



Lisbon - 27th May 2008

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EMBRAER Senior Sales Director



Commercial Jets : Embraer perspective



Contents



1. Embraer company

2. E-Jet family: the regional revolution

3. Embraer market overview

Contents



1. Embraer company

2. E-Jet family: the regional revolution

3. Embraer market overview

Evolution



Origin and Development

- The outcome of World War II – strategic national aircraft manufacturing project
- The creation of CTA and ITA
- Embraer established in 1969



Privatization (1994)

- The integration of two cultures

**Technological
& Industrial**

+

Entrepreneurial

Highlights

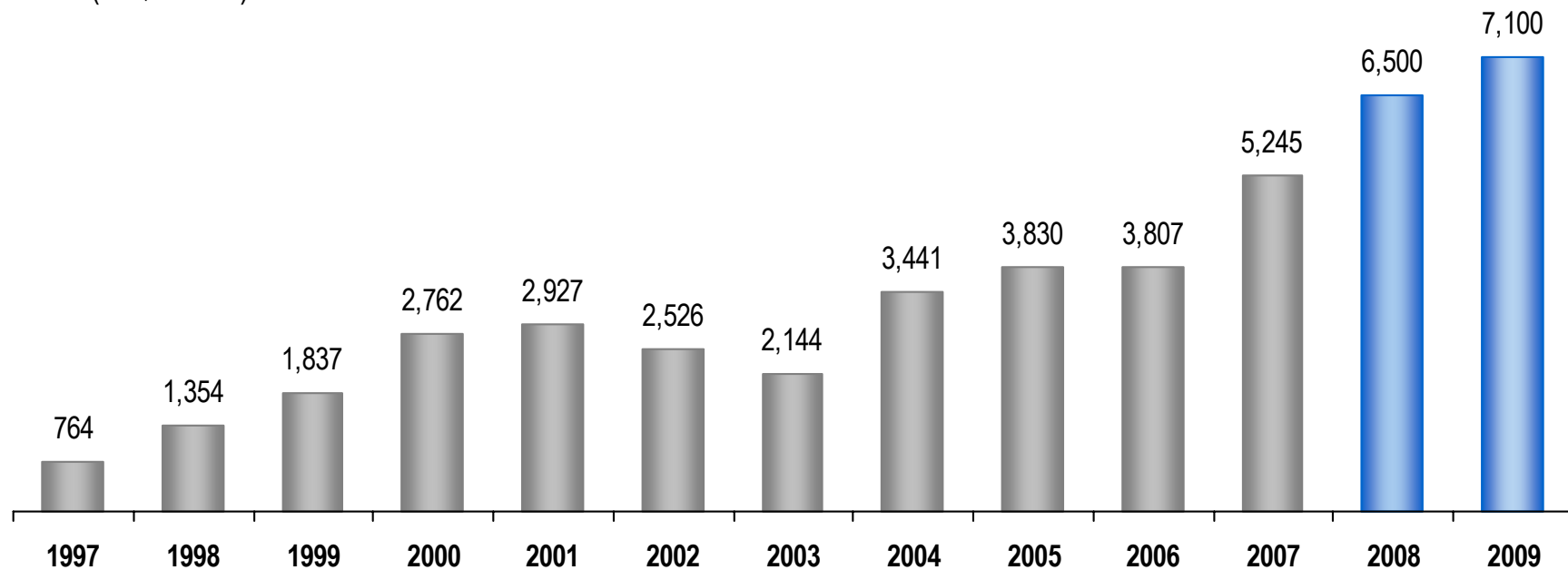


- World's third major commercial aircraft manufacturer
- Significant market share
- Global customer base
- Renowned international partners
- Excellent financial performance
- One of Brazil's largest exporters
- Investment Grade – Moody's Investor Service and Standard & Poor's
- A diluted capital ownership, with no controlling groups

Net Revenue (U.S. GAAP)



(US\$ million)

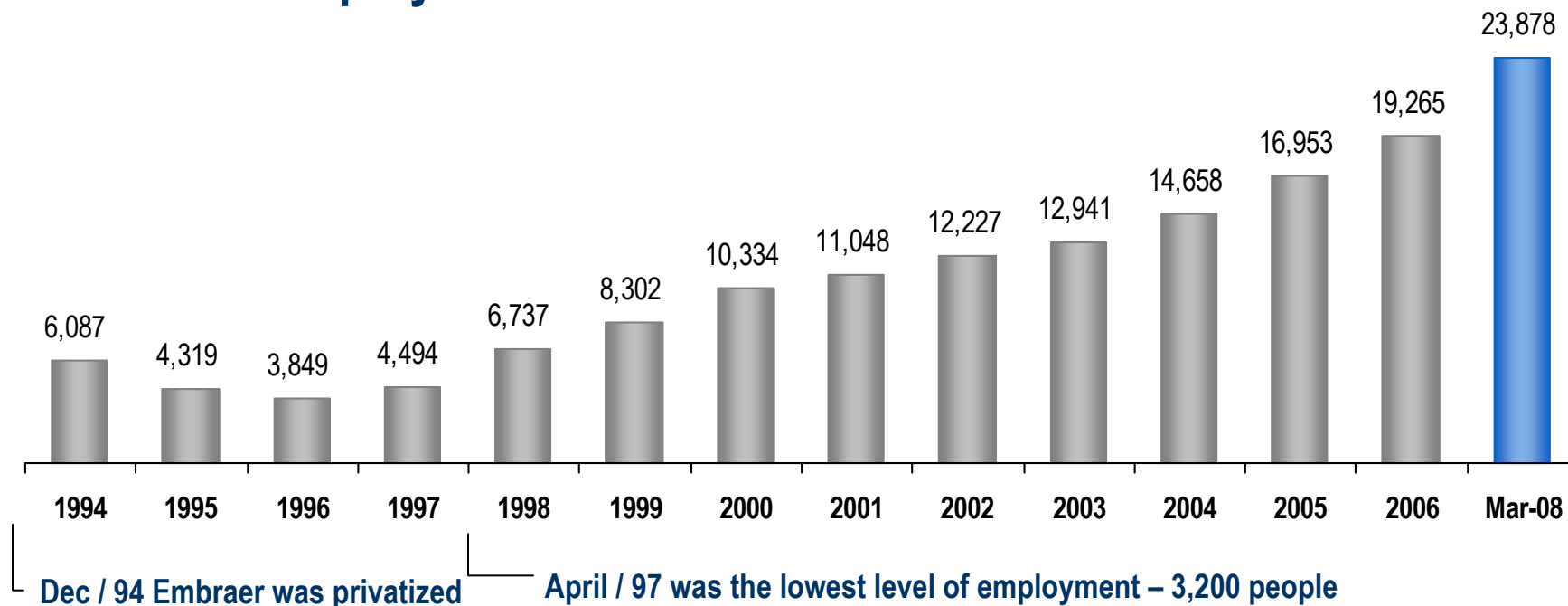


- 97% of revenue is exports

Qualified People



Number of Employees



BRAZIL 21,001*



FRANCE 207



SINGAPORE 30



USA 613



CHINA 273



PORTUGAL 1,669

* ELEB employees included

Global Business



Operations in Brazil, United States, Europe and Asia



Business Areas



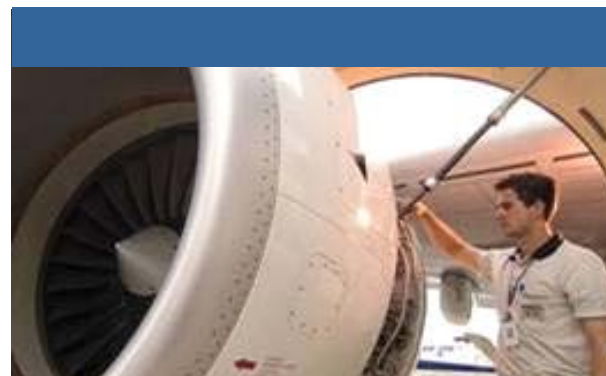
Commercial Aviation Market



Defense Systems



Executive Aviation Market



Aviation Services

Business Areas



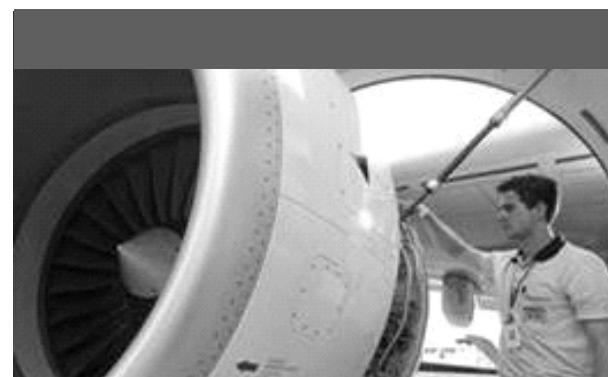
Commercial Aviation Market



Defense Systems



Executive Aviation Market



Aviation Services

ERJ 145 Family



ERJ 135

37 Seats



ERJ 140

44 Seats



ERJ 145

50 Seats



ERJ 145 XR

50 Seats
(2,000 mn range)

ERJ 145 Family Order Book



	Firm Orders	Options	Total	Deliveries	Firm Backlog
ERJ 135	108	-	108	108	-
ERJ 140	74	-	74	74	-
ERJ 145	733	75	808	690	43
Total	915	75	990	872	43

(as of March 31st, 2008)

Portugalia ERJ 145



1000th ERJ delivered on September, 2007



Dec 1996



First Delivery

Dec 1998



Dec 1999



Aug 2000



Mar 2001



Sep 2001



May 2002



May 2003



May 2004



Feb 2005



E-Jets: EMBRAER 170/190 Family



EMBRAER 170

66 to 80 Seats
2,100 nm Range



EMBRAER 175

73 to 88 Seats
2,000 nm Range



EMBRAER 190

93 to 114 Seats
2,400 nm Range



EMBRAER 195

100 to 122 Seats
2,200 nm Range

E-Jets Family Order Book

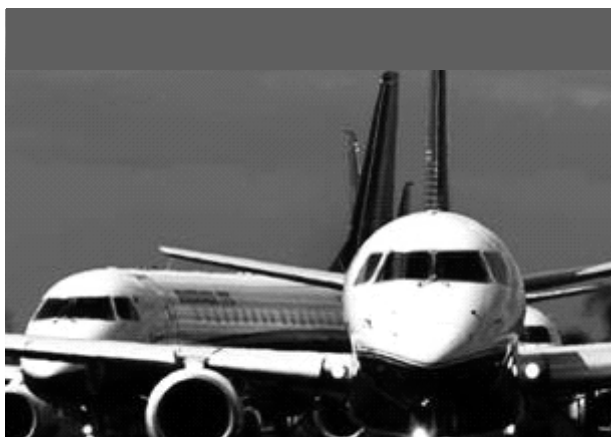


	Firm Orders	Options*	Total	Deliveries	Firm Backlog
EMBRAER 170	179	114	293	139	40
EMBRAER 175	129	148	277	74	55
EMBRAER 190	431	479	910	140	291
EMBRAER 195	96	99	195	16	80
Total	835	840	1,675	369	466

(as of March 31st, 2008)

Note: (*) Include purchase rights.

Business Areas



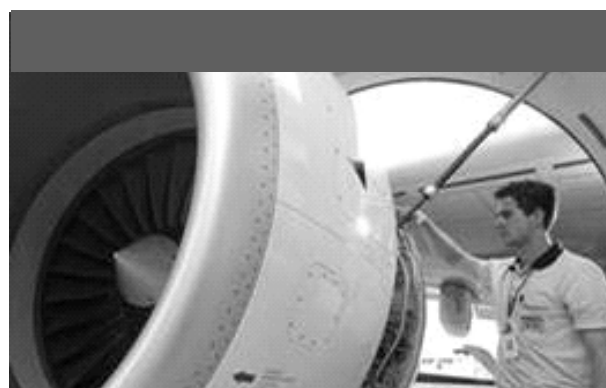
Commercial Aviation Market



Defense Systems



Executive Aviation Market



Aviation Services

Executive Market Products: Legacy



Legacy 600



Legacy Shuttle



**Transportation of
Authorities**



Executive Market Products: Phenom 100 and 300



All preliminary data



	Phenom 100		Phenom 300	
Number of seats	6 – 8 (occupants)		8 – 9 (occupants)	
Range*	1,160 nm	2,150 km	1,800 nm	3,335 km
Maximum Cruise Speed	380 ktas	705 km/h	450 ktas	835 km/h
MMO	Mach 0.70		Mach 0.78	
Maximum Operational Altitude	41,000 ft	12,500 m	45,000 ft	13,700 m

* NBAA IFR (35 min) Reserves + 100nm alternate; 4 occupants @ 200 lb (91 kg)

1 Baseline configuration

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Executive Market Products: Lineage 1000



All preliminary data



Lineage™ 1000
BY EMBRAER

	Lineage 1000	
Number of seats	13 – 19 (occupants)	
Range*	4,200 nm	7,780 km
Maximum Cruise Speed	470 ktas	870 km/h
MMO	Mach 0.82	
Maximum Operational Altitude	41,000 ft	12,500 m

* NBAA IFR (35 min) Reserves + 200nm alternate; 8 occupants @ 200 lb

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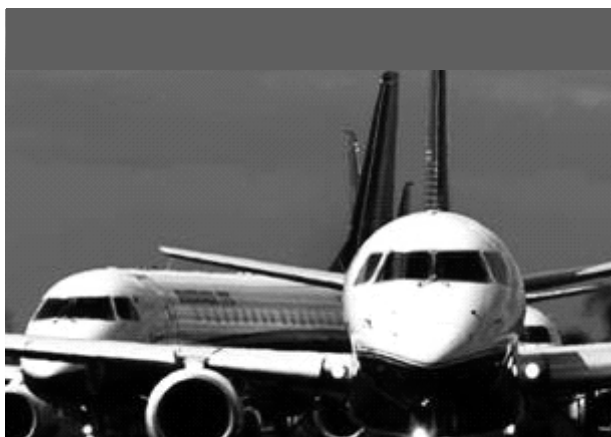
New executive jets program launch



March 28th 2008 - Board approved the launch of 2 new business jets models: MSJ and MLJ, that will transport 7 to 12 passengers with 2 crew members.



Business Areas



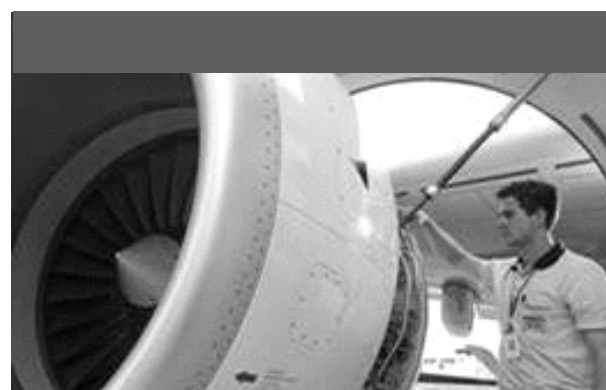
Commercial Aviation Market



Defense Systems



Executive Aviation Market



Aviation Services

Defense Market Products



Integrated Market Approach



**Systems
& Services**



Training



**Intelligence,
Surveillance and
Reconnaissance**

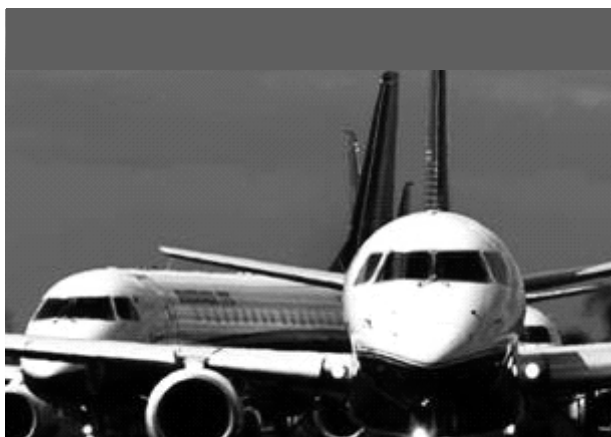


Combat



Transport

Business Areas



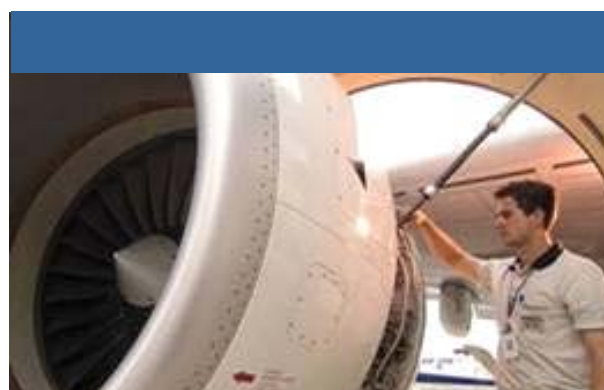
Commercial Aviation Market



Defense Systems



Executive Aviation Market



Aviation Services

Aviation Services



Services



MRO



Training



**Material & Logistics
Services**



Aerostructures

Aviation Services



MRO – Service Centers:



EMBRAER
Embraer Aircraft Maintenance Services
Nashville, TN, USA



EMBRAER OGMA
OGMA Industria Aeronautica de Portugal SA -
Lisbon, PORTUGAL



EMBRAER
Service Center Le Bourget – Le Bourget, FRANCE



EMBRAER
Embraer Service Center
Gavião Peixoto, SP, BRAZIL

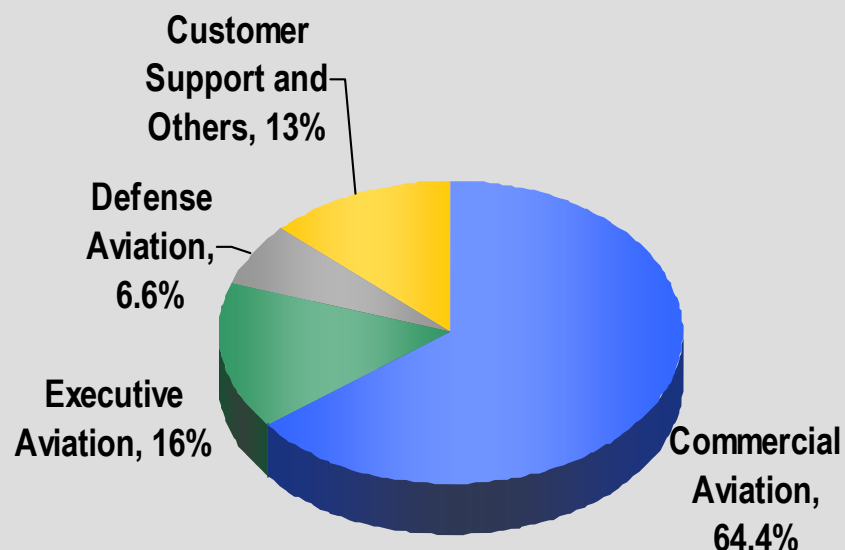


- ← Embraer Service Center
- Embraer Authorized Service Center for Commercial Airline Market
- Embraer Service Center for Executive Jets Market
- Embraer Authorized Service Center for Executive Aviation Market
- ← Embraer Service Centers Under Construction

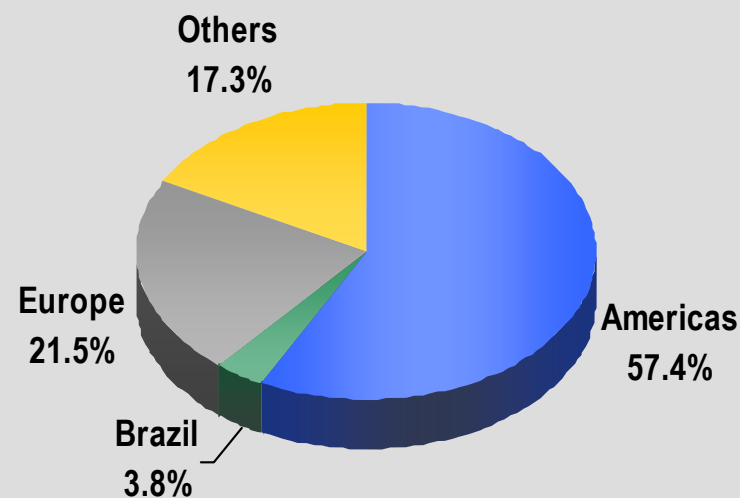
Revenue per Segment



Revenue per Segment (2007)



Revenue per Region (2007)



Backlog



March 2008 – US\$ 20.3 billion in firm orders

US\$ billion



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Market Survey Results



Extensive market research with 40 major & regional airlines gives rise to a family of new-generation jets.



Lower Direct Operating Costs

- Increased aircraft efficiency
- Lower maintenance costs
- Reduced TAT (better utilization)

Maximum Family Commonality

- Same training, same spare parts

High Performance

- Short field capability
- Longer range

Mainline Standards

- More comfortable than traditional RJs
- Bigger cabin
- Larger overhead bins
- Larger cargo/baggage compartment

E-Jets family



EMBRAER 170/175

EMBRAER 170

- 70 to 80 Seats
- 2,100 nm Range
- Certification – February 2004



EMBRAER 175

- 78 to 88 Seats
- 2,000 nm Range
- Certification – December 2004



EMBRAER 190/195

EMBRAER 190

- 98 to 114 Seats
- 2,400 nm Range
- Certification – August 2005



EMBRAER 195

- 108 to 122 Seats
- 2,200 nm Range
- Certification – June 2006



E-Jets Commonality



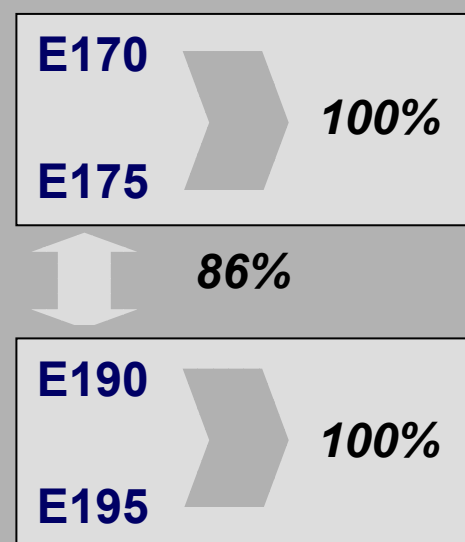
Training → 70% of the potential benefits

same cockpit, common systems and fly-by-wire technology mean maximum training commonality within the family

EMBRAER	170	175	190	195
170	-----	A/A/A	A/A/A	A/A/A
175	A/A/A	-----	A/A/A	A/A/A
190	A/A/A	A/A/A	-----	A/A/A
195	A/A/A	A/A/A	A/A/A	-----

Training Qualification Differences : According to FAA AC 120- 53, grades range from A (best) to E (worst) in 3 categories: Training Differences, Check Differences and Recurrent Training

Spare Parts → 30% of the potential benefits



Based on the aircraft RSPL (Recommended Spare Parts List)
Note: Airframe and Ground Servicing Equipment only (Engines are not included).

E-Jets have the maximum training commonality (A/A/A)
E-Jets offer an outstanding parts commonality (86% to 100%)

A commonality praised by customers



Airlines that ordered several E-Jets type



10 E170 / 13 E190



2 E175 / 5 E195



15 E175 / 45 E190



2 E170 / 3 E175



7 E170 / 3 E190



6 E170 / 18 E190



10 E170 / 18 E175



8 E190 / 2 E195



2 E170 / 3 E190



7 E170 / 11 E190



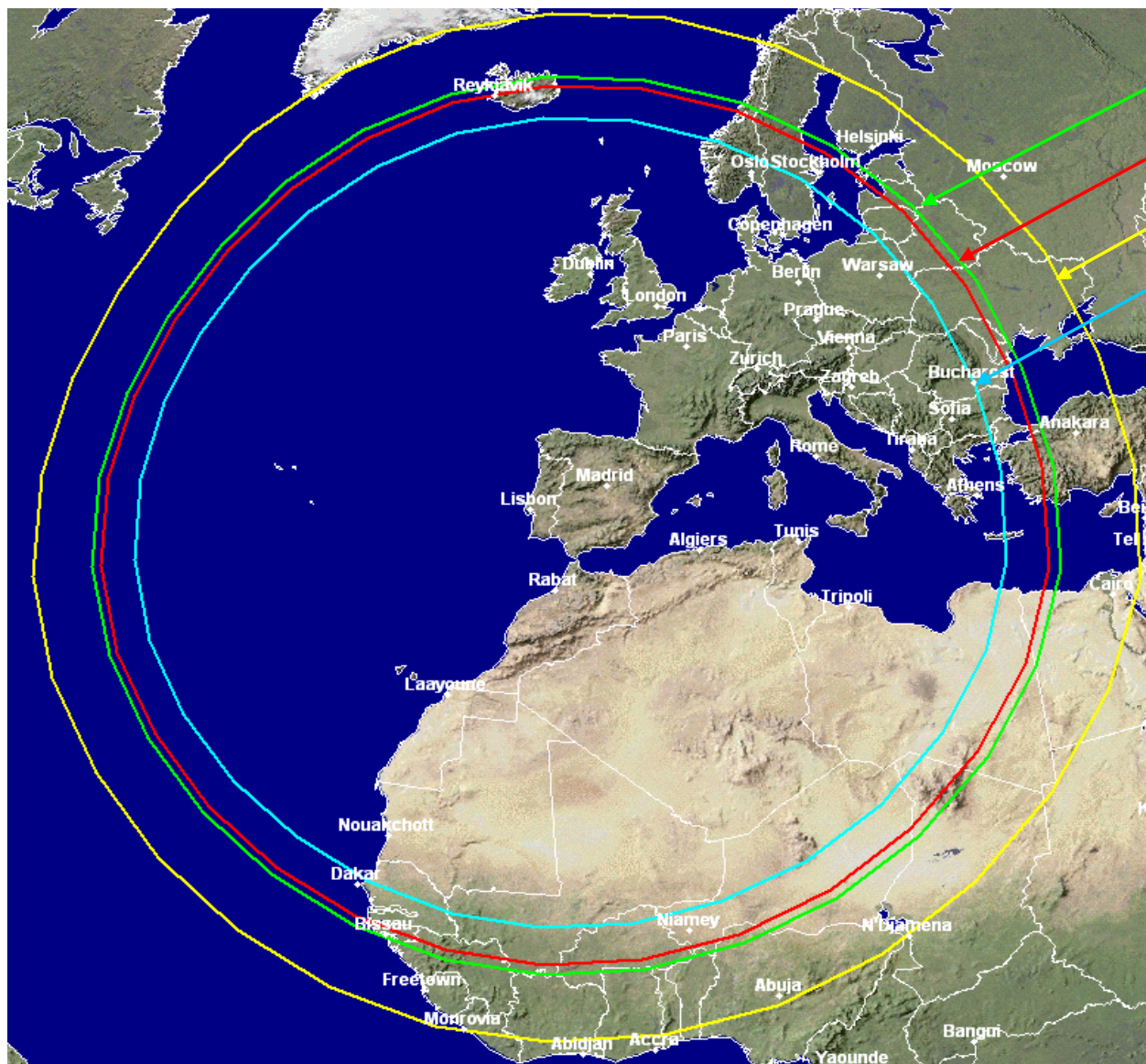
U.S. AIRWAYS

28 E170 / 57 E190

Includes GECAS aircraft

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Range from Lisbon - E-Jets family



- EMBRAER 170 AR (76 Pax)
- EMBRAER 175 AR (84 Pax)
- EMBRAER 190 AR (104 Pax)
- EMBRAER 195 AR (116 Pax)

Max Pax Payload - 105 kg per pax
85% Annual Probability Winds
ISA

5% airways allowance

E170 / 175 Cruise Speed Mach 0.75

E190 / 195 Cruise Speed Mach 0.78

AR Version - MTOW [kg]

E 170	38,600
E 175	40,370
E 190	51,800
E 195	52,290

Fully Equipped BOW [kg]

E 170	21,800
E 175	22,400
E 190	28,700
E 195	29,800

Flight Levels

Any

Taxi Time (in & out)

20 minutes

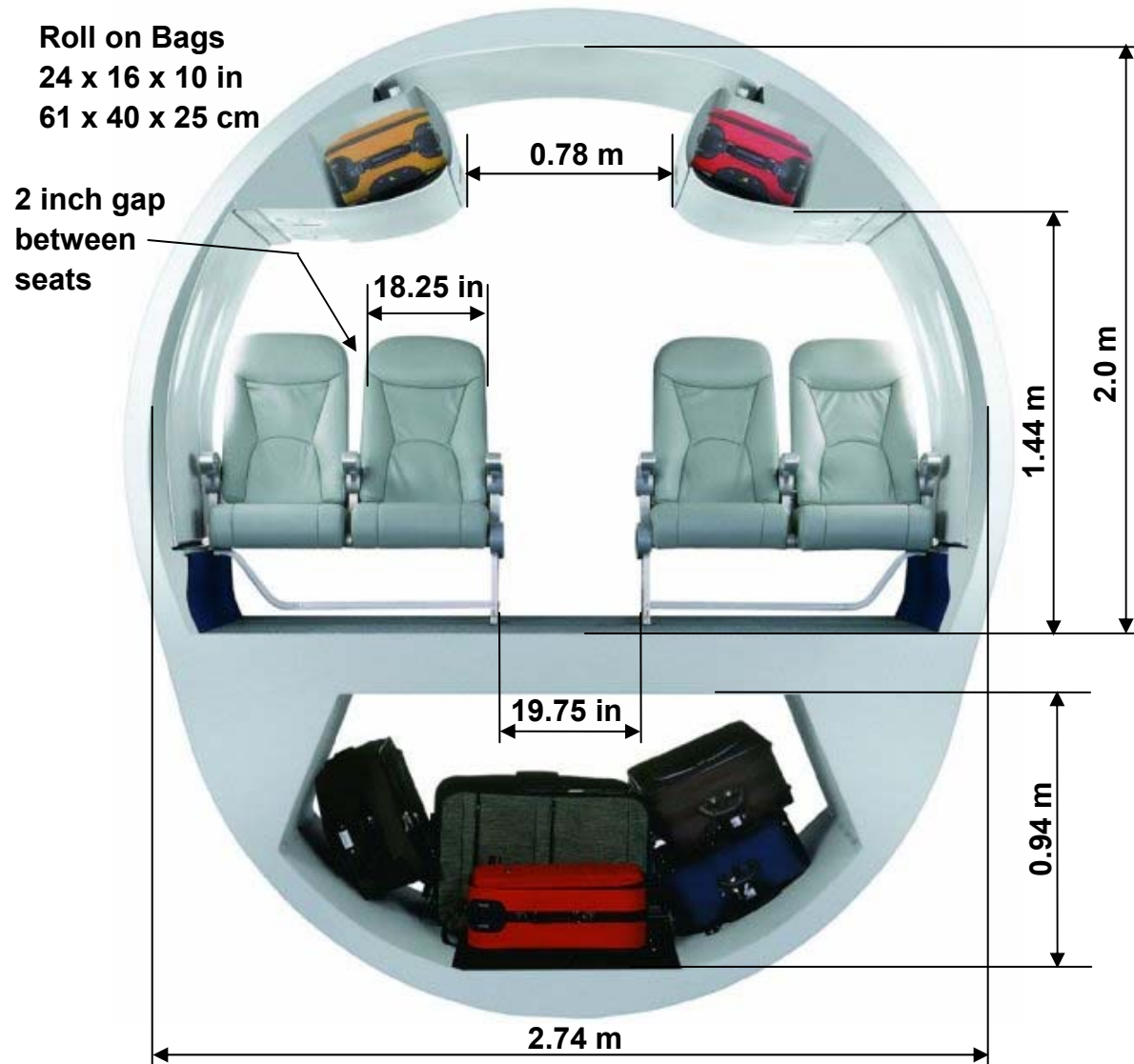
Reserves

5.0% trip fuel

Alternate Distance: 100 [nm]

Hold: 30 min @ 1500 ft

The Double Bubble Solution



Individual comfort

- No middle seat cabin
- Widest seat in the category
- Highest index space per seat
- Large overhead bins for 24 x 16 x 10 in roll-on bags
- Extensive passenger facilities

Efficiency for airlines

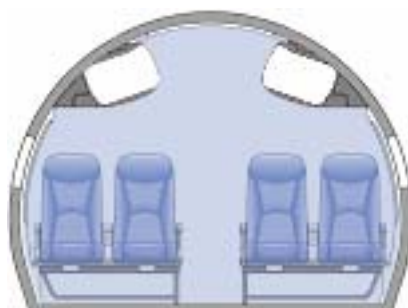
- Wide aisle for boarding
- Flexibility for interior layouts
- Spacious service areas

A comfort matching narrow-body standards

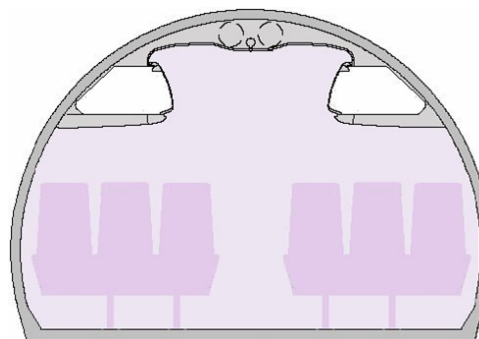


Matching the “Best In Class” Single Aisle Living Space

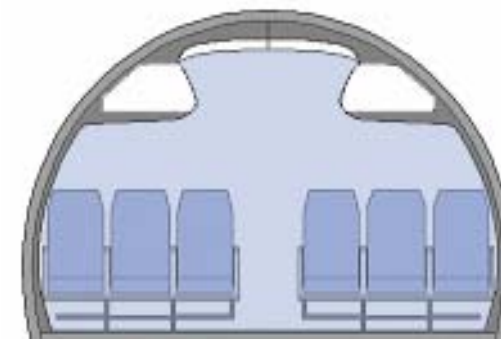
E-Jets



B737



A320



Assumptions:

Formula: $A \cdot P / n$

A: Cabin cross section useful area

P: Seat pitch (32")

n: number of seats abreast

Cabin X-Section Area:

4.28 m²

6.14 m²

6.39 m²

Slice Volume:

3.48 m³

4.99 m³

5.19 m³

Slice Volume/seat:

0.870 m³/seat

0.832 m³/seat

0.866 m³/seat

Comparison:

Baseline

-4.6%

-0.5%

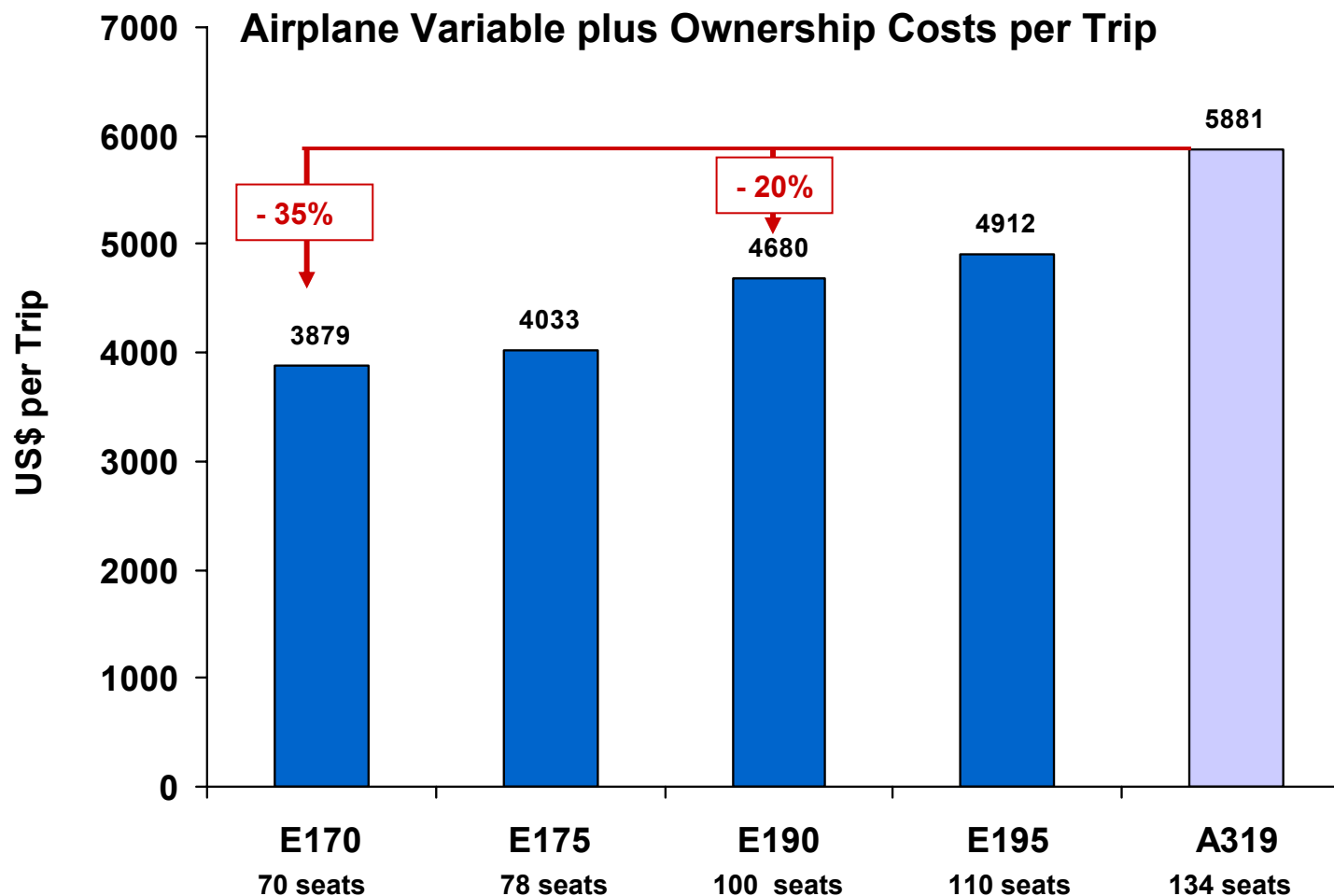


A significant trip cost advantage



E-Jets: Lower trip costs than narrow-bodies

European
Network Airline
- 500 nm trip



Costs exclude: revenue related costs and system (overhead) costs

Costs include: variable: fuel, crew, maintenance, landing fees, handling fees ; ownership: lease cost, hull insurance, spares inventory costs

Finnair testimonials



Total order: 10 E170 / 13 E190

Finnair needs

- Replace old MD83 (156 seats)
- Right-size capacity on A319 routes (A319 - 126 seats too large on some sectors)
- Acquire best fleet to feed Finnair Helsinki hub to Asia

Reasons for choosing the E-jets family

- High commonality within the family - enabling fleet / network optimisation
- E170 cost per trip 30% lower than A319 (mainly through lower fuel burn and lower navigation charges)
- E190 cost per trip 20% lower than A319 and cost per seat comparable to the A319
- E190 extra-range capabilities

Source: Finnair, Petteri Kostermä, VP Network Strategy – April 2006 and September 2006 meetings

E-Jets fitting to all business models



	North America and Caribbean	South America	Europe	Africa/Middle East	Asia
Regional	<i>Republic Airlines</i> U.S AIRWAYS UNITED Delta FRONTIER nwa NORTHWEST AIRLINES AIR CARAIBES	SATENA	Régional COMPAGNIE AÉRIENNE EUROPÉENNE KLM cityhopper CIRRUS AIRLINES Alitalia <i>Express</i> alpieagles IN FLIGHT COMPANY Lufthansa AirEuropa	SOUTH AFRICAN AIRLINK مصر للطيران EGYPTAIR Express	華信航空公司 HARPADIN AIRLINES Paramount Airways A world of adventure Airnorth JAL Suzuyo
Network	U.S AIRWAYS AIR CANADA	Copa Airlines AeroRepública TAME AEROMEXICO TACA	AIR MOLDOVA POLISH AIRLINES LOT FINNAIR MONTENEGRO AIRLINES	virgin nigeria SAUDI ARABIAN AIRLINES الملكية للخطوط الجوية ROYAL JORDANIAN Kenya Airways The Pride of Africa	海南航空 Hainan Airlines
Low Cost & Charter	jetBlue AIRWAYS®	BRA	flybe.com flybaboo a breath of swiss air	طيران ناس nasair	Virgin blue SKYAIRWORLD

Source: Embraer, as of March 31st, 2008

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E-Jets orders in Europe



UK:

Flybe
14 E195

FRANCE:

Air France
Regional

7 E170 11
E190

SWITZERLAND:

M1 Commercial Jets
FlyBaboo

8 E190

SPAIN:

Air Europa

6 E195

NETHERLANDS:

KLM Cityhopper 10 E190

FINLAND: Finnair

10 E170 / 13 E190

POLAND: LOT

10 E170 18
E175

GERMANY:

Cirrus: 1 E170 / 1
E175

Lufthansa: 30 E190

ITALY:

Alitalia 6 E170

AlpiEagles 10 E195

MOLDOVA:

Air Moldova: 1 E190

MONTENEGRO:

Montenegro Airlines

2 E195



158 E-Jets firm orders

E-Jets Family - Main Applications



- ✈ **Replacement of old & inefficient jets**
- ✈ **Natural evolution for existing 50-seat markets**
- ✈ **Right-sizing of low load-factor narrow-body flights**
 - ➔ *Capacity, range & seamless service*
 - ➔ *Enhancing services by increasing frequencies*
- ✈ **New market opportunities – low risk development**
 - ➔ *Medium density and long/thin markets*

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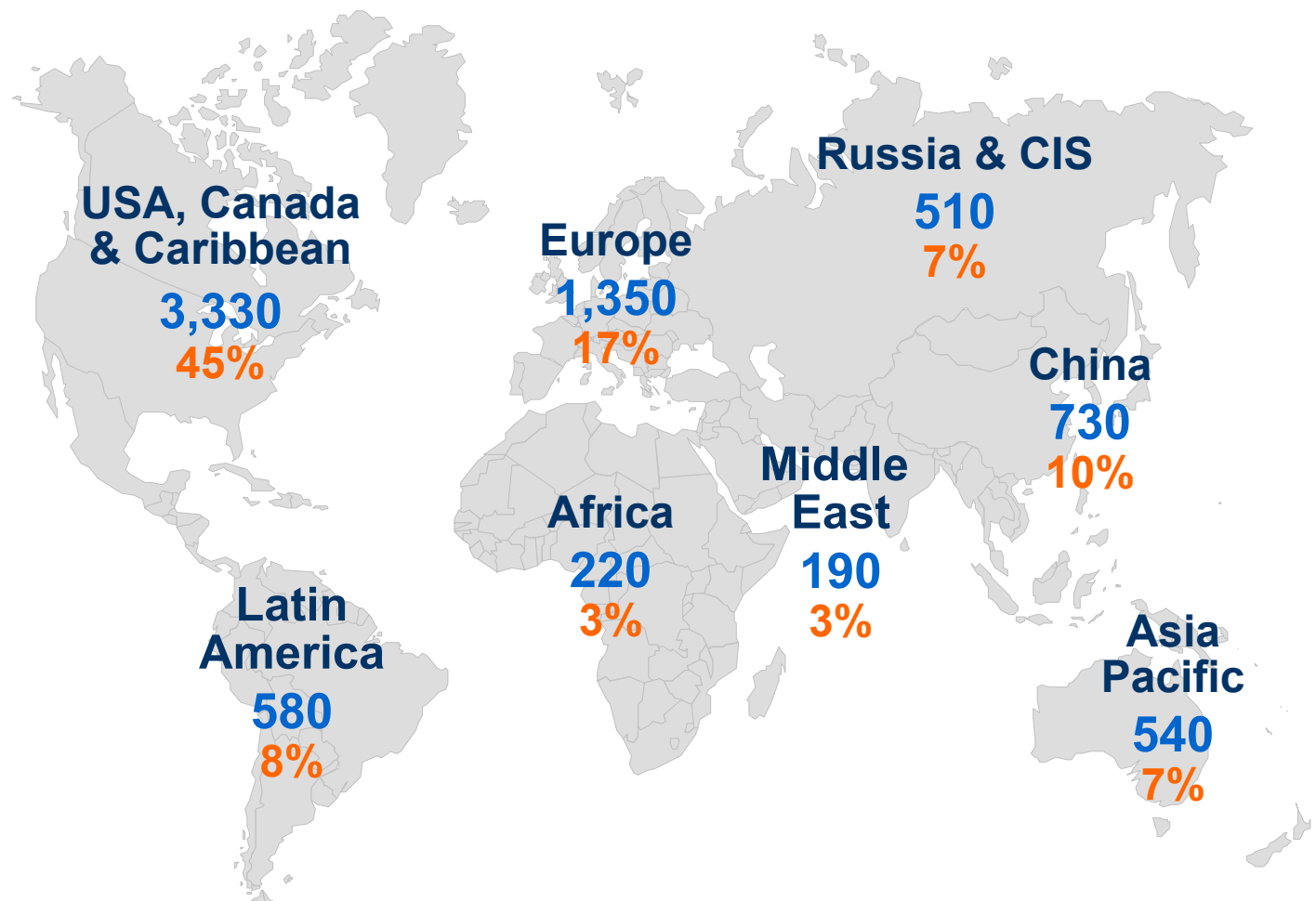
3. Embraer market overview

30 to 120-seat jets: a large market to tap



Embraer Market Forecast (2008-2027)

Projected Deliveries: 7,450 Jets (30-120 seats)



Regional aircraft: increased competition



New competition coming from Russia, China and Japan



Turbo-Props
Regional Jets



Regional Jets



Regional Jets



Turbo-Props



中航商用飞机有限公司
AVIC COMMERCIAL AIRCRAFT CO., LTD.

Regional Jets



Turbo-Props (stopped)
Regional Jets

New regional jet programs



**NOT LAUNCHED
YET**

CANADA: Bombardier C-Series

2 versions: 110 and 130 seats

Targeted EIS: 2013



LAUNCHED

JAPAN: Mitsubishi Regional Jet

2 versions: 70 seats and 90 seats

Targeted EIS: 2014

LAUNCHED



RUSSIA: Sukhoi SSJ

2 versions: 78 and 98 seats

Targeted EIS: 2009



LAUNCHED

CHINA: AVIC 1 - ARJ21

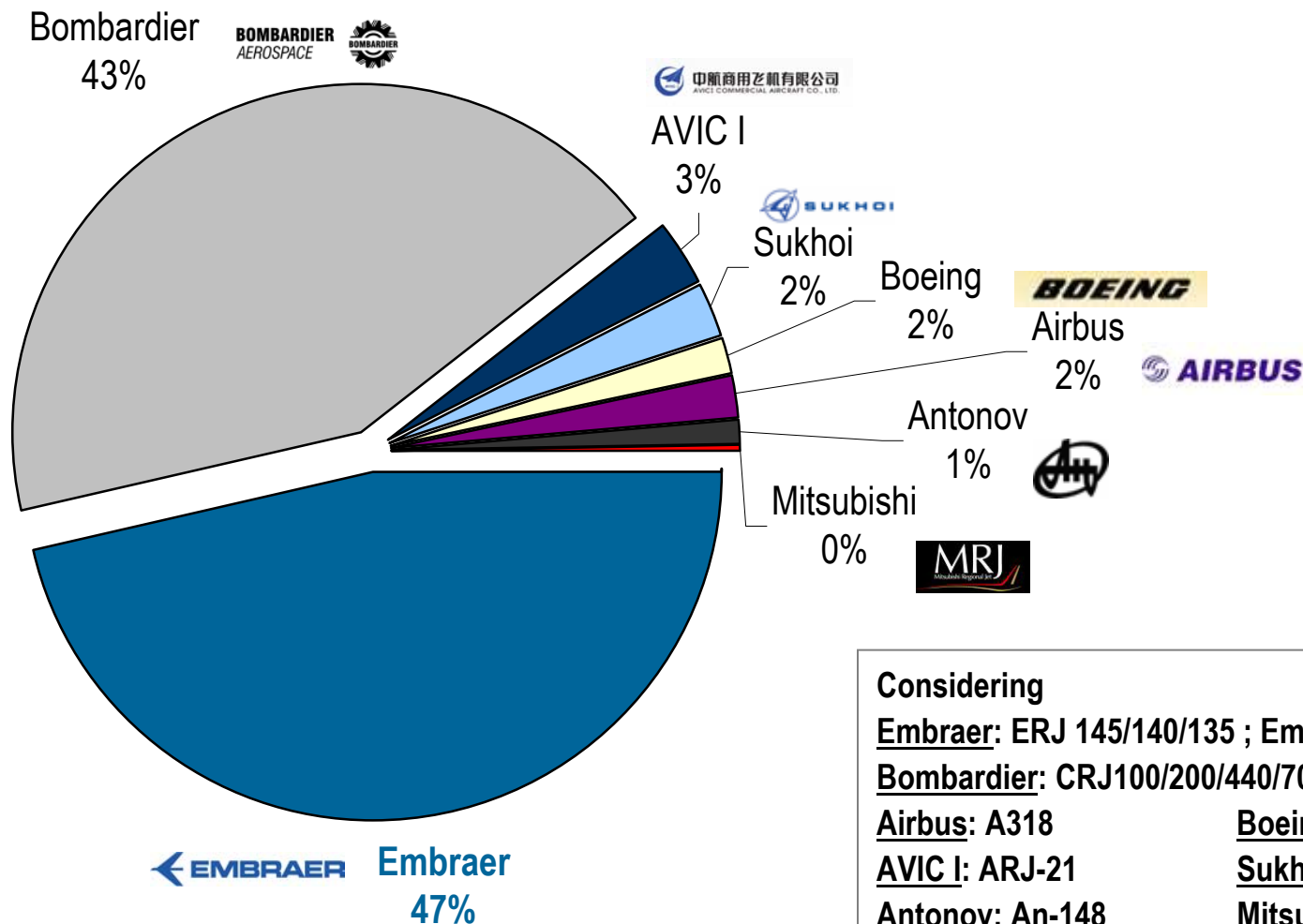
1 version: 78 to 85 seats

Targeted EIS: 2009

Embraer leading the 30-120 seat market



Market Share (number of orders) - World (30-120 seats)



As of April 2008

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E-Jets Around the World



Thank you