

"Per-Seat, On-Demand" VLJ Air Services

Traver Gruen-Kennedy Vice President

June 23, 2006



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



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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



It's About Time.

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



It's About Time.

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



It's About Time.

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"





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



It's About Time.

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.
 - Flies point-to-point to/from secondary airports, and does not fly into major hub airports.
 - \$1 to \$3 per mile Between full-fare coach & low-end charter alternatives.

Affordable

Direct





It's About Time.

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

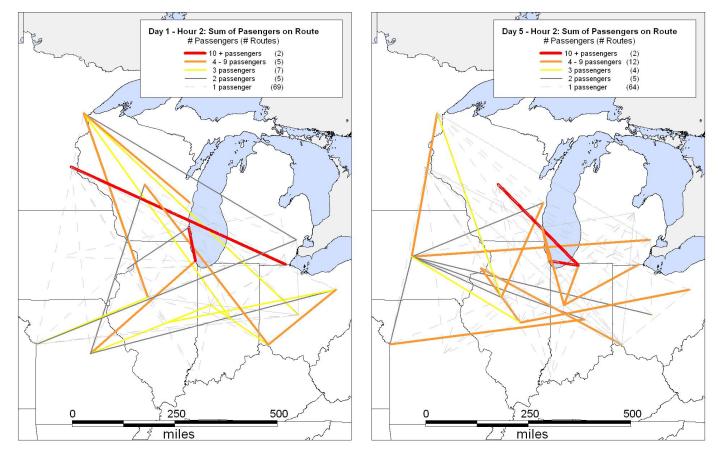
The Missing Ingredient

Why is This Important?



It's About Time.

A true "on-demand" network, yields different patterns of customer usage <u>by hour</u> and <u>by day</u>.



Complication vs. Simplicity



It's About Time.

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



It's About Time.

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





The Market: Understanding Regional Travelers

Market Research Overview



It's About Time.

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



Market Reaction



It's About Time.

"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





It's About Time.

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





DayJet Business Modeling



Our Real-Time Planning Engine



It's About Time.

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

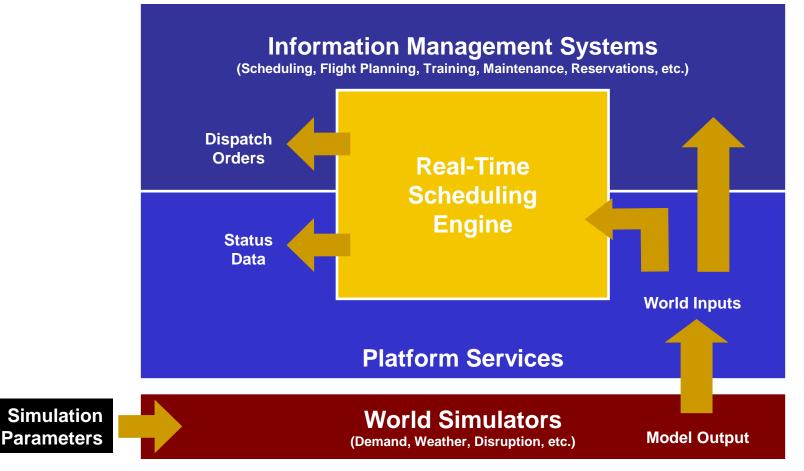






It's About Time.

DayJet Real-Time Operations System

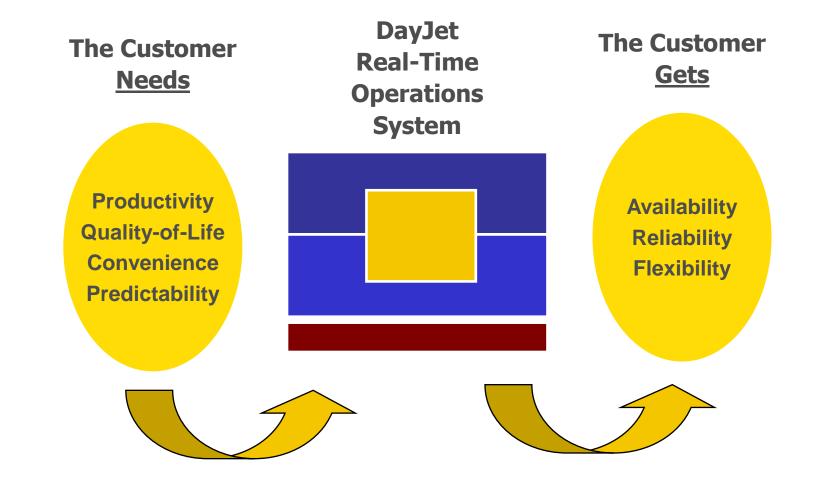


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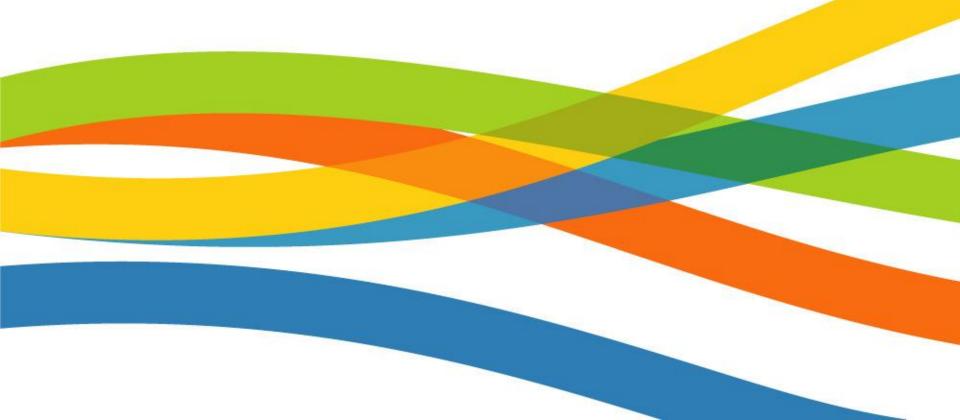


It's About Time.





Operational Considerations



DayJet Pilot Training



It's About Time.

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



It's About Time.

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



It's About Time.

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
- *Economic Opportunity:* Commercial Air Service, Aircraft Base, Crew Base and DayJet Maintenance Facility

AirportsPublic 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)

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DayStop™ Minimums

DayPort[™] **Minimums**



It's About Time.

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

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It's About Time.

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

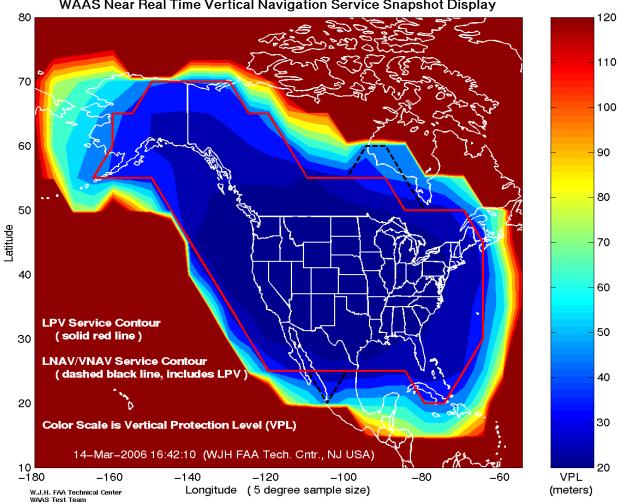


NAS Modernization

03/14/06



It's About Time.



WAAS Near Real Time Vertical Navigation Service Snapshot Display



It's About Time.

DayJet Avionics

- TAWS
- TCAS
- WeatherScope
- Fully integrated 'ADS-B in' Enhanced Mode S (1090) 2007
- Dual FMS and GPS



DayJet Drives Modernization



It's About Time.

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)

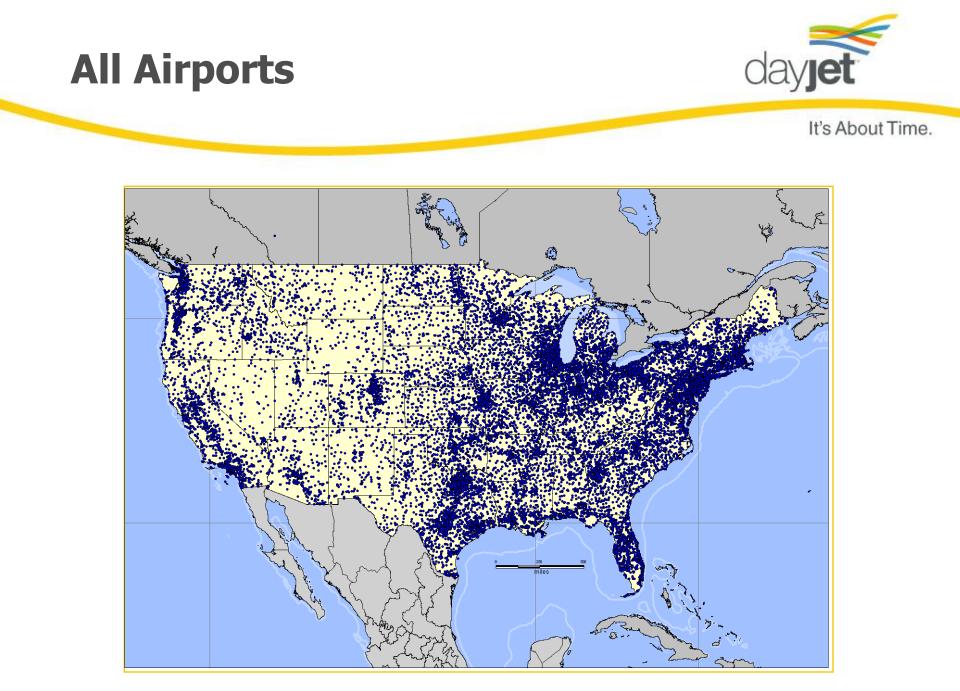




There are >20,000 airports in U.S ... however

- 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...



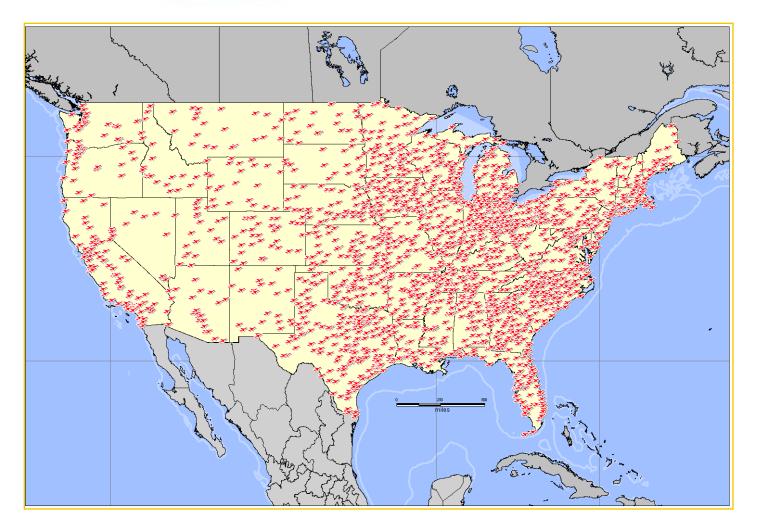


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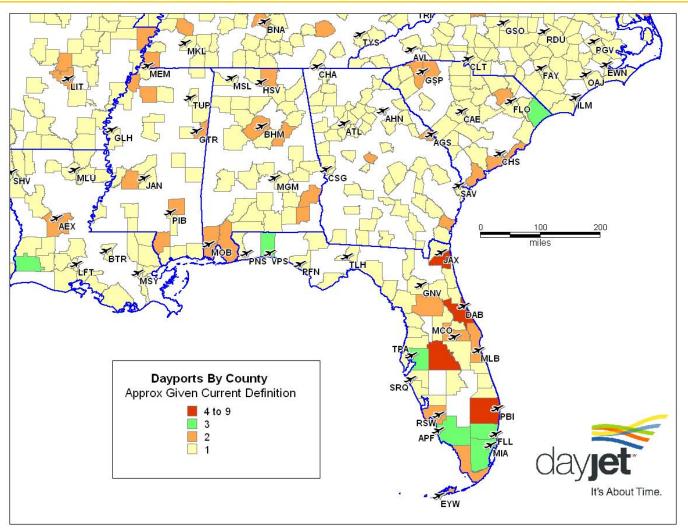
It's About Time.



Dayports by County - SE



It's About Time.



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DayJet Takes-Off 4Q06



It's About Time.

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