



FINANCIAL RESULTS FOR THE FOURTH QUARTER AND FULL YEAR 2016

STAKEHOLDER PRESENTATION

BOMBARDIER | FEBRUARY 16, 2017

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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This presentation includes forward-looking statements, which may involve, but are not limited to: statements with respect to our objectives, guidance, targets, goals, priorities, 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; the expected impact of the legislative and regulatory environment and legal proceedings on our business and operations; available liquidities and ongoing review of strategic and financial alternatives; the impact and expected benefits of the investment by the Government of Québec in the C Series Aircraft Limited Partnership and of the private placement of a minority stake in Transportation by the CDPQ on our operations, infrastructure, opportunities, financial condition, access to capital and overall strategy; and the impact of such Investments on our balance sheet and liquidity position.

Forward-looking statements can generally be identified by the use of forward-looking terminology such as “may”, “will”, “shall”, “can”, “estimate”, “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 management to make assumptions and are subject to important known and unknown risks and uncertainties, which may cause our actual results in future periods to differ materially from forecast results set forth in forward-looking statements. While management considers these assumptions to be reasonable and appropriate based on information currently available, there is 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, but are not limited to, risks associated with general economic conditions, risks associated with our business environment (such as risks associated with the financial condition of the airline industry, business aircraft customers, and the rail industry; trade policy; increased competition; political instability and force majeure), operational risks (such as risks related to developing new products and services; development of new business; the certification and homologation of products and services; fixed-price and fixed-term commitments and production and project execution; pressures on cash flows based on project-cycle fluctuations and seasonality; our ability to successfully implement and execute our strategy and transformation plan; 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; reliance on information systems; reliance on and protection of intellectual property rights; and adequacy of insurance coverage), financing risks (such as risks related to liquidity and access to capital markets; retirement benefit plan risk; exposure to credit risk; substantial existing debt and interest payment requirements; certain restrictive debt covenants and minimum cash levels; financing support provided for the benefit of certain customers; and reliance on government support), market risks (such as risks related to foreign currency fluctuations; changing interest rates; decreases in residual values; increases in commodity prices; and inflation rate fluctuations). For more details, see the Risks and uncertainties section in Other in the Management’s Discussion and Analysis (MD&A) of our financial report for the fiscal year ended December 31, 2016. For additional information with respect to the assumptions underlying the forward-looking statements made in this presentation, refer to the Guidance and forward-looking statements sections in Overview, Business Aircraft, Commercial Aircraft, Aerostructures and Engineering Services and Transportation in the MD&A of our financial report for the fiscal year ended December 31, 2016.

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, we expressly disclaim any intention, and assume 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.

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

This presentation should be read in conjunction with our 2016 Financial Report.

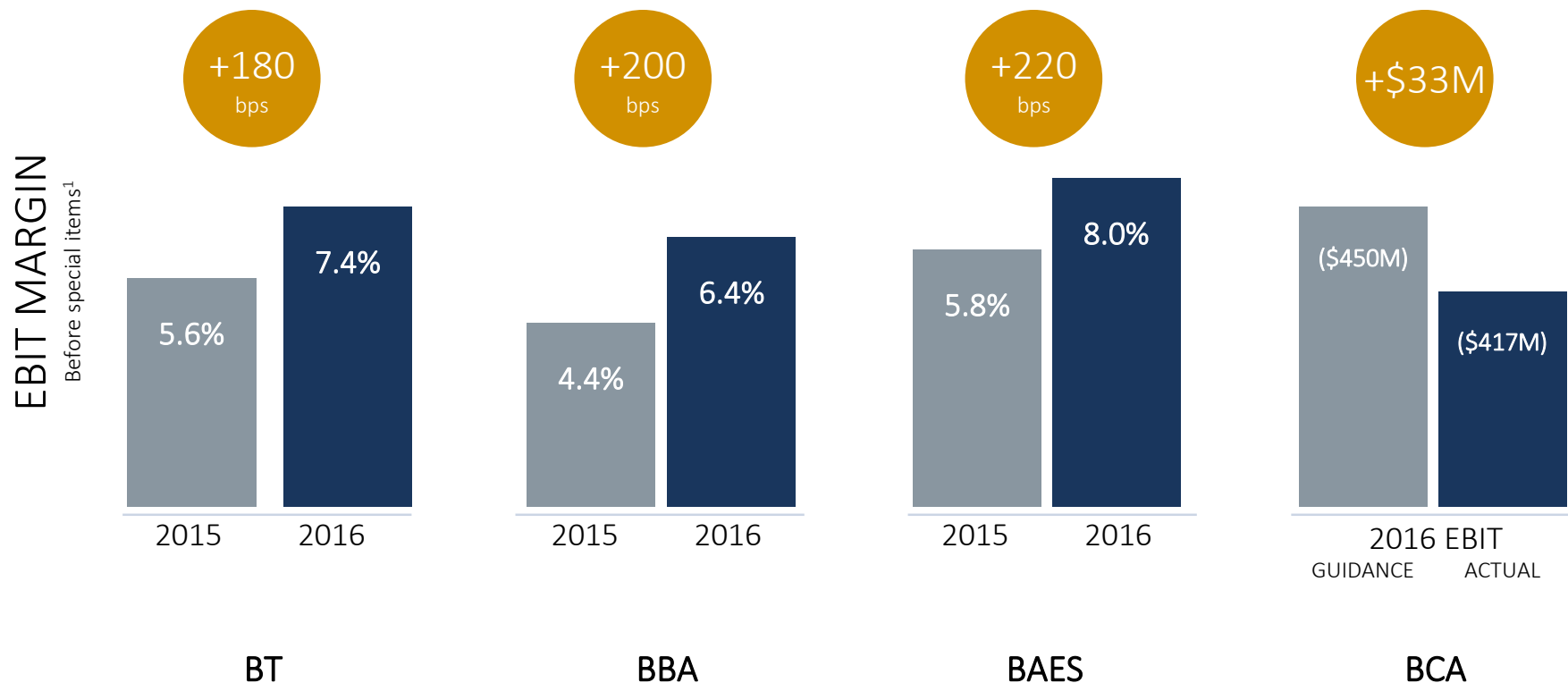
This presentation contains both IFRS and non-GAAP measures. Non-GAAP measures are defined and reconciled to the most comparable IFRS measures in our 2016 Financial Report and at the end of this presentation. See Caution regarding non-GAAP measures at the end of this presentation.

	Q4 2016	2016
REVENUES	\$4.4B	\$16.3B
EBIT before special items ¹	\$104M	\$427M
FCF ¹	\$496M	(\$1.06B)

EBIT AND FCF¹ EXCEEDED GUIDANCE FOR 2016

1. EBIT refers to EBIT before special items. Non-GAAP measure. See Caution regarding Non-GAAP measures at the end of this presentation. Non-GAAP measures are defined and reconciled to the most comparable IFRS measures in the MD&A of our 2016 Financial Report and at the end of this presentation.

MARGIN EXPANSION AT BT, BBA AND BAES







1. Non-GAAP measure. See Caution regarding Non-GAAP measures at the end of this presentation. Non-GAAP measures are defined and reconciled to the most comparable IFRS measures in the MD&A of our 2016 Financial Report and at the end of this presentation.

FCF¹
(\$1.06B)

- ❑ Invested > \$1.1B in 2016 to fund growth
 - BCA development spend \$392 (mainly *C Series*)
 - BBA development spend \$721M (mainly *Global 7000/8000*)
- ❑ Includes \$165M investment in margin growth (restructuring)

Liquidity
\$4.5B

- ❑ \$3.4B Cash and cash equivalents
- ❑ \$1.1B Available revolving credit facilities

			REVENUES	EBIT ¹	2016 PERFORMANCE
BT		Q4 2016	\$1.9B \$7.6B	9.3% 7.4%	<ul style="list-style-type: none"> Book-to-bill of 1.1x
BBA		Q4 2016	\$1.7B \$5.7B	6.1% 6.4%	<ul style="list-style-type: none"> 163 Deliveries <ul style="list-style-type: none"> - 51 Global - 88 Challenger - 24 Learjet
BCA		Q4 2016	\$0.7B \$2.6B	(\$141M) (\$417M)	<ul style="list-style-type: none"> 117 Net C Series Orders 86 Deliveries <ul style="list-style-type: none"> 7 C Series; 46 CRJ; 33 Q400
BAES		Q4 2016	\$0.3B \$1.5B	9.4% 8.0%	<ul style="list-style-type: none"> Margin Expansion as Production Ramps-up

1. EBIT before special items. Non-GAAP measure. See Caution regarding non-GAAP measures at the end of this presentation and the reconciliation to the most comparable IFRS measure in the MD&A of our 2016 Financial Report and at the end of this presentation.

	REVENUE	EBIT <i>BEFORE SPECIAL ITEMS¹</i>	FCF ¹ <i>INCL. RESTRUCTURING</i>
2017 GUIDANCE ²	LOW SINGLE DIGIT GROWTH	\$530M – \$630M	(\$750M) - (\$1B)
BT	~ \$8.5B	~ 7.5%	RESTRUCTURING <i>SPECIAL ITEMS</i> \$250M - \$300M
BBA	~ \$5.0B ~ 135 deliveries	~ 7.5%	
BCA	~ \$2.9B ~ 80-85 deliveries	(~ \$400M)	
BAES	~ \$1.7B	> 8.5%	

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

2. Refer to the disclosed 2017 Guidance in the December 14, 2016 press release.



PROVEN MARGIN EXPANSION POTENTIAL

CONTROLLED AND DISCIPLINED FCF PERFORMANCE

VERY STRONG CASH AND LIQUIDITY POSITION

CONTINUED PROACTIVE MANAGEMENT



FIRMLY ON PATH TO EARNINGS GROWTH AND CASH GENERATION

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CAUTION REGARDING NON-GAAP 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 includes non-GAAP financial measures, including EBIT before special items, EBIT margin before special items, free cash flow and free cash flow usage. These non-GAAP measures are mainly derived from the consolidated financial statements but do not have standardized meanings prescribed by IFRS. The exclusion of certain items from non-GAAP performance measures does not imply that these items are necessarily non-recurring. From time to time, we may exclude additional items if we believe doing so would result in a more transparent and comparable disclosure. Other entities in our industry may define the above measures differently than we do. In those cases, it may be difficult to compare the performance of those entities to ours based on these similarly-named non-GAAP measures. Management believes that providing certain non-GAAP financial measures, in addition to IFRS measures, provides users of this presentation and of our financial report with enhanced understanding of our results and related trends and increases the transparency and clarity of the core results of our business. For these reasons, a significant number of users of our financial report and of this presentation analyze our results based on these financial measures. EBIT before special items excludes items that do not reflect our core performance or where their exclusion will assist users in understanding our results for the period. We believe these measures help users of our financial report and of this presentation to better analyze results, enabling better comparability of our results from one period to another and with peers.

Refer to the Non-GAAP financial measures section in Overview in the MD&A of our financial report for the fiscal year ended December 31, 2016 for definitions of these metrics and refer below for reconciliations to the most comparable IFRS measures.

RECONCILIATION OF SEGMENT TO CONSOLIDATED RESULTS

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Reconciliation of segment to consolidated results

	Fourth quarters ended December 31		Fiscal years ended December 31	
	2016	2015	2016	2015
Revenues				
Business Aircraft	\$ 1,651	\$ 2,086	\$ 5,741	\$ 6,996
Commercial Aircraft	699	644	2,617	2,395
Aerostructures and Engineering Services	319	443	1,549	1,797
Transportation	1,948	2,164	7,574	8,281
Corporate and Elimination	(237)	(320)	(1,142)	(1,297)
Consolidated	\$ 4,380	\$ 5,017	\$ 16,339	\$ 18,172
EBIT before special items				
Business Aircraft	\$ 100	\$ 28	\$ 369	\$ 308
Commercial Aircraft	(141)	(87)	(417)	(170)
Aerostructures and Engineering Services	30	(9)	124	104
Transportation	181	123	560	465
Corporate and Elimination	(66)	(39)	(209)	(153)
	\$ 104	\$ 16	\$ 427	\$ 554
Special Items				
Business Aircraft	\$ 1	\$ 380	\$ (108)	\$ 1,560
Commercial Aircraft	3	240	486	3,800
Aerostructures and Engineering Services	6	—	(4)	(1)
Transportation	20	—	164	—
Corporate and Elimination	—	53	(53)	33
	\$ 30	\$ 673	\$ 485	\$ 5,392
EBIT				
Business Aircraft	\$ 99	\$ (352)	\$ 477	\$ (1,252)
Commercial Aircraft	(144)	(327)	(903)	(3,970)
Aerostructures and Engineering Services	24	(9)	128	105
Transportation	161	123	396	465
Corporate and Elimination	(66)	(92)	(156)	(186)
	\$ 74	\$ (657)	\$ (58)	\$ (4,838)

RECONCILIATION OF NON-GAAP MEASURES

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Reconciliation of EBITDA before special items and EBITDA to EBIT

	Fourth quarters ended December 31		Fiscal years ended December 31	
	2016	2015	2016	2015
EBIT	\$ 74	\$ (657)	\$ (58)	\$ (4,838)
Amortization	99	123	371	438
Impairment charges on PP&E and intangible assets ⁽¹⁾	10	296	10	4,300
EBITDA	183	(238)	323	(100)
Special items excluding impairment charges on PP&E and intangible assets ⁽¹⁾	20	377	475	1,092
EBITDA before special items	\$ 203	\$ 139	\$ 798	\$ 992

Free cash flow (usage)

	Fourth quarters ended December 31		Fiscal years ended December 31	
	2016	2015	2016	2015
Net loss	\$ (259)	\$ (677)	\$ (981)	\$ (5,340)
Non-cash items				
Amortization	99	123	371	438
Impairment charges on PP&E and intangible assets	10	296	10	4,300
Deferred income taxes	121	(55)	31	63
Share of income of joint ventures and associates	(65)	(96)	(126)	(149)
Loss on repurchase of long-term debt	86	—	86	22
Other	—	—	3	11
Dividends received from joint ventures and associates	31	18	141	77
Net change in non-cash balances	800	1,461	602	598
Cash flows from operating activities	823	1,070	137	20
Net additions to PP&E and intangible assets	(327)	(543)	(1,201)	(1,862)
Free cash flow (usage)	496	527	(1,064)	(1,842)
Net interest and income taxes received (paid)	(139)	48	(651)	(348)
Free cash flow (usage) before net interest and income taxes received or paid	\$ 635	\$ 479	\$ (413)	\$ (1,494)

1. Refer to the Consolidated results of operations section in the MD&A in our 2016 Financial Report for details regarding special items.