



UNLEASHING VALUE



UNLEASHING VALUE

As we transform our business, we are working with our customers, partners and suppliers to drive **productivity**, **efficiency** and **resilience** into everything we do.

The result: superior **innovative** and **sustainable** mobility solutions that create better ways to move the world.

2017 OVERVIEW

\$16.2B

REVENUES¹

\$1.4B

INVESTMENT IN
PRODUCT
DEVELOPMENT²

69,500

EMPLOYEES³

Corporate Profile

With over 69,500 employees across four business segments, Bombardier is a global leader in the transportation industry, creating innovative and game-changing planes and trains. Our products and services provide world-class transportation experiences that set new standards in passenger comfort, energy efficiency, reliability and safety.

Headquartered in Montréal, Canada, Bombardier has production and engineering sites in 28 countries across the segments of Transportation, Business Aircraft, Commercial Aircraft and Aerostructures and Engineering Services.

On the Cover

Global 7000 aircraft
ZEFIRO very high speed train

Opposite Page

AVENTRA train

1. For fiscal year 2017.

2. Program tooling and R&D expense. As at December 31, 2017.

3. As at December 31, 2017. Includes Product Development Engineering, Corporate Office and other employees.

All financial figures in this report are in U.S. dollars unless otherwise stated.



Contents

- 2 President's Message
- 4 About Bombardier
- 6 Global Mobility
- 7 Our Performance
- 8 Strategy
- 10 Product Innovation
- 18 Operational Efficiency
- 20 Our People
- 22 Health, Safety and Environment
- 24 Corporate Citizenship
- 26 Governance
- 28 Notes

OUR TRANSFORMATION IS HITTING ITS STRIDE

“**Bombardier is an extraordinary company.** Our people and our products can be found in more than a hundred countries around the globe. Every three seconds, a Bombardier built airplane takes off somewhere in the world. Every day, more than 500 million people rely on our trains to carry them quickly and safely to their destinations.”

In capital cities and financial centres around the world, our products connect people, support global commerce and make urban development more sustainable. At Bombardier, we are helping to move the world forward by designing, building and servicing the most innovative and eco-efficient planes and trains. And, we are doing it responsibly, ethically and profitably.

We strive to apply our approach and our high standards to every decision we make, everywhere we operate. Our results clearly show that our approach is working. We are executing on our growth programs and our strategic initiatives; and we are delivering on our financial commitments.

This year marks the mid-point of Bombardier's five year turnaround plan; a plan designed to return Bombardier to its position as one of the world's leading industrial companies. Over the past two years we have made great progress. Our foundation has been reset and we are now focused on execution and responsible growth.

There were many notable achievements across Bombardier in 2017, including our strategic partnership with Airbus on the *C Series* program. This partnership is expected to more than double the value of the program. The global scale, strong customer relationships and operational expertise Airbus brings to the partnership are key ingredients for unleashing the full value of the *C Series* program and ensuring that our remarkable aircraft realizes its full potential.

Beyond the *C Series* partnership, we see tremendous value creation opportunities across our portfolio. We have strong franchises that are well positioned in growth markets.

We are reenergizing and refocusing our attention on our regional platforms – the *Q400* and *CRJ Series* regional jets. Our global rail business is poised for growth with a more efficient and optimized footprint, a \$34 billion backlog and a world-class portfolio of rolling stock, signalling and services solutions. We have one of the best business aircraft franchises in the world, which will become even stronger when the all-new, class-defining *Global 7000* enters service later this year. And, we have world-class

OUR PATH FORWARD

At mid-point of our 5-year turnaround, we are confident that the structural elements are now in place to deliver on our 2020 financial goals.

2015

2016

2017

PHASE 1

DE-RISK Liquidity and Programs

PHASE 2



Alain Bellemare
President and Chief Executive Officer

research, design and manufacturing capabilities in our Aerostructures and Engineering organization.

In the years ahead, we see strong demand for more efficient trains and planes to better connect the world. This will be driven by continued urbanization and middle class expansion. Bombardier is well positioned to respond to this demand.

The investments we've made in technology and innovation give us the right product portfolio. The strategic moves we're making will ensure we can unleash the full value of this portfolio. And, the strong leadership team we've assembled will make sure we do it the right way; focusing on the highest ethical standards, on corporate citizenship and on environmental leadership.

Bombardier's Activity Report reaffirms our engagement towards the United Nations Global Compact. It highlights our commitment to sustainability and our leadership in the areas of product innovation, operational efficiency, talent development, corporate citizenship, governance, as well as our continuous dedication to ensuring a healthy and safe environment everywhere we do business. We focus on these areas because we fundamentally believe they are necessary elements for our future success and to maintaining our position as a world leader in rail solutions; a world leader in business and regional aircraft; a strategic partner in commercial aerospace; and, a leading aerostructures supplier.

I am incredibly proud of what the Bombardier team accomplished over the past year and very excited about the opportunities ahead of us. Of course, none of this would be possible without the unmatched dedication, talent and integrity of our 69,500 employees around the world. Together, we're embracing change; overcoming challenges; and applying a standard of excellence to all that we do to better serve all our stakeholders.

As demonstrated with our performance, we have the right team, the right strategy and the ability to execute and achieve the goals of our turnaround plan and to unleash the full value of the Bombardier portfolio.



GLOBAL TRANSPORTATION LEADERSHIP

Based in Montréal, Canada, Bombardier is the world's leading manufacturer of both planes and trains, with production and engineering sites in 28 countries and a global network of service centres. Our business segments consist of Business Aircraft, Commercial Aircraft, Aerostructures and Engineering Services, and Transportation - each focused on delivering efficient and sustainable solutions.



Global 7000 aircraft



CS300 aircraft

BUSINESS AIRCRAFT

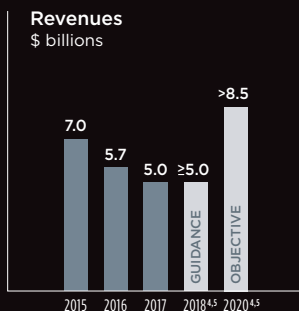
We skillfully design, develop, manufacture, market and provide aftermarket support for three class-leading families of business jets - *Learjet*, *Challenger* and *Global*. Our business jet portfolio spans from the light to the large categories. With more than 4,700 aircraft in service, Business Aircraft has developed an extensive service and support network of service facilities worldwide.

- ▶ Light business jets
- ▶ Medium business jets
- ▶ Large business jets
- ▶ Specialized aircraft
- ▶ Aftermarket services

10,200
EMPLOYEES¹

\$5.0B
REVENUES²

\$14.0B
ORDER BACKLOG³



COMMERCIAL AIRCRAFT

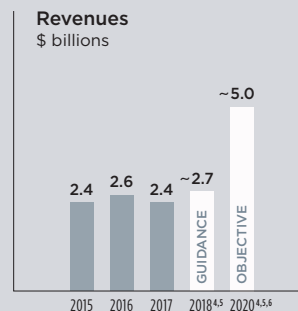
We design, develop and manufacture a broad portfolio of commercial aircraft in the 60- to 150-seat segments, including the *CRJ700*, *CRJ900* and *CRJ1000* regional jets as well as the clean-sheet *C Series* mainline jets and the *Q400* turboprops. We provide aftermarket services for these aircraft as well as for the 20- to 59-seat segment. There are approximately 2,300 of our aircraft currently in service.

- ▶ Single-aisle jets
- ▶ Regional jets
- ▶ Turboprops
- ▶ Aftermarket services

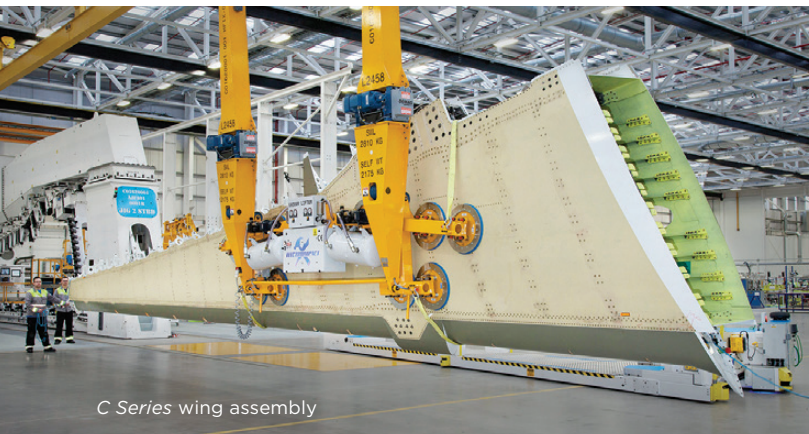
5,125
EMPLOYEES¹

\$2.4B
REVENUES²

433
ORDER BACKLOG
(IN UNITS)³



1. As at December 31, 2017, including contractual and inactive employees. Some 4,300 Product Development Engineering, Corporate office and other employees are not allocated to a reportable segment.
 2. For fiscal year 2017. 3. As at December 31, 2017. 4. Forward-looking statement. Refer to Forward-looking Statements at the end of this report. 5. Financial guidance for 2018 and objectives for 2020 are under IFRS 15.
 6. After the closing of its *C Series* partnership with Airbus, Bombardier will deconsolidate the *C Series* program. This change is not reflected in the 2020 objective.



C Series wing assembly



OMNEO Electric Multiple Unit

AEROSTRUCTURES AND ENGINEERING SERVICES

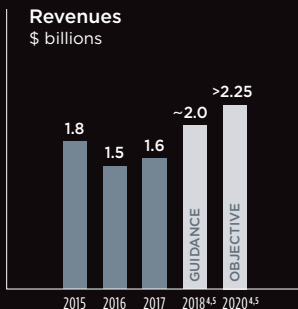
We offer complete and innovative aerostructure solutions to both Bombardier and other original equipment manufacturers; from fuselages and wings to cockpits and engine nacelles. Our capabilities span design, build, integration, and aftermarket services for these complex metallic and advanced composite structural components.

- Aerostructures
- Engineering solutions
- System components
- Aftermarket services

10,025
EMPLOYEES¹

\$1.6B
REVENUES²

\$87M
EXTERNAL
ORDER BACKLOG³



TRANSPORTATION

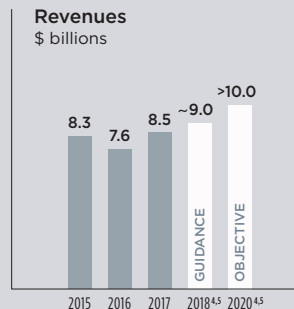
We offer an end-to-end portfolio of high-performing and innovative solutions in the rail industry. Transportation covers the full spectrum of rail solutions, ranging from global mobility solutions to a variety of trains and sub-systems, services, system integration and signalling to suit the needs of the market. We have production, engineering and service centres around the world.

- Rail vehicles
- Signalling
- Components
- Operations
- Systems
- Services

39,850
EMPLOYEES¹

\$8.5B
REVENUES²

\$34.4B
ORDER BACKLOG³



1. As at December 31, 2017, including contractual and inactive employees. Some 4,300 Product Development Engineering, Corporate office and other employees are not allocated to a reportable segment.
 2. For fiscal year 2017. 3. As at December 31, 2017. 4. Forward-looking statement. Refer to Forward-looking Statements at the end of this report.
 5. Financial guidance for 2018 and objectives for 2020 are under IFRS 15.

TRANSFORMING THE WORLD

Our vision is to create better ways to transform how millions of people get around every day, by train and by plane. We endorse the United Nations' 17 Sustainable Development Goals and our efforts and activities mostly support three of them: #11 – Sustainable Cities and Communities, #13 – Climate Action, and #17 – Partnerships for the Goals.



CREATING MOBILITY SOLUTIONS

Meeting global aspirations for mobility, we have the potential to improve the lives and livelihoods of billions of people – their health, their environment, and their quality of life. For us, this means providing advanced products that enable access to people irrespective of backgrounds, social status, generation and physical abilities.



DESIGNING FOR THE ENVIRONMENT

In a world of carbon-conscious travel and resource constraints, we are focused on product innovations that meet and exceed our customer expectations for the most sustainable and high-performing solutions in the market. Our industry-leading eco-design processes ensure we embed an environmental mindset at all phases of our product innovation lifecycle to offer a broad portfolio of high-performance products with best-in-class energy efficiency.



LEADING THE CONVERSATION

We recognize the important role we play to work together through partnerships that advance the sustainable mobility goals. We continue to take a leadership role within the rail and aerospace industry working in collaboration with various associations to help solve the world's ever-growing need for mobility through innovation.

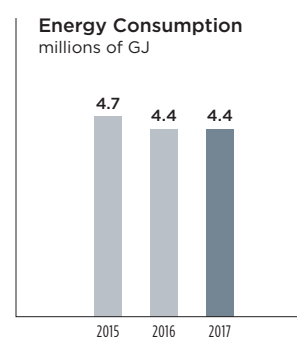
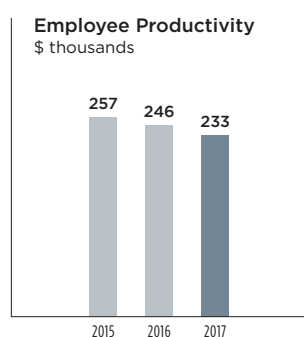
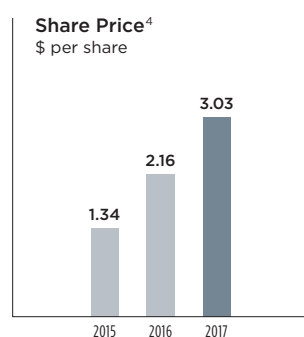


CS100 aircraft

MEASURING OUR PROGRESS

We are committed to providing accurate and transparent information about how we are performing as a business. The following table¹ provides a brief summary of the indicators we track to measure our performance every year, covering both financial and non-financial information.

FINANCIAL (in millions of dollars, unless otherwise indicated) (for fiscal years)	2017	2016	2015
Revenues	16,218	16,339	18,172
EBIT margin	1.5%	(0.4%)	(26.6%)
Cash flows from operating activities	531	137	20
Investment in product development ²	1,366	1,362	1,966
Available short-term capital resources ³	4,225	4,477	4,014
SOCIAL			
Incident rate ¹	1.3	1.6	1.7
Fatalities	0	1	1
Employees covered by collective bargaining agreements (%)	56	56	57
Turnover rate (%)	10.8	11.5	9.7
Employee productivity (in thousands of dollars)	233	246	257
Diversity (% women)	19	19	18
ENVIRONMENTAL			
Energy intensity (GJ per million of dollars of revenue) ¹	271	270	259
GHG emission intensity (tCO ₂ e per million of dollars of revenue) ¹	17	17	17
Renewable electricity (thousands of GJ)	701	718	747
Valorized waste (% total waste generated, hazardous and non hazardous)	81	78	76



1. Refer to *Our Performance* section on our website for more detailed information and definitions of indicators.

2. Program tooling and R&D expense.

3. Defined as cash and cash equivalents plus the amount available under the revolving credit facilities.

4. Class B shares, in Canadian dollars. As at December 31.

OUR PATH FORWARD

This year, we made significant progress on our five-year turnaround plan, positioning us well to drive performance and profitable growth. To achieve business success, we take a long-term sustainability view. Doing so helps us improve our practices, develop superior innovative products, adapt to climate change and create positive change in society.

EVOLVING TRENDS AND RISKS

We regularly track the potential risks that could affect our business.¹ These risks inform our business strategies and guide our decisions to ensure we build and strengthen a sustainable business for the future. Various sustainability related risks are shaping our operating environment, including:



AVENTRA Electric Multiple Unit

Talent Attraction

Employment market competition is fierce for highly qualified and talented resources. This could impact our ability to develop skills, retain employees and recruit a skilled workforce. We have placed an emphasis on hiring and developing top talent, while working hard to ensure our employees are both engaged and enabled.

Customer Product Innovations

To remain competitive we must develop, design and improve our products in ways that address and adapt to changing customer needs and global trends such as urbanization, changing demographics, and climate change. We engage with our customers to understand their needs and tailor our products and services to meet a changing business context.

Health, Safety and Environment (HSE) Requirements

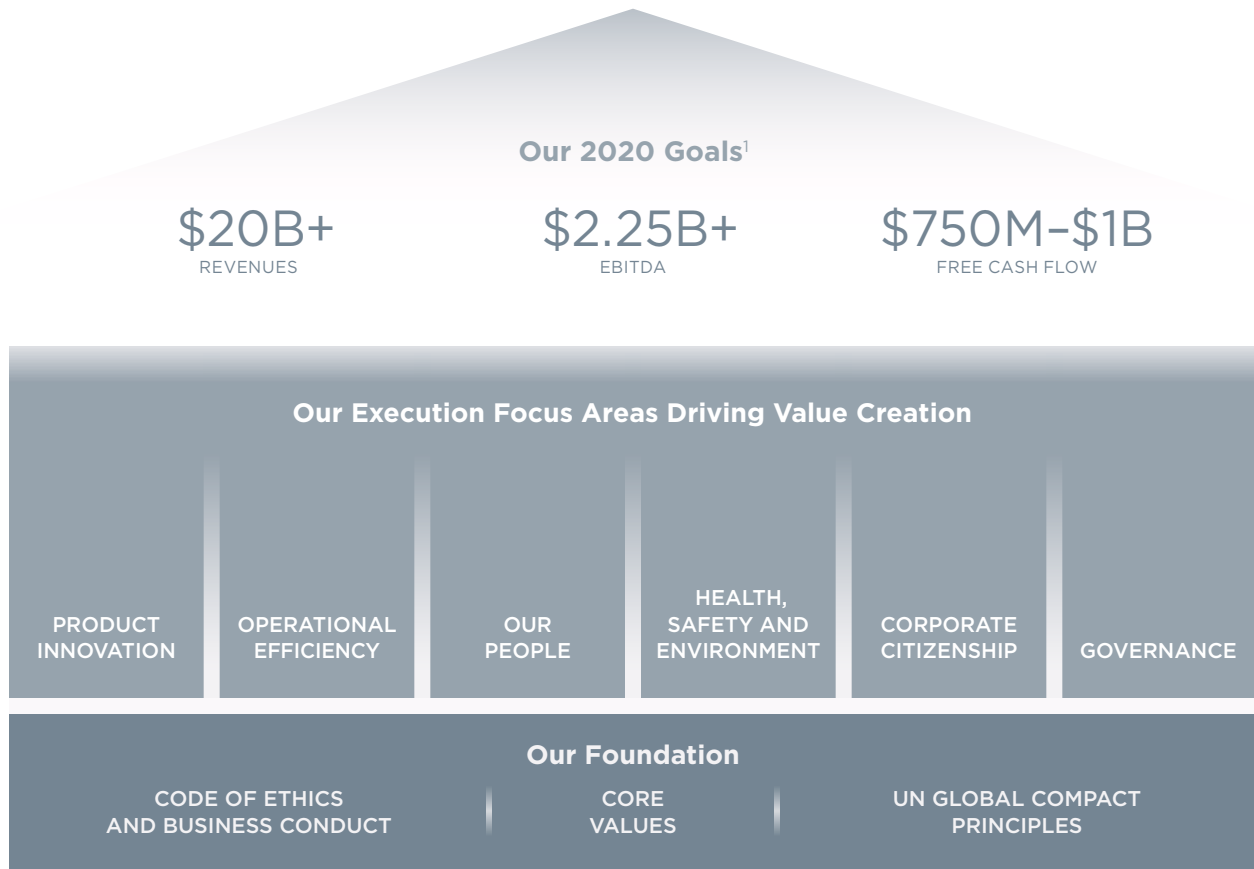
Our products, manufacturing and service activities are subject to legislation that may impact our operating costs, including safety, greenhouse gas emissions, air, and noise pollution. Anchored by our strict HSE policy and preventive culture, we are operating to high standards of HSE across the business.

Climate Change

With increasing frequency and severity of weather-related events, we could experience disruptions to our operations, impacts on the availability and cost of materials, product operational impacts, and damage to infrastructure or properties. Our robust operations management frameworks, supplier selection strategies, eco-design, and business continuity programs allow us to minimize these risks.

1. Refer to our 2017 Financial Report for complete description of risks and opportunities.

UNLEASHING VALUE



Our Business Model

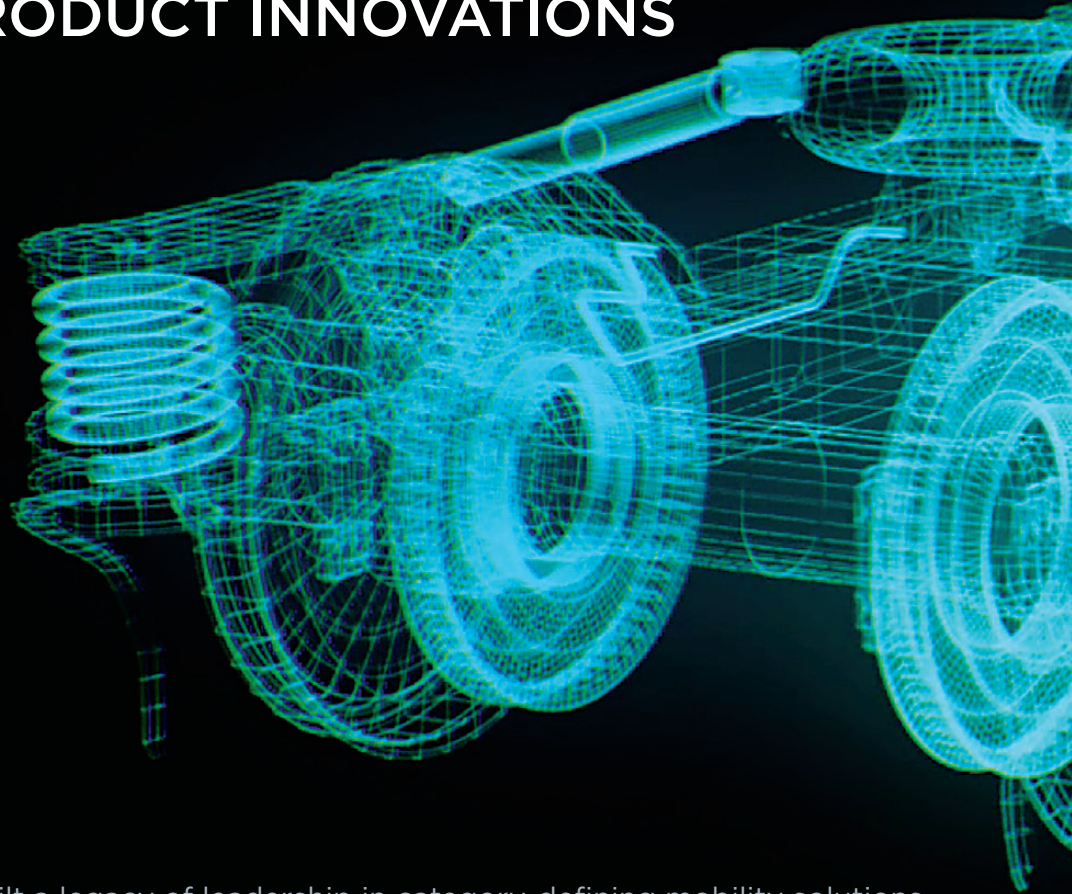
To create a stronger, more sustainable business, we are directing our efforts in six areas – product innovations, operational efficiency, our people, health, safety and environment, corporate citizenship and governance. Underpinning these focus areas are our core values – integrity, commitment to excellence, customer orientation and shareholder focus – as well as our Code of Ethics and Business Conduct and our commitment to the United Nations Global Compact.

As we build and strengthen our business, our ability to unleash value will be realized by achieving our 2020 strategic plan objectives and seizing the opportunities to make a meaningful difference in society. Doing so, we will create a stronger more sustainable business for the long-term.

This report highlights our six execution focus areas, describing relevant policies, controls and programs in place to address emerging trends and potential risks. It also provides information on the progress we are making as we navigate towards our 2020 objectives.

1. Forward-looking statement. Refer to Forward-looking Statements at the end of this report.

DELIVERING PRODUCT INNOVATIONS



Since our inception, we have built a legacy of leadership in category-defining mobility solutions. To meet evolving customer requirements and societal needs, we continue to invest in product development and new mobility innovations, focusing on eco-design, safety and technologically advanced solutions.

LEADERSHIP IN ECO-DESIGN

We are incorporating the latest technology and taking a pioneering approach to designing the most innovative air and rail products. Through our EcoDesign approach, we are investing in new fuel cell and battery technology for rail transportation and exploring the use of sustainable alternative fuels in aerospace.

Further advancements are also being made to eliminate hazardous materials, use energy efficiently, and ensure the recyclability and recoverability of our products at the end of their useful life.

PERFORMANCE BUILT ON CORE SAFETY

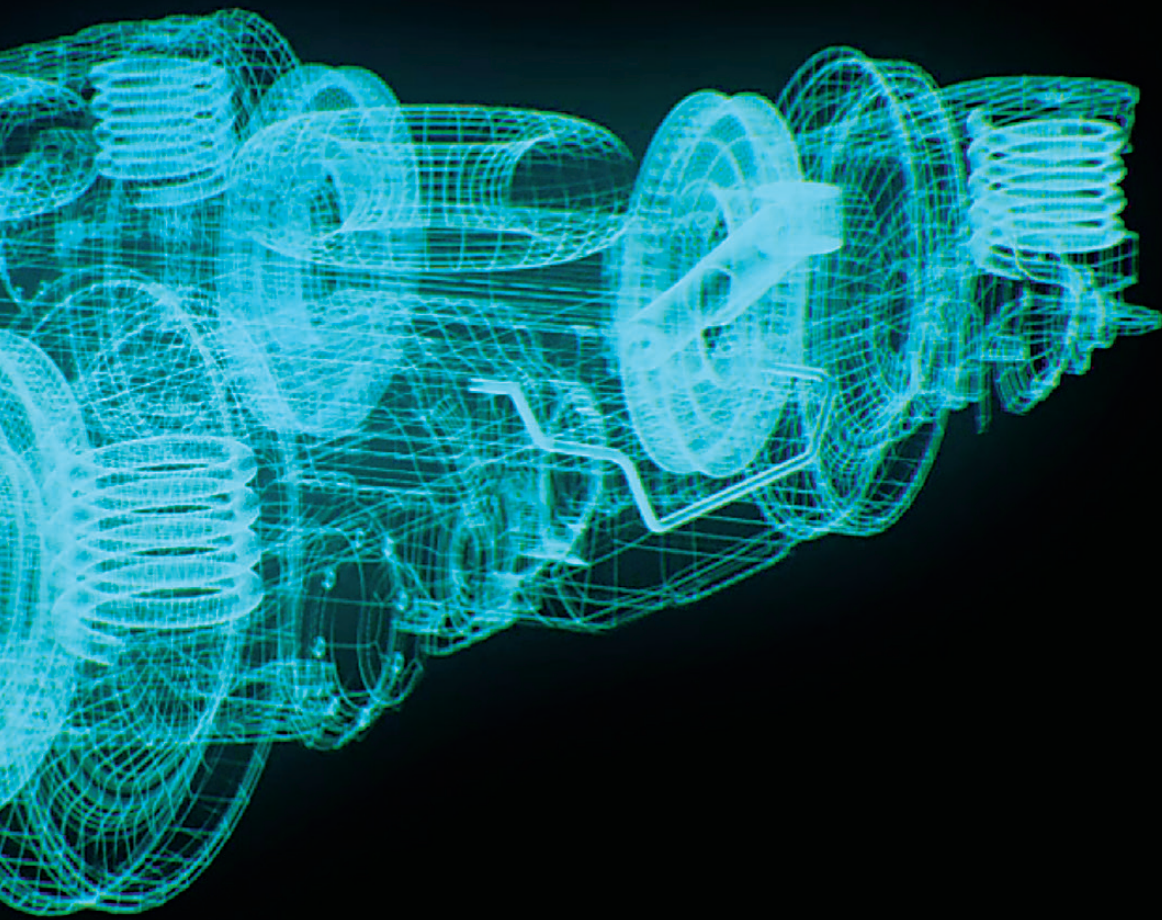
Providing safe and reliable products is at the heart of everything we do, and integral to the product safety culture we are embedding across the organization.

Our Design for Safety guides us to ensure we evaluate and address the safety of our products throughout their lifecycle. We apply rigorous testing prior to entry-into-service. Once in service, we work closely with our customers to ensure the safe usability of our products, and maintenance of our equipment is conducted in accordance with the relevant safety requirements.

TECHNOLOGICALLY ADVANCED SOLUTIONS

To remain at the forefront, we are evolving our products with new capabilities driven by big data and cloud computing to enable real-time monitoring and remote handling. Through R&D projects, we are developing more electric aircraft systems and studying autonomous flight capabilities by testing advanced aircraft configurations.

In rail, we are designing interconnected and integrated transportation systems with smarter sensors to provide better predictive insights on fleet operation. Virtual test runs are also improving the development of future advanced models to operate in a highly connected world.



DISCOVER OUR RAIL AND AEROSPACE PRODUCT INNOVATIONS >



CS100 aircraft



INNOVIA Monorail 300



Challenger 650 aircraft

> Transportation

As a global rail technology leader, we are shaping the future with the most innovative and best performing products in an increasingly competitive, technology-driven and environmentally conscious world. Our goal is to lead the way and make sustainable transportation a reality for all.

2017 HIGHLIGHTS

\$34.4B

BACKLOG¹ TO IMPROVE GLOBAL RAIL MOBILITY

20%

INCREASE IN ORDER INTAKE ACROSS ALL PRODUCT SEGMENTS²

500M

PASSENGERS MOVED EVERY DAY

With the industry's broadest portfolio of world-class rolling stock, signalling and services solutions, we are leading the next generation of sustainable transportation. We are focused on leveraging our scale, technology and knowledge to drive profitable growth in the years to come.

Enabling Interconnected Travel

The rail industry is reinventing itself to take a more modern, green and innovative place in the future of cities and communities. To play our part, we are building digital platforms and developing partnerships to create a highly connected, secure and seamless passenger experience. Our recently-developed goJoe app enables travelers to find and reserve a seat, check connections, receive upcoming transfers and even alert train staff of emergencies.

Addressing Urban Congestion

Our rail products – including monorails, people movers, metros, and light rail vehicles – are helping cities increase capacity for fast, efficient and comfortable urban transport.

Our products and services are benefiting many emerging economies. In 2017, we signed contracts for our driverless *INNOVIA* Monorail 300 system for two rapid lines in Bangkok, expected to ease congestion and improve the commute for more than 400,000 people every day.

Driving Sustainable Regional Travel

Strong orders for our Electric Multiple Units (EMU) in 2017 confirm the growing demand for eco-friendly inter-regional and region-to-city connections. *OMNEO* EMUs feature several of our *ECO4* technologies reducing energy consumption and CO₂ emissions, as well as advanced aerodynamics. They are also made of 95% recyclable materials.

A FUTURE-READY SUSTAINABLE RAIL PORTFOLIO



Laurent Troger
President,
Transportation

“With more than 100,000 rail cars and locomotives delivered around the globe, we are moving 500 million passengers every day and working with more than 500 customers in 70 different countries. That’s our credibility – providing a unique experience and long-term strategic partnerships with most of our customers.”

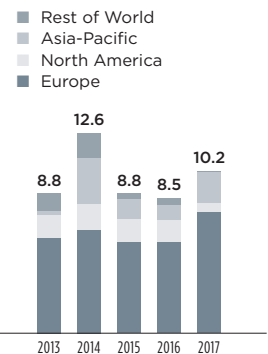
NEW ENERGY-SAVING PROPULSION TECHNOLOGY

Our innovative rail technologies are breaking new ground in sustainable mobility. Recently, we celebrated the successful demonstration of a new silicon carbide (SiC)-equipped *MITRAC* TC 1500 traction converter enabling up to 35% energy reductions on Stockholm’s C20 metro.



C20 metro

Order Intake by Region for fiscal years; \$ billions



1. As of December 31, 2017. 2. Compared to the year ended December 31, 2016.

> Business Aircraft

Our ability to re-imagine business aviation in an interconnected world is positioning us well for the future. With class-leading technologies, we are embedding sustainability designs to support the transition to cleaner fuels and meet current and future customer needs.

2017 HIGHLIGHTS

\$14.0B
INDUSTRY-LEADING
BACKLOG¹

140
AIRCRAFT
DELIVERIES

4
AIRCRAFT SUCCESSFULLY
TESTED ON SUSTAINABLE
ALTERNATIVE JET FUELS

Our line of *Learjet*, *Challenger* and *Global* aircraft is the most comprehensive in the industry. Our focus is on maximizing our share of new demand, pursuing aftermarket growth strategies, and ensuring our products are ready to support industry objectives on emissions reductions.

Personalizing the Customer Experience

We are on track to deliver our all-new *Global 7000* aircraft.² As the world's largest purpose-built business jet, the *Global 7000* is unique in spaciousness, luxurious comfort and highly personalized design flexibility, all while delivering an exceptionally smooth ride.

We also continued to support more than 4,700 customers through our aftermarket growth strategy. In 2017, we opened two new service centres in London and Tianjin, and invested in additional product and service capabilities.

Driving Fuel Efficiency Performance

Our aircraft are built to deliver best-in-class fuel-efficiency performance. Notably, the re-designed canted winglets of our *Challenger 350* reduce fuel burn by up to 2% compared to the previous model. Furthermore, our *Global 7000* aircraft thrust engines require 8% less fuel burn and offer reduced NO_x emissions.^{2,3}

Advancing Alternative-Fuel Flights

In 2017, we successfully tested sustainable alternative jet fuels (SAJF) on our demonstration fleet, consisting of the *Learjet 75*, *Challenger 350*, *Challenger 650* and *Global 6000* aircraft.

WELL POSITIONED WITH A STRONG PRODUCT AND SERVICES PORTFOLIO



David Coleal
President,
Business Aircraft

“Our leading product portfolio, aftermarket strategy, and emission reduction capabilities will propel us forward for future growth. With an unrivalled focus on customer satisfaction, we are driven towards productivity and efficiency.”

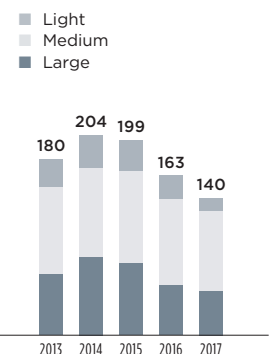
INDUSTRY COLLABORATION

Working through the GAMA⁴ Environment Committee and in collaboration with industry associations, we are also working with an industry coalition to promote the usage of sustainable alternative jet fuels in business aviation.



Challenger 350 aircraft

Deliveries by Category for fiscal years; in units



1. As at December 31, 2017. 2. Product under development. Refer to Disclaimer at the end of this report.
3. Compared to competing engines in its class. 4. General Aviation Manufacturers Association.

> Commercial Aircraft

As a key player in the aviation industry, we are leading the way with new solutions aimed at minimizing the impact of our products on the environment. Our *C Series* family of aircraft is a testament of our commitment to a more sustainable future for aviation.

2017 HIGHLIGHTS

Historic

PARTNERSHIP WITH AIRBUS FOR C SERIES PROGRAM

1.0

BOOK-TO-BILL RATIO¹ WITH ORDERS ACROSS THREE AIRCRAFT FAMILIES

First

AND ONLY AIRCRAFT MANUFACTURER TO RECEIVE EPDs

Our broad range of single-aisle commercial aircraft includes the *C Series*, *CRJ Series* and *Q400* aircraft. Developing advanced commercial aircraft underscores our unique position in today's marketplace. The replacement of aging fleet, coupled with airline fleet optimization and fuel efficiency strategies is expected to drive our business prospects for future growth.²

Shaping a More Sustainable Future for Aviation

The *C Series* aircraft are at the forefront of technological advancement – they integrate lighter materials, more than 20% fuel burn advantage, and more than 10% unit cost advantage compared to similarly-sized re-engined aircraft. Today, the *C Series* are proving to be up to 3% more fuel efficient than the 20% advantage originally advertised, depending on the flight duration.

Our ability to capture future market share is enhanced by our recent partnership with Airbus that brings together an extensive sales, marketing and procurement organization, as well as customer support services.² Further demand for our *Q400* and *CRJ Series* aircraft also looks positive in regional markets in Asia and Europe and set to grow with the replacement cycle in North America.²

Meeting International Aviation Standards

Through new technology, we are helping the aviation industry to meet its commitment to a 50% reduction in carbon emissions from 2005 levels by 2050. In 2017, we received an Environmental Product Declaration (EPD) for the *CS300*, just one year after receiving one for our *CS100* aircraft. The EPDs demonstrate how we reduce the environmental impacts at all stages of the aircraft life. Today, our game-changing *C Series* airliners already fully meet ICAO's new CO₂ emissions standard.

DEVELOPING INNOVATIVE SUSTAINABLE AIRCRAFT

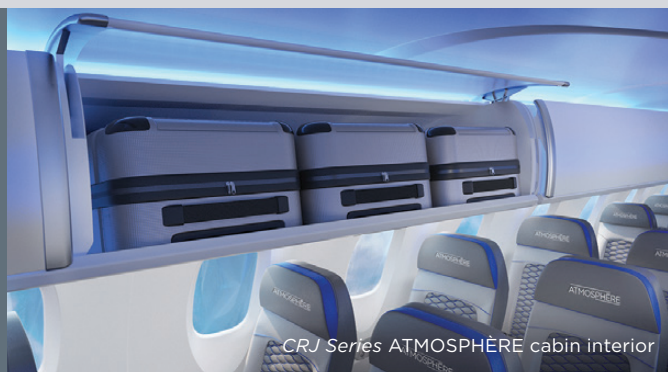


Fred Cromer
President,
Commercial Aircraft

“At Bombardier, we are bringing to market innovative, sustainable aircraft that meet and exceed our customer expectations. Doing so positions us well for future growth, as profit maximization, fuel efficiency and environmental performance become key drivers of airline fleet decisions.”

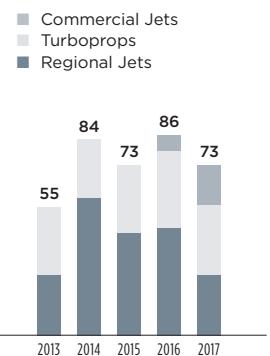
REDEFINING CABIN DESIGN

Every inch of the *CRJ Series* new ATMOSPHERE cabin has been carefully considered to maximize efficiency. The *CRJ Series* interior features larger bins, the largest windows in its class and the first and only regional jet lavatory designed for passengers with reduced mobility.



CRJ Series ATMOSPHERE cabin interior

Deliveries by Category³ for fiscal years; in units



1. Ratio of net orders received over aircraft deliveries, in units. 2. Forward-looking statement. Refer to Forward-looking Statements at the end of this report.

3. Included 3, 2, and 3 Amphibious aircraft deliveries in 2013, 2014 and 2015, respectively.

> Aerostructures and Engineering Services

Our focus is on developing new technologies, delivering on-time and achieving costs savings to drive competitiveness of our current sustaining programs and programs under development.

2017 HIGHLIGHTS

Launched

PRODUCTION OF
GLOBAL 7000
COMPONENTS

Supported

C SERIES RAMP-UP

Won

CONTRACT WITH AIRBUS
AS SUPPLIER OF NEW ENGINE
NACELLE PROGRAM

We design and build structures such as cockpits and all-composite wings for the *C Series* aircraft program and the rear fuselage for the *Global 7000* and *Global 8000* aircraft. Through our aftermarket support, we also provide maintenance, repair and overhaul services for aircraft components made by us and other manufacturers.

Our full breadth of Aerostructures and Engineering capabilities enables us to exploit a diverse global market that includes Bombardier and other aircraft and aerostructures manufacturers.

Developing Advanced Aerostructures

As a responsible developer of some of the largest aerostructures, we adhere to a strict product innovation lifecycle to ensure eco-design concepts are incorporated at

every stage to produce the most sustainable and high-performing solutions, while mitigating the risks of new technology integration.

Meeting strict eco-design specifications has led us to develop some of the most advanced structures for the *C Series* aircraft, including composite wings, cockpits and fuselage sections, while using state-of-the-art robotic techniques. Notably, our composite wings, developed through patented technology, help us deliver a best-in-class environmental scorecard for the aircraft.

Delivering Improved Performance

Building on existing capabilities, we are leveraging our lesson-learned on other products. For example, the same patented technology developed for the *C Series* is being used to build a lighter horizontal stabilizer with improved aerodynamics for the *Global 7000*.

A WORLD-CLASS
EXPERTISE
READY FOR
GROWTH



Michael Ryan
President,
Aerostructures and
Engineering Services

“We are growing momentum on key value streams for Aerostructures, by using innovative technologies and developing existing capabilities to embed high performance and environmental efficiency into our products and services.”

RECOGNIZING ENVIRONMENTAL EXCELLENCE

In 2017, our Aerostructures and Engineering Services' Belfast site was recognized as a top performing organization in the annual Northern Ireland Environmental Benchmarking Survey, demonstrating the site's commitment to environmental excellence. Conducted by *Business in the Community*, the survey assesses the level to which environmental practices are embedded within corporate strategies and business operations.



C Series wing assembly

CURRENT PRIORITIES

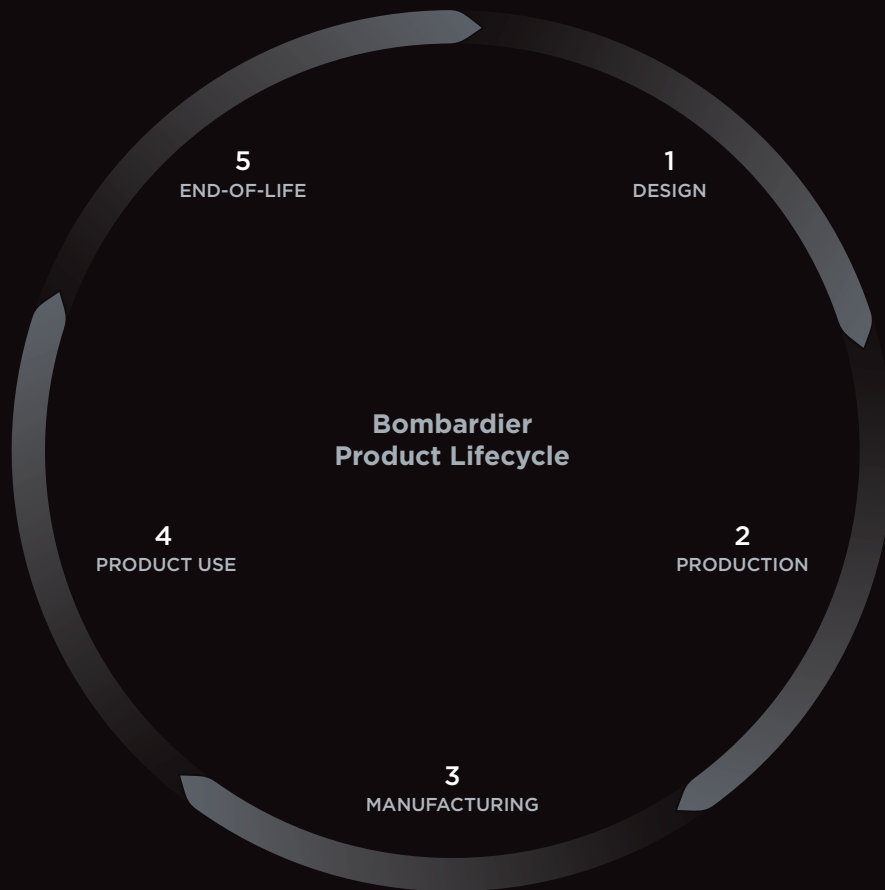
Continuing productivity and efficiency initiatives

Driving *C Series* and *Global 7000* ramp-up

Diversifying revenue streams

> Designing for Sustainable Mobility

Our Product Innovation Lifecycle process ensures we take a holistic approach to creating economic, environmental and social benefits - from the design and manufacture of our products to their end-of-life. This approach is aligned with global sustainable mobility goals for safe, efficient, accessible and environmentally-friendly rail and air transport solutions.



1. DESIGN

We consider safety, environment, accessibility and efficiency in the design phase of our product lifecycle, enabling us to develop innovative mobility solutions.

2. SUPPLY CHAIN AND PRODUCTION

We undertake a rigorous supplier selection process to ensure we source the best materials and technologies to bring our designs to life.

3. MANUFACTURING AND TESTING

We integrate health, safety and environment at every stage of the manufacturing process, and conduct rigorous product testing to ensure high performance.

4. PRODUCT USE AND MAINTENANCE

We actively engage with our customers to ensure a safe and accessible passenger experience and the best environmental performance.

5. END-OF-LIFE

We are working closely with industry organizations, researchers and suppliers to achieve 100% recoverability of all new products.

GLOBAL SUSTAINABLE MOBILITY GOALS



Universal Access

Providing equitable and inclusive mobility for all to support economic development and human well-being.



Green Mobility

Reducing air and noise pollution and the impact of transport on climate change.



Efficiency

Developing best-in-class, energy efficient, cleaner and smarter mobility solutions.



Safety

Ensuring safety and reliability is embedded in all aspects of our product lifecycle.

DELIVERING ON OUR TRANSFORMATION



Production of CRH1A-A high speed train for China

Our solid, disciplined approach to accelerating operational excellence is making us stronger, leaner and more agile. Focusing on the entire value chain, we are optimizing our processes, reducing waste, and improving our resource efficiency, which in turn improves quality, and reduces our costs.

HIGHLIGHTS

Reduced
AIRCRAFT UNIT COST

50%
OF SUPPLIER BASE
STREAMLINED IN
TRANSPORTATION

Strengthening our Operational Foundation

To deliver on our five-year turnaround plan, we are restructuring our business to pursue excellence from a functional perspective. This requires us to work together in a different way by developing cross-business improvements that boost overall productivity and lower our working capital.

Our efforts are focused on three key levers. The first is to reorganize ourselves into Centres of Excellence (COEs) where we set clear standards and leverage our scale to share best practices. The second, is to partner within our supply chain to simplify our processes and consolidate suppliers.

And, the third is to optimize inventories by improving material efficiency and reducing lead times.

Together, these levers are helping us build the capabilities to effectively manage operating capital and margins, reduce complexities in our business units, and drive economic efficiencies across our business. Through our continuous improvement culture, we plan to accelerate operational excellence by creating and using disciplined processes to benefit our manufacturing and supply chain operations.

➤ CENTRES OF EXCELLENCE

To take advantage of our scale and maximize our extensive technical knowledge and know-how, we are reorganizing ourselves into COEs - not just in manufacturing but also in our human resources, finance, engineering and procurement functions.

Our COEs bring together cross-functional teams working collaboratively to simplify our processes. For instance, in aerospace, complex subsystem COEs - like the one in Belfast for *C Series* composite wings - will be positioned close to engineering functions. At Transportation, we plan to bring engineering together as we reshape our product portfolio to better design and optimize rail solutions, while easing production at our manufacturing sites.

➤ SUPPLY CHAIN OPTIMIZATION

Working in collaboration with our suppliers, we made important progress last year consolidating our procurement processes and restructuring major contracts to create efficiencies and scale the business. We've streamlined by half more than 10,000 suppliers within the transportation business. Furthermore, in 2017, we reduced the

unit cost of our aircraft, which was driven by the optimization of our supply chain, as well as by the reduction of our manufacturing and assembly costs. As we streamline our processes, we continue to strengthen our capacity building with suppliers to ensure they meet our Supplier Code of Conduct and comply with relevant legislation, including regulations on the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH).

➤ INVENTORY MANAGEMENT

Our disciplined operational excellence approach also extends to how we manage our inventories. Over the last year, we took action to regain momentum in our work-in-progress (WIP) inventory. These achievements were made possible by rebalancing work, changing assembly sequence and reducing variability in the process.

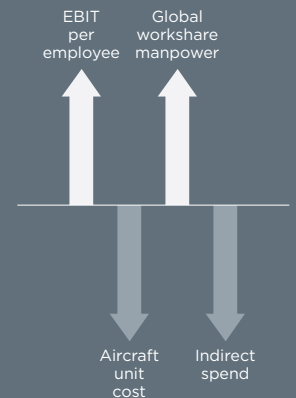
Specifically, we are reducing lead times, reconfiguring our assembly lines to take into account high cost components and delivery points, and engaging suppliers to bring down our material in stores.

**RAILRESPONSIBLE
DRIVING
SUSTAINABILITY
CONTINUOUS
IMPROVEMENT**

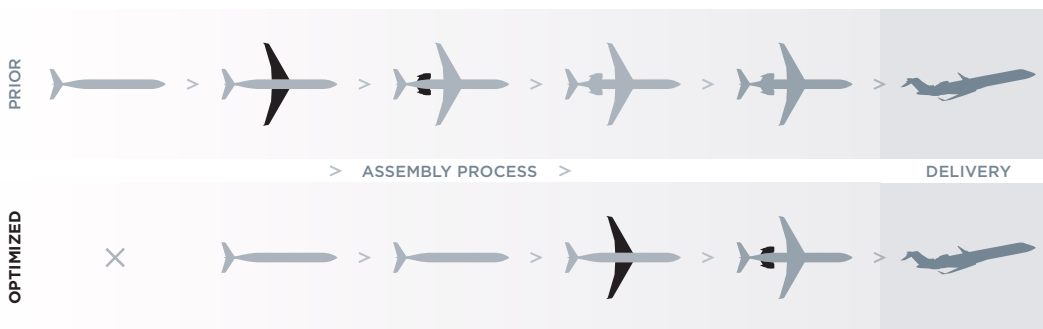


We are a founding member of *Railponsible*, an industry-led initiative to support best practice sharing and capacity building among rail suppliers and to promote transparent reporting. Using a common assessment, suppliers report on sustainability practices to all *Railponsible* members. In 2017, more than 600 railway industry suppliers agreed to take the assessment.

KEY PROGRESS INDICATORS



Optimizing the Aircraft Assembly Process



Our optimized process drives efficiency by:

- > Rebalancing work
- > Changing installation sequence of major components

The result:

- > WIP Reduction
- > Cash saved

ATTRACTING AND DEVELOPING THE BEST TALENT



Bombardier pilots flying on the C Series aircraft

We have extraordinary talent at Bombardier – the best in the business. To be successful in achieving our 2020 strategic goals, it’s critical that we unlock the full potential of our company and people, align our objectives and build on our high-performance culture.

HIGHLIGHTS

74%

PARTICIPATION RATE
IN THE 2017
ENGAGEMENT SURVEY

Reinforced

SUCCESSION
MANAGEMENT PROCESS
WITHIN EACH
BUSINESS SEGMENT

The Strength of our People

Our 69,500 employees in over 46 countries are the key to our success. Their commitment, motivation and talent are what makes it possible for us to deliver on our 2020 objectives. We have a strong set of values, a culture based on performance and ethics and a focus on talent and development. These things underpin our ambitions for the next phase of our turnaround plan.

Embedding our High-Performance Culture

By building on our core principles and values, we spent the past year following a clear roadmap towards a high-performance culture. We focused on linking our employees’ daily activities to our strategy and reviewed

our human resources dashboard to track workforce indicators, including diversity, turnover and absenteeism.

The dashboard allows us to measure trends by business division and geographic regions and provides our leaders with the information to develop actions, assess their impact and continuously improve.

With all the foundational elements now in place, we are turning our focus on building the capabilities we need to further deliver on our strategic goals. To do so, we will be working to incorporate continuous talent management, leadership development as well as succession planning capabilities across our business.

➤ LEADERSHIP DEVELOPMENT AND SUCCESSION PLANNING

One of our competitive foundations is to have great talent globally. To deliver on our 2020 strategic objectives, we follow an integrated Performance Management Process.

This process enables us to align our business strategies with employee goals, competencies and behaviors, and ensure learning and development opportunities are optimized enabling us to become world-class leaders and experts.

In 2017, a succession management process was carried out within each business segment, through escalating talent review sessions. In the coming year, we plan to reinforce the process by strengthening our talent plans and accelerating the development of successors to enhance their effectiveness, diversity, skills, knowledge, and leadership experience.

➤ EMPLOYEE ENGAGEMENT

In 2017, we launched a new approach to engagement surveys globally. At halfway through our turnaround plan, the survey was pivotal in helping us gauge where we are as a company and the ongoing investment in our business transformation.

We now have a baseline to measure the impact of our employee engagement actions to achieve our business objectives, accelerate the turnaround, and give employees a direct voice to the management team.

The survey reflected many strengths we can continue to build on and opportunities for making additional progress next year. Our leaders will work with their teams to create relevant and measurable action plans that are aligned with our business priorities and included in their 2018 personal objective plans. We will also ensure our work is aligned with business priorities and that we remain an agile organization that can anticipate and adapt quickly to changing circumstances.

➤ DIVERSITY AND INCLUSION

We are a global company operating in 46 countries, representing more than 120 nationalities and 70 languages. Wherever we operate, and across every part of our business, we strive to create a diverse and inclusive culture. This includes having a diversity of competencies, genders, ages, personal qualities, geographical representation, business and cultural background, experience, and overall expertise.

From a gender perspective, we aspire to have at least 25% of management positions held by women, as relevant positions become vacant and appropriately-skilled candidates are available. At the end of 2017, this ratio was of 19.4%, representing a 0.6% increase since last year.

Leading Women in Aerospace and Rail

We embrace the role of women in society, and promote gender diversity in the transportation sector. Within the aviation sector, we are a member of several diversity associations, including *Women in Aviation International*, and we offer scholarships to support the development of women in aviation. We are also a strong advocate of the *Women in Rail* community, and are active participants at conferences and work sessions to lead the conversation on practical ways for women to drive their careers forward.



Employee at our Vadodara facility in India

LEADING AN HSE PREVENTIVE CULTURE



Our vision is to be a leader in health, safety and environmental (HSE) preventive culture by building a common foundation of expectations for our people, limiting risks, and empowering every employee to take individual responsibility for creating a safe and environmentally-responsible workplace.

HIGHLIGHTS

34%
INCIDENT RATE
REDUCTION
SINCE 2013

8.2%
ENERGY REDUCTION
SINCE 2013

Anchoring our Commitments

With our company-wide transformation, we are taking a disciplined and systematic approach to HSE prevention. Our HSE policy anchors our commitment to protect our employees from occupational illnesses and work-related accidents, foster health in the workplace, and ensure we minimize the impact our activities have on the environment.

Although we strive for zero harm, we regret that in early 2018, we experienced two fatalities during our operations. Serious investigations are underway and the business continues to focus on our risk assessment process to ensure critical risks and activities are effectively assessed.

Pursuing Long-term Goals

To achieve our vision to be a leader in HSE preventive culture, we defined five long-term goals that have united our focus across the business on: leadership and accountability, strong governance, preventive risk management, HSE practice sharing, and continuous improvement.

By establishing a common set of HSE expectations, the goals create greater consistency in our global practices, provide a benchmark to measure performance and a platform to demonstrate leadership. Since rolling out our goals in 2013, we have made progress. Notably, we reduced our incident rate by 34%, standardized our health and safety risk assessments, and reduced our energy consumption by 8.2%.

▶ LEADERSHIP AND ACCOUNTABILITY

Our corporate executives alongside the business segment Presidents are embedding our HSE preventive culture across the business. They regularly review our HSE performance during quarterly meetings, driving us to implement corrective actions, address business risks and continuously improve our performance. Last year, we launched HSE preventive culture training programs to build the capacity of our managers to further embed our values and demonstrate HSE leadership.

▶ STRONG GOVERNANCE

Every year, we define strategic plans in line with our aspirations to be a leader in HSE preventive culture. Performance against our plans is monitored on a regular basis with our leadership teams. Specifically, our corporate executives are formally tracking H&S incident rates and energy consumption as part of their business scorecards.

▶ PREVENTIVE RISK MANAGEMENT

We continuously improve our processes for identifying and managing critical HSE risks. Standardized risk assessments are now deployed across our business, helping to strengthen HSE requirements in both existing and new processes. Notably, last year, we enhanced our wayside rail safety directives, and reinforced HSE management of change during work package transfers in Morocco.

▶ HSE PRACTICE SHARING

Developing the HSE competencies of our people is being achieved through monthly updates that enable our HSE networks to share lessons learned, create synergies and build experiences on common issues and best practices.

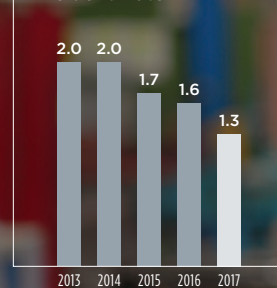
▶ CONTINUOUS IMPROVEMENT

We have established formal processes to engage with our stakeholders to analyze trends on HSE performance, conduct internal audits, and monitor compliance. These reviews help us continuously improve our HSE performance. We also regularly conduct benchmarks against global peers, which has included a review of our HSE reporting and value creation approach.

PREVENTING INCIDENTS

Our STOP. THINK. ACT. awareness campaign at Transportation encourages employees to observe potential risks and speak up to report safety concerns.

Incident Rate



Employee at our Crespin facility in France

OPTIMIZING OUR ECO-EFFICIENCY

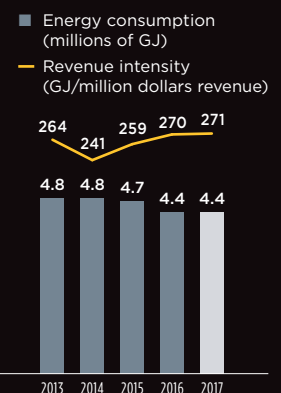
Our environmental management teams are helping ensure we comply with all applicable legislation, while identifying opportunities to reduce costs and improve energy efficiency and resource optimization in our operations and services. In 2017, we improved our energy and carbon efficiency from various building improvement projects. For example, improvements at our Toronto manufacturing facility are being driven by our investments in energy-efficient technologies, including LED lighting, boiler upgrades, low CO₂ emitting IT equipment and modern air conditioning units.

In 2018, we will define our next cycle of environmental objectives that will help reduce our environmental footprint, use resources more efficiently, as well as drive greater efficiencies in our business and further de-risk our value chain.



Global 7000 aircraft assembly

Total energy consumption



SUPPORTING STRONGER COMMUNITIES

As a global corporate citizen, we recognize the important responsibility we have to contribute to the health and well-being of the communities where we operate. We aim to make a meaningful difference by partnering with local organizations, supporting programs that have a long-term sustainable impact, and encouraging our employees to get involved.

Understanding the Issues

Many of the issues we face as a global community are often complex and interconnected – from high levels of unemployment to social disadvantages and climate change. It’s a sensitive setting that requires us to always think ahead to unite our community investment efforts on the right priorities.

Our Community Investment Framework

We aim to direct 1% of our annual earnings before tax in the support of a myriad of organizations around the world to reinforce education, sustainable development and stakeholder engagement. We also directly fund the J. Armand Bombardier Foundation, whose purpose is to advance social inclusion and capacity building programs in our home community in Canada.

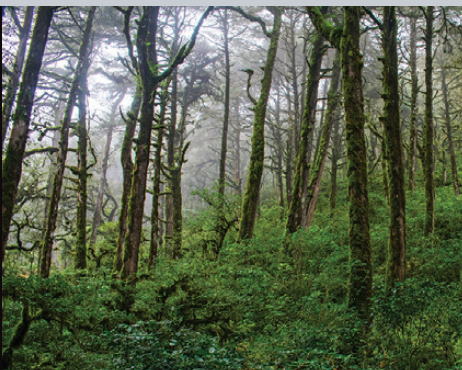
J. Armand Bombardier Foundation 2017 Investments % of total



EDUCATION
Support education in Science, Technology, Engineering, Entrepreneurship and Mathematics (STEM).



SUSTAINABLE DEVELOPMENT
Support sustainable development projects that promote environmental responsibility and eco-friendly practices.



HIGHLIGHTS

300+
COMMUNITY ORGANIZATIONS SUPPORTED

\$2.2M+
IN CORPORATE COMMUNITY INVESTMENTS

\$3.9M
IN DONATIONS BY THE J. ARMAND BOMBARDIER FOUNDATION IN CANADA¹



◆
STAKEHOLDER ENGAGEMENT
Support opportunities to maintain and develop business relationships with key industry stakeholders.



■
SOCIAL INCLUSION
The J. Armand Bombardier Foundation supports organizations that foster capacity building and human dignity in Canada.



1. In Canadian dollars.

MANAGING OUR BUSINESS RESPONSIBLY



CRJ1000 aircraft

Responsible management is a cornerstone of our long-term success. For us, how we deliver success is just as important as what we achieve. This is why we are committed to ensuring strict compliance to all applicable legislation and adhering to the highest ethical, environmental and social standards in everything we do.

HIGHLIGHTS

100%

MANAGERS AND DIRECTORS CERTIFIED COMPLIANCE TO THE CODE

55+

ETHICS & COMPLIANCE AMBASSADORS INTRODUCED

5,000+

MANAGEMENT EMPLOYEES TRAINED ON ETHICS-RELATED TOPICS

Strengthened by our Governance Framework

Our systems of compliance, risk management and control underpin our license to do business. Through our robust governance framework we ensure accountability is embedded at the right levels.

At the highest level, our Board is the decision-making body for all matters deemed material from a strategic, financial, and reputational perspective. Our Board is comprised of nine independent directors and five non-independent directors. Our Board members bring diverse backgrounds, skills, experience and expertise, which are critical for our business success.

Responsibility for day-to-day management is delegated to the Chief Executive Officer, who is supported by the Management Team.

Last year, our leaders deepened our culture of accountability to ensure we deliver on our business goals and adhere to the highest ethical, environmental and social standards.

Living our Core Values

Our core values – integrity, commitment to excellence, customer orientation and shareholder focus – inform decisions we take as an organization.

Championed by senior business leaders and reinforced through our Ethics and Compliance Office, the Code of Ethics and Business Conduct (Code) goes beyond legal requirements and consolidates the business principles that apply across our company.

In 2017, we primarily focused our efforts on embedding a strong preventive mindset within the organization.

➤ ETHICS AND COMPLIANCE

Our Code – which includes our commitment to the United Nations Global Compact – sets high standards of behavior for our employees in their daily activities and when dealing with others. Implementing our Code continues to be an important and ongoing priority for us.

Last year, we maintained our focus on equipping our employees with the tools and resources to inspire the right behaviors and create a safe environment for them to “speak up”. In addition to having access to whistleblowing mechanisms, our employees receive regular training and communications on what constitutes ethical business practices in their jobs. Last year, employees received training on data privacy and more than 5,000 of our management employees received customized training and communications on ethics-related topics, including harassment and anti-corruption.

We also launched a network of Ethics and Compliance Ambassadors to provide further support to our sites. The ambassadors are tasked with acting as a liaison between the local site and the Ethics & Compliance Office, and as an on-site resource for employees whenever they have questions, concerns or need training on specific topics related to ethics and compliance. In 2017, we recruited more than 55 ambassadors in 30 countries.

As part of our zero-tolerance approach to bribery and corruption, we continued to monitor our processes and support mechanisms. We fully investigate suspected breaches in a confidential manner and take disciplinary action, up to and including dismissal, where appropriate.

➤ RISK MANAGEMENT

As part of our risk management practices, we have robust policies, processes and controls to address our most significant risks. On an ongoing basis, our Corporate Audit Services and Risk Assessment teams are proactively conducting risk based internal audits to ensure we systematically identify and mitigate key business risks, including non-financial and reputational risks.

➤ POLITICAL ENGAGEMENT

We ensure compliance to laws in every jurisdiction where we do business and adhere to the highest ethical standards when conducting lobbying activities and making political contributions, as prescribed by our Code. We believe that open dialogue between government, the public and the business community contributes to informed government decision-making, benefiting our stakeholders and the communities we are part of.

Bombardier is non-partisan and our political contributions merely reflect our responsible citizenship, as well as the

best interest of the company. Lobbying activities follow strict processes, and meet registration and reporting requirements to the respective authorities.

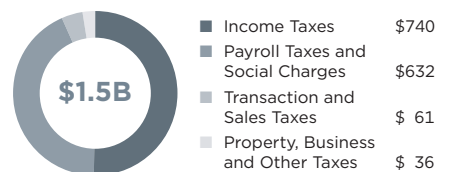
➤ FISCAL RESPONSIBILITY

We recognize our responsibility to shareholders to be financially efficient, and are committed to pursuing our tax strategy in full compliance with all applicable laws.

From a tax perspective, we pay a significant amount of taxes¹ given our extensive business and employment presence around the world. These taxes include those paid on profits, payroll and social charges, unrecoverable transaction and sales taxes, property, business and other taxes.

Over the last three years, we have paid approximately \$4.8 billion in taxes¹ globally. In 2017, we paid taxes¹ of approximately \$1.5 billion.

Total Taxes Borne² and Collected³ by Bombardier
\$ millions



OUR CORE VALUES

Integrity

Commitment to Excellence

Customer Orientation

Shareholder Focus

1. Includes income taxes paid on profits, payroll taxes and social charges, sales and transaction taxes that are not recoverable and taxes on property and business operations. For significant locations only (Canada, United States, United Kingdom, Germany, France, Mexico).

2. The total amount of taxes borne by Bombardier in 2017 was \$485 million.

3. The total amount of taxes collected by Bombardier in 2017 was \$984 million.

ABOUT THIS REPORT

The 2017 Bombardier Activity Report is guided by the Global Reporting Initiative Standards and the International Integrated Reporting Council framework. This report is only a part of our ongoing dialogue with stakeholders and we welcome your feedback and questions at csr@bombardier.com.

This report addresses Bombardier's performance across all our facilities worldwide including our joint ventures. We have included financial data for Bombardier Inc. and its subsidiaries as well as updates on the societal, environmental, governance and economic issues that are most important to the company and our stakeholders. This report includes quantitative data reflecting our performance for the year ended December 31, 2017. Most of the financial information in this report is extracted from our 2017 Financial Report. All financial figures are in U.S. dollars unless otherwise stated. For more detailed information regarding our financial disclosures for the year ended December 31, 2017, please see our 2017 Financial Report.

Data Verification

The information provided for our environmental indicators is partially verified by an external party. Energy and GHG emissions data from our Belfast, U.K. site is verified by external parties under the EU ETS, which includes BSi Assurance UK Ltd., located at Kitemark Court, Davy Avenue, Knowlhill, Milton Keynes, Buckinghamshire, MK5 8PP. In addition, our German sites receive annual external verification of all environmental data under the EMAS.

Forward-looking Statements

This Activity Report 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; the expected impact of the legislative and regulatory environment and legal proceedings on the Corporation's business and operations; available liquidities and ongoing review of strategic and financial alternatives; the completion,

anticipated timing of the transaction with Airbus SE (Airbus) described herein and the receipt of regulatory and other approvals required with respect to this transaction and the anticipated timing thereof; the governance, funding and liquidity of *C Series* Aircraft Limited Partnership (CSALP); the impact and expected benefits of the transaction with Airbus described herein, on our operations, infrastructure, capabilities, development, growth and other opportunities, geographic reach, scale, footprint, financial condition, access to capital and overall strategy; and the impact of such transaction 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", "expect", "estimate", "intend", "anticipate", "plan", "foresee", "believe", "continue", "maintain" or "align", the negative of these terms, variations of them or similar terminology. Forward-looking statements are presented for the purpose of assisting investors and others in understanding certain key elements of our current objectives, strategic priorities, expectations and plans, and in obtaining a better understanding of our business and anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

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. The assumptions underlying the forward-looking statements made in this Activity Report in relation to the transaction with Airbus discussed herein include the following material assumptions: the satisfaction of all conditions of closing and the successful completion of the transaction within the anticipated timeframe, including receipt of regulatory (including antitrust) and other approvals; the fulfillment and performance by each party of its obligations pursuant to the transaction agreement and future commercial agreements and absence of significant inefficiencies and other issues in connection

therewith; the realization of the anticipated benefits and synergies of the transaction in the timeframe anticipated; our ability to continue with our current funding plan of CSALP and to fund, if required, any cash shortfalls; adequacy of cash planning and management and project funding; and the accuracy of our assessment of anticipated growth drivers and sector trends. For additional information with respect to the assumptions underlying the forward-looking statements made in this Activity Report, refer to the Strategic Priorities and Guidance and forward-looking statements sections for each reportable segment in the MD&A of the Corporation's financial report for the fiscal year ended December 31, 2017.

With respect to the transaction with Airbus discussed herein specifically, 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 the failure to receive or delay in receiving regulatory (including antitrust) or other approvals or otherwise satisfy the conditions to the completion of the transaction or delay in completing the transaction and uncertainty regarding the length of time required to complete the transaction; changes in the terms of the transaction; the failure by either party to satisfy and perform its obligations pursuant to the transaction agreement and future commercial agreements and/or significant inefficiencies and other issues arising in connection therewith; the impact of the announcement of the transaction on our relationships with third parties, including commercial counterparties, employees and competitors, strategic relationships, operating results and businesses generally; the failure to realize, in the timeframe anticipated or at all, the anticipated benefits and synergies of the transaction; our ability to continue with our current funding plan of CSALP and to fund, if required, the cash shortfalls; inadequacy of cash planning and management and project funding.

Certain other 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 “Brexit”, the financial condition of the airline industry, business aircraft customers, and the rail industry; trade policy (including potential changes to or the termination of the existing North American Free Trade Agreement between Canada, the U.S. and Mexico currently in discussion); increased competition; political instability and force majeure events or natural disasters), 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 and capital expenditures 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; environmental, health and safety risks; 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 the Corporation’s financial report for the fiscal year ended December 31, 2017. For additional information with respect to the assumptions underlying the forward-looking statements made in this Activity Report, 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 the Corporation’s financial report for the fiscal year ended December 31, 2017.

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. Other risks and uncertainties not presently known to us or that we presently believe are not material could also cause actual results or events to differ materially from those expressed or implied in our forward-looking statements. In addition, there can be no assurance that the proposed transaction with Airbus will occur or that the anticipated strategic benefits and operational, competitive and cost synergies will be realized in their entirety, in part or at all. The forward-looking statements set forth herein

reflect management’s expectations as at the date of this Activity Report 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 Activity Report are expressly qualified by this cautionary statement.

Disclaimer

Global 7000 and *Global 8000* aircraft program is currently in development, and as such is subject to changes in family strategy, branding, capacity, performance, design and/or systems. All specifications 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.

Trademarks

AVENTRA, *Bombardier*, *Challenger*, *Challenger 350*, *Challenger 650*, *CRJ Series*, *CRJ700*, *CRJ900*, *CRJ1000*, *C Series*, *CS100*, *CS300*, *Global*, *Global 6000*, *Global 7000*, *Global 8000*, *INNOVIA*, *Learjet*, *Learjet 75*, *MITRAC*, *OMNEO*, *Q400* and *ZEFIRO* are trademarks of Bombardier Inc. or its subsidiaries.



We build the most innovative planes and trains.