

BOMBARDIER SAYS BUSINESS JET SALES SET TO REBOUND

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Bombardier expects business-jet sales could rebound as soon as the second half, getting a boost from US demand as the economy gains traction.

"We are confident that we are at the bottom or close to the bottom. Moving forward, it should be better," said the chief Executive Alain Bellemare. "I don't know if it's going to be the second half of 2017 or 2018."

Sluggish demand for private jets has weighed on the Montreal-based company, which produces Learjets and the Global family of planes, as Mr Bellemare steps up efforts to recover from two years of shrinking revenue and three straight annual losses. With Bombardier's shares falling to a 26-year low in 2016, Mr Bellemare announced about 14,500 job cuts to overcome cost overruns and a delay of more than two years in developing the CSeries jetliner.

A comeback for private planes "depends on the US economy," he said. "As you see great earnings from large corporations in the US, normally there's a direct correlation between that and business-

aircraft sales." Bombardier valued its business-jet backlog at US\$15.4 billion at the end of December, down from \$17.2bn a year earlier.

"Business-jet demand should benefit from the post-election stock surge and shift away from Obama's anti-bizjet rhetoric," said the Cowen & Co analyst Cai von Rumohr.

Bombardier on Thursday reported an adjusted loss of 7 cents a share for the fourth quarter as sales fell in the company's biggest divisions: business aircraft and trains. The figure fell short of the 3-cent average estimate in a Bloomberg survey of analysts. Sales also missed predictions, tumbling 13 per cent to \$4.38bn.

The company expects to deliver 135 business aircraft this year, contributing \$5bn in revenue. That would be down from 163 deliveries and sales of \$5.7bn last year.

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