



February 22, 2008

DEAR FELLOW SHAREHOLDERS:

By any measure, 2007 was a difficult year for the marine industry, where Brunswick Corporation customarily derives more than 80 percent of its net sales and operating earnings. Excluding special items, we generated earnings of \$1.23 per diluted share from continuing operations for the year, notwithstanding the difficult market conditions. Those special items included trade name impairment charges and special tax items, that are further explained in the accompanying Annual Report on Form 10-K. Given the volatile economic conditions during the year, we are very proud of our approximately 27,000 employees around the globe who delivered these results.

Considering the weak marine markets and steadily declining economic conditions in the United States, we undertook a number of initiatives to cut costs, better control the marine pipeline, and generate sales and earnings from markets outside the U.S. in addition to sales generated by our Fitness and Bowling & Billiards segments. For example:

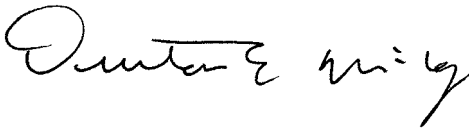
- During 2007, we continued to reduce costs. Over the past two years we have closed four boat plants, consolidated production, achieved sourcing savings, quality improvements, head count reductions, product rationalizations, completed Lean Six Sigma projects, and countless other activities. These cost reduction activities have been integral to our results, although the extent of the benefits has been masked by the production volume reductions we have initiated as we react to economic conditions.
- Much of our focus during the year was to trim and better control the marine pipeline – which reflects the number of boats at our dealers. It is important that we keep our product pipeline as thin as possible to ensure the continued health and future prospects for our dealers. At the end of 2007, the number of fiberglass boat units in the pipeline was down 10 percent versus 2006, and was back to 2004 levels. The number of aluminum boat units in the pipeline was down more than 5 percent versus 2006. So we are doing a good job of managing the pipeline, but it came at the expense of earnings, and further reductions in production will be required in 2008 as marine markets remain under stress.
- Our continuing global growth was positive as sales outside the United States in 2007 constituted 36 percent of our total sales, up from 32 percent in 2006. Our engine, boat and fitness businesses all posted double-digit percentage growth versus 2006 for sales outside the United States. Our ability to transform our businesses from U.S.-based and focused to globally-integrated is continuing successfully and is important for our future growth.
- Throughout the year, we have been steadily investing in our fitness business and began to see the positive contributions from new products and its greater global focus. For the year, both sales and earnings were up for the Fitness segment.
- Our Bowling & Billiards business finished the year strongly, partly due to the success of our Brunswick Zone XL retail bowling centers. Larger and offering more recreation options than a traditional Brunswick Zone, these centers will be an important part of our growth moving forward as we plan to accelerate the pace at which we open new Zone XL centers.

- During 2007, we also did a good job of generating cash, which remains a priority with aggressive working capital targets. While we are planning for less capital spending in 2008 than 2007, we have not materially lowered our spending for new product and innovation, keys to creating excitement in the marketplace.

The marine market picture for 2008 remains cloudy at this writing. Consumer uneasiness, the housing market, tightening credit availability, and regional economic variances in many of the key boating markets are all cause for concern. The impact of an economic stimulus package, lower interest rates, and other factors could enable marine markets to stabilize. We are not, however, counting on that as we proceed through 2008. In our planning for the year, we are assuming that marine retail will be down again, and we have developed production schedules at levels below those of 2007. The number of boats and engines we ultimately produce, however, will be governed by developing retail demand over the coming months. The key for us is to remain nimble and be prepared to vary our production schedules as required to meet market needs. Reducing our costs and improving our productivity continue to be necessities in this weak marine market. We expect that as we take action to lower our costs in 2008, we will incur charges from time-to-time. These actions will position us well when the marine markets improve.

As we forge ahead in 2008, Brunswick is not alone operating in difficult markets and challenging economic conditions. All businesses designing, producing and selling large consumer durable products are under stress. We must take what economic and market conditions give us, and then identify and pursue opportunities that are not now readily visible or available. We will continue to work on important strategic activities as well as support growth in our fitness and bowling retail center operations. And while we cannot “control” the ebbs and flows of the marine market, we can affect our performance and destiny by staying focused on the task at hand and operating our businesses well. To my colleagues at Brunswick, my heartfelt thanks for your efforts; and to you, our shareholders, I offer my deepest gratitude for your continued support.

Sincerely,

A handwritten signature in black ink, appearing to read "Dustan E. McCoy". The signature is fluid and cursive, with a large initial "D" and a long, sweeping underline.

Dustan E. McCoy
Chairman and Chief Executive Officer