



FINANCIAL RESULTS  
FOR THE FOURTH  
QUARTER AND FISCAL  
YEAR ENDED  
DECEMBER 31, 2013

Presentation to investors,  
financial analysts and media

February 13, 2014

**BOMBARDIER**  
the evolution of mobility

# Forward-looking statements

This presentation includes forward-looking statements, which may involve, but are not limited to: statements with respect to our objectives, guidance, targets, goals, priorities, our 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; our competitive position; and the expected impact of the legislative and regulatory environment and legal proceedings on our business and operations. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “intend”, “anticipate”, “plan”, “foresee”, “believe”, “continue”, “maintain” or “align”, the negative of these terms, variations of them or similar terminology. By their nature, forward-looking statements require us to make assumptions and are subject to important known and unknown risks and uncertainties, which may cause our actual results in future periods to differ materially from forecasted results. While we consider our assumptions to be reasonable and appropriate based on information currently available, there is a risk that they may not be accurate. 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 Transportation sections in the Management’s Discussion and Analysis (“MD&A”) of the Corporation’s annual report for the fiscal year ended December 31, 2013.

Certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include risks associated with general economic conditions, risks associated with our 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), 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) 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 annual report for the fiscal year ended December 31, 2013. Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. The forward-looking statements set forth herein reflect our 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.

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

# Important recent events



- We completed the maiden flight of the *CSeries* on September 16, 2013
- We completed the sale of the activities of *Flexjet* – with the acquirer placing a firm order for 85 aircraft of the *Learjet* family and 30 aircraft of the *Challenger* family, with options for 150 additional aircraft

- BA and BT signed several contracts, bringing the consolidated order backlog as at December 31, 2013 to a record level of \$69.7 billion
- Subsequent to the end of the fiscal year, we won a \$4.1 billion contract with the State of Queensland as part of a consortium for the New Generation Rollingstock Project. Our share of the contract is valued at \$2.7 billion



## 2013 results in line with expectations

**REVENUES**

**\$18.2 B**

**ADJUSTED<sup>1</sup>  
EPS**

**\$0.33**

- Revenues of \$ 18.2 billion
- EBIT of \$923 million (5.1% of revenues)
- Adjusted<sup>1</sup> net income of \$608 million (adjusted<sup>1</sup> EPS of \$0.33)
- Free cash flow<sup>1</sup> usage of \$907 million
- Strong liquidity of \$4.8 billion<sup>2</sup>
- Decrease in net retirement benefit liability of \$974 million
- Record backlog of \$69.7 billion<sup>2</sup>

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

<sup>2</sup> As at December 31, 2013

# Segmented results

(in millions of dollars)	Three-month periods ended December 31				Fiscal years ended December 31			
	2013		2012 <i>Restated</i>		2013		2012 <i>Restated</i>	
Revenues								
Aerospace	2,873		2,597		9,385		8,628	
Transportation	2,451		2,028		8,766		7,786	
<b>Total – Revenues</b>	<b>5,324</b>		<b>4,625</b>		<b>18,151</b>		<b>16,414</b>	
EBIT before special items <sup>1</sup>								
Aerospace	94	3.3%	84	3.2%	388	4.1%	367	4.3%
Transportation	92	3.8%	80	3.9%	505	5.8%	439	5.6%
<b>Total – EBIT before special items<sup>1</sup></b>	<b>186</b>	<b>3.5%</b>	<b>164</b>	<b>3.5%</b>	<b>893</b>	<b>4.9%</b>	<b>806</b>	<b>4.9%</b>
EBIT								
Aerospace	93	3.2%	84	3.2%	418	4.5%	390	4.5%
Transportation	92	3.8%	(83)	(4.1%)	505	5.8%	276	3.5%
<b>Total – EBIT</b>	<b>185</b>	<b>3.5%</b>	<b>1</b>	<b>0.0%</b>	<b>923</b>	<b>5.1%</b>	<b>666</b>	<b>4.1%</b>

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

# Financial results overview

(in millions of dollars, except per share amounts)	Three-month periods ended December 31		Fiscal years ended December 31	
	2013	2012 <i>Restated</i>	2013	2012 <i>Restated</i>
Revenues	5,324	4,625	18,151	16,414
EBIT before special items <sup>1</sup>	186	164	893	806
Special items	1	163	(30)	140
EBIT	185	1	923	666
Net financing expense	45	49	152	130
EBT	140	(48)	771	536
Income taxes	43	(44)	199	66
Net income	97	(4)	572	470
Diluted EPS	\$0.05	(\$0.01)	\$0.31	\$0.25
<b>Adjusted net income<sup>1</sup></b>	<b>129</b>	<b>181</b>	<b>608</b>	<b>671</b>
<b>Adjusted EPS<sup>1</sup></b>	<b>\$0.07</b>	<b>\$0.10</b>	<b>\$0.33</b>	<b>\$0.36</b>

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

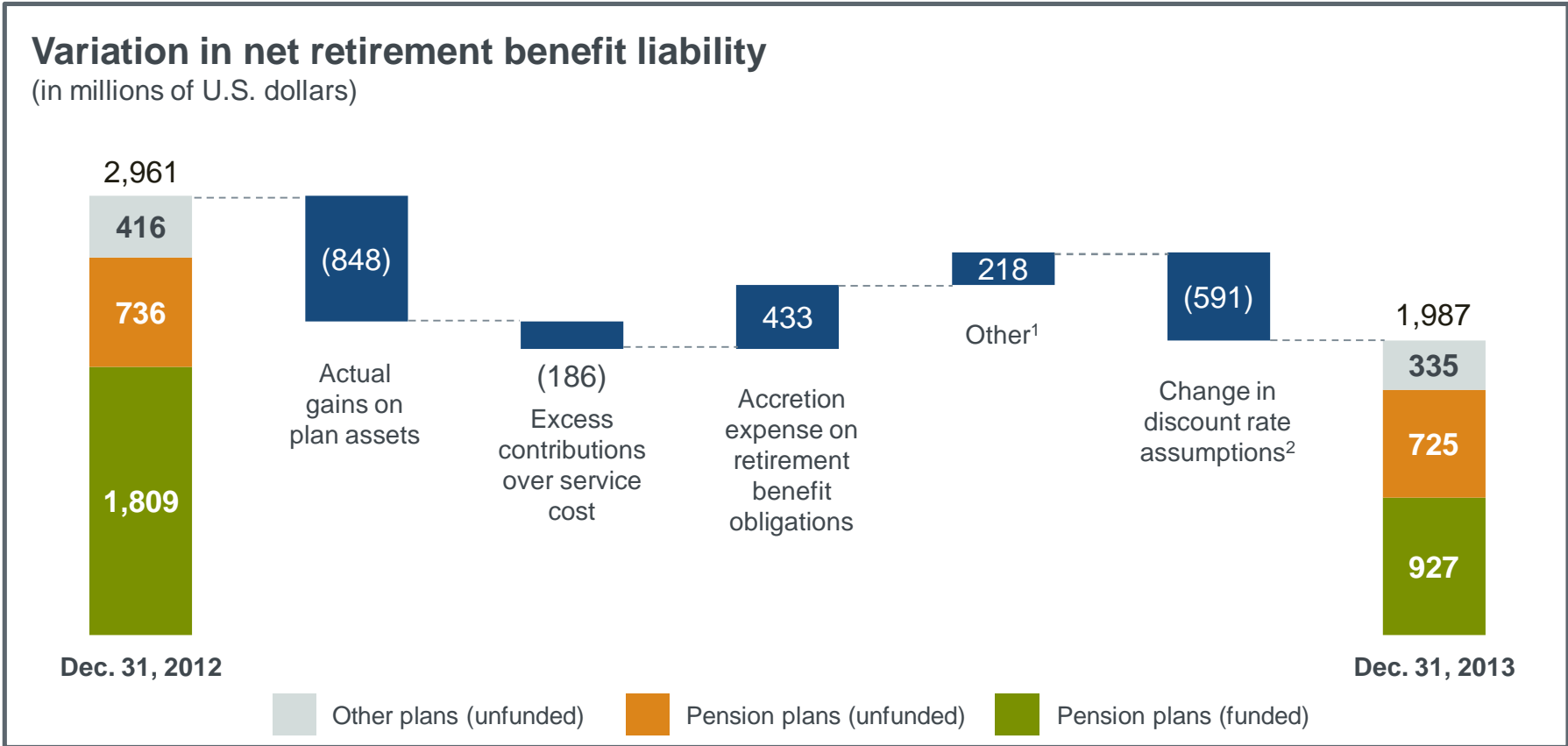
# Free cash flow

(in millions of dollars, unless otherwise indicated)	Three-month periods ended December 31		Fiscal years ended December 31	
	2013	2012 <i>Restated</i>	2013	2012 <i>Restated</i>
Aerospace				
Cash flows from operating activities	678	852	974	1,104
Net additions to PPE & intangible assets	(591)	(575)	(2,213)	(1,971)
Total Aerospace	87	277	(1,239)	(867)
Transportation	767	675	668	488
Interest and taxes	(83)	(98)	(336)	(257)
<b>Free cash flow (usage)<sup>1</sup></b>	<b>771</b>	<b>854</b>	<b>(907)</b>	<b>(636)</b>

As at December 31	2013	2012
Cash and cash equivalents	\$3.4 B	\$2.6 B
Total liquidity	\$4.8 B	\$4.0 B

7 1 See Caution regarding Non-GAAP measures at the end of this presentation

# Significant decrease in the net retirement benefit liability in 2013



1 Other is mainly comprised of the impact of exchange rates and changes in actuarial assumptions  
 2 Discount rates used to determine the benefit cost and obligation for fiscal years ended must represent the market rates for high-quality corporate fixed income investments for the period to maturity of the benefits. As such, management has little discretion in their selection



# Guidance and outlook for 2014

## Aerospace<sup>1</sup>

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

## Transportation<sup>1</sup>

- ❑ EBIT margin of approximately 6%
- ❑ Free cash flow<sup>2</sup> generally in line with EBIT
- ❑ Revenue growth in the mid-single digit range over 2013, excluding currency impacts

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

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

Our strong growth story is taking shape – all the elements are in place

- **The record backlog of \$69.7 billion includes more than four years of manufacturing revenues**
- **Our continued investments in new products will position us well for the years to come**



# Non-GAAP financial measures

## CAUTION REGARDING NON-GAAP FINANCIAL MEASURES

This presentation is based on reported earnings in accordance with International Financial Reporting Standards (IFRS). Reference to generally accepted accounting principles (GAAP) means IFRS, unless indicated otherwise. This presentation is also based on non-GAAP financial measures including EBIT before special items, EBIT margin 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 interim consolidated financial statements with enhanced understanding of our results and related trends and increases transparency and clarity into the core results of our business. For definitions of these metrics and reconciliations to the most comparable IFRS measures, refer to the Non-GAAP financial measures and Liquidity and capital resources sections in the MD&A of the Corporation's annual report for the fiscal year ended December 31, 2013.