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.

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 rail industry, political instability and force majeure), operational risks (such as risks related to developing new products and services; fixed-price commitments and production and project execution; 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), financing risks (such as risks related to liquidity and access to capital markets, retirement benefit plan risk, exposure to credit risk, 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 values and increases in commodity prices). For more details, see the Risks and uncertainties section in Other in the MD&A, the Corporation's financial report for the fiscal year ended December 31, 2015. 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.

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4 Business Aircraft 10-Year Market Forecast

5 Conclusion

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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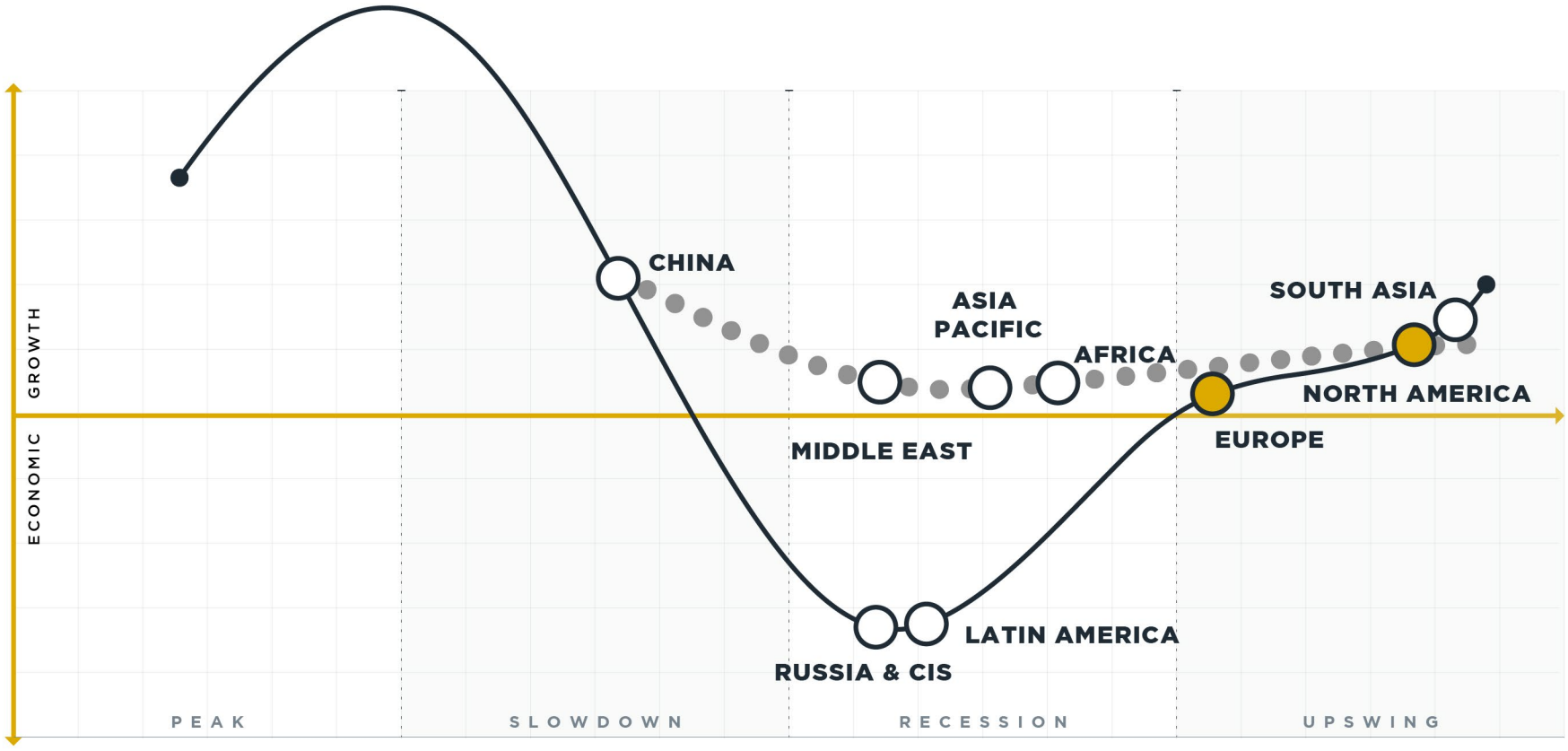
2015 was marked by continued slowdown in the emerging markets

Overview of Major Economies in the World



Source: Adapted from Macquarie Research

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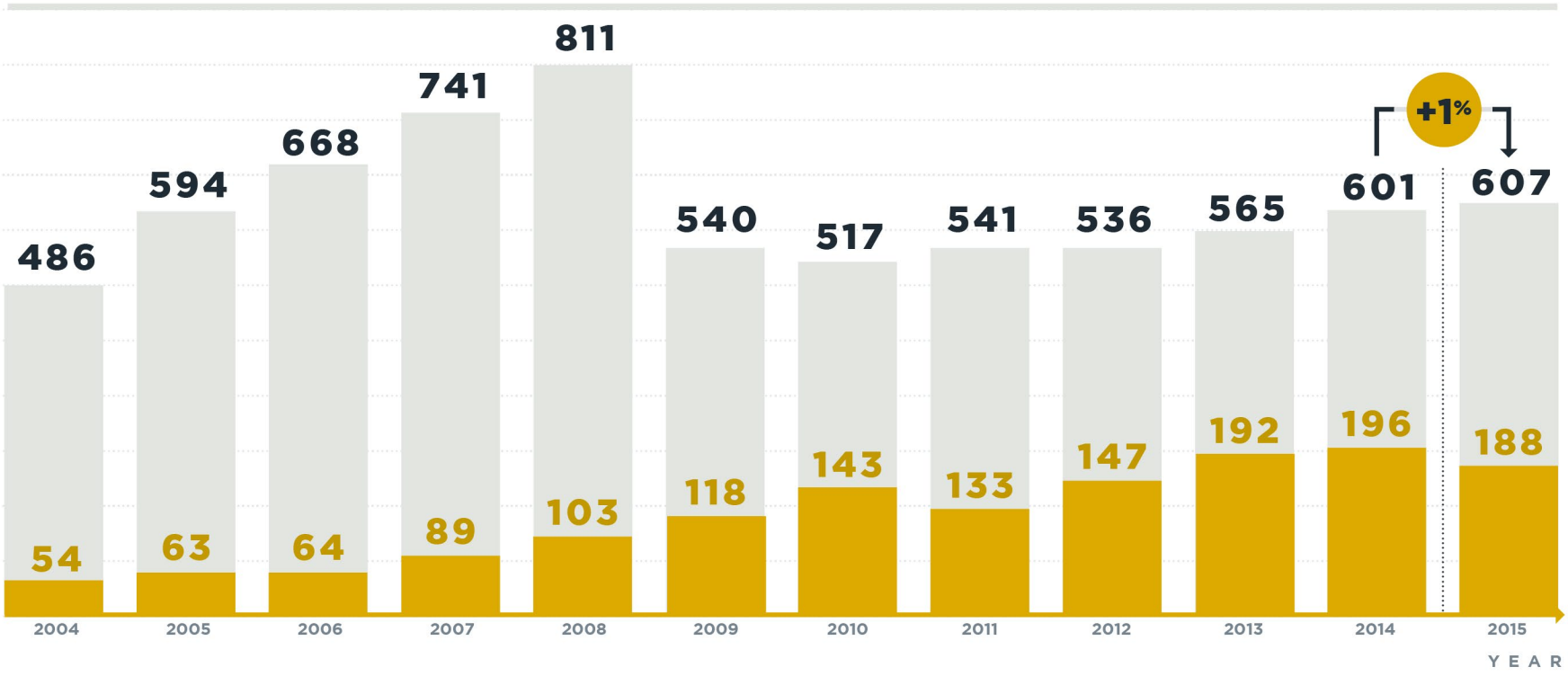
New aircraft deliveries have stabilized

Industry Deliveries (units)



Excludes Very Light Jet & Large Corporate Airliner Segments

Source: GAMA

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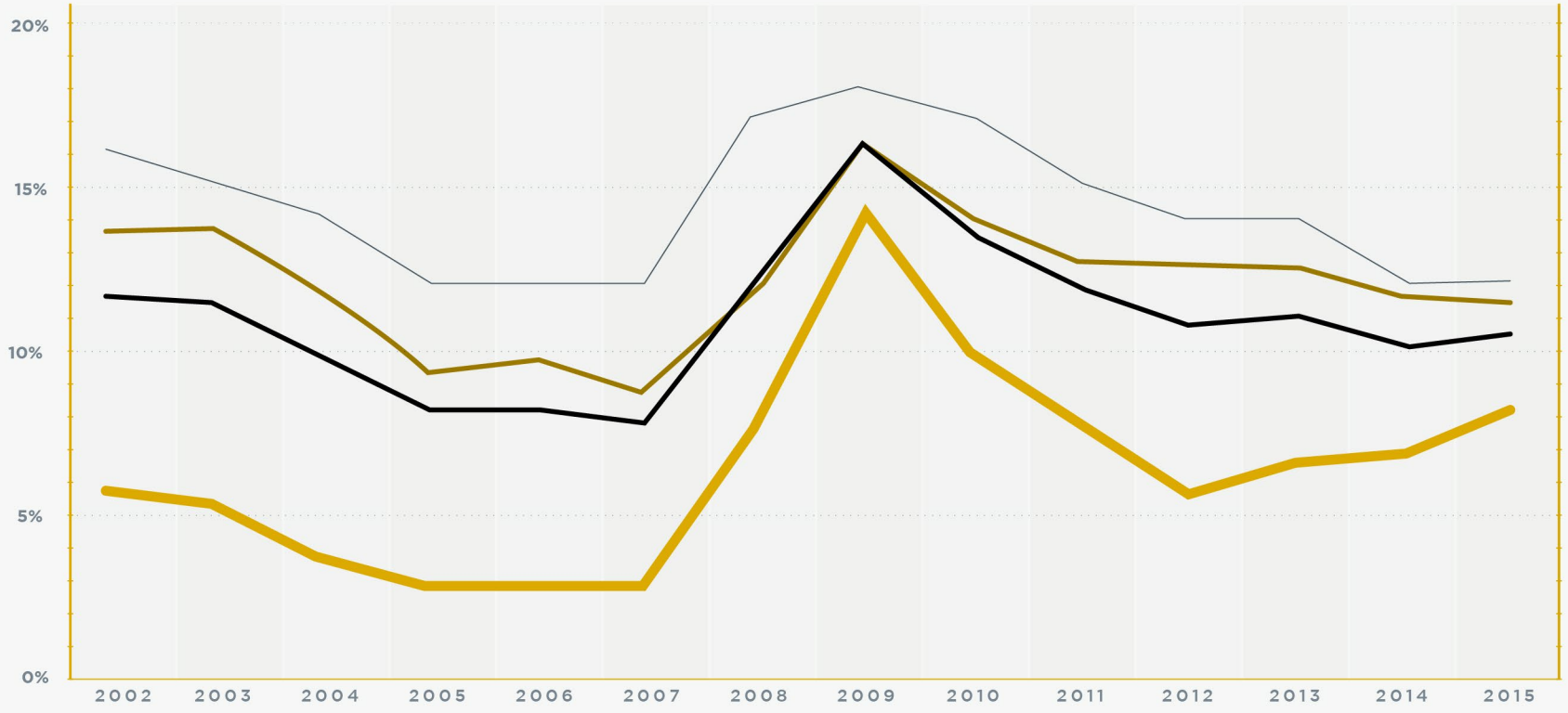
Pre-owned inventory in the Large category continued to increase

PRE-OWNED INVENTORY[1]
[% of Fleet, 2002 – 2015]



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

Sources: Ascend and JetNet

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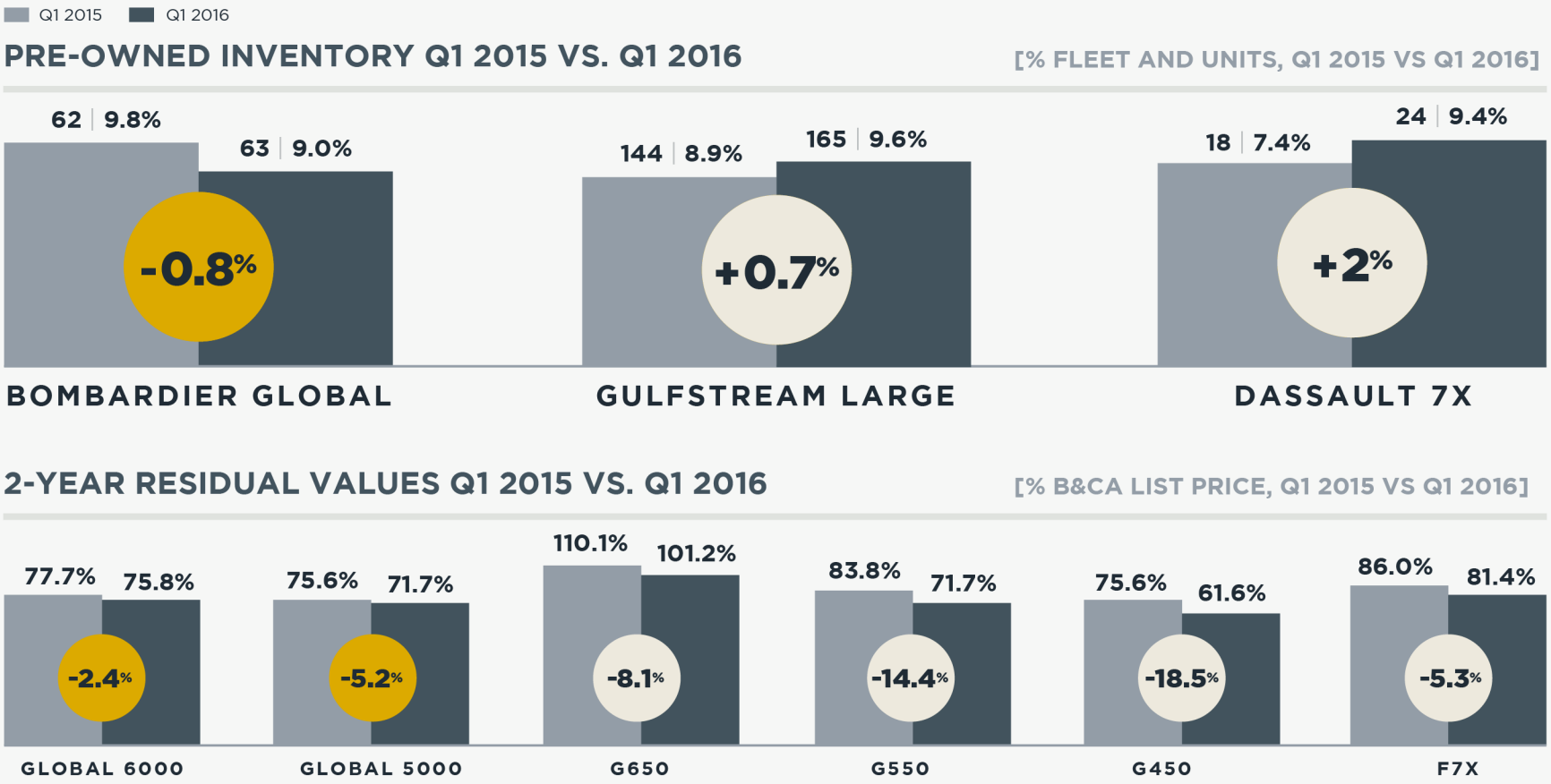
Bombardier was proactive and took decisive action adjusting to market demand



Sources: Aircraft Bluebook, Business & Commercial Aviation Purchase Planning Handbook, JetNet, and Ascend

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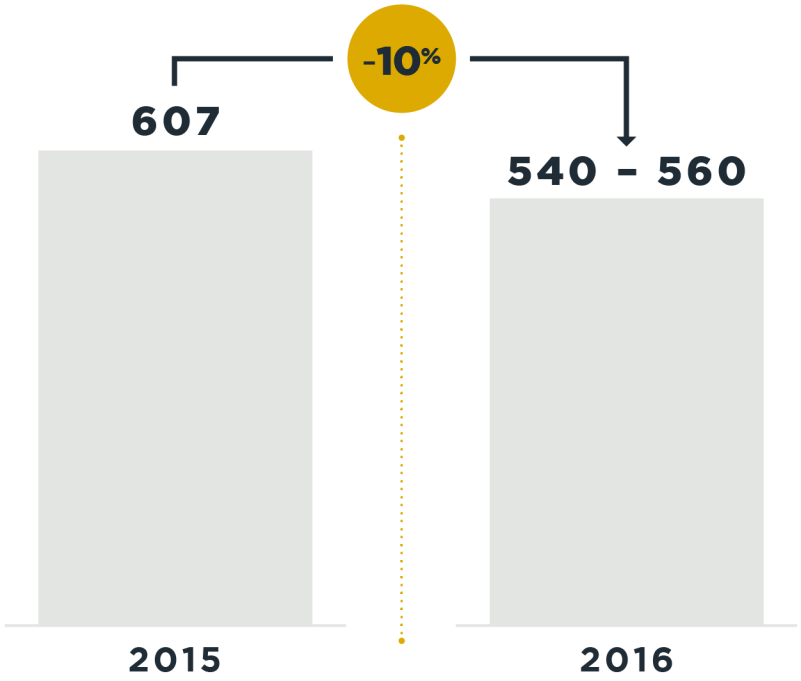
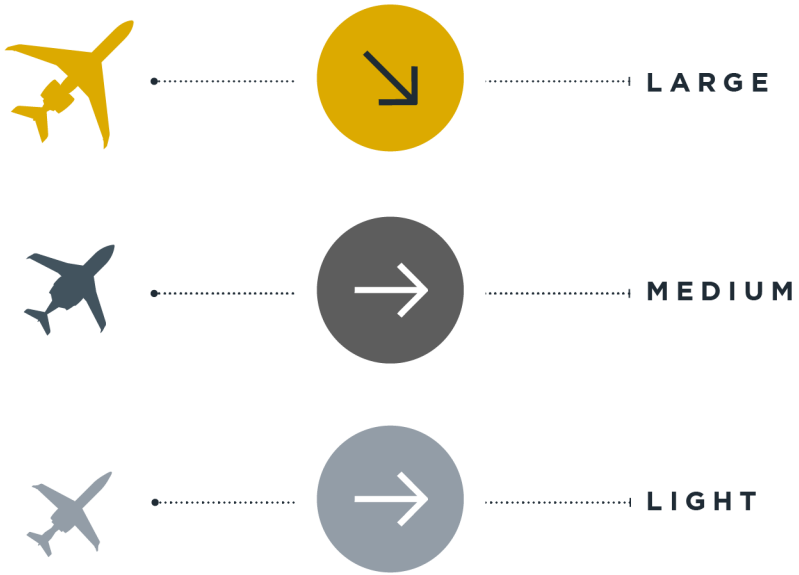
In 2016 we forecast deliveries to be down ~10% as OEMs realign to market demand

TOTAL INDUSTRY DELIVERIES

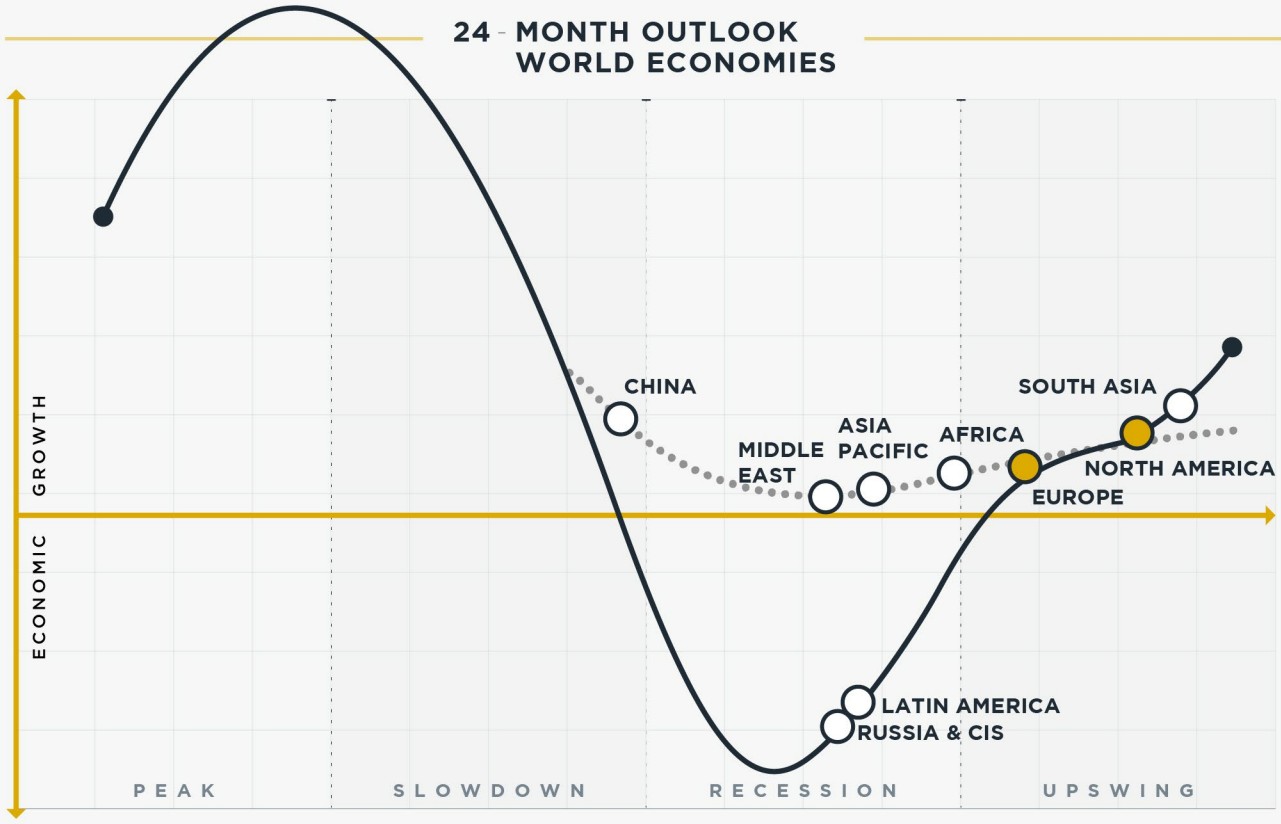


DELIVERY TRENDS PER CATEGORY



Source: GAMA (2015)

Over the next 24 months, we expect emerging markets to recover and stabilize



LEGEND

- Largest Business Jet Markets
- Emerging Markets
- Regular Economic Cycle
- Alternate Economic Cycle

REGIONS	GDP GROWTH
World	2.5% ↗
North America	2.1% →
Europe	1.8% →
Latin America	-0.3% ↗
Russia & CIS	-0.6% ↗
China	5.8% ↓
Middle East	2.7% ↗
Africa	3.4% ↗
Asia Pacific	2.2% ↗
South Asia	6.9% →

Source: Adapted from Macquarie Research

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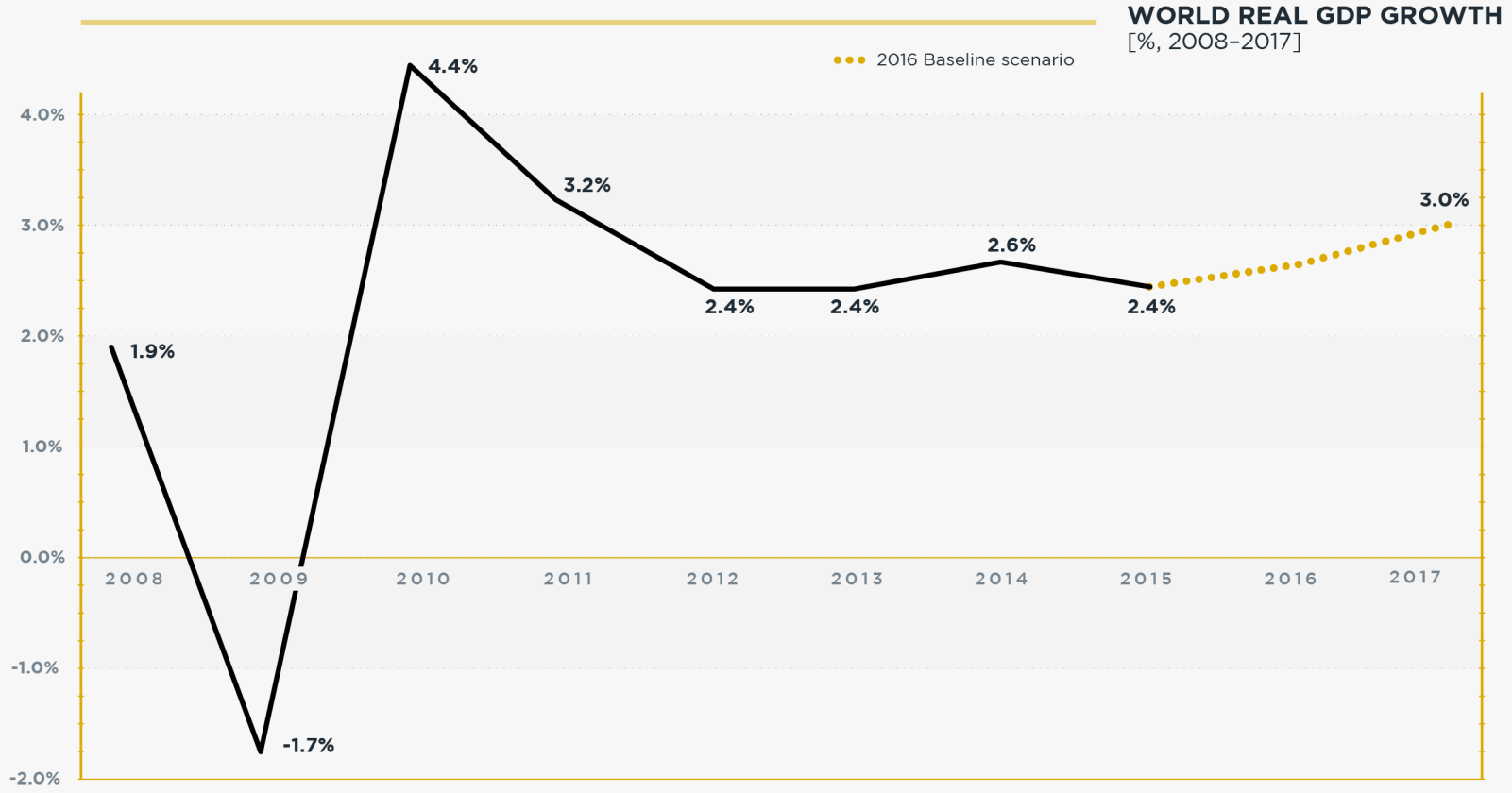
As a result, world GDP is forecasted to navigate back towards 3%



Source: Oxford Economics

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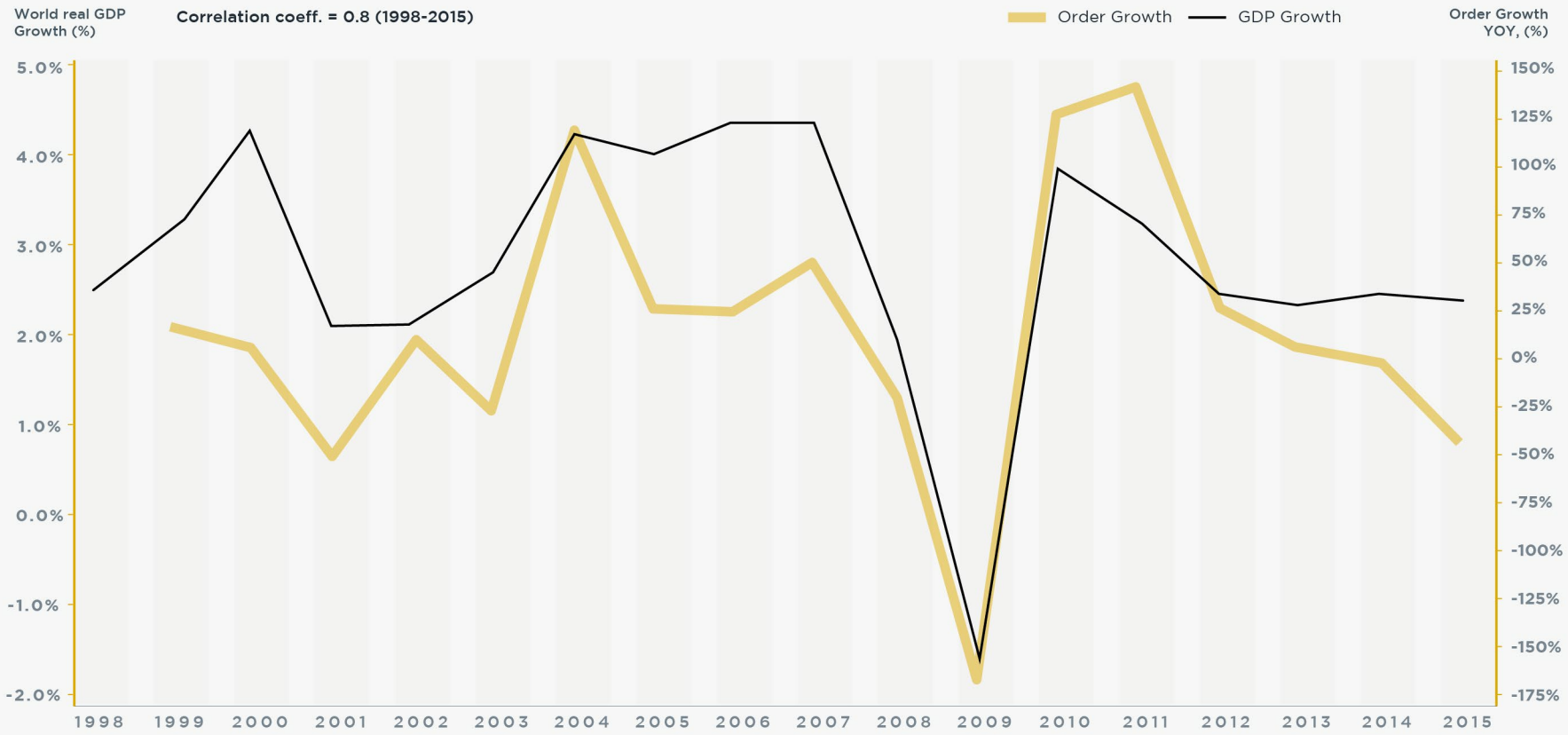
Our econometric model uses four economic variables in three steps

	PRE-OWNED INVENTORY	ORDERS	DELIVERIES
KEY VARIABLES	=	=	=
SUPPORTING DRIVERS	WORLD GDP GROWTH (Economic Growth)	WORLD GDP GROWTH (Economic Growth)	WORLD GDP GROWTH (Economic Growth)
	+	+	+
	MSCI INDEX (Economic Expectations)	WTI OIL PRICE (Customer purchasing power)	DELIVERIES T-1 (Production capabilities)
	+	+	+
	INTEREST RATE SPREAD (Financial Expectations)	PREOWNED INVENTORY (% of total fleet)	ORDERS T-1 (Backlog)
		+	
		1Y RESIDUAL VALUE (Pricing conditions)	

1 World GDP growth is strongly correlated to new orders

World GDP Growth and Industry Net Order Growth

[%, 1998-2015]



Sources: Oxford Economics, OEM financial reports and quarterly earnings and Bombardier estimates

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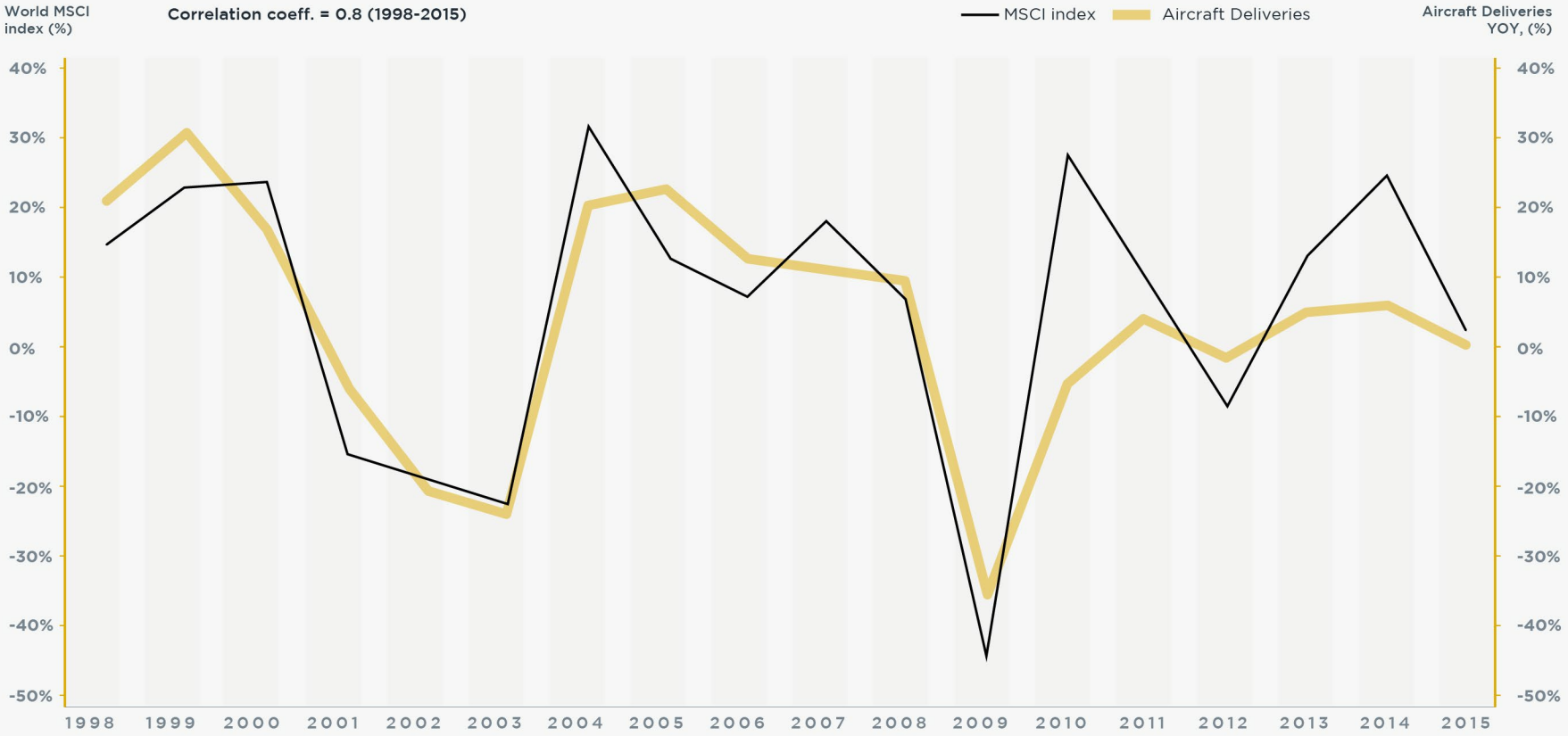
2 Positive stock market return is strongly correlated to deliveries

1 Year Ahead World MSCI Index Return and Aircraft deliveries

[%, 1998-2015]

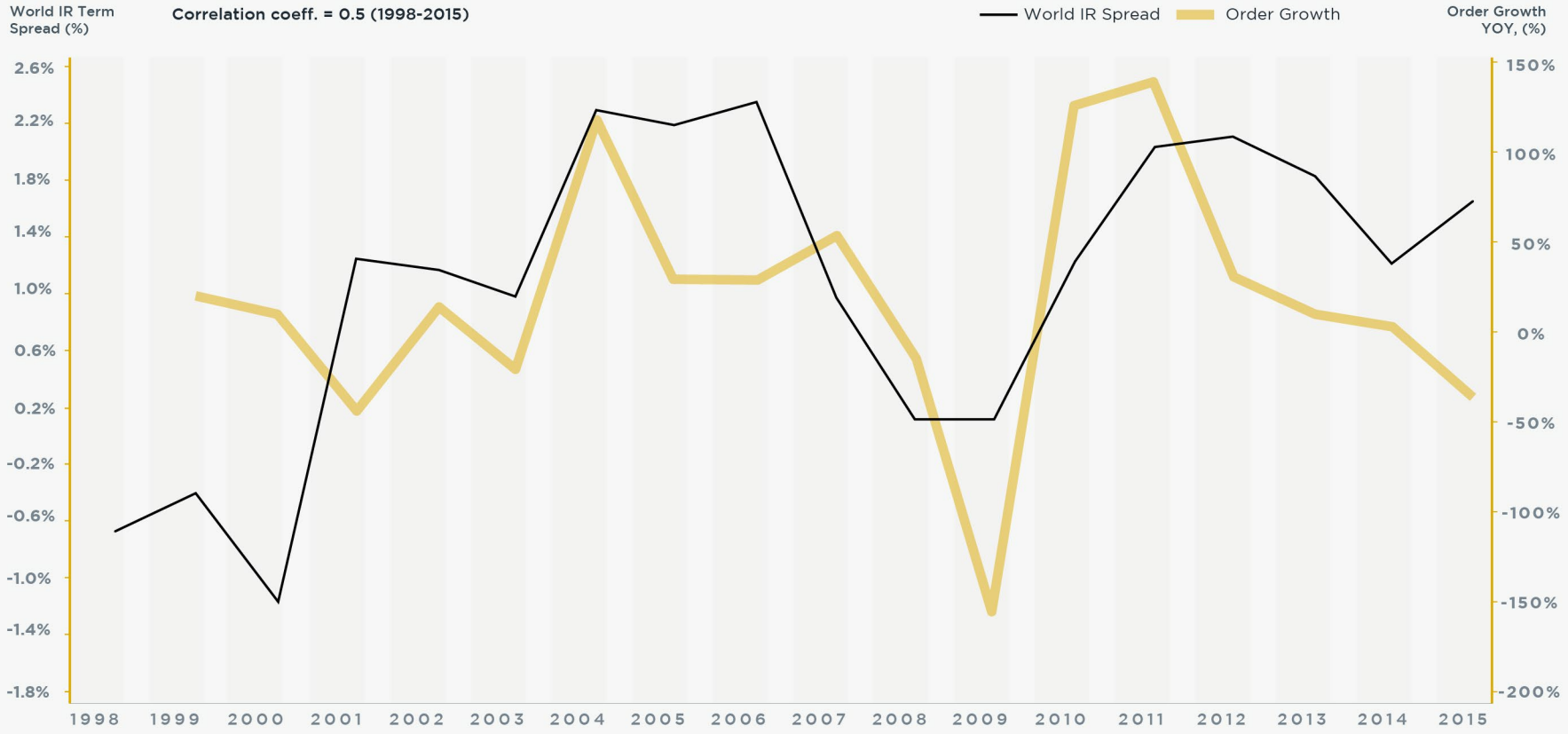


Sources: Oxford Economics and GAMA

3 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

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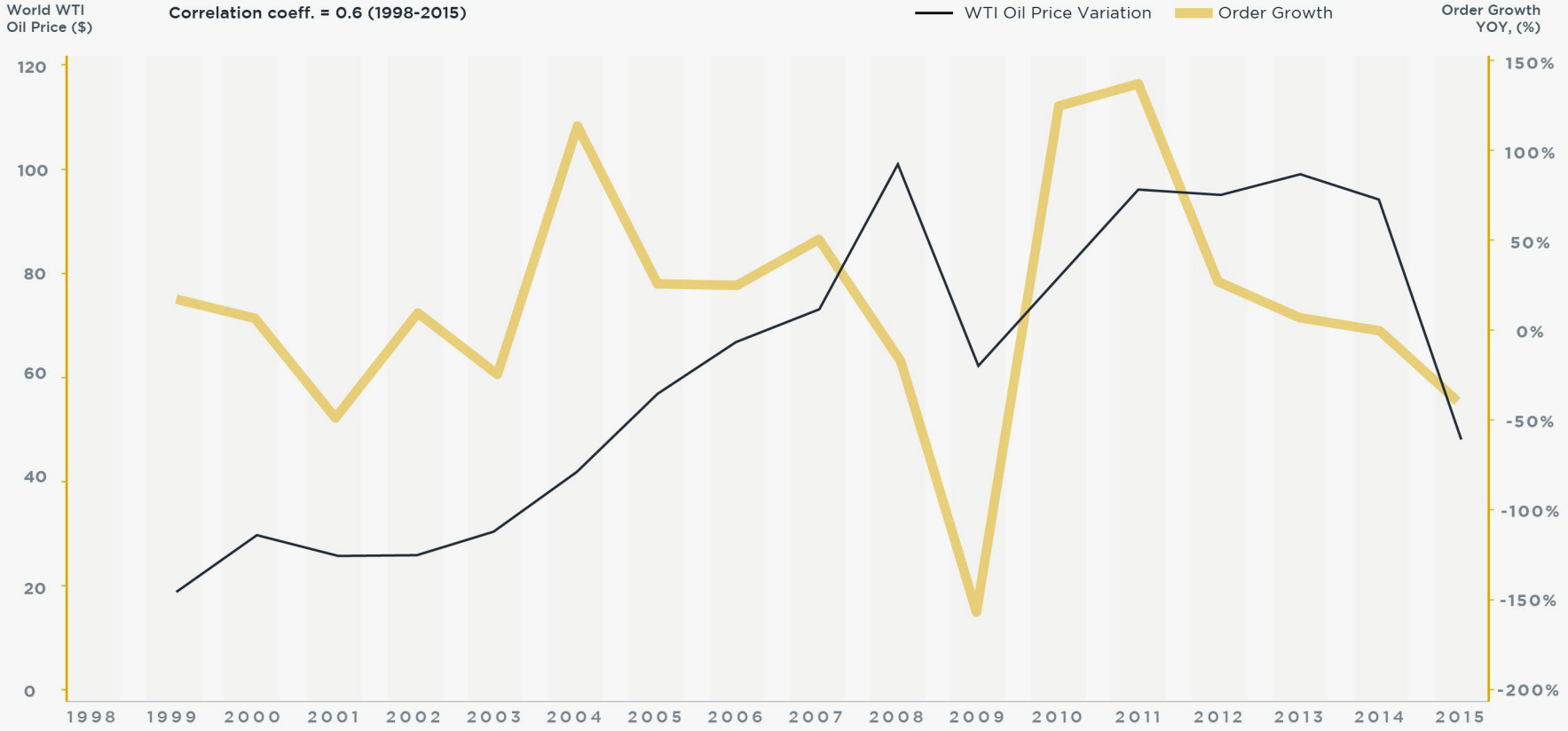
4 Oil prices are correlated to new aircraft orders

WTI Oil Price YOY Variation and Industry Net Order Growth

[%, 1998-2015]



Sources: Oxford Economics, OEM financial reports and quarterly earnings and Bombardier estimates

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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.

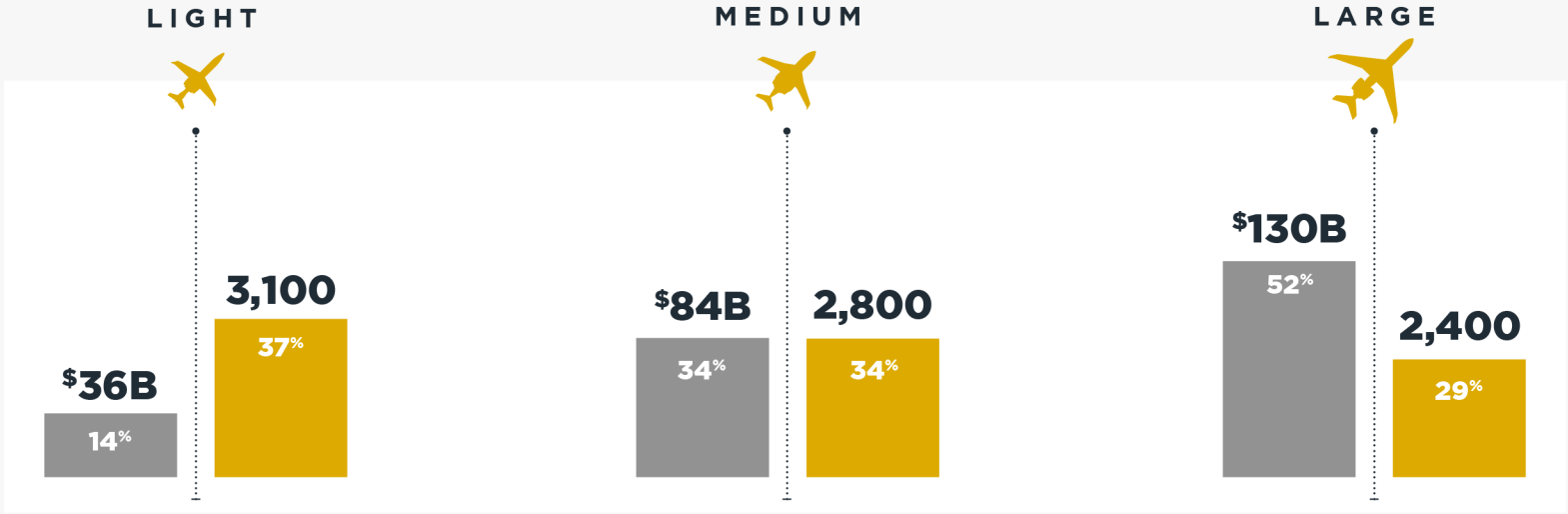
ACCESSIBILITY

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

2016-2025

TOTAL **10** YEARS



$250 Billion | 8,300 Deliveries

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We forecast 3,100 aircraft deliveries in the Light category

Light category

KEY CHARACTERISTICS

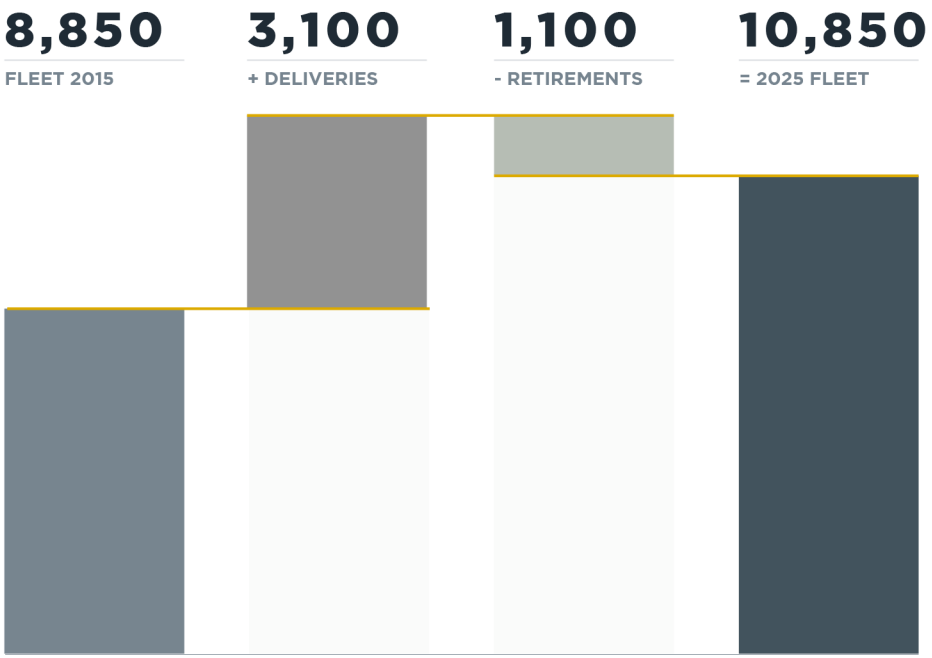
TYPICAL PURCHASE PRICE
$8-20 M

CABIN VOLUME[1]
300 ft³ to 700 ft³

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

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

10-YEAR FORECAST



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

[1] Cabin volume of 19.8 m³ to 42.5 m³

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We forecast 2,800 aircraft deliveries in the Medium category

Medium category

KEY CHARACTERISTICS

TYPICAL PURCHASE PRICE
$20-40 M

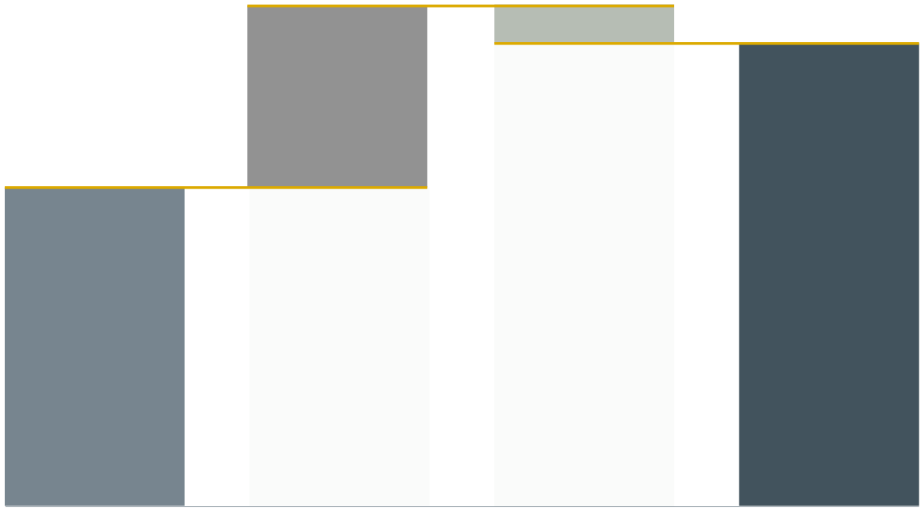
CABIN VOLUME[1]
700 ft³ to 1,500 ft³

RANGE
3,100 to 5,000 NM
Equivalent to 30%-45% of global coverage

Medium category aircraft offer greater cabin comfort, range and speed

10-YEAR FORECAST

5,475	2,800	680	7,595
FLEET 2015	+ DELIVERIES	- RETIREMENTS	= 2025 FLEET



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

[1] Cabin volume of 19.8 m³ to 42.5 m³

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We forecast 2,400 aircraft deliveries in the Large category

Large category

KEY CHARACTERISTICS

TYPICAL PURCHASE PRICE
$40-75 M

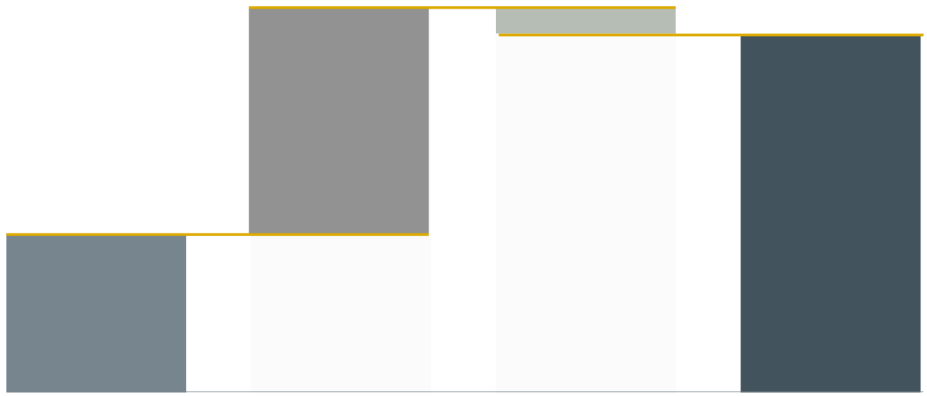
CABIN VOLUME[1]
>1,500 ft³

RANGE
>5,000 NM
Equivalent to >50% of global coverage

Large category aircraft offer greatest cabin comfort, range and speed

10-YEAR FORECAST

1,860	2,400	220	4,040
FLEET 2015	+ DELIVERIES	- RETIREMENTS	= 2025 FLEET



Large category will generate a total of 2,400 deliveries from 2016 to 2025

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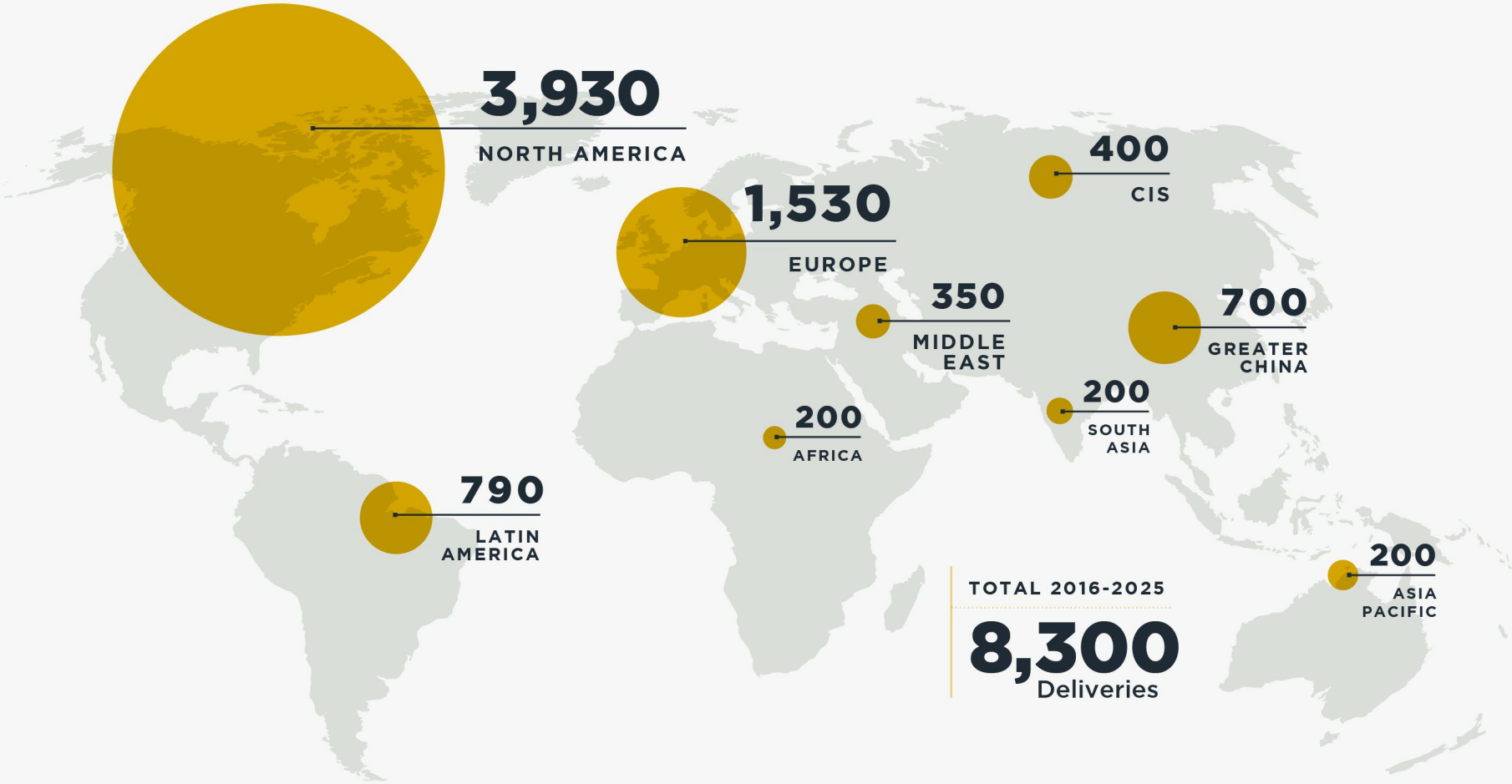
[1] Cabin volume >42.5 m³

North America, Europe, Latin America and Greater China will be the largest markets for business aircraft over the next 10 years



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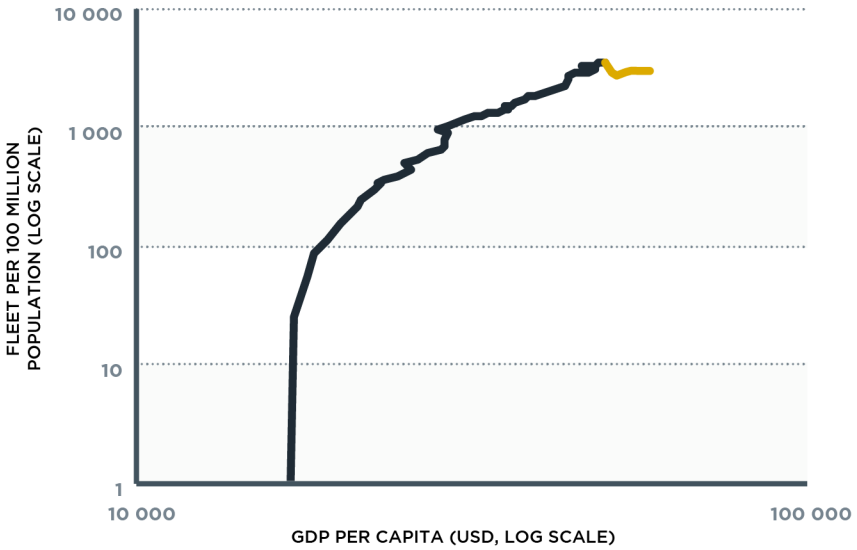
FORECAST BY REGION
NORTH AMERICA

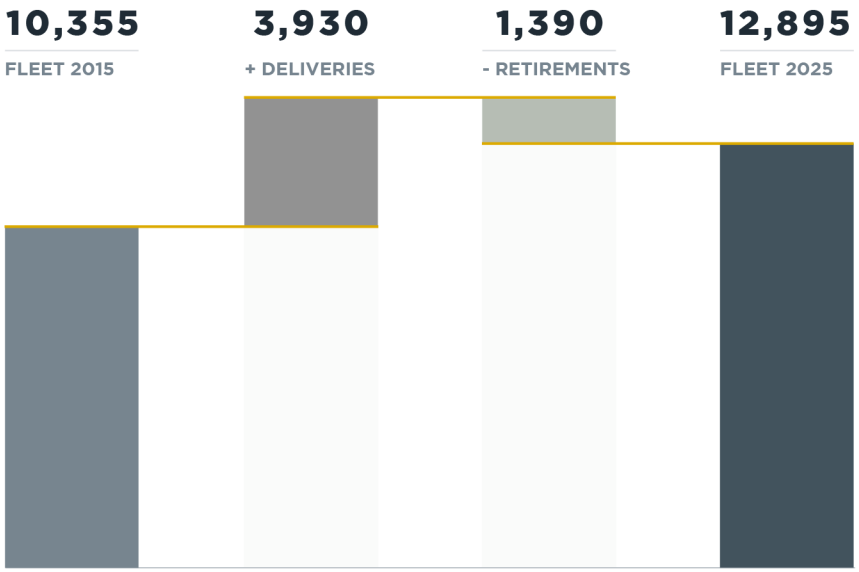
2016-2025 OUTLOOK

- Average economic growth of 2.2% per year
- Fleet compound annual growth rate of 2%
- Will remain the largest market for business aircraft
- Forecasted to receive 3,930 deliveries valued at $105 billion
- Light and Medium category aircraft account for over 80% of deliveries



KEY FACTS

- Birthplace of business aviation
- Largest market for business aircraft



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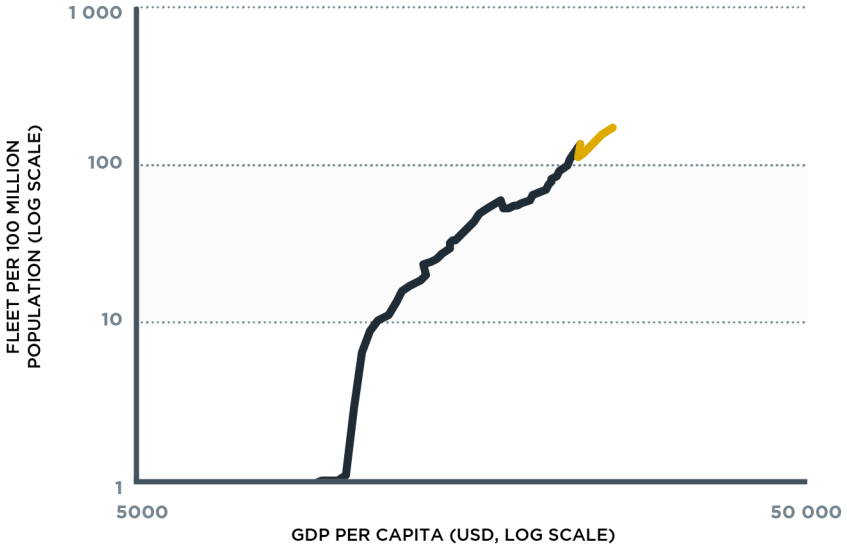
FORECAST BY REGION
EUROPE

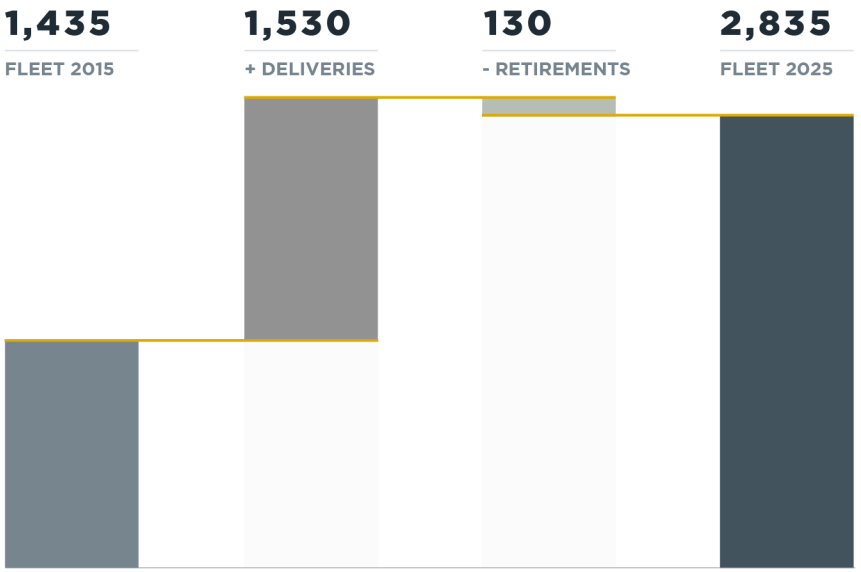
2016-2025 OUTLOOK

- Average economic growth of 2.0% per year
- Fleet compound annual growth rate of 7%
- Will remain the 2nd largest market for business aircraft
- Forecasted to receive 1,530 deliveries valued at $55 billion
- Light and Medium category aircraft account for over 60% of deliveries



KEY FACTS

- 2nd largest market for business aviation



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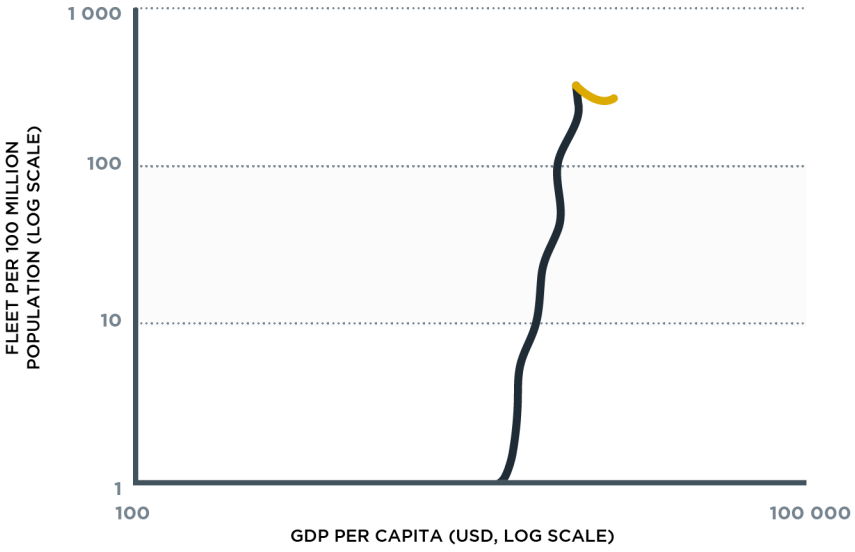
FORECAST BY REGION
LATIN AMERICA

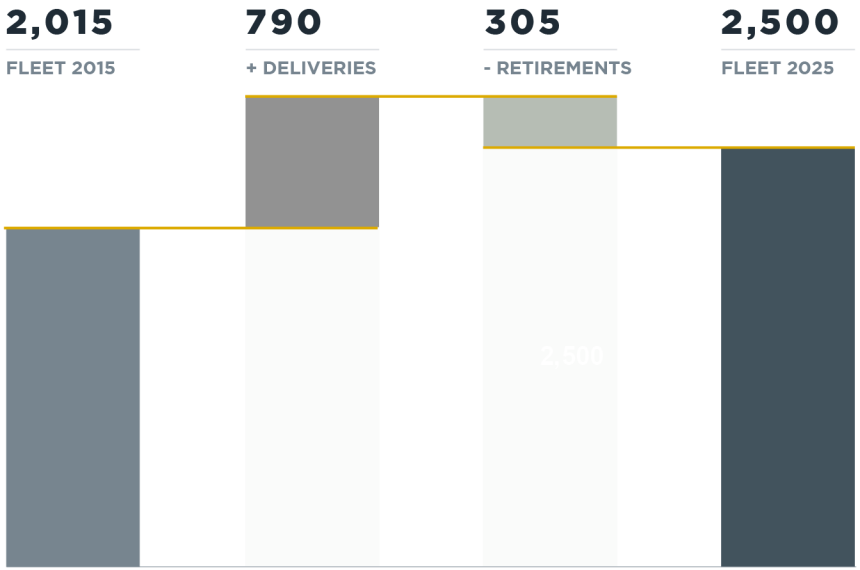
2016-2025 OUTLOOK

- 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
- Light and Medium category aircraft account for over 80% of deliveries



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



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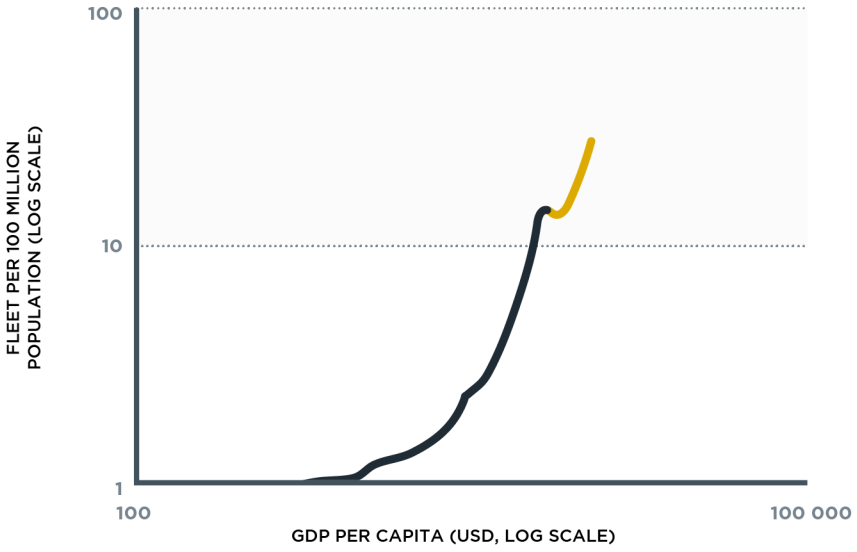
FORECAST BY REGION
GREATER CHINA

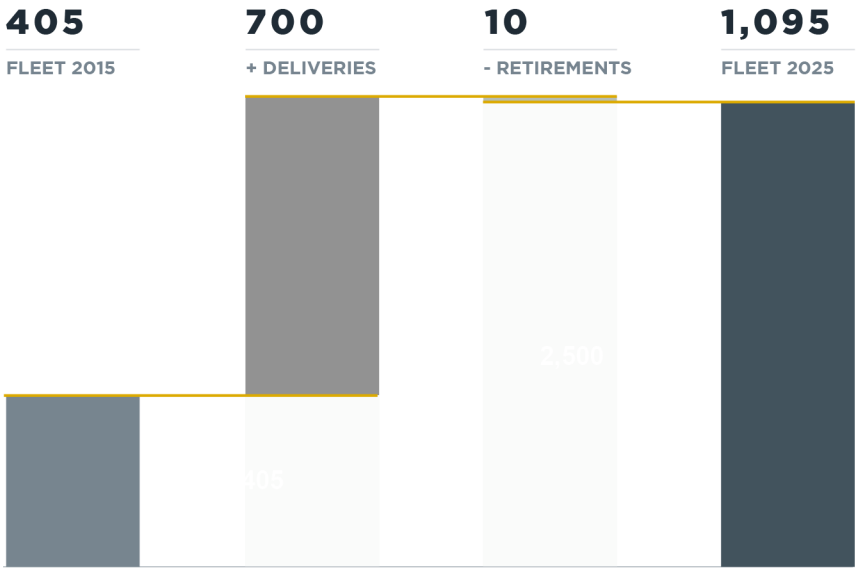
2016-2025 OUTLOOK

- Average economic growth of 5.6% per year
- Fleet compound annual growth rate of 10%
- Forecasted to receive 700 deliveries valued at $25 billion
- Medium and Large category aircraft account for over 90% of deliveries

KEY FACTS

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





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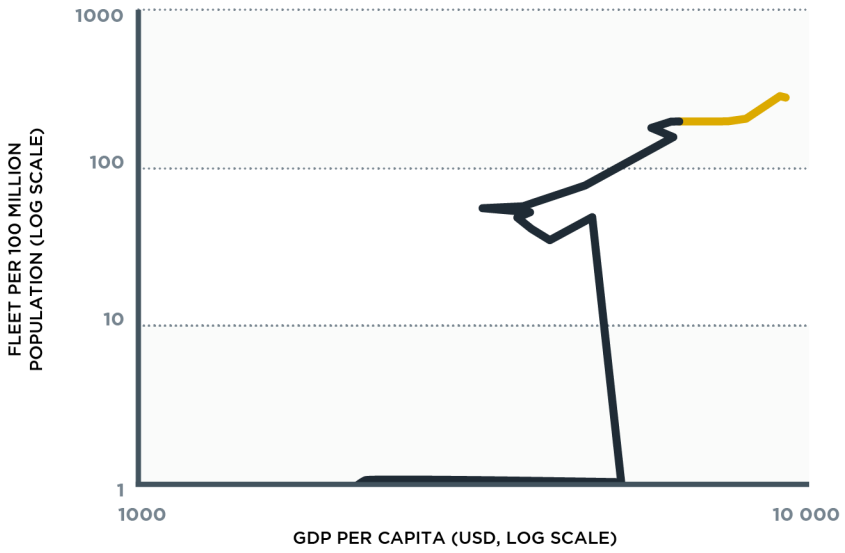
FORECAST BY REGION
CIS

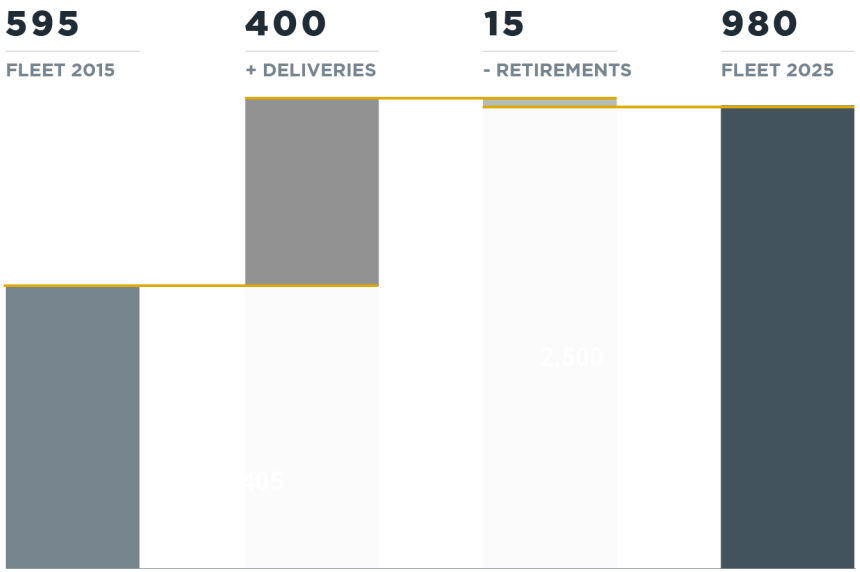
2016-2025 OUTLOOK

- 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





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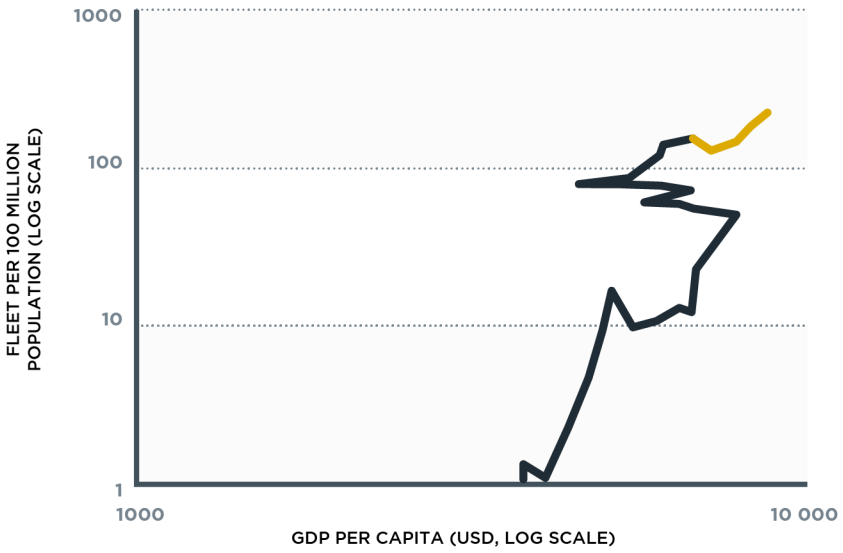
FORECAST BY REGION
MIDDLE EAST

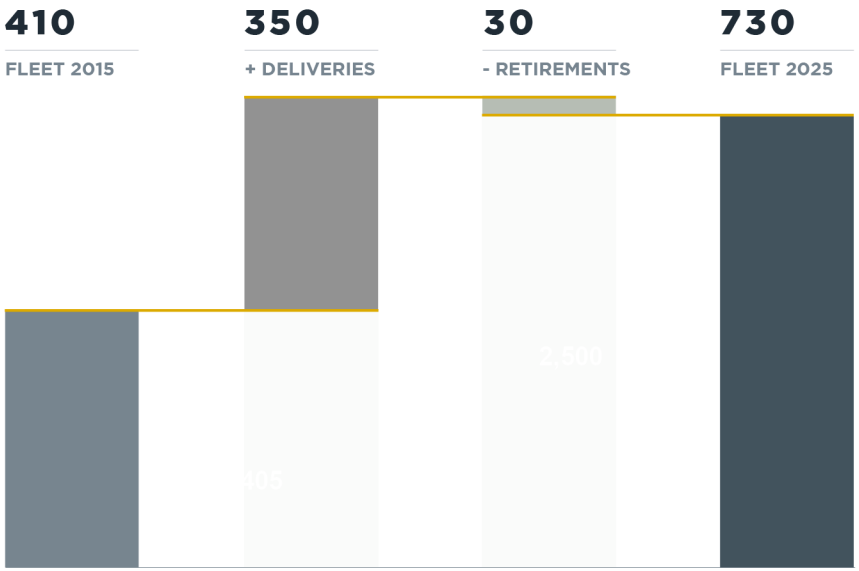
2016-2025 OUTLOOK

- Average economic growth of 3.3% per year
- Fleet compound annual growth rate of 6%
- Forecasted to receive 350 deliveriesvalued 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





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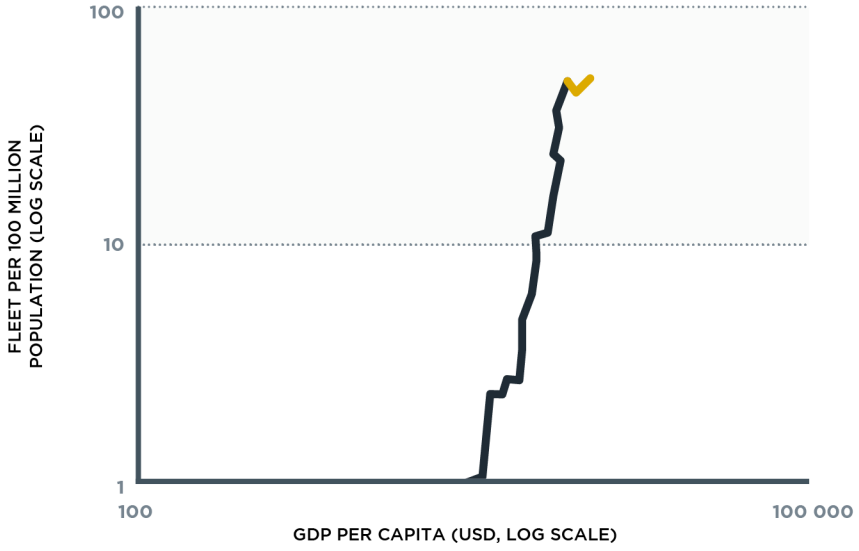
FORECAST BY REGION
ASIA PACIFIC

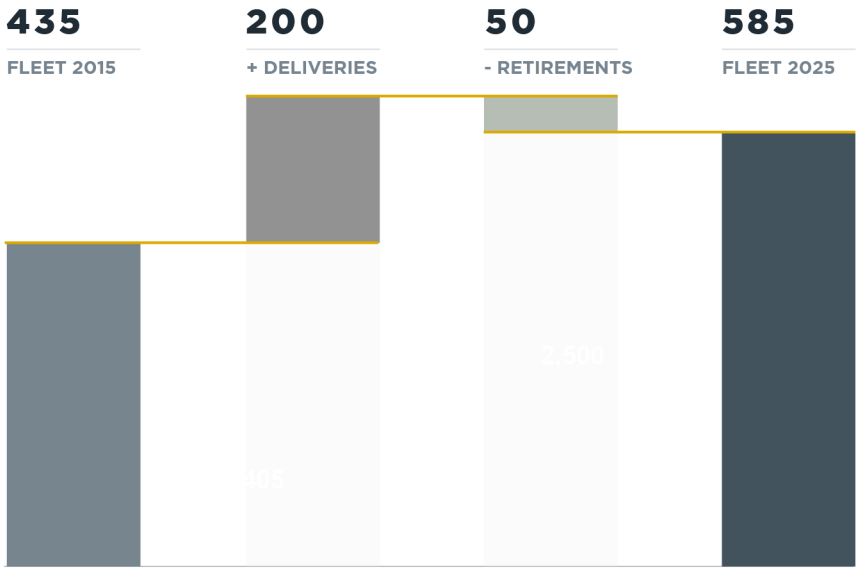
2016-2025 OUTLOOK

- Average economic growth of 2.3% per year
- Fleet compound annual growth rate of 3%
- Forecasted to receive 200 deliveries valued at $7 billion
- Medium and Large category aircraft account for over 65% of deliveries

KEY FACTS

- Geographic position necessitates the need for long-range aircraft





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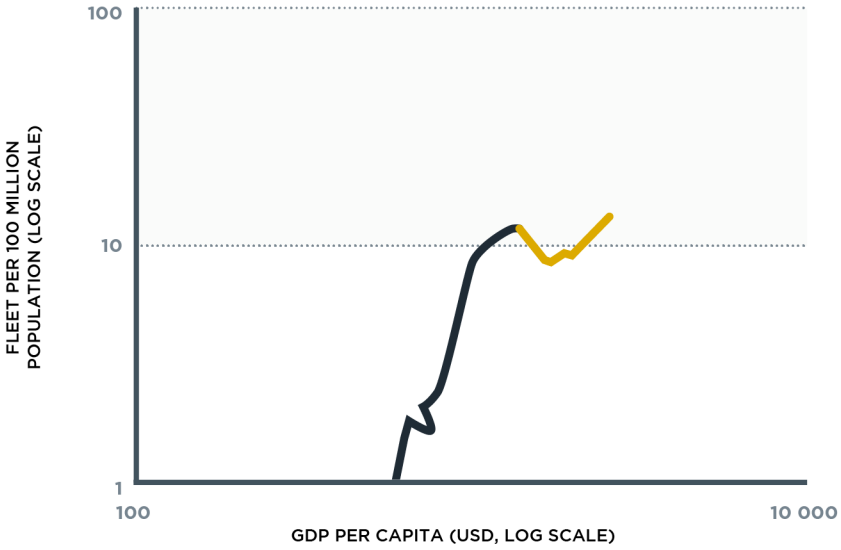
FORECAST BY REGION
SOUTH ASIA

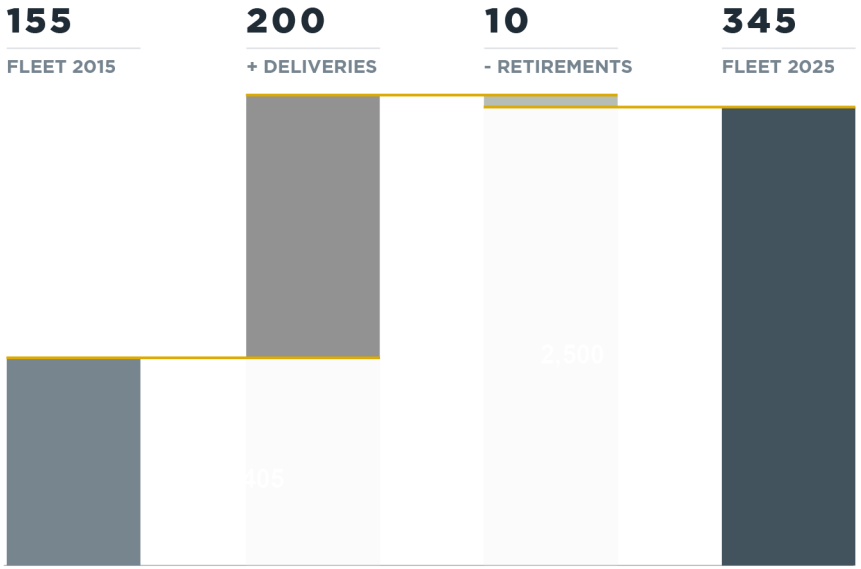
2016-2025 OUTLOOK

- 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





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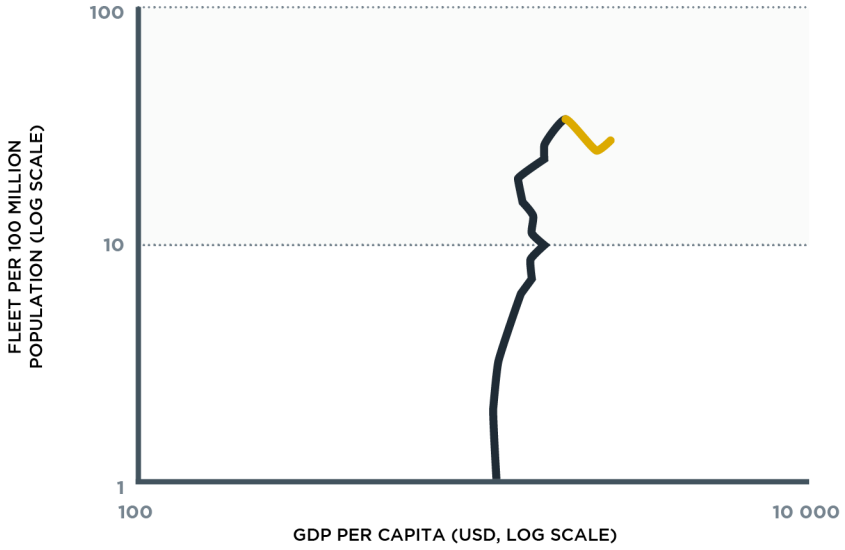
FORECAST BY REGION
AFRICA

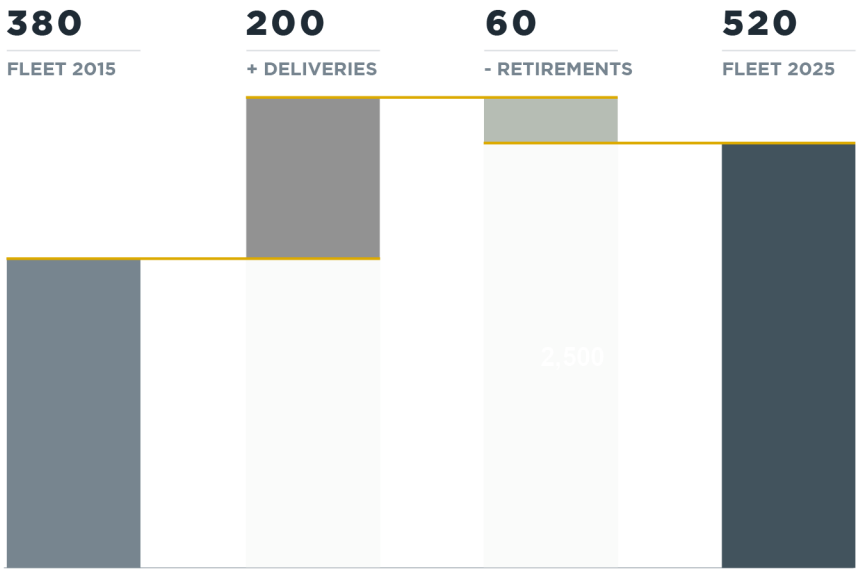
2016-2025 OUTLOOK

- 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



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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
- Business & Commercial Aviation (B&CA) Magazine and Purchase Planning Handbook
- 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

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