

## BRP TAKES MEASURES TO PROTECT AGAINST WORLDWIDE RECESSION

- **20% reduction in production volumes**
- **550 white-collar jobs eliminated**
- **430 blue-collar employees laid off**
- **Major organizational changes put in place**

*Valcourt, Québec, December 09, 2008* – The powersports industry is hit hard by the global economic recession and BRP is no exception. BRP is thus taking conservative actions that include reducing overall production volumes in the coming year by 20% to accurately reflect the retail and inventory realities of the marketplace; cutting expenses to a minimum; and implementing major changes to the organization.

As a result, some 550 white-collar jobs will be eliminated, 80% of which will take place this month with another 20% over the next nine months. BRP has already laid-off some 370 blue-collar employees in its third quarter ended October 31, 2008 and another 430 blue-collar employees have received temporary lay-off notices in the fourth quarter. This workforce reduction involves all BRP divisions.

"These are very difficult decisions to make but we must take appropriate preventive measures considering the seriousness of the situation," said José Boisjoli, president and chief executive officer. "We believe these measures will reduce our costs and make BRP less vulnerable to drastic declines in revenues caused by events outside our control, such as the current crisis," he added.

These decisions entail:

- Reducing overall production volumes by 20% for fiscal year 2009-10;
- Creating two new divisions responsible for product development and manufacturing by:
  1. Merging the engine divisions (BRP-Rotax and Outboard engines) into a new one called the "**Powertrain**" division which will be responsible of the manufacturing and engineering activities of Evinrude and Rotax engines. The Rotax engines will continue to be manufactured in Gunskirchen, Austria and in Juarez, Mexico while the Evinrude outboard engine manufacturing will remain in Sturtevant, Wisconsin and in Dalang, China. The engineering departments in Waukegan and Gunskirchen as well as the new product development process including the procurement strategy for these brands will be integrated into this new division;
  2. Creating the "**Vehicle Development and Manufacturing**" division which will encompass the Valcourt and Benton plants as well as the Juarez plant with regards to the manufacturing of all-terrain vehicles. Moreover, all engineering services for the Ski-Doo, Sea-Doo and Can-Am brands will be integrated into this new division, as well as the new product development process including the procurement strategy for these brands.
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- Creating a new "**Ski-Doo, Sea-Doo and Evinrude**" (**SSE**) division regrouping the sales and marketing activities of the North American Ski-Doo, Sea-Doo and Evinrude brands;
- Creating the "**Can-Am and Customer Service**" (**CCS**) division which will be responsible for the sales and marketing activities of our Can-Am products in Canada and the U.S. as well as the development of a worldwide strategy related to Parts, Accessories and Clothing (PAC) in addition to Customer Service and Dealer Support Network;
- Focusing on innovation by maintaining our commitment to R&D, but at a reduced pace.

"We are confident these initiatives will help us come out of the recession a stronger company because this new structure provides us with the tools to focus on cost reductions, market strategies, product launches, product innovation and to maximize synergies in both the Vehicle Development and Manufacturing division and the Powertrain division," concluded Boisjoli.

Bombardier Recreational Products Inc. (BRP), a privately-held company, is a world leader in the design, development, manufacturing, distribution and marketing of motorised recreational vehicles. Its portfolio of brands and products includes: Ski-Doo and Lynx snowmobiles, Sea-Doo watercraft and sport boats, Evinrude and Johnson outboard engines, direct injection technologies such as E-TEC, Can-Am all-terrain vehicles and roadsters, as well as Rotax engines and karts. With manufacturing facilities on three continents, BRP products are distributed in more than 80 countries.

[www.brp.com](http://www.brp.com)

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