

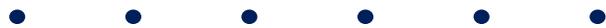


AIRBUS & BOMBARDIER

C Series

A Winning Partnership

17 October 2017



SAFE HARBOUR STATEMENT

DISCLAIMER

This presentation includes forward-looking statements, including in respect of the transaction pursuant to which Airbus would acquire a majority interest in the C Series aircraft program and benefits expected to result from such transaction. Words such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans”, “projects”, “may” and similar expressions are used to identify these forward-looking statements. Examples of forward-looking statements include statements made about strategy, ramp-up and delivery schedules, introduction of new products and services and market expectations, as well as statements regarding future performance and outlook. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include but are not limited to:

- Changes in general economic, political or market conditions, including the cyclical nature of some of Airbus’ businesses;
- Significant disruptions in air travel (including as a result of terrorist attacks);
- Ability and timing to obtain regulatory and other approvals for the C Series aircraft program transaction;
- Ability to successfully integrate the C Series aircraft program in collaboration with program partners;
- Ability to realize the expected benefits of the C Series aircraft program transaction;
- Currency exchange rate fluctuations, in particular between the Euro and the U.S. dollar;
- The successful execution of internal performance plans, including cost reduction and productivity efforts;
- Product performance risks, as well as programme development and management risks;
- Customer, supplier and subcontractor performance or contract negotiations, including financing issues;
- Competition and consolidation in the aerospace and defence industry;
- Significant collective bargaining labour disputes;
- The outcome of political and legal processes including the availability of government financing for certain programmes and the size of defence and space procurement budgets;
- Research and development costs in connection with new products;
- Legal, financial and governmental risks related to international transactions; and
- Legal and investigatory proceedings and other economic, political and technological risks and uncertainties.

As a result, Airbus’ actual results may differ materially from the plans, goals and expectations set forth in such forward-looking statements. For a discussion of factors that could cause future results to differ from such forward-looking statements, see the Airbus “Registration Document” dated 4 April 2017, including the Risk Factors section. Any forward-looking statement contained in this presentation speaks as of the date of this presentation. Except as required by law, Airbus undertakes no obligation to publicly revise or update any forward-looking statements in light of new information, future events or otherwise.

Airbus cautions that the transaction described in this presentation is subject to certain conditions precedent, including regulatory and other approvals, and at there can be no assurance that such transaction will eventually be implemented, or as to the timing or terms that might be agreed.

A WINNING PARTNERSHIP

A320 Family



C Series



- **Airbus and Bombardier enter into a partnership on C Series**
- **Combination of Airbus' global reach and scale with Bombardier's innovative new aircraft**
- **Significant long term value creation**

STRATEGIC RATIONALE



**Improves Single-Aisle portfolio,
largest and fastest growing market segment**



**Airbus, the right partner
to unlock the full potential of the C Series**

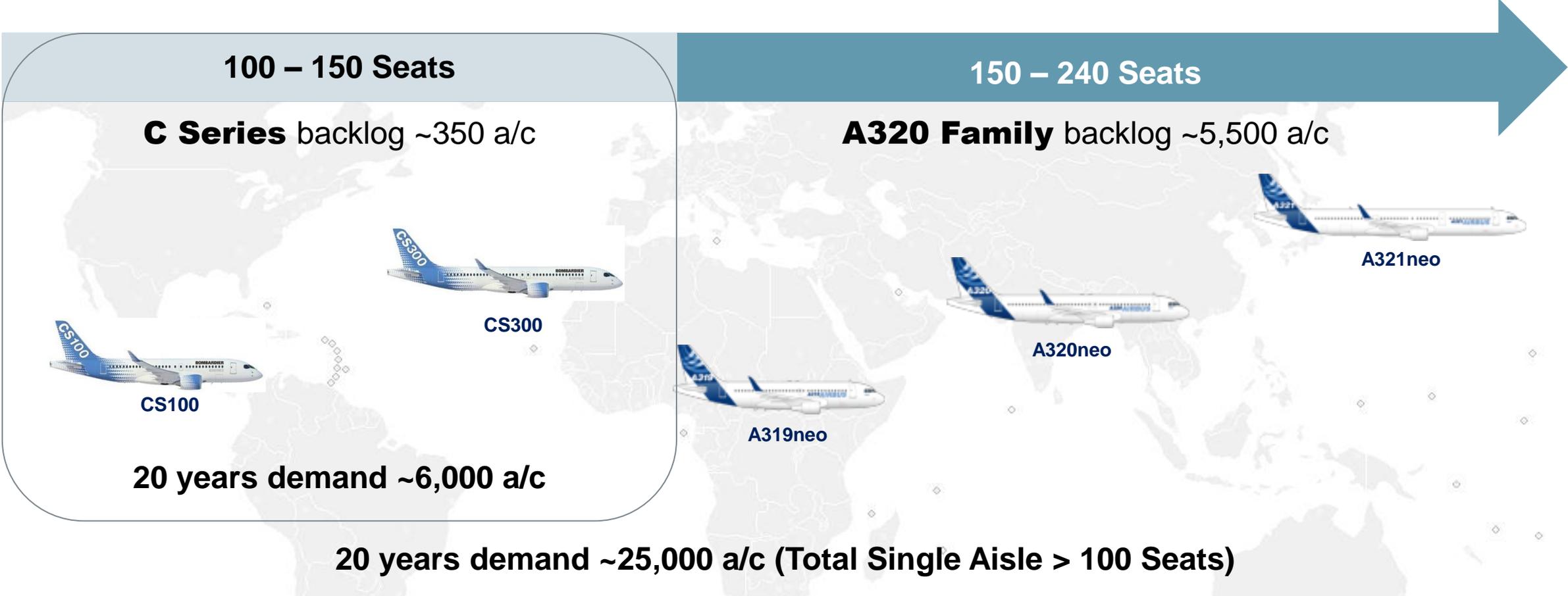


Strengthening Airbus global industrial footprint



**Good transaction timing
given C Series programme maturity**

EXTENDED ACCESS TO THE SINGLE-AISLE MARKET



**C Series complementary to Airbus offering across the full SA range
Potential to develop harmonized product family over time**

VALUE GENERATION

Unlocking the full potential of the C Series

Commercial



Developing and accelerating C Series commercial momentum

- Airbus' proven sales expertise and global network
- Combined customer relationship
- Product support and continuing improvements

Industrial



Generating significant C Series production cost savings

- Commercial momentum leverage in the supply chain
- Airbus' supply chain expertise
- Future benefits from product commonality

KEY FINANCIAL ASPECTS



C Series development spend almost completed



Acquisition of operational control without any cash contribution at closing



Funding until closing borne by seller



No financial debt at closing



Limited financial exposure after closing



Value creation from synergies

TRANSACTION HIGHLIGHTS

Ownership Structure

- Airbus acquires 50.01% shareholding and enters into certain commercial agreements
- Approximate 31% and 19% ownership for Bombardier and Investissement Québec (IQ) respectively

Commercial Agreements

- Sales and marketing support services for the C Series
- Management of procurement
- Customer support

Funding

- Before closing borne by seller; at closing free of financial debt
- After closing up to USD 700m committed by seller via issuance of non-voting participating shares of CSALP with cumulative annual dividends of 2%

Put/Call Rights

- Call rights for Airbus on Bombardier's interest in CSALP at fair market value after 7.5 years
- Call right on participating shares capped at invested amount plus accrued but unpaid dividends and exercisable from day one
- Put right for Bombardier and IQ on their respective interest at fair market value after 7.5 and 4.5 years
- Warrants for Airbus to acquire up to 100m Class B shares in the capital of Bombardier at an exercise price per share of CAD 2.29

Governance

- Board composed of 7 directors, 4 of which would be designated by Airbus
- Chairman of the Board to be appointed by Airbus

SUMMARY



A complementary Single Aisle portfolio



Significant C Series production costs savings anticipated



New commercial momentum in Single Aisle segment



Favourable timing, no cash contribution at closing and limited exposure



Airbus' global industrial footprint expanding



Value creation for our customers, employees, suppliers and shareholders

AIR equity story intact with longer term upside potential