



Third quarter results – fiscal year 2011
Presentation to investors, financial analysts and media

BOMBARDIER

December 2, 2010



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”, “anticipate”, “plan”, “foresee”, “believe” or “continue”, the negative of these terms, variations of them or similar terminology. By their nature, forward looking statements require us 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 forecasted results. While we consider our assumptions to be reasonable and appropriate based on information currently 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 fiscal year 2010 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 our business environment (such as risks associated with the airline industry’s financial condition), operational risks (such as risks involved in developing new products and services, risks in doing business with partners, risks relating to product performance warranty and casualty claim losses, to regulatory and legal proceedings, to environmental and health and safety, to our dependence on certain customers and suppliers, to human resources, to fixed price commitments and to production and project execution), financing risks (such as risks relating to liquidity and access to capital markets, to the terms of certain restrictive debt covenants, to financing support provided on behalf of certain customers and to reliance on government support) and market risks (such as risks relating to foreign currency fluctuations, to changing interest rates and commodity prices risks). For more details, see the Risks and Uncertainties section in the fiscal year 2010 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 this presentation 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.

Overview – Q3FY11 results

- Revenues at \$4.0 billion vs \$4.6 billion last year
- Net income of \$143 million (diluted EPS of \$0.08) compared to \$168 million (diluted EPS of \$0.09) last year
- Free cash flow usage of \$132 million in Q3FY11 compared to a free cash flow of \$72 million last year
- High order intake at Transportation with a book-to-bill ratio of 1.7
- Launch of the *Global 7000* and *Global 8000* business jets
- Good cash position of \$2.7 billion as at October 31, 2010
- Strong backlog at \$48.9 billion as at October 31, 2010

Segmented information – Aerospace

(In millions of U.S. dollars)

| | Q3 F2010-11 | | Q3 F2009-10 | |
|----------------------|----------------|-------------|----------------|-------------|
| Revenues | | | | |
| Manufacturing | 1,396 | | 1,566 | |
| Services | 375 | | 342 | |
| Other | 72 | | 156 | |
| Total | 1,843 | | 2,064 | |
| EBITDA | 160 | 8.7% | 197 | 9.5% |
| Amortization | 73 | | 94 | |
| EBIT | 87 | 4.7% | 103 | 5.0% |

Segmented information – Transportation

(In millions of U.S. dollars)

| | Q3 F2010-11 | | Q3 F2009-10 | |
|-----------------------|----------------|-------------|----------------|-------------|
| Revenues | | | | |
| Rolling stock | 1,539 | | 1,827 | |
| Services | 317 | | 352 | |
| System and signalling | 316 | | 354 | |
| Total | 2,172 | | 2,533 | |
| EBITDA | 172 | 7.9% | 191 | 7.5% |
| Amortization | 31 | | 32 | |
| EBIT | 141 | 6.5% | 159 | 6.3% |

Financial results overview

(In millions of U.S. dollars, except per share amounts)

| | Q3 F2010-11 | Q3 F2009-10 |
|--------------------------------|------------------------|------------------------|
| Revenues | 4,015 | 4,597 |
| EBIT | 228 | 262 |
| Financing expense, net | 46 | 41 |
| EBT | 182 | 221 |
| Income taxes | 39 | 53 |
| Net income | 143 | 168 |
| EPS (basic and diluted) | 0.08 | 0.09 |

Free cash flow

(In millions of U.S. dollars)

| | Q3 F2010-11 | Q3 F2009-10 |
|---------------------------|------------------------|------------------------|
| Aerospace | (234) | 61 |
| Transportation | 104 | 32 |
| Interest and taxes | (2) | (21) |
| Total | (132) | 72 |

Conclusion – Q3FY11 results

- **New product developments on track**
- **Both groups focused on managing their costs**
- **Focus on cash flow generation**
- **Strong backlog at \$48.9 billion as at October 31, 2010**
- **Long-term prospects remain strong**

CAUTION REGARDING NON-GAAP EARNINGS MEASURES

This presentation is based on reported earnings in accordance with Canadian generally accepted accounting principles (GAAP). It is also based on EBITDA, and Free Cash Flow. These non-GAAP measures are directly derived from the Consolidated Financial Statements, but do not have a standardized meaning prescribed by GAAP; therefore, others using these terms may calculate them differently. Management believes that a significant number of the users of its MD&A analyze the Corporation's results based on these performance measures and this presentation is consistent with industry practice.