

A close-up of a person's eye, where the iris is replaced by a glowing blue globe. Several other glowing blue globes are floating in the background, creating a sense of global connectivity and vision.

Bombardier Aerospace 2011 Business Aircraft Market Forecast and Program Update

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**EBACE
18 May 2011**

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, 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 2011.

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 Other in the MD&A of the Corporation’s annual report for fiscal year 2011. 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.

All amounts are expressed in 2011 U.S. dollars unless otherwise stated

Agenda

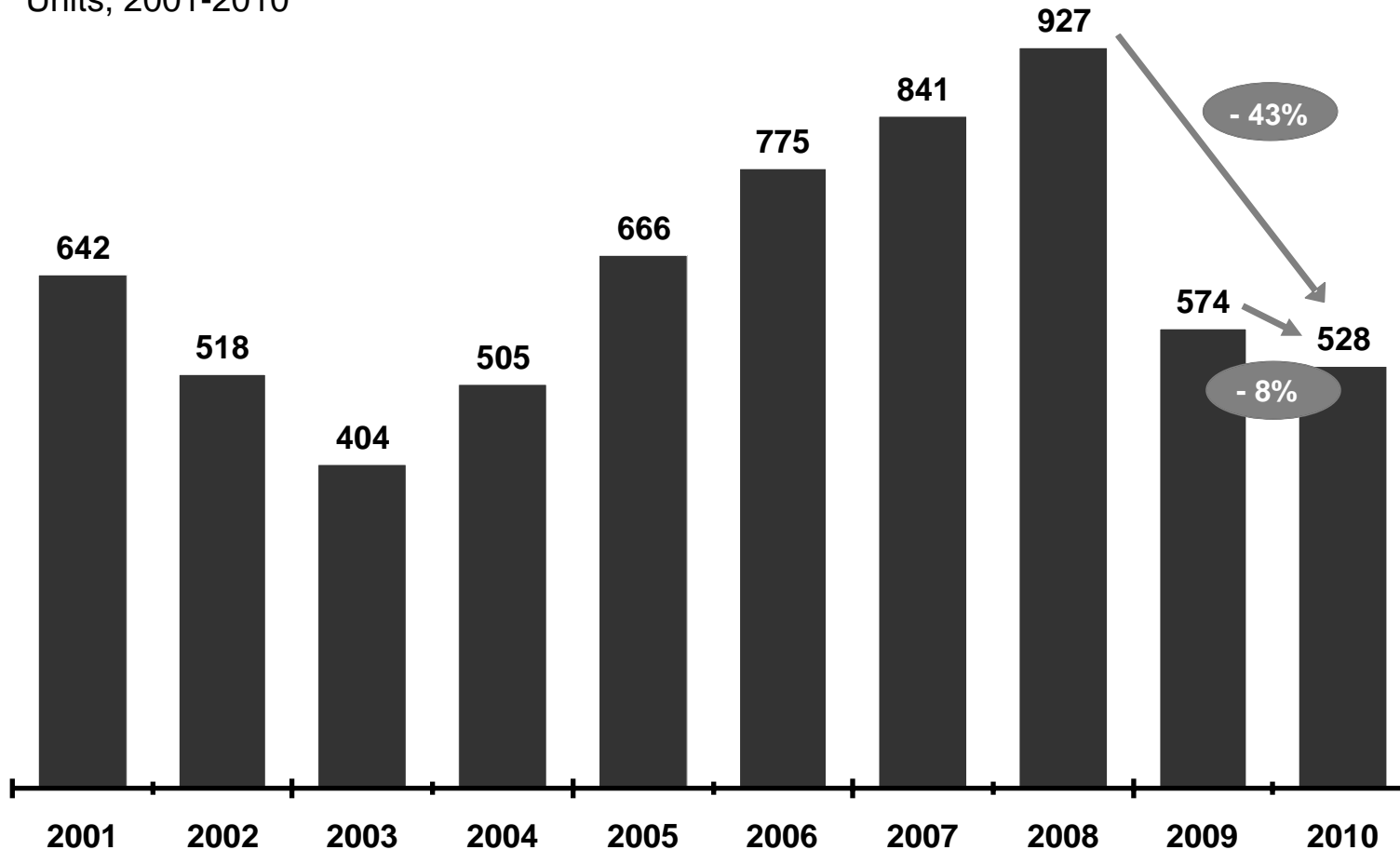
- **Current Market Environment**
- **Business Aircraft Market Forecast (2011-2030)**
- **Program Update**

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- **Current Market Environment**
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2010 industry deliveries were down slightly from 2009 and down 43% from the most recent peak

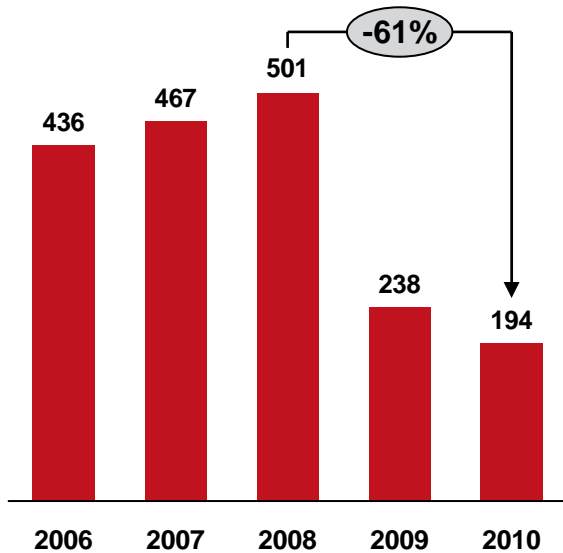
TOTAL INDUSTRY DELIVERIES
Units, 2001-2010



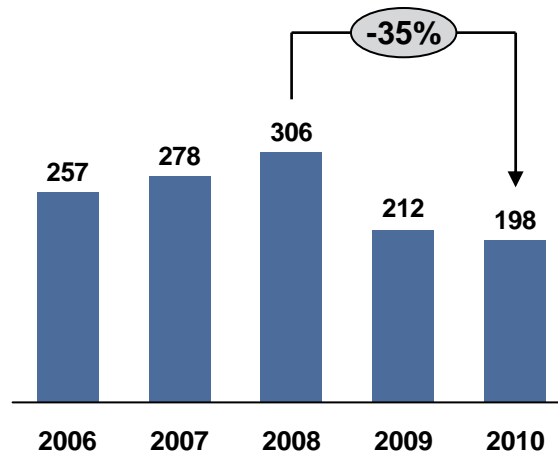
Source: GAMA, excluding very light jets and large corporate airliners

While Light deliveries were still depressed, with Medium stabilizing, 2010 was the best year (so far) for Large deliveries

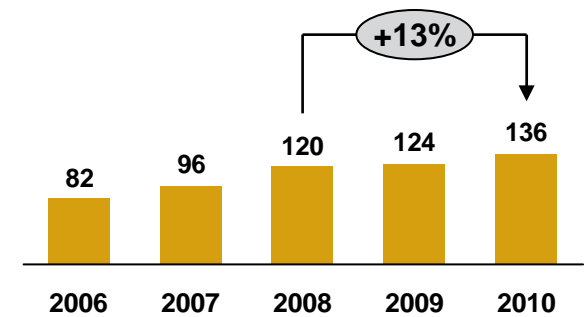
LIGHT Category Deliveries
Units, 2006-2010



MEDIUM Category Deliveries
Units, 2006-2010



LARGE Category Deliveries
Units, 2006-2010

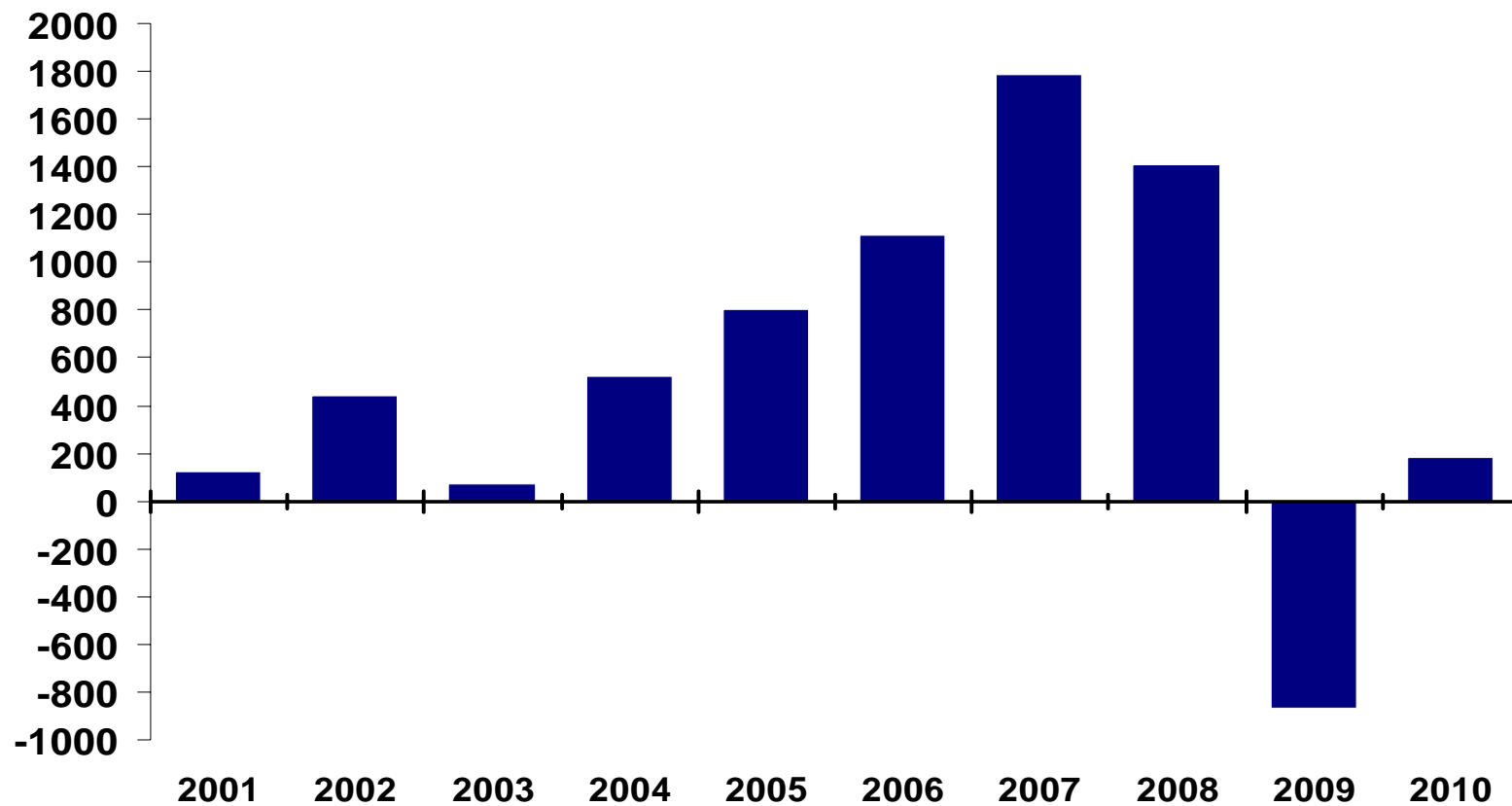


Source: GAMA, excluding very light jets and large corporate airliners

Industry net orders back to positive during 2010

TOTAL INDUSTRY NET ORDERS

Units, 2001-2010



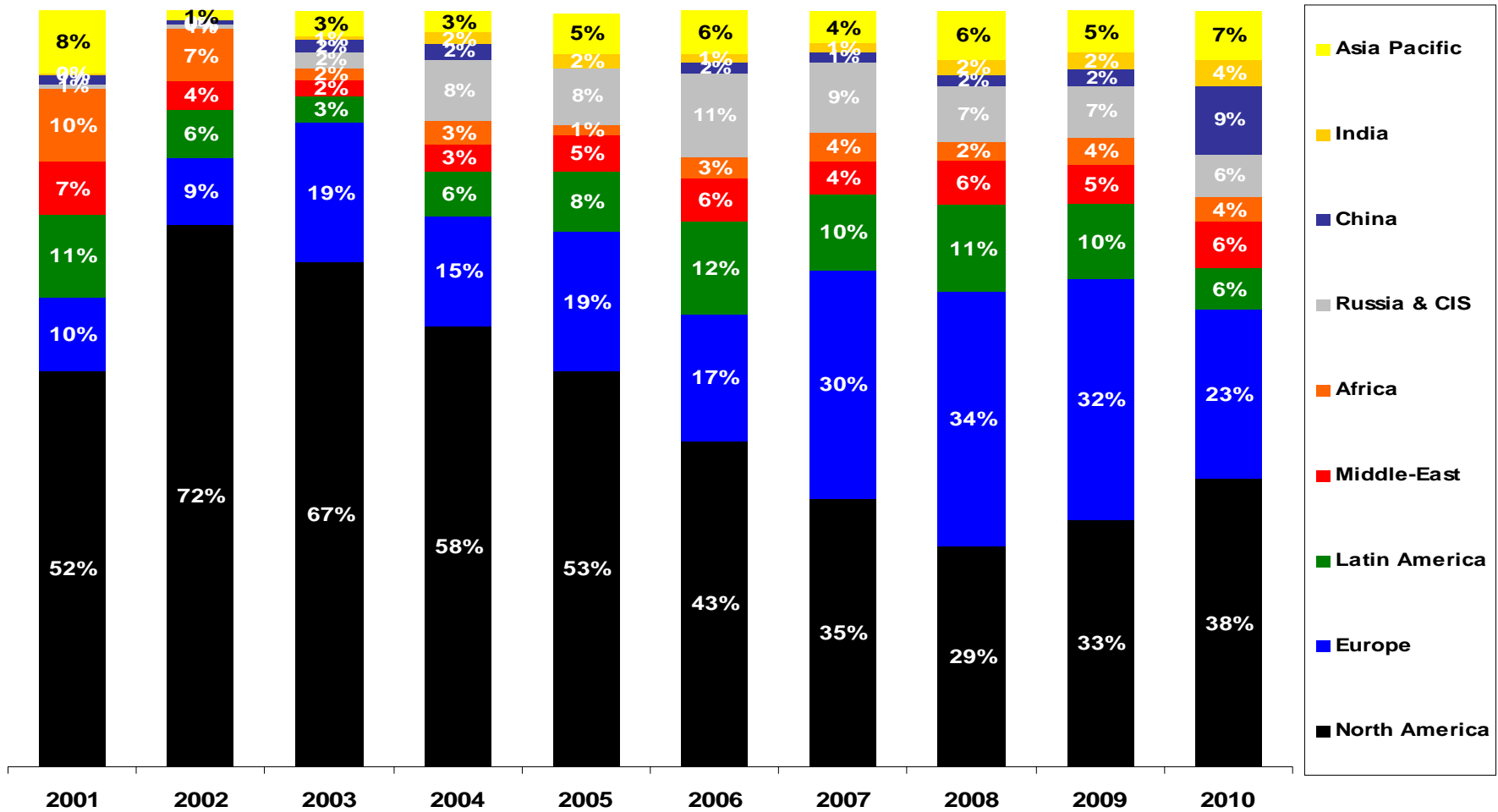
Source: Bombardier estimates based on OEM disclosures, excluding very light jets and large corporate airliners

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International markets are the source of most orders

BUSINESS JET INDUSTRY GROSS ORDERS

Units, % of world total, 2001-2010



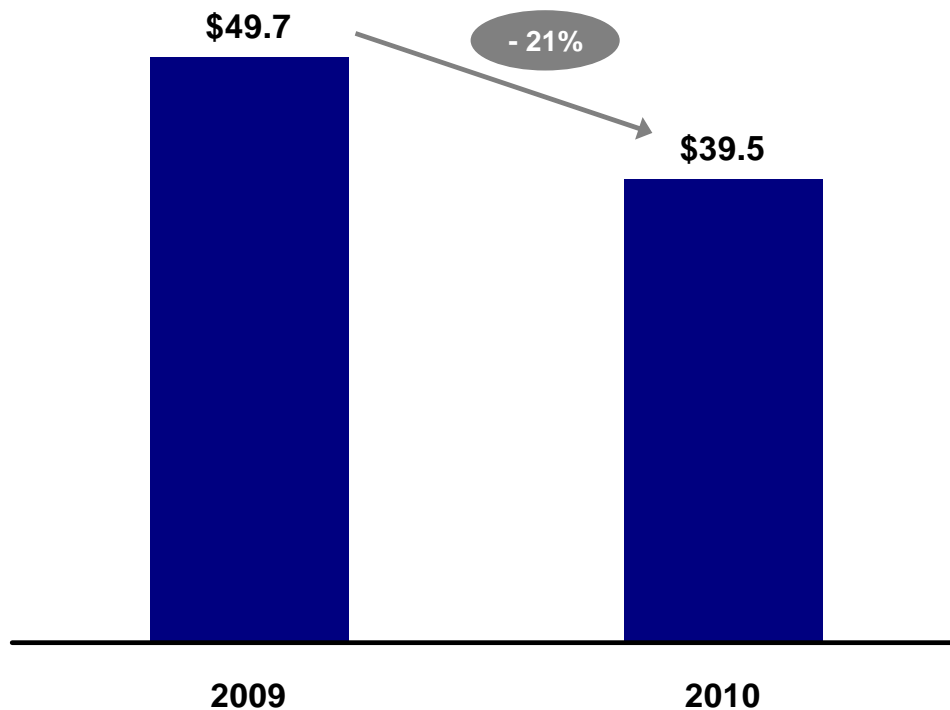
Source: Bombardier analysis based on OEM disclosures, excluding very light jets and large corporate airliners

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OEMs¹ backlog reduced 21% from 2009 to 2010, most impact in light and medium category

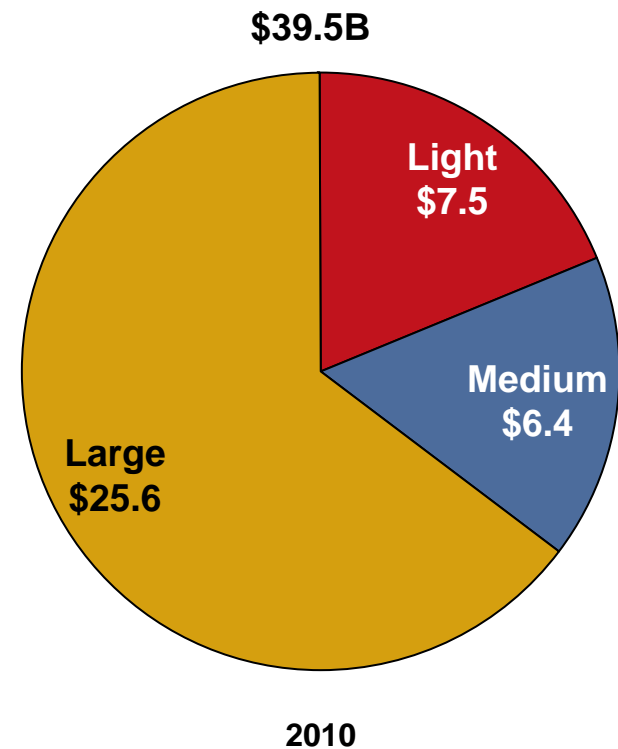
TOTAL INDUSTRY BACKLOG

\$US B, 2010 BCA list prices, 2009-2010 at year end



TOTAL INDUSTRY BACKLOG BY CATEGORY

\$US B, 2010 BCA list prices, as of Dec 31, 2010



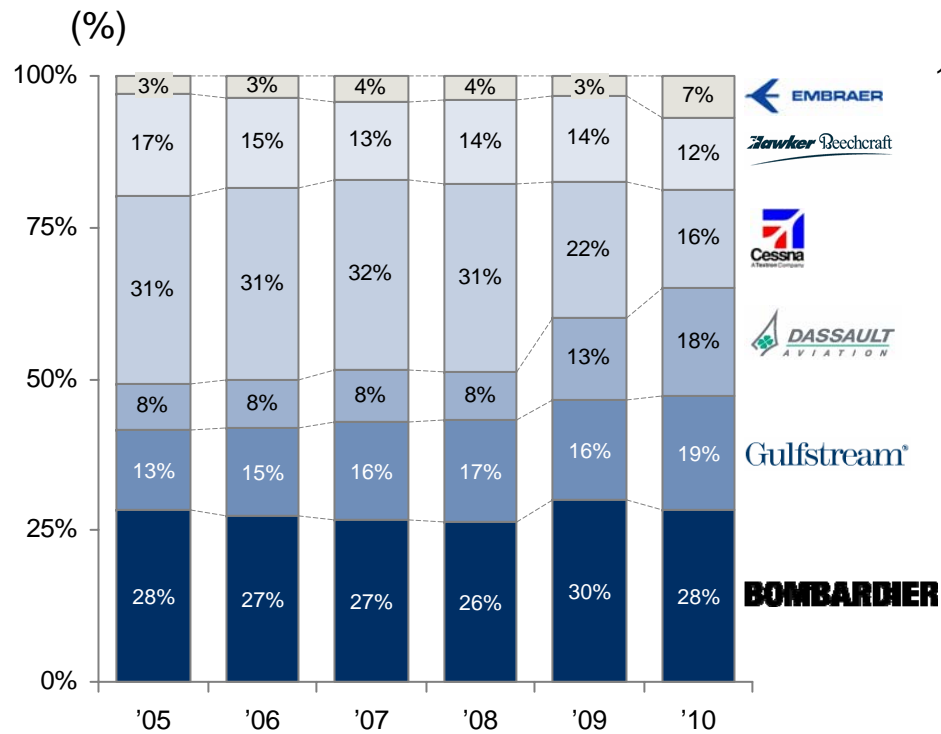
Sources: Manufacturer disclosures and BBA estimates. For consistency purposes, backlog in value is expressed as backlog in units x 2010 B&CA list prices

Note: ¹ OEMs = Original Equipment Manufacturers

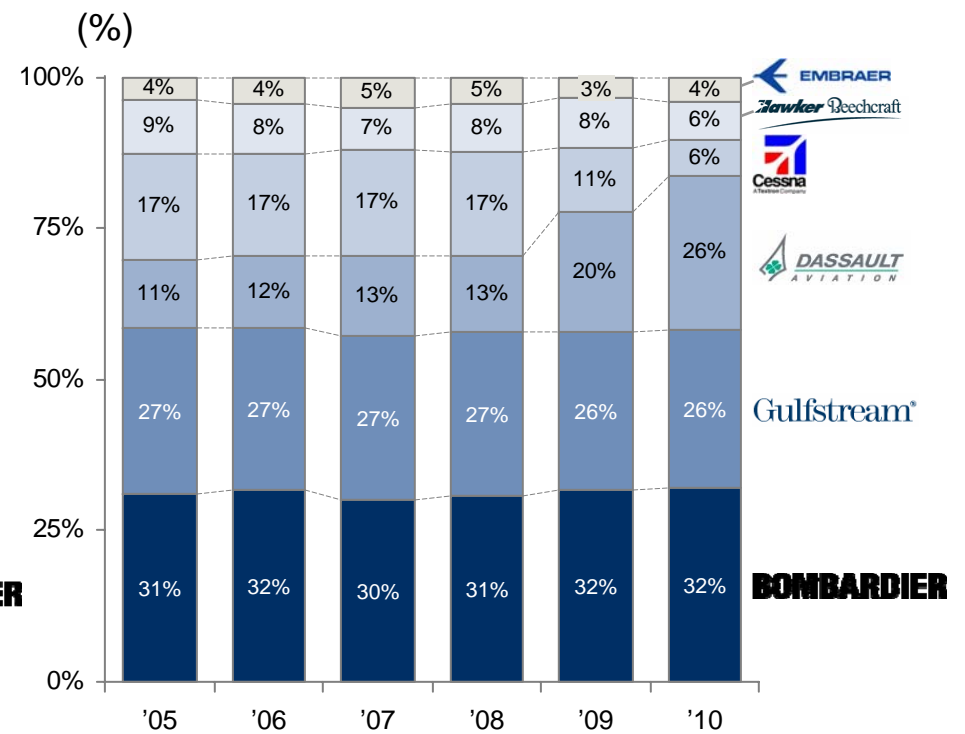
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Bombardier Business Aircraft is the industry leader in terms of deliveries and revenues

Delivery Market Share



Revenue Market Share



Bombardier is the #1 manufacturer of business aircraft in the world

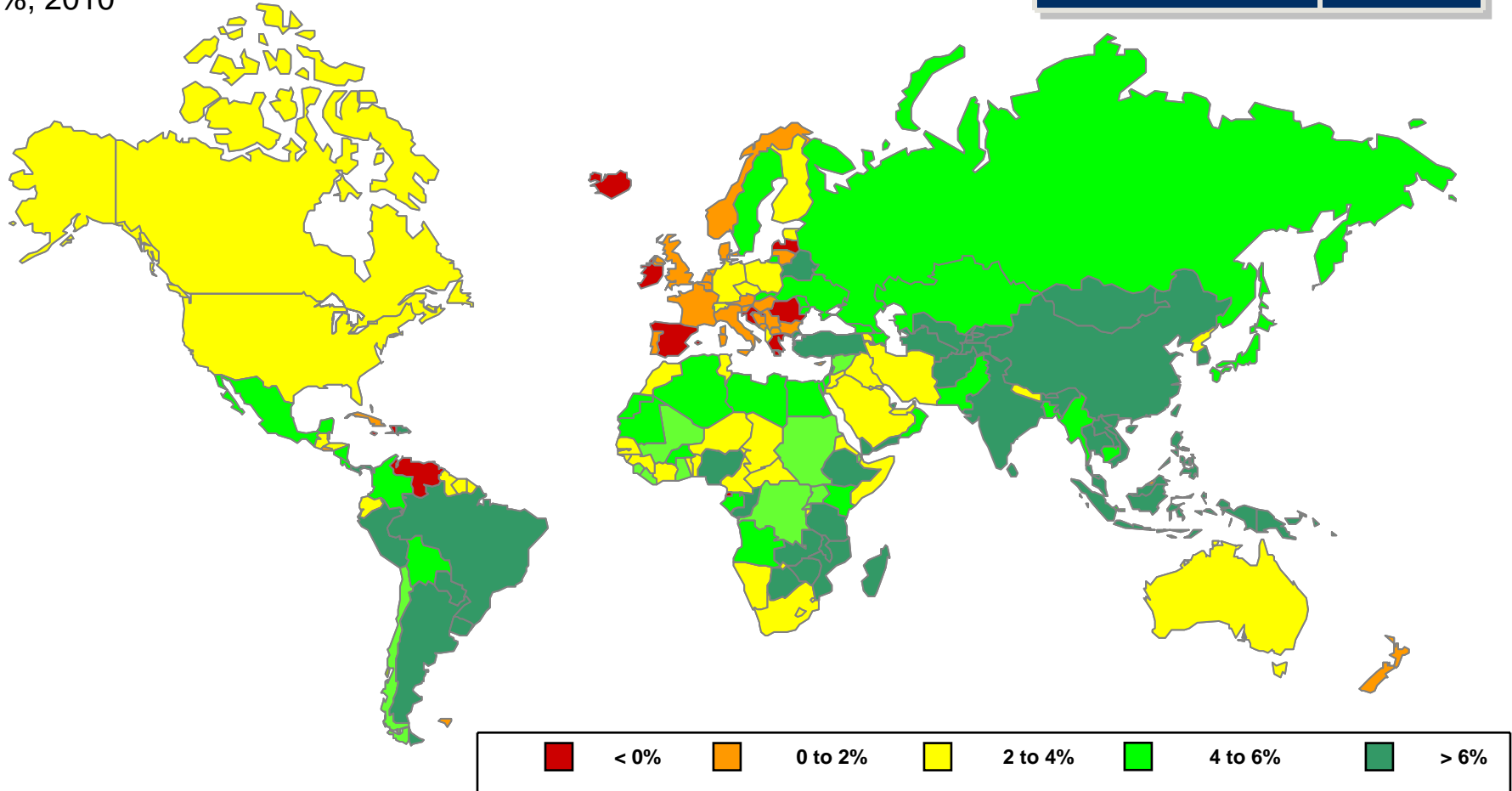
Source: GAMA, Bombardier analysis, excluding very light jets and large corporate airliners

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The world economy continues to recover

WORLD REAL GDP¹ GROWTH
%, 2010

World Average 3.9%



Source: IHS Global Insight, February 2011

Note: ¹ GDP = Gross Domestic Product

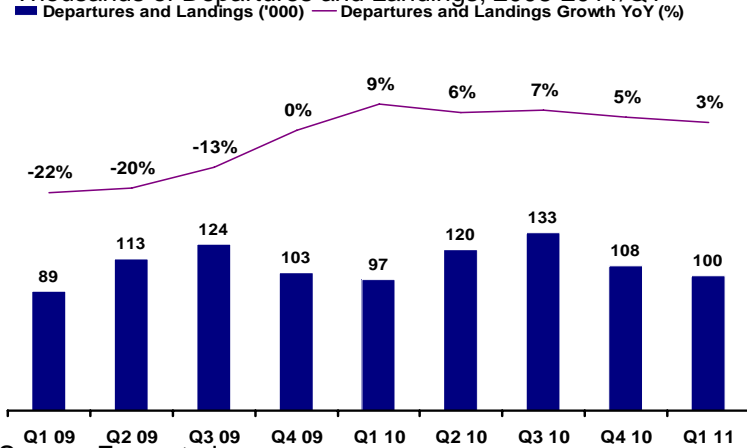
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Business conditions continue to improve

European Utilization is increasing

EUROPEAN BUSINESS JET UTILIZATION

Thousands of Departures and Landings, 2008-2011/Q1

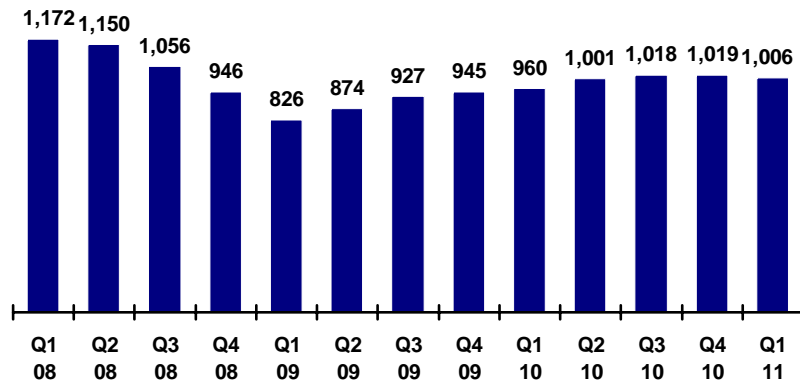


Source: Eurcontrol

U.S. Utilization is increasing

US BUSINESS JET UTILIZATION

Thousands of Departures and Landings, 2008-2011 Q1

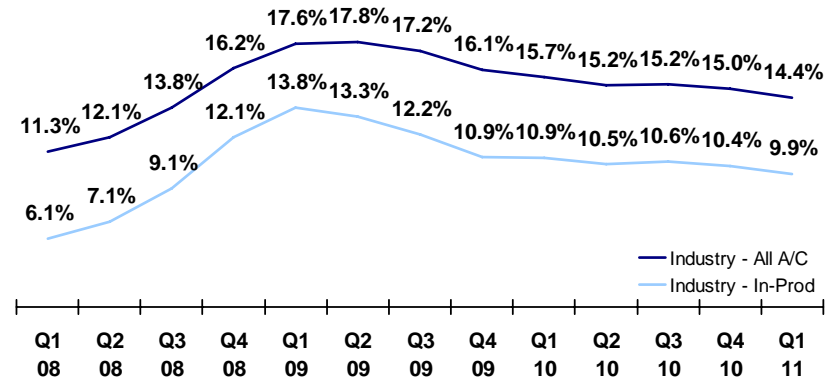


Source: JETNET

Pre-owned inventory levels are falling

PRE-OWNED INVENTORY

% of fleet, 2008-2011 Q1

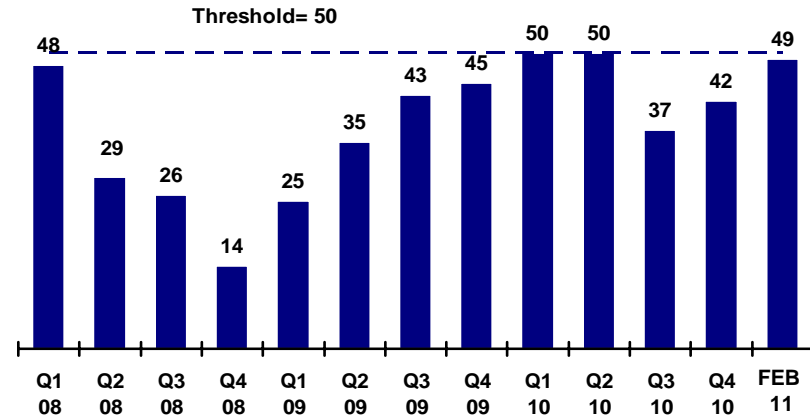


Source: AMSTAT

Market confidence is increasing

UBS BUSINESS JET MARKET CONDITIONS INDEX

Broker and dealers confidence, 100-point scale, 2008-2011 FEB 11



Source: UBS

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Agenda

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Long term business aircraft market drivers remain solid

20-Year Outlook		
Market Driver	Description	Outlook
Wealth Creation	The wealth of our customer base is highly dependent on real GDP, which is forecast to grow worldwide at an average rate of 3.4% over the next 20 years	↑
Globalization of Trade	Business aviation provides the flexibility to link new markets	↑
Replacement Demand	The worldwide installed fleet of 14,700 aircraft ⁽¹⁾ typically rolls over every 5-10 years from initial delivery; 60% of customers trade-up	↑
New Aircraft Programs	New programs stimulate demand by offering customers ever better performing aircraft; numerous aircraft programs are currently in development	↑
Emerging Markets	Significant business aviation potential in fastest growing economies	↑
Accessibility	Non-traditional solutions (e.g. branded charter, card programs, fractional ownership) offer tailor-made services to customers	↑

Source: Bombardier Analysis

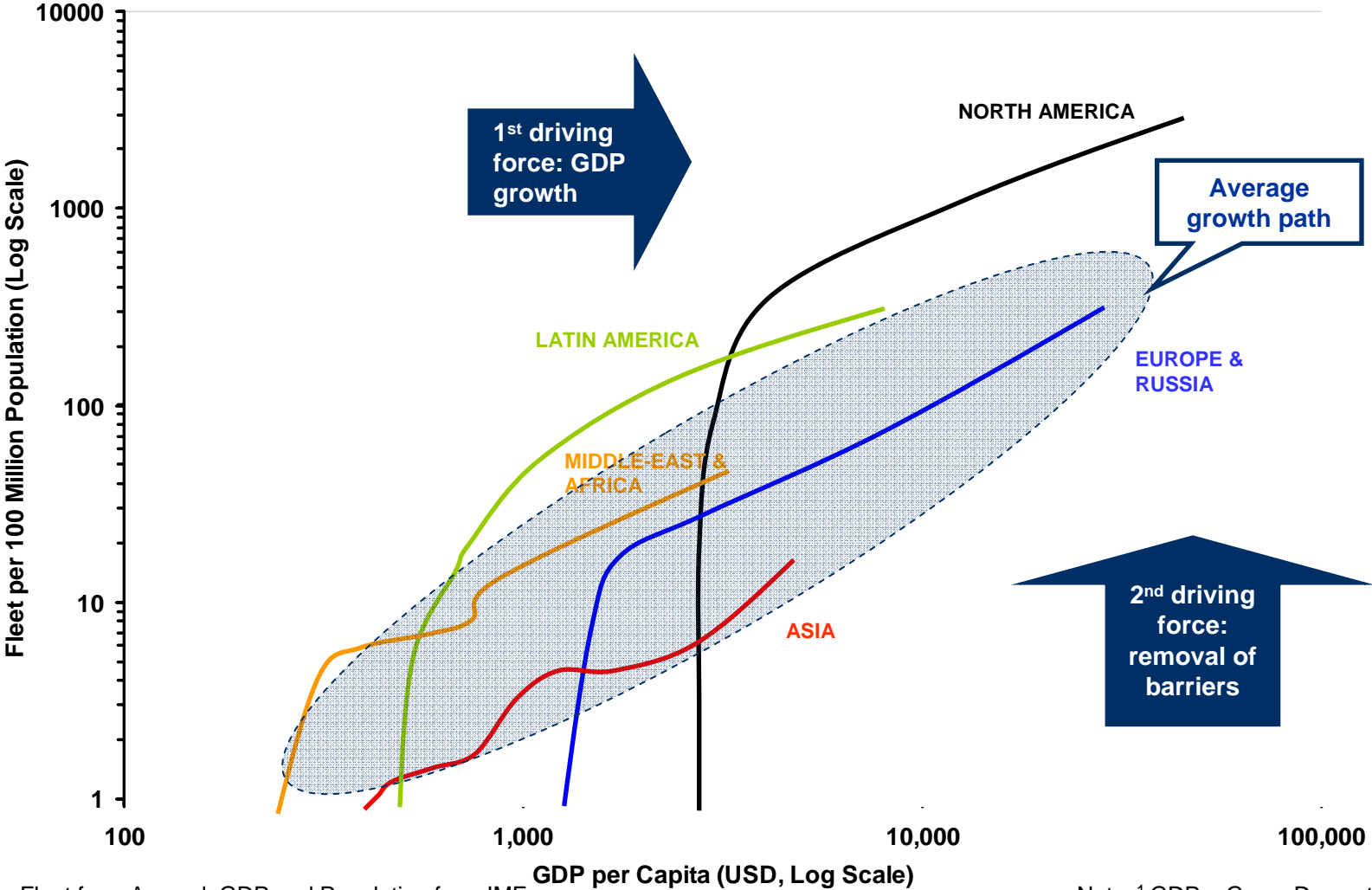
Note: ¹ Excludes very light jets and large corporate airliners

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Our market forecast is based on regional penetration rates

PENETRATION RATES BY REGION

Fleet per Capita vs. GDP¹ per Capita, 1960-2010



Source: Fleet from Ascend, GDP and Population from IMF

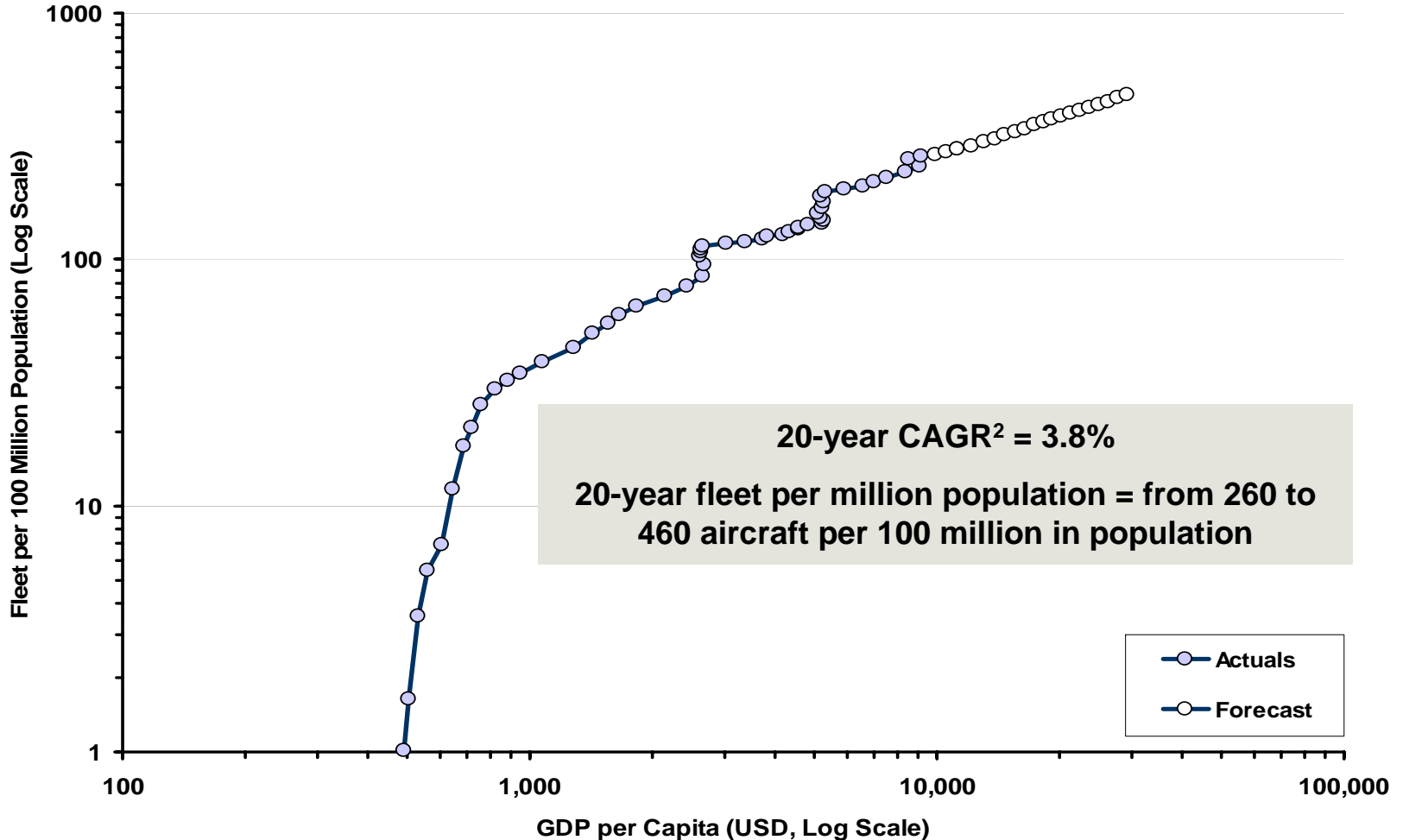
Note: ¹ GDP = Gross Domestic Product



Business jet penetration will continue worldwide

WORLD BUSINESS JET PENETRATION FORECAST

Fleet per capita vs. GDP¹ per capita, Actual 1960-2010, Forecast 2011-2030



Sources: Ascend, IMF, IHS Global Insight, UN population project, Bombardier forecast, including very light jets

Note: ¹ GDP = Gross Domestic Product

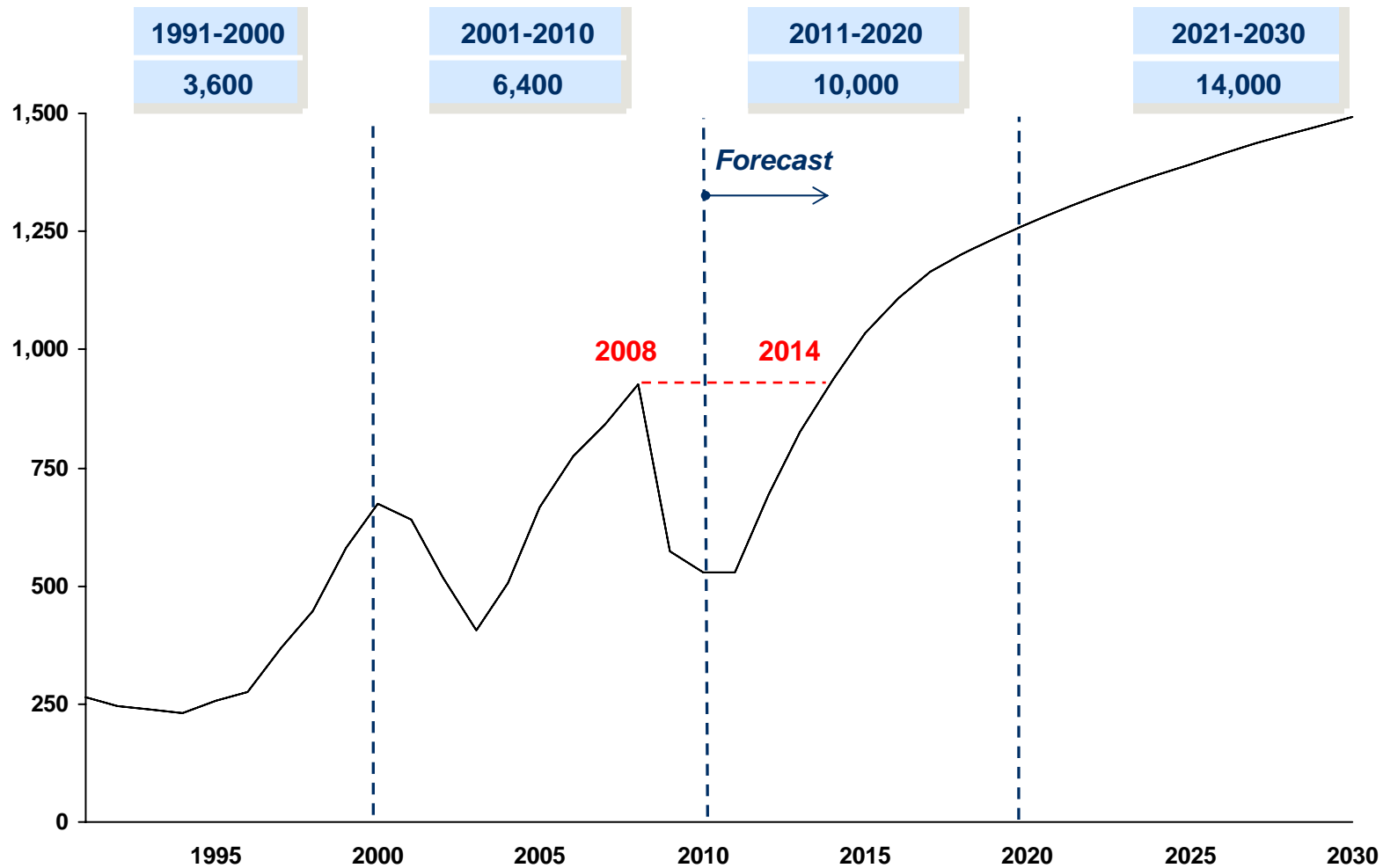
² CAGR = Compound Annual Growth Rate

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24,000 deliveries forecast over the next 20 years

BUSINESS AIRCRAFT INDUSTRY DELIVERIES

Units, Actual 1991-2010, Forecast 2011-2030



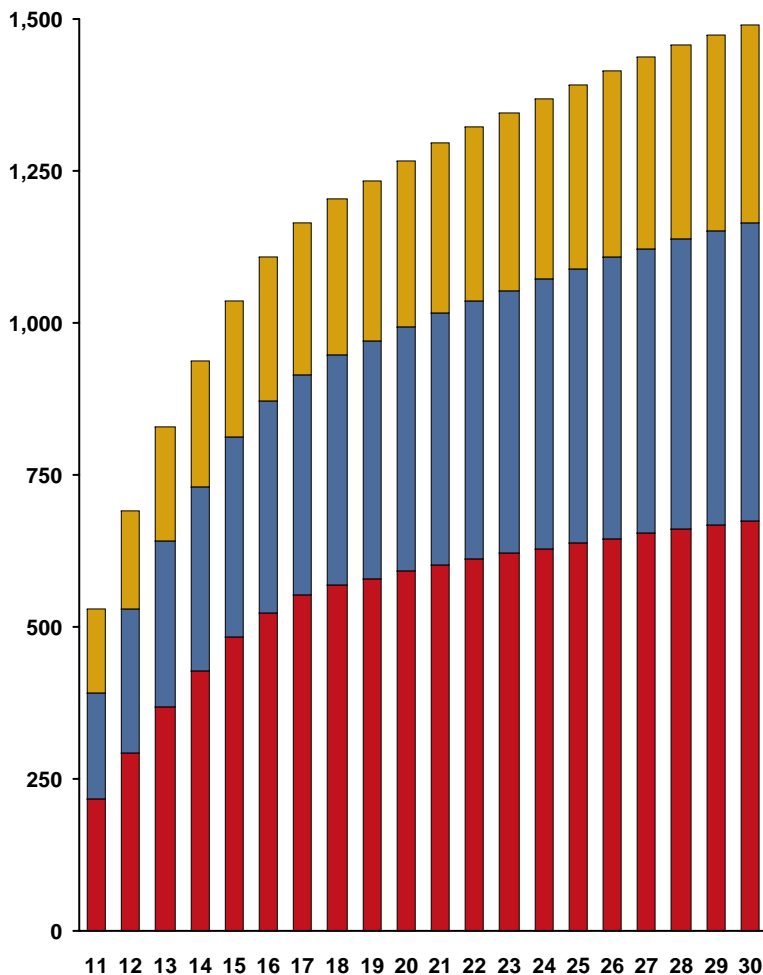
Sources: GAMA, Bombardier forecast. Excludes very light jets and large corporate airliners

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24,000 deliveries will be worth \$626 billion over 20 years

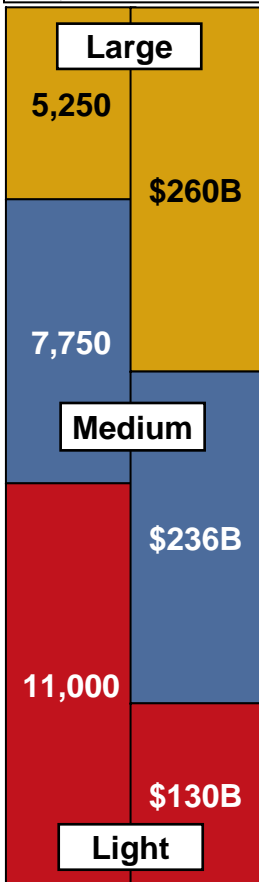
INDUSTRY DELIVERIES BY CATEGORY

Units, Forecast 2011-2030



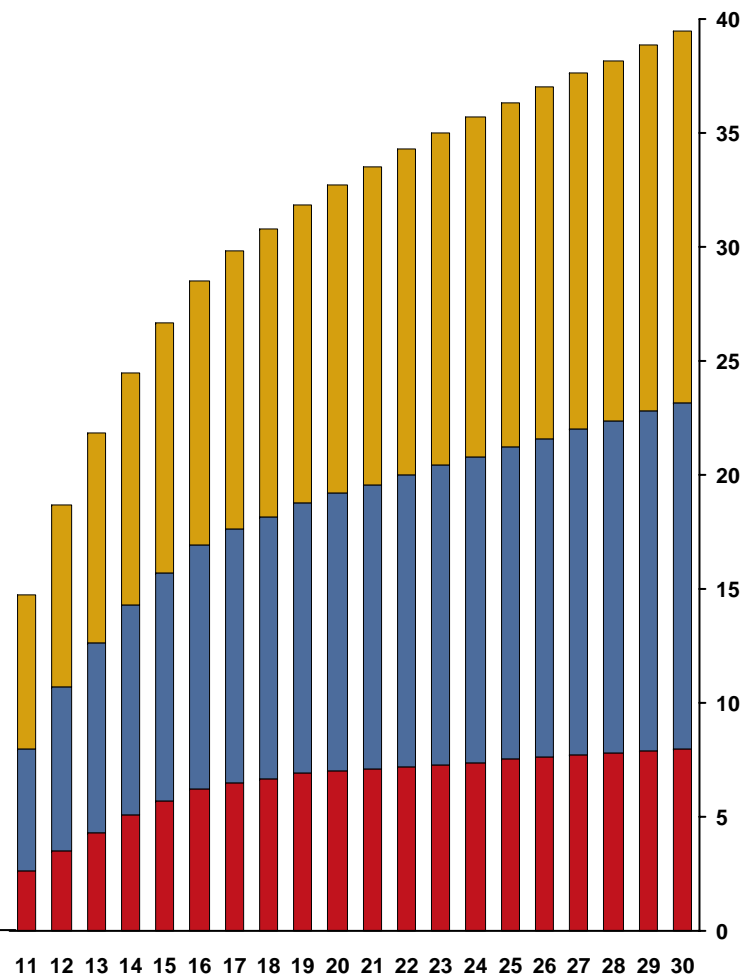
Units Value

Total 20 Yrs
24,000 \$626B



INDUSTRY REVENUES BY CATEGORY

\$US billion, Constant 2010, Forecast 2011-2030



Source: Bombardier forecast

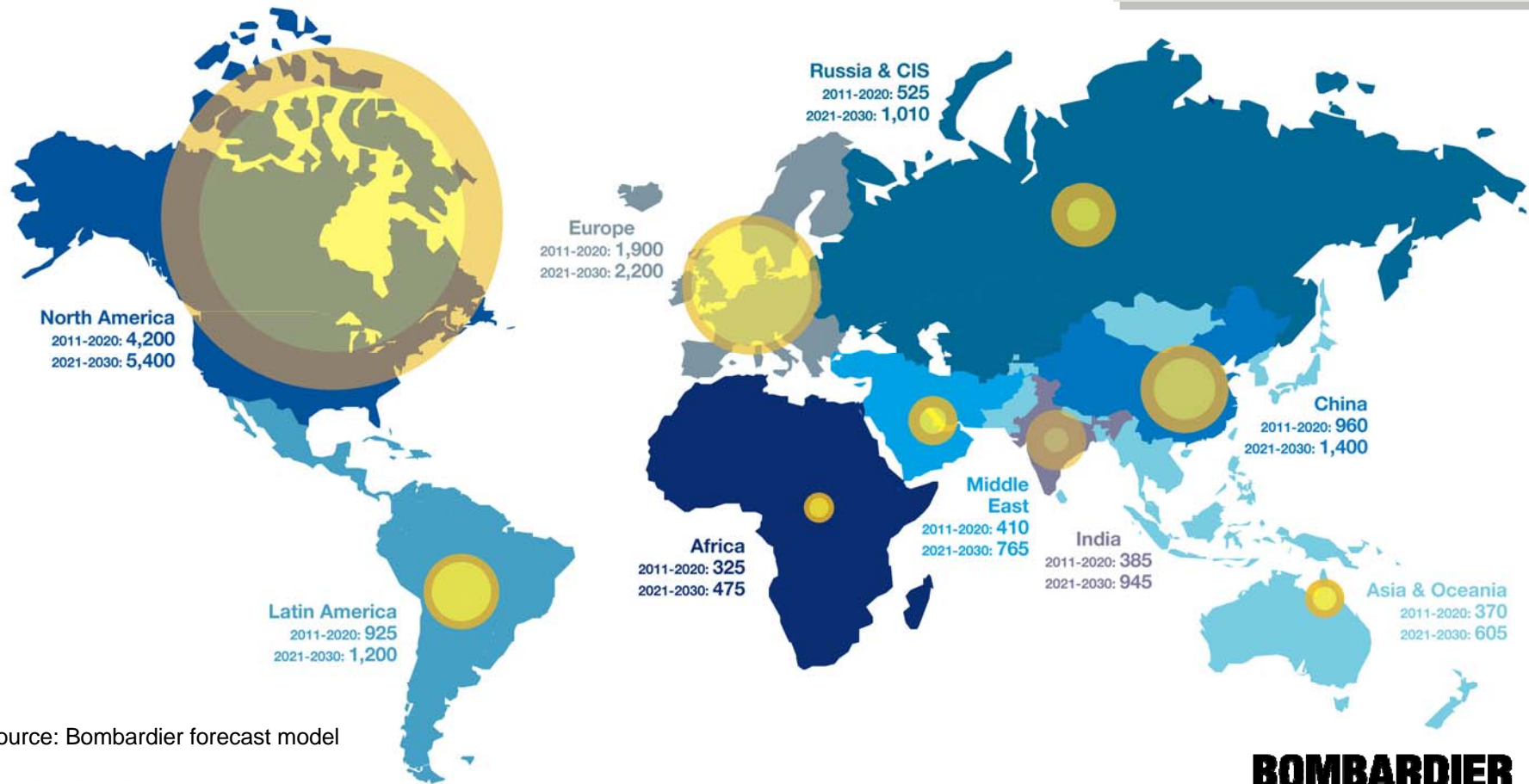
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North America, Europe and China will be largest markets for business jet deliveries

Total World	
2011-2020	10,000
2021-2030	14,000

Regional 10 and 20-Year Delivery Outlook

Units, calendar years, 2011-2020 and 2021-2030

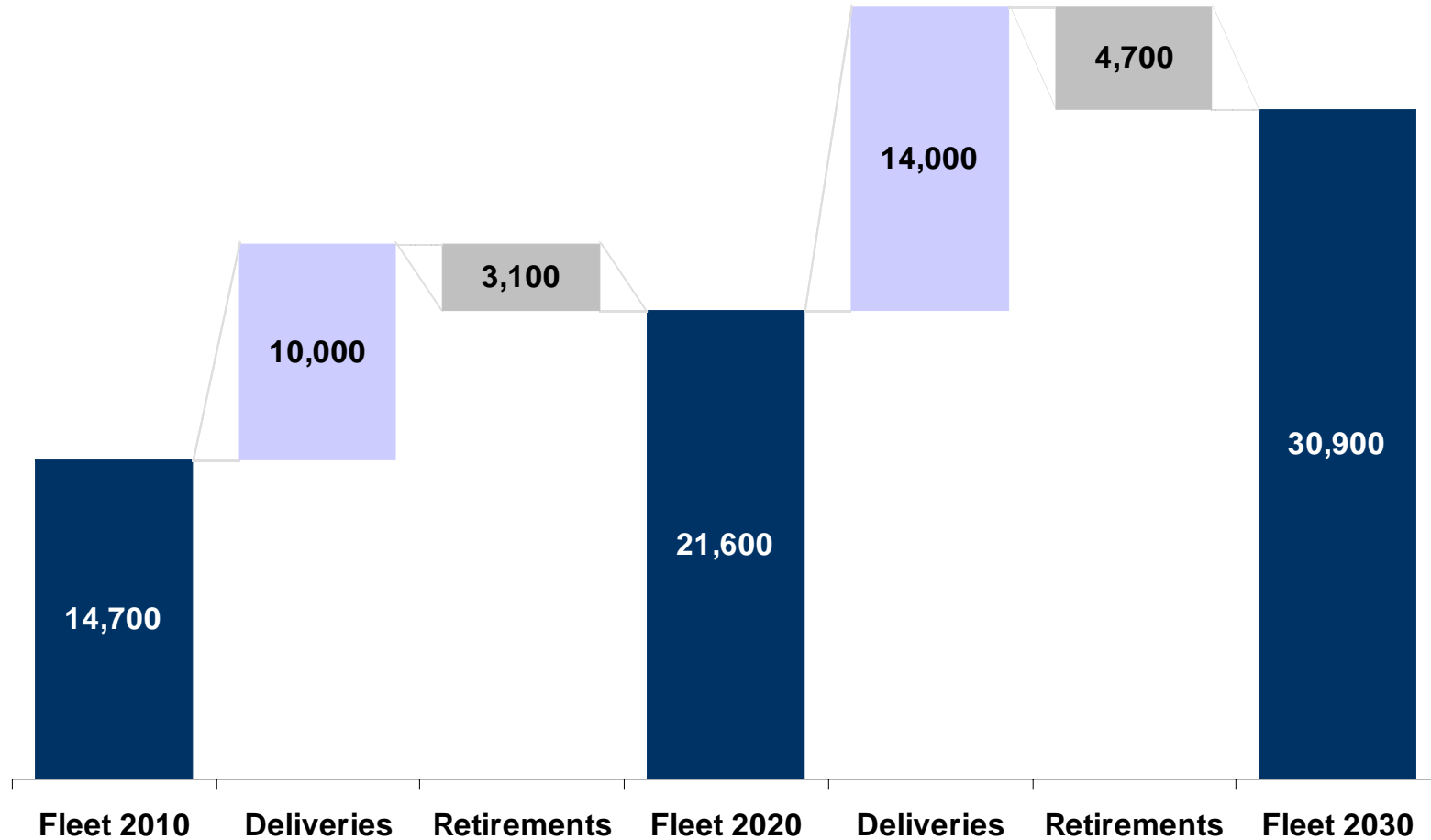


Source: Bombardier forecast model

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Fleet forecast to grow to 30,900 by 2030, CAGR¹ of 3.8%

WORLD FLEET EVOLUTION FORECAST Fleet, Deliveries, Retirements; 2010-2030



Sources: Ascend, Bombardier forecast. Excludes very light jets and large corporate airliners

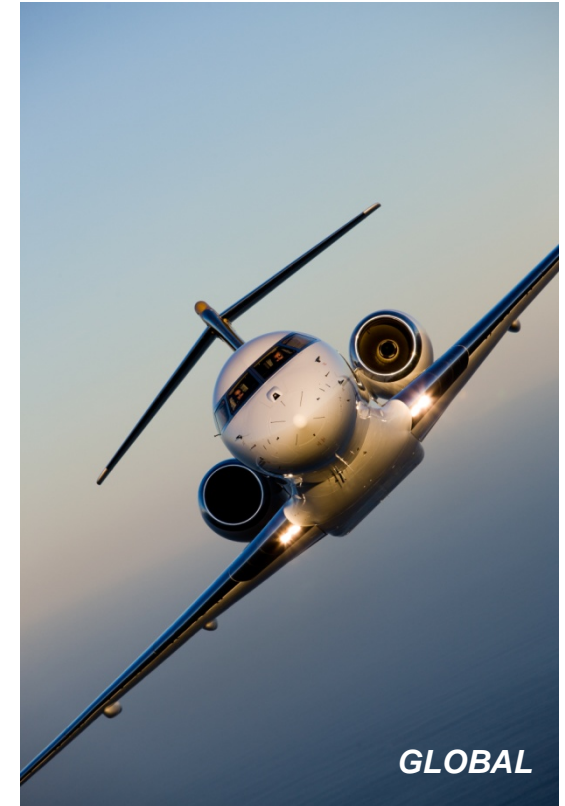
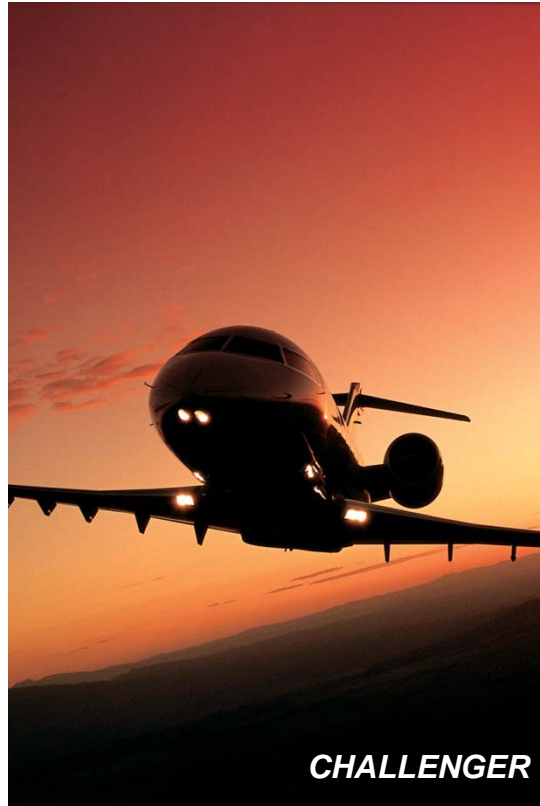
Note: ¹ CAGR = Compound Annual Growth Rate

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- **Program Update**

We have the industry's leading product portfolio



More than 3,700 BBA¹ aircraft are in service worldwide,
BBA fleet has accumulated more than 26 million flight hours

Note: ¹ BBA = Bombardier Business Aircraft

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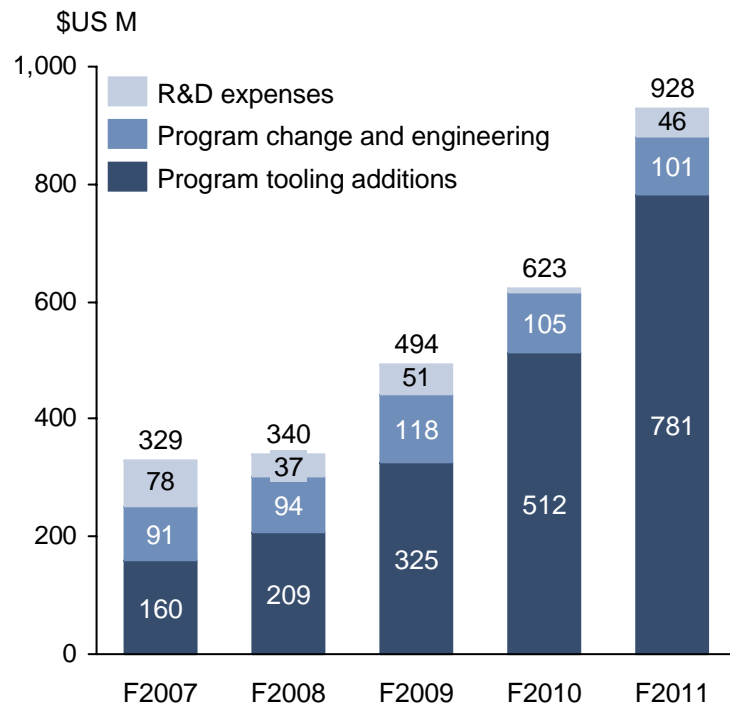
With 12 programs, Bombardier has the industry's strongest product portfolio



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Bombardier has remained committed to investing in its future despite the downturn

Expenditures on product development initiatives



Recently launched programs¹

BOMBARDIER

- Global 8000
- Global 7000
- Global Vision
- Learjet 85

 **EMBRAER**

- Legacy 500
- Legacy 450

Gulfstream®

- G650
- G250

 **Cessna**
A Textron Company

- Citation Ten

Lawler Beechcraft

No announcement

 **DASSAULT**
AVIATION

No announcement

Sources: Bombardier Analysis, Manufacturers Websites

Note: 1. Launched programs from F2007 to F2011 that are currently in development

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We are investing in key growth segments to maintain and grow our leadership position



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Learjet 85 – Program Status

Wichita and Belfast factories capacity increase underway. Mexico factory built complete.



Successfully exited aircraft level Critical Design Review (CDR). More than 6000 drawings released.



Commissioning of 44 test rigs world wide underway. Focus is on EIS reliability at first flight.



Composite and composite tooling manufacturing has started.



The Learjet 85 program is on track for a 2013 EIS

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Global Vision – Program Status

Rockwell Collins obtained all FAA TSO's for the Pro Line Vision suite in April '11.



Flight testing with Basic Certification Load complete (over 600 flight hours accumulated).



Five production aircraft inducted to Completion in Montreal.



Vision aircraft in full production in Toronto Final Line.



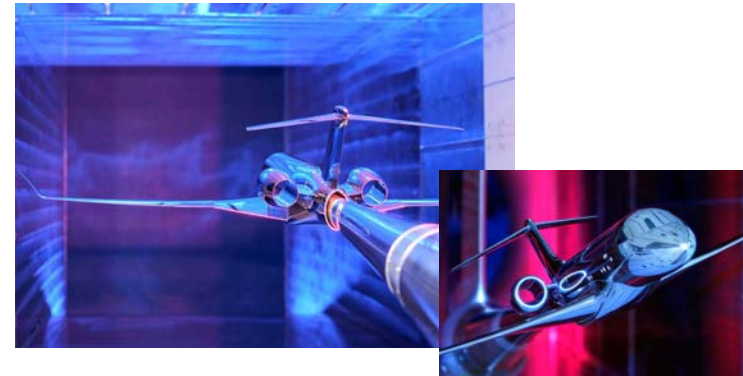
Global Vision Program progressing towards certification (SOC) with Transport Canada with first delivery planned in Q1 2012

Global 7000/8000 – Program Status

Program was launched during NBAA 2010 with a very positive market response.



Wind tunnel testing is underway



Several major suppliers have been selected.



Three focus groups have been initiated to incorporate our customers' feedback.



Maintenance



Cabin Experience



Operations

The Global 7000/8000 program is progressing as per plan

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Summary

- **This year's edition of the 20-year market forecast highlights our positive outlook regarding the timeline and the magnitude of the business jet industry's comeback:**
 - **10,000 deliveries over 10 years; 24,000 deliveries over 20 years**
 - **Deliveries to beat the prior peak year (2008) by 2014**
 - **\$626 billion of revenues over the next 20 years, 42% of which from Large category**
 - **China to generate the 3rd highest revenues, after North America and Europe over the forecast period**
 - **3.8% worldwide 20-year fleet CAGR, for a total fleet of 30,900 in 2030**
- **Bombardier is leading the market recovery and investing to grow our leadership position**



Bombardier Aerospace 2011 Business Aircraft Market Forecast and Product Briefing

**Thank You!
Questions?**

**EBACE
18 May 2011**