



# FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED MARCH 31, 2015

Presentation to investors,  
financial analysts and media

May 7, 2015

# 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, 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; the Corporation's available liquidities and the Corporation's ongoing review of strategic and financial alternatives, the launch and completion of an IPO and the proceeds therefrom; the impact of an IPO on the Corporation's operations, infrastructure, opportunities, financial condition, access to capital and overall strategy; the impact of an IPO on the Corporation's share price, the statement that a carveout IPO should help to crystallize share price value, the impact of the sale of equity on the Corporation's balance sheet and liquidity position, the effect of an IPO on the range of options available to the Corporation, the Corporation's participation in future rail equipment industry consolidation, the stock exchange on which an IPO would be effected, and the capital and governance structure of BT following an IPO. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "should", "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 actual results in future periods to differ materially from those forecasted. 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 important assumptions by the Corporation or its consultants in making forward-looking statements include, but are not limited to: the decision to launch an IPO and the timing, size and successful completion thereof; and the Corporation's ability to consummate an IPO in favorable market conditions. For additional information with respect to the assumptions underlying the forward-looking statements made in this presentation, refer to the respective Guidance and forward-looking statements sections in Aerospace and in Transportation in the Management's Discussion and Analysis (MD&A) of the Corporation's financial report for the fiscal year ended December 31, 2014. This presentation is not intended to form the basis of any investment decision and there can be no assurance that any IPO or other transaction will be undertaken or completed in whole or in part or of the timing, size and proceeds of any such offering, which will depend on a number of factors, including prevailing market conditions.

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 the Corporation's business environment (such as risks associated with the financial condition of the airline industry and major rail operators), operational risks (such as risks related to developing new products and services; 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; fixed-price commitments and production and project execution), risks relating to the Corporation's ability to implement strategic and financial alternatives; financing risks (such as risks related to liquidity and access to capital markets, exposure to credit risk, certain restrictive debt covenants, financing support provided for the benefit of certain customers and reliance on government support); failure to receive regulatory approvals (including stock exchange) or other approvals; failure to launch or complete an IPO on acceptable terms or at all; 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 of the Corporation's financial report for the fiscal year ended December 31, 2014. 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

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# Agenda



**Q1 financial highlights**



**Update on business segments  
and key development programs**



**Looking ahead**

# Highlights of Q1 2015 results

**Revenues**

**\$4.4B**

▲ 1% vs. Q1 2014<sup>2</sup>

**EBIT<sup>1,3</sup>**

**\$237M**  
**5.4%**

▲ 40 bps vs. Q1 2014

**Free cash flow<sup>3</sup>**

**-\$745M**

▲ \$170M vs. Q1 2014

**Order backlog**

**\$65.8B**

▼ (\$3.3B) vs. Dec. 31, 2014

**Adjusted EPS<sup>3</sup>**

**\$0.09**

▲ 13% vs. Q1 2014

**Liquidity**

**\$6.0B**

▲ \$2.2B vs. Dec. 31, 2014

1 EBIT before special items

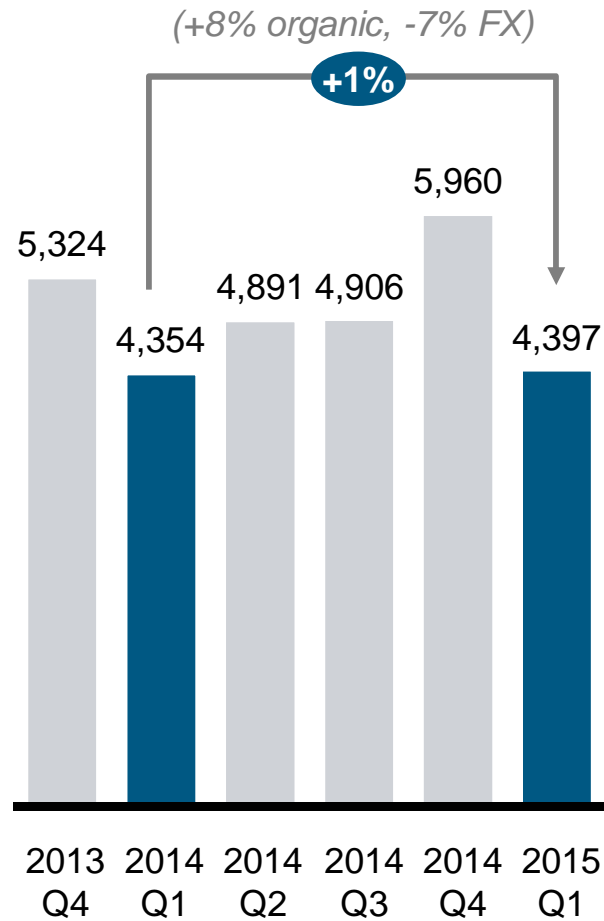
2 Includes 8% organic growth and -7% currency impact

3 Non-GAAP financial measures. See Caution regarding Non-GAAP measures at the end of this presentation

# Q1 2015 consolidated financial highlights

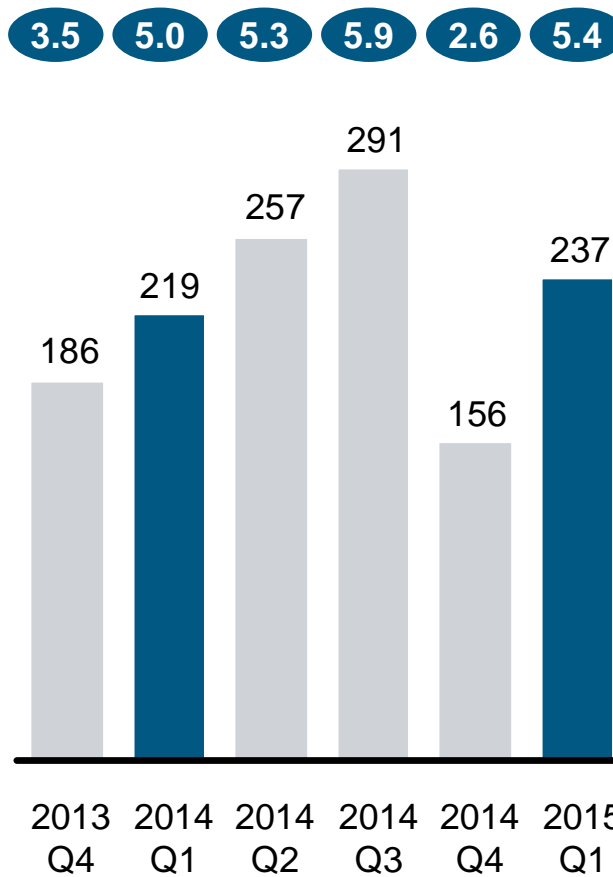
## Revenues

(in millions of dollars) **%** QoQ growth



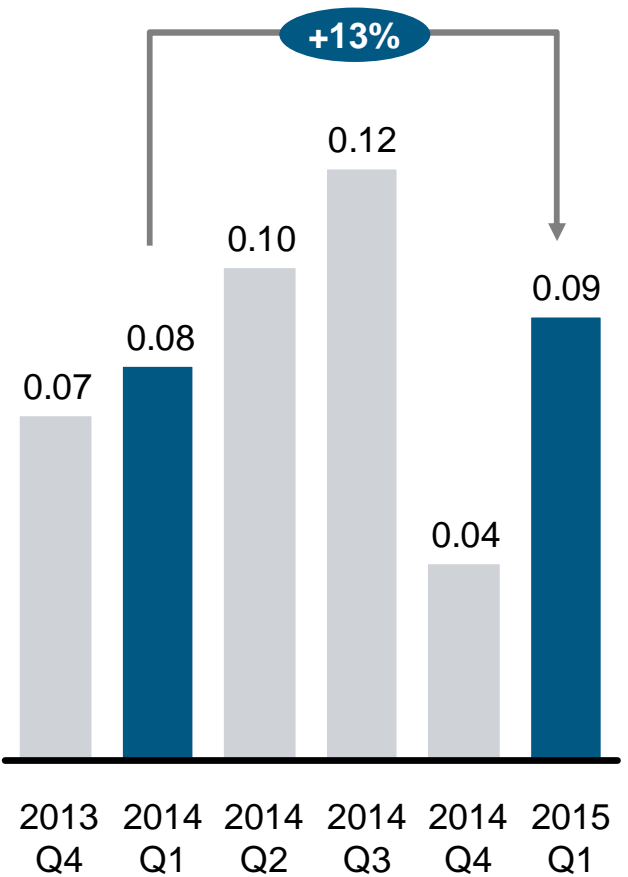
## EBIT before special items <sup>1</sup>

(in millions of dollars) **%** Return on sales



## Adjusted EPS <sup>1</sup>

(in dollars) **%** QoQ growth



<sup>1</sup> Non-GAAP financial measures. See Caution regarding Non-GAAP measures at the end of this presentation

# Free cash flow results

## Free cash flow usage<sup>1</sup> (in millions of dollars)

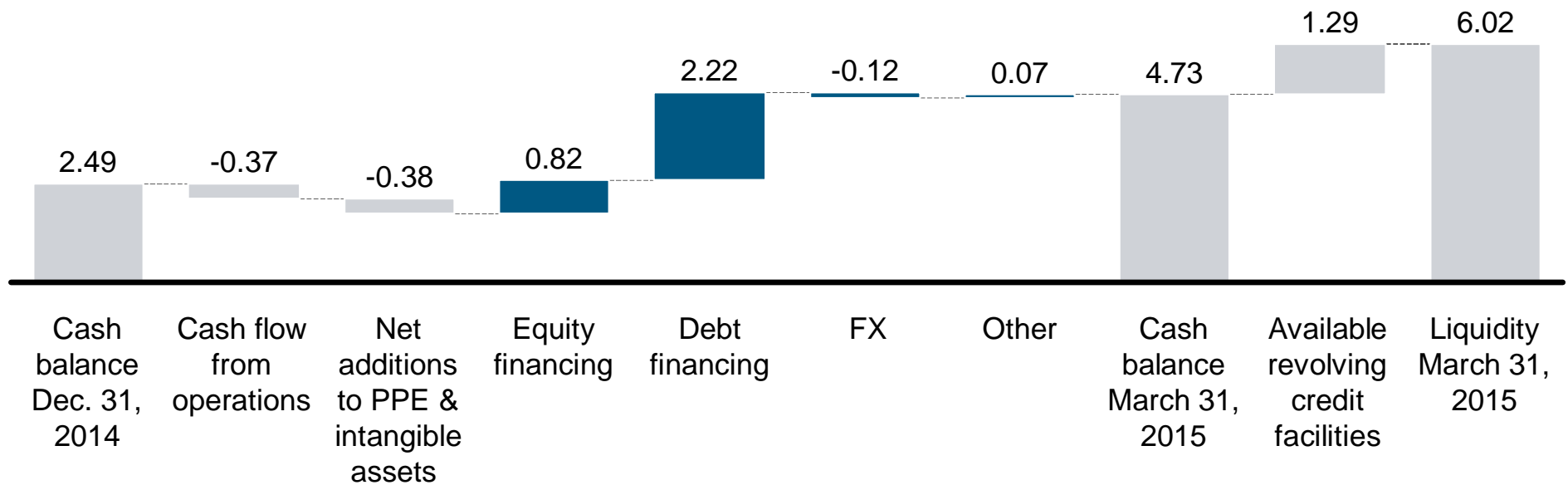
Three-month periods ended March 31	2015	2014	Variance	
<b>Net income</b>	<b>\$100</b>	<b>\$115</b>	▼	<b>\$(15)</b>
Non-cash items				
Amortization	108	93	▲	15
Deferred income taxes	12	24	▼	(12)
Share of income of joint ventures and associates	(16)	(22)	▲	6
Other	27	6	▲	21
Net change in non-cash balances	(597)	(631)	▲	34
<b>Cash flows from operating activities</b>	<b>(366)</b>	<b>(415)</b>	▲	<b>49</b>
Net additions to PP&E and intangible assets	(379)	(500)	▲	121
<b>Free cash flow usage<sup>1</sup></b>	<b>\$(745)</b>	<b>\$(915)</b>	▲	<b>\$170</b>

<sup>1</sup> Non-GAAP financial measures. See Caution regarding Non-GAAP measures at the end of this presentation

# Strong cash position to deliver development programs

## Change in cash balance

(in billions of dollars)



- Equity and debt financing completed and largely oversubscribed (over \$3B injection)
  - A portion of the \$2.22B debt financing was used for the early redemption of the \$750M senior notes due in 2016 (redeemed on April 29, 2015)
  - There is no debt maturity before 2018
- All bank facilities extended by one year

# Business segment Q1 2015 financial highlights

## Financial highlights (in millions of dollars)

Three-month periods ended March 31	BBA				BCA				BAES				Transportation			
	2015	2014	Variance		2015	2014	Variance		2015	2014	Variance		2015	2014	Variance	
Revenues	\$1,537	\$1,474	▲	4%	\$673	\$479	▲	41%	\$471	\$470	▲	0%	\$2,041	\$2,267	▼	(10%)
EBIT	\$96	\$90	▲	7%	(\$9)	\$5	nmf <sup>2</sup>		\$42	\$16	▲	163%	\$118	\$128	▼	(8%)
EBIT before special items <sup>3</sup>	\$107	\$100	▲	7%	(\$10)	\$3	nmf <sup>2</sup>		\$41	\$20	▲	105%	\$118	\$128	▼	(8%)
EBIT margin before special items (%)	7.0%	6.8%	▲	20 bps	(1.5%)	0.6%	▼(210 bps)		8.7%	4.3%	▲	440bps	5.8%	5.6%	▲	20 bps
EBITDA before special items <sup>3</sup>	\$149	\$130	▲	15%	\$18	\$23	▼	(22%)	\$53	\$33	▲	61%	\$144	\$157	▼	(8%)

## Operations highlights

Three-month periods ended March 31	BBA				BCA				BAES				Transportation			
	2015	2014	Variance		2015	2014	Variance		2015	2014	Variance		2015	2014	Variance	
Deliveries (in units)	45	43	▲	2	23	13	▲	10								
As at	March 31, 2015	Dec. 31, 2014	Variance		March 31, 2015	Dec. 31, 2014	Variance		March 31, 2015	Dec. 31, 2014	Variance		March 31, 2015	Dec. 31, 2014	Variance	
Order backlogs (in billions of dollars)	\$23.4	\$24.0	▼	(3%)	\$12.5	\$12.5	--	--	\$0.1 <sup>1</sup>	\$0.1 <sup>1</sup>	▼	(16%)	\$29.8	\$32.5	▼	(8%)

1 External backlog

2 Information not meaningful

3 Non-GAAP financial measures. See Caution regarding Non-GAAP measures at the end of this presentation



Revenues	\$1,537M	▲	4%
EBIT <sup>1</sup>	\$107M	▲	7%
EBIT <sup>1</sup> %	7.0%	▲	20 bps

## Business Aircraft update

- Great franchise with best-in-class products with our *Global*, *Challenger* and *Learjet* families
- *Global 7000/8000* will be an exciting addition to our successful Global platform – development is underway
- Completed maiden flight of first *Challenger 650* production aircraft
- Appointed Peter Likoray as Senior Vice-President of Sales
- Some softness in the industry, particularly in Latin America, China and Russia, resulting in a lower order intake in the quarter
- Planning to adjust our production rates in line with demand



<sup>1</sup> Before special items. Non-GAAP financial measures. See Caution regarding Non-GAAP measures at the end of this presentation

Revenues	\$673M	▲	41%
EBIT <sup>1</sup>	(\$10M)		nmf
EBIT <sup>1</sup> %	(1.5%)	▼	(210 bps)

## Commercial Aircraft update

- Confirmed SWISS as first operator of the *CS100* with EIS in first half of 2016
- *CS100* flight testing progressing well with certification targeted for year-end 2015
- Successful first flight of the *CS300*
- Appointed Fred Cromer as President and Colin Bole as Senior Vice-President of Sales and Asset Management
- Brought in Plane View Partners as strategic advisors



<sup>1</sup> Before special items. Non-GAAP financial measures. See Caution regarding Non-GAAP measures at the end of this presentation

Q1 2015 – BT financial highlights			
Revenues	\$2,041M	▼	(10%)
EBIT	\$118M	▼	(8%)
EBIT %	5.8%	▲	20 bps

# Transportation update

- Global market leader in rail transportation
- Rail transportation business benefits from mega-trends
- Preparing for an initial public offering (IPO) of a minority stake in Bombardier Transportation. The IPO is expected to:
  - Crystalize the full value of Bombardier Transportation
  - Strengthen Bombardier’s financial position
  - Preserve Bombardier’s flexibility should it wish to participate in future rail equipment industry consolidation



# Closing comments



# Q&A

# Aircraft program disclaimer

The *CSeries* family of aircraft, *Global 7000* and *Global 8000* aircraft, and *Challenger 650* aircraft programs are currently in development, and as such are subject to changes in family strategy, branding, capacity, performance, design and/or systems. All specification and data are approximate, may change without notice and are subject to certain operating rules, assumptions and other conditions. This document does not constitute an offer, commitment, representation, guarantee or warranty of any kind.

# 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 EBITDA before special items, 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, Consolidated results of operations, and Liquidity and capital resources sections in Overview and Results of operations sections in each reporting segment in the Corporation's MD&A for the three-month period ended March 31, 2015 for definitions of these metrics and reconciliations to the most comparable IFRS measures.

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