



THE ULTIMATE POWERSPORTS EXPERIENCE



QUARTERLY REVIEW

SECOND QUARTER ENDED JULY 31, 2014

Forward-Looking Statements

Certain statements in this presentation about the Company's current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements.

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The purpose of the forward-looking statements is to provide the reader with a description of management's expectations regarding the Company's financial performance and may not be appropriate for other purposes; readers should not place undue reliance on forward-looking statements made herein. Furthermore, unless otherwise stated, the forward-looking statements contained in this presentation are made as of the date of this presentation, and the Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities regulations. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.





JOSÉ BOISJOLI

CEO

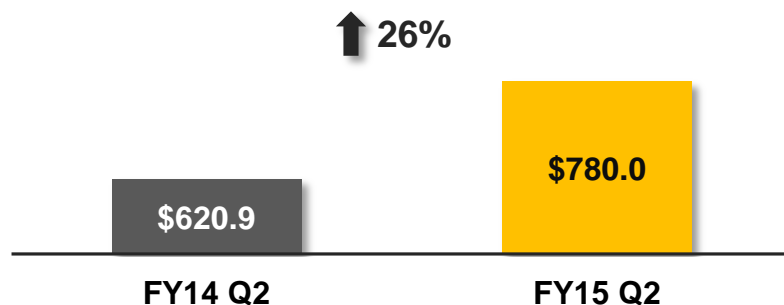
QUARTERLY REVIEW

SECOND QUARTER ENDED JULY 31, 2014

FY15 Q2 Revenues and Normalized EBITDA

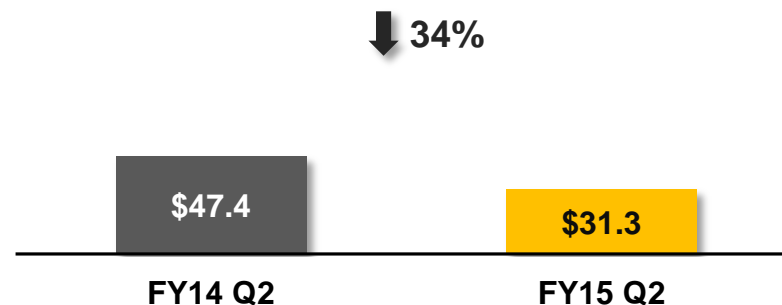
Revenues

CA\$ millions



Normalized EBITDA^[1]

CA\$ millions



Financial Highlights

- Increase of 26% in quarterly revenues, or 20% when excluding favourable foreign exchange impact
- Normalized EBITDA below expectations mainly due to sales programs and negative foreign exchange impact
- Net loss of \$3.6M compared to a net loss of \$7.9M for the same period last year
- Normalized diluted loss per share of \$0.07

^[1] For a reconciliation of net income to Normalized Net Income and Normalized EBITDA, see the reconciliation tables in appendix



Business Highlights

Markets Dynamic

North America

- BRP retail sales for both *Seasonal Products* and *Year-Round Products* were up 19% in aggregate for the three-month period ended July 31, 2014 vs the same period last year
- Network inventory is at a healthy level with *Seasonal Products* and *Year-Round Products* total network inventory up 2% compared to the same period last year, despite increased snowmobile shipments and dealer network expansion
- Model Year 14 ORV season ended June 30, 2014, with Can-Am gaining market share

International

- Scandinavian snowmobile Season 14 ended on June 30, 2014, down low-single digits %, with BRP gaining market share and maintaining its leadership position
- Q2 shipments to Russia as expected

Manufacturing Operations

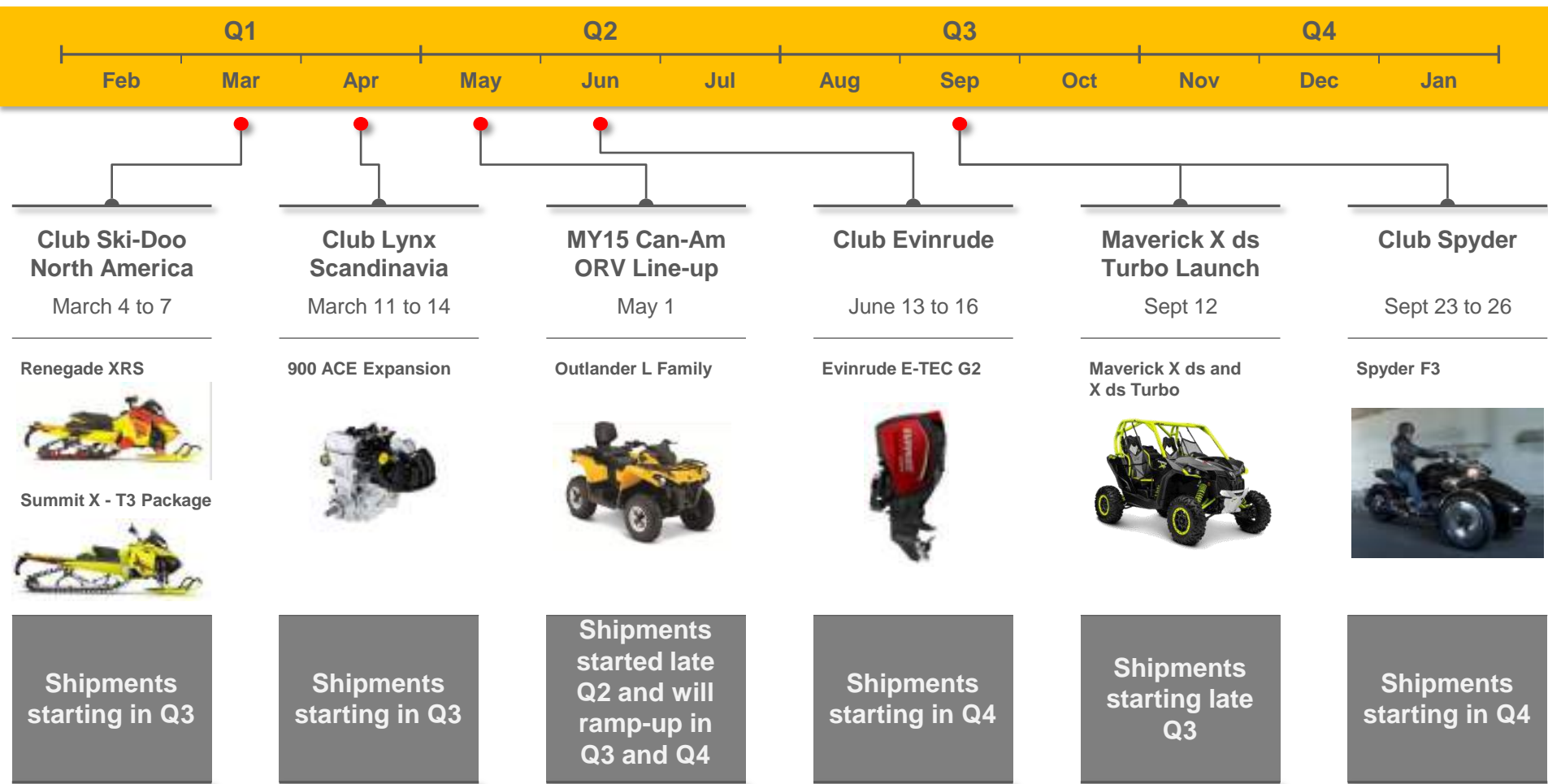
- Planned shut down of the Querétaro Sea-Doo Spark assembly line, in preparation for the transfer of traditional PWC assembly, is on schedule
- Production of Outlander L and Outlander L MAX 500 began in June

Product Introductions

- **Evinrude E-TEC G2:** All-new revolutionary outboard engine family launched in June
- **Can-Am Maverick X ds and X ds Turbo:** New version of the Maverick SSV, available with a turbocharged engine delivering 121hp, was launched on September 12
- **Can-Am Spyder F3:** To be officially introduced on September 23 at the Club Spyder event



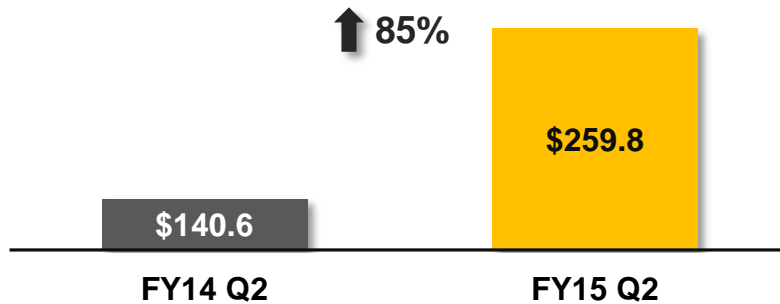
Shipments of New Products Introduced in FY15 Will Mostly Impact Q3 and Q4 Results



Seasonal Products

Revenues

CA\$ millions



Business Dynamics

PWC

- Ten months into the season, N.A. industry up in the low-twenties %
- Industry growth is driven by the Sea-Doo Spark
- Sea-Doo gained market share over the same period, maintaining its number one position in North America

Snowmobile

- Shipped snowmobiles in Q2 at a higher pace than last year to meet demand for the upcoming season

MY14 Sea-Doo Line-up



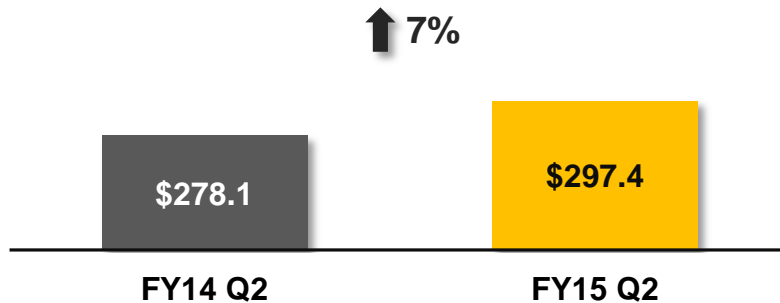
Sea-Doo offers the most extensive and innovative line-up in the industry and has been holding the number one market share position in North America for over 10 years



Year-Round Products

Revenues

CA\$ millions



MY15 Outlander L



- Good reception to the Outlander L 500 (started shipping in July)
- Outlander L 450 shipments started in September

Business Dynamics

Off-Road Vehicles

- N.A. SSV industry retail closed 2014 season on June 30, up mid-teens digits %
- Can-Am SSV retail grew more than industry
- Can-Am Maverick network inventory decreased during Q2
 - Dealer inventory at a healthy level for the introduction of the Maverick X ds
- ATV N.A. industry ended season 2014 with retail up low-single digits %
- Can-Am ATV retail grew slightly faster

Roadster

- Nine months into the season, N.A. motorcycle industry retail is up low-single digits %
- Despite a late spring, season-to-date Can-Am Spyder retail is up mid-single digits %, mostly driven by the strong market reaction to the RT 1330cc



Introducing the New Maverick X ds Turbo

The most powerful SSV in the industry

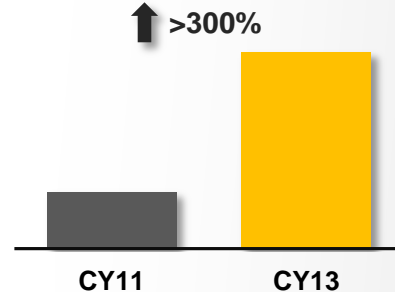


Industry-leading performance

- 121-HP Rotax 1000R Turbo, Industry's first factory-installed turbo
- CVT ventilation, 68% more airflow
- Redesigned front and rear suspension with longer travel

REC-Sport: A fast-growing segment

N.A. SSV REC-Sport Segment Size
In units



We estimate that over the last three years, the REC-Sport segment more than tripled in size and now represents over 25% of the SSV industry

With its 121 HP, the Maverick X ds Turbo is taking the horsepower lead in a fast-growing segment driven by performance



BRP Club Spyder 2015



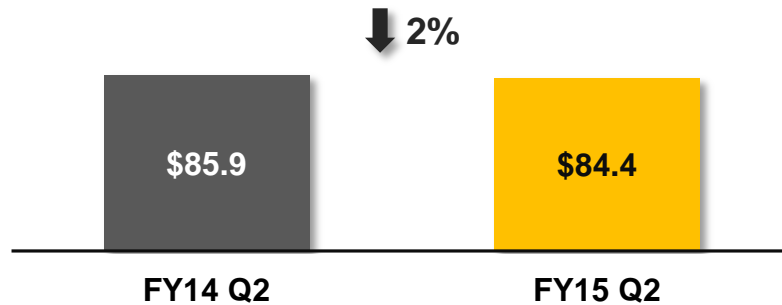
**The new Spyder F3 will be officially unveiled at the
BRP Club Spyder on September 23**



Propulsion Systems

Revenues

CA\$ millions



Business Dynamics

Outboard Engines

- N.A. industry season 14 ended June 30, 2014 with industry retail up high-single digits %
- BRP retail sales were flat

The new Evinrude E-TEC

- **Leading edge technology** - More power and torque, better fuel efficiency, lower emissions and lower operating costs than competition, but also;
- **Offers a new distinctive look** - For the first time ever, boat owners will have the possibility to match the colour of their engine with their boat
 - Boat builders will be offered exclusive colours matching their boats

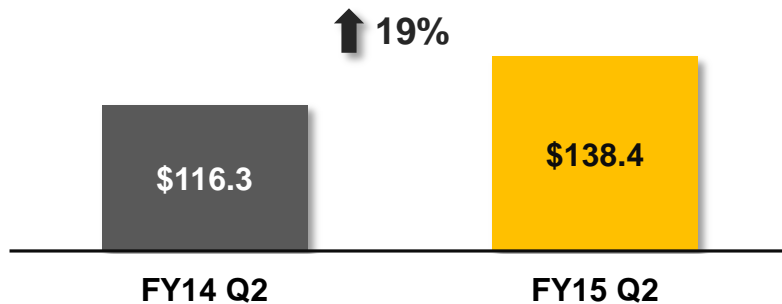
This unique engine is already creating new opportunities for Evinrude by opening doors to new boat OEMs. Early reactions from the media and product trials hint to exciting potential with end-consumers.



Parts, Accessories and Clothing

Revenues

CA\$ millions



Maverick X ds Turbo Accessories



Business Dynamics

Parts, Accessories and Clothing

- Growth primarily driven by the good performance of the Sea-Doo Spark and by deliveries of snowmobile PAC for the upcoming season



The Can-Am Maverick X ds Turbo will come with a large selection of customised accessories



SÉBASTIEN MARTEL

CFO

QUARTERLY REVIEW

SECOND QUARTER ENDED JULY 31, 2014

FY15 Q2 - Financial Highlights

CA\$ millions	Q2 comparison			6-month comparison		
	FY15	FY14	Change	FY15	FY14	Change
Total Revenues	\$780.0	\$620.9	\$159.1	\$1,538.6	\$1,425.2	\$113.4
Growth	+25.6%			8.0%		
Gross Profit	\$142.9	\$142.6	\$0.3	\$316.3	\$360.6	(\$44.3)
As a % of revenues	18.3%	23.0%		20.6%	25.3%	
Operating Income	\$3.6	\$35.8	(\$32.2)	\$32.0	\$121.9	(\$89.9)
As a % of revenues	0.5%	5.8%		2.1%	8.6%	
Net Income	(\$3.6)	(\$7.9)	\$4.3	\$24.4	\$17.8	\$6.6
As a % of revenues	(0.5%)	(1.3%)		1.6%	1.2%	
Normalized Net Income^[1]	(\$8.8)	\$7.6	(\$16.4)	\$7.8	\$61.0	(\$53.2)
Normalized EBITDA^[1]	\$31.3	\$47.4	(\$16.1)	\$87.9	\$155.2	(\$67.3)
EPS - Diluted	(\$0.03)	(\$0.07)	\$0.04	\$0.21	\$0.17	\$0.04
Normalized EPS - Diluted	(\$0.07)	\$0.07	(\$0.14)	\$0.07	\$0.57	(\$0.50)

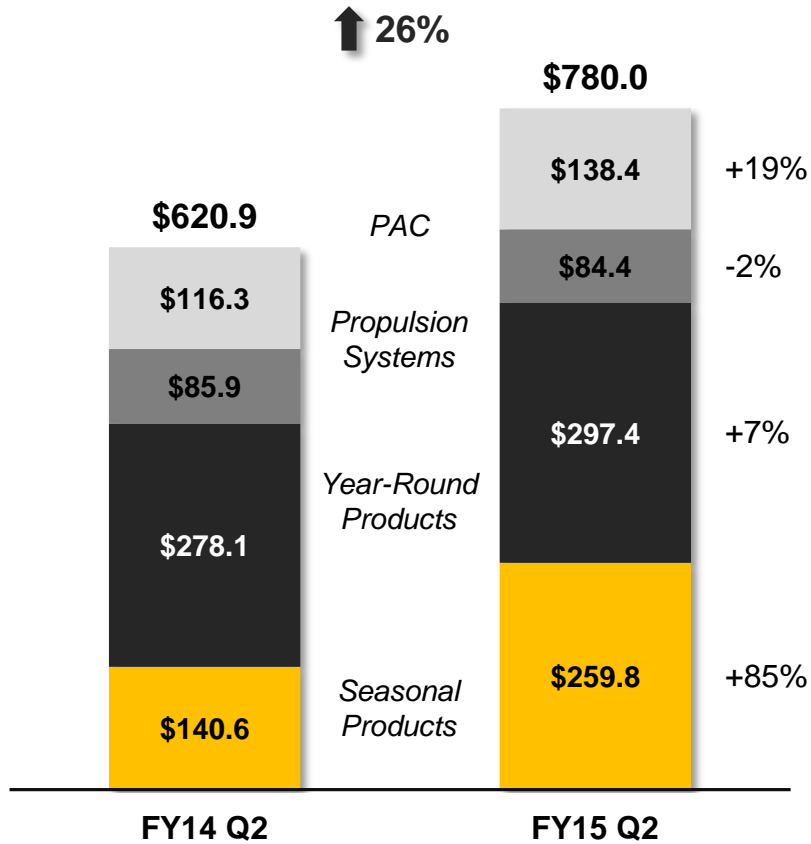
^[1] For a reconciliation of net income to Normalized Net Income and Normalized EBITDA, see the reconciliation tables in appendix



FY15 Q2 - Revenues by Product Category and Geography

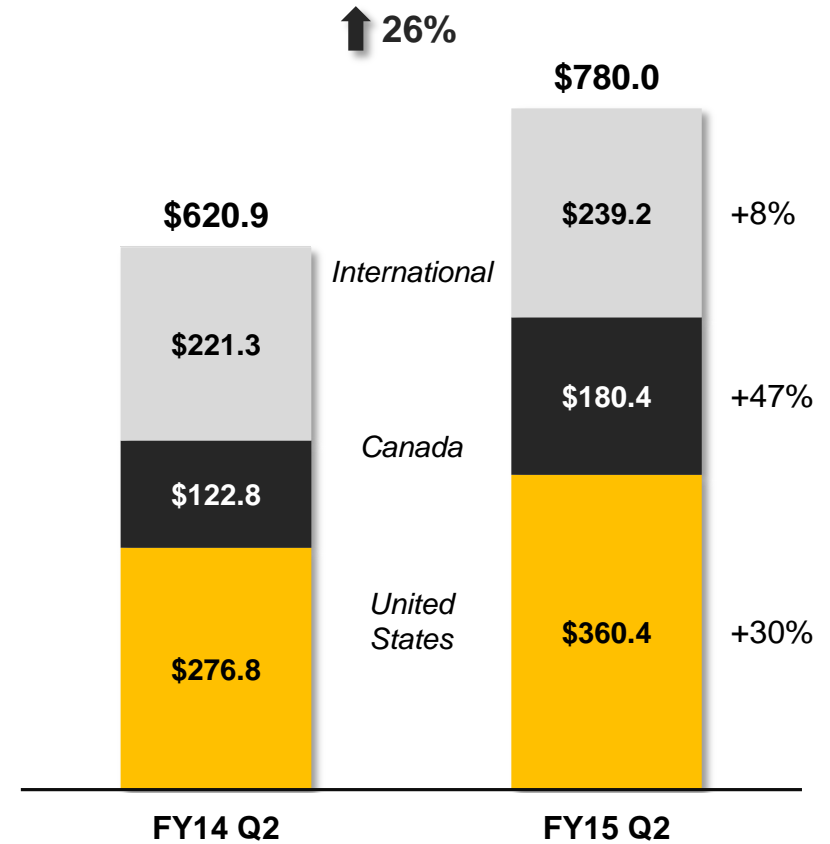
Revenues by Product Category

CA\$ millions



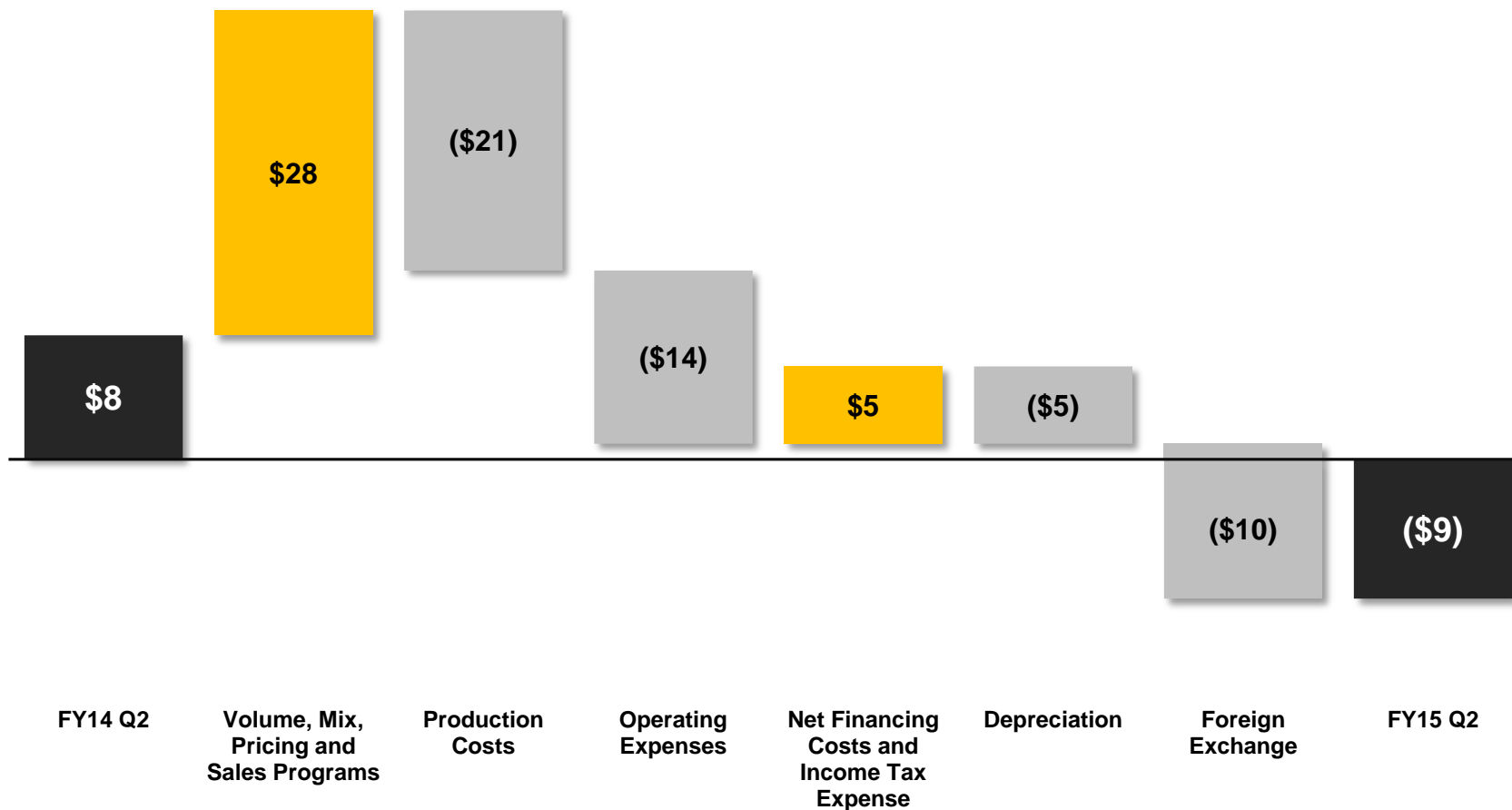
Revenues by Geography

CA\$ millions



Quarterly Normalized Net Income Bridge

CA\$ millions



FY15 Q2 - Financial Position and Liquidity Profile

CA\$ millions	As at Jul. 31	As at Jan. 31	Change
	2014	2014	
Cash	\$22.1	\$75.4	(\$53.3)
Working capital	133.6	155.6	(22.0)
Revolving credit facilities	41.9	10.5	31.4
Long-term debt ^[1]	887.1	889.9	(2.8)

CA\$ millions	6-month comparison		
	FY15	FY14	Change
Capital expenditures	(\$58.1)	(\$56.5)	(\$1.6)
Free cash flow ^[2]	(70.1)	(84.1)	14.0

^[1] Including current portion of long-term debt

^[2] Free cash flow is defined as net cash flow from operating activities minus capital expenditures



BRP North American Powersports Dealer Inventory

North American Dealer Inventory Level

Units, Excluding Outboard Engines



Q1

Q2

Q3

Q4

—●— FY13

—●— FY14

—●— FY15

Dealer inventory ended FY15 Q2 up 2% from FY14 Q2

Seasonal Products

- **Inventory up** - driven by increased shipments of snowmobiles to meet higher demand for the upcoming season

Year-Round Products

- **Inventory slightly down** - mostly driven by ORV

Network inventory is at a healthy level despite increased snowmobile shipments and dealer network expansion



FY15 Full-Year Guidance - as at September 12, 2014

Financial Metric	FY15 Guidance vs FY14
Revenues	<i>No change unless otherwise noted</i>
Seasonal Products	Up 12% to 16% (increased from up 9% to 13%)
Year-Round Products	Up 6% to 10% (lowered from up 9% to 13%)
Propulsion Systems	Up 7% to 10%
PAC	Up 10% to 15%
Total Company Revenues	Up 9% to 13%
Normalized EBITDA	Up 11% to 15%
Effective Tax Rate ¹	26% - 27%
Normalized Net Income ²	Up 10% to 17%
Normalized Earnings per Share – Diluted	\$1.55 - \$1.65 (up 10 to 17%) ³
Capital Expenditures	\$165M to \$175M

¹ Effective tax rate based on Normalized Earnings before Income Tax

² Assuming \$116M Depreciation Expense

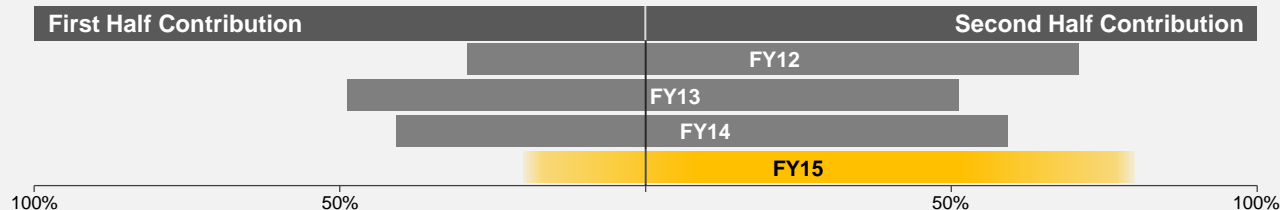
³ The 10% to 17% increase assumes a constant weighted average number of diluted shares of 118.9 million for both FY15 and FY14.



FY15 Guidance - Back-Half Loaded Profitability

Normalized EBITDA by Half Year

As a percentage of full fiscal year normalized EBITDA



Elements Impacting FY15H1

- Project related expenses**
 - Transfer of PAC distribution activities to a new location operated by a third-party provider
 - PWC hull production ramp-up in Mexico
 - Sea-Doo Spark marketing campaign
 - Evinrude Club and new product launch
- Late spring in North America**
 - Impacting volume of Year-Round Products
- Political and economic situation in Russia**
 - Mainly impacting deliveries of Off-Road vehicles and PWC
- Additional sales programs**
- + Additional volume of the new Sea-Doo Spark**

Elements Impacting FY15H2

- + Strong snowmobile season coming up**
 - Historically low dealer inventory level at the end of last season
 - Solid MY15 line-up with exceptional Spring booking
 - Strong PAC orders
- + New product deliveries**
 - Outlander L (first deliveries in July 2014, ramping up in H2)
 - Evinrude E-TEC G2 (first deliveries in Q4)
 - Maverick X ds (first deliveries late Q3)
 - Spyder F3 (first deliveries in Q4)
- Political and economic situation in Russia and softer economy in South America**

We expect that a higher proportion of FY15's Normalized EBITDA will be generated in H2 compared to FY14





CLOSING REMARKS

QUARTERLY REVIEW

SECOND QUARTER ENDED JULY 31, 2014

SKI-DOO.
LYNX.
SEA-DOO.
EVINRUDE.
ROTAX.
CAN-AM.



Q&A Period

QUARTERLY REVIEW

SECOND QUARTER ENDED JULY 31, 2014

SKI-DOO.
LYNX.
SEA-DOO.
EVINRUDE.
ROTAX.
CAN-AM.

Global Leader in Powersports Vehicles and Engines

Seasonal Products

ski-doo
LYNX
SEA-DOO



Snowmobiles



Personal Watercraft

Year-Round Products

can-am



All-Terrain Vehicles



Recreational
Side-by-Side Vehicles



Roadsters

Propulsion Systems

EVINRUDE
ROTAX



Outboard
Engines



OEM Engines

Diversified Product Portfolio AND Powerful Brands





Appendix

QUARTERLY REVIEW

SECOND QUARTER ENDED JULY 31, 2014

SKI-DOO.
LYNX.
SEA-DOO.
EVINRUDE.
ROTAX.
CAN-AM.

Reconciliation Tables

CA\$ millions	Three-month periods ended		Six-month periods ended	
	July 31, 2014	July 31, 2013	July 31, 2014	July 31, 2013
Net Income (Loss)	(\$3.6)	(\$7.9)	\$24.4	\$17.8
Normalized Elements:				
Foreign exchange (gain) loss on long-term debt	(5.1)	24.3	(17.4)	32.6
Increase in fair value of common shares	-	-	-	19.6
Restructuring costs reversal ^[1]	(0.2)	-	(0.6)	-
Impairment charge reversal ^[2]	-	(0.3)	-	(0.3)
(Gain) reversal from insurance recovery ^[3]	-	(11.0)	1.4	(11.0)
Other elements ^[4]	0.4	0.6	1.0	1.2
Income taxes adjustment	(0.3)	1.9	(1.0)	1.1
Normalized Net Income (Loss)	(8.8)	7.6	7.8	61.0
Normalized income taxes expense (recovery)	(1.7)	2.5	(1.9)	18.9
Financing costs	14.9	15.5	29.0	33.6
Financing income	(0.6)	(0.5)	(1.1)	(1.7)
Depreciation expense	27.5	22.3	54.1	43.4
Normalized EBITDA	\$31.3	\$47.4	\$87.9	\$155.2

^[1] During the three and six-month periods ended July 31, 2014, the Company revised its estimates related to the exit of the sport boat business and reversed in net income respectively \$0.2 million and \$0.6 million of restructuring costs that were previously recorded during the twelve-month period ended January 31, 2013.

^[2] During the three-month period ended July 31, 2013, the Company reversed \$0.3 million of the impairment charge that was previously recorded during Fiscal 2013 following the Company's decision to exit the sport boat business.

^[3] During the six-month period ended July 31, 2014, as a result of obtaining additional information, the Company revised its estimates related to the estimated insurance recovery in relation with the property, plant and equipment damaged by the explosion that occurred at the Company's research & development centre in Valcourt, Canada, during Fiscal 2013 and reversed in net income \$1.4 million of the \$11.0 million gain that was previously recorded during the three-month period ended July 31, 2013.

^[4] Other normalized elements are retention salaries related to the transfer of the assembly of PWC from Canada to Mexico and the outsourcing of the PAC distribution to third-party logistics providers.





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