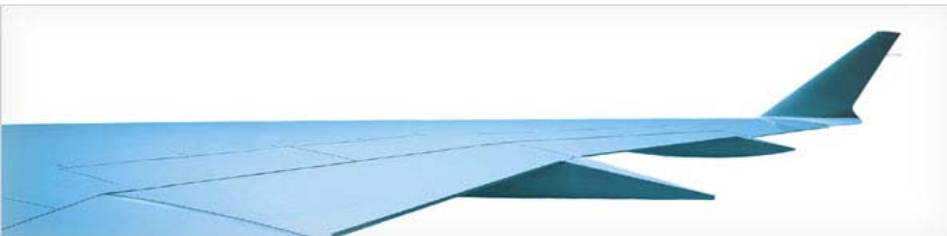


Bank of America 2007 BASics / Industrials Conference



Pierre Alary
Senior Vice President and
Chief Financial Officer,
Bombardier Inc.

May 9, 2007

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 respective sections of the Corporation’s aerospace segment (“Aerospace”) and the Corporation’s transportation segment (“Transportation”) in the F07 MD&A.

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, government policies and priorities and competition from other businesses), operational risks (such as regulatory risks and dependence on key personnel, risks associated with doing business with partners, risks involved with developing new products and services, warranty and casualty claim losses, legal risks from legal proceedings, risks relating to the Corporation’s dependence on certain key customers and key suppliers, risks resulting from fixed-term commitments, human resource risk, and environmental risk), 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 currency, interest rate and commodity pricing risk) – see the Risks and Uncertainties section in the F07 MD&A. 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.

Agenda

- 1** Overview
- 2 Aerospace
- 3 Transportation
- 4 Financial results
- 5 Conclusion

Bombardier - A Global Market Leader

(In millions of U.S. dollars)

BOMBARDIER INC.	
FY07 Sales	\$ 14,816
FY07 EBITDA^(a)	\$ 1,095
Employees^(b)	~ 56,000

AEROSPACE	TRANSPORTATION												
<p>#1 - Business aircraft manufacturer</p> <p>#1 - Regional aircraft manufacturer</p>	<p>#1 - Rail equipment manufacturer and related services provider</p> <p>- Manufacturing presence in 21 countries</p>												
<table> <tr> <td>FY07 Sales</td> <td>\$ 8,230</td> </tr> <tr> <td>FY07 EBITDA</td> <td>\$ 731</td> </tr> <tr> <td>Employees^(b)</td> <td>~ 27,000</td> </tr> </table>	FY07 Sales	\$ 8,230	FY07 EBITDA	\$ 731	Employees^(b)	~ 27,000	<table> <tr> <td>FY07 Sales</td> <td>\$ 6,586</td> </tr> <tr> <td>FY07 EBITDA^(a)</td> <td>\$ 364</td> </tr> <tr> <td>Employees^(b)</td> <td>~ 29,000</td> </tr> </table>	FY07 Sales	\$ 6,586	FY07 EBITDA^(a)	\$ 364	Employees^(b)	~ 29,000
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FY07 Sales	\$ 6,586												
FY07 EBITDA^(a)	\$ 364												
Employees^(b)	~ 29,000												

(a) Before special items

(b) As of January 31, 2007

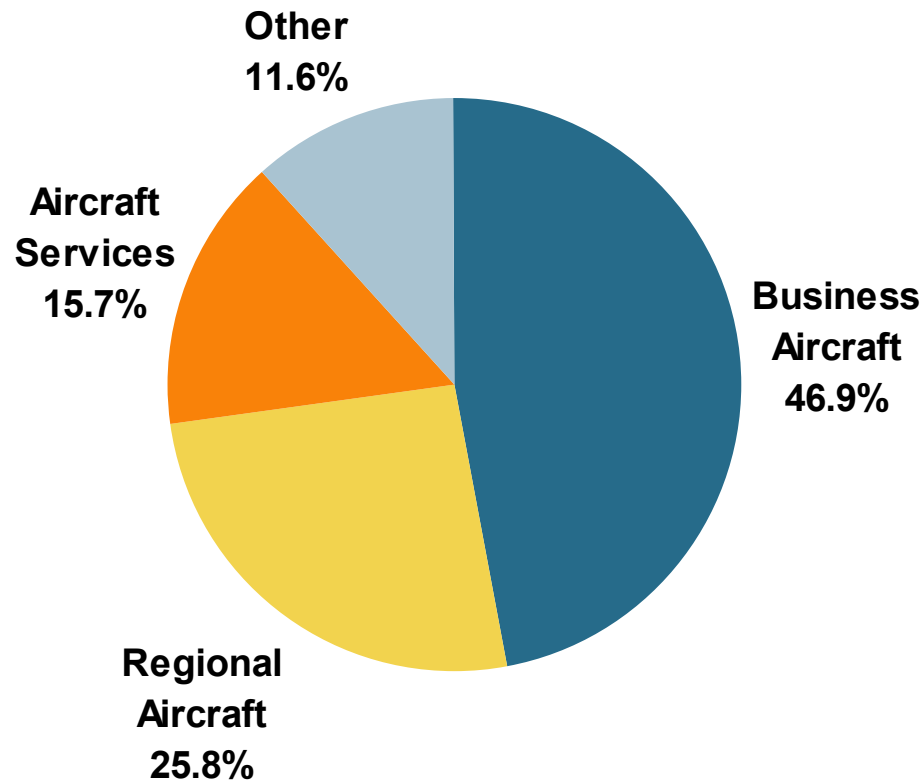
Agenda

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- 3 Transportation
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Bombardier Aerospace has a balanced portfolio of products and services

REVENUE BREAKDOWN BY BUSINESS

(%) Aerospace revenue – FY07



Total Revenues FY07 = \$8.2B

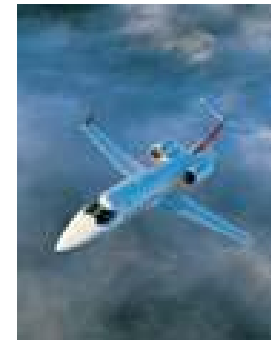
Bombardier business aircraft



Learjet 40 XR



Learjet 45 XR



Learjet 60 XR



Challenger 300



Challenger 605



*Challenger 850
& Challenger Corporate
Shuttle Solutions*



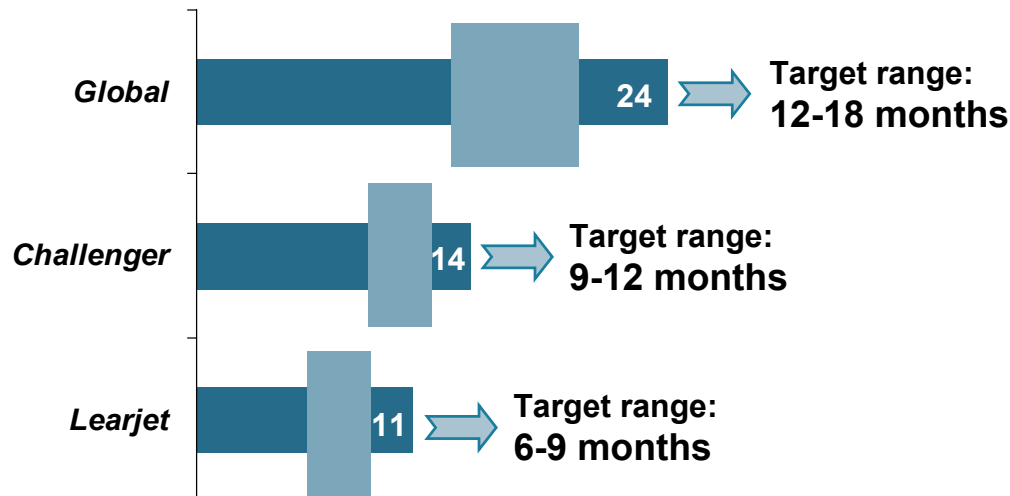
*Bombardier
Global 5000*



Global Express XRS

Bombardier Business jets – Year overview

- Overall market continues to be strong
 - 274 orders in F07 vs 219 last year for Bombardier – 60% international
- Most complete portfolio of products in industry covering 97% of market
- Strong backlog – outperforms targets



Bombardier is well-positioned in the business aircraft market

	Very Light	Light	Super Light	Midsize	Super Midsize	Large	Super Large	Ultra Long Range	Converted Airliners
Bombardier		L40 XR	L45 XR	L60 / XR	CL300	CL605	G5000	GEX XRS	CL850
									CL870
									CL890
Cessna	Mustang	CJ3	XLS / +	Sovereign	CX				
	CJ1+	CJ4							
	CJ2+	Encore / +							
Dassault					F50EX	F2000 / DX	F900DX	F7X	
						F2000EX	F900EX		
Gulfstream			G150	G200	G350	G450	G500		
							G550		
Raytheon	Premier 1	H400XP	H750	H850XP	H4000				
				H900XP					
Embraer	P100	P300							Legacy
									L1000
Others	Eclipse	Grob SPn							BBJ1
	Adam 700	SJ30-2							BBJ2
	HondaJet	Freedom							BBJ3
	PiperJet								ACJ 318
	D-Jet								ACJ 319
	Independ.								

In Prod.
38

In Dev.
21

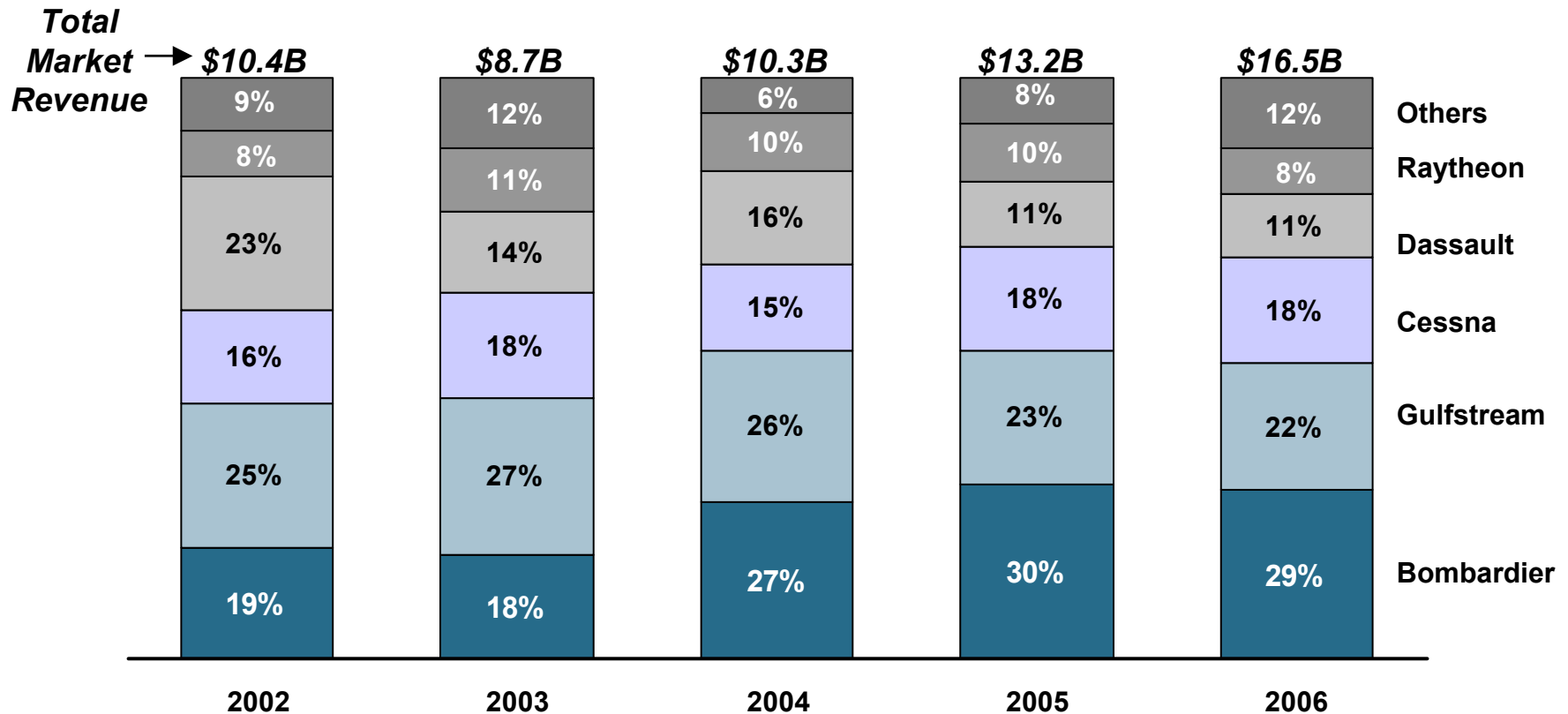
97% of business aircraft market (revenue)

NOTE: Segmentation is largely determined by a combination of cabin volume, range and price.

Bombardier is the revenue market share leader

BUSINESS AIRCRAFT DELIVERY REVENUE MARKET SHARE

Total Market, Delivery Revenues, Calendar Year

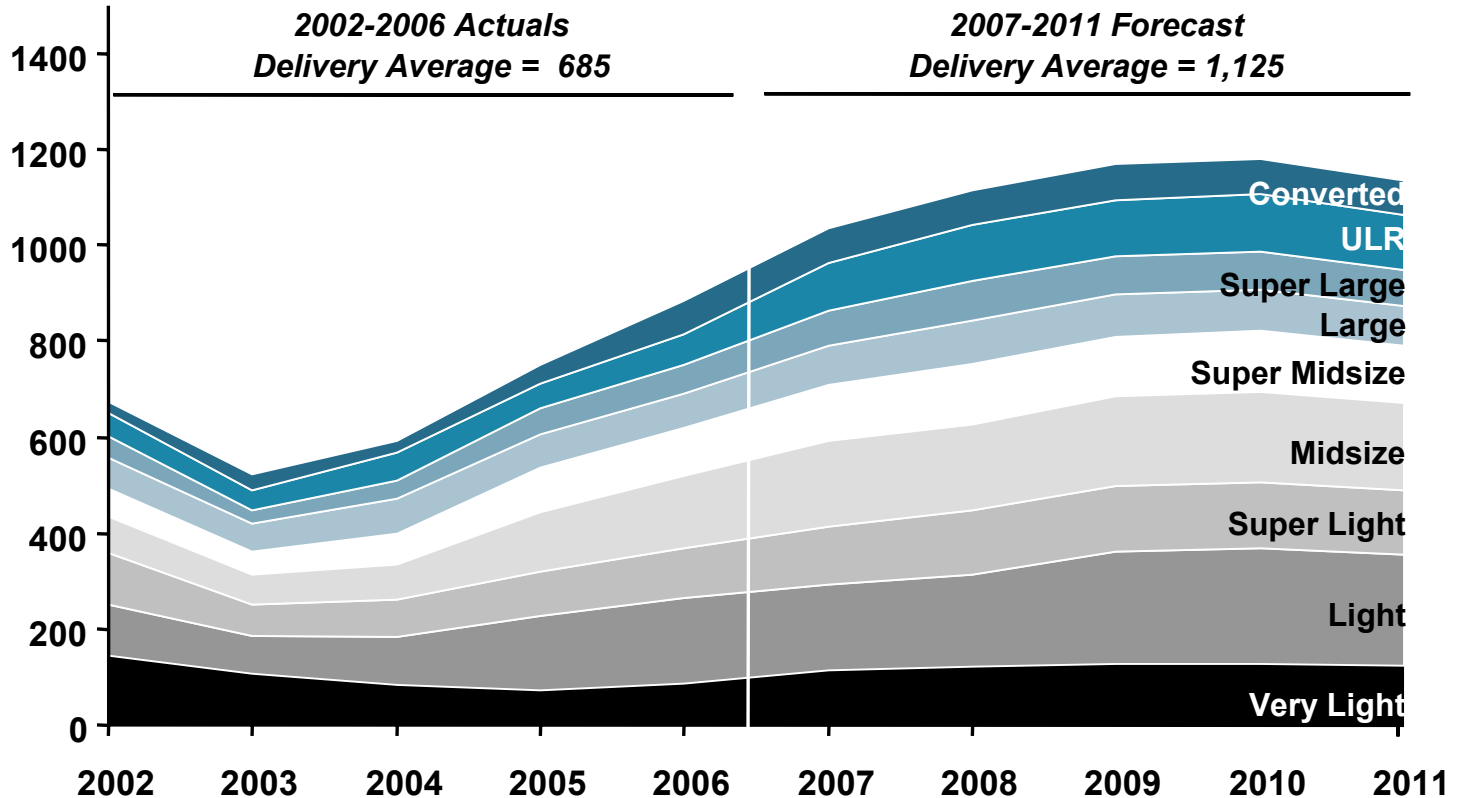


Source: Revenues estimated from GAMA deliveries and BCA list prices, includes all business jet deliveries (traditional and fractional).

Business aircraft market expected to grow until 2010

DELIVERY UNIT FORECAST

Demand by category, Traditional market only (Calendar years 2001 – 2010)



Source: Bombardier Market Analysis Group, January 2007 Demand Forecast.

Actuals and Forecast excluding Personal Jets (Citation Mustang, Phenom 100, Eclipse 500, Adams 700).

Only Bombardier offers comprehensive common families of turboprops and regional jets



Q200 37-39 seats



CRJ200 40-50 seats



Q300 50-56 seats



CRJ700 66-78 seats



CRJ900 75-90 seats



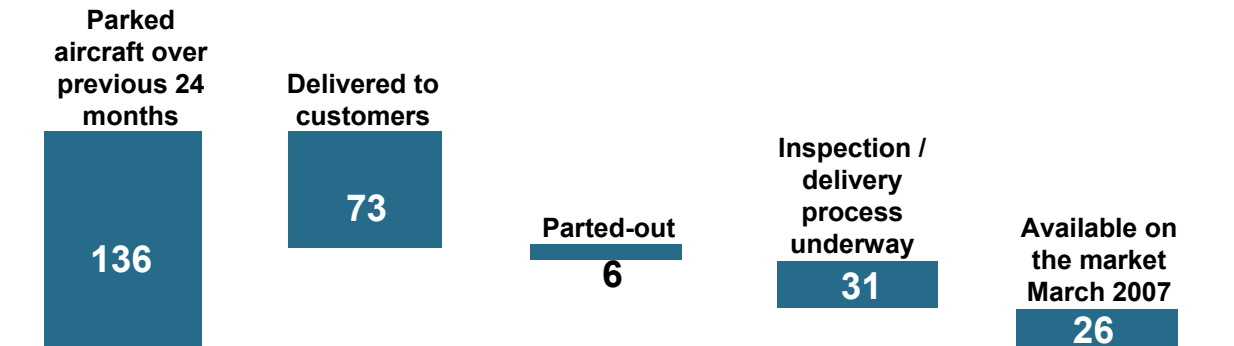
Q400 68-78 seats



CRJ1000 86-104 seats

Bombardier Regional aircraft – Year overview

- Increased demand for turboprops
 - Q400 attracting new customers worldwide, including from the U.S. with Frontier order
 - Pinnacle placed order subsequent to quarter end
- Shift towards larger CRJs continues
 - Northwest (and Delta, subsequent to quarter end) have placed orders for CRJ900s
- Residual values of CRJ100/CRJ200s stable

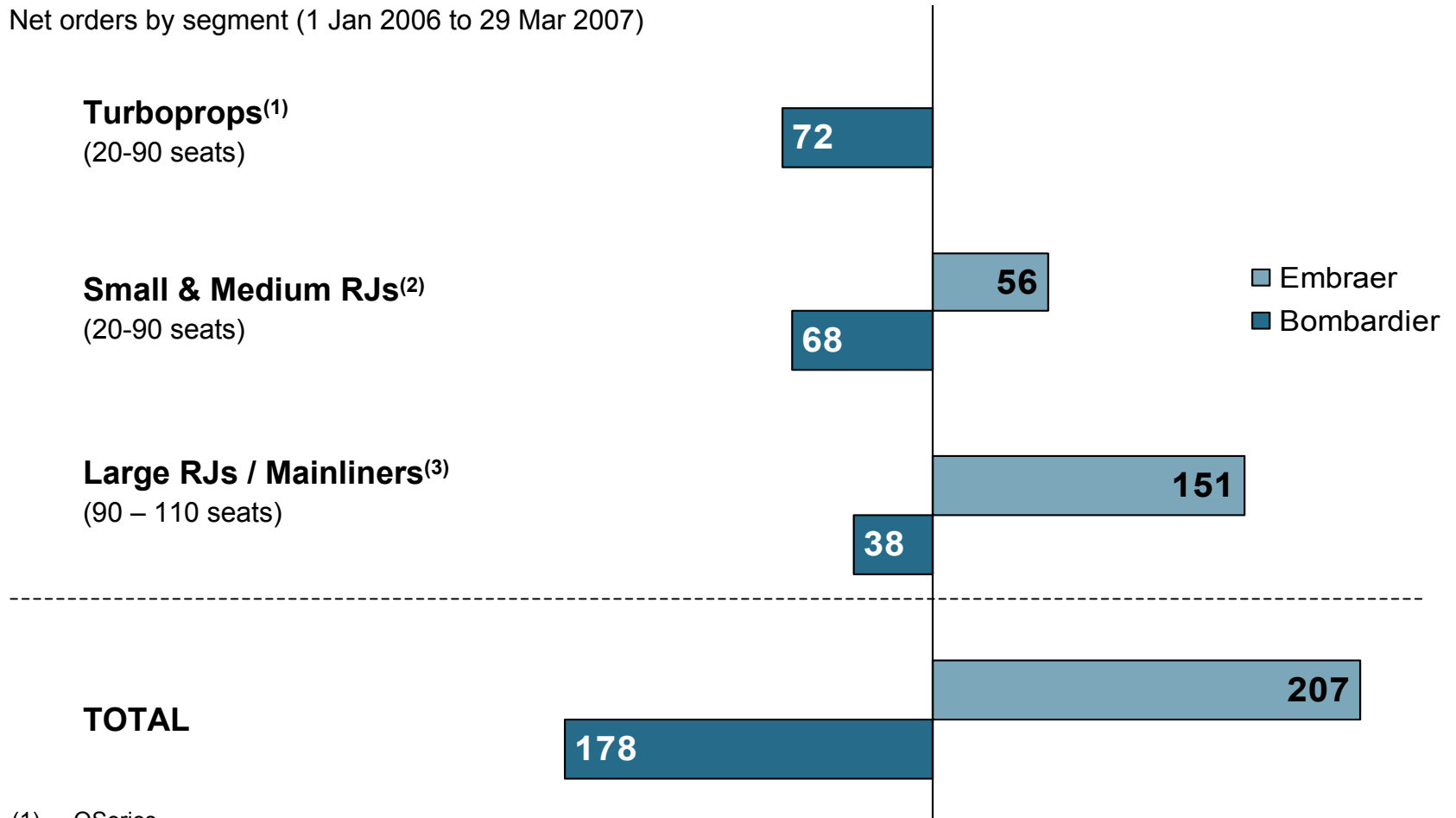


Sources: Bombardier, ACAS, Various CRJ Owners - data as of March 1, 2007

The full range of products must be considered when comparing Bombardier vs. Embraer

RECENT NET ORDERS

Net orders by segment (1 Jan 2006 to 29 Mar 2007)



(1) QSeries

(2) CRJ200/700/900; ERJ 135/140/145; E170/175

(3) E190/195; CRJ1000

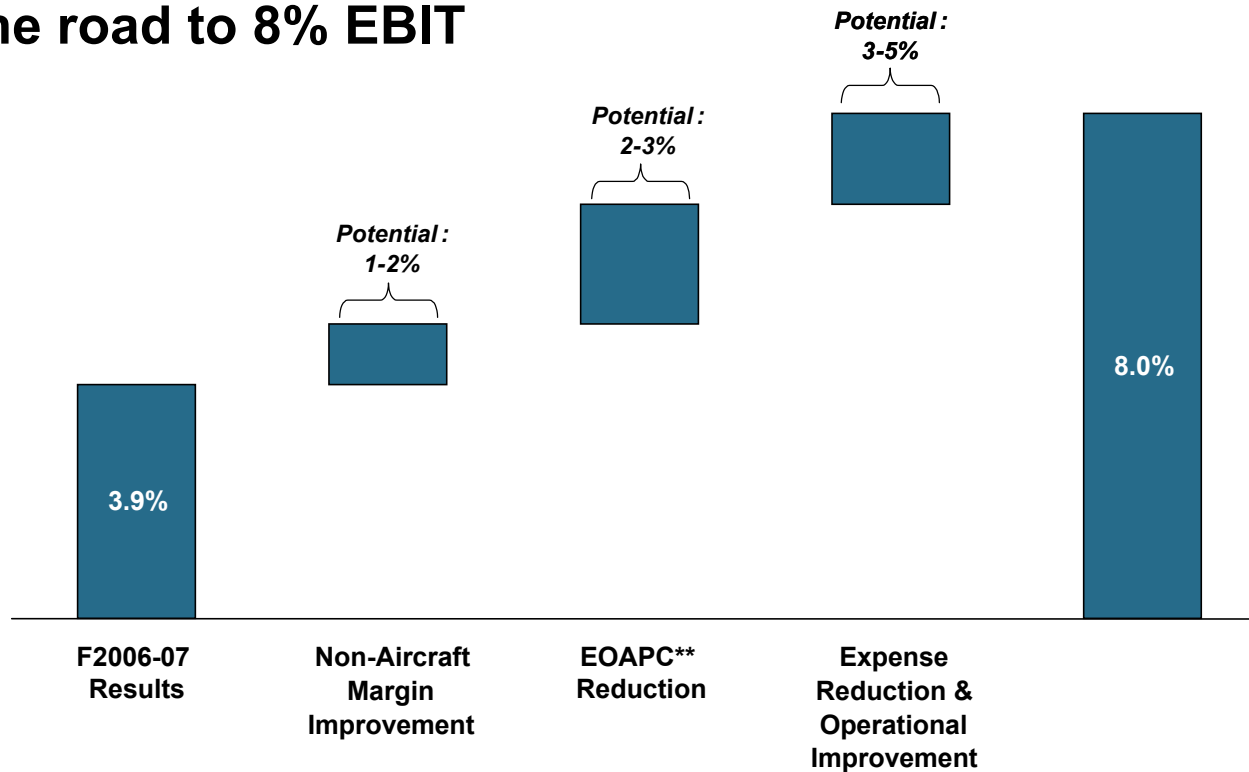
Aerospace FY07 results

- EBIT of \$322M compared to \$266M last year
 - EBIT margin of 3.9% vs. 3.3%
- Healthy backlog at \$13.2 billion compared to \$10.7 billion last year
 - 152 firm orders for regional aircraft (approx. 222 units including orders received after year end), compared to 148 last year *
 - Business aircraft backlog outperforms targets
- F08 increase in deliveries mainly driven by business aircraft
- Continuing to refine the *C-Series* business plan for potential entry into service (EIS) in 2013

* Excluding US Airways which was removed subsequent to January 31, 2006

Aerospace – Margin improvement

- The road to 8% EBIT



Implementation of plan to reach EBIT margin of 8% within the next three years* continues

* See Forward-looking statements at beginning of this presentation

** Excess Over Average Production Cost

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Transportation, a full spectrum of railway solutions

Rolling stock			Services	System and signalling	
Rolling Stock	Propulsion & Controls	Bogies	Services	Total Transit Systems	Rail Control Solutions
					

Mainline

- Locomotives
- Very high-speed trains
- High-speed trains
- Intercity trains
- Regional trains
- Commuter trains

Mass Transit

- Metro cars
- Light rail vehicles

- Traction converters
- Auxiliary converters
- Traction drivers
- Control and communication

- Portfolio of products to match the entire range of rail vehicles
- Full scope of services throughout the life cycle of bogies

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

- Automated people movers
- Advanced rapid transit
- Light rapid transit
- Turnkey systems
- Automated monorail
- Metros
- Operations and maintenance related to systems

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

Bombardier Transportation – Year overview

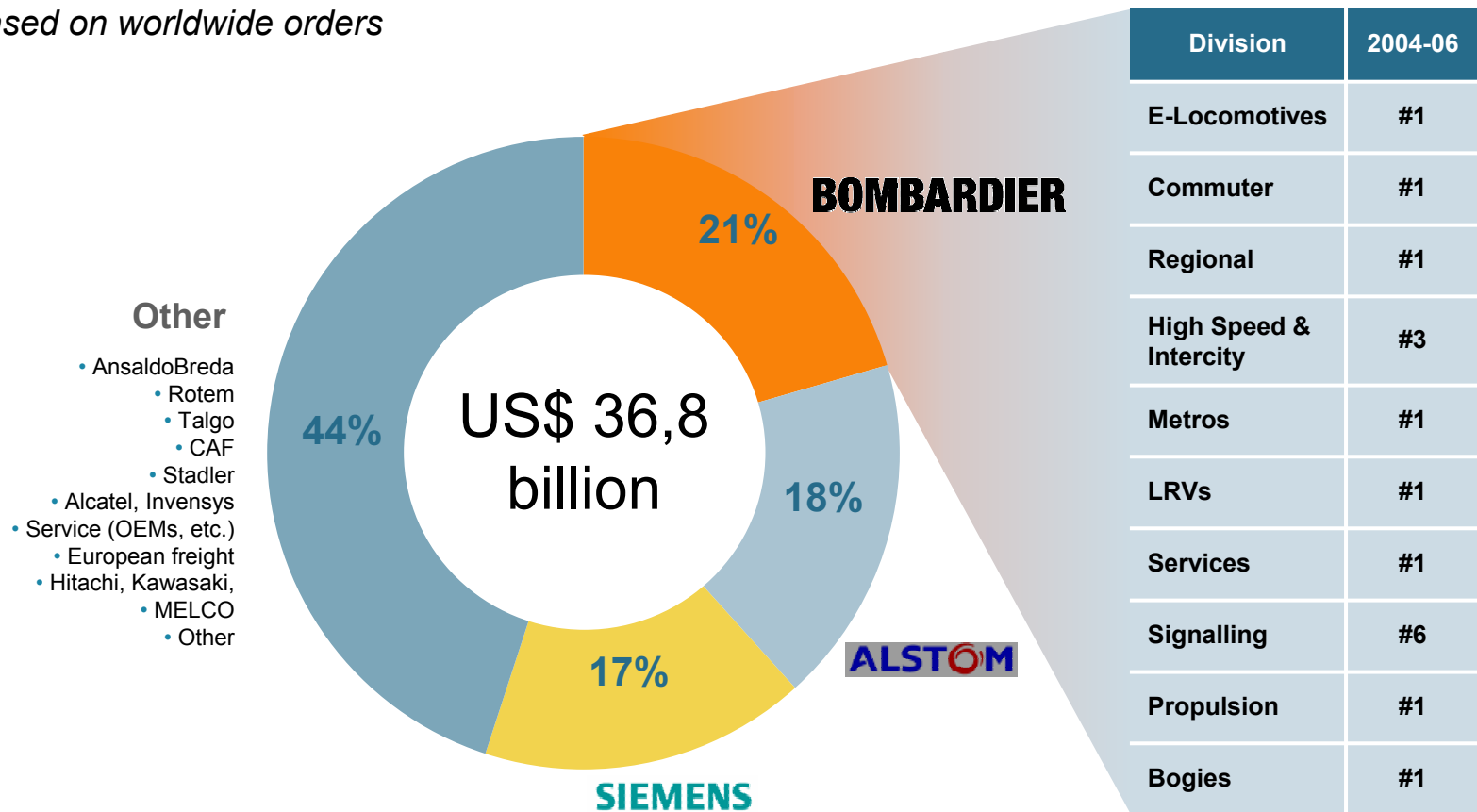
- **Unprecedented level of order intake for the year at \$11.8 billion**
 - **Increase of 62% compared to last year**
 - **Book-to-bill ratio of 1.8 for the year**
 - **Orders were across all geographic regions and product lines**
- **Market leadership thanks to unmatched portfolio of products and services**
- **Increased leadership in Metros, Commuters and Regional trains**
- **Backlog at \$27.5 billion – highest level ever**

TOPSIX: Main achievements

- **LEAD: Market Leadership**
 - Strengthened mandate of Chief Country Representatives
 - Improved competencies of Sales forces
- **SUPRO: Product Management**
 - Product Management and Product Roadmaps deployed
 - Architecture moving towards >70% of standard components
- **BEST: Move towards World Class Operations**
 - New Bombardier Operations System rolled out this year
- **PRO: Continuous improvement of Project Management**
 - Key projects continuously audited
 - Measure of process deployment across Divisions
- **CODE30+: Procurement initiative on target**
 - Long Term Supply Contracts with reduced number of suppliers
 - Strong contributor to margin improvement
- **PEOPLE: People Development**
 - Support of competencies improvement in key functions
 - Acquisition of external and leverage of internal talent

Transportation is the market leader in the rail industry...

Relevant⁽¹⁾ market 2004-2006
Based on worldwide orders



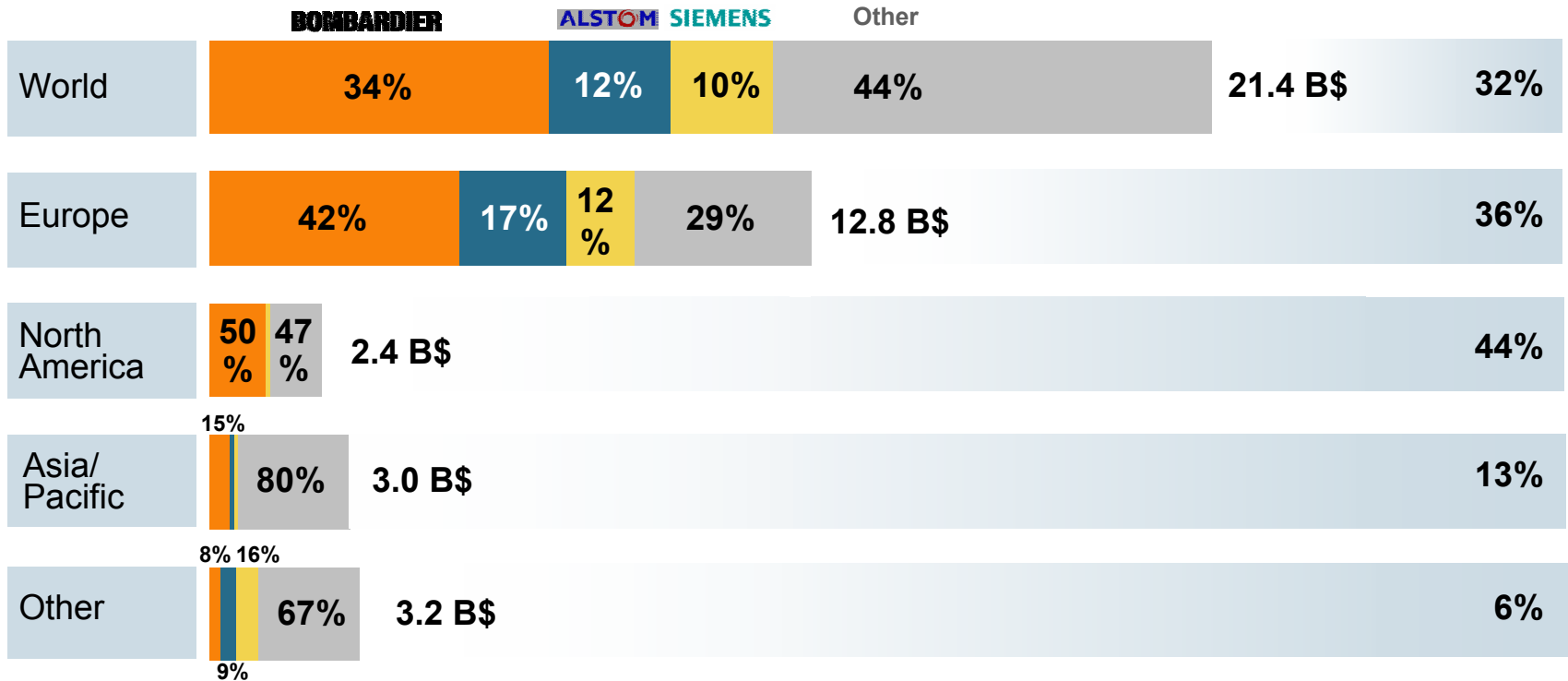
(1) The worldwide rail market relevant to Bombardier is the market accessible to open bid competition, excluding NAFTA freight locomotives and world-wide freight wagons, captive Services, Japan, China domestic and Maglev

... and outpaced its historical rolling stock market share in all four world regions

Rolling stock market share by region

2006, Transportation relevant market orders

Transportation historical market share average 2001-2005



In FY07, major contracts won across Divisions

Good start into FY08

Key Projects FY07

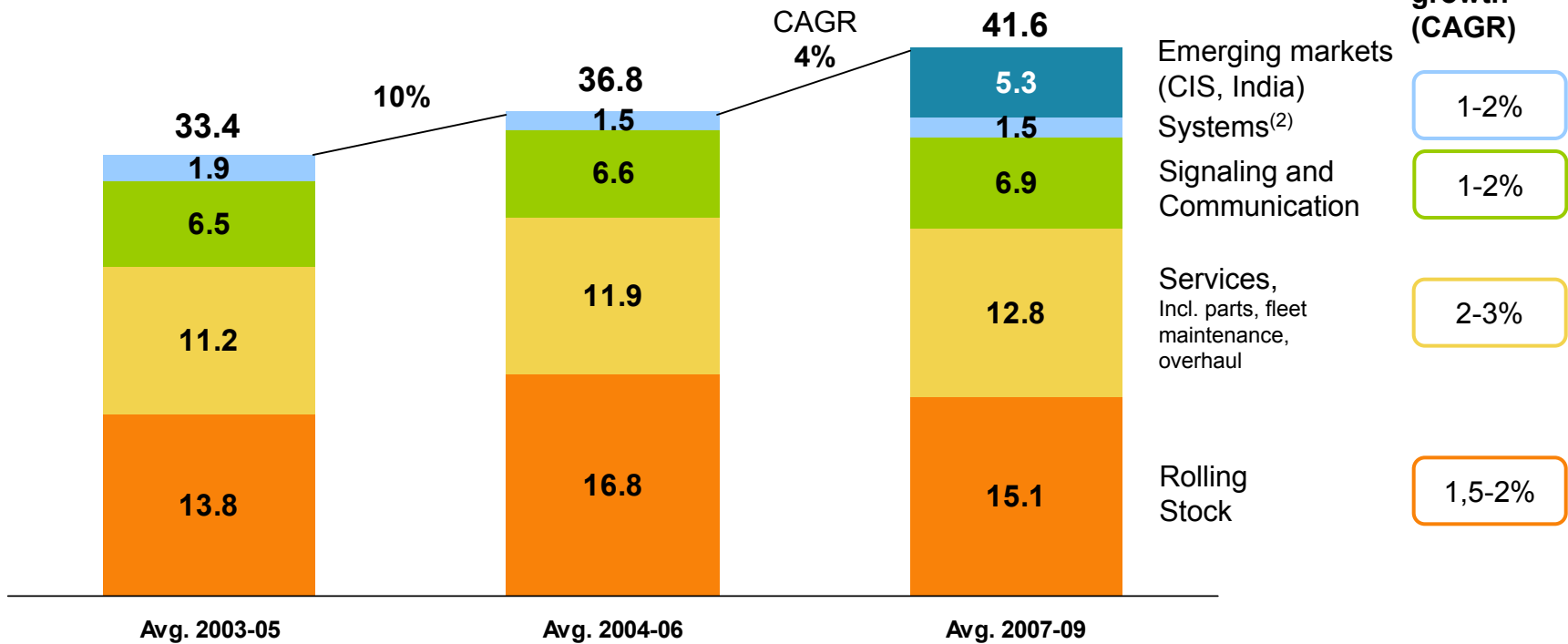
DIV	Project	Country	M\$
Mainline	SNCF Ile-de-France	France	1,800
Systems	Gautrain	South Africa	1,650
Mainline	SNCF AGC	France	605
North America	CTA rapid transit	USA	577
Mainline	NS VIRM	Netherlands	569
Locomotives / Services	Renfe locomotives	Spain	549
North America	TTC subway	Canada	473
Mainline / Services	Transport for London	United Kingdom	425
Light Rail	Frankfurt tram	Germany	361
Services	FGW, HS Bogie overhaul	United Kingdom	160
Locomotives	CBRail locomotives	Europe	156
Systems	Kuala Lumpur ART II	Malaysia	147
Light Rail	Metro do Porto tram	Portugal	114
Metro	Shanghai Metro	China	104
Services	FGW, High Speed car VRM	United Kingdom	100
Total (66% of order intake)			7,790

Key Projects FY08

DIV	Project	Country	M\$
Mainline	Framework agreement Deutsche Bahn Talent 2	Germany	1,600
Locomotives	Trenitalia E464 locomotives	Italy	487
Locomotives / Propulsion	Propulsion equipment for Dalian Locomotives	China	480
Signalling	Interflo 150 ERMTS technology for Banverket	Sweden	57

Transportation market is expected to grow by ~4% over next 3 years thanks to emerging markets

BT relevant⁽¹⁾ market [B\$]
3-year-average orders



Long-term market growth⁽³⁾ (CAGR)

- Emerging markets (CIS, India) Systems⁽²⁾: 1-2%
- Signaling and Communication: 1-2%
- Services, Incl. parts, fleet maintenance, overhaul: 2-3%
- Rolling Stock: 1,5-2%

After a record year for Rolling Stock in 2006 (21.4bn USD), the demand will come back to a more sustainable level of around 15bn USD

(1) Relevant market excludes NAFTA freight locomotives and world-wide freight wagons, captive Services, Japan, China domestic and Maglev
 (2) Systems portion only, excl. Rolling Stock, Services and Signaling
 (3) CAGR for 2006-15 as of UNIFE study

Transportation FY07 results

- **EBIT before special items at \$255M compared to \$179M last year**
 - **EBIT margin of 3.9% vs. 2.7% (before special items)**
- **Quality enhancement continues to improve margin**
 - **Procurement**
 - **Engineering**
 - **Project management**

Main drivers of business plan to reach 6% EBIT

- **Flawless execution of backlog**
 - Ramp up of Engineering resources
 - Reinforce Project Management processes and audits on new projects
 - Continue Margin Enhancement Programs
- **Profitable growth**
 - Keep our positions, be selective
 - Continue our efforts in new markets
 - Focus on Services growth
- **Leverage of leadership position**
 - Commuter / Regional
 - Locomotives
 - LRV
- **Risk mitigation**
 - Monitor Metronet situation and performance

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Segmented information – Aerospace

(In millions of U.S. dollars)

	Q4 F2006-07		Q4 F2005-06		F2006-07		F2005-06	
Revenues								
Business	1,280		1,183		3,858		3,330	
Regional	577		676		2,122		2,690	
Other	701		541		2,250		2,067	
Total	2,558		2,400		8,230		8,087	
EBIT	158	6.2%	107	4.5%	322	3.9%	266	3.3%
Amortization	95		90		409		406	
EBITDA	253	9.9%	197	8.2%	731	8.9%	672	8.3%
Reduction in EOAPC *					277	3.4%	162	2.0%
EBITDA before reduction in EOAPC					1,008	12.3%	834	10.3%

* Excess Over Average Production Cost

Segmented information – Transportation

(In millions of U.S. dollars)

	Q4 F2006-07		Q4 F2005-06		F2006-07		F2005-06	
Revenues								
Rolling stock	1,118		1,014		4,066		4,356	
Services	386		345		1,404		1,329	
System and signalling	325		276		1,116		954	
Total	1,829		1,635		6,586		6,639	
EBITDA before special items	119	6.5%	109	6.7%	364	5.5%	318	4.8%
EBIT before special items	86	4.7%	53	3.2%	255	3.9%	179	2.7%

Financial results overview

(In millions of U.S. dollars, except per share amounts)

	Q4 F2006-07		Q4 F2005-06		Q4 F2006-07		Q4 F2005-06	
Revenues	4,387		4,035		14,816		14,726	
EBITDA from continuing operations before special items	372	8.5%	306	7.6%	1,095	7.4%	990	6.7%
EBIT from continuing operations before special items	244	5.6%	160	4.0%	577	3.9%	445	3.0%
Financing expense, net	70		46		218		207	
EBT from continuing operations before special items	174	4.0%	114	2.8%	359	2.4%	238	1.6%
Special items	--		37		24		88	
Income tax expense (recovery)	62		(8)		92		15	
Income from continuing operations	112	2.6%	85	2.1%	243	1.6%	135	0.9%
Income from discontinued operations, net of tax	--		1		25		114	
Net income	112	2.6%	86	2.1%	268	1.8%	249	1.7%
EPS – from continuing operations before special items	0.06		0.07		0.14		0.11	
EPS - Net income	0.06		0.05		0.14		0.13	

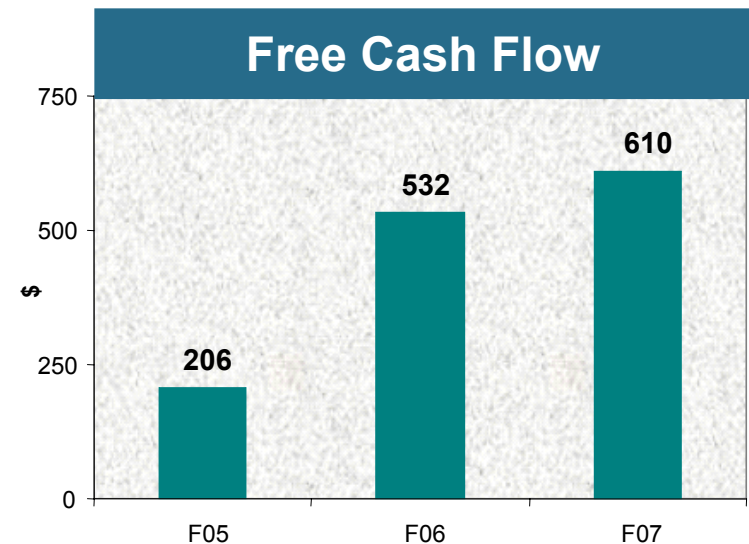
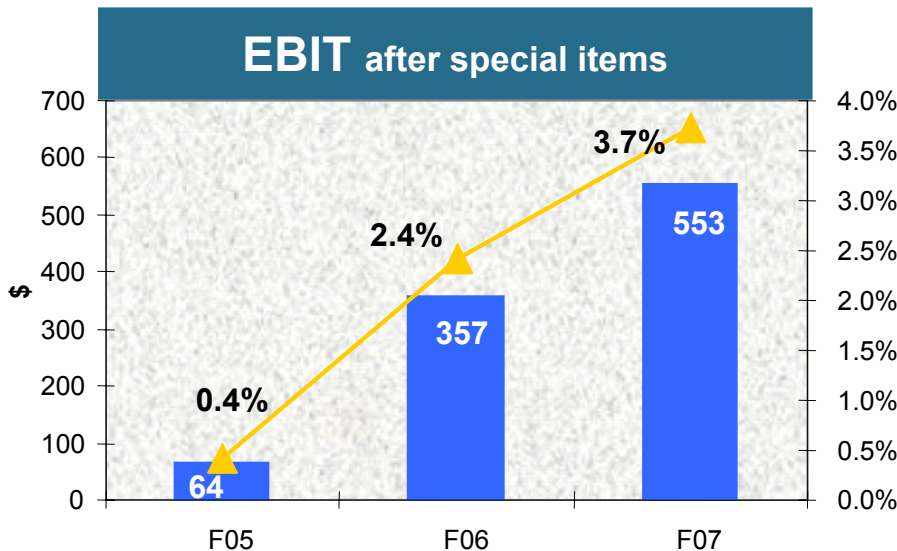
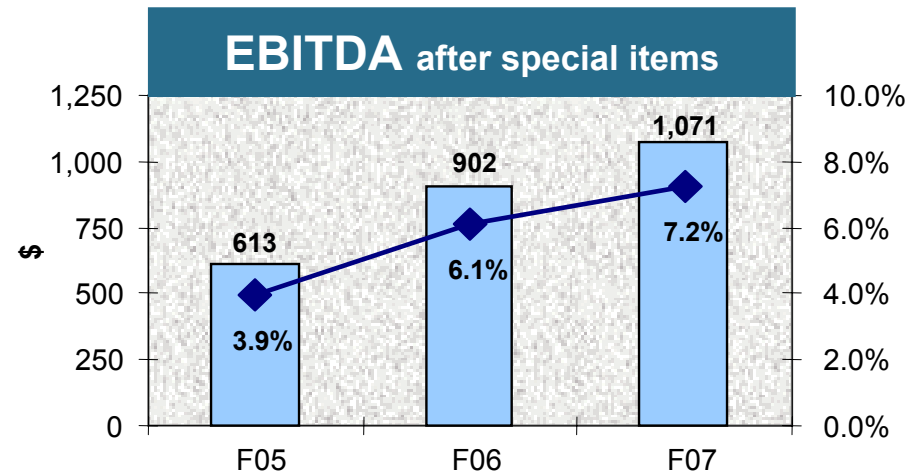
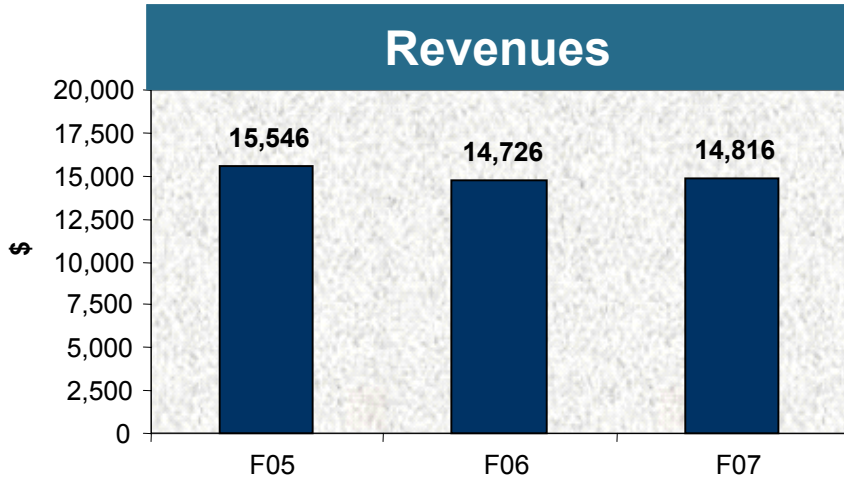
Free cash flow

(In millions of U.S. dollars)

	Q4 F2006-07	Q4 F2005-06	Q4 F2006-07	Q4 F2005-06
Aerospace				
Excluding aircraft financing	672	556	616	594
Aircraft financing	99	(86)	198	306
Transportation	452	330	172	44
Special items	(9)	(100)	(77)	(170)
Interest and taxes	(94)	(53)	(299)	(242)
Total	1,120	647	610	532

Financial Performance is improving

(In millions of U.S. dollars)

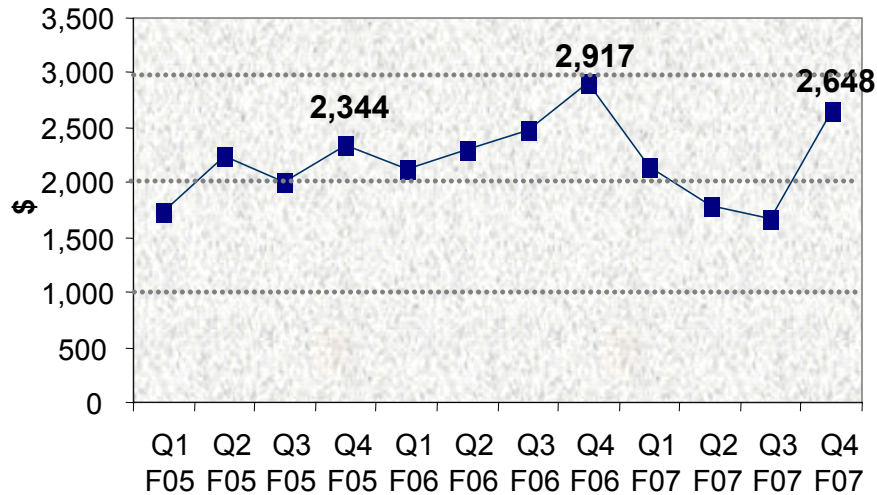


Source: Bombardier Consolidated Financial Statements 2005/2006/2007

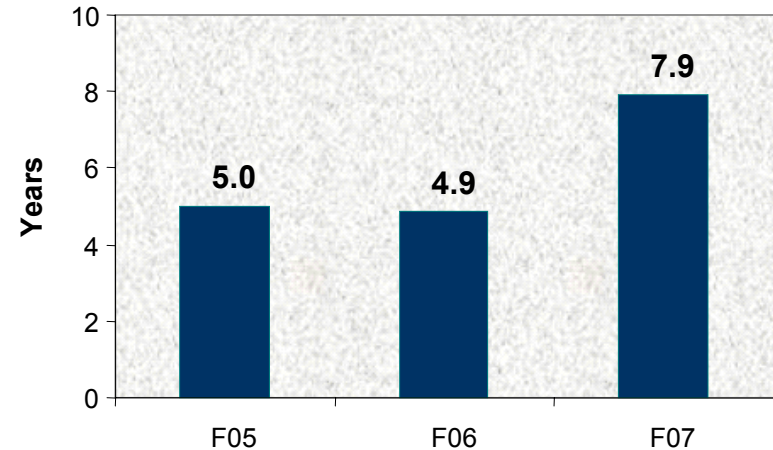
Stable liquidity and extended maturities following last year's liability management exercise

(In millions of U.S. dollars)

Cash and Cash Equivalents



Average term of Long Term Debt

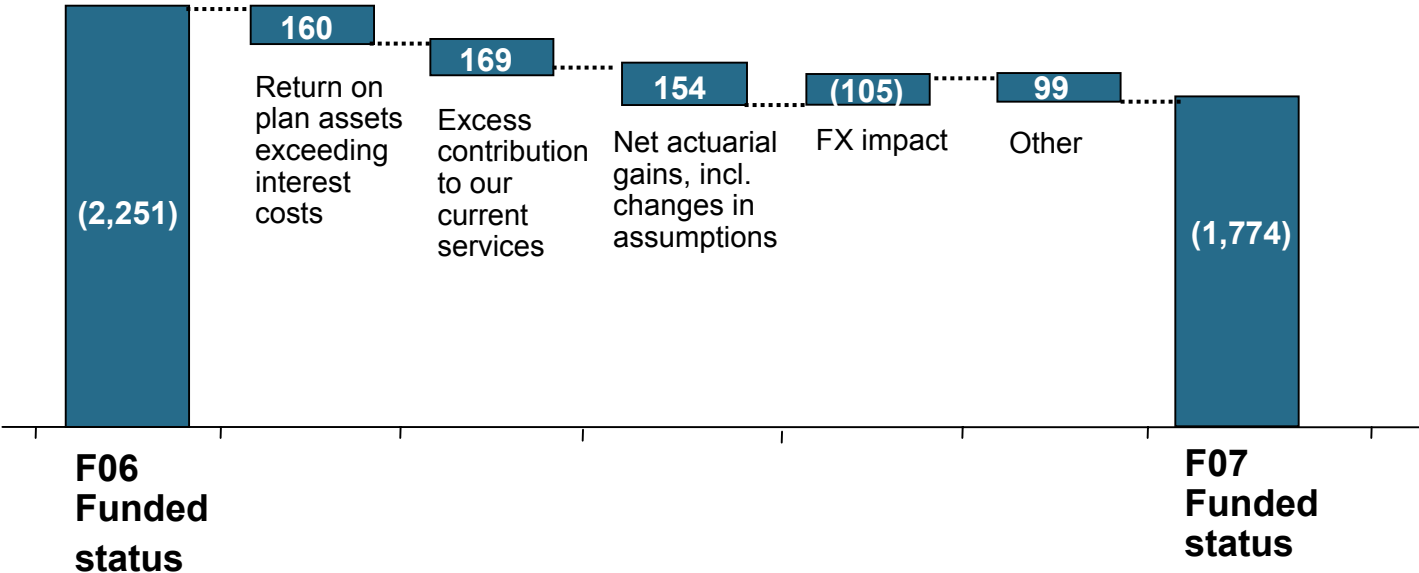


Pension Deficit Improvement

- Pension deficit reduced by \$477M during the year

Sources of Change in Pension Deficit

(In Millions of USD)



	Deficit	Discount rate assumption
F07	\$1,774	4.99%
F06	\$ 2,251	4.77%

	Expense	Cash contribution
F08	\$259	\$370
F07	\$366	\$375

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Conclusion

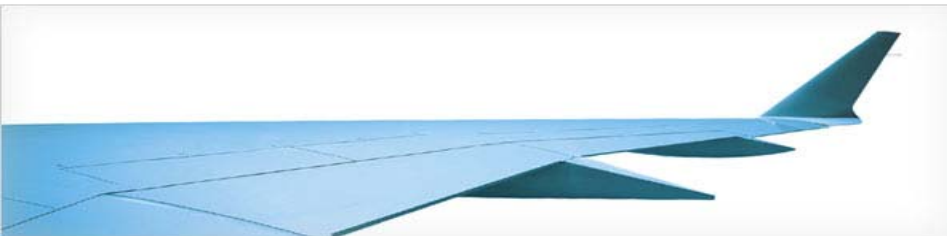
- **Business jet market continues strong**
- **Orders in regional jets are starting to materialize**
- **Good level of order intake and margins continue to improve at Transportation**
- **Strong backlog at \$40.7 billion**

Both groups remain focused on reducing costs and increasing margins for long-term profitability

CAUTION REGARDING NON-GAAP EARNINGS MEASURES

This presentation is based on reported earnings in accordance with Canadian generally accepted accounting principles (GAAP). It is also based on EBITDA, EBIT, EBT and EPS from continuing operations before special items as well as on Free Cash Flow. These non-GAAP measures are directly derived from the Consolidated Financial Statements, but do not have a standardized meaning prescribed by GAAP; therefore, others using these terms may calculate them differently. Management believes that a significant number of the users of its MD&A analyze the Corporation's results based on these performance measures and that this presentation is consistent with industry practice. Special items are related to Transportation's restructuring plan initiated in fiscal year 2005. Management views these items as potentially distorting the analysis of trends.

Bank of America 2007 BASics / Industrials Conference



Pierre Alary
Senior Vice President and
Chief Financial Officer,
Bombardier Inc.

May 9, 2007

BOMBARDIER