



Fourth quarter and year-end results – F2008-09  
Presentation to investors, financial analysts and media

**BOMBARDIER**

April 2, 2009



# 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 2009.

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, in doing business with partners, 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 from 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 of the MD&A of the Corporation’s annual report for fiscal year 2009. 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.

# Agenda

- **Overview**
- Results
- Aerospace
- Transportation
- Conclusion

## Overview

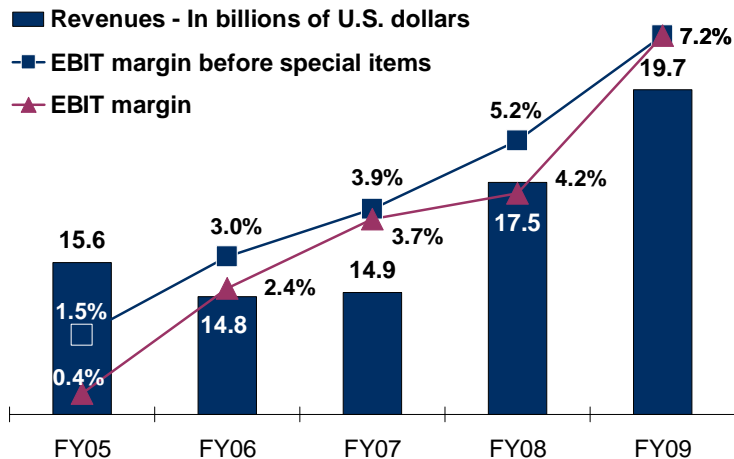
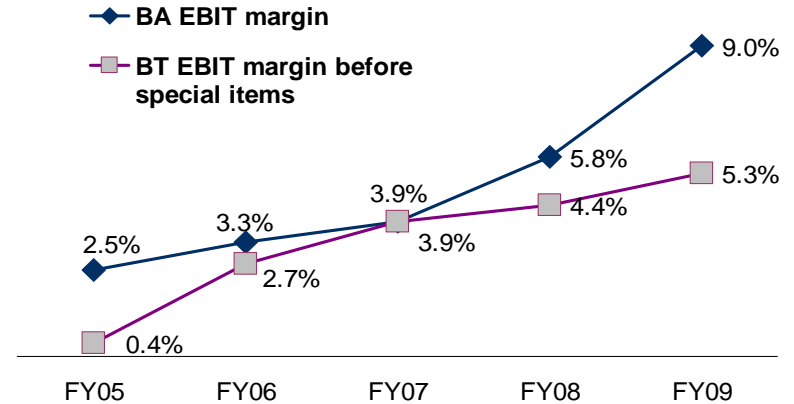
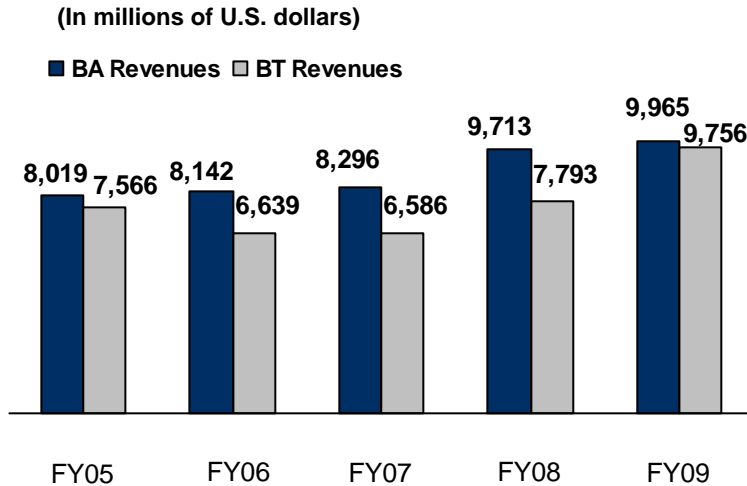
- Revenue growth of 13% to \$19.7 billion
- Record level of profitability with net income at \$1 billion
- Order intake in line with revenues
- Free cash flow of \$342 million reflects the economic conditions faced by Aerospace in the fourth quarter
- Successful negotiation of a new letter of credit facility for BT
- Solid cash position of \$3.5 billion

**Excellent performance by both groups in F2009**

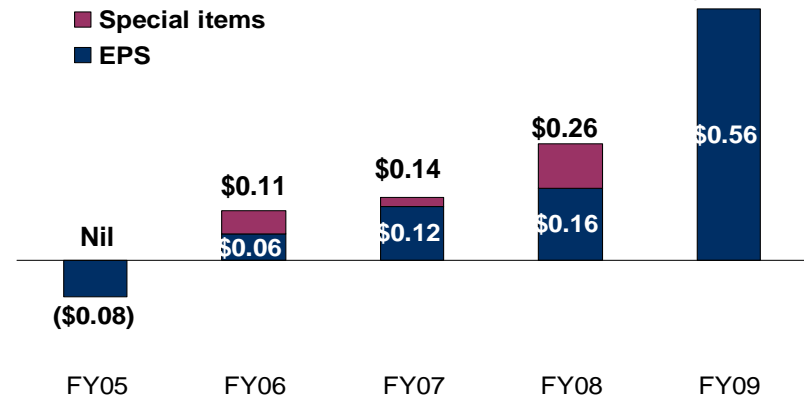
# Agenda

- Overview
- **Results**
- Aerospace
- Transportation
- Conclusion

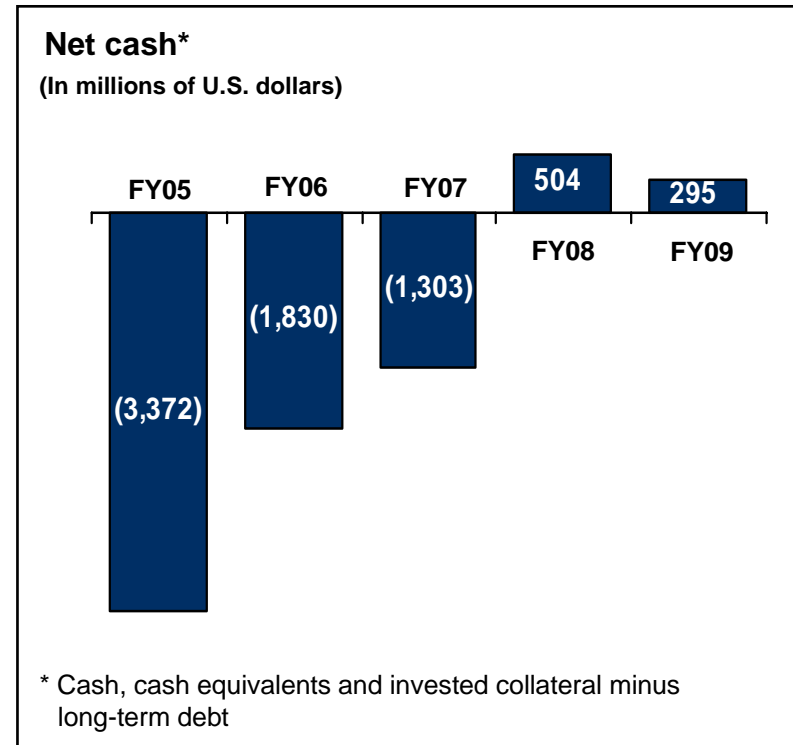
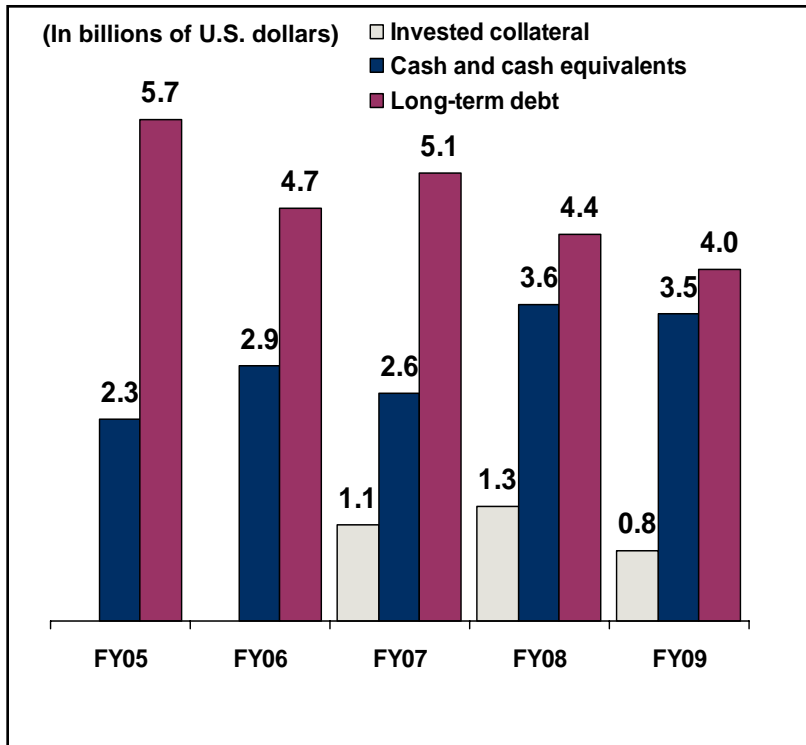
# Financial priorities – Improve long-term profitability



## Diluted EPS from continuing operations (In U.S. dollars)



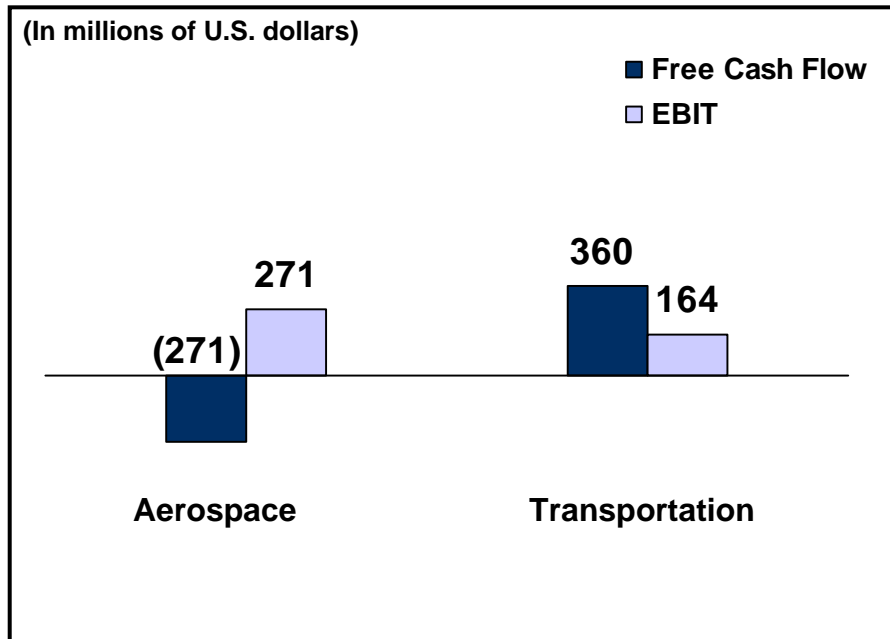
# Financial priorities – Maintain strong liquidity



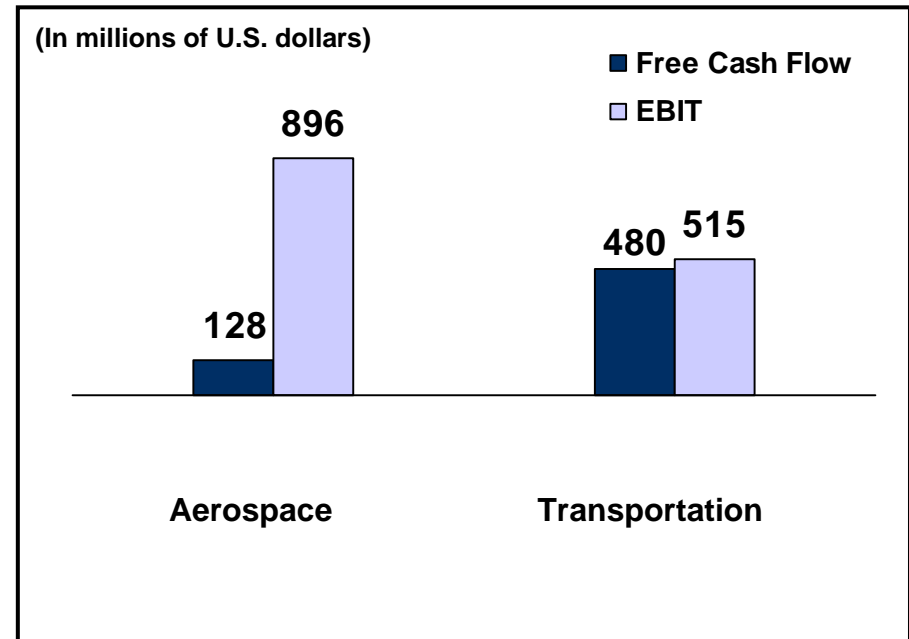
- Liquidity has improved significantly over the last five years
- Solid cash position and no debt maturity before May 2012

# Financial priorities – Free cash flow in line with profitability

Free Cash Flow and EBIT by Group – Q4 FY09



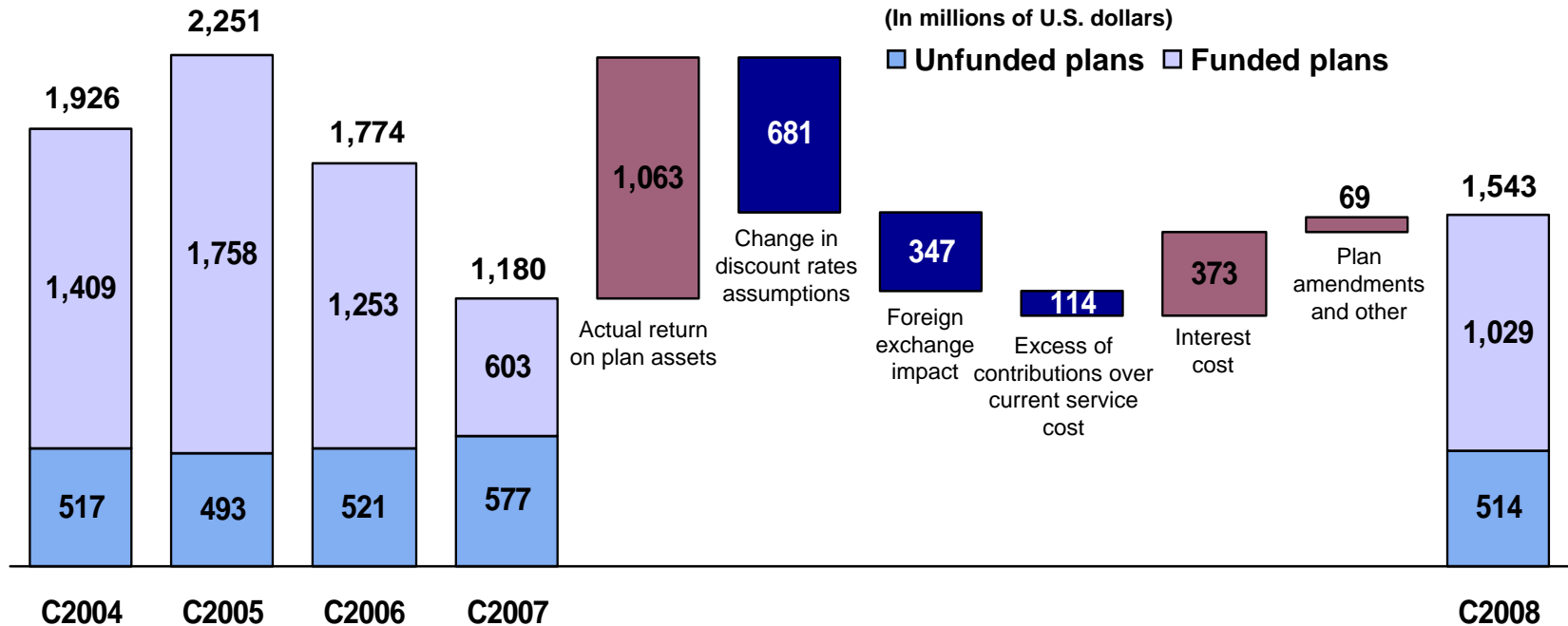
Free Cash Flow and EBIT by Group – FY09



- Free cash flow under pressure due to difficult conditions faced by Aerospace in the latter part of the year
- Transportation's free cash flow is well aligned with EBIT for the full year



# Financial priorities – Manage pension deficit



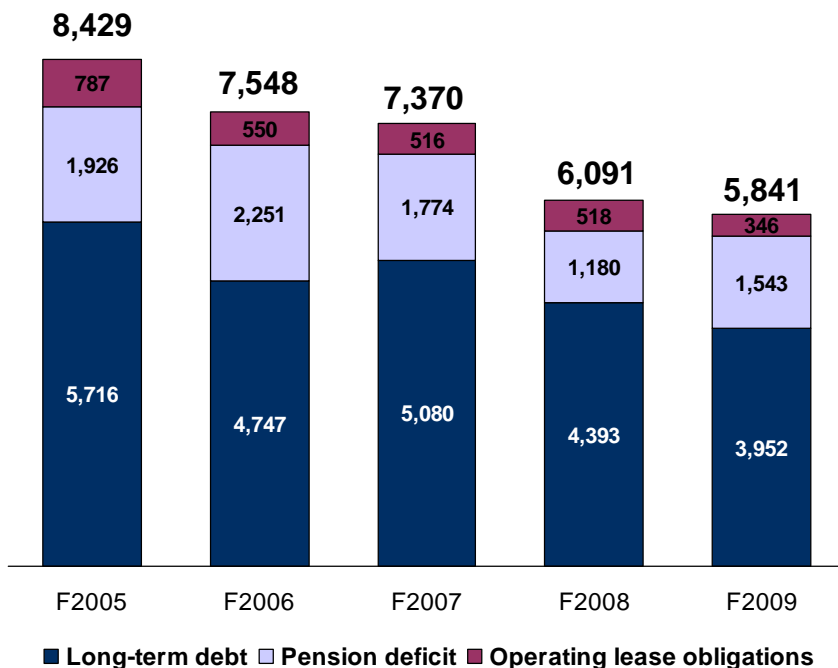
- Cost of defined benefit pension plans estimated at \$206 million for FY10 compared with \$248 million in FY09
- Expected cash contribution of \$400 million in FY10 compared with \$332 million in FY09

# Financial priorities – Improve capital structure

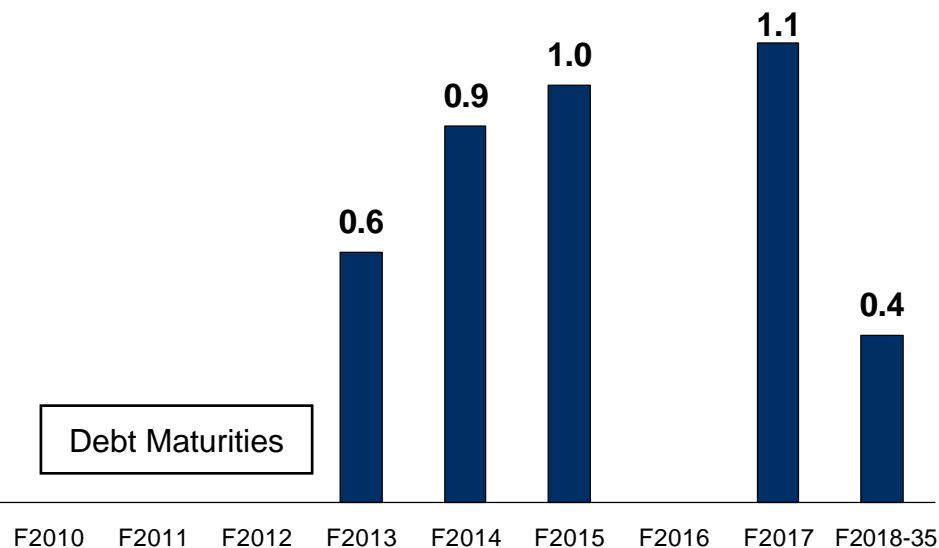
Global Leverage Metrics	Target	Y/E FY08	Y/E FY09	Trend
Adj. EBIT to adj. net int.	> 5.0	2.5	6.2	↗
Adj. debt to adj. EBITDA	< 2.5	3.8	2.8	↘
Adj. debt to adj. total cap.	< 55%	67%	66%	↘

## Reduced total debt and extended maturities

(In millions of U.S. dollars)



(In billions of U.S. dollars)



# Agenda

- Overview
- Results
- **Aerospace**
- Transportation
- Conclusion

## Aerospace – Results

- Revenues of \$10 billion compared to \$9.7 billion last year
- EBIT of \$896 million compared to \$563 million<sup>(1)</sup> last year
- EBIT margin of 9.0% vs 5.8%<sup>(1)</sup>
- Free cash flow of \$128 million compared to \$1.7 billion last year
- Total backlog of \$23.5 billion vs \$ 22.7 billion last year




<sup>(1)</sup> EBIT of \$834 million, or 8.6%, before EOAPC charge

# Aerospace – The financial crisis is having a significant impact on the aviation industry in the short term

## Business aircraft

Calendar years 2009-10 Outlook	
Market driver	Outlook
World economic environment	
Credit scarcity	
Pre-owned jet inventory level and resale values	
Business jet usage	
Business jet perceptions	

## Commercial aircraft

Calendar years 2009-10 Outlook	
Market driver	Outlook
Short-term economic environment	
Airline profitability	
Aircraft financing availability	

# Aerospace – Deliveries and net orders

<b>Deliveries<sup>(1)</sup></b>	<b>Q4 F2009</b>	<b>Q4 F2008</b>	<b>F2009</b>	<b>F2008</b>
Business aircraft	54	76	235	232
Commercial aircraft	37	38	110	128
Amphibious aircraft	2	1	4	1
<b>Total</b>	<b>93</b>	<b>115</b>	<b>349</b>	<b>361</b>

<b>Net orders</b>	<b>6</b>	<b>213</b>	<b>367</b>	<b>698</b>
-------------------	----------	------------	------------	------------

- **Business aircraft has been facing a higher than usual level of cancellations and deferrals since the fourth quarter**

(1) Including aircraft in the fractional ownership program

# Aerospace – Taking action in turbulent times

## ■ Our action plan

### ■ Business aircraft

- Reducing production rates on all products

### ■ Commercial aircraft

- Increasing production of *Q400* as previously announced
- Reducing production rate on *CRJs* in the latter part of the fiscal year

## ■ Impact

- Additional 3,000 lay-offs over and above the 1,360 announced on February 5, 2009
  - Total severance expected to cost \$30 million
- Cost reduction program in place to mitigate impact on F2010 results

# Aerospace – Outlook for F2010

## ■ What we expect \*

- Approximately 25% less business jet deliveries in F2010 than in F2009
- Approximately 10% more deliveries in commercial aircraft
- Pressure on free cash flow expected to continue due to higher levels of inventory and receivables
- We remain committed to the development of our new aircraft programs
- To attain our target of 12% EBIT margin by F2013

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








# Agenda

- Overview
- Results
- Aerospace
- **Transportation**
- Conclusion

## Transportation – Results

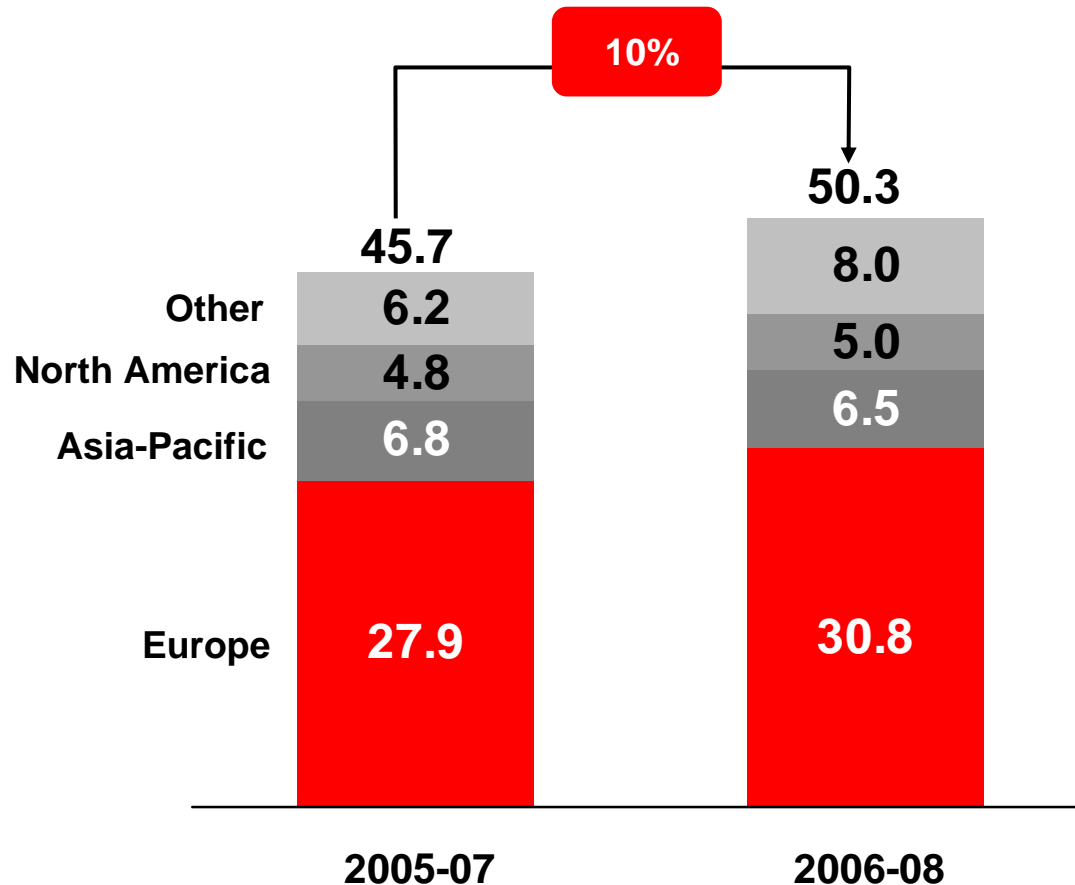
- **Revenues increased by 25% to reach \$9.8 billion**
  - Revenues in line with high order intake over the past few years
- **Strong orders for all product lines for a book-to-bill ratio of 1.0**
- **EBIT before special item increased to \$515 million, compared to \$339 million last year**
- **EBIT margin of 5.3% vs 4.4% (before special item)**
- **Free cash flow of \$480 million in line with profitability**

# Transportation – Well positioned in a strong market

Market driver	Market segments	Geographical regions	CY 2009-11 outlook
<b>Urbanization and population growth</b>	All	Asia-Pacific and Other	
<b>Oil scarcity and energy price</b>	Rolling stock, Services and System	Worldwide	
<b>Environmental awareness</b>	All	Worldwide	
<b>Replacement of aging rail equipment</b>	Rolling stock, Services and Signalling	Europe and North America	
<b>Liberalization of rail transport markets</b>	Rolling stock and Services	Europe	

# Transportation – The market showed a strong overall growth of 10% mainly supported by Europe

**BT relevant market**  
(In billions of U.S. dollars)



# Transportation – A large number of tenders have been announced for the coming three calendar years

Project	Country	Segment	Potential number of cars*
China High Speed	China	High speed trains	3,000
Thameslink, London	U.K.	Commuter and regional trains	1,300
TGV Next Generation	France	Very high-speed trains	1,200
Intercity Replacement	Germany	Intercity trains	1,100
Intercity Replacement	Switzerland	Intercity trains	750
Porteur Hyperdense	France	Intercity trains	650
Indian Metro	India	Metro cars	550
Porteur Polyvalent	France	Regional trains	550
Picadilly Lines, London	U.K.	Metro cars	550
Sochi	Russia	Commuter trains	350
Metro Montréal	Canada	Metro cars	340
Stockholm Metro	Sweden	Metro cars	240
Berlin Tram	Germany	Light rail vehicles	200
Toronto Light Rail	Canada	Light rail vehicles	200
Trenitalia AltaVelocità	Italy	Very high-speed trains	160
Trenitalia Locomotives	Italy	Locomotives	100

\* Base contracts only, options are not included.

- Long-term market fundamentals remain strong
- Some tenders may get delayed or cancelled in the short term

# Transportation – Outlook for F2010

- **What we expect \***
  - Book-to-bill might be below 1
  - Existing backlog will drive single-digit growth
  - Free cash flow in line with EBIT
  - EBIT margin to average 6% for the year

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

# Agenda

- Overview
- Results
- Aerospace
- Transportation
- **Conclusion**

# Conclusion

- **Both groups had an excellent performance in FY09**
- **Aerospace is taking the appropriate actions to adjust to the challenges ahead**
- **Transportation should be less affected by the economic downturn and the long-term fundamentals of the market remain strong**
- **Large, well diversified backlog, both by product and geography in both groups**
- **Financial priorities implemented over the past few years position us well to face the recession**
- **We continue to manage for the long term**