



Press release

BRP REPORTS FIRST QUARTER FISCAL YEAR 2014 RESULTS

Highlights:

- Record first quarter revenues of \$804.3 million, an increase of 12% excluding sport boat
- Revenues from Year-Round Products increased by 27% led by the Can-Am Spyder ST and the Maverick side-by-side vehicle
- Net income of \$25.7 million resulting in basic earnings per share of \$0.25
- Normalized net income^[1] of \$53.4 million, an increase of 7.7% which resulted in normalized basic earnings^[1] per share of \$0.52
- Outlook strong with normalized EPS^[1] forecast to be in the range of "\$1.45 - \$1.50" for the FY14

Valcourt, Québec, June 13, 2013 — BRP Inc. (TSX: DOO) today reported its financial results for the first quarter ended April 30, 2013. All financial information is in Canadian dollars unless otherwise noted. The complete financial results are available at www.sedar.com.

"We are pleased to report our first results as a public company and we take this opportunity to welcome our new shareholders to BRP. Our first quarter puts us on track for a strong performance this year," remarked President and CEO José Boisjoli. "Our revenues from our Year-Round Products increased by 27% during the quarter led by the sales of our Can-Am Spyder ST and Maverick side-by-side vehicle which add to our solid track record of successfully introducing new products and generating strong consumer acceptance," he added.

"During Q1, we also launched the new Rotax 900 ACE snowmobile engine which was well received by the network and we registered strong spring orders of snowmobiles to be delivered during the second half of the year. In addition, our Spyder retail sales performance has continued to outpace the on-highway motorcycle industry."

"International growth is at the heart of our business strategy; we are pleased with our 8% revenue increase from the International market, especially given the challenging economic situation in Western Europe. The construction of our second Mexican manufacturing site in Querétaro, is on schedule," he concluded.

Fiscal Year 2014 First Quarter Revenues Highlights

Revenues for the first quarter ended April 30, 2013 were \$804.3 million, an increase of 5.5% or \$41.6M compared to Q1 of FY13. Revenues increased by 12% when excluding the impact of the exit of the sport boat business in the fall 2012. The increase in revenues includes a favourable foreign exchange rate variation of \$13 million mainly related to the strengthening of the U.S. dollar against the Canadian dollar. The Company's revenues are derived from the sales of its Seasonal Products (Ski-Doo and Lynx snowmobiles and Sea-Doo watercraft), Year-Round Products (Can-Am all-terrain (ATV) and side-by-side vehicles (SSV) and Spyder), its Propulsion Systems (Rotax engines and Evinrude outboard engines) and related Parts, Accessories and Clothing (PAC).

NET INCOME DATA

(millions of Canadian dollars)	April 30, 2013	April 30, 2012 (Restated) ^[2]
Revenues by category		
Seasonal Products	\$ 206.7	\$ 253.6
Year-Round Products	404.7	317.7
Propulsion Systems	92.9	93.1
PAC	100.0	98.3
Total Revenues	804.3	762.7
Cost of sales	586.3	550.5
Gross profit	218.0	212.2
<i>As a percentage of revenues</i>	27.1%	27.8%
Total operating expenses	131.9	123.0
Operating income	86.1	89.2
Net financing costs	16.9	20.4
Foreign exchange (gain) loss on long-term debt	8.3	(11.2)
Increase in fair value of common shares	19.6	4.8
Income before income taxes	41.3	75.2
Income taxes expense	15.6	20.6
Net income	\$ 25.7	\$ 54.6
EBITDA ^[1]	\$ 87.6	\$ 104.9
Normalized EBITDA ^[1]	\$ 107.8	\$ 109.7
Normalized net income ^[1]	\$ 53.4	\$ 49.6
Normalized earnings per share ^[1]	\$ 0.52	\$ 0.49

^[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, 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 common shares.

^[2] Restated to reflect the application of the amendments of IAS 19 "Employee Benefits" standard as explained in Note 2a) of the unaudited condensed consolidated interim financial statements for the first quarter ended April 30, 2013.

Seasonal Products

Revenues for Seasonal Products decreased by \$46.9 million, or 18.5%, to \$206.7 million for the first quarter ended April 30, 2013, compared with \$253.6 million for the corresponding period last year. The decrease in revenues is attributable to the reduction of \$44 million of revenues following the Company's decision announced in the fall of 2012 to exit the sport boat business.

Year-Round Products

Revenues for Year-Round Products increased by \$87.0 million, or 27.4%, to \$404.7 million for the first quarter ended April 30, 2013, up from \$317.7 million for the corresponding period last year. The increase is primarily due to the introduction of new models such as the Can-Am Spyder ST and the Maverick side-by-side vehicle.

Propulsion Systems

Revenues for Propulsion Systems remained stable at \$92.9 million for the first quarter ended April 30, 2013, compared with \$93.1 million for the corresponding period last year despite the cold weather during the spring in North America which impacted our sales of outboard engines.

PAC (Parts, Accessories & Clothing)

Revenues for PAC increased by \$1.7 million, or 1.7%, up to \$100.0 million for the first quarter ended April 30, 2013, up from \$98.3 million for the corresponding period last year.

Gross profit reached \$218.0 million or 27.1% of revenues, an increase of 2.7% or \$5.8 million for the first quarter ended April 30, 2013, up from \$212.2 million for the corresponding period last year. The gross profit margin decreased by 70 basis points primarily due to additional manufacturing costs in Year-Round Products in order to increase production flexibility to better respond to market demand and to additional expenses supporting the watercraft transfer to the Querétaro, Mexico facility.

Operating expenses increased by \$8.9 million, or 7.2%, to \$131.9 million for the first quarter ended April 30, 2013, up from \$123.0 million for the corresponding period last year. The increase was primarily due to higher advertising expenses in all product categories, higher stock-based compensation in relation to the initial public offering of the Company and higher investments in research and development projects.

Normalized net income increased by \$3.8 million, or 7.7% to \$53.4 million for the first quarter ended April 30, 2013 compared with \$49.6 million for the corresponding period last year.

Fiscal year 2014 Outlook

For the Fiscal Year 2014, BRP's financial guidance targets are 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	Up to 28-29%
Normalized net income	Up low double digits %
Normalized earnings per share (assuming over allotment of 1,83M shares fully exercised)	\$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 June 13, 2013. The financial impact of these 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 2014 first 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 Financial presentations 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

Ski-Doo, Lynx, Sea-Doo, Evinrude, Rotax, Can-Am, Spyder and the BRP logo are trademarks of Bombardier Recreational Products Inc. or its affiliates.

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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.