



BOMBARDIER SAYS LOWER JET PRODUCTION TO HURT 2016 REVENUE

News / Manufacturer



Canadian plane and train maker **Bombardier** Inc said **lower production** of its business jets — Global 5000 and Global 6000 — **will drive down revenue in 2016.**

The company, which is scheduled to hold an investor day on Tuesday, said it expects its liquidity position to be strong in 2016, helped by investments from Quebec pension fund Caisse de depot et placement du Quebec and the government of Quebec.

Bombardier said 2016 earnings before interest and tax will also be hurt due to the CSeries program ramp-up.

The business jet division has been a key source of cash flow for the company, which is spending heavily to develop the narrow-body, medium-range CSeries.

But in May, Bombardier said it would cut production of Global 5000 and 6000 jets, citing weak demand from China, Latin America and Russia.

The Quebec government agreed to inject \$1 billion into the company's CSeries program, followed by Caisse saying last week that it will buy a 30 percent stake in Bombardier's rail business for \$1.5 billion.

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SOURCE: REUTERS

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