



Flash

Bombardier in China

Bombardier – Planes and trains

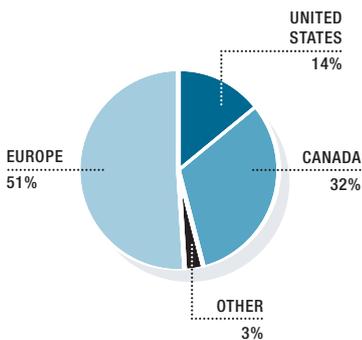
A world leader in innovative transportation solutions, from regional aircraft and business jets to rail transportation equipment, Bombardier is a global corporation headquartered in Canada. Its revenues for the fiscal year ended January 31, 2005, were \$15.8 billion US, and its shares are traded on the Toronto stock exchange (BBD).

The Corporation is structured around two almost equal-sized fields of activity: planes and trains. In the aerospace sector, Bombardier is a leader in the manufacture of regional aircraft, business jets and amphibious aircraft. It also offers business jet fractional ownership and charter programs, as well as technical support, maintenance and pilot training for the business jet and regional aircraft markets and for the military sector. In rail transportation, Bombardier is the world leader in the manufacture

of rolling stock and related services. Its broad scope of products includes passenger railcars and transportation systems, as well as locomotives, freight cars, propulsion systems and rail control solutions. Bombardier offers a wide range of services, including vehicle and fleet maintenance; materials and logistics; and refurbishment, re-engineering and overhaul of vehicles or components.

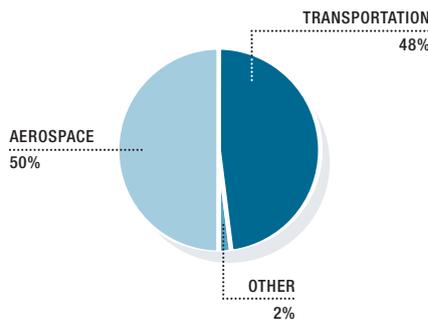
Bombardier worldwide (January 31, 2005)

Workforce: 59,550



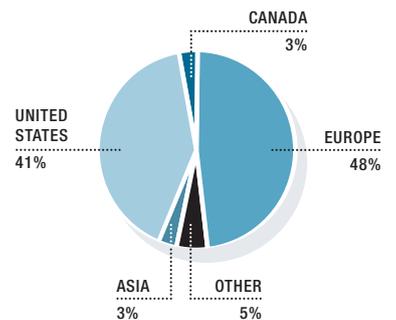
Sectors of activity

(% of revenues)



Markets

(% of revenues)



For additional information, please consult the Corporation's Web site at www.bombardier.com.

BOMBARDIER

Flash Bombardier in China

Bombardier's longstanding relationship with China began 50 years ago through Deutsche Waggonbau AG (acquired in 1997) and the Corporation continues to build on that solid relationship. Bombardier's investments and technology have played a key role in developing China's transportation infrastructure. The full range of the Corporation's rail transportation and aerospace products are in service in the Chinese market. Bombardier has invested in the Chinese manufacturing of three passenger rail transportation products: metros, main-line cars, and propulsion and control equipment—all of which are operating in the Chinese market. Some Bombardier aircraft components have been manufactured in China by subcontractors for the last 25 years, and Bombardier aircraft are in service among Chinese airlines and operators.

Potential for both manufacturing sectors in the Chinese marketplace is vast, and Bombardier is very focused on the opportunities there. For example, in aerospace, China potentially represents 6-7% of world regional jet deliveries during the next 20 years—or approximately 500 aircraft. Business aviation is still hampered by regulation, but shows signs of growth in the private sector during the next five to seven years. In transportation, China's railways are expected to invest more than \$30 billion US in expansion during the next five-year period. China has the largest railway market in the world and this market is expected to remain as such for some years to come.

Through joint ventures between Bombardier and Chinese corporations in the rail transportation industry, 1,400 people are employed in China. Bombardier Transportation has offices in Beijing, Shanghai, Guangzhou and Hong Kong. It is actively involved in developing intercity and urban mass transit systems and is committed to transferring its world-class technology to China.

Bombardier Sifang Power (Qingdao) Transportation Ltd. (BSP) is a passenger railcar manufacturing joint venture between Bombardier, Power Corporation of Canada and China South Locomotive & Rolling Stock Industry (Group) Corporation (through its subsidiary Sifang Locomotive & Rolling Stock Co. Ltd.). Based in Qingdao, BSP is currently the only Sino-foreign joint venture supplying high-grade intercity cars to China's Ministry of Railways (MOR), the Guangzhou Railways Group Corporation, and the railway administrations of Beijing, Shanghai, Zhengzhou, Shenyang and Harbin. BSP has successfully received an order from MOR for the production and delivery of 20 eight-car high-speed trainsets. It will also provide 361 high altitude passenger railcars.

Changchun Bombardier Railway Vehicles Co., Ltd. (CBRC) is Bombardier's joint venture with Power Corporation of Canada

and China North Locomotive & Rolling Stock Industry (Group) Corporation (through its subsidiary Changchun Railway Vehicle Co., Ltd.). Together, they are developing and manufacturing metro cars for the Guangzhou Metro Corp. for Phase 1 of the Shenzhen metro network, as well as for Shanghai Metro Line 1.

Bombardier CPC Propulsion System Co., Ltd. (BCP) is equally owned by Bombardier-Power (Mauritius) Ltd. and Changzhou Railcar Propulsion Engineering R&D Center. BCP produces, markets and maintains propulsion equipment for rail vehicles.

Bombardier's aerospace activities in China have grown substantially in recent years. It has sales offices in Beijing and Hong Kong for business aircraft and regional aircraft. Hong Kong is the headquarters for the Asia-Pacific region's *Bombardier Skyjet International* global charter services program.

As of April 2005, Bombardier was number one in the Chinese regional aircraft market, with an installed base of 36 *Bombardier Q-Series* and *CRJ Series* aircraft operated by seven airlines.

Shandong Airlines of Ji'nan in eastern China is the largest operator of Bombardier aircraft, with a fleet of nine *Bombardier CRJ200* regional jets. It also operates two *Bombardier CRJ700* aircraft, which were delivered in 2003 and were the first 70-seat regional jets in the Asia-Pacific region. Hainan Airlines, China Eastern Yunnan Airlines, Shanghai Airlines and CR Airways of Hong Kong also operate Bombardier aircraft.

Bombardier has a spare parts depot in Beijing for regional aircraft customers.

Bombardier is the first-ranked manufacturer of business aircraft to China, with an installed base representing 48% of the market. *Bombardier Skyjet International* offers a Jet-Membership Card block-hour program valid across all regions, as well as ad hoc charter services, giving passengers the unprecedented ability to purchase business jet transportation from a single source and fly anytime, anywhere in the world.

Bombardier has solid relationships with two Chinese subcontractors: Shenyang Aircraft Corporation supplies components for the *Bombardier Q100*, *Q200* and *Q300* aircraft, and Xian Aircraft Corporation builds components for the *CL-215* and *Bombardier 415* amphibious aircraft.

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Rainbow Jet Challenger 604 business jet



Q400 turboprop for Hainan Airlines



CRJ700 aircraft for Shandong Airlines



Train for Shenzhen Metro Phase I



Electric multiple unit high-speed car



High-grade intercity passenger vehicle