Hugo Borelli Resende
Embraer

Mesa 1 - Iniciativas de Open Innovation no Brasil
Building a Globally Competitive Company

Hugo B. Resende
Chief Scientist, Technology Development

June, 2008
R&D Model (Civil Aircraft Industry)

Pre-Competitive R&D
- Emerging Technologies
- Advanced Technology Development

Product Development
- Validation
- Demonstrator

Product Definition
- Universities
- Research Institute
- Industry Research

Basic Research
- Applied Research
- Viability of Advanced Technologies
- Product/Process/Specific Technology Development

-10 to +5 anos
Aerospace Industry Fundamentals

SUCCESSFUL BUSINESS

High Technology
Qualified People
Global Presence
Cash Intensiveness
Flexibility

Customer Satisfaction
Backbone of our entrepreneurial action
Global Business

Operations in Brazil, United States, Europe and Asia

USA
- Nashville
- Fort Lauderdale

Brazil
- Gavião Peixoto
- Botucatu
- São José dos Campos

Portugal
- Alverca

France
- Villepinte
- Le Bourget

China
- Beijing
- Harbin

Singapore
- Singapore
Flexibility – Partnership

- **ERJ 145**
  - 4 partners
  - 350 suppliers

- **EMBRAER 170/190**
  - 16 partners
  - 22 suppliers
High Technology

Virtual Reality Center
In operation since Feb 2000

- Fluid Dynamics

Ergonomics Analysis

- Composite Materials
The four Organizational dimensions for the innovation process of high-complexity products:

- Corporate Strategy: What the firm wants vs. What the firm will do
- Market Units: Customer's Needs vs. Market Opportunities
- Technology Planning: Vision of the Future in S&T
- Research & Technology: Technologies

Technology Development Portfolio
Qualified People

Educational Levels*

- High School: 70%
- Ph.D.: 2%
- Postgraduate: 4%
- Graduate: 24%

Minimum educational level – High School

* Brazil Units
Qualified People

Engineering Manpower Growth

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<th>Year</th>
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Executive Jet Market
Financial Data
Capital Structure

Common (Voting) Shares: 740,465,044 (100%)

NYSE 54%
BOVESPA 46%

May 7th, 2008
Net Revenue (U.S. GAAP)

(US$ million)

- 96.4% of revenue is exports

Actual
Forecast
Embraer accounted for 2.3% of Brazilian exports through February 2008.

(*)Source: Foreign Trade Department Secretary.
Thank you!