The Optimal Solution

Technology & Right-Sizing For The Market

Speednews, March 20th
Gary R. Scott

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Technology & Right-Sizing Have Reshaped How Aircraft Are Used

Boeing 737 Then

Early in the program, the B737 was considered as a primarily short range aircraft & flown by airlines as such

Boeing 737 Now

Flown by Alaska Airlines on transcontinental routes

OAG Schedule January 2007

The Boeing 737 Does Now, What Was The Mission Of Larger Aircraft

B727

B757

The B737 Offered The Optimal Solution

- Transcon range
- ETOPS capability
- Significant cost benefits over existing & even larger aircraft
- Right fit for the market

The Change In Mission For Boeing & Airbus Families Creates An Opportunity For CSERIES

Today

B737-200/600

DC-9

A318

MD-80

F100

BAe 146

Tomorrow
CSERIES

The Optimal Solution

The QSeries & CRJ Families Provide Optimal Solutions For the Regional Aircraft Market

CRJ200/700/900

1,485 Firm Orders

1,409 Delivered

45 Customers

Q200/300/400

854 Firm Orders

778 Delivered

96 Customers

CRJ1000 Will Provide The Optimal Solution In Its Targeted Niche

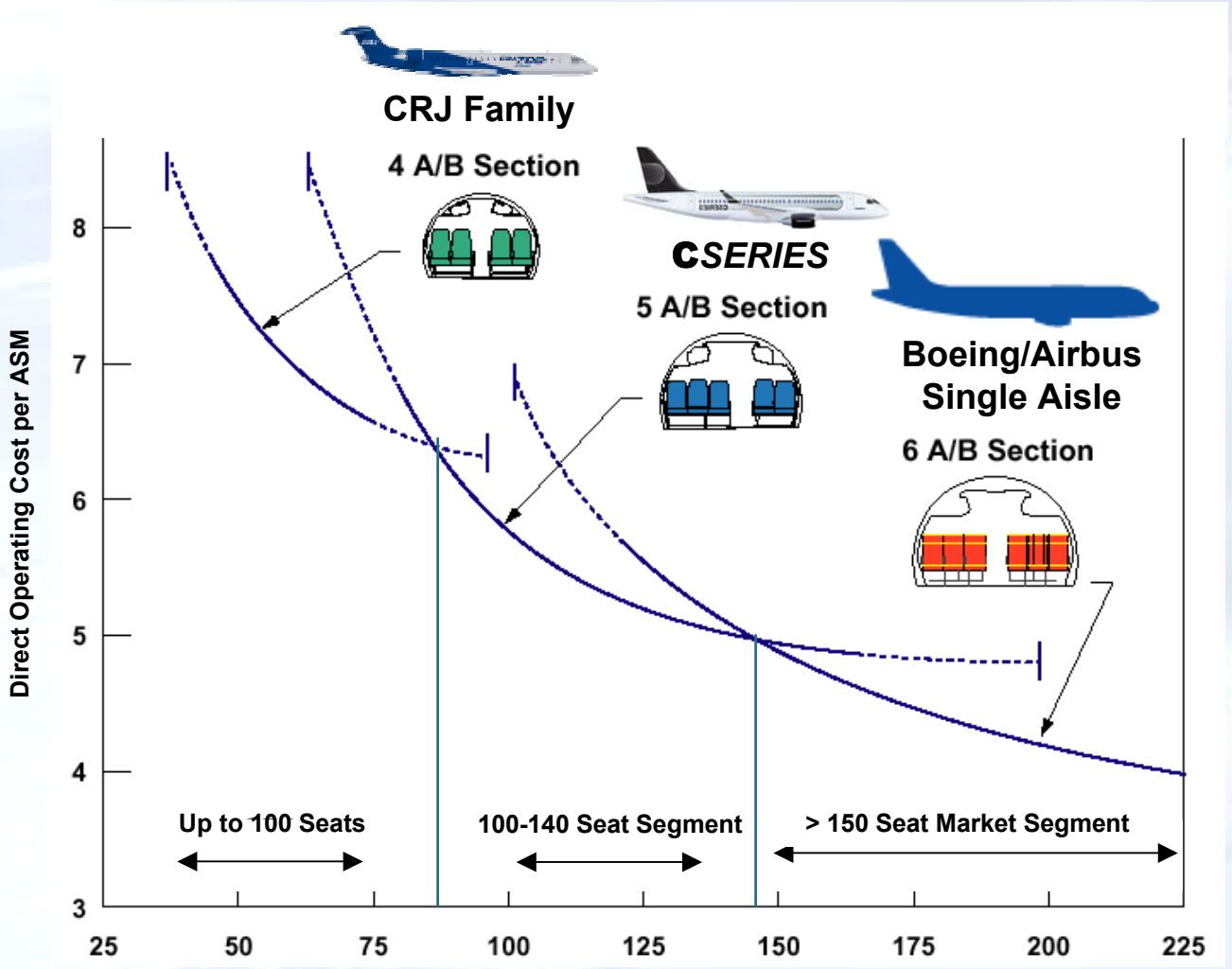
My Way
15 firm orders

Brit Air
8 firm orders + 8 options

Undisclosed
15 firm orders + 15 conditional orders

38 firm order + 23 conditional orders & options

Optimal Aircraft • Right Sized For the Market Segment



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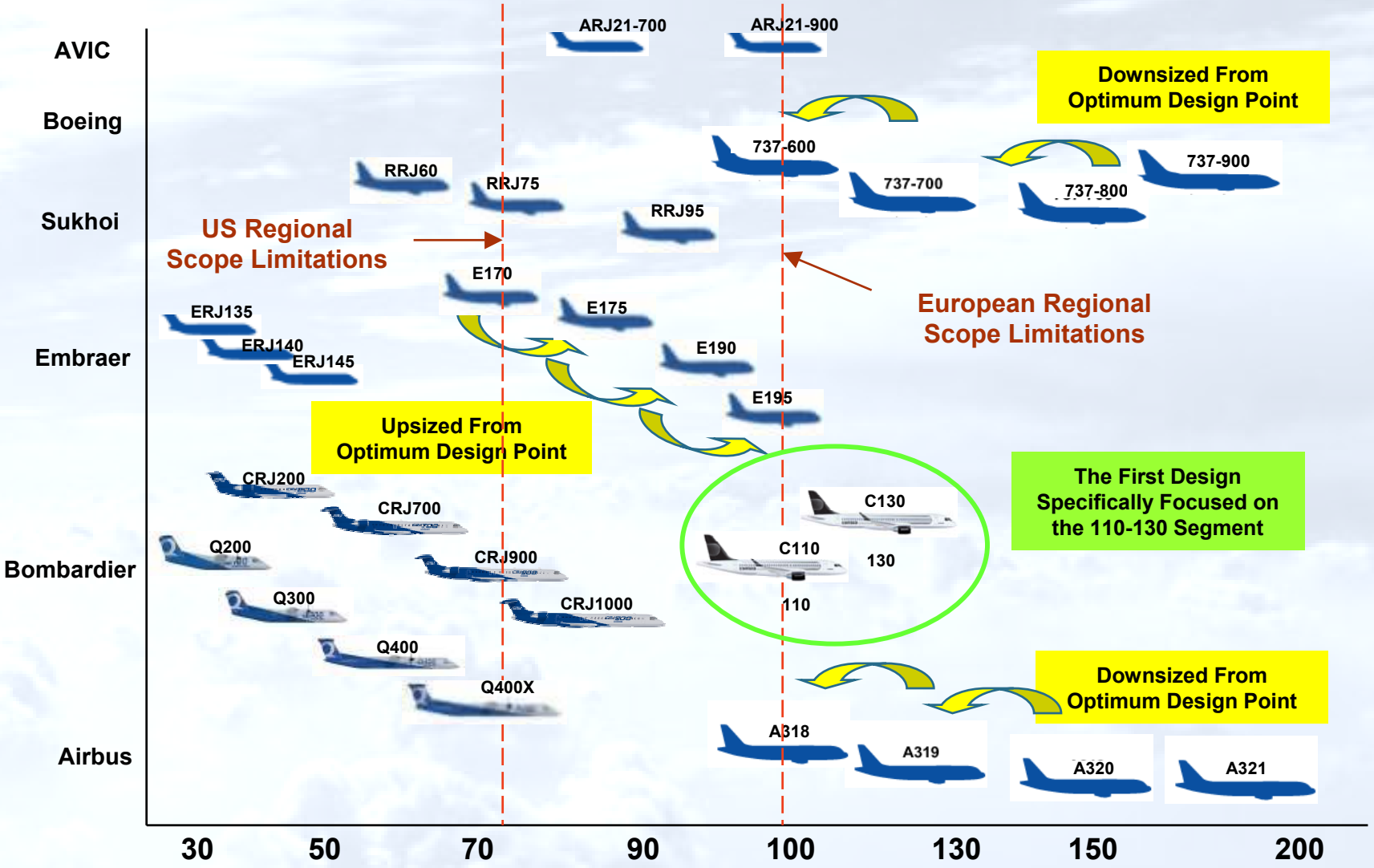
CSERIES Will Be The Optimal Solution



- Product Development Study -

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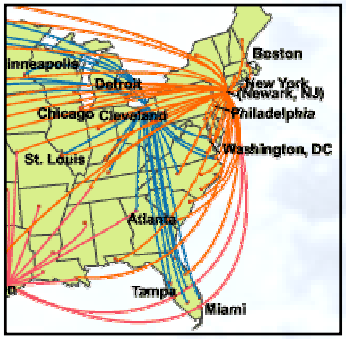
Aircraft Must Deliver An Optimal Solution…

…More of What Airlines & Their Passengers Really Want

Cost Savings

Performance

Green Design



Current Network Coverage

New Non-Stop Service

Cabin Comfort

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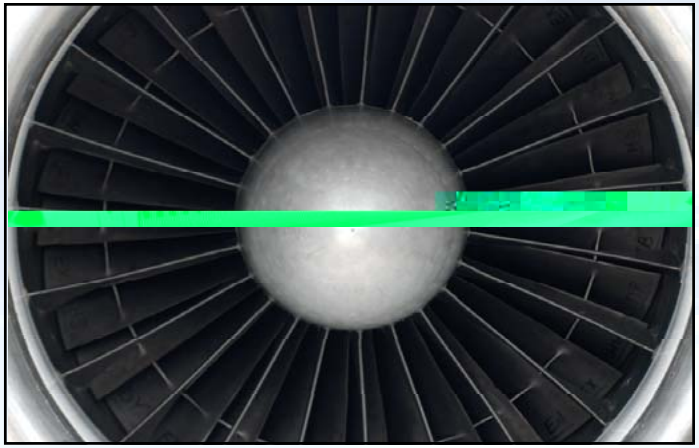
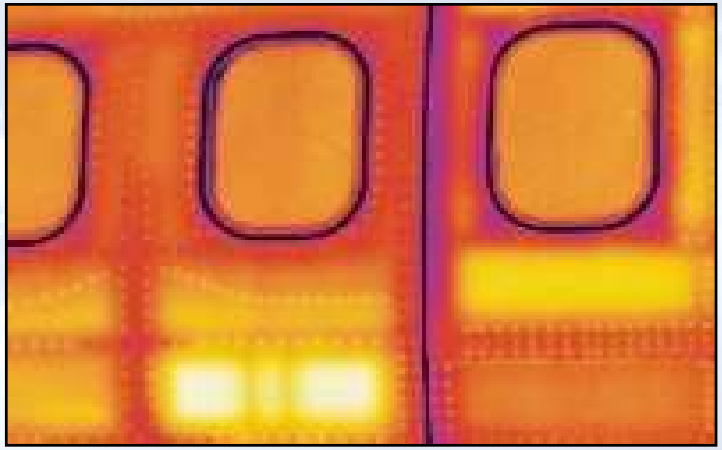
What Really Produces The Optimal Solution?

Right-Sizing Drives Aircraft Optimization

C*SERIES* Is The Optimal Solution …





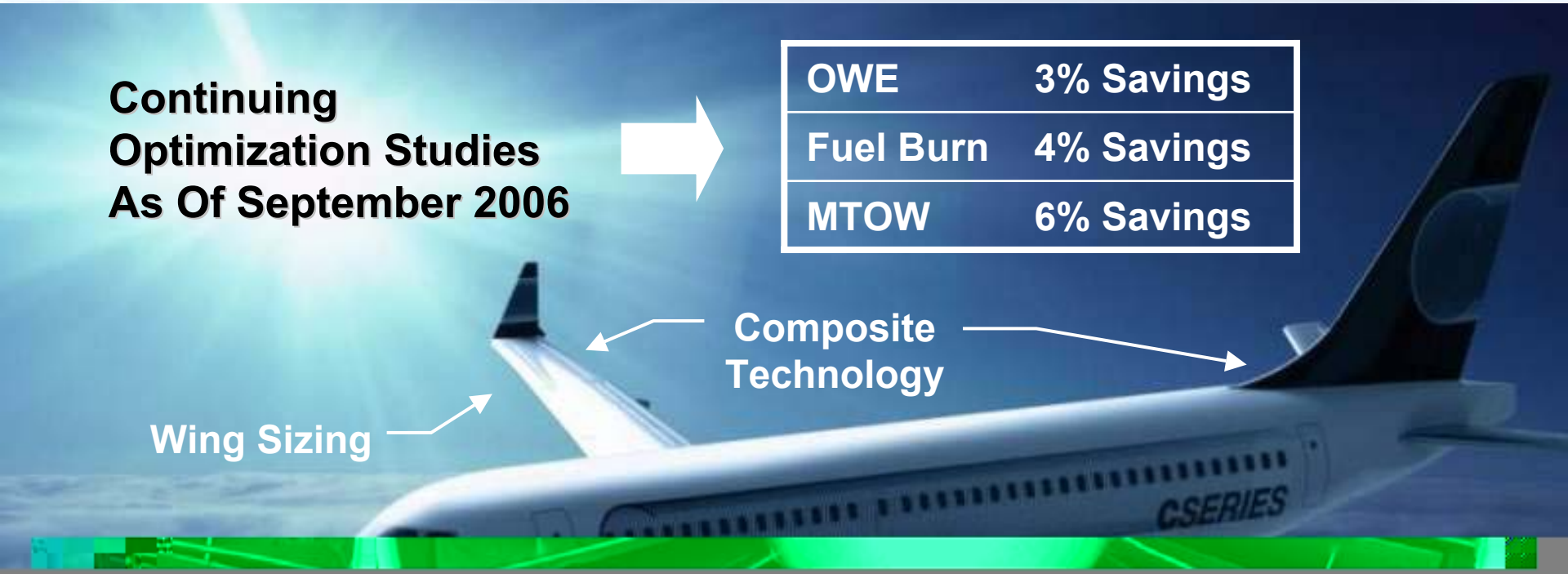
Technology Has Enabled Optimization Resulting In…

>15% Lower Costs + Superior Aircraft Performance + “Green” Design

CSERIES Optimization • Driving Weight & Fuel Savings

Continuing Optimization Studies As Of September 2006

OWE	3% Savings
Fuel Burn	4% Savings
MTOW	6% Savings

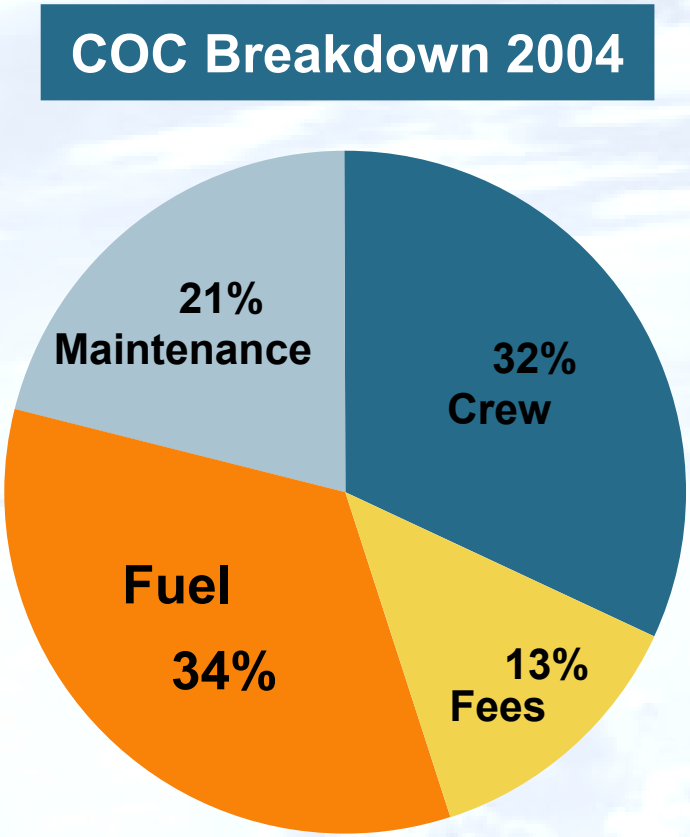


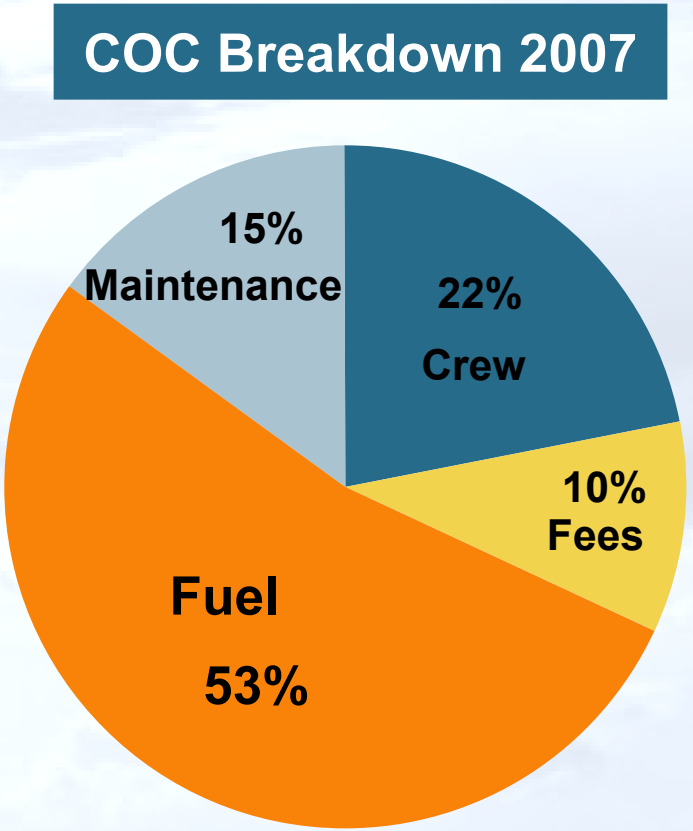
Fuselage Length

Take-Off Weight

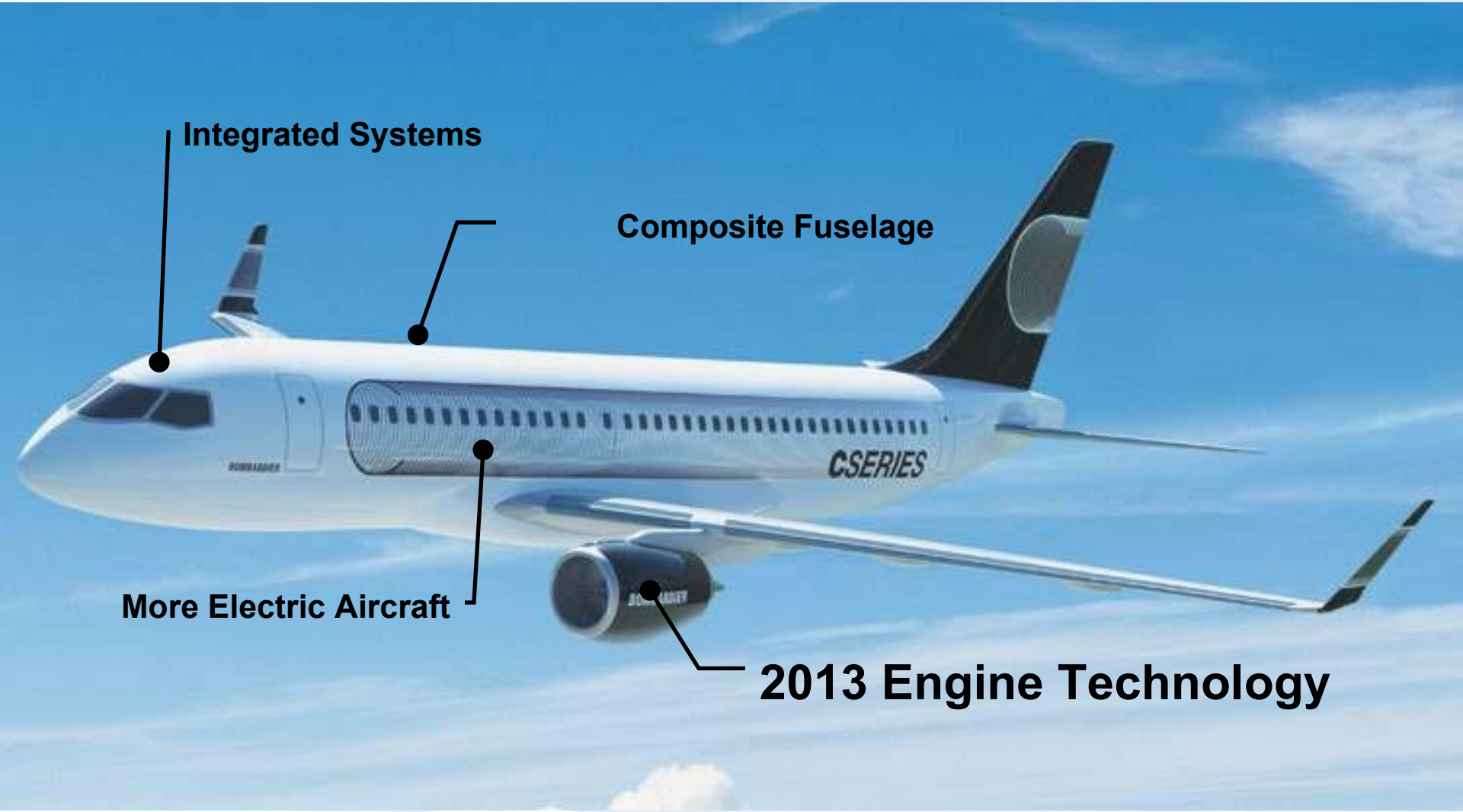
Engine Thrust

CSERIES Optimization • The Doubling Of Fuel Prices Has Shifted The Focus To Fuel Savings

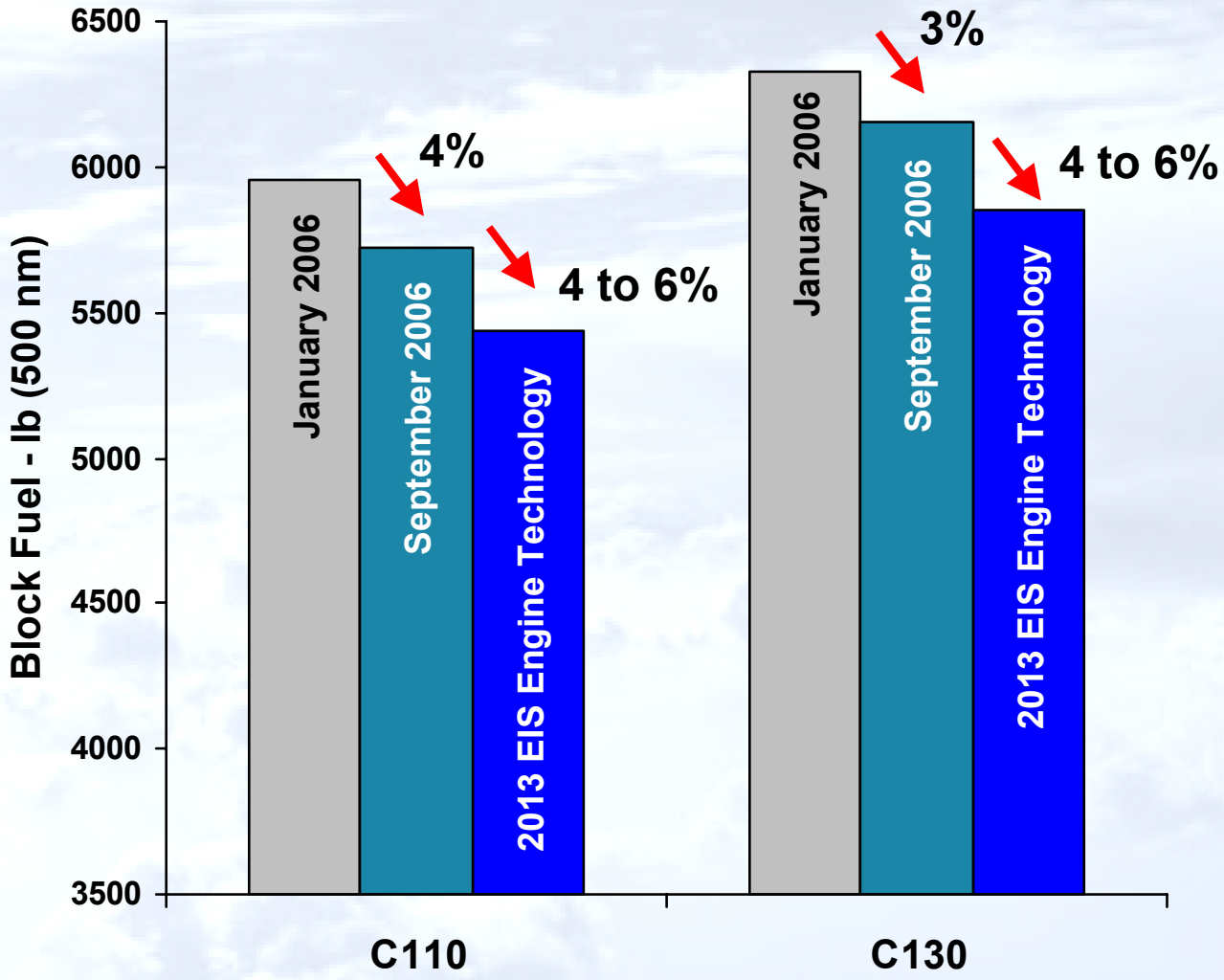




CSERIES Continuing Optimization Studies • Driving Towards Further Potential Savings



New Engine Technology Provides Further Fuel Savings



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Improved Performance • Accessibility To The World's Most Difficult But Profitable Airports

London City

- Located in the heart of London, Europe's financial center
- Short runway

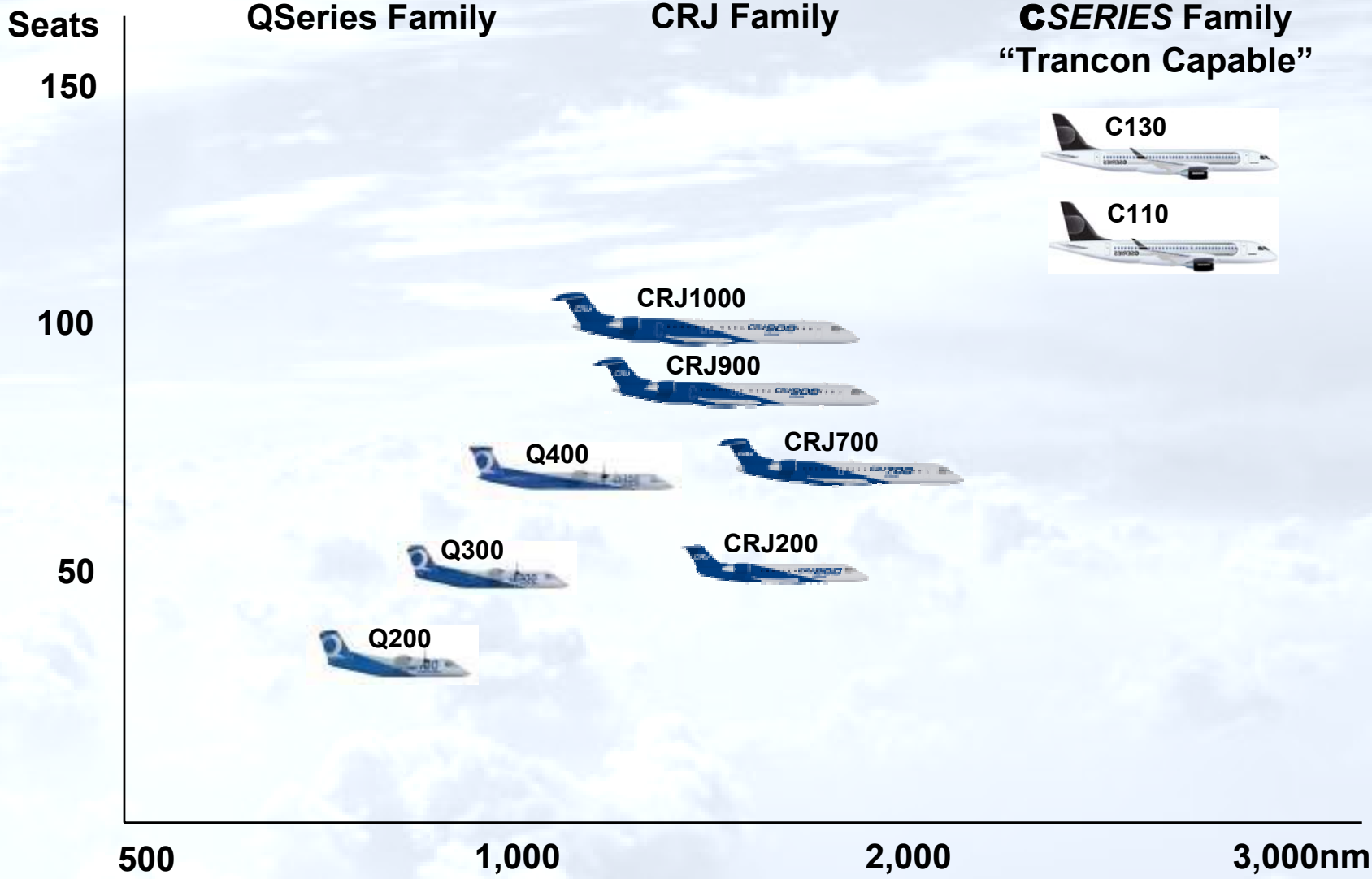
Bromma

- Located in city center Stockholm, Sweden's capital & gateway to Scandinavia
- Short runway

Vail Eagle

- Located in the Rocky Mountains in one of the premier ski & highest yield destinations in the world
- High altitude

Optimal Capability For A Range Of Missions



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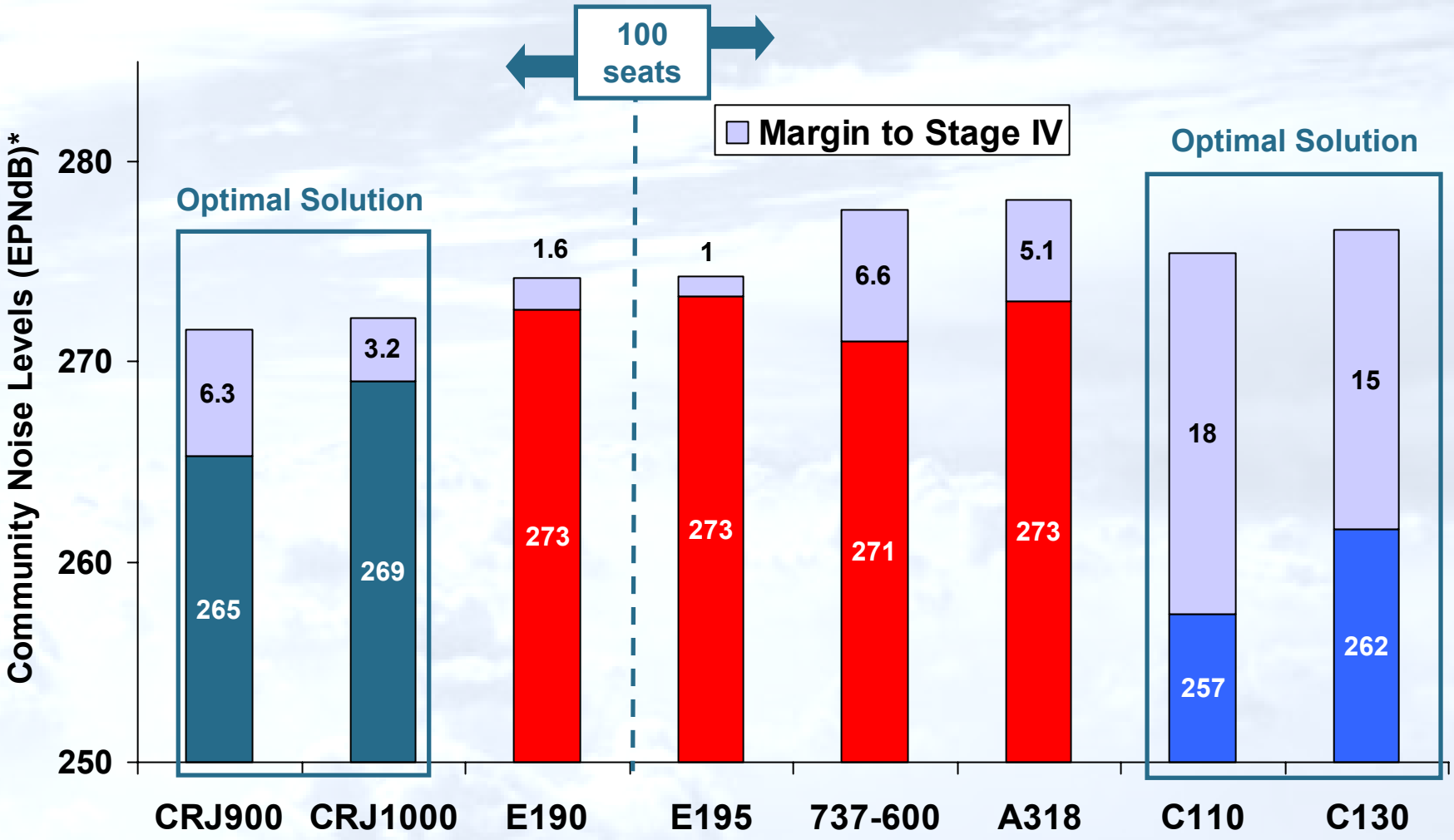
The Optimal "Environmental" Solution • Lowest Noise



- Product Development Study -

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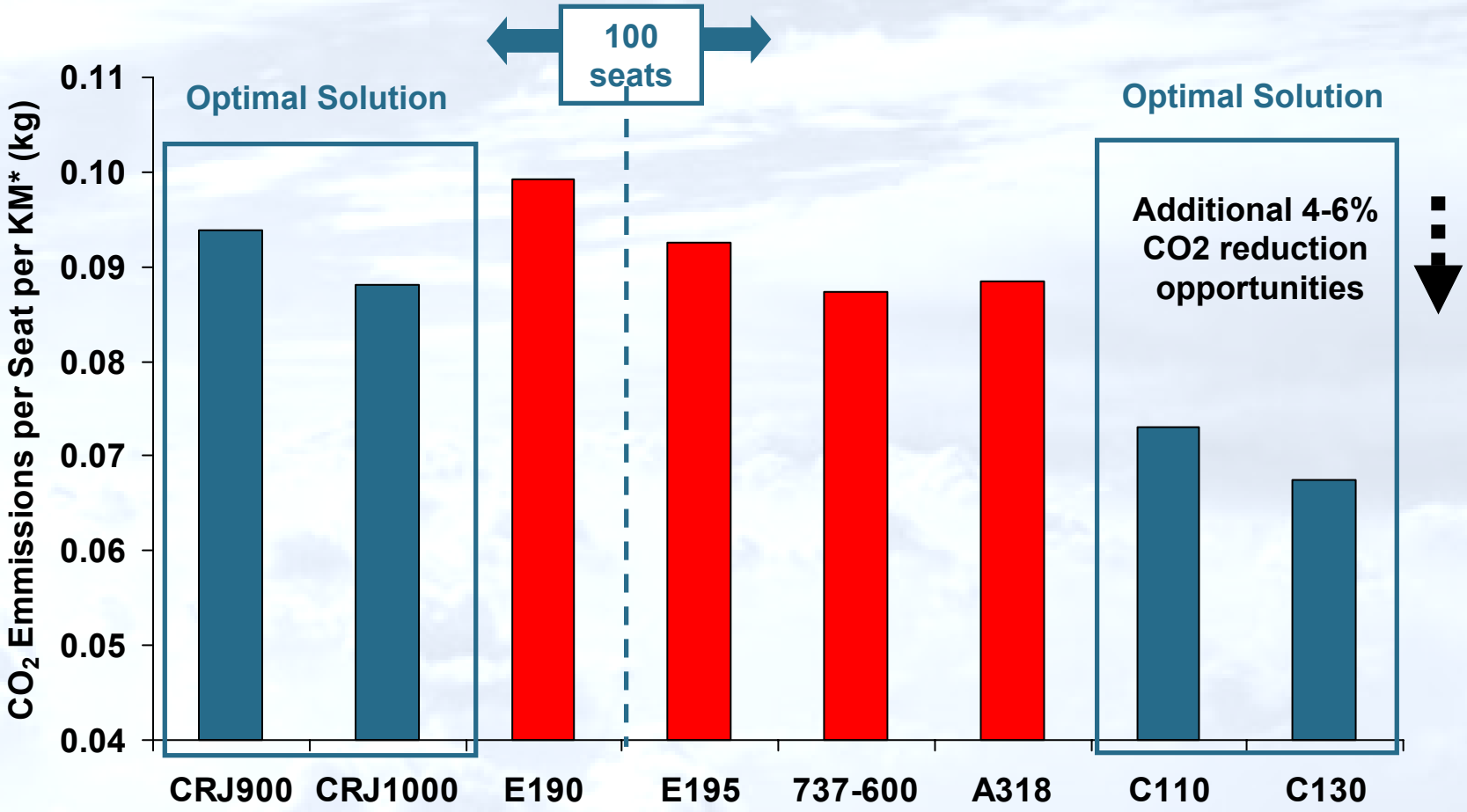
The Optimal "Environmental" Solution • Lowest CO_2



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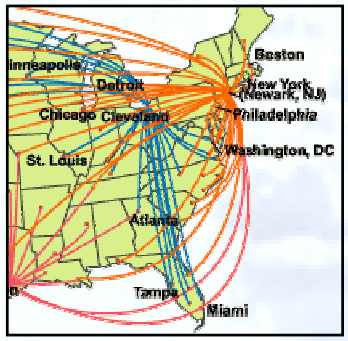
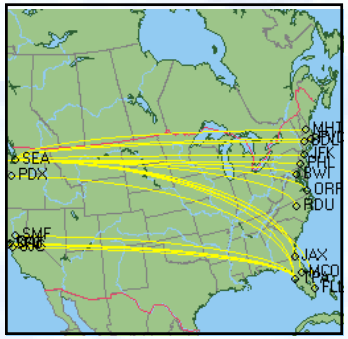
C*SERIES* Is The Optimal Solution…

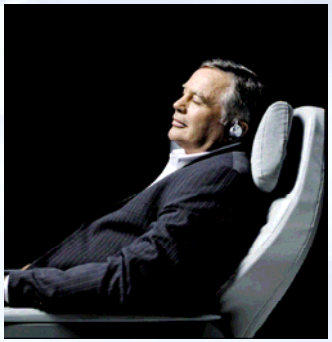
It Is Right-Sized For the Market Enabling…



Current Network Coverage



New Non-Stop Service



Cabin Comfort

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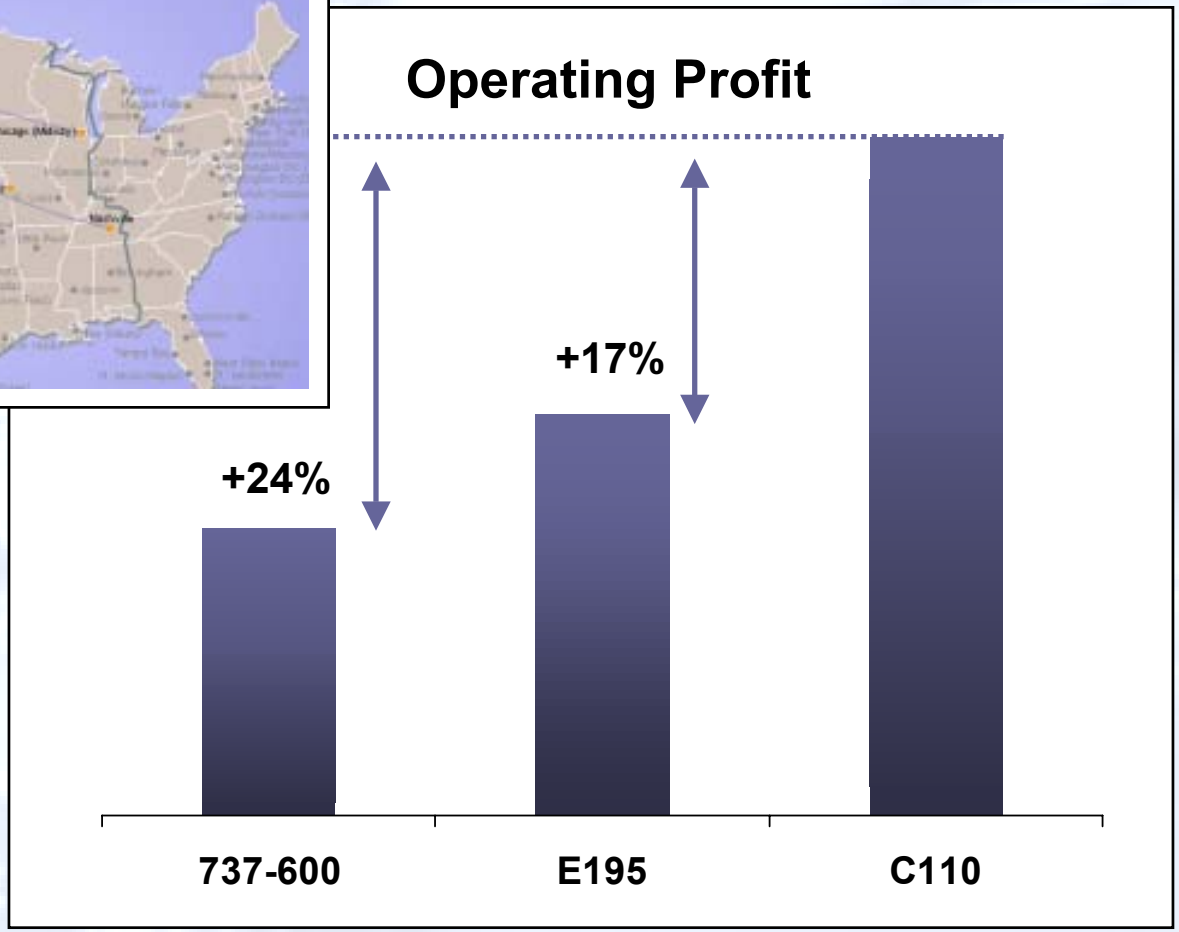
CSERIES Right-Sized
To Cover The Current Market More Profitably

Southwest - Current Non-Stop Markets from Seattle

Operating Profit



Aircraft cash operating cost with $1.80/USG on current Southwest SEA non-stop markets
$100 average fare,68 average onboard pax

CSERIES Right-Sized
To Enable New "Thin" Non-Stop Market Opportunities

Planet Model potential Origin & Destination markets
Greater than 60 O&D PPDEW demand
2,000-3,000nm

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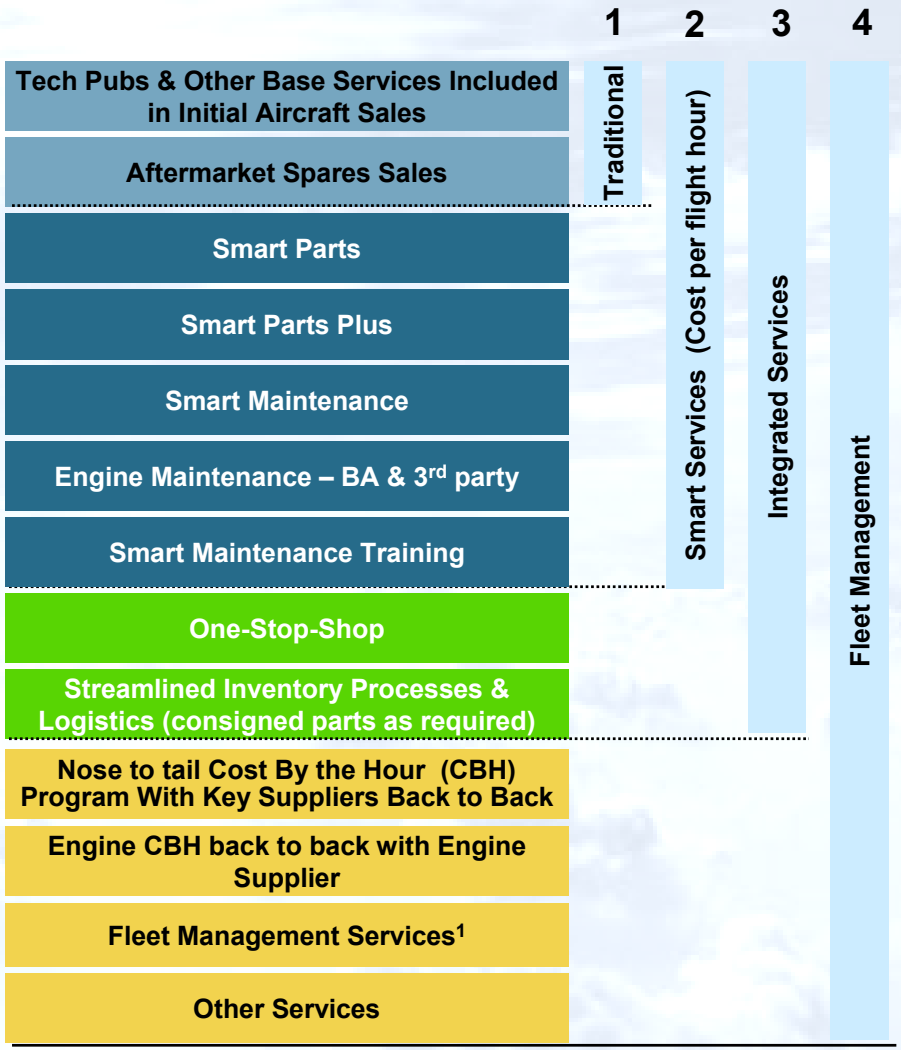
C*SERIES* Widebody Feel In A Single Aisle Aircraft Brings New Levels Of Passenger Comfort

Beyond The Optimal Aircraft • Optimal Service



[1] Forecasting, planning, scheduling, configuration management, business plan, etc.

1. **Traditional:** Our traditional aftermarket offering with base services included in the Aircraft sale plus a time and material approach for maintenance activities

2. **Smart Services:** Our cost per flight hour program offered mainly on the Challenger and Global business aircraft programs

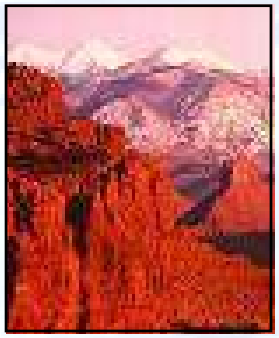
3. **Integrated Services:** Our traditional aftermarket offering enhanced with BAPL capabilities and other process improvements. "One-stop-shop" fully integrating the delivery of support services to our customers

4. **Fleet Management:** "Nose-to-tail" total in-service aircraft support on a fixed cost-per-flight-hour basis

In Summary • The Optimal Solution

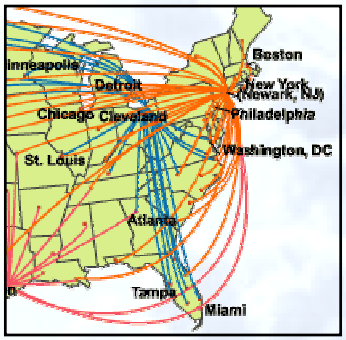
Technology & right-sizing drive aircraft optimization, producing the optimal solution by delivering more of what airlines and passengers really want…

Cost Savings



Performance

Environment



Current Network Coverage

New Non-Stop Service

Cabin Comfort

C*SERIES* Delivers The Optimal Solution

- ☑ Family of Aircraft with Full Commonality
- ☑ Environmentally Friendly
- ☑ Total Life Cycle Cost Improvement
- ☑ Cash Operating Costs – 15% Better Than Competition
- ☑ Passenger Appeal – Personal Space, Storage, Large Windows
- ☑ Reliability – 99% at Entry Into Service
- ☑ Operational Flexibility – Short and Long Haul Performance

From A to B on C

The Competitive Continental Connector

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C*SERIES* Delivers Optimal Timing

2006	2007	2008-2013	2013
Business Model & Product Optimization • Technology • Partnerships • Customer engagement	**Confirmation** • Technology • Partner agreement • Customer orders	**Development**	**Entry into Service**

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Forward Looking Statements

This presentation includes forward-looking statements**.** Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “plan”, “foresee”, “believe” or “continue” or the negatives of these terms or variations of them or similar terminology. By their nature, forward-looking statements require Bombardier Inc. (the “Corporation”) to make assumptions and are subject to important known and unknown risks and uncertainties, which may cause the Corporation’s actual results in future periods to differ materially from forecasted results. While the Corporation considers its assumptions to be reasonable and appropriate based on current information 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, please refer to the respective sections of the Corporation’s aerospace segment (“Aerospace”) and the Corporation’s transportation segment (“Transportation”) in the F06 MD&A.

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 the Corporation’s business environment (such as the financial condition of the airline industry, government policies and priorities and competition from other businesses), operational risks (such as regulatory risks and dependence on key personnel, risks associated with doing business with partners, risks involved with developing new products and services, warranty and casualty claim losses, legal risks from legal proceedings, risks relating to the Corporation’s dependence on certain key customers and key suppliers, risks resulting from fixed-term commitments, human resource risk, and environmental risk), financing risks (such as risks resulting from reliance on government support, risks relating to financing support provided on behalf of certain customers, risks relating to liquidity and access to capital markets, risks relating to the terms of certain restrictive debt covenants and market risks (including currency, interest rate and commodity pricing risk). - see the Risks and Uncertainties section in the F06 MD&A. 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 the Corporation’s expectations as at the date of the F06 MD&A and are subject to change after such date. Unless otherwise required by applicable securities laws, the Corporation expressly disclaims any intention, and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.