

## Consolidated statements of cash flows

FOR THE YEARS ENDED JANUARY 31  
(MILLIONS OF CANADIAN DOLLARS)BOMBARDIER INC.  
CONSOLIDATED

BOMBARDIER

BC

	NOTES	2004	2003	2004	2003	2004	2003
<b>Operating activities</b>							
Income (loss) from continuing operations		\$ (195)	\$ (709)	\$ (195)	\$ (709)	\$ 44	\$ 63
Non-cash items:							
Depreciation and amortization		793	806	660	626	133	180
Income from BC		—	—	(44)	(63)	—	—
Provision for credit losses	4	81	120	—	—	81	120
Deferred income taxes	19	96	(353)	102	(387)	(6)	34
Loss on disposals of property, plant and equipment		5	—	5	—	—	—
Stock-based compensation expense		4	—	4	—	—	—
Special items	18	429	1,311	429	1,311	—	—
Net changes in non-cash balances related to operations	21	(1,796)	647	(1,707)	553	(89)	94
Cash flows from operating activities		(583)	1,822	(746)	1,331	163	491
<b>Investing activities</b>							
Additions to property, plant and equipment		(416)	(721)	(412)	(708)	(4)	(13)
Disposals of property, plant and equipment		164	88	142	72	22	16
Net decrease in finance receivables		2,047	1,048	—	—	2,047	1,048
Additions to assets under operating leases		(313)	(1,597)	—	—	(313)	(1,597)
Disposals of assets under operating leases		770	1,847	—	—	770	1,847
Disposals of assets held for sale	2	190	—	190	—	—	—
Disposal of discontinued operations, net of cash disposed	2	740	—	740	—	—	—
Investment in BC and advances and subordinated loans to Bombardier		—	—	778	185	(778)	(185)
Other		(597)	(20)	(161)	(27)	(436)	7
Cash flows from investing activities		2,585	645	1,277	(478)	1,308	1,123
<b>Financing activities</b>							
Net variation in short-term borrowings		(2,035)	(1,787)	(366)	(1,079)	(1,669)	(708)
Proceeds from issuance of long-term debt		1,286	2,299	56	893	1,230	1,406
Repayments of long-term debt		(1,504)	(2,175)	(192)	(35)	(1,312)	(2,140)
Issuance of shares, net of related costs	14	1,174	250	1,174	250	—	—
Dividends paid		(189)	(278)	(189)	(278)	—	—
Cash flows from financing activities		(1,268)	(1,691)	483	(249)	(1,751)	(1,442)
Effect of exchange rate changes on cash and cash equivalents		69	(321)	76	(450)	(7)	129
Cash flows from continuing operations		803	455	1,090	154	(287)	301
Cash flows from discontinued operations	2	(227)	125	(227)	125	—	—
Net increase (decrease) in cash and cash equivalents		576	580	863	279	(287)	301
Cash and cash equivalents at beginning of year		1,043	463	742	463	301	—
Cash and cash equivalents at end of year <sup>(1)</sup>		\$ 1,619	\$ 1,043	\$ 1,605	\$ 742	\$ 14	\$ 301
<sup>(1)</sup> Includes the following:							
Cash and cash equivalents related to:							
Continuing operations		\$ 1,619	\$ 1,014	\$ 1,605	\$ 713	\$ 14	\$ 301
Discontinued operations		—	29	—	29	—	—
		\$ 1,619	\$ 1,043	\$ 1,605	\$ 742	\$ 14	\$ 301
<b>Supplemental information</b>							
Cash paid for:							
Interest		\$ 530	\$ 493				
Income taxes		\$ 78	\$ 63				

The accompanying summary of significant accounting policies and notes are an integral part of these Consolidated Financial Statements and provide information on the financial statement presentation.