SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For the quarterly period ended June 30, 1999

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)

(847) 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 10, 1999, there were 92,009,953 shares of the Company's Common Stock ($.75 par value) outstanding.

Part I- Financial Information
<TABLE>
Item I-Financial Statements

Brunswick Corporation
Consolidated Statements of Income
for the periods ended June 30
(in millions, except per share data)
(unaudited)

	Quarter ended June 30		Six Months ended June 30	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
Net sales	1,175.2	1,113.0	2,258.2	2,017.2
Cost of sales	835.8	795.3	1,628.2	1,443.2
Selling, general and administrative expense	195.2	173.8	376.2	322.0
Operating earnings	144.2	143.9	253.8	252.0
Interest expense	(15.1)	(16.0)	(30.6)	(30.9)
Other income	2.0	4.7	0.8	6.5
Earnings before income taxes	131.1	132.6	224.0	227.6
Income tax provision	48.7	49.2	84.0	85.3
Net earnings	82.4	83.4	140.0	142.3
Earnings per common share:				
Basic	0.90	0.84	1.52	1.43
Diluted	0.89	0.83	1.51	1.42

Average shares used for computation of:				
Basic earnings per share	91.9	99.4	91.9	99.4
Diluted earnings per share	92.6	100.4	92.5	100.5
Cash dividends declared per common share	0.125	0.125	0.25	0.25

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

<TABLE>
Brunswick Corporation
Consolidated Balance Sheets
As of June 30, 1999, December 31, 1998, and June 30, 1998
(in millions, except share data)
(unaudited)

	June 30, 1999	December 31, 1998	June 30, 1998
Assets			
Current assets			
Cash and cash equivalents, at cost,			
<S>	<C>	<C>	<C>
which approximates market	108.2	126.1	71.0
Accounts and notes receivable,			
less allowances of $24.4, $22.5 and $22.0	595.2	420.8	610.4
Inventories			
Finished goods	376.2	383.6	345.0
Work-in-process	143.5	141.3	142.6
Raw materials	122.0	120.6	133.6
Net inventories	641.7	645.5	621.2
Prepaid income taxes	228.0	208.7	221.6
Prepaid expenses	51.4	53.3	41.5
Current assets	1,624.5	1,454.4	1,565.7
Property			
Land	70.6	72.0	74.3
Buildings	403.0	412.0	442.1
Equipment	973.0	950.9	884.4
Total land, buildings and equipment	1,446.6	1,434.9	1,400.8
Accumulated depreciation	(730.8)	(699.0)	(693.8)
Net land, buildings and equipment	715.8	735.9	707.0
Unamortized product tooling costs	120.3	109.2	101.3
Net property	836.1	845.1	808.3
Other assets			
Goodwill	707.4	718.9	728.6
Other intangibles	94.4	101.6	108.6
Investments	85.0	71.2	99.6
Other long-term assets	165.8	160.3	164.4
Other assets	1,052.6	1,052.0	1,101.2
Total Assets	3,513.2	3,351.5	3,475.2
Liabilities and Shareholders' Equity			
Current liabilities			
Short-term debt, including			
current maturities of long-term debt	188.1	170.1	225.6
Accounts payable	276.4	286.1	259.1
Accrued expenses	590.9	574.6	560.3
Income taxes payable	28.2	5.6	30.7
Current liabilities	1,083.6	1,036.4	1,075.7
Long-term debt			
Notes, mortgages and debentures	629.1	635.4	641.8
Deferred items			
Income taxes	161.2	165.1	138.3
Postretirement and postemployment benefits	142.4	141.1	139.5
Compensation and other	65.8	62.2	61.7

Deferred items	369.4	368.4	339.5
Common shareholders' equity			
Common stock; authorized: 200,000,000 shares, $.75 par value; issued: 102,538,000 shares	76.9	76.9	76.9
Additional paid-in capital	312.9	311.5	311.3
Retained earnings	1,306.5	1,189.5	1,169.6
Treasury stock, at cost: 10,690,000; 10,669,000 and 3,346,000 shares	(209.8)	(204.7)	(74.1)
Unamortized ESOP expense and other	(52.0)	(56.1)	(61.5)
Accumulated other comprehensive income	(3.4)	(5.8)	(4.0)
Common shareholders' equity	1,431.1	1,311.3	1,418.2
Total liabilities and shareholders' equity	3,513.2	3,351.5	3,475.2

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)
(unaudited)

	Six Months ended June 30	
	1999	1998
Cash flows from operating activities		
<S>	<C>	<C>
Net earnings	140.0	142.3
Depreciation and amortization	83.6	79.3
Changes in noncash current assets and current liabilities	(158.2)	(226.9)
Income taxes	4.9	45.6
Other, net	4.6	(2.7)
Net cash provided by operating activities	74.9	37.6
Cash flows from investing activities		
Acquisitions of businesses	(2.3)	(31.9)
Capital expenditures	(67.4)	(73.0)
Payments advanced for long-term supply agreements	(7.1)	(5.5)
Investments	0.0	(21.6)
Other, net	3.1	10.3
Net cash used for financing activities	(73.7)	(121.7)
Cash flows from financing activities		
Net proceeds from issuances of short-term commercial paper and other short-term debt	16.2	116.2
Payments of long-term debt including current maturities	(4.6)	(3.5)
Cash dividends paid	(23.0)	(24.9)
Stock repurchases	(10.5)	(24.8)
Stock options exercised	2.8	6.5
Net cash (used for)/provided by financing activities	(19.1)	69.5
Net decrease in cash and cash equivalents	(17.9)	(14.6)
Cash and cash equivalents at January 1	126.1	85.6
Cash and cash equivalents at June 30	108.2	71.0
Supplemental cash flow disclosures:		
Interest paid	37.1	36.7
Income taxes paid, net	79.1	39.7
Treasury stock issued for compensation plans and other	8.4	12.4

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

Brunswick Corporation
Notes to Consolidated Financial Statements
June 30, 1999, December 31, 1998 and
June 30, 1998
(unaudited)

Note 1 - Accounting Policies

This unaudited 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. Certain previously reported amounts have been reclassified to conform with the current-period presentation.

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, 1998. 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 quarters ended June 30, 1999 and 1998. The 1999 interim results are not necessarily indicative of the results that may be expected for the remainder of the year.

Note 2 - Earnings Per Common Share

There is no difference in the net earnings used to compute the Company's basic and diluted earnings per share. The difference in the weighted-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. The weighted-average number of shares of potential common stock was 0.7 million and 1.0 million for the quarters ended June 30, 1999 and 1998, respectively, and 0.6 million and 1.1 million for the six-month periods ended June 30, 1999 and 1998, respectively.

Note 3 - Debt

Short-term debt, including current maturities of long-term debt, increased to $188.1 million at June 30, 1999, versus $170.1 million at December 31, 1998, due to increased short-term borrowings to fund seasonal working capital requirements and capital expenditures.

Note 4 - Litigation

On June 19, 1998, a jury awarded $44.4 million in damages in a suit brought in December 1995 by Independent Boat Builders, Inc., a buying group of boat manufacturers and 22 of its members. The lawsuit, Concord Boat Corporation, et al. v. Brunswick Corporation (Concord), was filed in the United States District Court for the Eastern District of Arkansas, and alleged that the Company unlawfully monopolized, unreasonably restrained trade in, and made acquisitions that substantially lessened competition in the market for sterndrive and inboard marine engines in the United States and Canada. Under the antitrust laws, the damage award has been trebled, and plaintiffs will be entitled to their attorneys' fees and interest. Under current law, any and all amounts paid by the Company will be deductible for tax purposes.

The trial court judge denied the Company's post-trial motions seeking to set aside the verdict and for a new trial. The judge also denied all forms of equitable relief sought by the plaintiffs in connection with the jury verdict, including their requests for divestiture of the Company's principal boat manufacturing operations and orders precluding the Company from implementing various marketing and pricing programs and from acquiring other marine-related companies or assets. The judge granted the Company's motion for judgment as a matter of law on its counterclaim which asserted a per se violation of the antitrust laws by a group of six of the plaintiffs and awarded nominal damages. Plaintiffs dismissed, voluntarily, two related claims which had alleged that the Company attempted to monopolize the outboard engine and sterndrive boat markets.

On November 4, 1998, the Company filed an appeal contending the Concord verdict was erroneous as a matter of law, both as to liability and damages. Plaintiffs filed a cross appeal on the denial of equitable relief and on the judgment against certain of them on the counterclaim. Briefing on all issues on appeal is complete and oral argument is expected in the fall of 1999. The Company is not presently able to reasonably estimate the ultimate outcome of this case, and accordingly, no expense for this judgment has been recorded. If the adverse judgment is sustained after all appeals, satisfaction of the judgment is likely to have a material adverse effect on the Company's results of operations for a particular year, but is not expected to have a material adverse effect on the Company's financial condition.

On October 23, 1998, a suit was filed in the United States District Court for the District of Minnesota by two independent boat builders alleging antitrust violations by the Company in the sterndrive and inboard engine business, seeking to rely on both the liability and damage findings of the Concord litigation. In this suit, KK Motors et al. v. Brunswick Corporation (KK Motors), the named plaintiffs also seek to represent a class of all allegedly similarly situated boat builders whose claims have not been resolved in Concord or in other judicial proceedings. Sales of sterndrive and inboard marine engines to the Concord plaintiffs are estimated to have represented less than one-fifth of the total sold to independent boat builders during the six-and-one-half year time period for which damages were awarded in that suit. The complaint in the KK Motors case seeks damages for a time period covering slightly less than four years.

On December 23, 1998, Volvo Penta of the Americas, Inc., Brunswick's principal competitor in the sale of sterndrive marine engines, filed suit in the United States District Court for the Eastern District of Virginia. That suit, Volvo Penta of the Americas v. Brunswick Corporation (Volvo), also invokes the antitrust allegations of the Concord action and seeks injunctive relief and damages in an unspecified amount for an unspecified time period.

On February 10, 1999, a former dealer of Brunswick boats filed suit in the United States District Court for the District of Minnesota, also seeking to rely on the liability findings of the Concord action. This suit, Amo Marine Products, Inc. v. Brunswick Corporation (Amo) seeks class status purporting to represent a class of all marine dealers who purchased directly from Brunswick sterndrive or inboard engines or boats equipped with sterndrive or inboard engines during the period January 1, 1986, to June 30, 1998. Sales by Brunswick of boats equipped with sterndrive or inboard engines to dealers accounted for less than half of such engines produced during the time period covered by the complaint; sales of such engines directly to dealers were de minimis. The complaint seeks damages in an unspecified amount and requests injunctive relief. On March 31, 1999, another suit, Jack's Marina, Inc. v. Brunswick (Jack's Marina), was filed in the same court seeking to represent the same putative class as Amo.

On February 16, 1999, a suit was filed in the Circuit Court of Washington County, Tennessee, by an individual claiming that the same conduct challenged in the Concord action violated various antitrust and consumer protection laws of 16 states and the District of Columbia. In that suit, Couch v. Brunswick (Couch), plaintiff seeks to represent a class of all indirect purchasers of boats equipped with Brunswick sterndrive or inboard engines in seventeen jurisdictions. The plaintiff claims damages in an unspecified amount during the period from 1986 to the filing of the complaint and also requests injunctive relief.

It is possible that additional suits will be filed, in either federal or state court, asserting allegations similar to those in the existing complaints and purporting to represent similar or overlapping classes of claimants.

The Company has answered or will answer each of these new complaints denying liability and asserting various defenses. In addition, the Company filed motions to stay all proceedings or stipulated with the plaintiffs to a stay in each of these matters pending the resolution of the appeal in the Concord action because it believes that an appellate decision in that matter is likely to have an impact on each of these recently filed actions. In the KK Motors and Amo cases, the court granted a stay of all proceedings on the merits of plaintiffs' claims, but has allowed the cases to proceed on class certification and certain procedural matters. In the Volvo case the court has denied the stay. The Company is currently engaged in discovery in the KK Motors, Amo and Volvo cases. The Volvo case is currently set for trial in the first quarter of 2000.

Because litigation is subject to many uncertainties, the Company is unable to predict the outcome of any of the above referenced actions. While there can be no assurance, the Company believes the adverse judgment in the Concord case is likely to be reversed on appeal and that any such reversal will have an impact on all related actions. If the Concord judgment is sustained after all appeals, however, and if the KK Motors and/or Amo and Jack's Marina cases successfully proceed as class actions on behalf of all described potential claimants substantially as alleged, and if plaintiffs are successful, the damages ultimately payable by the Company would have a material adverse effect on the Company's financial condition and results of operations. The Company is unable at this time to assess the magnitude of damages that either Volvo or the Couch plaintiffs might assert. Because of a variety of factors affecting both the likelihood and size of any damage award to these or any other potential claimants, the Company is unable to estimate the range, amount or timing of its overall possible exposure.

Note 5 - Segment Data

The following table sets forth net sales and operating earnings of each of the Company's operating segments for the quarter and six-month periods ended June 30, 1999 and 1998 (in millions):

	Quarter ended June 30,			
	1999		1998	
	Net Sales	Operating Earnings	Net Sales	Operating Earnings
Outdoor Recreation	$ 229.6	$ 21.0	$ 231.4	$ 27.3
Indoor Recreation	162.5	7.4	159.5	1.6
Boat *	390.7	39.8	360.6	43.2
Marine Engine	469.1	87.5	441.0	79.3
Corporate/Other	(76.7)	(11.5)	(79.5)	(7.5)
Consolidated	$ 1,175.2	$ 144.2	$ 1,113.0	$ 143.9

	Six Months ended June 30,			
	1999		1998	
	Net Sales	Operating Earnings	Net Sales	Operating Earnings
Outdoor Recreation	$ 442.7	$ 34.6	$ 389.1	$ 45.7
Indoor Recreation	347.3	31.0	323.1	17.8
Boat *	759.1	69.2	674.3	75.5
Marine Engine	855.8	141.0	772.7	128.6
Corporate/Other	(146.7)	(22.0)	(142.0)	(15.6)
Consolidated	$ 2,258.2	$ 253.8	$ 2,017.2	$ 252.0

*Boat segment operating earnings for the quarter and six-month periods ended June 30, 1998, include $7.5 million and $15.0 million, respectively, of income recorded in connection with a settlement with certain boat dealers.

Note 6 - Strategic Charges

During the third quarter of 1998, the Company recorded a pretax charge of $60.0 million ($41.4 million after tax) in the Indoor and Outdoor Recreation segments to cover costs associated with strategic initiatives designed to streamline operations and enhance operating efficiencies in response to the effect of the economic situation in Asia and other emerging markets on its businesses. These actions were substantially completed during 1998.

During the third quarter of 1997, the Company recorded a pretax charge of $98.5 million ($63.0 million after tax) to cover costs associated with strategic initiatives designed to streamline its operations and improve global manufacturing costs. These actions were substantially completed during 1998.

The Company's accrued expense balances relating to 1998 and 1997 strategic charges as of June 30, 1999, and December 31, 1998, were as follows (in millions):

	December 31, 1998	1999 Activity	June 30, 1999
Severance	$ 16.1	$ 6.4	$ 9.7
Lease termination	10.6	1.3	9.3
Other incremental costs	10.8	2.3	8.5
Total	$ 37.5	$ 10.0	$ 27.5

In connection with these charges, the Company is disposing of certain assets. Assets to be disposed as a result of the 1998 charge had a gross carrying value of $35.2 million as of September 30, 1998, with related reserves of $28.8 million. These assets had a gross carrying value of $11.3 million as of June 30, 1999, with related reserves of an equal amount. Assets to be disposed as a result of the 1997 charge had a gross carrying value of $30.1 million as of September 30, 1997, with related reserves of $26.4 million. These assets had a gross carrying value of $10.3 million as of June 30, 1999, with related reserves of an equal amount.
The Company is pursuing plans to complete the remaining sales of these assets in 1999.

Note 7 - Comprehensive Income
Accumulated other comprehensive income includes cumulative translation, unrealized gains and losses on investments and minimum pension liability adjustments. Comprehensive income for the quarters and six-month periods ended June 30, 1999 and 1998, was as follows (in millions):

	Quarter ended June 30		Six Months ended June 30	
	1999	1998	1999	1998
Net earnings	$ 82.4	$ 83.4	$ 140.0	$ 142.3
Other comprehensive income (loss)	2.0	0.5	2.4	(3.8)
Comprehensive income	$ 84.4	$ 83.9	$ 142.4	$ 138.5

Item 2. - Management's Discussion and Analysis

Overview

The Company's financial results in the second quarter of 1999 continue to reflect the favorable effect of its growth strategy, which includes expanding existing brands through effective marketing programs and product innovations, and managing costs to improve operating margins.

Results of Operations

Consolidated

The following table sets forth certain ratios and relationships calculated from the consolidated statements of income for the quarter and six-month periods ended June 30:

	Quarter ended June 30		Six Months ended June 30	
	1999	1998	1999	1998
Percentage increase (decrease) versus the prior year in:				
Net sales	5.6%	10.4%	11.9%	9.0%
Operating earnings	0.2%	4.3%	0.7%	8.9%
Net earnings	(1.2%)	0.6%	(1.6%)	4.9%
Diluted earnings per share	7.2%	0.0%	6.3%	4.4%
Expressed as a percentage of net sales:				
Gross margin	28.9%	28.5%	27.9%	28.5%
Selling, general and				

administrative expense	16.6%	15.6%	16.7%	16.0%
Operating margin	12.3%	12.9%	11.2%	12.5%

In the second quarter of 1999, sales increased $62.2 million or 5.6 percent to $1,175.2 million from $1,113.0 million in 1998. The gain in second quarter revenues reflects continued improvement in the mix of boat sales driven by increased sales of larger boats, along with sales gains due to strong demand for marine parts and accessories, sterndrive engines and new low-emission outboard engines. In the year-to-date period, sales increased by $241.0 million to $2,258.2 million from $2,017.2 million in 1998 due to the aforementioned improvements in boat and marine engine sales and increased sales of bicycles in the first quarter of 1999 due to expanded distribution.

Gross margins improved to 28.9 percent in the second quarter of 1999 versus 28.5 percent in 1998 while the year-to-date comparisons resulted in a decline to 27.9 percent in 1999 versus 28.5 percent in 1998. The improvement in gross margins for the quarter reflects margin gains in the bowling business attributable to the strategic actions taken in late 1998. Also contributing to the gain was an improvement in boat margins caused by a decline in retail incentives and the continued growth in sales of larger, higher-margin boats. The decline in year-to-date gross margins reflects a shift in sales mix resulting from strong sales gains in lower-margin product offerings including bikes and low-emission engines, along with a $5.0 million inventory write-down resulting from actions taken in the camping business in the first quarter of 1999.

Selling, general and administrative expenses (SG&A expenses) increased 12.3 percent to $195.2 million in the second quarter of 1999 versus $173.8 million in 1998. In the year-to-date period, SG&A expenses increased 16.8 percent totaling $376.2 million in 1999 and $322.0 million in 1998. SG&A expenses in 1998 include income of $7.5 million recorded in the second quarter and $15.0 million recorded in the year-to-date period relating to a settlement reached with certain of the Company's boat dealers, MarineMax, Inc. Excluding this settlement, SG&A expenses as a percent of sales in the quarter increased slightly to 16.6 percent from 16.3 percent and in the year-to-date period remained flat at 16.7 percent.

Operating earnings totaled $144.2 million in the second quarter of 1999 versus $143.9 million in 1998. In 1999, year-to-date operating earnings totaled $253.8 million compared with $252.0 million in the same period last year. Excluding the aforementioned settlement in 1998, second quarter operating earnings increased 5.7 percent and operating margins were 12.3 percent in both the 1999 and 1998 periods while year-to-date operating earnings increased 7.1 percent and operating margins declined to 11.2 percent in 1999 from 11.7 percent in 1998.

Other income was $2.0 million in the second quarter of 1999 versus $4.7 million in 1998. In the year-to-date period, other income totaled $0.8 million in 1999 and $6.5 million in 1998. These declines primarily reflect the unfavorable effects of foreign currency-related adjustments along with reductions in interest income.

Net earnings were $82.4 million in the second quarter of 1999 versus $83.4 million in 1998, and diluted earnings per share for those periods were $0.89 and $0.83, respectively. For the year-to-date periods, net earnings totaled $140.0 million in 1999 and $142.3 million in 1998 while diluted earnings per share totaled $1.51 and $1.42, respectively. Excluding the aforementioned gain recorded on the settlement with boat dealers, net earnings in the second quarter and year-to-date periods of 1998 were $78.8 million and $133.1 million, respectively, and diluted earnings per share in those periods totaled $0.78 and $1.32, respectively. Excluding the settlement, net earnings for the quarter and year-to-date periods increased 4.6 percent and 5.2 percent, respectively. Diluted earnings per share increased 14.1 percent and 14.4 percent, respectively, for the quarter and year-to-date periods.

Average common shares outstanding used to calculate diluted earnings per share for the quarter decreased to 92.6 million in 1999 from 100.4 million in 1998, and in the six-month period decreased to 92.5 million in 1999 from 100.5 million in 1998. These decreases reflect primarily the 7.0 million shares of stock repurchased during the fourth quarter of 1998 along with shares repurchased under a systematic share repurchase program initiated in 1997.

Outdoor Recreation Segment

The following table sets forth Outdoor Recreation segment results for the quarter and six-month periods ended June 30 (dollars in millions):

	Quarter ended June 30		Six Months ended June 30	
	1999	1998	1999	1998
Net sales	$ 229.6	$ 231.4	$ 442.7	$ 389.1
Operating earnings	$ 21.0	$ 27.3	$ 34.6	$ 45.7
Operating margin	9.1%	11.8%	7.8%	11.7%
Capital expenditures	$ 8.0	$ 4.4	$ 16.4	$ 11.1

In the second quarter of 1999, Outdoor Recreation segment sales decreased 0.8 percent to $229.6 million, while sales for the first six months of 1999 increased 13.8 percent to $442.7 million. In the second quarter of 1999, an increase in fishing equipment sales due to demand for recently introduced new products was offset by lower sales in the camping, bikes and coolers businesses. The six-month sales improvement was the result of increased bicycle sales due to expanded distribution and improvements in sales of ice chests, beverage coolers and fishing equipment driven by new product introductions, partially offset by lower camping equipment sales.

Operating earnings for the segment decreased to $21.0 million or 23.1 percent in the second quarter of 1999, compared with $27.3 million in the same period last year, and operating margins decreased to 9.1 percent from 11.8 percent. The decline in segment operating earnings was primarily due to labor shortages and start-up costs associated with new manufacturing equipment in the coolers business, marketing expenditures in the fishing business for Zebco's 50th anniversary promotions and increased investments in information technology for the fishing and camping businesses.

Outdoor Recreation segment operating earnings for the first six months of 1999 were $34.6 million, a 24.3 percent decrease compared with $45.7 million in 1998. Operating margins declined to 7.8 percent compared with 11.7 percent in 1998. The decline in operating margins reflects a shift in sales mix resulting from strong sales gains in lower-margin bikes, the aforementioned factors in the cooler and fishing businesses and actions taken in the first quarter to better position this segment to improve its performance in the future. In the first quarter of 1999, the Company implemented promotional programs designed to lower inventories of slower moving camping products and reduced the number of products offered to concentrate efforts on fewer, but higher-margin products. This resulted in a $5.0 million inventory write-down in the first quarter of 1999. These actions along with continued emphasis on effective cost management, investments in new product launches and aggressive marketing activities are expected to result in earnings growth for this segment in the later part of the year.

Indoor Recreation Segment

The following table sets forth Indoor Recreation segment results for the quarter and six-month periods ended June 30 (dollars in millions):

	Quarter ended June 30		Six Months ended June 30	
	1999	1998	1999	1998
Net sales	$ 162.5	$ 159.5	$ 347.3	$ 323.1
Operating earnings	$ 7.4	$ 1.6	$ 31.0	$ 17.8
Operating margin	4.6%	1.0%	8.9%	5.5%
Capital expenditures	$ 7.1	$ 9.1	$ 12.8	$ 18.6

The Indoor Recreation segment recorded sales of $162.5 million in the second quarter of 1999, which represents a 1.9 percent increase from $159.5 million in the same period last year. Sales for the first six months of 1999 increased 7.5 percent to $347.3 million from $323.1 million in 1998. The sales increase for both periods was a result of growth in fitness equipment sales due to a continuing strong health club market in the United States, Europe and the United Kingdom, increased sales of bowling equipment to upgrade bowling centers in the United States and increased bowling center revenues. These improvements were partially offset by weak bowling equipment sales in the Asian and European markets.

Operating earnings in the second quarter of 1999 increased to $7.4 million from $1.6 million in 1998, and operating margins for the segment were 4.6 percent compared with 1.0 percent in 1998. Operating earnings for the first six months of 1999 increased 74.2 percent to $31.0 million from $17.8 million in 1998, and operating margins increased to 8.9 percent from 5.5 percent. These improvements reflect the benefits from strategic actions taken in 1998 to address the effect of the Asian economic situation on bowling equipment sales along with increased sales.

Boat Segment

The following table sets forth Boat segment results for the quarter and six-month periods ended June 30 (dollars in millions):

	Quarter ended June 30		Six Months ended June 30	
	1999	1998	1999	1998
Net sales	$ 390.7	$ 360.6	$ 759.1	$ 674.3
Operating earnings	$ 39.8	$ 43.2	$ 69.2	$ 75.5
Operating margin	10.2%	12.0%	9.1%	11.2%

Capital expenditures	$ 9.2	$ 10.6	$ 15.6	$ 19.3

The Boat segment reported sales of $390.7 million in the second quarter of 1999, an 8.3 percent increase from $360.6 million in 1998. Sales for the six-month period of 1999 increased 12.6 percent to $759.1 million from $674.3 million in 1998. These improvements are the result of continued strong demand for larger boats.

Operating earnings for the segment were $39.8 million in the second quarter of 1999 compared with $43.2 million in the same period of 1998, and operating margins decreased to 10.2 percent from 12.0 percent. Boat operating earnings for the first six months of 1999 were $69.2 million compared with $75.5 million in 1998 and operating margins decreased to 9.1 percent in 1999 from 11.2 percent in 1998. The Company recorded income of $7.5 million and $15.0 million in the second quarter and six-month periods of 1998, respectively, in connection with the aforementioned settlement reached with certain of the Company's boat dealers. Excluding this settlement, operating earnings totaled $35.7 million and operating margins were 9.9 percent in the second quarter of 1998 and operating earnings were $60.5 million and operating margins were 9.0 percent in the six-month period of 1998. The improvements in operating earnings and margins in both reporting periods, excluding the settlement, reflects the benefits from a reduction in retail price incentives and strong demand for larger, higher-margin boats. In addition, actions taken in the first quarter to rationalize certain product lines and manufacturing operations contributed to the improvement in second quarter operating margins.

Marine Engine Segment

The following table sets forth Marine Engine segment results for the quarter and six-month periods ended June 30 (dollars in millions):

	Quarter ended June 30		Six Months ended June 30	
	1999	1998	1999	1998
Net sales	$ 469.1	$ 441.0	$ 855.8	$ 772.7
Operating earnings	$ 87.5	$ 79.3	$ 141.0	$ 128.6
Operating margin	18.7%	18.0%	16.5%	16.6%
Capital expenditures	$ 11.4	$ 11.7	$ 21.8	$ 22.7

Marine Engine segment sales increased 6.4 percent to $469.1 million in the second quarter of 1999 and 10.8 percent to $855.8 million in the first six months of 1999. The increase in both periods is due to strong growth in sterndrive engines, parts and accessories and new low-emission outboard engines.

Operating earnings for the segment increased to $87.5 million in the second quarter of 1999 compared with $79.3 million in 1998, and operating margins increased to 18.7 percent from 18.0 percent. For the first six months of 1999, operating earnings increased to $141.0 million from $128.6 million, and operating margins decreased to 16.5 percent from 16.6 percent. Operating earnings increased in both periods due to higher sales along with improved operating margins in the second quarter of 1999. Second quarter operating margin improvement reflects a favorable shift in sterndrive engine product mix, strong sales of high-margin parts and accessories and continued focus on cost management. The slight decline in operating margins in the six-month period is due to the increased sales of low-emission outboard engines that have lower margins than traditional outboards due to higher initial production costs, as well as increased investments in product development, service initiatives and brand-building marketing activities.

Cash Flow, Liquidity and Capital Resources

Cash generated from operating activities, available cash balances and selected borrowings are the Company's major sources of funds for investments and dividend payments. Cash and cash equivalents totaled $108.2 million at June 30, 1999, down from $126.1 million at the end of 1998.

Cash provided by operating activities for the first six months of 1999 and 1998 totaled $74.9 million and $37.6 million, respectively. The primary components of cash provided by operating activities include the Company's net earnings adjusted for noncash expenses; the timing of cash flows relating to operating expenses, sales and income taxes; and the management of inventory levels. The increase in cash provided by operating activities between periods reflects the benefits of improved working capital management partially offset by the effect of the timing of tax payments between the two years.

During the first six months of 1999, the Company invested $67.4 million in capital expenditures, compared with $73.0 million in 1998. Total debt at June 30, 1999, increased to $817.2 million versus $805.5 million at December 31, 1998, due to increased short-term note borrowings to fund seasonal working capital requirements and capital expenditures. Debt-to-capitalization ratios at these dates were 36.3 percent and 38.1 percent, respectively.

During the first six months of 1999, the Company repurchased 450,000 shares of its common stock for $10.5 million in open market transactions under the systematic repurchase program initiated in 1997.

The Company's financial flexibility and access to capital markets is supported by its balance sheet position, investment-grade credit ratings and ability to generate significant cash from operating activities. The Company has a $400 million long-term credit agreement with a group of banks. The Company has $150 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. Management believes that these factors provide adequate sources of liquidity to meet its longterm and short-term needs.

Refer to Note 4 to consolidated financial statements and the Legal Proceedings section below for disclosure of the potential cash requirements of legal proceedings and to Note 6 to the 1998 consolidated financial statements in the Company's Annual Report on Form 10-K for environmental proceedings. Additionally, the Company is in the process of litigating certain findings from Federal tax audits for the years 1990 and 1991 as described in Note 13 to the 1998 consolidated financial statements in the Company's Annual Report on Form 10-K. Should the IRS prevail in these proceedings, the Company may be required to pay up to $60 million for taxes due, plus accrued interest.

Legal Proceedings

Six lawsuits, more fully described in Note 4 to the consolidated financial statements, are currently pending wherein it is claimed the Company violated various provisions of federal and state antitrust and state consumer protection laws in connection with its sales of MerCruiser sterndrive and inboard engines and its acquisitions of the Sea Ray and US Marine boat companies. In June 1998, an adverse verdict was reached in the first of these suits. That suit was brought by a buying group of boat-builder customers whose purchases represent less than one-fifth of all direct sales of sterndrive and inboard engines to boat builders during the damage period relevant to that action. That verdict and resulting damage judgment of $133.2 million, after trebling, has been appealed and while there can be no assurance, the Company believes the adverse judgment is likely to be reversed. Following the verdict, five additional suits were filed seeking to rely on the allegations and findings of that verdict. The first purports to represent a class of all other boat-builder customers and seeks damages on the same model as the initial suit. The second was brought by the Company's principal competitor in the sterndrive engine business and claims damages in an unspecified amount. Two other suits seek to represent a class of all dealers that purchased sterndrive or inboard engines or boats equipped with such engines directly from the Company, and the remaining suit seeks to represent indirect purchasers from 17 jurisdictions of boats equipped with such engines. Because of a variety of factors affecting both the likelihood and size of any damage award to these or any other potential claimants, the Company is unable to estimate the range, amount or timing of its overall possible exposure, and accordingly, no expense for either the judgment or related lawsuits has been recorded. If the adverse judgment is sustained after all appeals, and if the class actions proceed and are successful, the damages ultimately payable by the Company would have a material adverse effect on the Company's financial condition and results of operations.

New Accounting Pronouncements

In June 1999, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133" (SFAS 137). SFAS 137 is effective for all fiscal quarters of all fiscal years beginning after June 15, 2000 (March 31, 2001, for the Company). The Company is assessing the effect of SFAS 137 and currently believes it will not have a material effect on its results of operations or financial position.

Year 2000

In January 1998, the Company initiated a formal program to address the Year 2000 issue. The Year 2000 issue involves the inability of date-sensitive computer applications to process dates beyond the year 2000. The Company's Year 2000 Project Office leads initiatives that address areas with the potential of having a major adverse effect on the business. The Company's program encompasses the use of both internal and external resources to identify, remediate and test systems for Year 2000 readiness. External resources include nationally recognized consulting firms and other contractual resources to supplement available internal resources.

The Company uses software and related technologies throughout its businesses and in certain of its products that will be affected by the Year 2000 issue. A comprehensive inventory and assessment of business systems and processes that may be affected by Year 2000 issues has been completed. Key areas requiring priority focus are the Company's information (IT) systems including financial, invoicing, order entry, purchasing, payroll, inventory management and production management systems along with IT systems infrastructure, as well as the Company's manufacturing and other non-IT systems.

The Company is in the final stages of implementing its plan to address its critical IT and non-IT systems that includes a combination of replacement projects, which are being done in connection with company-wide IT system upgrade projects, and remediation activities. While implementation of this plan is substantially complete, conversion (which includes replacement and remediation) of the remaining critical systems, as well as miscellaneous personal computers, is expected to be completed in the third quarter. The Company's testing activities include system testing, unit testing and Year 2000 multiple-date testing. Testing efforts are ongoing, with an expected finish date for substantially all critical IT systems in the third quarter. Replacement and remediation of critical non-IT systems is also ongoing, with a targeted finish date of the third quarter for substantially all such systems.

An inventory and assessment of the technology incorporated into the Company's products is complete. Key areas of focus included bowling products consisting of electronic scorers and bowling center management systems. The Company has taken steps to address these products on a case-by-case basis including notifying known users and making Year 2000 solutions available, where appropriate. These steps have been substantially completed except for certain bowling products sold in Asia for which we expect an August 1999 completion date.

The Company is assessing the Year 2000 readiness of its critical customers and suppliers and has sent letters inquiring as to their Year 2000 readiness. Of approximately 1,300 suppliers considered critical, approximately 5 percent are high risk based on their responses and approximately 24 percent have not yet responded to inquiries. The Company has supplemented, and will continue to supplement, this written correspondence with additional procedures, which may include telephone interviews and on-site visits to evaluate risks associated with third parties. The Company will consider the results from these procedures in establishing contingency plans that may include, among other actions, identifying alternative sources of supply and building additional inventory.

The Company believes that its efforts to address the Year 2000 issue will be successful in avoiding any material adverse effect on the Company's results of operations or financial condition;
however, given the complexity and number of potential risks, there can be no guarantee that the Company's efforts will be successful. The risks to a successful Year 2000 plan include, but are not limited to, the readiness of customers and suppliers, including suppliers of sole and internationally sourced products; the availability of technical resources; and the effectiveness of systems replacement and remediation programs and product fixes.

If the Company's efforts to achieve Year 2000 readiness are unsuccessful, the impact could have a material adverse effect on the Company's results of operation and financial condition. The potential adverse effects include a limited ability to manufacture and distribute products and process daily business transactions.

The Company has developed contingency plans designed to mitigate the potential disruptions that may result from the Year 2000 issue. These plans may include shifting from replacement to remediation activities for IT systems, securing alternative sources for key suppliers of materials and services, replacing electronic applications with manual processes, developing emergency backup and recovery procedures, investing in safety stocks of key raw materials and finished goods and other measures considered appropriate by management. These contingency plans and the related cost estimates will be continually refined as additional information becomes available.

The costs of remediating existing software and other Year 2000 related expenses are expected to total approximately $17 million to $18 million. The Company has expensed approximately $16 million of costs since the Year 2000 assessment process began in 1997. The majority of this amount was expensed in 1998. Costs associated with the replacement of non-Year 2000 compliant systems are included in capital expenditures as part of the company-wide systems upgrade projects. Spending on replacement projects necessary for Year 2000 readiness is substantially complete.

The foregoing discussion regarding the Year 2000 project timing, effectiveness, implementation and costs is based on management's current evaluation using available information. Factors that might cause material changes include, but are not limited to, the availability of resources, the readiness of third parties and the Company's ability to respond to unforeseen Year 2000 compliance issues.

Forward Looking Statements

Certain statements in this Form 10-Q 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, Year 2000 issues including the effectiveness of the Company's remediation and replacement initiatives, the readiness of third parties including customers and suppliers and the Company's ability to complete the information systems initiatives within the time and cost estimated; inventory adjustments by major retailers; competitive pricing pressures; the outcome of pending litigation; and adverse weather conditions retarding sales of outdoor recreation products.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Note 4 to the Financial Statements in Part I of this Quarterly Report on pages 6 to 8 is hereby incorporated by reference.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits.

10. 1991 Stock Plan.

(b) Reports on Form 8-K.

The Company filed no reports on Form 8-K during the three months ended June 30, 1999.

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 12, 1999 By: /s/ Victoria J. Reich
Victoria J. Reich
Vice President and Controller*

*Ms. Reich is signing this report both as a duly authorized officer and as the principal accounting officer.

EXHIBIT 10

BRUNSWICK CORPORATION
1991 STOCK PLAN
(As Amended Through April 21, 1999)

1. Purpose. The purpose of the Brunswick Corporation 1991 Stock Plan (the "Plan") is to promote the long term financial interests and growth of Brunswick Corporation (the "Company") by (a) attracting and retaining management personnel, (b) motivating management personnel by means of growth-related incentives, (c) providing incentive compensation opportunities that are competitive with those of other major corporations, and (d) furthering the identity of interests of participants with those of the stockholders of the Company.

2. Definitions. The following definitions are applicable to the Plan:

"Affiliate" means any entity in which the Company has a direct or indirect equity interest which is so designated by the Committee.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor statute.

"Committee" means the Human Resource and Compensation Committee of the Board of Directors of the Company.

"Common Stock" means the Common Stock, par value $.75 per share, of the Company or such other securities as may be substituted therefor pursuant to paragraph 5(c).

The "fair market value" of the Common Stock shall be determined in accordance with procedures established by the Committee.

"Participant" means any management employee of the Company or an Affiliate selected by the Committee.

"Rule 16b-3" means such rule adopted under the Securities Exchange Act of 1934, as amended, or any successor rule.

3. Limitation on Aggregate Shares. The number of shares of Common Stock with respect to which awards may be granted under the Plan and which may be issued upon the exercise or payment thereof shall not exceed, in the aggregate, 16,200,000 shares (of which no more than 2,000,000 shares may be awards granted pursuant to paragraphs 4(c) or (d) after February 9, 1999), except for adjustments provided for in paragraph 5(c) of the Plan and provided, however, that shares related to awards that expire unexercised or are forfeited, surrendered, terminated, cancelled, withheld for taxes, or settled in cash in lieu of stock or in such manner that all or some of the shares covered by an award are not issued to a participant shall immediately become available for additional awards under the Plan. Such 16,200,000 shares of Common Stock may be either authorized and unissued shares, treasury shares, or a combination thereof, as the Committee shall determine.

4. Awards. The Committee may grant to participants, in accordance with this paragraph 4 and the other provisions of the Plan, stock options, stock appreciation rights ("SARs"), restricted stock and other awards. The maximum number of shares of Common Stock as to which a participant may receive stock options and stock appreciation rights under the Plan in 1996 or in any subsequent calendar year is 300,000 subject to the provisions of Section 5(c) hereof.

(a) Options.

(i) Options granted under the Plan may be incentive stock options ("ISOs") within the meaning of Section 422 of the Code or any successor provision, or in such other form, consistent with the Plan, as the Committee may determine.

(ii) The option price per share of Common Stock shall be fixed by the Committee at not less than 100% of the fair market value of a share of Common Stock on the date of grant, provided that in no event shall the option price be less than the par value.

(iii) The Committee may require options other than ISOs to be purchased by participants for a purchase price determined by the Committee.

(iv) Options shall be exercisable at such time or times as the Committee shall determine at or subsequent to grant, except that no options may be exercised after ten years from the date of their award.

(v) Options shall be exercised in whole or in part by written notice to the Company (to the attention of the Corporate Secretary) and payment in full of the option price. Payment of the option price may be made, at the discretion of the optionee, and to the extent permitted by the Committee, (A) in cash (including check, bank draft, or money order), (B) in Common Stock (valued at the fair market value thereof on the date of exercise), (C) by a combination of cash and Common Stock or (D) with any other consideration (including payment in accordance with a cashless exercise program under which, if so instructed by the participant, shares of Common Stock may be issued directly to the participant's broker or dealer upon receipt of the option price in cash from the broker or dealer).

(b) SARs.

(i) An SAR shall entitle its holder to receive from the

Company, at the time of exercise of such right, an amount equal to the excess of the fair market value (at the date of exercise) of a share of Common Stock over a specified price fixed by the Committee multiplied by the number of shares as to which the holder is exercising the SAR. SARs may be in tandem with any previously or contemporaneously granted option or independent of any option. The specified price of a tandem SAR shall be the option price of the related option. The amount payable may be paid by the Company in Common Stock (valued at its fair market value on the date of exercise), cash or a combination thereof, as the Committee may determine, which determination shall be made after considering any preference expressed by the holder.

(ii) An SAR shall be exercised by written notice to the Company (to the attention of the Corporate Secretary) at any time prior to its stated expiration. To the extent a tandem SAR is exercised, the related option will be cancelled and, to the extent the related option is exercised, the tandem SAR will be cancelled.

(c) Restricted Stock.

(i) The Committee may award to any participant shares of Common Stock, subject to this paragraph 4(c) and such other terms and conditions as the Committee may prescribe (such shares being called "restricted stock"). Each certificate for restricted stock shall be registered in the name of the participant and deposited, together with a stock power endorsed in blank, with the Company.

(ii) There shall be established for each restricted stock award a restriction period (the "restriction period") of such length as shall be determined by the Committee. Shares of restricted stock may not be sold, assigned, transferred, pledged or otherwise encumbered, except as hereinafter provided, during the restriction period. Except for the restrictions on transfer and such other restrictions as the Committee may impose, the participant shall have all the rights of holder of Common Stock as to such restricted stock. At the expiration of the restriction period, the Company shall redeliver to the participant (or the participant's legal representative) the certificates deposited pursuant to this paragraph.

(iii) Except as provided by the Committee at the time of grant or otherwise, upon termination of employment for any reason during the restriction period all shares still subject to restriction shall be forfeited by the participant.

(d) Other Awards. Other awards, including, without limitation, performance shares and other forms of awards measured in whole or in part by the value of shares, the performance of the participant or the performance of the Company, may be granted under the Plan. Such awards may be payable in Common Stock, cash or both, and shall be subject to such restrictions and conditions, as the Committee shall determine. At the time of such an award, the Committee shall, if applicable, determine a performance period and performance goals to be achieved during the performance period, subject to such later revisions as the Committee shall deem appropriate to reflect significant unforeseen events. Following the conclusion of each performance period, the Committee shall determine the extent to which performance goals have been attained or the degree of achievement between maximum and minimum levels during the performance period in order to evaluate the level of payment to be made, if any.

5. Miscellaneous Provisions.

(a) Administration. The Plan shall be administered by the Committee. Subject to the limitations of the Plan, the

Committee shall have the sole and complete authority: (i) to select participants in the Plan, (ii) to make awards in such forms and amounts as it shall determine, (iii) to impose such limitations, restrictions and conditions upon such awards as it shall deem appropriate, (iv) to interpret the Plan and to adopt, amend and rescind administrative guidelines and other rules and regulations relating to the Plan, (v) to correct any defect or omission or to reconcile any inconsistency in the Plan or in any award granted hereunder and (vi) to make all other determinations and to take all other actions necessary or advisable for the implementation and administration of the Plan. The Committee's determinations on matters within its authority shall be conclusive and binding upon the Company and all other persons. All expenses associated with the Plan shall be borne by the Company, subject to such allocation to its Affiliates and operating units as it deems appropriate. The Committee may, to the extent that such action will not prevent the Plan from complying with Rule 16b-3, delegate any of its authority hereunder to such persons as it deems appropriate.

(b)Transferability. An award under the Plan may be transferred only (i) by will or the laws of descent and distribution, (ii) in accordance with guidelines established by the Committee, or (iii) pursuant to a qualified domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act, or the rules thereunder (but only if permitting such transfer will not affect the status of the award under the Code). Any purported transfer contrary to this provision will nullify the award.

(c)Changes in Capitalization and Similar Changes. In the event that each of the outstanding shares of Common Stock shall be changed into or exchanged for a different number or kind of shares of stock or securities of the Company or of another corporation (whether by reason of merger, consolidation, recapitalization, reclassification, stock dividend, stock split, combination of shares, or otherwise), then there shall be substituted for each share of Common Stock then offered or available for offer under the Plan the number and kind of shares of stock into which such outstanding shares of the Common Stock of the company shall be so changed or for which such shares shall be so exchanged. The Committee in its sole discretion shall make any equitable adjustments as may be necessary. No fraction of a share of Common Stock shall be delivered if an adjustment in the number of shares is necessary. In the event of a spin-off, extraordinary dividend or other distribution or similar transaction, the Committee may adjust equitably the exercise price of any outstanding options or the terms of any outstanding SARs.

(d)Tax Withholding. The Committee shall have the power to withhold, or require a participant to remit to the Company, an amount sufficient to satisfy any withholding or other tax due with respect to any amount payable and/or shares issuable under the Plan, and the Committee may defer such payment or issuance unless indemnified to its satisfaction. A participant may elect to have shares of Common Stock otherwise issuable under an award withheld, tender back to the Company shares of Common Stock received pursuant to an award or deliver to the Company previously acquired shares of Common Stock having a fair market value sufficient to satisfy all or part of the Company's withholding tax obligations for the participant associated with the transaction. Such election must be made by a participant prior to the date on which the tax obligation arises.

(e) Listing and Legal Compliance. The Committee may suspend the exercise or payment of any award so long as it determines that securities exchange listing or registration or qualification under any securities laws is required in connection therewith and has not been completed on terms acceptable to the Committee.

(f) Rights to Participants. Nothing in the Plan shall interfere with or limit in any way the right of the Company to terminate any participant's employment at any time, nor confer upon any participant any right to continue in the employ of the Company for any period of time or to continue his or her present or any other rate of compensation. No employee shall have a right to be selected as a participant, or, having been so selected, to be selected again as a participant.

(g) Amendment, Suspension and Termination of Plan. The Board of Directors or the Committee may suspend or terminate the Plan or any portion thereof at any time and may amend it from time to time in such respects as the Board of Directors or the Committee may deem advisable; provided, however, that no such amendment shall be made, without stockholder approval to the extent such approval is required by law, agreement or the rules of any exchange upon which the Common Stock is listed. No such amendment, suspension or termination shall impair the rights of participants affected thereby or make any change that would disqualify the Plan, or any other plan of the Company intended to be so qualified, from the exemption provided by Rule 16b-3.

The Committee may amend or modify any award in any manner to the extent that the Committee would have had the authority under the Plan to initially grant such award, except that the Committee may not adjust the exercise price of any options other than as provided in Section 5(c) hereof. No such amendment or modification shall impair the rights of any participant under any award without the consent of such participant.

6. Change in Control. "Change in Control" of the Company means the occurrence of any of the following events:

(a) 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 30% 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 (d), below;

(b) 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

(i) 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

(ii) 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;

(c) 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;

(d) 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

(e) 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.

The Committee may provide in any award that in the event of a Change in Control, the participant may (a) exercise any outstanding Options or SARs which would not then be exercisable by the participant absent the Change in Control; (b) require the Company to release all restrictions on shares of restricted stock awarded to the participant; and (c) require the Company to pay the participant the fair value (prorated to the date of the Change in Control) of any other awards under the Plan then held by the participant.

____

NOTES:

1. On October 24, 1995 the Board of Directors amended the Plan to increase the number of authorized shares under the Plan from 5,000,000 to 11,200,000 and to provide that no participant may receive stock options and appreciation rights with respect to more than 300,000 shares under the 1991 Plan in 1996 or any subsequent calendar year. These amendments were approved by stockholders on April 24, 1996.

2. On July 28, 1998 the Board of Directors amended the definition of Change in Control of the Company and eliminated holding periods for stock options previously required by Section 16(b) of the Securities Exchange Act of 1934.

3. On February 9, 1999 the Board of Directors amended (i) paragraph 3 to provide that no more than 2,000,000 shares may be awards of restricted stock granted after February 9, 1999, (ii) paragraph 4(a) to eliminate the provision that the option price could be reduced below the fair market value if the participant forgoes current or deferred cash compensation in an amount equal to the reduction, (iii) paragraph 5(d) to eliminate the provision that the Committee had to consent to tax withholding and could disapprove or limit any tax withholding election, and (iv) paragraph 5(g) to provide that the Committee could not adjust the exercise price of options other than as provided in paragraph 5(c).

4. On February 9, 1999 the Board of Directors also amended the plan to increase the number of authorized shares under the plan from 11,200,000 to 16,200,000, subject to stockholder approval. This amendment was approved by the stockholders on April 21, 1999.

5. On April 21, 1999 the Board of Directors amended paragraph 3 to provide that no more than 2,000,000 shares may be awards granted pursuant to paragraphs 4(c) and (d) after February 9, 1999. The Board of Directors also amended paragraph 4(a)(iv) to provide that no options may be exercisable after ten years from the date of award.

WARNING: THE EDGAR SYSTEM ENCOUNTERED ERROR(S) WHILE PROCESSING THIS SCHEDULE.

<TABLE> <S> <C>

<ARTICLE> 5
<MULTIPLIER> 1000

<S> <C>
<PERIOD-TYPE> 6-MOS
<FISCAL-YEAR-END> DEC-31-1999
<PERIOD-END> JUN-30-1999
<CASH> 108,200
<SECURITIES> 0
<RECEIVABLES> 619,600
<ALLOWANCES> 24,400
<INVENTORY> 641,700
<CURRENT-ASSETS> 1,624,500
<PP&E> 1,566,900
<DEPRECIATION> 730,800
<TOTAL-ASSETS> 3,513,200
<CURRENT-LIABILITIES> 1,083,600
<BONDS> 629,100
<PREFERRED-MANDATORY> 0
<PREFERRED> 0
<COMMON> 76,900
<OTHER-SE> 1,354,200
<TOTAL-LIABILITY-AND-EQUITY> 3,513,200
<SALES> 2,258,200
<TOTAL-REVENUES> 2,258,200
<CGS> 1,628,200
<TOTAL-COSTS> 1,628,200
<OTHER-EXPENSES> 376,200
<LOSS-PROVISION> 0
<INTEREST-EXPENSE> 30,600
<INCOME-PRETAX> 224,000
<INCOME-TAX> 84,000
<INCOME-CONTINUING> 140,000
<DISCONTINUED> 0
<EXTRAORDINARY> 0
<CHANGES> 0
<NET-INCOME> 140,000
<EPS-BASIC> 1.52
<ESP-DILUTED> 1.51

</TABLE>