



# HOW TO FORECAST IN A CYCLICAL INDUSTRY?

## BOMBARDIER COMMERCIAL AIRCRAFT



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**ICAO AIR TRANSPORT SYMPOSIUM  
MONTREAL, APRIL 19, 2012**



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# FORWARD LOOKING STATEMENTS

This presentation includes forward looking statements, which may involve, but are not limited to, statements with respect to our objectives, targets, goals, priorities and strategies, financial position, beliefs, prospects, plans, expectations, anticipations, estimates and intentions; general economic and business conditions outlook, prospects and trends of the industry; expected growth in demand for products and services; product development, including projected design, characteristics, capacity or performance; expected or scheduled entry into service of products and services, orders, deliveries, testing, lead times, certifications and project execution in general; our competitive position; and the expected impact of the legislative and regulatory environment and legal proceedings on our business and operations. 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, please refer to the Corporation’s MD&A in the fiscal year 2011 annual report.

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 financial condition of the airline industry and major rail operators), operational risks (such as risks related to developing new products and services; doing business with partners; product performance warranty and casualty claim losses; regulatory and legal proceedings; the environment; dependence on certain customers and suppliers; human resources; fixed price commitments and production and project execution), financing risks (such as risks related to liquidity and access to capital markets, certain restrictive debt covenants, financing support provided for the benefit of certain customers and reliance on government support) and market risks (such as risks related to foreign currency fluctuations, changing interest rates, decreases in residual value and increases in commodity prices). For more details, see the Risks and uncertainties section in Other in the MD&A of the Corporation’s annual report for the fiscal year ended January 31, 2011. Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward looking statements. The forward looking statements set forth herein reflect our expectations as at the date of this presentation and are subject to change after such date. Unless otherwise required by applicable securities laws, we expressly disclaim any intention, and assume no obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.

All monetary amounts are expressed in US dollars unless otherwise indicated

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# BOMBARDIER COMMERCIAL AIRCRAFT PRODUCT PORTFOLIO

## Q-SERIES FAMILY



*Optimized  
short-haul  
solution*

## CRJ SERIES FAMILY



*Optimized  
regional  
network  
solution*

## CSERIES FAMILY

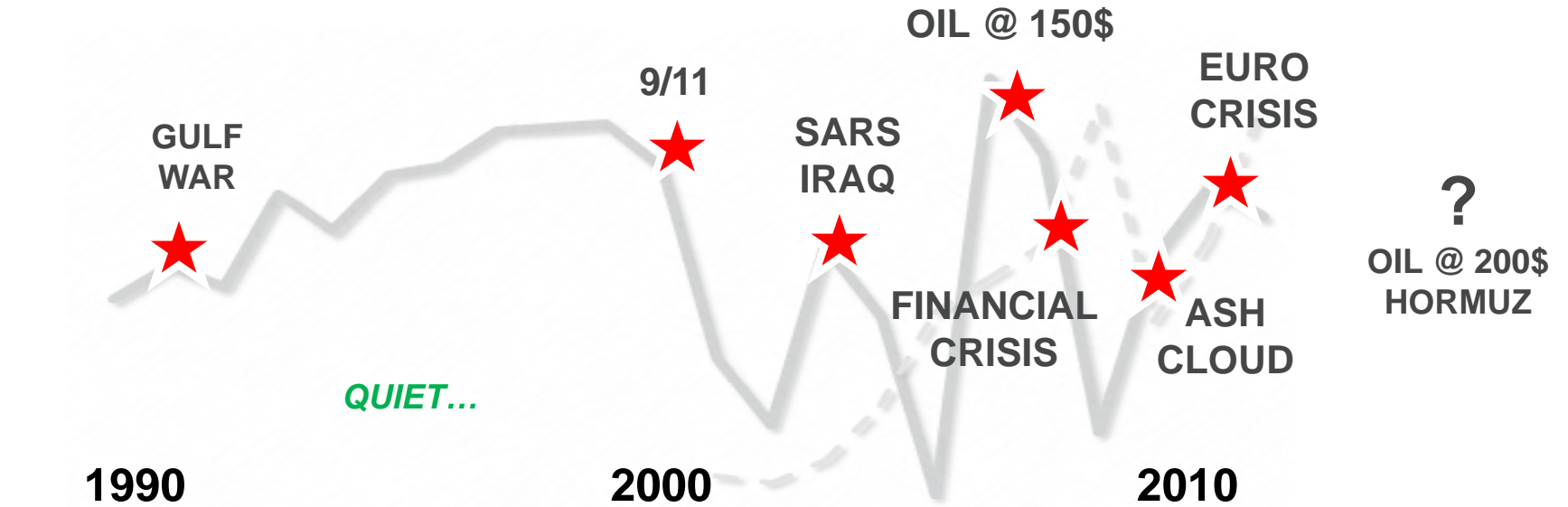


*Optimized  
100- to 149-seat  
market segment  
solution*



# FORECAST VARIABLES ARE INCREASINGLY COMPLEX

ECONOMIC SHOCKS & AIRLINE PROFITS



ARRIVAL OF NEW ENTRANTS  
50- to 219-seat segment



# MATURE MARKETS VS. EMERGING MARKETS: DIFFERENT APPROACHES REQUIRED

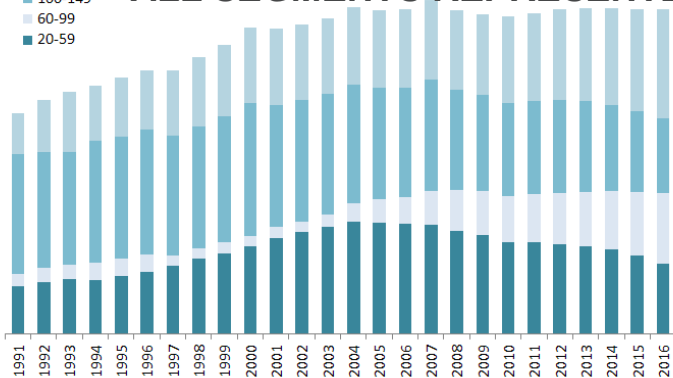
## MATURE MARKETS

*FLEET GROWTH ~ GDP GROWTH*

*ALL SEGMENTS REPRESENTED*



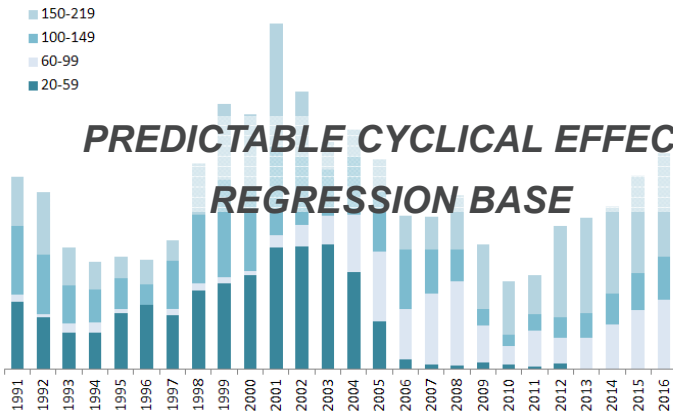
FLEET UNITS



*PREDICTABLE CYCLICAL EFFECT*

*REGRESSION BASE*

DELIVERIES



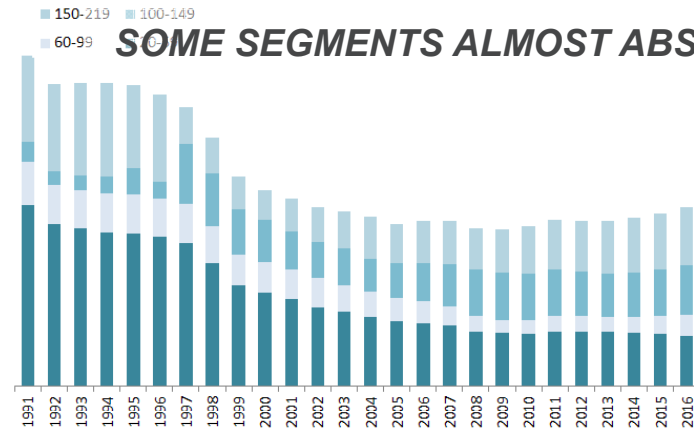
## EMERGING MARKETS

*FLEET GROWTH ≠ GDP GROWTH*

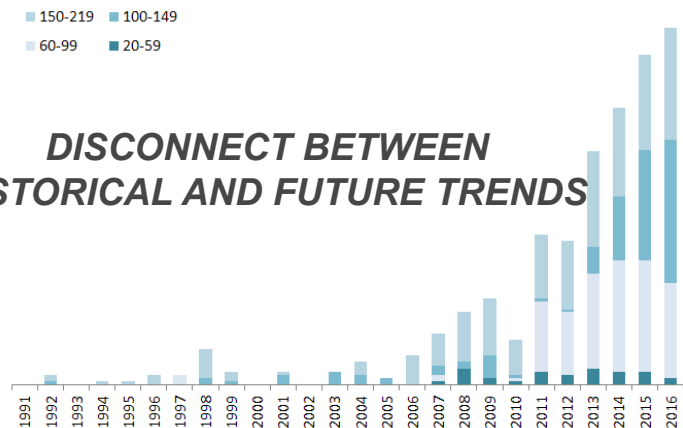
*SOME SEGMENTS ALMOST ABSENT*



FLEET UNITS



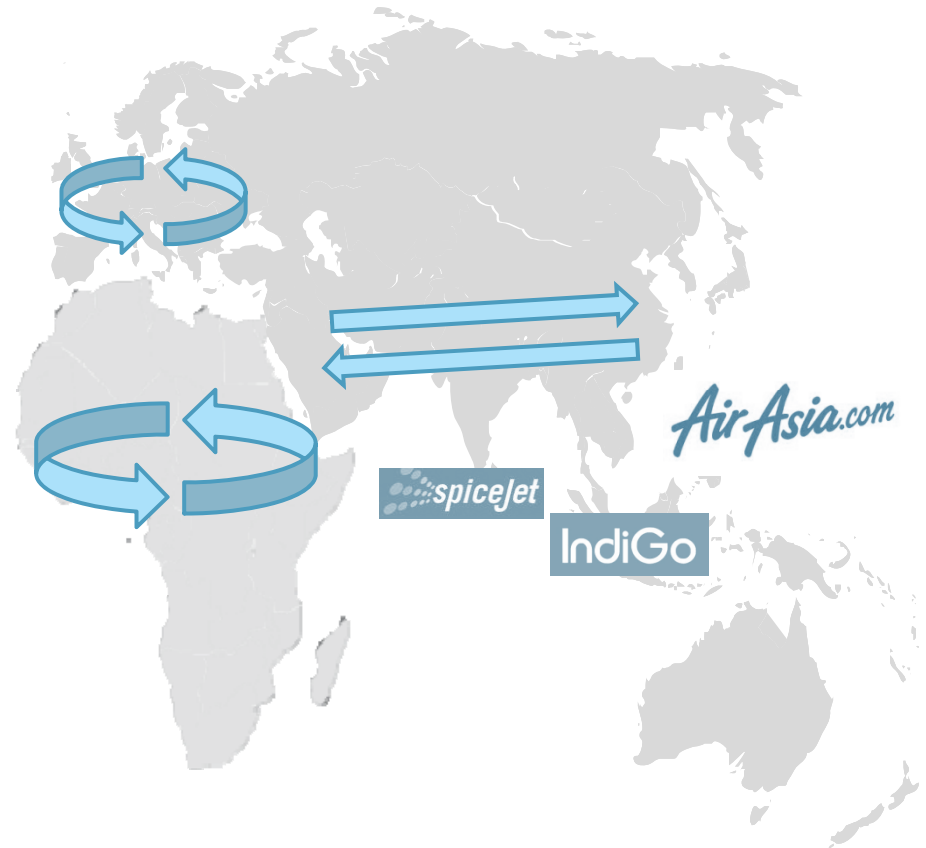
*DISCONNECT BETWEEN  
HISTORICAL AND FUTURE TRENDS*



# MARKET DISTORTION AND STRUCTURAL CHANGES

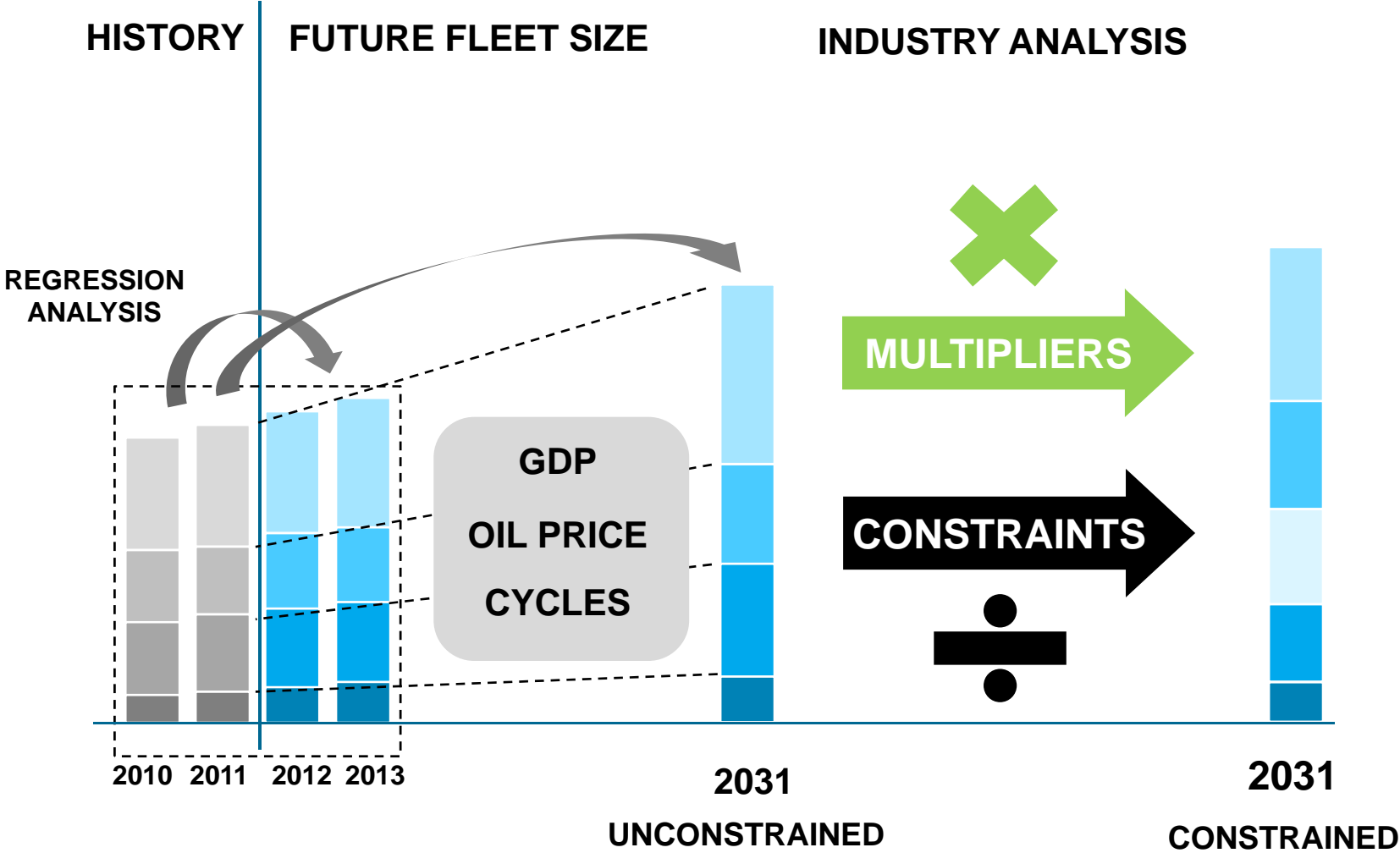
CONSOLIDATION &  
SCOPE CLAUSES

DEREGULATION, NEW BUSINESS MODELS,  
TRAFFIC RIGHTS & MARKET ACCESS



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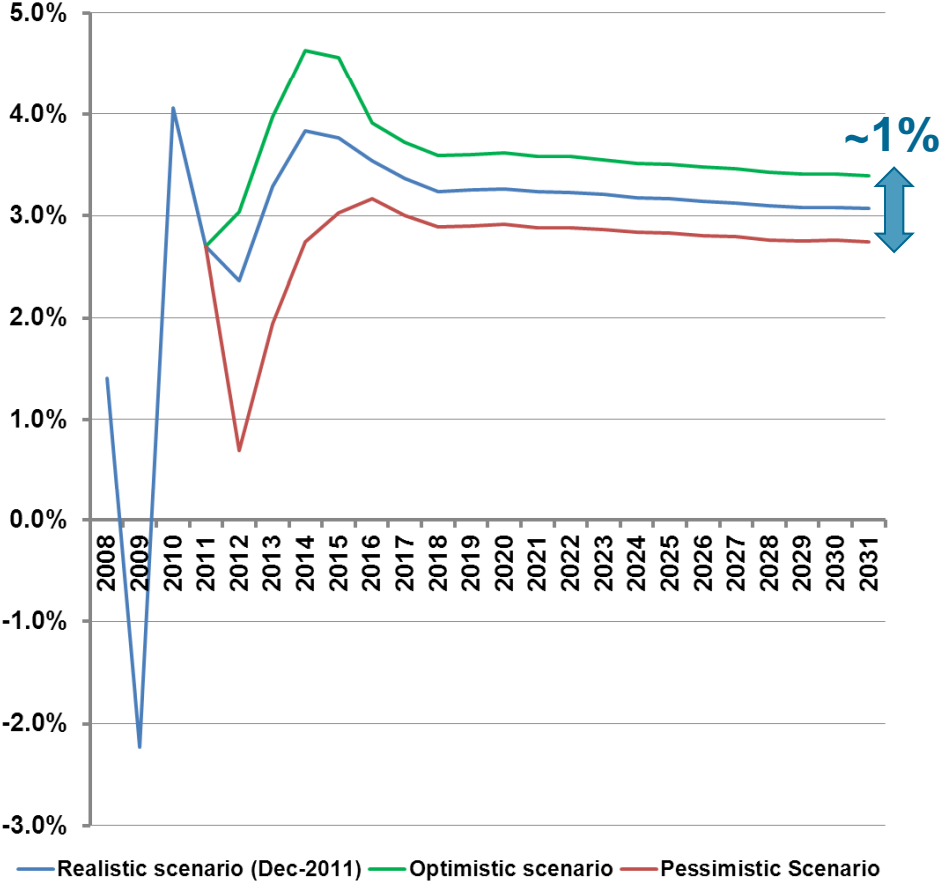
# INDUSTRY CONSTRAINTS AND ACCELERATING FACTORS SUPPLEMENT TRADITIONAL MODELS



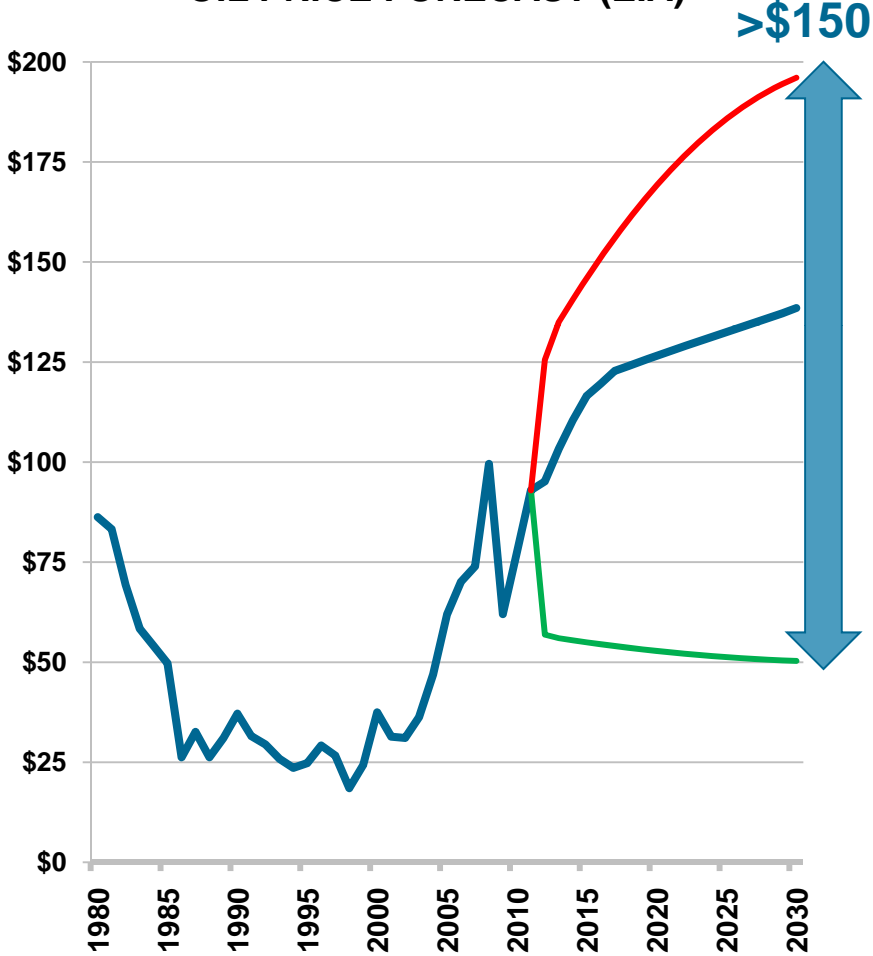


# A BUSINESS ALWAYS NEEDS TO UNDERSTAND HOW BAD OR HOW GOOD IT CAN GET

WORLD REAL GDP GROWTH FORECAST



OIL PRICE FORECAST (EIA)



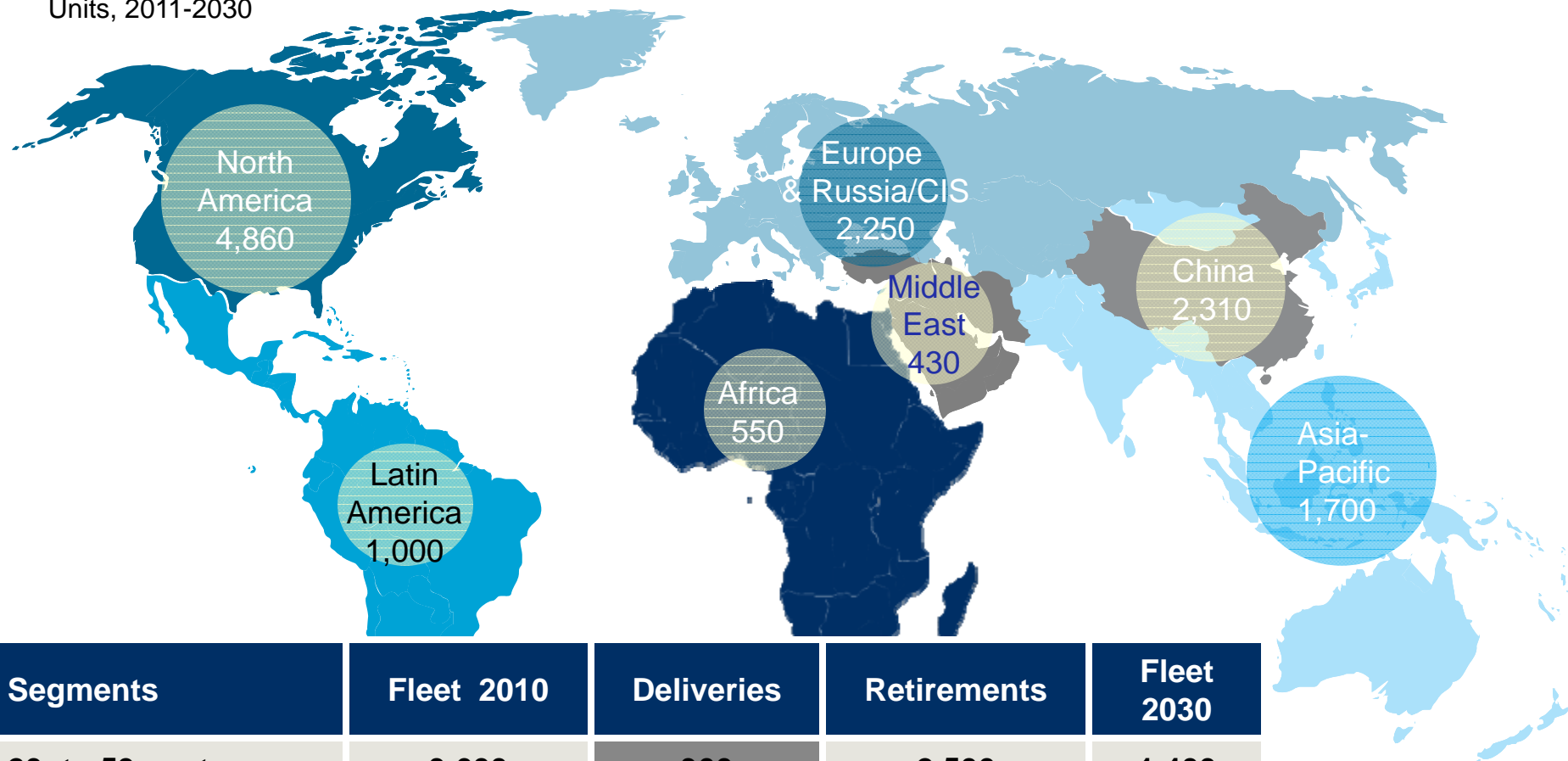
Sources: GDP: IHS Global Insight  
 Oil Price: EIA, Baseline as per AEO2012 Early Release (real 2010 dollars per barrel). Opt & Pess scenarios as per AEO2011.



# BOMBARDIER 20-YEAR MARKET FORECAST

## REGIONAL 20-YEAR DELIVERY OUTLOOK

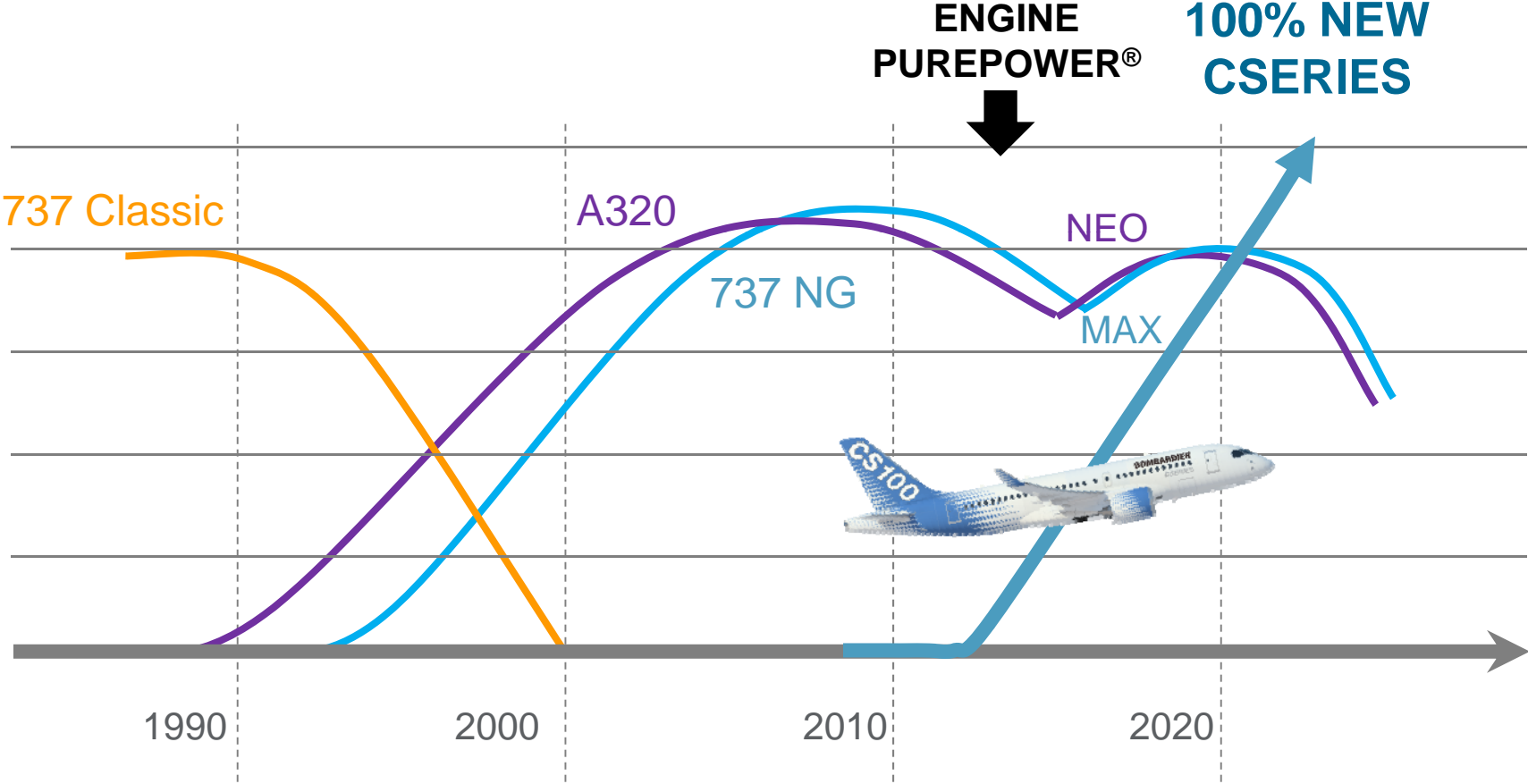
Units, 2011-2030



Segments	Fleet 2010	Deliveries	Retirements	Fleet 2030
20- to 59-seat	3,600	300	2,500	1,400
60- to 99-seat	2,200	5,800	1,200	6,800
100- to 149-seat	5,200	7,000	3,000	9,200
Total (20- to 149-seat)	11,000	13,100	6,700	17,400

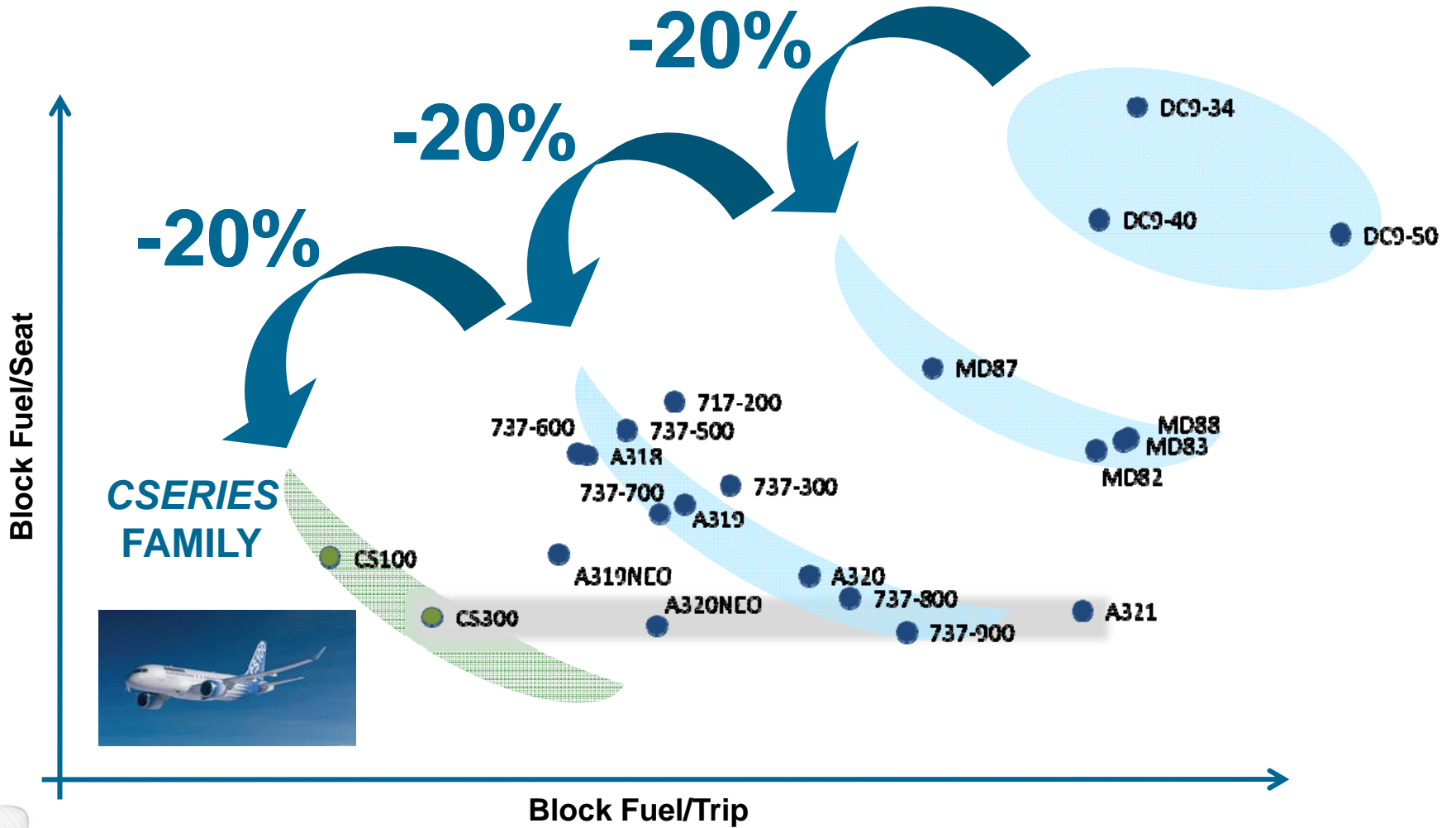
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# UNDERSTANDING FUTURE TECHNOLOGY CYCLES WITH SUPPLIERS AND R&D CENTERS



# THE BEST PROTECTION FOR AN OEM IS TO OFFER THE LOWEST COST & BEST FUEL EFFICIENCY

## Block Fuel Comparison



P11

500nm mission

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BOMBARDIER

COMPATIBLE



C SERIES

C SERIES

**NEXTGEN**

**SESAR**

Next Generation Air Transportation System

**C SERIES**

**BOMBARDIER**

**DRAG COUNT  
VALIDATED**



**CSERIES**

**BOMBARDIER**



**FUEL CONSUMPTION  
VALIDATED**



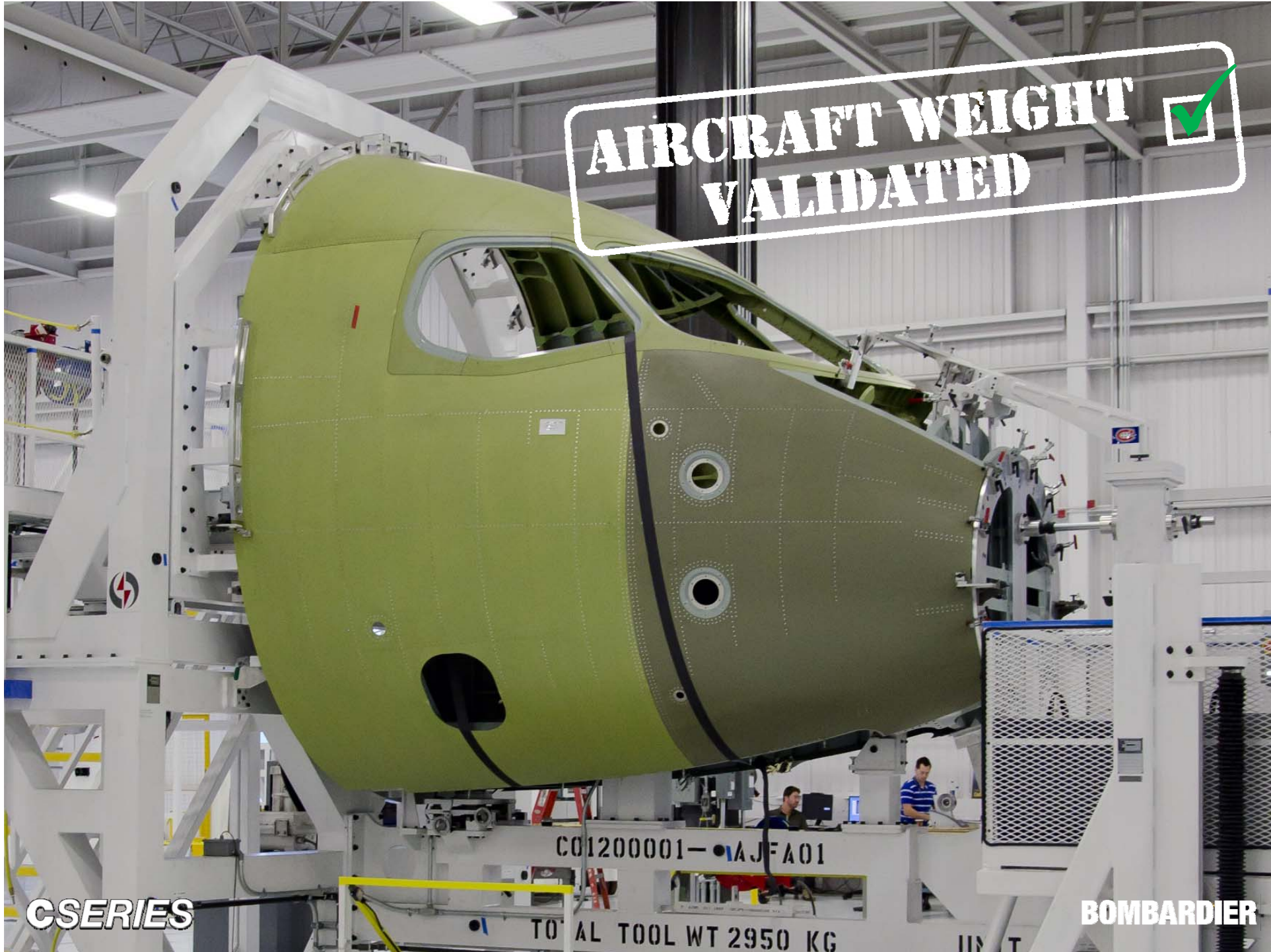
**ENGINE THRUST  
VALIDATED**



**BOMBARDIER**



**AIRCRAFT WEIGHT  
VALIDATED**



**C SERIES**

C01200001 - AJFA01

TOTAL TOOL WT 2950 KG

**BOMBARDIER**



# THANK YOU



**CSERIES**

**BOMBARDIER**