

# **Bombardier Aerospace 2011 Market Forecast Overview**



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# 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 2011.

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, risks in doing business with partners, risks 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 to 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 in the MD&A of the Corporation’s annual report for fiscal year 2011. 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.

All amounts are expressed in 2011 U.S. dollars unless otherwise stated

# Leading the industry and our customers into the future

- **Bombardier Business and Commercial Market Forecasts are a key foundation of our strategic plan**
- **Forecasts are built on common baseline assumptions**
- **The Forecasts are primarily driven by econometric modeling with consideration of qualitative factors**
- **The principal outputs are 20-year delivery forecasts**

# Our common baseline assumptions

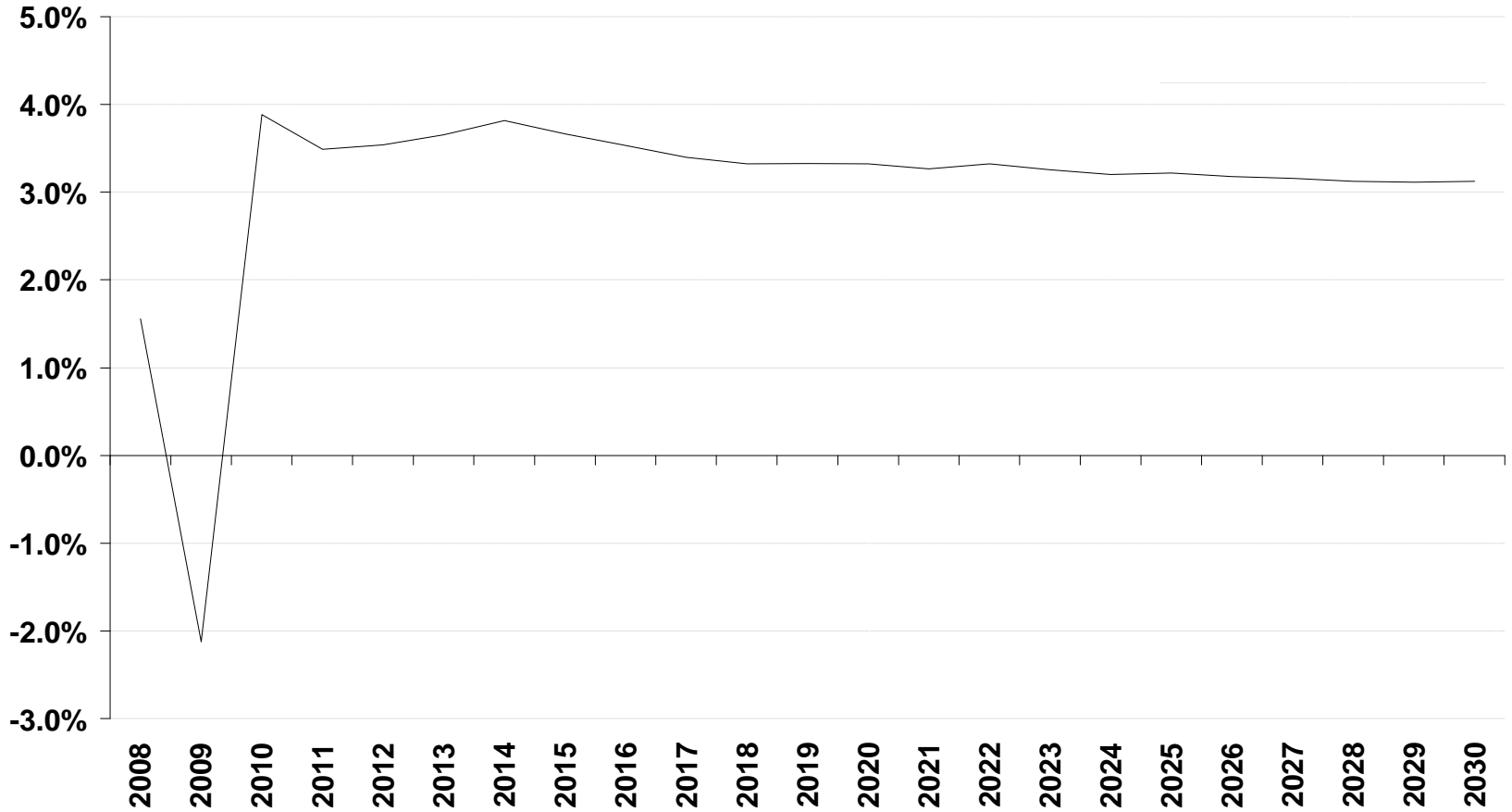
## Bombardier Aerospace common market forecast assumptions

- Demand for air travel will be cyclical and directly related to economic growth and wealth creation over the long term
  - There will be increased demand from emerging markets
  - Markets will continue their trend towards liberalization
  - Access to aircraft financing will not be a constraint over the long term
  - Fleet utilization is directly related to economic growth
- Aviation infrastructure will support air travel demand:
  - In mature markets, infrastructure will support demand for air travel
  - In some emerging markets, lags will constrain growth
- Increased environmental focus will have an effect on fleet mix

# Economic growth is predicted to be strong at 3.4%

## YEARLY WORLD REAL GDP<sup>1</sup> GROWTH FORECAST

%, 2008-2010 actual, 2011-2030 forecast



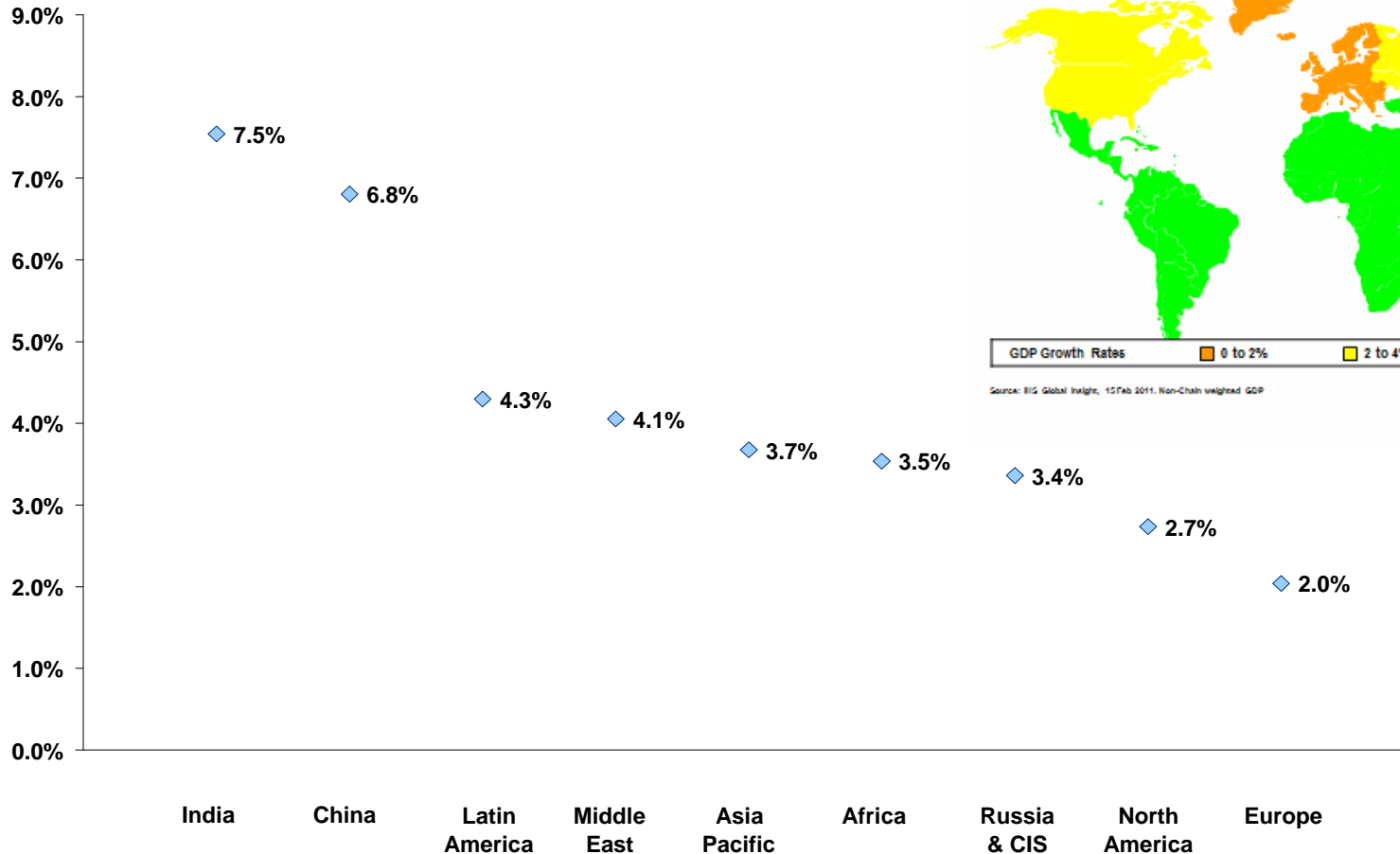
Source: IHS Global Insight, 15 Feb 2011. Non-Chain weighted GDP.

Note: <sup>1</sup> GDP = Gross Domestic Product



# India and China will lead economic growth within the next 20 years

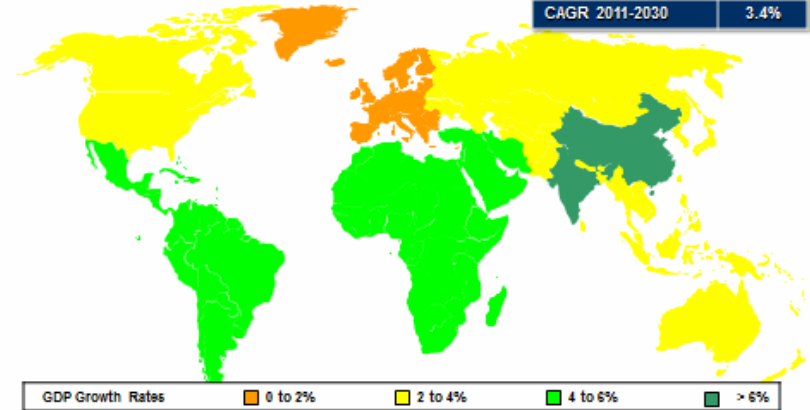
## 20-YEAR WORLD REAL GDP<sup>1</sup> GROWTH FORECAST %, 2011-2030



## World GDP growth will vary by region over next 20 years

WORLD REAL GDP<sup>1</sup> GROWTH BY REGION  
CAGR<sup>2</sup>, 2011-2030

% Growth	World
CAGR 2011-2030	3.4%



Source: IHS Global Insight, 15 Feb 2011, Non-Chain weighted GDP

Note: <sup>1</sup> GDP = Gross Domestic Product  
<sup>2</sup> CAGR = Compound Annual Growth Rate

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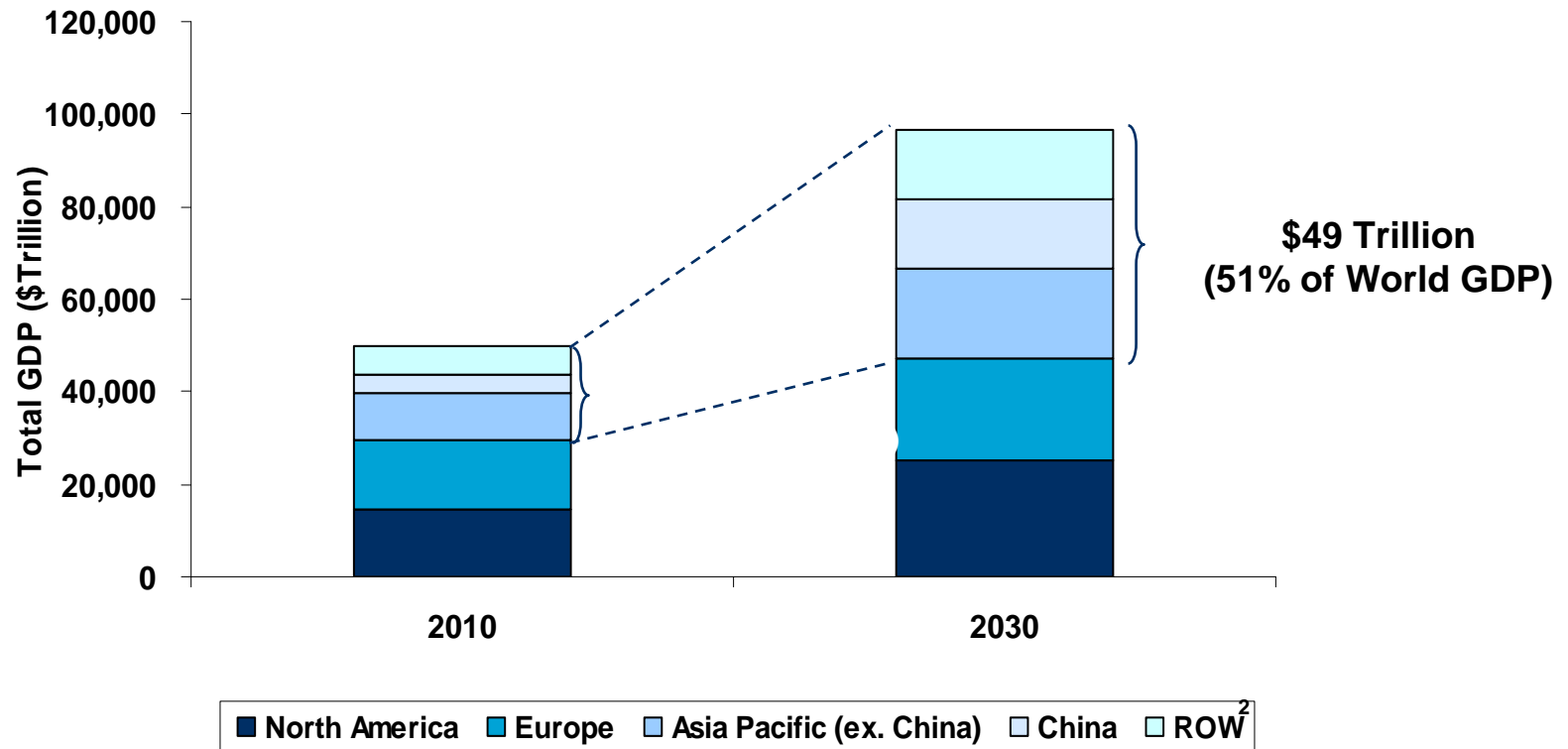
Source: IHS Global Insight, 15 Feb 2011. Non-Chain weighted GDP.

Note: <sup>1</sup> GDP = Gross Domestic Product

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# GDP outside of North America and Europe will represent 51% of the World's GDP<sup>1</sup> compare to 41% today

## GDP Distribution by Country (2010 and 2030)



Sources: IHS Global Insight, 15 Feb 2011, Bombardier Analysis

Note: <sup>1</sup> GDP = Res Gross Domestic Product

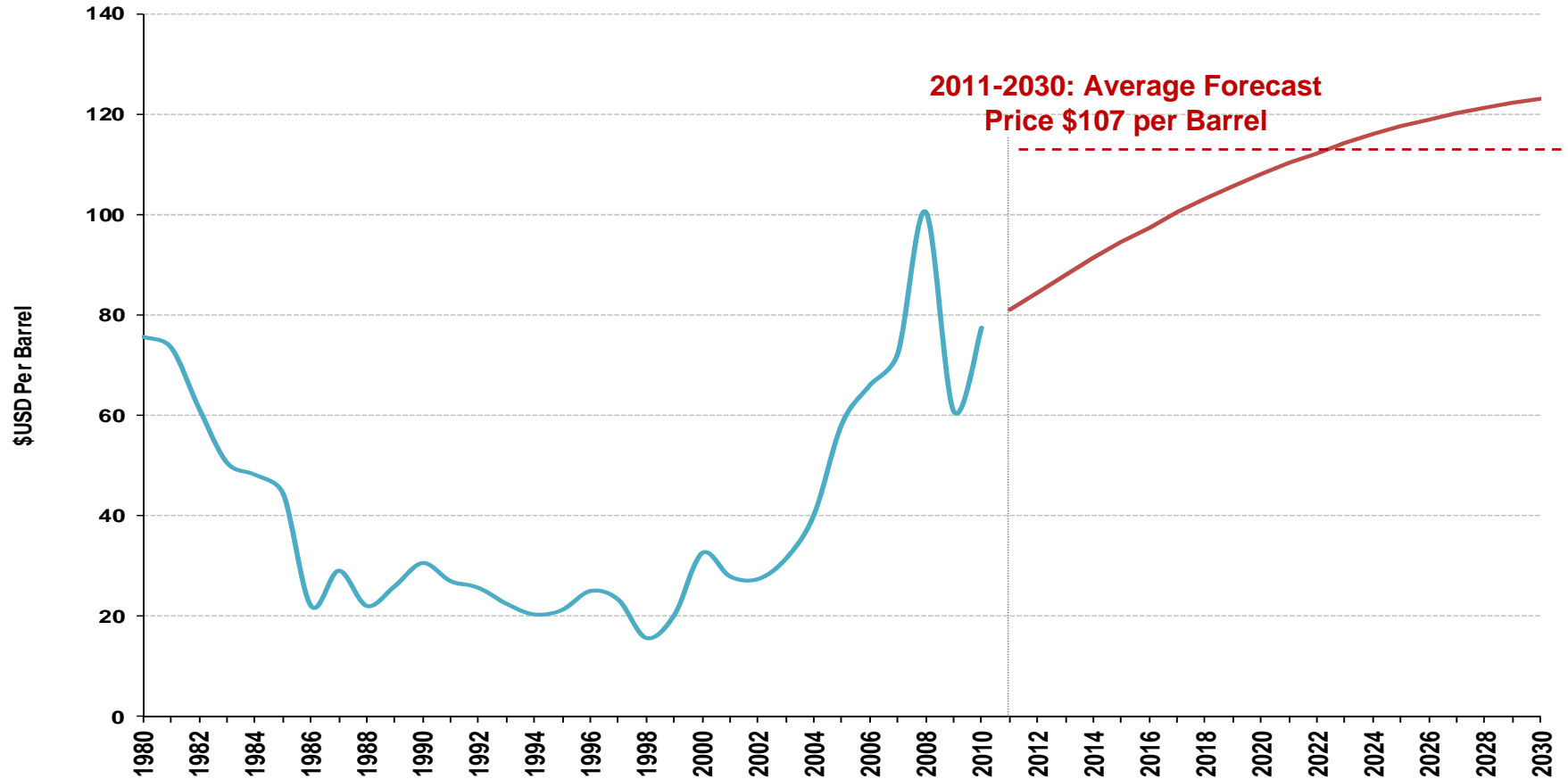
<sup>2</sup> ROW = Rest of the World

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# Oil prices are projected above historical levels, although below recent price spikes, averaging \$107 per barrel over the 20-year period

## 20-YEAR OIL PRICE PROJECTIONS


\$USD per Barrel, Yearly Actual 1980-2010, Forecast 2011-2030




Source: Energy Information Administration (EIA), 2011



# But unforeseen events could impact our forecast assumptions

Event	Aerospace Tailwinds
Increased Number of Billionaires	<p>Increased aircraft sales Increased aircraft utilization</p> 
Acceleration of Middle Class Growth	
Acceleration of Economic Trade	
Technological Breakthrough	

Event	Aerospace Headwinds
Geopolitical Events	 <p>Lower aircraft sales Decreased aircraft utilization</p>
Terrorism	
Economic Protectionism	
World Recession	
Natural Disasters	

Source: Bombardier Analysis