FINANCIAL RESULTS FOR THE FOURTH QUARTER AND FULL YEAR 2018

FEBRUARY 14, 2019

BOMBARDIER

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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This presentation includes forward-looking statements, which may involve, but are not limited to: statements with respect to our objectives, anticipations and guidance in respect of various financial and global metrics and sources of contribution thereto, targets, goals, priorities, market and strategies, financial position, market position, capabilities, competitive strengths, credit ratings, 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; growth strategy, including in the business aircraft aftermarket business; 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; expectations regarding working capital recovery across Transportation legacy projects ; expectations regarding revenue and backlog mix; the expected impact of the legislative and regulatory environment and legal proceedings on our business and operations; strength of capital profile and balance sheet, creditworthiness, available liquidities and capital resources, expected financial requirements and ongoing review of strategic and financial alternatives; the introduction of productivity enhancements, operational efficiencies and restructuring initiatives and anticipated costs, intended benefits and timing thereof; the expected objectives and financial targets underlying our transformation plan and the timing and progress in execution thereof, including the anticipated business transition to growth cycle and cash generation; expectations and objectives regarding debt repayments, expectations and timing regarding an opportunistic redemption of CDPQ's investment in BT Holdco; intentions and objectives for our programs, including the focus on returning to profitability and exploration of strategic options for the CRJ Series program; the funding and liquidity of C Series Aircraft Limited Partnership (CSALP); and the expected impact and intended benefits of our partnership with Airbus and investment in CSALP and the realization of intended benefits of our acquisition of Triumph Group Inc. (Triumph's) Global 7500 wing manufacturing operations and assets. As it relates to the strategic actions and proposed sale of the Q Series Aircraft program and Business Aircraft's flight and technical training activities (collectively, the Pending Transactions), this presentation also contains forward-looking statements with respect to: the expected terms, conditions, and timing for completion thereof; the respective anticipated proceeds and use thereof and/or consideration therefor, related costs and expenses, as well as the anticipated benefits of such actions and transactions and their expected impact on our guidance and targets; and the fact that closing of these transactions will be conditioned on certain events occurring, including the receipt of necessary regulatory approval.

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 presentation in relation to the Pending Transactions discussed herein include the following material assumptions: the satisfaction of all conditions of closing and the successful completion of such strategic actions and transactions within the anticipated timeframe, including receipt of regulatory approvals. For additional information, including with respect to the other assumptions underlying the forward-looking statements made in this presentation, refer to the Strategic Priorities and Guidance and forward-looking statements sections in each reportable segment.

Certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to, risks associated with general economic conditions, risks associated with our business environment (such as risks associated with "Brexit", the financial condition of the airline industry, business aircraft customers, and the rail industry; trade policy; increased competition; political instability and force majeure events or global climate change), operational risks (such as risks related to developing new products and services; development of new business and awarding of new contracts; book-to-bill ratio and order backlog; the certification and homologation of products and services; fixed-price and fixed-term commitments and production and project execution, including challenges associated with certain Transportation's legacy projects and the release of working capital therefrom; pressures on cash flows and capital expenditures based on project-cycle fluctuations and seasonality; risks associated with our ability to successfully implement and execute our strategy, transformation plan, productivity enhancements, operational efficiencies and restructuring initiatives; doing business with partners; risks associated with our partnership with Airbus and investment in CSALP; risks associated with our ability to continue with our funding plan of CSALP and to fund, if required, the cash shortfalls; risks associated with our ability to successfully integrate our acquisition of Triumph's Global 7500 wing manufacturing operations and assets; inadequacy of cash planning and management and project funding; product performance warranty and casualty claim losses; regulatory and legal proceedings; environmental, health and safety risks; dependence on certain customers, contracts and suppliers; supply chain risks; human resources; reliance on information systems; reliance on and protection of intellectual property rights; reputation risks; risks of impairments and asset write-downs; risk management; tax matters; 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 of the Annual Report. With respect to the Pending Transactions 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: the failure to receive or delay in receiving regulatory approvals, or otherwise satisfy the conditions to the completion of such strategic actions and transactions or delay in completing and uncertainty regarding the length of time required to complete such strategic actions and transactions, and the funds and benefits thereof not being available to Bombardier in the time frame anticipated or at all; alternate sources of funding that would be used to replace the anticipated proceeds and savings from such strategic actions and transactions, as the case may be, may not be available when needed, or on desirable terms. Accordingly, there can be no assurance that any of the Pending Transactions will occur or that the anticipated benefits will be realized in their entirety, in part or at all. There can also be no assurance as to the completion, the form, or the timing of any BT Holdco buy-back.

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. The forward-looking statements set forth herein reflect management's expectations as at the date of this report 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, rounded to the nearest decimal, unless otherwise indicated. This presentation should be read in conjunction with the Corporation's 2018 Financial Report. This presentation contains both IFRS and non-GAAP measures. Non-GAAP measures are defined at the end of this presentation and reconciled to the most comparable IFRS measures in the Corporation's 2018 Financial Report. See Caution regarding non-GAAP measures at the end of this presentation.

ASSUMPTIONS

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Forward-looking statements[1] in this section of the presentation are based on and subject to the following material assumptions:

All segments

- normal execution and delivery of current firm orders and projects in the backlog;
- the ability to understand customer needs and portfolio of products and services to drive increasing market demand and secure key strategic orders;
- continued deployment and execution of leading initiatives according to plan to improve revenue conversion into higher earnings and free cash flows[2], through improved procurement cost, controlled spending and labour efficiency;
- delivering on the transformation plan targets, through restructurings and other initiatives addressing the direct and indirect cost structure, focusing on sustained cost reductions and operational improvements, while reducing working capital consumption;
- the ability to leverage the global manufacturing footprint and transfer best practices and technology across production sites, and by leveraging lower cost geographies and emerging economies;
- the ability of the supply base to support product development and planned production rates on commercially acceptable terms in a timely manner;
- the ability to identify and enter into further risk sharing partnerships and initiatives;
- the effectiveness of disciplined capital deployment measures in new programs and products to drive revenue growth;
- the ability to recruit and retain highly skilled resources to deploy the product development strategy;
- the stability of the competitive global environment and global economic conditions;
- the stability of foreign exchange rates at current levels;
- the ability to have sufficient liquidity to execute the strategic plan, to meet financial covenants and to pay down long-term debt or refinance bank facilities and maturities starting in 2020; and
- financials reflect IFRS 16 lease accounting starting January 1, 2019.

Aerospace segments

- closings of the Q Series aircraft program assets by the second half of 2019 and Business Aircraft flight and training activities transactions by the end of the first quarter of 2019;
- the alignment of production rates to market demand;
- the ability to manage the learning curve as we ramp up production and deliveries of the Global 7500 aircraft;
- the ability to ramp up production and deliveries of new programs, and meet scheduled EIS date for the Global 5500, Global 6500, Global 8000 and CRJ550 aircraft programs;
- continued ability to capture and win campaigns and projects based on market forecasts[3], leading to future order intake objectives;
- continued deployment and execution of growth strategies, and continued growth of the aftermarket business;
- the reduction of investments and development spend to normalized levels by 2019-2020;
- the realization of the anticipated benefits and synergies of the partnership with Airbus in the timeframe anticipated;
- satisfactory performance by Airbus of its obligations pursuant to the partnership and commercial agreements and absence of unanticipated inefficiencies or performance issues in connection therewith;
- the strength and quality of Airbus' scale and reach, sales, marketing or support networks, supply chain, operations, and customer relationships;
- the accuracy of the analyses and assumptions underlying our business case including estimated cash flows and revenues over the expected life of the program and thereafter;
- the accuracy of our assessment of anticipated growth drivers and sector trends;
- aircraft prices, unit costs and deliveries gradually improving during the acceleration phase; and
- our ability to continue with our current funding plan of CSALP and to fund, if required, any cash shortfalls and adequacy of cash planning and management and project funding.

Transportation

- our ability to execute and deliver business model enhancement initiatives;
- our ability to release working capital stemming from delivery challenges experienced in the latter part of 2018 on certain legacy projects, and recovery across these projects through 2019;
- revenue conversion and phase out of our legacy projects;
- a sustained level of public sector spending;
- the realization of upcoming tenders and our ability to capture them based on market forecasts[4], leading to estimated future order intake; and
- successful deployment and execution of growth strategies, including the value chain approach and the creation of ecosystems, site specialization and the creation of engineering centers of excellence, and the evolution of the revenue mix towards more signalling and systems and operations and maintenance contracts.

For a discussion of the material risk factors associated with the forward-looking information, refer to the Risks and uncertainties section in Other of the 2018 Financial report.

1 Also refer to the Guidance and forward-looking statements section for the forward-looking statements disclaimer.
2 Non-GAAP measure. For further information on non-GAAP measures used on this slide refer to our disclosure regarding non-GAAP measures at the end of this presentation.
3 For more details, refer to the market indicators in the Industry and economic environment sections of the Aerospace segments in the Annual Report.
4 For more details, refer to the market indicators in the Industry and economic environment section of the Transportation segment in the Annual Report.

DRIVING STRONGER FINANCIAL PERFORMANCE

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Fiscal year ended December 31	2018	2017 *Restated* [1]	VARIANCE	LATEST 2018 GUIDANCE
REVENUES	$16.2B	$16.2B	+3% From BBA, BT & BAES	~$16.5B
EBITDA[2] BEFORE SPECIAL ITEMS	$1.3B	$1.0B	+25%	$1.25 - $1.35B
EBIT	$1.0B	$299M	+235%	
EBIT[2] BEFORE SPECIAL ITEMS	$1.0B	$725M	+42%	~$1.0B
CASH FLOW FROM OPERATING ACTIVITIES	$597M	$531M	+$66M	
FCF[2]	$182M Including Transaction Proceeds	$(786)M	+$1.0B	BREAKEVEN ±$150M Including Downsview proceeds
CASH & CASH EQUIVALENTS	$3.2B	$3.1B	+$0.1B	
DILUTED EPS	$0.09	$(0.24)	+$0.33	
ADJUSTED EPS[2]	$0.14	$0.04	+$0.10	

FINANCIAL HIGHLIGHTS

- Revenues grew **3%** from BT, BBA and BAES, excluding currency impact and BCA as a result of CSeries deconsolidation
- EBITDA before special items[2] increased 150 bps to **8.0%**
- EBIT before special items[2] increased by 180 bps to **6.3%**
- FCF[2] of **$182M**, include net proceeds from Downsview (**~$600M**) & CAE (**$155M**) transactions

[1] *Restated for IFRS15, Revenue from contracts with customers. Refer to the Accounting and reporting developments section of Other in the Annual Report for details regarding restatements of comparative period figures.*
[2] *Non-GAAP measure. For further information on non-GAAP measures used on this slide refer to our disclosure regarding non-GAAP measures at the end of this presentation.*

STRONG FOURTH QUARTER PERFORMANCE

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	Q4 2018	Q4 2017 *Restated* [1]	VARIANCE
REVENUES	$4.3B	$4.6B	-7%
EBITDA[2] BEFORE SPECIAL ITEMS	$370M	$228M	+62%
EBIT	$342M	$73M	+368%
EBIT[2] BEFORE SPECIAL ITEMS	$286M	$139M	+106%
CASH FLOW FROM OPERATING ACTIVITIES	$1.3B	$1.2B	+0.1B
FCF[2]	$1.0B	$872M	+$169M
DILUTED EPS	$0.02	$(0.09)	+$0.11
ADJUSTED EPS[2]	$0.05	$(0.02)	+$0.07

FINANCIAL HIGHLIGHTS

- Revenues of **$4.3B** reflect the deconsolidation of CSALP and a managed production slowdown on certain BT rolling stock contracts
- EBITDA before special items[2] was **8.6%**, a 370 bps increase year-over-year
- EBIT before special items[2] more than doubled year-over-year, reaching a margin of **6.6%**, a 360 bps improvement
- **$1.0B** FCF[2] generation, includes proceeds from the monetization of royalties, part of the CAE transaction

[1] Restated for IFRS15, Revenue from contracts with customers. Refer to the Accounting and reporting developments section of Other in the Annual Report for details regarding restatements of comparative period figures.
[2] Non-GAAP measure. For further information on non-GAAP measures used on this slide refer to our disclosure regarding non-GAAP measures at the end of this presentation.

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	Q4 2018	Q4 2017 Restated[1]	2018	2017 Restated[1]	2018 GUIDANCE
REVENUES	$2.2B	$2.4B	$8.9B	$8.6B	~$9.0B
EBIT[2] BEFORE SPECIAL ITEMS	$167M	$140M	$750M	$738M	
EBIT MARGIN[2] BEFORE SPECIAL ITEMS	7.7%	5.8%	8.4%	8.6%	>8.5%
EBIT	$236M	$129M	$774M	$443M	
EBIT MARGIN	10.9%	5.3%	8.7%	5.2%	

HIGHLIGHTS

- Full year financial performance largely met guidance
- Yearly Revenues increased **4%**, or **2%** excluding currency impacts, to **$8.9B**
- Q4 revenues reflect a managed production slowdown on certain rolling stock contracts
- Book-to-bill for the year reached **1.1**, continuing to position the segment for growth and profitability
- **$34.5B** Backlog includes stronger mix of platform projects and Signaling & Services contracts
- 2018 working capital timing shift is expected to significantly recover through 2019

[1] *Restated for IFRS15, Revenue from contracts with customers. Refer to the Accounting and reporting developments section of Other in the Annual Report for details regarding restatements of comparative period figures.*
[2] *Non-GAAP measure. For further information on non-GAAP measures used on this slide refer to our disclosure regarding non-GAAP measures at the end of this presentation.*

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	Q4 2018	Q4 2017 *Restated*[1]	2018	2017 *Restated*[1]	2018 GUIDANCE
REVENUES	$1.5B	$1.4B	$5.0B	$4.9B	≥$5.0B
EBIT[2] BEFORE SPECIAL ITEMS	$122M	$120M	$420M	$419M	
EBIT MARGIN[2] BEFORE SPECIAL ITEMS	8.2%	8.3%	8.4%	8.5%	≥8.0%
EBIT	$145M	$129M	$430M	$394M	
EBIT MARGIN	9.7%	8.9%	8.6%	8.0%	
DELIVERIES	41	43	137	138	~135

HIGHLIGHTS

- Revenues, EBIT before special items[2] and Deliveries in line with guidance
- On schedule entry-into-service of the *Global 7500*, initiating the growth phase
- **14%** revenue growth year-over-year from Aftermarket, offset by lower pre-owned aircraft sales
- Book-to-Bill of **1.1**, with an industry-leading backlog of **$14.3** billion

[1] *Restated for IFRS15, Revenue from contracts with customers. Refer to the Accounting and reporting developments section of Other in the Annual Report for details regarding restatements of comparative period figures.*
[2] *Non-GAAP measure. For further information on non-GAAP measures used on this slide refer to our disclosure regarding non-GAAP measures at the end of this presentation.*

COMMERCIAL AIRCRAFT

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	Q4 2018	Q4 2017 Restated[1]	2018	2017 Restated[1]	2018 GUIDANCE
REVENUES	$421M	$651M	$1.8B	$2.3B	~$1.7B
EBIT[2] BEFORE SPECIAL ITEMS	$(9)M	$(133)M	$(157)M	$(381)M	~$(250)M
EBIT MARGIN[2] BEFORE SPECIAL ITEMS	(2.1)%	(20.4)%	(8.9)%	(16.4)%	
EBIT	$(18)M	$(138)M	$(755)M	$(389)M	
EBIT MARGIN	(4.3)%	(21.2)%	(43.0)%	(16.8)%	
DELIVERIES	12	17	35	56	~35

HIGHLIGHTS

- Revenues and aircraft deliveries were in line with guidance, while earnings were better than expected
- Portfolio reshaping, with a focus on the CRJ program and participation in the growth of the A220
- Starting July 1st, 2018, CSALP results were deconsolidated from BCA
- BCA results reflect the Equity loss pick-up of CSALP in Q4 of **$27M** (**$40M** loss since July 1st 2018)

[1] Restated for IFRS15, Revenue from contracts with customers. Refer to the Accounting and reporting developments section of Other in the Annual Report for details regarding restatements of comparative period figures.
[2] Non-GAAP measure. For further information on non-GAAP measures used on this slide refer to our disclosure regarding non-GAAP measures at the end of this presentation.

AEROSTRUCTURES & ENGINEERING SERVICES

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	Q4 2018	Q4 2017 Restated[1]	2018	2017 Restated[1]	2018 GUIDANCE
REVENUES	$622M	$426M	$2.0B	$1.6B	~$2.0B
EBIT[2] BEFORE SPECIAL ITEMS	$48M	$20M	$188M	$88M	
EBIT MARGIN[2] BEFORE SPECIAL ITEMS	7.7%	4.7%	9.6%	5.4%	>8.5%
EBIT	$-	$7M	$146M	$81M	
EBIT MARGIN	-%	1.6%	7.5%	5.0%	

HIGHLIGHTS

- **21%** year-over-year revenue growth largely from *Global 7500* & A220 ramp-up, in line with guidance
- EBIT before special items[2] exceeded guidance by **110 bps**, driven by execution & one-time favorable item (~50 bps)
- External Revenues reached **37%** in Q4 2018, and **29%** for the full year, following CSALP deconsolidation
- Acquired the *Global 7500* Wing program from Triumph in February 2019

1 Restated for IFRS15, Revenue from contracts with customers. Refer to the Accounting and reporting developments section of Other in the Annual Report for details regarding restatements of comparative period figures.
2 Non-GAAP measure. For further information on non-GAAP measures used on this slide refer to our disclosure regarding non-GAAP measures at the end of this presentation.

2019 GUIDANCE

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CONSOLIDATED

REVENUES	EBITDA[1] *BEFORE SPECIAL ITEMS*	EBIT[1] *BEFORE SPECIAL ITEMS*	FCF[1]
≥ \$18.0B	\$1.65 – \$1.80B	\$1.15 – \$1.25B	BREAKEVEN +/- \$250M

SEGMENTS

	TRANSPORTATION	BUSINESS AIRCRAFT	AEROSTRUCTURES	COMMERCIAL AIRCRAFT
REVENUES	+7% ~ \$9.5B at 1.15 USD/€	+25% ~ \$6.25B 150 – 155 Deliveries	+15% - 25% \$2.25 – 2.50B[2]	STABLE[3] ~ \$1.4B ~35 Deliveries[4]
EBIT[1] *BEFORE SPECIAL ITEMS*	~ 9.0%	~ 7.5%	~ 7.5%	~ \$(125)M Including Equity Pick-up

Note: Refer to our disclosure on forward-looking statements at the beginning and the aircraft program disclaimer at the end of this presentation.

[1] Non-GAAP measure. For further information on non-GAAP measures used on this slide refer to our disclosure regarding non-GAAP measures at the end of this presentation.

[2] 2019 guidance changed from approximately \$2.0 billion revenues and approximately 9.0% EBIT margin before special items to reflect the completion of the acquisition of the Global 7500 aircraft wing program operations and assets from Triumph Group Inc., which closed in the first quarter of 2019.

[3] Stable outlook for Commercial Aircraft sustaining business (CRJ and Q400 for the first nine-months). Excludes changes in revenues following deconsolidation of C Series starting July 1, 2018.

[4] Includes Q400 Deliveries assumed through the end of Q3 2019.

BUILDING GROWTH ON A SOLID FOUNDATION

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REVENUE GROWTH FROM SOLID BACKLOG

UNLEASHING EARNINGS POWER

DISCIPLINED CAPITAL ALLOCATION

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GLOBAL 5500, GLOBAL 6500, GLOBAL 8000 AND *CRJ 550* AIRCRAFT DISCLAIMER

The *Global 5500*, *Global 6500*, *Global 8000* and *CRJ550* aircraft are currently in development, and as such are 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.

CAUTION REGARDING NON-GAAP MEASURES

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This presentation is based on reported earnings in accordance with IFRS and on the following non-GAAP financial measures:

EBIT before special items	EBIT excluding the impact of restructuring charges, significant impairment charges and reversals, as well as other significant unusual items.
EBITDA before special items	EBIT before special items, amortization and impairment charge on PP&E and intangible assets.
Adjusted net income (loss)	Net income (loss) excluding special items, accretion on net retirement benefit obligations, certain net gains and losses arising from changes in measurement of provisions and of financial instruments carried at FVTP&L and the related tax impacts of these items.
Adjusted EPS	EPS calculated based on adjusted net income attributable to equity holders of Bombardier Inc., using the treasury stock method, giving effect to the exercise of all dilutive elements.
Free cash flow (usage)	Cash flows from operating activities less net additions to PP&E and intangible assets.
Adjusted debt	Long-term debt as presented in the consolidated statements of financial position adjusted for the fair value of derivatives (or settled derivatives) designated in related hedge relationships plus short-term borrowings, sale and leaseback obligations and the net present value of operating lease obligations.
Adjusted EBIT	EBIT before special items plus interest adjustment for operating leases and interest received (as per the supplemental information provided in the consolidated statements of cash flows, adjusted, if needed, for the settlement of fair value hedge derivatives before their contractual maturity dates).
Adjusted EBITDA	Adjusted EBIT plus amortization and impairment charges on PP&E and intangible assets, and amortization adjustment for operating leases.
Adjusted interest	Interest paid, as per the supplemental information provided in the consolidated statements of cash flows, plus accretion expense on sale and leaseback obligations and interest adjustment for operating leases.

Non-GAAP financial measures are mainly derived from the consolidated financial statements but do not have standardized meanings prescribed by IFRS. The exclusion of certain items from non-GAAP performance measures does not imply that these items are necessarily non-recurring. Other entities in the Corporation's industry may define the above measures differently than we do. In those cases, it may be difficult to compare the performance of those entities to ours based on these similarly-named non-GAAP measures.

EBIT before special items, EBITDA before special items, adjusted net income (loss) and adjusted EPS

Management uses EBIT before special items, EBITDA before special items, adjusted net income (loss) and adjusted EPS for purposes of evaluating underlying business performance. Management believes these non-GAAP earnings measures in addition to IFRS measures provide readers of the presentation with enhanced understanding of the Corporation's results and related trends and increases the transparency and clarity of the core results of Bombardier's business. EBIT before special items, EBITDA before special items, adjusted net income (loss) and adjusted EPS exclude items that do not reflect the Corporation's core performance or where their exclusion will assist users in understanding Bombardier's results for the period. For these reasons, a significant number of readers of the presentation analyze the Corporation's results based on these financial measures. Management believes these measures help readers of the presentation to better analyze results, enabling better comparability of Bombardier's results from one period to another and with peers.

Free cash flow (usage)

Free cash flow is defined as cash flows from operating activities less net additions to PP&E and intangible assets. Management believes that this non-GAAP cash flow measure provides investors with an important perspective on the Corporation's generation of cash available for shareholders, debt repayment, and acquisitions after making the capital investments required to support ongoing business operations and long-term value creation. This non-GAAP cash flow measure does not represent the residual cash flow available for discretionary expenditures as it excludes certain mandatory expenditures such as repayment of maturing debt. Management uses free cash flow as a measure to assess both business performance and overall liquidity generation.

Adjusted debt, adjusted EBIT, adjusted EBITDA and adjusted interest

The Corportation analyzes its capital structure using global metrics, based on adjusted debt, adjusted EBIT, adjusted EBITDA and adjusted interest. Refer to the Capital structure section of the Corporation's MD&A for the fiscal year ended December 31, 2018 for more detail.

Reconciliations of non-GAAP financial measures to the most comparable IFRS financial measures are provided in the tables hereafter, except for the following reconciliations:

- EBIT before special items to EBIT – see the Results of operations tables in the reportable segments and the Consolidated results of operations section of the Corporation's MD&A for the fiscal year ended December 31, 2018; and
- free cash flow usage before net interest and income taxes received or paid and free cash flow usage to cash flows from operating activities – see the Free cash flow usage table in the Liquidity and capital resources section of the Corporation's MD&A for the fiscal year ended December 31, 2018.

RECONCILIATION OF SEGMENT TO CONSOLIDATED RESULTS

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Reconciliation of segment to consolidated results

	Fourth quarters ended December 31		Fiscal years ended December 31	
	2018	2017 *restated*[1]	**2018**	2017 *restated*[1]
Revenues				
Business Aircraft	**$ 1,494**	$ 1,448	**$ 4,994**	$ 4,933
Commercial Aircraft	**421**	651	**1,756**	2,317
Aerostructures and Engineering Services	**622**	426	**1,953**	1,616
Transportation	**2,161**	2,415	**8,915**	8,551
Corporate and Elimination	**(395)**	(329)	**(1,382)**	(1,218)
	$ 4,303	$ 4,611	**$ 16,236**	$ 16,199
EBIT before special items[2]				
Business Aircraft	**$ 122**	$ 120	**$ 420**	$ 419
Commercial Aircraft	**(9)**	(133)	**(157)**	(381)
Aerostructures and Engineering Services	**48**	20	**188**	88
Transportation	**167**	140	**750**	738
Corporate and Elimination	**(42)**	(8)	**(172)**	(139)
	$ 286	$ 139	**$ 1,029**	$ 725
Special Items				
Business Aircraft	**$ (23)**	$ (9)	**$ (10)**	$ 25
Commercial Aircraft	**9**	5	**598**	8
Aerostructures and Engineering Services	**48**	13	**42**	7
Transportation	**(69)**	11	**(24)**	295
Corporate and Elimination	**(21)**	46	**(578)**	91
	$ (56)	$ 66	**$ 28**	$ 426
EBIT				
Business Aircraft	**$ 145**	$ 129	**$ 430**	$ 394
Commercial Aircraft	**(18)**	(138)	**(755)**	(389)
Aerostructures and Engineering Services	**—**	7	**146**	81
Transportation	**236**	129	**774**	443
Corporate and Elimination	**(21)**	(54)	**406**	(230)
	$ 342	$ 73	**$ 1,001**	$ 299

[1] Due to the adoption of IFRS 15, Revenue from contracts with customers. Refer to the Accounting and reporting developments section of Other in the MD&A for details regarding restatements of comparative period figures.
[2] Refer to the Consolidated results of operations section in the Corporation's MD&A for details regarding special items.

RECONCILIATION OF NON-GAAP MEASURES

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Reconciliation of EBITDA before special items and EBITDA to EBIT

	Fourth quarters ended December 31		Fiscal years ended December 31	
	2018	2017 *restated*[1]	**2018**	2017 *restated*[1]
EBIT	**$ 342**	$ 73	**$ 1,001**	$ 299
Amortization	**84**	89	**272**	314
Impairment charges on PP&E and intangible assets[2]	**—**	6	**11**	51
Special items excluding impairment charges on PP&E and intangible assets[2]	**(56)**	60	**20**	382
EBITDA before special items	**$ 370**	$ 228	**$ 1,304**	$ 1,046

Reconciliation of free cash flow usage to cash flows from operating activities

	Fourth quarters ended December 31		Fiscal years ended December 31	
	2018	2017 *restated*[1]	**2018**	2017 *restated*[1]
Cash flows from operating activities	**$ 1,289**	$ 1,237	**$ 597**	$ 531
Net additions to PP&E and intangible assets	**(248)**	(365)	**(415)**	(1,317)
Free cash flow (usage)	**$ 1,041**	$ 872	**$ 182**	$ (786)

[1] Due to the adoption of IFRS 15, Revenue from contracts with customers. Refer to the Accounting and reporting developments section of Other in the MD&A for details regarding restatements of comparative period figures.
[2] Refer to the Consolidated results of operations section in the Corporation's MD&A for details regarding special items.

RECONCILIATION OF NON-GAAP MEASURES

BOMBARDIER

Reconciliation of adjusted net income (loss) to net loss and computation of adjusted EPS

	Fourth quarters ended December 31			
	2018	**2018 (per share)**	2017	2017 (per share) restated[1]
Net income (loss)	**$ 55**		$ (188)	
Adjustments to EBIT related to special items[2]	**(56)**	**$ (0.02)**	66	$ 0.03
Adjustments to net financing expense related to:				
Loss on repurchase of long-term debt[2]	**—**	**0.00**	23	0.01
Loss on sale of long-term contract receivables[2]	**31**	**0.01**	—	0.00
Accretion on net retirement benefit obligations	**15**	**0.00**	19	0.01
Net change in provisions arising from changes in interest rates and net loss on certain financial instruments	**67**	**0.02**	57	0.02
Interest portion of gains related to special items[2]	**(11)**	**0.00**	—	0.00
Tax impact of special[2] and other adjusting items	**48**	**0.02**	(5)	0.00
Adjusted net income (loss)	**149**		(28)	
Net income attributable to NCI	**(40)**		(2)	
Preferred share dividends, including taxes	**25**		(8)	
Adjusted net income attributable to equity holders of Bombardier Inc.	**$ 134**		$ (38)	
Weighted-average adjusted diluted number of common shares (in thousands)		**2,477,954**		2,194,868
Adjusted EPS		**$ 0.05**		$ (0.02)

Reconciliation of adjusted net income (loss) to net loss and computation of adjusted EPS

	Fiscal years ended December 31			
	2018	**2018 (per share)**	2017	2017 (per share) restated[1]
Net income (loss)	**$ 318**		$ (525)	
Adjustments to EBIT related to special items[2]	**28**	**$ 0.01**	426	$ 0.19
Adjustments to net financing expense related to:				
Loss on repurchase of long-term debt[2]	**—**	**—**	23	0.01
Loss on sale of long-term contract receivables[2]	**31**	**0.01**	—	—
Accretion on net retirement benefit obligations	**65**	**0.03**	78	0.04
Net change in provisions arising from changes in interest rates and net loss (gain) on certain financial instruments	**36**	**0.01**	95	0.04
Interest portion of gains related to special items[2]	**(15)**	**0.00**	11	0.01
Tax impact of special[2] and other adjusting items	**(25)**	**(0.01)**	(17)	(0.01)
Adjusted net income	**438**		91	
Net (income) loss attributable to NCI	**(86)**		31	
Preferred share dividends, including taxes	**4**		(27)	
Adjusted net income attributable to equity holders of Bombardier Inc.	**$ 356**		$ 95	
Weighted-average adjusted diluted number of common shares (in thousands)		**2,501,047**		2,264,722
Adjusted EPS		**$ 0.14**		$ 0.04

[1] *Due to the adoption of IFRS 15, Revenue from contracts with customers. Refer to the Accounting and reporting developments section of Other in the MD&A for details regarding restatements of comparative period figures.*
[2] *Refer to the Consolidated results of operations section in the Corporation's MD&A for details regarding special items.*