

A Bombardier Global 7000 business jet is shown in flight against a dramatic, cloudy sky at sunset or sunrise. The aircraft is white with gold and blue accents. The tail features the 'GLOBAL 7000' logo. The fuselage also has 'BOMBARDIER GLOBAL 7000' written on it. The aircraft is angled upwards and to the right.

leading the way



Bombardier Business Aircraft | Market Forecast 2011-2030

BOMBARDIER

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executive summary

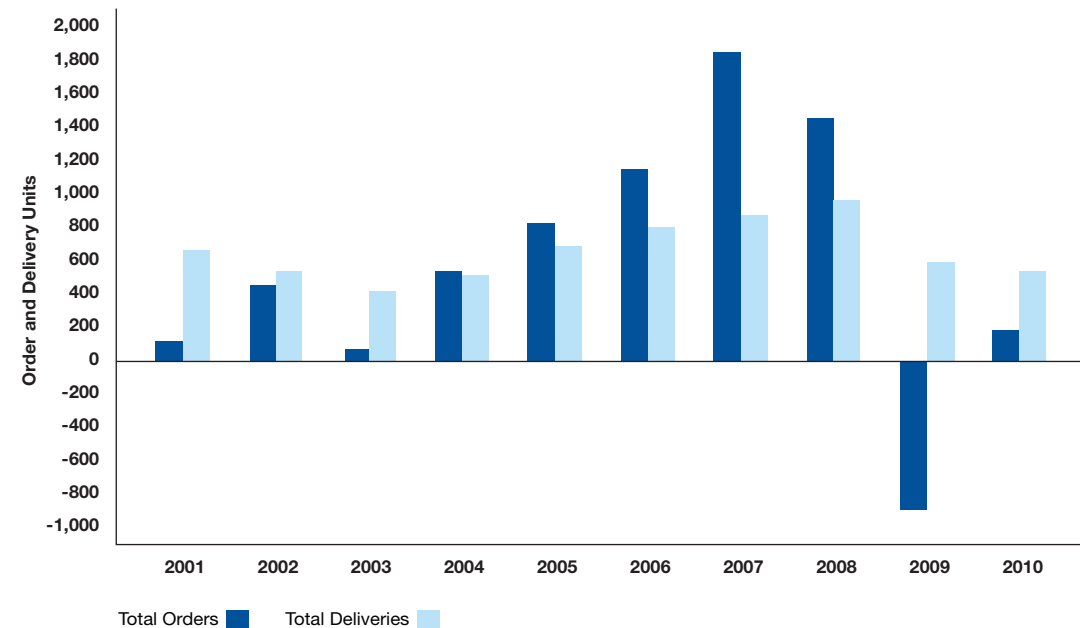
executive summary



Bombardier Aerospace is pleased to present the 2011 edition of its Business Aircraft Market Forecast. The forecast for Business Aircraft presents a 20-year outlook of the business jet industry. The 20-year time span, from 2011 to 2030, reflects Bombardier's long-term vision of the business jet market. The time span of the forecast considers the typical life-cycle of aircraft programs. The 2011 forecast also includes an in-depth look at the market drivers in the major regions of the world.

Industry Order and Delivery Units

Calendar years, 2001-2010



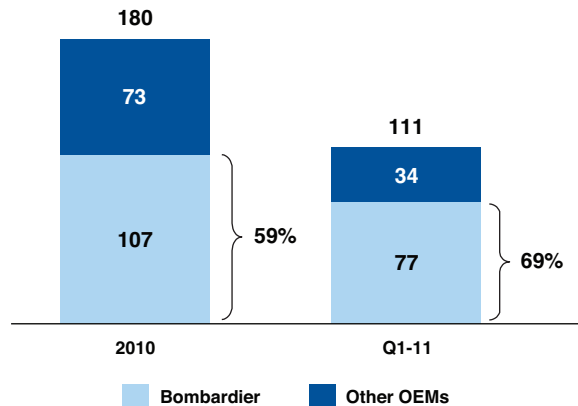
Sources: Actual deliveries from GAMA. Orders estimated from competitive intelligence, OEM guidance. Excludes Very Light Jet and Large Corporate Airline categories.

Bombardier remains confident of the strong long-term potential for the business aircraft industry.

executive summary

Industry Net Orders

Units, 2010, Q1-2011



Source: Manufacturer disclosures and Bombardier estimates.
Excludes Very Light Jet and Large Corporate Airlines categories.

Bombardier is emerging as a clear industry leader as the market recovers from the 2009 downturn. In 2010, Bombardier recorded more orders than all its competitors, with 107. Again, in Q1-2011, Bombardier recorded 77 net orders, equivalent to a market share of approximately 69%.

Bombardier remains confident of the strong long-term potential for the business aircraft industry and maintains its focus on strengthening its market leadership position by continuing to invest in its development programs: the *Global 7000* and *Global 8000* jets, *Learjet 85* aircraft and *Global Vision* flight deck. With its comprehensive product portfolio, dedication to provide superior customer support and solid product



development roadmap, Bombardier plans to benefit from the expected long-term market growth and continue leading the way in business aviation.

This forecast focuses on the three business jet categories in which Bombardier competes: Light, Medium and Large. The Very Light and Large Corporate Airliner categories are excluded.

Turning the Corner

The business jet industry was clearly reminded of its cyclical nature when, in 2009, the precipitous and rapid decline of the demand resulted in cancellations exceeding gross orders, which caused a significant reduction in firm order backlogs and aircraft deliveries.

Today, the business aircraft industry's improving book-to-bill ratio is a positive signal that the

market has turned the corner and is gaining momentum. The world economy rebounded nicely in 2010, led by high growth economies (China, India and Brazil) and sustained by a recovering United States. On the other hand, lagging growth in Europe, was and remains, a concern. Most key business jet indicators are showing signs of improvement. Sales of used aircraft are rising to pre-downturn levels and, as a result, pre-owned inventories are declining.

Business jet utilization, as measured by movements, is up. Industry deliveries are not expected to improve significantly in 2011; however, signs of a market recovery are plenty, and it is expected that business aircraft market deliveries will return to growth in 2012. The forecast will detail the expected timeline and magnitude of the business jet industry comeback.

executive summary

Business Jet Value Proposition

Business jets provide fast, flexible, safe, secure and cost-effective access to destinations around the world. In addition to the increased productivity and time saving gained when using a business jet, there exist other less quantifiable, but equally important, benefits. These include: on-demand flight schedules, the ability to conduct business meetings in private during flights, easier access to company's sites (which may not be served by a scheduled airlines), and reduced fatigue on company's frequent travelers.

In an increasingly competitive and global marketplace, business aviation is truly a tool that directly contributes to growth.

A Long-term Vision for the Industry

We believe that the long-term market drivers of growth for the business jet industry remain solid. These market drivers include: wealth creation, increasing penetration in high growth economies, globalization of trade, replacement demand, and market accessibility.

Our optimism is reflected in our 20-year industry delivery forecast, which predicts 24,000 business jet deliveries worth \$626 billion of revenue. 10,000 deliveries worth

\$260 billion are anticipated in the period from 2011 to 2020, and 14,000 deliveries worth \$366 billion are anticipated in the period from 2021 to 2030.

The worldwide business jet fleet is expected to grow, at a Compound Annual Growth Rate (CAGR) of 3.8% over the forecast period, from 14,700 aircraft in 2010 to approximately 30,900 aircraft by 2030, net of retirements.

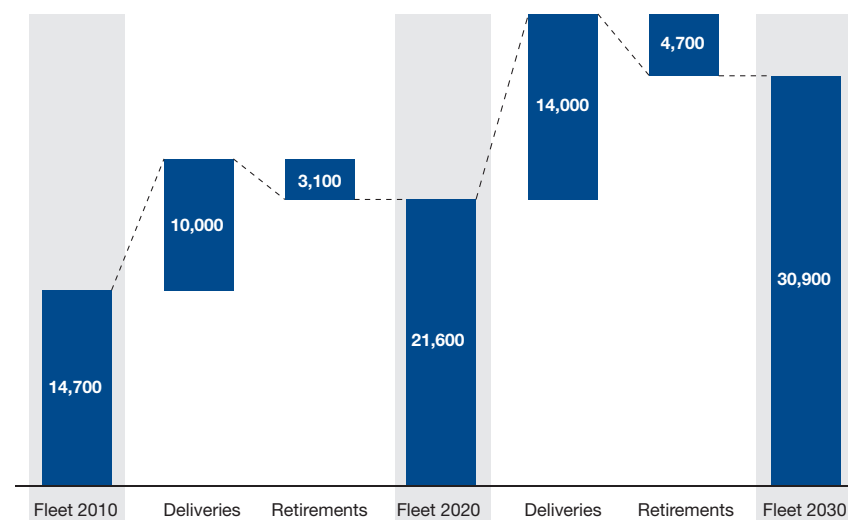
Business Jet Market History and Forecast

	Historical	Forecast		
	2001-2010	2011-2020	2021-2030	2011-2030
Delivery Units	6,400	10,000	14,000	24,000
Revenues	\$133 billion	\$260 billion	\$366 billion	\$626 billion

Source: Bombardier Forecast Model.

Business Jet Fleet Forecast

Units, calendar years 2010-2030



Source: Bombardier Forecast Model.



historical market performance

historical market performance

Bombardier Business Aircraft | Market Forecast 2011-2030

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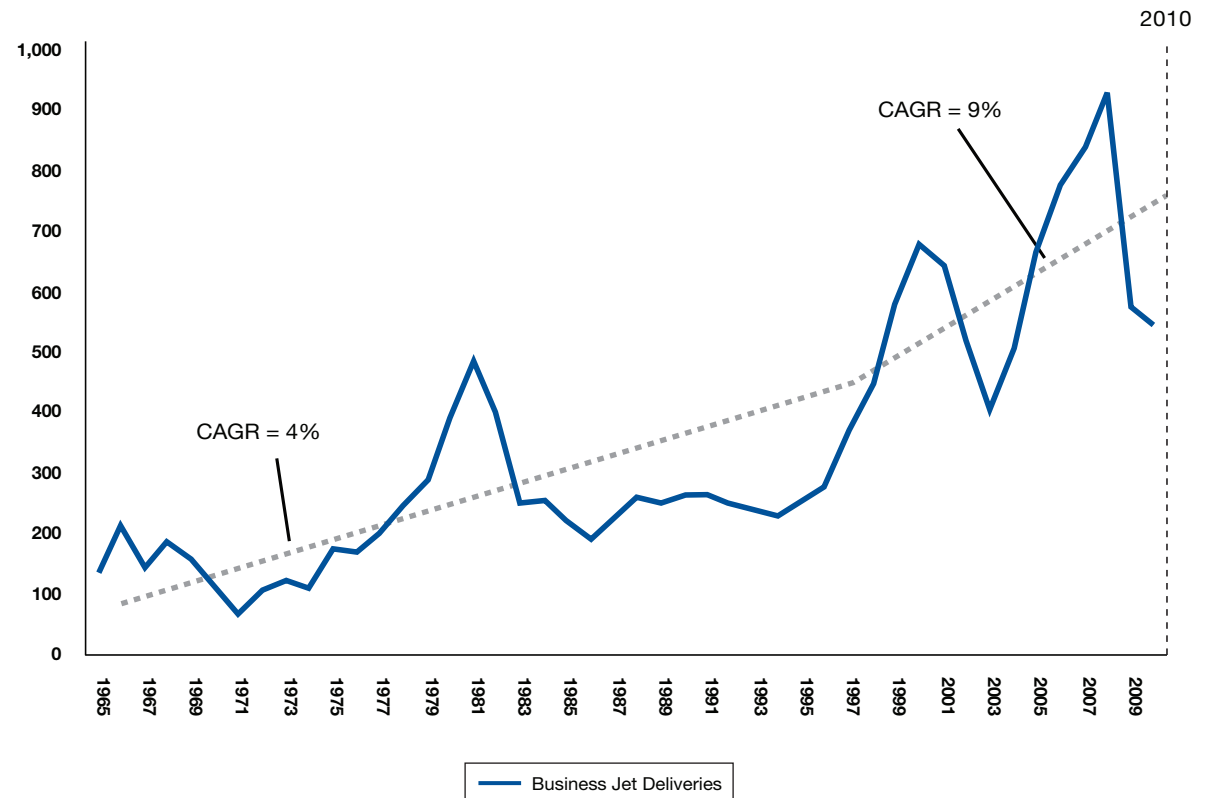
Over the past 40 years, the industry has been defined by multiple market cycles. From 1965 to 1995, the business jet deliveries CAGR was at 4%, with most of the growth coming from the main market, the United States. After 1995, the business jet industry began rapidly expanding to other regions of the world, generating much higher growth, 9% per year on average.

2004 to 2008

Following the 2001-2003 downturn, the U.S. economy regained its momentum and the demand for business jets significantly rose between 2004 and 2007. New business aircraft markets such as Europe, Asia and the Middle East began to generate substantial demand. Moreover, the launch of new, innovative aircraft pushed orders even higher. The 841-unit delivery record set in 2007 was

Historical Business Jet Market Deliveries

Units, calendar years 1965-2010



Source: Actual deliveries from GAMA.

Demand for business jets rose significantly in between 2004-2007.

historical market performance



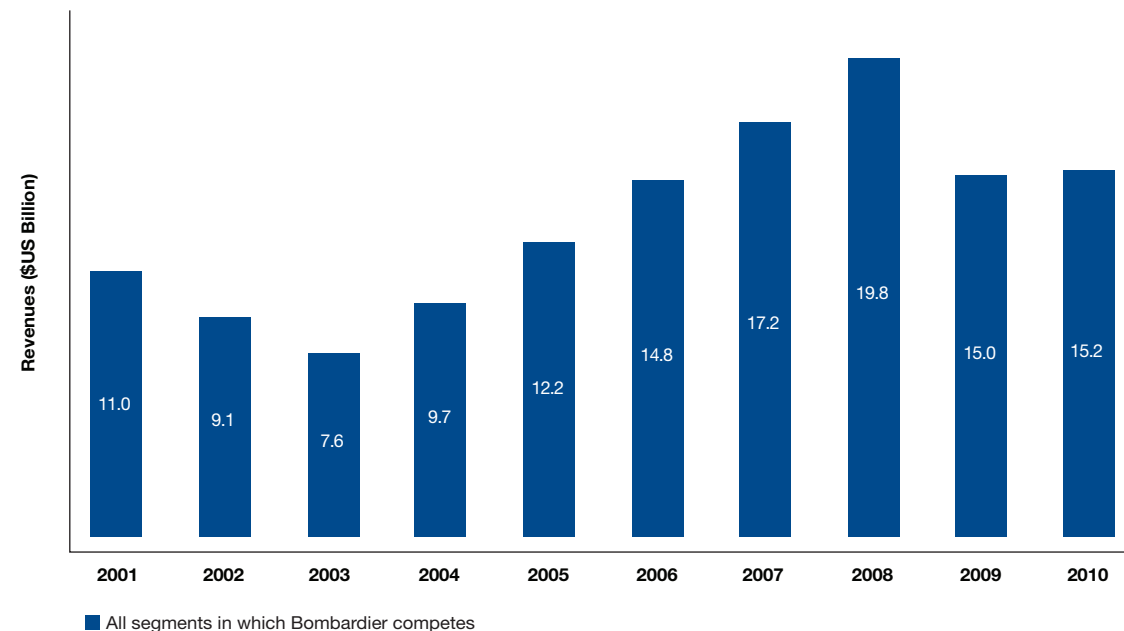
shattered in 2008, with deliveries totalling 927 units for the year. Record sales, as well as a shift in buyer interest toward larger aircraft, explain the peak of \$19.8 billion in industry revenue reached in 2008.

2008

The near-collapse of financial markets at the end of 2008 precipitated a sharp downturn in business aviation. Order activity stalled beginning in the last quarter of 2008 and onwards. The inventory of pre-owned aircraft for sale increased dramatically and residual values took a significant hit. Moreover, OEMs juggled with cancellations and deferrals. We estimate that more than 800 order cancellations were recorded in 2009 in the Light to Large categories. These unfavourable market conditions forced most OEMs to decrease their production that same year. The trough, in terms of market conditions, was reached in the first half of 2009.

Historical Business Jet Market Revenues

US\$B, calendar years 2001-2010



Sources: Revenues estimated from GAMA and B&CA list prices.

Since H2-2009

Since the second half of 2009, business jet usage has increased and pre-owned inventory has been declining. Credit availability has also recovered. Market fundamentals improved significantly in the past 2 years; approximately 500 fewer aircraft for sale on the pre-owned market (a drop of 3.4 percentage points, to 14.4% in Q1-2011); 22% and 12% more

flight activity in the U.S. and Europe respectively. Business jet utilization is at its highest levels since 2007 in both regions.

Recently, we have experienced the resurgence of multiple aircraft deals. Most aircraft OEMs are now recording positive net order intake, signaling that the market has moved to its second phase of recovery.



current market drivers

current market drivers

The Bombardier Aerospace Business Aircraft Market Forecast uses an econometric model based on several market drivers to forecast business jet demand. The most significant drivers are detailed below.

Economic Market Drivers

Global Economy

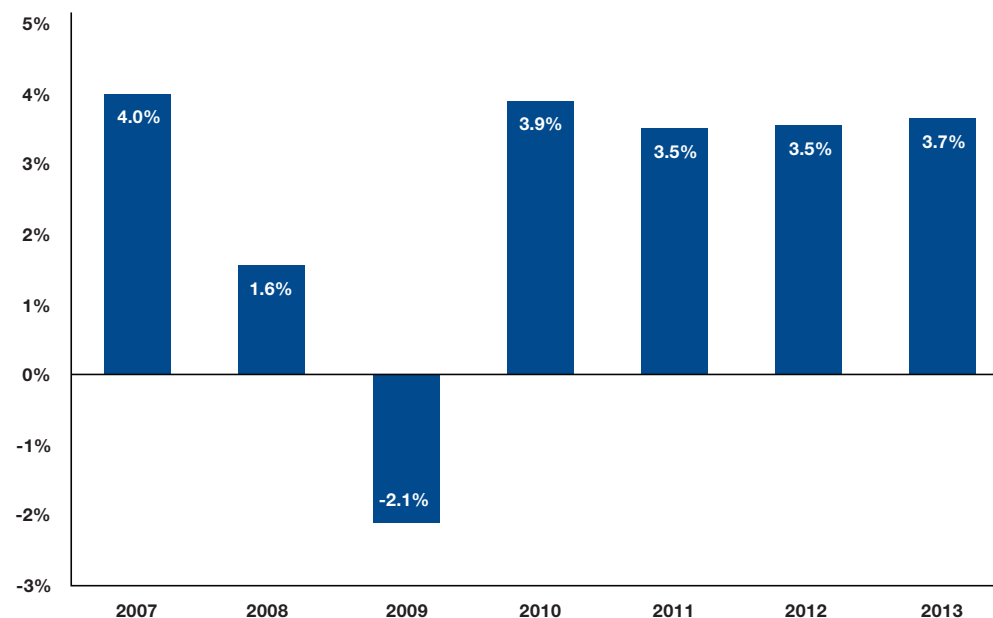
The state of the world economy, and that of individual countries, is a key factor in the demand for air travel. For most of 2008 and 2009, the worldwide economy experienced a sharp downturn. The last recession was the result of a major financial crisis that had an impact in all regions of the globe, when world real GDP shrank at an annual rate of 2.1% in 2009. Concerted efforts by all state governments helped the economy to find the path toward growth in the second half of 2009. As a result, the world GDP rebounded by 3.9% in 2010, led by strong growth in emerging economies and an improved U.S. economy. For 2011, the world economy is expected to continue growing at an annual rate of 3.5%, and to stabilize at approximately 3.4% per year in the longer term.

In its June 2011 Economic Outlook, the OECD stated: "This is a delicate moment for the global economy, and the crisis is not over until our economies are creating enough jobs again." More than 50 million people are currently jobless in the OECD area. The

Demand for business jets is increasing with the resumption of global economic growth.

Prospect for World GDP Growth

World GDP growth forecast (percent change), 2007-2013



Sources: IHS Global Insight, February 2011.

recovery seems, however, to be in the process of becoming self-sustained, with trade and investment gradually replacing fiscal and monetary stimulus as the principal drivers of economic growth.

In its latest World Economic Outlook, the

International Monetary Fund talks about a two-speed recovery. They expect the world economy to grow at about 4.5% a year in both 2011 and 2012, but with advanced economies growing at only 2.5% percent, and emerging and developing economies grow at a much higher 6.5% percent.

current market drivers

Basically, in most advanced economies, output is still far below potential, while in emerging market economies the crisis left no lasting wounds.

The significant economic downturn of 2008-2009 resulted in a major short-term reduction in demand for business jets. As expected, this demand, as measured by orders, is increasing with the resumption of global economic growth. This trend is expected to translate into a sustained recovery in demand for business jets. The sound

fundamentals of the business jet industry are expected to remain unchanged.

Wealth Creation

Worldwide demand for business jets is highly correlated with wealth creation. The Morgan Stanley Capital International (MSCI) Index is an aggregate stock market index, based on representative securities listed in major financial exchanges around the world. The MSCI World Index is a good estimate of wealth creation. From 2002 to 2007, the

MSCI World Index literally doubled, mainly driven by growing prices for oil, natural resources, and commodities. Most of these gains were lost in a single year, as, between 2007 and 2008, the MSCI World Index fell 42%. Business aircraft orders stalled at the same time the MSCI World Index plummeted.

MSCI Index Evolution By Region

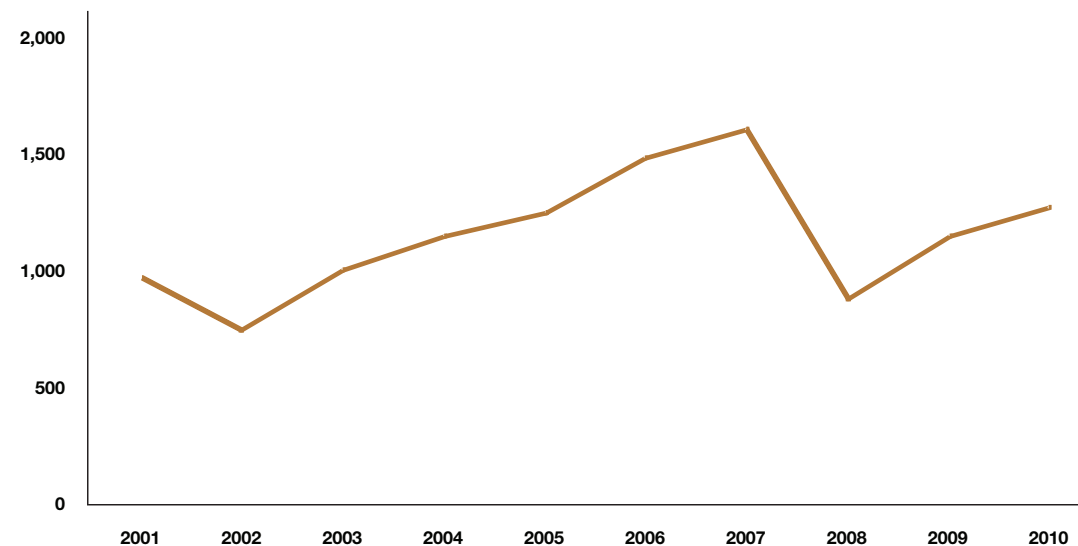
2002 = 100, Calendar years, 2002-2011

	2002 (base)	2007 (at peak)	April 2009	April 2011
North America	100	176	105	144
Europe	100	245	122	157
Latin America	100	668	384	628
Russia	100	567	188	311
India	100	699	287	523
Middle East	100	367	185	232
China	100	605	327	452
Asia Pacific	100	250	144	199
Africa	100	593	223	272
World	100	201	113	151

Sources: MSCI World Index from Morgan Stanley.

MSCI World Index

Calendar years, 2001-2010



Sources: MSCI World Index from Morgan Stanley.

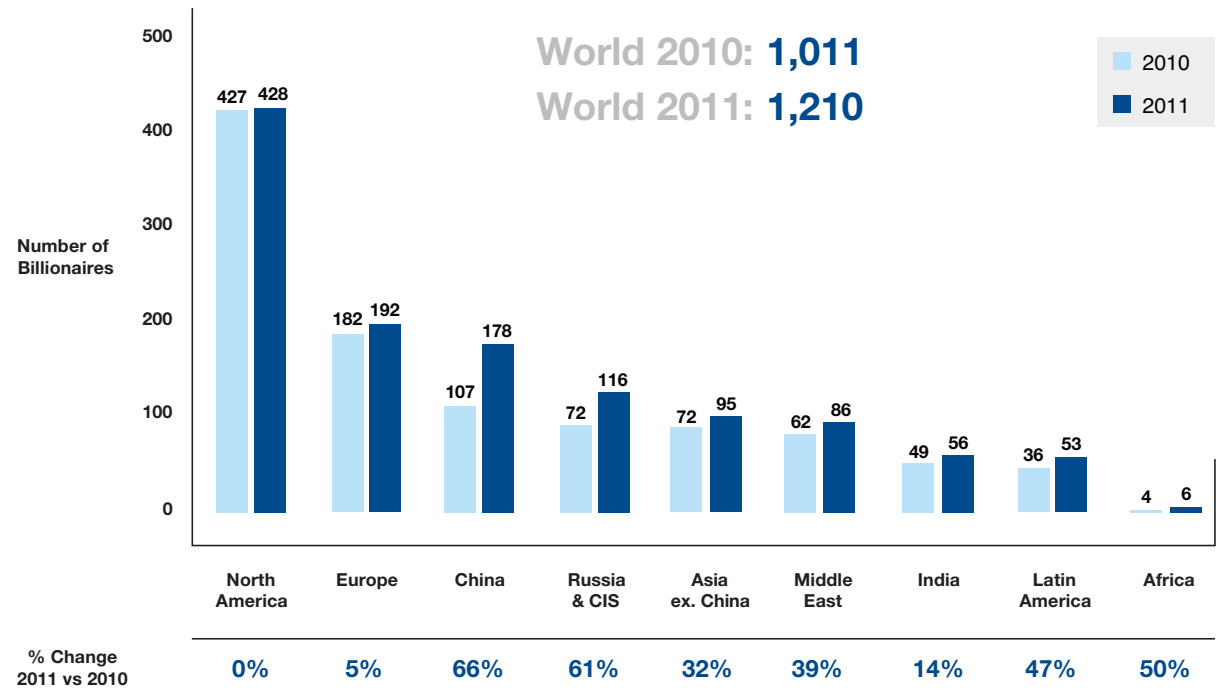
current market drivers

Stock markets have rebounded nicely since March 2009. The MSCI World Index grew by 60% from March 2009 to June 2010. Growth has been consistent during that 15-month period, with the exception of spring 2010, which was characterized by high market uncertainty due to sovereign debt problems in Europe. The MSCI World Index ended 2010 at levels last seen during the third quarter of 2008. Although the MSCI World Index has increased for more than two years, full recovery of business jet order intake has been lagging.

A March 2011 report from Forbes estimated the number of world billionaires at 1,210, surpassing the prior peak of 1,123 reached in 2008. The March 2011 count of billionaires represents a 20% increase versus one year ago and 53% versus 2009. The most significant growth in the number of billionaires occurred in China with a very impressive increase of 66% year-over-year followed by Russia & CIS (61%) and Latin America (47%).

Number of Billionaires

Unit & % Change 2010-2011



Sources: Forbes.com March 2010 and March 2011.

The number of billionaires increased 20% versus last year.

current market drivers



Business Jet Market Drivers

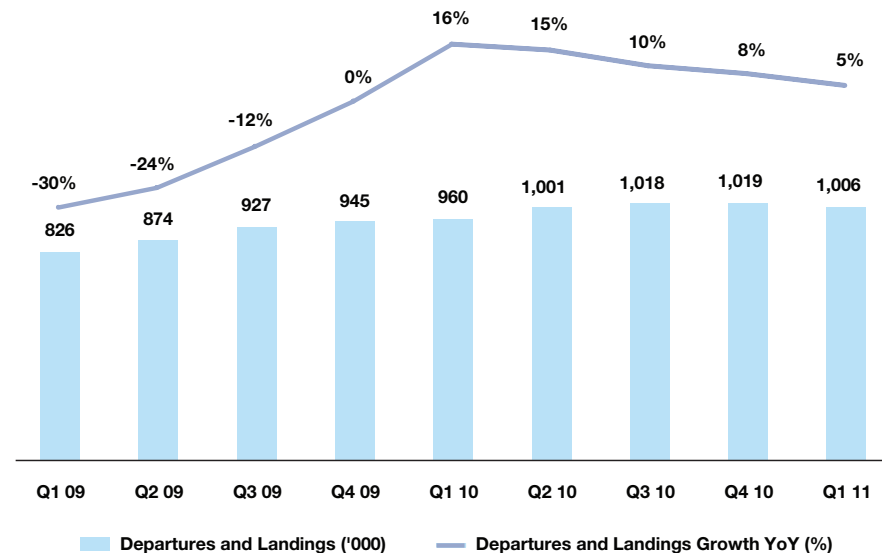
Business Jet Utilization

Historically, business jet utilization is an indication of the overall health of the industry. The Federal Aviation Administration (FAA) and Eurocontrol record the number of take-offs and landings at American and European airports respectively.

Both in the U.S. and in Europe, although utilization levels are not yet back to pre-recession levels, business jet movements continued to improve during 2011, relative to the same period in 2010. In Q1-2011, business jet utilization was up 5% year-over-year in the U.S. and 3% in Europe.

US Business Jet Utilization

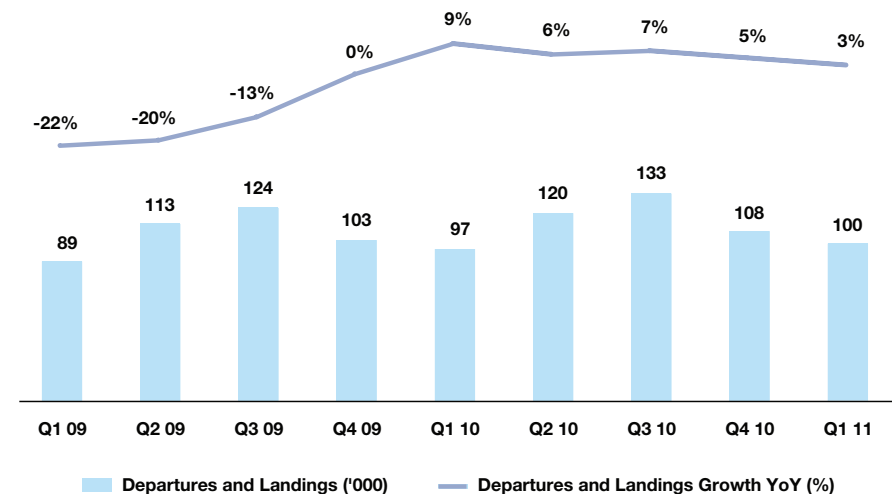
All business jets, Thousand departures and landings, 2009-2011



Source: FAA.

European Business Jet Utilization

All business jets, Thousand departures and landings, 2009-2011



Source: Eurocontrol.

current market drivers

Backlog

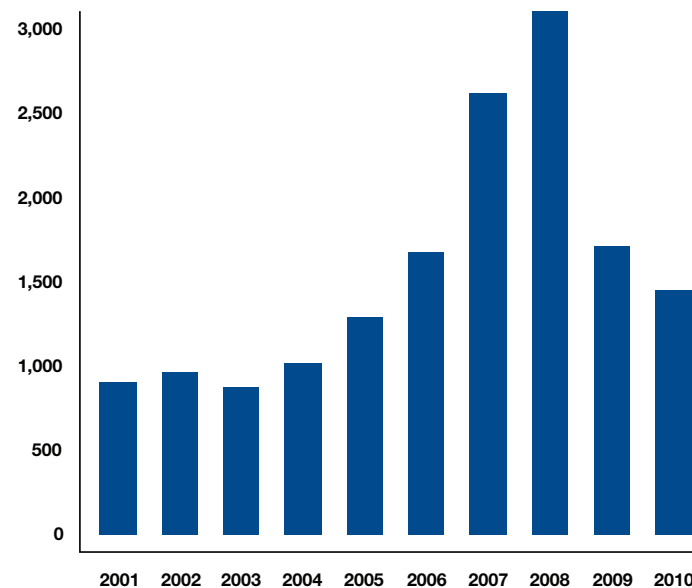
Backlog refers to the total number of orders not yet delivered. In the business aircraft industry, order backlog indicates potential for deliveries in the upcoming years. OEMs adjust their production rates based on their current backlog levels and their expectations regarding the number of orders they can obtain in the future. Production rate changes are a costly and complex matter, due to the expenses associated with hiring or laying-off employees, as well as adjustments to the supply chain and scheduling. Therefore, manufacturers aim to smooth out their production rates to maximize deliveries while minimizing the risk of frequent changes.

In terms of business jet industry orders, 2007 was a record year, with close to 1,800 estimated orders for the Light, Medium and Large aircraft categories. The first half of 2008 continued to be strong, as manufacturers recorded more than 1,300 orders. The overall industry backlog peaked during 2008 at more than 3,000 units. However, toward the end of 2008, the economic downturn led to an abrupt drop in orders and a significant number of cancellations.

The Light aircraft category was affected the most by order cancellations and, as a result, experienced the greatest changes in production rates.

Industry Backlog

Estimated units, calendar years 2001-2010



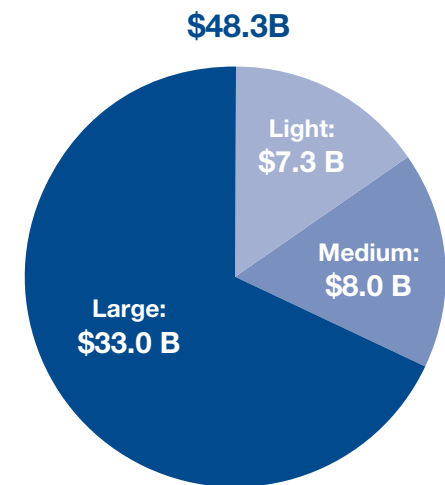
Sources: Orders estimated from competitive intelligence, OEM guidance.

The Medium category, although enduring decreasing production rates, was affected to a lesser extent, and the Large aircraft category was only slightly affected.

We estimated the industry backlog at about 1,400 aircraft at the end of Q1-2011. This corresponds to an estimated value of \$48 billion, \$30 billion less than a few days prior to the Lehman Brothers collapse (Q3-2008). Deliveries decreased by 43% between 2008 and 2010.

Industry Backlog

Estimated Value (\$B), Q1-11



Sources: Orders estimated from competitive intelligence, OEM guidance, 2011 List price from B&CA.

Moving forward, reduced near-term deliveries combined with the progressive return to positive industry net orders should result in industry backlogs stabilizing and growing, with the Large aircraft category leading the next up-cycle.

current market drivers

The Pre-Owned Aircraft Market

Over 60% of new business jet orders represent replacement aircraft for current owners. The demand for new aircraft is stimulated by the conditions prevailing on the pre-owned market. This market is considered healthy when residual values are high and when the inventory of used aircraft for sale is low.

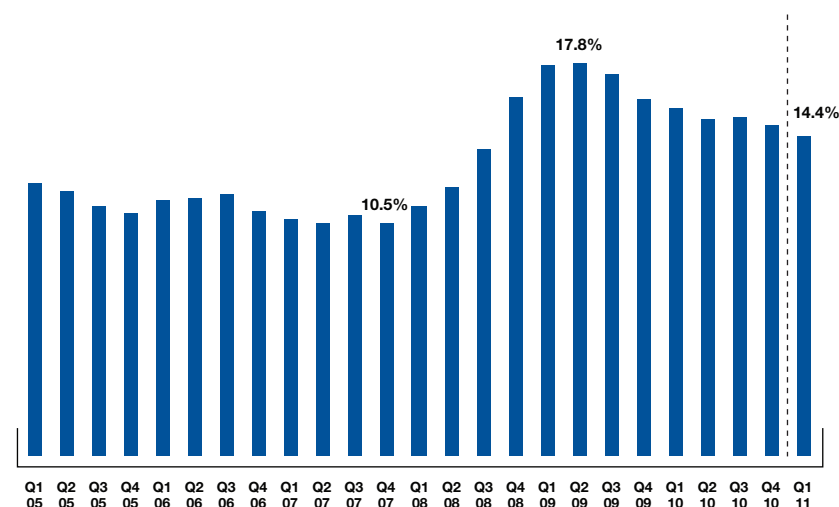
In the beginning of 2008, the percentage of the overall business jet fleet for sale on the pre-owned market started to increase rapidly. Many owners experienced difficulties selling their aircraft, which, in turn, made them less

likely to purchase a replacement. The accumulation of aircraft on the pre-owned market was a leading indicator of the new business aircraft market downturn that started in Q4-2008. At the end of 2007, the pre-owned inventory was sitting at a low of 10.5%. The level started to climb in the beginning of 2008 and peaked at 17.8% in Q2-2009. During the second half of 2009, as pre-owned sales activity strengthened, inventory started to decline steadily. By Q1-2011, pre-owned inventories had fallen to 14.4%, continuing a gradually improving trend. We expect pre-owned inventory levels to stabilize forward in a range of 11% to 13%.

Through the first half of 2008, residual values were still high due to manufacturers' long backlogs. Since then, residual values have dropped across all aircraft categories. During 2009, average business jet residual values fell by 17 percentage points. In the first quarter of 2011, residual values appeared to be bottoming.

Pre-Owned Aircraft Inventory as a % of the Fleet

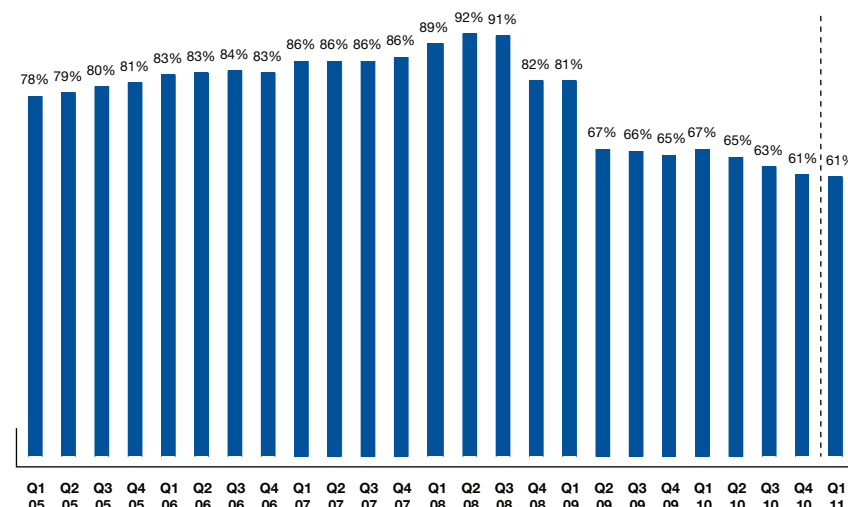
%, calendar years 2005-2011



Sources: Aircraft inventory and fleet from JETNET. Excludes Very Light Jet and Large Corporate Airline categories.

5-Year Residual Value as a % of the Original B&CA List Price

All business jets, %, calendar years 2005-2011



Sources: Residual values from Aircraft Bluebook Price Digest, original list price from B&CA.

current market drivers

New Aircraft Programs

Continued progress, notably in engine specific fuel consumption, avionics and aerodynamics allows aircraft models from the latest generation to offer for a comparable price, more range, performance and features than those of the previous generation. The launch of new airplane programs reflects OEMs' ability to apply the latest technology breakthroughs to their product lines, the market need for more performing aircraft, and the OEMs' confidence in the marketplace going forward.

Three aircraft were launched in 2010, including Bombardier's *Global 7000* and *Global 8000* jets.

Fractional and Branded Charter Demand

Fractional ownership (where several users acquire a portion of the same aircraft) has existed since the mid-1990's and has accounted for 10% to 15% of industry yearly deliveries on average. In the period from 1995 to 2010, fractional operators took delivery of over 1,150 corporate jets. Subsequent variations of this business model include "fractional card" or "jet card" programs whereby customers obtain on-demand access to a business jet by committing to a predetermined number

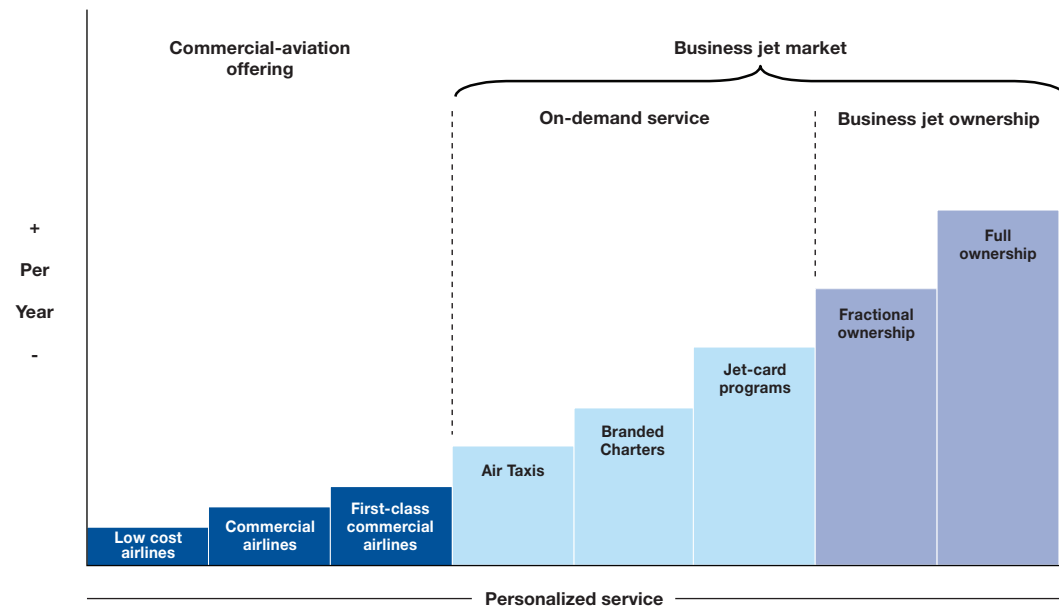
Entry Into Service of New Programs

Entry into service by model, calendar years 2011-2017



Sources: Dates of entry from competitors' press releases and trade media coverage.

Air Travel Options



Source: Bombardier's internal research department.

current market drivers

of flight hours per year, without the obligation to purchase shares in any aircraft.

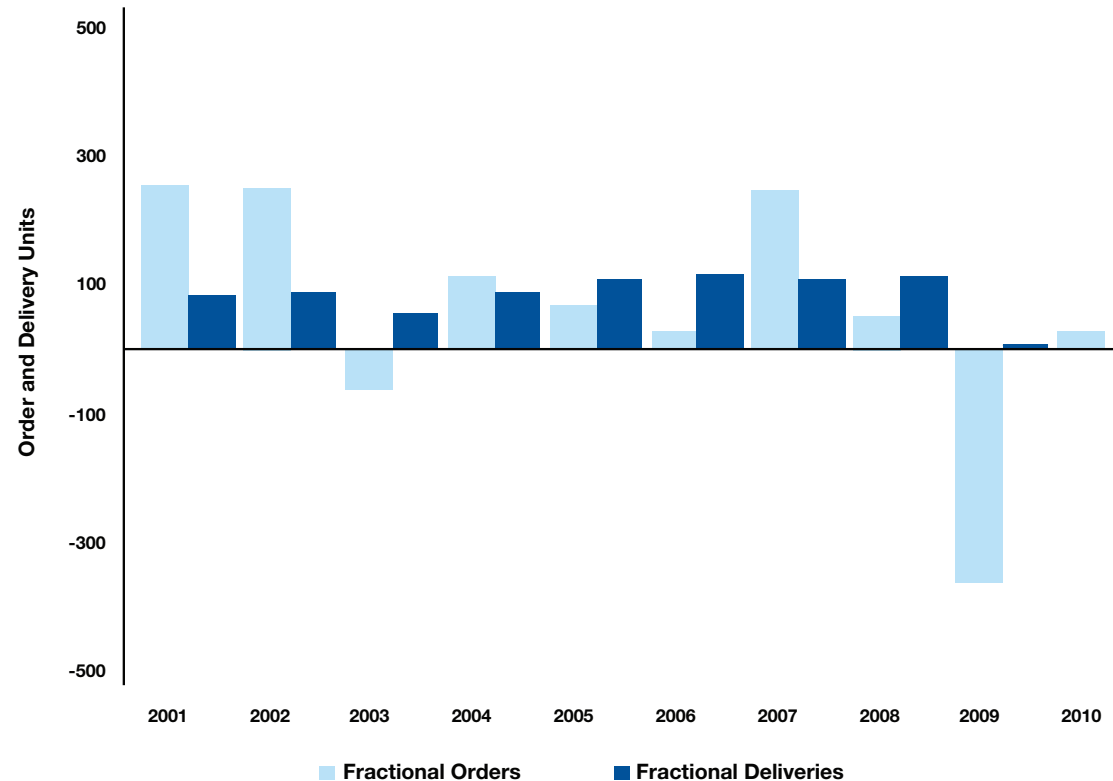
There are four large operators in the fractional ownership industry, among them *NetJets* and *Flexjet by Bombardier*. The fractional ownership industry went through a period of fleet rationalisation during 2009, resulting in a substantial reduction of its order backlog. Since then, backlogs have resumed growing; in particular, *NetJets* placed significant volume orders for new business jets in 2010 and early 2011.

The growth in the number of branded charter operators is a more recent trend. These operators offer on-demand flight with competitive trip-specific pricing. Branded charter operators are characterized by sophisticated operations infrastructure, and greater use of airline-style scheduling practices in order to minimize deadhead costs.

In 2008, branded charter operator orders represented approximately 20% to 30% of total business jet orders. In 2009, the aftermath of the economic downturn caused branded charter operators to resort to order deferrals and cancellations. Larger operators, such as *VistaJet* and *Comlux*, have returned to growth and have placed orders for additional business jets in 2010 and early 2011. Fractional and branded charter operators

Business Jet Fractional Order and Delivery Units

Units, Calendar years 2001-2010



Fractional operators includes: Flexjet, Netjets, CitationAir, Flight Options.
Sources: Deliveries from Ascend; Orders from competitive intelligence.
Excludes Very Light Jet and Large Corporate Airline categories.

are returning to growth and are expected to account for approximately 10% of business jet deliveries over the next 20 years.

current market drivers

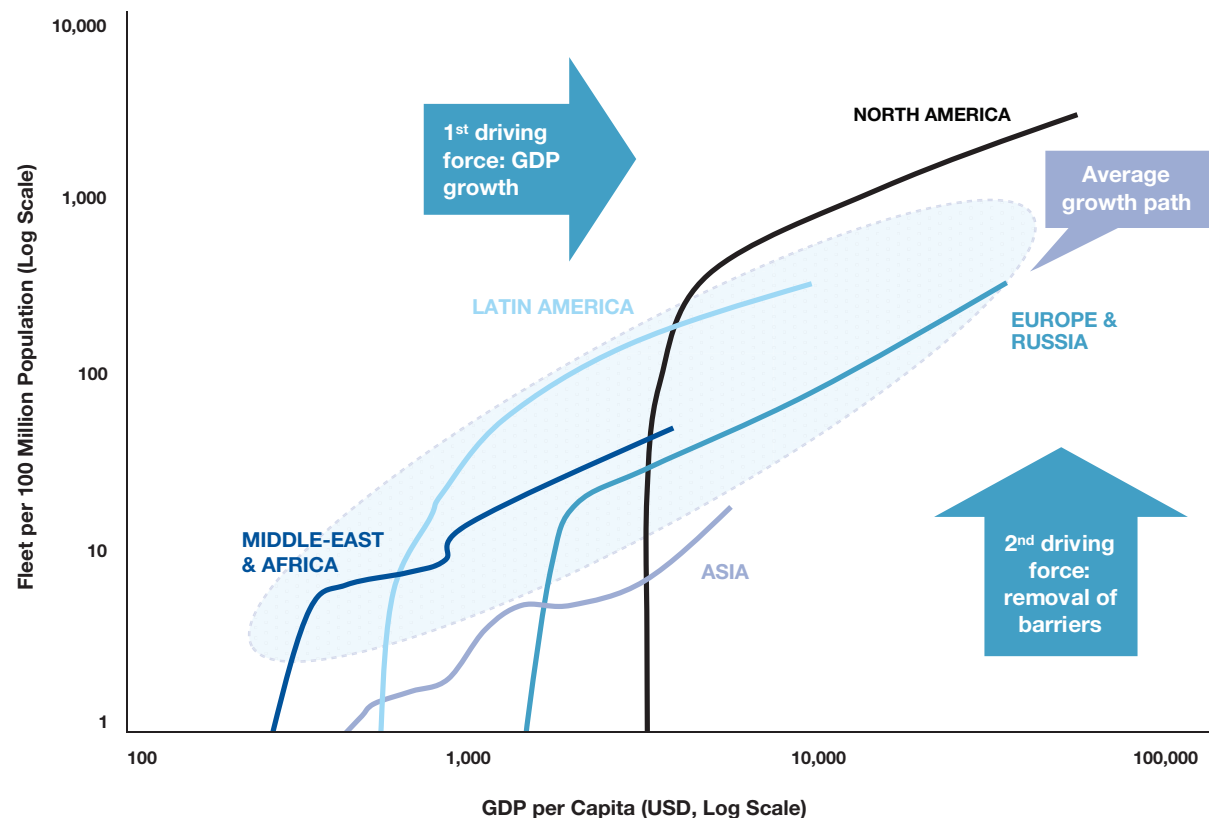
Business Jet Penetration in Growth Markets

Business jet penetration is a measure of the number of business jets in each of the forecast regions relative to the size of that region's economy, as measured by Gross Domestic Product (GDP). The penetration rate of business jets by region is highly variable. The most established market for business jets, North America, has the world's largest fleet which continues to grow, but at a low rate. On the other hand, China has a very low number of business jets relative to the size of its economy and is now entering a high growth rate phase for its business jet fleet. In order to normalize for differing population sizes in each region, penetration rates and GDP are best compared on a per capita basis.

Growth of business jet fleets over the longer-term in each region is best estimated by an expected market maturity curve. This curve, an adaptation of the Bass diffusion curve first published in 1969, resembles an "S" shape with the highest growth occurring in the early phases of market adoption and slowing growth as the market matures.

Penetration Rates by Region

Fleet per Capita vs. GDP per Capita, 1960-2010



Source: Fleet from Ascend, GDP and Population from IMF.

The penetration rate of business jets by region is highly variable; each region is at a different stage.

current market drivers

Projected GDP Growth can be used to forecast the likely trajectory of the business jet penetration for each region. Realization of fleet growth implicitly assumes expected adoption and acceptance of business jets and the progressive removal of barriers to growth, notably lack of adequate infrastructure and regulatory limitations. As the economy develops, the expected growth of the business jet fleet in each region can be reasonably predicted over the longer term. Once fleets are netted of aircraft retirements, business jet deliveries to each region can be derived.

Goldman Sachs Asset Management has recently introduced the term "Growth Market" to define any country outside the developed world that is responsible for at least 1% of global GDP. These economies are most likely to "experience rising productivity coupled with favorable demographics and, therefore, a faster growth rate than the world average going forward". These include the BRIC countries (Brazil, Russia, India and China) and also Mexico, South Korea, Turkey and Indonesia. We expect a significant share of business jet deliveries to originate from these Growth Markets.



current market drivers

Aircraft Retirements

As of early 2011, the average age of the worldwide business jet fleet was 15.7 years, with approximately 60% of the fleet being less than 15 years old. However, around 400 aircraft are in excess of 40 years.

To date, the total number of permanent retirements of business jets has been low. However, as a result of emerging environmental concerns, new regulations and airspace modernization, the retirement of the oldest business jets is expected to accelerate. Environmental regulations include potential airport restrictions on Stage 2 business jet operations and the introduction of the

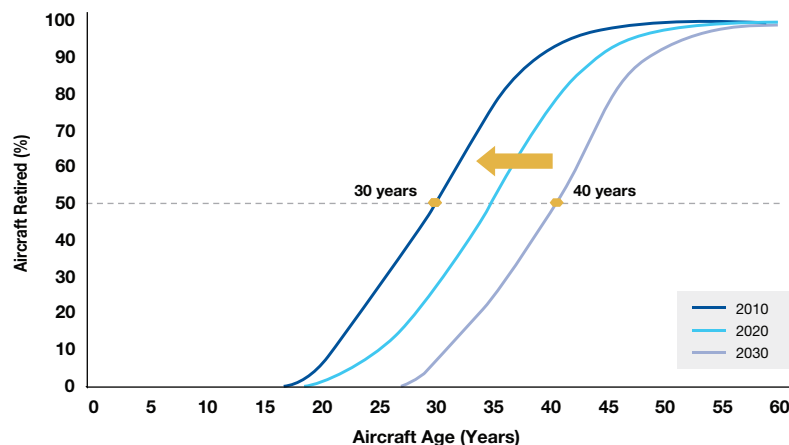
Emissions Trading Scheme (ETS) in Europe taking effect in 2012. The ETS will penalize aircraft types with older technology engines that burn more fuel and therefore emit more greenhouse gas (CO₂). Similarly, planned airspace modernization in the United States (FAA NextGen), in Europe (Single European Sky) and elsewhere will require advanced flight deck avionics technologies. It may not be economically feasible to retrofit older aircraft cockpits with the required avionics technology, rendering these types obsolete.

These dynamics will result in a reduction of the business jet fleet half-life (age at which 50% of aircraft have retired) from 40 years in 2010 to 30 years in 2030.

The amount of aircraft that retire within the forecast period will vary considerably by region. Naturally, the regions having well-established business jet fleets and older average fleet ages will experience the greatest numbers of retirements. Regions that currently have relatively small business jets fleets, such as China, will experience relatively fewer business jet retirements during the forecast period.

Cumulative Retirement By Age

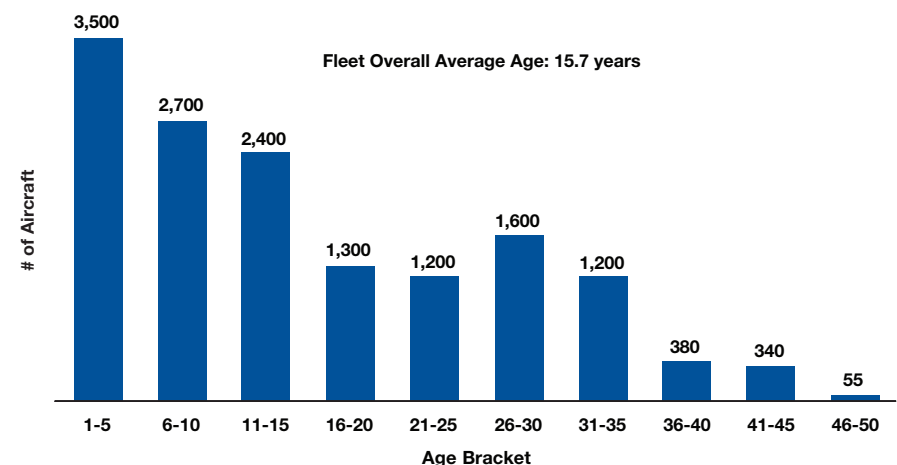
% , 2010-2030



Source: BBA Market Forecast Model.

Overall Fleet By Age

Units as of December 31, 2010



Sources: Ascend Online as of December 31, 2011. Excludes Very Light Jet and Large Corporate Airline categories.



the forecast

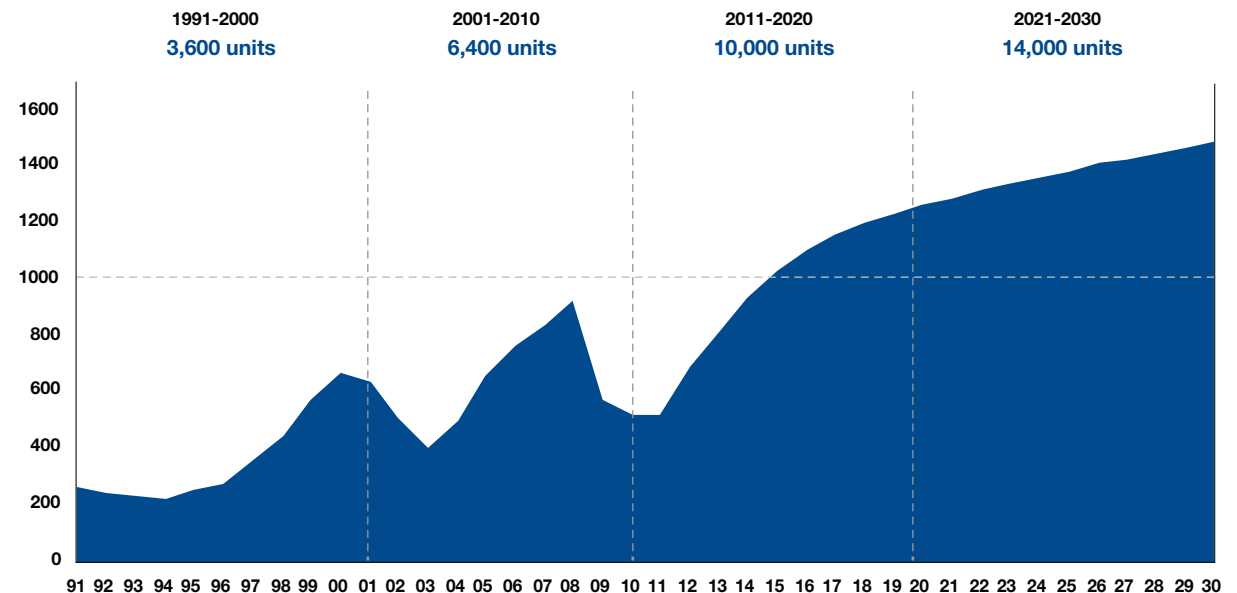
Orders, Deliveries and Revenues

With the continued recovery of the worldwide economy in 2010 and 2011, leading indicators for business aviation are improving, resulting in increased orders for new business jets and much fewer cancellations. This trend is expected to continue, primarily driven by growth in emerging markets and replacement demand in more established markets.

However, industry deliveries tend to lag order intake as manufacturers strive to maintain acceptable backlog levels. As a result, industry deliveries for 2011 are expected to be relatively flat when compared to 2010 (approximately 530 aircraft). Improved orders and backlog should result in increasing industry deliveries beginning in 2012. The recovery in deliveries is then expected to be strong and we forecast that the industry will surpass the prior delivery peak year (2008) by as early as 2014.

Business Jet Industry 20-Year Deliveries Outlook

Units, calendar years, 1991-2030



Sources: Bombardier Forecasting Model.

Increased orders and backlog should result in increasing industry deliveries beginning in 2012.

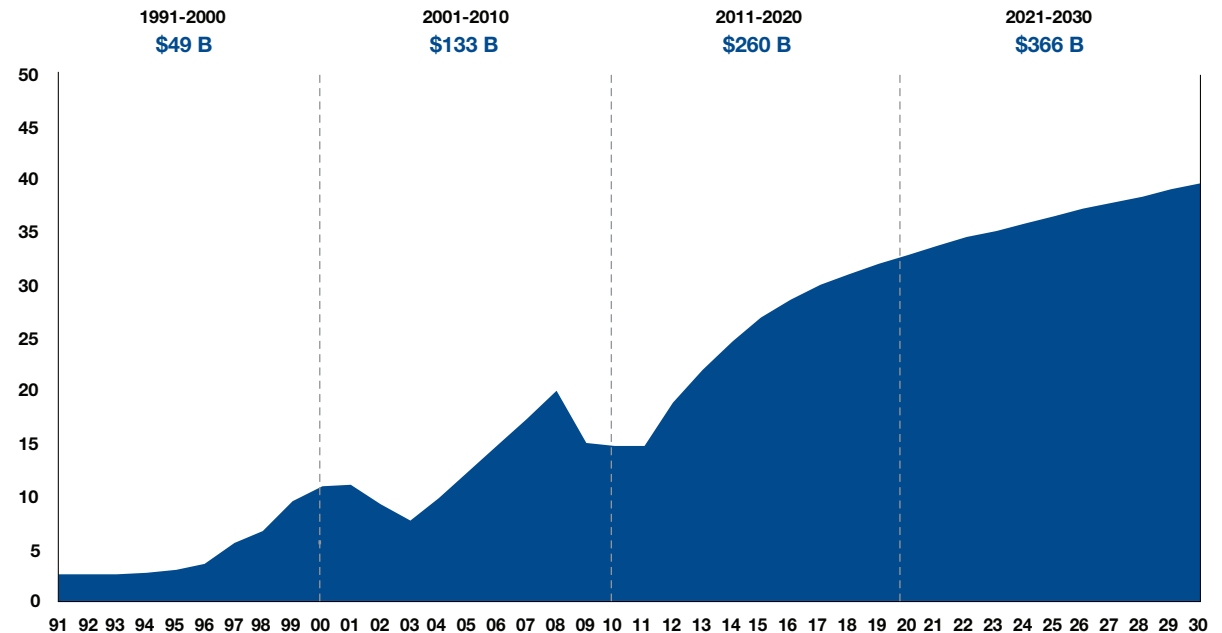


The delivery forecast shows demand for 10,000 aircraft that will generate \$260 billion in total revenue in the Light to Large business jet categories over the 2011-2020 period, compared to 6,400 aircraft and \$133 billion in total revenue between 2001 and 2010. During the 2021-2030 period, deliveries for these categories are expected to total 14,000 aircraft for total revenues of \$366 billion. In 2030, OEMs should deliver approximately 1,500 business jets.

In summary, total deliveries over the 20-year forecast period (2011-2030) will be 24,000 aircraft worth \$626 billion.

Business Jet Market Revenues Forecast

Constant 2010 US\$B, calendar years, 1991-2030



Sources: Bombardier Forecasting Model.

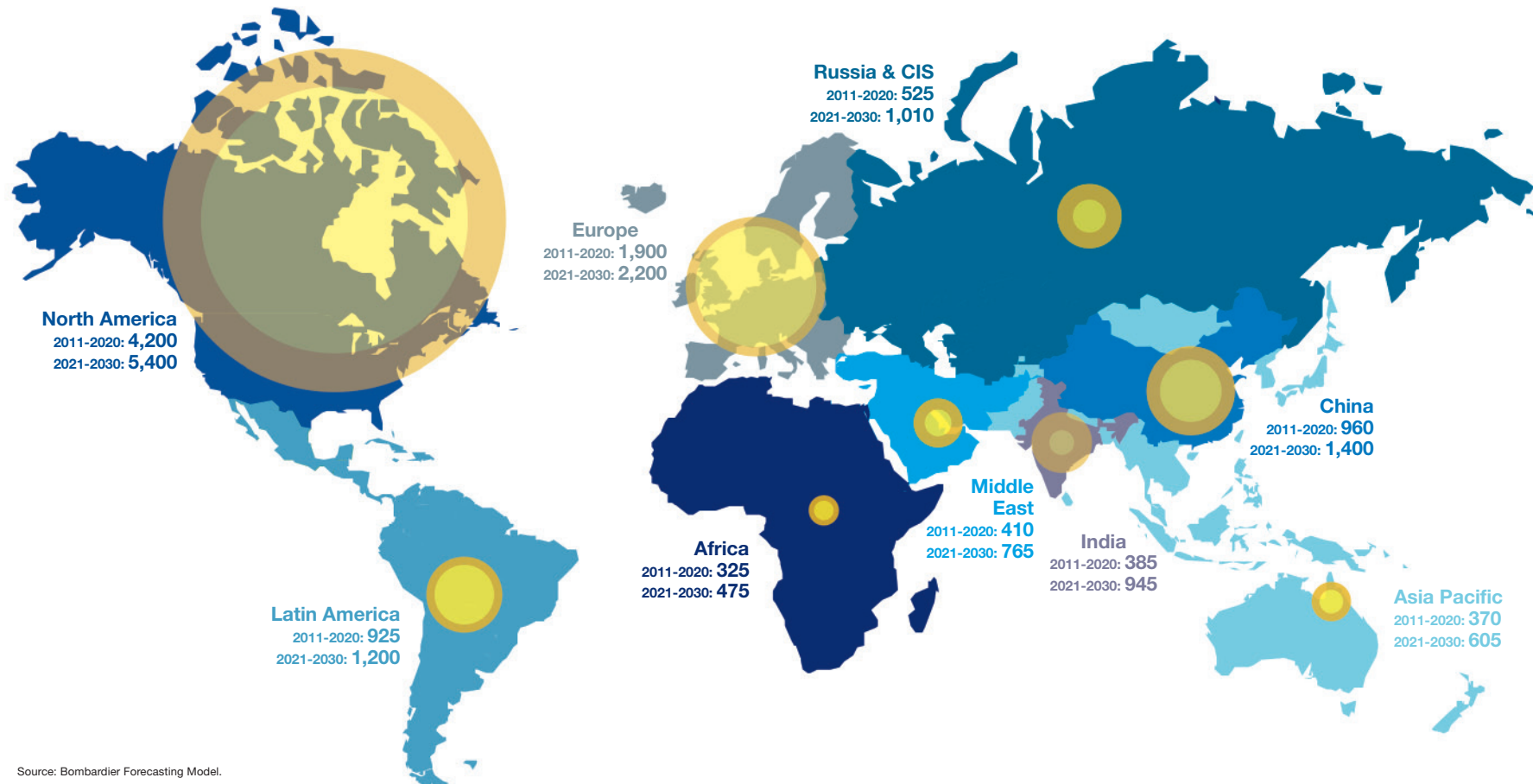
The industry will generate
\$260 billion over 2011-2020
and **\$366 billion over 2021-2030.**

Regional Details

The Forecast is broken down into nine geographic regions: North America, Europe, China, India, Latin America, Russia and Commonwealth of Independent States (CIS), Middle East, Africa, and Asia Pacific. Deliveries for each region are presented below in the form of two proportional bubbles according to delivery quantities, where the inner bubble represents regional deliveries in the period 2011-2020, and the outer (larger) bubble represents deliveries in the period 2021-2030.

Regional 10 and 20-Year Delivery Outlook

Units, calendar years, 2011-2020 and 2021-2030



Source: Bombardier Forecasting Model.

North America (United States and Canada)

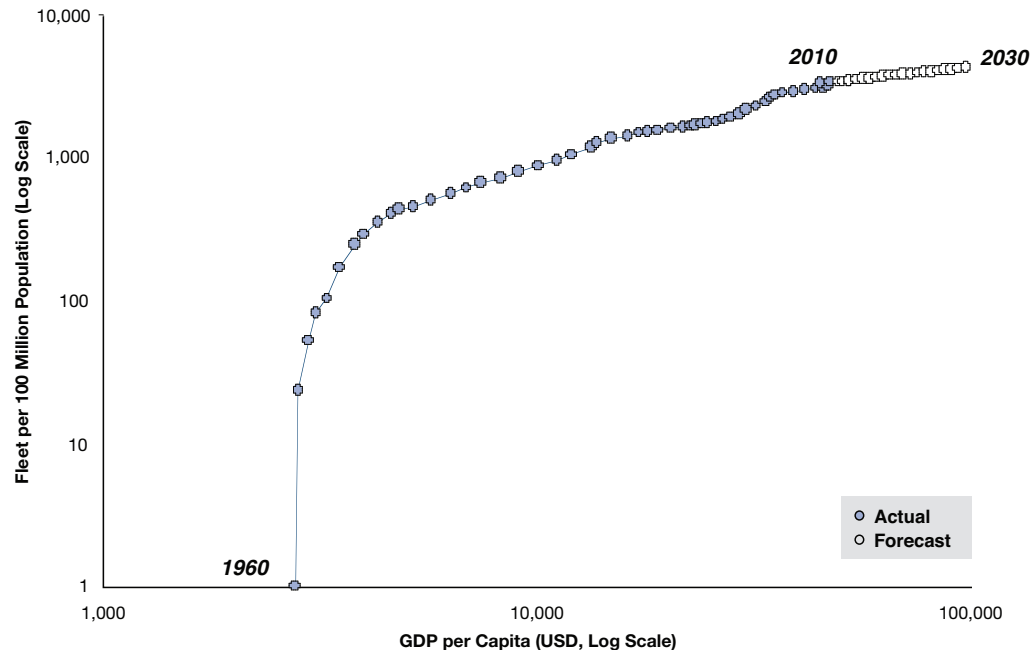


The U.S. economy has been on a recovery path since mid-2009. Although there is still plenty of slack in the American economy, growth is expected to unfold evenly throughout 2011. Many key areas are now displaying visible growth: employment, consumer spending, and exports, with the latter being fuelled by rapid growth in emerging markets. Last, but not least, corporate profits grew 8.5% between Q1-2010 and Q1-2011.

On the other hand, inflation has become more of a concern, with higher gasoline and food prices. It is expected to grow to 3.0% this year, up from 1.6% last year. In the short term, the higher U.S. dollar is representing a slight drag on real GDP.

Business Jet Penetration Forecast - North America

Fleet per capita vs. GDP per capita, 1960-2030



Sources: Ascend, IMF, IHS Global Insight, UN Population Project, Bombardier forecast. Includes very light jets.

The Canadian economy accelerated at a good rate in 2010. The consumer, government, investment and trade sectors all performed well. As with the U.S., Canada's economy is expected to be stronger moving into 2011.

According to IHS Global Insight, real GDP growth for North America should improve this year over last year, with a forecast 3.2%

growth in 2011, up from 2.8% in 2010. Economic growth should remain steady for the region over the 2011-2030 period, with a yearly average of 2.7%.

As the most prevalent economic region around the world, North America should continue creating wealth and sustaining the development of its business aircraft industry.

North America (United States and Canada) (continued)

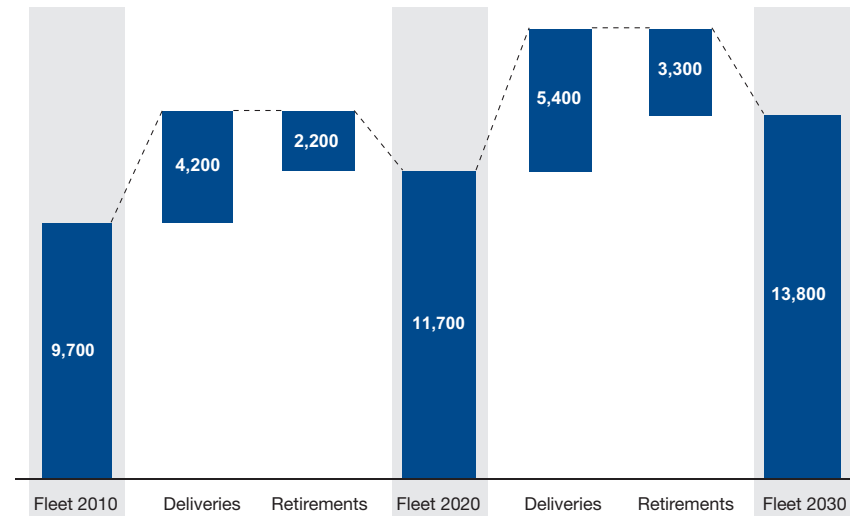
Business aviation began in North America in the 1960s by leveraging the pre-existing and well-implemented general aviation infrastructure. As a consequence, the business aviation industrial network, regrouping OEMs, suppliers, Fixed Base Operators (FBOs), as well as dedicated airports, experienced a fast-paced development. This idiosyncratic development path explains the unique shape of the historical business jet penetration curve for North America, significantly higher than other regions.

Business aviation in North America caters to a continued demand for new and replacement aircraft. Historically, North America has been the most prominent region in terms of business aircraft sales. At the end of 2010, there were 9,700 business jets based in North America, approximately 66% of the worldwide business jet installed base. The North America is the most mature market.

As the forecast business jet penetration curve shows, fleet per 100 million population is expected to grow moderately from 3,400 to 4,300 over the next 20 years. North America is forecast to receive the greatest number of new business jet deliveries between 2011 and 2030 with 9,600 aircraft; 4,200 aircraft between 2011 and 2020;

Fleet Evolution Forecast - North America

Fleet, Deliveries, Retirements; 2010-2030



Sources: Ascend, Bombardier forecast. Excludes Very Light Jet and Large Corporate Airline categories.

and 5,400 aircraft between 2021 and 2030. The 2010 fleet of 9,700 business jets will grow to 13,800 aircraft in 2030 resulting in a CAGR of approximately 2%.

Europe

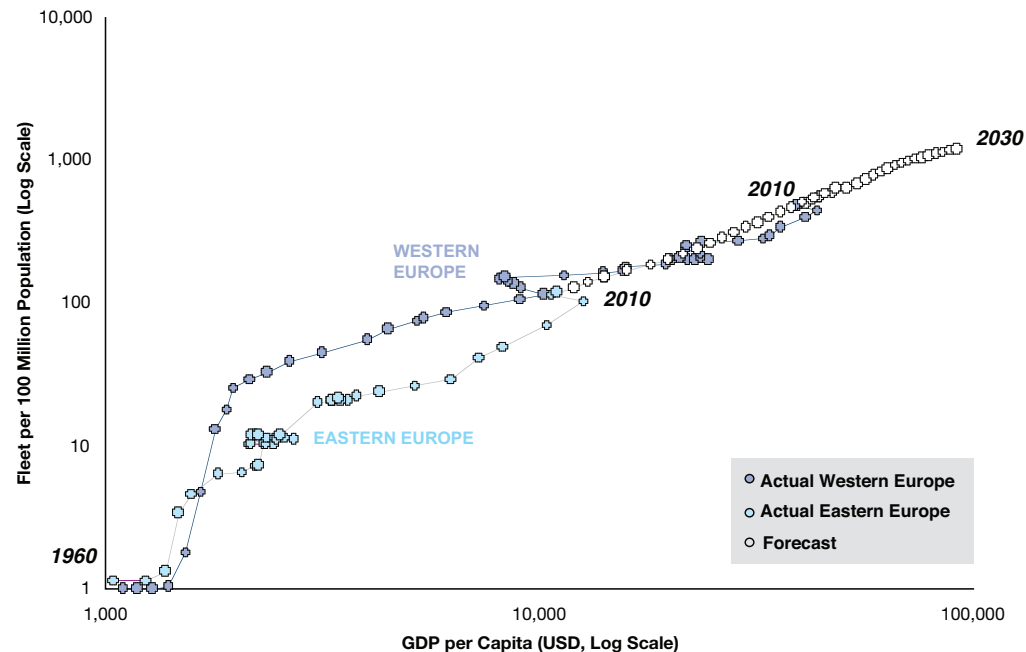


A two-speed Europe is becoming more and more an economic reality. As the “core” of the Euro area – Germany, France and UK – is turning the corner, the “peripherals” – Greece, Ireland, Spain and Portugal – are still suffering from the sovereign-debt crisis.

The German economy, the most prominent in Europe, is recovering quite well from the 2008-2009 downturn. The ramifications of the Eurozone sovereign debt crisis have so far had little impact on this country. The massive and sustained growth acceleration since Q2-2010 has made Germany the star performer in Western Europe. Germany's economy is expected to remain exceptionally robust in 2011 compared to the economies of France and the UK.

Business Jet Penetration Forecast - Europe

Fleet per capita vs. GDP per capita, 1960-2030



Sources: Ascend, IMF, IHS Global Insight, UN Population Project, Bombardier forecast. Includes very light jets.

According to the economic research firm Xerfi, the outlook for France is quite contrasted: bearing a record trade deficit in Q1-2011, France saw its industrial output falling back to levels experienced 10 years ago. Its industry network is slowly deteriorating, while consumption is hampered by a rising inflation.

Britain's economy saw most of its sectors off to a strong start in Q1-2011, in particular with regards to output in the services and manufacturing sectors. Britain's short to midterm growth is expected to remain mild, as the country faced important governmental budget tightening.

Europe (continued)

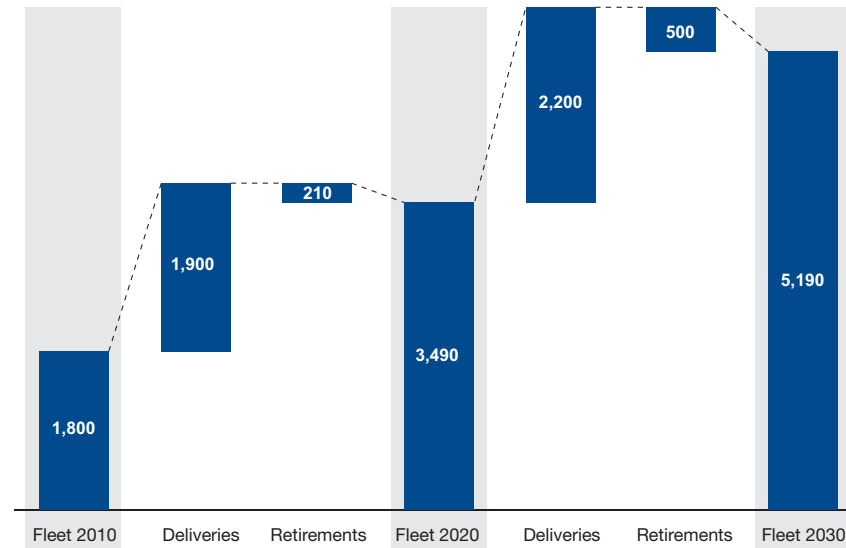
Since the beginning of the recession, Greece has been under the most intense pressure. Continuous high levels of public debt are forcing Greece to further fiscal tightening over the coming years, weighing on economic activity. The ongoing financial crisis is expected to further dampen private consumption and investment. As a consequence, the Greek economy is expected to further contract in 2011. This is expected to be the third year of GDP contraction in a row.

Overall, after contracting its GDP by 4.1% in 2009, the Eurozone rebounded with 1.7% growth in 2010. According to IHS Global Insight, the Eurozone GDP is forecast to grow 1.5% in 2011. In the period from 2011 to 2030, growth is predicted to average 1.7%. The recession may be over, but the economists are preaching caution as economic growth carries on at a slowing rate.

For the last few years before the Great Recession, Europe has taken an increasingly prominent position in the business aviation market. The region saw its share of world-wide business jet deliveries jump from 12% in 2003 to 31% in 2008. The main drivers were the strong Euro relative to the U.S. dollar, significant economic growth generated by the expanding European Union, and the emergence of branded charter business jet operators.

Fleet Evolution Forecast - Europe

Fleet, Deliveries, Retirements; 2010-2030



Sources: Ascend, Bombardier forecast. Excludes Very Light Jet and Large Corporate Airline categories.

The growing business jet installed base in Europe will create a significant replacement market, ensuring that this region will continue to be a major source of demand for business jets. As the forecast business jet penetration curve shows, fleet per 100 million population is expected to grow from 470 to 1,300 over the next 20 years. Europe will receive the second largest number of business jet deliveries with 4,100 aircraft in the period

from 2011 to 2030; 1,900 aircraft between 2011 and 2020; and 2,200 aircraft between 2021 and 2030. The 2010 fleet of 1,800 business jets will grow to 5,190 aircraft by 2030 with a fleet growth CAGR of approximately 5%.

China

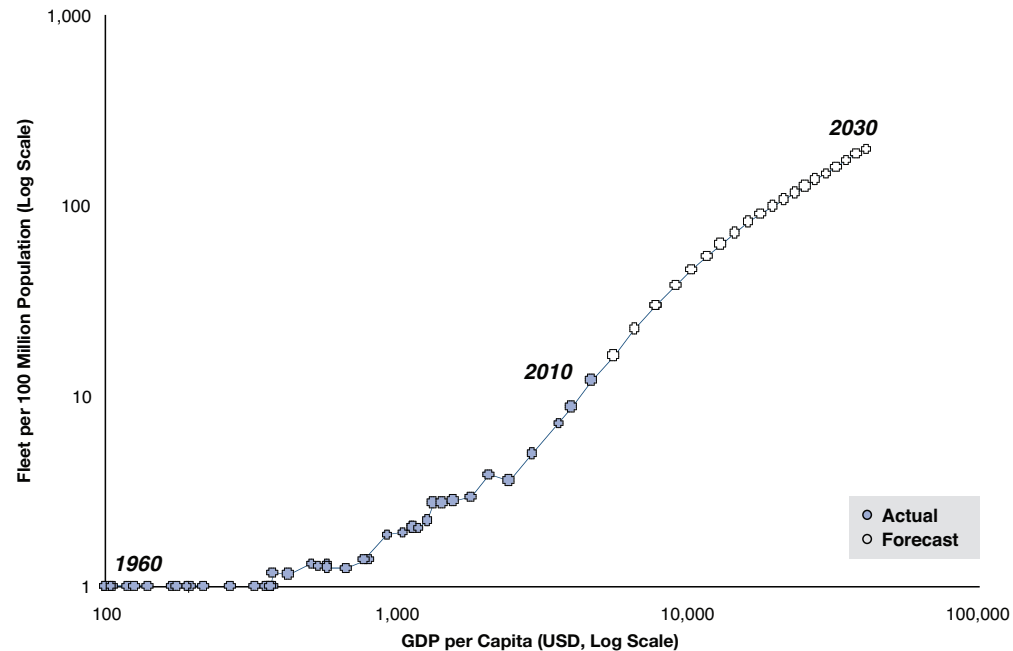


China delivered a stellar performance during the Great Recession with 9.1% and 10.3% growth in 2009 and 2010. The Chinese government has been implementing measures to prevent the economy from overheating. Credit tightening should start cooling down domestic demand and price controls for the property market should limit construction activities. Given the Chinese public's high financial savings, consumer-demand growth should remain resilient throughout the year.

Traditionally driven by export markets, China is determined to accelerate its transition toward a more domestically based economy. Taking a longer term perspective, China and India are expected to lead the world's

Business Jet Penetration Forecast - China

Fleet per capita vs. GDP per capita, 1960-2030



Sources: Ascend, IMF, IHS Global Insight, UN Population Project, Bombardier forecast. Includes very light jets.

economic growth. Given China's large population and vast physical size, strong growth could continue for several years and spread from coastal areas to inland provinces. In its 12th 5-year plan, China will continue to focus on inclusive growth, by guaranteeing housing affordability and by investing massively in rural regions. According to IHS Global Insight, China's

economy is expected to grow at 9.5% in 2011. China is expected to account for an annual average GDP growth of 7.2% for the next 20 years.

Business aviation in China is at its very early stages. Over the past years, significant barriers have prevented the Chinese business jet market to grow to its potential. Restrictive

China (continued)

airspace access, high aircraft import taxes, a shortage of airport infrastructure for business aviation and high user fees are among the factors which explain why China only hosts an installed base of some 150 business jets for a population of 1.3 billion. Nevertheless, China's number of civil airports is expected to grow from 156 in 2009 to 244 by 2020.

Aside from the buoyant economic growth, many factors suggest that China holds the potential for a rapid business aircraft market development in the coming years.

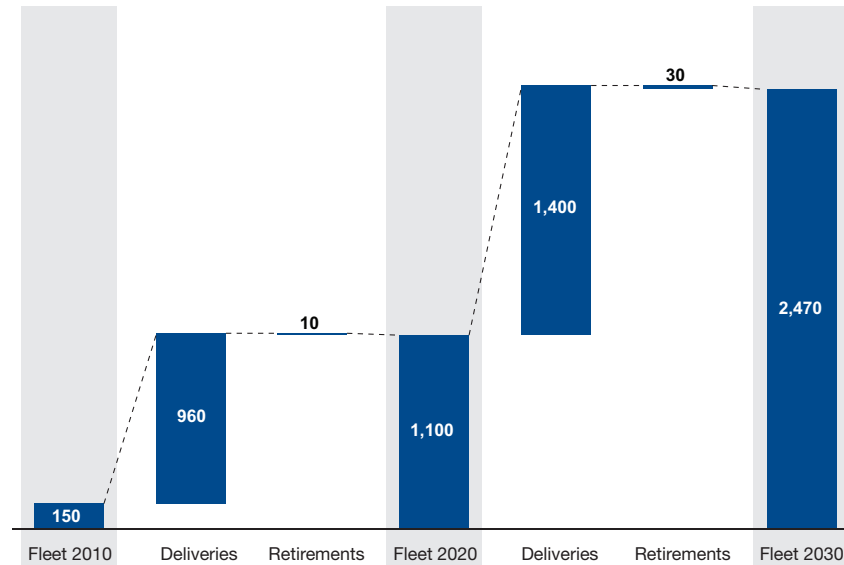
First, according to China.org.cn's study of the top 500 enterprises of China in 2010, the revenues of the 500 largest companies have been growing at an annual average rate of 21% between 2002 and 2010.

Moreover, its population of High Net Worth Individuals¹ (HNWI) has been increasing by an impressive 10% per year on average between 2004 and 2009, according to Merrill Lynch and Capgemini. China is already the second largest luxury goods market, and is forecast to gain the first place by 2015.

All summed up, we expect that the cultural acceptance of business aviation, the rapid growth of HNWIs, the plans for new airports,

Fleet Evolution Forecast - China

Fleet, Deliveries, Retirements; 2010-2030



Sources: Ascend, Bombardier forecast. Excludes Very Light Jet and Large Corporate Airline categories.

and the recent improvements to flight planning regulation and airspace liberalization will allow private aviation to blossom in China over the next 20 years.

Demand for business jets should increase as barriers progressively come down. As the forecast business jet penetration curve shows, fleet per 100 million population is expected to grow from 12 to 200 over the

next 20 years. The Chinese business jet fleet of 150 aircraft in 2010 is predicted to grow at a CAGR of 15% over the next 20 years, and to account for 2,470 aircraft in 2030. 2,360 deliveries are expected in China throughout the next 20 years; 960 aircraft between 2010 and 2020; and 1,400 aircraft between 2021 and 2030.

¹ Individuals with investable assets over U.S. \$1 Million.

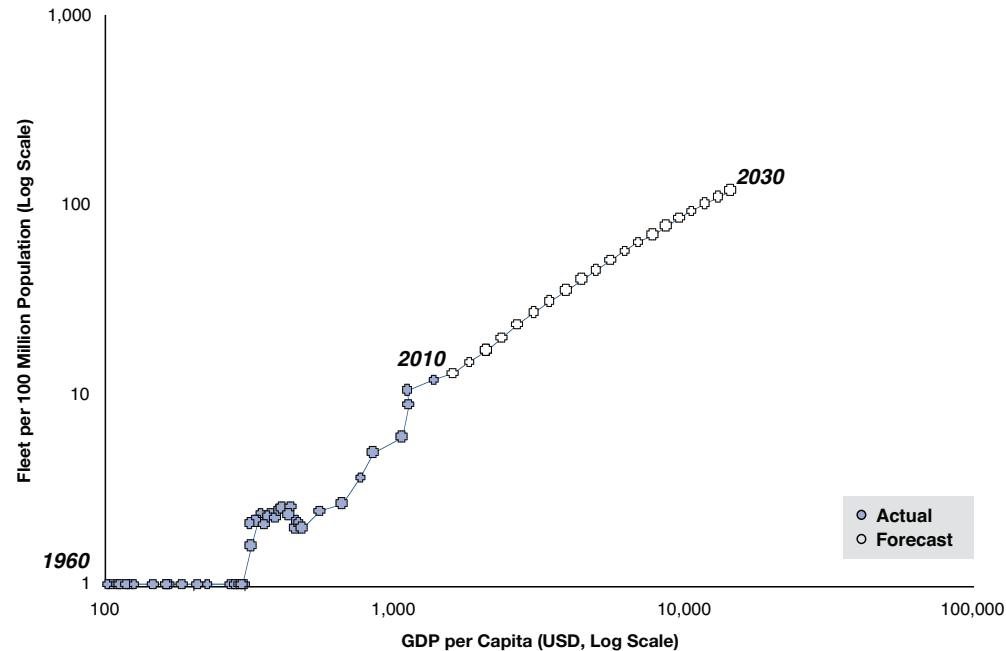
India



India's economy continued to experience remarkable development, increasing at 8.5% per year during 2010, second only to China. Economic liberalization that began in the early 1990s served to accelerate India's growth, which averaged more than 7% per year since 1997.

Business Jet Penetration Forecast - India

Fleet per capita vs. GDP per capita, 1960-2030



Sources: Ascend, IMF, IHS Global Insight, UN Population Project, Bombardier forecast. Includes very light jets.

India has one of the fastest growing middle-class in the world. The world's most populous democracy escaped the worst of the global financial crisis of 2008-2009 through cautious banking policies and a relatively low dependence on exports. While the Indian economy is diverse, services, such as IT, are the major source of economic growth, accounting for more than half of India's output. India

has capitalized on its large number of well-educated people, skilled in the English language.

According to IHS Global Insight, India is forecast to be the world's fastest growing region in the period from 2011 to 2030, with GDP growth averaging 7.5% per year. In 2011, India's growth is predicted to be at 8.3%.

India (continued)

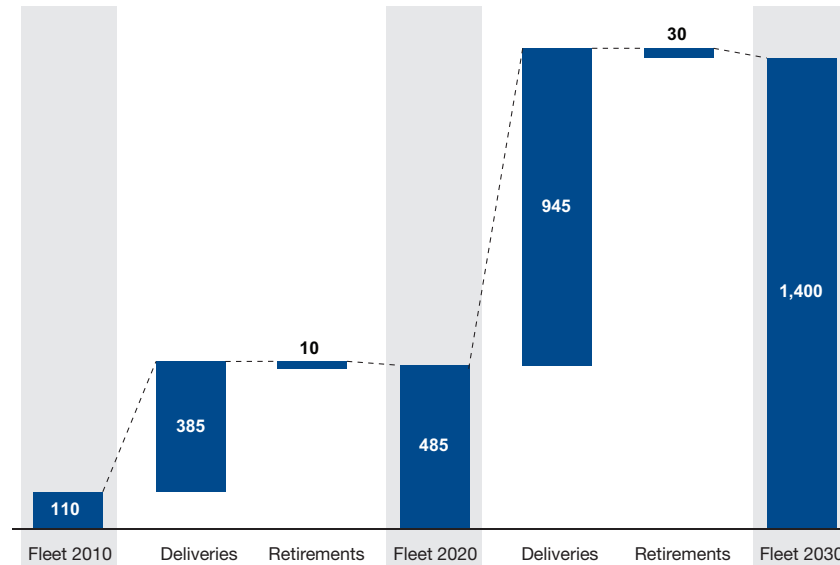
According to Forbes, the number of billionaires in India grew to 56 during 2010, from 49 a year earlier.

India's business aviation sector has not lived up to its full potential due to lack of aviation infrastructure, stringent government regulations, high import taxes and duties, long procedures for aircraft imports. There are signs of improvement, as the Airports Authority of India announced plans to modernize many airports, and bring 32 existing unused airports into operation over the next 10 years. As the current installed base of business jets in India is small and relatively young at 9.5 years old at the end of 2010, retirements will not be a major factor in this market.

As the forecast business jet penetration curve shows, fleet per 100 million population is expected to grow from 12 to 120 over the next 20 years. Business jet sales should progressively accelerate in the country due to economic growth and wealth creation. India is forecast to take delivery of 1,330 business jets in the period from 2011 to 2030, with 385 aircraft between 2011 and 2020 and 945 aircraft between 2021 and 2030. The 2010 fleet of 110 business jets will grow to 1,400 aircraft in 2030, resulting in a CAGR of approximately 14%.

Fleet Evolution Forecast - India

Fleet, Deliveries, Retirements; 2010-2030



Sources: Ascend, Bombardier forecast. Excludes Very Light Jet and Large Corporate Airline categories.

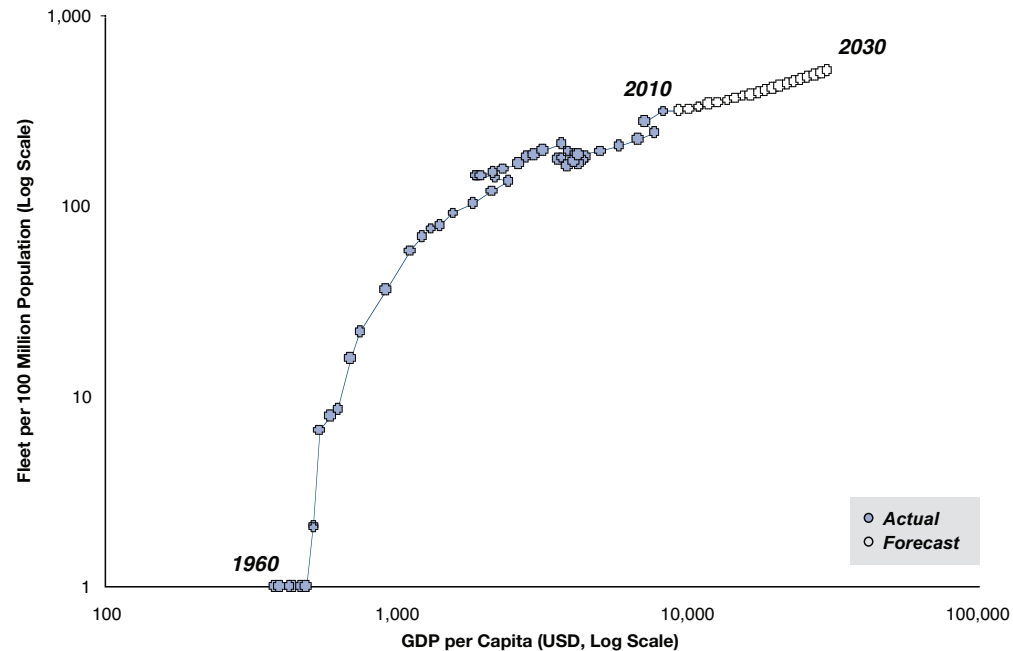
Latin America



Latin America is a diverse region, and, for the purposes of the forecast, includes all countries between the Rio Grande and the Cape Horn. During 2010, most countries in the region experienced strong to very strong growth. Average economic growth for the region during 2010 was 5.8%.

Business Jet Penetration Forecast - Latin America

Fleet per capita vs. GDP per capita, 1960-2030



Sources: Ascend, IMF, IHS Global Insight, UN Population Project, Bombardier forecast. Includes very light jets.

The largest economy of Latin America, Brazil, grew by 7.7% last year. The country's productivity is increasing rapidly after many years of economic and political stability. Brazilians are moving forward with confidence, preparing for the 2014 World Cup and the 2016 Olympics. In the September 2010

Pew Global Attitudes Survey, 62% of Brazilians said their nation's economy is in good shape. Of the 21 other publics included in the survey, only the Chinese are more upbeat about their country's overall directions and economic conditions.

Latin America (continued)

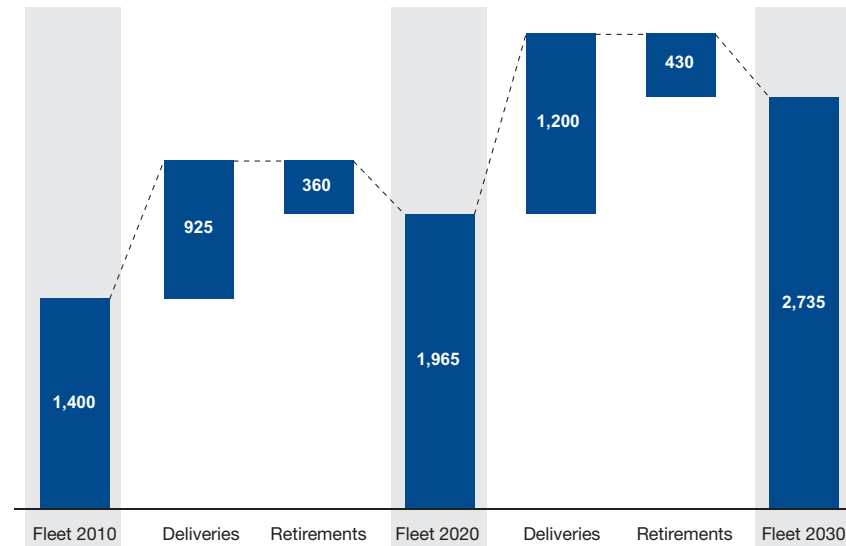
The economy of the region has traditionally been driven by exports of manufactured goods, agricultural products and natural resources, such as oil and minerals. Tourism is also an important driver, notably for Mexico and the Caribbean.

According to Forbes, Latin America experienced a jump in its number of billionaires, going from 36 in 2009 to 53 in 2010. Mexico ranks above Brazil and Argentina in sales of luxury brands in Latin America and is the home of the world's wealthiest individual in 2011: Carlos Slim Helu. According to IHS Global Insight, in 2011, Latin America's growth is predicted to be at 4.6%. Over the 20-year forecast period, the Latin American economy is forecast to grow, on average, by 4.3% per year.

Business aviation has a long and well-established presence in Latin America, particularly in Mexico and Brazil. The success of business aviation in the region is partly due to the poor scheduled airline service in the area. Latin America shows a noticeably high proportion of business jets in the Light category. In late 2010, the region had one of the oldest business jet fleets in the world, with an average age of 18.5 years (versus 15.7 years world-wide). As a result, the region should account for a significant amount of replacements.

Fleet Evolution Forecast - Latin America

Fleet, Deliveries, Retirements; 2010-2030



Sources: Ascend, Bombardier forecast. Excludes Very Light Jet and Large Corporate Airline categories.

As the forecast business jet penetration curve shows, fleet per 100 million population is expected to grow from 315 to 500 over the next 20 years. Latin America is forecast to take delivery of 2,125 business jets in the period from 2011 to 2030, with 925 aircraft between 2011 and 2020 and 1,200 deliveries between 2021 and 2030. The 2010 fleet of 1,400 business jets will grow to 2,735 aircraft in 2030 resulting in a CAGR of approximately 3%.

Russia & CIS

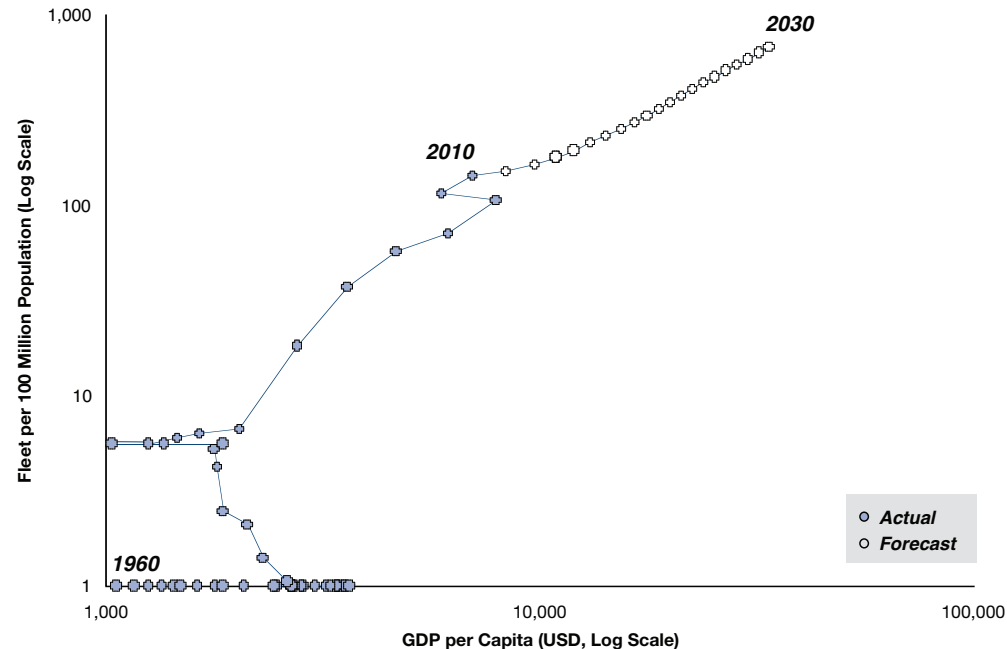


Recovering at a relatively moderate pace from a deep recession suffered in 2009, the Russian economy remains overly dependent on energy export revenues to drive domestic growth. Energy prices have risen steadily since mid-2009. They are expected to remain elevated in the near-to-medium term, particularly in light of popular unrest in the Middle East and North Africa. Exports have been driving the recovery, while domestic demand has remained slack. Consumer confidence has bounced back and household consumption has been adding some momentum to the economic recovery.

Business confidence is improving as well, as shown by the strong growth in investment activity. Nevertheless, there are offsetting factors in the Russian economic environment

Business Jet Penetration Forecast - Russia & CIS

Fleet per capita vs. GDP per capita, 1960-2030



Sources: Ascend, IMF, IHS Global Insight, UN Population Project, Bombardier forecast. Includes very light jets.

that will keep growth in the moderate pace. Commercial lending rates are still relatively high and banks are leery of a new wave of loan defaults.

Future growth will be influenced by WTO accession and the nation's newly cemented energy exporting ties to China. According to Moscow investment bank Renaissance

Capital, increased government spending before parliamentary elections in the end of the year and a presidential vote in early 2012 may boost inflation. The number of billionaires in Russia & CIS amounted to 116 in 2010, up 61% from 72 in 2009, according to Forbes. A total of 50 billionaires live in Moscow, making it the city with the second-highest billionaire population after New York.

Russia & CIS (continued)

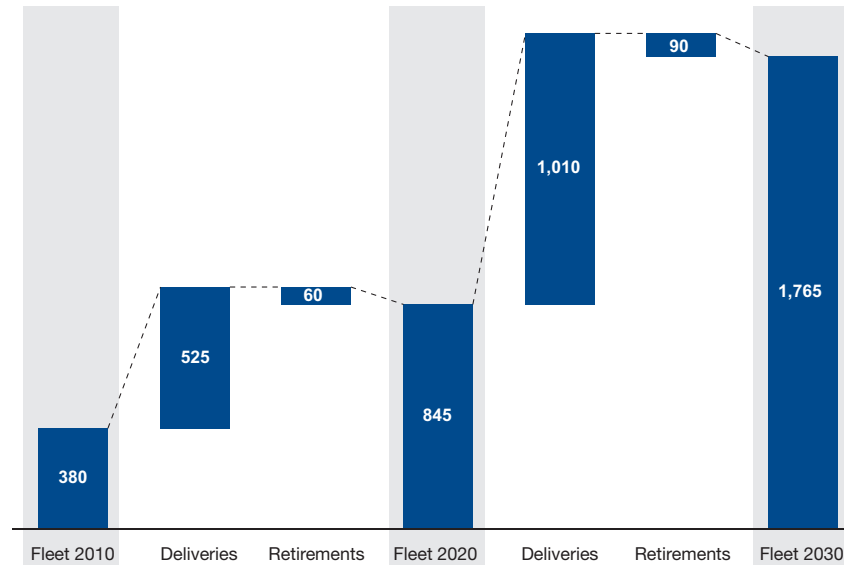
IHS Global Insight estimated Russia's growth to be 4.6% for 2011, slightly up from 4.5% in 2010. Economic growth should remain steady for the region over the 2011-2030 period, with a yearly average growth of 3.4%.

The development of the Russian economy has had a positive effect on the demand for business jets in the region. Fleets of Russian-owned aircraft grew significantly from 100 aircraft in 2004 to an estimated 380 jets in 2010. Due to taxation issues, most Russian business jet owners register their business jets outside of Russia.

Russia is the largest country in the world. Russian customers have to fly longer distances, and have a strong cultural acceptance of business jets. Currently, the major features of the Russian business aviation market are the dominance of foreign operators, the intense concentration in the Moscow region and the lack of clear legislation in the field. Infrastructure, an issue for many years, is now improving, and air traffic control is becoming more accustomed to working with business aviation. In November 2010, Russia adopted new airspace classifications which should allow general aviation to be exempt from many of the bureaucratic procedures that pilots had to contend with. According to Rosaviatsia, the Federal Air Transport Agency,

Fleet Evolution Forecast - Russia & CIS

Fleet, Deliveries, Retirements; 2010-2030



Sources: Ascend, Bombardier forecast. Excludes Very Light Jet and Large Corporate Airline categories.

this move is expected to boost the country's fledgling business aviation sector and to encourage more people to own private jets.

As the forecast business jet penetration curve shows, fleet per 100 million population is expected to grow from 146 to 700 over the next 20 years. Between 2011 and 2030, Russia & CIS is forecast to receive 1,535

business jet deliveries, 525 aircraft between 2011 and 2020, and 1,010 aircraft between 2021 and 2030. The 2010 fleet of 380 business jets will grow to 1,765 aircraft by 2030 representing a CAGR of approximately 8%.

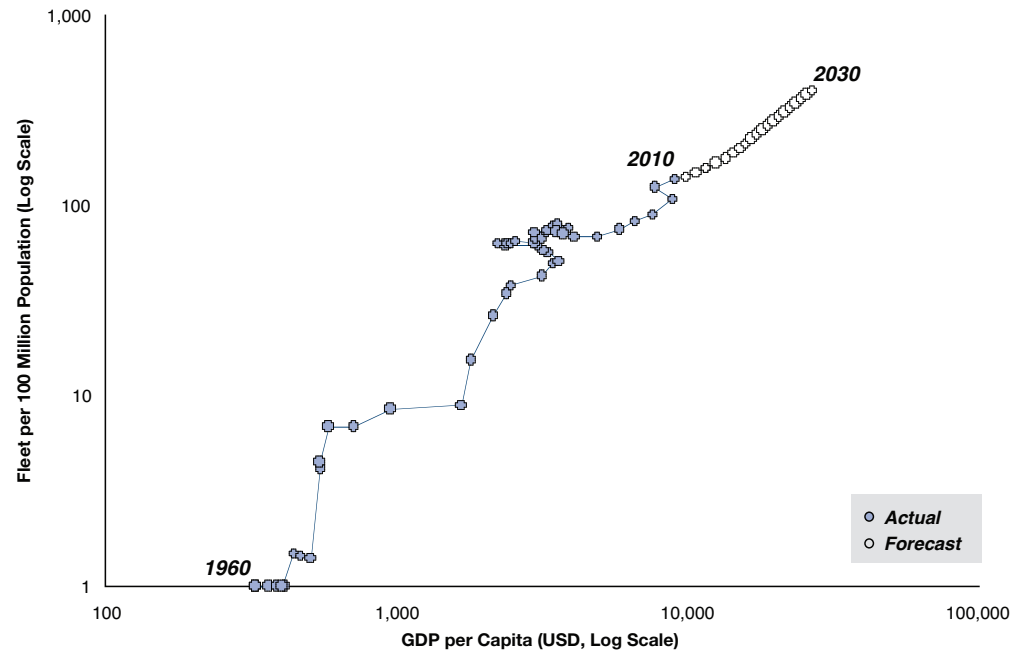
Middle East



Middle East recorded significant economic growth between 2004 and 2008, an annual 6.7% on average, largely due to high oil prices. In 2009, tight international credit, plummeting oil prices and the global economic slowdown inhibited Middle East's real GDP growth to 0.6%. 2010 saw the whole region recover gradually with a 4.1% GDP growth. Recovery was largely driven by increasing oil revenues, improving exports, and state spending, the latter made possible by financial reserves accumulated by the Gulf states during the 2004-2008 prosperous period.

Business Jet Penetration Forecast - Middle East

Fleet per capita vs. GDP per capita, 1960-2030



Sources: Ascend, IMF, IHS Global Insight, UN Population Project, Bombardier forecast. Includes very light jets.

The beginning of 2011 witnessed the emergence of political unrest in North Africa and the Middle East. The "Arab Spring" resulted in change in regimes in Tunisia and Egypt, civil war in Libya, and civil troubles in Syria, Yemen, and Bahrain. The resulting uncertainty may somewhat damp confidence in this year's economic outlook for the region.

In the Gulf states, oil production is expected to increase in the short term to compensate for losses in Libyan crude oil. Saudi Arabia will strongly benefit from this situation, and thus will see its economy accelerate in 2011. As well, government spending and exports will continue to bolster overall activity in the Kingdom.

Middle East (continued)

After Dubai's troubles in 2010 with regards to slumping property market and cash-strapped state-owned firms, prospects are becoming brighter this year for the United Arab Emirates. Fiscal spending and resurgent exports will help build some momentum for the economic recovery in Dubai.

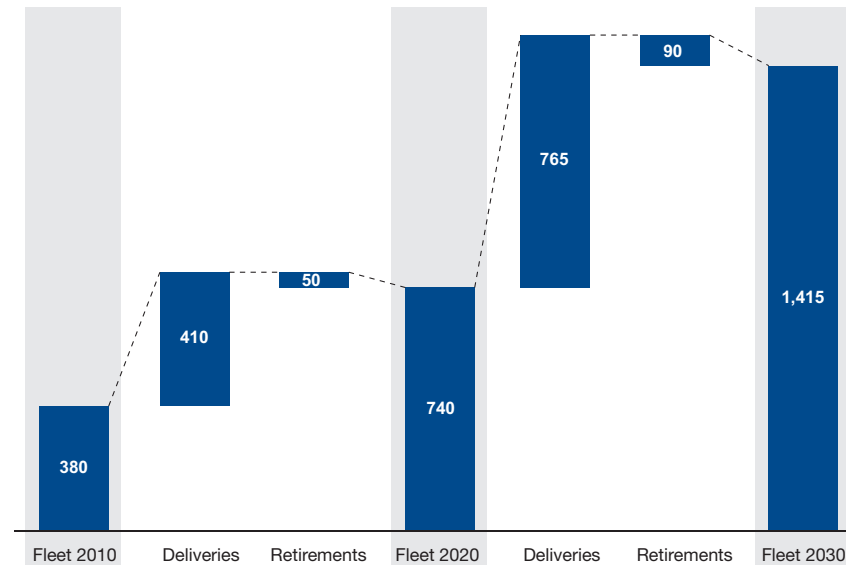
According to IHS Global Insight, Middle East GDP growth is forecast to strengthen to 5.4% in 2011. In the period from 2011 to 2030, the yearly average growth is predicted at 4.1%.

Stimulated by a sustained economic growth, business aviation has been expanding fast in the Middle East, from 140 business aircraft in the region in 2004, to a total fleet of 380 at the end of 2010, representing a fleet growth CAGR of 18%. Based on the historical business jet penetration curve, the Middle East business jet market is showing some signs of maturity.

Against the global backdrop of economic turmoil, the Middle East remains a strong market for business aviation. High prices for the region's oil exports, long distances between its major cities, and mediocre surface transportation, all help to support the business aviation industry, as does the fact that scheduled airlines services in the region tend to focus more on long-haul

Fleet Evolution Forecast - Middle East

Fleet, Deliveries, Retirements; 2010-2030



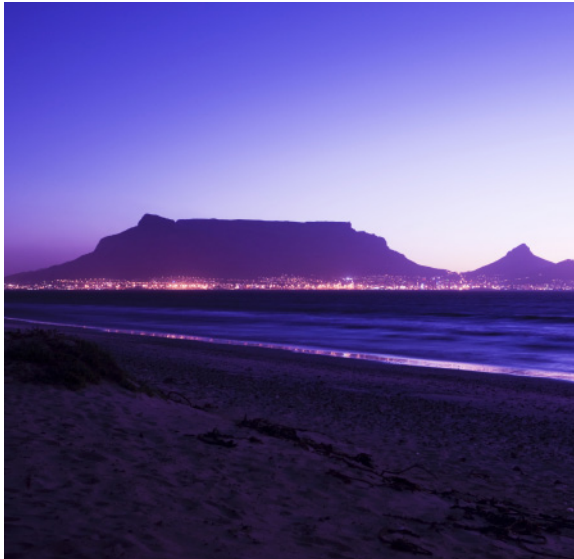
Sources: Ascend, Bombardier forecast. Excludes Very Light Jet and Large Corporate Airline categories.

routes than on shorter ones. According to the Middle East Business Aviation Association (MEBA), the next barrier to overcome in the region is access, as there are not enough designated airports for business aviation.

As the forecast business jet penetration curve shows, fleet per 100 million population is expected to grow from 135 to 400 over the next 20 years. Between 2011 and 2030, the Middle East will receive 1,175 business jet

deliveries, 410 aircraft between 2011 and 2020, and 765 aircraft between 2021 and 2030. The 2010 fleet of 380 business jets will grow to 1,415 aircraft by 2030 with a fleet growth CAGR of approximately 7%.

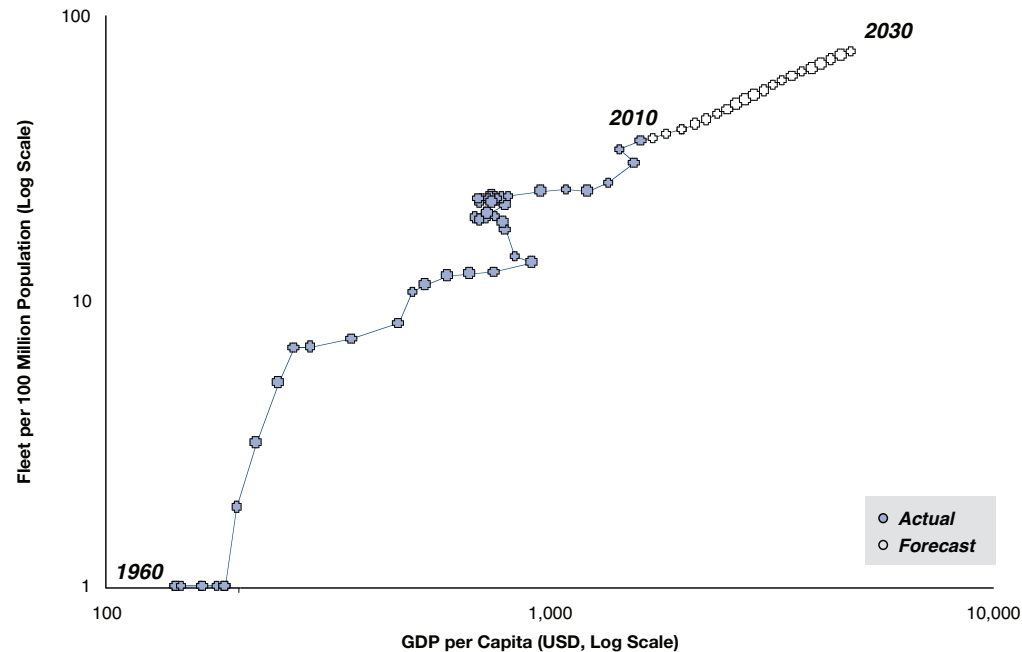
Africa



Africa – given the range of its geographic and economic conditions – is recovering at a different pace. While the global economy shrank in 2008-2009, the Sub-saharan Africa's economy managed to grow another 2% in 2009 and its growth rate in 2010 was close to 5%. Recovery in Nigeria, Africa's largest oil exporting economy, continues to be on track, and will show further positive signs as both oil production and prices keep on improving. The continued robust growth in the non-oil sector will be a major contributing factor. Chinese investment and trade has increased dramatically in recent years in Angola and Nigeria.

Business Jet Penetration Forecast - Africa

Fleet per capita vs. GDP per capita, 1960-2030



Sources: Ascend, IMF, IHS Global Insight, UN Population Project, Bombardier forecast. Includes very light jets.

South Africa went into recession following a sharp slowdown in the mining and manufacturing sectors. The construction industry, on the other hand, has benefited from a huge program of government investment to prepare for the 2010 World Cup.

The ongoing turmoil in Egypt, Tunisia, and Libya has substantially disrupted economic

activity in North Africa and will continue to weigh on the economies in these countries over the next several months. Tourism and investment have been hit hard and are expected to continue to slump in the near term given the new political uncertainties facing the region, while normal business activities have also been impaired by the crisis.

Africa (continued)

According to the African Economic Outlook by the OECD released in June 2011, recent political events in North Africa and high food and fuel prices are likely to slow the continent's growth down to 3.7% in 2011. During this year, Sub-saharan Africa will grow faster than North Africa. From 2011 to 2030, Africa's growth is predicted to average 4.4% per year, according to IHS Global Insight.

Due to the low economic growth over the past 50 years, business aviation did not take root in Africa. The fleet in the region is relatively small, representing only 2% of the worldwide fleet. Technical support remains minimal and lack of trained pilots increases the costs of operating a business jet.

However, things could begin to change due to a prosperous outlook on the horizon. Africa is now one of the world's fastest-growing regions. South Africa held the 2010 World Cup, and its economy and infrastructure highly benefited from the event. Although taxes are high in some countries, this is not a limitation for aircraft sales. Gaps in scheduled airline service will mean growth opportunities for business aviation, but at a slow rate of penetration.

Fleet Evolution Forecast - Africa

Fleet, Deliveries, Retirements; 2010-2030



Sources: Ascend, Bombardier forecast. Excludes Very Light Jet and Large Corporate Airline categories.

As the forecast business jet penetration curve shows, fleet per 100 million population is expected to grow from 37 to 80 over the next 20 years. Africa will receive 800 business jet deliveries during the 2010-2030 period, 325 aircraft between 2011 and 2020, and 475 aircraft between 2021 and 2030. The 2010 fleet of 320 business jets will grow to 950 aircraft by 2030, with a fleet growth CAGR of approximately 6%.

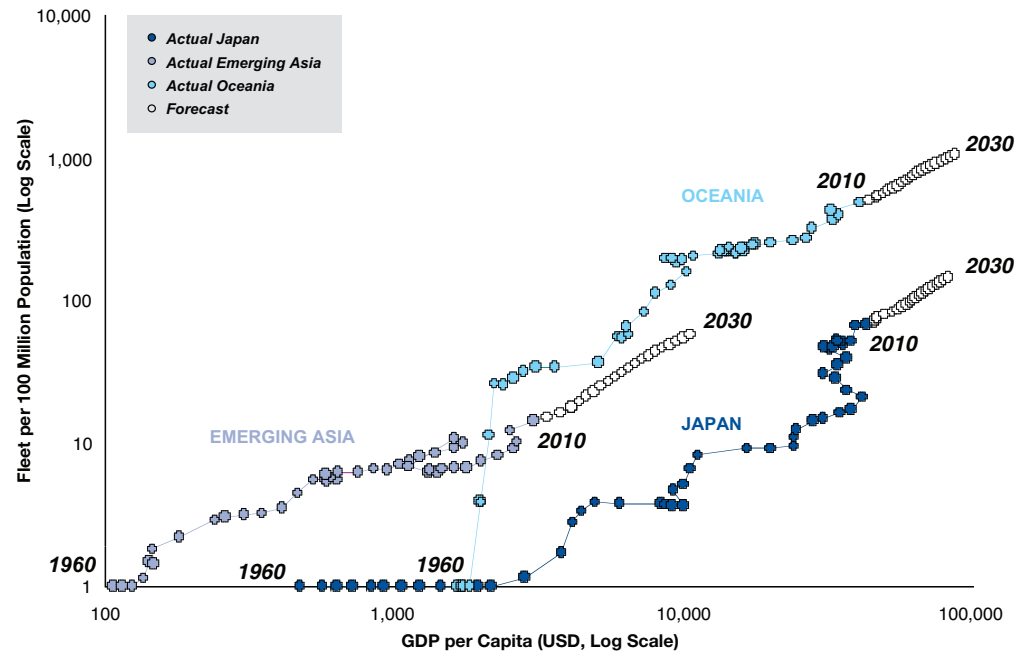
Asia Pacific



The Asia Pacific region's share of the world's economy is growing rapidly. This region is fortunate to include two of the eight countries identified by Goldman Sachs Asset Management as "Growth Markets": South Korea and Indonesia. The Asia Pacific region can be viewed as three distinct markets: Emerging Asia, Japan and Oceania.

Business Jet Penetration Forecast - Asia Pacific

Fleet per capita vs. GDP per capita, 1960-2030



Sources: Ascend, IMF, IHS Global Insight, UN Population Project, Bombardier forecast. Includes very light jets.

Emerging Asian countries have been on a rapid industrialization path, during the last 10 years, growing at an average of 4.7% per year. Foreign direct investment in countries like Singapore, Malaysia, Thailand and Indonesia has been substantial and each of these countries benefited from growing trade with China.

Clearly, the repercussions from Japan's natural disasters are undermining Emerging Asia's economic prospects this year. Several transmission mechanisms from Japan to the rest of Asia exist: trade and supply chain relationships, capital flows, and tourism.

Asia Pacific (continued)

Japan's situation appears fragile: after a 2010 rebound with 4.0% growth, prospects for 2011 only amount to 1.2%, even though reconstruction efforts will start to kick in during the second half of this year. Many economists expect Japan's long-term GDP growth to be below 1% per year.

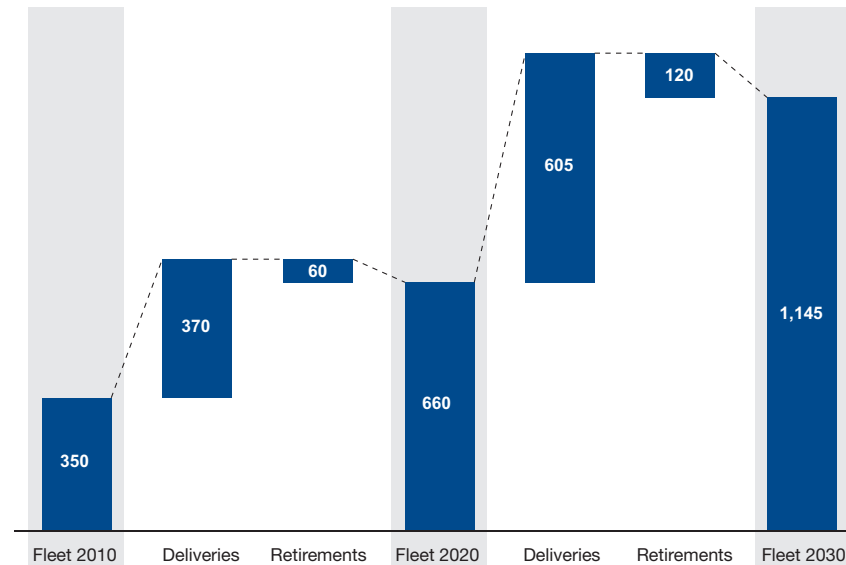
Led by the Australian economy, Oceania grew by 2.5% during 2010. Australia is doted of a large pool of natural resources and is benefiting from its geographical proximity to China and other Growth Markets. The country has recently been dubbed "The next Golden State" by The Economist. Over the next 20 years, Asia Pacific is predicted to grow at 3.7% per year, according to IHS Global Insight.

From a business aviation market stand point, while Oceania is a typical maturing market, the Japanese and Emerging Asia markets remain relatively under developed.

As the forecast business jet penetration curve shows, fleet per 100 million population is expected to grow from 34 to 100 over the next 20 years. Despite hurdles such as the high handling costs across the region's airports, the Asia Pacific region's current

Fleet Evolution Forecast - Asia Pacific

Fleet, Deliveries, Retirements; 2010-2030



Sources: Ascend, Bombardier forecast. Excludes Very Light Jet and Large Corporate Airline categories.

business jet fleet of 350 aircraft is expected to grow at a CAGR of 6% over the next 20 years, and to account for 1,145 aircraft in 2030. 975 deliveries are expected in the Asia Pacific region throughout the next 20 years, 370 aircraft between 2011 and 2020, and 605 aircraft between 2021 and 2030.

the forecast

Segment Details

The following segmentation helps to categorize the various types of aircraft offered on the business jet market. It is structured through a combination of range, cabin volume, and price.

Light Category

The Light category comprises business jets with Business and Commercial Aircraft (B&CA) magazine 2011 Purchase Planning Handbook equipped prices between \$7M and \$18M, offering 1,700 NM to 3,100 NM of range and 300 ft³ (8.5 m³) to 700 ft³ (19.8 m³) of cabin volume. When compared to other business jet market categories, the Light category value proposition relies on relative low prices and low operating economics combined with sufficient range for short-haul missions. The Bombardier *Learjet 40 XR*, the *Learjet 45 XR*, the *Learjet 60 XR* aircraft and the in-development *Learjet 85* aircraft are all part of this category. The *Learjet 85* aircraft program is progressing on schedule for the aircraft entry-into-service in 2013.

The Light aircraft category is expected to take the longest time to recover from the downturn because of the large number of aircraft (15.9% of fleet in Q1-2011) still for sale on the pre-owned market. For the 20-year period from 2011 to 2030, we expect the Light category to generate a total of 11,000 deliveries, representing U.S. \$130 billion in revenue.



Business Jet Market Segmentation⁽¹⁾

	Very Light Jets	Light Jets				Medium Jets			Large Jets			Large Corporate Airliners
Bombardier		Learjet 40 XR	Learjet 45 XR	Learjet 60 XR	Learjet 85	Challenger 300	Challenger 605	Challenger 850	Global 5000	Global 6000	Global 7000	
											Global 8000	
Cessna	Mustang	CJ3	XLS+		Sovereign	CX						
	CJ2+	CJ4				Citation Ten						
Dassault						F2000S	F2000LX	F900LX	F7X			
Embraer	Phenom 100	Phenom 300			Legacy 450	Legacy 500	Legacy 600	Legacy 650				Lineage 1000
Gulfstream					G150	G200		G450		G550	G650	
						G250						
Hawker Beechcraft	Premier 1A	H400XP		H750	H900XP	H4000						
	Hawker 200											
Others	HondaJet											ACJ
	SJ30-2											BBJ

(1) Segmentation is largely determined by a combination of cabin volume, range and price.

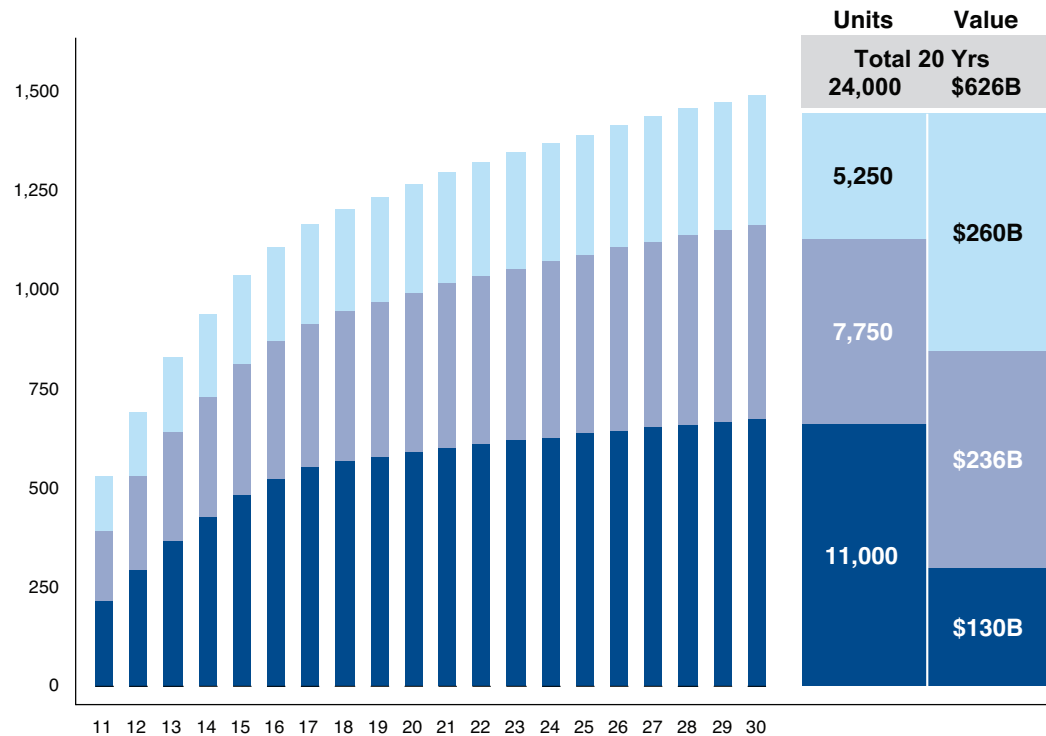
Note: Bombardier, Challenger 300, Challenger 605, Challenger 850, Global 5000, Global 6000, Global 7000, Global 8000, Learjet 40, Learjet 45, Learjet 60, Learjet 85, XR are either registered or unregistered trademarks of Bombardier Inc. or its subsidiaries.

Source: Bombardier's internal research department.

35 In production 11 In development

Industry Deliveries by Category

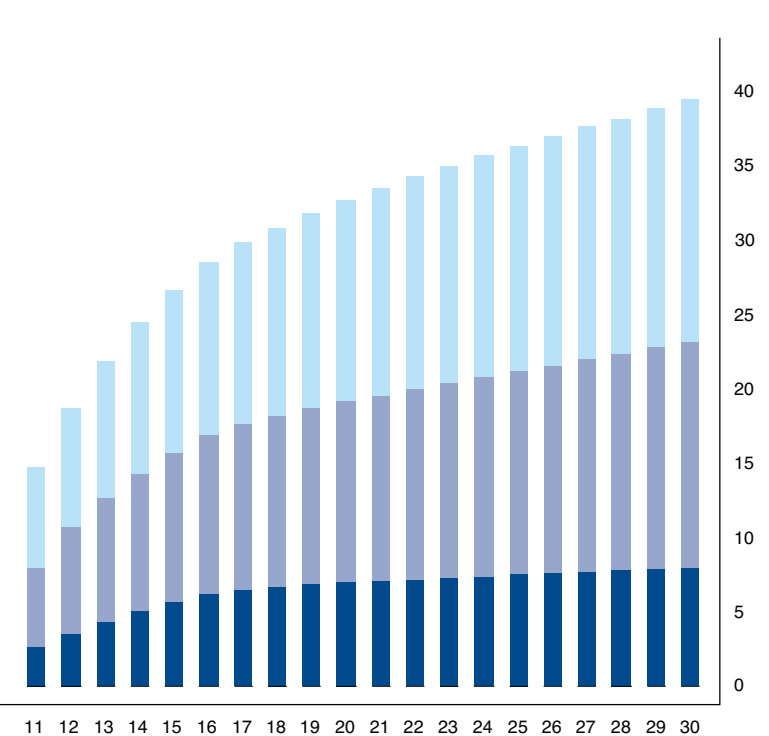
Units, Forecast 2011-2030



Source: Bombardier forecast.

Industry Revenues by Category

\$US billion, Constant 2010, Forecast 2011-2030



Large Medium Light

Medium Category

The Medium category features aircraft with B&CA magazine 2011 Purchase Planning Handbook equipped prices between \$18M and \$42M, offering 3,100 NM to 5,000 NM of range and 700 ft³ (19.8 m³) to 1,500 ft³ (42.5 m³) of cabin volume. The Medium category value proposition relies on enhanced

cabin comfort and superior range relative to the Light category, and is often the preferred business jet category of large corporations. Bombardier successfully developed the Medium category with the *Challenger 600* jet series. Today, Bombardier has three strong products in this category: the *Challenger 300*, *Challenger 605* and *Challenger 850* jets.

Our 2011-2030 market forecast accounts for significant growth in the Medium aircraft category. By the first quarter of 2011, pre-owned inventory in this category had fallen to 13.2%, 2.9 percentage points lower than a year ago. For the 20-year period from 2011 to 2030, we expect the Medium category to generate a total of 7,750 deliveries representing \$236 billion in revenue.

Large Category

The Large category regroups aircraft with B&CA magazine 2011 Purchase Planning Handbook equipped prices between \$46M and \$68M, offering over 5,000 NM of range and 1,500 ft³ (42.5 m³) to 3,000 ft³ (85.0 m³) of cabin volume. Of all market categories, the Large offers the greatest capabilities in terms of range, speed, and cabin comfort. With the *Global 5000*, *Global 6000*, and in-development *Global 7000*, *Global 8000* jets and *Global Vision* flight deck, Bombardier offers the broadest and most advanced product line of the industry in this market category. The *Global 7000* and *Global 8000* aircraft will give our customers the ability to reach more destinations non-stop than ever before, delivering unprecedented levels of performance, flexibility, and comfort.

The Large category has been the most resilient during the downturn, with an increase in deliveries of 13% from 2008 to 2010. We expect deliveries in the Large category to expand the fastest after the downturn. For the 20-year period from 2011 to 2030, we expect the Large category to generate a total of 5,250 deliveries representing \$260 billion in revenue.



The Large category will represent 42% of business jet delivery revenues, and Bombardier is in the best position to benefit from that huge market potential.



conclusion

conclusion

The business aviation market has turned the corner and is gaining momentum. Industry net orders are back to positive and most leading indicators continue to improve. The industry backlog rebuilds and deliveries are months away of the new up-cycle. While the business jet industry is very cyclical, it also has significant growth potential. All long-term market fundamentals remain positive: business jet utilization, backlogs, the pre-owned aircraft market, new aircraft programs, fractional and branded charter demand, business jet penetration in Growth Markets, and aircraft retirements. Manufacturers will continue to generate more value for customers by supplying more efficient and better designed aircraft.

The business jet market should experience strong growth over the 2011-2030 period with 24,000 deliveries worth \$626 billion of revenues. The worldwide business jet fleet is expected to grow from 14,700 in 2010 to 30,900 by 2030, net of retirements. The Large category of the market is expected to expand faster than the other categories. The manpower needed to manufacture these aircraft and the revenues associated with them will create significant economic value.



The business jet market will generate 24,000 new aircraft deliveries, worth \$626 billion over the next 20 years.

conclusion

The business aircraft industry will likely face new challenges going forward. As fuel prices and environmental concerns rise, the green wave is expected to modify customers' actions and perceptions in the future. The industry has anticipated this by announcing its commitment on climate change to reduce total CO₂ emissions by 50% by 2050 relative to 2005 levels. Bombardier continues to be proactive in addressing environmental concerns through corporate social responsibility initiatives such as being the first aircraft manufacturer to offer business aircraft customers a fully managed carbon-offset program. Also, OEMs will have to contribute to develop worldwide infrastructure to support the expected rapid growth of business aviation in Growth Markets.

Despite short-term challenges that are likely to occur along the way, the long-term prospects for business aviation are solid, and Bombardier expects the industry to reach new heights over the next 20 years.



The long-term prospects for business aviation are solid and Bombardier expects the industry **to achieve new heights in the next 20 years.**



forward looking statement

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

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All monetary amounts are expressed in 2011 US dollars, unless otherwise stated.

sources

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