



FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2014

Presentation to investors,
financial analysts and media

October 30, 2014

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Forward-looking statements

This presentation includes forward-looking statements, which may involve, but are not limited to: statements with respect to the Corporation's objectives, guidance, targets, goals, priorities, its market and strategies, financial position, beliefs, prospects, plans, expectations, anticipations, estimates and intentions; general economic and business outlook, prospects and trends of an industry; expected growth in demand for products and services; product development, including projected design, characteristics, capacity or performance; expected or scheduled entry-into-service of products and services, orders, deliveries, testing, lead times, certifications and project execution in general; competitive position; and the expected impact of the legislative and regulatory environment and legal proceedings on the Corporation's business and operations. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "anticipate", "plan", "foresee", "believe", "continue", "maintain" or "align", the negative of these terms, variations of them or similar terminology. By their nature, forward-looking statements require us to make assumptions and are subject to important known and unknown risks and uncertainties, which may cause actual results in future periods to differ materially from forecasted results. While management considers their assumptions to be reasonable and appropriate based on information currently available, there is a risk that they may not be accurate.

Certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include risks associated with general economic conditions, risks associated with the Corporation's business environment (such as risks associated with the financial condition of the airline industry and rail industry, political instability and force majeure), operational risks (such as risks related to developing new products and services; fixed-price commitments and production and project execution; doing business with partners; product performance warranty and casualty claim losses; regulatory and legal proceedings; the environment; dependence on certain customers and suppliers; human resources), financing risks (such as risks related to liquidity and access to capital markets, retirement benefit plan risk, exposure to credit risk, certain restrictive debt covenants, financing support provided for the benefit of certain customers and reliance on government support) and market risks (such as risks related to foreign currency fluctuations, changing interest rates, decreases in residual values and increases in commodity prices). For more details, see the Risks and uncertainties section in Other in the MD&A for the fiscal year ended December 31, 2013. Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. The forward looking statements set forth herein reflect management's expectations as at the date of this presentation and are subject to change after such date. Unless otherwise required by applicable securities laws, the Corporation expressly disclaims any intention, and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.

All amounts in this presentation are expressed in U.S. dollars unless otherwise indicated

This presentation contains both IFRS and non-GAAP measures. Non-GAAP measures are defined and reconciled to the most comparable IFRS measures in our MD&A. See Caution regarding Non-GAAP measures at the end of this presentation

Good third quarter results

On target to meet our full year guidance

REVENUES

\$4.9B

**ADJUSTED¹
EPS**

\$0.12

- Revenues of \$4.9 billion
- EBIT before special items of \$291 million (5.9% of revenues)
- Adjusted¹ net income of \$222 million (adjusted¹ EPS of \$0.12)
- Free cash flow¹ usage of \$368 million
- Available short-term capital resources of \$3.3 billion²
- Order backlog of \$72.4 billion²

Segmented results

Three-month periods ended September 30

(in millions of dollars)	2014		2013	
Revenues				
Aerospace	2,572		1,999	
Transportation	2,334		2,059	
Total – Revenues	4,906		4,058	
EBIT before special items ¹				
Aerospace	137	5.3%	86	4.3%
Transportation	154	6.6%	124	6.0%
Total – EBIT before special items¹	291	5.9%	210	5.2%
EBIT				
Aerospace	74	2.9%	86	4.3%
Transportation	97	4.2%	124	6.0%
Total – EBIT	171	3.5%	210	5.2%

¹ See Caution regarding Non-GAAP measures at the end of this presentation

Financial results overview

Three-month periods ended September 30

(in millions of dollars, except per share amounts)	2014	2013
Revenues	4,906	4,058
EBIT before special items ¹	291	210
Special items	120	-
EBIT	171	210
Net financing expense	51	36
EBT	120	174
Income taxes	46	27
Net income	74	147
Diluted EPS	0.03	0.08
Adjusted net income¹	222	165
Adjusted EPS¹	0.12	0.09

¹ See Caution regarding Non-GAAP measures at the end of this presentation

Free cash flow and liquidity

Three-month periods ended September 30

(in millions of dollars)	2014	2013
Aerospace		
Cash flows from operating activities	235	179
Net additions to PPE & intangible assets	(415)	(585)
Total Aerospace	(180)	(406)
Transportation	(81)	(5)
Interest and taxes	(107)	(111)
Free cash flow (usage)¹	(368)	(522)

(in millions of dollars, as at)	Sept. 30, 2014	Dec. 31, 2013
Cash and cash equivalents	1,935	3,397
Total liquidity	3,320	4,837

¹ See Caution regarding Non-GAAP measures at the end of this presentation

Affirming our guidance for 2014

Aerospace¹

- ❑ EBIT margin of approximately 5%
- ❑ Cash flows from operating activities between \$1.2 billion and \$1.6 billion
- ❑ Net additions to PP&E and intangible assets between \$1.6 billion and \$1.9 billion
- ❑ Deliveries of approximately 200 business aircraft and 80 commercial aircraft

Transportation¹

- ❑ EBIT margin of approximately 6%
- ❑ Free cash flow² generally in line with EBIT
- ❑ Revenue growth in the mid-single digit range over 2013, excluding currency impacts

1 See Forward-looking statements on page 2 of this presentation

2 See Caution regarding Non-GAAP measures at the end of this presentation

Our strong growth story is taking shape

- **Our continued investments in new products and our reorganization initiatives position us well for the years to come**
- **The order backlog of \$72.4 billion sets the stage for strong revenue growth over a five-year horizon**



Non-GAAP financial measures

CAUTION REGARDING NON-GAAP FINANCIAL MEASURES

This presentation is based on reported earnings in accordance with International Financial Reporting Standards (IFRS). Reference to generally accepted accounting principles (GAAP) means IFRS, unless indicated otherwise. This presentation is also based on non-GAAP financial measures including EBIT before special items, adjusted net income, adjusted earnings per share and free cash flow. These non-GAAP measures are mainly derived from the interim consolidated financial statements, but do not have a standardized meaning prescribed by IFRS; therefore, others using these terms may calculate them differently. Management believes that providing certain non-GAAP performance measures, in addition to IFRS measures, provides users of our financial reports with enhanced understanding of our results and related trends and increases transparency and clarity into the core results of our business. Refer to the Non-GAAP financial measures and Liquidity and capital resources sections in Overview and Analysis of results sections in Aerospace and Transportation in the Corporation's MD&A for the fiscal year ended December 31, 2013 for definitions of these metrics and reconciliations to the most comparable IFRS measures.

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