



2018 ANNUAL REVIEW
FOR THE YEAR ENDED JANUARY 31, 2018

THE DRIVE TO OUTPERFORM



MBAT™

FINANCIAL HIGHLIGHTS





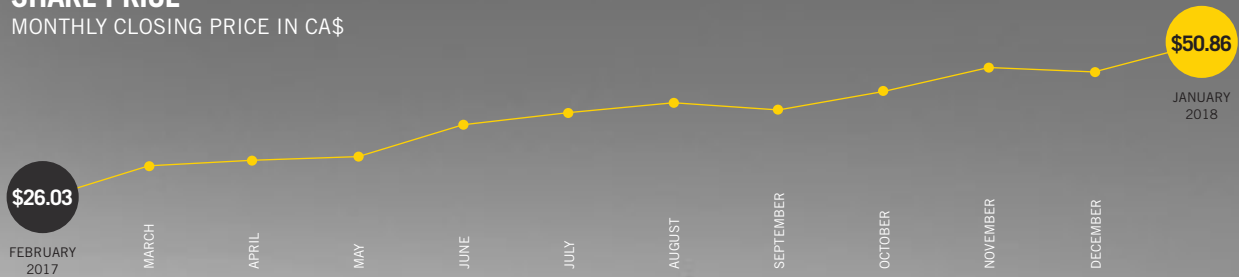
40.8% | **34.8%** | **15.7%** | **8.7%**
 YEAR-ROUND PRODUCTS | SEASONAL PRODUCTS | PARTS, ACCESSORIES AND CLOTHING | PROPULSION SYSTEMS



50.5% | **32.2%** | **17.3%**
 UNITED STATES | INTERNATIONAL | CANADA

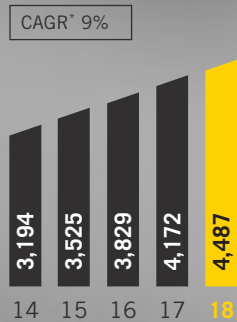
SHARE PRICE

MONTHLY CLOSING PRICE IN CA\$



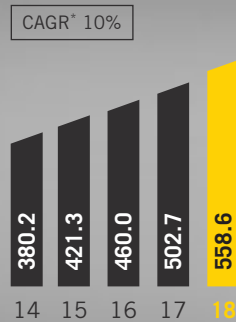
TOTAL REVENUES

CA\$ MILLIONS, AT 31/01/18



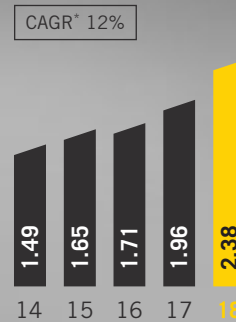
NORMALIZED EBITDA¹

CA\$ MILLIONS, AT 31/01/18



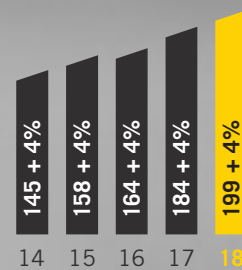
NORMALIZED EARNINGS PER SHARE – DILUTED¹

CA\$, AT 31/01/18



RESEARCH AND DEVELOPMENT SPENDING

IN CA\$ MILLIONS + AS A % OF REVENUES



¹ See Non-IFRS measures section on p.15.

* Compound Annual Growth Rate since 31 January 2014



LETTER TO SHAREHOLDERS FOR FISCAL YEAR 2018 – JOSÉ BOISJOLI

THE DRIVE TO OUTPERFORM

I am very pleased with the strong financial results we delivered once again, featuring another year of record revenues, continuing our steady positive performance since we became a public company five years ago. We are now three years into our ambitious 2020 plan and remain focused on our strategic priorities of Growth, Agility and Lean enterprise to reach our target: the \$6 billion mark and \$3.50 diluted earnings per share by fiscal year 2021.

GROWTH

Our growth has come from a number of factors. We have sustained our intensity of new product introductions, with a solid mix of excellent additions that have led to a strong presence in all markets worldwide. We have also continued to expand existing product lines. Ski-Doo and Lynx line-ups have been augmented by our new G4 platform and two new Rotax engines: the 600R E-TEC and the 900 ACE Turbo. To the Can-Am Maverick line-up, we've introduced a four-person flagship X3 MAX side-by-side and added the Trail platform. Sea-Doo models have seen a new 3-seater platform, and we expanded the Evinrude E-TEC G2 engines with the iDock joystick piloting system. The marked innovations in these

new products, particularly in side-by-side vehicles and Sea-Doo watercraft, have attracted and retained the attention of customers, as our retail momentum can attest.

With regard to sales, we opened in 2017 a business hub in Plano, Texas, to better serve the important U.S. market and put us even closer to the needs of our many dealers in this country. This move was the result of a reorganization of our North American sales force and is designed to allow us to be even more reactive and responsive to regional markets.

Worldwide, several international markets such as Russia, China and Brazil, are showing signs of recovery that, while limited in FY2018, will contribute positively to our growth.

STRATEGIC PRIORITIES

GROWTH

ACCELERATE GROWTH
CREATE A STRONG
PIPELINE OF NEW
GROWTH OPPORTUNITIES

AGILITY

IMPLEMENT A MORE
FLEXIBLE SUPPLY CHAIN
TO IMPROVE CUSTOMER
EXPERIENCE AND REDUCE
WORKING CAPITAL

LEAN ENTERPRISE

RELENTLESS PURSUIT
OF EPS IMPROVEMENT
THROUGH ORGANIZATIONAL
EXCELLENCE AND A LEAN
MINDSET ACROSS BRP

AGILITY

The BM2 modularity principle that we introduced to our side-by-side vehicles manufactured in Mexico is making us very agile. We are better positioned than ever to respond quickly to the needs of the market. Moreover, given the strong demand for our side-by-side line-up, we decided to double our production capacity at our Juarez 2 manufacturing site in Mexico in two phases. Phase 1, which will provide us with a 30% increase, was completed in the first quarter of fiscal year 2019. Phase 2 is planned for February 2019, at which point we will benefit from an additional 50% increase in capacity.

Demand for our Sea-Doo watercraft worldwide is also up, and as a result we are increasing capacity at our Queretaro, Mexico facility where this product is assembled. We anticipate obtaining a 20% increase in capacity as a result of this project this Fall. All the new products introduced since September 2015 are developed following our BM2 modularity principles.

And of course, increased sales of these products have a positive effect on our Rotax engines—at the heart of all our vehicles. Rotax is therefore expanding our engine capacity in Queretaro, Mexico and Gunskirchen, Austria, to support additional product demand.

LEAN

In Valcourt, Canada, our renovated Ski-Doo and Can-Am Spyder assembly line is in production and has been running smoothly since late Fall 2017. Combining both products in one line has helped optimize this facility and enabled us to bring some manufacturing activities in-house.

Our continued deployment of the 2020 Plan allows us to find new ways to streamline our manufacturing base, optimize our structures and propel our cost reduction efforts across our manufacturing sites.

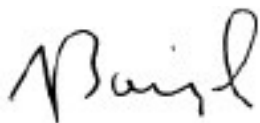
Challenging traditional thinking and how we push new technologies is what distinguishes us from our competition. With our ingenious approach to product development, production and marketing, we constantly redefine the industries in which we operate.

DIVERSIFICATION

Our company continues to outperform the competition, across all our product line-ups and around the world. I remain convinced that our diversification strategy is truly what differentiates us. Our diversified product offering, with our six product lines, gives us a well-balanced portfolio. Our global sales network includes more than 4,200 dealers and distributors in over 100 countries. And of course, our global footprint with eight world-class manufacturing sites in five countries means we are able to serve all our markets seamlessly.

But ultimately, what gives us the greatest competitive strength is our people. Our global team of talented, thoughtful, resourceful and passionate individuals is the greatest asset of our company.

We have the infrastructure, the ingenuity, the team and the drive to continue to provide customers with unforgettable experiences across many different terrains. I have no doubt that we are in an excellent position to continue to outperform the industry, and I look forward, year after year, to demonstrating this to you.



José Boisjoli
President and Chief Executive Officer

One of our dealer's showroom on the Mediterranean coast of eastern Spain.



COMPANY OVERVIEW

\$4.5B
ANNUAL SALES

4,200
DEALERS WHO
REPRESENT
OUR BRANDS

100+
COUNTRIES WHERE
OUR PRODUCTS
ARE AVAILABLE

15
NUMBER OF SOCIAL
RESPONSIBILITY OR
HEALTH AND SAFETY
AWARDS RECEIVED
BY BRP WORLDWIDE

10,000+
OUR RESOURCEFUL
EMPLOYEES
WORLDWIDE

**2017 CEO
OF THE YEAR**

2
NUMBER OF YEARS
WITHOUT A WORKPLACE
ACCIDENT IN OUR
ROVANIEMI, FINLAND
FACILITY

PRIZE AWARDED TO
JOSÉ BOISJOLI, PRESIDENT
AND CEO, BY LES
AFFAIRES MAGAZINE

**HALL OF
FAME NMMA**

INDUCTION OF
DENYS LAPOINTE,
SENIOR VICE-PRESIDENT,
DESIGN, INNOVATION
AND CORPORATE IMAGE,
BY THE NATIONAL MARINE
MANUFACTURERS
ASSOCIATION

**CMO
MARKETING
INNOVATION
AWARD**

PRIZE GIVEN TO
ANNE-MARIE LABERGE,
SENIOR VICE-PRESIDENT,
GLOBAL BRANDS AND
COMMUNICATION, BY
THE CMO CLUB

A GLOBAL LEADER IN MOTORISED
VEHICLES AND ENGINES*

OUR PRODUCT CATEGORIES

YEAR-ROUND PRODUCTS



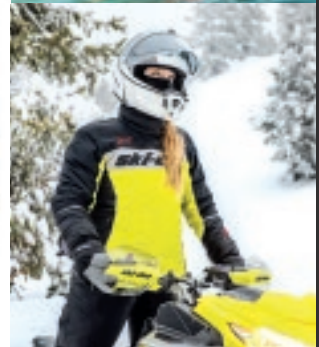
SEASONAL PRODUCTS



PROPULSION SYSTEMS



PARTS, ACCESSORIES AND CLOTHING (PAC)



ADVENTURE BY DESIGN

We are a global leader in the world of powersports vehicles and propulsion systems built on over 75 years of ingenuity and intensive consumer focus. Our portfolio of industry-leading and distinctive products includes Ski-Doo® and Lynx® snowmobiles, Sea-Doo® watercraft, Can-Am® on- and off-road vehicles, Evinrude® and Rotax® marine propulsion systems as well as Rotax engines for karts, motorcycles and recreational aircraft. We support our product lines with a dedicated parts, accessories and clothing business to fully enhance your riding experience. With annual sales of CA\$4.5 billion from over 100 countries, our global workforce is made up of over 10,000 driven, ingenious and resourceful people.



* Numbers indicate global market position.
** Powersport segment.

can-am

YEAR-ROUND PRODUCTS

AWARDS

CAN-AM MAVERICK X3

2017 GOOD DESIGN AWARD

2017 GOOD DESIGN AUSTRALIA AWARD

WINS THREE MAJOR TITLES IN FIRST FULL YEAR OF COMPETITION

CAN-AM DEFENDER MAX

2017 GOOD DESIGN AWARD

2017 GOOD DESIGN AUSTRALIA AWARD

MARKET INDICATORS

GLOBAL SALES

AT JANUARY 31, 2018

1,829.5 CA\$ MILLIONS

GLOBAL SALES VS FY2017

↑ 11.7%

CAN-AM SPYDER VEHICLES

> CAN-AM SPYDER

#2 WORLDWIDE*
* POWERSPORT SEGMENT

> SPYDER LINE-UP

13 MODELS

OFF-ROAD VEHICLES

ATV

> CAN-AM ALL-TERRAIN VEHICLES

#3 WORLDWIDE

> 51 ATV MODELS INCLUDING

YOUTH AND SIX-WHEEL MODELS

SSV

> CAN-AM SIDE-BY-SIDE VEHICLES

#3 WORLDWIDE

> 59 SSV MODELS

ONE OF THE BROADEST AND DEEPEST LINE-UPS OF THE INDUSTRY



CAN-AM-STYLE GROWTH

We pursued our engagement of launching new SSVs every six months through 2020 with the introduction of the Can-Am Maverick X3 MAX in February and the Maverick Trail in September.

The Maverick X3 MAX vehicle features the same sophisticated blend of defiant design, precision handling and exceptional power found in the two-seat Maverick X3 vehicle, but also presents new levels of comfort and control for multi-passenger use.

With the narrower Can-Am Maverick Trail side-by-side vehicles, off-road enthusiasts will be able to enjoy

the Maverick experience on many public trails and reach tucked-away destinations with ease.

Can-Am ATVs have long been recognized for their performance, precision handling and customer-focused design, and those key pillars were reinforced for 2018. Of special note, we introduced the Outlander North Edition ATVs, specifically equipped for cold weather.

CONNECTING SPYDER

On June 2-4, 2017, we welcomed nearly 3,000 Can-Am Spyder owners and guests from around the globe to our home base in Valcourt, Quebec, for a Can-Am Spyder 10th Anniversary Homecoming Event. It marked the

largest single gathering of owners in the history of the brand, which launched in 2007.

On the road, we are also pushing the boundaries with a fully digital instrument panel designed with the rider in mind, most of the 2018 Can-Am Spyder vehicles. The ingenious display is the first in the motorcycle industry to provide access to third-party smartphone apps thanks to seamless connectivity via BRP Connect™.

The system also has Bluetooth technology, allowing riders to play content from their Bluetooth-enabled devices directly on their Can-Am Spyder vehicle. Users can access their navigation app and listen to music to maximize their open-road experience.



1



2

1 The Can-Am Maverick Trail side-by-side was the 5th introduction since we committed to release a new Can-Am SSV every 6 months.

2 The 10th anniversary celebrations of the Can-Am Spyder vehicle began with a parade led by José Boisjoli and Josée Perreault, in which hundreds of proud owners joined to enter Valcourt.

ski-doo LYNX SEA-DOO

SEASONAL PRODUCTS

AWARDS

SKI-DOO AND LYNX SNOWMOBILERS
WIN MAJOR COMPETITIONS IN THE U.S.,
SWEDEN AND FINLAND

SKI-DOO REV GEN4 SNOWMOBILE PLATFORM
2017 GOOD DESIGN AWARD

SEA-DOO SPARK TRIXX
2017 GOOD DESIGN AWARD
2017 GOOD DESIGN AUSTRALIA AWARD
2017 GOOD DESIGN JAPAN AWARD
NATIONAL MARINE MANUFACTURERS
ASSOCIATION INNOVATION AWARD

MARKET INDICATORS

GLOBAL SALES
AT JANUARY 31, 2018

1,560.1 CA\$
MILLIONS

GLOBAL SALES VS FY2017

↑ 5.8%

SKI-DOO AND LYNX SNOWMOBILES

> SKI-DOO AND LYNX

1 WORLDWIDE

> 101 DIFFERENT KEY MODELS OF SNOWMOBILES

UNDER TWO BRAND NAMES,
SKI-DOO AND LYNX

SEA-DOO WATERCRAFT

> SEA-DOO

1 WORLDWIDE

> 24 MODELS

UNDER THE
SEA-DOO BRAND

SPARK MODEL HAS SIGNIFICANTLY CONTRIBUTED
TO THE INDUSTRY GROWTH SINCE ITS
INTRODUCTION IN 2014



1



2

LIVING WITH YOUR SEA-DOO

Fifty years after launching our first Sea-Doo personal watercraft, we unveiled this year a pioneering new platform for several models that completely transforms the onboard experience and extends the range of activities riders can enjoy with a PWC.

The new Sea-Doo platform features a smart reconfigurable rear seat that transforms the personal watercraft into an onboard living room. It also features additional storage, a waterproof and shockproof phone compartment with USB charger, and the industry's first manufacturer-installed, truly waterproof Bluetooth audio system.

TAKE YOUR BEST SHOT

For the 2018 Ski-Doo lineup, the award-winning REV Gen4 platform with Rotax 850 E-TEC engine was extended to more than half of the line-up. But the highlight was the industry-first SHOT engine starting technology. Why is it a big deal? Because it means that snowmobilers no longer need to pull-start their sled but still benefit from a lightweight snowmobile.

Celebrating its 50th model year, Lynx introduced the new Radien platform, the next generation of Rotax 850 E-TEC engine and the SHOT engine starting system.

- 1 The 2018 Ski-Doo Expedition Extreme model, one of the meanest and fastest sport-utility snowmobiles ever offered, is equipped with a Rotax 800R E-TEC engine and premium KYB shocks.
- 2 The Sea-Doo GTX Limited PWC, the first watercraft made to hang out on the water, has a large swim platform and a removable seat so you can lounge or enjoy a picnic.
- 3 A close-up shot of the front storage of our 2018 Sea-Doo GTX watercraft, the industry's first direct-access front storage that can be opened by simply raising the handlebar assembly. It's the smartest water-resistant storage we've ever built into a watercraft, offering room for your next adventure.



3



QUERETARO

The worldwide watercraft industry is growing at a fast pace worldwide, in part due to the 2014 introduction of the Sea-Doo SPARK model. As a result of the growing demand for its Sea-Doo models, BRP has increased the production capacity of its Queretaro, Mexico manufacturing plant.

EVINRUDE ROTAX.

PROPULSION SYSTEMS

AWARDS

EVINRUDE E-TEC G2 150-200 HP

2017 GOOD DESIGN AWARD
GOOD DESIGN AUSTRALIA AWARD

ROTAX 915 iS AIRCRAFT ENGINE

2017 AEROKURIER INNOVATION AWARD

MARKET INDICATORS

GLOBAL SALES
AT JANUARY 31, 2018

394.7 CA\$
MILLION

GLOBAL SALES VS FY2017

↓ 5.3%

DOCK LIKE AN EXPERT

We continually strive to offer the best experience to our customers. That's why this year we introduced a state-of-the-art docking system for our Evinrude outboard engines. The iDock joystick piloting system leverages the existing features of the Evinrude E-TEC G2 engines to automatically compensate for wind and current, helping customers dock expertly.

GOING ELECTRIC

We expanded our range of Rotax internal combustion engines to electric powerpacks. The new Rotax THUNDeR powerpacks will offer customers all the advantages of electrification, including lower greenhouse gas and noise emissions, with the same performance and ease-of-use that have become

hallmarks of the Rotax brand. The Rotax electric powerpack will be distributed through RIC TECH, a joint venture between subsidiary BRP-Rotax and Italian partner SMRE SPA.

- 1 The iDock joystick piloting system helps customers dock their boats expertly.
- 2 BRP's new Rotax THUNDeR powerpacks will offer customers all the advantages of electrification with the same performance and ease-of-use that have become hallmarks of the Rotax brand.



PARTS, ACCESSORIES AND CLOTHING

MARKET INDICATORS

GLOBAL SALES AT JANUARY 31, 2018

702.6 CA\$ MILLION

GLOBAL SALES VS FY2017

↑ 9.2%

PARTS, ACCESSORIES AND CLOTHING (PAC)

> A SECOND RECORD YEAR IN A ROW

350+ NEW ACCESSORIES FOR 2018 MODEL YEAR

ALL THE POSSIBILITIES...

We sell a broad range of parts, accessories and clothing to complement each of our product lines, providing a stable revenue stream with high profit margins and increased brand exposure. Each is meant to enhance the overall customer experience. We design the

vast majority of these ourselves, right alongside the vehicles, ensuring superior assembly, installation and fit. What's more, our PAC offering is generally recognized as being of higher quality than that of our competitors. We believe that our PAC offering is a key influencer in the customer's purchase decision for new vehicles.

Again this year, the number of accessories introduced for 2018 Ski-Doo, Sea-Doo and Can-Am vehicles reached a record high – over 750!

- 1 Our exclusive Sea-Doo wetsuit and neoprene shorts will keep you warm and comfortable no matter where the ride takes you.
- 2 Lynx customers have lots of choices to accessorize their sled.



CORPORATE SOCIAL RESPONSIBILITY

By 2020, BRP wants to be recognized as a worldwide sustainable powersport innovation leader.

Our CSR program is based on six pillars: Governance, Environment, Employees, Product Safety, Supply Chain Management and Role in the Community.

Action plans were developed and concrete and measurable means were adopted to increase CSR awareness and visibility. Tangible steps were taken to further improve BRP's good corporate citizenship.

HERE ARE SOME OF OUR 2020 GOALS:

- > REDUCE OUR ENERGY CONSUMPTION INTENSITY AND OUR GHG EMISSIONS INTENSITY BY

25% BASED ON FY2011 LEVELS

- > ACHIEVE

0 LOST-TIME ACCIDENTS IN OUR FACILITIES

- > ENSURE BRP'S DONATIONS REPRESENT

1% OF THE COMPANY'S EARNINGS BEFORE TAX

- > CONDUCT STAKEHOLDER CONSULTATIONS FOR

ALL MANUFACTURING SITES



1



2

1 Our colleagues in Mexico receive an award from CEMEFI, the Mexican Center for Philanthropy.

2 As part of its CSR efforts, our GunsKirchen facility launched its "work travel" program to encourage employees to carpool and to bike to work.

FY2018 HIGHLIGHTS

- Our Rovaniemi facility celebrated more than two years without a lost-time accident
- Our Mexican facilities were recognized as Socially Responsible Companies by CEMEFI, the Mexican Center for Philanthropy
- Our Sturtevant facility received the Green Master title from the Wisconsin Sustainable Business Council, in recognition of its sustainable initiatives
- Our Valcourt site received the Distinction Award from the Healthy Companies Group (Groupe entreprises en santé), in the work environment category
- Our Spruce Pine facility became the largest donor to its local Toys for Tots program

For the second year in a row, BRP's CSR Report was recognized during the FSI Competition for Best Sustainability Reports as a runner-up in the Consumer Products category.

INFORMATION FOR INVESTORS

An online version of this Annual Review is available at brp.com

Stock Exchange information

BRP Inc. subordinate voting shares are traded on the Toronto Stock Exchange under the symbol "DOO."

Dividend Payments for FY2018

DIVIDEND	PAYMENT DATE	RECORD DATE
\$0.08	July 13, 2017	June 30, 2017
\$0.08	October 30, 2017	September 29, 2017
\$0.08	January 12, 2018	December 29, 2017

Dividend Policy

The Board of Directors has determined that a quarterly dividend is appropriate based on the Company's results of operations, current and anticipated cash requirements and surplus, financial condition, contractual restrictions and financing agreement covenants (including restrictions in the Term Credit Agreement and the Revolving Credit

Agreement or other material agreements), solvency tests imposed by corporate law and on other relevant factors.

The payment of each quarterly dividend remains subject to the declaration of that dividend by the Board of Directors. The actual amount, the declaration date, the record date and the payment date of each quarterly dividend are subject to the discretion of the Board of Directors.

Research Coverage¹

BMO Capital Markets • Canaccord Genuity • CIBC World Markets • Citigroup • Desjardins Securities • GMP Securities • Morningstar • National Bank Financial • Northcoast Research • RBC Capital Markets • Robert W. Baird & Co. • UBS • Wells Fargo

Fiscal Year 2019 Tentative Earnings Calendar

First Quarter: Thursday, May 31, 2018
Second Quarter: Thursday, August 30, 2018
Third Quarter: Friday, November 30, 2018
Fourth Quarter: Friday, March 22, 2019

Issued and Outstanding Shares

As of April 20, 2018, the issued and outstanding shares of BRP Inc. consist of 37,077,959 subordinate voting shares and 62,952,472 multiple voting shares.

Annual Shareholders' Meeting

The meeting will be held at 11 a.m. Eastern Time on May 31, 2018 at the renovated assembly plant, 565 rue de la Montagne, Valcourt, Québec, JOE 2L0. The record date for shareholders is April 13, 2018.

Request for information

Analysts, shareholders and interested investment professionals may direct their business-related inquiries to:

Investor Relations Department

BRP Inc.
726 St-Joseph
Valcourt, Québec
Canada JOE 2L0
Tel.: +1 (450) 532-2211
Email: ir@brp.com

Shareholder Services

For shareholder-related services, including estate change of name or address, stock transfers, settlement, lost stock certificates and duplicate mailings, please contact the transfer agent at:

Computershare Investor Services Inc.

100 University Ave., 8th Floor
Toronto, Ontario
Canada M5J 2Y1
Tel: +1 (866) 245-4053
www.investorcentre.com/service

For more information

To view the Company's Annual Review and related financial information, to learn more about the products, to download product brochures or to find dealer locations, please visit the Company's website at brp.com.

¹ Analyst coverage known to the Company as at March 31, 2018.

FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Review 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.

Forward-looking statements are based on estimates and assumptions made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well

as other factors that the Company believes are appropriate and reasonable in the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct or that the Company's business guidance, objectives, plans and strategic priorities will be achieved.

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, those identified in BRP's annual information form and management's discussion and analysis of financial condition and results of operations, dated March 20, 2018.

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 Annual Review are made as of the date of this Annual Review 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 Annual Review are expressly qualified by this cautionary statement.

NON-IFRS MEASURES

This Annual Review makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. The Company uses non-IFRS measures including Normalized EBITDA, Normalized Net Income, Normalized income tax expense, Normalized effective tax rate, Normalized basic earnings per share and Normalized diluted earnings per share.

Normalized EBITDA is provided to assist investors in determining the financial performance of the Company's operating activities on a consistent basis by excluding certain non-cash elements such as depreciation expense, impairment charge and foreign exchange gain or loss on the Company's long-term debt denominated in U.S. dollars. Other elements, such as restructuring costs, may also be excluded from net income in the determination of Normalized EBITDA as they are considered not being reflective of the operational performance of the Company.

Normalized Net Income, Normalized income tax expense, Normalized effective tax rate, Normalized basic earnings per share and Normalized diluted earnings per share, in addition to the financial performance of operating activities, take into account the impact of investing activities, financing activities and income taxes on the Company's financial results.

The Company believes non-IFRS measures are important supplemental measures of financial performance because they eliminate items that have less bearing on the Company's financial performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS measures. The Company also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of companies, many of which present similar metrics when reporting their results. Management also uses non-IFRS measures in order to facilitate financial performance comparisons from period to period, prepare annual operating budgets, assess the Company's ability to meet its future debt service, capital expenditure and working capital requirements and, also, as a component in the determination of the short-term incentive compensation for the Company's employees. Because other companies may calculate these non-IFRS measures differently than the Company does, these metrics are not comparable to similarly titled measures reported by other companies.

Normalized EBITDA is defined as net income before financing costs, financing income, income tax expense (recovery), depreciation expense and normalized elements. Normalized Net Income is defined as net income before normalized elements adjusted to reflect the tax effect on these elements. Normalized income tax expense is defined as income tax expense adjusted to reflect the tax effect on normalized elements and to normalize specific tax elements. Normalized effective tax rate is based on normalized net income before normalized income tax expense. Normalized earnings per share – basic and normalized earnings per share – diluted are calculated respectively by dividing the normalized net income by the weighted average number of shares – basic and the weighted average number of shares – diluted. The Company refers the reader to the "Selected Consolidated Financial Information" section of the Company's management's discussion and analysis of financial condition and results of operations for Fiscal Year 2018, available on SEDAR at www.sedar.com, for the reconciliations of Normalized EBITDA, Normalized Net Income, Normalized income tax expense, Normalized effective tax rate, Normalized basic earnings per share and Normalized diluted earnings per share presented by the Company to the most directly comparable IFRS measure.

ski-doo LYNX SEA-DOO EVINRUDE ROTAX can-am



**CORPORATE
HEADQUARTERS**


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Québec J0E 2L0 Canada

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 youtube.com/user/communicationsBRP