



**RBC Capital Markets' Aerospace & Defense Conference  
Presentation to investors**

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May 2011

**BOMBARDIER**



# Forward-looking statements

This presentation includes forward-looking statements, which may involve, but are not limited to, statements with respect to the ours objectives, targets, goals, priorities and strategies, financial position, beliefs, prospects, plans, expectations, anticipations, estimates and intentions; general economic and business conditions outlook, prospects and trends of the 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; competitive position; and 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” 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, refer to the respective Forward-looking statements sections in BA and BT in the MD&A of the Corporation’s annual report for fiscal year 2010.

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, 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 value 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 fiscal year 2010. 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, 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. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.

*All amounts are expressed in U.S. dollars unless otherwise indicated*



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## Overview



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## Aerospace



3

## Transportation



4

## Conclusion

# Bombardier – A Global Market Leader

For the fiscal year 2011

<i>(in millions of U.S. dollars)</i>		<b>BOMBARDIER INC.</b>	
Revenues	\$ 17,712	Free Cash Flow	\$ 605
EBITDA	\$ 1,460	Backlog <sup>(a)</sup>	\$ 50,100
EBIT	\$ 1,050	EPS <sup>(b)</sup> <i>(in U.S. dollars)</i>	\$ 0.42
Net income	\$ 769	Employees <sup>(a)</sup>	65,400
<b>AEROSPACE</b>		<b>TRANSPORTATION</b>	
<b>Market leader in both business and regional aircraft</b>		<b>Market leader in rail equipment and services</b>	
Revenues	\$ 8,614	Revenues	\$ 9,098
EBITDA	\$ 732	EBITDA	\$ 728
EBIT	\$ 448	EBIT	\$ 602
Backlog <sup>(a)</sup>	\$ 16,600	Backlog <sup>(a)</sup>	\$ 33,500
Employees <sup>(a)</sup>	30,300	Employees <sup>(a)</sup>	34,900

(a) As of January 31, 2011

(b) Diluted

# Bombardier Today

**65,400 employees\***

- 100 nationalities
- 25 languages

**A presence in more than 60 countries**

**Customers in more than 100 countries**



*\* As of January 31, 2011*

# Bombardier Today

**More than 100,000  
Bombardier rail cars and  
locomotives in service  
worldwide**



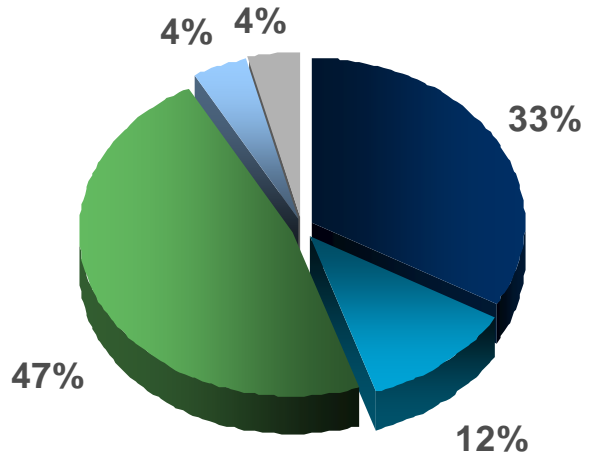
# Bombardier Today

Every three seconds, a  
Bombardier aircraft takes  
off or lands somewhere  
around the globe



# Bombardier – A truly global company

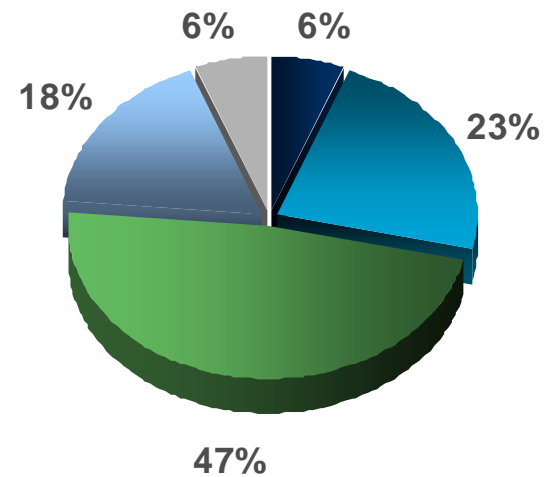
## Employees Geographic segmentation



■ Canada ■ US ■ Europe  
■ Asia-Pacific ■ Other

*Total employees\*: 65,400*

## F2011 Revenues Geographic segmentation








■ Canada ■ US ■ Europe  
■ Asia-Pacific ■ Other

*Total F2011 revenues: US\$17.7 billion*

\* As of January 31, 2011



# Bombardier – From entrepreneurial to global leader

	1942-1973	1974-1985	1986-1993	1994-2001	2002-today
Entry	 <b>Invention of snowmobile</b>	 <b>Rail transportation</b>	 <b>Aerospace</b>	 <b>Consolidation of leadership position</b>	 <b>Global leadership</b>
Revenues*	<b>\$0.7 B</b>	<b>\$1.0 B</b>	<b>\$5.6 B</b>	<b>\$12.4 B</b>	<b>\$17.7 B</b>
Major acquisitions	<ul style="list-style-type: none"> <li>▪ Lohnerwerke (Rotax)</li> </ul>	<ul style="list-style-type: none"> <li>▪ MLW</li> <li>▪ Worthington</li> <li>▪ Alco Power (U.S.)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Canadair</li> <li>▪ Shorts</li> <li>▪ Learjet</li> <li>▪ deHavilland</li> <li>▪ BN } BT</li> <li>▪ ANF }</li> </ul>	<ul style="list-style-type: none"> <li>▪ Waggonfabrik Talbot</li> <li>▪ Deutsche Waggonbau</li> <li>▪ Adtranz</li> </ul>	Organic growth
Products Developed or Major Projects		<ul style="list-style-type: none"> <li>▪ 423 cars - Montreal Subway</li> <li>▪ 825 cars - NY City subway (US\$1B)</li> </ul>	<ul style="list-style-type: none"> <li>▪ CRJ100/200</li> <li>▪ Learjet 31A</li> <li>▪ Learjet 60</li> </ul>	<ul style="list-style-type: none"> <li>▪ CRJ700</li> <li>▪ Learjet 45</li> <li>▪ Global Express</li> <li>▪ Q400</li> </ul>	<ul style="list-style-type: none"> <li>▪ Talent II</li> <li>▪ Zefiro</li> <li>▪ Challenger 300</li> <li>▪ Learjet 85</li> <li>▪ CSeries</li> </ul>

\* In constant US dollars

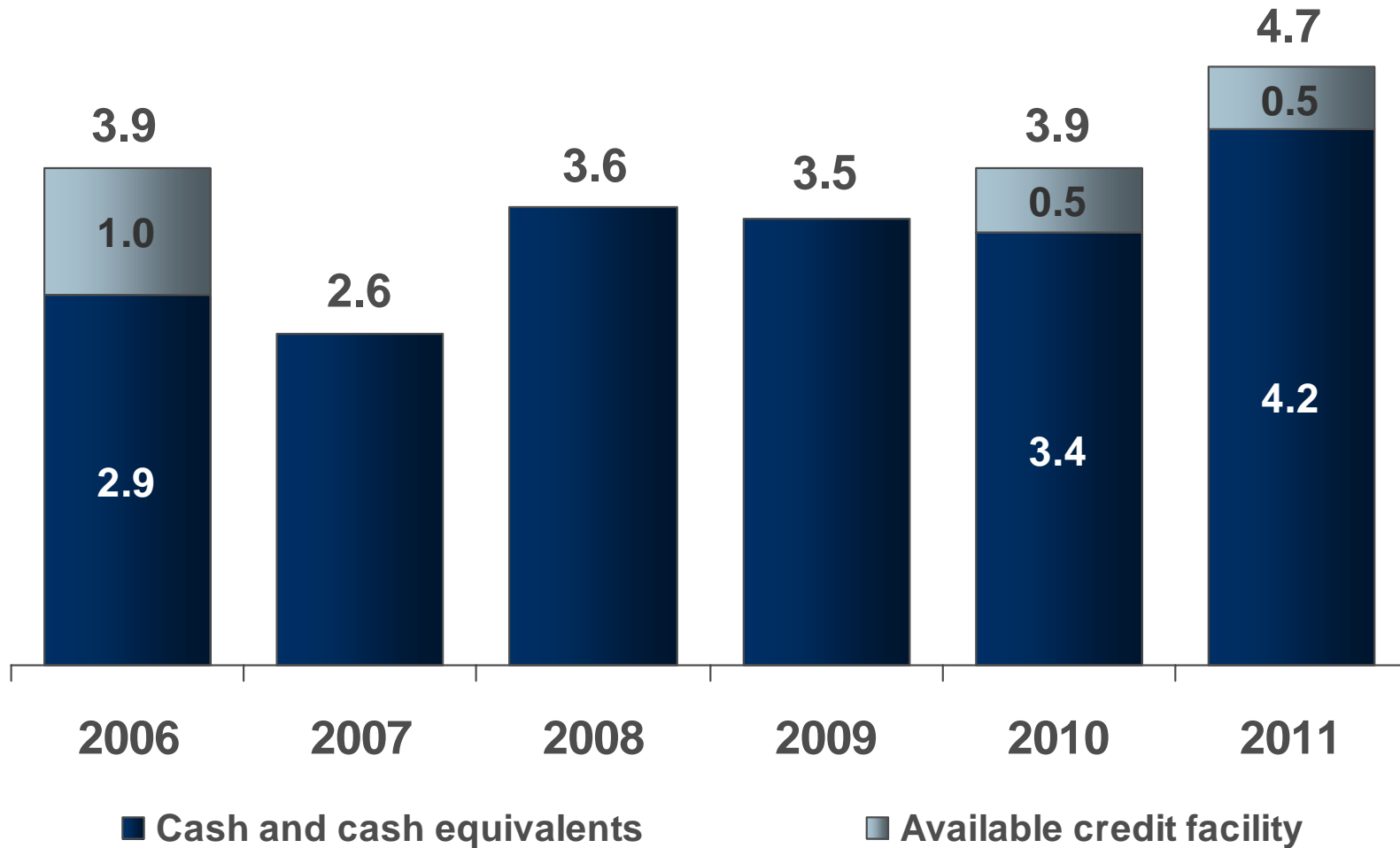
# To achieve our aspirations – Our way forward

We have established five priorities

- 1** Become number one in customer satisfaction through enhanced execution discipline
- 2** Raise our game on global talent management
- 3** Actively manage our exposure to key business risks
- 4** Establish local roots in all our key markets
- 5** Enhance our corporate social responsibility

# We are proactively managing our liquidity

## Short-term capital resources *(as at January 31 - in billions of dollars)*



# Essentially debt repayment-free until 2016

## Debt Maturity Profile

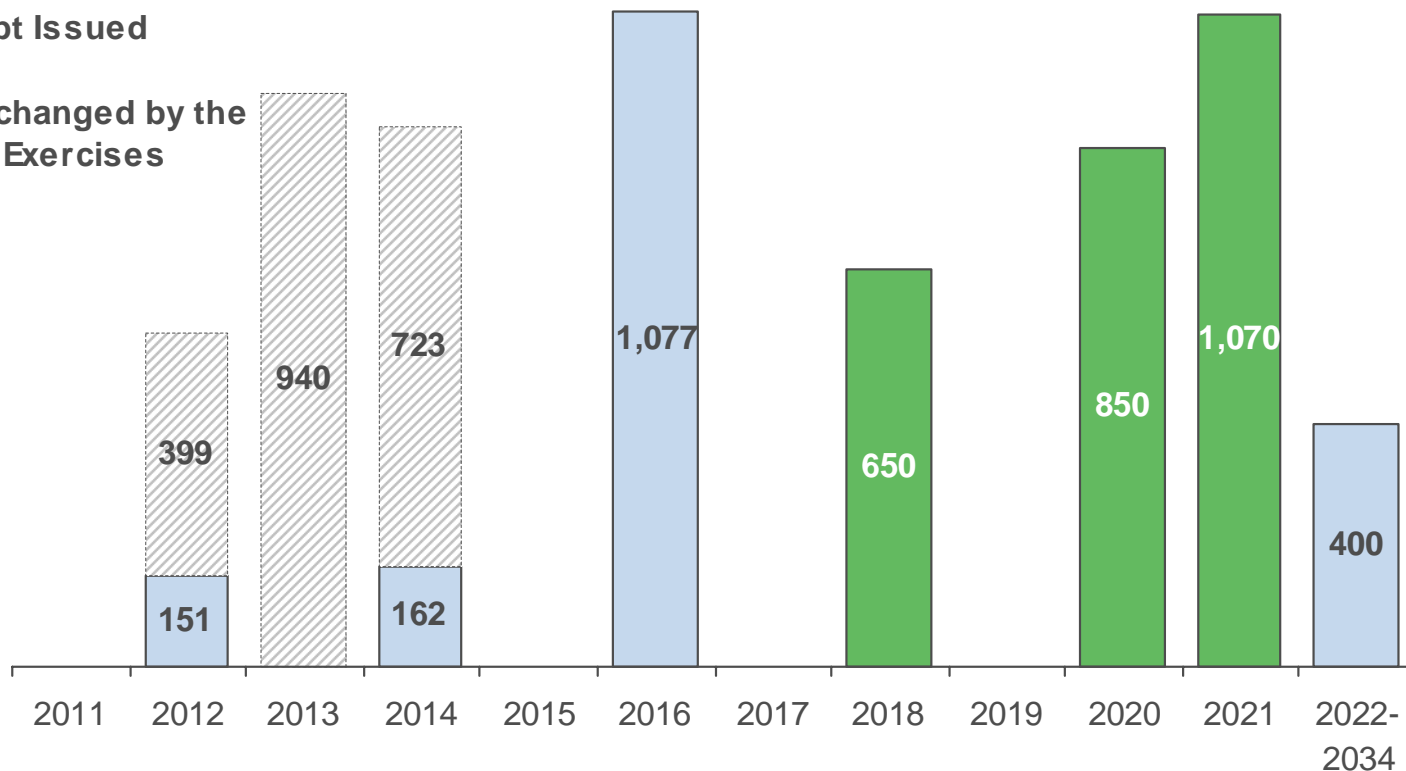
(as of January 31, 2011 - *in millions of dollars*)

▨ Debt Repurchased

■ New Debt Issued

■ Debt Unchanged by the Liability Exercises

Weighted average maturity: 8.9 years



**We have the financial flexibility to support our development programs**

# Financial results overview

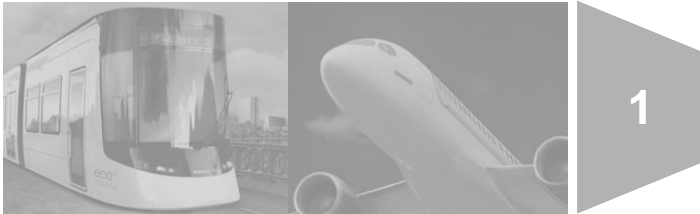
(In millions of U.S. dollars)

	<b>Q4 F2011</b>	<b>%</b>	<b>Q4 F2010</b>	<b>%</b>	<b>Full Year F2011</b>	<b>%</b>	<b>Full Year F2010</b>	<b>%</b>
<b>Revenues</b>								
<b>Aerospace</b>	<b>2,874</b>		<b>2,675</b>		<b>8,614</b>		<b>9,357</b>	
<b>Transportation</b>	<b>2,498</b>		<b>2,677</b>		<b>9,098</b>		<b>10,009</b>	
<b>Total Revenues</b>	<b>5,372</b>		<b>5,352</b>		<b>17,712</b>		<b>19,366</b>	
<b>EBIT</b>								
<b>Aerospace</b>	<b>181</b>	<b>6.3</b>	<b>106</b>	<b>4.0</b>	<b>448</b>	<b>5.2</b>	<b>473</b>	<b>5.1</b>
<b>Transportation</b>	<b>186</b>	<b>7.4</b>	<b>182</b>	<b>6.8</b>	<b>602</b>	<b>6.6</b>	<b>625</b>	<b>6.2</b>
<b>Total EBIT</b>	<b>367</b>	<b>6.8</b>	<b>288</b>	<b>5.4</b>	<b>1,050</b>	<b>5.9</b>	<b>1,098</b>	<b>5.7</b>
<b>Net financing expense</b>	<b>1</b>		<b>60</b>		<b>119</b>		<b>183</b>	
<b>Income taxes</b>	<b>41</b>		<b>49</b>		<b>162</b>		<b>208</b>	
<b>Net income</b>	<b>325</b>		<b>179</b>		<b>769</b>		<b>707</b>	
<b>Diluted EPS (in dollars)</b>	<b>0.18</b>		<b>0.10</b>		<b>0.42</b>		<b>0.39</b>	

# Free cash flow

(In millions of U.S. dollars)

	<b>Q4 F2011</b>	<b>Q4 F2010</b>	<b>Full Year F2011</b>	<b>Full Year F2010</b>
<b>Aerospace</b>				
<b>Cash flows from operating activities</b>	<b>1,030</b>	<b>445</b>	<b>1,000</b>	<b>344</b>
<b>Net additions to PPE &amp; intangible assets</b>	<b>(260)</b>	<b>(233)</b>	<b>(956)</b>	<b>(611)</b>
<b>Total Aerospace</b>	<b>770</b>	<b>212</b>	<b>44</b>	<b>(267)</b>
<b>Transportation</b>	<b>799</b>	<b>372</b>	<b>744</b>	<b>293</b>
<b>Interest and taxes</b>	<b>(107)</b>	<b>(72)</b>	<b>(183)</b>	<b>(241)</b>
<b>Total</b>	<b>1,462</b>	<b>512</b>	<b>605</b>	<b>(215)</b>



## Overview



## Aerospace



## Transportation



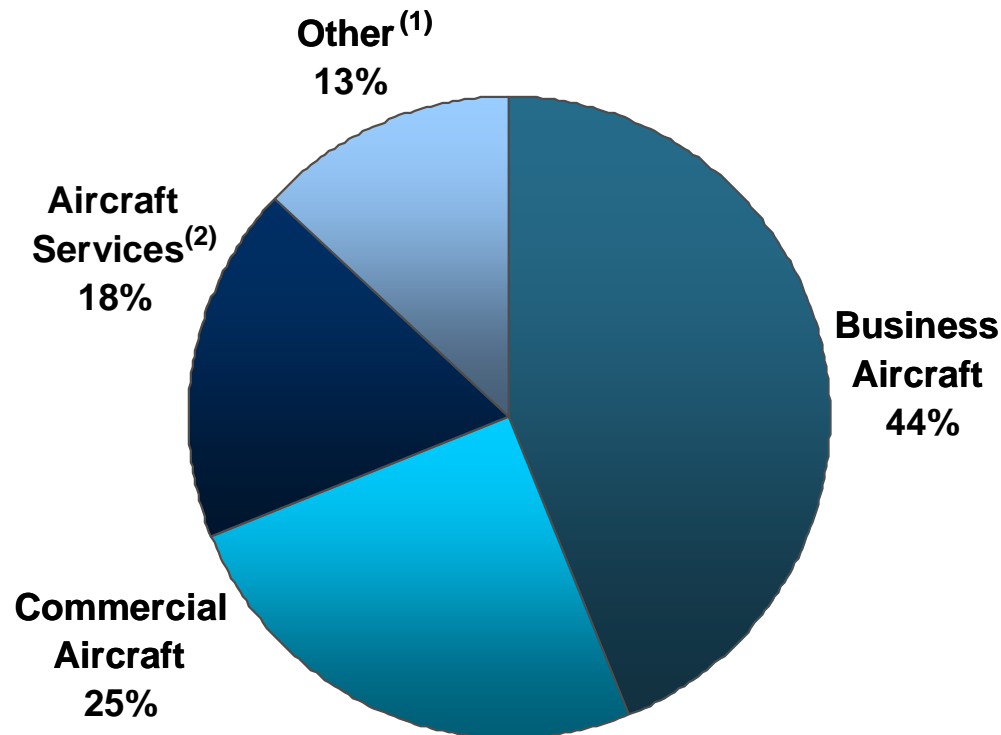
## Conclusion

# Bombardier Aerospace - A Global Market Leader

## Balanced portfolio of products and services

### AEROSPACE REVENUE BREAKDOWN BY BUSINESS

(%) Aerospace revenue – Fiscal year 2011



**Total Revenues F2011 = \$8,614 million**

- (1) Other includes primarily sales of pre-owned aircraft and component manufacturing for third parties
- (2) Includes revenues from parts logistics, aircraft fractional ownership and hourly flight entitlement program's service activities, aircraft maintenance, commercial training and Military Aviation Training (MAT)



# Bombardier's Business Aircraft offers the industry's most complete product portfolio

## LEARJET Family



*Learjet 40 XR*



*Learjet 45 XR*



*Learjet 60 XR*



*Learjet 85*

## CHALLENGER Family



*Challenger 300*



*Challenger 605*



*Challenger 800 Series*

## GLOBAL Family



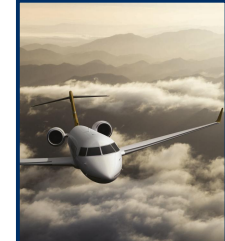
*Global 5000*



*Global Express XRS*



*Global 7000*



*Global 8000*

# Bombardier is well-positioned in the business jet market with product line covering 94% of revenues

	Market Shares CY 2010*	VERY LIGHT JETS	LIGHT JETS				MEDIUM JETS			LARGE JETS			LARGE CORPORATE
Bombardier	32%		L40XR	L45XR	L60XR	L85	CL-300	CL-605	CL-850	G5000	GEX-XRS		
										Global Vision			
										G8000	G7000		
Cessna	7%	Mustang	CJ3	XLS+		Sovereign	CX						
		CJ1+	CJ4										
		CJ2+	Encore+										
Dassault	26%						F2000LX	F900DX	F7X				
								F900EX					
								F900LX					
Gulfstream	26%				G150	G200	G350	G450	G500	G550			
						G250				G650			
Hawker Beechcraft	6%	Premier 1A	H400XP		H750	H850XP	H4000						
		Premier II	H450XP			H900XP							
Embraer	3%	Phenom 100	Phenom 300			Legacy 450	Legacy 500	Legacy 600	Legacy 650				Lineage
Other	0%	Hondajet											ACJ 318/319
													BBJ1/2/3

94% of Market Revenue

In Prod.  
41

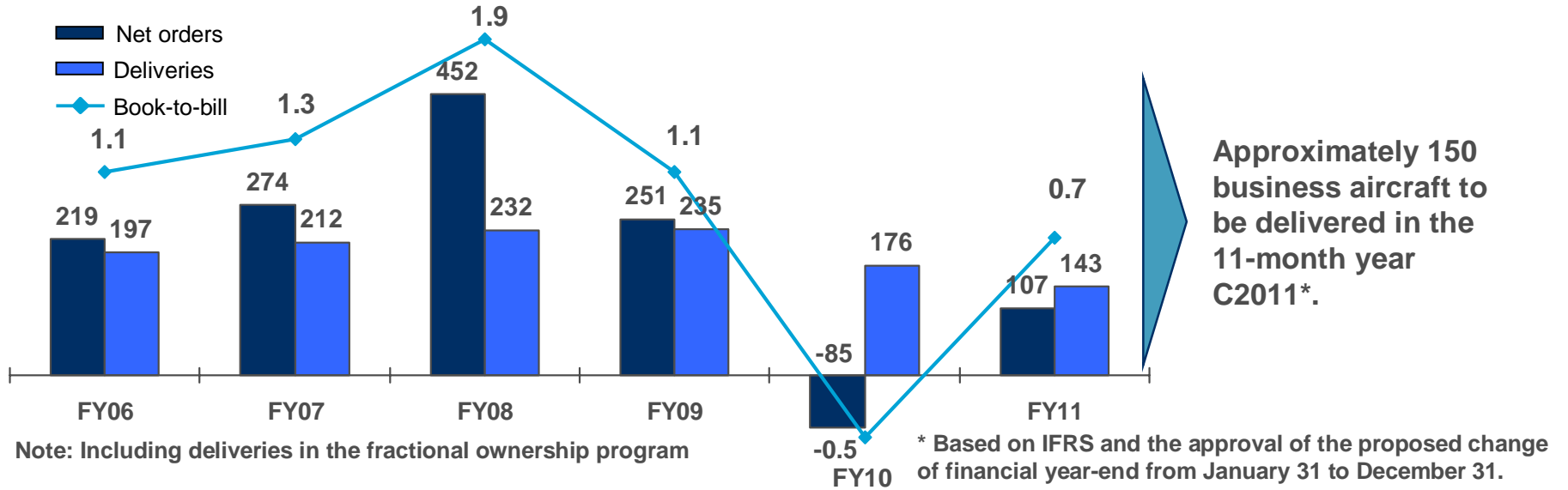
In Dev.  
11

Note: Segmentation is largely determined by a combination of cabin volume, range and speed.

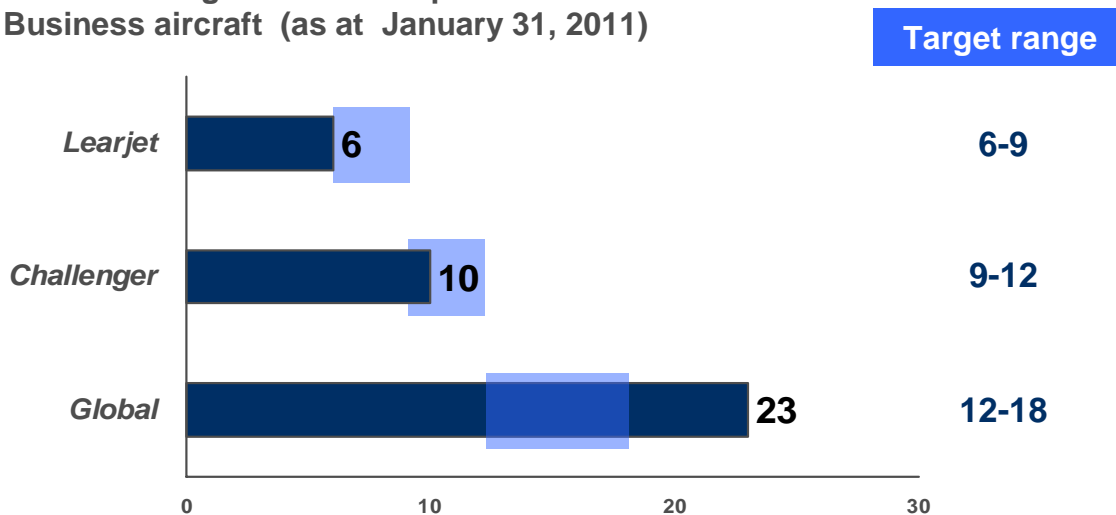
\* Market shares calculated on a year-to-date revenue basis excluding VLJs, Boeing and Airbus converted airliners

# Orders and backlog – Business aircraft

Net orders, deliveries and book-to-bill  
Business aircraft (FY06 – FY11)



Order backlog in months of production  
Business aircraft (as at January 31, 2011)



Note: Number of months of backlog is based on the last 12-month deliveries and excludes orders for the Learjet 85, Global 7000, Global 8000, and Flexjet

Bombardier's Commercial Aircraft portfolio is aligned with current market trends towards environmentally friendly aircraft

## ***Q-SERIES***

**Turboprop**



## ***CRJ NextGen***

**Regional jets**



## ***C SERIES***

**Mainline single-aisle jets**



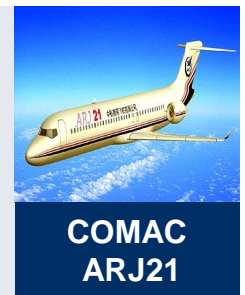
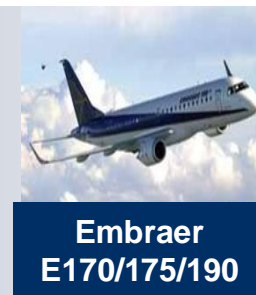
# Competitors offer aircraft in each of Bombardier Commercial Aircraft's segments...



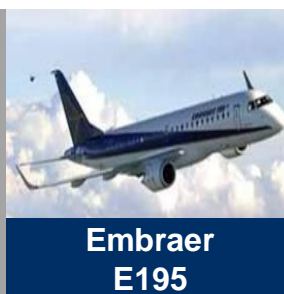
Turboprops



Regional Jets



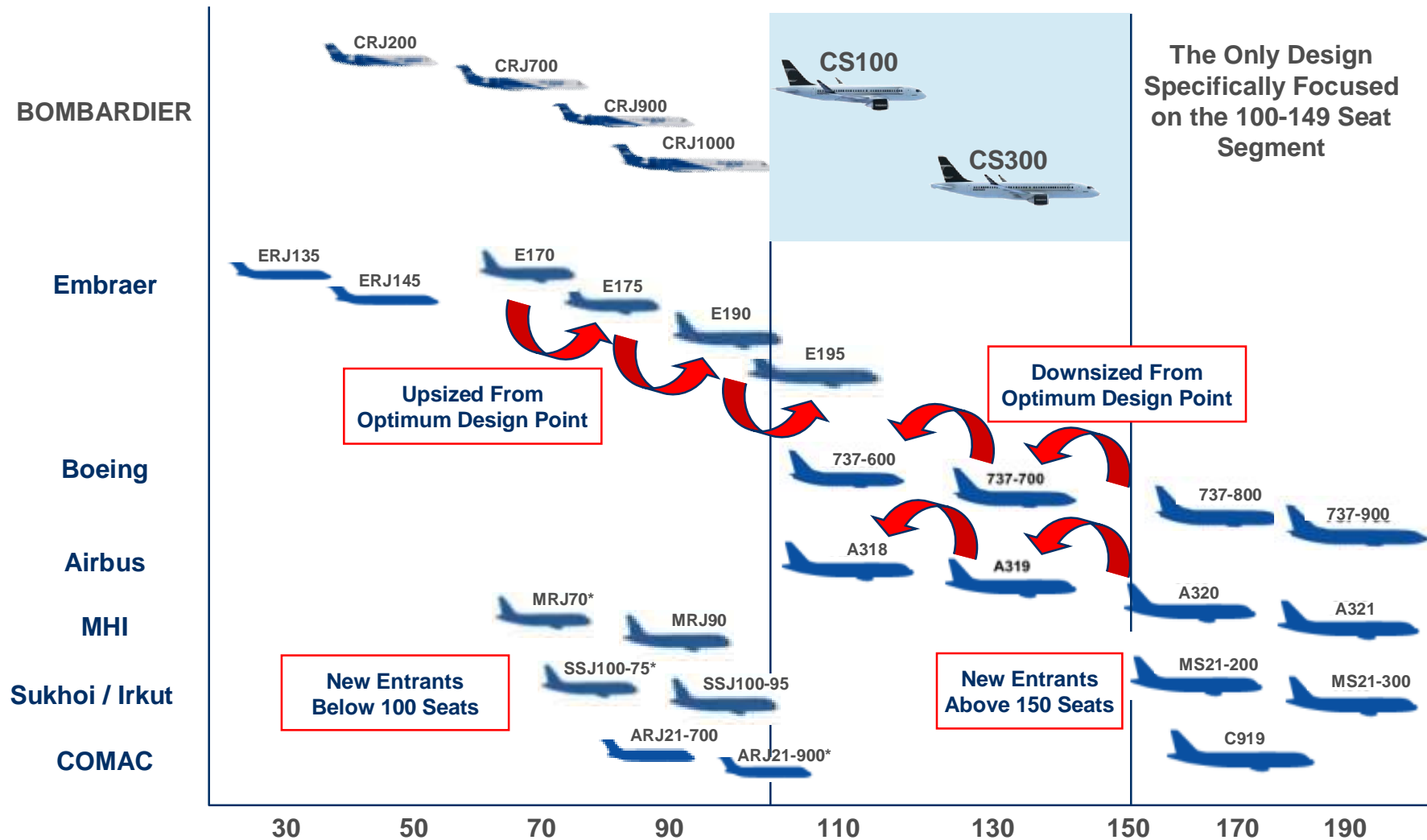
Single-Aisle  
Mainline Jets



***Bombardier is the leader in the 20- to 149-seat market segment with a market share of 33%\****

\* Based on the 24-Month Market Net Order as of January 31, 2011 (net of cancellations and conversions between programs and does not include corporate aircraft).

# C Series – A New Family Optimized for the Lower End of the 100 to 149-seat Market Segment Is Long Overdue



\* Programs that are not yet launched or are under study

# *CSeries* – A Game Changer in its Class

**90 firm orders and 90 options from three customers to date**



- ✓ **Family of Aircraft with Full Operational Commonality**
- ✓ **Unmatched Reduction in Environmental Footprint**
- ✓ **Total Life Cycle Cost Improvement**
- ✓ **15% Better Cash Operating Costs – 20% Fuel Burn Advantage**
- ✓ **Widebody Comfort In A Single Aisle Aircraft**
- ✓ **Mature 99% Reliability at Entry Into Service**
- ✓ **Operational Flexibility – Short Field and Longer Range Performance**

# C Series Aircraft Program

Executing according to plan

2008	Technologies Selection and Program Launched At Farnborough Airshow	
2009	Finalizing Conceptual Design Phase And Start Definition Of System Interfaces	
2010	Joint Definition Phase / Detail Design Phase Technologies Demonstrators and Facilities	
2011	Complete Product Definition Release Build And Commission System Test Aircraft	
2012	First Flight	
2013	CS100 Aircraft Entry Into Service	
2014	CS300 Aircraft Entry Into Service	

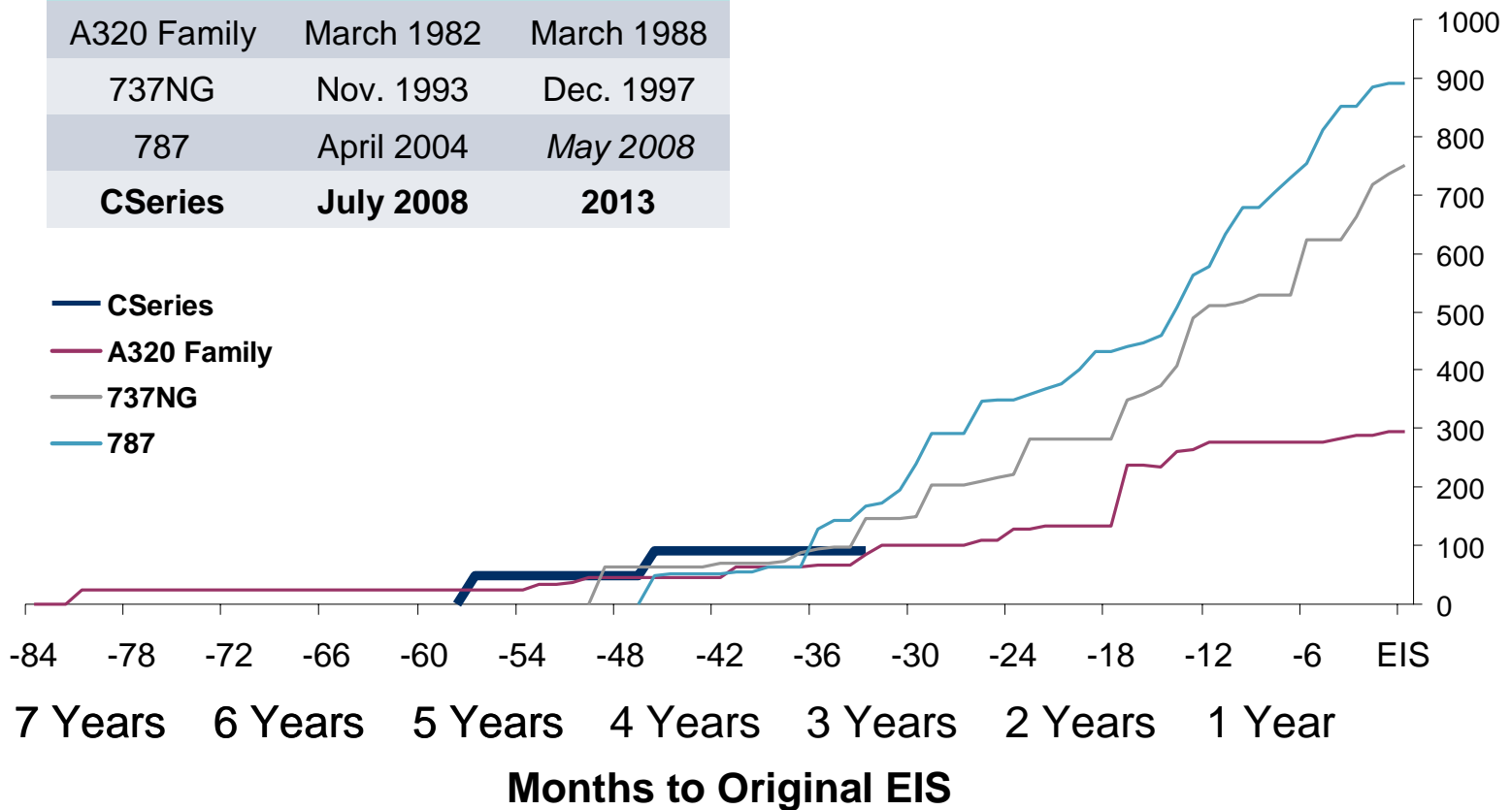


# C Series – Orders

We are tracking – Right where we should be

## Program Orders Prior to EIS\*

Aircraft	Launch	EIS
A320 Family	March 1982	March 1988
737NG	Nov. 1993	Dec. 1997
787	April 2004	May 2008
<b>C Series</b>	<b>July 2008</b>	<b>2013</b>

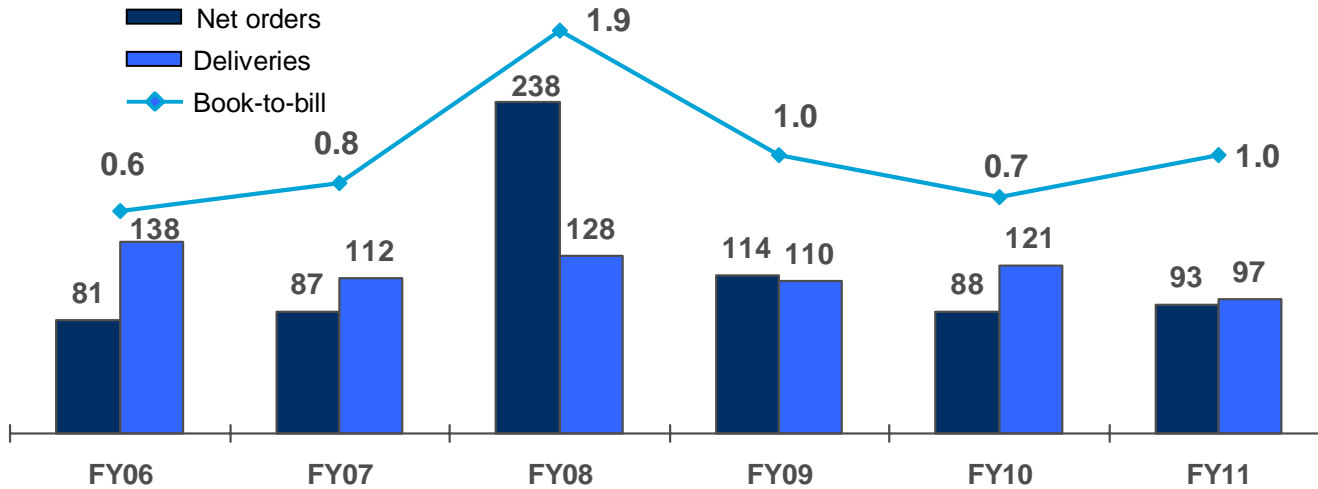


\* As of March 31, 2011

Source: OAG Aviation, Company Reports

# Orders and backlog – Commercial aircraft

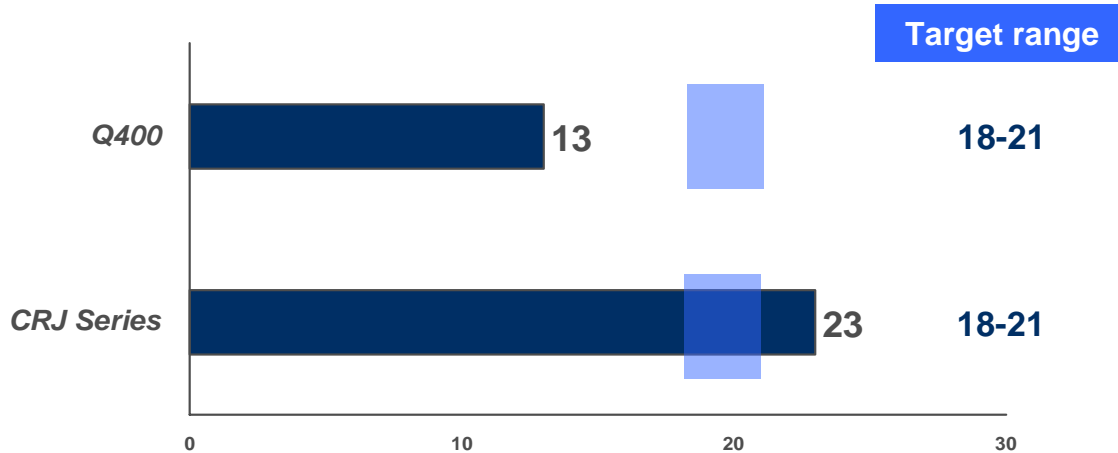
Net orders, deliveries and book-to-bill  
Commercial aircraft (FY06 – FY11)



We expect deliveries for commercial aircraft to be approximately 90 units for the 11-month year C2011\*.

\* Based on the approval of the proposed change of financial year-end from January 31 to December 31.

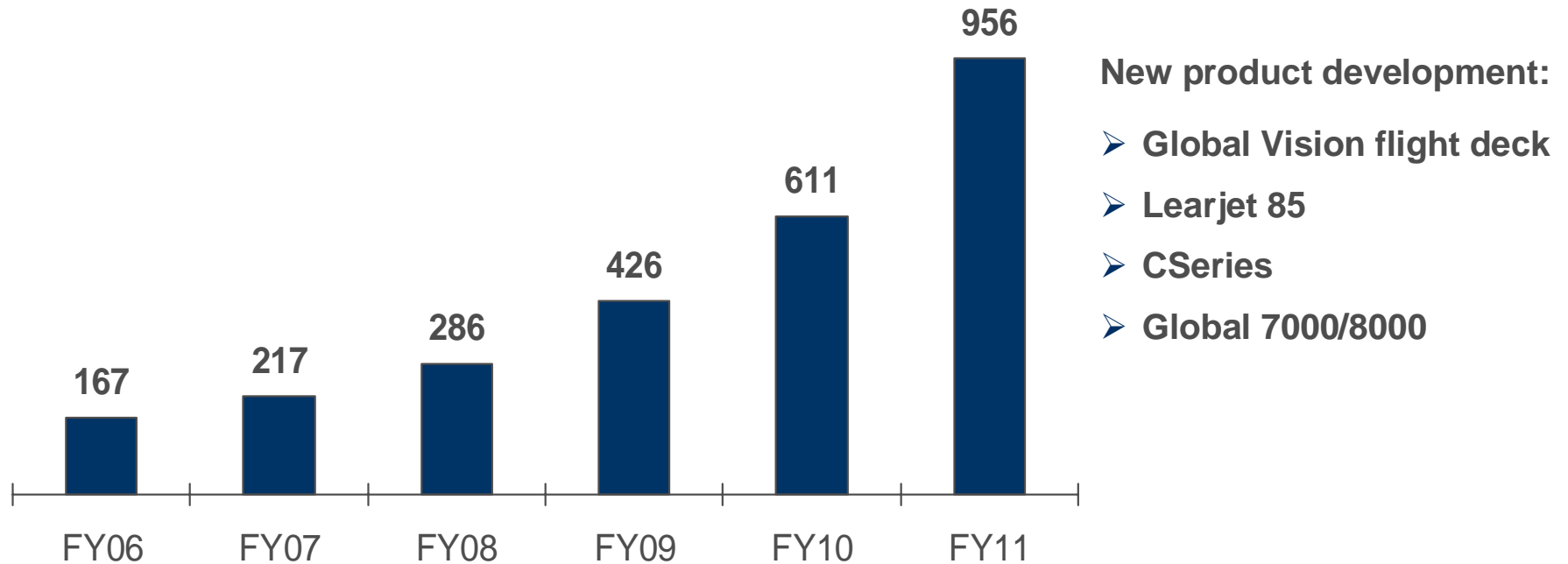
Order backlog in months of production  
Commercial aircraft (as at January 31, 2011)



Note: Number of months of backlog is based on the last 12-month deliveries.

# Bombardier Aerospace is investing significant amounts in new product development

**Investment in CAPEX**  
(in millions of dollars)



Capital expenditures, including significant investments in product development, are expected to increase to approximately \$1.5 billion for the 11-month year C2011

# Aerospace – Outlook

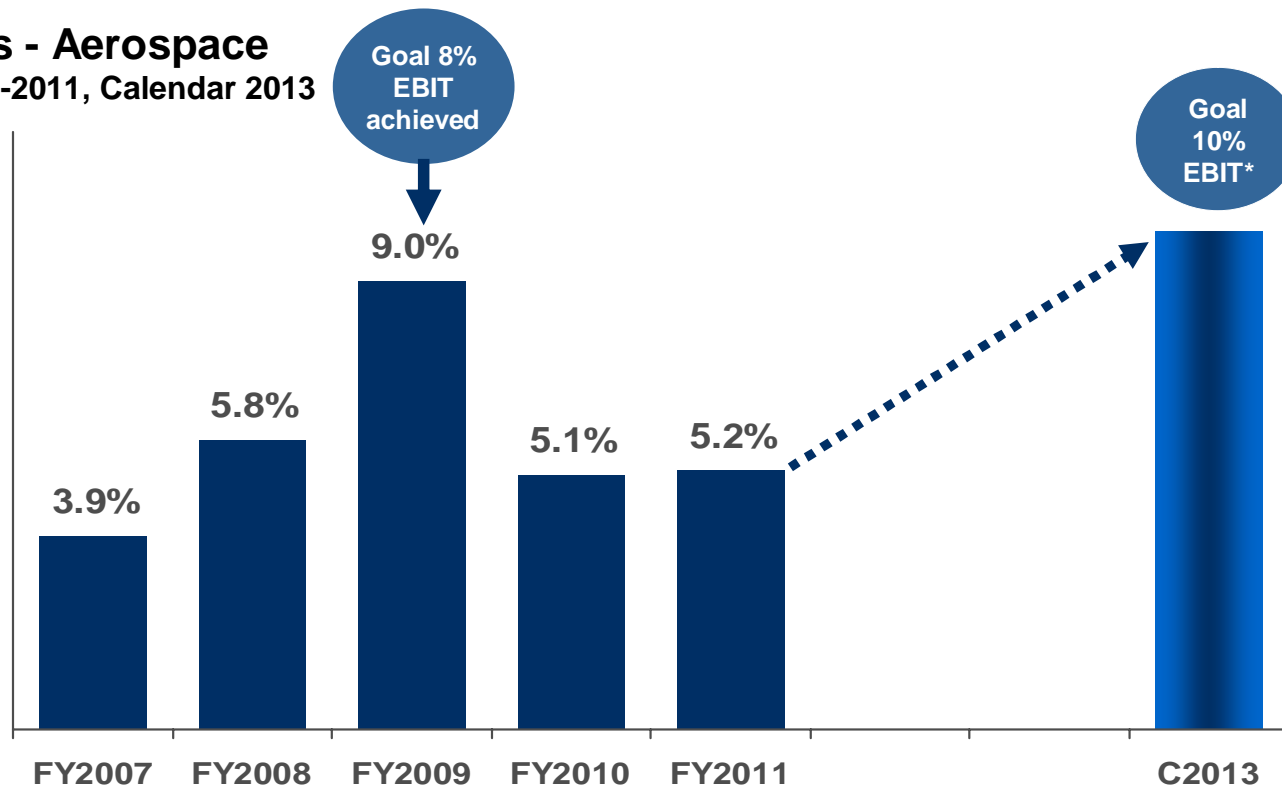
## What we expect \*

- Approximately 150 business jet deliveries in the 11-month period ending December 31, 2011
- Approximately 90 commercial aircraft deliveries in the 11-month period ending December 31, 2011
- EBIT margin under IFRS for the 11-month period ending December 31, 2011 should be at approximately 5%
- Free cash flow for the 11-month period ending December 31, 2011 is expected to be neutral as cash flow from operating activities will be used to finance capital expenditures, including the significant investments in product development, estimated at \$1.5 billion
- Target EBIT margin of 10% by calendar year 2013

\* Please refer to forward-looking statements in MD&A for underlying assumptions

# Aerospace – The road to 10% EBIT

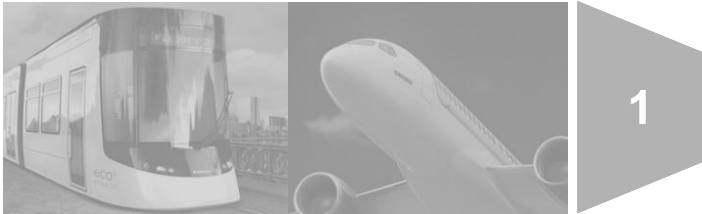
## EBIT margins - Aerospace Fiscal years 2007-2011, Calendar 2013



### We will reach our goal by:

- Improved volumes in business, commercial aircraft and services
- Continued increases in pricing
- Better absorption of fixed costs
- Greater operating leverage and cost structure
- Flawless execution
- Continued improvement in customer satisfaction

\* Please refer to forward-looking statements in MD&A for underlying assumptions



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**Overview**



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**Aerospace**



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**Transportation**



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**Conclusion**

# We are providing a full range of products and solutions to our customers around the world

## Rolling stock

### Passengers



- Light rail vehicles
- Metros
- Commuter trains
- Regional trains
- Intercity trains
- High-speed trains
- Very high-speed trains

### Locomotives & Equipment



- Locomotives
- Bogies
- Traction converters
- Auxiliary converters
- Drives / traction motors
- Train control and communication

## Services



- Fleet management
- Spare parts & logistics management
- Vehicle refurbishment and overhaul
- Component repair and overhaul
- Technical support

## System & Signaling

### Systems



- Automated people movers
- Advanced rapid transit
- Light rapid transit
- Automated monorail
- Operations and maintenance
- Transit security

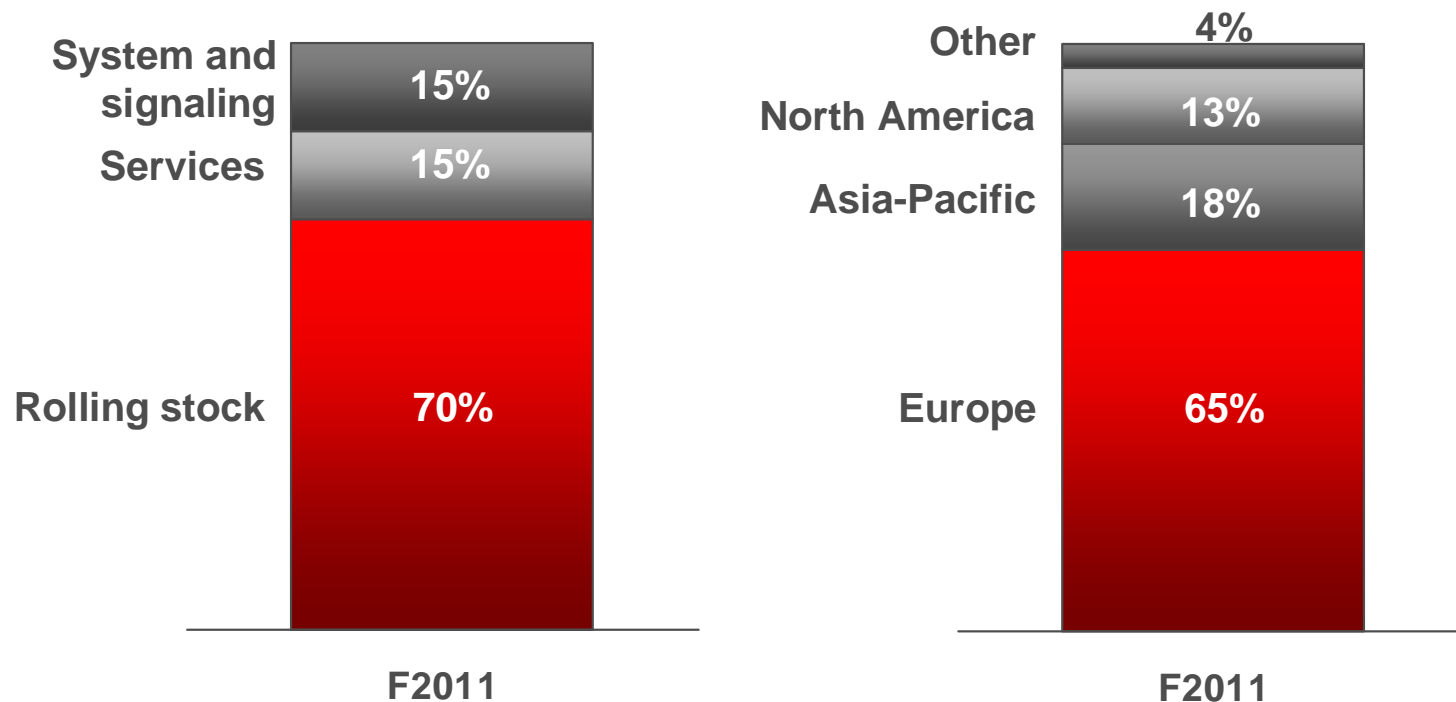
### Rail Control Solutions



- Integrated control systems
- Onboard computer systems
- Automatic train protection and operation
- Wayside interlocking and equipment

# Transportation

## Revenues by product line and geographic region



**Total Revenues F2011 = \$9,098 million**

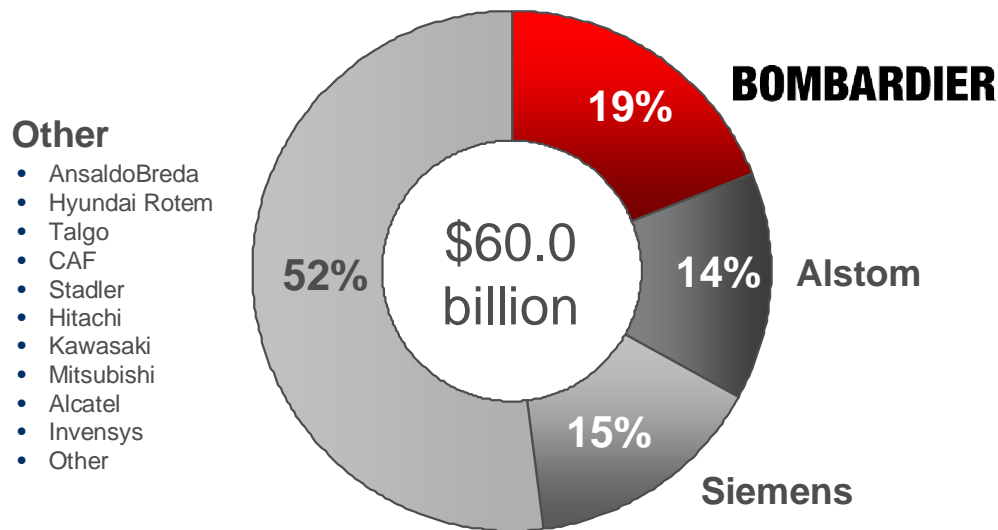
Note: Revenues are attributed to countries based on the location of the customer



# BT is the market leader in the rail industry

Despite the economic downturn, the rail technology market experienced a strong growth

Average market shares based on order intake 2008-10  
Bombardier relevant market\*



BT market position by segment

Segments	2008-10
Light rail vehicles	#1
Metro cars	#3
Commuter trains	#1
Regional trains	#1
VHS, HS & Intercity trains**	#1
Electric Locomotives	#1
Bogies	#1
Propulsion and controls	#1
Services	#1
Systems	#1
Signalling	#6

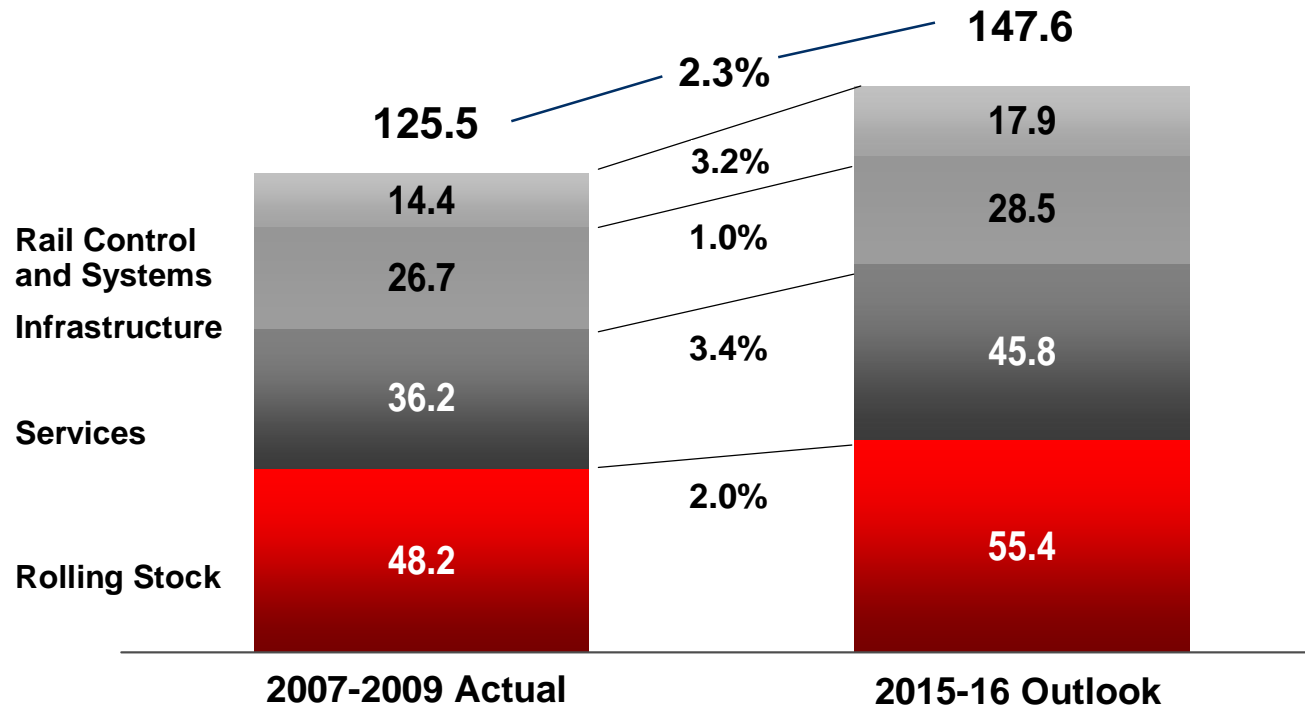
\* Our relevant market represents the worldwide rail market accessible to external suppliers, therefore excluding the share of markets in which contracts are awarded to local contractors without open-bid competition. We also exclude maintenance performed in-house by operators and the entire Japanese market. Our relevant market also does not include markets in which we do not have a product offering, such as freight locomotives in North America, worldwide freight cars, rail infrastructure and electrification. In line with common industry practice, our relevant market is stated as the average of a three-year period, based on published orders for rolling stock and system, and on estimated market volumes for services and signalling. The calculation of the relevant market is based on both published orders and UNIFE data from the third edition of the World rail market study – status quo and outlook 2020 published by the Association of the European Rail Industry (UNIFE) in September 2010 (“UNIFE 2010 study”).

\*\* VHS: Very high speed; HS: High speed

# The fundamentals of the rail industry are positive

## Accessible market by segment

(for calendar years)  
(in billions of dollars)



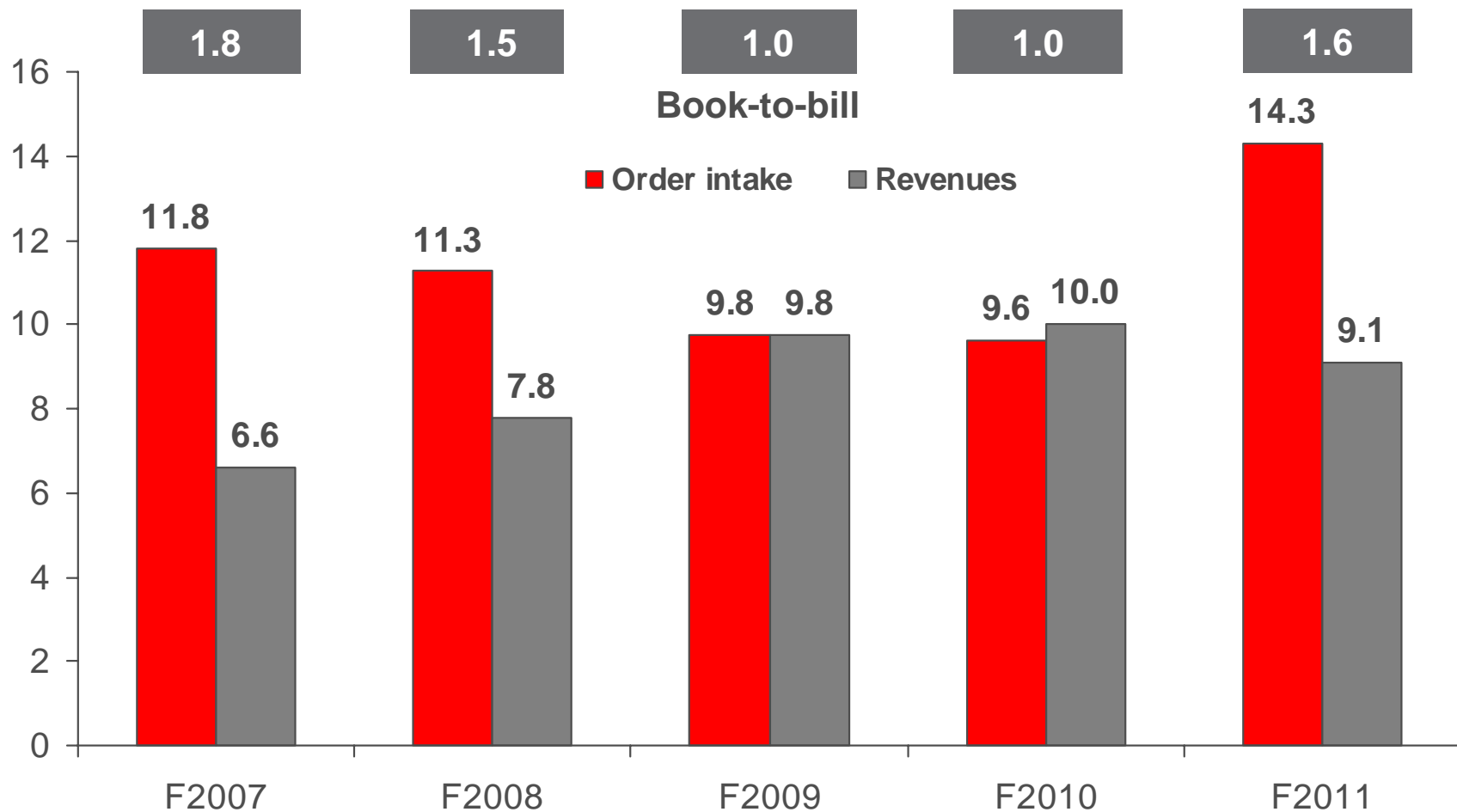
Source: UNIFE 2010 Study.

Values converted based on exchange rate EUR/USD of 1.3202

Starting point of calendar years 2007-09 is aligned with the methodology used in the UNIFE 2010 study.

# Transportation – Strong order intake is the base for future revenue growth

Orders, revenues and book-to-bill  
(Orders and revenues in billions of dollars)



**Record order intake in FY2011 with \$14.3 billion in new orders**

## Recent orders

- Order for a 24-kilometre *INNOVIA* Monorail 300 system in São Paulo, Brazil (\$747 million)
- Contract with Trenitalia of Italy for 50 very high speed trainsets (400 cars) V300ZEFIRO (\$889 million)
- A fourth contract for 40 additional CRH1 high speed trains in China (\$373 million)
- Order in June 2010 for 59 double deck trains valued at \$1.6 billion US from the Swiss Railways with options for more than 100 additional trains














# In the medium term, the market is expected to remain at a high level with major tenders progressing

## Market outlook

- In the short to medium term, the market will be fuelled by several large contracts, already in advanced stages
- In the longer term, concerns regarding funding will need to be overcome, e.g. by innovative financing solutions
- Overall, the fundamentals for rail remain positive and growth in emerging markets will continue to benefit the rail supply industry

## Key projects to be awarded

<i>Project name</i>	<i>Scope</i>
 Intercity trains <sup>1</sup>	1,000 cars
 MOR HS/VHS trains	more than 240 cars
 Thameslink (London)	Up to 1,200 cars
 BART Rapid Transit	more than 700 cars
 Stockholm Metro	300 cars
 IR <sup>2</sup> locomotives "Madhepura"	up to 800 twin units
 IR <sup>2</sup> locomotives "Dankuni"	up to 1,000 units
 Danish rail network re-signalling	Signalling
 Brisbane Gold Coast Rapid Transit	System
 London SSL ATC Equipment	Signalling
 Ryhadh Metro	System

1) Preferred bidder status awarded to Siemens/ Bombardier

2) IR: Indian Railways

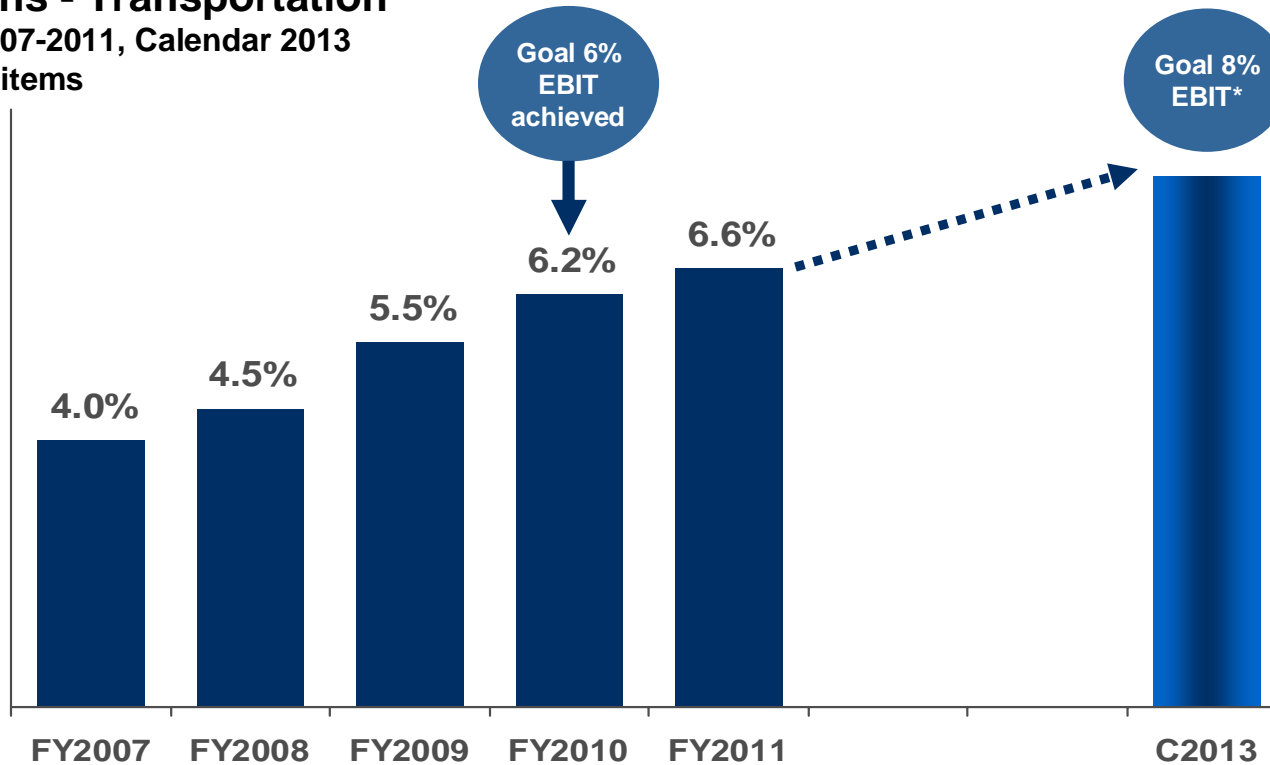
## Transportation – Well positioned in an attractive market

- Overall market continues to grow
- A large number of tenders are planned for the coming years
- Long-term trends such as urbanization and cost of congestion vis-à-vis price of energy – all favour rail
- Bombardier Transportation is well-positioned:
  - Broad and innovative product portfolio
  - Market leader in nine out of 11 product segments
  - Geographically diversified business

# Transportation – The road to 8% EBIT

## EBIT margins - Transportation

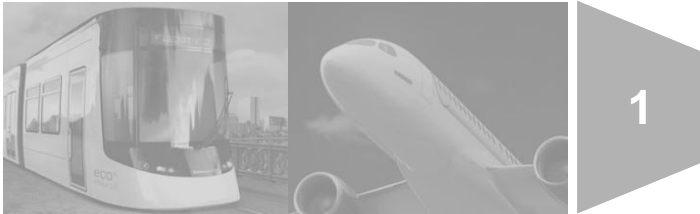
Fiscal years 2007-2011, Calendar 2013  
Before special items



### We will reach our goal by:

- Focus on flawless execution
- Leverage our project management capabilities
- Continue to reduce costs (procurement, SG&A)
- Capitalize on our worldwide presence

\* Please refer to forward-looking statements in MD&A for underlying assumptions



1

Overview



2

Aerospace



3

Transportation

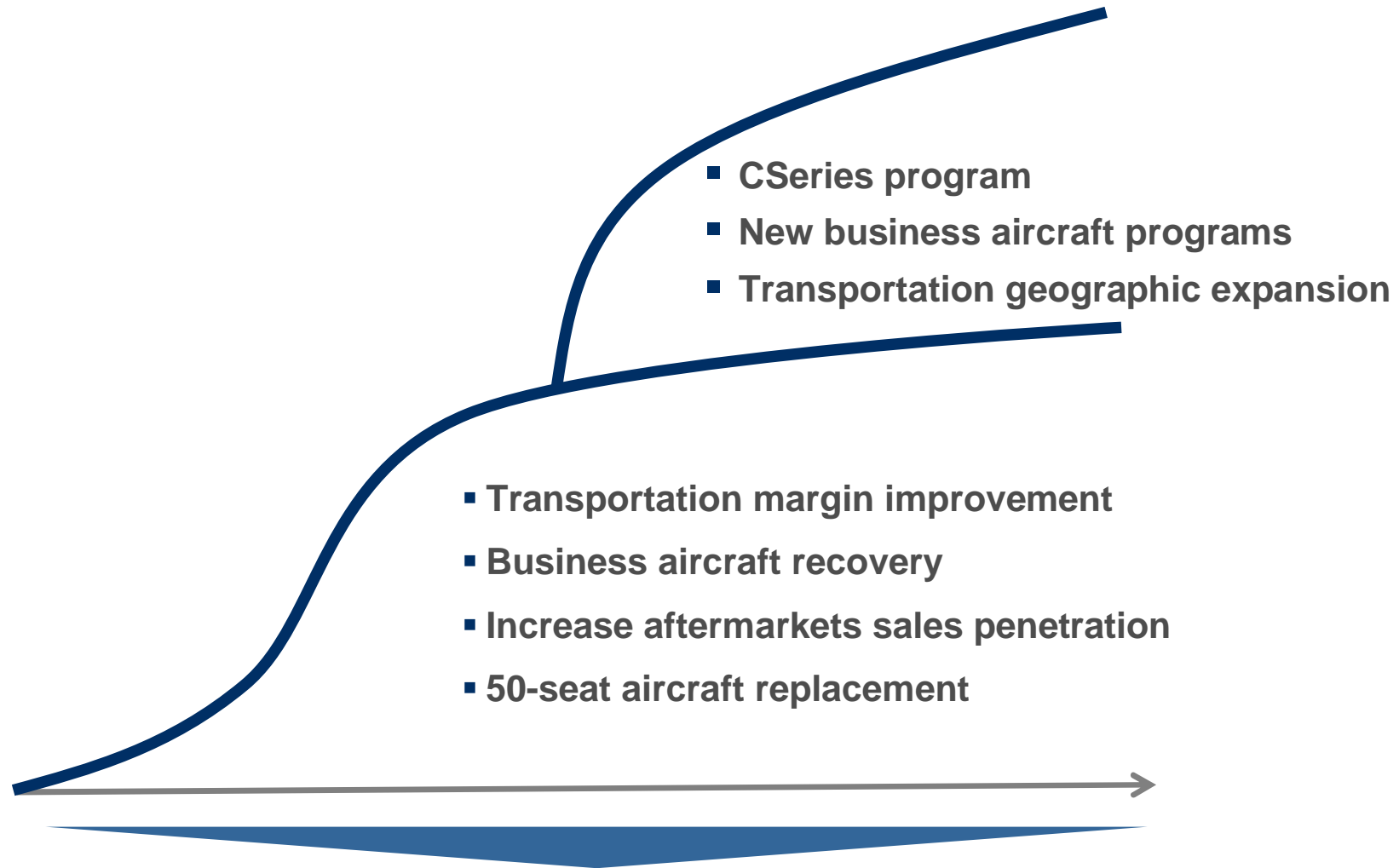


4

Conclusion



# Conclusion – We have what it takes to ensure profitable growth at Bombardier



Major strategic choices have been made  
Our focus is on execution

**Today, the success story continues ...**



**CSeries**

Today, the success story continues ...



Zefiro