BRUNSWICK CORPORATION

Second Quarter 2005 Conference Call
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Presenter: Kathryn J. Chieger, Vice President, Corporate and Investor Relations

Good morning and thanks for joining us. We had another great quarter, and here with me to talk about it are George Buckley, our Chairman and CEO, and Pete Leemputte, our CFO.

Before we begin our remarks, let me remind everyone that during this call, our comments will include certain forward-looking statements about our future results. Keep in mind that our actual results could differ materially from expectations as of today. For the details on the factors to consider, take a look at our 10-K for 2004, our 10-Q for the March quarter, and our earnings release issued this morning. All of these documents are available upon request or by going to our Web site at www.brunswick.com.

Presenter: George Buckley, Chairman and Chief Executive Officer

Thanks, Kathryn, and good morning everyone.

I am very pleased to report an excellent second quarter for Brunswick, with sales up 12 percent and operating earnings up 23 percent, while net earnings jumped 27 percent. EPS went from 93 cents in 2004 to a record $1.15 per share. Operating margins also increased by a full 90 basis points to 10.7 percent. This is the twelfth quarter in a row where we have seen year-over-year operating margin improvements at Brunswick and the first time we've seen double-digit operating margins since 2000.

You have to put this superb performance into proper context. It was done in a bumpy economy, poor early season weather and lots of self-imposed operational challenges such as new plant startups and product launches. It shows just how resilient Brunswick has become. All are

indications of our continued progress in the remaking of Brunswick and credit is all due to the many fine people we have working for us.

This result is especially pleasing to us given the heavy investments we've been making in new products and overseas plant startups this year. I should like to remind listeners that we've started up new plants in Hungary, China, Mexico and Japan this year in addition to several major new product launches. We still have quite a bit of work to get finished before the year is out, but I am pleased to report that we are successfully executing against our plan in a steady, predictable and systematic way. There have been no major problems with any of this execution.

We all know that the U.S. economy has been behaving strangely this past quarter, and it was probably sliding sideways for a period of time, particularly early in the quarter. Oil prices bounced around, stocks were up ... then down ... and for a good portion of the quarter, the overall economic picture was not that clear for anyone. Fortunately, things now appear to have mostly stabilized.

We kept our heads down in the quarter, tried not to get too distracted by the economic confusion and worry out there and worked solidly on delivering our promises to Wall Street. In addition to delivering the earnings bacon, we vigorously addressed the issue of boat pipelines, and I'll tell you a little bit more about that later.

Marine Market

But first, I'd like to give you some color on what we see in the marine market.

As it always does, the quarter saw ebbs and flows in retail activity. Early April saw good retail sales, but when decent spring weather failed to take hold, especially in the Midwest and Northeast, sales slowed. But in mid-to-late May and June, as better weather finally appeared and the economy adjusted to higher oil prices, overall marine retail activity became pretty good. It was good across all boat sizes for us and all geographies too. Trailing at the back of the pack in performance was the upper Midwest and the Northeast. But, even these regions appear to be coming back now.

I've checked a number of economic reports in different industries from food to power sports to recreation and they all show similar regional and timing patterns. The origin of the slowness is not certain to me, but likely caused by several factors coming together. The Beige Book commentaries for the Federal Reserve Ninth District in Minneapolis show the same slow early season pattern we saw. It even remarked on poor weather. But the latest report from the Ninth District also suggests betterment in both retail sales and the economic outlook for that area over the past two months. We've seen that, too.

To be in the boat business, you have to love irony. During the quarter, one of our competitors laid off some staff, leading some to conclude that the bottom was dropping out of the small boat market. I understand the concern, but no matter how hard we look, we cannot dream up softness in small boats such as runabouts.

We certainly don't see it in the market share data either. It is a matter of record that Brunswick, and our partner Tracker, via its Tahoe brand, have gained lots of market share in those small boat segments over the past few years. In the first quarter alone, the Tahoe, Bayliner and Sea

Ray brands ... all powered 100 percent by Mercury engines ... gained 450 basis points of market share in the 17-23 foot boat category. When this kind of share movement is happening, it may feel like a contraction to a competitor, but it does not necessarily mean that to us ... one man's gain is another man's pain. That's why, like all Brits, I love irony.

Pipelines

Pipeline inventory is one of the key indicators we watch very closely to judge the probable health of our future retail prospects. We gather data from our retailers as well as track our own finished goods inventory.

As we outlined in our previous quarterly call, despite all the positive news, we cut line rates in selected businesses, particularly those making aluminum boats, so as to drive inventories down further and clean out the pipeline faster. We also wanted to be sure that dealers had only fresh inventory on hand, so 2005 model year boats were mostly cleaned out in advance of the July 1 model-year changeover, which is normal practice at this time of year. This move was probably ultraconservative in some areas, but too little inventory is generally less harmful than too much. The short story is that engine pipelines fell by 9 weeks and overall boat inventories fell by 8 weeks of trailing 12-month retail sales between Q1 and Q2.

We put particular emphasis on our aluminum boat brands which, as we've said before, had far too much inventory when we purchased them more than a year ago. We pulled down line rates and took production days out, and we're seeing positive results. It cost us quite a bit of money, $7 million in the quarter, but it has clearly helped.

As an example, Crestliner, which had 44 weeks of inventory in the pipeline when we bought the business a year ago, had a 38 week pipeline at the end of Q1 and this is now down to 33 weeks at the end of Q2. While the decline was not as great as in some of our other categories, our progress was somewhat hampered by the refusal of Yamaha to sell us engines as well as the weather-related retail weakness in the upper Midwest I spoke of earlier. You can see that the inventory control medicine is obviously working, but we will keep production rates down a bit longer at this unit until inventory levels more closely match those in our other businesses.

We took this action in the aluminum boat area, partly to reduce pipelines, yes, but far more importantly, to evolve toward a business model more like that in our other boat businesses, such as Sea Ray, which use considerably lower levels of inventory and have higher turns. These business model changes require time to take hold, but take hold they most certainly will.

Pipelines are now within one or two weeks of where they were last year when they were at historic lows and we feel very good about current levels for a number of reasons:

- The pipeline drop in the quarter reflects the strong retail demand we see, especially for fiberglass boats, which is our sales and earnings sweet spot.

- Weeks of supply is based on **trailing** 12-month retail sales. They do not factor in sales growth. New boat models we've launched in new market categories also add to inventories, but have no trailing 12-month retail history. This factor alone accounts for about a week of supply in the boat calculations.

- Inventories also represent our dealers' confidence about future demand. Please remember that dealers bear the carrying cost for their inventory at this time of year, so if they take product at this point in the season they think they can sell it.

Mercury

At Mercury, sales in the quarter rose by 10 percent, all of which was organic. Huge amounts of work continue on innovation at Mercury, both in the outboard business and at MerCruiser, our sterndrive business. The Mercury guys did an excellent job in inventory control and, as I said, engine pipeline inventories dropped by about 9 weeks of supply in the quarter.

I have spoken a lot about the Verado engines before. We are now ramping up production of the 135-, 150- and 175-horsepower, four-cylinder supercharged Verados. And development of the soon-to-be-released, naturally aspirated 75-, 90-, and 115-horsepower derivatives continues in good stead also. In virtually all cases, new model introductions have gone extraordinarily well, in fact, the best they have ever gone in Mercury's long history.

Startup of our Mercury China plant is on track too, and so is the new plant opened with our JV partner, Tohatsu, in Japan. You'll recall we are building the 40-, 50- and 60-horsepower, four-stroke models in China and smaller models down to 2 horsepower in Japan. The 60- and 40-horsepower models are now up and running in China, with the 50 horsepower beginning soon. Again, startup of this plant has been relatively smooth and predictable. Significant savings will be experienced in the next year with this production move. A further benefit we also get as we move more production and sales to these lower cost locations, is a lower effective tax rate. It's not only what you get to make, it's what you get to keep that matters.

A point of note is that, in the last two years, Mercury has introduced about four times as many new outboard product as the rest of the industry put together. Over time, we're convinced that it will fuel even more new growth and even stronger brand power.

Mercury's principal challenge for the balance of the year is dealing with the economic impact of the two-stroke to four-stroke changeover in the U.S. Effective July 1, Mercury no longer sells conventional two-stroke models in the United States and Canada, though our competition continues to do so. Some years ago, we reached an agreement with environmental groups in California to adhere to an early changeover to low-emission engines. Our competition was not party to that agreement and will continue to sell non-emissions-compliant two-strokes until the last of their emissions credits run out, which is likely over the next year. That factor will likely hold market pricing down until the remaining conventional two-strokes work their way through the market. But after that, stronger pricing may creep in over time.

Boats

Boat Group sales rose 18 percent from $630 million to $742 million, about 13 percent of this being purely organic growth. Earnings rose a corresponding 31 percent to $74.8 million and operating margins closed out at 10.1 percent in the quarter. Demand at the large end of our range remains very strong, as does demand for our ever popular Bayliner 175 and 185 runabouts at the small end. Sea Ray gained 190 basis points of market share in the first quarter months and Bayliner 80 basis points in the 17-23 foot category. In the 2006 model year

we again opted to hold our prices on the Bayliner 175, with an MSRP of $9,995, for another year and gave it wide a range of improvements, new options and updates.

We put in this kind of growth and financial performance despite a drop in wholesale sales in our aluminum brands, the only area where we saw any real sales softness, and that has begun to turn more positive. These aluminum companies have sales largely concentrated in the Midwest, where sales were weakest in the first half of the year.

In our largest boat brands, retail sales in units at US Marine were up 18 percent in the quarter. US Marine's pipeline inventory dropped a staggering 12 weeks in the quarter. For Sea Ray, retail unit sales were up 16 percent for the quarter. Hatteras and Boston Whaler sales were strong also. In all cases, we saw momentum growing through the quarter. International sales of boats were up a very strong 35 percent year-over-year to $181million, despite the U.S. dollar undergoing a spirited recovery in Europe.

Things have also been very busy on the acquisition front.

Late in May, we acquired Triton Boats, which puts us in the important bass boat market for the first time in our history. Triton makes about 6,200 boats annually, of which we already had about 75 percent of the engine volume. They also have a fairly successful saltwater segment that will help bolster our efforts to grow market share there, too.

In June, we exercised our option to buy the remaining 51 percent of Valiant, which makes professional grade inflatable boats in Portugal. With this move, Brunswick is now the second largest maker of inflatable boats in the world after Zodiac.

Just after the quarter closed, we also acquired Kellogg Marine, a parts and accessories distributor located in the hugely important northeast corner of the U.S. We were extremely pleased to get this done. This acquisition is part of our strategy of building a nationwide distribution network capable of delivering boat repair parts to dealers the same or next day.

I was once asked by somebody to explain our strategy on this topic. To do so, I used an analogy. I said if you live in Wisconsin and your furnace motor burned out on January 5, do you think you need a $125 or a $250 furnace motor? The answer is obvious, you need a furnace motor now, no matter what it costs, and we think it explains why service delivery and dealer support will eventually set us apart from anyone else. Once you have captured a service customer by making it easy to do business with you, delivery ensures you keep that customer. It also explains why Land 'N' Sea sales have grown a spiffy 13 percent in the past year, and the Kellogg acquisition will just add to that.

A very important piece of news in the Boat segment is that we have just struck a deal to buy a new, roughly 180,000-square-foot facility near the port of Zhuhai in southern China. On the site are two manufacturing plants as well as a product showroom and administrative offices. We intend to manufacture small aluminum and fiberglass boats in this plant and expect to begin production of small boats in China at the beginning of next year. We estimate that the plant will have a capacity of about 5,000 fiberglass boats and approximately 15,000 small aluminum boats annually, depending on how we automate production. This move is another potential game-changer in boats and will give us further capability to compete in this important boating and engine segment.

I think everyone would surely agree that great progress has again been made in our boat business, the guys there are doing great, and more is yet to come. We expect to do a couple more U.S.-based "white space" acquisitions in the balance of the year, but we believe that we are very close to having our U.S. boat line filled out now, with just about everything we need, and so, increasingly, our attention will turn to international opportunities and also to growing our other segments.

BNT

Let me speak now for a moment about Brunswick New Technologies, or BNT as we call it, which is currently consolidated in our marine engine segment. BNT contains most all of our electronic and software oriented businesses. Some of these businesses, such as our dealer management system operation, IDS, are used mostly for dealer support and are small and fairly low margin operations. Navman is by far the largest unit in BNT.

BNT has grown from nothing to over $350 million sales in just over two years. Margins have been growing steadily as we have invested in new technology and are currently in the mid-single digits. We expect that they will approach double digits in 2006.

Sales for BNT were up 65 percent in the year-over-year quarter, led by Navman whose sales were up by 80 percent. I should point out here, before you think that this is the law of small numbers at work, Navman's sales in the quarter were $64 million, up from $35 million year ago. We expect good growth to continue for many years to come. Navman's sales CAGR since we bought them is 103 percent. Growth has been good across the board, but led by sales of land-based navigation products. As a matter of some note, Navman achieved the number one market position in this land-based navigation field in Europe during the first quarter.

In marine electronics, Brunswick boat companies are progressively adopting Navman and Northstar products now that we have the model line-up completed, and more and more boats are moving to a factory-fitted marine electronics model. We expect this trend to continue over the coming years and think it is essential to our push to achieve automotive quality in boats. This approach is working very well in the United States, but there is still a significant opportunity left in Europe where we are short of good marine electronics distribution.

Bowling

Now for something on our friends at bowling and billiards.

Bowling sales were up 9 percent in the quarter and operating earnings climbed 24 percent in the year-over-year quarter. While there are always puts and takes in any quarter, earnings would have been even higher had it not been for legal expenses for our arbitration case in Hong Kong mentioned last quarter, and costs associated with our decision to relocate our bowling ball manufacturing facilities.

On that latter subject, about a month ago, we announced that we would be closing our bowling ball plant in Muskegon, Michigan, and that we would be building a new plant in Mexico to serve this market. In some sense, this was a very sad day for us after about 100 years of manufacturing products in Muskegon. But, while Brunswick's ball business has been growing very nicely and taking market share in every single product segment, unfortunately, it had been

a loss making business for many years. The movement of this operation to Mexico will save us around $6 million annually when the transition there is complete in 2007.

The new, larger Brunswick Zone bowling centers we've been building in the past two years continue to put in spectacular sales growth numbers, typically doubling or even tripling the sales of centers they've replaced. That's one of the things driving our growth this quarter. Our disciplined process of "weeding and feeding" of centers is clearly working very well.

On bowling and billiards products, we've followed exactly the same strategy as we've followed in marine ... great new products and better distribution. We have the magnificent new lane treatment machines out now, new scorers, new bowling center furniture and we are set to launch a vast new array of updates and improvement in bowling and billiards products that are just way too numerous to mention. The product and service innovation these folks have demonstrated is inspiring to see. This is a completely new business to what it was just five years ago, and we are positioning it for a new growth spurt. In the not too distant future, you will likely hear about us getting back into manufacturing of billiards products in Asia, rather than just sourcing, which is a defensive measure against Chinese supply of products to our competitors in our markets.

Fitness

I am pleased also to report good news at Life Fitness too, which had been our biggest operational challenge of late. Increases in steel, plastics and transportation costs, along with mix shifts and weak pricing in the UK had all pressured Life Fitness margins. As we had forecast though, that trend now is now turning positive.

Peter Hamilton has begun to work his disciplined magic at Life Fitness, and we see this unit already showing signs of good operational improvement.

Adjusting for the absence of Omni sales, the retail unit which we sold last year, equipment sales grew a fairly modest 2 percent in this off-season, but earnings grew by 76 percent and margins jumped by 180 basis points in the second quarter. Very good news for Life Fitness, despite some remaining cost challenges in transportation, steel and plastics.

As outlined in previous quarters, from actions we have planned, we expect net margins to progressively improve as the year unfolds and we still expect that they will close out the year at, or close to, double-digit operating margins. We think this is very good progress considering what these folks faced for a while on commodity prices and transportation costs. Our focus on great product here has not changed one bit.

Wrap Up

In conclusion, after a tepid start to the quarter, much of the economic news we currently see is good. Consumer confidence continues to hold its own even in the face of record high oil prices. And, employment rates are getting steadily better with unemployment down at 5.0 percent and manufacturing output and productivity showing steady growth. U.S. retail activity, as indicated by strong same store sales at WalMart and Target, was very good in June. We saw the same patterns in retail boating. Interest rates are also still at very modest levels, and retail demand is relatively high in most boat lines, and certainly in line with our retail forecasts at the beginning of the year.

Prices for important commodities we consume are relatively stable too, with aluminum prices flat to declining and steel prices now coming down. The only economic gremlin in the works is still oil prices, which have begun to ease somewhat, though they are still higher than anybody would like. Absent this factor, I think we would be very optimistic at this stage.

It is impossible for any of us to forecast how oil prices will affect boat sales, but anecdotally, as stated by Alan Greenspan, they clearly have the ability to slow growth in the overall economy, and thus we are mindful that they can affect our growth too. Nevertheless, retail demand for our boats, with the exceptions I've already noted, is still strong and after some temporary "mood swings," sales seem to have settled down to a steady pace, seemingly more affected for the moment by weather and regional economic issues than by oil.

We believe that BC's wide breadth of products, its broad international base and its multi-segment business help to diversify risk. We also partner with the world's very best marine distribution, MarineMax. As we have said many times, our strategy to become the "Toyota of Boating" remains very powerful long-term, and we will pursue that goal relentlessly. This and our ability to leverage a truly global manufacturing, sourcing and distribution footprint is what will make this company the undisputed leader in marine and, ultimately, in all of our segments. In our view it's what will turn Brunswick into a nearly unique investment play.

I thought a word or two on cycles might help. Boat cycle downturns have been connected with each of the last four U.S. recessions in 1973, 1980, 1990 and 2001. The periodicity is about 10 or 11 years. Those recessions were triggered by a complex mix of factors, but reduced to its essentials, were caused either by shortages of oil (not necessarily high-priced oil) as they were in 1973, high interest rates that eliminated capital spend in 1980, or asset inflation and a subsequent crash as they were in 2001. In three cases, they were coincident with the start of a war that seriously eroded consumer confidence. The point here is that there is no boat cycle which is independent of the general economy.

Most of our listeners will have seen the industry unit-sales-by-year chart that we include in our investor handouts. The steep downturns on that chart all coincided with the previous points I made. The 1990 downturn was made worse by luxury taxes and poor inventory control by the marine industry, a lesson it seems to have learned well since then. You will perhaps recall that we pointed out that the recent volume undulations in boating do not seem to be as severe as they once were and we pointed out that instead of tsunamis, they appeared more in the form of wavelets, not the tidal waves of old. These negative wavelets can come from multiple causes, such as temporary commodity inflation, oil prices, locally bad weather or even technology changes. These things can temporarily send the economy sideways it's true, and affect our company and boat sales along with it, but they do not necessarily signal the start of a severe cyclic downturn.

We are not economists here and none of us can be absolutely certain about when the next down cycle will come and whether it will be severe or not, but we see no evidence that this is the beginning of one, nor do we believe it will begin next year either. We surely cannot equate another 18 percent expansion in our boats sales, most of it being purely organic, as the beginning of a down cycle. We delivered this even with a regional segment weakness in aluminum boats and a more confused economy.

There are few other industries we see who have injected sales and earnings growth into a company at the rate Brunswick has, or have our product and geographic diversity. Our sales and earnings growth has been spectacular these past few years.

I should like to repeat something here which I said in our previous call. We are not a one product, one country, one segment company. We are becoming increasingly product and geographically diverse, focused on growth and using technology and global manufacturing and sourcing to give us a competitive edge. When you own the best brands, make the best products, develop the best technology, have the lowest cost manufacturing and partner with the best distribution, that changes behavior too, but this time it's that of the consumers. Those share gains I spoke of earlier were impressive. That's evidence of changed behavior.

While keeping in mind the potential impact of underlying economic and stock market conditions, we expect to report another record year for Brunswick. Based on our performance in the second quarter and the outlook for the second half, we are raising our estimate for the year to $3.62 to $3.72 per diluted share, which includes the $0.32 gain on the MarineMax stock sale recorded in the first quarter. This compares with $2.77 per diluted share for 2004. This would imply earnings for the second half in the range of $1.51 to $1.61 per diluted share, which we believe will be more or less evenly divided between the third and fourth quarters. The wild card is the timing of planned investment spending, which could result in a few pennies shifting between the two quarters.

Thank you very much for listening. I appreciate it very much. I hope that the added dimensions we have tried to give you here on this call are helpful to your thinking. It's always great to speak to you.

I'd like to turn the call over now to Pete.

Presenter: Pete Leemputte, Senior Vice President and Chief Financial Officer

Thank you, George, and good morning everyone.

Before I wrap up our remarks with comments on our balance sheet and cash flow, I want to quickly highlight that "Other income" grew from $5.4 million last year to $9.2 million in the second quarter of this year. As we have noted in the past, the majority of earnings reported in this account are truly ***operating*** in nature. It includes contributions from joint ventures like Brunswick Acceptance and our diesel marine engine business with Cummins, as well as earnings from companies in which we hold less than a 50 percent interest. The improved performance in the second quarter was right on forecast and fairly broad-based across our investment portfolio. But the biggest earnings increase was seen with Brunswick Acceptance. This joint venture with General Electric is focused on providing wholesale ***floorplan*** financing to Brunswick's marine dealers, with the largest asset base coming from our boat business. Over the last two years, we have grown our market share among Brunswick boat dealers to a level exceeding 50 percent of our targeted customers. Growth in earnings is not only the result of share gains, but also Brunswick's boat acquisitions which have been added to the joint venture's portfolio. Our financial services business, which includes not only Brunswick Acceptance but also an extended warranty operation, offers solid opportunities to grow in international markets as well as retail financing. So we're not content to rest with the status quo.

Turning our attention to cash flow, we generated free cash flow in the second quarter of $135 million compared to $150 million last year. Higher capital expenditures of $12 million and the timing of tax payments are the key drivers. The capital spending increase is largely associated with tooling for new product launches at our marine operations. As George mentioned, Mercury remains on track to introduce three new naturally-aspirated, four-stroke engines ranging from 75 to 115 horsepower in the first quarter of 2006. These products are being developed off the Verado platform which covers a family of seven, supercharged engines ranging from 135 through 275 horsepower. Capital spending in the quarter included tooling for the new models. We're also building a *second* state-of-the-art production line set to come onstream in the late first quarter or early second quarter of next year. This line will manufacture both the naturally aspirated and supercharged four-cylinder outboards. The first Verado manufacturing line began production in mid-2004, and will be running near capacity by the end of this year.

On the working capital front, we're in reasonably good shape. In the first half of the year, we reported a seasonal cash outflow of $156 million, up from a $92 million outflow last year. In fact, most of this incremental build came in the first quarter and reflects higher sales activity, as well as an increase in variable compensation paid out in 2005 as a result of strong financial performance last year. In the second quarter we reduced working capital balances by about $60 million, in line with what was seen in 2004. Receivables are quite healthy with a decrease in days sales outstanding versus the prior year. Our higher inventory balance at the end of June versus last year reflects our impressive sales growth, inventory builds for new products and the model year changeover, as well as inventory from acquired companies and for our new plants. We expect that further working capital reductions will be realized in the second half of the year.

On a full-year basis, we remain on track to deliver free cash flow approaching $350 million, before acquisition and investment spending. That's roughly $300 million excluding the MarineMax stock sale we completed in the first quarter and an increase of 15 percent from last year. Capital spending is assumed to run around $200 million for the year. Please note that these numbers could bounce around a bit. You all saw the recent announcement of the move of bowling ball production to Mexico, but the exact timing of our capital spend for this project in late 2005 is not yet set in stone. Depreciation and amortization expense should run around $160 million for the year.

Our cash balance at the end of June stood at a very impressive $509 million, and that's after $96 million in acquisition and investment spending during the first half of the year. Our highest priority for free cash will continue to be acquisitions. When we began this effort just over four years ago, Brunswick already possessed the leading boat brands in the marine industry. Since then, we have further strengthened our position by adding an enviable collection of additional U.S. brands that now places us as a leader in the aluminum segment, in saltwater and freshwater fishing, in the largest motoryachts and in boat parts and accessories. While we will continue to look at boat and P&A tuck-in acquisitions here in the U.S., our focus will gradually shift in the coming quarters to the international marketplace and to building our presence in electronics. Simply put, our acquisition strategy has delivered profitable growth for our shareholders and complements our efforts at organic growth. That's not about to change.

We are in a strong financial position to pursue whatever deals emerge, and we always seem to have a list of interesting candidates in front of us. Our excellent liquidity consists not only of our solid cash position, but also our capacity to tap the capital markets. This is demonstrated not

only by our debt-to-capital ratio, which stood at 27.7 percent at the end of June, down from 30.2 percent at year-end 2004, but also by Moody's early July upgrade in our long-term debt rating from Baa2 to Baa1. Moody's action brings them in line with Standard & Poor's, who announced their rating upgrade last year.

During the second quarter we secured a new five-year, $650 million revolving credit facility that replaced a $350 million revolver set to expire late this year. The new facility reflects the significant growth of the company in recent years and provides even greater flexibility to continue investing in our businesses.

Let me end by noting that our Board of Directors approved a $200 million stock repurchase program in early May. While we do not intend to pursue a systematic repurchase program, this plan gives us the flexibility over the coming years to enter the market on an opportunistic basis and provides an additional means for returning cash to shareholders. The repurchase plan allows us to help offset the impact of dilution from employee option exercise and/or restricted stock awards, obviously dependent on what level of capital and acquisition spending we see at any given point in time.