



BOMBARDIER

Annual Information Form

2003

May 13, 2003

Table of Contents

	<u>Page</u>	<u>Page</u>
ITEM 1 COVER PAGE		
ITEM 2 CORPORATE STRUCTURE	1	
2.1 Incorporation of the Issuer	1	
2.2 Subsidiaries	2	
ITEM 3 GENERAL DEVELOPMENT OF THE BUSINESS	3	
3.1 General	3	
3.2 History	3	
ITEM 4 NARRATIVE DESCRIPTION OF THE BUSINESS	4	
4.1 Structure and Management	4	
BOMBARDIER AEROSPACE	6	
Business Aircraft	7	
Regional Aircraft	9	
Amphibious Aircraft	10	
Aviation Support and Services	10	
Other Activities	10	
BOMBARDIER TRANSPORTATION	11	
Commuter / Regional Rail	13	
Intercity / High-Speed Trains	13	
Metro / Rapid Transit	13	
Light Rail Vehicles	13	
Locomotives and Freight	13	
Total Transit Systems	13	
Propulsion and Controls	13	
Services	13	
Rail Control Solutions	13	
BOMBARDIER RECREATIONAL PRODUCTS	14	
		Snowmobiles
		Watercraft
		All-Terrain Vehicles
		Engines
		Outboard Engines
		BOMBARDIER CAPITAL
		Continued Portfolios
		Discontinued Portfolios
		Real Estate Services
		4.2 Segmented Disclosure
		4.3 Agreements Relating to the Use of Certain Technologies
		4.4 Research and Development
		4.5 Environment
		4.6 Human Resources
		4.7 Foreign Currency Fluctuations
		ITEM 5 SELECTED CONSOLIDATED FINANCIAL INFORMATION
		5.1 Annual Information
		5.2 Quarterly Information
		5.3 Dividends
		ITEM 6 MANAGEMENT'S DISCUSSION AND ANALYSIS
		ITEM 7 MARKET FOR THE SECURITIES OF THE ISSUER
		ITEM 8 DIRECTORS AND OFFICERS
		ITEM 9 ADDITIONAL INFORMATION

NOTES:

- (1) In this Annual Information Form, all dollar figures are in Canadian dollars, unless indicated otherwise.
- (2) In this Annual Information Form, the asterisk (*) refers to a trade-mark of Bombardier Inc. or one of its subsidiaries.

Item 2 Corporate Structure

2.1 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* by a certificate of continuance dated June 23, 1978, which was subsequently the subject of certain amendments.

The articles of the Corporation authorize it to issue shares consisting of (i) an unlimited number of preferred shares without nominal or par value issuable in series (the “Preferred Shares”), of which the following have been authorized (a) one series consisting of 12,000,000 Series 2 Cumulative Redeemable Preferred Shares (the “Series 2 Preferred Shares”), (b) one series consisting of 12,000,000 Series 3 Cumulative Redeemable Preferred Shares (the “Series 3 Preferred Shares”) and (c) one series consisting of 9,400,000 Series 4 Cumulative Redeemable Preferred Shares (the “Series 4 Preferred Shares”); (ii) 1,792,000,000 Class A shares (multiple voting) (the “Class A Shares”); and (iii) 1,792,000,000 Class B shares (subordinate voting) (the “Class B Subordinate Voting Shares”). The Corporation will submit for approval, at its annual and special meeting of shareholders to be held on June 10, 2003, an amendment to its articles to increase from 1,792,000,000 to 1,892,000,000 the number of Class A Shares and Class B Subordinate Voting Shares it can issue.

The Class A Shares and the Class B Subordinate Voting Shares were the subject of a two-for-one stock split in July 2000, 1998 and 1995.

The Class B Subordinate Voting Shares are restricted shares (within the meaning of the relevant Canadian regulations respecting securities) in that they do not carry equal voting rights. In the event of a ballot, each Class A Share carries ten votes and each Class B Subordinate Voting Share carries one vote.

Each Class B Subordinate Voting Share carries a non-cumulative preferential dividend at the rate of \$0.0015625 per annum.

Each Class A Share is convertible, at any time, at the option of the holder, into one Class B Subordinate Voting Share. Each Class B Subordinate Voting Share shall become convertible into one Class A Share in the event that an offer to purchase Class A Shares is accepted by the majority shareholder, namely the Bombardier family, or in the event that the majority shareholder ceases to hold over 50% of the outstanding Class A Shares of the Corporation.

Each Series 2 Preferred Share was, and will be, convertible at the option of the holder, subject to certain conditions, into a Series 3 Preferred Share on August 1, 2002 and on August 1st every fifth year thereafter. On August 1, 2002, 9,402,093 Series 2 Preferred Shares were converted into 9,402,093 Series 3 Preferred Shares leaving 2,597,907 Series 2 Preferred Shares issued and outstanding out of the authorized 12,000,000 Series 2 Preferred Shares which had been issued and outstanding until that date. In addition, on August 1, 2007 and on August 1st every fifth year thereafter, each Series 3 Preferred Share may be reconverted at the option of the holder, into a Series 2 Preferred Share, subject to certain conditions. Beginning August 1, 2002, dividends on the Series 2 Preferred Shares, provided they have been declared by the Board of Directors, are payable monthly on the basis of a variable dividend rate calculated monthly in the manner provided in the articles of the Corporation. The annual dividend rate applicable to the Series 3 Preferred Shares for the period of five years beginning on August 1, 2002 is 5.476%.

The registered office of the Corporation is located at 800 René-Lévesque Boulevard West, Montréal, Québec H3B 1Y8.

In this Annual Information Form, the term “Bombardier” means, as required by the context, the Corporation and its subsidiaries collectively or the Corporation or one or more of its subsidiaries.

2.2 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 January 31, 2003, as well as their jurisdiction of incorporation and the percentage of voting shares held 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, 2003 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.

Bombardier Inc.

Bombardier Aerospace

North America

Bombardier Aerospace Corporation (Delaware)	100%
Learjet Inc. (Delaware)	100%

Europe

Short Brothers plc (Northern Ireland)	100%
---------------------------------------	------

Bombardier Transportation

North America

Bombardier Transit Corporation (Delaware)	100%
---	------

Europe

Bombardier Transportation GmbH (Germany)	100%
Bombardier Transportation (Holdings) UK Ltd. (England)	100%
DWA Deutsche Waggonbau GmbH (Germany)	99.5%
Bombardier Transport France S.A. (France)	99.9%

Bombardier Recreational Products

North America

Bombardier Motor Corporation of America (Delaware)	100%
--	------

Europe

Bombardier-Rotax GmbH & Co. KG (Austria)	100%
--	------

Bombardier Capital

North America

Bombardier Capital Inc. (Massachusetts)	100%
Bombardier Capital Ltd. (Québec)	100%

Item 3 General Development of the Business

3.1 General

The Corporation, a diversified manufacturing and services company, is a world leading manufacturer of business jets, regional aircraft, rail transportation equipment and motorized recreational products. It also provides financial services and asset management in business areas aligned with its core expertise. As of January 31, 2003, Bombardier has a workforce of some 75,000 people and manufacturing facilities in 25 countries throughout the Americas, Europe and Asia-Pacific.

3.2 History

Until 1973, Bombardier's operations consisted mainly of the manufacture and distribution of snowmobiles. In the 1970s and 1980s, Bombardier began diversifying its operations in the mass transit industry and in 1986, in the aerospace industry.

During the last three years, the Corporation completed the transactions described below.

On February 1, 2000, Bombardier concluded the sale of its 50% interest in Shorts Missile Systems Limited to the French defence electronics corporation, Thomson-CSF.

On June 12, 2000, Bombardier completed the sale of its defence services business in the United Kingdom to subsidiaries of Vosper Thornycroft (UK) Limited of the United Kingdom.

On August 4, 2000, Bombardier signed a sale and purchase agreement with DaimlerChrysler AG ("DaimlerChrysler") of Stuttgart, Germany to acquire all of the common shares of its subsidiary DaimlerChrysler Rail Systems GmbH ("Adtranz"). The acquisition of Adtranz was completed as at May 1, 2001. The sale and purchase agreement provided for a cash consideration of US\$725 million (\$1.1 billion), subject to an adjustment to the purchase price for a maximum of €150 million based on the carrying value of the net assets of Adtranz as at April 30, 2001. Since discussions with DaimlerChrysler had failed to result in an agreement with respect to that adjustment, Bombardier filed a request for arbitration with the International Chamber of Commerce, in July 2002, claiming damages against DaimlerChrysler for an amount of €960 million (\$1.6 billion) plus interest and costs. DaimlerChrysler filed its answer to such claim on November 5, 2002. The matter should proceed to arbitration unless a settlement is reached.

On March 9, 2001, the Corporation acquired, through its indirect wholly-owned U. S. subsidiary Bombardier Motor Corporation of America, most of the net assets of the engine manufacturing operations of Outboard Marine Corporation ("OMC"). The acquired assets include the outboard marine engine brands Johnson* and Evinrude* as well as the Ficht* fuel injection technology.

On September 26, 2001, the Corporation announced its decision to withdraw completely Bombardier Capital from the manufactured housing and consumer finance sectors because of their disappointing results.

On September 27, 2002, Bombardier announced its decision to reduce its debt mainly through the sale and gradual wind-down of the receivable factoring portfolios as well as the business aircraft financing portfolios of Bombardier Capital. On April 3, 2003, the Corporation announced its decision to cease origination of the railcar leasing activities of Bombardier Capital. Bombardier Capital will concentrate on inventory finance and interim financing for Bombardier Aerospace regional aircraft. Proceeds from the sale and gradual wind-down of the discontinued portfolios will be applied to the reduction of Bombardier Capital's debt.

On April 3, 2003, the Corporation announced its intention to dispose of its recreational products business and confirmed the divestiture of the defense services business and the Belfast City Airport in order to focus the Corporation's activities on the aerospace and transportation segments. Following these dispositions and other initiatives, the Corporation will be made up primarily of two almost equal sized businesses with operational and financial complementarities that have different product cyclicality.

Also on April 3, 2003, Bombardier confirmed that the divestiture process is underway for the Bombardier Aerospace Defense Services business which provides technical services for military aircraft through facilities located at Mirabel, Québec and Bridgeport, West Virginia as well as pilot training for Canadian pilots and for NATO pilots and personnel from other countries in Portage la Prairie, Manitoba; Moose Jaw, Saskatchewan; and Cold Lake, Alberta.

In respect of Belfast City Airport, which the Corporation announced its intention to sell in October 2002, Bombardier announced on April 3, 2003, that prospective buyers have been identified and negotiations are ongoing.

The Corporation announced on April 7, 2003, that Bombardier Transportation has received contracts from Metronet (in which Bombardier Transportation is a 20% equity partner) for the supply of rolling stock, signaling, maintenance and project management for the modernisation of London's Underground system. The value of the contracts awarded to Bombardier Transportation is approximately £3.4 billion (\$7.9 billion) over 15 years. The turnkey contracts include the project management and the supply of 1,738 metro cars and new signalling systems for the Victoria Line and Sub-Surface Lines, together with the maintenance of the rolling stock. In the early stages of the project, Bombardier Transportation will commence re-signalling work, refurbish the existing District Line rolling stock and build two pre-production trains for the Victoria Line. The new metro car fleets will be built in Bombardier's facility in Derby, United Kingdom, between 2008 and 2015.

On April 4, 2003, Bombardier Transportation had confirmed the financial close of the share purchase agreement between London Underground Ltd and Metronet, which was a condition for the awarding of the contracts. This allows for London Underground Ltd to transfer to the private sector for 30 years, the renewal, modernisation and maintenance of two of the London Underground's infrastructure projects.

On April 17, 2003, Bombardier announced that it closed a public offering of 370 millions Class B Subordinate Voting Shares, at a price of \$3.25 per share, for total gross proceeds of approximately \$1.2 billion.

Item 4 Narrative Description of the Business

4.1 Structure and Management

The Corporation operates in four reportable segments. Each reportable segment offers different products and services, requires different technology and marketing strategies and is headed by a President and Chief Operating Officer.

The Bombardier Aerospace segment manufactures business, regional and amphibious aircraft and provides related services. It offers comprehensive families of regional jet and turboprop commercial aircraft and a wide range of business jets. It also provides the Bombardier Flexjet* business aircraft program, technical services, aircraft maintenance and pilot training.

The Bombardier Transportation segment is the global leader in the rail equipment manufacturing and servicing industry. It offers a full range of passenger railcars, as well as complete rail transportation systems. It also manufactures locomotives, freight cars, airport people movers, propulsion and controls, and provides rail control solutions and maintenance services.

The Bombardier Recreational Products segment designs, develops, manufactures, distributes and sells snowmobiles, watercraft, all-terrain vehicles (ATVs), snow-grooming equipment and multi-purpose tracked vehicles. It also manufactures Johnson and Evinrude outboard engines, as well as Rotax engines that power Bombardier and other manufacturers' products.

The Bombardier Capital segment offers secured financing and leasing solutions to manufacturers, retailers and other commercial businesses, primarily in North American markets. It targets industry sectors

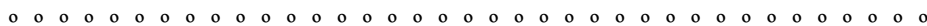
and product markets that fit its specialized core competencies, including services provided directly to Bombardier's manufacturing segments.

The four reportable segments are constituted as follows:

<i>Bombardier Aerospace</i>	<ul style="list-style-type: none">• Business Aircraft• Regional Aircraft• Amphibious Aircraft• Aviation Support and Services• Other Activities
<i>Bombardier Transportation</i>	<ul style="list-style-type: none">• Commuter/Regional Rail• Intercity/High-Speed Trains• Metro/Rapid Transit• Light Rail Vehicles• Locomotives and Freight• Total Transit Systems• Propulsion and Controls• Services• Rail Control Solutions
<i>Bombardier Recreational Products</i>	<ul style="list-style-type: none">• Snowmobiles• Watercraft• All-Terrain Vehicles• Engines• Outboard Engines
<i>Bombardier Capital</i>	<ul style="list-style-type: none">• Continued Portfolios• Discontinued Portfolios• Real Estate Services

The activities of each of these segments are described hereafter under separate headings.

Bombardier Aerospace



The operations of Bombardier Aerospace consist of designing, developing, manufacturing, marketing and selling business aircraft, regional aircraft and amphibious aircraft as well as providing aviation support and services and performing other activities.

On April 3, 2003, Bombardier confirmed that the divestiture process is underway for the Bombardier Aerospace Defense Services business which provides technical services for military aircraft through facilities located at Mirabel, Québec and Bridgeport, West Virginia as well as pilot training for Canadian pilots and for NATO pilots and personnel from other countries in Portage la Prairie, Manitoba; Moose Jaw, Saskatchewan; and Cold Lake, Alberta.

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

For a list of the Corporation’s subsidiaries which fall within Bombardier Aerospace, see “Item 2 – Corporate Structure – Subsidiaries”.

The following table shows the principal operation centres owned by the Corporation or one of its subsidiaries, as the case may be, unless they are indicated as being leased (“L”), and forming part of Bombardier Aerospace. The table also lists the type of operations conducted or products manufactured at these facilities.

<u>Manufacturing Facilities</u>	<u>Operations Conducted or Products</u>
Montréal, Québec, Canada ^(L)	Assembly of, and pre-flight activities for, the Bombardier* Challenger* 604 and the Bombardier* CRJ* Series 200. Interior finishing of the Bombardier CRJ Series 200 and painting of the Bombardier CRJ Series 200, 700 and 900. Interior completion of the Bombardier* Global Express* business aircraft.
Mirabel, Québec, Canada ^(L)	Engineering support and maintenance activities for CF-18 military aircraft and for other aircraft and painting and interior finishing activities for the Bombardier CRJ aircraft.
Mirabel, Québec, Canada ^(L)	Assembly, pre-flight, painting and interior finishing of the Bombardier CRJ Series 700 and 900.
Montréal, Québec, Canada	Parts, components and spare parts for the Bombardier Challenger, Bombardier CRJ Series 200, 700 and 900, Bombardier Global Express and Global 5000*, Bombardier Challenger 300 business jet and Bombardier* 415* aircraft; structural components for Boeing and Aerospatiale.
Montréal, Québec, Canada	Complete wing and fuselage assembly for the Bombardier 415 aircraft.
Downsview, Ontario, Canada	Manufacture and final assembly of the Bombardier* Q* Series aircraft, including related spare parts and components; manufacture of components and final assembly of Bombardier Global Express aircraft; assembly of wings for the Bombardier* Learjet* 45 and Bombardier Learjet 40; assembly of the Bombardier 415 nacelle.

Manufacturing Facilities	Operations Conducted or Products
North Bay, Ontario, Canada ^(L)	Final assembly of and pre-flight activities for Bombardier 415 aircraft.
Wichita, Kansas, United States	Manufacture of the Bombardier Learjet family of aircraft and of the Bombardier Challenger 300 business jet and flight test centre for aircraft manufactured by Bombardier Aerospace.
Dunmurry and Newtownabbey, Belfast, Northern Ireland, United Kingdom ^(L)	Composite components either for Bombardier Aerospace or for Boeing and Lockheed Martin.
Hawlmork, Newtownards, and Queen's Island, Belfast, Northern Ireland, United Kingdom ^(L)	Aircraft components, engine nacelles and nacelle components and spare parts for Bombardier Aerospace or for Boeing, Rolls-Royce, Rolls-Royce Deutschland, General Electric and International Aero Engines.
Tucson, Arizona, United States	Interiors completion of Bombardier Learjet and Challenger series business aircraft.

In addition, service centres for the Business Aircraft division located in Tucson, Arizona; Hartford, Connecticut; Fort Lauderdale, Florida; Indianapolis, Indiana; Wichita, Kansas, and Dallas, Texas (United States), Berlin (Germany) and Dubai (United Arab Emirates) are part of a service network called Bombardier Aviation Services. Service centres for the Regional Aircraft division are located in Asheville, North Carolina; Scranton and Allentown, Pennsylvania; and Bridgeport, West Virginia. The Corporation owns an airport located in Downsview, Ontario (Canada), and uses it to support Bombardier Aerospace's manufacturing activities. There is also a worldwide network of authorized Bombardier Challenger, Bombardier Global Express and Bombardier Learjet aircraft service facilities that are independently owned.

Marketing of the Bombardier Aerospace products is provided through marketing and sales offices. In North America, marketing and sales offices are located in Canada (in Montréal, Ottawa and Toronto) and the United States (in the states of Arizona, California, Colorado, Connecticut, Georgia, Illinois, Maryland, Missouri, New York, Ohio and Texas, and in Washington, D.C.). In Europe, marketing is carried out through offices in Germany, the United Kingdom and Switzerland. In Asia, such offices are maintained in Dubai, in the United Arab Emirates; Hong Kong; and the People's Republic of China.

Business Aircraft

Bombardier Aerospace markets, sells and provides customer support for its three families of business jets. The Bombardier Global family includes the Bombardier Global Express ultra long-range aircraft and the newly introduced super-large Bombardier Global 5000. The Bombardier Challenger family includes the Bombardier Challenger 800 (previously the Bombardier Challenger Special Edition), a corporate variant of the CRJ, the wide-body Bombardier Challenger 604 and the super-midsize Bombardier Challenger 300 (formerly known as the Continental). The Bombardier Learjet family includes the new, light Bombardier Learjet 40, the super-light Bombardier Learjet 45, the Bombardier Learjet 45 XR and the midsize Bombardier Learjet 60.

Aircraft ordered by customers are produced by the manufacturing facilities of Bombardier Aerospace. 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; however, most such materials, components and systems are provided by Canadian and U.S. suppliers with which Bombardier Aerospace generally has long-term contracts.

Through the Bombardier Flexjet program, Bombardier Aerospace offers to sell to customers in North America a share of a Bombardier Aerospace business aircraft, whereas in Europe and Asia, Bombardier Aerospace offers a service based program using selected aircraft operators to provide air transportation service to customers.

● **Bombardier Global Family**

The Bombardier Global family of business jets comprises two wide-body aircraft: the intercontinental super-large Bombardier Global 5000, and the ultra long-range Bombardier Global Express. Bombardier Global aircraft share a high degree of systems commonality, offering mixed fleet operators the cost benefits of common type rating, training, spare parts and maintenance.

The Bombardier Global 5000 aircraft is a high-speed intercontinental business jet capable of flying non-stop up to 4,800 nautical miles at Mach 0.85 with eight passengers and three crew members. The program was officially launched in February 2002. The first flight took place on March 7, 2003, with first deliveries expected to begin in the fourth quarter of the fiscal year ending January 31, 2005. Main competitors of the Bombardier Global 5000 include the Gulfstream G400, the Dassault Falcon 900EX and Falcon 7X (FNX).

The Bombardier Global Express aircraft is an ultra long-range business jet covering distances of up to 6,010 nautical miles at Mach 0.85 non-stop. The Bombardier Global Express competes against the Gulfstream G500 and G550 and, to a much lesser extent, the Boeing Business Jet and the Airbus A319CJ.

● **Bombardier Challenger Family**

The Bombardier Challenger family of business jets include the Bombardier Challenger 300, 604 and 800.

The Bombardier Challenger 300 is a recent entrant in the super-midsize category and has a transcontinental range of up to 3,100 nautical miles at Mach 0.80 with eight passengers and two crew members. The inaugural flight was completed on August 14, 2001. Its type of certification is expected in the second quarter of the fiscal year ending January 31, 2004, with initial delivery of completed aircraft to follow thereafter. It competes with four other aircraft models in this category: the Raytheon Hawker Horizon, the Gulfstream G200, the Dassault Falcon 50EX and the Cessna Citation X.

The Bombardier Challenger 604 aircraft is a wide-body, twin-engine intercontinental business jet capable of non-stop flights of over 4,000 nautical miles. The Bombardier Challenger 604 aircraft is the fifth generation of the wide-body Challenger design, the previous models being the Challenger 600, 601, 601-3A and 601-3R. Main competitors of the Bombardier Challenger 604 aircraft include the Falcon 2000EX and Falcon 900C manufactured by Dassault, as well as the Gulfstream G300.

The Bombardier Challenger 800 is a derivative of the Bombardier CRJ aircraft modified for corporate travel. It can be configured for either executive transport or as a corporate shuttle. This aircraft combines a large cabin, similar in size to the Bombardier Global Express, with a non-stop range of 3,120 nautical miles. Competitors for the Bombardier Challenger 800 are comprised of similar models manufactured by Embraer and Fairchild Dornier.

● **Bombardier Learjet Family**

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

Introduced in July 2002, the Bombardier Learjet 40 is capable of operating at cruise speeds up to Mach 0.81, and has a maximum range of 1,803 nautical miles with four passengers and two crew. The first Bombardier Learjet 40 prototype aircraft completed its maiden voyage on August 31, 2002 and is expected to enter into service in the fourth quarter of the fiscal year ending January 31, 2004. The Bombardier Learjet 40's competitors are the Cessna Citation Bravo, Encore and V (Ultra) and the Raytheon Beechjet 400A.

The Bombardier Learjet 45 has a maximum range of 2,102 nautical miles with four passengers and two crew and can reach cruise speeds up to Mach 0.81. Introduced in July 2002, the Bombardier Learjet 45 XR is an evolution of the Bombardier Learjet 45 designed to deliver greater payload-range capabilities through a 1,000-pound increase in Maximum Takeoff Weight (MTOW) and enhanced engine performance. The

Bombardier Learjet 45 XR program is currently under development, with entry into service scheduled in fiscal year 2004. Both the Bombardier Learjet 45 and 45 XR compete with the Cessna Citation Excel.

The Bombardier Learjet 60 has a maximum range of 2,502 nautical miles, with four passengers. Maximum cruise speed is Mach 0.81. The Bombardier Learjet 60 has many competitors which include the Gulfstream G100, the Raytheon Hawker 800XP, the Cessna Sovereign, the Gulfstream G150 and the Cessna Citation VII.

● **Bombardier Flexjet Program**

The Bombardier Flexjet program is based in North America, but it also has operations in Europe and Asia. Bombardier Aerospace sells to customers in North America a share of business aircraft manufactured by Bombardier Aerospace; it also manages all operations and support for the aircraft, including flight crew, maintenance, hangar fees and insurance. Through Flexjet's European program, customers purchase hours of flight time instead of a physical share of an aircraft. Through Flexjet Asia, in association with charter operators, maintenance companies and individual aircraft owners, Bombardier Flexjet continues its commitment to expanding its worldwide portfolio of business jet solutions.

Flexjet holds the number three position among the fractional ownership programs currently available in that market. Its main competitors, Executive Jet Aviation and Flight Options, have typically purchased new aircraft from different manufacturers, such as Gulfstream, Cessna and Raytheon. Raytheon is a principal partner in Flight Options. A few other small organizations also offer fractional ownership of various categories of aircraft.

Regional Aircraft

Bombardier Aerospace markets and sells the Bombardier CRJ aircraft family and the Bombardier Q Series family of turboprops to airline companies and also provides maintenance and modification services to its customers. Raw materials and equipment are procured from suppliers in Canada, the United States and Europe with which Bombardier Aerospace generally has long-term contracts.

● **Bombardier CRJ Aircraft**

The Bombardier CRJ aircraft are assembled at the Bombardier Aerospace facilities, in Montréal, Québec and at Montréal's Mirabel Airport.

The Bombardier CRJ family consists of the 40-, 44- and 50-passenger Series 100 and Series 200 aircraft, the 70-passenger Series 700 aircraft and the 86-passenger CRJ900* aircraft.

The Bombardier CRJ aircraft family has one major competitor: Empresa Brasileira De Aeronautica S.A. ("Embraer") of Brazil which produces the 50-passenger jet ERJ145, the 37-passenger jet ERJ135 and a 44-passenger jet, the ERJ-140. Embraer also offers the 70-passenger jet Embraer 170, the 86-passenger jet Embraer 175, the 98-passenger jet Embraer 190 and the 108-passenger jet Embraer 195. A second competitor to the Bombardier CRJ Series, Fairchild Dornier of Germany, became insolvent during 2002. Fairchild Dornier had delivered approximately 82 32-passenger 328JET aircraft before becoming insolvent.

● **Bombardier Q Series Aircraft**

The Bombardier Q Series family of turboprops assembled at the Bombardier Aerospace facilities in Downsview, Ontario, consists of the 37-passenger Q100* and Q200* aircraft, the 50-passenger Q300* aircraft and the 68- to 78-passenger Q400* aircraft.

The main products in competition with the Bombardier Q Series aircraft family come from ATR (a consortium consisting of Aerospatiale of France and Alenia of Italy). The Q300 aircraft faces competition from the ATR 42 and the Q 400 from the ATR 72.

Amphibious Aircraft

Bombardier Aerospace markets the Bombardier 415 turboprop amphibious aircraft, the only purpose-built firefighting aircraft currently available. The aircraft can also be adapted to a variety of specialized missions such as search and rescue, environmental protection, coastal patrol and transport.

Aviation Support and Services

Bombardier Aerospace provides a broad range of services to customers, including training for pilots and maintenance technicians, aircraft completion services, aircraft maintenance and spare parts.

● Customer Training

Bombardier Aerospace offers, through joint ventures, a complete range of pilot and maintenance training programs for the Bombardier CRJ Series aircraft in Montréal, Canada, in Qingdao, China, and in Berlin, Germany.

Bombardier Aerospace is the only business jet manufacturer to directly provide customized pilot and maintenance training, as well as ancillary training. The training centres are located in Montréal, Canada and in Dallas, United States.

In addition, Bombardier Aerospace provides maintenance and support services for military pilot training. The NATO Flying Training in Canada (NFTC) program is in full operation with Denmark, the United Kingdom, the Republic of Singapore, Italy, Hungary and Canada as participating nations.

● Business Aircraft Completions

Bombardier Aerospace has two business aircraft completion centres located in Montréal, Québec, and Tucson, Arizona, as well as a network of authorized completion centres.

● Aircraft Maintenance and Spare Parts Services

Bombardier Aerospace's Fort Lauderdale, Florida, Indianapolis, Indiana, Tucson, Arizona, Wichita Kansas, Hartford, Connecticut and Dallas, Texas service centres provide maintenance and spare parts services for the Bombardier Global Express aircraft as well as the Bombardier Learjet and Challenger families. Those services are also available at a service centre in Berlin, Germany operated through a joint venture with Lufthansa. Bombardier Aerospace provides similar services in Europe and the Middle East and is also associated with 26 authorized service centres worldwide to provide complete services to operators.

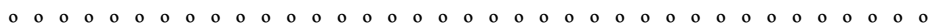
Bombardier Aerospace offers maintenance and modification services to Bombardier CRJ Series operators in Bridgeport, West Virginia. Maintenance services for military aircraft are carried out mainly at the Mirabel facility in Québec.

Bombardier Aerospace also operates spare parts services through depots strategically located around the world.

Other Activities

Other activities carried out by Bombardier Aerospace include component manufacturing for third parties at facilities in Montréal, Québec, and in Belfast, Northern Ireland, where most of the design, development and manufacture of major airframe structures is undertaken.

Bombardier Transportation



Bombardier Transportation, the global leader in the rail equipment manufacturing and servicing industry, offers a full range of passenger railcars, as well as complete rail transportation systems. It also manufactures locomotives, freight cars, airport people movers, propulsion and controls and provides rail control solutions. Bombardier Transportation is also a provider of maintenance services.

The administrative centre of Bombardier Transportation is divided between Longueuil, Québec, Canada and Berlin, Germany.

For a list of the Corporation’s subsidiaries which fall within Bombardier Transportation, see “Item 2 – Corporate Structure – Subsidiaries”.

The following table shows the principal operation centres owned by the Corporation or one of its subsidiaries, as the case may be, unless they are indicated as being leased (“L”), and forming part of Bombardier Transportation. The table also lists the type of operations conducted or products manufactured at these facilities.

Manufacturing Facilities	Operations Conducted or Products
La Pocatière, Québec, Canada	Manufacture of mass transit vehicles.
Thunder Bay, Ontario, Canada	Manufacture of mass transit vehicles.
Plattsburgh, New York, United States ^(L)	Final assembly of mass transit vehicles.
Pittsburgh, Pennsylvania, United States	Final assembly of automated people movers and propulsion systems.
Sahagún, Mexico	Manufacture of mass transit vehicles and freight cars, refurbishment of rail passenger cars and light rail vehicle manufacturing center for North America.
Hortolândia, Brazil ^(L)	Final assembly of mass transit vehicles and vehicles refurbishment.
Vienna, Austria	Manufacture of aluminum and steel carbodies for passenger cars (in particular light rail vehicles) in Europe.
Brugge, Belgium	Manufacture of aluminum and steel carbodies for passenger cars in Europe, final assembly and railway equipment.
Česká Lipa, Czech Republic	Supplier of primary parts and welding substructures and low-cost components.
Crespin, France	Manufacture of aluminum and steel carbodies for passenger cars in Europe, final assembly and bogies.
Aix-la-Chapelle (Aachen), Germany	Final assembly of passenger vehicles for Europe.
Ammendorf, Germany	Manufacture of steel carbodies and final assembly of passenger vehicles. To be converted as refurbishment and services facilities.
Bautzen, Germany	Manufacture of aluminum and steel carbodies for passenger cars (in particular light rail vehicles) in Europe.

Manufacturing Facilities	Operations Conducted or Products
Görlitz, Germany	Manufacture of aluminum and steel carbodies for passenger cars and assembly of double-deck trains.
Hennigsdorf, Germany	Final assembly of passenger vehicles and test center, propulsion and control activities (mechanical drives assembly and train command and control engineering).
Kassel, Germany ^(L)	Manufacture of locomotives.
Siegen, Germany	Manufacture of bogies for Europe.
Dunakeszi, Hungary ^(L)	Refurbishment activities and engineering.
Vado Ligure, Italy	Manufacture of locomotive, freight vehicles and refurbishment activities.
Strømmen, Norway	Services activities.
Wroclaw, Poland	Manufacture of locomotives, freight vehicles and bogies frames and locomotive carbodies.
Amadora, Portugal	Final assembly and services activities.
Västerås, Sweden	Propulsion and control activities. To be converted as services facilities.
Pratteln, Switzerland ^(L)	Final assembly of passenger vehicles and vehicles overhaul.
Central Rivers, United Kingdom	Maintenance and overhaul activities.
Crewe, United Kingdom	Wheelset and bogies service activities, overhaul and refurbishment.
Derby, United Kingdom	Manufacture of bogies and of aluminum and steel carbodies for passenger cars in Europe, final assembly site for Europe and European center for metro. Wheel and bogie overhaul.
Plymouth, United Kingdom	Subassembly and final assembly for signalling products.
Wakefield, Yorkshire, United Kingdom	Final assembly of passenger train and refurbishment business.
Melbourne, Australia	Manufacturing activities and inter city trains services workshop.
Maryborough, Australia ^(L)	Manufacturing activities for regional and commuter cars.

Marketing of the products manufactured by Bombardier Transportation is carried out through marketing or sales offices. In North America, these marketing or sales offices are located in Canada (in Longueuil, Québec, and Millhaven (Kingston), Ontario), the United States (in the states of California, Florida, Minnesota, New York and Pennsylvania, and in Washington, D.C.), in Mexico and Brazil.

In Europe, marketing is effected through offices in Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Ireland, Norway, Poland, Portugal, Russia, Spain, Sweden, Switzerland, Turkey and the United Kingdom.

Finally, Bombardier Transportation also has offices in the United Arab Emirates, India, South Africa, Australia, China, Korea, Malaysia, Philippines, Singapore, Taiwan and Thailand.

Bombardier Transportation leases these marketing or sales offices, with the exception of the office in Longueuil, Québec, and those in Austria, Belgium, Germany, Switzerland and the United Kingdom, which it owns.

Bombardier Transportation has two major global competitors, Alstom and Siemens, both active in the same fields as Bombardier i.e. from rolling stock to rail controls systems, propulsion, services and turnkey systems. Both Alstom and Siemens are also active in other industry segments such as fixed installations, power generation and transmission.

Ansaldo-Breda is also a full line supplier but with a more limited spread geographically with its stronghold in Italy. CAF, Talgo and Stadler are niche players in the field of passenger cars, mainly in Europe but they are also involved in the United States to a limited extent.

Japanese suppliers like Hitachi, Toshiba, Mitsubishi and Kawasaki are mostly seen competing in Asia and the United States for rolling stock projects or as electrical propulsion suppliers.

In the field of rail control systems, Alcatel, GE Harris and Invensys are also competitors.

As result of the ongoing worldwide railway industry consolidation process as well as market dynamics, Bombardier has maintained project based business relationships with most of its competitors, especially in Europe.

Commuter / Regional Rail

Bombardier Transportation offers a wide range of passenger railcars for suburban and regional markets. The product line includes electrical multiple units (EMUs), diesel multiple units (DMUs), coaches and double-deck trains.

Intercity / High-Speed Trains

Bombardier Transportation's product line includes diesel multiple units (DMUs), electric multiple units (EMUs), diesel-electric multiple units (DEMUs), coaches and high speed trains.

Metro / Rapid Transit

Bombardier Transportation offers a full range of technologies adapted to the needs of urban transit systems.

Light Rail Vehicles

Bombardier Transportation's family of light rail vehicles includes street-trams, city-trams and Tram-Trains* vehicles.

Locomotives and Freight

Bombardier Transportation offers locomotives for use in intercity, regional and freight traffic as well as electric and diesel-electric locomotives to suit the specific needs of railway operators. Freight cars are designed and manufactured for private and state-owned operators.

Total Transit Systems

Bombardier Transportation develops, designs and markets complete transportation systems from high-capacity urban transit systems to short-distance people movers. Bombardier Transportation also provides the operations and maintenance services for fully automated driverless systems.

Propulsion and Controls

Bombardier Transportation offers electrical propulsion systems, drives, train control and on-board train computer systems as well as auxiliary inverters/power systems.

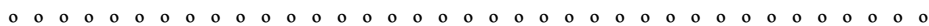
Services

Bombardier Transportation provides a full range of maintenance services. These services include total train maintenance, technical support, spares and logistic management, car re-engineering and heavy overhaul and component re-engineering and overhaul.

Rail Control Solutions

Bombardier Transportation's product portfolio includes integrated operation-control systems, electronic and relay-interlocking, automatic train protection and automatic train operation radio-based signalling systems and wayside equipment.

Bombardier Recreational Products



The operations of Bombardier Recreational Products consist of designing, developing, manufacturing, distributing and selling snowmobiles, watercraft, all-terrain vehicles (ATVs), outboard engines, snow-grooming equipment and multi-purpose tracked vehicles. It also manufactures Rotax engines that power Bombardier and other manufacturers' products.

On April 3, 2003, the Corporation announced its intention to dispose of its recreational products business in order to focus the Corporation's activities on the aerospace and transportation segments.

The administrative centre of Bombardier Recreational Products is located in Longueuil, Québec, Canada.

For a list of the Corporation's subsidiaries which fall within Bombardier Recreational Products, see "Item 2 – Corporate Structure – Subsidiaries".

The following table shows the principal operation centres owned by the Corporation or one of its subsidiaries, as the case may be, unless they are indicated as being leased ("L"), and forming part of Bombardier Recreational Products. The table also shows products manufactured or operations conducted at such facilities, as the case may be.

Manufacturing Facilities	Operations Conducted or Products
Valcourt, Québec, Canada	Manufacture of Ski-Doo* snowmobiles, Sea-Doo* watercraft, Bombardier all-terrain vehicles and related components.
Benton, Illinois, United States	Manufacture of four-seater Sea-Doo watercraft.
Gunskirchen, Austria	Manufacture of engines and engine components for Ski-Doo and Lynx* snowmobiles, Sea-Doo watercraft, Bombardier all-terrain vehicles, as well as other manufacturers' small and ultra-light aircraft, motorcycles, scooters and karts.
Rovaniemi, Finland	Manufacture of Lynx Wide Track snowmobiles, snowmobile frames and snowmobile components.
Sturtevant, Wisconsin, United States	Manufacture of Evinrude and Johnson outboard engines.
Spruce Pine, North Carolina, United States	Casting of metal components for Evinrude and Johnson outboard engines.
Andrews, North Carolina, United States	Machining of components for Evinrude and Johnson outboard engines.
Juarez, Mexico	Manufacture of parts and accessories for Evinrude and Johnson outboard engines.
Delavan, Wisconsin, United States ^(L)	Manufacture of electronic, fuel injection and oiler components for Evinrude and Johnson outboard engines and for other watercraft manufacturers.
Dong Guan, People's Republic of China ^(L)	Manufacture of electronic components for Evinrude and Johnson outboard engines and manufacture of certain small Evinrude and Johnson outboard engines.

Distribution of the products manufactured by Bombardier Recreational Products is carried out through distribution centres located in the provinces of Alberta and Québec, in Canada, in the states of Colorado, Georgia, Illinois, New Jersey, Nevada, Texas, Utah, Washington and Wisconsin, in the United States, and in Australia, Belgium, Brazil, Finland, Japan and New Zealand.

Marketing of the products manufactured by Bombardier Recreational Products is carried out through the marketing or sales offices of its divisions and subsidiaries located in Canada, the United States, Australia, Austria, Belgium, Finland, Japan, Russia, Singapore and Sweden, and through a network of authorized distributors and dealers.

Snowmobiles

Bombardier Recreational Products develops, designs, manufactures, sells and distributes the Ski-Doo snowmobiles product line and the Lynx snowmobiles product line which is specifically designed for the European market.

The line of snowmobiles offered by Bombardier Recreational Products in 2002-2003 consists of 29 Ski-Doo models in seven different categories and 17 Lynx models in six different categories.

Bombardier Recreational Products sells its snowmobiles in North America through a network of authorized dealers with which it deals either directly or through authorized distributors. In Europe, Bombardier Recreational Products sells its snowmobiles through independent authorized distributors and agents, except in Sweden and Norway, where it sells to authorized dealers through wholly-owned subsidiaries.

Bombardier Recreational Products competes in various snowmobile markets with American and Japanese manufacturers, namely, Arctic Cat, Polaris and Yamaha.

Watercraft

Bombardier Recreational Products develops, designs, manufactures, sells and distributes Sea-Doo watercraft. The product line of Sea-Doo watercraft offered by Bombardier Recreational Products in 2002-2003 consists of eleven models.

Kawasaki, Polaris, Yamaha and Honda currently compete with Bombardier Recreational Products in the watercraft industry.

All-Terrain Vehicles

In the ATV market, Bombardier Recreational Products develops, designs, manufactures, sells and distributes an expanding line of vehicles. As part of a new strategic alliance, Bombardier Recreational Products will manufacture ATVs for Deere & Company.

Honda, Polaris, Yamaha, Suzuki, Arctic Cat and Kawasaki compete with Bombardier Recreational Products in the ATV market.

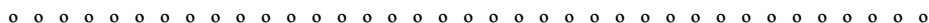
Engines

Bombardier Recreational Products develops, designs, manufactures, markets and sells two-stroke and four-stroke engines under the Rotax* brand name. These engines are used in Ski-Doo and Lynx snowmobiles, in Sea-Doo watercraft, in Bombardier ATVs and in other manufacturers' motorcycles, scooters, karts and small and ultralight aircraft.

Outboard Engines

Bombardier Recreational Products designs, manufactures, sells and distributes outboard engines for marine use under the Evinrude and Johnson brand names, which are offered in two- or four-stroke configurations, ranging from three horsepower (hp) to 250hp.

Bombardier Capital



Bombardier Capital offers secured financing and leasing solutions to manufacturers, retailers and other commercial businesses, primarily in North American markets. Bombardier Capital targets industry sectors and product markets that fit its specialized core competencies, including services provided directly to Bombardier's manufacturing segments.

On September 27, 2002, the Corporation announced its decision to reduce its debt mainly through the sale and gradual wind-down of the receivable factoring and the business aircraft financing portfolios of Bombardier Capital. On April 3, 2003, the Corporation announced its intention to cease origination of the railcar leasing activities of Bombardier Capital. Bombardier Capital will concentrate on inventory finance and interim financing for Bombardier Aerospace regional aircraft. Proceeds from the sale and gradual wind-down of the discontinued portfolios will be applied to the reduction of Bombardier Capital's debt.

Bombardier Capital's continued activities are grouped into the following portfolio categories: inventory finance, commercial aircraft, and industrial equipment. Bombardier Capital's discontinued activities are grouped into the following portfolio categories: business aircraft, receivable factoring, railcar leasing, manufactured housing, consumer finance and "other" portfolios.

The administrative centre of Bombardier Capital is located in Jacksonville, Florida, in the United States.

For a list of the Corporation's subsidiaries which fall within Bombardier Capital, see "Item 2 – Corporate Structure – Subsidiaries".

Continued Portfolios

Inventory Finance

Bombardier Capital's inventory finance activities provide floorplan financing on a secured basis to retailers purchasing inventory products in the United States and Canada. Primary markets are marine products, manufactured housing and motorized recreational vehicles, as well as Bombardier-manufactured recreational products.

Commercial Aircraft

Bombardier Capital provides interim financing support to Bombardier Aerospace regional aircraft customers until permanent third-party financing is arranged. Bombardier Capital also provides long-term third-party lease financing for commercial aircraft taken in trade against new commercial aircraft sales.

Discontinued Portfolios

Business Aircraft

Bombardier Capital's business aircraft portfolio consists of loans and finance leases mainly to third-party purchasers of new and used business aircraft, classified as finance receivables. This portfolio also includes used aircraft with respect to trade-in business aircraft, mainly from affiliates, classified as assets under operating leases.

On September 27, 2002, the Corporation decided to withdraw from the financing of business aircraft, including leases for new and used business aircraft. Bombardier Capital expects to significantly reduce this portfolio over the next several months, through an orderly process combining sales and wind-downs.

Receivable Factoring

Bombardier Capital's receivable factoring portfolio consists of third-party trade receivables which originated from the Corporation's manufacturing segments. Complete wind-down is expected within fiscal year 2004 based on typical duration of receivables of between 30 and 180 days.

Railcar Leasing

On April 3, 2003, the Corporation announced its decision to cease origination for Bombardier Capital's railcar leasing activities. These activities consist of third-party freight car leasing as well as full-service maintenance and/or management services to owners and users of freight cars in North American markets. Bombardier Capital purchases freight railcars, typically from a third-party manufacturer, and subsequently enters into a sale and leaseback with a financial institution. The financial institution assumes ownership of the asset with Bombardier Capital as the lessee. Bombardier Capital then sub-leases the asset to the actual user of the equipment, typically for three to seven years. The diversified fleet averages less than five years of age.

Manufactured Housing

On September 26, 2001, Bombardier Capital exited from the manufactured housing finance sector due to unfavorable market trends and disappointing operating performance. Manufactured housing finance activities provided retailers in the United States with financing services for consumer purchases of manufactured homes. Bombardier Capital continues the controlled liquidation of the manufactured housing portfolio and expects substantial wind-down to be achieved within several years.

Consumer Finance

On September 26, 2001, Bombardier Capital withdrew from the consumer finance segment for poor performance and a reorientation toward businesses more closely aligned with the Corporation's core competencies. Consumer finance activities involved secured loans designed to enable consumers to acquire recreational products and services. Bombardier Capital expects the consumer finance portfolios to achieve substantial wind-down in the next two years.

Other

The technology management and finance, mid-market commercial equipment finance and small ticket finance portfolios were discontinued in fiscal year 2000. The liquidation of these portfolios is expected to be substantially completed within one year.

Real Estate Services

Through Bombardier's real estate services, Bombardier Capital derives revenues from the development of Bombardier real estate assets earmarked for new uses, and from activities aimed at meeting the real estate needs of other Bombardier businesses. Other revenues are generated from the sale of land to real estate developers, which involves the establishment of an urban residential community with integrated commercial and service infrastructures on land adjacent to Bombardier Aerospace facilities in Montréal, Québec.

4.2 Segmented Disclosure

For information respecting Bombardier's sales by industry and geographic segments, reference is made to note 28 of the notes to the consolidated financial statements for the fiscal years ended January 31, 2003 and January 31, 2002, which consolidated financial statements and accompanying notes, appearing on pages 112, 114 and 115 of the Corporation's Annual Report for 2002-2003, which note is incorporated herein by reference.

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

4.4 Research and Development

Every year, Bombardier commits a portion of its revenues to research and development. The total sums spent for this purpose appear in note 18 to the consolidated financial statements for the fiscal years ended January 31, 2003 and January 31, 2002 appearing on page 98 of the Corporation's Annual Report for 2002-2003, which note is incorporated herein by reference. These investments reinforce the skills and know-how of the engineers and technicians who currently make up Bombardier's design and engineering force.

4.5 Environment

During 2002-2003, the manufacturing operations of Bombardier continued to be in compliance with the applicable environmental laws and regulations. Certain cases of non-compliance identified during environmental audits completed during the year were or are being corrected. In all such cases, corrective action measures were identified, brought to the attention of the government authorities, if required, and incorporated into an action plan for implementation. The cost of the corrective measures, taken singly or together, does not or will not have any material effect on the performance of Bombardier.

In previous years, Bombardier reported that it had been identified as potentially liable for the contamination of certain third-party sites in the United States. The resulting management activities were continued during 2002-2003. The costs associated with these activities were not material during the period. The future costs associated with these activities are not known and are not of a nature to become material for Bombardier.

As part of the acquisition of Adtranz completed as of May 1, 2001, Bombardier was informed or acquired knowledge of certain environmental conditions of the properties previously owned by Adtranz. During 2002-2003, certain decontamination activities were undertaken. The costs associated with those activities are not material and are not expected to become material to Bombardier.

4.6 Human Resources

The following table shows the number of employees of Bombardier as at January 31, 2003, compared with January 31, 2002:

	Number of employees as at January 31	
	2003	2002
Bombardier Aerospace	29,056	32,766
Bombardier Recreational Products	7,423	6,739
Bombardier Transportation	32,884	34,128
Bombardier Capital.....	779	1,003
Corporate Office	269	243
Total.....	70,411	74,879

In North America, at the end of 2002-2003, 13,449 employees of Bombardier were represented by certified unions under 15 separate collective agreements. These agreements expire at different dates, the latest of which is December 2005.

In Europe, there are some 92 collective agreements in force. National unions represent employees in subsidiaries or divisions and national and sectoral 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 2005.

Bombardier considers that its relations with its employees are satisfactory.

4.7 Foreign Currency Fluctuations

The Corporation is exposed to risks resulting from foreign currency fluctuations arising either from carrying its businesses from Canada in foreign currencies or through operations in foreign countries. In an effort to mitigate those risks, the Corporation makes use of derivative contracts to hedge the exposure to future cash flows in various currencies and asset/liability management, which involves mostly borrowing in foreign currencies to hedge foreign currency exposure arising from permanent investments in foreign countries.

Item 5 Selected Consolidated Financial Information

5.1 Annual Information

Consolidated financial information for the last three fiscal years ended January 31

(millions of dollars, except per share amounts)	<u>2003</u>	<u>2002</u>	<u>2001</u>
		Restated ⁽¹⁾	Restated ⁽¹⁾
Revenues	23,664.9	21,815.6	16,071.9
Net income (loss)	(615.2)	36.0	839.3
Total assets	29,009.4	27,242.7	20,482.7
Long-term debt	8,815.1	7,857.7	6,131.2
Series 2 Redeemable Preferred Shares	65.0	300.0	300.0
Series 3 Redeemable Preferred Shares	235.0	-	-
Series 4 Redeemable Preferred Shares	235.0	-	-
Earnings (loss) per share			
Basic	\$(0.47)	\$0.01	\$0.60
Diluted	\$(0.47)	\$0.01	\$0.59
Dividend per share			
Series 2 Redeemable Preferred Shares	\$1.19375	\$1.37500	\$1.37500
Series 3 Redeemable Preferred Shares	\$0.68450	-	-
Series 4 Redeemable Preferred Shares	\$1.39876	-	-
Class A Shares	\$0.18000	\$0.18000	\$0.13500
Class B Subordinate Shares	\$0.18156	\$0.18156	\$0.13656

(1) See note 1 of the consolidated financial statements appearing on pages 80 to 83 of the Corporation's Annual Report for 2002-2003. This note is incorporated herein by reference.

5.2 Quarterly Information

Quarterly consolidated financial information (unaudited)

(millions of dollars, except per share amounts)	2002-2003 Restated ⁽¹⁾			
	4th qtr.	3rd qtr.	2nd qtr.	1st qtr.
Revenues.....	6,743.4	5,645.9	5,767.5	5,508.1
Net income (loss).....	(1,048.6)	168.2	68.0	197.2
Earnings per share				
Basic.....	(0.77)	0.12	0.04	0.14
Diluted.....	(0.77)	0.12	0.04	0.14
Dividend per share				
Series 2 Redeemable Preferred Shares.....	\$0.27000	\$0.23625	\$0.34375	\$0.34375
Series 3 Redeemable Preferred Shares.....	\$0.34225	\$0.34225	-	-
Series 4 Redeemable Preferred Shares.....	\$0.39063	\$0.39063	\$0.39063	\$0.22687
Class A Shares.....	\$0.04500	\$0.04500	\$0.04500	\$0.04500
Class B Subordinate Shares.....	\$0.04500	\$0.04500	\$0.04500	\$0.04656

(millions of dollars, except per share amounts)	2001-2002 Restated ⁽¹⁾			
	4th qtr.	3rd qtr.	2nd qtr.	1st qtr.
Revenues.....	7,844.6	4,998.0	4,948.4	4,024.6
Net income (loss).....	77.6	(442.9)	217.7	183.6
Earnings per share				
Basic.....	\$0.05	\$(0.33)	\$0.16	\$0.13
Diluted.....	\$0.05	\$(0.33)	\$0.15	\$0.13
Dividend per share				
Series 2 Redeemable Preferred Shares.....	\$0.34375	\$0.34375	\$0.34375	\$0.34375
Class A Shares.....	\$0.04500	\$0.04500	\$0.04500	\$0.04500
Class B Subordinate Shares.....	\$0.04500	\$0.04500	\$0.04500	\$0.04656

(1) See note 1 of the consolidated financial statements appearing on pages 80 to 83 of the Corporation's Annual Report for 2002-2003. This note is incorporated herein by reference.

5.3 Dividends

The Corporation declared the dividends indicated below on its outstanding shares during the fiscal years ended January 31, 2003 and January 31, 2002.

(millions of dollars, except per share amounts)	Fiscal years ended January 31			
	2003		2002	
	Total	Per share	Total	Per share
Series 2 Redeemable Preferred Shares	9.6	\$1.19375	16.5	\$1.37500
Series 3 Redeemable Preferred Shares	6.4	\$0.68450	-	-
Series 4 Redeemable Preferred Shares	13.1	\$1.39876	-	-
Class A Shares	61.6	\$0.18000	61.8	\$0.18000
Class B Subordinate Voting Shares	187.3	\$0.18156	186.2	\$0.18156

The articles of the Corporation stipulate that no dividends may be paid on the Class A Shares or the Class B Subordinate Voting Shares unless all accrued and unpaid dividends on the Series 2 Preferred Shares,

Series 3 Preferred Shares and 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.

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 \$0.0015625 per share per annum; when a dividend on the Class B Subordinate Voting Shares at the rate of \$0.0015625 per share per annum is declared and paid or set aside for payment in any financial 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 financial year.

In general, the Corporation's policy is to set the total amount of its dividends for a fiscal year at approximately 30% of the consolidated net income for the previous financial year. The Board of Directors of the Corporation reserves the right to modify this policy at any time.

At its meeting of April 2, 2003, the Board of Directors of Bombardier re-affirmed its policy of paying dividends on the Class A Shares and the Class B Subordinate Voting Shares. However, the Board resolved that if, as and when such dividends are declared, such dividends, for the current fiscal year, would be no greater than \$0.09 per share (plus, in the case of the Class B Subordinate Voting Shares, a preferential dividend of \$0.0015625 per share per annum) on an annual basis (i.e. one half of the annual dividend per share declared in fiscal year 2003).

At the April 2, 2003 meeting of the Board, a dividend of \$0.0225 per share (plus the preferential dividend of \$0.000390625 per share for holders of Class B Subordinate Voting Shares) was declared payable on May 31, 2003, to holders of record on May 16, 2003.

Pursuant to various financing agreements to which they are parties, Bombardier Capital Ltd., Bombardier Capital Inc. and Learjet Inc. are subject to certain restrictions as to payment of dividends. The Corporation, as intervenor, is also subject to certain restrictions as to the receipt of dividends from these subsidiaries. These subsidiaries have undertaken to maintain certain financial ratios or a minimum level of net worth, which may have the indirect effect of restricting payment of dividends by these subsidiaries.

Item 6 Management's Discussion and Analysis

A discussion and analysis by management of the financial condition and results of operations for the fiscal years ended January 31, 2003 and January 31, 2002 is presented under the item "Management's Discussion and Analysis" on pages 34 to 69 of the Corporation's Annual Report for 2002-2003, which item is incorporated herein by reference. To complement the financial discussion and analysis, reference is made to the consolidated financial statements for the fiscal years ended January 31, 2003 and January 31, 2002, the summary of significant accounting policies and the notes to the consolidated financial statements on pages 71 to 119 of the Corporation's Annual Report for 2002-2003, which consolidated financial statements, summary of accounting policies and notes are incorporated herein by reference.

Item 7 Market for the Securities of the Issuer

The Class A Shares, the Class B Subordinate Voting Shares, the Series 2 Preferred Shares, the Series 3 Preferred Shares and the Series 4 Preferred Shares of the Corporation are listed for trading on the Toronto Stock Exchange. The Class B Subordinate Voting Shares are also listed for trading on the Frankfurt Stock Exchange in Germany and on the Brussels Stock Exchange in Belgium.

Item 8 Directors and Officers

The names of the directors and 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 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 April 25, 2003, 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	Approximate number of shares or units of the Corporation owned beneficially by a director or over which the director exercised control or direction as at April 25, 2003		
		Class A Shares	Class B Subordinate Voting Shares	Deferred Stock Units
LAURENT BEAUDOIN, C.C., FCA ^{(1)(a)(c)} Montréal, Québec Executive Chairman of the Board of Directors	1975 to date	732,560	13,132,884	–
JALYNN H. BENNETT ^{(b)(d)} Toronto, Ontario President Jalynn H. Bennett & Associates Ltd., consulting firm in strategic planning and organizational development	2002 to date	–	10,000	4,898
J.R. ANDRÉ BOMBARDIER ^{(2)(a)(c)} Montréal, Québec Vice Chairman of the Corporation	1975 to date	72,644,741	2,469,373	–
JANINE BOMBARDIER ⁽³⁾ Montréal, Québec President and Governor, J. Armand Bombardier Foundation, charitable organization	1984 to date	69,780,740	1,853,000	10,982
L. DENIS DESAUTELS Ottawa, Ontario Executive Director Centre on Governance University of Ottawa	2003 to date	–	3,500	–
ANDRÉ DESMARAIS ^(c) Montréal, Québec President and Co-Chief Executive Officer, Power Corporation of Canada, holding and management corporation	1985 to date	–	126,400	13,863
JEAN-LOUIS FONTAINE ^{(4)(a)(b)(d)} Montréal, Québec Vice Chairman of the Corporation	1975 to date	4,097,472	414,313	–

Name, Municipality of Residence, Principal Occupation(s) and Position(s) held within the Corporation	Period of service as a director	Approximate number of shares or units of the Corporation owned beneficially by a director or over which the director exercised control or direction as at April 25, 2003		
		Class A Shares	Class B Subordinate Voting Shares	Deferred Stock Units
DANIEL JOHNSON ^{(b)(d)} Montréal, Québec Counsel, McCarthy Tétrault, LLP Barristers and Solicitors	1999 to date	–	1,200	15,303
JOHN C. KERR Vancouver, British Columbia Chairman and Chief Executive Officer Lignum Limited, forestry company	2002 to date	–	13,000	5,563
PIERRE LEGRAND, Q.C. ^{(a)(c)(d)} Montréal, Québec Senior Partner, Ogilvy Renault, Barristers and Solicitors	1975 to date	7,168	–	–
JEAN C. MONTY ^{(a)(c)} Montréal, Québec Corporate Director	1998 to date	25,000	175,000	15,872
JAMES E. PERRELLA ^(b) Jupiter, Florida, U.S.A. Retired Chairman and Chief Executive Officer, Ingersoll-Rand Company, diversified industrial company and components manufacturer	1999 to date	–	10,000	12,130
PAUL M. TELLIER ^(a) Montréal, Québec President and Chief Executive Officer of the Corporation	1997 to date	–	108,000	11,249

- (1) 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 70,530,740 Class A Shares of the Corporation.
 - (2) 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 72,644,741 Class A Shares of the Corporation.
 - (3) 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 69,780,740 Class A Shares of the Corporation.
 - (4) 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 68,180,740 Class A Shares of the Corporation.
- (a) Member of the Executive Committee.
 - (b) Member of the Audit Committee.
 - (c) Member of the Compensation Committee.
 - (d) Member of the Retirement Pension Oversight Committee.

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

Officers who are not Directors

Name and Municipality of Residence	Position held within the Corporation
Pierre Alary Laval, Québec	Senior Vice-President and Chief Financial Officer (by interim)
Michel Baril Longueuil, Québec	President and Chief Operating Officer, Bombardier Recreational Products
Pierre Beaudoin Montréal, Québec	President and Chief Operating Officer, Bombardier Aerospace
Réjean Bourque, Montréal, Québec	Vice-President, Investor Relations
Richard Bradeen Montréal, Québec	Vice-President, Special Projects and Vice-President, Corporate Audit and Risk Assessment (by interim)
Roger Carle Montréal, Québec	Corporate Secretary
Michael G. Denham Montréal, Québec	Senior Vice-President, Strategy
Daniel Desjardins Montréal, Québec	Vice-President, Legal Services and Assistant Secretary
William J. Fox Montréal, Québec	Senior Vice-President, Public Affairs
Robert Greenhill Montréal, Québec	President and Chief Operating Officer, Bombardier International
Jean-Yves Leblanc Montréal, Québec	Chairman, Bombardier Transportation
François Lemarchand Montréal, Québec	Vice-President and Treasurer
Carroll L'Italien Montréal, Québec	Senior Vice-President
Pierre Lortie Longueuil, Québec	President and Chief Operating Officer, Bombardier Transportation
Brian Peters Jacksonville, Florida	President and Chief Operating Officer Bombardier Capital
Marie-Claire Simoneau Montréal, Québec	Executive Assistant to the Chairman

As at April 25, 2003, the directors of the Corporation (other than Mrs. Janine Bombardier and Mr. J.R. André Bombardier) and the officers of the Corporation, as a group, owned beneficially, directly or indirectly, 4,879,220 Class A Shares and 14,863,790 Class B Subordinate Voting Shares, representing 1.43% and 1.06%, respectively, of the outstanding shares of each such class.

The directors and 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 officer has held more than one position in the same company or an affiliate of such company, only the date of his appointment to his current position is indicated:

- Pierre Alary has been Senior Vice-President and Chief Financial Officer (by interim) since February 12, 2003; previously, he was Vice-President Finance of Bombardier since November 1, 2002; from August 17, 1998 to October 31, 2002, Mr. Alary was Vice-President, Finance of Bombardier Transportation; before joining the Corporation, Mr. Alary worked during 20 years from 1978 to 1998 for Ernst & Young.
- Michel Baril has been President and Chief Operating Officer, Bombardier Recreational Products since February 1, 2001; prior to that date, he was Executive Vice-President, Bombardier Transportation since May 2000; he had previously been Executive Vice-President, Operations, Bombardier Aerospace since September 1998; before that, he had been President of the Mass Transit Division of Bombardier Transportation since June 1996.
- Laurent Beaudoin has been Executive Chairman of the Board of Directors since February 1, 1999; prior to that date, he was President, Chairman and Chief Executive Officer of the Corporation since June 18, 1996.
- Pierre Beaudoin has been President and Chief Operating Officer of Bombardier Aerospace since October 16, 2001; prior to that, he was President of Bombardier Aerospace, Business Aircraft since February 1, 2001; before that, he was President and Chief Operating Officer of Bombardier Recreational Products from April 1996 to January 2001.
- Réjean Bourque has been Vice-President, Investor Relations since September 6, 2002; from 1999, he served as Director, Finance and Treasury; from 1995 to 1999, he served as Director, Structured Finance.
- Richard Bradeen has been Vice-President, Corporate Audit and Risk Assessment (by interim) since November 25, 2002; he has also been Vice-President, Special Projects (responsible for Amphibious Aircraft, Defence Services, the Belfast City Airport and Structured Finance) since April 8, 2002; prior to that date, he has been Vice-President, Corporate Audit and Risk Assessment of the Corporation since February 1, 2001; prior to that date, he was Vice-President, Acquisitions and Strategic Alliances of the Corporation since February 1, 1999; before that, he had been Vice-President, Acquisitions, since August 1, 1997.
- Roger Carle has been Corporate Secretary of the Corporation since October 6, 2000; before that, he was Director, Legal Services and Corporate Secretary since September 17, 1996.
- Michael G. Denham has been Senior Vice-President, Strategy since August 13, 2001; from 1994 until joining the Corporation, he was a partner with McKinsey & Company, an international management consulting firm.
- L. Denis Desautels has been Executive Director of the Centre on Governance of the University of Ottawa since October 1, 2002; before that date he was Auditor General of Canada from April 1, 1991 until March 31, 2001.
- Daniel Desjardins has been Vice-President, Legal Services and Assistant Secretary of the Corporation since April 6, 1998.
- William J. Fox has been Senior Vice-President, Public Affairs since February 3, 2003; prior to joining Bombardier, he served as Senior Vice President, Public Affairs at Canadian National Railway Company, from July 2000; Mr. Fox was principal with Jack Pine Multi Media Inc., a strategic communications consultancy, as well as a national affairs commentator for CBC Newsworld Reports and adjunct professor with the School of Policy Studies at Queen's University, from 1996 to 2000.
- Robert Greenhill has been President and Chief Operating Officer of Bombardier International since October 23, 2000; prior to that date, he was Senior Vice-President, Strategy since September 20, 2000, and before that date, Vice-President, Strategy since October 1, 1996.
- Daniel Johnson has been counsel at the law firm McCarthy Tétrault since July 1998; prior to that date, he sat as a member of the Quebec National Assembly for more than 17 years and was leader of the Quebec Liberal Party from December 1993 to April 1998.

- Jean-Yves Leblanc has been Chairman of Bombardier Transportation since December 6, 2000; prior to that date he had been President and Chief Operating Officer of Bombardier Transportation since May 15, 1996.
- Carroll L’Italien has been Senior Vice-President of the Corporation since July 24, 1999; prior to that date, he had been, since June 1996, President of Alcan Smelters and Chemicals Limited, a producer of aluminum products, and later had become President of Alcan Primary Metal – North America.
- Pierre Lortie has been President and Chief Operating Officer of Bombardier Transportation since December 6, 2000; prior to that date, he had been President and Chief Operating Officer of Bombardier Capital since February 16, 2000; previously, he had been President and Chief Operating Officer of Bombardier International since April 6, 1998.
- Jean C. Monty has been acting as corporate director since April 2002; before that date, he had been Chairman and Chief Executive Officer of BCE Inc., a telecommunications company, since April 26, 2000, after having been President and Chief Executive Officer of BCE Inc. since May 6, 1998 and previously President and Chief Operating Officer of BCE Inc. from October 1, 1997 to May 6, 1998; he had also been Chairman and Chief Executive Officer of Bell Canada since February 28, 1998.
- James E. Perrella has been Retired Chairman and Chief Executive Officer of Ingersoll-Rand Company, a diversified industrial company and components manufacturer, since June 1, 2000 and before that, the Chairman of the Board of Directors of Ingersoll-Rand Company since October 1, 1999; previously, he had been its Chairman and Chief Executive Officer since April 1999; from November 1993 to April 1999, he had been its Chairman, President and Chief Executive Officer.
- Brian Peters has been President and Chief Operating Officer of Bombardier Capital since February 1, 2003; prior to that date, he had been Chief Financial Officer of Bombardier Capital since September 2002; before that he was Chief Financial Officer, Bombardier Capital, since April 2001, after having been Group Vice-President, Finance, Bombardier Capital since August 2000 when he first joined Bombardier; from 1997 to 2000, he held the position of Vice-President/Corporate Treasurer with Whirlpool Corporation.
- Marie-Claire Simoneau has been Executive Assistant to the Chairman since February 1, 1999; prior to that date, she had been Executive Assistant to the Chief Executive Officer since April 21, 1986.
- Paul M. Tellier joined the Corporation as President and Chief Executive Officer on January 1, 2003, prior to which he had been President and Chief Executive Officer and a director of the Canadian National Railway Company since October 1992.

Item 9 Additional Information

Additional information, including remuneration of directors and officers, loans of the Corporation to directors and officers, principal holders of the Corporation’s securities, as well as stock options and interest of insiders in material transactions is, where applicable, contained in the Corporation’s management proxy circular for its most recent annual meeting of shareholders at which directors were elected. Additional financial information, including comparative consolidated audited financial statements, is provided in the Corporation’s Annual Report to shareholders for the fiscal year ended January 31, 2003. Copies of these documents may be obtained free of charge upon request from the Public Affairs Department, 800 René-Lévesque Boulevard West, Montréal, Québec H3B 1Y8.

In addition, when the securities of the Corporation are in the course of a distribution pursuant to a short form prospectus or when a preliminary short form prospectus has been filed, the following documents may be obtained free of charge from the Public Affairs Department of the Corporation:

- (i) one copy of the Annual Information Form, together with one copy of any document or portion thereof incorporated by reference therein;

- (ii) one copy of the comparative consolidated financial statements of the Corporation for its most recently completed financial year for which financial statements have been filed together with the report of the auditors thereon and one copy of any interim financial statements of the Corporation that have been filed subsequent to the financial statements for its most recently completed financial year;
- (iii) one copy of the Corporation's management proxy circular for its most recent annual meeting of shareholders which involved the election of directors; and
- (iv) one copy of any other document that is incorporated by reference in the preliminary short form prospectus or the short form prospectus.

At any other time, one copy of the documents referred to in subparagraphs (i), (ii) and (iii) above will be provided free of charge upon request to the Public Relations Department or by consulting Bombardier's web site at www.bombardier.com.