



PRESS RELEASE

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BRP REPORTS THIRD-QUARTER RESULTS FOR FISCAL YEAR 2015



BRP's Can-Am Spyder F3. © BRP 2014

Highlights:

- Revenues of \$918 million, gross profit margins of 26.1%;
- Normalized EBITDA^[1] of \$134.1 million;
- Net income of \$37.2 million;
- Normalized net income^[1] of \$71.9 million, a 22% increase compared to the same period last year, which resulted in a normalized diluted earnings per share^[1] of \$0.60;
- Great feedback from dealers and media following the launch of the 2015 cruiser-type Can-Am Spyder F3 and the launch of the Can-Am Maverick X ds model; and
- Financial guidance revised to account for the significant decline in the value of the Russian ruble versus the euro since the end of the third quarter.

Valcourt, Québec, December 12, 2014 — BRP Inc. (TSX: DOO) today reported its financial results for the three- and nine-month periods ended October 31, 2014. All financial information is in Canadian dollars unless otherwise noted. The complete financial results are available at www.sedar.com.

“Building on the second-quarter momentum in Seasonal Products, third-quarter Revenues grew 6% and Normalized net income increased 22% compared to the same period last year. We started shipping new products, including the Can-Am Maverick X ds side-by-side model, during the last few weeks and with dealer inventories at healthy levels in North America, we expect a strong fourth quarter for Year-Round Products,” said José Boisjoli, president and CEO.

Commenting on the guidance for Fiscal Year 2015, Boisjoli added: “Earlier this year, we identified a currency risk in Russia and the situation has deteriorated significantly with a steep decline in the value of the ruble since the end of October. The outcome is higher costs for imported products and this affects our distributor’s sales to consumers. With six weeks

[1] Please see definitions of Normalized EBITDA, Normalized net income and Normalized earnings per share following the Net income data table.

remaining before the end of the fiscal year, we are adjusting our guidance to reflect the potential financial impact. I am nevertheless pleased with our results because the other main drivers of our earlier guidance are largely unchanged and this speaks volumes about the quality of our execution.”

Highlights for the Three- and Nine-Month Periods Ended October 31, 2014

Revenues increased by \$52.0 million, or 6.0%, to \$918.0 million for the three-month period ended October 31, 2014, compared with \$866.0 million for the corresponding period ended October 31, 2013. The revenue increase was mainly due to higher wholesale in snowmobiles along with an increased wholesale of their related PAC. The increase was partially offset by lower wholesale in Year-Round Products. The increase in revenues includes a favourable foreign exchange rate variation of \$29 million mainly related to the strengthening of the U.S. dollar and the euro against the Canadian dollar.

Revenues increased by \$165.4 million, or 7.2%, to \$2,456.6 million for the nine-month period ended October 31, 2014, compared with \$2,291.2 million for the corresponding period ended October 31, 2013. The revenue increase was mainly due to higher wholesale in Seasonal Products and their related PAC, partially offset by lower wholesale and higher sales program costs in Year-Round Products. The revenue increase includes a favourable foreign exchange rate variation of \$113 million mainly related to the strengthening of the U.S. dollar and the euro against the Canadian dollar.

Net Income data

(in millions of Canadian dollars)	Three-month periods ended		Nine-month periods ended	
	October 31, 2014	October 31, 2013	October 31, 2014	October 31, 2013
Revenues by category				
Seasonal Products	\$ 452.9	\$ 382.5	\$ 897.3	\$ 729.8
Year-Round Products	227.5	249.6	890.3	932.4
Propulsion Systems	83.3	89.6	265.0	268.4
PAC	154.3	144.3	404.0	360.6
Total Revenues	918.0	866.0	2,456.6	2,291.2
Cost of sales	678.4	642.1	1,900.7	1,706.7
Gross profit	239.6	223.9	555.9	584.5
<i>As a percentage of revenues</i>	26.1%	25.9%	22.6%	25.5%
Operating expenses				
Selling and marketing	54.3	56.8	187.6	175.3
Research and development	41.3	35.7	119.2	103.5
General and administrative	37.5	38.7	109.5	107.4
Other operating expenses (income)	7.8	(2.3)	8.9	(18.6)
Total operating expenses	140.9	128.9	425.2	367.6
Operating income	98.7	95.0	130.7	216.9
Net financing costs	14.4	15.0	42.3	46.9
Foreign exchange loss on long-term debt	29.8	10.9	12.4	43.5
Increase in fair value of common shares	—	—	—	19.6
Income before income taxes	54.5	69.1	76.0	106.9
Income taxes expense	17.3	20.9	14.4	40.9
Net income	\$ 37.2	\$ 48.2	\$ 61.6	\$ 66.0
Attributable to shareholders	\$ 37.2	\$ 48.2	\$ 61.7	\$ 66.1
Attributable to non-controlling interest	—	—	(0.1)	(0.1)
Normalized EBITDA ^[1]	\$ 134.1	\$ 119.0	\$ 222.0	\$ 274.2
Normalized net income ^[1]	71.9	59.0	79.7	120.0
Normalized earnings per share – basic ^{[1] [2]}	0.61	0.50	0.67	1.08
Normalized earnings per share – diluted ^{[1] [2]}	0.60	0.50	0.67	1.08

^[1] For a reconciliation of net income to EBITDA, Normalized EBITDA, Normalized net income and Normalized earnings per share, see the Reconciliation Tables included in the MD&A.

Normalized EBITDA, Normalized net income and Normalized earnings per share are non-IFRS measures that the Company uses to assess its operating performance. Normalized EBITDA is defined as net income before financing costs, financing income, income taxes 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 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. See "Non-IFRS Measures" section.

^[2] As per IFRS requirements, the weighted average number of shares outstanding for the three- and nine-month periods ended October 31, 2013 has been calculated taking into account the consolidation of the outstanding shares on 3.765 to one basis that occurred on May 29, 2013, as part of the initial public offering of the Company's subordinate voting shares (the "IPO").

QUARTERLY REVIEW BY CATEGORIES

Seasonal Products

Revenues from Seasonal Products increased by \$70.4 million, or 18.4%, to \$452.9 million for the three-month period ended October 31, 2014, compared with \$382.5 million for the corresponding period ended October 31, 2013. The increase resulted primarily from an increase in volume of snowmobiles sold for the upcoming season. The increase in revenues includes a favourable foreign exchange rate variation of \$13 million.

Year-Round Products

Revenues from Year-Round Products decreased by \$22.1 million, or 8.9%, to \$227.5 million for the three-month period ended October 31, 2014, compared with \$249.6 million for the corresponding period ended October 31, 2013. The decrease resulted primarily from lower shipments of Can-Am Maverick models. The decrease in revenues includes a favourable foreign exchange rate variation of \$9 million.

Propulsion Systems

Revenues from Propulsion Systems decreased by \$6.3 million, or 7.0%, to \$83.3 million for the three-month period ended October 31, 2014, compared with \$89.6 million for the corresponding period ended October 31, 2013. The decrease in revenues was mainly attributable to a lower volume of outboard engines sold. The decrease includes a favourable foreign exchange rate variation of \$3 million.

PAC (Parts, Accessories, Clothing and other services)

Revenues from PAC increased by \$10.0 million, or 6.9%, to \$154.3 million for the three-month period ended October 31, 2014, compared with \$144.3 million for the corresponding period ended October 31, 2013. The increase is mainly attributable to a higher volume of Seasonal Products' PAC sold for the upcoming snowmobile season. The increase includes a favourable foreign exchange rate variation of \$4 million.

Gross profit increased by \$15.7 million, or 7.0%, to \$239.6 million for the three-month period ended October 31, 2014, compared with \$223.9 million for the corresponding period ended October 31, 2013. The foreign exchange rate negatively impacted gross profit by \$1 million. Gross profit margin percentage increased by 20 basis points to 26.1% from 25.9% for the three-month period ended October 31, 2013. The increase in gross profit margin percentage was primarily due to a higher volume of snowmobiles sold, partially offset by unfavourable foreign exchange rate variations.

Operating expenses increased by \$12.0 million, or 9.3%, to \$140.9 million for the three-month period ended October 31, 2014, compared with \$128.9 million for the three-month period ended October 31, 2013. This increase was driven by an unfavourable foreign exchange impact of \$13 million mainly on working capital.

Normalized net income reached \$71.9 million, an increase of \$12.9 million, which resulted in a normalized diluted earnings per share of \$0.60, an increase of \$0.10 per share. The increase was primarily due to higher gross profit from a greater volume of snowmobiles sold partially

offset by increased foreign exchange loss mainly on foreign-denominated working capital elements. The unfavourable foreign exchange rate variation amounted to \$14 million.

Fiscal Year 2015 Guidance

BRP's financial guidance targets as presented on September 12, 2014 are revised as follows (no change unless otherwise noted):

Financial Metric	FY15 Guidance vs FY14 Results
Revenues	
Seasonal Products	Up 10% to 14% (Lowered from Up 12% to 16%)
Year-Round Products	Up 6% to 10%
Propulsion Systems	Up 7% to 10%
PAC	Up 10% to 15%
Total Company Revenues	Up 8% to 12% (Lowered from Up 9% to 13%)
Normalized EBITDA	Up 7% to 11% (Lowered from Up 11% to 15%)
Effective Tax Rate ^[1]	24.5% - 25.5% (Lowered from 26% to 27%)
Normalized Net Income ^[2]	Up 4% to 11% (Lowered from Up 10% to 17%)
Normalized Earnings per Share – Diluted	\$1.47 - \$1.57 (Lowered from \$1.55 - \$1.65)
Capital Expenditures	\$165M to \$175M

[1] Effective tax rate based on Normalized Earnings before Income Tax.

[2] Assuming \$116M of depreciation expense.

The above targets are based on a number of economic and market assumptions the Company has made in preparing its Fiscal Year 2015 financial guidance, including assumptions regarding the performance of the economies in which it operates, foreign exchange currency fluctuations, market competition and tax laws applicable to its operations. The Company cautions that the assumptions used to prepare the forecasts for Fiscal Year 2015, 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 December 11, 2014. 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 9 a.m. (ET), BRP Inc. will host a conference call and webcast to discuss BRP's FY2015 third-quarter results released this morning. The call will be hosted by José Boisjoli, president and CEO and Sébastien Martel, 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 third-quarter conference call by phone, for the English integral version (event number 4204323), please dial 514-861-1681 or 800-766-6630 (toll-free in North America), or 800-2787-2090 for overseas callers. For the French version (event number 4204324), please dial 514-392-1478 or 866-542-4146 (toll-free in North America), or 800-7701-8886 for overseas calls.

A replay of the conference call will be available two hours after the call for 30 days following the original broadcast.

To listen to an instant replay of the call, please dial 514-861-2272 or 800-408-3053. For the English integral version, please enter the pass code 5725326. For the French translation, enter 6277831. The instant replay will be available 30 days following the call.

About BRP

BRP (TSX: DOO) is a global leader in the design, development, manufacturing, distribution and marketing of powersports vehicles and propulsion systems. Its portfolio includes Ski-Doo and Lynx snowmobiles, Sea-Doo watercraft, Can-Am all-terrain and side-by-side vehicles, Can-Am Spyder roadsters, Evinrude and Rotax marine propulsion systems as well as Rotax engines for karts, motorcycles and recreational aircraft. BRP supports its line of products with a dedicated parts, accessories and clothing business. With annual sales of over CA\$3 billion from 105 countries, the Company employs approximately 7,100 people worldwide.

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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 Year 2015 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", "forecasts", "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 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 2015 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, distributors, 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.

Caution regarding non-IFRS measures

This press release makes reference to financial results in accordance with IFRS, and also makes reference to certain non-IFRS measures. Normalized EBITDA, normalized net income (loss), normalized basic earnings (loss) per share and normalized diluted earnings (loss) per share are measures that are not defined by the IFRS. 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 the management's perspective. BRP believes non-IFRS measures are important supplemental measures of operating performance because they eliminate items that have less bearing on the Company's operating performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS measures. Management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess the Company's ability to meet its future debt service, capital expenditure and working capital requirements.

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