

BOMBARDIER

Annual Information Form

2010

April 1, 2010

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NOTES:

(1) In this Annual Information Form, all dollar figures are in U.S. dollars, unless otherwise indicated.

(2) *Bombardier, Bombardier 415, Bombardier 415 MP, Challenger, Challenger 300, Challenger 600, 601-1A, 601-3A, 601-3R and 604, Challenger 605, Challenger 800, Challenger 850, 870 and 890, CITYFLO, CL-215, CL-215T, CRJ, CRJ200, CRJ700, CRJ705, CRJ900, CRJ1000, CS100, CS300, CSeries, EBI, ECO4, EnerGplan, FLEXITY, Flexjet, FLEXX, Global, Global 5000, Global Express, Global Vision, INTERFLO, Learjet, Learjet 40, Learjet 45, Learjet 60, Learjet 85, MITRAC, MOVIA, NextGen, OMNEO, ORBITA, PRIMOVE, Q200, Q300, Q400, Q-Series, REGINA, SPACIUM, TALENT, TRAXX, XR, XRS, ZEFIRO* are trademarks belonging to Bombardier Inc. or its subsidiaries.

(3) This Annual Information Form contains references to trademarks of third parties for the purpose of describing Bombardier's competitive environment and the development of its businesses.

(4) In this Annual Information Form, the term "Bombardier" means, as required by the context, the Corporation and its subsidiaries on a consolidated basis or the Corporation or one or more of its subsidiaries. The term "Aerospace" refers to the Corporation's aerospace segment and the term "Transportation" refers to the Corporation's transportation segment.

Item 1 Corporate Structure

1.1 Incorporation of the Issuer

Bombardier Inc. (the “Corporation” or “Bombardier”) was incorporated by letters patent under the laws of Canada on June 19, 1902 and was continued under the *Canada Business Corporations Act* (the “CBCA”) by a certificate of continuance dated June 23, 1978, which was subsequently the subject of certain amendments. Over the years, the Corporation has filed articles of amendment in order to, among other things, change the structure of its authorized share capital, including to change the rights, privileges, restrictions and conditions attaching thereto, reflect various two-for-one stock splits of the Class A Shares and Class B Subordinate Voting Shares, and filed articles of amalgamation to reflect mergers and amalgamations with, among others, various subsidiaries and affiliates.

The head and registered office of the Corporation is located at 800 René-Lévesque Boulevard West, Montréal, Québec H3B 1Y8. Its telephone number is (514) 861-9481 and its website is www.bombardier.com.

1.2 Subsidiaries

The activities of the Corporation are conducted either directly or through subsidiaries. The table below lists the principal subsidiaries of each reportable segment of the Corporation as at the date shown for each segment, as well as their jurisdiction of incorporation and the percentage of voting shares held directly or indirectly by the Corporation. Certain subsidiaries whose total assets did not represent more than 10% of the Corporation’s consolidated assets or whose sales and operating revenues did not represent more than 10% of the Corporation’s consolidated sales and operating revenues as at January 31, 2010¹, have been omitted. The subsidiaries that have been omitted represent, as a group, less than 20% of the consolidated assets, sales and operating revenues of the Corporation at such date.

Aerospace (as at January 31, 2010)

Bombardier Aerospace Corporation (Delaware)	100%
Learjet Inc. (Delaware)	100%
Short Brothers PLC (Northern Ireland)	100%

Transportation (as at December 31, 2009)

Bombardier Transportation GmbH (Germany)	100%
Bombardier Corporate Financial Services Islandi, sf., Reykjavik, Zurich Branch (Iceland)	100%
Bombardier Transportation (Holdings) UK Ltd. (United Kingdom)	100%
Bombardier Transport France S.A.S. (France)	100%
Bombardier Transportation Italy S.p.A. (Italy)	100%
Bombardier Transportation (Switzerland) AG (Switzerland)	100%
Bombardier Transportation Sweden AB (Sweden)	100%
Bombardier Transportation Canada Inc. (Canada)	100%
Bombardier Transportation (Holdings) USA Inc. (Delaware)	100%

Others (as at January 31, 2010)

Bombardier Corporation (Idaho)	100%
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¹ As per the Corporation’s consolidated financial statements for the fiscal years ended January 31, 2010 and January 31, 2009 filed with the Canadian securities regulatory authorities on April 1, 2010.

Item 2 General Development of the Business

2.1 General

The Corporation is a world-leading manufacturer of innovative transportation solutions, from commercial aircraft and business jets to rail transportation equipment, systems and services.

2.2 History

The main developments in the business of the Corporation and its most significant transactions during the past three years are as described below.

On February 19, 2007, Aerospace announced the launch of its *CRJ1000* regional jet. The first flight of the production aircraft of the *CRJ1000 NextGen* regional jet was completed July 2009 from the Mirabel, Québec site. The *CRJ1000 NextGen* has completed approximately 70% of the total flight test program, and is expected to enter into service in the second half of calendar year 2010.

On May 31, 2007, Aerospace introduced next generation versions of its *CRJ700*, *CRJ900* and *CRJ1000* regional jets, the new *CRJ NextGen* aircraft.

On July 16, 2007, the Corporation announced its decision to write-off its investment in Metronet following the release of the Public-Private Partnership (“PPP”) Arbitrator’s draft directions on interim infrastructure service charge for Metronet Rail BCV Limited issued on Monday, July 16, 2007. The Corporation wrote off the carrying value of \$162 million of its investment in Metronet in the second quarter of fiscal year 2008.

On July 30, 2007, Aerospace’s *Learjet 60 XR* entered into service with Cloud Nine Aviation, of Los Angeles, CA.

In September 2007, Aerospace unveiled its new *Global Vision* flight deck for *Global 5000* and *Global Express XRS* aircraft.

On October 30, 2007, Aerospace launched its new *Learjet 85* aircraft. On January 22, 2008, Aerospace announced that it would develop an all-composite structure for the *Learjet 85* aircraft, which will be the first Bombardier jet to feature an all-composite structure and will be the first all-composite structure business jet designed for type certification under U.S. Federal Aviation Regulations (“FAR”) Part 25. Entry into service is planned for calendar year 2013.

On November 28, 2007, the Corporation’s Board of Directors announced the appointment of Mr. Pierre Beaudoin as President and Chief Executive Officer of Bombardier, effective June 4, 2008. Mr. Laurent Beaudoin remains as Chairman of the Board.

On January 17, 2008, the Corporation redeemed all of the outstanding £300 million Bombardier Capital notes due in May 2009 and the remaining €282 million outstanding of the €500 million notes due in February 2008.

On February 22, 2008, Aerospace announced that the Corporation’s Board of Directors had granted to Aerospace authority to offer formal sales proposals of the optimized *CSeries* aircraft family to airline customers.

On February 28, 2008, Aerospace announced the official opening of its world-class manufacturing facility located at the Querétaro Aerospace Park in Mexico. This new facility complements Aerospace’s existing manufacturing sites. Since the start of operations in May 2006, this manufacturing facility has created over

1036 jobs and is still ramping-up production. At present, this facility manufactures electrical harnesses for the *Challenger*, *Global*, *CRJ* and *Q-Series* aircraft families, structural components such as the centre fuselage for the *Challenger 850* aircraft program and rudders, elevators and horizontal stabilizers for the *Q400* aircraft program. Aerospace has also transferred the assembly of the *Global Express* rear fuselage to this facility. In addition, this new facility has started to manufacture the composite structure and electrical harness and will perform sub-assembly systems installation for Aerospace's *Learjet 85* business jet.

In March 2008, Aerospace announced the introduction of the new *Q400 NextGen* turboprop airliner as the next step in the continuing evolution of the *Q400* aircraft. Revised in the same spirit as the *CRJ NextGen* aircraft family, the *Q400 NextGen* aircraft remains one of the most technologically advanced turboprop aircraft. Entry into service was scheduled for the first half of fiscal year 2010.

On April 1, 2008, Transportation provided an update with respect to Metronet following the announcement from Metronet which was providing updates on the negotiations on the transfer of Metronet contracts by the PPP Administrator and bringing clarity to the proposed next steps in the planned modernisation program for the London Underground. The result of these negotiations is that the Bakerloo, Central and Victoria Lines ("BCV") program will continue and complete its implementation as originally planned. The Sub Surface Lines ("SSL") upgrade program will be re-scoped with regard to the signalling portion. The signalling portion of Transportation's SSL contract, currently sub-contracted to Westinghouse Rail Systems Limited ("WRSL"), has been transferred to Metronet and re-negotiated directly between WRSL and Metronet. Transportation will continue to supply new rolling stock to the SSL program, with a small increase in scope as requested by the customer. Transportation's original train maintenance contracts for BCV and SSL will be amended so that the maintenance work remains with Metronet. Transportation will retain a Technical Support and Spares Supply Agreement.

On April 1, 2008, Transportation and AnsaldoBreda, Finmeccanica's subsidiary for the railway sector, announced their signature of an agreement to jointly develop, bid and manufacture a new high speed train capable of travelling at more than 300 km/h and which eliminates the shortcomings of existing concepts.

On June 17, 2008, Bombardier announced that it has joined the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games (VANOC) as an Official Supporter of the 2010 Winter Games and the first Signature Supporter of the 2010 Olympic and Paralympic Torch Relays. As part of this sponsorship, Bombardier designed and manufactured the torches for the Vancouver 2010 Olympic and Paralympic Torch Relays. A multidisciplinary team from both Aerospace and Transportation has been collaborating with VANOC to develop an original and innovative concept for the torch which was approved by the International Olympic Committee (IOC) on June 4, 2008. Twelve thousand Canadians carried the torch over 35,000 kilometres – the longest single-country relay – bringing it through more than 1,000 communities in over 100 days. Also as part of the agreement, Bombardier received exclusive rights in the aircraft manufacturer and total passenger transit systems vehicle manufacturer product category for the 2010 Winter Games, and sponsorship rights for the Canadian Olympic team for Beijing 2008, Vancouver 2010 and London 2012.

On July 13, 2008, Bombardier announced that its Board of Directors has granted approval for the launch of the *C-Series* family of aircraft, with entry into service being scheduled for the second half of calendar year 2013. Bombardier also announced that it has selected Mirabel as the final assembly location for the *C-Series* aircraft program. Additionally, the manufacture of the aircraft's aft fuselage and cockpit is taking place at Bombardier's Saint-Laurent facility, near its new product development centre, home to the growing *C-Series* team. Bombardier's Belfast facility, a centre of excellence for composite manufacturing, is home to the design and manufacture of the *C-Series* aircraft composite wings. Bombardier has received and accepted offers of repayable investments for the research and development of the *C-Series* family of aircraft from the government of Canada and Quebec as well as Northern Ireland and British Government departments.

On September 22, 2008, Transportation launched the *BOMBARDIER ECO4* portfolio, an innovative portfolio of technologies, products and solutions that maximize energy efficient operation and total train performance for rail operators. The new *ECO4* portfolio, which offers ten product concepts which are ready for use, can

help train operators enhance the reliability and performance of their fleets, while at the same time reducing both their carbon footprint and energy costs. All *ECO4* products are fully operable and can easily be customized to any fleet, creating energy savings of up to 50%. Balancing the four cornerstones of energy, efficiency, economy and ecology into one engineering portfolio, the *ECO4* technologies include five industry firsts unique to Transportation: the *BOMBARDIER EBI Drive 50 Driver Assistance System*, the *BOMBARDIER EnerGplan Simulation Tool*, the *C.L.E.A.N. Diesel Power Pack*, the *BOMBARDIER MITRAC Energy Saver*, and the *BOMBARDIER PRIMOVE Catenary-Free Operation*. Two of the *ECO4* products, the *MITRAC Permanent Magnet Motor* and the *EBI Drive 50 Driver Assistance System*, have also been in successful operation on Sweden's "Green Train" between Stockholm and Västerås. This high speed research project is jointly run by the Swedish railway administration Banverket, Transportation and other partners.

Having won a key contract for 340 *MOVIA* metro cars for the Delhi metro in July 2007, Transportation announced the official inauguration of its manufacturing site in Savli, India, to produce metro cars and bogies, which took place on November 13, 2008.

On December 18, 2008, Bombardier announced that Transportation negotiated a €3.75 billion Letter of Credit Facility agreement on December 17, 2008 with a syndicate of first quality international financial institutions. The facility was set up in Europe for the sole benefit of Transportation and matures in 2013. With this new facility, Bombardier attained its objectives of securing availability of letters of credit for an extended term in Europe, preserving its letters of credit issuance capacity and releasing a portion of the existing cash collateral for its general corporate purposes (approximately €275 million), while at the same time optimizing the alignment of its banking facilities with the activities of its two industrial groups. Simultaneously, Bombardier amended its Existing letters of credit facility, which matures in December 2011, by reducing the facility amount to \$840 million (from €4.3 billion). This amended facility is now subscribed by a core group of preferred North American banks and will be dedicated to supporting Aerospace's operations and the general needs of the Corporation.

On January 21, 2009, Bombardier announced the appointment of Mr. Thierry Desmarest to its Board of Directors, bringing the total number of directors on Bombardier's Board of Directors to 13.

On February 5, 2009, Aerospace announced a reduction in the production rates for the *Learjet* and *Challenger* families of business aircraft to reflect market conditions, and an increase in the production rate for the 78-seat *Q400* aircraft as a result of the rising demand for this turboprop. The decision to adjust the *Learjet* and *Challenger* business aircraft production rates was expected to result in a total workforce reduction of 1,010 contractual employees and 350 permanent employees.

On March 11, 2009, Aerospace announced that Deutsche Lufthansa AG, the launch customer for the *CSeries* aircraft program, signed a purchase agreement for 30 *CSeries* model *CS100* (formerly *C110*) single-aisle aircraft. The agreement also includes options for an additional 30 *CSeries* aircraft.

On March 30, 2009, Aerospace announced that Lease Corporation International Aviation (New Buildings) Limited signed a purchase agreement for three *CS100* and 17 *CS300* aircraft, including options for an additional 20 *CSeries* aircraft.

On April 2, 2009, Aerospace announced that it was revising downward all of its business and regional jets production rates and implementing measures to meet the continuing challenges facing the aviation industry. This adjustment would result in a further reduction of approximately 10% of Aerospace's total workforce, or approximately 3,000 employees, at its facilities in Canada, the United States, Mexico and Northern Ireland by the end of calendar year 2009.

On April 22, 2009, Aerospace has delivered the first *Q400 NextGen* high-speed turboprop airliner. Norwegian regional carrier Widerøe's Flyveselskap A/S accepted the aircraft – the first of six on firm order – at the *Q400* aircraft delivery centre at Toronto Pearson International Airport.

On June 30, 2009, Transportation announced that it has signed a contract with the Toronto Transit Commission (TTC) for the supply of 204 100% low-floor streetcars to replace the City of Toronto's aging fleet of vehicles. Deliveries for the 204-vehicle order are scheduled to take place between 2012 and 2018, with the first prototype vehicles arriving in 2011.

On July 2, 2009, Bombardier announced that it has closed a \$600 million Letter of Credit Facility Agreement with a syndicate of first quality financial institutions, mainly North American-based. This constitutes a supplemental agreement relating to a Letter of Credit Facility Agreement dated December 18, 2006, as amended and restated pursuant to a Supplemental Agreement dated December 17, 2008, which reduces the facility amount to \$600 million (from \$840 million).

On August 24, 2009, Bombardier announced the appointment of Ms Martha Finn Brooks to its Board of Directors, bringing the total number of directors on Bombardier's Board of Directors to 14.

On September 2 2009, Bombardier reported that the Board of Directors of Bombardier had approved a \$500-million two-year unsecured revolving credit facility with a syndicate of commercial banks and other institutions. This facility is available for cash drawings for the general working capital needs of the Corporation.

On September 15, 2009, Aerospace celebrated the groundbreaking of the first *CSeries* aircraft building in Mirabel, Québec, Canada. The Complete Integrated Aircraft Systems Test Area (CIASTA) is a testing and systems-proving facility that will house a virtual *CSeries* test aircraft which will test aircraft systems for reliability and functionality one year before the first prototype aircraft flies. Entry into service is scheduled for the second half of calendar year 2013.

On September 28, 2009, Transportation announced that its Chinese joint venture, Bombardier Sifang (Qingdao) Transportation Ltd., has been selected by the Chinese Ministry of Railways (MOR) to supply 80 *ZEFIRO* 380 very high speed trains (1,120 cars) for the country's rapidly growing high speed rail network.

On November 26 2009, Aerospace announced it was reducing its *CRJ* aircraft production rate which would result in the layoff of approximately 715 employees in Aerospace's facilities in the Montreal area starting January 2010 through the first two quarters of the next fiscal year. The adjustment to the workforce level also included a small number of layoffs related to the decrease in the *Bombardier 415* amphibious aircraft production rate.

On December 3, 2009, Aerospace announced that AMR Eagle Holding Corporation, the parent company of American Eagle Airlines, Inc. of Fort Worth, Texas will acquire 22 *CRJ700* regional jetliners.

On December 3, 2009, Aerospace also announced that since the second quarter of fiscal year 2010 the flight testing was suspended for the *CRJ1000 NextGen* aircraft pending a software issue in the rudder control-by-wire-system. The flight testing will be completed later than anticipated and the type certification and first aircraft deliveries will be delayed to the second half of calendar year 2010.

On February 24, 2010, Transportation signed an \$11-billion framework agreement with the French railways SNCF for the design and manufacturing of 860 double-deck electrical multiple units (EMUs). Two firm orders for 129 trains valued at \$1.6 billion were obtained under this framework agreement.

On February 25, 2010, Aerospace announced a major order for its all-new *CSeries* aircraft to Republic Airways Holdings Inc. The Indianapolis, Indiana-based airline has signed a firm purchase agreement to acquire 40 *CS300* jetliners. The agreement also includes options for an additional 40 *CS300* aircraft.

On March 15, 2010, Bombardier announced that it had priced an offering of \$1.5 billion aggregate principal amount of new unsecured Senior Notes. The issuance is comprised of \$650.0 million aggregate principal amount of Bombardier's 7 ½% unsecured Senior Notes due 2018 and \$850.0 million aggregate principal amount of Bombardier's 7 ¾% unsecured Senior Notes due 2020. Bombardier intends to use the net proceeds

of this offering to fund the repurchase of up to \$1.0 billion aggregate principal amount of its 6.75% Notes due 2012, 6.30% Notes due 2014 and Floating Rate Senior Notes due 2013 pursuant to a debt tender offer announced on the same date and for general corporate purposes. Bombardier has since announced closing of its new issuance of Senior Notes due in 2018 and 2020 and early acceptance of its 6.75% Notes due 2012.

Item 3 Narrative Description of the Business

3.1 Business Overview

The Corporation operates in two reportable manufacturing segments: Aerospace and Transportation.

Aerospace is a world leader in the design and manufacture of innovative aviation products and is a provider of related services for the business, commercial, amphibious and specialized aircraft markets. Aerospace has 10 manufacturing and engineering sites and an international service and support network, with a presence in 22 countries. Aerospace had a workforce of 28,900 employees as at January 31, 2010, of which 51% were covered by collective agreements.

Transportation is a global leader in the rail industry. Transportation has 58 production and engineering sites in 23 countries. Additionally, Transportation operates over 40 service centers at customers' premises across the world. Transportation had a workforce of 33,800 employees as at January 31, 2010 located in 36 countries, of which 56% were covered by collective agreements.

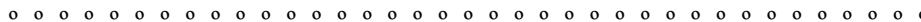
3.2 Description of Segments

The two reportable manufacturing segments are constituted as follows:

<i>Aerospace</i>	<ul style="list-style-type: none">• Business Aircraft• Commercial Aircraft• Amphibious and Specialized Aircraft• Customer Services• <i>Flexjet</i>
<i>Transportation</i>	<ul style="list-style-type: none">• Rolling Stock• Services• Systems• Signalling

The activities of these two manufacturing segments are described in this Annual Information Form under separate headings.

Aerospace



Aerospace is a world leader in the design and manufacture of innovative aviation products and is a provider of related services for the business, commercial, amphibious and specialized aircraft markets. Aerospace has 10 manufacturing and engineering sites and an international service and support network, with a presence in 22 countries. Aerospace had a workforce of 28,900 employees as at January 31, 2010, of which 51% were covered by collective agreements.

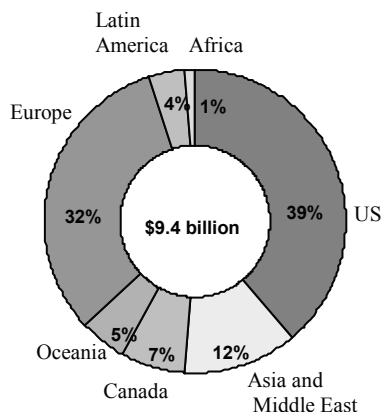
The administrative centre of Aerospace is located in Montréal, Québec, Canada.

For a list of the Corporation’s principal subsidiaries that fall within Aerospace, see “Item 1 – Corporate Structure, section 1.2 – Subsidiaries”.

Principal Markets

Aerospace’s customers are located in over 100 countries and are primarily civil owner operators or aviation service providers. They consist primarily of corporations and high net worth individuals for business aircraft, and airlines and leasing companies for commercial aircraft. *Flexjet* also serves the private jet travel needs of corporations and high net worth individuals in the United States without the requirement for them to purchase and manage an entire aircraft. As shown in the table below, Aerospace is becoming less concentrated in the United States market with revenues from the United States accounting for 39% of its total revenues in fiscal year ended January 31, 2010.

REVENUES BY GEOGRAPHICAL REGION– Fiscal year 2010



Distribution Methods

Aircraft ordered by customers are delivered by the Corporation or its subsidiaries. Marketing of Aerospace products is provided through marketing and sales offices of the Corporation or its subsidiaries. In America, marketing and sales offices are located in Canada (in Montréal, Ottawa and Toronto), the United States (in the states of Arizona, California, Colorado, Connecticut, Florida, Georgia, Illinois, Kansas, Maryland, Minnesota, Missouri, Ohio, South Carolina, Texas, Washington and in Washington D.C.), Mexico and Brazil. In Europe, marketing is carried out through offices in France, Germany, Russia and the United Kingdom. In Asia, such offices are maintained in Dubai, in the United Arab Emirates, Hong Kong, the People’s Republic

of China and in Singapore. Customers are served from two main spare parts distribution centres, one in Chicago and the other in Frankfurt, and from spare parts depots in Singapore, Sydney, Narita, Dubai, Beijing and São Paulo. Maintenance services are also available through Original Equipment Manufacturer (OEM) service centres located in the United States and in Europe as well as various authorized service and line maintenance facilities throughout the world.

Production Methods

Aircraft are produced by the manufacturing facilities of the Corporation or its subsidiaries located in Canada (Québec and Ontario), United States (Kansas), United Kingdom (Northern Ireland) and Mexico (Querétaro). Operations conducted in those facilities vary from manufacture or assembly of aircraft components and parts, final aircraft assembly, interior finishing, painting and pre-flight activities.

The raw materials and the various components and systems required to manufacture the aircraft are procured around the world and this procurement varies from product to product. Most such materials, components and systems are provided by suppliers with which Aerospace generally has long-term contracts, as Aerospace seeks long-term relationships with major direct and indirect suppliers for the development of new aircraft programs and for the delivery of materials, major systems and components to build and deliver aircraft and support customers with related services. Aerospace is continuously assessing and streamlining its supplier base to ensure an efficient global supply chain and sustainable procurement processes. Within its supply chain, Aerospace has built relationships with suppliers present in over 40 countries.

Market Segments

Business Aircraft

Aerospace markets, sells and provides customer support for its three families of business jets. The *Global* family (Large business jets category) includes the *Global 5000* aircraft and the *Global Express XRS* aircraft. The *Challenger* family (Medium business jets category) includes the *Challenger 300*, *Challenger 605* and the *Challenger 800 Series*. The *Learjet* family (Light business jets category) includes the *Learjet 40 XR* aircraft, the *Learjet 45 XR* aircraft, the *Learjet 60 XR* aircraft and the *Learjet 85* aircraft which is currently in development.

The General Aviation Manufacturers Association (“GAMA”), in its report dated February 16, 2010 confirms that Aerospace was the leader in terms of revenues in the business aircraft market categories in which it competes for a sixth consecutive year, with a revenue market share of 32%. Moreover, according to the same report, during the calendar year 2009, Aerospace became the leader in unit deliveries with a market share of approximately 30%².

- ***Global Family***

The *Global* family of business jets is comprised of two wide-body aircraft: the *Global 5000* and the *Global Express XRS*. The *Global* family of aircraft shares a high degree of systems commonality, offering mixed fleet operators the cost benefits of common type rating, training, spare parts and maintenance.

² Assessment of market share in the business aircraft industry is based on delivery data from GAMA for the calendar year, and thus does not correspond with the number of aircraft deliveries recorded during the Corporation’s fiscal years ended January 31. Deliveries in the Very Light Category are not included in the assessment of market share.

The *Global 5000* aircraft is a business jet capable of flying up to 5,200 nautical miles at Mach 0.85 with eight passengers and three crew members under certain operating conditions. Main competitors of the *Global 5000* include the Gulfstream G450, the Dassault Falcon 900EX, 900DX and 900LX (in development) and Embraer Lineage 1000.

The *Global Express XRS* aircraft is a business jet covering distances of up to 6,150 nautical miles at Mach 0.85 with eight passengers and four crew members under certain operating conditions. The *Global Express XRS* aircraft competes against the Gulfstream G500, the Gulfstream G550, the Gulfstream G650 (in development) and the Dassault Falcon 7X.

- ***Challenger Family***

The *Challenger* family of business jets currently includes the *Challenger 300*, *Challenger 605* and the *Challenger 800* Series.

The *Challenger 300* business jet is a wide-body jet that has a transcontinental range of up to 3,100 nautical miles with eight passengers and two crew members under certain operating conditions. It competes with the following aircraft models: the Gulfstream G200, the Gulfstream G250 (in development), the Cessna Citation X, the Hawker 4000 and the Embraer Legacy 500 (in development).

The *Challenger 605* aircraft is a wide-body jet capable of flights of over 4,000 nautical miles with five passengers and two crew members under certain operating conditions. The *Challenger 605* aircraft is the latest in the original *Challenger* Series which included the *Challenger 600*, *601-1A*, *601-3A*, *601-3R* and *604*. Main competitors of the *Challenger 605* aircraft include the Dassault Falcon 2000EX, 2000DX and 2000LX (in development), Gulfstream G350 aircraft.

The *Challenger 800* Series includes the *Challenger 850* along with the *870* and *890* with the “Corporate Shuttle” configuration in the corporate airliner category. The *Challenger 850* is capable of flights of over 2,700 nautical miles with eight passengers and two crew members under certain operating conditions. All *Challenger 800* Series aircraft are derivatives of the *CRJ* aircraft. Embraer-Empresa Brasileira de Aeronáutica S.A. (“Embraer”) competes with Aerospace in this market.

- ***Learjet Family***

The *Learjet* family’s current production models are the *Learjet 40 XR*, the *Learjet 45 XR* and the *Learjet 60 XR*.

The *Learjet 40 XR* aircraft is capable, under certain operating conditions, of flying at cruising speeds of up to Mach 0.81 and has a maximum range of up to 1,766 nautical miles with four passengers and two crew members. The main competitors of the *Learjet 40 XR* business jet are the Cessna Citation Encore+, the Cessna CJ3 and CJ4 (in development), the Hawker 400XP and 450XP (in development) and the Embraer Phenom 300.

The *Learjet 45 XR* aircraft has a maximum range of 1,997 nautical miles with four passengers and two crew members and can reach cruising speeds of up to Mach 0.81 under certain operating conditions. The *Learjet 45 XR* business jet competes with the Cessna Citation XLS+, the Hawker 750 and the Embraer Legacy 450 (in development).

The *Learjet 60 XR* business jet has a maximum range of 2,419 nautical miles, with four passengers and two crew members and can reach cruising speeds of up to Mach 0.81 under certain operating conditions. Competitors of the *Learjet 60 XR* business jet include the Gulfstream G150, the Hawker 850XP, the Hawker 900XP, the Cessna Sovereign and the Embraer Legacy 450 (in development).

On October 30, 2007, Aerospace launched a new addition to the *Learjet* family, the *Learjet 85* aircraft. The *Learjet 85* aircraft will feature a larger cabin and increased range compared to existing *Learjet* models. The

Learjet 85 aircraft is targeting a high-speed cruise of Mach 0.82 and will, under certain operating conditions, offer its passengers a transcontinental range of up to 3,000 nautical miles. The *Learjet 85* aircraft is scheduled to enter into service in calendar year 2013.

Commercial Aircraft

Aerospace markets and sells the *CRJ* family of regional jets, the *Q-Series* family of turboprops and the *CSeries* aircraft family to airline companies and also provides maintenance and modification services to its customers.

According to publicly available competitor reports, for calendar year 2009, based on deliveries in the commercial aircraft market, Aerospace had a 37% market share³ in terms of regional jets of 40 to 100 seats, and 54% in terms of turboprops of 20 to 99 seats.

- ***CRJ Aircraft***

The *CRJ* family consists of the 40-, 44- and 50-seat *CRJ200* aircraft⁴, the 70-seat *CRJ700 NextGen* aircraft, the 75-seat *CRJ705 NextGen* aircraft, the 88-seat *CRJ900 NextGen* aircraft and the 100-seat *CRJ1000 NextGen* regional jet (currently in development), launched in February 2007, designed specifically to meet the growing passenger needs of regional airlines for jets up to 100 seats. The first flight of the production aircraft of the *CRJ1000 NextGen* regional jet was completed from the Mirabel, Québec site in July 2009. The *CRJ1000 NextGen* has completed approximately 70% of the total flight test program, and is expected to enter into service in the second half of calendar year 2010.

Aerospace has one major competitor for the *CRJ* aircraft family, Embraer, which produces a 37-passenger jet, the ERJ 135, a 44-passenger jet, the ERJ 140 and a 50-passenger jet, the ERJ 145. Embraer also offers the 70-passenger jet Embraer 170, the 86-passenger jet Embraer 175 and the 100-passenger jet Embraer 190. Additional companies currently developing competitive products in the regional jet category include Commercial Aircraft Corporation of China, Ltd., a stated-owned company in which China Aviation Industry Corporation (formerly known as AVIC I Commercial Aircraft Co.) holds an interest, Mitsubishi Heavy Industries Ltd. and Sukhoi Company (JSC).

- ***Q-Series Aircraft***

The *Q-Series* family of turboprops consists of the *Q400 NextGen* turboprop airliner which is the next step in the continuing evolution of the *Q400* aircraft. It entered into service during the second quarter of the fiscal year ending January 31, 2010.

Aerospace has discontinued the production of the 37-seat *Q200* and the 50-seat *Q300*. Aerospace will continue to support all 105 *Q200* and 267 *Q300* aircraft delivered as of January 31, 2010.

The main product in competition with the *Q400 NextGen* aircraft is the 66 passenger ATR 72 from Aviation de Transport Regional.

³ Assessment of market share in the commercial aircraft industry is calculated on the basis of aircraft deliveries recorded during the calendar year, which does not correspond to the number of aircraft deliveries recorded during the Corporation's fiscal years ended January 31.

⁴ Currently not in production.

- ***CSeries Aircraft***

The *CSeries* family of commercial aircraft consists of the 100- to 125-seat *CS100* aircraft and the 120- to 145-seat *CS300* aircraft, and is set to redefine the 100- to 149-seat category with operational flexibility, cost effectiveness and passenger comfort.

The *CSeries* aircraft design incorporates the latest technologies: new, largely composite and advanced aluminium alloys structure, latest systems include fly-by-wire combined with fourth-generation aerodynamics and Pratt & Whitney's PurePower™ PW1000G⁵ engine, which allows reduced fuel burn, noise and emissions.

The *CSeries* family of aircraft is designed to provide transcontinental range and superior field performance, 15% lower cash operating cost, 20% lower fuel burn and CO₂ emissions, a noise footprint four times smaller and 50% lower NOx emissions⁶.

During fiscal year 2010, the *CSeries* program continued to undergo various development activities. Aerospace plans to complete the detailed design work, develop a prototype and start ground testing in fiscal year 2011. Major demonstrator parts were manufactured during fiscal year 2010: a composite wing by Shorts in Belfast and an advanced aluminium alloy fuselage barrel by Shenyang Aircraft Corporation. Both demonstrators have now been fully instrumented and will undergo extensive structural testing through fiscal year 2011. Construction has started on production and testing facilities in Mirabel for the Complete Integrated Aircraft Test Area (CIASTA) and in Belfast for the new 580,000 sq. ft. wing manufacturing facility. The *CSeries* family of aircraft is scheduled to enter into service in the second half of calendar year 2013.

Amphibious and Specialized Aircraft

Amphibious Turboprops and Specialized Aircraft Solutions regroups those divisions of Aerospace having governments as principal customers; this includes the manufacturing and marketing of amphibious aircraft, the provision of special-mission aircraft solutions, as well as the delivery of military aviation training.

Aerospace manufactures and markets the *Bombardier 415* amphibious aircraft, a purpose-built firefighting aircraft. This aircraft can also be adapted to a multi-purpose version, the *Bombardier 415 MP* aircraft, which can be used in a variety of specialized missions such as search and rescue, environmental protection, coastal patrol and transportation. Aerospace also offers an application for maritime patrol and surveillance operations. Aerospace also offers the *CL-215T* program in response to customer demand, mainly in Canada, for a conversion of *CL-215* piston aircraft to turboprop engine aircraft. The converted *CL-215T* aircraft has a performance comparable to that of the *Bombardier 415* aircraft.

Although a variety of other land-based fixed-wing aircraft, mostly old converted aircraft, and adapted helicopters exist, the *Bombardier 415* aircraft is the only large amphibious aircraft currently in production, purposely designed for aerial firefighting.

Aerospace continues to identify and provide special-mission aircraft solutions to governments and special-requirement organizations worldwide using its commercial and business aircraft as platforms for medevac,

⁵ PurePower™ is a registered trademark of United Technologies Corp. – Pratt & Whitney.

⁶ The *CSeries* aircraft program is currently in development phase and as such is subject to changes in family strategy, branding, capacity, performance, design and / or systems. All specifications and data are approximate, may change without notice and are subject to certain operating rules, assumptions and other conditions. This document does not constitute an offer, commitment, representation, guarantee or warranty of any kind. The configuration and performance of the aircraft may differ from any image shown and, together with any related commitment, representations, guarantee or warranty, shall be determined in a final purchase agreement.

surveillance, coast guard and other activities. Aerospace recognizes the potential market for special mission versions of both commercial and business aircraft.

In collaboration with a team of sub-contractors, Aerospace's Military Aviation Training ("MAT") delivers integrated military aviation training solutions. MAT currently has two major Canadian military aviation training contracts: the NATO Flying Training in Canada ("NFTC") program and the CF-18 Advanced Distributed Combat Training System ("ADCTS") program. Countries currently participating in the NFTC program include Austria, Canada, Denmark, Hungary, Italy, Singapore and Saudi Arabia. The ADCTS program includes the design and construction of purpose-designed facilities, as well as the provision of full instructional and support services for up to October 2012 (with a possibility for our counterparty to exercise options to extend the program until up to October 2022) for the Canadian Air Force's CF-18 ADCTS program.

Customer Services

Aerospace provides a broad range of services related to its aircraft portfolio. Aerospace's focus is to provide customers with total life cycle solutions that address the complete aftermarket experience, including parts requirements, maintenance services and pilot training. The aftermarket includes every activity that needs to be performed to support aircraft operations, which can be offered as tailored and customized service solutions to meet our customers' needs. Such services are provided through our international service and support network of authorized providers and fully owned facilities.

▪ ***Parts Logistics***

Aerospace provides worldwide 24-hour spare parts sales and support, through various programs such as aircraft-on-ground ("AOG") services, lease, hourly, "Smart Services" and rotatable management programs.

Customers are currently served from two main distribution centres, one in Chicago and the other in Frankfurt, and from spare parts depots in Singapore, Sydney, Narita, Dubai, Beijing and São Paulo.

The parts logistics organization has a single point of contact for customers to resolve AOG situations through integrated Customer Response Centers ("CRC") located in Toronto (*Q-Series*), Montreal (*Challenger* and *Global*), Mirabel (*CRJ*) and Wichita (*Learjet*). The CRC team is comprised of logistics and technical experts offering round-the-clock support and expertise for all AOG and parts related issues, providing quick resolution to return the customer's aircraft back to service.

The parts logistics organization supports the spare parts aftermarket requirements for Aerospace's business and commercial customers during the life of an aircraft. Spare parts demand is driven by the size of the fleet of Aerospace aircraft, by the number of hours flown and by the number of aircraft exiting the warranty period. The continued growth of the installed fleet will contribute to the growth in spare parts demand.

Aerospace competes with large and small suppliers of aircraft parts. Aerospace's competitive strengths include the availability of most spare parts for its aircraft, which are managed with the use of an integrated system to meet customer requests. Aerospace is at an advantage by offering Original Equipment Manufacturer ("OEM") certification along with OEM technical advice. Aerospace also offers "Smart Services" for both Aerospace business and commercial aircraft customers, which allow customers to purchase spare parts on a cost-per-flight-hour basis.

- ***Aircraft Maintenance***

Aerospace offers maintenance services for its business aircraft customers at its six main OEM service centres located at Dallas, Fort Lauderdale, Hartford, Tucson and Wichita in the United States, as well as Schiphol in the Netherlands. Aerospace also offers maintenance services to its commercial aircraft customers at its service centres in Bridgeport, Macon and Tucson⁷ in the United States.

In addition, Aerospace has 41 authorized service and line maintenance facilities and one business aircraft maintenance centre in which it owns an equity interest. These service facilities are located in North America, Europe, Asia, Australia, Africa and South America.

Aerospace has five recognized service facilities for commercial aircraft located in Europe, China and Australia.

- ***Training Solutions***

Training is an essential part of a complete aircraft services portfolio and Aerospace provides a full suite of flight and maintenance training solutions to its business, commercial and amphibious aircraft customers. Aerospace provides customized business aircraft pilot and maintenance training and a complete range of pilot and maintenance training programs for CRJ Series aircraft through its three training centres located in Montréal, Berlin and at Dallas/Fort Worth International Airport.⁸ A third-party supplier provides training for Aerospace's turboprop customers.

Flexjet

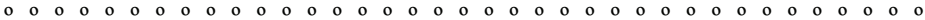
Through the United States *Flexjet* program, owners purchase shares of business aircraft with operations and support, including flight crew, maintenance, fuel, hangar fees and insurance. *Flexjet* also markets the *Flexjet* 25 jet card (which provides 12.5-, 25-, 30- and 35-hour blocks of flight time entitlement), which is a program operated by Jet Solutions LLC under U.S. FAR Part 135. In addition, *Flexjet* offers the *Flexjet* One program, providing an aircraft management solution for owners interested in purchasing a whole aircraft and having it managed by *Flexjet*.

In North America only, *Flexjet* also serves as a charter broker for both on-demand and flight time entitlement charter services. The *Flexjet* program arranges for its customer's business jet charters, using selected air charter operators.

⁷ Aerospace's Tucson service centre performs both commercial and business aircraft maintenance services.

⁸ The Corporation wholly owns two of these training centres (Montréal and Dallas) while the other training centre (Berlin) is held in joint venture.

Transportation



Transportation is dedicated to design, manufacture and service advanced transportation solutions for today’s and tomorrow’s railways. As a global leader in the rail industry, Transportation places environmental sustainability firmly at the top of its agenda. Transportation’s products and services combine energy-conserving technology with optimal safety, reliability and cost efficiency. Its products and services are designed for sustainable mobility.

Transportation has 58 production and engineering sites in 23 countries. Additionally, Transportation operates over 40 service centers at customers’ premises across the world. As at January 31, 2010, Transportation has 33,800 employees located in 36 countries, of which 56% were covered by collective agreements.

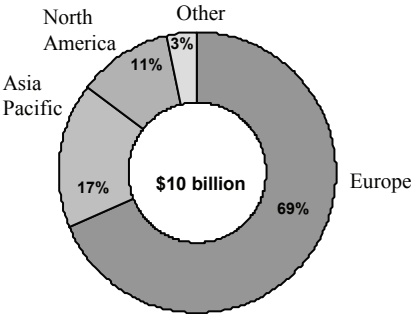
The administrative centre of Transportation is located in Berlin, Germany.

For a list of the Corporation’s principal subsidiaries that fall within Transportation, see “Item 1 – Corporate Structure, section 1.2 – Subsidiaries”.

Principal Markets

The worldwide rail market is comprised of rolling stock, services, systems and signalling, including rail-related telecommunication equipment and infrastructure. As shown in the table below, the European market represents 69% of Transportation’s total revenues for fiscal year 2010.

REVENUES BY GEOGRAPHICAL REGION – Fiscal Year 2010



Customers of Transportation compete with air- and road-based transportation, making passenger comfort, travel times, efficiency, service reliability and capacity important competitive factors. Key factors in rail procurement tenders are compliant with customer specifications, product reliability, maintainability, availability, safety, price, energy efficiency, and design. Local content in products is often an important criterion to public operators as well, especially in the fast growing markets of Asia’s developing nations. Transportation is continuously investing in its customer satisfaction, and is building a systematic process to monitor customer satisfaction.

Almost 85% of Transportation’s rolling stock business is with large, well-financed railway operators in the public sectors, such as national railways and municipal transit authorities. These organizations rely on public involvement for infrastructure funding and operations financing. Most operate on a regional or national basis,

but some are now focusing operations internationally along with emerging private trans-national operators. While deregulation is a factor in some markets, public-sector entities still dominate in most regions.

Distribution Methods

Transportation principally contracts directly with and delivers its products directly to end-customers. Contracts tend to be large in size and relatively complex in design, resulting in significant engineering and design lead times before delivery. Building on modular platforms allows for shorter lead times, lower cost and reduced execution risk, while enhancing product flexibility to address specific customer needs.

Marketing of the products manufactured by Transportation is carried out through marketing or sales offices. In the Americas, these marketing or sales offices are located in Canada (in Saint-Bruno (Québec), in Toronto and Millhaven (Kingston) (Ontario), and in Vancouver (British Columbia)), in the United States (in the states of California, Florida, Pennsylvania, New Jersey and in Washington, D.C.), in Mexico and in Brazil.

In Europe, marketing is conducted through offices in Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Netherlands, Norway, Poland, Portugal, Romania, Russia, Spain, Sweden, Switzerland, Turkey and the United Kingdom.

Finally, Transportation also has offices in Australia, China, India, Israel, Korea, Malaysia, Philippines, Taiwan, Thailand, South Africa and Singapore.

Production Methods

Transportation covers a full spectrum of railway solutions, ranging from product design, components production and complete train manufacturing to system integration, as well as services and refurbishment solutions. Transportation products are developed, manufactured, assembled and serviced through a global network of sites. The sites are specialized by market segment and type of operation.

In the Rolling Stock segment, Transportation has 40 sites specialized in manufacturing and assembly of end products such as locomotives, metros, light rail vehicles, regional trains, intercity and high-speed trains, as well as on production of components such as bogies and propulsion equipment. The Rolling Stock sites are located in 18 countries and include joint-ventures with local partners in China. In the Services segment, Transportation has 20 main services sites in 12 countries, mainly in Europe, focusing on fleet maintenance, refurbishment and overhaul. In addition, Transportation has over 40 services sites on customer premises worldwide to perform fleet maintenance and spare parts supply activities. Transportation has 19 Signalling engineering and production sites, in 14 countries, including joint-ventures with local partners in Russia and Poland. In the Systems segment, Transportation has three sites in three countries for engineering and production of automated people movers (APM) and runs several operations and maintenance (O&M) sites across the globe.

Transportation is continuously improving the performance of its sites to deliver products on time, free of defects and to the full satisfaction of its customers, through its operational improvement program BOS (Bombardier Operations System).

As regards procurement, Transportation works with suppliers in more than 70 countries. Transportation's more than approximately 400 preferred suppliers cover more than 85% of its total product related procurement spend. Procurement at Transportation is organized through networks of lead buyers, which are specialized by material categories and products. They closely interact with the lead engineer organization to continuously improve the performance of material and components, optimize material spending and drive standardization. Division procurement is supported by the global sourcing organization, which identifies and develops suppliers in low cost markets through international procurement offices located in China, Czech Republic, Poland and Romania, Turkey, Bulgaria and Bosnia.

Through its procurement optimization program CODE30+, Transportation works jointly with its suppliers to continuously improve the performance, cost and quality of its supply chain.

Market Segments

Transportation covers a full range of products, services and solutions divided in four segments: Rolling Stock, Services, Systems and Signalling.

Rolling Stock

The rolling stock products of Transportation include locomotives, intercity, very high-speed and high-speed trains, commuter and regional trains, metro cars, light rail vehicles, propulsion and controls for the vehicles and bogies.

- ***Locomotives***

Transportation offers locomotives for intercity, regional and freight rail service, in both electric and diesel-electric versions. Its major products are dual mode locomotives and the *TRAXX* family, which have become the standard in the industry with innovative, standardized and modular locomotives, offering interoperability, outstanding reliability, long-term availability, as well as excellent maintenance and operational economy. Transportation is the world leader in the electric locomotives segment in terms of market share.

- ***Intercity, high-speed and very high-speed trains***

Transportation's product line includes equipment for medium and long-distance operations, such as multiple units and coaches for intercity and high-speed passenger transportation. Its major products are *ZEFIRO* high-speed trains, *REGINA* intercity trains and powerheads for AVE (Alta Velocidad Española). The *ZEFIRO* modular high-speed platform covers the full spectrum of speed requirements: intercity (160-200kph), high-speed (200-250 kph) and very high-speed (above 250 kph). The latest product sold is the *ZEFIRO* for China with a maximum operational speed of 380 kph. Transportation ranks number three worldwide in high-speed and intercity trains in terms of market share.

- ***Commuter and Regional trains***

Transportation offers a wide range of suburban and regional rail transit for urban centres and outlying regions. Transportation has a broad product line featuring electrical, diesel and dual mode self-propelled vehicles, along with a wide range of locomotive-hauled coaches in both single and double-deck configurations. Transportation's *TALENT2*, *SPACIUM*, *OMNEO* or *AGC* (Autorail Grande Capacité) modular and flexible product platforms offer maximum flexibility to transit authorities and operators. Transportation is the worldwide leader in the commuter and regional trains segment in terms of market share.

- ***Metro cars***

Transportation offers high-capacity mobility for inner-city transit. Its flexible *MOVIA* product platform is adaptable to current and future requirements of customers across diverse markets, with a track record for rapid, efficient and cost-effective operation. Transportation ranks number four worldwide in the metro cars segment in terms of market share.

- ***Light rail vehicles***

Transportation offers the world's most complete portfolio of light rail solutions ranging from 100% low-floor trams to high-capacity light rail vehicles, covering the diverse needs of cities around the world. Its proven *FLEXITY* family (with the newly launched *FLEXITY 2* platform) provides efficient transit in dense urban centres. Transportation is the worldwide leader in the light rail vehicles segment in terms of market share.

- ***Propulsion and controls***

Transportation's product line includes complete propulsion, train control and management systems for Bombardier rail vehicles and third-party customers worldwide. The *MITRAC 2* propulsion system has leading edge reliability, efficiency and energy-saving technologies covering the full spectrum of rolling stock applications. Transportation is the worldwide leader in the propulsion equipment segment in terms of market share.

- ***Bogies***

Transportation offers complete bogie solutions, such as the *FLEXX* product family, for Transportation rail vehicles and third-party customers worldwide. Transportation's key competitive advantages are its advanced product technology and the complete aftermarket services it offers throughout the life-cycle of the bogies. Transportation is the worldwide leader in the bogies segment in terms of market share.

Services

Transportation provides a complete service portfolio including full train and fleet maintenance, material and logistics programs, modernization, reengineering and overhaul of vehicles and components. Transportation's key competitive advantages in the Services segment are its engineering expertise, its maintenance techniques and tools, such as the *ORBITA* predictive maintenance management solution, as well as its experience with more than 3,000 vehicles refurbished and more than 4,000 different types of components overhauled worldwide. Transportation is the worldwide leader in train service solutions in terms of revenues.

Systems

Transportation has unique expertise in developing, designing, building, operating and maintaining turnkey transportation systems. Transportation offers complete solutions from fully automated rapid transit, light rail, metro and intercity systems to people movers and monorail systems, as well as transit security, energy management and catenary-free solutions. Transportation ranks number two worldwide in the System segment in terms of market share.

Signalling

Transportation provides a comprehensive portfolio of onboard and wayside signalling solutions that increase speed, safety and track capacity on rail networks. Its main products are *CITYFLO*, for mass transit systems, such as metros, light rail or automated people movers, and *INTERFLO* and *EBI* Cab ATC onboard equipment, for mainline transit ranging from freight traffic to regional/commuter, intercity and high-speed lines. Transportation is the market leader in the European Rail Traffic Management System (ERTMS) technology. Transportation ranks number six worldwide for rail control solutions in terms of revenues.

Competition

The accessible market represents the worldwide rail market excluding the share of local contractors in emerging markets, maintenance performed in-house by operators, as well as the Japanese market, which are not accessible to open-bid competition. Unless otherwise stated, the market referred to under the Transportation heading in this Annual Information Form represents the market in which Transportation has a product offering ("relevant market"), defined as the accessible market excluding freight locomotives in North America, worldwide freight cars, rail infrastructure and electrification. Due to the cyclical nature of the market and in line with common industry practice, Transportation's relevant market is stated as the average of

a three-year period, based on published orders for Rolling Stock and Systems, and on estimated market volumes for Services and Signalling⁹.

The three largest industry players, including Transportation, account for 56% of the relevant market. Transportation's major competitors are Alstom Transport ("Alstom"), a business unit of Alstom SA and Siemens Mobility ("Siemens"), a business unit of Siemens AG. Both Alstom and Siemens are active in the same markets as Transportation but Siemens is also present in infrastructure logistics (e.g. postal automation) and road solutions (e.g. tolling systems), which inflates Siemens' market share when compared to Transportation's. All other competitors in the relevant market hold less than 10% of total market share.

In terms of revenues and order intake in the year 2009, Transportation is the leader of the rail market. Moreover, based on a three-year average for calendar years 2007-09, Transportation is a market leader in the rail industry, with a market share of 20% of the relevant market. For the same period, Transportation remains the market leader in most rolling stock segments and in the services business. Transportation is well positioned in all segments and ranks number one in seven out of eleven product segments¹⁰.

Depending on the product segments, countries and regions, Transportation is facing competition from specialized competitors. In the Services segment, competition mainly comes from railway operators, sub-system and component suppliers, as well as from third-party service providers.

Increasing competition is also coming from Asia, especially from Chinese, Korean and Japanese competitors. These players are positioning themselves in the Rolling Stock segment, mainly in North America and other regions which are not traditional markets where Transportation has a product offering (i.e. regions other than North America, Europe and Asia-Pacific), and are increasingly present in deregulated markets like the United Kingdom.

3.3 Segmented Disclosure

For information respecting Bombardier's sales by industry and geographic segments, reference is made to note 28 to the Corporation's consolidated financial statements for the fiscal years ended January 31, 2010 and January 31, 2009 filed with the Canadian securities regulatory authorities on April 1, 2010, which note is incorporated by reference into this Annual Information Form.

3.4 Agreements Relating to the Use of Certain Technologies

Some operations of Bombardier are conducted under agreements which allow it to use certain technical data and information relating to products or technologies developed by others. The most important of such agreements is the agreement signed on December 22, 1986, with Cartierville Financial Corporation Inc. ("CFC") (a wholly-owned subsidiary of Canada Development Investment Corporation, in turn wholly-owned by the Canadian federal government), under which Canadair Limited had obtained a licence granting it the exclusive and absolute right to use and exploit all the technology relating to the design of the *Challenger* aircraft and to use and incorporate that technology in the manufacture, development, testing, sale, distribution, maintenance and support of *Challenger* aircraft and any other related product worldwide. The initial term of the agreement is 21 years; however, the Corporation (as successor in interest to Canadair

⁹ Assessment of market share under the subsections "Market Segments" and "Competition" is based on Transportation market intelligence. For Rolling Stock and System, it is based on published orders. For Services and Signalling, it is based on the Worldwide Rail Market Study 2009, i.e. a study commissioned by the UNIFE, the Association of the European Rail Industry.

¹⁰ Commuter and Regional being considered as two product segments.

Limited) has an option to renew this agreement for three additional consecutive periods of 21 years each, the first of such options has been exercised during fiscal 2007. In consideration for the rights thus granted to it, the Corporation paid CFC a lump sum of CAN\$20 million in 1988, less an amount equal to certain royalties then paid, in lieu of the royalties provided for under the agreement.

3.5 Product Development

3.5.1 Aerospace

Aerospace launched in September 2007 its new *Global Vision* flight deck for *Global 5000* and *Global Express XRS* aircraft. Flight deck enhancements include improved avionics system features and functionalities, increased situational awareness and comfort as well as superior design aesthetics. On August 3, 2009, a *Global Express XRS* aircraft equipped with a *Global Vision* flight deck had a successful first test flight and is progressing through the certification flight test program. A second test aircraft joined the certification flight test program after completing its first flight on February 21, 2010.

Aerospace launched in October 2007 its all-new *Learjet 85* aircraft, which is set to redefine the midsize jet category with an all-new composite structure. Aerospace is currently in the Joint Definition Phase for this *Learjet 85* aircraft and has agreements with all major suppliers on the program, including propulsion, air systems, avionics, electrical, hydro-mechanics, structures and interiors. Aerospace is also progressing through its Composite Technology Readiness Phase. As part of this activity, Aerospace has built two proof-of-concept composite fuselages. As well, wind tunnel testing has been completed. Aerospace has started composite manufacturing on additional prototype parts in Querétaro, Mexico. The *Learjet 85* aircraft is scheduled to enter into service in calendar year 2013.

Aerospace launched the *CRJ1000 NextGen* and introduced the next generation versions of its *CRJ700* and *CRJ900* regional jets, all of which are designed to meet customer demand in terms of improved aircraft economics, cabin comfort and environmental footprint. The *CRJ1000 NextGen* regional jet is designed specifically to meet the growing needs of regional airlines for jets up to 100 seats. The first flight of the production aircraft of the *CRJ1000 NextGen* regional jet was completed in July 2009 from the Mirabel, Québec site. The *CRJ1000 NextGen* has completed approximately 70% of the total flight test program, and is expected to enter into service in the second half of calendar year 2010.

See also “*C-Series Aircraft*” at item 3.2 above for details on the stage of development of this family of aircraft.

3.5.2 Transportation

Transportation’s goal is to sustain its leading position in the industry through innovative and environmentally conscious products and services. Transportation’s leading initiative is to maintain a structured approach to continuously improve its product portfolio through product roadmaps and innovation management.

In pursuing this, Transportation is developing next-generation products. In the Locomotives, Propulsion and Bogies product segments, Transportation is maintaining its product leadership through the launch of an innovation program covering its *TRAXX* locomotive family, as well as selected propulsion and bogie features to further develop efficient and environmentally friendly solutions.

In addition, Transportation is accelerating the development of product platforms in the System product segment to enhance the competitiveness of its automated rapid transit solutions, automated people movers and monorails for projects around the world.

Transportation is also taking action to stabilize its Signalling product portfolio including mass transit solutions and the complete ERTMS portfolio to ensure timely delivery of its projects and to further strengthen its competitiveness in state-of-the-art technologies.

In 2009 Transportation successfully introduced the new *ZEFIRO* 380 very high speed platform for the Chinese Ministry of Railways, incorporating its advanced *ECO4* energy saving technologies to create best-in-class energy and operating efficiencies.

Transportation also broke new ground by being awarded the order for the versatile *FLEXITY* 2 tram for the city of Blackpool, United Kingdom.

Additionally, Transportation accomplished to win the momentous orders where its products have been chosen because of their low energy consumption and high level of passenger comfort, notably the largest single order for light rail vehicles in the world from Toronto Transit Commission as well as an order for more than 80 EMUs for regional transport in the city of Stuttgart, Germany.

Transportation carries this positive trend forward into fiscal year 2010, signing an \$11-billion framework agreement with the French railways SNCF for the design and manufacturing of 860 double-deck EMUs. Two firm orders for 129 trains valued at \$1.6 billion were obtained under this framework agreement.

3.6 Environment

Environmental Laws and Risks

The Corporation's products as well as its manufacturing and service activities are subject to environmental regulations by federal, provincial and local authorities in Canada as well as local regulatory authorities having jurisdiction over the Corporation's foreign operations. In addition, the Corporation has established, and it periodically updates a health, safety and environment policy (the "HSE Policy") that defines the Corporation's vision for its worldwide operations. This HSE Policy was updated in the 2009 fiscal year. Consistent with this policy, a HSE Compliance Audit program has been put in place throughout the Corporation to ascertain material compliance of its manufacturing and service activities to all applicable HSE laws and regulations. Also, to prevent pollution and minimize environmental risks, the Corporation has deployed the ISO 14001 Standard to its manufacturing and services locations. To date, approximately 97% of the Corporation's locations over 150 employees have been certified according to the ISO 14001 Standard for Environmental Management by outside bodies and nearly 95% according to the OSHAS 18001 standard. Consistent with its policy stressing environmental responsibility and its desire to maintain legal compliance, the Corporation routinely procures, installs and operates pollution control devices, such as wastewater treatment plants, groundwater monitoring devices, air strippers or separators, and incinerators at new and existing facilities constructed or upgraded in the normal course of business. According to the ISO 14001 Standard, imminent environmental laws and regulations are tracked and assessed on a regular basis. Future capital expenditures for pollution control systems resulting from these imminent regulatory requirements are not expected to have a material effect on the Corporation's consolidated financial position.

The Corporation's regulatory risks associated with climate change generally fall under the national and local requirements (including the Kyoto Protocol) being implemented by each jurisdiction where the Corporation carries out its activities. Most of the Corporation's manufacturing activities are carried out within Annex B countries that have ratified the Kyoto Protocol. These countries are at various stages of developing binding emission allocations and trading schemes. During the fiscal year 2010, the Corporation's climate change regulatory risks mainly fell under its obligations to the European Union Emission Trading Scheme. To date, the impact on the Corporation has been non-material. The Corporation continues to monitor risks associated with energy efficiency legislation, carbon taxes, industry standards and other carbon trading mechanisms related to both its activities and products.

During the fiscal year 2010, the Corporation has worked on a new European regulation that was adopted in year 2007, i.e. the Registration Evaluation Authorisation and Restriction of Chemicals ("REACH"). The Corporation, through its two reportable segments, has implemented mechanisms to ascertain compliance of its products and operations with the pre-registration phase of REACH. The Corporation continues to monitor the next phases of the REACH implementation in order to ensure full compliance. This regulation is not expected to have a material effect on the Corporation's financial position.

European Union Emissions Trading Scheme

During the 2010 fiscal year, two sites of the Corporation qualified for the EU Allocation Programs but these allocations did not present a material risk to the Corporation, since the sites were below their respective applicable limits and therefore the Corporation did not have to buy carbon credits.

The United Kingdom will launch a new mandatory carbon emissions trading scheme in April 2010, i.e. the Carbon Reduction Commitment also named the CRC Energy Efficiency System. This regulation is not expected to have a material effect on the Corporation's financial position.

Environmental Liabilities

With respect to environmental matters related to site contamination (historical contamination of soil and groundwater), the Corporation periodically conducts studies, individually at sites owned by the Corporation, and jointly as a member of industry groups at sites not owned by the Corporation, to evaluate the presence of contaminants in the soil and groundwater and to determine the need and feasibility of various remediation techniques and to define the Corporation's share of liability. The Corporation is currently proceeding with decontamination at a small number of sites both in North America and in Europe. The known historical costs for soil and/or groundwater decontamination are not expected to have a material effect on the Corporation's consolidated financial position. During the 2011 fiscal year, the anticipated costs related to environmental liabilities are not expected to be in excess of \$25 million.

Potential Environmental Liabilities

Estimating future environmental clean-up liabilities is dependent on the nature and the extent of historical and physical data about a given site, the complexity of the contamination, the uncertainty of which remedy to apply, the timing of the remedial action and the outcome of the discussions with regulatory authorities. Although it appears likely that annual costs for remediation activities might increase over time because of ever more stringent legal requirements these costs should not be material to the Corporation.

3.7 Human Resources

The following table shows the total number of employees of the Corporation:

	Number of employees as at January 31st	
	2010	2009
Aerospace ⁽¹⁾	28,900	32,500
Transportation ⁽²⁾	33,800	34,200
Corporate Office ⁽³⁾	180	170
TOTAL	62,880	66,870

(1) Including 1,250 contractual employees for fiscal 2010 and 2,500 contractual employees for fiscal year 2009.

(2) Including 4,350 contractual employees for fiscal 2010 and 4,800 contractual employees for fiscal years 2009.

(3) Including 20 contractual employees for fiscal 2010 and 10 contractual employees for fiscal year 2009.

As at January 31, 2010, 12,000 of the Corporation's employees in the Americas were represented by certified unions under 21 separate collective agreements. These agreements expire at different dates, the latest of which is November 2014.

In Europe and other countries, as at January 31, 2010, 23,700 of the Corporation's employees were represented by certified unions under 152 separate collective agreements. National unions represent

employees in subsidiaries or divisions and national and sectorial bargaining generally takes place every one or two years depending on the country. These agreements expire at different dates, the latest of which is December 2016.

The Corporation considers that its relations with its employees are satisfactory.

Recruiting and retaining qualified project management and engineering personnel remains fundamental to the Corporation's success. Competition for these skill sets, particularly in engineering, has become even more intense especially in those areas where in-depth industry specific expertise is required.

The almost 3,000 degreed engineering employees of Aerospace have a wide breadth of expertise, including in areas related to metal and composite design and analysis, chemical processing and finishing, tooling design and development and aircraft systems integration. Aerospace is also expanding its efforts to work with educational institutions to train engineers in areas where there are shortages of qualified candidates (e.g. on board systems engineers). Aerospace funds program development, partners in curriculum design, provides expertise in teaching and offers internships to complement academic learning with hands on experience. In addition, it continues to expand on its internal slate of engineering and method training programs to continually improve the knowledge of these essential employees.

Transportation employs 3,400 highly qualified engineers essential to the successful design, manufacture and maintenance of rail transport solutions for the Corporation's global customers. Required skills include mechanical and software engineering as well as specialty disciplines in acoustic, thermodynamics, electrical systems, design for environment, structural integrity and crash safety, vehicle dynamics, reliability and maintenance. Transportation's graduate development programs are designed to strengthen its junior talent pipeline, and they currently provide an annual intake of 30 engineering graduates.

3.8 Foreign Currency and Interest Rate

A description of the Corporation's main exposures to foreign currencies and their management appears under the headings "Foreign Currency Fluctuations", "Foreign Exchange Management", "BA's Foreign Currency Denominated Costs", "Changing Interest Rates" and "Exposure to Credit Risk" in the Management's Discussion and Analysis on pages 38 to 40, of the 2010 Annual Report, which pages are incorporated by reference into this Annual Information Form.

3.9 Risk Factors

A description of risks affecting the Corporation and its activities appears under the heading "Risks and Uncertainties" in the Management's Discussion and Analysis on pages 138 to 142 of our 2010 Annual Report, which pages are incorporated by reference into this Annual Information Form.

Item 4 Dividends

The Corporation declared the dividends indicated below on its outstanding shares during each of the fiscal years ended January 31, 2010, January 31, 2009 and January 31, 2008. These dividends are denominated in Canadian dollars.

Fiscal years ended January 31,

	2010		2009		2008	
	Total	Per share	Total	Per share	Total	Per share
(millions of dollars, except per share amounts)						
Series 2 Cumulative Redeemable Preferred Shares	5.1	0.587965	10.9	1.14917	9.2	1.52317
Series 3 Cumulative Redeemable Preferred Shares	3.3	1.31676	3.3	1.31676	8.1	1.34288
Series 4 Cumulative Redeemable Preferred Shares	14.7	1.5625	14.7	1.5625	14.7	1.5625
Class A Shares (Multiple Voting)	31.6	0.10	23.8	0.075	—	—
Class B Subordinate Voting Shares	146.1	0.1015625	109.5	0.076172	—	—

The articles of the Corporation stipulate that no dividends may be paid on the Class A Shares (Multiple Voting) (the “Class A Shares”) or the Class B Subordinate Voting Shares unless all accrued and unpaid dividends on the Series 2 Cumulative Redeemable Preferred Shares (the “Series 2 Preferred Shares”), Series 3 Cumulative Redeemable Preferred Shares (the “Series 3 Preferred Shares”) and Series 4 Cumulative Redeemable Preferred Shares (the “Series 4 Preferred Shares”) have been declared and paid or set aside for payment, or all the outstanding Series 2 Preferred Shares, Series 3 Preferred Shares or Series 4 Preferred Shares, as the case may be, have been called for redemption and the redemption price of such shares has been deposited in the manner set out in the articles of the Corporation. In addition, the Corporation’s ability to pay dividends is limited by the terms of some of its debt instruments.

The holders of Class B Subordinate Voting Shares are entitled, in preference to the holders of Class A Shares, to a non-cumulative dividend at the rate of CAN\$0.0015625 per share per annum, or CAN\$0.000390625 per quarter; when a dividend on the Class B Subordinate Voting Shares at the rate of CAN\$0.0015625 per share per annum is declared and paid or set aside for payment in any fiscal year, the Class A Shares and the Class B Subordinate Voting Shares participate equally, share for share, with respect to any additional dividend which may be declared, paid or set aside for payment during said fiscal year.

In accordance with the decision made by the Board of Directors of Bombardier on June 3, 2008, authorizing the reinstatement of the payment of a quarterly dividend on each Class A Shares and each Class B Subordinate Voting Shares, holders of these shares are entitled to a quarterly dividend of CAN\$0.025 per share, if and when declared by the Board of Directors.

Item 5 General Description of Capital Structure

The authorized capital of the Corporation consists of (i) an unlimited number of preferred shares without nominal or par value issuable in series (the “Preferred Shares”), of which 12,000,000 have been designated as the Series 2 Preferred Shares, 12,000,000 have been designated as the Series 3 Preferred Shares and 9,400,000 have been designated as the Series 4 Preferred Shares, (ii) 1,892,000,000 Class A Shares, and (iii) 1,892,000,000 Class B Subordinate Voting Shares. As at January 31, 2010, the Corporation had outstanding 9,464,920 Series 2 Preferred Shares, 2,535,080 Series 3 Preferred Shares, 9,400,000 Series 4 Preferred Shares, 316,231,937 Class A Shares and 1,438,517,706 Class B Subordinate Voting Shares.

The Class B Subordinate Voting Shares are restricted securities (within the meaning of the relevant Canadian regulations respecting securities) in that they do not carry equal voting rights. In the aggregate, all of the voting rights associated with the Class B Subordinate Voting Shares represented, as at January 31, 2010, 31.27% of the voting rights attached to all of the Corporation’s issued and outstanding voting securities.

Class A Shares and Class B Subordinate Voting Shares

Subordination and Voting Rights

The Class A Shares and the Class B Subordinate Voting Shares rank after the Preferred Shares with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation. At each meeting of shareholders of the Corporation, except those meetings where only the holders of shares of another class or of a particular series are entitled to vote, each Class A Share entitles the holder thereof to 10 votes and each Class B Subordinate Voting Share entitles the holder thereof to one vote.

Dividends and Liquidation

The holders of Class B Subordinate Voting Shares are entitled to receive, in each fiscal year, if declared by the Board of Directors, in priority to the holders of Class A Shares, a non-cumulative dividend at the rate of CAN\$0.0015625 per share per annum and after payment or setting aside for payment of said dividend, the holders of Class A Shares and the holders of Class B Subordinate Voting Shares are equally entitled, share for share, to any additional dividend which may be declared by the Board of Directors in such fiscal year in respect of the Class A Shares and Class B Subordinate Voting Shares.

In the event of the liquidation or winding-up of the Corporation or of any other distribution of its assets among its shareholders for the purpose of winding up its affairs, the holders of Class A Shares and the holders of Class B Subordinate Voting Shares will be entitled, share for share, to receive on a *pro rata* basis all of the assets of the Corporation remaining after payment of all of the liabilities, subject to the preferential rights attaching to any shares ranking prior to the Class A Shares and Class B Subordinate Voting Shares.

Subdivision or Consolidation

In the event of the subdivision or consolidation of the Class A Shares or the Class B Subordinate Voting Shares, the Class A Shares or the Class B Subordinate Voting Shares, as the case may be, shall be subdivided or consolidated at the same time and in the same manner.

Conversion Privilege

Each Class A Share is convertible at any time by the holder thereof into one fully paid and non-assessable Class B Subordinate Voting Share. Each Class B Subordinate Voting Share is convertible by the holder thereof into one fully paid and non-assessable Class A Share at any time upon and after the occurrence of either one of the following events: (i) if an offer (as defined in the articles of the Corporation) is made to all holders of Class A Shares to acquire Class A Shares and such offer is accepted by the majority shareholder of the Corporation, namely, the Bombardier Family; or (ii) if the Bombardier Family ceases to hold, directly or indirectly, more than 50% of the outstanding Class A Shares.

Except for the rights, privileges, restrictions and conditions attaching to the Class A Shares and Class B Subordinate Voting Shares as described above, the Class A Shares and the Class B Subordinate Voting Shares have the same rights, are equal in all respects and are treated by the Corporation as if they were shares of one class only.

Preferred Shares as a Class

Issuable in Series

The Preferred Shares are issuable in series, each series consisting of such number of shares and having such rights, privileges, conditions and restrictions as may be determined by the Board of Directors prior to the issue thereof, subject to the provisions of the CBCA, the articles of the Corporation and to the conditions attaching to any series of preferred shares outstanding.

Priority

The Preferred Shares of each series rank equally with the Preferred Shares of all other series and rank ahead of the Class A Shares and the Class B Subordinate Voting Shares with respect to the payment of dividends and the distribution of assets, to the extent described in the articles of the Corporation, in the event of the liquidation, dissolution or winding-up of the Corporation or of any other distribution of its assets among its shareholders for the purpose of winding up its affairs.

Dividends

The holders of Preferred Shares are entitled to receive preferential dividends in such amounts and at such intervals as may be determined by the Board of Directors in respect of each series prior to the issue thereof.

Rights on Liquidation

In the event of any liquidation, dissolution or winding-up of the Corporation or any other return of capital or distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of Preferred Shares shall be entitled to receive CAN\$25.00 per Preferred Share held (together with accrued and unpaid dividends).

Voting Rights

The holders of Preferred Shares do not have the right to receive notice of, attend, or vote at, any meeting of shareholders except to the extent otherwise provided in the articles of the Corporation in respect of any series of Preferred Shares or when holders of Preferred Shares are entitled to vote separately as a class or as a series as set forth in the CBCA or any successor statute, as amended from time to time. In connection with any matter requiring the approval of the Preferred Shares as a class, each holder is entitled to one vote for each dollar of the issue price of the Preferred Shares held. Each holder of Preferred Shares of a particular series shall be entitled, on a series vote, to one vote for each Preferred Share of such series held. Holders of Preferred Shares have no pre-emptive rights.

Modifications

The class provisions of the Preferred Shares may be amended at any time with such approval as may be required by the CBCA. The CBCA currently provides that such approval may be given by at least two-thirds of the votes cast at a meeting of the holders of Preferred Shares. The articles of the Corporation provide, in respect of meetings of holders of Preferred Shares, that a quorum is constituted by two or more persons, representing together, in their own right or as proxy holders or as representatives of such legal person or association, a number of Preferred Shares carrying at least 25% of the voting rights attached to all the outstanding Preferred Shares, in the case of a meeting of the holders of Preferred Shares as a class, or a number of Preferred Shares of any series carrying at least 25% of the voting rights attached to all the outstanding Preferred Shares of such series, in the case of a meeting of the holders of Preferred Shares of that series as a series; however, at any adjourned meeting, the quorum will be constituted by the persons present at such adjourned meeting, irrespective of the percentage of outstanding Preferred Shares held by such persons.

Series 2 Preferred Shares

The Series 2 Preferred Shares are non-voting (except if the Corporation fails to pay in full eight (8) quarterly dividends or 24 monthly dividends, as the case may be, until all arrears of dividends on the Series 2 Preferred Shares shall have been paid), redeemable at the Corporation's option (with respect to all and not less than all outstanding Series 2 Preferred Shares) at CAN\$25.50 per share (together with accrued and unpaid dividends), convertible on a one-for-one basis on August 1, 2012 and on August 1 of every fifth year thereafter into Series 3 Preferred Shares. Fourteen days preceding a conversion date, if the Corporation determines after having taken into account all shares tendered for conversion by holders that there would be less than 1,000,000 outstanding Series 2 Preferred Shares on the conversion date, such remaining number shall be automatically converted into an equal number of Series 3 Preferred Shares. Likewise, if the Corporation determines that at such time, there would be less than 1,000,000 outstanding Series 3 Preferred Shares, then no Series 2 Preferred Shares may be converted. Since August 1, 2002, floating adjustable cumulative preferential cash dividends are payable monthly, if declared by the Board of Directors, with the annual floating dividend rate equal to 80% of the Canadian prime rate. The dividend rate will float in relation to changes in the prime rate and will be adjusted upwards or downwards on a monthly basis up to a monthly maximum of 4% of the prime rate if the trading price of the Series 2 Preferred Shares is less than CAN\$24.90 per share or more than CAN\$25.10 per share.

None of the provisions of the articles of the Corporation relating to Series 2 Preferred Shares as a series shall be amended or otherwise changed unless the series provisions relating to Series 3 Preferred Shares are amended or otherwise changed in the same proportion and in the same manner.

Series 3 Preferred Shares

The Series 3 Preferred Shares are non-voting (except if the Corporation fails to pay in full eight (8) quarterly dividends, until all arrears of dividends on the Series 3 Preferred Shares shall have been paid), redeemable at the Corporation's option (with respect to all and not less than all outstanding Series 3 Preferred Shares) at CAN\$25.00 per share (together with accrued and unpaid dividends) on August 1, 2012 and on August 1 of every fifth year thereafter, convertible on a one-for-one basis at the option of the holder on August 1, 2012 and on August 1 of every fifth year thereafter into Series 2 Preferred Shares. Fourteen days preceding a conversion date, if the Corporation determines after having taken into account all shares tendered for conversion by holders that there would be less than 1,000,000 outstanding Series 3 Preferred Shares on the conversion date, such remaining number shall be automatically converted into an equal number of Series 2 Preferred Shares. Likewise, if the Corporation determines that at such time there would be less than 1,000,000 outstanding Series 2 Preferred Shares, then no Series 3 Preferred Shares may be converted. The Series 3 Preferred Shares carry an annual dividend rate of 5.267% for the five-year period from August 1, 2007 to and including July 31, 2012, payable quarterly, if declared. The quarterly dividend rate will be fixed by the Corporation at least 45 days and not more than 60 days before each subsequent five-year dividend period. Each five-year fixed dividend rate selected by the Corporation shall not be less than 80% of the Government of Canada bond yield as defined in the Articles of Amendment creating the Series 3 Preferred Shares.

None of the provisions of the articles of the Corporation relating to Series 3 Preferred Shares as a series shall be amended or otherwise changed unless the series provisions relating to Series 2 Preferred Shares are amended or otherwise changed in the same proportion and in the same manner.

Series 4 Preferred Shares

The Series 4 Preferred Shares are entitled to fixed, cumulative, preferential cash dividends, if, as and when declared by the Board of Directors, at a rate equal to CAN\$1.5625 per share per annum. Dividends are payable quarterly on the last day of January, April, July, and October each year at a rate of CAN\$0.390625 per share per quarter. The Series 4 Preferred Shares are non-voting (except if the Corporation fails to pay in full eight (8) quarterly dividends, until all arrears of dividends on the Series 4 Preferred Shares shall have been paid). The Corporation may, on not less than 30 nor more than 60 days' notice, redeem for cash the

Series 4 Preferred Shares in whole or in part, at the Corporation's option, at CAN\$25.25 if redeemed after March 31, 2010 and prior to March 31, 2011 and CAN\$25.00 if redeemed on or after March 31, 2011 (in each case together with accrued and unpaid dividends). Alternatively, the Corporation may, on not less than 30 nor more than 60 days' notice, subject to stock exchange approvals, convert all or any part of the outstanding Series 4 Preferred Shares into fully paid and non-assessable Class B Subordinate Voting Shares of the Corporation. The number of Class B Subordinate Voting Shares of the Corporation into which each Series 4 Preferred Share may be so converted will be determined by dividing the applicable redemption price per Series 4 Preferred Shares together with all accrued and unpaid dividends to but excluding the date of conversion by the greater of CAN\$2.00 and 95% of the weighted average trading price of such Class B Subordinate Voting Shares on the TSX for the period of 20 consecutive trading days which ends on the fourth day prior to the date specified for conversion or, if that fourth day is not a trading day, on the immediately preceding trading day (the "Current Market Price"). Fractional Class B Subordinate Voting Shares shall not be issued on any conversion of Series 4 Preferred Shares but in lieu thereof the Corporation shall make cash payments in an amount per fractional Class B Subordinate Voting Share otherwise issuable equal to the product of the fraction of the Class B Subordinate Voting Share otherwise issuable and the greater of CAN\$2.00 and 95% and such Current Market Price. The Corporation may, at its option, at any time grant the holders of Series 4 Preferred Shares the right, but not the obligation, to convert their shares upon notice into a further series of Preferred Shares on a share-for-share basis.

Security Ratings

As at January 31, 2010, the Corporation had a long-term debt rating of BB+ from Fitch Ratings ("Fitch") with a negative outlook. The Corporation's debt securities have also received long-term debt ratings of Ba2 by Moody's Investors Service ("Moody's") and BB+ by Standard & Poor's ("S&P") with both firms maintaining a stable outlook. Fitch and S&P have also rated the preferred shares of the Corporation respectively as a BB- and P-4. Dominion Bond Rating Service Limited ("DBRS") also issued BB and Pfd-4 ratings to the Corporation for its long-term debt and preferred shares, respectively with a stable outlook but these ratings were unsolicited and based solely on public information.

S&P rates (i) long-term debt by rating categories ranging from a high of AAA to a low of D, and (ii) preferred shares by rating categories ranging from P-1 (high) to a low of D, Moody's ratings range from a high of Aaa to a low of C, Fitch's ratings range from a high of AAA to a low of D and DBRS ratings range from a high of AAA to a low of D for long term debt and from a high Pfd-1 to a low D for preferred shares.

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issuance of securities and disregard certain factors such as market risk or price risk. These factors should be considered by investors as risk factors in their process of investment decision making.

The credit ratings accorded by S&P, Moody's, Fitch and DBRS are not recommendations to purchase, hold or sell the securities. There is no assurance that the ratings will remain in effect for any given period of time or that the rating will not be revised or withdrawn entirely by S&P, Moody's, Fitch and DBRS in the future if it is in their judgement that circumstances so warrant.

Item 6 Market for the Securities of the Corporation

The Corporation's Class A Shares, Class B Subordinate Voting Shares, Series 2 Preferred Shares, Series 3 Preferred Shares and Series 4 Preferred Shares are listed for trading on the Toronto Stock Exchange (the "TSX") under the symbols "BBD.A", "BBD.B", "BBD.PR.B", "BBD.PR.D" and "BBD.PR.C", respectively.

The following table sets forth the reported high, low and closing sale prices in Canadian dollars and the cumulative volume of trading of each of the Corporation's securities listed for trading on the TSX for the periods indicated:

MONTH		Class A Shares "BBD.A"	Class B Subordinate Voting Shares "BBD.B"	Series 2 Preferred Shares "BBD.PR.B"	Series 3 Preferred Shares "BBD.PR.D"	Series 4 Preferred Shares "BBD.PR.C"
January 2010	High	\$5.63	\$5.64	\$13.75	\$19.00	\$22.98
	Low	\$4.79	\$4.79	\$12.00	\$18.00	\$22.00
	Close	\$5.04	\$5.04	\$13.60	\$18.60	\$22.50
	Volume	2,167,387	131,707,314	527,887	125,727	90,385
December 2009	High	\$4.89	\$4.88	\$12.33	\$18.10	\$22.79
	Low	\$4.50	\$4.50	\$11.62	\$17.51	\$21.28
	Close	\$4.78	\$4.80	\$12.09	\$18.08	\$22.79
	Volume	1,102,110	62,085,156	353,274	53,592	82,221
November 2009	High	\$5.07	\$5.09	\$12.90	\$18.25	\$21.45
	Low	\$4.33	\$4.30	\$12.06	\$17.40	\$20.74
	Close	\$4.48	\$4.48	\$12.20	\$17.98	\$21.30
	Volume	1,233,725	87,845,212	216,635	28,692	68,080
October 2009	High	\$5.31	\$5.35	\$13.15	\$18.26	\$21.85
	Low	\$4.17	\$4.16	\$12.03	\$16.76	\$20.38
	Close	\$4.40	\$4.39	\$12.10	\$17.40	\$20.76
	Volume	1,638,669	135,465,906	194,743	30,221	89,970
September 2009	High	\$5.05	\$5.05	\$13.56	\$18.43	\$21.50
	Low	\$3.77	\$3.78	\$11.40	\$16.33	\$19.70
	Close	\$4.96	\$4.97	\$12.89	\$18.10	\$21.50
	Volume	1,933,749	210,993,804	419,106	79,060	195,387
August 2009	High	\$4.40	\$4.40	\$12.22	\$17.00	\$20.40
	Low	\$3.83	\$3.83	\$11.33	\$15.93	\$19.18
	Close	\$3.97	\$4.00	\$11.56	\$16.70	\$19.75
	Volume	1,354,964	156,438,078	547,646	63,553	246,764
July 2009	High	\$3.80	\$3.82	\$11.45	\$16.25	\$19.48
	Low	\$3.28	\$3.27	\$10.50	\$15.69	\$18.24
	Close	\$3.80	\$3.82	\$11.40	\$15.90	\$19.26
	Volume	920,660	115,932,267	203,584	164,400	120,033
June 2009	High	\$4.01	\$3.99	\$12.46	\$16.25	\$19.79
	Low	\$3.20	\$3.16	\$10.41	\$15.16	\$18.65
	Close	\$3.43	\$3.45	\$11.17	\$15.69	\$19.20
	Volume	1,677,533	230,337,660	209,754	42,644	145,503
May 2009	High	\$4.38	\$4.45	\$10.80	\$16.24	\$19.45
	Low	\$3.54	\$3.51	\$9.12	\$15.45	\$17.81
	Close	\$3.69	\$3.66	\$10.45	\$15.90	\$19.32
	Volume	1,430,123	150,999,939	249,572	40,740	104,964
April 2009	High	\$3.87	\$3.82	\$9.25	\$15.45	\$18.57
	Low	\$3.01	\$2.90	\$8.23	\$12.95	\$16.81
	Close	\$3.85	\$3.78	\$9.25	\$15.45	\$18.02
	Volume	1,323,996	198,002,754	564,336	50,053	302,570
March 2009	High	\$3.22	\$3.10	\$8.90	\$13.00	\$17.45
	Low	\$2.29	\$2.22	\$6.26	\$10.50	\$16.24
	Close	\$3.05	\$2.94	\$8.25	\$12.76	\$17.12
	Volume	1,552,106	274,148,380	192,934	95,363	130,388
February 2009	High	\$3.96	\$3.91	\$10.15	\$15.10	\$18.26
	Low	\$2.60	\$2.59	\$8.32	\$11.96	\$16.10
	Close	\$3.01	\$2.96	\$8.72	\$12.00	\$16.88
	Volume	1,630,210	282,178,618	100,649	36,763	110,391

Item 7 Directors and Executive Officers

The names of the directors and executive officers of the Corporation, their municipality of residence, the positions held by them within the Corporation, the principal occupations of the directors, the period during which each director has exercised his or her mandate, as well as the number of Class A Shares, Class B Subordinate Voting Shares or Deferred Stock Units, as the case may be, of the Corporation that the directors, as at March 31, 2010 or as at January 31, 2010 for Director Deferred Stock Units (“DDSU”), owned beneficially or over which they exercised control or direction, are indicated below. No Series 2 Preferred Shares, Series 3 Preferred Shares or Series 4 Preferred Shares are held by any director.

Directors

Name, Municipality of Residence, Principal Occupation(s) and Position(s) Held Within the Corporation	Period of Service as a Director	Class A Shares⁽¹⁾	Class B Subordinate Voting Shares⁽¹⁾	Director Deferred Stock Units or Other Deferred Stock Unit Programs
LAURENT BEAUDOIN, C.C., FCA Westmount, Québec, Canada Chairman of the Board of the Corporation	1975 to date	13,052,944 ⁽²⁾	812,500 ⁽²⁾	1,501,844 ⁽³⁾
PIERRE BEAUDOIN Westmount, Québec, Canada President and Chief Executive Officer of the Corporation	2004 to date	512,859	1,312	—
ANDRÉ BÉRARD ^{(a)(b)(c)(d)} Montréal, Québec, Canada Corporate Director	2004 to date	—	5,000	218,774 ⁽⁴⁾
J.R. ANDRÉ BOMBARDIER Montréal, Québec, Canada Vice Chairman of the Corporation	1975 to date	⁽⁵⁾	265,774	—
JANINE BOMBARDIER Westmount, Québec, Canada President and Governor, J. Armand Bombardier Foundation, charitable organization	1984 to date	⁽⁶⁾	40,001	173,455 ⁽⁴⁾
MARTHA FINN BROOKS ^{(a)(b)} Atlanta, Georgia, U.S.A. Corporate Director	2009 to date	—	—	18,227 ⁽⁴⁾
L. DENIS DESAUTELS, O.C., FCA ^{(a)(c)} Ottawa, Ontario, Canada Corporate Director	2003 to date	—	10,000	107,957 ⁽⁴⁾
THIERRY DESMAREST Paris, France Chairman of the Board of Directors of Total S.A. (oil and gas company)	2009 to date	—	—	— 22,021 ⁽⁴⁾
JEAN-LOUIS FONTAINE Westmount, Québec, Canada Vice Chairman of the Corporation	1975 to date	4,097,472 ⁽⁷⁾	6,465	—

Name, Municipality of Residence, Principal Occupation(s) and Position(s) Held Within the Corporation	Period of Service as a Director	Class A Shares⁽¹⁾	Class B Subordinate Voting Shares⁽¹⁾	Director Deferred Stock Units or Other Deferred Stock Unit Programs
DANIEL JOHNSON ⁽⁸⁾ (a)(c) Montréal, Québec, Canada Counsel, McCarthy Tétrault, LLP Barristers and Solicitors	1999 to date	—	1,200	104,252 ⁽⁴⁾
JEAN C. MONTY ^{(9)(b)(e)} Montréal, Québec, Canada Corporate Director	1998 to date	25,000	175,000	244,084 ⁽⁴⁾
CARLOS E. REPRESAS ^{(b)(c)(e)} Mexico City, Mexico Chairman of the Board, Nestlé Group Mexico (food, nutrition company)	2004 to date	—	—	117,214 ⁽⁴⁾
JEAN-PIERRE ROSSO ^{(a)(e)} New York, New York, U.S.A. Chairman, World Economic Forum USA Inc. (non-profit organization)	2006 to date	—	—	130,930 ⁽⁴⁾
HEINRICH WEISS ^(e) Düsseldorf, Germany Chairman and Chief Executive Officer SMS GmbH (plant construction and mechanical engineering)	2005 to date	—	—	176,140 ⁽⁴⁾

(1) The number of shares held is given as at March 31, 2010.

(2) Mrs. Claire Bombardier Beaudoin, wife of Mr. Laurent Beaudoin, exercises, through holding corporations which she controls (either directly or in concert with Mr. J.R. André Bombardier, Mrs. Janine Bombardier and Mrs. Huguette Bombardier Fontaine), control or direction over 61,123,490 Class A Shares and 812,500 Class B shares.

(3) As part of his compensation for the years ended January 31, 2006, 2007 and 2008, Mr. Laurent Beaudoin, as then Chief Executive Officer of the Corporation, received an annual incentive of CAN\$1,400,000, CAN\$2,285,000 and CAN\$3,675,000, respectively, which he elected to be paid to him in the form of Deferred Stock Units (CAN\$3.50, CAN\$4.69 and CAN\$6.61 per unit, respectively) pursuant to the Deferred Stock Unit Plan for Senior Officers. In addition, Mr. Beaudoin is credited with additional deferred stock units when dividends are declared by the Board of Directors.

(4) Number of DDSUs is given as at January 31, 2010 as the number of DDSUs under the Director Deferred Stock Unit Plan is calculated and reported as at the end of the Corporation's fiscal year(s) and quarterly period(s).

(5) Mr. J.R. André Bombardier exercises, through holding corporations which he controls (either directly or in concert with Mrs. Claire Bombardier Beaudoin, Mrs. Janine Bombardier and Mrs. Huguette Bombardier Fontaine), control or direction over 65,401,042 Class A Shares.

(6) Mrs. Janine Bombardier exercises, through holding corporations which she controls (either directly or in concert with Mrs. Claire Bombardier Beaudoin, Mr. J.R. André Bombardier and Mrs. Huguette Bombardier Fontaine), control or direction over 61,973,490 Class A Shares.

(7) Mrs. Huguette Bombardier Fontaine, wife of Mr. Jean-Louis Fontaine, exercises, through holding corporations which she controls (either directly or in concert with Mrs. Claire Bombardier Beaudoin, Mr. J.R. André Bombardier and Mrs. Janine Bombardier), control or direction over 60,701,887 Class A Shares.

(8) Mr. Johnson was a director and Chairman of the Board of Geneka Biotechnologie Inc. until March 7, 2003, approximately two months prior to the date on which this corporation was deemed to have made an assignment in bankruptcy.

(9) Mr. Monty was a director or executive officer of Teleglobe Inc. and certain of its affiliates during the year preceding May 15, 2002, the date on which Teleglobe Inc. and certain of its affiliates filed for court protection under insolvency statutes in various countries, including Canada and the United States.

(a) Member of the Audit Committee.

(b) Member of the Human Resources and Compensation Committee.

(c) Member of the Finance and Risk Management Committee.

(d) Lead Director.

(e) Member of the Corporate Governance and Nominating Committee.

Each director remains in office until the following annual shareholders' meeting or until the election of his/her successor, unless he/she resigns or his/her office becomes vacant as a result of his/her death, removal or any other cause.

Executive Officers who are not Directors

Name and Municipality of Residence	Position Held Within the Corporation
Pierre Alary Montréal, Québec, Canada	Senior Vice President and Chief Financial Officer
Richard C. Bradeen Montréal, Québec, Canada	Senior Vice President, Strategy and Corporate Audit Services and Risk Assessment, and Pension Asset Management
Roger Carle Town of Mount-Royal, Québec, Canada	Corporate Secretary
Daniel Desjardins Montréal, Québec, Canada	Senior Vice President and General Counsel
Guy C. Hachey Montréal, Québec, Canada	President and Chief Operating Officer of Bombardier Aerospace
John Paul Macdonald Longueuil, Québec, Canada	Senior Vice President Human Resources and Public Affairs
André Navarri Paris, France	President and Chief Operating Officer of Bombardier Transportation
Frederick W. Reid Sebastopol, California, United States	President of Flexjet

As at March 31, 2010, the directors of the Corporation (other than Mrs. Janine Bombardier and Mr. J.R. André Bombardier) and the executive officers of the Corporation, as a group, owned beneficially, directly or indirectly, 17,688,275 Class A Shares and 1,503,760 Class B Subordinate Voting Shares, representing 5.60% and 0.09% respectively, of the outstanding shares of each such class.

The directors and executive officers of the Corporation who have not occupied their current principal occupations for more than five years have had the following principal occupations during the last five years, except that where a director or executive officer has held more than one position in the same company or an affiliate of such company, only the date of his/her appointment to his current position is indicated:

- Laurent Beaudoin has been Chairman of the Board of Directors since June 4, 2008; before that date he was Chairman of the Board of Directors and Chief Executive Officer since December 13, 2004; prior to that, he was Executive Chairman of the Board since June 10, 2003.
- Pierre Beaudoin has been President and Chief Executive Officer of Bombardier since June 4, 2008; before that date, he was Executive Vice President of Bombardier and President and Chief Operating Officer of Bombardier Aerospace since October 16, 2001.
- Martha Finn Brooks has joined the Board of Directors of Bombardier on August 24, 2009; she was President and Chief Operating Officer of Novelis, Inc. from March 2007 to May 2009, after having been its Chief Operating Officer from January 2005 to March 2007.

- Thierry Desmarest has joined the Board of Directors of Bombardier on January 21, 2009; he has been Chairman of the Board of Directors of Total S.A. after having served as its Chairman and Chief Executive Officer since May 2003.
- Guy Hachey has been President and Chief Operating Officer of Bombardier Aerospace since April 2008; before that date, he held the combined positions of Vice-President, Delphi Corporation, President, Delphi Powertrain Systems, President, Delphi Europe, Middle East and Africa as well as Executive Champion for Delphi Corporation’s global manufacturing operations since 1999.
- John Paul Macdonald has been Senior Vice President Human Resources and Public Affairs since February 1, 2008; prior to that date, he was Senior Vice President, Public Affairs of Bombardier since January 20, 2005; he was also Vice President, Communications of Aerospace from February 2002 to October 2, 2006.
- André Navarri has been President and Chief Operating Officer of Bombardier Transportation since September 3, 2008; on that date, he resigned as a member of the Board of Directors of Bombardier; before that date, he was Executive Vice President of Bombardier and President of Bombardier Transportation since February 22, 2004.
- Frederick W. Reid has been President of Flexjet since August 2008; prior to that date he was Chief Executive Officer of Virgin American since 2004.
- Jean-Pierre Rosso has been Chairman of World Economic Forum USA Inc., based in New York City, United States, since February 2006; he was Chairman of CNH Global N.V. from November 1999 until his retirement in May 2004.

Item 8 Legal Proceedings

In normal course of its operations, the Corporation is a defendant in certain legal proceedings currently pending before various courts in relation to product liability and contract disputes with customers and other third parties. The Corporation intends to vigorously defend its position in these proceedings.

While the Corporation cannot predict the final outcome of legal proceedings pending as at January 31, 2010, based on information currently available, it believes that the resolution of these legal proceedings will not have a material adverse effect on its financial position.

Item 9 Transfer Agent and Registrar

The registrar and transfer agent for each class of the Corporation’s publicly listed securities is Computershare Investor Services Inc. at its principal office in each of the Canadian cities of Halifax, Montréal, Toronto, Winnipeg, Calgary and Vancouver.

Item 10 Material Contracts

Since February 1, 2009, the Corporation has not entered into any contractual arrangements outside the ordinary course of business that would be considered material to it or its businesses.

Item 11 Interest of Experts

Ernst & Young LLP is the external auditor who prepared the Auditors' Reports to the shareholders of Bombardier Inc. under Canadian generally accepted auditing standards. Ernst & Young LLP has confirmed to the Corporation that it is independent within the meaning of the Rules of Professional Conduct of the *Ordre des Comptables agréés du Québec*. These rules are equivalent or similar to Rules of Professional Conduct applicable to chartered accountants in the other provinces of Canada.

Item 12 Audit Committee Disclosure

Audit Committee Information

Mr. L. Denis Desautels acts as Chairman of the Audit Committee, and Mrs. Martha Finn Brooks and Messrs. André Bérard, Daniel Johnson and Jean-Pierre Rosso are its other members. Each of them is independent and financially literate within the meaning of *National Instrument 52-110 – Audit Committees*.

The Charter of the Audit Committee is reproduced at Schedule "A" attached to this Annual Information Form.

The education and related experience of each of the members of the Audit Committee is described below.

L. Denis Desautels O.C., FCA (Chair) – Mr. Desautels has been the Chairman of the Audit Committee since 2003. He has a Bachelor of Commerce degree from McGill University. He served as Auditor General of Canada from April 1, 1991 until March 31, 2001. As Auditor General of Canada, he was responsible for conducting examinations of the operations of the Government of Canada and of its numerous Crown corporations and agencies, as well as those of Canada's three territorial governments. At the time of his appointment, he was a senior partner in the Montréal Office of Ernst & Young, LLP (formerly Clarkson Gordon). In his 27 years with Ernst & Young, he served the firm in various capacities and in a number of offices, namely Montréal, Ottawa and Québec. He is currently Vice Chairman of the Accounting Standards Oversight Council of the Canadian Institute of Chartered Accountants. He is a member of the audit committee of Laurentian Bank of Canada and Jean Coutu Group (PJC) Inc.

André Bérard – Mr. Bérard has a Fellow's Diploma of the Institute of Canadian Bankers. He attended the Special Management Program at Harvard University. He served as Chairman of the Board of National Bank of Canada from 2002 to 2004, after having assumed the duties of Chairman of the Board and Chief Executive Officer from 1990 to 2002, President and Chief Executive Officer in 1989 and President and Chief Operating Officer from 1986 to 1989. Between 1958 and 1986, he held various positions of increasing responsibilities at National Bank of Canada. He has been a member of the Audit Committee of Bombardier since 2004 as well as the audit committee of BCE Inc., BMTC Group Inc. and TransForce Inc.

Martha Finn Brooks – Mrs. Brooks holds a B.A. in economics and political science and an M.B.A. in international business from Yale University. She was, until May 2009, President and Chief Operating Officer of Novelis, Inc., a global aluminum rolling company owned by Mumbai-based Hindalco Industries Ltd., which had earlier been spun off by Alcan Inc. in 2005. From 2002 to 2005, she served as Corporate Senior Vice President and President and Chief Executive Officer of Alcan Rolled Products, Americas and Asia. Prior to joining Alcan Inc., she worked over 15 years at engine manufacturer Cummins, Inc. where she held various positions of increasing responsibility, ultimately becoming Vice President and General Manager, Engine Business Sales and Marketing. She was a member of the audit committee of International Paper Company from 2004 to 2007. She is also a member of the Board of directors of Harley-Davidson Inc.

Daniel Johnson – Mr. Johnson has been a member of the Audit Committee since 1999. A law graduate of Université de Montréal and a member of the Québec bar since 1967, Mr. Johnson also holds LL.M. and Ph.D. degrees from the University of London (UK), as well as an M.B.A. from Harvard University. He was Secretary

and Vice President of Power Corporation of Canada until 1981. As a member of the Québec Government from 1985 to 1994, he was Minister of Industry and Commerce, then Chairman of the Treasury Board and Minister responsible for Administration and the Public Service. He was also Minister responsible for the Montréal region and a member of the Standing Cabinet Committee on Planning, Regional Development and the Environment and of the Legislation Committee. He became Leader of the Québec Liberal Party in December 1993, was Premier of the Province of Québec until September 1994, and Leader of the Official Opposition until May 1998. He is a member of the audit committee of IGM Financial Inc., The Investors Group inc., Mackenzie Financial Corporation, Victrom Human Bionics Inc. and Trow Global Holdings Inc.

Jean-Pierre Rosso – Mr. Rosso has been a member of the Audit Committee since 2006. He has a B.S., Civil Engineering, from « École Polytechnique Fédérale de Lausanne (EPF) » and an M.B.A. from Wharton School of the University of Pennsylvania. He has chaired World Economic Forum USA Inc. since April 2006. He served as Chairman of CNH Global N.V., an agricultural and construction equipment manufacturer, from November 1999 until his retirement in May 2004. He was Chief Executive Officer of CNH Global N.V. from November 1999 to November 2000. He acted as Chairman and Chief Executive Officer of Case Corporation, an agricultural and construction equipment manufacturer, from March 1996 to November 1999, after having been President and Chief Executive Officer of Case Corporation from April 1994 to March 1996. Mr. Rosso was Chairman of the Audit Committee of Medtronic Inc. between 1998 and 2006 and he continued to be one of its members until 2009.

Appointment of Auditors

For each of the financial years ended January 31, 2010 and 2009, Ernst & Young, LLP, billed the Corporation the following fees for services:

Fees	Financial Year Ended January 31, 2010	Financial Year Ended January 31, 2009
Audit fees	13,628,000	14,057,000
Audit-related fees	1,279,000	4, 215,000
Tax fees	4,458,000	4, 454,000
All other fees	189,000	394,000
Total Fees:	19,554,000	23,120,000

In the table above, the terms in the column “Fees” have the following meanings: “Audit fees” refers to all fees incurred in respect of audit services, being the professional services rendered by the Corporation’s external auditors for the audit of its annual financial statements and those of its subsidiaries and the review of the Corporation’s quarterly financial statements as well as services normally provided by the Corporation’s external auditors in connection with statutory and regulatory filings and engagements; “Audit-related fees” refers to the aggregate fees billed for assurance and related services and also includes mergers and acquisitions due diligence services by the Corporation’s external auditors that are reasonably related to the performance of the audit or review of its financial statements and are not reported under “Audit fees” including audits of the Corporation’s employee benefit plans, audits required under the Corporation’s banking arrangements and mergers and acquisitions due diligence services, which explains the higher level of “Audit-related fees” fees in 2009; “Tax fees” refers to the aggregate fees billed for professional services rendered by the Corporation’s external auditors for tax compliance, tax advice, and tax planning, including the preparation or review of tax returns, transfer pricing documentation and assistance with tax audits, rendered to the Corporation and its many subsidiaries around the world; and “All other fees” refers to the aggregate fees billed for products and services provided by the Corporation’s external auditors, other than “Audit fees”, “Audit-related fees” and “Tax fees”, primarily translation of financial information. The Audit Committee has considered whether the provision of services other than audit services is compatible with maintaining the independence of the Corporation’s external auditors. The Audit Committee has adopted a policy that prohibits the Corporation’s from engaging its external

auditors for “prohibited” categories of non-audit services and requires pre-approval by such Committee of audit services and other services within certain permissible categories of non-audit services.

Item 13 Additional Information

Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of the Corporation’s securities and securities authorized for issuance under equity compensation plans, is contained in the Corporation’s management proxy circular for its most recently completed financial year. Additional financial information is provided in the Corporation’s financial statements and Management Discussion & Analysis for its most recently completed financial year.

All information incorporated by reference into this Annual Information Form is contained or included in one of the Corporation’s continuous disclosure documents filed with the Canadian securities regulatory authorities which may be viewed on SEDAR at www.sedar.com.

Where a section of this Annual Information Form incorporates by reference information from one of the Corporation’s other continuous disclosure documents, such section makes specific reference to the document in which such information is originally contained or included, as well as to the relevant page and/or section.

Item 14 Forward-Looking Statements

This Annual Information Form includes forward-looking statements, which may involve, but are not limited to, statements with respect to the Corporation’s 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; competitive position; and the expected impact of the legislative and regulatory environment and legal proceedings on the Corporation’s 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 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 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 Annual Information Form, refer to the respective Forward-looking statements sections of the Corporation’s aerospace segment and the Corporation’s transportation segment in the Management’s Discussion and Analysis on the Corporation’s Web site at www.bombardier.com.

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 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; to 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 the Management’s Discussion and Analysis on the Corporation’s Web site at www.bombardier.com. 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 this Annual Information Form 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. The forward-looking statements contained in this Annual Information Form are expressly qualified by this cautionary statement.

SCHEDULE A
BOMBARDIER INC.
CHARTER OF THE AUDIT COMMITTEE

1.1 Membership and Quorum

- A minimum of four directors who shall all be independent.
- All the members of the Audit Committee shall be financially literate or shall become financially literate within a reasonable period of time after their appointment to the Audit Committee; a member of the Audit Committee is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Bombardier's financial statements.
- Quorum: a majority of the members.

1.2 Frequency and Timing of Meetings

- Normally, in conjunction with Bombardier Board meetings.
- At least four times a year and as necessary.

1.3 Chairman of the Audit Committee

One of the members of the Audit Committee shall act as its Chairman. The responsibilities of the Chairman of the Audit Committee include the following:

A. PROVIDING LEADERSHIP TO ENHANCE THE AUDIT COMMITTEE'S EFFECTIVENESS

- ensuring that the Audit Committee works as a cohesive team and providing the leadership essential to achieve this;
- ensuring that the resources available to the Audit Committee (in particular timely and relevant information) are adequate to support its work.

B. MANAGING THE AUDIT COMMITTEE

- setting the agenda of the Audit Committee, in consultation with the Senior Vice President and Chief Financial Officer, and prior to the meeting of the Audit Committee, circulating the agenda to the members of the Audit Committee;
- adopting procedures to ensure that the Audit Committee can conduct its work effectively and efficiently, overseeing the Audit Committee structure and composition, scheduling and management of meetings;

- ensuring that the conduct of the Audit Committee meetings provides adequate time for serious discussion of relevant issues;
- ensuring that the outcome of the meeting of the Audit Committee and any material matters reviewed at such meeting are reported to the Board at its next regular meeting.

1.4 Mandate of the Audit Committee

A. PURPOSE

The Audit Committee is a Committee of the Board formed to assist it in overseeing the financial reporting process.

B. OBJECTIVES

The objectives of the Audit Committee are:

- to help the directors meet their responsibilities with respect to accountability;
- to assist in maintaining good communication between the directors and the external auditor;
- to assist in maintaining the external auditor's independence;
- with the assistance of the Senior Vice President, Strategy and Corporate Audit Services and Risk Assessment, and Pension Asset Management to ensure that an appropriate system of internal accounting and financial controls is maintained in view of the major business risks facing Bombardier;
- to maintain the credibility and objectivity of financial reports;
- to investigate and assess any issue that raises significant concern to the Audit Committee, with the assistance, if so required by the Audit Committee, of the Senior Vice President, Strategy and Corporate Audit Services and Risk Assessment, and Pension Asset Management, and/or the external auditor.

C. MEETINGS

- Any member of the Audit Committee or the external auditor or the Senior Vice President, Strategy and Corporate Audit Services and Risk Assessment, and Pension Asset Management may request a meeting of the Committee.
- The Chairman of the Board, the President and Chief Executive Officer and the Senior Vice President and Chief Financial Officer shall attend all meetings of the Audit Committee, except such part of the meeting, if any, which is a private session not involving all or some of these officers as determined by the Audit Committee.
- The President and Chief Executive Officer may, at his option, only attend that part of the meeting of the Audit Committee during which the quarterly or annual, as the case may be, consolidated financial statements of Bombardier, the related management's discussion and analysis and the press release to be issued on the consolidated financial statements are reviewed by the Audit Committee members.
- The Senior Vice President, Strategy and Corporate Audit Services and Risk Assessment, and Pension Asset Management shall have direct access to the Audit Committee and shall receive notice of and attend

all meetings of the Audit Committee, except such part of the meeting, if any, which is a private session not involving him.

- The external auditor shall have direct access to the Audit Committee and shall receive notice of and have the right to attend all meetings of the Audit Committee, except such part of the meeting, if any, which is a private session not involving him.
- The President and Chief Executive Officer, the Senior Vice President and Chief Financial Officer, the Senior Vice President, Strategy and Corporate Audit Services and Risk Assessment, and Pension Asset Management or any other representative of management whose presence is requested by the Chairman of the Audit Committee or any of the Audit Committee members, and the external auditor shall meet separately with the Audit Committee, in a private session held during the course of a meeting, at least once annually.
- Minutes of the meetings of the Audit Committee shall be kept by the Corporate Secretary. Supporting documents reviewed by the Audit Committee shall be kept by the Corporate Secretary. A copy of the minutes of any meeting or of any supporting document shall be made available for examination by any director of Bombardier upon request to the Corporate Secretary.

D. DUTIES AND RESPONSIBILITIES

- As they relate to the Board and financial reporting
 - a) Assist the Board in the discharge of its oversight responsibilities to the shareholders, potential shareholders, the investment community, and others relating to Bombardier's financial statements and its financial reporting practices and the system of internal accounting and financial controls, the corporate audit and risk assessment function, the management information systems, the annual external audit of Bombardier's financial statements and the compliance by Bombardier with laws and regulations and its own Code of Ethics and Business Conduct.
 - b) Maintain a free and open line of communication with the management of Bombardier, the Senior Vice President, Strategy and Corporate Audit Services and Risk Assessment, and Pension Asset Management and the external auditor.
 - c) Review, before their disclosure, Bombardier's quarterly consolidated financial statements, the related management's discussion and analysis and the press release on the quarterly financial results and, if appropriate, recommend to the Board their approval and disclosure.
 - d) Review, before their disclosure, Bombardier's annual audited consolidated financial statements, the related management's discussion and analysis, and the press release on the annual consolidated financial results and, if appropriate, recommend to the Board their approval and disclosure.
 - e) Review the presentation and impact of significant, unusual or sensitive matters such as disclosure of related party transactions, significant non-recurring events, significant risks and changes in provisions, estimates or reserves included in any financial statements.
 - f) Obtain explanations for communication to the Board for all significant variances between comparable reporting periods.
 - g) Review any litigation, claim or other contingency, including tax assessments and environmental situations, that could have a material adverse effect upon the financial position or operating results of Bombardier, and the manner in which these matters are disclosed in the financial statements.
 - h) Review the appropriateness of the accounting policies used in the preparation of Bombardier's financial statements, and consider recommendations for any material change to such policies.

- i) To the extent not previously reviewed by the Audit Committee, review and, if appropriate, recommend to the Board the approval of all financial statements included in the prospectus and other offering memoranda and all other financial reports required by regulatory authorities and requiring approval by the Board.
 - j) Review the statement of management's responsibility for the financial statements as signed by the management of Bombardier and included in any published document.
 - k) Ensure that adequate procedures are in place for the review of Bombardier's public disclosure of financial information extracted or derived from Bombardier's financial statements, other than the public disclosure referred to in paragraph c) or d) above, and periodically assess the adequacy of those procedures.
 - l) Ensure that procedures are in place for
 - (i) the receipt, retention and treatment of complaints received by Bombardier regarding accounting, internal accounting controls, or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of Bombardier of concerns regarding questionable accounting or auditing matters.
 - m) Where there is to be a change of external auditor, review all issues related to the change, including any differences between Bombardier and the external auditor that relate to the external auditor's opinion or a qualification thereof or an external auditor's comment.
 - n) Monitor the application of, and, if need be, review and make appropriate recommendations to management in order to update the Corporate Disclosure Policy of Bombardier.
- As they relate to the external auditor
 - a) Explicitly affirm that the external auditor is independent and accountable to the Board and the Audit Committee, and in that context, work constructively with the external auditor to build an effective relationship that allow for full, frank and timely discussion of all material issues, with or without management as appropriate in the circumstances.
 - b) Recommend to the Board a firm of external auditors for submission to the shareholders of Bombardier.
 - c) Review and make recommendations to the Board with respect to the fees payable for the external audit.
 - d) For each fiscal year, in accordance with the terms and conditions of the then current Audit and Non-Audit Services Pre-Approval Policy adopted by the Audit Committee, review and approve the terms of the external auditor's (i) annual audit services engagement letter and (ii) the quarterly review services engagement letter; each of these letters shall be signed by the Chairman of the Audit Committee.
 - e) For each fiscal year, in accordance with the terms and conditions of the then current Audit and Non-Audit Services Pre-Approval Policy adopted by the Audit Committee, review and approve the scope of the (i) annual audit and of other audit related services and (ii) the quarterly review services to be rendered by the external auditor; in that context, ensure that the external auditor has access to all books, records, facilities and personnel of Bombardier.
 - f) Review with the external auditor the contents of its report with respect to the annual consolidated financial statements of Bombardier and the results of the external audit, any significant problems

encountered in performing the external audit, any significant recommendations further to the external audit and management's response and follow-up in that context and ensure that the external auditor is satisfied that the accounting estimates and judgments made by management's selection of accounting principles reflect an appropriate application of generally accepted accounting principles.

- g) Review any significant recommendations by the external auditor to strengthen the internal accounting and financial controls of Bombardier.
- h) Review any unresolved significant issues between management and the external auditor that could affect the financial reporting or internal controls of Bombardier.
- i) To the extent practicable, assess the performance of the external auditor at least once a year.
- j) Ensure that the external auditor shall not provide the following services to Bombardier:
 - bookkeeping or other services related to the accounting records or financial statements of Bombardier;
 - financial information systems design and implementation;
 - appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
 - actuarial services;
 - internal audit outsourcing services;
 - management functions;
 - human resources;
 - broker or dealer, investment adviser, or investment banking services;
 - legal services; and
 - expert services unrelated to the audit.
- k) All non-audit services shall require the prior approval of the Audit Committee in accordance with the terms and conditions of the then current Audit and Non-Audit Services Pre-Approval Policy adopted by the Audit Committee.
- l) Review and approve Bombardier's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of Bombardier.
- As they relate to the Senior Vice President, Strategy and Corporate Audit Services and Risk Assessment, and Pension Asset Management
 - a) At least four times a year, in conjunction with Bombardier Board meetings, review the report of the Senior Vice President, Strategy and Corporate Audit Services and Risk Assessment, and Pension Asset Management on the results of the work that the Corporate Audit Services and Risk Assessment function has performed and with respect to its organization, staffing, and independence.
 - b) Review and, if appropriate, approve the annual Corporate Audit Services and Risk Assessment plan.

- c) Assess the Corporate Audit Services and Risk Assessment reporting lines and make such recommendations as are necessary to preserve the Senior Vice President, Strategy and Corporate Audit Services and Risk Assessment, and Pension Asset Management independence.
 - d) Review significant Corporate Audit Services and Risk Assessment findings and recommendations and management's responses thereto.
 - e) Once a year, assess the performance of the Senior Vice President, Strategy and Corporate Audit Services and Risk Assessment, and Pension Asset Management, and if the circumstances so warrant, review and recommend the removal of the then current incumbent and the appointment of his successor and report the findings and conclusions of the Audit Committee to the Human Resources and Compensation Committee and the President and Chief Executive Officer of the Corporation.
 - f) Once a year, review the terms of the charter of the Corporate Audit Services and Risk Assessment to ensure that they continue to be relevant and, if need be, make any appropriate modifications thereto.
- As they relate to the Audit Committee's terms of reference

Each year, review the Charter of the Audit Committee in order to ensure that it continues to be relevant and make recommendations to the Corporate Governance and Nominating Committee Board regarding its responsibilities therein.

1.5 Miscellaneous

If required, the Audit Committee may obtain advice and assistance from outside legal, accounting or other advisors, and is provided with the appropriate funding for payment of the external auditors and any advisors retained by it.

While the Audit Committee has the responsibilities and powers set forth in this mandate, it is not the duty of the Audit Committee to plan or conduct audits or to determine that Bombardier's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Such matters are the responsibility of management, the Senior Vice President, Strategy and Corporate Audit Services and Risk Assessment, and Pension Asset Management and the external auditor.

Nothing contained in the above mandate is intended to transfer to the Audit Committee the Board's responsibility to ensure Bombardier's compliance with applicable laws or regulations or to expand applicable standards of liability under statutory or regulatory requirements for the directors or the members of the Audit Committee.