Bombardier Aerospace Market and Product Update

Philippe Poutissou,
VP Marketing Commercial Aircraft

J.P. Morgan Aviation & Transportation Conference
New York, March 10, 2009

BOMBARDIER

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” or the negatives of these terms or variations of them or similar terminology. By their nature, forward looking statements require Bombardier Inc. (the “Corporation”) to make assumptions and are subject to important known and unknown risks and uncertainties, which may cause the Corporation’s actual results in future periods to differ materially from forecasted results. While the Corporation considers its assumptions to be reasonable and appropriate based on current information 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, please refer to the sections of the Corporation’s aerospace segment and the Corporation’s transportation segment in the MD&A of the Corporation’s annual report for fiscal year 2008.

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 the Corporation’s business environment (such as the financial condition of the airline industry), operational risks (such as risks associated with doing business with partners, risks involved in developing new products and services, product performance warranty, casualty claim losses, risks from regulatory and legal proceedings, environmental risks, risks relating to the Corporation’s dependence on certain customers and suppliers, human resource risks and risks resulting from fixed term commitments), financing risks (such as risks resulting from reliance on government support, risks relating to financing support provided on behalf of certain customers, risks relating to liquidity and access to capital markets, risks relating to the terms of certain restrictive debt covenants) and market risks (including foreign currency fluctuations, changing interest rates and commodity pricing risk). For more details, see the Risks and uncertainties section in the MD&A of the Corporation’s annual report for fiscal year 2008. 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 the Corporation’s 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.

Overview

- Bombardier Update
- Commercial Aircraft Market
- Product Strategy
- Q&As

Bombardier: fields of activity

Aerospace

F08 revenues: $9.7 billion
55% of total revenues
Employees: 28,100*

Transportation

F08 revenues: $7.8 billion
45% of total revenues
Employees: 31,485*

*As at January 31, 2008

BOMBARDIER

Consolidated financial results – fiscal year 2008

(In millions of U.S. dollars except for EPS amounts)	Fiscal year 2008	Fiscal year 2007[1]
Revenues	17,506	14,882
EBIT from continuing operations before special items	902	577
Interest expense, net	301	218
EBT from continuing operations before special items	601	359
Special items	162	24
Income tax expense	122	92
Income from continuing operations	317	243
Income from discontinued Operations, net of tax	--	25
Net income	317	268
EPS from continuing operations before special items	0.26	0.14
EPS - Net income	0.16	0.14

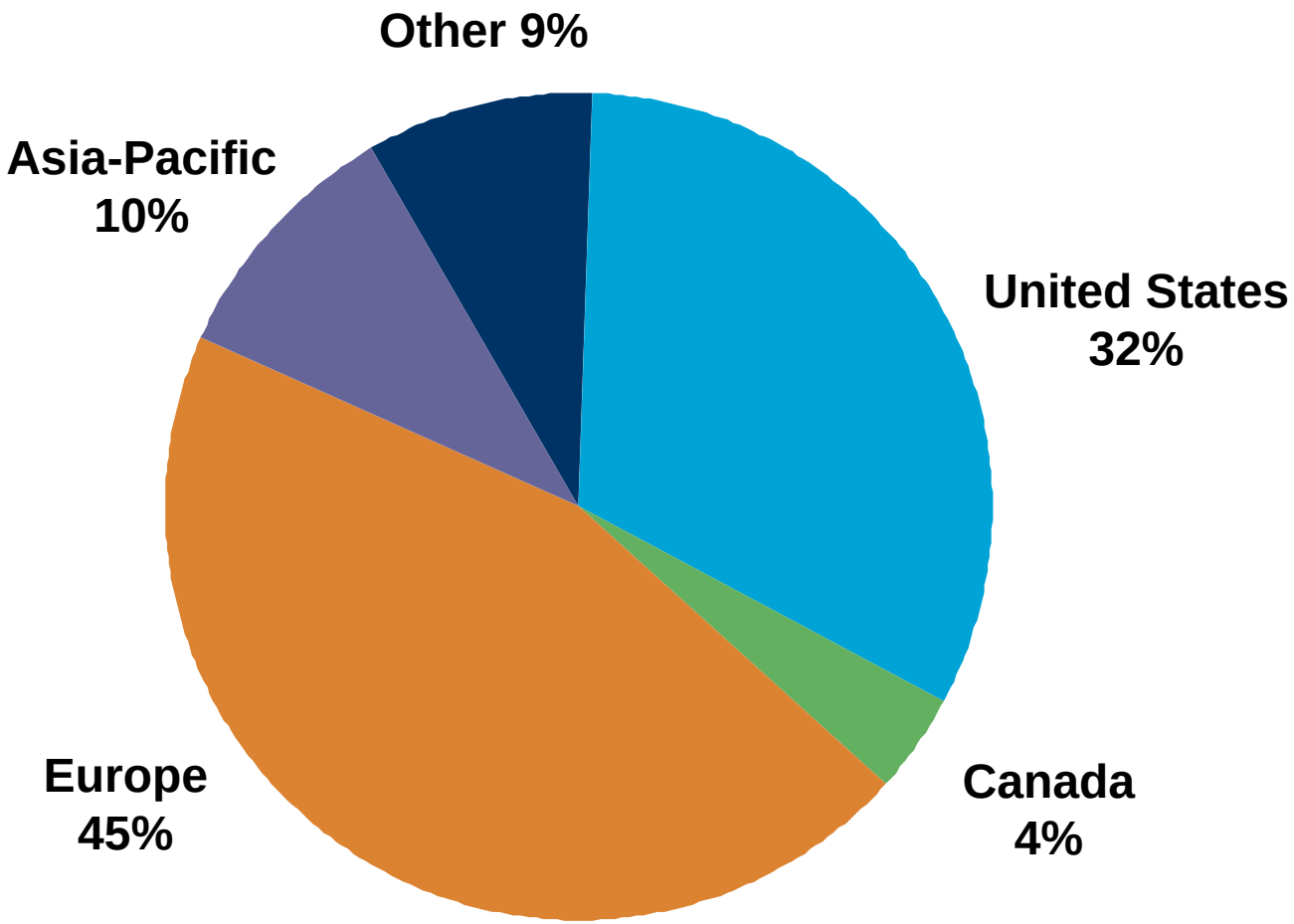
[1] Certain comparative figures have been reclassified to conform with the current fiscal year's presentation.

BOMBARDIER

Consolidated financial results – third quarter
ending October 31,2008

(In millions of U.S. dollars, except per share amounts)	Q3 F2008-09	Q3 F2007-08
Revenues	4,571	4,228
EBIT	315	201
Financing expense, net	25	68
EBT	290	133
Income taxes	45	42
Net income	245	91
EPS – Basic and diluted	0.14	0.05

A diversified company:
Breakdown of revenues by geographic location



As at January 31, 2008

BOMBARDIER

Strong backlog in both businesses

Bombardier Aerospace	$26.0 billion
Bombardier Transportation	$25.9 billion
Bombardier Inc.	**$51.9 billion**

As at October 31, 2008

BOMBARDIER

A full spectrum of railway solutions

Rail Vehicles

- Light Rail Vehicles
- Metros
- Commuter Trains
- Regional Trains
- Intercity Trains
- High speed Trains
- Locomotives

Transportation Systems

- Monorail Systems
- APM Systems
- GLT Systems
- Light Rail Systems
- ART Systems
- Metro Systems
- Intercity Systems

Services

- Fleet Management
- Operations & Maintenance
- Material Solutions
- Vehicle Refurbishment
- Component Reengineering

Rail Control Solutions

- Integrated Control Systems
- Automatic Train Protection and Operation: wayside and onboard
- Interlocking systems
- Wayside Equipment
- Services

Transit Security Solutions

- Train-based broadband network
- Sensor Systems
- Security Systems Recording
- Security System viewing and event management

Propulsion & Controls

- Traction Converters
- Auxiliary Converters
- Traction Drives
- Control and Communication

Bogies

- Portfolio to match entire range of rail vehicles

Bombardier Aerospace has a complete portfolio of products and services

Business Aircraft

Narrow-body business jets

***Learjet* Family:**
- ***Learjet 40 XR***
- ***Learjet 45 XR***
- ***Learjet 60 XR***
- ***Learjet 85***[1]

Wide-body business jets

***Challenger* Family:**
- ***Challenger 300***
- ***Challenger 605***
- ***Challenger 800 Series***

***Global* Family:**
- ***Global 5000***
- ***Global Express XRS***

Commercial Aircraft

Regional jets
- ***CRJ700/705 NextGen***
- ***CRJ900 NextGen***
- ***CRJ1000 NextGen***[1]

Turboprops
- ***Q400/Q400 NextGen***[1]

Single-aisle mainline jets
- ***CSeries***[1]

Amphibious Aircraft and Specialized Aircraft Solutions

Amphibious turboprops
- ***Bombardier 415***
- ***Bombardier 415 MP***

Specialized aircraft solutions

Aircraft Services

Aftermarket solutions
- **Parts logistics**
- **Aircraft maintenance**
- **Training solutions**

Flexjet and Skyjet
- **Fractional ownership**
- **Jet card programs**
- **On-demand charter**
- ***Flexjet* One**

[1] *Learjet 85*, *CRJ1000 NextGen, Q400 NextGen* and *CSeries* aircraft are currently under development.

BOMBARDIER

Bombardier Aerospace deliveries

Aircraft	**Deliveries* Fiscal year 2008/09** **(Year ending Jan. 31, 2009)**	Deliveries Fiscal year 2007/08 (Year ending Jan. 31, 2008)
Commercial aircraft		
***CRJ* Series**	56	62
Q-Series	54	66
	110	128
Business aircraft		
***Learjet* Series**	70	81
***Challenger* Series**	116	103
***Global* Series**	53	48
(*including those in the fractional ownership program***)	**239**	232
Amphibious Aircraft		
Bombardier 415	**4**	1
Grand total	**353**	361

* Unaudited

** An aircraft delivery is included in the above table when the equivalent of 100 per cent of the fractional shares of an aircraft model have been sold to external customers.

BOMBARDIER

Bombardier Aerospace net orders

Aircraft	Net Orders* Fiscal year 2008/09 (Year ending Jan. 31, 2009)	Net Orders Fiscal year 2007/08 (Year ending Jan. 31, 2008)
CRJ Series	47	141
Q400	67	97
Commercial aircraft	114	238
Business aircraft	262	452
Amphibious Aircraft	2	8
Grand total	378	698

Book-to-bill ratio for FY08/09 stands at 1.07

* Unaudited

BOMBARDIER

Overview

- Bombardier Update
- Commercial Aircraft Market
- Product Strategy
- Q&As

Bombardier Commercial Aircraft is the market leader in regional aircraft

***CRJ* Series**

1,673 Firm Orders

1,527 Delivered

60+ Operators

Q Series

1,018 Firm Orders

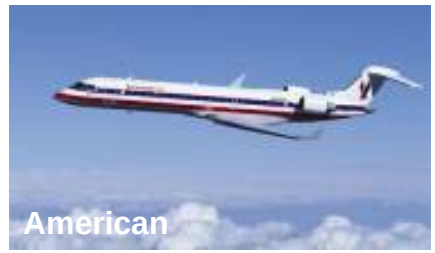
898 Delivered

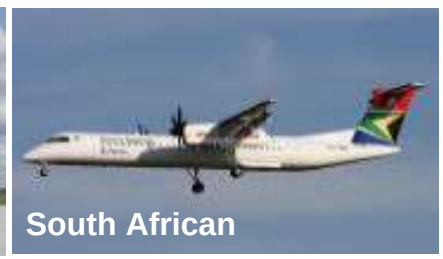
100+ Operators

as of January 31, 2009

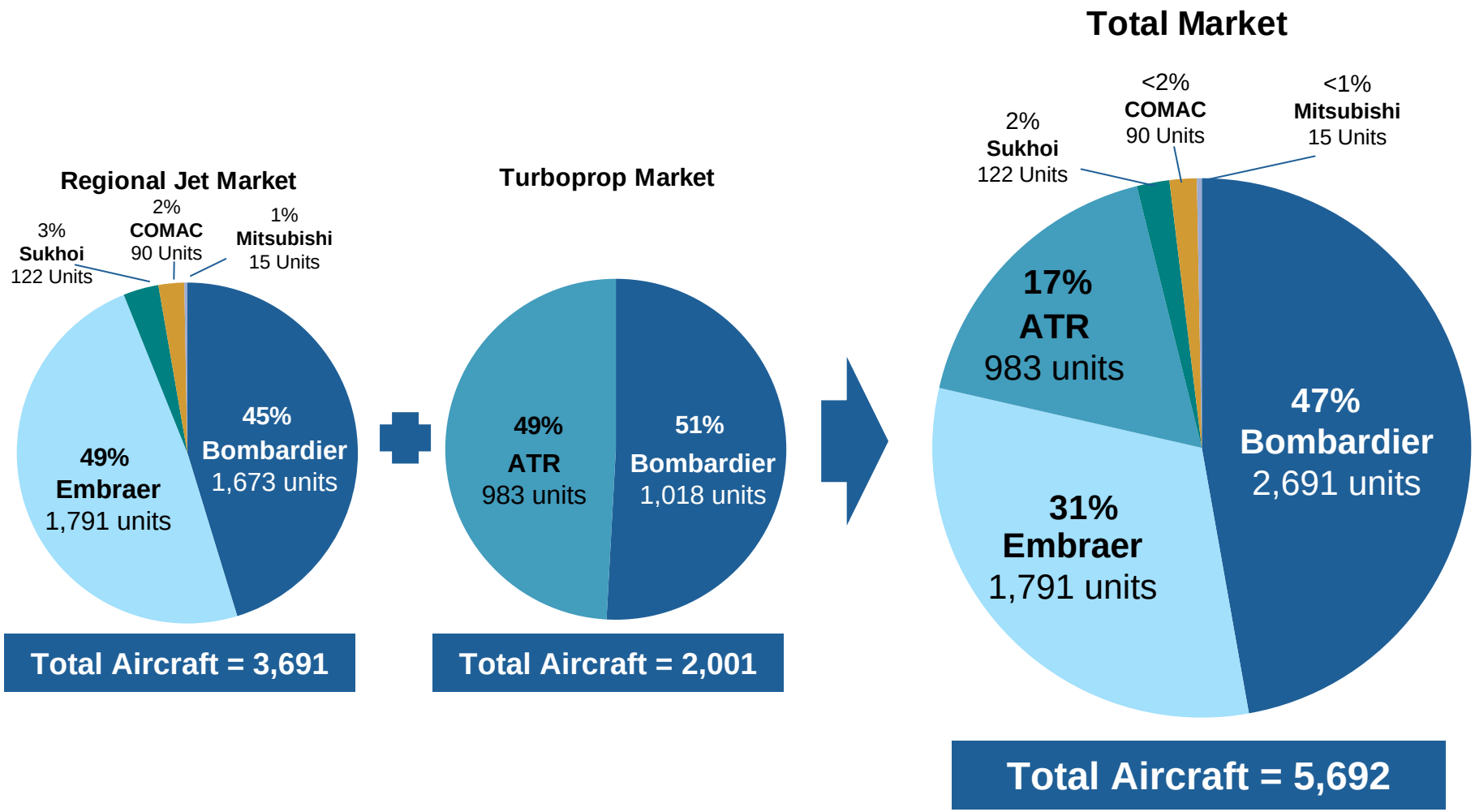
BOMBARDIER

Bombardier Commercial Aircraft
Operated by leading airlines worldwide





Cumulative *net order* market share performance
20 - 110 seat market



as of January 31, 2009

Order totals are net of cancellations and conversions between programs and does not include corporate shuttle aircraft.
Source of competitor data are company web sites and company year end reports.

BOMBARDIER

Market drivers	Trend	Justification
U.S. Economic Environment		**The US is in recession and will continue to be weak in 2009 and 2010. Financial crisis is negatively affecting airline traffic and thus aircraft order activity**
Global Economic Environment		**Recession is not limited to the United States, the global economy is facing a downturn further affecting aircraft order activity**
Industry Backlog		**Total commercial aircraft backlog of over 8,400 units (versus 4,335 in Dec 2001) Bombardier Commercial Aircraft has a > 2 year backlog**
Aircraft Financing		**Weak commercial lending market will impact the ability of airlines and leasing companies to finance aircraft.**
Oil Pricing		**Price of oil has dropped from a peak of $145 US per barrel to $~45 US per barrel; however, price is volatile**
Regional Market Competition		**Three new entrants have announced a total of 69 orders in 2008 (As of Oct. 31, 2008)**

Indicates a favourable trend in the market categories in which Bombardier competes.

Indicates a unfavourable trend in the market categories in which Bombardier competes.

Long term (20-year) outlook is optimistic

Market drivers	Trend	Justification
U.S. Economic Environment		**Global Insight forecasts the US economy will return to a GDP growth rate of 3% by 2011.**
Global Economic Environment		**Long-term GDP forecast remains essentially unchanged with GDP CAGR growth >3%. European growth will be lower at 2% CAGR, while emerging markets (Africa, Latin America, Middle East) will grow at 4.3%**
Oil Prices		**Oil prices predicted to average $60-70 per barrel; volatility remains**
Regional Market Competition		**Three new entrants in the 20-99 seat market**
Single-aisle Market Competition		**Airbus & Boeing have both publicly announced delays to their new single-aisle aircraft program plans and Embraer is actively studying the 120+-seat market**
Scope Clause		**We expect scope clauses to trend upward towards 100 seats during the forecast period**

Indicates a favourable trend in the market categories in which BA competes.

 Indicates a neutral trend in the market categories in which BA competes.

Indicates a unfavourable trend in the market categories in which BA competes.

Sources: Global Insight (October 2008), EIA (January 2009), Bombardier (January 2009)

BOMBARDIER

Long Term, Positive Market Trends Will Prevail

- New modern technology aircraft will be required to replace capacity from retired fleets
- Higher oil prices will drive the need for increased aircraft efficiency
- Increased focus on environmental sustainability will require “greener” aircraft

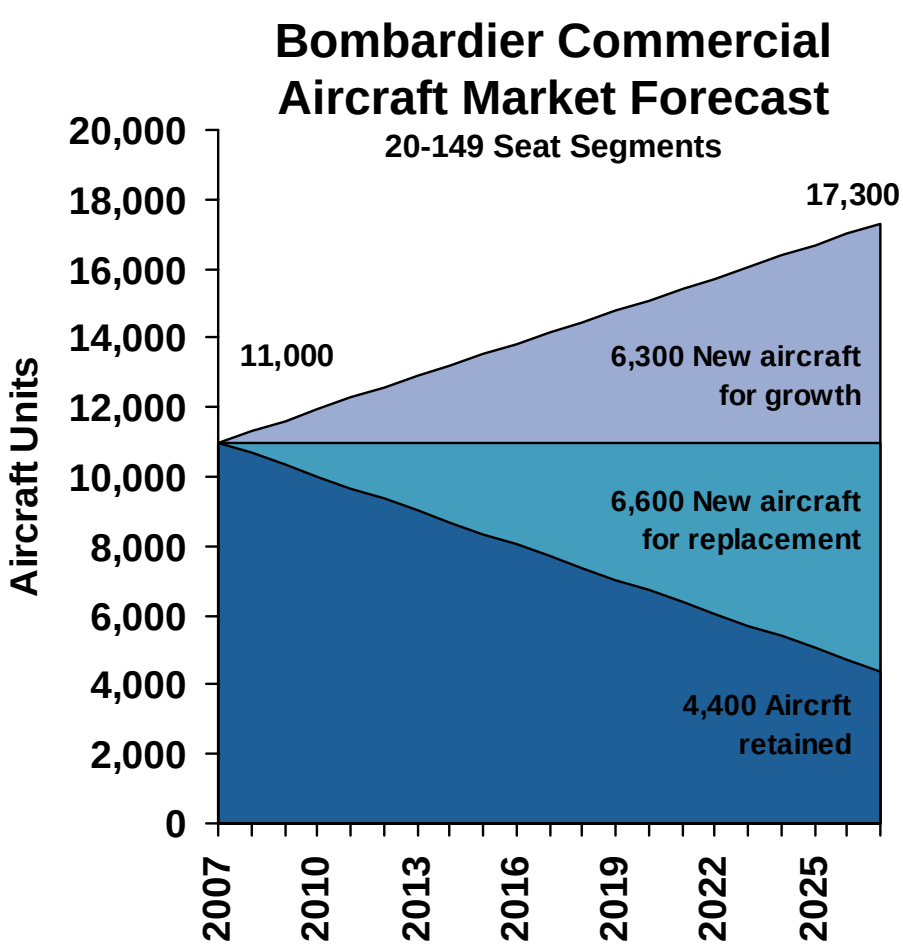
Airline business models will evolve in relentless pursuit of lower operating costs

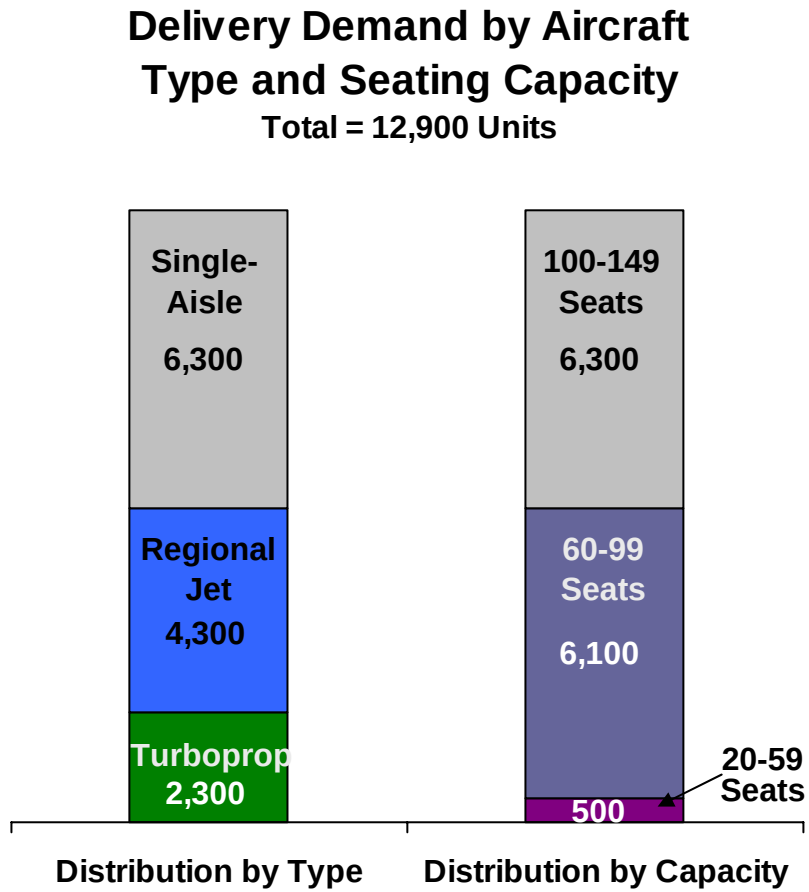
- Continued growth of Low Fare Carriers
- Major airline consolidations
- Specialization in operations (regional and mainline)
- Optimization in schedule planning with turboprops playing an increasing role in short-haul markets
- Increasing average seat capacity in regional market to achieve lower cost per seat
- New technology available for the single-aisle market

Overview

- Bombardier Update
- Commercial Aircraft Market
- **Product Strategy**
- Q&As

Bombardier's Commercial Aircraft Market Forecast reflects robust demand for the 60-149 seat segment





Source: Bombardier Commercial Aircraft Market Forecast – 2008, BACK Aviation

BOMBARDIER

Product Development: Focused On Delivering Optimized Aircraft Solutions Aligned With Market Trends

Turboprops

Q400 NextGen

Regional jets

CRJ700 NextGen

CRJ900 NextGen

CRJ1000 NextGen

Single-aisle mainline jets

CSeries 110

CSeries 130

Q400 NextGen: Further Enhancements to the Best Economics of any Regional Aircraft

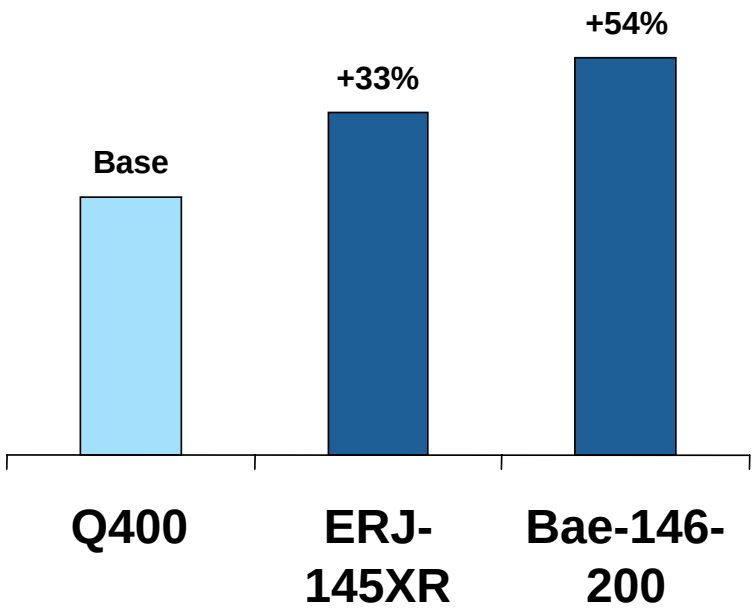
Q400 comfortably greener

- ✓ Best Short-haul Regional Airline Economics
- ✓ Reduced Environmental Impact - Lowest Emissions In Its Class
- ✓ Jet-like Speed Allows For Airline Schedule Optimization
- ✓ NextGen Interiors - Enhanced Comfort From Redesigned Cabin
- ✓ Family Commonality With Dash 8 Models

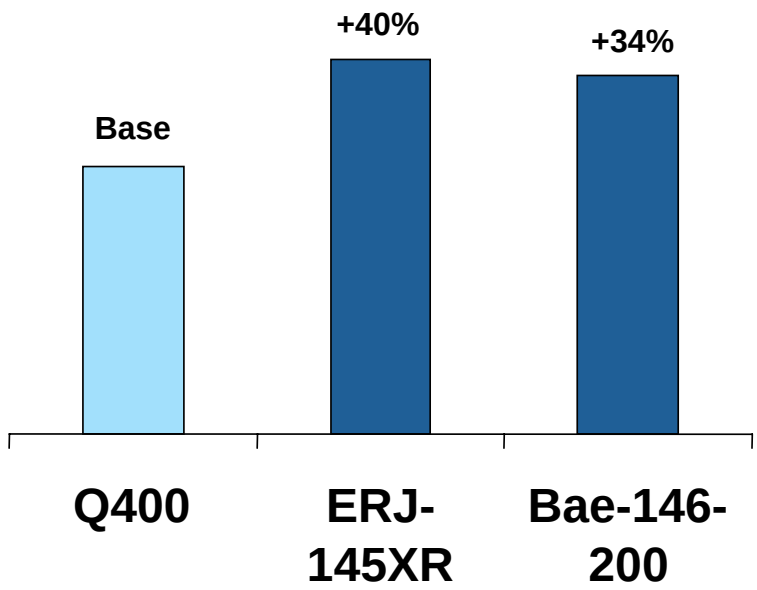
BOMBARDIER

Latest Turboprop Technology Offers Optimization Of Fuel Economy On Short-Haul Routes

Block Fuel Per Seat at 200nm



Cash Operating Costs Per Seat at 200nm



Lower fuel burn equates to lower emissions and operating costs

All Aircraft at LRC, Q400 @ 74 Seats, ERJ145XR @ 50 Seats, BAe-146-200 @ 88 Seats

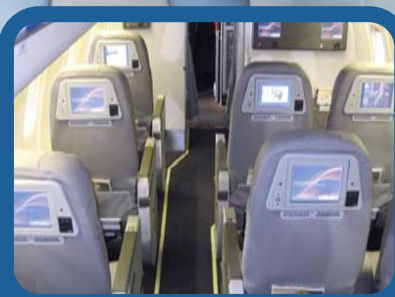
BOMBARDIER

The NextGen Interior – Bigger. Brighter. Better.
Now Available on CRJ700/900/1000 and Q400

Larger Overhead Bins

Larger Windows*

New LED Cool Lighting System



New Features In Seat AVOD IFE*

CRJ Interior with Concept seats shown
* Available on CRJ

BOMBARDIER

The CRJ Series NextGen Aircraft
The Best Regional Jet Economics

- ✓ 7%-15% Better Direct Operating Costs Than Competing Jets
- ✓ Enhanced Comfort From Redesigned NextGen Cabin
- ✓ Reduced Environmental Impact – Lowest Emissions In Its Class
- ✓ Optimized Platform for Low Traffic Markets of Medium-Long Distances

CRJ1000 NextGen
Building on the Strong CRJ Family Heritage

2007

- Launch Customer Orders ✓
- Structural /Systems Design ✓
- Interior Design ✓
- Prototype Build Start ✓

2008

- Prototype Completion ✓
- 1st Flight ✓
- Flight tests begin ✓

2009

- Start of aircraft production ○
- **Certification**

First Flight

3rd September 2008

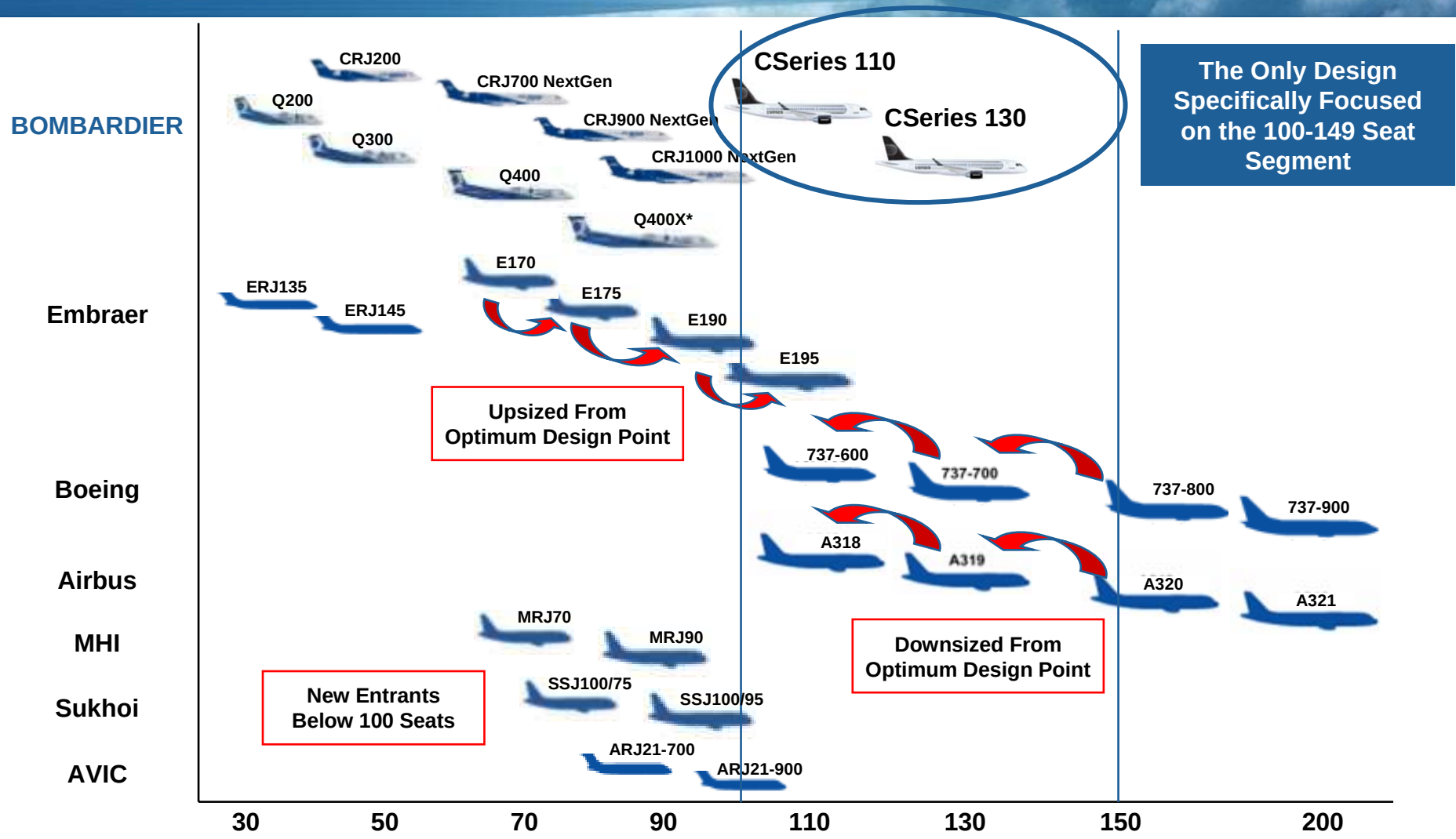
EIS

January 2010

The Next Product Development Success: OPTIMIZED SINGLE-AISLE SOLUTION

CSeries is the only family of aircraft designed specifically for 100- to 149-seat market without compromise—from the ground up. Not stretched, shrunk or reconfigured.

An Optimized Aircraft Family For The 100 To 149-Seat Segment Is Long Overdue



* Programs that are not yet launched or are under study

BOMBARDIER

CSERIES • Design and Technologies Focused On Optimization And Delivering Real Operational Benefits

Best in Class Cabin Comfort and Flexibility

Composite / Al Li

Advanced Flight Deck FBW with Side Sticks

Integrated Avionics & Optimized Systems

Superior Field Performance & Range Flexibility

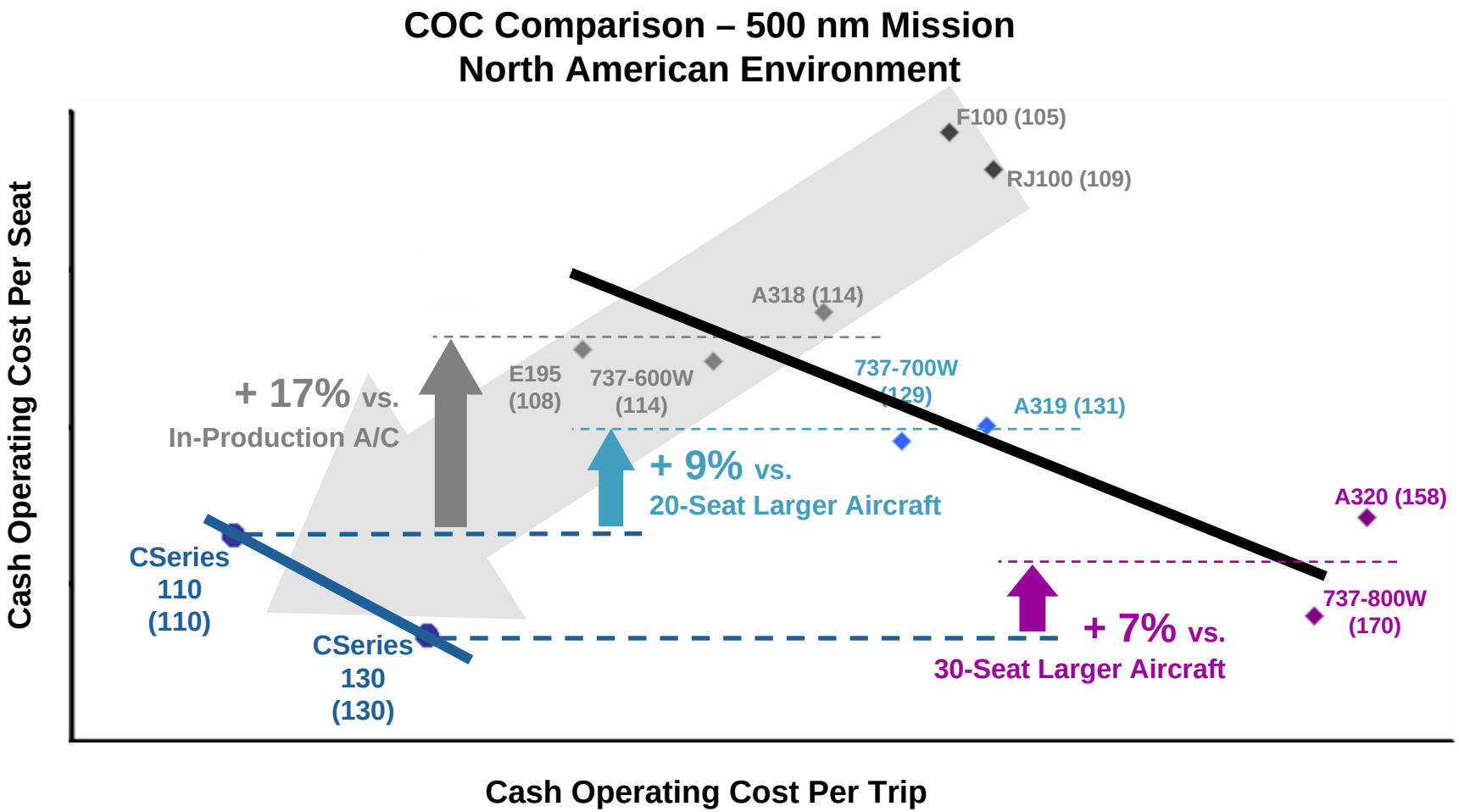
Electric Brakes

Pratt & Whitney PurePower PW1500G™

CSERIES • A Game Changer In Its Class

- ☑ Family of Aircraft with Full Commonality
- ☑ Unmatched Reduction in Environmental Footprint
- ☑ Total Life Cycle Cost Improvement
- ☑ Approx. 15% Better Cash Operating Costs and 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

CSERIES – Designed To Be The Most Cost-Effective, Right-Sized Aircraft



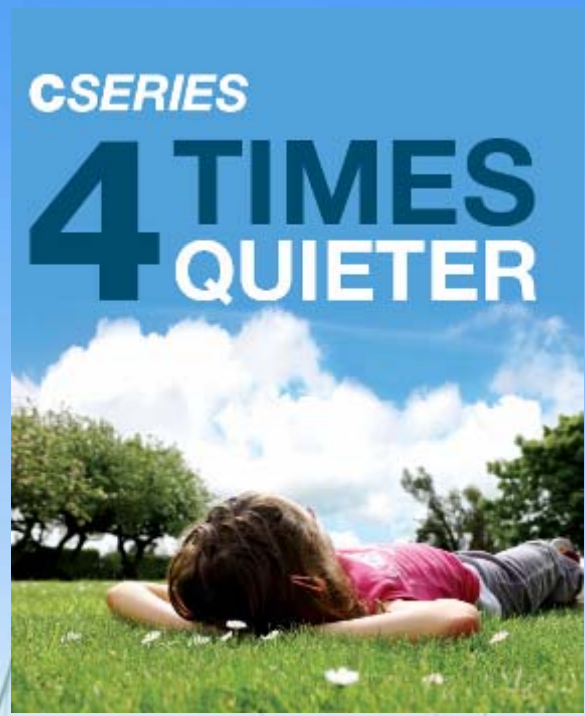
V63.0

Fuel: $3.00USD/USG

BOMBARDIER

The Greenest Single-Aisle Aircraft in its Class

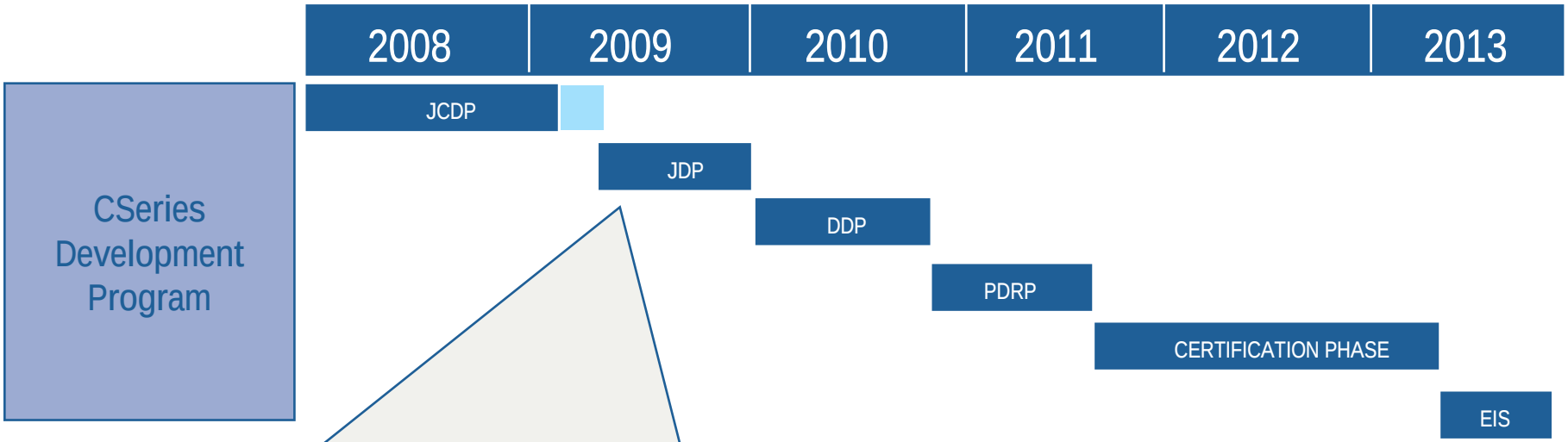
The future of the industry lies in the challenge of balancing profitability and reducing impact on the environment. Designed with vision and conviction, the C*SERIES* combines low operating costs and an unmatched environmental scorecard.



CSERIES
NOW IS THE FUTURE

BOMBARDIER

C*SERIES* program already moving into next phase of development



2009 Focus:

- **Currently transitioning between JCDP and Joint Definition Phase**
- **Al-Li fuselage barrel and CFRP Wing demonstrator rigs**
- **Final high lift, high speed and ground effect wind tunnel tests**
- **Ground breaking for *Complete Integrated Aircraft Test* facility**
- ***Preliminary Design Review* (PDR) close-out**

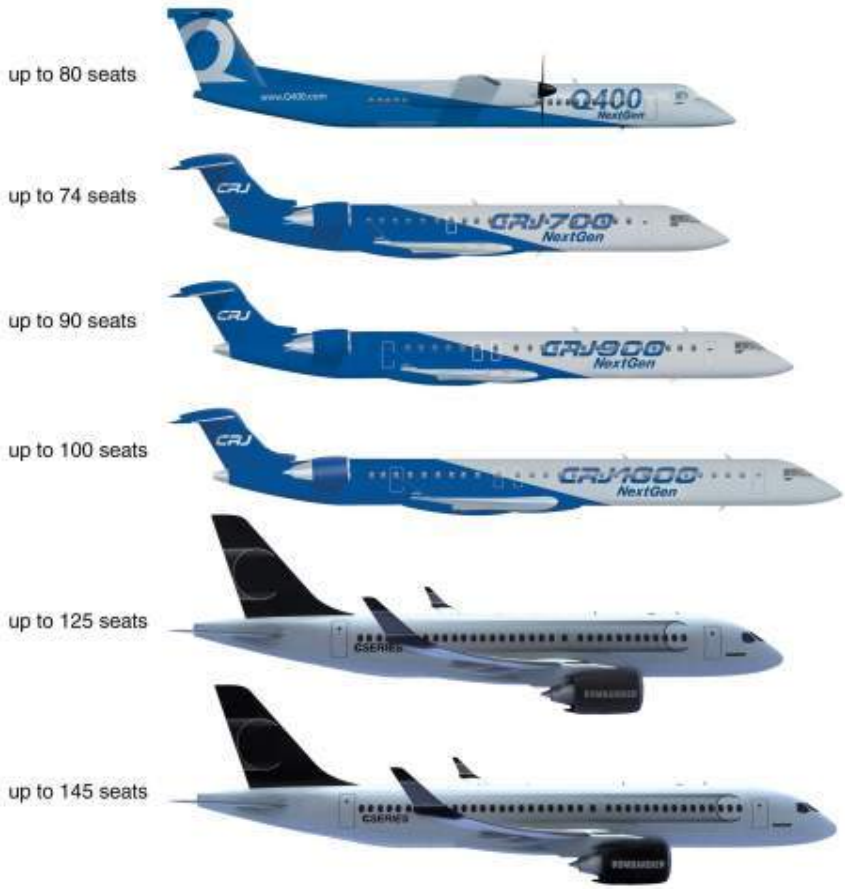
JCDP: Joint Conception Definition Phase
JDP: Joint Definition Phase
DDP: Detail Design Phase
PDRP: Product Definition Release Phase
EIS: Entry Into Service

QUESTIONS?

Philippe Poutissou
Vice-President, Marketing, Commercial Aircraft

BOMBARDIER

Many Solutions, One Source.



Information contained in this document is proprietary to Bombardier Inc., Bombardier Aerospace, Commercial Aircraft ("Bombardier"). This document must not be reproduced or shared with, or distributed to, any third party in whole or in part without Bombardier's prior written consent.

This document is submitted for informational purposes only; is not part of any proposal; and creates no contractual commitment. Bombardier provides the information contained in this document on an 'as is, where is' basis and makes no representation or warranty of any kind regarding the applicability or reliability of any of such information with respect to any use whatsoever to be made of it by the recipient.

Any information of a technical nature contained in this document may contain inaccuracies and is subject to change and should never be relied upon for operational use.

Trademark Information

Bombardier, Bombardier 415, Bombardier Global 5000, Challenger, Challenger 300, Challenger 604, Challenger 605 , Challenger 850, CRJ200, CRJ700, CRJ900, CRJ1000, CSeries, Global, Global Vision, Learjet 40, Learjet 45, Learjet 60, Learjet 85, NextGen, PartsExpress, Q400, XR and XRS are trademarks of Bombardier Inc. or its subsidiaries.