Annual Information Form

For the year ended December 31, 2011

BOMBARDIER

March 1, 2012

NOTES:

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

(2) *Bombardier, Bombardier 415, Challenger, CITYFLO, CRJ, CRJ700, CRJ1000, CS100, CS300, CSeries, EBI, ECO4, ELECTROSTAR, EnerGplan, FLEXITY, FLEXITY 2, Flexjet, FLEXX, Global, Global 5000, Global Express, Global 7000, Global 8000, INNOVIA, Learjet, Learjet 85, NextGen, Q400, TRAXX, TWINDEXX, 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.

(5) Information is at December 31, 2011, unless otherwise noted.

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[1] As filed on SEDAR (www.sedar.com) on March 1, 2012.

[2] As filed on SEDAR (www.sedar.com) on March 1, 2012.

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 attached 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. On November 30, 2011, Bombardier's Board of Directors approved the change of financial year-end of the Corporation from January 31 to December 31, effective December 31, 2011. The administrative resolutions of the Corporation have been amended accordingly.

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 December 31, 2011, 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 December 31, 2011[3], 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 as at December 31, 2011.

Aerospace	
Bombardier Aerospace Corporation (Delaware)	100%
Learjet Inc. (Kansas)	100%
Short Brothers PLC (Northern Ireland)	100%
Transportation	
Bombardier Transportation GmbH (Germany)	100%
Bombardier Transportation Financial Services S.à.r.l. (Luxembourg)	100%
Bombardier Transportation (Holdings) UK Ltd. (United Kindgom)	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%
Bombardier Sifang (Qingdao) Transportation Ltd. (China)	50%
Others	
Bombardier Corporation (Idaho)	100%

[3] As per the Corporation's consolidated financial statements for the fiscal years ended December 31, 2011 filed with the Canadian securities regulatory authorities on March 1, 2012.

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 January 21, 2009, Bombardier announced the appointment of Mr. Thierry Desmarest to its Board of Directors.

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 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 2013 and 2019, with the first prototype vehicles arriving in 2012.

On August 24, 2009, Bombardier announced the appointment of Ms Martha Finn Brooks to its Board of Directors.

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 was 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. The *CSeries* program is driving towards planned entry into service in 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. On November 10, 2010, Aerospace announced that Transport Canada and the European Aviation Safety Agency have awarded Aircraft Type Certificates for the 100-seat *CRJ1000 NextGen* regional jet.

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.

In March 2010, Bombardier implemented a refinancing plan of its long-term debt aimed at extending its long-tem debt maturity profile and providing additional short-term capital resources. On March 29, 2010, Bombardier announced that it closed an issuance of $1.5 billion aggregate principal amount of new unsecured Senior Notes. The issuance is comprised of $650 million of unsecured Senior Notes bearing interest at 7.5% per year due in March 2018, and $850 million of unsecured Senior Notes bearing interest at 7.75% per year due in March 2020. The net proceeds of this offering were used to fund the repurchase of a total of $1 billion of long-term debt maturing from calendar years 2012 to 2014 pursuant to a debt tender offer announced on March 15, 2010 and for general corporate purposes.

In May 2010, Transportation won a landmark contract in the promising Middle East region, where Saudi Oger Ltd. placed an order for the next generation *INNOVIA* Monorail 300 system, and for operations and maintenance. This contract for the prestigious King Abdullah Financial District marked Transportation's first major project in the Kingdom of Saudi Arabia.

On June 16, 2010, Transportation announced that it has won the tender from SBB, the Swiss Railways, to supply new double-deck trains for inter-city rail travel. The contract for 59 Bombardier *TWINDEXX* trains has a total value of around $1.6 billion.

On September 27, 2010, Transportation, together with two consortium partners, announced that it has won an order to design, supply and install a 24 kilometres *INNOVIA* Monorail 300 system in São Paulo for Companhia do Metropolitano de São Paulo. The total value of the contract is $1.44 billion. Bombardier's share of the design-build contract is $747 million.

On September 30, 2010, Transportation announced that it has signed a contract with Trenitalia (Italian Railways) for the delivery of 50 very high speed V300*ZEFIRO* trains, marking the first order for the *ZEFIRO* family in Europe. The total contract is valued at $2.10 billion. Transportation's share of the contract is valued at $889 million.

On October 8, 2010, Transportation announced that production work at its site in Bautzen (Germany), where trams and light rail vehicles are manufactured, had resumed in September 2010 and was increasing two months after being hit by a flood in the Saxony area. Full production has resumed in the fourth quarter of 2011.

Further to the decision of the Board of Directors of Bombardier in September 2010 to launch the expanded *Global* aircraft family, Aerospace announced, on October 16, 2010, the introduction of two new jets, the *Global 7000* and *Global 8000* aircraft, allowing Bombardier's flagship *Global* aircraft family to uniquely cover the large, ultra long-range category with four aircraft models, the *Global 5000*, *Global Express XRS*, *Global 7000* and *Global 8000* jets. The *Global 7000* and *Global 8000* aircraft program is currently in development and as such is subject to changes in family strategy, branding, capacity, performance, design and/or systems. Entry into service of the *Global 7000* is scheduled for 2016. Entry into service of the *Global 800*0 is scheduled for 2017.

On October 21, 2010, Aerospace has inaugurated its new, state-of-the-art *Learjet 85* aircraft component manufacturing facility at its site in Querétaro, Mexico.

On October 21, 2010, Aerospace also announced the completion, on schedule, of the first phase of construction of the 600,000 sq. ft. facility in Belfast that will house the manufacture and assembly of the advanced composite wings for the all-new *CSeries* commercial aircraft.

On October 22, 2010, Transportation announced an order for 468 metro cars from Société de transport de Montréal (STM). Transportation's share of the contract is valued at $715 million.

On November 2, 2010, Bombardier announced that it had successfully closed its issuance of €780 million ($1,094 million) of 6.125% Senior Notes due in May 2021 at 99.0422% of par. The net proceeds of this offering were used to finance the repurchase of any and all of Bombardier's outstanding Floating Rate Senior Notes due 2013 and 8.00% Senior Notes due 2014 pursuant to two separate debt tender offers announced on October 21, 2010 and for general corporate purposes.

On December 9, 2010, Aerospace announced that SpiceJet of Gurgaon, India has placed a firm order for 15 *Q400 NextGen* turboprop airliners and has taken options on an additional 15 airliners. Based on the list price for the *Q400 NextGen* aircraft, the firm order is valued at approximately $446 million, and could increase to approximately $915 million if all 15 options are converted to firm orders. On August 27, 2011, Aerospace announced that SpiceJet has taken delivery of the first two of these 15 *Q400 NextGen* turboprop aircraft.

On January 19, 2011, Bombardier announced its intent to request approval from its Board of Directors in December 2011 to change its financial year end from January 31 to December 31.

On February 25, 2011, Transportation announced that it has acquired the remaining 60% of the shares in the joint venture Bombardier Transportation (ZWUS) Polska Sp. z o.o, from its partner Polish railways PKP S.A. and became the sole owner of the company. The purchase price for the shares amounts to $52 million and, subject to certain conditions, may be increased by an additional amount not greater than $29 million depending on contract conditions to be fulfilled regarding the size of the signalling market in Poland.

On March 1, 2011, Aerospace announced the largest business aircraft sale in Bombardier's history with a firm order from NetJets Inc. for 50 *Global* business jets with options for an additional 70 *Global* aircraft. The transaction for the firm order is valued at approximately $2.8 billion based on list prices. If all the options are exercised, the total value of the order will surpass $6.7 billion, also based on list prices.

Following the signing of a share purchase agreement in Moscow on December 13, 2010, Transportation confirmed on March 2, 2011, that BT Signaling B.V. purchased a stake in the signalling equipment manufacturer United Electrical Engineering Plants, known as Elteza. BT Signaling B.V. purchased a 25 per cent stake in Elteza, a subsidiary of Russian Railways ("RZD"). Further to the receipt of the required approval, BT Signaling B.V. increased its stake to 50 per cent. RZD remains the majority shareholder.

On March 24, 2011, Bombardier and the Commercial Aircraft Corporation of China Ltd. ("COMAC") signed a framework agreement to establish a long-term strategic cooperation on commercial aircraft. This long-term strategic cooperation agreement is based on both COMAC's and Bombardier's desire to build on the potential complementary nature of their products and respective expertise. This includes exploring collaboration in marketing, customer relationship and customer support strategies to help each other increase overall market share in emerging and mature markets.

On March 30, 2011, Aerospace reached a significant program milestone with the entry into service of its 100th *Global 5000* business jet.

On April 18, 2011, Transportation announced that it has signed a nine-year framework agreement with Deutsche Bahn Regio AG, Germany, for 200 TRAXX diesel locomotives, with a value estimated at $867 million. A firm order for 20 locomotives valued at $90 million was obtained under this framework agreement.

On May 9, 2011, Transportation announced that it has signed a framework agreement with Siemens AG, Germany, to become a partner to develop and supply important components for up to 300 ICx high speed trains for Deutsche Bahn AG. A firm order for 130 trains valued at $1.8 billion for Transportation was obtained under this Framework Agreement.

On May 27, 2011, Bombardier announced the closing of a €3.4 billion (approximately $4.9 billion) Letter of Credit Facility with a syndicate of first quality international financial institutions. The facility is set up for the sole benefit of Transportation and matures in 2016. This facility is the renewal of the previous €3.75 billion letter of credit facility entered into on December 17, 2008 which was maturing in 2013.

On June 13, 2011, Transportation announced that it was creating a Product Design and Development Centre for North America in Saint-Bruno, Quebec. Transportation will also build a new state-of-the-art test track at its manufacturing plant in La Pocatière, Quebec. At the time, these projects were to represent a total investment of $17 million over the next 18 months.

On June 14, 2011, Transportation announced that it has been awarded the major contract for the Sub Surface Railway (SSR) automatic train control (ATC) signalling upgrade for London Underground in the UK. The contract, valued at approximately $ 577 million, is a part of London Underground's SSR Upgrade Programme (SUP). Transportation will provide the proven *CITYFLO* 650 ATC system, its innovative communication-based train control (CBTC) technology, similar to that running successfully on the Metro de Madrid in Spain.

On June 21, 2011, Aerospace announced that VistaJet of Switzerland has placed a firm order for 10 *Global 8000* aircraft. The total value of the order is approximately $650 million, based on the 2011 list price for typically equipped aircraft.

On June 22, 2011, Bombardier announced that it has closed both a Letter of Credit and Revolver Facility agreement totalling $1.35 billion with a syndicate of first quality financial institutions, mainly North American-based. The $600 million letter of credit and the $750 million unsecured revolving credit facilities which mature in June 2014 are dedicated to supporting Aerospace's operations as well as the general needs of the Corporation. They replace two financial agreements: the $600 million letter of credit facility entered into on July 2, 2009 which was to expire in December 2011 and the $500 million unsecured revolving credit facility entered into on September 2, 2009, scheduled to mature in August 2011.

On July 20, 2011, Transportation announced that, pursuant to the original contract announced in July 2006, the Chicago Transit Authority (the "CTA") has placed orders for 300 additional rapid transit cars. These orders are valued at approximately $331 million bringing the total number of cars ordered by CTA to 706, and the total value of the contract to approximately $1 billion.

On September 8, 2011, Bombardier hosted the global launch of the *FLEXITY 2* tram in Blackpool, UK. Blackpool and Lancashire County Council purchased the world's most advanced tram technology from Bombardier to revitalize Britain's most traditional tram system and will operate 16 new, ultra-modern *FLEXITY 2* vehicles on the Blackpool and Fleetwood tramway.

On September 20, 2011, Aerospace announced that it has taken a measured decision to reduce the production output of its *CRJ* aircraft, effective January 2012, to align with the then current market demand. As a result of mitigation actions, which include employee transfers to other current and in development aircraft programs at Aerospace, no manpower impact was anticipated.

On November 16, 2011, Aerospace announced that it has signed a memorandum of understanding (MOU) with the Government of the Kingdom of Morocco for the establishment of a manufacturing facility in Morocco. Aerospace intends to invest approximately $200 million in equipment, buildings and start-up costs over the next eight years.

On November 30, 2011, Bombardier's Board of Directors approved the change of financial year-end from January 31 to December 31, effective December 31, 2011. This change aligns the financial year ends of Aerospace and Transportation, simplifying internal processes as all business units are now using the same reporting periods.

On December 23, 2011, Transportation announced that it has received an order for 90 electric multiple units of the 430 series from Deutsche Bahn Regio AG, Germany. The order value totals around $648 million.

On January 10, 2012, Aerospace announced the details of the further expansion of its Learjet's Wichita facility. This expansion will also help create approximately 450 new jobs over the course of seven to ten years. This expansion is being supported by an incentive offer worth $16 million in financial support from the State of Kansas, which will be added to the $600 million investment Bombardier is currently making to develop the *Learjet 85* midsize jet and to expand Learjet's Wichita facility.

On January 13, 2012, Aerospace announced the appointment of Michele (Mike) Arcamone as President, Bombardier Commercial Aircraft effective February 1, 2012.

On March 1, 2012, Transportation announced that it intends to enter into a three-year unsecured revolving credit facility of up to €500 million ($647 million converted using the exchange rate as at December 31, 2011), under which the proceeds of drawings will be used for general corporate purposes of Transportation. Negotiations are currently taking place with the joint book runners and the execution of the definitive agreement is anticipated in late March or April 2012. Although Transportation is in negotiations to finalize the terms of this facility and the related agreements, there can be no assurance that this facility will be available on mutually acceptable terms.

Item 3 – Narrative Description of the Business

3.1 Business Overview

The Corporation manufactures transportation equipment, including business and commercial aircraft and rail transportation equipment and systems, and is a provider of related services. The Corporation carries out its operations in two reportable segments: Aerospace and Transportation.

Aerospace is a world leader in the design, manufacture and support of innovative aviation products for the business, commercial, specialized and amphibious aircraft markets. Aerospace has the most comprehensive aircraft portfolio in the market categories in which it competes and is the third largest civil aircraft manufacturer globally. Aerospace also offers its customers total lifecycle solutions including technical support and components, maintenance and training services, as well as the *Flexjet* fractional ownership programs. Aerospace had a workforce of 33,600 employees as at December 31, 2011.

Transportation is the world leader in the design, manufacture and support of rail equipment and systems, offering a full range of passenger railcars, locomotives, light rail vehicles and automated people movers. It also provides bogies, electric propulsion, control equipment and maintenance services, as well as complete rail tranportation systems and rail control solutions. Transportation had a workforce of 36,200 employees as at December 31, 2011.

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

Aerospace

Aerospace is a world leader in the design, manufacture and support of innovative aviation products for the business, commercial, specialized and amphibious aircraft markets. Aerospace has 14 production and engineering sites and an international service and support network, with a presence in 28 countries.

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".

Market Segments

Information about Aerospace's market segments can be found in the section entitled "Industry-leading products and services" at pages 24 to 26 of our Annual Report for the year ended December 31, 2011 which may be viewed on SEDAR at www.sedar.com (hereinafter referred to as "Annual Report"), which pages are incorporated by reference herein.

Principal Markets

Information about Aerospace's principal markets can be found in the section entitled "Our Market" at pages 29 to 31 and 33 to 35 of our Annual Report, which pages are incorporated by reference herein.

New Products and Product Development

Information about Aerospace's new products and product development can be found in the section entitled "Significant investments in newer, more fuel-efficient aircraft" at pages 91 to 94 of our Management's Discussion and Analysis for the year ended December 31, 2011 which may be viewed on SEDAR at www.sedar.com (hereinafter referred to as "MD&A"), which pages are incorporated by reference herein.

Cycles

Information about Aerospace's cycles can be found in the section entitled "Industry and Economic Environment" at pages 83 to 86 of our MD&A, which pages are incorporated by reference herein.

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, Missouri, Nevada, Ohio, South Carolina, Texas, Washington and in Washington D.C.), Mexico and Brazil. In Europe, marketing is carried out through offices in France, Germany, Switzerland and the United Kingdom. In Asia, such offices are maintained in Dubai, Hong Kong and in Australia. Customers are served from one main distribution centre in Chicago and from spare parts depots in Frankfurt, Hong Kong, Singapore, Sydney, Narita, Dubai, Beijing, São Paulo and Belfast. Maintenance services are also available through Original Equipment Manufacturer 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 production facilities of the Corporation or its subsidiaries located in Canada (Montréal, Toronto and North Bay), United States (Wichita), United Kingdom (Belfast) and Mexico (Querétaro). Operations conducted in those facilities vary from manufacturing or assembly of aircraft components and parts to 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 built relationships with suppliers present in over 49 countries.

Competition

Information about Aerospace's competition can be found in the section entitled "Our Market" at pages 32, 36 and 37 of our Annual Report, which pages are incorporated by reference herein.

Transportation

Rail is one of the most environmentally-friendly means of transportation. With its low energy consumption and emissions, as well as its contribution to reduce congestion and travel times, rail is helping cities to breathe better and connect people. 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 offers the broadest portfolio of efficient products and services in the rail industry, covering the full spectrum of rail solutions from complete trains to sub-systems, services, system integration and signalling. Transportation has reiterated its leadership position by winning more orders than its competitors over the last three years[4]. Bombardier has won orders across all product segments and geographies, underlining the competitiveness of its products and services worldwide. Transportation installed base of rolling stock product exceeds 100,000 rail cars and locomotives worldwide.

Transportation has 62 production and engineering sites in 25 countries. In the Services segment, Transportation has 18 main service sites in 11 countries, mainly in Europe, focusing on fleet maintenance, refurbishment and overhaul. Additionally, Transportation operates more than 40 service centres at its customers' premises across the world.

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".

Market Segments

Information about Transportation's market segments can be found in the section entitled "Industry-leading in products and services" at pages 42 to 44 of our Annual Report, which pages are incorporated by reference herein.

Principal Markets

Information about Transportation's principal markets can be found in the section entitled "Our Market" at pages 47 to 51 of our Annual Report, which pages are incorporated by reference herein.

Distribution Methods

Transportation principally contracts 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.

[4] Order intake versus competitors who publish order intake for rail transportation (e.g. Siemens, Alstom, GE, Stadler, CAF)

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 Florida, Illinois, Nevada, New York and Pennsylvania), in Mexico and in Brazil.

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

Finally, Transportation also has offices in Australia, China, India, Israel, Korea, Malaysia, Philippines, Taiwan, Thailand, Turkey, 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 41 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 production of components such as bogies and propulsion equipment. The Rolling Stock sites are located in 19 countries and include joint-ventures with local partners in China. In the Services segment, Transportation has 18 main services sites in 11 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, through some of its subsidiaries, has 20 Signalling engineering and production sites, in 12 countries, including joint-ventures with local partners in Russia. In the Systems and Signalling 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 68 countries. More than approximately 400 preferred suppliers cover more than 85% of Transportation’s 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, 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 it supply chain.

Competition

Information about Transportation’s competition can be found under the section entitled “Our Market” at pages 51 and 52 of our Annual Report, which pages are incorporated by reference herein.

3.2 Segmented Disclosure

For information on Aerospace's and Transportation's revenues allocated by countries (based on the location of the customer) and revenues allocated by major product or services, reference is made to note 5 to the Corporation's consolidated financial statements for the fiscal years ended December 31, 2011 and January 31, 2011 filed on SEDAR (www.sedar.com) on March 1, 2012, which note is incorporated by reference into this Annual Information Form.

3.3 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, 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 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.

3.4 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. It was reviewed and confirmed at the end of 2011. 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 production and services locations. To date, 100% of the Corporation's locations having over 150 employees have been certified by outside bodies according to the ISO 14001 Standard for Environmental Management and to the OSHAS 18001 Standard for Health and Safety Management. Several Transportation sites also are registered under the European Union Eco-Management and Audit Scheme approach. 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 being implemented by each jurisdiction where the Corporation carries out its activities. Most countries where the Corporation carries out manufacturing activities are at various stages of developing binding emission allocations and trading schemes. During 2011, the Corporation's climate change regulatory risks mainly fell under its obligations to the European Union Emission Trading Scheme, the United Kingdom Climate Change Agreement and to the United Kingdom Carbon Reduction Commitment named the CRC Energy Efficiency Scheme (launched in April 2010). 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 2011, the Corporation continued working on a new European regulation that was adopted in year 2007, i.e. the Registration Evaluation Authorization 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 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 (EU ETS)

During 2011, 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.

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 2012, 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.

Environmental Policies

The Corporation strives to continuously reduce any detrimental environmental impact generated by its operations. The environmental footprint of the service and manufacturing facilities remains an ongoing focus and the Corporation establishes objectives and targets to reduce its impact on the environment. In 2011, the Corporation confirmed reduction targets for energy consumption, carbon emissions, water consumption and waste generation for the coming years. In 2010, the Bombardier Green Fund was also created to elicit and leverage the best site-related initiatives submitted by employees to improve the energy efficiency and overall environmental performance. The Green Fund process was launched in Aerospace and Transportation in 2011 and will be continued in 2012. More information about Bombardier's Environmental Management can be found on the Bombardier Corporate Social Responsibility website at: www.csr.bombardier.com

3.5 Corporate Social Responsibility

In 2011, the Corporation continued to embed Corporate Social Responsibility across Transportation and Aerospace in the priority areas of governance, employees, operations, products, supply chain and responsible citizenship. For the fifth consecutive year, the Corporation was chosen as an index component in the Dow Jones Sustainability World and the Dow Jones Sustainability North America Indexes, benchmark indicators of sustainability.

For further information, visit www.csr.bombardier.com

3.6 Intangible Properties

Bombardier uses various works protected by intellectual property rights which Bombardier owns itself or for which it has been granted rights to use. These works include brand names, customer lists, copyrights, patents, trademark designs, trade secrets and know-how. This intellectual property is important to Bombardier's operations and its success. Some of Bombardier's suppliers participate in the development of products such as aircraft or rolling stock platforms. They subsequently deliver major components to Bombardier and own some of the intellectual property on key components they develop.

The Corporation's registered trademarks are generally renewed at the end of their respective validity periods. The Corporation has and intends to continue to protect its intellectual property rights and maintain its trademarks and the relevant registrations, and will actively pursue the registration of trademarks worldwide.

3.7 Human Resources

World-class employees are crucial to preserving Bombardier's leadership and ensuring its continued growth. In recent years, Bombardier intensified its efforts to join the ranks of the world's top employers and today Bombardier continues to make significant progress. During 2011, Bombardier continued to roll out its Global Talent Management Roadmap to address challenges in both established and emerging markets. These challenges include:

- Skill shortages
- Demographic changes
- Increased competition for the best people
- Maintaining effective recruiting strategies in its key markets
- Developing and retaining the best talent
- Sharing best practices across Bombardier
- Continually improving its health and safety performance

For further information on Bombardier's Global Talent Management, visit www.csr.bombardier.com

Recruiting, developing and retaining qualified project management and engineering personnel remains fundamental to the success of Bombardier. 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. Bombardier is endowed with a large talent pool of well-trained and engaged employees, focused on constantly enhancing execution and customer engagement.

Aerospace employs many engineering employees having a wide breadth of expertise, including in areas related to aerospace design, stress and structural, avionics, hydro-mechanical and software engineering. Aerospace is also expanding its efforts to work with educational institutions to train engineers in areas where there are shortages of qualified candidates. Aerospace funds program developments, 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 training programs to continually improve the knowledge of these employees.

Transportation employs many highly qualified engineers important to the successful design, manufacture and maintenance of rail transport solutions for the Corporation's global customers. Required skills include mechanical, electrical and software engineering. To sustain this strategy, Transportation has defined key technical domains (e.g. Acoustic, crash safety and others) and products competency domains (e.g. Brakes, propulsion system and others). Specialised engineering centers of competencies manage Transportation's technical knowledge and are supported by a dedicated technical expert career path.

More information about Bombardier's human resources can be found under the sections entitled "Workforce" and "Slight increase in workforce following record level of order intake in calendar year 2010" at pages 99 and 110 respectively, of our MD&A, which pages are incorporated by reference herein.

3.8 Risk Factors

The description of risks affecting the Corporation and its activities can be found in the section entitled "Risks and Uncertainties" at pages 113 to 120 of our MD&A, which pages are incorporated by reference herein.

Item 4. Dividends

The Corporation declared the dividends indicated below on its outstanding shares during each of the fiscal years ended December 31, 2011, January 31, 2011 and January 31, 2010. These dividends are denominated in Canadian dollars.

	Fiscal Year ended December 31, 2011		Fiscal Year ended January 31, 2011		Fiscal Year ended January 31, 2010	
(millions of dollars, except per share amounts)	Total	Per share on an annual basis	Total	Per share on an annual basis	Total	Per share on an annual basis
Series 2 Cumulative Redeemable Preferred Shares	6.5	0.6875	6.3	0.6619	5.1	0.587965
Series 3 Cumulative Redeemable Preferred Shares	3.3	1.31676	3.3	1.31676	3.3	1.31676
Series 4 Cumulative Redeemable Preferred Shares	14.7	1.5625	14.7	1.5625	14.7	1.5625
Class A Shares (Multiple Voting)	31.5	0.10	31.6	0.10	31.6	0.10
Class B Subordinate Voting Shares	146.1	0.1015625	145.9	0.1015625	146.1	0.1015625

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 Share and each Class B Subordinate Voting Share, 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 December 31, 2011, 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, 314,537,237 Class A Shares and 1,438,677,056 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 as the Class A Shares. In the aggregate, all of the voting rights associated with the Class B Subordinate Voting Shares represented, as at December 31, 2011, 31.38% 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 attached 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 attached 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 attached 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 24 monthly dividends, 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$25.00 (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 December 31, 2011, the Corporation had a long-term debt rating of BB+ from Fitch Ratings ("Fitch") with a stable 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 long-term debt by rating categories ranging from a high of AAA to a low of D, and 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.

A BB long-term debt rating by S&P is the seventh highest rating of ten categories. The "+" designation indicates that the security is in the higher quality of the BB spectrum. A company with long term debt rated BB faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions, which could lead to the company's inadequate capacity to meet its financial commitment. Moody's Ba long-term debt rating is the fifth highest rating of nine categories. A Ba rating is used for long term debt judged to have speculative elements and which is subject to substantial credit risk. The "2" designation indicates that the Corporation has an average standing within the Ba rating category. A BB long-term debt rating by Fitch is the fifth highest rating of eleven categories and indicates an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists which supports the servicing of financial commitments. The "+" modifier shows the relative standing within the rating category. A BB long-term debt rating by DBRS is the fifth highest rating of ten categories. A BB rating is used for long-term debt judged to have speculative, non investment-grade credit quality, and indicates that the capacity for the payment of financial obligations is uncertain, and vulnerability to future events.

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"
December 2011	High	$4.21	$4.19	$15.54	$18.29	$23.69
	Low	$3.41	$3.30	$13.57	$17.45	$22.75
	Close	$4.06	$4.06	$15.25	$18.29	$23.00
	Volume	825,774	147,820,400	185,526	65,651	95,425
November 2011	High	$4.47	$4.40	$14.60	$18.21	$23.39
	Low	$3.76	$3.67	$13.60	$17.45	$22.50
	Close	$3.84	$3.78	$13.83	$17.71	$22.90
	Volume	663,739	123,101,573	147,954	86,455	87,671
October 2011	High	$4.64	$4.43	$14.66	$19.21	$23.04
	Low	$3.50	$3.42	$11.09	$17.60	$21.76
	Close	$4.20	$4.12	$14.40	$17.80	$23.00
	Volume	819,767	174,186,220	207,354	84,437	163,766
September 2011	High	$4.88	$4.84	$16.21	$20.50	$23.80
	Low	$3.70	$3.63	$12.98	$19.20	$22.50
	Close	$3.70	$3.67	$13.01	$19.39	$22.73
	Volume	1,254,685	185,914,790	368,441	38,976	114,801
August 2011	High	$5.81	$5.84	$18.08	$20.25	$24.32
	Low	$4.55	$4.65	$15.22	$19.00	$22.20
	Close	$4.87	$4.77	$15.70	$19.50	$23.70
	Volume	2,042,814	175,033,446	351,259	69,975	150,655
July 2011	High	$7.00	$6.98	$19.19	$22.31	$24.50
	Low	$5.56	$5.54	$18.00	$20.00	$23.51
	Close	$5.78	$5.78	$18.00	$20.21	$23.56
	Volume	1,586,995	118,918,175	219,677	62,918	126,694
June 2011	High	$7.25	$7.25	$19.46	$22.50	$24.59
	Low	$6.47	$6.46	$18.89	$21.29	$24.22
	Close	$6.92	$6.95	$19.20	$22.25	$24.45
	Volume	1,192,521	175,697,993	457,467	72,531	143,422
May 2011	High	$7.16	$7.12	$19.75	$22.99	$24.49
	Low	$6.50	$6.48	$18.16	$21.65	$23.61
	Close	$6.72	$6.75	$19.32	$21.85	$24.40
	Volume	725,946	107,266,471	345,353	41,328	130,196
April 2011	High	$7.24	$7.24	$18.25	$21.83	$24.49
	Low	$6.69	$6.69	$17.90	$21.26	$23.65
	Close	$7.05	$7.05	$18.19	$21.70	$24.02
	Volume	1,138,667	97,491,498	489,063	36,440	136,089
March 2011	High	$7.29	$7.29	$18.26	$21.40	$24.35
	Low	$5.77	$5.75	$17.76	$20.17	$23.53
	Close	$7.12	$7.13	$18.01	$21.40	$24.27
	Volume	2,399,649	177,079,247	503,167	54,683	140,572
February 2011	High	$6.73	$6.75	$18.25	$20.69	$23.75
	Low	$5.64	$5.65	$17.38	$20.00	$23.08
	Close	$6.24	$6.25	$17.84	$20.59	$23.75
	Volume	1,900,488	116,733,920	363,021	39,694	134,960

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 or Class B Subordinate Voting Shares, as the case may be, of the Corporation that the directors, as at February 29, 2012, 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)
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)
PIERRE BEAUDOIN Westmount, Québec, Canada President and Chief Executive Officer of the Corporation	2004 to date	512,859	76,896
ANDRÉ BÉRARD(a)(b)(c)(d) Montréal, Québec, Canada Corporate Director	2004 to date	—	5,000
J.R. ANDRÉ BOMBARDIER Montréal, Québec, Canada Vice Chairman of the Corporation	1975 to date	(3)	265,774
JANINE BOMBARDIER Westmount, Québec, Canada President and Governor, J. Armand Bombardier Foundation, charitable organization	1984 to date	(4)	40,001
MARTHA FINN BROOKS (a)(b) Atlanta, Georgia, U.S.A. Corporate Director	2009 to date	—	30,000
L. DENIS DESAUTELS, O.C., FCA(a)(c) Ottawa, Ontario, Canada Corporate Director	2003 to date	—	10,000
THIERRY DESMAREST(b)(e) Paris, France Honorary Chairman of the Board of Directors of Total S.A. (oil and gas company)	2009 to date	—	—
JEAN-LOUIS FONTAINE Westmount, Québec, Canada Vice Chairman of the Corporation	1975 to date	4,097,472(5)	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]
DANIEL JOHNSON[6][a][c] Montréal, Québec, Canada Counsel, McCarthy Tétrault, LLP Barristers and Solicitors	1999 to date	—	1,200
JEAN C. MONTY[7][b][e] Montréal, Québec, Canada Corporate Director	1998 to date	25,000	175,000
CARLOS E. REPRESAS[b][c][e] Mexico City, Mexico Corporate Director	2004 to date	—	—
JEAN-PIERRE ROSSO[a][e] New York, New York, U.S.A. Chairman, World Economic Forum USA Inc. (non-profit organization)	2006 to date	—	—
HEINRICH WEISS[e] Düsseldorf, Germany Chairman and Chief Executive Officer SMS Holding GmbH (plant construction and mechanical engineering)	2005 To date	—	—

(1) The number of shares held is given as at February 29, 2012.
(2) Mrs. Claire Bombardier Beaudoin, wife of Mr. Laurent Beaudoin, exercises, through holding corporations which she controls, control or direction over 61,123,490 Class A Shares and 812,500 Class B shares.
(3) Mr. J.R. André Bombardier exercises, through holding corporations which he controls, control or direction over 65,401,042 Class A Shares.
(4) Mrs. Janine Bombardier exercises, through holding corporations which she controls, control or direction over 61,973,491 Class A Shares.
(5) Mrs. Huguette Bombardier Fontaine, wife of Mr. Jean-Louis Fontaine, exercises, through holding corporations which she controls, control or direction over 60,701,887 Class A Shares.
(6) 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.
(7) 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, FCA Montréal, Québec, Canada	Senior Vice President and Chief Financial Officer
Richard C. Bradeen Montréal, Québec, Canada	Senior Vice President, Strategy, 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 Blainville, 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

As at February 29, 2012, 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 1,607,201 Class B Subordinate Voting Shares, representing 5.62% and 0.11% 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.

- 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.

- Richard C. Bradeen has been Senior Vice President, Strategy, Corporate Audit Services and Risk Assessment and Pension Asset Management since February 6, 2009; before that date he was Senior Vice President, Strategy and Corporate Audit Services and Risk Assessment since January 20, 2005.

- 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; since May 2010, he is Honorary Chairman and a member of the Board of Directors of Total S.A., after having served as its Chairman since February 2007.

– 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.

– 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.

Item 8. Legal Proceedings

In the 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 December 31, 2011, 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, Calgary and Vancouver.

Item 10. Material Contracts

Since February 1, 2011, 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. Interests 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 Chairman of the Accounting Standards Oversight Council of the Canadian Institute of Chartered Accountants. He is a member of the audit committees of Laurentian Bank of Canada and Jean Coutu Group (PJC) Inc.

André Bérard – Mr. Bérard has been a member of the Audit Committee since 2004. He has a Fellow's Diploma of the Institute of Canadian Bankers. He attended the Special Management Program at Harvard Business School. 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 is a member of the audit committees of BCE Inc., BMTC Group Inc. and TransForce Inc.

Martha Finn Brooks – Mrs. Brooks has been a member of the Audit Committee since 2009. She holds a B.A. in economics and political science and an M.B.A. in international business from Yale University. She was, until her retirement in 2009, President and Chief Operating Officer of Novelis Inc., a global aluminium rolling company owned by Mumbai-based Hindalco Industries Ltd., which had earlier been spun off as a TSX and NYSE listed company by Alcan Inc. in 2005. From 2002 to 2005, she served as President and Chief Executive Officer of Alcan Rolled Products, Americas and Asia and Corporate Senior Vice President of Alcan. Prior to joining Alcan Inc., she was a Vice President at engine manufacturer Cummins, Inc. where she worked over 15 years in various general management, marketing and business development roles. She was a member of the audit committee of International Paper Company between 2004 and 2007. She is currently a member of the audit committee of Jabil Circuit 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 Business School. 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 Committees on Economic Development, 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 currently a member of the audit committees of Bank of Canada, Victhom Human Bionics Inc. and Exp Global 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 December 31, 2011 and January 31, 2011, Ernst & Young, LLP, billed the Corporation the following fees for services:

Fees	Financial Year Ended December 31, 2011	Financial Year Ended January 31, 2011
Audit fees	13,919,000	14,355,000
Audit-related fees	976,000	613,000
Tax fees	2,574,000	5,147,000
All other fees	231,000	202,000
Total Fees:	17,700,000	20,317,000

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 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 and other attest services; " 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", consisting primarily of 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 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, guidance, targets, goals, priorities, our market and strategies, financial position, beliefs, prospects, plans, expectations, anticipations, estimates and intentions; general economic and business outlook, prospects and trends of an industry; expected growth in demand for products and services; product development, including projected design, characteristics, capacity or performance; expected or scheduled entry into service of products and services, orders, deliveries, testing, lead times, certifications and project execution in general; the Corporation's 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", "continue" or "maintain", 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 Guidance and forward-looking statements sections of the Corporation's aerospace segment and the Corporation's transportation segment in the Management's Discussion and Analysis for the year ended December 31, 2011 which may be viewed on SEDAR at www.sedar.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, exposure to credit risk, certain restrictive debt covenants, financing support provided for the benefit of certain customers and reliance on government support) and market risks (such as risks related to foreign currency fluctuations, changing interest rates, decreases in residual value and increases in commodity prices). For more details, see the "Risks and Uncertainties" section in the Management's Discussion and Analysis for the year ended December 31, 2011 which may be viewed on SEDAR at www.sedar.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.