Cowen and Company Aerospace/Defense Conference 2010

NEW YORK

FEBRUARY 10, 2010

Yan Lapointe, Manager Investor Relations, Bombardier Inc.

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”, 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

1. **Overview**
2. Aerospace
3. Transportation
4. Summary

Bombardier – A Global Market Leader
For the fiscal year 2009

(in millions of U.S. dollars)	**BOMBARDIER INC.**		
Revenues	$ 19,721	**Free Cash Flow**	$ 342
EBITDA	$ 1,966	**Backlog**[a]	$ 48,200
EBIT	$ 1,411	**EPS**[b] ***(in U.S. dollars)***	$ 0.56
Net income	$ 1,008	**Employees**	66,900

AEROSPACE		**TRANSPORTATION**	
#1 - Business aircraft manufacturer **#1** - Regional aircraft manufacturer		**#1** - Rail equipment manufacturer and services provider	
Revenues	$ 9,965	**Revenues**	$ 9,756
EBITDA	$ 1,327	**EBITDA**	$ 639
EBIT	$ 896	**EBIT**	$ 515
Backlog[a]	$ 23,500	**Backlog**[a]	$ 24,700
Employees	32,500	**Employees**	34,200

(a) As of January 31, 2009
(b) Diluted

Bombardier Today

- **66,900 employees***
  - 75 nationalities
  - 20 languages
- **A presence in 60 countries**
- **Customers in 100 countries**

** As of January 31, 2009*

Source: Bombardier F09 annual report and website

Bombardier Today

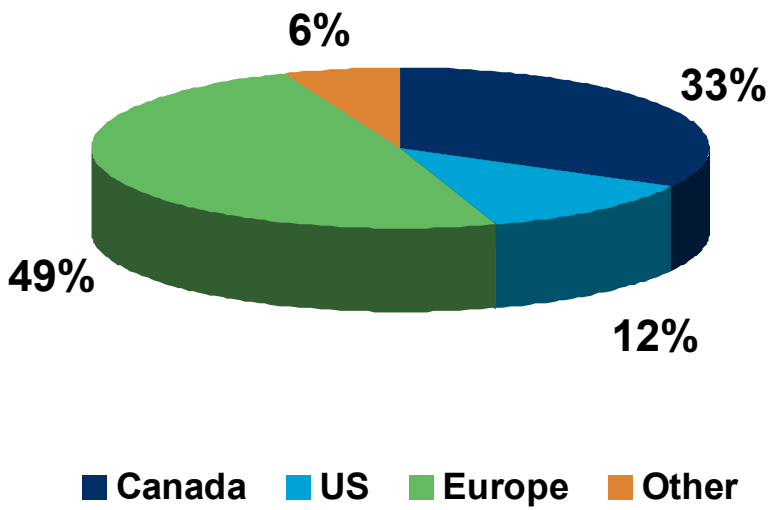
More than 100,000 Bombardier rail cars and locomotives in service worldwide

Bombardier Today

Every three seconds, a Bombardier aircraft takes off or lands somewhere around the globe

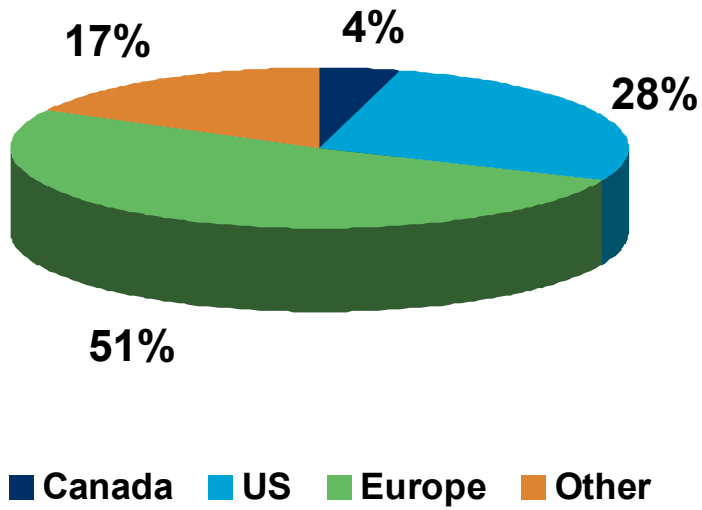
Bombardier – A truly global company with 96% of its revenues generated outside Canada

Employees
Geographic segmentation



Total employees: 66,900*

FY09 Revenues
Geographic segmentation



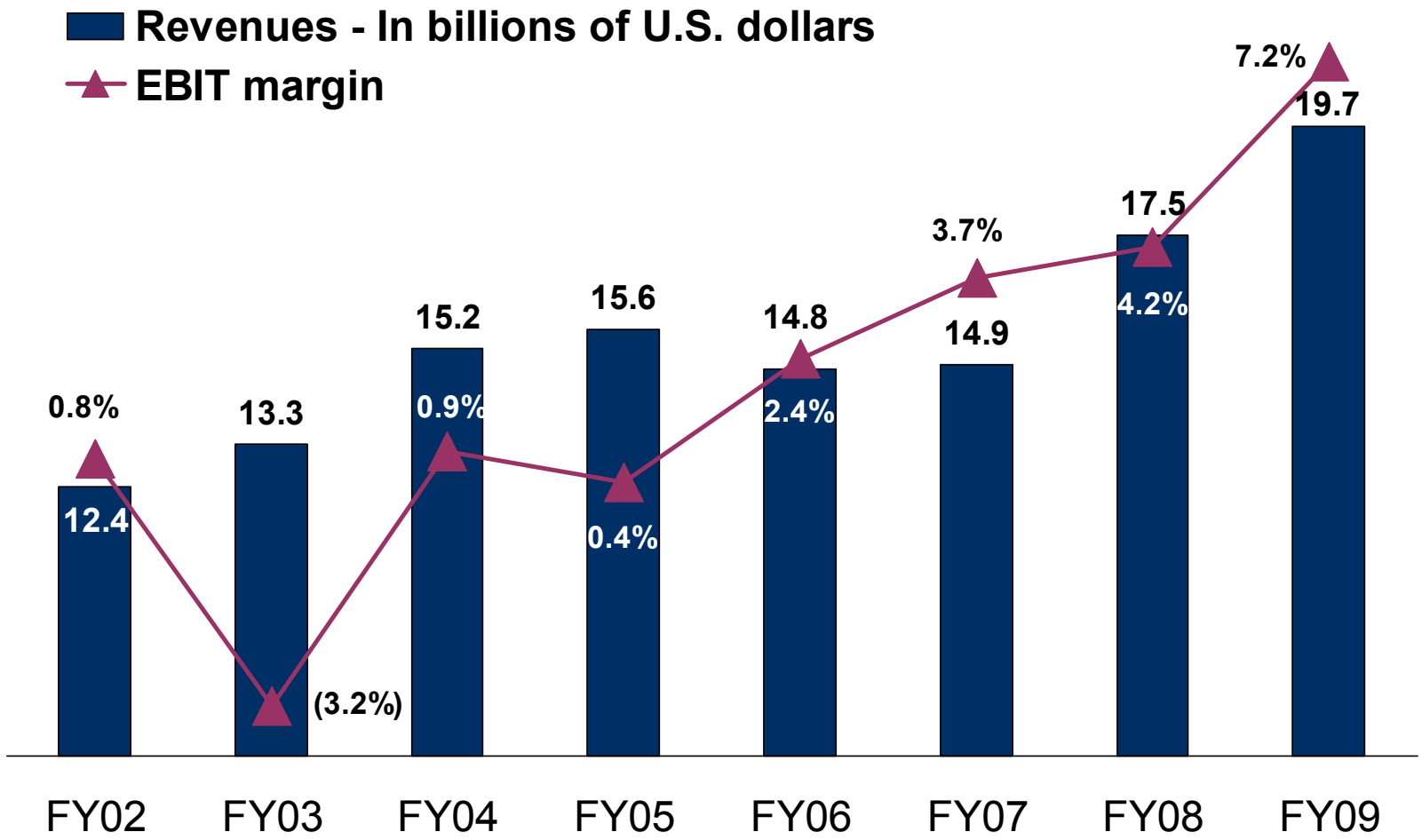
Total FY09 revenues: US$19.7 billion

** As of January 31, 2009*

Bombardier – From entrepreneurial to global leader

	1942-1973	1974-1985	1986-1993	1994-2001	2002-today
Entry	**Invention of snowmobile**	**Rail transportation**	**Aerospace**	**Consolidation of leadership position**	**Global leadership**
Revenues	**$0.7 B**	**$1.0 B**	**$5.6 B**	**$12.4 B**	**$19.7 B**
Major acquisitions	▪ Lohnerwerke (Rotax)	▪ MLW Worthington ▪ Alco Power (U.S.)	▪ Canadair ▪ Shorts ▪ Learjet ▪ deHavilland ▪ BN } BT ▪ ANF } BT	▪ Waggonfabrik Talbot ▪ Deutsche Waggonbau ▪ Adtranz	Organic growth
Products developed or Major projects		▪ 423 cars - Montreal Subway ▪ 825 cars - NY City subway ($1BUS)	▪ *CRJ100/200* ▪ *Learjet 31A* ▪ *Learjet 60*	▪ *CRJ700* ▪ *Learjet 45* ▪ *Global Express* ▪ *Q400*	▪ *Talent II* ▪ *Zefiro* ▪ *Challenger 300* ▪ *Learjet 85* ▪ *CSeries*

Global leadership through organic growth



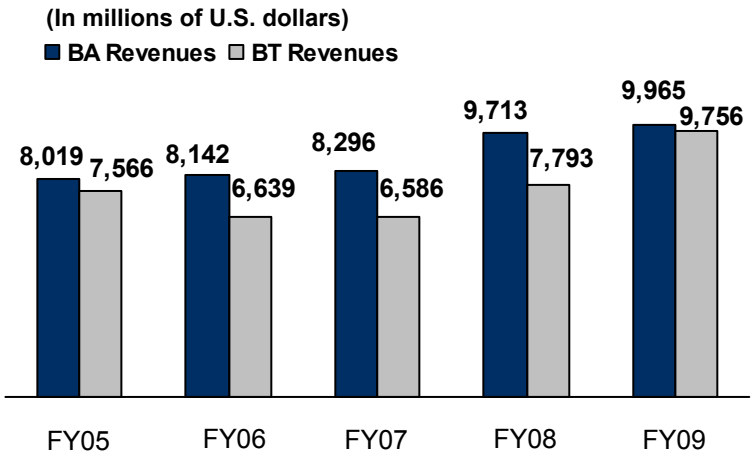
BOMBARDIER

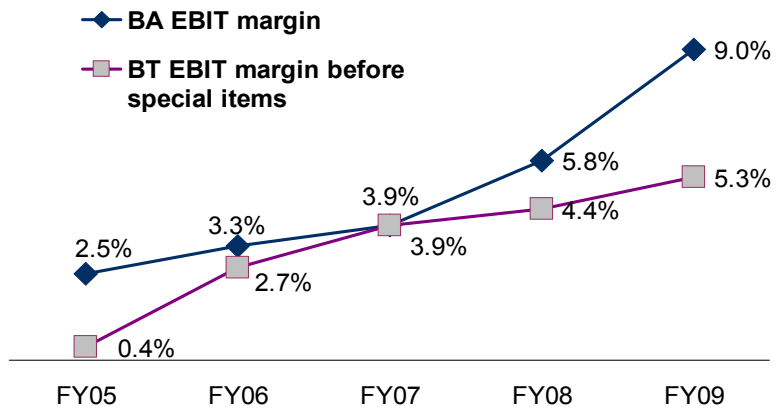
Significant improvements over the last five years

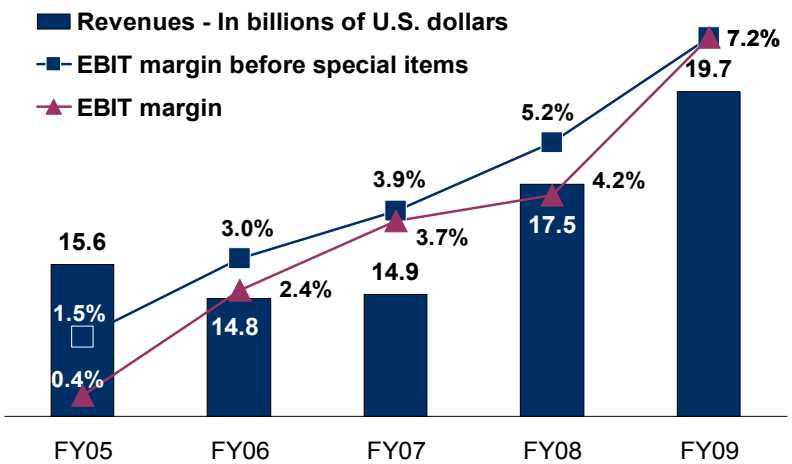
1. Improved long-term profitability
2. Maintained strong liquidity
3. Improved capital structure

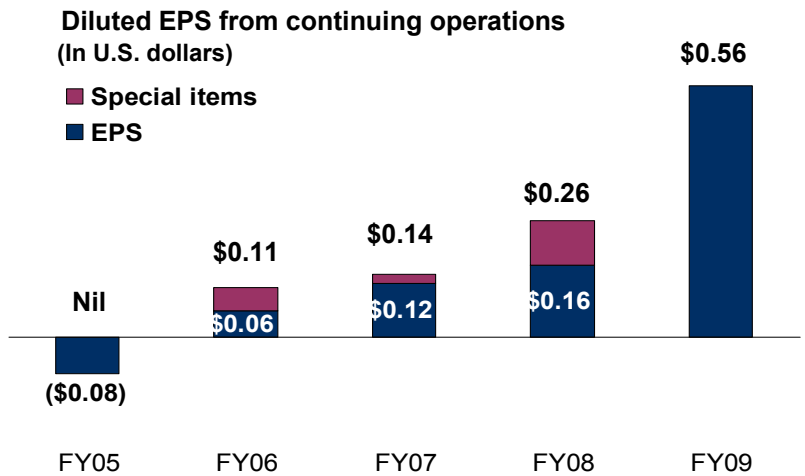
Significant improvements over the last five years

Improved long-term profitability



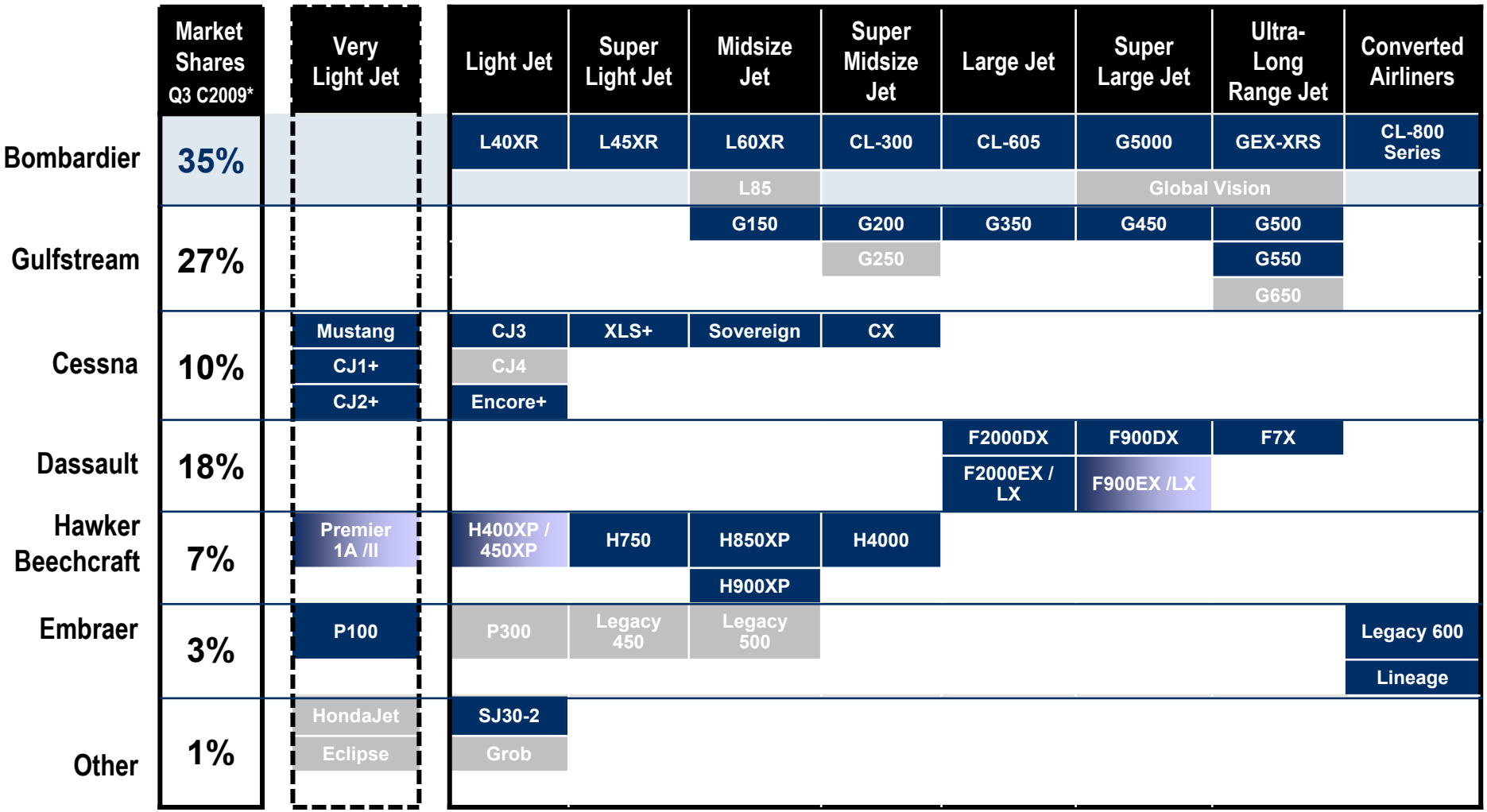






BOMBARDIER

Bombardier is well-positioned in the business jet market with product line covering 95% of revenues



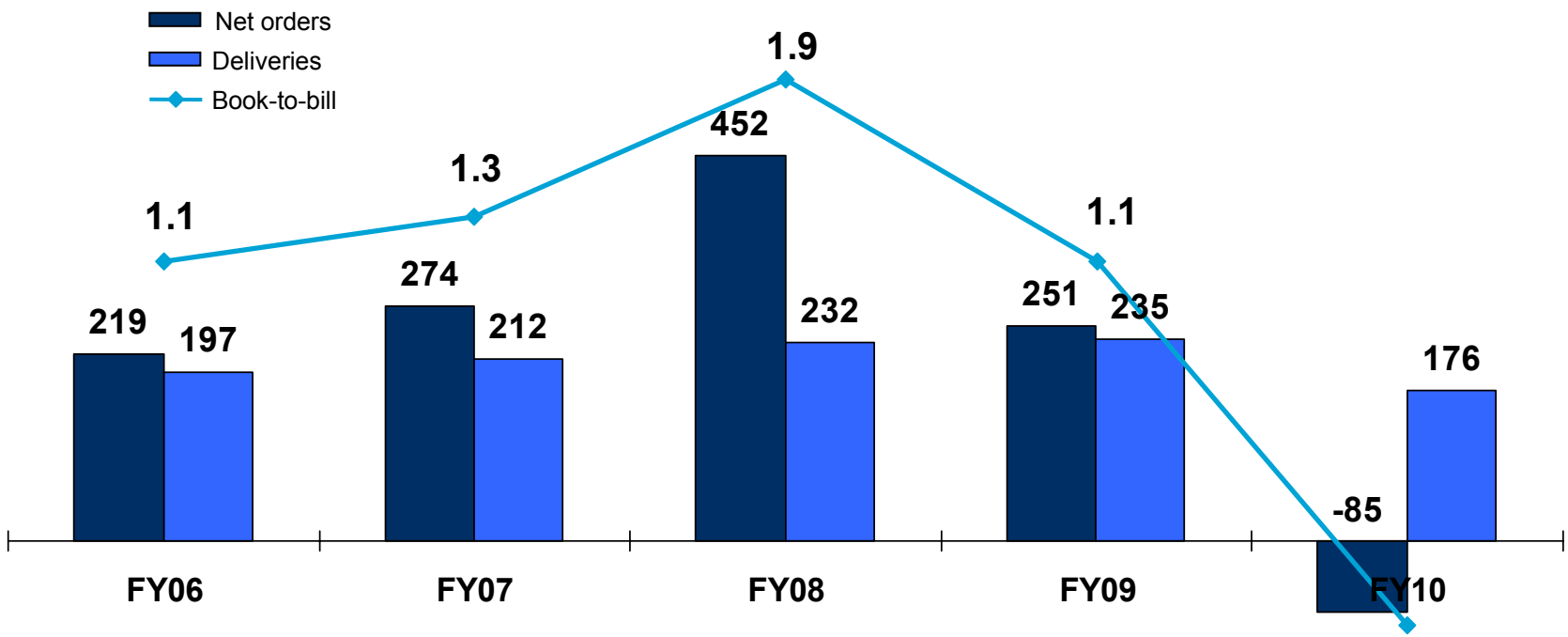
Note: Segmentation is largely determined by a combination of cabin volume, range and speed.

* Market shares calculated on a YTD revenue basis excluding VLJs, Boeing and Airbus converted airliners

BOMBARDIER

Orders and backlog – Business aircraft

Net orders, deliveries and book-to-bill
Business aircraft (FY06 – FY10)



Based on production rates and backlog, we expect deliveries for business aircraft to decrease by approximately 15% in FY2011

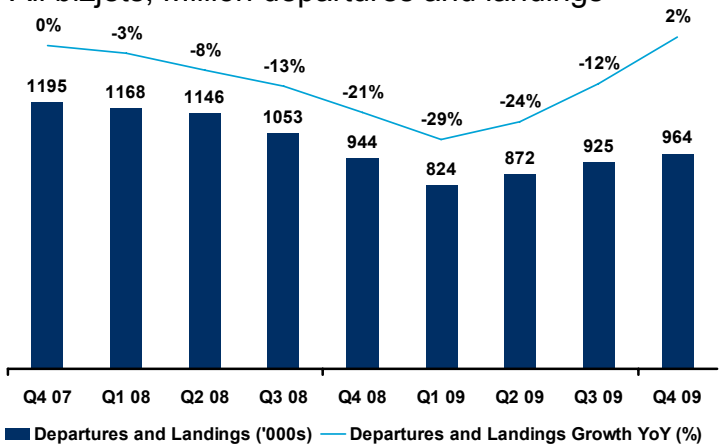
Note: Including deliveries in the fractional ownership program

BOMBARDIER

Source: Bombardier annual reports, February 5, 2010 press release and internal data.

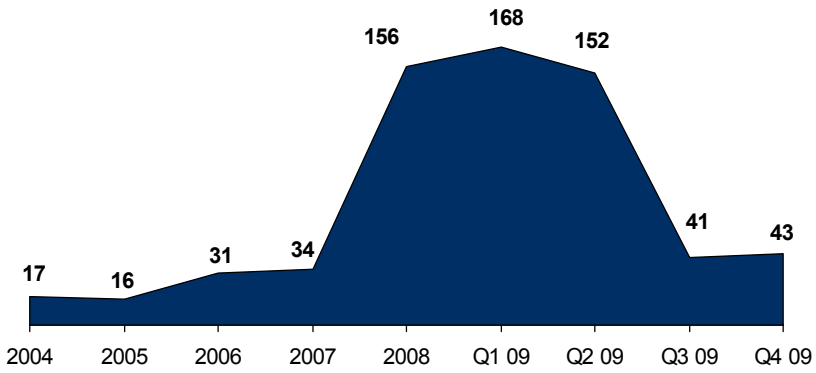
Based on the business jet market leading indicators, the recovery is slowly starting to unfold

US BUSINESS JET UTILIZATION,
All bizjets, Million departures and landings



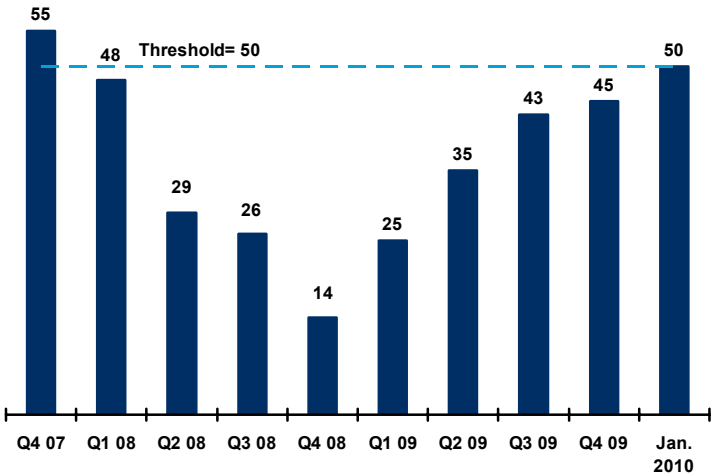
Source: FAA

NEW AIRCRAFT AVAILABLE FOR SALE, Excluding VLJs



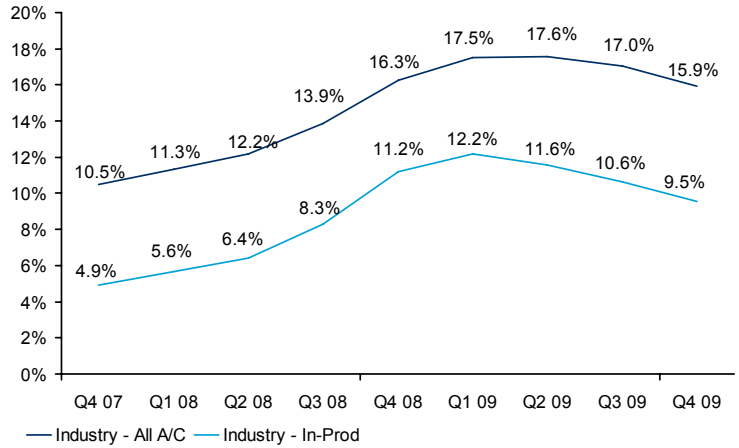
Source: JETNET database

BUSINESS JET MARKET CONDITIONS INDEX



Source: UBS

PRE-OWNED INVENTORY AS A % OF FLEET



Source: Jetnet

BOMBARDIER

In the long term, business aircraft fundamentals remain strong

10-Year Outlook		
Market Driver	**Description**	**Outlook**
Globalization of Trade	As trade barriers fall and global mobility increases, the business community requires flexible travel means like business aviation to efficiently link all workplaces	
Emerging Markets	Growth potential from emerging countries becomes significant as international commerce develops. Once the is infrastructure in place, countries such as India and China should lead new order growth	
Replacement Demand	The worldwide installed base is comprised of over 13,000 aircraft. With more than 60% of customers trading-up to a larger aircraft, and average aircraft replacement every 6.6 years for new purchases, the business aircraft market should continue to show vitality	
Accessibility	Non-traditional solutions (e.g. branded charter, card programs, fractional ownership) offer tailor-made services to customers. These customized solutions provide greater access to business aviation.	

Source : Bombardier F09 annual report

Bombardier's Commercial Aircraft portfolio is aligned with current market trends towards environmentally friendly aircraft

Turboprops

Q400 NextGen

Regional jets

CRJ700 NextGen

CRJ900 NextGen

CRJ1000 NextGen

Single-aisle mainline jets

CSeries CS100

CSeries CS300

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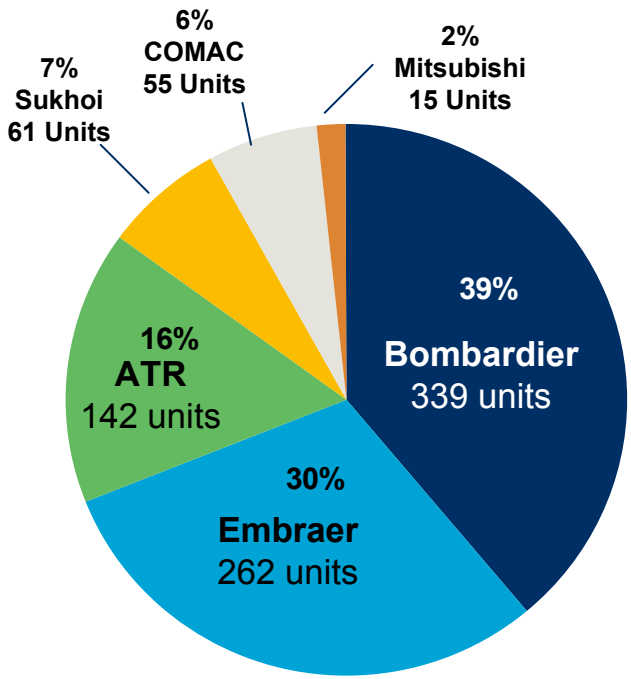
Bombardier's CRJ and Q-Series families are very successful in their classes

Net order market share by manufacturer (20 - 110 seat market)

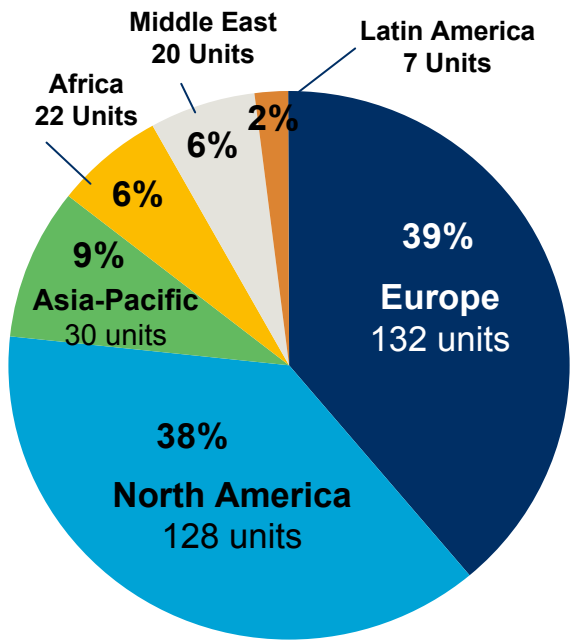
2-years
(Calendar years 2007-2008)



Total Aircraft = 870

Net orders for Bombardier by region

2-years
(Calendar years 2007-2008)



Total Aircraft = 339

Order totals are net of cancellations and conversions between programs and does not include corporate shuttle aircraft.

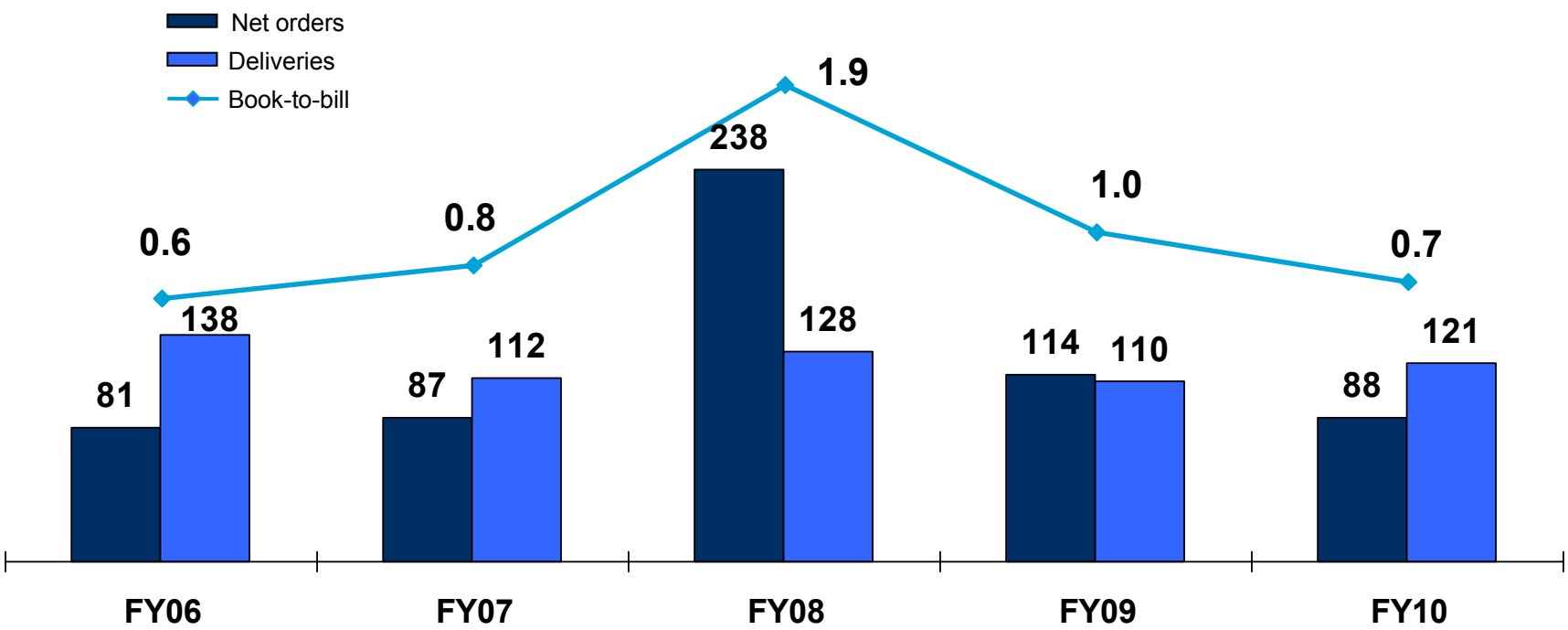
Source: Bombardier data from annual reports and competitor data from their web site.

The financial crisis is also having a significant impact on the commercial aircraft industry in the short term

Calendar years 2009-10 Outlook	
Market drivers – Commercial aircraft	**Outlook**
Short-term economic environment	
Airline profitability	
Aircraft financing availability	

Orders and backlog – Commercial aircraft

Net orders, deliveries and book-to-bill
Commercial aircraft (FY06 – FY10)



Based on production rates and backlog, we expect deliveries for commercial aircraft to decrease by approximately 20% in FY2011

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Source: Bombardier annual reports, February 5, 2010 press release and internal data.

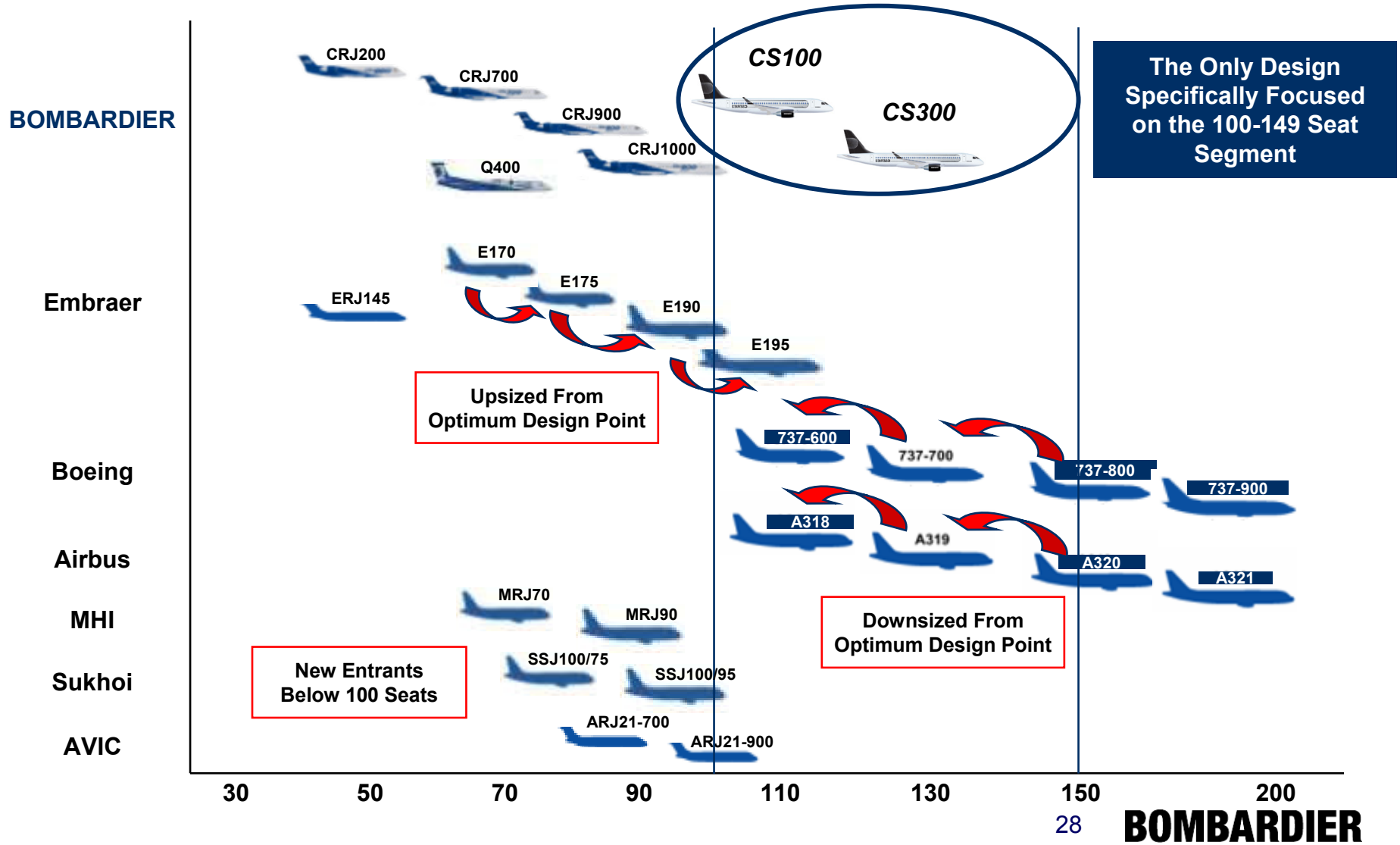
Bombardier Aerospace forecasts a strong market for 60 to 149-seat aircraft deliveries over 20 years

	Fleet 2008	Deliveries	Retirement	Fleet 2028
20 to 59-seats	3,800	300	2,600	1,500
60 to 99-seats	2,100	5,800	1,000	6,900
100 to 149-seats	5,600	6,300	3,300	8,600
Total Aircraft	11,500	12,400	6,900	17,000

Source: Bombardier Commercial Aircraft Market Forecast, 2009-2028

BOMBARDIER

CSeries • A New Family Optimized for the Lower End of the 100 to 149-seat Market Segment Is Long Overdue

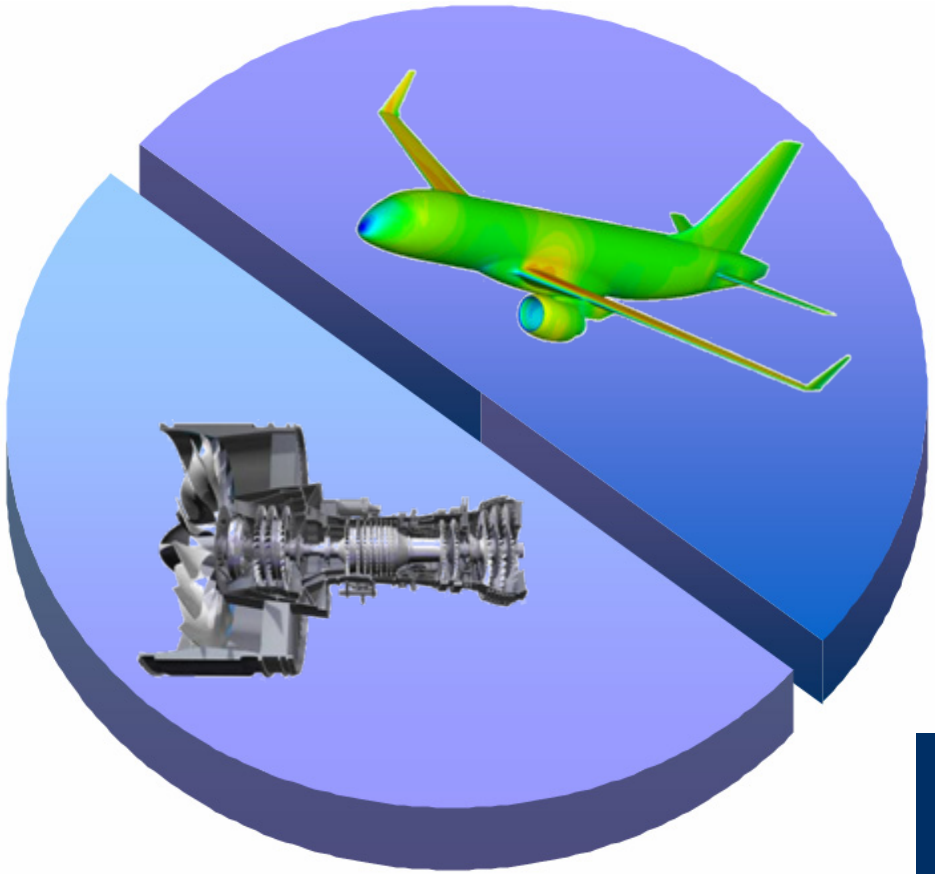


BOMBARDIER

CSERIES • A GAME CHANGER
IN ITS CLASS

- ☑ Family of Aircraft with Full Operational Commonality
- ☑ Unmatched Reduction in Environmental Footprint
- ☑ Total Life Cycle Cost Improvement
- ☑ 15% Better Cash Operating Costs – 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 Balanced Technology Combination To Achieve Unmatched Fuel Efficiency



Optimal Aircraft Integration

- Latest Generation of System Technology
- State-Of-The-Art Aerodynamics
- Lighter Structure due to 70% Advanced Materials

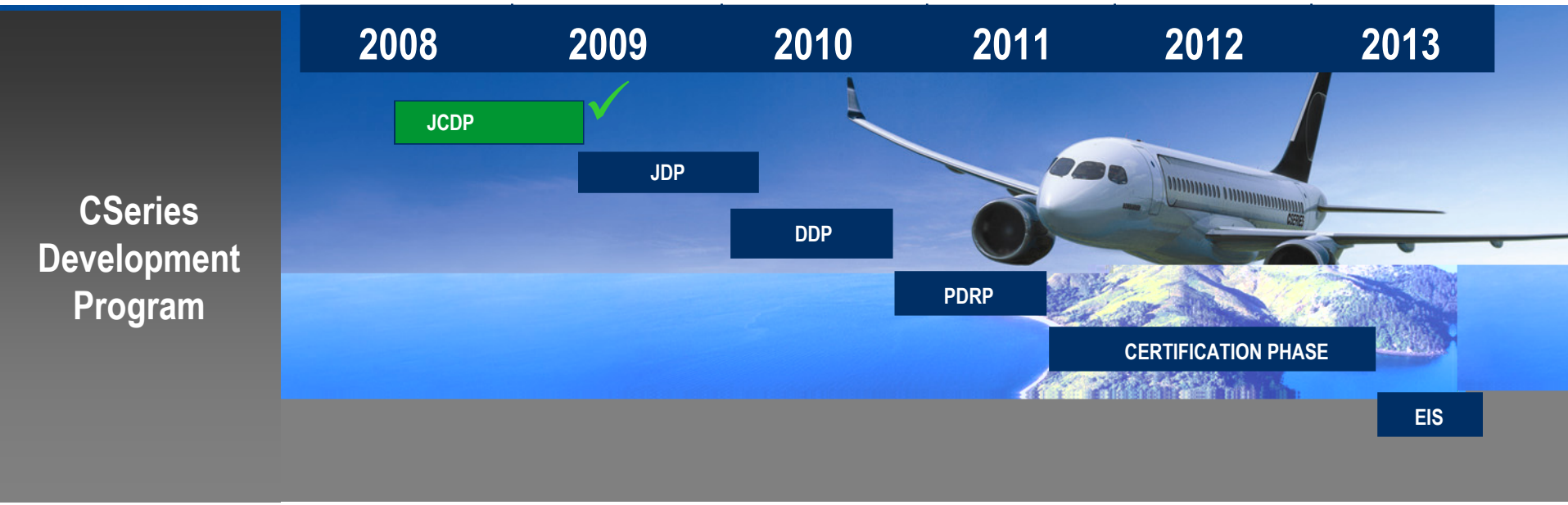
+

Game Changing Engine

PurePower® PW1000G

All Leading to More Than 20% Fuel Burn Advantage

CSERIES • Program Moving Forward through Joint Definition Phase



JCDP: Joint Conceptual Definition Phase
JDP: Joint Definition Phase
DDP: Detail Design Phase

PDRP: Product Definition Release Phase
EIS: Entry Into Service
CFRP: Carbon Fiber Reinforced Polymer

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CSeries – 98% of the Bill of Material secured

Pratt & Whitney (A United Technologies Company)
PW1500G Engine

Rockwell Collins
Avionics

Zodiac Aerospace
Interior

SACC
- *Fuselage (Fwd/Mid/Aft)*
- *Tailcone and Doors*

BOMBARDIER
ST-Laurent
Cockpit
Rear Fuselage

BOMBARDIER
Belfast
Wing

AleniaAeronautica
Empennage

GOODRICH
- *Flaps / Slats Actuation*
- *Ice Detection*
- *Smart Probes*
- *Lighting System*

LIEBHERR
- *Air Management System*
- *Landing Gear*

Parker
- *Fuel, Hydraulics*
- *Fuel Inerting*

Fokker Elmo
Wiring

Honeywell
- *APU*
- *IRS*

Esterline / Korry Electronics
Cockpit Control Panels

Kidde Aerospace & Defense (A Hamilton Sundstrand Company)
FIDEX

TQA

CAE
Simulation Tools
Training Devices

Panasonic Panasonic Avionics Corporation
Cabin Management System

SONACA
YOUR RELIABLE AEROSPACE PARTNER
Wing Leading Edge

Hamilton Sundstrand (A United Technologies Company)
Electrical

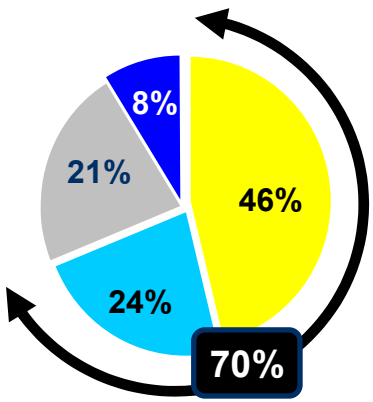
SPIRIT AEROSYSTEMS
Pylons

Senior Aerospace
BWT
ECS LP Ducting
SSP
ECSHP Ducting

MEGGITT
Brake Control

L3 communications
Aviation Recorders
CVR / FDR

SALVER
Flaps, Spoilers & MLG Doors



- Advanced Composites
- Aluminum Lithium
- Standard Materials
- Titanium and/or Steel

Agenda

1. Overview
2. Aerospace
3. **Transportation**
4. Summary

We are providing a full range of products and solutions to our customers around the world

Rolling stock

Passengers

- Light rail vehicles
- Metros
- Commuter trains
- Regional trains
- Intercity trains
- High-speed trains
- Very high-speed trains

Locomotives & Equipment

- Locomotives
- Bogies
- Traction converters
- Auxiliary converters
- Drives / traction motors
- Train control and communication

Services

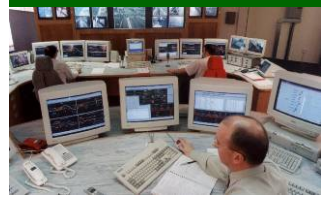
- Fleet management
- Spare parts & logistics management
- Vehicle refurbishment and overhaul
- Component repair and overhaul
- Technical support

System & Signaling

Systems

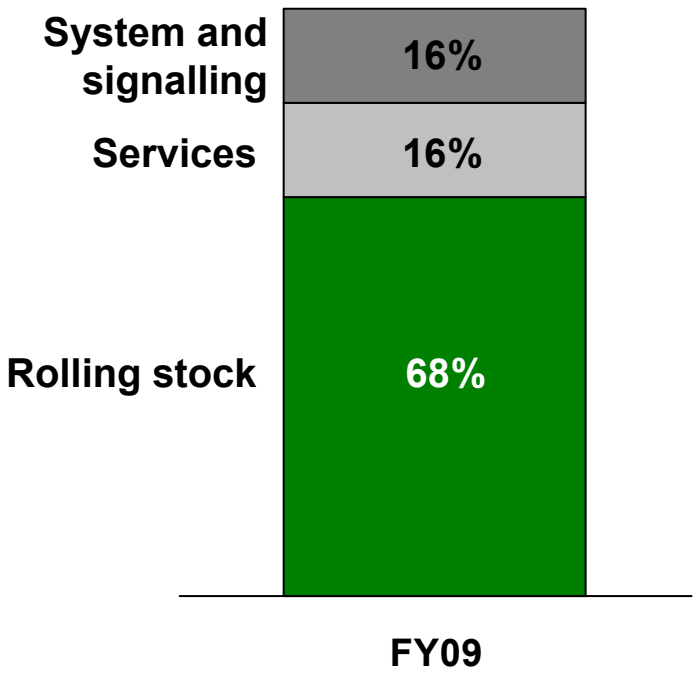
- Automated people movers
- Advanced rapid transit
- Light rapid transit
- Automated monorail
- Operations and maintenance
- Transit security

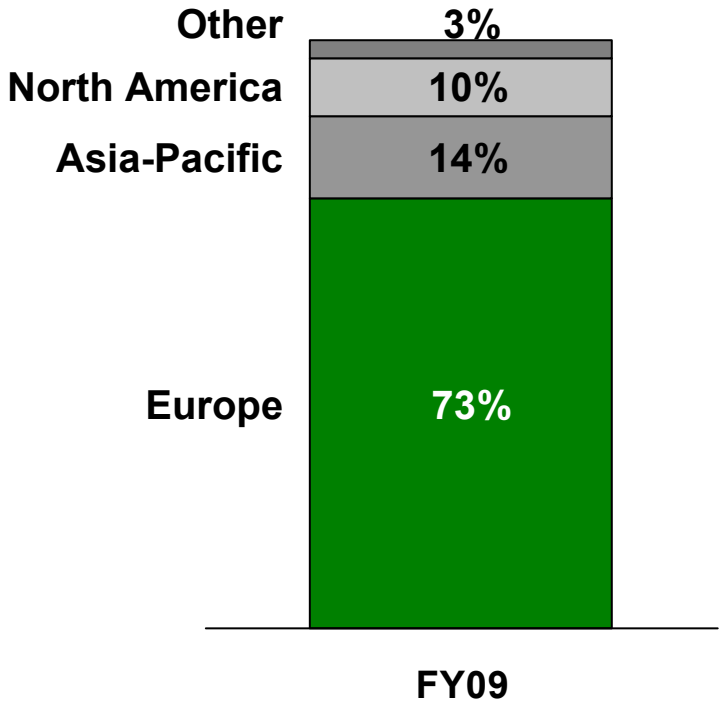
Rail Control Solutions



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

Transportation – Revenues by product line and geographic region





Total Revenues FY09 = $9,756 million

Note: Revenues are attributed to countries based on the location of the customer

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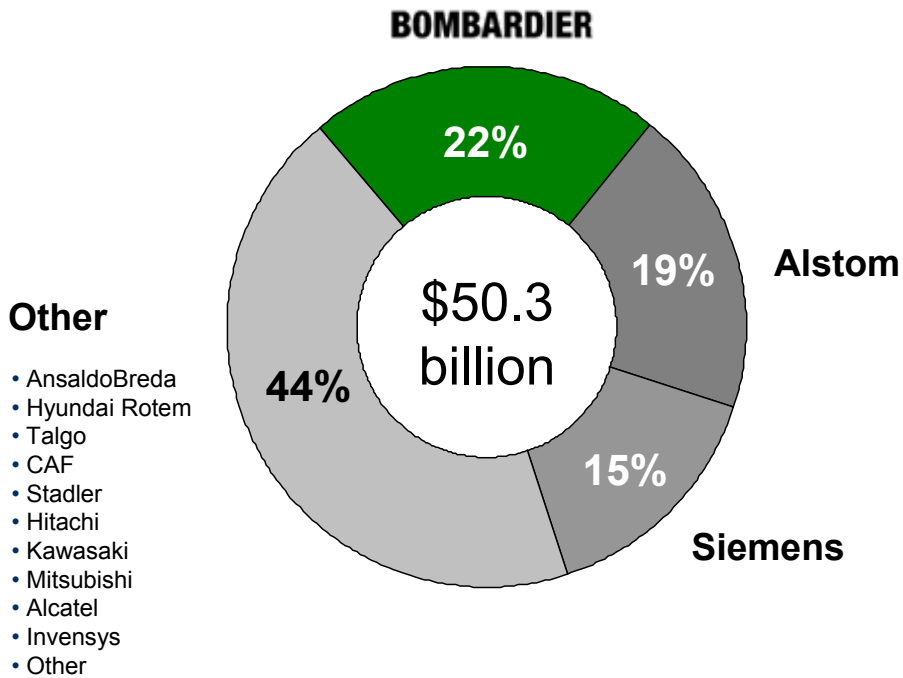
Strong order intake will allow us to remain the top player in a growing railway market with increasing competition

Average market shares based on order intake 2006-08
Bombardier relevant market



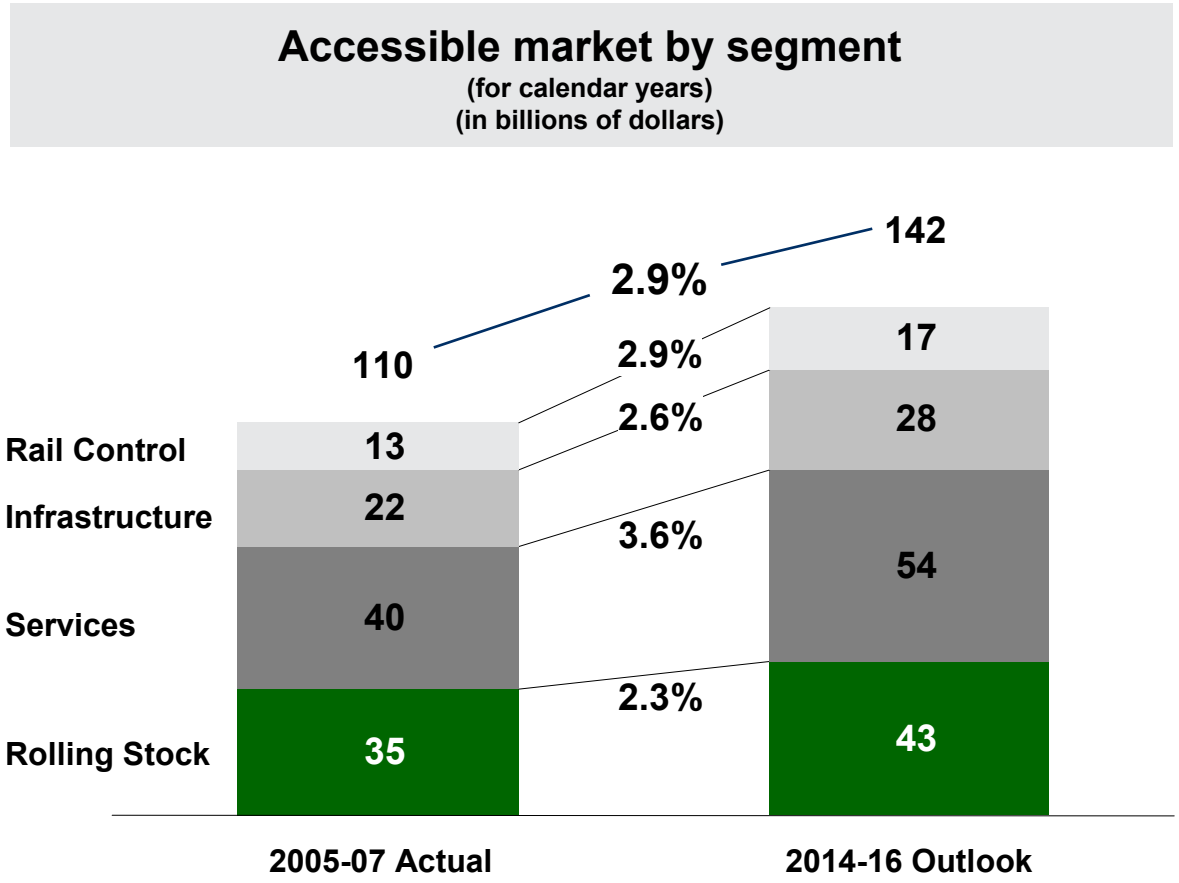
Market share[1] by segment
(in billions of U.S. dollars)

	CY06-08	CY06-08	CY05-07
BT total	**11.1**	**22% No. 1**	**22% No. 1**
Rolling Stock	6.4	28% No. 1	30% No. 1
Services	1.5	11% No. 1	11% No. 1
Systems	0.8	23% No. 1	23% No. 1
Signalling	0.6	6% No. 6	6% No. 6

1) BT overall market shares are based on total order intake; ROS and SYS are based on published orders; and SER and RCS are based on revenues

Source: Bombardier F09 annual report

The fundamentals of the rail industry are positive



Source: "*Worldwide rail market study - status quo and outlook 2016"* published by the Association of the European Rail Industry in September 2008 (2008 UNIFE Study).

Values translated using a Euro/USD foreign exchange rate of 1.2803.

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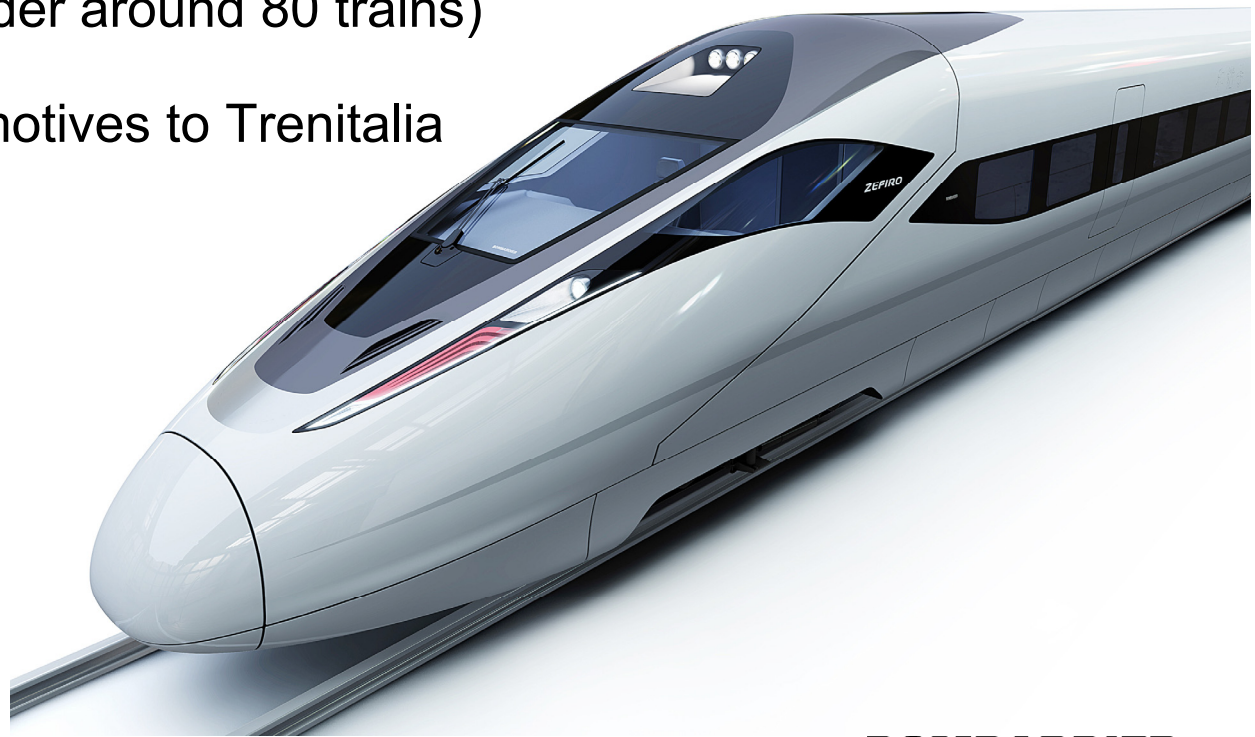
Recent orders

- Landmark order for 80 ZEFIRO 380 very high speed train (1,120 cars) by the MOR in September 2009.
  - Our share of the contract is $2.0 billion
- Selected preferred bidder by SNCF for up to 860 double deck trains (initial firm order around 80 trains)
- Order for 100 locomotives to Trenitalia



Major bids

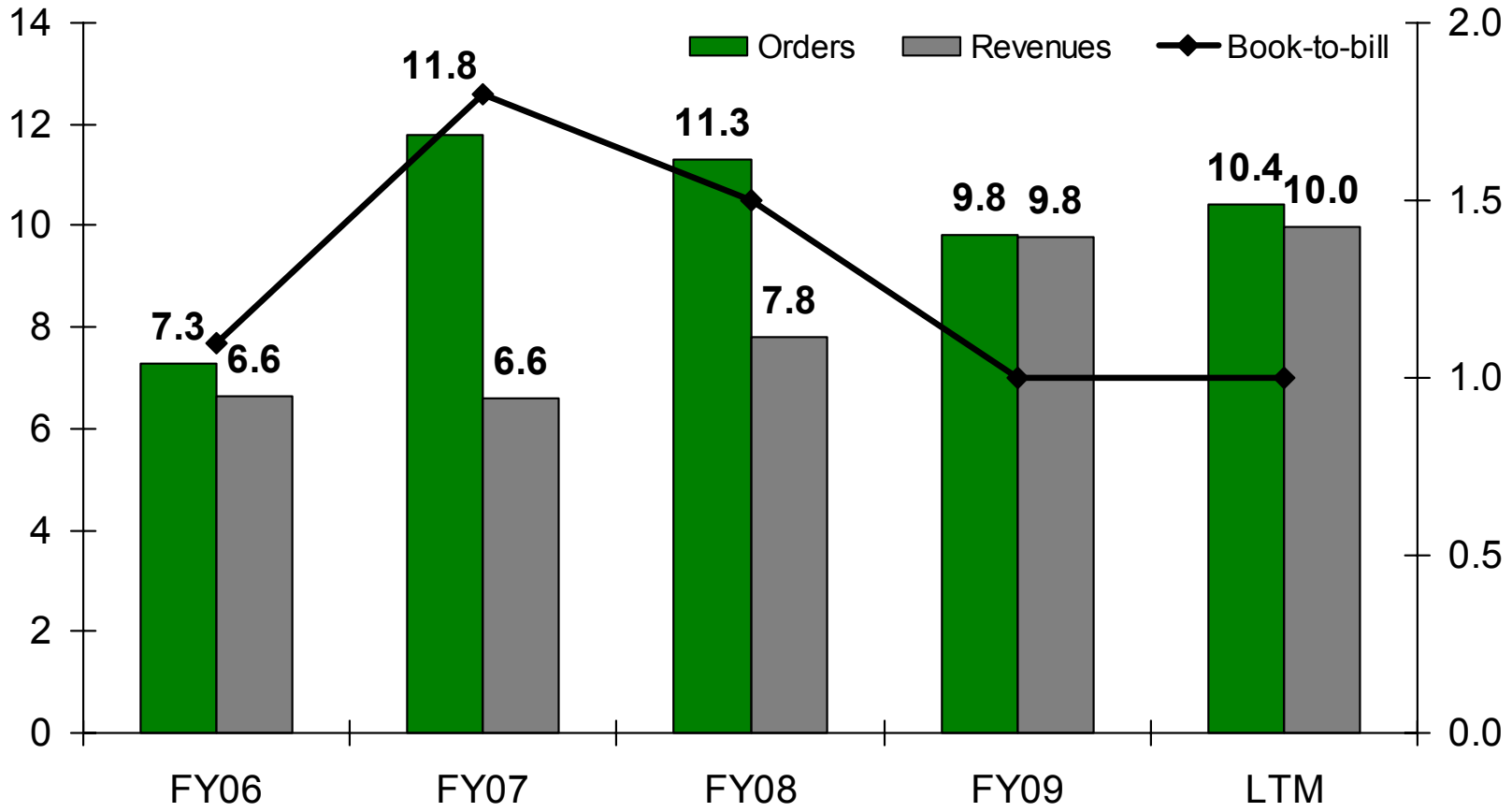
- Thameslink (Commuter and regional trains for the UK)
- Germany (Intercity replacement)
- Switzerland (Intercity replacement)
- Italy (50 very high-speed trains)
- Montréal metro
- Washington metro
- etc…

Transportation – Well positioned in a strong market

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

Strong order intake at Transportation generated revenue growth over the last five years

Orders, revenues and book-to-bill
(in billions of U.S. dollars)



Backlog as of October 31, 2009: $29.3 billion

Source: Bombardier annual reports

BOMBARDIER

Agenda

1. Overview
2. Aerospace
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4. **Summary**

Financial results overview

(In millions of U.S. dollars, except per share amounts)	Q3 F2009-10	%	Q3 F2008-09	%	YTD F2009-10	%	YTD F2008-09	%
Revenues								
Aerospace	2,064		2,292		6,682		7,188	
Transportation	2,533		2,279		7,332		7,104	
Total Revenues	4,597		4,571		14,014		14,292	
EBIT								
Aerospace	103	5.0	176	7.7	367	5.5	625	8.7
Transportation	159	6.3	120	5.3	443	6.0	366	5.2
Total EBIT	262	5.7	296	6.5	810	5.8	991	6.9
Financing expense, net	41		25		123		82	
EBT	221	4.8	271	5.9	687	4.9	909	6.4
Income taxes	53		45		159		195	
Net income	168	3.7	226	4.9	528	3.8	714	5.0
EPS – Basic and diluted	0.09		0.12		0.29		0.39	

Free Cash Flow

(In millions of U.S. dollars)

	Q3 F2009-10	Q3 F2008-09	YTD F2009-10	YTD F2008-09
Aerospace	61	9	(479)	399
Transportation	32	(243)	(79)	120
Interest and taxes	(21)	8	(169)	(86)
Total	72	(226)	(727)	433

Cash & cash equivalents	3,020	3,251

Summary

- **A world-leading company**
  - #1 Business and Regional aircraft manufacturer
  - #1 Rail equipment manufacturer and Services provider
  - Balance sheet steadily strengthened over the recent years
  - Strong cash position with $3.0B as of October 31, 2009
- **Aerospace well positioned going forward**
  - Performed well in a challenging environment
  - Significant investments in new product development
  - Focus on execution and customer satisfaction
- **Transportation benefited from a strong market**
  - Good visibility with most of next year's revenues and earnings already in backlog
  - Aiming to consolidate past growth (CAGR of 11% in € over past four years)
  - Focus on execution resulting in continued performance improvement

Today, the success story continues

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