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<b>Name</b>	Las Vegas Monorail
<b>Location</b>	Las Vegas, Nevada
<b>Mode</b>	Rail transit
<b>Description</b>	<p>The Las Vegas Monorail Company, a non-profit public benefit corporation (501 C4 corporation) has 50-year county franchise to upgrade &amp; extend existing Bombardier Mark IV monorail.</p> <p>Monorail will serve the heart of the resort corridor, east of Las Vegas Boulevard, linking the MGM Grand hotel-casino with the Sahara hotel-casino.</p> <p>6.4 km (four miles) of elevated dual-monorail guideway will connect seven stations and integrate two existing stations.</p> <p>Re-equipping the 1.6-km (one-mile) guideway of the MGM-Grand Bally's former monorail line.</p> <p>36-car monorail fleet will be operated in nine 4-cars trains.</p> <p>Direct service to eight major resort properties and the Las Vegas convention center.</p> <p>Expected to carry 19 million passengers the first year.</p>
<b>Sponsor</b>	<p>The Las Vegas Monorail Company  State of Nevada Dept. of Business and Industry  Clark County (franchise and ROW)  Nevada DOT (ROW)</p>
<b>Cost</b>	\$650 million
<b>Type of Finance</b>	Tax exempt revenue bonds, issued by Salomon Smith Barney and Nevada Dept. of Business and Industry
<b>Revenue Sources</b>	Future ridership (fares) and Advertising Revenues
<b>Project Delivery / Contract Method</b>	DBOM
<b>Private Investor Partner</b>	<p>MGM-Bally's Monorail LLC  MGM Mirage  Park Place Entertainment (Hilton Gaming, Caesars World and Grand Casinos)</p>
<b>Project Advisors</b>	<p>Booz Allen / G.C. Wallace  Public Resources Advisory Group  Orrick Harrington  Broadbent &amp; Walker  Nossaman, Guthner, Knox &amp; Elliott, LLP  Public Financial Management Consultants  URS Greiner  Carter &amp; Burgess</p>

	Stradling Yocca Carlson Rauth Wilbur Smith
<b>Lenders</b>	Bondholders
<b>Physical Status</b>	Expected completion: 2004
<b>Financial Status</b>	Changes to the financing are not anticipated, but may occur under different circumstances.
<b>Innovations</b>	<p>First urban grade fixed guideway system to be privately financed in the U.S.</p> <p>MGM Grand-Bally's Monorail Limited Liability Company is the first joint venture between competing hotels/casinos</p> <p>Enabling law S.B. 333 passed 8/97</p>
<b>Related Links / Articles</b>	<p><u>Moody's Credit Rating*</u></p> <p><u>FITCH Rating Report for First-Tier Series 2000 Revenue Current Interest Bonds and Capital Appreciation Bonds**</u></p> <p><u>Bombardier project description</u></p> <p><u>Coverage in MetroMagazine</u></p> <p><u>Channel 2000 project coverage</u></p> <p><u>Las Vegas Sun coverage</u></p> <p><u>Las Vegas Monorail homepage</u></p>
<b>Contacts</b>	<p>Todd Walker Las Vegas Monorail Company 3800 Howard Hughes Parkway Suite 920 Las Vegas, NV 89109 Tel. (702) 731-4055 <a href="mailto:todd@lvnvmonorail.com">todd@lvnvmonorail.com</a></p>
<b>Last Review/Update</b>	Las Vegas Monorail Company, May 2002



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April 04, 2003

## Vegas monorail contractor Bombardier to restructure

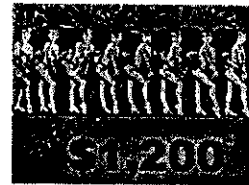
**By Bernard Simon**  
NEW YORK TIMES NEWS SERVICE

TORONTO -- Less than three months after taking the helm at Bombardier Inc., the troubled Canadian aircraft and railroad car manufacturer, Paul M. Tellier outlined a series of measures on Thursday, including hefty write-downs, an equity issue and a dividend cut.

Saying he needed to address a "crisis of confidence" at Bombardier, Tellier said his top priority was to change the culture of the family-controlled company to focus more on profits than growth. He added that Bombardier also aimed to raise more than 1.5 billion Canadian dollars (\$1 billion) from the sale of several businesses, including the leisure craft division, whose products include the snowmobiles that Joseph-Armand Bombardier began building in Quebec more than 60 years ago.

As a result of the write-downs, the company, based in Montreal, reported a loss of 615.2 million Canadian dollars for the fiscal year, ending Jan. 31, compared with earnings of 36 million Canadian dollars in the previous 12 months. Revenue grew 8.5 percent, to 23.7 billion Canadian dollars.

Bombardier is the main contractor for the \$650 million Las Vegas Monorail, which is under construction. Bombardier in September 2000 received a \$256 million contract for its portion of the Monorail construction work and for operating the system for five years.



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Bombardier, the world's third-biggest aircraft maker and a Canadian business icon, has experienced setbacks on several fronts in the past two years. Its widely held class B stock has tumbled from a peak of over 25 Canadian dollars on the Toronto Stock Exchange less than three years ago to a low of 2.58 last month. The shares gained 17 Canadian cents on Thursday, closing at 3.75 Canadian dollars.

Douglas Davis, president of Davis-Rea, a Toronto portfolio manager, said, "This is one of Canada's great companies trying to turn itself around." But "it's a difficult environment," said Davis, who said his company had disposed of most of its Bombardier stock. "What you have now is a speculative investment; you're speculating on the ability of Paul Tellier to turn it around."

Tellier, a motorcycle enthusiast who gained a reputation for decisiveness and at times ruthlessness in a 10-year stint as chief executive of the Canadian National Railway, told analysts on Thursday that Bombardier "is a good company, but some points need fixing."

Since taking over in January, Tellier has also made several senior management changes, including naming a new chief financial officer.

He said the company would focus in the year ahead on consolidation, not growth. "It's not a question of selling more aircraft or more trains," he said, "it's a question of making sure that the sales are profitable."

Bombardier's aerospace business has been hit by a sharp downturn in demand for corporate jets, as well as slower orders for its CRJ commuter jet, as a result of financial difficulties at many of its airline customers.

The company received orders for 38 commuter jets in the year to Jan. 31, down from 209 the previous year. Deliveries of its Challenger, Learjet and Global Express business jets fell from 162 to 77.

"They're getting hammered in the market just like every other manufacturer is," said Barbara Beyer, president of Avmark, a consulting firm based in Arlington, Va. Other analysts, however, have held

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out hope that the restructuring of major airlines will increase demand for small, relatively flexible commuter jets.

Meanwhile, Bombardier's rail division has been embroiled in legal disputes in Europe and the United States, including a disagreement with Amtrak over defects in the Acela high-speed trains supplied by Bombardier and its French partner, Alstom.

Bombardier's pension fund has a large deficit, and a unit that finances sales of the company's products holds a large portfolio of risky debt. Under the plan announced on Thursday, the company will withdraw from rail car leasing and business aircraft financing, and cut back its financing of commercial aircraft.

Investors have also criticized aspects of Bombardier's corporate governance, including changes in accounting methods that have made it difficult to compare present and past performance, as well as a two-tier share structure that allows the Bombardier family to own only 20 percent of the equity, but control 63 percent of the voting stock. Tellier said the Bombardier family would retain its voting control.

The write-offs announced on Thursday have reduced shareholder equity by almost 2 billion Canadian dollars, to 2.7 billion Canadian dollars, jeopardizing bank covenants that require the company to trim its debt-equity ratio to 50 percent before April 30.

However, Tellier said banks had agreed to a temporary relaxation of the covenants, allowing the ratio to rise to 70 percent in the current quarter and 60 percent for the six months after that.

The company will be recapitalized through the planned asset sales; a share issue, which is expected to raise at least 800 million Canadian dollars; and the dividend cut. Dividends for the 2004 fiscal year are expected to be about half the level paid out last year.

Separately, the family on Thursday expressed interest in buying the leisure craft division, which, besides snowmobiles, makes Johnson and Evinrude powerboat engines.

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Tellier said he foresaw that Bombardier would soon start reporting in U.S. dollars and would move to U.S. accounting principles as a prelude to seeking a listing on the New York Stock Exchange. "Everything is not going to become perfect overnight," he said, "but we're on the right track."

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