



Date: **20.12.2016**

To: **Diamond Aircraft Owners and Operators**  
**Members of the Diamond Distribution Network**  
**Members of the Diamond Authorized Service Centre Network**  
**Diamond Aircraft Suppliers**

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We are excited to announce the recent investment in Diamond Aircraft Industries Inc. (“Diamond Canada”) by Wanfeng Aviation (Canada) Inc. and share with you the specific information below.

This investment not only strengthens our Canadian operations, but the Diamond brand overall. We look forward to continued exciting developments, growth in all markets and enhancing the ownership experience for Diamond owners and operators in the years to come.

## **1. OWNERSHIP STRUCTURE**

Wanfeng Aviation (Canada) Inc. has completed an investment to acquire a 60% interest in Diamond Aircraft Industries Inc. (“Diamond Canada”). This investment will support expanded production, sales and service activities globally, with a strengthened focus on the US market.

Diamond Aircraft Industries GmbH, (“Diamond Austria”), remains completely independent and will assist production and development activities in the Canadian company. Leadership and key personnel of Diamond Austria are not affected by this transaction.

## **2. SCOPE OF INVESTMENT**

As part of this investment, Diamond Canada has acquired all rights to the DA62 and DA40 (Lycoming and Austro powered) programs from Diamond Austria.

The scope of the investment in the Canadian Diamond companies also includes D-JET Corp. The future of the D-JET and/or possible derivative aircraft is subject to ongoing review.

### **3. LEADERSHIP OF DIAMOND CANADA**

Frank Chen (Chen Bin), of the Wanfeng group of companies, is appointed Chairman and Peter Maurer will continue as CEO of Diamond Canada.

### **4. BRANDING**

All current models produced by Diamond Austria and Diamond Canada will continue to be branded as “Diamond Aircraft”.

### **5. PRODUCTION**

Diamond Austria will continue to produce DA42's (4 seat twin) and future models currently under development, in Austria.

Production of the DA40 (4 seat single) and DA62 (5/7 seat twin) will transition from Austria to Canada by end of 2017.

There are existing and continuing license production programs for the DV20 (Rotax powered 2 seat single), DA40NG and DA42, serving the Chinese market. These are not related to the Wanfeng investment.

Notwithstanding possible additional future license production programs, it is planned to continue production of DA20 (2 seat single), DA40 (Lycoming and Austro powered) and DA62, for traditional markets, at Diamond Canada, indefinitely.

### **6. CERTIFICATION**

Type design responsibility for the DV20 and DA42 will maintain with Diamond Austria.

Type Design responsibility for the DA40 (all current and legacy models) and DA62 is planned to be transferred from Diamond Austria to Diamond Canada in 2017.

Type design responsibility for the DA20 remains with Diamond Canada.

### **7. RESEARCH AND DEVELOPMENT**

R & D and continuing airworthiness support for each existing type and model will be provided by the respective type certificate holder. Diamond Austria will continue to develop the DART turboprop aerobatic trainer and DA50 based models.

## 8. DISTRIBUTION

**RETAIL** With limited exceptions, customers will continue to be served by their existing Diamond authorized distribution partners in all markets.

**FACTORY DIRECT** Factory direct fleet and commercial sales will generally be handled by the manufacturer of each model, i.e. Diamond Canada for the DA20, DA40 and DA62 and Diamond Austria for the DV20 and DA42, however existing relationships and customer preferences will be respected.

[Note to Distribution Partners: Diamond Austria will amend the existing distribution agreements to remove the DA40 and DA62 from the list of eligible models and to reflect that future orders for DA40 and DA62 are to be placed with Diamond Canada directly.

Diamond Canada will contact all existing global sales partners early in 2017 to solicit their interest in representing Diamond Canada. Formal distribution agreements, including DA20, DA40 and DA62 would follow accordingly.

Diamond Canada reserves its right to appoint authorized distribution partners at its sole discretion.

Changes to the distribution network may be introduced in the normal course of business.]

## 9. SERVICE

There is no change regarding the authorized Service Centres as a result of this transaction.

Diamond Canada will contact global authorized service partners early in 2017 to solicit their interest in representing Diamond Canada directly. Formal authorized service centre agreements will follow accordingly.

Changes to the authorized service partner network may be introduced in the normal course of business.

## 10. BUSINESS OPPORTUNITIES

This investment represents a significant commitment to Diamond's future. Accordingly, we intend to expand our market reach and welcome any inquiries from potential business partners that wish to participate in our growth.

For inquiries regarding this announcement, please contact:

**Diamond Canada**  
**Communication & External Relations**  
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**Diamond Austria**  
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