

BOMBARDIER

Speaking notes for

**Laurent Beaudoin
Chairman of the Board and Chief Executive Officer
Bombardier Inc.**

Annual Meeting of Shareholders

**Hyatt Regency Hotel
Montréal**

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Check against delivery

Ladies and Gentlemen,

We are here today to review our activities and financial results for fiscal year 2008. Last year, I told you that we would stay mobilized to create more value—and that is what we have done. We kept our promises and had an excellent year. A great deal of progress has been made on all fronts, and our two groups, Bombardier Transportation and Bombardier Aerospace, ended the year well on their way to realizing their objectives of profitability.

I would like to review the highlights of the fiscal year and share with you some of the convictions that have inspired my actions throughout my career. André Navarri and Pierre Beaudoin will discuss their respective groups in more detail.

I have always believed that Bombardier had what it takes to thrive in the ever-changing global markets, and our recent results confirm this once again. We have achieved impressive growth in revenues and liquidity, increased profitability, and obtained strong new order volumes for both our groups. Our global backlog reached a record level of \$53.6 billion as at January 31, 2008—an increase of one third or \$13 billion in 12 months. The popularity of our products has been the main driver of our success this year.

Bombardier Aerospace is the third-largest civil aircraft manufacturer in the world, with close to 5,700 aircraft in service. We had a very good year: the volume of new orders pushed our backlog up by 72%. Providing further evidence that our portfolio diversification is working, these new orders were for regional as well as business aircraft. The business aircraft market is as strong as ever, and the regional aircraft market has seen a resurgence with the demand clearly shifting in favour of higher capacity aircraft. The launch of new products, such as the latest-generation *CRJ NextGen* regional jets, has stimulated demand, and the group's margin progressed towards its objective of 8%.

In the rail market, Bombardier Transportation has continued to expand its leadership position in the rail sector in various regions of the world. With its unparalleled portfolio of products and technologies that meet the myriad challenges of sustainable development on a global scale, the group has landed a high level of new orders for its entire product range once again this year. This has resulted in the rail industry's largest-ever backlog. The group is maintaining its focus on continuously improving its margins.

On the financial front, the improvement in overall profitability and the strong increase in free cash flow to \$2 billion from \$610 million the previous year have enabled us to further consolidate our cash position and strengthen Bombardier's balance sheet through the early repayment of approximately \$1 billion in long-term debt. Our strengthened balance sheet, solid cash position, and substantial backlog should see us through the current economic perturbations.

Let's briefly review the first quarter results for fiscal year 2009. Earnings before financing income, financing expense and income taxes (EBIT) improved by \$138 million to reach \$321 million while net income grew from \$79 million up to \$226 million. Earnings per share tripled to \$0.12 compared to \$0.04 last fiscal year. The total backlog increased by close to \$2 billion, amounting to \$55.5 milliards \$. I will let André Navarri and Pierre Beaudoin discuss in more details the activities and results of their respective group.

As you can see, these results confirm significant progress made in all of our activities. And I have the pleasure to announce this morning that, given Bombardier's improved financial stability, the Board of Director decided to authorize the reinstatement of a quarterly dividend of \$0.025 Cdn.

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As you know, I am handing over my responsibilities as chief executive officer to my son, Pierre, who will be taking over as Bombardier president and chief executive officer after today's meeting. Since 1985, that is, since 23 years, he has held various positions of high responsibility in almost all of the company's sectors of activity. Being the boss' son is not always easy; expectations are always higher and one has to work doubly hard to prove oneself. Despite this, Pierre has risen through the ranks and earned the respect and support of not only his colleagues and employees, our clients and suppliers, but also, of the members of the Board who selected him.

I am convinced that he will successfully lead Bombardier into the future, as I know he shares the same deeply held convictions that have inspired my actions throughout my career. I am thinking in particular of the importance of having an entrepreneurial spirit—which means above all being close to our employees and our customers, being profoundly interested in our products, and being ready to take risks and tolerate mistakes. I am also convinced that to get the best from your team, you need to establish a healthy balance between control and support and that the best guarantee of reaching your objectives is to be patient and persistent, no matter what obstacles or detours may come your way. In addition, I believe that a commitment to innovation is the only way to ensure long-term success in a competitive environment because innovation stimulates competitiveness and growth. Last, but not least, the most essential quality required to succeed in business is, most definitely, self-confidence – a quality that Pierre has clearly displayed given the obstacles he had to overcome throughout his career.

I will remain as Chairman of the Board, and as such, will be able to support, along with the other Board members, Pierre and his team. I would like to thank all the administrators for their continued support and valued advice during the year. I want to acknowledge the work of Federico Sada who will not stand for re-election this year, and thank him for sharing his long professional experience with the Board and senior management. His support during our expansion in Mexico was very important, and I want to express my gratitude to him for this.

An organization's performance depends on its employees; therefore, I would like to specifically thank all past and present Bombardier employees. I want them to know that I am proud of what we have achieved together these past 45 years and to thank them personally for the enthusiasm, dedication and ingenuity they have always shown—in the good as well as the difficult times.

Lastly, I wish to thank you, the shareholders, for your interest in Bombardier and the trust you have placed in us year over year since the company was first listed on the Toronto and Montreal stock exchanges, already 39 years ago.

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Ladies and gentlemen, I now give the floor to our group presidents, who will present their results and challenges. Let's first hear André Navarri, President of Bombardier Transportation.

Thank you.