



Press release

BRP REPORTS SECOND QUARTER FISCAL YEAR 2014 RESULTS

Highlights:

- Revenues of \$620.9 million, an increase of 6.5% (excluding sport boat) compared to last fiscal year
- Strong growth in Year-Round products and PAC sales, both in North America and International markets
- North American retail sales of BRP products up 16% in the quarter (excluding sport boat) compared to last fiscal year
- Season 2013 market share gains recorded for Can-Am ATV and SSV in North America and key global markets
- Net loss of \$7.9 million, which resulted in a basic loss per share of \$0.07
- Normalized net income^[1] of \$7.6 million, which resulted in normalized basic earnings^[1] per share of \$0.07
- Confirming FY14 year-end guidance for normalized EPS^[1] of \$1.45 - \$1.50

Valcourt, Québec, September 12, 2013 — BRP Inc. (TSX: DOO) today reported its financial results for the three and six-month periods ended July 31, 2013. All financial information is in Canadian dollars unless otherwise noted. The complete financial results are available at www.sedar.com.

“Our second quarter results were right in line with our expectations and we are on track to achieve our guidance for the year. I’m particularly pleased with the 16% growth in retail sales of our products in North America during the quarter,” said President and CEO, José Boisjoli.

“I am pleased with the performance of our team and the strength of our brands. Our 14 percent growth in international markets (excluding sport boat) is a strong testament to our product momentum, and this despite the fact that our second quarter is traditionally our weakest quarter of the year.”

“I’m looking forward to welcoming over 2,000 participants from 99 countries as we begin our semi-annual dealer meeting in Orlando, Florida in three days. This event will be another key opportunity to showcase our leadership in the powersports industry as we introduce new Sea-Doo and Can-Am models for the 2014 season,” he concluded.

^[1] Please see definitions of Normalized net income and Normalized earnings per share on Page 2 of this release below Net Income Data table

Highlights For The Three and Six-Month Periods Ended July 31, 2013

Revenues for the three-month period ended July 31, 2013 were \$620.9 million, an increase of 2.1% or \$12.8M compared to the same period of last year. Revenues increased by 6.5% or \$37.8 million when excluding the impact of the exit of the sport boat business in the fall of 2012. The increase in revenues includes a favourable foreign exchange rate variation of \$11 million, mainly related to the strengthening of the Euro against the Canadian dollar.

Revenues for the six month period ended July 31, 2013 were \$1,425.2 million, an increase of 4.0% or \$54.4 million compared to the same period of last year. Revenues increased by 9.5% or \$123.4 million when excluding the impact of the exit of the sport boat business in the fall of 2012. The increase in revenues includes a favourable foreign exchange rate variation of \$24 million, mainly related to the strengthening of the US dollar and Euro against the Canadian dollar.

NET INCOME DATA

(millions of Canadian dollars)	Three-month period ended		Six-month period ended	
	July 31, 2013	July 31, 2012	July 31, 2013	July 31, 2012
	(Restated) ^[2]		(Restated) ^[2]	
Revenues by category				
Seasonal Products	\$ 140.6	\$ 156.1	\$ 347.3	\$ 409.7
Year-Round Products	278.1	257.2	682.8	574.9
Propulsion Systems	85.9	88.5	178.8	181.6
PAC	116.3	106.3	216.3	204.6
Total Revenues	620.9	608.1	1,425.2	1,370.8
Cost of sales	478.3	458.5	1,064.6	1,009.0
Gross profit	142.6	149.6	360.6	361.8
<i>As a percentage of revenues</i>	23.0%	24.6%	25.3%	26.4%
Total operating expenses	106.8	134.8	238.7	257.8
Operating income	35.8	14.8	121.9	104.0
Net financing costs	15.0	11.8	31.9	32.2
Foreign exchange (gain) loss on long-term debt	24.3	9.6	32.6	(1.6)
Increase in fair value of common shares	—	1.4	19.6	6.2
Income (loss) before income taxes	(3.5)	(8.0)	37.8	67.2
Income taxes expense (recovery)	4.4	(5.1)	20.0	15.5
Net income (loss)	\$ (7.9)	\$ (2.9)	\$ 17.8	\$ 51.7
EBITDA^[1]	\$ 58.1	\$ 35.4	\$ 145.7	\$ 140.3
Normalized EBITDA^[1]	\$ 47.4	\$ 53.6	\$ 155.2	\$ 163.3
Normalized net income^[1]	\$ 7.6	\$ 18.2	\$ 61.0	\$ 67.8
Normalized earnings per share - Basic^[1]	\$ 0.07	\$ 0.18	\$ 0.57	\$ 0.67

^[1] EBITDA, Normalized EBITDA, Normalized net income and Normalized earnings per share are non-IFRS measures that the Company uses to assess its operating performance. EBITDA is defined as net income before financing costs, financing income, income taxes expense (recovery), depreciation expense and foreign exchange (gain) loss on long-term debt. Normalized EBITDA is defined as net income before financing costs, financing income, income taxes expense, depreciation expense, foreign exchange (gain) loss on long-term debt, increase in fair value of redeemable common shares and unusual and non-recurring items. Normalized net income is defined as net income before foreign exchange (gain) loss on long-term debt, increase in fair value of redeemable common shares and unusual and non-recurring items adjusted to reflect the tax effect on these items. Normalized earnings per share is calculated by dividing the normalized net income by the weighted average number of shares.

^[2] Restated to reflect the application of the amendments to IAS 19 "Employee Benefits" standard as explained in Note 2a) of the unaudited condensed consolidated interim financial statements for the second quarter ended July 31, 2013.

Seasonal Products

Revenues from Seasonal Products decreased by \$15.5 million, or 9.9%, to \$140.6 million for the three-month period ended July 31, 2013, compared with \$156.1 million for the corresponding period last year. The decrease in revenues is attributable to the reduction of \$25 million of revenues following the Company's decision announced in the third quarter of 2012 to exit the sport boat business. Excluding the exit of the sport boat business, revenues would have increased by \$9.5 million or 7.2%. The increase results from higher volume of products sold, partially offset by additional sales programs put in place to support retail in North America due to the late arrival of spring and generally unfavourable weather conditions.

Year-Round Products

Revenues from Year-Round Products increased by \$20.9 million, or 8.1%, to \$278.1 million for the three-month period ended July 31, 2013, up from \$257.2 million for the corresponding period last year. The increase is primarily due to higher worldwide sales of both ATV and Side by Side Vehicles, partially offset by additional sales programs.

Propulsion Systems

Revenues from Propulsion Systems decreased by \$2.6 million, or 2.9%, to \$85.9 million for the three-month period ended July 31, 2013, compared with \$88.5 million for the corresponding period last year. The decrease in revenues is mainly due to lower volume of outboard engines sold, partially offset by a favourable foreign exchange rate variation of \$3 million.

PAC (Parts, Accessories & Clothing)

Revenues from PAC increased by \$10.0 million, or 9.4%, to \$116.3 million for the three months ended July 31, 2013, up from \$106.3 million for the corresponding period last year. The increase is primarily due to increased sales of Year-Round Products and a favourable foreign exchange rate variation of \$2 million.

Gross profit decreased by \$7.0 million, or 4.7%, to \$142.6 million for the three-month period ended July 31, 2013, down from \$149.6 million for the corresponding period last year. The gross profit margin decreased by 160 basis points from 24.6% for the three-month period ended July 31, 2012. The decrease in gross profit margin was primarily due to increased sales program costs and to additional costs related to the transfer of PWC manufacturing to the Querétaro, Mexico facility. The decrease was partially offset by favourable product mix, higher selling prices and by a favourable foreign exchange rate variation of \$6 million.

Operating expenses decreased by \$28.0 million, or 20.8%, to \$106.8 million for the three-month period ended July 31, 2013, down from \$134.8 million for the three-month period ended July 31, 2012. During the three-month period ended July 31, 2013, the Company recorded a gain of \$11.0 million from an insurance recovery whereas during the three-month period ended July 31, 2012, restructuring costs of \$9.7 million and an impairment charge of \$7.6 million were recorded in connection respectively with the transfer of PWC manufacturing in Mexico and the closure of the sport boat business. The foreign exchange impact represented an increase of

operating expenses of \$3 million. Overall, operating expenses before unusual and non-recurring items remained stable between the three-month periods ended July 31, 2013 and July 31, 2012.

Normalized net income decreased by \$10.6 million to \$7.6 million for the three-month period ended July 31, 2013, compared with \$18.2 million for the corresponding period last year. The decrease is primarily due to increased sales program costs, additional expenses in connection with the transfer of PWC production to Mexico and increased interest costs from a higher amount of long-term debt outstanding.

Fiscal year 2014 Outlook

BRP's financial guidance targets as presented on June 13, 2013 are reconfirmed and remain as follows:

Financial Metrics	Fiscal Year 2014 Guidance targets vs FY13
Revenues	
Seasonal Products	Flat to up low single digits %
Year-Round Products	Up high double digits %
Propulsion Systems	Up mid to high single digits %
PAC	Up high single digits %
Total Company Revenues	Up high single digits %
Normalized EBITDA	Up low double digits %
Effective Tax Rate (on normalized earnings before income tax)	Up to 28-29%
Normalized net income	Up low double digits %
Normalized earnings per share (assuming 112.6 million shares)	\$1.45 - \$1.50
CAPEX	Flat

The above guidance excludes the effects of fluctuations in currency exchange rates. In addition, the Company made a number of economic and market assumptions in preparing its FY14 financial guidance, including assumptions regarding the performance of the economies in which it operates, market competition and tax laws applicable to its operations. The Company cautions that the assumptions used to prepare the forecasts for FY14, although reasonable at the time they were made, may prove to be incorrect or inaccurate. In addition, the above forecasts do not reflect the potential impact of any non-recurring or other special items or of any new material commercial agreements, dispositions, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after September 12, 2013. The financial impact of such transactions and non-recurring and other special items can be complex and depends on the facts particular to each of them. We therefore cannot

describe the expected impact in a meaningful way or in the same way we present known risks affecting our business. Accordingly, our actual results could differ materially from our expectations as set forth in this news release. The outlook provided constitutes forward-looking statements within the meaning of applicable securities laws and should be read in conjunction with the "Caution Concerning Forward-Looking Statements" section.

Conference call and Webcast presentation

Today at 10 a.m. (EDT) BRP Inc. will host a conference call and webcast to discuss BRP's FY2014 second quarter earnings results released this morning. The call will be hosted by José Boisjoli, President and CEO and Claude Ferland, CFO. A slide presentation and link to the audio webcast will be posted at <http://investors.brp.com> in the Event Calendar section.

To listen to the conference call by phone, for the integral version, please dial 1-514-861-4190 or 1-877-461-2815 (toll free in North America) or +00 800 6578 9898 for overseas callers. To listen to the English version only, please dial: 1-514-392-1478 or 1-866-225-0198 (toll free in North America) or +00 800 6578 9898 for overseas calls. For the French version only, please dial: 1-514-392-9196 or 1-866-225-2055 or +00 800 6578 9898 for overseas calls. In all cases, the event number is 4164640.

A replay of the conference call will be available approximately two hours after the call for a one-week period by accessing the same link on our website.

About BRP

BRP (TSX:DOO) is a global leader in the design, development, manufacturing, distribution and marketing of powersports vehicles. Distributed in 105 countries, its portfolio of brands and products includes Ski-Doo and Lynx snowmobiles, Sea-Doo watercraft, Can-Am all-terrain and side-by-side vehicles, Spyder roadsters and Propulsion systems including Evinrude outboard and Rotax engines. BRP employs approximately 6,800 people worldwide.

www.brp.com

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CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

Certain information included in this release, including, but not limited to, statements relating to our Fiscal 2014 financial outlook (including revenues, gross profit margin, operating expenses, Normalized EBITDA, Effective Tax Rate, Normalized net income and Normalized earnings per share), and other statements that are not historical facts, are “forward-looking statements” within the meaning of Canadian securities laws. Forward-looking statements are typically identified by the use of terminology such as “may”, “will”, “would”, “should”, “could”, “expects”, “plans”, “intends”, “trends”, “indications”, “anticipates”, “believes”, “estimates”, “outlook”, “predicts”, “projects”, “likely” or “potential” or the negative or other variations of these words or other comparable words or phrases. Forward looking statements, by their very nature, involve inherent risks and uncertainties and are based on several assumptions, both general and specific. BRP cautions that its assumptions may not materialize and that current economic conditions render such assumptions, although reasonable at the time they were made, subject to greater uncertainty. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause actual the actual results or performance of the Company or the power sports industry to be materially different from the outlook or any future results or performance implied by such statements. Key assumptions used in determining forward-looking information are set forth below.

Key Assumptions

The Company made a number of economic and market assumptions in preparing its 2014 financial guidance, including assumptions regarding the performance of the economies in which it operates, market competition, tax laws applicable to its operations and foreign exchange currency fluctuation. In addition, many factors could cause the Company’s actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following: impact of adverse economic conditions on consumer spending; decline in social acceptability of the Company’s products; fluctuations in foreign currency exchange rates; high levels of indebtedness; unavailability of additional capital; unfavourable weather conditions; seasonal sales fluctuations; the Company’s ability to comply with product safety, health, environmental and noise pollution laws; dependence on dealers, suppliers, financing sources and other strategic partners who may be sensitive to economic conditions; large fixed cost base; inability of dealers and distributors to secure adequate access to capital; supply problems, termination or interruption of supply arrangements or increases in the cost of materials; restrictive covenants in the Company’s financing and other material agreements; competition in product lines; loss of members of management team or employees who possess specialized market knowledge and technical skills; inability to maintain and enhance reputation and brands; adverse determination in any significant product liability claim against the Company; significant product repair and/or replacement due to product warranty claims or product recalls; reliance on a network of independent dealers and distributors to manage the retail distribution of products; dependence on customer relationships for the sale of original equipment manufacturer products; unsuccessful management of inventory; risks associated with international operations; inability to enhance existing products and develop and market new products; protection of intellectual property; failure of information technology systems; declining prices for used versions of products and oversupply by competitors; unsuccessful execution of manufacturing strategy; changes in tax laws and unanticipated tax liabilities; higher fuel costs; deterioration in relationships with employees; pension plan liabilities; natural disasters; failure to carry proper insurance coverage; public company expenses; conduct of business through subsidiaries; and significant influence by our principal shareholders holding multiple voting shares.

BRP undertakes no obligation to update or revise forward-looking statements to reflect future events, changes in circumstances, or changes in beliefs, unless required by applicable Canadian securities laws. In the event that BRP does update any forward-looking statement, no inference should be made that BRP will make additional updates with respect to that statement, related matters, or any other forward-looking statement.