

VIA RAIL CANADA INC.
2015 - 2019 CORPORATE PLAN
OPERATING FUNDING STATEMENT

VIA FISCAL YEAR ENDING DECEMBER 31										
(MILLIONS OF DOLLARS)	ACTUAL	ACTUAL	FORECAST	PLAN					TOTAL	% Change
	<u>2012</u>	<u>2013</u>	<u>2014*</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2015-2019</u>	<u>2019 vs 2014</u>
<u>REVENUES</u>										
Total Operating Revenues	276.9	270.4	274.3	284.7	286.5	291.0	296.7	302.6	1,461.5	10.3%
<u>EXPENSES</u>										
Total Operating Expenses	485.8	490.1	516.7	518.7	531.7	542.0	556.3	569.4	2,718.2	10.2%
Operating Deficit Before Government Subsidy and Pension Costs	(208.9)	(219.7)	(242.3)	(234.0)	(245.2)	(251.0)	(259.6)	(266.8)	(1,256.7)	10.1%
less: Government Operating Funding	166.4	157.4	168.6	146.8	146.8	146.8	146.8	146.8	733.9	
less: Supplementary Government Operating Funding	42.5	62.3	73.8	87.2	91.1	5.5	-	-	183.8	
Operating Funding Surplus / (Deficit) before Pension Costs	-	-	-	-	(7.3)	(98.7)	(112.8)	(120.0)	(338.9)	
<u>PENSION COSTS</u>										
Total Pension Costs	70.2	87.9	82.0	59.0	28.0	23.0	21.3	21.0	152.3	-74.4%
less: Supplementary Government Pension Funding	70.2	87.9	100.0	79.0	54.0	-	-	-	133.0	
Pension Costs Funding Surplus / (Deficit)	-	-	18.0	20.0	26.0	(23.0)	(21.3)	(21.0)	(19.3)	
Operating Surplus / (Deficit) after Government Funding	-	-	18.0	20.0	18.7	(121.7)	(134.1)	(141.0)	(358.2)	
FREQUENCY			+1	+2						

* Including an additional pay period

NOTE: May not add due to rounding

VIA RAIL CANADA INC.
2015 - 2019 CORPORATE PLAN
SUMMARY - TOTAL CAPITAL EXPENDITURES

VIA FISCAL YEAR ENDING DECEMBER 31										
(MILLIONS OF DOLLARS)	ACTUAL	ACTUAL	FORECAST	PLAN					TOTAL	TOTAL
	<u>2007-2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2015-2019</u>	<u>2007-2019</u>
<u>MAJOR CAPITAL PROGRAMS</u>										
Equipment Projects	215.9	23.8	35.5	26.1	21.4	8.2	-	-	55.8	331.0
Infrastructure Projects	436.5	21.4	11.8	25.0	71.5	20.5	2.2	-	119.2	588.8
Sub Total Major Programs	652.4	45.2	47.3	51.1	92.9	28.7	2.2	-	174.9	919.8
Other Capital Programs	194.9	51.0	38.5	39.0	59.2	52.8	57.8	60.0	268.7	553.1
Total Capital Expenditures	847.3	96.2	85.8	90.0	152.1	81.5	60.0	60.0	443.7	1,472.9
less: use of Asset Renewal Fund (ARF)	(15.4)	(5.4)	(1.2)	(2.7)	(2.7)	(2.1)	-	-	(7.5)	(29.4)
Transfer of Operating Funding (to)	(18.3)	3.6	20.7	-	-	-	-	-	-	6.0
Government Capital Funding Required	813.6	94.4	105.3	87.3	149.4	79.5	60.0	60.0	436.2	1,449.5
										-
Total Government Capital Funding	813.6	94.4	105.3	87.3	149.4	34.5	-	-	271.2	1,284.5
										-
Funding Shortfall / (Surplus)	-	-	-	-	-	45.0	60.0	60.0	165.0	165.0
Additional Funding Required	-	-	-	-	-	45.0	60.0	60.0	165.0	165.0

NOTE: May not add due to rounding

VIA RAIL CANADA INC.
2015 - 2019 CORPORATE PLAN
FUNDING REQUIREMENTS AND SOURCES

VIA FISCAL YEAR ENDING DECEMBER 31												
(MILLIONS OF DOLLARS)		ACTUAL	ACTUAL	FORECAST	PLAN					TOTAL	TOTAL	
		2007-2012	2013	2014	2015	2016	2017	2018	2019	2015-2019	2007-2019	
AVAILABLE FUNDING	Reference Level	1,169.6	153.8	147.9	146.8	146.8	146.8	146.8	146.8	733.9	2,205.3	
	Funding for MOS - Stimulus Package	20.0	-	-	-	-	-	-	-	-	20.0	
	Total Based Reference Level	1,189.6	153.8	147.9	146.8	146.8	146.8	146.8	146.8	146.8	733.9	2,225.3
	Additional Operating Funding	102.1	62.3	73.8	87.2	91.1	5.5	-	-	-	183.8	422.0
	Total Operating Funding	1,291.7	216.1	221.7	234.0	237.9	152.3	146.8	146.8	146.8	917.8	2,647.2
	Total Pension Funding	169.2	87.9	100.0	79.0	54.0	-	-	-	-	133.0	490.1
	Reference Level	400.2	59.1	56.7	-	-	-	-	-	-	-	516.0
	Additional Capital Funding - Stimulus Package	387.0	-	-	-	-	-	-	-	-	-	387.0
	Sustainable capital	26.4	35.3	66.0	90.8	129.5	33.5	-	-	-	253.8	381.5
	Total Capital Funding	813.6	94.4	122.6	90.8	129.5	33.5	-	-	-	253.8	1,284.5
Total Government Funding	2,274.5	398.4	444.3	403.8	421.4	185.8	146.8	146.8	146.8	1,304.6	4,421.8	
FUNDING REQUIREMENTS	Operating Deficit Before Pension Costs	1,326.7	216.1	221.6	234.0	245.2	251.0	259.6	266.8	1,256.7	3,021.2	
	Less Use of Asset Renewal Fund (ARF)	(35.0)	-	-	-	-	-	-	-	-	(35.0)	
	Total Operating Funding required	1,291.8	216.1	221.6	234.0	245.2	251.0	259.6	266.8	1,256.7	2,986.2	
	Capital Expenditures	829.0	99.8	106.4	90.0	152.1	81.5	60.0	60.0	443.7	1,478.9	
	Less Use of Asset Renewal Fund (ARF) - Capital	(15.4)	(5.4)	(1.2)	(2.7)	(2.7)	(2.1)	-	-	(7.5)	(29.4)	
	Total Capital Funding required	813.6	94.4	105.3	87.3	149.4	79.5	60.0	60.0	436.2	1,449.5	
	Pensions Costs Funding required	169.2	87.9	82.0	59.0	28.0	23.0	21.3	21.0	152.3	491.3	
Total VIA Government Funding Required	2,274.5	398.4	408.9	380.3	422.6	353.5	340.9	347.8	1,845.1	4,927.0		
FUNDING DEFICIT	Operating Funding Surplus / (Deficit)	-	-	-	-	(7.3)	(98.7)	(112.8)	(120.0)	(338.9)	(338.9)	
	Capital Funding Surplus / (Deficit)	-	-	17.4	3.5	(19.9)	(46.0)	(60.0)	(60.0)	(182.4)	(165.0)	
	Pension Costs Funding Surplus / (Deficit)	-	-	18.0	20.0	26.0	(23.0)	(21.3)	(21.0)	(19.3)	(1.3)	
	Total Funding Surplus/(deficit)	-	-	35.4	23.5	(1.2)	(167.7)	(194.1)	(201.0)	(540.6)	(505.2)	
ADDITIONAL FUNDING REQUESTED	Additional Operating Funding - Operating Deficit Before Pension	-	-	-	-	7.3	98.7	112.8	120.0	338.9	338.9	
	Additional Capital Funding (1)	-	-	-	-	-	45.0	60.0	60.0	165.0	165.0	
	Additional Operating Funding - Pension Plans	-	-	-	-	-	23.0	21.3	21.0	65.3	65.3	
	Total Additional Funding Requested	-	-	-	-	7.3	166.7	194.1	201.0	569.2	569.2	
CAPITAL FUNDING REPROFILING	Proposed Reprofilling of Capital Funding (2)	-	-	(17.4)	(3.5)	19.9	1.0	-	-	17.4	-	
	Total Capital Funding Reprofilling Requested	-	-	(17.4)	(3.5)	19.9	1.0	-	-	17.4	-	

(1) No funds has yet been identified and VIA is requesting this additional funding

(2) Subject to the approval by the Department of Finance through the ARLU process. In the absence of the approval of this requested reprofiling, VIA will have to cancel current capital projects.

VIA RAIL CANADA INC.
2015 - 2019 CORPORATE PLAN
STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
(MILLIONS OF DOLLARS)

Year ended December 31	ACTUAL	FORECAST	PLAN				
	2013	2014	2015	2016	2017	2018	2019
Revenues							
Passenger	249.1	254.3	263.0	264.4	268.5	273.7	279.2
Other	21.3	20.0	21.7	22.0	22.5	23.0	23.4
	270.4	274.3	284.7	286.4	291.0	296.7	302.6
Expenses							
Compensation and employee benefits	266.9	257.2	276.0	282.5	288.2	294.1	300.0
Train operations and fuel	122.9	121.8	131.3	135.3	138.2	144.7	146.6
Stations and property	35.0	36.2	36.3	37.0	37.7	38.4	39.2
Marketing and sales	29.8	30.1	33.4	32.5	33.1	33.7	34.4
Maintenance material	27.0	33.0	33.8	34.6	35.3	36.0	36.7
On-train product costs	15.5	16.2	16.2	17.7	18.2	18.6	19.0
Operating taxes	9.3	10.3	10.5	10.7	10.9	11.1	11.3
Professional services	9.2	9.4	9.6	9.8	10.0	10.2	10.4
Telecommunications	11.7	11.9	12.1	12.3	12.5	12.8	13.1
Amortization and losses on write-down and disposal of property, plant and equipment and intangible assets	83.4	77.2	79.8	82.3	91.1	95.9	94.0
Unrealized loss (gain) on derivative financial instruments	(2.1)	-	-	-	-	-	-
Realized loss (gain) on derivative financial instruments	(0.7)	-	-	-	-	-	-
Other	10.2	23.6	16.8	17.6	17.4	17.4	20.6
	618.1	626.9	655.8	672.3	692.6	712.9	725.3
Operating loss before funding from the Government of Canada and corporate taxes	347.7	352.6	371.1	385.9	401.6	416.2	422.7
Operating funding from the Government of Canada	307.6	324.3	293.0	273.2	152.3	146.8	146.8
Amortization of deferred capital funding	82.4	75.3	78.3	80.2	88.9	93.7	91.8
Income (loss) before corporate taxes	42.3	47.0	0.2	(32.5)	(160.4)	(175.7)	(184.1)
Corporate tax expense (recovery)	(0.4)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Net income (loss) for the year	41.9	46.5	(0.3)	(33.0)	(160.9)	(176.2)	(184.6)
Amounts not to be reclassified subsequently to net income:							
Actuarial gains (losses) on defined benefit plans	303.6	-	-	-	-	-	-
Other comprehensive income (loss) for the year	303.6	-	-	-	-	-	-
Total comprehensive income (loss) for the year	345.5	46.5	(0.3)	(33.0)	(160.9)	(176.2)	(184.6)
Reconciliation of operating loss to government funding							
Operating loss before funding from the Government of Canada for the period and corporate taxes	347.7	352.6	371.1	385.9	401.6	416.2	422.7
Items requiring (providing) operating funds:							
Income tax expense (recovery)	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Items not requiring (not providing) operating funds:							
Depreciation, amortization, impairment and losses on disposal of property, plant and equipment and intangible assets	(83.4)	(77.2)	(79.8)	(82.3)	(91.1)	(95.9)	(94.0)
Post-employment and other employee benefits contributions in excess of expenses	41.1	41.0	2.2	(29.9)	(36.0)	(38.9)	(40.4)
Unrealized net loss (gain) on derivative financial instruments	2.1	-	-	-	-	-	-
Adjustment for accrued compensation	(0.6)	7.8	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
Increase in investment's fair value	0.5	-	-	-	-	-	-
Other	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Operating Deficit Before Government Subsidy	307.6	324.3	293.0	273.2	274.0	280.9	287.8

VIA RAIL CANADA INC.
2015 - 2019 CORPORATE PLAN
BALANCE SHEET
(MILLIONS OF DOLLARS)

Year ended December 31	ACTUAL FORECAST		PLAN				
	2013	2014	2015	2016	2017	2018	2019
Current assets							
Cash and cash equivalents	21.8	3.0	3.0	3.0	3.0	3.0	3.0
Accounts receivable, trade	5.7	7.8	8.1	8.1	8.2	8.4	8.6
Prepays, advances on contracts and other receivables	3.8	3.0	3.2	3.4	3.6	3.8	4.0
Receivable from the Government of Canada	-	-	-	-	-	-	-
Derivative financial instruments	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Materials	24.9	25.9	25.0	26.0	27.0	28.0	29.0
Asset renewal fund	12.2	7.5	4.8	2.1	-	-	-
Sub Total	70.1	48.9	45.8	44.3	43.5	44.9	46.3
Long-term assets							
Property, plant and equipment	854.6	863.0	877.4	958.4	966.5	953.6	940.9
Intangible assets	396.2	396.4	392.3	381.1	363.4	340.4	319.1
Asset renewal fund	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Sub Total	1,251.4	1,260.0	1,270.3	1,340.1	1,330.5	1,294.6	1,260.6
TOTAL ASSETS	1,321.5	1,308.9	1,316.1	1,384.4	1,374.0	1,339.5	1,306.9
Current liabilities							
Accounts payable and accrued liabilities	90.2	75.3	74.6	75.4	197.8	332.7	474.5
Provisions	13.2	13.5	13.8	14.1	14.4	14.7	15.0
Deferred government funding	5.6	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-
Deferred revenue	30.8	23.6	24.7	25.8	27.0	28.3	29.6
Sub Total	139.8	112.4	113.1	115.3	239.2	375.7	519.1
Long-term liabilities							
Accrued benefit liability	43.7	2.7	0.5	30.4	66.4	105.3	145.7
Deferred corporate tax liabilities	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Sub Total	43.7	2.7	0.5	30.4	66.4	105.3	145.7
Deferred capital funding	1,237.4	1,246.7	1,255.7	1,324.9	1,315.5	1,281.8	1,250.0
Shareholder's equity (deficiency)							
Share capital	9.3	9.3	9.3	9.3	9.3	9.3	9.3
Retained earnings (deficit)	(108.7)	(62.2)	(62.5)	(95.5)	(256.4)	(432.6)	(617.2)
Sub Total	(99.4)	(52.9)	(53.2)	(86.2)	(247.1)	(423.3)	(607.9)
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	1,321.5	1,308.9	1,316.1	1,384.4	1,374.0	1,339.5	1,306.9

Pro-forma Financial Statements prepared in accordance with International Financial Reporting Standards

VIA RAIL CANADA INC.
2015 - 2019 CORPORATE PLAN
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
(MILLIONS OF DOLLARS)

Year ended December 31	ACTUAL	FORECAST	PLAN				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Share Capital	9.3	9.3	9.3	9.3	9.3	9.3	9.3
Retained Earnings							
Balance, beginning of year	(454.2)	(108.7)	(62.2)	(62.5)	(95.5)	(256.4)	(432.6)
Impact of adoption of revised accounting standards							
Restated Balance Beginning of year	(454.2)	(108.7)	(62.2)	(62.5)	(95.5)	(256.4)	(432.6)
Net income (loss) for the year	41.9	46.5	(0.3)	(33.0)	(160.9)	(176.2)	(184.6)
Other comprehensive income (loss) for the year	303.6	-	-	-	-	-	-
Balance, end of year	(108.7)	(62.2)	(62.5)	(95.5)	(256.4)	(432.6)	(617.2)
Total Shareholder's equity	(99.4)	(52.9)	(53.2)	(86.2)	(247.1)	(423.3)	(607.9)

Pro-forma Financial Statements prepared in accordance with International Financial Reporting Standards

VIA RAIL CANADA INC.
2015 - 2019 CORPORATE PLAN
FUNDING REQUIREMENTS AND SOURCES

GOVERNMENT FISCAL YEAR YEAR ENDING MARCH, 31											
(MILLIONS OF DOLLARS)		ACTUAL	ACTUAL	FORECAST	PLAN					TOTAL	TOTAL
		2008-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2016-2020	2008-2020
AVAILABLE FUNDING	Reference Level	1,174.6	151.3	146.8	146.8	146.8	146.8	146.8	146.8	733.9	2,206.6
	Funding for MOS - Stimulus Package	20.0	-	-	-	-	-	-	-	-	20.0
	Total Based Reference Level	1,194.6	151.3	146.8	146.8	146.8	146.8	146.8	146.8	733.9	2,226.6
	Additional Operating Funding	102.7	60.7	97.6	89.6	92.8	-	-	-	182.4	443.4
	Total Operating Funding	1,297.3	212.0	244.4	236.4	239.6	146.8	146.8	146.8	916.3	2,670.0
	Total Pension Funding	183.3	93.0	101.6	74.3	47.5	-	-	-	121.8	499.7
	Reference Level	421.9	65.4	28.7	-	-	-	-	-	-	516.0
	Additional Capital Funding - Stimulus Package	387.0	-	-	-	-	-	-	-	-	387.0
	Sustainable Capital	38.3	35.2	81.6	92.3	134.0	-	-	-	226.3	381.4
	Total Capital Funding	847.2	100.7	110.3	92.3	134.0	-	-	-	226.3	1,284.4
Total Government Funding	2,327.8	405.6	456.3	403.0	421.1	146.8	146.8	146.8	1,264.4	4,454.2	
FUNDING REQUIREMENTS	Operating Deficit Before Pension Costs	1,332.3	211.9	244.3	236.4	246.3	252.7	261.5	266.2	1,263.1	3,051.6
	Less Use of Asset Renewal Fund (ARF) - Operating	(34.9)	-	-	-	-	-	-	-	-	(34.9)
	Total Operating Funding required	1,297.3	211.9	244.3	236.4	246.3	252.7	261.5	266.2	1,263.1	3,016.6
	Capital Expenditures	862.8	106.4	87.7	99.1	158.0	60.0	60.0	60.0	437.1	1,494.1
	Less Use of Asset Renewal Fund (ARF) - Capital	(15.5)	(5.7)	(0.7)	(2.7)	(4.8)	-	-	-	(7.5)	(29.4)
	Total Capital Funding required	847.3	100.7	87.0	96.4	153.3	60.0	60.0	60.0	429.6	1,464.7
	Pensions Costs Funding Required	183.3	93.0	77.6	55.5	21.0	21.0	21.0	21.0	139.5	493.4
Total VIA Government Funding Required	2,327.9	405.6	408.9	388.2	420.6	333.7	342.5	347.2	1,832.2	4,974.6	
FUNDING DEFICIT	Operating Funding Surplus / (Deficit)	-	-	-	-	(6.7)	(105.9)	(114.7)	(119.4)	(346.7)	(346.7)
	Capital Funding Surplus / (Deficit)	-	-	23.3	(4.0)	(19.3)	(60.0)	(60.0)	(60.0)	(203.3)	(180.0)
	Pension Costs Funding Surplus / (Deficit)	-	-	24.0	18.8	26.5	(21.0)	(21.0)	(21.0)	(17.7)	6.3
	Total Funding Surplus/(deficit)	-	-	47.3	14.8	0.5	(186.9)	(195.7)	(200.4)	(567.7)	(520.4)
ADDITIONAL FUNDING REQUESTED	Additional Operating Funding - Operating Deficit Before Pension	-	-	-	-	6.7	105.9	114.7	119.4	346.7	346.7
	Additional Capital Funding (1)	-	-	-	-	-	60.0	60.0	60.0	180.0	180.0
	Additional Operating Funding - Pension Plans	-	-	-	-	-	21.0	21.0	21.0	63.0	63.0
	Total Additional Funding Requested	-	-	-	-	6.7	186.9	195.7	200.4	589.7	589.7
CAPITAL FUNDING REPROFILING	Proposed Reprofilling of Capital Funding (2)	-	-	(23.3)	4.0	19.3	-	-	-	23.3	-
	Total Capital Funding Reprofilling Requested	-	-	(23.3)	4.0	19.3	-	-	-	23.3	-

(1) No funds has yet been identified and VIA is requesting this additionnal funding

(2) Subject to the approval by the Department of Finance through the ARLU process. In the absence of the approval of this requested reprofilling , VIA will have to cancel current capital projects.