



# BRUNSWICK

GENUINE INGENUITY

## THE MARKET

If you have ever spent time cruising on the water as the marine engine propelled your pleasure boat, raising your heartbeat on a treadmill, celebrating picking up that difficult bowling spare, or lining up a tight billiards shot, you have likely enjoyed a product made by one of the many brands of Brunswick Corporation.

Today, Brunswick is a global market leader in pleasure boats, marine engines, and the fitness, bowling, and billiards industries. No company has Brunswick's breadth and scope in the marine industry with its Mercury Marine outboard and sterndrive engines and such premier boat brands as Sea Ray, Bayliner, Boston Whaler, and Hatteras, along with many others. No company equals Brunswick's quality and innovation in fitness equipment, owing to its well-known Life Fitness and Hammer Strength brands. And no company possesses Brunswick's knowledge or well-rooted heritage in Brunswick Bowling & Billiards, the latter of which dates back to the company's founding in 1845.

As evidenced by its current portfolio of businesses, Brunswick Corporation is a different company today than it was more than 160 years, 25 years or even 5 years ago. Today, Brunswick continues to invest in its brands, create game-changing products, strategically position its businesses for stronger growth, and continuously improve productivity. Based in the Chicago suburb of Lake Forest, Brunswick's more than 20,000 employees around the world help accomplish these goals with fresh thinking and old-fashioned hard work.

## ACHIEVEMENTS

Brunswick is the world's largest maker of pleasure boats, marine engines, fitness equipment, and bowling and billiards products. During its more than 16 decades of uninterrupted operation, the company has seen many challenges. But through it all, Brunswick has prospered, building a solid name in the marketplace.

The company can boast of a number of industry firsts. Brunswick Bowling, for example, helped



introduce the automatic pinsetter, which ushered in a bowling boom in the 1950s. Among Mercury Marine's many advances was the sterndrive engine, a staple on today's powerboats. Mercury is the world leader in low-emission engines.

The Brunswick Boat Group, with a stable of enviable brands, has always led the way. For example, Sea Ray is America's biggest seller in terms of dollars, while Bayliner was the first brand to sell boat, engine, and trailer in one economical package, giving rise to affordable and flexible boating. The seemingly simple combination had a monumental

effect on the boating industry as Americans no longer had to live on the water to be boaters; they could take their boat to the water, and for a reasonable price. Brunswick's Boston Whaler is the only brand with a patented hull that is "unsinkable," and it also introduced the center console, changing the course of fishing boat design.

Life Fitness' Life Cycle®, which recently marked 25 years, altered fitness machines forever. And for more than a century, Brunswick Billiards has imbued its products with technical and materials advances that make them the most precise in the industry, while still maintaining beauty and fundamental appeal.

Brunswick products offer a unique and distinctive blend of craftsmanship and innovation

that connect with customers and provide an unequalled experience.

## HISTORY

Throughout its storied history, Brunswick has owned the premier brands in a number of businesses, including automobile tires, phonographs, record labels, metal fiber, refrigerators, soda fountains, school furniture, defense equipment, and medical supplies.

- Brunswick Corporation began in 1845 when John Brunswick, a Swiss woodworker, sold his first billiards table to a successful Cincinnati meatpacker.

- In the late 1800s, Brunswick led the formation of the American Bowling Congress, formalizing the ancient game and establishing product standards. Today, more than 100 million people worldwide enjoy bowling.

- In 1915, Brunswick began creating piano cases and phonograph cabinets, eventually spawning Brunswick Records in 1920. Recording artists under contract included Duke Ellington, Benny Goodman, and Cab Calloway. Al

Jolson, a Brunswick artist, was later on Brunswick's board of directors.

- After helping in the war effort during World War I, in

1941 the company began to dedicate full-time resources in support of the government's defense efforts. Brunswick divested its defense and technical businesses in 1993 to return to its leisure and recreation roots.

- In 1952, Brunswick began manufacturing school furniture and gymnasium equipment, later winning an Industrial Designers Institute gold medal. That business was sold in 1969.

- Brunswick entered the medical products business in 1958 with the purchase of the A. S. Aloe Company. In 1968, following a decade of acquisitions, Brunswick's medical products companies become a wholly owned subsidiary — Sherwood Medical Industries Inc., which was sold in 1982.

- Brunswick began its involvement in the sporting goods business by acquiring MacGregor Sports Products in 1958. Other acquisitions would eventually include Zebco, Doll, Martin Reel, Browning, and Thompson fishing tackle and reels; Ben Pearson archery; Igloo coolers; Mongoose and Roadmaster bikes; Remington outdoor accessories, and many others. Divestiture



of the sporting goods/outdoor recreation business was completed in 2001.

- Brunswick Corporation began building its marine presence in 1961 by purchasing the Kiekhaefer Corporation, predecessor to Mercury Marine and Quicksilver. In 1986, the company became the undisputed global leader in recreational boating with the acquisitions of Sea Ray and Bayliner. Today, Brunswick remains an industry leader, owning scores of leading marine brands.

### THE PRODUCT

Brunswick has an enviable stable of powerhouse brands, market-leading products, and unmatched industry knowledge in all of its markets: pleasure boats, marine engines, fitness, bowling, and billiards.

Brunswick's products connect with consumers and their passions. People want to stay in shape, so they choose or seek out Life Fitness equipment. People looking for fun ways to spend time with family and friends look to bowling centers or enjoy a game of billiards. A day on the water has nearly mythological powers. The decision to buy Brunswick products, then, is often part emotion and part financial. Brunswick is constantly looking for better ways to provide improved product quality and durability, ensure easy access to products and parts, and tap into consumers' emotions.

Brunswick also embraces technology, both in the application of technical advances and placing more features and control at users' fingertips:



Life Fitness is the only fitness manufacturer with its own advanced research and development lab. The 38,000-square-foot lab includes space and equipment dedicated to biomechanical, electromagnetic, environmental, and mechanical research and development. From high-speed cameras to usage-simulation equipment, the state-of-the-art lab helps Life Fitness drive innovation.

In bowling, product quality extends not only beyond the physical attributes of a bowling ball or other piece of equipment, but also to the experience offered to the bowler. Brunswick's retail bowling center operation has answered by expanding its very popular Zone concept with even greater size and offerings with the Brunswick Zone XL. Usually featuring over 60,000 square feet of entertainment, including 48 lanes of bowling, the Zone XL also can offer laser tag, bumper cars, a fun-filled video game arcade, Brunswick billiards tables, a fireside lounge, spacious meet-

ing rooms, and much more — all in a family-friendly, smoke-free environment.

Mercury Marine's Zeus and Axius propulsion systems are revolutionizing boating. Developed by Brunswick's Cummins MerCruiser diesel joint venture, the highly advanced propulsion system uses rear-facing pod drive systems to deliver safety



and fuel efficiency, as well as autopilot options and advanced joystick controls. As such, the vessel's pilot can automatically hold the boat in place, regardless of current or wind. Docking is as easy as parallel parking a car. Imagine sliding a 36-foot boat sideways into a 38-foot parking space.

The Brunswick Boat Group, meanwhile, offers the largest and most extensive selection in the industry, from runabouts to yachts. Fishermen and recreational cruisers alike rely on Brunswick boats for market-leading quality, performance, user conveniences, and durability.

### RECENT DEVELOPMENTS

Brunswick's Fitness and Bowling & Billiards segments remain vital parts of the company, providing solid earnings and cash flow.

Life Fitness is the only manufacturer to offer compatibility with Apple's popular iPod® technology, and it continues to win awards for product design and function.

Bowling & Billiards, through its family-oriented centers, continues to offer consumers a uniquely satisfying entertainment experience.

Honors earned by the Boat and Marine Engine segments have been frequent throughout 2008 and early 2009:

- Sea Ray again won J.D. Power Awards for quality, while Brunswick boat brands also won 24 Customer Satisfaction Index honors across boat segments from the National Marine Manufacturers Association, more than any other manufacturer.
- The Sea Ray 43 Sundancer and Mercury Skyhook Electronic Anchor feature were both Best of the Year as chosen by *MotorBoating* magazine.
- The Sea Ray 270 Sundancer and 230 Sundeck won for Excellence in Design from *Trailer Boats* magazine, while *Boating* magazine chose the Sea Ray 230 Fission and Bayliner 185 as Best Bets.
- Mercury MerCruiser's revolutionary Axius propulsion system with joystick docking won Innovation of the Year at the respected Dusseldorf boat show.

### PROMOTION

An old proverb says, "Well is him that hath a good name." In continual operation for nearly 165 years, Brunswick has invested its time in tirelessly earning, building, and reasserting a reputation for quality, innovation, and shooting straight.

That tradition continues today across all of

Brunswick's brands and products. Brunswick is recognized for doing things right, and through the years has earned a reputation for its passion. Brunswick is competitive and known for leading the way.

The results of these efforts paint a very powerful picture of Brunswick — a company that is real, authentic, and genuine. The company has been around since the beginning of many of the industries in which it competes. When people think about Brunswick, they see a long-established company built on a rich tradition, a dynamic company that continually improves and evolves.

Brunswick describes its approach as Genuine Ingenuity™. Read separately, those words are powerful.

Brunswick has the people to continually bring fresh ideas, talent, creativity, and ingenuity to bear on a challenge to make its industries just a little better. Read together, "genuine ingenuity" embodies a commitment to developing ideas that are practical and have real meaning in people's lives.

### BRAND VALUES

One of Illinois' oldest companies, Brunswick has a history steeped with change and innovation. For more than 160 years, Brunswick has defined itself as a versatile company quick to spot trends and seize opportunities.

Throughout Brunswick's evolution, one fundamental has remained consistent: its goal to be the best in all it entails in any industry of which it is a part. Driven by its customers' passions, Brunswick Corporation will continue to create market-leading brands and innovative, best-in-class products.

### THINGS YOU DIDN'T KNOW ABOUT BRUNSWICK

- Brunswick's elaborate and ornate front and back bars made of rich woods, flawless mirrors, and stained glass are popular and valuable antiques. About 150 back bars are known to still be in service.
- Brunswick Billiards was a leader in advancing the use of rubber, resulting in other uses throughout the company. In 1906, Brunswick introduced a revolutionary rubber bowling ball — the Brunswick Mineralite. In 1912, the company began manufacturing the Whale-Bone-Ite rubber toilet seat, as well as rubber automobile tires, the rights to which were eventually sold to B. F. Goodrich.
- In 1925, Brunswick was listed on the New York Stock Exchange and is among the NYSE's longest-listed stocks.