



# BOMBARDIER BUSINESS AIRCRAFT IMPLEMENTING BUSINESS MODEL

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**Bombardier Business Aircraft continues to restructure and enhance its business model to improve long-term profitability.** To that end, the business segment has completed initiatives to increase the number of direct-to-market channels, including termination of third-party sales representative and distribution agreements, as well as the restructuring of customer commercial agreements. As a result of these agreements, Bombardier will incur pre-tax special charges of \$278 million in the fourth quarter of 2015, of which approximately \$145 million is non-cash. Of the cash impact, approximately \$50 million was disbursed in Q4 2015 and the balance will be paid in 2016.

“We are changing our sales strategy to increase our focus on direct channels,” said David Coleal, President, Bombardier Business Aircraft. “This, coupled with our robust transformation plan, will increase our long-term profitability. Our overall business model enhancements will leverage our class-leading aircraft, which continue to be outstanding business tools for operators in all regions of the world.”

In line with this change in sales strategy, Bombardier terminated select sales representative and distribution agreements. Bombardier will become directly responsible for sales activities in the

associated regions leveraging its existing sales teams allowing for increased direct relationships with operators.

Bombardier Business Aircraft has also completed a restructuring of certain customer commercial agreements. These agreements resulted in the cancellation of 24 firm orders, which had an aggregate value of \$1.75 billion at 2015 list prices, with an additional cancellation of 30 optional orders. Bombardier expects to sell these positions at improved margins.

“Restructuring these commercial agreements will strengthen our business and solidify our long-term profitability,” added Coleal. “Our sales team is well equipped to increase our position in the marketplace, and ultimately, we expect our current industry-leading backlog to become even stronger.”

Bombardier will release consolidated results for the fourth quarter and 2015 fiscal year on February 18, 2016.

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