

NOTE 24. COMMITMENTS AND CONTINGENCIES (CONT'D)

customer. The Corporation's maximum exposure to projects for which the exposure of the Corporation is capped, amounts to approximately \$1.5 billion as at January 31, 2004. For projects where the exposure of the Corporation is not capped, such exposure has been determined in relation to the Corporation's partners' share of the total contract value. Under this methodology, the Corporation's exposure would amount to approximately \$1.0 billion as at January 31, 2004. Such joint and several obligations and guarantees have been rarely called upon in the past, and no significant liability has been recognized in the Consolidated Financial Statements in connection with these obligations and guarantees.

In the normal course of its business, the Corporation has entered into agreements that include indemnities in favour of third parties, mostly tax indemnities. These agreements generally do not contain specified limits on the Corporation's liability and therefore, it is not possible to estimate the Corporation's maximum potential exposure under these indemnities.

Sale and leaseback

BC and Bombardier concluded third-party sale and leaseback transactions mostly relating to freight cars, which in most instances were simultaneously leased to operators. Details of minimum lease payments as at January 31, 2004 were as follows:

	RENTAL PAYMENTS	RESIDUAL VALUE GUARANTEES	TOTAL
2005	\$ 95	\$ –	\$ 95
2006	95	–	95
2007	95	32	127
2008	90	–	90
2009	84	–	84
Thereafter	1,079	–	1,079
	\$1,538	\$ 32	\$1,570

Minimum lease payments include \$1,518 million for freight cars, \$4 million for pre-owned aircraft, \$2 million for transportation rail equipment and \$46 million for other equipment.

Expected minimum sub-lease rentals from operators and the net benefit of the estimated resale value of the equipment approximate the amount of minimum lease payments.

Operating leases

The Corporation leases buildings and equipment and assumes aircraft operating lease obligations on the sale of new aircraft. The related minimum lease payments and the residual value guarantees for the next five years and thereafter are as follows:

	BUILDINGS AND EQUIPMENT	AIRCRAFT	RESIDUAL VALUE GUARANTEES	TOTAL
2005	\$ 159	\$ 74	\$ –	\$ 233
2006	129	63	5	197
2007	111	50	–	161
2008	96	36	–	132
2009	77	29	–	106
Thereafter	533	48	100	681
	\$1,105	\$ 300	\$105	\$1,510

Other commitments

As at January 31, 2004, the Corporation had commitments under agreements to outsource a significant portion of its information technology function in the aerospace and transportation segments requiring minimum annual payments as follows:

2005	\$ 257
2006	231
2007	214
2008	187
2009	161
Thereafter	52
	\$1,102