“Per-Seat, On-Demand” VLJ Air Services
Traver Gruen-Kennedy
Vice President

June 23, 2006
Our Vision

A world where direct, on-demand jet air transportation between secondary markets is a commercial reality.
Our Mission

To build and operate the nation’s first “Per-Seat, On-Demand” regional air service based on new-generation aircraft and a proprietary, real-time operations system.
Company Snapshot – 2Q06

DayJet Corporation

Employees: 60
- Flight Operations
- Pilots & Flight Attendants
- Maintenance
- Customer Service
- Sales & Marketing
- Corporate Development
- Cartographers
- Computer Scientists
- Mathematicians
- Demographers
- Software Engineers
- Finance

Safety Certification:
- FAA FAR Part 135
- FAA Diamond Award for maintenance training
- Wyvern Qualified
- ARG/US Gold

Owned Aircraft Fleet:
- Challenger 604
- Learjet 60
- Eclipse 500 - (309 aircraft on order and optioned – initial deliveries begin July06)
Company Snapshot – 2Q06

Strong Board of Directors
- Microsoft - 2 Former CFOs
- Wilson Properties – #1 FBO/Holiday Inn/Real Estate
- NASDAQ – Former Chairman

Proven Management Team
- Founded Citrix Systems
  - S&P 500 Company
  - NASDAQ 100
  - 15th largest software company

Aviation Competencies
- Our Charter Group - Wingedfoot Services (top 10% of 135 operator in revenue/utilization)
- VP Flight Ops - Continental and Comair
- VP Maintenance - NetJets
Company Snapshot – 2Q06

Shaping the Industry
- ARC/FAA - FAR Part 135 Working Group
- JPDO – Agile Airspace IPT
- NASA/NIA – National Strategy Committee

Industry Participant
- NBAA – 135 Committee
- NATA – Charter Committee
- Supporting Related Events

Driving Modernization - HVO
- FAA, OMB and State DOTs
- Supporting Implementations
VLJ “Per-Seat, On-Demand”
Our View...It’s a new Model

That:
1) Is based on *larger* fleets of *smaller* aircraft
2) Operates within strict *Regional* boundaries
3) Focused on cost-effective *no frills* transportation
4) Employs *100% automation* of scheduling and planning

We call this ... “Per-Seat, On-Demand” Services
"Per-Seat, On-Demand" Defined

Defining Characteristics

- **Per-Seat**  A “shared ride” service sold by the individual seat, with advance reservations.

- **On-Demand**  Operates under FAA Part 135 regulations, with individually negotiated non-scheduled service.

- **Direct**  Flies point-to-point to/from secondary airports, and does not fly into major hub airports.

- **Affordable**  $1 to $3 per mile - Between full-fare coach & low-end charter alternatives.
Why Now?

Rapid Technology Evolution of Last Decade Enables

- A new class of aircraft
- A new category of service

Highly Efficient Engines

Innovative Manufacturing Techniques

Integrated Avionics

Real-Time Operations System

The Missing Ingredient
Why is This Important?

A true “on-demand” network, yields different patterns of customer usage **by hour** and **by day**.
Complication vs. Simplicity

Three hard combinatorial problems to solve under limited time constraints:

- **Real-Time Scheduling** - to accommodate passenger requests: reaction time is about 5-10 seconds
- **Schedule optimization** - minimize cost, maximize revenue = hours vs. days
- **Real time disruption handling** - for current day operations: reaction time = seconds vs. cancellations
The Grand Complication

The number of solutions for a small number of aircraft and customers (10 planes/100 customers)

- 10,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000.
The Market: *Understanding Regional Travelers*
Market Research Overview

Scope of Studies

- Target Customer: Regional Business Travelers
- 20 Face-to-Face Focus Groups Nationwide
- Corporate Gatekeeper Phone Interviews
- 80k Business Traveler Sample for Qualifying Interviews
- 1200 In-Depth 30 Minute Interviews
“It allows you to avoid night stay-overs at roughly the same cost. It opens a lot of travel options & avoids the hassle of turning a two-hour meeting into a two-day event.”

VP Marketing
Life Insurance
Takes 9 regional trips a year

“I love it. If you’re going from Jackson to Baton Rouge, you can do that in one day. You can land, get your work done, take off and go. You can be home for dinner at night with your kids.”

Director of Marketing
Paper Manufacturer
Takes 12 regional trips a year

“A lot of my customers are hard to get to. If I’m going to North Carolina, you can’t get there from here in any kind of quick fashion. Something like this is much more effective. Right now, our main mode of transportation is to drive.”

Account Manager & Sales Engineer
Engineering Consulting
Takes 9 regional trips a year
Outcome - Market Research

Overview

- Travelers choose DayJet because they value their time
- Majority of travelers come off the highway!
- Roundtrips are not always the rule
  - Not all Outbound and Inbound travel segments are with DayJet as Airlines, Rental Cars, Trains offer alternatives
- Most business travelers say they are comfortable with VLJs if it gets them where they need to be
- Customers value the lifestyle/workstyle benefit of DayJet
Our Real-Time Planning Engine

Advanced System Technology for Real-Time Operations (ASTRO)

- Based on proprietary heuristics and algorithms
- Implemented by experienced team of DayJet mathematicians
- Real-time request accept/reject
- Continuously optimizes work plans
- Enforces regulatory and business “rules”
- Projects fleet operating results
Putting it All Together

DayJet Real-Time Operations System

Information Management Systems
(Scheduling, Flight Planning, Training, Maintenance, Reservations, etc.)

Real-Time Scheduling Engine

Platform Services

Dispatch Orders
Status Data

World Simulators
(Demand, Weather, Disruption, etc.)

Simulation Parameters

World Inputs
Model Output
The Big Picture

The Customer Needs

Productivity
Quality-of-Life
Convenience
Predictability

DayJet Real-Time Operations System

The Customer Gets

Availability
Reliability
Flexibility
Operational Considerations
DayJet Pilot Training

121 Air Carrier Style Pilot Training

- Two-Man Crew
- Extensive ground training
- Use of flight training devices – Level 6
- Use of full motion flight simulators – Level D
- Initial operating experience – IOE
- United Training Center – Denver, CO
- Experienced Instructor Base

VLJ Center of Excellence

- Pilot, Maintenance, Customer Care Training
- New Facilities Built in DayJet Regions
DayJet Flight Operations

Pilot Hiring

- Plenty of retired airline pilots looking for work
  - Part 135 has no age 60 restrictions
- Recruiting & Attrition from Airlines
- Partnerships with Aeronautical Universities
- Pilot quality-of-life issues
  - Family lifestyle – Home at the end of the shift!
  - Dollars and days off
  - Out and back trips
- Stock Options Opportunities
Typical DayJet Region

**DayStop™ (250)**
- *Function*: Pick up and drop off only

**DayPort™ (50)**
- *Function*: Full PSOD (per seat on-demand) service
- *DayJet personnel*: Customer Care and Community Outreach
- *Economic Development Opportunity*: Commercial Air Service

**DayBase™ (20)**
- *Function*: Full PSOD service
- *DayJet personnel*: Customer Care, Flight Ops Crew, Maintenance
DayStop™ Minimums

Airports
- Public Access Airport
- 3,500FT Hard Surfaced Runway
- Runway Lighting
- Secure Perimeter

FBO
- ‘Can do’ Management
- Paved Ramp
- Oxygen, Nitrogen and affordable Jet A fuel
- Connectivity (telephone/modem) - FAA & Home Base
- Qualified FBO Line Personnel for Fueling and Towing
- Customer Parking and Restrooms
- Minimal Maintenance Capability
- Car Rental and Taxi Service
- Fuel Truck
- Power Cart (28VDC)
DayPort™ Minimums

Airport

- Good Signage from Highway to FBO Terminal
- Air Traffic Control Tower and ILS or
- High Volume Operation (HVO) Technology with WAAS/LPV Approaches
- Approach and Taxiway (LEDs OK) Lighting
- Crash, Fire & Rescue Services
- Strong Community Relationships
  - Chamber of Commerce, Community Leaders, City/County EDO

FBO

- DayJet Welcome Desk and Exterior/Interior Signage
- Customer and Employee Monitored Parking
- Technology Support
  - WiFi Internet connectivity for passengers
  - T-1 Broadband Connection, Secure dedicated ‘crew’ WIFI
  - Lockable Closet for Servers, Emergency Back-up Generator
- Public Seating Area
- Food & Beverage
DayBase™ - Additional Attributes

FBO

- Leased Hangar Space (5000 - 7,000 sq ft - initial)
- Monitored Parking for 40 to 50 employees
- Technology Support
  - Separate Dedicated Secure WiFi System for DayJet Personnel Only
- Work Stations
- Meeting Rooms
- Crew Lounge
- VLJ Terminal
- Retail Outlets
NAS Modernization

WAAS Near Real Time Vertical Navigation Service Snapshot Display

- **LPV Service Contour (solid red line)**
- **LNAV/VNAV Service Contour (dashed black line, includes LPV)**

Color Scale is Vertical Protection Level (VPL)


VPL (meters)
DayJet Invests in Modernization

DayJet Avionics

- TAWS
- TCAS
- WeatherScope
- Fully integrated 'ADS-B in’ Enhanced Mode S (1090) – 2007
- Dual FMS and GPS
High Volume Operations (HVO)

- LPV WAAS Approaches
  - Localizer Precision with Vertical Guidance (LPV)
  - Wide Area Augmentation System (WAAS)
- Automated On-Line Weather/Visibility
- Secure wireless communications connected to the Internet
- Automatic Dependent Surveillance-Broadcast (ADS-B)
Airports

There are >20,000 airports in U.S … however

- We will use a smaller (pre-selected) subset that meet our operations needs and satisfy our demand forecasts
- No hub airports – only secondary airports
- We avoid ‘Class B’ airspace
- Selected airports will meet our operational requirements:
  - Runway distance
  - Approaches
  - Lighting
  - Services
  - FBO
  - Etc…
Dayports by County - SE
DayJet Takes-Off 4Q06

Region Announced April 24, 2006
- WSJ, USA Today, Forbes, CNN, CNBC, FoxNews
- All major industry pubs

DayPort Announcement June 13 @FATA Meeting
- First Eclipse will be delivered July 2006
- Florida will be the first state with service (10-15 aircraft)
- GA, AL, MS, SC, NC, TN to follow
- Estimate 300 aircraft in service YE2009
Thank you!

www.dayjet.com