2016-2025
BOMBARDIER BUSINESS AIRCRAFT MARKET FORECAST
FORWARD LOOKING STATEMENTS

This presentation includes forward-looking statements, which may involve, but are not limited to: statements with respect to our objectives, guidance, targets, goals, priorities, our market and strategies, financial position, beliefs, prospects, plans, expectations, anticipations, estimates and intentions; general economic and business outlook, prospects and trends of an 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”, “continue”, “maintain” or “align”, 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 Guidance and forward-looking statements sections in Overview, Bombardier Aerospace and Bombardier Transportation sections in the Management’s Discussion and Analysis (“MD&A”) in the Corporation’s financial report for the fiscal year ended December 31, 2015.

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3. What we should expect in 2016 and 2017
4. Business Aircraft 10-Year Market Forecast
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EXECUTIVE SUMMARY

• Global economic conditions and market trends greatly impact business aviation market demand

• In 2015, the business jet industry was stable, having been supported by the developed economies

• As the emerging economies return to strong growth levels during 2016 to 2017, world GDP is forecasted to reach 3% growth, translating into higher order intake and stronger business aviation activity

• Significant growth is expected in the long term, with larger aircraft continuing to dominate the market

• North America will account for the greatest number of new business jet deliveries between 2016 and 2025 with 3,930 aircraft, followed by Europe, which remains the second largest market with 1,530 deliveries

• Emerging markets Latin America and Greater China will follow in third and fourth place, with 790 and 700 deliveries, respectively, during this 10-year period

• Bombardier Business Aircraft forecasts 8,300 new business jet deliveries (representing $250 billion USD in industry revenues) from 2016 to 2025 in the Light, Medium and Large aircraft segments
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2015 was marked by continued slowdown in the emerging markets

Overview of Major Economies in the World

Source: Adapted from Macquarie Research
New aircraft deliveries have stabilized

**Industry Deliveries (units)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Deliveries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>486</td>
</tr>
<tr>
<td>2005</td>
<td>594</td>
</tr>
<tr>
<td>2006</td>
<td>668</td>
</tr>
<tr>
<td>2007</td>
<td>741</td>
</tr>
<tr>
<td>2008</td>
<td>811</td>
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<tr>
<td>2009</td>
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<td>2011</td>
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<td>2012</td>
<td>536</td>
</tr>
<tr>
<td>2013</td>
<td>565</td>
</tr>
<tr>
<td>2014</td>
<td>601</td>
</tr>
<tr>
<td>2015</td>
<td>607</td>
</tr>
</tbody>
</table>

**Legend**
- Large Category

Excludes Very Light Jet & Large Corporate Airliner Segments

Source: GAMA
Pre-owned inventory in the Large category continued to increase

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1Expressed as an un-weighted average of all pre-owned aircraft (including all OEMs) within each category

Sources: Ascend and JetNet
Bombardier was proactive and took decisive action adjusting to market demand.

### Pre-Owned Inventory Q1 2015 vs. Q1 2016

<table>
<thead>
<tr>
<th>Aircraft</th>
<th>Q1 2015</th>
<th>Q1 2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bombardier Global</td>
<td>62</td>
<td>63</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Gulfstream Large</td>
<td>144</td>
<td>165</td>
<td>+0.7%</td>
</tr>
<tr>
<td>Dassault 7X</td>
<td>18</td>
<td>24</td>
<td>+2%</td>
</tr>
</tbody>
</table>

### 2-Year Residual Values Q1 2015 vs. Q1 2016

<table>
<thead>
<tr>
<th>Aircraft</th>
<th>Q1 2015</th>
<th>Q1 2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global 6000</td>
<td>77.7%</td>
<td>75.8%</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Global 5000</td>
<td>75.6%</td>
<td>71.7%</td>
<td>-5.2%</td>
</tr>
<tr>
<td>G650</td>
<td>110.1%</td>
<td>101.2%</td>
<td>-8.1%</td>
</tr>
<tr>
<td>G550</td>
<td>83.8%</td>
<td>71.7%</td>
<td>-14.4%</td>
</tr>
<tr>
<td>G450</td>
<td>75.6%</td>
<td>61.6%</td>
<td>-18.5%</td>
</tr>
<tr>
<td>F7X</td>
<td>86.0%</td>
<td>81.4%</td>
<td>-5.3%</td>
</tr>
</tbody>
</table>

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1. Introduction and Executive Summary
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In 2016 we forecast deliveries to be down ~10% as OEMs realign to market demand.
Over the next 24 months, we expect emerging markets to recover and stabilize.
As a result, world GDP is forecasted to navigate back towards 3%
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Our econometric model uses four economic variables in three steps:

**Key Variables**

1. **Pre-Owned Inventory**
   - World GDP Growth (Economic Growth)
   - MSCI Index (Economic Expectations)
   - Interest Rate Spread (Financial Expectations)

2. **Orders**
   - World GDP Growth (Economic Growth)
   - WTI Oil Price (Customer purchasing power)
   - Pre-Owned Inventory (% of total fleet)
   - 1Y Residual Value (Pricing conditions)

3. **Deliveries**
   - Deliveries T-1 (Production capabilities)
   - Orders T-1 (Backlog)
1. World GDP growth is strongly correlated to new orders

World GDP Growth and Industry Net Order Growth
[%, 1998-2015]

Correlation coeff. = 0.8 (1998-2015)

Order Growth
GDP Growth

Order Growth YOY, (%)

Sources: Oxford Economics, OEM financial reports and quarterly earnings and Bombardier estimates
Positive stock market return is strongly correlated to deliveries

1 Year Ahead World MSCI Index Return and Aircraft deliveries [%, 1998-2015]

Correlation coeff. = 0.8 (1998-2015)

Sources: Oxford Economics and GAMA
Positive interest rate term spread correlates to higher net order expectations

2 Years Ahead World Term Spreads and Industry Net Order Growth
[%, 1998-2015]

Sources: Oxford Economics, OEM financial reports and quarterly earnings and Bombardier estimates
Oil prices are correlated to new aircraft orders

WTI Oil Price YOY Variation and Industry Net Order Growth
[%, 1998-2015]

Sources: Oxford Economics, OEM financial reports and quarterly earnings and Bombardier estimates
The outlook for the long-term drivers of business jet demand remains strong

**ECONOMIC DRIVERS**

- **WEALTH CREATION**
  - The global economy is expected to continue improving. GDP growth is forecasted to cross the 3% threshold in 2017.

- **GLOBALIZATION OF TRADE**
  - Trade globalization will continue, particularly with and between emerging markets, increasing the need for direct city-to-city access.

- **EMERGING MARKETS**
  - Fleet size in these regions is expected to continue growing as business jet adoption approaches mature market levels.

**INDUSTRY DRIVERS**

- **NEW AIRCRAFT PROGRAMS**
  - Introduction of new programs, particularly in the Large category, will generate new orders. The Light and Medium categories will be constrained by lack of clean sheet design introductions.

- **REPLACEMENT DEMAND**
  - Retirements will accelerate. However, given persisting low residual values despite lower inventories, the Light and Medium categories will be constrained.

- **ACCESSIBILITY**
  - Operators in the charter and fractional market are renewing their fleets. International expansion will drive future growth.
We forecast 8,300 aircraft deliveries over the next 10 years.
We forecast 3,100 aircraft deliveries in the Light category

**Light category**

**KEY CHARACTERISTICS**

- **Typical Purchase Price**
  - $8-20 M

- **Cabin Volume**
  - 300 ft³ to 700 ft³

- **Range**
  - 2,000 to 3,000 NM
  - Equivalent to 20%-30% of global coverage

**10-YEAR FORECAST**

- **Fleet 2015**: 8,850
- **Deliveries**: 3,100
- **Retirements**: 1,100
- **2025 Fleet**: 10,850

Light category aircraft offer intraregional range at an entry-level cost.

Light category will generate a total of 3,100 deliveries from 2016 to 2025.

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1 Cabin volume of 19.8 m³ to 42.5 m³
We forecast 2,800 aircraft deliveries in the Medium category

**Medium category**

**KEY CHARACTERISTICS**

- **Typical Purchase Price**: $20-40 M
- **Cabin Volume**: 700 ft³ to 1,500 ft³
- **Range**: 3,100 to 5,000 NM

**10-Year Forecast**

- Fleet 2015: 5,475
- Deliveries: 2,800
- Retirements: 680
- 2025 Fleet: 7,595

Medium category aircraft offer greater cabin comfort, range and speed.

Medium category will generate a total of 2,800 deliveries from 2016 to 2025.

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1 Cabin volume of 19.8 m³ to 42.5 m³
We forecast 2,400 aircraft deliveries in the Large category

**Large category**

<table>
<thead>
<tr>
<th>KEY CHARACTERISTICS</th>
<th>10-YEAR FORECAST</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TYPICAL PURCHASE PRICE</strong></td>
<td><strong>1,860</strong> FLEET 2015</td>
</tr>
<tr>
<td>$40-75 M</td>
<td><strong>2,400</strong> + DELIVERIES</td>
</tr>
<tr>
<td><strong>CABIN VOLUME</strong></td>
<td><strong>220</strong> - RETIREMENTS</td>
</tr>
<tr>
<td>&gt;1,500 ft³</td>
<td><strong>4,040</strong> = 2025 FLEET</td>
</tr>
<tr>
<td><strong>RANGE</strong></td>
<td>Large category aircraft offer greatest</td>
</tr>
<tr>
<td>&gt;5,000 NM</td>
<td>cabin comfort, range and speed</td>
</tr>
<tr>
<td>Equivalent to &gt;50% of global coverage</td>
<td>Large category will generate a total</td>
</tr>
<tr>
<td></td>
<td>of 2,400 deliveries from 2016 to 2025</td>
</tr>
</tbody>
</table>

1 Cabin volume >42.5 m³
North America, Europe, Latin America and Greater China will be the largest markets for business aircraft over the next 10 years.

- **North America**: 3,930 deliveries
- **Europe**: 1,530 deliveries
- **Middle East**: 350 deliveries
- **Greater China**: 700 deliveries
- **Africa**: 790 deliveries
- **CIS**: 400 deliveries
- **South Asia**: 200 deliveries
- **Asia Pacific**: 200 deliveries

**Total 2016-2025**: 8,300 deliveries
FORECAST BY REGION
NORTH AMERICA

2016-2025 OUTLOOK

- Average economic growth of 2.2% per year
- Fleet compound annual growth rate of 2%
- Will remain the largest market for business aircraft

KEY FACTS

- Forecasted to receive 3,930 deliveries valued at $105 billion
- Light and Medium category aircraft account for over 80% of deliveries
- Birthplace of business aviation
- Largest market for business aircraft

10,355
FLEET 2015

3,930
+ DELIVERIES

1,390
- RETIREMENTS

12,895
FLEET 2025

GDP PER CAPITA (USD, LOG SCALE)

FLEET, PER 100 MILLION POPULATION (LOG SCALE)
FORECAST BY REGION EUROPE

2016-2025 OUTLOOK

- Average economic growth of 2.0% per year
- Fleet compound annual growth rate of 7%
- Will remain the 2nd largest market for business aircraft

KEY FACTS

- Forecasted to receive 1,530 deliveries valued at $55 billion
- Light and Medium category aircraft account for over 60% of deliveries

- 2nd largest market for business aviation

<table>
<thead>
<tr>
<th>FLEET 2015</th>
<th>FLEET 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,435</td>
<td>2,835</td>
</tr>
<tr>
<td>+ DELIVERIES</td>
<td>- RETIREMENTS</td>
</tr>
<tr>
<td>1,530</td>
<td>130</td>
</tr>
</tbody>
</table>

GDP PER CAPITA (USD, LOG SCALE)
FORECAST BY REGION
LATIN AMERICA

2016-2025 OUTLOOK

- Average economic growth of 2.3% per year
- Fleet compound annual growth rate of 2.2%
- Forecasted to receive 790 deliveries valued at $20 billion

KEY FACTS

- 3rd largest market for business aviation and relatively mature market for business jets
- Argentina, Brazil, Mexico and Venezuela make up over 80% of the regional fleet

2,015 FLEET 2015
790 + DELIVERIES
305 - RETIREMENTS
2,500 FLEET 2025

GDP PER CAPITA (USD, LOG SCALE)
FLEET PER 100 MILLION POPULATION (LOG SCALE)
FORECAST BY REGION
GREAT CHINA

2016-2025 OUTLOOK

• Average economic growth of 5.6% per year
• Fleet compound annual growth rate of 10%

KEY FACTS

• Forecasted to receive 700 deliveries valued at $25 billion
• Medium and Large category aircraft account for over 90% of deliveries

• Exceedingly fast fleet growth over the last ten years at more than 20% per year

405 FLEET 2015
700 + DELIVERIES
10 - RETIREMENTS
1,095 FLEET 2025

BOMBARDIER BUSINESS AIRCRAFT • MARKET FORECAST 2016-2025
FORECAST BY REGION
CIS

2016-2025 OUTLOOK

- Average economic growth of 2.2% per year
- Fleet compound annual growth rate of 5%

- Forecasted to receive 400 deliveries valued at $11 billion
- Medium and Large category aircraft account for over 65% of deliveries

KEY FACTS

- Business aviation in CIS began in the early 1990s
- Fleet has grown by nearly 7% per year since the early 1990s

FLEET 2015

595

FLEET 2025

980

+ DELIVERIES

400

- RETIREMENTS

15

2,500

105

GDP PER CAPITA (USD, LOG SCALE)

FLEET PER 100 MILLION POPULATION (LOG SCALE)
FORECAST BY REGION
MIDDLE EAST

2016-2025 OUTLOOK

• Average economic growth of 3.3% per year
• Fleet compound annual growth rate of 6%
• Forecasted to receive 350 deliveries valued at $12 billion
• Medium and Large category aircraft account for over 95% of deliveries

KEY FACTS

• Remains a promising market for business aviation
• Long distances between cities and difficult ground transportation drive the need for business aviation

410
FLEET 2015

350
+ DELIVERIES

30
- RETIREMENTS

730
FLEET 2025

GDP PER CAPITA (USD, LOG SCALE)

FLEET PER 100 MILLION
POPULATION (LOG SCALE)
FORECAST BY REGION
ASIA PACIFIC

2016-2025 OUTLOOK

- Average economic growth of 2.3% per year
- Fleet compound annual growth rate of 3%

KEY FACTS

- Forecasted to receive 200 deliveries valued at $7 billion
- Medium and Large category aircraft account for over 65% of deliveries
- Geographic position necessitates the need for long-range aircraft

FLEET 2015

435

FLEET 2025

585

200

50

105

2,500

+ DELIVERIES

- RETIREMENTS
FORECAST BY REGION
SOUTH ASIA

2016-2025 OUTLOOK

- Average economic growth of 6.2% per year
- Fleet compound annual growth rate of 8.5%
- Forecasted to receive 200 deliveries valued at $8 billion
- Medium and Large category aircraft account for over 70% of deliveries

KEY FACTS

- Continues to develop its regional business aviation market
- Infrastructure and regulatory environment continue to slowly improve

<table>
<thead>
<tr>
<th>155</th>
<th>200</th>
<th>10</th>
<th>345</th>
</tr>
</thead>
<tbody>
<tr>
<td>FLEET 2015</td>
<td>+ DELIVERIES</td>
<td>- RETIREMENTS</td>
<td>FLEET 2025</td>
</tr>
<tr>
<td>100</td>
<td>1005</td>
<td>2000</td>
<td>345</td>
</tr>
</tbody>
</table>
FORECAST BY REGION AFRICA

2016-2025 OUTLOOK

- Average economic growth of 4.4% per year
- Fleet compound annual growth rate of 3.2%
- Forecasted to receive 200 deliveries valued at $7 billion
- Light and Medium category aircraft account for over 80% of deliveries

KEY FACTS

- Important market for business aircraft
- Fleet size has more than doubled in the past 10 years

<table>
<thead>
<tr>
<th>FLEET 2015</th>
<th>FLEET 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>380</td>
<td>520</td>
</tr>
<tr>
<td>100 + DELIVERIES</td>
<td>200</td>
</tr>
<tr>
<td>60 - RETIREMENTS</td>
<td>2,800</td>
</tr>
</tbody>
</table>
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CONCLUSION

• Bombardier Business Aircraft’s 2016 edition of the Business Aircraft Market Forecast predicts a promising future for business aviation in the years ahead.

• In the next 24 months, as the collective world economy returns to strong growth, the business jet industry will progress.

• The long term remains favorable for business aviation.

• Over the next 10 years, we expect Large category aircraft to represent half of overall revenues at $130 billion while Medium and Light category aircraft will amount to $84 billion and $36 billion, respectively.

• Emerging markets like Latin America, China and Russia will once again be key drivers to future growth as present challenges in these markets subside.

• With the most extensive product portfolio of any business aircraft manufacturer, Bombardier is well positioned to lead the industry forward.
RESOURCES

- Aircraft BlueBook
- Ascend
- Bloomberg
- General Aviation Manufacturers Association (GAMA)
- IHS Global Insight World Economic Outlook, January 2016
- Macquarie Research
- JetNet
- Oxford Economics
- NEXA Advisors
CELEBRATING THE 10-YEAR ANNIVERSARY OF THE BOMBARDIER BUSINESS AIRCRAFT MARKET FORECAST

Thank you for your support for the past 10 years