2000, the Company became one of 109 defendants in a suit in federal court in Arizona by the Lemelson Foundation for allegedly violating several of the Foundation's patents. The patents at issue involve machine vision and bar coding technology, and the Foundation has asserted a number of similar actions against other companies alleged to have used bar coding or machine vision technology in their distribution or manufacturing activities. This lawsuit has been stayed by the Arizona court pending the outcome of a lawsuit filed against the Foundation in Nevada. The Company is unable to predict the outcome of the Lemelson case. No reserve relating to the resolution of this case has been recorded.

On October 27, 1999, the United States Tax Court upheld an Internal Revenue Service (IRS) determination that resulted in the disallowance of capital losses and other expenses from two partnership investments for 1990 and 1991. On July 17, 2000, the Company appealed the Tax Court ruling to the United States Court of Appeals for the District of Columbia and filed a $79.8 million surety bond to secure payment of tax deficiencies plus accrued interest related to the appeal. Oral argument of the appeal has been scheduled for October 2001.

If the Company does not prevail in its appeal, the amount of taxes due, which would likely be payable in 2002, would total approximately $60 million, plus interest, net of tax, of approximately $65 million. The Company is also in the process of settling IRS audits on open tax years 1989 through 1991 and anticipates favorable adjustments that would decrease the total tax owed to approximately $40 million, with accompanying interest, net of tax, of approximately $30 million. The Company does not anticipate any material adverse effects on its consolidated financial position or results of operations in the event of an unfavorable resolution of this matter.

The Company is involved in certain legal and administrative proceedings under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 and other federal and state legislation governing the generation and disposition of certain hazardous wastes. These proceedings, which involve both on- and off-site waste disposal or other contamination, in many instances seek compensation or remedial action from the Company as a waste generator under Superfund legislation, which authorizes action regardless of fault, legality of original disposition or ownership of a disposal site. The Company has established reserves based on a range of current cost estimates for all known claims.

In its Marine Engine segment, the Company will continue to develop engine technologies to reduce engine emissions to comply with present and future restrictive requirements. The costs associated with these activities and the introduction of low-emission engines will have an adverse effect on Marine Engine segment operating margins and may affect short-term operating results. The Boat segment will pursue fiberglass boat manufacturing technologies and techniques to reduce air emissions at its boat manufacturing facilities. The Company learned on February 27, 2001, that the Florida Department of Environmental Protection had initiated an investigation into the alleged improper disposal of hazardous materials at one of the Boat Group's facilities in Merritt Island, Florida.

The Company believes that compliance with federal, state and local environmental laws will not have a material effect on the Company's competitive position. See Note 7, Commitments and Contingencies, in the Notes to Consolidated Financial Statements for disclosure of the potential cash requirements of environmental proceedings.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Executive Officers of the Company

The Company's executive officers are listed in the following table:

Officer	Present Position	Age
George W. Buckley*......	Chairman and Chief Executive Officer	54
Peter B. Hamilton*......	Vice Chairman and President--Brunswick Bowling & Billiards	54
Victoria J. Reich*......	Senior Vice President and Chief Financial Officer	43
William J. Barrington...	Vice President and President--Sea Ray Group	50
Kathryn J. Chieger......	Vice President--Corporate and Investor Relations	52
Tzau J. Chung*..........	Vice President--Strategic Planning	37
William J. Gress........	Vice President--Supply Chain Management	46
Kevin S. Grodzki*.......	Vice President and President--Life Fitness Division	45
Peter G. Leemputte......	Vice President and Controller	43
B. Russell Lockridge*...	Vice President and Chief Human Resources Officer	51
Patrick C. Mackey*......	Vice President and President--Mercury Marine Group	54
Dustan E. McCoy*........	Vice President, General Counsel and Secretary and President--Brunswick Boat Group	51
Richard S. O'Brien......	Vice President and Treasurer	51
John D. Russell.........	Vice President and President--US Marine Division	47
Clifford M. Sladnick....	Vice President--Acquisitions	44
Judith P. Zelisko.......	Vice President--Tax	50

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*Members of the Operating Committee

There are no family relationships among these officers. The term of office of all elected officers expires May 1, 2001. The Group and Division Presidents are appointed from time to time at the discretion of the Chief Executive Officer.

George W. Buckley has been Chairman and Chief Executive Officer of the Company since June 2000. From May to June 2000 he was President and Chief Operating Officer of the Company. He was President of the Mercury Marine Group from 1997 to 2000, and during that period was also an officer of the Company, holding the following positions: Executive Vice President, February to May 2000; Senior Vice President, 1998 to 2000; and Vice President, 1997 to 1998. Prior to joining the Company, he was President of the U.S. Electrical Motors Division of Emerson Electric Co., a manufacturer of electrical, electronic and electromagnetic products, from 1996 to 1997, and President of Emerson's Automotive and Precision Motors Division from 1994 to 1996.

Peter B. Hamilton has been Vice Chairman of the Company and President of Brunswick Bowling & Billiards since 2000. He was Executive Vice President and Chief Financial Officer of the Company from 1998 to 2000. He was Senior Vice President and Chief Financial Officer of the Company from 1995 to 1998. Prior to joining the Company, he was Vice President and Chief Financial Officer, Cummins Engine Company, Inc., a designer and manufacturer of diesel engines and related products, from 1988 to 1995.

Victoria J. Reich became Senior Vice President and Chief Financial Officer of the Company in February 2000. She was Vice President and Controller of the Company from 1996 to 2000. She was Finance Manager of General Electric Company's Wiring Devices business from 1994 to 1996.

William J. Barrington has been Vice President of the Company since 1998 and President--Sea Ray Group since 1989. He has been an employee of the Company since 1985.

Kathryn J. Chieger has been Vice President--Corporate and Investor Relations of the Company since 1996. She was Vice President--Corporate Affairs of Gaylord Container Corporation, a paper manufacturer, from 1994 to 1996.

Tzau J. Chung was elected Vice President--Strategic Planning of the Company in August 2000. Prior to that he was Senior Vice President--Strategy and IT for the Company's Mercury Marine Group from 1997 to 2000. From 1994 to 1997 he was employed by Emerson Electric Co., a manufacturer of electrical, electronic and electromagnetic products, as Director--International for the U.S. Electrical Motors Division.

William J. Gress was elected Vice President--Supply Chain Management of the Company in February 2001. From February 2000 to January 2001, he was Executive Vice President of the Company's Igloo business. Prior to that he was employed by Mercury Marine, where he was Executive Vice President of its MerCruiser Diesel business from 1999 to 2000, Vice President of Business Development from 1998 to 1999, Senior Director of Strategic Sourcing during 1997, and Director of Materials Management from 1993 to 1997. From November 1997 to August 1998, he was Vice President of Supplier Relations for Goss Graphics, Inc., a printing equipment manufacturer.

Kevin S. Grodzki was elected Vice President of the Company and President of its Life Fitness Division in August 2000. Prior to that, he was Vice President of Witco Corporation, a specialty chemical company, from 1997 to 2000. From 1977 to 1997, he was employed in a variety of capacities by E.I. DuPont DeNemours & Co., Inc., a global chemical company, where he was Vice President and Chairman of DuPont Fuji Electronic Imaging, Ltd., a DuPont joint venture involved in the development and manufacture of electronic imaging equipment, from 1995 to 1997.

Peter G. Leemputte was elected Vice President and Controller of the Company in January 2001. From 1998 to 2000, he was Executive Vice President, Chief Financial and Administrative Officer for Chicago Title Corporation, a national title insurance and real estate related products company. He was Vice President and a partner of Mercer Management Consulting, an international management consulting firm, from 1996 to 1998. From 1993 to 1996 he was Vice President, Corporate Controller for Armco, Inc., a specialty steel producer.

B. Russell Lockridge has been Vice President and Chief Human Resources Officer of the Company since 1999. From 1996 to 1999, he was Senior Vice President--Human Resources of IMC Global, Inc., a company that produces crop nutrients, animal feed ingredients and salt. From 1992 to 1996, he served as Corporate Director, Executive Compensation and Development, at FMC Corporation, a chemicals and machinery company.

Patrick C. Mackey was elected Vice President of the Company and President of its Mercury Marine Division in November 2000. Prior to that, he was Executive Vice President of Witco Corporation, a specialty chemical company, from 1998 to 1999. From 1993 to 1997, he was employed by E.I. DuPont DeNemours & Co., Inc., as Director--Global Nylon Industrial Business, Director--Integrated Operations and Human Resources for Nylon Europe, and Director of DuPont (UK) Limited.

Dustan E. McCoy has been President--Brunswick Boat Group since October 2000, and Vice President, General Counsel and Secretary of the Company since 1999. He was previously an officer of Witco Corporation, a specialty chemical company, where he was Executive Vice President in 1999; Senior Vice President from 1998 to 1999; Senior Vice President, General Counsel and Corporate Secretary from 1996 to 1998; and Vice President, General Counsel and Corporate Secretary from 1993 to 1996.

Richard S. O'Brien has been Vice President of the Company since 1996 and Treasurer of the Company since 1988. He has been an employee of the Company since 1971.

John D. Russell has been Vice President of the Company since July 2000 and President--US Marine Division since 1998. He was President of the Brunswick Billiards business during 1998. He was Executive Vice President--Strategy and Operations of the Mercury Marine Group during 1997 and was Executive Vice President--Strategy and Finance of the Mercury Marine Group from 1994 to 1996.

Clifford M. Sladnick was elected Vice President--Acquisitions of the Company in February 2001. He joined the Company in February 2000 as Assistant General Counsel. From 1990 to 1999, he was Senior Vice President, General

Counsel and Corporate Secretary of St. Paul Bancorp, Inc. Prior to 1990, he was a partner in the law firm of McDermott, Will & Emery.

Judith P. Zelisko has been Vice President--Tax of the Company since 1998. She was Staff Vice President--Tax from 1996 to 1998 and was Director of Tax and Assistant Vice President from 1983 to 1996. She has been an employee of the Company since 1978.

PART II

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters

The Company's common stock is traded on the New York, Chicago, Pacific and London Stock Exchanges. Quarterly information with respect to the high and low prices for the common stock and the dividends declared on the common stock is set forth in Note 19, Quarterly Data, in the Notes to Consolidated Financial Statements. As of December 31, 2000, there were approximately 13,800 shareholders of record of the Company's common stock.

Item 6. Selected Financial Data

The selected historical financial data presented below as of and for the years ended December 31, 2000, 1999 and 1998, have been derived from, and should be read in conjunction with, the historical consolidated financial statements of the Company, including the notes thereto, and Item 7, Management's Discussion and Analysis, including the Matters Affecting Comparability section, contained elsewhere within this Annual Report on Form 10-K. The selected historical financial data presented below as of and for the years ended December 31, 1997, 1996 and 1995, have been derived from the consolidated financial statements of the Company that are not included herein. The financial data presented below have been restated to present the discontinued operations in accordance with Accounting Principles Board Opinion No. 30.

<TABLE>
<CAPTION>

(Dollars and shares in millions, except per share data)

	2000	1999	1998	1997	1996	1995
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Results of operations data						
Net sales...............	$3,811.9	$3,541.3	$3,234.9	$2,993.6	$2,792.5	$2,681.8
Unusual charges.........	$ 55.1	$ 116.0	$ 50.8	$ 79.5	$ --	$ 40.0
Operating earnings......	$ 397.1	$ 274.6	$ 301.8	$ 208.1	$ 265.8	$ 179.6
Earnings before income taxes..................	$ 323.3	$ 219.3	$ 245.3	$ 173.8	$ 250.9	$ 168.1
Earnings from continuing operations.............	$ 202.2	$ 143.1	$ 154.4	$ 111.3	$ 160.6	$ 108.7
Cumulative effect of change in accounting principles............	--	--	--	(0.7)	--	--
Discontinued operations:						
Earnings (loss) from discontinued operations............	(68.4)	(105.2)	31.9	39.9	25.2	25.5
Loss from disposal of discontinued operations............	(229.6)	--	--	--	--	(7.0)
Net earnings (loss).....	$ (95.8)	$ 37.9	$ 186.3	$ 150.5	$ 185.8	$ 127.2
Basic earnings (loss) per common share:						
Earnings from continuing operations.............	$ 2.28	$ 1.56	$ 1.57	$ 1.12	$ 1.63	$ 1.13
Cumulative effect of						

change in accounting principles	--	--	--	(0.01)	--	--
Discontinued operations:						
Earnings (loss) from discontinued operations	(0.77)	(1.14)	0.32	0.40	0.26	0.27
Loss from disposal of discontinued operations	(2.59)	--	--	--	--	(0.07)
Net earnings (loss)	$ (1.08)	$ 0.41	$ 1.90	$ 1.52	$ 1.89	$ 1.33
Average shares used for computation of basic earnings per share	88.7	92.0	98.3	99.2	98.3	95.9
Diluted earnings (loss) per common share:						
Earnings from continuing operations	$ 2.28	$ 1.55	$ 1.56	$ 1.11	$ 1.63	$ 1.13
Cumulative effect of change in accounting principles	--	--	--	(0.01)	--	--
Discontinued operations:						
Earnings (loss) from discontinued operations	(0.77)	(1.14)	0.32	0.40	0.26	0.27
Loss from disposal of discontinued operations	(2.59)	--	--	--	--	(0.07)
Net earnings (loss)	$ (1.08)	$ 0.41	$ 1.88	$ 1.50	$ 1.88	$ 1.32
Average shares used for computation of diluted earnings per share	88.7	92.6	99.0	100.3	98.8	96.2

</TABLE>

<TABLE>
<CAPTION>

	2000	1999	1998	1997	1996	1995
	(Dollars and shares in millions, except per share data)					
Balance sheet data						
Assets of continuing operations	$3,094.3	$2,685.3	$2,501.2	$2,445.8	$2,281.6	$2,159.9
Debt						
Short-term	$ 172.7	$ 107.7	$ 170.1	$ 109.3	$ 112.6	$ 6.1
Long-term	601.8	622.5	635.4	645.5	455.4	312.8
Total debt	774.5	730.2	805.5	754.8	568.0	318.9
Common shareholders' equity	1,067.1	1,300.2	1,311.3	1,315.0	1,197.7	1,043.1
Total capitalization	$1,841.6	$2,030.4	$2,116.8	$2,069.8	$1,765.7	$1,362.0
Cash flow data						
Net cash provided by operating activities of continuing operations	$ 251.0	$ 250.4	$ 387.4	$ 84.8	$ 140.7	$ 292.6
Depreciation and amortization	148.8	141.4	135.6	132.6	119.1	112.1
Capital expenditures	156.0	166.8	164.6	167.3	159.8	109.4
Acquisitions of businesses	--	4.2	32.8	331.1	39.6	10.3
Stock repurchases	87.1	18.3	159.9	8.4	--	--
Cash dividends paid	44.3	45.9	49.0	49.6	49.3	47.9
Other data						
Dividends declared per						

share	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50
Book value per share	12.22	14.16	14.27	13.22	12.16	10.66
Return on beginning shareholders' equity	(7.4)%	2.9%	14.2%	12.6%	17.8%	14.7%
Effective tax rate	37.5%	34.7%	37.1%	36.0%	36.0%	35.3%
Debt-to-capitalization rate	42.1%	36.0%	38.1%	36.5%	32.2%	23.4%
Number of employees	23,200	23,100	21,800	21,100	20,000	18,900
Number of shareholders of record	13,800	14,500	15,600	16,200	18,400	22,400
Common stock price (NYSE)						
High	$ 22.13	$ 30.00	$ 35.69	$ 36.50	$ 25.75	$ 24.00
Low	14.75	18.06	12.00	23.63	18.13	16.38
Close (last trading day)	16.44	22.25	24.75	30.31	24.00	24.00

</TABLE>

The Notes to Consolidated Financial Statements should be read in conjunction with the above summary.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

General

Brunswick Corporation (the Company) is a marketer and manufacturer of leading recreation brands including Mercury and Mariner outboard engines; Mercury MerCruiser sterndrive and inboard engines; Mercury Precision Parts and marine accessories; Sea Ray, Bayliner and Maxum pleasure boats; Baja high-performance boats; Boston Whaler and Trophy offshore fishing boats; Life Fitness, Hammer Strength and ParaBody fitness equipment; Brunswick bowling centers, equipment and consumer products; and Brunswick billiards tables.

The Company's strategy is to achieve growth by developing innovative products, identifying and deploying leading-edge technologies, pursuing aggressive marketing and brand building activities, seizing international opportunities and leveraging core competencies. Further, the Company focuses on enhancing its operating margins through effective cost management and investment in technology. The Company's objective is to enhance shareholder value by achieving returns on investments that exceed its cost of capital.

During 2000, the Company announced its intention to divest the following businesses that comprised its former outdoor recreation segment: fishing, camping, bicycle, cooler, marine accessories and hunting sports accessories. These businesses have been accounted for as discontinued operations and the consolidated financial statements for all periods have been restated to present these businesses as discontinued operations in accordance with Accounting Principles Board (APB) Opinion No. 30.

Sales in 2000 increased 7.6 percent to $3,811.9 million on strong contributions from the marine and exercise equipment businesses. Operating earnings increased 44.6 percent to $397.1 million. Operating earnings, excluding unusual charges in both periods, increased 15.8 percent to $452.2 million, benefiting from cost reductions and operating efficiencies. See the Matters Affecting Comparability section below.

Certain statements in Management's Discussion and Analysis are forward looking as defined in the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations that are subject to risks and uncertainties. Actual results may differ materially from expectations as of the date of this filing because of factors discussed below under the Forward-Looking Statements section.

Matters Affecting Comparability

Net loss per diluted share totaled $1.08 in 2000 versus net earnings per diluted share of $0.41 in 1999 and $1.88 in 1998. Comparisons of net earnings per diluted share are affected by several unusual items, which are listed

below and are discussed in detail in later sections. The effect of these items on diluted earnings per share is as follows:

	2000	1999	1998*
Net earnings (loss) per diluted share--as reported.......	$(1.08)	$ 0.41	$ 1.88
Unusual charges...	0.45	0.77	0.35
(Earnings) loss from discontinued operations.............	0.77	1.14	(0.32)
Loss from disposal of discontinued operations............	2.59	--	--
Net earnings per diluted share--as adjusted..............	$ 2.73	$ 2.32	$ 1.91

- --------

*Net earnings in 1998 include a $0.10 per diluted share gain from a settlement with a boat dealer.

There are a number of matters that affect the comparability of results between 2000, 1999 and 1998. These matters include:

. Unusual Charges: In the third quarter of 2000, the Company recorded a $55.1 million charge to operating earnings ($40.0 million after tax or $0.45 per diluted share) to increase environmental reserves related to the cleanup of contamination from a former manufacturing facility and to account for the write-down of investments in certain Internet-related businesses. In 1999, the Company recorded charges to operating earnings in the third and fourth quarters totaling $116.0 million ($71.4 million after tax or $0.77 per diluted share) relating to litigation settlements. The Company's 1998 financial results include a $50.8 million charge to operating earnings ($35.1 after tax or $0.35 per diluted share) to cover exit and asset disposition costs related to strategic initiatives taken in the bowling business largely in response to the effect of the Asian economic situation. The benefits from these strategic actions did not have a material effect on the Company's 1998 financial results. In 1999, the Company achieved pretax savings from the 1998 restructuring activity in line with original expectations of approximately $18 million, with additional pretax savings in 2000 exceeding $2 million.

. Discontinued Operations: As previously mentioned, during 2000 the Company announced its intention to divest the businesses that comprised the former outdoor recreation segment. In 2000, losses from the disposition of the businesses, which were based on estimates, totaled $229.6 million after tax, or $2.59 per diluted share. The discontinued operations generated after-tax losses of $68.4 million and $105.2 million in 2000 and 1999, respectively, and after-tax earnings of $31.9 million in 1998. Diluted loss per share from discontinued operations totaled $0.77 in 2000 and $1.14 in 1999, and diluted earnings per share from discontinued operations were $0.32 in 1998. See the Discontinued Operations section for a more detailed discussion of the operations that were discontinued in 2000.

Results of Operations

Consolidated

The following table sets forth certain ratios and relationships calculated from the consolidated statements of income:

	2000	1999	1998*
	(Dollars in millions, except per share data)		
Net sales.......................................	$3,811.9	$3,541.3	$3,234.9
Percentage increase.............................	7.6%	9.5%	8.1%
Operating earnings..............................	$ 397.1	$ 274.6	$ 301.8

	2000	1999	1998*
Earnings from continuing operations..............	$ 202.2	$ 143.1	$ 154.4
Earnings (loss) from discontinued operations, net of tax...	(68.4)	(105.2)	31.9
Loss from disposal of discontinued operations, net of tax.....................................	(229.6)	--	--
	--------	--------	--------
Net earnings (loss)..............................	$ (95.8)	$ 37.9	$ 186.3
	========	========	========
Diluted earnings per share from continuing operations.....................................	$ 2.28	$ 1.55	$ 1.56
Diluted earnings (loss) per share from discontinued operations.........................	(0.77)	(1.14)	0.32
Diluted loss per share from disposal of discontinued operations.........................	(2.59)	--	--
	--------	--------	--------
Diluted earnings (loss) per share................	$ (1.08)	$ 0.41	$ 1.88
	========	========	========
Expressed as a percentage of net sales:			
Gross margin....................................	28.6%	28.6%	28.3%
Selling, general and administrative expense......	14.0%	15.1%	14.8%
Operating margin................................	10.4%	7.8%	9.3%

</TABLE>

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*Operating earnings in 1998 include income of $15.0 million, or $0.10 per diluted share, from a settlement with a boat dealer.

The amounts in the above table for 2000 include a $55.1 million pretax unusual charge to operating earnings ($40.0 million after tax or $0.45 per diluted share) to increase environmental reserves related to the cleanup of contamination from a former manufacturing facility and to account for the write-down of investments in certain Internet-related businesses. Results for 1999 included a $116.0 million pretax charge to operating earnings ($71.4 million after tax or $0.77 million per diluted share) related to litigation settlements. Results for 1998 include a $50.8 million pretax strategic charge to operating earnings ($35.1 million after tax or $0.35 per diluted share). Excluding these items, the amounts are as follows:

<TABLE>
<CAPTION>

<S>	2000 <C>	1999 <C>	1998* <C>
	(Dollars in millions, except per share data)		
Operating earnings.....................................	$452.2	$390.6	$352.6
Operating margin.......................................	11.9%	11.0%	10.9%
Earnings from continuing operations.....................	$242.2	$214.5	$189.5
Diluted earnings per share from continuing operations...	$ 2.73	$ 2.32	$ 1.91

</TABLE>

- --------

*Operating earnings in 1998 include income of $15.0 million, or $0.10 per diluted share, from a settlement with a boat dealer.

In 2000, net sales of $3,811.9 million improved $270.6 million over 1999. The 7.6 percent increase was primarily due to growth in the marine engine, boat and fitness equipment businesses. Marine engine sales benefited primarily from double-digit growth in international operations and good demand for low-emission outboard engines. Boat revenues grew from increased sales of larger, higher-margin boats, while increases in

fitness equipment revenues resulted from double-digit gains in both commercial and consumer product sales and in both domestic and international markets.

The Company's international sales in 2000 increased 6.7 percent to $838.4 million, a $52.8 million increase over the prior year. Sales to Europe of $432.1 million in 2000 increased $26.0 million, or 6.4 percent, over 1999. Stronger sales of marine engine products and on-going growth in fitness equipment revenues offset declines in European boat sales. Sales to the Pacific Rim grew $15.0 million in 2000 to $166.4 million, with the 9.9 percent increase resulting from additional sales of marine engine products, boats and fitness equipment. Sales in both of these regions were negatively affected by

unfavorable currency fluctuations between periods. Marine engine product sales comprised the largest share of international sales in 2000.

Net sales rose 9.5 percent to $3,541.3 million in 1999, up from $3,234.9 million in 1998. The gain of $306.4 million was primarily due to increased sales of boats, marine engine products and fitness equipment. Boat sales improved from strong sales of larger boats and marine engine sales benefited from improved demand for outboard and sterndrive engines. Fitness equipment revenues increased as a result of new product introductions and higher sales to health clubs.

International sales increased 4.1 percent to $785.6 million in 1999, an increase of $31.0 million over 1998. Sales to Europe increased 6.6 percent to $406.1 million in 1999 versus $380.8 million in 1998, reflecting stronger sales of fitness equipment and boats, which offset some softness experienced in sales of marine engine products. The Company's sales to the Pacific Rim increased 12.6 percent to $151.4 million in 1999 from $134.5 million in 1998, primarily due to stronger sales of marine engine products. These favorable results were partially offset by a decline in sales to Africa and the Middle East resulting from lower sales of marine engine products and the effects of unfavorable currency fluctuations. Marine engine product sales comprised the largest share of international sales in 1999.

The Company's gross margin percentage held constant at 28.6 percent in 2000 and 1999, as benefits were received from cost reductions, an improved sales mix and increased production volumes. These benefits helped to mitigate the unfavorable currency effects resulting from the sale of products that are manufactured in the United States and sold into certain foreign markets, primarily Europe and Australia.

Gross margin percentages increased to 28.6 percent in 1999 from 28.3 percent in 1998. The 30 basis point improvement in gross margin was principally due to the benefits received from additional sales of larger, higher-margin boats and from margin gains in the bowling business attributable to strategic actions taken in late 1998. These factors more than offset the unfavorable effect of a sales mix shift to low-emission outboard engines.

In 2000, the Company's selling, general and administrative (SG&A) expenses were 14.0 percent of net sales versus 15.1 percent in 1999. The significant improvement resulted from overall sales growth, as well as successful cost containment efforts, especially in the Boat and Marine Engine segments and the bowling business. Also contributing to this improvement was better pension plan performance and decreased legal expenses in 2000, as well as spending on Year 2000 activities incurred in 1999, but not repeated in 2000.

SG&A expense increased 11.4 percent to $533.7 million in 1999 versus $479.1 million in 1998. SG&A expense in 1998 included income of $15.0 million related to a settlement with a boat dealer. Excluding this settlement, SG&A expense as a percent of sales was 15.1 percent in 1999 versus 15.3 percent in 1998. The improvement resulted as the effects of strong sales growth and cost-management efforts offset investments in growth initiatives and spending on Year 2000 readiness activities.

Operating earnings in 2000 totaled $397.1 million versus $274.6 million in 1999 and $301.8 million in 1998. Operating earnings included the aforementioned $55.1 million pretax unusual charge in 2000, the $116.0 million pretax litigation charges in 1999 and the $50.8 million pretax strategic charge in 1998. Excluding these charges for each year, 2000 operating earnings increased 15.8 percent to $452.2 million and 1999 operating

earnings increased 10.8 percent to $390.6 million. Operating margins, excluding unusual charges, were 11.9 percent in 2000, 11.0 percent in 1999 and 10.9 percent in 1998. In addition, operating earnings in 1998 also included the aforementioned $15.0 million boat dealer settlement gain. Excluding this settlement, operating earnings in 1998 would have been $337.6 million and operating margins would have been 10.4 percent.

Interest expense was $67.6 million in 2000, $61.0 million in 1999 and $62.7 million in 1998. Contributing to the increase in interest expense in 2000 was a higher average outstanding debt balance, due to increased commercial paper borrowings to fund working capital requirements, capital expenditures and

stock repurchases, and a higher weighted-average interest rate on commercial paper (6.58 percent in 2000 and 5.43 percent in 1999). The decrease in interest expense in 1999 versus 1998 was due primarily to a lower average outstanding balance of commercial paper.

Other expense totaled $6.2 million in 2000 versus other income of $5.7 million in 1999 and $6.2 million in 1998. Start-up costs incurred in 2000 in connection with an equity investment, the divestiture of a joint venture in 1999 and unfavorable currency adjustments adversely affected other income/expense comparisons between 2000 and 1999.

The Company's effective tax rate was 37.5 percent in 2000, 34.7 percent in 1999 and 37.1 percent in 1998. Excluding the unusual charges, the effective tax rate was 36.0 percent in all three years.

Average common shares outstanding used to calculate diluted earnings per share were 88.7 million, 92.6 million and 99.0 million in 2000, 1999 and 1998, respectively. The decrease in average shares outstanding in 2000 and 1999 is due primarily to two separate share repurchase programs, one that was completed in the third and fourth quarters of 1998 and one that was initiated in February 2000. See Cash Flow, Liquidity and Capital Resources section below for additional discussion of share repurchase program activity.

Marine Engine Segment

The following table sets forth Marine Engine segment results:

<TABLE>
<CAPTION>

<S>	2000 <C>	1999 <C>	1998 <C>
	(Dollars in millions)		
Net sales..	$1,759.9	$1,614.8	$1,482.5
Percentage increase..............................	9.0%	8.9%	
Operating earnings................................	$ 276.0	$ 242.5	$ 222.4
Percentage increase..............................	13.8%	9.0%	
Operating margin.................................	15.7%	15.0%	15.0%
Capital expenditures.............................	$ 63.8	$ 77.1	$ 66.4

</TABLE>

Net sales in the Marine Engine segment of $1,759.9 million increased 9.0 percent in 2000 versus $1,614.8 million in 1999. The increase resulted from 12.9 percent growth in international operations, despite adverse effects of unfavorable currency exchange rates. Additionally, good demand for low-emission outboard engines generated an increase in domestic outboard sales. Demand for larger sterndrive engines and expanded distribution channels for parts and accessories also contributed to the segment's sales growth in 2000.

Operating earnings in the segment increased 13.8 percent to $276.0 million in 2000 from $242.5 million in 1999. Operating margins for 2000 improved to 15.7 percent, 70 basis points higher than 1999. These comparisons were favorably affected by leveraging the aforementioned increases in sales, along with benefits from increased production volumes and continued improvements in productivity. Non-recurring spending occurring in 1999 for legal matters also favorably affected the year-over-year comparisons in 2000. These factors helped to mitigate the adverse effect of a stronger dollar against key currencies and the unfavorable margin differential between low-emission and traditional outboard offerings due to higher initial production costs.

In 1999, Marine Engine segment sales increased 8.9 percent to $1,614.8 million, compared with $1,482.5 million in 1998. This gain primarily reflects strong domestic demand for outboards, particularly low-emission outboard engines. Sales of sterndrive engines also increased, driven by improved consumer demand, while parts and accessories sales benefited from increased distribution and new products.

Operating earnings were $242.5 million in 1999, an increase of 9.0 percent from $222.4 million in 1998, and operating margins were 15.0 percent in both 1999 and 1998. Operating margin comparisons between periods reflect productivity gains in the engine businesses along with growth in sales of

higher-margin marine parts and accessories. These benefits were offset by the unfavorable margin differential between low-emission and traditional outboard offerings due to higher initial production costs, increased spending on marketing and product development investments, and softness in global engine pricing.

Boat Segment

The following table sets forth Boat segment results:

	2000	1999	1998*
	(Dollars in millions)		
Net sales	$1,574.3	$1,476.6	$1,332.3
Percentage increase	6.6%	10.8%	
Operating earnings	$ 148.2	$ 120.7	$ 112.7
Percentage increase	22.8%	7.1%	
Operating margin	9.4%	8.2%	8.5%
Capital expenditures	$ 57.4	$ 46.6	$ 48.8

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*Operating earnings in 1998 include income of $15.0 million from a settlement with a boat dealer.

The Boat segment generated $1,574.3 million in sales for 2000, an increase of 6.6 percent over 1999 sales results. The $97.7 million improvement in net sales resulted from a 10 percent increase in sales of larger, higher-margin boats. Sales of smaller boats increased slightly for the year as improvements in the first half of 2000, driven by an improved mix, were partially offset by weakening demand experienced in the last half of the year. During the second half of 2000, both dealer and the Company's inventories of certain boat categories increased as retail demand slowed.

In 2000, operating earnings in the Boat segment totaled $148.2 million, a 22.8 percent increase over 1999. Operating margins improved 120 basis points to 9.4 percent in 2000, up from 8.2 percent in 1999. Operating margins in 2000 benefited from a more favorable product mix in 2000 resulting from increased sales of larger, higher-margin boats and improved pricing.

In 1999, Boat segment sales increased 10.8 percent to $1,476.6 million, compared with $1,332.3 million in 1998. This increase is principally the result of continued strong sales of larger boats resulting from strong consumer demand and new products. These results were achieved while reducing field inventory levels.

Operating earnings for the Boat segment totaled $120.7 million in 1999 versus $112.7 million in 1998. Segment operating earnings improved 23.5 percent in 1999 from $97.7 million in 1998, excluding a $15.0 million gain recorded in 1998 relating to a settlement with a boat dealer. Operating margins improved to 8.2 percent in 1999 from 7.3 percent in 1998, excluding the settlement. Improvements in these comparisons reflect a reduction in retail price incentives, the aforementioned strong performance in sales of larger, higher-margin boats and productivity gains resulting from the rationalization of product lines and manufacturing operations.

Recreation Segment

The following table sets forth Recreation segment results:

	2000	1999	1998
	(Dollars in millions)		
Net sales	$770.7	$733.4	$682.5
Percentage increase	5.1%	7.5%	

Operating earnings....................................	$ 73.1	$ 73.9	$ 54.6
Percentage increase (decrease).........................		(1.1)%	35.3%
Operating margin......................................	9.5%	10.1%	8.0%
Capital expenditures..................................	$ 31.8	$ 41.9	$ 47.9

</TABLE>

In 2000, the Recreation segment reported sales of $770.7 million, up 5.1 percent from $733.4 million in 1999. The segment's sales growth was driven by a strong performance from the fitness equipment business, which reported a 20 percent increase in sales resulting from double-digit gains in both commercial and consumer products. Revenues from commercial fitness equipment products improved primarily due to increased sales to health clubs and the military in the United States as well as in international markets. New product introductions and increased distribution drove the growth in consumer exercise equipment sales. Bowling and billiards sales were down 5 percent for the year principally due to a reduction in sales of bowling products, primarily in the fourth quarter. Revenues from retail bowling centers also declined; however, the decrease was due to a reduction of six bowling centers versus the prior year. Revenues from renovated bowling centers ("Brunswick Zones") were up 10 percent over the prior year.

The Recreation segment's operating earnings totaled $73.1 million in 2000 versus $73.9 million in 1999 and operating margins fell 60 basis points to 9.5 percent in 2000. The decline in operating margins was attributable to the unfavorable impact of a stronger dollar on the European operations in the fitness equipment business, along with continued investment spending on new products and market development. These factors were partially offset by cost containment efforts in the bowling and billiards businesses.

Sales for the Recreation segment increased 7.5 percent to $733.4 million in 1999, compared with $682.5 million in 1998. The sales gain was primarily driven by double-digit growth in fitness equipment revenues due to increased sales to health clubs in the United States, strong growth in the United Kingdom and new product introductions. Also contributing were increased North American bowling center revenues and increased sales of bowling equipment and supplies.

The Recreation segment reported operating earnings of $73.9 million in 1999, compared with $54.6 million in 1998, and operating margins increased to 10.1 percent in 1999 from 8.0 percent in 1998. These improvements reflect the benefits in the bowling business from strategic actions taken in 1998 to address the effect of the Asian economic situation on bowling equipment sales, which offset the effects of increased investment in the fitness equipment business for new product development and marketing activities. These strategic actions included exiting and disposing of 15 retail bowling centers in Asia, Brazil and Europe; rationalizing manufacturing of bowling equipment, including closing a pinsetter manufacturing plant in China; accelerating the shutdown of a pinsetter manufacturing plant in Germany; exiting the manufacture of electronic scorers and components; and closing bowling sales and administrative offices in four countries.

Discontinued Operations

As previously mentioned, during 2000, the Company announced its intention to divest the following businesses that comprised its former outdoor recreation segment: fishing, camping, bicycle, cooler, marine accessories and hunting sports accessories. These businesses have been accounted for as discontinued operations and the consolidated financial statements for all periods have been restated to present these businesses as discontinued operations in accordance with APB Opinion No. 30.

Discontinued operations experienced losses totaling $68.4 million in 2000 and $105.2 million in 1999 versus income of $31.9 million in 1998. Losses from discontinued operations included the results of operations from the following businesses: hunting sports accessories, marine accessories and cooler businesses through September 30, 2000, and fishing, camping and bicycle businesses through June 30, 2000. Losses relating to these businesses subsequent to these dates were estimated and provided for in the loss on the disposition of these businesses.

The 2000 loss from discontinued operations of $68.4 million included the

write-off of goodwill and other long-term assets related to the camping business ($76.0 million pretax, $50.0 million after tax) that was recorded in the second quarter of 2000. The write-off was necessary as the Company determined that additional actions would not improve operating performance to levels sufficient to recover its investment in these assets. Also included were asset write-downs and restructuring costs, primarily severance in the fishing and camping businesses, necessitated by a change in business conditions and the decision to outsource the manufacture of fishing reels that were previously produced in-house.

Losses from discontinued operations of $105.2 million for 1999 included a $178.0 million pretax strategic charge ($114.0 million after tax). Despite the Company's successful initiatives to expand distribution and reduce costs in its bicycle business, the profitability of the business eroded as competition from Asian imports substantially reduced market pricing for bicycles. While the price competition affected virtually all bicycles, the effects were extremely pronounced at the opening price points. Consequently, in the fourth quarter of 1999, the Company determined that the goodwill associated with this business was impaired. Additionally, to further reduce costs, the Company committed to plans to exit manufacturing, reduce warehouse capacity and administrative expenses and rationalize product offerings. As a result of these actions, the Company recorded $178.0 million of charges in the bicycle business. These charges included the write-off of goodwill of $133.6 million, inventory write-downs of $27.0 million, fixed asset write-downs of $10.5 million and other incremental costs of $6.9 million. Additional costs of $7.0 million for severance and other incremental costs related to the 1999 charge were recorded in the first quarter of 2000 and are part of the $68.4 million after-tax loss reported from discontinued operations in 2000.

Earnings from discontinued operations in 1998 totaled $31.9 million after tax. These results were comprised of $24.2 million of earnings from the disposed outdoor recreation businesses and $7.7 million of income resulting primarily from a favorable cash settlement of a lawsuit brought by the Company related to the previously disposed Technical segment. Included in the $24.2 million of earnings related to the outdoor recreation businesses was a $9.2 million pretax strategic charge ($6.3 million after tax) to earnings in the third quarter of 1998. This charge included strategic actions to rationalize the manufacture and distribution of several products including the consolidation of certain domestic manufacturing operations and the closing of seven domestic distribution warehouses.

The loss from disposal recorded in 2000 totaled $305.3 million pretax and $229.6 million after tax. The losses associated with the disposition of these businesses were based on an estimate of cash proceeds, net of costs to sell, along with an estimate of results of operations for these businesses from the date the decision was made to dispose of the businesses through the actual disposition date. The tax benefits associated with the disposal reflect the non-deductibility of anticipated losses on the sale of the cooler business.

The Company completed the sale of its bicycle and camping businesses in 2000. The Company intends to dispose of the assets of the remaining discontinued businesses through sales transactions. Cash generated from these dispositions, including cash proceeds, net of costs to sell, cash required to fund operations through disposition and related tax benefits realized in connection with the divestitures, is expected to approximate $135 million on a pretax basis and $275 million after tax. Approximately $58 million after tax has been realized through year-end 2000. The realization of future cash receipts is tied to the timing of the transactions and related expenses and the impact on the Company's tax payments. The amounts ultimately realized by the Company could differ materially from the amounts assumed in arriving at the loss from disposal of discontinued operations

and could result in future gains or losses from disposal of discontinued operations. Risks that could influence the outcome include, but are not limited to, the Company's ability to dispose of its fishing, cooler, marine accessories and hunting sports accessories businesses within the time, price and manner estimated and its ability to maintain key customers during the divestiture period.

Cash Flow, Liquidity and Capital Resources

The following table sets forth an analysis of cash flow for the years ended December 31, 2000, 1999 and 1998 (in millions):

	2000	1999	1998
EBITDA*	$594.8	$537.7	$494.4
Changes in working capital	(163.2)	(53.5)	(35.7)
Interest expense	(67.6)	(61.0)	(62.7)
Tax payments	(55.2)	(115.9)	(50.6)
Other	(57.8)	(56.9)	42.0
Cash provided by operating activities of continuing operations	251.0	250.4	387.4
Cash used for investing activities of continuing operations**	(188.1)	(176.1)	(170.3)
Free cash flow***	$ 62.9	$ 74.3	$217.1
Cash flow from discontinued operations (pretax)	$ 45.3	$ 8.9	$ 7.2

- --------

*EBITDA is defined as net earnings, adjusted for unusual charges and discontinued operations (as previously described), before interest, taxes, depreciation and amortization. EBITDA is presented to assist in the analysis of cash from operations. However, it is not intended as an alternative measure of operating results or cash flow from operations, as determined in accordance with generally accepted accounting principles.

**Comprised principally of capital expenditures and excludes acquisition and disposition activities.

***Free cash flow is defined as cash flow from operating and investing activities of continuing operations, excluding acquisition, disposition and financing activities.

Cash generated from operating activities, available cash balances and selected borrowings are the Company's major sources of funds for investments and dividend payments.

Net cash provided by operating activities of continuing operations totaled $251.0 million in 2000, compared with $250.4 million in 1999 and $387.4 million in 1998. Cash provided by operating activities in 2000 versus 1999 reflect benefits from stronger operating results, which is reflected in operating results from continuing operations before unusual charges, interest and taxes. Cash provided from operating activities included changes in working capital that resulted in a use of $163.2 million, $53.5 million and $35.7 million in 2000, 1999 and 1998, respectively. Inventories were $510.7 million at December 31, 2000, versus $406.4 million at December 31, 1999. The year-over-year increase of $104.3 million was principally due to growth in marine engine, fitness equipment and boat inventories. Accounts and notes receivable totaled $419.9 million at December 31, 2000, compared with $345.9 million at December 31, 1999. The $74.0 million increase in receivables over the prior year was due primarily to the growth in sales and change in sales mix for the comparable periods.

Tax payments in 2000 reflect benefits realized from antitrust settlement payments made in 2000 and 1999. Tax payments in 1999 and 1998 reflect benefits realized on losses associated with strategic charges recorded in 1998 and 1997. Other operating cash flow activities included payments made by the Company for litigation settlements totaling $49.4 million in 2000 and $57.6 million in 1999, which are discussed in the Legal Proceedings section below. Other operating cash flow activity in 1998 included $40.1 million of one-time benefits resulting from a settlement with a boat dealer, the favorable settlement of a lawsuit related to the divested Technical segment and a dividend from an equity investment.

The Company invested $156.0 million, $166.8 million and $164.6 million in capital expenditures in 2000, 1999 and 1998, respectively. The largest portion of these expenditures was made for on-going investments to introduce new

products, expand product lines and achieve improved production efficiencies and product quality. In addition, included in these totals for 2000, 1999 and 1998 were $5.7 million, $13.9 million and $30.7 million, respectively, relating to company-wide systems upgrade projects.

Investments totaling $38.1 million, $13.6 million and $21.6 million for 2000, 1999 and 1998, respectively, were primarily comprised of amounts invested in Internet-related businesses and fitness equipment distribution alliances in 2000 and 1999, and in a boat dealer in 1998. In addition, in 1999 the Company invested $4.2 million to acquire two international boat companies, and in 1998, the Company invested $32.8 million to acquire 12 bowling centers and ParaBody fitness equipment.

The Company anticipates spending approximately $150 million for capital expenditures in 2001. About one-half of the capital spending is expected to be for new and upgraded products, about one-third for necessary maintenance spending and the balance targeted toward cost reductions and investments in information technology. The Company will continue to evaluate acquisitions and other investment opportunities as they arise.

Cash and cash equivalents totaled $125.2 million at the end of 2000, compared with $100.8 million in 1999. Total debt at year-end 2000 was $774.5 million versus $730.2 million at the end of 1999. The increase in total debt outstanding is due principally to increases in short-term commercial paper borrowings. Debt-to-capitalization ratios were 42.1 percent at December 31, 2000, and 36.0 percent at December 31, 1999. The Company had $152.0 million in outstanding commercial paper at December 31, 2000, with additional borrowing capacity of $248.0 million under the Company's $400.0 million long-term credit agreement with a group of banks described in Note 10, Debt, in the Notes to Consolidated Financial Statements. Under the terms of the long-term credit agreement, the Company has multiple borrowing options, and, if utilized, the borrowing rate, as calculated in accordance with those terms, would have been 6.74 percent at December 31, 2000. The Company also has $150.0 million available under a universal shelf registration filed in 1996 with the Securities and Exchange Commission for the issuance of equity and/or debt securities.

Share repurchase activity for the years ended December 31, 2000, 1999 and 1998, was $87.1 million, $18.3 million and $159.9 million, respectively, and reflects activity from three repurchase programs. On February 8, 2000, the Company announced a program to repurchase $100 million of its common stock from time to time in the open market or through privately negotiated transactions. During the first half of 2000, the Company repurchased 4.6 million shares of its common stock for $84.7 million in open market transactions under this program. During the fourth quarter of 1998, the Company completed a seven-million-share repurchase program for $127.7 million. The Company also has a program to systematically repurchase up to five million shares of its common stock to offset shares the Company expects to issue under its stock option and other compensation plans. Under this program, the Company repurchased 0.1 million, 0.8 million and 1.2 million shares for $2.4 million, $18.3 million and $32.2 million in 2000, 1999 and 1998, respectively. A total of 2.7 million additional shares may be repurchased under this program. Future repurchases of the Company's common stock under existing repurchase programs will be considered; however, in the short-term the Company intends to use excess cash to reduce debt.

The Company's financial flexibility and access to capital markets is supported by its balance sheet position, investment-grade credit ratings, ability to generate significant cash from operating activities and current divestiture activities. Management believes that there are adequate sources of liquidity to meet the Company's short-term and long-term needs.

Legal Proceedings

On March 24, 2000, the United States Court of Appeals for the Eighth Circuit issued an opinion reversing and vacating a verdict entered against the Company in the case Concord Boat Corporation, et al. v. Brunswick Corporation (Concord). In June 1998, a jury had awarded the Concord plaintiffs treble damages totaling $133.2

million based on alleged antitrust violations involving the sale of sterndrive

and inboard marine engines. The Concord plaintiffs were also awarded attorneys' fees and costs. The Company appealed and the appellate court reversed and vacated the judgment, including the award of fees and costs, remanding the case for entry of judgment in the Company's favor. Additionally, the appellate court ordered the release of a $133.2 million surety bond that was issued in 1998 to secure damages previously awarded in the Concord suit, relieving the Company from any further obligation to maintain the surety bond. The Concord plaintiffs sought discretionary review of the appellate court's decision by the United States Supreme Court, which the Company opposed. On November 6, 2000, the United States Supreme Court, without comment, denied review of the appellate court's decision in the Concord suit, letting stand the judgment in favor of the Company.

The Concord plaintiffs' claims involved less than one-fifth of the total sterndrive and inboard engines sold to independent boat builders during the relevant time period. Subsequent to the 1998 Concord verdict, six additional lawsuits, including five class-action suits, were filed seeking to rely on the allegations and findings in the Concord suit. The plaintiffs in these actions included independent boat builders, dealers, competitors and consumers. The Company settled these cases in the third and fourth quarters of 1999, prior to final resolution of the Concord appeal, to manage its overall exposure related to these actions. The Company recorded a $116.0 million pretax charge in 1999 relating to these settlements. The Company paid $49.4 million in 2000 and $57.6 million in 1999 related to these settlements, with the remainder to be paid in 2001.

The Federal Trade Commission (FTC) began an investigation in 1997 of certain of the Company's marketing practices related to the sale of sterndrive marine engines to boat builders and dealers. The Company believes such practices were lawful; however, they were discontinued for business reasons prior to the initiation of the FTC's investigation. In December 2000, the Company formally requested that the FTC close its investigation in light of the favorable outcome of the Concord litigation, which involved the same marketing practices. In February 2001, the Company was notified that the FTC was investigating whether the Company's bidding for certain assets relating to Outboard Marine Corporation's (OMC) engine business as a part of OMC's bankruptcy constitutes a violation of U.S. antitrust laws.

On October 26, 1999, a federal court jury in Seattle, Washington, awarded Precor, a subsidiary of Illinois Tool Works, Inc., approximately $5.2 million in a patent infringement trial against the Company, as successor in interest to the predecessor entities of its Life Fitness division, upon the basis that certain Life Fitness treadmills willfully infringed a Precor design patent. Precor was also awarded up to $5.3 million in attorneys' fees and will be entitled to prejudgment interest on the damage award. The Company has appealed the verdict and the award of attorneys' fees to the United States Court of Appeals for the Federal Circuit. The parties are awaiting oral argument of the appeal, which is scheduled for April 2001. On May 23, 2000, a $13.0 million surety bond was issued to secure damages while the Company pursues its appeal. While there can be no assurances, the Company believes it is likely to prevail on the appeal and obtain either a new trial or judgment in its favor. No reserve relating to the resolution of this case has been recorded.

In January 2000, Precor filed suit against Life Fitness in federal court in Washington alleging that certain of Life Fitness's cross trainer exercise machines infringed Precor's Miller '829 patent. In 1999, before Precor filed its lawsuit, the Miller '829 patent was re-examined by the U.S. Patent & Trademark Office (PTO) and was rejected. Precor has sought a reissuance of the Miller patent by the PTO. Pending a determination of this reissuance request, this lawsuit against Life Fitness has been stayed. The Company is unable to predict the outcome of the second Precor case. No reserve relating to the resolution of this case has been recorded.

The Company is also involved in certain legal and administrative proceedings under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 and other federal and state legislation governing the generation and disposition of certain hazardous wastes. These proceedings, involving both on- and off-site waste disposal or other contamination, in many instances seek compensation or remedial action from the Company as a waste generator under Superfund legislation, which authorizes action regardless of fault, legality of original disposition or ownership of a disposal site. The Company is also involved in a number of

environmental remediation actions addressing contamination resulting from historic activities on its present and former plant properties. Refer to Note 7, Commitments and Contingencies, in the Notes to Consolidated Financial Statements for disclosure of the potential cash requirements of environmental proceedings.

On October 27, 1999, the United States Tax Court upheld an Internal Revenue Service (IRS) determination that resulted in the disallowance of capital losses and other expenses from two partnership investments for 1990 and 1991. On July 17, 2000, the Company appealed the Tax Court ruling to the United States Court of Appeals for the District of Columbia and filed a $79.8 million surety bond to secure payment of tax deficiencies plus accrued interest related to the appeal. Oral argument of the appeal has been scheduled for October 2001.

If the Company does not prevail in its appeal, the amount of taxes due, which would likely be payable in 2002, would total approximately $60 million, plus interest, net of tax, of approximately $65 million. The Company is also in the process of settling IRS audits on open tax years 1989 through 1991 and anticipates favorable adjustments that would decrease the total tax owed to approximately $40 million, with accompanying interest, net of tax, of approximately $30 million. The Company does not anticipate any material adverse effects on its consolidated financial position or results of operations in the event of an unfavorable resolution of this matter.

Engine Emission Regulations

U.S. Environmental Protection Agency (EPA) regulations finalized in 1996 require that certain exhaust emissions from gasoline marine outboard engines be reduced by 8.3 percent per year for nine years beginning with the 1998 model year. The Company has implemented a plan that meets the EPA compliance schedule. It includes both modifying automotive two-stroke direct fuel injection technology for marine use and substituting certain two-stroke engines with four-stroke engines. Both of these technologies yield emission reductions of 80 percent or better. The Company expects the amount of low-emission engine sales as a percentage of total Marine Engine segment sales to continue to increase and anticipates that costs associated with the introduction of low-emission engines will continue to have an adverse effect on Marine Engine segment operating margins in the future.

More recently, the California Air Resources Board (CARB) voted to adopt regulations more stringent than the EPA regulations. These regulations will accelerate the applicability of the EPA targeted emissions reductions from 2006 to 2001. This affected new engines sold in California beginning with the model year 2001, with further emission reductions scheduled in 2004 and 2008. The Company has met the 2001 requirements and believes that its current implementation plan designed to meet the EPA exhaust emissions regulations will allow the Company to comply with the more stringent regulations as currently proposed by CARB. Product-development costs, however, are likely to be accelerated, which may adversely affect short-term results.

Other Matters

In January 2001, the Company announced its intention to close four of its boat manufacturing plants. The action involves plants in Spokane, Washington; Tallahassee, Florida; and two plants in Valdosta, Georgia. The affected plants manufacture Bayliner and Maxum runabouts and cruisers from 17 to 33 feet. The closures were made to capitalize on improved operating efficiencies at the remaining boat plants and facilitate reduction of pipeline inventories through reduced production volumes. When the closure of these plants is completed, the Boat Group will have 18 boat plants throughout the United States. In all, approximately 650 positions, including manufacturing and administrative, will be eliminated in connection with these plant closures. In March 2001, the Company announced a workforce reduction of 500 additional positions at plants that manufacture Sea Ray and Baja boats. These actions will allow the Boat Group to align production rates with expected demand for its products. The Company anticipates incurring approximately $5 million of costs associated with the boat plant closures and workforce reduction actions.

New Accounting Pronouncements

In June 2000, the Financial Accounting Standards Board (FASB) issued SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities--an amendment of FASB Statement No. 133." SFAS 138 is effective for all fiscal quarters of all fiscal years beginning after June 15, 2000 (quarter ended March 31, 2001, for the Company). The Company will adopt the new Statement effective January 1, 2001. Adoption will require the Company to recognize all derivatives on the balance sheet at fair value. Changes in the fair value of derivatives are to be recorded each period in earnings or other comprehensive income, depending on whether the derivative is designated and effective as part of a hedge transaction, and on the type of hedge transaction. The gains or losses on derivative instruments that are reported in other comprehensive income must be reclassified into earnings in the period in which earnings are affected by the underlying hedged item. The ineffective portion of all hedges must be recognized in earnings immediately. The new derivative accounting standards may result in increased volatility in reported earnings, other comprehensive income and accumulated other comprehensive income. Based on the Company's derivative position at December 31, 2000, the Company estimates that the effect of this change in accounting will not be material to the Company's results of operations or financial position.

Euro Conversion

The Company has evaluated, and will continue to evaluate, the effects on its operations of the European Economic Monetary Union conversion to the Euro. The costs to prepare for this conversion, including the costs to adapt information systems, have not been and are not expected to be material to the Company's results of operations, financial position or cash flows. The Company does not currently expect the introduction and use of the Euro to have a material effect on its foreign exchange and hedging activities, or on its use of derivative financial instruments. While the Company does not expect the Euro conversion to have a material effect on its operations, some uncertainty exists as to the effect that the conversion to the Euro will have on the markets for the Company's products. Accordingly, the effect on the Company's operations cannot be predicted with certainty.

Forward-Looking Statements

Certain statements in this Annual Report 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 filing. These risks include, but are not limited to, the ability to dispose of the fishing, cooler, marine accessories and hunting sports accessories businesses within the time, price and manner estimated; the ability to maintain key customers during the divestiture period; the ability of the buyers to obtain financing; the market impact of the liquidation of a bankrupt marine competitor's inventory and the acquisition of that competitor's assets by other marine companies; shifts in market demand for the Company's products; shifts in currency exchange rates; the effect of interest rates and fuel prices on demand for marine products; competitive pricing pressures; inventory adjustments by major dealers and retailers; the effect of reducing the Company's inventories; financial difficulties experienced by dealers; adverse domestic or foreign economic conditions; adverse weather conditions retarding sales of marine products; the ability to complete environmental remediation efforts at the cost estimated; the Company's ability to develop product technologies which comply with regulatory requirements; the success of marketing and cost-management programs; the Company's ability to develop and produce new products; new and competing technologies; and imports from Asia and increased competition from Asian competitors.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The Company is exposed to market risk from changes in foreign currency exchange rates, interest rates and commodity prices. The Company enters into various hedging transactions to mitigate these risks in accordance with guidelines established by the Company's management. The Company does not use financial instruments for trading or speculative purposes.

The Company uses foreign currency forward and option contracts to manage

foreign exchange exposure related to transactions, assets and liabilities that are subject to risk from foreign currency rate changes. The Company's principal currency exposures relate to the European currencies, Canadian dollar, Japanese yen, Australian dollar and the British pound. Hedging of anticipated transactions is accomplished with financial instruments as the maturity date of the instrument, along with the realized gain or loss, occurs on or near the execution of the anticipated transaction. Hedging of an asset or liability is accomplished through the use of financial instruments as the gain or loss on the hedging instrument offsets the gain or loss on the asset or liability.

The Company uses interest rate swap agreements to mitigate the effect of changes in interest rates on the Company's borrowings. The Company's net exposure to interest rate risk primarily consists of fixed-rate instruments. Interest rate risk management is accomplished through the use of interest rate swaps and floating-rate instruments that are benchmarked to U.S. and European short-term money market interest rates.

Raw materials used by the Company are exposed to the effect of changing commodity prices. Accordingly, the Company uses commodity swap agreements to manage fluctuations in prices of anticipated purchases of certain raw materials.

The Company uses a value-at-risk (VAR) computation to estimate the maximum one-day reduction in pretax earnings related to its foreign currency, interest rate and commodity price-sensitive derivative financial instruments. The VAR computation includes the Company's debt, foreign currency forwards, interest rate swap agreements and commodity swap agreements.

The amounts shown below represent the estimated reduction in fair market value that the Company could incur on its derivative financial instruments from adverse changes in foreign exchange rates, interest rates or commodity prices using the VAR estimation model. The VAR model uses the variance-covariance statistical modeling technique and uses historical foreign exchange rates, interest rates and commodity prices to estimate the volatility and correlation of these rates and prices in future periods. It estimates a loss in fair market value using statistical modeling techniques and includes substantially all market risk exposures. The estimated potential losses shown in the table below have no effect on the Company's results of operations or financial condition.

Risk Category	Amount in Millions	Time Period	Confidence Level
Foreign exchange	$0.4	1 day	95%
Interest rates	$4.9	1 day	95%
Commodity prices	$0.5	1 day	95%

The 95 percent confidence level signifies the Company's degree of confidence that actual losses would not exceed the estimated losses shown above. The amounts shown disregard the possibility that foreign currency exchange rates, interest rates and commodity prices could move in the Company's favor. The VAR model assumes that all movements in rates and commodity prices will be adverse. Actual experience has shown that gains and losses tend to offset each other over time, and it is highly unlikely that the Company could experience losses such as these over an extended period of time. These amounts should not be considered projections of future losses, since actual results may differ significantly depending upon activity in global financial markets.

Item 8. Financial Statements and Supplementary Data

Refer to the Index to Financial Statements and Financial Statement Schedule for the required information.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

Information with respect to the directors of the Company and Section 16(a) Beneficial Ownership Reporting Compliance will be set forth in the Company's definitive Proxy Statement for the Annual Meeting of Shareholders to be held on May 1, 2001 (the Proxy Statement). All of the foregoing information is hereby incorporated by reference. The Company's executive officers are listed herein on pages 10 to 12.

Item 11. Executive Compensation

Information with respect to executive compensation will be set forth in the Proxy Statement and is hereby incorporated by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Information with respect to the securities of the Company owned by the directors and certain officers of the Company, by the directors and officers of the Company as a group and by the only persons known to the Company to own beneficially more than 5 percent of the outstanding voting securities of the Company will be set forth in the Proxy Statement, and such information is hereby incorporated by reference.

Item 13. Certain Relationships and Related Transactions

Information with respect to certain relationships and related transactions will be set forth in the Proxy Statement and is hereby incorporated by reference.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) 1. The financial statements listed in the accompanying Index to Financial Statements and Financial Statement Schedule are filed as part of this report on pages 30 to 57.

2. The financial statement schedule listed in the accompanying Index to Financial Statements and Financial Statement Schedule is filed as part of this report on page 59.

3. The exhibits listed in the accompanying Index to Exhibits are filed as part of the 10-K unless noted otherwise.

(b) Reports on Form 8-K

On October 26, 2000, the Company filed a Current Report on Form 8-K dated October 13, 2000, reporting in Item 5 that it had executed a non-binding letter of intent to sell certain of its outdoor recreation businesses which was subsequently terminated on November 6, 2000. Also reported in Item 5 on October 26, 2000, was the Company's decision to divest its hunting sports accessories, marine accessories and cooler businesses, and to record additional environmental reserve charges and a write-down of certain investments in Internet-related businesses.

(c) Exhibits

See Exhibit Index on pages 60 to 62.

(d) Financial Statement Schedule

See Index to Financial Statements and Financial Statement Schedule on page 29.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Brunswick Corporation

By: /s/ Victoria J. Reich
Victoria J. Reich
Senior Vice President and Chief
Financial Officer

March 9, 2001

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

<TABLE>
<CAPTION>

Signature	Title
George W. Buckley	Chairman and Chief Executive Officer (Principal Executive Officer) and Director
Victoria J. Reich	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)
Nolan D. Archibald	Director
Dorrit J. Bern	Director
Jeffrey L. Bleustein	Director
Michael J. Callahan	Director
Manuel A. Fernandez	Director
Peter B. Hamilton	Vice Chairman and President--Brunswick Bowling & Billiards and Director
Peter Harf	Director
Jay W. Lorsch	Director
Bettye Martin Musham	Director
Kenneth Roman	Director
Robert L. Ryan	Director
Roger W. Schipke	Director

</TABLE>

Victoria J. Reich, as Principal Financial and Accounting Officer and pursuant to a Power of Attorney (executed by each of the other officers and directors listed above and filed with the Securities and Exchange Commission, Washington, D.C.), by signing her name hereto does hereby sign and execute this report of Brunswick Corporation on behalf of each of the officers and directors named above in the capacities in which the names of each appear above.

By: /s/ Victoria J. Reich
Victoria J. Reich
Senior Vice President and Chief
Financial Officer

March 9, 2001

Index to Financial Statements and Financial Statement Schedule

BRUNSWICK CORPORATION

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BRUNSWICK CORPORATION

REPORT OF MANAGEMENT AND INDEPENDENT PUBLIC ACCOUNTANTS

REPORT OF MANAGEMENT

The Company's management is responsible for the preparation, integrity and objectivity of the financial statements and other financial information presented in this report. The financial statements have been prepared in conformity with generally accepted accounting principles and reflect the effects of certain estimates and judgments made by management.

The Company's management maintains a system of internal controls that is designed to provide reasonable assurance, at reasonable cost, that assets are safeguarded and that transactions and events are recorded properly. The Company's internal audit program includes periodic reviews of these systems and controls and compliance therewith.

The Audit and Finance Committee of the Board of Directors, comprised entirely of outside directors, meets regularly with the independent public accountants, management and internal auditors to review accounting, reporting, internal control and other financial matters. The Committee regularly meets with both the internal and external auditors without members of management present.

/s/ George W. Buckley /s/ Victoria J. Reich
George W. Buckley Victoria J. Reich
Chairman and Chief Executive Officer Senior Vice President and Chief Financial Officer

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders of Brunswick Corporation:

We have audited the accompanying consolidated balance sheets of Brunswick Corporation (a Delaware Corporation) and Subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of income, cash flows and shareholders' equity for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brunswick Corporation and Subsidiaries as of December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period

ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule listed in the index of financial statements is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

/s/ Arthur Andersen LLP

Chicago, Illinois
January 23, 2001

BRUNSWICK CORPORATION

CONSOLIDATED STATEMENTS OF INCOME

	For the Years ended December 31 (In millions, except per share data)		
	2000	1999	1998
Net sales	$3,811.9	$3,541.3	$3,234.9
Cost of sales	2,723.3	2,527.3	2,319.3
Selling, general and administrative expense	534.2	533.7	479.1
Research and development expense	102.2	89.7	83.9
Unusual charges	55.1	116.0	50.8
Operating earnings	397.1	274.6	301.8
Interest expense	(67.6)	(61.0)	(62.7)
Other income (expense)	(6.2)	5.7	6.2
Earnings before income taxes	323.3	219.3	245.3
Income tax provision	121.1	76.2	90.9
Earnings from continuing operations	202.2	143.1	154.4
Earnings (loss) from discontinued operations, net of tax	(68.4)	(105.2)	31.9
Loss from disposal of discontinued operations, net of tax	(229.6)	--	--
Net earnings (loss)	$ (95.8)	$ 37.9	$ 186.3
Basic earnings (loss) per common share:			
Earnings from continuing operations	$ 2.28	$ 1.56	$ 1.57
Earnings (loss) from discontinued operations	(0.77)	(1.14)	0.32
Loss from disposal of discontinued operations	(2.59)	--	--
Net earnings (loss)	$ (1.08)	$ 0.41	$ 1.90
Diluted earnings (loss) per common share:			
Earnings from continuing operations	$ 2.28	$ 1.55	$ 1.56
Earnings (loss) from discontinued operations	(0.77)	(1.14)	0.32
Loss from disposal of discontinued operations	(2.59)	--	--
Net earnings (loss)	$ (1.08)	$ 0.41	$ 1.88
Average shares used for computation of:			
Basic earnings per share	88.7	92.0	98.3
Diluted earnings per share	88.7	92.6	99.0

</TABLE>

The Notes to Consolidated Financial Statements are an integral part of these consolidated statements.

BRUNSWICK CORPORATION

CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

<S>	As of December 31 2000 <C>	1999 <C>
	(Dollars in millions, except per share data)	
Assets		
Current assets		
Cash and cash equivalents, at cost, which approximates market	$ 125.2	$ 100.8
Accounts and notes receivable, less allowances of $21.2 and $18.4	419.9	345.9
Inventories		
Finished goods	288.1	202.3
Work-in-process	153.6	137.7
Raw materials	69.0	66.4
Net inventories	510.7	406.4
Prepaid income taxes	367.8	257.2
Prepaid expenses	48.6	51.2
Income tax refunds receivable	57.4	25.1
Net assets of discontinued operations offered for sale	302.2	562.6
Current assets	1,831.8	1,749.2
Property		
Land	64.6	70.4
Buildings	408.6	381.2
Equipment	967.7	925.1
Total land, buildings and equipment	1,440.9	1,376.7
Accumulated depreciation	(756.8)	(711.5)
Net land, buildings and equipment	684.1	665.2
Unamortized product tooling costs	119.1	109.4
Net property	803.2	774.6
Other assets		
Goodwill	391.8	404.8
Other intangibles	116.1	85.6
Investments	73.0	64.3
Other long-term assets	180.6	169.4
Other assets	761.5	724.1
Total assets	$3,396.5	$3,247.9

</TABLE>

The Notes to Consolidated Financial Statements are an integral part of these consolidated statements.

BRUNSWICK CORPORATION

CONSOLIDATED BALANCE SHEETS

	As of December 31 2000	1999
	(Dollars in millions, except per share data)	
Liabilities and shareholders' equity		
Current liabilities		
Short-term debt, including current maturities of long-term debt	$ 172.7	$ 107.7
Accounts payable	238.6	248.9
Accrued expenses	641.8	625.3
Reserve for discontinued operations	194.8	--
Current liabilities	1,247.9	981.9
Long-term debt		
Notes, mortgages and debentures	601.8	622.5
Deferred items		
Income taxes	215.4	131.9
Postretirement and postemployment benefits	196.5	141.2
Compensation and other	67.8	70.2
Deferred items	479.7	343.3
Common shareholders' equity		
Common stock; authorized: 200,000,000 shares, $0.75 par value; issued: 102,538,000 shares	76.9	76.9
Additional paid-in capital	314.5	314.3
Retained earnings	1,041.4	1,181.5
Treasury stock, at cost: 15,194,000 and 10,727,000 shares	(296.4)	(214.0)
Unamortized ESOP expense and other	(41.9)	(49.3)
Accumulated other comprehensive income (loss)	(27.4)	(9.2)
Common shareholders' equity	1,067.1	1,300.2
Total liabilities and shareholders' equity	$3,396.5	$3,247.9

The Notes to Consolidated Financial Statements are an integral part of these consolidated statements.

BRUNSWICK CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31

	2000	1999	1998
	(In millions)		
Cash flows from operating activities			
Net earnings (loss)	$ (95.8)	$ 37.9	$ 186.3
Depreciation and amortization	148.8	141.4	135.6
Changes in noncash current assets and current liabilities			
Change in accounts and notes receivable	(69.4)	(77.2)	22.1
Change in inventory	(104.3)	(39.8)	(32.5)
Change in prepaid expenses	2.6	(4.4)	(5.7)

Change in accounts payable	(10.4)	34.3	11.5
Change in accrued expenses	18.3	33.6	(31.1)
Income taxes	65.9	(39.7)	40.2
Dividends received from equity investments	0.8	2.2	19.0
Unusual charges	55.1	116.0	50.8
Antitrust settlement payments	(49.4)	(57.6)	--
Loss (gain) on discontinued operations	298.0	105.2	(31.9)
Other, net	(9.2)	(1.5)	23.1
Net cash provided by continuing operations	251.0	250.4	387.4
Net cash provided by discontinued operations	5.8	48.8	41.6
Net cash provided by operating activities	256.8	299.2	429.0
Cash flows from investing activities			
Capital expenditures	(156.0)	(166.8)	(164.6)
Investments	(38.1)	(13.6)	(21.6)
Acquisitions of businessess	--	(4.2)	(32.8)
Other, net	6.0	30.4	15.9
Net cash used for continuing operations	(188.1)	(154.2)	(203.1)
Net cash provided by (used for) discontinued operations	39.5	(39.9)	(34.4)
Net cash used for investing activities	(148.6)	(194.1)	(237.5)
Cash flows from financing activities			
Net issuances (repayments) of commercial paper and other short-term debt	57.5	(59.7)	62.1
Payments of long-term debt including current maturities	(13.1)	(15.6)	(11.4)
Cash dividends paid	(44.3)	(45.9)	(49.0)
Stock repurchases	(87.1)	(18.3)	(159.9)
Stock options exercised	3.2	9.1	7.2
Net cash used for financing activities	(83.8)	(130.4)	(151.0)
Net increase (decrease) in cash and cash equivalents	24.4	(25.3)	40.5
Cash and cash equivalents at January 1	100.8	126.1	85.6
Cash and cash equivalents at December 31	$ 125.2	$ 100.8	$ 126.1
Supplemental cash flow disclosures:			
Interest paid	$ 71.3	$ 57.7	$ 59.0
Income taxes paid, net	$ 55.2	$ 115.9	$ 50.6
Treasury stock issued for compensation plans and other	$ 3.7	$ 18.1	$ 17.1

</TABLE>

The Notes to Consolidated Financial Statements are an integral part of these consolidated statements.

BRUNSWICK CORPORATION

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

<TABLE>
<CAPTION>

(Dollars in millions, except per share data)

	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Unamortized ESOP expense and other	Accumulated other comprehensive income	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, December 31, 1997	$76.9	$308.2	$1,052.2	$ (59.0)	$(63.1)	$ (0.2)	$1,315.0
Comprehensive income							
Net earnings	--	--	186.3	--	--	--	186.3

Currency translation adjustments	--	--	--	--	--	(1.1)	(1.1)
Other comprehensive income	--	--	--	--	--	(4.5)	(4.5)
Total comprehensive income--1998	--	--	186.3	--	--	(5.6)	180.7
Stock repurchased	--	--	--	(159.9)	--	--	(159.9)
Dividends ($0.50 per common share)	--	--	(49.0)	--	--	--	(49.0)
Compensation plans and other	--	3.3	--	14.2	7.0	--	24.5
Balance, December 31, 1998	$76.9	$311.5	$1,189.5	$(204.7)	$(56.1)	$ (5.8)	$1,311.3
Comprehensive income							
Net earnings	--	--	37.9	--	--	--	37.9
Currency translation adjustments	--	--	--	--	--	(5.7)	(5.7)
Other comprehensive income	--	--	--	--	--	2.3	2.3
Total comprehensive income--1999	--	--	37.9	--	--	(3.4)	34.5
Stock repurchased	--	--	--	(18.3)	--	--	(18.3)
Dividends ($0.50 per common share)	--	--	(45.9)	--	--	--	(45.9)
Compensation plans and other	--	2.8	--	9.0	6.8	--	18.6
Balance, December 31, 1999	$76.9	$314.3	$1,181.5	$(214.0)	$(49.3)	$ (9.2)	$1,300.2
Comprehensive income							
Net earnings (loss)	--	--	(95.8)	--	--	--	(95.8)
Currency translation adjustments	--	--	--	--	--	(8.3)	(8.3)
Other comprehensive income	--	--	--	--	--	(9.9)	(9.9)
Total comprehensive income--2000	--	--	(95.8)	--	--	(18.2)	(114.0)
Stock repurchased	--	--	--	(87.1)	--	--	(87.1)
Dividends ($0.50 per common share)	--	--	(44.3)	--	--	--	(44.3)
Compensation plans and other	--	0.2	--	4.7	7.4	--	12.3
Balance, December 31, 2000	$76.9	$314.5	$1,041.4	$(296.4)	$(41.9)	$(27.4)	$1,067.1

</TABLE>

The Notes to Consolidated Financial Statements are an integral part of these consolidated statements.

BRUNSWICK CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

Principles of consolidation. The consolidated financial statements of Brunswick Corporation (the Company) include the accounts of its significant domestic and foreign subsidiaries, after eliminating transactions between the Company and such subsidiaries.

Reclassifications. Certain previously reported amounts have been reclassified to conform with current-year reporting.

Use of estimates. The preparation of the consolidated financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting periods. Significant estimates in these consolidated financial statements include, but are not limited to, the loss on the disposal of the discontinued operations; losses on litigation and other contingencies; warranty, income tax, insurance, inventory valuation and environmental reserves; allowances for doubtful accounts (both long and short term); reserves for dealer allowances; reserves related to restructuring activities; the determination of the discount rate and other assumptions for pension and postretirement liabilities; and the valuation of investments. Actual results could differ materially from those estimates.

Cash and cash equivalents. The Company considers all highly-liquid investments with an original maturity of three months or less to be cash equivalents.

Inventories. Approximately 61 percent of the Company's inventories are valued at the lower of first-in, first-out (FIFO) cost or market (replacement cost or net realizable value). Inventories valued at last-in, first-out (LIFO) cost were $81.0 million and $80.8 million lower than the FIFO cost of inventories at December 31, 2000 and 1999, respectively. Inventory cost includes material, labor and manufacturing overhead.

Property. Property, including major improvements and product tooling costs, is recorded at cost. Maintenance and repair costs are charged against results of operations as incurred. Depreciation is charged against results of operations over the estimated service lives of the related assets, principally using the straight-line method. Buildings and improvements are depreciated over a useful life of five to forty years. Equipment is depreciated over a useful life of two to fifteen years and product tooling is depreciated over a useful life of three to eight years.

Software development costs. The Company expenses all software development and implementation costs incurred until the Company has determined that the software will result in probable future economic benefit and management has committed to funding the project. Once this is determined, external direct costs of material and services, payroll-related costs of employees working on the project and related interest costs incurred during the application development stage are capitalized. These capitalized costs are amortized over their estimated useful lives, beginning when the system is placed in service. Training costs and costs to re-engineer business processes are expensed as incurred.

Intangibles. The excess of cost over net assets of businesses acquired is recorded as goodwill and amortized using the straight-line method over its estimated useful life, principally 40 years. Accumulated goodwill amortization was $83.9 million and $70.9 million at December 31, 2000 and 1999, respectively. The costs of other intangible assets are amortized over their expected useful lives using the straight-line method. Accumulated amortization of other intangible assets was $161.7 million and $149.3 million at December 31, 2000 and 1999, respectively. At December 31, 2000, other intangible assets included $43.3 million, which

represents unamortized prior service costs, recorded as part of the additional minimum pension liability adjustment.

Investments. The Company accounts for its long-term investments that represent less than 20 percent ownership using Statement of Financial Accounting Standards (SFAS) No. 115, "Accounting for Certain Investments in Debt and Equity Securities." The Company has investments in certain equity securities that have readily determinable market values and are being accounted for as Available-for-Sale equity investments in accordance with SFAS No. 115. Therefore, these investments are recorded at market value with

changes reflected in other comprehensive income, a component of shareholders' equity, on an after-tax basis. Other investments for which the Company does not have the ability to exercise significant influence and for which there is not a readily determinable market value are accounted for under the cost method of accounting. The Company periodically evaluates the carrying value of its investments and, at December 31, 2000 and 1999, such investments were recorded at the lower of cost or fair value.

For investments in which the Company owns or controls from 20 percent to 50 percent of the voting shares, the equity method of accounting is used. The Company's share of net income or losses of equity method investments is included in the Consolidated Statements of Income and were not material in any period presented. See Note 17, Investments, in the Notes to Consolidated Financial Statements.

Long-lived assets. In accordance with SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," the Company continually evaluates whether events and circumstances have occurred that indicate the remaining estimated useful lives of its intangible and other long-lived assets may warrant revision or that the remaining balance of such assets may not be recoverable. The Company uses an estimate of the related undiscounted cash flows over the remaining life of the asset in measuring whether the asset is recoverable.

Other long-term assets. Other long-term assets include pension assets and long-term notes receivable. Long-term notes receivable include cash advances made to customers, principally boat builders and fitness equipment retailers, or their owners, in connection with long-term supply arrangements. These transactions have occurred in the normal course of business and are backed by secured or unsecured notes receivable that are reduced as purchases of qualifying products are made. Amounts outstanding related to these arrangements as of December 31, 2000 and 1999, totaled $65.1 million and $66.5 million, respectively. One boat builder customer and its owner comprised 61 percent and 66 percent of these amounts as of December 31, 2000 and 1999, respectively.

Advertising costs. Advertising and promotion costs are generally expensed in the year in which the advertising first takes place. Advertising and promotion costs were $86.0 million, $86.3 million and $91.1 million for the years ended December 31, 2000, 1999 and 1998, respectively.

Revenue recognition. Revenue from product sales is recognized in accordance with terms of sale, primarily upon shipment to customers. Provisions for discounts and rebates to customers, warranties, returns and other adjustments are provided for in the same period the related sales are recorded. In accordance with Emerging Issues Task Force Issue 00-10, "Accounting for Shipping and Handling Fees and Costs," the Company records amounts billed to a customer for shipping and handling fees in a sales transaction as revenue and the cost of shipping and handling fees as cost of sales.

Comprehensive income. Accumulated other comprehensive income includes currency translation adjustments, unrealized gains and losses on investments and minimum pension liability adjustments.

Derivatives. The Company uses derivative financial instruments to manage its risk associated with movements in foreign currency exchange rates, interest rates and commodity prices. These instruments are used in accordance with guidelines established by the Company's management and are not used for trading or speculative purposes.

Forward exchange contracts generally are not accounted for as hedges, and as such, unrealized gains and losses are recognized and included in other income or expense. When realized, gains and losses are reclassified from other income or expense and recognized primarily as a component of cost of sales. The interest rate differential to be paid or received under interest rate swap agreements is recognized over the life of the agreements as an adjustment to

interest expense. Under commodity swap agreements, which are accounted for as hedges, the Company receives or makes payments based on the differential between a specified price and the market price of the commodity. The Company records the payments when received or made against cost of sales and does not record a carrying value.

The Company has terminated financial instruments in the past as a result of a change in the volume or characteristics of the transaction being hedged. If, subsequent to entering into a forward contract, the underlying transaction is no longer likely to occur, the Company may terminate the forward contract and any gain or loss on the terminated contract is included in net earnings. Gains and losses on commodity swaps that are terminated prior to the execution of the inventory purchase are recorded in inventory until the inventory is sold. Gains and losses on terminated interest rate swap agreements are recognized or deferred, as appropriate.

New Accounting Pronouncements. In June 2000, the Financial Accounting Standards Board (FASB) issued SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities--an amendment of FASB Statement No. 133." SFAS 138 is effective for all fiscal quarters of all fiscal years beginning after June 15, 2000 (quarter ended March 31, 2001, for the Company). The Company will adopt the new Statement effective January 1, 2001. Adoption will require the Company to recognize all derivatives on the balance sheet at fair value. Changes in the fair value of derivatives are to be recorded each period in earnings or other comprehensive income, depending on whether the derivative is designated and effective as part of a hedge transaction, and on the type of hedge transaction. The gains or losses on derivative instruments that are reported in other comprehensive income must be reclassified into earnings in the period in which earnings are affected by the underlying hedged item. The ineffective portion of all hedges must be recognized in earnings immediately. The new derivative accounting standards may result in increased volatility in reported earnings, other comprehensive income and accumulated other comprehensive income. Based on the Company's derivative position at December 31, 2000, the Company estimates that the effect of this change in accounting will not be material to the Company's results of operations or financial position.

2. Earnings per Common Share

There is no difference in the net income used to compute basic and diluted earnings per share. The difference in the average number of shares of common stock outstanding used to compute basic and diluted earnings per share is the amount of potential common stock relating to employee stock options and compensation plans. The average number of shares of potential common stock was less than 0.1 million in 2000. The average number of shares of potential common stock was 0.6 million in 1999 and 0.7 million in 1998.

3. Segment Information

The Company is a marketer and manufacturer of leading recreation brands. During 2000, the Company announced its intention to divest several of its businesses that comprised its former outdoor recreation segment, and realigned its remaining segments in light of these announcements. The Company's reportable segments

following these announcements are: Marine Engine, Boat and Recreation. Prior-year numbers have been restated to conform with the discontinued operations and new segment presentations.

The Marine Engine segment markets and manufactures outboard, sterndrive and inboard engines and marine parts and accessories, which are principally sold directly to boat builders, including the Company's Boat segment, or through marine retail dealers worldwide. The segment also manufactures and distributes boats in certain international markets. The Company's engine manufacturing plants are located primarily in the United States, and sales are primarily in the United States and Europe.

The Boat segment markets and manufactures a complete line of pleasure boats including runabouts, cruisers, and yachts, high-performance boats and offshore fishing boats, which are marketed through dealers. The segment's boat plants are located in the United States, and sales are also primarily in the United States. Sales to one dealer, with multiple locations, comprised more than 10 percent of Boat segment sales in 2000.

The Recreation segment markets fitness equipment, including treadmills, total body cross trainers, stationary bikes and weight-training equipment; bowling capital equipment, including lanes, pinsetters, automatic scorers; bowling balls and other accessories; billiards tables and accessories; and operates bowling centers. These products are manufactured and sourced from domestic or foreign locations. Fitness equipment is sold primarily in the United States and Europe to health clubs, military, government, corporate and university facilities, and to consumers through specialty retail shops. Bowling capital equipment is sold through a direct sales force in the United States and foreign markets, primarily Europe and Asia. Bowling balls and billiards equipment are predominantly sold in the United States and are distributed primarily through mass merchandisers, sporting goods stores and specialty shops.

Information as to the operations of the Company's three operating segments is set forth below:

Operating Segments

<TABLE>
<CAPTION>

	Sales to Customers			Operating Earnings			Assets of Continuing Operations		
	2000	1999	1998	2000	1999	1998	2000	1999	1998
			(In millions)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Marine Engine...........	$1,759.9	$1,614.8	$1,482.5	$276.0	$242.5	$222.4	$ 799.0	$ 725.1	$ 668.9
Boat....................	1,574.3	1,476.6	1,332.3	148.2	120.7	112.7	639.7	594.1	561.1
Marine eliminations.....	(293.0)	(283.5)	(262.4)	--	--	--	--	--	--
Total Marine...........	3,041.2	2,807.9	2,552.4	424.2	363.2	335.1	1,438.7	1,319.2	1,230.0
Recreation..............	770.7	733.4	682.5	73.1	73.9	54.6	883.9	821.2	764.6
Corporate/Other.........	--	--	--	(45.1)	(46.5)	(37.1)	771.7	544.9	506.6
Total..................	$3,811.9	$3,541.3	$3,234.9	452.2	390.6	352.6	$3,094.3	$2,685.3	$2,501.2
Unusual charges.........				(55.1)	(116.0)	(50.8)			
Operating earnings......				$397.1	$274.6	$301.8			

<CAPTION>

	Capital Expenditures			Depreciation and Amortization			Research and Development Expense		
	2000	1999	1998	2000	1999	1998	2000	1999	1998
			(In millions)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Marine Engine...........	$ 63.8	$ 77.1	$ 66.4	$ 55.3	$ 51.5	$ 49.8	$ 60.8	$ 53.3	$ 49.7
Boat....................	57.4	46.6	48.8	51.0	49.3	46.1	22.5	17.7	17.6
Recreation..............	31.8	41.9	47.9	40.3	39.0	38.2	18.9	18.7	16.6
Corporate...............	3.0	1.2	1.5	2.2	1.6	1.5	--	--	--
Total..................	$ 156.0	$ 166.8	$ 164.6	$148.8	$141.4	$135.6	$ 102.2	$ 89.7	$ 83.9

</TABLE>

Geographic Segments

<TABLE>
<CAPTION>

	Sales to Customers			Assets of Continuing Operations		
	2000	1999	1998	2000	1999	1998
	(In millions)					
United States	$2,973.5	$2,755.7	$2,480.3	$2,020.7	$1,876.3	$1,747.8
International	838.4	785.6	754.6	301.9	264.1	246.8
Corporate	--	--	--	771.7	544.9	506.6
Total	$3,811.9	$3,541.3	$3,234.9	$3,094.3	$2,685.3	$2,501.2

</TABLE>

Operating earnings for 2000 included a $55.1 million unusual charge to increase environmental reserves related to the cleanup of contamination from a former manufacturing facility and to account for the write-down of investments in certain Internet-related businesses. Operating earnings for 1999 included $116.0 million of litigation settlement charges. Operating earnings for 1998 included a $50.8 million strategic charge to cover exit and asset disposition costs related to strategic initiatives taken in the bowling business in response to the effect of the Asian economic situation. The 1998 Boat segment operating earnings include income of $15.0 million from a settlement with a boat dealer.

The Company evaluates performance based on several factors, of which the primary financial measure is business segment operating earnings. Operating earnings of segments do not include the expenses of corporate administration, other expenses and income of a non-operating or strategic nature, or provisions for income taxes. Corporate assets consist primarily of prepaid income taxes, cash and marketable securities, pension assets and investments in unconsolidated affiliates.

4. Unusual Charges

Unusual charges consist of the following:

<TABLE>
<CAPTION>

	2000	1999	1998
	(In millions)		
Environmental provisions	$41.0	$ --	$ --
Investment write-downs	14.1	--	--
Antitrust litigation settlements	--	116.0	--
Asset write-down and strategic charges	--	--	50.8
Total	$55.1	$116.0	$50.8

</TABLE>

5. Asset Write-Downs and Strategic Charges

In the third quarter of 1998, the Company recorded a pretax charge of $50.8 million ($35.1 million after tax) to operating earnings. The charge covered exit and asset disposition costs related to strategic initiatives taken in the bowling business largely in response to the effect of the Asian economic situation. These strategic actions included exiting and disposing of 15 retail bowling centers in Asia, Brazil and Europe; rationalizing manufacturing of bowling equipment, including closing a pinsetter manufacturing plant in China; accelerating the shutdown of a pinsetter manufacturing plant in Germany; exiting the manufacture of electronic scorers and components; and closing bowling sales and administrative offices in four countries.

The 1998 strategic charge includes lease termination costs, severance costs, other incremental costs and asset disposition costs. Lease termination costs of

$10.8 million consisted primarily of costs to exit leased international bowling facilities. Severance costs of $8.6 million related to the termination of approximately 750

employees in the Company's bowling business. The Company completed the severance actions during 1999. Other incremental costs of $7.3 million included contract termination costs related to the manufacture and sale of bowling equipment. Fixed asset write-downs totaled $15.9 million and investment write-downs were $8.2 million primarily related to the facilities and equipment at international bowling centers. Although these actions were substantially completed during 1999, asset dispositions and payments continued into 2000.

During the third quarter of 1997, the Company recorded a pretax charge of $95.1 million to cover costs associated with strategic initiatives designed to streamline its operations and improve global manufacturing costs. These actions were substantially completed during 1998 with asset dispositions and payments continuing into 1999.

The Company's accrued expense balance and activity relating to strategic charges at December 31, 2000, 1999 and 1998, were as follows:

(In millions)

	Severance	Lease Termination	Other Costs	Total
Balance at December 31, 1997	$ 22.5	$ --	$ 15.2	$ 37.7
1998 Charge	8.6	10.8	7.3	26.7
Activity	(16.9)	(0.7)	(11.8)	(29.4)
Balance at December 31, 1998	14.2	10.1	10.7	35.0
Activity	(14.2)	1.0	(9.0)	(22.2)
Balance at December 31, 1999	--	11.1	1.7	12.8
Activity	--	--	(0.2)	(0.2)
Balance at December 31, 2000	$ --	$11.1	$ 1.5	$ 12.6

The remaining reserves relate principally to the strategic actions taken in 1998. Lease termination costs are expected to be paid out over the contractual terms of the leases.

6. Acquisitions

No acquisitions occurred in 2000. Cash consideration paid for acquisitions totaled $4.2 million in 1999 and $32.8 million in 1998.

The acquisitions were accounted for as purchases and resulted in goodwill of $2.6 million in 1999 and $10.3 million in 1998, that will be amortized using the straight-line method over its estimated useful life, principally 40 years. The assets and liabilities of the acquired companies have been recorded in the Company's consolidated financial statements at their estimated fair values at the acquisition dates. The operating results of each acquisition are included in the Company's results of operations since the date of acquisition.

7. Commitments and Contingencies

Financial Commitments. The Company has entered into agreements, which are customary in the marine industry, that provide for the repurchase of its products from a financial institution in the event of repossession upon a dealer's default. Repurchases and losses incurred under these agreements have not had a significant effect on the Company's results of operations. The maximum potential repurchase commitments were approximately $214 million at

December 31, 2000, and approximately $179 million at December 31, 1999.

The Company also has various agreements with financial institutions that provide limited recourse on bowling capital equipment, fitness equipment and marine equipment sales. Recourse losses have not had a

significant effect on the Company's results of operations. The maximum potential recourse liabilities outstanding under these programs at December 31, 2000 and 1999, were approximately $55 million and $61 million, respectively.

The Company had outstanding standby letters of credit and financial guarantees of approximately $102 million and $150 million at December 31, 2000 and 1999, respectively, representing conditional commitments whereby the Company guarantees performance to a third party. Included in the amount for 2000 was a $79.8 million surety bond to secure payment of tax deficiencies plus accrued interest related to the Company's appeal of a United States Tax Court determination and a $13.0 million surety bond to secure damages awarded in a suit in October 1999 while the Company pursues its appeal. Both of these cases are further discussed within the Notes to Consolidated Financial Statements. Included in the 1999 balance was a $133.2 million surety bond issued in 1998 to secure damages awarded in a suit brought in December 1995 while the Company pursued its appeal. This case was resolved in the Company's favor in 2000, and the Company was released from its obligation to maintain the surety bond, as further discussed below. The remaining commitments include guarantees of payments under certain of the Company's insurance programs and other guarantees issued in the ordinary course of business.

Legal and Environmental. The Company is subject to certain legal and environmental proceedings and claims that have arisen in the ordinary course of its business.

On March 24, 2000, the United States Court of Appeals for the Eighth Circuit issued an opinion reversing and vacating a verdict entered against the Company in the case Concord Boat Corporation, et al. v. Brunswick Corporation (Concord). In June 1998, a jury had awarded the Concord plaintiffs treble damages totaling $133.2 million based on alleged antitrust violations involving the sale of sterndrive and inboard marine engines. The Concord plaintiffs were also awarded attorneys' fees and costs. The Company appealed and the appellate court reversed and vacated the judgment, including the award of fees and costs, remanding the case for entry of judgment in the Company's favor. Additionally, the appellate court ordered the release of a $133.2 million surety bond that was issued in 1998 to secure damages previously awarded in the Concord suit, relieving the Company from any further obligation to maintain the surety bond. The Concord plaintiffs sought discretionary review of the appellate court's decision by the United States Supreme Court, which the Company opposed. On November 6, 2000, the United States Supreme Court, without comment, denied review of the appellate court's decision in the Concord suit, letting stand the judgment in favor of the Company.

The Concord plaintiffs' claims involved less than one-fifth of the total sterndrive and inboard engines sold to independent boat builders during the relevant time period. Subsequent to the 1998 Concord verdict, six additional lawsuits, including five class-action suits, were filed seeking to rely on the allegations and findings in the Concord suit. The plaintiffs in these actions included independent boat builders, dealers, competitors and consumers. The Company settled these cases in the third and fourth quarters of 1999, prior to final resolution of the Concord appeal, to manage its overall exposure related to these actions. The Company recorded a $116.0 million pretax charge in 1999 relating to these settlements. The Company paid $49.4 million in 2000 and $57.6 million in 1999 related to these settlements, with the remainder to be paid in 2001.

The Federal Trade Commission (FTC) began an investigation in 1997 of certain of the Company's marketing practices related to the sale of sterndrive marine engines to boat builders and dealers. The Company believes such practices were lawful; however, they were discontinued for business reasons

prior to the initiation of the FTC's investigation. In December 2000, the Company formally requested that the FTC close its investigation in light of the favorable outcome of the Concord litigation, which involved the same marketing practices.

On October 26, 1999, a federal court jury in Seattle, Washington, awarded Precor, a subsidiary of Illinois Tool Works, Inc., approximately $5.2 million in a patent infringement trial against the Company, as successor in interest to the predecessor entities of its Life Fitness division, upon the basis that certain Life Fitness treadmills willfully infringed a Precor design patent. Precor was also awarded up to $5.3 million in attorneys' fees and will be entitled to prejudgment interest on the damage award. The Company has appealed the verdict and the award of attorneys' fees to the United States Court of Appeals for the Federal Circuit. The parties are awaiting oral argument of the appeal, which is scheduled for April 2001. On May 23, 2000, a $13.0 million surety bond was issued to secure damages while the Company pursues its appeal. While there can be no assurances, the Company believes it is likely to prevail on the appeal and obtain either a new trial or judgment in its favor. No reserve relating to the resolution of this case has been recorded.

In January 2000, Precor filed suit against Life Fitness in federal court in Washington alleging that certain of Life Fitness's cross trainer exercise machines infringed Precor's Miller '829 patent. In 1999, before Precor filed its lawsuit, the Miller '829 patent was re-examined by the U.S. Patent & Trademark Office (PTO) and was rejected. Precor has sought a reissuance of the Miller patent by the PTO. Pending a determination of this reissuance request, this lawsuit against Life Fitness has been stayed. The Company is unable to predict the outcome of the second Precor case. No reserve relating to the resolution of this case has been recorded.

On October 26, 2000, the Company became one of 109 defendants in a suit in federal court in Arizona by the Lemelson Foundation for allegedly violating several of the Foundation's patents. The patents at issue involve machine vision and bar coding technology, and the Foundation has asserted a number of similar actions against other companies alleged to have used bar coding or machine vision technology in their distribution or manufacturing activities. This lawsuit has been stayed by the Arizona court pending the outcome of a lawsuit filed against the Foundation in Nevada. The Company is unable to predict the outcome of the Lemelson case. No reserve relating to the resolution of this case has been recorded.

The Company is also involved in certain legal and administrative proceedings under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 and other federal and state legislation governing the generation and disposition of certain hazardous wastes. These proceedings, involving both on- and off-site waste disposal or other contamination, in many instances seek compensation or remedial action from the Company as a waste generator under Superfund legislation, which authorizes action regardless of fault, legality of original disposition or ownership of a disposal site. The Company is also involved in a number of environmental remediation actions addressing contamination resulting from historic activities on its present and former plant properties.

The environmental remediation and clean-up projects in which the Company is involved have an aggregate estimated range of exposure of approximately $46 million to $74 million as of December 31, 2000. At December 31, 2000 and 1999, the Company had reserves for environmental liabilities of $65.3 million and $24.8 million, respectively. Environmental provisions were $43.1 million, $3.0 million and $7.3 million for the years ended December 31, 2000, 1999 and 1998, respectively. The provision for the year ended December 31, 2000, includes a $41.0 million charge recorded in the third quarter of 2000, resulting from an increase in the estimated cost of remediation of contamination alleged to have come from a former manufacturing facility of the Company.

The Company accrues for environmental remediation-related activities for which commitments or clean-up plans have been developed and for which costs

can be reasonably estimated. All accrued amounts are generally determined in coordination with third-party experts on an undiscounted basis and do not consider recoveries from third parties until such recoveries are realized. In light of existing reserves, the Company's environmental claims, including those discussed, when finally resolved, will not, in the opinion of management, have a material adverse effect on the Company's consolidated financial position or results of operations.

8. Financial Instruments

The Company enters into various financial instruments in the normal course of business. The Company does not hold or issue financial instruments for trading or speculative purposes. The Company prepares periodic analyses of its positions in derivatives to assess the current and projected status of these agreements and limits the terms to short durations. The effect of financial instrument transactions is not material to the Company's results of operations.

The carrying values of the Company's short-term financial instruments, including cash and cash equivalents, accounts and notes receivable and short-term debt, approximate their fair values because of the short maturity of these instruments. At December 31, 2000 and 1999, the fair value of the Company's long-term debt was $506.2 million and $556.6 million, respectively, as estimated using quoted market prices or discounted cash flows based on market rates for similar types of debt. The fair market value of derivative financial instruments is determined through dealer quotes and may not be representative of the actual gains or losses that will be recorded when these instruments mature due to future fluctuations in the markets in which they are traded.

Forward Exchange Contracts. The Company enters into forward exchange contracts and options to manage foreign exchange exposure related to transactions, assets and liabilities that are subject to risk from foreign currency rate changes. These include product costs; revenues and expenses; associated receivables and payables; intercompany obligations and receivables; and other related cash flows. Forward exchange contracts outstanding at December 31, 2000 and 1999, had contract values of $94.1 million and $44.7 million, respectively. The approximate fair value of forward exchange contracts was a $3.0 million liability at December 31, 2000, and a $0.5 million asset at December 31, 1999. The contracts outstanding at December 31, 2000, mature during 2001 and relate primarily to the Euro.

Interest Rate Swaps. The Company has entered into interest rate swap agreements to reduce the impact of changes in interest rates on the Company's borrowings. At December 31, 2000 and 1999, the Company had three outstanding floating-to-floating interest rate swap agreements, each with a notional principal amount of $260.0 million, that expire in September 2003. The estimated aggregate market value of these three agreements was a loss of $2.8 million and $1.4 million at December 31, 2000 and 1999, respectively, and represents the costs to settle outstanding agreements.

Commodity Swaps. The Company uses commodity swap agreements to hedge anticipated purchases of certain raw materials. Commodity swap contracts outstanding at December 31, 2000 and 1999, had notional values of $32.6 million and $56.9 million, respectively. At December 31, 2000 and 1999, the estimated fair value of these swap contracts was a net gain of $2.8 million and $6.7 million, respectively. The contracts outstanding at December 31, 2000, mature throughout 2002.

Credit Risk. The Company enters into financial instruments with banks and investment firms with which the Company has continuing business relationships and regularly monitors the credit ratings of its counterparties. The Company sells a broad range of active recreation products to a worldwide customer base and extends credit to its customers based upon an on-going credit evaluation program and security is obtained if required. Concentrations of credit risk with respect to accounts receivable are limited, due to the large number of

customers comprising the Company's customer base and their dispersion across many different geographic areas.

9. Accrued Expenses

Accrued expenses at December 31 were as follows:

	2000	1999
	(In millions)	
Accrued compensation and benefit plans	$143.6	$142.3
Product warranties	130.0	106.7
Dealer allowances and discounts	128.8	127.3
Environmental reserves	65.3	24.8
Insurance reserves	55.7	56.1
Antitrust litigation settlement reserves	9.0	58.4
Other	109.4	109.7
Total accrued expenses	$641.8	$625.3

10.Debt

Short-term debt at December 31 consisted of the following:

	2000	1999
	(In millions)	
Commercial paper	$152.0	$ 95.0
Notes payable	2.1	1.6
Current maturities of long-term debt	18.6	11.1
Short-term debt	$172.7	$107.7

The weighted-average interest rate for commercial paper borrowings during 2000 and 1999 was 6.58 percent and 5.43 percent, respectively.

Long-term debt at December 31 consisted of the following:

	2000	1999
	(In millions)	
Mortgage notes and other, 5.70% to 9.25% payable through 2004	$ 15.1	$ 20.6
Notes, 6.75% due 2006, net of discount of $1.3 and $1.5	248.7	248.5
Notes, 7.125% due 2027, net of discount of $1.3	198.7	198.7
Debentures, 7.375% due 2023, net of discount of $0.7 and $0.8	124.3	124.2
Guaranteed ESOP debt, 8.13% payable through 2004	33.6	41.6
	620.4	633.6
Current maturities	(18.6)	(11.1)
Long-term debt	$601.8	$622.5

Scheduled maturities	
2002	$ 14.4
2003	10.2
2004	5.4
2005	--
Thereafter	571.8
Total	$601.8

</TABLE>

The Company has a $400.0 million long-term revolving credit agreement with a group of banks, of which $40.0 million terminates on May 22, 2002, and $360.0 million terminates on May 22, 2003. Under terms of the agreement, the Company has multiple borrowing options, including borrowing at the greater of the prime rate as announced by The Chase Manhattan Bank or the federal funds effective rate plus 0.5 percent, or a rate tied to the LIBOR rate. The Company pays a facility fee of 8 basis points per annum. Under the terms of the agreement, the Company is subject to a leverage test, as well as a restriction on secured debt. The Company was in compliance with these covenants at December 31, 2000. There were no borrowings under the revolving credit agreement during 2000 or 1999, and the agreement continues to serve as support for commercial paper borrowings when commercial paper is outstanding. At December 31, 2000, the Company had additional borrowing capacity of $248.0 million under the terms of this agreement.

11.Discontinued Operations

During 2000, the Company announced its intention to divest the following businesses that comprised its former outdoor recreation segment: fishing, camping, bicycle, cooler, marine accessories and hunting sports accessories. The consolidated financial statements for all periods have been restated to present these businesses as discontinued operations in accordance with Accounting Principles Board (APB) Opinion No. 30. The Company intends to dispose of the assets of these businesses through sales transactions.

Results from discontinued operations for the years ended December 31, 2000, 1999 and 1998 were as follows:

<TABLE>
<CAPTION>

	2000	1999	1998
	(In millions)		
<S>	<C>	<C>	<C>
Net sales	$ 695.3	$ 743.4	$706.6
Pretax earnings (loss):			
Earnings (loss) from discontinued operations	$(104.6)	$(164.3)	$ 51.2
Loss from disposal of discontinued operations	(305.3)	--	--
Pretax earnings (loss)	$(409.9)	$(164.3)	$ 51.2

</TABLE>

Losses from discontinued operations included the results of operations from the businesses to be disposed as follows: hunting sports accessories, marine accessories and cooler businesses through September 30, 2000, and fishing, camping and bicycle businesses through June 30, 2000. Losses relating to these businesses subsequent to these dates were estimated and provided for in the loss on the disposition of these businesses.

The 2000 loss from discontinued operations, $104.6 million pretax, included the write-off of goodwill and other long-term assets related to the camping business ($76.0 million pretax, $50.0 million after tax) that was recorded in the second quarter of 2000. The write-off was necessary as the Company

determined that additional actions would not improve operating performance to levels sufficient to recover its investment in these assets. Also included were asset write-downs and restructuring costs, primarily severance in the fishing and camping businesses, necessitated by a change in business conditions and the decision to outsource the manufacture of fishing reels that were previously produced in-house.

The loss from discontinued operations in 1999, $164.3 million pretax, included a $178.0 million ($114.0 million after tax) strategic charge taken in the fourth quarter of 1999 for the bicycle businesses. Despite the Company's successful initiatives to expand distribution and reduce costs in its bicycle business, the profitability of the business eroded as competition from Asian imports substantially reduced market pricing for bicycles. While the price competition affected virtually all bicycles, the effects were extremely pronounced at the opening

price points. Consequently, in the fourth quarter of 1999, the Company determined that the goodwill associated with this business was impaired. Additionally, to further reduce costs, the Company committed to plans to exit manufacturing, reduce warehouse capacity and administrative expenses and rationalize product offerings. As a result of these actions, the Company recorded $178.0 million of charges in the bicycle business. These charges included the write-off of goodwill of $133.6 million, inventory write-downs of $27.0 million, fixed asset write-downs of $10.5 million and other incremental costs of $6.9 million. Additional costs of $7.0 million for severance and other incremental costs related to the 1999 charge were recorded in the first quarter of 2000 and are part of the $104.6 million pretax loss reported from discontinued operations in 2000.

Earnings from discontinued operations in 1998 totaled $51.2 million pretax. These results were comprised of $38.6 million ($24.2 million after tax) of earnings from the disposed outdoor recreation businesses and $12.6 million ($7.7 million after tax) of income resulting primarily from a favorable cash settlement of a lawsuit brought by the Company related to the previously disposed Technical segment. Included in the $38.6 million of earnings related to the outdoor recreation businesses was a $9.2 million pretax ($6.3 million after tax) strategic charge to earnings in the third quarter of 1998. This charge resulted from strategic actions to rationalize the manufacture and distribution of several products including the consolidation of certain domestic manufacturing operations and the closing of seven domestic distribution warehouses. Included in the charge was lease termination costs of $0.5 million, mainly to exit distribution and warehouse facilities, and severance costs of $2.0 million, for approximately 330 employees. Additionally, $2.0 million of other incremental costs were for the cleanup, holding and shutdown related to the closing of domestic distribution warehouses and manufacturing facilities within these businesses. The remaining $4.7 million of the 1998 strategic charge represented asset disposition costs, primarily the write-down of facilities and equipment at manufacturing facilities.

The loss from disposal recorded in 2000 totaled $305.3 million pretax and $229.6 million after tax. The tax benefits associated with the disposal reflect the non-deductibility of anticipated losses on the sale of the cooler business. The losses associated with the disposition of these businesses were based on an estimate of cash proceeds, net of costs to sell, along with an estimate of results of operations for these businesses from the date the decision was made to dispose of the businesses through the actual disposition date. The amounts ultimately realized by the Company could differ materially from the amounts assumed in arriving at the loss from disposal of discontinued operations and could result in future gains or losses from disposal of discontinued operations. Risks that could influence the outcome include, but are not limited to, the Company's ability to dispose of its fishing, cooler, marine accessories and hunting sports accessories businesses within the time, price and manner estimated and its ability to maintain key customers during the divestiture period.

The Company completed the sale of its bicycle and camping businesses in 2000 and received cash consideration of approximately $59 million and notes of

approximately $18 million, which were recorded at their estimated market value.

The net assets of the remaining businesses to be sold have been segregated as net assets of discontinued operations offered for sale. Net assets of discontinued operations offered for sale for the remaining businesses to be sold at December 31, 2000, of $302.2 million and at December 31, 1999, of $562.6 million, consisted of current assets and liabilities and net property, plant and equipment. The reserve for discontinued operations at December 31, 2000, was $194.8 million and reflects the $305.3 million pretax loss from disposal, net of losses experienced on the sale of the bicycle and camping businesses, operating losses and transaction costs.

12.Stock Plans and Management Compensation

Under the 1991 Stock Plan, the Company may grant stock options, stock appreciation rights, restricted stock and other types of awards to executives and other management employees. Issuances under the plan may be from either authorized but unissued shares or treasury shares. As of December 31, 2000, the plan allows for the issuance of a maximum of 16.2 million shares. Shares available for grant totaled 4.0 million at December 31, 2000.

Stock options issued are generally exercisable over a period of 10 years, or as determined by the Human Resource and Compensation Committee of the Board of Directors. Options generally vest over three to five years, or immediately in the event of a change in control. The option price per share can not be less than the fair market value at the date of grant. The Company has additional stock and stock option plans to provide for compensation of nonemployee directors. Stock option activity for all plans for the three years ended December 31, 2000, was as follows:

<TABLE>
<CAPTION>

	2000		1999		1998	
	Stock options outstanding	Weighted average exercise price	Stock options outstanding	Weighted average exercise price	Stock options outstanding	Weighted average exercise price
	(Options in thousands)					
Outstanding on January 1	7,965	$22.78	7,228	$22.62	6,498	$22.89
Granted	1,686	$18.91	1,597	$22.68	1,326	$20.53
Exercised	(193)	$16.23	(507)	$18.74	(381)	$18.92
Forfeited	(584)	$22.91	(353)	$24.87	(215)	$25.53
Outstanding on December 31	8,874	$22.18	7,965	$22.78	7,228	$22.62
Exercisable on December 31	5,307	$23.23	4,929	$21.79	3,776	$20.83

</TABLE>

The following table summarizes information about stock options outstanding at December 31, 2000:

<TABLE>
<CAPTION>

	Options Outstanding			Options Exercisable	
Range of exercise price	Number outstanding	Weighted average contractual life	Weighted average exercise price	Number exercisable	Weighted average exercise price

	(Options in thousands)			(Options in thousands)	
<S>	<C>	<C>	<C>	<C>	<C>
$12.56 to 16.75...........	321	2.3 years	$15.32	293	$15.49
$16.76 to 20.25...........	4,511	7.1 years	$19.16	1,992	$19.04
$20.26 to 25.50...........	2,627	6.7 years	$23.14	1,795	$23.27
$25.51 to 35.44...........	1,415	6.7 years	$31.58	1,227	$31.84

</TABLE>

If the accounting provisions of SFAS No. 123, "Accounting for Stock-Based Compensation," had been applied over the last three years, the Company's pro forma net income and earnings per share would have been as follows:

<TABLE>
<CAPTION>

	2000	1999	1998
	(In millions, except per share data)		
<S>	<C>	<C>	<C>
Earnings from continuing operations:			
As reported...	$202.2	$143.1	$154.4
Pro forma...	198.0	137.4	147.9
Basic earnings per common share from continuing operations:			
As reported...	$ 2.28	$ 1.56	$ 1.57
Pro forma...	2.23	1.49	1.50
Diluted earnings per common share from continuing operations:			
As reported...	$ 2.28	$ 1.55	$ 1.56
Pro forma...	2.23	1.48	1.49

</TABLE>

The weighted-average fair value of individual options granted during 2000, 1999 and 1998 is $5.85, $6.83 and $5.62, respectively. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions used for 2000, 1999 and 1998, respectively:

<TABLE>
<CAPTION>

	2000	1999	1998
<S>	<C>	<C>	<C>
Risk-free interest rate................................	6.1%	5.1%	5.5%
Dividend yield...	2.5%	2.1%	2.5%
Volatility factor......................................	32.7%	31.9%	28.7%
Weighted-average expected life.........................	5 years	5 years	5 years

</TABLE>

The Company maintains a leveraged employee stock ownership plan (ESOP). In April 1989, the ESOP borrowed $100 million to purchase 5,095,542 shares of the Company's common stock at $19.625 per share. The debt of the ESOP is guaranteed by the Company and is recorded in the Company's financial statements. All ESOP shares are considered outstanding for earnings per share purposes. The ESOP shares are maintained in a suspense account until released and allocated to participants' accounts. Shares committed-to-be-released, allocated and remaining in suspense at December 31 were as follows:

<TABLE>
<CAPTION>

	2000	1999
	(Shares in thousands)	
<S>	<C>	<C>

Committed-to-be-released	287	289
Allocated	2,083	1,981
Suspense	1,150	1,478

</TABLE>

Under the grandfather provisions of SOP 93-6, the expense recorded by the Company is based on cash contributed or committed to be contributed by the Company to the ESOP during the year, net of dividends received, which are primarily used by the ESOP to pay down debt. The Company's contributions to the ESOP, along with related expense amounts, were as follows:

<TABLE>
<CAPTION>

	2000	1999	1998
	(In millions)		
Compensation expense	$ 6.2	$ 5.5	$ 4.8
Interest expense	3.1	3.7	4.3
Dividends	1.9	2.0	2.1
Total debt service payments	$11.2	$11.2	$11.2

</TABLE>

The Company has certain employment agreements and a severance plan that become effective upon a change in control of the Company, which will result in compensation expense in the period that a change in control occurs.

13.Pension and Other Postretirement Benefits

The Company has qualified and nonqualified pension plans and other postretirement benefit plans covering substantially all of its employees. The Company's domestic pension and retiree health care and life insurance benefit plans are discussed below. The Company's salaried pension plan was closed to new participants effective April 1, 1999. This plan was replaced with a defined contribution plan for certain employees not meeting age and service requirements and for new hires. The Company's foreign benefit plans are not significant individually or in the aggregate.

Pension and other postretirement benefit (income) costs included the following components for 2000, 1999 and 1998:

<TABLE>
<CAPTION>

	Pension Benefits			Other Postretirement Benefits		
	2000	1999	1998	2000	1999	1998
	(In millions)					
Service cost	$ 15.4	$ 18.6	$ 17.2	$ 1.5	$ 1.7	$ 1.6
Interest cost	51.6	47.6	45.8	3.8	3.7	4.1
Expected return on plan assets	(74.6)	(66.7)	(63.6)	--	--	--
Amortization of prior service cost	3.1	3.6	3.3	(0.5)	(0.5)	(0.5)
Amortization of net (gain) loss	(2.7)	0.6	0.3	(1.5)	(0.8)	(0.6)
Net pension and other benefit (income) costs	$ (7.2)	$ 3.7	$ 3.0	$ 3.3	$ 4.1	$ 4.6

</TABLE>

A reconciliation of the changes in the plans' benefit obligations and fair

value of assets over the two-year period ending December 31, 2000, and a statement of the funded status at December 31 for these years for the Company's domestic pension plans follows.

	Pension Benefits		Other Postretirement Benefits	
	2000	1999	2000	1999
	(In millions)			
Reconciliation of benefit obligation:				
Benefit obligation at previous December 31.	$663.6	$721.8	$ 60.8	$ 76.2
Service cost	15.4	18.6	1.5	1.7
Interest cost	51.6	47.6	3.8	3.7
Participant contributions	--	--	1.6	1.6
Plan amendments	29.7	0.6	(0.4)	0.1
Actuarial (gain) loss	43.8	(87.2)	2.4	(17.9)
Benefit payments	(39.9)	(37.8)	(5.1)	(4.6)
Benefit obligation at December 31	$764.2	$663.6	$ 64.6	$ 60.8
Reconciliation of fair value of plan assets:				
Fair value of plan assets at January 1	$803.8	$720.2	$ --	$ --
Actual return on plan assets	(12.6)	119.5	--	--
Employer contributions	2.2	1.9	3.5	3.0
Participant contributions	--	--	1.6	1.6
Benefit payments	(39.9)	(37.8)	(5.1)	(4.6)
Fair value of plan assets at December 31	$753.5	$803.8	$ --	$ --
Funded status:				
Funded status at December 31	$(10.7)	$140.2	$ (64.6)	$ (60.8)
Unrecognized prior service cost	50.2	23.8	(4.5)	(4.6)
Unrecognized actuarial (gain) loss	20.0	(113.4)	(22.1)	(26.0)
Prepaid (accrued) benefit cost	$ 59.5	$ 50.6	$ (91.2)	$ (91.4)

Pension plan assets include 1.8 million shares of the Company's common stock at December 31, 2000. Plan amendments totaling $29.7 million in 2000, principally relate to increased benefit levels resulting from union negotiations in the Marine Engine segment.

The amounts included in the Company's balance sheets as of December 31 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2000	1999	2000	1999
	(In millions)			
Prepaid benefit cost	$ 88.4	$ 77.1	$ --	$ --
Accrued benefit liability	(81.9)	(26.8)	(91.2)	(91.4)
Intangible asset	43.3	--	--	--
Accumulated other comprehensive income	9.7	0.3	--	--
Net amount recognized	$ 59.5	$ 50.6	$ (91.2)	$ (91.4)

====== ====== ======= =======

</TABLE>

The Company's unfunded, nonqualified pension plan had projected and accumulated benefit obligations of $39.8 million and $32.4 million, respectively, at December 31, 2000, and $32.5 million and $26.7 million, respectively, at December 31, 1999. Three of the Company's qualified plans had an accumulated benefit obligation in excess of plan assets at December 31, 2000. The projected and accumulated benefit obligations for these plans were $172.3 million and the fair value of assets was $161.5 million at December 31, 2000. The Company's other postretirement benefit plans are not funded.

The Company recorded an additional minimum pension liability adjustment of $52.7 million and $0.3 million in 2000 and 1999, respectively, in accordance with SFAS No. 87, "Employers' Accounting for Pensions." In recognizing an additional minimum pension liability, SFAS No. 87 requires an intangible asset equal to the unrecognized prior service cost to be recognized, with the excess reported in accumulated other comprehensive income, net of tax.

Prior service costs are amortized on a straight-line basis over the average remaining service period of active participants. Accumulated gains and losses in excess of 10 percent of the greater of the benefit obligation or the market-related value of assets are amortized over the remaining service period of active plan participants. Benefit obligations were determined using assumed discount rates of 7.5 percent in 2000 and 8.0 percent in 1999 and an assumed compensation increase of 5.5 percent in 2000 and 1999. The assumed long-term rate of return on plan assets was 9.5 percent in 2000 and 1999.

The health care cost trend rate for 2000 for pre-65 benefits was assumed to be 5.8 percent, gradually declining to 5.0 percent in 2002 and remaining at that level thereafter. The trend rate for post-65 benefits was assumed to be 5.0 percent. The health care cost trend rate assumption has a significant effect on the amounts reported. A one percent increase in the assumed health care trend rate would increase the combined service and interest cost components of net postretirement health care benefit cost by $0.9 million in 2000 and increase the health care component of the accumulated postretirement benefit obligation by $6.8 million at December 31, 2000. A one percent decrease in the assumed health care trend rate would decrease the service and interest cost components of net postretirement health care benefit cost by $0.8 million in 2000 and the health care component of the accumulated postretirement benefit obligation by $5.6 million at December 31, 2000. The Company monitors the cost of health care and life insurance benefit plans and reserves the right to make additional changes or terminate these benefits in the future.

The Company also has defined contribution retirement plans covering most of its employees. The Company's contributions to these plans are based on various percentages of compensation, and in some instances are based on the amount of the employees' contributions to the plans. The expense related to these plans was $22.6 million, $19.1 million and $12.4 million in 2000, 1999 and 1998, respectively.

14.Income Taxes

The sources of earnings (losses) before income taxes are as follows:

<TABLE>
<CAPTION>

(In millions)	2000	1999	1998
<S>	<C>	<C>	<C>
United States	$316.1	$209.6	$248.1
Foreign	7.2	9.7	(2.8)
Earnings before income taxes	$323.3	$219.3	$245.3

====== ====== ======

</TABLE>

The income tax provision for continuing operations consisted of the following:

<TABLE>
<CAPTION>

(In millions)	2000	1999	1998
Current tax expense:			
U.S. Federal	$109.4	$118.4	$71.9
State and local	21.1	16.6	8.4
Foreign	8.6	6.8	7.2
Total current	139.1	141.8	87.5
Deferred tax expense:			
U.S. Federal	(6.9)	(55.9)	7.1
State and local	(6.7)	(10.3)	2.3
Foreign	(4.4)	0.6	(6.0)
Total deferred	(18.0)	(65.6)	3.4
Total provision	$121.1	$ 76.2	$90.9

</TABLE>

Temporary differences and carryforwards that give rise to deferred tax assets and liabilities at December 31 are as follows:

<TABLE>
<CAPTION>

(In millions)	2000	1999
Deferred tax assets:		
Product warranties	$ 60.1	$ 57.3
Dealer allowances and discounts	48.6	32.0
Insurance reserves	26.2	26.7
Discontinued operations	95.0	--
Litigation and environmental reserves	29.7	10.1
Loss carryforwards	21.1	10.0
Other	87.4	121.4
Valuation allowance	(0.3)	(0.3)
Total deferred tax assets	$367.8	$257.2
Deferred tax liabilities (assets):		
Depreciation and amortization	$108.7	$ 17.3
Postretirement and postemployment benefits	(24.4)	(27.2)
Other assets and investments	92.8	84.2
Other	38.3	57.6
Total deferred tax liabilities	$215.4	$131.9

</TABLE>

No other valuation allowances were deemed necessary, as all deductible temporary differences will be utilized primarily by carry back to prior years' taxable income or as charges against reversals of future taxable temporary differences. Based upon prior earnings history, it is expected that future taxable income will be more than sufficient to utilize the remaining deductible temporary differences. Deferred taxes have been provided, as required, on the undistributed earnings of foreign subsidiaries and unconsolidated affiliates.

The difference between the actual income tax provision and the tax provision computed by applying the statutory Federal income tax rate to earnings before taxes is attributable to the following:

(In millions)	2000	1999	1998
Income tax provision at 35%	$113.1	$76.8	$85.9
State and local income taxes, net of Federal income tax effect	9.4	4.1	7.0
Foreign sales corporation benefit	(4.9)	(4.2)	(4.5)
Taxes related to foreign income, net of credits	2.6	2.8	(0.9)
Goodwill and other amortization	1.6	1.2	1.3
Other	(0.7)	(4.5)	2.1
Actual income tax provision	$121.1	$76.2	$90.9
Effective tax rate	37.5%	34.7%	37.1%

On October 27, 1999, the United States Tax Court upheld an Internal Revenue Service (IRS) determination that resulted in the disallowance of capital losses and other expenses from two partnership investments for 1990 and 1991. On July 17, 2000, the Company appealed the Tax Court ruling to the United States Court of Appeals for the District of Columbia and filed a $79.8 million surety bond to secure payment of tax deficiencies plus accrued interest related to the appeal. Oral argument of the appeal has been scheduled for October 2001.

If the Company does not prevail in its appeal, the amount of taxes due, which would likely be payable in 2002, would total approximately $60 million, plus interest, net of tax, of approximately $65 million. The Company is also in the process of settling IRS audits on open tax years 1989 through 1991 and anticipates favorable adjustments that would decrease the total tax owed to approximately $40 million, with accompanying interest, net of tax, of approximately $30 million. The Company does not anticipate any material adverse effects on its consolidated financial position or results of operations in the event of an unfavorable resolution of this matter.

15.Leases

The Company has various lease agreements for offices, branches, factories, distribution and service facilities, certain Company-operated bowling centers and certain personal property. The longest of these obligations extend through 2032. Most leases contain renewal options and some contain purchase options. Many leases for Company-operated bowling centers contain escalation clauses, and many provide for contingent rentals based on percentages of gross revenue. No leases contain restrictions on the Company's activities concerning dividends, additional debt or further leasing. Rent expense consisted of the following:

(In millions)	2000	1999	1998
Basic expense	$37.5	$34.0	$33.1
Contingent expense	0.3	0.4	0.6

Sublease income	(2.1)	(2.3)	(1.7)
Rent expense, net	$35.7	$32.1	$32.0

</TABLE>

Future minimum rental payments at December 31, 2000, under agreements classified as operating leases with non-cancelable terms in excess of one year, are as follows:

<TABLE>
<CAPTION>

<S>	(In millions) <C>
2001	$ 20.0
2002	18.5
2003	16.2
2004	14.0
2005	12.0
Thereafter	40.6
Total (not reduced by minimum sublease rentals of $3.2 million).	$121.3

</TABLE>

16. Preferred Share Purchase Rights

In February 1996, the Board of Directors declared a dividend of one Preferred Share Purchase Right (Right) on each outstanding share of the Company's common stock. Under certain conditions, each holder of Rights may purchase one one-thousandth of a share of a new series of junior participating preferred stock at an exercise price of $85 for each Right held. The Rights expire on April 1, 2006.

The Rights become exercisable at the earlier of (1) a public announcement that a person or group acquired or obtained the right to acquire 15 percent or more of the Company's common stock or (2) 15 days (or such later time as determined by the Board of Directors) after commencement or public announcement of an offer for more than 15 percent of the Company's common stock. After a person or group acquires 15 percent or more of the common stock of the Company, other shareholders may purchase additional shares of the Company at 50 percent of the current market price. These Rights may cause substantial ownership dilution to a person or group who attempts to acquire the Company without approval of the Company's Board of Directors.

The Rights, which do not have any voting rights, may be redeemed by the Company at a price of $.01 per Right at any time prior to a person's or group's acquisition of 15 percent or more of the Company's common stock. A Right also will be issued with each share of the Company's common stock that becomes outstanding prior to the time the Rights become exercisable or expire.

In the event that the Company is acquired in a merger or other business combination transaction, provision will be made so that each holder of Rights will be entitled to buy the number of shares of common stock of the surviving Company that at the time of such transaction would have a market value of two times the exercise price of the Rights.

17. Investments

The Company has certain unconsolidated foreign and domestic affiliates that are accounted for using the equity method. Summary financial information of the unconsolidated equity method affiliates is presented below:

(In millions)	2000	1999	1998
Net sales	$ 266.8	$ 409.0	$ 445.7
Gross margin	$ 45.3	$ 67.1	$ 72.4
Net earnings (loss)	$ (5.9)	$ 10.8	$ 7.2
Company's share of net earnings (loss)	$ (3.6)	$ 4.8	$ 4.9
Current assets	$ 99.4	$ 108.6	$ 181.3
Noncurrent assets	121.0	115.8	164.5
Total assets	220.4	224.4	345.8
Current liabilities	(120.9)	(139.1)	(170.4)
Noncurrent liabilities	(45.8)	(7.7)	(33.3)
Net assets	$ 53.7	$ 77.6	$ 142.1

The Company's sales to and purchases from the above investments, along with the corresponding receivables and payables, were not material to the Company's overall results of operations for the three years ended December 31, 2000, and its financial position as of December 31, 2000 and 1999.

In 2000, the Company made $38.1 million of investments in Internet-related businesses and fitness equipment distribution alliances. Investments of $13.6 million in 1999 principally related to fitness equipment distribution alliances. Also in 2000, the Company recorded a charge of $14.1 million to write-down investments in certain Internet-related businesses.

At December 31, 2000, the Company had Available-for-Sale equity investments with a fair market value of $10.9 million and a cost basis of $20.6 million. The gross unrealized losses of $9.7 million have been recorded net of deferred taxes of $3.6 million and have been included as a separate component of shareholders' equity.

In October 1999, the Company sold its minority position in a boat company partnership to the majority partner for cash of $26.1 million and other consideration. This transaction did not have a material effect on the Company's 1999 results. Income recorded related to this partnership in 1999 and 1998 totaled $3.4 million and $3.0 million, respectively.

18. Treasury and Preferred Stock

Treasury stock activity for the past three years was as follows:

(Shares in thousands)	2000	1999	1998
Balance at January 1	10,727	10,669	3,057
Compensation plans and other	(257)	(709)	(576)
Stock repurchases	4,724	767	8,188
Balance at December 31	15,194	10,727	10,669

At December 31, 2000, 1999 and 1998, the Company had no preferred stock outstanding (authorized: 12.5 million shares, $0.75 par value at December 31, 2000 and 1999).

19. Quarterly Data (unaudited)

<TABLE>
<CAPTION>

	Quarter				
	1st	2nd	3rd	4th	Year
	(In millions, except per share data)				
<S>	<C>	<C>	<C>	<C>	<C>
2000					
Net sales	$955.4	$1,040.8	$939.1	$ 876.6	$3,811.9
Gross margin	$273.7	$ 313.7	$270.6	$ 230.6	$1,088.6
Earnings from continuing operations (1)	$ 60.7	$ 81.5	$ 17.7	$ 42.3	$ 202.2
Loss from discontinued operations	(2.0)	(61.0)	(5.4)	--	(68.4)
Loss from disposal of discontinued operations	--	(125.0)	(104.6)	--	(229.6)
Net earnings (loss) (1)	$ 58.7	$ (104.5)	$(92.3)	$ 42.3	$ (95.8)
Basic earnings (loss) per common share:					
Earnings from continuing operations (1)	$ 0.66	$ 0.93	$ 0.20	$ 0.48	$ 2.28
Loss from discontinued operations	(0.02)	(0.69)	(0.06)	--	(0.77)
Loss from disposal of discontinued operations	--	(1.42)	(1.19)	--	(2.59)
Net earnings (loss) (1)	$ 0.64	$ (1.19)	$(1.05)	$ 0.48	$ (1.08)
Diluted earnings (loss) per common share:					
Earnings from continuing operations (1)	$ 0.66	$ 0.93	$ 0.20	$ 0.48	$ 2.28
Loss from discontinued operations	(0.02)	(0.69)	(0.06)	--	(0.77)
Loss from disposal of discontinued operations	--	(1.42)	(1.19)	--	(2.59)
Net earnings (loss) (1)	$ 0.64	$ (1.19)	$(1.05)	$ 0.48	$ (1.08)
Dividends declared	$0.125	$ 0.125	$0.125	$ 0.125	$ 0.50
Common stock price (NYSE):					
High	$22.13	$ 20.00	$21.06	$ 19.81	$ 22.13
Low	$14.75	$ 16.31	$16.44	$ 15.50	$ 14.75
1999					
Net sales	$870.2	$ 945.8	$861.9	$ 863.4	$3,541.3
Gross margin	$245.2	$ 282.5	$245.2	$ 241.1	$1,014.0
Earnings from continuing operations (2)	$ 49.5	$ 69.3	$ 20.8	$ 3.5	$ 143.1
Earnings (loss) from discontinued operations	8.1	13.1	(3.0)	(123.4)	(105.2)
Net earnings (loss) (2)	$ 57.6	$ 82.4	$ 17.8	$(119.9)	$ 37.9
Basic earnings (loss) per common share:					
Earnings from continuing operations (2)	$ 0.54	$ 0.75	$ 0.23	$ 0.04	$ 1.56
Earnings (loss) from discontinued operations	0.09	0.14	(0.03)	(1.34)	(1.14)
Net earnings (loss) (2)	$ 0.63	$ 0.90	$ 0.19	$ (1.30)	$ 0.41
Diluted earnings (loss) per common share:					

Earnings from continuing operations (2)	$ 0.53	$ 0.75	$ 0.22	$ 0.04	$ 1.55
Earnings (loss) from discontinued operations	0.09	0.14	(0.03)	(1.34)	(1.14)
Net earnings (loss) (2)	$ 0.62	$ 0.89	$ 0.19	$ (1.30)	$ 0.41
Dividends declared	$0.125	$ 0.125	$0.125	$ 0.125	$ 0.50
Common stock price (NYSE):					
High	$26.00	$ 28.06	$30.00	$ 25.00	$ 30.00
Low	$18.13	$ 18.06	$24.38	$ 20.00	$ 18.06

</TABLE>

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(1) Includes a charge of $55.1 million pretax ($40.0 million after tax) in the third quarter to increase environmental reserves related to the cleanup of contamination from a former manufacturing facility and to account for the write-down of investments in certain Internet-related businesses.

(2) Includes litigation settlement charges of $48.0 million pretax ($30.7 million after tax) in the third quarter and $68.0 million pretax ($40.7 million after tax) in the fourth quarter.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report dated January 23, 2001 included in this Form 10-K, into the Company's previously filed registration statements on Form S-8 (File No. 33-55022), Form S-3 (File No. 33-61512), Form S-8 (File No. 33-56193), Form S-8 (File No. 33-61835), Form S-8 (File No. 33-65217), Form S-8 (File No. 333-04289), Form S-3 (File No. 333-9997), Form S-8 (File No. 333-27157), Form S-8 (File No. 333-77431), and Form S-8 (File No. 333-77457).

/s/ Arthur Andersen LLP

Chicago, Illinois
March 9, 2001

BRUNSWICK CORPORATION

SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS
(In millions)

<TABLE>
<CAPTION>

Alowanceslfor posibleslosses onreceivables	Balance at beginning of period	Charges to profit and loss	Write-offs	Recoveries	Other	Balance at end of period
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2000	$18.4	$11.4	$(8.9)	$1.0	$(0.7)	$21.2
1999	$16.8	$ 8.7	$(6.8)	$--	$(0.3)	$18.4
1998	$15.3	$ 6.9	$(4.2)	$0.7	$(1.9)*	$16.8

</TABLE>

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*Includes $0.2 million in 1998 relating to acquisitions.

This schedule reflects only the financial information of continuing operations.

<TABLE>
<CAPTION>

Deferred tax asset valuation allowance	Balance at beginning of period	Charges to profit and loss	Write-offs	Recoveries	Other	Balance at end of period

<S> <C> <C> <C> <C> <C> <C>

2000..................	$0.3	$--	$--	$--	$--	$0.3
	====	===	===	===	===	====
1999..................	$0.3	$--	$--	$--	$--	$0.3
	====	===	===	===	===	====
1998..................	$0.3	$--	$--	$--	$--	$0.3
	====	===	===	===	===	====

</TABLE>

This schedule reflects only the financial information of continuing operations.

EXHIBIT INDEX

<TABLE>
<CAPTION>

Exhibit Number	Description
-------	-----------
<C>	<S> <C>
3.1	Restated Certificate of Incorporation of the Company filed as Exhibit 19.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1987, and hereby incorporated by reference.
3.2	Certificate of Designation, Preferences and Rights of Series A Junior Participating Preferred Stock filed as Exhibit 3.2 to the Company's Annual Report on Form 10-K for 1995, and hereby incorporated by reference.
3.3	By-Laws of the Company filed as Exhibit 3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000, and hereby incorporated by reference.
4.1	Indenture dated as of March 15, 1987, between the Company and Continental Illinois National Bank and Trust Company of Chicago filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1987, and hereby incorporated by reference.
4.2	Officers' Certificate setting forth terms of the Company's $125,000,000 principal amount of 7 3/8% Debentures due September 1, 2023, filed as Exhibit 4.3 to the Company's Annual Report on Form 10-K for 1993, and hereby incorporated by reference.
4.3	Form of the Company's $250,000,000 principal amount of 6 3/4% Notes due December 15, 2006, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated December 10, 1996, and hereby incorporated by reference.
4.4	Form of the Company's $200,000,000 principal amount of 7 1/8% Notes due August 1, 2007, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated August 4, 1997, and hereby incorporated by reference.
4.5	The Company's agreement to furnish additional debt instruments upon request by the Securities and Exchange Commission filed as Exhibit 4.10 to the Company's Annual Report on Form 10-K for 1980, and hereby incorporated by reference.
4.6	Rights Agreement dated as of February 5, 1996, between the Company and Harris Trust and Savings Bank filed as Exhibit 1 to the Company's Registration Statement for Preferred Share Purchase Rights on Form 8-A dated March 13, 1996, and hereby incorporated by reference.
10.1*	Amended and Restated Employment Agreement dated January 4, 1999, by and between the Company and Peter N. Larson filed as Exhibit 10.1 to the Company's Annual Report on Form 10-K for 1998, and hereby incorporated by reference.
10.2*	Employment Agreement dated December 1, 1995, by and between the Company and Peter B. Hamilton filed as Exhibit 10.8 to the Company's Annual Report on Form 10-K for 1995, and hereby incorporated by reference.
10.3*	Amendment dated as of October 9, 1998, to Employment Agreement by and between the Company and Peter B. Hamilton filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998, and hereby incorporated by reference.

10.4* Form of Change of Control Agreement by and between the Company and each of W. J. Barrington, K. S. Grodzki, P. B. Hamilton, P. C. Mackey, R. S. O'Brien, J. D. Russell and J. P. Zelisko filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998, and hereby incorporated by reference.
</TABLE>

<TABLE>
<CAPTION>

Exhibit Number	Description
10.5*	Form of Change of Control Agreement by and between the Company and each of K. J. Chieger, T. J. Chung, W. J. Gress, P. G. Leemputte, B. R. Lockridge, D. E. McCoy, V. J. Reich and C. M. Sladnick.
10.6*	Form of Change of Control Agreement by and between the Company and G. W. Buckley.
10.7*	1994 Stock Option Plan for Non-Employee Directors filed as Exhibit A to the Company's definitive Proxy Statement dated March 25, 1994, for the Annual Meeting of Stockholders on April 27, 1994, and hereby incorporated by reference.
10.8*	1995 Stock Plan for Non-Employee Directors filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998, and hereby incorporated by reference.
10.9*	Supplemental Pension Plan filed as Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998, and hereby incorporated by reference.
10.10*	Form of insurance policy issued for the life of each of the Company's executive officers, together with the specifications for each of these policies, filed as Exhibit 10.21 to the Company's Annual Report on Form 10-K for 1980, and hereby incorporated by reference. The Company pays the premiums for these policies and will recover these premiums, with some exceptions, from the policy proceeds.
10.11*	Form of Indemnification Agreement by and between the Company and each of N. D. Archibald, D. J. Bern, J. L. Bleustein, M. J. Callahan, M. A. Fernandez, P. Harf, J. W. Lorsch, B. Martin Musham, K. Roman, R. L. Ryan and R. W. Schipke filed as Exhibit 19.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1986, and hereby incorporated by reference.
10.12*	Indemnification Agreement dated April 1, 1995, by and between the Company and P. N. Larson filed as Exhibit 10.17 to the Company's Annual Report on Form 10-K for 1995, and hereby incorporated by reference.
10.13*	Form of Indemnification Agreement by and between the Company and each of W. J. Barrington, G. W. Buckley, K. J. Chieger, T. J. Chung, W. J. Gress, K. S. Grodzki, P. B. Hamilton, P. G. Leemputte, B. R. Lockridge, P. C. Mackey, D. E. McCoy, R. S. O'Brien, V. J. Reich, J. D. Russell, C. M. Sladnick and J. P. Zelisko filed as Exhibit 19.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1986, and hereby incorporated by reference.
10.14*	1991 Stock Plan filed as Exhibit 10 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999, and hereby incorporated by reference.
10.15*	Change in Control Severance Plan filed as Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998, and hereby incorporated by reference.
10.16*	Brunswick Performance Plan for 1999 filed as Exhibit 10.16 to the Company's Annual Report on Form 10-K for 1998, and hereby incorporated by reference.
10.17*	Brunswick Performance Plan for 2000 filed as Exhibit 10.17 to the Company's Annual Report on Form 10-K for 1999, and hereby incorporated by reference.
10.18*	Brunswick Performance Plan for 2001.
10.19*	Brunswick Strategic Incentive Plan for 1998-1999 filed as

Exhibit 10.26 to the Company's Annual Report on Form 10-K for 1997, and hereby incorporated by reference.
</TABLE>

<TABLE>
<CAPTION>

Exhibit Number	Description
10.20*	Brunswick Strategic Incentive Plan for 1999-2000 filed as Exhibit 10.19 to the Company's Annual Report on Form 10-K for 1998, and hereby incorporated by reference.
10.21*	Brunswick Strategic Incentive Plan for 2000-2001 filed as Exhibit 10.21 to the Company's Annual Report on Form 10-K for 1999, and hereby incorporated by reference.
10.22*	Brunswick Strategic Incentive Plan for 2001-2002.
10.23*	1997 Stock Plan for Non-Employee Directors filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998, and hereby incorporated by reference.
10.24*	Elective Deferred Compensation Plan filed as Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998, and hereby incorporated by reference.
10.25*	Automatic Deferred Compensation Plan filed as Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998, and hereby incorporated by reference.
10.26*	Promissory Note dated March 2, 2001, by and between George W. Buckley and the Company.
21.1	Subsidiaries of the Company.
23.1	Consent of Independent Public Accountants is on page 58 of this Report.
24.1	Powers of Attorney.
27.1	Financial Data Schedule.

</TABLE>

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*Management contract or compensatory plan or arrangement required to be filed as an exhibit to this Annual Report on Form 10-K pursuant to Item 14(c) of this Report.

EXHIBIT 10.5

EXECUTIVE SEVERANCE BENEFITS
AND
CHANGE IN CONTROL AGREEMENT

THIS AGREEMENT ("Agreement"), made and entered into as of the 12th day of February, 2001 (the "Effective Date"), by and between Brunswick Corporation (the "Company") and _______________ (the "Executive").

WITNESSETH THAT:

WHEREAS, the Company considers it essential to the best interests of its shareholders to foster the continuous employment of key management personnel, and the Board of Directors of the Company (the "Board") recognizes that, as is the case with many publicly held corporations, a change in control might occur and that such possibility, and the uncertainty and questions which it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its shareholders; and

WHEREAS, the Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management, including the Executive, to their assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a change in control of the Company; and

WHEREAS, the Company desires to have the Executive agree to the terms and conditions set forth below relating to noncompetition and nonsolicitation, and the Executive is willing to agree to such terms and conditions in consideration for the additional severance benefits to which he may become entitled under the terms of this Agreement;

NOW, THEREFORE, to induce the Executive to remain in the employ of the Company and in consideration of the premises and mutual covenants set forth herein, IT IS HEREBY AGREED by and between the parties as follows:

1. Agreement Term. The term of this Agreement shall begin on the Effective Date and shall continue until terminated in accordance with Section 20 below.

2. Severance Benefits. Subject to the following provisions of this Agreement, the Executive shall be entitled to Severance Benefits determined in accordance with the following provisions of this Section 2 in the event that his employment with the Company is terminated by the Company for reasons other than Disability or Cause (each as defined in Section 6 below); is terminated by reason of an Effective Termination (as defined in Section 6 below); or is terminated by the Executive for any reason during the thirty-day period commencing on the first anniversary of a Change in Control (as defined in Section 6 below):

(a) Prior to a Change in Control. In the event that any such termination of employment occurs prior to a Change in Control, the Executive shall receive a lump sum severance payment in an amount equal to the sum of (i) one and one-half times the Executive's annual base salary as in effect immediately prior to such termination of employment (disregarding any reduction in salary made in

contemplation of such termination of employment), and (ii) such amount, if any, as may be determined by the Company's Chief Executive Officer in his sole discretion based on the Executive's targeted bonus under the Company's annual bonus plan.

(b) After a Change in Control. In the event that any such termination of employment occurs after a Change in Control, the Executive shall receive a lump sum severance payment in an amount equal to three times the sum of (i) the Executive's annual base salary as in effect immediately prior to such termination of employment (disregarding any reduction in salary made after the Change in Control or in contemplation of the Change in Control), (ii) the Executive's targeted bonus under the Company's annual bonus arrangement for the year of

termination, or, if greater, the Executive's targeted annual bonus for the year in which the Change in Control occurred, and (iii) the Executive's most recently established full cycle target percentage (plus any applicable premium determined as if the award were paid in stock) under the Company's Strategic Incentive Plan.

Provided that the Executive has executed a release in accordance with the terms of Section 8 below and does not revoke such release, the severance benefits to which the Executive is entitled under the foregoing provisions of this Section 2 shall be paid to the Executive no later than ten business days after the Company's receipt of such release. The Executive acknowledges and agrees that the foregoing severance amounts and the compensation and benefits to which the Executive may become entitled under the following provisions of this Agreement are in excess of those which the Executive would be entitled to under the Company's otherwise applicable severance pay plans, and that the Company is agreeing to provide such severance amounts, compensation and benefits in consideration for the Executive's agreement to the terms and conditions of Sections 12 through 17 below.

3. Other Compensation and Benefits. In the event of a termination of employment entitling the Executive to Severance Benefits under Section 2 above, the Executive shall also be entitled to the following:

(a) Welfare Benefits and Perquisites. The Executive shall be entitled to receive medical, accident, dental, vision, prescription, and life insurance coverage, including split dollar life insurance, for the Executive (and, where applicable under the Company's welfare benefit plans, the Executive's family) until the earlier of (i) the date on which the Executive becomes employed by another employer, or (ii) the eighteen-month anniversary (third anniversary if termination of employment occurs after a Change in Control) of the Executive's date of termination of employment. Such benefits shall be no less favorable in terms of coverage and cost to the Executive than those provided during the coverage period to the Company's active senior executives. For purposes of determining eligibility of the Executive (and, where applicable, the Executive's spouse) for retiree welfare benefits, and for purposes of determining application of the provisions of the Company's split dollar life insurance program, the Executive shall be considered to have remained in the employ of the Company through such eighteen-month or third anniversary, as the case may be. During the

period for which the Executive is entitled to continuation of such benefit coverages, the Executive shall continue to receive perquisites, other than the use of corporate aircraft, in accordance with the Company's policies in effect prior to the Executive's termination of employment or, in the case of a Change in Control, prior to such Change in Control; provided, however, that, in lieu of continuation of one or more perquisites, the Company may make a cash payment to the Executive equal to the value thereof.

(b) Annual Bonus. If the Executive's employment terminates after the end of a calendar year but prior to the payment of the annual bonus for such year, the Executive shall be entitled to a bonus for such year in the amount to which he would otherwise have been entitled, and at the time such bonus would otherwise be paid, had the Executive's employment not been terminated. The Executive shall receive a bonus for the year in which the Executive's employment terminates, payable at the time such bonus would be paid if the Executive's employment had not been terminated, equal to a pro rata portion of the amount, if any, to which the Executive would otherwise be entitled for such partial year under the terms of the Company's annual bonus plan, such proration to be based on the ratio of the number of days elapsed during such year prior to the termination of the Executive's employment to 365; provided, however, that the Executive shall not be entitled to a prorated bonus with respect to a termination prior to a Change in Control if such termination occurs in the first quarter of any fiscal year and, provided further, that if the Executive's termination of employment occurs after a Change in Control, such bonus shall not be less than a pro rata portion of the Executive's target annual bonus for such year.

(c) Strategic Incentive Plan. Except as provided in Section 2(b), the Executive shall not be entitled to any payment under the Company's Strategic Incentive Plan (the "SIP") with respect to any award period which ends after the date of the Executive's termination of employment. If the Executive becomes entitled to any benefit under the SIP with respect to any such award period, the benefits under this Agreement shall be reduced by the amount thereof.

(d) Supplemental Retirement Benefits. If such termination of employment is after a Change in Control, the Executive shall be entitled to a lump sum cash payment coincident with the payment of the Executive's severance benefits under Section 2 determined as follows:

(i) If the Executive is an active participant in the Brunswick Pension Plan for Salaried Employees (the "Pension Plan"), immediately prior to the date of the Change in Control, such lump sum shall be equal to the actuarial equivalent of the difference between (x) the pension benefits the Executive would have accrued under the Pension Plan and the Brunswick Corporation Supplemental Pension Plan or any successor thereto (the "Supplemental Plan"), if on the date of such termination of employment the Executive had 3 additional years of service at the Executive's rate of compensation on the date of termination and had been 3 years older on

such date, and (y) the pension benefits the Executive actually accrued under the Pension Plan and the Supplemental Plan as of the date of termination of employment. Such actuarial equivalence shall be determined on the basis of the rates, tables and factors in effect under the Pension Plan on the date of termination for purposes of determining optional forms of payment; provided, however, that the interest rate or rates to be used for such purpose shall be the interest rate or rates which would be used as of the date of termination of employment by the Pension Benefit Guaranty Corporation ("PBGC") for purposes of determining the present value of the Executive's benefits under the Pension Plan if the Pension Plan had terminated on the date of such termination of employment with insufficient assets to provide benefits guaranteed by the PBGC on that date.

(ii) If the Executive is not an active participant in the Pension Plan immediately prior to the date of the Change in Control, such lump sum shall be equal to six percent (the sum of the Basic Profit Sharing Contribution percentage and the target Variable Profit Sharing Contribution percentage under the Brunswick Rewards Plan as in effect on the date hereof) of the amount to which the Executive is entitled under Section 2(b) above.

In the event that the Executive's employment terminates under circumstances which do not entitle him to Severance Benefits under Section 2 above, his right to benefits under any of the benefit plans and arrangements described in the foregoing provisions of this Section 3 shall be determined solely in accordance with the terms and conditions of the applicable plan or arrangement.

4. Deferred Compensation and Supplemental Pension Benefits. No later than 60 days after the date of a Change in Control, the Company shall make and shall cause each of its subsidiaries to provide the Executive with an election to receive a lump sum distribution as of the first business day of the following calendar year, of (i) the actuarial equivalence of the Executive's accrued benefit, if any, under the Supplemental Plan, and (ii) the balance, if any, credited to the account of the Executive under any other deferred compensation arrangement maintained by the Company or any of its subsidiaries, other than a plan which is qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended. Actuarial equivalence shall be determined on the basis of the rates, tables, and factors then in effect for purposes of determining the actuarial equivalence of options forms of payment under the Pension Plan; provided, however, that the interest rate or rates which would be used as of the date of Change in Control of the Company by the PBGC for purposes of determining the present value of the Executive's benefits under the Pension Plan if the

Pension Plan had terminated on the date of Change in Control with insufficient assets to provide benefits guaranteed by the PBGC on the date shall be substituted for the interest assumption used under the Pension Plan.

5. Vesting of Stock Options and Restricted Stock. Upon a Change in Control, the Executive shall fully vest in all outstanding stock options and restricted stock awards. To the extent not cashed out pursuant to the Change in Control, upon a termination of employment after

a Change in Control, each such option shall continue to be exercisable for the longer of the period otherwise applicable under the terms of such option or two years from the date of the Executive's termination of employment (but not beyond the original term of the option). In the event of a termination of employment prior to a Change in Control, all vested stock options shall continue to be exercisable by the Executive for the longer of the period otherwise applicable under the terms of the stock options or one year from the date of the Executive's termination of employment (but not beyond the original term of the Option).

6. Definitions. For purposes of this Agreement:

(a) The term "Disability" means an incapacity, due to a physical injury or illness or mental illness, causing the Executive to be unable to perform his duties for the Company on a full-time basis for a period of at least six consecutive calendar months in any twelve month period.

(b) The term "Cause" shall mean the willful engaging by the Executive in illegal conduct or gross misconduct. For purposes of this Agreement, no act, or failure to act, on the Executive's part shall be deemed "willful" unless done, or omitted to be done, by the Executive not in good faith and without reasonable belief that the Executive's action or omission was in the best interest of the Company. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for Cause unless and until the Company delivers to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice to the Executive and an opportunity for the Executive, together with counsel, to be heard before the Board) finding that, in the good faith opinion of the Board, the Executive was guilty of conduct set forth above and specifying the particulars thereof in detail.

(c) The term "Change in Control" of the Company means a change in the beneficial ownership of the Company's voting stock or a change in the composition of the Company's Board of Directors which occurs as follows:

(i) any Person other than a trustee or other fiduciary of securities held under an employee benefit plan of the Company or any of its subsidiaries, is or becomes a beneficial owner, directly or indirectly, of stock of the Company representing 25% or more of the total voting power of the Company's then outstanding stock and securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in Clause (A) of paragraph (iv), below;

(ii) a tender offer (for which a filing has been made with the Securities and Exchange Commission ("SEC") which purports to comply with the requirements of Section 14(d) of the Securities Exchange Act of 1934 and the corresponding SEC rules) is made for the stock of the Company, which has not been negotiated and approved by the Board of Directors of the Company, then the first to occur of:

(A) any time during the offer when the Person making the offer owns or has accepted for payment stock of the Company with 25% or more of the total voting power of the Company's

stock, or

(B) three business days before the offer is to terminate unless the offer is withdrawn first if the Person making the offer could own, by the terms of the offer plus any shares owned by this Person, stock with 50% or more of the total voting power of the Company's stock when the offer terminates;

(iii) individuals who, as of the date hereof, constitute the Board of Directors (the "Incumbent Board") of the Company, cease for any reason to constitute a majority thereof; provided, however, that any individual becoming a director whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least 75% of the directors then comprising the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors of the Company;

(iv) there is consummated a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation, other than (A) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 75% of the combined voting power of the stock and securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of stock and securities of the Company representing more than 25% of the combined voting power of the Company's then outstanding stock and securities; or

(v) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets other than a sale or disposition by the Company of all or substantially all of the assets to an entity at least 75% of the combined voting power of the stock and securities which is owned by Persons in substantially the same proportions as their ownership of the Company's voting stock immediately prior to such sale.

"Person" shall mean any person (as defined in Section 3(a)(9) of the Securities Exchange Act (the "Exchange Act"), as such term is modified in Section 13(d) and 14(d) of the Exchange Act) other than (1) any employee plan established by the Company, (2) the Company or any of its affiliates (as defined in Rule 12b-2 promulgated under the Exchange Act), (3) an underwriter temporarily holding securities pursuant to an offering of such securities, or (4) a corporation owned, directly or indirectly, by stockholders of the Company in substantially the same proportions as their ownership of the Company. "Beneficial Owner" shall mean beneficial owner as defined in Rule 13d-3 under the Exchange Act.

(d) The term "Effective Termination" shall mean the occurrence of any of the following circumstances without the Executive's express written consent if (x) the Executive provides written notice to the Company of the occurrence of the circumstances which, if not corrected, the Executive believes constitute an Effective Termination within a

reasonable time after the Executive has knowledge of such circumstances, (y) the Company fails to correct the circumstances within 15 days after such notice, and (z) the Executive resigns within 90 days after the date of delivery of the notice referred to in clause (x) above:

(i) a change in the Executive's duties and responsibilities such that the Executive is no longer an "executive officer" of the Company within the meaning of Rule 3b-7 under the Securities Exchange Act of 1934, or a significant adverse change occurring after a Change in Control in the nature, scope or status of the Executive's authorities or duties from those in effect immediately prior to the Change in Control;

(ii) a reduction in the Executive's annual base salary other than a reduction which (A) is made prior to and not in anticipation of a Change in Control, and (B) is applied on an equal percentage basis to all of the Company's executive officers;

(iii) the failure by the Company after a Change in Control to provide the Executive with target bonus opportunities on a basis not materially less favorable than the basis on which such opportunities were provided prior to the Change in Control; or

(iv) the relocation of the Company's principal executive offices to a location more than fifty miles from the location of such offices on the date hereof or the Company requiring the Executive to be based anywhere other than the Company's principal executive offices.

7. Limitation on Benefits. Notwithstanding anything to the contrary in Sections 2 and 3 above, in the event that the Executive would with the passage of time be expected to attain age 65 prior to the eighteenth-month anniversary of the date his employment terminates (the third anniversary if such termination is after a Change in Control), the amount and the duration of the payments and benefits otherwise provided under Sections 2 and 3 above shall be reduced

to a level determined by multiplying the amount or duration of such payments or benefits by a fraction, the numerator of which shall be the number of full months between the date on which his employment terminates and the date the Executive would otherwise attain age 65, and the denominator of which shall be 18 (36 if such termination is after a Change in Control).

8. Release. The Executive's entitlement to all payments and benefits provided under Sections 2 and 3 above are conditioned upon the Executive's execution and nonrevocation of a written release in the form attached hereto of any and all claims against the Company and all related parties with respect to all matters arising out of the Executive's employment by the Company and any of its subsidiaries or affiliates (other than any entitlements under the terms of this Agreement or under any other plans or programs of the Company in which the Executive participated and under which the Executive has accrued a benefit), or the termination thereof.

9. Mitigation. The Executive shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise. The Company shall not be entitled to set off against the amounts payable to the Executive under this Agreement any amounts owed to the Company by the Executive, any amounts earned by the Executive in other employment after the Executive's termination of employment with the Company, or any amounts which might have been earned by the Executive in other employment had the Executive sought such other employment or, except as set forth in paragraph 3(a), reduce or eliminate any benefits by reason of such employment.

10. Make-Whole Payments. If any payment or benefit to which the Executive (or any person on account of the Executive) is entitled, whether under this Agreement or otherwise, in connection with a Change in Control or the Executive's termination of employment (a "Payment") constitutes a "parachute payment" within the meaning of section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and as a result thereof the Executive is subject to a tax under section 4999 of the Code, or any successor thereto, (an "Excise Tax"), the Company shall pay to the Executive an additional amount (the "Make-

Whole Amount") which is intended to make the Executive whole for such Excise Tax, other than the portion thereof that is attributable solely to equity-based compensation. The Make-Whole Amount shall be equal to (x) minus (y) where (x) is equal to (i) the amount of the Excise Tax, plus (ii) the aggregate amount of any interest, penalties, fines or additions to any tax which are imposed in connection with the imposition of such Excise Tax, plus (iii) all income, excise and other applicable taxes imposed on the Executive under the laws of any Federal, state or local government or taxing authority by reason of the payments required under clauses (i) and (ii) and this clause (iii), and (y) is the amount that would be determined under such clauses (i), (ii), and (iii) if the only parachute payments received by the Executive were equity-based Payments, including but not limited to the accelerated vesting of stock options, shares of restricted stock, or any other equity based award.

(a) For purposes of determining the Make-Whole Amount, the Executive shall be deemed to be taxed at the highest marginal rate under all applicable local, state, federal and foreign income tax laws for the year in which the Make-Whole Amount is paid. The Make-Whole Amount payable with respect to an Excise Tax shall be paid by the Company coincident with the Payment with respect to which such Excise Tax relates.

(b) All calculations under this Section 10 shall be made initially by the Company and the Company shall provide prompt written notice thereof to the Executive to enable the Executive to timely file all applicable tax returns. Upon request of the Executive, the Company shall provide the Executive with sufficient tax and compensation data to enable the Executive or the Executive's tax advisor to independently make the calculations described in subparagraph (a) above and the Company shall reimburse the Executive for reasonable fees and expenses incurred for any such verification.

(c) If the Executive gives written notice to the Company of any objection to the results of the Company's calculations within 60 days of the Executive's receipt of written notice thereof, the dispute shall be referred for determination to independent tax counsel selected by the Company and reasonably acceptable to the Executive ("Tax Counsel"). The Company shall pay all fees and expenses of such Tax Counsel. Pending such determination by Tax Counsel, the Company shall pay the Executive the Make-Whole Amount as determined by it in good faith. The Company shall pay the Executive any additional amount determined by Tax Counsel to be due under this Section 10 (together with interest thereon at a rate equal to 120% of the Federal short-term rate determined under section 1274(d) of the Code) promptly after such determination.

(d) The determination by Tax Counsel shall be conclusive and binding upon all parties unless the Internal Revenue Service, a court of competent jurisdiction, or such other duly empowered governmental body or agency (a "Tax Authority") determines that the Executive owes a greater or lesser amount of Excise Tax with respect to any Payment than the amount determined by Tax Counsel.

(e) If a Taxing Authority makes a claim against the Executive which, if successful, would require the Company to make a payment under this Section 10, the Executive agrees to contest the claim with counsel reasonably satisfactory to the Company, on request of the Company subject to the following conditions:

(i) The Executive shall notify the Company of any such claim within 10 days of becoming aware thereof. In the event that the Company desires the claim to be contested, it shall promptly (but in no event more than 30 days after the notice from the Executive or such shorter time as the Taxing Authority may specify for responding to such claim) request the Executive to contest the claim. The Executive shall not make any payment of any tax which is the subject of the claim before the Executive has given the notice or during the 30-day period thereafter unless the Executive receives written instructions from the Company to make such payment together with an advance of funds sufficient to make the requested payment plus any amounts payable under this

Section 10 determined as if such advance were an Excise Tax, in which case the Executive will act promptly in accordance with such instructions.

(ii) If the Company so requests, the Executive will contest the claim by either paying the tax claimed and suing for a refund in the appropriate court or contesting the claim in the United States Tax Court or other appropriate court, as directed by the Company; provided, however, that any request by the Company for the Executive to pay the tax shall be accompanied by an advance from the Company to the Executive of funds sufficient to make the requested payment plus any amounts payable under this Section 10 determined as if such advance were an Excise Tax. If directed by the Company in writing the Executive will take all action necessary to compromise or settle the claim, but in no event will the Executive compromise or settle the claim or cease to contest the claim without the written consent of the Company; provided, however, that the Executive may take any such action if the Executive waives in writing the Executive's right to a payment under this Section 10 for any amounts payable in connection with such claim. The Executive agrees to cooperate in good faith with the Company in contesting the claim and to comply with any reasonable request from the Company concerning the contest of the claim, including the pursuit of administrative remedies, the appropriate forum for any judicial proceedings, and the legal basis for contesting the claim. Upon request of the Company, the Executive shall take appropriate appeals of any judgment or decision that would require the Company to make a payment under this Section 10. Provided that the Executive is in compliance with the provisions of this section, the Company shall be liable for and indemnify the Executive against any loss in connection with, and all costs and expenses, including attorneys' fees, which may be incurred as a result of, contesting the claim, and shall provide to the Executive within 30 days after each written request therefor by the Executive cash advances or reimbursement for all such costs and expenses actually incurred or reasonably expected to be incurred by the Executive as a result of contesting the claim.

(f) Should a Tax Authority finally determine that an additional Excise Tax is owed, then the Company shall pay an additional Make-Whole Amount to the Executive in a manner consistent with this Section 10 with respect to any additional Excise Tax and any assessed interest, fines, or penalties. If any Excise Tax as calculated by the Company or Tax Counsel, as the case may be, is finally determined by a Tax Authority to exceed the amount required to be paid under applicable law, then the Executive shall repay such excess to the Company within 30 days of such determination; provided that such repayment shall be reduced by the amount of any taxes paid by the Executive on such excess which is not offset by the tax benefit attributable to the repayment.

11. No Other Severance Benefits. The benefits payable under this Agreement are in lieu of all other severance benefits to which the Executive would otherwise be entitled to receive from the Company and any of its subsidiaries and affiliates except as may otherwise be provided in a written agreement specifically referencing this Section 11.

12. Assistance with Claims. The Executive agrees that, consistent with the Executive's business and personal affairs, during and after his employment by the Company, he will assist the Company and its subsidiaries and affiliates in the defense of any claims or potential claims that may be made or threatened to be made against any of them in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), and will assist the Company and its affiliates in the prosecution of any claims that may be made by the Company or any subsidiary or affiliate in any Proceeding, to the extent that such claims may relate to the Executive's employment or the period of Executive's employment by the Company. Executive agrees, unless precluded by law, to promptly inform the Company if Executive is asked to participate (or otherwise become involved) in any Proceeding involving such claims or potential

claims. Executive also agrees, unless precluded by law, to promptly inform the Company if Executive is asked to assist in any investigation (whether governmental or private) of the Company or any subsidiary or affiliate (or their actions), regardless of whether a lawsuit has then been filed against the Company or any subsidiary or affiliate with respect to such investigation. The Company agrees to reimburse Executive for all of Executive's reasonable out-of-pocket expenses associated with such assistance, including travel expenses and any attorneys' fees and shall pay a reasonable per diem fee for Executive's services.

13. Confidential Information. The Executive agrees that:

(a) Except as may be required by the lawful order of a court or agency of competent jurisdiction, or except to the extent that the Executive has express written authorization from the Company, he agrees to keep secret and confidential all Confidential Information (as defined below), and not disclose the same, either directly or indirectly, to any other person, firm, or business entity, or to use it in any way. The Executive agrees that, to the extent that any court or agency seeks to have the Executive disclose Confidential Information, he shall promptly inform the Company, and he shall take such reasonable steps to prevent disclosure of Confidential Information until the Company has been informed of such required disclosure, and the Company has an opportunity to respond to such court or agency. To the extent that the Executive obtains information on behalf of the Company or a subsidiary or affiliate that may be subject to attorney-client privilege as to the Company or an affiliate's attorneys, the Executive shall take reasonable steps to maintain the confidentiality of such information and to preserve such privilege.

(b) Upon his termination of employment with the Company for any reason, the Executive shall promptly return to the Company any keys, credit cards, passes, confidential documents and material, or other property belonging to the Company, and to return all writings, files, records, correspondence, notebooks, notes and other documents and things (including any copies thereof) containing Confidential Information or relating to the business or proposed business of the Company or its subsidiaries or affiliates or containing any trade secrets relating to the Company or its subsidiaries or affiliates except any personal diaries, calendars, rolodexes or personal notes or correspondence.

(c) For purposes of this Agreement, the term "Confidential Information" means all non-public information concerning the Company and any subsidiary or affiliate that was acquired by or disclosed to the Executive during the course of his employment with the Company or a subsidiary or affiliate, or during discussions between the Executive and the Company or any subsidiary or affiliate following his termination of employment arising out of his employment or this Agreement, including, without limitation:

(i) all "trade secrets" as that term is used in the Illinois Trade Secrets Act (or, if that Act is repealed, the Uniform Trade Secrets Act upon which the Illinois Trade Secrets Act is based) of the Company or any subsidiary or affiliate;

(ii) any non-public information regarding the Company's or the subsidiary's affiliate's, directors, officers, employees, customers, equipment, processes, costs, operations and methods, whether past, current or planned, as well as knowledge and data relating to business plans, marketing and sales information originated, owned, controlled or possessed by the Company or a subsidiary or affiliate; and

(iii) information regarding litigation and threatened litigation involving or affecting the Company or a subsidiary or affiliate.

14. Non-Competition. During the Executive's employment and during the two-year period beginning on the Executive's Date of Termination (regardless of the reason for the termination of employment), (a) the Executive shall not directly or indirectly be employed or retained by, or render any services for,

or be financially interested in any manner (other than ownership of no more than two percent of any class of publicly traded securities), in any person, firm or corporation engaged in any business which is then materially competitive in any way with any business in which the Company or any of its subsidiaries or affiliates was engaged (including any program of development or research) during the Executive's employment; (b) the Executive shall not divert or attempt to divert any business from the Company or any subsidiary or affiliate, and (c) the Executive shall not disturb or attempt to disturb any business relationships of the Company or any subsidiary or affiliate.

15. Non-Solicitation. For the two-year period following termination of employment with the Company, the Executive shall not solicit any individual who is employed by the Company or its subsidiaries or affiliates (or was so employed within 180 days prior to the Executive's solicitation) to terminate or refrain from renewing or extending such employment or to become employed by or become a consultant to any other individual or entity other than the Company or its subsidiaries or affiliates, and the Executive shall not initiate discussion with any such employee for any such purposes or authorize or knowingly cooperate with the taking of any such actions by any other individual or entity.

16. Remedies. The Executive acknowledges that the Company would be irreparably injured by a violation of Section 13, 14 or 15 and agrees that the Company, in addition to any other remedies available to it for such breach or threatened breach, shall be entitled to a

preliminary injunction, temporary restraining order, or other equivalent relief, restraining the Executive from any actual or threatened breach of Section 13, 14 or 15. If a bond is required to be posted in order for the Company to secure an injunction or other equitable remedy, the parties agree that said bond need not be more than a nominal sum.

17. Nondisparagement. Executive shall not make any public statements, encourage others to make statements or release information intended to disparage or defame the Company or any of its respective directors or officers. Except with the written consent of the Company, Executive will not make any direct or indirect written or oral statements to the press, television, radio or other media concerning any matters pertaining to the business and affairs of the Company, or any of its affiliated or subsidiary entities, or any of their officers or directors in their capacities. Notwithstanding the foregoing, nothing in this Section 17 shall prohibit the Executive from making truthful statements when required by order of a court or other body having jurisdiction.

18. Withholding. All payments to the Executive under this Agreement will be subject to withholding of applicable taxes. The Company shall withhold the applicable taxes in an amount calculated at the minimum statutory rate and shall pay the amount so withheld to the appropriate tax authority.

19. Nonalienation. The interests of the Executive under this Agreement are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of the Executive other than pursuant to the Executive's will or the laws of descent and distribution.

20. Amendment and Termination. This Agreement may be amended only by mutual agreement of the parties in writing without the consent of any other person. So long as the Executive lives, no person, other than the parties hereto, shall have any rights under or interest in this Agreement or the subject matter hereof. This Agreement shall automatically terminate upon the Executive's attainment of age 65, and may be terminated at any time by the Company upon six months' advance written notice to the Executive; provided, however, that if a Change in Control occurs prior to the termination of the Agreement, the term of the Agreement shall continue through and terminate on the second anniversary of the date on which the Change in Control occurs.

21. Applicable Law. The provisions of this Agreement shall be construed in accordance with the laws of the State of Illinois, without regard to the conflict of law provisions of any state.

22. Severability. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, and this Agreement will be construed as if such

invalid or unenforceable provision were omitted (but only to the extent that such provision cannot be appropriately reformed or modified).

23. Waiver of Breach. No waiver by any party hereto of a breach of any provision of this Agreement by any other party, or of compliance with any condition or provision of this Agreement to be performed by such other party, will operate or be construed as a waiver of any

subsequent breach by such other party of any similar or dissimilar provisions and conditions at the same or any prior or subsequent time. The failure of any party hereto to take any action by reason of such breach will not deprive such party of the right to take action at any time while such breach continues.

24. Successors, Assumption of Contract. This Agreement shall be binding upon and inure to the benefit of the Company and any successor of the Company. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no succession had taken place.

25. Notices. Notices and all other communications provided for in this Agreement shall be in writing and shall be delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid (provided that international mail shall be sent via overnight or two-day delivery), or sent by facsimile or prepaid overnight courier to the parties at the addresses set forth below. Such notices, demands, claims and other communications shall be deemed given:

(a) in the case of delivery by overnight service with guaranteed next day delivery, the next day or the day designated for delivery;

(b) in the case of certified or registered U.S. mail, five days after deposit in the U.S. mail; or

(c) in the case of facsimile, the date upon which the transmitting party received confirmation of receipt by facsimile, telephone or otherwise;

provided, however, that in no event shall any such communications be deemed to be given later than the date they are actually received. Communications that are to be delivered by the U.S. mail or by overnight service or two-day delivery service are to be delivered to the addresses set forth below:

to the Company:

Brunswick Corporation
1 North Field Court
Lake Forest, IL 60045
Attention: Vice President and Chief Human Resources Officer

with a copy (which shall not constitute notice) to:

Brunswick Corporation
1 North Field Court
Lake Forest, IL 60045
Attention: General Counsel and Secretary

or to the Executive:

at the last address he has filed in writing with the Company.

Each party, by written notice furnished to the other party, may modify the applicable delivery address, except that notice of change of address shall be effective only upon receipt.

26. Resolution of All Disputes. Except as otherwise provided by Section 16 above, any controversy or claim arising out of or relating to this Agreement (or the breach thereof) shall be settled by arbitration in the City of Chicago in accordance with the laws of the State of Illinois by three arbitrators

appointed by the parties. If the parties cannot agree on the appointment of the arbitrators, one shall be appointed by the Company, one by the Executive and the third shall be appointed by the first two arbitrators. If the first two arbitrators cannot agree on the appointment of a third arbitrator, then the third arbitrator shall be appointed by the Chief Judge of the United States Court of Appeals for the Seventh Circuit. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association, except with respect to the selection of the arbitrators which shall be as provided in this Section 26. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

27. Legal and Enforcement Costs. In the event that it shall be necessary or desirable for the Executive to retain legal counsel or incur other costs and expenses in connection with enforcement of his rights under this Agreement, the Company shall pay (or the Executive shall be entitled to recover from the Company, as the case may be) his reasonable attorneys' fees and cost and expenses in connection with enforcement of his rights (including the enforcement of any arbitration award in court), regardless of the final outcome, unless the arbitrators shall determine that under the circumstances recovery by the Executive of all or a part of any such fees and costs and expenses would be unjust.

28. Survival of Agreement. Except as otherwise expressly provided in this Agreement, the rights and obligations of the parties to this Agreement shall survive the termination of the Executive's employment with the Company.

29. Entire Agreement. Except as otherwise provided herein, this Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior or contemporaneous agreements, if any, between the parties relating to the subject matter hereof; provided, however, that nothing in this Agreement shall be construed to limit any policy or agreement that is otherwise applicable relating to rights to inventions, copyrightable material, business and/or technical information or trade secrets, or other similar policies or agreement for the protection of the business and operations of the Company and the subsidiaries; and provided, further, that nothing in this Agreement shall limit the Executive's right to indemnification in accordance with the Company's Articles of Incorporation and By-Laws and any agreement regarding indemnification entered into between the Company and the Executive.

30. Counterparts. This Agreement may be executed in two or more counterparts, any one of which shall be deemed the original without reference to the others.

IN WITNESS THEREOF, the Executive has hereunto set his hand, and the Company has caused these presents to be executed in its name and on its behalf, and its corporate seal to be hereunto affixed on this 12th day of February, 2001, all as of the Effective Date.

____
EXECUTIVE

BRUNSWICK CORPORATION

By ____________________
Its____________________

EXECUTIVE

GENERAL RELEASE
----

1. I, ______________, for and in consideration of certain payments to be made and the benefits to be provided to me under the Executive Severance Benefits Agreement, dated ______________, (the "Agreement") with Brunswick

Corporation (the "Company"), and conditioned upon such payments and provisions, do hereby REMISE, RELEASE, AND FOREVER DISCHARGE the Company and each of its past, present and future subsidiaries and affiliates, their past, present and future officers, directors, shareholders, partners, distributees, owners, trustees, representatives, employees and agents, their respective successors and assigns, heirs, executors and administrators (hereinafter collectively included within the term the "Company"), acting in any capacity whatsoever, of and from any and all manner of actions and causes of action, suits, debts, claims, charges, complaints, grievances, liabilities, obligations, promises, agreements, controversies, damages, demands, rights, costs, losses, debts and expenses of any nature whatsoever, in law or in equity, which I ever had, now have, or hereafter may have, or which my heirs, executors or administrators hereafter may have, by reason of any matter, cause or thing whatsoever from the beginning of my employment with Brunswick Corporation, to the date of these presents arising from or relating in any way to my employment relationship, and the terms, conditions and benefits payments resulting therefrom, and the termination of my employment relationship with Brunswick Corporation, including but not limited to, any claims which have been asserted, could have been asserted, or could be asserted now or in the future under any federal, state or local law, statute, rule, ordinance, regulation, or the common law, including, but not limited to, claims or rights arising under the Age Discrimination in Employment Act, 29 U.S.C. (S) 621 et seq., as amended, the Americans With Disabilities Act, 42 U.S.C. (P) 12101 et seq., Title VII of the Civil Rights Act of 1964, 42 U.S.C. (S) 2000e et seq., as amended, any contracts between the Company and me and my common law claims now or hereafter recognized and all claims for counsel fees and costs; provided, however, that this General Release shall not apply to (i) any entitlements under the terms of the Agreement or (ii) my right to be indemnified by the Company, pursuant to the bylaws of the Company, for any liability, cost or expense for which I would have been indemnified for actions taken on behalf of the Company during the term and within the scope of my employment by the Company.

2. Subject to the limitations of paragraph 1 above, I expressly waive all rights afforded by any statute which expressly limits the effect of a release with respect to unknown claims. I understand the significance of this release of unknown claims and the waiver of statutory protection against a release of unknown claims.

3. I further agree and covenant that neither I, nor any person, organization or other entity on my behalf, will file, charge, claim, sue or cause or permit to be filed, charged, or claimed, any action for personal equitable, monetary or other relief against the Company (including, but not limited to, any action for damages, injunctive, declaratory or other relief), arising from or relating in any way to my employment relationship, and the terms,

conditions and benefits payments resulting therefrom and the termination of my employment relationship with the Company, except as may be necessary to enforce the obligations of the Company to me in accordance with the express terms of the Agreement or under any other plans or programs of the Company in which I participated and under which I have accrued a benefit, involving any matter occurring from the beginning of my employment with Brunswick Corporation to the date of these presents, or involving any continuing effects of any actions or practices which may have arisen or occurred from the beginning of my employment with Brunswick Corporation to the date of these presents, including, but not limited to, any charge and/or claim of discrimination under Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act, as amended, and/or the Americans With Disabilities Act. In addition, I also agree and covenant that should I, or any other person, organization or entity on my behalf, file, charge, claim, sue or cause or permit to be filed, charged, or claimed, any action prohibited by the preceding sentence for personal equitable, monetary or other relief, despite my agreement not to do so hereunder, or should I otherwise fail to abide by any of the terms of this General Release, and any claim is made against the Company that might result in liability of the Company to me, except to the extent not covered by this General Release as stated above, then I will pay all of the costs and expenses of the Company (including reasonable attorneys' fees) incurred in the defense of any such action or undertaking.

4. I hereby agree and recognize that my employment by the Company was

permanently and irrevocably severed on ______________, and the Company has no obligation, contractual or otherwise to me to hire, rehire or re-employ me in the future. I acknowledge that the terms of the Agreement provide me with payments and benefits which are in addition to any amounts to which I otherwise would have been entitled.

5. I hereby agree and acknowledge that the payments and benefits provided by the Company are to bring about an amicable resolution of my employment arrangements and are not to be construed as an admission of any violation of any federal, state or local law, statute, rule, ordinance, regulation or the common law, or of any duty owed by the Company and that the Agreement and this General Release are made voluntarily to provide an amicable resolution of my employment relationship with the Company and the termination of the Agreement.

6. I hereby certify that I have read the terms of this General Release, that I have been advised by the Company to discuss it with my attorney, and that I understand its terms and effects. I acknowledge, further, that I am executing this General Release of my own volition with a full understanding of its terms and effects and with the intention of releasing all claims recited herein in exchange for the consideration described in the Agreement, which I acknowledge is adequate and satisfactory to me. None of the above-named parties, nor their agents, representatives, or attorneys have made any representations to me concerning the terms or effects of this General Release other than those contained herein.

7. I hereby acknowledge that I have been informed that I have the right to consider this General Release for a period of 21 days prior to execution. I also understand that I have

   the right to revoke this General Release for a period of seven days following execution by giving written notice to the Company at 1 North Field Court, Lake Forest, IL 60045, Attention: Vice President, General Counsel and Secretary.

8. I hereby acknowledge that the provisions of Sections __, __ and __ of the Agreement shall continue in full force and effect for the balance of the time periods provided therein and that I will abide by and fully perform such obligations.

Intending to be legally bound hereby, I execute the foregoing General Release this ______ day of _________, 20___.

________________________   _________________________
Witness

EXHIBIT 10.6

EXECUTIVE SEVERANCE BENEFITS

AND

CHANGE IN CONTROL AGREEMENT

THIS AGREEMENT ("Agreement"), made and entered into as of the 1st day of November, 2000 (the "Effective Date"), by and between Brunswick Corporation (the "Company") and George W. Buckley (the "Executive").

WITNESSETH THAT:

WHEREAS, the Company considers it essential to the best interests of its shareholders to foster the continuous employment of key management personnel, and the Board of Directors of the Company (the "Board") recognizes that, as is the case with many publicly held corporations, a change in control might occur and that such possibility, and the uncertainty and questions which it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its shareholders; and

WHEREAS, the Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management, including the Executive, to their assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a change in control of the Company; and

WHEREAS, the Company desires to have the Executive agree to the terms and conditions set forth below relating to noncompetition and nonsolicitation, and the Executive is willing to agree to such terms and conditions in consideration for the additional severance benefits to which he may become entitled under the terms of this Agreement;

NOW, THEREFORE, to induce the Executive to remain in the employ of the Company and in consideration of the premises and mutual covenants set forth herein, IT IS HEREBY AGREED by and between the parties as follows:

1. Agreement Term. The term of this Agreement shall begin on the Effective Date and shall continue until terminated in accordance with Section 20 below.

2. Severance Benefits. Subject to the following provisions of this Agreement, the Executive shall be entitled to Severance Benefits determined in accordance with the following provisions of this Section 2 in the event that his employment with the Company is terminated by the Company for reasons other than Disability or Cause (each as defined in Section 6 below); is terminated by reason of an Effective Termination (as defined in Section 6 below); or is terminated by the Executive for any reason during the thirty-day period commencing on the first anniversary of a Change in Control (as defined in Section 6 below):

(a) Prior to a Change in Control. In the event that any such termination of employment occurs prior to a Change in Control, the Executive shall receive a lump sum severance payment in an amount equal to two times the sum of (i) the Executive's annual base salary as in effect immediately prior to such termination of employment (disregarding any reduction in salary made in contemplation of such termination of employment), and (ii) the Executive's targeted bonus under the Company's annual bonus arrangement for the year of termination.

(b) After a Change in Control. In the event that any such termination of employment occurs after a Change in Control, the Executive shall receive a lump sum severance payment in an amount equal to three times the sum of (i) the Executive's annual base salary as in effect immediately prior to such termination of employment (disregarding any reduction in salary made after the Change in Control or in contemplation of the Change in Control), (ii) the Executive's targeted

bonus under the Company's annual bonus arrangement for the year of termination, or, if greater, the Executive's targeted annual bonus for the year in which the Change in Control occurred, and (iii) the Executive's most recently established full cycle target percentage (plus any applicable premium determined as if the award were paid in stock) under the Company's Strategic Incentive Plan.

Provided that the Executive has executed a release in accordance with the terms of Section 8 below and does not revoke such release, the severance benefits to which the Executive is entitled under the foregoing provisions of this Section 2 shall be paid to the Executive no later than ten business days after the Company's receipt of such release. The Executive acknowledges and agrees that the foregoing severance amounts and the compensation and benefits to which the Executive may become entitled under the following provisions of this Agreement are in excess of those which the Executive would be entitled to under the Company's otherwise applicable severance pay plans, and that the Company is agreeing to provide such severance amounts, compensation and benefits in consideration for the Executive's agreement to the terms and conditions of Sections 12 through 17 below.

3. Other Compensation and Benefits. In the event of a termination of employment entitling the Executive to Severance Benefits under Section 2 above, the Executive shall also be entitled to the following:

(a) Welfare Benefits and Perquisites. The Executive shall be entitled to receive medical, accident, dental, vision, prescription, and life insurance coverage, including split dollar life insurance, for the Executive (and, where applicable under the Company's welfare benefit plans, the Executive's family) until the earlier of (i) the date on which the Executive becomes employed by another employer, or (ii) the second anniversary (third anniversary if termination of employment occurs after a Change in Control) of the Executive's date of termination of employment. Such benefits shall be no less favorable in terms of coverage and cost to the Executive than those provided during the coverage period to the Company's active senior executives. For purposes of determining eligibility of the Executive (and, where applicable, the Executive's spouse) for retiree welfare benefits, and for purposes of determining the application of the provisions of the Company's split dollar life insurance program, the Executive shall be considered to have remained in the employ of the Company through such second or third anniversary, as the case may be. During the period for which the Executive is entitled to continuation of such benefit coverages, the Executive shall continue to receive perquisites, other than the use of corporate aircraft, in

accordance with the Company's policies in effect prior to the Executive's termination of employment or, in the case of a Change in Control, prior to such Change in Control; provided, however, that, in lieu of continuation of one or more perquisites, the Company may make a cash payment to the Executive equal to the value thereof.

(b) Annual Bonus. If the Executive's employment terminates after the end of a calendar year but prior to the payment of the annual bonus for such year, the Executive shall be entitled to a bonus for such year in the amount to which he would otherwise have been entitled, and at the time such bonus would otherwise be paid, had the Executive's employment not been terminated. The Executive shall receive a bonus for the year in which the Executive's employment terminates, payable at the time such bonus would be paid if the Executive's employment had not been terminated, equal to the greater of (i) the amount, if any, to which the Executive is entitled for such partial year under the terms of the Company's annual bonus arrangement, or (ii) a pro rata portion of the Executive's target annual bonus for such year, such proration to be based on the ratio of the number of days elapsed during such year prior to the termination of the Executive's employment to 365; provided, however, that the Executive shall not be entitled to a prorated bonus with respect to a termination prior to a Change in Control if such termination occurs in the first quarter of any fiscal year.

(c) Strategic Incentive Plan. Except as provided in Section 2(b), the Executive shall not be entitled to any payment under the Company's

Strategic Incentive Plan (the "SIP") with respect to any award period which ends after the date of the Executive's termination of employment. If the Executive becomes entitled to any benefit under the SIP with respect to any such award period, the benefits under this Agreement shall be reduced by the amount thereof.

(d) Supplemental Retirement Benefits. If such termination of employment is after a Change in Control, the Executive shall be entitled to a lump sum cash payment coincident with the payment of the Executive's severance benefits under Section 2 determined as follows:

(i) If the Executive is an active participant in the Brunswick Pension Plan for Salaried Employees (the "Pension Plan"), immediately prior to the date of the Change in Control, such lump sum shall be equal to the actuarial equivalent of the difference between (x) the pension benefits the Executive would have accrued under the Pension Plan and the Brunswick Corporation Supplemental Pension Plan or any successor thereto (the "Supplemental Plan"), if on the date of such termination of employment the Executive had 3 additional years of service at the Executive's rate of compensation on the date of termination and had been 3 years older on such date, and (y) the pension benefits the Executive actually accrued under the Pension Plan and the Supplemental Plan as of the date of termination of employment. Such actuarial equivalence shall be determined on the basis of the rates, tables and factors in effect under the

Pension Plan on the date of termination for purposes of determining optional forms of payment; provided, however, that the interest rate or rates to be used for such purpose shall be the interest rate or rates which would be used as of the date of termination of employment by the Pension Benefit Guaranty Corporation ("PBGC") for purposes of determining the present value of the Executive's benefits under the Pension Plan if the Pension Plan had terminated on the date of such termination of employment with insufficient assets to provide benefits guaranteed by the PBGC on that date.

(ii) If the Executive is not an active participant in the Pension Plan immediately prior to the date of the Change in Control, such lump sum shall be equal to nine percent (the sum of the Basic Profit Sharing Contribution percentage and the maximum permissible Variable Profit Sharing Contribution percentage under the Brunswick Rewards Plan as in effect on the date hereof) of the amount to which the Executive is entitled under Section 2(b) above.

(e) In the event that the Executive's employment terminates under circumstances which do not entitle him to Severance Benefits under Section 2 above, his right to benefits under any of the benefit plans and arrangements described in the foregoing provisions of this Section 3 shall be determined solely in accordance with the terms and conditions of the applicable plan or arrangement.

4. Deferred Compensation and Supplemental Pension Benefits. No later than 60 days after the date of a Change in Control, the Company shall make and shall cause each of its subsidiaries to provide the Executive with an election to receive a lump sum distribution as of the first business day of the following calendar year, of (i) the actuarial equivalence of the Executive's accrued benefit, if any, under the Supplemental Plan, and (ii) the balance, if any, credited to the account of the Executive under any other deferred compensation arrangement maintained by the Company or any of its subsidiaries, other than a plan which is qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended. Actuarial equivalence shall be determined on the basis of the rates, tables, and factors then in effect for purposes of determining the actuarial equivalence of options forms of payment under the Pension Plan; provided, however, that the interest rate or rates which would be used as of the date of Change in Control of the Company by the PBGC for purposes of determining the present value of the Executive's benefits under the Pension Plan if the Pension Plan had terminated on the date of Change in Control with insufficient assets to provide benefits guaranteed by the PBGC on the date shall be substituted for the interest assumption used under the Pension Plan.

5. Vesting of Stock Options and Restricted Stock. Upon a Change in Control, the Executive shall fully vest in all outstanding stock options and restricted stock awards. To the extent not cashed out pursuant to the Change in Control, upon a termination of employment after a Change in Control, each such option shall continue to be exercisable for the longer of the period otherwise applicable under the terms of such option or two years from the date of the Executive's termination of employment (but not beyond the original term of the option). In the event of a termination of employment prior to a Change in Control, all vested stock options shall

continue to be exercisable by the Executive for the longer of the period otherwise applicable under the terms of the stock options or one year from the date of the Executive's termination of employment (but not beyond the original term of the Option).

6. Definitions. For purposes of this Agreement:

(a) The term "Disability" means an incapacity, due to a physical injury or illness or mental illness, causing the Executive to be unable to perform his duties for the Company on a full-time basis for a period of at least six consecutive calendar months in any twelve month period.

(b) The term "Cause" shall mean the willful engaging by the Executive in illegal conduct or gross misconduct. For purposes of this Agreement, no act, or failure to act, on the Executive's part shall be deemed "willful" unless done, or omitted to be done, by the Executive not in good faith and without reasonable belief that the Executive's action or omission was in the best interest of the Company. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for Cause unless and until the Company delivers to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice to the Executive and an opportunity for the Executive, together with counsel, to be heard before the Board) finding that, in the good faith opinion of the Board, the Executive was guilty of conduct set forth above and specifying the particulars thereof in detail.

(c) The term "Change in Control" of the Company means a change in the beneficial ownership of the Company's voting stock or a change in the composition of the Company's Board of Directors which occurs as follows:

(i) any Person other than a trustee or other fiduciary of securities held under an employee benefit plan of the Company or any of its subsidiaries, is or becomes a beneficial owner, directly or indirectly, of stock of the Company representing 25% or more of the total voting power of the Company's then outstanding stock and securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in Clause (A) of paragraph (iv), below;

(ii) a tender offer (for which a filing has been made with the Securities and Exchange Commission ("SEC") which purports to comply with the requirements of Section 14(d) of the Securities Exchange Act of 1934 and the corresponding SEC rules) is made for the stock of the Company, which has not been negotiated and approved by the Board of Directors of the Company, then the first to occur of:

(A) any time during the offer when the Person making the offer owns or has accepted for payment stock of the Company with 25% or more of the total voting power of the Company's stock, or

(B) three business days before the offer is to terminate unless

the offer is withdrawn first if the Person making the offer could own, by the terms of the offer plus any shares owned by this Person, stock with 50% or more of the total voting power of the Company's stock when the offer terminates;

(iii) individuals who, as of the date hereof, constitute the Board of Directors (the "Incumbent Board") of the Company, cease for any reason to constitute a majority thereof; provided, however, that any individual becoming a director whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least 75% of the directors then comprising the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors of the Company;

(iv) there is consummated a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation, other than (A) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 75% of the combined voting power of the stock and securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of stock and securities of the Company representing more than 25% of the combined voting power of the Company's then outstanding stock and securities; or

(v) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets other than a sale or disposition by the Company of all or substantially all of the assets to an entity at least 75% of the combined voting power of the stock and securities which is owned by Persons in substantially the same proportions as their ownership of the Company's voting stock immediately prior to such sale.

"Person" shall mean any person (as defined in Section 3(a)(9) of the Securities Exchange Act (the "Exchange Act"), as such term is modified in Section 13(d) and 14(d) of the Exchange Act) other than (1) any employee plan established by the Company, (2) the Company or any of its

affiliates (as defined in Rule 12b-2 promulgated under the Exchange Act), (3) an underwriter temporarily holding securities pursuant to an offering of such securities, or (4) a corporation owned, directly or indirectly, by stockholders of the Company in substantially the same proportions as their ownership of the Company. "Beneficial Owner" shall mean beneficial owner as defined in Rule 13d-3 under the Exchange Act.

(d) The term "Effective Termination" shall mean the occurrence of any of the following circumstances without the Executive's express written consent if (x) the Executive provides written notice to the Company of the occurrence of the circumstances which, if not corrected, the Executive believes constitute an Effective Termination within a reasonable time after the Executive has knowledge of such circumstances, (y) the Company fails to correct the circumstances within 15 days after such notice, and (z) the Executive resigns within 90 days after the date of delivery of the notice referred to in clause (x) above:

(i) a change in the Executive's duties and responsibilities such that the Executive is no longer the Company's President and Chief Executive Officer or a significant adverse change occurring after a Change in Control in the nature, scope or status of the Executive's authorities or duties from those in effect immediately prior to the Change in Control;

(ii) a reduction in the Executive's annual base salary other than a reduction which (A) is made prior to and not in anticipation of a Change in Control, and (B) is applied on an equal percentage basis to all of the Company's executive officers;

(iii) the failure by the Company after a Change in Control to provide the Executive with target bonus opportunities on a basis not materially less favorable than the basis on which such opportunities were provided prior to the Change in Control; or

(iv) the relocation of the Company's principal executive offices to a location more than fifty miles from the location of such offices on the date hereof or the Company requiring the Executive to be based anywhere other than the Company's principal executive offices.

7. Limitation on Benefits. Notwithstanding anything to the contrary in Sections 2 and 3 above, in the event that the Executive would with the passage of time be expected to attain age 65 prior to the second anniversary of the date his employment terminates (the third anniversary if such termination is after a Change in Control), the amount and the duration of the payments and benefits otherwise provided under Sections 2 and 3 above shall be reduced to a level determined by multiplying the amount or duration of such payments or benefits by a fraction, the numerator of which shall be the number of full months between the date on which his employment terminates and the date the Executive would otherwise attain age 65, and the denominator of which shall be 24 (36 if such termination is after a Change in Control).

8. Release. The Executive's entitlement to all payments and benefits provided under Sections 2 and 3 above are conditioned upon the Executive's execution and nonrevocation of a written release in the form attached hereto of any and all claims against the Company and all related parties with respect to all matters arising out of the Executive's employment by the Company and any of its subsidiaries or affiliates (other than any entitlements under the terms of this Agreement or under any other plans or programs of the Company in which the Executive participated and under which the Executive has accrued a benefit), or the termination thereof.

9. Mitigation. The Executive shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise. The Company shall not be entitled to set off against the amounts payable to the Executive under this Agreement any amounts owed to the Company by the Executive, any amounts earned by the Executive in other employment after the Executive's termination of employment with the Company, or any amounts which might have been earned by the Executive in other employment had the Executive sought such other employment or, except as set forth in paragraph 3(a), reduce or eliminate any benefits by reason of such employment.

10. Make-Whole Payments. If any payment or benefit to which the Executive (or any person on account of the Executive) is entitled, whether under this Agreement or otherwise, in connection with a Change in Control or the Executive's termination of employment (a "Payment") constitutes a "parachute payment" within the meaning of section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and as a result thereof the Executive is subject to a tax under section 4999 of the Code, or any successor thereto, (an "Excise Tax"), the Company shall pay to the Executive an additional amount (the "Make-Whole Amount") which is intended to make the Executive whole for such Excise Tax, other than the portion thereof that is attributable solely to equity-based compensation. The Make-Whole Amount shall be equal to (x) minus (y) where (x) is equal to (i) the amount of the Excise Tax, plus (ii) the aggregate amount of any interest, penalties, fines or additions to any tax which are imposed in connection with the imposition of such Excise Tax, plus (iii) all income, excise and other applicable taxes imposed on the Executive under the laws of any Federal, state or local government or taxing authority by reason of the payments

required under clauses (i) and (ii) and this clause (iii), and (y) is the amount that would be determined under such clauses (i), (ii), and (iii) if the only parachute payments received by the Executive were equity-based Payments, including but not limited to the accelerated vesting of stock options, shares of restricted stock, or any other equity based award.

(a) For purposes of determining the Make-Whole Amount, the Executive shall be deemed to be taxed at the highest marginal rate under all applicable local, state, federal and foreign income tax laws for the year in which the Make-Whole Amount is paid. The Make-Whole Amount payable with respect to an Excise Tax shall be paid by the Company coincident with the Payment with respect to which such Excise Tax relates.

(b) All calculations under this Section 10 shall be made initially by the Company and the Company shall provide prompt written notice thereof to the Executive to enable the Executive to timely file all applicable tax returns. Upon request of the Executive, the Company shall provide the Executive with sufficient tax and

compensation data to enable the Executive or the Executive's tax advisor to independently make the calculations described in subparagraph (a) above and the Company shall reimburse the Executive for reasonable fees and expenses incurred for any such verification.

(c) If the Executive gives written notice to the Company of any objection to the results of the Company's calculations within 60 days of the Executive's receipt of written notice thereof, the dispute shall be referred for determination to independent tax counsel selected by the Company and reasonably acceptable to the Executive ("Tax Counsel"). The Company shall pay all fees and expenses of such Tax Counsel. Pending such determination by Tax Counsel, the Company shall pay the Executive the Make-Whole Amount as determined by it in good faith. The Company shall pay the Executive any additional amount determined by Tax Counsel to be due under this Section 10 (together with interest thereon at a rate equal to 120% of the Federal short-term rate determined under section 1274(d) of the Code) promptly after such determination.

(d) The determination by Tax Counsel shall be conclusive and binding upon all parties unless the Internal Revenue Service, a court of competent jurisdiction, or such other duly empowered governmental body or agency (a "Tax Authority") determines that the Executive owes a greater or lesser amount of Excise Tax with respect to any Payment than the amount determined by Tax Counsel.

(e) If a Taxing Authority makes a claim against the Executive which, if successful, would require the Company to make a payment under this Section 10, the Executive agrees to contest the claim with counsel reasonably satisfactory to the Company, on request of the Company subject to the following conditions:

(i) The Executive shall notify the Company of any such claim within 10 days of becoming aware thereof. In the event that the Company desires the claim to be contested, it shall promptly (but in no event more than 30 days after the notice from the Executive or such shorter time as the Taxing Authority may specify for responding to such claim) request the Executive to contest the claim. The Executive shall not make any payment of any tax which is the subject of the claim before the Executive has given the notice or during the 30-day period thereafter unless the Executive receives written instructions from the Company to make such payment together with an advance of funds sufficient to make the requested payment plus any amounts payable under this Section 10 determined as if such advance were an Excise Tax, in which case the Executive will act promptly in accordance with such instructions.

(ii) If the Company so requests, the Executive will contest the claim by either paying the tax claimed and suing for a refund in the appropriate court or contesting the claim in the United States

Tax Court or other appropriate court, as directed by the Company; provided, however, that any request by the Company for the Executive to pay the tax shall be accompanied by an

advance from the Company to the Executive of funds sufficient to make the requested payment plus any amounts payable under this Section 10 determined as if such advance were an Excise Tax. If directed by the Company in writing the Executive will take all action necessary to compromise or settle the claim, but in no event will the Executive compromise or settle the claim or cease to contest the claim without the written consent of the Company; provided, however, that the Executive may take any such action if the Executive waives in writing the Executive's right to a payment under this Section 10 for any amounts payable in connection with such claim. The Executive agrees to cooperate in good faith with the Company in contesting the claim and to comply with any reasonable request from the Company concerning the contest of the claim, including the pursuit of administrative remedies, the appropriate forum for any judicial proceedings, and the legal basis for contesting the claim. Upon request of the Company, the Executive shall take appropriate appeals of any judgment or decision that would require the Company to make a payment under this Section 10. Provided that the Executive is in compliance with the provisions of this section, the Company shall be liable for and indemnify the Executive against any loss in connection with, and all costs and expenses, including attorneys' fees, which may be incurred as a result of, contesting the claim, and shall provide to the Executive within 30 days after each written request therefor by the Executive cash advances or reimbursement for all such costs and expenses actually incurred or reasonably expected to be incurred by the Executive as a result of contesting the claim.

(f) Should a Tax Authority finally determine that an additional Excise Tax is owed, then the Company shall pay an additional Make-Whole Amount to the Executive in a manner consistent with this Section 10 with respect to any additional Excise Tax and any assessed interest, fines, or penalties. If any Excise Tax as calculated by the Company or Tax Counsel, as the case may be, is finally determined by a Tax Authority to exceed the amount required to be paid under applicable law, then the Executive shall repay such excess to the Company within 30 days of such determination; provided that such repayment shall be reduced by the amount of any taxes paid by the Executive on such excess which is not offset by the tax benefit attributable to the repayment.

11. No Other Severance Benefits. The benefits payable under this Agreement are in lieu of all other severance benefits to which the Executive would otherwise be entitled to receive from the Company and any of its subsidiaries and affiliates except as may otherwise be provided in a written agreement specifically referencing this Section 11.

12. Assistance with Claims. The Executive agrees that, consistent with the Executive's business and personal affairs, during and after his employment by the Company, he will assist the Company and its subsidiaries and affiliates in the defense of any claims or potential claims that may be made or threatened to be made against any of them in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), and

will assist the Company and its affiliates in the prosecution of any claims that may be made by the Company or any subsidiary or affiliate in any Proceeding, to the extent that such claims may relate to the Executive's employment or the period of Executive's employment by the Company. Executive agrees, unless precluded by law, to promptly inform the Company if Executive is asked to participate (or otherwise become involved) in any Proceeding involving such claims or potential claims. Executive also agrees, unless precluded by law, to promptly inform the Company if Executive is asked to assist in any investigation (whether governmental or private) of the Company or any subsidiary or affiliate (or their actions), regardless of whether a lawsuit has then been filed against the Company or any subsidiary or affiliate with respect to such investigation.

The Company agrees to reimburse Executive for all of Executive's reasonable out-of-pocket expenses associated with such assistance, including travel expenses and any attorneys' fees and shall pay a reasonable per diem fee for Executive's services.

13. Confidential Information. The Executive agrees that:

(a) Except as may be required by the lawful order of a court or agency of competent jurisdiction, or except to the extent that the Executive has express written authorization from the Company, he agrees to keep secret and confidential all Confidential Information (as defined below), and not disclose the same, either directly or indirectly, to any other person, firm, or business entity, or to use it in any way. The Executive agrees that, to the extent that any court or agency seeks to have the Executive disclose Confidential Information, he shall promptly inform the Company, and he shall take such reasonable steps to prevent disclosure of Confidential Information until the Company has been informed of such required disclosure, and the Company has an opportunity to respond to such court or agency. To the extent that the Executive obtains information on behalf of the Company or a subsidiary or affiliate that may be subject to attorney-client privilege as to the Company or an affiliate's attorneys, the Executive shall take reasonable steps to maintain the confidentiality of such information and to preserve such privilege.

(b) Upon his termination of employment with the Company for any reason, the Executive shall promptly return to the Company any keys, credit cards, passes, confidential documents and material, or other property belonging to the Company, and to return all writings, files, records, correspondence, notebooks, notes and other documents and things (including any copies thereof) containing Confidential Information or relating to the business or proposed business of the Company or its subsidiaries or affiliates or containing any trade secrets relating to the Company or its subsidiaries or affiliates except any personal diaries, calendars, rolodexes or personal notes or correspondence.

(c) For purposes of this Agreement, the term "Confidential Information" means all non-public information concerning the Company and any subsidiary or affiliate that was acquired by or disclosed to the Executive during the course of his employment with the Company or a subsidiary or affiliate, or during discussions between the Executive and the Company or any subsidiary or affiliate following

his termination of employment arising out of his employment or this Agreement, including, without limitation:

(i) all "trade secrets" as that term is used in the Illinois Trade Secrets Act (or, if that Act is repealed, the Uniform Trade Secrets Act upon which the Illinois Trade Secrets Act is based) of the Company or any subsidiary or affiliate;

(ii) any non-public information regarding the Company's or the subsidiary's affiliate's, directors, officers, employees, customers, equipment, processes, costs, operations and methods, whether past, current or planned, as well as knowledge and data relating to business plans, marketing and sales information originated, owned, controlled or possessed by the Company or a subsidiary or affiliate; and

(iii) information regarding litigation and threatened litigation involving or affecting the Company or a subsidiary or affiliate.

14. Non-Competition. During the Executive's employment and during the two-year period beginning on the Executive's Date of Termination (regardless of the reason for the termination of employment), (a) the Executive shall not directly or indirectly be employed or retained by, or render any services for, or be financially interested in any manner (other than ownership of no more than two percent of any class of publicly traded securities), in any person, firm or corporation engaged in any business which is then materially competitive in any way with any business in which the Company or any of its subsidiaries or affiliates was engaged (including any program of development or research) during

the Executive's employment; (b) the Executive shall not divert or attempt to divert any business from the Company or any subsidiary or affiliate, and (c) the Executive shall not disturb or attempt to disturb any business relationships of the Company or any subsidiary or affiliate.

15. Non-Solicitation. For the two-year period following termination of employment with the Company, the Executive shall not solicit any individual who is employed by the Company or its subsidiaries or affiliates (or was so employed within 180 days prior to the Executive's solicitation) to terminate or refrain from renewing or extending such employment or to become employed by or become a consultant to any other individual or entity other than the Company or its subsidiaries or affiliates, and the Executive shall not initiate discussion with any such employee for any such purposes or authorize or knowingly cooperate with the taking of any such actions by any other individual or entity.

16. Remedies. The Executive acknowledges that the Company would be irreparably injured by a violation of Section 13, 14 or 15 and agrees that the Company, in addition to any other remedies available to it for such breach or threatened breach, shall be entitled to a preliminary injunction, temporary restraining order, or other equivalent relief, restraining the Executive from any actual or threatened breach of Section 13, 14 or 15. If a bond is required to be posted in order for the Company to secure an injunction or other equitable remedy, the parties agree that said bond need not be more than a nominal sum.

17. Nondisparagement. Executive shall not make any public statements, encourage others to make statements or release information intended to disparage or defame the Company or any of its respective directors or officers. Except with the written consent of the Company, Executive will not make any direct or indirect written or oral statements to the press, television, radio or other media concerning any matters pertaining to the business and affairs of the Company, or any of its affiliated or subsidiary entities, or any of their officers or directors in their capacities. Notwithstanding the foregoing, nothing in this Section 17 shall prohibit the Executive from making truthful statements when required by order of a court or other body having jurisdiction.

18. Withholding. All payments to the Executive under this Agreement will be subject to withholding of applicable taxes. The Company shall withhold the applicable taxes in an amount calculated at the minimum statutory rate and shall pay the amount so withheld to the appropriate tax authority.

19. Nonalienation. The interests of the Executive under this Agreement are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of the Executive other than pursuant to the Executive's will or the laws of descent and distribution.

20. Amendment and Termination. This Agreement may be amended only by mutual agreement of the parties in writing without the consent of any other person. So long as the Executive lives, no person, other than the parties hereto, shall have any rights under or interest in this Agreement or the subject matter hereof. This Agreement shall automatically terminate upon the Executive's attainment of age 65, and may be terminated at any time by the Company upon six months' advance written notice to the Executive; provided, however, that if a Change in Control occurs prior to the termination of the Agreement, the term of the Agreement shall continue through and terminate on the second anniversary of the date on which the Change in Control occurs.

21. Applicable Law. The provisions of this Agreement shall be construed in accordance with the laws of the State of Illinois, without regard to the conflict of law provisions of any state.

22. Severability. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, and this Agreement will be construed as if such invalid or unenforceable provision were omitted (but only to the extent that such provision cannot be appropriately reformed or modified).

23. Waiver of Breach. No waiver by any party hereto of a breach of any provision of this Agreement by any other party, or of compliance with any condition or provision of this Agreement to be performed by such other party, will operate or be construed as a waiver of any subsequent breach by such other

party of any similar or dissimilar provisions and conditions at the same or any prior or subsequent time. The failure of any party hereto to take any action by reason of such breach will not deprive such party of the right to take action at any time while such breach continues.

24. Successors, Assumption of Contract. This Agreement shall be binding upon and inure to the benefit of the Company and any successor of the Company. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no succession had taken place.

25. Notices. Notices and all other communications provided for in this Agreement shall be in writing and shall be delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid (provided that international mail shall be sent via overnight or two-day delivery), or sent by facsimile or prepaid overnight courier to the parties at the addresses set forth below. Such notices, demands, claims and other communications shall be deemed given:

(a) in the case of delivery by overnight service with guaranteed next day delivery, the next day or the day designated for delivery;

(b) in the case of certified or registered U.S. mail, five days after deposit in the U.S. mail; or

(c) in the case of facsimile, the date upon which the transmitting party received confirmation of receipt by facsimile, telephone or otherwise;

provided, however, that in no event shall any such communications be deemed to be given later than the date they are actually received. Communications that are to be delivered by the U.S. mail or by overnight service or two-day delivery service are to be delivered to the addresses set forth below:

to the Company:

Brunswick Corporation
1 North Field Court
Lake Forest, IL 60045
Attention: Vice President and Chief Human Resources Officer

with a copy (which shall not constitute notice) to:

Brunswick Corporation
1 North Field Court
Lake Forest, IL 60045
Attention: General Counsel and Secretary

or to the Executive:

at the last address he has filed in writing with the Company.

Each party, by written notice furnished to the other party, may modify the applicable delivery address, except that notice of change of address shall be effective only upon receipt.

26. Resolution of All Disputes. Except as otherwise provided by Section 16 above, any controversy or claim arising out of or relating to this Agreement (or the breach thereof) shall be settled by arbitration in the City of Chicago in accordance with the laws of the State of Illinois by three arbitrators appointed by the parties. If the parties cannot agree on the appointment of the arbitrators, one shall be appointed by the Company, one by the Executive and the third shall be appointed by the first two arbitrators. If the first two arbitrators cannot agree on the appointment of a third arbitrator, then the third arbitrator shall be appointed by the Chief Judge of the United States Court of Appeals for the Seventh Circuit. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association, except with respect to the selection of the arbitrators which shall be as provided in this

Section 26. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

27. Legal and Enforcement Costs. In the event that it shall be necessary or desirable for the Executive to retain legal counsel or incur other costs and expenses in connection with enforcement of his rights under this Agreement, the Company shall pay (or the Executive shall be entitled to recover from the Company, as the case may be) his reasonable attorneys' fees and cost and expenses in connection with enforcement of his rights (including the enforcement of any arbitration award in court), regardless of the final outcome, unless the arbitrators shall determine that under the circumstances recovery by the Executive of all or a part of any such fees and costs and expenses would be unjust.

28. Survival of Agreement. Except as otherwise expressly provided in this Agreement, the rights and obligations of the parties to this Agreement shall survive the termination of the Executive's employment with the Company.

29. Entire Agreement. Except as otherwise provided herein, this Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior or contemporaneous agreements, if any, between the parties relating to the subject matter hereof; provided, however, that nothing in this Agreement shall be construed to limit any policy or agreement that is otherwise applicable relating to rights to inventions, copyrightable material, business and/or technical information or trade secrets, or other similar policies or agreement for the protection of the business and operations of the Company and the subsidiaries; and provided, further, that nothing in this Agreement shall limit the Executive's right to indemnification in accordance with the Company's Articles of Incorporation and By-Laws and any agreement regarding indemnification entered into between the Company and the Executive.

30. Counterparts. This Agreement may be executed in two or more counterparts, any one of which shall be deemed the original without reference to the others.

IN WITNESS THEREOF, the Executive has hereunto set his hand, and the Company has caused these presents to be executed in its name and on its behalf, and its corporate seal to be hereunto affixed on this ____ day of November, 2000, all as of the Effective Date.

____
EXECUTIVE

BRUNSWICK CORPORATION

By _________________________
Its_________________________

EXECUTIVE

GENERAL RELEASE
----

1. I, ______________, for and in consideration of certain payments to be made and the benefits to be provided to me under the Executive Severance Benefits Agreement, dated ______________, (the "Agreement") with Brunswick Corporation (the "Company"), and conditioned upon such payments and provisions, do hereby REMISE, RELEASE, AND FOREVER DISCHARGE the Company and each of its past, present and future subsidiaries and affiliates, their past, present and future officers, directors, shareholders, partners, distributees, owners, trustees, representatives, employees and agents, their respective successors and assigns, heirs, executors and administrators (hereinafter collectively included within the term the "Company"), acting in any capacity whatsoever, of and from any and all manner of actions and causes of action, suits, debts, claims, charges, complaints, grievances, liabilities, obligations, promises, agreements, controversies, damages, demands, rights, costs, losses, debts and expenses

of any nature whatsoever, in law or in equity, which I ever had, now have, or hereafter may have, or which my heirs, executors or administrators hereafter may have, by reason of any matter, cause or thing whatsoever from the beginning of my employment with Brunswick Corporation, to the date of these presents arising from or relating in any way to my employment relationship, and the terms, conditions and benefits payments resulting therefrom, and the termination of my employment relationship with Brunswick Corporation, including but not limited to, any claims which have been asserted, could have been asserted, or could be asserted now or in the future under any federal, state or local law, statute, rule, ordinance, regulation, or the common law, including, but not limited to, claims or rights arising under the Age Discrimination in Employment Act, 29 U.S.C. (S) 621 et seq., as amended, the Americans With Disabilities Act, 42 U.S.C. (P) 12101 et seq., Title VII of the Civil Rights Act of 1964, 42 U.S.C. (S) 2000e et seq., as amended, any contracts between the Company and me and my common law claims now or hereafter recognized and all claims for counsel fees and costs; provided, however, that this General Release shall not apply to (i) any entitlements under the terms of the Agreement or (ii) my right to be indemnified by the Company, pursuant to the bylaws of the Company, for any liability, cost or expense for which I would have been indemnified for actions taken on behalf of the Company during the term and within the scope of my employment by the Company.

2. Subject to the limitations of paragraph 1 above, I expressly waive all rights afforded by any statute which expressly limits the effect of a release with respect to unknown claims. I understand the significance of this release of unknown claims and the waiver of statutory protection against a release of unknown claims.

3. I further agree and covenant that neither I, nor any person, organization or other entity on my behalf, will file, charge, claim, sue or cause or permit to be filed, charged, or claimed, any action for personal equitable, monetary or other relief against the Company (including, but not limited to, any action for damages, injunctive, declaratory or other relief), arising from or relating in any way to my employment relationship, and the terms,

   conditions and benefits payments resulting therefrom and the termination of my employment relationship with the Company, except as may be necessary to enforce the obligations of the Company to me in accordance with the express terms of the Agreement or under any other plans or programs of the Company in which I participated and under which I have accrued a benefit, involving any matter occurring from the beginning of my employment with Brunswick Corporation to the date of these presents, or involving any continuing effects of any actions or practices which may have arisen or occurred from the beginning of my employment with Brunswick Corporation to the date of these presents, including, but not limited to, any charge and/or claim of discrimination under Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act, as amended, and/or the Americans With Disabilities Act. In addition, I also agree and covenant that should I, or any other person, organization or entity on my behalf, file, charge, claim, sue or cause or permit to be filed, charged, or claimed, any action prohibited by the preceding sentence for personal equitable, monetary or other relief, despite my agreement not to do so hereunder, or should I otherwise fail to abide by any of the terms of this General Release, and any claim is made against the Company that might result in liability of the Company to me, except to the extent not covered by this General Release as stated above, then I will pay all of the costs and expenses of the Company (including reasonable attorneys' fees) incurred in the defense of any such action or undertaking.

4. I hereby agree and recognize that my employment by the Company was permanently and irrevocably severed on ______________, and the Company has no obligation, contractual or otherwise to me to hire, rehire or re-employ me in the future. I acknowledge that the terms of the Agreement provide me with payments and benefits which are in addition to any amounts to which I otherwise would have been entitled.

5. I hereby agree and acknowledge that the payments and benefits provided by the Company are to bring about an amicable resolution of my employment arrangements and are not to be construed as an admission of any violation of any federal, state or local law, statute, rule, ordinance, regulation or the common law, or of any duty owed by the Company and that the Agreement

and this General Release are made voluntarily to provide an amicable resolution of my employment relationship with the Company and the termination of the Agreement.

6. I hereby certify that I have read the terms of this General Release, that I have been advised by the Company to discuss it with my attorney, and that I understand its terms and effects. I acknowledge, further, that I am executing this General Release of my own volition with a full understanding of its terms and effects and with the intention of releasing all claims recited herein in exchange for the consideration described in the Agreement, which I acknowledge is adequate and satisfactory to me. None of the above-named parties, nor their agents, representatives, or attorneys have made any representations to me concerning the terms or effects of this General Release other than those contained herein.

7. I hereby acknowledge that I have been informed that I have the right to consider this General Release for a period of 21 days prior to execution. I also understand that I have

   the right to revoke this General Release for a period of seven days following execution by giving written notice to the Company at 1 North Field Court, Lake Forest, IL 60045, Attention: Vice President, General Counsel and Secretary.

8. I hereby acknowledge that the provisions of Sections __, __ and __ of the Agreement shall continue in full force and effect for the balance of the time periods provided therein and that I will abide by and fully perform such obligations.

Intending to be legally bound hereby, I execute the foregoing General Release this ______ day of _________, 20___.

________________________________ ___________________________________
Witness

EXHIBIT 10.18

2001 BRUNSWICK PERFORMANCE PLAN (BPP)

<TABLE>
<S> <C>

Purpose	Reward achievement of annual goals
Eligibility	Key managers and above identified on an individual basis.
Performance Period	Fiscal year.
Participation Level	Pro rata participation in first year of eligibility. Full participation in subsequent years. Must be employed at year-end to receive an award (except in the event of death or disability).
Target Incentives	Sum of target incentive opportunity as a percent of salary times average salary for the year for all eligible participants.
Performance Measures	Funding based on Brunswick Value Added (BVA). BVA defined as profits after-tax; reduced for cost of total capital. Division employees measured against Division results. Corporate employees measured against overall Brunswick Corporation results.
Performance Levels:	
. Threshold	. Minimum performance level supporting the funding of any variable incentive pay. Thresholds to be determined for each Division individually.
. Target	. Agreed upon performance level, typically tied to profit plan for the year.
. Stretch	. Performance necessary to support funding of twice target level.
Funding Review and Approval	The following steps will be taken to review and approve funding: . CFO will review actual results quarterly to evaluate established accruals. . CEO will review performance at end of performance period and recommend funding to Human Resource and Compensation Committee as appropriate. . Committee will review and approve funding as deemed appropriate.
Maximum Funding	None
Individual Awards	Individual awards will be determined on a discretionary basis using evaluation of individual performance for the performance period, target incentive as a percent of salary and salary received for the performance period. Individuals must be employed through end of performance period to receive an award, except terminees due to death or permanent and total disability will be eligible to receive awards.
Timing of Award Payments	As soon as practical after financial results are confirmed and appropriate approvals are obtained.

</TABLE>

Nothing contained in these materials constitutes or is intended to create a
promise of an individual incentive award or a contract of continued employment.
Employment is at-will and may be terminated by either the employee or
Corporation for any reason at any time.

EXHIBIT 10.22

STRATEGIC INCENTIVE PLAN (SIP)

<TABLE>
<S> <C>

Purpose	Reward achievement of three year goals
Eligibility	Key managers and above identified on an individual basis.
Participation Level	Pro rata participation for cycle ending in first year of eligibility. Full participation for subsequent cycles. Must be employed at year-end to receive an award (except in the event of death or disability).
Target Incentives	Sum of target incentive opportunity as a percent of salary times salary for all eligible participants.

Performance Measures	Funding to be based on performance versus the following measures:
	. 60% Brunswick Value Added (BVA). BVA defined as profits after-tax; reduced for cost of capital charge (capital to include working, fixed and other assets; cost of capital will include debt and equity)
	  . For Division employees 60% BVA will be split evenly between Division BVA and overall Brunswick Corporation BVA.
	  . For Corporate headquarters employees BVA will be based entirely on overall Brunswick Corporation BVA.
	
	. 40% performance against Strategic Factors.
	  . For Division employees based on Division's strategic factor performance
	  . For Corporate headquarters employees based on average of all Division strategic factor performance results
	  . For cycles beginning in 2001 factors include:
	    . Customer satisfaction
	    . Growth in market share
	    . Product innovation (percent of sales from new products)
	    . Employee satisfaction

Performance Levels:	
. Threshold	. Minimum performance level supporting the funding of any variable incentive pay. Threshold to be determined for each Division and Brunswick Corporation individually.
. Target	. Agreed upon performance level, typically tied to business plans for performance period.
. Stretch	. Performance necessary to support funding at twice target level.

Performance Period	Generally three-year performance periods will be used.
	
	. For BVA: overlapping cycles beginning each year.
	To phase into the program, three performance periods will begin in 2001.
	  . 2001: One year cycle with 50% of normal target incentives for those transitioning from 2000 - 2001 SIP. (Current 2000 - 2001 SIP cycle shortened to one year. Pay out accrued, but will not be paid until regularly scheduled date - February, 2002.)
	  . 2001 - 2002: Two year cycle
	  . 2001 - 2003: Three year cycle
	Beginning in 2002 and in each year thereafter a new three-year cycle will begin.
	
	. For Strategic Factors: three-year, end-to-end cycles. Partial pay outs before the end of a performance cycle may be considered.

</TABLE>

Strategic Incentive Plan . . .

<TABLE>
<S> <C>

Overall Funding	Overall funding will be the sum of BVA funding and strategic factor funding.

Funding Review and Approval	The following steps will be taken to review and approve funding: . CFO will review actual results quarterly to evaluate established accruals. . CEO will review performance at end of performance period and approve funding or recommend funding to Human Resource and Compensation Committee as appropriate. . Committee will review and approve funding as deemed appropriate.
Maximum Funding	None
Individual Awards	Individual awards will be determined on a discretionary basis using evaluation of individual performance for the performance period, target incentives as a percent of salary and covered salary (actual received for final year or performance period). Individuals must be employed at time of payment to receive an award, except those terminating due to death or permanent and total disability will be eligible to receive individual awards.
Timing of Award Payments	As soon as practical after financial results are confirmed and appropriate approvals obtained.

</TABLE>

Nothing contained in these materials constitutes or is intended to create a promise of an individual incentive award or a contract of continued employment. Employment is at-will and may be terminated by either the employee or Corporation for any reason at any time.

EXHIBIT 10.26

PROMISSORY NOTE

$800,000.00	Lake Forest, Illinois	March 2, 2001
(Principal Amount)	(City, State)	(Date)

FOR VALUE RECEIVED, George W. Buckley ("Mr. Buckley") and Carol L. Buckley (individually and collectively, the "Maker"), hereby jointly and severally promise to pay to the order of Brunswick Corporation, a Delaware corporation ("Brunswick"), the principal amount of Eight Hundred Thousand Dollars ($800,000.00) in five equal successive annual installments of $160,000.00 payable on August 1 of each year beginning on August 1, 2001 and ending on August 1, 2005 without interest, except as provided in Section 3 below. This Note amends and supersedes the Promissory Note between the Maker and Brunswick dated August 11, 2000.

The principal amount of this Note and all interest thereon as provided in Section 3 shall be payable at the office of Brunswick, attention: Treasurer, 1 North Field Court, Lake Forest, Illinois, 60045, in lawful money of the United States of America. All payments shall be applied first to interest, if applicable, then to principal.

Section 1. Mr. Buckley has recently been named Chairman, Chief Executive Officer and President of Brunswick, and Brunswick has requested Mr. Buckley to move his principal residence from Fond du Lac, Wisconsin to the Northern suburbs of Chicago, Illinois. Mr. Buckley agrees that he will use the proceeds of this loan solely to purchase a new principal residence in North Barrington, Illinois. This Note is secured by a mortgage on such residence in favor of Brunswick dated on or about the date hereof (the "Mortgage"). Mr. Buckley hereby certifies to Brunswick that he expects to be entitled to, and will itemize on his Federal tax returns, deductions during each year that amounts are outstanding under this Note.

Section 2. Brunswick may offset against principal and interest amounts owed pursuant to this Note (i) the cash amounts Brunswick owes Mr. Buckley pursuant to the Brunswick Performance Plan ("BPP") or any successor plan for 2000 and subsequent years and the Brunswick Strategic Incentive Plan ("BSIP") or any successor plan for 1999-2000 and subsequent periods after deducting all applicable federal and state withholding taxes and (ii) if such amounts are not sufficient, the cash amounts which Mr. Buckley would have deferred under the BPP or any successor plan for 2000 and subsequent years and under the BSIP or any successor plan for 1999-2000 and subsequent periods after deducting all applicable federal and state withholding taxes. If the foregoing offsets are not sufficient to pay all principal and interest amounts due pursuant to this Note on August 1, 2005 or at any accelerated maturity date as a result of an Event of Default, Brunswick may offset all amounts it then holds in any deferred account for Mr. Buckley after deducting all applicable federal and state withholding taxes.

Section 3. If Mr. Buckley fails to pay any principal installment when it is due, the unpaid portion of such principal payment will bear interest at the rate of 7-1/2% per annum until paid, payable annually on each August 1 and on demand after August 1, 2005 or any accelerated maturity date as a result of an Event of Default. If the principal amount of this Note is not paid in full at any accelerated maturity, the unpaid principal amount will bear interest at the rate of 7-1/2% per annum payable on demand. All interest will be calculated for the actual number of days on a 365-day year basis.

Section 4. If any of the following events ("Event of Default") shall occur and be continuing:

a. if Mr. Buckley's employment with Brunswick terminates;

b. death or incapacity of Mr. Buckley;

c. sale of Maker's principal residence in North Barrington, Illinois which is subject to the Mortgage;

d. if the Mortgage shall at any time cease to be in full force and effect in accordance with its terms;

e. default by Maker in the performance of any covenant, agreement or provision contained in the Mortgage;

f. if Maker becomes insolvent or bankrupt, admits in writing an inability to pay debts as they become due, or makes an assignment for the benefit of creditors, or petitions or applies for the appointment of a trustee, liquidator or receiver of Maker or any substantial part of the assets of Maker, or commences any proceeding relating to Maker under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation or similar law of any jurisdiction, now or hereafter in effect, or shall be adjudicated bankrupt or insolvent; or

g. if any such petition or application is filed, or any such proceeding is commenced against Maker, and Maker indicates his/her approval thereof, consent thereto or acquiescence therein, or an order is entered appointing any such trustee, liquidator, or receiver, or approving a petition in any such proceeding, and such order remains in effect for more that thirty days, whether or not consecutive;

then all indebtedness evidenced hereby, all interest thereon and all other amounts payable hereunder shall automatically be and become immediately due and payable, all without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by Maker.

Section 5. Maker waives presentment for payment, demand, protest and notice of dishonor.

Section 6. This Note may not be changed or terminated orally and may not be transferred to, or assumed by any other person.

Section 7. The interest benefits of this Note may not be assigned or otherwise transferred by Maker to a third party and are conditioned on the future performance of substantial services to Brunswick by Mr. Buckley.

Section 8. In addition to, and not in limitation of, the foregoing, Maker further agrees, subject only to any limitation imposed by applicable law, to pay all expenses including reasonable attorneys' fees and expenses, incurred by Brunswick in seeking to enforce the provisions of this Note or to collect any amounts payable hereunder which are not paid when due, whether by acceleration or otherwise.

Section 9. If any day upon which any principal or interest due and owing hereunder falls on a day other than a business day (a day other than a Saturday, Sunday or other day on which commercial banks in Chicago, Illinois are authorized or required to close [a "Business Day"]), then any payments due hereunder on such day shall be made the next succeeding Business Day and interest shall accrue and be payable for such additional period.

Section 10. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS NOTE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF BRUNSWICK OR MAKER SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTS OF THE STATE OF ILLINOIS LOCATED IN LAKE COUNTY OR IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS; PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT,

AT BRUNSWICK'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. MAKER HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICITON OF THE COURTS OF THE STATE OF ILLINOIS LOCATED IN LAKE COUNTY AND OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS FOR THE PURPOSE OF SUCH LITIGATION AS SET FORTH ABOVE AND IRREVOCABLY

AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH SUCH LITIGATION. MAKER FURTHER IRREVOCABLY CONSENTS TO THE SERVICE WITHIN OR WITHOUT THE STATE OF ILLINOIS. MAKER HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH MAKER MAY HAVE OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

MAKER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS MAKER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS NOTE OR ANY OTHER DOCUMENT RELATED HERETO, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF MAKER OR BRUNSWICK.

Section 11. This Note shall be governed by the laws of the State of Illinois.

IN WITNESS WHEREOF, Maker has executed this Note as of the date first above written.

MAKER   MAKER

/s/ George W. Buckley   /s/ Carol L. Buckley
- --------------------------   ------------------------
George W. Buckley   Carol L. Buckley

EXHIBIT 21.1

SUBSIDIARIES OF THE COMPANY

The following corporations are direct or indirect wholly-owned subsidiaries of Brunswick Corporation:

Subsidiary	Place of Incorporation
Appletree Ltd.	Bermuda
Baja Marine Corporation	Delaware
Bayliner Marine Corporation	Delaware
Boston Whaler, Inc.	Delaware
Brunswick AG	Switzerland
Brunswick Bowling & Billiards Corporation	Delaware
Brunswick Bowling & Billiards (U.K.) Limited	England
Brunswick Bowling e Billiards Ltda.	Brazil
Brunswick Bowling Pin Corporation	Delaware
Brunswick Centres, Inc.	Ontario
Brunswick GmbH	West Germany
Brunswick International (Canada) Limited	Ontario
Brunswick International GmbH	West Germany
Brunswick International Holdings, Inc.	Delaware
Brunswick International Limited	Delaware
Brunswick International Sales Corporation	U.S. Virgin Islands
Centennial Assurance Company, Ltd.	Bermuda
Escort Trailer Corporation	Washington
Igloo Holdings, Inc.	Delaware
Igloo Products Corp.	Delaware
Leiserv, Inc.	Delaware
Life Fitness International Sales, Inc.	Delaware
Life Fitness (U.K.) Limited	United Kingdom
Marine Power Australia Pty. Limited	Australia
Marine Power Europe, Inc.	Delaware
Marine Power International Limited	Delaware
Marine Power International Pty. Limited	Delaware
Marine Power Italia S.p.A.	Italy
Marine Power New Zealand Limited	Delaware
Marine Xpress Corporation	Delaware
Mercury Marine Limited	Ontario
Mercury Marine Sdn Bhd	Malaysia
Normalduns B.V.	Netherlands
Productos Marine de Mexico, S.A. de C.V.	Mexico
Ray Industries, Inc.	Arizona
Sea Ray Boats, Inc.	Arizona
Sea Ray Boats, Inc.	Florida
Sea Ray International - Europe B.V.	Netherlands
Skokie Investment Corporation	Delaware
Wintergreen Finance, Inc.	Delaware

EXHIBIT 24.1

POWER OF ATTORNEY

The undersigned directors and officers of Brunswick Corporation, a Delaware corporation (the "Company"), do hereby nominate, constitute and appoint Victoria J. Reich and Richard S. O'Brien and each of them individually, the true and lawful attorney or attorneys of the undersigned, with power to act with or without the others and with full power of substitution and resubstitution, to execute in the name and on behalf of the undersigned as directors and officers of the Company, the Annual Report of the Company on Form 10-K for the fiscal year ended December 31, 2000 and any and all amendments thereto; and each of the undersigned hereby ratifies and approves all that said attorneys or any of them shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, each of the undersigned has executed this Power of Attorney in one or more counterparts on the date set opposite his or her name.

Capacity	Signature	Date
Chairman of the Board, Chief Executive Officer (Principal Executive Officer) and Director	/s/ George W. Buckley George W. Buckley	February 6, 2001
Director	/s/ Nolan D. Archibald Nolan D. Archibald	February 6, 2001
Director	/s/ Dorrit J. Bern Dorrit J. Bern	February 6, 2001
Director	/s/ Jeffrey L. Bleustein Jeffrey L. Bleustein	February 6, 2001
Director	/s/ Michael J. Callahan Michael J. Callahan	February 6, 2001

Capacity	Signature	Date
Director	/s/ Manuel A. Fernandez Manuel A. Fernandez	February 6, 2001
Vice Chairman and Director	/s/ Peter B. Hamilton Peter B. Hamilton	February 6, 2001
Director	/s/ Peter Harf Peter Harf	February 6, 2001
Director	/s/ Jay W. Lorsch Jay W. Lorsch	February 6, 2001
Director	/s/ Bettye Martin Musham Bettye Martin Musham	February 6, 2001
Director	/s/ Kenneth Roman	February 6, 2001

Kenneth Roman

Director /s/ Robert L. Ryan February 6, 2001

Robert L. Ryan

Director /s/ Roger W. Schipke February 6, 2001

Roger W. Schipke

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