

U.S. Department of Justice
Washington, DC 20530

Supplemental Statement
Pursuant to the Foreign Agents Registration Act of 1938, as amended

For Six Month Period Ending July 31, 2014

(Insert date)

I - REGISTRANT

1. (a) Name of Registrant (b) Registration No.

Daniel J. Edelman, Inc. 3634

(c) Business Address(es) of Registrant
200 E Randolph, Flr 63
Chicago, IL 60601

2. Has there been a change in the information previously furnished in connection with the following?

(a) If an individual:

- (1) Residence address(es) Yes No
- (2) Citizenship Yes No
- (3) Occupation Yes No

(b) If an organization:

- (1) Name Yes No
- (2) Ownership or control Yes No
- (3) Branch offices Yes No

(c) Explain fully all changes, if any, indicated in Items (a) and (b) above.

IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4, AND 5(a).

3. If you have previously filed Exhibit C¹, state whether any changes therein have occurred during this 6 month reporting period.

Yes No

If yes, have you filed an amendment to the Exhibit C? Yes No

If no, please attach the required amendment.

¹ The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, and by laws of a registrant that is an organization. (A waiver of the requirement to file an Exhibit C may be obtained for good cause upon written application to the Assistant Attorney General, National Security Division, U.S. Department of Justice, Washington, DC 20530.)

4. (a) Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period?

Yes No

If yes, furnish the following information:

Name	Position	Date Connection Ended
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(b) Have any persons become partners, officers, directors or similar officials during this 6 month reporting period?

Yes No

If yes, furnish the following information:

Name	Residence Address	Citizenship	Position	Date Assumed
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5. (a) Has any person named in Item 4(b) rendered services directly in furtherance of the interests of any foreign principal?

Yes No

If yes, identify each such person and describe the service rendered.

(b) During this six month reporting period, has the registrant hired as employees or in any other capacity, any persons who rendered or will render services to the registrant directly in furtherance of the interests of any foreign principal(s) in other than a clerical or secretarial, or in a related or similar capacity? Yes No

Name	Residence Address	Citizenship	Position	Date Assumed
Romano, Greg	Washington, D. C.	U.S.A.	PR Staff-LIA	06.2014
Reeves, James	New York City, NY	U.S.A.	PR Staff- Bombardier	06.2014
Borden, Meghan	New York City, NY	U.S.A.	PR Staff- Bombardier	07.2014

(c) Have any employees or individuals, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting period? Yes No

If yes, furnish the following information:

Name	Position or Connection	Date Terminated
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See: Exhibit A: Additional
Activities.08.31.14, section 5.(c) for
list of names.

(d) Have any employees or individuals, who have filed a short form registration statement, terminated their connection with any foreign principal during this 6 month reporting period? Yes No

If yes, furnish the following information:

Name	Position or Connection	Foreign Principal	Date Terminated
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See: Exhibit A: Additional
Activities.08.31.14,
section 5.(c) for list.

6. Have short form registration statements been filed by all of the persons named in Items 5(a) and 5(b) of the supplemental statement?

Yes No

If no, list names of persons who have not filed the required statement.

Listed in 5(b) above. Short forms are attached to this filing for each individual in Question 5(b).

II - FOREIGN PRINCIPAL

7. Has your connection with any foreign principal ended during this 6 month reporting period? Yes No

If yes, furnish the following information:

Foreign Principal
Emaar

Date of Termination
May 2014

8. Have you acquired any new foreign principal(s)² during this 6 month reporting period? Yes No

If yes, furnish th following information:

Name and Address of Foreign Principal(s)
Libyan Investment Authority (L.I.A.) thru Enyo Law, LLP
Tripoli, Libya

Date Acquired
March 2014

9. In addition to those named in Items 7 and 8, if any, list foreign principal(s)² whom you continued to represent during the 6 month reporting period.

Bombardier, Inc.
Grupo Vicini
Singapore Economic Development Board

10. (a) Have you filed exhibits for the newly acquired foreign principal(s), if any, listed in Item 8?

Exhibit A³ Yes No

Exhibit B⁴ Yes No

If no, please attach the required exhibit.

(b) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during this six month period? Yes No

If yes, have you filed an amendment to these exhibits? Yes No

If no, please attach the required amendment. Updated SOW for Bombardier attached to this filing.

² The term "foreign principal" includes, in addition to those defined in Section 1(b) of the Act, an individual organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a) (9)). A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

³ The Exhibit A, which is filed on Form NSD-3, sets forth the information required to be disclosed concerning each foreign principal.

⁴ The Exhibit B, which is filed on Form NSD-4, sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.

III - ACTIVITIES

11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 7, 8, or 9 of this statement? Yes No

If yes, identify each foreign principal and describe in full detail your activities and services:

See Exhibit A: Additional Activities.08.2014: Question 11 (attached to this filing/report) for listing of activities for each FARA client.

12: During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity⁵ as defined below? Yes No

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places of delivery, names of speakers and subject matter.

13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits your foreign principal(s)? Yes No

If yes, describe fully.

⁵ "Political activity," as defined in Section 1(o) of the Act, means any activity that the person engaging in believes will, or that the person intends to, in any way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting or changing the domestic or foreign policies of the United States or with reference to political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

IV - FINANCIAL INFORMATION

14. (a) RECEIPTS-MONIES

During this 6 month reporting period, have you received from any foreign principal named in Items 7, 8, or 9 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise? Yes No

If no, explain why.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies.⁶

Date	From Whom	Purpose	Amount
See Attachment: B: Receipts & C: Disbursements.0 8.2014.All (for receipts for all FARA clients).			
			Total

(b) RECEIPTS - FUNDRAISING CAMPAIGN

During this 6 month reporting period, have you received, as part of a fundraising campaign⁷, any money on behalf of any foreign principal named in Items 7, 8, or 9 of this statement? Yes No

If yes, have you filed an Exhibit D⁸ to your registration? Yes No

If yes, indicate the date the Exhibit D was filed. Date _____

(c) RECEIPTS-THINGS OF VALUE

During this 6 month reporting period, have you received any thing of value⁹ other than money from any foreign principal named in Items 7, 8, or 9 of this statement, or from any other source, for or in the interests of any such foreign principal?

Yes No

If yes, furnish the following information:

Foreign Principal	Date Received	Thing of Value	Purpose
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^{6, 7} A registrant is required to file an Exhibit D if he collects or receives contributions, loans, moneys, or other things of value for a foreign principal, as part of a fundraising campaign. (See Rule 201(e)).

⁸ An Exhibit D, for which no printed form is provided, sets forth an account of money collected or received as a result of a fundraising campaign and transmitted for a foreign principal.

⁹ Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

15. (a) **DISBURSEMENTS-MONIES**

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 7, 8, or 9 of this statement? Yes No

(2) transmitted monies to any such foreign principal? Yes No

If no, explain in full detail why there were no disbursements made on behalf of any foreign principal.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

Date	To Whom	Purpose	Amount
See Attachment: B: Receipts & C: Disbursements. 08.2014.All (for disbursements for all FARA clients).			

Total

(b) DISBURSEMENTS-THINGS OF VALUE

During this 6 month reporting period, have you disposed of anything of value¹⁰ other than money in furtherance of or in connection with activities on behalf of any foreign principal named in Items 7, 8, or 9 of this statement?

Yes No

If yes, furnish the following information:

Date	Recipient	Foreign Principal	Thing of Value	Purpose
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(c) DISBURSEMENTS-POLITICAL CONTRIBUTIONS

During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value¹¹ in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office?

Yes No

If yes, furnish the following information:

Date	Amount or Thing of Value	Political Organization or Candidate	Location of Event
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See Exhibit A:
Additional
Activities:
Question 15(c)
for political
contribution.

10, 11 Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

V - INFORMATIONAL MATERIALS

16. (a) During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any informational materials?¹²
 Yes No

If Yes, go to Item 17.

(b) If you answered No to Item 16(a), do you disseminate any material in connection with your registration?

Yes No

If Yes, please forward the materials disseminated during the six month period to the Registration Unit for review.

17. Identify each such foreign principal.

See Press Releases.All.08.2014 (attached to this report) as well as Exhibit A: Additional Activities: Question 19 for additional online links to sites (as noted in Question 19 below).

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating informational materials? Yes No

If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of informational materials include the use of any of the following:

- Radio or TV broadcasts
- Magazine or newspaper
- Motion picture films
- Letters or telegrams
- Advertising campaigns
- Press releases
- Pamphlets or other publications
- Lectures or speeches
- Other (specify) _____

Electronic Communications

- Email
- Website URL(s): See Exhibit A: Additional Activities: Question 19 (attached to this report)
- Social media websites URL(s): See Exhibit A: Additional Activities: Question 19 (attached to this report)
- Other (specify) _____

20. During this 6 month reporting period, did you disseminate or cause to be disseminated informational materials among any of the following groups:

- Public officials
- Newspapers
- Libraries
- Legislators
- Editors
- Educational institutions
- Government agencies
- Civic groups or associations
- Nationality groups
- Other (specify) _____

21. What language was used in the informational materials:

- English
- Other (specify) _____

22. Did you file with the Registration Unit, U.S. Department of Justice a copy of each item of such informational materials disseminated or caused to be disseminated during this 6 month reporting period? Yes No

The information is attached to this filing

23. Did you label each item of such informational materials with the statement required by Section 4(b) of the Act?

Yes No The information is attached to this filing

12 The term informational materials includes any oral, visual, graphic, written, or pictorial information or matter of any kind, including that published by means of advertising, books, periodicals, newspapers, lectures, broadcasts, motion pictures, or any means or instrumentality of interstate or foreign commerce or otherwise. Informational materials disseminated by an agent of a foreign principal as part of an activity in itself exempt from registration, or an activity which by itself would not require registration, need not be filed pursuant to Section 4(b) of the Act.

VI - EXECUTION

In accordance with 28 U.S.C. § 1746, the undersigned swear(s) or affirm(s) under penalty of perjury that he/she has (they have) read the information set forth in this registration statement and the attached exhibits and that he/she is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his/her (their) knowledge and belief, except that the undersigned make(s) no representation as to truth or accuracy of the information contained in the attached Short Form Registration Statement(s), if any, insofar as such information is not within his/her (their) personal knowledge.

(Date of signature)

(Print or type name under each signature or provide electronic signature¹³)

August 29, 2014

/s/ Randall L Corley

eSigned

¹³ This statement shall be signed by the individual agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions, if the registrant is an organization, except that the organization can, by power of attorney, authorize one or more individuals to execute this statement on its behalf.

EXHIBIT A: ADDITIONAL ACTIVITIES

FARA Supplemental Filing

February 01, 2013 – July 31, 2014

GRUPO VICINI

- Provided strategic counsel on reputation management issues.

EMAAR

- Supported Emaar to increase awareness of KAEC (King Abdullah Economic City) commercial and industrial value with prominent business decision makers

L.I.A.

- Strategic communication services; reviewing media coverage and identifying potential engagement opportunities

BOMBARDIER

February 2014

Strategy Development

- Planned March Investor Day, New York City media tour
- Hosted a variety of calls with Bombardier Transportation

CSR

- Reviewed content submissions from subject matter experts and Bombardier MD&A for Integrated Activity Report; developed first draft of Integrated Activity Report
- Incorporated edits received from subject matter experts into CSR report draft
- Facilitated goal framework discussion with CSR Committee and continued goal framework refinement

March 2014

Strategy Development

- Conducted NYC media tour with CEO Pierre Beaudoin

CSR

- Edited and refined Integrated Activity Report and CSR report as needed, incorporating feedback from subject matter experts and aligning content between both reports
- Provided counsel on combining financial and non-financial goals for inclusion in CSR report content

April 2014

Strategy Development

- Developed POV on digital investor relations best practices

CSR

- Finalized CSR report content; tracked final edits and reported back to web developer; reviewed CSR report website homepage and materiality matrix mockup on staging site
- Finalized Integrated Activity Report content and facilitated proofing of designed publication
- Reviewed CSR report and Integrated Activity Report launch plan and press release and provided feedback/recommendations

May 2014

Strategy Development

- Developed proposal for communications plan in support of corporate culture transformation
- Provided counsel on IR org structure and best practices

CSR

- Consulted on final CSR report website language edits
- Developed SWOT analysis/post mortem to analyze successes and areas for improvement in CSR report and Integrated Activity Report processes; facilitated post mortem discussion with CSR Committee

June 2014

N/A

July 2014

CSR

- Developed workback plan to guide CSR report and Integrated Activity Report processes
- Began audit of external integrated reporting examples to inform strategy/framework
- Began recommendations for GRI G4 guidelines Aspects/Indicators for inclusion in CSR report

Singapore Economic Development Board

Strategy and Planning

- Executed and advised on strategic PR & communications plan; updated messaging; developed key opinion leader engagement recommendations
- Participated in and hosted EDB for account review and routine integrated marketing agency meetings
- Signed new contract engagement through March 31, 2015 with an option to extend

Media Materials and Outreach

- **Press Releases [Attached to Exhibit A. Additional Activities: Press Releases]**
 - Edelman distributed several press releases during this timeframe for various announcements/issues/events, including:
 - GM
 - International Rectifier
 - P&G
- **Monitoring and Counsel**
 - Edelman conducted ongoing media monitoring of important news topics and shared relevant coverage with EDB as appropriate, and in weekly reports
- **Media Outreach**
 - The team pitched media for various announcements/issues/events, positioning EDB as a Home for Talent, Innovation & Business within Asia
- **Media Requests and Interviews**
 - The team secured interviews / article opportunities with the following and responded to their interview requests, including:
 - Mainstream (e.g., Forbes)
 - Trade (e.g., Asian Oil)
- **Online and Social Media Support**
 - Provided counsel, media monitoring, reporting and support for EDB

Opinion/Thought Leadership /Content

- **Bylines and Op-eds**
 - Edelman secured interest for byline opportunity for EDB, coordinated in drafting

Influencer Engagement

- **Conferences**
 - Conducted background research and outreach for conferences and events for EDB's potential participation

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(Continued)

ADDITIONAL ANSWERS TO QUESTIONS IN SUPPLEMENTAL FILING FORM:**Question 5.c**

(c) Have any employees or individuals, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting period? **Yes No

*This list of individuals no longer work for registrant.

**All were PR Staff for various FARA clients in the past; exact dates of termination from registrant unknown.

Abram, Michael P.	Alagno, Caryn McLeod	Beebe, Christianna
Briceno, Erika Isabel	Cassella, Kelly	Choi, Michelle
Dean, Natalie	Domingo, Roquena R.	Dreyer, Kate
Emrich, Mitzi	Flacks, Abigail	Forrest, Thomas
Fritz, Lindsey	Gibson, Mike	Golter, Elizabeth
Hanczor, Kristin	Hara, Stacey Zolt	Hardesty, Cameron E.
Hawkins, Tamika	Holwill, Claudia	Jang, Mira
Kerner, Sarah	Kinney, Maura	Kuntz, Jessica
Lacey, Kathleen	Lau, Timothy	Lineberger, John
Lumet, Michele	Maya, Raquel	Moran, Matthew
Naim, Claudia	Naple, Michael Anthony	O'Tierney, Brenna Clairr
Rasch, Joanne Hellebrand	Six, Robert J.	Snow, Meghan
Solomon, Angela	Suiters, Tyler	Terrones-Dimant, Gaston
Verhey, Amy	Wellman, Frederick Paul	Woo, Courtney
Zivin, Aaron "Sparky"		

Question 5.d

(d) Have any employees or individuals, who have filed a short form registration statement, terminated their connection with any foreign principal during this 6 month reporting period?

Yes No

If yes, furnish the following information:

<u>NAME</u>	<u>POSITION OR CONNECTION</u>	<u>DATE TERMINATED</u>
Hilder, Miles	PR Staff: Bombardier	07.2014
Manley, Lisa	PR Staff: Bombardier	07.2014
O'Tierney, Brenna Clairr	PR Staff: Bombardier	07.2014
Guirguis, Ron	PR Staff: Bombardier	07.2014
Suzuki, Eiko	PR Staff: Bombardier	07.2014
Walther, Kevin	PR Staff: Bombardier	07.2014
Xia, Lisa	PR Staff: Bombardier	07.2014
Snyder, Sara	PR Staff: Bombardier	07.2014
Beebe, Christiana	PR Staff: Bombardier	07.2014
Bakaly, Charles	PR Staff: Grupo Vicini	07.2014
Webber, Daniel	PR Staff: Grupo Vicini	07.2014
Forman, David	PR Staff: Grupo Vicini	07.2014
Briceno, Erica	PR Staff: Singapore	07.2014
Lau, Tim	PR Staff: Singapore	07.2014
Reich, Adrienne	PR Staff: Singapore	07.2014
Tyler, Marie	PR Staff: Singapore	07.2014

Also, all of the names listed in Question/Answer 5(c) above no longer work on FARA accounts.

Question 15(c):

Name:	Amount:	Date:	Political Org. or Candidate:	Location:
Charles Bakaly	\$500.00	6/4/14	Dan Schnur	Online Contribution

Question 19:

Bombardier Press Release Online link:

<http://www.bombardier.com/en/media-centre/newsList/details.bombardier-inc-20140506bombardierpublishesits2013activityreport.bombardiercom.html?filter-bu=all&f-year=2014&f-month=4&f-type=all&show-by-page=50&page=1>

Bombardier Website online link:

<http://csr.bombardier.com/en>

Singapore Econ. Dev. Board online link:

<http://www.us-tech.com/RelId/1267151/pagenum/5/ISvars/default/International.Rectifier.Opens.State-of-the-Art.Ultra-Thin.Wafer.Processing.Facility.in.Singapore.htm>

Social Media websites URL(s):

1. twitter.com/Bombardier
2. twitter.com/Bombardier_Aero
3. twitter.com/BombardierRail
4. [flickr.com/BombardierAerospace](https://www.flickr.com/photos/bombardier-aerospace/)
5. [flickr.com/BombardierTransportation](https://www.flickr.com/photos/bombardier-transportation/)
6. [youtube.com/BombardierVideos](https://www.youtube.com/channel/UCBm31111111111111111111)
7. [youtube.com/BombardierAerospace](https://www.youtube.com/channel/UCBm31111111111111111111)
8. [youtube.com/BombardierTransportation](https://www.youtube.com/channel/UCBm31111111111111111111)
9. [facebook.com/BombardierAero](https://www.facebook.com/BombardierAero)
10. [linkedin.com/company/bombardier_inc](https://www.linkedin.com/company/bombardier-inc)
11. [linkedin.com/company/bombardier-aerospace](https://www.linkedin.com/company/bombardier-aerospace)
12. [linkedin.com/company/bombardier-transportation](https://www.linkedin.com/company/bombardier-transportation)

**FARA AUG 2014: B.Receipts and C.Disbursements
Edelman**

Bombardier, Inc.

RECEIPTS during the period February 1, 2013 through July 31, 2014

DATE	PURPOSE	AMOUNT
2/8/2014	Professional Services	\$63,230.00
2/8/2014	Professional Services	\$9,463.75
3/11/2014	Professional Services	\$27,211.25
3/11/2014	Professional Services	\$25,508.75
3/15/2014	Professional Services	\$8,000.00
3/15/2014	Professional Services	\$8,000.00
4/9/2014	Professional Services	\$21,655.90
4/9/2014	Professional Services	\$34,703.75
4/3/2014	Professional Services	\$20,600.00
5/9/2014	Professional Services	\$19,081.27
5/7/2014	Professional Services	\$20,600.00
5/17/2014	Professional Services	\$16,961.25
6/7/2014	Professional Services	\$20,600.00
6/13/2014	Professional Services	\$2,290.00
6/13/2014	Professional Services	\$1,092.50
7/15/2014	Professional Services	\$241.53
7/3/2014	Professional Services	\$20,600.00
	TOTAL	\$ 319,839.95

Bombardier, Inc.

DISBURSEMENTS during the period February 1, 2013 through July 31, 2014

DATE	PURPOSE	AMOUNT
2/9/2014	Travel-Meals / Subsistence	\$193.96
2/12/2014	Dow Jones Vendor Load	\$60.26
2/28/2014	Admin Fees	\$816.39
2/28/2014	Admin Fees	\$765.30
3/11/2014	Airfare	\$746.00
3/14/2014	Tolls	\$311.00
3/17/2014	Ground Transit Charges	\$18.50
3/18/2014	Ground Transit Charges	\$85.00
3/18/2014	Travel-Meals / Subsistence	\$339.81
3/18/2014	Hotels/Lodging	\$1,161.57
3/19/2014	Ground Transit Charges	\$19.70
3/19/2014	Art/Office Supplies	\$18.52
3/20/2014	Ground Transit Charges	\$31.00
3/20/2014	Travel-Meals / Subsistence	\$130.31
3/21/2014	Ground Transit Charges	\$104.13
3/21/2014	Broadcasting Services	\$108.88
3/22/2014	Travel-Meals / Subsistence	\$17.41
3/28/2014	Limousine/Car Service	\$759.94
3/31/2014	Admin Fees	\$649.74

3/31/2014	Admin Fees	\$1,041.19
4/10/2014	Airfare	\$120.00
4/11/2014	Airfare	\$34.00
4/11/2014	Editorial Services (vondor: Brand Potential)	\$40,312.50
4/11/2014	Third Party Vendor	\$1,200.00
4/12/2014	Airfare	\$22.00
4/13/2014	Internet Connectivity Fee	\$28.00
4/14/2014	Airfare	\$981.84
4/16/2014	Limousine/Car Service	\$114.72
4/16/2014	Ground Transit Charges	\$48.75
4/16/2014	Airfare	\$1,493.82
4/16/2014	Travel-Meals / Subsistence	\$256.56
4/16/2014	Internet Connectivity Fee	\$7.95
4/17/2014	Ground Transit Charges	\$136.16
4/17/2014	Airfare	\$3,817.60
4/17/2014	Travel-Meals / Subsistence	\$138.63
4/17/2014	Meals - Staff	\$43.88
4/17/2014	Hotels/Lodging	\$688.67
4/17/2014	Currency Conversion Fees	\$10.80
4/18/2014	Limousine/Car Service	\$132.56
4/18/2014	Ground Transit Charges	\$195.59
4/18/2014	Airfare	\$1,242.88
4/18/2014	Travel-Meals / Subsistence	\$88.78
4/18/2014	Meals - Staff	\$27.52
4/18/2014	Hotels/Lodging	\$422.30
4/18/2014	Currency Conversion Fees	\$4.11
4/19/2014	Travel-Meals / Subsistence	\$488.88
4/19/2014	Hotels/Lodging	\$625.53
4/19/2014	Currency Conversion Fees	\$41.73
4/23/2014	Ground Transit Charges	\$202.11
4/23/2014	Currency Conversion Fees	\$4.22
4/25/2014	Limousine/Car Service	\$243.35
4/30/2014	Admin Fees	\$572.48
5/5/2014	Ground Transit Charges	\$7.80
5/6/2014	Ground Transit Charges	\$18.06
5/9/2014	Limousine/Car Service	\$81.36
5/11/2014	Ground Transit Charges	\$9.00
5/14/2014	Ground Transit Charges	\$16.30
5/16/2014	Limousine/Car Service	\$162.84
5/17/2014	Admin Fees	\$508.89
5/20/2014	Sprint Vendor Load	\$2.76
5/21/2014	Sprint Vendor Load	\$2.74
5/27/2014	Sprint Vendor Load	\$16.82
5/28/2014	Sprint Vendor Load	\$8.54
5/30/2014	Sprint Vendor Load	\$7.88
6/5/2014	Travel-Meals / Subsistence	\$48.28
6/12/2014	Travel-Meals / Subsistence	\$76.00

6/12/2014	Meals - Staff	\$63.00
6/13/2014	Admin Fees	\$68.70
6/13/2014	Admin Fees	\$32.78
6/30/2014	Admin Fees	\$7.25
	TOTAL	\$ 62,265.53

Emaar

RECEIPTS during the period February 1, 2013 through July 31, 2014

DATE	PURPOSE	AMOUNT
6/4/2014	#####	Professional Services
	TOTAL	\$ -

Emaar

DISBURSEMENTS during the period February 1, 2013 through July 31, 2014

DATE	PURPOSE	AMOUNT
6/4/2014	Admin Fees	3/18/1908
	TOTAL	\$ 3,000.00

L.I.A.

RECEIPTS during the period February 1, 2013 through July 31, 2014

DATE	PURPOSE	AMOUNT
	None this period	
	TOTAL	\$ -

L.I.A.

DISBURSEMENTS during the period February 1, 2013 through July 31, 2014

DATE	PURPOSE	AMOUNT
	None this period	
	TOTAL	\$ -

Economic Development Board of Singapore

RECEIPTS during the period February 1, 2014 through July 31, 2014

DATE	PURPOSE	AMOUNT
3/10/14	Retainer (Dec Fees)	SDG 28,925.00
3/10/14	Retainer (Dec Fees)	SDG 28,925.00
3/10/14	Retainer (Jan Fees)	SDG 9,880.00
3/10/14	Retainer (Jan Fees)	SDG 9,880.00
3/26/14	Retainer (Feb Fees)	SDG 9,880.00
3/26/14	Retainer (Feb Fees)	SDG 28,925.00
4/7/14	Retainer (Nov Fees)	SDG 9,880.00
4/7/14	Retainer (Nov Fees)	SDG 28,925.00
4/7/14	Retainer (Mar Fees)	SDG 9,880.00
4/7/14	Retainer (Mar Fees)	SDG 28,925.00
	TOTAL	SGD 194,025.00

Economic Development Board of Singapore

DISBURSEMENTS during the period February 1, 2013 through July 31, 2014

DATE	PURPOSE	AMOUNT
NA	NA	NA
	TOTAL	SGD -

Vicini, Ltd.

RECEIPTS during the period February 1, 2013 through July 31, 2014

DATE	PURPOSE	AMOUNT
2/18/2014	Client Services and OOPs	\$2,597.00
2/18/2014	Client Services and OOPs	\$9,983.37
2/18/2014	Client Services and OOPs	\$3,533.57
2/18/2014	Client Services and OOPs	\$3,170.97
4/23/2014	Client Services and OOPs	\$9,162.98
5/12/2014	Client Services and OOPs	\$5,195.19
5/15/2014	Client Services and OOPs	\$17,345.59
5/15/2014	Client Services and OOPs	\$5,046.16
5/30/2014	Client Services and OOPs	\$1,845.84
6/16/2014	Client Services and OOPs	\$6,891.85
7/10/2014	Client Services and OOPs	\$9,141.06
7/15/2014	Client Services and OOPs	\$3,867.01
7/15/2014	Client Services and OOPs	\$551.20
	TOTAL	\$ 78,331.79

Vicini, Ltd.

DISBURSEMENTS during the period February 1, 2013 through July 31, 2014

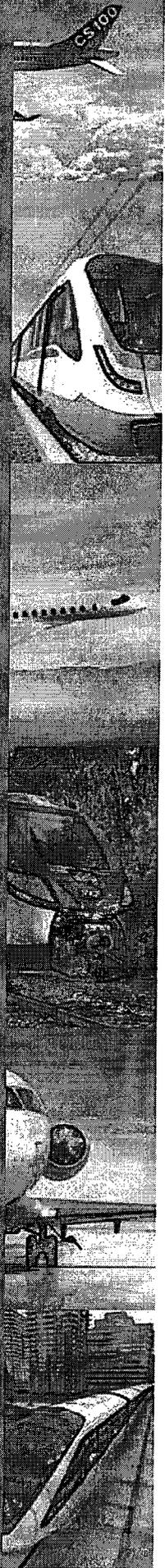
DATE	PURPOSE	AMOUNT
2/28/2014	Administrative Charge	\$1,375.80
2/28/2014	Catered Meal - Meeting	\$168.88
3/20/2014	Media Training	\$4,500.00
3/31/2014	Administrative Charge	\$1,112.34
3/31/2014	Press Release	\$1,048.50
3/31/2014	Sprint Vendor Load	\$12.69
4/30/2014	Press Release	\$1,084.00
4/30/2014	Administrative Charge	\$283.80
4/30/2014	Consulting Other	\$3,701.25
4/30/2014	Car Mileage	\$5.04
4/30/2014	Parking	\$10.00
4/30/2014	Web Conferencing	\$7.60
5/31/2014	Administrative Charge	\$749.70
5/31/2014	Limousine/Car Service	\$277.32
5/31/2014	Travel-Meals / Subsistence	\$18.04
5/31/2014	Ground Transit Charges	\$16.00
5/31/2014	Dow Jones Vendor Load	\$3.21
6/30/2014	Administrative Charge	\$603.00
6/30/2014	Press Release	\$1,584.00

6/30/2014	Ground Transit Charges	\$133.12
7/31/2014	Administrative Charge	\$264.30
7/31/2014	Airfare	\$2,133.80
	TOTAL	\$ 19,092.39

BUILDING THE FUTURE OF MOBILITY

ACTIVITY REPORT 2013

BOMBARDIER
the evolution of mobility



ABOUT THIS PUBLICATION

This publication represents a first step in the evolution of Bombardier's external corporate reporting. Instead of producing separate financial and corporate social responsibility (CSR) reports, we are moving toward integrated reporting, guided by a committee of representatives from Public Affairs and Communications, Finance, Investor Relations, Corporate Strategy, Legal, Ethics and Compliance, Human Resources and CSR.

A growing body of evidence demonstrates that financial and societal value are interlinked. For example, a recent study found that businesses with employee engagement scores in the top quartile averaged 18% higher productivity and 12% higher profitability than those with scores in the bottom quartile.¹ Another study showed that organizations that engaged with their suppliers about sustainability — through dialogue, collaboration and sharing of tools, policies and processes — saw on average a 46% reduction in operating costs.² Based on such research and our own experience, we know that dedication to sustainability is essential to improving our results over the short- and long-term.

This Activity Report shows how Bombardier integrates financial, societal and environmental considerations to generate long-term, sustainable value. We believe that our stakeholders need to be aware of these relationships to understand our company and its outlook.

SCOPE

This report addresses Bombardier's performance across all of our facilities worldwide, including joint ventures in which we participate. We have included financial data³ for Bombardier Inc. and its subsidiaries, as well as updates on the societal, environmental, governance and economic issues that are most important to the company and our stakeholders, as determined in our 2012 materiality analysis.

This report includes quantitative data reflecting our performance for the fiscal year ended December 31, 2013. The financial information in this report is extracted from our 2013 Financial Report. For more detailed information regarding our financial disclosures and explanations for the year ended December 31, 2013, please see the 2013 Financial Report at ir.bombardier.com. For additional information on our CSR performance for the same timeframe, visit our online 2013 CSR Report at csr.bombardier.com.

ENGAGING OUR STAKEHOLDERS

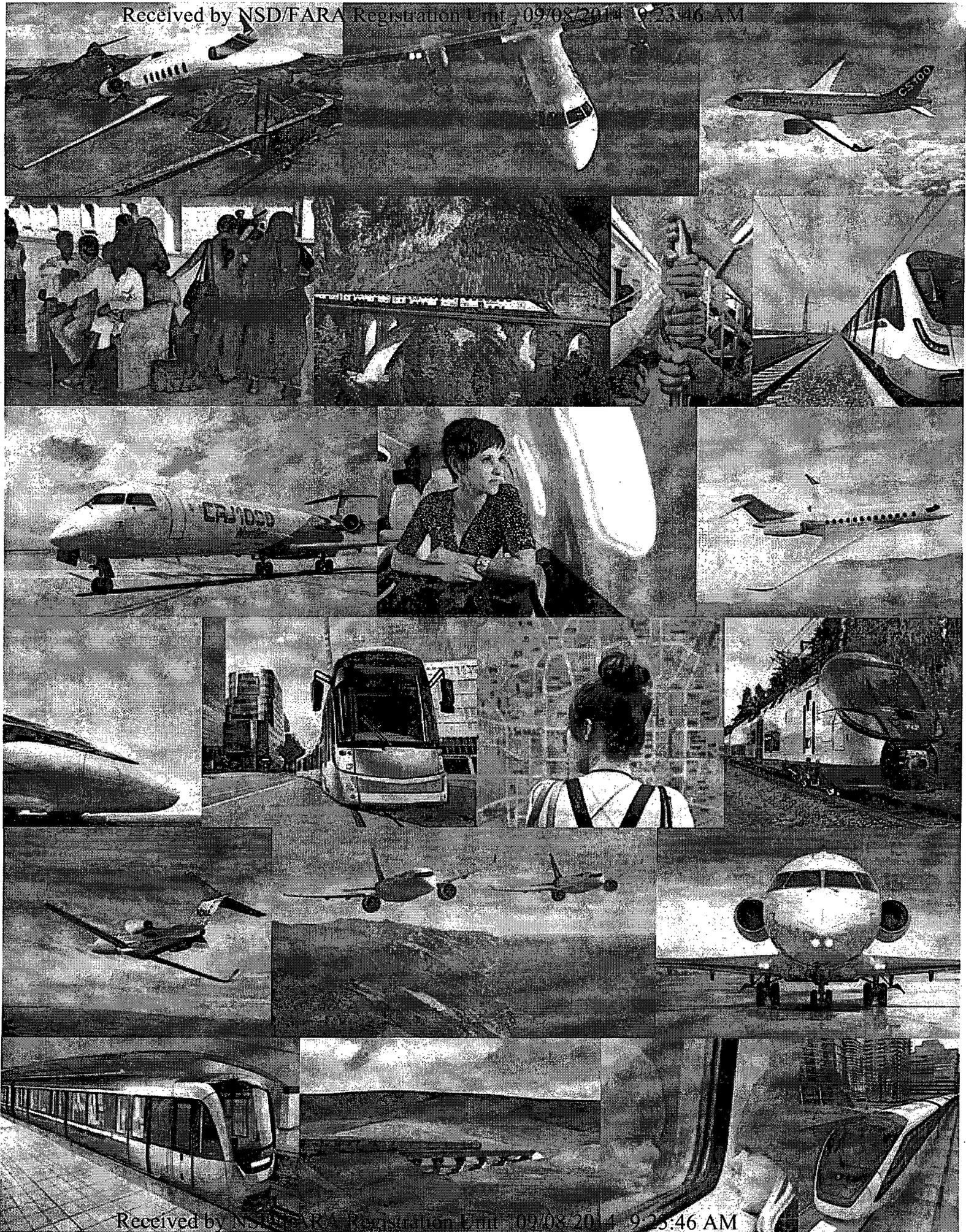
We want this report — and all of our communications — to be part of an ongoing conversation with our stakeholders. Engaging with stakeholders helps us to refine how we manage our business and how we deliver on our strategy. We seek to engage in a variety of ways, from informal, one-on-one meetings to formal events such as Investor Days. These conversations help us understand stakeholders' concerns and expectations and, in turn, address critical issues.

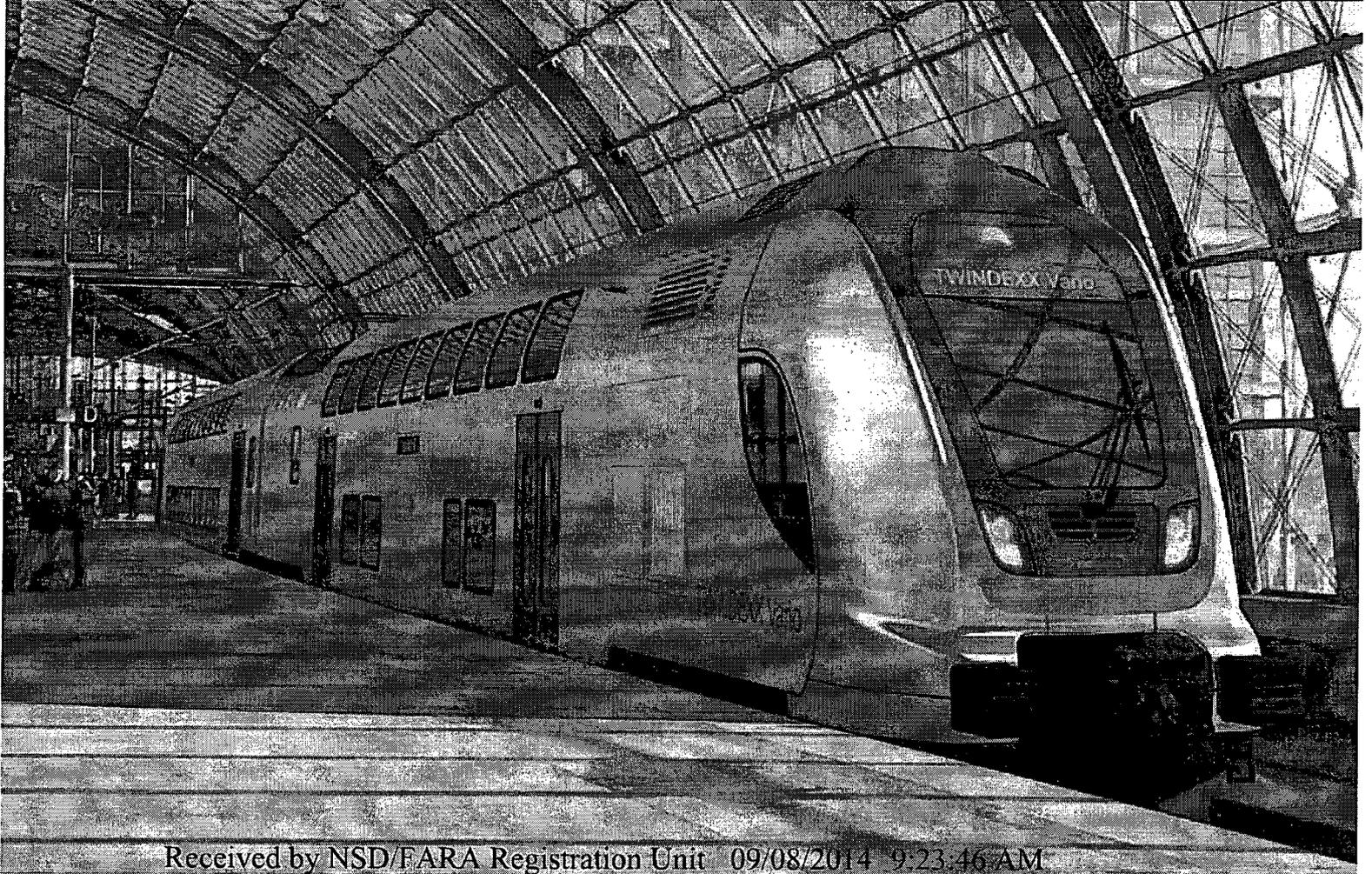
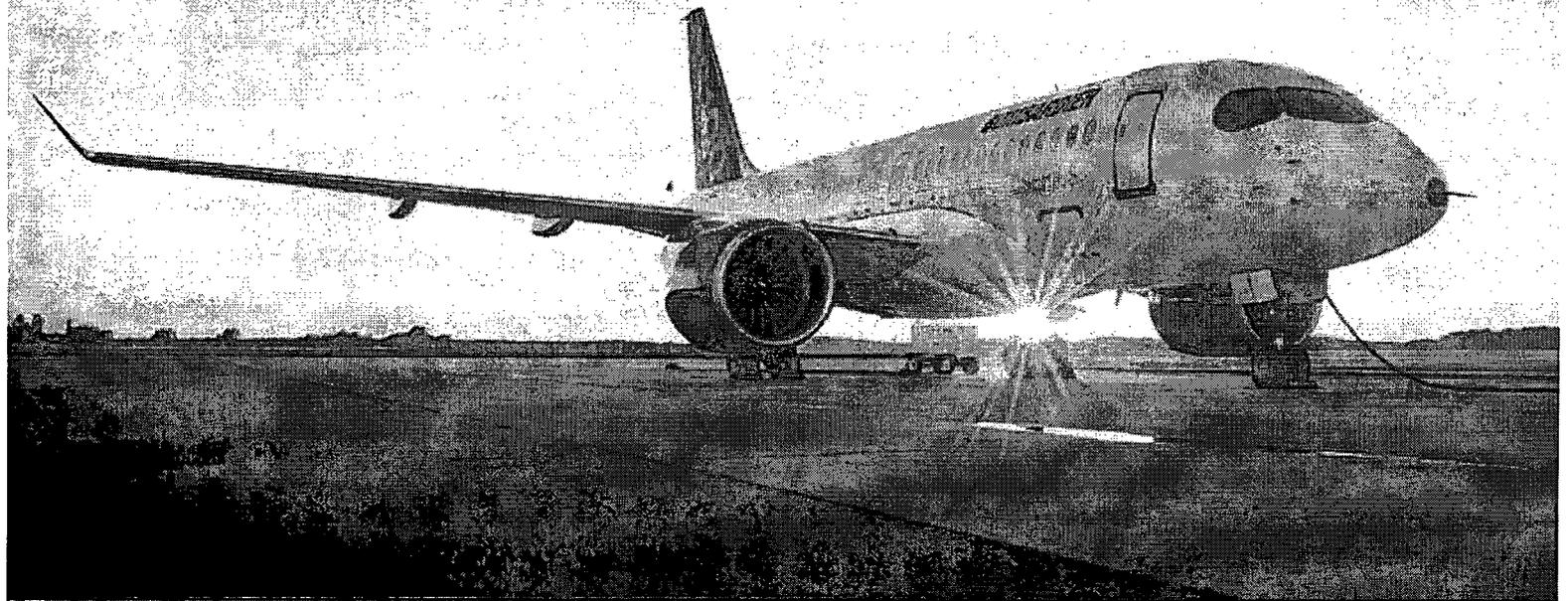
In 2012, we conducted our first formal, company-wide external stakeholder assessment and materiality analysis to help deepen our understanding of what issues are most critical for Bombardier to address. In 2014, we will conduct a second assessment and materiality analysis, which will include both quantitative and qualitative feedback from a larger number of Bombardier stakeholders. The results of that assessment will inform both our business approach and the content of our external corporate reporting.

1 Gallup Consulting (2006), *Q12: Meta-Analysis*.

2 Deloitte Development LLC, Institute for Supply Management, American Society for Quality and Corporate Responsibility Officers Association (2013), *Sustainability Practices That Work: Results from the Sustainable Value Chain Survey*.

3 All monetary amounts in this report are expressed in U.S. dollars.





2013 HIGHLIGHTS

INCREASED REVENUES BY 11% OVER 2012 TO \$18.2 BILLION

MAINTAINED EBIT MARGIN BEFORE SPECIAL ITEMS¹ OF 4.9%

EARNED AN ADJUSTED NET INCOME¹ OF \$608 MILLION (ADJUSTED EPS¹ OF \$0.33)

INCREASED ORDER BACKLOG TO A RECORD LEVEL OF \$69.7 BILLION

INCREASED AVAILABLE SHORT-TERM CAPITAL RESOURCES² TO \$4.8 BILLION

INVESTED \$2.0 BILLION IN AEROSPACE PROGRAM TOOLING

DISTRIBUTED \$17.8 BILLION IN ECONOMIC VALUE³ TO OUR COMMUNITIES AND STAKEHOLDERS

COMPLETED MAIDEN FLIGHT OF CSERIES AIRCRAFT

ACHIEVED BOMBARDIER TRANSPORTATION SPEED RECORD OF 385 KM/H DURING TESTING OF ZEFIRO 380 VERY HIGH SPEED TRAIN

DEVELOPED FIRST FORMAL HUMAN RIGHTS STATEMENT

RECOGNIZED AS INDUSTRY LEADER WITHIN THE DOW JONES SUSTAINABILITY WORLD INDEX

NAMED INDUSTRIALS SECTOR LEADER IN CDP'S CANADA 200 CLIMATE DISCLOSURE LEADERSHIP INDEX

- 04 / President and CEO Letter
- 06 / About Bombardier
- 07 / Our Products and Services
- 08 / Enterprise Strategy
- 10 / Financial Performance
- 16 / Invest in Leading Mobility Solutions
- 23 / Grow Local Roots in Key Markets
- 29 / Achieve Flawless Execution Every Step of the Way
- 36 / Business Opportunities and Risks
- 38 / Looking Ahead
- 39 / Recognitions and Awards

¹ Non-GAAP financial measure. ² Including cash and cash equivalents of \$3.4 billion. ³ Economic value distributed measures the financial value Bombardier creates for stakeholders and communities, in addition to products and services. This includes dividends, certain costs included in EBIT (earnings before interest and taxes) before special items, income taxes and Bombardier Inc. donations and sponsorships.

CSeries flight test vehicle

ZVIWDEXX intercity double-deck train

.....

BUILDING THE FUTURE OF MOBILITY

.....

Dear Stakeholders,

There was a time, not long ago, when the global economy took no more than four years to fully recover from a pronounced downswing.

Today, things are different. The current uncertain environment seems to be lasting. But even in this time of uncertainty, there is tremendous potential, and we in the mobility industry have the privilege of being at the centre of it. Cities are growing, global gross domestic product is rising and there is a renewed attention to sustainability and to mobility solutions that are not just expedient, but environmentally sound.

As the world's only manufacturer of both planes and trains, this is an enormous opportunity for us. And it is one we have planned for by strategically investing in high-performance products that will meet society's emerging mobility needs and ensure profitability for Bombardier for years to come.

Since societal forces play such a pivotal role in shaping our business opportunities, we have decided to evolve our corporate reporting to reflect these impacts and our response to them. This Activity Report is the first step in providing our stakeholders with a more comprehensive account of our business, presenting financial and societal value as we view them — interrelated.

Setting the Stage for Greater Growth

Our period of significant investment in new aerospace solutions is starting to taper off. Concurrently, we're on the cusp of an era of strong revenue growth as demonstrated by our healthy backlog of \$69.7 billion. New, category-defining products launched some five years ago are about to enter into service. This will permit us to normalize our annual capital spend and foster conditions favourable to sustainable growth as well as strong free cash flow, while continuing to offer state-of-the-art mobility solutions.

From the *CSeries* commercial aircraft and new *Learjet 85* business jet, to our *ZEFIRO* very high speed train and *PRIMOVE* wireless charging system for electric vehicles, exciting mobility solutions are waiting in the wings. For all of these solutions, the key now is for us to finalize testing and prepare for entry-into-service.

We wholly believe that these products will be game-changers — for our company and for the way people move. Our *CSeries* aircraft, designed specifically for the 100- to 149-seat market, will enter a niche not properly addressed by competitors. Building the *CSeries* from a "clean sheet" allowed us to reconceive the aircraft design for optimal environmental efficiency. This means that each year, one *CS100*¹ could reduce a customer's CO₂ emissions by approximately 6,000 tonnes and reduce fuel burn by approximately 1,900 tonnes² — the equivalent of taking more than 1,250 mid-sized cars off the road for a year.³

1 Product under development. Refer to disclaimer at end of report.

2 Based on 3,000 cycles for one aircraft (*CS100*).

3 Per the United States Environmental Protection Agency Greenhouse Gas Equivalencies Calculator.

And on the ground, our *PRIMOVE* solution has the potential to transform urban transportation — making it cleaner, quieter and far more energy-efficient. In 2014, the city of Nanjing, China will pilot *PRIMOVE* technology by running trams without overhead wires.

Expanding Globally to Deliver Results
While opportunities remain for us in mature markets, we believe much of our future success lies in emerging markets where there are rapidly expanding needs for transportation infrastructure. To take advantage of this, we continue to strategically extend our roots outside of our traditional North American and Western European markets. For example, in 2013 we unveiled Brazil's first monorail system in São Paulo, which, once completed, will be the world's largest and highest-capacity monorail, moving 48,000 passengers per hour, per direction, benefiting more than 500,000 users daily.

We enter new markets with the intention of establishing ourselves for the long term. We make the strategic choice to root ourselves by hiring and developing local talent, investing in local communities and, in most cases, building partnerships with nearby suppliers. Our new operations in Morocco, for example, began in February 2013 with 19 local employees and have already expanded to more than 100 local employees. We will continue to grow roots in this community and expect our staff there to number 850 by 2020.

Tackling the Execution Challenge
Our objective is to achieve best-in-class execution for all of our contracts and commit to the highest standards of responsibility for how we manage our business, despite the complex challenges inherent to our industry. In 2013, we had much to be proud of. We were honoured to be presented with the 'Transport Supplier of the Year' award at the U.K.'s 2013 National Transport Awards for our role in the London Underground Victoria Line upgrade and gratified to be listed by Corporate Knights as one of the 2014 Global 100 Most Sustainable Corporations in the World.

At the same time, execution challenges in certain large transportation contracts and delayed entry-into-service for the *CSeries* and *Learjet 85* aircraft affected our results. We established a new organizational structure at Bombardier Transportation on January 1, 2014 to further empower project management, reduce organizational layers and overhead costs, speed up decision-making, implement leaner processes and foster upfront product development and standardization. These measures are expected to significantly reduce execution risks. We are also maintaining an active, continuous feedback loop with our customers to identify and implement improvements that will better serve their needs and exceed their expectations.

Building the Future of Mobility
Our company is built on a tradition of investing in new mobility solutions — and that is what we continue to do today to strengthen our future. Entry-into-service for our latest innovations is just around the corner, setting us up to generate billions of dollars in additional revenues annually.¹ Across the company, we have one overriding objective and commitment — generating results that are profitable and sustainable. For everyone at Bombardier, it's all about driving up the bottom line and building the future of mobility.

¹ Refer to forward-looking statements at end of report.



Pierre Beaudoin

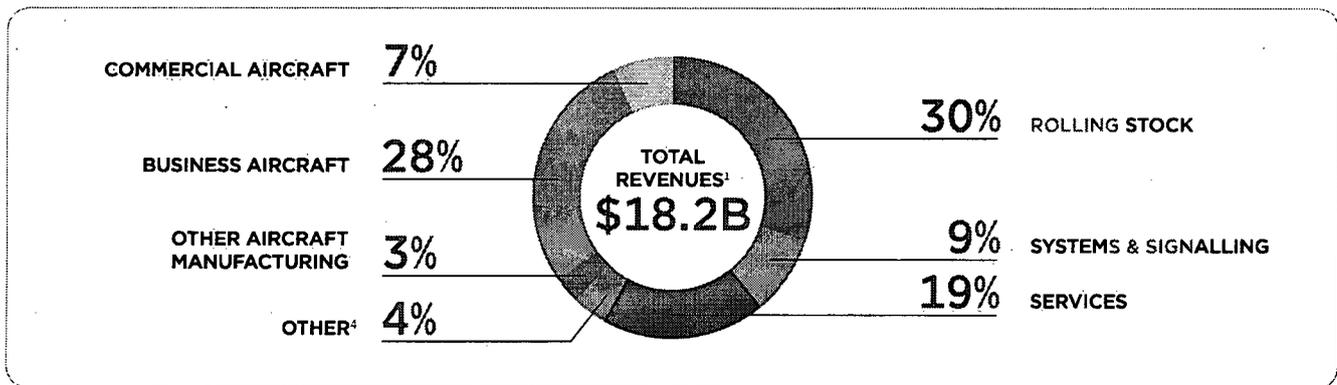
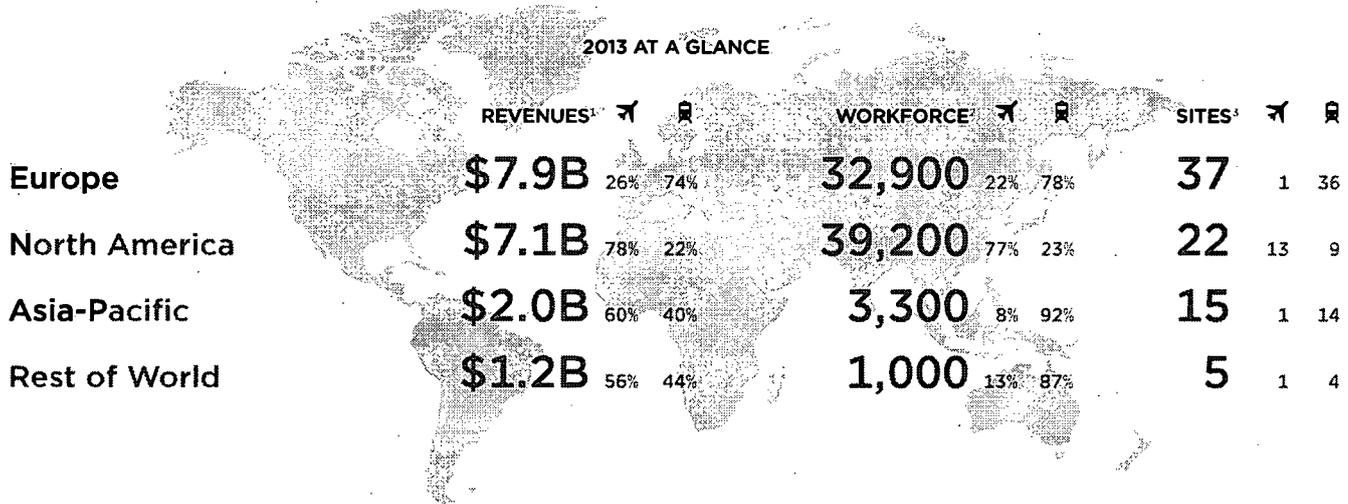
PIERRE BEAUDOIN
President and
Chief Executive Officer
Bombardier Inc.

ABOUT BOMBARDIER

As the world's only manufacturer of both planes and trains, we've built an extensive and diverse portfolio of winning mobility solutions at Bombardier Aerospace (Aerospace) and Bombardier Transportation (Transportation).

Everywhere people travel, by land and in the air, a Bombardier product is ready to transport them — from category-defining business jets and commercial aircraft designed for the challenges of today, to sleek, high speed trains and public transit that's smarter than ever. But it's not just our products that make us a global leader. Our employees — all 76,400 of them — drive our success.

Bombardier is headquartered in Montréal, Canada and is listed on the Toronto Stock Exchange (BBD). Bombardier has been listed on the Dow Jones Sustainability World and North America Indices for seven consecutive years and was named RobecoSAM Industry Leader in 2013 for the second time in a row. In the fiscal year ended December 31, 2013, we achieved revenues of \$18.2 billion.



¹ For the fiscal year ended December 31, 2013. ² As at December 31, 2013.
³ Number of Aerospace and Transportation production and engineering sites. ⁴ Relates to Aerospace.

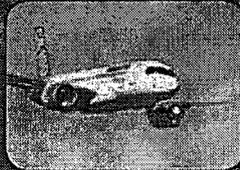
OUR PRODUCTS AND SERVICES

AEROSPACE

One of the world's largest civil aircraft manufacturers



BUSINESS JETS
Learjet, Challenger, Global



COMMERCIAL AIRCRAFT
CRJ Series, Q-Series, G-Series



AMPHIBIOUS AIRCRAFT AND SPECIALIZED AIRCRAFT
Bombardier 415, Bombardier 415 MP, specialized aircraft



CUSTOMER SERVICES
The Bombardier Customer Services network supports more than 6,000 aircraft around the world.

TRANSPORTATION

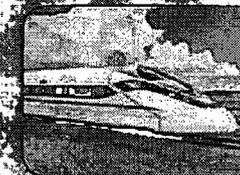
A worldwide leader in rail transportation technology



LOCOMOTIVES AND EQUIPMENT
Locomotives (*TRAXX*), bogies (*FLEXX*), propulsion and controls (*MITRAC*)



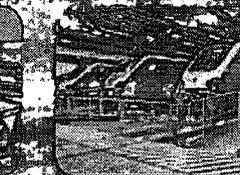
TRANSPORTATION SYSTEMS
Automated people movers, automated metro and monorail systems (*INNOVIA*), mass transit systems, operations and maintenance, e-mobility solutions (*PRIMOVE*)



RAIL VEHICLES
Very high speed and high speed (*ZEFIRO*), intercity (*REGINA*, *TWINDEXX*), commuter and regional trains (*SPACIUM*, *TALENT 2*, *ELECTROSTAR*, *TURBOSTAR*, *OMNEQ*, *BiLevel* and *MultiLevel*), metros (*MOVIA*), light rail vehicles (*FLEXITY*)



RAIL CONTROL SOLUTIONS
CITYFLO mass transit signalling solutions including CBTC and *INTERFLO* mainline signalling solutions including ERTMS for onboard, wayside and control centre applications, *EBI* signalling product portfolio

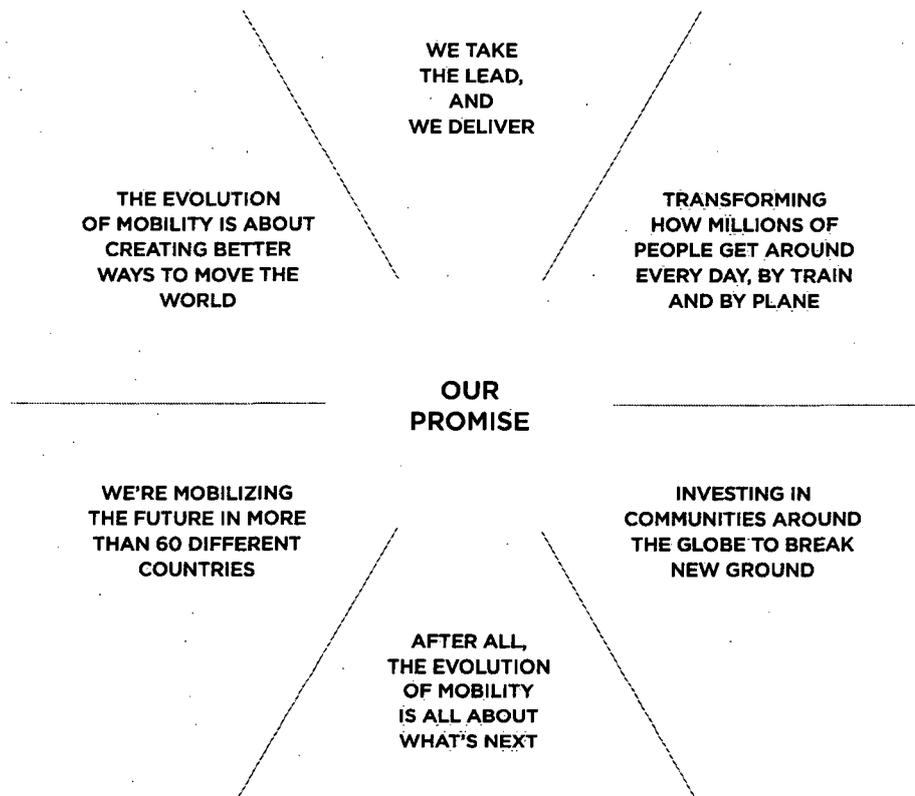


SERVICES
Fleet management, asset life management, component re-engineering and overhaul and material solutions

BOMBARDIER INC.

.....
**ENTERPRISE
STRATEGY**
.....

THE EVOLUTION OF MOBILITY



The world is constantly on the move. Our job is to create better ways to keep it moving — intelligently, efficiently, safely and sustainably.

The Evolution of Mobility is our promise. To fulfill that promise, we have created three interrelated growth strategies — supported by four competitive capabilities. Together, these strategies underpin how we operate today and position us for the future.

OUR GROWTH STRATEGIES

At Bombardier, we're building the future of mobility by...

...creating better ways to move the world



INVEST IN LEADING MOBILITY SOLUTIONS

Since 1942, we have been changing the way the world moves. But today's challenges — in the sophistication and scale of customer requirements — are larger than anything we've faced in the past. To grow and thrive as a business, we must meet the mobility demands of our customers and of a rapidly evolving society. And doing so means we must continually create products that surpass what we have done before.

...capturing global growth opportunities



GROW LOCAL ROOTS IN KEY MARKETS

Emerging markets are driving global economic growth and the demand for innovative transportation. By expanding our presence in these markets, we have the opportunity to capture new business, reduce costs and strengthen our global leadership and competitiveness. We believe we will be most successful in this if we truly become part of these communities — by hiring locally, sourcing locally and contributing to community growth.

...strengthening our customer-focused excellence



ACHIEVE FLAWLESS EXECUTION EVERY STEP OF THE WAY

Each year our products get better, but they also become more complex as we integrate the latest technologies to maximize performance and sustainability. As our products increase in sophistication and our company increases in size, our goal to achieve flawless execution is ever more relevant to deliver on our promise.



OUR COMPETITIVE FOUNDATION

Our three growth strategies are anchored in our competitive foundation, which is the cornerstone of our capability and governance platform.

GREAT TALENT GLOBALLY

We need exceptional talent to build the future of mobility. Ensuring that our employees are highly trained, engaged and enabled is a must for our long-term success.

STRONG FINANCIAL DISCIPLINE

While we continue to invest in new and evolved products that will drive the future of our company, we are focused on maintaining strong financial discipline to deliver shareholder value.

ACTIVE RISK MANAGEMENT

We take a precautionary and proactive approach to business risk. Identification, management and mitigation of risks are embedded in our governance and accountability structure.

COMMITTED CORPORATE SOCIAL RESPONSIBILITY

Comprehensive engagement with our stakeholders is central to how we conduct our business responsibly. This approach helps us identify and capitalize on growth opportunities and run a more efficient company that is built for sustainable performance.

It's All About Driving Value

Our enterprise strategy is designed to create both financial and societal value. It is an ambitious strategy and is not without challenges — operational, technological and cultural. But this is the roadmap we have set for ourselves to be the company that answers the world's ever-growing need for mobility through innovation.

FINANCIAL PERFORMANCE

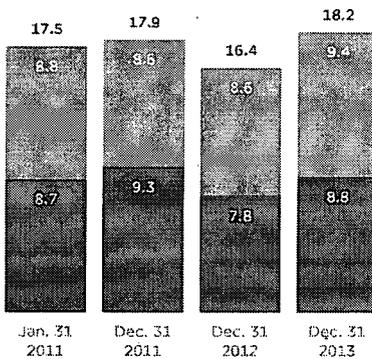
2013 IN REVIEW¹

The difficult economic environment affecting some of our market segments is intersecting with the peak of our investment cycle, putting pressure on our profitability, liquidity and capital structure. Although the uncertain environment seems to persist, we are starting to see signs of stabilization.

REVENUES

(for the fiscal years ended; in billions of dollars)

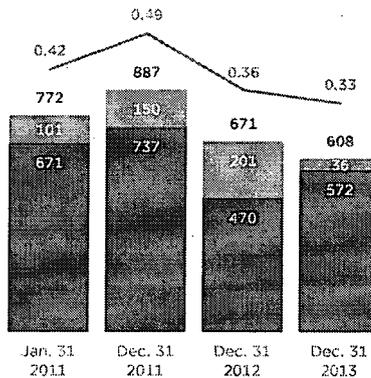
■ Aerospace
■ Transportation



ADJUSTED NET INCOME² AND ADJUSTED EPS³

(for the fiscal years ended; in millions of dollars, except per share amounts)

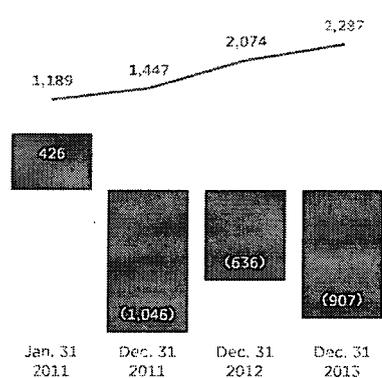
■ Special and adjusting items
■ Net income
— Adjusted EPS



FREE CASH FLOW²

(for the fiscal years ended; in millions of dollars)

■ Free cash flow (usage)
— Net additions to PP&E and intangibles³



¹ The financial information contained in this section is extracted from the 2013 Financial Report unless otherwise indicated. Please refer to this report at ir.bombardier.com for our detailed financial disclosures and explanations. ² Non-GAAP financial measure. ³ Includes additions to aerospace program tooling.

In 2013, we increased our financial flexibility by issuing, at par, an aggregate of \$2.0 billion of new unsecured Senior Notes.

Subsequent to year-end, in April 2014, we issued, at par, an aggregate \$1.8 billion of Senior Notes, comprised of \$1.2 billion due on October 15, 2022 and \$600 million due on April 15, 2019. The net proceeds of the issuance will be used to finance the redemption of the €785 million (\$1,083 million as at December 31, 2013) of Senior Notes due on November 15, 2016, to finance the repayment at maturity of the \$162 million of Notes due on May 1, 2014 and for general corporate purposes.

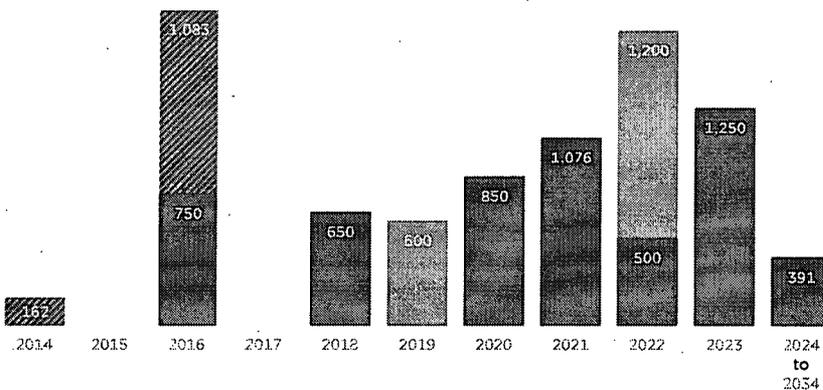
We are continuously monitoring our capital structure to enhance our financial flexibility and to ensure sufficient liquidity to fund our product development programs. Over the long term, we plan to improve our risk profile by deleveraging the balance sheet with strategic long-term debt repayments, in line with active management of consolidated liquidity, weighted-average cost of capital and term structure.

Our available short-term capital resources include cash and cash equivalents and the amounts available under our two unsecured revolving credit facilities. We consider that our expected cash flows from operating activities, combined with our available short-term capital resources of \$4.8 billion as at December 31, 2013, will enable the continued development of new products to enhance our competitiveness and support our growth; will allow the payment of dividends, if and when declared by the Board of Directors; and will enable us to meet all other expected financial requirements in the foreseeable future.

PRO FORMA DEBT MATURITY PROFILE (NOTIONAL AMOUNT)

(for calendar years; in millions of dollars; as at December 31, 2013, pro forma following April 2014 debt issuance)

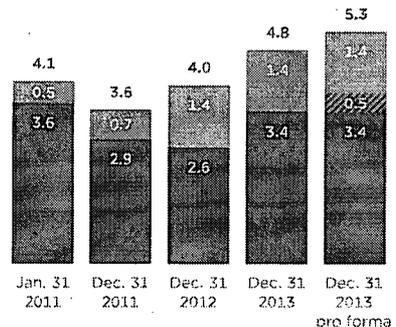
- Debt to be redeemed/repaid as a result of the April 2014 debt issuance
- New debt issued April 2014
- Existing debt as at December 31, 2013, unchanged



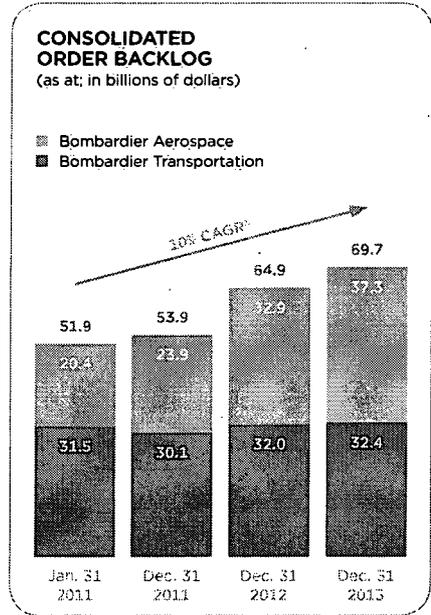
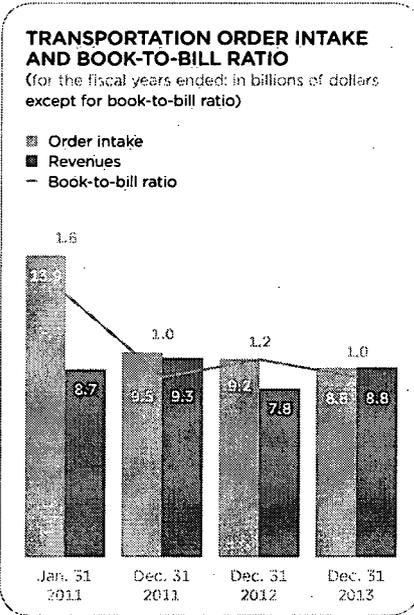
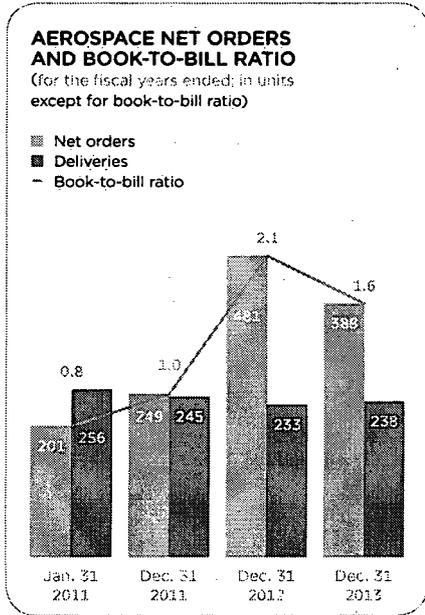
AVAILABLE SHORT-TERM CAPITAL RESOURCES

(as at; in billions of dollars)

- Excess cash from the April 2014 debt issuance
- Revolving credit facilities
- Cash and cash equivalents



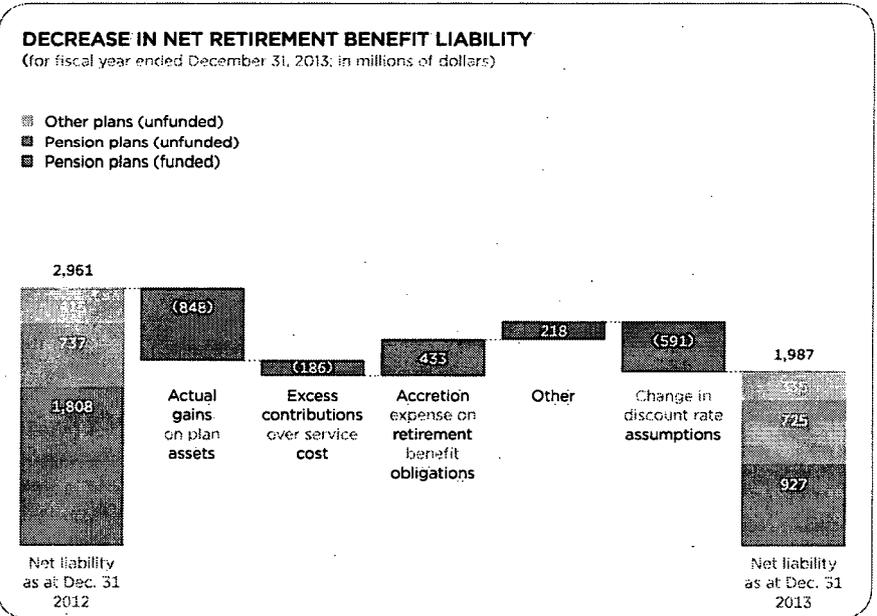
BOMBARDIER INC.



Both Aerospace and Transportation have strong levels of order backlog, a leading indicator of future revenues. Our consolidated backlog reached a record level of \$69.7 billion as at December 31, 2013, including a manufacturing backlog of \$58.9 billion, which represents more than four years of manufacturing revenues, based on revenues for fiscal year 2013.

Bombardier's net retirement benefit liability decreased by \$974 million in 2013, due mainly to strong returns on plan assets, increases in discount rates in Canada and the U.S. and employer contributions in excess of service cost. This reduction was partly offset by the use of newer mortality tables in Canada as well as higher inflation and lower discount rate assumptions in the U.K.

As at December 31, 2013, \$725 million of the remaining liability was related to unfunded pension plans, which, by their nature, will always be in a deficit position.



1 Compound Annual Growth Rate.

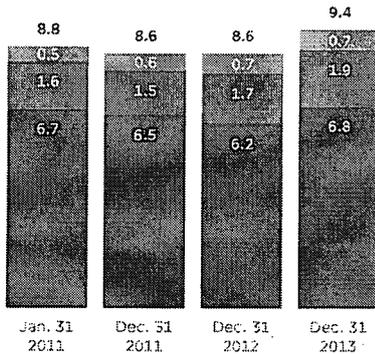
ACTIVITY REPORT 2013

AEROSPACE

REVENUES

(for the fiscal years ended; in billions of dollars)

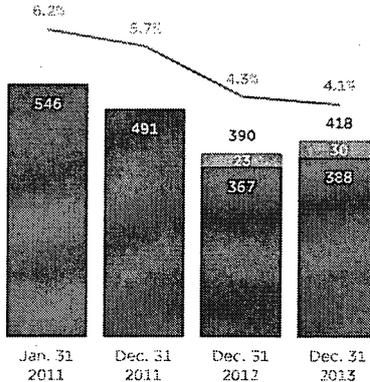
- Other
- Services
- Manufacturing



EBIT AND EBIT BEFORE SPECIAL ITEMS¹

(for the fiscal years ended; in millions of dollars)

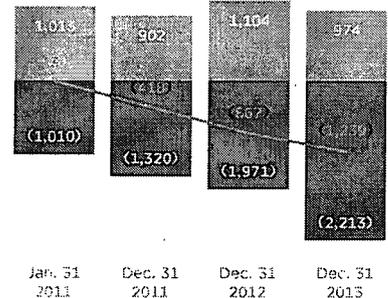
- Special items
- EBIT before special items
- EBIT margin before special items



FREE CASH FLOW (USAGE)²

(for the fiscal years ended; in millions of dollars)

- Cash flows from operating activities
- Net additions to PP&E and intangible assets
- Free cash flow (usage)

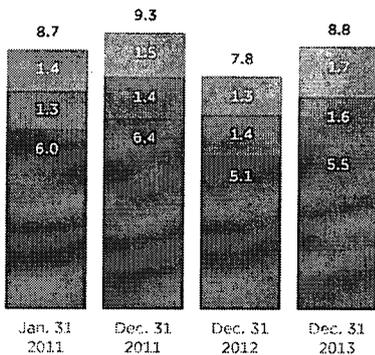


TRANSPORTATION

REVENUES

(for the fiscal years ended; in billions of dollars)

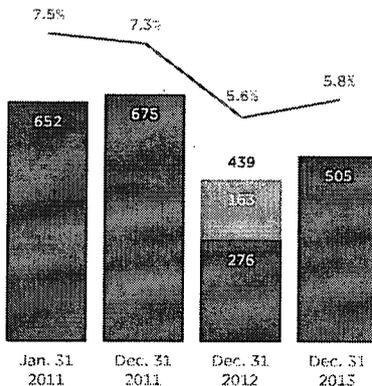
- System and signalling
- Services
- Rolling stock



EBIT BEFORE SPECIAL ITEMS¹ AND EBIT

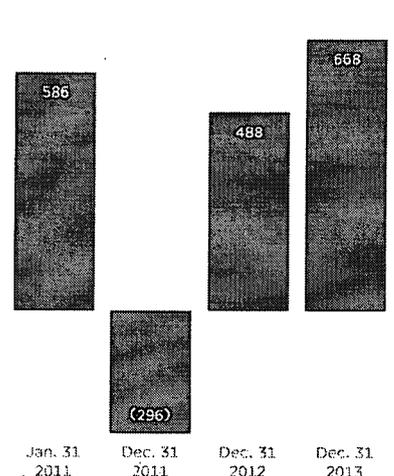
(for the fiscal years ended; in millions of dollars)

- Special items
- EBIT
- EBIT margin before special items



FREE CASH FLOW (USAGE)²

(for the fiscal years ended; in millions of dollars)



¹ Non-GAAP financial measure. ² Includes additions to aerospace program tooling.

OUTLOOK FOR 2014¹

Our top priority for the next several years is translating our investments into sustainable bottom-line results. New products launched around five years ago are making headway, with the *CSeries*, *Learjet 85*, *Global 7000* and *Global 8000* aircraft programs and the *ZEFIRO* 380 very high speed (VHS) train progressing toward entry-into-service. Other products launched more recently, notably the *Learjet 70* and *Learjet 75* aircraft, which entered into service at the end of 2013, will also contribute to one of our key financial priorities — increasing the level and consistency of our future revenues and profitability. Expected entry-into-service dates for our most significant aircraft programs range from 2014 to 2017.

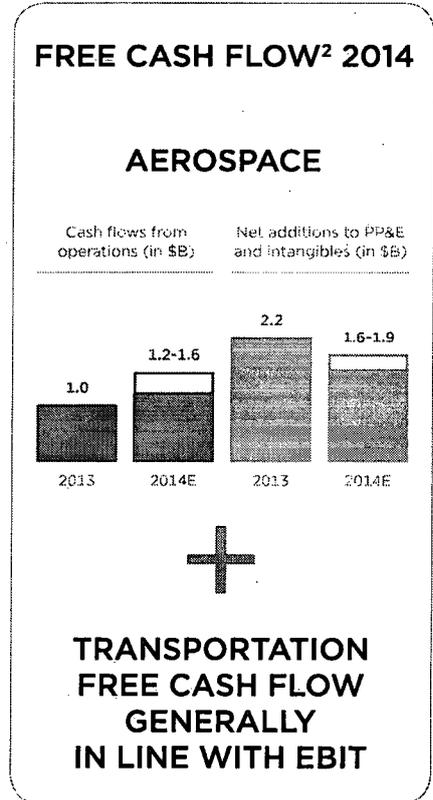
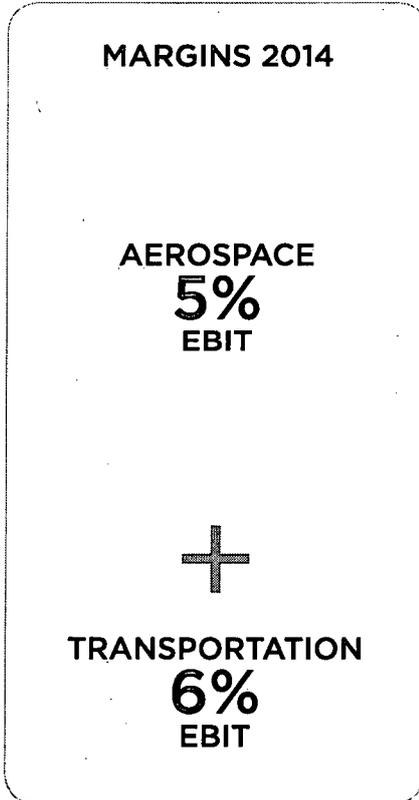
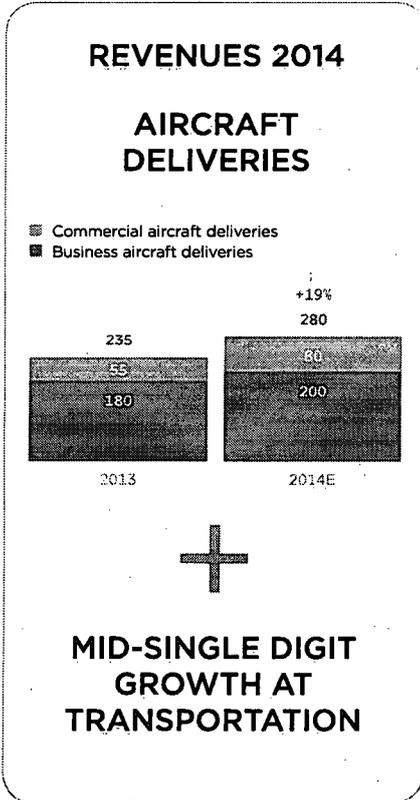
In the short-term, reaching our financial targets will require both Aerospace and Transportation to continue improving their processes towards achieving flawless execution.

Aerospace achieved an EBIT margin before special items² of 4.1% in fiscal year 2013, compared to 4.3% the previous fiscal year. In fiscal year 2014, Aerospace expects to achieve an EBIT margin of approximately 5%.

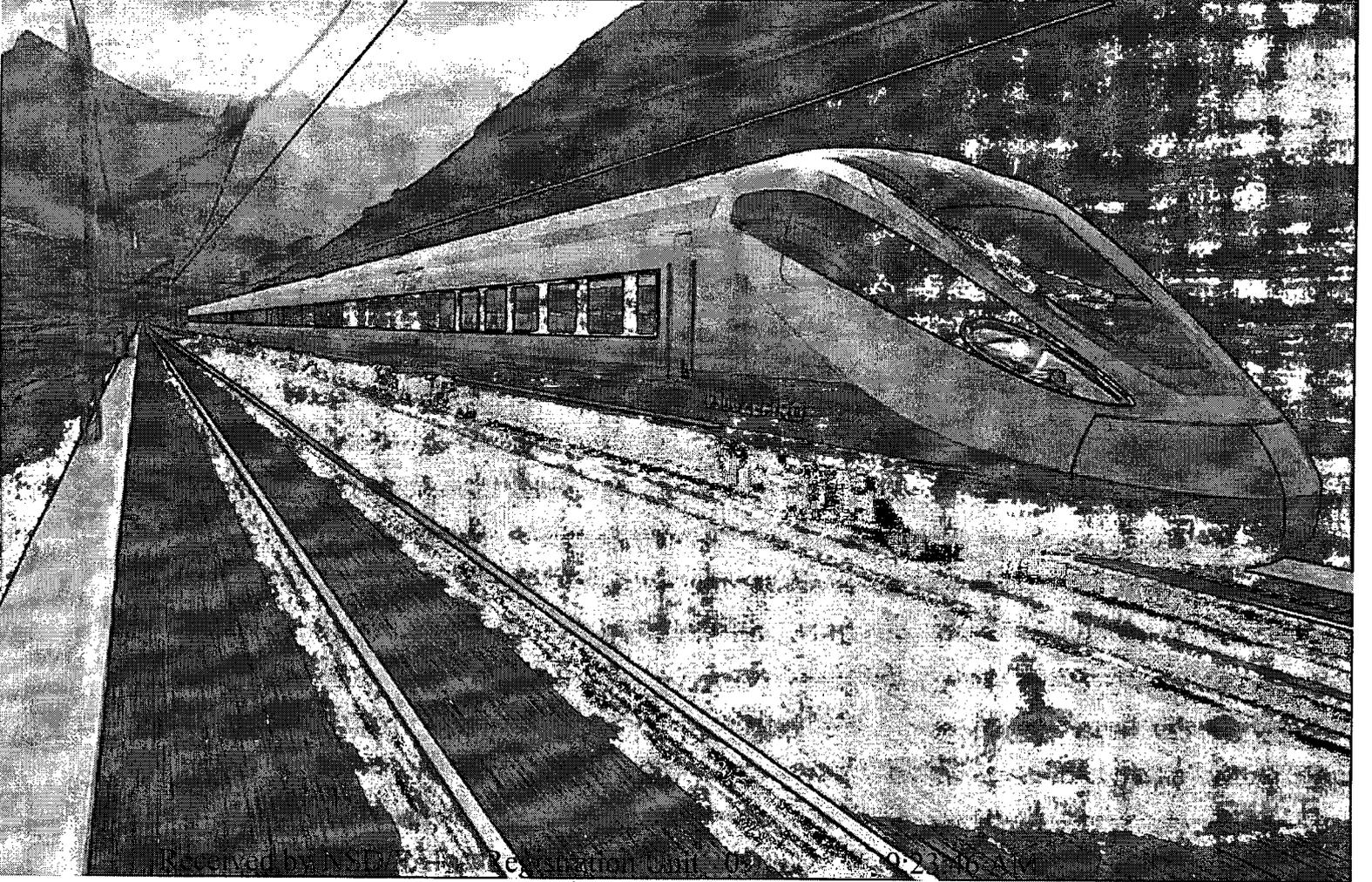
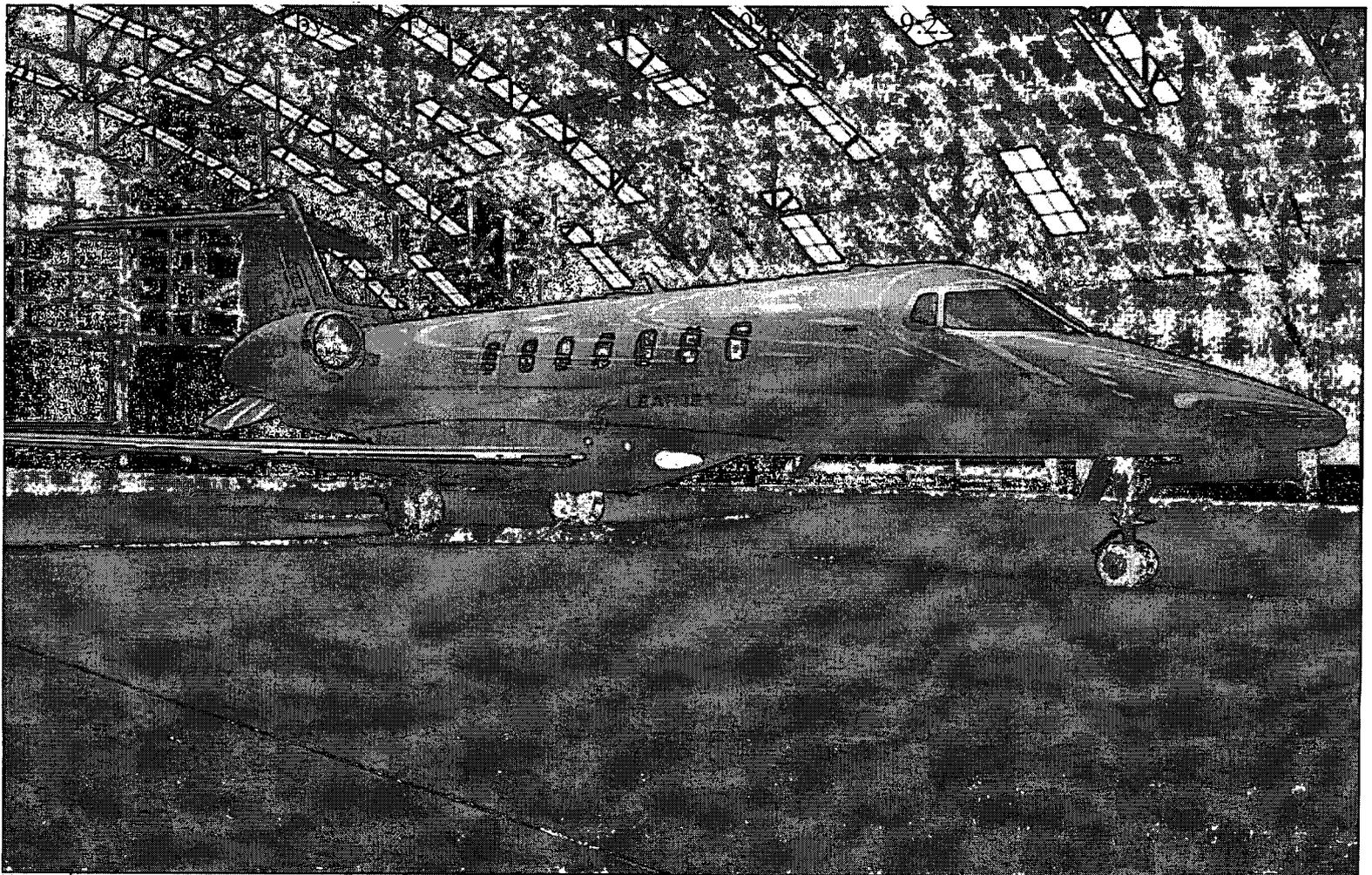
Transportation achieved an EBIT margin before special items² of 5.8% in fiscal year 2013, compared to 5.6% the previous fiscal year. As Transportation focuses on contract execution improvement, an EBIT margin of approximately 6% is expected in 2014, but achieving an EBIT margin of 8% remains our objective.

Our level of capital expenditures is expected to gradually return to more normal levels after reaching a peak in our development spending in 2013. Aerospace's net additions to property, plant & equipment (PP&E) and intangible assets are expected to be between \$1.6 billion and \$1.9 billion in 2014, between \$1.2 billion and \$1.5 billion in 2015 and below \$1.0 billion in 2016.

OUR 2014 GUIDANCE REPRESENTS STRONG REVENUE GROWTH, SOME MARGIN IMPROVEMENT AND A REDUCTION IN INVESTMENT



¹ Refer to forward-looking statements at end of report. ² Non-GAAP financial measure.



BOMBARDIER INC.

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INVEST IN LEADING MOBILITY SOLUTIONS

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Bombardier's mobility solutions transport billions of people across cities, countries and continents — safely and efficiently. Since 1942, we have been generating sophisticated solutions that are one step ahead in technology, functionality, reliability and design to meet our customers' evolving transportation needs.

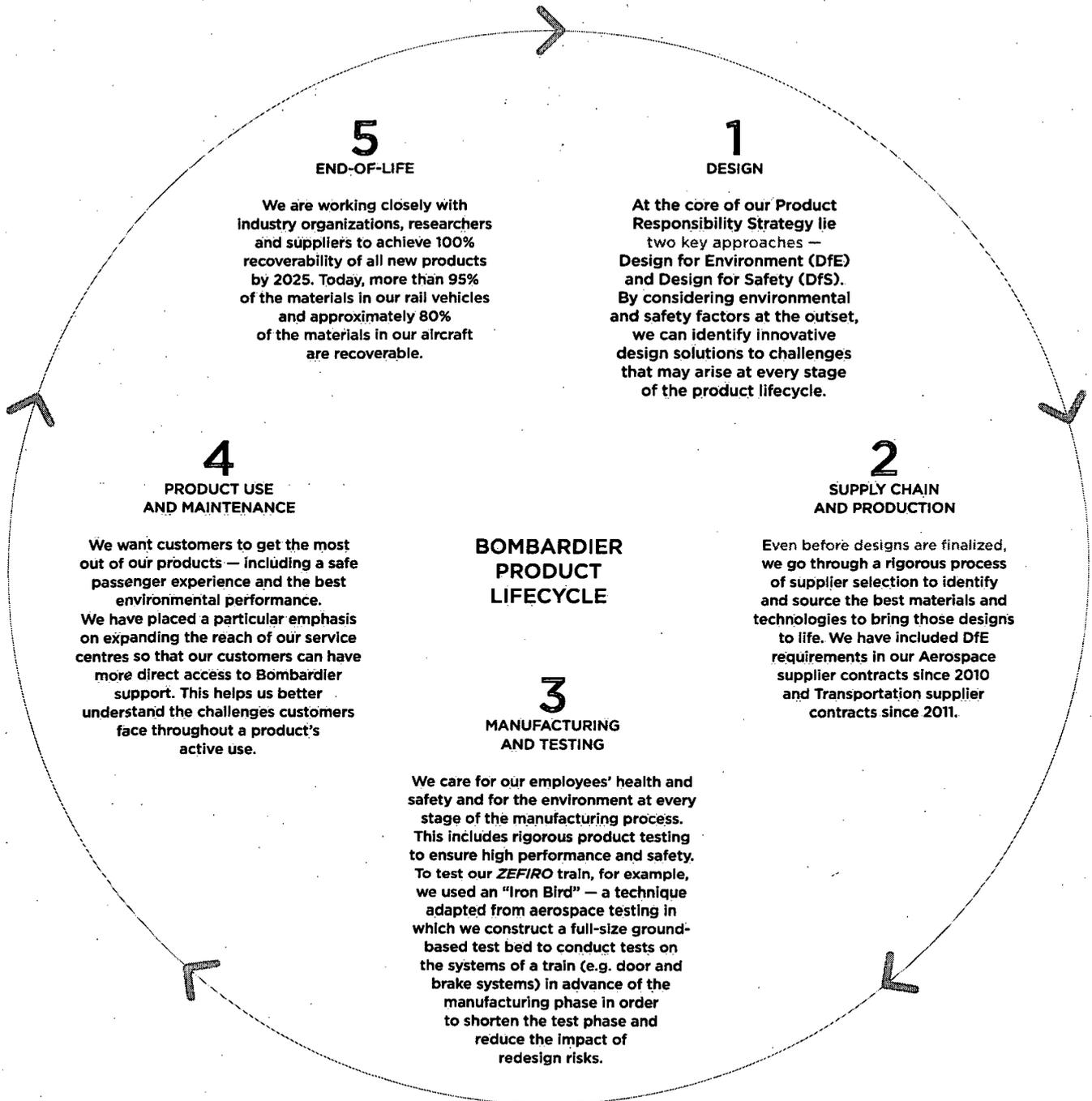
We innovate to proactively address global trends and impending societal needs. Current estimates project that by 2025, the world's top 600 cities will have more than two billion inhabitants¹ and, by 2050, 64% of the developing world and 86% of the developed world will be urbanized.² With this growth trend, we recognize an ever more urgent need for efficient intra- and inter-urban transportation solutions. The innovations we build into our product designs now will give billions of future urban residents a cleaner, quieter, safer and more convenient quality of life.

To meet this impending need, we have made a strategic decision to invest in the development of customer-centric, high-performance, environmentally advanced rail and air transport solutions. In 2013, Bombardier invested \$2.3 billion in mobility innovations (PP&E and intangibles) — in addition to which we conducted extensive research and development (R&D) as part of Transportation contracts. These investments are leading to new planes and trains that address emerging market demands and differentiate us from our competitors.

We are already seeing validation of these R&D investments with a steady increase in our order backlog, from \$53.9 billion at the end of 2011, to \$64.9 billion in 2012, to a record level of \$69.7 billion as at December 31, 2013.

¹ McKinsey Global Institute (2012), *Urban world: Cities and the rise of the consuming class*.
² United Nations (2012), *World Urbanization Prospects, The 2011 Revision*.

BOMBARDIER PRODUCT RESPONSIBILITY STRATEGY



We operate according to a thorough Product Responsibility Strategy that ensures we attend to sustainability, safety and customer needs at every opportunity throughout our products' lifecycles, from initial design to end-of-life.

BOMBARDIER INC.

INVESTING IN THE FUTURE OF AEROSPACE

Bombardier offers a broad portfolio of business and commercial aircraft, with a unique advantage in the performance and energy efficiency of our products.



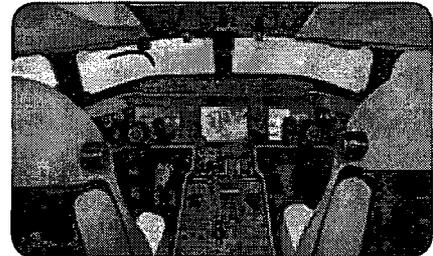
In recent years, we have made strategic investments in the development of eight new aircraft models — *Challenger 350*, *C-Series (CS100 and CS300)*, *Global 7000*, *Global 8000*, *Learjet 70*, *Learjet 75* and *Learjet 85* — that will further strengthen our competitive positioning and environmental leadership.

In 2013, we invested approximately \$2.0 billion in aerospace program tooling. By the end of the year we marked a record backlog of \$37.3 billion, more than 40% of which is for aircraft currently in development.



ADVANCEMENTS IN AIR TRANSPORT

In Development: *Global 7000* and *Global 8000* Business Aircraft¹
Bombardier is poised to establish new benchmarks in ultra-long-range business aviation with the launch of two new *Global* jets. The *Global 7000* aircraft, designed to travel 7,300 nautical miles (13,520 km) with ten passengers at a typical cruising speed of Mach 0.85 (904 km/h),² offers outstanding, short-field capabilities, allowing access to the most challenging airfields. The *Global 8000* aircraft is designed to fly 7,900 nautical miles (14,631 km) — farther than any other business jet — providing for non-stop flights on key business routes, including Los Angeles-Sydney, Hong Kong-New York and Mumbai-New York.



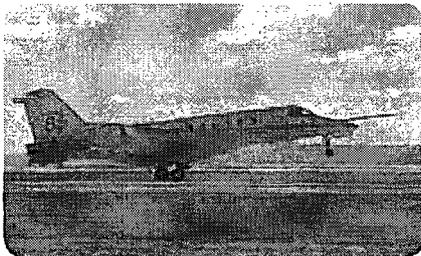
Both planes will set new standards for efficiency in their categories, with features including:

- The latest fly-by-wire technology, which enables automatic aircraft stabilization without pilot involvement.
- The *Bombardier Vision Flight Deck*, with four 15.1-inch LCD panels displaying information such as detection and analysis of weather hazards, real-time flight data and interactive maps for easy creation and modification of flight plans.
- GE's new Passport™ engine, which significantly reduces fuel consumption, emissions and cabin noise.

The *Global 7000* and *Global 8000* aircraft have now entered the detailed design phase; production and assembly of the first flight test vehicles are underway. They are scheduled for entry-into-service in 2016 and 2017, respectively.

¹ Products under development. Refer to disclaimer at end of report.

² Calculation based on SI Standard.



On the Runway:

The Learjet 85 Business Aircraft¹

In April 2014, the Learjet 85 aircraft completed its maiden flight. With a customer-driven, clean-sheet design, this aircraft will be the largest, fastest and most spacious aircraft in the mid-size business aviation segment. The Learjet 85 has been designed to reach a high-speed cruise rate of Mach 0.82 (871 km/h)² and a transcontinental range of approximately 3,000 nautical miles (5,556 km). It is powered by two Pratt & Whitney Canada PW307B engines that provide exceptional take-off thrust and low noise levels, and advanced combustors that offer lower nitrogen oxide emissions and reduced environmental impact. Newly designed cockpit and cabin controls provide unprecedented technological sophistication and convenience.

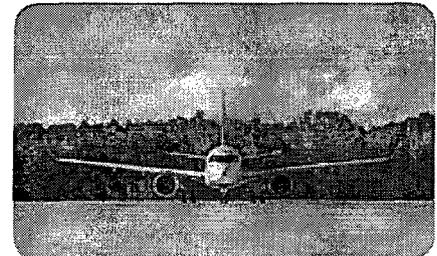


Taking Off:

The CSeries Commercial Aircraft¹

Optimized for the growing 100- to 149-seat market, the CSeries transcontinental airliner family is designed to deliver exceptional operational flexibility and widebody comfort, along with an unmatched environmental scorecard. CSeries aircraft are up to 5,443 kg (12,000 lbs) lighter than their competitors, which, when combined with their optimized aerodynamic configuration, allows a fuel burn advantage of up to 20%, as well as 20% fewer carbon emissions compared to in-production aircraft in the same category. The CSeries aircraft will give airline operators a 15% cash operating cost advantage over currently in-production aircraft in the same category.

The CS100 aircraft completed a successful first flight on September 16, 2013, and is now well into its extensive flight test program. The data received to date from components and systems testing confirm that we are on track to reach our key performance targets.



We have made a significant investment in these aircraft as we believe that they will stimulate new demand and accelerate the retirement of older aircraft in larger regional and smaller mainline markets. We forecast that 6,900 aircraft in the 100- to 149-seat market will be delivered over the next 20 years, and we are targeting a 50% market share. We expect the CSeries aircraft to bring in \$5 billion to \$8 billion in annual revenue including related services.³

Entry-into-service of the CS100 aircraft is scheduled for the second half of 2015. As of February 2014, firm orders and other agreements⁴ for the CSeries family of aircraft reached 447, including 201 firm orders, with 15 customers and operators in 14 countries.

- 1 Product under development. Refer to disclaimer at end of report.
- 2 Calculation based on SI Standard.
- 3 Refer to forward-looking statements at end of report.
- 4 The other agreements consist of conditional orders, letters of intent, options and purchase rights.

INVESTING IN THE FUTURE OF RAIL AND URBAN MOBILITY

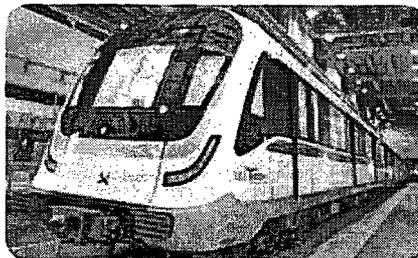
Rapid population growth, globalization and urbanization bring increasing demands for fast, comfortable, energy-efficient and environmentally responsible transportation solutions.



Thanks to continued investments in product development, we answer that call with a full spectrum of efficient rail solutions, from complete trains to sub-systems, services, systems integration and signalling.

We continue to invest in our rail transportation technologies to fuel mobility innovations. Recent successes include:

- **WAKO** tilting bogie with active radial steering, which promises to increase transport capacity by up to 60%¹ due to faster travelling capabilities around curves.
- **ORBITA** technology, which monitors vehicle systems and subsystems in the course of daily operation to proactively identify service issues before they occur.
- **TRAXX** locomotive last mile technology, which saves costs by eliminating the need for shunting vehicles.
- **MITRAC** permanent magnet motors, which achieve higher power efficiency than conventional motors.



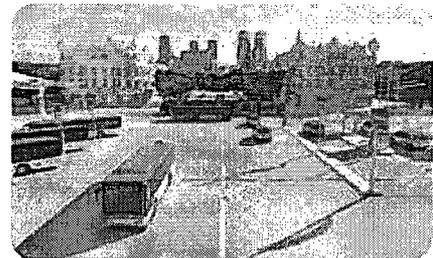
PROGRESS IN THE EVOLUTION OF RAIL TRANSPORTATION

The Sustainable

Train of the Future: *MOVIA C30*

In 2013, the Stockholm Public Transport Authority ordered a fleet of 96 new-generation *MOVIA C30* metro vehicles, valued at \$771 million. Based on the *MOVIA* metro platform installed in major cities worldwide, from New York to London to Singapore, the new high-technology *MOVIA C30* metros have been customized to meet the Swedish city's specific requirements for high availability, accessibility, reliability and passenger comfort. They will raise passenger capacity by 34% over Stockholm's older vehicles without increasing axle load.

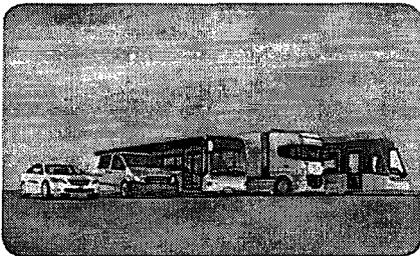
The new *MOVIA C30* metros consist of 98% recoverable materials and meet the highest environmental standards for energy consumption. These advanced vehicles provide for driverless operation, intelligent remote control and diagnostics, real-time service information and passenger service updates through the *ORBIFLO* communication system.



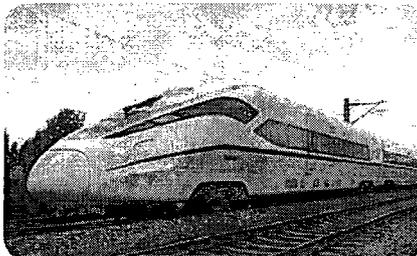
True Emission-Free Mobility: *PRIMOVE*²

We are in the commercialization phase of an important new innovation. Our *PRIMOVE* technology provides wireless, contactless power for all types of electric vehicles — from light rail and bus networks to commercial vehicles and cars. It is a key example of how our investments in mobility innovation can simultaneously deliver societal, economic and environmental benefits. The *PRIMOVE* system reduces local CO₂ emissions to zero, eliminates noise pollution for greater passenger comfort and removes the constraints of cables, wires and plugs. It also reduces operating costs by charging rapidly and minimizing energy loss.

- 1 Transport capacity refers to the number of passengers that can be transported through a section of track over a certain period of time.
- 2 Product under development. Refer to disclaimer at end of report.



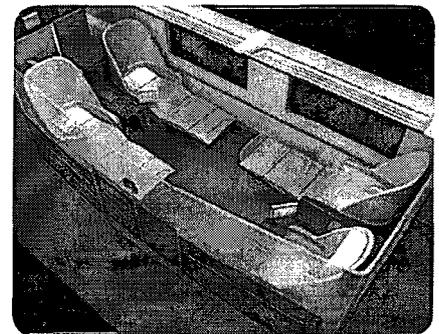
In spring 2013, we tested a **PRiMOVE** equipped e-bus in passenger operations for four weeks in Mannheim, Germany. With the inauguration of the world's first high power inductive charging station in Braunschweig, Germany, in September 2013, we paved the way for public revenue service, which we began in March 2014. The **PRiMOVE** system in Braunschweig is the world's first wireless charging system with an output of 200 kW to automatically fast charge electric buses in just a few seconds.



New Heights in Very High Speed: ZEFIRO¹
As one of the world's fastest VHS trains, with speeds of up to 380 km/h, our flagship **ZEFIRO** platform sets a new standard for efficient and climate-friendly, long-distance travel.

ZEFIRO trains leverage **ECO4**, our suite of 15 advanced technologies to optimize energy use, decrease waste, minimize CO₂ output and increase economic value, for efficiency gains of up to 50% compared to other VHS trains.

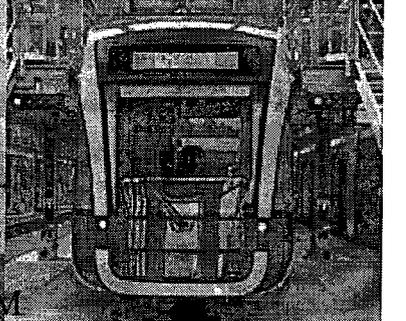
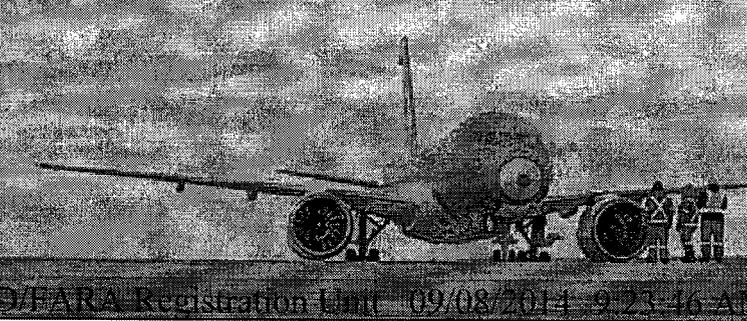
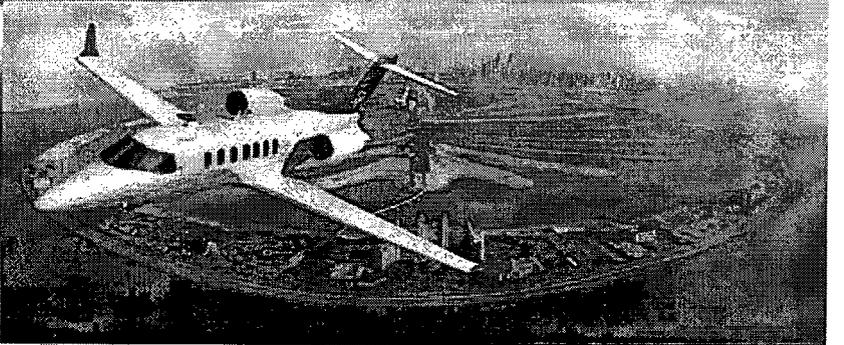
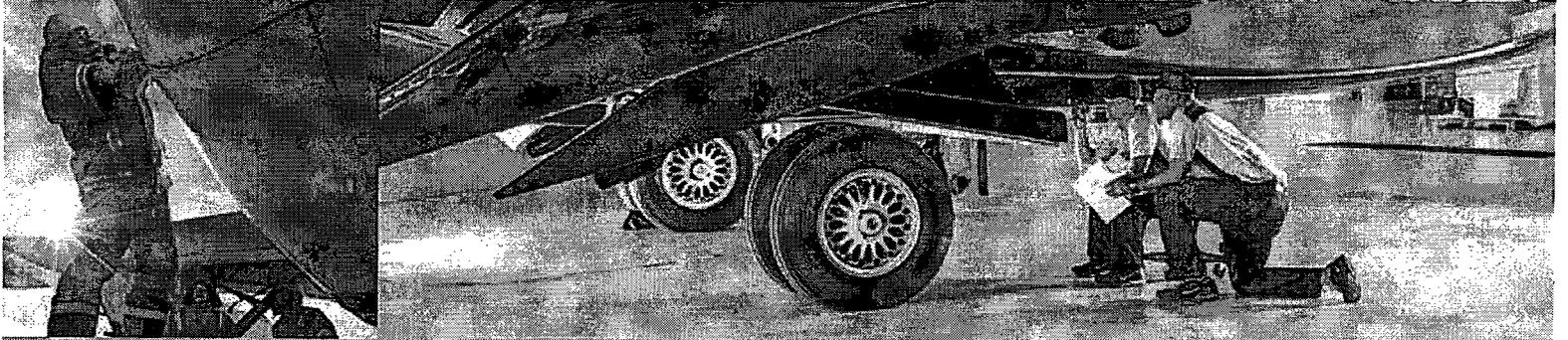
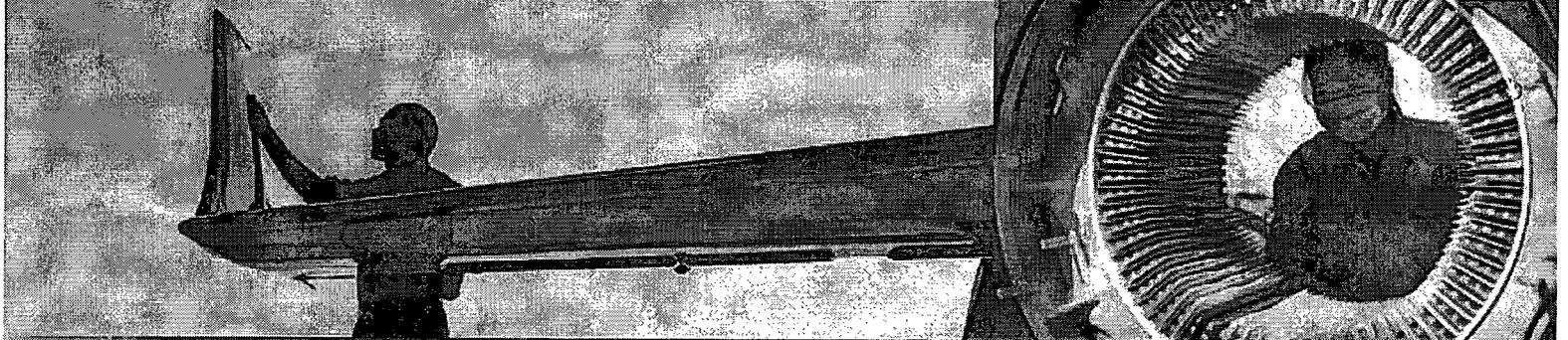
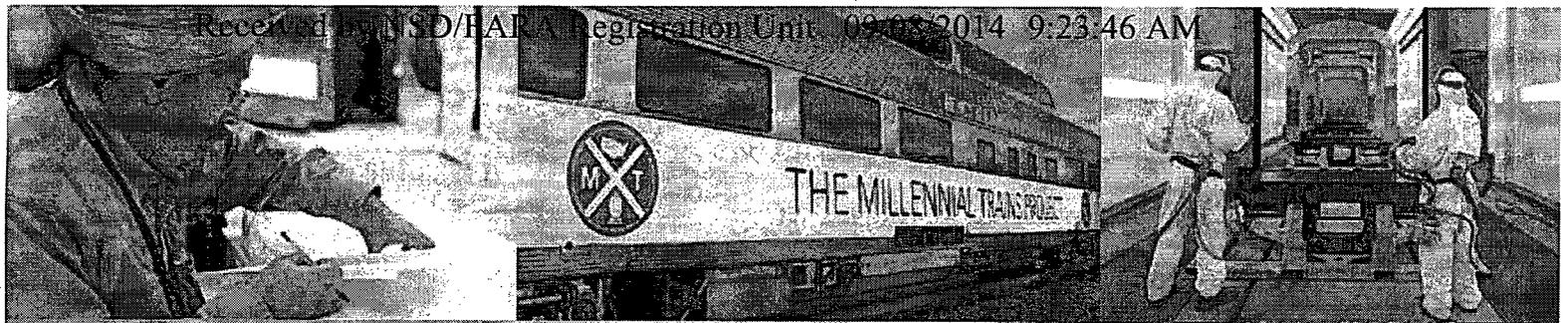
The **ZEFIRO** train has the highest capacity of any VHS train on the market — up to 1,300 seats — with an open tube design that maximizes interior space to ensure easy passenger flow. Partly due to its capacity, a **ZEFIRO** train consumes the lowest energy per seat of any VHS train in the world, making it the most economical and environmentally friendly train of its class on the market today.



In 2013, the **ZEFIRO** train set several new performance benchmarks:

- The Frecciarossa 1000 train, the newest member of our V300ZEFIRO VHS trains, stemming from a partnership between AnsaldoBreda and Bombardier, was presented in Italy and is expected to reach commercial speeds of up to 360 km/h, which will make it the fastest train in Europe.¹ Passenger service is anticipated for early 2015.
- During testing in China, the **ZEFIRO 380** train reached 385 km/h — the fastest speed in Transportation's history.

¹ Product under development. Refer to disclaimer at end of report.



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GROW LOCAL ROOTS IN KEY MARKETS

.....

Bombardier is building a strong presence in the world's fast-growing markets to capture business opportunities, generate cost advantages and strengthen our global leadership and competitiveness. A multi-regional strategy positions us to better meet the growing mobility needs of billions of people by understanding first-hand the challenges they face.

We seek to build long-term partnerships with communities around the world by:

- **Hiring locally:** Identifying and cultivating local talent so we can leverage the knowledge base of the places where we do business to operate efficiently and profitably.
- **Sourcing locally:** Working with local suppliers to decrease financial and environmental costs and help strengthen the economies and communities around our manufacturing sites.
- **Supporting local communities:** Investing in the communities where we do business to ensure we have strong contexts for our operations. Since 2010, we have focused our investments in the areas of education, entrepreneurship and the environment. In 2013, we contributed \$11.8 million to our communities around the world.

Situating Services Closer to Customers

One of the ways we extended our international presence in 2013 was by adding 20 new support locations¹ for our commercial and business aircraft, well distributed around the world — in South Africa, Singapore, Ethiopia, Finland, Brazil, the U.K., France, Russia, Malta, China and the U.S. We now have a total of 131 customer support and services locations: 58 in the Americas; 28 in Europe, Russia and the Commonwealth of Independent States (CIS); 30 in the Asia-Pacific region; and 15 in Africa and the Middle East.

Reinforcing Our Home Base

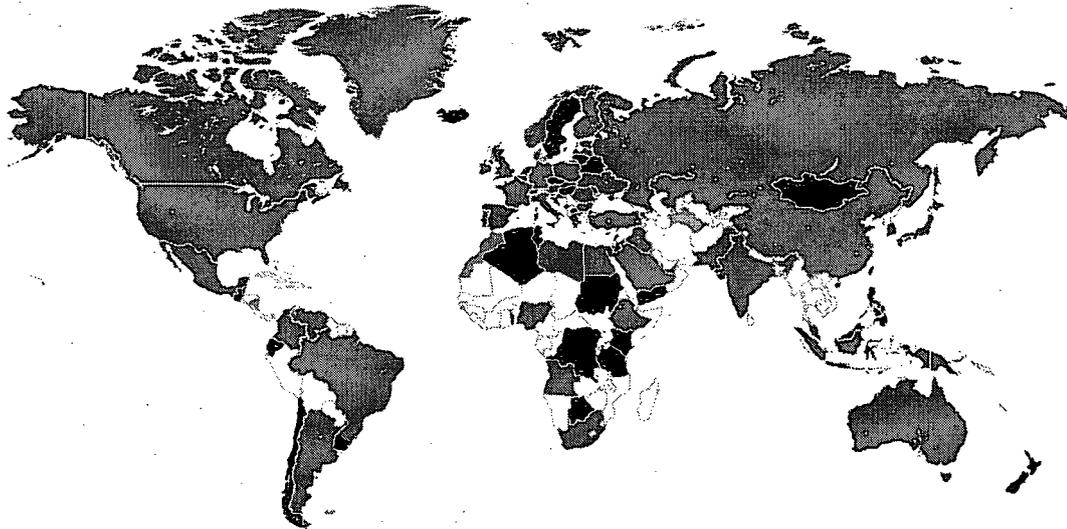
To expand, a company needs a strong core; so while Bombardier grows roots abroad, we continue to nurture our Canadian base. We support our home community through donations, sponsorships and our employee volunteering program, as well as through the J. Armand Bombardier Foundation. In 2013 we contributed more than \$7 million (\$1.5 million through the company and \$5.5 million through the Foundation) to support education, entrepreneurship, the environment and other community needs in Canada.

¹ This figure includes Regional Support Offices, Authorized Service Facilities, Mobile Repair Parties and Parts Depots. Please refer to Bombardier Aerospace's Profile, Strategy and Market presentation available at ir.bombardier.com for more information.

BOMBARDIER INC.

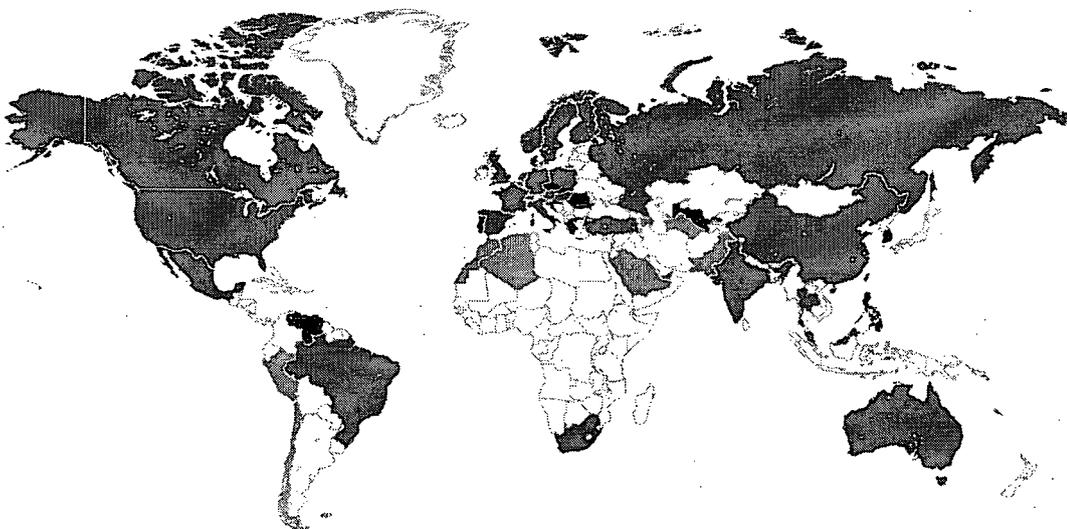
EXPANDING OUR GLOBAL PRESENCE

BOMBARDIER AEROSPACE MARKET PENETRATION¹



- New markets² opened by Aerospace in the last 3 years (2011-2013)
- Existing markets³ in which Aerospace has delivered aircraft in the last 3 years (2011-2013)
- Other Aerospace markets⁴

BOMBARDIER TRANSPORTATION MARKET PENETRATION⁵



- New markets opened by Transportation in the last 5 years (2009-2013)
- Existing markets that have ordered products from Transportation in the last 5 years (2009-2013)
- Other Transportation markets (prior to 2009)

We know that expanding our market reach is crucial to our long-term success as a business. Over the last five years, we have increased the number of our production and engineering sites worldwide from 68 to 79.

¹ Map does not represent Bombardier aircraft fleet, only new aircraft deliveries since 2001 are represented. ² New markets defined as countries where we have not delivered aircraft between 2001 and 2010 (10 years). ³ Existing markets defined as countries where we have delivered aircraft between 2001 and 2010 (10 years). ⁴ Other markets defined as countries in which we have delivered aircraft between 2001 and 2010, but not since 2011. ⁵ Only orders with a total value greater than \$5.0 million were considered in this overview.

BOMBARDIER IN THE MIDDLE EAST AND AFRICA

2

SITES

340

EMPLOYEES

11

SUPPLIERS

We see a trend in which oil-producing countries such as Saudi Arabia and the United Arab Emirates are looking to upgrade their public transport systems. We also see growth in aircraft demand in the Middle East — between 2013 and 2032, we expect to sell approximately 1,200 business and 480 commercial aircraft in this region.¹

Meanwhile, it is predicted that Africa will be among the global leaders in annual economic growth rates over the next 20 years,² which will drive demand for mobility solutions. Aerospace has already established a presence in Africa, with more than 240 of our business and commercial aircraft now based on the continent. We seek to build upon our existing relationships in Africa and participate as partners in the growth of this market.

Boosting Mobility in Saudi Arabia
In early 2014, we secured several new contracts in the Kingdom of Saudi Arabia, including an order for 16 CS300 aircraft with options for an additional ten from Al Gahtani Aviation Company. The aircraft will be operated by Saudi Gulf Airlines, a newly launched national carrier. The firm order is valued at \$1.2 billion³ and could increase to \$2.0 billion³ with the additional ten aircraft on option.

In addition, as a member of the ArRiyadh New Mobility Consortium, we won a contract to deliver technology for the new Riyadh Metro system, which will form the backbone of the city's public transport network. Our contract involves system interface management, project management and design, as well as the delivery of 47 two-car, driverless *INNOVIA* Metro 300 trains equipped with *MITRAC* propulsion technology. Bombardier's share of the contract is valued at approximately \$383 million.

To cultivate a local workforce for projects such as these, we operate a Project Management Academy to support Saudi nationals interested in developing long-term careers with Bombardier. We expect this program to produce a new generation of skilled project managers who will deliver ambitious urban transport projects across the region.

Growing a Local Workforce in Morocco
The Moroccan government's commitment to developing a first-class aerospace industry, combined with internationally competitive manufacturing costs and proximity to Europe, have led us to make Morocco a new cornerstone of our Aerospace manufacturing and production. We launched operations in the country in February 2013, and our Moroccan team has already completed its first delivery of a *CRJ* aircraft component. In 2014, we expect to complete construction of a new manufacturing facility; by the end of 2020, Bombardier intends to invest approximately \$200 million in-country and employ more than 850 local employees.

Rooting Service in South Africa
In 2013, we deepened our African support network by opening a new Regional Support Office and parts depot in Johannesburg, South Africa. This facility will anchor support capabilities for Bombardier's business and commercial aircraft customers in Africa.

We are also expanding our Transportation footprint in South Africa, fulfilling an order won in 2013 to deliver our *INTERFLO 200* mainline signalling solution for Durban's main corridors and another order in 2014 for the delivery of 240 *TRAXX* Africa locomotives as part of a complete fleet renewal program for Transnet Freight Rail (TFR). We will build all of these new *TRAXX* locomotives in South Africa and are committed to localizing more than 60% of the TFR contract scope by investing in local manufacturing capacity and by training in-country employees.

1 Bombardier Aircraft Market Forecast 2013-2032. Refer to forward-looking statements at end of report.
2 McKinsey & Company (2010), *What's driving Africa's growth*.
3 Based on list prices.

BOMBARDIER INC.

BOMBARDIER IN ASIA-PACIFIC

15

SITES

3,300

EMPLOYEES

73

SUPPLIERS

Our operations in the Asia-Pacific region span 11 countries, many of which are growing rapidly and require mass transit solutions to connect cities and transport burgeoning urban populations. We see particularly great potential in high-growth mega-cities that lack sufficient mobility infrastructure.

Long-standing Presence in China

Our involvement in China dates back to the 1970s, when we participated in initiatives to foster R&D collaboration between Canada and China. Today, more than 4,000 employees work in our joint ventures in the country. In rail transportation, our long-standing presence has generated orders for more than 4,000 rail cars and more than 550 electric locomotives to date. In aerospace, Bombardier aircraft account for one-third of the Chinese business jet fleet, and 43 Bombardier commercial aircraft are in operation across seven Chinese airlines.

Our recent achievements in China include:

- Entering the growing tram market through a technology-licensing agreement with CSR Nanjing Puzhen Rolling Stock Co. Ltd. (CSR Puzhen), who won orders for 18 low-floor trams and 15 catenary-free, low-floor trams. With our support, CSR Puzhen will build these trams using our *FLEXITY 2* technology.
- Signing a second agreement with the Commercial Aircraft Corporation of China Ltd (COMAC), covering program commonalities between COMAC's C919 and our *CSeries* aircraft.
- Finalizing an agreement to expand our aircraft maintenance services at the Tianjin Airport Economic Area.

Rail and Reinvestment in India

The market potential in this booming country is strong, driven mainly by demand for urban and regional rail solutions. We have developed our presence in India by establishing manufacturing facilities and providing rail infrastructure. In 2013, we won a new order from Delhi Metro Rail Corporation to provide the first driverless, unattended mass transit solution in the country with our *CITYFLO 650* communications-based signalling system.

We also give back to the local community by investing in education projects. In the New Delhi area, we work with the nonprofit organization Plan International to provide young adults, especially girls from disadvantaged families, with life skills and

market-oriented vocational training. In addition, we are working with our long-time supplier Infotech Enterprises on a new science laboratory and other critical upgrades for the Zilla Parishad High School in Hyderabad, to help develop the next generation of engineers in India.

Strengthening Infrastructure in Australia

Since 2011, Bombardier has been playing a key role in a major public-private partnership project in Australia: a new light rail line that will link the hospitals, universities and recreational areas in the city of Gold Coast. Bombardier is a member of the consortium in charge of building the new line from the ground up. The contract is expected to create more than 6,300 direct and indirect jobs in the area, according to the Transport Minister of Australia.

The Gold Coast project positioned Bombardier to win, several years later, the largest railway contract in Australia's history. As part of a consortium, in early 2014 we signed a contract worth \$4.1 billion with the State of Queensland for the New Generation Rollingstock Project. Bombardier's portion of the contract is valued at approximately \$2.7 billion.

BOMBARDIER IN LATIN AMERICA

5

SITES

4,350

EMPLOYEES

29

SUPPLIERS

Since our first contract in Mexico in 1981, we have been steadily spreading our roots into Latin America. We are now building and upgrading urban transport systems in Brazil, Peru, Chile and Colombia. We believe that our strong, long-standing presence in Latin America positions us for a substantial opportunity in aerospace in this market over the next 20 years.

Rooted in Mexico

We opened our first Mexican train production facility in Sahagún City, Hidalgo in 1992. As the largest supplier of passenger rail transportation equipment in the Mexican market, we manufacture nearly 70% of the country's rolling stock and transportation systems at this facility, where we employ more than 1,300 people. In 2006 we opened an aircraft manufacturing facility in Querétaro that now has more than 1,800 employees. This facility manufactures portions of the *Learjet 85* business jet, as well as components for our other aircraft.

In addition to our economic role in Mexico, Bombardier supports numerous community programs there. Through partnerships with educational and civic organizations, we contribute to the development of local communities where we operate, while ensuring the future of our business in the region.

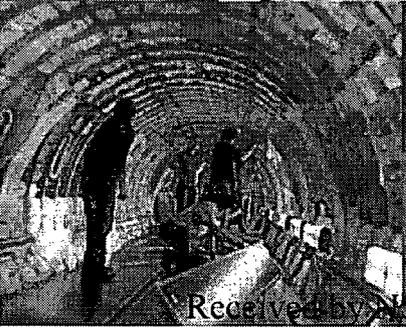
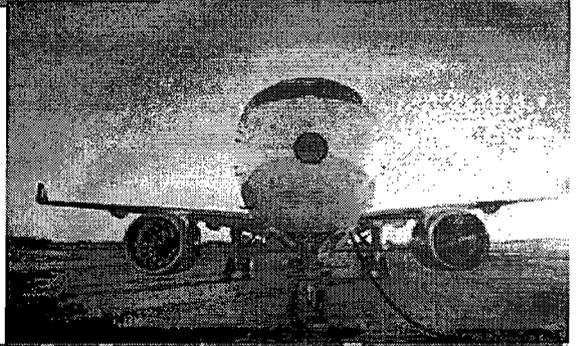
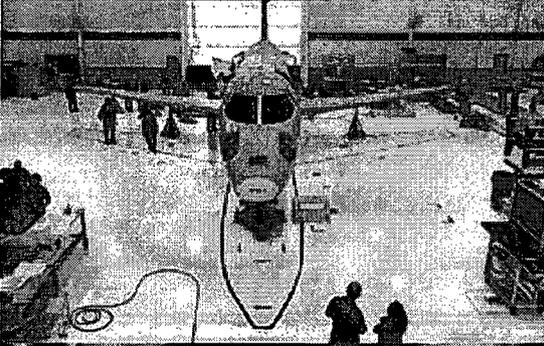
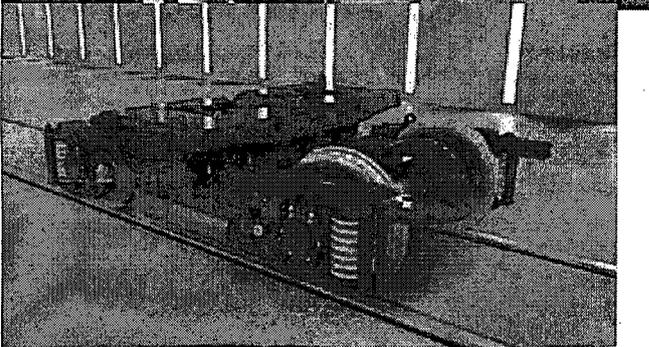
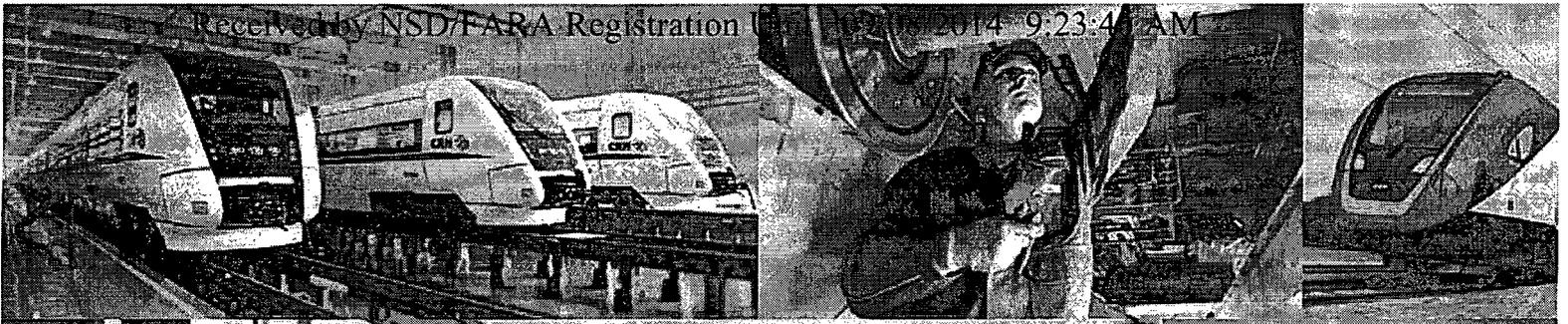
- We participate in the government's BECATE programs to train welders, buyers and designers in specialized manufacturing processes, preparing local workers for potential future careers at Bombardier.
- We maintain collaborative agreements with leading Mexican educational institutions, including the Universidad del Valle de México, the Instituto Politécnico Nacional, the Instituto Tecnológico de Querétaro, the Universidad Autónoma de Querétaro, the Tecnológico de Monterrey, the Universidad Tecnológica de San Juan del Río and National Aeronautical University in Querétaro (UNAQ). UNAQ, in particular, is an important pipeline for us — approximately 64% of Aerospace employees in Mexico are UNAQ graduates.

To support the local natural environment, we also partner with the Sierra Gorda World Biosphere Reserve, which provides resources for reforestation, watershed restoration and educational programs in Querétaro and Hidalgo. In 2013 we began working with Sierra Gorda on a new carbon offset project to compensate for the emissions from the local buses our employees use to get to work in Querétaro.

Responding to Growing Pains in Brazil
Even with its slower-than-expected growth, Brazil continues to face huge congestion challenges, which are driving the demand for advanced urban mobility solutions. Bombardier is helping to relieve congestion in the mega-city of São Paulo by extending the São Paulo Metro with a 24-km *INNOVIA* Monorail 300 system. The new system, which will be completed in 2015, will reduce a journey that currently takes almost two hours to approximately 50 minutes, benefiting 500,000 travelers daily.

To complete this project we constructed a factory in the industrial town of Hortolândia, creating more than 250 jobs. By sourcing materials locally, we indirectly created an additional 500 jobs in the area, while also increasing our own productivity.

In addition to improving transportation infrastructure, we also support community development in Brazil through a variety of efforts. For example, our Youth Entrepreneurs as Changemakers program helps public high school students, many from low-income communities, develop their entrepreneurial abilities. In 2013, 25 Bombardier employees volunteered for this program, leading workshops to help teenagers design community impact projects and hone their social skills.



.....

ACHIEVE FLAWLESS EXECUTION EVERY STEP OF THE WAY

.....

Designing, building, operating and servicing transportation solutions are feats of great complexity and precision. We aim to be the best at it — and the final arbiters of our success are our customers. That's why we systematically pursue customer-focused excellence and apply lean principles throughout a product's lifecycle. We are driven by the goal of delivering flawlessly on our promises.

The most meaningful measure of our success in execution is the feedback — and the return business — we see from our customers. We are proud to have ranked third in the 2013 ProPilot Product Support Survey for customer satisfaction with our business aircraft — an increase of two ranks since 2012. And we are gratified that so many of our customers acted on options for additional products in 2013, including the Singapore Land Transport Authority, which executed an option to expand its new vehicle family even before first delivery began, and SNCF, France's state-owned railway company, which ordered an additional 30 double-deck electric multiple units comprised of 234 cars. This tells us that we are on the right track as we implement systems and processes to improve our execution.

Improving Execution

In 2013, we continued to take action to resolve execution issues we have faced in certain large rolling stock contracts.

At the project level, we worked closely with our customers to bring quick solutions to pressing issues. More systematically, we are implementing initiatives across our Transportation organization to reduce execution risks, including:

- Creating a centralized product design and development function.
- Increasing our investment in upfront R&D.
- Increasing product standardization and use of proven technologies and processes across contracts.
- Applying best practices learned from Aerospace's continuous improvement program (the Achieving Excellence System) to help improve project management.

On January 1, 2014, Transportation established a new organizational structure to further empower project management, reduce organizational layers, lower overhead

costs, speed up decision-making, implement leaner processes and foster upfront product development and standardization. We expect these measures to significantly reduce execution risks while bringing together customers, suppliers and partners to develop pioneering technologies.

Incentivizing Flawlessness

To optimize execution across our sites, we offer our employees an incentive-based compensation plan that rewards their collective efforts in achieving our objectives. A total of 22,600 non-unionized employees participate in the program worldwide. In 2013, incentive-based compensation was linked to targeted results including new program execution, on-time deliveries and fleet dispatch reliability at Aerospace, and employee engagement at Transportation.

BOMBARDIER INC.

GOVERNANCE AND ETHICAL MANAGEMENT

10

INDEPENDENT
BOARD MEMBERS

3

FEMALE
BOARD DIRECTORS

15

BOARD MEMBERS

4

BOARD
COMMITTEES

8

BOARD MEETINGS
IN 2013

As our business grows, the governance and management of our company becomes all the more critical. It is the bedrock of everything we do and the first step in achieving flawless execution.

Our Board, in partnership with our senior management, is responsible for governance, but all of our employees are accountable for their contribution to our performance and for behaving ethically in their every interaction.

Compensation
Bombardier's philosophy is to pay for performance and to encourage appropriate business risk, while safeguarding against behaviours that may have an adverse effect on our business or society.

To keep our executives' compensation aligned with our stakeholders' interests, we target 70% to 80% of our named

executive officers' total compensation to be based on our company's performance. In 2013, Bombardier president and CEO Pierre Beaudoin received \$5,793,100 in total direct compensation (excluding pension value, benefits and perquisites), 80% of which was tied to our company's performance. We also benchmarked Mr. Beaudoin's compensation to Bombardier's performance relative to peer companies. The pay for performance alignment was below median compared to our North American peers in executive positions for the fiscal year ended December 31, 2012.

To be consistent with emerging best governance practices, and to align Bombardier's best interests with those of its shareholders, in 2013 we implemented a "clawback" policy on incentive pay. This policy, which applies to approximately 60 of our top executives, enables the company to recover funds if any misconduct results in overpayment of incentives and obliges the company to prepare an accounting restatement.

Ethical Management

Our Code of Ethics and Business Conduct sets out clear standards of behaviour that all Board members and employees are expected to follow. We put a premium on adherence to this code and on rapid response to any breaches. Employees, customers, suppliers or others who become aware of a possible violation have a duty to report it, and we provide multiple channels through which they may do so. Of the complaints received in 2013, none were significant violations.¹

¹ A significant violation is one that has high reputational and/or financial impact. These entail breaches that portray Bombardier in a negative light, decreasing stakeholder confidence and diminishing employee trust.

EMPLOYEES

76,400

EMPLOYEES

As of December 2013, our workforce numbered 76,400 globally — an increase of more than 5,400 from 2012, largely attributable to hires for the *CSeries*, *Global 7000*, *Global 8000* and *Learjet 85* aircraft programs, and for work on major new Transportation orders in Asia-Pacific and North America.

Our employees are the soul of Bombardier, and we need all of them operating at their best to achieve flawless execution. That's why one of the foundations of our corporate strategy is "Great Talent Globally." It is essential that we continue to recruit, develop and retain the best talent in the world.

In 2013, we implemented two new programs to help enrich our worldwide talent pool:

- **Global Mobility Program**
Employees have always been encouraged to participate in international assignments, and we now have a global process to manage those cross-company opportunities. The new standardized policy allows us to develop talent more easily while promoting knowledge transfer and increasing our agility in executing projects around the world.
- **Global Employee Referral Program**
This program incentivizes our employees to refer candidates who would be assets to our business. We expect this program not only to help us find qualified employees, but also to save significant time, and thereby costs, associated with identifying and recruiting talent through other channels.

We work hard to ensure that our employees are both engaged and enabled, and we track our results through an annual employee engagement survey. In 2013, 87% of all employees participated in the voluntary survey — the highest level of participation we have ever achieved. Bombardier's overall engagement score, which measures employees' commitment and discretionary effort, was 73%. Our overall enablement score, which measures how employees feel they are optimized in their roles and supported in their work environment, was 67%. These scores nearly reach the High Performing Companies Norm¹ (73% for engagement and 70% for enablement) and exceed the Manufacturing Norm² (67% for engagement and 64% for enablement).

The results confirm that Bombardier employees continue to be highly engaged in their work and in the organization.

While we continue to see great opportunities for growth in our business, unfortunately in January 2014, as part of stricter control over spending, we made a difficult decision to reduce our Aerospace workforce by approximately 1,700 positions, affecting contractors and permanent employees located mainly in Canada and the U.S. We are working to provide career transition support to the affected employees.

- 1 Our expert provider Hay Group's High Performing Companies Norm is based on survey data from 35 companies around the world in a wide variety of industries. These companies roughly double the five-year Return on Assets, Return on Investment and Return on Equity of their counterparts.
- 2 Our expert provider Hay Group's Manufacturing Norm is based on data collected from 60 companies around the world in the Manufacturing industry who have been surveyed with the same question(s) within the previous five years.

HEALTH, SAFETY AND ENVIRONMENT

The health and safety of our employees — as well as the environmentally responsible operation of our sites — are among our highest priorities and central to how we define flawless execution.

Everywhere we work, our goal is to operate to high standards of health, safety and environment (HSE). Our objective is to build and live by an HSE "Preventive Culture."

In 2013, we launched a new, five-year roadmap to help us achieve the next level of excellence in HSE performance. It includes promoting best practices, enabling stronger HSE leadership, expanding employee training and further integrating HSE objectives into all relevant Bombardier processes. We also conducted a study of ten industry peers and leaders to understand how HSE initiatives can bring greater business value to Bombardier. We are reviewing the best practices identified in the survey and finding ways in which we can implement them to improve our approach to measuring and creating HSE value.

HEALTH AND SAFETY

Our accident frequency and severity rates continued to trend downward in 2013. We continued to monitor our incident rate, which includes work-related fatalities, lost time accidents, occupational sickness, temporary assignments and medical treatments. The resulting visibility will help us to understand the underlying risks and root causes of these incidents so we can better prevent them in the future.

Unfortunately, despite our attention to and continuous improvement in safety performance, in 2013 we suffered an employee fatality at a site in Canada during the movement of a locomotive, a devastating blow to the Bombardier community. We are tracking the results of the investigation carefully and are adjusting our operating procedures according to the findings.

ENVIRONMENT

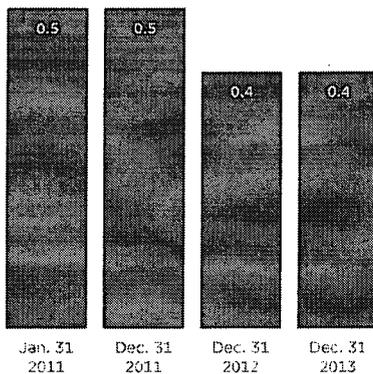
Even as we grow as an organization, our goal is to continue to reduce our environmental impact across our business.

Energy Consumption

Energy consumption is closely tied to production levels and building heating. Therefore, as we increase our production rates and footprint, we are constantly faced with the challenge to maintain — and reduce — our energy consumption. Our energy consumption increased slightly in 2013 over 2012.

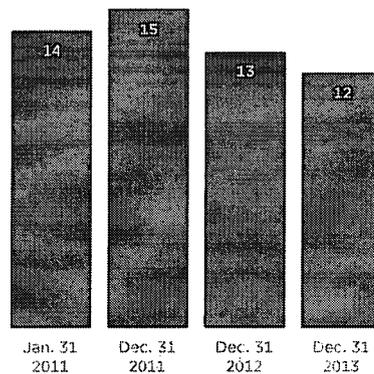
ACCIDENT FREQUENCY^{1, 2}
(without restricted duty)
(for the fiscal years ended)

■ Injury Rate



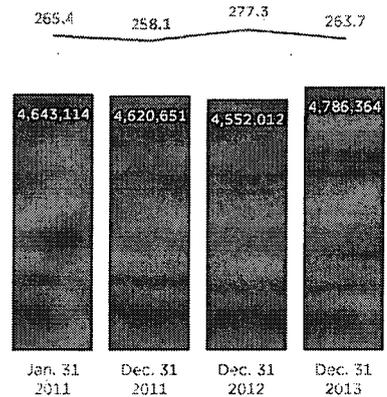
ACCIDENT SEVERITY^{1, 3}
(without restricted duty)
(for the fiscal years ended)

■ Lost Day Rate



ENERGY CONSUMPTION^{1, 4, 5}
(direct and indirect)
(for the fiscal years ended)

■ Energy Consumption (gigajoules (GJ))
— Revenue Intensity (GJ/million of dollars)



¹ 2010 and/or 2011 data has been updated to address internal audit findings by the Corporate Audit Services and Risk Assessment (CASRA) team. ² The accident frequency rate measures the number of accidents that had one or more lost days excluding restricted duty days expressed per 200,000 hours worked. ³ The accident severity rate is the number of lost days expressed per 200,000 hours worked. The total number of lost days includes days away from work and excludes days in restricted duty. ⁴ Some of this data has been third-party verified. The verification covers sites that qualify under the European Union Emission Trading Scheme (EU ETS). ⁵ Some of this environmental data has been third-party verified. The verification covers sites participating in the European Union Eco-Management and Audit Scheme (EMAS).

Greenhouse Gas Emissions

Similar to energy, greenhouse gas (GHG) emissions are also closely tied to production levels and building heating. As such, our GHG emissions slightly increased in 2013 over 2012, but we were able to mitigate the majority of the potential impacts of our elevated production rates and expanded footprint. Overall, between 2010 and 2013, we reduced our GHG emissions by 4% (11,987 tonnes of CO₂ equivalent (CO₂e)), a reduction equivalent to taking 2,490 passenger vehicles off the road for a year.¹ This is due to the use of better energy sources.

Water Consumption

We reduced our water consumption by 6% in 2013 over 2012 levels, due to water reduction projects. Overall, from 2010 to 2013, we decreased our water consumption by 11% (233,466 cubic metres), a reduction comparable to the volume of water in 77 Olympic-sized swimming pools.²

Waste Generation

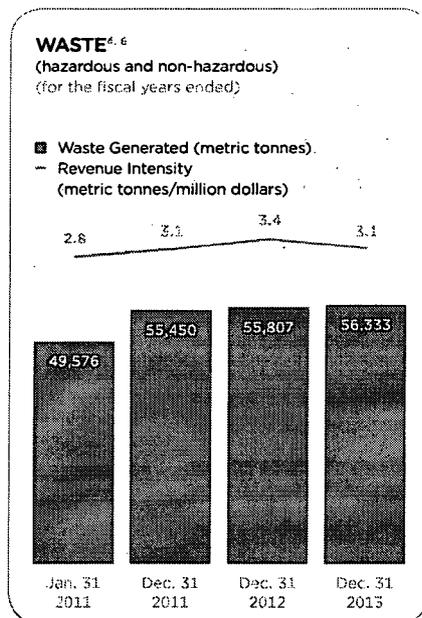
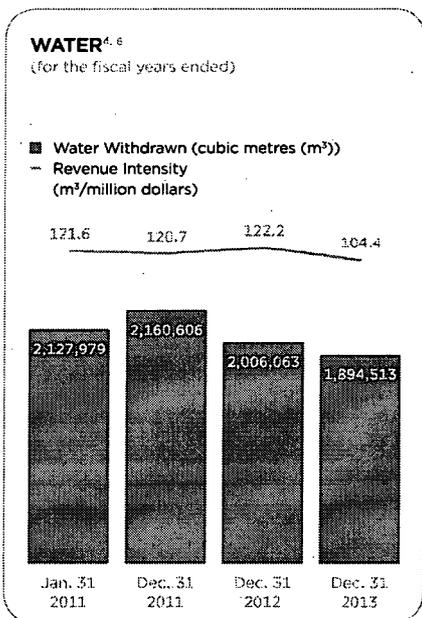
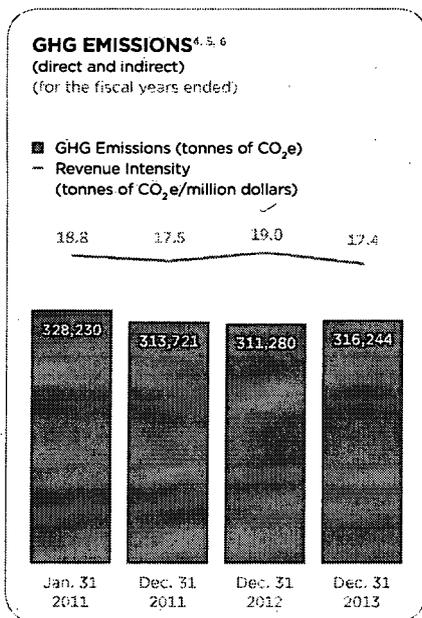
Our waste increased by 1% in 2013 over 2012 levels, continuing the trend we have seen over the past several years. This uptick is primarily due to increased production rates. As production rates continue to rise, we are working to lessen the impacts on waste generation.

CONSERVING WHILE GROWING

In recent years, while we have been concentrating our resources on new product programs to grow our business, we have had to put some of the investments we would like to make in the environmental performance of our sites on hold.

But even in this time of resource constraint, we are continuing to improve the efficiency of our facilities, and have committed to the following short-term targets:

- Reduce absolute water consumption, waste, energy consumption and GHG emissions by 1% between 2014 and 2016, based on 2013 data.
- Reduce relative water consumption and waste by 1% and energy consumption and GHG emissions by 3% per 200,000 worked hours between 2014 and 2016, based on 2013 data.
- Increase waste valorization (valorized waste³ compared to total waste) by 3% between 2014 and 2016, based on 2013 data.



¹ Per the United States Environmental Protection Agency Greenhouse Gas Equivalencies Calculator. ² Based on the standard volume of 3,000 cubic metres for an Olympic-sized swimming pool. ³ Valorized waste refers to hazardous and non-hazardous waste which has been redirected to a process that reuses, recycles, composts and combusts the waste into useful products or sources of energy. ⁴ 2010 and/or 2011 data has been updated to address internal audit findings by the Corporate Audit Services and Risk Assessment (CASRA) team. ⁵ Some of this data has been third-party verified. The verification covers sites that qualify under the European Union Emission Trading Scheme (EU ETS). ⁶ Some of this environmental data has been third-party verified. The verification covers sites participating in the European Union Eco-Management and Audit Scheme (EMAS).

SUPPLY CHAIN

Our suppliers are an essential part of our business. We integrate thousands of third-party technologies into our end products, and often collaborate with our suppliers, relying on their expertise to help design our products to meet high performance expectations.

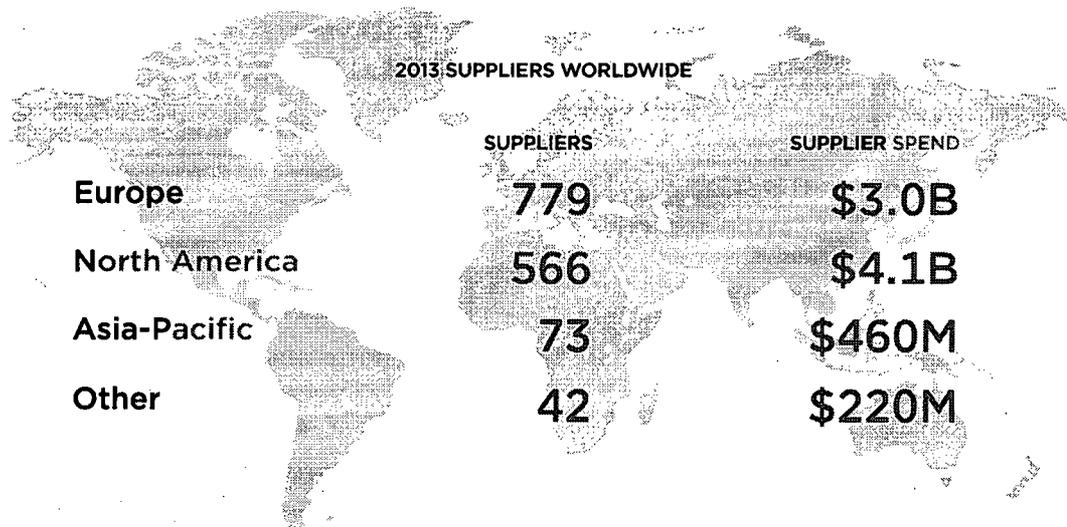
We work with more than 1,400 major suppliers worldwide and, in many cases, failure by our suppliers to meet performance specifications, quality standards or delivery schedules can impact our ability to meet our commitments to customers.

Because of this, we are extremely careful in selecting and qualifying suppliers. We take many considerations into account, including compliance, competitiveness, technical requirements, quality, reliability, cost, environmental profile and location. We like our relationships with suppliers to be long-term, so it is important for us to make deliberate decisions when forging new ones.

We take a very active role in managing our supply chain and monitoring risk. Our goal is to limit the impact of potential supply chain disruptions, and we consider many different types of risks, including CSR risks, geopolitical and market trends, natural hazards and financial health. We apply this risk assessment approach to all tier one suppliers¹ with whom we have significant spend.

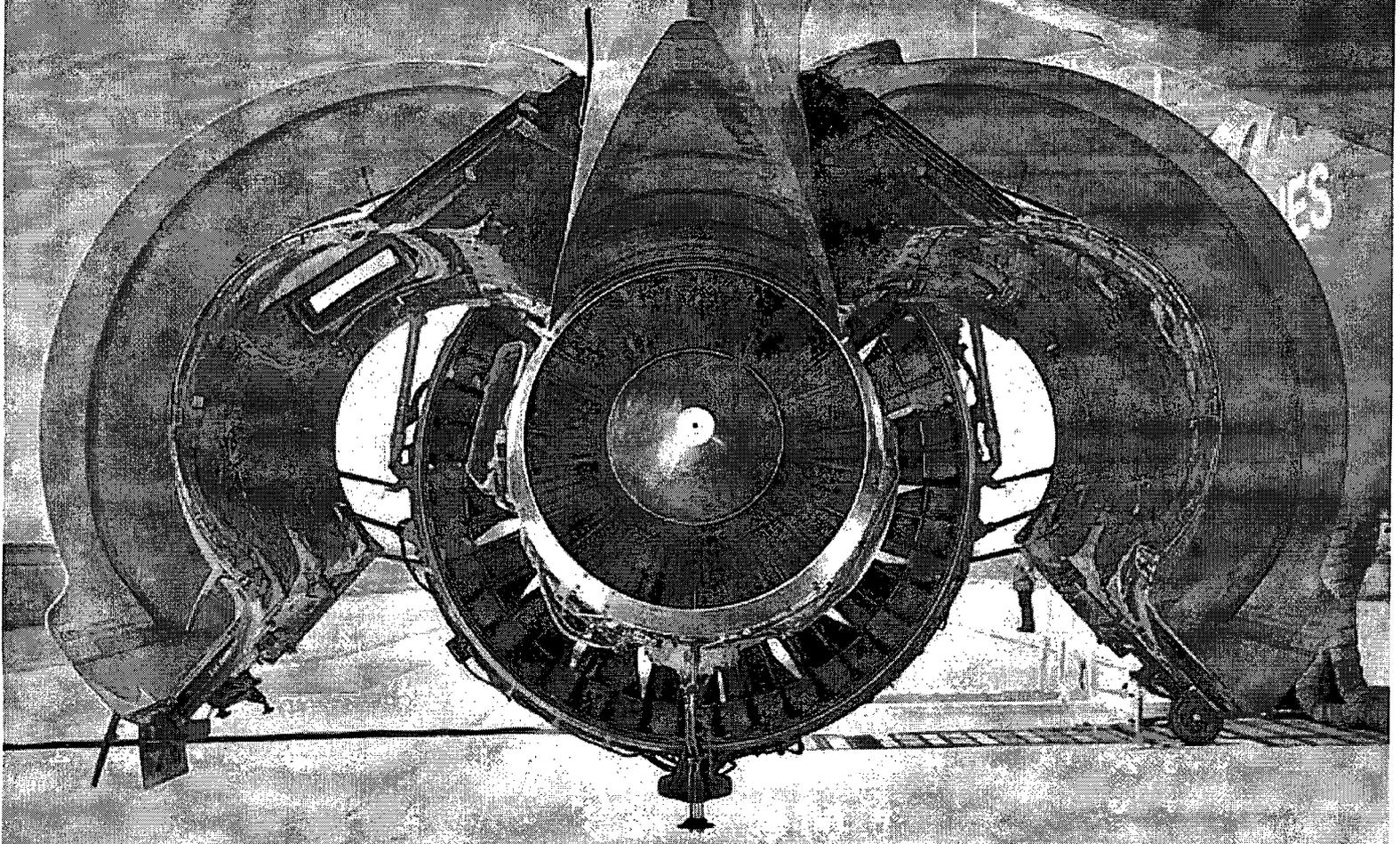
As a further guard against risk, and to ensure we are working with well-managed companies, all suppliers that sign contracts with Bombardier are required to adhere to our Supplier Code of Conduct, which we enforce on an ongoing basis. In 2013, we conducted 65 spot-checks (up from 22 in 2012), 20 internal audits and three third-party audits. No relevant breach of our Supplier Code of Conduct was reported. In the coming years, we will escalate our monitoring of supplier conduct, particularly in high-risk markets.

¹ A tier one supplier is a supplier that does business directly with Bombardier either as a build-to-print supplier or as a design-to-build supplier.



Pratt & Whitney PW1500G engine for CSeries aircraft

FLEXITY-2 tram interior



BUSINESS OPPORTUNITIES AND RISKS

KEY OPPORTUNITIES FOR BOMBARDIER

Positive economic forecasts, favourable industry trends and maturing product innovations offer Bombardier the opportunity for significant growth. Following are several of the biggest opportunities we see on the horizon and the steps we are taking to capitalize on them.

Global Economic Growth and Urbanization
Average worldwide gross domestic product (GDP) is forecast to increase at a rate of 3.2% through 2032.¹ Historically, as the global economy improves, demand for air travel increases, followed by an uptick in aircraft orders. As a result, we forecast that the worldwide business aircraft fleet will more than double in 20 years, from 14,875 aircraft at the end of 2012 to 30,975 in 2032.² And we expect the worldwide commercial 20- to 149-seat aircraft fleet to grow by more than 50%, from 10,900 aircraft at the end of 2012 to 16,700 aircraft in 2032.²

A particularly high rate of growth is expected in several markets that lack sufficient transportation infrastructure. In 2014 alone, China, India and the CIS are expected to grow by 8.0%, 5.4% and 3.2%,³ respectively. China is projected to become the third largest market for business jets, with estimates of 2,420 deliveries between 2013 and 2032.²

Along with this economic growth, we see a global trend toward urbanization. According to the McKinsey Global Institute, by 2025 the 600 largest cities will represent nearly 65% of world GDP.⁴ Rapidly expanding medium-sized and mega cities must mitigate major challenges in urban planning, pollution and traffic management by implementing optimized intra- and inter-city mass transportation systems.

Two of Bombardier's growth strategies aim to make the most of these opportunities:

- **Invest in Leading Mobility Solutions:** We have been investing heavily in a portfolio of new air and rail products, well timed to meet emergent demands. This includes the *CSeries*⁵ aircraft — specially designed for travel between medium-sized cities that are showing the greatest growth — as well as the *PRIMOVE*⁵ system, a flexible package of zero-emission e-mobility solutions that promises to dramatically boost the efficiency and performance of electric rail and road vehicles.
- **Grow Local Roots in Key Markets:** We have increased our presence in emerging markets such as China, Russia, India and Brazil so we are well positioned to meet new — and immediate — infrastructure needs. For example, in São Paulo, we are installing an *INNOVIA* monorail — a fast, environmentally friendly, above-ground transportation solution that will be constructed and operationalized far faster than an underground metro system.

Environmental Factors

Greater environmental consciousness among our customers and the public, as well as new government regulations and rising fuel prices, are driving a growing demand for sustainable transportation.

Oil prices are expected to decrease until 2017 and then subsequently increase as a result of expanding energy demand.⁶

We believe that high fuel costs will accelerate the retirement of old, less-efficient aircraft and increase demand for new, fuel-efficient aircraft.

Environmental demands create a particularly strong need for eco-friendly rail solutions. An International Union of Railways study showed that rail transportation is, on average, two-to-five times more energy-efficient than road, water or air transportation.

We are well positioned to meet global demand for more energy-efficient products, having implemented a thorough DfE approach and begun introducing more energy-efficient products across our portfolio. For example:

- Our *PRIMOVE* wireless charging system, currently being piloted in several locations around the world, could revolutionize buses — and even cars — by significantly reducing emissions and noise.⁵
- Among commercial aircraft, the *Q400 NextGen*, *CRJ NextGen* and the *CSeries* aircraft⁵ have all been designed to be more fuel-efficient than comparably sized aircraft on the market today. We have already seen that this is a significant selling point for customers.
- In business aviation, the new *Learjet 85* aircraft's aerodynamic wing design helps reduce fuel consumption and emissions.⁵

Product Regeneration Cycles

Product lifecycle trends are also working in our favour. Given the average age of planes currently operating around the world and technical obsolescence cycles, we expect more than 50% of commercial aircraft to be replaced in the next 20 years.⁷ Our entry-into-service schedule for attractive, energy-efficient products will dovetail with this impending demand for aircraft replacement.

Within the rail industry, we are seeing a similar drive for upgrade and replacement of aging fleets, especially in mature markets. For example, we are currently working on an order from the San Francisco Bay Area Rapid Transit (BART) District to replace its existing fleet with 775 new cars, at a total value of approximately \$1.5 billion.

1 IHS Global Insight, 2011 to 2013.

2 Bombardier Aircraft Market Forecast 2013-2032.

3 IHS Global Insight (2014), *Comparative World Overview*.

4 McKinsey Global Institute (2012), *Urban world: Cities and the rise of the consuming class*.

5 Product under development. Refer to disclaimer at end of report.

6 U.S. Energy Information Administration, *Annual Energy Outlook 2014 Early Release Report*.

7 Bombardier Aerospace's Profile, Strategy and Market presentation.

We are also using our existing continuous improvement systems to enhance project management capabilities. We remain focused on practicing strong and effective corporate governance to ensure we have the proper systems in place and are creating an environment of efficiency and accountability.

Product Demand

Many businesses face the risk of a decrease in demand due to changing market trends. In our industries, this risk is magnified because of the high upfront investment, particularly in the aerospace industry, and long lead time required to develop innovative mass transportation solutions. Our business results may be adversely affected if we invest in products that are not accepted in the marketplace, if customer demands or preferences change, if new products are not approved by regulatory authorities or if our products become obsolete.

To mitigate this risk, we engage extensively with current and potential customers to understand their present and future needs and tailor our products and services carefully to meet those requirements. Our engagement activities include customer-led advisory groups and advanced design consultations with customers on specifications such as aircraft sizing, wing sizing and passenger numbers. We use this knowledge to continually bring to market new product innovations that align with fast-growing market demand.

Liquidity Risks

We operate in a competitive and capital-intensive environment. In recent years, we continued to invest in industry-leading, cost-optimized products and solutions to improve our competitive position in the marketplace. We continuously monitor our level of liquidity, including available short-term capital resources and cash flows from operations, to ensure that we have the financial flexibility to meet expected liquidity requirements.

In evaluating our liquidity requirements, we take into consideration historic volatility and seasonal needs, the maturity profile of our long-term debt, the funding of our product development programs, the level of customer advances, working capital requirements, the economic environment and access to capital markets. We use scenario analyses to stress-test our cash flow projections.

We have adequate liquidity to continue to finance our product development and our operations in the foreseeable future.

KEY RISKS FOR BOMBARDIER¹

Active risk management has been one of our priorities for many years and is a key component of our corporate strategy framework. We have embedded risk management activities in the operational responsibilities of our senior management team and made these activities an integral part of our overall governance, planning, decision-making and organizational and accountability structure.

Every year, our Corporate Audit Services and Risk Assessment team assesses our major risks. Our senior managers and Board of Directors review this assessment and develop action plans to address and mitigate the identified risks. Some of the most critical business risks we are tracking and addressing include the following:

Product Development and Execution

In the past decade, we have increased the sophistication of our products, which brings added technical complexity. We will not compromise our products' quality and safety, nor our customers' satisfaction. To mitigate the risk of delays in product development and execution, we have increased focus on project governance:

- We have embedded a gateway process through which certain events are set to trigger subsequent actions and procedures. Should a gateway not be met according to schedule, it will trigger an action plan or decision-making process to correct the situation, modify the design or, as a last resort, terminate the program.
- We have placed an emphasis on hiring, cultivating and maintaining top talent.
- We have rolled out multiple new training programs, including several varieties of DfE training, for our engineers and other employees involved in product development.
- We closely monitor key aftermarket performance measures, including on-time delivery and off-the-shelf availability of parts worldwide.

Ethical and Legal Risks

As a global company engaging in public contracts with governments worldwide, we consider it essential not only to meet all applicable regulations, but to go above and beyond the letter of the law in order to become a trusted partner and vendor of choice. Failure to create an ethical culture weakens our ability to maintain and grow customer relationships and — in the event of a legal breach — could result in significant penalties.

We experienced some of the impacts of this risk when, in July 2013, along with other companies, Bombardier was named in an investigation into collusion in Brazil, related to the country's train and metro systems. We are fully cooperating with the ongoing investigation and intend to defend vigorously any charges.

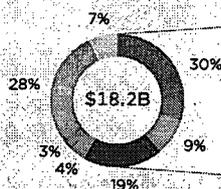
To ensure we are operating ethically everywhere we do business, we maintain a set of internal ethical codes, policies and systems. Our Code of Ethics and Business Conduct sets out clear and definitive standards of behaviour that all Bombardier Board members and employees are expected to follow. We reinforce these expectations with trainings, and in 2013, we completed in-person ethics training for all customer-facing employees. Our most recent biennial Control Environment Survey, conducted in 2013, indicated that our internal ethical management systems are strong.

¹ For more information on key risks for Bombardier, please refer to the Risk Management section of the 2013 Financial Report, p. 15.

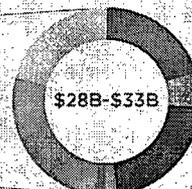
LOOKING AHEAD

Over the next five years, we expect our business strategy to lead us to a more balanced portfolio.¹
 We have set clear priorities to help us achieve this portfolio mix.

2013 REVENUES MIX



5 YEAR+ REVENUES MIX



- Rolling Stock
- Systems & Signalling
- Aerospace and Transportation Services
- Other (relates to Aerospace)
- Other Aircraft Manufacturing
- Business Aircraft
- Commercial Aircraft

LONG-TERM PRIORITIES¹

The below priorities will be our focus over the next five years to drive the greatest financial and societal value for our stakeholders.

- Target \$10-15 billion in additional annual revenues in a 5 year+ horizon, including related services revenues²
- Drive up the bottom line

**INVEST
IN LEADING MOBILITY
SOLUTIONS**

▼

Target 5% of revenues
in services in a 5 year+
horizon

Target \$8-12 billion in
additional revenues
annually from new aircraft
programs in a 5 year+
horizon, including related
services revenues

**GROW
LOCAL ROOTS
IN KEY MARKETS**

▼

Increase share
of revenues
coming from
outside
traditional
markets²

**ACHIEVE FLAWLESS
EXECUTION EVERY
STEP OF THE WAY**

▼

Deliver
on
commitments

**GREAT
TALENT
GLOBALLY**

- Develop the next generation of innovative engineers
- Increase hiring and promoting of local talent in key growth markets
- Increase the number of women in management positions from 16% in 2012 to 25% by 2018
- Maintain high levels of employee engagement

**STRONG
FINANCIAL
DISCIPLINE**

- Normalize level of net additions to property, plant and equipment and intangible assets to around \$1 billion annually by 2016

**ACTIVE
RISK
MANAGEMENT**

- Increase proactive monitoring of suppliers in high-risk markets
- Improve financial risk profile

**COMMITTED
CORPORATE SOCIAL
RESPONSIBILITY**

- Issue environmental product declarations for all new products by 2020
- Achieve 100% recoverability of all new products by 2025
- Lead the development of industry-wide standards for responsible sourcing and reporting
- Target zero occupational illness and injury
- Implement skills-based volunteering projects in key markets by 2020

¹ Refer to forward-looking statements at end of report. ² Traditional markets include Western Europe and North America.

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RECOGNITIONS AND AWARDS

.....

We are proud of the recognition we received in 2013
for delivering on our promise of The Evolution of Mobility.

**Canada's Best Corporate
Citizens Awards**
Ranked 11th on Corporate
Knights' list of 50 Best
Corporate Citizens in Canada

Canada's Top R&D Spender
Recognized as Canada's top
R&D spender by Research
Infosource

**CDP's Canada 200 Climate
Disclosure Leadership Index**
Achieved Industrials
leadership position for
climate change transparency

Corporate Reporting Awards
Received Award of Excellence in
our industry sector in Corporate
Reporting by Chartered Profes-
sional Accountants Canada for
our 2012 Annual and CSR Reports

**Dow Jones
Sustainability Indices**
Selected as index component in
Dow Jones Sustainability World
Index and Dow Jones Sustain-
ability North America Index and
named Industry Leader within
Aerospace and Defense Industry

ECPI Awards
Inducted into ECPI® Indices
for achievements in the areas
of environment, social and
governance

European Rail Congress'
Excellence in Technology Award
Won 'Excellence in Technology'
award for our *FLEXX* Tronic
WAKO system

Euronext Vigeo World 120 Index
Named to the Euronext Vigeo
World 120 index for corporate
responsibility leadership

**Excellence in Corporate
Responsibility Awards**
Won award in the Transporta-
tion category for our Design
for Environment approach to
product development

Germany's 100 Best Employers
Named one of the best
employers in Germany

Corporate Knights'
2014 Global 100 Index
Listed as the 24th most sustain-
able company in the world

International Innovation Awards
Won innovation award for
TrackSafe technology, designed
to improve the safety and
productivity of railway track
workers

IR Magazine Canada Awards
Won awards for Best Use of
Technology, Best in Sector
(Industrials) and Best Overall
Investor Relations — Mid Cap

Light Rail Awards
Won 'Manufacturer of the
Year' award at the 2013 Light
Rail Awards held in London

**Preferred Employer in
Northern France**
Awarded 2nd place ranking as
preferred employer in northern
France by French magazine
L'Express

Rail Business Awards
Won internal communications
excellence award for our 'Safety
with Attitude — let's just do it'
program

UITP¹ World Congress'
Innovation Award
Won award for 'Intermodal
Innovation in Latin America'
for our *INNOVIA* Monorail 300
system in São Paulo, Brazil

U.K. National Transport Awards
Recognized as 'Supplier of the
Year' for our support during the
2012 Olympics

**United Nations Global Compact
100 Stock Index**
Named to UN Global Compact
100 Stock Index for sustaina-
bility and financial performance

Urban Design Award
Won prestigious Veronica
Rudge Green Prize in Urban
Design from the Harvard
Graduate School of Design for
our light rail system for Metro
do Porto in Porto, Portugal

¹ The International Association
of Public Transport.

Forward-Looking Statements

This Activity Report includes forward-looking statements, which may involve, but are not limited to: statements with respect to our objectives, guidance, targets, goals, priorities, our market and strategies, financial position, beliefs, prospects, plans, expectations, anticipations, estimates and intentions; general economic and business outlook, prospects and trends of an industry; expected growth in demand for products and services; product development, including projected design, characteristics, capacity or performance; expected or scheduled entry-into-service of products and services, orders, deliveries, testing, lead times, certifications and project execution in general; our competitive position and the expected impact of the legislative and regulatory environment and legal proceedings on our business and operations. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "anticipate", "plan", "foresee", "believe", "continue", "maintain" or "align", the negative of these terms, variations of them or similar terminology. By their nature, forward-looking statements require us to make assumptions and are subject to important known and unknown risks and uncertainties, which may cause our actual results in future periods to differ materially from forecasted results. While we consider our assumptions to be reasonable and appropriate based on information currently available, there is a risk that they may not be accurate. For additional information with respect to the assumptions underlying the forward-looking statements made in this Activity Report, refer to the respective Guidance and forward-looking statements sections in Aerospace and Transportation of the 2013 Financial Report.

Certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include risks associated with general economic conditions, risks associated with our business environment (such as risks associated with the financial condition of the airline industry and 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; 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 values and increases in commodity prices). For more details, see the Risks and uncertainties section in Other of the 2013 Financial Report. Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. The forward-looking statements set forth herein reflect our expectations as at the date of this report and are subject to change after such date. Unless otherwise required by applicable securities laws, we expressly disclaim any intention and assume no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this Activity Report are expressly qualified by this cautionary statement.

Forward-looking statements for Aerospace are also based on:

- current firm order backlog and estimated future order intake;
- an increase in aircraft deliveries and improved pricing in fiscal year 2014 compared to fiscal year 2013;
- continued deployment and execution of strategic initiatives related to quality improvement and cost reductions;
- our ability to meet scheduled entry-into-service dates and planned costs for new aircraft programs;
- our ability to recruit and retain highly skilled resources to deploy our product development strategy;
- the ability of our supply base to support planned production rates; and
- stability of foreign exchange rates.

Forward-looking statements for Transportation are also based on:

- our current order backlog;
- the realization of upcoming tenders and our ability to capture them;
- normal contract execution and continued deployment and execution of leading initiatives, especially those linked to cost reductions, including operational improvement initiatives;
- a sustained level of public sector spending; and
- the ability of our supply base to support the execution of our projects.

Non-GAAP Financial Measures

This Activity Report contains both International Financial Reporting Standards (IFRS) and non-GAAP measures. Non-GAAP measures are defined and reconciled to the most comparable IFRS measures in the 2013 Financial Report. Reference to generally accepted accounting principles (GAAP) means IFRS, unless indicated otherwise. This Activity Report is also based on non-GAAP financial measures including EBIT before special items and free cash flow. These non-GAAP measures are mainly derived from the consolidated financial statements, but do not have a standardized meaning prescribed by IFRS; therefore, others using these terms may calculate them differently. Management believes that providing certain non-GAAP performance measures, in addition to IFRS measures, provides users of our consolidated financial statements with enhanced understanding of our results and related trends and increases transparency and clarity into the core results of our business. For definitions of these metrics and reconciliations to the most comparable IFRS measures, refer to the Non-GAAP financial measures and Liquidity and capital resources sections of the 2013 Financial Report.

- 1 Demand forecast is based on the analysis of main market indicators, including real GDP growth, industry confidence, wealth creation and profitability within our customer base, aircraft utilization, pre-owned business jet inventory levels, pilot scope clauses, environmental regulations, globalization of trade, replacement demand, new aircraft programs and non-traditional markets and their accessibility. For more details, refer to our 2013 Financial Report.

Disclaimer

The CSeries family of commercial aircraft, *Learjet 85*, *Global 7000* and *Global 8000* business aircraft programs, *ZEFIRO* train and *PRIMOVE* technology are currently in development, and as such are subject to changes in family strategy, branding, capacity, performance, design, and/or systems. All specification and data are approximate, may change without notice and are subject to certain operating rules, assumptions, and other conditions. This document does not constitute an offer, commitment, representation, guarantee or warranty of any kind.

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11
mature trees



490 KG
of waste, equivalent
to the contents of
10 garbage cans



10 GJ
of energy, equivalent
to the energy used
by 44,383 60W light
bulbs in an hour



4,484 KG
of CO₂, equivalent to
the annual emissions
of 1 car



39,938 LITRES
of water, equivalent to
one person's consump-
tion of water in 11 1/2 days



2 KG
of NO_x, equivalent to
the emissions of a truck
in 6 days

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Bloomberg

Bombardier CSeries Skips Paris as CEO Favors Flight Tests

By Frederic Tomesoh and Tim Catts - Mar 22, 2013

Bombardier Inc. (BBD/B) will forgo displaying its CSeries at the Paris Air Show in June in order to finish testing before the jetliner's first flight the same month, Chief Executive Officer Pierre Beaudoin said.

The world's third-largest planemaker reiterated its commitment to that timetable in a presentation to investors yesterday in New York. The goal is already six months later than Bombardier originally planned, a delay the company attributed to unspecified issues with suppliers.

"We plan to fly in June, but to go to an air show with an experimental airplane would take at least a month away from our flight-test program because we'd have to prepare it to go," Beaudoin said yesterday in an interview at Bloomberg headquarters in New York. "That's not the kind of expense that makes sense for investors in Bombardier."

The air show, held at Paris-Le Bourget Airport near the French capital, is the year's largest aviation and aerospace industry trade event. Customers such as airlines and lessors ordered more than 1,400 aircraft when it was last held in 2011.

The CSeries, with a \$3.4 billion development program, will be Bombardier's largest jet, capable of seating as many as 160 people and competing with the smallest jets produced by Airbus SAS and Boeing Co. (BA). The first flight-test craft was shown to reporters and investors two weeks ago at the company's Mirabel, Quebec, plant.

Atlantic Flight

"The notion of flying across the Atlantic just to showcase it didn't make much sense," Walter Spracklin, an analyst at RBC Capital Markets in Toronto, said in a telephone interview. "By the time of the air show, they will have just gotten the aircraft in the air, if that."

The CSeries isn't the only new jet that won't be making an appearance at the air show. Airbus's new A350 wide-body plane likewise won't make its first flight by then, Thomas Enders, CEO of Airbus parent European Aeronautic, Defence & Space Co., said two weeks ago.

"A better assessment is probably summer, July or August," Enders told reporters at a briefing in New York on March 7.

Beaudoin reiterated yesterday Bombardier's expectation that the CSeries will contribute \$5 billion to \$8 billion annually in new revenue starting in 2018. Altogether, the Montreal-based manufacturer said new products are expected to yield additional sales of as much as \$16 billion -- almost doubling its 2012 revenue of \$16.8 billion.

Bombardier's widely traded Class B shares fell 2.9 percent to C\$4.06 at the close in Toronto. The stock has gained 13 percent since Nov. 6, the day before the company disclosed the first-flight delay, outpacing the Standard & Poor's/Toronto Stock Exchange Composite Index. (SPTSX)

CSeries Orders

Bombardier has racked up 180 firm orders for the CSeries so far, and the company is on track to meet a goal of 300 by the time the plane enters service in mid-2014, the CEO said.

The CSeries will cost about 15 percent less to operate and burn about 20 percent less fuel than existing competitors, Bombardier has said. The plane will feature composite materials and the new geared turbofan engine from United Technologies Corp.'s (UTX) Pratt & Whitney.

The smaller CS100 model, with about 100 to 125 seats, sells for a list price of \$62 million, while the CS300, which will carry 135 to 160 people, sells for \$71 million, though airlines typically negotiate discounts.

Pricing Challenges

"When you sell before the first flight, the customers want discounts because they're taking a risk and there's only so much discount we're willing to give," Beaudoin said in the interview. "The first people who come to the CSeries are obviously getting a better price, but at some point we have to say it's enough and then we'll sell on the demonstrated merits of the product."

Bombardier expects setting prices to remain "challenging" for "probably another year or two," Guy Hachey, president of Bombardier's aerospace unit, told investors at the presentation.

As the company moves forward with the CSeries, Airbus and Boeing are developing reworked versions of their own narrow-body planes, the 737 Max and the A320neo, which will be powered by more fuel-efficient engines.

Bombardier said last year it expects that 6,900 aircraft seating 100 to 149 people will be delivered globally between 2012 and 2031.

Besides the 180 firm orders, Bombardier also has commitments for at least 200 CSeries jetliners.

Jet Lessors

“We know an airplane will have a long life and better residual value if it has wide distribution of its customers across the world, and many customers,” Beaudoin said. “So it’s important for us to get landmark names in terms of airlines, but also to get many airlines in different countries.”

Delivery slots for the CSeries are sold out for 2014 and 2015 and “almost” sold out for 2016, Hachey said.

Bombardier’s most recent sale was Feb. 20, when Russian leasing company Ilyushin Finance Co. converted a letter of intent into an order valued at about \$2.56 billion at catalog prices.

Ilyushin is “going to help us get the CSeries in Russia and sell it,” Hachey said. “They are the largest lessor in Russia.”

Over time, Bombardier expects leasing companies to account for 30 percent to 40 percent of all CSeries aircraft sold globally, Hachey said.

Leasing companies are key “because when an airline buys product, it will buy some and lease some,” Beaudoin said. “Getting that right balance is important. For me it’s not only about selling to one airline, it’s also planning it well because we’re in this for 20 years.”

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For Release: Tuesday, August 5, 2014, 3:30 p.m. SGT

General Motors Opens New Regional Headquarters in Singapore

GM International will support transformation of business across the region

SINGAPORE – General Motors officially opened its new regional headquarters today in Singapore. General Motors International will support the transformation of GM's business in its six key markets of Africa, Australia, India, the Middle East, Southeast Asia and South Korea.

GM President Dan Ammann and GM Executive Vice President and President, GM International, Stefan Jacoby officiated at the opening ceremony with the company's key stakeholders and local employees. The Singapore headquarters has approximately 200 employees, including 100 new local hires.

"GM International plays a critical role in our future growth strategy," said Ammann. "We're creating a renewed identity for the region. Establishing this headquarters in Singapore has put us closer to our key markets and will provide links to the broader business community as well as access to world-class infrastructure and talent."

"We are pleased that GM has chosen Singapore to set up their International headquarters. As Asia's burgeoning middle class fuels rapid growth in demand for automobiles, global companies like GM are choosing to leverage Singapore's well-established and unique ecosystem of logistics infrastructure, supply chain management talent and professional services to drive their regional strategy and capture the growth of the automotive segment in Asia," said Mr. Quek Swee Kuan, Deputy Managing Director, Singapore Economic Development Board.

"Whether in a mature or emerging market, everything starts and ends with great product," said Jacoby. "GM International is focused on becoming a strong competitor with our five brands – Chevrolet, GMC, Cadillac, Opel and Holden. The Singapore team will work closely with our individual markets to help drive their success, as we continue to launch 40 new models across the region by the end of 2015 and to define the strategy for our future presence in these important markets."

General Motors Co. (NYSE:GM, TSX: GMM) and its partners produce vehicles in 30 countries, and the company has leadership positions in the world's largest and fastest-growing automotive markets. GM, its subsidiaries and joint venture entities sell vehicles under the Chevrolet, Cadillac, Baojun, Buick, GMC, Holden, Jiefang, Opel, Vauxhall and Wuling brands. More information on the company and its subsidiaries, including OnStar, a global leader in vehicle safety, security and information services, can be found at <http://www.gm.com>

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News Release

P&G Accelerates Innovation in Asia with Newest Research Center in Singapore

Grand opening of P&G's third high tech innovation center in the region underscores commitment to delivering superior consumer value

Singapore, March 28, 2014 – Procter & Gamble (NYSE:PG), the makers of the world's first disposable diaper and safety razor, today renewed its commitment to creating a better life for the 4.8 billion consumers it serves worldwide with the opening of its newest research facility, the Singapore Innovation Center at Biopolis.

Housing 254 advanced research laboratories, the Center will be an international innovation center for P&G's global hair care, skin care, fragrances, fabric care, home care and health and grooming products, combining the latest technologies with deep consumer insights to drive innovation for consumers across the world.

P&G's Singapore Innovation Center, the country's largest private research facility, was inaugurated by Tharman Shanmugaratnam, Singapore Deputy Prime Minister and Minister for Finance; Kirk Wagar, US Ambassador to Singapore; Leo Yip, Chairman of the Singapore Economic Development Board; Lim Chuan Poh, Chairman of the Agency for Science, Technology and Research (A*STAR); and Dr Loo Choon Yong, Chairman of JTC Corporation, together with senior P&G executives.

Speaking at the opening, Kathleen Fish, Chief Technology Officer, P&G said, "Innovation has always been, and continues to be, our lifeblood. We are inspired every day to deliver innovations that create and redefine product categories. The new Singapore Innovation Center unites P&G's best-in-class R&D and consumer research capabilities to generate new product formulations, advanced packaging and prototypes – uniquely designed to deliver superior value for consumers in Asia and the rest of the world."

Unveiling State-of-the-Art Facilities

P&G's holistic innovation process begins with gaining new insights at the Center's model consumer home, where scientists engage with consumers to discover unmet needs. Then state-of-the-art laboratories conduct advanced biochemical, molecular and genomics research in 18 fields of study for some of P&G's billion dollar brands such as Pantene® and SK-II®.

Fulfilling Asian women's quest for radiant skin is one of the key focus areas of the Innovation Center's skin care research. Scientists at the Center are setting a new standard in skin research, using advanced imaging analysis to discover a scientific basis for radiant, glowing skin. All of P&G's hair conditioner technology for leading brands including Head & Shoulders® and Pantene®, will be designed at the Singapore Innovation Center. At the Wella® Salon, experts will conduct product testing of hair color products for applications in different markets around the world.

Research and innovation at the Center extends to producing prototypes and packaging innovations to enable quicker testing, reformulation and launch of the latest products for consumers. The Center's pilot manufacturing plant will produce small batches of products for rapid, small-scale consumer testing. Advanced prototype packaging designs will also be developed using some of the latest commercial, multi-material 3D printers used in the industry today.

With the ability to mix a perfume 40 times faster than conventional methods, a fragrance compounding robot at the Center helps scientists accelerate the product development cycle of skincare for leading global fashion brands as well as the company's beauty and home care products.

Keeping with P&G's sustainability goals, the Innovation Center is a zero waste site where waste is reused, recycled or is used for energy recovery instead of being sent directly to landfills. A Silver LEED certified and Green Mark building, the Center uses renewable power that is generated within the facility.

Accelerating Innovation in Asia

Asia continues to be a key market for P&G, serving more than two billion consumers with a portfolio of 25 brands including 22 billion-dollar brands. Globally, P&G invests more than US\$2 billion each year in R&D and more than US\$350 million in consumer understanding.

"We are delighted that P&G has chosen to locate their strategic innovation centre in Singapore. Today's opening is testament to Singapore's success in developing a world-class Consumer Businesses industry - one where companies like P&G can tap on our industry and innovation capabilities to create home & personal care products that meet the unique needs of Asian consumers," said Mr. Leo Yip, Chairman, Singapore EDB.

At the heart of the Center's innovation capabilities are its 500 employees comprising researchers, engineers and Ph.D.'s. P&G also aims to develop next generation capabilities and the future generation of innovators in Singapore.

The Innovation Center will leverage P&G's Master Research Collaboration Agreement with A*STAR to combine P&G's deep consumer understanding with A*STAR's state-of-the-art expertise in multi-disciplinary sciences and promote knowledge sharing. The agreement is one of P&G's largest public-sector research partnerships, and will accelerate collaborations with Singapore research, medical and educational institutions for five years and generate up to S\$60 million in joint funding.

"A*STAR welcomes P&G to Biopolis and we are pleased to partner with P&G in its innovation drive to better serve consumers in Asia and beyond. From the start of our partnership eight years ago, to our Master Research Collaboration Agreement in 2010 to our newest multi-million, multi-year agreement in 2013, we have been rapidly growing our partnership with P&G to more R&D institutions, hospitals and academe. This is a testament to how private companies can leverage the research capabilities of A*STAR and Singapore through open innovation. It also attests to Singapore's position as Asia's Innovation Capital," said Mr Lim Chuan Poh, Chairman, A*STAR.

Procter & Gamble

P&G serves approximately 4.8 billion people around the world with its brands. The Company has one of the strongest portfolios of trusted, quality, leadership brands, including Pampers®, Tide®, Ariel®, Always®, Whisper®, Pantene®, Mach3®, Bounty®, Dawn®, Fairy®, Gain®, Charmin®, Downy®, Lenor®, Iams®, Crest®, Oral-B®, Duracell®, Olay®, Head & Shoulders®, Wella®, Gillette®, Braun®, Fusion®, Ace®, Febreze®, Ambi Pur®, SK-II®, and Vicks®. The P&G community includes operations in approximately 70 countries worldwide. Please visit <http://www.pg.com> for the latest news and in-depth information about P&G and its brands.

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