

EMBRAER DELIVERS 15 COMMERCIAL AND 24 EXECUTIVE JETS IN 3Q18

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During the third quarter of 2018 (3Q18), Embraer delivered 15 jets to the commercial aviation market and 24 business jets, being 17 light jets and 7 large jets. On September 30, Embraer's firm order backlog totaled USD13.6 billion.

Regarding the commercial aviation market, Embraer forecasted in its Market Outlook a demand for 10,550 new aircraft with up to 150 seats worldwide over the next 20 years,. The in-service fleet is set to increase to 16,000 aircraft, up from the 9,000 aircraft currently in operation. Market growth will drive 65% of this demand, while the remaining 35% of the projected demand will be to replace ageing aircraft.

Embraer and Helvetic Airways signed a contract for a firm order of 12 E190-E2 jets during 3Q18. The agreement was announced at the Farnborough Airshow in July as a Letter of Intent. The contract also includes purchase rights for another 12 E190-E2 aircraft, with the possibility of conversion to the E195-E2 model, raising the order potential for up to 24 aircraft. Deliveries should occur between the end of 2019 and 2021. Also in Farnborough, United Airlines made a firm order for 25 E175 jets in a 70-seat configuration. Deliveries will begin in the second quarter of 2019.

In 3Q18, Embraer also signed a contract with an undisclosed customer for up to five E195-E2s, being three firm orders and two purchase rights. This agreement was previously announced as a Letter of Intent (LoI) during the Farnborough Airshow. In addition, the Company continues to work on finalizing its recent LoI signed at the Farnborough Airshow for 100 E175 aircraft for Republic Airways, with the expectation that a significant portion of these jets should enter the Company's backlog by the end of 2018.

A total of 134 jets were removed from Embraer's backlog in 3Q18. The majority of these planes belong to an order placed by Skywest for 100 E175-E2s, and were removed largely due to IFRS accounting changes. Given current timing uncertainty of the scope clause changes in the U.S. market to allow the heavier E175-E2 to be flown by regional airlines under capacity purchase

agreements (CPAs) for mainline airlines, Embraer has proactively adopted best practices to align with the latest IFRS principles and remove the order from backlog given its conditionality terms. Skywest remains committed with the E175-E2 order and its terms are unchanged. The other 34 jets that were removed from the Company's backlog in 3Q18 are related to cancellations, including an order for 24 E190 jets that were cancelled by JetBlue following its recent fleet renewal decision.

In the business jets segment, Embraer first exhibited the Phenom 100EV, Phenom 300E and Legacy 650E aircraft with full interior at Labace, the largest Latin American executive aviation fair which took place in São Paulo in August. Embraer also delivered its first Phenom 300E in Asia Pacific.

Embraer Services & Support signed relevant agreements in Europe and Africa during the quarter. LOT Polish Airlines, the national carrier of Poland and leading airline in Central Europe, signed an extension of its pool agreement to support LOT's fleet of 34 Embraer E-Jets. Kenya Airways also joined a service program whereby Embraer will take over the planning and replenishment of a sizeable portion of Kenya Airways' spare parts stock covering the 15 Embraer E190 aircraft operated by the airline. Sahara Africa Aviation also signed a multi-year Pool Program Agreement for spare parts and support covering more than 500 components for their two recently acquired Embraer ERJ 145 jets.

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