



Bombardier Aerospace

Market Forecast 2013-2032

14 June 2013

Forward-looking statements

This presentation includes forward-looking statements, which may involve, but are not limited to: statements with respect to our objectives, guidance, targets, goals, priorities, our market and strategies, financial position, beliefs, prospects, plans, expectations, anticipations, estimates and intentions; general economic and business outlook, prospects and trends of an industry; expected growth in demand for products and services; product development, including projected design, characteristics, capacity or performance; expected or scheduled entry-into-service of products and services, orders, deliveries, testing, lead times, certifications and project execution in general; our competitive position; and the expected impact of the legislative and regulatory environment and legal proceedings on our business and operations. Forward-looking statements generally can be identified by the use of forward looking terminology such as “may”, “will”, “expect”, “intend”, “anticipate”, “plan”, “foresee”, “believe”, “continue”, “maintain” or “align”, 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, refer to the respective Guidance and forward-looking statements sections in Overview, Bombardier Aerospace and Bombardier Transportation sections in the Management’s Discussion and Analysis (“MD&A”) of the Corporation’s annual report for the fiscal year ended December 31, 2012.

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 financial condition of the airline industry and major rail operators), operational risks (such as risks related to developing new products and services; doing business with partners; product performance warranty and casualty claim losses; regulatory and legal proceedings; to the environment; dependence on certain customers and suppliers; human resources; fixed-price commitments and production and project execution), financing risks (such as risks related to liquidity and access to capital markets, exposure to credit risk, certain restrictive debt covenants, financing support provided for the benefit of certain customers and reliance on government support) and market risks (such as risks related to foreign currency fluctuations, changing interest rates, decreases in residual values and increases in commodity prices). For more details, see the Risks and uncertainties section in Other in the MD&A of the Corporation’s annual report for the fiscal year ended December 31, 2012. 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 our expectations as at the date of this presentation and are subject to change after such date. Unless otherwise required by applicable securities laws, we expressly disclaim any intention, and assume no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.

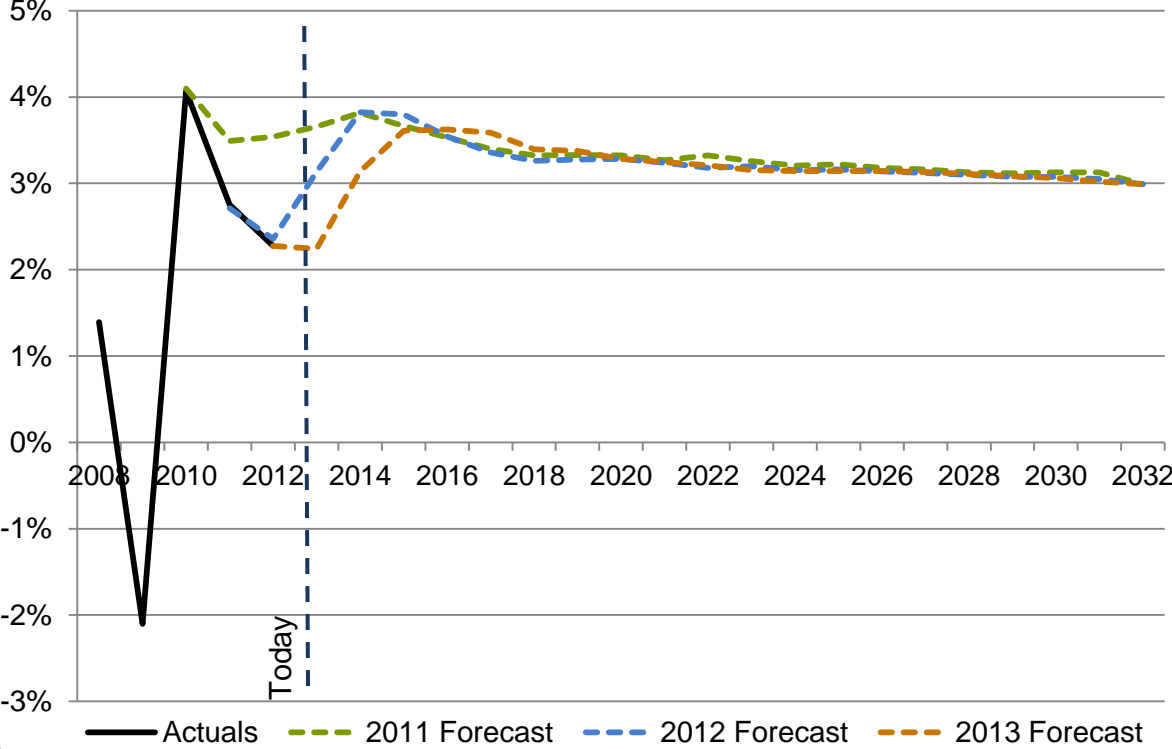
Leading the industry and our customers into the future



- The Bombardier Business and Commercial Aircraft Market Forecasts are a key foundation of our strategic planning process
- The Forecasts are built on common baseline assumptions
- The Forecasts are primarily driven by econometric modeling, adjusted for certain qualitative factors
- The output, a 20-year delivery forecast, is used to frame our strategies and help us better serve our customers

Forecasted economic recovery has been delayed two years in a row

World GDP 20-Year Forecast
[% , 2008-2032]



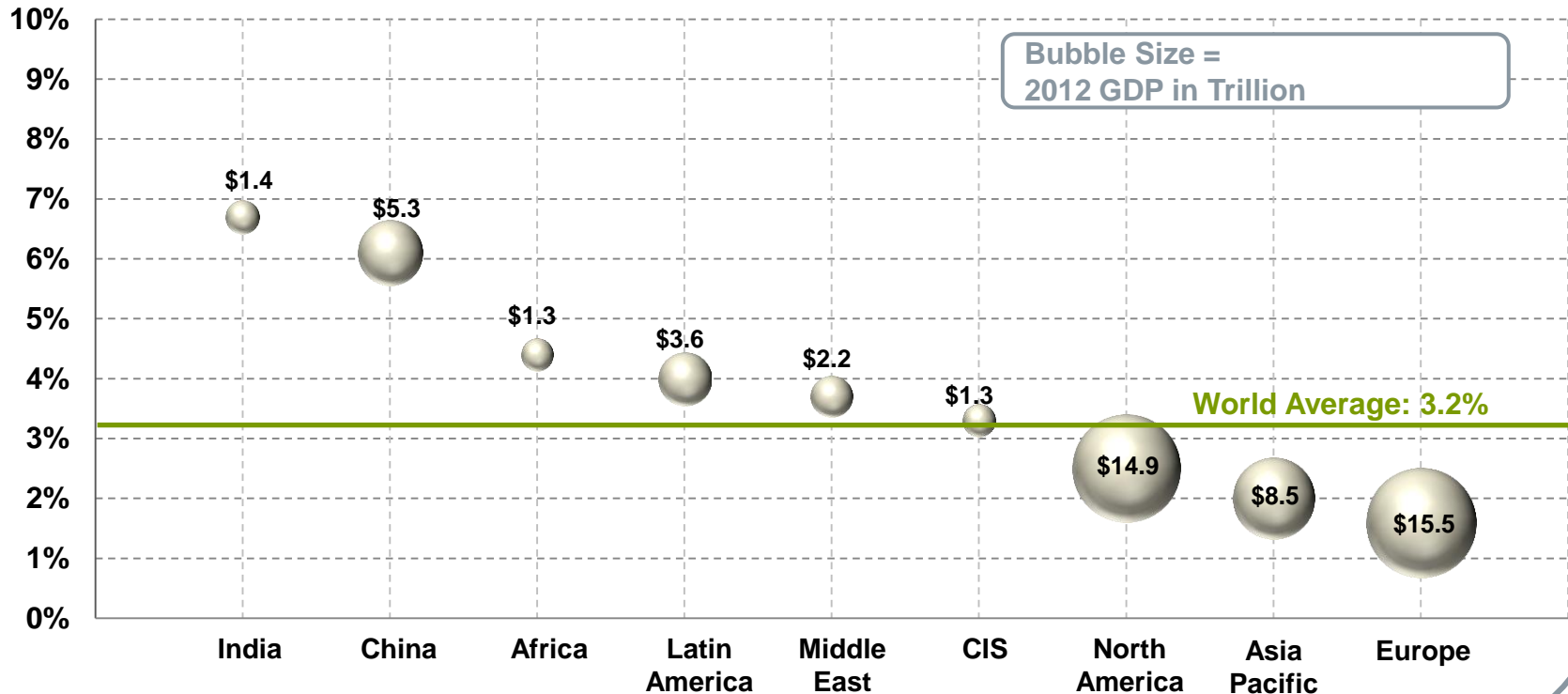
20-Year Average GDP Growth	
2011 Forecast	3.3%
2012 Forecast	3.2%
2013 Forecast	3.2%

GDP growth is a major driver of new aircraft demand

India and China will be the fastest growing major economies over the next 20 years

20-Year GDP Growth by Region

[% , Regions]

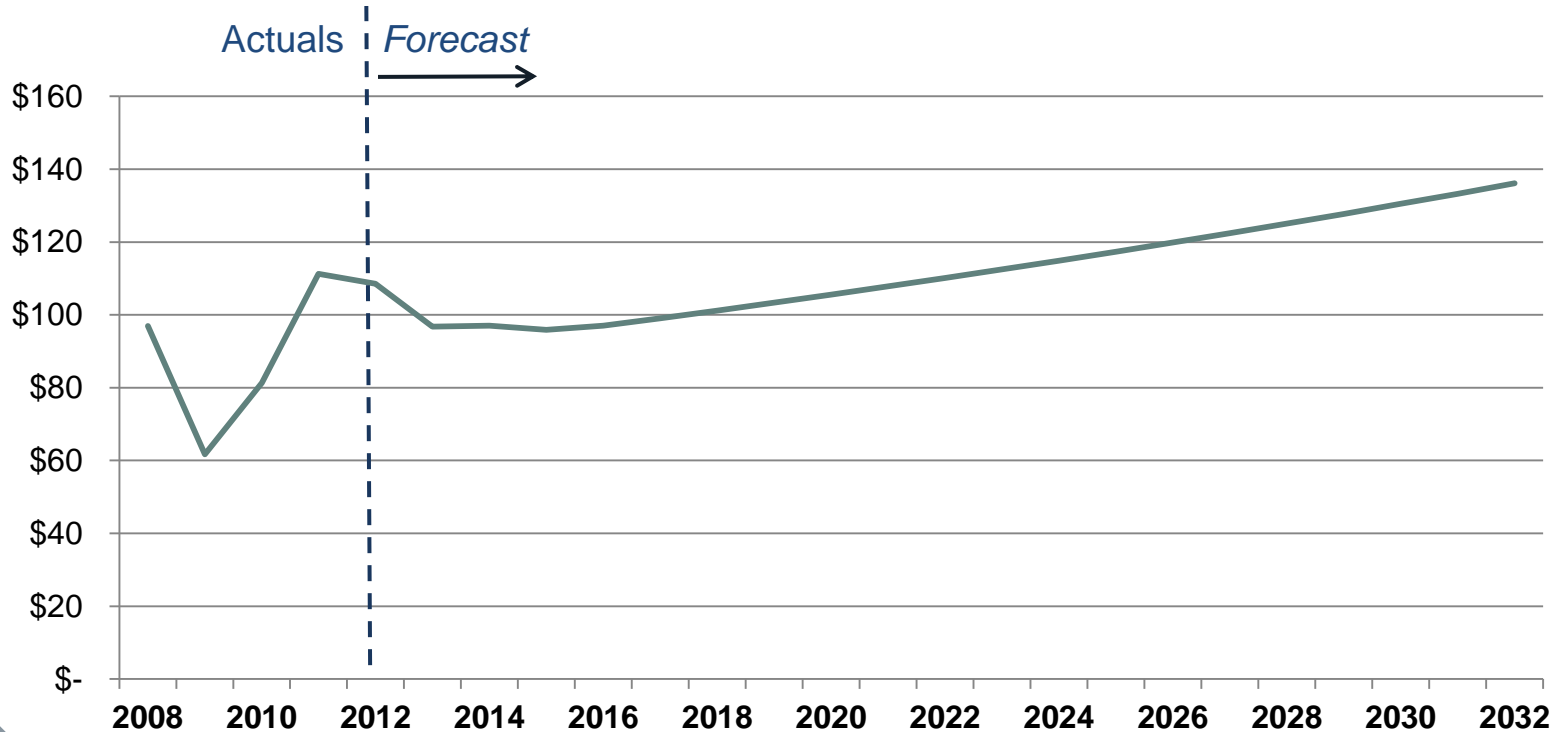


Mature economies will show slower growth rates, but on a larger base

Sustained high oil prices are expected

20-Year Oil Price Forecast

[Brent 2011 \$ per barrel, 2008-2032]



Higher oil prices drive demand for more efficient commercial aircraft

MARKET FORECAST
2013-2032



COMMERCIAL AIRCRAFT

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Commercial aircraft market is building momentum

- Improved stability in the US and most emerging economies, while inertia continues to drag the European economies
- Exploding middle-class population in growth markets will speed up the demand for new aircraft
- High oil prices continue to be the most critical factor influencing airline fleet decisions
- Worldwide, traffic demand remains strong and yields are stabilizing
- US scope clause relaxation in 2012 will open up new opportunities for more regional jets in the near term

Bombardier is confident in the long-term prospect of the 60- to 149-seat market

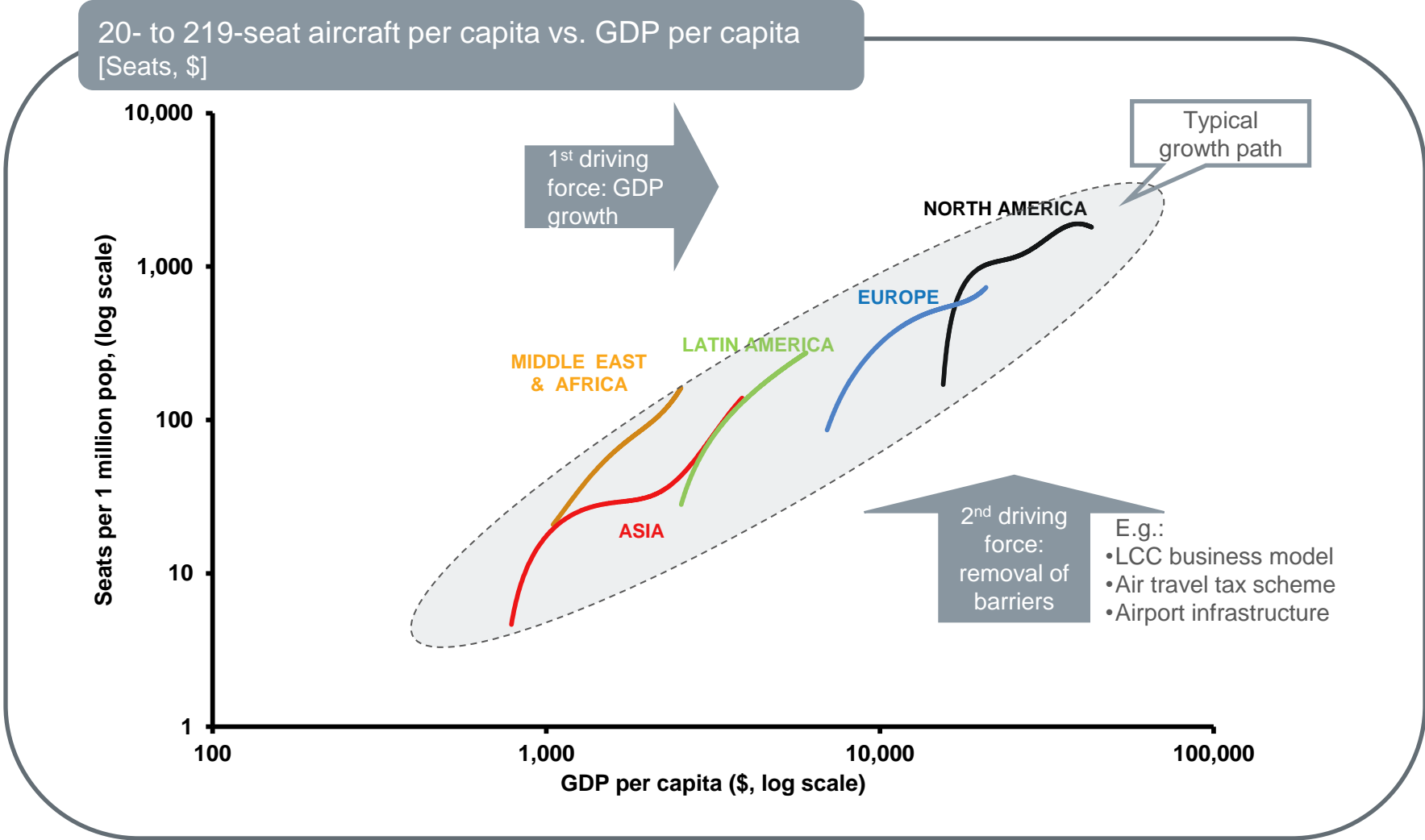
Our key market drivers suggest a bright future for the commercial aircraft market

Long-Term Commercial Aircraft Market Drivers



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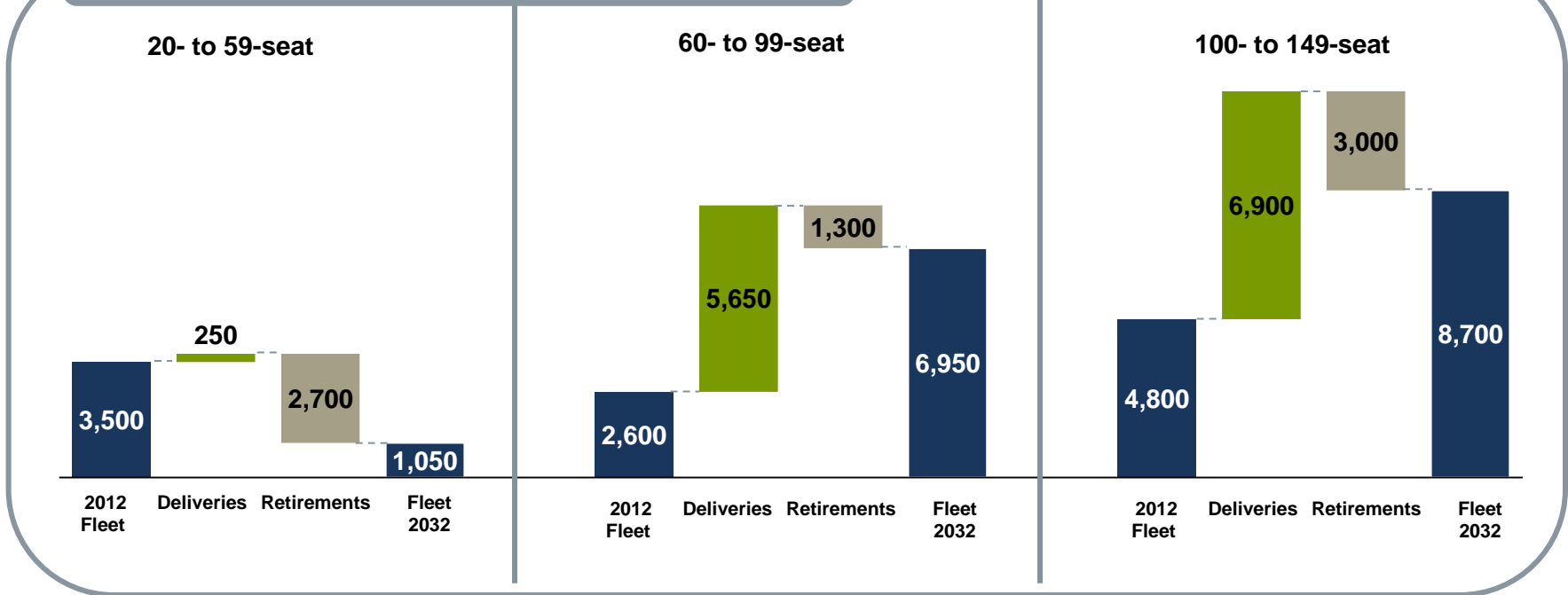
Economic growth is driving commercial aircraft penetration worldwide



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World fleet forecasted to grow to 16,700 units in the 20- to 149-seat market by 2032

20-Year Commercial Aircraft Fleet Forecast [Units, 2012-2032]



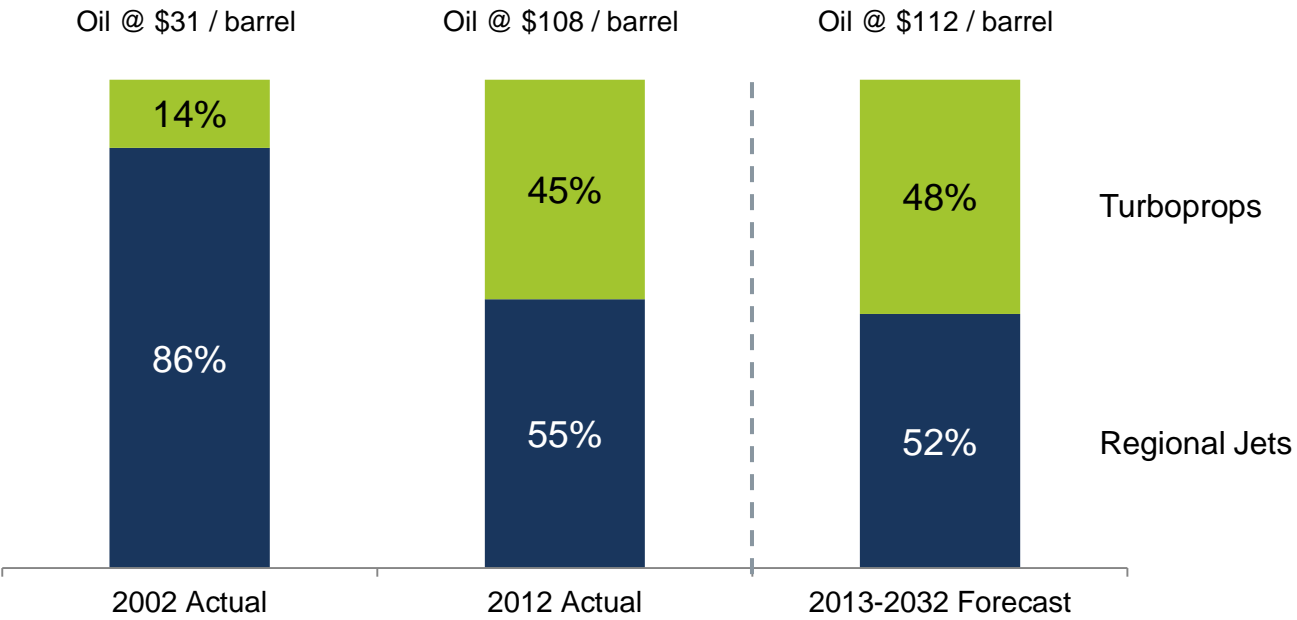
Total	Fleet 2012	Deliveries	Retirements	Fleet 2032
20- to 149-seat	10,900	12,800	7,000	16,700

Demand will shift away from 20- to 59-seat category

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Higher fuel prices will influence mix between turboprops and jets

20- to 99-Seat Fleet Mix [% , 2002, 2012, 2013-2032]



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North America, Greater China and Europe to lead in terms of aircraft deliveries

Regional 20-Year Delivery Outlook

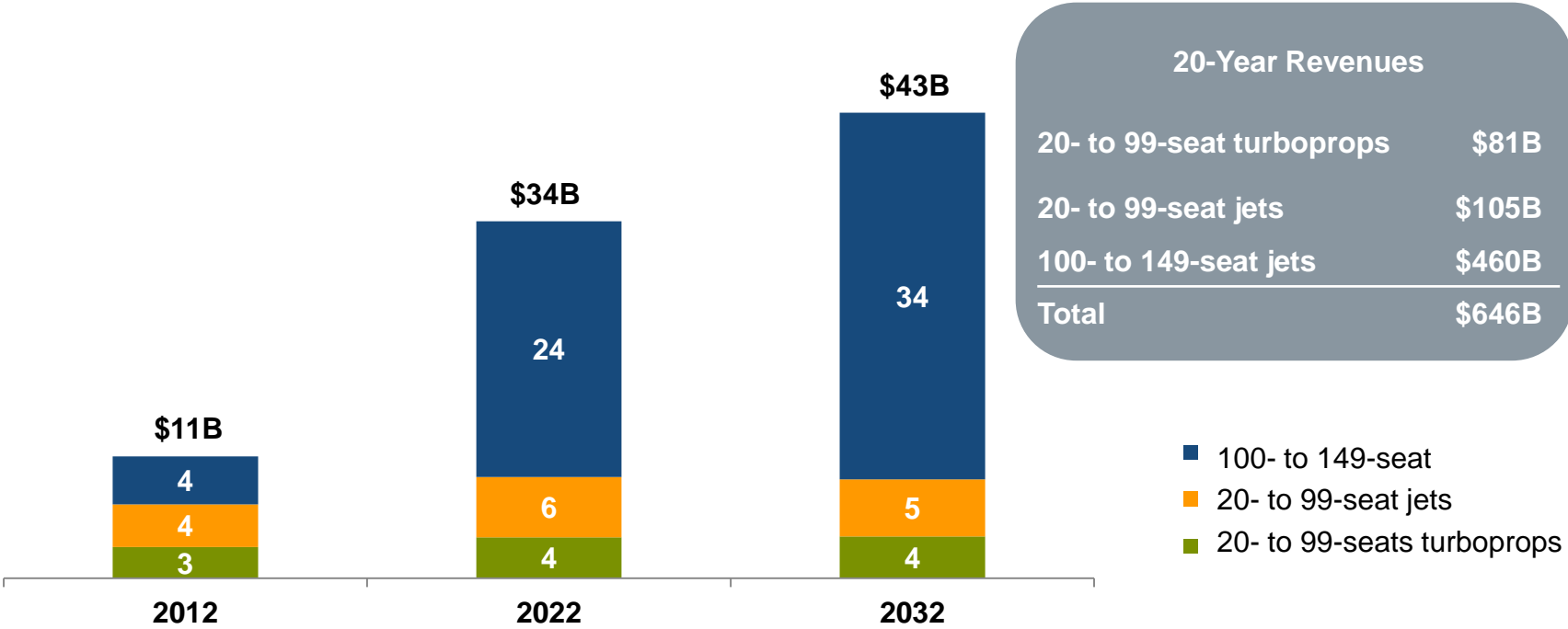
[Units]



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Annual industry revenues to grow to \$43B in 2032

Annual Industry Revenues
[\$B, 2012, 2022, 2032]



20- to 99-seat turboprops	\$81B
20- to 99-seat jets	\$105B
100- to 149-seat jets	\$460B
Total	\$646B

- 100- to 149-seat
- 20- to 99-seat jets
- 20- to 99-seats turboprops

\$646 billion in revenues in the 20- to 149-seat market over the next 20 years

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MARKET FORECAST
2013-2032
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BUSINESS AIRCRAFT

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Business aircraft market continues to recover from the recent industry downturn

- Current market indicators remain mixed, but signs of forward momentum are beginning to emerge
 - Industry net orders up in 2012
 - Pre-owned inventory levels continue to gradually improve
- Deliveries and aircraft utilization remain stable
- Orders and deliveries in 2013 are expected to remain comparable to those of 2012
- The long-term outlook for business aircraft demand remains solid

Bombardier remains confident in the strong long-term potential for the business aircraft market

The strong potential for the business aircraft industry is based on long-term business aircraft key market drivers

Long-Term Business Aircraft Market Drivers

Wealth Creation



Globalization of Trade



Emerging Markets



New Aircraft Programs



Replacement Demand



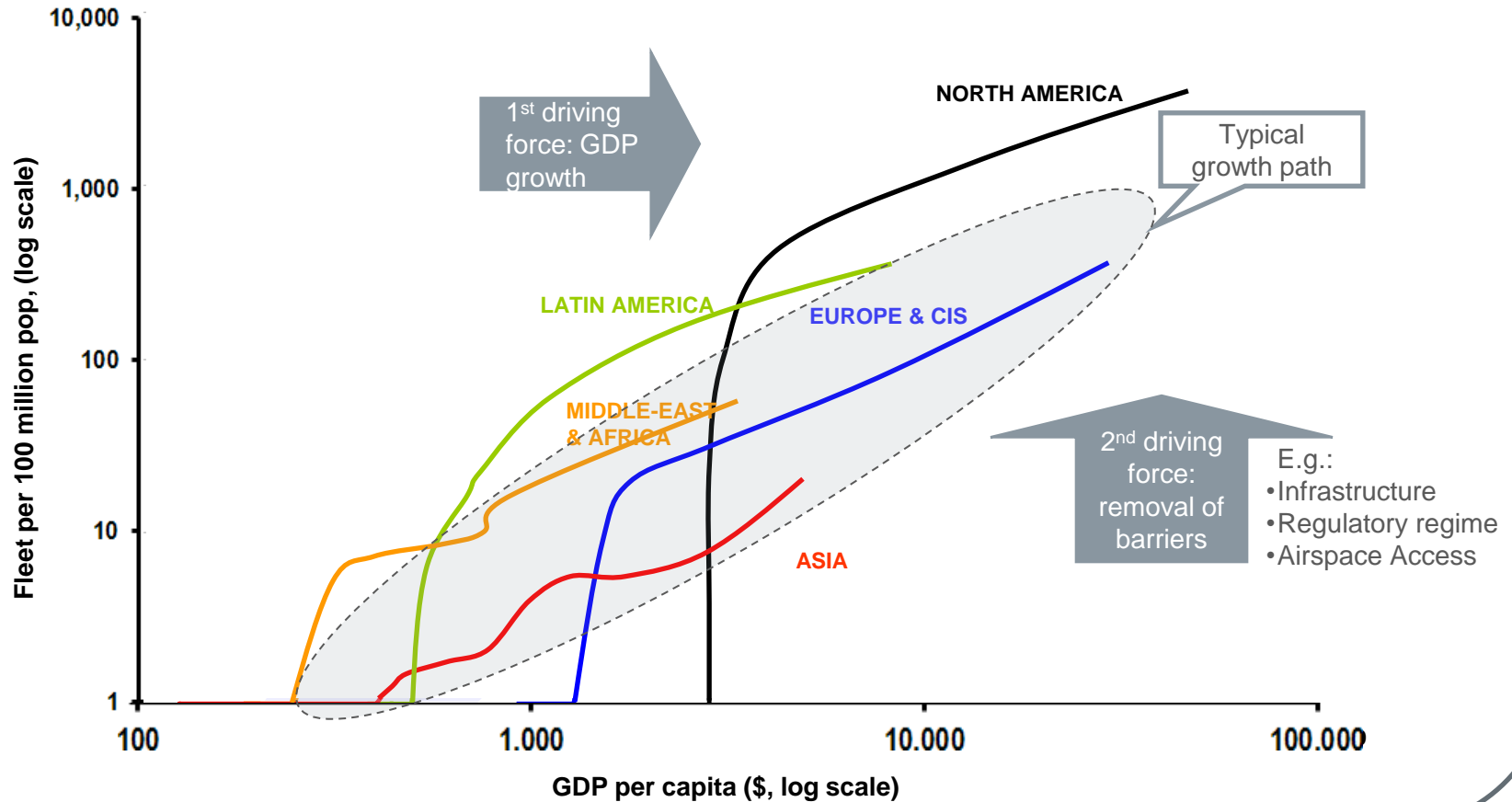
Accessibility



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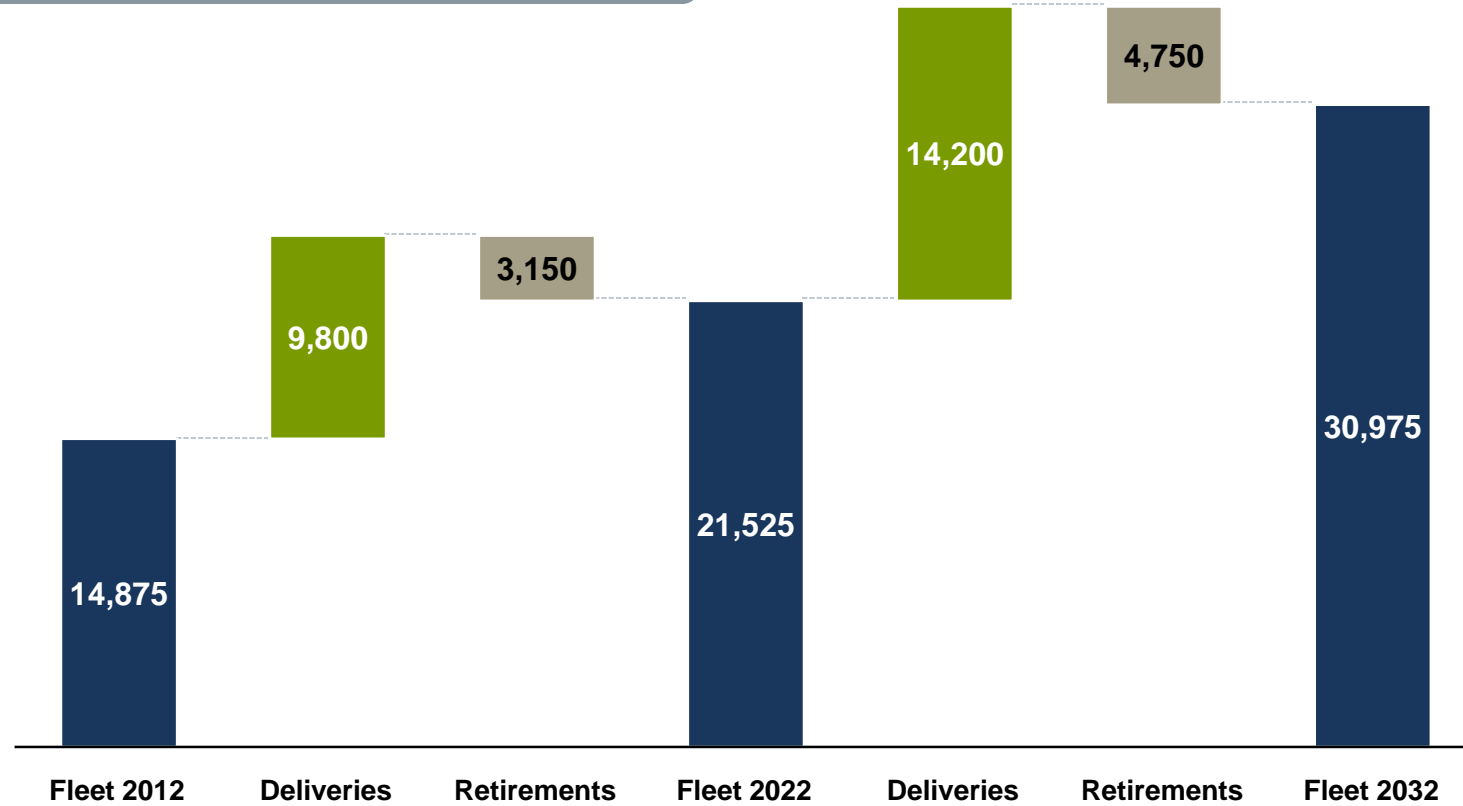
Wealth creation will continue to drive rate of business jet adoption in each region

Fleet per capita vs. GDP per capita
[Units, \$]



World fleet forecasted to grow to 30,975 units by 2032

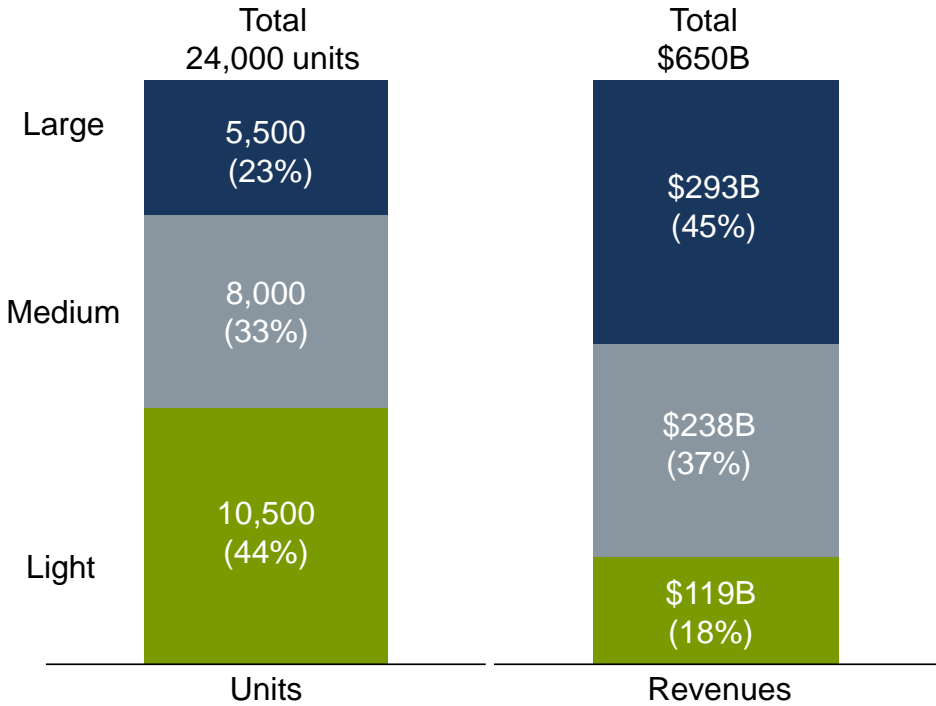
20-Year Business Aircraft Fleet Forecast
[Units, 2012-2032]



Retirements expected to accelerate over next 20 years as a result of emerging environmental concerns, new regulations and airspace modernization

Our forecast calls for 24,000 business jet deliveries worth \$650 billion over next 20 years

20-Year Forecast Deliveries and Revenues
[Units, \$B]



The Light category will account for the largest share of deliveries, while the Large category will account for the largest share of revenues over the next 20 years

North America, Europe and Greater China will be the largest markets for business jet deliveries

Regional 10-Year and 20-Year Delivery Outlook [Units]



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Conclusion

Bombardier is well-positioned to benefit from the next business aircraft industry up-cycle

LEARJET family of aircraft



- **Market category:** Light business jets
- **Models:** *Learjet 70*¹, *Learjet 75*¹, *Learjet 60XR* and *Learjet 85*¹
- **Competitive advantages**²: The *Learjet* heritage of high performance is upheld by each *Learjet* product. The *Learjet* family of aircraft features exceptionally fast cruise speeds, high climb rates and operating ceilings, along with competitive operating costs. The *Learjet 85* will be the largest and most comfortable *Learjet* ever built.

CHALLENGER family of aircraft



- **Market category:** Medium business jets
- **Models:** *Challenger 300*, *Challenger 350*¹, *Challenger 605* and *Challenger 800* series
- **Competitive advantages**²: The *Challenger* aircraft are productivity-enhancing business tools, with the widest, most spacious cabins in their category. Each aircraft offers low operating costs, high reliability, and can be customized with leading-edge cabin communication equipment.

GLOBAL family of aircraft



- **Market category:** Large business jets
- **Models:** *Global 5000*, *Global 6000*, *Global 7000*¹ and *Global 8000*¹
- **Competitive advantages**²: The *Global* family of aircraft offers an ideal balance of performance and comfort for long-range missions. The *Global 7000* and *Global 8000* aircraft are being developed as an extension to the *Global* family of aircraft and will give Bombardier the broadest market coverage in the upper end of the business aircraft market.

Our family of commercial aircraft is optimized to thrive in the fast-growing 60- to 149-seat market

Q-SERIES turboprop aircraft



- **Market category:** 60- to 90-seat turboprops
- **Models:** *Q400 NextGen*
- **Competitive advantages¹:** For short-haul operations, the optimized *Q400 NextGen* airliner is a fast, fuel-efficient and low-emission large turboprop. It is the only in-production turboprop that offers jet-like speed and an extended range, along with competitive operating costs and product commonality across the *Q-Series* family of turboprops.

CRJ regional jet family of aircraft



- **Market category:** 70- to 100-seat regional jets
- **Models:** *CRJ700 NextGen*, *CRJ900 NextGen* and *CRJ1000 NextGen*
- **Competitive advantages¹:** Designed for hub expansion and point-to-point service, the *CRJ* family of aircraft is optimized for medium to long distance routes. The family features best-in-class operating costs, fuel burn and greenhouse gas emissions, as well as commonality across the family, including the *CRJ100* and *CRJ200* aircraft.

C SERIES mainline single-aisle jet family of aircraft



- **Market category:** 100- to 149-seat commercial jets
- **Models:** *CS100¹* and *CS300²*
- **Competitive advantages³:** Designed for the growing 100- to 149-seat market, the 100% new *C Series* family of aircraft will offer 15% cash operating cost and 20% fuel burn advantage over in-production aircraft in its class. The *C Series* aircraft clean-sheet design ensures that the aircraft will achieve greatly reduced noise and emissions, as well as superior operational flexibility, exceptional airfield performance and a range of 2,950 NM (5,463 km).

1. Under certain operating conditions, when compared to aircraft currently in service for short-haul flights up to 500 NM.

2. Currently under development.

3. All data and specifications are estimates, subject to change in family strategy, branding, capacity and performance during the design, manufacture and certification process (based on 500 NM trips).

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