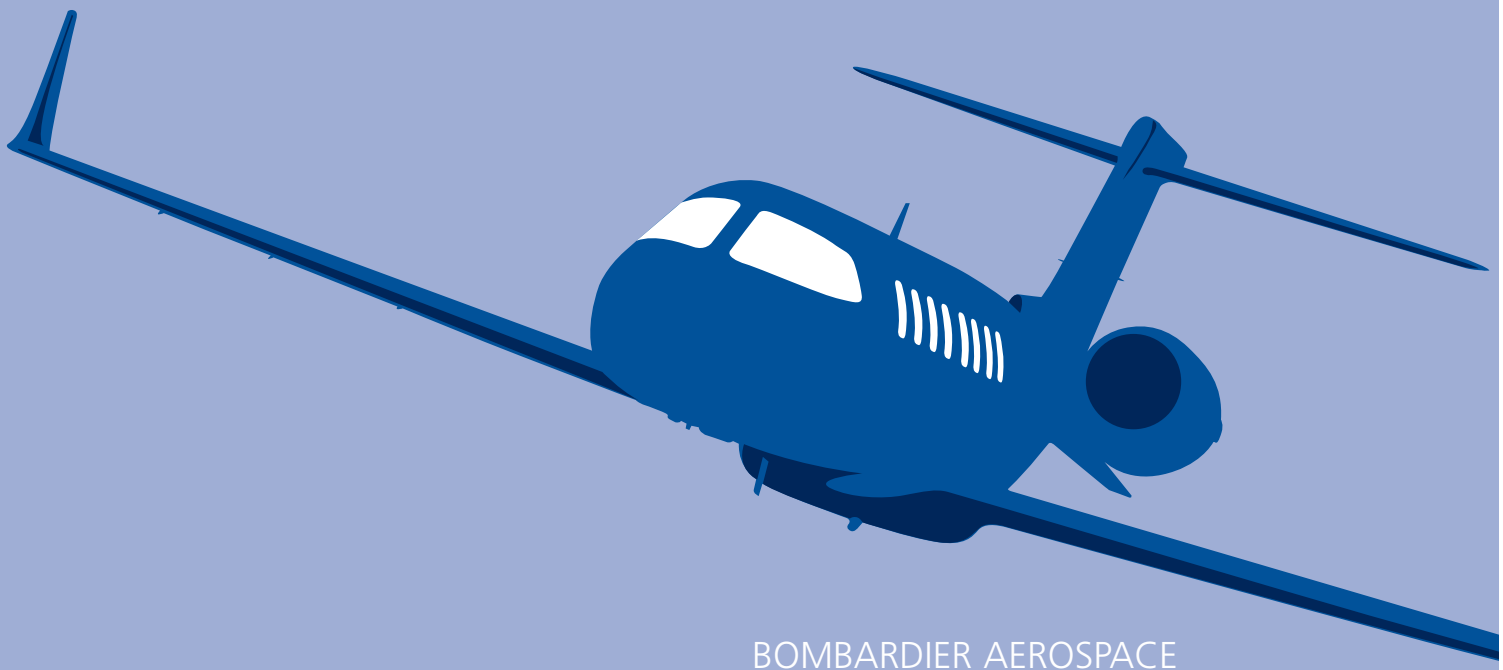
BOMBARDIER



BOMBARDIER AEROSPACE

BUSINESS AIRCRAFT MARKET FORECAST

2008 – 2017

TABLE OF CONTENTS

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", "estimate", "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 F08 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 F08 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 the F08 MD&A and are subject to change after such date. Unless otherwise required by applicable securities laws, the Corporation expressly disclaims any intention, and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. All monetary amounts are expressed in 2008 U.S. dollars unless otherwise stated.

BOMBARDIER AEROSPACE

EXECUTIVE SUMMARY

2008 – 2017

EXECUTIVE SUMMARY

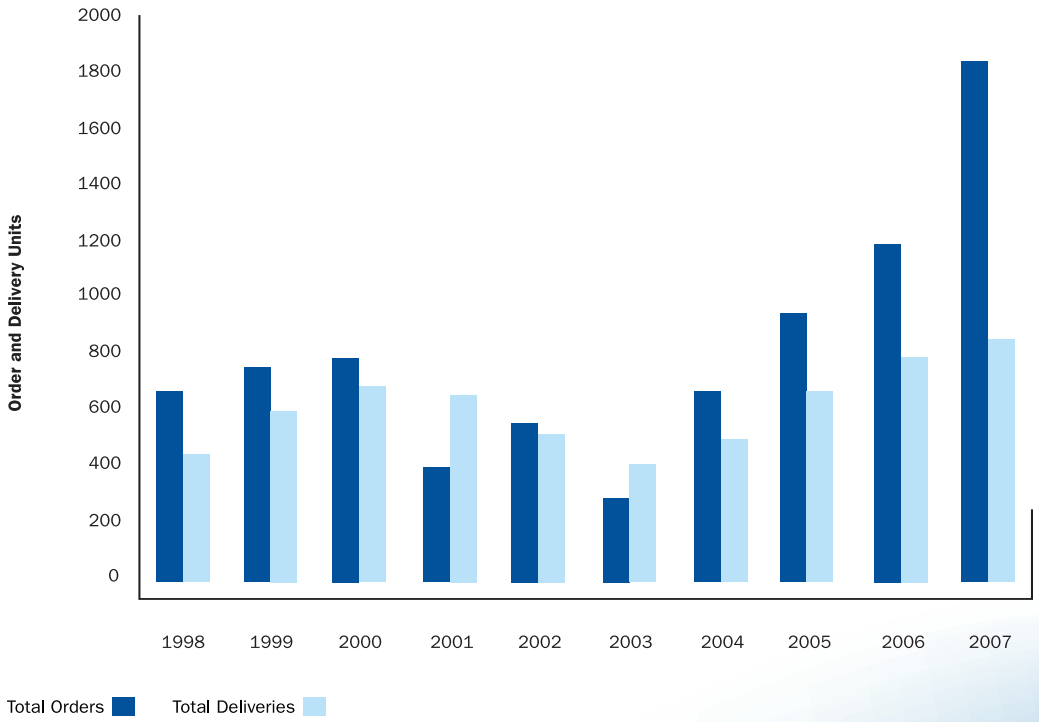
The Bombardier Aerospace Business Aircraft Market Forecast reflects the company's view of the business jet industry over the next 10 years, from 2008 to 2017.

This forecast focuses mainly on the eight out of nine business jet segments in which Bombardier competes, from Light Jets to Ultra Long-Range Jets, including Converted Airliners. The Very Light Jet segment is not included unless specifically mentioned.

The Business Jet Market is at an All-time High

The last four years have been tremendous for the business jet industry. Since the 2001-2003 downturn the market has been on an upward trend. Orders have continued to increase every year, and production rates, along with the industry backlog, have kept rising. As revenues continued to increase, new players entered the market and new programs were launched. As supply constraints appeared evident, pre-owned aircraft gained in popularity. At the end of 2007 the number of pre-owned aircraft available for sale continued to be low and residual values firmed up for a fourth consecutive year. Currently, in some cases residual values for used aircraft as old as five years are higher than the original purchase price. All market drivers confirm that the business jet market is at an all-time high.

Industry Order and Delivery Units
Calendar years, 1998-2007



Sources: Actual deliveries from GAMA. Orders estimated from competitive intelligence, OEM guidance. Excluding Very Light Jets.

EXECUTIVE SUMMARY

While the U.S. business jet market remains on a growing mature trend, with a healthy mix of repeat purchases and concept buyers, the international market is gaining momentum due to the surge of the Western European market and the emergence of a new cohort of customers in non-traditional markets such as Russia and Eastern Europe. Although the current world GDP is fuelled by double-digit growth, the economic environment is at a turning point as the U.S. economy has been cooling down during the last few months. Despite a possible recession that could lead to a decrease in orders during the next two years, industry trends will sustain market deliveries for the next 10 years above the new level that was reached in 2007. Over this period Bombardier forecasts deliveries of 13,200 aircraft in the segments in which it competes, generating an industry total of $300 billion in revenues, compared to 6,200 aircraft and $117 billion in total revenues during the previous 10 years.

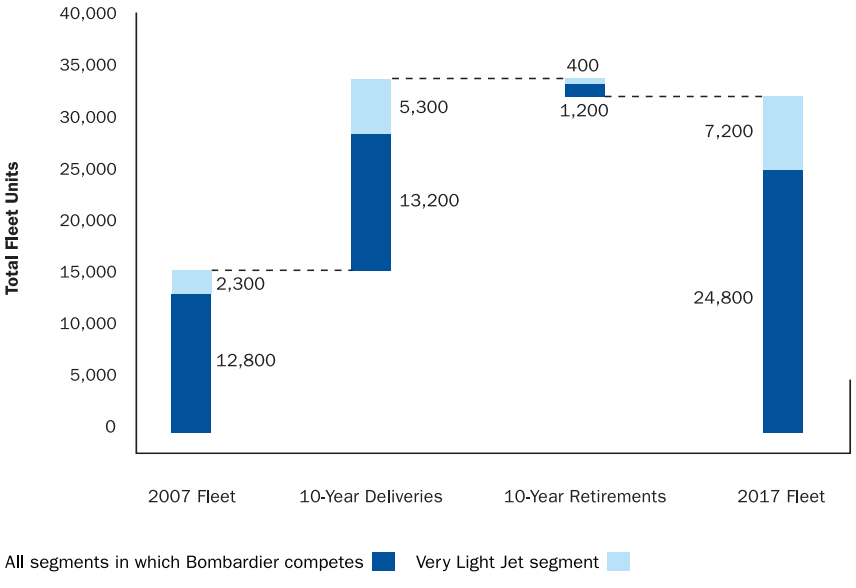
Business Jet Market History and Forecast

	1998-2007	2008-2017
Units	6,220	13,200
Revenues	$117 billion	$300 billion

Source: Bombardier Forecast model. Excluding Very Light Jet segment

Business Jet Fleet Forecast

Units, calendar years 2007-2017



Sources: Actual fleet from Airclaims. Bombardier Forecast Model. Very Light Jets include CJ1+, CJ2+, Mustang, Premier I, Phenom 100 and Eclipse 500.

At the end of 2007, the worldwide fleet was estimated to be approximately 12,800 aircraft for all segments excluding the Very Light Jet segment. With a yearly retirement rate of 0.5% to 1% of the fleet and expected deliveries as mentioned above, the business jet fleet could grow to approximately 24,800 aircraft in 10 years. This impressive growth could put pressure on pilot training, maintenance facilities and aviation infrastructure.

BOMBARDIER AEROSPACE

HISTORICAL MARKET PERFORMANCE

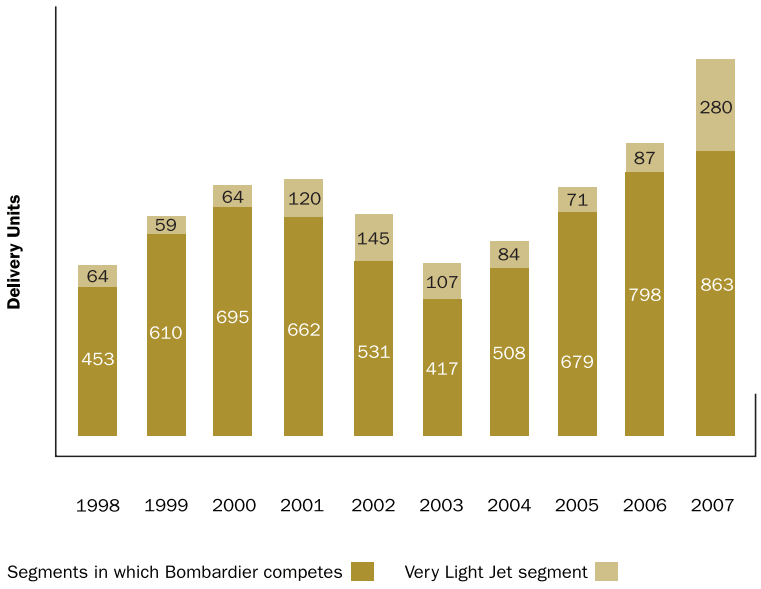
2008 – 2017

HISTORICAL MARKET PERFORMANCE

The 2001-2003 Downturn

The 2001-2003 downturn was caused by various coinciding factors. The high percentage of aircraft for sale on the pre-owned market at the end of the 1990s was the first sign of the market slowdown. In the U.S., conjectural factors like the slowdown of the economy and the fall of corporate profits at the end of 2000 and in 2001 considerably reduced the demand for business jets. Business aviation may have also suffered, although likely to a smaller extent than commercial aviation, from the climate of uncertainty following 9/11. The reduction in the overall number of gross business jet orders, coupled with significant cancellations both from traditional and fractional businesses, forced Original Equipment Manufacturers (OEM) to sharply reduce production.

Historical Business Jet Market Deliveries
Units, calendar years 1998-2007



Sources: Actual deliveries from GAMA. Very Light Jets include CJ1+, CJ2+, Mustang, Premier I and Eclipse 500.

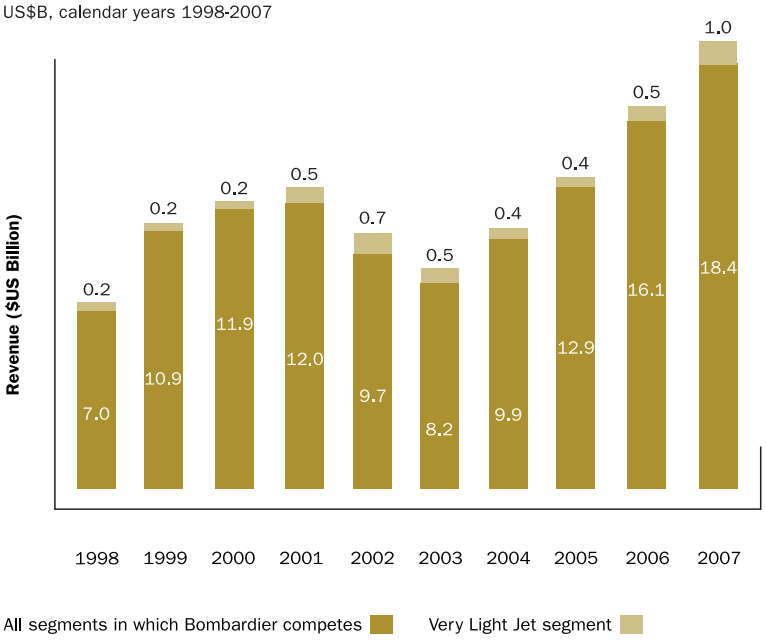
HISTORICAL MARKET PERFORMANCE

The 2004-2007 Peak

As opposed to the economic market drivers, the fundamental advantages of business aviation, such as flexibility, comfort and convenience, were not affected by the 2001-2003 downturn. The U.S. economy regained its momentum, and the demand for business jets rose between 2004 and 2007. Previously untapped markets in Europe, Asia and the Middle East were starting to generate substantial demand. Moreover, OEMs launched many new models in recent years, pushing orders even higher. The 798-unit delivery record set in 2006 was broken in 2007, with deliveries totalling 863 units for the year. Record sales as well as a shift in consumer interest toward larger aircraft explain the peak of $18.4 billion in industry revenues reached last year. Even with OEMs ramping up production over the last three years, the higher number of orders has increased the industry backlog, which is equivalent to 2.5 years of production on average, based on Bombardier's internal estimates.

Historical Business Jet Market Revenues

US$B, calendar years 1998-2007



Sources: Revenue estimated from GAMA and B&CA list prices. Very Light Jets include CJ1+, CJ2+, Mustang, Premier I, and Eclipse 500.

BOMBARDIER AEROSPACE

MARKET DRIVERS

2008 – 2017

The Bombardier Aerospace Business Aircraft Market Forecast has been estimated using an econometric model based on the following market drivers:

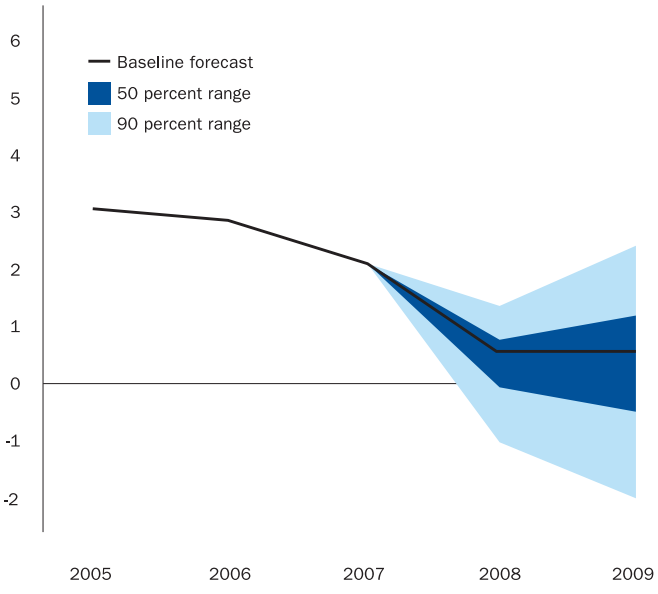
ECONOMIC DRIVERS

The World Economy

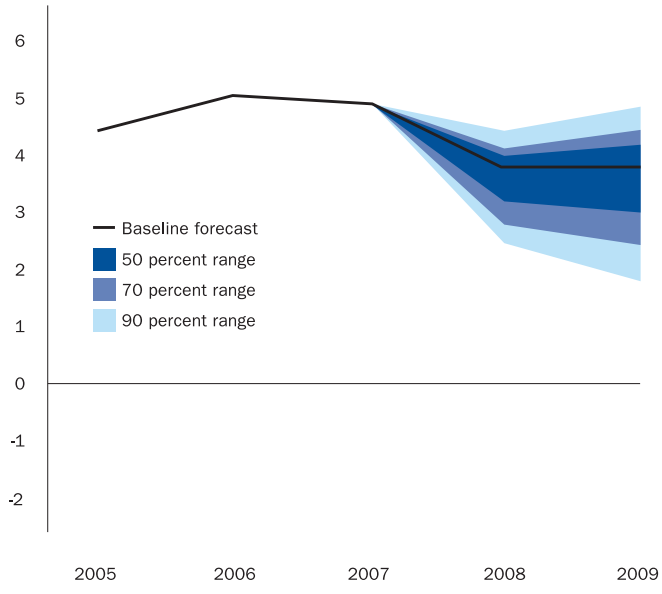
The state of the world economy, and that of individual countries, is a key factor in the demand for air travel. According to the International Monetary Fund (IMF), the world economy grew by 4.9% in 2007. The year 2008 is not expected to be as favourable since the global expansion is losing its momentum due to a major financial crisis initiated by the housing bubble burst in the U.S. The world GDP growth is forecasted to be 3.7% in 2008, according to the IMF outlook published in April 2008. This is a 0.5% decrease compared to its January 2008 outlook. The IMF estimates that there is a 25% chance that the world economy could grow by less than 3% in 2008. A 3% GDP growth would be considered a healthy level for most countries taken individually, however on a global scale this would be considered a recession. A global recession could lead to an important decrease in the demand for business jets.

Prospects for U.S. and World GDP Growth

U.S. GDP growth forecast (percent change, 2005-2009)

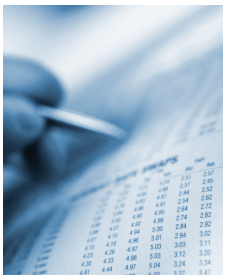


World GDP growth forecast (percent change, 2005-2009)



Source: International Monetary Fund, April 2008.

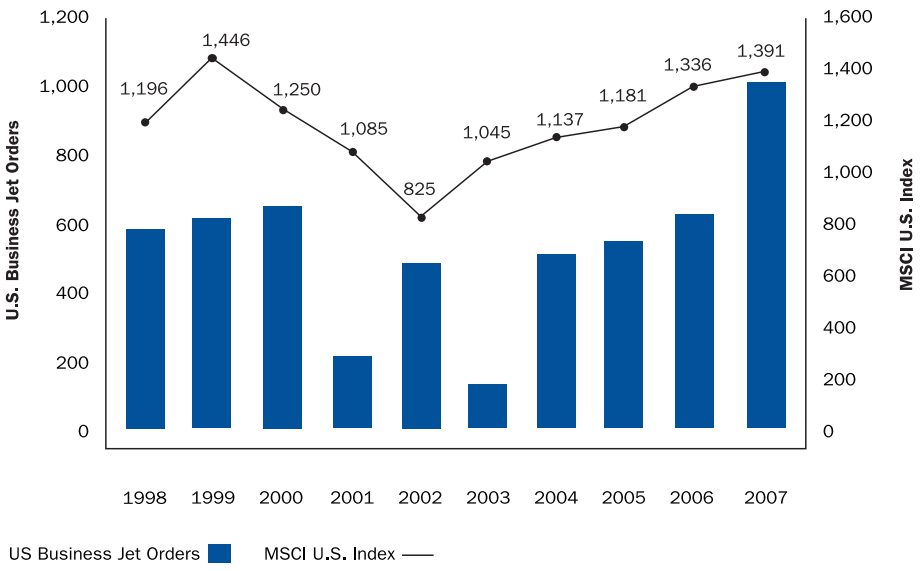
ECONOMIC DRIVERS



The U.S. Market

With over 70% of the worldwide business jet installed base, the U.S. remains the single most important market for manufacturers. The U.S. business jet demand pool is mostly driven by wealth creation. The Morgan Stanley Capital International (MSCI) U.S. Index is a composite index built from every listed security in the U.S. and a good estimate of the wealth creation evolution in the U.S. As shown by the following graph, U.S. business jet orders have been correlated with the index over the past 10 years.

U.S. Business Jet Orders and the MSCI U.S. Index
Orders units, MSCI value, calendar years 1998-2007



Sources: Orders estimated from competitive intelligence, OEM guidance. Excluding Very Light Jet segment.
MSCI U.S. Index from Morgan Stanley.

Wealth creation is expected to decrease over the second half of 2008 and in 2009 in the U.S. as most economists expect the economy to go through a recession. The collapse of the housing market, the financial crisis that followed and the rise of food and oil prices are the key factors underlying the U.S. economic downturn. On a positive note, according to Blue Chip Economic Indicators, the majority of the panelists interviewed only see a mild recession in 2008 and a slow recovery in 2009 due to the recent monetary and fiscal policy measures applied by the U.S. government and the strong productivity of the U.S. economy.

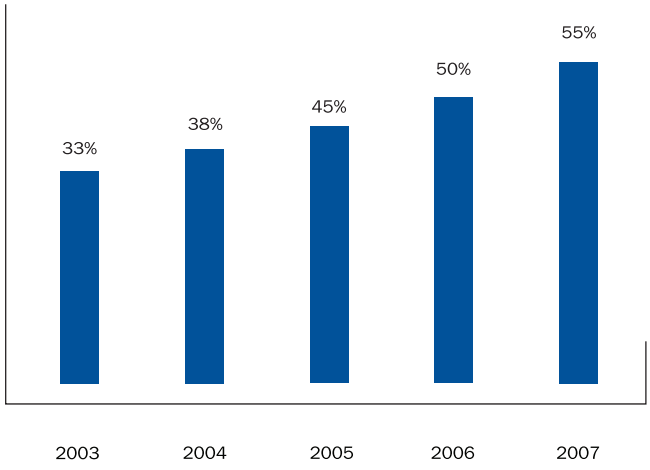
U.S. business jet orders are expected to average 540 over the 2008-2017 period. After reaching a low of 420 units in 2009, largely due to a recession, orders are forecasted to reach 600 units a year by 2017.

ECONOMIC DRIVERS

International Markets

Historically, international orders accounted for only a small share of the total business jet orders. However, international orders have increased dramatically over the past four years. While the international market accounted for 30% of orders in 2003, it represented 55% in 2007. Outside the U.S. the most important market for the business jet industry is Europe.

Non-U.S. Orders as a % of the Worldwide Market Orders
%, estimated, calendar years 2003-2007



Sources: Orders estimated from competitors financial reports and competitive intelligence.
Including Very Light Jet segment.

The Euro-area economy remained healthy in 2007, with a GDP growth of 2.6%, however growth is expected to be weak in 2008 at 1.4%. The spreading financial crisis, the appreciation of the euro and inflationary pressures caused by food and energy prices are affecting the strong fundamentals of the economy. As is the case for the U.S., in the second half of 2008 and in 2009 business jet orders could cool down in Europe. However, the tremendous growth over the last four years in most European countries, including Russia, should lead to repeat purchases over the next 10 years as well as developing opportunities in currently un-penetrated countries.

ECONOMIC DRIVERS

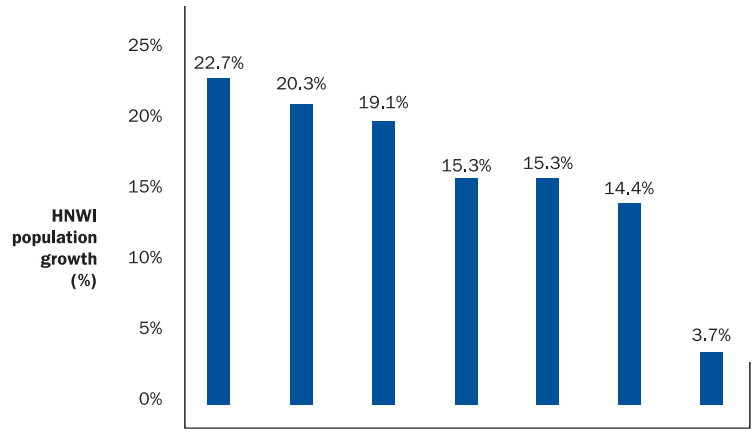
European business jet orders are expected to average 490 over the 2008-2017 period. After reaching a low of 380 units in 2009, orders are forecasted to grow to 540 units by 2017.

Following the development of the business jet industry in Europe and Russia at the end of the '90s and in the mid-2000s respectively, China and India will probably be the next two markets to experience major growth in their level of business jet orders. China and India are expected to remain the fastest growing economies in 2008, with an expected GDP growth of 9.3% and 7.9% respectively, according to the IMF.

Moreover, the world's two most populous countries show strong potential in terms of the number of billionaires and industrial strength. Merrill Lynch and Cap Gemini estimated in their 2008 World Wealth Report that the population of High Net Worth Individuals (HNWI) (i.e., people with financial assets of $1 million or more) grew by 22.7% in India to 123,000 and by 20.3% in China to 415,000 last year.

Population of High Net Worth Individuals (Selected Countries)

Growth in 2007 vs. 2006 in %, population in thousands



HNWI population 2007 (000)	India	China	Brazil	Singapore	United Arab Emirates	Russia	United States
	123	415	143	77	78	136	3,028

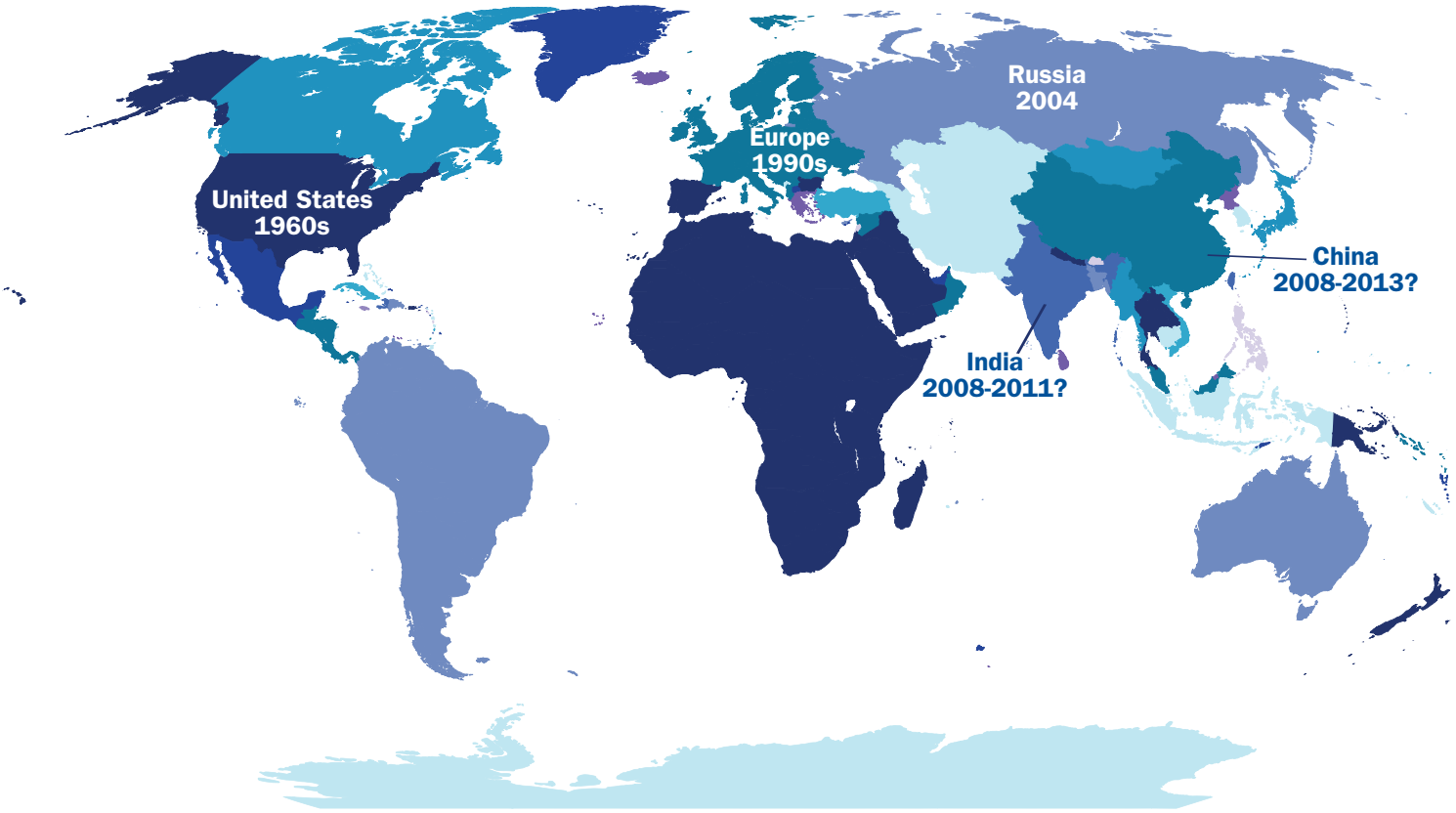
Sources: Merrill Lynch & Cap Gemini.

ECONOMIC DRIVERS

To date, orders from China and India have been moderate, however the planned development of aviation infrastructure in both countries is a first step toward increasing demand. The small number of qualified pilots, strict regulations and high taxes and duties are also among the hurdles these countries will have to overcome to further develop business aviation. China's business jet industry would also benefit from the opening of its airspace to civil aviation.

The emergence of the business jet market is expected to happen within the next three years in India as the country could generate up to 50 orders a year. India's openness to Western commerce and the flexibility of the state could make it more likely to develop its business jet market at a faster pace. In China significant orders could be generated within the next five years and reach up to 60 units a year.

Emergence of the Business Jet Market by Country



Source: Bombardier

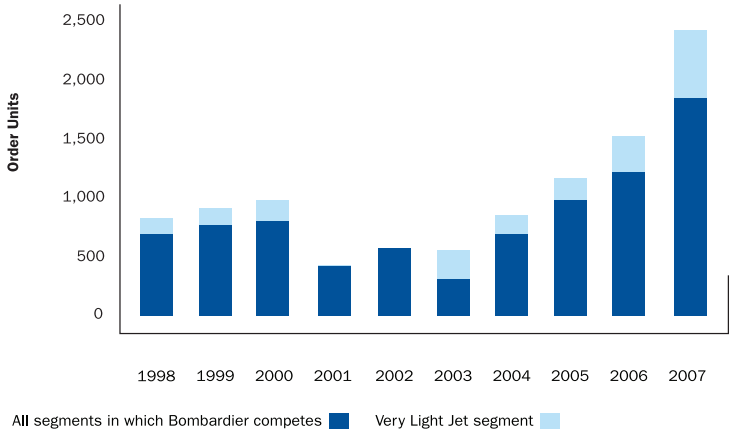
BUSINESS JET MARKET DRIVERS

Orders & Backlogs

The order backlog indicates the potential for deliveries in the upcoming years. The greater the backlog, the higher the deliveries. OEMs adjust their production rate based on their current backlog levels and their expectations regarding the number of orders they can obtain in the future. The backlog level can fluctuate greatly over time as each OEM attempts to maintain aircraft availability while avoiding drastic changes in production rates.

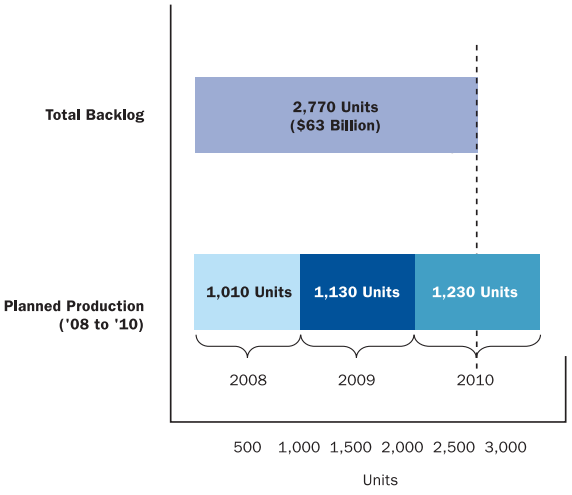
2007 was a record year in terms of business jet industry orders, with close to 1,850 orders for the Light Jet to Converted Airliner segments. Compared to 2006, orders increased by 56% year-over-year. Since orders have been consistently higher than deliveries for the past four years, the industry backlog has reached an estimated 2.5 years of production on average. In dollar terms the industry backlog is equivalent to approximately $63 billion, the highest it has ever been. This backlog provides the industry with an added level of resilience. Even if the market anticipates a decrease in the number of orders in 2008 and 2009, OEMs are expected to manage the drop of orders without reducing production.

Business Jet Orders
Estimated units, calendar years 1998-2007



Sources: Orders/units prices estimated from competitive intelligence, OEM guidance.
Very Light Jets include CJ1+, CJ2+, Mustang, Premier I, Phenom 100, Eclipse 500and Adam A700.

Industry Backlog
Estimated units Q1-2008



Sources: Orders estimated from competitive intelligence, OEM guidance.
List price from BC&A. Excludes Very Light Jet segment.

BUSINESS JET MARKET DRIVERS

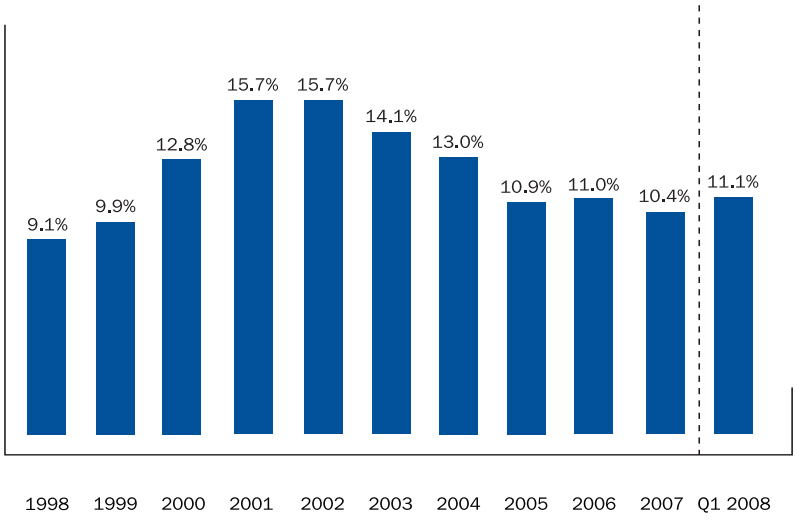
The Pre-Owned Market

Over 90% of the orders for new business aircraft are replacement aircraft for current owners. The demand for new aircraft is stimulated by the conditions prevailing on the pre-owned market. The pre-owned market is considered healthy when residual values are high and when the inventory of pre-owned aircraft is low.

At the end of the 1990s the percentage of the overall business jet fleet for sale on the pre-owned market started to increase rapidly. Many aircraft owners experienced difficulty selling their pre-owned aircraft, which, in turn, made them less likely to purchase replacement aircraft. The accumulation of aircraft on the pre-owned market was a leading indicator of the new business aircraft market downturn that occurred in 2001-2003.

Between 2002 and 2007 the pre-owned aircraft inventory, as a percentage of the fleet, decreased from 15.7% to 10.4%. As of the first quarter of 2008 the pre-owned inventory had risen to 11.1%. Although one quarter is too short a period to be considered a trend, this increase is significant. All OEMs will continue to closely monitor this market driver since it was a leading indicator of the previous downturn. It is assumed in this forecast that soft pre-owned market conditions will persist throughout the next 24 months, reinforcing the idea of an expected low in new business jet orders in 2009.

Pre-Owned Aircraft Inventory as a % of the Fleet
%, calendar years 1998–Q1 2008

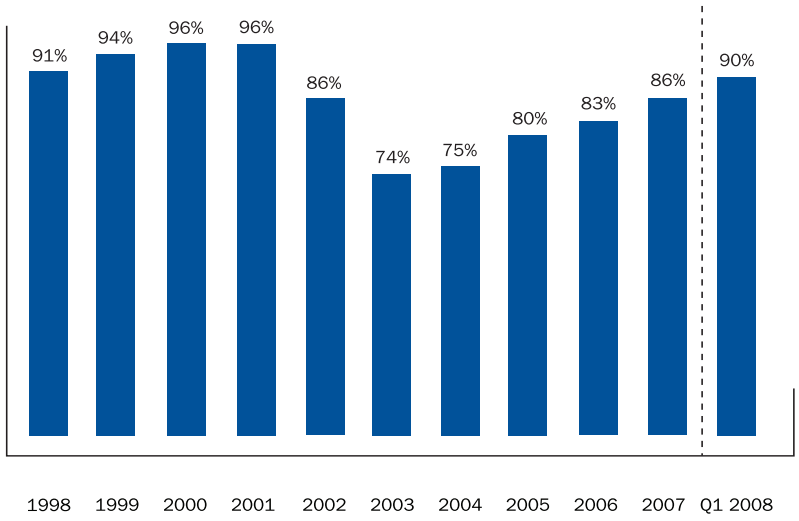


Sources: Aircraft Inventory and fleet from JETNET. Excluding Very Light Jet segment.

BUSINESS JET MARKET DRIVERS

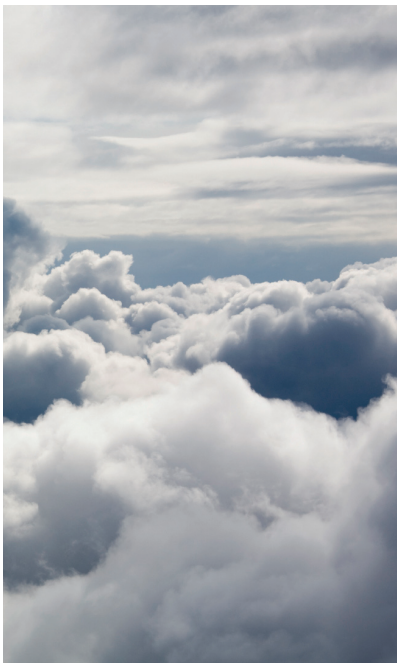
On a positive note, residual values continue to firm up. In the first quarter of 2008 the average residual values for five-year-old aircraft were at 90% of their original B&CA list price. Moreover, the backlog accumulation has created a longer waiting list. Therefore, aircraft on the pre-owned market have built interest, creating an upward pressure on residual values. As a result, the residual values of many models are now higher than the original list price of aircraft as old as 5 years.

5-Year Residual Value as a % of the Original B&CA List Price
%, calendar years 1998–Q1 2008



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

BUSINESS JET MARKET DRIVERS



New Aircraft Programs

New models tend to offer more range and performance for the same price when compared to older models. They can also increase the scope of the product offering by increasing the number of segments. As indicated by past trends, an influx of new models stimulates demand, and the launch of new aircraft programs reflects OEMs' confidence in the market going forward. The required investments in design, development and technologies as well as market timing are crucial to the success of business aircraft programs. Thus, decisions to launch new aircraft programs tend to promote growth in OEM backlogs and sustain deliveries in the first years after these new programs enter into service.

Several clean-sheet and derivative business jet programs were launched since the last market downturn and are now approaching entry into service. In fact, 2008 will be a major year for business aviation as six new programs have entered or will enter into service. Programs scheduled to enter into service in 2008 are expected to generate a significant number of deliveries during the next years.

Entry Into Service of New Programs

Entry into service by model, calendar years 2008-2014

2008	2009	2010	2011	2012	2013	2014
Citation XLS+ Falcon 2000DX Hawker 750 Hawker 4000 Lineage 1000 Phenom 100*	Grob SPn* Phenom 300	CJ4 F900LX Falcon 2000LX Honda Jet* Premier II*		G650 Learjet 85 Legacy 500	Legacy 450	Columbus

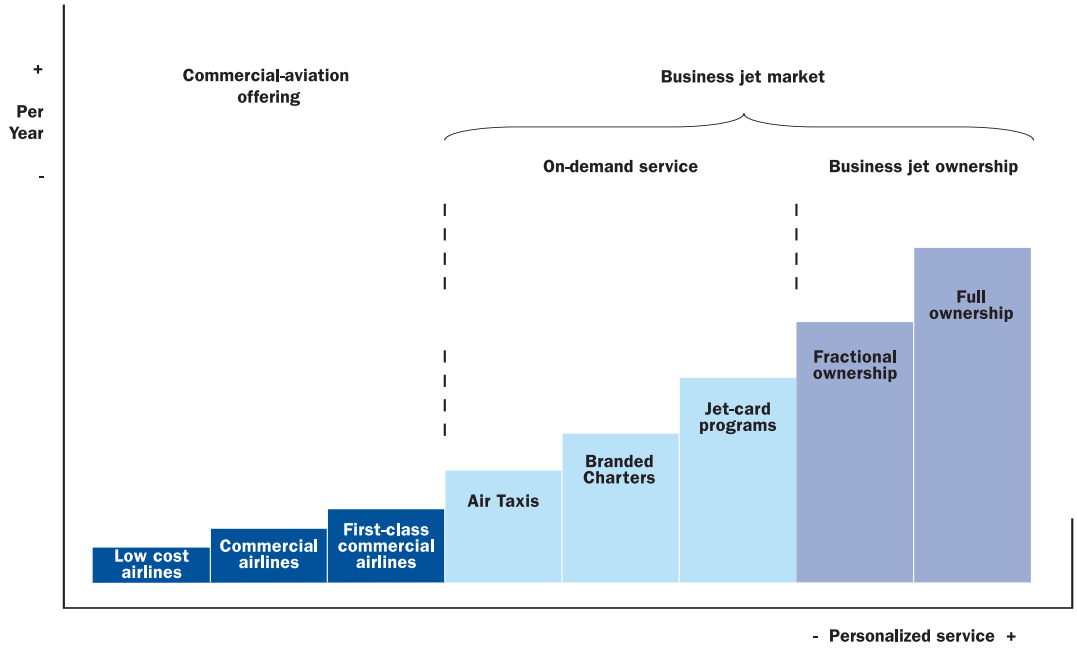
Sources: Dates of entry as of competitors' press releases. *Very Light Jets.

BUSINESS JET MARKET DRIVERS

Non-traditional Demand

New business models have addressed the value proposition gap between traditional business jet operations and commercial-airline offerings. Branded Charters and Air Taxis have now joined jet-card and fractional-ownership programs as non-traditional corporate aviation business models.

Air Travel Options



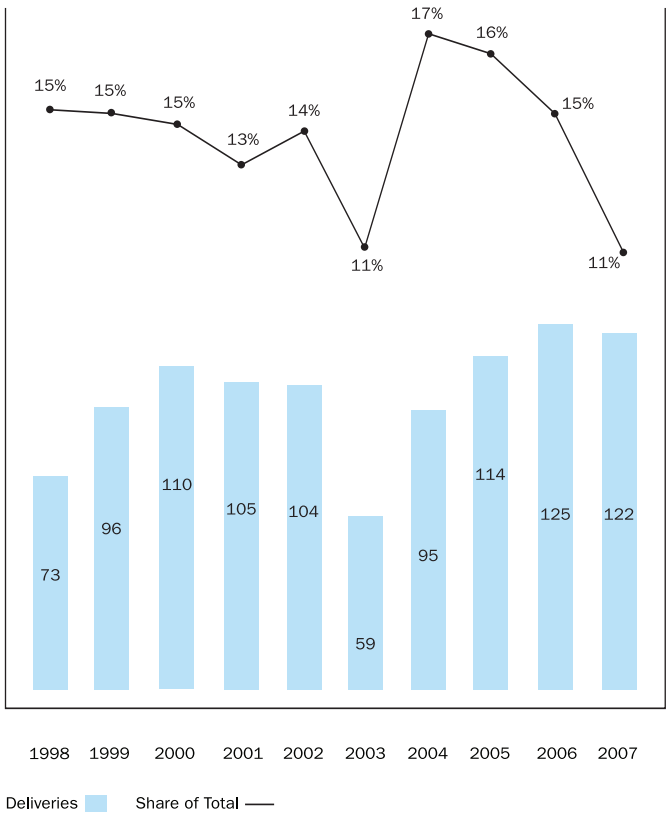
Source: Bombardier.

BUSINESS JET MARKET DRIVERS

During their initial growth phase (1995-2000), fractional-ownership programs generated a significant level of new business jet deliveries. Since 2000 the fractional market has reached maturity and the majority of current fractional deliveries are replacements of older fractional aircraft. The demand of fractional-ownership programs for new aircraft has stabilized to approximately 10-15% of the traditional-market deliveries. Overall, the major fractional providers have taken deliveries of 122 aircraft in 2007.

Business Jet Fractional Delivery Units

Units and share (%) of total deliveries
calendar years 1998-2007



Source: Airclaims database.

The demand from Branded Charters and Air Taxis could potentially account for a large share of the non-traditional market deliveries. The growing popularity of branded charters has become an increasingly significant source of demand for OEMs. Over the past few years several OEMs have recorded large orders, sometimes for over 100 aircraft, from branded-charter companies who are eager to test out their business model and cater to a niche of the business jet market. These large orders are expected to yield significant industry revenues, but they also have a higher risk profile for the OEM. The cancellation of one large order can have very negative implications on production rates. The Air Taxi business model is based on a new value offering for which the level of success is still uncertain. Customer acceptance, access to capital and competition from commercial airlines are among the challenges Air Taxi start-ups will face in executing their business plans. Since the demand for in-development Very Light Jets is highly dependent on the success of Air Taxis, the success of many Very Light Jet models is also uncertain.

BOMBARDIER AEROSPACE

THE FORECAST

2008 – 2017

THE FORECAST

Orders, Deliveries and Revenues

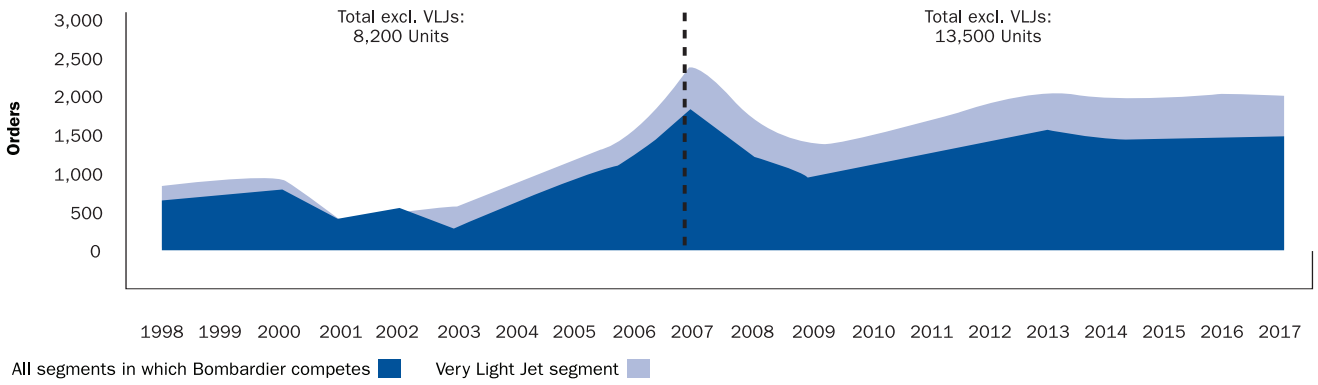
The overall economic growth, coupled with industry and regional trends, will sustain business jet market deliveries over the next 10 years above the new level reached in 2007.

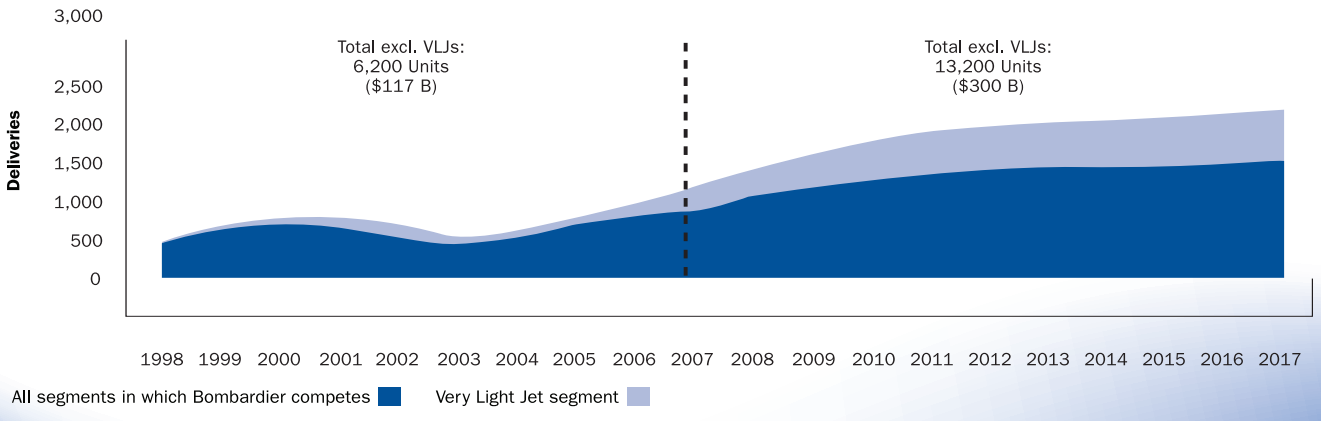
The forecast shows a demand for 13,200 aircraft that will generate $300 billion in total revenue in the Light Jet to Converted Airliner segments over the next 10 years, compared to 6,200 aircraft and $117 billion in total revenue during the previous 10 years.

The weakening of the U.S. economy and, to a certain extent, of the global economy is expected to cause a significant reduction in the demand for business jets as the number of orders will reach a low point of 960 in 2009. This low point will still be stronger than every year prior to 2005. From 2010 until 2017, business jet orders are expected to recover and remain strong. The sizable order intake, coupled with the current backlog, will sustain the growth of deliveries in the long term, which are predicted to reach 1,480 deliveries in 2017 and account for revenues of $34.4 billion excluding the Very Light Jet segment.

Business Jet Industry 10-Year Outlook

Orders and deliveries (units), calendar years, 1998-2017



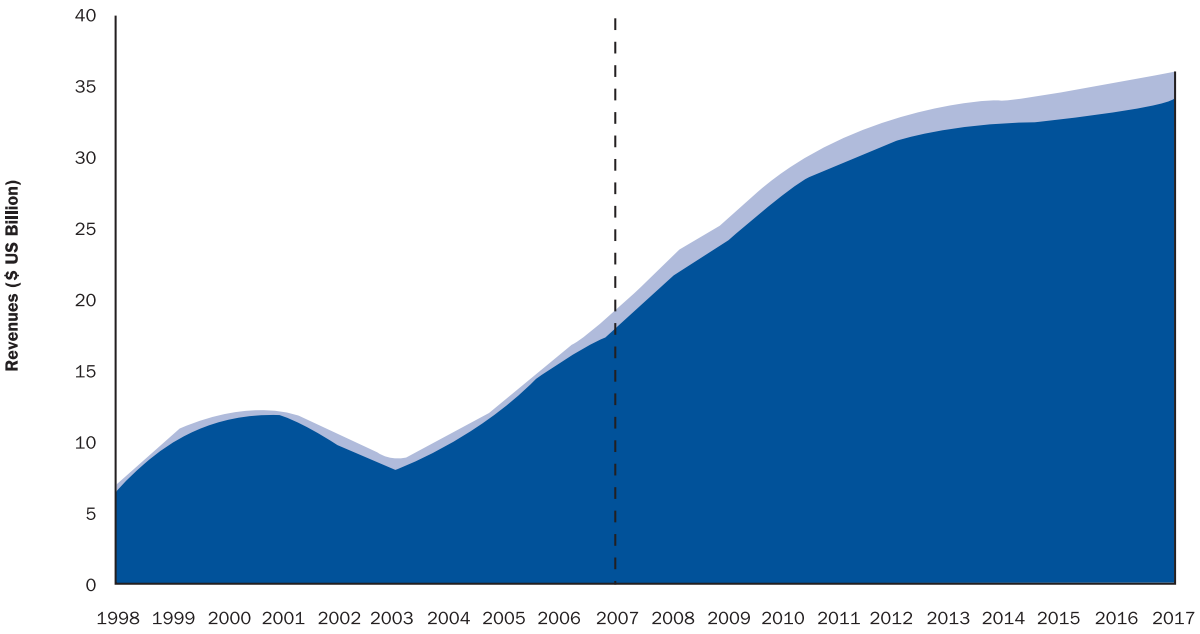


Source: Orders/unit prices estimated from competitive intelligence, OEM guidance.

THE FORECAST

Business Jet Market Revenue Forecast

Constant 2008 US$B; calendar years 1998-2017



Sources: Bombardier Forecast Model; Very Light Jets include CJ1+, CJ2+, Mustang, Premier I, Phenom 100 and Eclipse 500. Prices based on B&CA list prices.

SEGMENT DETAILS

The following segmentation highlights the various aircraft offered on the business jet market. It is based on a combination of market and performance specifications, primarily price, cabin volume, speed, range and takeoff field length.

Business Jet Market Segmentation

	Very Light Jet	Light Jet	Super Light Jet	Midsize Jet	Super Midsize Jet	Large Jet	Super Large Jet	Ultra Long-Range Jet	Converted Airliners
Bombardier		L40XR	L45XR	L60XR	CL-300	CL-605	G5000	GEX-XRS	CL-800 series
				L85					
Cessna	Mustang	CJ3	XLS/+	Sovereign	CX	Columbus			
	CJ1+	CJ4							
	CJ2+	Encore+							
Dassault						F2000DX	F900DX	F7X	
						F2000EX/ LX	F900EX/ LX		
Gulfstream				G150	G200	G350	G450	G500	
								G550	
								G650	
Hawker Beechcraft	Premier 1A/II	H400XP	H750	H850XP	H4000				
				H900XP					
Embraer	Phenom 100	Phenom 300	Legacy 450	Legacy 500					Legacy
									Lineage 1000
Others	Eclipse	SJ30-2							BBJ-series
	HondaJet	Grob SPn							ACJ-series

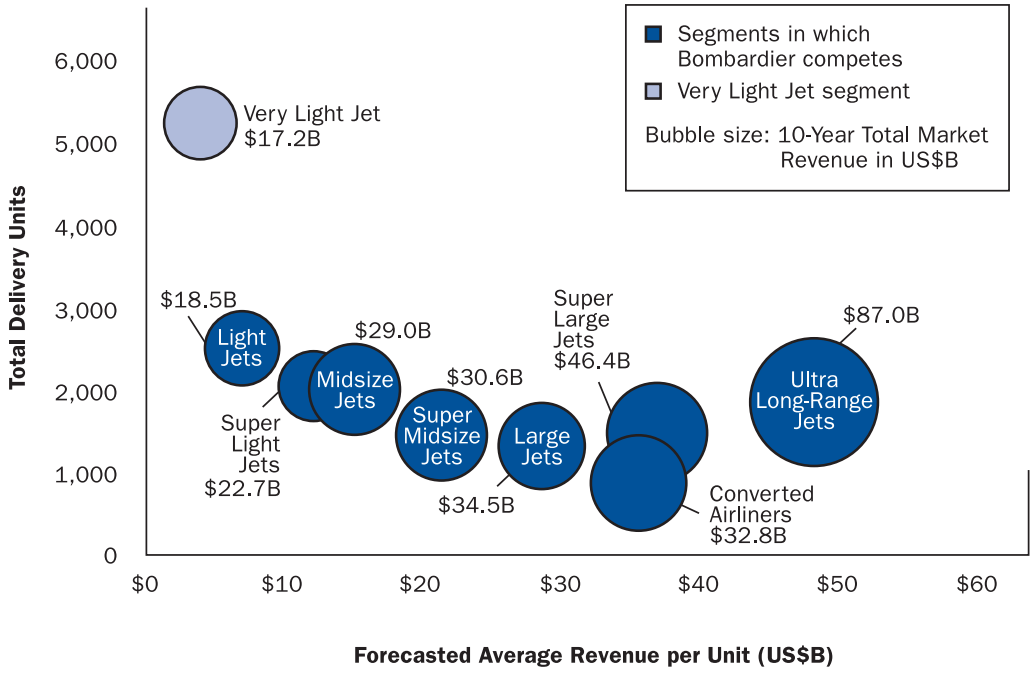
Source: Bombardier

SEGMENT DETAILS

The larger end of the market segmentation (the Large Jet to Converted Airliner segments) is expected to expand faster than the other segments. The recent shift in demand toward more international customers has driven the sales of larger aircraft. Contrary to U.S. customers, who generally enter the market from the bottom and trade up, most international customers purchase their first aircraft within the larger segments.

Business Jet Forecast by Segment

Delivery units, avg. revenue per unit, total market revenue (US$B), constant 2008 $, calendar years 2008-2017



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

SEGMENT DETAILS

Light Jet and Super Light Jet Segments

The Light Jet segment growth is forecasted to continue until 2017, with a peak of 280 aircraft deliveries, representing $2.1 billion during that year. Over the 10-year period the demand for Light Jets could generate 2,460 deliveries, representing 19% of business jet unit deliveries, and generate $18.5 billion, representing 6% of business jet revenues.

The Super Light Jet segment growth is forecasted to continue until 2017, with a peak of 220 aircraft deliveries, representing $2.5 billion during that year. Over the 10-year period the demand for Super Light Jets could generate 1,970 deliveries, representing 15% of business jet unit deliveries, and generate $22.7 billion, representing 8% of business jet revenues.

When compared to other business jet segments, the Light Jet and Super Light Jet segments' value propositions rely on their relative low prices and low operating economics.

Midsize Jet and Super Midsize Jet Segments

The Midsize Jet and Super Midsize Jet segments' value propositions rely on their combination of speed, range, comfort and price.

The Midsize Jet segment growth is forecasted to continue until 2017, with a peak of 210 aircraft deliveries, representing $3 billion during that year. Over the 10-year period the demand for Midsize Jets could generate 1,970 deliveries, representing 15% of business jet unit deliveries, and generate $29 billion, representing 10% of business jet revenues.

The Super Midsize Jet segment growth is forecasted to continue until 2017, with a peak of 160 aircraft deliveries, representing $3.2 billion during that year. Over the 10-year period the demand for Super Midsize Jets could generate 1,480 deliveries, representing 11% of business jet unit deliveries, and generate $30.6 billion, representing 10% of business jet revenues.

SEGMENT DETAILS

Large Jet, Super Large Jet, Ultra Long-Range Jet and Converted Airliner Segments

The larger business jet segments' value proposition relies on a combination of comfort, speed and range to foster demand. Currently, the globalization of the business jet market has shifted the market demand toward larger aircraft that can travel longer distances. Business aviation customers also seem more willing to pay a premium for additional comfort and technology than in the past. This shift in preferences has driven the demand toward the larger market segments.

The Large Jet segment growth is forecasted to continue until 2017, with a peak of 140 aircraft deliveries, representing $4 billion during that year. Over the 10-year period the demand for Large Jets could generate 1,240 deliveries, representing 9% of business jet unit deliveries, and generate $34.5 billion, representing 11% of business jet revenues.

The Super Large Jet segment growth is forecasted to continue until 2017, with a peak of 150 aircraft deliveries, representing $5.4 billion during that year. Over the 10-year period the demand for Super Large Jets could generate 1,280 deliveries, representing 10% of business jet unit deliveries, and generate $46.4 billion, representing 15% of business jet revenues.

The Ultra Long-Range Jet segment growth is forecasted to continue until 2017, with a peak of 220 aircraft deliveries, representing $10.5 billion during that year. Over the 10-year period the demand for Ultra Long-Range Jets could generate 1,840 deliveries, representing 14% of business jet unit deliveries, and generate $87 billion, representing 29% of business jet revenues.

The Converted Airliner segment growth is forecasted to continue until 2017, with a peak of 100 aircraft deliveries, representing $3.5 billion during that year. Over the 10-year period the demand for Converted Airliners could generate 930 deliveries, representing 7% of business jet unit deliveries, and generate $32.8 billion, representing 11% of business jet revenues.

A Note on the Very Light Jet Segment

Depending on various conditions, such as the success of the Air Taxi business models and manufacturers' ability to deliver on their declared production plans, the Very Light Jet segment could become the largest segment in terms of unit deliveries, with an average of 400 annual deliveries, or about 20% of the total units delivered, but only accounting for approximately 5% of the total business jet market revenues (up from 4% during the 1998-2007 period). The consensus within the aviation industry is that the expected wave of Very Light Jet deliveries will certainly have a tangible impact on business aviation with regard to air traffic management, however its financial impact on the business aircraft industry will be limited.

BOMBARDIER AEROSPACE

CONCLUSION

2008 – 2017

CONCLUSION

Overall, OEMs will benefit from a strong demand for business aircraft over the next 10 years. The global economic slowdown should only affect business jet orders in the short term. A strong order backlog, new aircraft programs and the emergence of new non-traditional offerings should support the industry over the long run. Prosperous individuals and corporations and the emergence of business aviation in countries like Russia, China and India should sustain the growth of business aviation and generate new opportunities for business jet manufacturers.

The business jet market should continue to experience strong growth, with deliveries of 13,200 aircraft, representing a revenue stream valued at $300 billion, over the next 10 years. The larger end of the market segmentation (the Large Jet to Converted Airliner segments) is expected to expand faster than the other segments.

The prospect that the business jet market has reached a new level of activity should foster new opportunities for manufacturers and operators, driving innovation both in terms of the design and technology of aircraft and in terms of the solutions offered to business jet owners and travellers. As the size of the business jet market grows, its relative importance inside the global aerospace industry will expand as well as its impact on OEMs' home-based economies. As fuel prices and environmental concerns rise, the green wave is expected to modify customers' requirements from their OEM in the future.

BOMBARDIER AEROSPACE

SOURCES

2008 – 2017

SOURCES

Sources used in the Bombardier Aerospace Business Aircraft Market Forecast

Airclaims database
Aircraft Blue Book Price Digest
AMSTAT
B&CA – Business & Commercial Aviation Magazine
Blue Chip Economic Forecast, May 2008
EIU – Economist Intelligence Unit
Eurostat
Flight International Magazine
GAMA – General Aviation Manufacturers Association
Global Insight
IMF – International Monetary Fund
JETNET database
JP Morgan Business Jet Monthly, April 2008
Merrill Lynch and Cap Gemini 2008 World Wealth Report
Merrill Lynch Bizjet Flight Plan, April 2008
Merrill Lynch Market Economist, April 2008
Morgan Stanley Capital International (MSCI) U.S. Index
NBER – National Bureau of Economic Research
OEMs' financial reports, websites and press releases
UBS Business Jet Monthly, April 2008
U.S. Bureau of Economic Analysis
Weekly of Business Aviation
www.wikipedia.org

For electronic copies of the Bombardier Aerospace Business Aircraft Market Forecast, 2008-2017, please visit our website at: **www.bombardier.com**