

Deutsche Bank

11th Annual European Leveraged Finance Conference



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June 11, 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

(US\$ in Millions)

BOMBARDIER INC.			
FY07 Sales	\$14,816	FY07 Free Cash Flow^(a)	\$ 687
FY07 EBITDA^(a)	\$1,095	Employees^(b)	56,000
AEROSPACE		TRANSPORTATION	
#1 - Business aircraft manufacturer		#1 - Rail equipment manufacturer and Services provider	
#1 - Regional aircraft manufacturer		- Operating in 21 countries with production presence	
FY07 Sales	\$ 8,230	FY07 Sales	\$ 6,586
FY07 EBITDA	\$ 731	FY07 EBITDA^(a)	\$ 364
Backlog^(b)	\$13,200	Backlog^(b)	\$27,500
Employees^(b)	27,000	Employees^(b)	29,000

(a) Before special items

(b) As of January 31, 2007

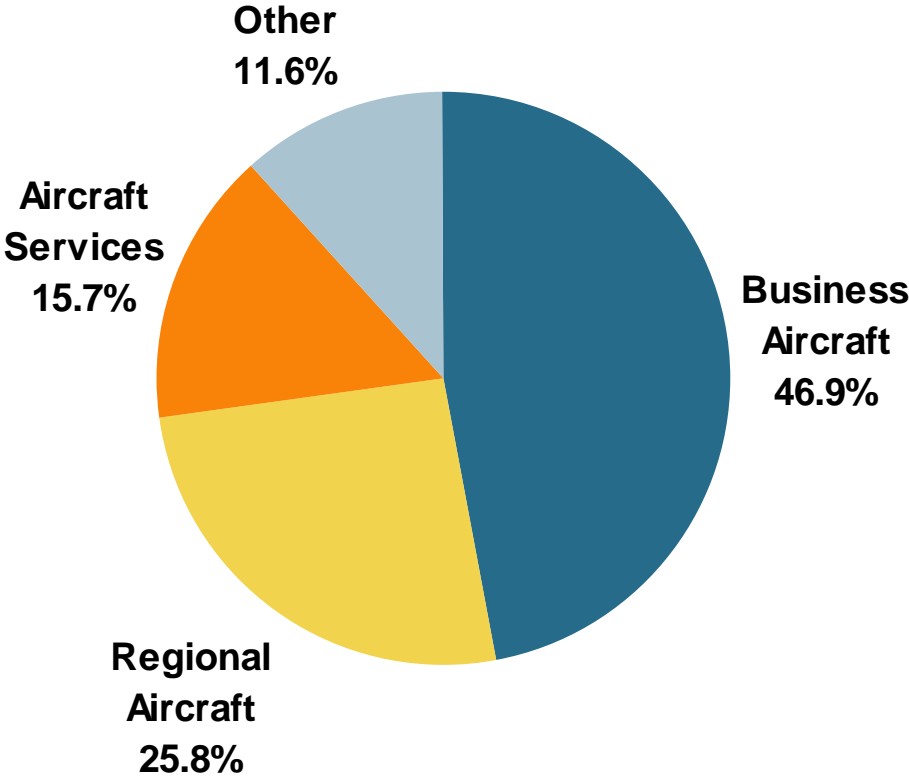
Agenda

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

Bombardier Aerospace has a balanced portfolio of products and services

AEROSPACE REVENUE BREAKDOWN BY BUSINESS

(%) Aerospace revenue – FY07



Total Revenues FY07 = \$8.2B

(1) Other includes primarily other manufacturing (eg, Amphibious, sub-contract) and pre-owned aircraft sales
(2) Services include Aircraft Services and Flexjet revenues
Source: Bombardier 2007 Annual Report

Bombardier's Business Aircraft portfolio is centred on three families

LEARJET FAMILY



Learjet 40 XR



Learjet 45 XR



Learjet 60 XR

CHALLENGER FAMILY



Challenger 300



Challenger 605



Challenger 850

GLOBAL FAMILY



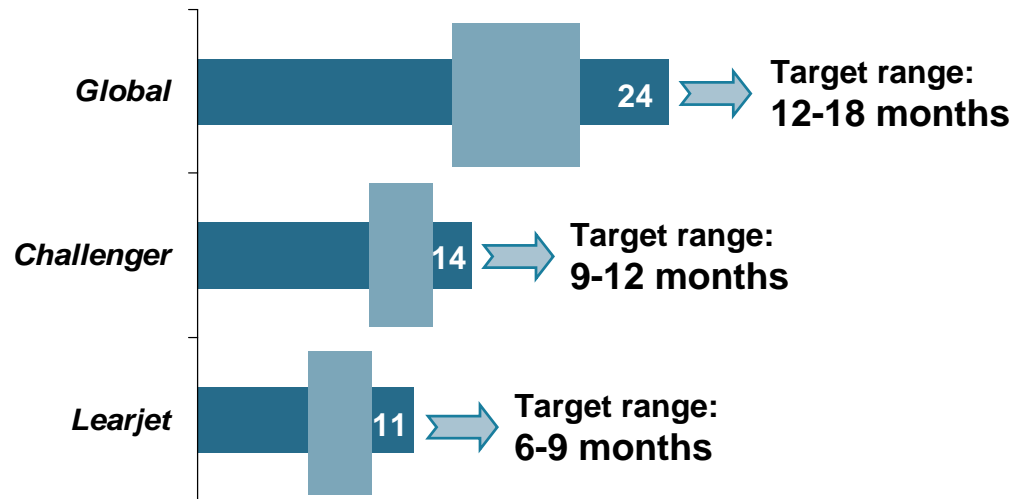
Bombardier Global 5000



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 (83 orders in Q1 FY08)
- Strong backlog – outperforms targets



Source: Bombardier Business Aircraft, Sales Operations & Business Performance

Bombardier is well-positioned in the business aircraft market with product line covering 97% of the 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.
17

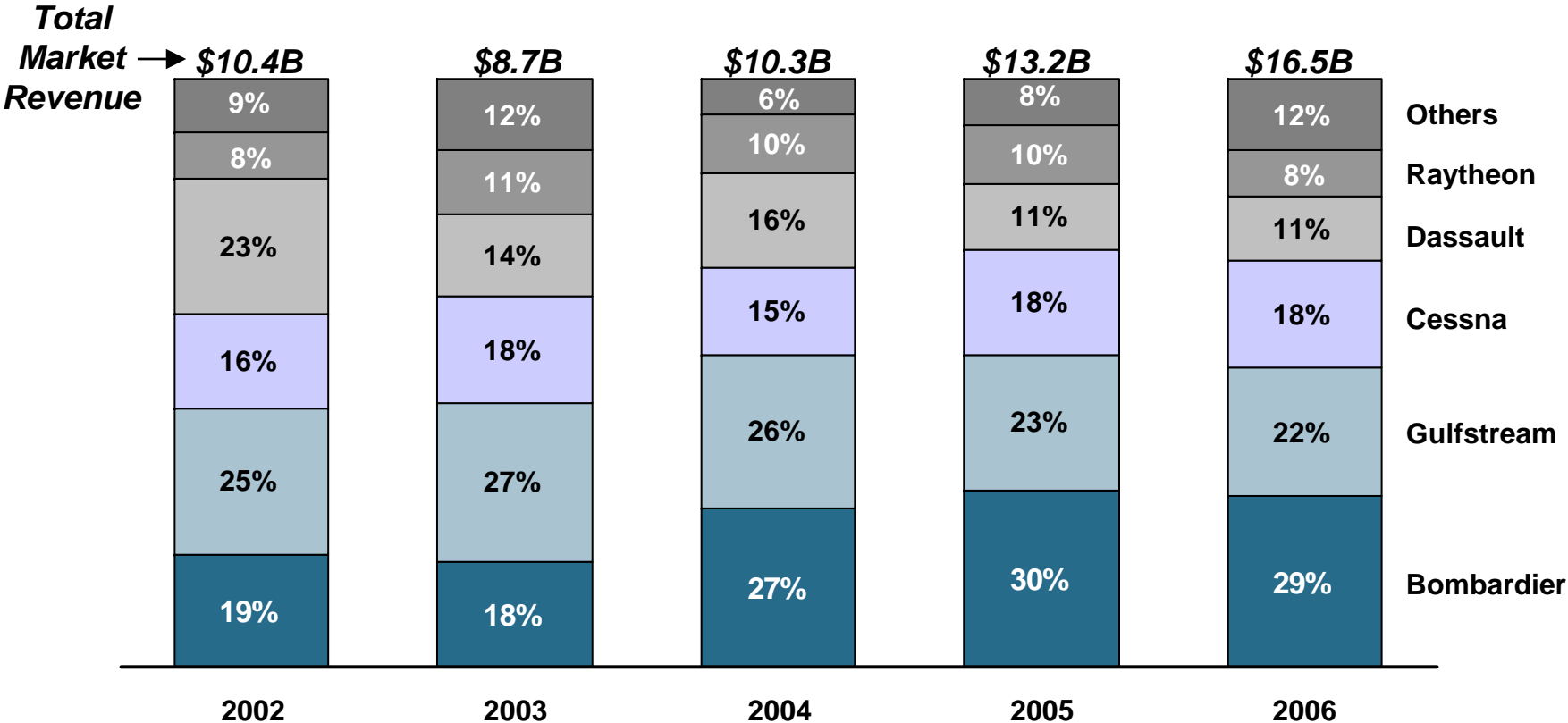
97% of business aircraft market (revenue)

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, \$US, Millions

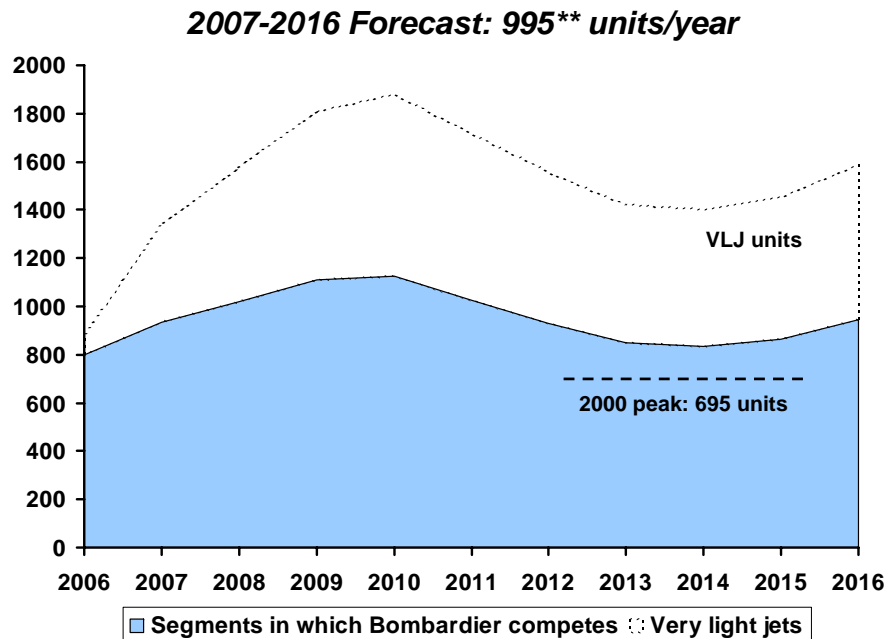


Source: Revenues estimated from GAMA deliveries and BCA list prices, includes all business jet deliveries (traditional and fractional).

Bombardier forecast shows that market growth will continue through 2010

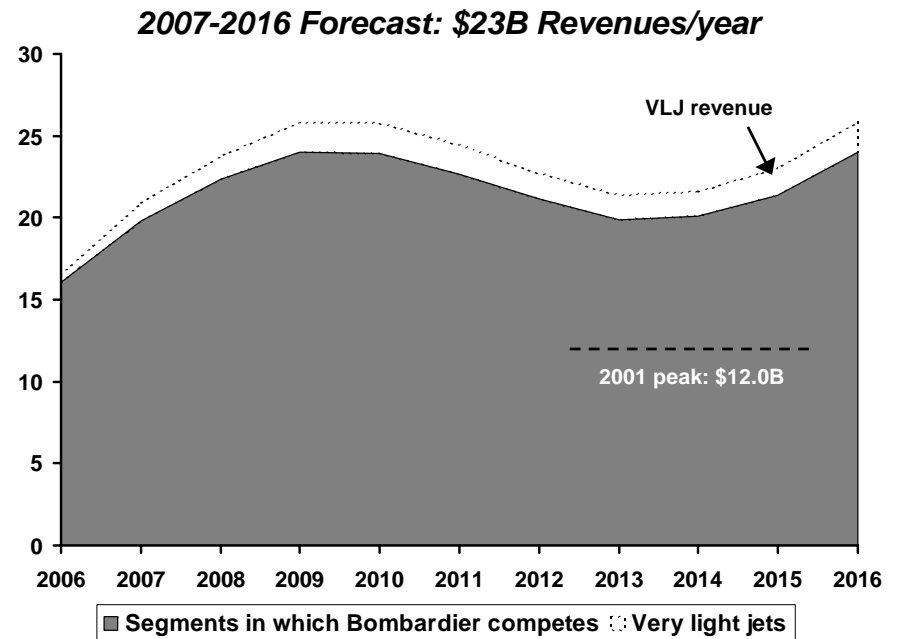
BUSINESS JET DELIVERY UNIT FORECAST

Historic Deliveries & Demand Model,
Units, Calendar year 2006 - 2016



BUSINESS JET MARKET REVENUE FORECAST

Historic Revenues & Demand Model,
Constant 2007 US\$ Billion, Calendar Year 2006 - 2016



Future “trough” will still be significantly higher than previous “peak” in 2001

Sources: Actual deliveries from GAMA. Very light jets include, CJ1+, CJ2+, Mustang, Premier I and Eclipse 500.
Revenues estimated from GAMA and B&CA list prices.

** Excludes Very Light Jet market segment

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



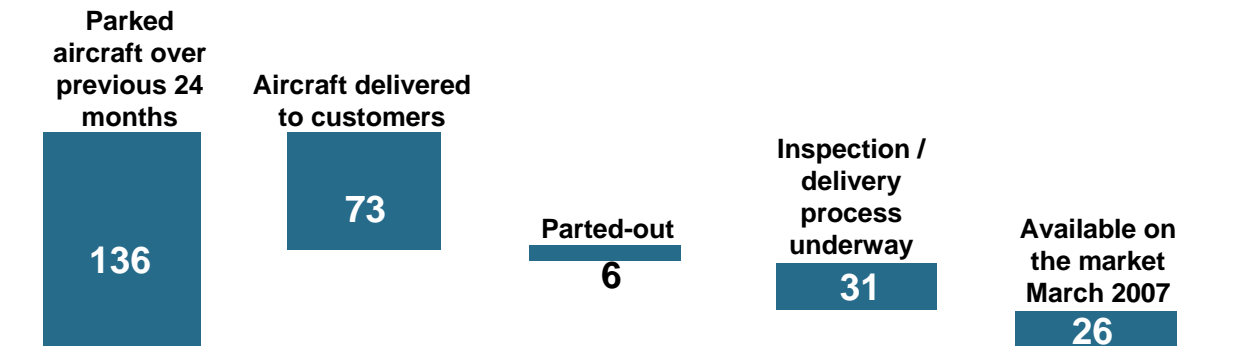
Q400 68-78 seats



CRJ1000 86-104 seats

Bombardier Regional aircraft – Year overview

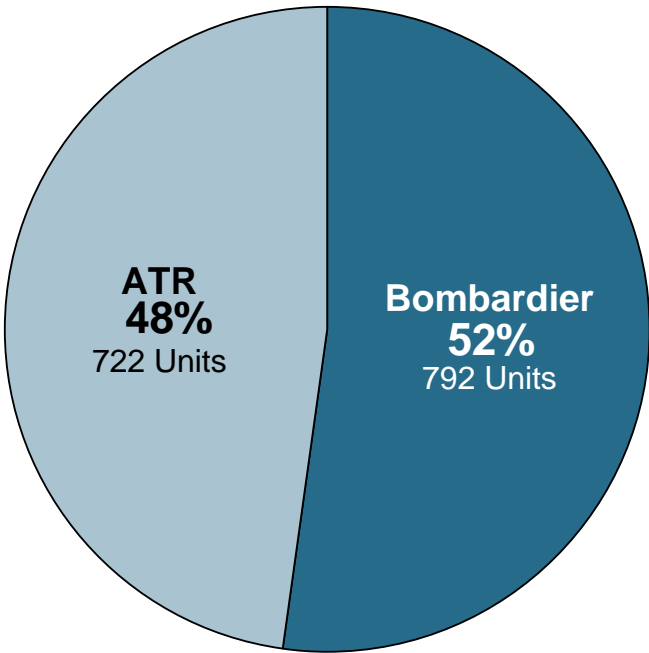
- Increased demand for turboprops
 - *Q400* attracting new customers worldwide, including from the U.S. with Frontier, Pinnacle and Horizon orders
- Shift towards larger *CRJs* continues
 - Northwest (Q3 FY07) and Delta (Q1 FY08) have placed orders for *CRJ900s*
- Residual values of *CRJ100/CRJ200s* stable



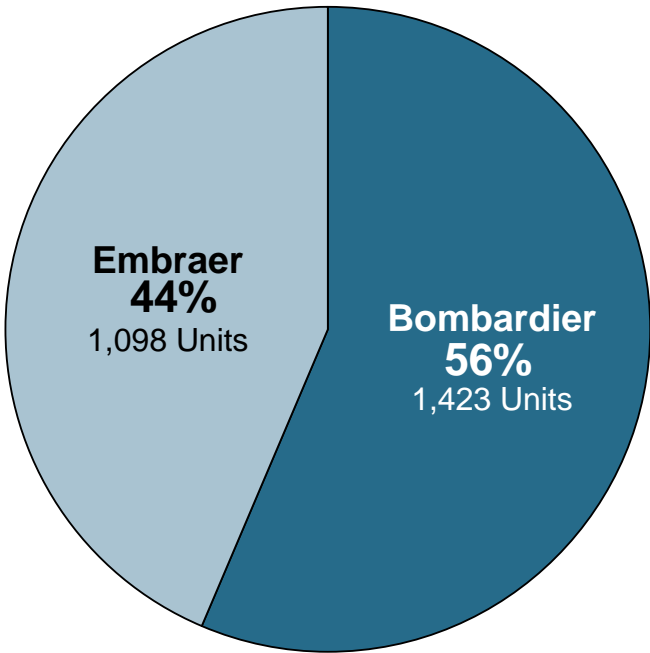
Sources: Bombardier, ACAS, Various CRJ Owners - data as of March 1, 2007

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

TOTAL PROGRAM DELIVERIES - TURBOPROPS
All Q-Series and ATR 42 & 72 models (as of 30 April 2007)



TOTAL PROGRAM DELIVERIES - JETS
All CRJ and Embraer jet models (as of 30 April 2007)



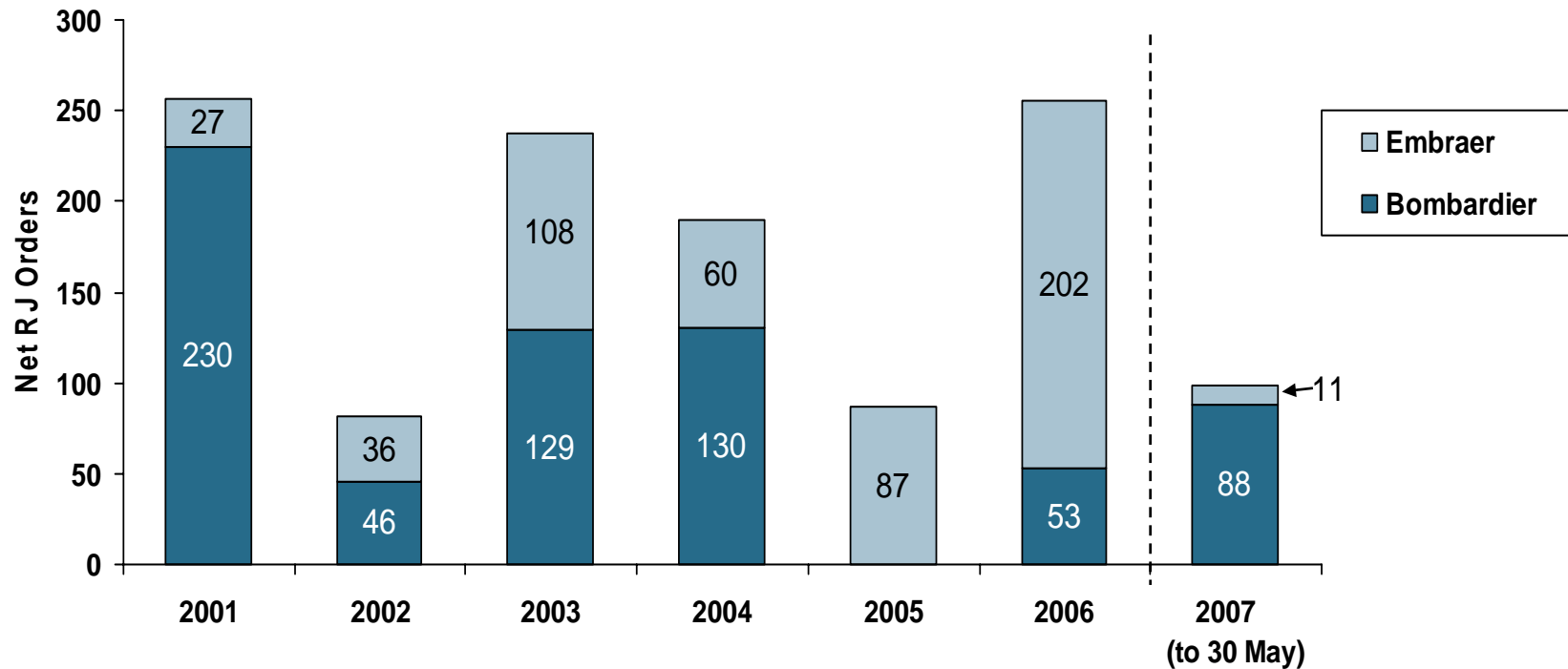
Source: Back Aviation, Company Press Releases and Bombardier Aerospace Program Status Reports

Early 2007 results show the RJ market may be starting to pick up, with Bombardier capturing a large share

BBD VS. EMBRAER REGIONAL JET⁽¹⁾ ORDERS

Net RJ orders (Calendar Years 2001 – 30 May 2007)

Bombardier's Total Program Delivery Market Share⁽²⁾ = 56%



(1) Includes CRJ100/200/700/900/1000, ERJ135/140/145 and EMB170/175/190/195

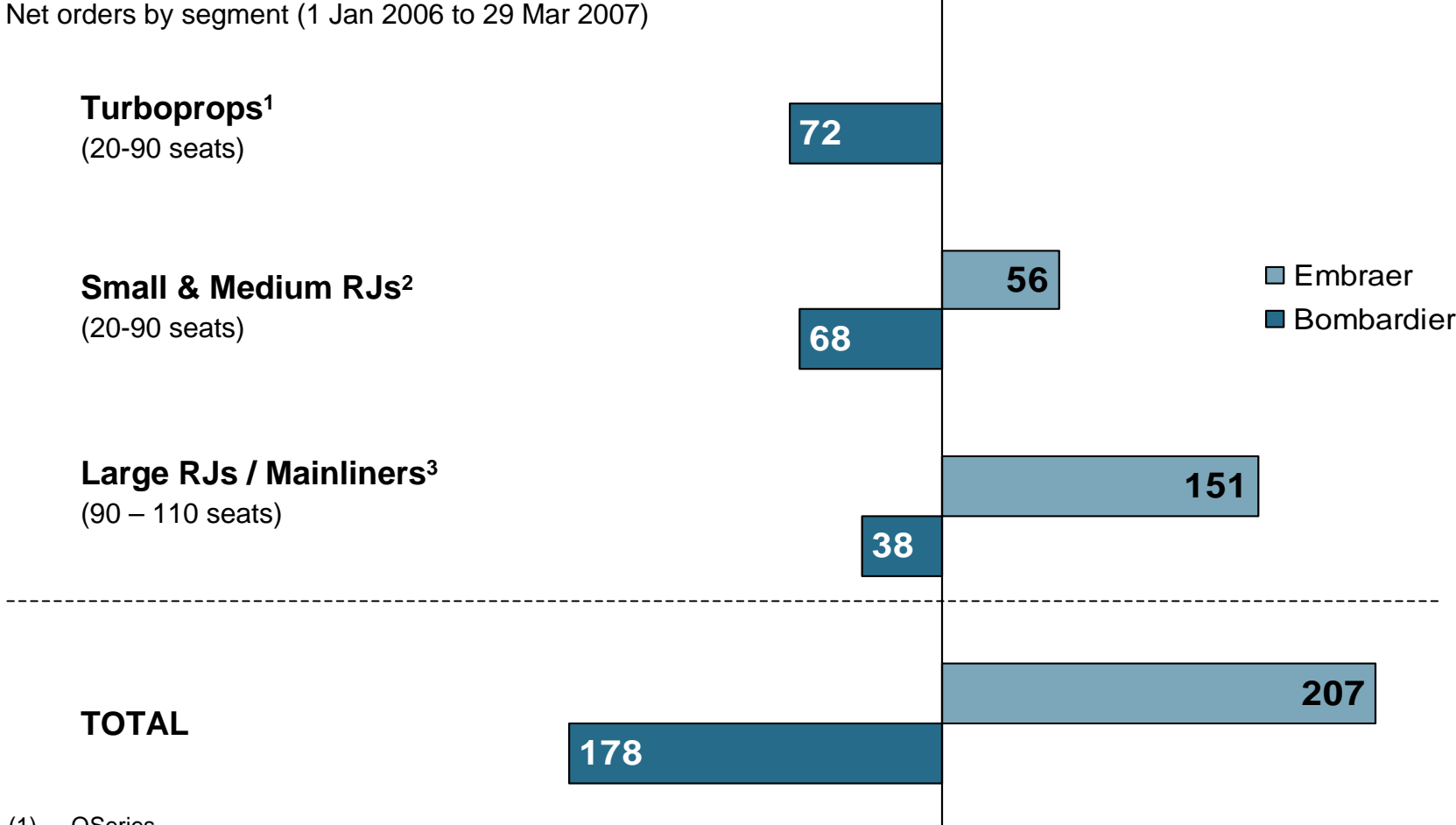
(2) Total program deliveries for all CRJ and Embraer models to 30 April 2007

Source: Company Reports

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)



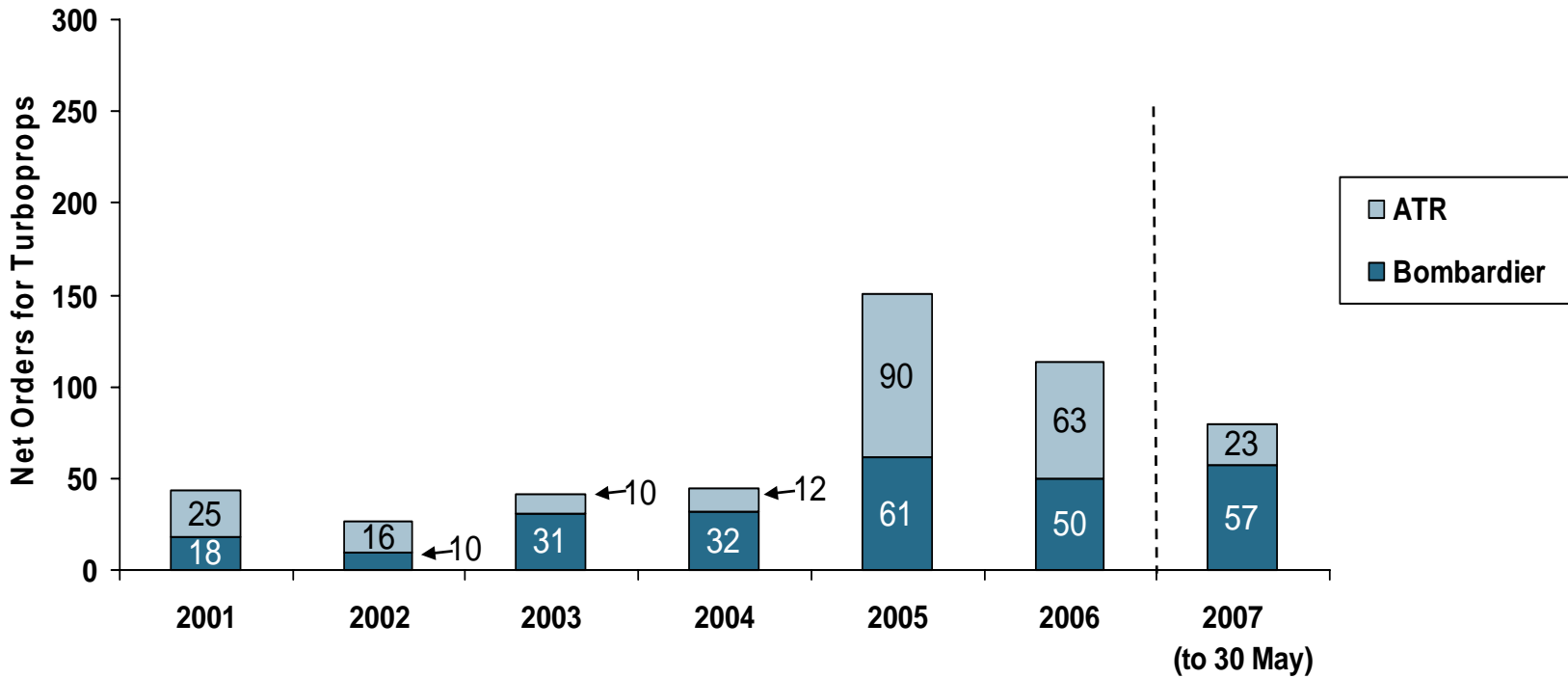
(1) QSeries
(2) CRJ200/700/900; ERJ 135/140/145; E170/175
(3) E190/195; CRJ1000

So far in 2007, Bombardier leads a strong turboprop market

BBD VS. ATR TURBOPROP ORDERS

Net Turboprop orders (Calendar Years 2001 – 30 May 2007)

Bombardier's Total Program Delivery Market Share⁽¹⁾ = 52%



(1) Total program deliveries for all QSeries and ATR 42 and 72 models to 30 April 2007
Source: Company Reports

The CRJ NextGen forms a complete 70- to 100-seat family in a new interior



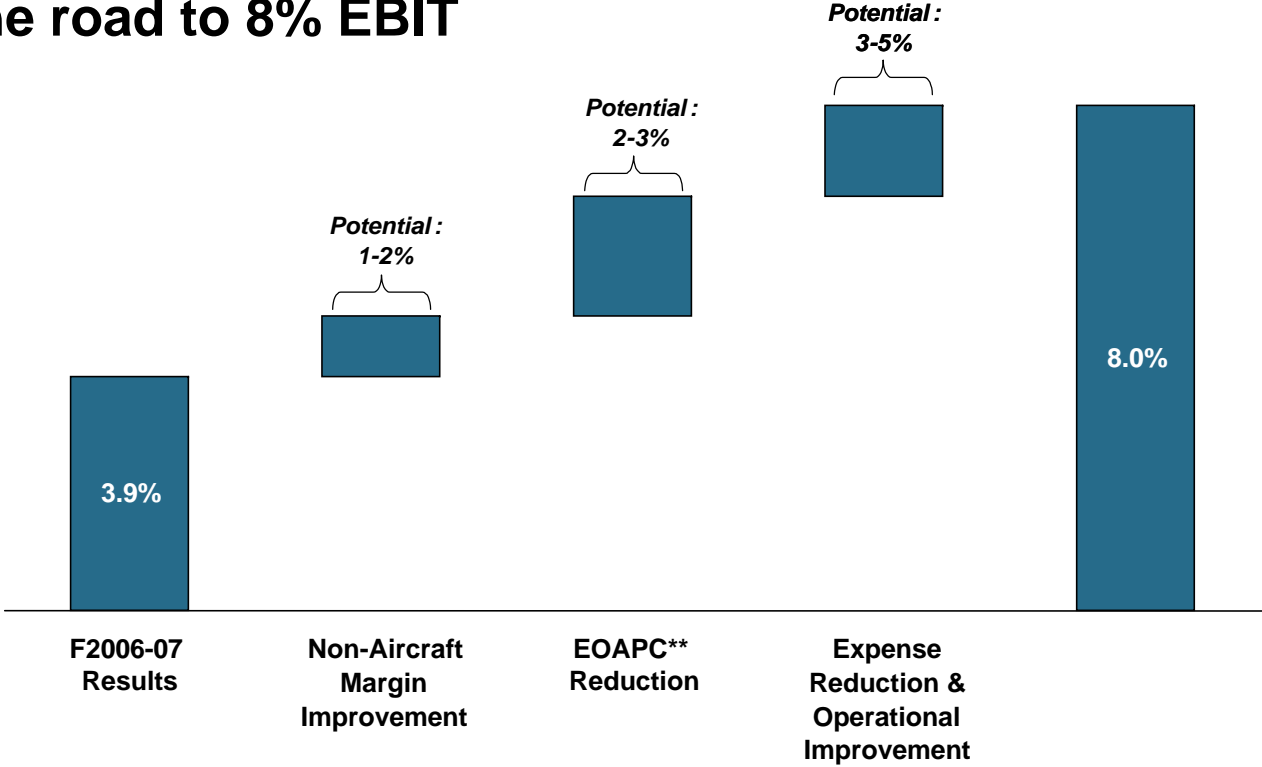
- **Enhanced Passenger Experience**
 - Larger windows
 - Larger overhead bins
 - Improved lighting
 - Redesigned ceiling panels
 - Redesigned sidewalls

- **Improved aircraft economics**
 - Lower airframe maintenance requirements
 - Up to 4% additional fuel burn savings

- **Low greenhouse gas emissions**
 - Lower than competition
 - Significantly lower than previous generation aircraft

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

Rail Vehicles



- Light rail vehicles
- Metros
- Commuter trains
- Regional trains
- Intercity trains
- High-speed trains
- Locomotives

Propulsion & controls



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

Bogies



- Portfolio to match entire range of rail vehicles

Services



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

Total Transit Systems



- Automated people movers
- Advanced rapid transit
- Light rapid transit
- GLT
- Automated monorail
- Metros
- Operations and maintenance

Rail Control Solutions



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

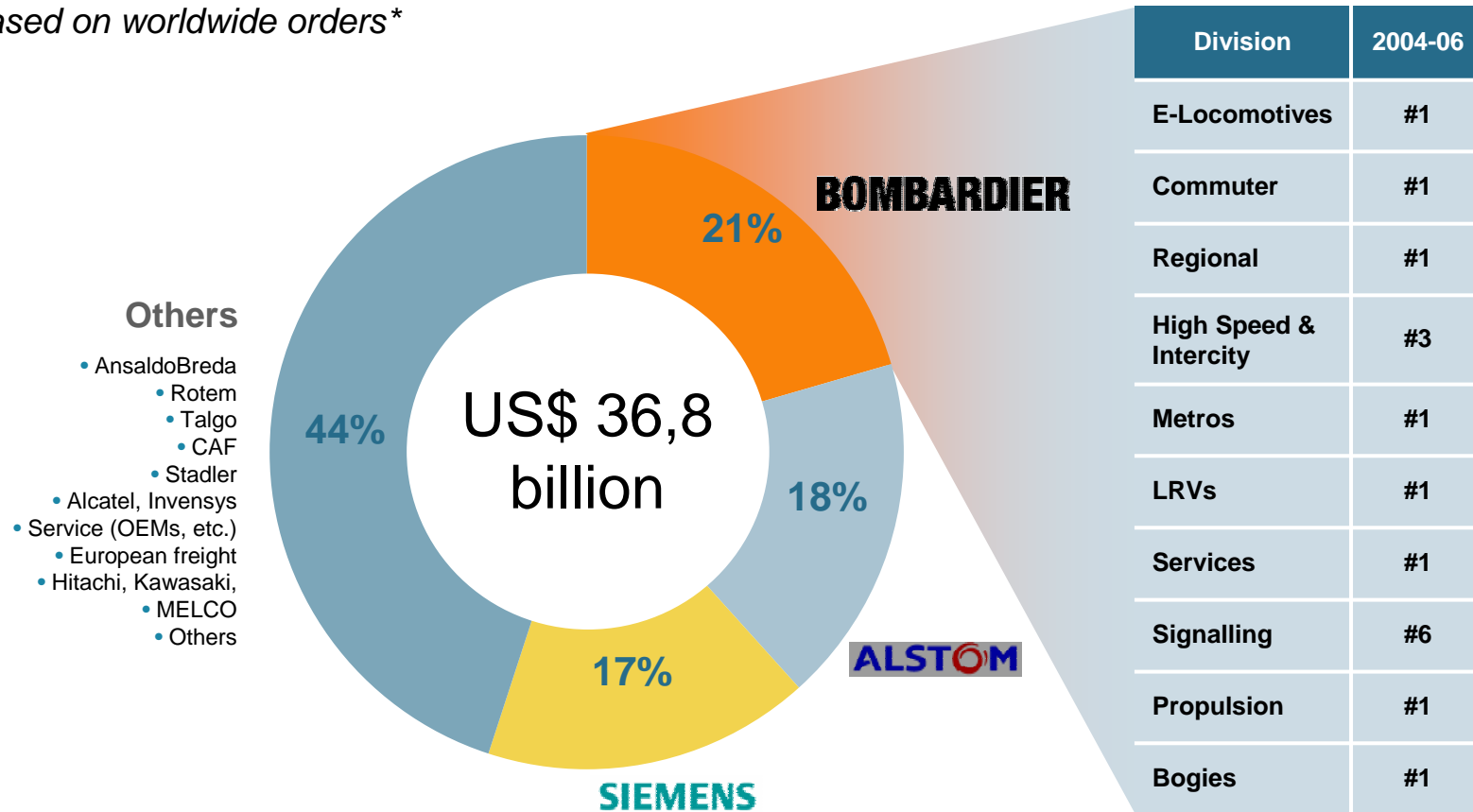
Bombardier Transportation – Year overview

- **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 at the end of the year and \$30.0 billion at the end of Q1 FY08 – highest level ever**

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

BT relevant⁽¹⁾ market 2004-2006

Based on worldwide orders*

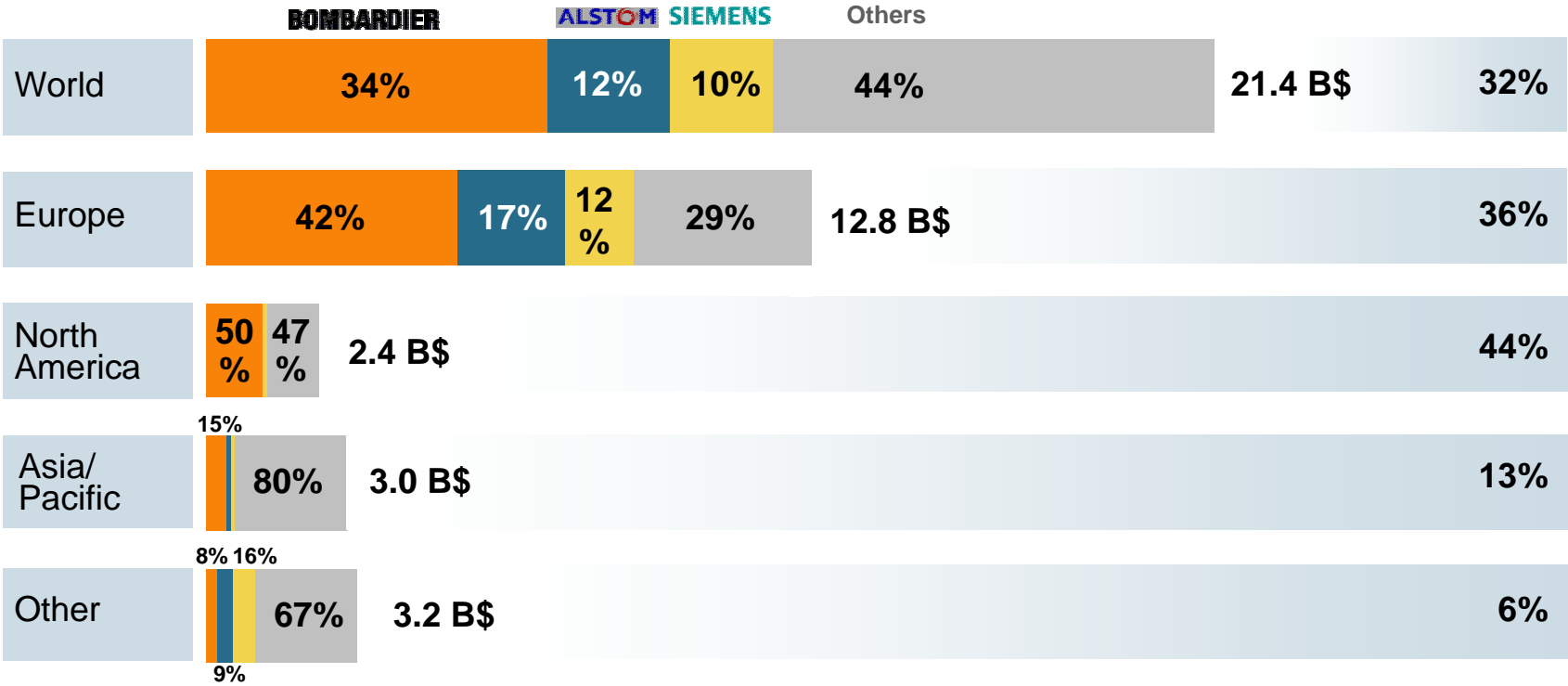


(1) The worldwide rail market relevant to Bombardier is the market accessible to open bid competition, excluding the North American freight locomotive and wagon markets

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

Rolling stock market share by region 2006, BT relevant market orders

Transportation historical market share
average 2001-2005



Source: List of orders (Group Strategy)

In FY07, major contracts won across Divisions

Good start into FY08

Key Projects FY07

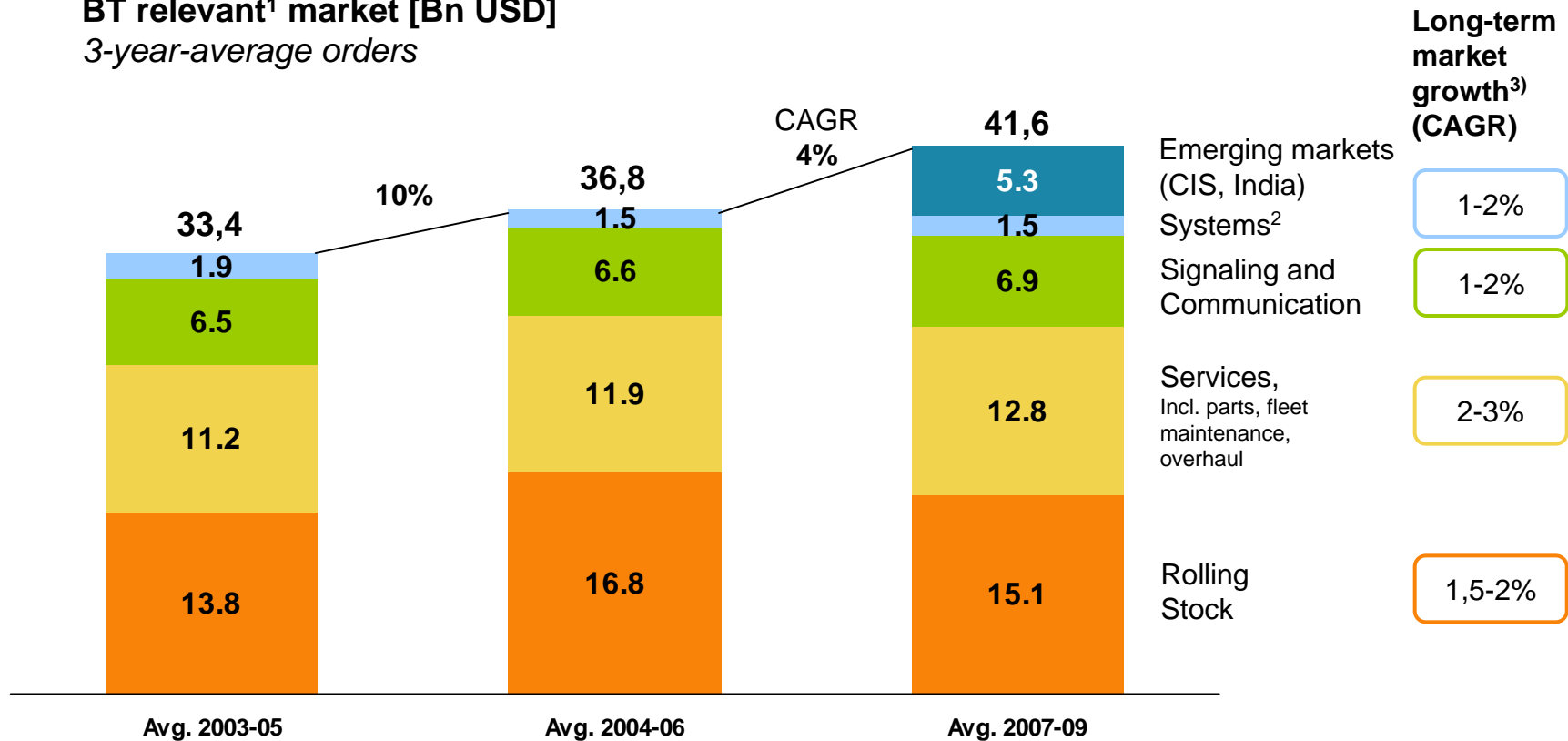
DIV	Project	Country	MUSD
Mainline	SNCF Ile-de-France	France	1,800
Systems	Gautrain	South Africa	1,650
Mainline	SNCF AGC	France	605
North America	CTA rapid transit	USA	577
Mainline	NS VIRM	Netherlands	569
Locomotives / Services	Renfe locomotives	Spain	549
North America	TTC subway	Canada	473
Mainline / 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
System	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	MUSD
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 relevant¹ market [Bn USD]
3-year-average orders



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

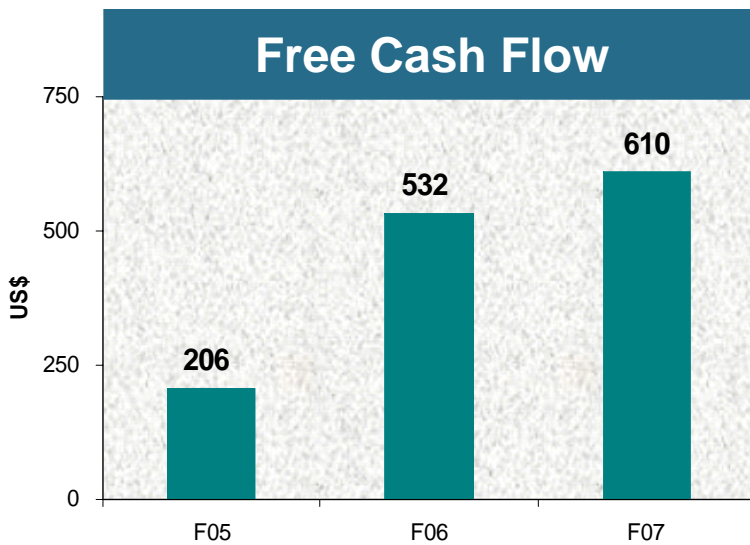
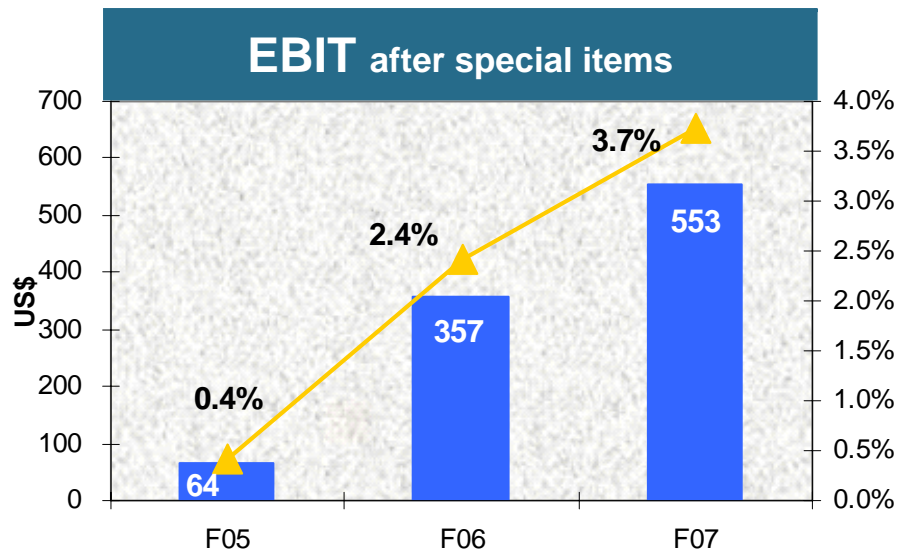
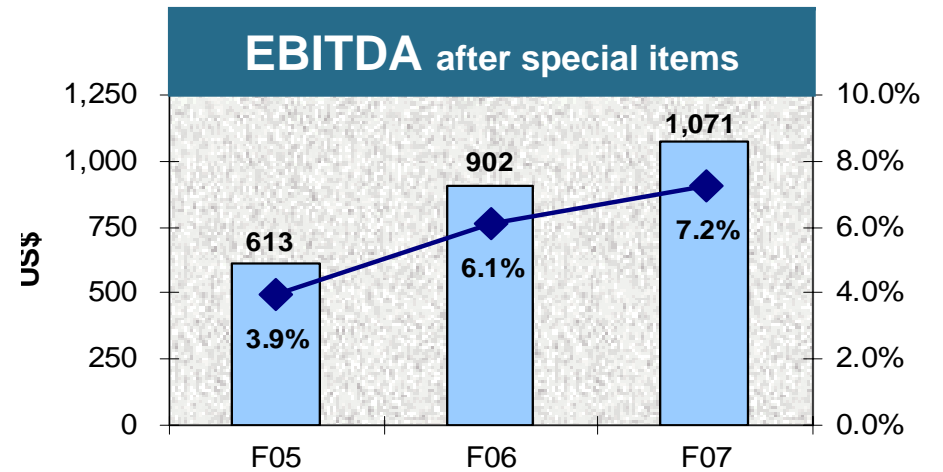
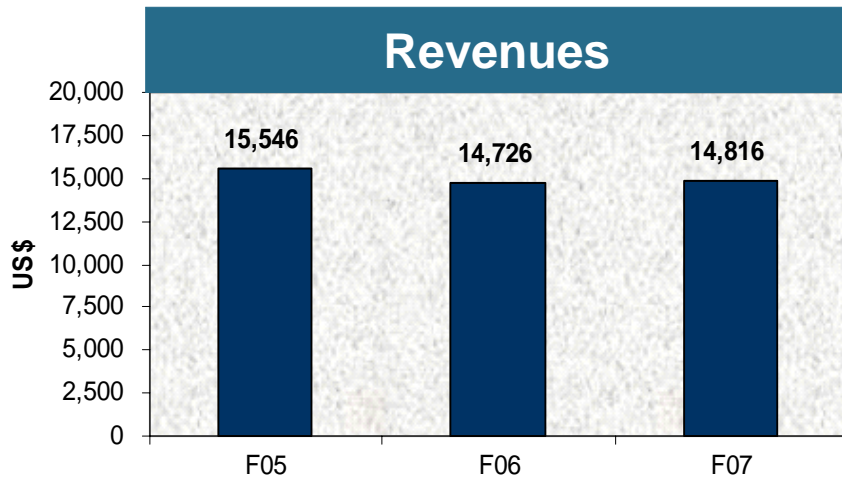
Main drivers of business plan to reach 6% EBIT

- **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

Agenda

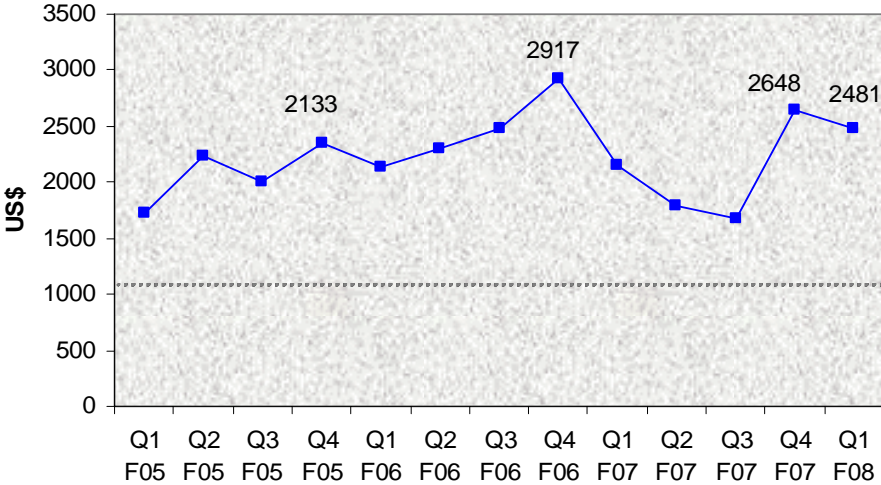
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Financial Performance is improving

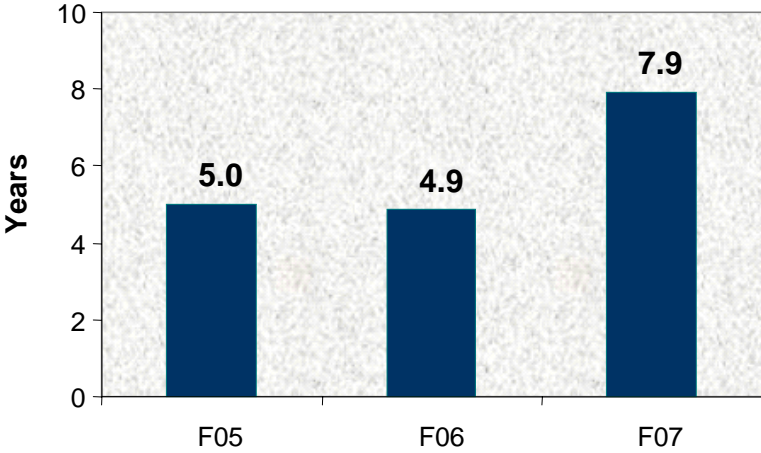


Stable liquidity and extended maturities following last year's liability management exercise

Cash and Cash Equivalents



Average term of Long Term Debt

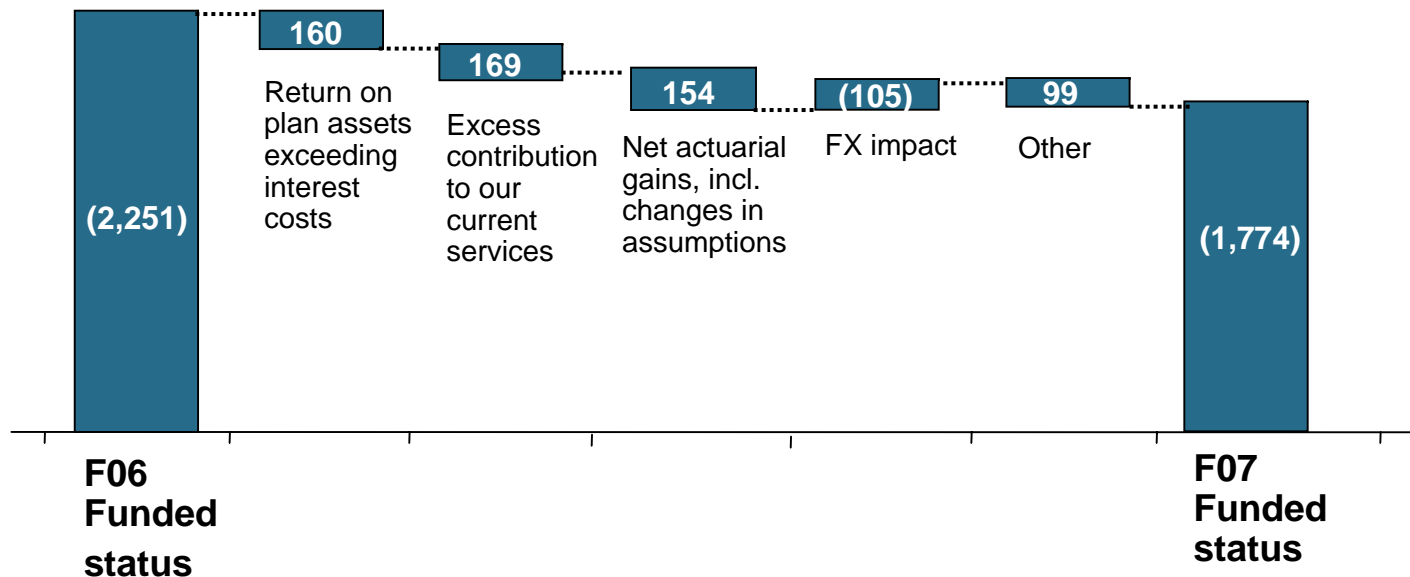


Pension Deficit Improvement

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

Sources of Change in Pension Deficit F2006-2007

(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

Segmented information – Aerospace

(In millions of U.S. dollars)

	Q1 F2007-08	Q1 F2006-07	F2006-07	F2005-06
Revenues				
Business	1,089	965	3,858	3,330
Regional	538	464	2,122	2,690
Other	633	524	2,250	2,067
Total	2,260	1,953	8,230	8,087
EBIT	112 5.0%	55 2.8%	322 3.9%	266 3.3%
Amortization	104	103	409	406
EBITDA	216 9.6%	158 8.1%	731 8.9%	672 8.3%
Reduction in EOAPC *	69 3.1%	42 2.2%	277 3.4%	162 2.0%
EBITDA before reduction in EOAPC	285 12.6%	200 10.2%	1,008 12.3%	834 10.3%

* Excess Over Average Production Cost

Segmented information – Transportation

(In millions of U.S. dollars)

	Q1 F2007-08	Q1 F2006-07	F2006-07	F2005-06
Revenues				
Rolling stock	1,028	1,017	4,066	4,356
Services	374	325	1,404	1,329
System and signalling	305	244	1,116	954
Total	1,707	1,586	6,586	6,639
EBITDA	98 5.7%	48 3.0%	340 5.2%	230 3.5%
EBIT	71 4.2%	23 1.5%	231 3.5%	91 1.4%

Financial results overview

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

	Q1 F2007-08		Q1 F2006-07		F2006-07		F2005-06	
Revenues	3,967		3,539		14,816		14,726	
EBITDA from continuing operations	314	7.9%	206	5.8%	1,071	7.2%	902	6.1%
EBIT from continuing operations	183	4.6%	78	2.2%	553	3.7%	357	2.4%
Financing expense, net	69		49		218		207	
EBT from continuing operations	114	2.9%	29	0.8%	335	2.3%	150	1.0%
Income taxes	35		8		92		15	
Income from continuing operations	79	2.0%	21	0.6%	243	1.6%	135	0.9%
Income from discontinued operations, net of tax	--		3		25		114	
Net income	79	2.0%	24	0.7%	268	1.8%	249	1.7%
EPS – from continuing operations	0.04		0.01		0.12		0.06	
EPS - Net income	0.04		0.01		0.14		0.13	

Free cash flow

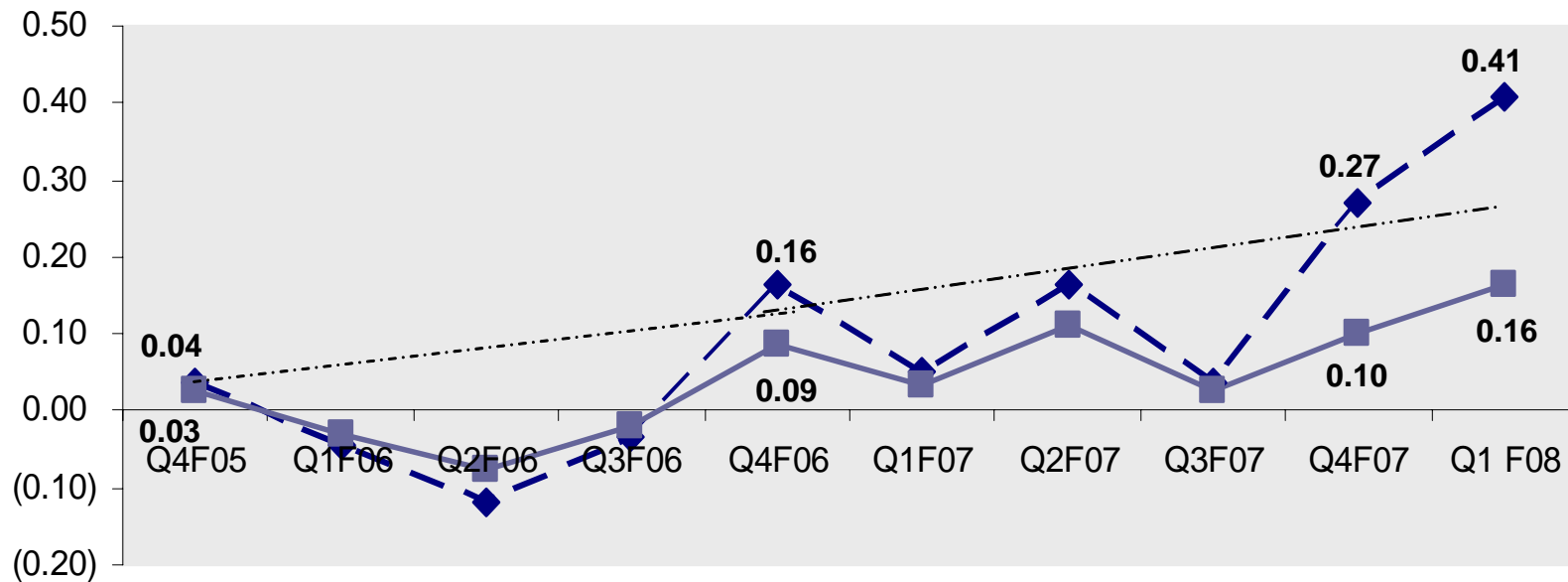
(In millions of U.S. dollars)

	Q1 F2007-08	Q1 F2006-07	F2006-07	F2005-06
Aerospace				
Excluding aircraft financing	125	(163)	616	594
Aircraft financing	(59)	(105)	198	306
Transportation				
Excluding discretionary pension contribution	6	(197)	95	(126)
Discretionary pension contribution	(174)	-	-	-
Interest and taxes	(52)	(74)	(299)	(242)
Total	(154)	(539)	610	532

Cash Flow metrics trend is positive

- Despite quarterly fluctuations the long term cash flow metrics trend is positive

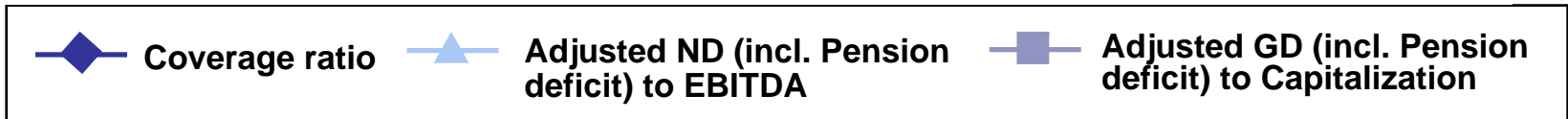
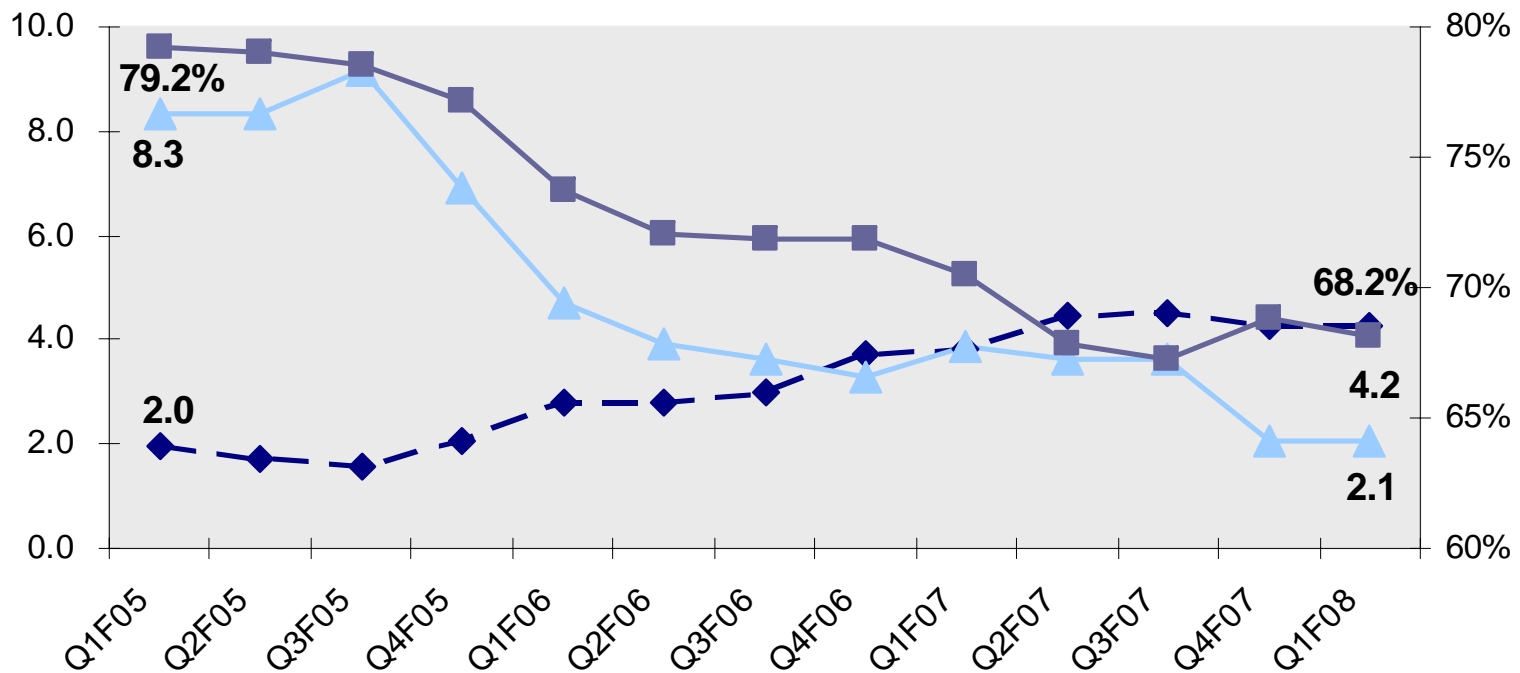
Historical Free Cash Flow to Adjusted Debt ⁽¹⁾



1) Net Debt and Gross Debt both adjusted to include the pension deficit

Capital Structure has improved

- Key ratios have improved since three years ago despite the recent pledging of cash and the issuance of LT debt



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Conclusion

- **Business jet market continues strong**
- **Rebound in regional aircraft activities**
- **Good level of order intake and a robust market at Transportation**
- **Strong overall backlog at \$45.4 billion at the end of Q1**

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 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.

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François Lemarchand

Senior Vice President and Treasurer, Bombardier Inc.

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