

EMBRAER BRAZILIAN AVIATION CO
Form F-4
February 22, 2006

As filed with the Securities and Exchange Commission on February 22, 2006

Registration No. 333-_____

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form F-4
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

RIO HAN EMPREENDIMENTOS E PARTICIPAÇÕES
S.A.

(Exact name of Registrant as specified in its charter)

Rio Han Holding Company

(Translation of Registrant's name into English)

Federative Republic of Brazil
*(State or Other Jurisdiction of
Incorporation or Organization)*

3721
*(Primary Standard Industrial
Classification Code Number)*

Not Applicable
*(I.R.S. Employer
Identification No.)*

Av. Brigadeiro Faria Lima, 2170, F-56, térreo, sala 2656
12227-901 São José dos Campos, SP, Brazil
55-12-3927-1000

(Address, including zip code, and telephone number, including area code, of the registrant's principal executive offices)

National Registered Agents, Inc.
875 Avenue of the Americas, Suite 501
New York, NY 10001
1-800-767-1553

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:

Richard S. Aldrich, Jr., Esq.
Shearman & Sterling LLP
Av. Brig. Faria Lima, 3400
04538-132 São Paulo-SP, Brazil

Approximate date of commencement of proposed offer to the public: As soon as practicable after this registration statement becomes effective.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

CALCULATION OF REGISTRATION FEE

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Title of Each Class of Securities to be Registered	Amount to be Registered ^{(1) (2)}	Proposed Maximum Offering Price Per Share ⁽³⁾	Proposed Maximum Aggregate Offering Price ⁽²⁾⁽³⁾	Amount of Registration Fee
Common Shares, no par value	337,177,111	U.S.\$9.6578	U.S.\$3,256,377,638.65	U.S.\$348,433.63

- (1) 290,029,360 of these common shares will initially be represented by the registrant's American Depositary Shares (ADSs), each of which will represent four common shares, and which will be evidenced by American Depositary Receipts (ADRs). A separate registration statement on Form F-6 will be filed to register the ADSs. The remaining 38,503,014 common shares will not be represented by ADSs. An additional 8,644,737 common shares will be issuable in exchange for preferred shares of Embraer in connection with the offering of exchangeable notes into preferred shares of Embraer by the Brazilian National and Social Development Bank, or BNDES.
- (2) Includes a maximum number of the registrant's common shares expected to be issued to holders of ADSs of Embraer Empresa Brasileira de Aeronáutica S.A. (Embraer), and to U.S. holders of common shares and preferred shares of Embraer in connection with the proposed restructuring and merger described in the accompanying prospectus. The common shares to be issued in connection with the proposed restructuring and merger outside the United States to non-U.S. residents are not registered under this registration statement.
- (3) The proposed maximum aggregate offering price per common share (estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(f) and Rule 457(c) under the Securities Act) was calculated in accordance with the exchange ratio of one common share of the registrant to be exchanged for each common share or preferred share of Embraer held directly by a U.S. resident and the exchange ratio of one ADS of the registrant to be exchanged for each ADS of Embraer, in each case in connection with the proposed restructuring and merger described in the accompanying prospectus and based on (a) R\$19.80, the average of the high and low prices of the common shares of Embraer, and R\$20.45, the average of the high and low prices of the preferred shares of Embraer, as reported on the São Paulo Stock Exchange on February 17, 2006, converted into U.S. dollars based on an exchange rate of R\$2.1182 = U.S.\$1.00, as reported by the Central Bank (PTAX rate) on February 17, 2006 and (b) U.S.\$38.70, the average of the high and low prices of the ADSs of Embraer as reported on the New York Stock Exchange on February 17, 2006.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. Rio Han Empreendimentos e Participações S.A. may not sell these securities until the registration statement filed with the U.S. Securities and Exchange Commission is effective. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where such an offer or solicitation would be illegal.

Prospectus
Subject to Completion, dated _____, 2006

RIO HAN EMPREENDIMENTOS E PARTICIPAÇÕES S.A.

The Board of Directors of Embraer-Empresa Brasileira de Aeronáutica S.A., or Embraer, has approved a restructuring of Embraer that consists of the adoption of a new capital structure and listing on the *Novo Mercado* segment of the São Paulo Stock Exchange (*Bolsa de Valores de São Paulo*), or BOVESPA.

The proposed restructuring will be implemented through a merger of companies under Brazilian law (*incorporação de empresas*), or merger, of Embraer with and into Rio Han Empreendimentos e Participações S.A., a holding company, or Rio Han. As a result of the merger, Embraer will cease to exist and:

Rio Han will succeed to all of the rights and obligations of Embraer, and will change its legal name to Embraer-Empresa Brasileira de Aeronáutica S.A., which is Embraer's current legal name;

each common share of Embraer (other than common shares held by Rio Han) will be exchanged for one common share of Rio Han, or Rio Han common share;

each preferred share of Embraer will be exchanged for one Rio Han common share, and Rio Han will be prohibited from issuing preferred shares;

each American Depositary Share of Embraer, or Embraer ADS, each of which represents four preferred shares of Embraer, will be exchanged for one American Depositary Share of Rio Han, or Rio Han ADS, each of which will represent four Rio Han common shares; and

the Golden Share, a special class of common share of Embraer held by the Federative Republic of Brazil, or the Brazilian Government, will be exchanged for a special class of common share, or Golden Share, of Rio Han.

An extraordinary general meeting of Embraer shareholders will be held at Embraer's principal executive offices at Avenida Brigadeiro Faria Lima, 2170, City of São José dos Campos, State of São Paulo, Brazil on [_____] [___], 2006 at [__]:00 a.m., local time, to consider and vote upon the merger in accordance with the procedures described in this prospectus.

Even though under Brazilian law holders of Embraer preferred shares and, consequently, Embraer ADSs, collectively, Embraer non-voting shares, do not have the right to vote on the merger, the Board of Directors of Embraer proposes to extend voting rights to all holders of preferred shares, including preferred shares represented by Embraer ADSs, in respect of all proposals relating to the merger, as described in this prospectus.

NEITHER RIO HAN NOR EMBRAER IS ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND RIO HAN OR EMBRAER A PROXY.

The Rio Han common shares to be issued to holders of Embraer common and preferred shares will be listed on the BOVESPA. Rio Han will apply to list such shares on the *Novo Mercado* segment of the BOVESPA under the symbol EMBR3. The Rio Han ADSs and the underlying common shares to be received by holders of Embraer ADSs will be listed on the New York Stock Exchange, or NYSE, under the symbol ERJ.

You should read this prospectus carefully. See the section entitled Risk Factors beginning on page 27 of this prospectus for a discussion of risks that you should consider when evaluating the transactions described in this prospectus.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in connection with the merger or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus is dated _____, 2006 and is expected to be first made available to Embraer shareholders on or about that date.

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You should rely only on the information contained in this prospectus or on the information to which Rio Han and/or Embraer have referred you. Rio Han and Embraer have not authorized anyone to provide you with different information. The information contained in this prospectus or in any supplement accompanying this prospectus is only accurate at its respective date, and the business, results of operations and financial condition of Rio Han and Embraer may change thereafter.

PRESENTATION OF FINANCIAL INFORMATION

Rio Han Historical Financial Information

Rio Han was formed on September 2, 2005 as a *sociedade por ações de capital fechado* (a closed company), and has not carried on any activities other than in connection with the proposed restructuring and merger. At September 30, 2005, Rio Han had no material assets or liabilities and had only recorded a capital of US\$21.34 in accordance with accounting principles generally accepted in the United States of America, or U.S. GAAP. As a result, Rio Han has not prepared any historical financial statements at and for the one month ended September 30, 2005.

After the proposed restructuring and merger is implemented, Rio Han will prepare financial statements in accordance with U.S. GAAP, and, as currently done by Embraer, Rio Han will also present its primary U.S. GAAP financial statements in U.S. dollars.

In addition, after implementation of the proposed restructuring and merger, and the subsequent listing of Rio Han as a public company with the *Comissão de Valores Mobiliários*, or CVM, Rio Han will be permitted for a limited period of time to prepare its financial statements in accordance with accounting practices adopted in Brazil (which include accounting practices derived from Law No. 6,404 of December 15, 1976, as amended, or the Brazilian Corporate Law) for certain purposes, such as providing reports to its Brazilian shareholders, filing financial statements with the CVM and determining dividend payments and other distributions and tax liabilities in Brazil. These accounting practices are referred to in this prospectus as generally accepted accounting principles in Brazil, or Brazilian GAAP.

Embraer Historical Financial Information

The historical financial information of Embraer included in this prospectus is derived from the following financial statements:

the consolidated financial statements of Embraer at December 31, 2003 and 2004 and for the years ended December 31, 2002, 2003 and 2004, audited by Deloitte Touche Tohmatsu Auditores Independentes, or Deloitte, included in the Annual Report of Embraer on Form 20-F for the Fiscal Year Ended December 31, 2004 attached as Annex A to this prospectus;

the consolidated financial statements of Embraer at December 31, 2000 and 2001 and for the years ended December 31, 2000 and 2001, audited by Deloitte, that have not been included in this prospectus; and

the condensed consolidated financial statements of Embraer at and for the nine months ended September 30, 2005, subject to limited review by Deloitte, included in *Financial Statements* beginning on page F-1 of this prospectus.

You should read Embraer's selected historical financial information included in this prospectus in conjunction with (1) *Item 5. Operating and Financial Review and Prospects* and *Item 18. Financial Statements* included in the Annual Report of Embraer on Form 20-F for the Fiscal Year Ended December 31, 2004 attached as Annex A to this prospectus, (2) Embraer's financial statements and related notes included in *Financial Statements* beginning on page F-1 of this prospectus, and (3) *Management's Discussion and Analysis of Financial Conditions and Results of Operations* beginning on page 74 of this prospectus.

Embraer's consolidated financial statements for the years ended December 2001, 2002, 2003 and 2004 have been prepared in accordance with U.S. GAAP. Because Embraer exports more than 90% of its production and operates in an industry that uses the U.S. dollar as its currency of reference, Embraer's management believes that the U.S. dollar is its functional currency and the most appropriate currency in which to present its financial statements. As a result, amounts for all periods presented have been remeasured into U.S. dollars in accordance with the methodology set forth in Statement of Financial Accounting Standards No. 52, or SFAS 52.

Embraer's consolidated financial statements at and for the year ended December 2000 have been prepared in accordance with Brazilian GAAP, stated in Brazilian *reais* and have been adjusted for the effects of inflation. Previously, amount of net income and shareholders' equity under Brazilian GAAP were reconciled to those that would have been reported under U.S. GAAP.

For certain purposes, such as providing reports to its Brazilian shareholders, filing financial statements with the CVM and determining dividend payments and other distributions and tax liabilities in Brazil, Embraer has prepared and will, until the date the merger is completed, continue to be required to prepare financial statements in accordance with the Brazilian Corporate Law. Embraer's financial statements prepared in accordance with the Brazilian Corporate Law are not adjusted to account for the effects of inflation.

As a result of the reconciliation of amounts to the functional currency and other adjustments related to the differences in accounting principles between U.S. GAAP and Brazilian GAAP, the amounts of net income and shareholders' equity as reported in Embraer's consolidated historical financial statements presented herein differ from those included in its statutory accounting records.

Pro Forma Combined Financial Information

Under U.S. GAAP, the merger of Embraer with and into Rio Han will be recorded using the historical carrying values of the assets and liabilities of Embraer. The merger will be treated as a recapitalization that results in no change in accounting basis from the accounting basis of Embraer because, in accordance with U.S. GAAP, Embraer is regarded as the acquiring party for accounting purposes. The creation of Rio Han, a holding company with no operations, and the subsequent merger with Embraer do not involve any new shareholders nor result in any one shareholder or group of shareholders obtaining unilateral control of Rio Han.

As a result, Rio Han is not presenting pro forma combined financial information in this prospectus, with the exception of the unaudited pro forma earnings per share information of Embraer, giving pro forma effect to the proposed restructuring and merger contemplated in this prospectus. The unaudited pro forma earnings per share information is included in Summary Historical and Pro Forma Financial Information Summary Comparative Per Share Data beginning on page 24 of this prospectus.

The unaudited pro forma earnings per share information of Embraer presented in this prospectus gives effect to estimates made by Embraer's management and assumes that none of the holders of Embraer common shares will exercise their appraisal rights.

The unaudited pro forma earnings per share data of Embraer was prepared for illustrative purposes only. This information does not purport to represent what historical earnings per share Embraer would have had if the proposed restructuring and merger had occurred before such period or the future earnings per share that Rio Han will experience after the proposed restructuring and merger is implemented.

References to *real*, *reais* or R\$ are to the legal currency of Brazil, and references to U.S. dollars or US\$ are to the legal currency of the United States.

CAUTIONARY STATEMENTS CONCERNING FORWARD LOOKING INFORMATION

This prospectus includes forward-looking statements. These forward-looking statements include, but are not limited to: statements about the benefits of the proposed restructuring to Embraer and Embraer shareholders, including statements that the proposed restructuring will facilitate access to capital markets and increase financing resources for the development of new products and expansion programs and statements regarding the dispersed ownership and potential increase in liquidity of Rio Han common shares, and statements about the current conditions and future trends in the airline industry and business jet market, financial conditions, results of operations, cash flows, dividends, financing plans, business strategies, operating efficiencies or synergies, budgets, capital and other expenditures, competitive positions, growth opportunities for existing products, benefits from new technology, plans and objectives of management of Embraer and other matters.

These forward-looking statements are based largely on the current beliefs and expectations of Rio Han and Embraer about future events and financial trends affecting Embraer's businesses and are subject to risks, uncertainties and assumptions, including, among other things:

general economic, political and business conditions, both in Brazil and in Embraer's markets;

changes in competitive conditions and in the general level of demand for Embraer's products;

management's expectations and estimates concerning Embraer's future financial performance, financing plans and programs, and the effects of competition;

continued successful development and marketing of the Embraer 170/190 jet family, the line of business jets, including the new business jets for the light and very light categories, and defense aircraft;

Embraer's level of debt;

anticipated trends in Embraer's industry and its short- and long-term outlook for the 30-120 seat commercial aircraft market;

Embraer's expenditure plans;

inflation and fluctuations in exchange rates;

Embraer's ability to develop and deliver its products on a timely basis;

availability of sales financing for Embraer's existing and potential customers;

existing and future governmental regulation; and

other risk factors as set forth under "Risk Factors" beginning on page 27 of this prospectus.

The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect" and similar words are intended to identify forward-looking statements. Rio Han and Embraer undertake no obligation 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 prospectus might not occur.

Actual results and performance could differ substantially from those anticipated in forward-looking statements as a result of various factors such as those risks described in this prospectus, including in the Annual Report of Embraer on Form 20-F for the Fiscal Year Ended December 31, 2004 attached as Annex A to this prospectus. You should not place undue reliance on these forward-looking statements.

QUESTIONS AND ANSWERS ABOUT THE PROPOSED RESTRUCTURING AND MERGER

Q: What is the proposed restructuring and merger?

A: The Board of Directors of Embraer-Empresa Brasileira de Aeronáutica S.A., or Embraer, has approved a restructuring of Embraer that consists of the adoption of a new capital structure and listing on the *Novo Mercado*, a special trading segment of the São Paulo Stock Exchange (*Bolsa de Valores de São Paulo*), or BOVESPA.

The proposed restructuring involves two steps:

the organization of Rio Han Empreendimentos e Participações S.A., a holding company, or Rio Han, and the transfer by Cia. Bozano, Caixa de Previdência dos Funcionários do Banco do Brasil - PREVI, or PREVI, and Fundação Sistel de Seguridade Social, or SISTEL, the controlling shareholders of Embraer, of all of the Embraer common shares, or Embraer control shares, held by them subject to the Shareholders' Agreement among Cia. Bozano, PREVI and SISTEL, dated July 24, 1997, or the Shareholders' Agreement, to Rio Han - this step was completed on January 18, 2006; and

the merger of companies under Brazilian law (*incorporação de empresas*), or merger, of Embraer with and into Rio Han.

Q: Why has Embraer decided to propose the restructuring and merger?

A: The proposed restructuring is intended to create a basis for the sustainability, growth and continuity of Embraer's businesses and activities by simplifying the capital structure of Embraer and thereby improving its access to capital markets and increasing financing resources for the development of new products and expansion programs. The Board of Directors of Embraer believes that the proposed restructuring will also benefit Embraer shareholders through:

the extension of voting rights to all Embraer shareholders;

the relinquishment of voting control by the current controlling shareholders of Embraer in favor of all Embraer shareholders;

a potential increase in the liquidity of the shares to be received by Embraer shareholders in the merger resulting from the expected dispersed ownership of such shares; and

the adoption of enhanced corporate governance practices and transparency standards.

Q: What will happen to my Embraer common or preferred shares or ADSs?

A: As a result of the merger, Embraer common and preferred shares (including preferred shares represented by Embraer ADSs, each of which represents four Embraer preferred shares) will be exchanged for Rio Han common shares (including common shares represented by Rio Han ADSs, each of which will represent four Rio Han common shares) as follows:

each common share of Embraer (other than those held by Rio Han) will be exchanged for one Rio Han common share;

each preferred share of Embraer will be exchanged for one Rio Han common share, and Rio Han will be prohibited from issuing preferred shares;

each Embraer ADS will be exchanged for one Rio Han ADS; and

the Golden Share, a special class of common share held by the Federative Republic of Brazil, or the Brazilian Government, will be exchanged for a special class of common share, or Golden Share, of Rio Han.

Q: What shareholder approvals are needed for the proposed restructuring and merger?

A: Under the Brazilian Corporate Law, the merger must be approved by the shareholders of Rio Han and Embraer at their respective general meetings.

The Brazilian Government holds a Golden Share that gives the Brazilian Government a veto right over certain actions by Embraer, including the merger. The representative of the Brazilian Government on the Board of Directors of Embraer has approved the proposed restructuring and merger, and the Brazilian Government has indicated to the Board of Directors of Embraer that it intends to vote in favor of the merger.

Q: When and where is the extraordinary general meeting of Embraer shareholders to approve the merger?

A: The extraordinary general meeting of Embraer shareholders to approve the merger will be held on [_____], 2006, at [__] a.m., local time, at Embraer's principal executive offices at Avenida Brigadeiro Faria Lima, 2170, São José dos Campos, São Paulo, Brazil. The general meeting of Rio Han shareholders to approve the merger will be held at Rio Han's principal executive offices at Avenida Brigadeiro Faria Lima, 2170, F-56, térreo, sala 2656, São José dos Campos, São Paulo, Brazil, immediately following the extraordinary general meeting of Embraer shareholders.

Q: Will holders of Embraer non-voting shares be entitled to vote at the extraordinary general meeting?

A: Even though under the Brazilian Corporate Law holders of Embraer preferred shares and, consequently, Embraer ADSs do not have the right to vote on the merger, the Board of Directors of Embraer proposes to extend voting rights to all holders of preferred shares, including preferred shares represented by Embraer ADSs, or, collectively, The Embraer non-voting shares in respect of all proposals relating to the merger. At the extraordinary general meeting of Embraer shareholders, holders of Embraer common shares will first be asked to consider and vote upon a proposal to insert a temporary provision in the bylaws of Embraer to confer voting rights upon all Embraer shareholders in respect of all proposals relating to the merger. This first proposal must be approved by holders of a majority of the Embraer common shares present and voting at the extraordinary general meeting. The Board of Directors of Embraer expects this first proposal to be approved because Rio Han and its shareholders Cia. Bozano, PREVI and SISTEL, which directly or indirectly hold 63.35% of the outstanding Embraer common shares, have indicated to the Board of Directors of Embraer that they intend to vote in favor of this first proposal. If this first proposal is approved, all Embraer shareholders will have the right to vote upon all proposals relating to the merger.

Q: What vote is required to approve the merger at the extraordinary general meeting?

A: If the proposal to insert a temporary provision in the bylaws of Embraer to confer voting rights upon all Embraer shareholders is approved, then the merger must be approved by holders of more than 50% of the outstanding common and preferred shares of Embraer.

Q: How will the vote for the approval of the merger be conducted at the extraordinary general meeting?

A: The Board of Directors of Embraer has agreed that all Embraer shareholders (other than Rio Han, Cia. Bozano, PREVI and SISTEL and the directors and executive officers of Embraer), including the depositary of the Embraer ADSs that will vote as instructed by holders of ADSs, will vote before Rio Han, Cia. Bozano, PREVI, SISTEL and the directors and executive officers of Embraer on the proposals to approve the merger. If the merger is rejected by holders of more than 50% of the outstanding common and preferred shares of Embraer (other than common or preferred shares held by Rio Han, Cia. Bozano, PREVI, SISTEL and the directors and executive officers of Embraer), then Rio Han, Cia. Bozano, PREVI and SISTEL will vote against the merger. If the merger is not rejected as described in the preceding sentence, Rio Han, Cia. Bozano, PREVI and SISTEL will vote for the merger.

Q: What is the record date for the extraordinary general meeting?

A: Only Embraer shareholders who hold shares of record as of the close of business on [_____], 2006 will be entitled to attend and, in the case of holders of Embraer non-voting shares only if the proposal to extend voting rights to all Embraer shareholders is approved, vote at the extraordinary general meeting.

Q: Do I have to attend the extraordinary general meeting in person to vote?

A: You must attend the extraordinary general meeting of Embraer shareholders in person or by proxy in order to vote. See Extraordinary General Meeting of Embraer Shareholders How to Vote Your Embraer Shares and ADSs beginning on page 33 of this prospectus for further details.

Q: As a holder of Embraer ADSs, how do I vote?

A: As a holder of Embraer ADSs, you are not entitled to attend the extraordinary general meeting in person, but instead may be represented at the meeting by the depositary of the Embraer ADSs, or the depositary, or its representative. You should provide the depositary with timely voting instructions with respect to the preferred shares represented by your Embraer ADSs to enable the depositary to have such shares represented at the extraordinary general meeting. The depositary has set [__] p.m. (New York City time) on [_____], 2006 as the record date for determining those holders of Embraer ADSs entitled to provide voting instructions. See Extraordinary General Meeting of Embraer Shareholders How to Vote Your Embraer Shares and ADSs and Specific Considerations for Holders of Embraer ADS Vote by Holders of Embraer ADSs beginning on pages 33 and 68 of this prospectus, respectively.

Q: Do I have appraisal rights in connection with the merger?

A: Holders of record of Embraer common shares at the close of business on January 19, 2006, the date of the first announcement of the merger, are entitled to exercise appraisal or withdrawal rights (*direito de recesso ou retirada*), or appraisal rights, in connection with the merger.

If you held Embraer common shares of record at the close of business on January 19, 2006, you will have the right to elect to receive, instead of the Rio Han common shares to be issued in the merger, R\$6.61 in cash per common share, being the shareholders' equity per share of Embraer determined in accordance with Brazilian GAAP as of September 30, 2005, using the methodology described in the Valuation Report of Shareholders' Equity of Embraer prepared by ACAL Consultoria e Auditoria S/S, or ACAL, dated as of January 18, 2006. See The Proposed Restructuring and Merger Valuation Reports of ACAL Summary of Valuation Report of Book Value of Embraer's Shareholders' Equity beginning on page 53 of this prospectus.

If you have appraisal rights, you must exercise your rights within 30 days of the publication of the minutes of the extraordinary general meeting of Embraer shareholders convened to approve the merger, or the appraisal rights period, otherwise your rights will lapse. You cannot exercise your appraisal rights if you vote in favor of the merger. See The Proposed Restructuring and Merger Appraisal Rights on page 56 of this prospectus for information on how to exercise your appraisal rights.

Under the Brazilian Corporate Law, holders of Embraer preferred shares and Embraer ADSs are not entitled to appraisal rights in connection with the merger. See The Proposed Restructuring and Merger Appraisal Rights on page 56 of this prospectus.

Q: Can the merger be unwound?

A: Yes. Under the Brazilian Corporate Law, if the management of Rio Han believes that the total value of the appraisal rights exercised by holders of Embraer common shares may put at risk the financial stability of Rio Han, the management may, within ten days after the end of the appraisal rights period, call an extraordinary general meeting of Rio Han shareholders to ratify or unwind the merger.

Q: When will the merger be completed?

A: The merger will be effective upon approval of the merger by the shareholders of Rio Han and Embraer at their respective meetings.

The merger will be completed only after the merger becomes irreversible, which will occur upon the earliest occurrence of any of the following events:

by the tenth day following the end of the appraisal rights period if management of Rio Han has not called an extraordinary general meeting of Rio Han shareholders to either ratify or unwind the merger;

Rio Han waives its right to unwind the merger; or

management of Rio Han calls an extraordinary general meeting of Rio Han shareholders within ten days of the end of the appraisal rights period to either ratify or unwind the merger, and the merger is ratified.

Q: As a holder of Embraer common or preferred shares, what should I do to receive my Rio Han common shares?

A: As a holder of Embraer common or preferred shares, you will not need to do anything to receive your Rio Han common shares issued in the merger. Upon the effectiveness of the merger, all Embraer common and preferred shares will automatically be exchanged for Rio Han common shares. As Embraer shares are registered in book-entry form and Rio Han common shares will be registered in book-entry form, an entry or entries will be made by Banco Itaú S.A., the registrar of the Embraer share registry and the Rio Han share registry, in the Rio Han share registry to evidence the Rio Han common shares issued in the merger. Holders of Embraer common or preferred shares will not receive certificates evidencing Rio Han common shares. After the merger is completed, the registrar of the Rio Han share registry will provide a statement of shareholding to each registered holder of Rio Han common shares confirming their ownership of Rio Han common shares.

Q: As a holder of Embraer ADSs, what should I do to receive my Rio Han ADSs?

A: If you are a registered holder of Embraer ADSs, you will not need to take any action with respect to your Embraer ADSs. If you hold your Embraer ADSs in book-entry form through the direct registration system maintained by JPMorgan Chase Bank, N.A., the depository for the Embraer ADSs, an entry or entries will be made in the direct registration system after the effectiveness of the merger to evidence that your Embraer ADSs represent Rio Han common shares rather than Embraer preferred shares. If you hold certificates, commonly known as American Depositary Receipts, or ADRs, evidencing your Embraer ADSs, your ADRs will evidence your Rio Han ADSs after the effectiveness of the merger. In all cases, the number of Embraer ADSs you hold will remain unchanged. If you are not a registered holder of your Embraer ADSs but hold your Embraer ADSs in street name through a broker, bank, custodian or other nominee, you will not need to take any action unless your broker, bank, custodian or other nominee informs you otherwise.

Q: Can I trade my Embraer shares during the appraisal rights period?

A: Yes. You may continue to trade your Embraer common or preferred shares under their existing ticker symbols on the BOVESPA until such time as Rio Han is registered as a public company with the CVM and the Rio Han common shares issued in the merger are listed on the BOVESPA. Upon the effectiveness of the merger, Rio Han will apply to register as a public company with the CVM and to list the Rio Han common shares on the *Novo Mercado* segment of the BOVESPA under the ticker symbol EMBR3. Rio Han anticipates the registration and listing process to be completed within approximately 60 days from the date of the filing of its applications with the CVM and the BOVESPA. Holders of Embraer ADSs may continue to trade their Embraer ADSs under the ticker symbol ERJ on the NYSE until such time as the Rio Han ADSs are authorized for listing on the NYSE. Rio Han expects that the Rio Han ADSs will be authorized for listing on the NYSE, subject to official notice of issuance, by the same time that Rio Han is registered as a public company with the CVM and the Rio Han common shares are listed on the BOVESPA.

Q: Will I have to pay brokerage commissions?

A: You will not have to pay brokerage commissions if your shares are registered in your own name.

Q: Who can help answer my questions?

A: If you have any questions about the proposed restructuring or merger, you should contact:

Embraer
Avenida Brigadeiro Faria Lima, 2170
12227-901 São José dos Campos
São Paulo, Brazil
Attention: Investor Relations
Telephone (Brazil): +55 12 3927-4404
Telephone (US): +1 954 359-3721

SUMMARY

The following summary highlights selected information from this prospectus and may not contain all the information that may be important to you. To understand the proposed restructuring and merger more fully, you should read this entire prospectus carefully. This summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing in this prospectus, including Embraer's condensed consolidated financial statements and the accompanying notes.

The Companies***Rio Han (see page 71)***

Av. Brigadeiro Faria Lima, 2170
F-56, térreo, sala 2656
12227-901 São José dos Campos
São Paulo, Brazil
Tel: +55-12-3927-1000

Rio Han was formed as a closed company under the laws of Brazil on September 2, 2005 under the name R.A.A.S.P.E. Empreendimentos e Participações S.A., which name was subsequently changed to Rio Han on January 12, 2006.

The current share ownership of Rio Han (after giving effect to the transfer by Cia. Bozano, PREVI and SISTEL of the Embraer control shares to Rio Han on January 18, 2006) is as follows:

Shareholder	Number of common shares	Percentage of participation in the capital stock
Cia. Bozano	54,102,501	33.33%
PREVI	54,102,131	33.33%
SISTEL	54,102,131	33.33%
Total	162,306,763	100%

Rio Han has not carried on any activities other than in connection with the proposed restructuring and merger.

Embraer (see page 72)

Avenida Brigadeiro Faria Lima, 2170
12227-901 São José dos Campos
São Paulo, Brazil
Tel: +55-12-3927-4440

Embraer was incorporated as a publicly held company with private participation by the Brazilian Government in 1969, was privatized in 1994 and is currently a joint stock company duly organized under the laws of Brazil. Embraer is one of the leading manufacturers of commercial aircraft in the world based on net sales of commercial aircraft, and has a global customer base. Embraer's focus is achieving customer satisfaction with a range of products addressing the commercial, business jet and defense aircraft markets. Embraer is also the leading supplier of defense aircraft for the Brazilian Air Force based on number of aircraft sold, and has also sold aircraft to military forces in Europe and Latin America.

For additional information about Embraer, including information regarding recent developments, see "The Companies Information About Embraer" beginning on page 72 of this prospectus.

The Proposed Restructuring and Merger (see page 35)

The Board of Directors of Embraer has approved a restructuring of Embraer that consists of the adoption of a new capital structure and listing on the *Novo Mercado*, a special trading segment of the BOVESPA.

The proposed restructuring involves two steps:

1. the organization of Rio Han and the transfer by Cia. Bozano, PREVI and SISTEL of the Embraer control shares to Rio Han this step was completed on January 18, 2006; and
2. the merger under Brazilian law of Embraer with and into Rio Han.

Organization of Rio Han and the Transfer of Embraer control shares to Rio Han (see page 71)

Rio Han was formed on September 2, 2005 and has not carried on any activities other than in connection with the proposed restructuring and merger.

On January 12, 2006, Cia. Bozano purchased all of the common shares representing the capital stock of Rio Han. On January 13, 2006, PREVI and SISTEL each purchased from Cia. Bozano an amount of common shares to enable each of Cia. Bozano, PREVI and SISTEL to hold nearly equal amounts of Rio Han's capital stock. On January 18, 2006, Cia. Bozano, PREVI and SISTEL transferred all of the Embraer control shares (which represent 60% of Embraer's common shares and 20.16% of Embraer's total capital) to Rio Han in exchange for 162,306,263 Rio Han common shares (or 1.1153 Rio Han common shares for each Embraer control share).

The exchange ratio for the transfer of the Embraer control shares to Rio Han was determined by the management of Rio Han and the management of Embraer and subsequently recommended for approval by the Conselho Fiscal (Audit Board) of Embraer. The exchange ratio was approved by the Board of Directors of Embraer based on, among other things, the Financial Analyses Regarding the Restructuring of the Capital Stock of Embraer prepared by Goldman Sachs & Co. together with Goldman Sachs & Companhia, collectively, Goldman Sachs, dated as of January 13, 2006. See *The Proposed Restructuring and Merger Financial Analyses of Goldman Sachs* beginning on page 43 of this prospectus for further details regarding the financial analyses. The exchange ratio for the transfer of the Embraer control shares to Rio Han reflects a premium of 9% when compared to the exchange ratio for the merger. The Board of Directors of Embraer understands that Cia. Bozano, PREVI and SISTEL have a legitimate and justified expectation in receiving a premium on the transfer of the Embraer control shares to Rio Han as compensation for their relinquishment of voting control over Embraer in favor of all Embraer shareholders in connection with the proposed restructuring and merger. See *Merger Agreement* beginning on page 59 of this prospectus for further details.

Merger of Embraer with and into Rio Han (see page 37)

The proposed restructuring will be implemented through the merger of Embraer with and into Rio Han under the Brazilian Corporate Law.

As a result of the merger, Embraer will cease to exist and:

Rio Han will succeed to all of the rights and obligations of Embraer, and will change its legal name to Embraer Empresa Brasileira de Aeronáutica S.A., which is Embraer's current legal name;

all of the assets and liabilities (including shareholders' equity) of Embraer will be combined with the assets and liabilities (including shareholders' equity) of Rio Han, and all of Embraer's subsidiaries will become Rio Han's subsidiaries;

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each common share of Embraer (other than common shares held by Rio Han) will be exchanged for one Rio Han common share;

each preferred share of Embraer will be exchanged for one Rio Han common share, and Rio Han will be prohibited from issuing preferred shares;

each Embraer ADS will be exchanged for one Rio Han ADS; and

the Golden Share of Embraer held by the Brazilian Government will be exchanged for a Golden Share of Rio Han.

Each common and preferred share of Embraer held by Cia. Bozano, PREVI or SISTEL not subject to the Shareholders Agreement will be exchanged for one Rio Han common share.

Upon the effectiveness of the merger, the Shareholders Agreement will terminate and the new bylaws of Rio Han to be approved in connection with the merger will prohibit any shareholder or group of shareholders from exercising voting control over Rio Han.

The ownership structure of Rio Han after the merger will be as follows:

Share Ownership After the Merger (see page 38)

As of the date of this prospectus, holders of Embraer shares other than Rio Han hold approximately 79.84% in the aggregate of the total capital stock of Embraer. As a result of the premium that will be realized by Cia. Bozano, PREVI and SISTEL by virtue of the exchange ratio for the transfer of the Embraer control shares to Rio Han when compared to the exchange ratio for the merger, and assuming no holders of Embraer common shares exercise their appraisal rights, holders of Embraer shares other than Rio Han will hold approximately 78.03% in the aggregate of the total capital stock of Rio Han after the merger. See The Proposed Restructuring and Merger Share Ownership After the Merger beginning on page 38 of this prospectus for further details on the financial impact of the merger on Embraer shareholders.

Reasons for the Proposed Restructuring and Merger (see page 41)

The proposed restructuring and merger is intended to create a basis for the sustainability, growth and continuity of Embraer's businesses and activities by simplifying the capital structure of Embraer and thereby improving its access to capital markets and increasing financing resources for the development of new products and expansion programs. See The Proposed Restructuring and Merger Reasons for the Proposed Restructuring and Merger beginning on page 41 of this prospectus. The Board of Directors of Embraer expects that the following benefits will result from the proposed restructuring:

Benefits to Embraer Shareholders:

- the extension of voting rights to all Embraer shareholders;
- the relinquishment of voting control by the current controlling shareholders of Embraer in favor of all Embraer shareholders;
- a potential increase in the liquidity of the shares to be received by Embraer shareholders in the merger resulting from the expected dispersed ownership of such shares;
- the adoption of enhanced corporate governance practices and transparency standards; and
- for Cia. Bozano, PREVI and SISTEL, realization of a premium on the Embraer control shares transferred to Rio Han by virtue of the exchange ratio applicable to such transfer when compared to the exchange ratio applicable to the merger.

Benefits to the Brazilian Capital Markets:

- the creation of the first major Brazilian company with dispersed ownership and simplified capital structure (only common shares) to be listed on the *Novo Mercado*; and
- the creation of a new corporate governance benchmark for Brazilian public companies.

Benefits to the Brazilian Government:

- the continuation of the rights of the Golden Share;
- the assurance that a majority of the voting rights of Rio Han common shares will be held by Brazilian shareholders as provided in the Privatization Notice of Embraer;
- the control over the concentration of Rio Han common shares in amounts equal to or greater than 35%;
- the assurance of a dispersed capital structure due to the adoption of restrictions on voting rights contained in Rio Han's proposed bylaws; and
- the assurance that Rio Han will remain as a technological and industrial partner of the Brazilian Army.

The Board of Directors also considered the following potential effects arising from the proposed restructuring and merger:

- the ownership percentage of holders of Embraer shares other than those subject to the Shareholders' Agreement will be diluted as a result of the merger (assuming no holders of Embraer common shares exercise appraisal rights); and
- holders of Embraer preferred shares (including preferred shares represented by Embraer ADSs) will no longer be entitled to receive a dividend per share at least 10% higher than any dividend conferred upon each Embraer common share.

Approval of the Conselho Fiscal (Audit Board) and of the Board of Directors of Embraer (see page 42)

The Conselho Fiscal (Audit Board) of Embraer has reviewed the proposed restructuring and merger, including the Protocol and Justification of Merger of Embraer with and into Rio Han, dated January 19, 2006, and the valuation reports, financial analyses and proposed bylaws of Rio Han attached as exhibits thereto, or the Merger Agreement, and has unanimously recommended the submission of the Merger Agreement and the merger to an extraordinary general meeting of Embraer shareholders for approval.

The Board of Directors of Embraer has also reviewed the proposed restructuring and merger, including the Merger Agreement and all exhibits thereto, and has unanimously approved the restructuring and merger, the terms of the Merger Agreement and all related documents, and has approved the submission of the Merger Agreement and the merger to an extraordinary general meeting of Embraer shareholders for approval.

In determining whether to approve the proposed restructuring and merger, the Board of Directors of Embraer consulted with its senior management and legal counsel as well as its financial advisors, ACAL and Goldman Sachs, considered the approval of the Conselho Fiscal, and considered the respective strategic, financial and other considerations referred to under "The Proposed Restructuring and Merger Reasons for the Proposed Restructuring and Merger" beginning on page 41 of this prospectus.

Conditions to the Merger (see page 37)

The merger must be approved by the shareholders of Rio Han and Embraer at their respective meetings. At their general meeting, Rio Han shareholders will be asked to vote upon, among other things, the following proposals:

the approval of the proposed bylaws for Rio Han;

the election of a transition Board of Directors to serve until the annual general meeting of Rio Han shareholders in 2009 to approve the financial statements for the fiscal year ended December 31, 2008;

the ratification of the appointment of ACAL by the management of Rio Han to prepare the valuation reports of Embraer and Rio Han;

the approval of the valuation reports prepared by ACAL;

the approval of the Merger Agreement;

the approval of the merger of Embraer with and into Rio Han, pursuant to the terms of the Merger Agreement and related documents;

the increase of Rio Han's capital as a result of the merger;

the approval of the renaming of Rio Han as Embraer Empresa Brasileira de Aeronáutica S.A., which is Embraer's current legal name; and

the restriction on transfers of Rio Han common shares by the current controlling shareholders of Rio Han and the management of Rio Han for a period of six months following the effectiveness of the merger.

Rio Han expects that all of the resolutions submitted to Rio Han shareholders for approval at the general meeting of Rio Han shareholders will be approved because the current controlling shareholders of Rio Han have indicated to Rio Han and to the Board of Directors of Embraer that they intend to vote in favor of all of these proposals.

The Brazilian Government holds a Golden Share that gives the Brazilian Government a veto right over certain actions by Embraer, including the merger. The representative of the Brazilian Government on the Board of Directors of Embraer has approved the proposed restructuring and merger, and the Brazilian Government has indicated to the Board of Directors of Embraer that it intends to vote in favor of the merger at the extraordinary general meeting of Embraer shareholders called to approve the merger.

No regulatory requirements, other than the filing of the minutes of the extraordinary general meeting of Embraer and general meeting of Rio Han shareholders approving the merger with the proper commercial registries, must be met, and no regulatory approvals must be obtained, in connection with the proposed restructuring and merger.

Extraordinary General Meeting of Embraer Shareholders Regarding the Merger (see page 32)

When and Where. The extraordinary general meeting of Embraer shareholders to approve the merger will be held on:

_____, 2006, _____ a.m., local time,
Avenida Brigadeiro Faria Lima, 2170,
City of São José dos Campos, State of São Paulo
Brazil

Purpose of the Extraordinary General Meeting. At the extraordinary general meeting of Embraer shareholders, holders of Embraer common shares will first be asked to consider and vote upon a proposal to insert a temporary provision in the bylaws of Embraer to confer voting rights upon all Embraer shareholders, regardless of the type of shares held by them, in respect of all proposals relating to the merger. This first proposal must be approved by holders of a majority of the Embraer common shares present and voting at the extraordinary general meeting. The Board of Directors of Embraer expects this first proposal to be approved because Rio Han and its shareholders Cia. Bozano, PREVI, and SISTEL, which directly or indirectly hold 63.35% of the outstanding Embraer common shares, have indicated to the Board of Directors of Embraer that they intend to vote in favor of this first proposal.

If this first proposal is adopted, all Embraer shareholders will have the right to vote upon the following proposals relating to the merger:

- the ratification of the appointment of ACAL and Goldman Sachs by the management of Embraer to prepare the valuation reports and financial analyses, respectively, regarding the proposed restructuring and merger;
- the approval of the valuation reports prepared by ACAL and of the financial analyses prepared by Goldman Sachs;
- the approval of the Merger Agreement; and
- the approval of the merger of Embraer with and into Rio Han, pursuant to the terms of the Merger Agreement and related documents.

Record Date; Quorum. Only Embraer shareholders who hold shares of record as of the close of business, local time, on [____], 2006 will be entitled to attend and, in the case of holders of Embraer non-voting shares only if the first proposal is approved, vote at the extraordinary general meeting of Embraer shareholders to approve the merger. The holders of record of Embraer ADSs as of [__] p.m. (New York City time) on [____], 2006, the record date for the Embraer ADSs, will be entitled to provide the depositary for the Embraer ADSs with voting instructions in respect of the proposals to be considered at the extraordinary general meeting.

A quorum of shares of Embraer common stock is necessary to hold a valid extraordinary general meeting of Embraer shareholders. At first call, the holders of at least two-thirds of Embraer common shares issued and outstanding, present in person or represented by proxy, will constitute a quorum to hold the extraordinary general meeting. In the event such quorum is not present, the extraordinary general meeting of Embraer shareholders may be held at second call, with the presence of any amount of holders of Embraer common shares issued and outstanding.

Vote Required for Approval of the Merger (see page 33)

If the proposal to confer voting rights upon all Embraer shareholders is approved, all Embraer shareholders will have the right to vote on the merger and the merger must be approved by holders of more than 50% of the outstanding common and preferred shares of Embraer.

The Board of Directors of Embraer has agreed that all Embraer shareholders (other than Rio Han, Cia. Bozano, PREVI and SISTEL and the directors and executive officers of Embraer), including the depositary of the Embraer ADSs that will vote as instructed by the holders of ADSs, will vote before Rio Han, Cia. Bozano, PREVI and SISTEL. If the merger is rejected by holders of more than 50% of the outstanding common and preferred shares of Embraer (other than common or preferred shares held by Rio Han, Cia. Bozano, PREVI, SISTEL and the directors and executive officers of Embraer), then Rio Han, Cia. Bozano, PREVI and SISTEL will vote against the merger. If the merger is not rejected as described in the preceding sentence, Rio Han, Cia. Bozano, PREVI and SISTEL will vote for the merger.

At the close of business, local time, on February 20, 2006, directors and executive officers of Embraer beneficially owned, in the aggregate, 18 Embraer common shares and 2,417,681 Embraer preferred shares, representing approximately 0.22% of Embraer's total capital stock.

Appraisal Rights (see page 56)

Holders of record of Embraer common shares at the close of business on January 19, 2006, the date of the first announcement of the merger, are entitled to exercise appraisal rights in connection with the merger.

If you held Embraer common shares of record at the close of business on January 19, 2006, you will have the right to elect to receive, instead of the Rio Han common shares to be issued in the merger, an amount in cash equal to R\$6.61 per common share, being the shareholders equity per share of Embraer determined in accordance with Brazilian GAAP as of September 30, 2005, using the methodology described in the Valuation Report of Shareholders' Equity of Embraer prepared by ACAL Consultoria e Auditoria S/S, or ACAL, dated as of January 18, 2006. See The Proposed Restructuring and Merger Valuation Reports of ACAL Summary of Valuation Report of Book Value of Embraer's Shareholders Equity beginning on page 53 of this prospectus.

If you have appraisal rights, you must exercise your rights within 30 days of the publication of the minutes of the extraordinary general meeting of Embraer shareholders convened to approve the merger, or the appraisal rights period, otherwise your rights will lapse. Embraer expects to publish the minutes of the extraordinary general meeting in the *Vale Paraibano* in São José dos Campos and in the *Gazeta Mercantil* in São Paulo on or about [____], 2006. Embraer will furnish an English translation of the minutes of the extraordinary general meeting, which will specify the last date for the exercise of appraisal rights, on Form 6-K with the SEC (www.sec.gov) on the same date as their publication in Brazil and will also make an English translation of the minutes of the extraordinary general meeting available on its website (www.embraer.com.br). For information on how to exercise your appraisal rights, see The Proposed Restructuring and Merger Appraisal Rights on page 56 of this prospectus.

Under the Brazilian Corporate Law, holders of Embraer preferred shares and Embraer ADSs are not entitled to appraisal rights in connection with the merger. See The Proposed Restructuring and Merger Appraisal Rights on page 56 of this prospectus.

Unwinding of the Merger (see page 57)

Under the Brazilian Corporate Law, if the management of Rio Han believes that the total value of the appraisal rights exercised by holders of Embraer common shares may put at risk the financial stability of Rio Han, the management may, within ten days after the end of the appraisal rights period, call an extraordinary general meeting of Rio Han shareholders to ratify or unwind the merger. Payment relating to the exercise of appraisal rights will not be due if the merger is unwound by Rio Han's shareholders.

The factors that may put at risk the financial stability of the enterprise will depend on the financial condition of Rio Han after the merger and the general economic environment in its markets at the time the appraisal rights are exercised. These factors may include, but are not limited to, the cash balances of Rio Han, its ability to borrow funds or fund expansion plans and continuing operations, and compliance with existing contractual obligations, including financial covenants. The decision to call the extraordinary general meeting of shareholders to ratify or unwind the merger is at the discretion of Rio Han's management.

Financial Analyses of Goldman Sachs (see page 43)

In connection with the merger, the Board of Directors of Embraer received certain financial analyses from Goldman Sachs for consideration in its determination of the exchange ratio for the transfer of the Embraer control shares to Rio Han and the exchange ratio for the merger.

We urge you to read carefully the summary of the financial analyses set forth in The Proposed Restructuring and Merger Financial Analyses of Goldman Sachs beginning on page 43 of this prospectus, which includes information on how to obtain copies of the full analyses.

Valuation Reports of ACAL (see page 49)

In connection with the merger, Rio Han and Embraer retained ACAL to render valuation reports for the purpose of appraising:

the book value of the shareholders' equity of Embraer in order to determine the capital increase of Rio Han that will result from the merger; and

the market value of the shareholders' equity of Embraer and Rio Han in order to (i) compare the ratio between such values with the exchange ratio stipulated in the Merger Agreement and (ii) determine the appraisal value of the Embraer common shares.

The valuation reports were based on the audited financial statements of Rio Han and Embraer as of September 30, 2005, prepared in accordance with Brazilian GAAP. See The Proposed Restructuring and Merger Valuation Reports of ACAL beginning on page 49 of this prospectus for further details.

We urge you to read carefully the summary of the valuation reports set forth in The Proposed Restructuring and Merger Valuation Reports of ACAL beginning on page 49 of this prospectus, which includes information on how to obtain copies of the full reports.

Opinion of Citigroup Global Markets Inc. (see page 54)

In connection with the merger, the Board of Directors of Embraer received a written opinion from Citigroup Global Markets Inc., or Citigroup, dated February 15, 2006, as to the fairness, from a financial point of view and as of the date of the opinion, to the holders of the Embraer non-voting shares (other than the controlling shareholders of Embraer and their respective affiliates), of the one-for-one exchange ratio provided for in the merger for the Embraer non-voting shares. The full text of Citigroup's written opinion is attached to this prospectus as Annex G. We encourage you to read this opinion carefully in its entirety for a description of the assumptions made, procedures followed, matters considered and limitations on the review undertaken. **Citigroup's opinion was provided to the Board of Directors of Embraer and relates only to the fairness, from a financial point of view, to the holders of the Embraer non-voting shares (other than the controlling shareholders of Embraer and their respective affiliates) of the one-for-one exchange ratio provided for in the merger for the Embraer non-voting shares. Citigroup's opinion does not address any other term, aspect or implication of the merger and does not constitute a recommendation to any security holder as to how such security holder should vote or act on any matters relating to the proposed merger.**

Risk Factors (see page 27)

Before making an investment decision, you should carefully consider the risk factors related to the proposed restructuring and the merger and also those related to Rio Han's common shares and ADSs set forth in "Risk Factors" beginning on page 27 of this prospectus.

Tax Considerations (see page 102)

There is no specific Brazilian legislation nor administrative or judicial precedent regarding the income tax consequences to investors resulting from a stock-for-stock merger. Based on the opinion of its Brazilian tax counsel, Rio Han believes that the merger should not be subject to income tax pursuant to Brazilian law. Rio Han's Brazilian counsel believes that it is unlikely that the merger will be deemed to be a taxable transaction under Brazilian law, especially if a shareholder maintains, for Brazilian tax purposes, as the cost of acquisition of Rio Han's common shares the cost of the acquisition of Embraer's shares. Gains resulting from the exercise of appraisal rights, however, will be taxable. See "Risk Factors - Risks Relating to the Proposed Restructuring and Merger" beginning on page 27 of this prospectus and "Material Tax Considerations - Material Brazilian Tax Considerations" beginning on page 102 of this prospectus. You are urged to consult your own tax advisor with respect to the personal tax consequences of the merger, which may vary for investors in different tax situations.

Shearman & Sterling LLP, U.S. tax counsel to Embraer and Rio Han, is providing an opinion, based in part on customary representations and assumptions set forth therein, that the merger and resulting share exchange should qualify as one or more reorganizations for U.S. federal income tax purposes. If the merger so qualifies as a reorganization pursuant to these provisions, the exchange of Embraer common shares, preferred shares and ADSs for Rio Han common shares and ADSs pursuant to the merger generally will be tax-free to U.S. holders of Embraer common shares, preferred shares and ADSs for such tax purposes. See "Risk Factors - Risks Relating to the Proposed Restructuring and Merger" beginning on page 27 of this prospectus and "Material Tax Considerations - Material United States Federal Income Tax Considerations" beginning on page 104 of this prospectus. You are urged to consult your own tax advisor with respect to your personal tax consequences of the merger, which may vary for investors in different tax situations.

Accounting Treatment of the Merger (see page 58)

Under U.S. GAAP, the merger of Embraer with and into Rio Han will be recorded using the historical carrying values of the assets and liabilities of Embraer. The merger will be treated as a recapitalization that results in no change in accounting basis from the accounting basis of Embraer because, in accordance with U.S. GAAP, Embraer is regarded as the acquiring party for accounting purposes. The creation of Rio Han, a holding company with no operations, and the subsequent merger with Embraer do not involve any new shareholders nor result in any one shareholder or group of shareholders obtaining unilateral control of Rio Han.

Merger Agreement (see page 59)

The Merger Agreement provides for the merger of Embraer with and into Rio Han, which will become the successor of Embraer and, by operation of law, assume all Embraer's rights and obligations, under the Brazilian Corporate Law. The Merger Agreement is described in more detail in "Merger Agreement" beginning on page 59 of this prospectus and is attached as Annex B to this prospectus.

Interests of Certain Persons in the Merger (see page 65)

In considering how to vote, Embraer shareholders should be aware that certain members of the Embraer Board of Directors and the management of Embraer may have interests in the merger that differ from, or are in addition to, their interests as Embraer shareholders. The Embraer Board of Directors was aware of these interests and considered them, among other matters, in approving the Merger Agreement and the merger. A summary of these interests, to the extent material, is set forth in "Interests of Certain Persons in, and Significant Shareholders of, Embraer and Rio Han" beginning on page 65 of this prospectus.

Management of Rio Han Before and After the Proposed Restructuring and Merger (see page 110)

Rio Han is currently managed by two executive officers, Mr. Vitor Sarquis Hallack and Mr. Carlos Alberto Cardoso Moreira, both executive officers without specific title currently serving a term that will expire at the next general meeting of Rio Han shareholders. Additional officers of Rio Han may be elected by its shareholders prior to the proposed restructuring and merger.

Pursuant to Rio Han's proposed bylaws, after the implementation of the proposed restructuring and merger, Rio Han will be managed by a Board of Directors comprised of 11 members and a board of officers with a minimum of four and a maximum of 11 members. One of the members of the board of officers will be the Chief Executive Officer, or CEO, who will participate in meetings of the Board of Directors, but may not vote in respect of any resolution of the Board of Directors. The members of the Board of Directors will be elected for two-year terms. Rio Han's proposed bylaws further provide that the Brazilian Government, as holder of the Golden Share, will be entitled to appoint one member of the Board of Directors. In addition, Rio Han's employees will be entitled to appoint two members of the Board of Directors: (i) one as a representative of the Rio Han employees who are Rio Han shareholders and (ii) one as a representative of Rio Han employees who are not Rio Han shareholders. Rio Han will have a permanent Conselho Fiscal, or audit board, which will comprise five members and an equal number of alternates.

Rio Han's proposed bylaws also contain a temporary provision, which will become effective immediately before approval of the proposed restructuring and merger, specifying that Rio Han will be managed by a transition Board of Directors of 11 members to be elected on the date of approval of the Rio Han proposed bylaws at the general meeting of Rio Han shareholders to approve the merger. This transition Board of Directors will comprise 11 members, of whom: (i) one will be the current CEO of Embraer, who will also serve as CEO of Rio Han for a limited period; (ii) one will be appointed by the Brazilian Government; (iii) two will be appointed by Embraer's employees; (iv) one will be appointed by each of Cia. Bozano, PREVI and SISTEL; and (v) the remaining four will be independent board members, who will be appointed by Cia. Bozano, PREVI and SISTEL, as a group. The term of office of the members of the transition Board of Directors elected on the date of approval of the Rio Han bylaws will be three years, until the annual general meeting of Rio Han shareholders in 2009 to approve the financial statements for the fiscal year ended December 31, 2008. The term of office of Rio Han's Board of Directors will thereafter be two years.

The current president and CEO of Embraer will be the Chairman of the transition Board of Directors pursuant to the temporary provision of Rio Han's proposed bylaws. As a result, Mr. Maurício Novis Botelho, currently president and CEO of Embraer, will be elected as Chairman of the Board of Directors, as well as the president and CEO of Rio Han, and will hold the office of CEO until the first meeting of the Board of Directors of Rio Han to be held after the annual general meeting of Rio Han shareholders that approves the financial statements for the fiscal year ended December 31, 2006 (at which time, a new CEO will be elected by the Board of Directors).

See Management of Rio Han Before and After the Proposed Restructuring and Merger beginning on page 110 of this prospectus and Description of Rio Han's Capital Stock Election of Board of Directors beginning on page 126 of this prospectus for a detailed description of the rules and procedures regarding the nomination and election of Rio Han's board members and executive officers.

Stock Exchange Listings (see page 57)

Upon the effectiveness of the merger, Rio Han will apply to register as a public company with the CVM and to list the Rio Han common shares to be issued in the merger on the *Novo Mercado* segment of the BOVESPA under the ticker symbol EMBR3, which is currently the ticker symbol for the Embraer common shares. Rio Han anticipates the registration and listing process to be completed within approximately 60 days from the date of the filing of its applications with the CVM and the BOVESPA. Until Rio Han is registered as a public company with the CVM and the Rio Han common shares are listed on the BOVESPA, holders of Embraer common and preferred shares may continue to trade their Embraer shares under their current ticker symbols EMBR3 and EMBR4, respectively.

Rio Han will also submit a listing application to the NYSE to list the Rio Han ADSs to be issued to holders of Embraer ADSs in the merger under the ticker symbol ERJ, which is currently the ticker symbol for the Embraer ADSs. Until the Rio Han ADSs are authorized for listing on the NYSE, holders of Embraer ADSs may continue to trade their Embraer ADSs, without interruption, under their current ticker symbol. Rio Han expects that the Rio Han ADSs will be authorized for listing on the NYSE, subject to official notice of issuance, by the same time that Rio Han is registered as a public company with the CVM and the Rio Han common shares are listed on the BOVESPA.

Rights of the Golden Share (see page 125)

All rights to which the Brazilian Government is entitled in its capacity as holder of the Golden Share pursuant to Embraer's bylaws will be fully maintained in Rio Han's proposed bylaws, including the right to appoint one member to Rio Han's Board of Directors.

In addition, Rio Han's proposed bylaws provide that:

any shareholder or group of shareholders that acquires or becomes the holder of (i) 35% or more of the total shares issued by Rio Han or (ii) other rights over shares issued by Rio Han that represent more than 35% of its capital will be required to make a public tender offer to purchase all of the shares issued by Rio Han on the terms specified in Rio Han's proposed bylaws or to sell all of such shareholders' shares that exceed the 35% limit, in either case, as required by the Brazilian Government; and

the Brazilian Government will have veto powers in connection with certain matters contained in Rio Han's bylaws.

See Description of Rio Han's Capital Stock Rights of the Golden Share on page 125 of this prospectus for further details regarding the Golden Share.

Lock-up of Certain Shareholders (see page 63)

Immediately after approval of the merger, a proposal will be submitted to the general meeting of Rio Han shareholders, as set forth in the Merger Agreement, to approve a restriction on transfers of Rio Han common shares by the current controlling shareholders of Rio Han and the management of Rio Han for a period of six months after the effectiveness of the merger. Rio Han expects that this proposal will be approved at the meeting as the current controlling shareholders of Rio Han have indicated that they intend to vote in favor of this proposal.

Comparison of Rights of Holders of Embraer Preferred Shares and Rio Han Common Shares (see page 117)

If you hold Embraer preferred shares or Embraer ADSs, once you receive Rio Han common shares or Rio Han ADSs, respectively, your rights as a shareholder of Rio Han will be different in certain respects from your current rights. As a holder of Rio Han common shares, you may personally attend and vote at any and all general meetings of Rio Han shareholders, subject to certain limitations applicable to all Rio Han common shareholders, and you will receive the same amount of dividends per share payable to all other shareholders, instead of the current entitlement to dividends in an amount per share at least 10% higher than any dividend conferred upon each Embraer common share. For a more detailed description of the rights of holders of Rio Han common shares, see Description of Rio Han's Capital Stock Rights of Common Shares beginning on page 117 of this prospectus.

Limitations on Voting Rights of Certain Rio Han Shareholders (see page 120)

Rio Han's proposed bylaws provide that, at any general meeting of Rio Han shareholders, no shareholder or group of shareholders may exercise votes representing more than 5% of the quantity of shares into which the capital stock of Rio Han is divided. Votes that exceed this 5% threshold will not be counted. For further information, see Description of Rio Han's Capital Stock Limitations on the Voting Rights of Certain Holders of Common Shares beginning on page 120 of this prospectus.

In order to comply with the *edital* (invitation to bid) issued by the Brazilian Government in connection with the privatization of Embraer in 1994, which limited the participation in the voting capital of Embraer by non-Brazilian shareholders to 40%, Rio Han's proposed bylaws provide that, at any general meeting of Rio Han shareholders, non-Brazilian shareholders may not exercise voting rights representing in total more than 2/3 of the total votes that can be exercised by the Brazilian shareholders present at such meeting. The total number of votes that may be exercised by Brazilian shareholders and by non-Brazilian shareholders will be assessed after giving effect to the 5% voting limitation discussed above. Votes of non-Brazilian shareholders that exceed this 2/3 threshold will not be counted.

If the total vote of non-Brazilian shareholders at any general meeting of Rio Han shareholders exceeds 2/3 of the votes that may be exercised by the Brazilian shareholders present at such meeting, the number of votes of each non-Brazilian shareholder will be proportionately reduced so that the total vote of non-Brazilian shareholders does not exceed 2/3 of the total votes that can be exercised by Brazilian shareholders present at such meeting. The objective of this 2/3 limitation is to ensure that Brazilian shareholders constitute a majority of the total votes cast at any general meeting of Rio Han shareholders and will effectively prevent the takeover of Rio Han by non-Brazilian shareholders. The limitation applicable to Rio Han's non-Brazilian shareholders only restricts voting rights without, however, preventing non-Brazilian shareholders from participating in the capital stock or receiving dividends based on their effective shareholding. Therefore, rights such as the participation in the distribution of profits, participation in the net assets in case of liquidation, inspection of management's activities, and preemptive rights in the subscription of new shares and convertible securities, as well as the right to exercise appraisal rights as provided by applicable law, shall not be affected. See Description of Rio Han's Capital Stock Limitation on the Voting Rights of Non-Brazilian Shareholders beginning on page 121 of this prospectus for a further discussion of this limitation and examples of its application.

Mechanism to Promote Dispersed Ownership of Rio Han's Shares (see page 128)

Rio Han's proposed bylaws contain provisions that have the effect of avoiding concentration of Rio Han shares in the hands of one investor or a small group of investors in order to promote more dispersed ownership of its shares. These provisions require any shareholder or group of shareholders that acquires or becomes the holder of (i) 35% or more of the total shares issued by Rio Han or (ii) other rights over shares issued by Rio Han that represent more than 35% of its capital to make a public tender offer to purchase all of the shares issued by Rio Han on the terms specified in Rio Han's proposed bylaws or to sell all of such shareholders' shares that exceed the 35% limit, in either case, as required by the Brazilian Government. For purposes of calculating the 35% limit, the calculation shall not include involuntary percentage increases resulting from the cancellation of treasury shares.

Rio Han's proposed bylaws will further require the mandatory disclosure, by means of a notice to Rio Han and to the exchanges on which its securities are traded, of the acquisition of shares that together with those already held by such shareholder exceed 5% of Rio Han's total capital stock, subject to the potential suspension of all voting rights of the shares held by such shareholder, if a resolution is approved at a general meeting of Rio Han shareholders specially called by Rio Han's management to discuss the matter.

SUMMARY HISTORICAL AND PRO FORMA FINANCIAL INFORMATION

The following information is provided to aid you in your analysis of the financial aspects of the proposed restructuring and merger.

Rio Han was formed on September 2, 2005 as a closed company, and has not carried on any activities other than in connection with the proposed restructuring and merger. At September 30, 2005, Rio Han had no material assets or liabilities and had only recorded a capital of US\$21.34 in accordance with U.S. GAAP. As a result, Rio Han has not prepared any historical financial statements at and for the one month ended September 30, 2005.

The historical financial information of Embraer included in this prospectus is derived from the following financial statements:

the consolidated financial statements of Embraer at December 31, 2003 and 2004 and for the years ended December 31, 2002, 2003 and 2004, audited by Deloitte Touche Tohmatsu Auditores Independentes, or Deloitte, included in the Annual Report of Embraer on Form 20-F for the Fiscal Year Ended December 31, 2004 attached as Annex A to this prospectus;

the consolidated financial statements of Embraer at December 31, 2000 and 2001 and for the years ended December 31, 2000 and 2001, audited by Deloitte, that have not been included in this prospectus; and

the condensed consolidated financial statements of Embraer at and for the nine months ended September 30, 2005, subject to limited review by Deloitte, included in Financial Statements beginning on page F-1 of this prospectus.

This summary historical financial information should be read together with these financial statements.

You should also read Embraer's selected historical financial information included in this prospectus in conjunction with (1) Item 5. Operating and Financial Review and Prospects and Item 18. Financial Statements included in the Annual Report of Embraer on Form 20-F for the Fiscal Year Ended December 31, 2004 attached as Annex A to this prospectus, (2) Embraer's financial statements and related notes included in Financial Statements beginning on page F-1 of this prospectus, and (3) Management's Discussion and Analysis of Financial Conditions and Results of Operations beginning on page 74 of this prospectus.

Embraer's consolidated financial statements for the years ended December 2001, 2002, 2003 and 2004 have been prepared in accordance with U.S. GAAP. Because Embraer exports more than 90% of its production and operates in an industry that uses the U.S. dollar as its currency of reference, Embraer's management believes that the U.S. dollar is its functional currency and the most appropriate currency in which to present its financial statements. As a result, amounts for all periods presented have been remeasured into U.S. dollars in accordance with the methodology set forth in Statement of Financial Accounting Standards No. 52, or SFAS 52.

Embraer's consolidated financial statements at and for the year ended December 2000 have been prepared in accordance with Brazilian GAAP, stated in Brazilian *reais* and adjusted for the effects of inflation. Previously, amounts of net income and shareholders' equity under Brazilian GAAP were reconciled to those that would have been reported under U.S. GAAP.

Under U.S. GAAP, the merger of Embraer with and into Rio Han will be recorded using the historical carrying values of the assets and liabilities of Embraer. The merger will be treated as a recapitalization that results in no change in accounting basis from the accounting basis of Embraer because, in accordance with U.S. GAAP, Embraer is regarded as the acquiring party for accounting purposes. The creation of Rio Han, a holding company with no operations, and the subsequent merger with Embraer do not involve any new shareholders nor result in any one shareholder or group of shareholders obtaining unilateral control of Rio Han.

As a result, Rio Han is not presenting pro forma combined financial information in this prospectus, with the exception of the unaudited pro forma earnings per share information of Embraer, giving pro forma effect to the proposed restructuring and merger contemplated in this prospectus. The unaudited pro forma earnings per share information is included in Summary Comparative Per Share Data beginning on page 24 of this prospectus.

The unaudited pro forma earnings per share information of Embraer presented in this prospectus gives effect to estimates made by Embraer's management and assumes that none of the holders of Embraer common shares will exercise their appraisal rights.

The unaudited pro forma earnings per share data of Embraer was prepared for illustrative purposes only. This information does not purport to represent what historical earnings per share Embraer would have had if the proposed restructuring and merger had occurred before such period or the future earnings per share that Rio Han will experience after the proposed restructuring and merger is implemented.

Summary of Selected Historical Financial Information of Rio Han

Rio Han was formed on September 2, 2005 as a closed company, and has not carried on any activities other than in connection with the proposed restructuring and merger. At September 30, 2005, Rio Han had no material assets and liabilities and had only recorded a capital of US\$21.34 in accordance with U.S. GAAP. As a result, Rio Han has not prepared any historical financial statements at and for the one month ended September 30, 2005.

Summary of Selected Historical Financial Information of Embraer

	At and for the year ended December 31,					At and for the nine months ended September 30,	
	2000	2001	2002	2003	2004	2004	2005
<i>(In thousands of U.S. dollars, except per share/ADS data)</i>							
Income Statement Data							
Net sales	2,762,162	2,926,995	2,525,800	2,143,460	3,440,533	2,486,999	2,640,049
Cost of sales and services	(1,879,318)	(1,769,234)	(1,531,720)	(1,335,032)	(2,267,330)	(1,672,283)	(1,817,226)
Gross profit	882,844	1,157,761	994,080	808,428	1,173,203	814,716	822,823
<i>Operating expenses</i>							
Selling expenses	(193,420)	(212,057)	(211,015)	(206,246)	(342,883)	(266,317)	(177,933)
Research and development	(69,593)	(99,566)	(158,499)	(173,216)	(44,506)	(5,435)	(62,095)
General and administrative expenses	(96,645)	(120,787)	(109,673)	(114,743)	(139,357)	(97,011)	(138,945)
Employee profit sharing	(41,770)	(43,746)	(25,222)	(20,399)	(61,199)	(42,956)	(35,166)
Other operating expense, net	(19,275)	(30,227)	(20,109)	(29,009)	(41,272)	(600)	(18,367)
Total operating expenses	(420,703)	(506,383)	(524,518)	(543,613)	(629,217)	(412,319)	(432,506)
<i>Income from operations</i>	462,141	651,378	469,562	264,815	543,986	402,397	390,317
<i>Non-operating income (expense)</i>							
Interest income (expenses), net	(6,874)	47,502	80,456	(140,755)	(38,000)	4,548	(25,393)
Exchange loss, net	(24,637)	(148,637)	(135,647)	(16,500)	(12,218)	(4,968)	(19,520)
Other non-operating income (expenses), net	5,955	(8,426)	(1,394)	711	(117)	13	(725)
Total non-operating income (expense)	(25,556)	(109,561)	(56,585)	(156,544)	(50,335)	(407)	(45,638)
<i>Income before income taxes</i>	436,585	541,817	412,977	108,271	493,651	401,990	344,679
Income tax benefit (expenses)	(117,379)	(218,394)	(188,502)	27,990	(112,139)	(103,431)	(47,530)
<i>Income before minority interest</i>	319,206	323,423	224,475	136,261	381,512	298,559	297,149
Minority interest	1,522	(423)	(1,883)	(217)	(1,306)	(1,321)	(7,454)
<i>Income before cumulative effect of accounting change</i>	320,728	323,000	222,592	136,044	380,206	297,238	289,695
Cumulative effect of accounting change, net of tax		5,440					
<i>Net income</i>	320,728	328,440	222,592	136,044	380,206	297,238	289,695
Earnings per share							
Common share basic (1) (3) (6)	0.55	0.48	0.30	0.18	0.50	0.39	0.38
Preferred share basic (1) (3) (6)	0.61						