

← **EMBRAER** |  **BOEING**

# STRATEGIC PARTNERSHIP

INVESTORS CONFERENCE CALL  
DECEMBER 17, 2018



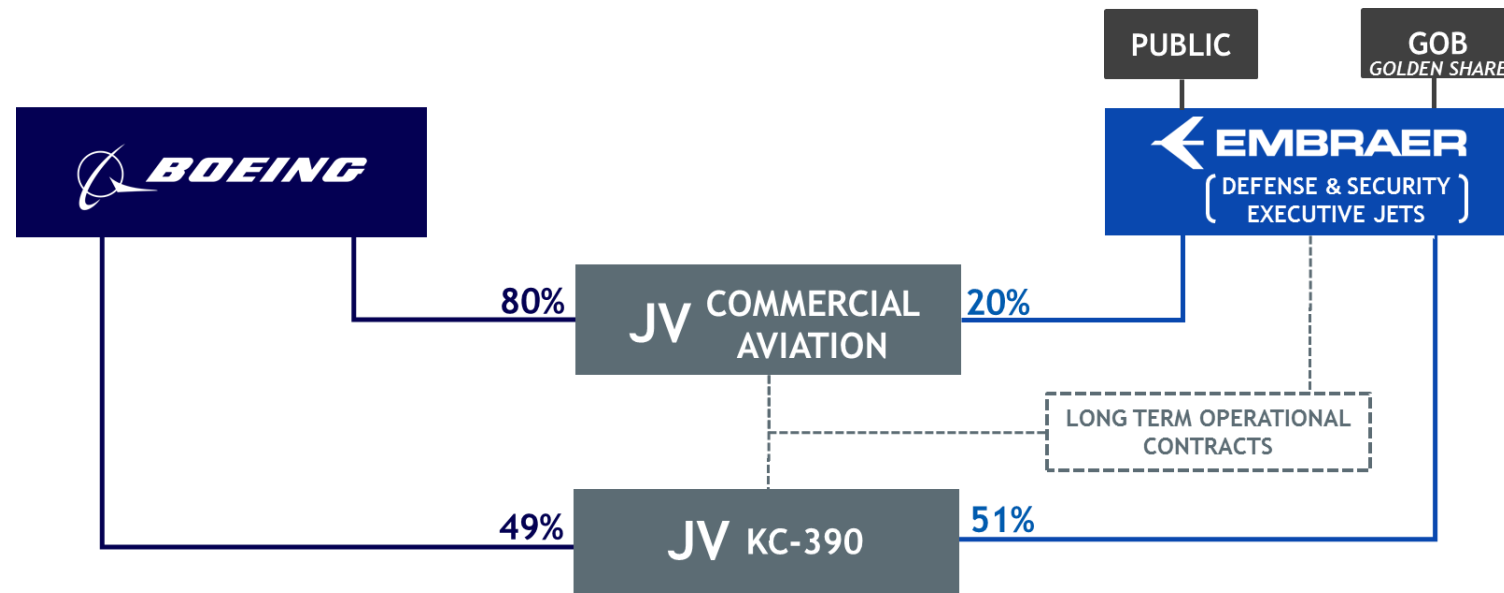
*THIS PRESENTATION INCLUDES FORWARD-LOOKING STATEMENTS OR STATEMENTS ABOUT EVENTS OR CIRCUMSTANCES WHICH HAVE NOT OCCURRED, INCLUDING STATEMENTS REGARDING THE PROPOSED TERMS OF THE TRANSACTION, THE ABILITY OF THE PARTIES TO SATISFY THE CONDITIONS TO EXECUTING OR CLOSING THE TRANSACTION AND THE TIMING THEREOF, AND THE BENEFITS AND SYNERGIES OF THE TRANSACTION, AS WELL AS ANY OTHER STATEMENT THAT DOES NOT DIRECTLY RELATE TO ANY HISTORICAL OR CURRENT FACT. THE WORDS “BELIEVES,” “MAY,” “WILL,” “ESTIMATES,” “CONTINUES,” “ANTICIPATES,” “INTENDS,” “EXPECTS” AND SIMILAR WORDS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. FORWARD-LOOKING STATEMENTS ARE BASED ON OUR CURRENT EXPECTATIONS AND PROJECTIONS ABOUT FUTURE EVENTS THAT MAY NOT PROVE TO BE ACCURATE. THESE FORWARD-LOOKING STATEMENTS ARE NOT GUARANTEES AND ARE SUBJECT TO RISKS, UNCERTAINTIES AND ASSUMPTIONS, INCLUDING, AMONG OTHER THINGS, THOSE RELATING TO: GENERAL ECONOMIC, POLITICAL AND BUSINESS CONDITIONS AND THE ABILITY OF THE PARTIES TO REACH FINAL AGREEMENT ON THE PROPOSED TRANSACTION, CONSUMMATE SUCH TRANSACTION AND REALIZE ANTICIPATED SYNERGIES FROM SUCH TRANSACTION. WE UNDERTAKE NO OBLIGATIONS TO UPDATE PUBLICLY OR REVISE ANY FORWARD-LOOKING STATEMENTS BECAUSE OF NEW INFORMATION, FUTURE EVENTS OR OTHER FACTORS. IN LIGHT OF THESE RISKS AND UNCERTAINTIES, THE FORWARD-LOOKING EVENTS AND CIRCUMSTANCES DISCUSSED IN THIS PRESENTATION MIGHT NOT OCCUR. OUR ACTUAL RESULTS COULD DIFFER SUBSTANTIALLY FROM THOSE ANTICIPATED IN OUR FORWARD-LOOKING STATEMENTS.*

# EMBRAER / BOEING PARTNERSHIP

EMBRAER BOARD HAS APPROVED THE STRATEGIC PARTNERSHIP SUBJECT TO GOLDEN SHARE APPROVAL, FOLLOWED BY RATIFICATION BY THE BOARD, APPROVAL OF SHAREHOLDERS AND ANTITRUST AUTHORITIES

STRATEGIC PARTNERSHIP INCLUDES:

- ← CREATION OF THE COMMERCIAL AVIATION JOINT VENTURE (OWNERSHIP: 20% EMBRAER / 80% BOEING)
- ← CREATION OF THE KC-390 JOINT VENTURE (OWNERSHIP: 51% EMBRAER / 49% BOEING)
- ← CREATION OF LONG TERM OPERATIONAL CONTRACTS RELATED TO ENGINEERING SERVICES, INTELLECTUAL PROPERTY, R&D, SITES ACCESS, SUPPORT AND SUPPLY CHAIN



# REVISED TERMS SINCE JULY 5 ANNOUNCEMENT

- ← ENTERPRISE VALUE FOR 100% OF THE COMMERCIAL AVIATION JV OF US\$5.26 BILLION
- ← BOEING BRAZIL TO ACQUIRE EXISTING SHARES AND SUBSCRIBE FOR NEW SHARES, REPRESENTING 80% STAKE IN THE COMMERCIAL AVIATION JV AT AGGREGATE VALUE OF US\$4.21 BILLION
- ← PROCEEDS NET OF SEPARATION COSTS ESTIMATED TO BE ~US\$3 BILLION
  - ANY POTENTIAL REDUCTION IN COSTS TO BE SHARED BY EMBRAER AND BOEING EQUALLY
- ← EMBRAER WILL HAVE PUT OPTION PROTECTION FOR ITS 20% REMAINING STAKE
  - AT DEAL PRICE ADJUSTED BY US INFLATION DURING THE 10-YEAR LOCKUP PERIOD
  - AT FAIR MARKET VALUE AFTER THE LOCKUP PERIOD
- ← KC-390 JV:
  - EMBRAER WILL OWN A 51% STAKE AND BOEING WILL OWN A 49% STAKE IN THE KC-390 JV
  - KC-390 JV TO PROMOTE NEW MARKETS AND APPLICATIONS FOR THE KC-390 MULTI-MISSION AIRCRAFT
  - EMBRAER AND BOEING TO COLLECTIVELY MAKE CASH AND ASSET CONTRIBUTIONS INTO THE KC-390 JV
  - LONG-TERM OPERATIONAL CONTRACTS WILL SUPPORT THE KC-390 JV



# TRANSACTION SUMMARY

<p><b>STRUCTURE / OWNERSHIP</b></p>	<ul style="list-style-type: none"> <li>← COMMERCIAL AVIATION JV WILL BE CONTROLLED BY BOEING (80% OWNERSHIP) HEADQUARTERS, OPERATIONS AND MANAGEMENT WILL REMAIN IN AND BE COMMITTED TO DEVELOPMENT IN BRAZIL IMPROVED COMPETITIVE POSITION AND BOEING'S MARKETING AND PROCUREMENT RESOURCES TO ACCELERATE E2 RAMP</li> <li>← EMBRAER WILL REMAIN A PUBLICLY-LISTED COMPANY IN BRAZIL (NOVO MERCADO) AND IN THE US (NYSE) FOCUS ON EXECUTIVE JETS AND DEFENSE &amp; SECURITY BUSINESS UNITS RETAIN 20% STAKE IN COMMERCIAL AVIATION AND BENEFIT FROM ANTICIPATED SYNERGIES</li> <li>← KC-390 JV WILL BE CONTROLLED BY EMBRAER (51% OWNERSHIP) ACCELERATE GLOBAL MARKET PENETRATION AND INCREASE SALES</li> </ul>
<p><b>SUPPORT AGREEMENTS</b></p>	<ul style="list-style-type: none"> <li>← LONG-TERM AGREEMENTS SPANNING R&amp;D, ENGINEERING, SUPPLY CHAIN, IP AND OTHERS (EXPECTED TO GENERATE ANNUAL COST SYNERGIES OF AT LEAST US\$50 MILLION FOR EMBRAER) EMBRAER WILL BENEFIT FINANCIALLY FROM STRATEGIC ALIGNMENT IN PROCUREMENT, ENGINEERING AND OTHER AREAS</li> </ul>
<p><b>CAPITAL STRUCTURE &amp; LIQUIDITY</b></p>	<ul style="list-style-type: none"> <li>← STRONG <u>NET CASH</u> POSITION OF ~US\$2.6 BILLION EXPECTED AT EMBRAER AFTER DEAL CLOSING, A PORTION OF WHICH IS EXPECTED TO BE DISTRIBUTED TO SHAREHOLDERS</li> <li>← ALL EXISTING BONDS WILL MIGRATE TO THE COMMERCIAL AVIATION JV</li> <li>← EMBRAER TO RETAIN A PUT OPTION FOR ITS 20% STAKE IN THE COMMERCIAL AVIATION JV</li> </ul>
<p><b>TIMING / APPROVALS</b></p>	<ul style="list-style-type: none"> <li>← EXECUTION OF DEFINITIVE TRANSACTION DOCUMENTS STILL SUBJECT TO APPROVAL FROM BRAZILIAN GOVERNMENT, FOLLOWED BY RATIFICATION BY THE EMBRAER BOARD OF DIRECTORS; CLOSING SUBJECT TO APPROVALS BY SHAREHOLDERS AND ANTITRUST AUTHORITIES AND OTHER CUSTOMARY CLOSING CONDITIONS</li> <li>← IF ALL APPROVALS ARE OBTAINED ON TIME, TRANSACTION EXPECTED TO CLOSE AT THE END OF 2019</li> </ul>



