Form 10-Q

Securities and Exchange Commission
Washington, D. C. 20549

X Quarterly Report pursuant to Section 13 or 15 (d)
of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 1994

Commission file number 1-1043

Brunswick Corporation
(Exact name of registrant as specified in its charter)

Delaware	36-0848180
(State or other Jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1 N. Field Ct., Lake Forest, Illinois	60045-4811
(Address of principal executive offices)	(Zip Code)

(708) 735-4700

Registrant's telephone number, including area code

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

At August 4, 1994, there were 95,451,996 shares of the Company's Common Stock ($.75 par value) outstanding.

<TABLE>

Part I- Financial Information

Item I-Financial Statements

Brunswick Corporation
Consolidated Results Of Operations
for the periods ended June 30
(dollars in millions, except per share data)

<CAPTION>

	Quarter ended June 30		Six Months ended June 30	
	1994	1993	1994	1993
	(unaudited)			
<S>	<C>	<C>	<C>	<C>
Net sales	$ 748.2	$ 589.0	$1,383.1	$ 1,131.8
Cost of sales	522.8	429.4	981.4	832.1
Selling, general and administrative	137.0	116.9	268.6	235.5
Operating earnings	88.4	42.7	133.1	64.2

Interest expense	(6.9)	(7.3)	(13.3)	(14.5)
Interest income and other items, net	6.2	4.8	9.7	8.1
Earnings before income taxes	87.7	40.2	129.5	57.8
Income tax provision	32.5	17.7	47.9	25.5
Earnings from continuing operations before cumulative effect of accounting change	55.2	22.5	81.6	32.3
Earnings from discontinued operations	-	0.8	-	-
Cumulative effect on prior years of change in accounting principle for postemployment benefits	-	-	-	(14.6)
Net earnings	$ 55.2	$ 23.3	$ 81.6	$ 17.7
Earnings (loss) per common share				
Continuing operations	$ 0.58	$ 0.24	$ 0.85	$ 0.34
Discontinued operations	-	0.01	-	-
Cumulative effect of change in accounting principle	-	-	-	(0.15)
Net earnings per common share	$ 0.58	$ 0.25	$ 0.85	$ 0.19
Cash dividends declared per common share	$ 0.11	$ 0.11	$ 0.22	$ 0.22

The notes are an integral part of these consolidated statements.
</TABLE>
<TABLE>

Brunswick Corporation
Consolidated Balance Sheets
As of June 30, 1994 and December 31, 1993
(dollars in millions)

<CAPTION>

Assets	June 30 1994	December 31 1993
Current assets	(unaudited)	
Cash and cash equivalents, at cost, which		
<S>	<C>	<C>
approximates market	$ 227.5	$ 248.8
Marketable securities	29.3	-
Accounts and notes receivable, less allowances of $18.9 and $16.9	276.0	168.9
Inventories	344.6	321.4
Prepaid income taxes	198.3	186.5
Prepaid expenses	21.4	24.1
Current assets	1,097.1	949.7
Property		
Land	61.2	60.9
Buildings	359.5	357.5
Equipment	741.3	720.9
	1,162.0	1,139.3
Accumulated depreciation	(620.5)	(595.0)
Property	541.5	544.3
Other assets		
Dealer networks	155.7	171.6
Trademarks and other	102.2	106.7
Excess of cost over net assets of businesses acquired	117.1	117.7
Investments	73.3	67.6
Other assets	448.3	463.6
Assets of continuing operations	2,086.9	1,957.6
Net assets of discontinued operations	25.0	26.1

Total assets	$ 2,111.9	$ 1,983.7
Liabilities And Shareholders' Equity		
Current liabilities		
Short-term debt, including current maturities	$ 15.2	$ 11.9
Accounts payable	142.4	122.8
Accrued expenses	458.2	404.5
Income taxes payable	24.0	62.7
Current liabilities	639.8	601.9
Long-term debt		
Notes, mortgages and debentures	322.3	324.5
Deferred items		
Income taxes	121.3	103.9
Postretirement and postemployment benefits	132.6	126.9
Compensation and other	23.4	22.1
Deferred items	277.3	252.9
Common shareholders' equity		
Common stock; authorized: 200,000,000 shares, $.75 par value; issued: 100,687,992 shares at June 30, 1994 and December 31, 1993	75.5	75.5
Additional paid-in capital	261.3	261.4
Retained earnings	709.1	648.5
Treasury stock, at cost: 5,247,583 shares at June 30, 1994 and 5,430,523 shares at December 31, 1993	(98.6)	(102.7)
Minimum pension liability adjustment	(6.7)	(6.7)
Unearned portion of restricted stock issued for future services	(3.3)	(2.3)
Cumulative translation adjustments	9.9	7.9
Unamortized ESOP expense	(74.7)	(77.2)
Common shareholders' equity	872.5	804.4
Total liabilities and shareholders' equity	$ 2,111.9	$ 1,983.7

The notes are an integral part of these consolidated statements.
</TABLE>
<TABLE>

Brunswick Corporation
Consolidated Statements Of Cash Flows
for the six months ended June 30
(dollars in millions)

<CAPTION>

	1994	1993
	(unaudited)	
Cash flows from operating activities		
<S>	<C>	<C>
Net earnings(loss)	$ 81.6	$ 17.7
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization by continuing operations	58.6	57.9
Changes in noncash current assets and current liabilities of continuing operations	(99.1)	(57.3)
Increase in deferred items	23.7	8.0
Other, net	3.9	(1.1)
Cumulative effect of change in accounting principle	-	14.6
Decrease(Increase) in net assets of discontinued operations	1.7	(5.2)
Net cash provided by operating activities	70.4	34.6
Cash flows from investing activities		
Capital expenditures	(39.1)	(36.3)
Investment in marketable securities	(29.3)	-
Proceeds from sales of property	3.6	3.5
Investments in unconsolidated affiliates	(0.3)	(0.2)
Other, net	(2.1)	(0.7)
Net investing activities of discontinued operations	(0.5)	(0.9)

Net cash used for investing activities	(67.7)	(34.6)
Cash flows from financing activities		
Payments of long-term debt, including current maturities	(3.1)	(8.9)
Cash dividends paid	(21.0)	(21.0)
Other, net	0.1	(4.0)
Net cash used for financing activities	(24.0)	(33.9)
Net decrease in cash and cash equivalents	(21.3)	(33.9)
Cash and cash equivalents at January 1	248.8	195.5
Cash and cash equivalents at June 30	$ 227.5	$ 161.6
Supplemental cash flow disclosures:		
Interest paid	$ 12.2	$ 14.9
Income taxes paid, net of refunds	79.8	11.1

The notes are an integral part of these consolidated statements.
</TABLE>

Brunswick Corporation
Notes To Consolidated Financial Statements
June 30, 1994, December 31, 1993 and June 30, 1993
(unaudited)

Note 1 - Accounting policies

This financial data has been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, certain information and disclosures, normally included in financial statements and footnotes prepared in accordance with generally accepted accounting principles, have been condensed or omitted. Brunswick Corporation (the "Company") believes that the disclosures in these statements are adequate to make the information presented not misleading.

These financial statements should be read in conjunction with, and have been prepared in conformity with, the accounting principles reflected in the consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 1993. These interim results include, in the opinion of the Company, all normal and recurring adjustments necessary to present fairly the results of operations for the quarter and six-month periods ended June 30, 1994 and 1993. The 1994 interim results are not necessarily indicative of the results which may be expected for the remainder of the year.

The financial statements have been restated to segregate the results of the Company's discontinued Technical segment. The 1994 operating losses of the Technical Group have been charged against a reserve established at the time the decision to discontinue the segment was announced.

Results for the six months ended June 30, 1993 have been restated for the cumulative effect of the adoption of SFAS No. 112, which represented a change in accounting for employees' postemployment benefits and was adopted by the Company in 1993 retroactive to January 1, 1993.

Note 2 - Earnings per common share

Earnings (loss) per common share are based on the weighted average number of common and common equivalent shares outstanding during each period. Such average shares were 95.8 million and 95.2 million for the quarters ended June 30, 1994 and 1993, respectively, and 95.7 and 95.2 million for the six-month periods ended June 30, 1994 and 1993, respectively.

Note 3 - Inventories

Inventories, of which approximately fifty percent were valued using the LIFO method, consisted of the following at June 30, 1994 and December 31, 1993 (dollars in millions):

	June 30 1994	December 31 1993
Finished goods	$203.4	$188.1
Work in process	73.1	79.1

Raw materials	68.1	54.2
Inventories	$344.6	$321.4

<TABLE>

Note 4 - Consolidated common shareholders' equity

<CAPTION>

(in millions)	Common stock Shares	Common stock Amount	Additional paid-in capital	Retained earnings	Treasury stock Shares	Treasury stock Amount	Minimum Pension liability adjustment	Unearned restricted stock	Cumulative translation adjustments	Unamortized ESOP Expense
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, January 1, 1994	100.7	$75.5	$261.4	$648.5	(5.4)	($102.7)	($6.7)	($2.3)	$7.9	($77.2)
Net Earnings	-	-	-	81.6	-	-	-	-	-	-
Dividends declared ($.22 per common share)	-	-	-	(21.0)	-	-	-	-	-	-
Compensation plans and other	-	-	(0.1)	-	0.2	4.1	-	(1.0)	-	-
Deferred Compensation-ESOP	-	-	-	-	-	-	-	-	-	2.5
Currency translation	-	-	-	-	-	-	-	-	2.0	-
Balance, June 30, 1994	100.7	$75.5	$261.3	$709.1	(5.2)	($98.6)	($6.7)	($3.3)	$9.9	($74.7)

</TABLE>

Note 5 - Debt

Long-term debt at June 30, 1994 and December 31, 1993 consisted of the following (dollars in millions):

	June 30 1994	December 31 1993
Notes, 8.125%, due 1997 (net of discounts of $0.1 and $0.2)	$ 99.9	$ 99.8
Mortgage notes and other, 3% to 10%, payable through 1999	28.0	27.9
Debentures, 7.375%, due 2023, (net of discount of $0.9)	124.1	124.1
Guaranteed ESOP debt, 8.13%, payable through 2004	75.6	78.0
	327.6	329.8
Current maturities	(5.3)	(5.3)
Long-term debt	$322.3	$324.5

As of June 30, 1994, the Company and seventeen banks had a short-term credit agreement for $100 million and a long-term credit agreement for $300 million with termination dates of November 7, 1994 and December 31, 1996, respectively. With mutual agreement between the Company and the banks, the Company may extend both agreements. The short-term credit agreement may be extended each 364 day anniversary, but not beyond December 31, 1996. The long-term credit agreement contains two one-year extension options with the extension requests permitted on the first and second anniversaries, the first extension being November 8, 1994.

Under terms of the agreements, the Company has multiple borrowing options, including borrowings at a corporate base rate, as announced by The First National Bank of Chicago, or a rate tied to the Eurodollar rate. Currently, the Company must pay a facility fee of 0.1875% on the short-term agreement and 0.25% on the long-term agreement.

Note 5 - Debt(Cont.)

Under the agreements, the Company is subject to interest coverage, net worth and leverage tests as well as a restriction on secured debt, as defined. On the interest coverage test, the Company is required to maintain a ratio of consolidated income before interest and taxes, as defined, to consolidated interest expense of not less than 2.0 to 1.0 on a cumulative twelve-month basis. The ratio, on a cumulative twelve-month basis, was 6.7 to 1.0 at June 30, 1994. The leverage ratio of consolidated total debt to capitalization, as defined, may not exceed 0.55 to 1.00 and at June 30, 1994, this ratio was 0.28 to 1.00. The Company also is required to maintain shareholders' equity of at least $711.6 million, with the required level of shareholders' equity at

December 31 of each year being increased by 50% of net earnings for that year. The Company has complied with this limitation and the secured debt limitation as of June 30, 1994. There were no borrowings under the agreements at June 30, 1994.

Note 6 - Litigation

The Company is subject to certain legal proceedings and claims which have arisen in the ordinary course of its business and have not been finally adjudicated. In light of existing reserves, the Company's litigation and claims, including that discussed below, when finally resolved, will not, in the opinion of management, have a material adverse effect on the Company's consolidated financial position and results of operations.

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, in many instances seek compensation 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.

In June 1992, Genmar Industries brought an action against the Company and certain of its subsidiaries in the United States District Court for the District of Minnesota, alleging that the Company (i) has monopolized or attempted to monopolize the sale of recreational marine engines and boats, (ii) has unlawfully coerced engine purchasers to buy the Company's boats, (iii) has breached its contract with Genmar, (iv) has not dealt in good faith with Genmar, and (v) has interfered with Genmar's existing and prospective business relationships. Genmar has asked that the Company be required to divest its boat manufacturing business, be enjoined from continuing its partnership with Tracker Marine, and pay damages, including treble damages under antitrust laws. The Company believes, based upon its assessment of the complaint and in consultation with counsel, that this litigation is without merit and intends to defend itself vigorously. Parties to this suit have exchanged written discovery and have begun depositions.

The Company has received a Grand Jury subpoena from the U.S. Attorney's Office in Abingdon, Virginia relating to an investigation of its quality control and inspection procedures of radomes for F-16 aircraft at its Marion, Virginia plant. The Company for the past two years has been fully cooperating with the investigation and does not believe that it has violated any laws, or that the investigation, once completed, will have a material impact on the Company. However, until these matters are resolved, the sale of the Company's Technical Group is being delayed.

Note 6 - Litigation(Cont.)

The Federal Trade Commission is conducting an investigation of whether the formation or operations of Tracker Marine L.P. and the Company's contracts with Tracker Marine L.P. violate the antitrust laws. The Company has received and responded to a subpoena seeking information relating to the Company's outboard motor sales. The Company understands that other marine companies have received similar subpoenas from the Federal Trade Commission.

Note 7 - Income Taxes

In January 1994, the Company reached an agreement with the U.S. Internal Revenue Service ("IRS") regarding its examination of the Company for the years 1985 and 1986. The issues of this examination dealt primarily with the deductibility of approximately $500 million of acquired intangible assets, which the IRS proposed to reclassify to non-deductible intangible assets. Under the terms of the agreement, the IRS has agreed to allow amortization deductions for virtually all of the acquired intangible assets, and the Company has agreed to increase the amortizable lives of most of the acquired intangible assets.

The revised lives create a temporary difference which resulted in an initial obligation by the Company to pay the IRS approximately $55 million during the first quarter of 1994, representing taxes and interest, net of taxes, for the years 1986 through 1993. This initial $55 million obligation will subsequently be reduced by the future tax benefits of the temporary difference created by the agreeement. Since the interest was charged to existing reserves and the taxes paid represent temporary differences which create, and have been recorded as, deferred tax assets, this agreement had no impact on the Company's consolidated results of operations.

Note 8 - Segment Data

The following table sets forth net sales and operating earnings of each of the Company's industry segments for the quarter and six-month periods ended June 30, 1994 and 1993.

	Quarter Ended June 30			
	1994		1993	
	Net Sales	Operating Earnings	Net Sales	Operating Earnings
Marine	$ 563.0	$ 79.0	$ 431.9	$ 32.2
Recreation	185.2	22.0	157.1	17.7
Segments	748.2	101.0	589.0	49.9
Corporate	-	(12.6)	-	(7.2)
Consolidated	$ 748.2	$ 88.4	$ 589.0	$ 42.7

	Six-Months Ended June 30			
	1994		1993	
	Net Sales	Operating Earnings	Net Sales	Operating Earnings
Marine	$1,020.5	$ 108.3	$ 804.4	$ 33.1
Recreation	362.6	48.5	327.4	47.1
Segments	1,383.1	156.8	1,131.8	80.2
Corporate	-	(23.7)	-	(16.0)
Consolidated	$1,383.1	$ 133.1	$1,131.8	$ 64.2

Management's Discussion and Analysis
Cash Flow, Liquidity and Capital Resources

For the six months ended June 30, 1994, cash and cash equivalents decreased $21.3 million compared to a decrease of $33.9 million in the first six months of 1993. Net cash provided by operating activities increased to $70.4 million for the first six months of 1994 from the $34.6 million in the same period of 1993. The increase in cash provided by operating activities was a result of the increase in net earnings to $81.6 million from $17.7 million in 1993, which was partially offset by increased non-cash working capital requirements for accounts receivable, inventory, accounts payable and a payment to the IRS in settlement of a dispute relating to the years 1985 and 1986 (as discussed on page 8, Note 7).

Net cash used for investing activities in the first six months of 1994 increased $33.1 million to $67.7 million from the $34.6 million in the comparable period of 1993 primarily as a result of investing $29.3 million in marketable securities with maturities greater than 90 days.

Net cash used for financing activities decreased to $24.0 million in the first six months of 1994 from $33.9 million in the same period of 1993. The decrease resulted primarily from decreased payments on long-term debt.

Working capital at June 30, 1994 was $457.3 million compared to $347.8 million at December 31, 1993. The Company's current ratio was 1.7 at June 30, 1994 compared to 1.6 at December 31, 1993.

Total debt at June 30, 1994 was $337.5 million compared to $336.4 million at December 31, 1993. The Company's debt-to-capitalization ratio was 27.9% at June 30, 1994 compared to 29.5% at December 31, 1993.

The Company maintains a $100 million short-term and a $300 million long-term line of credit agreement with a group of banks. For an explanation of the agreement and a discussion of the specific covenant restrictions, see page 6, Note 5 - Debt.

Capital expenditures for the first six months of 1994 were $39.1 million compared to $36.3 million for the comparable period of 1993. The Company believes that operating cash flows and existing cash balances, supplemented when necessary with short and/or long-term borrowings, will continue to provide the financial resources necessary for capital expenditures and working capital requirements.

Management's Discussion and Analysis
Results of Operations
Second Quarter and First Six Months of 1994 vs. 1993

Net Sales

Consolidated net sales from continuing operations for the second quarter of 1994 increased 27% to $748.2 million from $589.0 million in the second quarter of 1993. For the six months ended June 30, 1994, net sales from continuing operations improved 22% to $1,383.1 million from $1,131.8 million for the same period of 1993. The Marine and Recreation segments each contributed to the increases in both periods.

The Marine segment net sales for the second quarter of 1994 increased 30% to $563.0 million from $431.9 million for the same period of 1993. For the six months ended June 30, 1994, net sales improved to $1,020.5 million, or 27%, over the first six months of 1993. For the quarter ended June 30, 1994, domestic sales increased 36% while international sales increased 14%. For the six months ended June 30, 1994, domestic sales improved 32% and international sales rose 12% over prior year levels. Worldwide demand for marine engines and boats was responsible for the increases in both reporting periods. Dealer inventories have declined due to the strong increase in retail sales in the quarter and six month periods.

The Recreation segment's net sales for the second quarter of 1994 rose 18% to $185.2 million from $157.1 million for the same period of 1993. For the six months ended June 30, 1994, net sales increased 11% to $362.6 million compared to $327.4 million in 1993. The increase in second quarter and six months' net sales resulted primarily from increased demand for the products of the Zebco Division and continued strong demand in international markets, principally, the Far East and Europe, for bowling capital equipment of the Brunswick Division. Although the BRC Division's sales increased by 1% in the second quarter, the Division's six-month sales declined slighty from 1993 levels due to reduced bowling lineage as a result of the severe winter weather experienced in many sections of the United States and Canada, and the California earthquake, which closed several recreation centers in the first quarter of 1994.

Operating Earnings

For the second quarter of 1994, operating earnings from continuing operations rose to $88.4 million from $42.7 million in the second quarter of 1993. For the six months ended June 30, 1994, operating earnings were $133.1 million compared to $64.2 million for the same period of 1993.

The Marine segment reported operating earnings of $79.0 million for the second quarter of 1994 compared to $32.2 million for the same period of 1993. For the six-months ended June 30, 1994, operating earnings increased to $108.3 million from the $33.1 million in the comparable period of 1993. In both periods, the domestic and international sales increases discussed previously, combined with a more favorable product mix and the benefits of the cost reductions and consolidation programs that began in 1989 resulted in the improvement.

Operating Earnings(Cont.)

The Recreation segment operating earnings rose to $22.0 million in the second quarter of 1994 from $17.7 million in the same period of 1993. For the six months ended June 30, 1994, operating earnings were $48.5 million compared to $47.1 million in the 1993 period. The increase in both reporting periods resulted primarily from the sales increase at the Zebco Division offset by increased start-up costs associated with new business projects, both internationally and domestically, and an operating loss in the golf unit at the Brunswick Division, and start-up costs associated with the BRC Division's Circus World Pizza operations.

Corporate expenses for the second quarter ended June 30, 1994 increased to $12.6 million from $7.2 million in 1993 and for the six months ended June 30, 1994 increased to $23.7 million from $16.0 million in 1993 primarily due to a second quarter charge for severance of $1.6 million, losses on interest rate swaps of $1.0 million in each of the two quarters of 1994 and increased incentive compensation expenses of $0.5 million and $0.6 million in the first and second quarters of 1994, respectively.

Interest Expense and Other Items, Net

Interest expense for the first six months of 1994 declined to $13.3 million from $14.5 million in the same period of 1993. The decline resulted primarily from average lower levels of ESOP and other debt, and reduced interest expense on the $125 million 7.375% debentures that were issued on August 25, 1993 versus the $100 million 9.875% sinking fund debentures that were redeemed on August 9, 1993. For the second quarter 1994, interest income and other items, net increased to $6.2 million from $4.8 million for the same period of 1993 primarily from increased foreign currency gains and interest income. For the six months ended June 30, 1994, interest income and other items, net increased to $9.7 million from the $8.1 million for the same period of 1993 primarily due to increases in equity in earnings from unconsolidated affiliates and interest income.

Income Taxes

The effective tax rate from continuing operations for the second quarter and first six months of 1994 was 37% compared to 44% for the same periods of 1993. The decline in the effective tax rate resulted primarily from increased tax credits and the impact of tax rates on the mix of the Company's income, as well as the settlement of a dispute with the IRS, as discussed in Note 7 on page 8. The effective tax rate for both periods exceeds the statutory rate due to the impact of nondeductible permanent differences and the effect of higher foreign tax rates.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits.

None.

(b) Reports on Form 8-K.

The Company filed no reports on Form 8-K during the three months ended June 30, 1994.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BRUNSWICK CORPORATION

August 9, 1994 By /s/ Thomas K. Erwin *

*Mr. Erwin is signing this report both as a duly authorized officer and as the chief accounting officer.