VLJs Panel: What is the European Business Model?

Phenom 100 and the European market

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This presentation includes forward-looking statements or statements about events or circumstances which have not occurred. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting our business and our future financial performance. These forward-looking statements are subject to risks, uncertainties and assumptions, including, among other things: general economic, political and business conditions, both in Brazil and in our market.

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Air Transportation
Industry Highlights
Air Transportation Industry Highlights

- Traditional Commercial Offer
- Transportation Alternatives
- Airline Premium Service Initiative
- New Operation Models

- Hassle factor
- Small cities:
  - Low frequencies
  - No direct flights
- Reduced premium offers

2005

Business Aviation Growth

Airline Short-haul Premium Service

2007

Branded Charter

Air Taxi
European commercial flight scenario

Increasing Hassle Factor

- Terrorist Attack U.S. 9/11
- Terrorist Plot Heathrow 8/10

- Increased airport security worldwide
- Tighter airport security at European airports
- 150% traffic increase at Biggin Hill Airport
- 100% increase in charter demand

- 13% rise in delays in 2005
- 4.1% traffic increase

Increasing Air Travel Demand & Congestion

Flight delays and hassles expected to increase

European charter demand has enjoyed strong growth
  - Charter operator revenues increased 26% in 2006, on average
  - Demand is expected to continue to increase, especially in growing markets like Russia

Charter operators are concerned about costs
  - Fuel prices continue to increase
  - Expensive landing and handling fees at some airports

European charter prices have increased

NetJets Europe Growth

- Growth of 1,250% since 2002
- 2005: 27 new aircraft deliveries
- 2006: 113 aircraft total fleet and new aircraft acquisition
- Current customer base of more than 1,000

JetCards

- Offered in Europe by Skyjet, NetJets Europe, Air Partner and Chauffair Share

Sources: www.netjetseurope.com; www.rati.com
Airlines and Business Aviation Synergy

Lufthansa Private Jet case

- Launched in 2005 for long-haul flights
- Launched program with NetJets Europe in 2006
- 10 flights/day expected in 2007 and growing
- Point-to-point flights are being currently offered

The right VLJ can fill the gap

Sources: CharterX; Expedia
Industry Answer: Business Models Evolution

Yearly Total Cost

Cost

- Branded Charter
- New Business models
- Air Taxi

Traditional Ownership
Aircraft Management
Fractional Ownership
Used Fractional
Jet cards memberships
Charter On-Demand
Scheduled Charter
“Bizav” Airline

Commercial Aviation

Source: Embraer (adapted from Jet Solutions)
Deliveries continue growing, particularly in the VLJ segment.
EMEA Bizjet Deliveries Forecast (2007-2016)

2,125 executive jets → US$ 41 billion in the next 10 years
EMEA VLJ Deliveries Forecast (2007-2016)

- Traditional Business Market: 412 Aircraft
  - Top-Down Analysis: Econometric Model
  - Bottom-up Analysis: Regional Analysis

- New Business Models Fleet: 600 - 650 Aircraft
  - Top-down Analysis: Business Travelers Assessment

VLJ EMEA Deliveries Forecast → 1,012 – 1,062 Aircraft
Phenom 100 Applicability
Phenom™ 100 – Design Drivers

- Premium comfort
- Outstanding performance
- Docile flying characteristics
- Next generation engines
- Human factors

Business Aviation Focus

+ Designed for high utilization
+ High availability
+ Low operating cost

Commercial Aviation Experience

Competencies uniquely position Embraer to deliver design drivers
Phenom™ 100 – Design Drivers

Seamless cockpit & cabin design
Preliminary data

** 4 occupants @ 200 lb, NBAA IFR reserves (100 nm alternative, 35 min)
** 4 occupants @ 200 lb, VFR 45 min reserves
*** MTOW, ISA, Sea Level

Range* 1,160 nm
VFR range ** 1,320 nm
MMO Mach 0.70
Max ceiling FL 410
TOFL*** 3,400 ft

* 4 occupants @ 200 lb, NBAA IFR reserves (100 nm alternative, 35 min)
** 4 occupants @ 200 lb, VFR 45 min reserves
*** MTOW, ISA, Sea Level
Economic Life – Typical Utilization over 10 years

- **Air Taxi** (20,000)
- **Fractional** (12,000)
- **Charter & Branded Charter** (8,000)
- **Private Owner** (2,000)

**Preliminary data**

**VLJ (nearest competitor)**

**Phenom 100**

EXTENDED LIFE

Favors Residual Value
# Traditional Market vs New Business Models

<table>
<thead>
<tr>
<th></th>
<th>Current Charter</th>
<th>Branded Charter</th>
<th>Air Taxi (per seat on demand)</th>
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</thead>
<tbody>
<tr>
<td><strong>Price Strategy</strong></td>
<td>Per aircraft</td>
<td>Per aircraft</td>
<td>Per seat</td>
</tr>
<tr>
<td></td>
<td>Round trip</td>
<td>One way</td>
<td>One way</td>
</tr>
<tr>
<td><strong>Operation Region</strong></td>
<td>Unlimited</td>
<td>Pre determined</td>
<td>Pre determined</td>
</tr>
<tr>
<td><strong>Fleet Ownership</strong></td>
<td>85% managed aircraft</td>
<td>Wholly owned</td>
<td>Wholly owned</td>
</tr>
<tr>
<td><strong>Fleet Composition</strong></td>
<td>Various models</td>
<td>Single aircraft type</td>
<td>Single aircraft type</td>
</tr>
<tr>
<td><strong>Utilization (FH/year)</strong></td>
<td>600 - 800</td>
<td>1,000 – 1,500</td>
<td>1,000 – 2,000</td>
</tr>
</tbody>
</table>

The Phenom Jets fit well in the new business models
Phenom 100 - Filling the Gap

Phenom 100 tapping the gap

Sources: CharterX; Expedia
Case Study: Mission Zurich to Bremen

Branded Charter with Phenom 100: 64% time savings

Source: CharterX, Expedia, April/07
Why New Business Aviation Models Now?

Right Product Availability

New Business Models Feasibility

Increasing Demand for Convenient Air Travel

Demand Dynamics

Industry Offer Evolution
Phenom 100: Design becomes reality
Phenom 100® Program Progress

<table>
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<tr>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
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<tr>
<td>Q3</td>
<td>Q4</td>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
</tr>
</tbody>
</table>

- **2004**: Business Case Approval
- **2005**: Business Plan Preparation, Business Plan Approval
- **2006**: Joint Definition Phase
- **2007**: First Metal Cut, Sub-Assembly, Final Assembly (on schedule), First Flight, Entry Into Service
- **2008**: Program on schedule

Program on schedule
The world also discovers Phenom Jets

Phenom Jets – over 400 firm orders in 30 countries
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